

2024

Environmental, Social and Governance Report

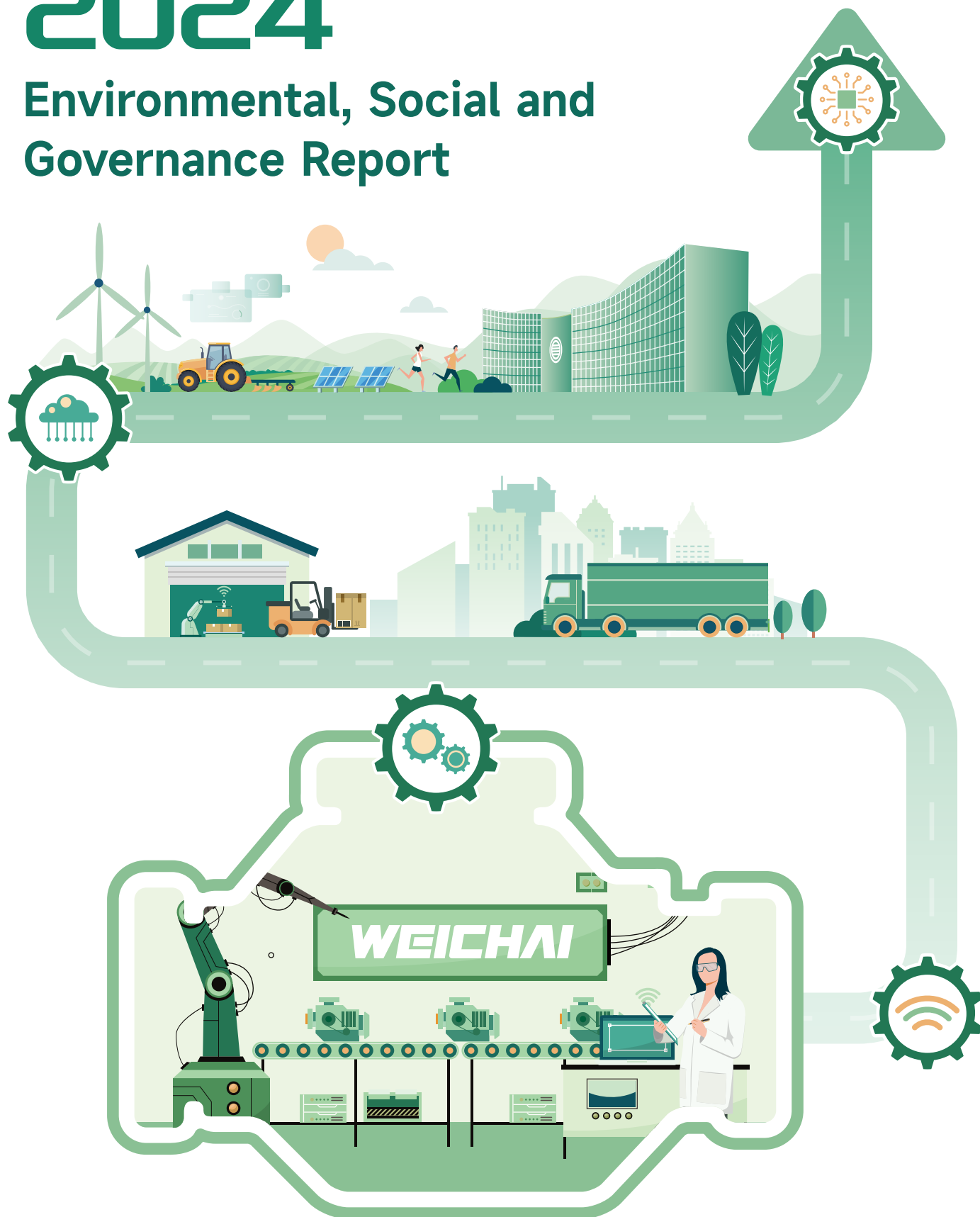


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About This Report

This is an environmental, social and governance (ESG) report disclosed by Weichai Power Co., Ltd. (000338.SZ, 02338.HK). This Report is designed to respond to stakeholders' expectations and demonstrate the Company's philosophy, management, actions, and achievements in pursuing ESG and sustainable growth.

Basis of Preparation

This Report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* as set out in Appendix C2 to the *Main Board Listing Rules* of the Hong Kong Exchanges and Clearing Limited ("HKEX"), the *Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange – Sustainable Development Report (Trial)*, the *Work Guidelines for the ESG Indicator System of Shandong State-controlled Listed Companies* issued by the State-owned Assets Supervision and Administration Commission of Shandong Province, the *Code of Corporate Governance for Listed Companies* issued by the China Securities Regulatory Commission, as well as the *International Financial Reporting Standards (IFRS) SI General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-Related Disclosures* issued by International Sustainability Standards Board (ISSB), and with reference to the *GRI Sustainability Reporting Guidelines* (GRI Standards) issued by the Global Sustainability Standards Board (GSSB), the *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises* developed by the Corporate Social Responsibility Research Center of the Department of Economics of the Chinese Academy of Social Sciences (CASSCSR), and the mainstream ESG rating indices of capital markets such as MSCI-ESG rating.

Scope of Reporting

Unless otherwise specified, this Report covers the performance of Weichai Power Co., Ltd. and its subsidiaries, which is consistent with the scope of the consolidated financial statements in the annual financial report¹.

Data Sources

The key financial data provided in this Report are from the *Weichai Power Annual Report 2024*, while others are from the Company's internal management system.

Unless otherwise specified, the currency unit in this Report is RMB.

Reporting Period

The reporting period is from 1 January 2024 to 31 December 2024. Some parts of this Report may appropriately date back to previous years.

References

For easy reference and reading, Weichai Power Co., Ltd. and its subsidiaries are referred to as "Weichai Power", the "Company" and "We", the headquarters of Weichai Power Co., Ltd. and its headquarters-managed subsidiaries as "Weichai Power HQ", KION Group AG as "KION", Shaanxi Heavy Duty Automobile Co., Ltd. and its subsidiaries as "Shaanxi Heavy Duty Automobile", Shaanxi Fast Gear Co., Ltd. and its subsidiaries as "Fast Gear", Weichai Lovol Intelligent Agricultural Technology Co., Ltd and its subsidiaries as "Lovol", Zhuzhou Torch Mechanical Manufacturing Co., Ltd. as "Mechanical Manufacturing", and Weichai Torch Technology Co., Ltd. as "Torch Technology".

Report Principles

This Report strictly follows ESG information disclosure regulations, ensuring accuracy, transparency, and comparability of the disclosed information.

Materiality: The Company selects and discloses ESG topics that have the most significant impact on its operations and stakeholders based on ESG regulatory guidelines, effectively addressing market and stakeholder concerns.

Quantitative: The Company has established a regular monitoring and statistical mechanism for key quantitative indicators, with data consolidated and disclosed annually. All figures include detailed explanations of calculation methods and reference standards, which can be found in the relevant sections of this Report.

Consistency: The statistical scope and disclosure coverage of this Report have changed compared to past years as explained in the Report, facilitating trend analysis and long-term tracking by stakeholders.

Report Access

This Report is available on our official website and that of HKEX, as well as at www.cninfo.com.cn, in both Chinese and English. Should there be any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

Disclaimer

Parts of this Report are forward-looking subject to uncertainties, which could cause actual results to differ materially from those presented. The Company undertakes no obligation to update any forward-looking statements provided in this Report.

¹ Compared to the previous year, the Report's coverage has expanded from major subsidiaries to the full scope of consolidated financial statements. The 2023 data in this report has been retrospectively adjusted accordingly.

Message from the Chairman



“

2024 marked a pivotal year for Weichai Power as we forged ahead based on past glory and accelerated our transformation at a faster pace. Amidst a complex and dynamic global landscape, we remained unwavering in our pursuit of excellence, innovation, and leadership. By advancing technological innovation, seizing market opportunities, and exploring operational potential, we maintained high-quality, stable growth, delivering outstanding performance to society, the government, shareholders, and employees.

Adhering to high-level independent research and development, we foster and strengthen new quality productive forces. We launched the world's first diesel engine with a body thermal efficiency of 53.09%, setting a new global record for the fourth time in four consecutive years. By fully integrating data across production lines and promoting the application of digital twin technology and machine vision, we were selected as one of the first batch of national outstanding smart factories. We also established the world's largest multi-power integrated testing laboratory and the industry's first fully digitized unmanned engine factory. Our relentless pursuit of quality excellence led to our recognition as a Leading Enterprise in the National Quality Power Initiative among the first batch and earned us the Gold Award at the International Convention on Quality Control Circles.

Accelerating the new energy transition, we aim to build a green development model. Committed to the path of green and low-carbon transformation, we are driving innovation in internal combustion engine energy-saving and cost-reducing technologies and breakthroughs in core new energy technologies. We are speeding up the construction of the Weichai (Yantai) New Energy Power Industrial Park. We launched a full range of new energy-power batteries for commercial vehicles and developed next-generation hydrogen fuel cells and high-power SOFC products. Our strategic layout currently covers medium- and high-speed engines powered by alternative fuels such as methanol and hydrogen. Leveraging the combined strengths of "traditional power + clean power + new energy power", we continue to provide the industry with more high-end, cutting-edge, and professional solutions.

Advancing the construction of a compliance system, we actively fulfill our social responsibility. We promoted the implementation of compliance controls across all business areas and subsidiaries and steadily improved corporate governance via the establishment of Weichai's "four-in-one" compliance management system and specialized compliance systems with a focus on high-risk areas. We are firmly committed to fulfilling social responsibilities and continuously carrying out diverse public welfare actions in poverty alleviation, educational donations, and volunteer services. Guided by the principle of "one family, one heart, joint actions, and joint success", we continue to organize practical activities of "I do practical things for the masses", improve employee welfare systems, promote employees' democratic participation in governance, and comprehensively elevate employees' sense of happiness and satisfaction. We

proactively practiced ESG development concepts and were honored with the 2024 ESG Corporate Governance Excellence Award.

Amplifying global brand influence, we let the world hear Weichai's voice. We have held nearly 100 global partner conferences, new product exhibitions, and corporate promotion events in Indonesia, Mexico, Germany, and other regions, building an overseas brand communication matrix. Our official new media matrix consistently ranks among the top 50 in the New Media Index of China Top 500 Enterprises, winning the First Prize for the "Strongest Overseas Voice" Social Media Account awarded by the Publicity Department of the Central Committee of the Communist Party of China and being named one of 2024 China Top 100 Overseas Brands by the *People's Daily*.

The release of this ESG report reviews our efforts in fulfilling social responsibility in 2024. We hope to strengthen our partnerships with all stakeholders, foster deeper mutual understanding, and drive sustainable business practices that inject stronger momentum into the prosperity of both the economy and society.

Chairman
Ma Changhai

”

ESG Statement of the Board

Weichai Power fully recognizes the profound impact of Environmental, Social and Governance (ESG) issues on sustainable corporate development, stakeholder trust, and long-term value creation. The Company adheres to the *Code of Corporate Governance for Listed Companies* of the China Securities Regulatory Commission and the requirements of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, integrating ESG core principles and standards comprehensively into its management practices.

The Company has established a three-tier management structure consisting of the "ESG Committee - ESG Management Team - ESG Working Group", providing a solid foundation for the implementation of ESG management initiatives. The Board of Directors, as the highest regulatory body, is responsible for overseeing ESG initiatives. The board's ESG committee acts as the primary regulatory and decision-making body for the Company's ESG efforts, responsible for ESG strategy formulation, risk assessment, and the review and decision-making of annual reports. The ESG Management Team assesses significant risks and opportunities, coordinates resources, and reviews relevant policies. The ESG coordination office functions as the executive body for ESG matters, providing overall guidance and coordination for ESG-related activities across departments. In addition, the Company has established an ESG Working Group and subsidiary-level ESG Working Groups tasked with executing annual ESG work plans, participating in ESG report preparation and goal setting, and coordinating the advancement of ESG initiatives.

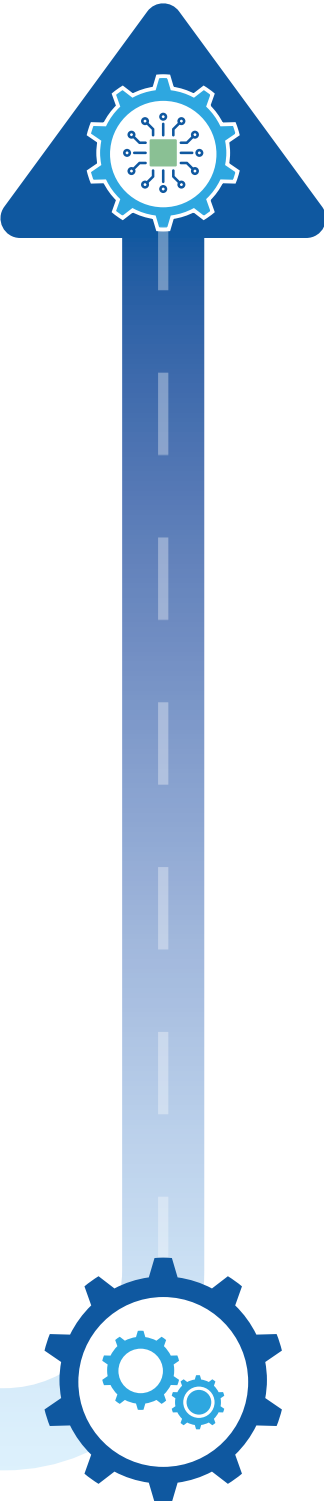
This Report discloses in detail the progress and performances of Weichai Power's ESG efforts in 2024, which was submitted to the Board of Directors for consideration and approval by the Strategic Development and Investment Committee on March 27, 2025.

About Weichai Power

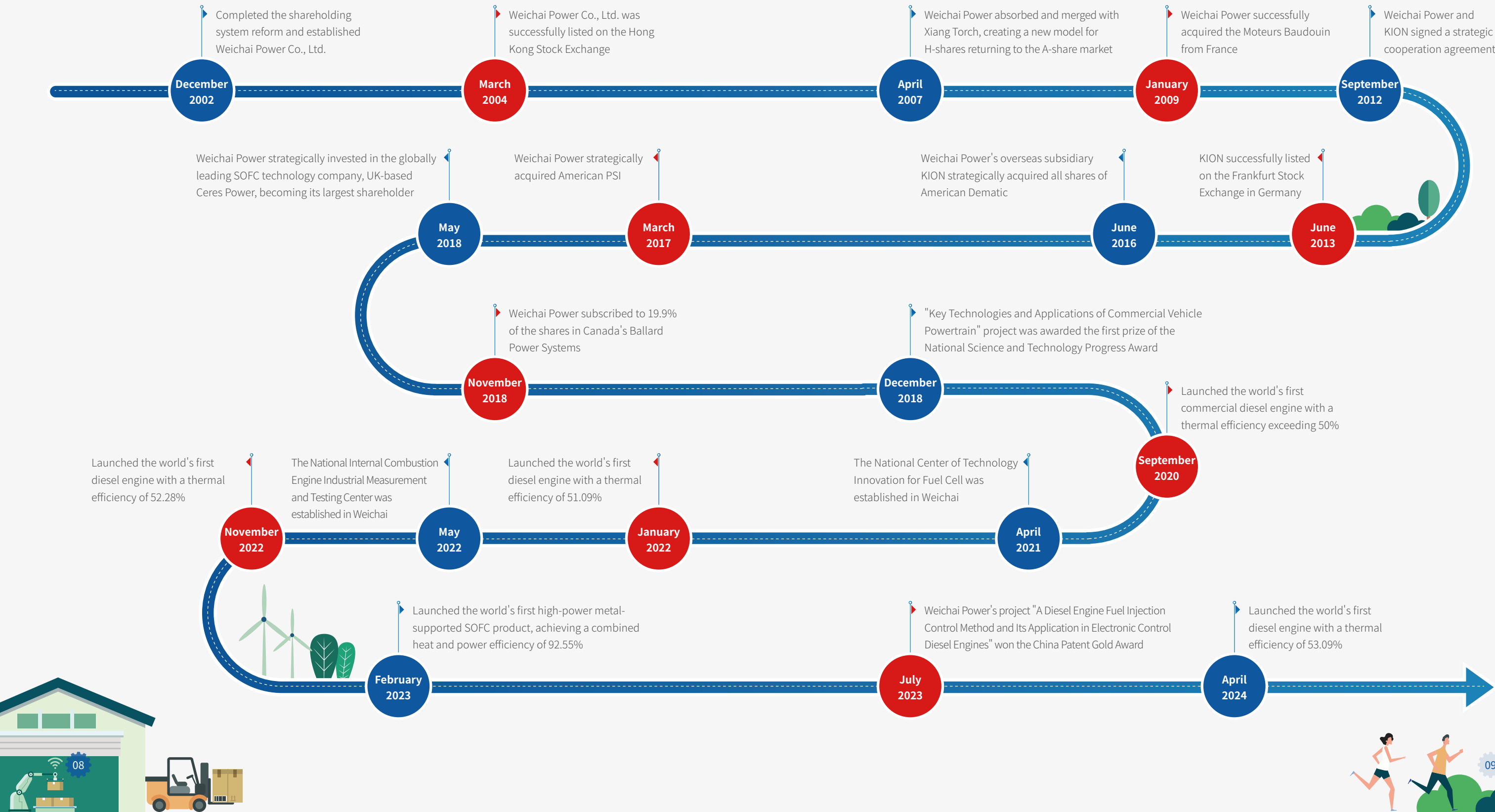
Weichai Power was founded in 2002 by the original Weifang Diesel Engine Factory as the main sponsor, together with other domestic and foreign investors. It is the first Chinese combustion engine company listed on "HKEX" and it is also the first enterprise to achieve dual listing in both Hong Kong and the Chinese mainland through share swap and merger, known as "H to A" listing. In 2024, it achieved an operating income of RMB 215.69 billion , a net profit attributable to the parent of RMB 11.4 billion, with a year-on-year increase of 26.5%.

The Company owns a range of well-known brands, both domestically and internationally. Domestically, it includes "Weichai Power Engines", "Shacman Heavy-Duty Truck", "Weichai Lovol Intelligent Agriculture", "Fast Gear", "Hande Axle", and "Torch Spark Plug". Internationally, it includes "KION" and "Linde Hydraulics" from Germany, "Dematic" and "PSI" from the USA, "Moteurs Baudouin" from France, and "Ballard" from Canada. The Company's main business covers multiple fields including power systems, commercial vehicles, agricultural equipment, smart logistics, and other sectors, with subsidiaries and branches across Europe, North America, Asia, and other regions. Its products are exported to over 150 countries and territories. The Company's heavy engines and heavy gearboxes rank first in global sales, its industrial forklifts are among the global leaders, its agricultural equipment sales are the highest in China, and its heavy trucks are leading in China.

Weichai Power consistently prioritizes technological innovation as its core driving force. The Company hosts national innovation platforms, such as the State Key Laboratory of Internal Combustion Engine and Power System, the National Fuel Cell Technology Innovation Center, the National Commercial Vehicle Power System Assembly Engineering and Technology Research Center, the National Industrial Design Center, the National Internal Combustion Engine Product - Quality Inspection and Testing Center, the National Internal Combustion Engine Industrial Measurement and Testing Center, the Nationally Recognized Enterprise Technology Center, among others. It also has set up "post-doctoral research stations" and other research bases, has established ten cutting-edge technology innovation centers across the globe, and built a global collaborative R&D platform. The Company has won nine national scientific and technological awards, including the first prize of the National Science and Technology Progress Award in 2018. Weichai Power, with the mission of "Green Power, International Weichai", continuously enhances its core competitiveness, promoting the green transformation and sustainable development of the global power industry.



Corporate Milestones



Honors and Awards

Weichai Power

was selected as one of the first batch of Leading Enterprises in the National Quality Power Initiative



Weichai Power

won the Shandong Science and Technology Progress First Prize



Weichai Power

won the Gold Award at the International Convention on Quality Control Circles (ICQCC)



Weichai Power

was awarded the “2024 Work Different Extraordinary Employers Award” by Liepin



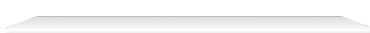
Weichai Lovol Intelligent Agriculture

won the First Prize of Agricultural Machinery Science and Technology Award



Fast Gear

won multiple awards, including the Science and Technology Progress First Prize, the Shaanxi Science and Technology Progress First Prize, and the 2023 Science and Technology Innovation Award from the State-owned Assets Supervision and Administration Commission of Shaanxi Province



Mechanical Manufacturing

was recognized as a small and medium sci-tech enterprise by the Department of Science and Technology of Hunan Province in 2024



Shaanxi Heavy Duty Automobile

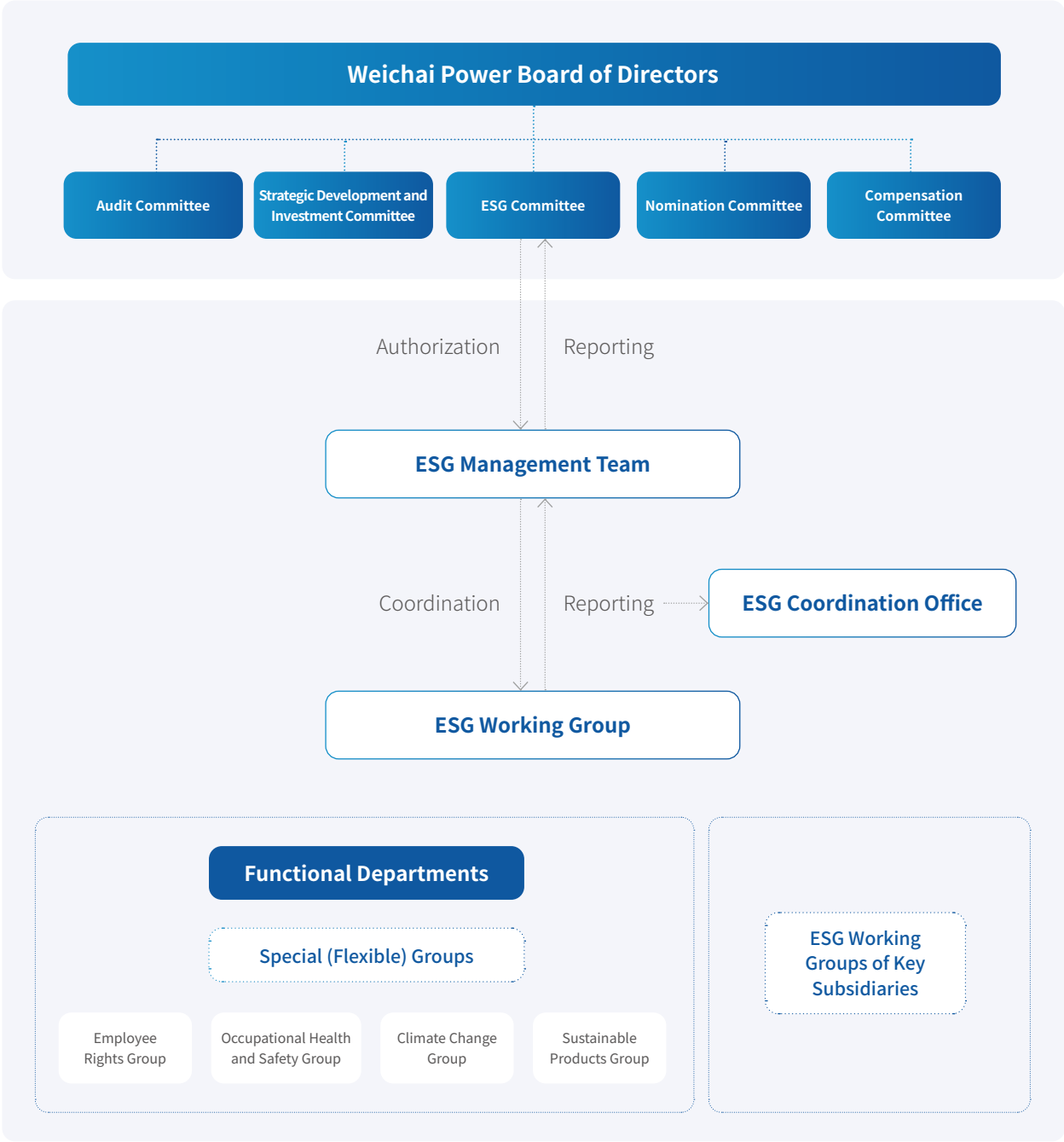
was awarded the honor of “Shaanxi Manufacturing Single Champion Enterprise” by the Industry and Information Technology Department of Shaanxi Province in 2024



ESG Governance

Weichai Power, as a leading enterprise in China's equipment manufacturing industry, integrates ESG concepts into its corporate strategy and daily operations. It is committed to effectively enhancing the Company's ESG governance level and achieving long-term sustainable development goals through a scientific governance structure, clear strategic planning, precise issue identification, and effective stakeholder communication.

ESG Governance Structure²



² The ESG Committee was established in March 2025.

ESG Governance Structure

To implement the ESG development philosophy and provide organizational support for the Company's ESG management work, the Company has established an ESG committee at the board level. This forms a three-tier ESG management structure consisting of the "ESG Committee - ESG Management Team - ESG Working Group", clarifying the responsibilities of each level, department, and position, and comprehensively improving the Company's ESG performance management level.

Responsibilities of ESG Governance Structure

ESG Committee³

- The ESG Committee of the Board of Directors serves as the highest decision-making and governance body for the Company's ESG efforts. It leads and oversees ESG governance matters, and supervises and reviews the Company's ESG-related development strategies, objectives, plans, reports, and other issues that may have a significant impact on the Company

ESG Management Team

- The ESG Management Team, as the core management group for ESG efforts, is led by the Company's General Manager as the highest responsible person, directly overseeing the ESG work plans of various subordinate departments
- Coordinate the implementation of the Company's ESG strategy, objectives, and plans
- Assess ESG-related risks and opportunities that have significant impacts on the Company's business and report to the ESG Committee of the Board of Directors

ESG Coordination Office

- Act as the executive body for ESG matters, providing overall guidance and coordination for ESG-related work across various departments

ESG Working Group

- Conduct the specific execution of ESG work, with four ESG Working (Flexible) Groups under its purview: employee rights, occupational health and safety, climate change, and sustainable products
- Execute the annual ESG work plan, including the identification and assessment of risks and opportunities related to various ESG topics, and regularly report to the ESG Management Team
- Be responsible for communication and coordination with relevant departments and subsidiaries to advance ESG issues

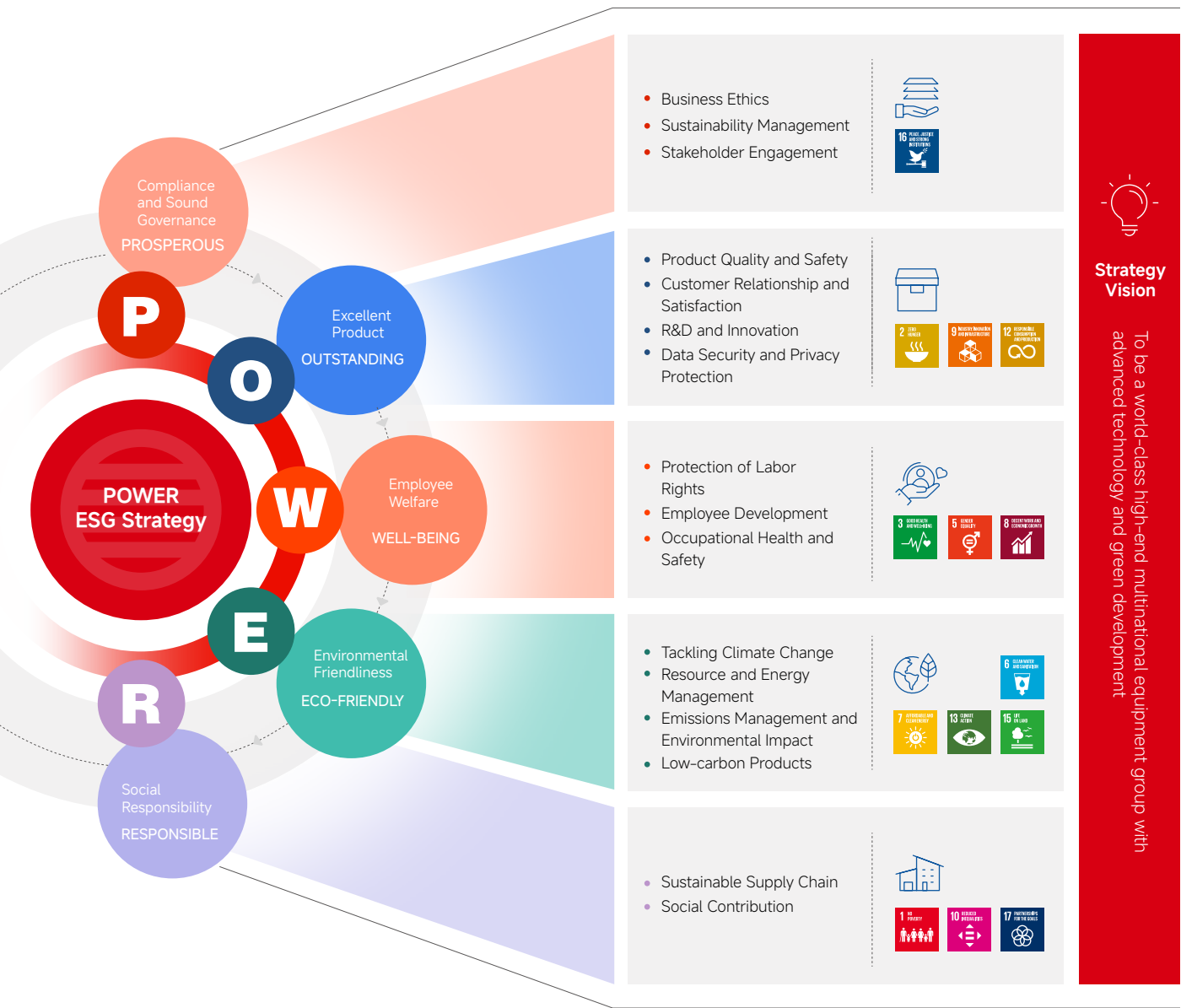
ESG Working Group of Key Subsidiaries

- Develop ESG strategic plans and oversee the implementation of ESG strategies
- Establish a communication bridge between the Company and subsidiaries to strengthen ESG management cooperation

³ The ESG Committee was established in March 2025.

ESG Strategy

Weichai Power, based on the national strategic perspective and in line with global sustainable development trends, combines its development strategy, industry characteristics, and ESG requirements to comprehensively build the "POWER" sustainable development strategy system. This system is supported by five core elements: PROSPEROUS Compliance and Sound Governance, OUTSTANDING Excellent Products, WELL-BEING Employee Welfare, ECO-FRIENDLY Environmental Friendliness, and RESPONSIBLE Social Responsibility, contributing to the realization of the national "dual carbon" goals. We uphold the corporate mission of "Green Power, Global Weichai" and the corporate vision of "To be a world-class high-end multinational equipment group with advanced technology and green development". Through the comprehensive deployment of the "POWER" strategy, we deeply integrate ESG concepts into corporate strategic planning and daily operations, align with the global ESG development trend, steadily promote high-quality corporate development, and contribute Chinese wisdom and strength to the sustainable development of the global power industry.



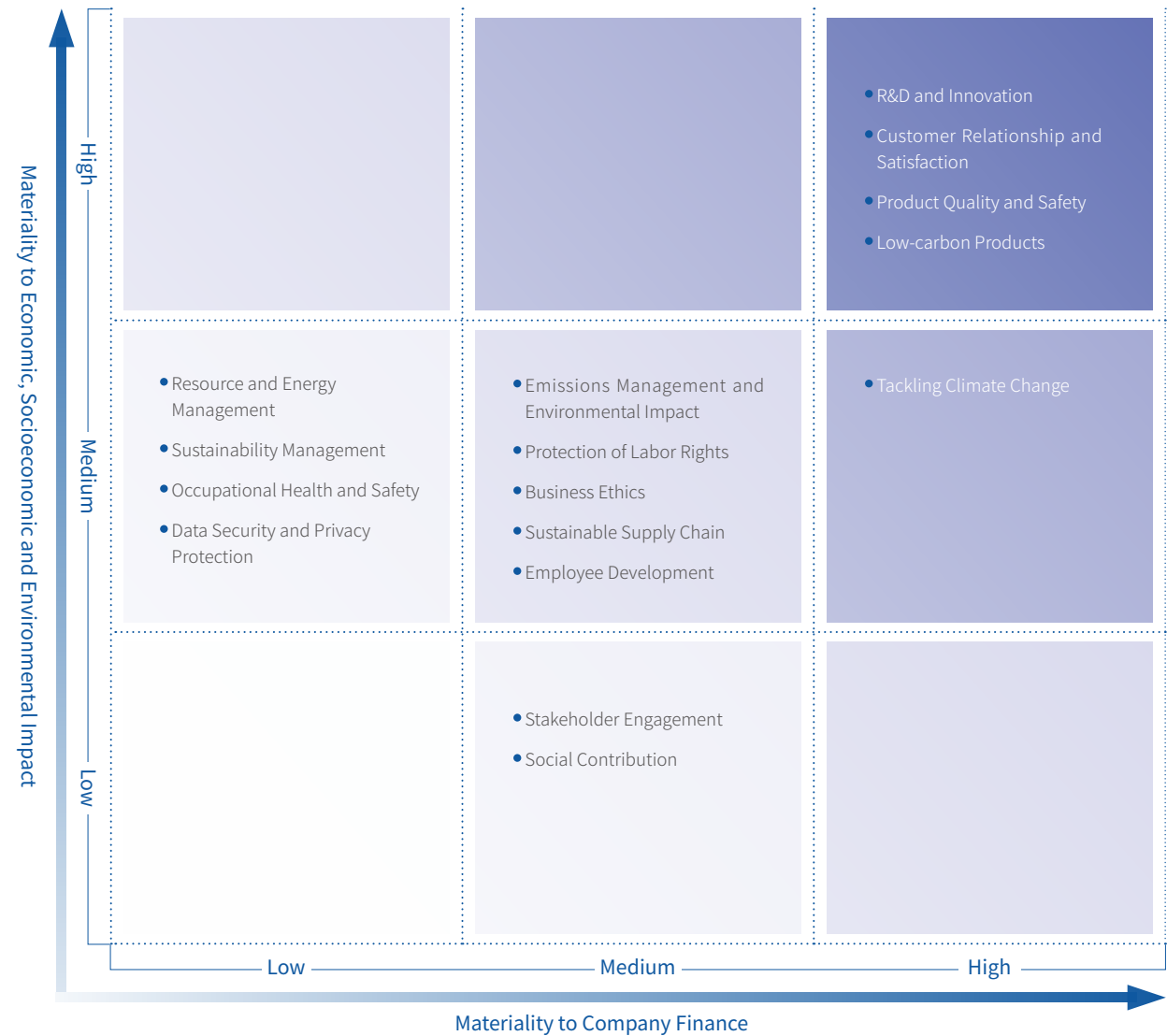
Weichai Power ESG Strategy

<p>PROSPEROUS Compliance and Sound Governance</p>	<p>Weichai Power takes a solid compliance framework and ethical standards as its core to ensure operational transparency and fairness.</p> <ul style="list-style-type: none">Business EthicsSustainability ManagementStakeholder Engagement <ul style="list-style-type: none">Standardizing Corporate GovernanceStrengthening Risk ManagementUpholding Business Ethics
<p>OUTSTANDING Excellent Product</p>	<p>Weichai Power enhances product and service quality through comprehensive management innovation and optimization, driving efficient development across the entire value chain.</p> <ul style="list-style-type: none">Product Quality and SafetyCustomer Relationship and SatisfactionR&D and InnovationData Security and Privacy Protection <ul style="list-style-type: none">Guaranteeing Product QualityEnhancing Service ExperienceDeepening Innovative Development
<p>WELL-BEING Employee Welfare</p>	<p>Weichai Power adheres to the "people first" philosophy, creating a diverse, inclusive, equal, open, healthy, and harmonious working environment.</p> <ul style="list-style-type: none">Protection of Labor RightsEmployee DevelopmentOccupational Health and Safety <ul style="list-style-type: none">Safeguarding the Rights and Interests of EmployeesSupporting Employee DevelopmentEnhancing Employee Well-beingStrengthening Safety Defenses
<p>ECO-FRIENDLY Environmental Friendliness</p>	<p>Weichai Power adheres to the principle of harmonious coexistence with nature, actively addresses climate change, and comprehensively develops a green and sustainable operational model, jointly building a green, low-carbon ecosystem.</p> <ul style="list-style-type: none">Tackling Climate ChangeResource and Energy ManagementEmissions Management and Environmental ImpactLow-carbon Products <ul style="list-style-type: none">Implementing Climate ActionChampioning Green OperationsLeading Low-carbon Reforms
<p>RESPONSIBLE Social Responsibility</p>	<p>Weichai Power actively fulfills its social responsibilities, continuously optimizes supply chain management, and deeply participates in social development.</p> <ul style="list-style-type: none">Sustainable Supply ChainSocial Contribution <ul style="list-style-type: none">Standardizing Responsible ProcurementActively Giving Back to Society

Double Materiality Assessment

Weichai Power pays attention to the demands and concerns of stakeholders and actively responds to the compliance requirements on dual materiality in the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)* (hereinafter referred to as the *Guidelines*) of the Shenzhen Stock Exchange. For the first time in 2024, the Company initiated the identification and analysis of double materiality issues. The Company comprehensively reviews the background of its activities and business relationships based on the characteristics of its industry and operations. Building on the 21 issues set out in the Shenzhen Stock Exchange's *Guidelines*, it identifies the related impacts, risks, and opportunities to compile a list of company issues. We comprehensively assess the importance of sustainable development issues from two key dimensions: financial materiality to the company and impact materiality on the economy, society, and environment. Through stakeholder surveys, the Company forms conclusions on impact materiality assessment. Combining the likelihood of risks and opportunities and the degree of financial impact, it determines financial materiality assessment factors to form conclusions on financial materiality assessment. This ultimately leads to the formation of the 2024 Double Materiality Issues Matrix. Ultimately, the Company disclosed the process and results of the dual materiality analysis, providing a scientific basis for the implementation of the ESG strategy and offering critical guidance for the rational allocation of company resources and effective risk management.








Weichai Power 2024 Dual Materiality Matrix



Stakeholder Engagement

Weichai Power consistently maintains active and transparent communication with all stakeholders. We published regulatory documents such as the *Investor Relations Management System of Weichai Power Co., Ltd.*, which strengthen information communication between the Company and its stakeholders and promote a positive interactive relationship between the Company and its stakeholders.

In 2024, the Company continued to deepen its communication with various stakeholders, actively listen to their voices through diverse communication channels and methods, promptly respond to concerns, and build closer, mutually trusting cooperative relationships to jointly promote the Company's high-quality development and the creation of social value.

Stakeholder	Stakeholder Expectation	Communication Mechanisms
Government and Regulatory Agencies	<div></div> <div>Compliance with laws and regulations Compliance operation Paying taxes according to law Contributing to local development</div>	<div>Information disclosure Routine communication and report Government research and inspections</div>
Shareholders and Investors	<div></div> <div>Shareholder returns Information disclosure Risk management Corporate governance Business performance</div>	<div>Shareholders' meeting Periodic reports and announcements Investor communication meetings</div>
Customers	<div></div> <div>Supply of renewable energy products High-quality services</div>	<div>Guaranteeing product quality Customer satisfaction surveys Regular customer communication activities</div>
Employees	<div></div> <div>Employee rights and interests protection Occupational health and safety Career development</div>	<div>Staff congresses and trade unions Employee satisfaction survey Performance management Internal and external training Employee care activities</div>
Partners	<div></div> <div>Clean business environment Win-win development Supply chain sustainability</div>	<div>Public bidding On-site audits Supplier conferences Business conferences</div>
Community Representatives	<div></div> <div>Driving local economic development Environmental impact of production and operation in the community Community service and charity</div>	<div>Volunteer service Supporting cultural and sports activities Participating in community building</div>
Trade Associations	<div></div> <div>Fair competition Promoting industry development Technology and experience sharing</div>	<div>Industry exchange seminar Project cooperation</div>

01

Operating with Integrity, Seeking Sustainable Development

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Weichai Power always regards operation with integrity as the core philosophy of enterprise development. We focus on optimizing governance structures, improving risk management systems, and strengthening business ethics to ensure the Company's steady and long-term development in the fiercely competitive market.

”



Standardizing Corporate Governance

Weichai Power adheres to the concept of standardized governance, improves the governance structure, strengthens the execution of systems, and promotes the diversification and professionalization of the Board of Directors. Meanwhile, it guides integrity and compliance through party leadership, integrating integrity and self-discipline as well as compliant operations into the corporate culture, ensuring the scientific, standardized, and effective governance of the Company.

Corporate Governance

Weichai Power strictly follows relevant laws and regulations such as the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Guidelines for Corporate Governance of Listed Companies*, and *Listing Rules of the Hong Kong Exchanges and Clearing Limited*. The Company continuously improves the corporate governance structure, optimizes governance mechanisms, ensures efficient and standardized operation of the Board of Directors, and constantly enhances the level of corporate governance, laying a solid foundation for the Company's steady development.

The Weichai Power Board of Directors has established an Audit Committee, a Compensation Committee, a Nomination Committee, a Strategic Development and Investment Committee, and an ESG Committee. Each committee performs its respective duties, collaboratively supervising the effective execution of the Company's management tasks and providing strategic decision-making support for the Company's development. The Company places high importance on the effectiveness of the Board of Directors, ensuring efficient decision-making and diligent performance through standardized annual review processes, independent director mechanisms, and scientific annual director election procedures, thereby safeguarding the interests of the Company and its shareholders and promoting sustained and healthy development. During the Reporting Period, the Board of Directors convened 12 meetings, with an attendance rate of 100%.

During the Reporting Period

The Board of Directors convened meetings

12times

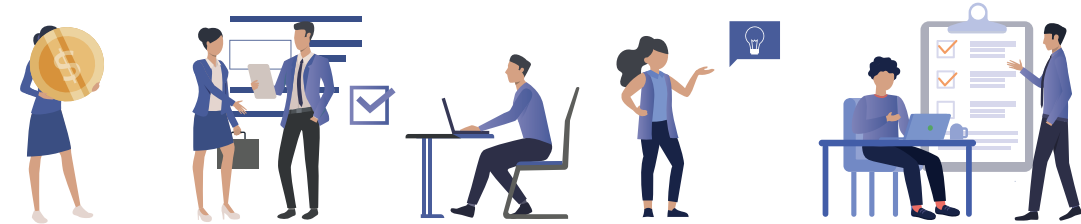
With an attendance rate of

100%



The Company is committed to building a diverse board, carefully considering factors such as gender, age, professional expertise, and industry experience to ensure that the board meets the business needs of the Company while possessing a diverse background and professional capabilities. The independent directors of the Company come from various professional backgrounds, including finance, law, risk management, engineering, and machinery, providing comprehensive and professional support for the Company's decision-making.

As of December 31, 2024, the board consists of 13 members, including five executive directors, three non-executive directors, and five independent non-executive directors. Mr. Zhao Fuquan, a member of the Company's Audit Committee, serves as an Independent Director of Guangzhou Automobile Group Co., Ltd. and China Automotive Engineering Research Institute Co., Ltd., among other positions. Mr. Xu Bing serves as an Independent Director of Zhe Kuang Heavy Industry Co., Ltd., among other roles. Both possess extensive experience in the capital goods industry. Meanwhile, the Company places great emphasis on the value of female leadership, appointing one female independent non-executive director to continuously enrich the diverse composition of the board.



Board Directors of Weichai Power as of December 31, 2024

Name	Gender	Position/ Responsibilities	Professional Competence		
			Industry Experience ⁴	Risk Management Experience ⁵	Financial Management Experience ⁶
Ma Changhai	Male	Chairman of the Board, Executive Director	✓		
Wang Decheng	Male	Executive Director, General Manager	✓		
Sun Shaojun	Male	Executive Director	✓		
Yuan Hongming	Male	Executive Director	✓		
Ma Xuyao	Male	Executive Director	✓		
Zhang Liangfu	Male	Non-Executive Director			✓
Richard Robinson Smith	Male	Non-Executive Director			✓
Michael Martin Macht	Male	Non-Executive Director	✓		
Jiang Yan	Female	Independent Non-Executive Director			✓
Chi Deqiang	Male	Independent Non-Executive Director		✓	
Zhao Fuquan	Male	Independent Non-Executive Director	✓		
Xu Bing	Male	Independent Non-Executive Director	✓		
Tao Hua'an	Male	Independent Non-Executive Director		✓	

In 2024, the Company organized multiple directors and senior executives to participate in various professional training activities, including the "Shenzhen Stock Exchange Listed Company Independent Director Training Class", "Listed Company Chairman and General Manager Training Class of the China Association for Public Companies", and "Director, Supervisor, and Senior Executive Training Class of the Listed Company Association of Shandong", etc., further enhancing the directors' and executives' performance capabilities and compliance awareness.

⁴ Refers to those who have professional experience in companies classified under the 'Capital Goods' sector as defined by the Global Industry Classification Standard (GICS®).
⁵ Refers to those who have professional knowledge of risk management or have worked in risk management related positions.
⁶ Refers to those who have professional knowledge in finance, accounting, etc., or have worked in finance or auditing related positions.

Party Building Leadership

Weichai Power adheres to the principle of party building leading corporate governance. By having party committees conduct preliminary research on major issues, the Company ensures that its decisions are highly consistent with the Party's policies, principles, and national laws and regulations. In 2024, with the party's political construction as the guiding principle, ideological construction as the foundation, style construction as the focus, and discipline construction as the red line, the Company promoted the effective implementation of various party-building tasks, achieving deep integration of party building and business operations.

The Company conducts high-standard, high-quality party discipline education activities. Through specialized party lectures and other formats, it organizes party members to diligently study the *Regulations on Disciplinary Actions of the Communist Party of China* and watch warning education films on cases of party discipline violations, further strengthening party members' awareness of discipline and enhancing self-restraint. Meanwhile, the Company refines risk lists for branches at different levels and in various fields, ensuring the thorough implementation of party discipline education.

The Company has established a system of responsibility agreements for the construction of a clean and honest party culture and supervision. Through multi-tiered signing, responsibilities are solidified layer by layer, building a strong "firewall" for integrity and self-discipline. The Company regularly convenes meetings on the construction of a clean and honest party culture and the improvement of leadership work style. These meetings report on the progress of party integrity construction and present typical cases of leadership work style, supplemented by the screening of cautionary educational films to strengthen employees' awareness of discipline and rules. Additionally, the Company's party Committee and Discipline Inspection Commission have signed responsibility agreements with 73 party organizations to ensure that responsibilities are implemented at each post and to each individual, providing a solid political foundation for the Company's high-quality development.

The Company actively promotes practical activities such as the Party Member Model Post and Pioneer Post, delineating party members' responsibility zones to guide them in playing a vanguard and exemplary role in the high-quality completion of central tasks. We focus on business enhancement, encouraging party members from various branches to delve into the front lines of production. They undertake a series of foundational improvement tasks, including the establishment of systems, diagnostic assistance, regulatory governance, and the revision of operational procedures, playing a pioneering and exemplary role in all aspects of the Company's operations.



Holding the Commendation Ceremony and Chorus Gala Celebrating the 103rd Anniversary of the Founding of the People's Republic of China

On the evening of June 30, 2024, the "Turning Hearts towards the Party · Taking the Main Responsibility" Commendation Ceremony and Chorus Gala Celebrating the 103rd Anniversary of the Founding of the People's Republic of China commenced. During the event, we organized a collective oath-taking for new Party members and a reaffirmation of the oath by veteran members, thereby reinforcing their sense of duty and mission. Additionally, the ceremony recognized outstanding Party members, exemplary Party workers, and advanced grassroots Party organizations for 2023, inspiring everyone to undertake the challenge of building a manufacturing powerhouse with renewed vigor and to enhance the glory of the Party flag through exceptional achievements.



The Commendation Ceremony and Chorus Gala Celebrating the 103rd Anniversary of the Founding of the People's Republic of China

Strengthening Risk Control



Weichai Power has been continuously optimizing its risk control and compliance management systems, refining risk management processes, and strengthening compliance mechanisms. It actively responds to various risk challenges and continuously enhances the risk awareness and compliance levels of all employees, thereby laying a solid foundation for the Company's stable development.

Risk Management

Weichai Power has established a comprehensive "three lines of defense" risk management system. The Board of Directors, as the leadership and decision-making body for the Company's risk management, is responsible for the overall planning of risk management and the construction of the internal control system. As the risk managing entity, the Legal Affairs and Compliance Department is responsible for establishing risk identification processes, devising targeted response plans, and clarifying full-process management such as the risk emergency response mechanisms. All business units and functional departments collaborate closely to implement risk response measures specifically, ensuring the effective operation of the risk management system.

Risk Management Process

Identify

- Collect various types of risk information from enterprises to form a Weichai risk map
- Conduct comprehensive and systematic risk identification and diagnosis annually to form risk descriptions
- Summarize to create departmental and project risk lists

Evaluate

- Establish a risk assessment model, evaluating risks based on the possibility of risk occurrence and the impact level of the risk
- Engage key departments and personnel in the assessment, combining quantitative and qualitative evaluation methods to conduct a comprehensive risk assessment
- Utilize risk heat maps for visual risk management

Respond

- Develop risk management work plans, including response, monitoring, and training plans
- Assign and analyze risk causes based on risk control responsibilities
- Analyze the effect evaluation and determine the overall response strategy

Supervise

- Establish a risk monitoring and early warning mechanism to track the effectiveness of major risk responses
- Develop key risk indicators to achieve dynamic risk monitoring

Improve

- Focus on key business areas and implement the risk control performance evaluation mechanism
- Build a risk-position-process risk control model and continuously improve risk management measures

The Company continuously optimizes its risk classification and hierarchical control system and strictly carries out risk identification, assessment, response, monitoring, and early warning according to the *Enterprise Risk Management Process*.

In 2024, Weichai Power HQ organized 46 risk management training sessions, covering 26,000 employees. The content included areas such as legal regulations, legal risks, and compliance management. Meanwhile, the Company organized all employees to participate in a risk knowledge test. Through systematic training and assessment, it further strengthened the compliance risk awareness of all employees.

In 2024

Weichai Power HQ organized

Covering

46 risk management training sessions

26,000 participants

Compliance Management

In 2024, Weichai Power continued to deepen the construction of the "Four-in-One" compliance management system, improved the three-tiered system and process specification documents for compliance, and compiled and revised compliance management system guidance documents. It promoted the implementation of compliance systems, supervised the compliance status of various units, and ensured the systematic and operational nature of compliance management. Building on this foundation, the Company has established a compliance issue database and a rectification tracking and scheduling mechanism. Issues identified during daily compliance reviews and system audits are tracked and addressed throughout the entire process, effectively preventing the recurrence of compliance problems. Meanwhile, the Company established a compliance management and control "risk-position-process three lists". Focus on compliance risks, we conducted in-depth analysis and evaluation, formulated corresponding response measures, clarified the responsibility positions, and ensured that compliance management responsibilities were fully implemented.

Tax Management

The Company consistently adheres to the principle of lawful operation, strictly complying with domestic and international tax laws and regulations. It has established a three-tier tax management framework, clearly defining the processes, responsibilities, and standards for tax management to ensure the timeliness and accuracy of tax handling. The Company's domestic operations fully comply with tax laws and regulations such as the *Enterprise Income Tax Law*, *Interim Regulations on Value-added Tax*, and *Tax Collection and Administration Law*. Internationally, the Company strictly adheres to the tax policies, international tax rules, and bilateral tax agreements of various tax jurisdictions to ensure that tax payments for both domestic and international operations meet local regulatory requirements.

Additionally, the Company maintains a good communication with tax authorities, regularly reporting on the Company's business development and tax situation. It actively cooperates with tax authorities' tax management efforts, continuously improving tax compliance and ensuring the compliance and transparency of tax management.



Upholding Business Ethics



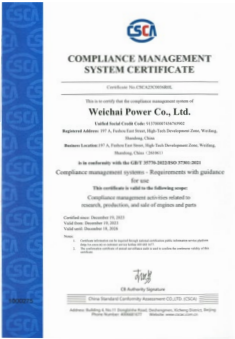
Business ethics are the cornerstone of sustainable corporate development. Weichai Power consistently adheres to the principle of legal compliance, committed to improving the business ethics management system. Through specialized audits on business ethics, the Company promotes integrity among employees and partners, broadens reporting channels, enhances tax transparency, and ensures the Company operates legally and in compliance.

Institutional Building

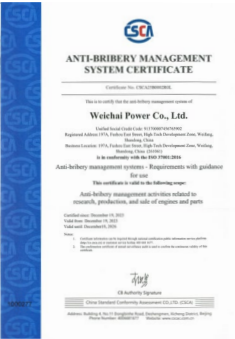
The ESG Committee of the Company's Board of Directors is the highest responsible body for business ethics issues and is responsible for implementing the supervision of mechanisms. We strictly abide by the *Company Law of the People's Republic of China*, the *Anti-unfair Competition Law of the People's Republic of China*, the *Anti-monopoly Law of the People's Republic of China*, the *Interim Provisions on Prohibition of Commercial Bribery*, the *Anti-Money Laundering Law of the People's Republic of China* and other laws and regulations, implement the *Administrative Measures for the Integrity of the Company* and other internal systems. We revised and improved the *Weichai Power Code of Business Conduct* and the *Administrative Accountability Management Measures* to ensure that business activities are legal and compliant and that the bottom line of business ethics is upheld. The Company has obtained ISO 37001 Anti-Bribery Management System Certification and ISO 37301 Compliance Management System Certification, covering compliance management activities in the research, production, and sales of engines and their components.



Anti-Bribery Management System Certification



Compliance Management System Certification



We strictly adhere to the *Weichai Power Code of Business Conduct* and maintain a "zero-tolerance" stance towards any behavior that violates business ethics, clearly defining actions such as commercial bribery, extortion, fraud, money laundering, monopoly, and unfair competition as violations of business ethics. To ensure the Company's honest and lawful operations, we continuously improve our internal "Comprehensive Supervision" inspection and oversight mechanisms, actively implement preventive measures, and utilize the "inspection and supervision handling" information platform to enhance supervision efficiency. We organized key personnel of the Company to sign the *Four Commitments to Integrity and Self-discipline* with unit heads, discipline inspection officers, and legal representatives, establishing a strong foundation for integrity from the outset. In 2024, a total of over 8,200 employees in Weichai Power HQ signed the *Letter of Commitment to Integrity and Self-Discipline*.

In 2024, Weichai Power did not engage in any behavior that violated ethical standards such as money laundering, insider trading, or conflicts of interest. The Company was not involved in any corruption-related lawsuits.

In 2024

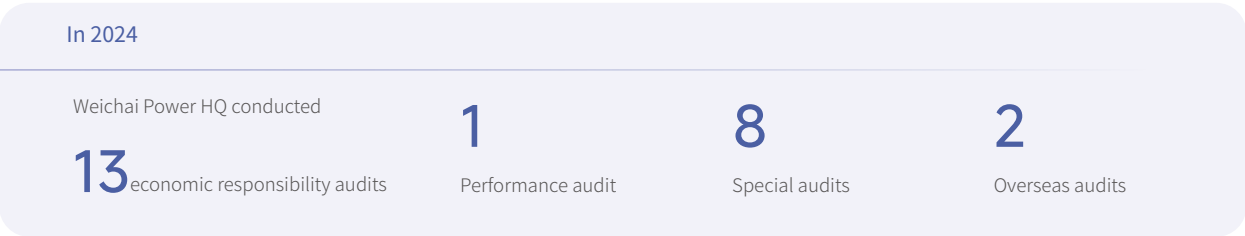
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8,200

employees in Weichai Power HQ signed the Letter of Commitment to Integrity and Self-Discipline

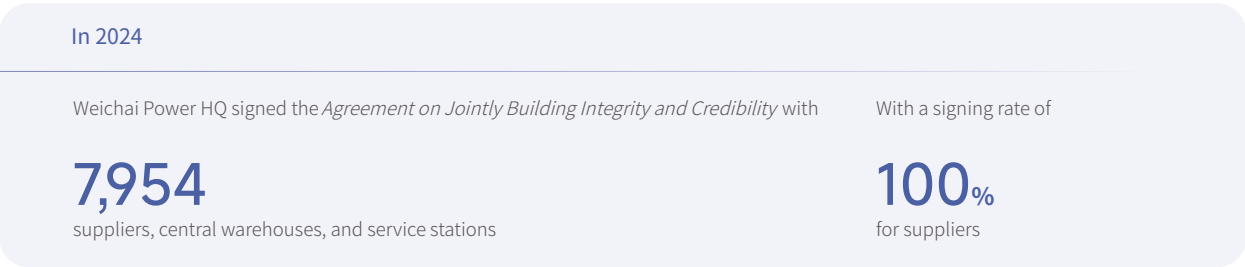
Special Audit on Business Ethics

In 2024, the Company actively implemented business ethics and anti-corruption audits, completed multiple special supervisory inspections, and all identified issues have been rectified. Additionally, Weichai Power HQ conducted 13 economic responsibility audits, one performance audit, eight special audits, and two overseas audits. The audit scope covered critical areas such as business ethics, asset management, financial management, procurement management, and quality management. Comprehensive supervision and rectification were implemented for identified issues to ensure they were thoroughly resolved.



Partners' Integrity Performance

We pay equal attention to the integrity of our business partners and continue to improve the *Supplier Code of Conduct*, clarify the management requirements for all suppliers regarding business ethics, and strictly prohibit improper behaviors such as corruption and bribery, unfair competition, monopolies, and conflicts of interest, and require all suppliers to sign the *Agreement on Jointly Building Integrity and Credibility*. In 2024, Weichai Power HQ signed the *Agreement on Jointly Building Integrity and Credibility* with 7,954 suppliers, central warehouses, and service stations, with a signing rate of 100% for suppliers.



Integrity Training

Weichai Power attaches great importance to the construction of an honest culture. The Company has developed a business ethics training program covering all employees and suppliers. By carrying out various forms of integrity training activities, we can comprehensively enhance the ethical awareness and compliance quality of our employees.

2024 Weichai Power HQ Integrity Training Activities

Training Theme	Training Effectiveness
Training on "Learning Party Rules and Regulations, and Being a Model of Integrity"	We thoroughly studied party regulations and discipline, strengthened awareness of integrity and self-discipline, and enhanced the role of leading cadres as models of integrity. A total of approximately 140 participants attended the sessions
Conference on Party Conduct and Integrity Construction and Leadership Style Improvement	We watched an educational warning film, reported on the progress of Party conduct and clean governance, and reinforced the work ethic of leading cadres. Approximately 600 participants attended the sessions in person and via video conferencing
Integrity Education Training in the Marketing Field	We conducted integrity education for marketing personnel to strengthen their awareness of ethical conduct and prevent integrity risks in the marketing sector. A total of two sessions were held throughout the year, with approximately 800 participants in attendance
Meeting for New and Experienced Marketing Employees	Through panel discussions, we facilitated exchanges between new and experienced employees on integrity in the workplace. Four sessions were conducted over the year, with approximately 200 participants in total
Integrity Education Training for Offices and Distributors	We standardized business practices and mitigated integrity risks such as commercial bribery. A total of 13 sessions were held over the year, with approximately 60 participants in attendance



Integrity Education for Discipline Inspection and Supervision Cadres

To strengthen the integrity awareness and professional competence of discipline inspection and supervision cadres, the Company launched the "Learning and Exchange Lecture Hall" under the theme of "Letting Integrity Words Nourish the Heart through Daily Integrity Learning; Letting Integrity Culture Strengthen the Original Aspiration through Joint Construction and Sharing". The Company provides daily integrity reminders, and shares integrity stories and cases, enabling discipline inspection and supervision cadres to receive continuous integrity education in their daily work and enhance their awareness of integrity. Meanwhile, we utilize the "Micro Integrity Classroom" to implement a teaching model of "compulsory courses + professional courses", covering content such as party discipline regulations, professional knowledge, and typical cases, thereby improving the theoretical level and professional competence of cadres.

Additionally, the Company organizes cadres to read books on integrity and write reading reflections, exchanging learning experiences through sharing sessions to nourish the mind with a culture of integrity. We regularly host the Integrity Culture Salon for Young Cadres, providing a platform for young disciplinary inspection and supervision cadres to exchange ideas and share experiences on maintaining integrity in their work. This initiative effectively promotes the widespread dissemination of integrity culture within the Company, solidifying the ideological foundation for the Company's stable development.

Highlights of Integrity Training Performance⁷

Average hours of anti-corruption training per director		3.00 hours
Average hours of anti-corruption training per employee by rank	Senior management employees	6.76 hours
	Non-management employees	3.01 hours

Whistleblowing Management

The Company has developed the *Petition and Whistleblowing Management Process* and the *Interim Measures for Handling Real-name Complaints by the Disciplinary Inspection Organization*. It has systematically established normative documents such as the *Preliminary Verification Management Process*, *Interviews and Inquiries Management Process*, *Problem Clue Handling Management Process*, *Case Filing and Review Management Process*, and *Trial Management Process*. This ensures the standardized management of the entire process, from receiving petitions and whistleblowing to investigation and trial.

We continuously improve whistleblowing channels through email, mailboxes, in-person visits, phone calls, QR codes, and the Company website to ensure seamless whistleblowing operations.

To safeguard the fundamental rights of whistleblowers, the Company adheres to the relevant provisions of the *Reporting Management Measures*, strictly protects the personal information and content of whistleblowers unless otherwise provided for by laws and regulations, and prohibits any form of retaliation against whistleblowers. Meanwhile, we standardize the handling of real-name reporting and complaints, ensuring that every real-name report is addressed, to protect the rights and interests of the whistleblowers.

Reporting Channels for Business Ethics Violations at Weichai Power

Reporting email: 2102388@weichai.com
Reporting phone: 0536-2102388

Mailing address for reporting letters:
Case Management Office, Weichai Power
Discipline Inspection Commission, 197 A,
Fushou East Street, High-Tech Development
Zone, Weifang City, Shandong Province

Reporting QR Code



⁷ This data scope includes the companies operated by Weichai Power in Chinese mainland.

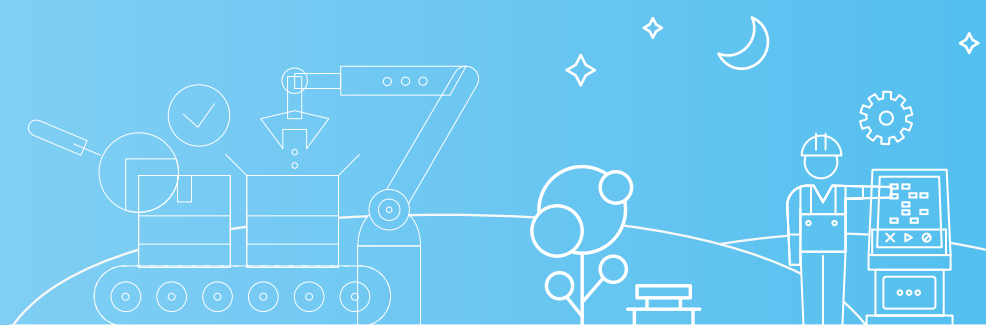
02

Pursuing Quality Excellence, Leading through Innovation

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Weichai Power firmly believes that high-quality products are the source of the Company's forward momentum and an essential component of achieving sustainable development. We base our work on product quality, drive our efforts with innovative technology, and aim for customers' satisfaction, creating products and services that please our customers.

”



Guaranteeing Product Quality

Weichai Power understands that product quality and safety are the fundamental prerequisites for the Company's long-term operation. The Company has established a quality management system that covers the entire product life cycle, cultivates a corporate quality culture, and instills a sense of quality and safety awareness across the entire company and all processes.

Quality System Construction

Weichai Power strictly abides by the *Product Quality Law of the People's Republic of China*, *Standardization Law of the People's Republic of China*, *Metrology Law of the People's Republic of China*, *Regulations on Quality Responsibility for Industrial Products* and other laws and regulations, and takes the *Quality Manual* as the core, formulates *Company Quality Improvement Plan Management Process*, *Special Quality Research Project Management Process*, *Product Development Review Control Procedure*, *Process Verification Control Procedure* and other internal management documents, and, in 2024, made a total of 216 modifications to various program files.

Weichai Power continuously improves its quality management system to ensure product quality in all aspects. The Company has set up a three-level quality management structure consisting of the Chief Quality Officer, Quality Director, and Chief Quality Engineer, who are jointly responsible for quality management. The Company has also set up a quality department to coordinate the Company's quality management, quality inspection, physical and chemical measurement, quality audit, pollution control, customer quality, and other work, and to clarify the responsibilities of quality staff at all levels. Through the operational mechanisms of PQC⁸ at various levels, the orderly implementation of quality management tasks across all levels was ensured.

Weichai Power, through the WOS⁹ quality management model, has established the "Customer-R&D-Delivery" framework as its core value chain. By leveraging digital tools to enhance management efficiency, the Company has built a comprehensive implementation system covering all business areas. This includes a strategic execution framework, a performance management system, standardized process workflows, and a training support system. These initiatives enable the quantification and evaluation of business processes, improving efficiency and intelligence in quality management.

Weichai Power conducts quality management audits by combining internal and external audits, comprehensively ensuring the compliance of product quality for the Company and its subsidiaries.

Weichai Power Quality System Audit in 2024

Internal Audit

- We conducted internal quality management audits, encompassing the supervision and review of new products, internal audits of the quality management system, and special audits, and followed up on and closed the issues identified during the audits;
- According to the *Weichai Quality Management System Maturity Evaluation Standards*, we carried out full-process quality management system audits and maturity evaluations for subsidiaries, identified potential issues and areas for improvement in the operation of the quality management system, and urged subsidiaries to enhance their capabilities in developing standardized quality systems;
- In 2024, the Company conducted over 600 quality system supervisions and audits, rectified nearly 2,800 issues, and revised processes and standards more than 690 times.

External Audit

- We engaged third-party professional institutions to conduct recertification audits for Weichai Power and its subsidiaries according to the IATF 16949:2016 and ISO 9001:2015 quality management system standards. We rectified and closed all issues identified during the audits;
- We carried out laboratory management and measurement management system certification work, fully rectifying the issues identified, such as the effectiveness of measurement confirmation, and achieving a 100% closure rate for corrective actions.

⁸ Process Quality Control (PQC) refers to the monitoring and control of product quality during the production process.
⁹ Weichai Operating System (WOS) refers to the Company's unique quality management model.

Weichai Power's Quality Management System Certification Status in 2024

Weichai Power HQ	<ul style="list-style-type: none">• IATF 16949:2016 Automotive Quality Management System Standard• ISO 9001:2015 Quality Management System Certification
Shaanxi Heavy Duty Automobile	<ul style="list-style-type: none">• IATF 16949:2016 Automotive Quality Management System Certification• ISO 9001:2015 Quality Management System Certification
Fast Gear	<ul style="list-style-type: none">• IATF 16949:2016 Automotive Quality Management System Certification
Lovol	<ul style="list-style-type: none">• ISO 9001:2015 Quality Management System Certification
KION	<ul style="list-style-type: none">• ISO 9001:2015/GB/T 19001-2016 Quality Management System Certification

Certification Status of Weichai Power Laboratory Management and Measurement Management System



Full-process Quality Control

Weichai Power implements comprehensive quality control through raw material inspection, production process inspection, and recall handling, ensuring that products meet quality control requirements at every stage. While continuously improving internal quality control processes, we focus on enhancing supplier quality standards and actively listen to customers' genuine feedback.

Incoming Material Inspection

We have established systems such as the *Procurement Product Inspection Control Procedure*, *Selection and Control Procedure for External Parts Suppliers*, and *Supplier Quality Management Specifications* to standardize the raw material inspection process. We are based on PDCA¹⁰ closed-loop control mode to inspect parts and other raw materials. For raw materials with quality issues, we require suppliers to make rapid rectifications within 24 hours, implementing a closed-loop management system for quality problems. We actively address complex and critical quality issues, establish an inspection service management mechanism, conduct quality improvement activities, and collaborate with suppliers to enhance raw material quality. Additionally, we have preliminarily implemented a one-item-one-code and precise traceability model, achieving a 100% digital traceability rate for core components, and monitoring raw material quality issues through digital methods. In 2024, we established 29 testing specifications and conducted 209 audits on over 100 suppliers in collaboration with the procurement department to verify supply quality and assurance capabilities.

In 2024

Achieved a digital traceability rate for core components

100%



¹⁰ PDCA, namely Plan, Do, Check and Act, is a comprehensive quality management cycle.

Weichai Power's PDCA Closed-loop Control Mode



Production and Manufacturing

To strengthen product quality management in the manufacturing process, we have established systems such as the *Product Quality Pre-planning Control Procedure*, which specifies general assembly technical conditions, factory test technical conditions, control plans, and process guidelines. We continuously improve product audit standards, establish dynamic modification mechanisms, and steadily promote the standardization of production quality.

We strictly review the product quality in the production process, integrate product review standards into the PDM¹¹ System, and conduct product quality audits on the entire product line every quarter to ensure 100% rectification of all audit issues. Meanwhile, based on quality issues reported by customers, we conduct comprehensive inspections of product quality in the production process by combining batch product sampling with full inspections of new products.

We monitor and record critical quality issues during the production process, and protect, package, and store components and finished products as required during and after the production process. Meanwhile, we regularly monitor the environmental conditions of the production process and have established a series of contingency plans for quality and safety control.

Recall Handling

The Company strictly abides by policies such as the *Regulations on the Administration of Recalls of Defective Automotive Products* and *Implementation Measures for the Regulations on the Administration of Recalls of Defective Automotive Products* and has formulated and issued a series of systems such as *Non-conforming Output Control Procedure* and *Returned Product Control Procedure*, which define criteria for determining nonconforming products and rectification requirements for returned products. These measures enhance the Company's ability to address product quality issues and ensure product quality and safety. In 2024, Weichai Power had no product recalls.

In 2024

Weichai Power had **no** product recalls

Building Quality Culture

Weichai Power has implemented a company-wide plan to enhance quality awareness and competency. The Company actively conducts quality training and cultural activities according to relevant quality management laws and regulations, combined with the requirements of product regulatory agencies, to create a good atmosphere of emphasizing quality.

Through the Wei-Learning platform, the Company offers a variety of customized, multi-level quality training courses, including quality management systems, quality management tools, and typical case studies of quality issues. We adopt a combination of online and offline methods to carry out hierarchical quality training, comprehensively improving quality control capabilities and promoting the overall enhancement of the Company's quality management level.

¹¹ Product Data Management (PDM) is a technology used to manage all product-related information and all product-related processes.

Highlights of Quality Management Training at Weichai Power in 2024

Weichai Power HQ	Weichai Power HQ launched the core value stream quality literacy enhancement project and established quality capability models for R&D quality, process quality, supply chain quality, manufacturing quality, and customer quality. It also conducted 18 training sessions on IATF16949 standards, quality tools, and auditor competency enhancement, covering 17 units, over 400 positions, and more than 1,000 participants, aiming to cultivate a team of versatile quality experts.
Fast Gear	Fast Gear conducted 61 specialized quality training sessions for middle and senior leaders, technical and management personnel, and inspectors, covering 30 units and departments, with a total of 2,778 participants, enhancing quality awareness.
Lovol	Lovol held 31 quality training sessions, covering quality tools and methods, quality system standards, and quality inspection knowledge, with over 570 participants.
Shaanxi Heavy Duty Automobile	Shaanxi Heavy Duty Automobile conducted 37 quality training sessions aimed at managers, inspectors, auditors, and other personnel at various levels. The training content includes the promotion and interpretation of the <i>2024 Quality Objectives and Key Quality Work Points</i> , training on quality awareness, and QC group primary promoter training.
Torch Technology	Torch Technology organized 14 quality training sessions, covering topics such as the operation of quality issue handling systems, quality control of finished product appearance, case analysis of failures, and training on traceability system operations.
Mechanical Manufacturing	Mechanical Manufacturing organized training on standardized operations and management tools, with over 200 participants in the training sessions.
KION	KION conducted onboarding training, new product and process training, and regularly organized seminars and online learning.

The Company consistently organizes and plans "Quality Month" events, actively participates in external quality-related training, and enhances the overall quality awareness and capabilities of all employees. Through various activity formats, strengthen the quality awareness of all staff throughout the entire process, and comprehensively improve the quality of products and services.



Weichai Power's "Quality Month" Event in 2024

In 2024, Weichai Power organized and planned a "Quality Month" event the theme of "Enhancing the Quality Awareness of All Employees and Building High-quality Products and Services". We focused on improving the quality literacy of all employees, organized a company-wide quality knowledge competition, actively participated in national quality brand storytelling events, and applied for national quality technology awards, aiming to achieve the annual quality goals, build global quality competitiveness, and support the Company's continuous high-quality development.



Weichai Power Participated in the Enterprise Chief Quality Officer Forum

In 2024, Weichai Power attended the second Chief Quality Officer Forum organized by the State Administration for Market Regulation, sharing innovative practices in quality management under the theme of Weichai "Unleashing the Effectiveness of Enterprise Quality Infrastructure and Enabling Quality Improvement in the Industry Chain and Supply Chain" and exchanged quality management models with other leading companies in the industry.



The Second Enterprise Chief Quality Officer Forum



Weichai Power Quality Brand Story Speech Contest

In 2024, Weichai Power held the "Growing with Heavy Industry" Quality Brand Story Speech Contest. By sharing quality stories, the event showcased the employees' spirit of leading by example and strictly controlling quality, as well as their dedication to pursuing excellence and building the brand, fostering a strong quality culture atmosphere.



Quality Brand Story Speech Contest

2024 Weichai Power Quality Management Highlights and Awards

Organized a QC group results presentation, during which the project "Reducing the Non-conformance Rate of Engine Oil Pan Paint Film Thickness" won

ICQCC Gold Award

marking a breakthrough as the first international accolade for our quality management group

Actively applied for recognition as a Leading Enterprise in the National Quality Power Initiative and became the only company in Shandong Province to be successfully selected for

First batch of Leading Enterprises in the National Quality Power Initiative

Enhancing Service Experience



In adherence to the principle that "customer satisfaction is our purpose", Weichai Power is dedicated to providing customers with high-quality products and services. We continuously strengthen our service management system, establish smooth customer feedback channels, ensure the security of customer data and privacy, and consistently improve service quality.

Customer Service Assurance

Weichai Power continues to enhance its customer service system, committed to providing customers with efficient, professional, and comprehensive service support. The Company strictly complies with relevant laws and regulations such as the *Consumer Protection Law of the People's Republic of China*, *Civil Code of the People's Republic of China*, *Contract Law of the People's Republic of China*, and *Advertising Law of the People's Republic of China*. It has established internal management systems such as the *Management Process for Claims and Reimbursement of After-Sales Product Quality* and the *Management Process for Authorized Maintenance Service Centers*, providing a sound institutional guarantee for the improvement of service quality.

Customer Service System

The Company has established the customer service center as the core institution for customer service. It is responsible for formulating service policies, managing customer interactions, expanding service channels, managing information data, calculating expenses and handling claims, and conducting business appraisals to ensure efficient response to customer needs. In 2024, the Company undertook a systematic service enhancement initiative, including optimizing and adjusting the number of service stations, selecting top service professionals, and formulating exclusive service policies. As a result, service processes and channel management were comprehensively optimized and restructured. By 2024, the team of customer service center consisted of 130 members. We established 33 overseas service centers, and forged close partnerships with over 5,600 authorized repair service outlets, creating a nationwide service network.

To ensure timely responses to customers' diverse maintenance needs, we continuously improve the construction of our service elite team and technical support team, establish service guarantee mechanisms, and consistently enhance after-sales service quality. This allows us to efficiently resolve technical challenges in maintenance services and reduce quality risks during the maintenance process.

Weichai Power Service Team Development

Service Elite Team



Comprising top-tier service technicians selected from core channels nationwide, this team is spread across various provinces nationwide, primarily addressing difficult issues in each region. They provide feedback on classic case studies, product defects, and regional competitor performance, driving regional maintenance capabilities, and ensuring maintenance efficiency.

Technical Support Team



They handle difficult issues in the market, manage service elites, dispatch service elites to handle problems, and select high-level service technicians through national core channel selection methods to form a service elite team to handle difficult issues in the area. The team is also in charge of receiving technical inquiries from service channels, providing remote assistance for complex fault diagnosis, on-site resolution of complex issues, and collecting fault case data as part of after-sales service support.

We have established a comprehensive warranty management process for sold products, continuously optimizing warranty services based on customer needs to form customized warranty terms, demonstrating our commitment to product quality and after-sales support, setting clear warranty scopes and procedures to help customers efficiently resolve issues, and enhancing customer trust in our company. In addition, the Company conducts a series of usage and maintenance technical training for customers after the installation and commissioning of products to ensure the safe and stable operation of the products.

Customer Service Training

We regularly conduct various customer service training to comprehensively enhance the professionalism of our services. We require service personnel to undergo regular training to maintain high standards of service quality. In 2024, we conducted a total of 222 service training sessions, training 20,270 participants. The training content covered operational improvement training, new product training, product certification training, and new station training.

In 2024

Conducted service training sessions

222 sessions

Training participants reached

20,270 participants



Weichai Power Launched Global "Service Elite" Selection Competition

In 2024, Weichai Power organized four regional competitions and one national final to comprehensively improve service efficiency and quality, aiming to create the most satisfactory service for customers. They selected and appointed 120 domestic and 12 international Weichai "Service Elites". The Company effectively enhanced market service indicators by refining the management methods for service elites and improving related incentive policies.



Weichai Power Global "Service Elite" Selection Competition



Weichai Power Conducts Product Maintenance Skill Certification Training

In 2024, based on the launch of new products, Weichai Power organized certification training for maintenance skills of NG4.0, large-bore mining trucks, Rui Dongli, and non-fourth-class products. The training combines online theory with one-on-one practical teaching assessments to ensure alignment with the Company's goals and needs, effectively enhancing service quality.



Weichai Power Product Maintenance Skill Certification Training

Responsible Marketing

The Company adheres to strictly responsible marketing practices and behavioral standards, publishes and follows the *Marketing Agreement Management Process*, *Marketing Policy Management Process*, and *Responsible Marketing Policy*, among other systems, to avoid excessive marketing and false advertising incidents, ensuring marketing activities are legal and compliant. The Company has established a robust responsible marketing supervision mechanism, monitoring the entire process of marketing activities to ensure transparency and authenticity in the overall sales process.

The Company strictly controls the content and channels of publicity by establishing an online marketing agreement review process, business fulfillment review process, marketing content review process, etc. The CRM¹² system promptly receives information on marketing infringement and infringement to avoid false advertising or excessive marketing and protect the legitimate rights and interests of consumers.

In 2024, the Company regularly organized employees to participate in responsible marketing-related training, promoted a compliance-oriented marketing philosophy, and enhanced employees' responsible marketing awareness and professionalism.

Customer Communication & Feedback

Weichai Power has established a comprehensive customer service and communication process, including telephone follow-ups, questionnaires, online customer service platforms, and customer complaint email addresses, to promptly understand and track user feedback, listen to customers' product usage experiences, opinions, and suggestions, and is committed to providing high-quality services to customers.

The Company has deeply optimized the service process based on business segmentation and scenario-specific needs to enhance service efficiency and customer experience.

Weichai Power Service Process

- The customer calls the service hotline at 400-618-3066 to make a service request;
- The call center responds within five minutes, and the service system simultaneously pushes information to the service station staff;
- The service station contacts the customer within 5 minutes, accepts the work order within 15 minutes, and dispatches rescue within 30 minutes;
- Service timeliness:
 - ◇ Regular product service timeliness: within 2 hours in the city, within 6 hours in general areas, within 12 hours in remote areas; engine fault repair process responds within 5 minutes, "on-site" service maintenance within 4 hours for regular maintenance, 6 hours for minor repairs, 12 hours for medium repairs, and 72 hours for major repairs.
 - ◇ Special line logistics service timeliness: within 2 hours in the city, within 6 hours in general areas, within 12 hours in remote areas; engine fault repair process for minor repairs within 6 hours, medium repairs within 12 hours, and major repairs within 48 hours.
 - ◇ Agricultural machinery, excavator, forklift product service timeliness: dispatch completion within 5 minutes, dispatch response time within 5 minutes, arrival in general areas within 2 hours, general fault repair within 6 hours, and medium fault repair within 48 hours.
- After completing the repairs, we call the user for a follow-up to collect feedback and promptly address any deficiencies.

¹² CRM, refers to Customer Relationship Management System



By introducing an intelligent service management system, the Company has automated and smartened its service processes, ensuring that customer needs can be quickly transferred to the appropriate handling stage, thereby improving service efficiency. In 2024, the Company provided customers with a higher-quality and more convenient mobile terminal service platform, launching the new service apps "Weichai Companion" and "Weichai Service" to enhance the precision and convenience of services, while optimizing the customer experience through intelligent methods.

New Apps Boost Efficient Service

"Weichai Companion" App

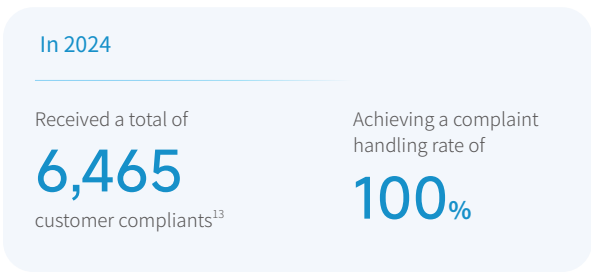
- Integrating sales and after-sales service with interactive entertainment features, it includes four major management modules: intelligent service, intelligent management, intelligent vehicle maintenance, and smart purchasing;
- Supporting self-service fault reporting, fault reminders, proactive vehicle repair, and other functions, achieving a transformation from passive to proactive service.

"Weichai Service" App

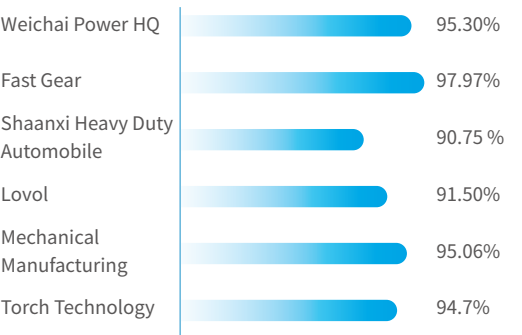
- Merging and reshaping the functions of three major business systems: the service system, cloud parts system, and parts electronic catalog system. It enhances service accuracy, convenience, and efficiency in areas such as maintenance services, inventory management, and one-stop information queries.

The Company has established internal regulations, such as the *Customer Complaint Handling and Feedback Management Standards*, to build a comprehensive complaint management system. The Company implements a hierarchical and classified management system for complaint incidents, ensuring that urgent and major complaints are prioritized for resolution. Additionally, the Company evaluates relevant personnel based on the *Service Management Manual* to ensure fairness and effectiveness in handling complaints. In 2024, the Company received a total of 6,465 customer complaints¹³, achieving a complaint handling rate of 100%, delivering rapid response and resolution to customer complaints. Meanwhile, the Company has established core monitoring indicators that link service efficiency with employee performance, further enhancing service response speed and quality through incentive mechanisms.

In 2024, as part of ongoing efforts to optimize customer service capabilities, the Company annually invited a professional third party to conduct customer satisfaction surveys covering end customers, dealers, original equipment manufacturers, and service stations, among other user groups.



Weichai Power Customer Satisfaction Rate in 2024



Information Security and Privacy Protection

Weichai Power, supported by a sound management system, has established mechanisms for information security and privacy protection. We conduct routine personal information protection initiatives, focusing on customer privacy protection, effectively building a robust data security defense line, and comprehensively safeguarding customer privacy rights.

¹³ The data excludes KION.

Information Security

Weichai Power strictly adheres to relevant laws and regulations such as the *Cybersecurity Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China* and has established 18 regulations including the *Information Security and Privacy Protection Policy*, *Information and Data Security Audit Management Measures*, and *Industrial Control Computer Security Management Requirements*. The Company has established an Information and Network Security Leadership Group to continuously improve the information security management system, strengthening information security work from three major aspects: security governance, security management, and security operations, to prevent information security incidents. The Company links information security achievements to the performance of relevant responsible personnel, further enhancing the level of information security management through incentive mechanisms.

Information Security Management Framework

Management Structure	Responsibilities
Information and Cybersecurity Leadership Group	<ul style="list-style-type: none">The group leader is the Chairman of Weichai Power;Responsibilities include reviewing information and cybersecurity strategies, overall plans, and management procedures, coordinating and resolving major issues related to information and cybersecurity, overseeing emergency response efforts for significant information security incidents, and continuously improving the level of information security management.
Information and Cybersecurity Leadership Group Office	<ul style="list-style-type: none">The group is headed by a company-level leader responsible for the Process and IT Department, with the head of the Process and IT Department serving as the deputy leader. Members include leaders from relevant departments such as the Company Office, Legal Affairs and Compliance Department, Human Resources Department, Security and Support Department, and the Process and IT Department, as well as information directors from affiliated companies;Responsibilities include implementing the resolutions of the Information and Cybersecurity Leadership Group, making specific arrangements, and ensuring the implementation of information and network security work.

The Company places great emphasis on the construction of information security technology. Through systematic planning and implementation, a comprehensive information security protection system has been established. The Company introduced the internationally advanced network security standard IPDRR¹⁴, carried out the construction of an information security operation system, and effectively identified security risks in key business scenarios. Meanwhile, the Company introduced the SDL¹⁵ Management model, built a software security lifecycle management system, and developed inherent security capabilities. In addition, the Company has established a comprehensive protection system encompassing cloud, network, and endpoints, deploying 26 sets of security tools to provide all-around, multi-layered security protection for information assets.

The Company has implemented a scientific and efficient information security incident response mechanism, clearly defining the procedures for handling and responding to security incidents. The Company has developed emergency response plans for information security incidents, regularly conducts emergency response drills, and established a scientific, effective, and swift emergency response mechanism, thereby achieving closed-loop management of security incidents. In 2024, the Company has completed the drafting of emergency response plans for 36 critical systems and conducted over 100 backup and recovery drills.

The Company regularly conducts internal and external information security audits to ensure the effectiveness and reliability of the security management system. We conduct daily audits on former employees and current high-risk personnel, with a focus on areas such as the management of classified zones, the storage and transmission of confidential documents, the implementation of confidentiality systems, and employees' awareness of confidentiality, as part of our information

¹⁴ IPDRR cybersecurity framework includes Risk Identification (Identify), Security Defense (Protect), Security Detection (Detect), Security Response (Response), and Security Recovery (Recovery).
¹⁵ SDL, refers to Security Development Lifecycle.

security audit efforts. Additionally, the Company invites third-party professional organizations to carry out external testing and certification audits. Weichai Power HQ has already obtained certifications including ISO 27001 Information Security Management System, Information System Security Level Protection Assessment, and Data Security Maturity Model (DSMM) Certification. Fast Gear has obtained the National Information Security Level Protection Level 2 certification; Lovol has achieved the Level 3 certification for the connected platform, based on the national level protection system. In 2024, the Company conducted 22 internal information security reviews and five external reviews.

To further strengthen employees' information security awareness and enhance their security skills, we have established a normalized long-term mechanism for attack and defense drills, conducting regular exercises to comprehensively improve security operation capabilities and prevent data breaches. In 2024, we carried out special governance initiatives such as "Two Highs and One Weak", "Internet Exposure Surface Reduction and Mapping" and "Alert Noise Reduction". We also continued to organize "Secrecy Month" activities and Cybersecurity Week events. Through a variety of rich and diverse information security awareness campaigns, we aim to cultivate a culture where "Information Security is Everyone's Responsibility" and enhance cybersecurity awareness, working together to build a secure barrier in the digital era.



Weichai Power Invited Industry Experts for Specialized Training on Cybersecurity Laws and Regulations

In 2024, Weichai Power invited industry experts in the field of cybersecurity to conduct specialized training on cybersecurity laws and regulations. The training covered the interpretation of legal provisions such as the *Cybersecurity Law* and the *Personal Information Protection Law*, as well as an introduction to information security common knowledge. The aim was to enhance all employees' understanding of cybersecurity laws and regulations and improve the Company's overall cybersecurity protection capabilities.



Weichai Power's Specialized Training on Cybersecurity Laws and Regulations



Faster Gear Cybersecurity Knowledge Promotion Activity

In 2024, Fast Gear effectively popularized cybersecurity knowledge through a variety of promotional activities, including conducting cybersecurity knowledge promotion lectures and organizing online prize quizzes to disseminate cybersecurity knowledge through various engaging formats. A total of 3,564 employees participated in interactive activities such as prize quizzes and knowledge lectures, significantly enhancing their awareness of cybersecurity protection.



Fast Gear's Cybersecurity Knowledge Promotion Campaign

Privacy Protection

Weichai Power strictly adheres to laws, regulations, and industry standards, including the *Personal Information Protection Law of the People's Republic of China*, in all operational locations. In 2024, the Company established the *Information Security and Privacy Protection Policy* and the *Secure Development Privacy Protection Design Specification* to strengthen the management of personal information and privacy protection. These measures standardize the processes of collecting, storing, using, and sharing personal data, thereby reducing the risks of data breaches or misuse, and maximizing the protection of customers' privacy rights.

Personal Information Protection Mechanism

Information Collection

- It is explicitly required that when collecting personal information, the purpose, usage, legal basis, and other relevant information should be communicated, and consent must be obtained.

Information Storage and Protection

- The retention period of information strictly complies with relevant laws, regulations, and regulatory requirements. Once personal information exceeds the prescribed retention period, it will be properly handled according to applicable laws;
- Information encryption storage technology is adopted to ensure the confidentiality of information;
- Access to information is strictly restricted, and information access and processing activities are monitored in real time.

Information Sharing and Transfer

- We commit not to share or transfer user data without a valid legal basis or the user's explicit consent;
- We sign strict *Privacy Agreement* announcement with third parties.

User Privacy Rights Protection

- Users have the right to independently query, correct, update, or delete personal information according to laws and regulations;
- Users have the right to withdraw their consent or authorization at any time. Once authorization is canceled, the corresponding personal information will cease to be processed.

In 2024

the Company had **no** incidents on data security or breaches of customer privacy.



Deepening Innovative Development

Weichai Power always regards technological innovation as the core driving force for the Company's development. The Company continuously strengthens the construction of its technological innovation system, engages in industry-university-research collaborations, and enhances the application and protection of intellectual property rights, comprehensively laying out its technological innovation development.

Innovation System & Layout

Weichai Power has established a four-in-one technological innovation system comprising "Independent Innovation + Open Innovation + Basic Innovation + Craftsmanship Innovation". Embracing open innovation, the Company is globally oriented, fostering a collaborative, open, and win-win industry-university-research innovation system with all sectors of society.

To further enhance the Company's R&D level and innovation capabilities, Weichai Power has set up a comprehensive technological innovation management system. This includes a series of regulations such as the *R&D Project Management Process*, *Product Development Process*, *Special Technology R&D Control Procedures*, *R&D Expenses Management Measures*, and *R&D Project Post-Evaluation Management Measures*. These systems cover key areas including R&D project management, product development, and special technology R&D, rationally planning the R&D path, improving the Company's R&D capabilities, and promoting the efficient development of technological innovation.

Innovative R&D Team

Weichai Power has established the Institute of Scientific and Technological Research, which includes the Engine Research Institute, Future Technology Research Institute, New Energy Research Institute, Hydraulic Transmission Research Institute, Electronic Control and Software Research Institute, and Craftsmanship Research Institute. These institutes conduct diversified, in-depth, and scientific research and technological innovation in engines, new energy, electronic control, manufacturing processes, and hydraulics, promoting a clear division of labor and a multi-faceted technological innovation landscape.

The Company continuously strengthens the construction of national technological innovation platforms related to the industry, undertaking the construction of significant technological innovation carriers and platforms such as the Nationally Recognized Enterprise Technology Center, the State Key Laboratory of Internal Combustion Engine and Power System, the National Commercial Vehicle Power System Assembly Engineering and Technology Research Center, the National Fuel Cell Technology Innovation Center, the National Industrial Design Center, National Innovation Strategic Alliance for New Energy Power System Industry of Commercial Vehicle and Construction Machinery, National Engineering and Technology Research Center for Commercial Vehicle's Powertrain, International Science and Technology Cooperation Base for Internal Combustion Engines, and post-doctoral scientific research workstation. Through the construction and operation of technology innovation platforms, the Company gathers industry innovation resources and elements, forming a synergistic innovation effect, which provides significant platform support for the Company's application for national and provincial-level major technology research projects. The Company is dedicated to the research of common key technologies in internal combustion engines and powertrains, driving technological progress in both the Company and the industry. The Company's subsidiary, Lovol, has integrated industry technology innovation resources and established 13 national and provincial-level technology innovation platforms, including the "Innovation China" base, Shandong Provincial Key Laboratory, Shandong Provincial Technology Innovation Center, and Shandong Provincial Manufacturing Innovation Center. By leveraging these platforms, the Company utilizes the advantageous resources of the industry and academic institutions to effectively promote the research and development of new technologies and products.

While focusing on our technological innovation, we continually follow cutting-edge technologies and innovation research in the industry., widely adopt advanced experiences, and actively collaborate with internal and external institutions such as universities and national innovation labs. We engage in in-depth exchanges and cooperation in key areas such as engines, new energy, intelligent manufacturing, and autonomous driving. By building a globally collaborative research and development system, we continuously expand the boundaries of technology research and development, and persistently accumulate innovation potential, injecting powerful momentum into the high-quality development of the industry. In 2024, the Company's laboratories initiated 30 open research projects with funding of RMB 8.25 million, supporting cutting-edge research in the fields of internal combustion engines and power systems.

Innovative R&D Incentives

The Company is fully committed to fostering an internal ecosystem of technological innovation by establishing diverse incentive mechanisms such as open funds, project incentive systems, and technological innovation awards.

Innovation R&D Incentive Mechanisms

Open Fund

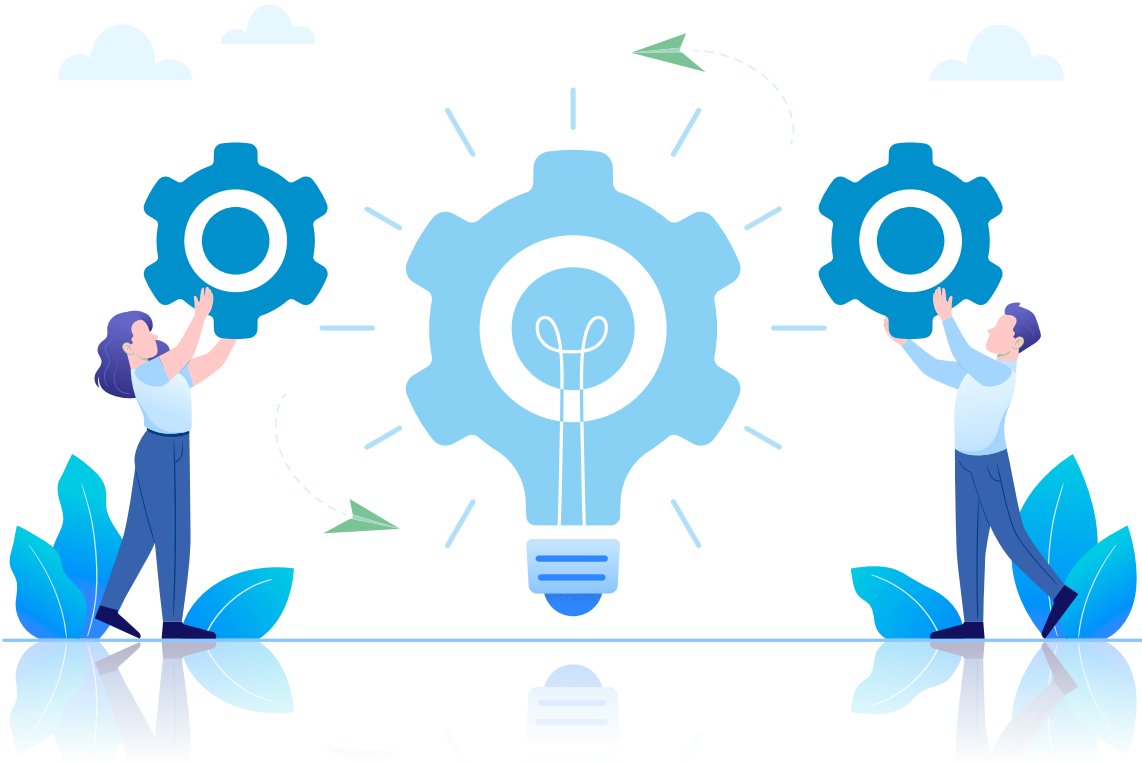
The establishment of an open fund and the issuance of application guidelines aim to provide resource support for innovation project incubation across various laboratories and R&D teams, thereby stimulating the innovative potential of researchers.

Project Incentives

For key projects with high technical difficulty and strong market urgency, the "Military Order" and "Open Bidding for Selecting the Best Candidates" project assessment and incentive systems have been established. A special incentive fund has been specifically set up to provide financial rewards to teams that achieve project goals on time, thereby enhancing R&D efficiency and accelerating the transformation and application of technological achievements.

Technological Innovation Awards

We organize the Technological Innovation Awards Conference and establish the Weichai Science and Technology Award, which includes the "Technology Invention Award", "Science and Technology Progress Award", "Project of Open Bidding for Selecting the Best Candidates", and "Craftsman Innovation Achievement Award". These awards recognize and reward significant scientific research achievements from over 100 projects and 21 outstanding scientific talents since 2022, with a total amount of up to RMB 65 million.



Innovative R&D Achievements

We focus on the forefront of industrial innovation, striving to build an outstanding product innovation system to drive industrial upgrading and sustainable development.

Innovation R&D Achievements by Field

Traditional Power Field

- World's First 53.09% Thermal Efficiency Diesel Engine: In April 2024, we launched the world's first diesel engine with a thermal efficiency of 53.09%, breaking the world record for the fourth consecutive time;
- Gas Power Platform Upgrade: We introduced a new generation of WP3NNG, WP8NG, WP13NG, WP15NG, and WP16NG gas-powered 4.0 family natural gas engine products.

Hydraulic Field

- We overcame the CVT hydraulic unit and intelligent control system, and launched a full series of low-speed harvester hydraulic power assemblies, with green and efficient agricultural equipment and significant differentiated advantages.

Intelligent Driving Field

- We developed intelligent driving systems, EBS systems, and steer-by-wire systems for mining trucks;
- We researched and developed intelligent driving control strategies for unmanned tractors.

New Energy Field

- Clean Internal Combustion Engine Technology: we increased technology reserves for hybrid systems, methanol internal combustion engines, hydrogen internal combustion engines, and ammonia internal combustion engines;
- Pure Electric Technology: we conducted specialized research on motor vibration and noise reduction, reserved technology for high-voltage platform motor controllers, collaborated on the development of high-energy-density blade batteries to meet the needs of light trucks to heavy trucks, achieve a cycle life of 4,500 times, improve energy density by 15% compared to competitors, support fast charging technology, and equip mining trucks, loaders, and other off-road equipment;
- Hydrogen Fuel Cell Technology: we launched a 300kW hydrogen fuel cell system for high-speed trunk logistics scenarios, with a system power generation efficiency exceeding 60%, supporting low-temperature startup at -30° C, and a lifespan of 30,000 hours.

(For details of products in the new energy field, please refer to Section 4.3.3 Clean Technology Layout.)



Weichai Power Led National Key R&D Program Project

In 2024, Weichai Power undertook the national key R&D program project "Key Technologies for Dedicated Hydrogen Internal Combustion Engines in Heavy-Duty Commercial Hybrid Vehicles". This project addresses issues such as poor combustion stability in hydrogen internal combustion engines, difficulties in improving fuel supply and turbocharging performance, and insufficient reliability. It focuses on research into stable combustion technology for high-efficiency, low-emission hydrogen internal combustion engines, development of high-power, high-reliability hydrogen internal combustion engine systems, and integration of hydrogen-electric hybrid power systems and vehicle development. The aim is to develop high-performance hydrogen internal combustion engine products and promote the low-carbon, green transformation of the commercial vehicle industry.

As of December 31, 2024, Weichai Power had

A total of R&D personnel	The proportion of R&D personnel	Annual R&D investment reached	The proportion of R&D investment to operating income	
17,586	18.1%	RMB 9,406.53 million	4.4%	

Leading Industry Development

Weichai Power focuses on technological innovation, deeply participates in the formulation of industry standards, actively integrates into domestic and international industry organizations, and strengthens technical exchanges and cooperation with peers and industry associations, leveraging high-quality innovative achievements to promote industry-wide progress. In 2024, multiple projects of Weichai Power HQ and its subsidiaries have won quality awards and honors within the industry, leading industry development with quality and innovation. The Company has joined the China Internal Combustion Engine Industry Association and serves as a vice-president unit, actively participating in industry exchanges and cooperation to drive technological advancement and standardization in the industry. In 2024, the Company has released 52 national standards, 24 industry standard, and 43 group standards.

In 2024, the Company has totally released

National standards	Industry standards	Group standards	
52	24	43	

Weichai Power's Quality Awards and Honors in 2024 (Partial)

Weichai Power HQ	
The project "Research and Application of Quality Improvement Technology for High-end Engine Processing and Manufacturing" was awarded	At the Ninth Asia Symposium on Quality Function Deployment and Innovation, it won
the second prize of the Quality Technology Award of the China Association for Quality;	two first prizes and one second prize for Asian Quality Improvement Cases;
The project "Key Technology and Application of Integrated Control for New Hydrogen-electric Hybrid Power System" won	The project "Key Technology of Directional Control for Proton Exchange Membrane Fuel Cell Membrane Electrodes in Vehicles" won
the special prize of the " Technology Invention Award of China Transportation Association";	the first prize in the "Science and Technology Progress Award of the China Society of Automotive Engineers ".

Fast Gear	
The project "Development and Industrialization of 13-Series Mechanical Medium and Heavy Truck Transmissions" was awarded	Three projects, including "Solving the Development Problem of High-Performance Electronic Oil Pump for New Energy Transmissions Based on TRIZ Theory", won
"the third prize in the Mechanical Industry Science and Technology Award";	the first, second, and third prizes in the "Shaanxi Province Innovation Methods Competition".

Lovol		
The project "Key Technologies and Applications of Intelligent, Efficient, and Low-Loss Harvesting Operations for Large Grain Combine Harvesters" won	The "Fully Autonomous Intellectual Property High-Horsepower Smart Tractor" won	The project "Key Technologies and Equipment for Intelligent High-quality Sowing of Corn and Its Application" was awarded
the sole first prize of the Agricultural Machinery Science and Technology Award in 2024, as selected by the China Association of Agricultural Machinery Manufacturers;	the gold award at the 4 th Industrial Design Innovation Competition for Machinery (IDICM);	the second prize of the Shennong China Agricultural Science and Technology Award by the Ministry of Agriculture and Rural Affairs for 2022-2023.

Intellectual Property Protection

Weichai Power attaches great importance to the management and protection of intellectual property rights. The Company strictly adheres to laws and regulations such as the *Copyright Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and the *Trademark Law of the People's Republic of China*. It has established policies and procedures including the *Management Procedures for Intellectual Property Rights*, the *Control Procedures for the Intellectual Property Rights of R&D Projects*, the *Copyright Management Procedures*, and the *Intellectual Property Rights Protection Management Process* to standardize the intellectual property protection management process, enhance employees' awareness of intellectual property protection, and make every effort to prevent related risks. In 2024, the Company has implemented multiple intellectual property protection measures to ensure the effective development, protection, and utilization of intellectual property.



Establishment of the "Weifang Anti-infringement and Anti-counterfeiting Alliance"

In 2024, the Company collaborated with the Weifang Public Security Bureau, the Weifang Administration for Market Regulation, the Weifang Procuratorate, and the Weifang Intermediate Court to establish the "Weifang Anti-infringement and Anti-counterfeiting Alliance". This initiative aims to strengthen coordination with administrative and judicial authorities, integrate administrative and judicial resources in the field of rights protection, and enhance the Company's efforts in intellectual property protection.

The Company implements a graded assessment and management system for patents, conducting precise assessments based on the categories of intellectual property. Additionally, a database covering key technologies, core components, and high-risk patents has been established to safeguard the Company's core intellectual property rights. In 2024, the Company conducted patent infringement analysis 17 times, analyzing 30 suspected infringing patents.

In 2024

The Company conducted patent infringement analysis

17 times

Analyzing suspected infringing patents

30 cases



The Company has formed an intellectual property rights protection alliance covering subsidiaries such as Lovol, Torch Technology, and New Energy Commercial Vehicles. A resource library for rights protection institutions has been created to share infringement leads. Meanwhile, the Company has established a supervision system for the entire process of partner compliance. Through information systems and external agencies, the Company continuously monitors the patent application status of partners, effectively achieving the reversion of patent rights.

To enhance the awareness of intellectual property protection and the capability for technological innovation among all employees, the Company has developed a comprehensive intellectual property training course system, covering 17 specialized courses. High-value patent application boot camps have been organized to effectively stimulate innovation, creating a favorable atmosphere for technological innovation. The Company has introduced incentive pre-mechanisms and innovative incentive systems, enhancing incentives for intellectual property such as patents, technical secrets, and copyrights. Research and development teams are rewarded based on project progress and quality, aiming to stimulate employees' innovative enthusiasm and encourage the creation of high-level intellectual property achievements.

Weichai Power's Intellectual Property Performance in 2024

Number of Invention Patent Applications in 2024	Number ¹⁶ of Invention Patents Granted in 2024	Cumulative Number of Patents Granted	Cumulative Number ¹⁷ of Granted Patents Related to New Energy
2,115 cases	986 cases	24,410 cases	1,850 cases

¹⁶ The data excludes KION.

¹⁷ The data excludes KION.

03

Putting People First, Driving Prosperity with Talent

Weichai Power adheres to the "people first" philosophy, establishing a scientific talent management system and building personalized growth platforms. Through standardized production processes and health management systems, the Company ensures the rights and physical and mental safety of employees. The Company creates a diverse, inclusive, equal, and open working environment, inspiring employee potential through humane care, and fostering a sustainable and harmonious ecosystem for both employees and the enterprise.



Safeguarding the Rights and Interests of Employees

Weichai Power remains committed to safeguarding employee rights, continuously advancing compliance and equality in recruitment, promoting diversity in the workforce, and actively cultivating a fair, diverse, and inclusive employment environment.

Equal Recruitment

Weichai Power strictly adheres to legal regulations such as the *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China*, *Employment Promotion Law of the People's Republic of China*, *Law of the People's Republic of China on the Protection of Minors*, and *Regulations Banning Child Labor*, ensuring compliance in recruitment and employment practices. The Company conducts regular annual evaluations and updates to its human resources planning. By analyzing strategic objectives and business plans, the Company systematically assesses the overall human resources landscape, employee structure, recruitment, and turnover, clarifies future human resources needs, optimizes resource allocation, and ensures that human resources planning aligns with strategic execution.

In 2024, the Company further improved the *Social Talent Recruitment and Employment Process*, emphasizing enhanced control over compliance in the recruitment process. When publishing recruitment information, the Company ensures that all requirements are clear and free from discriminatory language; During the interview stage, the Company standardizes the interview process and evaluation criteria, guaranteeing fair treatment for every candidate. During the onboarding process, the Company conducts rigorous verification of each candidate's identity information, resolutely preventing illegal employment practices such as forced labor and child labor. During the Reporting Period, the Company did not experience any violations related to forced labor or child labor, effectively ensuring the legality and standardization of the recruitment process.

As of the end of the Reporting Period, Weichai Power had a total of 97,288 employees globally under labor contracts, including 548 employees from ethnic minorities, and 44,714 overseas employees. The proportion of employees who signed collective agreements was 100%¹⁸.

As of the end of the Reporting Period

Weichai Power had a total of

97,288

employees globally under labor contracts

Overseas employees

44,714

Employees from ethnic minorities

548

The proportion of employees who signed collective agreements was

100%¹⁹

¹⁸ The data excludes KION.

¹⁹ The data excludes KION.

Employee Composition



Formal Employees Informal Employees²⁰



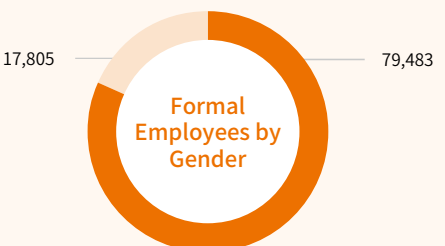
20 and Below 20-29 30-39 40-49 50-59 60 and Above



Administrative Staff Financial Staff Sales Staff Technical Staff Production Staff



Han Chinese Ethnic Minorities Overseas Employees



Male Female



Senior Management Staff Middle Management Staff Junior staff



PhD Master Bachelor Junior College and Below



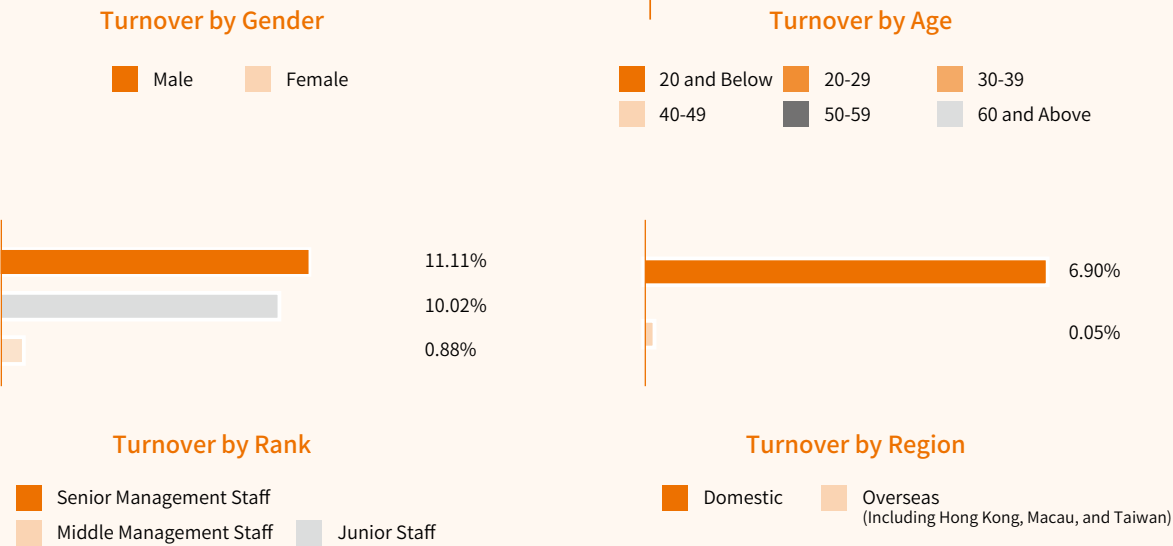
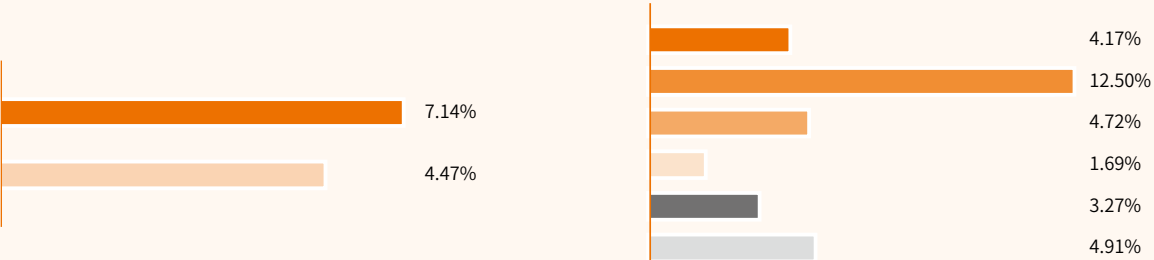
Domestic Overseas (Including Hong Kong, Macau, and Taiwan)

²⁰ The data excludes KION.

²¹ The data excludes KION.

²² The data excludes KION.

New Hires and Turnover Employees ²³



Total number of new employee recruits

10,301

Total employee turnover rate ²⁴

5.99%



²³ The employee turnover data excludes KION.

²⁴ Employee turnover rate = Number of employees leaving by category/ Number of employees by category *100%.

Workplace Diversity

In the aspect of employee diversity development, Weichai Power has formulated the *Employee Diversity Development Strategic Plan*. In 2024, the Company released the [Diversity, Equality, and Inclusion Policy](#) for creating a diverse and inclusive working environment. The Company strictly adheres to the principle of "equal pay for equal work", negotiates compensation based on job value and individual capabilities to ensure fairness and reasonableness, and promotes a reasonable distribution of employees in terms of gender, age, region, and other aspects by optimizing the employee structure. Globally, the Company continues to increase efforts to attract talents of different nationalities and cultural backgrounds, enriching the Company's talent pool.



Weichai Power was awarded the "2024 Work Different Award" by Liepin.

KION has established a Diversity and Inclusion Council (D&I Council), composed of international management team members and representatives from various employee resource groups, aiming to drive the Company's in-depth practices in diversity, equity, and inclusion (DEI). The Company integrates the principle of diversity into daily operations by establishing globally applicable minimum employment standards and promoting them worldwide. In 2024, KION's D&I Council enhanced employee awareness of DEI by organizing Diversity and Inclusion Awareness Month with all employees' participation, updating online learning courses on unconscious bias, and providing training on talent and performance processes. KION also explored themes such as respect, cultural integration, and intergenerational cooperation through workshops and keynote speeches to reduce bias. Additionally, KION strengthened DEI communication through internal platforms, employee magazines, and social media, and established a Diversity and Inclusion Advocate Program to encourage employees to become promoters of DEI efforts.

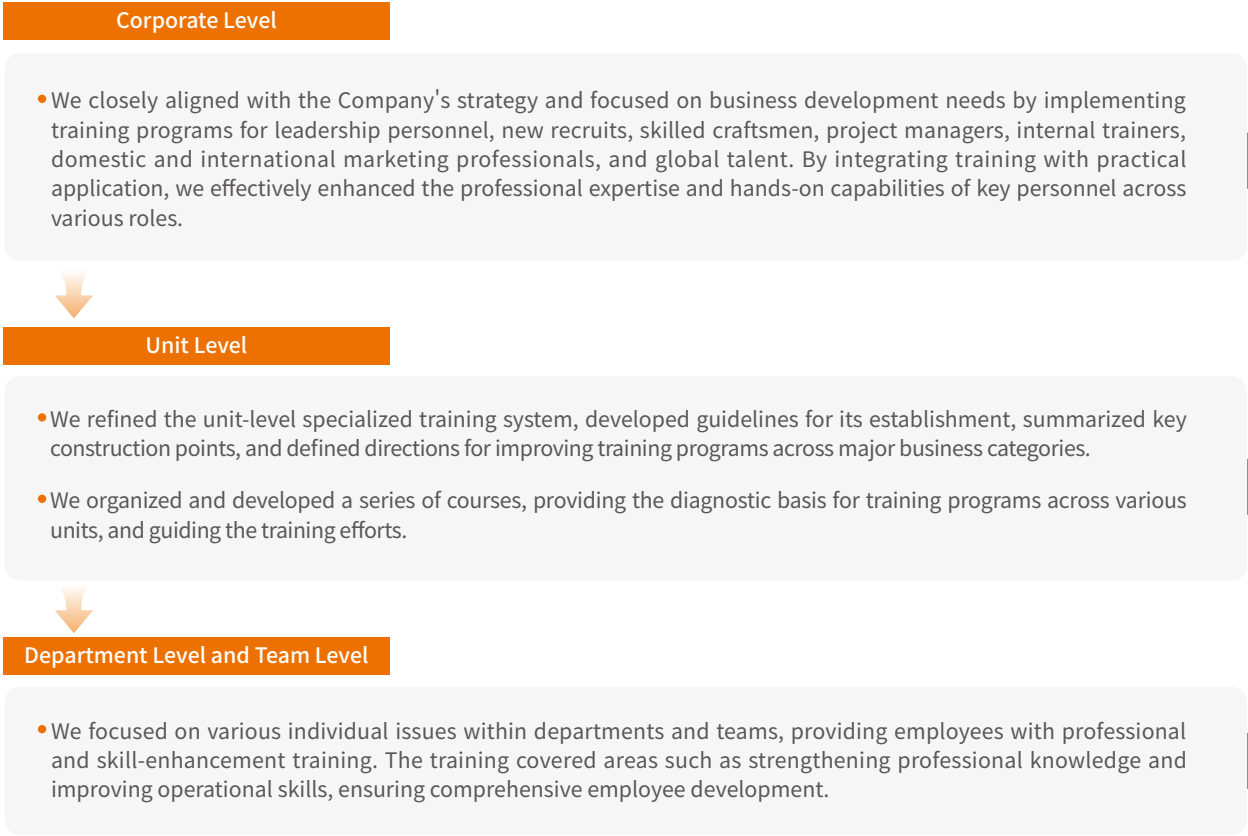
Supporting Employee Development

Weichai Power places great emphasis on employee development, implementing a series of initiatives in employee training and promotion, laying a solid foundation for employee growth and the Company's sustainable development.

Employee Training

Weichai Power closely aligns with the Company's talent strategy, meticulously creates a comprehensive talent development panorama, continuously improves the mechanism for building a reserve talent echelon, and cultivates enterprise talent in all aspects, promoting employees to achieve their self-worth. The Company strictly adheres to a series of internal systems, including the *Annual Training Plan Compilation Process* and the *External Training Resource Management Process*, to construct a comprehensive four-level training framework at the Company-wide, unit-wide, department-wide, and team-wide levels, ensuring that all position sequence employees receive targeted training to meet the diverse needs of employees. In 2024, the Company optimized the *Internal Trainer Utilization and Evaluation Process* and the *Internal Trainer Selection and Appointment Process*, improving the development planning, qualification review, and appointment management of internal trainers, stimulating their enthusiasm, enhancing the quality of the internal trainer team, and laying a solid foundation for high-quality training.

Weichai Power's Four-level Training Framework

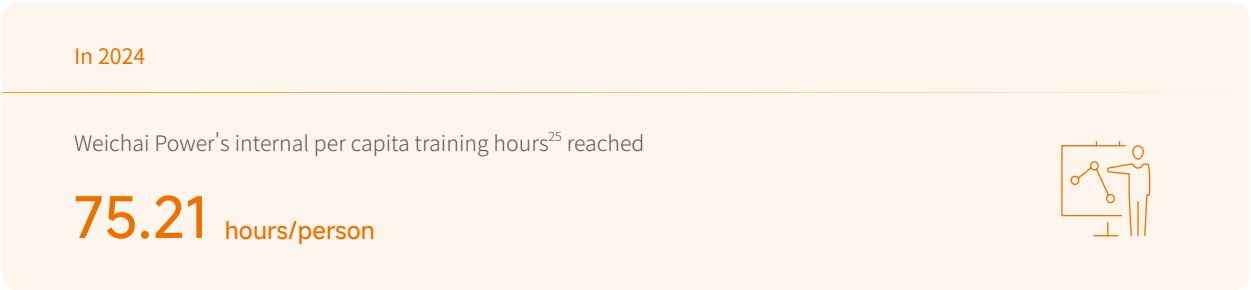


Weichai Power Employee Diversity Data



In 2024, The total annual training expenditure of Weichai Power reached 31.3681 million yuan, with an average of 75.21 training hours per person internally. In terms of skill improvement, Weichai Power won 21 awards at provincial and higher-level skill competitions, a year-on-year increase of 23.5%. In addition, Weichai Power's various training activities have attracted a large number of participants, effectively enhancing employees' knowledge and skills.

Weichai Power conducts specialized training at different levels and implements a series of targeted training programs. Through professional course lectures, practical operation drills, and industry frontier discussions, employees' professional skills and comprehensive quality are improved.



Leadership Training

In 2024, to enhance the comprehensive quality and professional capabilities of its leadership, Weichai Power actively carried out diversified leadership training programs.



Uniting Hearts and Forging Synergy to Strengthen the Foundation of Leadership

In 2024, Weichai Power launched the "Hearts Uniting Class for Leading Carders". The training was divided into six sessions, with a total of 770 participants. The training content focused on party spirit cultivation, leadership skills, and other aspects. It was conducted through diverse modes such as online learning and flipped classrooms. This training resulted in 17 youth culture implementation outcomes, 17 leadership profiles, and 105 Weichai Operating System (WOS) research outcomes, providing new ideas and methods for enterprise operations and management.

In 2024, Weichai Power launched the "Hearts Uniting Class for Leading Carders"

The training was divided into

6 sessions

With a total of

770 participants



"Hearts Uniting Class for Leading Carders" Training at Weichai Power

²⁵ This data scope includes the companies operated by Weichai Power in Chinese mainland.



Empowering through Expertise, Leading the Path to Diversified Development

In 2024, Weichai Power launched the "Professional Class for Leading Carders Training", conducted in 12 sessions, with a customized curriculum system tailored to three major directions: management, intelligent manufacturing, and research innovation. The management class focuses on AI applications and communication decision-making, the intelligent manufacturing class benchmarks industry leaders to refine cost-reduction and efficiency-improvement paths, and the research innovation class uses first principles to reconstruct the full-lifecycle management model of products. Through diverse teaching methods such as case studies and topic discussions, the program covered 796 participants, resulting in 150+ AI solutions for management scenarios, a library of 170 intelligent manufacturing optimization cases, and 100 practical applications of first principles and full-lifecycle product solutions, systematically enhancing the digital leadership and strategic execution capabilities of the leaders.

In 2024

Through diverse teaching methods such as case studies and topic discussions, the program covered

796 participants

Resulting

150+

AI solutions for management scenarios

170

intelligent manufacturing optimization cases



Professional Class for Leading Carders Training at Weichai Power

Training for New Recruits

To help new recruits quickly integrate into the Company, achieve a smooth transition from campus to the workplace, and deeply understand the corporate culture, Weichai Power conducted a series of targeted and effective new employee training activities in 2024.



Comprehensive Training to Facilitate Role Transition

In 2024, Weichai Power conducted an onboarding training program for new recruits, covering 1,064 new campus recruits hired that year. The training program consisted of three modules: course training, military training, and team-building activities. These modules collectively facilitated the rapid adaptation of new recruits from campus life to the workplace, helping them develop an initial understanding of professional environments and a sense of teamwork.



Collective Training for New Employees at Weichai Power



Cultural Immersion Promoting Deep Integration

During the innovative corporate culture training for new recruits, the Company actively organized grassroots units to participate in the cultural and creative competition, encouraging employees to engage and unleash their creative potential. This resulted in 12 cultural and creative stories and 17 cultural and creative products. Meanwhile, the Company conducted corporate culture and development history training as part of the new employee orientation program, covering over 1,500 individuals with a cumulative total of 3,112 training hours. In addition, the "Weichai Impression" cultural expansion activity was successfully carried out, with various teams collaborating to produce eight cultural scrolls. These cultural-themed trainings, along with the tangible outcomes of creative works and stories, effectively accelerated the new recruits' understanding and integration of the corporate culture, significantly enhancing their sense of belonging and identity.



KION Group Management Trainee Program - A Global Platform for Developing Future Leaders

KION Group designed an 18-month global development program for its management trainees. Participants in the program will rotate through four different positions and undertake a five-month international assignment, comprehensively understanding the Company's business and gaining diverse work experience. In 2024, the fifth cohort of the training program officially commenced, with 11 new management trainees joining. This program not only cultivates future management talents for KION Group but also provides trainees with a rapid-growth career development platform.

Professional Skills Training

To strengthen the foundation of skilled talent for corporate development, Weichai Power has taken meticulous planning and actions to propel the cultivation of skilled talent to new heights, and continuously builds the "Thousands of Craftsmen" training program.



Cultivating with Ingenuity, Building a High Ground for Skilled Talent

In 2024, Weichai Power continued to carry out the "Thousands of Craftsmen" Training Project. Through systematic research on internal and external high-quality training resources, a hierarchical and categorized skill talent training curriculum system has been constructed, forming training "menus" in various fields such as equipment maintenance and new energy, and releasing type A and B courses for senior technicians and technicians for student selection. We conducted 20 training sessions throughout 2024, cultivating a total of 786 technicians and others, with approximately 12,000 training hours. The training content is practical and the methods are flexible, receiving unanimous praise from participants, and contributing to the development of the Company's skilled talent pool.



Weichai Power's "Thousands of Craftsmen" Training Program



Specialized R&D Training and Academic Salons Stimulating Innovation

In 2024, Weichai Power's R&D system offered specialized training in fuel cells, internal combustion engines, vehicle-cloud coordination, and concurrent product engineering, with over 330 participants and a total of more than 2,800 hours, enhancing the specialized technical capabilities of R&D personnel. Simultaneously, academic salon activities were conducted, focusing on various themes including hydraulics, electronic control, and new energy, with 48 themed lectures promoting technological exchange and the collision of innovative ideas.



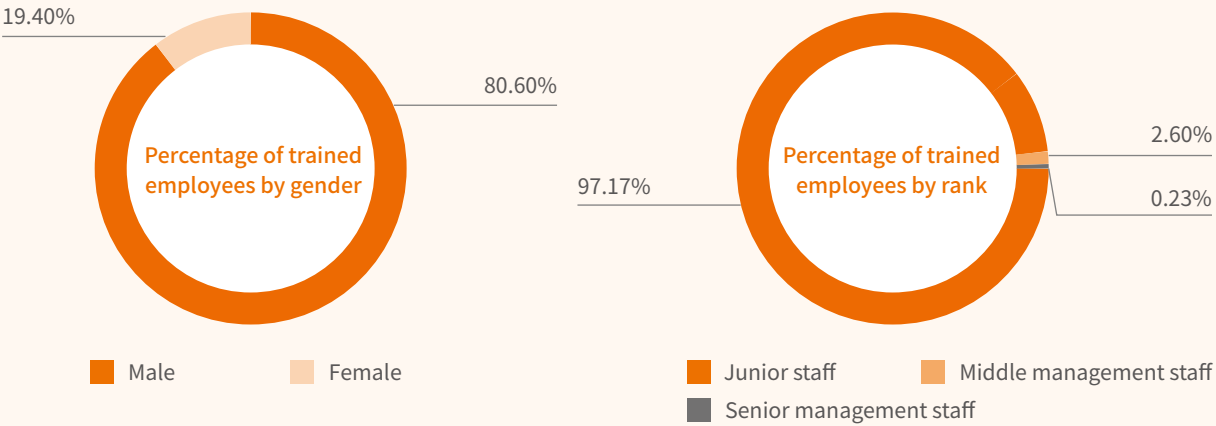
Weichai Power Held a Specialized Training Program on Large-bore Products

Meanwhile, Weichai Power fully supports employees in obtaining various certifications, contributing to their career development.



Development and Training Data²⁶

Total number of trained employees 54,573, Percentage of trained employees by category 91.76%.



Average training hours per person 75.21 hours.



²⁶ This data scope includes the companies operated by Weichai Power in Chinese mainland.

In addition, Weichai Power has established the *Management Measures for On-the-job Qualification/Degree Education of Employees*, which standardizes the management of on-the-job education for various talents, including associate degree to bachelor's degree, high school to bachelor's degree, and on-the-job postgraduate/master/doctoral degree education. In 2024, the Company has cumulatively supported 40 doctoral, over 80 master's students, and over 500 undergraduate students in their ongoing studies. Meanwhile, Weichai Power HQ has expanded its talent cultivation channels, being approved as a National Skills Foundation Engineering Training Base, a National Academy of Craftsman, and a Provincial Base for Continuing Education for Professional and Technical Personnel. The Company also conducted joint training programs in cooperation with universities such as Tianjin University, Shanghai Jiao Tong University, and Xi'an Jiaotong University, integrating resources from all parties to improve the talent cultivation system and promote the construction of a talent team. In 2024, Weichai Power HQ launched projects such as the Xi'an Jiaotong University Elite Class and the Tianjin University Teacher Engineering Practice Training Class, with a total of more than 500 people participating. Relying on systematic training projects, both the university and the Company have achieved deep integration, driving significant improvements in employees' practical technical skills and innovation capabilities through mutual empowerment.

In 2024

Weichai Power HQ launched projects such as the Xi'an Jiaotong University Elite Class and the Tianjin University Teacher Engineering Practice Training Class, with a total of more than

500 people participating



Tianjin University-Weichai Practical Project Kickoff Meeting

Employee Promotion

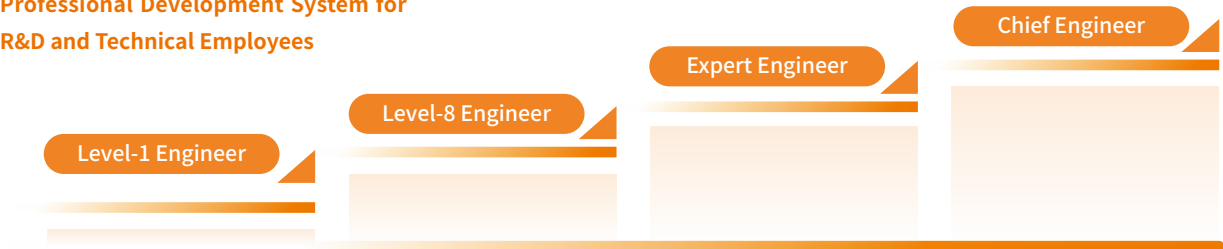
To enhance employee motivation and corporate competitiveness, Weichai Power has established the *Staff Appraisal Management Process*, conducting rigorous evaluations annually. This process defines clear criteria for employee promotion based on merit, tightly linking promotions to performance to ensure fairness, justice, and rationality in personnel management. In 2024, the Company formulated the *2024 Annual KPI Evaluation Indicators and Methods* for each unit, evaluating them quarterly and incorporating them into the performance bonus assessment. The *Monthly Performance Bonus Evaluation Guidelines for All Categories of Personnel* explicitly outlines the evaluation content, coefficients, and result applications to stimulate employee work enthusiasm.

Vertical Development: Building Promotion Bridges

R&D and Technology:

The Company builds an R&D and technology career development system based on the needs of technological innovation. Employees start from basic positions and, based on the accumulation of professional knowledge and project experience, have the opportunity to be promoted to expert-level engineers and chief experts, providing a clear career development path for R&D personnel.

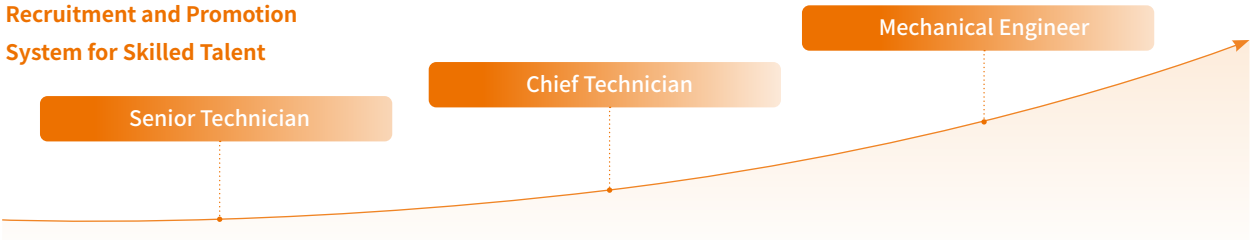
Professional Development System for R&D and Technical Employees



Skill and Operation:

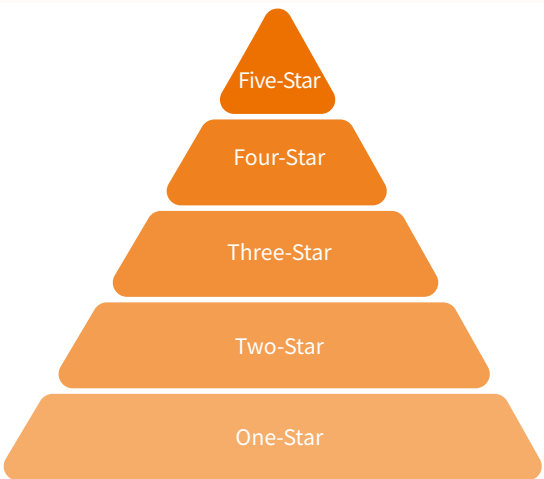
The Company builds a skilled talent recruitment system focusing on skill improvement and talent development. From senior technician to chief technician, through regular skills assessments, targeted training, and performance-based incentive mechanisms, a promotion channel is established. We define skill standards at each level to provide a basis for promotion for skilled talents.

Recruitment and Promotion System for Skilled Talent



Marketing and Management:

To stimulate marketing vitality, the Company has established a "five-star employee" promotion system. Assess marketing personnel based on multi-dimensional quantitative indicators such as sales performance, customer retention, and market development. Based on the star-level promotion criteria, employees can clearly understand their development direction, continuously improve their professional capabilities, and achieve career advancement.



Five-star Level Employee Promotion System

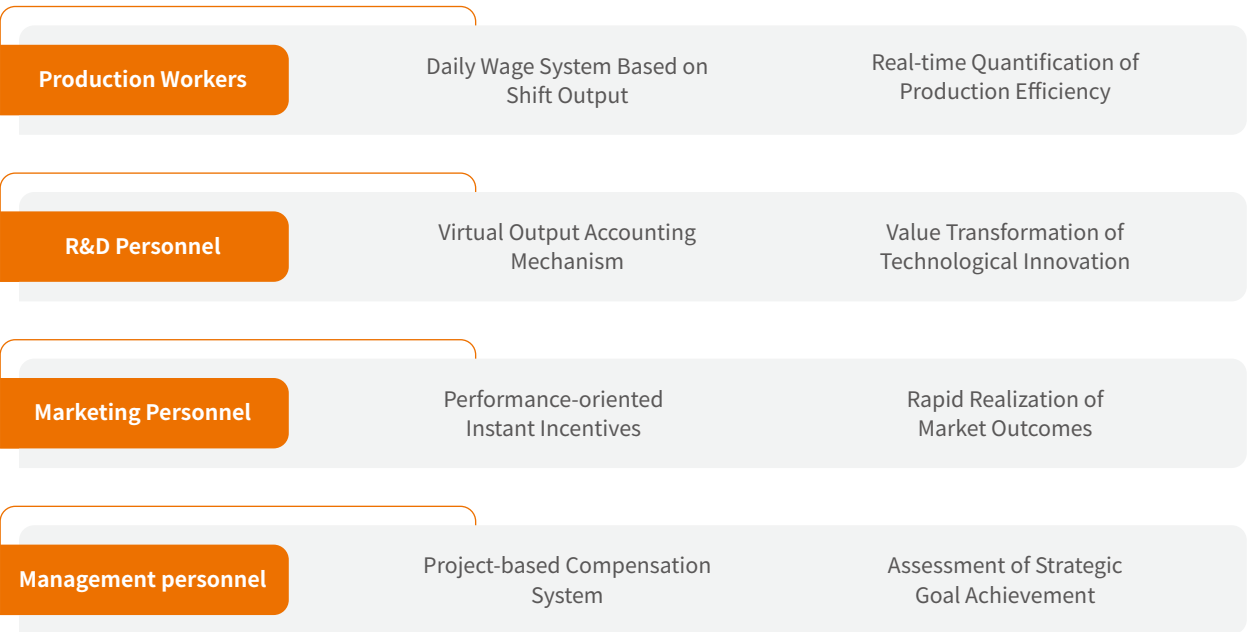
Horizontal Development: Expanding Career Horizons

Weichai Power relies on its internal talent market. According to the *Management Measures for Internal Talent Market*, we designed three talent management models, namely "posts for candidates", "candidates selecting posts" and "candidates for posts" to promote internal personnel flow, provide employees with more career opportunities, and achieve horizontal expansion in their career development.

Performance Management

Weichai Power strictly complies with relevant salary regulations and adheres to the principles of precise incentives and performance orientation. We adopt a compensation model of "salary + performance-based variable pay." At the same time, the Company has established a comprehensive performance management system that covers all employees and conducts annual performance discussions with them. The Company formulates Individual Development Plans (IDPs)²⁷ through collaboration between supervisors and employees. Enhance professional development; The Company rigorously implements a full-caliber public disclosure system for evaluation results within five working days. Based on the balanced scorecard framework, the Company decodes strategic objectives into department-level Key Performance Indicators (KPIs)²⁸ and position-level Personal Performance Commitment (PPC)²⁹. Using the SMART principles³⁰, quantitative indicators are established to create a dynamic management loop with monthly tracking, quarterly reviews, and annual calibration. In 2024, Weichai Power invested substantial funds in employee rewards, stimulating staff motivation and effectively driving the integration of performance and incentives, thereby enhancing work drive.

Performance Incentive Mechanism for Core Positions



²⁷ IDP: Individual Development Plan.

²⁸ KPI: Key Performance Indicator.

²⁹ PPC: Personal Performance Commitment.

³⁰ SMART: Specific, Measurable, Achievable, Relevant, Time-bound.

Enhancing Employee Well-being

Weichai Power continues to refine its flexible benefits system, strengthens humanistic care, and promotes effective communication, aiming to comprehensively enhance employees' happiness and sense of belonging, unlock their potential, and lay a solid foundation for the Company's steady progress.

Employee Care

According to the *Social Insurance Law of the People's Republic of China* and the *Administrative Regulations on the Declaration and Payment of Social Insurance Premiums*, Weichai Power fully pays for basic pension insurance, basic medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident funds for all employees according to local regulations. In 2024, the Company achieved a 100%³¹ coverage rate for employees' contributions to the five insurances and one fund. Employees who have completed their probation period are entitled to enterprise annuities and supplementary medical insurance, and retired employees can choose the method of annuity withdrawal at their discretion. In 2023, the Company completed the registration and granting of its A-share restricted stock incentive plan, awarding 78.27 million shares of restricted stock to 693 eligible participants. This initiative strengthens employees' sense of belonging and fosters shared growth between the Company and its workforce.

In 2024, the Company enhanced the material well-being of employees through holiday benefits and special subsidies and enriched their spiritual lives by organizing various cultural and recreational activities as well as knowledge lectures.

Employee Welfare at Weichai Power

Home Leave

- Domestic employees who have worked for at least one year and whose family home is more than 150 kilometers from Weifang City are eligible for home leave with one round-trip transportation fare reimbursed;
- For overseas residents who have been stationed abroad for 180 days in a year, their family members can visit them for 30 days.

Fun Competition

- Torch Technology held the "Forging Unity and Synergy, Building Dreams for the Future"—2024 Trendy Sports Season and Fun Employee Sports Games Day in Celebration of the 75th Anniversary of the Founding of the People's Republic of China, with approximately 600 employees participating.



Employees Participating in the Fun Employee Sports Games

³¹ This data scope includes the companies operated by Weichai Power in Chinese mainland.

Holiday Benefits

- In 2024, Weichai Power launched a series of events themed "Warm Mid-Autumn" and "Warm Spring Festival", distributing gift packages containing grains, oils, dried fruits, meat, and snacks to employees. Additionally, traditional festival-themed cultural activities such as lantern riddle guessing, handmade mooncake making, and classic recitations were organized to create a warm festive atmosphere.



Weichai Power Employees Participating in Mid-Autumn Festival Activities



Employees Participating in Spring Festival Activities



Cultural and Sports Activities

- On May 4, 2024, Weichai Power hosted its 2nd May 4th Youth Music Festival, attracting tens of thousands of young employees. The event featured cultural performances, food stalls, and a drone light show. A fleet of 2,024 drones performed a spectacular aerial display themed "Hello, Future", illustrating Weichai's development journey and embodying the company's spirit of innovation and youthful perseverance.
- Torch Technology values the physical and mental health of its employees, and formulates various fitness and wellness activity plans through labor unions. The Company promotes exercises like the workshop workers' brain-invigorating exercises and stretching routines, creates the Torch Fitness mini-program, and records instructional videos to encourage employees to check in online for fitness, enabling the combination of both online and offline activities.



May Fourth Youth Music Festival



Torch Technology Employees Doming Exercises Together

Additionally, Weichai Power pays attention to the needs of special groups, providing targeted assistance and humane care initiatives to effectively address the practical needs of employees facing difficulties and female staff members.



Assistance for Employees in Need

The Company always cares about employees in need. Through in-depth research to understand their actual needs, the Company assists such as daily necessities, consolation funds, and aid for schooling in the autumn. This effectively covers every employee in need and significantly alleviates their financial burdens.



A Day of Donation with Compassion

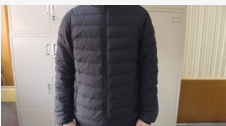


Golden Autumn Education Assistance Activity



Labor Protection

Torch Technology provides considerate care for employees according to seasonal changes: in summer, heatstroke prevention and cooling supplies are distributed, and high-temperature subsidies are increased to ensure employee health; in winter, down jackets and other cold-proof materials are distributed. These measures create a comfortable working environment for employees, reflecting the Company's care and support for its staff.



Down Jackets Purchased for Employees



Care for Women

To effectively protect the rights of female employees, Weichai Power has formulated thoughtful care policies for pregnancy and breastfeeding periods. The Company conducted a series of themed activities for International Women's Day, enriching the spiritual and cultural life, and further enhancing the sense of honor and cohesion among all employees, truly allowing them to deeply feel "Work at Weichai, Happiness at Weichai".



Flower Arrangement Activity on International Women's Day

Employee Communication

Weichai Power is committed to creating an open, harmonious, and trusting work atmosphere, ensuring smooth employee communication channels. The Company holds an annual employee congress, collectively discussing and signing collective contracts on issues of concern to employees, allowing them to fully participate in corporate democratic decision-making, and deeply understand, and listen to their work opinions and demands, thereby safeguarding their democratic rights. On January 10, 2024, the Company convened the Annual Staff Congress to review and listen to the *General Manager's Work Report*, and democratically evaluate the leadership of the group company.

To build a comprehensive and multi-level communication system, the Company has established diverse communication and feedback channels. By combining online platforms such as the employee suggestion mailbox, Hi-Work mobile app, and the "Employee Voices" blog with offline channels, the Company ensures that all aspects of employee needs are promptly listened to and issues are addressed with immediate feedback. Additionally, we have added modules such as employee assistance, family services, the Youth League Committee, family planning for female workers, and petition handling to the Hi-Work Service Express. This enhancement enables us to address employee concerns quickly and efficiently, with nearly 110 issues resolved to date.

Hi-Work Service Express

Nearly
110
issues resolved to date



In 2024, Weichai Power HQ adheres to the principles of positive and proactive guidance, as well as result-oriented goals, conducting an employee satisfaction survey from five dimensions based on a questionnaire developed by professional institutions, covering the Company's vision, compensation management, catering services, employee care, and training management. A total of 16,278 employees participated, with a participation rate of 94.2% and an overall satisfaction score of 97.0%, marking a historical high. In response to employees' concerns, the Company has formulated corresponding improvement measures to enhance the overall work experience.

In 2024, Weichai Power HQ conducting an employee satisfaction survey

A total of
16,278
employees participated

With a participation rate of
94.2%

An overall satisfaction score of
97.0%
marking a historical high



Strengthening Safety Defenses

Safety production is the cornerstone of enterprise development, affecting the well-being of employees and the future of the Company. Weichai Power's systematically controls safety framework and strengthens institutional safeguards, implements standardized production processes, improves occupational health protection and monitoring mechanisms, and cultivates comprehensive awareness, thereby building a robust safety defense in all aspects.

Safety Management System

Weichai Power strictly adheres to laws and regulations such as the *Production Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, and the *Production Safety Regulations of Shandong Province*, continuously updating and revising internal documents such as the *Management and Control Procedures on Production Safety Accident* to ensure all production and operation activities and safety management within the Company's jurisdiction are well-regulated, standardizing safety guidelines in the production process, and enhancing safety assurance capabilities. In 2024, the Company formulated the *Environmental, Health, and Safety (EHS) Policy* to safeguard the health rights of employees, suppliers, operational business communities, and other stakeholders, internally compiling and summarizing the *Environmental Occupational Health and Safety Management Manual*, further improving the safety management system and providing comprehensive and systematic guidance for the Company's safety management.

The Company has established a top-down safety management structure, with the Board of Directors as the highest regulatory body for health and safety management, formulating the Company's overall health and safety strategy and comprehensively supervising health and safety work. The Safety Production Committee is the leading organization, which consists of 10 professional safety production groups, which are composed of functional departments and production unit leaders and are responsible for the professional supervision of various businesses. All subsidiaries (KION, Fast Gear, Shaanxi Heavy Duty Automobile, etc.) were required to establish their safety committees to form a comprehensive safety responsibility network. In daily operations, the Safety and Environmental Protection Department coordinates occupational health and safety management, based on the *Safety Production and Fire Safety Performance Evaluation Standards*, issuing monthly warnings and quarterly rankings to strengthen process and result control, ensuring the effective implementation of work safety. The Company ensures safety communication through frequent meetings, holding an annual safety production work conference, conducting safety committee meetings quarterly, and organizing monthly safety and environmental protection meetings. At the same time, the Company formulated the *Safety Production Reward and Punishment Management System*, rewarded outstanding units and individuals, punished violators, incorporated safety responsibility accident indicators into the senior management performance evaluation system, and implemented a one-vote veto for major accidents.

Organizational Structure for Safety Management



To achieve standardization in safety management, worksite operations, and operational processes, the Company has implemented safety management operation standards at all levels. Through specialized regulations, compliance creation, on-site learning observations, and targeted inspections, the Company ensures the standardized operation of safety production. In 2024, the Company invested RMB 120.8294 million in safety, successfully passed the secondary-level safety production standardization review and obtained ISO 45001:2018 Occupational Health and Safety Management System certification, with a coverage rate of 100%.

Weichai Power's Personnel Injury in 2024

Indicator	Unit	2023	2024
Number of work-related fatalities among employees	Persons	1	1
Number of work-related fatalities among contractors	Persons	0	1
Number of working days lost by employees due to work-related injuries	Days	13,701	11,015
Lost Time Injury Rate (LTIR)	LTIR /per 200,000 hours	0.51	0.41
Total number of contractors at Weichai's operating sites ³²	Persons	/	2,983

Safety in Production Process

Safety production is the cornerstone of a company's steady development, concerning the life and health of employees and the future of the Company. Weichai Power implements comprehensive safety measures through safety hazard inspections, special equipment management, fire safety management, emergency safety response, and close collaboration with relevant parties, strictly adhering to safety bottom lines.

Hidden Hazards Inspection

Weichai Power adheres to controlling risks from the source and has established a safety risk identification and hazard investigation mechanism based on the national dual prevention system. The Company has formulated the *Implementation Guidelines for the Construction of a Hierarchical Safety Risk Management and Control System* and the *Implementation Guidelines for the Construction of a Hidden Hazards Inspection and Governance System*, clarifying the frequency and content of hazard investigations for each department. In addition, the Company has hired national and provincial safety production experts to conduct comprehensive safety production diagnostics in high-risk areas and vulnerable units, ensuring no blind spots in hazard investigations and solidifying the safety production line of defense. In 2024, the Company identified a total of 6,121 risk points, including four major risks, 46 significant risks, 2,050 general risks, and 4,021 low risks. Conducted 32 safety inspections and surveys throughout the year, identifying 868 safety hazards, all of which were rectified upon discovery. Meanwhile, the Company regularly conducts hazard identification, carries out multiple rounds of reviews and on-site audits for 26 units, and organizes 10 specialized training sessions, covering 220 production line managers and team leaders, to enhance the hazard identification capabilities of all employees.

³² The data covers Weichai Power HQ and Shaanxi Heavy Duty Automobile. Weichai Power began tracking the total number of contractors in 2024, and will subsequently track contractor injury data based on this.



Weichai Power Conducted Specialized Training on Hazard Source Identification at Different Levels

In 2024, Weichai Power organized 10 sessions of hazard identification specialized training, conducted in different time periods and batches, covering 220 production line managers, team leaders, and key employees from 15 units. The training focused on hazard source identification methods, risk assessment processes, and control strategies, enhancing practical skills through case analysis. After the training, the participant's ability to identify hazard sources was significantly improved, effectively strengthening the foundation of primary safety management.



Hazard Source Identification Training

Special Equipment Management

Given the unique nature of special equipment, Weichai Power prioritizes it in safety production management. Regular safety inspections and tests are organized for special equipment in use such as cranes, pressure vessels, boilers, elevators, and forklifts, along with timely maintenance, strictly controlling the safe operating conditions of the equipment. For special equipment that does not meet safety management requirements, promptly implement suspension, cancellation, and scrapping procedures to eliminate safety hazards at the equipment level.

Fire Safety Management

In 2024, Weichai Power adopted the fire management philosophy of "prioritizing prevention, standardizing comprehensively, strengthening source governance while enhancing emergency response capabilities" to steadily advance various tasks and ensure stable fire safety conditions. The Company has conducted special rectification in key areas such as gas-related and explosive operations, warehousing and logistics, and testing and trial runs, standardizing 61 documents and comprehensively strengthening fire safety control. Additionally, the Company has carried out special rectification on concealed electrical wiring, clarifying inspection standards and improving documentation. Regarding the charging process, the Company established 26 standardized specifications for five categories of charging zones, organized training for 29 units, and conducted individual inspections and acceptance checks, effectively reducing fire hazards. In addition, the Company conducted comprehensive inspections and evaluations of key units, discovering and assisting in rectifying 149 issues. In 2024, the Company invited external firefighters to conduct 31 comprehensive inspections, identifying 492 hazards and strictly rectifying them. Simultaneously, the Company utilized innovative methods to conduct training and drills, organizing 158 training sessions and 243 emergency drills, covering 18,916 participants, significantly enhancing employees' fire safety capabilities.



Weichai Power Conducted an Emergency Drill at the Technology Building

On November 9, 2024, Weichai Power conducted an emergency response drill at the Technology Building. The drill simulated a fire caused by a short circuit in the distribution box on the second floor of Zone C. Personnel in the area promptly organized initial firefighting efforts and called for help. All departments responded urgently and orderly organized the evacuation of employees. 371 employees evacuated to the safe area in just two minutes and 42 seconds, with no one left behind. This drill effectively tested the scientificity and practicality of the emergency plan, improved the emergency response capabilities and teamwork level of employees, and accumulated valuable experience in dealing with sudden fire accidents.



Emergency Drill Assembly

Safety and Emergency Management

In terms of emergency management, Weichai Power has compiled four special emergency plans, including the *Comprehensive Emergency Plan for Production Safety Accidents*, as well as the *Emergency Preparedness and Response Control Procedures*, which clarify emergency responsibilities, preparations, responses, and other details. In 2024, 94 emergency evacuation drills were conducted, involving a total of 11,766 employees. In addition, 221 emergency response drills were carried out, with participation from 5,458 employees, effectively enhancing the employees' emergency response and evacuation capabilities.

Safety Management of Relevant Parties

Weichai Power's stakeholder safety management covers contractors, suppliers, and lessees, involving multiple fields such as engineering operations, equipment installation and maintenance, and product supply. The Company has established a stakeholder safety control system, formulated the *Procedures on Managing and Controlling Safety and Environmental Protection of Relevant Parties* and the *Engineering Construction Safety/Environmental Agreement*, specifying the responsibilities and behavioral norms of all parties, with all links closely coordinated to ensure the safety of stakeholder operations. Meanwhile, the Company adopts an "online + offline" operation mode to achieve full-process supervision and control from agreement signing to project completion and acceptance, ensuring that stakeholder safety management is efficient, standardized, and controllable.

Relevant Parties Management Process



Occupational Health and Safety

In strict adherence to relevant laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, Weichai Power constructed a comprehensive occupational health management process that covers hazard identification, health check-ups, and knowledge dissemination. The Company conducts supervision and inspection on daily occupational health checks for workstations with occupational disease risk factors and the maintenance of occupational health monitoring records for exposed personnel, as well as the distribution and use of personal protective equipment. For any issues identified during inspections, the Company issues safety and environmental hazard rectification notices and follows up to ensure closed-loop rectification. In 2024, we focused on advancing standardized control of production sites, compiled ledgers of occupational hazard detection points for 14 production units, and commissioned professional agencies to conduct tests on over a thousand workstations and issue 14 reports. Additionally, we completed the status evaluation of occupational hazard projects for the Hanting and Anqiu Material Forming Centers. The Company continuously enhances employees' self-protection capabilities and ensures the effective implementation of scientific and standardized occupational health management by regularly conducting accurate distribution of protective equipment and thematic activities such as occupational disease prevention and control promotion weeks.

In 2024, KION focused on employee physical and mental health and work stress management. The Company promoted Employee Assistance Programs (EAP) in multiple entities including Germany, providing employees with professional external advice on health, professional, and personal issues, with a focus on areas such as psychological support, family and care, life balance, and stress management, helping employees better cope with daily challenges and creating a healthier and more supportive work environment.

Occupational Health and Safety Goals of Weichai Power HQ

Goal Description	Achievements in 2024
The number of minor injuries and above for employees and contractors does not exceed	With 0 incidents the goal was achieved

During the Reporting Period, Weichai Power HQ organized experts to conduct 18 "Bringing Health to the Grassroots" special lectures across multiple subsidiary units, providing health education to over 1,000 employees. Additionally, over 6,000 employees, including key personnel, expatriates, female employees, and new hires, were scheduled for health examinations in phases, covering pre-employment, in-service, and post-employment stages, ensuring comprehensive health monitoring. For newly reported occupational diseases and occupational contraindications, the Company supervised relevant units to adjust positions and provide treatment, and organized and entered over 2,600 examination records into archives.

Weichai Power Annual Insurance Investment and Coverage Statistics

Indicator	Unit	2023	2024
Investment in work-related injury insurance ³³	RMB	58,956,390.65	56,580,615.91
Work-related injury insurance coverage rate	%	100.00	100.00
Safety production liability insurance coverage rate ³⁴	%	100.00	100.00



Weichai Power Company-Level Occupational Health Knowledge Training

In October 2024, the Company organized occupational health knowledge training for approximately 60 individuals, including occupational health managers, key personnel at risk, and leaders from related units. Among them, 32 occupational health supervisors and managers underwent re-certification and renewal procedures for new qualifications.



Occupational Health and Safety Training



Conducting Specialized Training on Heatstroke Prevention

In June 2024, Weichai Power organized specialized training on heatstroke prevention for relevant departments and completed training for frontline workers, including those in high-temperature positions and emergency drills for heatstroke incidents.



Specialized Training on Heatstroke Prevention



Series of Activities for the Promotion Week of the Law on the Prevention and Control of Occupational Diseases

From April 25 to 30, 2024, Weichai Power launched activities for the Promotion Week of the *Law on the Prevention and Control of Occupational Diseases*, involving experts from the higher-level health authorities and Weifang People's Hospital. These experts conducted occupational health knowledge promotion and training sessions across relevant departments, with a total of over 50 thematic activities carried out by various units.



Promotion Week of the Law on the Prevention and Control of Occupational Diseases

³³ This data scope includes the companies operated by Weichai Power in Chinese mainland.

³⁴ This data scope only includes Weichai Power HQ.

Safety Culture Development

Weichai Power has organized and implemented various forms of safety culture training and promotional activities for all its employees, including safety education training and safety production week, to enhance safety management capabilities at different levels. Through systematic training and assessment, Weichai Power conducted a total of 353,052 hours of occupational health and safety training in 2024, covering 49,450 people. This significantly enhanced the professional capabilities of safety management personnel and improved overall safety management, establishing a solid foundation for the Company's safe production.

Weichai Power's Training Programs by Category

Training Category	Training Targets	Training Content and Form	Training Performance and Outcomes
Safety qualification certification training	Safety management personnel	Registered Safety Engineer examination, carry out a special training program of "promoting learning through examination", accompanied by practical question banks and online/offline tutoring resources	Enhance certification capabilities and increase exam pass rates; Establish a standardized coaching system
Professional talent team building	Internal trainers and safety experts	Develop a theoretical and practical integrated curriculum system, and implement a selection mechanism reviewed by provincial expert panels	Select 44 internal safety trainers and 13 municipal safety experts to establish a professional training and technical support team
Key position competency certification	On-duty inspection/guard personnel	Implement a special assessment and random retesting recertification mechanism for positions involving hazardous operation supervision and patrol duties	1,575 inspectors and 1,144 supervisors are 100% certified, dynamically ensuring that job competencies are met
Safety culture education for all employees	All employees in the service	Organize safety education training, safety production week, and other activities to strengthen safety awareness and operational norms	Achieve full coverage of all staff, improve the penetration rate of safety culture, and form a normalized publicity and education mechanism



Weichai Power Launched the Thematic Safety Culture Month Activities

During the Safety Production Month, Weichai Power orderly promoted various tasks, determined six key tasks and 15 specific requirements, and carried out a series of activities around the performance of safety responsibilities, knowledge learning, awareness strengthening, and hazard rectification.

- We organized special safety meetings and pre-shift meetings to study General Secretary Xi Jinping's important discussions on safety production;
- We arranged for 5,830 front-line employees to undergo training on job safety operating procedures, with a 100% pass rate, and organized 2,020 participants for specialized training on hazardous operations;
- We carried out safety warning education, with 7,527 participants watching safety videos, 4,828 participants sharing accident cases from their surroundings, 2,218 participants discussing safety, and producing a large number of promotional works to cultivate a good safety atmosphere.



Thematic Safety Culture Month Activities



Lovol Focused on Capability Enhancement to Develop Safety Culture

In 2024, Lovol focused on enhancing employee safety capabilities, centering on the construction of "three capabilities and two teams", and conducted comprehensive basic training and targeted thematic training for all employees. The Company verifies the effectiveness of the training through monthly random tests, practical competitions, and on-site safety "seven consecutive questions", thereby strengthening the foundational skills of frontline employees, the performance capabilities of management personnel, and the professional skills of safety engineers. Meanwhile, the Company enhanced the level of part-time emergency teams and safety engineer teams, laying a solid foundation for safe production.



Lovol Safety Training

04

Advancing Green Development, Enabling Mutual Ecological Benefits

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Driven by the mission of "Green Power, International Weichai", Weichai Power actively engages in climate action, thoroughly implements the concept of green operations, promotes green and low-carbon reforms in the industry, and comprehensively creates a green development operation model. The Company practices the development concept of "lucid waters and lush mountains are invaluable assets", injecting continuous momentum into the green transformation and upgrading of the industry.

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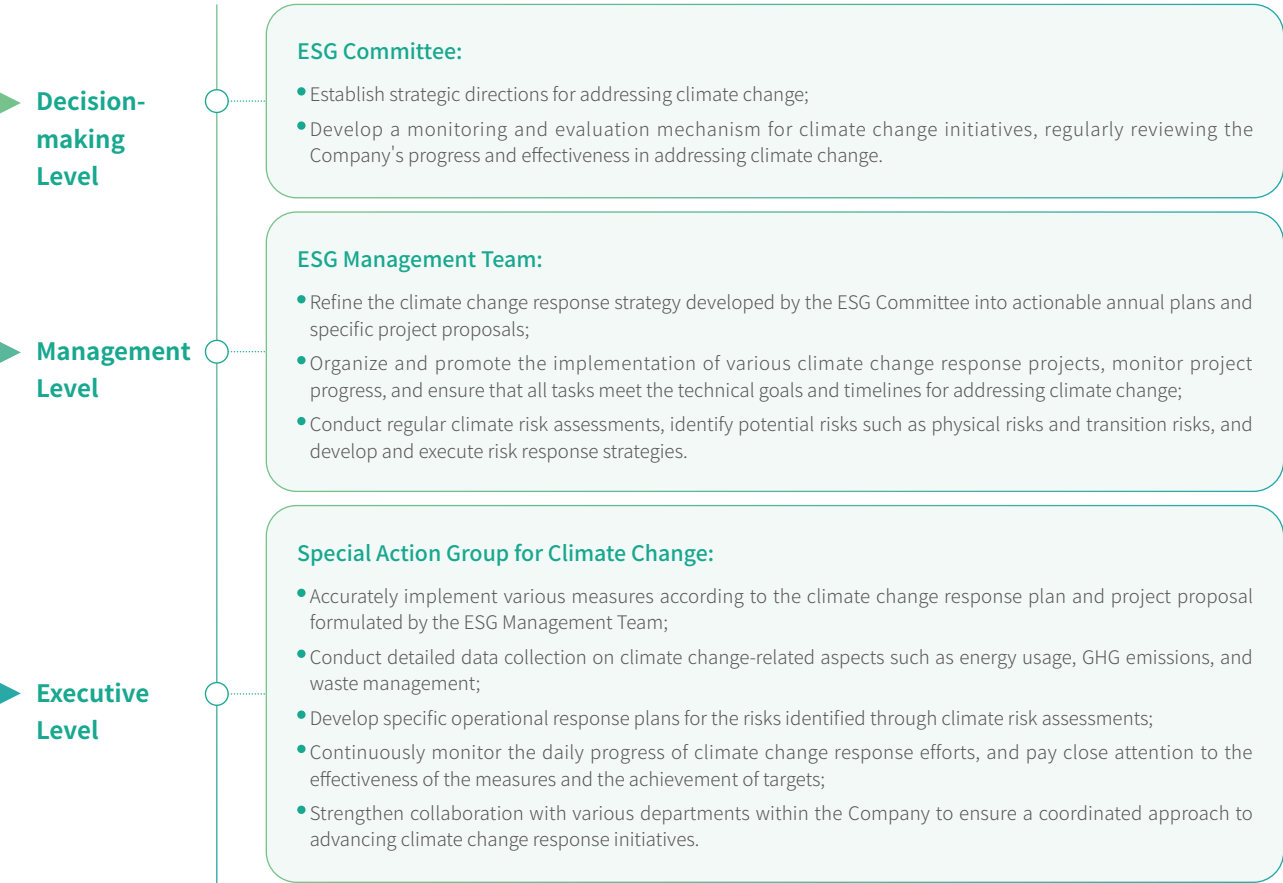
Implementing Climate Action

In the face of the severe challenges posed by global climate change, addressing it has become an urgent task for all of humanity. Weichai Power deeply understands that climate change is not only about environmental ecology but also about the long-term development of the enterprise. As an industry leader, Weichai Power has shouldered the responsibility of addressing climate change and placed it at the core of its corporate strategy. The Company has established a comprehensive climate change governance system, defined a clear strategic direction for addressing climate change, conducted rigorous climate change risk management, and set practical scientific indicators and targets. With firm determination and proactive actions, Weichai Power is contributing to the global effort to address climate change and accelerating the industry's transition towards low-carbon development.

Governance

Weichai Power has established an ESG Management Committee, as a Board-level committee, responsible for overseeing and implementing climate change actions and integrating climate change risk and opportunity management into the Company's overall risk management system. To ensure the smooth implementation of climate change management initiatives, the ESG Committee has set up an ESG Management Team and a Special Action Team for Climate Change. These teams are responsible for developing, coordinating, and implementing climate change strategies, risks, and objectives, and monitoring the effectiveness and progress of daily work.

Climate Change Governance Structure



Strategy

To align with the global trend of accelerating energy transformation and the national requirements for advancing the "Dual Carbon" strategy, the Company has further placed green and low-carbon transformation at the core of its strategic planning, fully accelerating the construction of a modern new energy system. The Company remains steadfast in its ambitious goal of "Leading the Global Industry Development in New Energy Business by 2030", continuously refining and expanding in the new energy industry. It has increased investments in and research on clean energy technologies, making it one of the core strategic focuses for future development. This has led to the formulation of the *Engine Sector Carbon Peaking Action Plan*, aiming to become a global leader in new energy power system solutions with outstanding core technologies. Through continuous innovation and practice, the Company actively explores new paths for the transformation and upgrading of product technologies, comprehensively driving both the Company and the industry towards higher levels of green and low-carbon development, contributing more to the early realization of the national "Dual Carbon" goals.



Climate Risk Management

The Company complies with ISSB S2³⁵ Guidelines, actively identifies the physical risks and transition risks faced by the Company in its operations, establishes a full life cycle management mechanism for identifying, assessing, and responding to climate risks and opportunities, and integrates climate risk management into the Company's overall strategy and operations.

Climate Risk Category		Risk Description	Risk Mitigation
Transition Risk	Policy and Legal Risk	<ul style="list-style-type: none">Globally, carbon emission policies are becoming increasingly stringent. China has completed the transition from National V to National VI standards to improve engine emission standards. If carbon emission standards are further tightened in the future, Weichai Power may need to invest more resources in energy-saving and emission-reduction technology research and development, as well as equipment upgrades, to meet compliance requirements, which will increase production costs;Environmental regulations on engine exhaust emissions, noise pollution, and other aspects are becoming increasingly stringent. Once regulations are updated, Weichai Power must promptly adjust its production processes and product designs. Failure to keep pace with regulatory changes may result in market bans or hefty fines, affecting the Company's reputation and market share.	<ul style="list-style-type: none">Establish a Special Action Group for Climate Change to closely monitor the formulation and revision of carbon emission policies and environmental regulations both domestically and internationally; Timely interpret the specific impacts of policy and regulatory changes on the Company's business, providing accurate and timely policy information to the decision-making level to facilitate preemptive strategic planning;Actively participate in discussions on industry standards and policy formulation to create a favorable policy environment for the Company;Strengthen the internal compliance management system to ensure that all production and operation activities strictly adhere to current environmental policies and regulations; Conduct regular internal energy and environmental compliance inspections and audits, promptly rectifying any issues identified to avoid penalties and reputational damage due to non-compliance.
	Technology Risk	<ul style="list-style-type: none">New energy power technologies, such as hydrogen fuel cells and pure electric technology, are developing rapidly. If Weichai Power lags in the research and development of new energy technologies, its traditional fuel engine products may be quickly replaced by new energy power systems, leading to a decline in market share;Breakthroughs in low-carbon technologies may alter the market landscape of power systems, such as new high-efficiency energy storage technologies and cleaner combustion technologies, posing a risk of obsolescence for the Company's existing technologies and products.	<ul style="list-style-type: none">Continually increase R&D funding in areas such as new energy and low-carbon technologies, and establish special R&D funds to support the breakthroughs and innovation of key technologies; Attract and cultivate a group of high-quality R&D talents to form a multidisciplinary R&D team, enhancing the Company's technological innovation capabilities;Establish industry-university-research collaboration relationships with universities and research institutions to jointly conduct cutting-edge technology research and application development; Participate in industry technology alliances and innovation platforms, strengthen technical exchanges and cooperation with peer enterprises, share technical resources and innovation achievements, and accelerate technology breakthroughs and product iterations;Pay attention to industry technology development trends, and carry out technical reserves and strategic layout in advance; Conduct pre-research and investment in promising new technologies, and acquire external advanced technologies and innovative teams through acquisitions, equity participation, etc., to enrich the Company's technology product line and reduce the risk of technology substitution.
	Market Demand Fluctuation Risk	<ul style="list-style-type: none">As environmental awareness in the powertrain industry increases, Weichai Power's downstream customers are witnessing a growing demand for low-carbon and zero-emission products. If Weichai Power's products fail to meet the market's demand for low-emission and energy-efficient solutions, customers may turn to competitors' new energy or low-carbon products, potentially impacting the Company's sales performance and market position;The demand for powertrain systems in industries such as transportation and construction machinery is influenced by climate change policies and the concept of sustainable development. If the industry accelerates its transition to new energy and Weichai Power fails to timely adjust its product portfolio and market strategies, it could lead to product unsalable and inventory backlog.	<ul style="list-style-type: none">Adjust product structure promptly in response to market demand changes, increase the research and production of new energy and low-carbon products, and launch more energy-efficient and environmentally friendly products that meet market needs;Establish a comprehensive market research system to gain an in-depth understanding of customer demand characteristics, preference changes, and market trends for low-carbon products; Conduct regular market research activities to collect market feedback, providing a basis for the Company's product development, market promotion, and strategic decision-making.

Climate Risk Category		Risk Description	Risk Mitigation
Transition Risk	Supply Chain Risk	<ul style="list-style-type: none">There might be changes in the demand structure for specific raw materials during the transition to low carbon. Rare metals such as lithium and cobalt, which are essential for new energy batteries, will impact the production plans and cost control of new energy products for enterprises if there is a shortage in the supply chain, price fluctuations, or supply disruptions.	<ul style="list-style-type: none">Strengthen the evaluation and management of suppliers, incorporate low-carbon indicators into the supplier selection and assessment system, sign long-term cooperation agreements with suppliers, jointly establish low-carbon development goals and action plans, and promote the overall low-carbon transformation of the supply chain;For key raw materials required for new energy products, diversify supply channels to reduce reliance on a single supplier or region, enhance monitoring and analysis of the raw material market, and prepare in advance for potential price fluctuations.
Physical Risk	Acute Risk	<ul style="list-style-type: none">Extreme or abnormal weather events triggered by climate change, such as thunderstorms, hurricanes, floods, and blizzards, pose multiple threats to factory equipment operations, sewage facilities, supply chain stability, and construction and operational activities. These weather events may lead to frequent factory equipment failures, severely disrupting normal operations, damaging sewage facilities, causing environmental issues, disrupting raw material supply and product distribution, affecting supply chain stability, and even directly causing interruptions in factory construction and operations, thereby significantly increasing operational costs.	<ul style="list-style-type: none">Equip factories with sufficient backup power sources, such as diesel generators and uninterruptible power supplies (UPS), to ensure critical equipment like sewage treatment facilities and monitoring systems can continue operating during power outages caused by extreme weather;Purchase emergency drainage pumps and dehumidifiers to address potential waterlogging and humidity issues caused by heavy rain, preventing equipment damage from water immersion or moisture;Reinforce and upgrade factory sewage facilities to enhance their disaster resistance, bury sewage pipelines deeper, and add protective casings to prevent pipeline ruptures due to floods or ground subsidence;Develop a detailed emergency plan for extreme weather conditions, covering various possible extreme weather scenarios, and clearly define the responsibilities and workflows of each department in emergencies, including specific measures for personnel evacuation, equipment protection, and business recovery.
	Chronic Risk	<ul style="list-style-type: none">Prolonged high temperatures may affect the operational stability of equipment in production workshops, leading to an increased probability of equipment failures, higher maintenance costs, and reduced employee efficiency, potentially causing health issues such as heatstroke;Prolonged low temperatures may cause changes in the physical properties of materials, lubricants, etc., affecting the production process and product quality. Additionally, it may lead to frozen and burst water pipes, disrupting the water supply for production and damaging related equipment;Rising sea levels may result in significant asset losses and business interruptions, as well as seawater intrusion, contaminating groundwater sources and affecting the quality of production and domestic water.	<ul style="list-style-type: none">Install air conditioning and ventilation equipment in production workshops to reduce temperature, retrofit key equipment for high-temperature adaptability, conduct regular equipment maintenance, increase inspection frequency during high-temperature periods, promptly identify and address potential equipment issues, provide employees with heatstroke prevention and cooling supplies, and reasonably adjust working hours and intensity during high-temperature periods;Implement thermal insulation treatment for raw materials and storage areas to ensure the stability of raw material performance in low-temperature environments;Conduct risk assessments for coastal facilities ad develop corresponding protective measures based on sea-level rise prediction data.

³⁵ International Financial Reporting Sustainability Disclosure Standard No.2 - Climate-related Disclosures.

Metrics and Targets

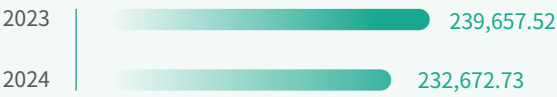
Weichai Power ensures the smooth progress of climate change response by setting scientifically reasonable and feasible climate change targets and summarizing annual climate change action performance.

Environmental Targets	Fulfillment of Environmental Targets in 2024
<div>Weichai Power HQ</div> <ul style="list-style-type: none">By 2025, reducing total energy consumption per RMB 10,000 of output value by 5% compared to 2023	<ul style="list-style-type: none">Achieving energy consumption intensity of 0.0078 tce/RMB 10,000
<div>Shaanxi Heavy Duty Automobile</div> <ul style="list-style-type: none">By 2025, capping total energy consumption at 36,500 tceBy 2025, reducing energy consumption intensity by 3% compared to 2022By 2025, lowering energy consumption per unit of GDP by 12% during the 14th Five-Year Plan periodBy the end of 2025, reducing annual energy consumption per unit of GDP by 2%	<ul style="list-style-type: none">Achieving total energy consumption of 24,461.54 tceAchieving fresh water usage of 669,000 tons, a year-on-year decrease of 5.24%
<div>Fast Gear</div> <ul style="list-style-type: none">By 2025, reducing comprehensive energy consumption per RMB 10,000 of output value by 3% compared to 2022	<ul style="list-style-type: none">Achieving fresh water usage of 761,000 tons, a year-on-year decrease of 4.65%
<div>Lovol</div> <ul style="list-style-type: none">By the end of 2024, reducing comprehensive energy consumption per RMB 10,000 of output value to 0.0103 tce/RMB 10,000	<ul style="list-style-type: none">Achieving comprehensive energy consumption per RMB 10,000 of the output value of 0.0091 tce/RMB 10,000
<div>Mechanical Manufacturing</div> <ul style="list-style-type: none">By 2024, achieving energy consumption per RMB 10,000 of output value at RMB 340By 2025, achieving energy consumption per RMB 10,000 of output value at RMB 330	<ul style="list-style-type: none">Achieving energy consumption per RMB 10,000 of the output value of RMB 336
<div>Torch Technology</div> <ul style="list-style-type: none">By 2025, reducing electricity consumption per 10,000 spark plugs to 950 kWh	<ul style="list-style-type: none">Achieving power consumption for 10,000 spark plugs of 942.29 kWhAchieving water consumption for 10,000 spark plugs of 7.21 tons
<div>KION</div> <ul style="list-style-type: none">By July 2023, committing to the Science Based Targets initiative (SBTi) to set near-term targets and long-term goals for achieving net-zero carbon emissions by 2050By 2030, reducing Scope 1 and Scope 2 GHG emissions by 4.2% annually compared to 2021, and reducing Scope 3 GHG emissions by 2.5% annually	<ul style="list-style-type: none">Achieving energy intensity of 54.8 megawatt-hours per euro, a year-on-year decrease of 2.84%

In 2024, the Company adhered to the principles of relevance, completeness, consistency, accuracy, and transparency. Referencing the *GHG Protocol Corporate Accounting and Reporting Standard* and the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, the Company completed the accounting of GHG emissions for Scope 1, Scope 2, and Scope 3 across the entire group and continued to advance emission reduction efforts based on this foundation. Next, the Company will gradually improve its value chain carbon inventory, accounting for and disclosing more Scope 3 category data.

Weichai Power's GHG Emission Data in 2024

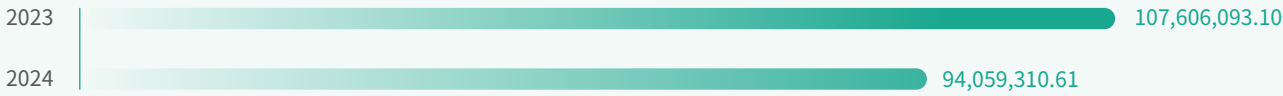
Scope 1: Direct GHG Emissions (tCO₂e)



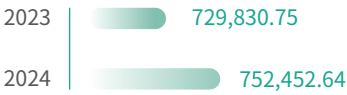
Scope 2: Indirect GHG Emissions (tCO₂e)



Scope 3: Value Chain GHG Emissions (Partial) (tCO₂e)



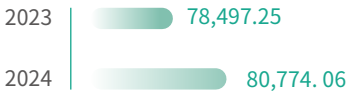
Category 2: Capital Goods (tCO₂e)



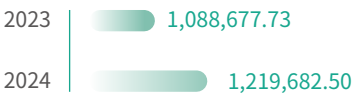
Category 3: Fuel- and Energy-related Activities (Upstream) (tCO₂e)



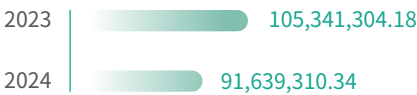
Category 6: Business Travel (tCO₂e)



Category 7: Employee Commuting (tCO₂e)



Category 11: Use of Sold Products (tCO₂e)



Total GHG Emissions (tCO₂e)



Total GHG Emission Density (tCO₂e/RMB billion in revenue)



Championing Green Operations

Weichai Power strictly adheres to the environmental protection regulations of its operating locations, continuously deepens the construction of its environmental management system, constantly improves resource utilization efficiency, comprehensively strengthens pollution prevention efforts, firmly maintains the bottom line of ecological protection, and minimizes the impact of its operations on the environment and ecosystem.

Environmental Management System

Weichai Power strictly adheres to the *Environmental Protection Law of the People's Republic of China*. In 2024, the Company formulated the *Weichai Power Environment, Health, and Safety (EHS) Policy*, continuously revised a series of environmental management documents including the *Product and Process Safety, Environmental Management Control Procedures, Environmental Protection Inspection Control Procedures*, and *Emergency Environmental Incident Management Control Procedures*, thereby steadily enhancing the Company's management capabilities in environmental protection and emergency environmental incidents.



Environmental Management System Certification

In September 2024, Weichai Power conducted an external audit of the environmental management system and obtained the GB/T 24001/ISO 14001 environmental management system certification

with a coverage rate of nearly 100%

Environmental Management System Certification Status of Weichai Power

Weichai Power HQ	The coverage rate of ISO 14001 Environmental Management System Certification reached	100%	Lovol	The coverage rate of ISO 14001 Environmental Management System Certification reached	100%
Fast Gear	The coverage rate of ISO 14001 Environmental Management System Certification reached	100%	Mechanical Manufacturing	The coverage rate of ISO 14001 Environmental Management System Certification reached	100%
Torch Technology	The coverage rate of ISO 14001 Environmental Management System Certification reached	100%	KION	The coverage rate of ISO 14001 Environmental Management System Certification exceeded	99%
Shaanxi Heavy Duty Automobile	The coverage rate of ISO 14001 Environmental Management System Certification reached	100%			

In terms of daily environmental management, the Company has established a supervision and reporting mechanism for environmental incidents, clarified environmental incident supervision requirements, and strengthened the management of environmental hazards. The Company continues to adopt the environmental supervision mechanism of "daily supervision, weekly summary, monthly report", conducting continuous monitoring of pollutant emissions, energy consumption, water resource utilization, and environmental risk identification, thereby continuously enhancing daily environmental control, research on waste gas treatment technologies, and the ability to mitigate environmental risks in ongoing projects. In 2024, the Weichai Power HQ commissioned a third-party testing company to conduct over 1,000 environmental monitoring sessions at more than 500 testing points within the industrial park, issuing over 140 testing reports. All testing data met emission requirements. Simultaneously, through internal process reviews and facility equipment evaluations, the Company identified 24 environmental compliance risk points, all of which were rectified by the end of the Reporting Period. No major incidents and violations regarding environmental pollution occurred.

To actively respond to the relevant regulations of the *Technical Guidelines for Emergency Emission Reduction Measures for Key Industries in Heavy Pollution Weather* by the Shandong Provincial Department of Ecology and Environment, the Company has established a regular internal inspection mechanism. We strictly adhered to the guideline standards, and conducted a comprehensive and meticulous inspection of all aspects of the Company's production and operations, striving to ensure that all emission data meets the requirements of Class A enterprises.

To effectively advance environmental management, the Company incorporates environmental performance into the annual performance appraisal standards of management and employees. It signs the *Environmental/Occupational Health and Safety -Management System Target Responsibility Agreements*, which clearly define responsibilities and obligations, with management personnel at all levels, and sets "Environmental Compliance Rate" environmental performance goals for management personnel. The Company regularly evaluates the achievement of targets, linking the evaluation results to the compensation of relevant personnel in the responsible units, including department heads, environmental business managers, energy business managers, and other personnel.

In response to sudden environmental impacts, the Company has recompiled the *Weichai Power Contingency Plan for Environmental Incidents*, which includes sections on risk assessment for sudden environmental events and emergency response plans. The Company has also re-identified 3,421 environmental risk factors, including 59 significant environmental risk factors. By formulating emergency plans, the Company effectively reduces the impact of significant environmental factors on the park environment, comprehensively enhancing the Company's ability to handle various sudden environmental incidents.

In 2024, the Company actively implemented the green development concept and fully promoted the *Environmental Protection Promotion and Training Management Control Procedure*. Through standardized processes, the Company enhances the scientific and normative nature of environmental protection training management. Weichai Power HQ innovates in training models, adopting a diversified approach that integrates online and offline methods. It organizes over 10 environmental protection training sessions covering key areas such as standardized management of hazardous waste, pollutant emission control, operation of environmental treatment facilities, enterprise emergency plans for sudden environmental incidents, and environmental system management. These initiatives aim to comprehensively enhance employees' environmental protection awareness, deeply popularize the concept of energy saving and carbon reduction, and integrate green thinking into daily work.

Promotion of Fast Gear's Top Ten Red Lines in Environmental Protection

In 2024, Fast Gear advanced the promotion of the Top Ten Red Lines in Environmental Protection across its factories, printed and distributed over 3,000 brochures, developed a special action plan for the Top Ten Red Lines in Environmental Protection, ensured the implementation of these guidelines, and organized self-inspections as well as urged various units to conduct specialized self-inspections on the Top Ten Red Lines in Environmental Protection. The promotion and popularization of the Top Ten Red Lines for Environmental Protection helped further disseminate environmental compliance guidelines, enhance the environmental awareness of all employees, uncover blind spots, and improve environmental management.

In 2024

The Weichai Power HQ commissioned a third-party testing company to conduct environmental monitoring at more than 500 testing points within the industrial park over

1,000

sessions

Issuing over

140

testing reports



Weichai Power Conducted Specialized Training on Energy Management

In July 2024, Weichai Power launched the "Energy Saving Month" campaign and organized the first specialized training on energy management, aiming to enhance the overall energy management level of the group and promote the Company's green development.

With the clear objectives of "raising awareness, promoting transformation, exploring potential, and expanding ideas", the training invited two senior lecturers from Shandong Zhengxiang International Low Carbon Technology Co., Ltd. and China Automotive Research Institute Management Science Research (Tianjin) Co., Ltd. to provide specialized lectures on the carbon market and corporate carbon trading, as well as the GB/T 23331-2020 *Energy Management Systems - Requirements with Guidance for Use* standard.

This training not only strengthened employees' awareness of energy management but also provided insights into the transformation of the Company's energy management model, encouraging various departments to deeply explore energy-saving potential. It attracted positive responses from over 100 participants from Weichai's local production, management, R&D units, and three subsidiaries outside the region, offering a solid foundation for the Company's green transformation and low-carbon development.

Energy Management

Weichai Power strictly adheres to the *Energy Conservation Law of the People's Republic of China* and other relevant laws and regulations, issuing multiple energy management systems such as the *Measures of Energy Business Management*, the *Measures of Energy Planning and Statistical Management*, the *Measures of Energy Measurement Management* and *Energy Supply Quality Standards*. Through scientific planning and meticulous management, the Company enhances the efficiency of energy and resource acquisition, conversion, and utilization. In 2024, the Company standardized its internal energy management system audits and management reviews, successfully passed the re-certification audit for its energy management system, and obtained the ISO 50001 Energy Management System Certification, further improving its energy management capabilities.



Energy Management Measures of Weichai Power

Research on Energy Policies

Conducted in-depth research on more than 30 energy policies and regulations, accurately grasped the policy direction, integrated the relevant requirements into the energy management system, and formulated more targeted energy-saving, emission-reduction, and energy-optimization strategies.

Normalized Control and Supervision Mechanism

Strictly implemented the "bi-weekly notification" mechanism for energy conservation supervision; timely issued reprimands for various energy waste phenomena such as unreasonable energy use, unauthorized energy line connections, energy leakage, and negligence in energy supervision, and conducted assessments according to relevant regulations.

Energy-saving Performance Management Mechanism

Signed energy-saving target responsibility agreements with 13 major energy-consuming units to clarify the responsibilities and goals of all parties in energy conservation work; conducted monthly statistics on the energy-saving target completion status of each unit, and published the results in the form of the "Red and Black Lists"; required units that exceed energy consumption standards to conduct in-depth analysis of the causes of the anomalies and develop clear and feasible improvement measures to help them achieve energy-saving goals as soon as possible; conducted six follow-up assessments for units that exceed the target by 10% within the year.

The Company has fully launched a digital energy management platform, encompassing six major business modules: energy demand management, energy procurement, energy planning management, energy supply management, energy usage management, and energy cost settlement. This platform enables centralized dynamic visual monitoring of energy consumption, including electricity, steam, and natural gas, across various energy-consuming units and key equipment. In 2024, the platform utilized an automated energy cost analysis model and an energy consumption forecasting model to predict and manage the park's energy consumption, effectively improving energy utilization and management efficiency.

Digital Energy Management Platform of Weichai Power

Energy Demand Management

By leveraging the Company's historical energy consumption data and production plans, the platform estimates future energy demands for various departments and production stages, providing a scientific basis for the rational planning of energy supply.

Energy Procurement

The platform can access real-time energy price dynamics and supply capacity information to ensure an efficient, transparent, and controllable energy procurement process.

Energy Plan Management

The platform enables demand forecasting and procurement planning, formulates detailed energy usage plans, and refines energy metrics down to specific departments, equipment, or projects, ensuring that energy consumption always remains within the planned framework.

Energy Supply Management

The platform can collect key real-time data on the pressure, flow rate, and temperature of energy transmission pipelines and lines, promptly detecting and locating anomalies such as leaks and blockages in the supply process to ensure the stability and continuity of energy supply.

Energy Usage Management

The platform enables refined management of the Company's internal energy consumption points by collecting real-time energy usage data. It analyzes the energy efficiency and consumption distribution of various departments and equipment, identifies high-energy-consuming processes and devices, and formulates targeted energy-saving measures.

Energy Cost Settlement

The platform can automatically collect energy consumption data, accurately calculate energy costs, support relevant departments in cost accounting and payment management, and provide decision-making support for cost control by analyzing historical energy cost data, thereby reducing energy expenses.

The Company is fully committed to promoting energy-saving technology improvements, and continuously enhancing energy efficiency through a series of energy-saving and cost-reduction projects, including self-supply and self-power generation system construction, waste heat recovery, and more.

Partial Energy-saving Technology Renovation Projects of Weichai Power



The Industrial Park's Waste Heat Recovery System Has Achieved Significant Energy-saving Results

The Company's digital industrial park has built a waste heat recovery system consisting of SOFC solid oxide batteries, test benches, refrigerators, air compressors, and other equipment. The recovered waste heat can be used for machine cleaning workshop heating, etc. Achieved annual heat savings of **4,000 GJ**, **136 tce** energy consumption, annual carbon emissions reduction of **440 tons**, and total savings of **RMB 340,000**.

Fast Gear utilizes high-temperature discharge water from steam boilers to supplement the circulating water of the heating system, saving **49,000 cubic meters** of gas and **4,000 tons** of fresh water annually, with remarkable results.



Fast Gear Develops Low-temperature Cleaning Technology

Fastron Gear actively researches green technologies for low-temperature cleaning. While ensuring that cleaning requirements are not compromised, it has eliminated the reliance on high temperatures for cleaning processes of components such as transmission gear shafts and housings. This reduces the energy consumption of equipment caused by high-temperature cleaning, achieving energy savings of over 40% per single device, reducing energy consumption by more than **5,115 MWh** annually, cutting carbon emissions by **2,971.82 tons**, and saving a total of RMB **3.069 million**.

The Company is fully committed to the development and utilization of renewable energy. By implementing a series of energy-saving measures, including the construction of clean power generation facilities and green electricity trading, it actively builds a green manufacturing system, contributing to the green transformation of the industry. In 2024, the Company used a total of 92,648.07 MWh of renewable energy, accounting for 3.6% of its total energy consumption.

In 2024

The Company used a total of

92,648.07 MWh
of renewable energy

Accounting for

3.6%
of its total energy consumption



Partial Renewable Energy Application Projects of Weichai Power



Self-developed Self-Powered System Empowers Digital Industrial Park

The Company's digital industrial park has successfully established a self-powered system, creating a Weichai virtual power plant through self-developed battery power generation equipment and energy storage devices. In 2024, the self-powered system generated a total of **8.7 million kWh** of electricity, saved **1,069 tce**, and reduced carbon emissions by **5,949 tons**, saving a total of RMB **5.82 million**.



Implementation of Photovoltaic Power Generation in Multiple Parks

The Company promotes the utilization of new energy by fully leveraging the rooftops of industrial parks such as the Power Industrial Park, Material Forming Park, Digital Industrial Park, and Global Distribution Center to implement photovoltaic power generation projects. In 2024, the total power generation reached **34.19 million kWh**, reducing carbon emissions by **23,000 tons**.



Coordinated Production and R&D for Grid-Connected Power Generation, Achieving "Self-Generation and Self-Consumption"

The Company promotes the commissioning of the test bench and the grid connection of the power generation unit, adhering to the principle of "self-generation and self-consumption, more generation and more consumption", effectively adjusting the Company's own power load while significantly reducing the purchase of electricity from the city grid. In 2024, the park's test bench generated **43.53 million kWh** of electricity, reducing carbon emissions by **30,000 tons**.



Fast Gear Increases the Proportion of Green Electricity and Optimizes the Energy Structure

Fast Gear continues to build its own rooftop solar photovoltaic power stations and reasonably allocates green electricity and green certificates through market-based power trading, effectively reducing the consumption of traditional thermal power. At present, Fast Gear has put into operation a total of about **52 MWp** of rooftop photovoltaic power stations. In 2024, the power generation is estimated to be about **42 million kWh**, with approximately **30.26 million kWh** of green electricity consumed. The rooftop photovoltaic green electricity accounts for **14%** of the Company's total electricity consumption.

Direct Energy Consumption

Purchased natural gas
1,000 kWh

Gasoline
1,000 kWh

Diesel
1,000 kWh



Indirect Energy Consumption

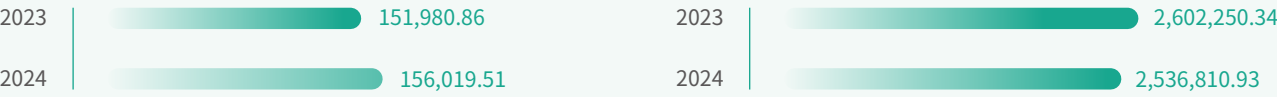
Purchased electricity
1,000 kWh

Purchased steam
1,000 kWh



Purchased heat
1,000 kWh

Total comprehensive energy consumption
1,000 kWh



Comprehensive energy consumption density
1,000 kWh/RMB billion in revenue

Renewable energy usage
1,000 kWh



Energy Consumption Data of Weichai Power in 2024

Pollution Discharge Management

Weichai Power strictly abides by national laws and regulations on pollution emissions, formulates the *Weichai Power Emissions Management Procedure*, and formulates management standards for air, water, solid waste, noise, and other pollutants to regulate the Company's management and governance of various pollutants. Meanwhile, through annual environmental compliance information disclosure³⁶, ensuring that the discharge of "three wastes" fully complies with relevant national and local standards. In 2024, the Company did not incur any environmental penalty incidents due to non-compliant emissions.

Exhaust Emissions

Weichai Power strictly adheres to the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and has revised management systems such as the *Integrated Emission Standard for Air Pollutants* and the *Air Pollution Prevention and Control Management Procedures*. The waste gases generated during the Company's production and operations mainly include nitrogen oxides, organic emissions from painting operations, and fumes containing volatile organic compounds generated during welding processes. By setting emission limits and standardizing prevention processes, we aim to reduce air pollutant emissions and ensure a **100%** annual monitoring rate for organized exhaust emissions. In 2024, a total of **seven** Weichai Power plants³⁷ passed the Class A enterprise assessment for heavy pollution weather performance and maintained the Class A enterprise requirements in the annual review.

Measures of Waste Gas Emission Management of Weichai Power

Process Innovation

- In terms of paint selection, the original oil-based paint has been completely switched to water-based paint. Compared to oil-based paint, water-based paint significantly reduces the amount of volatile organic compounds (VOCs) released during the evaporation process, effectively lowering VOC emissions at the source;
- In the cab painting process, the combination of "zeolite wheel + Regenerative Thermal Oxidizer (RTO)" and "catalytic combustion + activated carbon treatment" is adopted to transform low-concentration, high-volume waste gas into high-concentration, low-volume waste gas. RTO is subsequently used to thermally oxidize and decompose it at high temperatures, achieving preliminary purification of the waste gas and effectively reducing organic and touch-up paint emissions.

Equipment Upgrades

- The waste gas treatment facilities at the wastewater treatment plant in the park have been upgraded. The original UV photolysis exhaust treatment equipment has been replaced with a biological deodorization process, which is more sanitary and free of secondary pollution. This upgrade provides strong support for improving the air quality in and around the factory area;
- In the casting core-making process, specialized VOC treatment equipment is used to convert unorganized VOC emissions into organized emissions, thereby achieving the treatment and purification of VOCs.

Waste Gas Collection

- We installed volatile gas collection and treatment equipment in industrial hazardous waste storage rooms to prevent unorganized emission of waste gases.

Data Monitoring

- We set up online monitoring equipment for paint spraying waste gases, with data uploaded in real time to the national monitoring platform.
- At other waste gas discharge points, we hired third-party qualified units to conduct manual inspections according to pollution discharge permit requirements, and the inspection results were recorded in the National Pollution Source Monitoring Data Management and Sharing System;

³⁶ Every year, the Company discloses basic information of the enterprise, production process information, enterprise ecological environment administrative licensing status, environmental protection tax payment status, environmental protection credit evaluation status, pollution control facility information, wastewater and waste gas emissions, hazardous waste generation and utilization and disposal information, noise emissions, construction dust and loading and unloading material pollution prevention and control status, pollutant discharge permit implementation report, ecological environment emergency situation, etc. on the Enterprise Environmental Information Disclosure System (Shandong) in accordance with the Law;

³⁷ In 2020, Weichai (Weifang) Material Forming Manufacturing Center Co., Ltd. passed the Class A enterprise audit for heavy pollution weather performance for the first time. In 2021, Weichai Power Plant 1, Plant 2, Plant 3, and Moteurs Baudouin (Weifang) Power Co., Ltd. passed the Class A enterprise audit for heavy pollution weather performance for the first time. In 2023, Weichai Power Plant 4 and Weichai (Weifang) Gas Power Co., Ltd. passed the Class A enterprise audit for heavy pollution weather performance for the first time.

Waste Gas Emissions of Weichai Power in 2024

Category	Unit	Data in 2023	Data in 2024
VOCs	Tonne (s)	293.83	254.85
Particulate matters	Tonne (s)	128. 87	135. 18
Sulfur oxides	Tonne (s)	44.30	20. 13
Nitrogen oxides	Tonne (s)	216. 95	186.29

Wastewater Discharge

Weichai Power has revised management systems such as the *Water Pollution Prevention and Control Procedures* and the *Management and Control Procedures for High-Concentration Wastewater Discharge* according to the *Water Pollution Prevention and Control Law of the People's Republic of China*. The wastewater generated during the Company's operations mainly consists of production wastewater and domestic sewage. We continuously reduce wastewater generation through water reuse and specialized wastewater treatment initiatives, and we conduct daily water quality testing to ensure that the reuse indicators fully meet the usage requirements. In 2024, the Company³⁸ treated a total of 738,715 m³ of wastewater, with 97,992 m³ of reclaimed water.

In 2024

The Company treated a total of

738,715m³
of wastewater

Wastewater Reduction Targets

Weichai Power HQ	To achieve a cumulative reduction of 50,000 tonnes of wastewater discharge by 2025
Lovol	To increase the reclaimed water reuse rate to 25% by the end of 2025

Wastewater Reduction Performance

Weichai Power HQ	Industrial water reuse rate reached 99.3% ³⁹ Indirect cooling water recycling rate was 99.5% ⁴⁰ Wastewater reuse rate reached 31.3%
Lovol	Sewage treatment volume was reduced by 25.7%

³⁸ Statistical scope: Weichai Power Industrial Park and Material Forming Park.

³⁹ Compared with the 92% evaluation indicators stipulated in the *Notice on Organizing and Implementing Industrial Wastewater Recycling* (Shandong Department of Industry and Information Technology Green Development [2022] No. 44), there is a significant improvement.

⁴⁰ Better than 95% of the evaluation indicators specified in the *Evaluation Standards for Water-saving Enterprises* (DB37/T 5239 - 2022).

Wastewater Management Measures

After pretreatment, high-concentration wastewater is mixed with production wastewater for chemical treatment, and then combined with domestic sewage for biological treatment. After sedimentation, filtration, and disinfection, the treated water is reused for non-potable purposes, reducing freshwater consumption and minimizing the risk of pollution to surrounding water environments.

When wastewater is reused, the biologically treated water undergoes additional filtration through sand filters and ozone disinfection to meet the standards of the *Reuse of Urban Reclaimed Water – Water Quality Standard for Urban Miscellaneous Use* (GB/T 18920 - 2020). The treated water is then supplied by constant-pressure water supply equipment for purposes such as landscaping within the plant area.

The paint mist treatment facilities have been significantly upgraded, transforming traditional "wet paint spray booths" into "dry paint spray booths" with more advanced filtration technology, achieving zero discharge of paint wastewater.

Wastewater Discharge of Weichai Power in 2024

Category	Unit	Data in 2023	Data in 2024
Total wastewater discharge	Tonne (s)	2,624,836.61	2,360,727.78
COD	Tonne (s)	75.01	58.29
Ammonia nitrogen	Tonne (s)	9.83	5.58
Total phosphorus	Tonne (s)	1.35	1.10

Waste Management

According to the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, Weichai Power revised the management systems such as the *Management and Control Procedures for the Prevention and Control of Solid Waste Pollution*, the *Hazardous Waste Pollution Prevention and Control Management Procedures*, and the *Standardization Standards for Hazardous Waste*, and established waste reduction targets⁴¹. We have taken a series of systematic measures, including optimizing production processes to reduce waste at the source, setting up exclusive treatment for hazardous waste and tracing the entire process, and promoting the resource utilization of waste, to achieve proper management and rational use of waste in production activities. In 2024, Weichai Power HQ strictly adhered to regulatory standards in setting up hazardous waste storage points, achieving a 100% certification rate for hazardous waste management (HAZWOPER certification or ISO 14001), and was rated as a Class A enterprise for hazardous waste storage sites.

Weichai Power's subsidiary, KION Group, conducted a substantive impact identification of waste in 2024, assessing short-, medium-, and long-term risks at different stages of the value chain. The company implemented a multidimensional, systematic waste reduction plan based on the types and scope of these risks. Among these efforts, the company reduced waste generation through process innovation, enabling its German factory to achieve "zero waste to landfill" certification. Additionally, through supplier collaboration for waste reduction, waste management standards were incorporated into the supplier code of conduct, driving core suppliers to complete green process transformations. These measures allowed KION to reduce its environmental footprint while achieving annual operational cost reductions, fostering the simultaneous development of environmental and economic benefits.

⁴¹ Weichai Power HQ's waste reduction target: 100% hazardous waste disposal rate.

In 2024

Weichai Power HQ strictly adhered to regulatory standards in setting up hazardous waste storage points, achieving a

100%

certification rate for hazardous waste management (HAZWOPER certification or ISO 14001)

Weichai Power Introduced Oil Sludge Treatment Technology

In 2024, Weichai Power introduced a plate and frame filter press device at the wastewater station. After the new equipment was put into use, it effectively resolved the issues of high moisture content in oily sludge and the difficulty in processing. With its high-efficiency dewatering performance, it significantly reduced the moisture content of oily sludge. While optimizing the subsequent treatment process of the sludge, the amount of oily sludge generated was reduced by 28.9% compared to before, effectively improving wastewater treatment efficiency and environmental benefits.

Solid Waste Management Measures

Hazardous Waste

Intelligent Platform Management:
Leveraging the hazardous waste intelligent platform, achieve precise supervision of the entire process from waste generation to disposal, and promote standardized hazardous waste reduction efforts across all units.

Record Management:
Establish hazardous waste disposal and compliant transfer ledger, real-time recording of the quantity, type, and transfer destination of hazardous waste to ensure safe transportation.

Risk Inspection:
Conduct periodic inspections and evaluations of potential pollution risks from hazardous waste sources, promptly identify and eliminate potential risk hazards.

Storage Facility Management:
Strictly adhere to environmental protection requirements for the standardized construction and management of hazardous waste storage facilities, and set up protective layers and warning signs to prevent pollution.

General Waste

Categorized Collection:
In office and production areas, provide color-coded bins based on waste types to guide personnel in accurate classification and disposal.

Recording and Reporting:
Establish a general waste disposal record archive, and regularly submit disposal agreements and monthly disposal volumes to ensure traceability of the disposal process.

Recycling and Utilization:
Develop a waste recycling plan, and conduct detailed classification and batch recycling of recyclable resources to promote resource recycling and utilization.

Storage Site Management:
Upgrade and renovate general waste storage sites, improve signage, and meet environmental storage requirements.



Fast Gear Implemented Oil-contaminated Grinding Wheel Mud Reduction and Waste Oil Recovery

The Fast Gear High-tech Plant fully utilized and repaired its equipment to compress and reduce the volume of oil-containing grinding wheel sludge without liquid. After technological transformation, the equipment can squeeze out **60kg** of waste oil from oil-containing grinding wheel sludge every day for recycling. In 2024, the processing volume of grinding wheel sludge in the High-tech Plant decreased by **36.9%**, effectively reducing the potential environmental impact.

Total amount of hazardous waste
Tonne (s)



Hazardous waste discharge density
Tonne (s)/RMB billion in revenue



Total amount of non-hazardous waste
Tonne (s)



Non-hazardous waste discharge density
Tonne (s)/RMB billion in revenue



Solid Waste Discharge of Weichai Power in 2024

Noise Management

Weichai Power complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution* and has revised management systems such as the *Noise and Vibration Pollution Prevention and Control Procedures* and the *Workplace Noise Detection Work Instructions*. These measures aim to standardize the management of noise generated during the production and operation processes in stamping, welding, grinding workshops, and compressor stations.

Noise Control Measures

Equipment Procurement Stage	<ul style="list-style-type: none">During the equipment procurement stage, fully assess its noise and vibration impacts and choose low-noise and low-vibration equipment that meets production and process requirements whenever possible; implement noise control measures for equipment that must be used at high noise levels exceeding standards.
Before Equipment Introduction	<ul style="list-style-type: none">Before the introduction of equipment, proactively establish measures such as vibration damping and noise reduction for potential environmental noise sources, and regularly inspect these measures.
During Production Process	<ul style="list-style-type: none">During the production process, install sound-absorbing, soundproofing, and noise-canceling facilities and equipment, including automatic-closing soundproof doors, ensuring they remain closed automatically; install soundproof enclosures on equipment located near residential areas and reduce nighttime usage to minimize noise impact.
Noise-generating Equipment Optimization	<ul style="list-style-type: none">Add vibration washers and sound barriers to noise-related equipment, and optimize the operational routes of machinery to avoid noise generation.
Noise Monitoring and Specialized Management	<ul style="list-style-type: none">Monitor environmental noise in real-time to prevent the occurrence of noise pollution; in response to the noise issues associated with the exhaust treatment facilities for hydraulic transmission heat treatment, conduct noise reduction technology research and determine the technical solution; address the noise problem by installing exhaust pipe silencers and modifying fan soundproof rooms.



Installing Soundproof Rooms and Silencers to Create a Quiet Factory

In 2024, given the noise problems caused by the operation of the exhaust treatment facilities, Weichai Hydraulic Transmission Co., Ltd. installed soundproof fan rooms at the facilities to effectively block noise transmission and installed silencers at the exhaust pipe to reduce exhaust noise. This initiative effectively controlled the noise pollution generated in the factory area, creating a quieter environment for the factory and its surroundings.



Install Soundproof Fan Room



Install Silencer



Noise Control in Fast Gear Cooling Tower Operation

To address the issue of noise pollution from the station's cooling towers affecting nearby residents, Fast Gear invited professional environmental protection companies to conduct a site survey. They identified the main noise sources as the exhaust from the top fans and the water spray noise. The noise travels far and decays slowly, with the exhaust noise having a significant impact on residents. According to standards such as GB 12348-2008 *Emission Standard for Community Noise*, the Company installed L-shaped sound barriers and equipped the top exhaust with a specialized composite silencer to direct the noise away from residential areas. After the project's completion, the noise reduction met expectations, thereby alleviating the impact on surrounding residents and promoting harmonious coexistence between the Company and the community environment.



Cooling Power Noise Barrier



Water Management

Weichai Power strictly adheres to the *Water Law of the People’s Republic of China* and increases investment in developing innovative technologies for efficient water use. The Company is committed to achieving efficient and cyclical utilization of water resources in its operations, minimizing water consumption and its impact on the water environment. In 2024, all water used by the Company was sourced from the municipal water supply, with no occurrence of water risk situations.

Weichai Power has established a water risk management system covering all operational sites. Through water quality monitoring and usage analysis, the Company ensures the safe and efficient utilization of water resources. In terms of quality control, the Company conducts monthly testing of multiple water quality indicators, such as total hardness and total alkalinity, in the test cycle water of major production units like main factories, to ensure the fundamental quality of production water. The Company conducts an in-depth analysis of water usage data at various levels, including workshops and production lines, to precisely identify key water usage areas and potential issues. Based on this, targeted control strategies are formulated and implemented to continuously optimize water usage processes. Additionally, the Company entrusts third-party institutions to conduct comprehensive water quality tests every month to mitigate water resource risks.

Water Balance Test

Orderly advance the water balance test work in the high-tech industrial park;
Use leak detectors to conduct comprehensive leak detection operations on the buried water pipe networks in the power park and material forming park, effectively reducing freshwater loss.

Improvement of Circulating Water Efficiency

In the power park, for the test drive, cooling, and air compressor circulating water systems, technologies such as crystalline stabilization and dispersion are used to precisely control the concentration multiple of the circulating water to 2.5-3 times⁴². This ensures that water quality standards are met while minimizing the consumption of freshwater resources to the greatest extent.

Construction of Rainwater Collection Facilities

The digital industrial park actively promotes comprehensive water resource utilization projects, constructing two new rainwater collection pools with a total capacity of 1,300m³. The rainwater collected by the facility, after appropriate treatment, can effectively meet the green space irrigation needs of the park.

The Measures of Water Conservation

⁴² Circulating water conductivity ≤ 3000μs/cm.

Identification of Water Efficiency Factors

Organize water usage points to identify factors affecting water efficiency, investigate from multiple dimensions such as equipment, processes, and personnel habits, strengthen control over controllable factors, update aging equipment, optimize water usage processes, and enhance management of controllable factors affecting water usage.

Water Conservation Targets of Weichai Power in 2024

Weichai Power HQ

By 2025, the water withdrawal per RMB 10,000 of the output value will decrease by **7%** compared to 2023

Shaanxi Heavy Duty Automobile

Reducing the water resource consumption by **3%** compared to 2022 by 2025

During the 14th Five-Year Plan period, reducing the water consumption per unit of GDP by **5%**

By the end of 2025, reducing the annual water consumption per unit of GDP by **1%**

Fast Gear

In 2024, water resource consumption did not exceed **800,000 tonnes**, with a decrease of **39,000 tonnes** and a reduction rate of **4.65%** compared to the same period

Reducing the water consumption per RMB 10,000 of output value by **8%** compared to 2022 by 2025

Torch Technology

By 2025, reducing the water consumption per 10,000 spark plugs to **6.6 tons**

By 2025, reducing the water consumption per unit of GDP by **5%**

Water Saving Performance of Weichai Power in 2024

Weichai Power HQ
Water savings amounted to

86,690 tons

Achieving water resource consumption intensity of

0.1229 m³/RMB 10,000

Shaanxi Heavy Duty Automobile
Freshwater usage was

669,000 tons

A year-on-year decrease of

5.24%

Fast Gear
Freshwater usage was

761,000 tons

A year-on-year decrease of

4.65%

Torch Technology
Water consumption per 10,000 spark plugs was

7.21 tons

Weichai Power Water Resource Consumption in 2024

Type	Unit	Data in 2023	Data in 2024
Total water consumption	Tonne(s)	5,049,871.91	4,745,955.17
Water consumption intensity	Tonnes/RMB billion in revenue	23,602.11	22,003.54
Recycled amount of water	Tonne(s)	958,736.81	888,709.22

Fast Gear Baoji Company Ceased Groundwater Extraction

Fast Gear Baoji Company is located in Tongyu Valley, Qinling Mountains, Shaanxi Province, where its production and domestic water supply previously relied on deep well groundwater. To prevent resource wastage and disruption of the water cycle, the Company officially discontinued the use of groundwater in 2024, constructed a municipal water pipeline system, and switched to municipal water supply. This initiative not only enhances the convenience of water usage for the Company but also effectively avoids over-extraction of groundwater in the plant area, making a positive contribution to the protection of local water resources.

Circular Economy

Weichai Power vigorously develops the circular economy, promoting the full lifecycle management of product materials from procurement to product recycling. By adopting recyclable eco-friendly materials and reselling returned products, the Company achieves efficient utilization of resources.

For the waste packaging materials generated during operations, the Company revised internal management systems such as the *Product Packaging Materials and Services Management Procedures* and the *Waste Material Disposal Management Measures*, strengthening departmental oversight of various waste materials and comprehensively enhancing the standardization of waste material recycling and disposal.



Reduction of Packaging Materials

To minimize the use of packaging materials for engine products, the Company promoted the change from six-sided wooden engine packaging boxes to simple wooden pallets with rain covers for transportation. This effectively reduced the consumption of wooden packaging materials, resulting in a decrease of approximately **20,000** wooden engine packaging boxes in 2024.



FAST Gear Adopts Innovative Eco-friendly Transfer Racks

FAST Gear thoroughly reviewed its product packaging needs and designed foldable, reusable transfer racks that facilitate operations across various stages. This solution addressed the issue of high wood consumption in packaging wooden boxes that were previously non-recyclable. Since its implementation in 2024, over **500,000** shipments have been made, reducing wood consumption by **10,000 tons**, cutting CO₂ emissions by approximately **18,100 tons**, and saving costs by RMB **48.292 million**. This successfully achieved a win-win situation of green, low-carbon practices and cost efficiency, providing an excellent example of green packaging for the industry.



KION Promotes Circular Economy Model

KION Group, a subsidiary of Weichai Power, drives the circular economy model by refurbishing old industrial vehicles, recycling and refurbishing lithium-ion batteries, and improving waste management:

- The Group disassembled old trucks after about five years of use, replaced worn parts, repainted, and reassembled. In 2024, it continued to operate a global refurbishment business at the Indaiatuba base in Brazil and the Jingjiang base in China;
- The Group recycled over **90%** of the materials in batteries to achieve the circular use of critical minerals;
- The Supply Chain Solutions division established a "Waste Management Team for Installation" to regularly discuss strategies for reducing waste at customer sites, including selecting recycling partners, evaluating disposal processes, and formulating strategic plans.

Packaging Materials Consumption of Weichai Power in 2024

Type	Unit	Data in 2023	Data in 2024
Packaging materials used	Tonne (s)	104,508.09	120,894.80
Packaging material recycled	Tonne (s)	113,084.24	117,429.95

The Company actively engages in product remanufacturing, focusing on the industrialization and application of technology for high-speed engine remanufacturing. Compared to manufacturing new products, remanufacturing can save 60% in energy consumption, 70% in materials, and 50% in costs, while generating almost no solid waste. This helps establish a circular economy model of "resources-products-used products-remanufactured products". By 2024, Weichai Power HQ had released over 65,000 remanufactured high-speed engines into the market, with annual remanufactured parts exceeding RMB 30 million. This effort has saved 60,000 tons of metal, equivalent to conserving 22,000 tce and reducing carbon dioxide emissions by 40,000 tons.



Green Office

Weichai Power actively fosters a green office atmosphere, minimizing resource consumption through a series of energy-saving and emission-reduction measures such as water conservation and paperless operations. The Company standardizes resource management in office areas, systematically promotes low-carbon office concepts, and continuously enhances employees' environmental awareness.

Standardize Lighting Management

- The Company promotes the application of LED energy-saving lights in office buildings, having replaced **over 6,000 sets** of LED energy-saving lamps. This has achieved an energy-saving rate of approximately **60%**, saving about **5.2 million kWh** of electricity annually, and reducing electricity costs by about RMB **3.6 million** per year;
- We pilot the application of smart lighting systems in the park's parking lots, replacing more than **2,300** sets of smart lighting fixtures to ensure "lights are off when people leave", sensor-based lighting, and precise control;
- Fast Gear completed the energy-saving renovation of lighting fixtures at the research institute, reducing power by **23.97kW** post-renovation and saving **RMB 57,900** in electricity costs annually.

► Upgrade Equipment

- During equipment procurement, we explicitly require that the energy efficiency of purchased equipment must be at least Level 2, while actively advocating for the selection of Level 1 energy-efficient equipment and comprehensively phasing out all outdated electromechanical equipment to promote equipment upgrades.

► Paperless Office

- We issued the *Proposal on Improving Efficiency, Reducing Costs, and Building Paperless Offices* to comprehensively advance the paperless office plan. The initiative cancels unnecessary paper documents and files, encourages employees to use duplex printing, and promotes the reuse of paper;
- We established a portal system to centrally digitize the communication of policy documents, announcement releases, and business process approvals, comprehensively improving office efficiency and effectively achieving the goal of a paperless office.

► Promote Water Conservation

- We encourage employees to always "turn off taps when not in use" and eliminate "running taps".

► Advocate for Low-carbon Travel

- Fast Gear implements an online application and real-time monitoring system for official vehicles, merges vehicle dispatch based on usage needs, scientifically arranges vehicle resources and economically plans driving routes, achieving a cost reduction of over **RMB 60,000** for vehicles throughout the year.

Green Office Measures

Weichai Power Promoted Energy-saving Knowledge Education

During the National Urban Water Conservation Promotion Week, Energy Conservation Promotion Week, and Low-carbon Day, Weichai Power organizes a series of special activities to promote energy-saving knowledge. Through hosting on-site energy-saving knowledge challenges, water-saving special inspections, and challenge quizzes on the We-learning platform, over 10,000 participants actively participated, effectively enhancing employees' awareness of energy conservation, water saving, and low-carbon practices.

In 2024, Weichai (Weifang) Material Forming and Manufacturing Center Co., Ltd. was awarded the title of "Advanced Energy-saving Unit" by Weifang City in 2023.

Biodiversity Conservation

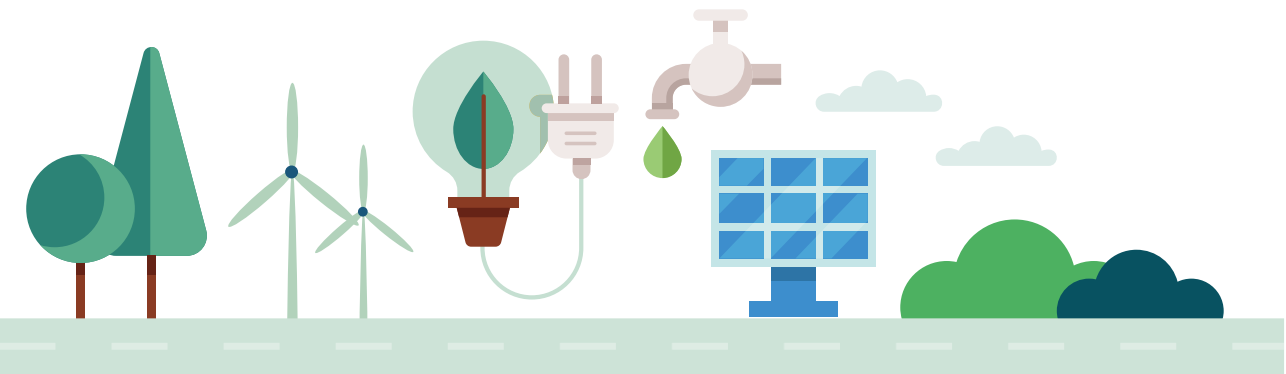
Weichai Power places great emphasis on the protection of biodiversity in its operational sites. Throughout its business layout and operational processes, the Company gives full consideration to biodiversity conservation, actively implements measures to protect the ecological environment of its parks, and conducts biodiversity impact assessments across the entire lifecycle of its business activities. Adhering to the principles of "avoid, minimize, and restore", Weichai Power promotes the recovery and reconstruction of biodiversity, strictly prohibits deforestation throughout the lifecycle of its business activities, actively responds to global biodiversity conservation initiatives and national environmental policies, and strives to minimize the negative impact of its business activities on the ecological environment.

Currently, Weichai Power's operating locations are primarily concentrated in historic industrial zones. We strictly adhere to relevant procedures to ensure that in the course of business expansion, we do not own, lease, or manage any operating sites located in or adjacent to protected areas or areas outside of protected regions that are rich in biodiversity.

Biodiversity Conservation Measures

- Implement greening projects by afforestation and landscape optimization, planting **120** medium-sized trees, approximately **20,000** shrubs, and **5,000 square meters** of turf, thereby beautifying the park environment
- Organize tree-planting festival activities
- Invite greening experts to provide professional lectures and manage the pest and disease control of plane trees in the park
- Conduct pest control work in the office and production areas of the park
- Implement ecological restoration projects for the sightseeing fish ponds in the park, providing a good habitat for the fish

In 2024, Weichai Power released an environmental impact assessment report, analyzing the compliance of ongoing projects with the government's ecological environmental control regulations. The Report primarily focuses on discussions regarding conformity with land use planning, water source planning, industrial structure guidance directory, "Three Lines and One List", and other relevant ecological environmental regulations. The aim is to ensure that the advancement of ongoing projects not only complies with regulatory requirements but also takes into account ecological environmental protection, achieving a harmonious coexistence between corporate development and the ecological environment.



Leading Low-carbon Reforms

Weichai Power firmly grasps the opportunity of clean technology transformation, resolutely implements the clean technology strategy, and fully promotes the development of clean technology, achieving a series of remarkable technological research and development results. These achievements are not only a powerful testament to the Company's commitment to low-carbon principles but also a significant engine driving the industry toward a green future.

Clean Technology Strategy

Driven by the vision of "building a world-class high-end multinational equipment group with advanced technology and green development", Weichai Power has actively expanded its presence in the clean technology market, increased R&D investment, and focused on alternative fuel engines such as methanol, ammonia, hydrogen, and biogas, as well as the development of fuel cell systems, pure electric and hybrid powertrains, achieving significant results in carbon reduction and emission reduction technologies. Among these, the Company has expanded the power coverage range of its fuel cell systems, with core technical indicators leading the industry. Significant progress has been made in the market promotion of hydrogen fuel cell vehicles. Hybrid powertrain products have mature applications across multiple industries and fields, and pure electric powertrain products have already achieved batch applications in various industries.

In 2024

Weichai Power HQ invested

RMB920million

in the research and development of low-carbon and zero-carbon products⁴³

Weichai Power achieved a major breakthrough in its hybrid and pure electric business, which accounted for

21.50%

of total operating revenue

Weichai Power's hydrogen fuel and other clean energy business accounted for

0.2%

of the total operating revenue

Weichai Power's automation business accounted for

6.22%

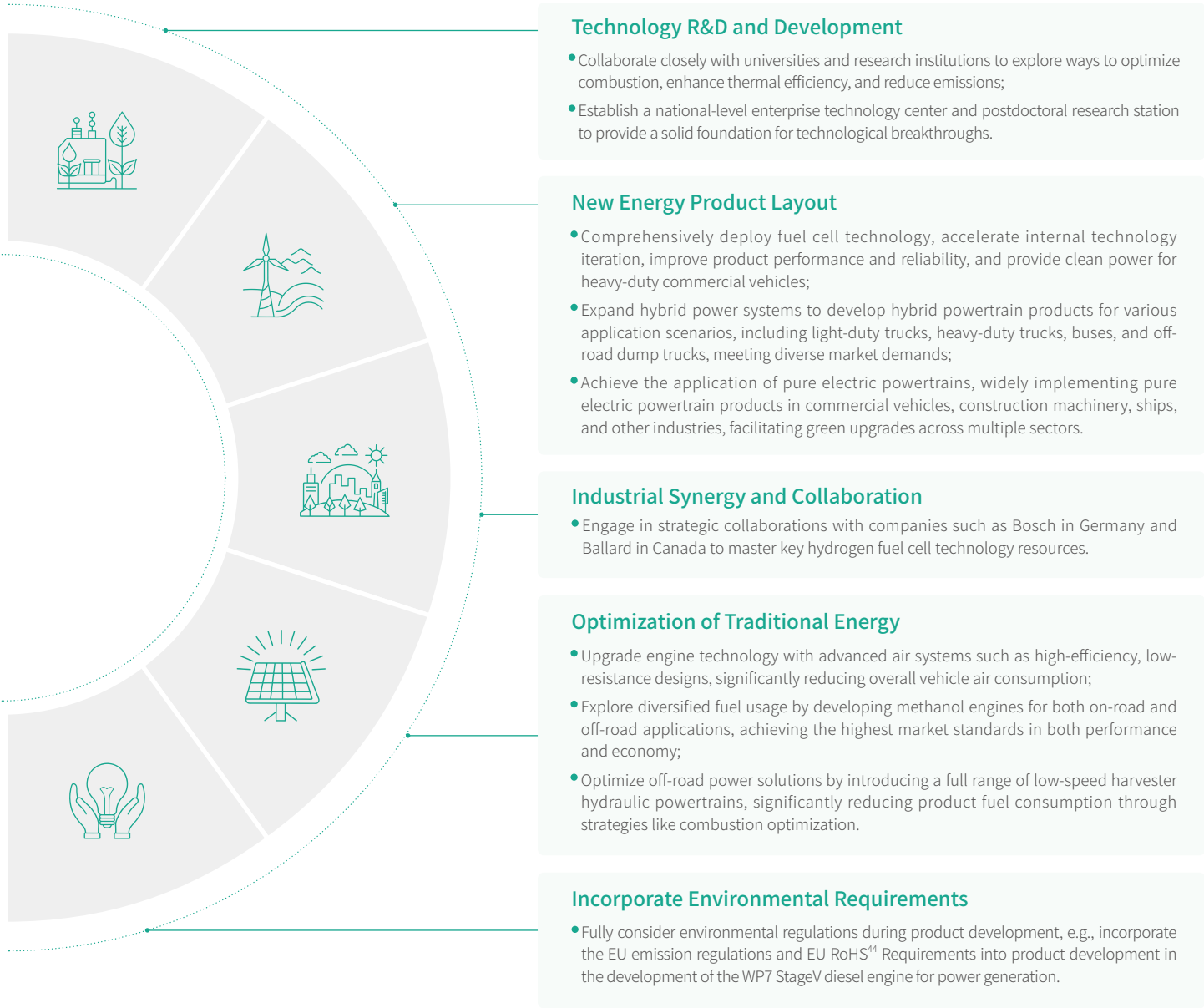
of the total operating revenue



⁴³ Low-carbon products mainly include natural gas engines, hybrid power systems, methanol engines, etc.; Zero-carbon products mainly include fuel cell systems, pure electric products, and hydrogen internal combustion engines, among others.

Clean Technology Development

Amid the global energy transition, Weichai Power fully recognizes that clean technology is the core driver for promoting sustainable industry development. With innovation as the driving force and technological breakthroughs as the guiding principle, the Company is committed to achieving excellence in the field of clean technology, realizing a win-win scenario for both economic and environmental benefits.

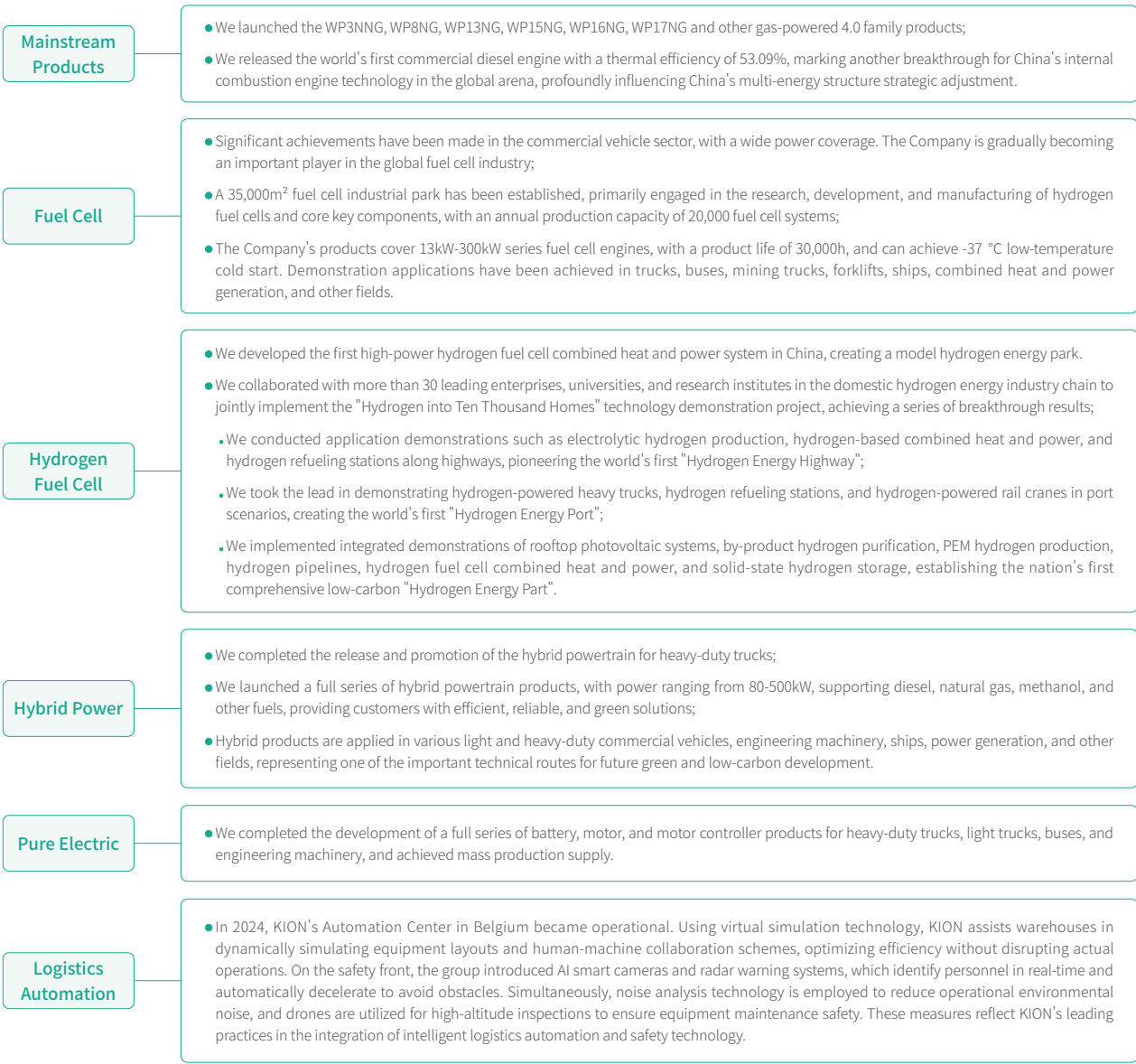


Clean Technology Development Measures

⁴⁴ Restriction of Hazardous Substances in Electrical and Electronic Equipment.

Clean Technology Layout

Weichai Power has comprehensively and deeply deployed in the field of clean technology, achieving remarkable results. On one hand, the Company focuses on the traditional strength of internal combustion engines, committed to achieving a qualitative leap in the cleanliness of internal combustion engine technology. On the other hand, it actively expands the boundaries of clean technology, extensively ventures into the new energy sector, and vigorously promotes the research, development, and application of new energy technologies. Through multi-dimensional technological deployment, the Company is driving its business towards cleaner, more efficient, more intelligent, and more reliable development in all aspects. In 2024, the Company reduced carbon emissions by a total of 2.2565 million tonnes through low-carbon technology research and development, setting a benchmark for the industry's low-carbon transformation and demonstrating a firm resolve to address climate change.

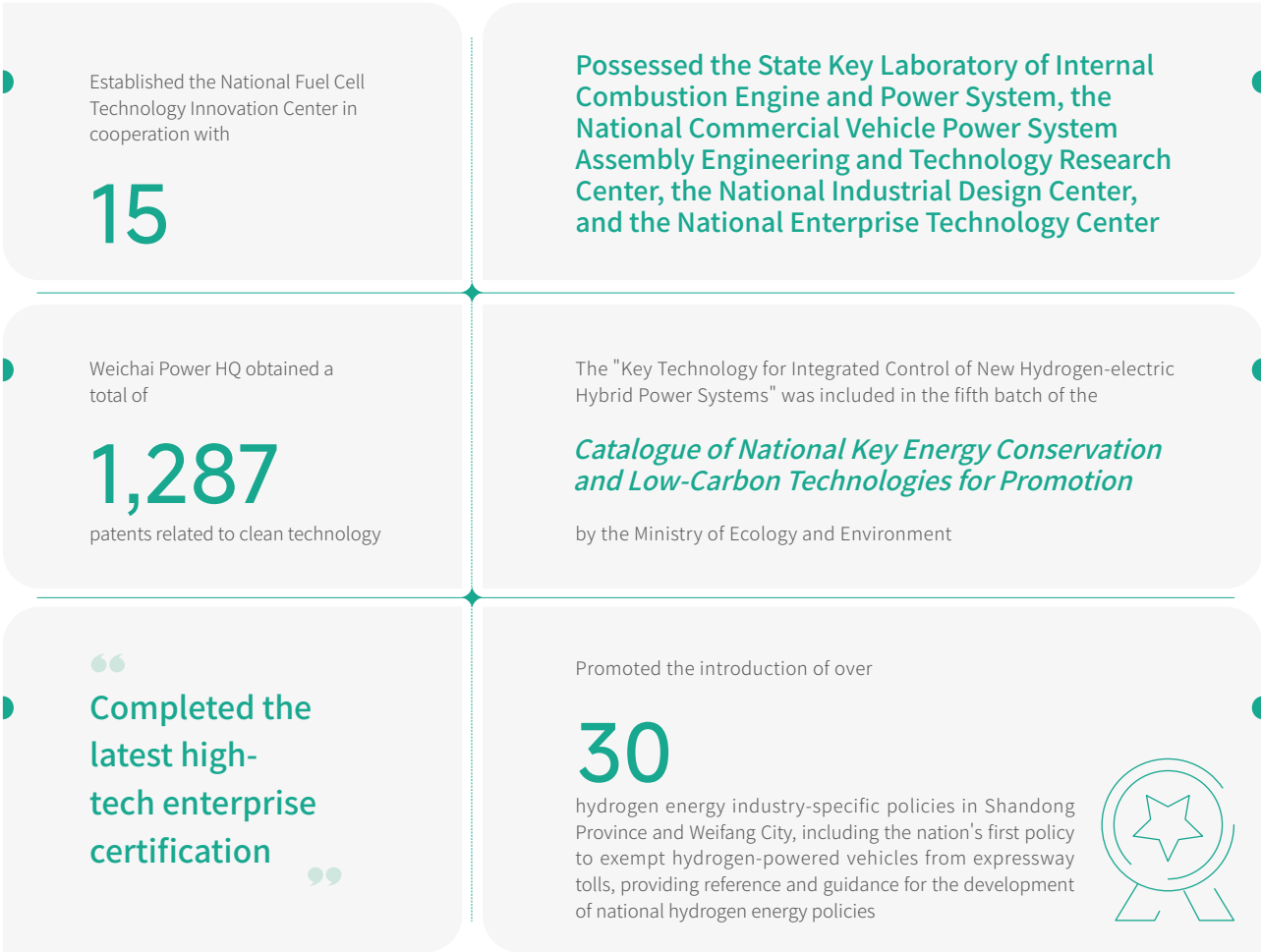


High-power Hydrogen Energy Power Generation Systems Usher in a New Era of Multi-scenario Applications for Hydrogen Energy

In 2024, Weichai Power's National Innovation Center made a significant breakthrough in the field of hydrogen energy utilization, with its high-power hydrogen energy power generation system successfully applied in multiple scenarios.

Leveraging the "Hydrogen into Ten Thousand Homes" project, the Company launched three high-power generation systems at 100kW, 200kW, and 500kW. This system adopts a modular integrated design, allowing flexible configuration in various scenarios such as industrial parks, highway service areas, and chemical parks. It also introduces the concept of "hydrogen and electricity separation, heat and electricity separation" to ensure the safe use of hydrogen. With exceptional performance and design advantages, these three systems were demonstrated in multiple scenarios in 2024. This achievement broadens the application fields of hydrogen energy, drives technological R&D and product layout in the hydrogen energy industry chain within the power generation sector, and generates significant socio-economic benefits in energy conservation, emission reduction, optimizing energy structure, and ensuring energy security. It sets an exemplary model for promoting energy transition and sustainable development.

Weichai Power takes it as its responsibility to empower industry development. Through continuous innovation in clean technologies and new energy, it injects strong momentum into the widespread application of green and low-carbon technologies and the sustainable development of the industry.



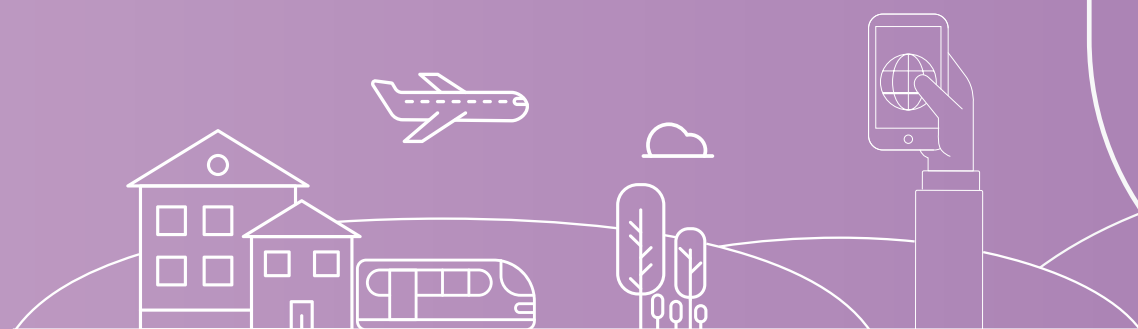
05

Forging Ahead Together, Promoting Social Harmony

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Weichai Power actively fulfills its social responsibilities through optimizing supply chain management and deeply participating in social construction. By collaborating with various partners, Weichai Power moves towards a brighter future, fully demonstrating the responsibility and commitment of a leading enterprise in the industry.

”



Standardizing Responsible Procurement


Weichai Power is committed to building a standardized, transparent, and sustainable responsible procurement system. By regulating supplier selection and management, strengthening supplier ESG management, actively addressing supply chain security risks, and enhancing supplier communication, Weichai Power comprehensively improves the level of responsible procurement.

Supplier Management

Weichai Power adheres to laws and regulations such as the *Bidding Law of the People's Republic of China* and the *Regulation on the Implementation of the Bidding Law of the People's Republic of China*. The Company strictly implements internal system requirements including the *Implementation of Supplier Selection Evaluation Control Procedures*, the *Implementation of Supplier Performance Evaluation Control Procedures*, and the *Supplier Audit Control Procedure*. In 2024, Weichai Power released the *Supplier Quality Management Specification*, the *Supplier Collaborative R&D and Design Management Procedure*, and the *Supplier Management Manual*, which regulate supplier behavior from multiple dimensions.


Weichai Power has established a comprehensive supplier lifecycle management system, covering all processes from supplier qualification, and assessment, to exit. Through a hierarchical management model, it continuously enhances the compliance of business development and procurement.

Weichai Power Supplier Lifecycle Management




Supplier Admission

- The Company formulates an annual supplier audit plan based on the *Supplier Audit Control Procedures* and organizes on-site supplier audits. The audit scope includes Class A and heavy Class B parts suppliers, suppliers with quality management system improvement needs, and suppliers with product quality issues. Suppliers can only be included in the qualified supplier list after passing the audit.
- In 2024, Weichai Power HQ audited a total of **378** suppliers, resulting in a significant improvement in product qualification rates and noticeable advancements in production processes.



Supplier Audit

- According to the *Supplier Performance Evaluation Control Procedure*, the Company conducts an annual performance evaluation of suppliers each year. The evaluation covers multiple key dimensions such as delivery performance, R&D performance, and quality performance. This comprehensive and objective assessment provides a scientific basis for supplier management, with results categorized into four levels: A, B, C, and D.

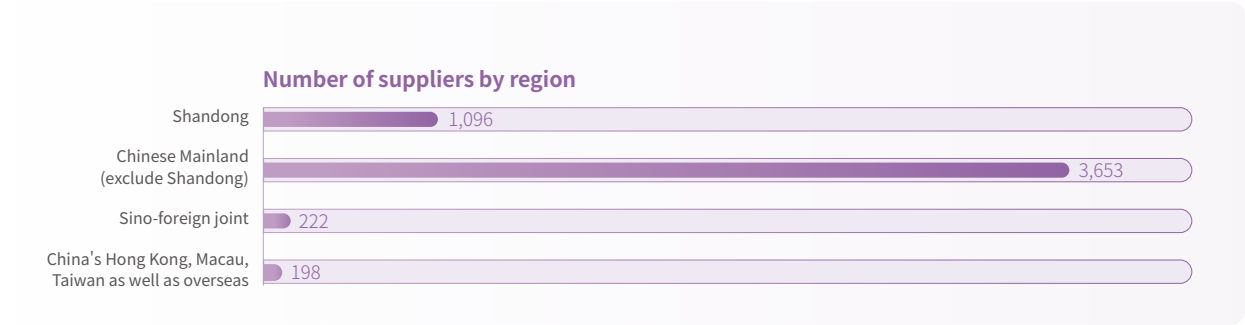


Supplier Exit

- Based on the annual performance evaluation results, the Company conducts risk assessments for suppliers with performance ratings of C and D. For suppliers with higher risk levels, the Company will adjust procurement ratios and communicate corrective measures with them.
- If the suppliers still fail to meet the Company's standards upon re-evaluation, they will be eliminated. The Company will hold exit meetings, sign termination agreements, and complete the refund process.
- In 2024, Weichai Power HQ eliminated a total of **93** suppliers.

As of the end of 2024, we had a total of **5,169 suppliers**.

Number of Weichai Power's Suppliers in 2024⁴⁵



Supplier ESG Management

Weichai Power is committed to continuously strengthening the norms of cooperation with suppliers in terms of operations, society, and the environment. In 2024, the Company formulated the *Supplier Code of Conduct*, incorporating sustainable development principles into the supplier selection process. The Company implements an ESG supplier risk management process to monitor suppliers' compliance in areas such as Health, Safety, and Environment (HSE), anti-corruption and anti-bribery, product-related environmental protection, upstream supply chain monitoring, human rights, labor rights, and employment standards. It evaluates supplier performance by setting dedicated indicators and related goals, ensuring the green, compliant, and robust development of the supply chain.

ESG Management Requirements for Suppliers

ESG Indicator	Management Requirements
Environmental Protection	We require suppliers to strictly comply with national and local environmental regulations in the jurisdictions where they operate, and sign the <i>Supplier Safety and Environmental Protection Agreement</i> to clearly define the responsibilities and obligations of both parties in the field of environmental protection.
	We preferentially choose to cooperate with suppliers that use environmentally friendly materials and have obtained ISO 14001 Environmental Management System certification. The proportion of suppliers certified by the ISO 14001 system at Weichai Power HQ is 54.1% .
	We support suppliers in developing environmental strategies and conducting environmental assessments in production and other business processes to promote green transformation.
	We require suppliers to develop water resource management policies in compliance with local regulations, set specific goals, implement management plans, and ensure wastewater discharge meets regulatory requirements.
	Suppliers must implement a conflict minerals policy and conduct due diligence to verify the sources of minerals.
	The <i>Supplier Management Manual</i> requires suppliers to use recyclable packaging materials. The Company provides sales and recycling services for standard pallets, containers, etc., reducing the use of disposable packaging.

⁴⁵ This data scope includes the companies operated by Weichai Power in Chinese mainland.

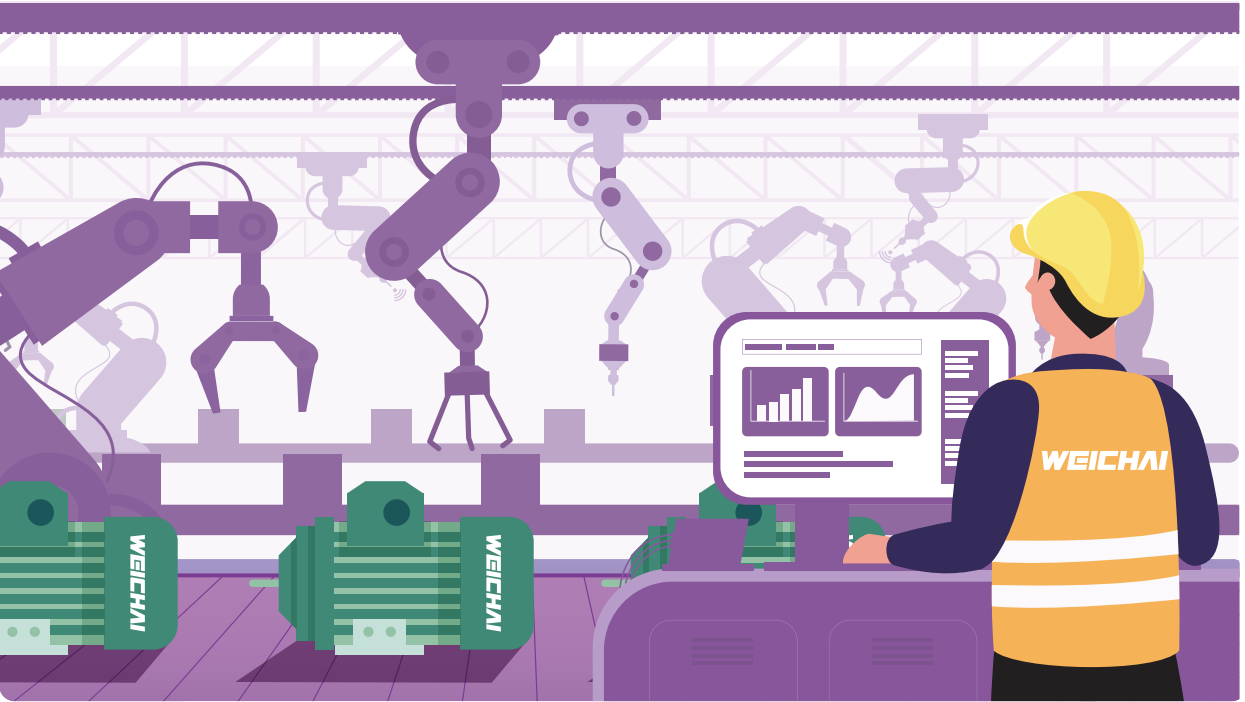
ESG Indicator	Management Requirements
Product Quality	We formulate the <i>Supplier Quality Management Manual</i> to provide clear quality management guidance for suppliers.
	We adopt the WOS quality management model, incorporating the strategic implementation system, indicator management system, standard process system, and training support system to integrate quality management throughout the full business process from 'customer to R&D to delivery'.
	We utilize the CLICK five-step management method and digital tools to achieve quantifiable and evaluable company operations, driving continuous optimization of quality management.
	We conduct 100% inspection of sample procurement products and perform quality audits on incoming procurement materials according to company regulations, ensuring all materials entering the production process meet high-quality standards.
	In 2024, the pass rate of IATF 16949 system certification for outsourcing suppliers of Weichai Power HQ reached 81.27% , and the pass rate of ISO 9001 quality management system certification for packaging materials, Class A raw and auxiliary materials, and generator set suppliers reached 100% , ensuring the quality stability of the supply chain from the source.
Health and Safety	In 2024, Weichai Power HQ vigorously promoted supplier quality improvement and conducted on-site audits on 18 suppliers with the authoritative organization TUV, significantly improving the suppliers' quality system operation capabilities.
	We clearly define the responsibilities for occupational health and safety management, requiring suppliers to provide employees with effective work protective equipment that complies with national or industry standards.
Labor Rights	Suppliers need to establish accident prevention and emergency response plans to minimize health and safety risks.
	We require suppliers and their upstream suppliers to strictly comply with all applicable labor laws and regulations, follow international labor practices, the <i>Universal Declaration of Human Rights</i> , and international treaties, and recognize ethical standards approved by the Chinese government.
Business Ethics	We firmly prohibit suppliers from engaging in illegal activities such as forced labor and child labor and ensure that employees' working hours, wages, benefits, and working conditions comply with legal and regulatory requirements.
	Weichai Power formulated the <i>Supplier Code of Conduct</i> to explicitly prohibit suppliers from engaging in any form of commercial bribery or providing any property or non-property benefits to company personnel or their relatives.
	The KION Group established the <i>KION Group Supplier Code of Conduct</i> and <i>Supplier Conduct Principles</i> , requiring all suppliers in a business relationship with the KION Group to engage in responsible operations.
	Suppliers are required to sign the <i>Supplier Integrity and Honesty Co-building Agreement</i> , with a 100% signing rate at the Weichai Power HQ in 2024.

Weichai Power's subsidiary KION Group is actively committed to reducing the use of harmful substances and compounds in the supply chain, conducting environmental impact assessments to deeply analyze Substances of Very High Concern (SVHCs) related to metal extraction and processing, as well as air pollution issues in the upstream value chain. Building on this, KION vigorously promotes supplier compliance programs, focusing on compliance data related to the Toxic Substances Control Act (US-TSCA), and systematically evaluating supplier data to enhance supply chain transparency. Additionally, the KION Group conducts performance screening and audits of suppliers to ensure they meet the group's standards in toxic emissions and waste management, significantly reducing the risk of harmful substance emissions in the supply chain.

Supply Chain Risk Management

According to the *Risk Management Control Procedure*, Weichai Power has formulated the *Supply Chain Risk Management Control Procedure* and the *Emergency Plan for Procurement Product Interruption* to systematically address various risks and ensure the timely delivery of products and materials.

Based on the safety stock reserve, rapid response capability, and risk control orientation, the Company has established a multi-dimensional parts supply guarantee system, built a supplier layout database, and established a parts supply guarantee mechanism to ensure the stable supply of necessary parts for production, effectively reducing or avoiding production stoppages or delays caused by emergencies.



Supply Chain Assurance Mechanism

Risk Type	Response Measures
<div>Natural Disaster Risks</div>	We build a risk control model and integrate third-party information such as Moji Weather and Baidu Map through the SRM 3.0 system to automatically issue reminders, thereby reducing the impact of natural disasters like heavy rain, blizzards, typhoons, and freezing on the supply chain.
<div>Supplier Operational Risks</div>	We establish the SRM 3.0 system to enable automatic access to Tianyancha supplier business information, update operational status quarterly in the SRM system, identify potential risks, and promptly alert about risk information.
<div>International Trade Risks</div>	In response to the uncertainties in the international trade environment, the HQ continues to advance the independent and controllable supply chain, implementing risk management for 39 foreign suppliers, 70 types of components, and 221 part numbers. By 2024, 83% of the components have been successfully replaced with domestic alternatives.
<div>Production Capacity and External Risks</div>	We develop a production capacity enhancement plan, establish localized overseas projects to address international sanctions and introduce a new supplier operational risk list.

Supplier Communication and Training

Weichai Power places great emphasis on communication and empowerment with its suppliers. The Company maintains close communication through various means such as phone calls, emails, and on-site exchanges. It also develops specialized training and improvement plans to provide theoretical support and solutions for common issues faced by suppliers, helping them continuously enhance their quality management capabilities. In addition, the HQ conducts annual training sessions to interpret the contents of each chapter of the *Supplier Management Specifications*, clarifying Weichai Power's management requirements and assisting suppliers in better understanding and implementing the relevant standards. The training covers all supplier executives, quality and production managers, sales personnel, and specific business managers.

In 2024, the Company maintained close communication with suppliers through on-site exchanges, gaining a deeper understanding of their actual operating conditions and supporting their capability enhancement. For major issues, the HQ adopted on-site interviews, conducting a total of 87 supplier interviews throughout the year. This effectively raised suppliers' awareness of quality management and provided strong support for the stable operation of the supply chain.

In 2024

The HQ conducts a total of

87

supplier interviews throughout the year



Weichai Power Held Global Supplier Conference

On December 12, 2024, Weichai Power hosted the 2025 Global Supplier Conference themed "Unwavering in Our Pursuit of Excellence, Innovation, and Leadership" in Weifang, Shandong, where supplier partners discussed how to achieve industrial chain upgrade and mutual success in a complex and ever-changing market environment.

During the event, Weichai organized a new product exhibition, showcasing over 150 high-end products and releasing dozens of new models onsite, highlighting Weichai's leading position in the power sector. Additionally, the conference announced the 2024 Gold Supplier Recognition Awards and presented prizes to representatives from 23 gold suppliers.

The conference attracted over 700 supplier partners from around the world. By strengthening supply chain collaboration, Weichai Power further consolidated its relationships with partners, laying a solid foundation for industry development.



Weichai Power 2025 Global Supplier Conference

Actively Giving Back to Society

Weichai Power has always considered the fulfillment of social responsibility as a crucial part of its corporate development. The Company actively engages in public welfare donations, community co-construction, and employee volunteer services, deeply participating in rural revitalization efforts, and comprehensively promoting long-term harmonious development between the Company and society.

Rural Revitalization

Weichai Power actively responds to the national rural revitalization strategy by deploying the First Secretary to the village, promoting industrial development, donating agricultural machinery, and improving rural governance efficiency through the integration of technology and industry. These efforts effectively enhance the added value and competitiveness of rural industries, contributing the company's strength to the development of the rural economy.



Lovol Donated Agricultural Machinery



Dispatched First Secretary in Yinan Village

In 2024, Weichai Power dispatched one first secretary to Yinan County, fully supporting local rural revitalization efforts. The first secretary deeply engaged with the grassroots, and rolled up their sleeves to work diligently, focusing on party leadership, industrial development, and village culture construction.

Weichai Power actively supports the work of the first secretary, helping to improve village infrastructure and enhance the production and living conditions of villagers. It fully demonstrates the Company's sense of responsibility in rural revitalization and contributes to promoting rural economic development and social progress.



Resident Village Secretary

Community Public Welfare

Weichai Power has always interpreted corporate responsibility with practical actions, actively responded to the call of "Learn from Lei Feng" activities, organized employees to participate in various forms of volunteer services, and regularly carried out public welfare activities such as traffic civilization guidance, public donations, poverty alleviation, tree planting, voluntary labor, visits to the elderly living alone, and visiting children in welfare homes. In 2024, the Company's employees participated in public welfare services a total of 360 times, involving 10,145 participants cumulatively, with a total service duration of 42,140.42 hours. The social welfare investment amounted to RMB 21.99 million, contributing significantly to the construction of a harmonious society.

In 2024

The Company's employees participated in public welfare services a total of

360 times

Involving

10,145

participants cumulatively

With a total service duration of

42,140.42 hours

The social welfare investment amounted to

RMB 21.99 million



Traffic Etiquette Guidance

Future Outlook



In 2024, Weichai Power made remarkable strides in environmental, social, and governance (ESG) fields, underscoring its commitment as an industry leader. Looking ahead, the Company will further advance its strategic initiatives in green transformation, technological innovation, global expansion, and social responsibility, driving shared progress for both the enterprise and society.

We will keep advancing the green transition. With a clear strategic focus on new energy, digital intelligence, and aftermarket services, Weichai Power is dedicated to developing efficient, low-carbon power solutions. The Company will continue to increase investment in new energy, accelerate breakthroughs in low-carbon fuel technologies, and further optimize the industrial structure to maintain a leading position in green transformation.

We will strengthen technological competitiveness. Weichai Power will sustain high-intensity R&D investment, reinforcing core engine technologies such as high thermal efficiency, high reliability, and low emissions to secure its competitive edge. The Company will also intensify resource allocation in new energy businesses, develop world-class "three-electric" products for commercial vehicles, and rapidly establish a competitive advantage in the new energy sector.

We will elevate global brand influence. Seizing strategic opportunities in overseas markets, Weichai Power is optimizing resources and strengthening its teams to expand localized manufacturing, overseas supply chains, and service networks in key markets. The Company will continue to scale up exports and enhance the operational management of its overseas subsidiaries, ensuring the sustainable and steady growth of its global business.

We will increase exchanges and collaboration with stakeholders. Benchmarking against industry best practices, Weichai Power is comprehensively advancing its ESG management system to solidify its core strengths in sustainable development. The Company is committed to fostering open communication and collaboration with stakeholders, promoting compliance, innovation, and synergy across the industrial chain. By actively addressing societal concerns, it aims to enhance transparency and corporate credibility.

We will actively fulfill social responsibility. Working hand in hand with partners across sectors, Weichai Power actively participates in social development initiatives, supports rural revitalization, education, and philanthropy, and contributes to public welfare through diverse programs. By giving back to society and spreading compassion, the Company is committed to advancing social well-being and fostering harmonious development.

Looking ahead, Weichai Power will continue to uphold the philosophy of "green, clean, and sustainable" development, leading ESG practices with outstanding corporate governance. The company remains dedicated to achieving higher-quality growth and delivering greater value to society.

Appendix

Key Performance Table⁴⁶

Environmental

Indicator	Unit	2023	2024
ISO 14001 Environmental Management System Certification Coverage	%	100	100
Environmental Investment	RMB 10,000	Approximately 2,940	Approximately 3,000
Major Environmental Pollution Incidents	/	0	0
Scope 1: Direct GHG Emissions	tCO ₂ e	239,657.52	232,672.73
Scope 2: Indirect GHG Emissions	tCO ₂ e	795,101.66	714,577.23
Scope 3: Value Chain GHG Emissions (Partial)	tCO ₂ e	107,606,093.10	94,059,310.61
Category 2: Capital Goods	tCO ₂ e	729,830.75	752,452.64
Category 3: Fuel and Energy Related Activities (Upstream)	tCO ₂ e	367,783.19	367,091.08
Category 6: Business Travel	tCO ₂ e	78,497.25	80,774.06
Category 7: Employee Commute	tCO ₂ e	1,088,677.73	1,219,682.50
Category 11: Usage of Sold Products	tCO ₂ e	105,341,304.18 ⁴⁷	91,639,310.34
Total GHG emissions	tCO ₂ e	108,640,852.28	95,006,560.57
Total GHG emission density	tCO ₂ e /RMB billion in revenue	507,762.44	440,477.35
Direct energy consumption			
Purchased natural gas	1,000 kWh	722,981.21	672,997.26
Gasoline	1,000 kWh	37,761.57	38,569.06
Diesel	1,000 kWh	356,890.31	353,153.82
Indirect energy consumption			
Purchased electricity	1,000 kWh	1,301,873.24	1,289,503.56
Purchased steam	1,000 kWh	30,763.16	26,567.73
Purchased thermal energy	1,000 kWh	151,980.86	156,019.51
Total comprehensive energy consumption	1,000 kWh	2,602,250.34	2,536,810.93

⁴⁶ As the reporting coverage has been expanded to include consolidated financial statements, the data for 2023 and 2024 have been statistically disclosed in the latest manner.

⁴⁷ The 2023 data is the sum of KION's Category 11, Category 13, and the Group's Category 11 data excluding KION.

Indicator	Unit	2023	2024
Comprehensive energy consumption density	1,000 kWh /RMB billion in revenue	12,162.32	11,761.37
Renewable energy usage	1,000 kWh	35,847.28	92,648.07
VOCs	Tonne (s)	293.83	254.85
Particulate matters	Tonne (s)	128.87	135.18
Sulfur oxides	Tonne (s)	44.30	20.13
Nitrogen oxides	Tonne (s)	216.95	186.29
Total wastewater discharge	Tonne (s)	2,624,836.61	2,360,727.78
COD	Tonne (s)	75.01	58.29
Ammonia nitrogen	Tonne (s)	9.83	5.58
Total phosphorus	Tonne (s)	1.35	1.10
Total emission of hazardous waste	Tonne (s)	22,610.14	23,049.19
Hazardous waste emission density	Tonne (s)/RMB 100 million revenue	105.68	106.86
Total amount of non-hazardous waste emissions	Tonne (s)	531,290.31	470,716.15
Non-hazardous waste emission density	Tonne (s)/RMB 100 million revenue	2,483.15	2,182.37
Total water consumption	Tonne (s)	5,049,871.91	4,745,955.17
Water consumption density	Tonne (s)/RMB 100 million revenue	23,602.11	22,003.54
Water resource reuse volume	Tonne (s)	958,736.81	888,709.22
Packaging material usage	Tonne (s)	104,508.09	120,894.80
Packaging material recycling volume	Tonne (s)	113,084.24	117,429.95

Social

Indicator	Unit	2023	2024
Employee Overview			
Total number of employees	Persons	97,681	103,300
By employment type			
Formal employee	Persons	89,162	97,288
Informal employees ⁴⁸	Persons	8,519	6,012
Number of formal employees by gender			
Male	Persons	73,034	79,483

⁴⁸ The data excludes KION.

Indicator	Unit	2023	2024
Female	Persons	16,128	17,805
Number of formal employees by age			
Under 20	Persons	1,879	2,197
20-29	Persons	23,781	23,982
30-39	Persons	28,774	33,138
40-49	Persons	20,310	21,770
50-59	Persons	11,890	13,288
60 and above	Persons	2,528	2,913
Number of formal employees by rank ⁴⁹			
Junior staff	Persons	46,090	52,406
Middle management staff	Persons	1,403	2,046
Senior management staff	Persons	130	117
Number of formal employees by post			
Production Staff	Persons	36,218	40,041
Technical Staff	Persons	14,992	17,586
Sales Staff	Persons	28,279	29,637
Financial Staff	Persons	2,102	2,390
Administrative Staff	Persons	7,571	7,634
Number of formal employees by degree ⁵⁰			
PhD	Persons	165	224
Master	Persons	5,087	7,172
Bachelor	Persons	14,732	16,494
Junior college and below	Persons	27,639	30,679
Number of formal employees by region			
Domestic	Persons	51,952	57,808
Overseas (including Hong Kong, Macau, and Taiwan)	Persons	37,210	39,480
Number of formal employees by ethnicity			
Han Chinese	Persons	45,941	52,026
Ethnic minorities	Persons	494	548
Overseas employees	Persons	42,727	44,714

⁴⁹ The data excludes KION.

⁵⁰ The data excludes KION.

Indicator	Unit	2023	2024
Employee Diversity			
Number of women in lower management	Persons	1,798	2,523
Number of women in middle management	Persons	660	795
Number of women in senior management	Persons	75	85
Number of women in STEM (Science, Technology, Engineering, and Mathematics) related positions	Persons	4,243	5,024
Number of female managers in revenue-generating positions	Persons	630	988
Number of employees with disabilities	Persons	72	92
Newly hired and resigned employees ⁵¹			
Total number of new employee recruits	Persons	8,964	10,301
Number of employee turnovers	Persons	3,587	3,627
Total employee turnover rate	%	6.48	5.99
Employee turnover rate by gender			
Male	%	7.99	7.14
Female	%	6.16	4.47
Employee turnover rate by age			
Under 20	%	8.52	4.17
20-29	%	11.33	12.50
30-39	%	6.92	4.72
40-49	%	1.49	1.69
50-59	%	6.01	3.27
60 and above	%	3.81	4.91
Employee turnover rate by rank			
Junior staff	%	11.90	10.02
Middle management staff	%	1.78	0.88
Senior management staff	%	3.08	11.11
Employee turnover by region			
Domestic	%	7.66	6.90
Overseas (including Hong Kong, Macau, and Taiwan)	%	0.00	0.05

⁵¹ The employee turnover data excludes KION.

Indicator	Unit	2023	2024
Development and Training ⁵²			
Total number of trained employees	Persons	50,866	54,573
Total training participation rate	%	93.97	91.76
Percentage of trained employees by gender			
Male	%	82.48	80.60
Female	%	17.52	19.40
Percentage of trained employees by rank			
Junior staff	%	96.89	97.17
Middle management staff	%	2.86	2.60
Senior management staff	%	0.25	0.23
Average training hours per person	Hours	77.82	75.21
Average training hours by gender			
Male	Hours	78.90	74.69
Female	Hours	72.73	77.33
Average training hours by rank			
Junior staff	Hours	77.85	75.05
Middle management staff	Hours	75.24	81.86
Senior management staff	Hours	37.85	56.33
Annual training expenditure amount	RMB	26,326,804.67	31,368,100.95
Health and Safety			
Safety Investment	RMB 10,000	11,405.53	12,082.94
Number of work-related fatalities among employees	Persons	1	1
Number of work-related fatalities among contractors	Persons	0	1
Number of working days lost by employees due to work-related injuries	Days	13,701	11,015
Lost time injury rate (LTIR)	LTIR/ 200,000 work hours	0.51	0.41
Total number of contractors at Weichai's operating sites ⁵³	Persons	/	2,983
Investment in work-related injury insurance ⁵⁴	RMB	58,956,390.65	56,580,615.91
Work-related injury insurance coverage rate	%	100.00	100.00
Safety production liability insurance coverage rate ⁵⁵	%	100.00	100.00

⁵² This data scope includes the companies operated by Weichai Power in Chinese mainland.
⁵³ Weichai Power began to count the total number of contractors in 2024, and will subsequently count the number of contractors' work-related injuries based on this.
⁵⁴ This data scope includes the companies operated by Weichai Power in Chinese mainland.
⁵⁵ The data is based on Weichai Power HQ.

Indicator	Unit	2023	2024
Total number of occupational health and safety training participants	Persons	52,458.00	49,450.00
Total duration of occupational health and safety training ⁵⁶	Hours	494,368.36	353,052.00
Coverage of occupational health and safety training for contractors ⁵⁷	%	100.00	100.00
Total hours of occupational health and safety training for contractors ⁵⁸	Hours	54,250.40	57,595.80
Democracy and Satisfaction			
Percentage of employees who have signed a collective agreement ⁵⁹	%	100	100
Employee Satisfaction ⁶⁰	%	96.83	97.00
Supplier Management ⁶¹			
Total number of suppliers by region			
Total number of suppliers	/	4,981	5,169
Number of local suppliers in Shandong	/	1,069	1,096
Number of suppliers in mainland China (excluding Shandong)	/	3,544	3,653
Number of Sino-foreign joint venture suppliers	/	189	222
Number of suppliers from Hong Kong, Macau, Taiwan, and overseas	/	179	198
Number of suppliers who have signed the Sunshine Supply/Clean Construction Agreement	/	2,644	2,883
Number of suppliers using environmentally friendly materials and recyclable packaging	/	1,356	1,387
R&D investment	RMB 10,000	898,268	940,653
Proportion of R&D investment to operating income	%	4.2	4.4
Number of R&D personnel	Persons	14,992	17,586
Proportion of R&D personnel	%	16.8	18.1
Total number of patents granted	Case	19,769	24,410
Number of invention patent applications	Case	1,804	2,115
Number of invention patents granted ⁶²	Case	1,028	986
Cumulative granted patents related to new energy	Case	1,563	1,850
Customer satisfaction (Weichai Power HQ)	%	92.76	95.30

⁵⁶ The data excludes KION.
⁵⁷ The data is based on Weichai Power HQ.
⁵⁸ The data excludes KION.
⁵⁹ The data excludes KION.
⁶⁰ The data is based on Weichai Power HQ.
⁶¹ This data scope includes the companies operated by Weichai Power in Chinese mainland.
⁶² The data excludes KION.

Indicator	Unit	2023	2024
Customer satisfaction (Shaanxi Heavy Duty Automobile)	%	89.20	90.75
Customer satisfaction (Fast Gear)	%	95.34	97.97
Customer satisfaction (Lovol)	%	91.30	91.50
Customer satisfaction (Mechanical Manufacturing)	%	93.70	95.06
Customer satisfaction (Torch Technology)	%	98.67	94.70
Number of customer complaints ⁶³	Case	7,331	6,465
Customer complaint handling rate	%	100	100
Community Public Welfare			
Total Investment in Social Public Welfare	RMB 10,000	106	2,199
Total number of employees participating in social welfare ⁶⁴	Persons	3,352	10,145
Total duration of employee participation in social welfare ⁶⁵	Hours	33,860.60	42,140.42

Governance

Indicator	Unit	2023	2024
Number of concluded anti-corruption related lawsuits	/	0	0
Average number of hours of anti-corruption education and training per person by rank ⁶⁶			
Director	Hours/Person	3	3
Senior management staff	Hours/Person	5.53	6.76
Non-management employees	Hours/Person	3.07	3.01
Operating revenue	RMB 100 million	2,139.58	2,156.91
Net profit attributable to shareholders	RMB 100 million	90.14	114.03
Shareholders' Meeting	Times	3	3
Board Meeting	Times	12	12
Supervisory Board Meeting	Times	7	8

⁶³ The data excludes KION.
⁶⁴ This data scope includes the companies operated by Weichai Power in Chinese mainland.
⁶⁵ This data scope includes the companies operated by Weichai Power in Chinese mainland.
⁶⁶ This data scope includes the companies operated by Weichai Power in Chinese mainland.

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Shenzhen Stock Exchange Index

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Dear readers,

Thank you for reading Weichai Power's Environmental, Social and Governance (ESG) Report 2024. We would welcome any feedback or suggestions you might have about this report. You can send the completed questionnaire to us by mail, email, or fax (scanned), or you can give us a call to offer your valuable comments. Thank you!

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Besides what has been disclosed in the report, what other information would you like to know?



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