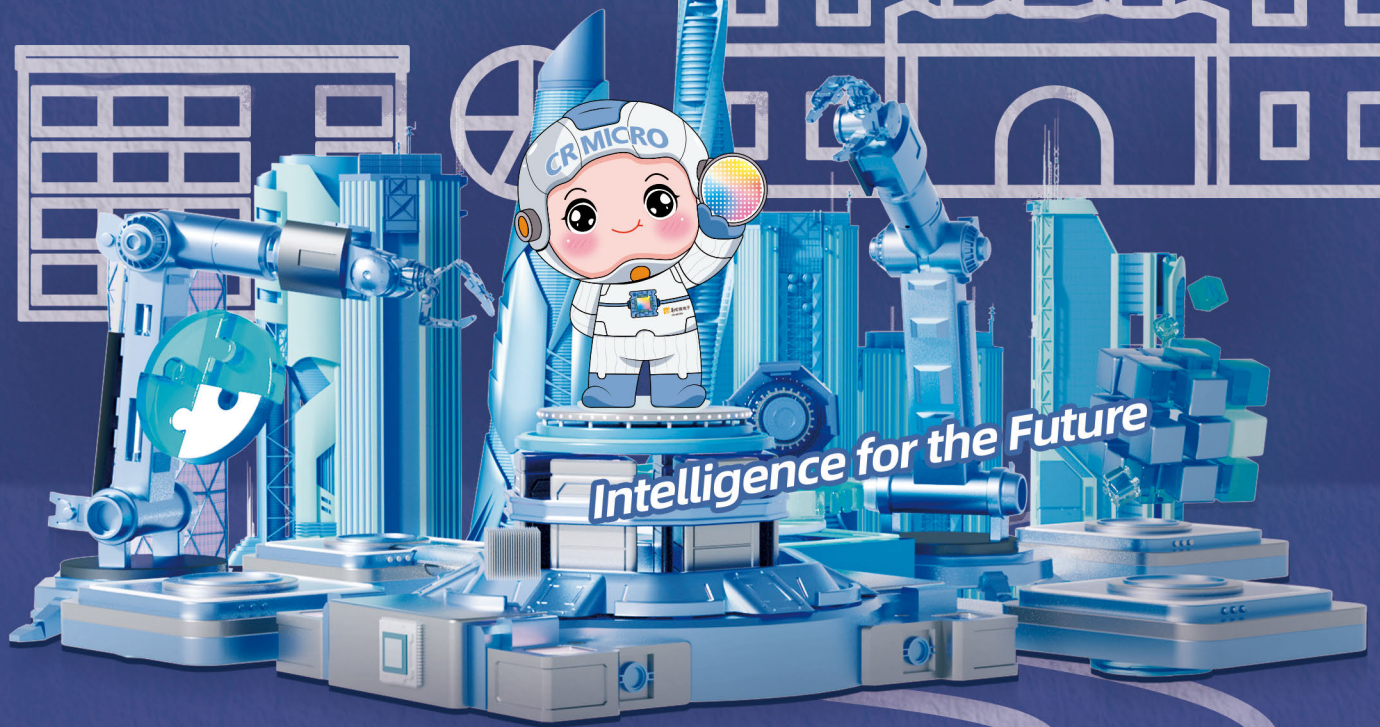


China Resources Microelectronics Limited

Sustainability Report 2024



About This Report

This report provides a detailed disclosure of China Resources Microelectronics Limited's practices and performance in the areas of economic, environmental, social, and governance (ESG) responsibilities in 2024. It aims to facilitate effective communication with stakeholders and systematically address their expectations and requirements.

Reporting Period

This report marks CR Micro's fourth publicly released Sustainability Report, following eight previously published Corporate Social Responsibility (CSR) Reports.

Scope of Organization

The scope of organization of this report covers China Resources Microelectronics Limited and its major subsidiaries. For the convenience of expression and reading, the terms "CR Micro", "CRM", "the Company", and "we/us" are used throughout this report to denote China Resources Microelectronics Limited. The terms "China Resources Group" and "the Group" refer to China Resources (Holdings) Company Limited. The other primary units involved will adopt standardized abbreviations as listed in the table below.

Full Corporate Name	Standardized Abbreviation
CSMC Technologies Fab2 Co., Ltd.	CR Shanghai
China Resources Microelectronics (Chongqing) Limited	Chongqing CR Micro
Wuxi CR Micro-Assemb Tech. Ltd.	CR Ansheng
Wuxi China Resources Huajing Microelectronics Co., Ltd.	CR Huajing
Wuxi DIS Microelectronics Limited	Wuxi DIS
Resources West Microelectronics (Chongqing) Limited	Runxi Micro
CRM ICBG (Wuxi) Co., Ltd.	CR Micro IC
SIPLP Microelectronics (Chongqing) Limited	Xipan Micro
Great Team Backend Foundry (Dongguan), Ltd.	Dongguan Jiequn
Runpeng Semiconductor (Shenzhen) Co., Ltd.	Runpeng Semi
China Resources Semicon Microelectronics (Shenzhen) Co., Ltd.	CR Semicon
Runxin Microelectronics (Dalian) Co., Ltd.	Runxin Micro
CR Runan Technologies (Chongqing) Co., Ltd.	CR Run'an

Reporting Period

This report covers the period from January 1, 2024 to December 31, 2024. To improve the comparability and perspectiveness, some sections of this report may extend appropriately to previous and subsequent years.

Preparation Basis

Sustainable Development Goals (SDGs) of the United Nations

Sustainability Reporting Standards (GRI Standards) of the Global Sustainability Standards Board

International Financial Reporting Sustainability Disclosure Standards No. 1 - General Requirements for Disclosure of Sustainability and *International Financial Reporting Sustainability Disclosure Standards No. 2 - Climate-related Disclosures* issued by International Sustainability Standards Board

Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Report and *S&T Innovation Board Self-Regulatory Guidelines No. 13 - Sustainability Reporting* issued by Shanghai Stock Exchange

Guide to Corporate Sustainability Reporting in China issued by Chinese Academy of Social Sciences

Data Source

All financial data in this report is derived from CR Micro's official documents and statistical reports. Financial data presented in this report are denominated in Renminbi (RMB) unless otherwise specified.

Preparation Process

This report was prepared following a structured method comprising industry benchmarking, questionnaire administration, data aggregation, cross-verification, manuscript development, executive committee deliberation, and board-level ratification, in order to ensure its completeness, authenticity, and impartial presentation.

Reliability Assurance

The Company pledges to ensure that this report doesn't contain any false records, misleading statements, or material omissions, and is responsible for the authenticity, accuracy, and completeness of this report.

Access to this Report

This report is published in Chinese language in both print and digital formats. The digital version is available for download on CR Micro's official website (<https://www.crmicro.com/responsibilityReport/index.html>) or obtainable via email request to the address (crmicro_hq_zj_gw@crmicro.com). To minimize environmental impact from printing, we encourage readers to preferentially access the digital version.



CONTENTS

Table of Contents

01	Leadership Message	19	Sustainability Management
03	About CR Micro	25	Six Responsibility Sectors
11	Responsibility Topic 1 Staying True to Our Mission: Charting a New Chapter for the Semiconductor Industry	101	Future Outlook
15	Responsibility Topic 2 Contributing to Semiconductor ESG Guidelines: Pioneering Sustainability Industry Development	103	Annex



Topic Index of Six Responsibility Sectors

1	2	3	4	5	6
Economic Responsibility Advance Toward World-Class Excellence	Customer Responsibility Lead Excellence in Quality	Environmental Responsibility Co-Create an Eco-Friendly Ecosystem	Employee Responsibility Make a Remarkable Life	Partner Responsibility Collaborate for Good Business	Public Responsibility Enhance Social Welfare
Strengthen Party Building Leadership 27	Focus on Innovation-Driven Development 39	Improve Environmental Management 55	Employment and Benefits 73	Promote Industry Win-Win Development 85	Tighten Safety Production 95
Standardize Corporate Governance 29	Improve Product Quality 45	Take Actions on Green Production 57	Training and Development 75	Maintain Fair Trades 87	Devote to Public Welfare and Charity 99
Enhance Compliance and Risk Control 32	Supply High-Quality Service 50	Response to Climate Change 63	Care and Health 77	Refine Supply Chain Systems 89	Build a Harmonious Community Together 100

Leadership Message



He Xiaolong, the Chairman of China Resources Microelectronics Limited

Dear friends,

2024 marks a pivotal year for CR Micro in implementing its "14th Five-Year Plan" strategy - a critical period for consolidating resilient development foundations and achieving qualitative growth in operations. Amid complex external challenges and volatile market conditions over the past year, the Company has responded proactively with long-term planning. We have enhanced the efficacy of sci-tech innovation investments, strengthened strategic implementation and business layout, deeply integrated national strategy servicing with high-quality corporate development, continuously improved corporate governance, actively shouldered environmental protection and green development responsibilities, reinforced safety management and talent cultivation, and deepened strategic partnerships and industrial dialogues - all driving comprehensive high-quality and sustainability. Key initiatives include:

In serving major strategic deployments and enabling industrial chain synergy: CR Micro has deepened its regional layout across the "Yangtze River Delta + Chengdu-Chongqing Twin-Cities + Guangdong-Hong Kong-Macao Greater Bay Area", driving high-quality, efficient construction of major projects to generate new growth momentum for high-quality development. Leveraging the Yangtze River Delta's industrial cluster advantages, we established a technologically leading mask manufacturing and third-generation semiconductor R&D base, with our high-end mask production line commencing operations. In the Chengdu-Chongqing region, we focus on high-end industrial control and automotive electronics markets, building a full-chain power device ecosystem. Our Chongqing 12-inch wafer fab and advanced packaging/testing base are ramping up production. Using the Guangdong-Hong Kong-Macao Greater Bay's geographical strengths, we established a product/application innovation center, with Shenzhen's 12-inch specialized power IC production line achieving operational readiness. Additionally, we actively collaborate with upstream/downstream partners to construct an industrial ecosystem, fostering synergistic development across the value chain.

In ensuring safety production and contributing to society, CR Micro prioritizes production safety while remaining committed to our social roots. We diligently fulfill social responsibilities as the "gatekeeper" of employee safety and public welfare. We continuously improve safety management systems and implement safety accountability to provide employees with secure and healthy working environments. Upholding the vision of a global community of shared future, we actively engage in public welfare initiatives, safeguarding people's livelihoods and fulfilling our public responsibilities through rural revitalization support, job creation, charitable donations, and community development programs. In 2024, our "WarmCore" series ESG brand continued its signature campaigns including "WarmCore Education Aid" and "WarmCore Sci-Tech Education", consistently delivering positive social impact.

In advancing technological self-reliance and product excellence, CR Micro focuses on breakthroughs in core technologies and accelerates market application expansion to build a "moat" of independent innovation. Driven by high-potential applications such as automotive electronics and industrial control, we advance process innovation and product generation upgrades, achieving R&D efficiency improvements and effective commercialization of innovations. Through key project initiatives, industry-academia-research collaborations, and systematic development of four core technological capabilities, we have achieved multiple breakthroughs in critical core technologies. Our complementary 12-inch advanced and 8-inch specialized production lines enhance product competitiveness, with increasing customer projects in automotive electronics, industrial control, and AI servers. We successfully completed the first phase of our equity incentive plan, motivating R&D talent to jointly create long-term corporate value. We maintained #1 market share among domestic MOSFET manufacturers, rose to #2 in China's MEMS rankings, and achieved record revenues for IPM/IGBT modules. In 2024, the Company was honored with the "Second Prize of National S&T Progress Award" and "China Excellent Patent Award". Our products were selected as "Central Enterprises' Scientific and Technological Innovation Achievements", and we obtained the CNAS Laboratory Accreditation Certificate as well as the highest-level ISO 26262 Functional Safety Management System certification. These accolades fully demonstrate our strong technological innovation capabilities and fruitful achievements in independent innovation.

In the employee care and talent cultivation, CR Micro adheres to the "people-oriented" philosophy, focusing on employee competency training and talent team building. We comprehensively support employee growth and development, creating a "growth pod" that ensures comfortable living and continuous progress for our staff. By implementing the requirements of "youthfulness, professionalism, market-orientation, and internationalization", promoting diverse and inclusive culture, caring for employees' lives, strengthening the talent-driven enterprise strategy, and deepening talent recruitment, cultivation and retention mechanisms, we have achieved a further improvement in both the quantity and quality of talents. Our continuously expanding talent team provides strong momentum for microelectronics development, stimulates innovation vitality, and achieves optimal integration of reform and innovation. At the "New Quality Workplace · Reconstructing Growth" 2024 China Annual Best Employer Awards Ceremony, we were awarded the "Most New-Quality Spirit Employer" prize.

In environmental protection and green development, CR Micro integrates eco-friendly concepts into corporate development strategies, accelerating green industrial transformation and building an "ecological bridge" that enhances both efficiency and environmental protection. We continuously improve our environmental management system, actively respond to carbon peak and neutrality goals, enhance energy and carbon emission management systems, strengthen greenhouse gas emission control, and proactively address climate change. Meanwhile, we implement water resource management and water stress testing, develop circular economy, phase out high-energy-consuming obsolete equipment, and innovate energy-saving technologies to accelerate green transformation. During the reporting period, CR Micro Chongqing was awarded the "National Green Factory" title and Huahong Grace received the "Municipal Green Factory" recognition.

During the reporting period, CR Micro deepened ESG management and practices, mapping out a "new blueprint" for sustainability. We established an efficient and collaborative ESG management framework and have published CSR/sustainability reports for 12 consecutive years (including this edition), benchmarking against advanced domestic and international standards to continuously improve information disclosure quality and transparency. For two consecutive years, we received an "A" rating for information disclosure from the Shanghai Stock Exchange. In 2024, the Company was included in the "Central Enterprises ESG Pioneer 100 Index" and won the "Yinghua A-Share Value Award", "ESG Public Welfare Pioneer" and "Golden Dawn" ESG Leadership Award, empowering our high-quality sustainability.

Spring winds bring messages, warm sunshine accompanies; the future is promising and full of hope. In recent years, affected by diverging downstream market demands and weak consumer electronics demand, the global semiconductor industry has entered an adjustment cycle. CR Micro will make every effort to focus on stable growth, quality improvement, cost reduction and efficiency enhancement. Centering on the goals of further comprehensive reforms, we will steadfastly implement the innovation-driven development strategy, promote deep integration of technological and industrial innovation, and emphasize key tasks such as investment management and state-owned enterprise reform. We will strive tirelessly to become the world's leading provider of power semiconductor and smart sensor products and solutions. Meanwhile, we will continue to deepen ESG theoretical exploration and practical integration, building value realization platforms for shareholders and employees with green concepts, firm steps and open attitudes, while contributing CR Micro's "core" strength to public welfare.

About CR Micro

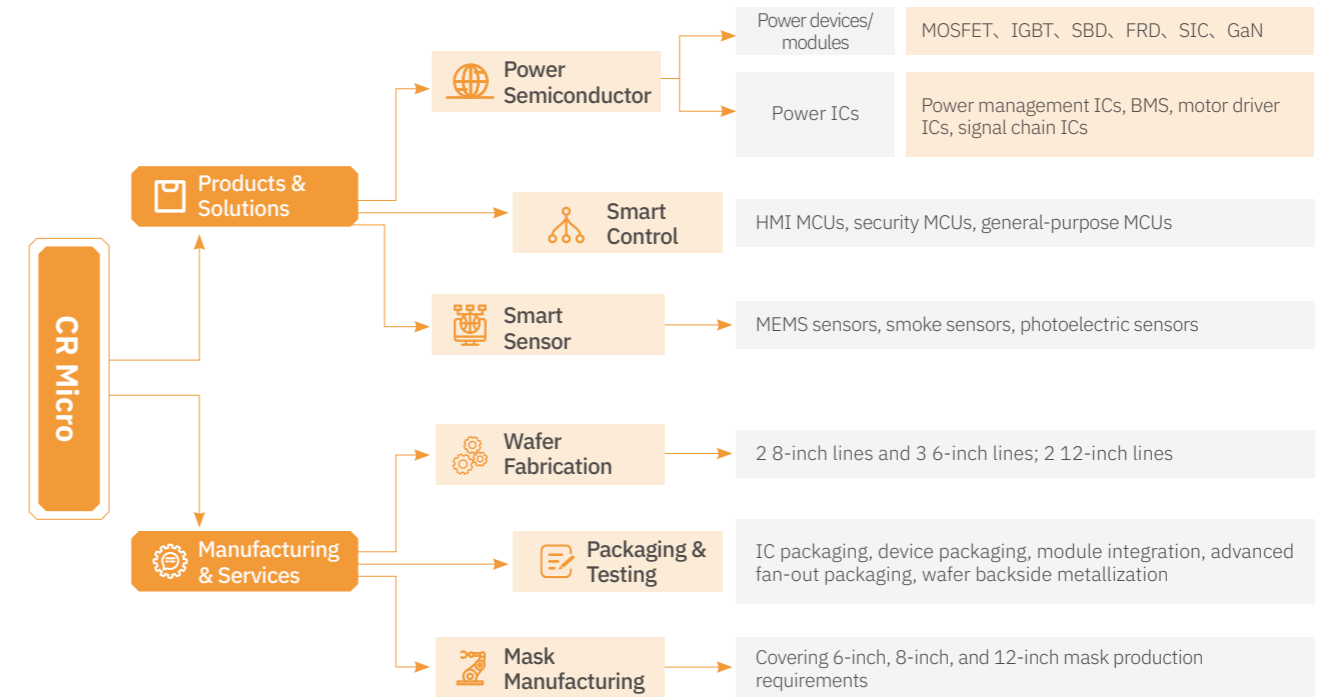
Company Profile

China Resources Microelectronics Limited is a high-tech enterprise under China Resources Group responsible for microelectronics business investment, development and operation management. Having integrated Chinese semiconductor companies such as Huake Electronics, China Huajing, and CSMC Technology, the Company has become a comprehensive semiconductor enterprise with significant influence in China after years of development and series of integrations. Since 2004, it has been repeatedly rated as one of China's Top 100 Electronic Information Enterprises by MIIT.

The Company was listed on the STAR Market on February 27, 2020 (stock abbreviation: "CRM", stock code: "688396"), becoming the first red chip company in mainland China. As an IDM semiconductor company with full industrial chain capabilities including chip design, mask manufacturing, wafer fabrication, as well as packaging & testing, CR Micro adheres to its "Two Rivers Three Regions" layout, optimizing resource allocation by combining regional, market and application advantages, with business operations spanning Wuxi, Shanghai, Chongqing, Hong Kong, Dongguan and Shenzhen. Currently, the Company's main businesses can be divided into two business sectors: Products & Solutions, and Manufacturing & Services. With self-developed product designs and controllable manufacturing processes, the Company has established strong product technology and manufacturing process capabilities in both discrete devices and integrated circuits, forming advanced specialty technologies and serialized product lines.

In the future, the Company will continue to drive corporate development by leveraging its core strengths, enhancing key technologies and integrating internal and external resources, further transforming into a comprehensive integrated product company and striving to become the world's leading provider of power semiconductor and smart sensor products and solutions.

Business Layout



华润微电子

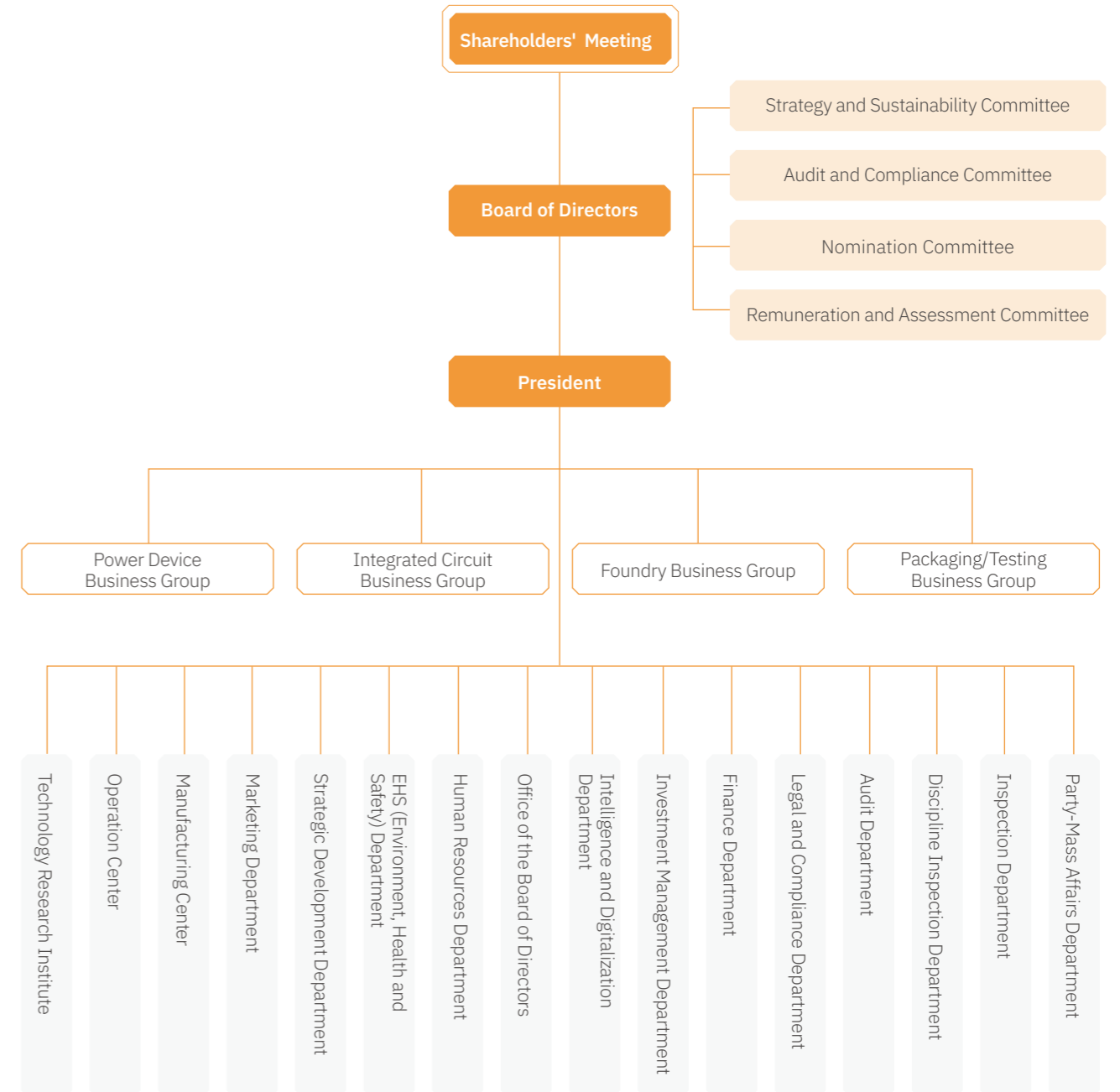
Operating Area

CR Micro National Business Network

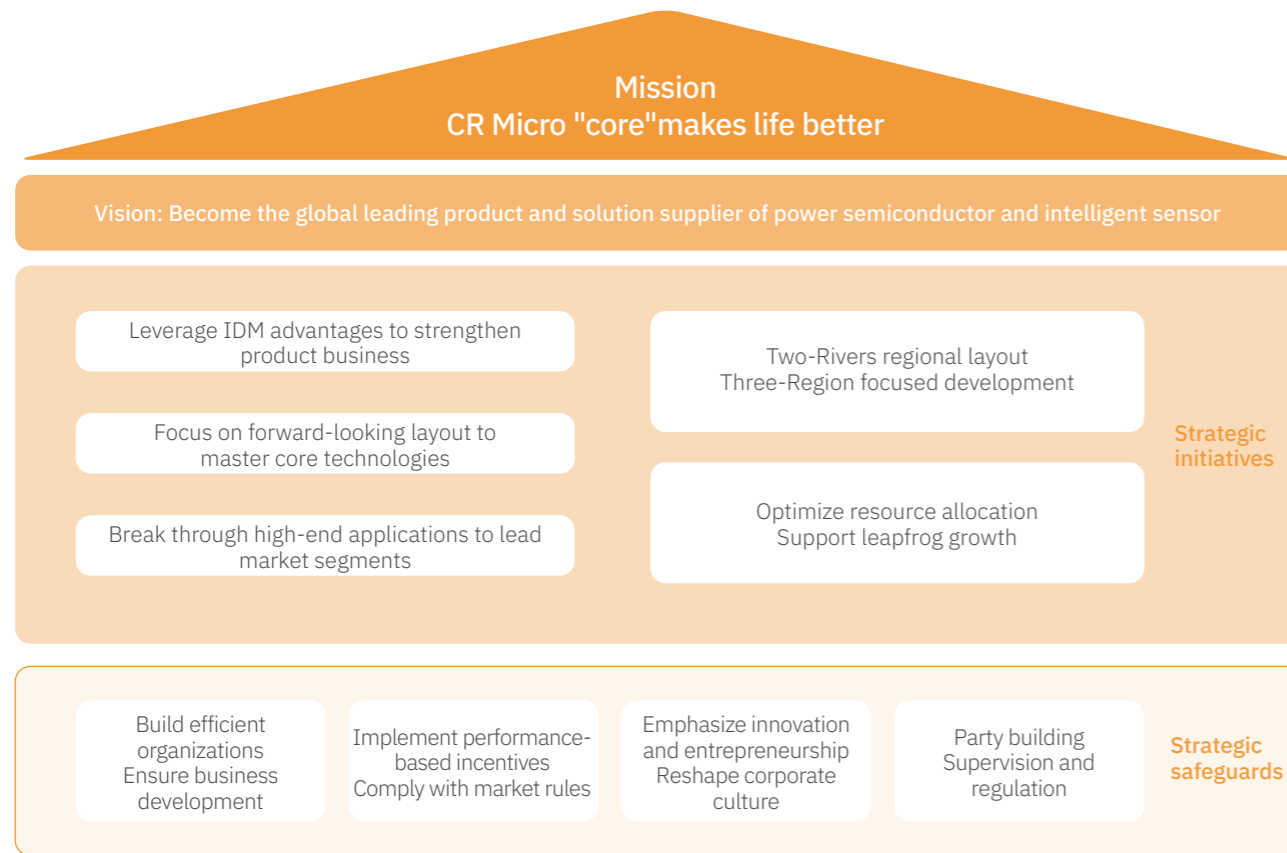


Organizational Structure

CR Micro belongs to the Technology and Emerging Industries sector of China Resources Group. To address development challenges, align organizational structure with strategic goals, meet capital market expectations, and deepen SOE reforms, the Company benchmarks against international semiconductor leaders by integrating product and manufacturing resources, optimizing headquarters structure, and adopting platform-based operations to promote specialized development of product and manufacturing businesses.



Corporate Strategy



Corporate Culture



Honors in 2024

	Award Name	Awarding Authority
January	Best Capital Market Communication Award	Cross-border Roadshow Platform for Listed Companies
February	Most Innovative IR Team	Jinmen Finance
March	Top 10 China IC Design Companies	ASPENCORE
	Sci-Tech Innovation Achievement Award	China Resources Group
	High-Quality Development Award	China Resources Group
May	2024 Most Innovative Product Award	New Business State
June	National S&T Progress Award	SASAC
July	Yinghua A-Share Value Award	China Fund News
	Best Board Secretary	STAR Market Daily
	Top 10 Power Device Enterprises	China Semiconductor Industry Association
August	Yangtze River Delta Pioneer 50	China Media Group
September	ESG Excellence Case - Social Governance Practice	China Times
October	Top 10 China Semiconductor MEMS Companies	China Semiconductor Industry Association (CSIA)
	A-rating for Information Disclosure of STAR Market Listed Companies (2023-2024)	Shanghai Stock Exchange
	Listed in "Central Enterprises Listed Companies ESG Pioneer 100 Index (2024)"	SASAC
November	4th Place in Semiconductor Industry Social Responsibility Development Index	Chinese Academy of Social Sciences
	ESG Public Welfare Pioneer	Responsibility Cloud Research Institute
	ESG "Golden Dawn" Leadership Award	Securities Market Weekly
December	"Information Disclosure Excellence Unit" Award	Wuxi Listed Companies Association
	2024 Outstanding Sustainability Practice Case of Listed Companies	China Association for Public Companies
	4A-level Board Secretary	China Association for Public Companies
December	Best Board Secretary of STAR Market Listed Companies	National Business Daily
	2024 Best Practice Case of Listed Companies' Board Office	China Association for Public Companies
	Most Valuable Investment Award	Cailian Press

2024 Milestones - CR Micro in 2024



January



The inauguration ceremony and first equipment move-in for Wuxi DIS High-End Mask Factory were officially held in Xinwu District, marking a new phase in the project's construction and setting Wuxi DIS on a transformative development path.



The Power Device Business Group hosted its 2023 Agent Conference in Chongqing, attended by representatives from over 30 agencies nationwide. Under the theme "Striving with Determination · Toward a 'Core' Future Together", the conference honored outstanding agents and explored new opportunities for collaboration and growth.

March



Chongqing CR Micro Laboratory passed the evaluation by the China National Accreditation Service for Conformity Assessment (CNAS), earning CNAS laboratory accreditation for its technical capabilities, management system operations, and facility conditions, demonstrating nationally and internationally recognized testing competence.

April

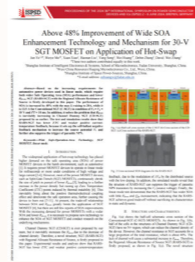


The State-owned Assets Supervision and Administration Commission (SASAC) released the Central Enterprises' Sci-Tech Innovation Achievements Product Catalog (2023 Edition), featuring CR Micro's "SiC JBS Devices and Series Products" and "SiC MOSFET Devices and Series Products" as selected innovations in the electronic components category.



CR Micro held a "Dual-Core, One Force" thematic seminar, engaging a broad range of participants across functions and levels. The discussions centered on how to enhance core capabilities, boost core competitiveness, and develop new quality productive forces in the inaugural year of full-scale deployment for advanced productivity.

May



The Power Device Business Group achieved a research breakthrough with its paper *Super Junction MOSFET with an N-dot Region in the P-pillar for Soft Reverse Recovery* accepted by ISPSD 2024 - the world's most influential and largest academic conference in power devices, where industry and academia compete to present groundbreaking work.

June



CR Micro, as a primary contributor, won the Second Prize of the 2023 National S&T Progress Award for the project "Key Technologies and Applications of Power MOS and High-Voltage Integrated Chips". Supported by national key projects, the project established a new charge-balance theory for power MOS devices, overcame high-voltage integration bottlenecks, and created three internationally advanced power semiconductor mass-production platforms, serving over 200 global enterprises and elevating China's competitiveness in high-end power chips.

July



Wuxi DIS High-End Mask Project completed critical equipment installation and debugging, achieving full production line integration and delivering its first 90 nm high-end mask product. This milestone signifies a technological leap forward, solidifying Wuxi DIS's progress toward becoming China's leading open mask provider in both technology and capacity.



At the 18th China Semiconductor Industry Association (CSIA) Discrete Device Annual Conference & 2024 Semiconductor Device Innovation and Industrial Development Forum in Chengdu, CR Micro was honored as a "2023 Top 10 Power Device Enterprise in China" for its sustained innovation and excellence in power semiconductors.

August



CR Micro, in collaboration with the Jiangsu Provincial Department of Education, the Jiangsu Provincial Department of S&T, and the Collaborative Innovation Center for Solid-State Lighting and Energy-Efficient Electronics of Nanjing University, jointly organized the "Jiangsu Education-Industry Dialogue and Collaboration Event - Conference on Collaborative Innovation and Integrated Industrial Chain Development of High-Efficiency Semiconductor Devices and Materials". This event aims to establish a university-industry integration platform to jointly promote technological innovation, breakthroughs, and coordinated industrial chain development in the field of high-efficiency semiconductor devices and materials, accelerating Jiangsu's transformation into a globally influential industrial technology innovation hub.

October



The 5th China MEMS Manufacturing Conference, hosted by the China Semiconductor Industry Association, was held in Suzhou. CR Micro, leveraging its domestically largest MEMS sensor mass production line with high CMOS production line compatibility, coupled with China's leading MEMS surface and bulk silicon processing technologies, was honored by being ranked second in the "China MEMS Top 10 Enterprises" list. This recognition fully demonstrates the Company's outstanding technological capabilities and leadership position in the MEMS field.

November



CR Micro spearheaded the launch and workshop for *CASS-ESG 6.0: Semiconductor Industry Guidelines* in Shanghai. CR Micro played a pivotal role in formulating the *CASS-ESG 6.0 Semiconductor Industry Guidelines*, collaborating with upstream and downstream partners to delve into technical discussions and construct a comprehensive content framework. This effort injected strong momentum into advancing the sustainability of China's semiconductor industry and refining ESG disclosure standards.

December



The 2024 TrendBank Third-Generation Semiconductor Annual Summit - "SiC & GaN Industry Forum and Aurora Awards Ceremony" was held in Shenzhen. Dubbed the industry's "golden benchmark", the Aurora Awards recognized CR Micro as both a "Top 10 SiC IDM Enterprise in China" and "Top 10 GaN Device Enterprise (Runxin Micro)". These accolades not only affirm CR Micro's exceptional achievements in third-generation semiconductors but also highlight its pioneering role in driving technological innovation and building a trusted industry ecosystem.



CR Micro launched the inaugural session of its "Semiconductor Experts Public Welfare Lecture" series - "A Vast World in Tiny Chips". In collaboration with the Board Office and HR Department, the "WarmCore Sci-Tech Education" initiative assembled a diverse lecturer team spanning board operations, HR, quality management, production, product R&D, and process development. With expertise and passion, they ignited children's dreams of science in mountainous regions.



Responsibility Topic 1

Staying True to Our Mission Charting a New Chapter for the Semiconductor Industry

With the rapid development of information technology, the semiconductor industry has demonstrated robust growth momentum globally. Currently, the Company adopts an integrated operational model encompassing chip design, mask manufacturing, wafer fabrication, and packaging/testing. Backed by its "Two Rivers, Three Regions" development blueprint, CR Micro vigorously promotes technological innovation and strategic emerging industry layout, heralding its ambition to become a first-class semiconductor enterprise.

"Core"Engine: Deep Integration Across the Full Industrial Chain Drives Unified, High-Efficiency Operations

CR Micro traces its origins to 1983, when the former Fourth and Seventh Ministries of Machinery Industry, MOFERT, and China Resources jointly established Hong Kong Huake Electronics. Through decades of integrating Chinese semiconductor corporates such as Huake Electronics, China Huajing, CSMC Technology, and AVIC Microelectronics, it evolved into an Integrated Device Manufacturer (IDM) with end-to-end operating capabilities encompassing chip design, mask manufacturing, wafer fabrication, and packaging/testing.

Leveraging its full-chain IDM strengths, CR Micro pursues both "organic and inorganic" growth. Excelling in Products & Solutions and Manufacturing & Services, it capitalizes on its IDM model, specialty process platforms, and high customer stickiness. The 6-inch and 8-inch production lines have maintained industry-leading utilization rates, while the 12-inch capacity ramp-up has successfully met volume targets, driving the Company's overall revenue growth.



Runxi Micro Factory Tour Passage

"Core"Structure: Precision "Two Rivers, Three Regions" Layout to Build Industrial High Ground

Adhering to industry and market dynamics, CR Micro has implemented a targeted comprehensive layout, forming its "Two Rivers, Three Regions" development strategy - "Yangtze River Delta + Chengdu-Chongqing Twin Cities + Greater Bay Area". This region-specific approach avoids redundant capacity expansion while consolidating robust support for production and R&D.

Yangtze River Delta

Yangtze River Delta (Wuxi Core): Focuses on technological breakthroughs, materials, and third-generation semiconductors, leveraging existing production lines to enable new replacements. It operates the world's largest 6-inch wafer line and China's first fully self-funded 8-inch line. Key facilities include: domestic holding platform, IC design services, IC product design companies, wafer and packaging/testing bases (including third-generation semiconductors), high-end mask production, operations center, and investment platform.

Chengdu-Chongqing Twin Cities

Chengdu-Chongqing (Chongqing Core): Specializes in power discrete devices with scaled compound semiconductor manufacturing capabilities, housing a Power Semiconductor Innovation Center. As the Company's growth engine, the Chongqing base successfully transitioned from foundry to product-oriented operations, securing customers in the new energy sector and laying a solid foundation for development.

Greater Bay Area

Greater Bay Area (Shenzhen Core): Focuses on IC integration by establishing a Product and Application Industrialization Technology Innovation Center, a Marketing, Sales, and Application Service Center, a Sensor R&D Center, a Southern Headquarters and Global Innovation Center, as well as a Shenzhen-based 12-inch specialty power IC manufacturing and R&D base.



Runxi Micro High-End Power Device Wafer Production Line



CR Run'an factory

"Core" Breakthroughs: Independent Innovation Empowers Transformation, Pioneering Strategic Emerging Industries

With key projects across the "Two Rivers, Three Regions" achieving targets, CR Micro has seen successive major project commencements. Its IDM model further enhances advantages in product development and iteration, solidifying its foundation in strategic emerging industries.

Accelerate R&D to Forge Original Manufacturing Processes

China's booming semiconductor market has fueled rapid growth in local foundry services. CR Micro is advancing 12-inch production lines. Capitalizing on the new energy vehicle surge, the Company has positioned automotive chips as a future growth driver, expanding customer outreach in new energy sectors and developing proprietary manufacturing processes to penetrate the market of new energy vehicle chips.

Semiconductor sector:

The Wuxi DIS high-end mask project successfully achieved mass production; Runxi Micro completed the construction of its 12-inch production line with a capacity of 30,000 wafers per month; CR Micro Anhui Advanced Packaging and Testing Base steadily increased output, with both capacity building and production meeting planned targets; Runpeng Semi's 12-inch production line equipment was installed, debugged, and put into operation as scheduled.

New energy vehicle sector:

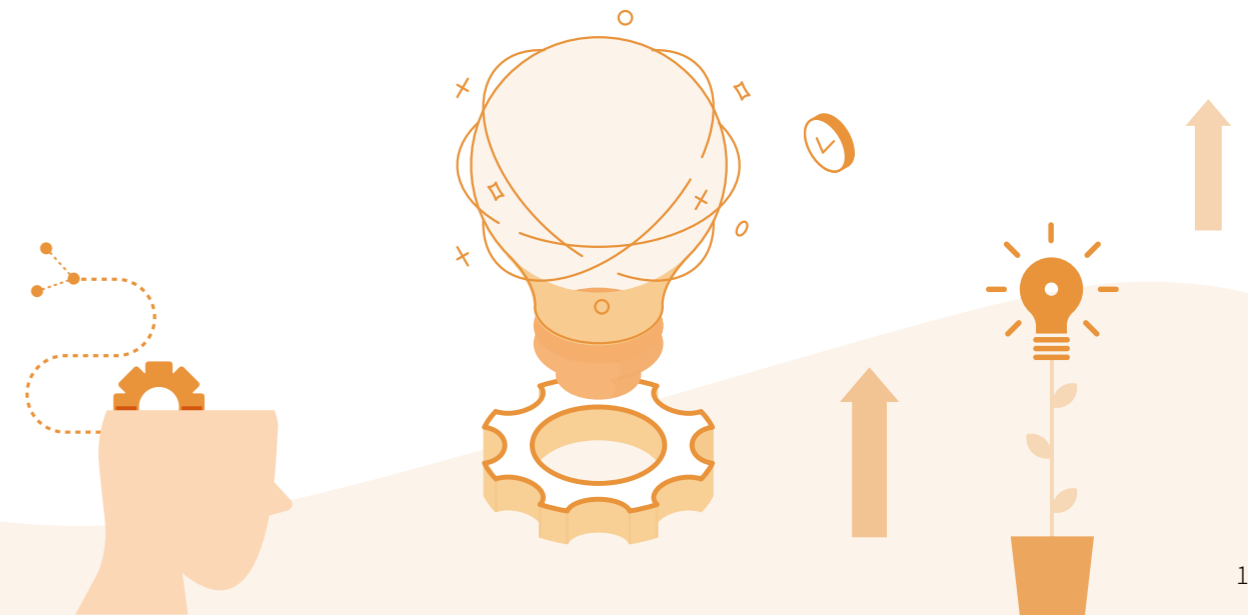
In the new energy vehicle sector, the Company's series of automotive-grade products and modules, including MOSFETs, IGBTs, SiC MOS, and power ICs, have entered the supply chains of leading domestic automakers and Tier 1 automotive component suppliers through solution bundles. These products are applied in multiple core systems such as power control, body electronics, and advanced driver-assistance systems.



Reap Abundant Innovation Achievements Through Sustained Efforts

Benefiting from its advanced operational model, scientific strategic layout, and strong R&D capabilities, the Company has consistently ranked third among domestic semiconductor manufacturers in China, second in MEMS product enterprises, and first in MOSFET (metal-oxide-semiconductor field-effect transistor) products. In 2024, the Company secured 10 new national key technology projects, and its subsidiary Wuxi DIS was honored with the national-level "little giant" title for specialized and innovative SMEs. Additionally, the Company won one "Second Prize of the National S&T Progress Award" and two "China Patent Excellence Awards". Meanwhile, by strengthening industry-academia-research collaboration, the Company successfully established 5 joint laboratories and 5 innovation consortiums, significantly enhancing its overall capabilities and advancing toward its goal of becoming a world-class semiconductor enterprise with global competitiveness.

2024





Responsibility Topic 2

Participating in the Formulation of Semiconductor Industry ESG Guidelines Striving to be A Pioneer in Sustainability Industry Development

In today's rapidly evolving global technology landscape, the semiconductor industry has become a key driver of national economic growth and technological innovation. However, with rising environmental compliance costs and stricter ESG supervision, implementing new ESG regulations for the industry is imperative. As a pillar of the industry, CR Micro actively participated in discussions and the drafting of *CASS-ESG 6.0: Semiconductor Industry Guidelines*, contributing critical insights to the industry's ESG development and leading the way toward a sustainable future.

Unresolved Industry Challenges Demand Immediate Standardization

Semiconductor product manufacturing involves complex processes, high consumption of chemical materials and energy, and inherently faces significant environmental protection pressures. With increasingly fierce technological competition, rapidly changing market demands, rising R&D costs, shorter product life cycles, and tightening export controls on key technologies, ESG management difficulties have intensified. Effectively reducing carbon emissions, properly balancing economic development, social responsibility, and environmental protection, and achieving high-quality and sustainability of the industry have become critical challenges that semiconductor enterprises must address.

Meanwhile, societal attention to labor rights protection and supply chain transparency continues to grow, and the semiconductor industry faces stricter social scrutiny in fulfilling social responsibilities and optimizing supply chain management. Regulatory agencies are integrating environmental protection and social impact into corporate development strategies to achieve coordinated economic, environmental, and social development. Investors are also more inclined to choose companies with outstanding ESG performance when making investment decisions to effectively reduce risks and secure long-term stable returns.

However, varying interpretations and implementation differences in ESG practices across industries not only increase regulatory challenges but also make it difficult for investors to accurately assess the ESG performance of semiconductor companies. Leading the development of unified and clear ESG industry standards and management guidelines for the semiconductor industry has become an urgent priority. The establishment of new standards will also provide semiconductor companies with a more comprehensive, clear, and actionable framework, further enhancing the transparency and standardization of industry disclosures and meeting the demands of regulators and stakeholders to oversee, assist, and assess corporate sustainability practices.

Facilitating Guideline Development and Establishing Benchmark Practices

Supporting guideline discussions and setting benchmark examples. Against the backdrop of growing global emphasis on sustainability, CR Micro has joined hands with industry peers to participate in and promote the compilation, release, and implementation of the *CASS-ESG 6.0: Semiconductor Industry Guidelines*, collectively building a solid foundation for ESG development and striving to create a more harmonious and sustainable industry ecosystem.

As a key contributor, CR Micro hosted the launch and expert workshop for *CASS-ESG 6.0: Semiconductor Industry Guidelines* at its Shanghai headquarters. Collaborating with industry partners such as AMEC and Wind, the Company engaged in in-depth technical discussions and comprehensive content development, proposing core ESG issues for the semiconductor industry and sharing best practices. These efforts provided valuable insights for refining and finalizing the guidelines, improving industry ESG disclosure standards, and advancing the sustainability of China's semiconductor enterprises.

The Company's notable achievements and practical experience in ESG management were carefully distilled and highlighted as benchmark cases in the *CASS-ESG 6.0* semiconductor industry guidelines, providing valuable references and inspiration for peers.



Deepening ESG Management and Demonstrating Responsibility

The Company's participation in drafting the semiconductor industry guidelines reflects its commitment to ESG industry exchange and development, as well as recognition of its decades of experience and outstanding achievements in social responsibility management. Against the backdrop of growing ESG awareness, CR Micro has deeply integrated into the ESG ecosystem, driving innovation and practice in ESG management to higher standards through organizational structure, institutional development, and internal alignment.



Organizational Structure

The Company established the "Board Strategy and Sustainability Committee" for the purpose of creating a two-tier ESG governance system that links management and execution for collaborative efficiency.



System Development

The Company optimized and upgraded the *Social Responsibility Management System of China Resources Microelectronics Limited* to enhance the quality and efficiency of social responsibility management. The Company formulated internal policies such as the *CR Micro External Donation Management Regulations*, clarifying key donation directions, principles, methods, management approval procedures, and improving public welfare-related operating mechanisms.



Internal Integration

The Company integrated the sustainability report compilation mechanism, motivating business units to actively explore outstanding materials and participate deeply in report compilation. Simultaneously, promoted independent sustainability report preparation by each business unit to disclose their respective highlights and responsibility performance. The Company hosted annual ESG work conferences to review achievements, recognize excellence, select model cases, and foster a positive atmosphere for full employee participation in ESG efforts.



Regulatory Response

The Company responded to the high standards of the Shanghai Stock Exchange regarding corporate sustainability, proactively and standardly disclosing responsibility practices. The Company actively participated in ESG roundtables organized by the Shanghai Stock Exchange, China Fund News, and other institutions to share CR Micro's ESG management experiences and highlights. To date, the Company has consecutively published sustainability/social responsibility reports for 12 years, comprehensively showcasing its multi-dimensional responsibility practices and achievements in economic, environmental, social, and corporate governance fields.



In December 2024, the Company's Director, Chief Financial Officer, and Board Secretary, Wu Guoyi, participated in the "ESG Investment Value of Chinese Listed Companies" roundtable organized by the SSE and China Fund News, presenting the Company's outstanding ESG practices and forward-thinking concepts.



In August 2024, the 2023 Annual Sustainability Work Conference was held, featuring an award ceremony for sustainability pioneers. 9 ESG work coordinators from functional departments, 6 outstanding business unit cases, and 2 outstanding business unit reports were recognized with 2023 ESG Pioneer Individual, Case, and Report Awards.

Moving forward, CR Micro will continue to fully implement the new development philosophy, leveraging technological innovation to solve environmental challenges and responsible actions to advance toward becoming a world-leading supplier of power semiconductor and intelligent sensor products and solutions. While driving robust business growth, the Company will remain committed to the core principles of sustainability, continuously deepening the scope and impact of ESG practices to contribute solid efforts toward building a greener, more harmonious, and sustainable future.

Sustainability Management

Strengthening Responsibility Structures

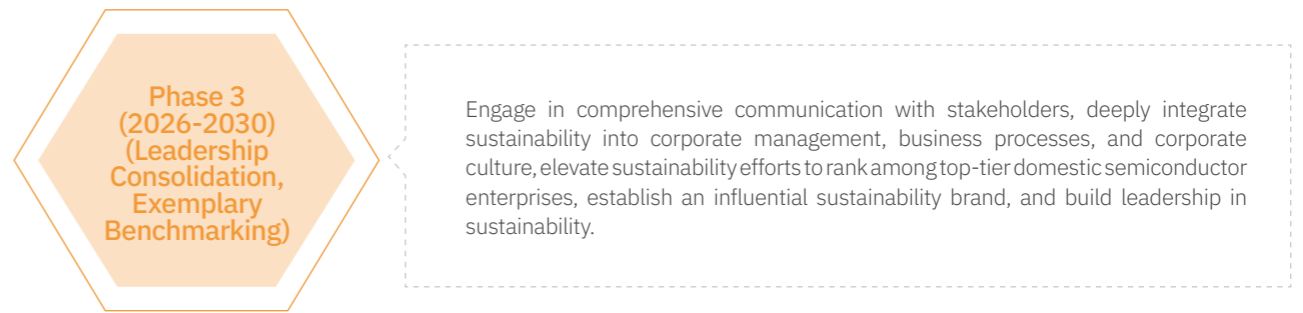
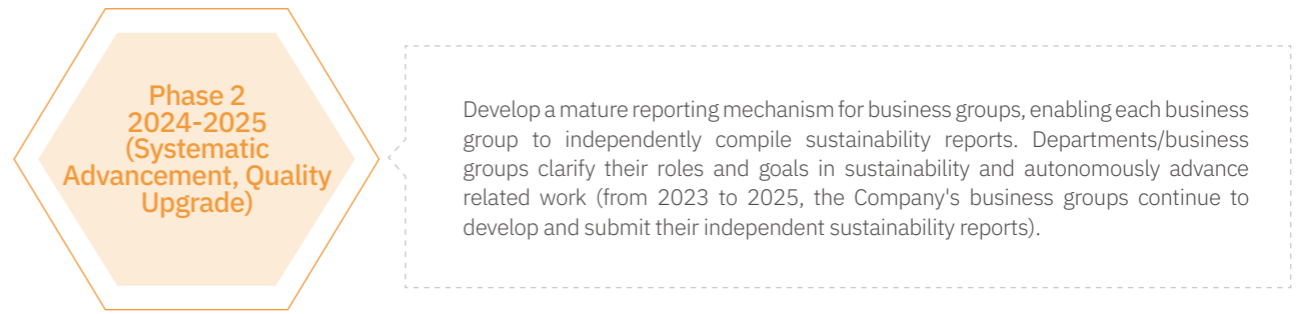
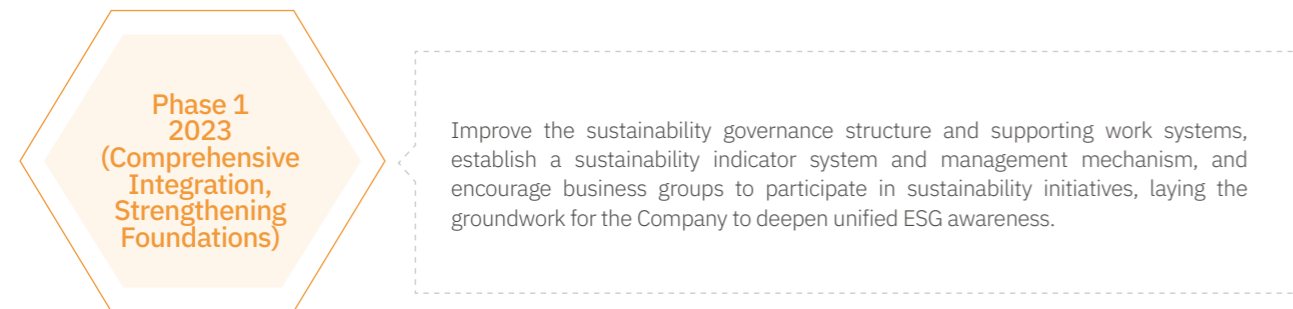
Responsibility Strategy

CR Micro shoulders the mission of "empowering a better life with CR Micro", upholds the vision of "becoming a world-leading supplier of power semiconductor and intelligent sensor products and solutions", and adheres to the values of "integrity, performance-driven, people-oriented, and win-win cooperation". By implementing six major social responsibility strategies, the Company pursues the unification of economic, social, and environmental benefits while strengthening its core business to build a sustainable brand image for CR Micro.



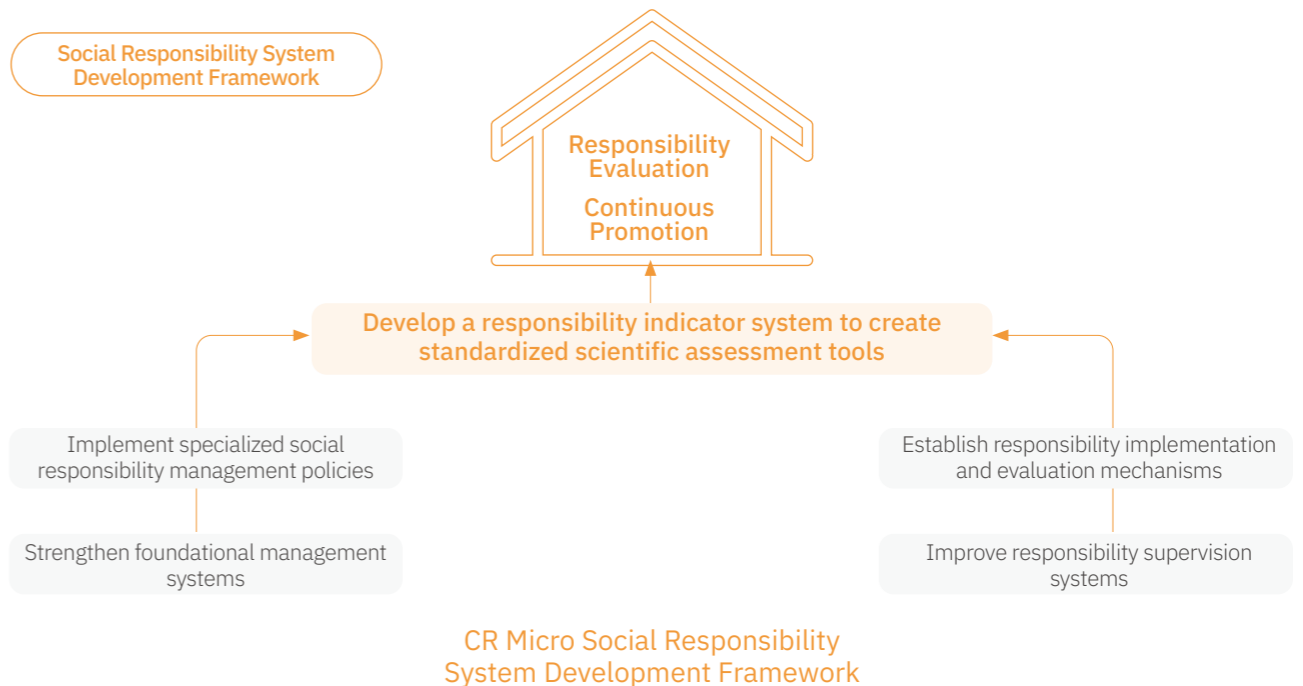
Formulating Responsibility Plans

To achieve higher-level and higher-quality development, the Company integrates social responsibility into its corporate strategy formulation, daily business operations, and functional management processes. Based on practical considerations and phased research, it establishes social responsibility development goals, builds a social responsibility framework and institutional system, and plans focused, implementable social responsibility pathways.



Responsibility System Improvement

In advancing social responsibility management, the Company prioritizes institutional development as a key driver for improving social responsibility performance. By establishing, optimizing, and refining social responsibility standards, it continuously promotes the institutionalization, standardization, and normalization of sustainability efforts, enhancing the quality and effectiveness of social responsibility management.



Improving Governance Structure

The Company actively enhances its ESG governance structure, building on its existing social responsibility management framework to clarify management levels and divisions of labor. It establishes a two-tier ESG governance system (management and execution layers), providing a solid foundation for top-down ESG implementation.

Under the Board of Directors leadership, functional departments and subsidiaries fulfill their respective roles, holding regular meetings to discuss ESG policies and their relationship with production, markets, and customer service. Relevant departments maintain high awareness of ESG topics during production and service processes, setting annual goals in areas such as safety management, green and low-carbon initiatives, and volunteer public welfare. Progress and outcomes are reported to management, followed by review and evaluation to ensure goal attainment and advance ESG implementation.

Additionally, the Company refines executive compensation metrics by incorporating ESG-related "binding items" in performance tasks, such as major safety incidents, social stability, and environmental events, linking assessment results to compensation.

Management Agencies	Main Responsibilities
Board of Directors	Coordinate and lead corporate-wide sustainability and ESG initiatives, research policies, and provide recommendations; review sustainability and ESG-related reports.
Strategy and Sustainability Committee	Formulate sustainability work plans, with responsible departments and business groups responding to create a green and low-carbon-centric sustainability system.



Promoting Responsibility Integration

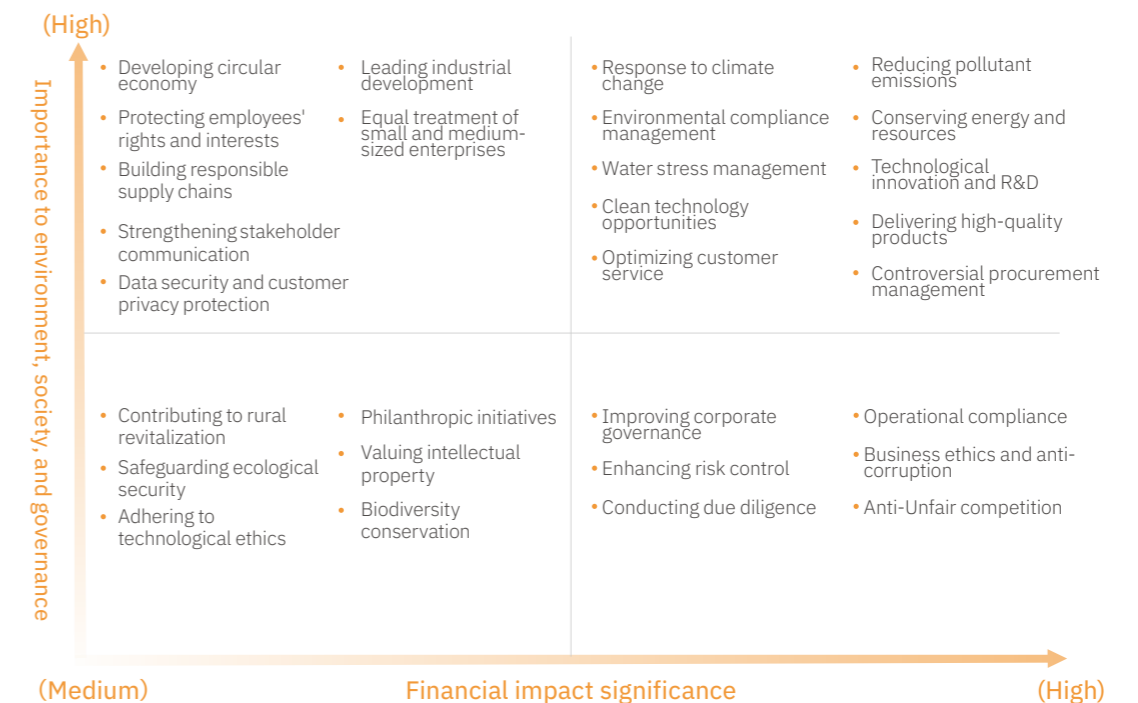
Identifying Key Responsibility Topics

During the reporting period, the Company aligned with international and domestic ESG disclosure standards, national macro policies, and industry regulations. Through methods such as surveys, internal workshops, and expert consultations, it gathered feedback from investors and stakeholders on ESG management and disclosure. Using a dual-dimension approach - "financial materiality" and "impact on ESG" - the Company developed a material topic management model and disclosed details as required.

Topic Identification and Assessment Process



Topic Assessment Results



Enhancing Responsibility Competence

The Company continuously promotes responsibility and capacity building by organizing thematic education and awareness training on ESG concepts, key topics, and risk management for headquarters' functional departments, subsidiaries' designated departments, and EHS departments to enhance the comprehensive quality and capabilities of social responsibility personnel. It organizes participation in internal and external social responsibility exchanges, benchmarks responsibility management, practices, and communication with CR Group and other leading enterprises, and hosts sustainability work conferences to select and recognize outstanding cases for departmental learning.



On August 5, 2024, CR Micro held the 2023 Annual Sustainability Work Conference themed "Focusing on Responsibility Integration, Advancing Sustainability", recognizing outstanding ESG work coordinators from functional departments, business unit cases, and reports.



On August 7, 2024, the Finance Program Center of China Media Group held the ESG China · Yangtze River Delta Corporate Social Responsibility Summit, where CR Micro was selected as one of the "China ESG Listed Companies Yangtze River Delta Pioneer 50" for its excellent ESG performance.



On November 7, 2024, the State-owned Assets Supervision and Administration Commission of the State Council hosted the State-owned Enterprise Social Responsibility Forum, releasing the "Central Enterprise Listed Companies ESG · Pioneer 100 Index (2024)" where CR Micro was listed for the first time, ranking 29th.



On November 19, 2024, ESG China · The 7th Beijing Responsibility Exhibition was held in Beijing, where the Chinese Academy of Social Sciences research team released the *Blue Book of Corporate Social Responsibility* for the 16th consecutive year. CR Micro was again listed, ranking 4th in the semiconductor industry's social responsibility development index for two consecutive years.

Strengthening Responsibility Communication

The Company establishes diversified communication mechanisms and channels to disseminate its responsibility philosophy and dynamic performance based on its operational reality, enhancing stakeholders' understanding and support. A "Social Responsibility Column" is set up on the official website, and ESG-related work information or event updates are promptly disclosed on the official WeChat platform and mainstream media websites to enhance stakeholders' understanding and support.



In 2024, the Company continued to improve its diversified internal and external communication platforms, maintaining an open mindset to deeply study the concerns of stakeholders including government, investors, customers, employees, partners, communities, and the environment. It listened to their expectations and appeals, incorporating relevant feedback into the Company's decision-making processes and translating them into corporate social responsibility action goals and plans.

Stakeholder Appeals and CR Micro's Responses

Stakeholders	Topics of concern	Communication methods and performance
 Government and regulatory agencies	<ul style="list-style-type: none"> Compliance with laws and regulations Lawful tax payment Support for local development 	<ul style="list-style-type: none"> Practice integrity and compliance management Proactive tax compliance Response to major policies
 Shareholders and investors	<ul style="list-style-type: none"> Improvement of corporate governance Investor protection Fair access to information 	<ul style="list-style-type: none"> Perfection of governance structure Standardization of the governance through the General Meeting of Shareholders, Board of Directors, and Board of Supervisors Compliance disclosure information
 Customers	<ul style="list-style-type: none"> Satisfaction with diverse demands Assurance of product quality Supply of high-quality service Enhancement of customer satisfaction 	<ul style="list-style-type: none"> Promotion of innovation and R&D Enhancement of quality management Service quality assurance Timely response and resolution of customer requests
 Suppliers and industry	<ul style="list-style-type: none"> Supply chain management Adherence to business ethics Integrity and reciprocity Contribution to industry development 	<ul style="list-style-type: none"> Improvement of supplier management mechanisms Implementation of transparent procurement Driving partner success Participation in industry exchanges and cooperation
 Employees	<ul style="list-style-type: none"> Protection of employees' rights and interests Support for employee growth Health and safety Balance of work and life 	<ul style="list-style-type: none"> Optimization of labor management Perfection of career development systems Prioritization of employee occupational health and safety Enrichment of employee activities
 Communities	<ul style="list-style-type: none"> Active community engagement Volunteer activities Assistance to disadvantaged groups 	<ul style="list-style-type: none"> Conduct of public welfare projects Advancement of rural revitalization Construction of volunteer service teams
 Environment	<ul style="list-style-type: none"> Environmental management Water resource utilization Low carbon and energy conservation Ecological conservation 	<ul style="list-style-type: none"> Environmental monitoring Practice of energy conservation and emission reduction Green low-carbon development Promotion of resource conservation

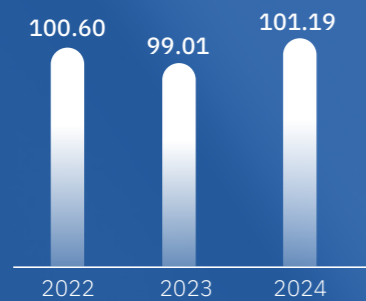


Our Actions:

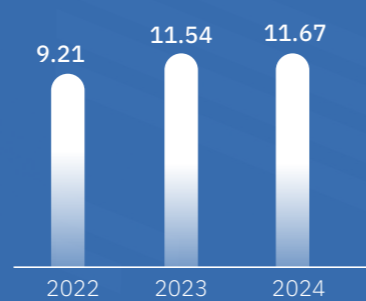
- Strengthen Party Building Leadership
- Standardize Corporate Governance
- Enhance Compliance and Risk Control

Our Performance:

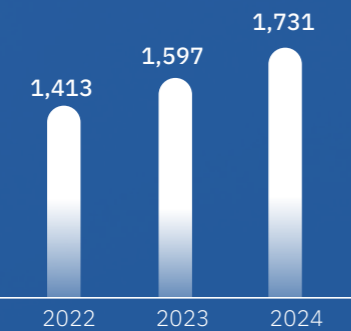
Operating Revenue (RMB 100 million)



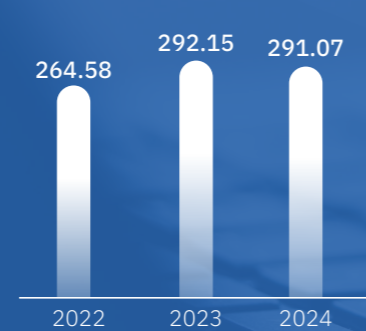
R&D Investment (RMB 100 million)



Number of R&D Personnel



Total Assets (RMB 100 million)



Economic Responsibility

Advance Toward World-Class Excellence

CR Micro integrates Party leadership with corporate governance, upholding Party-building responsibilities and laying a solid foundation. It continuously improves internal governance, operates with integrity and compliance, strengthens risk management, enhances governance standards while ensuring standardized operations, and modernizes its governance system and capabilities.



Strengthening Party Building Leadership

CR Micro adheres to the Party's political leadership over state-owned enterprises, deeply studies and implements Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, actively conducts thematic education, improves Party institutions, strengthens integrity building, effectively promotes the deep integration of Party leadership with corporate governance, and the deep integration of Party building with production and operations, creating a new era of high-quality Party building leading high-quality development.

Conducting Thematic Education

The Company fully understands the general requirements of "studying theory, strengthening Party spirit, emphasizing practice, and creating new achievements", advancing theoretical study, investigation and research, development promotion, and inspection and rectification in an integrated manner. It organizes grassroots Party branches to deeply study the spirit of the Third Plenary Session of the 20th CPC Central Committee through formats like "three meetings and one lesson" and thematic Party day activities, fostering a reform atmosphere and development momentum aligned across all levels.



As of the end of 2024, the Company had:

- 13 directly affiliated Party organizations, including 5 directly affiliated Party committees, 1 directly affiliated Party general branch, and 7 directly affiliated Party branches; 39 grassroots Party branches with a total of 1,018 Party members, including 24 probationary members
- Conducted 12 "First Topic" study sessions; organized 13 centralized study sessions and 9 thematic seminars for the Party committee center group focusing on topics such as the spirit of the Third Plenary Session of the 20th CPC Central Committee and Party discipline education, discussing and formulating 15 action items

Integrating into Corporate Governance



The Company adheres to the "Two Unwavering Principles", deepening the implementation of decision-making mechanisms such as "Three Major and One Important" and "pre-meeting deliberation". It has optimized and refined CR Micro's *Three Major and One Important Decision-Making System* and *List of Major Operational and Management Matters for Preliminary Party Committee Deliberation*, promoting the deep integration of Party leadership with modern corporate governance.

In 2024, the Party Committee held 26 meetings, deliberating on 158 "Three Major and One Important" items, including 36 pre-meeting deliberation items.



The Company signed Party building responsibility agreements at all levels, rigorously implemented Party building performance evaluations and annual supervision, and enhanced the application of Party building assessment results to raise accountability awareness among Party organization leaders.



- The Company formulated a specialized plan to strengthen the inheritance of the "red gene" in microelectronics, detailing implementation measures. It organized Party members to study *The History of China Resources*, reflecting on its revolutionary legacy and national spirit.
- The Company advanced the construction of ideological and cultural communication platforms, launching a "Theme Education" column on its intranet to promote the decisions of the Party Central Committee and higher-level Party committees.
- Aligning with the integrated circuit industry's characteristics, it built a distinctive Party building brand for CR Micro, championing patriotism and corporate loyalty.



- The Company developed a "Promote Growth, Win Strategy" thematic activity plan, outlining 17 implementation measures focused on key initiatives for the latter half of its 14th Five-Year Plan and annual business priorities.
- Party organizations and employees implemented 66 "Excellence in Post" projects covering R&D, process optimization, capacity expansion, and lean management.

Cultivating Integrity Culture

The Company's Discipline Inspection Commission oversees a dedicated department to enforce supervision and discipline, targeting misconduct such as duty-related violations, crimes, and "profiteering at the enterprise's expense". It conducted integrity education, solicits integrity-themed works, and created a strong internal atmosphere of compliance and integrity through methods such as setting up dedicated columns for promotion, compiling promotional materials, and sending integrity reminders before holidays.

Highlight Initiatives

- The Company researched and formulated an implementation plan for Party discipline education, strengthening top-level design and coordinated execution. It expanded the scope of learning to include all Party members, probationary Party members, and youth league members, broadening the audience for warning education.
- It conducted political ecosystem analysis and portrait evaluation, with superiors urged to hold political dialogues with subordinates to cascade accountability.
- Units involved in incidents were required to convene special meetings for root-cause analysis and self-criticism.



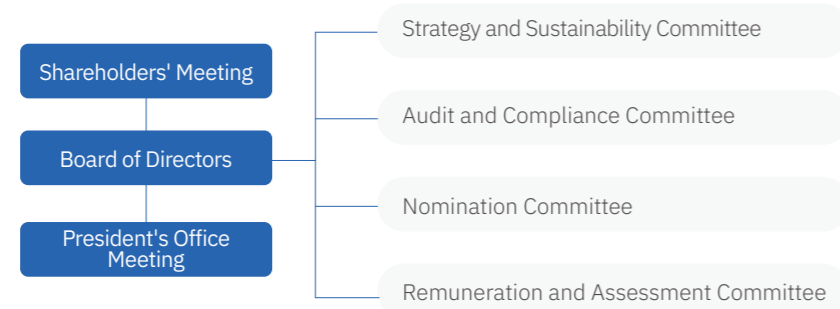
The Company's discipline inspection department conducted integrity education sessions for young cadres and employees.

Standardizing Corporate Governance

CR Micro continuously improved its corporate governance framework, strengthening board construction to establish a clear and robust sustainability governance architecture. It advanced compliant information disclosure, prioritized investor rights protection, enhanced investor relations management, and created long-term sustainable value for stakeholders.

Optimizing Governance Structure

CR Micro refined its governance system with four specialized board committees providing advisory support for major decisions, ensuring professional and efficient deliberations. Independent directors and the board secretary enhanced decision-making fairness and rationality, forming a legally defined, transparent, coordinated, and balanced governance framework that drives continuous improvement.



Standardizing the Governance through the General Meeting of Shareholders, Board of Directors, and Board of Supervisors

The Company established a sound legal person governance structure, business-aligned organizational design, and effective incentive mechanisms to ensure lawful and scientific operations by Shareholders' Meetings, the board, and management. During the reporting period, all meetings functioned smoothly with full compliance in convening and voting procedures.

Shareholders' Meeting

As the supreme authority, the Shareholders' Meeting exercised powers lawfully. The Company timely revises the *Rules of Procedure for Shareholders' Meetings*, convenes and assembles Shareholders' Meetings in accordance with requirements, and is committed to safeguarding the legitimate rights and interests of all shareholders, creditors, and other stakeholders.



Board of Directors

Implementing the *Company Law of the People's Republic of China and Governance Code for Listed Companies*, the Company enacted *Implementation Plans for Authority of Board of Directors* and optimized its deliberation processes. In accordance with the director selection procedures stipulated in the *Articles of Association*, the Company adhered to the principles of independence, diversity, and professionalism, selecting directors with strong professional capabilities, good conduct and reputation, and rich management experience from multiple aspects including "age, gender, educational background, professional experience, skills, and term of service" to participate in corporate governance decision-making.

The Company actively conducted effectiveness assessments on Board of Directors, conducting satisfaction surveys among external directors for three consecutive years, collecting feedback, and achieving the highest satisfaction rating of "very satisfied" for three consecutive years. The Company's management actively communicated with board members, incorporating suggestions from directors of various professional backgrounds to promote the upgrading of its governance system. During the reporting period, all directors of the Company faithfully and diligently performed their duties in accordance with the aforementioned system, actively attended and carefully reviewed various proposals of Board of Directors, and expressed professional opinions on relevant matters.

As of the end of 2024, the Company:

- ✔ Consisted of **11** directors in total, including **1** female director and **4** independent directors
- ✔ Convened **14** Specialized Committee Meetings, **7** Board Meetings, and **1** Shareholders' Meeting
- ✔ Updated **6** governance systems including the *Independent Director Work Rules of China Resources Microelectronics Limited*, *Articles of Association*, and *Shareholders' Meeting Rules of Procedure of China Resources Microelectronics Limited*
- ✔ Strengthened the protection mechanism for the rights and interests of small and medium investors, providing investors with continuous and stable reasonable returns, and distributed a total of RMB **148** million in cash dividends

Compliance Information Disclosure

Enhancing Information Disclosure Quality

In strict accordance with the relevant regulations of the Shanghai Stock Exchange and the China Securities Regulatory Commission, the Company has formulated system requirements such as the *Information Disclosure Management System* and the *Internal Reporting System for Major Information*, to truly, accurately, completely, and timely disclose company information and enhance the value transmission and transparency of information disclosure.

In 2024, a total of 68 announcement documents covering various types such as company governance, intermediary reports, and Shareholders' Meetings were disclosed, totaling nearly one million words; the Company was rated as having the highest rating of "A" in the Shanghai Stock Exchange's information disclosure evaluation for two consecutive years.

Deepening Investor Relations Management

The Company formulated the *Investor Relations Management Rules of China Resources Microelectronics Limited* to standardize investor communication work, set up a dedicated investor relations email and investor communication hotline, established an "Investor Relations" channel on the Company's official website, and held investor open days from time to time to establish effective communication channels with investors. Simultaneously, it actively promoted the internationalization of investor communication, strengthening in-depth exchanges with international investment institutions and analysts in Hong Kong, Singapore, Europe, the Middle East, and other regions.

In 2024, a total of 171 communication sessions were held throughout the year, involving over 1,000 institutions. The Company responded to 103 questions raised by investors on the e-interaction platform, with a response rate of 100%.

Honorary Awards

- Awarded the highest rating of "A" in the SSE information disclosure evaluation for two consecutive years
- Received the "Best Innovation Practice" award in the annual investor relations data ranking issued by Jinmen Finance
- Awarded the "Outstanding Information Disclosure Unit" by the Wuxi Listed Companies Association
- Received the "Best Capital Market Communication Award" from the Cross-border Roadshow Platform for Listed Companies
- Awarded the "Most Valuable Investment Award" by Cailian Press



The Company's official website has an "Investor Relations" channel



Investor Open Day events

Enhancing Compliance and Risk Control

CR Micro continues to promote systematic risk management, strengthen the implementation of internal control and supervision systems, improve risk prevention and control capabilities, and effectively prevent and control risks in internal control, auditing, taxation, ESG, and other aspects, providing a solid guarantee for achieving high-quality development strategic goals.

Improving Internal Control Management

As the highest decision-making agency for internal control system management, the Board of Directors is responsible for the establishment, improvement, and effective implementation of the internal control system. The Legal Compliance, Risk Control, and Compliance Committee, as the leading agency, is responsible for coordinating, organizing, and promoting the implementation of various specific tasks. Each functional department is the responsible entity for the construction and supervision of the internal control system, implementing internal control and risk management related work according to their functional divisions. Each subsidiary designates an organization as the leading body for internal control and risk management, with powers and responsibilities assigned to each responsible department and individual, forming a management mechanism with strong leadership, clear responsibilities, clear processes, and standardized order.



The Company continuously improves its internal control system by comprehensively reviewing internal control systems, formulating plans for establishment, revision, and abolition, and regularly organizing system reviews and quarterly implementation plans to achieve a streamlined and healthy internal control system.

Meanwhile, by sorting out the hierarchy of internal control systems, strengthening the penetration and supervision of subordinate units' systems, constructing a visual management map, establishing a system organizational chart and management map, and optimizing the Company's internal control system management structure into a reasonable "pyramid" structure.

In accordance with changes in external regulatory requirements and internal management organizational adjustments, the Company comprehensively and systematically reviews its internal control information systems. By adding new management modules, supplementing missing items, and deleting content that does not align with actual business, the Company has established and updated information systems for corresponding modules, further enhancing the level of internal control information construction.



Based on its business characteristics and focusing on the basic elements of internal control, the Company conducts self-evaluations of internal control on a comprehensive basis, covering 24 domestic and overseas subsidiaries. The evaluation includes important business areas such as procurement management, cybersecurity management, fund management, and fixed asset management.

Simultaneously, the Company conducts penetration inspections on the construction and implementation of internal controls in important business areas of subsidiaries, carrying out special internal control supervision evaluations in high-risk areas such as sales pricing management, customer management, procurement supply chain management, and engineering project management. Rectification suggestions are proposed for identified issues, and their implementation is promoted.



Optimizing Audit System

In 2024, the audit function fully fulfilled its oversight and service responsibilities, strengthened risk awareness, established a risk-oriented audit model, focused on high-risk areas such as procurement, sales, investment, and engineering, and enhanced the pertinence and effectiveness of audits. Simultaneously, it optimized the audit system to improve the overall efficiency of audit.



Optimizing Audit Leadership Structure

- The Company formulated the *Decision-Making Checklist for Major Audit Matters of CR Micro* to further clarify the responsibilities and operating mechanisms of the Party committee, Board of Directors, and president's office in leading audit.
- It established an Audit Rectification Leading Group to coordinate the deployment and implementation of rectification.

Improving Audit System

- The Company optimized relevant systems such as the *Internal Audit Management System of China Resources Microelectronics Limited*, *Economic Responsibility Audit Implementation Measures of China Resources Microelectronics Limited*, and *Audit Rectification Management Measures of China Resources Microelectronics Limited*, and added the *Audit Result Application Management Measures of China Resources Microelectronics Limited* to provide strong guarantees for deepening internal audits.

Enhancing Audit Business Competence

- The Company promoted certified auditors, achieving a 100% certification rate; enhanced digital audit capabilities, encouraged department personnel to participate in the Group's data analyst intensive training courses, with a training coverage rate of **56%** in 2024, and increased modeling personnel from 1 in 2023 to **5**; organized participation in the Group's "Air Classroom" audit training sessions, with a total of 63 participants within the year to improve auditors' professional capabilities.

Collaborative Linkage to Enhance Oversight Synergy

- The Audit Department and the Inspection Office's special inspection team jointly conducted multiple audit projects, promoting the organic integration of "economic check-ups" and "political check-ups", realizing timely communication and sharing of information, strengthening information communication and analysis, and effectively enhancing oversight synergy.

Comprehensive Risk Management

The Company continuously optimizes the comprehensive risk management system and operating norms, constructs a comprehensive risk management system in line with microelectronics characteristics, continuously tracks changes in major risk levels and risk trends, and prevents the spread and superposition of major risks.

Perfecting Risk Institutional Mechanisms

The Company formulated systems such as the *Legal Risk Management System*, *Major Business Risk Classification Monitoring and Incident Reporting Management Measures*, and *Risk Management Guidelines* to provide working mechanisms and specific guidelines for comprehensive risk management.

Optimizing Risk Assessment Mechanisms

The Company established a management model of "pre-event risk identification and response - in-event risk monitoring and early warning - post-event risk reporting and handling", explored the establishment of a "1+4" (1 headquarters + 4 business groups) risk assessment mechanism, and built a multi-level three-dimensional risk profile to better grasp the overall risk picture and its penetration distribution to business groups, effectively leveraging the leading role of risk assessment.

Conducting In-Depth Risk Monitoring

The Company organized headquarters' functional departments, cost centers, and business groups to conduct quarterly risk monitoring, scientifically and reasonably set or adjust risk quantitative monitoring indicators that prominently reflect the semiconductor industry and company characteristics, focusing on risk indicators, risk changes, and the implementation of control measures, grasping risk changes and the implementation of risk response plans, and providing written reports to the Legal Compliance, Risk Control, and Compliance Committee after in-depth analysis and judgment.

Special Governance in Key Sectors

The Company focused on conducting special risk governance in key areas and projects. For the project risk incident, the Company proposed systematic risk management measures based on comprehensive analysis and judgment from multiple dimensions such as legal, audit, and public opinion to effectively prevent and mitigate risks. For export compliance risks, embedded compliance review nodes in the new customer introduction system (CRM) to build a compliance review system and reduce the risk of the Company conducting transactions with non-compliant customers.

Strengthening Risk Management Training

The Company incorporated the Code of Business Conduct into new employee orientation training to enhance new employees' basic compliance risk awareness; organized sales personnel to participate in training on "How to Respond to Export Control Compliance Risks When Transacting with Customers" to enhance business personnel's understanding of export control rules and improve risk management effectiveness.

ESG Risk Management

The Company integrated ESG risk management into routine risk management, organized all functional departments and business groups to carry out top-down risk assessment work, involving ESG-related risks such as "human resource risks, market risks, health, safety, and environmental risks, procurement and supply chain management risks, and product risks", and formulated response measures based on the comprehensive risk management system to enhance ESG risk management capabilities.



Conducted customs compliance and risk management training sessions



Participated in compliance officer training organized by CR Group

Adhering to Lawful Tax Payment

The Company established a tax team and formulated relevant systems such as the *Corporate Income Tax Management Measures of CR Micro*, *Value-Added Tax Management Measures of CR Micro*, *Related-Party Transaction Tax Management System of CR Micro*, *Tax Declaration Management Measures of CR Micro*, and *Tax Registration Management Measures of CR Micro* to provide clear guidelines and constraints for tax management and enhance the standardization and scientific level of the Company's tax management. Simultaneously, to effectively prevent and control tax risks, it formulated the systems such as the *Internal Tax Risk Management and External Response Management Measures* were formulated, and conducted in-depth supervision and evaluation in tax, finance, and audit.

In 2024, the Company faithfully declared all tax obligations to tax authorities without concealment, omission, misreporting, or tax evasion, actively contributing to national fiscal revenue and local economic development.



Protecting Information Security

The Company strictly complies with national laws and regulations on confidentiality, trade secrets, cybersecurity, and data security. Adhering to network zoning and data classification principles, it implements lifecycle data control strategies while continuously strengthening trade secret and information security management systems.

Cybersecurity Management

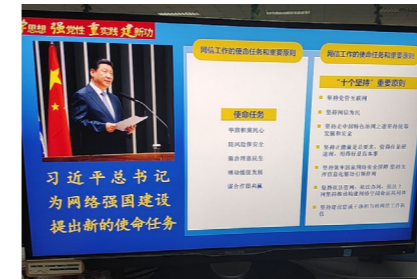
In full compliance with the *Cybersecurity Law of the People's Republic of China*, the Company established *Cybersecurity Management Measures*, *Personnel Cybersecurity Management Standards*. It formed a Cybersecurity and Informatization Leadership Group with unit heads as primary responsible persons and designated cybersecurity officers as direct supervisors. It normalized its cybersecurity operations by organizing regular emergency response drills and anti-phishing tests, conducting cybersecurity classification protection evaluations, network perimeter consolidation, industrial control system security risk assessments, and cybersecurity inspections for new subsidiaries, thereby continuously enhancing its cybersecurity defense capabilities. It organized employees to sign cybersecurity responsibility agreements, and conducted cybersecurity training and awareness activities, effectively enhancing the overall cybersecurity awareness of all staff.



Data Security Management

With the goals of "effective protection" and "standardized management", the Company revised *CR Micro's Data Management Measures* and *Data Security Management Detailed Rules* to continuously improve the construction of data security management systems. The Company's Intelligent and Digital Development Committee serves as the decision-making body for data security work, while the Intelligent and Digital Department acts as the lead management organization, jointly advancing the protection of its trade secrets, work secrets, and other sensitive data assets from infringement and ensuring normal business operations.

By deploying a new-generation digital certification security platform, establishing a data leakage prevention detection platform, developing the automatic archiving function of the "smart core database" system, promoting the use of office terminal data leakage prevention systems, encrypting software for key personnel terminals, and conducting terminal confidentiality inspections, the Company continuously enhances the data security protection technology of its commercial secret systems. At the same time, it strengthened data leakage prevention monitoring, early warning, and inspections, improving incident reporting mechanisms and emergency response plans. The level of data security protection and customer privacy information protection was continuously elevated.



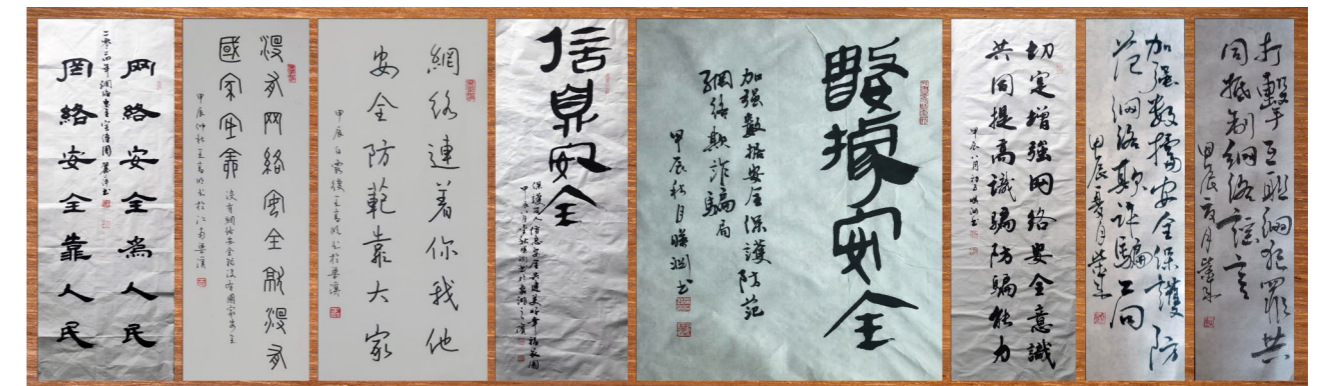
Theoretical Study on Building a Strong Cyber Nation



Conducted lectures on preventing telecom and online fraud



Created exhibition boards for Cybersecurity Awareness Week



Promoted cybersecurity through calligraphy works during Cybersecurity Week

 **Our Actions:**

- Focus on innovation-driven development
- Improve product quality
- Supply high-quality service

 **Our Performance:**

R&D and innovation performance

- Investment in R&D: RMB **1.167** billion
- R&D intensity (R&D expenditure as a percentage of revenue) reached **11.53%**
- As of the end of 2024, the Company had **4,298** R&D technical personnel, accounting for 39.96% of the total workforce
- Launched the Fangxin Model Worker and Artisan Talent Innovation Studio
- Chongqing CR Micro Laboratory passed CNAS certification with high quality
- The Company's "Key Technologies and Applications of Power MOS and High-Voltage Integrated Chips" project won the Second Prize of the National S&T Progress Award
- The Company's LX100 secure MCU chip product received the Commercial *Cryptography Product Certification Certificate* issued by the Commercial Cryptography Testing Center of the State Cryptography Administration

Quality management performance

- Won the Wuxi Mayor's Quality Award ("Main Award") for the first time
- The Company successfully passed audits by **732** customers
- The Quality Management Department conducted **35** quality management audits, identifying **243** improvement points
- The Company obtained ISO 26262 Functional Safety Management System ASIL D certification

Intellectual property management performance

- As of the end of 2024, the Company held a total of **5,453** patents and patent applications, with **161** new patents added
- Filed **1,980** invention patent applications, with a total of **2,352** authorized and maintained patents
- CR Shanghai's *MEMS Microphone and Its Preparation Method* and Chongqing CR Micro's *A Super-Junction Power Device and Its Layout Structure and Preparation Method* won the 25th "China Excellent Patent Award" from the National Intellectual Property Administration

Customer service performance

- Each business unit conducted satisfaction surveys with **182** key customers, with all four business units achieving comprehensive satisfaction scores above **92** (out of 100)
- The customer complaint resolution rate reached **100%**

Customer Responsibility

Lead Excellence in Quality

A craftsman must sharpen his tools to do his work well. CR Micro takes customer interests and needs as the starting point and ultimate goal of all its efforts, focusing on technological innovation to cultivate new drivers for developing new quality productive forces. By creating high-quality products and improving service systems, the Company refreshes consumers' experiences with excellent quality and service.



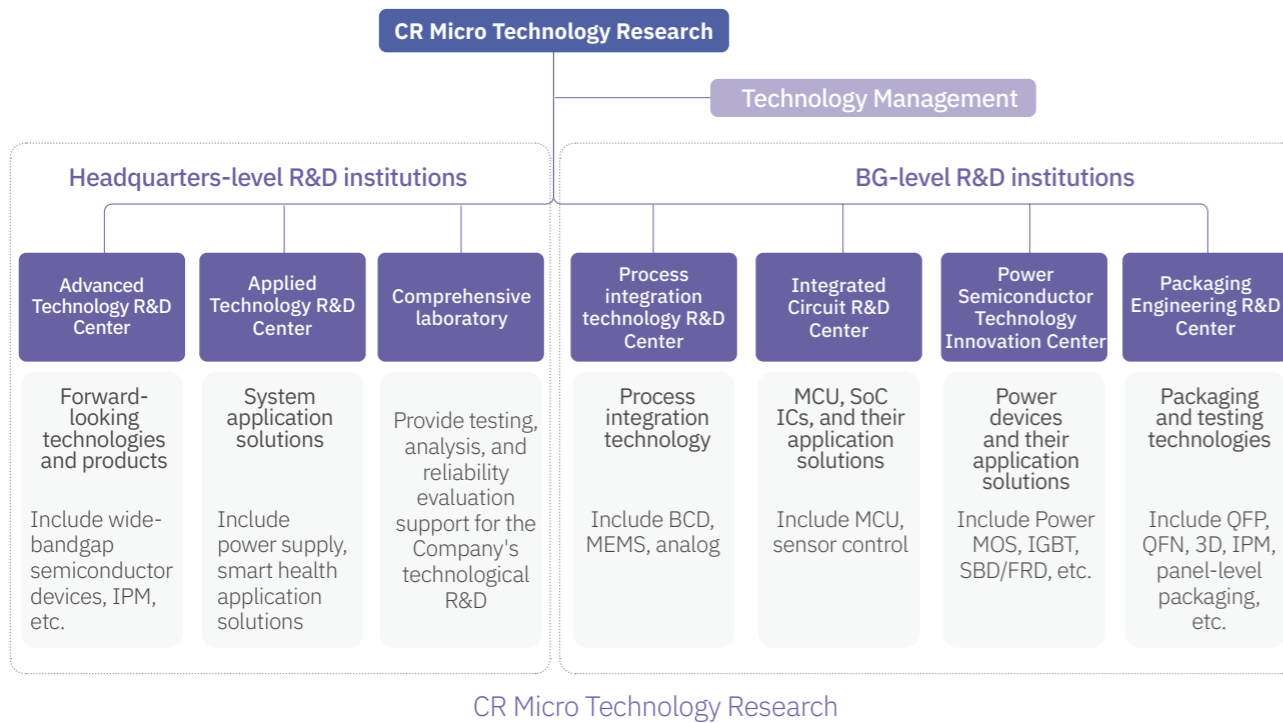


Focusing on Innovation-Driven Development

CR Micro continues to increase R&D investment, strengthening the dual cores of technological innovation and intellectual property protection to stimulate internal driving forces and accelerate the leap of new quality productive forces. This continuously injects fresh and robust new momentum into CR Micro's journey toward innovation leadership and corporate excellence.

Improving Innovation Governance

The Company established a Technology Research Institute, with headquarters-level and BG-level R&D institutions under it, to integrate and centrally manage the Company's R&D resources. Headquarters-level R&D institutions focus on the Company's technological development needs for the next 3-10 years, conducting forward-looking technology and product R&D. BG-level R&D institutions are dedicated to meeting current market demands, developing technologies and products with R&D cycles of less than 3 years that fulfill market competition requirements. Additionally, a S&T Management Department was established to oversee the organization, coordination, and management of its overall R&D efforts.



Setting Innovation Goals

Continuously increase R&D investment, strengthen R&D team building, raise the proportion of patents, develop green and eco-friendly products, and strive to become a world-leading supplier of power semiconductor and smart sensor products and solutions.

Review of Innovation Goals

2024

- The Company invested RMB 1.167 billion in R&D, with an R&D intensity of 11.53%
- It developed high-efficiency green technologies and products, continuously providing better solutions for power semiconductors, smart sensors, and intelligent control.

Formulating Innovation Strategies

Focusing on the Company's 14th Five-Year Plan strategic vision and prioritizing the three core areas of "power semiconductors, smart sensors, and intelligent control", we will conduct a comprehensive review of technological innovation implementation and future development during this period. By promoting the concentration of resources such as capital, talent, and technology in innovation domains, we aim to enhance the Company's technological innovation management capabilities and overall innovation capacity.

To sustain growth and excellence in our core power semiconductor business, we will accelerate the mastery of core technologies, strengthen innovation capabilities and core competitiveness, maintain domestic leadership in niche markets, and strive to advance into the global forefront.

We will accelerate the development of smart sensor business, strengthen the application and commercialization of reserve technologies, and strive for productization and industrialization to create new business growth points.

Innovation Strategy

Simultaneously, we will strengthen strategic planning for cutting-edge core technologies, increase R&D investment, and improve R&D efficiency to achieve breakthroughs in key technologies across third-generation compound semiconductors, specialized manufacturing processes, advanced packaging, and related fields.

Simultaneously, we will drive innovation through technology, build a high-level R&D team, achieve independent R&D of products, self-controlled technologies, and secure and reliable data.

Improving Innovation System

Adhering to Technological Ethics

The Company and its subsidiaries attach great importance to scientific ethics, ensuring data accuracy in the R&D process and opposing any form of academic misconduct. During product development, conduct thorough assessments of potential environmental, occupational health, and safety impacts from semiconductor design and manufacturing. Additionally, continuously strengthen employee training on scientific ethics, raise ethical awareness, and foster a positive culture of technological ethics.

Building Innovation Platform

The Company and its subsidiaries actively strengthen technology leadership, promote the establishment of innovation platforms, and drive innovation to address key challenges in production and process technologies. By the end of 2024, the Company had established 9 provincial-level R&D platforms, leveraging them to inspire a culture of innovation and unlock its innovative potential.



Provincial-Level Enterprise Technology Centers (2)	<ul style="list-style-type: none"> ◦ Jiangsu Provincial Enterprise Technology Center ◦ Chongqing Municipal Enterprise Technology Center
Provincial-Level Engineering Research Centers (5)	<ul style="list-style-type: none"> ◦ Jiangsu Provincial ASIC Design Engineering Research Center ◦ Jiangsu Provincial Advanced Power Semiconductor Packaging Engineering Research Center ◦ Jiangsu Provincial Integrated Circuit Engineering Research Center ◦ Jiangsu Provincial Photomask Engineering Research Center ◦ Jiangsu Provincial Power Semiconductor Testing & Packaging Engineering Research Center
Provincial-Level Key Laboratory (1)	<ul style="list-style-type: none"> ◦ Chongqing Key Laboratory for Reliability Testing of Power Devices (Industry and Information Technology)
Provincial-Level Technology Innovation Center (1)	<ul style="list-style-type: none"> ◦ Chongqing Power Semiconductor Technology Innovation Center

Case Study Strong Collaboration to Build a High-Quality, Ultra-Clean, High-Purity Testing Laboratory Benchmark

Chongqing CR Micro and Agilent Technologies (China) Co., Ltd. jointly established the "Semiconductor Micro-contamination Analysis Joint Laboratory". The laboratory will introduce Agilent ICP-MS as a leading inorganic material analysis technology platform. It also plans to develop and expand organic material testing methods focusing on volatile organic compounds (VOCs) involved in ultra-clean semiconductor laboratory construction, as well as photoresists and organic reagents used in semiconductor manufacturing processes. Leveraging the joint laboratory, the two parties will provide semiconductor training services, aiming to establish the facility as a professional, comprehensive semiconductor testing demonstration base in Southwest China and a benchmark for high-quality, ultra-clean, and high-purity testing laboratories essential for semiconductor production.



Case Study Establishing Innovation Studios to Strengthen Skilled Talent Development

On June 27, 2024, CR Micro's Packaging/Testing Business Group officially launched the Fangxin Model Worker and Artisan Talent Innovation Studio. The studio focuses on enhancing maintenance, management, and application capabilities of semiconductor packaging equipment, as well as technological innovation. It organizes activities such as technical innovation projects, skill training, professional exchanges, and mentorship programs. Additionally, it leverages the "passing on expertise" role of model workers and artisans in technical skills and comprehensive competencies, continuously strengthening the skilled talent team to contribute to the high-quality development of the business group and the Company. The output achievement project Reducing Core Spare Parts Consumption Costs in Die Cutting was awarded the "Professional Level" honor in China's Quality Innovation and Improvement Achievements Evaluation, while the *Warpage Correction Production Method for Microelectronic Chip Packaging Products* was selected for exhibition at the CR Group Employee/Youth Innovation and Efficiency Achievements Showcase.

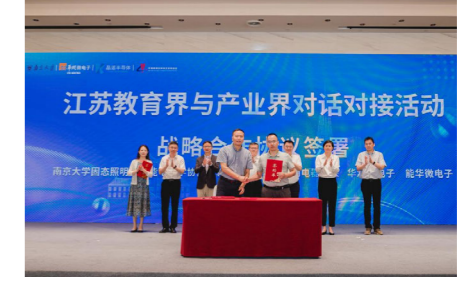


Industry-Research Collaborative Innovation

The Company attaches great importance to the fostering of innovative technology manpower and explores the deep integration of industry, university and research. Together with Tsinghua University, Fudan University, Southeast University and other well-known universities in China, the Company carries out SiC/GaN, MEMS, SOI-based BCD process, module packaging and such research projects, builds a number of joint research centers and practice bases, and promotes the effective connection between education, talent, industry and innovation chains.



CR Micro signed a strategic cooperation agreement with Xiamen University



The Collaborative Innovation Center of Solid-State Lighting and Energy-Saving Electronics of Nanjing University signed a strategic cooperation agreement with CR Micro etc.

Case Study Under the joint efforts of industry, university and research, the technological breakthrough in ferroelectric memory technology has won China Resources Innovation Award.

The Technology Research Institute and Foundry Business Group's Design Service Engineering Center partnered with Fudan University in an industry-academia collaboration on the "VFRAM Ferroelectric Memory R&D Project," forming a core team of master's and PhD researchers. In 2024, the first-gen embedded 32K IP passed three qualification tests, while the 2M IP circuit achieved improved high-temperature reliability through material and process optimization. The team also advanced the second-gen VFRAM Bit Cell Test Key architecture, mastering its design and testing principles. These breakthroughs won the China Resources Group 2024 Sci-Tech Innovation Third Prize and the 8th "Integrated Circuit Industry Technology Innovation Award."

Strengthening Innovation Incentives

The Company has established a variety of training and incentive mechanisms, introduced systems such as the *Measures for Incentives for S&T Achievements and Contribution Awards for Technological Development Projects*, collected technology projects for the Outstanding Scientific and Technological Achievement Award, the Annual Collaborative Innovation Award, and the Annual Outstanding Patent Award, and appraised outstanding science and technology (S&T) workers through comparison, creating an atmosphere of learning, catching up and surpassing.

Meanwhile, the Company also attaches importance to the innovative and creative vitality of female S&T workers, supports and encourages them to undertake major company-level R&D projects, and taps their potential.

During the Reporting Period, the Company has selected five awards for outstanding S&T achievements of Year 2024, two awards for collaborative innovation and four outstanding patents of the year, and further won one third prize of the China Resources S&T Innovation Achievement Awards of Year 2023, one excellence award of the Annual S&T Innovation Achievement Awards of Year 2023, and one second prize of the State S&T Prizes.



CR Micro won the Award of China Resources S&T Innovation Achievements of Year 2023.



The "Key Technologies and Applications of Power MOS and High-Voltage Integrated Chips" of CR Micro won the second prize of the State S&T Prizes.

Protecting Intellectual Property Rights

The Company has established an Innovation Development and Intellectual Property Committee, and designated the Legal Compliance Department for intellectual property management specially. It has formulated normative documents such as the *Strategic Planning for Intellectual Property of CR Micro*, *Measures for Intellectual Property Management*, and *Measures for Patents Management*, promoting the in-depth development of intellectual property protection. Moreover, the Company has investigated IP infringements for R&D, investment and M&A projects, so as to reduce the risk of IP infringement. The Company has delivered special IP training and held the special sharing sessions for IP layout analysis report, enhancing staff's awareness of IP protection.

As of the end of 2024, the Company had:

- Government grants of RMB **1,911,200** for intellectual property cumulatively
- 5,453** patents and patent applications, **161** new patents
- 2** special skill trainings on intellectual property for middle and senior management, **7** special trainings on intellectual property for R&D personnel, with a total of **500** participants approximately
- Subsidiaries such as CR Shanghua, CR Ansheng, SiPLP and Chongqing CR Micro have all passed the Intellectual Property Management System Certification.
- Two patents, namely *MEMS Microphone and Its Preparation Method* by CR Shanghua and *A Super-Junction Power Device and Its Layout Structure and Preparation Method* by Chongqing CR Micro, have won the 25th China Patent Excellence Award from the National Intellectual Property Administration.



Case Study

Attach importance to IP management and gain competitive advantages

Chongqing CR Micro attaches great importance to IP management, which is treated as the core driving force for the Company's development constantly, performs strategic planning for intellectual property actively, and determines the R&D direction and focus for patent application beforehand, enhancing its competitive advantages in the market. With a high regard for intellectual property management and effective measures, substantial achievements have been achieved in the field of intellectual property: The Company was recognized as the National Outstanding Intellectual Property Enterprise; *A Super-Junction Power Device and Its Layout Structure and Preparation Method* won the China Patent Excellence Award, laying a solid foundation for the continuous development of the Company and the improvement of its market competitiveness.



CR Micro held a special training session on intellectual property



CR Shanghua participated in the sharing session on the experience in cultivating high-value patents in Jiangsu Province



Promoting Transformation of Achievements

The Company strives to tackle problems in key and core technology, focusing on the research and development of products as well as the transformation of innovative achievements, and has made breakthroughs in a number of core products and technologies, effectively promoting the widespread application of achievements in China's microelectronics industry, with high-quality innovative achievements.

Some innovative achievements of CR Micro

VFRAM, the first-generation new ferroelectric memory, has completed the research and development in embedded low-power IP and process, built a process platform and achieved technological innovation and mass production, breaking the monopoly of foreign companies in the domestic market.

The three-layer MEMS microphone Demo has been made by heterogeneous integration technology. SNR test performance exceeds 70dB at the most, reaching the world-class product level.

LX100 MCU security chips have passed the security review by and obtained the Certificate for *Commercial Cryptography Product Certification* from the Commercial Cryptography Testing Center, State Cryptography Administration (SCA).

Complete an 8-inch medium-voltage (100 ~ 200 V) enhanced P-GaN process platform and produce the first 150 V/36 A enhanced device sample, filling the gap in related technology/ product.

Complete TOLT advanced roof-cooling packaging platform and put the first product into operation, filling the gap in advanced packaging technology at the power base of CR Run'an.



Case Study

Strengthen the core competitiveness in chip security with three certificates in hand

In the whole process of R&D, production, processing and delivery, LX100 MCU security chips of CR Micro have successively passed the EAL4+ information security certification for IT products from China Cybersecurity Review Technology and Certification Center (CCRC) and ISO27001 information security management system certification by China Quality Certification Center, in the field of safe ecosystem building. In April 2024, LX100 MCU security chips have, after meeting the requirements for the second class of the *Cryptography Test Criteria for Security IC*, passed the security review by and obtained the *Certificate for Commercial Cryptography Product Certification* from the Commercial Cryptography Testing Center, State Cryptography Administration (SCA). This marks that such chips have reached the industry leading level in terms of security capabilities and application levels.

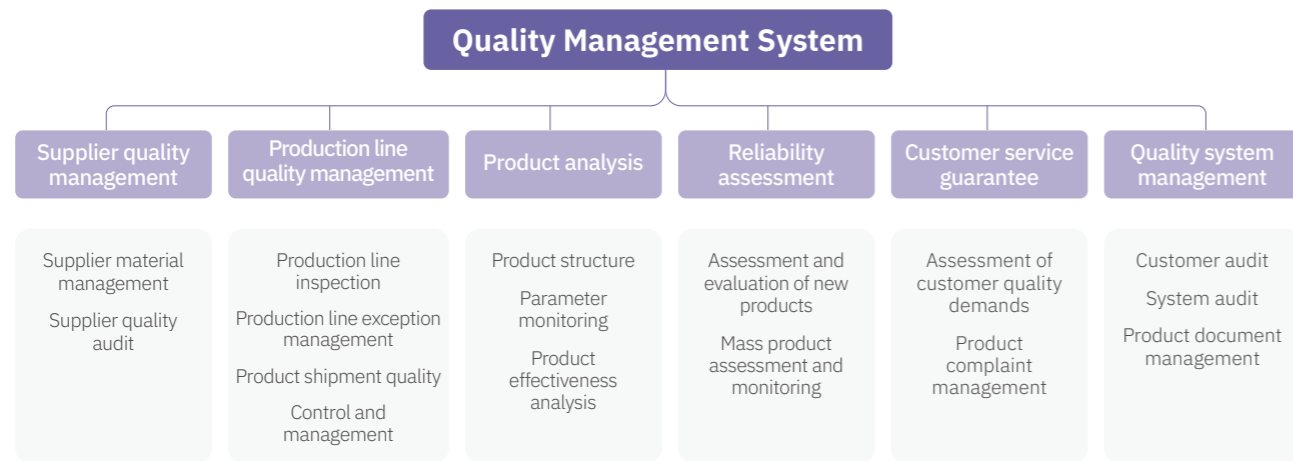


Improving Product Quality

CR Micro adheres to the principle of craftsmanship and quality, and integrates the pursuit of high quality into the building of a modern industry system. It constantly improves its quality management system, enhances the product quality levels, creates the brand competitive advantages, provides all customers with advanced power semiconductor and intelligent sensor products and solutions, and strives to be a supplier trusted by customers.

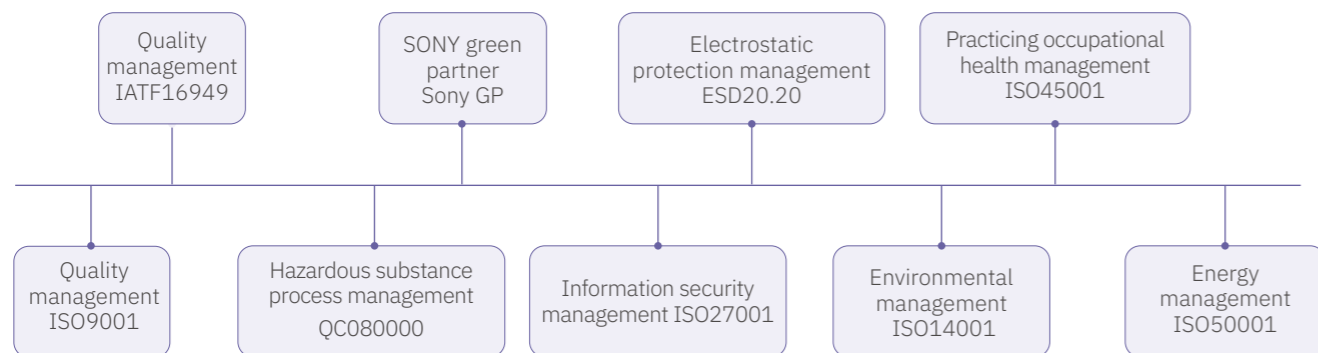
Quality Management System

The Company pays close attention to the lean quality management in strict accordance with the *Law of the People's Republic of China on Product Quality* and other related laws and regulations. The Quality Management Department of the Operation Center makes all arrangements for product quality management, performs its duties from the following aspects: supplier quality management, production line quality management, product analysis, reliability assessment, customer service guarantee, and quality system control, and implements whole-process quality management across the product lifecycle, towards the objective of zero defect continuously. Led by innovation and lean and flanked with automation and big data, establish the "Valid mode for high-quality self-driven growth", adhere to high standards, systematic management and overall construction, and achieve continuous improvement of products and services. In 2024, the Company and its subordinated business groups did not experience any major responsibility accidents related to the safety and quality of their products and services.



Direction of CR Micro's quality management

In accordance with industry standards, the Company adheres to high standards, systematic management and overall construction, and has established a comprehensive quality management system. Incorporate factors such as information security, environmental health and safety, energy, and environmental substances into the scope of quality management, and establish a quality management system in accordance with ISO9001, IATF16949, and QC080000.



Product and service quality management system has been certified by authoritative certification bodies



External Recognition

The Company seeks third-party agencies to audit and test its quality management capabilities and products every year, and has passed a number of certifications by authorities. In 2024, the Company successfully passed the audits of 732 customers, including CATL, BYD, Media, TCL and Xiaomi.

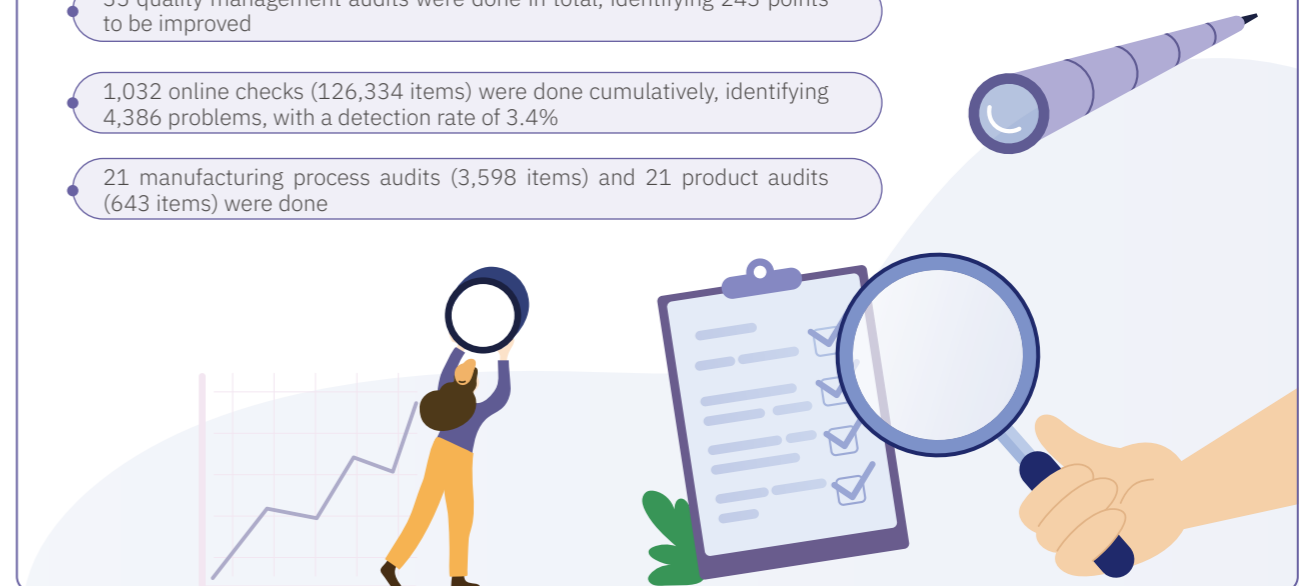


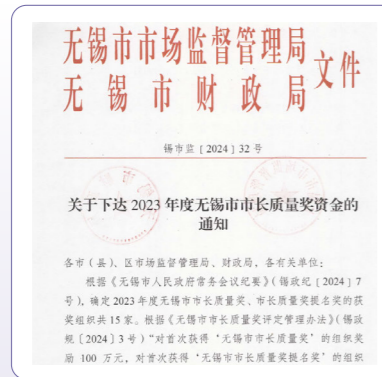
External Partner of CR Micro

Internal Audit

Every year, the Quality Management Department will implement the internal quality management audits on "quality management system", "VDA6.3", "information security", "environmental substances" and other special contents, and ask the responsible departments to draw lessons from them and carry out closed-loop rectification for all problems identified.

- 35 quality management audits were done in total, identifying 243 points to be improved
- 1,032 online checks (126,334 items) were done cumulatively, identifying 4,386 problems, with a detection rate of 3.4%
- 21 manufacturing process audits (3,598 items) and 21 product audits (643 items) were done





CR Micro has won the "Positive Award" of the Wuxi Mayor's Quality Award.

2024年度江苏省质量信用AA级企业公示名单(共144家)	
10	江苏南大环境科技股份有限公司
11	南京天创电子技术有限公司
12	南京金城医学检验所有限公司
13	南京特种电机厂有限公司
14	南京熊猫机电技术有限公司
15	江苏联博管道制造有限公司
16	江苏美达经纺国际贸易有限公司
17	无锡时代天使医疗器械科技有限公司
18	无锡华润上华科技有限公司
19	江苏亚太轻合金科技股份有限公司
20	江苏康瑞新材料科技股份有限公司
21	宜兴市中电耐磨耐火科技有限公司

CR Shanghua subordinated to it has successfully applied for the AA-level quality credit rating in Jiangsu Province



2023 CR Micro has won the Xinwu District Chief's Quality Award

Case Study CR Ansheng has won a number of customer awards by following the customer-oriented principle

CR Ansheng always has an insight into the real demands of its customers, offers well-designed and customized solutions, controls product quality strictly, provides careful maintenance and after-sales services, and renders all-round high-quality services to facilitate the smooth implementation of projects. Win the Best Support Award of Year 2024 by its customer LEN with its professional and efficient services, and the Excellent Supplier Award and the Best Service Team Award by its customer CHIPONE, proving its outstanding service capabilities.



Case Study CR Micro has passed the highest-level ISO26262 functional safety management system certification.

ISO 26262 is a globally recognized automotive functional safety standard and one of the thresholds for electronic component suppliers to enter the automotive industry. ASIL D stands for the highest level of this standard.

Since June 2023, CR Micro has started to build the functional safety process, set up a professional project team to tackle key problems, integrated the requirements of ISO 26262 standard for chip development throughout the functional safety life cycle into the design and development process of automotive-grade chips, combined with the quality system, and formed its unique development process of functional safety. In 2024, the Company passed ASIL D ISO 26262 functional safety management system certification and achieved an excellent review result. This was an important milestone in the development of automotive electronics field, marking a new development phase in layout of automotive electronics.



Implementing Detection Mechanisms

Each factory closely focuses on achieving the target yield, discusses and puts forward a series of control measures such as "continuous yield increase", "process monitoring and early warning upgrading", "intelligent process data augmentation", "high-risk table control", "BG connection mechanism for major cases", and "zero-defect management", strengthens the basic management of production lines and offers each customer with reliable products and services. At the same time, improve the production line inspection mechanism, covering the entire production process from procurement, process to shipment. Use AOI, microscope, CD strip width meter and film thickness gauge etc. to control the product inspection strictly.



Wafer AOI



Chip AOI



Packaging AOI



Enhancing Awareness of Quality Control

The Company adheres to the quality policy of "customer focus, prevention first, environmental protection and persistent improving", creates a quality culture of "customer satisfaction, quality first and total involvement", learns and applies the knowledge of overall quality management, and enhances the staff's quality awareness.

Create a quality environment

Focus on the theme of the National Quality Month, hold a series of quality activities under the theme of "compete for quality, gather all forces and create brilliance", including a variety of activities such as quality management knowledge contest, kings of quality competition, quality team evaluation, and staff skills competition, and promote the Quality Month in various forms such as display board, official Weibo account, desktop screensaver, banner and bulletin board for full coverage.

Build a lean culture

Establish the mechanisms for talents selection, training, identification, assessment and incentives and focus on fostering talents in lean. Carry out lean project competitions, and create a continuous improvement environment with all staff involved, from aspects of quality, cost reduction, efficiency, R&D, management and service. Actively participate in external competitions such as the National QC, Jiangsu Province Excellent Quality Management Group, and China Quality Technology and Innovation Achievement Presentation Competition, and win 2 professional awards and 3 promotion awards.



Conduct training on ESD, lean and quality tools



Promote the quality culture in the hall



Hold the first CR Semicon Skills Contest



Hold the Kings of Quality Competition

Supplying High-Quality Service

High-quality customer service is the foundation for CR Micro to establish and maintain the customer relationships of mutual trust. CR Micro always adheres to the principle of customer first. By providing high-quality products and services and continuously improving after-sales service, it safeguards the rights and interests of various customers, improves the service efficiency and experience, and creates a greater value for each customer.

Optimizing Service System

The Company continuously optimizes its customer relationship management system, and has established a customer service system composed of sales, quality and technology service teams, and IT systems, etc., to respond to the customers' demands and feedbacks in a timely, quick and efficient manner and to render all-round, multi-dimensional, efficient and fast high-quality services.

Offer premium services

Customers can have a one-stop and all-round knowledge of the current yield, online process capability, on-time delivery rate, complaint handling progress, engineering development progress and other information and status that they care about.



Popularize product knowledge

Semiconductors are widely used in various fields such as consumer electronics, automobile, and industrial equipment. In combination with product characteristics and customer demands, the Company popularizes the product knowledge more accurately through industry conferences and exhibitions, to improve its product accessibility.

Assist in tackling key problems on its own initiative

Hold the joint conferences for quality problem solution regularly or irregularly, and help them solve the urgent problems encountered during production.



Enrich communication channels

Through its official website, WeChat official account, email, E-Service system and hotline service, understand the differential demands of various customers through compliant and systematic process service in a timely manner and solve their problems in a targeted manner.

Improve service capacity

Our customer service teams are spread across multiple regions and cities such as the Yangtze River Delta, the Chengdu-Chongqing, the Greater Bay Area, and Taiwan, China. For the purpose of better customer service, the Company provides relevant training for employees on communication skills, product technology information, engineering analysis and solution through a professional training system, to enhance the professional competence of customer service personnel constantly.



Protecting Customers' Rights and Interests

The Company attaches great importance to the protection of customers' rights and interests, adheres to the "customer-focused" service and takes customer demands as the guide. Besides normalizing its product and service quality, the Company also offers lean solutions to various customers continuously and safeguard their legitimate rights and interests in the following ways, i.e. solving customer complaints and implementing responsible marketing.

Expand communication channels

Carry out online communication with customers through service window on the Company's official website, customer service hotline, email and E-Service system, and keep offline communication with customers by the service team's reception of visitors, customer visiting, regular engineering quality conference, and irregular joint quality conference etc.

Protection of customers' privacy

Strictly abide by relevant laws and regulations, formulate and follow privacy protection policies, attach importance to the security of data involving customer privacy, implement strict data classification and management strategies, and conduct life cycle management of sensitive data. Meanwhile, establish a complete data backup and recovery mechanism to ensure data integrity and availability, as well as the security of customer information. No customer privacy disclosure occurred throughout the Reporting Period.

Handle complaints properly

Implement a 24-hour customer complaint response mechanism. With the aid of advanced failure analysis equipment and a complete IT system, conduct precise analysis on customer failure samples, clarify the failure mechanism and carry out systematic improvement tracking. For all problems identified in customer complaints, identify the root causes by making use of quality tools such as "8D problem solving, 5W2H, fishbone diagram, 5MIE" etc., give timely feedback of handling results, formulate rectification plans, and continuously improve to enhance customer satisfaction. Within the Reporting Period, the resolution rate of customer complaints was 100%, and three cross-functional seminars for customer complaints resolution with over 100 participants were held to promote the resolution of customer complaint issues and facilitate reference and improvement.

Implement responsible marketing

Strictly abide by the laws and regulations related to marketing practices as well as applicable industry norms, truthfully disclose product and service information, and strictly prohibit false or misleading publicity. Implement responsible marketing proactively by enriching the channels for potential risk warning.

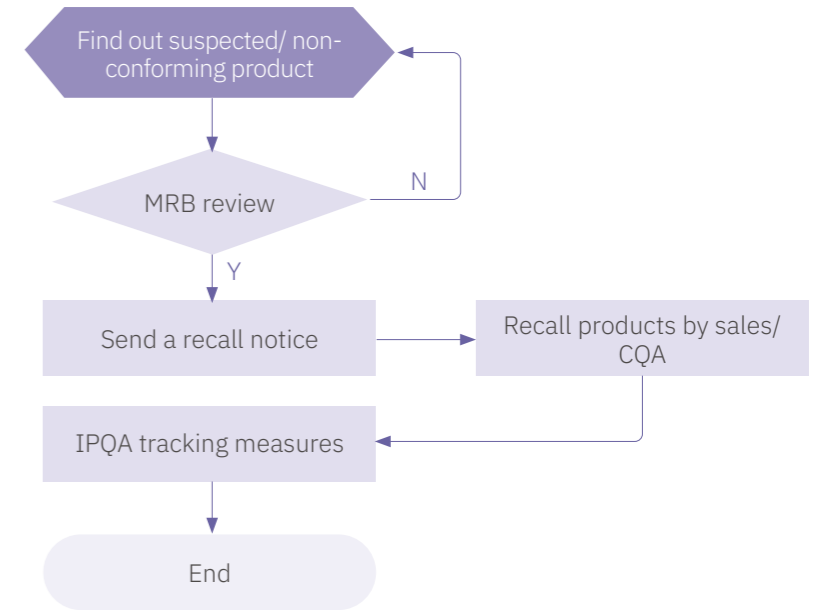
Carry out satisfaction survey

Carry out satisfaction survey and improvement in the form of single-item scoring and open-ended questions from the aspect of product quality, factory capacity, technological research and development, customer service and management system. Analyze various demands to form special improvement projects, designate dedicated personnel to regularly visit customers and inform them of improvement measures and effects, and continuously improve products and services. During the Reporting Period, all business groups of the Company conducted the satisfaction survey on 182 key customers. Four business groups have the overall satisfaction above 92 scores (out of 100 scores).

Product recall and withdrawal

Develop the strict product quality inspection and product recall procedures, and establish a complete product quality assessment management system in terms of abnormal product treatment, customer complaints, product recall and rework, and customer compensation handling. Once a quality hazard is found, inform the customer and initiate the recall procedure immediately. Based on the severity of a quality issue complained about by the customer, define an emergency customer complaint handling process, establish a notification mechanism for significant unusual events, and quickly analyze the root causes by making use of multiple quality tools, to assure the timely and effective handling and resolution of such issue.

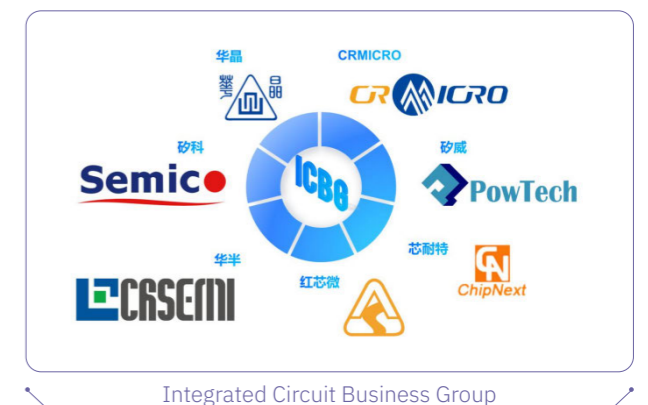
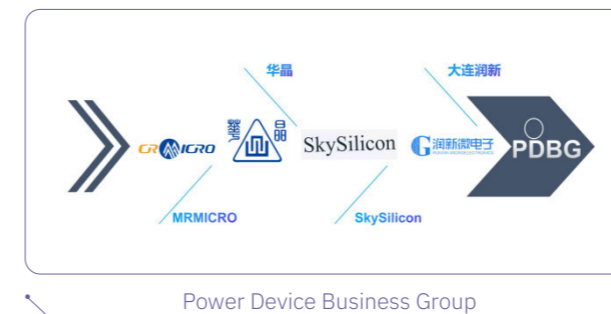
During the Reporting Period, no large-scale product recall incidents occurred, nor were there any recalls of sold products due to safety and health issues.



Defective product recall procedure of CR Micro

Promoting Brand Construction

The Company has, as a semiconductor company with integrated operation capacities covering the entire IDM industrial chain including chip design, mask manufacturing, wafer manufacturing, packaging and testing, incorporated brand building into its development strategy, set up a leading organ for the brand leadership action, formulated the *Measures for Administration of Brand Construction*, encouraged the subordinate business groups to focus on fields like power semiconductor, digital-analog hybrid, intelligent sensor and intelligent control continuously, built a diversified brand matrix in various market segments, and promoted brand building deeply and multi-dimensionally.



Our Actions:

- Improve environmental management
- Take actions on green production
- Response to climate change

Our Performance:

Energy consumption performance in 2024

- Comprehensive energy consumption per RMB **10,000** of output value (comparable price) was **0.0704** tons standard coal equivalent per RMB **10,000**.
- Comprehensive energy consumption per RMB **10,000** of added value (comparable price) was **0.1339** tons standard coal equivalent per RMB **10,000**.
- Total power generation of the photovoltaic system and green power purchase amounted to **11,832,400** kWh and CO₂ emissions reduced by **6,588.28** tons cumulatively.
- Renewable energy consumption accounted for **1.6%**.
- External agencies were entrusted to conduct **ISO14064** carbon footprint verification over CR Ansheng, CR Shanghai, Dongguan Jiequn and such major carbon emission sources.

CO₂ emission performance in 2024

- Total CO₂ emission was **590,980.29** tons.
- CO₂ emission per RMB **10,000** of output value (income) (comparable price) was **0.4243** tons per RMB **10,000**

Exhaust emission performance in 2024

- VOC emission was **39.262** tons, reduced by **39.06%** year over year.

Performance of hazardous waste disposal in 2024

- Comprehensive utilization of general solid waste reached **7,903.44** tons and disposal of hazardous waste reached **5,817.16** tons.
- Compliance disposal rate of hazardous waste reached **100%** for three consecutive years.

Awards for energy conservation and emission reduction

- CR Shanghai won the "Environmental Contribution Award" of Year 2024 for Environmental Protection Partnership Project from Xinhu District Government of Wuxi, and was honored with the title of "Advanced Enterprise in Energy Conservation and Emission Reduction" by the Ecology and Environment Bureau of Xinwu District, Wuxi.

Construction of green factories

- Chongqing CR Micro was awarded the title of "National Green Factory" and CR Shanghai was awarded the title of "Municipal Green Factory".

Environmental Responsibility

Co-Create an Eco-Friendly Ecosystem

CR Micro adheres to the policy of sustainability, positively answers the country's call for energy conservation and emission reduction, incorporates the goal of environmental friendliness into its development strategy, integrates the concepts of resource conservation, pollution prevention and control, and circular economy into the whole process of production and operation, strictly observes the bottom line of ecological environment development, and is committed to bringing long-term value to all stakeholders.



Improving Environmental Management

CR Micro has constantly improved the environmental management system, established and improved the environmental protection management system, strengthened the environmental emergency response capabilities, conducted the ecological environment protection publicity and training, low-carbon and energy-saving theme activities, implemented green and low-carbon office practices, and fostered a concept of green development.

Environmental Management System

The Company standardizes the environmental protection management, establishes and improves the environment management system, and improves the environment management organization and system in strict accordance with the *Environmental Protection Law of the People's Republic of China*. In 2024, all subordinate companies passed the ISO14001 environmental management system certification. There were no major defects in the environmental monitoring plans and risk management measures, and no major environmental incidents occurred. There were no environmental violations or criminal cases.

Determination of Environmental Risk Levels

In accordance with the Notice on Implementing the Group's Measures for *Administration of Ecological Environment Risk Grading and Classification*, 12 companies subordinated to CR Micro were evaluated in terms of ecological environment risk level, ecological environment protection management and comprehensive risk level. Eight companies subordinated to CR Micro were given Class I and four were given Class II ecological environment risk.

Emergency Response Plan for Environmental Incidents

Make environmental contingency plans, covering environmental incidents at workshop, company and society levels, and connect them with the local government's plans closely to ensure timely response and control after an accident occurs.

Carry out environmental protection emergency drills. According to its own environmental risk points, each factory shall conduct targeted emergency drills and exercises to promptly identify deficiencies in emergency rescue and make improvements, thereby enhancing response capabilities.

In 2024, Wuxi DIS updated and replenished its environmental emergency supplies. Over 20 onsite response plan drills and 9 environmental hazard inspections were done in factories R1 and R2. CR Ansheng invested RMB 9.6 million to build a new 936 m³ emergency storage tank and three initial rainwater collection pools with the total capacity of 99 m³ within the factory area.

Enriching Concept of Environmental Protection

Promote Green Office

Use low-carbon building materials and carry out material minimization design for the office building. Achieve natural lighting and create an environment-friendly light environment at all sides of the building. Promote intelligent control of HVAC, lighting system and elevators etc. and improve the comprehensive energy utilization efficiency. Explore and develop the utilization of renewable energy such as solar energy and install photovoltaic facilities on the roof to provide green energy for daily operation of the office building.

Advocate power, water and paper saving as well as green travel in daily office work. Continuous promote paperless office work, reduce the cost of office consumables, and create a low-carbon and environment-friendly environment for green office.



Publicize energy conservation and environmental protection

Organize staff to learn about energy conservation, carbon reduction and environmental protection policies in conjunction with "Environment Day" and "Energy Conservation Publicity Week". Release environmental protection knowledge on official accounts and official website etc. Carry out environmental protection training multi-dimensionally through various channels. Stimulate the staff's enthusiasm for participating in energy conservation and emission reduction.

Pursue green public welfare

Encourage more employees to participate in environmental protection, carry out voluntary tree planting and "Yishanxin" clothing recycling activities, and convey the concept of green culture.

Protect the ecological environment

Ecological environmental protection

We attach great importance to the possible negative impacts of our production and operation on the environment. Throughout the whole process of project development, construction and daily operation, we strictly abide by the *Law of the People's Republic of China on Environmental Impact Assessment* and other laws and regulations on environmental and biodiversity protection, take measures to protect biodiversity, minimize the projects' impacts on the ecological environment, and contribute to achieving harmonious coexistence between humans and nature. In 2024, the Company carried out inspections and rectifications through self-examination and self-correction, headquarter supervision, and cross-check repeatedly. A total of 112 issues related to ecological environment protection were identified and by the end of the year, 102 issues had been rectified.

Water source protection

In response to the call of the Central Committee of the Communist Party of China and the Wuxi Government for the protection of the Yangtze River, we take it as our responsibility to promote the ecological environment protection of the Yangtze River Basin, adhere to ecological priority and green development, and contribute to the high-quality development of the Yangtze River Economic Belt.



Make energy-saving publicity posters



Learn about ecological environment protection, energy conservation and carbon reduction



Hold "close to nature" family activities



Carry out training on carbon accounting and carbon footprint certification

Taking Actions on Green Production

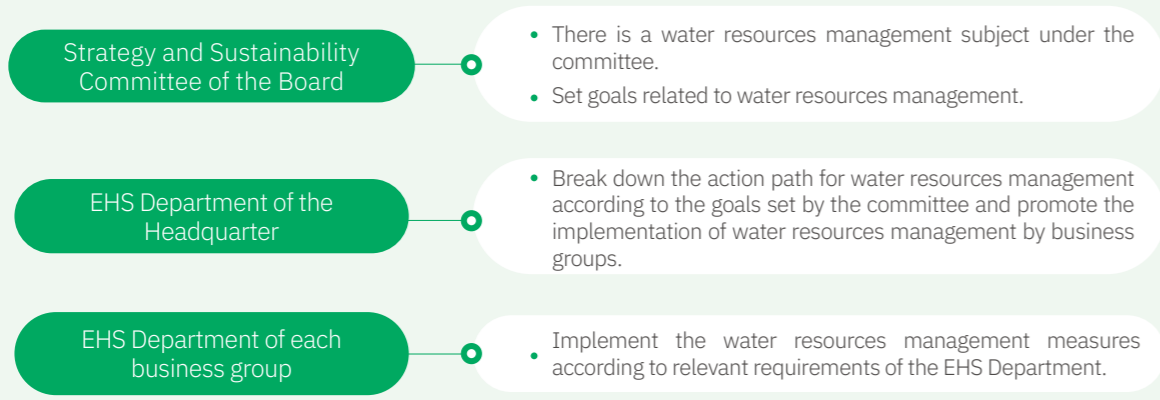
In strict accordance with the *Energy Conservation Law of the People's Republic of China*, Measures for the Administration of Industrial Energy Conservation and other such laws, regulations and standards, CR Micro incorporates the concepts of energy conservation, pollution prevention and circular economy into the whole process of production and operation, attaches importance to the minimization, reuse and recycling of resources, maximizes the reclamation of wastes and the recycling of renewable resources, and strives to achieve a win-win result for environment and economic benefits.

Water Resource Management

As the highest management for water resources governance, the Strategy and Sustainability Committee of the Board will make overall plans for water resources management strategy and performance realization, while the EHS Department and various business groups are specially responsible for the implementation of related tasks, promoting water resources management from top to bottom. Meanwhile, incorporate the relevant indicators of water resources management into the performance assessment of affairs managers at various company levels and the factory level, link water resources management with the salary system, and promote the achievement of water resources management goals.



Organizational Structure of Water Resources Management of CR Micro



Water Resource Management	Objectives	Progress in 2024
Wuxi	Annual water withdrawal should be less than 8.7076 million tons.	The actual water intake was 7.3454 million tons
Chongqing	Annual water conservation should reach 500,000 tons.	Annual water conservation should reach 465,000 tons.
Dongguan	Annual water withdrawal should be less than 220,000 tons.	The actual water intake was 202,100 tons

| Water Pressure Identification

The Company has continuously monitored the current status of water resources in the factory operation area and analyzed the rationality of water use for factory production and operation, possible influence of water withdrawal, scarcity of water resources and physical risks by making use of WRI's *Aqueduct Water Risk Atlas*, WFF's Water Risk Filter, water risk physical level identification and such external tools, to identify the water source pressure and water consumption risks of all factories.

Monitor result

- Medium and high-risk area: Wuxi Base
- Low-risk areas Chongqing and Dongguan factories

Countermeasures

- Set separate goals**
Based on the target of an annual water withdrawal less than 8.7076 million tons in Wuxi, set goals of the annual tap water withdrawal less than 4.1662 million tons, 3.581 million tons and 960,400 tons for 6-in, 8-in and the packaging & testing groups, respectively.
- Strengthen monitoring**
Establish water usage monitoring points in each manufacturing plant and at each wastewater discharge outlet, conduct water balance test on a regular basis, and calculate the discharge volumes of tap water, process water, recycled water, wastewater and domestic water within the factory.
- Assessment and allocation**
Grasp the situations about water flow direction, rate and recycling, analyze whether there is any abnormal water usage, and predict the reasonable allocation of water volume among various water users.
- Emergency response**
For 6-in and 8-in groups, make emergency response plans for the interruption of external tap water supply and the deterioration of raw tap water quality; build a water storage tank for emergency water supply and keep various production lines running stably.

| Seek for Alternative Water Sources

The Company seeks for new methods of water withdrawal proactively, replaces fresh water withdrawal by collecting rainwater and condensate and increasing the reuse rate, and reduces the impacts on water resources and environment.

Rainwater and condensate

Rainwater and condensate are precious water resources of nature, but they are also easily affected by climate and seasonality. CR Micro asks various affiliated factories to analyze the local climatic characteristics, establish the rainwater and condensate collection and treatment system, find out new sources for process water, and thereby reduce the amount of fresh water withdrawal.

Reclaimed Water

Execute water reuse projects actively. In combination with the characteristics of water usage processes, each factory shall establish the reuse water treatment system in the fields of pure water preparation process and production wastewater discharge etc., increase the internal water resource use and reduce the fresh water withdrawal.



Specific Actions	Results
Recycling of process water from facilities in the park	148,800 tons were recycled throughout the year
Reuse of DF membrane of grinding wastewater from facilities in the park	41,300 tons were recycled throughout the year
Reuse of RO concentrated water from water supply station for facilities in the park	264,500 tons were recycled throughout the year
Reuse of acid wastewater from facilities in the park	83,700 tons were recycled throughout the year
Recycling of process water from facilities 8A	966,100 tons were recycled throughout the year
Recycling of process water from facilities 8A	14,500 tons were recycled throughout the year
UF backwash water from facilities 8A	106,400 tons were recycled throughout the year
Reuse of RO concentrated water from facilities 8A	9.29 tons were recycled throughout the year
Recycling of RO concentrated water from CR Ansheng facilities	22,700 tons were recycled throughout the year

Improve the Efficiency of Water Use

The Company has constantly improved the production water management system of each factory, set the annual water use target, made the water-saving work plans, and carried out the water-saving renovation project in all production factories. Each business group has established the *Water Conservation Management System and Water Conservation Management Control Procedure*, compiles a list of water conservation projects every year, and improves the reuse rate of water resources by upgrading the water system equipment, collecting and reusing process water and recycling wastewater. In 2024, the reuse rate of water resources was 92.62%, increased by 1.39% than the last year, and 2.0473 million tons of water was saved.

Example of major water-saving projects completed in 2024

Wastewater Recycling	Results
Recycling of RO concentrated water from pure water system	301,200 tons of water was saved throughout the year
Recycling of cleaning process water	1,207,800 tons of water was saved throughout the year
Reuse of reclaimed water from common acid wastewater	83,700 tons of water was saved throughout the year
Recycling of grinding wastewater	41,300 tons of water was saved throughout the year
UF backwash water	143,500 tons of water was saved throughout the year
Cooling tower and scrubber	269,800 tons of water was saved throughout the year

Reducing Pollution Emissions

In accordance with the Environmental Protection *Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Law of the People's Republic of China on the Prevention and Control of Water Pollution, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and other related laws and regulations, the Company normalizes the configuration and routine operation management of environmental protection facilities, and reduces the exhaust emission, wastewater discharge and wastes release in the process of production and operation. In 2024, all subordinated companies conducted special environmental protection monitoring on wastewater, waste gas, noise and soil etc. and all monitoring data conformed to the national and local regulations. No any excessive pollutant emission was identified.

Wastewater Management

Strengthen the wastewater management in strict accordance with various discharge standards. Carry out solid and groundwater monitoring independently, prepare corresponding monitoring reports, and make sure that wastewater discharge complies with laws, regulations and relevant provisions. Build the plant-wide emergency storage tank and initial rainwater collection system, and prevent sewage pollution. Carry out comprehensive wastewater treatment, reuse the flushing water, enhance the cascade utilization of water, and improve the efficiency of wastewater reuse.

In the Liangxi Road Park of CR Micro Wuxi, an online fluoride monitor was installed at the total discharge outlet of industrial wastewater for real-time monitoring of specific pollutants in the semiconductor industry and assuring their compliant discharge.



Chongqing CR Micro leads the wastewater discharged from the acid and alkaline exhaust scrubbers to the fluorine-containing and ammonia-containing wastewater treatment systems respectively, and then, discharges it to the general acid-alkaline wastewater system. Meanwhile, a general acid-alkaline wastewater reuse system is established to return a part of treated general acid-alkaline wastewater to the cooling tower.



Emission Reduction of Waste Gas

By means of ceaselessly improving the waste gas management and implementing the waste gas treatment improvement projects, install corresponding purification equipment to handle with acid, alkaline and organic waste gas and dust generated during production. Enhance the emission management of waste gas pollutants and monitor the concentration of purified gas to assure the compliant emission of various air pollutants.

Dongguan Jiequn and CR Huajing have installed VOCs online monitor, power consumption monitoring and video monitoring systems for production waste gas, and connected them to the municipal or provincial department platform in real time.



Chongqing CR Micro has built new waste gas treatment facilities. After washing and activated carbon adsorption, unorganized waste gas collected from the hazardous waste storage area will be emitted up to standards. It has been included in the pollutant discharge permit in the third quarter of 2014 and annual monitoring will be done.



Runxi Micro raises the exhaust pipe of waste gas to improve the diffusion effect of pollutants and sets a new exhaust outlet for waste gas from plastic sealing, changing it from unorganized emission to the organized manner.



Waste Disposal

In compliance with the Guidelines for the *Prevention and Control of Environmental Pollution by Solid Wastes of CR Micro*, carry out the special investigation and rectification on solid wastes in two rounds, identify the transportation and disposal of hazardous wastes and general solid wastes, and achieve strict control over all types of solid wastes. Hold the solid waste management training and EHS management experience exchange meeting, learn about relevant experience and practices, strengthen the compliant treatment and recycling of solid wastes, and effectively reduce and prevent problems like heavy metal, soil and groundwater pollution caused by improper disposal of hazardous wastes. By the end of 2024, the comprehensive utilization of general solid wastes had reached 7,903.44 tons and the disposal of hazardous wastes had reached 5,817.16 tons. All general solid wastes and hazardous wastes had been disposed in a legitimate and compliant manner.

In 2024, the solid wastes disposal management platform of CR Micro was established, developed from the full-process management of sludge disposal and gradually expanded to the disposal processes for other general solid wastes and hazardous wastes. CR Shanghua, CR Micro Wuxi and CR Ansheng have achieved process monitoring of sludge disposal through this system and plan to carry out the second-phase development in 2025 and to expand to the full-process monitoring of hazardous waste disposal.

Treatment and disposal of hazardous wastes

- Various subordinated companies are encouraged to establish a complete hazardous waste management system, maintain the detailed hazardous waste management ledgers, and normalize the collection and storage of hazardous wastes.
- Seek cooperation with professional agencies for hazardous waste treatment and sign the agreements for compliant disposal with them to assure 100% compliant disposal of hazardous wastes.

Treatment and disposal of non-hazardous wastes

- Build a new dedicated warehouse for general solid wastes and perform strict control in all aspects from generation, collection, internal transfer, storage, transportation, utilization to treatment of solid wastes.
- Strengthen the qualification and technical competence review of those agencies undertaking the disposal of solid wastes, check the introduction of new manufacturers strictly, and carry out the car-following and on-site audits over the existing partners on a regular basis.

Noise Prevention and Control

The Company proactively promotes the noise prevention and control, and performs strict control over noise generated in the production park. Give priority to low-noise equipment and facilities, eliminating noise from the source. Replace or eliminate high-noise equipment and facilities in a timely manner and strengthen the spot check and maintenance of noise protection facilities, to assure compliant noise emission.

Build Green Factories

Make the *Overall Plan for Green Factory Construction of CR Micro*, defining the guidelines, operating principles and objectives, and set up the leading and working groups, to implement the tasks like energy conservation, emission reduction and green factory construction level by level. In 2024, Chongqing CR Micro was awarded the title of "National Green Factory" and CR Shanghua was awarded the title of "Municipal Green Factory".

In addition, CR Ansheng and CR Shanghua were included in the list of mandatory cleaner production audit in Jiangsu Province and successfully passed the expert review and acceptance by the Ecology and Environment Bureau.

CR Shanghua has formulated 10 zero-/ low-cost and medium-/ high-cost plans for clean production including *BOE Release Process Optimization*. After implementation, it can save 2,646,424 kWh electricity, 1.65t photoresist, 3.768t isopropyl alcohol and 42t ammonia solution every year.

CR Ansheng has formulated two clean production plans, namely "Energy-saving Transformation of Matched Oil Pump for Surface Treatment Equipment" and "Equipment and Software Upgrading and Transformation for Grinding and Scratching Processes". After implementation, it is estimated that 47,088 kWh electricity will be saved annually, the product yield will increase from 96.14% to 96.33%, and material costs amounting to RMB 439,200 will be reduced every year.

Case Study

Focus on green manufacturing and strive to become "green factory"



In the closed-loop process of product design, manufacturing, use, scrapping and reuse, Chongqing CR Micro always follows the green concept and ceaselessly delivers safe, environment-friendly and high-quality products with low energy consumption, low pollutant emissions, low toxicity and hazard, easy recycling and reuse. In 2024, it was awarded the titles of "National Green Factory" and "Zero Waste Factory in Chongqing".

Green procurement

Make rules and regulations to restrain the suppliers' behavior strictly and make the entire supply chain green from auditing, selection, quality control and social responsibility performance.

Green raw materials

Ask all suppliers to use raw materials and packages free from prohibited hazardous substances in China and to provide the corresponding monitoring reports.

Green design

Establish the ISO14001 environmental management system, and use low-toxic and low-pollution raw materials during the product design stage.

Green packaging

The Company uses low-pollution and low-hazard materials for the packaging of finished products, and uses 40,000 packing boxes approximately every year.

Green transportation

Raw materials and products are moved by new energy trucks mostly and a few fuel vehicles that meet China V emission standards or above.



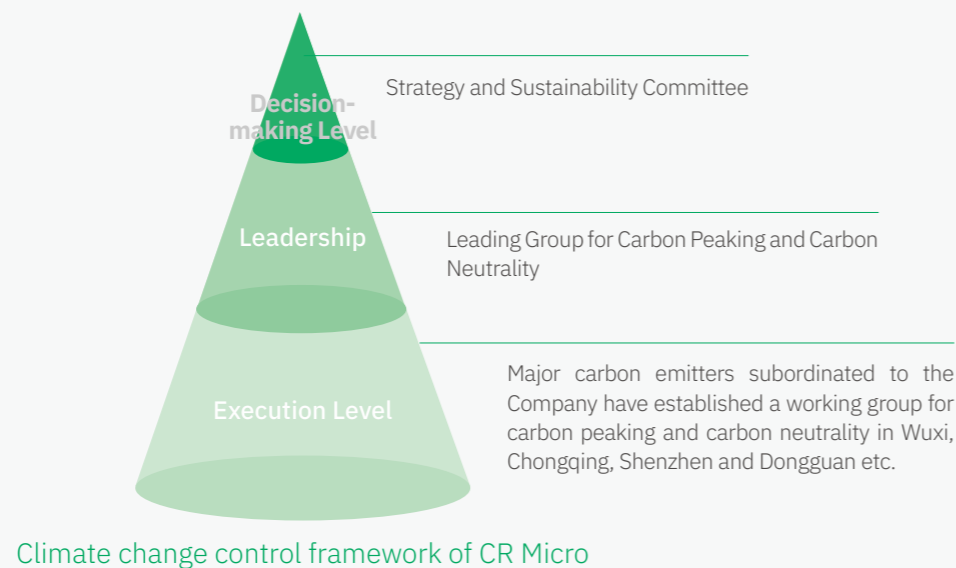
Response to Climate Change

With the increasingly severe consequences of global climate change, everybody agrees that we should mitigate and adapt to climate change. Deeply recognizing the importance of climate change mitigation for the world and itself, CR Micro has taken a series of measures under the climate change response framework according to the disclosure framework and suggestions for tackling climate change in the *Guide No.13 for Self-Regulatory Supervision on Listed Companies of the SSE - Compilation of Sustainability Reports*, from the following four aspects, governance, strategy, risk & opportunity management, indicators and goals, so as to provide better support for its climate change decision-making and response strategies and continuously enhance its climate change adaptability and toughness.

Governance

CR Micro has incorporated the responsibility of climate change management into all levels of the sustainability governance architecture, improved the management system for climate change response, strengthened the organizational guarantee for its carbon emission management, and promoted the implementation of climate change response strategies level by level.

The Strategy and Sustainability Committee will make overall arrangements for energy management, and establish complete and effective energy policies, performance targets and energy management processes and systems. All major carbon emitters subordinated to the Company have established a working group for carbon peaking and carbon neutrality, given consideration to climate change in corporate governance system and routine production and operation, and promoted the climate change response in an orderly manner. By the end of 2024, all wafer manufacturer subordinated to the Company had passed the ISO50001 energy management system certification.



Strategy

Guided by the target of "carbon peaking and carbon neutrality", CR Micro has, as a leading enterprise in the semiconductor industry, been fully promoting the green and low-carbon development of the full industry chain by ceaselessly optimizing the carbon management system, defining key points for carbon emission management, enhancing the carbon emission management capabilities, creating low-carbon products, implementing carbon emission tasks and deploying clean energy; and moreover, been striving to achieve the goal of "holding the increase in the global average temperature to well below 2° C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5° C above pre-industrial levels" in *Paris Agreement*.

Strategic focuses of CR Micro for climate and carbon neutrality

Optimize the management system

Develop the *Carbon Peaking Action Plan of CR Micro*, *Carbon Peaking Work Plan of CR Micro in 2024*, *Measures for the Administration of Carbon Emission of CR Micro and Energy Conservation*, *Carbon Reduction and Carbon Management Procedures*, and define the practical and effective strategic paths and implementation plans for climate change response in a scientific and systematic way.

Define the key points for management

The Company will give priority to "promoting energy conservation and carbon reduction throughout all processes, enhancing carbon emission management capabilities, improving energy recycling and reuse capabilities, enhancing resource conservation capabilities, promoting green and low-carbon actions of all employees, and fostering carbon neutrality innovation cooperation action projects" in medium and long term.

Create low-carbon products

Besides creation of low-carbon products and increase in their market share, drive the value chain ecosystem to achieve carbon neutrality from design, manufacturing, sales, use and recycling, through the upgrading of green supply chains, research and development of low-carbon technologies and products, analysis and management of carbon emissions throughout the life cycle of products.

Carbon emission tasks

Carbon footprint verification

In 2024, CR Ansheng, CR Shanghua, Dongguan Jiequn and other major carbon emitters entrusted the external agencies to carry out the ISO14064 carbon footprint verification and obtained the certificates. CR Micro plans to conduct carbon accounting over major emitters in 2026.

Carbon Asset Management

Two subsidiaries, Chongqing CR Micro and CR Semicon, are incorporated into the local carbon emission trading market for management. In 2024, CR Semicon purchased 1,178t carbon emission quotas shortage and promoted the carbon emission compliance.

Carbon footprint certification

In response to the market demands from various brand owners and suppliers for the carbon footprint of products, CR Shanghua has carried out ISO14067 carbon footprint certification for an 8-in wafer.

Deploy clean energy

Accelerate the use of green power, strive to increase the use ratio of clean energy, and achieve carbon and emission reduction during production and operation.

Increase the generation and consumption of photovoltaic power

CR Shanghua, CR Ansheng and CR Micro IC have installed the distributed photovoltaic systems on factory rooftops, carports and other areas, generating a total of 1,832,400 kWh electricity in 2024.

Purchase green power

Purchase 10 million kWh green power, further reducing the GHG emissions such as carbon dioxide.

Increase the use ratio of green power

The sum of electric power generated by photovoltaic systems and green power purchased was 11,832,400 kWh, cumulatively reducing CO₂ emissions by 6,588.28 tons, accounting for 1.6%, and offering a strong support to factories to reduce carbon emission intensity.

Carry out carbon reduction training

Invite TÜV SÜD to give lectures on the ISO14064 system standards to carbon management personnel of various manufacturers. Explain the latest policy trends in the "carbon peaking and carbon neutrality" market, system standard requirements, calculation of direct and indirect emissions, and other knowledge and skills to enhance the awareness and professional capabilities of carbon management personnel.

Case Study

Deploy rooftop photovoltaic systems and light up a new path of green power



In response to the country's call for new energy construction and to accelerate the large-scale application of photovoltaic power generation in China, Wuxi DIS and China Resources Energy Services Co., Ltd. have collaborated to develop a distributed photovoltaic project on the factory roof and build a grid-connected photovoltaic power station with the total scale of 1.8969 MWp. It passed the final acceptance and was successfully connected to the grid on December 10th. By the end of 2024, the photovoltaic power station had generated 82,339 kWh electric power. It is expected to generate 2 million kWh electric power annually, saving electricity charges of RMB 1 million approximately.



Climate Risk and Opportunity Management

The Company incorporates climate-related risk identification, assessment and management into its overall risk management process, and performs climate-related physical and transition risk assessment and management in project investment, product design & development, material procurement and business operation. In 2024, identify potential climate change risks and opportunities that may affect business and operation, develop a list of climate change risks and opportunities, and achieve the zero-carbon commitment.



Climate change risk matrix

Risk category	Identification result	Financial impact	Countermeasures
Physical risks	Acute risk Extreme weather (typhoon, heavy rain, flood, etc.) or natural disasters caused by climate change have increased	<ul style="list-style-type: none"> Premises in Wuxi, Shanghai, Shenzhen and such places are vulnerable to extreme weather such as typhoon, which may cause power outage and flooding etc. and interrupt the operation of wafer fabrication plant or lead to work safety incidents, increasing the operation costs. Premises in Wuxi encounter the risk of drought at medium to high levels. Drought can lead to a shortage of water supply. In this case, water resource management will become stricter, cost for water use will be increased, and water resource supply will become insufficient, raising the operating costs. 	<ul style="list-style-type: none"> Establish and improve the emergency response plans for sudden environmental incidents and production safety accidents, and identify and review possible physical risks every year. Establish response mechanisms and emergency material reserves in factory areas with physical risks, and conduct regular emergency drills to enhance emergency response capabilities.
	Chronic risk Sustainable high temperature and sea level rise caused by climate change	<ul style="list-style-type: none"> Production capacity is decreased due to extreme weather, such as transportation difficulties and supply chain disruptions, leading to revenue decrease. Global warming will increase the risks of river flood and flash flood, cause damage to the Company's premises, factory infrastructures and related facilities and equipment, or lead to an increase in capital costs. 	<ul style="list-style-type: none"> Based on water pressure identification, carry out water resources management, reduce the consumption of fresh water resources and improve the utilization efficiency of water resources by diversified water withdrawal, technological innovation, and wastewater reuse etc.
Transformational risks	Policy and legal risks	<ul style="list-style-type: none"> Related national policies and requirements changed in the process of achieving the "carbon peaking and carbon neutrality" goals Higher pricing for GHG emissions Stricter emission reporting obligations Mandatory requirements and regulations for existing products and services Litigation and penalty risks National and local laws and regulations and new policies may impose stricter requirements and supervision on factories and products, which will increase the compliance costs from operation. Failure to meet regulatory requirements may lead to risks of litigation and penalty, thereby reducing the demand for products and services. 	<ul style="list-style-type: none"> Regularly identify changes in new laws and policies, abide by laws, regulations and standards strictly, improve systems and management mechanisms, and respond to compliance requirements proactively. Promote the energy conservation and emission reduction of all projects and the refined management of energy, reduce and control pollutant emissions throughout the process, meet emission standards, and minimize the impact on environment.



Risk category	Identification result	Financial impact	Countermeasures
Transformational risks	Technology risks	<ul style="list-style-type: none"> • New technologies relating to the clean energy has led to a reduction in our existing business, products and services. • Research and development expenditure on innovation and alternative technologies has increased. • Fund input for technological development has increased. 	<ul style="list-style-type: none"> • Persist in technological innovation, optimization and upgrading, and continue to make low-carbon and efficient products. • Promote the construction of green factories, enhance production efficiency, implement energy conservation and consumption reduction measures, and reduce the unit energy consumption of products. • Seek cooperation with third parties on energy conservation and low-carbon development, enhance the low-carbon capabilities, and reduce the cost of low-carbon technology transformation.
	Market risks	<ul style="list-style-type: none"> • Customers and consumers now pay more attention to the sustainability of products. The Company's operation will be affected if the products and services provided cannot respond to the changes in market environment in an effective and timely manner. • The increase in cost of raw materials such as silicon wafer, photoresist and packaging materials used in the research, development and production processes will lead to a reduction of profits if the product price cannot be raised accordingly. 	<ul style="list-style-type: none"> • Pay close attention to the variation trend of customers' consumption behaviors and carry out product upgrades according to the customers demand. • Develop the sustainable and green supply chains.
	Reputation risks	<ul style="list-style-type: none"> • There are stricter requirements for environmental information disclosure applicable in the country, region, exchange and capital market. • Failure to respond to the stakeholders expectations in a timely manner increases their concerns or leads to negative feedback. 	<ul style="list-style-type: none"> • Based on the internationally and domestically recognized framework, show the climate change response actions of the Company in combination with its practical situations. • Respond to the stakeholders' expectations for low-carbon development and disclose the Company's climate information through sustainability report and official account.

Climate change opportunity matrix

Category	Climate opportunities	Financial impact	Measures
Resource efficiency	<ul style="list-style-type: none"> • Urge various companies to choose those production and distribution processes of higher efficiency. • Use recycled products. • Reduce water usage and consumption. 	<ul style="list-style-type: none"> • Improve the efficiency of resource utilization and reduce the operating costs. • Enhance the production capacity, thereby increasing income. 	<ul style="list-style-type: none"> • Carry out the energy-saving transformation projects for production and operation, promote the construction of intelligent, green and smart factories, and further improve the efficiency of resource utilization. • Save water, electricity and paper, and choose green office and green operation measures.
Energy efficiency	<ul style="list-style-type: none"> • Urge various companies to pay more attention to energy efficiency and drive up the demand for energy-saving technologies and services. • The transition of global energy structure to clean energy offers an opportunity to invest in solar energy and other renewable energy sources. 	<ul style="list-style-type: none"> • Obtain a return on investment in low-emission technologies. • Reduce operating costs by low-cost emission reduction methods. • Reduce GHG emissions and lower down the sensitivity to changes in carbon emission cost. • More use of low-emission/ clean energy in operating activities is conducive to reducing the risk of future rise in energy price. 	<ul style="list-style-type: none"> • Cut the use of traditional fossil energy and lower the traditional energy costs. • Set targets for the use of renewable power, promote the construction of green power parks and rooftop photovoltaic systems, expand the purchase of green power, and increase the proportion of renewable energy used in manufacturing and office processes.
Products and services	<ul style="list-style-type: none"> • The introduction of "carbon peaking and carbon neutrality" and the launch of low-carbon products and innovative solutions give rise to new business models. • Clean technology promotes the research, development and innovation of new products or services. • Under the background of the low-carbon economic transformation, the demands of customers and consumers for green and low-power products are constantly increasing. 	<ul style="list-style-type: none"> • Low-carbon products and innovative solutions of the Company meet new market demands, creating growth potential for business performance. • Provide new solutions that meet the demands to increase revenue. • Develop products with lower power consumption and higher efficiency and cater to the shift in consumer preferences, to improve our competitiveness and increase revenue. 	<ul style="list-style-type: none"> • Increase investment in the research and development of low-carbon products, promote technological innovation and upgrading, continuously enhance the environmental friendliness of products, and provide customers with diversified, reliable and efficient low-carbon products and solutions. • Use green technologies and green raw materials, reduce the generation of hazardous substances and minimize the impacts on environment.

Category	Climate opportunities	Financial impact	Measures
Market	<ul style="list-style-type: none"> A sustained sound growth can be achieved in the semiconductor industry. Those challenges brought about by climate change can be changed into growth drivers through technological innovation, market expansion and policy support. 	<ul style="list-style-type: none"> New green technologies and green products can help to explore and occupy new markets, increasing the potential for performance growth. 	<ul style="list-style-type: none"> Develop industry-leading key core products such as power device and IPM modules, and provide competitive external business output models. Focus on automotive power semiconductor, MCU and sensor products, and provide a complete set of solutions for multiple application scenarios of intelligent new energy vehicles.
Adaptability	<ul style="list-style-type: none"> Invest in renewable energy projects and take energy-saving measures. Build a green and low-carbon ecosystem together with stakeholders. 	<ul style="list-style-type: none"> Enhance the supply chain reliability and operation capacity, strengthen collaboration between upstream and downstream, and expand the revenue sources of the Company. Assure prudent operation through new products and services to increase revenue. 	<ul style="list-style-type: none"> Improve the efficiency of resource utilization, reduce the dependability on environment, and enhance its adaptability to climate change. Carry out technological innovation and upgrading, and deliver green and low-carbon products and solutions. Improve the risk management capabilities of the supply chain through the life-cycle supplier management platform.

Indicators and Goals

Energy and carbon emission management

Set scientific goals

The Carbon Peaking Action Plan of CR Micro clearly defines the quantitative objectives for energy consumption and CO₂ emission reduction, which can be used to track and evaluate the progress of climate actions, effectively support the realization of climate strategies and truly ensure the high-quality and sustainability of the Company. In 2025, the comparable comprehensive energy consumption per RMB 10,000 of output value will decrease by 10% and the comparable comprehensive energy consumption per RMB 10,000 of added value will decrease by 8%, compared with 2020.

Indicator name	Unit	Base in 2020	Goals for 2024 Decrease compared with 2020	Goals for 2025 Decrease compared with 2020
Comparable comprehensive energy consumption per RMB 10,000 of output value	tce/ 10,000 yuan	0.0935	8%	10%
Comparable comprehensive energy consumption per RMB 10,000 of added value	tce/ 10,000 yuan	0.1811	6.4%	8%
CO ₂ emission intensity	tons/10,000 yuan	0.6542	8%	10%

Achievement of goals

In 2024, three key indicators i.e. comparable comprehensive energy consumption per RMB 10,000 of output value, comparable comprehensive energy consumption per RMB 10,000 of added value, CO₂ emission intensity, reached 118.14%, 121.00% and 124.58% of the target values respectively. The Company made certain achievements in carbon emission reduction.

Indicator name	Unit	Base in 2020	Target value	Achievement
Comparable comprehensive energy consumption per RMB 10,000 of output value	tce/ 10,000 yuan	0.0704	0.0860	118.14%
Comparable comprehensive energy consumption per RMB 10,000 of added value	tce/ 10,000 yuan	0.1339	0.1695	121.00%
CO ₂ emission intensity	tons/10,000 yuan	0.4243	0.5626	124.58%

Greenhouse gas emission management

GHG emissions of CR Micro in 2024:

	Unit	2024	2023
Scope 1 GHG Emissions	tCO ₂ e	166,802.81	170,966.29
Scope 2 GHG Emissions	tCO ₂ e	424,177.48	385,880.41

Note: Scope 1 GHG Emissions are mainly sourced from those emissions generated during the industrial production and CO₂ emissions generated by burning fossil fuels; while Scope 2 GHG Emissions are mainly sourced from CO₂ emissions generated by net purchased electricity and heat. Calculation is done by the mass balance method based on the emission coefficients in the IPCC Guidelines for National Greenhouse Gas Inventories 2019.



Employee Responsibility

Make a Remarkable Life

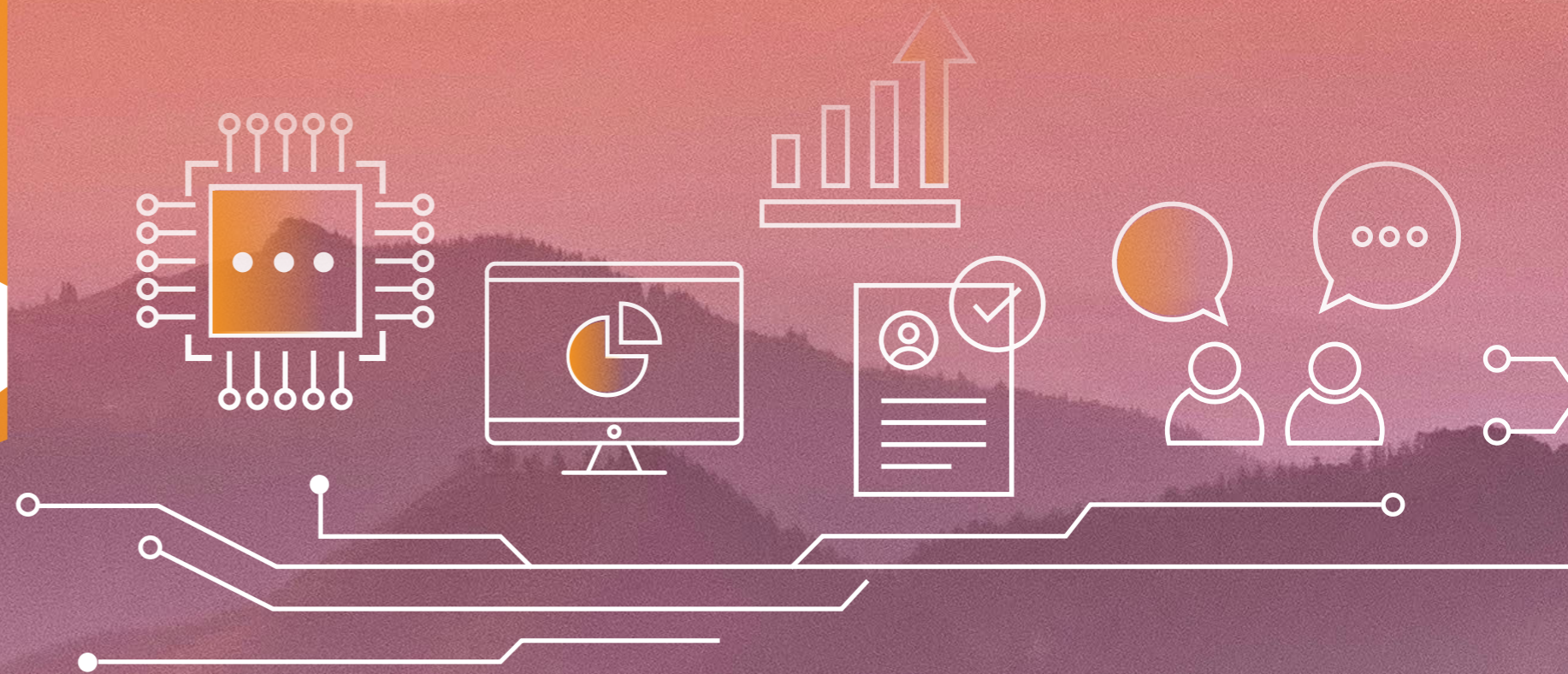
CR Micro is committed to creating a fair, transparent, united, harmonious and vibrant work atmosphere, assuring fair employment and legally safeguarding the staff's rights and interests. The Company will conduct a serious of training, offer a number of opportunities for growth, put employee care into practice, create a colorful office life and promote the virtuous cycle where talents lead development and also be attracted by the Company.

Our Actions:

- Employment and benefits
- Training and development
- Care and health

Our Performance:

- **3,902** new employees
- Total investment in employee training was RMB **6,891,469**, with **100%** training coverage for employees.
- Female management (direct managers of group departments and directly-affiliated companies) accounts for **15%**.
- **100%** labor contract signing, **100%** social insurance coverage and **100%** health check-up coverage
- Investment in occupational health and safety was RMB **7,861,100** and achieved **0** occupational disease accidents/ incidents.



Employment and Benefits

In strict accordance with the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China and other related laws and regulations, CR Micro strictly follows the legitimate employment, offers fair employment opportunities, optimizes the compensation and welfare systems, improves the democratic management system, and creates a work atmosphere featuring equal opportunities, sound system and employee participation.

Equal and Compliant Employment

Follow the basic principles of equal employment constantly and formulate the Measures for the Management of Employee Recruitment, Measures for the Employment and Management of Disabled Employees and other systems. Establish diversified recruitment channels of equal opportunities based on the post-fit criterion, and perform a two-way choice system according to the practical situations of the Company as well as the educational and professional background and the capabilities of the applicants. Strictly prohibit all discriminatory acts relating to age, gender, region, ethnicity, customs, religion and physical disabilities during recruitment and promotion. Use of child labor and forced labor is strictly forbidden. Offer equal employment and development opportunities to everyone and enhance the inclusiveness of work atmosphere.

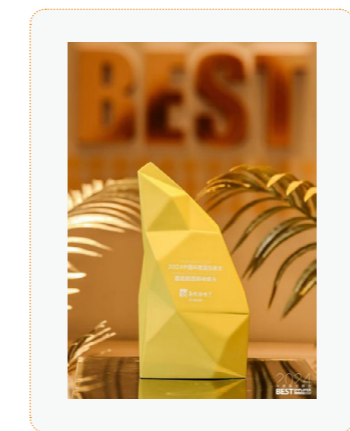
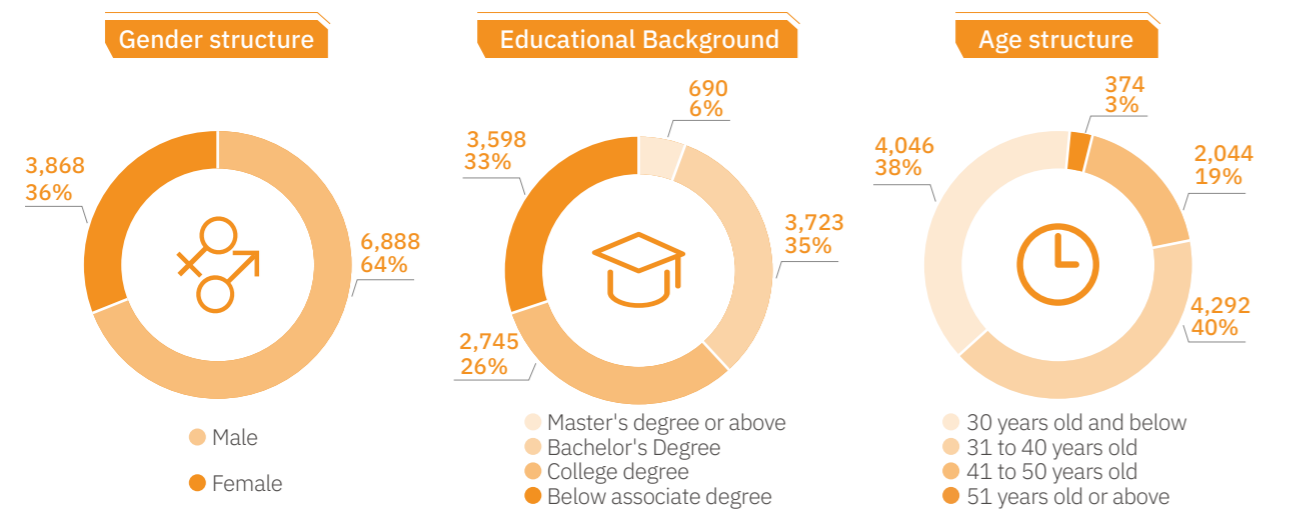
In 2024, the number of outsourcing labors did not exceed 10% of total workforce of the Company and complied with the Labor Contract Law of the People's Republic of China, Interim Provisions on Labor Dispatch and other related laws and regulations. Outsourcing labors were paid the same as other categories of employees for the same work and their legitimate rights and interests were safeguarded.

As of the end of 2024, the Company had:

Total number of in-service staff
10,756 people

Percentage of female employees
35.96%

- ✔ **3,902** new employees
- ✔ Strengthen communication with the Disabled Persons' Federation of Wuxi, encourage the use of the disabled as a facilitator role and promote the recruitment of the disabled in various departments. There are totally **46** disabled employees.
- ✔ **100%** labor contract signing, **100%** social insurance coverage and **100%** health check-up coverage
- ✔ Conduct an employee satisfaction survey, **80%** satisfaction with the canteen and **92.9%** satisfaction with the dormitory.



At the "New Quality Workplace · Reconstructing Growth"2024 China Annual Best Employer Awards Ceremony, we were awarded the "Most New-Quality Spirit Employer"prize, proving that our corporate spirit and development potential had been recognized by the industry.

Compensation and Benefits System

The Company makes the compensation structure fairer and more reasonable, offers more benefits, seeks for scientific and precise performance evaluation, and creates a comprehensive and multi-dimension benefit system for the staff.



Promoting Democratic Construction

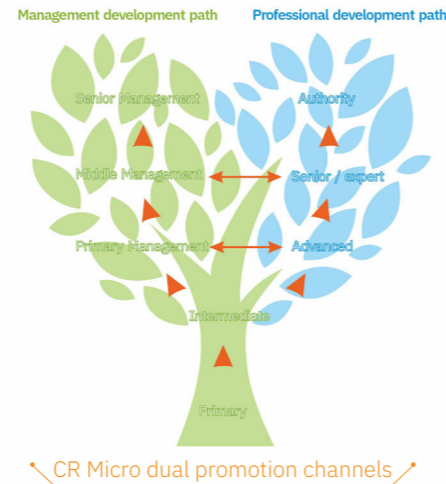
Take employee participation as an important part of promoting scientific and transparent decision-making. Encourage employees to manage themselves through trade union, participation in meetings, and feedback. Encourage more employees to take part in the introduction of major policies, optimization of management methods and other decisions relating to them closely. Keep the channels of democratic communication smooth. Encourage the management to conduct adequate two-way communication in daily work and listen to the opinions and suggestions of employees. At the end of 2024, the Company held the first workers' congress, further strengthened democratic management and safeguarded the democratic management rights of the staff.

Training and Development

According to the requirements of "rejuvenation, professionalization, marketization and internationalization", CR Micro focuses on employees' capacity training and talents cultivation, provides employees with clear career prospects and broad space for development, and helps them grow and succeed.

Smooth Development Channels

To meet the requirements of strategic development and employee growth, the Company has optimized the post and rank settings and continuously improved the dual-channel system i.e. management and professional development channels. It has completed the Rank System of 2024, covering the headquarter, business group, cost center and other levels; opened up the inter-organizational cross-sequence channel for talent development; supported the integrated IDM operation and achieved a win-win result for both employees and the Company. In 2024, the promotion rate of leaders and employees reached a record high throughout the year, and the retention rate of employees also reached a record high.



Improving Training System

The Company attaches great importance to talent cultivation, and based on the demand for talents and the self-development needs of employees, improves the talent cultivation and development system. Centering on the construction of management and operation talents, S&T talents, and skilled talents, we will develop distinctive training programs, establish a scientific and efficient all-staff learning and training system, provide employees with fair and diversified training courses covering knowledge, skills, and qualities, and ensure the development of talent teams.

Meanwhile, the Company will encourage employees to keep learning and improving themselves and to enhance their academic qualification and technical capabilities through the *Administrative Measures for Supporting on-the-job Postgraduates or above*, *Notice on Supporting Employees in Applying for Various Professional and Technical Titles and Vocational Qualifications (Skill Levels)*.



Perform the leadership training program by stages at four levels, i.e. first-line managers, middle managers, direct managers from CR Micro and direct managers from the Group.

- By virtue of the learning platforms of the Group and SASAC, conduct the senior management training and appoint the direct managers to join in the senior management training and seminars organized by the Group.
- Determine key points according to different categories and levels. Lay emphasis on the cultivation of young and promising middle management and launch two flagship training programs, "Sailing" and "Setting sail", to provide talent support for achieving strategic goals.



Strengthen the cultivation of young S&T talents. Build a team of outstanding engineers who are good at analyzing and solving problems, as well as a research and development team that is passionate, has strong execution ability and dares to innovate.

- Build a channel for S&T talents to enhance their academic qualifications, and create a comprehensive path from high school to junior college, junior college to bachelor's degree, bachelor's degree to master's degree, and master's degree to doctoral degree.
- Build a platform for technical exchange and sharing. Through the expert forum of the Headquarter and the engineer forums of business groups, promote cross-departmental and inter-organizational exchanges and broaden the professional fields of technical personnel.
- We attach great importance to raising the innovation awareness of all staff. Through the Innovation Workshop project, we provide training in innovative thinking, management, R&D tools to help various S&T employees master innovation tools and methods.



Enhance the technical precision of skilled talents and expand their technical breadth. Carry out the multi-skilled worker project, core alliance training course, vocational qualification certification, and key position capability improvement project.

- Help senior employees become multi-skilled workers, enhance the skill variety of front-line employees, and broaden the development paths for skilled employees.
- Cooperate with local vocational schools and cultivate front-line technical and skilled talents through internal and external channels.
- Organize skills competitions and facilitate the standardization and normalization of post operation skills. Outstanding skilled talents have been awarded the title of "May Day Innovation Expert in Wuxi".



The Company launched the "Setting Sail" Phase II, a middle management training program.



The Company participated in "Future Star", the Group's boot camp of 2024.



The Company launched the "Sailing" Phase II, a middle management training program.

Improving Incentive Mechanism

The Company attaches great importance to employee motivation, optimizes the *Measures for Performance Appraisal and Incentive Management of CR Micro*, makes the specialized appraisal and incentive plans by category and level, motivates technical R&D talents and key projects, seeks equity incentives to attract and retain talents, and enhances the enthusiasm and stability of the talent teams.

Incentive system of CR Micro

Performance-based compensation

Perform the "one-to-one match" between performance and compensation, and further enhance the incentives by improving the compensation management mechanism, overall performance and project assessment management system, and relevant sales and R&D incentive systems.

Strengthen technology incentives

Formulate the *Several Policies on Promoting Scientific and Technological Innovation, Measures for Incentives for S&T Achievements, and Management Measures for the Contribution Award of Technology Development Projects*, and further stimulate the enthusiasm and vitality of employees for innovation and entrepreneurship from three aspects: supporting S&T innovation, motivating the expansion of sales source, and supporting strategic expansion.

Implement equity incentives

Make the equity incentive plans to motivate the management and backbones to concern about the shareholders' interests and improve the Company's performance. In the first half of 2024, the first vesting of the Company's first equity incentive plan was completed, including the filing with the tax/ foreign exchange administration for equity incentives and the unlocking and exercise of rights for a total of 1,126 incentive objects.

Care and Health

CR Micro strives for a happy life for its employees and conducts a variety of cultural and sports activities to achieve a balance between their work and life. Targeted at the "difficult and urgent" issues of various employees, carry out the employee care practices multi-dimensionally and put humanistic care into practice. Safeguard the occupational health and benefits of employees, enhance their health awareness and capacities for prevention of occupational diseases, and increase their sense of happiness, belonging and cohesion.

Conducting Diversified Activities

The Company organises a variety of cultural and sports activities for employees to create a relaxed and enjoyable working atmosphere. Established a number of clubs, including recitation club, e-sports club, ball club, and swimming club, using the trade union base, and conducted a variety of activities such as recitation performance, e-sports competition, billiards match, and swimming competition. Organise activities such as outdoor fishing, retro-style study tour, music festival and the fourth anniversary of the company's listing on the stock exchange, so that employees can enjoy a happy time together.



Organize the "Honor of Kings" competition.



Hold the "Huarun Core" badminton team competition.



Hold the first fun sports meeting.



Carry out the "5km Gallery" hiking activity along the Liangxi River.



Hold a youth music festival.



Organize a theme activity of reading classics together.

Putting Employee Care into Practice

Caring for female employees

The Company has established the female employee committees at all levels of trade unions. Focusing on "highlighting the strength of female employees and serving their needs", ceaselessly enhance the care for female employees in terms of career, health and life, and put the care for women into practice, forming values of caring for, protecting and respecting female employees.

Case Study > Unite the strength of women and create a "3+X" happy home together



In line with the characteristics of the semiconductor industry, CR Micro has launched the "3+X" initiative to gather the strength of women and jointly create a happy home. Based on "3" elements (growth, guarantee and care), promote by taking "X" as the industry characteristics (mainly special co-construction, specialized services, featured activities, and characteristic sharing).

Growth

- Carry out a series of activities under the theme of "Women's Hearts to the Party, Forging Ahead on a New Journey" and build a sharing platform for female S&T workers.
- Launch the Dream Fulfillment Program to help female employees realize their dreams of attending university. Encourage female employees to apply for professional titles and patents. Carry out special reading activities for female employees.

Guarantee

- Carry out various legal publicity and consultation activities among female employees.
- The coverage rate of free commercial insurance for female employees is 100%. Implement a three-year health mutual assistance program for female employees.

Care

- Carry out the activity of "I Do Substantive Work to Help Female Employees".
- Promote the construction of the baby care room.
- Carry out the "breast and cervical cancer screening" for free, with 100% coverage.

Special co-construction maintains her health.

- We have carried out co-construction activities with the Maternal and Child Health Hospital, the Traditional Chinese Medicine Hospital, and Aier Eye Hospital etc., to safeguard the health of female employees.

Specialized services safeguard her happiness

- The Company are the first member of the "Anxin Station" in Wuxi, rendering seven types of services for female employees, including free medical consultation by expert teams, health and public welfare salon, and special appointment for expert clinics, and promoting the one-stop direct access to professional health services.

Featured activities create her happiness

- Organize female employees to carry out parent-child activities such as baking, painting, and Mother's Day Cake DIY.

Characteristic sharing realizes her sharing

- Organize and conduct the "Chip Future" dream fulfillment sharing session.



Carry out the free medical consultation for female employees together with the Municipal Maternal and Child Health Hospital.



Hold a Mother's Day Cake DIY Activity.



Assist employees in difficulty.

The Company has formulated the *Guidelines for Employee Care of CR Micro*, established a regular employee assistance mechanism, and delivered frequent consolations for employees' difficulties, high temperature and festivals. In 2024, we held a series of consolations such as inspiring warmth in winter, delivering coolness in summer, and giving assistance for sick and disadvantaged employees, covering over 800 people and more than 130 households.



Carry out the activity "Spring Festival Consolation and Visit"



Carry out the activity "Delivering Coolness in Summer".

Caring About the Health of Employees

In accordance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other related laws and regulations, the Company has established the occupational health and safety management system covering the entire business process and all staff. Identify, assess and monitor health and safety hazards and sources and prepare a list of health and safety control measures for positions exposed to acid mist, acid anhydride, noise and radiation. Make the occupational health records, provide differentiated occupational health check-ups, conduct health check-ups for both new and departing employees, and carry out occupational health check-ups on a fixed monthly basis throughout the year. Popularize knowledge on the prevention and control of occupational diseases and carry out occupational health education and training covering all staff. By the end of 2024, the Company has completed the qualification certification of ISO 45001 occupational health and safety management system and achieved the goal of zero occupational disease accidents/incidents.



Case Study

Take multiple measures to promote safety and persevere in protecting health.

In 2024, the Integrated Circuit Business Group established and improved the occupational health and safety management system, revised the relevant occupational health documents, and protected the physical health of employees through establishing a list, identifying occupational hazards and conducting risk assessments, determining risk point control measures, and performing labor protection, to create a safe working environment for employees. During the Reporting Period, the goal of "zero" occupational disease accidents/incidents was achieved, and no positions with potential occupational disease hazards were added.



The Company organized its employees to participate in the Wuxi Occupational Health Expert Skills Competition.



Explain to the employees the relevant knowledge about the standardized use of labor protection supplies.

Partner Responsibility

Collaborate for Good Business

Our actions:

- Promote industry win-win development
- Maintain fair trades
- Refine supply chain systems

Our performance:

- The total number of suppliers is **3,591**.
- The proportion of suppliers conducting social impact assessment is **100%**.
- The proportion of suppliers conducting environmental impact assessment is **100%**.
- The proportion of purchasers who have passed sustainable procurement training within the Company is **100%**.
- The proportion of local suppliers is **93%**, and the proportion of localized procurement is **86.5%**.

Release the *Responsible Minerals Statement of CR Micro*.

Hold the first Supplier Quality Conference of CR Micro.

CR Micro adheres to the concept of mutual progress and sharing, deepens mutually beneficial cooperation with industry partners, continuously expands the scope of cooperation, achieves complementary advantages and resource sharing, jointly creates a favorable industry environment of equality, mutual trust, harmony and win-win, and interprets the warmth and value of business with practical actions.



Promoting Industry Win-Win Development

CR Micro continuously deepens strategic partnership cooperation and actively explores diversified cooperation models. Focus on the main responsibilities and core business, integrate the resource advantages of the semiconductor industry, and explore new development paths. Participate in the innovative and low-carbon construction of the automotive industry chain, contribute to the development of the automotive ecosystem, and create a harmonious and win-win industry ecosystem.

Empowering the Development of Semiconductor Industry

The Company regularly participates in and continuously expands and deepens industry exchanges, focusing on professional industry conferences, forums, summits, annual meetings, expos and other market activities. It comprehensively showcases new products and new technologies, maintains close communication with customers, industry experts and scholars, media, etc., keeps abreast of relevant industry policies and trends, collaborates with associations, industry bodies, etc. for resource integration, and explores new paths for the future development of the industry.

Participate in industry exhibitions

In line with the market demand, the Company strengthens the integration of advantageous resources, continuously enriches the product series and optimizes the product structure, actively participates in industry exhibitions, focuses on the cutting-edge technologies and applications in the industry, comprehensively showcases the achievements made in technological innovation, product upgrading and other aspects, and enhances its core competitiveness.



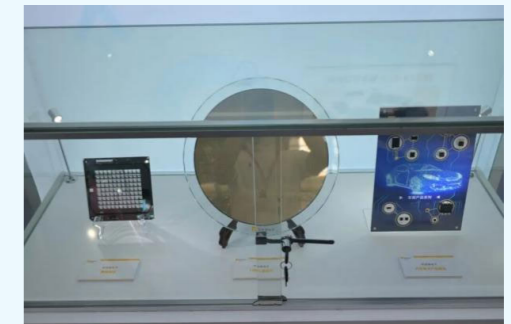
From May 22nd to 24th, 2024, the Company participated in the 26th China IC Manufacturing Annual Conference and Supply Chain Innovation and Development Conference. During the roundtable forum session, discussions and exchanges were held on the topic how to contribute to the development of the semiconductor industry by practicing the concept of "focusing on path innovation and self-reliance and self-improvement". The Company showcased the key core products such as power device modules, IPM modules, MCUS, MEMS, and power drives.



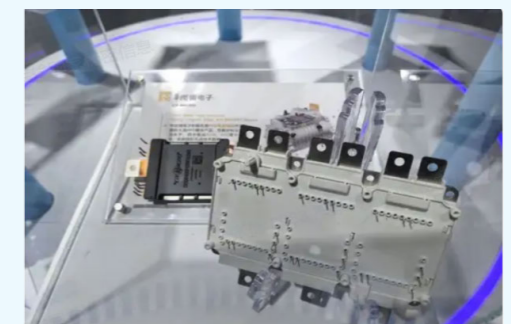
From July 8th to 10th, 2024, the 2024 Munich Shanghai Electronics Show was held. CR Micro showcased its automotive-grade power and drive products such as MOSFET, IGBT, and SiC in the automotive electronics field, photovoltaic inverters, power devices for portable mobile energy storage, and DC drive chips in the new energy field, and products such as IPM, MCU, power supplies, drivers and sensors in the home appliance application field.



On September 8th, 2024, CR Micro, as a key enterprise in the technology and emerging fields of China Resources Group, made its appearance at the 24th China International Fair for Investment and Trade hosted by the Ministry of Commerce of China. The key displays include 12-in wafers, packaging process display boards, 750V/1200VIGBT modules, high and low voltage MOSFET products, intelligent power module (IPM)/ MCU supporting display solutions, as well as the Company's automotive-grade automotive electronic products.



On October 16th, 2024, the Company made an appearance at the first "SEMiBAY Bay Chip Exhibition" and delivered a speech titled *Unite for Common Development and Build an Ecological Chain*, reviewing the development path of the semiconductor industry and sharing observations and insights on the current situation of the semiconductor industry in the Guangdong-Hong Kong-Macao Greater Bay Area. Moreover, the Company also set up exhibition stands, featuring mask plates, 8-in/ 12-in wafers, and advanced packaging process display boards, to comprehensively showcase its full industrial chain layout.



From November 26th to 30th, 2024, the second Chain Expo was successfully held. CR Micro participated in the theme exhibition of intelligent vehicle chain, focusing on automotive power semiconductors, MCU and sensor products. It provided a complete set of solutions for multiple application scenarios of new energy intelligent vehicles, showcasing the strength of its automotive-grade wafer manufacturing platform and automotive-grade packaging and testing technology capabilities, as well as a complete automotive-grade quality system and laboratory facilities.

Participate in the compilation of industry standards

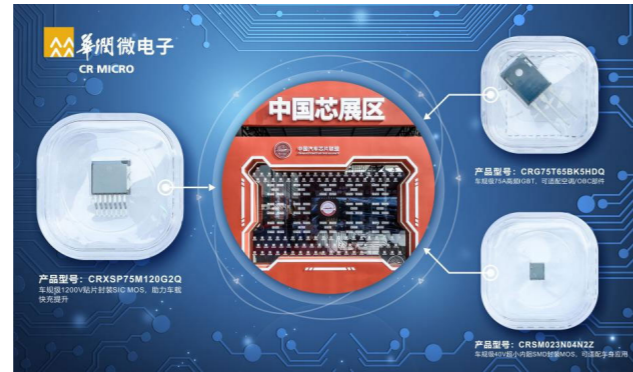
By virtue of its leading advantages and technological accumulation in the industry, the Company has participated in the compilation or revision of national, group and industry standards, encouraged technical personnel to attend discussions and conferences organized by standardization organizations, and enhanced its contribution and influence in the industry. Meanwhile, deepen mutual learning and cooperation in the ESG field of the industry, participate in the compilation of *Corporate Sustainability Report Directive (CASS-ESG 6.0) – Semiconductor Industry*, put forward core issue suggestions, share excellent practice cases, and provide guidance for enterprises to improve their sustainability performance and disclose sustainability information.

Contributing to Automotive Ecosystem Construction

The Company serves as the vice chairman of the China Automotive Chip Standard Testing and Certification Alliance, and promotes the compilation of industry standards, testing and certification, as well as industrial innovation in the automotive chip sector. Moreover, it has joined the Power Branch of the China Automotive Chip Industry Innovation Strategic Alliance as a council member and participated in the compilation of group standards for power chip. It has become a member of the Automotive-grade Chip Industry Technology Innovation Consortium and a standing director of the China Power Supply Society, actively participating in the industrial chain links of the automotive ecosystem construction.



CR Micro actively participates in the construction of the automotive ecosystem and serves as a vice chairman of the China Automotive Chip Standard Testing and Certification Alliance.



CR Micro showcased its automotive-grade products at the 18th Beijing International Automotive Exhibition. It has actively deployed in the automotive electronics field, enhanced the product accessibility, and made proactive efforts in promoting the independent control of China's automotive chip industry.

Maintaining Fair Trades

CR Micro pursues fair, transparent and sustainable business relations. From raw material procurement to product sales, the Company regulates its own behavior with the bottom line of business ethics to ensure that the rights and obligations of both parties in the transaction are clear and equal. It treats small and medium-sized enterprises equally to maintain a fair trading market environment and promote the healthy and orderly development of the industry.

Strengthening Transparent Procurement

The Company has established systems such as *the Specifications for Procurement and Management of Controlled Materials, Confidentiality Management System, and Foreign Investment Management System*, laying a solid foundation for the implementation of responsible procurement. Promote and implement electronic procurement through the China Resources Shouzheng Platform to ensure the openness and transparency of procurement. Meanwhile, the Company actively promotes the parallel implementation of global procurement and local procurement policies. By giving priority to the local materials, it further promotes the development of local industries. In 2024, the electronic procurement rate was 82% approximately and the centralized procurement rate was around 99%.

Rules of transparent procurement of CR Micro

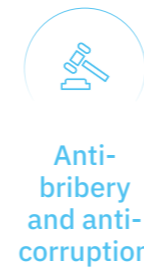
- Follow the principles of "Open, Fair, Just and Good Faith".
- All suppliers participating in the procurement business of CR Micro must sign the "Transparency Declaration" and clearly specify the complaints and reporting hotlines in the procurement documents.
- Supplier penalties: Untrustworthy suppliers engaged in collusive bidding, bid rigging, and fraud shall be put on record through the Shouzheng Platform and must not participate in the procurement business of CR Micro during the ban period.

Adhering to Business Ethics

We have implemented the arrangements of the Group's Party Committee on Party conduct, upholding integrity and anti-corruption, established the *Guidelines for the Prevention and Control of Integrity Risks in Major Projects, Guidelines for the Prevention and Control of Integrity Risks in Bidding and Procurement, and Guidelines for the Prevention and Control of Integrity Risks in the Sales Field*, and promoted the normalization and concretization of supervision. Carry out the full-process supervision on major science and technology projects before, during and after the events, to ensure the smooth implementation of project construction. Conduct relevant training on the code of business conduct and ethics, standardize the behavior of company employees and business partners and promote integrity. Make audit plans covering the operation site and business links, audit multiple key processes of high-risk companies and businesses, and check whether there are corrupt behaviors such as seeking personal gain, accepting bribes, misappropriating funds, and illegally occupying company assets.

Performance of anti-commercial bribery and anti-corruption training in 2024:

Targeted trainee	Total number	Percentage
Board of Directors	11	100%
Management Level	10	100%
Employees	10,756	100%



Anti-bribery and anti-corruption



Anti-monopoly and fair competition



Protection of whistleblowers

In accordance with the *Anti-Monopoly Law of the People's Republic of China and Anti-Unfair Competition Law of the People's Republic of China*, improve the anti-unfair competition management system. Restrict the abuse of market dominant position for competition through supervision and inspection, prohibit all behaviors that exclude competitors, and refuse to seek competitive advantages through immoral or illegal business practices. Carry out the promotion and implementation of the *Code of Business Conduct*, organize employees to receive training and learning on anti-monopoly and anti-unfair competition, organize the signing of commitment letters, and enhance employees' compliance awareness in anti-monopoly and anti-unfair competition.

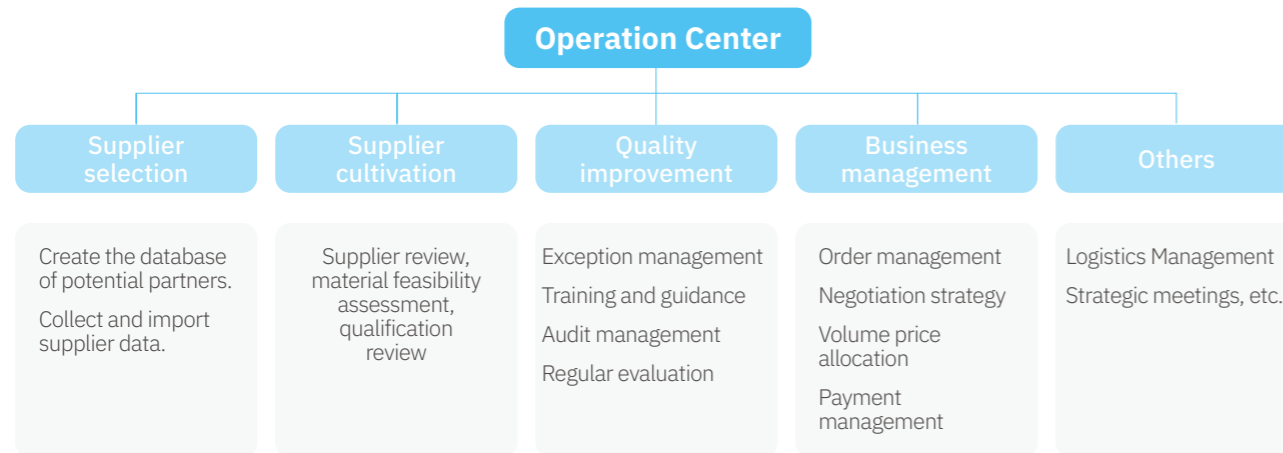
Develop the *Management System for the Handling of Letters and Visits and Disciplinary Review of Disciplinary Inspection Institutions and System for Clarifying False Reports and Accusations*, and standardize the management of all types of complaints and reports. Establish diversified reporting channels, indicate reporting email, hotline and mailing address, and encourage internal and external personnel to promptly reflect improper matters such as bribery, extortion, fraud and money laundering during the operation. It is stipulated that staff members are not allowed to disclose information to the person being reported or investigated, and the reported information must be strictly kept confidential.

Refining Supply Chain Systems

In compliance with the *Law of the People's Republic of China on Tendering and Bidding and Regulations on the Implementation of the Tendering and Bidding Law of the People's Republic of China*, CR Micro has improved the organizational structure of supply chain management, formulated the *Supplier Management, Regular Performance Evaluation of Suppliers* and other systems, and promoted the further upgrading of responsibility management in the industrial chain and value chain. Meanwhile, actively interact and communicate with suppliers, strengthen the quality control of the supply chain, strictly manage conflict mines, and promote the sustainability of the supply chain.

Supplier Management

Build the digital and intelligent supply chain of CR Micro. The operation center will take a lead in supply chain management. By strengthening procurement, supply, production, sales and quality, it implements the life cycle management of the supply chain. Targeted at win-win result and common growth, assure the stable development of production and operation.



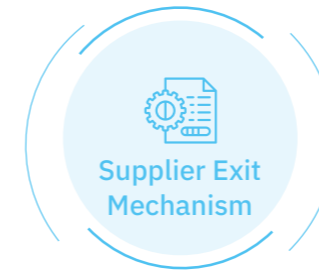
Supply chain management architecture



During the access stage, check the material sources, system certification status, environmental protection, and hazardous chemicals management of new suppliers, item by item, in accordance with the *Supplier Control Procedure and Specification for Quality Certification of New Materials*. Carry out due diligence and ask suppliers to sign the Integrity Agreement and the Supplier's Code of Conduct, to prevent commercial bribery and malicious fraud and regulate the integrity and business conduct of suppliers.



Carry out regular performance evaluations and evaluation of suppliers from the four aspects, i.e. quality, business, delivery and service. Give more opportunities to those that perform well in the assessment, and ask the unqualified suppliers to rectify and follow up for correction.



Those suppliers who suffer quality, safety, contract performance and service issues occurred during production and operation, or have any act of bad faith or breach of contract when participating in qualification and capability verification, procurement and contract performance, will be notified within the Headquarter or blacklisted.



Improve the prevention and control system for supply chain risks. Classify the risks of suppliers and adopt classified management, assessment and warning by assessing the product categories, delivery performance, status of environmental and quality system certification, compliance with local laws and regulations, and disputes over raw material procurement, etc. For suppliers at higher risks, establish a list of high-risk materials and enhance the risk response capabilities of the supply chain.

- Procurement Department** Ask major suppliers to sign the *Commitment Letter on Nonuse of Conflict Minerals, Certificate for Nonuse of Hazardous Substances* etc.
- Legal and Compliance Department** Promote and ask all suppliers to sign the *Integrity and Compliance Commitment Letter*.
- ESG Management** Ask the supplier to sign the *Safety Management Agreement*.



Integrate ESG into the life cycle management of suppliers, and promote suppliers to abide by relevant codes of ethics, safety, health and human rights as well as social and environmental performance requirements. Incorporate ESG management, responsible management of the mineral supply chain, green supply chain, carbon management and anti-corruption etc. into the supplier management, and gradually improve the performance evaluation system for the sustainability of suppliers.



Formulate the *Specifications for Supplier Performance Review and Specifications for Supplier Audit*, strengthen the quality and safety management of the supply chain, regularly conduct quality audits on suppliers, carry out quality and safety management training, continuously enhance the product quality assurance capabilities of suppliers, and reduce product quality and safety risks brought about by the supply chain. In September 2024, the "Unite Core Strength, Together We Can"—Supplier Quality Conference was held, with representatives from 17 suppliers in attendance.



Supply chain
information
management

The entire process of electronic and systematic management is implemented for the raw materials of suppliers from the incoming inspection, feasibility assessment and physical certification to the bill of materials of qualified suppliers. Establish a supplier quality management platform and digital management reports for automotive product suppliers. The system features high efficiency, consistency, integration, and replicability, achieving full-process quality control of suppliers. And for automotive products, monthly KPI data achievement tracking and display can be completed.



Supplier quality management platform



Supplier
communication and
training

Promote mutual learning and progress with suppliers, organize specialized training relating to quality management, and share cases of product quality and safety risk control. Organize specialized training related to environment and society to enhance the responsibility fulfillment capabilities of suppliers. In 2024, the Company conducted quality and technical exchanges with 21 suppliers irregularly, shared management methods and case experiences, and established a win-win relationship based on trust and value.

Case Study

Unite core strength and write a new chapter in supply chain collaboration



On September 21st, CR Micro held its first Supplier Quality Conference with the theme of "Unite Core Strength, Together We Can". Five outstanding suppliers in fields of silicon wafers, target materials, and plastic packaging materials shared their experiences in excellent quality management and received the "CR Micro Outstanding Supplier Award". By establishing a quality exchange platform for automotive industry suppliers, this conference has created a new model of cooperation for the coordinated development of the industrial chain, and setting a new benchmark for supply chain quality collaboration in the industry. It marks a crucial step for CR Micro in deepening its industrial ecosystem layout and enhancing its brand influence.



The Company conducts supplier training activities.

Management of Conflict Minerals

The Company adheres to the business philosophy of "not using conflict minerals as raw materials" and continuously optimizes its responsible minerals management. Develop the *Responsible Minerals Statement of CR Micro*, committing not to purchase conflict minerals from conflict-affected and high-risk areas. Develop the *Code of Supplier's Business Conduct of CR Micro*, defining the responsibility of suppliers not to use conflict minerals. Suppliers are asked to clearly understand the situation of conflict minerals (gold/ tantalum/ tin/ tungsten) and other metals contained in their products, and to conduct due diligence on the source and chain of custody of the minerals within this scope, assuring that metal materials used and sold by the suppliers are conflicts free.

Supplier's management of conflict minerals

Suppliers are required to sign the *Policy Statement for Ores from Conflict-Affected and High-Risk Areas* and the *Certificate for Nonuse of Hazardous Substances*, and to commit and prove that their products do not use ores from conflict-affected and high-risk areas.

In 2024, the packaging and testing business group signed the *Letter of Guarantee for Not Using Prohibited/ Restricted Hazardous Substances* with 77 suppliers, among which 46 were subject to investigation conflict minerals, with 100% return.

Employee training on conflict minerals

Train employees to enhance their awareness and understanding of conflict minerals.



Public Responsibility

Enhance Social Welfare

Our actions:

- Tighten safety production
- Devote to public welfare and charity
- Build a harmonious community together

Our performance:

Work safety performance

- Investment in work safety reached RMB **19.04** million.
- **0** ordinary accident or above occurred, **0** employee death.
- **575** security emergency drills were conducted, with **21,375** participants.

Performance of volunteer public welfare

- Charitable and public welfare donations reached RMB **750,000** and farmer-assisting consumption reached RMB **500,000** nearly.
- Organized the conduct of **12** "Yishanxin" clothing recycling activities

People's livelihood constitutes the basis of people's happiness and social harmony. CR Micro firmly fulfills the social responsibilities of a state-owned enterprise, consolidates the bottom line of work safety, participates in volunteer public welfare activities, and integrates itself into the community construction. It continuously deepens the connection between people's hearts, and keeps making efforts in strengthening the creation of social value, building a harmonious home of co-construction and sharing.





Tightening Safety Production

CR Micro adheres to prioritizing work safety, setting "zero accident, zero injury, and zero pollution" as the goals for annual work safety, and improving the safety management system. Focus on the investigation and rectification of hidden dangers and promote intrinsic safety. Carry out safety education and training, foster a safety culture, and ensure that the overall work safety of the Company is stable and orderly.

Improving Safety Management

The Company has established a complete work safety management system, gradually solidifying the main responsibility for safety management at all levels, deepening the construction of work safety standardization, continuously improving the operational quality and efficiency of the dual prevention mechanism, and steadily laying a solid foundation for work safety management. In 2024, the investment in work safety reached RMB 19.04 million, and Chongqing CR Micro passed the re-evaluation for the title of "Second-level Standardized Enterprise for Work Safety".



Fulfill safety responsibilities

The Company treats the work safety responsibility system as the core and foundation of EHS work. In accordance with the Law of the People's Republic of China on Work Safety, the Company has developed a number of systems including Objectives and Responsibility System for Work safety Management and Regulations on the Occupational Health and Safety Responsibility of Four-level Enterprises, sorted out and improved the list of work safety responsibilities by post and the list of annual work safety tasks for the first person responsible for the Company, the person in charge of EHS and other key management. Moreover, the Company also organizes all levels and all staff to sign the letter of commitment for occupational health and safety responsibilities, ensures the breakdown of work safety management goals and responsibility system level by level, and strives to promote the work safety responsibility system.

Empower safety with digital intelligence

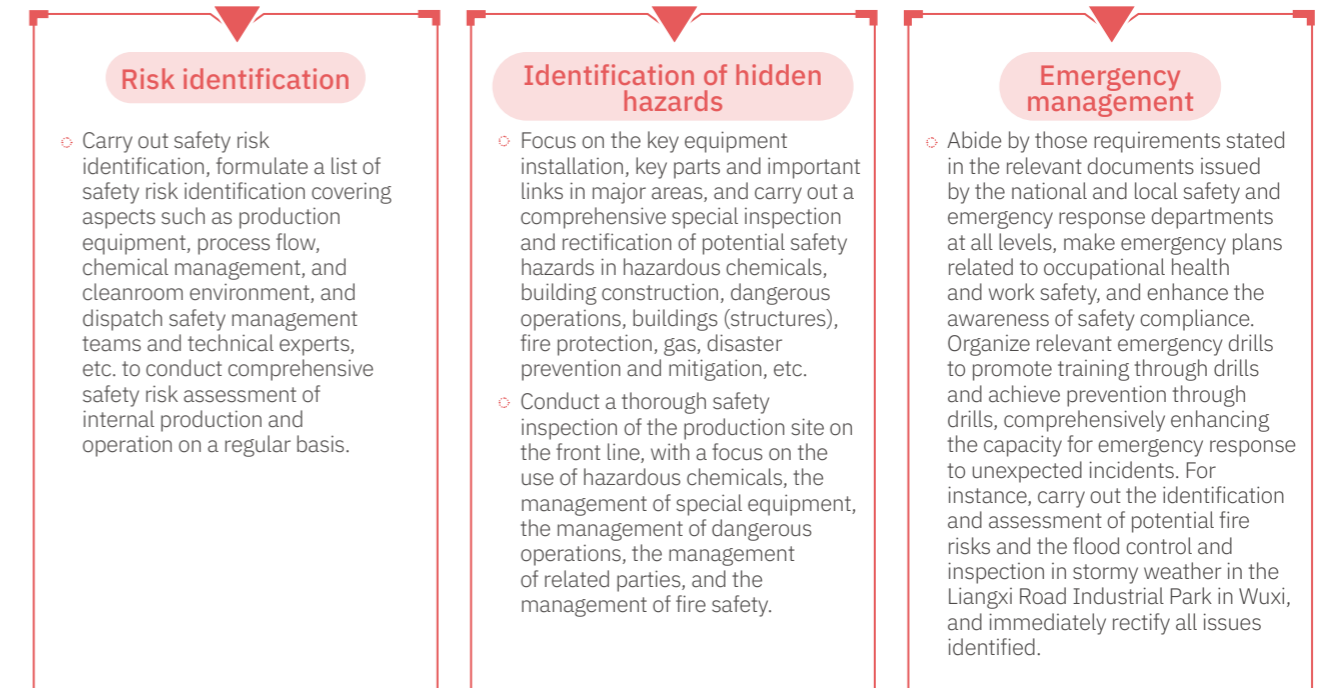
Establish a dual prevention mechanism for work safety risk control and potential risk identification. Improve the dual-control information management system. Display the safety risk classification management information via "three platforms and one window" effectively, in real time. Promote and enhance the Company's dual-control management level.

Dual-control information management system



Investigating Safety Hazards

We have been promoting the construction of the "three safety capabilities", improve the emergency response plans, normalize the response procedures, effectively control and prevent potential safety hazards and risks during operation, and help achieve "adequate risk prevention, effective hazard management, timely incident handling, and effective accident elimination". We will also establish and improve a long-term mechanism for work safety.



Case Study

CR Shanghai was awarded the title of "Advanced Unit of Fire Safety Management" in Wuxi.



CR Shanghai continuously increases its investment in fire safety, improves the construction of fire protection facilities, and regularly maintains and updates fire-fighting equipment to ensure it can play a role in critical moments. At the same time, actively carry out fire safety training for all staff. Enhance the employees' awareness of fire safety and their emergency response capabilities by combining theoretical lectures with practical drills. In November, it was awarded the title of "Advanced Unit of Fire Safety Management" in Wuxi for its outstanding performance in fire safety management.





Flood control and inspection in stormy weather



Identification of potential hazards of special equipment



Special drill for chemical leakage



Fire alarm evacuation drill

Creating Safety Culture

In 2024, the Company set up a leading group for the Work Safety Month, issued the *Notice on Work Safety Month and Safety Inspection of CR Micro in 2024*, and held a special meeting to study and deploy related tasks. The Company also encouraged its subordinated to carry out diversified safety-themed activities, promote the management ideas of work safety, enhance the employees' safety awareness, and strengthen the ideological defense line for work safety.

Specific practical measures

Theoretical study

Organize the subordinated to learn about, publicize and implement the important instructions and comments given by the President Xi Jinping on work safety through monthly and quarterly EHS meeting, special meeting and pre-shift meeting.

Safety training

Implement the job responsibilities of employees for work safety, expand the coverage of training, carry out classified and graded training, and strengthen safety education and training for dangerous operations such as electric welding, hot work, working at heights, confined spaces and temporary electricity use.

Activities

Upload videos for work safety learning, make promotional banners and posters for safety-themed activities, hold and participate in various EHS knowledge competitions, snapshots of potential hazards, professional skills competitions, and safety commitment signing activities, creating a strong atmosphere where everyone learns about safety.

Accident warning

Compile the *CR Micro [2024] No. 1 EHS Warning*, deeply draw lessons from the fire accident at Shanxi Jinko and the collapse of belt corridor at Hubei Runyang, and strengthen construction safety management.



Publicity and implementation of theoretical knowledge on work safety



Carry out the "Safety Hazard Identification among 100 Pictures" activity



Put up the work safety posters



Hold an emergency response expert competition



Hang safety slogans



Carry out the "Safety Commitment Signing" activity

Devoting to Public Welfare and Charity

CR Micro has launched internal policies such as the *Administrative Measures for External Donation of CR Micro* and *Administrative Measures for voluntary Blood Donation of CR Micro*, defining the key directions, principles, methods and management approval procedures for donation, and improving the operation mechanisms related to public welfare. Encourage employees to actively engage in charitable donations, carry out the "Yishanxin" clothing recycling and child education assistance activities, and give back to society with our humble efforts. In 2024, the Company was awarded the "Responsible Whale and Ox Award" as an ESG public welfare pioneer. This award aims to recognize listed companies that are enthusiastic about social public welfare and charity, integrate the concept of charity into corporate culture construction, and voluntarily fulfill their social responsibilities.

Building ESG Brand

CR Micro are concentrating on building the "Warm Core" series of ESG brands, including Warm Core Scientific Education, Warm Core Education Assistance, Warm Core Elderly Care, and Warm Core Child Protection, etc. The Company focus on imparting knowledge about the semiconductor industry, providing financial aid to students in need, organizing activities in nursing homes and Arbor Day events, to safeguard the well-being of the people.

Contributing to Rural Revitalization

The Company integrates the rural revitalization into its corporate development strategy. In light of the new situation, new tasks and new requirements, the Company continuously strengthens overall guidance and organizational promotion. It focuses on multiple fields such as industry, education and consumption, and applies precise efforts based on local conditions. Through measures such as consumption assistance, paired construction and material donation, it continuously deepens and expands the rural revitalization. In 2024, the Company actively participated in the "Rural Revitalization Week" organized by SASAC and the "Unite and Act" of China Resources Group, purchasing agricultural products valued RMB 494,900 in total.

Conducting Clothing Recycling Project

The "Yishanxin" public welfare brand is an environment-friendly clothing recycling project initiated by CR Micro and the Trade Union of Wuxi Civil Affairs Bureau jointly, through "Runzhishou", an environmental protection platform of China Resources. Carry out clothing recycling activities by organizing volunteer service teams to enter shopping malls, schools and communities, promoting the resource conservation concept of clothing recycling. We are committed to promoting the recycling and reuse of used clothes while making it an effective way for enterprises to support the "carbon peaking and carbon neutrality" goals and promote the concept of public welfare and environmental protection. In 2024, a total of 12 "Yishanxin" clothing recycling activities were carried out, including 7 held inside and 5 held with partners, gathering 5.59 tons of used clothing cumulatively.



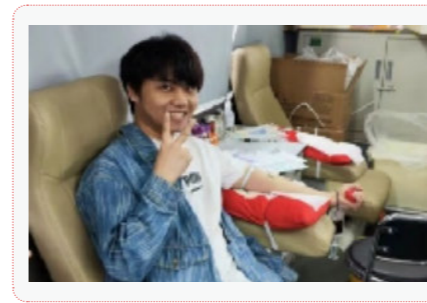
The Foundry Business Group launched the "Warmth of Old Clothes Makes Love Spread" volunteer activity.



The Operation Center launched the "Deep Affection for Old Clothes, Moving Forward Together" volunteer activity.

Organizing Voluntary Blood Donation

The Company actively organizes voluntary blood donation activities to help relieve the pressure of the blood bank and contribute to medical treatment. Through internal publicity channels, widely mobilize and introduce the significant meaning and process of voluntary blood donation, stimulate the enthusiasm of employees to participate, and support social public welfare undertakings with practical actions.



The Company has organized voluntary blood donation activities for many consecutive years, and employees have actively participated.

Giving Donations to Schools

To improve the educational quality in poverty-stricken areas, enrich the reading list for children and enable rural children to share high-quality educational resources, the Company actively encourages its subordinate business groups to hold donation and educational assistance activities. The Foundry Business Group has set up a charity donation point and organized its employees to donate idle items to children in remote and poverty-stricken areas. The Design Service Party Branch launched the "Tongxin Zhumeng" book donation activity, together with the "Micro Angel" Public Welfare Service Society of Liangxi District, to support children's education and growth.



CR Micro has launched the 2024 "Warm Heart and Child Protection Project", donating educational assistance funds and materials to help children in need complete their studies and convey positive energy of caring for children's growth.



The Foundry Business Group launched the "Tongxin Zhumeng" book donation activity, together with the "Micro Angel" Public Welfare Service Society of Liangxi District, and received over 1,000 books.

Building a Harmonious Community Together

CR Micro attaches great importance to communication and exchanges with local communities, actively leverages its resource advantages, deeply integrates into local schools and communities, and conducts a series of activities such as knowledge popularization. It is committed to creating a harmonious and healthy living environment and sharing the fruits of development with the communities.



The Integrated Circuit Business Group visited Jiangsu Information Technology College and carried out a series of activities to bring science and technology into the campus.



The Foundry Business Group entered the kindergarten to launch the "Initiating the Classroom with 'Heart', Smartly Drawing the Future" activity.



Future Outlook

In 2025, CR Micro will obtain the results of its "14th Five-Year Plan" strategy. As a leading power semiconductor manufacturer and a listed company on the STAR Market, CR Micro will continue to perform the full industrial chain IDM business model and achieve business scale leadership in the fields of power semiconductors, intelligent sensors, and intelligent control. Relying on 6+8+12-in wafer manufacturing and advanced packaging and testing resources, it leads in core products and technologies. CR Micro will continue to deepen the introduction, cultivation, retention and utilization of S&T talents, promote talent aggregation and build a talent highland, and take the lead in the introduction of high-level S&T talents. Meanwhile, build the foundation of value investment through high-quality development, improve corporate governance, and achieve efficient management with an outstanding Board of Directors. Take multiple measures to improve the quality of listed companies, strengthen the transparency of information disclosure, and deepen investor relations management. We will build a platform for shareholders and employees in a firmer and open way, to realize their value and contribute technological strength to society.



Annex

Key Performance

Scope of responsibility	Indicator	Unit	2022	2023	2024
Customer responsibility	Contract fulfillment rate	%	100	100	100
	Customer satisfaction		FBG: 93.25	FBG: 93.26	FBG: 92.99
			PDBG: 93	PDBG: 92.64	PDBG: 93.3
			ICBG: 91.84	ICBG: 92.62	ICBG: 92.57
			ATBG: 90	ATBG: 92	ATBG: 93
	Customer complaint handling rate	%	100	100	100
	Product percent of pass	%	6 inches:99.57 8A: 99.60 8B: 99.32 6C: 99.93 T1: 99.94 T2: 99.80 A3: 99.84	6 inches: 99.56 8A: 99.69 8B: 99.32 6C: 99.89 T1: 99.94 T2: 99.86 A3: 99.85	6 inches:99.62 8A: 99.71 8B: 99.48 6C: 99.78 A3: 99.86 12A: 99.78 A1: 99.88 A2: 99.73 A5: 99.85 A6: 99.82
	Product recall rate	%	--	--	0.012
	Investment in R&D	RMB 100 million	9.21	11.54	11.67
	Number of R&D personnel	Person	1,413	1,597	1,731
	Number of international, national or industrial standards	Units	0	0	0
	Sales volume of new products	RMB 100 million	31.35	26.72	30.29
	Number of new patents	Units	231	193	161
	Major innovation awards		11	14	19
	Number of patents and patent applications		4,071	5,896	5,453
Partner responsibility	Ratio of suppliers passing quality, environmental and occupational health and safety system certifications	%	9.21	9.86	17.6
	Number of strategic cooperation agreements signed	Copy	23	35	35
	Expenditure on industry-university-research cooperation	RMB 10,000	440	507	722
	Penalties for law and regulation violations	Times	0	0	0
	Number of major negative public opinions handled	Case	0	0	0
	Proportion of suppliers conducting social impact assessment	%	100	100	100
	Proportion of suppliers conducting environmental impact assessment	%	100	100	100
	Number of suppliers	Supplier	3,425	3,639	3,591

Scope of responsibility	Indicator	Unit	2022	2023	2024
Partner responsibility	Proportion of local suppliers	%	--	--	93.12
	Proportion of localized procurement	%	--	--	86.5
	Percentage of internal buyers who have been trained in sustainable purchasing	%	100	100	100
	Percentage of products with traceable origin of raw materials	%	--	--	100
Environmental responsibility	Comprehensive energy consumption	10,000 tons	8.84	8.61	9.80
	Comparable comprehensive energy consumption per RMB 10,000 of output value	Tons of standard coal/RMB 10,000	0.0683	0.0655	0.0704
	Comparable comprehensive energy consumption per RMB 10,000 of added value	Tons of standard coal/RMB 10,000	0.1301	0.1190	0.1339
	Investment in energy-efficient and emission-reduction technology upgrading	RMB 100 million	0.130	0.268	0.285
	Total investment in environmental protection	RMB 100 million	0.55	0.48	0.63
	Total water consumption per million RMB of revenue	Ton	--	--	7.11
	Carbon dioxide emissions	Ton	608,812.17	556,847.70	590,980.29
	Scope I GHG Emissions	tCO ₂ e	--	170,966	166,803
	Scope 2 GHG Emissions	tCO ₂ e	--	385,880	424,177
	Carbon dioxide emissions per RMB 10,000 of output value	tons/10,000 yuan	0.47	0.42	0.42
	Sulfur dioxide emissions	Ton	0.5388	0.7598	0.6592
	Volatile organic compounds (VOCs)	Ton	32.03	64.43	39.26
	Ammonia nitrogen emissions	Ton	6.9858	6.9794	6.6143
	COD discharge volume	Ton	135.318	141.269	144.336
	Nitrogen oxides (NOx) emissions	Ton	4.6622	4.7025	5.8053
General solid waste generated	Ton	4,510.75	4,758.66	7,903.44 ^{Note}	
Hazardous waste generated	Ton	5,700.32	5,470.46	5,817.16	
Economic responsibility	Operating Income	RMB 100 million	100.60	99.01	101.19
	Total Profit	RMB 100 million	26.53	16.87	7.95
	Net Profit	RMB 100 million	25.99	14.38	6.62
	Net profits attributable to the owners of the parent company	RMB 100 million	26.17	14.79	7.62
	Total Assets	RMB 100 million	264.58	292.15	291.07
	Net assets	RMB 100 million	206.96	236.30	242.96
	Weighted return on net assets	%	14.04	7.15	3.47

Note: In 2024, CR Run'an was added into the scope of statistics. Meanwhile, the waste treatment standards of CR Shanghua were raised, resulting in an increase in the amount of waste generated.



Scope of responsibility	Indicator	Unit	2022	2023	2024
Economic responsibility	Return on total assets	%	11.04	6.30	2.87
	Rate of value maintaining and increasing of state-owned assets	%	117.55	107.87	100.24
	Profit/ cost ratio	%	34.02	19.78	8.66
	Labor productivity of all staff	RMB 10,000 per person	54.82	46.46	38.82
	Total investment in fixed assets	RMB 100 million	16.23	27.70	23.73
	Total Taxes	RMB 100 million	5.67	6.08	4.79
	Total profits and tax	RMB 100 million	30.99	20.77	10.78
Employee responsibility	Total number of employees	Person	9,470	10,251	10,756
	Percentage of contract workers	%	100	100	100
	Social insurance coverage rate	%	100	100	100
	Coverage rate of health check-up	%	100	100	100
	Number of health check-up participants	人	9,470	10,251	10,756
	Percentage of female management (Direct managers of group departments and directly-affiliated companies)	%	22	20	15
	Number of disabled employees	Person	31	33	46
	Employee training coverage	%	97	100	100
	Per capita training investment	RMB 10,000 per person	0.07	0.08	0.06
	Total investment in employee training	Yuan/year	6,914,105	8,460,434	6,891,469
	Employees' satisfaction with canteen	%	82.56	82	80
	Employees' satisfaction with dormitory	%	92.0	92.6	92.9
	Help employees in difficulty	Person (household)	188	100	85
	Investment in helping employees in difficulty	RMB 10,000	7.42	2.99	8.72
	Visit and console the families of employees in difficulty	household	47	95	130
	Investment in visiting and consoling the families of employees in difficulty	RMB 10,000	3.63	6.50	4.23
	Assist the sick employee	Person-times	78	131	238
	Investment in assistance to sick employees	RMB 10,000	4.54	6.63	9.75
Educational assistance for children in difficulty	Person-times	0	87	100	
Investment in educational assistance for children in difficulty	RMB 10,000	0	8.7	10	

Scope of responsibility	Indicator	Unit	2022	2023	2024
Public responsibility	Number of new employees (total number of new employees during the reporting period)	Person	2,343	2,766	3,902
	Charitable and public welfare expenditure	RMB 10,000	75	65	75
	Investment in rural revitalization	RMB 10,000	0	28	50
	Number of volunteers	Person	985	1,121	1,261
	Number of ordinary accidents and above	Times	0	0	0
	Mortality rate per thousand people	%	0	0	0
	Number of fatalities in accidents	Person	0	0	0
	Number of employee deaths	Person	0	0	0
	Safety training hours	Hours	91,609	142,549	216,806
	Safety training coverage rate	%	100	100	100
	Investment in safety production	RMB 100 million	0.2208	0.2197	0.1904
	The number of security emergency drills	number of times	304	527	575
	Number of participants in security emergency drills	Person-times	9,612	15,955	21,375
	Number of full-time safety management personnel	Person	63	71	89
Number of registered safety engineers	Person	33	38	28	
Number of people suffering from occupational diseases	Person	0	0	0	
Investment in employee occupational health and safety	RMB 10,000	894.41	718.78	786.11	



Indexes

Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Report (for Trial Implementation)

Dimension	S/N	Topics	Chapters	Page
Environment	1	Response to climate change	Environmental Responsibility – Respond to Climate Change	P63-70
	2	Pollutant emissions	Environmental Responsibility – Put Green Production into Practice	P57-62
	3	Waste disposal		
	4	Ecosystem and biodiversity protection	Environmental Responsibility – Improve Environmental Management	P55-56
	5	Environmental compliance management		
	6	Energy utilization	Environmental Responsibility – Respond to Climate Change	P63-70
	7	Water resource utilization	Environmental Responsibility – Put Green Production into Practice	P57-62
	8	Circular economy		
Social	9	Rural revitalization	Public Responsibility – Devote to Public Welfare and Charity Build a harmonious community together	P99-100
	10	Contribution to society		
	11	Innovation-driven development	Customer Responsibility – Focus on Innovation-Driven Development	P39-44
	12	Ethics of S&T		
	13	Supply Chain Security	Partner Responsibility – Promote Industry Win-Win Development	P85-87
	14	Equal treatment of small and medium-sized enterprises	Partner Responsibility – Maintain Fair Trades	P87-88
	15	Safety and quality of products and services	Customer Responsibility – Improve the Quality of Products Supply high-quality service	P45-52
	16	Data security and customer privacy protection	Economic Responsibility – Enhance Compliance Risk Control Customer Responsibility – Render High-Quality Service	P32-36 P50-52
17	Employees	Employee responsibility	P73-82	
Sustainability-related governance	18	Due diligence	Partner Responsibility – Refine Supply Chain Systems	P89-92
	19	Communications with stakeholders	Sustainability Management	P19-24
	20	Anti-bribery and anti-corruption	Partner Responsibility – Maintain Fair Trades	P87-88
	21	Anti-unfair competition		

Feedback

Dear readers,

Thanks for your attention. To provide you and other stakeholders with more professional and valuable information and effectively promote the Company's capability and level to fulfill its social responsibilities, we sincerely look forward to your feedback and suggestions, in the following ways:

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Multiple Choice (Please check in the appropriate box) (a minimum of 1 point and a maximum of 5 points)

- Your overall assessment of the report:
 1 2 3 4 5
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 1 2 3 4 5
 - Do you think this report can reflect the significant environmental impact of CR Micro?
 1 2 3 4 5
 - Do you think this report can reflect the significant social impact of CR Micro?
 1 2 3 4 5
 - Do you think this report can reflect the corporate governance of CR Micro?
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 1 2 3 4 5
 - Your overall assessment of literal expression in this report?
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