2025 Sustainability Report

BAIC FOTON MOTOR CO., LTD.

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About This Report

Scope of the report

This reporting entity is BAIC Foton Motor Co., Ltd., including its branches and subsidiaries. The report presents information primarily covering the period from January 1, 2025, to December 31, 2025, with some information extending slightly beyond this timeframe.

Since 2010, BAIC Foton has released social responsibility reports to the public for 14 consecutive years, and in 2024 released its first sustainability report to enhance communication and engagement with stakeholders. This is the second sustainability report released by BAIC Foton Motor Co., Ltd. (hereinafter referred to as "BAIC Foton"). As ESG concepts emerge and thrive, corporate disclosure has expanded beyond objective data such as finance and business performance. Factors such as ESG (environment, social, and governance) are taken into consideration to help companies improve their value to investors and achieve sustainable development.

Reporting cycle

This is the second annual sustainability report.

Preparation basis

This report is prepared in accordance with the *GRI Sustainability Reporting Standards (GRI Standards) 2021* issued by the Global Sustainability Standards Board (GSSB), and draws upon *Guidance on Social Responsibility Reporting (GB/T 36001-2015)* and *Guidance on Social Responsibility (GB/T 36001-2015)*, while also complying with the *Sustainability Disclosure Standards for Business Enterprises—Basic Standards (Trial)* issued by the Ministry of Finance and the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* issued by the Shanghai Stock Exchange and responding to the United Nations Sustainable Development Goals (UN SDGs).

Reference

For better readability, in this report, "BAIC Foton Motor Co., Ltd." is also referred to as "BAIC Foton", the "Company" or "we".

Data sources

The relevant information, data, and cases are all sourced from BAIC Foton, and have been reviewed by the Company.

Important note

The report is free of false records, misleading statements or significant omissions, and has been reviewed by the Board of Directors of the Company.

Report release format

This report is released in printed version (environmentally friendly paper) and electronic version. You can access to the electronic version on our website (https://www.foton.com.cn) and the Shanghai Stock Exchange website (www.sse.com.cn).

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Message from the Chairman

Advancing with Determination, Co-creating a Better Future

——to be a Top Performer in Sustainable Development with World-Class Aspiration

ESG is evolving from an "optional question" into a "mandatory question" that determines enterprise development. It concerns not only the survival and future of enterprises themselves, but also represents the mission that modern state-owned enterprises must shoulder amid the global wave of green transformation and the national "dual carbon" strategy. Amid unprecedented changes unseen in a century, only through strategic insight and determined breakthroughs can we achieve a leap in development. To this end, we are committed to becoming "world-leading", regarding high-quality sustainable development as a systematic undertaking throughout the lifecycle of the enterprise, We anchor our strategic transformation towards full internationalization, electrification and smartification. We forge ahead to break new ground in modern governance, core technology mastery, and international expansion. Taking the stance of a "top performer", we contribute Chinese insights and solutions to global sustainable development.

The self-driven pursuit of a "top performer" is rooted in our original aspiration of "making extensive social contributions and benefiting hundreds of millions of people". In 2025, our advancement initiatives withstood the test of a complex market environment: Annual sales exceeded 650,000 units, including over 100,000 new energy vehicles, a year-on-year increase of nearly 90%; heavy-duty truck sales surpassed 140,000 units, doubling year-on-year; and overseas exports exceeded 160,000 units, hitting a record high. Behind these figures lies an increasingly clear development logic: On the path of high-quality sustainable development, true "world-leading" status begins with foresight into the future and is realized through transformation driven by new quality productive forces and a century-long foundation built upon core competitiveness.

We are committed to the independent control over core technologies and continuously leading industry development with "world-leading technologies".

True leadership begins with technological self-reliance and culminates in the definition of standards. Facing the dual pressures of transformation and competition, we uphold a determined spirit of "To Do. To Try. To Win." and pursue full-stack in-house R&D. We take full electrification and smartification as the twin engines driving the future, continuously leading industry development through technological innovation breakthroughs.

In 2025, we vigorously promoted full electrification, accelerating the implementation of the "30·50" new energy strategy, developing a brand-new pure electric platform for light-duty trucks, with the Day Star model achieving rapid market uptake upon launch. We deployed the industrialization of three core electric modules to achieve in-house R&D and manufacturing. We also focused on full smartification, expanding Internet of Vehicles (IoV) platforms, advancing intelligent driving, building smart factories, and accelerating digital and intelligent transformation. We not only completed the renewal of our product portfolio, but also restructured the entire value chain around "energy + vehicle + ecosystem", transforming from technology application to standard-setting.

Every figure working through the night in laboratories to overcome technical challenges embodies our pursuit of technological self-reliance, and every vehicle praised by customers in the market stands as the best testament to our strategic resolve.

We are committed to shared growth and mutually beneficial overseas development, contributing "Chinese solutions" to the world with "first-class value".

True internationalization begins with reliable product output and culminates in value co-creation and ecosystem integration. The globalization of China's commercial vehicles remains in its "growth phase", and it must accomplish the crucial leap from merely "going global" to rooting deeply into local markets. circumstances and market volatility, we have always adhered to the strategies of "integrated global expansion" and "deep localization".

In 2025, our full internationalization strategy achieved a critical upgrade, with milestone progress in localized operations across Thailand, South Africa, Brazil, and other regions. In Europe, we not only amplified China's voice on international stages such as the UITP Summit in Germany, but also successfully secured bulk orders for new energy buses, integrating into Europe's green public

transportation system. In South America, our Brazil factory was certified with ISO 9001, with its manufacturing system fully aligned with global standards, and BAIC Foton's 12 millionth vehicle rolled off the line there. In the Middle East, we delivered customized school buses in the thousands to safeguard schooling journeys of the next generation. In China, we co-established the "Astra Super Power Alliance" with partners to foster collaborative innovation and global expansion, providing tailored green logistics solutions for global customers.

Every successful cooperation represents a new story of value co-creation, embodying not only mutual trust and benefit in business, but also cultural exchange and mutual learning, as we and our global partners jointly write vivid chapters of a "community with a shared future for mankind".

We are further committed to excellence through self-transformation. With first-class governance, Foton can forge a foundation for a century of success.

True excellence begins with lofty ideals and forward-looking strategy, and is realized through the resilience of modern governance systems. BAIC Foton has always borne in mind its national mission, deeply integrating ESG concepts into corporate governance, and striving to build a modern state-owned enterprise characterized by "innovation leadership, outstanding functions, efficient governance, and dynamic vitality".

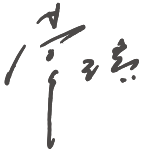
In 2025, despite intense market fluctuations and transformation pains, we firmly believed that where the heart aspires, the mission will be accomplished. We continued to evolve our competitiveness and shouldered the responsibilities of a state-owned enterprise. Internally, we deepened "matrix-style" reforms to invigorate organizational vitality, establishing regional marketing centers, integrating manufacturing centers, and innovating BG organizational models to unleash frontline capabilities. We reinforced a "three lines of defense" risk control system covering the entire value chain to ensure steady and sustainable development. We adhered to a people-oriented approach, expanding talent development pathways and addressing employees' concerns, enabling personal growth to resonate with the Company's future. Externally, we built monuments with "national-standard quality": We completed escort missions with "zero error" during V-Day Parade, fulfilled astronaut escort missions for the eighth time, provided service for the Two Sessions for 21 consecutive years, and received letters of thanks from relevant command authorities and the Xizang Beijing Office,etc.

Moreover, we extended our responsibility to areas of social need and public concern. We care for truck drivers by donating to support the "Truck Driver Care" initiative and providing assistance to logistics workers. We support border regions through the "Hotan Oasis" long-term public welfare mechanism and the donation of new energy buses, contributing to green border development. We are devoted to rural revitalization by donating vehicles and educational supplies under the Beijing-Inner Mongolia paired assistance program, promoting sustainable rural development. In response to disasters such as earthquakes and floods, we rapidly provide aid by transporting supplies and purchasing unsold agricultural products, safeguarding livelihoods with "Foton speed". We donate mobile medical vehicles to effectively bridge the "last mile" of healthcare in remote areas.

From safeguarding major national events to responding to people's needs, we consistently fulfill our social responsibilities through concrete actions, advancing with the times and standing united with the people. All of this demonstrates not only our capability to work hard to become a world-class commercial vehicle enterprise, but also our loyalty and sense of responsibility in answering the call of the state.

The great path is broad and smooth, and the journey knows no bounds. The year 2026 marks the beginning of the "15th Five-Year Plan" period and is also a critical year for BAIC Foton to fully implement its strategy of full internationalization, electrification and smartification, during which BAIC Foton will comprehensively enhance its competitiveness in terms of strategy, cost, and efficiency. At the same time, we firmly believe that one travels fast alone, but far together. Amid the profound transformation of the global auto industry and the rise of China's auto sector, BAIC Foton will continue to uphold its unwavering aspiration of "benefiting hundreds of millions of people", maintain the enterprise spirit of a "top performer", and move forward alongside all leaders of China's auto industry, jointly demonstrating the strength and value of Chinese smart manufacturing on the global stage.

Chairman of BAIC Foton Motor Co., Ltd.
Chang Rui



About Us

Company profile

Founded in 1996, BAIC Foton Motor Co., Ltd. (Stock Code: 600166) is a state-owned listed company under BAIC Group. It is the largest commercial vehicle manufacturer with the most complete portfolio in China, and the first Chinese commercial vehicle manufacturer to achieve both independent R&D and independent branding with an output of over 10 million units. It has built a comprehensive business integrating vehicles, components, and commercial ecosystem, with products and services covering more than 140 countries and regions worldwide.

BAIC Foton anchors itself to the strategic goal of becoming a world-class commercial vehicle enterprise, promotes the strategic transformation of "Internationalization, Electrification, Smartification", upholds the pioneering spirit of "To Do. To Try. To Win." and is committed to becoming an international enterprise with green technology and leading market.

Corporate culture

Mission

To provide green solutions for the energy revolution

Core Values

To Do. To Try. To Win

Entrepreneurial Spirit

Openness, Justice, Courage, Inclusiveness

Code of Conduct

8 Military Rules of BAIC Foton

Vision

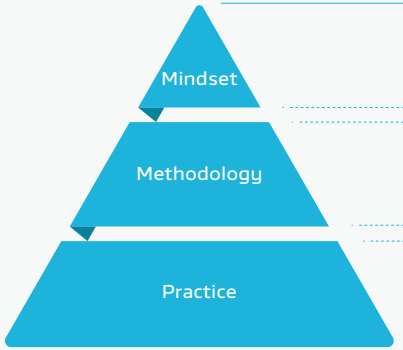
To be an international enterprise with green technology and leading market

Business Philosophy

Green technology drives the energy revolution, digital innovation empowers value creation

Work Style

Rigorous, meticulous, professional, responsible



Making extensive social contributions and benefiting hundreds of millions of people

Customer-centered, market-oriented, development-driven

Turning the impossible into the possible, the possible into reality, and the reality into excellence

Sustainable Development Philosophy System

Sustainability Milestones

2025

January

- BAIC Foton provided material donations and disaster relief services to earthquake-stricken areas in Xigazê, Xizang

February

- BAIC Foton and CATL held a signing ceremony for a ten-year strategic cooperation
- BAIC Foton and TELD signed a joint venture agreement to establish a joint venture

March

- The 2,000th heavy-duty truck for the Thai market of BAIC Foton officially rolled off the line
- Successfully completed escort missions for the 2025 National "Two Sessions"
- The first automatic transmission heavy-duty tractor product officially rolled off the line in South Africa

April

- The first locally manufactured Foton Aumark light-duty truck in Brazil and the Company's 12 millionth vehicle rolled off the line
- Wang Haoming Studio was recognized as a National Skill Master Studio
- Organized an sustainability report launch conference and released BAIC Foton's first sustainability report

May

- BAIC Foton and Huawei Digital Power signed a cooperation agreement to develop multi-scenario solutions and build a megawatt-level ultra-fast charging network

June

- BAIC Foton signed a memorandum with the Saudi government and enterprises for the construction of a localized factory and delivered 1,000 school buses to Saudi customers in bulk
- BAIC Foton showcased its international products at the 2025 UITP Global Public Transport Summit, demonstrating its technological strength and innovations in the bus sector to the world

July

- Launched the new energy products Cavan Ledi, View T7, Xiangling U7, and Auman Galaxus collectively
- BAIC Foton launched the "Weifang Campaign" quality improvement initiative

August

- BAIC Foton donated to support the "Truck Driver Care" initiative
- BAIC Foton provided emergency support for the Miyun flood disaster

September

- BAIC Foton successfully supported the "80th Anniversary of the Victory of the Chinese People's War of Resistance Against Japanese Aggression" commemorative event

October

- BAIC Foton officially released Day Star the world's first dedicated platform for pure electric light-duty trucks

November

- The BAIC Foton 2026 Global Partner Conference themed "Drive To Great" was grandly held
- Successfully completed the astronaut escort mission for Shenzhou-20 for the eighth time

December

- BAIC Foton released AUV intelligent buses, Cavan BEACON hydrogen-electric dual-route heavy-duty trucks, and Auman Galaxus hybrid heavy-duty trucks

FUTURE

Annual Sustainability Highlights

Business performance

650,053 units
Commercial vehicles sales

RMB **61.247** billion
Operating revenue

No. 1
China's commercial vehicle total sales for many consecutive years

RMB **1.361** billion
Total profits

164,542 units
Vehicles exported

101,200 units
NEV sales

No. 1
China's commercial vehicle export for many consecutive years

87.2%
Year-on-year growth of NEV sales

Environmental

9,894 tCO_2e
Year-on-year Greenhouse gas emissions (Scope 1 and Scope 2) reduction

39 MW
Installed capacity of photovoltaic power in total

4 national-level **1** provincial-level
Green factories certified

45,165 MWh
Green electricity purchased

100%
Factory coverage certified by the ISO 14001:2015 Environmental Management System

58
Certified green suppliers

8 models
Awarded commercial vehicle quantified carbon footprint label

2
National-level green supply chain management enterprises

Social

93.82
Customer satisfaction score

15%
Year-on-year customer quality complaint rate decreased by

3,000+ domestic
1,200+ overseas
Sales network

8,000+ domestic
1,500+ overseas
Service network

RMB **7,170,000**
Employee training investment

RMB **11,828,000**
Rural revitalization investment

100%
Coverage rate of compliance and quality training for key suppliers

1,658
Dealers transformation training

Governance

100%
Coverage rate of compliance culture promotion

Grade A
SSE Listed Company Information Disclosure Rating

100%
Integrity, anti-commercial bribery, and anti-corruption training coverage rate

Honors

Selected for “2025 Typical Cases of Metaverse”

Four entities including Department of Science and Technology of the Ministry of Industry and Information Technology

Forland Linghang Truck Factory was rated as an Advanced-level (provincial-level) Intelligent Factory

Department of Industry and Information Technology of Shandong Province

Recognized Wang Haoming and Ai Jianlong as Owners of National Skill Master Studios

Ministry of Human Resources and Social Security

The cases “New Energy Powertrain Domain Control Unit (PDCU) Technology”and“Independent Development Technology for Autonomous Driving Based on Unmanned Equipment” were awarded “2025 China Commercial Vehicle Innovative Technology Achievements”

China Association of Automobile Manufacturers

“Key Technologies and Applications of Next-Generation Electric Vehicle Chassis”, “High-Performance Direct-Magnetic Power Electromagnetic Clutch Technology and Application”,and “Key Technologies and Industrialization of High-Performance Long-Life Fuel Cell Commercial Vehicles” were awarded the “Science and Technology Award”

China Society of Automotive Engineers

The project “Key Technologies and Applications of Hydrogen Fuel Cell Buses” won the First Prize of the “China Auto Industry Science and Technology Progress Award”

China Society of Automotive Engineers

“Key Technologies and Applications of Intelligent Monitoring and Early Warning Inside and Outside Cabins of Long-Distance Transport Vehicles” won the “Science and Technology Award”

China Federation of Logistics & Purchasing

The project “Construction of High-Precision Dynamic Map Service Platform for Intelligent Connected Vehicles (Basic Data Service and Basic Map Service Platform)” won the “Science and Technology Award”

Chinese Society for Geodesy, Photogrammetry and Cartography

Won 7 high-quality awards including the “Five-Star Unit for ‘Party Building + Corporate Culture’ in the New Era”

China Culture Administration Association

Awarded as a Global Leading Enterprise

China Automotive News Co., Ltd.

Awarded the 2025 National Commercial Vehicle Industry Ecosystem Innovation Enterprise

2025 National Commercial Vehicle Service Satisfaction Survey Committee

Awarded National QC Quality Achievement Presentation Awards (Demonstration Level and Professional Level) and National Reliable Quality Team

China Quality Magazine

Honor (ESG)

Selected among the Top 10 "2025 ESG Practice Innovation Cases of Chinese Enterprises Going Global"

People's Daily (Overseas Edition), All-China Environment Federation, China Quality Certification Center

Awarded the title of Sustainability Practice Case — "Responsibility Leadership"

China Association of Automobile Manufacturers

Honored Top 100 in the 3rd Guoxin Cup · ESG Golden Bull Award

China Securities Journal, China Reform Holdings Corporation

Selected for "Best Sustainability Practice Cases of Listed Companies"

China Association for Public Companies

Honored the Supplier Responsibility Information Disclosure Award

GoldenBee Think Tank

Selected for "Best Sustainability Practice Cases"

China Times

Responsibility Performance Spotlight:

Advancing Full Internationalization, Electrification and Smartification to Become a World-Class Enterprise

BAIC Foton's original aspiration of "making extensive social contributions and benefiting hundreds of millions of people" stays unwavering; it shoulders the mission of providing green solutions for the energy revolution. We remain dedicated to our core business with steadfast commitment; we embrace change and respond to national strategies. With 29 years of extensive efforts across the entire commercial vehicle sector, we forge ahead with determination, to become a world-class commercial vehicle enterprise with unwavering ambition.

The achievements made during the "14th Five-Year Plan" period lay a solid foundation for the "15th Five-Year Plan" period. Standing at the intersection of history, we focus on the strategic goals of "achieving a 50% new energy penetration rate and 30% share of overseas business", with "Internationalization, Electrification, Smartification " as the core pillars of strategic transformation. With firm strategic resolve, continuous product innovation, and an open industrial ecosystem, we join hands with partners to map out a world-class blueprint amid global competition and compose a new chapter in the new era—Easy Move and Chinese brands shining globally.

Internationalization | Reshaping the Global Commercial Vehicle Landscape with Chinese Manufacturing

Facing the fourth window of opportunity brought by the global low-carbon economy and energy transition, the global expansion of commercial vehicles is no longer simple competition of individual products, but comprehensive cooperation featuring industrial chain integration and ecosystem synergy. Leveraging advantages in scale, early positioning in new energy and intelligent connected ecosystem, BAIC Foton anchors its "GREEN 3030" strategic goal of achieving 300,000 overseas sales and 30% new energy penetration by 2030. Through a dual-track industrial synergy model—consolidating the underlying technology ecosystem while innovating the product energy service system—we collaborate with global partners to build a global ecosystem covering R&D, manufacturing, services, and establish a new paradigm for green transportation.

From product export to local co-development

Actively advancing in-depth industrialization and global operation, Foton Motor deploys its global operation centers in forward positions to radiate across the world. Through developing globalized products, improving service networks, and boosting industrial development, it has achieved a strategic shift from merely exporting products to enabling win-win ecosystems across the entire industrial chain. Together with global partners, BAIC Foton is fostering a worldwide industrial ecosystem that powers the green, high-quality development of transportation worldwide.

2025

164,542 units
Overseas export sales

1,200+
Overseas sales network

No.1
China's commercial vehicle export sales for many consecutive years

1,500+
Overseas service network

Developing globalized products

Adhering to the core philosophy of "multi-route parallel development", BAIC Foton benchmarks against international high standards with refined and intensive operation. In 2025, the Company obtained product certifications for several models in Europe, Australia, Brazil, and other regions. Notably, products such as electric light-duty trucks and VANs passed the EU Whole Vehicle Type Approval (WVTA), as well as the VECTO (Vehicle Energy Consumption Calculation Tool) certification for heavy-duty vehicle carbon emissions. With a green and intelligent product portfolio covering all categories and scenarios, BAIC Foton provides tailored products for global markets such as Europe, Australia, and Brazil. By actively integrating into local green transportation ecosystems, BAIC Foton leverages its robust capabilities to empower the green transformation of the global transportation industry.

BAIC Foton launched CAVAN C1, the world's first dedicated New Energy Vehicle (NEV) platform for VANs

BAIC Foton launched its new intelligent heavy-duty truck—FOTON GALAXUS 9

BAIC Foton delivered a fleet of Auman heavy-duty trucks to Tanzania

BAIC Foton delivered a fleet of AUV new energy buses to Madagascar

Accelerating industrial development

By innovating its overseas expansion model, BAIC Foton continues to optimize its global production network. The Company has joined hands with local partners to build 32 KD factories overseas, covering Southeast Asia, Latin America, Middle East. Its industrial footprint includes key markets such as Thailand, Indonesia, Brazil, and South Africa. By achieving comprehensive empowerment through "localized manufacturing, supply chain synergy, and ecosystem-based operations", BAIC Foton has constructed a global industrial pattern defined by "local R&D—regional manufacturing—surrounding markets radiation". By 2030, BAIC Foton is expected to build more than 10 industrialization bases in Thailand, Indonesia, South Africa, Brazil, Mexico, Saudi Arabia, the European Union, and other regions.

The Thailand factory of BAIC Foton carries the mission of becoming one of the global manufacturing centers and the Asia-Pacific regional manufacturing center. In March 2025, the 2,000th heavy-duty truck officially rolled off the line at the Foton Thailand factory

The Brazil factory has become one of the core hubs serving the Latin American market. In April 2025, BAIC Foton's 12 millionth vehicle rolled off the line at the Foton Brazil factory

BAIC Foton signed a MOU with the Saudi government and enterprises for the construction of a local factory

In March 2025, the first BAIC Foton Auman automatic transmission heavy-duty tractor officially rolled off the line in South Africa

Empowering through ecosystem operations

BAIC Foton integrates forward-looking service and ecosystem business planning with rapid response and deep localization. It has established a multi-dimensional support system covering parts supply, professional services, used vehicle circulation, and Internet of Vehicles (IoV) operations.

In 2025, BAIC Foton continued to improve its service ecosystem by expanding network coverage and enhancing global parts centers. With 18 regional and national parts centers, the Company has established an integrated "reserve-allocation-service" operation system. Meanwhile, it has created a 24-hour service ecosystem covering all scenarios, achieving a closed-loop "sales-maintenance-energy refilling" chain, and has fully upgraded its intelligent proactive and predictive services.

BAIC Foton has also innovated its channel models by adopting a dual approach of "direct sales + dealer". The Company cultivates strategic dealers, empowers their operations through IoV digital tools, and expands financial platforms to alleviate capital pressure on overseas dealers. Furthermore, BAIC Foton promotes talent localization by cultivating local technical and service teams to provide efficient, convenient, and reliable support for global users.

In 2025, BAIC Foton's overseas used vehicle business fully established a full-value-chain operation system of "acquisition—refurbishment—sales". It took the lead in building standardized systems for the entire process of vehicle acquisition and refurbishment, enabling standardized and streamlined management in vehicle acquisition review, condition inspection, and value assessment.

Case **Integrating full-chain data to reshape the ecosystem of overseas after-sales services for commercial vehicles**

In 2025, BAIC Foton successfully integrated 16 data interfaces across R&D, manufacturing, service, IoV, and large models. This integration enables interconnected queries for fault diagnosis guidance, circuit diagrams, and maintenance processes for heavy-duty trucks, light-duty trucks, and pickups. By establishing a "one vehicle, one dataset" system, the Company has significantly improved after-sales service efficiency. As of the end of 2025, the platform had provided over 100,000 integrated maintenance and diagnostic technical solutions for 42 key markets, including Chile, Peru, and Turkey. The system supports data in five languages: Chinese, English, Thai, Russian, and Spanish.

From talent recruitment to global talent cultivation

A core talent team with global vision and practical expertise constitutes the foundation and cornerstone for BAIC Foton's strategy of internationalization. We fully implement the international talent development strategy of "bringing in + going out + rational mobility + localization". On the one hand, we attract international experts and interdisciplinary talents to inject cutting-edge insights into our global operations. On the other hand, we strengthen the development of local talent pipelines through diversified training initiatives such as return-to-headquarters intensive training, on-the-job mentoring, lecturer certification, and overseas study programs to comprehensively enhance the professional capabilities of local employees. Meanwhile, we launched the "Global Starfish Program" to promote cross-border rotation and exchange of core talents. By breaking geographical barriers, we are fostering a global talent ecosystem characterized by virtuous cycle, orderly mobility, and flexible adaptation, building a robust talent reserve for our international journey.

Training for local employees at headquarters

Global Starfish Program training

From collaboration to value co-creation

BAIC Foton's global expansion is driven by close collaboration with suppliers, dealers, and ecosystem partners. By joining hands with partners such as Tsingshan Holding Group, Guangxin Holdings Group, CATL, TELD, Cummins, and ZF, BAIC Foton integrates resources across the entire value chain and pools strengths for international expansion. This drives the industrial chain from cooperative partnership toward deep, ecosystem-based empowerment, delivering integrated solutions for global customers.

In 2025, BAIC Foton not only worked with partners in Thailand to build a closed-loop system covering production, procurement, and service, but also promoted the local supply of key components for multiple models in Brazil and achieved local assembly of axle in Pakistan. Through such localized supply-chain arrangements, the Company has strengthened the foundation for its overseas development. At the same time, BAIC Foton actively supports its domestic dealers going global. By sharing resources and co-building capabilities, it is gradually establishing a worldwide marketing and service network, achieving a comprehensive upgrade from "product export" to "brand export + service export".

BAIC Foton convened the 2026 Global Partner Conference themed "Drive To Great" with nearly 2,000 dealers, key customers, and partners from over 140 countries and regions

BAIC Foton signed strategic cooperation framework agreements with Tsingshan Holding Group and Guangxin Holding Group, deeply integrating R&D, production, supply, and sales industrial system through joint ventures and coordinated global expansion

BAIC Foton, together with domestic core suppliers of engines and transmissions, innovatively established the Astra Alliance auto parts platform, which follows overseas industrialization projects to invest in parts localization

BAIC Foton, together with leading enterprises such as CATL, TELD, Cummins, and ZF, launched the "Super Power Alliance" program, marking a strategic upgrade from single-point technological breakthroughs to ecosystem-based collaboration in technology R&D

Electrification | Empowering the Future of the Industry with Green Power

Against the profound transformation driven by industrial intelligence, digitalization, and the global green transition, BAIC Foton is firmly implementing its "30·50" new energy strategy. The Company has established a diversified technological pathway of "parallel development of pure electric, hybrid, and hydrogen fuel", intensively deploying in core new-energy modules and key technologies to meet future demands to meet future market demands for hybrid, pure electric, and hydrogen fuel solutions.At the same time, BAIC Foton is advancing innovations in new technologies and business models such as coordinated leasing and sales, vehicle-battery separation, and vehicle-grid interaction. It is establishing a new energy business ecosystem of "co-create—co-build—share", and building a closed-loop new energy business ecosystem integrating vehicles, charging piles, solar power, energy storage, energy load management, and intelligence. By translating green technologies into market-leading advantages, BAIC Foton provides users with one-stop integrated new-energy solutions. Through intelligent technologies, Foton collaborates with global partners to jointly shape a new sustainable development ecosystem for the commercial vehicle industry.

Independent innovation in core technologies

At the critical stage where the new-energy commercial vehicle industry is transitioning from policy-driven to market-driven growth, BAIC Foton has always regarded technological innovation as its core driving force. Building on its profound expertise in vehicle integration, electric drive, electronic control, power batteries, and hydrogen fuel cells, the Company has independently developed and firmly mastered the core technologies of battery, e-motor-motor, and e-control. This has enabled it to break reliance on a single technological path, complete its strategic planning across all power categories—fuel, hybrid, pure electric, and hydrogen—and drive the transformation of the industrial chain from dependence on external supply to independent control. By spurring technological iteration and upgrading of upstream core components, BAIC Foton is fostering a new industrial ecosystem led by vehicle manufacturers and supported by coordinated industrial chain advancement. Foton continue to translate its core technological strengths into competitive market advantages.

Case **BAIC Foton passes the NESTA verification for power battery safety**

The I-ECO power battery independently developed by BAIC Foton achieved excellent results in five extreme application scenario tests and obtained the NESTA verification certificate for power battery safety issued by the China Automotive Technology & Research Center (CATARC), a national authoritative institution. Meanwhile, the Company has established an intelligent battery-safety monitoring and early-warning platform. Through advanced cloud-based algorithm models and massive big-data analysis, it enables precise "one vehicle, one condition" management.

“I-ECO drive” Proprietary, innovative core technology leads future mobility ecosystems

I-ECO battery

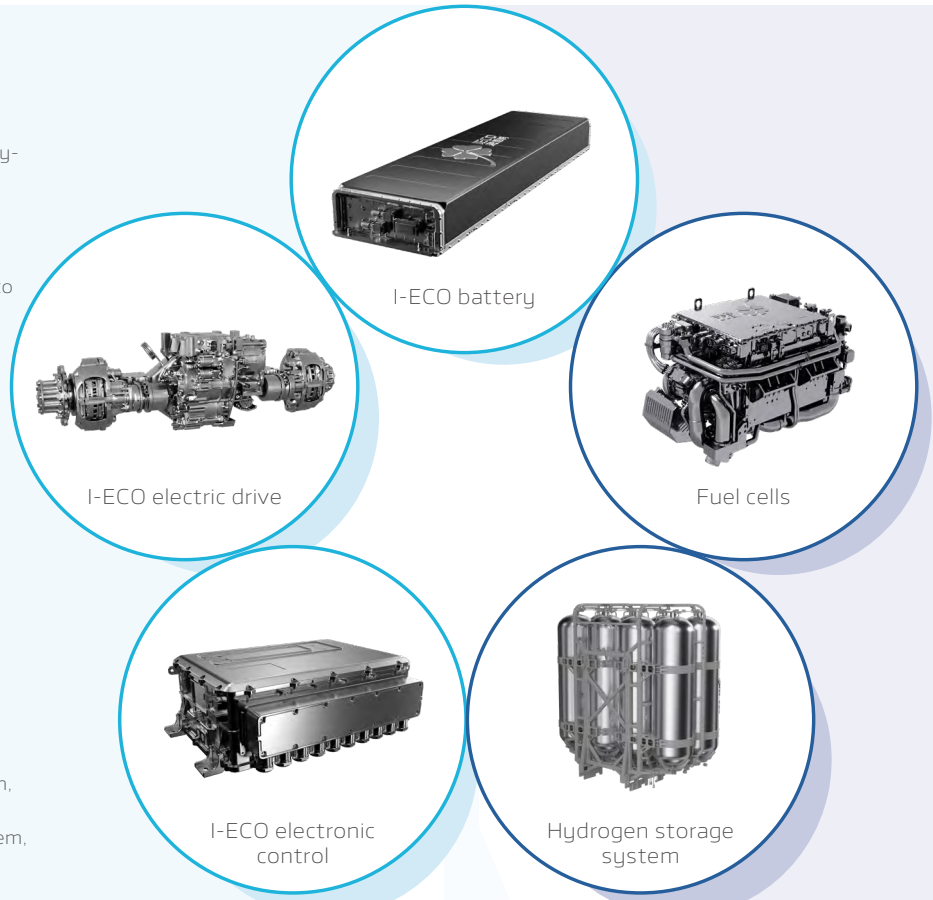
The Company builds an independent battery product portfolio covering light-duty to heavy-duty trucks, pursuing not only high energy density and long range but also making extreme safety tests that exceed national standards as its cornerstone. Technologies such as semi-solid-state batteries are used to broaden application boundaries

I-ECO electric drive

The Company launches integrated e-drive axles for light- and heavy-duty scenarios, and widely applies three-in-one e-drive systems. Supported by key technologies such as the 800V high-voltage platform, it achieves industry-leading peak power, torque, and system efficiency

I-ECO electronic control

The Company independently develops electronic control systems that achieve coordinated software-hardware integration and full-stack in-house R&D. They support intelligent control, cross-domain coordination, enable OTA remote upgrades, and the implementation of a smart logistics ecosystem, facilitating intelligent fleet management



Hydrogen energy technology

Fuel cells

The Company has developed a full-platform, full-series fuel-cell system ranging from 80 kW to 300 kW, and launched China’s first mass-produced liquid-hydrogen heavy-duty truck, the BEACON. Additionally, it pioneered a metal-plate self-humidifying hydrogen fuel-cell system that can meet the power demands of the full series of commercial vehicles from buses to heavy-duty trucks

Hydrogen storage system

The Company has independently mastered core technologies for high-pressure gaseous-hydrogen integration while simultaneously advancing R&D on low-temperature liquid-hydrogen integration technology. Focusing on the R&D of an onboard 80 kg liquid-hydrogen system, it has successfully broken through multiple key technological bottlenecks

A new generation of dedicated new energy platforms

Adhering to the diversified technological roadmap of "parallel development of pure electric, hybrid, and hydrogen fuel", BAIC Foton has built a "multi-energy shared platform" technological system. It has newly developed three dedicated intelligent new-energy vehicle platforms for mini-, light-, and heavy-duty segments. The Company introduced a new-generation heavy-duty truck technology platform, the world's first forward-developed dedicated platform for intelligent heavy-duty truck compatible with both electric and hydrogen power and the world's first dedicated pure-electric light-duty truck platform. With benchmark products such as the Auman Galaxus, Day Star, and Cavan BEACON, Foton has established a comprehensive product portfolio covering all scenarios of new-energy commercial vehicles. It is committed to creating ultimate logistics vehicles that deliver new value, green performance, and intelligence, continually defining new standards for future new energy commercial vehicles. In 2025, BAIC Foton's new energy vehicle sales exceeded 101,000 units, a year-on-year increase of 87.2%.

BAIC Foton launched the new-generation heavy-duty truck technology platform—Galaxus. Integrating over 90 independently developed technologies, it covers multiple energies including fuel, pure electric, hydrogen, gas, and hybrid. Its high-efficiency e-drive system achieves a maximum efficiency of 97.5%, supports megawatt-level charging (18 minutes for 30%-80% SOC), and delivers a transmission efficiency of up to 99.7%

BAIC Foton unveiled the world's first forward-developed dedicated intelligent heavy-duty truck platform that is "electric- and hydrogen-ready"—Cavan BEACON. It outlines a full-scenario product blueprint covering 15 categories including pure electric, gaseous hydrogen, and liquid hydrogen. The platform enables a 100-km range with an 8-minute charge, while the liquid-hydrogen model can achieve over 1,000 km of range with a 15-minute hydrogen refueling

Case BAIC Foton launches the world's first dedicated pure electric light-duty truck platform—Day Star

In 2025, after three years of forward development and an investment of over RMB 1.7 billion, BAIC Foton officially launched the world's first dedicated pure-electric light-duty truck platform—Day Star. It breaks the scenario limitations of "fuel-to-electric" converted models, successfully driving new-energy commercial vehicles from closed scenarios into all-domain application.

- In terms of battery, e-motor, and electronic control systems, an industry-first electric control system combining MTCU, SiC, and oil-cooled flat-wire motors was developed, improving overall efficiency by 3%; an integrated thermal management system was adopted, increasing low-temperature range by 20%; through lightweight technology and modular integration, vehicle energy consumption was reduced by 20%, saving users at least 4,000 kWh annually
- In terms of intelligence, it supports L2-level combined intelligent driving and can be upgraded to L4-level advanced intelligent driving
- In terms of safety, an industry-first ultra-high-pressure energy storage line-controlled braking system was introduced, along with a three-dimensional protection system covering braking, collision, and battery, ensuring safety at all times

Co-creating a new era of ecosystem

With the core goal of "creating a sound business ecosystem and delivering customer experiences that exceed expectations", BAIC Foton gains in-depth insights into full lifecycle operational needs of commercial-vehicle industry customers. It has systematically built a commercial ecosystem covering the new energy industry, aftermarket services, and full-scenario operational support, establishing the Company's all-domain smart ecosystem brand — I-ECO. In particular, I-ECO "Smart Ecosystem" encompasses energy, leasing, digital intelligence, maintenance & parts, and used vehicles. By responding to customer needs across the entire chain, it drives the iterative upgrade of its own business models and supports win-win development for customers and partners. In 2025, BAIC Foton established joint ventures with CATL and EVE Energy respectively. Through the vehicle-battery separation model, it manages the lifecycle of batteries, creating a closed-loop business model of "battery leasing — operation — recycling — comprehensive utilization".

"Smart Ecosystem"

I-ECO · Energy

- It promotes the transformation of the dealer system toward a comprehensive model of "sales + service + energy", building a three-level intelligent energy replenishment network that connects "highway , urban-rural roads, and last mile"
- Through platform-based operations and cooperation with leading enterprises in the industrial chain, it supports green logistics upgrades via "charging piles + platform", develops intelligent energy management platforms, and reduces users' energy replenishment cost
- It proactively deploys V2G and vehicle-to-grid interaction technologies, transforming commercial vehicles into distributed energy storage units to help make energy systems more flexible

I-ECO · Leasing

- It deepens operational leasing services, covering over 40 cities and hundreds of dealers nationwide
- By establishing an online intelligent service platform that integrates diversified services such as "vehicle leasing + energy replenishment", it significantly reduces customer operating costs, improves industrial synergy efficiency, and continuously strengthens the Company's brand influence and social responsibility in the field of green transportation

I-ECO · Maintenance & Parts

- Based on vehicle operation hotspots, 24 independent "TruckMate Parts" stores have been developed under a new model, improving customer return rates per store
- The TruckMate Parts product and brand building have grown rapidly, with a focus on guaranteed quality and fast fulfillment, complementing original parts supply and meeting the distribution needs of TruckMate Parts and cross-brand fast-moving components

I-ECO · Used Vehicles

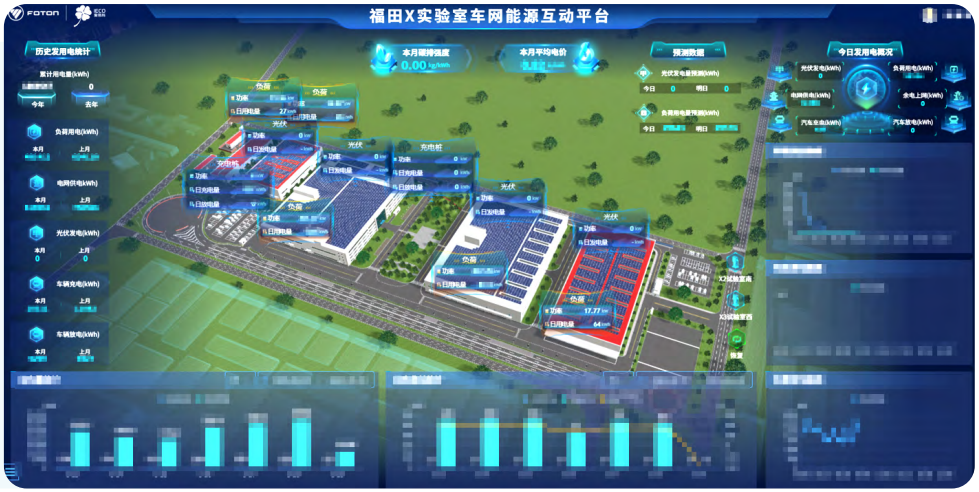
- Transforming toward the full value chain, promoting online and standardized processes for inspection, refurbishment, and warranty, it has initially formed a closed-loop ecosystem for used vehicles, authorizing 1,000 inspection service network points in 2025
- Annual sales of certified used vehicles reached 31,000 units, with a cumulative total of 435 trained appraisers, and the store management system achieved an average monthly active user base exceeding 3,500

I-ECO · Digital Intelligence

- The TSP platform is dedicated to providing core data analysis services for intelligent connected vehicles. In 2025, key systems such as domestic and overseas basic platforms battery early warning, and intelligent calibration (Tianji) were prioritized for development
- The TSP platform has cumulatively connected over 3.2 million vehicles, with total operating time exceeding 5.9 million hours and total mileage exceeding 310 million kilometers

Case BAIC Foton breaks through the energy value boundaries of commercial vehicles through microgrid innovation practices

In 2025, relying on independently developed bidirectional charging and discharging technology and V2G dedicated modules, BAIC Foton upgraded new energy commercial vehicles into mobile energy storage units. Based on this technology, vehicles can store clean energy such as photovoltaic power and enable reverse power discharge, building an integrated energy management system of "photovoltaic power generation, energy storage battery, charging pile". This system enables cascaded energy utilization through peak-shaving charging and discharging. The energy circulation chain of "vehicle, energy storage, grid" fully unleashes the carbon reduction ecological value of new energy commercial vehicles.



Case I-ECO · Digital Intelligence · Super Fleet empowers one-stop smart highway freight solutions

I-ECO · Digital Intelligence · Super Fleet, relying on BAIC Foton's ICV technologies and integrating big data and AI large model capabilities, builds a one-stop digital fleet ecosystem management platform. Through applications such as real-time vehicle fault warning, it achieves a 10% increase in vehicle attendance rate, more than 3% reduction in energy consumption costs, and a 15% improvement in operational efficiency. Meanwhile, through an intelligent residual-value model and an efficient trading platform, it makes used-vehicle transactions more convenient and faster.

Smartification | Enabling Multi-dimensional Evolution through All-domain Intelligence

BAIC Foton focuses on "product intelligence + all-domain intelligence", targeting specific scenarios to promote the commercialization intelligent driving. At the same time, by integrating AI technologies across all business domains — R&D, manufacturing, supply chain, marketing, and service — the Company achieves operational excellence, cost reduction, and efficiency gains, empowering global customers with efficient operations and contributing Foton's wisdom to the new era of smart transportation.

Intelligent driving

BAIC Foton has established a complete closed-loop system of "R&D — scenario validation — large-scale commercialization", covering applications from highway trunk logistics and port/mining logistics to urban micro-circulation intelligent buses, as well as intelligent cockpits and lifecycle telematics management. It possesses full-chain technologies from perception algorithms to decision-making and control, with both technological maturity and commercialization progress ranking in the industry's leading echelon.

Innovation in intelligent driving technology

In response to customers' needs for intelligent driving, BAIC Foton has developed a "3+2+1+N+1" architecture intelligent driving technology platform, with a comprehensive coverage of five core technological domains: software algorithms, foundational software, hardware development, by-wire chassis, and cloud platforms. Key technologies such as environmental perception, decision planning, control execution, and system integration have been implemented in products, achieving full-stack controllability and core autonomy in technology and resources.

We have established intelligent driving simulation laboratories, with a focus on multi-level intelligent driving function testing and validation. At the same time, we actively participate in the formulation of multiple national and industry standards, including *Technical Requirements for Safety of Autonomous Driving Systems of Intelligent Connected Vehicles, Functional Safety of Road Vehicles, Technical Specifications for Electronic Coupling Platooning of Commercial Vehicles, and Guidelines for V2X Communication Applications of Intelligent Connected Commercial Vehicles.*

We regard the intelligent chassis as the core cornerstone and key engine of auto intelligent transformation. In unmanned scenario by-wire chassis, we have completed the series development of heavy-duty trucks, medium and light-duty trucks, and buses, empowering the building of intelligent mobility ecosystems with robust technologies. Meanwhile, we promote the wide application of intelligent cockpit and telematics technologies, creating a driving environment that combines technology with comfort, and transforming trucks into "mobile productivity platforms".

Honors

- The case "Independent Development Technology for Autonomous Driving Based on Unmanned Equipment" was awarded as a "2025 China Commercial Vehicle Innovative Technology Achievement"
- The "Super BUS Autonomous Driving Technology Independent Development Project" won the Gold Award at the Beijing Invention Competition
- The "Super BUS Autonomous Driving Technology Independent Development Project" obtained a road testing license for intelligent connected vehicles in Beijing

Commercialization of intelligent driving technology

BAIC Foton focuses on less-manned application scenarios such as highway trunk logistics, as well as unmanned application scenarios such as last-mile logistics and urban micro-circulation buses. By integrating advanced technologies including vehicle intelligent perception, scenario-based intelligent decision-making, telematics and big data, and intelligent AI, it accelerates the commercialization of intelligent driving, aiming to enhance transportation efficiency, reduce operating costs, and ensure driving safety for customers.

Trunk logistics scenarios

In trunk logistics scenarios, HWP heavy-duty truck products have been delivered to logistics enterprises such as SF Express, ZTO Express, and Ane. As of the end of 2025, total operating mileage exceeded 75 million kilometers, with combined assisted driving accounting for 70%, significantly reducing driver fatigue and achieving industry-leading fuel efficiency

Heavy-duty truck products equipped with the new-generation Highway Pilot (HWP) system have been delivered in batches to cold chain customers. This model, powered by the synergy of 360° automotive-grade sensors and high-computing-power chips, has multiple intelligent functions such as adaptive cruising, single-lane cruising, and automatic lane changing on highways, enhancing the operational value of cold chain transportation in terms of efficiency, safety, and cost

Unmanned scenarios

In low-speed scenarios such as last-mile unmanned delivery and unmanned sanitation, the Company started with closed park logistics scenarios and gradually expanded applications to diversified scenarios such as open-road last-mile logistics. As of the end of 2025, short-haul yard tractors at the Weifang smart factory had entered trial operation, and unmanned delivery vehicles had been deployed in some factory areas

In December 2025, BAIC Foton launched the AUV intelligent bus, an intelligent terminal centered on L4-level intelligent driving technology and integrating 66 patented technologies, unlocking a new smart mobility experience. This also marks the transition of intelligent driving technology from the demonstration and pilot into commercialization

Intelligent manufacturing

Based on its status as a national "manufacturing single-item champion enterprise", BAIC Foton benchmarks itself against the national tiered cultivation system for intelligent factories, continuously promotes the deep transformation of "AI + manufacturing", and progresses toward "technology leadership, model innovation, and industry empowerment", interpreting the upgrading path of "Chinese intelligent manufacturing" with concrete actions. In 2025, the industrial digital twin management platform project of BAIC Foton Changsha Super Truck Plant was successfully selected as one of the "2025 Typical Cases of Metaverse" jointly released by four entities including the Department of Science and Technology of the Ministry of Industry and Information Technology. At the same time, the Forland Linghang Truck Factory was awarded the title of Advanced-level (provincial-level) Intelligent Factory in Shandong Province.

Process intelligence

From stamping and welding to painting and final assembly, automated production lines are deployed across the entire chain, and through the deep application of robotics, precise and efficient coordination of processes is achieved

Equipment intelligence

Advanced and mature intelligent equipment and inspection devices are introduced, enabling flexibility, automation, and intelligence in complete vehicle production, logistics distribution and transfer, production quality inspection, and vehicle performance testing within production operations

Logistics intelligence

Centered on the integrated portfolio of "V+R (Vision + Robotics)", a fully automated and visualized smart logistics system is established, enabling intelligent planning across the entire process, including warehousing management, intra-factory short-haul transport, and delivery to production lines

Safety and environmental intelligence

A digital management system has been launched to establish a safety management information-sharing platform, improve standardized dynamic management of safety operations, and dynamically monitor major on-site safety risks to improve emergency response speed

Intelligent operations

BAIC Foton systematically identifies and organizes AI application scenarios, clarifying the general artificial intelligence business vision of "1 system + 3 platforms + N application scenarios", which involves establishing a management framework covering the full lifecycle and full technology stack of Foton AGI development and application, building 3 general AI platforms, building an industry-level AI Agents application cluster, developing a full-process digital talent management system, and creating an intelligent administrative operation architecture covering scenarios of digital transformation in R&D, marketing, supply chain, and other domains, thereby optimizing resource allocation and collaboration efficiency. Meanwhile, leveraging AI assistants such as knowledge bases and financial Q&A assistants as key enablers, we comprehensively enhance the level of intelligent enterprise operations.

In 2025, the time required for handling customer complaints was reduced by 2.7 hours year-on-year, product resource effectiveness increased by 5 percentage points, and supply chain order delivery cycles were shortened by 9.7 days.

Intelligent talent management

- Talent development planning and cultivation
- Talent identification
- Intelligent job matching

Intelligent enterprise operations

- Office intelligence: OA, Lark, all-in-one card, etc.
- Data application intelligence: Based on data middle platform, data services, marketing, finance, and order delivery

AI intelligent assistants

- Financial Q&A assistant
- IT intelligent service assistant
- AIGC intelligent assistant
- Document parsing assistant

Sustainable Development Management

Over 29 years of perseverance and progress, BAIC Foton has cultivated deep expertise and driven innovation in the commercial vehicle sector, gradually growing into a leading enterprise guiding industry development. Facing new topics and challenges in environmental governance, industrial upgrading, and livelihood improvement in the new era, we always integrate the sustainable development philosophy of “turning the impossible into the possible, the possible into reality, and the reality into excellence” into the corporate DNA, transforming it into firm actions that develop in tandem with society, continuously activating social development vitality through corporate growth momentum, and achieving deep integration and synergistic win-win in terms of economy, environmental protection, and social value.

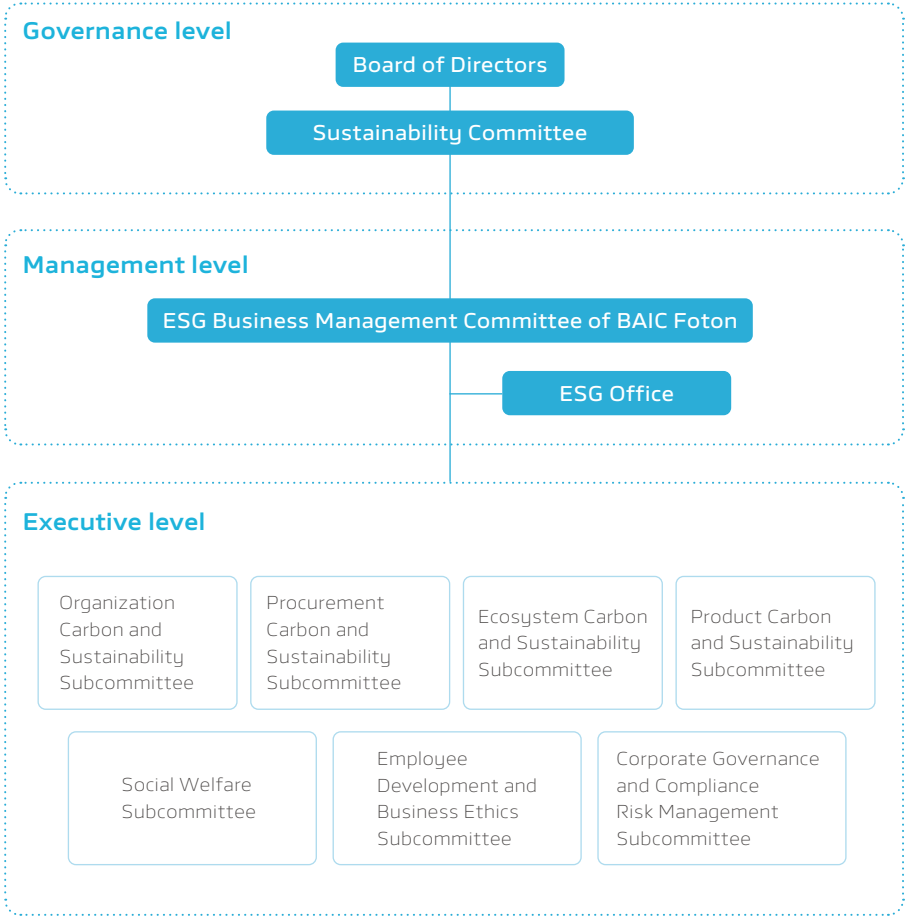
ESG strategy

Pooling the synergy of its New Energy 30·50 Strategy and the international GREEN 3030 Strategy, Foton Motor formulated the vision and mission in 2024: “Driving the green energy transition and safeguarding the Earth”. It clarified the strategic goal of “building ESG leadership in commercial vehicle industry”, and released an ESG strategy centered on six pillars: “climate co-governance, win-win value chain, product co-creation, legal compliance, employee care, and social sharing”. Together with our partners, we collaborate closely with“connected hearts”, fulfilling our responsibility and commitment to “benefit hundreds of millions of people”.

Strategic vision	To be a driver for green energy transition and a guardian of the earth
Strategic goal	Build ESG leadership in commercial vehicle industry
Strategic pillars	Climate co-governance; Win-win value chain; Product co-creation; Legal compliance; Employee care; Social sharing
Strategic guarantee	ESG governance; ESG synergy; ESG empowerment; ESG culture

ESG governance

Through strategic coordination, mechanism innovation, and refinement of responsibilities, BAIC Foton has established a three-level ESG organizational structure covering the governance, management, and executive levels, with clear division of responsibilities and coordination at all levels. We strive to develop a long-term ESG governance mechanism featuring efficient collaboration and full participation, thus facilitating the sustainability governance.



Board of Directors	• Serving as the highest governing body responsible for ESG management and information disclosure • Review and approval of the Company's ESG strategic goals, strategic planning, governance structure, key policies, sustainability reports, and disclosure of significant ESG-related information • Review and approval of major ESG matters and ESG-related risks with material impact on the Company, and response plans for major negative ESG events
Sustainability Committee	• Review of Company's ESG strategic goals, strategic planning, governance structure, and management policies • Tracking and study of ESG-related laws, regulations, and policies, identification of key stakeholders and material ESG topics, conducting research and analysis on business related to material ESG topics before providing recommendations • Identification of ESG-related risks and opportunities with material business impact and guiding the management in implementing appropriate response measures • Oversight and evaluation of the implementation of ESG initiatives and providing relevant recommendations • Review of Company's sustainability reports, major disclosure documents, and other major ESG-related matters • Other matters authorized by the Board of Directors
ESG Business Management Committee of BAIC Foton	• Acting as the executive body of the Sustainability Committee, as the deliberation and review platform for the Company's ESG/decarbonization initiatives and other major matters, responsible for overall coordination and leadership of ESG work • Conducting ESG/decarbonization business strategy reviews, building strategic frameworks, management of strategic objectives, identification and assessment of risks, and advancement and coordination of major projects
ESG Office	• Reporting ESG work results to the ESG Office on a regular basis • Responsible for ESG/decarbonization management (strategic planning, policy study, target setting, business coordination and facilitation, etc.) • Responsible for ESG/decarbonization daily work liaison, meeting organization and other matters • Other ESG/decarbonization-related matters

ESG risk management

Based on the characteristics of the commercial vehicle industry, BAIC Foton closely aligns with ESG regulatory requirements and macro policy directions and fully integrates ESG risks such as climate risks, information security risks, and supply chain risks into the enterprise-wide risk management system. It has established a normalized ESG risk reporting mechanism to ensure that the Board of Directors has a comprehensive and timely understanding of ESG risk management, thereby effectively enhancing the Company's resilience in sustainable development.

ESG culture building

Following the release of BAIC Foton's ESG strategy, we regard ESG culture building as a key initiative, promoting basic ESG concepts through regular company-wide ESG training and two-way communication via departmental interviews. At the same time, focusing on core topics such as climate change, information security, and diversity and inclusion, we organize activities including Low-Carbon Day initiatives, information security training, and recognition programs for female employees, transforming ESG from a concept into voluntary company-wide actions.

Double materiality assessment

In accordance with new requirements of domestic and international sustainability disclosure standards and in light of the Company's realities, BAIC Foton has further improved its ESG materiality analysis by conducting a "double materiality" assessment following the steps of "identification—assessment—prioritization—validation". Through questionnaires, stakeholder feedback was collected and organized to identify and assess ESG topics material to both the Company and its stakeholders. Based on survey analysis results and expert opinions, an ESG materiality matrix was developed, and the identified material topics were disclosed with priority in the report.

Process for identification and assessment of double materiality topics

01 Identification

Based on mainstream domestic and international ESG disclosure standards, considering capital market concerns, stakeholder expectations, and the Company's development strategy, ESG topics covering environmental, social, and governance were identified

02 Assessment

A questionnaire survey was adopted, inviting stakeholders including shareholders, directors, senior management, heads of relevant functions, as well as employees, customers, suppliers, and dealers, to assess the materiality of each topic from both financial materiality and impact materiality dimensions. A total of 268 questionnaires were collected and analyzed

03 Prioritization

Based on questionnaire analysis results and with reference to external expert opinions, 18 topics were ranked according to financial materiality and impact materiality to create the ESG materiality matrix

04 Validation

Based on the two dimensions of impact materiality and financial materiality, the materiality matrix was established, and specific practices of relevant topics were disclosed with priority in the report

Double materiality matrix

Stakeholder engagement

Stakeholders	Concerns	Communication methods and response measures
Government/ regulators	• Response to national development strategies • Compliance management • Tax payment according to law • Business ethics • Safety and environmental protection • Product quality and safety • Promoting industrial development • Driving local economic and social development	• Information disclosure and submission • Supervision and inspection • Government- enterprise communication • Response to regulatory requirements • Developing carbon peak and carbon neutrality strategy, and "EPMES" decarbonization project • Supporting rural revitalization • Support for major events such as China Two Sessions and emergency events • Job opportunities in plants around the country
Shareholders/ investors	• Business performance • Information transparency • Stable investment return • Market value management	• Information disclosure • Investor/shareholder surveys • Performance briefing • Investor hotline and email • Brokerage Strategy Meeting and Roadshow • General Meeting of Shareholders • SSE E-interactive platform • Employee stock ownership, repurchase and cancellation
Customers	• Product R&D and innovation • Product quality and safety • Customer service and satisfaction • Information security and privacy protection	• Customer communication both online and offline • Auman heavy-duty truck high-efficiency operation value journey • Product quality assurance • Information security management system • Increasing R&D investment • Customer satisfaction survey
Employees	• Employee rights protection • Occupational health and safety • Employee training and development • Diversity, inclusion, and equality	• Workers' Congress • Developing talent strategy • Establishing a talent training system • Creating a diverse and inclusive workplace • Reception Day with the Labor Union Chairman
Suppliers/dealers	• Sustainable supply chain • Supplier empowerment • Responsible marketing • Customer service improvement • Customer service and satisfaction	• Global partner conference • Supplier audit and evaluation • Supplier training and assessment • I-ECO "Smart Ecosystem" • Supplier contracts and agreements • Green supplier certification • Dealer transformation training
Industry	• Compliance management • Product R&D and innovation • Intellectual property management • Business ethics • Win-win cooperation	• Industry communication and exchange • Strategic cooperation with Huawei, CATL, TELD, etc. • Formulation of carbon footprint standard of products • Adherence to business ethics standards • Intellectual property management
Media	• Information disclosure • Media interaction	• Periodic reports and interim announcements • Launch events of Day star, etc. • Press conference • Media exchange meetings and interviews
Communities	• Driving local economic and social development • Carrying out public welfare and volunteer services	• Targeted assistance communication • Establishing talent matchmaking channels • Providing emergency support for the Miyun flood disaster and supporting social public welfare activities such as the "Truck Driver Care" initiative

01

Innovative Foton

—Securing More Resilient Sustainability

Regarding the leadership of the Party as the root and soul of corporate development, BAIC Foton deeply integrates it into the governance system, strengthens risk prevention mechanisms, adheres to business ethics, reinforces information security safeguards, and consolidates governance foundations. The Company works together with all parties to build a sustainable business environment, promoting steady and long-term corporate operation and industrial development under standardized governance.

Our contributions to UN SDGs

Consolidating the Synergy of Party Building

Always upholding and strengthening the Party's leadership, BAIC Foton thoroughly studies and implements Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, while fully implementing the guiding principles from the 20th National Congress of the Communist Party of China (CPC) and subsequent plenary sessions. Based on the strategic need to build a world-class commercial vehicle enterprise, the Company actively builds a scientifically guided cultural system, strengthens primary-level Party organizations, transforms the Party's political and organizational advantages into innovation and competitive advantages, and consolidates strong development synergy. High-quality Party building leads the steady and far-reaching development toward building a world-class commercial vehicle enterprise.

Strengthening ideological foundation

BAIC Foton consistently uses the Party's scientific theories to guide development, unify thinking, anchor goals, and enhance effectiveness. Adhering to the strategy of full internationalization, electrification and smartification, we implement a new customer-centric cultural system to drive high-quality development.

Ensuring sound ideological development

- We organized thematic study sessions on the spirit of the Central Eight-Point Regulations and the Fourth Plenary Session of the 20th Central Committee; we conducted 15 theoretical study sessions of the Party committee central group, covering 42 topics, and distributed 13 sets of study materials.
- We organized on-site study activities at Huairou Science City and flag-viewing ceremony study at Tiananmen Square.

Strengthening the ideological security network

- We revised and introduced 4 new management measures including the *BAIC Foton Ideological Work Management Measures, BAIC Foton Party Member and Staff Ideological and Political Education Management Measures*, and *BAIC Foton Public Opinion Management and Response Measures*.
- We issued 10 normative documents such as "Official Channel Release A", "Approval for External Public Statements", and "Filing for External Lectures".
- We sent 9 issues of *Party Committee Newsletter by Email*, totaling more than 86,000 characters, reaching over 169,000 person-times.
- We published 10 issues of *Management Review*, collecting more than 170 articles totaling 505,000 characters, with cumulative distribution of 20,800 copies .
- We upgraded the internal employee forum "Foton Forum", forming interactive co-creation with the WeChat official account "BAIC Foton People" and *Management Review*, releasing more than 2,300 topics with over 1.13 million views and more than 20,000 comments.

Advancing the building of a culture-strong enterprise

- We launched the "Outstanding Practitioners" cultural initiative, deeply shaping the cultural brand of "Foton Practitioners · Chinese Strivers", innovatively conducting "Practitioner Face-to-Face" livestreams with average viewership exceeding 20,000 and over 1 million interactions and likes, inspiring the power of role models.
- We organized a series of activities for the 29th anniversary celebration, achieving over 231,000 communication exposures.
- We received 7 honors including the "Five-Star Unit for Party Building + Corporate Culture in the New Era", "Five-Star Unit for Corporate Culture Development in the New Era", and First Prize for Outstanding Achievements in Building a Strong Enterprise through Culture, awarded by the China Culture Administration Association.
- We planned more than 60 communication projects including "Commemoration of the 80th Anniversary of the Victory of the Chinese People's War of Resistance Against Japanese Aggression", "Spirit of Model Workers", "Leap Amid Gunfire", "Weifang Campaign", and "Heartwarming Foton".

Improving Party conduct and building integrity

BAIC Foton focuses on the development of a "Clean Foton". Relying on internal institutional documents, we strengthen coordinated efforts to address both the symptoms and root causes of corruption. The Company continuously improves the long-term mechanism for the integrated advancement of daring not to corrupt, being unable to corrupt, and having no desire to corrupt.

Internally, the Company promotes the integration and coordination of all types of supervision to form a concerted force. It adheres to focusing on the early stage and preventing problems before they occur, and continuously makes supervision more targeted, precise and regular. Following the principle of "learning from past mistakes to avoid future ones", we deepen the application of the "Four Forms of Supervision" and the "Three Distinctions", consistently signaling that discipline will become stricter over time. Guided by the tone set by senior management, we combine regular and intensive disciplinary education to foster a clean and upright atmosphere for striving, and ensuring the Company's integrity and compliant operation.

Externally, we fully incorporate partners into the key oversight scope of integrity management, continuously improving a transparent cooperation system covering all parties that features "oversight and prevention, joint integrity building, and dynamic governance". It explicitly requires all partners to sign an *Integrity Commitment* before cooperation begins to build a solid line of defense against corruption. Meanwhile, on the basis of upholding strict business ethics and integrity cooperation, for partners with irregular behaviors, in accordance with the joint agreements in the Integrity Commitment, the Company adopts the handling principles of hierarchical management and dynamic evaluation to achieve the goal of combining punishment with education and purifying the cooperation ecosystem.

In 2025

0
Corruption-related litigation cases

40+
Integrity culture education activities

100%
Coverage rate of integrity, anti-commercial bribery, and anti-corruption training among employees (directors, management, and ordinary employees)

20,000+
Anti-corruption training hours

20,000
Person times covered by the integrity training

1+
Average anti-corruption training hours per employee

Building an integrity oversight framework of "focus on key areas, in-depth special inspection, and compliance review"

- Key tasks: Supervise and ensure the implementation of the three major "top leader projects" in marketing, cost control, and quality management.
- Key projects: Organized the special oversight campaign "Strengthening work style and execution to win the opening battle of breakthrough development" .
- Critical points: Reviewed key business processes such as supplier admission and price adjustments.

Building an integrity system featuring "sound optimization, focus on core areas, and effective implementation"

- Work guidelines: Formulated 2 organizational and authority-related systems, including the *Measures for Requesting Instructions and Reporting Major Matters by Discipline Inspection Commissions of BAIC Foton's Secondary Enterprises* and the *Rules of Procedure for Meetings of the Discipline Inspection Commission; revised 4 operation-standardizing systems including the BAIC Foton Petition and Complaint Management Measures* and the *Joint Supervision Work Management Measures*.
- Operational standards: Revised and improved 25 supporting document templates.

Building a corruption risk management system addressing both symptoms and root causes

- Key areas: Through the special oversight campaign "Strengthening work style and execution to win the opening battle of breakthrough development", conducted supervision and inspections in key areas such as manufacturing, marketing, and procurement; resolutely corrected and addressed inaction, slow action, reckless action, and fraudulent action that reflect ineffective and passive governance behaviors.
- Key "nodes": Focused on two major holidays and the "Four Forms of Misconduct", defining 27 supervision priorities across 3 categories.

Building a comprehensive and regular integrity education mechanism

- Working mechanism: Established a three-tier training system of "Company Party Committee — Business Unit Party Committee —Party Branch".
- Coverage: Conducted anti-corruption and anti-bribery training for the Board of Directors and all employees .
- Typical cases: Organized warning education conferences covering more than 570 middle-level and above leading officials and people in key positions.

Building a diversified and standardized feedback mechanism for reporting channels

- Smooth channels: BAIC Foton's official website and internal OA system publish reporting channels such as telephone and email.
- Standardized management: Real-name reporting is advocated, encouraging informants to provide their real names and valid contact information. At the same time, reports are handled strictly in accordance with regulations, and unauthorized verification of whistleblower information is strictly prohibited to effectively protect the legitimate rights and interests of informants.

BAIC Foton holds the 2025 case-featuring warning education conference

Reporting hotline: 010-80728072、18514740788

Reporting email: gsjc@foton.com.cn

On-site reporting: Case-handling office area of the Discipline Inspection Commission, No. 15 Shayang Road, Shahe Town, Changping District, Beijing

Mail reporting: Discipline Inspection Department, Building No. 1 Office Building, No. 15 Shayang Road, Shahe Town, Changping District, Beijing, 102206

Strengthening primary-level Party organizations

BAIC Foton takes the *Three-Year Action Plan for "Entrepreneurial" Party Building of BAIC Foton (2024-2026)* as its action guideline. By advancing the development of the Party-building brand"Red Diamond Vanguard, China's Strength" as a lever, we formulate Party building plans scientifically, continuously give full play to the political functions of Party organizations, enhance the capabilities of primary-level Party organizations, and promote the deep integration of Party building with business operations, providing strong organizational support for efforts to build a world-class commercial vehicle enterprise.

Actively conducting activities to jointly build "Party-building circle of friends"

In 2025, BAIC Foton completed a total of 123 Party-building co-building activities, achieving mutual promotion and improvement of Party building and business operations, and gradually forming a new pattern featuring resource sharing, complementary advantages, practical results, and win-win cooperation.

Continuously leveraging the political function of Party organizations

BAIC Foton carried out study and education on the spirit of the Central Eight-Point Regulations and thematic education on General Secretary Xi Jinping's important expositions on the reform and development of state-owned enterprises and Party building, organized and held the Fifth Party Congress of BAIC Foton and the "July 1" commendation conference to lead the Company's high-quality development.

Enhancing primary-level Party organization capabilities and improving the quality of primary-level Party-building efforts

In accordance with the principle of "four simultaneities",BAIC Foton dynamically adjusted Party organization structures for standardized establishment and full coverage, and, in accordance with relevant election regulations, fully staffed and strengthened Party committee leadership teams. The Company revised the evaluation and optimization plan of the "three major indices", strengthened the application of assessment results, and used strong Party building to lead strong development. It strengthened the standardized and regulated development of primary-level Party organizations, and revised and issued the *BAIC Foton Measures for the Development of Party Members* and the *BAIC Foton Measures for the Collection, Use, and Management of Party Membership Dues*, among others. Two training sessions for cadres and primary-level Party affairs management personnel were held, covering "political guidance + business empowerment + practical training + spirit inheritance", to continuously enhance the professional capabilities of full-time and part-time Party affairs workers.

Solidifying Corporate Governance

BAIC Foton is committed to building an excellent corporate governance system. On the basis of comprehensively optimizing the governance structure, it continuously enhances the sense of responsibility and professional competence of directors and senior management team, strengthens investor rights protection through multiple measures, fully consolidates the foundation of corporate governance, and ensures steady operations in the global competitive landscape.

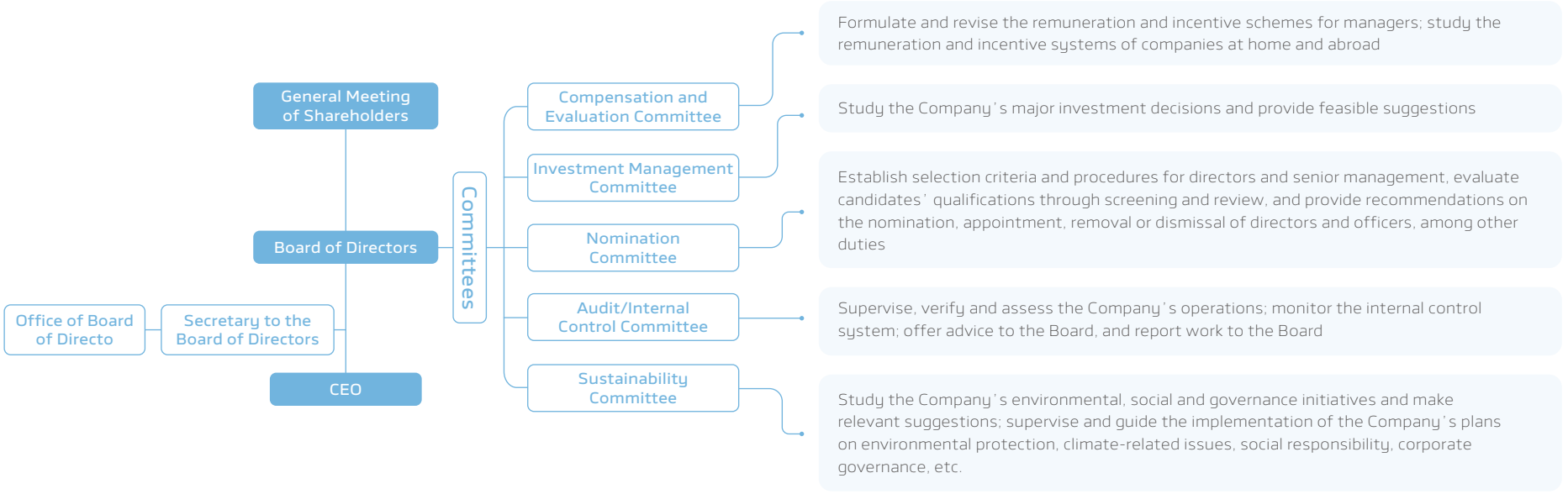
Governance structure

In strict compliance with relevant laws and regulations, normative documents, and the requirements of regulatory departments, such as the *Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies,* and the *Stock Listing Rules*, BAIC Foton has established and improved its internal control system and various management systems. It has established a governance structure with the General Meeting of Shareholders as the authority body, the Board of Directors as the key decision-making body, committees under the Board of Directors (Audit/Internal Control Committee, Nomination Committee, Sustainability Committee, Compensation and Evaluation Committee, Investment Management Committee) as advisory bodies, the management as the executive body, and the Audit/Internal Control Committee of the Board of Directors as the supervisory body.

The composition of the Board of Directors is diversified, with an effective balance of power among controlling shareholders, strategic minority shareholders, independent directors, management, and employee representatives. The legitimate rights and interests of all shareholders, particularly minority shareholders, are effectively balance and protected. Major decision-making matters of the Company are conducted in accordance with procedures including prior deliberation by the Party Committee Standing Committee, review by the general manager's office meeting, communication with state-owned assets/controlling shareholders, professional review by Board committees or independent directors, and director communication, followed by approval by the Board of Directors and the General Meeting of Shareholders.

In 2025, in accordance with the *Company Law of the People's Republic of China, the CSRC's Transitional Arrangements for Supporting Rules under the New Company Law*, and the Guidelines for Articles of Association of Listed Companies, and upon approval by the General Meeting of Shareholders, the Company abolished the Board of Supervisors, transferred part of its functions to the Audit/Internal Control Committee of the Board, and also revised more than 30 related systems, including the Articles of Association and the Rules of Procedure of the Audit/Internal Control Committee.

In 2025, the Company held a total of 18 Board meetings and 39 committee meetings (including 6 independent director special meetings, 15 Audit/Internal Control Committee meetings, 6 Nomination Committee meetings, 3 Compensation and Evaluation Committee meetings, 5 Investment Management Committee meetings, and 4 Sustainability Committee meetings). For details of the distribution of directors across committees, please refer to the Corporate Governance, Environment and Society section of the *2025 Annual Report* under V. Committees under the Board of Directors.



Board diversity

BAIC Foton has adopted a Board diversity policy to promote diversity among Board members, ensuring diversity in gender, professional background, and industry experience. Through the diverse perspectives of Board members, it brings a broader vision and deeper insights to the Company's development.

Among the current members of the Board of Directors, there is 1 female independent director with an accounting professional background. 3 directors have professional backgrounds in automobiles, 2 in economic management, 1 in finance, 1 in investment management, 1 in enterprise management/capital operation, 1 in law, and 1 in auto parts.

The 11 directors together form a Board of Directors with diverse professional backgrounds, capable of providing diversified viewpoints and insights to the Company and providing comprehensive and professional decision support for the Board. For details of Board member backgrounds, please refer to the "Corporate Governance, Environment and Society" section of the *2025 Annual Report* under "III. Directors and Senior Management Profile".

Table of BAIC Foton Board composition

Director type	Number	Proportion
Directors nominated by major shareholders	3	27.27%
Directors nominated by strategic minority shareholders	1	9.09%
Independent directors	4	36.37%
Internal directors	3	27.27%
Directors (total)	11	100.00%
Including: Employee directors	1	9.09%
Including: Female directors	1	9.09%

Board independence

The Company's 11-member Board of Directors consists of independent directors, directors nominated by strategic minority shareholders, directors nominated by major shareholders, and internal directors (including 1 Chairman, 1 CEO, and 1 employee representative director), forming a fully functional team with effective checks and balances. Among them, 4 independent directors serve on committees (3 chairing the Compensation and Evaluation Committee, the Audit and Internal Control, and the Nomination Committee, respectively), and all members of the Compensation and Evaluation Committee are external directors. At the same time, the Company conducts annual internal assessments on the standardized operation and performance effectiveness of the Board of Directors, and engages third-party institutions each year to conduct multidimensional evaluations of the Board's standardized operations and innovative practices.

In 2025, the Company actively implemented the requirements of the independent director system reform and conducted independence self-examinations for independent directors to ensure their compliant appointment. Independent directors convene special meetings on matters such as related-party transactions, perform pre-review procedures and issue review opinions; such matters may only be submitted to the Board for deliberation upon approval by more than half of all independent directors. Independent directors also actively perform their functions through committee meetings, maintain full communication with external auditors on matters such as earnings forecasts and annual audits, review and issue opinions on changes of accounting firms, and fully exercise their roles of "participating in decision-making, supervision and checks and balances, and professional advisory".

Table of external directors of BAIC Foton

Director type	Number of external directors	Proportion of external directors
External directors	8	72.73%
Directors of the Compensation and Evaluation Committee	5	100.00%

Board effectiveness

To effectively enhance Board effectiveness, BAIC Foton conducts annual self-evaluations of the Board and its committees, prepares Board work reports and performance reports of the Audit/Internal Control Committee, and participates in multidimensional evaluations organized by third-party institutions on the standardized operation and innovative practices of listed company boards. In 2025, the Company's Board of Directors was awarded the title of "Best Practice Case of Listed Company Boards" by the China Association for Public Companies, receiving authoritative recognition once again for its governance.

Enhancement of duty performance capabilities

BAIC Foton places great importance on strengthening directors' performance capabilities, continuously deepening professional training, organizing field research, and conducting training on topics including interpretation of new regulations, regulatory warning cases, market value management, online public opinion management, compliance management, risk management, anti-corruption, anti-conflict of interest, financial management, information security management, environmental management, ESG, and sustainable development. These efforts further consolidate the foundation for compliant performance of duties, enhance understanding of strategic decision-making, comprehensively support the advancement of directors' professional capabilities, and improve their development system. In 2025, the Company's directors participated in 20 training sessions, totaling 419 hours, with an average of 38 training hours per director. Meanwhile, BAIC Foton independent director Li Ya received the "Most Influential Independent Director" award at the 20th "Golden Round Table Awards" by Board Magazine; the Company's Board Secretary received the "Best Board Secretary" award from New Fortune Magazine, a 5A rating in the performance evaluation of board secretaries by the China Association for Public Companies, and was invited by the Shanghai Stock Exchange to serve as a lecturer for the fifth session of the 2025 follow-up training for board secretaries of listed companies, sharing practices in corporate governance and board office operations.

Conducting field research to deepen understanding of strategic decision-making

- Stayed informed of the Company's production and operation status and the latest dynamics of the securities and capital markets through meetings, daily flash reports, and monthly/quarterly briefing materials
- Organized Board visits to Beixin Building Materials for field research, and arranged independent directors to conduct field research at the Henan iBlue Plant
- Organized exchanges and learning sessions between independent directors, the Board office, and Bohai Automotive on corporate governance, information disclosure, financial internal control, and audit management experience
- Organized communication meetings between independent directors and audit institutions, timely reporting operational conditions and major matters to independent directors, effectively safeguarding their right to information and providing sufficient support for their performance of duties (see the separately disclosed independent director performance report for details)

Remuneration and appraisal of directors and officers

To implement the requirements of the CSRC's Code of Corporate Governance for Listed Companies, the Company's Board of Directors has formulated the Measures for Performance Appraisal and Remuneration Management of Directors and Officers (to be submitted to the 2025 Annual General Meeting of Shareholders for approval), further improving the incentive and restraint mechanisms for directors and officers. The system clearly defines the composition of remuneration, remuneration management bodies, and payment standards for directors and officers. The system particularly emphasizes mechanisms for suspension, recovery, and clawback of remuneration. In the event of a retrospective restatement of financial reports due to financial fraud or other reasons, the company shall promptly re-evaluate the performance-based remuneration and medium-to-long-term incentive income of directors and officers and recover the excess portion paid accordingly. If directors or officers violate laws, regulations, or Company rules causing losses to the Company, or are at fault for illegal acts such as financial fraud, fund occupation, or non-compliant guarantees, the unpaid performance remuneration and medium-to-long-term incentive income shall be reduced or suspended based on the severity of the case, and the performance remuneration and medium-to-long-term incentive income already paid during the period of the relevant acts shall be recovered in full or in part.

At the same time, the Company links officers' remuneration with ESG metrics such as work safety (including but not limited to workplace accidents and occupational disease incidents) and environmental protection (including but not limited to environmental pollution incidents and environmental penalties). This linkage further promotes the structured implementation of ESG initiatives. For details of directors' and officers' remuneration, please refer to the Corporate Governance, Environment and Society section of the *2025 Annual Report* under III. Directors and Officers.

Implementation of the three major governance systems

The Office of Board of Directors of BAIC Foton oversees three key functional segments: corporate governance, information disclosure, and market value & securities operations. It has innovatively established three major corporate governance systems, including the Board affairs system, the information reporting system, and the market value management system. These systems are supported by personnel from the Company's functional departments, value chain operation departments, and business divisions. They serve as critical mechanisms for subsidiary governance and oversight, as well as channels for timely access to sensitive material information and key operational highlights.

2025

42
Number of persons in the Board affairs system

55
Number of persons in the information reporting system

33
Number of persons in the market value management system

Protection of investor rights

The Company attaches great importance to investor relations management, actively fulfills its responsibilities to protect the rights and interests of its investors, and is committed to building an open, transparent, and multi-level capital market communication mechanism. Through multiple channels and formats, it deepens interaction and communication with investors, actively promotes shareholder participation in corporate governance, and provides all shareholders with valuable information through timely, transparent, and effective information disclosure. In 2025, the Board of Directors of the Company formulated the *Market Value Management System*, actively discussed and explored effective market value management measures, including but not limited to studying and promoting medium- to long-term incentive mechanisms and integration of low-efficiency assets. When dividend conditions are met, the Board of Directors guides the Company to develop and disclose annual dividend plans in light of its development stage and operating conditions.

BAIC Foton will coordinate the dynamic balance between performance growth and shareholder returns, implementing a "long-term, stable, and sustainable" shareholder value return mechanism. At the same time, based on actual needs and capital market conditions, the Company will develop appropriate stock price stabilization measures when necessary, adopting various means including but not limited to share increases by directors and officers as well as share repurchase and cancellation, to boost market confidence, maintain stock price stability, and actively reward investors.

In 2025

3 times
Performance briefings

172 times
Investor calls

36 times
Roadshow and promotional events

173 times
Inquiries answered on SSE E-Interactive platform

12 times
Field surveys by shareholders and investors

Awards and honors

"Grade A"
2024-2025 information disclosure assessment results for SSE-listed companies by the Shanghai Stock Exchange

"Best Practice of the Board of Directors of Listed Companies"
China Association for Public Companies

"Board Value Creation Award"
20th "Golden Round Table Awards" by Board Magazine for boards of directors of listed companies

"Best Practice of Board of Directors Office of Listed Companies"
China Association for Public Companies

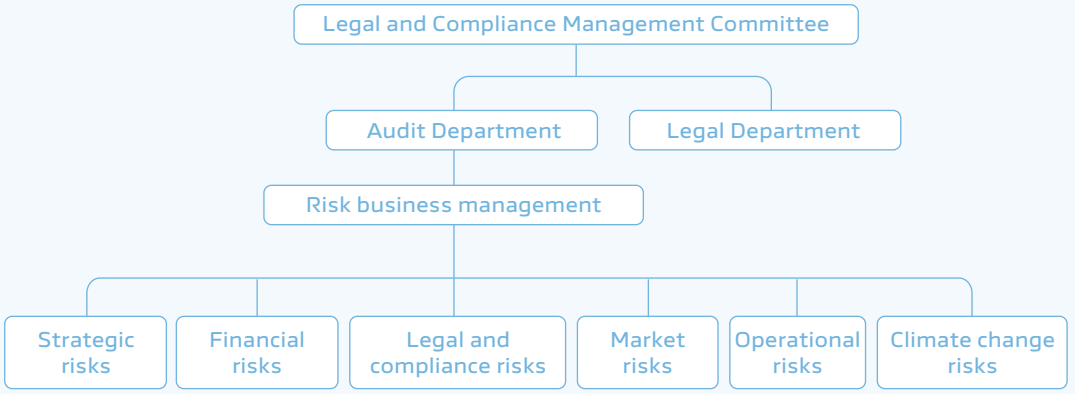
"Investor Relations Crystal Ball Award for Listed Companies"
Securities Market Weekly

Strengthening Risk Prevention and Control

BAIC Foton continuously optimizes its risk management system, establishes sound risk management rules and organizational structures, and refines risk management processes; relying on the "three lines of defense" architecture, it builds a comprehensive risk protection network to achieve systematic, standardized, and efficient risk management, continuously strengthening operational resilience to lay a solid foundation for the Company's steady and long-term development.

Risk management

BAIC Foton has established the Legal and Compliance Management Committee, systematically revised and improved the Company's audit and risk management systems, and established a risk management model featuring unified leadership, hierarchical responsibility, and classified management, and an organizational structure for enterprise risk management (ERM). We have established a "1+N" risk system and a "three lines of defense" mechanism for risk management, fully implementing the *BAIC Foton Comprehensive Risk Management Measures*. Through innovation in risk management operation models, risk thinking is integrated into the audit process for a shift from resolving problems at individual points to enhancing management capabilities across the whole system.



BAIC Foton ERM organizational structure

All business units → Headquarters' functional departments, Value chain business departments → Audit Department

The first line of defense

- Each business unit is responsible for conducting its own Level 2 risk management, reporting its risk control progress as required by the centralized business management department, implementing unified financial standards, carrying out regular assessments, formulating and implementing risk response plans, and conducting risk response drills

The second line of defense

- Each functional department and value chain business department are responsible for implementing and maintaining primary and secondary risk management within their respective business scope. Through business-finance integration, they deeply embed risk management into business processes. They also organize and conduct secondary risk assessment, formulate, implement and drill risk response plans, and regularly submit risk control lists and the performance of risk indicator management

The third line of defense

- The Audit Department is the centralized management department for ERM
- It coordinates the development of risk management system
- It conducts Level 1 risk assessments
- It collects the risk control list quarterly submitted by each functional department, and tracks the control progress of Level 2 risks on a regular basis according to the outcomes of business-finance integration
- It coordinates external risk management work

Risk management process

We have established a risk management process covering "risk identification, assessment, response, reporting, monitoring and improvement". Giving full play to the value-leading role of business-finance integration, we embed ERM deeply into business processes, and establish a comprehensive risk prevention and control system across the entire value chain to effectively enhance our capabilities in risk identification, early warning, and response, thus ensuring that our ERM is carried out in an orderly and effective manner.

Risk identification

According to their duties, all functional departments, value chain business departments, and business units jointly build the "key risk items" working mechanism, and collect, screen, summarize, compare, classify and combine relevant risk information for risk assessment

Risk assessment

The Audit Department annually organizes all functional departments, value chain business departments, and business units to conduct risk assessment to analyze the likelihood of risk occurrence and occurrence conditions and evaluate the impact of risks on enterprise objectives and risk values, etc.

Risk response

The Audit Department reviews risk assessment results, determines risk levels, and offers suggestions on control measures and work arrangements. All functional departments, value chain business departments, and business units implement the measures and timely update progress in risk control

Risk reporting

Risk reports include regular risk reports, irregular special risk investigation reports and major business risk event reports. The risk reports are submitted to the executive level for decision-making

Risk monitoring and improvement

All functional departments, value chain business departments, and business units implement control measures and update progress in risk control. The Audit Department puts forward suggestions on risk management, compiles risk maps, and traces risk control updates

Risk audit

Upholding the risk management philosophy of "learning to prevent risks" and "standardizing business processes and strengthening risk control", BAIC Foton continuously enhances the systematic development of risk exposure reviews and risk assessment mechanisms, embeds them into the annual business management cycle to form a closed-loop management of "identification—assessment—monitoring—reporting",standardizes corporate management, and provides strong support for improving major decision-making management.

In the risk review process, based on the annual major risk assessment, we focus on examining risk exposure levels in strategic transformation, production and operations, compliance, and emerging fields. While assessing inherent risks, we place greater emphasis on the effectiveness of control measures and analyze whether residual risk exposure remains within acceptable limits. In addition, to dynamically prevent risks and ensure operational stability, we conduct an annual comprehensive risk assessment, update the list of major risks and exposure assessments, and implement special assessments in core and high-risk areas to achieve forward-looking risk control.

In 2025, following the principles of comprehensive coverage and supervision, we classified risk audit projects into 13 major categories based on audit content, achieving "full coverage" of all BAIC Foton entities and operational control processes. Specifically, annual audits are performed for key business sectors, while a three-year cycle coverage requirement is implemented for other business sectors to build a solid foundation for stable corporate operations.

Risk culture

BAIC Foton deeply integrates risk management culture into the entire process of corporate culture development. Through multiple measures, it systematically enhances employees' risk identification and prevention capabilities, fully fosters a risk management atmosphere where "everyone serves as a line of defense",further strengthens risk awareness across all business sectors, and promotes risk prevention and control as a conscious action by all employees.

Risk culture development measures

Organize company-wide risk management training

Through various forms such as online courses, case-based teaching, and special drills, ensure that employees master risk management principles and methods, and integrate risk prevention and control requirements into daily operations and behavioral habits

Embed risk standards into product and service development processes

Relying on digital process management platforms, solidify risk control nodes, compliance requirements, and internal control rules into development processes to synchronize risk early warnings with business progress

Establish incentive and restraint mechanisms linked to risk management performance

Through clear risk management goals and reward and punishment systems, promote the transformation of risk management from a "soft requirement" to a "hard constraint",and gradually form internal motivation for risk prevention and control

Business-finance integration

BAIC Foton continues to deepen business-finance integration, taking value management as its core to promote the comprehensive integration of cost engineering into the Company's process transformation and agile development system for derivative vehicle projects. By optimizing the material cost management model for vehicles and moving cost analysis forward to key nodes of new product development, full-process cost control from concept design to mass production has been achieved. The Company has further improved the cost management system, defining cost management requirements for self-developed mass-produced modules, providing system guarantees for the cost competitiveness of core components such as self-developed PACKs and e-axles.

Regarding cost control, with the goal of building a long-term cost reduction mechanism, BAIC Foton continues to refine the cost reduction system for vehicle products and explore innovative paths for ultimate cost reduction. Through multiple approaches such as cost rationality analysis, technical solution optimization, supply chain collaboration, configuration strategy adjustment, and benchmarking and teardown, the Company promotes cost reduction from single-point breakthroughs to systematic and structural improvements. The Company strengthens the concept of module-based cost reduction, promoting module teams to conduct in-depth cost reduction around technological innovation, structural optimization, complexity reduction, process optimization, in-house manufacturing planning, and value chain collaboration. A sustainable cost reduction culture and working mechanism has been developed. Simultaneously, the Company advances the digitalization of cost engineering. Through the launch and continuous improvement of system platforms, it makes possible visualization, standardization, and efficiency in cost management processes, which provides strong support for the Company's long-term value enhancement.

In 2025, relying on real trade scenarios and anchored by the credit of core enterprises, the Company's supply chain finance efficiently addressed financing challenges faced by upstream and downstream SMEs through multi-tier credit transmission and digital risk control; it also optimized capital flow of the industrial chain and reduced overall risks to achieve win-win outcomes for all parties.

Deepening Compliant Operations

BAIC Foton strictly abides by laws and regulations such as the *Anti-Money Laundering Law of the People's Republic of China*, the *Supervision Law of the People's Republic of China*, and the *Anti-Unfair Competition Law of the People's Republic of China*, as well as international business standards in the places where it operates. It has formulated systems such as the *BAIC Foton Compliance Code*, clearly defining standards for business conduct including anti-unfair competition, commercial bribery, anti-money laundering, and conflict of interest, and adopts a zero-tolerance stance toward any misconduct that violates business ethics, fully safeguarding the Company's sustainable development.

Compliance management

BAIC Foton has established a Legal and Compliance Management Committee responsible for reviewing and deliberating strategic planning for legal, compliance, and audit functions, as well as reviewing and deciding on corporate governance, information disclosure, and major legal, audit, and compliance matters. The head of the Legal and Compliance Management Committee of BAIC Foton is the Chairman of the Board. In 2025, we dynamically tracked updates to laws, regulations, and relevant policies across various business regions, and continuously improved the compliance management system across organizational, institutional, operational, support, and cultural dimensions to ensure lawful and compliant operations.

Organizational System

- Upgrade the compliance management model from "1511N" to "1512N", further strengthening compliance management for overseas operations

Operational system

- Develop risk control lists for key business modules to strengthen proactive risk control
- Formulate a three-year action plan for auditing the effectiveness of compliance management to enhance and optimize existing compliance measures

Guarantee system

- Conduct training for corporate compliance officers and appoint the third cohort of compliance officers to ensure the effective implementation of compliance management

Institutional system

- Revise systems such as the *Compliance Management Measures, Compliance Code, and Implementation Rules for Conflict of Interest* to optimize compliance management systems
- Prepare the *Compliance Guidance Manual for Overseas Subsidiaries* to strengthen compliance management in overseas operations
- Prepare the *Monthly Dynamics of Trade Compliance* to track export control policies and industry developments

Cultural system

- Issue 15 "BAIC Foton Compliance Emails" signed by the Chairman to convey compliance concepts to all employees
- Release 12 issues of legal and compliance updates, sharing the latest changes in laws and regulations and interpretations of compliance requirements
- Organize "Compliance Promotion Month" activities and carry out 19 initiatives such as compliance culture lectures
- 100% Compliance culture communication coverage rate

Business ethics

BAIC Foton always upholds a "zero tolerance" stance, deepens business ethics development, and establishes a Legal and Compliance Management Committee with the Chairman at its core. It incorporates law-based governance development into the annual performance appraisal of management, forming a top-down compliance management pressure transmission mechanism that drives all employees to consciously adhere to business ethics and fosters a clean and upright corporate environment.

Anti-monopoly and anti-unfair competition

BAIC Foton strictly complies with laws and regulations such as the *Anti-Monopoly Law of the People's Republic of China*. The Company's senior management leads and coordinates anti-monopoly and anti-unfair competition management, while the Legal Department supervises implementation and regularly reports the effectiveness of such work to the Legal and Compliance Management Committee.

We clearly stipulate specific management requirements for fair competition and anti-monopoly in the *BAIC Foton Compliance Code*. In accordance with system documents such as the *Anti-Monopoly Compliance Risk Assessment and Control List and Compliance Responsibilities for Key Positions*, we require that all contracts to be subject to approval procedures and strengthen anti-monopoly risk management. Simultaneously, we initiate audits on the effectiveness of anti-monopoly compliance management to assess the effectiveness of anti-monopoly compliance management across all units, continuously enhancing anti-monopoly risk control capabilities across the entire chain.

We actively conduct special training on anti-monopoly laws and strengthen employees' anti-monopoly compliance awareness and legal literacy in an all-round way through activities such as the China Fair Competition Policy Publicity Week. In 2025, no violations related to monopoly or unfair competition occurred.

Tax management

BAIC Foton places tax compliance and risk management at the core of its financial management system, upholding the philosophy of honest tax payment and compliant operations. It strictly complies with tax laws and regulations in China and countries where it operates overseas to ensure that operational and value creation activities are consistent with commercial substance. In global related-party transactions, it strictly follows the arm's length principle and does not artificially shift profits to low-tax or substance-less jurisdictions for tax avoidance purposes.

The Company has established a systematic and transparent domestic and overseas tax internal control management system, implementing hierarchical tax management and clarifying responsibilities at all levels to ensure compliance in all tax-related operations. In addition, the Company regularly organizes training on tax management to enable financial and tax personnel to gain an in-depth understanding of tax rules and regulatory developments, strengthening tax risk management across all business processes.

Anti-conflict of interest

BAIC Foton continuously improves its conflict of interest management mechanism, fully implements the *Detailed Rules for Conflict of Interest Implementation, and issues the Conflict of Interest Compliance Risk Assessment and Control Checklist and Key Position Responsibility List*, explicitly requiring employees to proactively declare conflicts of interest upon onboarding, job changes, or changes in interest relationships. The Company's senior management leads and coordinates anti-conflict of interest management, while business departments take differentiated measures such as recusal from decision-making, position adjustment, or termination of related relationships based on risk levels.

Anti-money laundering and anti-insider trading

BAIC Foton strictly complies with the *Anti-Money Laundering Law of the People's Republic of China*, the *Provisions on Anti-Money Laundering for Financial Institutions*, and other relevant laws, regulations, and relevant requirements. It systematically advances anti-money laundering work, strictly implements customer identification procedures, strengthens monitoring of fund transactions, and enhances routine supervision and inspection to ensure compliant operations.

Whistleblowing mechanism

In strict compliance with the provisions of the *BAIC Foton Whistleblowing Management Measures*, BAIC Foton continuously promotes systematic development, optimizes diversified supervision and review systems, and improves the complaint and whistleblowing mechanism. It clarifies the functions and responsibilities of management departments and the whistleblowing process to ensure all work is conducted in accordance with standardized procedures and laws. At the same time, the Legal Department, as the leading department for whistleblowing, designates dedicated persons to handle whistleblowing calls and review whistleblowing emails to ensure efficient, standardized, and impartial handling of reports. Based on internal division of responsibilities, reports involving people are transferred to the discipline inspection department, while those involving other business-related compliance issues are transferred to the Audit Department.

Measures to protect whistleblowers' rights and interests

Acceptance of anonymous reports

It is clearly stated that whistleblowers may choose to report anonymously or under their real name. Personal preferences are respected, and information related to anonymous reports is kept strictly confidential to protect whistleblowers' privacy.

Zero tolerance for retaliation

It is explicitly stated that individuals who suffer retaliation after reporting violations will receive full support, and those who engage in retaliatory actions will be dealt with seriously in accordance with laws and regulations, with no tolerance, thereby protecting the legitimate rights and interests of whistleblowers.

Strict confidentiality management

All reported content, whistleblower information, and materials involved in investigations are subject to full-process confidentiality management. Unauthorized forwarding, disclosure, or leakage is strictly prohibited. Relevant documents are properly archived and used only within the scope of investigation.

Consultation on whistleblowing matters

Stakeholders may consult compliance issues at any time through compliance consultation hotlines. Consultation covers explanations of reporting channels, guidance on reporting procedures, standards for evidence submission, and interpretation of whistleblower protection policies.

Whistleblowing channels

Compliance whistleblowing hotline: **010-80708855**

Compliance whistleblowing email: **fthgjb@foton.com.cn**

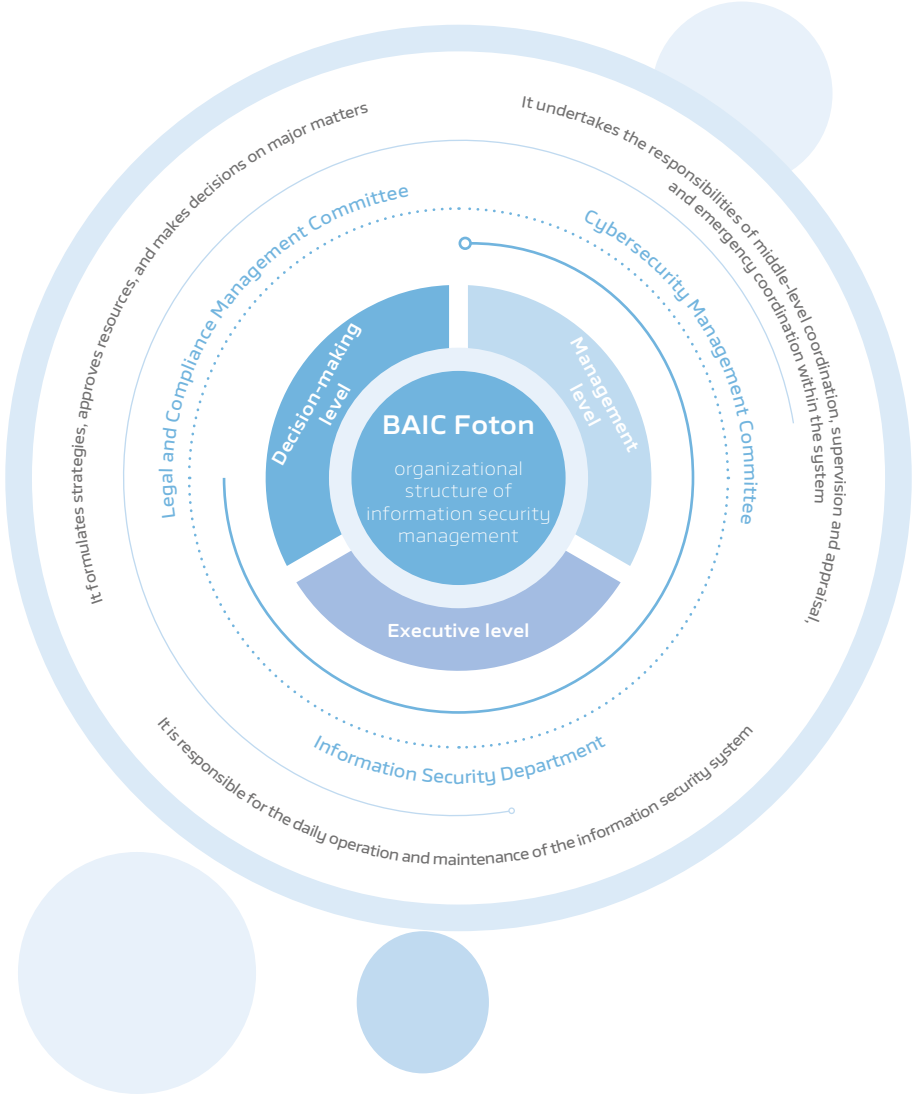
Strengthening Information Security

BAIC Foton sets "no data loss, uninterrupted applications" as its information security goal. We strictly comply with the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, as well as information security laws and regulatory requirements in countries and regions where it operates. We systematically build a comprehensive information security governance system covering organizational structure, institutional processes, and normalized mechanisms to protect the information security of employees, customers, suppliers, and partners.

Information security management

The Company's senior management leads and coordinates the establishment of a three-tier information security management structure consisting of the Legal and Compliance Management Committee, the Cybersecurity Management Committee, and the Information Security Department, responsible for implementing and supervising information security management. Revolving around the goal of "no data loss and uninterrupted applications", we have formulated system documents such as the *Information Security Management Manual* and the *Information Security Effectiveness Measurement Procedure*. Based on ISO 27001 information security management system, the automotive cybersecurity management system (CSMS), and national classified protection requirements, we regularly standardize and institutionalize revisions to information security management systems. By adopting technologies such as encrypted data storage, database desensitization, and sensitive information masking, we achieve information security that is regulatory-compliant, intrusion-resistant, theft-proof, undecipherable, tamper-proof, leakage-proof, and recoverable.

In the process of expanding overseas business, we strictly comply with data protection regulations of multiple countries, including the *General Data Protection Regulation* and the *Federal Law on the Protection of Personal Data Held by Private Parties*. We have prepared relevant systems such as the *Outline of Compliance Management Guidelines for Overseas Subsidiaries of BAIC Foton*, and establish data protection officers or corresponding organizations in accordance with local regulations, clearly assigning responsibilities for compliance supervision, risk assessment, communication coordination, and internal policy and process development, to comprehensively ensure data security and compliance in global operations.



Key measures for BAIC Foton's information security management

Risk management

- In accordance with system norms such as the *Information Security Risk Assessment Management Procedure*, a full-process closed-loop management system for information security risk identification, assessment, disposal, and monitoring has been established.
- A data classification and grading control mechanism has been created to ensure that 100% of high-level risks are included in the disposal process. In 2025, we carried out technological iterations and upgrades across five dimensions: cloud, network, terminal, application, and data, to address various information security challenges with a comprehensive, multi-layered protection system.

Audit management

- We continuously improve the development of the information security audit system. While conducting annual internal information security audits for business units, joint ventures, and value chain partners, we undergo regular external reviews of the ISO 27001 certification system each year. Through independent external audits, we continuously verify and enhance the effectiveness of information security governance. As of the end of 2025, the Company had obtained EU-certified UN R155 vehicle cybersecurity management system and UN R156 vehicle software update management system certificates, and been certified with ISO 27001:2022.

Vulnerability management

- A full-process closed-loop management mechanism for information security vulnerabilities has been established, covering discovery, assessment, remediation, verification, and tracking. Vulnerability information is obtained through multiple channels, classified after assessment, and repaired by the Operations and Maintenance Department or R&D Department under backup conditions. Final verification of effectiveness is performed by the Information Security Department.
- Repair responsibilities are clearly assigned through system work orders. For overdue vulnerabilities, alternative solutions are coordinated and escalated for supervision, and remediation progress is regularly disclosed. As of the end of 2025, no major information security vulnerabilities or other cybersecurity incidents had occurred for the sixth consecutive year, and no fines had been incurred.

Emergency incident management

- Emergency response plans for data breaches have been formulated, and regular vulnerability scanning, red team attack-defense exercises, and data recovery drills are conducted to enhance employees' practical capabilities and emergency response levels in handling information security risks. In 2025, using a "defense-in-depth + zero trust" security model and leveraging 101 sets of deployed hardware and software security systems across the network, 1,876 information security vulnerabilities or other cybersecurity incidents were resolved.
- It is clearly required that all employees have the obligation to report information security incidents, vulnerabilities, or suspicious activities through a unified reporting hotline (010-56755213). Upon receiving reports, the Information Security Department will assess and assign them to relevant responsible departments for handling, track the progress, and disclose the results.

Data integrity and security management

- Based on systems such as the *Data Security Management Measures*, data is classified and graded, and corresponding control measures are implemented at each stage, including collection, storage, transmission, use, and destruction, according to data levels to ensure integrity, confidentiality, and availability throughout the data lifecycle.
- A storage-level offsite disaster recovery center meeting national L4 hot backup standards has been established, achieving 100% coverage of core data backup. This ensures a recovery point objective of less than five minutes, enables rapid response and recovery during natural disasters and other emergencies, and strengthens the foundation for business continuity and data security.

Third-party management

- Strict controls are implemented over data access and transmission during cooperation processes to ensure that third parties always comply with security standards when connecting to internal networks or handling business data. At the same time, regular information security training is organized for suppliers to communicate relevant requirements and strengthen their security practices.

Information security capability building

BAIC Foton has established management systems such as *Information Security Effectiveness Measurement* and *BAIC Foton Employee Information Security Code of Conduct*, explicitly incorporating information security awareness training, including institutional systems, incident investigations, and practical drills, into performance appraisal indicators. Through regular security inspections and audits, violations of security regulations are recorded and addressed, thereby assigning information security responsibilities to every employee and translating them into conscious actions in daily work. At the same time, we conduct information security training for suppliers and other third parties, providing in-depth explanations of key aspects such as data protection and cybersecurity, further strengthening the information security awareness and capabilities of suppliers and other third parties.

Privacy protection

BAIC Foton strictly complies with laws and regulations such as the *Personal Information Protection Law of the People's Republic of China* and the *Data Security Law of the People's Republic of China*, as well as industry standards. The Information Security Department coordinates the entire process of privacy protection, rigorously implements the *Personal Privacy Management Measures*, and, focusing on the lifecycle management of customer data, establishes a privacy protection system characterized by "compliance first, technology empowering, and accountability".The Company incorporates the privacy policy system into the overall risk management framework and establishes a dual internal and external audit mechanism to perform regular special audits on the compliance of privacy policies. At the same time, the Company adopts a zero-tolerance approach to violations of privacy protection, defining disciplinary standards and implementation procedures corresponding to such violations, and regularly organizes company-wide special training on privacy protection to strengthen compliance awareness. In addition, we extend customer privacy protection requirements to partners such as suppliers and dealers, providing customized training and support on privacy protection to drive their adherence to unified high standards and safeguard customers' information security and legitimate rights and interests. In 2025, more than 15,000 employees participated in training related to information security, data compliance, and privacy protection, and no data or privacy leakage incidents occurred.

01 Information collection

Adhering to the principles of legality, fairness, and necessity, we verify the legality and fairness of data providers, clearly inform data subjects of the purpose, scope, and rights related to information collection, and obtain explicit consent

02 Information use

We protect users' legitimate rights to access, correct, and delete their personal data according to law; users may independently decide on the collection, use, retention, and withdrawal of their personal data. At the same time, we clearly define compliance policies for third-party information disclosure, follow the principle of "minimum necessary authorization", ensure that usage is consistent with the purpose of collection, provide users with the minimum data set required to complete business processing activities, and avoid improper use of data

03 Information storage

We implement differentiated storage control based on data classification levels, establish a storage lifecycle management system, and define the maximum retention period for various types of data

04 Information transmission

We establish redundancy in the links and network equipment nodes of critical data transmission networks to enhance network availability

05 Information destruction

For idle or transferred data storage media, data must be cleared and formatted to ensure irrecoverability

02

Tech Foton

—Easy Move

BAIC Foton consistently upholds its customer-centric philosophy, refining product quality with craftsmanship and advancing technical capabilities through continuous innovation. Focusing on core user mobility needs and integrating global intelligence, the Company builds a digitalized and intelligent safety system covering the entire value chain of R&D, production, and service, creating a safe, healthy, and reliable mobility environment and contributing solid Foton strength to sustainable transportation development.

Our contributions to UN SDGs

Leading Sci-tech Innovation

BAIC Foton regards technological innovation as the core engine driving sustainable corporate development. Anchored in top-level strategy, it has established a globally efficient and collaborative R&D layout. Through systematic innovation mechanisms and digital transformation of processes, the Company continuously advances in cutting-edge technological fields such as new energy and ICV, efficiently transforming R&D achievements into market-competitive patented technologies and standards, thereby providing solid technological support for the strategic goal of becoming a world-class commercial vehicle enterprise.

2025

2.306 billion
R&D investment

294
Invention patent applications

3.77 %
Percentage of R&D investment in main business revenues

395
Authorized patents

17.71 %
R&D staff ratio

617
New patent applications

Tech-innovation system

BAIC Foton's R&D activities are closely aligned with the three core strategies of "Internationalization, Electrification, Smartification" and serve the long-term objectives of the 15th Five-Year Plan. The Company focuses on five key areas: intelligent networking, new energy, intelligent chassis, power transmission, and materials and lightweighting. By establishing a global R&D organization, it ensures a leading global position in key technological fields such as hydrogen fuel cells, hydrogen storage systems, and electric drive systems.

The Company has established a globally coordinated R&D system, forming a domestic and international integrated R&D network. Domestically, with Beijing headquarters as the core, it has built a nationwide integrated R&D network covering key regions including Beijing, Shanghai, Guangzhou, Changsha, Weifang, Zhucheng, and Foshan for cross-regional technological coordination and resource integration. Overseas, R&D centers have been established in Germany, Japan, and other locations, which focus on local demand insights, track cutting-edge technological and regulatory trends, and work in close coordination with the domestic R&D system to ensure high-quality development and implementation of overseas products, strongly supporting the Company's global strategy.

BAIC Foton's sci-tech innovation system

Domestic Vehicle and Component Application Development Center

- Automotive Engineering Research Institute (Beijing / Shandong / South China / Hunan / Anhui R&D)
- Foton Chuanxun Technology R&D
- Forland Technology Research Institute
- Cavan R&D Center
- AUV Bus Technology Research Institute

ICV Center

- Foton iTink
- Foton Autonomous Driving
- iTruckTec

Joint Venture Technology Center

- ZFTC R&D
- Foton Cummins R&D
- Foton Daimler R&D

Overseas R&D and Product Technology Center

- Germany R&D Center
- Japan R&D Center
- Southeast Asia Regional Technology Center
- Americas Regional Technology Center
- Europe Regional Technology Center
- Central Asia Regional Technology Center
- Middle East Regional Technology Center
- Africa Regional Technology Center

R&D platforms

BAIC Foton continues to invest in R&D platform and testing capabilities. It has developed a comprehensive R&D support system encompassing innovation studios, prototype verification platforms, and simulation laboratories. The Company now has 1 national-level innovation studio and 1 Changping District-level innovation studio. The national-level studio has undertaken a total of 326 research projects.

The BAIC Foton X Laboratory (i.e., the Key Laboratory for Energy Conservation and Emission Reduction) serves as the Company's core R&D platform, focusing on green energy technology validation and product development. It possesses core capabilities including the emission standard verification of China VI/China VII for all vehicle types, high- and low-temperature/high-altitude environmental simulation testing for vehicles and engines, matching and validation of new energy (battery, e-motor, and electronic control) systems, as well as ICV technology testing and data simulation analysis.

Case BAIC Foton obtains TÜV Rheinland E-mark Witness Laboratory qualification

TÜV Rheinland conducted an audit of BAIC Foton's electromagnetic compatibility (EMC) laboratory. The audit results indicate that BAIC Foton's EMC laboratory has reached internationally advanced standards in core testing capabilities, equipped with a full set of high-standard testing equipment and a testing environment compliant with international specifications; it is fully capable of testing in accordance with UNECE R10.06 standards and successfully obtained E-mark certification as a TÜV Rheinland witness laboratory.

R&D talent

BAIC Foton keeps optimizing its R&D talent structure. Leveraging flagship programs such as expert doctoral forums, professional courses, and comprehensive onboarding training for new employees, as well as customized "one person, one curriculum" learning plans, the Company has established a comprehensive training system deeply aligned with its R&D strategy for management, technical, and young talents. At the same time, it has formulated the "10+20+50" talent strategy, further strengthening the development of internal expert teams in key fields; by introducing external talent and continuous development of postdoctoral research workstations, a diversified and high-quality talent pipeline is built. As of the end of 2025, the number of R&D staff reached 4,025; the proportion of employees with a master's degree or above reached 25%, and the number of doctoral talents increased by 29% year-on-year.

To systematically support talent development, the Company has optimized institutional systems such as the *Science and Technology Innovation Incentive Management Measures*, establishing a multi-level incentive system covering performance-based compensation incentives, project-specific incentives, technological innovation incentives, and employee stock ownership; through forms such as skills training, job competitions, and innovation exchange activities, we cultivate employees' innovative capabilities and enterprising spirit.

Case BAIC Foton hosts the 2025 Sci-Tech Culture Festival

On August 25, 2025, BAIC Foton held the themed forum of the 2025 Sci-Tech Culture Festival. Experts from the industry and universities focused on six key areas, including flying vehicles, AI empowerment, ICV security, hydride solid-state batteries, intelligent chassis, and hydrogen fuel cells; this provided guidance for the auto industry to accurately grasp the transition path from "electrification" to "comprehensive intelligence + deep low-carbonization", and offered BAIC Foton forward-looking technological insights and strategic references, laying a foundation for subsequent technological R&D and industrial distribution.

Technology ecosystem

With an open and collaborative approach, BAIC Foton focuses on new energy, ICV, and core commercial vehicle technologies; it strives to transform cutting-edge external technologies, academic insights, and industry consensus into core competitiveness that drives product upgrades and industrial progress through measures such as deepening strategic cooperation, integrating enterprise-university-research institute resources, and participating in industry co-construction and standard formulation.

Strategic cooperation

BAIC Foton has established in-depth strategic cooperation with upstream and downstream enterprises such as Huawei, TELD, CATL, and EVE Energy. Focusing on core areas such as new energy and ICV, the Company collaborates with partners through joint R&D, resource sharing, and ecosystem co-construction to overcome key technological barriers and promote high-quality industry development.

BAIC Foton signs a cooperation agreement with Huawei Digital Power to build a "megawatt-level ultra-fast charging network" and establish a closed-loop new energy industry ecosystem integrating vehicles, charging piles, solar power, energy storage, load, and intelligence

BAIC Foton partners with TELD to establish Beijing Foton TELD Microgrid Technology Co., Ltd.

Enterprise-university-research institute integration

BAIC Foton actively explores a development model of deep integration of "enterprises, universities, and research institutes", and conducts comprehensive and in-depth cooperation with universities and research institutes in key technological fields such as new energy, ICV, and intelligent chassis, covering joint development, project applications, laboratory co-construction, and talent cultivation. In 2025, BAIC Foton closely collaborated with top domestic universities and research institutions such as Tsinghua University, Beijing Institute of Technology, and Beihang University to undertake national key scientific research projects covering critical technological directions including new energy and intelligent driving.

In September 2022, the postdoctoral research workstation (new) was officially approved and established. It aimed to strengthen cooperation with research institutions, introduce and cultivate high-level technical talent with top-tier research capabilities, enhance technological development and innovation capabilities in new and key technology fields, promote the transformation of scientific and technological achievements, and catalyze talent development mechanisms. As of January 2026, a total of 10 postdoctoral researchers had been recruited; 3 had completed their postdoctoral programs and remained with the Company to continue research and development of core technologies such as autonomous driving and fuel cells.

BAIC Foton's first cohort postdoctoral completion ceremony

Industry co-construction

BAIC Foton actively participates in industrial research, policy promotion, standards testing, information services, and international cooperation to build collaborative innovation platforms, engage in the formulation of national and industry standards, and support the standardized development of the industry. In 2025, the Company participated in the formulation of 34 national, industry, and group technical standards. Specifically, by leading the development of the *Dedicated DC Charging System for Electric Commercial Vehicles*, it effectively guided the standardization of high-power DC charging technologies for electric commercial vehicles within the industry.

2025

34
Participation in a total of national, industry, and group technical standards

21
Participation national standards in

5
Participation industry standards in

8
Participation group standards in

Technology for good

BAIC Foton incorporates technology ethics into its sustainability management framework and has formulated and implemented the *BAIC Foton Technology Ethics and Scientific Research Integrity Management Measures* to establish an ethical governance system covering the entire lifecycle of technological activities. Through the Product Innovation Technology Management Committee, the Company systematically carries out technology ethics and scientific research integrity management, conducts ethical reviews and risk assessments for major scientific and technological projects and innovation activities, and provides decision-making recommendations. During the processes of technology development, product development, and testing and validation, the Company strengthens the development of scientific research integrity and academic conduct. By standardizing scientific and technological activities, the Company ensures that R&D and application activities comply with ethical standards, safeguarding public interests, social safety, and environmental sustainability.

Intellectual property protection

BAIC Foton continues to optimize its intellectual property management system. It establishes management frameworks covering patents, trademarks, and copyrights, and deeply integrates them into the entire lifecycle of R&D, production, and marketing. The Legal Department, as the responsible department, collaborates with multiple departments to advance implementation, strengthening the patent portfolio of core technologies and risk prevention and control to build a solid intellectual property protection system. At the same time, the Company has established an intellectual property early warning mechanism throughout the R&D cycle, from project initiation through to the completion of pilot production validation, to minimize patent infringement risks and ensure efficient progress of R&D. In addition, the Company has built a full-process management system from patent application to authorization. Leveraging an intellectual property management platform, it achieves process digitalization and data visualization, injecting strong momentum into innovation breakthroughs and high-quality development.

2025

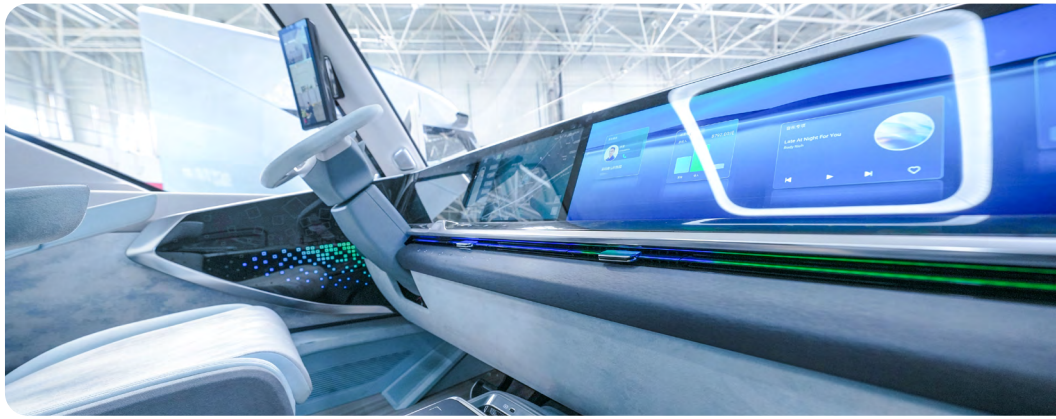
165
Domestic trademark applications

97
Overseas trademark applications

34
Software copyright filings

32
Domestic trademark registrations

81
Overseas trademark registrations



Strengthening Quality and Safety

Quality is the lifeline of the Company and the foundation for its participation in global competition. BAIC Foton consistently adheres to its quality strategic goal of "achieving absolute domestic leadership and reaching international standards overseas by 2030", enhancing quality awareness, pursuing superior quality and ensuring reliable delivery to win the "Three-Year Leap Forward Action" campaign and become a world-class commercial vehicle enterprise.

Improving the quality management system

Centered on a "global unified quality management system blueprint", BAIC Foton has established a quality assurance system covering four major strategic areas, based on ISO 9001 and IATF 16949 as the framework and Six Sigma as the continuous improvement engine. It integrates requirements such as 3C certification, new energy safety management systems, and automotive information security to form a lifecycle quality management system with distinctive Foton characteristics. Through iterative upgrades of the management system, the Company achieves enhanced management quality, upgraded performance, and increased brand value. This provides strong support for its globalization strategy and sustainable development. At the same time, it actively promotes a global quality planning. By establishing a differentiated regional quality control matrix overseas, building a global service engineering capability center, and deploying a global quality data platform, the Company realizes integrated management of quality data and further builds an intelligent quality system featuring the closed-loop mechanism of early warning - diagnosis - decision-making - self-optimization. In addition, through scenario-based training, quality competitions, and improvement case libraries, the Company implements "quality awareness internalization actions" to promote the transformation of quality from "institutional requirements" to "behavioral consciousness", establishing a talent pipeline and development pathway for quality professionals to cultivate a group of quality experts and Black Belt talents with international perspectives.

To systematically standardize product quality management, the Company's senior management oversees product quality management, while the Quality Management Department is responsible for implementation, organizing the formulation of 45 quality management system documents, including the *Quality Manual* and the *New Product Quality Verification Management Measures*, thereby forming a standardized quality control closed loop across the entire chain. In accordance with the *BAIC Foton Internal Audit Management Procedures*, the Company defines the audit content of the quality management system and organizes continuous improvement based on audit findings. Meanwhile, the Company has established a high-level-driven and rapid-response quality governance system. It deeply implements the campaign of entrusting the leadership to take charge of quality, adopts a dual governance model of "senior leadership accountability + special incentives", and systematically advances "5+2" quality improvement initiatives (5 core quality topics + 2 forward-looking quality capacity-building projects); it has established a weekly quality stand-up meeting mechanism, promoting rapid issue resolution through the principle of on-site, actual object, actual situation; it has formulated the *BAIC Foton Regulatory Complaint Handling Management Measures*.

2025

6

Manufacturing factories certified with quality management systems such as ISO 9001 and IATF 16949

15%

Increase in organizational maturity for excellence performance

"Five-Star Rating for Excellence Performance Maturity"

Enhancing product quality

BAIC Foton focuses on improving product quality, guided by customer needs. It implements control across the full lifecycle. By optimizing supply chain management, deepening lean manufacturing, and upgrading service responsiveness, it has built a multi-dimensional quality improvement system and continuously advances product quality. At the same time, benchmarking against the IATF 16949 and ISO 9001 quality management system standards, the Company has established full-process quality control covering incoming materials, in-process stages, and vehicles. It has formulated management documents such as the *Product Monitoring and Measurement Control Procedure*, clarified inspection requirements at each stage, and equipped comprehensive testing devices. Inspections cover technical parameters, functional performance, and other aspects of vehicles and core components. Four product testing laboratories have been established, including the Beijing Quality Verification Center and the Weifang Quality Verification Center. These laboratories provide professional, standardized, and traceable testing support. The Weifang Quality Verification Center and the Forland Quality Verification Center, in particular, have obtained third-party testing certification.

Building a "scenario + region + working condition" verification system	Establishing a stable and efficient supplier system	Deepening lean manufacturing	Upgrading service capabilities	Improving two-way coordination mechanisms
It covers the entire process from project planning, development validation, production launch, to market introduction, and strengthens product planning and full-cycle reliability assurance	We have tailored policies for each supplier. Through capability improvement assistance, supervision and audits, and elimination mechanisms for non-compliance, we rapidly enhance component consistency	We dynamically optimize process layouts and operating standards, empower production lines with new technologies, build digital manufacturing platforms, and promote the transformation of quality control from detection to prevention	We strengthen predictive services and remote technical support and optimize customer complaint management and issue escalation processes to achieve rapid response to market quality	We leverage platforms such as the Quality Committee and annual conferences to unify strategies and ensure smooth cross-departmental quality information feedback and closed-loop resolution channels

Case **The "Weifang Campaign" plays an inspiring movement toward becoming a world-class commercial vehicle enterprise**

In 2025, Chang Rui, Party Committee Secretary and Chairman of BAIC Foton, issued the "Direct to the Scene" order at a quality stand-up meeting, initiating the "Weifang Campaign", a multi-department joint operation. Starting from June 30, VP Chen Qingshan and VP Zhu Youfu led a joint team of more than 20 members stationed at the Multi-functional Vehicle Manufacturing Center. They participated in all production processes, focused on tracing root causes based on market feedback, and implemented precise measures. More than 300 immediate correction items were closed within three days. Seventy medium- and long-term topics delivered results within one month. More than 20 quality improvement projects were launched simultaneously. This campaign is both a "spiritual revolution" against persistent quality issues and a practical demonstration of Foton's ethos of "To Do. To Try. To Win."

Product recall management

In accordance with regulations such as the *Regulation on the Administration of Recall of Defective Automobile Products* and the *Implementation Measures for the Administration of Recall of Defective Automobile Products*, BAIC Foton has formulated the BAIC Foton Automobile Recall Management Procedure. This procedure systematically standardizes defect identification, recall evaluation, internal approval processes, establishment of recall organizations, filing with national regulatory platforms, recall implementation, and summary for both domestic and overseas products. It clarifies standardized operating procedures, provides comprehensive guidance for recall activities, effectively protects consumer rights and interests, and enhances the standardization of quality management.

Fostering a strong quality culture

BAIC Foton actively practices quality culture concepts and has issued the *Quality Culture Manual* to standardize employee behavior. By deepening the campaign of entrusting the leadership to take charge of quality, the Company builds consensus and promotes the translation of quality awareness into conscious action. Through cultural cultivation and training empowerment, it fosters an atmosphere of full participation, rapidly responds to market demands, improves customer satisfaction, enhances core competitiveness, and provides strong support for long-term sustainable development.

Advancing the Campaign of Entrusting the Leadership to Take Charge of Quality

- The leadership takes overall responsibility for quality management operations and chairs monthly Quality Management Committee meetings
- Weekly quality stand-up meetings for leadership are held

Conducting normalized quality training

- We organize activities such as quality culture events, quality knowledge contests, and QC achievement presentations
- We provide Six Sigma basic knowledge training for all employees across all business functions
- We organize quality business strategy seminars and invite experts to share advanced management concepts and methods

Reinforcing a culture of reverence for quality among all employees

- We establish rigid control mechanisms such as quality red-line management, quality exposure platforms, and quality traceability reviews
- We set up a dedicated annual quality improvement reward fund of RMB 7 million

2025

100%
Employee quality training coverage in the quality system

100%
Quality training coverage for key suppliers

100%
Quality training coverage for key dealers

25
National QC and Six Sigma awards obtained

BAIC Foton 2025 Quality Conference

Quality training meetings

Vehicle Safety Management

In the commercial vehicle sector, safety is an inviolable baseline, and reliability is a core requirement throughout the entire lifecycle. BAIC Foton focuses on upgrading passive safety capabilities. It uses virtual simulation technology to establish vehicle collision models under multiple operating conditions and accurately addresses design weaknesses. The Company actively explores the application of virtual calibration technology, replacing some physical tests with simulation analysis. It studies big data and AI neural network algorithms to build intelligent prediction models for passive safety, aiming to achieve second-level, high-precision collision damage prediction. It integrates multiple active safety technologies, combines human — vehicle — road coordinated early warning with digital monitoring, builds an all-scenario active safety protection network, and strengthens travel safety protection.

At the same time, BAIC Foton has obtained the patent for “Vehicle Control Method, Device, Storage Medium and Vehicle”. This patent enables intelligent and refined control of key vehicle actuators (such as the drive system, braking system, or power take-off device). It allows proactive prevention of safety risks and provides an innovative technical solution for improving overall vehicle safety performance.

In addition, a lifecycle health management hub for power batteries has been established. Driven by a dual engine of mechanism models and data intelligence, it enables a paradigm shift from passive maintenance to proactive prevention, providing a safe and reliable battery health management solution for new energy commercial vehicle fleets.

03

Green Foton

—Revitalizing Green Mountains and Clear Waters

Against the backdrop of global response to climate change and low-carbon industrial transformation, BAIC Foton embeds green and sustainable development at the core of its corporate strategy. It systematically integrates environmental commitments into every stage of R&D, production, supply chain, and product operations. Through concrete actions, it reduces carbon emissions and drives the commercial vehicle industry steadily toward a cleaner, more efficient, and more sustainable future.

Our contributions to UN SDGs

Response to Climate Change

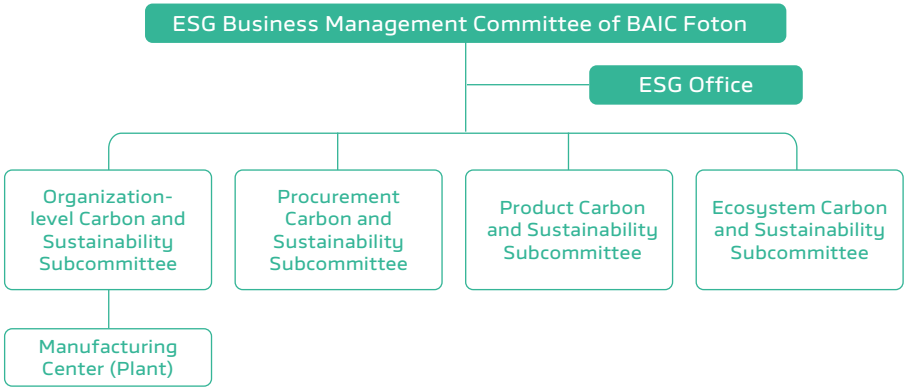
Climate change is a core topic of global sustainable development and an essential challenge for the green transformation of the auto industry. BAIC Foton actively seizes new opportunities for green development. It incorporates climate change response into the core of its corporate strategy. Undertaking to support the national "dual carbon" strategy, it upholds the mission of "providing green solutions for the energy revolution". It builds a low-carbon management system and a green industrial ecosystem covering the lifecycle of products, thereby strengthening climate resilience.

Climate management

BAIC Foton fully recognizes the severity and urgency of climate change impacts. It works with partners to actively respond to climate-related opportunities and challenges, contributing to the achievement of "dual carbon" goals. Referring to the framework of the Task Force on Climate-related Financial Disclosures (TCFD), the Company continuously refines climate management across four dimensions: governance, strategy, risk management, and metrics and targets. It also actively discloses its progress externally.

Governance

BAIC Foton continues to improve its dual carbon management system. It has established an ESG Business Management Committee and an ESG Management Office. It has developed comprehensive climate management measures and internal communication mechanisms. From top-level planning and design, to functional department promotion, to implementation at manufacturing centers and plants, it coordinate the advancement of carbon management covering organization, procurement, product and ecology. Relevant systems are continuously refined to ensure the achievement of climate response targets.



Organization-level Carbon and Sustainability Subcommittee

Responsible for organization-level carbon emission planning and management, energy conservation and emission reduction management, zero-carbon plant construction, photovoltaic deployment, energy and carbon management platforms, green logistics, green office practices, and ESG topics management

Procurement Carbon and Sustainability Subcommittee

Responsible for procurement carbon emission planning and management; green supply chain system development, green supplier admission management, procurement of green raw materials, green supply logistics and packaging, and ESG topics management

Product Carbon and Sustainability Subcommittee

Responsible for functions including low-carbon/zero-carbon product planning and development, the application and development of low-carbon and recycled materials, the exploration of low-carbon technology roadmap, product carbon footprint management, and ESG topics management

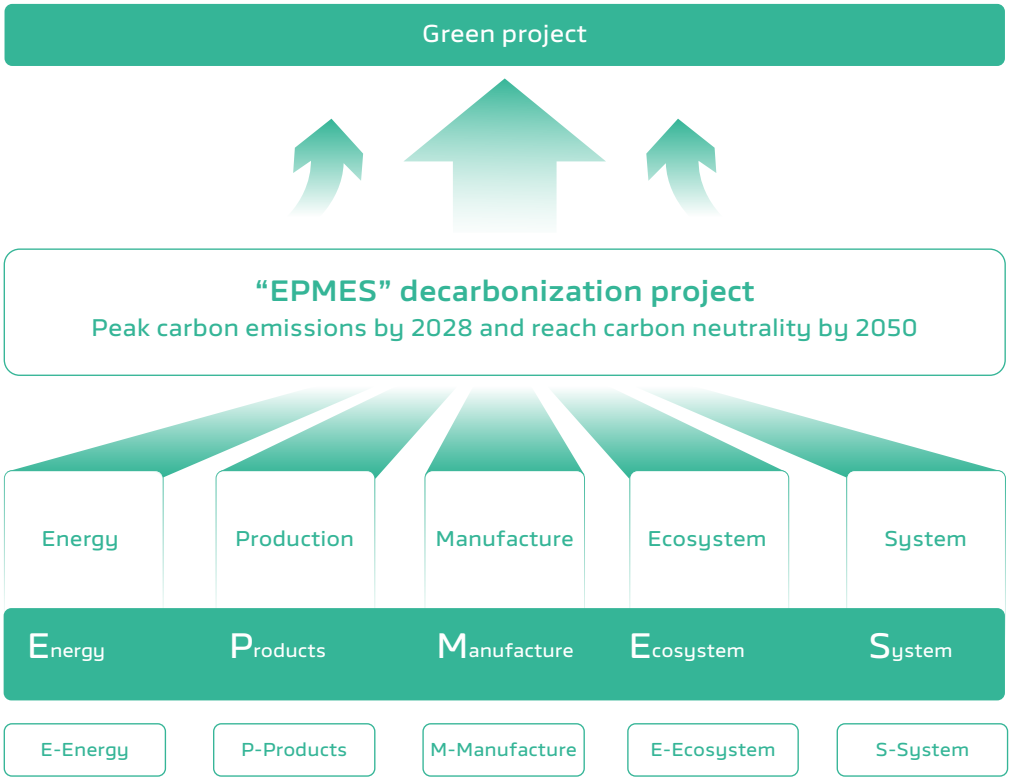
Ecosystem Carbon and Sustainability Subcommittee

Responsible for functions including ecosystem carbon planning and management, green ecosystem development, carbon asset management, low-carbon service parts, and ESG topics management

Strategy

Based on a systematic analysis of carbon emissions across the lifecycle of automotive products, BAIC Foton has formulated its carbon peak and carbon neutrality strategy and the "EPMES" decarbonization project. It has defined five core action pathways to address climate change. Based on policy requirements and industry characteristics, the Company identifies and assesses climate-related risks and opportunities. In alignment with its strategy and development stage, it formulates and gradually implements response measures.

- **Targets of carbon peak and carbon neutrality strategy:** "Peak carbon emissions by 2028, realize core factory carbon neutrality by 2035, and achieve full value chain carbon neutrality by 2050"
- **Pathways for decarbonization:** BAIC Foton guarantees the realization of decarbonization goals through "EPMES" (Energy, Products, Manufacture, Ecosystem, System) projects. Specific pathways include energy efficiency improvement, low-carbon product development, green manufacturing, green ecosystem, and improvement of the energy-carbon management system



BAIC Foton's climate-related risks identified and response measures

Risk category	Climate-related risks	Risk description	Impact period	Potential financial impact	Management and response measures
Transition risks	Policy and legal	Under global and China's "dual carbon" goals, carbon emission regulations, carbon pricing mechanisms, and new energy vehicle credit policies are becoming increasingly stringent. Failure to meet requirements in a timely manner may result in penalties such as fines and market access restrictions for products	Short-term to long-term	**Current:** increased compliance costs **Expected:** fines, late payment penalties, etc.	• Conduct forward-looking policy research and make early technological preparation • Develop a clear roadmap for new energy vehicle development
	Technology	New energy vehicle technologies (such as batteries, electric drive systems, electronic control systems, and hydrogen fuel cells) are rapidly evolving. If technological route selection or R&D investment deviates, it may lead to reduced product competitiveness	Medium-term to long-term	**Current:** increased R&D investment **Expected:** long return cycles for technology investments	• Develop diversified technology routes in parallel, including pure electric, hybrid, and hydrogen fuel cells • Increase R&D investment and cooperate with universities and tech companies on research • Strategic cooperation and investment: Cooperate with companies holding key core technologies
	Market	Fluctuations in energy prices influence consumer choices. Consumer preferences are shifting toward low-carbon, cost-effective new energy commercial vehicles	Short-term to long-term	**Current:** pressure on revenue and profit margins of traditional businesses **Expected:** decline in value of existing assets and reduced product profitability	• Accelerate the launch of competitive new energy models • Innovate business models, such as providing leasing services for new energy vehicles, to lower initial purchase thresholds for customers • Strengthen brand marketing for new energy products to guide market transformation
	Reputation	If perceived as slow or lacking transparency in response to climate change, it may damage brand image and affect customer purchasing decisions and investor confidence	Short-term to medium-term	**Current:** brand value impairment and customer loss **Expected:** reduced attractiveness to talent	• Regularly publish sustainability reports disclosing carbon footprint and emission reduction targets • Publicly disclose carbon peak and carbon neutrality goals and roadmaps and accept public supervision • Practice green operations
Physical risks	Acute	Frequent extreme weather events such as heavy rainfall, floods, and typhoons may directly impact the Company's production bases and R&D centers in various locations, causing production interruptions and equipment damage	Short term	**Current:** repair costs for asset damage; losses from business interruption **Expected:** increased insurance costs; consequential losses due to supply chain disruptions	• Establish comprehensive disaster early warning and emergency response mechanisms, and conduct regular drills • Strengthen supply chain resilience management, assess geographic risks of key suppliers, and establish alternative solutions
	Chronic	Long-term climate changes such as rising average temperatures and water scarcity may lead to increased operating costs in production base regions and production impacts due to tight water supplies	Long term	**Current:** gradual climb in energy and water costs **Expected:** reduced employee productivity due to high temperatures	• Continuously implement energy-saving technological upgrades to reduce energy consumption per unit of product • Promote water-saving measures such as reclaimed water utilization and rainwater collection to improve water recycling rates • Apply green building standards in new factory construction to enhance adaptability to chronic climate change

BAIC Foton's climate-related opportunities identified and response measures					
Opportunity category	**Climate-related risks**	**Opportunity description**	**Impact period**	**Potential financial impact**	**Management and response measures**
Resource use efficiency	Improvement in operational efficiency	Through the optimization of process flows, intelligent manufacturing, and energy management systems, energy and resource consumption in the production process are reduced, directly cutting costs and carbon emissions	Short-term to medium-term	**Current:** reduced costs of energy, water, raw materials, and procurement **Expected:** reduced capital expenditure due to efficiency improvements	• Build intelligent factories to achieve refined management of production processes • Promote remanufacturing of components to improve material recycling rates • Implement digital energy management to monitor and optimize energy consumption in real time
Energy sources	Energy structure transformation	Large-scale deployment of distributed renewable energy such as solar photovoltaics at production bases may reduce reliance on fossil fuels and mitigate risks from energy cost fluctuations	Medium-term to long-term	**Current:** increased expenditure **Expected:** Long-term stable, low-cost green electricity	• Develop distributed photovoltaic • Procure green electricity to increase its usage proportion • Explore energy storage technologies; combine with storage systems to smooth electricity loads and improve energy self-sufficiency
Products and services	Innovation in low-carbon products and services	Explosive growth in market demand creates broad opportunities for new energy commercial vehicles (such as pure electric logistics vehicles and hydrogen fuel cell buses) and supporting services including charging, battery swapping, ICV, and fleet management	Short-term to long-term	**Current:** rapid growth in revenue from new energy products **Expected:** development of high-margin value-added service markets (such as data services and energy services); enhancement of overall valuation	• Develop dedicated new energy vehicle models tailored to different application scenarios (urban logistics, ports, municipal services) • Build an ecosystem by collaborating with energy companies and financial platforms to provide integrated solutions covering "vehicles, charging piles, stations, and operation" • Develop ICV-related services to provide users with efficient fleet scheduling and energy consumption management
Markets	Access to new markets	Domestic policies such as the campaign to keep skies blue promote the full electrification of vehicles in public sectors. Meanwhile, countries along the "Belt and Road" demonstrate strong demand for cost-effective new energy commercial vehicles adapted to their climate conditions	Medium-term to long-term	**Current:** increased market share **Expected:** expansion into emerging overseas markets and realization of global deployment	• Deepen presence in segmented markets • Establish factories in overseas markets and strengthen relationships with local partners • Develop adaptive products tailored to the climate and infrastructure characteristics of different regions

Climate risk management

BAIC Foton incorporates climate change risk assessment into its comprehensive risk management framework. It conducts identification, assessment, analysis, and response to climate-related risks in accordance with the *Measures for Comprehensive Risk Management of BAIC Foton*. Following a closed-loop risk management model of "identification — quantification — scenario — decision — monitoring", climate risk management is embedded into corporate risk management and investment decision-making processes. Methodologically, the Company adopts a scoring system combining semi-quantitative and quantitative approaches based on the *Measures for Comprehensive Risk Management of BAIC Foton*. Risk levels are determined by the product of likelihood and impact. Specific quantitative criteria are set for consequences such as financial loss and reputational impact. The analytical results are directly applied to risk classification and prioritization to support decision-making. Meanwhile, the Company has established a regular risk monitoring and dynamic update mechanism. Through continuous risk identification, evaluation, and effectiveness assessment of response measures, it continuously optimizes the risk management process.

BAIC Foton climate change-related risk management system

Climate change risk identification and classification	Risk level classification and determination	Risk response	Risk monitoring and improvement
We systematically identify and assess physical and transition risks arising from climate change. Based on risk types and available information, we conduct both qualitative and quantitative analysis, provide support for risk evaluation and response, and continuously monitor and classify these risks to provide a basis for the development of targeted response strategies	In accordance with the *Measures for Comprehensive Risk Management of BAIC Foton*, risk levels are determined based on the likelihood and impact of occurrence, and classified into catastrophic risks, significant risks, and general risks according to their degree of impact	For determination of severe risk matters, combined with determinations by higher-level entities, comprehensive analysis is conducted based on self-inspection, routine supervision, and special supervision before proposing opinions, with final determination made after submitting for approval in accordance with prescribed authority and procedures. For determined catastrophic and significant risk events, timely response strategies are implemented to control risks within acceptable levels, and in accordance with the *Interim Measures for Accountability for Illegal Operations and Investment of BAIC Foton* and relevant Company regulations, responsible persons shall be transferred to the discipline inspection department for accountability	Update risk control progress. In accordance with their respective responsibilities, relevant units/departments shall perform their duties in climate-related risk management. They shall conduct regular and ad-hoc risk identification, analysis and evaluation to continuously and dynamically monitor new risks, changes in existing risks, and risks featured by different business characteristics, as well as re-assess control measures and set up risk early-warning indicators.At the same time, risk management workflows are continuously optimized, innovative methodologies are adopted to improve efficiency and effectiveness of risk management, risk management efficiency and effectiveness are self-examined regularly, and the effectiveness of response measures is evaluated to promptly identify and improve deficiencies

Metrics and targets

In response to the challenges posed by global climate change and the resulting changes in policy, market, and technology, BAIC Foton has established short-, medium-, and long-term carbon peak and carbon neutrality strategy goals based on identified risks and opportunities. These are "peak carbon emissions by 2028, core factory carbon neutrality by 2035, and full value chain carbon neutrality by 2050".

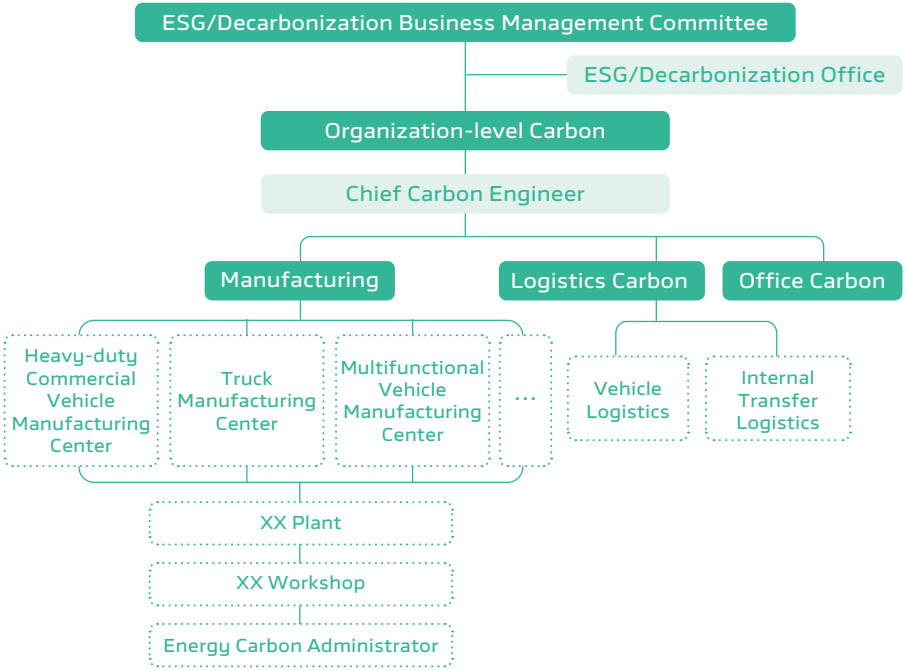
The Company has set clear carbon reduction targets and established a normalized mechanism for tracking and assessing progress to dynamically monitor the achievement of targets. In 2025, BAIC Foton conducted verification of greenhouse gas (GHG) emissions for the previous year at multiple units, including the Beijing plant, Changsha Super Truck Plant, and Henan iBlue Plant. Through measures such as energy-saving equipment upgrades, photovoltaic deployment, use of green electricity, and advancement of energy-carbon management platforms, it achieved its annual carbon emission targets. Total GHG emissions (Scope 1 and Scope 2) were reduced by 9,894 tCO_2e compared with 2024, representing a year-on-year decrease of 5.6%.

Green manufacturing

Adhering to the philosophy of "zero emissions, no contact, and automation", BAIC Foton systematically promotes photovoltaic deployment and green electricity usage to reduce reliance on fossil energy and environmental impact at the source of production. Meanwhile, the Company continues to deepen investment in energy-saving technological upgrades. It actively explores pathways for zero-carbon factory construction, and comprehensively promotes the deep transformation of the manufacturing system toward an automated, smarter, and greener one, providing a practical model for coordinated industrial development and environmental protection. In addition, BAIC Foton actively responds to the *Action Plan for Building a Beautiful Beijing (2026)* and the *Guidelines for the Construction of Beautiful Factories in Beijing*. It has formulated special action plans to support high-quality regional development.

Decarbonization management system building

To systematically advance energy conservation and carbon reduction, BAIC Foton has defined its carbon management hierarchy system and management responsibilities for organization-level carbon, procurement carbon, ecosystem carbon, and product carbon. We have established a three-tiered hierarchy consisting of chief carbon engineer, carbon manager, and energy carbon administrator, with corresponding KPI system for better management.



Systematically advancing energy conservation and emission reduction measures

BAIC Foton actively fulfills its corporate mission of providing green solutions for the energy revolution. We have established a target management mechanism for energy conservation and emission reduction and built a carbon emission management system. We are transitioning comprehensively from dual control of energy consumption to dual control of carbon emissions. Relying on an energy-carbon management platform, we achieve digital management of carbon emissions. We take technical measures including equipment energy efficiency improvement, green process energy saving, precise energy consumption control, utilization of renewable energy, and pollution reduction with carbon reduction to ensure the successful achievement of energy conservation and emission reduction targets.

Meanwhile, the Company has established a systematic mechanism for energy-saving target management and performance tracking. In accordance with the *General Rules for Energy Measuring Instrument Equipping and Managing of Energy User* (GB 17167-2025), it has deployed energy metering instruments. Management personnel are assigned to regularly compile and summarize energy consumption data, and to conduct annual evaluations of energy utilization and the progress of energy-saving efforts.

Case **Solar industrial preheating project at BAIC Foton Changsha Super Truck Plant**

To reduce the energy consumption of gas boilers, BAIC Foton Changsha Super Truck Plant implemented a solar preheating upgrade for its boiler system. The project innovatively adopted a hybrid energy supply model of "solar preheating + electric auxiliary heating control". By preheating return water through industrial solar water heaters installed on the boiler house roof, gas consumption was directly reduced; electric auxiliary heating devices were used to ensure stable heat supply. This upgrade achieved synergistic benefits in cost reduction, efficiency improvement, and carbon reduction. It saves about RMB 160,000 in annual gas costs annually and serves as a typical case of clean transformation of industrial facilities.

Energy-saving equipment upgrade

Waste heat recovery facility upgrade: It focuses on waste heat from waste gas treatment, drying exhaust gas, and air compressor operation. In 2025, BAIC Foton Forland Global Center Plant, Bus Global Center Plant, and other units upgraded themselves for waste heat recovery

High-efficiency equipment replacement: In 2025, it was implemented across units including BAIC Foton Changsha Super Truck Plant, Bus Global Center Plant, Multifunctional Vehicle Global Center Plant, Forland Global Center Plant, and Light- and Medium-duty Truck Global Center Plant, reducing carbon of 390.6 tons and saving costs of RMB 250,000

Application of air source heat pump technology: Currently completed in 5 units, saving costs of RMB 305,100 in 2025

Distributed photovoltaic project development and green electricity procurement

Actively built a clean and low-carbon energy supply system to optimize the energy structure at the source through distributed photovoltaic project development and green electricity procurement. In 2025, BAIC Foton completed 39 MW of distributed photovoltaic installations, with 35.7 MW of projects under construction; green electricity procurement increased to 45,165 MWh

Energy-carbon management platform building

Established an energy-carbon management platform to achieve full-domain access, real-time monitoring, and panoramic display of energy and carbon emission data, effectively supporting energy efficiency optimization and carbon emission management through real-time monitoring and analysis

Application of low-carbon process technologies

Application of robot vision guidance systems enhances production efficiency and quality assurance capabilities during the assembly process. Innovative application of one-stop internal and external paint spraying technology at the Henan iBlue Plant significantly improving production cost, quality, and efficiency

Zero-carbon plant construction

Led the green upgrading of the manufacturing system through benchmark plant construction; completed zero-carbon plant planning for BAIC Foton Changsha Super Truck Plant, Henan iBlue and other units, and advanced carbon reduction project implementation and carbon emission verification as planned

Rooftop photovoltaic installation

Adsorption-type vacuum-assisted heating dryer

Application of air source heat pump technology

Automatic adhesive application by painting robots

Green procurement

BAIC Foton integrates green and environmental protection concepts throughout the entire process of raw material procurement, product design, and manufacturing. By embedding environmental requirements into the supplier management system, building a low-carbon supply chain ecosystem, and promoting coordinated carbon reduction across upstream and downstream, it is committed to creating a resource-efficient and environmentally friendly industrial chain.

Green supply chain development

Green supply chain development focuses on green supplier certification management, supplier carbon footprint management, supplier energy-saving and emission reduction empowerment, and supplier photovoltaic project development, promoting low-carbon transformation of the supply chain.

Green supplier certification

- We have optimized green supplier certification standards, issued and implemented the *Foton Motor Green Supplier Certification Standard (Second Edition)*, and established a comprehensive evaluation system covering environmental KPIs such as ESG performance, green electricity usage, and energy conservation and emission reduction (including photovoltaic project development). This standard assesses everything from management mechanisms and strategy implementation to target achievement, guiding suppliers to enhance sustainable development capabilities
- In 2025, 58 green suppliers were certified, mainly covering 30 modules including engines, aftertreatment, transmissions, axles, and cooling systems

Supplier carbon footprint management

- Through the CICES information system, suppliers are encouraged to proactively carry out energy-saving and emission reduction actions and promote carbon footprint accounting, enabling the green and low-carbon transformation of the supply chain

Supplier photovoltaic project development

- We promote rooftop photovoltaic project development and green electricity usage among suppliers. In 2025, rooftop photovoltaic project development was completed for 283 suppliers with a capacity of 1,901 MW; construction is ongoing for 75 suppliers with a capacity of 795 MW

Green material procurement

BAIC Foton actively promotes the application of green raw materials, collaborates with leading steel manufacturers to develop and validate green steel materials, and continuously advances the application verification of green steel frames and body-in-white. At the same time, it conducts sourcing of green raw material suppliers for other key raw material systems that impact vehicle carbon emissions. In 2025, 10 green steel grades were certified, and a cumulative total of 2 enterprises were recognized as national-level green supply chain management enterprises.

Green packaging

BAIC Foton carries out green packaging carbon reduction efforts centered on packaging development, building shared resource systems for packaging design, and circular packaging improvements.

- For new products, packaging development is introduced at the product development stage, achieving 100% standardization coverage of component packaging development
- We continuously promote the release of standardized management tools, including general standard of green packaging, administrative measures for packaging development, packaging review procedure, packaging labeling specification, and packaging design brochure
- With the goal of green logistics packaging, we continuously optimize and improve component packaging. We reduce packaging waste by promoting supplier packaging standardization, encouraging the use of eco-friendly packaging materials and circular packaging, and continuously raising the proportion of recyclable materials
- We promote the use of circular packaging for transportation, including plastic boxes, pallet boxes, calcium plastic boxes, iron frames, and special-purpose fixtures

2025

662 tons
Recycled packaging materials

98 %
Recycling and reuse rate of circular packaging

1,046 tons
Total use of renewable packaging materials (in vehicle manufacturing)

100 %
Carton and wooden packaging, and plastic and rubber packaging materials entering resource recovery and disposal processes

Green logistics

BAIC Foton is committed to building a green logistics system covering transportation, warehousing, and distribution. By systematically promoting clean transportation, intensive operation models, and intelligent warehousing, we comprehensively improve energy efficiency and environmental performance in logistics, creating a new paradigm of efficient, clean, and smart sustainable logistics.

Case BAIC Foton “Integrated V+R” smart logistics development

With “Integrated V+R (Vehicle + Route)” at its core, BAIC Foton has implemented full-chain intelligent upgrades for final assembly and KD warehousing scenarios. Through the deployment of automated 3D stereoscopic warehouses, AGV unmanned forklifts, and intelligent scheduling systems, the project allows full-process automation and visualization from material warehousing, storage, picking to line-side delivery, significantly improving material circulation efficiency. By providing precise and stable logistics support, it lays a solid foundation for flexible production and low-carbon operations in plants.

Green products

BAIC Foton deeply integrates green and low-carbon concepts into product R&D and lifecycle management. We continuously carry out low-carbon technology research, low-carbon product development, and product carbon footprint management, and we are committed to developing more energy-efficient, eco-friendly, and intelligent commercial vehicle products through technological innovation to systematically reduce product carbon footprints and lead the green transformation of the commercial vehicle industry.

2025

100%

Coverage of vehicle models that meet the national fuel consumption and emission requirements

8 modles

Commercial vehicle models receiving the quantified carbon footprint label

Low-carbon technology research

- **Low-carbon material technology:** We have established a low-carbon material database. In 2025, 106 types of low-carbon materials were reserved, covering low-carbon metals, bio-based materials, and non-metal materials
- **Low-carbon module technology:** We have identified 164 technologies for low-carbon research and reserve, with 128 deployed and implemented. Our development focuses on new energy, ICV, intelligent chassis, power transmission, lightweighting, and vehicle body
- **Vehicle integration technology:** We have identified 60 technologies for low-carbon research and reserve, with 49 deployed and implemented; in 2025, typical models across product lines achieved 5%-10% reductions in energy consumption

Product carbon footprint management

- We actively participated in the review, policy discussion, and feedback of 7 standards and specifications related to product carbon, including national, industry, and association standards
- We completed the establishment of a system compliant with the EU heavy-duty CO_2 emission accounting framework and obtained certification from Dutch transportation authority
- Based on the China Automobile Industry Chain Carbon Publicity Platform (CPP), we systematically carry out lifecycle carbon footprint accounting and disclosure for vehicle products. In 2025, a total of 8 commercial vehicle models received the quantified carbon footprint label, covering multiple categories such as light-duty trucks, heavy-duty trucks, and mini trucks
- We have improved the product carbon footprint management system, standardized workflows, and completed the issuance of standards such as *Greenhouse Gas Product Carbon Footprint Quantification Method and Requirements for Commercial Vehicles*, *CAMDS Data Reporting Specifications*, and *CAMDS Data Audit Specifications*

Optimizing Resource Use

Following the lifecycle management concept, BAIC Foton is committed to integrating green, low-carbon, and circular development principles throughout the entire process of R&D, manufacturing, and the value chain. Through the establishment of systematic management systems, application of advanced energy-saving technologies, and implementation of refined resource recycling strategies, we continuously optimize energy consumption, improve resource utilization efficiency, and reduce environmental emissions, demonstrating a long-term commitment to resource conservation and environmental protection.

Environmental management

Regarding compliance as the foundation and prevention as the guiding principle, BAIC Foton embeds environmental protection deeply into every aspect of R&D, manufacturing, and operations through systematic system development, regular review mechanisms, and full employee accountability. We have built a solid green defense line for sustainable development. In 2025, no environmental pollution incidents occurred, nor were there any administrative penalties related to environmental issues.

Environmental management system

BAIC Foton adheres to the concept of green development, strictly complies with relevant environmental protection laws and regulations such as the *Convention on Biological Diversity, the Environmental Protection Law of the People's Republic of China,* the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*. We have established a management mechanism for environmental regulations and standards, built a database of applicable environmental regulations and standards, and promoted environmental compliance management for law-based corporate governance. With the core focus on "fulfilling environmental responsibilities, preventing and controlling compliance risks, and deepening pollution reduction and carbon reduction", the Company has established and improved its environmental management system. It systematically identifies environmental factors throughout the process from pollution generation, treatment to emission monitoring; accordingly, it has formulated 14 core environmental management systems covering water, air, noise, and solid waste pollution prevention and control, environmental monitoring, and information disclosure, and defined management requirements for pollution prevention, treatment, and emission monitoring. It has established a system operation review mechanism, integrates environmental management with daily operations, ensures effective control of environmental risks, continuously improves environmental system performance, and provides support for production and operations.

Environmental emergency management

BAIC Foton has built an environmental pollution prevention and emergency response system based on the principles of "prevention first, integrated prevention and control, rapid response, and scientific handling", comprising a "three-tiered emergency organizational structure + full-process risk control + standardized response procedures + comprehensive resource support + normalized training and drills". This system comprehensively covers potential environmental risks throughout the entire production and operation process. Through continuous emergency drills for environmental incidents, it continuously improves emergency plans and enhances response capabilities. In 2025, the rectification rate of major risk hazards reached 100%.

Energy management

BAIC Foton strictly complies with the *Energy Conservation Law of the People's Republic of China, the Renewable Energy Law of the People's Republic of China*, and other relevant laws and regulations, and systematically builds a green energy management system. Driven by "structural optimization" and "energy efficiency improvement", it comprehensively promotes refined, intelligent and low carbon transformation of energy management. BAIC Foton has established a system operation review mechanism and regularly conducts internal and external system audits and special energy-saving reviews. It continuously enhances system support capabilities. In 2025, BAIC Foton completed the supplementation and revision of 64 energy management system documents. Eight affiliated entities passed ISO 50001:2018 energy management system certification.

2025

100% system coverage

All production plants passed external certification with ISO 14001:2015 environmental management systems, with

5

National- and provincial-level green factories certified

Water resource management

Adhering to the philosophy of "source prevention, cleaner production, and end-of-pipe reuse", BAIC Foton fully implements system requirements such as the *Water Pollution Prevention and Control Management System, Sewage Treatment Operation Management System,* and *Technical Specifications for Feasible Water Pollution Prevention*. It builds a closed-loop water resource management system from quota management and intelligent monitoring to recycling through "source reduction, classified treatment, cascade reuse, and intelligent control". At the same time, relying on the energy and carbon management platform, the Company achieves real-time monitoring of total water consumption. It promptly analyzes and rectifies issues such as leakage in pipeline networks and continuously improves water resource utilization efficiency.

Source reduction

New paint shops at the BAIC Foton Changsha Super Truck Plant and Henan iBlue Plant applied dry paper box paint mist removal technology, completely replacing traditional water circulation systems. This achieves zero wastewater discharge and source-level water savings in this process

Classified treatment

Condensate water from air conditioning systems, circulating cooling water from welding machines, and circulating cooling water discharged from air compressor stations, refrigeration stations, and boiler rooms are collected and treated in compliance with regulations to create conditions for reuse

Cascade reuse

High-quality water reuse: Through technologies such as MBR plus ion exchange resin and RO deep filtration, wastewater is deeply purified and reused in production processes

Reclaimed water reuse: At the Bus Global Center Plant and property management companies, on the basis of compliant sewage treatment, technologies such as deep filtration and membrane separation are adopted to reuse reclaimed water for landscaping and toilet flushing within the plant, with an annual average reuse volume exceeding 40,000 tons

Intelligent control

With the support of intelligent monitoring platforms, real-time monitoring and data analysis of water volume and water quality across the entire plant are achieved. This enables precise control and leakage warning, supporting management decision-making

The Company has established a water consumption quota management mechanism, under which factories conduct monthly self-assessments of water consumption quotas, and the Company conducts quarterly reviews and improvements to continuously enhance water efficiency. On the water supply side, water-saving devices and sensor-based faucets are used. On the consumption side, measures such as green pretreatment, water-saving spraying in pretreatment lines, reuse of circulating cooling water, and reclaimed water reuse are implemented. In 2025, water savings reached 85,000 tons, and a cumulative 42,900 tons of reclaimed water were reused.

During the 2025 Energy Conservation and Environmental Protection Publicity Month, BAIC Foton comprehensively promoted energy and water conservation through banners, electronic displays, exhibition boards, roll-up banners, posters, videos, and official accounts; It also conducted on-site inspections of energy and water conservation. From office water saving to production water saving, it fostered a company-wide atmosphere of conservation.

Case **Safeguarding community water environments—BAIC Foton's responsible water management practices**

BAIC Foton consistently integrates environmental protection and social responsibility into its operations. Through specific infrastructure investment and management practices, it effectively addresses water environment issues in surrounding communities and fosters harmonious coexistence.

In sewage treatment, the Company has demonstrated long-term responsibility. Due to the lack of municipal sewage treatment facilities around the Shahe plant area, the Company invested over RMB 25 million to construct a high-standard sewage treatment plant. In addition to treating its own production wastewater, the facility has, for more than a decade, continuously and free of charge undertaken the treatment of domestic sewage from surrounding employee residential areas, communities, and commercial establishments. All wastewater is stably treated to meet Class IV surface water standards—stricter than national requirements—before discharge, effectively protecting the regional water environment and becoming an indispensable environmental infrastructure for the community.

Pollutant management

BAIC Foton configures wastewater, waste gas, solid waste, and noise pollution prevention facilities in compliance with regulations, prepares operation and management manuals for pollution control facilities, and establishes and improves operation management and maintenance mechanisms for environmental protection equipment and facilities. This ensures the effective operation of such facilities and 100% compliant discharge of pollutants including waste gas, wastewater, and solid waste.

Waste management

The Company has established a comprehensive waste management system. It designates specific departments to take charge of waste management, overseeing full-process waste management across the Company, including system development, compliance control, disposal supervision, and data statistics. At the same time, the Company has established a full-process solid waste control system of "facility assurance — system support — compliant disposal". We have set up the collection and storage sites for hazardous waste and general industrial solid waste in a standardized manner, implemented measures to prevent the scattering, runoff, and leakage of solid wastes, and proactively installed video surveillance, electronic weighbridges, and waste gas treatment systems, among other equipment and facilities, to ensure compliant collection and storage of hazardous and general industrial solid waste.

The Company has successively formulated documents such as the *Solid Waste Pollution Prevention and Control Management System, Management System for Pollution Prevention* and *Control of Solid Waste Collection and Storage Sites,* and *Technical Standards for Solid Waste Pollution Prevention and Control*. These documents clarify management responsibilities, operational specifications, and technical requirements at each stage. The solid waste inventory management mechanism has been established and updated by the Company. Key information such as generation volume, types, storage volume, and transfer destinations is recorded throughout the entire process, ensuring traceability of data and accountability. At the end-of-pipe disposal stage, the Company achieves closed-loop management across the entire solid waste chain. Hazardous waste (e.g., paint sludge, industrial sludge, and waste organic solvents) is fully entrusted to qualified professional entities for treatment. The hazardous waste transfer manifest system is strictly implemented to ensure full traceability and compliance throughout the transfer process. General industrial solid waste (e.g., waste plastics and scrap steel) is handled by technically qualified entities through resource utilization or harmless treatment, achieving standardized disposal and efficient resource recycling. In 2025, all types of waste at BAIC Foton achieved 100% compliant disposal and up-to-standard discharge.

Indicator	Planned target for 2025	Actual emission reduction in 2025
Hazardous waste reduced	250 tons	232.52 tons
General industrial solid waste reduced	400 tons	516.95 tons

Management of hazardous wastes		
At the source of production	During production	At the end of production
Choosing alternatives to toxic and hazardous raw materials, such as applying water-based paints and low VOC coatings as preferred	Adopting robot spraying or manual electrostatic spraying to improve paint utilization and reduce the generation of toxic and hazardous wastes	Using purification equipment for sludge, paint residue, phosphate residue, and mineral residue to reduce the generation of hazardous wastes, and checking whether the solid wastes are hazard-free to further distinguish the nature of the wastes and to reduce the generation of hazardous wastes

Management of general industrial solid wastes	
At the source of production	During production and at the end of production
Setting standardized process quotas to reduce the use of steel and promote circular packaging	Promoting the reutilization and reduced usage of waste and spare parts, and setting quotas for product wastes to strengthen daily standardized control

Waste gas management

BAIC Foton has formulated the *Air Pollution Prevention and Control Management System* and other regulations. It clarifies departmental responsibilities and standardizes waste gas pollution prevention management. At the source, water-based coatings are promoted to replace traditional solvent-based coatings. Compact processes such as B1B2 and 3C1B are upgraded to shorten coating cycles. Spraying robots are used to effectively improve coating efficiency and reduce VOCs generation. End-of-pipe treatment facilities such as zeolite rotor adsorption and concentration + RTO/TNV are deployed, achieving VOCs treatment efficiency above 98%, with post-treatment emission concentrations far better than industry standards. At the same time, for boiler waste gas, we adopt low-nitrogen combustion technology to reduce the concentration of nitrogen oxides to below 30 mg/m^3.

Source substitution	Process control	End-of-pipe treatment
Low-VOCs raw and auxiliary materials are used to replace organic solvent-based raw and auxiliary materials	Enclosed operations and centralized air supply and exhaust systems are used to enhance the collection and management of gaseous pollutants	Zeolite rotors and RTO/TNV high-temperature combustion facilities are used to treat VOCs and decompose them into harmless substances

Wastewater management

In line with the principles of "rainwater and wastewater separation, clean and polluted water diversion, classified and quality-based wastewater collection and disposal, and multi-purpose water utilization", BAIC Foton benchmarks against regulatory requirements such as the *Integrated Wastewater Discharge Standard* to uphold compliance baselines. Starting from the source, green pretreatment technologies such as nickel-free phosphating and silane treatment are adopted, and classified and segregated collection methods are used to ensure that production and domestic wastewater are discharged or reused only after meeting standards following treatment. In 2025, wastewater discharge amounted to 992,600 tons, and annual reclaimed water reuse exceeded 40,000 tons. This is a win-win outcome in environmental and resource benefits and demonstrates commitment to green development.

Noise control

BAIC Foton complies with standards such as the *Noise Pollution Prevention and Control Law of the People's Republic of China* and the *Emission Standard for Industrial Enterprises Boundary Environmental Noise*. We have established the *BAIC Foton Noise Pollution Prevention and Control Management System*, and improved plant boundary noise monitoring mechanisms. We conduct comprehensive daytime and nighttime monitoring of noise emissions in the production environment to ensure that daytime noise remains below 65 dB and nighttime noise below 55 dB. Meanwhile, the Company actively implements various noise reduction measures. We prioritize low-noise and low-energy equipment in production to reduce equipment operation noise. For key noise-generating processes such as stamping and welding, noise reduction facilities such as sound insulation screens and damping vibration reduction are applied. Operating time of noise-generating activities is controlled. Noise emission monitoring is conducted in accordance with regulations to ensure continuous and stable compliance at plant boundaries and reduce noise emissions, thereby providing a quiet working and living environment for employees and surrounding residents.

Restricted substance management

BAIC Foton has established a comprehensive hazardous substances management system based on the domestic ELV management framework and international regulatory requirements. The Company added or revised eight hazardous substances control-related system documents, including the *Limit Requirements for Prohibited/Restricted Substances in Automotive Products*, *Requirements and Calculation Methods for Recyclability and Recoverability of Automotive Products*, and the *Management Measures for Hazardous Substances and Recycling of Products of the Engineering Research Institute*. Key aspects such as vehicle dismantling process design, material traceability management, material identification requirements, and hazardous substance response procedures have been improved to lay a solid compliance foundation for EU export certification and aftermarket supervision of vehicle products.

BAIC Foton actively promotes hazardous substance substitution. We have completed compliance responses for multiple light-duty truck and pickup models in accordance with EU REACH, POPs, and other regulations. By collecting extensive material data and standardizing technical documentation requirements, we have established a full-process traceability system from procurement to delivery, encouraged suppliers to sign declarations of conformity, and developed independent assessment capabilities for high-risk components to ensure that compliance risks are mitigated at the design source.

Promoting the Circular Economy

BAIC Foton deeply integrates the concept of a circular economy into the lifecycle management of its products, striving to build a green closed loop of "design — manufacturing — use — recycling — reuse". We not only focus on resource conservation and pollution reduction in the production process, but also actively fulfill Extended Producer Responsibility (EPR). We explore disassembly-friendly design, the application of recycled materials, and comprehensive battery and vehicle recycling systems to maximize resource efficiency and drive the auto industry toward a more sustainable circular model.

Use of recycled materials

BAIC Foton regards the use of recycled materials as a core pathway to achieving lifecycle carbon reduction and efficient resource utilization. The Company is committed to systematically integrating circular economy principles into material R&D and product design stages. By promoting easy-disassembly and recyclability design, developing and applying bio-based and recycled materials, and actively building a closed-loop recycling system for production scrap and end-of-life vehicle metals, we aim to reduce resource consumption at the source, increase material recycling rates, continuously lower the environmental footprint across the value chain, and drive the auto industry toward a green and circular model.

Used vehicle recycling and utilization

BAIC Foton has established a vehicle recycling management system integrating online tracking and offline networks. We use IoV technologies to manage and track end-of-life vehicles and launch a used vehicle trading system to digitally monitor and manage the full process from recycling, refurbishment, inventory to sales. Meanwhile, we have built a physical vehicle recycling network centered on direct-operated outlets, integrating vehicle resources from dealers, direct major customers and social partner collection points. To ensure operational efficiency and compliance, the Company has also established standardized mechanisms covering vehicle acquisition processes, inspection and evaluation pricing standards, pricing models, and cost control. BAIC Foton, jointly with Huixiangfu, takes the used vehicle business as an important initiative to extend product life cycles and advance the circular economy. It strives to build a closed value loop covering the entire vehicle life cycle via standardized trade-in, refurbishment, certification and circulation systems.

Used vehicle standards

We issued the industry's first *Standard System for Refurbishment of Used Commercial Vehicles*, defining full-process operational specifications from vehicle acquisition to after-sales service

Used vehicle certification

We launched the Foton brand-certified used vehicle brand image of "Three Authenticities and One Guarantee". In 2025, more than 1,000 brand-certified specialty stores were developed

Used vehicle refurbishment

We established the industry's first manufacturer refurbishment center in Zhucheng; the "BAIC Foton Global Manufacturing Center for Recycled Resources" was put into operation, and four cooperative refurbishment centers were developed

Used vehicle trade-ins

We introduced trade-in promotion policies and fully implemented the used vehicle trading system. In 2025, the used vehicle trade-in rate reached 11%

Used vehicle trading

We established a used vehicle circulation network, opened up key business links of "collection — refurbishment — sales" for used vehicle exports, and developed 33 overseas cooperation channels

Cultivating a Green Culture

BAIC Foton extends green principles to office environments and surrounding ecosystems. Through company-wide participation in green office practices and systematic ecological protection actions, we bring together internal and external forces for sustainable development. We foster harmonious coexistence with employees, communities, and the natural environment to jointly build a solid green future.

Green office

BAIC Foton integrates green and low-carbon concepts into daily operations. Through systematic energy-saving upgrades, intelligent management, and behavioral initiatives, we promote resource conservation and eco-friendly practices across office and living areas. The Company has upgraded green low-carbon heating systems, promoted high-efficiency equipment and paperless offices, and extended environmental responsibility to communities. Through continuous promotion and implementation of waste sorting, we helped the Shahe Foton residential community be recognized as a "Beijing Waste Sorting Demonstration Community".

- Intelligent energy-saving management for refined energy consumption control
- Promotion of comprehensive paperless office and circular sharing mechanisms
- Optimization of travel and meeting management, promoting online collaboration
- Environmental awareness campaigns and energy-saving themed activities

Green travel

BAIC Foton actively practices green development concepts. Through multi-dimensional measures, we promote low-carbon travel among employees and integrate environmental practices into daily commuting. In 2025, the Beijing plant operated 56 hydrogen fuel cell employee commute buses. They provided 2,280 daily commuting trips with an annual mileage of 1.25 million kilometers, achieving zero-emission travel. At the same time, we promote the electrification of official vehicles and actively encourage employees to prioritize the use of new energy vehicles. A total of 67 charging piles have been installed at the plant, with an annual charging volume of 376,500 kWh.

Ecological protection

At all stages of plant construction and operation, BAIC Foton proactively complies with laws and regulations related to biodiversity protection, and continuously promotes improvements in the diversity, stability, and sustainability of ecosystems around its plants. BAIC Foton organized the revision of plant planning policy documents to include requirements that site selection must comply with ecological protection redlines and be aligned with land-use plans issued by government authorities. At the same time, prior to plant construction, environmental impact assessments are conducted in accordance with the *Measures for the Management of Environmental Protection of Construction Projects of BAIC Foton* to evaluate and analyze ecological impacts, identify local vegetation, wildlife, and mineral resources, and develop biodiversity protection measures to ensure minimal impact on surrounding ecosystems; during construction, corresponding biodiversity protection measures are implemented to reduce ecological impacts of construction. During the plant operation stage, attention is given to protecting wildlife and plants around, maintaining vegetation and green spaces within plant areas, and strengthening employee awareness and education on biodiversity protection.

Case **"Hotan Oasis" desertification control public welfare initiative**

In 2025, BAIC Foton participated in the "Hotan Oasis" desertification control public welfare initiative. In addition to making donations, we established a long-term public welfare mechanism whereby RMB 9.9 is donated to the desertification control fund for every Foton vehicle sold in Xinjiang, continuously contributing to ecological restoration in Hotan. BAIC Foton supports the planting of drought-resistant vegetation and the construction of windbreak and sand-fixation barriers to promote the continuous extension of desert-edge shelter forests; the "donation per vehicle" mechanism also allows users to become participants and beneficiaries of ecological protection.

04

Cohesive Foton

—Strengthening Bonds with Partners

BAIC Foton consistently upholds the win-win partnership philosophy of mutual achievement. Together with suppliers, dealers, customers, and other industry chain partners, we respond to expectations with sincerity and drive innovation with responsibility. We are building a supply chain ecosystem that is transparent, mutually trusting, fair, smooth, efficient, open, inclusive, and mutually beneficial, so as to inject sustained and stable momentum into industry development.

Our contributions to UN SDGs

Sustainable Supply Chain

Focusing on the development of a sustainable supply chain, BAIC Foton improves the full lifecycle management system for suppliers, guides all partners to fulfill environmental and social responsibilities, and safeguards the development of small and medium-sized enterprises through an equal empowerment mechanism, thereby consolidating the foundation for win-win cooperation. By relying on the full-chain traceability system for key raw materials, the Company strengthens its risk defense line, comprehensively enhances supply chain resilience and security, and injects strong momentum into the high-quality development of the industry.

Supplier management

BAIC Foton continuously improves supplier management systems and policies. In accordance with documents such as the *Supplier Management Manual*, the *Supplier Quality Audit Management Measures of BAIC Foton*, the *Supplier Performance Evaluation Management Measures of BAIC Foton*, and *Performance Indicator Evaluation Content and Standards*, we strictly reinforce control at all stages including supplier admission, evaluation, empowerment, and exit. Through full-process closed-loop management, we enhance core competitiveness and strengthen risk prevention barriers to build a stable and reliable supply chain ecosystem. Meanwhile, the senior management of BAIC Foton leads and coordinates supplier management across the Company, and the Procurement Center is responsible for implementation. In 2025, 168 tier-1 suppliers were audited.

Supplier lifecycle management

Admission	Evaluation	Exit
● We strictly implement the *Supplier Development and Selection Management Measures*, requiring admitted suppliers to hold IATF 16949 certification and sign development agreements. Mass production suppliers sign the *Automotive Parts (and Direct Auxiliary Materials) Procurement Framework Agreement* and the *Integrity Commitment Letter*	● Suppliers are evaluated through monthly, semi-annual, and annual performance assessments, with results classified into four grades: Excellent, Good, Qualified, and Needs Improvement, ensuring that suppliers can consistently provide high-quality products and services ● Audits are conducted on tier-1 vehicle component suppliers, covering areas such as quality and green supplier certification, to ensure that supplied components meet OEM quality standards	● Suppliers with weak competitiveness, low willingness to cooperate, poor performance, or single and low-volume supply categories may be placed on the elimination list by the Procurement Center at the system planning stage, with corresponding elimination plans formulated and implemented

Supplier integrity management

We adhere to the principles of transparency, fairness, and compliance in procurement, clearly defining responsibilities and obligations with suppliers regarding information security and confidentiality, intellectual property, compliance, and environmental/safety assurance. We sign the *Integrity Commitment Letter* with suppliers to prevent corrupt practices between suppliers and the Company's employees, build a fair, transparent, and healthy business environment, and ensure the full implementation of ethical business conduct. In addition, we have established supplier complaint and whistleblowing channels to ensure transparency in handling processes. We are progressively advancing supplier due diligence efforts to build a secure, stable, and highly responsible supplier network. In 2025, the signing rate of the *Integrity Commitment Letter* of suppliers reached 100%.

Supplier risk management

To further standardize the supplier risk management system, we continuously improve risk prevention mechanisms and emergency response processes. We have formulated the *Supplier Risk Assessment Management Measures*, covering key risk dimensions such as capacity supply, legal disputes, financial status, and compliance operations, ensuring stable supply chain operations. We actively promote an "international + domestic" "1+1" system strategy as one of the key response measures. During product development, supplier selection is further standardized. Localization substitution of some foreign-funded supplier products is implemented, further strengthening the foundation of independent and controllable industrial chains.

Supplier empowerment

We adopt a combined "online + offline" approach. Leveraging diversified platforms such as global partner conferences and specialized supplier training, we regularly conduct sustainability-themed training for suppliers. Training content covers both environmental and operational dimensions, as well as key management requirements such as compliance control, work safety, and quality improvement. At the same time, for key suppliers, we implement measures such as the "Quality Joint Improvement Program". These efforts comprehensively guide suppliers to deepen their understanding of sustainable development concepts and translate them into practical actions.

2025

825
Person-times of Suppliers trained

100%
Coverage of compliance training for key suppliers

Supplier ESG management

BAIC Foton effectively integrates ESG concepts into the full lifecycle management processes of supplier admission, auditing, cooperation, and optimization. We encourage suppliers to improve management systems and build a compliant, orderly, green, low-carbon, transparent, and mutually trusting supply chain ecosystem. We systematically strengthen ESG risk prevention and control capabilities across the supply chain. At the same time, to further enhance suppliers' awareness of sustainable development concepts, we actively carry out sustainability-related training in areas including green supply chain development, promotion of supplier rooftop photovoltaic installations, energy-carbon management, and quality and compliance training. These efforts improve suppliers' ESG performance and drive sustainable development of the supply chain.

BAIC Foton supplier ESG management requirements

Environmental

- We encourage suppliers to actively carry out photovoltaic project development, green electricity usage, and energy-carbon management
- We possess relevant qualifications such as hazardous chemicals operation permits
- We encourage suppliers to establish and implement environmental management systems and give priority to cooperation with certified enterprises

Governance

- We require the signing of the *Integrity Commitment Letter*
- We comply with business ethics and avoid illegal activities

Social

- We pay attention to product quality and safety; key component suppliers must submit IATF 16949 certificates and ISO 9001 certificates
- We strictly comply with occupational health and safety management requirements, improve emergency response systems, and ensure accident prevention
- We assess supplier quality performance of batch components through sub-indicators including incoming inspection quality problems, in-process quality issues, and engineering quality optimization

Key raw material management

BAIC Foton has established a full-lifecycle supply chain traceability system, enabling source tracking, flow monitoring and accountability for components and key raw materials. We constantly improve management systems and have formulated documents such as the *Identification and Traceability Management Procedures*. For key components such as power batteries, we implement "one item, one code" lifecycle traceability management, which effectively prevents and mitigates potential supply chain risks and enhances supply chain resilience and risk resistance in an all-round manner.

Equal treatment of SMEs

During the procurement of products and services, BAIC Foton actively creates opportunities for SME suppliers. In particular, for SMEs established by women, ethnic minorities, and persons with disabilities, we provide support in areas such as technology and management through regular communication mechanisms. We implement fair and reasonable contract terms, specifying the responsibilities and rights of both parties, and strive to create equal opportunities for SMEs to participate in market competition, thereby building long-term, stable, and mutually beneficial partnerships. In 2025, the Company did not have any overdue payments to SMEs.

Win-Win Cooperation with Dealers

BAIC Foton strengthens cooperation with dealers and enhances their professional capabilities and service levels through systematic dealer training & development and compliant marketing management. This helps dealers transform and innovate to better cope with market challenges, reinforces the foundation of industrial chain collaboration, and enable value co-creation and sustainable development between the Company and its partners.

Dealer empowerment

Upholding the philosophy of joint consultation, joint creation, and mutual benefits, BAIC Foton has developed a development framework of "unified guidance + customized implementation". We have established a tiered and two-level coordinated dealer training system with precise coverage, which facilitates the full and in-depth implementation of development initiatives and drives coordinated efficiency improvement across all dealer positions and levels.

Improving the management system	Dedicated positions have been established to coordinate system planning and implementation, while defining departmental cultivation responsibilities and collaboration mechanisms. This promotes a systematic upgrade of dealer capability building across the lifecycle of cultivation
Tiered and targeted training	Targeted training is provided to senior management, mid-level backbones, and frontline workers of dealers across key dimensions such as channel strategy development, green service operations, ecosystem business operations, and brand value enhancement
Diverse training methods	Leveraging dealer online learning platforms, offline incubation-based on-site support, and training initiatives including the "Innovative Corps · Spark Program", BAIC Foton continuously improves dealers' management and service capabilities

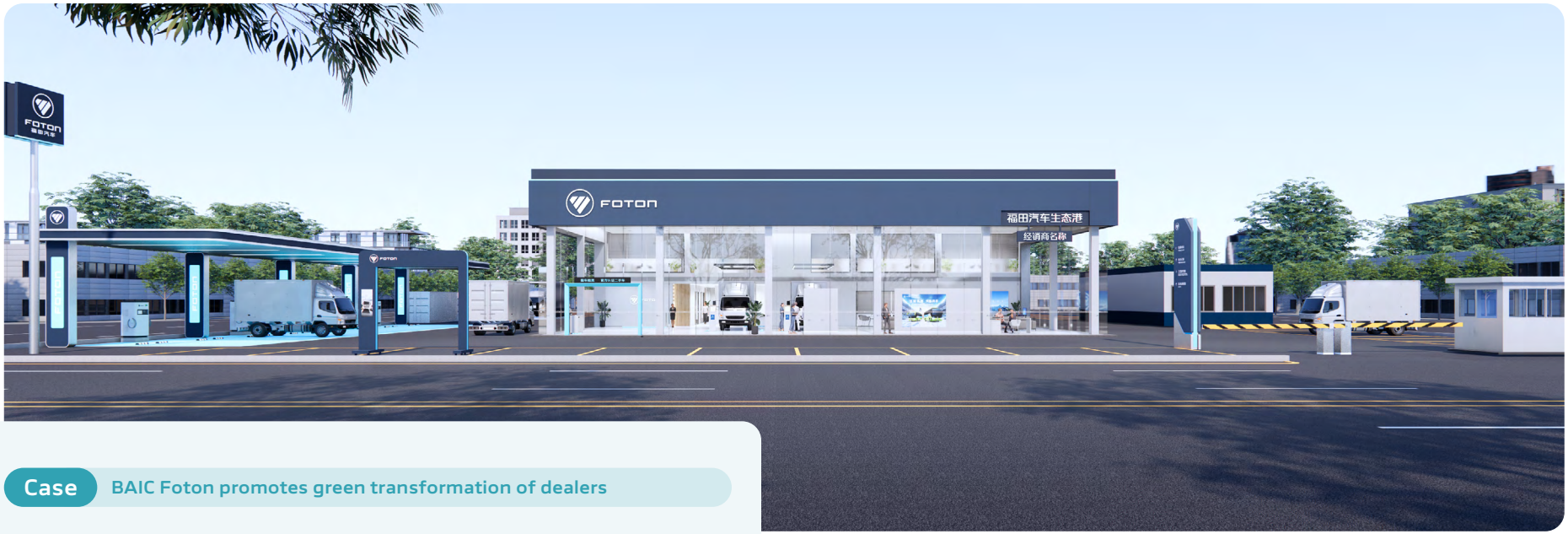
2025

3,000+
Domestic dealers

1,658
Dealers involved in transformation training

BAIC Foton conducts "Innovative Corps · Spark Program" (new dealers) training

BAIC Foton presents Internet Marketing Awards to dealers



Case **BAIC Foton promotes green transformation of dealers**

Against the backdrop of deep transformation of the commercial vehicle industry toward electrification and intelligence, BAIC Foton, guided by ESG principles, promotes the green and intelligent upgrading of the dealer system and incorporates the performance of new ecosystem businesses into core assessment indicators. Focusing on green service dimensions such as new energy vehicle sales growth, charging and battery swapping network coverage, and used vehicle circulation, the Company innovatively categorizes dealers into three tiers—ecosystem stores, smart stores and retail stores. We have established 8 dealer ecosystem hubs, and provide differentiated policies for precise empowerment. This systematically guides dealers to transform into integrated service providers covering sales, charging/swapping, used vehicles, and leasing. It creates diversified profit growth points for dealers while providing a practical model for industry channel transformation and promoting ESG value enhancement across the industrial chain.

Responsible marketing

In strict compliance with laws and regulations such as the *Advertising Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, BAIC Foton strictly adheres to requirements such as the *Negative List of Irrational Competition Behaviors in the Automotive Industry* and *the Negative List for New Vehicle Launch Activities*, resolutely resists all forms of illegal business conduct, and supervises areas such as online operations and marketing promotion. We ensure that marketing and communication activities are conducted in a compliant and well-regulated manner, refrain from false or misleading commercial promotion, and safeguard users' access to authentic and accurate information.

We sign the *Annual Dealer Agreement* with dealer partners, establish a dealer qualification review mechanism at the admission stage, and treat compliant operations as a threshold for cooperation; we build a two-way feedback platform, screen high-quality partners through dealer qualification reviews, and conduct risk prevention and timely rectification for issues such as input-output imbalance of dealers and overdue credit repayments. In addition, a dealer exit communication mechanism has been established, whereby dedicated personnel communicate with dealers regarding exit arrangements and inform them in advance of the reasons for termination of cooperation. This ensures sound full-lifecycle management of dealers and fulfills commitment to responsible marketing.

Deepening Lean Services

Upholding a customer-centric philosophy, BAIC Foton keeps optimizing its customer service system, listens to customer demands through multiple channels, and delivers targeted responses. Leveraging superior product quality and efficient services, we enhance customer satisfaction, consolidate our after-sales service moat, and deliver more responsible, reliable, and comfortable service experiences to customers.

Optimizing after-sales services

The Company has revised the *CSR Service Quality and Information Record Specification Evaluation Management Measures of BAIC Foton* to further clarify management quality inspection standards and business management processes, improving the efficiency and quality of customer issue resolution. An industry-first "predictive service" model has been introduced, intelligent diagnostic technologies have been implemented, and the service network has been continuously improved to build a more competitive after-sales service system and strengthen service foundations.

Improving "predictive service"	● We optimize predictive service processes for hybrid, hydrogen fuel, outsourced powertrain and gas engine products, as well as electric products ● We optimize customer reminder and invitation processes to improve the delivery effectiveness of early warning notifications
Implementing intelligent diagnostics	● We implement AI big data model-based intelligent diagnostics to accurately analyze fault data and match repair solutions ● We upgrade assisted diagnostic capabilities. From inspection steps, repair procedures, tool and equipment matching, to required spare parts, we comprehensively design fault diagnosis and repair solutions. This allows accurate matching between fault modes and repair solutions and enables service providers to resolve vehicle issues efficiently
Improving the service network	● We build a one-stop "Worry-free" service ecosystem ● We establish a dense service network covering the entire country and extending deep into counties and townships

Responding to customer needs

BAIC Foton recognizes that rapid response to customer needs is key to improving satisfaction. In 2025, we revised the *Customer Complaint Handling Management Measures of BAIC Foton* and, leveraging intelligent platforms, established an "end-to-end rapid response system for customer issues", shifting "passive response" to "proactive service". Through dual optimization of process standards and operational systems, we have improved both the efficiency and quality of complaint handling. Meanwhile, a mature three-tier rapid response mechanism was established. Through structured processing and categorized management of customer feedback information, as well as multiple customer complaint and feedback channels such as the 400 hotline, Foton e-Home, WeChat official account, and official website, customer needs are managed in a structured and standardized manner.

2025

100%
Complaint handling rate

12.75%
Reduction in average handling time for customer complaints

Enhancing service experience

To further clarify user suggestions and needs and improve customer service experience, BAIC Foton conducts market research targeting various types of users, collects and analyzes data through questionnaires and in-depth interviews, gains deeper insights into user suggestions and needs, and proposes targeted solutions to enhance user satisfaction.

2025

93.82
Customer satisfaction score rising to

05

Caring Foton
—Enriching Employee Lives

BAIC Foton consistently upholds the principle that "talent is the primary resource". We bring together diverse talents, fully safeguard employees' legitimate rights and health and safety, and effectively support their career development and overall growth. We actively foster an equal, safe, and inclusive workplace. By aligning high-quality corporate development with employee growth, we continuously unleash talent vitality and consolidate the foundation for sustainable development.

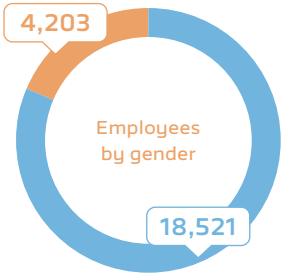
Our contributions to UN SDGs

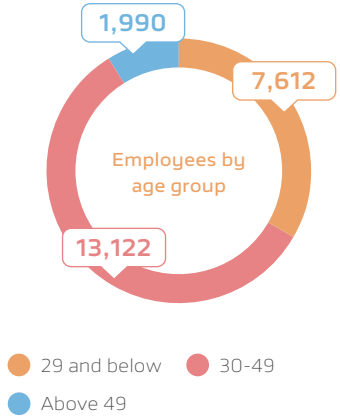
Protecting Employee Rights and Interests

BAIC Foton always regards the building of harmonious labor relations as a cornerstone of high-quality corporate development. We actively practice the "people-oriented" philosophy, adhere to lawful and compliant employment, improve our compensation and benefits system, and keep employee communication channels open, thus effectively safeguarding employees' legitimate rights and interests.

Equal employment

BAIC Foton strictly complies with national and local labor and personnel laws and regulations, as well as internationally recognized human rights conventions and standards, and is committed to building an inclusive workplace with equal opportunities. We provide equal opportunities in recruitment, promotion, and compensation. Any discrimination based on gender, race, color, religion, disability, nationality, social background, or any other status protected by applicable laws is strictly prohibited. The employment of child labor is explicitly forbidden, and forced labor, harassment, and abuse are resolutely opposed. At the same time, we have established an effective grievance mechanism. Employees are provided with safe and anonymous complaint channels, ensuring that all grievances are handled promptly and fairly. During the reporting period, no incidents of child labor or forced labor occurred.





Compensation and benefits

BAIC Foton follows the principle of combining external competitiveness, internal equity, and individual incentives. It promotes the establishment of a fairer and more effective incentive distribution mechanism for all employees and steadily improves compensation and benefits levels.

Compensation system

We take fairness, transparency, and compliance as our core principles. We fully implement equal pay for equal work between men and women and continuously improve a compensation and benefits system that includes base salary, performance-based pay, and allowances and benefits. An annual audit is conducted on compensation and benefits distribution. It covers key aspects such as policies, levels, and payment requirements. This ensures that employee income is effectively linked to position, capability, and performance, so that pay is based on position and compensation is based on performance. At the same time, we have established a performance-oriented and position-value—based compensation incentive system. Through continuous improvement of employee shareholding, equity incentives, and other incentive management mechanisms, along with the introduction of employee stock ownership plans at the listed company level, a long-term incentive mechanism has been put in place to stimulate internal motivation. Since 2020, the employee stock ownership plan has been implemented for 8 rounds.

We systematically implement compensation enhancement measures guided by value contribution and future potential. Salary adjustments are made for key system positions, mid-level management, high-performing employees, and emerging talents. In parallel, we deepen reforms in incentive distribution mechanisms. We promote compensation models for frontline employees such as performance-based pay, commissions, and piece-rate wages, reinforcing a culture of "high performance, high rewards".

2025

22,724
Current employees

1,500+
Recruited talents

100%
Employee social insurance coverage

100%
Employee labor contract signing rate

BAIC Foton compensation management system

We implement a total compensation philosophy. Employees' total income consists of base salary, performance-based salary, performance bonuses, and allowances and subsidies. Base salary is fixed and ensures employees' basic living needs. Performance-based salary and bonuses are closely linked to the Company's short-term and mid-to-long-term performance, as well as individual contributions, providing effective incentives. Allowances and subsidies mainly compensate for special working conditions. The system is designed to be transparent and fair. It ensures equal pay for equal work and eliminates gender-based pay discrimination

We implement a salary band system based on market value. It incorporates differences in job value and individual capability, along with a performance-based distribution mechanism. A long-term and orderly salary growth mechanism covering all employees has been established, ensuring that employees share in the Company's development achievements

Performance management system

Guided by the core objective of driving organizational excellence, empowering employee growth, and achieving sustainable development, we have established a scientific, fair, and transparent performance management system. It allows a full closed-loop process of "planning — coaching — evaluation — feedback — appeal".

Performance planning

We establish a performance indicator system aligned with the Company's long-term strategy and sustainable development. Based on the core responsibilities of each position, strategic goals are decomposed into quantifiable, measurable, and achievable KPIs

Performance coaching

An institutionalized and regular performance coaching mechanism has been established. Direct supervisors are required to have periodic performance communication with employees and provide targeted guidance on work progress and difficulties in achieving indicators

Performance evaluation

We adopt an evaluation model of "data support + multi-dimensional verification". Objective data is obtained through third-party data platforms. Direct supervisors conduct initial assessments, which are then reviewed and confirmed at multiple levels

Performance feedback and appeals

A standardized performance feedback process is in place to ensure employees' right to be informed of their performance. A rigorous appeal mechanism has been established to ensure that employee objections are handled fairly

Benefits system

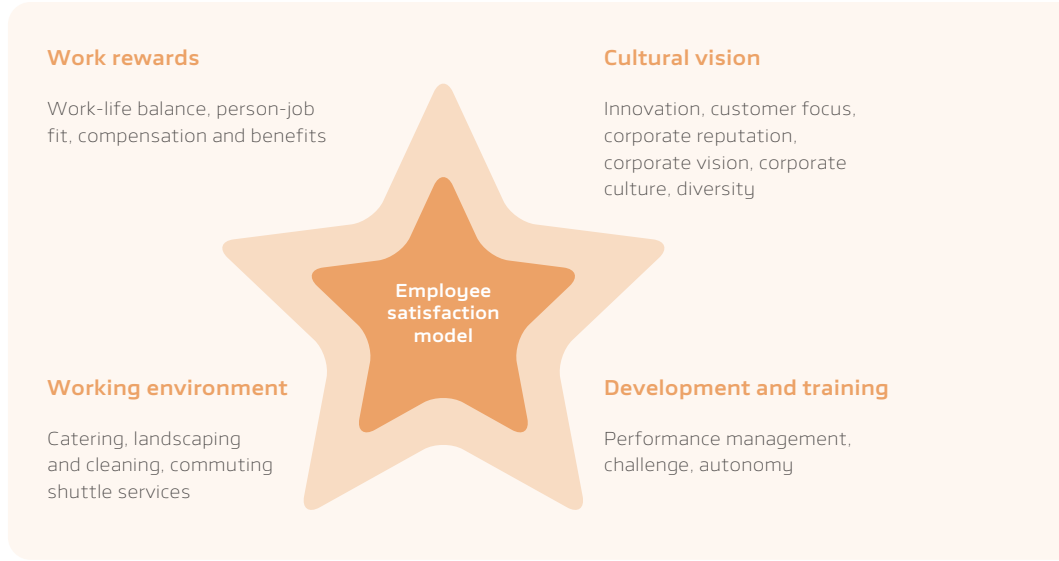
We are committed to building a company-wide benefits system with a three-tier safety network of "statutory benefits + supplementary benefits + care initiatives". Comprehensive support policies covering food, housing, and transportation are in place. These policies address practical difficulties faced by employees in remote rotation or secondment, such as housing arrangements and home leave, thereby enhancing the sense of belonging and well-being of employees working away from home.

Paid leave	Annual leave, public leave, marriage leave, bereavement leave, etc.
Health care	Health check-ups for all employees and supplementary medical insurance, etc.
Living support	Providing daily convenience through in-house canteens, meal subsidies, and commuting shuttle services; offering welfare housing allocation, employee dormitories, subsidized rental of company-provided transitional housing , social rental subsidies, etc.
Emotional connection	Holiday benefits, festival allowances, high temperature subsidies, winter heating subsidies, etc.
Protection of women's rights and interests	Prenatal check-up leave, maternity leave, nursing break, parental leave, only child caregiver leave, etc.

Democratic communication

BAIC Foton continuously creates and improves a standardized and stable collective consultation mechanism. We have revised the Management Measures for the *Staff Representative Assembly*, signed *Collective Contracts* and *Wage Collective Negotiation Agreement* with employees, and established diversified channels for employee feedback and appeals. Through regular visits, field research, and forums, we closely respond to frontline employee concerns. A sound consultation culture and a transparent communication mechanism have been built to fully protect employees' rights to information, participation, expression, and supervision. In 2025, 100% of employees joined the labor union.

We conduct a company-wide employee satisfaction survey every two years. The survey covers four major dimensions: cultural vision, development and training, work rewards, and working environment. These are further broken down into 15 sub-dimensions, including person-job fit, compensation and benefits, and work-life balance. Employee feedback is comprehensively collected, and improvement action plans are developed and implemented to effectively enhance satisfaction and a sense of belonging. In 2025, employee satisfaction in the dimensions of cultural vision, development and training, and work rewards increased by 1.8 percentage points year-on-year. Satisfaction in the working environment dimension increased by 0.9 percentage points year-on-year.



Protecting Employee Safety

BAIC Foton adheres to the management policy of "people-oriented, law-based governance, risk prevention and control, and intrinsic safety". We continuously improve our work safety and occupational health management system, fulfill our primary responsibility for work safety, strengthen risk prevention and control, and enhance the culture of safety and health. During the reporting period, no major or greater work safety accidents occurred.

Safety management system

BAIC Foton actively practices the concept of "holistic safety" and builds a comprehensive safety management system. We have formulated documents such as the *Management Measures for Work Safety Responsibility*. The Chairman and President serve as directors of the Safety and Environmental Protection Management Committee. They are responsible for setting and reviewing safety targets, ensuring compliance control, advancing system development and operation, securing resources, and making decisions on and coordinating the resolution of major safety-related matters. We ensure the achievement of targets such as zero serious injury or more severe accidents, 100% compliance rate for education and training, 100% compliance rate for safety responsibility implementation, and 100% compliance rate for occupational health examinations of employees exposed to workplace hazards, reinforcing safety defenses across all aspects of production and operations. In 2025, in accordance with the "dual responsibility for one position" requirement, we reviewed and renewed safety responsibility commitments with all employees, totaling over 20,000 copies.

2025 年

1,345
Accident hazards identified

102
Safety technology improvements measures proposed and submitted

0
Work-related fatalities

Safety risk prevention and control

In line with the principle of "prevention first, focus of key points, and comprehensive management", BAIC Foton strictly implements requirements set forth in documents such as the *Management System of Graded Control of Safety Risks* and the *Management System of Work Safety Accident Hazard Identification and Control*. We continuously deepen the dual prevention mechanism of graded safety risk control and hazard identification and control. A full-process risk identification and control mechanism has been established. A checklist-based safety inspection mechanism covering all business operations and regions at both company and factory levels has been implemented. Standards for hierarchical review of safety risks in key areas have been further improved. Meanwhile, by improving the safety management information system, and through a dual evaluation mechanism combining "computer + human judgment" along with functions such as the "instant reporting" module, we promote the digital and information-based management of safety risks. This further strengthens hazard identification and consolidates the foundation of safety management. In addition, we continue to strengthen the emergency management system. Special emergency drill plans have been developed for new energy business and others. Multiple scenario-based drills, including fire emergency exercises, are conducted regularly. These efforts effectively enhance all employees' emergency response capabilities and coordination, and reinforce the safety defense line.

Safety skills competition

Fire emergency drill

Fostering a safety culture

BAIC Foton strives to create a culture in which "everyone values safety". We have established a comprehensive safety communication system covering both online and offline channels. Online, safety-themed promotional videos and songs are produced. Through the Feishu safety information official account, content such as safety laws and regulations, warning cases, and safety tips is disseminated. Electronic screens, posters, and banners are used to create a strong safety atmosphere and enhance employees' safety skills and awareness within plant areas offline. At the same time, a series of activities are carried out on a regular basis. These include the "Ankang Cup" competition, hazard identification contests, online quizzes, and safety suggestion initiatives. These activities expand the influence of safety culture and encourage full participation. Through training, notification, and agreement signing, safety management requirements are extended to all contractors, achieving full coverage with no blind spots. In 2025, safety education and training covered 100% of all employees.

Occupational health management

BAIC Foton takes "health first, prevention foremost" as its core principle. We have established a closed-loop management mechanism for occupational disease risk identification, assessment, control, and emergency response. Efforts are made across multiple dimensions, including working environment, operating methods, and health protection, to comprehensively enhance employees' occupational health. In 2025, 10 production units obtained ISO 45001:2018 certification for the Occupational Health and Safety Management System.

Control of occupational health risks	Risk classification of occupational disease hazards was conducted for 1,225 positions across all plants. Differentiated control measures were developed for different risk levels
Investigation of occupational health hazards	Monthly special inspections on occupational disease prevention are conducted. Key checks include the operation of protective equipment. A total of 387 hazards were identified and rectified during the year, with a rectification rate of 100%
Formulation of occupational health emergency rescue plans	A total of 44 occupational health and safety emergency drills were organized, enhancing employees' emergency response capabilities
Establishment of a reward and punishment mechanism for occupational health prevention	Occupational disease prevention has been incorporated into departmental and employee performance appraisal

Case **BAIC Foton comprehensively reduces chemical exposure risks in coating operations**

In 2025, BAIC Foton promoted process innovation and automation. We widely adopted eco-friendly water-based coatings to replace traditional paints, reducing VOC emissions at the source. We also advanced automation to replace manual operations. Full automation and unmanned operations were achieved in the top coat painting process, removing employees from high-risk environments. At the same time, for manual finishing processes, active air-regulated protective suits were introduced. With built-in cooling systems and filtration functions, these suits ensure thermal comfort and respiratory safety for employees working in high-temperature environments, comprehensively enhancing occupational health protection.

Case **BAIC Foton formulates an ergonomics improvement plan**

In 2025, BAIC Foton systematically implemented an ergonomic improvement plan to eliminate risks of musculoskeletal disorders (MSDs). At positions such as tire and battery assembly and material handling, customized labor-saving robotic arms, hydraulic lifting platforms, and intelligent transport carts were introduced. As a result, the volume of manual handling of heavy materials decreased by 30% year-on-year. At the same time, through simulation-based optimization of wiring harness installation processes, redundant movements were reduced. Combined with assessment software, key workstations were improved, thereby reducing operational risks in a comprehensive manner.

Supporting Employee Growth

BAIC Foton is committed to the strategic goal of becoming a world-class commercial vehicle enterprise. We regard talent development as a core pillar and systematically advance the development of five talent groups. A tiered and categorized career development system has been established to support rapid employee growth and development.

2025

3
National Skill Master Studio

2
Individuals awarded the title of "National Model Worker"

5,724
Holders of nationally accredited vocational qualification certificates

Wang Haoming Studio was recognized as a National Skill Master Studio

Development of five talent groups at BAIC Foton

Marketing talent

- Promoting job rotation to frontline marketing positions for employees in R&D, supply chain, and other value chain functions
- Enhancing distribution and direct sales capabilities through diversified marketing training
- Accelerating localization of talent deployment and continuously strengthen training in business compliance, marketing, and channels

R&D talent

- Promoting cross-system job rotation to cultivate versatile generalists
- Developing specialized talents in new technology R&D through programs such as expert and doctoral forums, foundational capability projects, and on-the-job training

Supply chain talent

- Promoting talent transformation toward becoming more intelligent, digital, and global through programs such as process lecture series
- Deepening expertise in core technical fields such as process development to cultivate expert talent

Management engineering talent

- Relying rely on end-to-end process transformation to cultivate digital transformation talent
- Promoting cross-system and cross-unit job rotation to build a headquarters functional talent team with both professional expertise and business understanding

Skill talent

- Strengthening talent cultivation through "Master Skill Studios"
- Implementing company vocational skill level certification to open career development pathways for skilled workers
- Building a "dual system, three-tier" vocational skills competition framework to promote learning through competition

2 employees including Wang Haoming were awarded the title of "National Model Worker"; 3 employees including Shen Changzhi were awarded the title of "Beijing Model Worker"; the Light-duty Truck Technology Center under the Automotive Engineering Product Research & Development Institute was awarded the honorary title of "Beijing Model Group"

Training and education

BAIC Foton has established the Foton Talent Development Center. It upholds the vision of becoming a learning-oriented organization that cultivates innovative and versatile talent. The Chairman serves as General Manager of the Center, and the President serves as Executive Deputy General Manager, responsible for building the strategic framework. Positions such as Director of Cultural Promotion and Director of Teaching Affairs have also been set up, responsible for the overall development of the Center. The Company has formulated policies including the *BAIC Foton Training Implementation Procedures, BAIC Foton Qualification Management Measures, BAIC Foton Training Fund Management Measures, BAIC Foton External Training Management Measures*, and *BAIC Foton Management Policy for the Recognition of Vocational Skill Levels for Skilled Talent*, to standardize employee training and education.

Relying on the seven sub-institutes of the Foton Talent Development Center, we tailor precise training programs to meet the differentiated capability needs of five talent groups. Through diversified approaches such as scenario-based teaching and digital empowerment, training content is closely aligned with job requirements. At the same time, we continue to deepen the concept of on-the-job learning. Training is closely integrated with work tasks. Project-based practice is used to build a capability loop of "learning-practice-improvement", enabling employees to hone their skills and advance through real-world experience. In 2025, average training hours per employee reached 23.23, with average training investment exceeding RMB 300 per employee. As of the end of 2025, 5,724 employees had obtained nationally accredited vocational qualification certificates. Among them were 6 National Technical Experts, 1 High-Skilled Talent with Distuiguished Contributions in Beijing, 8 receivers of Special Allowance for Skilled Workers from the Beijing Government and 2 workers selected in the TaiShan Industrial Experts Programme. At the same time, the Company was awarded the title of "Advanced Group in Machinery Industry Talent Evaluation Work for 2024" by the Talent Evaluation Center of China Machinery Industry Federation, and successfully applied to establish the Changping Craftsman Academy.

Based on the requirements of the "Leadership Five-Force Model Standard" for functional business leaders, BAIC Foton carries out entrepreneur team empowerment training with a strategic forward-looking vision to cultivate young leaders with professional competence and professional commitment

BAIC Foton, together with the Changping District Federation of Trade Unions, Changping District Human Resources and Social Security Bureau, and Shangqiu Federation of Trade Unions in Henan Province, co-hosted the 6th "Changping Craftsman Cup" Vocational Skills Competition—BAIC Foton's First New Energy Vehicle Assembly and Commissioning Skills Competition

BAIC Foton organizes the Expert and Doctoral Forum. Through professional sharing by R&D experts and doctoral scholars, it promotes the dissemination of cutting-edge technological knowledge and fully stimulates innovation vitality. Topics cover new energy, ICV, and lightweight

BAIC Foton organizes the "Star Training Camp" onboarding program for campus recruits to facilitate new employees' role transition, clarify career development pathways, and quickly fit into the corporate culture

Career development

BAIC Foton always regards the long-term value and development potential of talent as the strategic foundation for building core competitiveness. It activates talent development momentum through clear and accessible career pathways. In 2025, we focused on the career development needs of blue-collar employees, white-collar employees, and managers. A tiered and categorized career development system was established. It provides clear, visible, and multi-dimensional growth paths for employees at all levels and positions, enabling steady advancement and continuous development along suitable career trajectories.

"White-collar" talent workforce

- 3T career development model, consisting of Party and administrative management series, professional and technical series, and project cluster series
- Cross-system, cross-discipline, and cross-unit job rotation to provide horizontal development opportunities
- Professional and technical personnel can obtain qualification certification annually to achieve vertical advancement in career levels

"Blue-collar" talent workforce

- BAIC Foton has established a dual development pathway consisting of "workshop management" and "professional skills", enabling skilled workers to transition into white-collar and service technician roles

Managerial talent workforce

- BAIC Foton has defined a three-year action plan and five-year long-term goals for management team development
- The mechanism for management development and utilization has been optimized, and a management development planning system has been established
- Five categories and ten key indicators for management development have been clarified, defining clear development pathways
- The management position system has been optimized, and incentive channels for management personnel have been expanded
- Programs such as the "FF Program" and "Revitalization ★ Program 2.0" have been continuously advanced

Strengthening Employee Care

BAIC Foton always cares about employees' work-life balance. We have established and improved assistance mechanisms for employees in difficulty, and place importance on protecting the rights and well-being of female employees. Through organizing diverse care activities, we continuously enhance employees' sense of happiness and belonging, working together to build a warm and harmonious Foton Home.

Women empowerment

BAIC Foton attaches great importance to protecting the rights and interests of female employees. By signing the *Special Collective Contract on the Protection of Female Employees' Rights and Interests*, we institutionalize the protection of their special rights and interests. Through legal lectures, awareness of rights protection is strengthened. Protection during the "four periods" and maternity care are implemented. Facilities such as mother-and-child care rooms are established and managed with star-rated standards. These efforts comprehensively enhance female employees' sense of gain, happiness, and security.

We focus on six major projects. Based on areas such as women's contributions to excellence, we build empowerment platforms and innovate service models. Female employees are encouraged to leverage their professional strengths and creativity in production and operations, technological research, and management optimization, generating value for lean operation through women's wisdom and consolidating the "her power" that drives high-quality development. In 2025, more than 40 special events were organized, which attracted over 5,000 participant visits by female employees.

"Blooming Along the Way" market event

International Women's Day celebration and "Striving for Full-Year Success with Women's Excellence" labor competition commendation conference

Foton health

BAIC Foton always places employees' physical and mental health in a prominent position. We established the "Foton Health Station" and partnered with Peking University International Hospital to build a professional healthcare management platform. While improving the convenience of health protection, professional counselors are regularly invited to provide on-site services to relieve workplace stress, strengthening the protection network for physical and mental well-being.

▲ BAIC Foton has connected with medical resources such as iKang, Ciming, and Genertec Health, and signed the *Medical and Health Management Cooperation Agreement* with Peking University International Hospital. It promotes platform-based management of health check-ups (green medical services) to safeguard employees

▲ BAIC Foton actively organizes lectures and training on mental health topics such as stress management and emotional regulation. It also conducts group counseling activities, including stress relief classes, Mental Health Month events, and forums for new and existing employees, helping employees alleviate mental stress

Foton care

BAIC Foton focuses on assisting employees facing difficulties. Through comprehensive and precise assessments, dynamic classified records are established, and tiered assistance and dynamic adjustment mechanisms are implemented. Leveraging initiatives such as the "FuXiangJingQing" convenience store, employee housing, plastic running tracks, upgraded medical rooms, and employee care programs, the Company effectively addresses employees' concerns and delivers tangible care.

2025

175

Employees in difficulty assisted

RMB **1,018,300**

Investment in employee assistance

▲ Showing care for employees in high-altitude area

▲ Showing care for employees in hot summer

Foton vitality

BAIC Foton always aims to strengthen cohesion and vitality through corporate culture. Through sports and cultural events such as the Leap Run, we convey the spirit of striving. A multi-dimensional cultural activity system has been established, covering sports competitions, team interaction, and family engagement. We deeply integrate corporate development vision with employees' enterprising spirit, fully stimulating enthusiasm and creativity. In 2025, 601 cultural and sports activities were conducted.

"Smart Mobility for the Future, Growth with Foton" family open day event

Leap Run event for celebration of 29th anniversary of BAIC Foton

The 5th "BAIC Foton Cup" employee basketball game

"Create and Win Together" family torch relay event

06

Philanthropic Foton
—Making a Better Society of Harmony

On its journey toward high-quality development, BAIC Foton always keeps in mind the broader national priorities. We have been committed to our mission with the faith that "Foton unswervingly serves major national events; Foton always answers to the call of the state". We take the lead in supporting major national events, work diligently to advance rural revitalization, and deliver warmth through public welfare initiatives, to demonstrate the responsibility of a state-owned enterprise in the new era.

Our contributions to UN SDGs

Foton Unswervingly Serving Major National Events

From escorting commemorations of the 80th anniversary of the victory of the Chinese People's War of Resistance Against Japanese Aggression to safeguarding the National People's Congress and the Chinese People's Political Consultative Conference, from providing precise support for returning astronauts to efficiently supporting the National Games, BAIC Foton always upholds stringent standards of "zero error, zero failure, and zero risk". With strong capabilities, we fulfill our responsibilities, adding distinction to every national event and ensuring reliable support for every major occasion.

▲ BAIC Foton serves the National Two Sessions for the 21st consecutive year

▲ BAIC Foton successfully fulfills support tasks for the 15th National Games

▼ BAIC Foton successfully supports the Commemoration of the 80th Anniversary of the Victory of the Chinese People's War of Resistance Against Japanese Aggression and the World Anti-Fascist War

◀ BAIC Foton successfully completes astronaut return escort missions twice in 2025

Supporting Rural Revitalization

Leveraging its industrial and resource advantages, BAIC Foton promotes rural revitalization through industrial empowerment, public welfare investment, and model innovation. We advance new energy technologies, upgrade assistance in consumption, strengthen educational support, and deepen regional collaboration through measures such as technological empowerment, talent cultivation, and the extension of medical resources to grassroots levels, injecting solid and warm Foton strength into comprehensive rural revitalization.

Educational assistance to foster internal motivation

BAIC Foton remains committed to the growth of rural children. It focuses on addressing the shortage of rural education resources and actively carries out public welfare programs such as "one-to-one assistance", "Colorful Book House" and "Whistle in the Mountains". These initiatives support the cultivation of local rural talent and broaden horizons, building intellectual capital for sustainable rural development.

Since 2012, BAIC Foton has supported more than 60 underprivileged students in Kangding County, Tibetan Autonomous Prefecture of Garzê, Sichuan Province, helping them pursue their education, with cumulative donations of RMB 791,000 in scholarships

BAIC Foton conducts "one-on-one assistance" programs with primary school students in Hotan Prefecture, Xinjiang Uygur Autonomous Region, and Yushu, Qinghai Province

BAIC Foton launches the scholarship incentive program to provide scholarships to university students

Health protection to empower primary healthcare

In line with the development of "healthy villages", BAIC Foton addresses needs ranging from epidemic prevention to routine medical services, from eye health protection to maternal and child screening. Through a model of "mobile medical vehicles + professional cooperation + public welfare implementation", it resolves challenges such as difficult and distant access to medical services in rural areas, extending the health protection network to the grassroots.

BAIC Foton provides 5 mobile general medical service vehicles to Hotan Prefecture, Xinjiang, addressing the "last mile" challenge of healthcare access in remote areas

BAIC Foton partners with the Eye Hospital of Wenzhou Medical University to build an innovative and integrated "medical-vehicle-intelligence" model, creating a mobile comprehensive eye health service complex

Green empowerment to support frontier development

BAIC Foton leverages its industrial advantages and aligns precisely with rural development needs. Through the long-term "Hotan Oasis" public welfare mechanism and vehicle donations, we support the improvement of transportation systems and promote green mobility in frontier and rural areas, driving high-quality local development through industrial empowerment.

BAIC Foton new energy buses have been deployed in Moyu, Xinjiang, supporting green frontier development

Through Beijing-Inner Mongolia collaboration, BAIC Foton donated Ollin light-duty trucks and teaching materials to Dongshan Village and Dongfeng Village in Shisanaobao Town, Bairin Zuoqi, promoting sustainable rural development

Contributing to Community Development

BAIC Foton remains committed to community development through practical actions. We innovate a co-governance model led by enterprises, participated in by users, and benefiting society. While bringing hope to vulnerable groups through public welfare and volunteer services, we actively engage in earthquake relief, traffic safety support, volunteer activities, and cultural exchange, writing a new chapter of mutual growth and shared prosperity between enterprises and communities.

All-out efforts in emergency rescue and disaster relief

BAIC Foton actively responds to emergency rescue operations. Leveraging efficient logistics support capabilities, we step forward during sudden natural disasters such as earthquakes and floods. Through concrete actions, we uphold the principle of "people first, life first", safeguarding livelihoods with "Foton speed" and demonstrating corporate responsibility and warmth.

BAIC Foton provides material donations and disaster relief services to earthquake-affected areas in Tingri County, Xigazê City, Xizang, and invites teachers and students from Ngari Prefecture for exchange

BAIC Foton rapidly responds to flood disasters in Miyun, assisting farmers in harvesting crops and purchasing unsold agricultural products

Committed to public well-being to protect safe journeys

BAIC Foton protects public mobility with reliable products and thoughtful services. It donated support for the "Truck Driver Escort" initiative, providing care for logistics workers. At the same time, it has innovatively developed green and intelligent school buses. With green, safe and reliable transportation solutions, it safeguards students' journeys to and from school protecting public well-being through concrete actions.

BAIC Foton cares for truck drivers through donations to the "Truck Driver Escort" special initiative, with a focus on safeguarding the health, rights and interests of truck drivers

BAIC Foton provides new-generation school buses to ensure safe commuting for students

Volunteer services to deliver warmth and care

BAIC Foton upholds and promotes the spirit of volunteerism. In 2025, it established a volunteer association and released its official emblem. It actively participates in various public welfare activities and organizes volunteer service programs such as the "Lei Feng Month" initiative and the "Walk with Love" assistance program, delivering positive energy through concrete actions. In 2025, the number of employee volunteers reached 554, with 432 hours of volunteer service.

BAIC Foton established a volunteer association and released its official emblem

BAIC Foton volunteers participated in the large-scale public welfare event "Warm Journey Home"

BAIC Foton carried out volunteer service projects such as "Sponge Community" and "Shahe Town Nursing Home"

Diverse exchanges to promote cultural integration

With a global perspective, BAIC Foton promotes cultural communication. It creates immersive experiences of intangible cultural heritage, fosters mutual learning between China and other countries, tells China's stories well, and demonstrates the cultural confidence and global influence of a national brand. BAIC Foton continues to support local sporting events. Its flagship products achieved championship performances in events such as the Súper Copa in Mexico, the TRACUSA Racing off-road rally in Peru, and at the Termas de Río Hondo circuit in Argentina as an official sponsor, empowering local competitions.

BAIC Foton actively participates in global events such as the Mexico Súper Copa, showcasing the charm of Chinese intelligent manufacturing through international competitions

BAIC Foton provides immersive cultural experiences of the Forbidden City, the Great Wall, and other heritage sites and intangible cultural heritage for guests from more than 140 countries

The "China — Latin America Youth Exchange" cultural event is held at BAIC Foton

Outlook

2026 marks the beginning of the 15th Five-Year Plan period and is also the inaugural year for BAIC Foton's endeavor to become a world-class commercial vehicle enterprise. Tempered over thirty years, we move forward with determination. With the ambition of achieving world-leading excellence, we press ahead with resolve. We will "set bold aspirations, dare to innovate, and secure victory". We will successfully execute the Three-Year Leap Action and build a modern enterprise that is innovation-driven, functionally outstanding, governance-efficient, and full of vitality.

With stronger capabilities, we will accelerate the strategic transformation. Focusing on full internationalization, electrification and smartification, we will review our business structure across dimensions including vehicles and components, new vehicles and after-market ecosystems, domestic and overseas markets, and the full value chain. We will balance technological leadership with market expansion, actively explore business model innovation, and reshape the industrial ecosystem, to become a leader in global commercial vehicle technological transformation and a driver of smart logistics.

With extensive contribution to the society, we advance together toward a galaxy of possibilities. We aim not only to be number one in China, but also to become world-leading. We aim to be a strong engine supporting the development of a manufacturing powerhouse and serving national development strategies. Let us move forward together. By making extensive social contributions, we will benefit hundreds of millions of people and become a world-class commercial vehicle enterprise.

Key Performance

Environmental[1]

Indicator	Unit	2024	2025
GHG emissions[2]			
Direct (Scope 1) GHG emissions	tCO_2e	47,047	52,684
Indirect (Scope 2) GHG emissions	tCO_2e	130,180	114,649
Total GHG emissions (Scope 1 and Scope 2)	tCO_2e	177,227	167,333
GHG emissions per unit of output (Scope 1 and Scope 2)	tCO_2e/vehicle	0.32	0.3
Total GHG emissions per unit of energy consumption (Scope 1 and Scope 2)	tCO_2e/tce	2.77	2.49
Reduction in total GHG emissions from the base year (Scope 1 and Scope 2)	%	17.71	22.31
GHG offsets (Scope 1 and Scope 2)	tCO_2e	0	2,865.24
Indirect GHG offsets (Scope 2)	tCO_2e	0	2,865.24
Energy use			
Total energy consumption	tce	59,542	67,215
Energy use intensity	tce/vehicle	0.097	0.121
Direct energy consumption	tce	26,784	30,241
Indirect energy consumption	tce	32,758	36,974
Total usage of renewable energy	tce	2,854	7,889
Renewable energy usage — photovoltaic power generation	MWh	21,132.7	19,028.2
Total consumption of non-renewable energy	tce	56,688	59,326

Note:
1. Statistical scope: Only production-type companies are included, excluding overseas companies and Hubei Axle Co., Ltd.
2. Sources and data of carbon emission factors and energy factors: The electricity emission factor for 2025 adopts the national average electricity CO_2 emission factor of 0.5306 tCO_2e/MWh for 2023 from the Ministry of Ecology and Environment's *2023 Electricity Carbon Dioxide Emission Factors*. Fossil energy data are sourced from national standards such as *GB/T 32151.29-2024 Requirements of the Greenhouse Gas Emissions Accounting and Reporting—Part 29: Mechanical Equipment Manufacturing Enterprise*, with natural gas at 21.62189 tCO_2e/10,000 m^3, gasoline at 2.92506 tCO_2e/t, and diesel at 3.09591 tCO_2e/t.

Indicator	Unit	2024	2025
Natural gas usage	10,000 m^3	1,527.01	1,718.1
Gasoline usage	Ton	799.89	827.8
Diesel usage	Ton	3,634.88	4,235.35
Purchased electricity	MWh	158,525.1	155,419.96
Purchased heat	GJ	313,003.76	292,574.05
Purchased green electricity	MWh	2,085	45,165
Proportion of green energy (photovoltaic + green electricity) use	%	4.79	11.74
Water resource use			
Water usage	10,000 tons	167.19	193.4
Municipal water supply	10,000 tons	144.09	165.5
Water consumption per unit of output	ton/vehicle	2.74	3.47
Packaging material management			
Packaging material usage	Ton	2,825	2,597
Packaging material usage intensity	ton/vehicle	0.05	0.06
Waste emissions — waste gas			
Nitrogen oxides (NOx) emissions	Ton	4.48	2.8
Sulfur oxides (SOx) emissions	Ton	0.44	0.33
Volatile organic compounds (VOCs) emissions	Ton	526.55	570.89
Waste discharge — wastewater			
Total wastewater discharged	10,000 tons	97.65	99.26
Wastewater discharged — industrial wastewater	10,000 tons	50.06	68.40
Wastewater discharged — domestic sewage	10,000 tons	47.6	30.86
Wastewater discharge reduced	10,000 tons	3.7	8.52
Chemical oxygen demand (COD) emissions	Ton	43.18	58.28

Indicator	Unit	2024	2025
Waste discharge/emissions — hazardous and non-hazardous waste			
Total non-hazardous waste generated	Ton	27,684	26,233
Total non-hazardous waste disposed	Ton	27,684	26,233
Total hazardous waste generated	Ton	2,924	3,137
Total hazardous waste disposed	Ton	2,891	3,137
Hazardous waste reduced	Ton	406.5	232.52
General industrial solid waste reduced	Ton	1,023	516.95

Social

Indicator		Unit	2024	2025
Employees				
Total number of employees		person	20,119	22,724
New hires		person	1,240	1,625
Employees from ethnic minorities		person	——	229
Employees by gender	Male	person	16,243	18,521
	Female	person	3,876	4,203
Employees by age group	29 and below	person	6,258	7,612
	30-49	person	12,155	13,122
	Above 49	person	1,706	1,990
Employee social insurance coverage rate		%	100	100
Employee labor contract signing rate		%	100	100
Employee union participation rate		%	100	100
Employee turnover		person	1,450	1,377
Employee turnover rate		%	7.21	6.61
Number of employees in need who received assistance		person	169	175
Total investment in employee training		RMB 10,000	616	717
Employee training coverage		%	100	100
Total training hours		hour	416,904.7	509,154.6
By gender	Male	hour	339,419.96	414,982.1
	Female	hour	77,484.74	94,172.5
By rank	Middle and senior management	hour	4,361.44	4,611.69
	Ordinary employees	hour	412,543.26	504,542.91

Indicator	Unit	2024	2025
Supply chain			
Total number of suppliers	entity	790	802
Number of new suppliers	entity	28	30
Suppliers trained	person-times	500	825
Number of suppliers certified under the IATF 16949 system	entity	136	170
Number of certified sustainable suppliers	entity	4	58
Social contribution			
Rural revitalization investment	RMB 10,000	811.13	1,182.8

Corporate governance performance

Indicator	Unit	2024	2025
Operating performance			
Total assets	RMB 10,000	5,184,881.31	5,345,713.13
Total profit	RMB 10,000	6,200.21	136,098.84
Net profit attributable to the parent company	RMB 10,000	8,054.28	136,382.68
Tax payments	RMB 10,000	70,314.93	109,134.27
Board of Directors			
Proportion of independent directors	%	36.37	36.37
Proportion of female directors	%	9.09	9.09
Proportion of independent directors on the Audit/Internal Control Committee	%	60.00	60.00
Proportion of independent directors on the Compensation and Evaluation Committee	%	80.00	80.00
Proportion of independent directors on the Nomination Committee	%	60.00	60.00
Proportion of independent directors on the Sustainable Development Committee	%	60.00	60.00

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Assurance Statement

SGS

ASSURANCE STATEMENT

REPORT ON SUSTAINABILITY ACTIVITIES IN THE BAIC FOTON MOTOR CO., LTD.'S SUSTAINABILITY REPORT FOR 2025

NATURE OF THE ASSURANCE/VERIFICATION
SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS-CSTC) was commissioned by BAIC FOTON MOTOR CO., LTD. (hereinafter referred to as BAIC FOTON) to conduct an independent assurance on the entire sustainability performance information included in the BAIC FOTON's Sustainability Report for 2025 (Chinese version) for the period of January 1, 2025 to December 31, 2025.

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

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

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

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

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

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

Assurance Standard	Level of Assurance
ISAE 3000	Limited

SCOPE OF ASSURANCE
This assurance engagement is confined to verifying the accuracy and reliability of the entire sustainability performance information presented in the BAIC FOTON's Sustainability Report for 2025.

ASSURANCE METHODOLOGY
The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at No.15,Shayang Road, Shahe Town, Changping District, Beijing, P.R. China, including documentation and record review and validation where relevant. This assurance engagement was restricted to the group level of BAIC FOTON and did not include traceability of all original data from subordinate institutions.

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

SGS

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

The greenhouse gas emissions related data in the Sustainability Report for 2025 was calculated by BAIC FOTON. In the context of the present assurance engagement, our procedures were limited to sample-based validation.

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

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

FINDINGS AND CONCLUSIONS

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

Signed:

For and on behalf of SGS-CSTC

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

Apr. 10th, 2026
WWW.SGS.COM

CN26/00002015

Feedback

Dear Readers,

Thank you for reading this report. We sincerely look forward to your evaluation of this report and invite you to leave your valuable feedback so that we can continuously improve our ESG capability.

Selective questions (please mark " √ " in the appropriate box)

1. What is your identity in relation to BAIC Foton?

☐ Government ☐ Investor ☐ Employee ☐ Customer ☐ Supplier/Contractor ☐ Partner ☐ Peer

☐ Community and the public ☐ Media ☐ Non-governmental organization ☐ Others

2. What do you think of BAIC Foton's ESG performance:

☐ Very good ☐ Good ☐ Average ☐ Poor ☐ Very poor

3. What is your overall impression of the report:

☐ Very good ☐ Good ☐ Average ☐ Poor ☐ Very poor

4. What do you think of the quality of ESG information disclosed in the report:

☐ Very good ☐ Good ☐ Average ☐ Poor ☐ Very poor

5. What do you think of the report structure:

☐ Very reasonable ☐ Reasonable ☐ Neutral ☐ Unreasonable ☐ Very unreasonable

6. What do you think of the format design and presentation of the report:

☐ Very good ☐ Good ☐ Average ☐ Poor ☐ Very poor

7. What improvement suggestions do you have for BAIC Foton's ESG initiatives and sustainability report?

FOTON

BAIC FOTON MOTOR CO., LTD.

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