



2025

Environmental, Social and Governance Report

Semiconductor Manufacturing International Corporation

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Company Profile

Semiconductor Manufacturing International Corporation (SMIC, 00981.HK/688981.SH) is one of the leading foundries in the world and is the front runner in manufacturing capability, manufacturing scale, and comprehensive service in the Chinese Mainland. SMIC provides semiconductor foundry and technology services to global customers with 8-inch and 12-inch wafers.

Headquartered in Shanghai, China, SMIC has an international manufacturing and service base, with 8-inch and 12-inch wafer fabrication facilities in Shanghai, Beijing, Tianjin and Shenzhen. SMIC also has marketing and customer service offices in the U.S., Europe, Japan, and Taiwan, China.



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Letter from the Chairman



Chairman of the Board of SMIC
Dr. Liu Xunfeng

Dear Readers,

Over the past twenty-five years of determined progress, SMIC has consistently adhered to the new development philosophy in a comprehensive, accurate, and integrated manner. We remain firmly committed to a path of high-quality development grounded in responsibility and compliance, safety and environmental stewardship, and openness and shared success. As we actively cultivate and expand new quality productive forces, ESG governance has been deeply embedded into every stage of our operations and decision-making processes. Through stable and effective governance, we ensure steady progress in development, thereby honoring the trust and support placed in us by stakeholders across society. On behalf of the Board of Directors and the management team of SMIC, I would like to extend our sincere respect and heartfelt gratitude to friends from all sectors who have long supported the Company's reform and development. Looking back on 2025, our key ESG achievements include the following:

We strengthened corporate governance to enhance resilience for sustainability. By deeply integrating sustainability principles into a modern corporate governance framework with Chinese characteristics, we have continued to refine a Board-centered decision-making mechanism, clearly defining ESG responsibilities at all organizational levels and establishing a coordinated governance structure for sustainable development. We remain committed to a customer-centric approach, pursuing shared success by creating long-term value for our customers. At the same time, we have strengthened internal control and risk management, continuously extending ESG compliance requirements across our supply chain and working with partners to build a transparent, standardized, and sustainable business ecosystem.

We advanced green and low-carbon development to strengthen the core competitiveness of high-quality growth. Guided by the national "dual-carbon" goals, we systematically promoted energy conservation, emissions reduction, and environmental management, striving to build an intensive, efficient, clean, and low-carbon production and operational system. Through optimized facility layout, harmless treatment of raw materials, clean production line upgrades, and the resource utilization of waste, we have continued to accelerate the green

transformation of our energy structure. By the end of the Reporting Period, six of our manufacturing sites had been certified as Green Factories. The Company also purchased more than 142,123.9 MWh of green electricity in total and successfully fulfilled its annual carbon market compliance obligations. At the same time, we have consistently placed workplace safety as our top priority by advancing the "fundamental safety improvement initiative", establishing a headquarters emergency response center, and promoting the intelligent upgrade of safety management systems to safeguard high-quality development with high-level safety standards.

We remained people-centered, promoting shared development among employees, the Company, and society. Relying on nearly 20,000 employees worldwide, we continue to optimize our compensation, incentives, and benefits systems while establishing diversified career development pathways and differentiated incentive mechanisms to unlock the innovative potential of our talent. We have also strengthened a culture of care and belonging. Through a series of events celebrating the Company's 25th anniversary, we further enhanced employees' sense of honor, belonging, and pride. Actively fulfilling our social responsibilities, our employees contributed more than 20,000 hours of volunteer service during the year. Our long-standing flagship philanthropic initiative, the "SMIC Liver Transplant Program for Children", has helped 1,226 children suffering from liver disease regain their health. By continuously creating shared value for all stakeholders, we put into practice our commitment to creating value for customers, delivering returns to shareholders, providing a stage for employees, and contributing to society.

In 2026, as SMIC enters a critical stage of advancing high-quality development and striving for new breakthroughs, we will remain firmly focused on our core wafer foundry business while further strengthening the effectiveness of ESG governance. Working closely with upstream and downstream partners, we will enhance the resilience of the industrial value chain and demonstrate responsibility through action while pursuing mutual success through openness and collaboration. With unwavering determination, we will accelerate our journey toward becoming a world-class leader in integrated circuit manufacturing—one that society needs and truly respects.

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2025 ESG Performance Highlights

Economic Performance

Sales revenue

US\$ **9.33** billion

R&D investment nearly

US\$ **0.77** billion

Net profit attributable to shareholders of the listed company nearly

US\$ **0.69** billion



Social Performance

People Orientation

Number of full-time employees

19,952

Number of fresh graduates recruited

1,200+

Career Development

Average training hours completed per employee

44.5

Number of employee training courses offered on the E-Learning platform

4,300+

Health and Safety

Total times of safety training

2,350

Total number of participants (person-times) in safety training

243,278

Give Back to Society

Number of participants (person-times) in public welfare activities

18,993

Hours of employees participating in charity activities

22,623

Number of underprivileged children assisted through the "SMIC Liver Transplant Program for Children"

1,226

Cumulative donation amount of the "SMIC Liver Transplant Program for Children"

RMB55+ million



Environmental Performance

Green Factory

Number of fabs certified as green factories

6

GHG Emissions

Greenhouse gas (GHG) Emissions per unit

9.1 kg CO₂ e/standard logic 8-inch equivalent wafer photomask layer

Energy

Power consumption per unit

11.15 kWh/standard logic 8-inch equivalent wafer photomask layer

Investment in energy-saving and CO₂ reduction projects

RMB 22.38 million

Waste

Waste generated per unit

0.54 kg/standard logic 8-inch equivalent wafer photomask layer

Environmental Protection Training

Times for environmental protection training

99

Total number of participants (person-times) in environmental protection training

43,895

Utilization of Water Resources

Water consumption per unit

0.085 ton/standard logic 8-inch equivalent wafer photomask layer

Water savings from newly implemented water-saving projects

365,184 tons



Honors and Awards

In 2025, SMIC sustained good level in ESG rating in the assessment of the following ESG rating agencies:

HSI ESG Index

Rated A+



Wind ESG

Rated A



China Securities Index ESG

Rated A



China National Index ESG

Rated AAA ranked 1st in the semiconductor sub-industry



ESG Awards

- Selected as one of CCTV's "China ESG Listed Companies Sci-Tech Innovation Pioneer 30"
- Winner of the Mirror Post Outstanding CSR Award since 2013

Corporate Honors

- Top 100 Enterprises with Brand Influence in the Yangtze River Delta in 2025
- Selected on the "Top 100 Hardcore Technology Enterprises in Shanghai"
- 2025 "Shanghai Securities Eagle Golden Quality" Corporate Governance Award
- Evaluation of Information Disclosure Work of Listed Companies on Shanghai Stock Exchange for 2024-2025 A
- China Association of Listed Companies 2025 Best Practices for Board of Directors of Listed Companies

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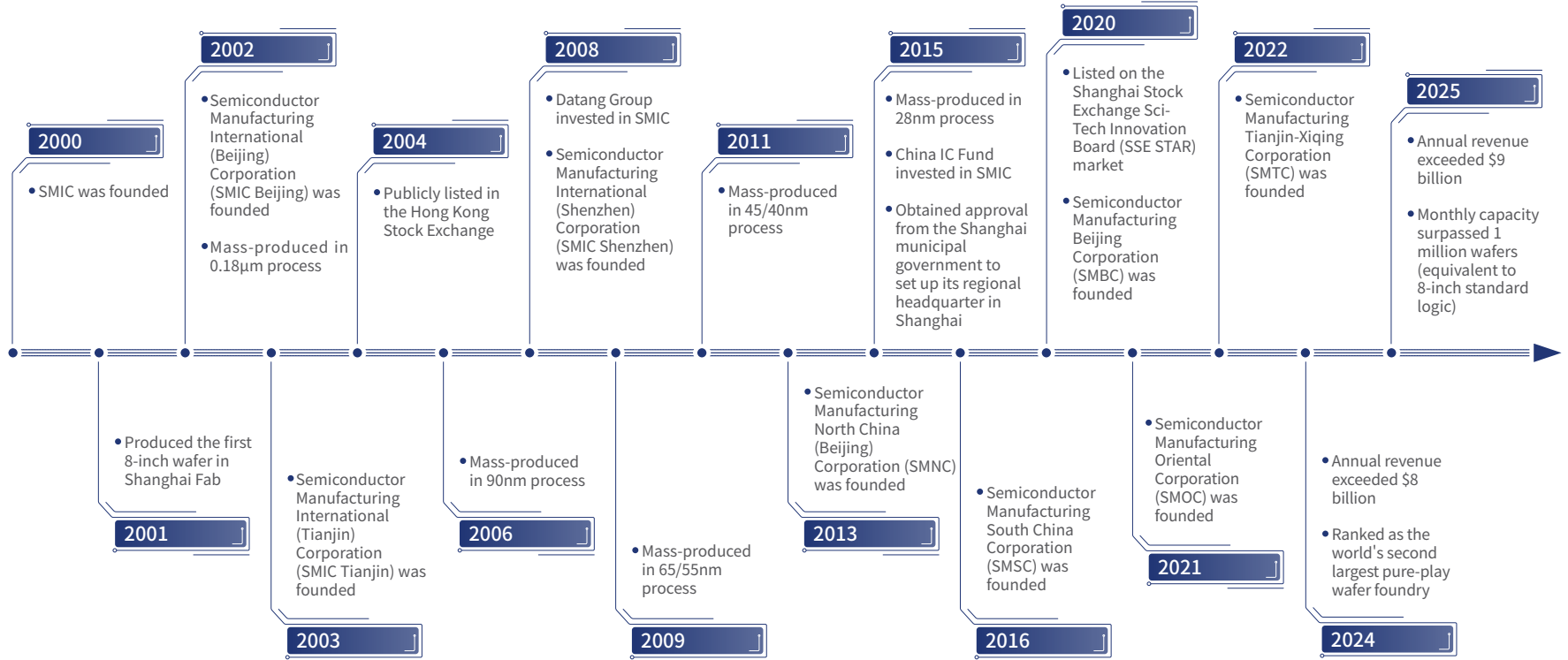
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SMIC Milestones



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Board Statement

Responsibilities of the Board of Directors

As a responsible corporate citizen, SMIC deeply recognizes the core value of environmental, social, and governance (ESG) in our pursuit of shared development. We work closely with all stakeholders to build a more prosperous and harmonious future. The SMIC Board of Directors, serves as the ultimate authority of the ESG governance framework, is responsible for setting ESG strategies, goals, and monitoring progress, as well as overseeing ESG-related performance.

Under the Board of Directors, the ESG Steering Committee is established as the governing body for the Company's ESG-related initiatives. By analyzing both internal and external environments and aligning with the Company's development strategy, the ESG Steering Committee formulates ESG strategies, objectives, and direction. The ESG Steering Committee leads and oversees the ESG Committee in discussing, planning, and advancing ESG-related issues, while ensuring that all functional departments comply with legal standards and work towards achieving the Company's ESG goals, reflecting care for people, the environment, and society. The ESG Steering Committee is responsible for reviewing the annual ESG report and submitting it to the Board of Directors for approval.

Issue Analysis

The ESG Committee closely monitors both external developments and industry peers, maintains active communication with internal and external stakeholders, identifies and assesses material issues, and develops work plans aligned with ESG goals, regularly reviewing progress. The ESG Committee is responsible for identifying, managing, monitoring, and controlling the Company's ESG-related risks, providing the Board of Directors with risk analysis and decision-making support. The Board oversees significant ESG material issues.

Daily Implementation

An ESG Office has been set up at SMIC to optimize the ESG information collection system. Based on the deep understanding of the Company's business nature, the ESG Office analyses and formulates and implements tailored strategies, goals and action plans, comprehensively advancing the Company's ESG strategy. This ensures the integration of ESG principles into daily operations and continuously improves the Company's ESG governance ability.



Building a Solid Foundation for Steady Growth

SMIC regards excellence in governance as the cornerstone of the Company's sustainability. We continuously optimize our risk management and control system, adhere to business ethics and compliance standards, and enhance the internal audit mechanism to ensure integrity and transparency across all operations. The Company actively integrates ESG principles into its governance framework and strategic decision-making, establishing a clearly defined, efficient, and accountable management system to strengthen long-term value creation. In parallel, we place high importance on open communication and collaborative engagement with all stakeholders. Through the establishment of regular dialogue mechanisms, we work together to address challenges in environmental, social, and governance domains, collectively advance the development of a responsible and sustainable industrial ecosystem, achieving shared value.

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- Foundation of Governance, Accountability in Practice
- Strategic Leadership, New Horizons of Sustainability
- Integrity in Enterprise, Compliance as Safeguard

Foundation of Governance, Accountability in Practice

SMIC regards a robust corporate governance system as the cornerstone for achieving sustainable and high-quality development. The Company continuously refines its board-centric governance structure, fostering a clear division of responsibilities and an efficient operational mechanism.



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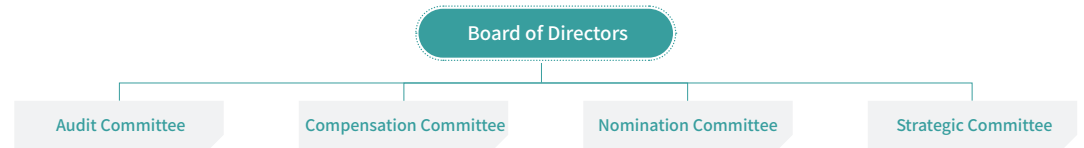
Structure of the Board of Directors

Duties of the Board of Directors

The Board of Directors, serving as the core of the Company's governance system, bears ultimate responsibility for the Company's strategic direction and long-term development. As the central governance body, the Board is accountable to all shareholders, overseeing and supervising the Company's affairs in a comprehensive manner, with all decisions prioritizing the overall interests of the Company. The Board exercises its authority through plenary meetings and specialized committees, leading the formulation of the Company's strategic direction, establishing its mission and objectives, and overseeing the implementation process. Additionally, the Board is responsible for reviewing the Company's financial performance and reporting systems, establishing the corporate governance framework and policies, and continuously evaluating the effectiveness of the internal control system. Under the guidance of the Board, the Company's management is responsible for strategy implementation and daily operations management, while Board members maintain regular communication with management on operational and financial matters.

Governance Structure of the Board of Directors

The Board consists of the Audit Committee, Compensation Committee, Nomination Committee and Strategy Committee. The committees assume their respective responsibilities of governance within the limits of their powers.



As of the end of the Reporting Period, the Board of Directors currently consists of 9 directors, including 1 chairman (executive director), 4 non-executive directors and 4 independent non-executive directors. The Board of Directors had the following structure:

Chairman of the Board, Executive Director	Non-executive Directors	Independent Non-Executive Directors	Secretary of the Board/ Secretary of the Company
Liu Xunfeng	Lu Guoqing Chen Shanzhi Yang Lumin Huang Dengshan	Fan Ren Da Anthony Liu Ming Wu Hanming Chen Xinyuan	Guo Guangli

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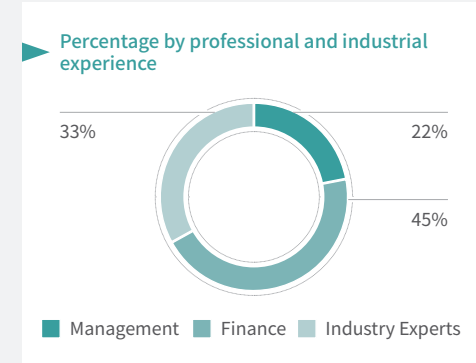
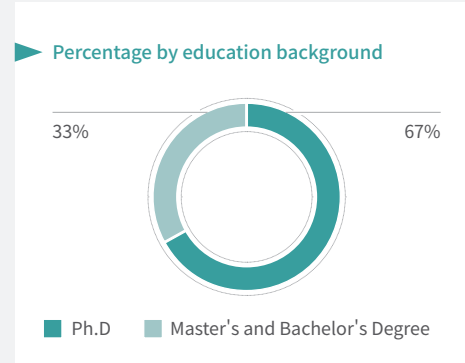
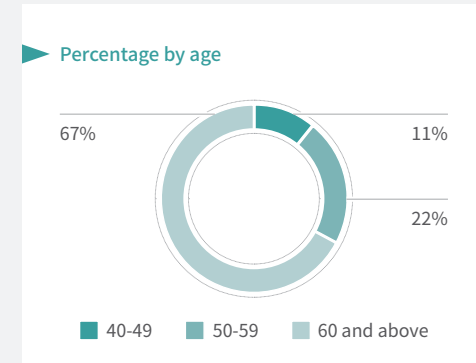
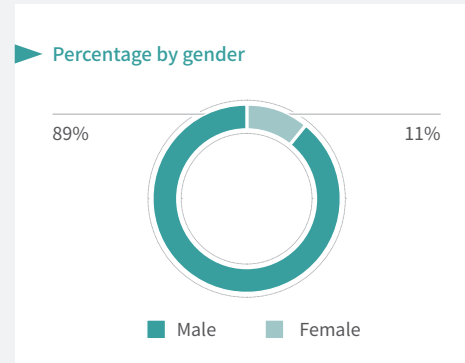
The Board members in the committees as of the end of the Reporting Period are as follows:

Board Member	Audit Committee	Compensation Committee	Nomination Committee	Strategic Committee
Liu Xunfeng			●	
Lu Guoqing		○		
Chen Shanzhi				●
Yang Lumin				○
Huang Dengshan			○	
Fan Ren Da Anthony	○	●		
Liu Ming	○	○	○	○
Wu Hanming	○		○	○
Chen Xinyuan	●	○	○	

Chairman ● Member ○

Board Diversity

The Company has recognized board diversity as a key measure for enhancing governance effectiveness and has formally established the *Board Diversity Policy*, which identifies gender diversity as a core element of board composition. The implementation of this policy is regularly evaluated and reviewed. In the selection and succession planning of directors, the Company emphasizes a comprehensive assessment of candidates across multiple dimensions, including professional competence, industry experience, career background, age structure, and gender ratio. This approach aims to continuously optimize the board's composition and balance professionalism, independence, and diversity. As of the end of the Reporting Period, the proportion of female directors on the board was 11%. During the Reporting Period, an additional female member was added to the nomination committee. The Company has met the diversity requirements under *The Rules Governing the Listing of Securities (on The Stock Exchange of Hong Kong Limited)*, as both the board and the nomination committee include directors of different genders.



Strategic Leadership, New Horizons of Sustainability

SMIC has established sustainability as a key pillar of its corporate strategy, deeply embedding ESG principles into all aspects of operations management and strategic decision-making. In ESG management practices, the Company refers to international sustainability standards, including the United Nations Sustainable Development Goals (SDGs) and the Responsible Business Alliance (RBA), to systematically advance ESG objectives through a structured governance framework. This approach enables SMIC to actively respond to stakeholder expectations and remain committed to achieving sustainable long-term value.



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ESG Guidelines and Strategy

ESG Guidelines

Upholding the philosophy of "Caring for People, Caring for the Environment, and Caring for Society", SMIC integrates sustainability into its daily operations. We collaborate closely with all stakeholders to actively fulfill our commitments in ethical responsibility, ecological and environmental protection, and social development, continuously advancing the achievement of our sustainability objectives.

To realize these goals, SMIC:

We actively align with the UN SDGs, stay abreast of global trends and key ESG issues, and continuously refine our related governance mechanisms.



We endorse and adhere to the Code of Conduct for Business Alliances, and advocate for industry partners to jointly fulfill related responsibilities.



We have obtained international certifications such as ISO standards in the fields of environment, health, and safety, demonstrating our commitment to building a safe and healthy working environment for employees and continuously reducing the operational impact on the nature and society.



We continuously refine the ESG management system, deeply integrating ESG principles into the Company's daily operations and management practices.



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Responding to UN SDGs in an Active Manner

As part of a global agenda adopted in 2015 by the United Nations, the United Nations Sustainability Goals (UN SDGs) contain a total of 17 SDGs, which aim to tackle global social, economic and environmental problems around the world. In active response to the UN SDGs, SMIC has constantly improved its ESG management system according to the requirements of *China's National Plan on Implementation of the 2030 Agenda for Sustainability*.



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Supporting RBA

The Responsible Business Alliance (RBA), a global industry organization, is committed to advancing sustainability across the environmental, social, and economic dimensions of the electronics industry supply chain. It advocates for responsible business practices within the global electronics sector. By establishing and promoting stringent codes of conduct and assessment standards, the RBA guides and supports member enterprises in continuously improving their social responsibility management capabilities, thereby fostering the overall sustainability of the industry.

As one of the leading foundries in the world, SMIC has integrated responsibility into its development and actively fulfills its corporate social responsibility. Since 2013, SMIC has been utilizing the Responsible Business Alliance Online Risk Assessment (RBA-Online) system as a foundational tool for its ESG management. This involves regularly completing the Standardized Self-Assessment Questionnaire (SAQ) to conduct thorough reviews of both corporate-wide and individual fab performance in key areas: environmental protection, health and safety, labor rights, and business ethics. Based on the findings, the Company implements targeted continuous improvement mechanisms to address potential risks. While strictly adhering to the RBA Code of Conduct, we persistently promote the fulfillment of related requirements among supply chain partners, thereby enhancing the overall sustainability and resilience of the supply chain and systematically advancing responsible business operations.

To systematically enhance the sustainability level of the supply chain, the Company formally initiated the RBA Validated Audit Process (VAP) audit during the Reporting Period. This initiative aims to leverage an internationally recognized standardized system to conduct systematic evaluation and improvement of our performance in labor, health and safety, environment, and business ethics, thereby strengthening operational resilience and creating long-term value.



SMIC RBA VAP Audit Process

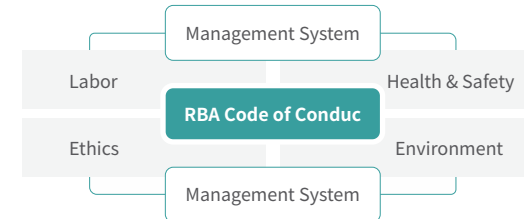
SMIC also actively respond to concerns of ESG and RBA SAQs from the stakeholders. In 2025, the Company was rated as low-risk upon assessment.

As of the end of the Reporting Period

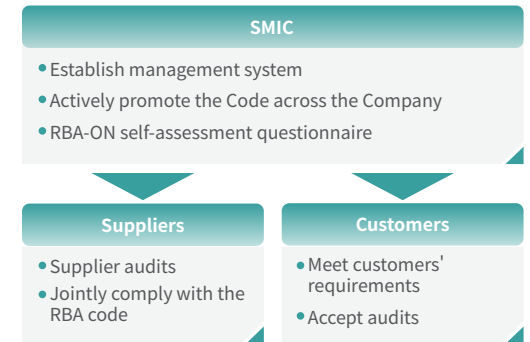
SMIC responded to a total of

416

customer inquiries related to ESG and the RBA



RBA Framework



Implementation of RBA code at SMIC

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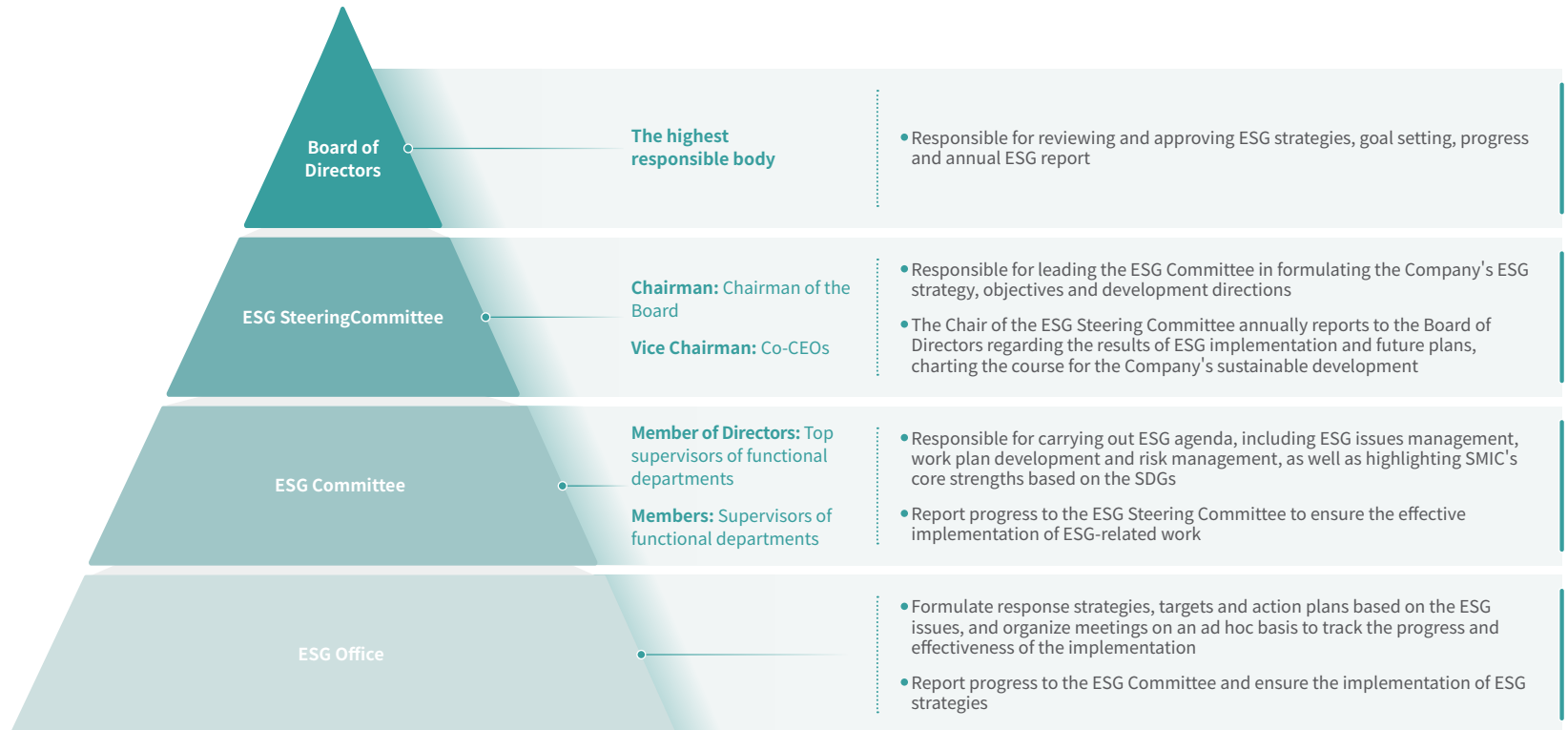
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ESG Governance Structure

SMIC places high importance on the deep integration of sustainable development and corporate governance, and has established a four-level sustainability governance system with the Board of Directors as the highest decision-making body. This system clearly defines the responsibilities and collaboration mechanisms at each level, ensuring full alignment from strategic decision-making to concrete implementation, thereby laying a solid governance foundation for the systematic and regular advancement of ESG initiatives.

SMIC continuously refines its four-level sustainability governance system, with the Board of Directors serving as the highest decision-making body, to strengthen strategic guidance and execution oversight. This well-defined and highly collaborative governance structure ensures the effective alignment and implementation of ESG management across all levels, significantly improving the decision-making efficiency and execution effectiveness of ESG initiatives, and laying a solid governance foundation for the comprehensive achievement of ESG strategic objectives.



ESG Governance Structure

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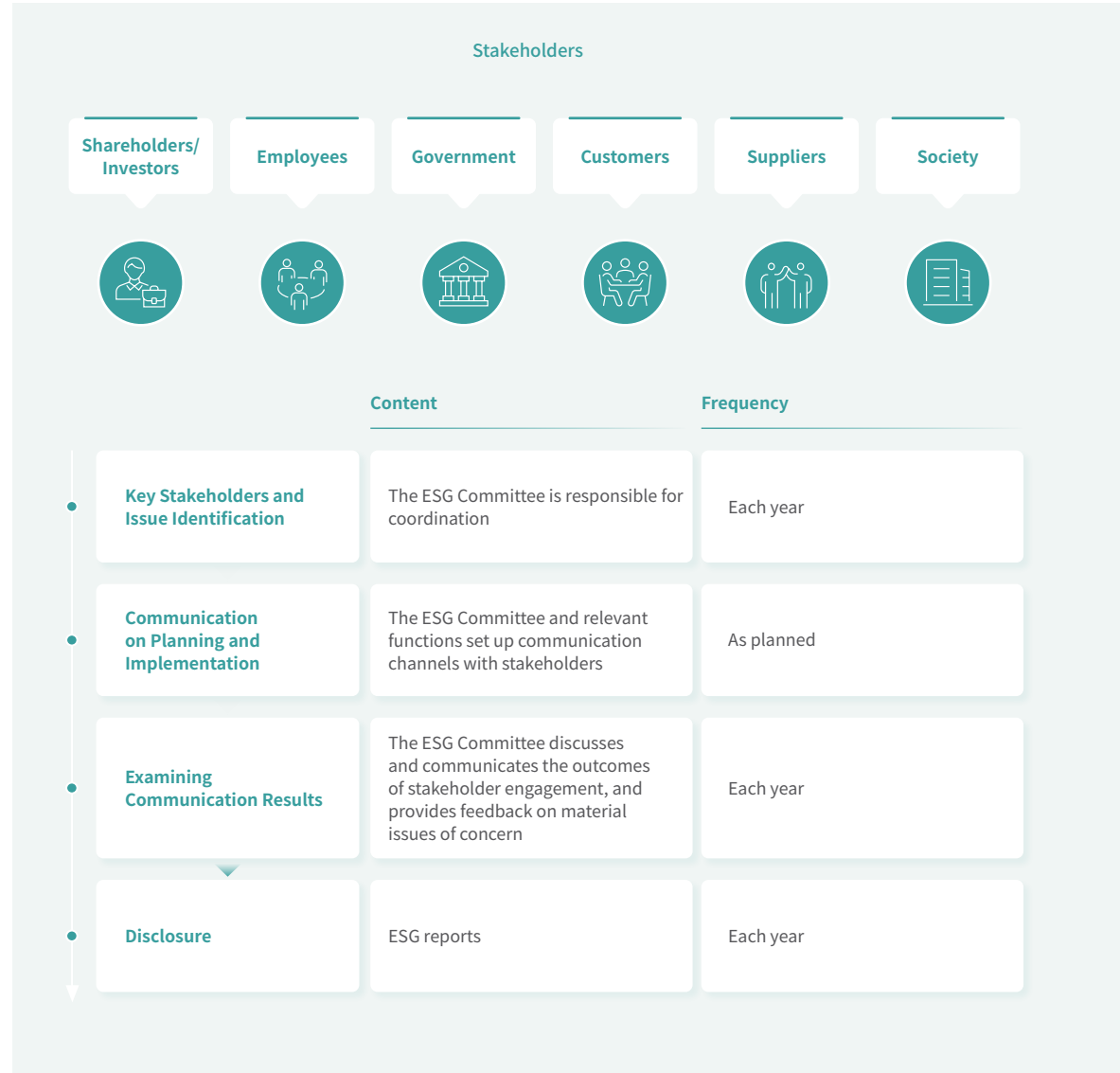
Communication with Stakeholders

SMIC recognizes that the sustainability of an enterprise cannot be achieved without the expectations and suggestions of various stakeholders. To this end, we have established systematic engagement channels to actively solicit and incorporate diverse views, which serve as critical guidance for our ESG initiatives. Each year, we solicit feedback from stakeholders on the published ESG report and further adjust material ESG issues based on the received input, ensuring that the Company's ESG practices effectively respond to the expectations of all parties.

During the Reporting Period, our key stakeholders included shareholders/investors, employees, government entities, customers, suppliers, and the broader society. We have established diversified communication channels, such as regular meetings, surveys, and public consultations, ensuring that effective collection of and response to the expectations and suggestions from all parties.

SMIC has established an Investor Relations department staffed with dedicated personnel and has adopted the *Investor Relations Management System* as its governance guideline. Building on this foundation, we continue to deepen engagement with investors by conducting information disclosure, strengthening interactive communication, and addressing relevant requests. These efforts are designed to facilitate the exercise of shareholder rights and enhance investors' understanding of and alignment with the Company.

We maintain communication with investors primarily through the following channels: the Company's official website, WeChat official account, investor hotline and email box, stock exchange's investor relations interactive platform, announcements, general meetings of shareholders, investor briefing, roadshows and reverse roadshows, investor and broker research sessions, brokerage conferences, promotional materials, media interviews, and other legally effective channels and platforms to maintain communication with investors, fund managers, analysts, and others.



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Stakeholders	Subjects of Communication	Communication Channels and Forms		Issues of Concern	
Employee	<ul style="list-style-type: none"> All employees 	<ul style="list-style-type: none"> Employee communication meetings Company-wide announcement emails Employee engagement surveys WeChat official account 	<ul style="list-style-type: none"> Internal website Hotline for ethic breach reporting Other kinds of employee activities 	<ul style="list-style-type: none"> Employee welfare and benefits Employees' personal development Employee training and education Physical and mental health of employee 	<ul style="list-style-type: none"> Future growth potential The Company's competitive edge in the industry Talent retention Corporate governance
Shareholders/ investors	<ul style="list-style-type: none"> Shareholders/Investors Fund Managers Analysts Statutory disclosure media Hong Kong Stock Exchange (HKEX) Shanghai Stock Exchange (SSE) 	<ul style="list-style-type: none"> The Company's official website and WeChat official account Investor hotline and email box Stock Exchange Investor Relations Interactive Platform Announcement General Meetings of Shareholders 	<ul style="list-style-type: none"> Earnings calls/webcasts Roadshows and reverse roadshows Investor and broker research sessions Brokerage conferences Promotional materials Media interviews Other legal and effective channels, platforms and methods 	<ul style="list-style-type: none"> Industry prosperity Changes and impact of industrial policies Business Strategy 	<ul style="list-style-type: none"> Core Competitive Advantages Business performance Market value management Capital expense and capacity building Competition among peers
Customers	<ul style="list-style-type: none"> Global customers 	<ul style="list-style-type: none"> Customer satisfaction survey Business/quality/technology assessment meetings for customers 	<ul style="list-style-type: none"> Technology seminars Other daily communication with customers 	<ul style="list-style-type: none"> Customer service and satisfaction Innovation management The Company's competitive advantage in the industry 	<ul style="list-style-type: none"> Product quality control Confidential information protection Business ethics
Suppliers	<ul style="list-style-type: none"> Raw material suppliers Equipment suppliers 	<ul style="list-style-type: none"> Assessment and scoring On-site review 	<ul style="list-style-type: none"> Quality questionnaires 	<ul style="list-style-type: none"> Quality, price, delivery and service Compliance with laws and regulations Business ethics 	<ul style="list-style-type: none"> Supplier sustainability management Anti-corruption
Government	<ul style="list-style-type: none"> National and local government institutions National and local industry associations 	<ul style="list-style-type: none"> Policy teach-ins Seminars 	<ul style="list-style-type: none"> Marketing fairs Other conferences and meetings 	<ul style="list-style-type: none"> Future growth potential Outlook on semiconductor industry The Company's competitive advantages in the industry 	<ul style="list-style-type: none"> Pollution prevention and control Innovation management
Society	<ul style="list-style-type: none"> Print media: newspapers, magazines Electronic media: Internet, television, radio, New media Public welfare organizations, living quarters 	<ul style="list-style-type: none"> News release Interviews and features Press conferences 	<ul style="list-style-type: none"> Social media Public welfare activities Environmental protection promotion 	<ul style="list-style-type: none"> Corporate governance Economic benefits Innovative management Anti-corruption 	<ul style="list-style-type: none"> Social engagement External cooperation Biodiversity conservation

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Double Materiality Analysis

SMIC integrates double materiality analysis as a key component of its sustainability governance, systematically evaluating both financial materiality and impact materiality. By incorporating industry characteristics, legal and regulatory requirements, benchmarking, and the Company's strategic priorities, we scientifically prioritize material topics. This enables the rational allocation of resources across short-, medium-, and long-term horizons, supports precise identification of sustainability-related risks and opportunities, and provides clear guidance for our ESG work.



Identify the list of issues



- Select key issues that may have an impact on the Company, based on domestic and international standards and the current situation of the Company
- Finalization of 26 sustainability management issues, taking into account macroeconomic policies and peer initiatives

Impact materiality analysis



- Questionnaires were sent to external stakeholders based on the content of the list of issues, and the impact materiality of each issue was assessed in terms of the scale, scope, irremediability, and likelihood of the impact of each issue, resulting in an impact materiality rating for each issue
- Adjust the materiality of issues inline with the Company's strategic development direction

Issue review



- Submit the final dual materiality matrix to the ESG Committee
- Approval by the ESG Steering Committee and the Board of Directors

Financial materiality analysis



- Set financial materiality thresholds and identify issues with significant financial impacts
- Assess the financial materiality issues by the Company's Board of Directors, executives and treasurer
- Adjust the materiality of issues based on expert opinions

Double Materiality Issue Identification and Assessment Process

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In 2025, SMIC developed a matrix of materiality issues for 2025 based on the Company's development strategy, ESG practices, industry trends, and stakeholder engagement outcomes, applying the double materiality assessment methodology, as described below:



S/N	Issues	Scope (Corporate Governance/ Economy/ Environment/ Society)	S/N	Issues	Scope (Corporate Governance/ Economy/ Environment/ Society)
1	Competitive advantages and growth of the Company	Economy	14	Environmental compliance management	Environmental Protection
2	Economic performance	Economy	15	Energy utilization	Environmental Protection
3	Corporate governance	Corporate Governance	16	Water resource utilization	Environmental Protection
4	Risk management	Corporate Governance	17	Circular economy	Environmental Protection
5	Legal Compliance	Corporate Governance	18	Green products	Environmental Protection
6	Due diligence	Corporate Governance	19	Innovation-Driven	Social Contribution
7	Communication with stakeholders	Corporate Governance	20	Social contribution	Social Contribution
8	Anti-bribery and anti-corruption	Corporate Governance	21	Rural revitalization	Social Contribution
9	Anti-unfair competition	Corporate Governance	22	Safety and quality of products and services	Social Contribution
10	Response to climate change	Environmental Protection	23	Supply chain security	Social Contribution
11	Pollutant emissions	Environmental Protection	24	Equal treatment of small and medium-sized enterprises	Social Contribution
12	Waste management	Environmental Protection	25	Data security and customer privacy protection	Social Contribution
13	Ecosystem and biodiversity conservation	Environmental Protection	26	Employees	Social Contribution

Note: The issues highlighted in bold have been identified as double materiality issues.

Integrity in Enterprise, Compliance as Safeguard

SMIC regards integrity and compliance as the foundation for the Company's sustainability, embedding them deeply into the entire corporate governance and operational processes. We have established a systematic risk management system, ensuring effective internal control and robust compliant operations through regular internal audits and continuous improvement mechanisms. While holding ourselves to strict standards, we also extend ethical principles to suppliers, agents, and other partners, promoting the collaborative development of a clean and transparent business ecosystem across the industrial chain through regular training and communication.

Risk Management

SMIC regards comprehensive risk management as a core pillar for the Company's steady operations, committed to building and continuously improving a dynamic management system that covers risk identification, assessment, response, and monitoring. The Company has established a clear risk governance framework, deeply integrating risk management into strategic decision-making and core business processes. By closely aligning business strategy with the macro environment, we conduct systematic risk screening and assessment on a regular basis, implementing tiered, closed-loop controls for identified risks to ensure proactive prevention and effective resolution of all risk categories.



SMIC Risk Management Structure

Based on the *Charter of the Risk Management Committee*, and with reference to external regulatory standards as well as industry best practices, SMIC has established the risk management framework as follows.

Decision-Making Level

Risk Management Committee

- Carry out coordinated management and decision-making of risks, and define key risk management priorities for the year
- Keep a close eye on the uncertainties in the internal and external environment of the Company and assess their potential impact on the Company and stakeholders
- Guide the Risk Management Working Group to engage in risk management activities for effective control of risks
- Regularly report the risk management process to the Board of Directors

Implementation Level

Risk Management Office

- Establish a comprehensive risk management mechanism
- Closely track the dynamics of major risks to ensure timely responses

Risk Management Working Group

- Collaborate with the Risk Management Office to identify, assess and analyze risks and control measures, and participate in regular meetings and discussions
- Effectively implement the risk management decisions of the Risk Management Committee and the management within the function, collect and organize the feedback in the implementation process, and ensure the effective implementation and continuous optimization of the decisions

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SMIC has established a comprehensive risk information database at the Company level covering five categories: strategy, finance, market, operations, and compliance. Through systematic sorting and dynamic monitoring, it achieves comprehensive tracking and forward-looking prevention and control of various risk situations. This system effectively enhances the Company's comprehensive ability in risk identification, assessment, and response, providing systematic support for business continuity and strategic robustness, and continuously strengthening the overall effectiveness of risk governance.

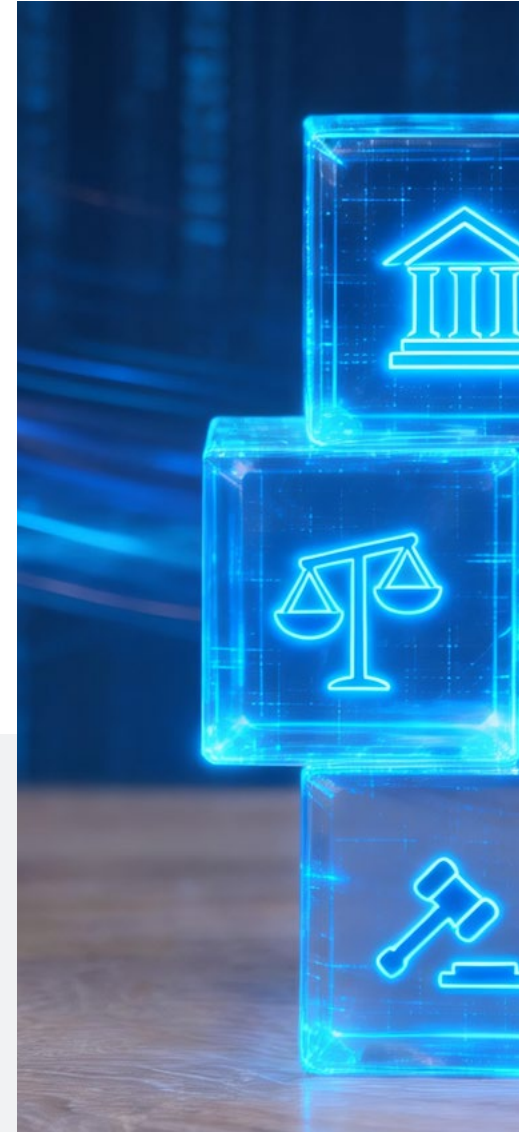
Examples of Risk Categories	Strategic	Financial	Market	Operational	Compliance
Potential Risks	<ul style="list-style-type: none"> • Macroeconomics and situation • Strategic planning and resource allocation • Regulatory policy 	<ul style="list-style-type: none"> • Budget management • Financial market • Asset value management 	<ul style="list-style-type: none"> • Market changes and competition • Customer structure and relationship maintenance • Product structure and price 	<ul style="list-style-type: none"> • Disaster and crisis management • Supply chain • R&D 	<ul style="list-style-type: none"> • Contracts • Intellectual property management • Information disclosure

To ensure the continuous and stable operation of critical business functions under unexpected circumstances, SMIC has established a systematic business continuity management system and continuously optimizes it in alignment with the ISO 22301 international standard. This system is designed to comprehensively identify various internal and external operational risks and to develop detailed response strategies in advance for potential disruption scenarios, thereby strengthening a risk control mechanism that emphasizes identifying risks early and preparing in advance. The Company regularly reviews, tests, and updates its disruption response plans, and maintains close communication with customers and other stakeholders to ensure the effectiveness and coordination of emergency mechanisms. Through these efforts, the Company minimizes the potential impact of business disruptions and significantly accelerates post-incident recovery.

During the Reporting Period

Number of SMIC fabs newly obtained ISO 22301 certification

6



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Internal Audit

SMIC regards internal audit as a regular and systematic oversight mechanism, conducting independent and objective assessments on a periodic basis. Through systematic and standardized methodologies, internal audit reviews and evaluates the appropriateness and effectiveness of the Company's business activities and internal controls, thereby promoting governance improvement, enhancing value, and achieving operational objectives.



Planning and Reporting



- Determining the annual audit plan with a risk-based focus aligned with the Company's strategic priorities, and submitting the annual audit plan, budget, and staffing proposal to the Audit Committee and the Chairman for approval.
- Reporting to the Audit Committee at least on a quarterly basis.

Functions and Authorities



- Establishing and improving the Company's internal audit operating mechanisms and enhancing the internal audit system framework.
- Executing internal audits in accordance with the annual audit plan.
- Examining and evaluating the completeness, reasonableness, and effectiveness of internal control systems across all internal departments and controlled subsidiaries of the Company.
- Auditing the accounting records and other relevant economic documents of all internal departments and controlled subsidiaries, as well as the legality, compliance, authenticity, and completeness of the financial operations and related economic activities reflected therein.
- Conducting specialized management audits on critical business areas and major projects based on a strategy- and risk-oriented approach.
- Following up on the rectification and implementation of issues identified in audits.
- Assisting in establishing and improving anti-fraud mechanisms, and remains vigilant to potential fraudulent activities during the internal audit process.

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Legal Compliance

As a red-chip enterprise established in the Cayman Islands and listed on both the Hong Kong Stock Exchange and the Shanghai Stock Exchange's Sci-tech Innovation Board, SMIC's business activities extend across multiple regions in China and abroad. In its global operations, the Company consistently adheres to the laws and regulations of all jurisdictions where it operates, upholds lawful and compliant business practices, and continuously builds and strengthens an international corporate image characterized by integrity and responsibility.

SMIC enhances compliance awareness among employees and suppliers, and ensures that its operations meet legal and regulatory requirements, through continuous monitoring of laws and regulations, strengthening internal compliance training, and optimizing the compliance management system. In addition, we actively participate in external exchange activities focused on safety production and contractor management, learning from industry best practices. To protect intellectual property and core technological achievements, we have organized multiple rounds of information security training for suppliers, effectively reinforcing the security of the supply chain. Furthermore, by updating the corporate seal management policy and optimizing the supporting system, we have achieved full lifecycle online management of seals, further standardizing seal usage procedures and mitigating operational risks.

Legal Training

To enhance the Company's ability to mitigate legal risks, we publicize legal compliance requirements to all departments through a combination of online and offline forms, as well as collective and case-by-case approaches. We also conduct regular legal awareness training for employees. During the Reporting Period, we conducted training on contract signing, information disclosure, intellectual property rights, and export control. The training program significantly enhanced company-wide employees' awareness of contract risk prevention and established standardized practices for their business conduct.



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Export Compliance

SMIC regards lawful and compliant operations as the lifeline for the Company's sustainability and is committed to building a comprehensive and resilient compliance management system. We continuously enhance cross-border compliance mechanisms, stay abreast of domestic and international legal and regulatory developments, and ingrain compliance awareness throughout the organization through systematic communication, training, and assessment, thereby comprehensively raising employees' compliance competence and risk prevention capabilities.

Export Control Compliance System Building

In the field of export controls, the Company has established an end-to-end compliance management mechanism that systematically covers all import and export business processes, ensuring global operations align with the regulatory requirements of each jurisdiction. We have developed and continuously optimized the guiding document *Internal Compliance Program Manual*, which serves as the basis for conducting regular compliance system audits and provides clear guidance and reliable support for the precise identification, scientific assessment, and efficient management of export control risks.



Integrity and Business Ethics

With the commitment of creating a favorable corporate atmosphere of integrity across the Company, SMIC highly values business conducts and ethics, makes continuous efforts to strengthen integrity and ethical performance, and explicitly prohibits corruption, fraud, or other behaviors violating the business ethics in any forms. Furthermore, by integrating the compliance management of integrity into daily operations, the Company steadily improves the business ethics management level, thereby laying a solid foundation for integrity building and driving sustainability of the Company.

Business Conduct and Ethical Standards

SMIC has established the Code of Business Conduct and Ethics (Code of Ethics) and made it applicable to all employees, directors, contractors, consultants, agents and business partners, so as to ensure that the Company complies with the requirements of relevant laws and regulations and standards of business conduct. The Code of Ethics of the Company aims to regulate ethical matters including anti-corruption, anti-fraud, protection of public interests and intellectual property rights, as well as safety and environment.

Ethics Compliance Office

SMIC has established an independent Ethics and Compliance Office ("Ethics and Compliance Office") responsible for ethical and compliance management and independent investigation work, providing anonymous channels for reporting any potential violations. The Ethics and Compliance Office system formulates and continuously improves policies and processes related to business ethics and compliance, ensuring that the professional ethics and business behavior of the Company and employees comply with the provisions of the Company's Code of Ethics. By establishing and maintaining anonymous reporting channels, the Ethics and Compliance Office effectively receives and manages various clues of ethical violations, and conducts timely and impartial investigations into potential fraudulent behaviors. If the investigation reveals the existence of suspected illegal activities, corresponding legal accountability procedures will be promoted.



The Code of Ethics of SMIC

Establishing a Business Ethics and Compliance Framework

SMIC is dedicated to fostering a transparent and fair business environment and has established a comprehensive business ethics compliance system encompassing areas such as anti-corruption, anti-unfair competition, and equal treatment of small and medium-sized enterprises (SME). The Company continuously strengthens our business ethics by implementing rigorous monitoring mechanisms, and promoting a robust culture of integrity through various activities.

SMIC firmly adheres to the anti-corruption concept. The Company evaluates risks such as commercial bribery and job encroachment every year, and develops corresponding prevention and control measures and training plans based on the evaluation results to strengthen integrity risk prevention and control, ensuring the integrity and compliance of the Company's operations. The Company also actively creates the culture of integrity and self-discipline, requiring all employees to sign the *Integrity and Self-discipline Commitment Letter*, covering various requirements such as preventing commercial bribery, avoiding conflicts of interest, respecting intellectual property rights, and complying with information security. At the same time, the Company requires all suppliers to sign the *Supplier Integrity Declaration and Supplier Corporate Social Responsibility Commitment Letter* to ensure the integrity and compliance of the supply chain. In 2025, the Company conducted ethical and compliance audits on multiple key suppliers through a combination of online and offline methods, proposed improvement suggestions for their business ethics system, and continuously tracked the progress of rectification. During the Reporting Period, the Company did not experience any commercial bribery or corruption incidents.

SMIC consistently upholds the principle of fair competition, firmly opposes all forms of unfair competitive practices, and is dedicated to fostering a healthy and orderly business ecosystem. To this end, the Company has formulated and strictly enforces the *SMIC Fair Competition Monitoring Procedures* and the requirements of the *Code of Business Conduct and Ethics*, establishing a monitoring system that covers pre-event oversight, in-process auditing, and post-event reporting to ensure clear responsibilities and well-defined processes. In daily operations, the Company continuously monitors key aspects such as pricing strategies and operational decisions. Once potential compliance risks are identified, they are immediately referred to the Legal Department for assessment, and appropriate measures are initiated in accordance with applicable laws and regulations to enable early identification and intervention of behaviors that may affect fair competition. To enhance both internal and external oversight, SMIC has established a multi-channel reporting mechanism that includes email and dedicated telephone hotlines. All reports are promptly acknowledged upon receipt, and complete case records are maintained to track the entire process of investigation and resolution. Additionally, through the *Supplier Commitment to Corporate Social Responsibility*, the Company explicitly requires suppliers to adhere to ethical standards in fair transactions, advertising, and market competition, continuously promoting responsible supply chain management. During the Reporting Period, the Company did not engage in any unfair competition behavior resulting in litigation or significant administrative penalties.

SMIC strictly adheres to its commitment to fairness, impartiality, and transparency in its cooperation with small and medium-sized enterprises, strictly following the relevant provisions in the *Code of Business Conduct and Ethics* to foster a lawful and equitable business environment for all partners. The Company conducts market competition within the legal and regulatory framework, respects the legitimate rights and interests of competitors, and actively builds mutually beneficial and win-win partnerships. Through the continuous practice of compliant operations, SMIC strengthens its reputation as a responsible market participant and contributes to the formation of a healthy and orderly business ecosystem. During the Reporting Period, there were no instances of overdue payments to SMEs.

During the Reporting Period

100 %

of the new employees signed the *Commitment to Integrity and Self-Discipline*

100 %

of the suppliers signed the *Supplier Integrity Declaration and Supplier Commitment to Corporate Social Responsibility*



Implementing the Training on Ethical Compliance

To continuously improve SMIC's internal ethical and compliance awareness and ensure compliance operations, we continue to carry out anti-corruption, anti-fraud and other ethical and compliance training activities for all employees and directors, achieving the popularization and normalization of ethical education. In 2025, our *Code of Business Conduct and Ethics* training mainly includes three aspects:

Policy Promotion

Clearly define and demonstrate the Compliance-related policies, especially policies for anti-corruption, anti-fraud, and conflict of interest prevention

Frauds and Crimes with High Incidence

Elaborate the main crimes related to fraud, and focus on the offences of passive bribery of non-State officials and infringement of trade secrets by means of vivid warning cases

Risk Prevention

Enumerate the behaviors, hazards and potential consequences of frauds and publicize internal reporting channels and whistleblower protection system

During the Reporting Period

the coverage rate of employee training on *Code of Business Conduct and Ethics* was

100 %

the coverage rate of director training on *Code of Business Conduct and Ethics* was

100 %

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Optimizing Ethical Reporting and Investigation Mechanism

SMIC has established a robust complaint and reporting handling mechanism, providing multiple reporting channels including email and dedicated hotlines to ensure unimpeded information reception. We strictly enforce a whistleblower confidentiality policy and maintain no tolerance for any form of retaliation.

Upon receiving a complaint or report, SMIC's compliance officer will promptly review the information, maintain complete documentation for all cases, and track their progress from acceptance through investigation to resolution.



Ethical Compliance Investigation Process

SMIC Reporting Channels

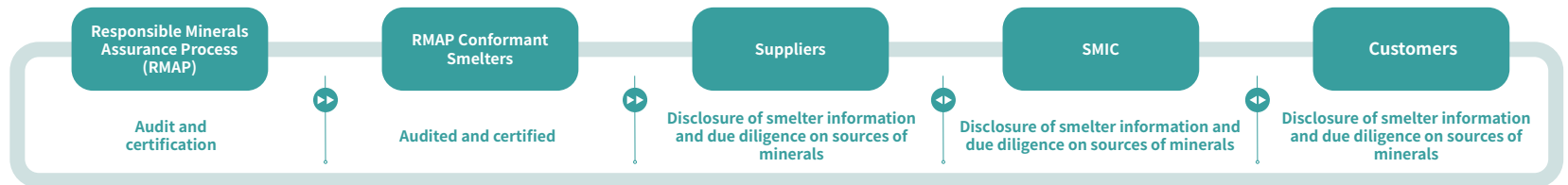
✉ **Email:** code@smics.com

☎ **Hotline:** +86(21)20812121

Responsible Minerals Management

SMIC consistently upholds its corporate social responsibility principles, actively implements responsible mineral sourcing policies, and firmly opposes and guards against any activities that may harm the environment, infringe upon human rights, fuel regional conflicts, or violate business ethics. We maintain close collaboration with supply chain partners to jointly advance the development of a sustainable sourcing system while ensuring that mineral sources are free from conflict-affected areas.

To systematically monitor and assess potential conflict mineral risks in its supply chain, SMIC has established a responsible minerals management team comprising legal, procurement, customer engineering, corporate social responsibility, and other relevant departments. We adhere to the *SMIC Responsible Minerals Policy*, strictly implement the responsible minerals control mechanism, and conduct regular audits of our supply chain. Following the *Due Diligence Guidance for Responsible Minerals Supply Chains* of Organization for Economic Cooperation and Development (OECD), we utilize tools such as the *Conflict Minerals Reporting Template* (CMRT) and *Extended Minerals Reporting Template* (EMRT) created by the Responsible Minerals Initiative (RMI) to conduct rigorous due diligence on all suppliers, ensuring that mineral sourcing complies with regulatory and sustainability requirements.



Responsible Minerals Management Mechanism at SMIC

Furthermore, SMIC collaborates with customers to conduct due diligence on responsible minerals, ensuring the timely and accurate provision of relevant information, and providing transparent disclosure on the compliance status of smelters and mineral sources.

During the Reporting Period

Our supplier survey completion rate reached

100%

Smelter compliance rate achieved

100%

Number of investigations concerning conflict minerals from our customers we cumulatively responded to throughout the year

300



Growing with Nature, Flourishing Together

SMIC systematically integrates sustainable and green development requirements into its long-term strategic planning. While vigorously advancing technological progress and capacity expansion, the Company consistently focuses on the environmental impact of its operations and resource efficiency, thereby supporting its own long-term sustainable development and actively contributing to the green transformation and upgrading of the semiconductor industry.

03

Climate Action, Zero-Carbon Future ●

Ecosystem Conservation, Shared Prosperity for All ●



Building a Solid Foundation for Steady Growth

Climate Action, Zero-Carbon Future

SMIC integrates green development into its sustainable development framework, implementing low-carbon and environmentally-friendly principles across all aspects of its management and production operations. While enhancing technological capabilities and operational efficiency, the Company systematically advances energy conservation, emission reduction, and environmental management requirements. Through process optimization and upgrades to energy-efficient equipment, SMIC continuously improves energy efficiency and reduces GHG emissions, taking concrete actions in response to global climate challenges.

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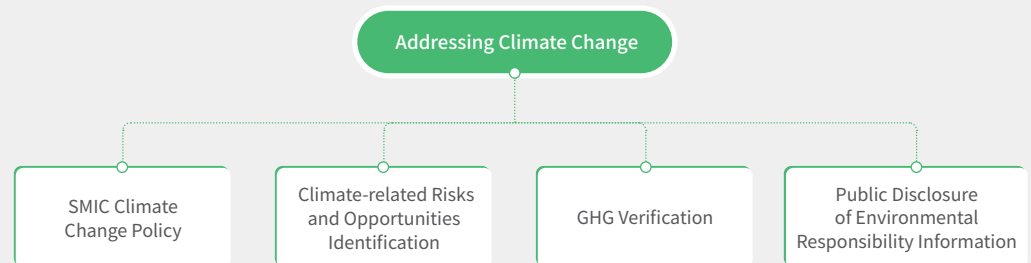
Response to Climate Change

Against the backdrop of the global consensus on addressing climate change, integrating climate issues into the core of corporate strategy has become essential for achieving long-term development. Following the recommendation framework of the Task Force on Climate-related Financial Disclosures (TCFD), SMIC has established a systematic climate risk assessment and management mechanism. The Company comprehensively identifies the potential impacts of climate change on its operations, supply chain, and financial performance, and has formulated a clear transition plan with specific action plans accordingly.

Governance

SMIC has established a robust climate change governance system, consisting of the Board of Directors, the ESG Steering Committee, the ESG Committee, and the ESG Office. The Board of Directors, serving as the paramount decision-making authority, is tasked with the oversight and appraisal of strategies, ensuring the efficacious execution through methodical management process. The ESG Steering Committee and the ESG Committee are charged with the formulation of climate strategies, goals, and directives for climate risk governance. The ESG Office carries out climate work in an orderly manner based on the strategies and goals, regularly tracks the work progress, and reports to the ESG Committee on a regular basis. This system, characterized by clear responsibilities and efficient coordination, provides robust governance support for the Company's systematic response to climate risks. Furthermore, to ensure that the Board possesses appropriate skills and capabilities to oversee strategies addressing climate-related risks and opportunities, the Company has instituted an annual climate training program for Directors to continuously enhance their professional knowledge and strategic decision-making competence.

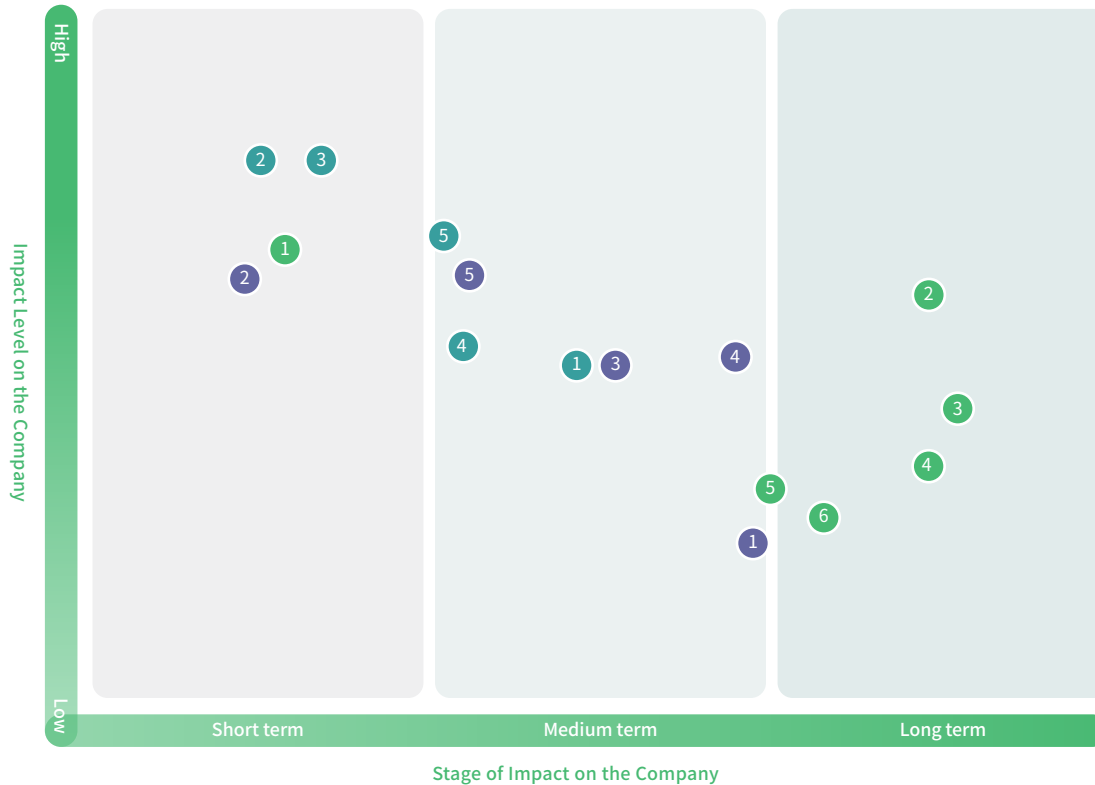
We have also established a comprehensive climate change response framework to assist the Company in addressing potential climate risks:



Framework for Addressing Climate Change at SMIC

Strategy

SMIC regards climate change as a critical risk and opportunity that must be systematically managed in the development of the enterprise. By systematically assessing the potential financial impacts of climate factors on the Company's business operations and long-term strategy, we comprehensively identify associated risks and opportunities, and accordingly construct a climate-related risk and opportunity matrix. This provides a scientific basis for formulating climate-related decisions and response measures.



Matrix of Climate-related Risks and Opportunities

Transition Risks

- 1 Regulation and requirements for existing products
- 2 Environmental information disclosure
- 3 Innovation risks in decarbonization technology development
- 4 Change in customers' preference for low-carbon consumption
- 5 Stakeholders' growing concern about negative feedback

Physical Risks

- 1 Typhoons
- 2 Floods
- 3 Droughts
- 4 Extreme precipitation
- 5 Rising temperature
- 6 Sea level rise

Opportunities

- 1 Developing green products
- 2 Building a sustainable supply chain
- 3 Innovating and developing low-carbon and energy-saving projects
- 4 Obtaining green building certifications
- 5 Expanding renewable water sources

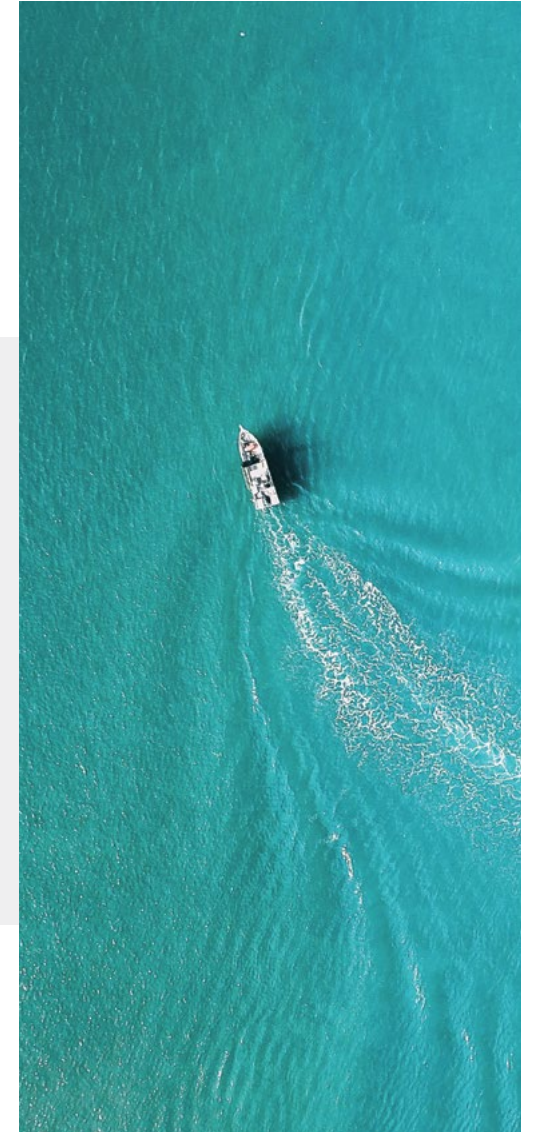
In alignment with climate-related disclosure methodologies and recommendations, SMIC employs analytical techniques such as scenario modeling to forecast and assess climate change trends and their implications for the Company's operations, evaluating the extent of climate risk exposure across its operating locations. The Company has selected the Representative Concentration Pathways (RCP) 2.6¹ and RCP 8.5² established by the Intergovernmental Panel on Climate Change (IPCC) as the analytical scenarios for physical risks. Further analysis of associated risks and opportunities is conducted across three time horizons: short-term (within 3 years), medium-term (3–10 years), and long-term (over 10 years).

Building on the actual geographical locations and climate characteristics of each operating site, the Company has referenced climate change risk assessment databases such as the World Wildlife Fund (WWF) to evaluate the physical risk levels faced by each operational location. This evaluation considered both the frequency and severity of extreme weather events, and categorized the risk levels as high, medium, and low. Under different climate scenarios, the proportion of operating sites assessed as having high physical risk is as follows:

Proportion of High-Risk Operating Sites						
		Floods/Extreme Precipitation	Typhoons	Droughts	Sea Level Rise	Average Temperature Rise
RCP2.6	Short	0.0%	0.0%	0.0%	0.0%	0.0%
	Medium	25.0%	0.0%	0.0%	0.0%	25.0%
	Long	25.0%	0.0%	0.0%	0.0%	75.0%
RCP8.5	Short	0.0%	0.0%	0.0%	0.0%	0.0%
	Medium	25.0%	0.0%	0.0%	0.0%	100.0%
	Long	25.0%	25.0%	50.0%	0.0%	100.0%

¹ RCP 2.6: This scenario represents a future pathway characterized by low GHG emissions and intensive mitigation efforts. In the simulations of the Fifth Coupled Model Intercomparison Project (CMIP5), this scenario offers approximately a two-thirds probability of achieving the goal of limiting global warming to within 2°C by 2100.

² RCP 8.5: Represents a high GHG emission scenario, depicting a trajectory where GHG concentrations in the atmosphere continue to rise in the absence of climate change mitigation policies.



Overall, physical risks have a limited impact on SMIC. Flooding and rising average temperature are the primary physical risks requiring focused attention. Under high-emission scenarios such as RCP 8.5, the impact of these risks will become more pronounced. Among these, flooding poses threats to personnel and asset safety and may lead to disruptions in operations and logistics networks. The continued rise in global average temperature also presents challenges for cost control in production and operations. In response to these risks, the Company has conducted systematic analysis and developed corresponding measures to enhance resilience and adaptability.

Analysis of Climate Change Risks				
Type of Risks	Climate-Related Risk	Potential Financial Impacts	Time Scope	SMIC's Countermeasures
Physical Risks	Typhoons	The operations of the Company in Shanghai and Shenzhen are vulnerable to extreme weather such as typhoons, which may cause power outages and water loggings, resulting safety accidents or suspension of R&D and production, further resulting in an increase in operating costs.		<ul style="list-style-type: none"> Establishing a climate risk identification and emergency response mechanism, assessing the likelihood of operational activities being affected by extreme weather events regularly, and developing comprehensive contingency plans. Organizing company-wide emergency drills for extreme weather annually, and dynamically allocating and updating emergency supplies to ensure the continued effectiveness of the emergency response system. Continuously optimizing extreme weather response strategies through cross-functional collaboration to fully ensure the continuity and stability of production and operations.
	Floods	Global warming will intensify water-related risks, including river floods and flash floods. Our production and R&D centers in Shanghai are at risks of flooding, which will damage the infrastructure and related facilities of the operations and plants, resulting in financial losses.		
	Droughts	Our operation in Beijing is exposed to a moderate to medium and high risk of droughts. Droughts will cause water supply shortage and stricter control on water resources, which will lead to increased water costs, or even insufficient water supply, increasing operating costs		
	Extreme precipitation	Extreme precipitation will affect the production and transportation processes of suppliers in the supply chain. Companies are required to deploy countermeasures, which may increase the operating costs.		
	Average temperature rise	In hot summers, rising temperatures will result in increased refrigerant demand and possibly increased operating costs.		
	Sea level rise	Our major operations are currently located in northeastern, eastern and southern coastal areas of China, which may be threatened by rising sea levels, resulting in operation damages.		

Short-Term Mid-Term Mid to Long-Term Long-Term

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Analysis of Climate Change Risks				
Type of Risks	Climate-Related Risk	Potential Financial Impacts	Time Scope	SMIC's Countermeasures
Transition Risks	Regulation and requirements for existing products	National and local laws and regulations, as well as emerging policies, may impose more stringent requirements and supervision on factories and products, which will increase operating costs.		<ul style="list-style-type: none"> Establishing a legal risk intelligent identification platform, regularly tracking and integrating updates to policies and regulations, providing timely professional interpretations, and ensuring the Company's operations consistently meet compliance requirements.
	Environmental information disclosure	With the improvement and implementation of management measures in carbon emissions and carbon trading, countries and regions, as well as stock exchanges and capital markets, have raised higher requirements for corporate environmental information disclosure. It is required for companies to disclose environmental indicators. Failure to such disclosure in a timely manner may expose SMIC to compliance risks.		<ul style="list-style-type: none"> Following standards such as ISO 14064, systematically conducting annual carbon emission inventorying and accounting, and transparently disclosing key carbon-related data in the annual ESG report.
	Innovation risks in decarbonization technology development	To actively control the carbon emissions of products, it is necessary to enhance the effectiveness of environmental protection process development, improve the use of new technologies, and update clean production equipment to meet the demands for low-emission products. This may lead to an increase in operating costs in the short term.		<ul style="list-style-type: none"> Actively optimizing production processes, developing and introducing advanced emission-reduction technologies, and encouraging the innovation and application of low-emission production techniques to reduce carbon emissions at the source. Comprehensively implementing the concept of clean production across all operational sites and deeply integrating it into daily operations. Through multi-level and multi-format promotion and learning on dual-carbon topics, embedding low-carbon manufacturing and green transformation into strategy and daily operations, and strengthening organizational awareness and capacity building.
	Change in customer consumption preference	Customers tend to choose greener products. If we fail to meet their requirements in sustainability performance such as energy-saving and consumption reduction, SMIC may face the risk of losing customer, which will lead to revenue decline.		<ul style="list-style-type: none"> Incorporating energy conservation and consumption reduction as core considerations in product design and production process optimization, striving to achieve lifecycle-wide energy efficiency improvements. Establishing a dedicated department responsible for advancing the implementation of energy-saving and consumption-reduction targets. Conducting annual reviews and assessments of target completion to achieve operational goals of low energy consumption and high production efficiency.
	Stakeholders' growing concern about negative environmental feedback	With the widespread consensus on carbon neutrality and sustainability concepts, stakeholders such as customers and investors continue to deepen their attention to the actual environmental performance and operational practices of the Company. If the Company's substantial performance in environmental governance, resource efficiency, and low-carbon transformation does not meet the expectations of relevant parties, it may have a negative impact on the Company's market and investment thereby weakening its long-term attractiveness in capital and the market.		<ul style="list-style-type: none"> By establishing and continuously improving an environmental management system, systematically managing energy use, GHG emissions, and waste disposal, we aim to substantially improve environmental operational performance. Actively listen to and respond to the concerns of various stakeholders on environmental issues, and timely adjust and optimize green operations and low-carbon transformation strategies based on valuable feedback.

Short-Term Mid-Term Long-Term

Analysis of Climate Change Opportunities				
Type of Opportunities	Climate-Related Opportunity	Potential Financial Impacts	Time Scope	SMIC's Countermeasures
Resource Utilization	Improving resource utilization efficiency	By implementing energy-saving technology transformation, intelligent manufacturing, and lean production in large-scale manufacturing processes, energy consumption per unit product can be reduced to alleviate the pressure of rising electricity costs, thereby reducing operating costs and potentially obtaining special subsidies and tax incentives		<ul style="list-style-type: none"> Installing advanced energy management systems in existing facilities to enable real time optimization and predictive maintenance for ultra high energy consumption systems such as vacuum, compressed air, and cooling water systems, thereby enhancing overall energy efficiency. Adopting green building standards in the planning and construction of new facilities, integrating high efficiency HVAC and heat recovery systems to reduce energy load from the outset. Actively applying for specialized subsidies and tax preferences offered by various regions for energy saving and carbon reduction technological upgrades in industrial enterprises.
Energy Sources	Energy substitution and new technology application	By actively increasing the proportion of green electricity, enterprises can effectively avoid the risk of power rationing and carbon tax costs, reduce operating expenses, obtain special subsidies, and build competitiveness in low-carbon manufacturing		<ul style="list-style-type: none"> Continuing to procure green electricity such as wind and solar power on a large scale through market transactions, direct investments, and other means to cover production electricity consumption. Exploring the installation of photovoltaic power generation systems on suitable factory rooftops and vacant land to increase energy self-sufficiency and reduce grid electricity procurement costs.
Products and Services	Development of low carbon products and services	Developing advanced low-power chips, entering high growth markets, can increase revenue, optimize costs, and may receive special subsidies and tax incentives		<ul style="list-style-type: none"> Continuing to invest resources in developing more advanced low-power consumption process technologies, providing customers with more competitive low-carbon chip solutions. Researching and developing innovative green manufacturing processes that reduce the consumption of specialty gases and chemicals and improve resource utilization efficiency, thereby minimizing the carbon footprint from production stages.

Short-Term Mid-Term Long-Term

To assess the impact of the identified climate-related risks on SMIC's current financial position, performance, and cash flow, we adopted the proportion of actual expenditure incurred in the current period to address such risks relative to operating revenue as the core quantitative indicator for a comprehensive evaluation.

According to SMIC's internal risk management rating standards, a quantitative indicator below 1% is rated as "Low" in terms of financial impact; from 1% to less than 10% is rated as "Medium"; and 10% or above is rated as "High". Based on this, we have established an analytical framework for assessing climate-related financial impacts, with specific results presented in the table on the right.

Climate Change Risks	Financial Impacts
Typhoon & Extreme Precipitation	Low
Flood	Low
Drought	Low
Extreme precipitation	Low
Rising temperature	Low
Sea level rise	Low

Climate Change Risks	Financial Impacts
Regulation and requirements for existing products	Low
Environmental information disclosure	Low
Innovation risks in decarbonization technology development	Low
Change in customer consumption preference	Low
Stakeholders' growing concern about negative environmental feedback	Low

Impacts, Risks and Opportunities Management

SMIC integrates climate change into its overall enterprise risk management system, employing institutionalized and procedural approaches to systematically identify, assess, respond to, and monitor climate related risks and opportunities. The Company regularly conducts comprehensive scanning and assessment of various climate related risks and formulates targeted control measures to mitigate their potential impact on operations and long term strategy, ensuring business continuity and resilience in the context of climate change.



Climate-related Risk and Opportunity Identification Process

Indicators and Goals

SMIC has established a series of climate related metrics and emission reduction targets covering key areas such as carbon emission intensity, energy efficiency, and resource recycling. The Company is committed to continuously reducing energy consumption and carbon emissions per unit of output through process optimization, adoption of high efficiency equipment, and enhancement of energy management systems. Specific targets and progress are detailed in the Energy Management and GHG Emissions Management sections.



GHG Emission Management

GHG Emissions Inventory Capacity Building

Case

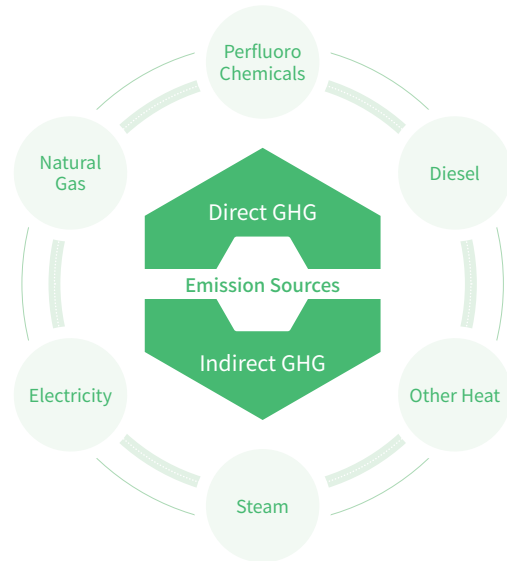
SMIC has established a comprehensive and efficient GHG management system. In accordance with international standards such as ISO 14064 GHG Emission Inventory System, the Company conducts annual GHG inventories at each operational site to ensure data accuracy and reliability, thereby providing a basis for decision-making in emission reduction actions and low-carbon transition. During the Reporting Period, the Company systematically completed its Scope1, 2 and 3 emissions accounting and continues to drive emission reductions across the entire value chain, supporting the achievement of carbon neutrality goals.

To enhance carbon management capabilities across the entire value chain, SMIC invited senior energy and low-carbon experts from a third-party institution to conduct specialized ISO 14064 GHG Emission Inventory System training in Shanghai on January 7, 2025. The training targeted personnel from procurement, material control, facility team, and various process modules, with a total of 26 participants.

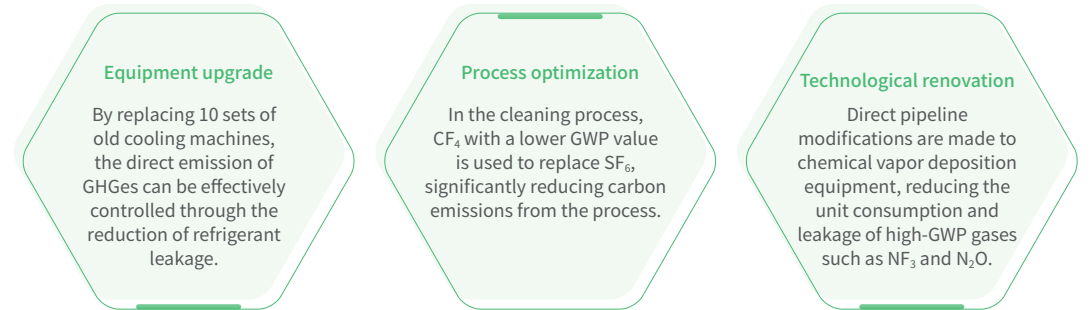
The training systematically covered the framework of carbon emission accounting systems, calculation methods for Scope 3 GHG emissions data, and practical calculation case studies. It effectively strengthened participants' ability to identify, calculate, and report Scope 3 GHG emissions, laying a solid foundation for the Company to improve carbon footprint management and address climate-related disclosure requirements.

SMIC has integrated the national "dual-carbon" strategy into the core agenda of its sustainability, committing to playing an exemplary role in emission reduction across the industrial chain. By systematically promoting the upgrading of energy-efficient equipment and optimizing production processes, and advocating green office practices, the Company has significantly enhanced operational efficiency and achieved substantial reductions in GHG emissions.

Regarding Scope 1 GHG emissions, we implemented a series of measures such as equipment upgrades, process optimization, technological renovation, resulting in an estimated reduction of approximately 4,277.4 tons of CO₂ equivalent.



SMIC's Primary Sources of GHG Emission

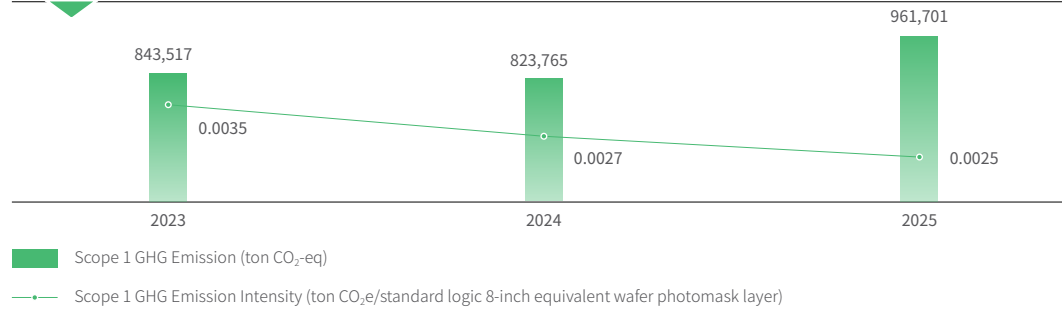


For Scope 2 GHG emissions, we carried out multiple energy-saving and emission-reduction projects including equipment upgrades, process optimization, intelligent management, and waste heat recovery, leading to an estimated reduction of approximately 11,733 tons of CO₂ equivalent. Details are provided in the "Energy Management" section.

With respect to Scope 3 GHG emissions, we have fully integrated the concept of green offices into daily operations, actively establishing a low-carbon and efficient new office model. The Company systematically promotes paperless operations by establishing digital process platforms, significantly reducing paper consumption.

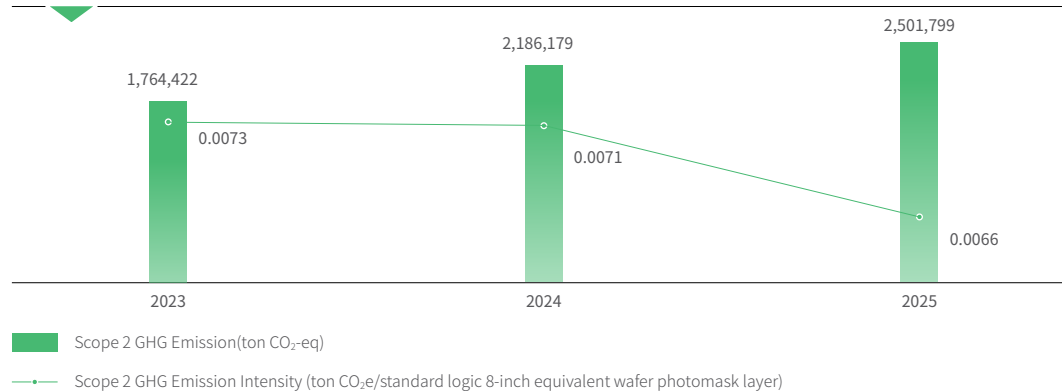
GHG Emission in 2023-2025

Scope 1 GHG Emission



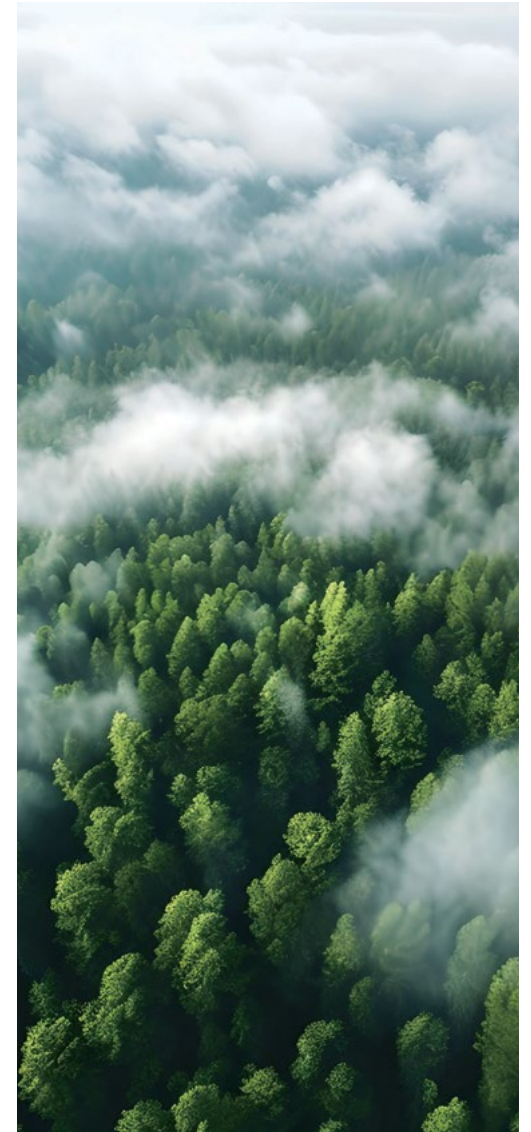
Note: The sources of direct GHG emissions include the direct combustion emissions from fuels such as natural gas and diesel, chemical vapor deposition and fluoride gas emission during dry etching process, organic waste gas emission from combustion, refrigerant gas leaks, wastewater treatment emissions, and pure water treatment emissions. Direct GHG emissions are calculated based on the discharge coefficient and mass balance provided in the 2019 IPCC Guidelines for National GHG Inventories, and the consolidation method adopts the operational control approach.

Scope 2 GHG Emission



Note: The sources of indirect GHG emissions include the emissions from outsourced energy such as electricity, steam, and heat. Indirect emissions are calculated based on the regional emission factors and mass balance provided in the 2019 IPCC Guidelines for National GHG Inventories, and the consolidation method adopts the operational control approach.

Although the total emissions of Scope 1 and Scope 2 during this Reporting Period have increased due to production expansion, through the continuous implementation of energy efficiency improvement projects and low-carbon technology applications, our unit product Scope 1 and Scope 2 emission intensity have achieved a year-on-year decrease.

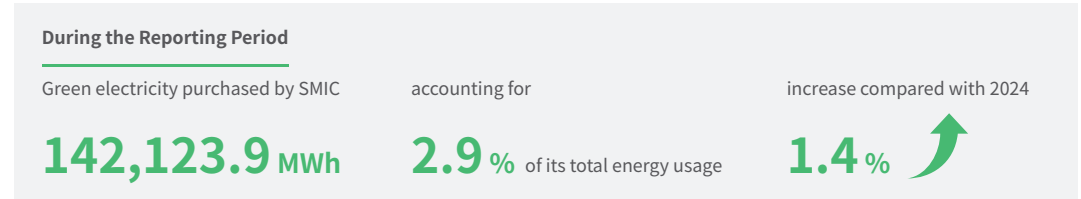


Energy Management

SMIC regards energy management as a key pathway to achieving corporate sustainable development and green operations, and is committed to establishing a systematic, full process mechanism for improving energy efficiency. The Company has implemented an energy management responsibility system with clearly defined duties and performance targets at each level. As of the end of the Reporting Period, the Company has added one new Fab to obtain ISO 50001 Energy Management System certification, and all operating plant sites have completed the establishment of this system, laying a solid foundation for continuous energy efficiency improvement.

In active response to the national energy transition strategy, the Company continuously optimizes its energy structure and gradually increases the proportion of green electricity consumption. In 2025, SMIC purchased 142,123.9 MWh of green electricity, accounting for 2.9% of its total energy usage, an increase of 1.4% compared with 2024. Regarding renewable energy applications, the Company has also advanced distributed photovoltaic power generation projects, with an average annual power generation capacity of approximately 1,138.4 MWh. In terms of carbon market mechanism development, the Company successfully completed its annual compliance obligations under the national carbon market, supporting the national emission reduction targets with practical actions.

In terms of energy efficiency improvement, we set clear annual energy efficiency targets and implementation pathways, and establish tracking mechanisms to ensure effective execution. To motivate all employees toward energy conservation, we have introduced internal energy indicator incentive policies and specialized awards for outstanding energy saving achievements. Departments demonstrating significant energy saving results and teams meeting key performance indicators are recognized and rewarded, effectively driving overall energy consumption reduction, enhancing energy efficiency levels, and supporting the achievement of the Company's energy use efficiency goals.



Training on Newly Effective Energy Measurement Standards

Case

SMIC places high importance on building professional capabilities within its energy management system. To accurately align with the newly issued national standard *General Rules for the Equipping and Management of Energy Measuring Instruments in Energy Using Units(GB 17167-2025)*, the Company conducted multiple specialized trainings in April.

The training targeted energy management system coordinators from plant facilities and various process modules. It systematically covered key topics including interpretation of the updated standard clauses, internal management essentials, and practical case studies on energy measurement. A total of over 100 key personnel participated. Through this training, the Company further strengthened the institutional foundation of its energy measurement management and provided talent support for enhancing the accuracy of energy data and the precision of energy consumption management across all plant areas.

During the Reporting Period

Energy-saving and emission reduction project investment

RMB 22.38 million

Electricity savings of

20,780,829 kWh

Steam savings of

2,746 tons

Natural gas savings of

1,480,728 m³

Number of energy-saving and emission reduction projects implemented

36



with the primary initiatives including:

Equipment Upgrades



Aging equipment components can lead to decreased performance and increased energy consumption. By replacing outdated parts or retrofitting equipment, the performance of the devices is restored, reducing additional energy consumption caused by aging.

Technology Upgrades



Newer generations of equipment are designed with more advanced technologies and materials, allowing the equipment to achieve higher efficiencies at the same load. These new machines typically have lower energy consumption and higher output capabilities, resulting in significant reductions in energy consumption.

Intelligent Management



Various new equipment is equipped with intelligent management systems that can further reduce energy waste by optimizing operating parameters and monitoring equipment status in real time. The intelligent operation and management approach allows equipment to operate with greater precision to control energy consumption and improve overall energy efficiency.

Waste Heat Recovery



The wasted thermal energy can be converted into useful energy through waste heat recovery, thus improving the overall energy utilization efficiency.

Cooling Tower Upgrade

During the Reporting Period, we upgraded five cooling towers whose heat dissipation performance had declined due to prolonged use. After the retrofit, the temperature drop increased from 5.1 °C to 5.9 °C, indicating a significant improvement in heat dissipation efficiency. This upgrade is projected to save approximately 3.48 million kWh of electricity annually, with an estimated annual emission reduction of approximately 1,868 tons of CO₂ equivalent.

UPS Unit Modular Upgrade

During the Reporting Period, the plant power system replaced traditional tower type UPS units with 12 modular UPS units, achieving an estimated efficiency improvement of 1.5%. This upgrade is projected to save approximately 950,000 kWh of electricity annually, with an estimated annual emission reduction of about 458 tons of CO₂ equivalent.

Office Building Automation System Reduces Energy Waste

During the Reporting Period, the building automation system was utilized to schedule the daily shutdown at 21:00 and startup at 07:00 for 935 fan coil units in the office building. This measure is projected to save approximately 1,690,000 kWh of electricity annually, with an estimated annual emission reduction of about 816 tons of CO₂ equivalent.

Waste Heat Recovery Ice Machine Project

During the Reporting Period, three new heat recovery ice machines were put into operation, capturing waste heat generated during the refrigeration process to supply the warm water system. This initiative is projected to reduce steam consumption by 2,576 tons annually, with an estimated annual emission reduction of approximately 33 tons of CO₂ equivalent.

Circulating Air-Conditioning Energy-Saving Retrofit

By retrofitting individual AC fans in circulating air conditioning units into an EC fan wall configuration, the system achieved significant energy savings. Post retrofit energy efficiency improved by over 30%, with an estimated annual electricity saving of approximately 1.18 million kWh and an estimated annual emission reduction of approximately 624 tons of CO₂ equivalent.

Ice Machine Energy Efficiency Upgrade

During the Reporting Period, we upgraded five aging ice machines to Class 1 energy-efficiency models. While maintaining system capacity to meet production requirements, annual operational energy consumption was reduced by approximately 1,190,000 kWh, with an estimated annual emission reduction of about 720 tons of CO₂ equivalent.

Fan Equipment Adjusted to Optimal Operating Curve

By adjusting the operating mode of fan equipment and testing to determine the optimal operating conditions within the 30–45 Hz frequency range, the fans were operated under ideal parameters. Under these optimal conditions, approximately 240,000 kWh of electricity was saved compared to the pre-adjustment period, resulting in an estimated annual emission reduction of about 142 tons of CO₂ equivalent.

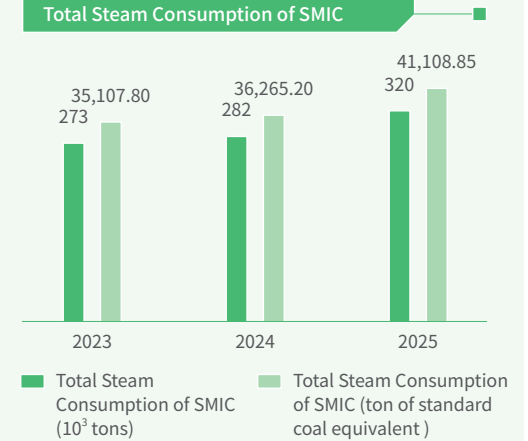
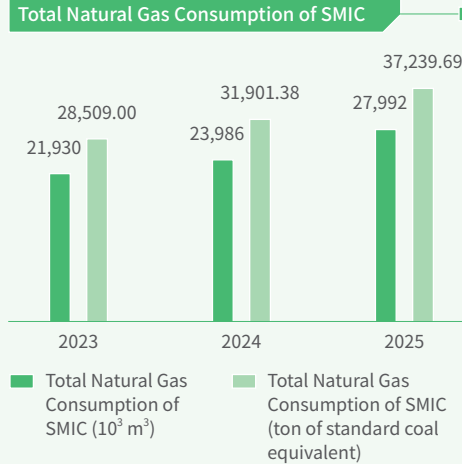
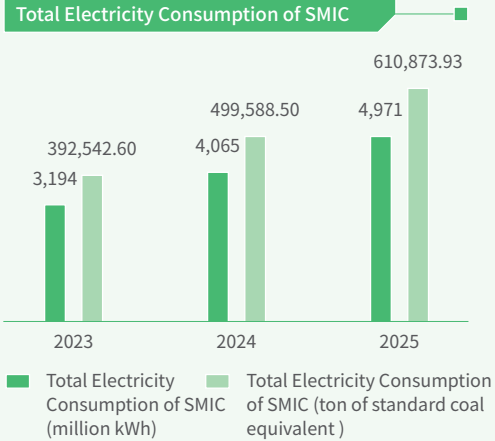
Green Office



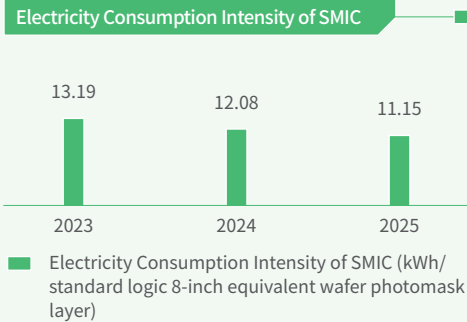
We also advocate for and procure energy efficient electronic devices and environmentally friendly office supplies to reduce energy and resource intensity at the source. In optimizing the office environment, we maximize the use of natural lighting, fully adopt intelligently controlled energy saving lighting systems, and implement refined management of energy consuming units such as air conditioning and office equipment, effectively lowering overall energy consumption in office areas.

Energy Consumption in 2023-2025

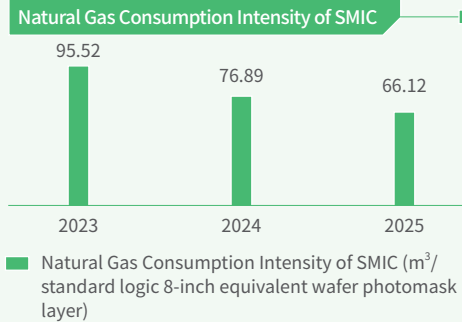
Total Energy Consumption



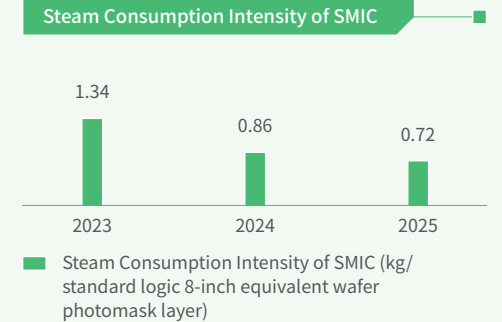
Energy Consumption Intensity



Note: The intensity of electricity consumption shown is per standard logic 8-inch equivalent wafer photomask layer produced by SMIC



Note: The intensity of natural gas consumption is per standard logic 8-inch equivalent wafer photomask layer produced by SMIC



Note: The intensity of steam consumption is per standard logic 8-inch equivalent wafer photomask layer produced by SMIC

During the Reporting Period, although the Company's total energy consumption increased due to expansion of production capacity, the energy intensity per unit of product achieved a year-on-year decrease through continued implementation of energy efficiency improvement projects and application of energy-saving technologies.

Building a Solid Foundation for Steady Growth

● Growing with Nature, Flourishing Together

Ecosystem Conservation, Shared Prosperity for All

Driving Innovation, Leading with Quality

Gathering Talent, Advancing Together

Uniting Strength, Care in Action

Appendix

Ecosystem Conservation, Shared Prosperity for All

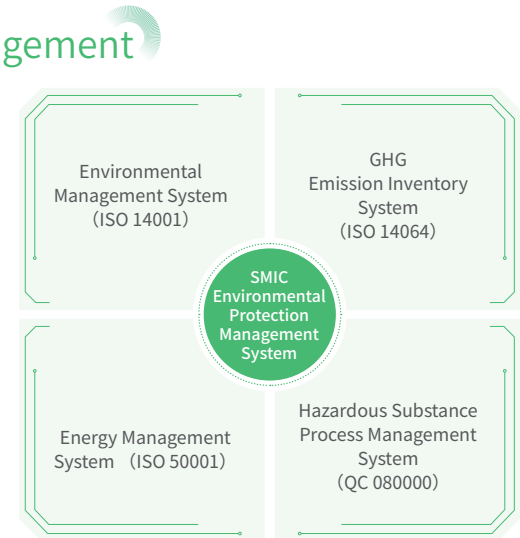
SMIC deeply integrates the concept of ecological civilization into its foundational ethos, regarding ecological protection as the lifeline for sustaining the Company's long term development. We adhere strictly to environmental regulations, establish a comprehensive, full process environmental risk management system, and drive resource conservation and emission reduction through technological innovation. Committed to exemplifying green development practices within the semiconductor manufacturing industry, we strive to build a solid ecological foundation for the Company's high quality growth.

Environmental Protection Management

SMIC strictly complies with laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, as well as industry standards. Through standardized pollution discharge management, promotion and application of advanced pollution prevention technologies, and continuous emission monitoring, the Company systematically enhances its environmental management capabilities and performance. During the Reporting Period, all operational plants of the Company obtained ISO 14001 Environmental Management System certification, establishing a robust internal control mechanism.

To ensure compliant operations, SMIC regularly conducts third party environmental verification and environmental monitoring. It also establishes and strengthens emergency response mechanisms for environmental incidents at each of our fab, completing the development, filing, and environmental drills of contingency plans. During the Reporting Period, the Company organized 18 environmental contingency plan drills, and no environmental violations, irregularities, or administrative penalties related to environmental protection were recorded.

The Company has formulated and implemented the *SMIC Environmental Protection, Safety & Health Policy*, which defines core objectives including pollution reduction, energy conservation and emission reduction, resource recycling, safe production, and employee health, providing comprehensive guidance for daily environmental and health management. Building on this foundation, we are steadily advancing various measures to fulfill our commitment to creating a green, safe, and healthy workplace.



Our Commitments

- Comply with environmental, safety and health regulations as well as international conventions to meet customer requirements
- Hold environmental quality improvement and employee health and safety assurance as the primary responsibilities of every supervisor
- Strengthen the prevention and control of accidents, and enhance resilience and recovery capabilities
- Implement the on-site environmental protection, safety and health management system involving voluntary groups
- Establish a green industrial chain, achieve green production, and provide customers with green products

Our Measures

- Propose and implement environmental protection measures and promote energy saving and emission reduction
- Carry out waste classification, collection and recycling
- Supervise and manage the diversion and safe disposal of hazardous waste as well as the qualification of waste disposal vendors
- Control the content of hazardous substances in products
- Organize regular environmental protection monitoring and carbon emission verification with result disclosure

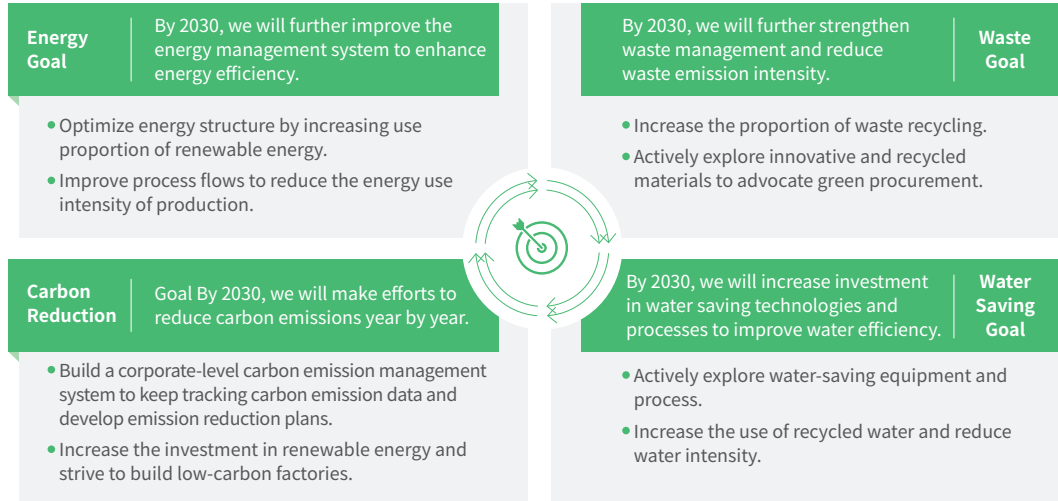
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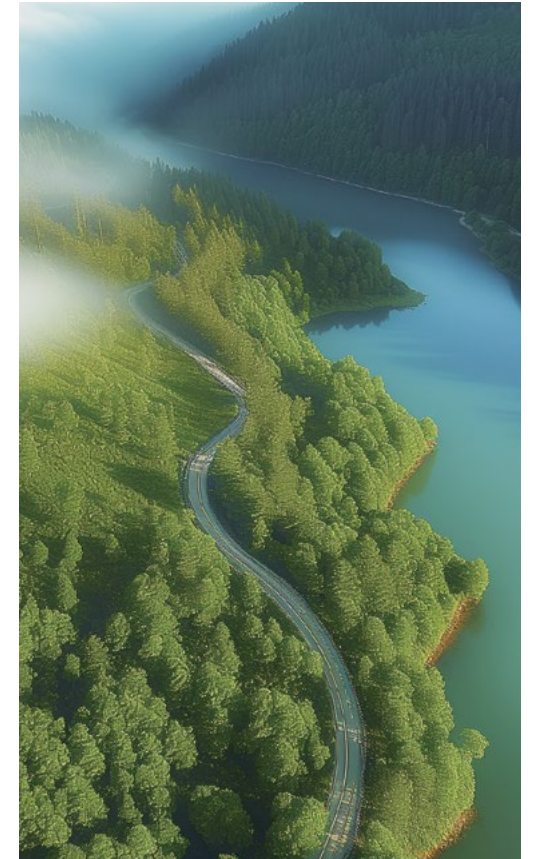


Environmental Goal Progress and Updates

SMIC has established multiple environmental objectives and regularly tracks and evaluates their progress. As of the end of the Reporting Period, all environmental goals are advancing smoothly, providing clear direction for the Company's green operations and continuous improvement.




In terms of reducing the use of hazardous substances, SMIC continuously advances technological improvements and process optimization to reduce the use of toxic and hazardous substances at the source and enhance resource utilization efficiency. In 2025, SMNC actively applied for and was granted the Green and Low Carbon Development Special Fund of the Beijing Economic-Technological Development Area, successfully implementing project such as SMNC's Project for Verification and Production Ramp-up of Domestic Green Post-Copper-CMP Cleaning Solution (TMAH-Free).



Green Production

SMIC deeply integrates green and sustainable principles into the entire process of plant planning and operations, committed to building an advanced manufacturing system that is resource-efficient and environmentally friendly. Through systematic implementation of green building standards, adoption of clean production processes, and innovation in resource recycling technologies, the Company continuously reduces energy and resource consumption during production, controls waste generation at the source, and comprehensively enhances operational ecological efficiency. As of the end of the Reporting Period, a cumulative total of 6 of SMIC fabs have been certified as green factories, 6 of SMIC's fabs have been awarded LEED Gold certification and 3 fabs have obtained China 3-star-level green building certification.

Green Factories Certification	LEED Gold Certification	3-star-level Green Building Certification 
SMNC Fab (2017)	SMNC Fab (2015)	SMNC Fab (2019)
SMIC Tianjin Fab (2018)	SMIC Tianjin Fab (2019)	SMBC P1 Fab (2022)
SMIC Shanghai Fab (2023)	SMSC Fab (2019)	SMOC Fab (2024)
SMIC Beijing Fab (2023)	SMBC P1 Fab (2023)	
SMIC Shenzhen Fab (2023)	SMBC P2 Fab (2023)	
SMBC Fab (2025)	SMOC P1 Fab (2024)	

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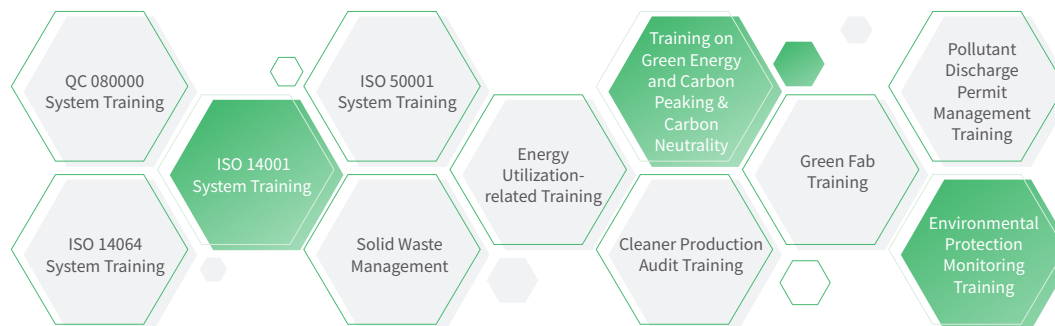
Appendix

Environmental Protection Advocacy

SMIC integrates the principle of "Environmental protection is everyone's responsibility" into its corporate culture, transforming green development requirements into conscious actions by every employee through diverse activities and daily practices. The Company carries out environmental awareness campaigns around key dates such as World Environment Day and National Low-Carbon Day, encouraging everyone to start with small acts like saving a sheet of paper and correctly sorting waste. This collective effort fosters a green and low-carbon work atmosphere, supporting business development while advancing the implementation of sustainable operational practices.

During the Reporting Period, the Company conducted environmental awareness activities across all fabs such as "World Environment Day", "World Water Day", "Energy Conservation Promotion Week", and "National Low Carbon Day", while requiring all departments to organize corresponding internal learning sessions. Furthermore, environmental experts were invited to deliver specialized training on topics including "Pollutant Discharge Permits", "Environmental Compliance Management", and "Energy Measurement Review", enhancing employees' environmental knowledge and compliance awareness.

To further strengthen environmental management capacity, the Company proactively organized relevant departments to participate in various forms of environmental knowledge and vocational skills training. During the Reporting Period, a total of XX environmental related training sessions were conducted, reaching 43,895 participants, thereby reinforcing the talent foundation for the enterprise's green transformation.



Training on Key Environmental Management Points for Priority Pollutant-Discharging Units Case

To enhance the environmental management capabilities of SMIC's fabs, on August 22, 2025, SMIC Shanghai invited an environmental impact assessment technical review expert from the Ministry of Ecology and Environment to conduct specialized training. The training covered topics including legal violation cases, environmental management practices under the new regulatory landscape, and specialized solid waste management. A total of 23 participants attended the session.

System Training

During the Reporting Period, SMIC invited external experts to provide relevant trainings related to environmental management system for relevant personnels to strengthen the environmental management capabilities of relevant personnel and lay a solid foundation for consolidating the management system.



	QC 080000 Hazardous Substances Management System Training	IISO 14064 GHG Inventory System Training	ISO 14001 Environmental Management System Training	IISO 50001 Energy Management System Training
Total training sessions	10	7	8	7
Total participants	7,941	3,927	5,692	5,701

Air Emissions Management

In accordance with relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, SMIC continuously refines its air emissions management system and implements corresponding pollution prevention measures in its production operations. The Company introduces waste gas treatment technologies and equipment in the production process to treat exhaust generated at each process stage, ensuring that emissions comply with applicable standards. During the Reporting Period, we focused on strengthening the reduction of volatile organic compounds (VOCs) through equipment upgrades, system adjustments, and optimization of operational management, comprehensively improving treatment efficiency and mitigating risks associated with fugitive emissions.

Shanghai Fab

- The VOCs treatment systems of selected production lines were upgraded, with key components such as zeolite rotors replaced, leading to a significant improvement in exhaust capture and treatment efficiency and a further reduction in total VOCs emissions.

Shenzhen Fab

- To address the risk of exhaust gas escape during the startup, shutdown, and abnormal operating conditions of VOCs treatment systems, the equipment control logic was optimized. By implementing interlock controls and rapid airflow switching technology, emissions under non-standard operating conditions were reduced.
- Improvements were made to the sealing and collection efficiency of VOCs equipment in certain plant areas, redirecting fugitive emissions back into the treatment system to effectively curb unorganized discharges.

Tianjin Fab

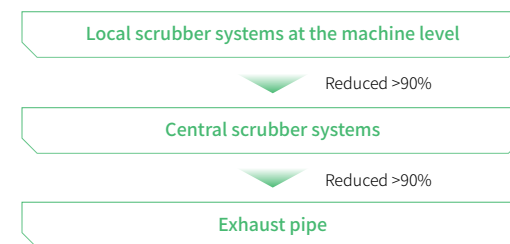
- By optimizing the operating parameters of fresh air conditioning units and boilers, the Company improved energy utilization efficiency while effectively reducing natural gas consumption, achieving coordinated reduction of pollutants such as nitrogen oxides.

Highlights of Air Emissions Reduction Management

During the Reporting Period, although the Company's total air emissions increased due to the expansion of production capacity, the air emission intensity per unit of product achieved a year-on-year decrease through the continued implementation of air emissions treatment projects and the application of emission reduction technologies.

In its air emissions management practices, the Company has established a collaborative, multi level treatment model involving both equipment level and facility level systems to achieve precise control of different pollutants. Additionally, SMIC regularly commissions qualified third party organizations to conduct emission monitoring and publicly discloses the results in accordance with the requirements of each operating location, ensuring compliance, transparency, and continuous improvement in air emissions management.

For specific monitoring data, please refer to the information published by the Company: SMIC-Health, Safety & Environment (smics.com)



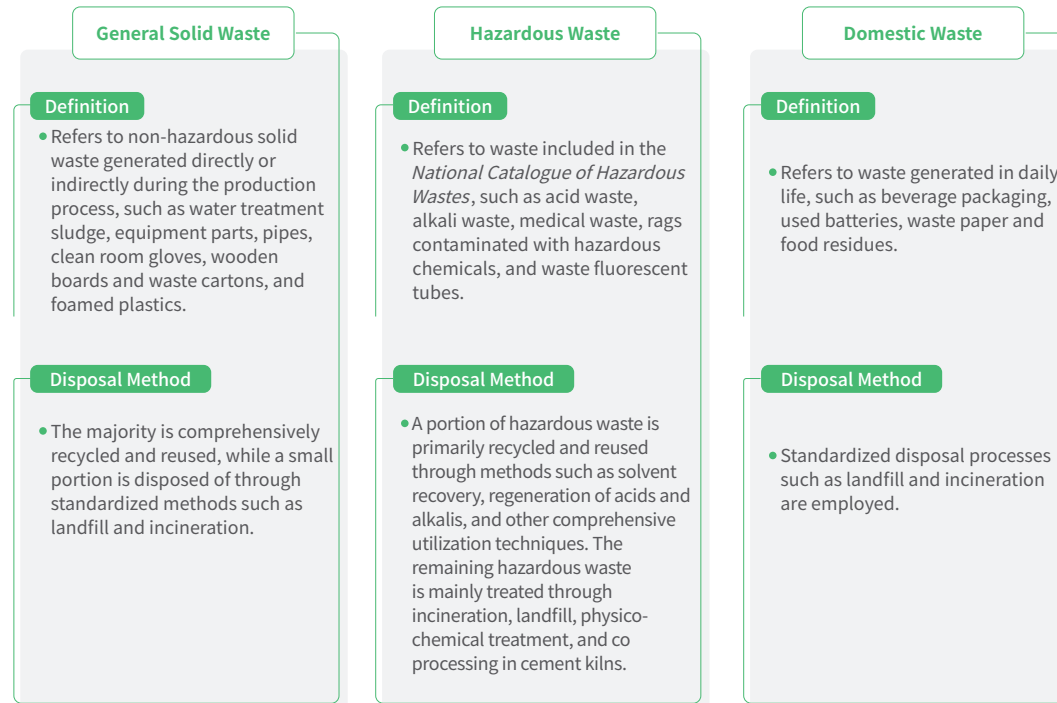
Scrubber Systems at SMIC

Category of exhaust gases or pollutants	2023	2024	2025
Sulfur dioxide emissions SO ₂ (ton)	15	38	22
Nitrogen oxide emissions NO _x (ton)	172	234	332
VOCs emissions (ton)	40	50	45
Total air emissions (10 ⁴ m ³)	8,248,471	8,491,497	10,845,164

Waste Management

SMIC strictly adheres to the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes* and relevant regulations, systematically establishing and continuously improving its waste management system to ensure the lawful and compliant disposal of all types of waste. The Company implements a refined classification mechanism, clearly categorizing waste into three major categories: general industrial solid waste, hazardous waste, and domestic waste. For each category, comprehensive management requirements are defined covering the entire process from generation, collection, internal transfer, storage, transportation, utilization and disposal, effectively ensuring the standardization and systematic controllability of waste management.

The types and definitions of waste are as follows:



To fully implement its corporate environmental responsibilities, SMIC extends its oversight to the external waste disposal phase. The Company sets clear requirements for its partnered processors and maintains close tracking, committed to practicing responsible lifecycle management.

Our requirements for waste treatment vendors:

- All waste treatment vendors must possess qualifications approved by the government.
- All waste treatment vendors must meet our vendor assessment score threshold to be eligible for contract execution.
- On-site audits or accompanied vehicle inspections are conducted for waste treatment vendors.
- The waste transfer manifest system is strictly adhered to for the storage and transportation of hazardous waste, fully standardizing the hazardous waste transfer process.

While strengthening its management foundation, SMIC actively promotes the reduction and resource recovery of solid waste. During the Reporting Period, the Tianjin fab was successfully recognized as a Tianjin municipal-level "Zero-Waste Fab", demonstrating the Company's comprehensive achievements in waste management and recycling.

Hazardous Waste Management

Adhering to the principle of "minimization, resource utilization, and non-hazardous treatment", SMIC entrusts qualified third-party organizations for waste disposal, implements standardized management and full-process tracking, and ensures all activities comply with legal regulations while effectively preventing environmental risks. Simultaneously, the Company continuously optimizes production processes and improves resource efficiency to control the generation of hazardous waste at the source, thereby reducing disposal demands.



Measures for Hazardous Waste Reduction and Resource Management

Case

SMIC Shanghai advanced source control in lithography processes through refined management to achieve hazardous waste reduction. The Company optimized process parameters for wafer backside cleaning procedures, reducing cleaning solution consumption per unit time, while scientifically adjusting the self-cleaning frequency of coater nozzles under the premise of ensuring equipment stability to minimize non-essential cleaning cycles. These measures effectively reduced hazardous EBR waste liquid by approximately 57,444 liters annually, alleviating the usage and disposal pressure of hazardous chemical solvents from the source. This demonstrates the Company's strategy of leveraging technological innovation to drive waste minimization in environmental management.

In the area of personnel management, SMIC continuously strengthens capacity building for positions related to hazardous waste. The Company regularly conducts hazardous waste management training for new employees, as well as staff undergoing role changes or returning to work. The training covers key areas such as classification and identification, safe operations, and emergency response. Through training assessments, SMIC ensures that relevant personnel master the standard requirements, thereby consistently enhancing the safety and compliance level of hazardous waste management.

Waste Generated

The waste generation data of SMIC:

Type of Waste	2023	2024	2025
General Solid Waste (ton)	57,059	72,579	72,533
Domestic Waste (ton)	4,184	3,854	2,921
Hazardous waste (ton)	67,529	94,876	128,960
Total (ton)	128,772	171,309	204,414
Waste Intensity (kg/standard logic 8-inch equivalent wafer photomask layer)	0.56	0.56	0.54

During the Reporting Period, although the Company's total waste generation increased due to production expansion, the waste intensity per unit of product achieved a year-on-year decrease through the continued implementation of waste reduction projects and the application of resource recycling technologies.

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Water Management

Water resources are not only the lifeline of our corporate operations but also a core element for maintaining ecological balance and community development. Adhering to the principles of "conservation as the foundation, protection as the priority, recycling, and continuous improvement", SMIC has formulated and issued the *SMIC Water Resource Conservation and Recycling Management Measures*. This framework standardizes water conservation and recycling practices, providing institutional support for analyzing water usage, identifying potential efficiencies, and enhancing water productivity. It ensures compliance with legal and regulatory requirements while achieving a balance of economic benefits, environmental sustainability, and social responsibility.

In its operations, the Company explores diversified water source utilization methods, including rainwater harvesting and wastewater recycling, to gradually reduce reliance on natural water sources. In addition, SMIC implements multiple water-saving initiatives focused on optimizing production processes, improving equipment efficiency, and promoting water conservation awareness, thereby advancing the circular use of water resources and supporting the implementation of green production practices.



Diversifying Water Resources

SMIC flexibly makes area-specific adjustments in the water utilization strategies in places where we operate, actively exploring diversified water sources. We use a variety of water resources including external water sources (tap water and external reclaimed water), and condensate from the air conditioning and natural water (rainwater and mountain spring water).



Recycled Water Utilization

Case

SMIC Beijing FAB3 significantly enhanced water efficiency through the systematic implementation of a reclaimed water substitution strategy. The fab prioritized the use of reclaimed water as the primary supplementary source, continuously increasing its proportion in manufacturing processes while strictly ensuring production water quality. This effectively reduced reliance on tap water. During the Reporting Period, the fab achieved a notable reduction in tap water consumption, saving 143,049 tons of water annually.

Improving Water Use Efficiency

SMIC considers water resource management a key component of its environmental stewardship, recognizing the critical role of water recycling in alleviating water scarcity and enhancing resource efficiency. In compliance with the *Water Law of the People's Republic of China* and relevant regulations, the Company continuously refines the production water management mechanisms across all its facilities, establishing annual and phased water usage plans and management targets tailored to operational needs. Furthermore, by advancing multiple wastewater recycling and reuse projects, SMIC transforms a portion of its wastewater into reusable water sources, reducing the environmental impact on natural water bodies and elevating the overall level of water resource circularity.



Condensate Water Recovery Retrofit

Case

We carried out systematic optimization and process reengineering around the condensation water recovery of fresh air handling units, implementing a comprehensive upgrade from management practices to recycling processes, thereby continuously advancing the resource utilization of condensate water. After the upgrade, the annual water saving reached approximately 111,622 tons, effectively reducing the demand for municipal water supply and further enhancing the efficiency of water resource utilization and management level in the Company's production processes.

After the retrofit, the annual water saving reached

111,622 tons





Wastewater Reuse to Enhance Recycling Efficiency

Case

SMIC Beijing has deeply integrated water recycling into its operational system, significantly enhancing the water circulation efficiency by systematically utilizing multiple internal water streams. The fab treats and reuses wastewater generated on-site, such as Ultrafiltration (UF) backwash water and Reverse Osmosis (RO) concentrate, reusing 110,513 tons of wastewater annually.

Through this synergistic multi-source water reuse approach, SMIC Beijing has effectively improved water resource efficiency, reduced the consumption of high-quality water sources, and promoted the circular flow of water in production operations.

Summary of Water-Saving Projects

Water saved by newly added water-saving projects this year

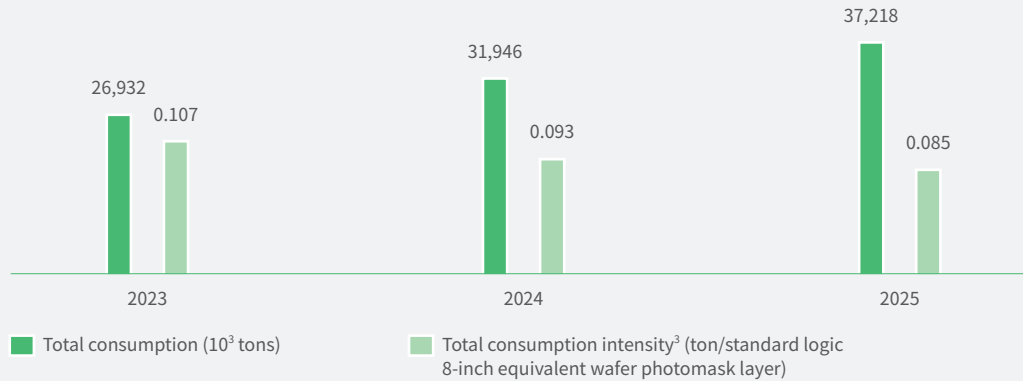
365,184 ton

Cost saved by new added water-saving projects this year

RMB 3,810 thousand

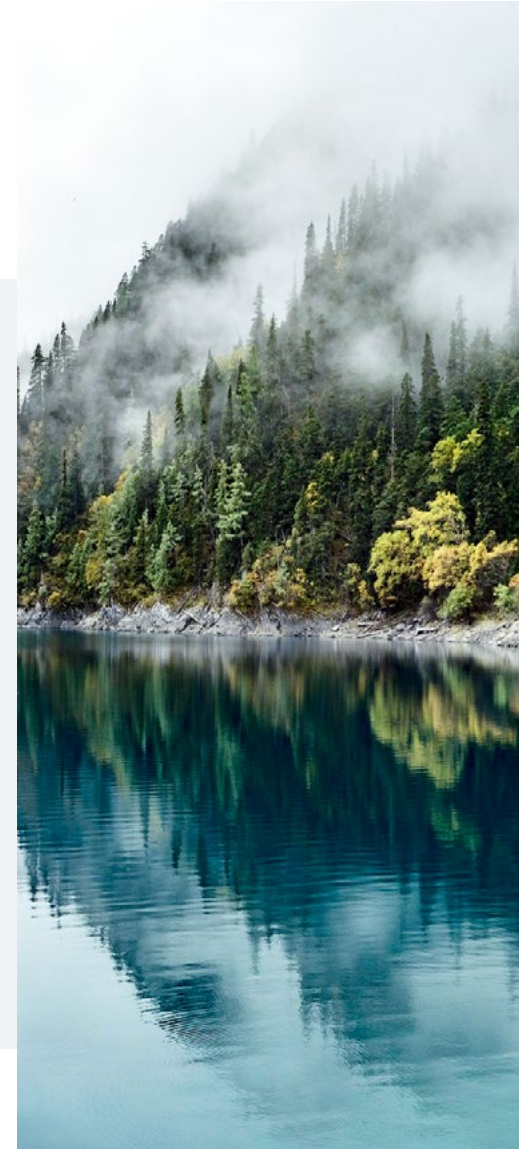


During the Reporting Period, the water consumption of SMIC was as follows:



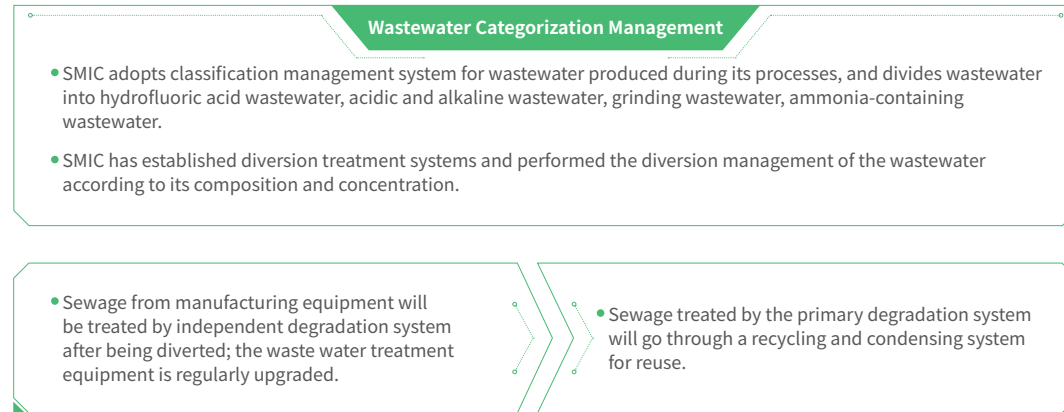
³ Note: The intensity of water consumption is per standard logic 8-inch equivalent wafer photomask layer produced by SMIC

During the Reporting Period, although the Company's total water consumption increased due to production expansion, the water use intensity per unit of product achieved a year-on-year decrease through the continued implementation of water-saving and efficiency enhancement projects and the application of water conservation technologies.



Wastewater Discharge Management

SMIC strictly complies with the *Water Pollution Prevention and Control Law of the People's Republic of China* and the *Integrated Wastewater Discharge Standard*, as well as other local regulatory requirements, to implement refined categorization and management of wastewater. By employing a two-stage wastewater treatment process, the Company enhances treatment efficiency and ensures effluent quality, thereby minimizing the environmental impact of wastewater discharge.



SMIC Wastewater Treatment Process

To enhance the precision and responsiveness of wastewater discharge management, the Company has deployed integrated online water quality and flow monitoring systems at key discharge points across all its operational fabs. This system enables continuous automatic monitoring of effluent quality and flow rate, with data transmitted in real-time to a central management platform, achieving ongoing tracking and visual oversight of wastewater discharge. Through dynamic intelligent analysis of the monitoring data, the Company can promptly identify abnormal fluctuations in discharge parameters and immediately activate early warning and intervention mechanisms, thereby effectively preventing environmental risks.

While ensuring all external discharged wastewater consistently meets standards, the Company places particular emphasis on controlling key pollutant indicators such as Chemical Oxygen Demand (COD), ammonia nitrogen and fluorides, implementing targeted reduction measures through process optimization. These initiatives have significantly minimized the potential impact of operations on the surrounding water environment, demonstrating the Company's commitment to green development.

For specific monitoring data, please refer to the information published by the Company: SMIC-Health, Safety & Environment (smics.com)

During the Reporting Period, although the Company's total wastewater discharge increased due to production expansion, the wastewater discharge intensity per unit of product achieved a year-on-year decrease through the continued implementation of wastewater reduction projects and the application of water recycling technologies.



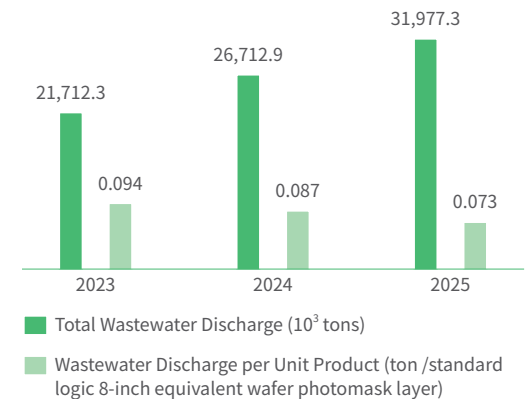
Domestic sewage improvement project

Case

SMIC applies circular economy principles in domestic sewage treatment by recycling treated effluent that meets standards and integrating it into the industrial wastewater reuse system. This approach achieves cascading and cyclical utilization of water resources. The initiative not only significantly reduces the discharge of domestic sewage but also repurposes reusable water for auxiliary production processes. By ensuring system safety and stable operation, it reduces the consumption of fresh water resources.

After implementation, the project reduces domestic sewage discharge by approximately 20,000 tons annually, effectively conserving water resources and enhancing the fab's water efficiency. This reflects the Company's commitment to green operations and sustainable development.

During the Reporting Period, SMIC's wastewater discharge performance was as follows:



Circular Economy

SMIC views the circular economy as an innovative practice centered on efficiency and value. Therefore, the Company deeply integrates circular economy principles into every stage of its production and operations, striving to achieve the synergistic goals of maximizing resource value and minimizing environmental impact. Driven by technological innovation, we continuously optimize product design and process flows, enhancing the efficiency of internal recycling and external collaboration for waste resources, thereby fulfilling our long-term commitment to coexisting harmoniously with nature and society.



Waste Recycling

SMIC has established a systematic, full process clean production and waste management mechanism. By integrating standardized classification, compliant disposal, and resource recovery, the Company continuously enhances its waste management performance. In collaboration with certified third party institutions, SMIC promotes the recycling and reuse of recoverable materials and ensures the safe, compliant treatment of hazardous waste. Meanwhile, based on the characteristics of different waste streams, methods such as biological treatment or waste to energy incineration are adopted for the proper handling of wet and dry waste, driving the transition of waste toward resource recovery and environmentally sound disposal.

Source Control

The Company integrates waste reduction requirements into production and operational management. By implementing pollution source reduction and process optimization projects, it enhances raw material utilization efficiency and reduces waste generation at the source

End-of-Pipe Management

SMIC continuously assesses the recycling potential of general industrial solid waste, prioritizing the integration of recyclable materials into resource recovery systems. For waste that cannot be recycled on-site, the Company engages certified professional institutions for compliant disposal, maximizing resource efficiency.



Hydrofluoric acid empty drum recycling project

Case

SMIC actively practices the concept of circular economy. In response to the practical need for recycling and disposal of hydrofluoric acid (HF) empty drums, the Company initiated a packaging drum reuse project, incorporating drums that would otherwise be directly discarded as hazardous waste into a circulating turnover system. By establishing precise cleaning, inspection, and refilling processes, the project enables multiple reuse of packaging drums, significantly reducing the generation of highly corrosive and environmentally toxic hazardous waste at the source. This initiative not only helps avoid safety risks associated with hazardous chemicals but also lowers disposal costs while improving resource utilization efficiency through material reuse.

Biodiversity Conservation

In advancing technological innovation and business development, SMIC has deeply integrated biodiversity conservation into its corporate governance and operational processes. The Company strictly complies with environmental laws and regulations, ensuring that project construction and operational activities are conducted in accordance with legal requirements. Projects obtain necessary approvals in the early stages to avoid adverse impacts on ecological redlines and natural habitats. Additionally, by adopting environmentally friendly technologies, reducing the consumption of natural resources, and participating in ecological protection and restoration initiatives, SMIC supports the long-term stability of biodiversity and ecosystems.

SMIC actively promotes the application of environmentally friendly technologies and management measures, enhancing resource utilization efficiency, reducing energy and natural resource consumption, and minimizing the environmental pressure caused by its business activities. When conditions permit, the Company pays attention to and supports ecological protection and restoration activities, advocates the development philosophy of harmonious coexistence between humans and nature, and contributes to the long-term stability of biodiversity and ecosystems.

Looking ahead, SMIC will continue to monitor policies and industry trends related to biodiversity conservation. On the basis of legal compliance, the Company will continuously improve its environmental management practices and integrate the concept of biodiversity protection into its sustainable development journey.



Environmental Protection and Public Welfare

SMIC is committed to making environmental action a conscious choice for every employee. Through diverse environmental awareness campaigns and practical activities, we encourage employees to progress from awareness to identification, from participation to leadership, actively creating and practicing green work and lifestyle practices. These efforts collectively fostered a green corporate culture where knowledge and action are aligned, driving the Company's steady progress on the path of sustainable development.



The 3rd Joint Public Welfare Activity in Four sites

Case

Marking its 25th anniversary under the theme "Twenty-Five Years of Glorious Journey, Four sites Joining Hands to Protect the Blue Ocean", SMIC simultaneously launched environmental initiatives in Beijing, Shanghai, Tianjin, and Shenzhen. A total of 204 employees and their family members actively participated in these activities, where they learned about environmental protection in local parks and coastal wetlands and conducted beach clean-ups, collecting a total of 230.16 kg of waste. The event also featured interactive sessions, such as creating commemorative coasters from renewable wood, vividly conveying the concept of sustainability.



Environmental Recycling Activities

Case

SMIC conducted environmental recycling activities at various factory premises aimed at enhancing employees' environmental awareness. The event attracted nearly a thousand of participants, and collected 2,009 kg of used clothing, 55 kg of electronic waste and 365 kg of waste cardboard. The collected clothing was donated to underdeveloped regions through a nonprofit organization, while the electronic waste was processed by a qualified contracted vendor.





Driving Innovation, Leading with Quality

SMIC consistently places independent R&D and technological innovation at the core of its development, strictly adheres to global quality management standards, and is committed to delivering products of exceptional quality and reliable services to its customers. We have established a comprehensive data security and privacy protection system covering the entire process, providing robust safeguards that enhance service quality and customer satisfaction. At the same time, we fully promote collaboration among value chain partners, and through building a responsible and sustainable supply chain management system, we achieve mutual benefit and shared prosperity across the ecosystem.

04

- Breakthrough in R&D, Relentless Pursuit of Innovation
- Excellence in Quality, Customers as Priority
- Supply Chain Management, Collaborative Growth



Breakthrough in R&D, Relentless Pursuit of Innovation

SMIC consistently regards technological innovation as the core driving force for high-quality corporate development. We actively advocate forward-looking exploration and pragmatic innovation across all stages, including product technology R&D, production efficiency improvement and workflow optimization, striving to build a research and development system and technology platform firmly underpinned by scientific and technological innovation. In doing so, we continuously deliver superior products and services to our customers and steadily strengthen the Company's core competitiveness in the global IC foundry industry.

Innovative Research and Development

We have formulated a clear and efficient innovation strategy and objectives and established a systematic R&D management process and framework. While continuing to invest in R&D resources and drive technological breakthroughs, we place strong emphasis on identifying and managing various risks arising throughout the R&D process. By leveraging innovation to reduce costs and enhance efficiency, we provide sustained impetus for the Company's long-term development.

Governance

The Board of Directors serves as the core of the Company's governance, guiding strategic direction and overseeing the management of corporate affairs. Its responsibilities include reviewing and approving long-term development strategies and R&D orientations in alignment with industry trends and the Company's actual situation. Each year, the Board evaluates the establishment and achievement of the Company's annual objectives, including R&D targets, to ensure effective execution of the strategy and the sustainability of the Company's development.

At the execution level, the R&D department ensures the effective operation of R&D policies and management systems, drives the implementation of the innovation strategy, and monitors project progress and outcomes throughout their lifecycle to safeguard the delivery of high-quality R&D activities.

Strategy

SMIC systematically identifies and assesses the potential business and financial impacts of its R&D activities, and formulates targeted risk management strategies accordingly, thereby continuously strengthening its capability in innovative R&D management and reinforcing the foundation of trust with customers, partners, and other stakeholders.



Building a Solid Foundation for Steady Growth

Growing with Nature, Flourishing Together

Driving Innovation, Leading with Quality

Breakthrough in R&D, Relentless Pursuit of Innovation

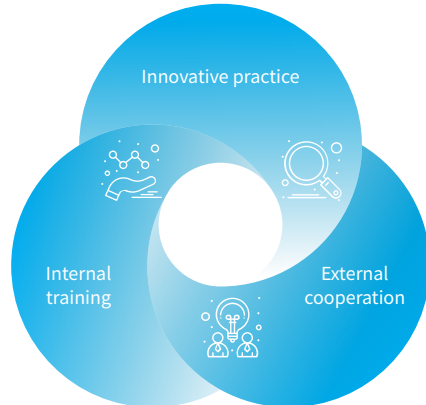
Gathering Talent, Advancing Together

Uniting Strength, Care in Action

Appendix

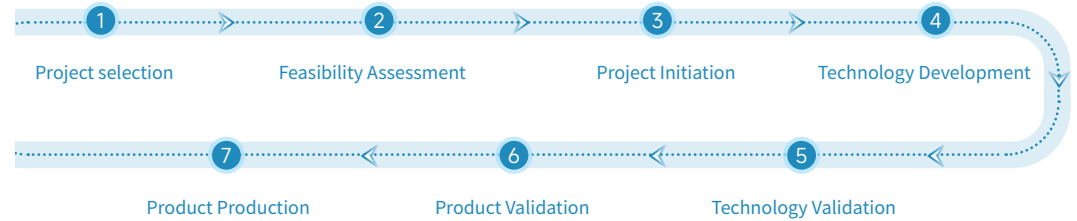
Analysis of R&D and Innovation Risks				
Risks	Business Impacts	Financial Impacts	Time scale	Countermeasures
R&D and technology upgrade iteration risk	The IC foundry industry is highly technology-intensive, requiring multidisciplinary expertise, and has the characteristics of fast process technology iteration, large capital investment, long R&D cycle, etc. The Company depends on its own R&D capabilities and intellectual property rights. Insufficient investment could lead to technological obsolescence and a decline in competitiveness.	<ul style="list-style-type: none"> Increased R&D Investment Leads to Higher Costs: To maintain its technological leadership and competitiveness, SMIC must continuously increase its R&D investment. This could lead to a significant rise in R&D costs, potentially putting pressure on short-term financial profits. Loss of Market Share Due to Technology Lag: If R&D investment is insufficient and competitors surpass SMIC technologically, the Company may lose market share, leading to a decline in sales revenue. Over the long term, this could negatively impact profitability and market position. Asset Impairment Risk: If an R&D project fails to achieve its expected outcomes or if a technology upgrade is unsuccessful, the value of related R&D assets (such as patents or equipment) may be impaired. This could necessitate asset impairment provisions, further affecting the Company's financial position. 	Short-term (within 1 year): The accelerated speed of technology iteration has intensified competitive pressure in the market. Medium- and long-term (more than 1 year): including potential technological backwardness and a decline in market share.	Establish an innovation and R&D management system, continue to invest resources in attracting talents, ensure our processes and technology platforms are better matched to market demands and remain competitive by aligning market and R&D efforts to plan the technology roadmap.
Risk of shortage or loss of technical talent	Integrated circuit wafer foundry is a talent intensive industry that involves the integration of thousands of processes and dozens of professional disciplines, with extremely high requirements for process coordination and error control in each link. It requires relevant talents to have solid professional knowledge, long-term technical accumulation, and strong comprehensive ability and experience accumulation.	<ul style="list-style-type: none"> Increased Recruitment and Training Costs: To address the talent shortage, SMIC may need to intensify recruitment efforts, raise compensation levels, and increase training costs for new hires, all of which will elevate the Company's operating expenses. Decrease in Productivity and Quality: The loss of talent may result in vacancies in key positions, negatively impacting productivity and product quality. This could lead to reduced customer satisfaction and fewer orders, ultimately affecting sales revenue and profitability. Risk of Intellectual Property and Technological Backwardness: In recent years, the number of IC companies has been growing rapidly, resulting in a relatively huge gap between the supply and demand of outstanding technical talents in the industry, and the competition for talents is fierce. If a large number of outstanding technical R&D personnel quit, and the Company is unable to recruit or cultivate experienced technical personnel in a short period of time, the Company's R&D progress may be affected, which has an adverse impact on the Company's sustainable competitiveness. 	Short-term (within 1 year): decreased productivity, project delays, and other problems. Medium- to long-term (more than 1 year): consequences such as decline in innovation capability and technological backwardness.	We will establish a reasonable talent policy and compensation system, implement equity incentives and other measures to effectively retain and attract core technical talent. At the same time, we will deepen industry-academia-research collaboration and strengthen internal talent pipeline development, so as to address risks arising from external talent competition and attrition, and to safeguard the continuity and stability of our R&D and production activities.
Risk of technology leakage	Due to the limitations of technology secret protection measures, the mobility of technical personnel, and other uncontrollable factors, the company still faces the risk of core technology leakage. If such situations occur, they may weaken the Company's technological advantages to a certain extent and have an adverse impact.	<ul style="list-style-type: none"> Direct Economic Loss: A leakage of core technologies could cause SMIC to lose its technological advantage and market share to competitors, resulting in direct economic losses. Damage to Brand Image: A technology leakage incident could harm the Company's brand image and reputation, undermining customer trust and loyalty. This may lead to customer loss and a decline in orders, negatively impacting long-term financial performance. 	Short-term (within 1 year): Negative impacts such as reduced customer trust. Medium- to long-term (more than 1 year): Decline in the Company's competitiveness and damage to brand image.	Through a robust trade secret management system, we have established strict and comprehensive confidentiality policies, and signed confidentiality agreements and non-compete agreements with relevant technical personnel, thereby reducing the risk of technology leakage and safeguarding our core intellectual property and commercial security.
Opportunities	Business Impacts	Financial Impacts	Time scale	Countermeasures
Technological innovation	The Company continues to make breakthroughs in technology research and development, especially in key technology areas. Through continuous technological optimization and innovative practices, we will further enhance our technical capabilities and enhance market competitiveness.	<ul style="list-style-type: none"> Revenue Growth and Profitability Improvement: As the market expands and the product line diversifies, SMIC's sales revenue will experience steady growth. At the same time, profitability will improve through technological innovation and effective cost control. R&D Investment Returns: Ongoing R&D investments will secure SMIC's long-term technological edge and market competitiveness. These investments will eventually yield higher revenues and profits, delivering increased value for the Company. 	Short-term (within 1 year): R&D innovation breakthroughs bring market expansion. Medium- and long-term (more than 1 year): Strengthen its comprehensive capabilities and brand influence.	We are committed to amplifying our investment in research and development, broadening the horizons of technological innovation, and strengthening collaborative ties with universities and research institutions. By driving technological advancements and breakthroughs, we aim to holistically elevate our overall competitiveness.

We adhere to internal policies such as the *SMIC Technology Development Process* and have established an open innovation management system that integrates internal cultivation, external collaboration, and innovative practices. We have also formulated advanced quality planning and control procedures for products and processes. These measures are designed to comprehensively enhance R&D efficiency, ensure quality across the entire workflow from design and development to production, and precisely meet customer requirements.



SMIC Innovation Management System

SMIC maintains a high level of R&D investment, refines its R&D management processes and team development, and actively builds diversified technology application platforms, thereby safeguarding the Company's technological advancement with efficient and professional innovation capabilities. During the Reporting Period, R&D personnel accounted for 12% of the Group's total workforce, while total R&D spending reached US\$0.77 billion, representing 8.3% of revenue.



SMIC Product R&D Workflow

SMIC has always upheld innovation as a core value, and is committed to becoming a trusted, world-class integrated circuit manufacturing enterprise. During the Reporting Period, we undertook a series of R&D and innovation projects spanning multiple critical domains, including logic products, high-voltage display drivers, power management, RF front-ends, and embedded memory, thereby continuously expanding the frontiers of innovation. In the same period, the Company obtained enterprise innovation capability certifications such as GB/T 31769-2015 and GB/T 37097-2018, providing systemic assurance for the advancement of our innovation initiatives.

In 2025, we actively deepened industry engagement and entered into strategic collaborations with numerous external research institutions, focusing our development direction on integrating industry, academia, research, and application. We successfully established a regular communication mechanism with leading domestic universities and research institutes. Through industry exchanges and collaboration, we not only advanced semiconductor technology development, but also contributed to cultivating the next generation of talent for China's semiconductor sector, thereby supporting the industry's continued progress.



Through the sustained efforts of our innovation and R&D teams, SMIC has achieved breakthroughs in multiple key technologies and attained phased results in several major projects, continuing to create value for the development of the industry.

Project Name	Progress and Milestone	Specific Application Prospect	Impacts
28nm ULL Technology Platform R&D Project	The new generation PDK (Process Design Kit) along with corresponding standard cell libraries, memory compilers, and other design toolkits have been released, and are being tested in multiple types of products.	Mainly applied to various IoT, mobile communication and other industries to meet the needs of smartphones, digital TVs, set-top boxes, image processing and other products demand.	The 28nm ULL process completes the Company's technology jigsaw puzzle in low-power logic, while also laying the technological foundation for the development of the 28nm featured process.
28nm SST e-Flash Platform R&D Project	The critical process development has been completed, establishing the entire process flow and demonstrating the basic function of both SRAM and flash bit cell.	Mainly applied to high-end MCU scenarios such as vehicle domain controller and ADAS, which require rapid response, low power and large storage capacity.	The 28nm SST e-flash process expands the application scope of high-capacity premium products, consolidating the Company's leading position in this field.
65nm RF-SOI Technology Platforms Continuous R&D Project	The new-generation platform PDK has been released, delivering significantly enhanced performance compared to previous generation, and is now being introduced into new products for testing and validation.	Mainly applied to RF chips in RF frontend modules for smartphones, Wi-Fi and so on.	The Company's first self-developed RF front-end SOI technology platform, its stable mass production marks the Company's development of new technology areas and markets
90nm BCD Technology Platform Continuous R&D Project	The new-generation BCD low-voltage and medium voltage PDKs have been released respectively. The low-voltage platform further enhances performance, while the medium-voltage platform broadens voltage domain coverage. Both platforms are now in customer new product designs.	Mainly applied to intelligent power management, audio amplifiers, intelligent motor drivers and automotive chips.	On the 12-inch BCD technology platform, the voltage coverage range has been extended from the low-voltage segment to the mid-voltage segment, and the application fields expanded from commercial use to automotive-grade power management. Meanwhile, device performance has been continuously optimized and enhanced to secure the Company's industry-leading position.
8" BCD and Analog Technology Platform Continuous R&D Project	Product engagement for next generation automotive electronics system BCD platform has been completed. Next generation medium and high voltage BCD platform PDK has been released. The process and device development for SOI BCD platform have been completed.	Mainly applied to power management, industrial applications and automotive chips.	It covers BCD processes of different voltage segments, including low-voltage, medium-voltage and high-voltage, and continuously improves through iteration, strengthening its leadership in both breadth and depth.
0.18μm eNVM for Automotive Electronics Technology Platform R&D Project	The process development of the eNVM technology platform for next generation automotive electronics system has been completed, and PDK is under development.	Mainly applied to industrial applications and automotive chips.	Introduced a process technology platform for power management and microcontroller integration, adapting to the development trend of in-vehicle and industrial applications and enhancing system integration and safety.
Medium & Large Size HV Display Driver Technology Platform Continuous R&D Project	Product engagement and mass production of next generation of medium size of display driver platform have been achieved. The process development of next generation of large size display driver platform has been completed, and PDK is under development.	Mainly used in medium and large-sized screen display driver chips and car screen display driver chips.	Continuously enriched the technology variety of medium- and large-size display driver platforms, further enhancing the Company's competitiveness in the display driver field.

SMIC R&D Project Outcomes and Application Prospects

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With the rapid development of the semiconductor industry, SMIC fully recognizes the importance of technology ethics in its operations and strictly adheres to relevant norms in all R&D and business activities. The Company's principal business focuses on providing chip manufacturing services for customers and does not engage in any scientific research activities in technology ethics-sensitive areas.

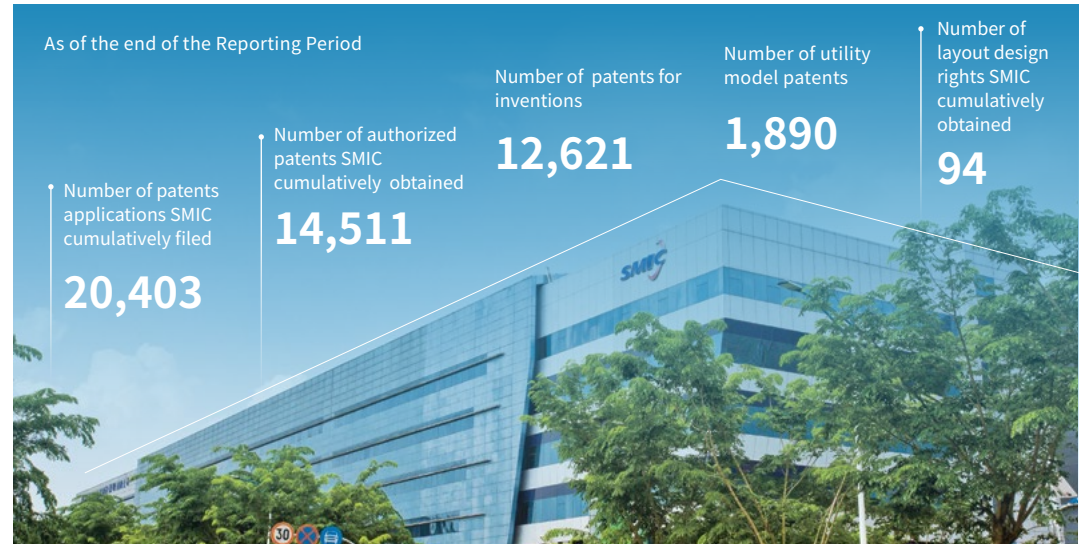
In the area of intellectual property, SMIC strictly complies with the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and other relevant laws and regulations. We have formulated and continue to refine internal IP management systems, including the *SMIC Policy on Employee Service Inventions* and the *SMIC Policy on Technical Achievements of Member Units*, thereby enabling standardized management of employee service inventions and technical achievements of member units. We proactively pursue patent filings, trademark registrations, and other means to establish and protect our proprietary IP rights on a global scale, while conducting regular IP monitoring to effectively safeguard the Company's lawful rights and interests.

To build a sound intellectual property protection and management system, the Company has fully upgraded the patent management system to an integrated intellectual property management system to standardize the management of patents, trade secrets, trademarks and other intellectual property rights. We have optimized the review process of patent proposals and simultaneously raised the reward standards for service inventions such as trade secrets, integrated circuit layout design and software copyrights, so as to better encourage employees to carry out technological innovation. This year, we organized 15 offline basic patent trainings and launched online self-study courses to continuously improve the patent awareness and innovation capabilities of technicians.

In addition, to protect the Company's intellectual property and technological achievements, the Legal Department conducted multiple rounds of information security training for suppliers, placing emphasis on strengthening the confidentiality awareness of suppliers.



SMIC Intellectual Property Management Initiatives



Risk Management

For specific issues arising in the R&D and innovation process, we further decompose innovation management risks into defined sub-items, and conduct weighted assessments based on their impact severity and likelihood of occurrence to determine priority rankings. For high-priority risks, the Company has established clear management procedures and formed dedicated teams to carry out regular monitoring and documentation. In parallel, we implement a series of risk management measures to mitigate the potential impact of these risks on internal and external stakeholders, ensuring that risks remain at a controllable level.



SMIC R&D Risk Management Process

Indicators and Goals

To continuously enhance our innovation and R&D management capabilities, we have established a comprehensive set of monitoring indicators, set clear phased and long-term objectives, and implemented regular performance tracking coupled with transparent disclosure, thereby driving steady and sustainable improvement in the Company's innovation and R&D capabilities.

Goals	2025 Progress
<p>Technology R&D</p> <p>Meet the market demand for product innovation and rapid iteration and strive to provide the Company with new business growth points.</p>	<ul style="list-style-type: none"> In alignment with the overall strategy, the Company's R&D center is customer-needs-driven, continuously enhancing product innovation and iteration capabilities, strengthening platform development, and improving product performance. R&D projects are fully benchmarked against product technical requirements from the initial stage, ensuring efficient utilization of R&D resources, guaranteeing output quality and reliability, and shortening the cycle from R&D to mass production.
<p>Intellectual Property Protection</p> <p>While continuously improving our competitiveness, we reasonably protect and utilize the achievements of scientific and technological innovation to support the Company's high-quality development.</p>	<ul style="list-style-type: none"> The Company has a professional team dedicated to intellectual property protection and management. In accordance with laws and regulations, the Company flexibly formulates intellectual property protection strategies that align with its development, taking into consideration the actual situation, the advancements in technological innovation, and the needs of the market environment.
<p>Strengthening Industry-Academia-Research Cooperation</p> <p>Accelerate the expansion of strategic cooperation, focus in-depth on the utilization of industry, academia, and research to facilitate in-depth cooperation between industry, academia, and research.</p>	<ul style="list-style-type: none"> Establish a regular exchange mechanism with well-known domestic universities and research institutes.

Excellence in Quality, Customers as Priority

SMIC regards excellence in quality as the cornerstone of its sustainable development and remains firmly oriented toward customer needs. Through the continuous strengthening of our quality management system and related policies, we have systematically improved the effectiveness of quality control and the level of service delivery, strictly safeguarded the security and privacy of customer data, and ensured the smooth and efficient operation of the Company's global business activities.

Quality Management

SMIC consistently upholds its philosophy of serving customers with excellence in quality, and continuously refines its quality management systems and processes to embed quality excellence throughout the entire product and service lifecycle. Through ongoing enhancement of our quality management systems and processes, we are committed to achieving the goal of quality excellence and delivering safe, reliable, high-quality products to our customers.

Quality Management Initiatives

SMIC has established a comprehensive end-to-end quality management policy. In the pre-onboarding phase with customers, we conduct thorough communications to ensure a full understanding of customer and market requirements, and complete platform R&D and release in accordance with internal policies. During actual production, SMIC employs electronic systems for early detection, applying statistical process analysis methods and real-time system monitoring to enable timely interception and precise management of issues. At the finished goods shipment stage, we perform electrical testing and visual inspection in line with shipping inspection requirements to safeguard production stability and product quality. In addition, the Company has clearly defined preventive and predictive maintenance policies for equipment to ensure stable production conditions.

Quality Management System

Guided by industry standards, SMIC has been continuously optimizing its internal quality management mechanisms. As of the end of the Reporting Period, the Company had obtained multiple internationally recognized system certifications, including ISO 9001 Quality Management System, TL 9000 Telecommunications Industry Quality Management System, and IATF 16949 Automotive Supply Chain Quality Management System, laying a solid foundation for enhancing its global market competitiveness.

We implement a Total Quality Management (TQM) process covering the entire lifecycle from technology R&D, IC foundry, reliability testing, to customer service. In the automotive product domain, the Company specifically applies the VDA6.3 quality management tool, continuously advancing the improvement and optimization of 18 key processes encompassing environmental management, project management, supplier management, and production line monitoring. During the Reporting Period, no major safety or quality liability incidents related to products or services occurred.

During the Reporting Period, all subsidiaries of SMIC maintained and updated their respective quality management system certifications on an active basis, establishing a strong basis for the Company to improve its market competitiveness.

SMIC Product Quality Management System

Statistical Process Control (SPC)	Impose the SPC on product performance during production through a strict auditing mechanism to ensure the stability and reliability of product quality.
Recipe Management System (RMS)	Control product quality more accurately through centralized management and key parameter monitoring to provide customers with reliable products.
Unified Management	Optimize settings for all equipment and process recipes, and unify process management to achieve consistent product quality levels.
Diversified Labs and Tools	Cover chemical and raw material analysis, product failure analysis, yield improvement, reliability inspection and monitoring.



Product Quality Assessment and Recall

To ensure products meet the highest standards, SMIC has established strict product quality inspection criteria and product recall procedures. We adhere to the Hazardous Substance Process Management System (QC 080000) to exercise full-course control over health and safety risks, ensuring compliance with domestic and international regulations as well as customer requirements. During the Reporting Period, SMIC experienced no large-scale product recalls or batch returns of sold products due to health or safety reasons.

For many years, the Company has adhered to the core principle of "Quality First, First Time Right" has carried out comprehensive, multi-level quality improvement initiatives to foster a strong culture of high quality across the organization and continuously enhance all employees' awareness of quality and safety. The Company's onboard chip laboratory strictly adheres to the AEC-Q100 integrated circuit certification standard and has passed the supervision and audit of the China National Accreditation Service for Conformity Assessment (CNAS), providing strong guarantees for product reliability and sustainability of the enterprise.

Quality Culture Promotion

- The Company organizes a series of themed promotion activities—such as the Continuous Improvement Team (CIT) competition, the Small Suggestion, Big Improvement (SS) campaign, and the "Quality Month"—to actively foster a company-wide culture of quality with full employee participation. We invite all employees to submit continuous improvement projects from their work processes, and showcase the results and conduct professional evaluations through formats such as academic presentations. Outstanding employees and teams are recognized and commended to set exemplary benchmarks.
- Each year during September's national "Quality Month", all fabs respond proactively to the national call and, incorporating the distinctive characteristics of the semiconductor industry, carry out diverse cultural promotion activities. These initiatives disseminate quality knowledge and concepts to all staff, continuously reinforcing quality awareness across the Company.

Quality Culture Training

- The Company has established a comprehensive, tiered training system for quality and reliability, delivering more than 50 specialized courses—including FECP, FMEA, SPC, 8D problem-solving tools, and quality systems—through a blended internal training model combining online and offline learning. We regularly invite both internal experts and external instructors to provide targeted, level-appropriate training and assessments focused on quality systems, application of quality tools, and enhancement of quality awareness. These sessions deepen engineering personnel's understanding of and ability to execute quality processes, promote the effective application of quality tools in day-to-day work, and provide solid support for the systematic improvement of quality competence across the Company.



Customer Services

SMIC consistently upholds its customer-oriented corporate values, strictly adhering to domestic and international laws and regulations in every stage of product design, manufacturing, and after-sales service, while committing to responsible marketing and making every effort to ensure consumer safety and product compliance and has established comprehensive customer service policies. To better serve customers around the world, we have established professional service teams covering Shanghai, Beijing, Tianjin, Shenzhen, Taiwan (China), California (USA), Munich (Germany), Milan (Italy), Tokyo (Japan), and other locations, dedicated to delivering high-quality, localized support.



Responsible Marketing

In the area of responsible marketing, the Company has established internal policies including the *SMIC Name and Trademark Usage Guidelines*, the *SMIC Management Procedure for Media Interviews and Press Releases*, and the *SMIC Spokesperson System*. These policies strictly regulate advertising, logo usage, and media communication processes, prohibit any false or misleading statements, and eliminate unfair competitive practices.

At the same time, the Company places particular emphasis on safeguarding confidential information of customers and suppliers, prohibits entering into horizontal or vertical monopoly agreements with customers, business partners, or suppliers, and conducts regular employee compliance training to strengthen the awareness of responsible marketing across the organization and uphold the corporate brand image.

Improving Customer Satisfaction

SMIC has an efficient system in place for tracking and handling customer complaints, aimed at enhancing customer satisfaction. All customer complaints are required to be promptly investigated and addressed by the relevant departments, with timely feedback provided and 8D analysis reports completed efficiently for in-depth review and summary. For quality issues reported by customers, we follow a strict handling process, conduct professional analyses, and identify opportunities for improvement and enhancement, thereby continuously optimizing production control and reducing the likelihood of recurrence of similar problems. During the Reporting Period, all customer complaint incidents were handled in accordance with the established complaint handling procedure without delay.

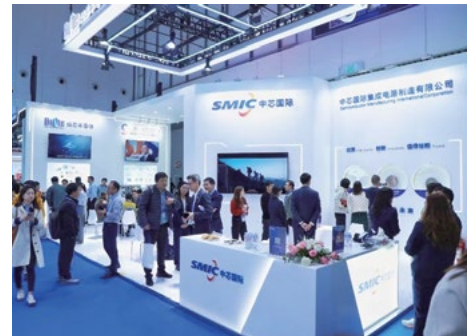
To gain accurate insight into customer needs and enhance service quality, the Company periodically refines its customer satisfaction survey questionnaire and conducts online surveys via the e-CSS system to collect extensive feedback and suggestions from customers. During the Reporting Period, SMIC's average customer satisfaction score reached 84 points, reflecting customers' continuous recognition of the Company's products and services.

Industry Communication

This year, SMIC has been actively engaged in global semiconductor industry seminars and industrial exchange events, sharing practical experiences in depth with upstream and downstream partners across the supply chain, jointly reviewing development achievements, and exploring future directions for collaboration. Through sustained participation in high-level dialogues and thematic discussions, the Company has further strengthened its collaborative role within the industry ecosystem, contributing to the creation of an open and win-win industrial environment.

SMIC Exhibited at the 2025 Chengdu-Chongqing Integrated Circuit Industry Development Forum & the 31st Integrated Circuit Design Exhibition Case

On November 20–21, 2025, SMIC was invited to participate in the 2025 Chengdu-Chongqing Integrated Circuit Industry Development Forum & the 31st Integrated Circuit Design Exhibition. The event attracted more than 300 top-tier semiconductor industry players from around the globe. At the exhibition, the SMIC booth drew significant attention from customers and partners, who stopped to hold in-depth discussions. Our global sales and marketing teams precisely matched client needs and highlighted the Company's specialty process platforms, including 28nm, analog, embedded memory, and high-voltage display driver technologies. All parties have firm confidence in the high-quality development of the industry and its cooperation with SMIC in the future. Looking ahead, SMIC will continue to join hands with industry chain partners to advance a new vision for industrial development under the theme "Open Innovation, Shaping the Future".



ICCADC-Expo 2025 Professional Exhibition Venue and SMIC Booth



Information Security

SMIC places a high priority on information security and customer privacy protection, and strictly complies with the national laws and regulations such as of the *Cyber Security Law of the People's Republic of China*. By constructing a comprehensive internal management system and implementing a variety of security education and training activities, SMIC ensures that information collection, security maintenance, and data processing are managed efficiently and controllably at every step of the process.

Information Security Management System

SMIC has established an all-round information security management system, equipped with independent and secure data storage and network environments, and enforces strict controls over information usage in production. The Company strictly adheres to its internal information security policies and extends the scope of management to include third-party partners such as suppliers, customers, and visitors, covering physical security, data security, production area security, and personal information security. During the Reporting Period, SMIC experienced no major cybersecurity incidents or leaks of commercial information. As of the end of the Reporting Period, SMIC's main operating sites had obtained ISO 27001:2022 Information Security Management System certification.

During the Reporting Period

The Company achieved

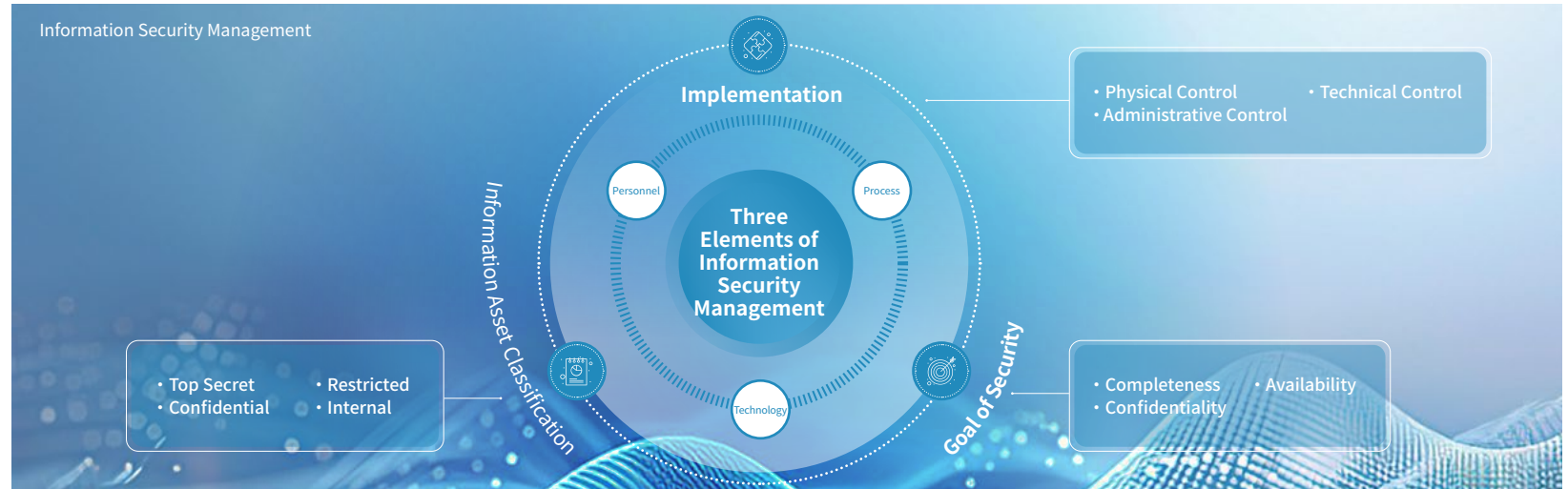
100%

coverage of information security inspections for suppliers.

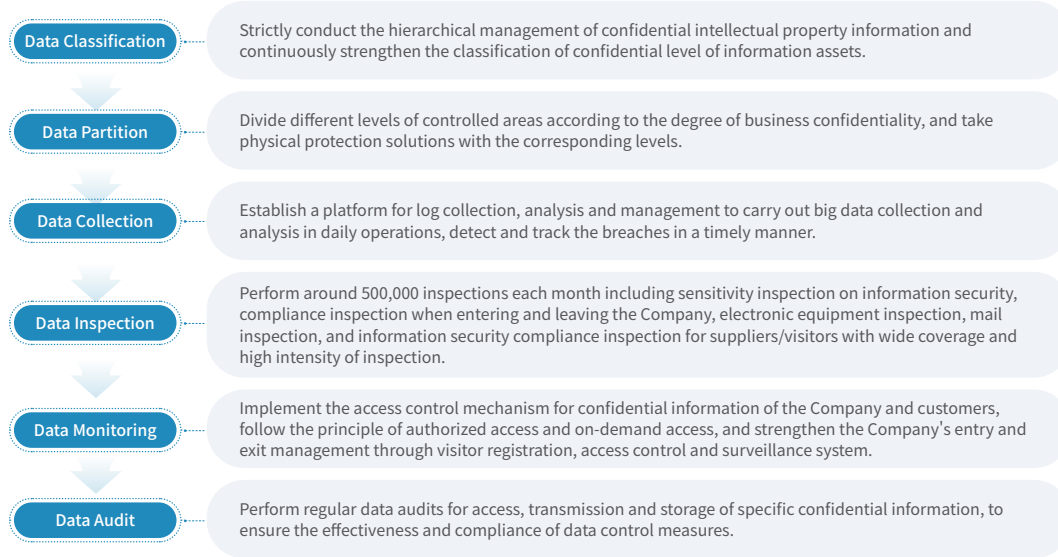
Technology Defense and Monitoring System

To ensure the security, compliance, and availability of the Company's core data assets, SMIC has established a systematic data governance framework and formulated comprehensive data management policies and implementation rules, such as the *SMIC Confidential Information Protection Policy* and the *SMIC Confidential Information Protection Policy Implementation Procedures*.

Leveraging its professional organizational structure, SMIC classifies and controls all data according to sensitivity and business impact, applying tiered access controls based on confidentiality levels. This defines access permissions, storage specifications, transmission encryption, and approved usage scenarios for each data classification. By integrating policy regulation, technical safeguards, and process oversight, we achieve effective end-to-end control of data throughout its lifecycle, ensuring that data serves business development securely and efficiently under full compliance. We continuously strengthen defense-in-depth measures in physical security, access control, and data confidentiality, guaranteeing comprehensive, high-intensity protection of customer information.



Information Security Management Structure at SMIC



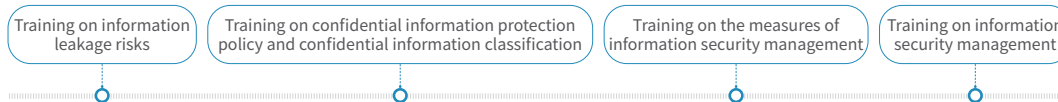
For information security violations, we have established strict corrective measures and contingency plans covering enhanced physical security checks, establishment of emergency response procedures, regular emergency drills, and professional information security training, thereby ensuring the stable operation of the Company's information security systems.

In addition, we have built and refined an intelligent, defense-in-depth platform tailored for the semiconductor manufacturing industry. Through network-wide coordination and AI-powered, big-data analytics, the platform enables the Company to shift from threat-driven passive defense to business-oriented proactive protection. It has realized a closed-loop of intelligent threat detection, analysis, and control, delivering integrated protection against viruses, cyber attacks, and data leakage ("anti-virus, anti-hacking, anti-leakage") for the five key protection targets of industrial internet, and strengthening the effectiveness of technical controls and monitoring systems.

Information Security Training

SMIC places great emphasis on cultivating employees' awareness of information security. Building on our information security policy management framework, we provide regular information security management education and training for all employees. We follow the ISO 27001 Information Security Management System standard, and on that basis continuously optimize the Company's information security communication channels to ensure staff are kept informed of the latest information security policies in a timely manner.

During the Reporting Period, 100% of the suppliers and visitors received information security training, and 100% of new employees and in-service employees received annual training, which included but was not limited to:



Thematic Lecture on AI and Cybersecurity

Case

To address the security concerns arising alongside the widespread adoption of AI technologies, SMIC's BP&IT Department joined forces with external experts this year to organize a thematic lecture on AI and cybersecurity. The session highlighted key considerations for data compliance and privacy protection in the use of AI, not only enhancing employees' security awareness but also clarifying what is permissible and impermissible in technology applications. This effectively mitigated potential risks and ensured the security of the Company's data assets.



Digital Information Security Month

Case

In December 2025, the IT Department organized a Cybersecurity Awareness Month campaign under the theme "Technology Empowers the Core, Security Protects the Core". The event featured a knowledge contest, fun activities, thematic learning sessions, interpretation of laws and regulations, and phishing email drills, engaging all employees in an experiential, competitive, and rewarding celebration of security culture that helped instill safety awareness firmly in their minds.



Digital Information Security Month

Supply Chain Management, Collaborative Growth

SMIC deeply recognizes that a robust, efficient, and responsible supply chain system is not only the foundation for ensuring business continuity, but also a driving engine for the Company to achieve its strategic objectives and lead the industry toward high-quality development. We consistently uphold the principles of win-win cooperation and openness with transparency, establishing and deepening strategic partnerships with suppliers around the world. We have fully integrated ESG principles into the entire supply chain management process, working together with all partners to advance high-quality, sustainable industrial development and to build a secure, resilient, green, and responsible supply chain community.



Supply Chain Management

We have deeply embedded ESG principles into the entire process—from supplier planning, selection, and evaluation to collaborative development—ensuring not only the Company's business continuity and market competitiveness, but also driving the sustainable advancement of the entire industry chain.

Supply Chain Management and Planning

SMIC has established a systematic, tiered supplier management system covering the full life-cycle of suppliers. By continuously refining our management mechanisms, we steadily enhance overall supply chain capabilities, effectively mitigate procurement risks, and ensure the stability and compliance of material supply, thereby building a healthy and sustainable supply chain ecosystem.

In terms of supplier admission, evaluation, and layout, the Company has developed clear supplier management measures. Through strict audit mechanisms, continuous capacity building, and efficient communication, the Company evaluates the status of suppliers, raw materials, parts, software, equipment, service supports, and other quality aspects to ensure stable quality in the production and supply chain, and systematically improve the overall level of the supply chain. At the same time, we deeply embed corporate social responsibility into all aspects of procurement, implement strict compliance control in key processes such as bidding and award, prevent potential violations, and ensure the practice of business ethics.

Supplier Access and Evaluation

SMIC organizes departments such as Quality, HSE, Procurement, and user units to jointly implement the supplier management system, conducting assessments of different categories including production equipment, maintenance parts, raw materials, and facility infrastructure. We have established a sound new and alternative supplier onboarding evaluation mechanism, considering factors such as product quality, service quality, environmental protection, and business ethics, to raise the overall caliber of the supply chain.

SMIC has built a comprehensive supply chain risk prevention and control system, forming a cross-functional joint evaluation team comprising Quality, HSE, Procurement, and user unit representatives to collaboratively enforce the supplier onboarding and evaluation system. This covers materials and services in various categories such as production equipment, maintenance parts, raw materials, and facility infrastructure. We have put in place a thorough onboarding evaluation mechanism for new and alternative suppliers, conducting multi-dimensional assessments from product quality, service levels, environmental protection, and business ethics, with the aim of comprehensively enhancing the supply chain's overall competence and social responsibility performance.

Building a Solid Foundation for Steady Growth

Growing with Nature, Flourishing Together

Driving Innovation, Leading with Quality

Supply Chain Management, Collaborative Growth

Gathering Talent, Advancing Together

Uniting Strength, Care in Action

Appendix

For Supplies in Cooperation

- We conduct regular audits on a semi-annual basis, using a QCDSE (Quality, Cost, Delivery, Service, Environment) multi-dimensional scoring system to comprehensively assess suppliers' performance in quality control, cost management, delivery capability, service levels, and safety & environmental compliance. For suppliers identified with higher assessment risks, we maintain a high-risk material list to enhance the supply chain's ability to respond to and mitigate risks.
- If any project fails to meet our standards or indicator requirements, the supplier must provide an improvement plan and rectify within a specified time limit. Those that refuse to rectify or remain lagged behind after rectification will be removed from the Company's list of approved suppliers.

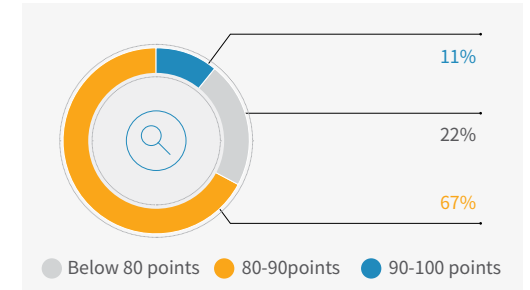
For New Suppliers

- For new suppliers, we provide multi-level quality improvement assistance according to the criticality priority to ensure the quality supply chain. During the Reporting Period, we completed a total of 14 joint quality improvement programs, 18 continuous quality improvement programs and 57 on-site audits.

We employ the Quality System Assessment (QSA) to conduct comprehensive, professional evaluations of suppliers, helping them to continuously improve their quality management capabilities. During the Reporting Period, we carried out 57 on-site supplier audits and held 2 sessions of supplier quality management briefings, covering nearly 60 suppliers and enabling 32 suppliers to achieve effective enhancement of their quality management capabilities. Supplier performance levels remained generally stable, with the proportion of suppliers scoring 80 points or above reaching 78%.

During the Reporting Period, our supplier evaluation results are as follows:

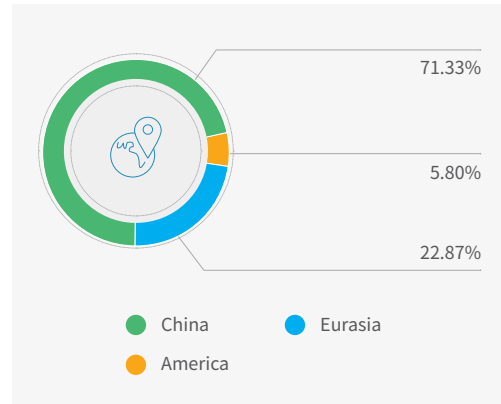
Supplier Assessment Results in 2025



Distribution of Material Suppliers

SMIC emphasizes supplier diversification, actively expanding the geographic distribution of its supplier base to ensure stable raw material supply, mitigate procurement risks, and enhance industry competitiveness.

Regional distribution of the number of SMIC raw material suppliers in 2025



Supply Chain Security

SMIC focuses on building a system that ensures supply chain security and resilience, aiming to address various potential risks. Based on production requirements, we allocate procurement volumes appropriately during the sourcing process, giving priority to suppliers with sound compliance records and stable operations.

At the same time, we emphasize the continuity and reliability of supply sources, and actively promote geographic diversification of suppliers, engaging numerous high-quality manufacturers at home and abroad. This helps reduce concentration risk in any single region and comprehensively enhances the stability and security of the supply chain.

Improving Suppliers' Awareness of Safety Operation

We regularly organize safety training for all supplier construction personnel to ensure they fully understand and comply with SMIC's safety operation standards, thereby safeguarding contractor construction safety and enhancing their safety awareness. The training covers the Company's Health, Safety and Environment (HSE) policies and regulations, site-level safety construction knowledge and requirements, precautions for high-risk operations, and post-incident response procedures. Following the training, a safety assessment is conducted, and only those who pass may enter the site for construction work.

During the Reporting Period

we conducted of supplier HSE training

687 sessions

cumulatively reaching

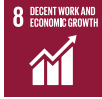
33,556 participants



Enhancing Ethical Compliance Level of Suppliers

We conduct compliance due diligence on suppliers, requiring them to sign the *Supplier Integrity Declaration* and the Supplier Commitment to Corporate Social Responsibility, so as to effectively prevent commercial bribery and malicious fraud and to standardize suppliers' integrity practices. The Company requires suppliers to uphold standards of fair dealing, advertising, and competition, and to protect customer information appropriately and in compliance with applicable rules.

SMIC incorporates suppliers' ESG performance into the cooperation evaluation system, mandating strict compliance with laws and regulations in their jurisdictions of operation and regular self-examination of their own ethics and compliance management systems. At the same time, we actively carry out business ethics compliance reviews, providing targeted improvement recommendations and professional support to suppliers, thereby jointly safeguarding supply chain compliance and sustainability capacity. By the end of the Reporting Period, the Company had completed ethics and compliance audits for 15 suppliers via a combination of online and offline methods, and conducted CSR audits for suppliers. We provided improvement suggestions regarding issues in suppliers' business ethics systems and continued to track the outcomes of their corrective actions.



Gathering Talent, Advancing Together

SMIC firmly believes that employees are the core driving force for sustainability. We provide every employee space to develop freely in a safe and stable workplace with an equal and diversified working atmosphere. Upholding the people-oriented philosophy, we care for the well-being of our employees. During the development of the Company, we continuously improve our welfare system, establish advanced training systems, and set up various employee communication channels. We spare no effort to respond to employees' expectations for a bright future and draw a beautiful blueprint together.

05

- Inclusion of Talent, Co-Creation of Value
- Rights Protection, People-Centric Care



Inclusion of Talent, Co-Creation of Value

SMIC adheres to the people-oriented philosophy, safeguarding employees' fundamental rights and interests and actively fostering an equitable, harmonious, and dynamic workplace environment. We continuously optimize and enhance our talent recruitment and management systems, offering competitive compensation and benefits, and clear career development pathways, promoting the personal growth and development of employees and building a high-caliber and professional talent team.

Recruiting Talents

SMIC strictly abides by the employment laws and regulations, including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Law of the People's Republic of China on the Protection of Minors. We constantly improve our internal employment systems such as the SMIC Employment Policy, the SMIC Employee Recruitment System, and the Implementation Rules of SMIC Campus Recruitment to ensure that the recruitment and hiring processes are compliant, fair, and transparent.

We recruit excellent talents extensively from all over the world through diversified recruitment channels. We provide employment opportunities for talents from different countries, nationalities and cultural backgrounds as well as people with disabilities. We firmly believe that a diversified talent pipeline will help us to fuel innovative capacity into our corporate development, to improve scientific research efficiency, and to better meet the complex and diverse customer demands, thus driving our business growth.

Gender Diversity

Maintaining workplace gender equality while building talent teams.

Function Diversity

Our employees are categorized into operation and production staff, research and development staff, marketing and sales staff, and platform support staff. The diversity of various functions in each business unit enables the sustainability of SMIC.

Age Diversity

We believe that age diversity can lead to beneficial career development of employees.

Region Diversity

Our employees are from more than 10 countries and regions around the world.

SMIC Employee Diversity Philosophy



On-Campus Recruitment

- SMIC attaches great importance to graduates selection. We have been collaborating with major universities to organize on-campus recruitment for many years and have formed a set of virtual recruitment systems combining online and offline activities. To facilitate our campus recruitment, we launched the Campus Ambassador program to help students learn more about SMIC during our talent selection. During the Reporting Period, SMIC has held more than 60 online live broadcasts and presentations, recruiting over 1,200 of outstanding graduates through on-campus recruitment.
- In terms of education background, mostly are students with master's and doctoral degrees.
- In terms of specialty, mostly are from the specialties of electronic information, materials, physics, chemistry, mechanical engineering, optics, and environment.

Social Recruitment

- Based on our business development and current human resources assessment, SMIC has formulated a series of recruitment plans for professionals from all walks of life, and developed multiple recruitment methods and channels, including online recruitment, on-site job fairs and professional headhunting services. In addition, we have also established an internal referral mechanism for high-level talents to boost our high-potential talent pipeline. During the Reporting Period, SMIC recruited over 1,500 outstanding talents through various social recruitment channels.
- Mainly recruited professional talents and high-end experts.

SMIC Employee Recruitment Channels



During the Reporting Period

Our employees were aged on average

32

SMIC recruited more than

2,700

new employees from all over the world

As of the end of the Reporting Period

The number of full-time employees was

19,952

Social insurance signing rate of

100%

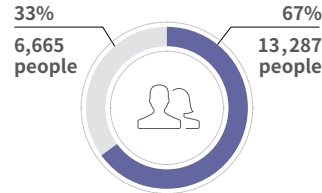
With a labor contract signing rate of

100%



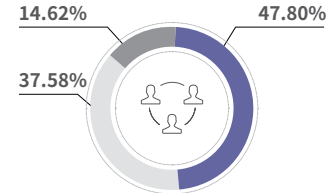
Data of employment diversity are as follows:

Proportion of employees by gender



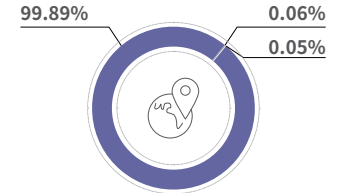
■ Male employees ■ Female employees

Proportion of employees by age



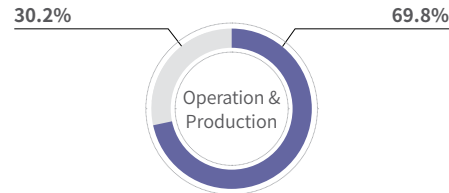
■ Aged 30 and below ■ Aged between 30 and 40 ■ Aged 40 and above

Proportion of employees by region

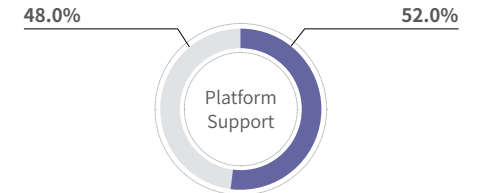
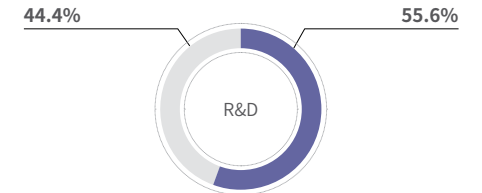


■ China ■ USA ■ Eurasia

Operation & Production



■ Male employees ■ Female employees



Talent Intention

Employees are the most valuable assets of SMIC. We cherish the efforts and contributions of every employee. By reinforcing the financial incentives in our salary system and building a medium- and long-term incentive and restraint mechanism, we provide employees with competitive remuneration and benefits. We constantly deepen employees' sense of belonging and identity to the Company to retain outstanding talents and enhance the core team cohesion as well as our corporate completeness.

The Company listens attentively to the employee voice, being problem-oriented, and actively promote reforms of relevant systems. The Company has introduced various optimization measures such as improving the welfare system and working environment, and broadening career development opportunities to better satisfy the demands and expectations of all kinds of employees. During the Reporting Period, the Company ensured timely and full payment of employee salaries and adhered strictly to national regulations by contributing to social insurance and housing provident funds. Notably, there were no significant labor disputes or personnel changes. The overall voluntary employee turnover rate was 9.6% during the Reporting Period, details on employee turnover distribution are as follows:

- Employee turnover by region: 99.8% in China, 0.2% in America, and 0.0% in Eurasia
- Employee turnover by gender: 72.9% in male; 27.1% in female
- Employee turnover by age: 55.5% aged 30 and below, 39.7% between 30 and 40, and 4.8% aged 40 and above

Employee Compensation

Based on employees' positions, capabilities, and performance, the Company remunerates its employees through a compensation structure consisting of fixed salary plus performance-based rewards. Among these, the fixed salary is the portion that employees are entitled to receive on a fixed basis in accordance with their job nature, attendance, and other relevant factors. Performance-based rewards are granted based on the Company's economic performance and individual employee performance, and are issued after assessment in accordance with the relevant policies and procedures. In compliance with applicable national and local regulations, the Company contributes to social insurance and housing provident funds for all employees in active service, and additionally provides employees with a wide range of welfare benefits, including company-paid annual leave, commercial insurance, subsidized rental housing, meal allowances, and others.

Share Incentive

In order to create a mechanism for sharing benefits between employees and owners, achieve consistency in the interests of the Company, shareholders, and employees, attract and retain outstanding management talents and business backbone, enhance employee cohesion and competitiveness, the Company has introduced the A-share long-term incentive mechanism on the basis of the Hong Kong Stock Equity Incentive Plan, and implemented the Class II restricted stock incentive plan on the Science and Technology Innovation Board in 2021, constructing and continuously improving a comprehensive compensation system, Ensure the achievement of the Company's long-term strategic goals. The Company's incentive targets include senior management, core technicians, middle and senior business managers, technical and business backbone personnel. On July 19, 2021, the Company granted 67.5352 million shares to the incentive recipients for the first time, benefiting a total of 3,944 employees; on June 21, 2022, we granted 8.1152 million reserved shares to a total of 1,175 incentive recipients. The Company will complete the phased vesting of the granted shares as planned for the purposes of motivating and retaining talents.

On July 19, 2021, the Company granted

67.5352 million

shares to the incentive recipients for the first time

On June 21, 2022, the Company granted

8.1152 million

reserved shares

Dedicated awards

Dedicated awards are granted to motivate teams and individuals to drive cost optimization and revenue growth by adopting innovative ideas.

Long Service Employee Incentive

The Company granted long-term service souvenirs to employees who have completed 5, 10, 15, 20 and 25 years of continuous services at the Company, in recognition of their created value and contribution to the development of the Company and to enhance their sense of belonging and honor.



Career Development

SMIC always believes that shaping and presenting of employees' personal value is an important component of the Company's overall value. We provide employees with a well-established training system, and comprehensive supporting resources. Moreover, we have designed a variety of career paths for employees, including career development paths, rapid development channel, and two-way development channel.

Career Development Path

Benchmarking with world-class companies for a long time, SMIC has launched and optimized our career ladder system. We have presented complete and clear career paths for employees by continuously improving our five sequences of positions.

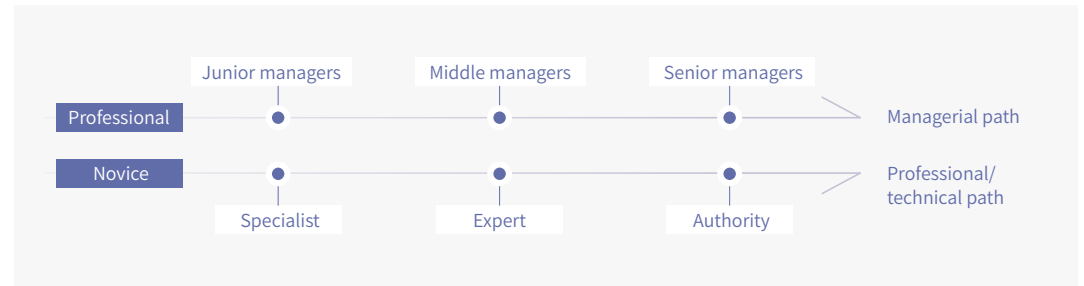


Rapid Development Channel

The Company has launched a rapid development program in the technical sequence, aiming to build a rapid development channel, attract talents with great potential, and cultivate a group of high-level technical experts through a targeted training mode.

Two-way Development Channel

The Company has established a two-way career development channel for managerial and professional/technical talents, supported by corresponding systems and incentive measures, enabling employees to grow together with SMIC.



Vertical Development Channel - Promotion

The Company provides promotion opportunities for employees with excellent performance and abilities, and offers incentives in terms of salary, bonus, and development opportunities.

Horizontal Development Channel - Transfer

The Company publishes internal recruitment information on the intranet according to its business needs for employees to apply for based on their personal career plans, interests, and strengths. The horizontal development channel can fully mobilize the employees' initiative and enthusiasm, and optimize the Company's human resources allocation.

Career Development Booster

SMIC values talent training. We have launched diversified talent training solutions based on different business demands and employees' potential, and built a complete internal training mechanism, firmly guaranteeing a shared, high-quality development between employees and the Company through career development boosters such as leadership training courses, online learning platforms, and further education programs.



During the Reporting Period, the Company provided employees at different positions with a variety of training programs for all-round skills enhancement, including expertise and teamwork, to enable better employee development.



Supervisor Training Camp	Enable supervisors at the grassroots level to better complete role recognition and transformation and enhance their sense of responsibility for team motivation and cohesion, so as to help organizations achieve business goals
Frontline Team Leader	Help frontline team leaders improve their production line skills to enhance their managerial and collaborative capabilities
Management Trainee Program	Targeting high-performing employees with management potential across all organizations within the Company, the program aims to cultivate a leadership pipeline through a two-year project-based development initiative, continuously strengthening the reserve of future managers and supervisors
Production Assistan	Help production assistants to adapt to their teams quickly through "WAAT –We are a Team" bootcamps and mentor training camps, to enhance managerial and collaborative capabilities across frontline teams
Technical Trainee Program	Through a four-stage training scheme over three years, foster out-standing fresh graduates into young technical backbones, thereby forming a solid talent pool
Fresh Graduates	Organize training camps for fresh graduates to imbue them with the cultural values of the Company, and strengthen their teamwork and general abilities
Senior Key Employee	Offer online courses on general competencies for employees independently and flexibly to improve their overall occupational literacy

As of the end of the Reporting Period, the employee training data of SMIC was as follows:

The number of courses provided by the Company over	Total employee training attendance	Per employee training	
4,600	595,013	44.5 hours	
Course duration	Average training hours of R&D personnel	Average training hours of production personnel	Average training hours of sales personnel
900,000+ hours	35.8 hours	47.3 hours	17.3 hours
Average training hours of platform support personnel	Average training hours of female employees	Average training hours of male employees	Training coverage
29.2 hours	33.4 hours	49.3 hours	100%

To enable employees to learn at any time, the Company has established an online E-learning platform. In 2025, we continued to upgrade and optimize the course content and training system of the platform to meet the development needs of employees in the new era. By the end of the Reporting Period, the online platform had provided over 4,300 courses, including knowledge on semiconductor technology.

Online learning platform - The number of views by employees

500,000+

The number of articles published on knowledge management system (KMS)

581



Rights Protection, People-Centric Care

SMIC respects and safeguards employees' rights and interests by establishing a comprehensive welfare system, organizing a series of consolation and recreational activities, striving to achieve a harmonious and mutually beneficial vision with employees. We continuously focus on the physical and mental well-being of employees, making every effort to prevent occupational health risks and endeavoring to create a safer, healthier working environment.

Employee Rights and Interests

SMIC strives to fully protect the rights and interests of employees in strict accordance with labor-related laws and regulations in the places where we operate, including:

- 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 Women's Rights and Interests
- Special Rules on the Labor Protection of Female Employees
- Law of the People's Republic of China on the Protection of Minors
- Trade Union Law of the People's Republic of China

We have formulated and improved the following regulations for internal management:

- SMIC Management Procedure of Labor and Human Rights Objectives
- SMIC Risk Assessment and Prevention Procedure of Labor and Human Rights
- SMIC Identification and Update Procedure of Labor and Human Rights Related Laws and Regulations
- SMIC Internal Audit and Corrective Procedure of Labor and Human Rights
- SMIC Employment and Protection Procedure of International Juvenile Employees and Interns
- SMIC Supplier Verification Procedure of Labor and Human Rights

Based on the Responsible Business Alliance (RBA) Code of Conduct and SA 8000 principles, SMIC has established and continuously improved its labor rights management system. We have formulated clear policies to prohibit and prevent the employment of child labor or any form of forced labor, and fully implemented labor rights regulatory requirements that have a material impact on the issuer, with the commitment to providing all employees with an equal, healthy and free working environment.

During the Reporting Period, SMIC did not experience any disputes related to forced labor.

Employee Welfare

SMIC has established a holistic benefits system for employees to provide them with comprehensive and multi-dimensional welfare such as sick leave, paid leave, and physical and mental health care. According to relevant national and local laws, SMIC pays social insurance such as pension, medical care, work-related injury, maternity, and unemployment for in-service employees.



SMIC Employee Welfare System

SMIC places a high value on the communication and exchange with employees. We have built various communication channels and feedback mechanisms for employees, enabling them to express their willingness and needs in different situations, and encouraging them to make suggestions for the development of the Company.



Work security

Safety is the red line, baseline and lifeline of enterprise operations. SMIC consistently upholds the principle that "safety responsibility weighs heavier than mountains, and safe production allows no trivial matters". In step with the issuance of the *Three-Year Action Plan for Addressing Root Causes and Tackling Key Safety Challenges (2024–2026)* by the Work Safety Committee of the State Council, the Company closely follows policy guidance and, within the overall framework of the three lines of defense — "addressing root causes, tackling key challenges, and driving improvement" — focuses on three aspects: laying a solid foundation for intrinsic safety, improving employees' skill quality and strengthening the rigor of system implementation. We resolutely embed safety requirements into every link of our operations, actively advance the shift of prevention forward, moving from "remediation after incidents" to "control at source", thereby laying a solid foundation for safety. We have established the occupational health and safety assessment metrics and objectives at the group level, which is implemented progressively on an annual basis to effectively safeguard employees' life safety and physical and mental well-being, achieving coordinated progress between corporate development and employee welfare. The SMIC Health, Safety, and Environmental (HSE) Risk Incentive Program was implemented for the first time in 2025 to strengthen managers' accountability, with corresponding incentives awarded based on annual performance evaluation results. During the Reporting Period, the Company invested RMB 26,358 thousand in employees' work injury insurance, covering 100% of employees.

The Company strictly complies with the ISO 45001 international standard for occupational health and safety management systems, and has established and continues to refine a safe and reliable occupational health and safety management system. We have made solid progress in developing safety standardization, having established and continuously optimized a dual-prevention mechanism integrating risk classification control and hidden-hazard investigation and rectification. To thoroughly eliminate hazards and build a healthy and safe working environment, we have implemented a full-process, all-round system for risk identification, assessment and control, supported by corresponding rules and regulations. We rigorously enforce the principle of "three controls and three musts", have established a digital traceability and dynamic monitoring mechanism, and fully consolidated the enterprise-wide safety production responsibility system to effectively prevent and control all types of occupational health and safety risks. We proactively advance the shift of prevention forward by prioritizing equipment with intrinsically safe design, carrying out routine safety inspections and hazard identification, and implementing predictive and preventive maintenance, thereby consolidating intrinsic safety fundamentals and strictly controlling operational risks. In addition, the Company reviews and updates the list of occupational health hazards on an annual basis, and commissions third-party institutions to conduct workplace hazard factor testing. During the Reporting Period, hazard factor levels at all testing points were within the limits specified by national standards.

Laying a Solid Foundation for Intrinsic Safety

- **Strict Equipment Selection and Design:** Comply with the SEMI S2 standards and give priority to equipment with intrinsic safety designs (such as automatic shutdown on failure).
- **Promote Automation and Predictive Maintenance:** Deploy process automation control systems (PAC) to reduce human - error; use predictive monitoring technologies to detect equipment failures in advance.
- **Strengthen the Redundancy Assurance of Key Systems:** Equip with diesel generators, uninterruptible power supplies (UPS), and adopt redundancy designs for key systems such as power, water, and gas.

Improving Employees' Skill Quality

- **Carry out Tiered and Function-specific Targeted Training:** Implement safety training programs and activities covering all levels and functions to enhance employees' safety awareness and skills.
- **Create a Deep-rooted Safety Culture:** Through three-level education, emergency drills, case studies, and other activities, firmly establish the concept that "A hazard is an accident waiting to happen" and implant the safety awareness.



Strengthening the Rigor of System Implementation

- **Continuously Improve the System:** Based on accident analysis, systematically revise standard operating procedures (SOP) and environmental, health, and safety (EHS) systems to prevent human error.
- **Deepen the Dual Prevention Mechanism:** Through strict supplier source control and regular special hazard investigations, achieve risk closed-loop management
- **Implement Intelligent Monitoring and Regular Inspections:** Rely on a 24/7 intelligent monitoring system to enable automatic error prevention and rapid response. Implement regular inspections to achieve real-time, dynamic coverage and monitoring of the entire factory area.
- **Promote Hazard Governance by All Employees:** Through campaigns like "Search for Potential Safety Hazards", encourage employees to actively report hazards and form a safety culture involving all employees.

Building a Solid Foundation for Steady Growth

Growing with Nature, Flourishing Together

Driving Innovation, Leading with Quality

Gathering Talent, Advancing Together

Rights Protection, People-Centric Care

Uniting Strength, Care in Action

Appendix

As of the end of the Reporting Period, all operating facilities of the Company had established an ISO 45001 Occupational Health and Safety Management System.

To continuously enhance employees' safety awareness, the Company conducts regular safety education and communication through a combination of online E-Learning and offline practical training, and reinforces safety reminders in key areas via targeted training sessions, guiding employees to remain vigilant at all times. Over the past three years, no work-related fatalities occurred among the Company's employees. During the Reporting Period, the Company recorded a total of six reportable injury incidents, with a work-injury rate of approximately 0.03 per hundred employees.

During the Reporting Period

We invested

RMB 26,358 thousand

in employees' work injury insurance

With a work injury rate of approximately

0.03 per hundred employees

Safety Culture Development

To safeguard the safety of both employees and contractors, SMIC continuously carries out the formulation, filing and updating of emergency response plans across all facilities. The content of these plans is regularly refined and optimized, and through systematic safety training, communication and practical drills, the Company steadily enhances the emergency response capabilities of employees and contractors in the event of an incident.

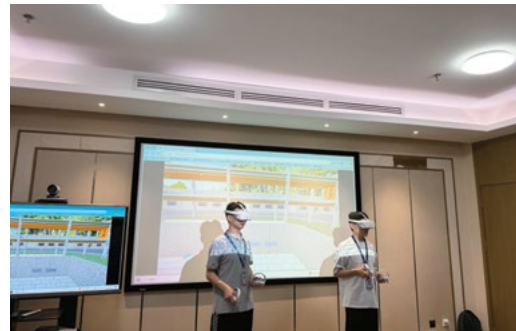
We actively conduct employee safety training and emergency drills, inviting internal and external experts to deliver instruction and guidance. Training topics cover the use of personal protective equipment, operation of firefighting and emergency equipment, HSE fundamentals, as well as practical exercises such as emergency response procedures and realistic fire simulations. For contractors, SMIC likewise implements comprehensive safety training, including site entry safety briefings, regular contractor coordination meetings, safety education prior to returning to work after holidays, and specialized training sessions, so as to ensure sustained protection of on-site operational safety. In addition, the Company fully recognizes that the depth of management's understanding of safety directly determines the foundation of the enterprise's safety culture. Accordingly, we organize dedicated HSE protection training for senior leaders, promoting the comprehensive implementation of safety concepts and sense of responsibility from top to bottom, thereby strengthening the leadership foundation for the Company's safe development. During the Reporting Period, the Company conducted a total of 2,350 safety-related training sessions, covering 243,278 participants; it also carried out 823 emergency drills, covering 47,206 participants.



SMIC Safety Production Month

Case

In June 2025, following the national Work Safety Month theme of "Everyone Talks Safety, Everyone Can Respond — Identify Hidden Hazards Around You", SMIC's HSE Department systematically carried out activities including hidden-hazard identification, safety promotion "Three Advances", and Safety Consultation Day. The Company enhanced employees' risk identification capabilities through VR simulations, accident case education and other methods, and promoted safety concepts into departments, work teams and worksites via brochures, pre-shift micro-learning sessions and supervisor patrols. With the support of external experts, hidden-hazard investigation and rectification were continuously deepened, and employees' safety awareness was comprehensively strengthened, building a robust safety shield for staff health and corporate development. A total of 45,899 participants took part in this year's "Safety Month" campaign, covering eight factories in Shanghai, Beijing, Tianjin, Shenzhen and other locations.





2025 Senior Leadership Safety and Environmental Protection Training

Case

To enhance the Company's safety management capabilities, the Group HSE Department held its first "Senior Leadership Safety and Environmental Protection Training" on July 19, 2025. The training was conducted via video link, with a main venue in Shanghai and branch venues in Beijing, Tianjin and Shenzhen. Dr. Liu Xunfeng, Chairman of the Company, delivered the opening address and mobilization speech, and invited experts from the Shanghai Municipal Emergency Management Bureau and the Shanghai Chemical Industry Association were specially engaged as instructors. First- and second-level supervisors and relevant management personnel participated both online and on site. Following the training, each department promptly communicated the key messages and carried out safety inspections in priority areas, effectively strengthening the Company's safety defenses.



Specialized Training Series on Methods for Using Emergency Flushing Solutions for Chemicals

Case

This specialized training series, organized by SMIC's health centers nationwide, is a mandatory course for employees in positions involving contact with chemicals such as acids, alkalis and organic solvents. It aims to systematically instruct participants in the standardized use of emergency flushing solutions and accident response protocols, thereby effectively reducing the risks of chemical burns and poisoning. The training combines online and offline formats, incorporating hands-on demonstrations and online assessments to ensure that trainees master practical skills. In 2025, a total of 30 sessions were conducted, covering 3,747 participants. Through simulation drills and evaluations, employees demonstrated significant improvements in their knowledge and practical capabilities regarding chemical leak emergency response, proper use of flushing solutions, and on-site protection.



Headquarters Emergency Response Center Officially Commences Operations

Case

On 31 December 2025, the Headquarters Emergency Response Center of SMIC was officially put into operation. Construction of the Center began in June 2025, with the objective of advancing the digitalization and intelligent transformation of the Company's safety management. At the inauguration ceremony, Dr. Liu Xunfeng, Chairman of the Company, emphasized that the Center should be guided by practical application, data-driven management and cross-functional coordination, serving as the "neural hub" for safe and stable operations.



The Headquarters Emergency Response Center integrates multiple functions, including safety, production, environmental protection and emergency management. Through a comprehensive management platform, it enables real-time connectivity of enterprise-wide data, panoramic visualization of safety conditions, multidimensional decision-support analysis and efficient coordination of emergency dispatch. The platform addresses previous challenges such as fragmented data and insufficient visualization capabilities. The Company will leverage AI technologies to further enhance early-warning and decision-making capabilities, strengthening the safety foundation of intelligent manufacturing and setting a new benchmark for industry safety standards.

Prevention of Occupational Diseases

In order to safeguard employees' occupational health and safety and effectively prevent and control the risk of occupational diseases, SMIC has strictly complied with the relevant provisions of the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and arranged for employees in positions exposed to occupational hazard factors to participate in periodic occupational health examinations. In 2025, 5,755 employees underwent occupational health examinations, and 10,522 employees received general health screenings, with both occupational examination and health records achieving 100% coverage.

In 2025

a total of

30

sessions were conducted

covering

3,747

participants



Safeguarding Employees' Physical Health

SMIC has always adhered to the people-oriented philosophy and placed high importance on the physical and mental well-being of its employees, actively building a comprehensive, multi-tiered employee care system. We continue to advance the "Love Care Card" program, which provided employees and their families with services such as green-channel outpatient appointment booking, accompanying medical visits, hospitalization assistance, surgical support, medication procurement on behalf of patients, and emergency visit accompaniment, effectively addressing urgent and difficult issues encountered by employees in both work and daily life. As of the end of the Reporting Period, a cumulative total of 795 Love Care Cards had been issued, with 112 uses recorded, and a service satisfaction rate of 97%.

SMIC has established health centers at each fab, staffed by experienced medical professionals and furnished with basic medical facilities, providing employees with convenient, efficient and free medical services as well as emergency medical assistance; common illnesses can be diagnosed and treated within the Company. In 2025, the health centers received a total of 40,524 visits for health consultations and treatment.

The Company actively organizes both online and offline health promotion activities aimed at disseminating health-related knowledge, strengthening disease identification and early warning capabilities, and comprehensively improving employees' physical and mental well-being. Event themes covered a broad range, including "Women's Health Management Day", "Care for Heart Health – Digital Medical Free Clinic", "Love Your Spine, Build Spinal Health", "Chinese Health Festival Free Clinic", "National Teeth-Loving Day Free Clinic", "Weight Management Campaign", and "Understanding Pulmonary Nodules". In 2025, a total of 23 offline health promotion events were held across all sites, and 46 online or offline health education tutorials were released, with cumulative participation exceeding 3,032 attendees.

2025 Weight Management Campaign Case

Addressing employees' concerns regarding weight and metabolic health, SMIC launched a 28-day specialized weight management campaign in November 2025. Based on BMI assessments and scientific health principles, the campaign employed diverse formats—including Baduanjin (eight-section brocade) classes, nutrition lectures and prize quizzes—to guide employees in establishing scientific health concepts and enhancing self-management capabilities, receiving enthusiastic response. Responding concretely to health needs, the Company installed nine additional body weight and body fat analyzers across all factories during the year, enabling employees to monitor their metrics in daily life. In addition, WS-brand spectrum therapy devices were provided to assist employees in relieving common discomforts such as neck and shoulder pain and soft tissue injuries, offering rehabilitation support.

Renji Hospital Internet Hospital "SMIC Cloud Consulting Room" Case

To address employees' challenges of long waiting times for medical appointments, frequent trips for examinations, and high time-cost pressures, the Company fully leveraged existing medical resources and joined hands with Renji Hospital to create a digital innovation healthcare cooperation platform—the "Renji Hospital Internet Hospital SMIC Cloud Consulting Room". The Cloud Consulting Room was officially launched on September 2, 2025, and currently offers three core service windows: "Blood Testing", "Ambulatory Electrocardiogram (ECG)", and "Ambulatory Blood Pressure". The "Ambulatory ECG" and "Ambulatory Blood Pressure" windows operate around the clock, enabling employees to complete tests remotely, with corresponding hospital reports issued by the relevant departments of Renji Hospital. As of the end of the Reporting Period, the service had accommodated 13 blood testing appointments and 16 ambulatory ECG and blood pressure examinations.

Emergency Equipment Configuration and Training

In 2025, SMIC added 99 chemical emergency boxes and 3 Automated External Defibrillators (AEDs) across all factories. As of the end of the Reporting Period, a total of 201 first aid kits, 527 chemical emergency boxes and 39 AEDs were available in all fabs.

Cardiopulmonary Resuscitation (CPR) Training and Casualty Handling Competition Case

To enhance employees' first-aid awareness and rescue capabilities, each manufacturing site organized CPR training courses and casualty handling competitions. The activities aimed to equip employees with essential emergency care knowledge, CPR procedures, AED usage and other first-aid skills, thereby effectively strengthening their on-site emergency response and handling abilities. From May to June 2025, SMIC and its subsidiaries conducted training for all staff using a combined approach of video learning plus simulated practice and assessment, attracting a total of 3,257 participants; among them, 422 took part in the CPR practical competition. This initiative significantly improved employees' emergency rescue knowledge and hands-on skills.

From May to June 2025

SMIC and its subsidiaries conducted training for all staff using a combined approach of video learning plus simulated practice and assessment, attracting a total of

3,257
participants

among them,

422
took part in the CPR practical competition

Caring for Psychological Health

SMIC places great emphasis on employees' psychological health and continuously supports them in strengthening their psychological capital. With 7 psychological counseling rooms, 3 psychological activity rooms and 1 featured psychological reading room established across multiple locations nationwide, the Company has carried out a series of online and on-site activities and provided training to help employees acquire psychological health knowledge and enhance their personal capacity for psychological self-regulation.

The Company conducts an annual "psychological examination" for all employees, using professional psychological assessments to help them understand their own psychological status and strengths. In 2025, a total of 5,507 employees participated, enabling "early prevention, early detection and early intervention" for potential psychological risks.

To foster a positive and healthy psychological culture, the Company regularly publishes a mental health magazine titled "Voice of the Mind" on the event bulletin board of its official website each month, which has attracted considerable attention from employees. The internal network platform features a dedicated column named "Psychological Assessment and Health", which published 87 psychological articles over the year, effectively helping employees recognize their psychological states and guard against psychological risks.

"Hello, My 'Emotion Friends'": 2025 Mental Health Month Series Activities

Case

From October to November 2025, the Company held a Mental Health Month promotional campaign under the theme "Hello, My 'Emotion Friends.'" The activities comprised a total of 30 events, including prize-based quizzes, immersive emotion interaction exhibitions, AI-powered mental health assessments, free clinics with psychiatric specialists, and various psychological group salons, drawing cumulative participation of approximately 6,000 attendees. Guided by professional counselors, employees learned how to notice, listen to, express and respond to emotions, gaining deeper insight into the meaning of emotions, so as to better manage them, enhance psychological well-being, and jointly foster a harmonious and positive workplace atmosphere.

Organized

30

mental health month campaigns

With a total of

6,000+ people participated



"Sweet Sleep Every Night, Radiant Joy Every Day": 2025 World Sleep Day Series Activities

Case

In March 2025, the Company held the "Sweet Sleep Every Night, Radiant Joy Every Day" Sleep Day series activities. For the first time, a 7-day online sleep check-in plan was launched, helping employees systematically record and analyze their daily routines so as to explore personalized approaches to improving sleep. The series also included a variety of interactive programs — totaling 16 events — such as expert free clinics, sleep health assessments, mindfulness experiences with relaxation chairs, expressive arts therapies including painting and music, and Tai Chi wellness sessions for physical and mental healing, attracting nearly 4,000 participants in total. Various subsidiaries thoughtfully prepared a range of sleep-support items, such as white-noise night lights, integrating scientific sleep concepts into employees' daily lives. Through this series of activities, the Company effectively raised employees' awareness of sleep quality, assisted them in improving their physical and mental well-being, and boosted workplace vitality.



Psychological Health Training

In 2025, the Psychological Care Department carried out systematic and diversified thematic activities focused on employees' psychological health. Throughout the year, a total of 82 on-site mental health training sessions and 50 various interesting group salons (in the forms of reading activities, OH card group salons, sand tray group salons, meditation relaxation groups, mindfulness salons, grief counseling groups, among others) were organized, with cumulative participation reaching 5,464 employees. We continued to roll out a wide range of specialized training sessions, such as:



For new hires, building on the "Journey of the SMIC, Challenge of the SMIC" onboarding adaptation courses offered across all locations, the Company has specially added the themed course "From Stress to Vitality" to help newcomers quickly adapt to the fast-paced workplace environment, transform pressure into motivation and elevate their state of mind.



For business teams, the Company continues to deliver "Psychological Management for New Generation Employees" training, enabling teams to identify and support the growth needs of younger staff at an early stage.



For the management team, a dedicated "Psychological Management for New Generation Employees" course has been developed to help managers understand the mindset of new generation employees and build harmonious teams.



In 2025

The Psychological Care Department has organized on-site mental health training sessions

50

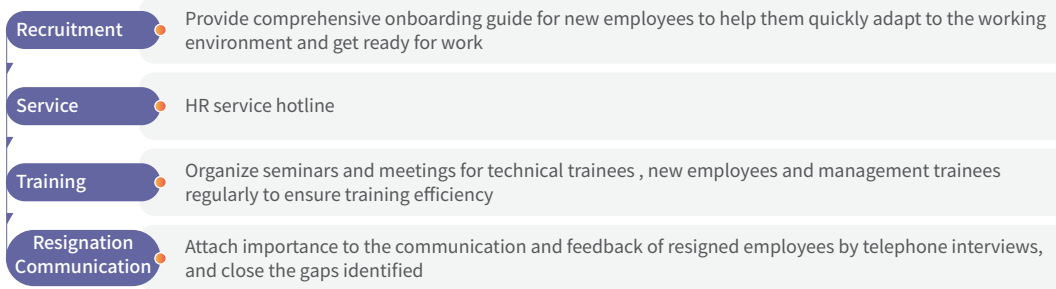


Caring for Employees

SMIC always places employee care at the forefront of its corporate development strategy. We are committed to building a systematic, multi-dimensional employee support system. By establishing open and effective communication mechanisms, implementing employee condolence and welfare programs, and continuously improving living facilities, we have taken concrete actions to strengthen employees' sense of belonging and well-being. At the same time, the Company actively organizes a wide range of cultural and sports activities to enrich employees' leisure life, enhance team cohesion, and foster a positive, caring and mutually supportive organizational atmosphere.

Communication with Employees

SMIC places great emphasis on communication and interaction with employees, and has established diversified, regular communication channels and feedback mechanisms to encourage employees to actively participate in enterprise management and contribute insights and suggestions for the Company's development.



Communication Channels for Employees in Different Contexts

SMIC places a high value on the communication with employees. We have built various communication channels and feedback mechanisms for employees, enabling them to express their willingness and needs in different situations, and encouraging them to make suggestions for the development of the Company.



Different Types of Communication Meetings

During the Reporting Period, SMIC held several communication meetings with different types of frontline staff:

Executive Communication Meeting

Company-wide executive communication meetings were held in February and August 2025, respectively, aimed at summarizing work in stages and making clear requirements for future work.

Communication Meeting with Frontline Engineers

In order to enhance the stability and enthusiasm of engineers, and strengthen team unity and cohesion, we held the Communication Meeting with Frontline Engineers, at which engineers expressed their opinions freely to identify gaps and share ideas regarding the front-line work, laying a solid foundation for the high-quality development of the Company.

Solicitude Benefits

SMIC effectively implements national laws and regulations, establishes Labor Unions and related management systems, and ensures employees' rights to participate in democratic management and supervision. During the Reporting Period, the Labor Union organized several caring activities, such as New Year's Eve Condolences, Women's Care, and Summer Cooling Support, which enhanced employees' sense of belonging and happiness.



Solicitudes at New Year's Eve

Case

On the day of Chinese New Year's Eve in 2025, SMIC Labor Union held condolence activities jointly with factories across all locations. Targeting employees on duty during the holiday, we organized lucky draws for red packets and other events, conveying the Company's sincerest New Year wishes on behalf of the organization, delivering warmth from the enterprise, and ensuring orderly operation of all tasks during the festival period, so that employees could work with peace of mind and celebrate in a heartwarming atmosphere.



Festival Solicitudes

Case

Throughout 2025, SMIC Labor Unions across all locations continued to carry out warm condolence activities on important festivals and occasions such as the Spring Festival, International Workers' Day (May 1), Dragon Boat Festival, Mid-Autumn Festival, National Day, and employees' birthdays, enabling staff to genuinely feel the Company's care and collective warmth, inspiring them to devote themselves to work with greater enthusiasm, and jointly advancing the Company's development.



Women's Care

Case

On International Women's Day 2025, SMIC Labor Union held a series of themed activities for the occasion. Labor Unions across all locations carefully prepared festive gifts for all female employees, organized multiple women-focused courses and lectures, and conducted selection and commendation of outstanding female employees, expressing care and respect in every aspect. While enriching female employees' intellectual and cultural life, these initiatives enhanced their sense of happiness and cohesion, highlighted the strength of women, and contributed to the Company's joint development.



Sending Coolness in Summer

Case

The Company's management team attaches great importance to summer production safety and the protection of employee health. During the high-temperature period of summer 2025, Labor Unions across all locations went deep into the grassroots to carry out "Summer Cooling Support" activities, visiting relevant units and distributing heatstroke prevention supplies. They conscientiously conducted condolence visits and earnestly implemented high-temperature care and labor protection measures to ensure employees' physical and mental well-being and operational safety, thereby providing strong support for the Company's stable summer production and supply assurance.



Recreational and Sports Activities

SMIC cares about the life of employees, builds a platform for employees to showcase their talents, organizes various recreational and sports activities to enrich the leisure life of employees and harmonize labor-management relations.



Trade Union Sports and Arts Association Series Activities and Competitions

Case

To enrich employees' leisure life and enhance team cohesion and collaborative spirit, Labor Union sports and arts associations across all locations organized regular training sessions and held competitions in table tennis, badminton, basketball, football, billiards, and fun runs, while actively selecting teams to take part in district- and city-level leagues, showcasing the positive image of employees. SMIC Labor Union continued to strengthen the development of its sports and arts associations, providing employees with platforms for fitness and interaction, facilitating cross-departmental communication, boosting team cohesion, and fostering a more harmonious, united, and vibrant corporate culture.



Festive Activities

Case

Throughout 2025, Labor Unions across all locations held numerous festive activities, including New Year welcome parties, lantern riddle guessing for the Lantern Festival, and themed lectures for International Women's Day. With rich and diverse formats, these events saw active participation and enthusiastic responses from employees. While spreading warmth and joy, they fostered a sense of togetherness and unity, bringing staff together in celebration and jointly creating a vibrant festive atmosphere.



Celebrating 25 Glorious Years, Embarking on a New 2.0 Era - SMIC's 2025 Autumn Sports Meeting

Case

SMIC's 2025 Autumn Sports Meeting, under the theme "Celebrating 25 Glorious Years, Embarking on a New 2.0 Era", was successfully held on October 19, 2025, at the sports ground of the Middle School Section of SMIC School. The event attracted participation from over 1,200 employees from across the group. Colleagues from Shanghai, Beijing, Tianjin, and Shenzhen formed six competing teams. Upholding the principle of "safety first, friendship second, competition third", the athletes enthusiastically engaged in the events and interacted in a friendly manner, fully demonstrating the Company's spirit of unity, collaboration, and vigorous enterprise.



The Voice of SMIC

Case

In August and November 2025, SMIC Labor Union held the "SMIC Voice" Singing Competition in Tianjin and Beijing respectively. Employees from different factories and departments enthusiastically participated and performed on the same stage, pursuing "SMIC dreams" through song and paying tribute to the "SMIC journey" with passion. The event brought people together and lifted morale through music, inspiring all employees to strive toward the Company's development goals with renewed enthusiasm and high spirits, and jointly composing a new chapter for the future of SMIC.





"SMIC Wonder Day" & Employee Carnival

Case

In 2025, SMIC Shenzhen and SMIC Tianjin labor unions held distinctive employee activities respectively. SMIC Shenzhen's Labor Union staged the "Heartbeat & Wonder Day" at Xichong Resort, featuring a three-dimensional program of professional competitions, featured experiences, and a "Heartbeat Market", which attracted over 1,500 employees and family members. SMIC Tianjin's Labor Union hosted the "Passing the 'Core' Flame · Infinite Brilliance" carnival at Wojia Theme World Park, blending parent-child interaction, technological exploration, and cultural experiences to convey the Company's warmth. These initiatives not only enriched employees' lives but also strengthened family identification, closely linking staff, families, and the Company, thereby effectively enhancing employees' sense of belonging and well-being.



Youth Social Events

Case

In 2025, SMIC Labor Union carefully planned and organized a variety of social events with rich themes for the Company's single young employees. By partnering with enterprises in different industries, we created a cross-organization and cross-industry communication platform for young talent, aiming to help employees broaden their social circles, promote interaction, relax after work and make new friends, thereby further strengthening their sense of belonging and enhancing the Company's cohesion.



Commemorative Gift Distribution for SMIC's 25th Anniversary

Case

In 2025, marking the 25th anniversary of SMIC's founding, the Company is entering a brand-new 2.0 era with vigorous momentum. To express gratitude for the unwavering companionship of all employees, SMIC Labor Union specially customized a 25th Anniversary commemorative tea set gift box and presented it to every member of the workforce. This gift is both a tribute to every contributor and a way to pass on the "SMIC Spirit" through moments of tea sharing and exchange, inspiring all colleagues to continue working hand in hand and embark together on the next brilliant chapter of the "SMIC journey".



Living Facilities

SMIC actively practices the core philosophy of "Building a fab is also building a home" and is committed to creating an all-round environment where employees can work efficiently and live happily, thereby enhancing their work experience and quality of life. To achieve this goal, the Company fully takes into account employees' living needs, providing comfortable living quarters, nutritionally balanced dining services and convenient commuter shuttle buses, and continuously improving the overall quality of life for its workforce.

Living Quarter



Tianjin Living Quarter

Case

Tianjin Living Quarter has 176 apartments and 225 dormitories. The dormitories are equipped with facilities such as beds with tables, air conditioners, independent bathrooms, while the common areas are equipped with refrigerators, washing machines, drinking fountains, and centralized heating is provided in winter. Meanwhile, in order to meet the accommodation needs of specific employees, the Company rented the group dormitory and the engineer dormitory of Huizhi Center.



Shanghai Living Quarter

Case

The Shanghai Living Quarter currently offers 2,538 apartments, as well as 1,270 Manufacturing Assistant Dormitory beds and 2,639 Engineer Dormitory beds. All apartment units and engineers' dormitory rooms are equipped with independent toilets and bathrooms; the Manufacturing Assistant Dormitory area features a public self-service laundry room and communal bathrooms to facilitate employees' daily needs. To continuously enhance employees' living experience, we have been steadily advancing hardware upgrades, including renovations of older apartments and installation of elevators, constantly improving the campus living environment.



We have also carefully planned and developed the Lingang Living Quarter, providing 408 housing units for our employees, including apartments, single rooms, and double rooms (in a dormitory) to suit diverse living preferences. All units come with modern amenities such as central air conditioning, underfloor heating, and gas systems; dormitory rooms are additionally furnished with tailored essentials such as bedding, desks, chairs, curtains, and wardrobes, fully meeting employees' everyday needs.



Shenzhen Living Quarter

Case

The Shenzhen Living Quarter provides 1,116 apartments, including 446 single apartments, with 1,109 people currently residing there. In addition, there are 455 group dormitory units, offering a total of 716 beds. The internal facilities of the group dormitory are fully equipped, including beds with desks underneath, wardrobes, chairs, air-conditioners, electric water heaters, electromagnetic stoves, range hoods, toilets, videophones and electronic fingerprint locks.



Beijing Living Quarter

Case

To address the diversified accommodation needs of the Company's employees, the Beijing Living Quarter offers a variety of housing solutions. SMIC Beijing Garden Apartments can accommodate up to 3,600 people, comprising 367 apartments, 371 single apartments, and 1,957 beds in group dormitories. At the same time, to meet the accommodation needs of more grassroots employees, there are leased group dormitory beds totaling 2,539, with 2,110 people currently residing there. In addition, to help employees with families settle in Beijing, the Company leased 43 white-collar apartments, 52 public rental units, and 26 affordable rental units in 2025, providing a total of 121 housing units for employees and their families. To continuously improve employees' quality of life, we completed a full renovation of 25 single apartments in 2025. As of now, a total of 95 housing units have been renovated.



Dining Management

Tailored to the varying employee populations and actual conditions of each manufacturing site, SMIC provides a diverse range of high-quality staff restaurants across all locations, and issues monthly meal subsidies to employees to continuously enhance dining experience. At the same time, the Company continually refines its supervision and inspection mechanisms to ensure that cafeteria contractors strictly fulfill contractual standards, thereby comprehensively safeguarding the quality of meals and the overall dining experience for employees. In 2025, corresponding improvements were made in the following areas:

Transition to the New Catering Management System

Led by the Group General Affairs Department, in coordination with the Group IT team and General Affairs teams across all fabs, the Company successfully completed the transition from the legacy catering system to the new system on November 1, 2025. The new system significantly improves operational stability and meal expense settlement efficiency, while also providing more comprehensive and detailed data analytics capabilities.

SMIC Shanghai Strengthens Food Safety Management

In 2025, SMIC Shanghai took the lead in introducing a globally leading independent third-party professional agency to conduct regular inspections and audits of ingredient quality, food processing procedures, kitchen hygiene and food sample retention practices, with formal assessment reports issued accordingly. These measures aim to reinforce the baseline of food safety and further strengthen food safety management controls.

SMIC Shanghai, SMOC, SMIC Beijing/ SMNC/ SMBC, SMIC Tianjin and SMIC Shenzhen, Take Multiple Steps to Improve Dining Experience

Enhancing Catering Service Quality to Steadily Improve Employee Satisfaction

To continuously improve catering service quality, the Company has established multi-channel employee feedback mechanisms both online and offline. By integrating employee feedback, canteen committee recommendations, and site-specific operational conditions, the Company has implemented a range of initiatives—including dining facility upgrades, service counter improvements, expanded menu offerings, and training for catering staff—steadily enhancing employee satisfaction with dining services.

Enriching Culinary and Cultural Activities

Centered around traditional festivals such as the Spring Festival, Lantern Festival, Dragon Boat Festival, and Mid-Autumn Festival, the Company organized a variety of themed culinary and creative activities throughout the year. These included signature events such as the "Global Food Festival", "Southeast Asian Food Festival", and "Spring Culinary Festival". Together with large-scale events such as Family Day, these initiatives helped foster a warm and engaging workplace atmosphere while enhancing employees' overall experience and sense of belonging.

Shuttle Buses

In order to effectively address the transportation and commuting needs of employees, SMIC has set up shuttle bus lines between fabs and living quarters, which comprehensively cover the main living areas and workplaces, and provide employees with efficient, convenient, and safe shuttle services to guarantee employees' daily commuting.

New Energy Vehicles Support Green Commuting

- To put our commitment to sustainability into practice, SMIC Shanghai, Shenzhen, Beijing, along with SMSC, SMNC and other factories have gradually introduced new energy vehicles to replace traditional fuel-powered shuttles, promoting green travel and reducing commuting carbon emissions.

Listening to Employee Suggestions to Optimize Shuttle Services

- The Company conducts regular shuttle service satisfaction surveys, proactively collects employee feedback, and dynamically adjusts shuttle schedules and service frequencies to continuously improve commuting experience and employee satisfaction.
- During the Reporting Period, employee satisfaction with the shuttle service reached 4.95 points out of a maximum 5 points.





Uniting Strength, Care in Action

While pursuing business development, SMIC actively fulfills its social responsibility. We regard charitable initiatives as a "core" mission of passing warmth from generation to generation, and are committed to building a virtuous ecosystem where employees, the industrial chain, and society thrive together through shared goodwill. We advocate and join hands with employees and industry partners to engage in public welfare, ensuring that the "core" spirit of caring is passed on. We believe that from the production line to the community, every small act of kindness can converge into light, illuminating more corners in need of help. During the Reporting Period, approximately 18,993 person-times of SMIC employees took part in public benefit activities, contributing a total of nearly 22,623 hours. Behind these figures lies the responsibility and warmth written with action by every member of SMIC. With the power of our "core", we convey the warmth behind technology, bringing industrial progress and social well-being into resonance.

06

Warmth Extended, Lives Illuminated ●

Dreams Nurtured, Excellence Cultivated ●



Warmth Extended, Lives Illuminated

SMIC fully understands the importance of shouldering social responsibility. While driving technological innovation in the industry and high-quality industrial development, it always adheres to the essence of giving back to society with 'love'. We recognize that our growth would not be possible without the support of society, and we are committed to extending this goodwill to more people in need. In 2025, we will continue to increase our investment in medical assistance, charitable donations, and community support, taking concrete actions to fulfill our role as a corporate citizen and contributing solid strength to promoting social equity and enhancing people's well-being.



Medical Assistance

SMIC always safeguards the health of adolescents. We continuously initiate and promote various public welfare medical projects, in the name of love, dedicated to lighting the hope for more sick children in need.

SMIC Liver Transplant Program for Children

SMIC firmly believes that protecting children's life and health means safeguarding the nation's future. Upholding the philosophy of "being people-oriented and giving back to society with love", we launched the "SMIC Liver Transplant Program for Children" (SLTPC)" in April 2013 together with the China Soong Ching Ling Foundation and Shanghai Renji Hospital, to provide assistance to impoverished children suffering from end-stage liver disease. After thirteen years of dedicated effort, the program has grown into a well-known philanthropic brand that integrates corporate strength, collaboration across the integrated circuit industry chain, and engagement from all sectors of society, benefiting thousands of affected children and their families. During the Reporting Period, the "Core Liver Baby Program" joined hands with over 2,000 employees, who donated a total of RMB 2.459 million to the project — a historic high in employee contributions. 110 partner companies from the industry chain responded positively, raising RMB 2.959 million. The total funds raised reached RMB 5.418 million.

In 2025

the SLTPC donated a total of

RMB 5.418 million

As of the end of the Reporting Period

the SLTPC has donated nearly

RMB 55.23 million

Helping children in need

1,226



SMIC held the 13th Donation Ceremony of "SMIC Liver Transplant Program for Children"

Case

On the afternoon of September 2, 2025, the 13th Donation Ceremony of the "Core Liver Baby Program" was held at Shanghai Renji Hospital. Dr. Liu Xunfeng, Chairman of SMIC, Dr. Zhao Haijun, Co-Chief Executive Officer of SMIC, Academician Xia Qiang of the Chinese Academy of Engineering and President of Shanghai Renji Hospital, and Ms. Zhan Deming, Deputy Director of the Fund Department of the China Soong Ching Ling Foundation, attended the ceremony and delivered speeches. Together, they expressed full recognition of and continued support for the program's long-standing commitment, multi-party collaboration, and tangible improvements in children's health. SMIC will continue to fulfill its corporate social responsibility, joining hands with all stakeholders to safeguard the future of children's health.



Charitable Donations

SMIC actively fulfills its social responsibility, continuously engages in philanthropic and charitable endeavors, and promotes the sharing of our development achievements with society. We remain committed to paying attention to and supporting vulnerable groups, conveying care and hope through concrete actions.

Rural Revitalization

To put into practice the Company's social responsibility philosophy of "caring for people, caring for the environment, and caring for society", we have actively responded to the rural revitalization strategy and focused on educational well-being in remote areas. In our daily activities, we have organized donation drives for second-hand clothing, toys, and other items, donating supplies to key assistance regions and contributing second-hand computer monitors to charitable organizations, thereby fostering positive interaction and shared development in rural communities.

During the Reporting Period, we donated a total of RMB 255,000 to education-related initiatives under the rural revitalization strategy, and provided 150 sets of second-hand computer monitors.



Targeted Donation Drive in Aba, Sichuan **Case**

In 2025, SMIC actively responded to the rural revitalization strategy by partnering with the Beijing Red Cross Society to carry out a targeted donation drive in Aba, Sichuan, one of our key assistance regions. This donation drive brought together the care and generosity of all employees from SMIC Beijing, SMNC, and SMBC, with a total of 13 cubic meters of goods dispatched. The donated items included clothing, toys, books, and other necessities, intended to support local left-behind elderly residents and children.

Other Charitable Donations Projects

SMIC encourages employees to donate blood every year to contribute to society and enhance their sense of social responsibility. In addition, we always uphold the concept of "Corporate Citizenship", and actively advocate and encourage our employees to incorporate the sense of public welfare into their daily lives, and participate in the clean-up of garbage on beaches and riverbanks.



Voluntary Blood Donation Campaign **Case**

In 2025, SMIC successfully held its 22nd annual employee blood donation campaign. With strong support from Company leadership, employee enthusiasm ran high, and a total of 250 employees participated in the donation. Among them, 6 donors each contributed 400 ml, and the total volume collected reached 51,200 ml, giving vital support to life and conveying care and corporate responsibility.



Dreams Nurtured, Excellence Cultivated

In addition to driving its own development, SMIC has never forgotten to give back to society. We have been deeply engaged in the field of education, actively establishing schools and dedicating ourselves to cultivating and reserving high-quality young talents for the country. SMIC School continues to build a multidimensional curriculum system, advance interdisciplinary teaching research, and explore innovative education models, constantly improving teaching quality to create a high-quality, diverse, and sustainability platform for students. By integrating high-quality domestic and international teaching resources, we broaden students' horizons, inspire their learning potential, and offer special scholarships to effectively support their growth and success. Since its founding, SMIC School has nurtured a large number of outstanding talents. Looking ahead, we will remain true to our original aspiration in education, steadfastly invest in the education cause, and contribute to educational equity and talent development.



Shanghai SMIC Private School

School Overview

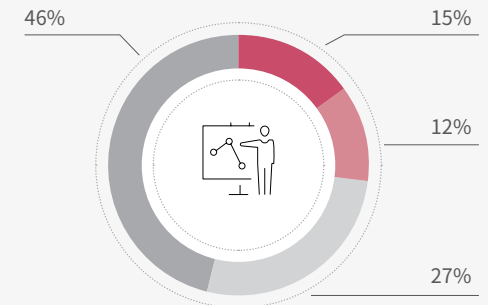
Founded in September 2001, Shanghai SMIC Private School has developed into a 15-year integrated private school covering kindergarten through high school. Upholding the people-oriented philosophy, SMIC School believes that every student possesses unique talents and growth potential. Therefore, the School places great emphasis on students' individualized development, tailors teaching to their aptitudes, and offers a wide variety of extracurricular programs to help them discover and nurture their strengths.

After more than twenty years of dedicated development, the School has received numerous honors, including "National Excellent Private Primary and Secondary School", "National Model School for Distinctive Education", "National Advanced School for Distinctive Features", "Distinctive Program School", and "King Lead China International School Practitioner on Teenager Research". Through the tireless efforts and nurturing care of generations of "SMIC people", SMIC School has become a high-quality distinctive private school recognized by the government, satisfying to society, beloved by students, and trusted by parents. During the Reporting Period, the International Division of SMIC Shanghai Private School was ranked among the "Top 30 Schools for Children of Expatriates" in the 2025 China International School Innovation Competitiveness Rankings by KingLead. Additionally, SMIC Shanghai Private School was listed in the "Chinese International Schools Brand Value Top 100, 2025", also published by KingLead.

During the Reporting Period, we had a total of 468 faculty members, of which 12% were high school teachers, 27% junior high school teachers, 46% primary school teachers, and 15% kindergarten teachers. Among them, foreign-hired teachers accounted for 28% of the total faculty.



As of the end of the Reporting Period, the distribution number of faculty and staff:



■ Senior high school ■ Junior high school
■ Primary school ■ Kindergarten

Cultivating Students with SMIC Philosophy

Since its establishment, Shanghai SMIC Private School has adopted the educational philosophy of "Character First, Pursuit of Excellence, Caring for the World, Happy Growth", aiming to cultivate talents with high moral character, outstanding ability, international vision, and a positive attitude toward life. Through the unremitting efforts and commitment of generations of "SMIC people", our School has grown into a high-quality private school widely recognized by society.



Interdisciplinary Integration: Primary School International Day Themed Event

Case

In May this year, the Primary School held its annual International Day event over a two-month period, with the core showcase taking place on May 15–16. This event served as an important practice of interdisciplinary inquiry-based learning: each class selected one country and, through the integration of language, social studies, art and other disciplines, systematically explored its history, culture and distinctive features. Students acted as "little cultural ambassadors" to present what they had learned, vividly demonstrating the fruits of their study. Through immersive, multi-sensory experiences, the event guided students to actively learn about the world, laying a foundation for them to become citizens with a global outlook.



Language as a Bridge: ERW Week of the Chinese Department

Case

From February 20 to March 12, 2025, the Chinese Department organized and held an ERW (English Research Writing) Week for students in Grades 1–8. Under the guidance of ERW teachers, students jointly participated in planning and preparation, and age-appropriate activities were arranged for different grades, including spelling bees, quiz contests, poetry challenges and stage performances in a rich variety of formats. The event showcased the careful preparation by both teachers and students, and offered all participants an unforgettable experience, effectively creating a platform for students to present themselves and exchange learning with one another.





Our Changing World: ESG-Themed Interdisciplinary Project-Based Learning Unit

Case

In 2025, the Early Years Section of the International Division launched an ESG-centered interdisciplinary project-based learning unit entitled "Our Changing World", aimed at guiding students to understand environmental sustainability. The curriculum integrates content from language, mathematics, science, character education and other disciplines, and unfolds around the 3R principles of Reduce, Reuse, Recycle through hands-on practice. By exploring environmental issues, carrying out household waste sorting, and creatively transforming discarded materials, students internalized the concept of environmental protection, and shared their learning gains with parents during outcome showcases, thereby initially establishing an awareness of resource conservation and participation in environmental protection.



Seeing Growth Through Art: How Students of Different Ages View the World

Case

Late March to early April each year marks our school's annual Art Exhibition. For this year's exhibition, art teachers, taking into account the age characteristics and cognitive levels of students at different stages, designed multifaceted and differentiated themes and formats, guiding students to create artworks that are diverse in form and rich in content. Paintings by different age groups revealed distinct vitality: Grade 1 drew inspiration from everyday objects; Grade 2 focused on observation and representation of life; Grade 3 displayed rich creativity and exploration; Grade 4 showed increasing maturity in technique and artistic expression; Grade 5 combined refined skills with deeper conceptual meaning.



Awards and Honors Shanghai SMIC Private School Received in 2025



2025 King Lead Top 100 List of China International Schools by Brand Value



2025 King Lead Top 30 List of China International Schools for Expatriate Children by Innovation Competitiveness

In order to promote the all-round development of students, we carefully carried out a series of recreational, sports, and public benefit activities for students to help them grow in all aspects.

Joyful Athletics: Fun Games for Primary and Junior High School Students Case

In October 2025, the Autumn Sports Meet of SMIC School, themed "Born to Compete, Dream to Bloom", was held in turn for the Primary and Junior High sections on October 31 and November 13 respectively. The event featured a combination of competitive and fun disciplines, including sprints, long-distance running, long jump, high jump, and tug-of-war. Students participated actively and enthusiastically, infusing the spirit of striving and unity into every cheer and every dash. This Sports Meet was not only a contest of physical fitness and skill, but also a vivid display of dream-building and teamwork, fully showcasing the uplifting and vibrant spirit of SMIC students.



Bookish Journey: Reading Week Activities Case

In late September 2025, the Primary School held its "Books Bring Us Together" themed "Fragrant Books at SMIC" Reading Week from September 23 to 26. From Paired Reading Day to Colorful Character Day, and then to Whole-Hearted Reading Day and Fragrant Book Vocabulary Show, each day featured a different themed in-depth situational activity, allowing children to immerse themselves in the colorful world of reading and, through enjoyable experiences, nurture their interest in reading and deepen their understanding and love for it.



Passing on the Love: Charity Bazaar Case

We have been organizing the Charitable Bazaar since 2004. This year, under the theme "'Core' Action, Love Passed On", the event was held in March 2025, attracting over 2,000 teachers, students, parents and community members to participate. The bazaar featured charity booths of handcrafted items, second-hand goods and other goods, together with interactive experience zones, and was entirely planned and operated by fifth-grade students. The funds raised were donated to Shanghai CEDAR Charity Foundation and Zhejiang Xin Hua Compassion Education Foundation, to support three volunteer teachers with teaching and living assistance, and 14 "Pearl Students" with three-year senior high school living expense subsidies, helping children in remote areas enjoy quality classes and enabling students to leave the mountains, return to school and move toward the future. Through the activity, students deepened their sense of responsibility and spirit of cooperation in practice, putting into action the ideals of global citizenship and community care.



Beijing SMIC Private School

School Overview

Founded in September 2005, Beijing SMIC Private School is located in Yizhuang New City, Beijing Economic-Technological Development Zone. As a 15-year integrated bilingual school spanning kindergarten through high school, it serves over 3,000 teachers and students from 19 countries and regions, creating a rich multicultural atmosphere and a strong international learning environment.

Over the past twenty years, SMIC School has consistently provided quality education to the region and has been rated as a "5A-Level Social Organization". Upholding the ideal of whole-person education, the School places great emphasis on students' character development and fully respects their individual growth. It actively builds a distinctive curriculum system that blends Chinese and Western approaches, offering more than 150 elective courses, and is committed to fostering students' abilities in independent inquiry and lifelong learning. The School encourages and guides students to develop a global perspective and critical thinking, and to become responsible world citizens.

Adhering to the educational philosophy of "Character First, Pursuit of Excellence, Caring for the World, Happy Growth", and with the educational goal of "Cultivating Key Competencies for Holistic Excellence", the School envisions becoming an educational brand that is differentiated, distinctive, internationalized and modernized. It seeks to work together with families and the community to create an educational environment that supports students' lifelong learning and development, and to nurture future-ready leaders who can thrive in the world of tomorrow. Through a wide range of vibrant campus activities, the School fosters a loving and inclusive home-school partnership, promoting students' all-round development. As of the end of the Reporting Period, the School had a total of 410 faculty members, of which 4.6% were high school teachers, 13.2% junior high school teachers, 45.1% primary school teachers, and 37.1% kindergarten teachers. Foreign-hired teachers accounted for 16.6% of the total faculty.

As of the end of the Reporting Period

the total number of faculty and staff reached

410



with the following distribution:
senior high school teaching staff at

4.6%

junior high school teaching staff at

13.2%

primary school teaching staff at

45.1%

kindergarten teaching staff at

37.1%



Awards and Honors Beijing SMIC Private School Received in 2025

In October 2025, Beijing SMIC Private School was formally awarded the title of "China AP Honor School" at the 2025 College Board China Forum in the United States. This accolade recognizes the School's sustained and outstanding contribution to enabling students to earn the AP Capstone Diploma and Certificates over two consecutive academic years. Over the past two years, only 39 schools nationwide had students receive this diploma or certificate — Beijing SMIC Private School is among them. The honor not only reflects the high recognition of the quality of the School's AP course instruction, but also highlights the School's leading position in high-end international curricula and its distinctive strength in cultivating academically talented students with global competitiveness.



2025 AP Capstone Honor School in China

Caring for Our Students

Upholding the educational philosophy of "cultivating key abilities, promoting comprehensive development, and able to walk freely in the future world", Beijing SMIC Private School helps students explore the joy of learning and find their future growth direction.

In 2025, Beijing SMIC Private School continued to fulfill its public welfare commitment, conveying warmth through concrete actions.



SMIC Teachers and Students Visit Daliangshan to Build Dreams of Growth Together

Case

In October 2025, from the 25th to the 26th, fourteen teachers and students from the Senior High Section of Beijing SMIC Private School traveled to Daliangshan, Sichuan, where they joined students from the local junior high girls' scholarship class for an English communication activity. Over the two days of interaction, the two sides quickly bridged the distance between their hearts through a series of sessions, including English ice-breaking games, team-building challenges, drama rehearsals and performances, English puzzle competitions, and group singing of English songs. The charity-style event was truly wonderful, and through these exchanges, the children in Daliangshan gained a window onto the wider world, while in the hearts of every participant were sown the seeds of courage, friendship, and dreams for the future.



We deeply understand that the key to students' all-round development lies in a diversified growth environment. Therefore, we create a diversified cultural and sports atmosphere to help students achieve all-round development of morality, intelligence, physical, aesthetics and skills.

20th Anniversary Celebration of Beijing SMIC Private School and Kindergarten

Case

On October 18, 2025, Beijing SMIC Private School and Kindergarten successfully held its 20th Anniversary Celebration, themed "Twenty Years of Nurturing and Shared Glory, Embarking on a New Journey of Wisdom and Innovation". Through a series of events — including a celebration assembly, International Day, a charity bazaar, and an evening gala — the celebration brought together guests from various fields, leaders at all levels, alumni representatives, all faculty, students and parents. Together they reviewed the twenty-year journey of dedication and accomplishment in SMIC's educational endeavors, and joined hands to set sail on a new chapter of wisdom-driven creation for the future.



Building the "Ma Liang with Origami" AI-Empowered Interdisciplinary Signature Project

Case

In September 2025, the interdisciplinary course "Animated Micro-Fairy Tales", integrating Chinese language and fine arts, was conducted in the "Origami Art Workshop". In class, students learned to use AI software to produce animations, and presented their animated stories in the form of short essays. This integrated lesson represented an innovative teaching practice under the ETOWN-approved project "Ma Liang with Origami". The related research topic "'Ma Liang with Origami' — AI Empowering Interdisciplinary Curriculum Development to Build a Highland of Student Innovation" was successfully selected for the first batch of the Beijing-Yizhuang Global Artificial Intelligence Application Scenarios "Open Challenge" Competition, and became the only intelligent education project from the Economic-Technological Development Zone to be included.



Uniting Strength, Care in Action

Dreams Nurtured, Excellence Cultivated

Appendix

Appendix

About this Report

Introduction

This is the Annual Environmental, Social and Governance (ESG) Report (hereinafter referred to as "This Report") released by Semiconductor Manufacturing International Corporation (hereinafter referred to as "SMIC", "the Group", "we" or "the Company"). This Report discloses the ESG performance of SMIC in 2025 on the principles of openness and transparency.

Reference Standards

This Report is prepared in accordance with the *Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange, Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* and the *Guide No.4 for Self-Regulatory Supervision on Companies of the Shanghai Stock Exchange—Compilation of Sustainable Development Reports, Environmental, Social and Governance Reporting Code*, contained in Appendix C2 of the Listing Rules of the Stock Exchange issued by the Stock Exchange of Hong Kong Limited and relevant provisions based on principles of materiality, quantitative, balance and consistency, with appropriate reference to the *Global Reporting Initiative (GRI) Sustainability Reporting Standards* (GRI Standards), the *Guidelines for the Preparation of Social Responsibility Reports for Chinese Enterprises* (CASS-ESG 5.0) issued by the Academic Division of Economics of the Chinese Academy of Social Sciences, the *Corporate Social Responsibility (CSR) Guide for China's Industrial Enterprises and Industrial Associations* of the China Federation of Industrial Economics (CFIE), the *Guidance on Social Responsibility of Information and Communication Technology Industry (SJ/T 16000-2016)* of China Electronics Standardization Association (CESA) and the main principles of the *Guidance on Social Responsibility* (ISO 26000:2010) by the International Organization for Standardization (ISO).

Reporting Scope

The Reporting Scope of this Report covers Semiconductor Manufacturing International Corporation and its subsidiaries which is consistent with the scope of the Annual Report. For ease of expression, the "country", "domestic" and "the government" in this Report refer to the People's Republic of China and its administrative organs.

Reporting Period

The Reporting Period of this Report is from January 1, 2025, to December 31, 2025. To make this Report more readily understandable, some content and data can be traced back to prior and/or subsequent years.

Description of Report Preparation and Data Source

Members of the ESG Committee served as editors for this Report, while each functional department provided ESG-related business information and data. The Company's ESG Office collected and edited the data, which was then reviewed and con-firmed by members of the ESG Committee. The financial data quoted in this Report are sourced from the 2025 consolidated financial statements, which have been independently audited by Ernst & Young Hua Ming LLP. Other information and data are mainly from relevant internal statistical reports or documents of the Company. Unless otherwise specified, the currency amounts of financial statements data included in this Report are measured in USD, while the currency amounts of non-financial statements data included in this Report are denominated in CNY.

Release Cycle

This Report is an annual report, which is usually re-leased in the first quarter of the year subsequent to the reported year.

Confirmation and Approval


After being confirmed by the Management, this Report was confirmed by the management and ap-proved by the Board of Directors on Mar 26th, 2026.


Report Release

This Report is released in both paper and electronic editions in Chinese (simplified and traditional) and English. To browse the electronic version of this Report, please visit the website of Semiconductor Manufacturing International Corporation.

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Building a Solid Foundation for Steady Growth

Growing with Nature, Flourishing Together

Driving Innovation, Leading with Quality

Gathering Talent, Advancing Together

Uniting Strength, Care in Action

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Summary of ESG Performance

Performance indicators	unit	figures			
		2023	2024	2025	
Economy performance					
Economy	Revenue	Billion USD	6.32	8.03	9.33
	Net profit attributable to shareholders of listed company	Billion USD	0.90	0.49	0.69
Business morality					
Governance	Total number of concluded corruption litigation cases	case	0	0	0
	Total number of concluded unfair competition litigation cases	case	/	0	0
	Total number of overdue payment cases involving SMEs	case	/	0	0
	Board commercial ethics training coverage rate	%	100	100	100
	Employee commercial ethics training coverage rate	%	100	100	100
Employment					
Society	Number of Employees	person	20,223	19,186	19,952
	Proportion of employees by gender				
	Male	%	63	65	67
	Female	%	37	35	33
	Proportion of employees by age				
	Age 30 and below	%	51.30	54.60	47.80
	Age between 31 and 40	%	35.60	32.70	37.58
	Age 40 and above	%	13.10	12.70	14.62
	Proportion of employees by region				
	China	%	99.87	99.88	99.89
	USA	%	0.08	0.07	0.06

Performance indicators	unit	figures		
		2023	2024	2025
Eurasia	%	0.05	0.05	0.05
Employee rights and interests				
Labor contract signing rate	%	100	100	100
Social insurance coverage rate	%	/	100	100
Number of labor disputes	case	/	0	0
Employee turnover				
Employee turnover rate	%	13.76	12.33	9.60
Employee turnover rate by gender				
Male	%	72.50	73.80	72.90
Female	%	27.50	26.20	27.10
Employee turnover rate by age group				
Age 30 and below	%	64.50	59.90	55.50
Age between 31 and 40	%	31.80	36.40	39.70
Age between 31 and 40	%	3.70	3.70	4.80
Employee turnover rate by region				
China	%	99.96	99.92	99.80
USA	%	0.04	0.08	0.20
Eurasia	%	0.0	0.0	0.0
Employee training				
Employee training coverage rate	%	100	100	100
Total employee training attendance	person-time	302,075	494,577	595,013
Total training hours for all regular employees	hour	600,971	794,533	900,000+

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Performance indicators	unit	figures		
		2023	2024	2025
Average training hours per employee	hour	31	41	45
Average training hours per male employee	hour	35	47	49
Average training hours per female employee	hour	23	32	33
Occupational health and safety				
Work-related fatalities	person	0	0	0
Lost working days due to work injury	day	447	122	499
Expenditure on work injury insurance	Thousand RMB	/	21,128	26,358
Work injury insurance coverage rate	%	/	100	100
Number of work injury incidents	case	/	6	6
Injury rate per 100 persons	%	/	0.03	0.03
Society				
New occupational diseases (annual)	case	0	0	0
Cumulative occupational diseases (company-wide)	case	0	0	0
Number of safety training sessions	session	1,178	1,831	2,350
Participants in safety training	person-time	118,406	138,814	243,278
Number of work safety incidents (per international standards)	case	0	0	0
Public welfare and donations				
Employee volunteer service hours	hour	24,640	24,630	22,623
Employee volunteer service participants	person-time	20,000	20,000	18,993
Total investment in rural revitalization	RMB	/	/	255,000
Scientific and technological innovation				
R&D expenditure	Billion USD	0.71	0.77	0.77
R&D expenditure as % of annual revenue	%	11.2	9.5	8.3

Performance indicators	unit	figures			
		2023	2024	2025	
R&D personnel as % of total employees	%	11.68	12.14	12.00	
Intellectual property protection					
Cumulative patent applications	piece	19,443	20,108	20,403	
Cumulative patents granted	piece	13,450	13,964	14,511	
Society					
Product quality					
Product recall incidents	case	0	0	0	
Information security and privacy protection					
Number of information leakage incidents	case	0	0	0	
Amount involved in information leakage incidents	RMB	0	0	0	
Environment management					
Number of environmental protection training sessions	session	103	137	99	
Participants in environmental protection training	person-time	28,111	30,069	43,895	
ISO 14001 certification coverage rate	%	100	100	100	
Air emissions					
Total air emissions	10 ⁴ m ³	8,248,471	8,491,497	10,845,164	
Total nitrogen oxides (NO _x)	ton	172	234	332	
Total sulfur dioxide (SO ₂)	ton	15	38	22	
Environment					
Total volatile organic compounds (VOCs)	ton	40	50	45	
Waste management					
Total hazardous waste generated	ton	67,529	94,876	128,960	
Total general industrial solid waste	ton	57,059	72,579	75,454	
Of which	Domestic waste	ton	4,184	3,854	72,533
	Total non-hazardous waste generated	ton	61,243	76,433	2,921
Waste Intensity	kg/standard logic 8-inch equivalent wafer photomask layer	0.56	0.56	0.54	

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Performance indicators	unit	figures		
		2023	2024	2025
GHG emissions				
Total GHG emissions (Scope 1+Scope 2)	tCO ₂ -eq	2,607,939	3,009,944	3,463,500
Total direct emissions (Scope 1)	tCO ₂ -eq	843,517	823,765	961,701
Total indirect emissions (Scope 2)	tCO ₂ -eq	1,764,422	2,186,179	2,501,799
Total indirect emissions (Scope 3) ⁴	tCO ₂ -eq	/	/	2,253,682
GHG Emission Intensity	kg CO ₂ -eq/ standard logic 8-inch equivalent wafer photomask layer	11.3	9.8	9.1
Energy utilization				
Total electricity consumption	MWh	3,194	4,065	4,971
Electricity consumption intensity	kWh per 8-inch wafer equivalent mask	13.19	12.08	11.15
Purchased clean energy consumption	MWh	/	61,283.0	142,123.9
Natural gas consumption	10 ³ m ³	21,930	23,986	27,992
Natural gas consumption intensity	m ³ /standard logic 8-inch equivalent wafer photomask layer	95.52	76.89	66.12
Steam consumption	10 ³ ton	273	282	320
Steam consumption intensity	kg/standard logic 8-inch equivalent wafer photomask layer	1.34	0.86	0.72

⁴ Scope 3 GHG emissions were inventoried in accordance with the *GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard* and the ISO 14064 series, covering the following four categories: fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, and business travel.

Performance indicators	unit	figures		
		2023	2024	2025
Comprehensive energy consumption	ton of standard coal equivalent	112,481.85	97,650.07	689,222.47
Investment in energy-saving retrofits	Milion RMB	34.42	22.15	22.38
Water resource management				
Total wastewater discharge	10 ³ ton	21,712.3	26,712.9	31,977.3
Total water consumption	10 ³ ton	26,932	31,946	37,218
Water consumption intensity	ton/standard logic 8-inch equivalent wafer photomask layer	0.107	0.093	0.085
Packaging material management				
Total packaging materials used for finished products	ton	339	343	470
Packaging material intensity for finished products	ton/100M USD	5.36	4.27	5.04

Index of Indicators

HKEX Environmental, Social and Governance Reporting Guide

Environmental, Social and Governance (ESG) Areas, General Disclosures and Key Performance Indicators (KPIs)		Chapter
Environment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Climate Action, Zero-Carbon Future Ecosystem Conservation, Shared Prosperity for All
KPI A1.1	The types of emissions and respective emissions data.	Climate Action, Zero-Carbon Future Ecosystem Conservation, Shared Prosperity for All
A1: Emissions		
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Climate Action, Zero-Carbon Future
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Ecosystem Conservation, Shared Prosperity for All
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Ecosystem Conservation, Shared Prosperity for All
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Ecosystem Conservation, Shared Prosperity for All
KPI A1.6	Description of methods for handling hazardous and non-hazardous waste, and description of waste reduction targets set and steps taken to achieve them.	Ecosystem Conservation, Shared Prosperity for All
General Disclosure	Policies on the efficient use of resources (including energy, water and other raw materials).	Ecosystem Conservation, Shared Prosperity for All
A2: Resource Use		
KPI A2.1	Total direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) (in thousand kWh) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Climate Action, Zero-Carbon Future

Environmental, Social and Governance (ESG) Areas, General Disclosures and Key Performance Indicators (KPIs)		Chapter
KPI A2.2	Total water consumption and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Ecosystem Conservation, Shared Prosperity for All
KPI A2.3	Description of energy efficiency targets set and steps taken to achieve them.	Climate Action, Zero-Carbon Future
A2: Resource Use		
KPI A2.4	Description of any issues in obtaining sufficient suitable water sources, and description of water efficiency targets set and steps taken to achieve them.	Ecosystem Conservation, Shared Prosperity for All
KPI A2.5	Total amount of packaging material used for finished products (in tons) and, where appropriate, amount per unit produced.	Summary of ESG Performance
A3: The Environment and Natural Resources		
General Disclosure	Policies to minimize the issuer's significant impacts on the environment and natural resources.	Ecosystem Conservation, Shared Prosperity for All
KPI A3.1	Description of the significant environmental and natural resource impacts of business operations and actions taken to manage them.	Ecosystem Conservation, Shared Prosperity for All
A4: Climate Change		
General Disclosure	Policies to identify and address significant climate-related matters that have affected or may affect the issuer.	Climate Action, Zero-Carbon Future
KPI A4.1	Description of significant climate-related matters that have affected or may affect the issuer, and response actions taken.	Climate Action, Zero-Carbon Future
Social		
Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		
B1: Employment		
General Disclosure		Attracting Talent and Empowering Growth

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Environmental, Social and Governance (ESG) Areas, General Disclosures and Key Performance Indicators (KPIs)			Chapter
B1: Employment	KPI B1.1	Total number of employees by gender, employment type (e.g., full-time or part-time), age group and region.	Inclusion of Talent, Co-Creation of Value
	KPI B1.2	Employee turnover rate by gender, age group and region.	Inclusion of Talent, Co-Creation of Value
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to the provision of a safe working environment and protection of employees from occupational hazards.	Rights Protection, People-Centric Care
	KPI B2.1	Number and rate of work-related fatalities in each of the past three years (including the reporting year).	Summary of ESG Performance
	KPI B2.2	Number of lost working days due to work-related injuries.	Summary of ESG Performance
	KPI B2.3	Description of occupational health and safety measures adopted and related implementation and monitoring methods.	Rights Protection, People-Centric Care
	General Disclosure	Policies on enhancing employees' knowledge and skills to perform their job responsibilities. Description of training activities.	Inclusion of Talent, Co-Creation of Value
B3: Development and Training	KPI B3.1	Percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Inclusion of Talent, Co-Creation of Value
	KPI B3.2	Average number of training hours completed per employee by gender and employee category.	Inclusion of Talent, Co-Creation of Value
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to the prevention of child labour or forced labour.	Rights Protection, People-Centric Care
B4: Labour Standards	KPI B4.1	Description of measures to review recruitment practices to avoid child labour and forced labour.	Rights Protection, People-Centric Care
	KPI B4.2	Description of steps taken to eliminate relevant situations upon discovery of violations.	Rights Protection, People-Centric Care

Environmental, Social and Governance (ESG) Areas, General Disclosures and Key Performance Indicators (KPIs)			Chapter
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks in the supply chain.	Supply Chain Management, Collaborative Growth
	KPI B5.1	Number of suppliers by region.	Supply Chain Management, Collaborative Growth
	KPI B5.2	Description of supplier engagement practices, number of suppliers subject to such practices, and related implementation and monitoring methods.	Supply Chain Management, Collaborative Growth
	KPI B5.3	Description of management of environmental and social risk identification across each stage of the supply chain, and related implementation and monitoring methods.	Supply Chain Management, Collaborative Growth
B6: Product Responsibility	KPI B5.4	Description of practices to encourage increased use of environmentally friendly products and services when selecting suppliers, and related implementation and monitoring methods.	Supply Chain Management, Collaborative Growth
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters of products and services, and remedial measures.	Excellence in Quality, Customers as Priority
	KPI B6.1	Percentage of total sold or shipped products that were recalled for safety and health reasons.	Excellence in Quality, Customers as Priority
	KPI B6.2	Number of complaints received about products and services and response methods.	Excellence in Quality, Customers as Priority
	KPI B6.3	Description of practices related to the protection and safeguarding of intellectual property.	Excellence in Quality, Customers as Priority
KPI B6.4	Description of quality inspection processes and product recall procedures.	Excellence in Quality, Customers as Priority	
KPI B6.5	Description of consumer data protection and privacy policies, and related implementation and monitoring methods.	Excellence in Quality, Customers as Priority	

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B7: Anti-Corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to the prevention of bribery, extortion, fraud and money laundering. Integrity in Enterprise, Compliance as Safeguard
	KPI B7.1	Number and outcome of concluded corruption-related legal cases filed against the issuer or its employees during the Reporting Period. Integrity in Enterprise, Compliance as Safeguard
	KPI B7.2	Description of preventive measures and reporting procedures, and related implementation and monitoring methods. Integrity in Enterprise, Compliance as Safeguard

Environmental, Social and Governance (ESG) Areas, General Disclosures and Key Performance Indicators (KPIs)		Chapter
B7: Anti-Corruption	KPI B7.3	Description of anti-corruption training provided to directors and employees. Integrity in Enterprise, Compliance as Safeguard
	General Disclosure	Policies on community engagement to understand the needs of communities where the issuer operates and to ensure business activities consider community interests. Warmth Extended, Lives Illuminated Dreams Nurtured, Excellence Cultivated
B8: Community Investment	KPI B8.1	Focus areas of contribution (e.g., education, environmental issues, labour needs, health, culture, sports). Warmth Extended, Lives Illuminated Dreams Nurtured, Excellence Cultivated
	KPI B8.2	Resources deployed (e.g., monetary or time) in focus areas. Spreading Warmth and Lighting Hearts

Climate-related Disclosures Requirements	Chapter
1. An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of <i>climate-related risks and opportunities</i> . Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
(I) Governance (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Climate Action, Zero-Carbon Future
(ii) how and how often the body(s) or individual(s) is informed about <i>climate-related risks and opportunities</i> ;	Climate Action, Zero-Carbon Future

Climate-related Disclosures Requirements	Chapter
(iii) how the body(s) or individual(s) takes into account <i>climate-related risks and opportunities</i> when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Climate Action, Zero-Carbon Future
(I) Governance (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to <i>climate-related risks and opportunities</i> (see paragraphs 19 to 22), including whether and how related performance metrics are included in remuneration policies (see paragraph 17); and	Climate-linked remuneration is not currently applicable; assessment is planned following stabilization of production capacity.

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Climate-related Disclosures Requirements	Chapter
(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee <i>climate-related risks and opportunities</i> , including information about:	
(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Climate Action, Zero-Carbon Future
(ii) whether management uses controls and procedures to support the oversight of <i>climate-related risks and opportunities</i> and, if so, how these controls and procedures are integrated with other internal functions.	Climate Action, Zero-Carbon Future
Climate-related risks and opportunities 2. An issuer shall disclose information to enable an understanding of <i>climate-related risks and opportunities</i> that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
(a) describe <i>climate-related risks and opportunities</i> that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Climate Action, Zero-Carbon Future
(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a <i>climate-related physical risk or climate-related transition risk</i> ;	Climate Action, Zero-Carbon Future
(c) specify, for each <i>climate-related risk and opportunity</i> the issuer has identified, over which time horizons – short, medium or long term – the effects of each <i>climate-related risk and opportunity</i> could reasonably be expected to occur; and	Climate Action, Zero-Carbon Future
(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Climate Action, Zero-Carbon Future
Business model and value chain 3. An issuer shall disclose information that enables an understanding of the current and anticipated effects of <i>climate-related risks and opportunities</i> on the issuer's <i>business model and value chain</i> . Specifically, the issuer shall disclose:	

Climate-related Disclosures Requirements	Chapter
(a) a description of the current and anticipated effects of <i>climate-related risks and opportunities</i> on the issuer's <i>business model and value chain</i> ; and	Climate Action, Zero-Carbon Future
(b) a description of where in the issuer's <i>business model and value chain climate-related risks and opportunities</i> are concentrated (for example, geographical areas, facilities and types of assets).	Climate Action, Zero-Carbon Future
Strategy and decision-making 4. An issuer shall disclose information that enables an understanding of the effects of <i>climate-related risks and opportunities</i> on its strategy and decision-making. Specifically, the issuer shall disclose:	
(a) information about how the issuer has responded to, and plans to respond to, <i>climate-related risks and opportunities</i> in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
(i) current and anticipated changes to the issuer's <i>business model</i> , including its resource allocation, to address <i>climate-related risks and opportunities</i> ;	Climate Action, Zero-Carbon Future
(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	Climate Action, Zero-Carbon Future
(iii) any <i>climate-related transition plan</i> the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a <i>climate-related transition plan</i> ; and	Climate Action, Zero-Carbon Future
(iv) how the issuer plans to achieve any climate-related targets (including any <i>GHG</i> emissions targets (if any)), described in accordance with paragraphs 19 to 22; and	Climate Action, Zero-Carbon Future
(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 4(a)	Climate Action, Zero-Carbon Future

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Climate-related Disclosures Requirements	Chapter
5. An issuer shall disclose information about the progress of plans disclosed in previous Reporting Periods in accordance with paragraph 4(a)	Climate Action, Zero-Carbon Future
Financial position, financial performance and cash flows	
Current financial effect	
6. An issuer shall disclose qualitative and quantitative information about:	
(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the Reporting Period; and;	Climate Action, Zero-Carbon Future
(b) the <i>climate-related risks and opportunities</i> identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual Reporting Period to the carrying amounts of assets and liabilities reported in the related financial statements.	Climate Action, Zero-Carbon Future
(II) Strategy	
Financial position, financial performance and cash flows	
Anticipated financial effect	
7. The issuer shall provide qualitative and quantitative disclosures about:	
(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage <i>climate-related risks and opportunities</i> , taking into consideration: 将如何变化:	
(i) its investment and disposal plans;	Following a prudent assessment, the expected financial impact of climate-related risks and opportunities is not currently capable of reliable quantification. The Company plans to gradually refine the relevant assessment work in the future and will disclose such information as appropriate.
(ii) its planned sources of funding to implement its strategy; and	
(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage <i>climate-related risks and opportunities</i> .	

Climate-related Disclosures Requirements	Chapter
Climate resilience	
8. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and <i>business model</i> to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified <i>climate-related risks and opportunities</i> . An issuer shall use climate-related scenario analysis to assess its <i>climate resilience</i> using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;
(ii) the significant areas of uncertainty considered in the issuer's assessment of its <i>climate resilience</i> ;	Climate Action, Zero-Carbon Future and
(iii) the issuer's capacity to adjust, or adapt its strategy and <i>business model</i> to climate change over the short, medium or long term;	Climate Action, Zero-Carbon Future
(II) Strategy	
(b) how and when the climate-related scenario analysis was carried out, including:	
(i) information about the inputs used, including:	
(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	
(2) whether the analysis included a diverse range of climate-related scenarios;	
(3) whether the climate-related scenarios used for the analysis are associated with <i>climate-related transition risks</i> or <i>climate-related physical risks</i> ;	
(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the <i>latest international agreement on climate change</i> ;	Climate Action, Zero-Carbon Future
(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
(6) time horizons the issuer used in the analysis; and	
(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	

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Climate-related Disclosures Requirements	Chapter	
(II) Strategy	(ii) the key assumptions the issuer made in the analysis; and	Climate Action, Zero-Carbon Future
	(iii) the Reporting Period in which the climate-related scenario analysis was carried out.	Climate Action, Zero-Carbon Future
	9. An issuer shall disclose information about: <ul style="list-style-type: none"> (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: <ul style="list-style-type: none"> (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous Reporting Period; 	Climate Action, Zero-Carbon Future
(III) Risk Management	(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	Climate Action, Zero-Carbon Future
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring <i>climate-related risks and opportunities</i> are integrated into and inform the issuer's overall risk management process.	Climate Action, Zero-Carbon Future

Climate-related Disclosures Requirements	Chapter	
(IV) Metrics and Targets	GHG emissions	
	10. An issuer shall disclose its absolute gross <i>GHG</i> emissions generated during the Reporting Period, expressed as metric tons of <i>CO₂ equivalent</i> , classified as:	Climate Action, Zero-Carbon Future
	(a) <i>Scope 1 GHG emissions</i> ;	Climate Action, Zero-Carbon Future
	(b) <i>Scope 2 GHG emissions</i> ; and	Climate Action, Zero-Carbon Future
	(c) <i>Scope 3 GHG emissions</i> .	Summary of ESG Performance
	11. An issuer shall: (a) measure its <i>GHG</i> emissions in accordance with the <i>GHG</i> Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring <i>GHG</i> emissions;	Climate Action, Zero-Carbon Future
	(b) disclose the approach it uses to measure its <i>GHG</i> emissions including:	
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its <i>GHG</i> emissions;	Climate Action, Zero-Carbon Future
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its <i>GHG</i> emissions; and	Climate Action, Zero-Carbon Future
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the Reporting Period and the reasons for those changes;	Climate Action, Zero-Carbon Future
(c) for <i>Scope 2 GHG emissions</i> disclosed in accordance with paragraph 10(b), disclose its location-based <i>Scope 2 GHG emissions</i> , and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's <i>Scope 2 GHG emissions</i> ; and	Climate Action, Zero-Carbon Future	

Climate-related Disclosures Requirements	Chapter
(d) for <i>Scope 3 GHG emissions</i> disclosed in accordance with paragraph 10(c), disclose the categories included within the issuer's measure of <i>Scope 3 GHG emissions</i> , in accordance with the <i>Scope 3 categories</i> described in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Summary of ESG Performance
Climate-related transition risks 12. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to <i>climate-related transition risks</i> .	Climate Action, Zero-Carbon Future
Climate-related physical risks 13. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Climate Action, Zero-Carbon Future
Climate-related opportunities 14. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Climate Action, Zero-Carbon Future
Capital deployment 15. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards <i>climate-related risks and opportunities</i> .	Climate Action, Zero-Carbon Future
Internal carbon prices 16. An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of <i>GHG emissions</i> the issuer uses to assess the costs of its <i>GHG emissions</i> ; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	An internal carbon pricing mechanism has not been implemented; its introduction will be evaluated in due course.

(IV) Metrics and Targets

Climate-related Disclosures Requirements	Chapter
Remuneration 17. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 1(a)(iv).	Climate-linked remuneration is not currently applicable; assessment is planned following stabilization of production capacity.
Industry-based metrics 18. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular <i>business models</i> , activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with <i>disclosure topics</i> described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Following a prudent assessment, the relevance of existing industry-specific indicators to the Group is considered limited, and accordingly, no specific disclosure has been made in this regard.
Climate-related targets 19. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any <i>GHG emissions</i> targets. For each target, the issuer shall disclose:	
(a) the metric used to set the target;	Ecosystem Conservation, Shared Prosperity for All
(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	Ecosystem Conservation, Shared Prosperity for All
(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	Ecosystem Conservation, Shared Prosperity for All
(d) the period over which the target applies;	Ecosystem Conservation, Shared Prosperity for All
(e) the base period from which progress is measured;	Ecosystem Conservation, Shared Prosperity for All

(IV) Metrics and Targets

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Climate-related Disclosures Requirements	Chapter
(f) milestones or interim targets (if any);	Ecosystem Conservation, Shared Prosperity for All
(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	Ecosystem Conservation, Shared Prosperity for All
(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Ecosystem Conservation, Shared Prosperity for All
20. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
(a) whether the target and the methodology for setting the target has been validated by a third party;	Ecosystem Conservation, Shared Prosperity for All
(b) the issuer's processes for reviewing the target;	Ecosystem Conservation, Shared Prosperity for All
(c) the metrics used to monitor progress towards reaching the target; and	Ecosystem Conservation, Shared Prosperity for All
(d) any revisions to the target and an explanation for those revisions.	Ecosystem Conservation, Shared Prosperity for All
21. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.
22. For each GHG emissions target disclosed in accordance with paragraphs 19 to 21, an issuer shall disclose:	
(a) which GHGs are covered by the target;	Ecosystem Conservation, Shared Prosperity for All
(b) whether Scope 1, Scope 2 or Scope 3 GHG emissions are covered by the target;	Ecosystem Conservation, Shared Prosperity for All

(IV) Metrics and Targets

Climate-related Disclosures Requirements	Chapter
(c) whether the target is a gross GHG emissions target or a net GHG emissions target. If the issuer discloses a net GHG emissions target, the issuer is also required to separately disclose its associated gross GHG emissions target;	Ecosystem Conservation, Shared Prosperity for All
(d) whether the target was derived using a sectoral decarbonisation approach; and	Ecosystem Conservation, Shared Prosperity for All
(e) the issuer's planned use of carbon credits to offset GHG emissions to achieve any net GHG emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
(i) the extent to which, and how, achieving any net GHG emissions target relies on the use of carbon credits;	/
(ii) which third-party scheme(s) will verify or certify the carbon credits;	/
(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	/
(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	/
Applicability of cross-industry metrics and industry-based metrics	
23. In preparing disclosures to meet the requirements in paragraphs 3 to 8 and 19 to 20, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 10 to 17) and (ii) industry-based metrics (see paragraph 18).	Cross-industry metrics or industry-based metrics were not referenced; this matter is not applicable.

(IV) Metrics and Targets

Index to the 'Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Reporting (Trial)' of the Shanghai Stock Exchange

Dimension	No.	Issue	Relevant Articles	Chapter
Environment	1	Response to climate change	Articles 21 to 28	Climate Action, Zero-Carbon Future
	2	Pollutant emissions	Article 30	Ecosystem Conservation, Shared Prosperity for All
	3	Waste management	Article 31	Ecosystem Conservation, Shared Prosperity for All
	4	Ecosystem and biodiversity conservation	Article 32	Ecosystem Conservation, Shared Prosperity for All
	5	Environmental compliance management	Article 33	Ecosystem Conservation, Shared Prosperity for All
	6	Energy utilization	Article 35	Climate Action, Zero-Carbon Future
	7	Water resources utilization	Article 36	Ecosystem Conservation, Shared Prosperity for All
	8	Circular economy	Article 37	Ecosystem Conservation, Shared Prosperity for All
Social	9	Rural revitalization	Article 39	Warmth Extended, Lives Illuminated
	10	Social contribution	Article 40	Warmth Extended, Lives Illuminated Dreams Nurtured, Excellence Cultivated
	11	Innovation-driven development	Article 42	Breakthrough in R&D, Relentless Pursuit of Innovation

Dimension	No.	Issue	Relevant Articles	Chapter
Social	12	Technology ethics	Article 43	Breakthrough in R&D, Relentless Pursuit of Innovation
	13	Supply chain security	Article 45	Supply Chain Management, Collaborative Growth
	14	Fair treatment of small and medium-sized enterprises	Article 46	Integrity in Enterprise, Compliance as Safeguard
	15	Product and service safety and quality	Article 47	Excellence in Quality, Customers as Priority
	16	Data security and customer privacy protection	Article 48	Excellence in Quality, Customers as Priority
	17	Employees	Article 50	Inclusion of Talent, Co-Creation of Value Rights Protection, People-Centric Care
	18	Due diligence	Article 52	Integrity in Enterprise, Compliance as Safeguard
Sustainability-Related Governance	19	Stakeholder communication	Article 53	Strategic Leadership, New Horizons of Sustainability
	20	Anti-commercial bribery and anti-corruption	Article 55	Integrity in Enterprise, Compliance as Safeguard
	21	Anti-unfair competition	Article 56	Integrity in Enterprise, Compliance as Safeguard

GRI Standards Guide

Statement of Use	SMIC Integrated Circuit Manufacturing Co., Ltd. reported the information cited in this GRI Content Index for the period from January 1, 2025 to December 31, 2025 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

Disclosure Topic / Disclosure Item	Disclosure Item Title	Chapter Index
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
Organization and its reporting practices		
2-1	Organizational profile	Heritage and Sustainability
2-2	Entities included in the organization's sustainability report	About This Report
2-3	Reporting Period, frequency and contact point	About This Report
2-4	Restatements of information	About This Report
Activities and workers		
2-6	Activities, value chain and other business relationships	Heritage and Sustainability
2-7	Employees	Rights Protection, People-Centric Care
2-8	Workers who are not employees	Strategic Leadership, New Horizons of Sustainability Supply Chain Management, Collaborative Growth
Governance		
2-9	Governance structure and composition	Foundation of Governance, Accountability in Practice Strategic Leadership, New Horizons of Sustainability
2-12	Oversight role of the highest governance body in managing impacts	Foundation of Governance, Accountability in Practice Strategic Leadership, New Horizons of Sustainability
2-13	Delegation of responsibility for managing impacts	Foundation of Governance, Accountability in Practice
2-14	Role of the highest governance body in sustainability reporting	Foundation of Governance, Accountability in Practice
Strategy, policies and practices		
2-23	Policy commitments	Strategic Leadership, New Horizons of Sustainability

Disclosure Topic / Disclosure Item	Disclosure Item Title	Chapter Index
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Strategic Leadership, New Horizons of Sustainability
GRI 3: Material Topics 2021		
3-1	Process for defining material topics	Strategic Leadership, New Horizons of Sustainability
3-2	List of material topics	Strategic Leadership, New Horizons of Sustainability
3-3	Management of material topics	Strategic Leadership, New Horizons of Sustainability
Economic		
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	2025 ESG Highlights Performance
201-2	Financial implications of climate change and other risks and opportunities	Climate Action, Zero-Carbon Future
201-3	Obligatory defined benefit plans and other retirement plans	Rights Protection, People-Centric Care
GRI 205: Anti-corruption 2016		
205-2	Communication and training on anti-corruption policies and procedures	Integrity in Enterprise, Compliance as Safeguard
205-3	Confirmed incidents of corruption and actions taken	Integrity in Enterprise, Compliance as Safeguard
Environment		
GRI 301: Materials 2016		
301-1	Weight and volume of materials used	Summary of ESG Performance
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Climate Action, Zero-Carbon Future
302-3	Energy intensity	Climate Action, Zero-Carbon Future

Building a Solid Foundation for Steady Growth

Growing with Nature, Flourishing Together

Driving Innovation, Leading with Quality

Gathering Talent, Advancing Together

Uniting Strength, Care in Action

Appendix

Disclosure Topic / Disclosure Item	Disclosure Item Title	Chapter Index
302-4	Reduction of energy consumption	Climate Action, Zero-Carbon Future
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Ecosystem Conservation, Shared Prosperity for All
303-4	Effluents	Ecosystem Conservation, Shared Prosperity for All
303-5	Water consumption	Ecosystem Conservation, Shared Prosperity for All
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Climate Action, Zero-Carbon Future
305-2	Energy indirect (Scope 2) GHG emissions	Climate Action, Zero-Carbon Future
305-4	GHG emission intensity	Climate Action, Zero-Carbon Future
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x) and other significant air emissions	Ecosystem Conservation, Shared Prosperity for All
GRI 306: Waste 2020		
306-1	Waste generated and significant impacts related to waste	Ecosystem Conservation, Shared Prosperity for All
306-2	Management of significant impacts related to waste	Ecosystem Conservation, Shared Prosperity for All
306-3	Waste generated	Ecosystem Conservation, Shared Prosperity for All
Social		
GRI 401: Employment 2016		
401-1	New employee hiring rate and employee turnover rate	Inclusion of Talent, Co-Creation of Value
401-2	Benefits provided to full-time employees (excluding temporary or part-time)	Rights Protection, People-Centric Care
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Rights Protection, People-Centric Care
403-2	Hazard identification, risk assessment and incident investigation	Rights Protection, People-Centric Care

Disclosure Topic / Disclosure Item	Disclosure Item Title	Chapter Index
403-3	Occupational health services	Rights Protection, People-Centric Care
403-5	Occupational health and safety training for workers	Rights Protection, People-Centric Care
403-6	Promotion of worker health	Rights Protection, People-Centric Care
403-8	Workers covered by occupational health and safety management system	Rights Protection, People-Centric Care
403-9	Work-related injuries	Rights Protection, People-Centric Care
403-10	Work-related health problems	Rights Protection, People-Centric Care
GRI 404: Training and Education 2016		
404-1	Average hours of training per employee per year	Inclusion of Talent, Co-Creation of Value
404-2	Employee skills enhancement programmes and transition assistance programmes	Inclusion of Talent, Co-Creation of Value
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Foundation of Governance, Accountability in Practice Inclusion of Talent, Co-Creation of Value
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Inclusion of Talent, Co-Creation of Value
GRI 408: Child Labour 2016		
408-1	Operations and suppliers with significant risk of child labour incidents	Rights Protection, People-Centric Care
GRI 409: Forced or Compulsory Labour 2016		
409-1	Operations and suppliers with significant risk of forced or compulsory labour incidents	Rights Protection, People-Centric Care
GRI 416: Customer Health and Safety 2016		
416-2	Violations related to health and safety impacts of products and services	Excellence in Quality, Customers as Priority

Vision of the Future

In recent years, global competition in the integrated circuit manufacturing industry has become increasingly intense, with opportunities and challenges existing side by side. As a leader in the integrated circuit manufacturing industry in Chinese Mainland, SMIC relies on solid support from the domestic market, integrates the concept of sustainability into its business, and, relying on forward-looking strategic layout and industry-leading process technologies, advances steadily amid a new wave of industrial transformation, consolidating and expanding its leading position in the industry.

Aligning with its current business development status and future strategic plans, SMIC has proactively responded to the national "dual carbon" policy, accurately gauged the dynamic trends of the chip industry, and made scientifically grounded and flexible adjustments to its environmental targets. The Company continues to drive energy conservation and emission reduction, actively builds and refines its environmental governance system, and deeply integrates green and low-carbon principles into every aspect of production and operations. By establishing a robust ESG management system, optimizing the internal environmental indicator incentive mechanism, and introducing special awards for energy-saving achievements, SMIC has driven the transformation and green upgrading of its factory lands. Presently, six of its sites have been certified as Green Factories, and six main plants have obtained green building certifications both domestically and internationally, demonstrating the ongoing emergence of its green development accomplishments.

Looking ahead, SMIC will remain committed to the core sustainability concept of "People-Oriented, Environmentally Friendly, and Giving Back to Society", resolutely pursue its long-term sustainability goals, and work hand in hand with all stakeholders to deepen collaboration, continuously fulfill its corporate social responsibility, promote green and low-carbon transformation, and jointly build a harmonious, symbiotic, and mutually beneficial social ecosystem.

While continuing to operate in compliance with laws and regulations, SMIC is committed to:

Deepening Cooperation

Maintain close ties with customers and other stakeholders, leverage transparent and efficient multi-directional communication mechanisms to deepen exchanges and cooperation, accurately align with capacity expansion pace, and jointly drive robust and thriving business growth.

International Layout

Keep abreast of global semiconductor industry trends, stay rooted in the Chinese market, integrate deeply into the global industrial chain, and actively advance the international development of the industry.

Low-Carbon Operation

Continuously refine and advance low-carbon operating models, and establish a sound environmental management system. Accelerate, with greater speed and higher quality, the Company's transition toward green and low-carbon operations, fully realizing sustainable development goals.

Green Development

Implement the concept of green development, actively advocate and practice green and low-carbon operating principles, and continuously enhance environmental protection technological innovation capabilities to support the achievement of green transformation objectives.

Care for Employees

Continuously improve employee well-being, optimize the benefits system, fully unlock employees' potential, and create a safe, healthy and people-oriented workplace environment, fostering common growth and harmonious development between employees and the Company.

Giving Back to Society

Actively fulfill corporate social responsibility, continuously participate in diverse charitable, public-welfare activities and donation programs, provide tangible support and care for vulnerable groups through concrete actions, and demonstrate the Company's warmth and commitment.

Risk Warning

This Report mainly summarizes the Company's ESG performance over the past year, and some sections may contain forward-looking or aspirational statements. Such statements, which are included in "Letter from the Chairman", "Vision of the Future" and the policy overview in each chapter, are SMIC's forecasts of future events based on the current situation and estimates according to its best judgment, and should not be used as a primary basis for investment. These statements are inherently subject to known or unknown risks and uncertainties, including, but not limited to, risks in geopolitics, supply chain, customer, R&D and production, the semiconductor industry cycle and market, order or judgment of pending litigation, intellectual property litigation common to the IC industry, macroeconomic conditions, and currency exchange rate fluctuations.

In addition to this Report's contents, readers or investors should primarily consider other documents disclosed by SMIC in real time to the HKEX and the SSE. Other unknown or unpredicted risk factors may also adversely affect SMIC's future performance or development. The forward-looking or aspirational statements do not reflect events occurring after the date of release of the Report, and SMIC assumes no liability for the contents of such forward-looking or aspirational statements, except as required by applicable laws and regulations.





Feedback Form



This is SMIC's 2025 Environmental, Social and Governance (ESG) Report released to the public. To continuously improve our ESG management and ability to fulfill social responsibility, we would love to hear your comments and suggestions. We sincerely request your assistance in answering questions listed in the feedback form, and sending it back to us by email, post and online response.



Email: ESG@smics.com



Mailing address: No. 18, Zhangjiang Road, Pudong New Area, Shanghai, P.R.C



To: ESG Office



Zip code: 201203

1. What do you think of the SMIC ESG Report in general?

- Good
- Fairly good
- Average
- Poor

2. How often would you like SMIC to disclose ESG report?

- annually
- semi-annually
- quarterly

3. What issues in this Report do you concern most?

- Regulatory compliance
- Occupational safety and health
- Risk management
- Confidential information Protection
- Climate change and GHG management
- Customer service and satisfaction
- Product quality control
- Others

4. Do you think this Report can reflect SMIC's significant economic, social, environmental and corporate governance impacts?

- Yes
- To some degree
- No
- I don't know

5. How accurate and complete do you think the information disclosed in this Report is?

- High
- Fairly high
- Medium
- Relatively low
- Low

6. What aspects of this report do you think need improvement?

- Layout
- Data type
- Issue covered
- References

Your comments and suggestions on SMIC's ESG work as well as this Report are appreciated.



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