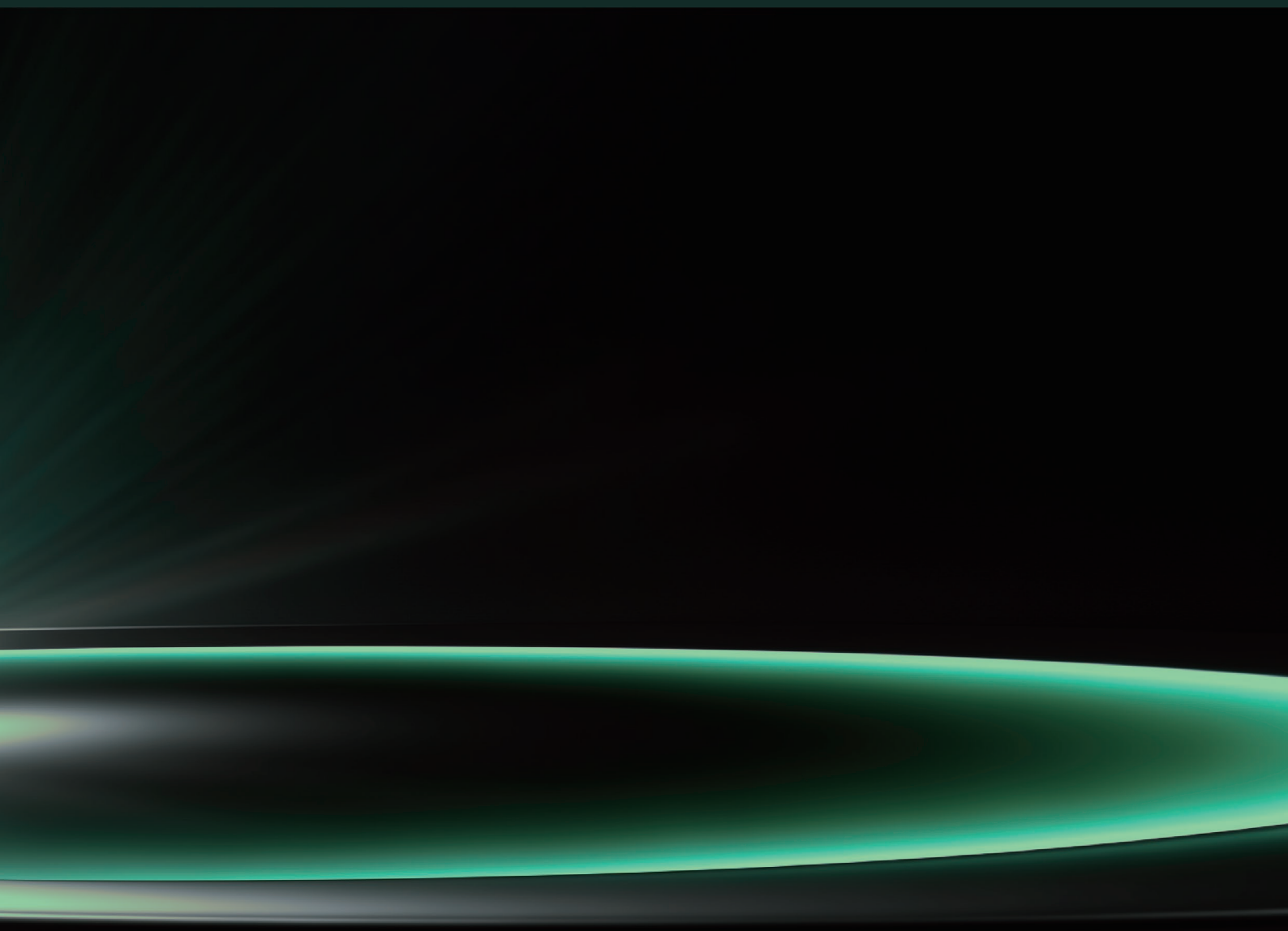
TONGDA GROUP

Environmental, Social and Governance Report 2023

TONGDA GROUP HOLDINGS LIMITED



Incorporated in the Cayman Islands with limited liability
Stock Code: 698

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ABOUT THE GROUP

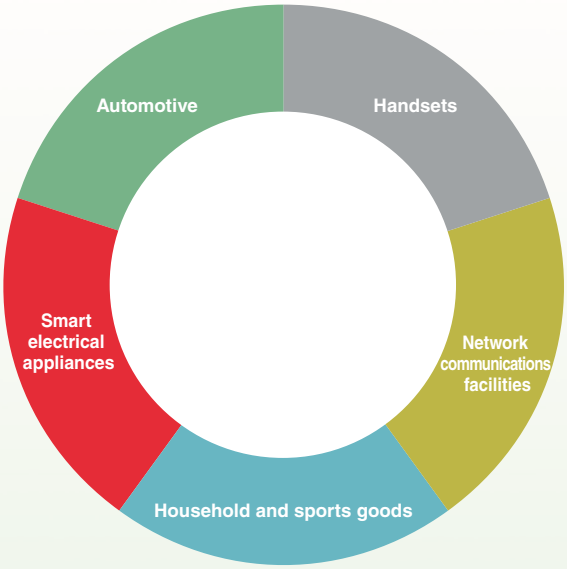
Tongda Group Holdings Limited ("Tongda" or the "Company", together with its subsidiaries, collectively "Tongda Group" or the "Group") was established in 1978. After being listed on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEX") in 2000, The Group strategically transformed from a home appliance-based industrial manufacturer to a leading solution provider of precision structural parts for global smart mobile communications and consumer electronic products, providing customers with a one-stop solution from product design, technical research and development to manufacturing planning.

As the globally leading solution provider of high-precision structural parts for smart mobile communication and consumer products, The Group provides one-stop solution to customers, starting from product design, technical research and development ("R&D") to manufacturing. Our products mainly cover handset casings and high-precision components, metaverse-related hardware accessories, household and sports goods, network communications facilities, aluminum components of battery for new energy vehicles and panels for smart electrical appliances.

Mission & Vision

Vision	To be a respectable enterprise in society
Mission	To create value for our customers
Culture & Values	Innovation and perpetual operation
	Integrity, enthusiasm, dedication and accountability
	Promoting teamwork and tackling changes
	Prompt response and immediate action

Business Overview



Operation & Manufacturing

As a leading provider of high-precision structural parts for smart mobile communication and consumer products, The Group is committed to opening up more value creation paths in various ways based on innovative technology and craftsmanship. In addition to consolidating existing innovative technologies, leading processes, diversified production capacity and excellent R&D team, The Group focuses on market scale and product quality, and is committed to improving operational efficiency. The Group will actively explore the possibilities of various emerging products, new materials and new fields with various customers, focusing on technological innovation, with the mid- to long-term strategic goal of increasing participation in these customers' new products and expanding product lines.

The Group's production bases are mainly located in Shishi, Xiamen,Guangdong, China, Malaysia and Vietnam, establishing a multi-location service network with 15,000 people employed.

Headquarter : Hong Kong

Overseas Offices : Seoul, Korea & Taiwan

Production Bases : Ha Noi, Vietnam; Penang, Malaysia; Shishi, Fujian; Xiamen, Fujian; and Dongguan, Guangdong

ABOUT THE REPORT

Tongda Group Holdings Limited ("Tongda" or the "Company", together with its subsidiaries, collectively "Tongda Group" or the "Group") is pleased to release the Environmental, Social and Governance ("ESG") Report (the "Report"). The Report aims to disclose the sustainability strategies and management approaches of the Group, and to highlight the performance of various ESG aspects to its stakeholders, thereby promoting its sustainable development and planning. The Report has been uploaded to The Group's website (www.tongda.com) and the website of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") for public inspection. The Report is written in both Chinese and English. If there is any inconsistency, please refer to the Chinese version.

Reporting Scope

The Report covers the Group's core business during the period from 1 January 2023 to 31 December 2023 (the "Year"), including the consumer electronics structural components, which consists of manufacturing of components for smart mobile communication and other electrical consumer products; and the household and sports goods, which consists of durable household goods, household utensils and sports goods (the "Divisions"), which involves the operations of production bases in Shishi, Xiamen and Guangdong, PRC (the "Production Bases"). Moreover, The Group's offices in various locations are for supportive purposes, and have no significant impact on The Group's overall sustainability performance, hence are excluded from the reporting boundary. Overall, there are no material changes to the reporting scope of the Year compared to 2022's ESG Report.

Reporting Principles

The Report is compiled in accordance with the disclosure requirements of the "ESG Reporting Guide" (the "Guidelines") contained in Appendix C2 of the e Rules Governing the Listing of Securities issued by the Stock Exchange, and is based on the reporting principles within the "Guidelines", including significance, quantification, balance and consistency.

Materiality	The Group regularly communicates with major stakeholders, and through annual questionnaire surveys and materiality assessments, identifies and assesses ESG issues important to The Group and major stakeholders to determine the content of the report and make key disclosures.
Quantitative	Where feasible, The Group records and collects data on various ESG key performance indicators ("KPIs") and discloses relevant quantitative data and historical data in this report for comparison and assessment. In addition, the standards, methods, assumptions, calculation tools, and reference materials used for each KPI have been appropriately explained in this Report.
Balance	Following the principle of impartiality, the Report has disclosed both achievements and challenges of The Group in aspects of environment, society and governance in a truthful and comprehensive manner, for readers to objectively and fairly evaluate relevant performance.
Consistency	The Report has been prepared according to consistent standards, and the reporting scope, data statistics and reporting methods are basically the same as the 2022 ESG Report, so as to ensure the comparability of the reports. Meanwhile, The Group has included corresponding explanations for any inconsistencies (if any) with previous reports.

The Report has complied with the "Mandatory Disclosure Requirements" and "Comply or explain" provisions in the Guide. Except for provisions that the Group considers not applicable to its business operations or to provide partial disclosure, relevant explanations have been set out in the corresponding sections.

Confirm and Approval

The data and information contained in the Report are mainly from internal documents and statistical data of the Group, and the content of the Report has been reviewed and confirmed by the Board of Directors.

Feedbacks and Comments

The Group firmly believes that the opinions of all stakeholders will help to continuously strengthen the performance of corporate sustainability. If you have any questions or suggestions about the Group's sustainability issues, the content of this report, or the form of the report, please contact the Group by email (ir@tongda.com.hk).

MESSAGE FROM CHAIRMAN

During this year, the Group faced a challenging external operating environment, while trends such as technological development, climate change, and the transition to a low-carbon economy also brought varying degrees of risk and opportunity. Despite this, the Group adheres to core values, responds actively and flexibly, and implements sustainable development goals and operating models in all areas, reducing the impact of changes in the external environment and policy on the main business, and seizing the opportunities brought by new trends.

Good Sustainable Development Governance

The Group deeply understands the importance of good corporate governance in achieving sustainable high-quality development. To achieve a vision of sustainable development, the Group is committed to constructing and maintaining an effective sustainable development governance structure, thereby integrating the concept of sustainable development into business operations and practicing good corporate governance, environmental and social norms in daily operations. We continue to pay attention to market development trends and the expectations of all sectors of society, continuously review and adjust sustainable development strategies, policies, and measures, in order to respond quickly to various new opportunities and risks, and promote our sustainable development process.

Commitment to Environmental and Social Responsibility

With the international and national long-term goals for climate change, the Group is committed to ensuring the integration of business development and environmental protection, actively increasing energy-saving and emission-reduction efforts, promoting green production, development, promotion and application of new technologies, processes and equipment, reducing environmental footprints, and promoting the efficient use of resources. The Group focuses on supply chain management and quality management procedures, and at the same time cooperates with professional training to ensure the effective implementation of the management system, steadily improving production efficiency on the basis of safety and compliance. We continuously improve our research and development capabilities and are committed to developing high-quality products that meet customer needs. In addition, the Group focuses on talent cultivation and team building, providing good training and development opportunities to stimulate innovation and improve work efficiency.

The Group will continue to practice the core values of the enterprise, review and improve sustainable development management and performance, and promote the steady progress of the Group towards sustainable development goals. At the same time, we deeply understand the importance of the support of internal and external stakeholders in achieving sustainable development, adhere to an open attitude, communicate closely, and take active actions, and respond to their concerns and expectations in a timely manner. Through continuous efforts and close cooperation, The Group hopes to bring positive impacts on society and the environment, and work together with all parties to achieve a low-carbon transition and a sustainable future.

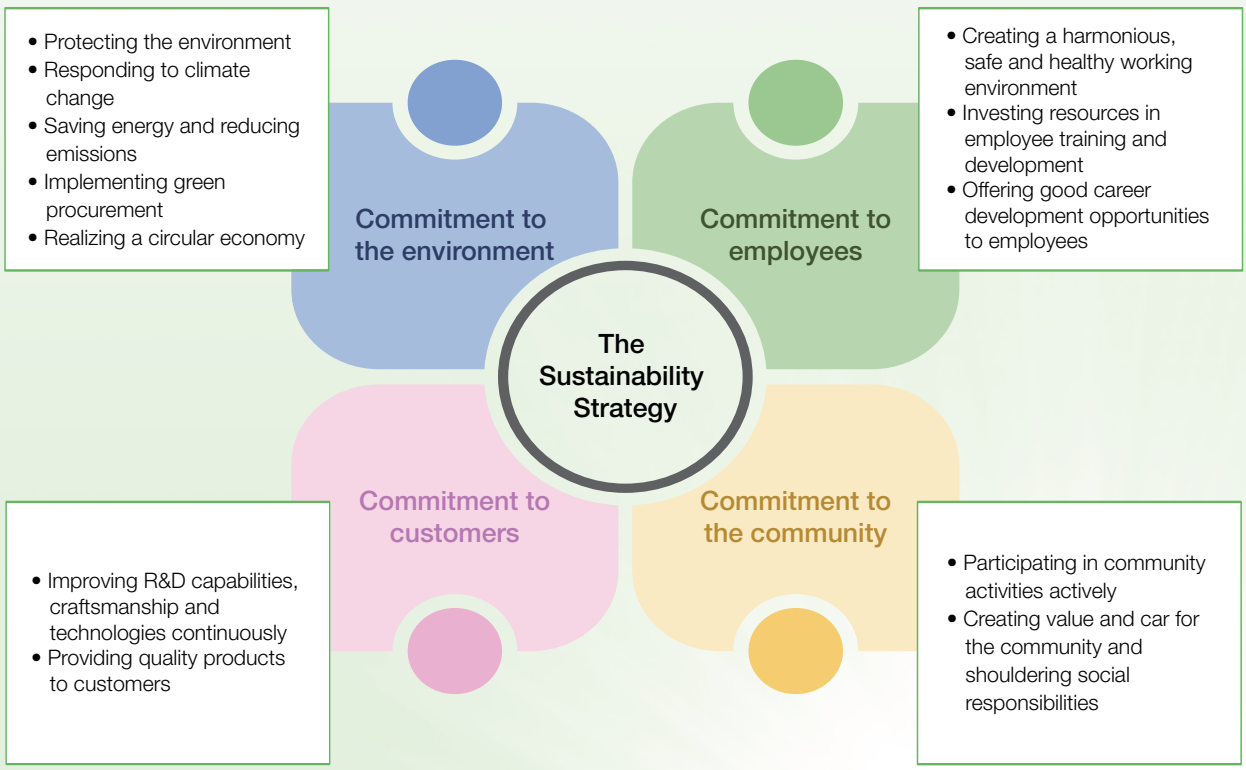
Chairman and Chief Executive Officer
Wang Ya Nan
Tongda Group Holdings Limited

OUR APPROACH TO SUSTAINABILITY

The Group has always adhered to the core values of "innovation and perpetual operation", steadfastly pursuing the long-term goal of sustainable development, and firmly believes that it should create value for all stakeholders while achieving steady development.

Sustainability Strategy

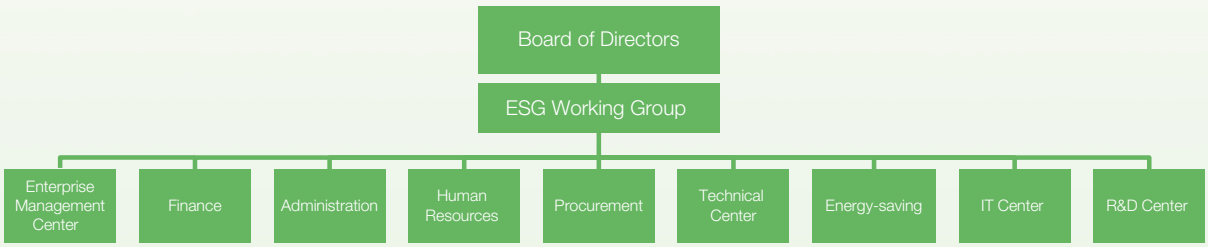
We regard our commitments to the environment, employees, customers, and communities as the four strategic pillars of the Group's sustainable development and have formulated corresponding ESG management policies and work plans. The Group insists on a candid, open-minded, and responsible attitude, closely communicating and cooperating with our employees, shareholders, and investors, suppliers, customers, government departments, and communities. At the same time, we continuously pay attention to market development trends and expectations from all walks of life, constantly review and adjust our ESG strategies, policies, and measures, so that we can quickly respond to various new opportunities and risks, and further advance our sustainable development process.



Sustainability Governance

Governance Structure

To realize our vision of sustainable development, the Group is committed to creating and maintaining an effective sustainable development governance structure, thereby integrating the concept of sustainable development into business operations. We have a two-tier sustainable development governance structure, jointly composed of the Board of Directors and cross-departmental ESG Working Group. This structure can enhance communication between decision-making and execution levels to ensure the comprehensive implementation of corporate governance, environmental management, and social responsibility concepts in daily operations. We believe that this approach can make a positive contribution to social and environmental aspects while maintaining business efficiency.



The Board

The Board of Directors, as the highest governance body of the Group, assumes overall responsibility for ESG and climate-related matters. Its roles and responsibilities include:

- Regularly review sustainability strategies, ESG management and performance to ensure the effective implementation of relevant policies;
- Monitor and manage ESG-related risks and opportunities;
- Examine the progress of ESG-related work and targets; and
- Supervise and approve ESG-related matters and ESG reports of the Group

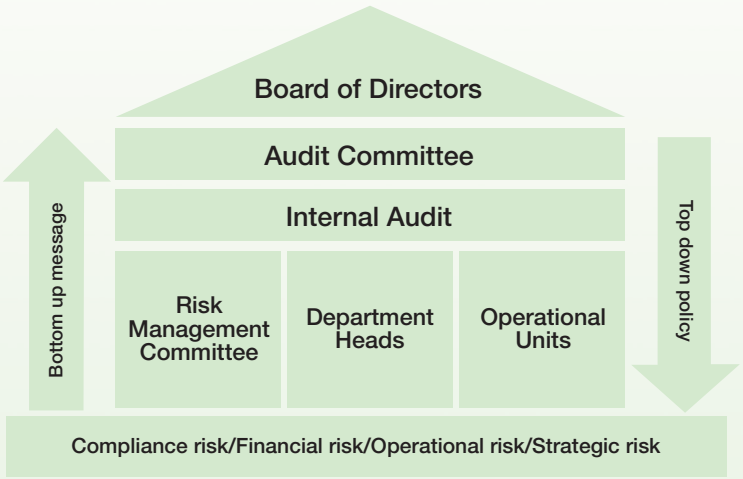
ESG Working Group

The ESG Working Group is authorized by the Board of Directors to assist in coordinating and overseeing the work of ESG, and regularly reports to the Board of Directors. Its roles and responsibilities include:

- Implement relevant policies and measures in accordance with guidelines of the Board of Directors on ESG matters;
- Assist the Board of Directors in identifying, assessing and managing ESG-related risks, and provide suggestions for formulating policies, targets and work plans;
- Regularly report ESG work performance to the Board of Directors to help review and improve the Group's sustainability strategies and management; and
- Collect and manage ESG-related data and information, and help prepare annual ESG reports and relevant information disclosure

Risk Management

The Group understands the importance of risk management for sustainable development. Efficient ESG management helps us to respond timely and effectively to various sustainable development risks and opportunities. At the Group level, the Board of Directors is responsible for maintaining and reviewing the effectiveness of the Group's risk management and internal control system, and regularly checks and evaluates risks that have a significant impact on the Group's performance through the audit committee of the company.



The risk management framework in Tongda Group

In terms of operations, the Group has established an internal audit system for the management system of environment, social responsibility, and occupational health and safety. We conduct at least one audit annually to regularly monitor risks, ensuring the work of all departments is efficient and aligning with the overall goals. The management approves and evaluates the applicability and compliance of each system based on the audit results.

To further strengthen the management of ESG risks, we annually formulate "Targets and Indicators Management Plan", and continuously update the "List of Material Hazard Sources and Risk Control Measures" and the "List of Important Environmental Factors" compiled by individual businesses. Apart from identifying the sources of risks through these lists, we also formulate targeted risk countermeasures. We regularly track the implementation effect of these countermeasures to enhance systematic ESG risk management and continuously improve our risk countermeasures.

Aspects	Risk Description	Corresponding measures
Environmental pollution	Effect of pollution prevention measures fails to meet the expected requirements, resulting in excessive discharge	• Assign dedicated personnel to periodically evaluate the effectiveness of environmental protection programs, and adjust preventive measures when necessary • Stringently monitor emission data, report and rectify in time when detected any abnormalities
	Failure to consider the full product lifecycle when developing new projects, which may cause severe environmental pollution	• Require the development department to monitor the lifecycle at each stage to prevent environmental pollution or accidents • Conduct sampling tests on new projects from time to time, to ensure compliance with environmental requirements
Occupational health and safety	Failure to comprehensively understand the safety laws and regulations related to special equipment, causing violation of requirements during production process, which may lead to safety accidents	• Update relevant laws and regulations in a timely manner, and formulate operating procedures for various special equipment in strict accordance with relevant requirements • Regularly arrange external training for employees using special equipment and verify their working qualification with certificates • Regularly inspect special equipment and personal protective gears

Aspects	Risk Description	Corresponding measures
	Employees lack safety awareness due to inadequate safety training, resulting in occupational hazards	• Strengthen health and safety training, especially on the use and storage of chemicals, flammable and explosive materials, and the operation and maintenance of machines • Identify special and high-risk positions and arrange regular body check
Quality control	Product production plan fails to meet the order requirements, resulting in an excessively high defective rate, or delays in product delivery	• Carry out preliminary planning for product defect rate, strengthen on-site guidance and quality monitoring, and adopt corrective and preventive measures in a timely manner • Reasonably formulate production plans based on product characteristics and actual production capacity, and maintain close communication with customers to align with the order requirements

Compliance Management

Complying with all applicable laws and regulations is a fundamental requirement in the operation of the Group, and also a manifestation of our social responsibility. We understand that if we violate laws and regulations, it will bring various levels of impact to the Group. These impacts may include damaging operational capabilities, tarnishing public image and reputation, as well as legal penalties and lawsuits. Therefore, we have formulated and implemented a series of policies and systems to strengthen compliance management, ensuring business activities meet all relevant legal and regulatory requirements. The Board of Directors and the audit committee are responsible for reviewing and assessing the internal control system.

In this year, the Group has not had any illegal cases related to various ESG aspects, nor any corruption lawsuits brought against the Group or its employees.

Environmental Aspects

- "Environmental Protection Law of the People's Republic of China"
- "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution"
- "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes"
- "Energy Conservation Law of the People's Republic of China"
- "Water Law of the People's Republic of China"
- "Water Pollution Prevention and Control Law of the People's Republic of China"
- "Law of the People's Republic of China on Environmental Impact Assessment"
- "Law of the People's Republic of China on Promoting Clean Production"
- "Circular Economy Promotion Law of the People's Republic of China"
- "Directory of National Hazardous Wastes"
- "Regulation on the Administration of Permitting of Pollutant Discharges"
- "Regulation on Urban Drainage and Sewage Treatment"
- "Administrative Measures for Urban Living Garbage"
- "Measures on the Management of Hazardous Waste Manifests"
- "Measures for the Administration of Carbon Emissions Trading (for Trial Implementation)"
- "Administrative Measures on the Prevention of Environmental Pollution by Electronic Wastes"
- "Emission Standard of Pollutants for Electroplating"
- "Integrated Emission Standard of Air Pollutants"
- "Emission Standard of Volatile Organic Compounds for Printing Industry"
- "Emission Standard of Volatile Organic Compounds for Industrial Surface Coating"

Social Aspects

Employment System and Labour Standards

- "Labour Law of the People's Republic of China"
- "Trade Union Law of the People's Republic of China"
- "Labour Contract Law of the People's Republic of China"
- "Law of the People's Republic of China on Employment Promotion"
- "Law of the People's Republic of China on the Protection of Disabled Persons"
- "Law of the People's Republic of China on the Protection of Minors"
- "Law of the People's Republic of China on the Protection of Rights and Interests of Women"
- "Labour Insurance Regulations of the People's Republic of China"
- "Regulation on Paid Annual Leave for Employees"
- "Provisions of the People's Republic of China on the Prohibition of Using Child Labour"
- "Provisions of the State Council on Working Hours of Workers and Staff"
- "Special Rules on the Labour Protection of Female Employees"
- "Provisions on Minimum Wages"
- "Regulation on Public Holidays for National Annual Festivals and Memorial Days"

Occupational Health and Safety

- "Production Safety Law of the People's Republic of China"
- "Regulation on Work-Related Injury Insurances"
- "Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases"
- "Law of the People's Republic of China on Prevention and Treatment of Infectious Diseases"

Product Responsibility

- "Product Quality Law of the People's Republic of China"
- "Waste Electrical and Electronic Equipment Directive" (WEEE)
- "Model Toxics in Packaging Legislation"
- "European Union 2009/251/EC Directive"
- "Patent Law of the People's Republic of China"
- "Cybersecurity Law of the People's Republic of China"
- "Restriction of the use of Hazardous Substance" (RoHS Directive)
- "The Management measures of Limiting the Use of Hazardous Substances in Electrical and Electronic Products" (China RoHS)
- "Registration, Evaluation, Authorization and Restriction of Chemicals" (REACH)
- "Directive of Eco-design Requirements of Energy-using Products" (EuP Directive)
- "Measures for the Administration of Internet Domain Names of China"

Anti-corruption

- "The Contract Law of the People's Republic of China"
- "Criminal Law of the People's Republic of China"
- "Anti-Unfair Competition Law of the People's Republic of China"

For details on risk and compliance management and other corporate governance practices of the Group, please refer to the "Corporate Governance Report" section of the Group's annual report.

STAKEHOLDER ENGAGEMENT

The long-term support and trust of stakeholders is an important factor for corporate sustainable growth, it also serves as the foundation for the Group in formulating sustainability strategies, policies and measures.

The Group values establishing and maintaining two-way communication with stakeholders, committed to understanding and responding to the concerns and expectations of stakeholders, to maintain close cooperation. Through diversified and highly transparent communication platforms, we regularly collect valuable opinions and suggestions from different stakeholders, so as to make corresponding improvements and adjustments in business management and sustainable development strategies, and improve ESG governance level and performance.

Materiality Assessment

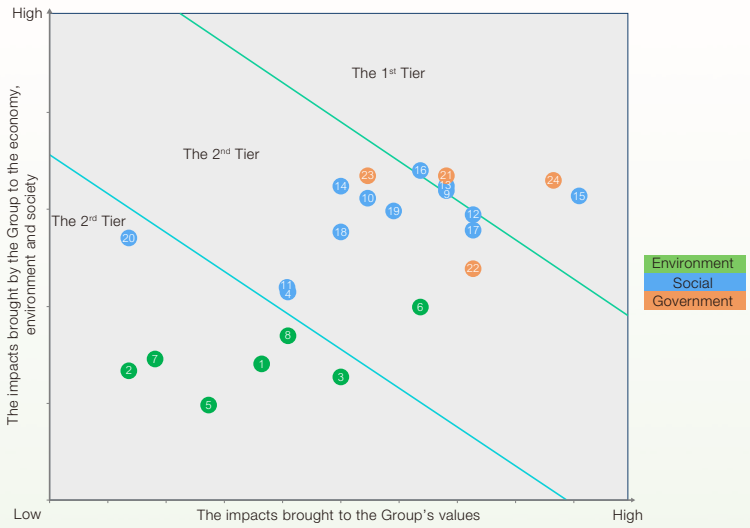
To promote sustainable development of enterprises and ensure that ESG reports can reflect the issues of concern to stakeholders, the Group regularly understands the opinions and expectations of various stakeholders on ESG issues through importance assessment. In this year, the Group continued to appoint independent sustainable development consultants, and carried out assessments in accordance with the three steps of identification, prioritization and verification, to identify ESG issues important to the Group and stakeholders.

1 Identification	• Refer to the "Guidelines", reporting trends and industry practices, combine with the internal situation of the Group to screen, and identify 24 ESG issues closely related to the business of the Group.
2 Prioritization	• Invite internal and external stakeholders to participate in online surveys and score the importance of ESG issues. • Collect scores for the two dimensions of each ESG issue, including the impact on the corporate value of the Group (financial importance) and the impact of the Group on the economy, environment, and society (impact importance), to determine the overall importance level of each ESG issue. • Develop an importance matrix and a priority list of ESG issues.
3 Confirmation	• After the evaluation results are reviewed by the board of directors and senior management, the Group will make targeted responses and key reports.

The following matrix illustrates the overall importance of 24 ESG issues, taking into account their impact on the corporate value of the Group and its influence on the economy, environment, and society. The six ESG issues located in the upper right corner of the matrix are deemed "very important issues". The Group will respond specifically to these issues and provide detailed reports. Additionally, we will prioritize enhancing ESG management for these issues and integrate them into the Group's future strategic planning and risk management considerations.

Stakeholders	Communication channels	Issues of concern	The Group's response and measures
Investors and shareholders	• Annual General Meetings and Extraordinary General Meetings • Investor presentation • Annual reports, interim reports and announcements • Investors' meetings	• Safeguarding shareholders' interests • Sustaining investment return • Ensuring business performance and prospects of The Group • Risk management and control	• Convene Annual General Meetings and Extraordinary General Meetings • Improve transparency of information disclosure • Promote healthy and sustainable development of The Group • Strengthen risk management and control
Customers	• Customer satisfaction surveys • Seminars • Customer complaint channels	• Product safety and quality management • Product R&D and technological innovation • Data security and customer privacy management • Customer services and complaint handling	• Strictly control on processes of R&D, procurement and production, etc. • Rapidly respond to customers' needs • Enhance quality management • Upgrade information and network security system • Accelerate product R&D and technological innovation

Stakeholders	Communication channels	Issues of concern	The Group's response and measures
Suppliers	• Supplier conferences • Work meeting and daily communication • Site visits • Periodic audit	• Supply chain management and sustainable development • Anti-corruption and anti-fraud • Complying with the standard business conduct • Environmental protection and compliance • Product quality management	• Implement supplier admission and delisting mechanism • Conduct supplier training and audits • Sign a letter of commitment for integrity • Strengthen cooperation and communication
Employees	• Staff hotline, forum and Chairman mailbox • Staff care center • Employee satisfaction surveys • WeChat official accounts • Internal newsletter • Regular training	• Employment system and management • Employee welfare and rights • Occupational health and safety • Employee development and training	• Comply with labour regulations • Provide competitive salaries and welfare • Implement health and safety management system • Optimize career development and training system • Establish a smooth and transparent communication mechanism to understand employees' opinions • Organize employee activities
Government and community	• News reports • Monitoring information reporting and delivery • Forums and exchanges • Community activities	• Abiding by laws and regulations • Promoting employment • Environmental protection • Carrying out community charity activities	• Ensure operation compliance • Organize voluntary activities and encourage active participation of employees • Participate in community construction and services



Issues (In descending order of materiality)		Tier	Materiality
15	Product and Service Quality and Safety	The 1st Tier	Very Important
24	Innovations and Technology		
21	Business Ethics and Integrity		
13	Occupational Health and Safety		
9	Employment Practices		
16	Customer Engagement		
12	Training and Development	The 2nd Tier	Somewhat Important
17	Privacy and Data Safety		
23	Protection of Intellectual Property		
19	Responsible Supply Chain Management		
10	Employee Engagement		
22	Risk Management		
14	Labour Standard		
18	Responsible Sales and Labelling		
6	Materials		
4	Energy		
11	Diversity and Equal Opportunities		

Issues (In descending order of materiality)		Tier	Materiality
8	Product Lifecycle Management	The 3rd Tier	Other
3	Waste		
20	Community Engagement and Investment		
1	Air Pollutants		
7	Climate Change and Resilience		
5	Water		
2	Greenhouse Gases Emissions		

Very Important Issues	Corresponding Chapters
Products and Services Quality and Safety	Commitment to Customers – Product Responsibility
Innovations and Technologies	Commitment to Customers – Product Responsibility
Commercial Ethics and Integrity	Commitment to Customers – Anti-corruption
Occupational Health & Safety	Commitment to Customers – Occupational Health & Safety
Employment Practices	Commitment to Employees – Employment Management

We firmly believe that the opinions of stakeholders have a significant impact on the Group's achievement of sustainable development goals. Further understanding and respecting the views and needs of stakeholders can enable the Group to make better decisions and plans. In the future, the Group will continue to strive to establish and maintain active interactions with stakeholders through diverse, transparent and effective communication channels, optimize sustainable development strategies, and make us more successful on the path of pursuing sustainable development.

COMMITMENT TO THE ENVIRONMENT

The Group supports sustainable development, it regards environmental protection as one of its primary corporate responsibility.

We are committed to reducing the negative impact of operations on the environment and guarding against potential risks, and we support the country's efforts to achieve "dual carbon" goals and promote the pace of green transformation. To this end, we have established an environmental management system to enhance pollution reduction and carbon reduction, improve resource use efficiency, and actively respond to the risks and opportunities brought about by climate change. We will continue to seek more environmentally friendly solutions and strive to promote green operating models.

In order to fulfill our environmental commitments, the Group has established an environmental management system and energy management system in accordance with ISO14001 and ISO50001 standards, and each production base has obtained relevant certification certificates. With the environmental management policy of "environmental protection, energy-saving, green factory, health and safety", we continuously promote environmental protection, strengthen pollution prevention, and encourage the use of harmless processes, technologies, facilities, and materials for production. At the same time, in order to ensure the effective operation of the system, each division conducts identification and evaluation of various environmental factors every year, formulates corresponding annual "Environmental Targets and Indicators Management Plan", and monitors and measures various environmental performances to promote environmental control.

These systems and measures are aimed at ensuring that the Group can better protect the environment and save energy and reduce consumption during its operations, while maintaining the green park and the health and safety of its employees. We will continue to strive to continuously improve and strengthen environmental management in order to achieve a higher level of environmental protection and sustainable development.

Energy and Carbon Emissions

Aspects	Policies of Tongda and different divisions	Key Points
Management provisions for energy and carbon emissions	Home appliances division • *"Assessment Control Procedures of Environmental Factors, Hazard Source Identification and Impact"* Handsets and automotives division • *"GHG Management System"* • *"Energy Saving and Emission Reduction Management System"* • *"Energy Consumption Control Procedure"* • *"Energy Saving and Consumption Reduction Management System"* Tongda Smart Tech division • *"Energy Operation Control Program"* • *"Energy Management Practice Code"* • *"Management Code for Effective Utilization of Energy Resources"* • *"Electricity-Saving Management"* • *"Sustainable Development Management* • *"Environmental Factor Identification and Assessment Management Procedure"* Network communications facilities division • *"Environment Requirement and Energy Conservation Management Procedures"*	Establish energy management specifications to ensure rational energy use, so as to effectively promote energy conservation and emission reduction, and improve energy efficiency for environmental protection

The Group has always been committed to promoting energy conservation and carbon reduction, reducing environmental footprints, and achieving green and low-carbon operations. To this end, each division of the Group has established a dedicated energy management team responsible for implementing energy-saving and emission reduction management systems, and initiating various energy-saving tasks, such as energy consumption statistics, equipment inspections, and electricity supervision. In addition, we regularly set goals, conduct performance evaluations, continuously improve energy efficiency, and eliminate waste of energy and resources. We will continue to strive to promote green and low-carbon production and operation modes, and make greater contributions to protecting the earth's environment.

New production project	• Energy-saving facilities should be designed, constructed, and put into operation at the same time as the main project, fully improving energy utilization
Electricity Conservation	• Clearly manage the electricity usage in offices, workshops, laboratories, and cafeterias, reducing equipment standby time • Implement a "responsible person system" to control the operation of air conditioning systems, and regularly clean and repair air conditioning lines
Technical Energy Saving	• Prioritize the purchase of equipment with good energy-saving and emission-reduction performance during the procurement process • Maintain equipment in a timely manner to reduce its energy consumption level • Strengthen the monitoring of the energy consumption situation of key energy-consuming equipment and old equipment, and regularly analyze the energy consumption situation • Actively develop, promote, and apply various new technologies and equipment for energy saving and emission reduction
Environmental Protection Training	• Carry out energy-saving and emission-reduction education and training for employees to raise awareness of conservation

Each division of the Group has set its own energy-saving and emission-reduction targets for this year, and carried out the following actions:

Subsidiary division	Air emissions improvement plan	Energy-saving and Emission Reduction Management Projects
Home appliances division, Shishi	• Optimizing power management	• Changing the dormitory industrial electricity to residential electricity, shut down the transformer • Changing the electronic drain valve to a non-destructive drain valve • Setting up an energy consumption audit team
Handsets and automotives division, Shishi and Xiamen	• Using the reduction of steam energy consumption ratio per ten thousand yuan of output value as the target for steam energy saving and consumption reduction control • Using the reduction of energy consumption ratio per ten thousand yuan of output value as the target for energy saving and consumption reduction control • Using the improvement of average power factor as the target for power distribution facility energy saving control	• Changing the steam from natural gas boilers to external heat and electricity supply, reducing the use of natural gas • Reducing the heating tank body, reasonably control the steam flow of the heating tank body, close the steam in time after the tank body finishes production, and reduce steam consumption • Reusing of steam return water, reducing the waste of steam return water • Adopting, replacing or upgrading energy-saving equipment, such as adding voice control, light control sensors • Reorganizing the workshop kinetic energy facilities, shut down some machines for capacitor modification, adjust air conditioning and cooling systems, and reduce power loss • Replacing the old system with a high energy-efficiency air conditioning system • Regularly cleaning the dust screen and fin type fan, establish a maintenance plan to ensure that the air conditioning system can operate efficiently • Setting up an online energy monitoring system in the distribution cabinet, and conduct annual inspections of the distribution room • Optimizing the power plant pipeline, air pressure system, and transform the vacuum system • One of the factories is gradually adopting green energy and is expected to fully adopt green energy starting in 2024

Subsidiary division	Air emissions improvement plan	Energy-saving and Emission Reduction Management Projects
Tongda Smart Tech division, Shishi and Xiamen	• Setting the goal of energy saving and consumption reduction as reducing the energy consumption per ten thousand yuan value • Setting the goal of emission reduction as reducing carbon dioxide emissions per ten thousand yuan output	• Implement energy-saving renovations and regularly follow up on the situation • The lighting switches of the factory and dormitory floors in Shishi District are changed to voice-controlled lights • Randomly check and supervise the advance drying time standard of each product order to reduce long standby waste • Reasonably plan the production workshop to reduce the use of air conditioning • Before the arrival of summer, arrange a unified maintenance of air conditioners to improve energy efficiency • Strictly implement air conditioning use specifications in summer • Regularly check and maintain equipment lines and air ducts to reduce leakage and air leakage caused by line aging • Fully adopt green electricity, and install and increase photovoltaic systems in the factory area, it is estimated to save 1 million degrees of electricity usage every year • Independently develop and try out the energy management system, monitor and analyze the reasons for high energy consumption in real time, and promote energy-saving renovations • Report and monitor the energy usage of each workshop every month

Subsidiary division	Air emissions improvement plan	Energy-saving and Emission Reduction Management Projects
		 Photovoltaic System in the Factory Area Internal Energy Management System
Network communications facilities division, Guangdong	• The goal of energy saving and consumption reduction is to lower the energy consumption value per ten thousand RMB.	• Establishing energy consumption indicators for each department and evaluate them monthly • Reasonably planning production line • Turning off the power of all equipment and machines when the production line is not in production

During the Year, the total greenhouse gas emissions of The Group were 186,764.20 tonnes of CO_2e, and the greenhouse gas emission density was 28.64 KG of CO_2e/HK$1,000.

GHG emissions[1]	Unit	2023	2022	Change
Direct emissions (Scope 1)[2]	Tonnes CO_2e	**6,064.96**	5,372.27	13%
Indirect emissions (Scope 2)[3]	Tonnes CO_2e	**180,699.24**	176,771.38	2%
Total GHG emissions (Scope 1 and 2)	Tonnes CO_2e	**186,764.20**	182,143.65	3%
Total GHG emission intensity (Scope 1 and 2)	KG CO_2e/HK$1,000	**28.64**	22.70	26%

The total energy consumption of the Group in this year was 369,692.20 MWh, and the energy consumption density was 60.00 kWh/HK$1,000. Among them, electricity is the main energy consumption, used for the operation of the production plant. In addition, The Group uses factory equipment such as boilers, vehicles, and mobile machinery in the plant in its operations, and also consumes other fuels such as natural gas, diesel oil, and unleaded petrol. This year also consumed green electricity generated by wind power.

Energy consumption	Unit	2023	2022	Change
Purchased electricity	MWh	**300,898.07**	289,746.76	4%
Purchased electricity (green power)	MWh	**23,540.04**	21,887.18	8%
Purchased electricity (solar energy)	MWh	**1,355.87**	Not applicable	Not applicable
Unleaded petrol	MWh	**1,048.74**	1,060.40	-1%
Diesel oil	MWh	**1,522.51**	1,639.78	-7%
Pipeline natural gas	MWh	**18,345.50**	15,300.33	20%
Liquefied Petroleum Gas (LPG)	MWh	**9.06**	6.91	31%
Steam and heat	MWh	**22,972.41**	21,284.15	8%
Total energy consumption	MWh	**369,692.20**	350,925.51	5%
Energy intensity (by revenue)	kWh/HK$1,000	**60.00**	40.00	50%

1 The quantitative process and emission factors of greenhouse gas emissions are with reference to the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" published by the Environmental Protection Department and the Electrical and Mechanical Services Department, the "Guidelines for Calculating Greenhouse Gas Emissions from Energy Consumption (Version 2.1)" issued by the World Resources Institute, the "Notice on the Management of Greenhouse Gas Emission Reports of the Enterprises in the Power Generation Industry from 2023 to 2025" published by the Ministry of Ecology and Environment of the People's Republic of China and the "Guidelines for Accounting and Reporting Greenhouse Gas Emissions Other Industrial Enterprises" issued by the National Development and Reform Commission.

2 According to "The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition)" issued by the World Business Council for Sustainable Development and the World Resources Institute, Scope 1 direct emissions are directly generated by businesses owned or controlled by the Group, including natural gas from canteen, boiler fuel, vehicle fuel, factory vehicle fuel, fugitive emissions from refrigerant of air-conditioning equipment, fugitive carbon dioxide emissions from fire extinguishers, etc.

3 Scope 2 indirect emissions are sourced from the Group's electricity (purchased or acquired) and steam consumption.

Air emissions

Aspect	Policy of The Group and its subsidiaries	Description
Management provisions for air emissions	Home appliances division • *"Exhaust Gas Treatment Regulations"* • *"Assessment Control Procedures of Environmental Factors, Hazard Source Identification and Impact"* Handsets and automotives division • *"Pollutant Control Procedures"* • *"Air Emission Management System"* • *"GHG Management System"* • *"Energy Saving and Emission Reduction Management System"* • *"Environmental Monitoring, Measurement, Analysis and Evaluation Control Procedures"* Tongda Smart Tech division • *"Environmental Pollutant Control Management Regulations"* • *"Operation Procedures for Exhaust Gas Treatment System"* • *"Environmental Factor Identification and Assessment Management Procedure"* • *"Sustainable Development Management* Network communications facilities division • *"Exhaust Gas, Wastewater and Noise Management Procedures"*	Formulate management norms for controlling exhaust emissions, and ensure that emissions meet standards through monitoring to reduce air pollution.

In order to ensure the air quality of the surrounding areas and public health, the Group follows national and local emission standards, carries out long-term effective monitoring and control of waste gas emissions, and strives to reduce air pollution while maintaining compliant emissions. Each production base has set up treatment facilities at the waste gas emission outlet, which operate in sync with the production equipment. All waste gases are collected and treated through waste gas treatment facilities, and can only be discharged after they meet the standards. In addition, we carry out strict inspections to prevent waste gases from being directly discharged into the air due to leaks, thereby causing serious pollution problems.

Emission control	• Operate the exhaust gas system in strict accordance with the operating procedures, and carry out daily maintenance to ensure standard emissions • In any process where volatile chemicals are used, storage precautions must be carefully enforced to prevent leakage • Conduct regular inspections on relevant exhaust gas pipelines, report and handle any issues instantly to avert system failure • Regularly clean filters in the ventilation system, oil fume purification devices, air conditioning system, etc., to ensure standard emissions
Monitoring	• Entrust a qualified third-party testing organization to conduct monitoring of air emission level at least once a year • Regularly undergo environmental inspection by the governmental monitoring department
Maintenance of treatment facility	• Assign management personnel to regularly inspect, clean, maintain and replace necessary components and materials according to relevant plan, and keep record of the daily operation of exhaust gas facilities
Training	• Conduct factory-level environmental safety education for all employees, and require relevant employees to obtain operation certification
Emergency handling	• In case of accidents such as facility failure and exhaust gas leakage, immediately implement emergency measures according to the “Emergency Preparedness and Response Control Procedures”, and suspend operations related to exhaust gas emissions for inspections and emergency repairs • When the emission level fails to meet the standards, investigate the cause according to relevant procedures and execute corresponding improvement measures

During the Year, the Group strived to reduce air pollutant emissions through the following improvement actions to improve air quality and protect the environment:

Subsidiary division	Targets	Air emissions improvement plan
Home appliances division, Shishi	• The level of organic exhaust gas emissions meets the target • The level of polishing exhaust gas emissions meets the target	• Add 3 sets of activated carbon treatment facilities to reduce the concentration of organic waste gas • Add 4 sets of water spray treatment facilities to reduce particle concentration
Handsets and automotives division, Shishi and Xiamen	• The level of organic exhaust gas emissions meets the target • The level of manufacturing emission meets the target	• Stop using natural gas boilers and opted for purchased heat instead • Replacing business trips with video conferencing to reduce emissions • Optimize driving route planning, encourage employees to adopt green transportation or avoid unnecessary traffic • Regularly inspect and maintain company vehicles • Regular maintenance and daily emission monitoring of waste gas treatment facilities • Add online monitoring to the waste gas treatment facilities to ensure the effective operation of the facilities • Evaluate the operation effect of the waste gas facility for facility upgrade and modification • Collect and compile waste gas emission data every month, and monitor the total emission of waste gas • Conduct routine audits and annual compliance evaluation meetings

Subsidiary division	Targets	Air emissions improvement plan
Tongda Smart Tech division, Shishi and Xiamen	• Targeted to achieve 100% pass rate of environmental factor monitoring	• To ensure the effective operation of the exhaust system during printing, injection molding and mixing operations, monitoring is carried out annually by a third party.
Network communications facilities division, Guangdong	• The level of manufacturing emission meets the target	• Regular maintenance and daily emission monitoring of waste gas treatment facilities

During the Year, air emissions of The Group were mainly from exhaust gas of vehicles and natural gas combustion, the data is detailed as follows:

Air emissions[4]	Unit	**2023**	2022	Change
Nitrogen oxides (NOx)	Kg	**9,655.92**	7,773.18	24%
Sulfur oxides (SOx)	Kg	**2,048.73**	1,825.54	12%
Particulate matters (PM)	Kg	**51.19**	48.41	6%

[4] The calculation method of air emissions has referred to the "Technical Guidelines on Preparation of Emission Inventory of Air Pollutants from Road Vehicles (Trial)", "Technical Guidelines on Preparation of Emission Inventory of Primary Source of Inhalable Particulate Matter" and "Technical Guidelines on Preparation of Emission Inventory of Air Pollutants from Non-Road Mobile Sources (Trial)" published by the Ministry of Ecology and Environment of the People's Republic of China, as well as the "How to Prepare an ESG Report – Appendix 2: Reporting guidance on Environmental KPIs" published by the HKEx.

Waste

Aspect	Policy of The Group and its subsidiaries	Key Points
Management provisions for waste	Home appliances division • *"Hazardous Waste Management Regulations"* • *"Solid Waste Handling Management Regulations"* • *"Waste Classification Regulations"* Handsets and automotives division • *"Hazardous Waste Management System"* • *"Waste Recycling Classification Management System"* • *"Solid Waste Management System"* • *"Pollutant Control Procedures"* Tongda Smart Tech division • *"Environmental Pollutant Control"* • *"Waste Disposal and Recycling Management"* • *"Sustainable Development Management* • *"Management Code for Effective Utilization of Energy Resources"* Network communications facilities division • *"Solid Waste Management Procedure"* • *"Environment Requirement and Energy Conservation Management Procedures"*	• Establish clear classification, disposal, and recycling standards for effective, environmentally friendly, and safe management of all types of waste, to ensure that it does not cause environmental pollution, and to promote waste resource utilization • Establish clear guidelines for the classification, recycling, and management of hazardous waste to prevent pollution or accidents

In order to create a healthier and safer environment, the Group has established strict management systems, dedicated to implementing effective, environmentally friendly, and safe waste management control measures. With the principle of "reduction, harmlessness, and resourcefulness", we advocate energy-saving production, pollution reduction, and efficiency improvement to reduce waste generation. In addition to actively promoting clean production, we also apply the 6R waste management method (i.e., refuse, reduce, reuse, recycle, energy recovery, and decomposition) to enhance resource recovery and utilization.

To ensure that waste is handled and recycled in a safe manner, the Group has designated personnel responsible for waste handling, record keeping, and supervision. Depending on the type of waste and where it is generated, each production base has set up corresponding recycling and placement sites, and waste is sorted for recycling. In order to effectively promote waste reduction and cleanup, each subsidiary company has developed a "Waste Classification Details", and carries out environmental awareness education to cultivate employees' awareness and habits of recycling. This year, our waste has been properly disposed of in compliance with regulations, and there has been no pollution to the environment.

Hazardous wastes

The hazardous waste generated by the Group mainly includes sludge, waste machine oil, waste acid, waste organic solvents, waste activated carbon, and waste mineral oil, etc. We pay attention to environmental standard emissions, and implement safe and strict collection, classification, storage, treatment, transportation and recycling measures according to the following management policies, in order to minimize the impact of hazardous wastes on the environment, ecosystem, and human health.

Management Approach of Hazardous Waste Management	
Avoid or reduce the generation of hazardous waste	Encourage the reasonable use of hazardous waste
Implement harmless disposal of hazardous waste	Strengthen the prevention, control and supervision of hazardous waste pollution

Hazardous Waste Management Process	
Collection • Adopt the principles of classified collection and accurate placement, specifying the transportation of waste to designated locations for classified storage • Clearly mark the storage sites and collection containers for different types of waste, while posting safety warning signs	
Storage • A dedicated hazardous waste warehouse, all placed in the hazardous waste warehouse leak-proof slot, separated from non-hazardous waste • The storage area is far from crowded areas and flammable storage areas, and is equipped with fire prevention facilities • Do not place it randomly or in the open air, and keep the storage site tidy and orderly • Regularly conduct safety inspections on the hazardous waste warehouse to ensure compliance with standards, and rectify immediately if there are problems	**Recording** • Establish a hazardous waste management ledger to track the entire process of hazardous waste disposal • Record the relevant data of hazardous waste truthfully for reporting to the environmental protection department • Accept spot checks and annual inspections by the local environmental protection department at the production base, and conduct internal and external audits
Handling • Classify and handle according to different situations and material properties, and wait for a certain amount to be stored before legally transferring for processing • Non-recyclable hazardous waste is regularly transferred and recycled by qualified processing units • Take measures to prevent dispersion, loss, leakage, and other pollution prevention measures	

To ensure the safety of relevant personnel and proper handling of hazardous waste, we equip personnel involved in hazardous waste management with necessary protective equipment. In addition, we arrange for them to undergo training once a year to enhance their knowledge of operating procedures, relevant laws, professional skills, safety protection, and emergency handling, etc.

In terms of hazardous waste accident handling, the Group has an emergency prevention plan. Upon discovering an environmental incident, the relevant department must immediately report the preliminary situation to ensure timely reporting. The relevant department must submit a detailed handling result report after the accident is handled, including relevant accurate data, the cause of the accident, the process, and the emergency measures taken, etc.

Non-hazardous waste

The operations of the Group involve the generation of non-hazardous waste such as general trash, paper, plastic, metal, wood, etc. Through the regulation of management systems, we reasonably classify, collect, store, and handle all non-hazardous waste. To achieve waste reduction goals of recycling, reducing waste, and saving costs, The Group advocates source reduction, strengthens control of production units with the principle of waste minimization, and reduces unnecessary waste production.

Non-hazardous waste is divided into recyclable and non-recyclable waste. The Group continues to promote classified collection and handling, reusing recyclable waste. Employees must accurately throw garbage according to the classification signs on the trash bins. Each department assigns dedicated personnel to sort and weigh records, and neatly stack waste at designated locations. Recyclable waste is stored after cleaning for recycling, or regularly handed over to qualified recyclers for processing; non-recyclable waste is regularly cleared by environmental protection units. Waste storage locations and equipment must be kept clean and intact, and separated from pollutants and incompatible waste. The Group also gradually requires contractors and subcontractors to recycle waste themselves, jointly protecting the environment.

The Group actively promotes material upgrading, optimizes production processes, utilizes raw materials, and improves production efficiency, thereby reducing the production of scrap and hazardous waste, and preventing hazardous waste from leaking and polluting the environment. Each division sets waste reduction goals for the current year and carries out the following projects:

Subsidiary division	Waste reduction targets	Improvement plan
Home appliances division, Shishi	• Aim to reduce the hazardous waste output value ratio per RMB10,000 • Aim to reduce sludge, waste oil and waste acid	• Controlled chemical dosage and extrusion time of filter press • Newly added diaphragm filter press to reduce the moisture content of sludge, thereby reducing the amount of sludge produced • Reinforced equipment inspection, standardized equipment usage, and prolonged the usage of engine oil • Enhanced the management of concentration equipment and appropriately increased the concentration of waste acid
Handsets and automotives division, Shishi	• Aim to increase the direct conversion rate of waste • Aim to reduce the hazardous waste output value ratio per RMB10,000 • Aim to reduce waste containing heavy metals, waste activated carbon and waste acid	• Purchase and use LED lights to replace light tubes containing heavy metals • Use advanced treatment processes and use purified phosphoric acid for reuse • Reduce the use of disposable items
Handsets and automotives division, Xiamen	• Aim to increase the direct conversion rate of waste • Aim to reduce the hazardous waste output value ratio per RMB10,000 • Monthly hazardous waste treatment timely rate reaches 100%	• Training of employees involved in hazardous waste cleanup and transfer • Require hazardous wastes from all departments to be collected in categories to prevent mixing of hazardous wastes and non-hazardous wastes

Subsidiary division	Waste reduction targets	Improvement plan
Tongda Smart Tech division, Shishi and Xiamen	• Waste discharge meets standards • Aim to reduce hazardous waste emission ratio • Aim to reduce paper consumption per RMB10,000 of output value	• Set up recycling stations for recyclable, non-recyclable and hazardous waste to cultivate employees' awareness of waste classification • Ensure 100% hazardous waste recycling rate • Conduct compliance assessments • Request double-sided printing of informal documents • Change the application process of each department from paper to OA system submission • Documents for internal circulation are circulated electronically to reduce the number of printed paper documents. • The printer is equipped with a card machine, and the printed documents can be retrieved by swiping the manufacturer's name to prevent the printed documents from not being collected in time or being mistakenly taken away, resulting in the waste of double printing.
Network communications facilities division, Guangdong	• Recyclable solid waste recovery rate reaches 100% • Hazardous waste diversion rate reaches 100% • Aim to reduce the amount of waste lamps produced	• General industrial solid waste (such as metal scraps, scraps, waste packaging materials) should be handed over to professional companies for recycling • Sign agreements with solid waste and hazardous waste suppliers to ensure 100% transfer of solid waste and hazardous waste • Replace LED energy-saving lamps instead of lamps containing heavy metals

During the year, the Group generated a total of 1,706.40 tonnes of hazardous waste and 9,246.06 tonnes of non-hazardous waste, with densities of 0.26 KG/HK$1,000 and 1.42 KG/HK$1,000 respectively.

Waste	Unit	**2023**	2022	Change
Total amount of hazardous waste	Tonnes	**1,706.40**	2,194.52	-22%
Intensity of hazardous waste (by revenue)	KG/HK$1,000	**0.26**	0.27	-13%
Total amount of non-hazardous waste	Tonnes	**9,246.06**	9,606.12	-4%
Disposed non-hazardous waste	Tonnes	**1,630.29**	1,040.25	57%
Recycled non-hazardous waste	Tonnes	**7,615.76**	8,565.87	-11%
Intensity of non-hazardous waste (by revenue)	KG/HK$1,000	**1.42**	1.20	18%

Water

Wastewater disposal

Aspects	Policy of The Group and its subsidiaries	Key Points
Management provisions for wastewater discharge	Home appliances division • *"Sewage Treatment System Operation Regulations"* • *"Sewage Treatment System Management Regulations"* Handsets and automotives division • *"Pollutant Control Procedures"* • *"Wastewater Management System"* • *"Underground Pool Management System"* • *"Rainwater Management System"* Tongda Smart Tech division • *"Wastewater Operation Management Regulations"* • *"Environmental Pollutant Control Management Regulations"* • *"Effective Utilization Management Regulations for Energy Resources"* Network communications facilities division • *"Exhaust Gas, Wastewater and Noise Management Procedures"* • "Operating Specifications for Sewage Stations"	Regulate the management of various types of wastewater, formulate management guidelines for the operation and maintenance of wastewater treatment systems, and supervise wastewater discharge to ensure compliance with standards, avoiding excessive discharge and water pollution caused by wastewater leakage.

The Group fully understands the importance of clean water resources and is committed to reducing the pollution caused by wastewater discharge in the operation process. Our daily operations mainly involve two types of wastewater discharges, namely industrial wastewater and domestic sewage. We continuously optimize wastewater treatment and discharge management to improve control of water pollution. To collect and uniformly process the relevant wastewater, each operation point has a wastewater treatment system and an online monitoring system is installed at the wastewater discharge outlet to ensure that the discharge meets the standards. In addition, we commission qualified third parties to monitor the discharge situation and accept environmental testing by government monitoring departments to further regulate wastewater quality and prevent sewage leakage and excessive discharge. We adhere to environmental protection as our primary goal and are committed to the sustainable use of water resources.

Domestic wastewater	Industrial wastewater
• Wastewater is treated by recycled water treatment facilities for reuse, other sewage is treated in carburetor and septic tank and then discharged to municipal pipelines after meeting the discharge standard • To ensure compliant operation of sewage system, debris are prohibited to enter sewers to prevent blockage and damage • Regular management, inspection and maintenance of wastewater treatment facilities to ensure their effective operation	• Wastewater is stored in sewage circulation tanks designated for production plants; Discharge and recycling are controlled according to specific treatment procedures • Periodic inspection, maintenance and repair of industrial wastewater treatment system • Industrial wastewater is strictly prohibited from discharging into the domestic wastewater treatment system • Relevant management and operation personnel are provided with training on the operational requirements and techniques of wastewater treatment facilities

Each division of the Group has set its own wastewater discharge targets for this year and carried out the following projects to strengthen wastewater treatment:

Subsidiary division	Wastewater discharge targets	Improvement plan
Home appliances division, Shishi	• Industrial wastewater discharge meets standards	• The production department adopts production processes that emit less pollutants, while increasing the reuse rate of production water and reducing the generation of water pollutants. • Online monitoring is added to the wastewater treatment facilities to ensure their effective operation • Online monitoring of wastewater discharge adds monitoring of COD and ammonia nitrogen
Handsets and automotives division, Shishi and Xiamen	• Industrial wastewater discharge meets standards • To increase the wastewater reuse rate as a management target	Industrial wastewater: • The production department adopts production processes that emit less pollutants, while increasing the reuse rate of production water and reducing the generation of water pollutants. • Strengthen the maintenance of sewage treatment facilities and optimize on-site management of production workshops • Conduct daily inspections of sewage treatment tanks, strictly control wastewater from industrial production, and prevent the mixing of pollutants. • Develop an emergency plan for sewage tank leakage and conduct regular drills Domestic wastewater: • The wastewater from the canteen must be separated from oil and water in the grease trap before entering the sewage pipe network. The grease trap is not regularly cleaned • Have the septic tank cleaned from time to time by a qualified unit to ensure it is not clogged or overflowing

Subsidiary division	Wastewater discharge targets	Improvement plan
Tongda Smart Tech division, Shishi and Xiamen	• Target 100% environmental factor monitoring pass rate	• The general management department is responsible for organizing the company's domestic sewage, solid waste, and noise, which are identified, evaluated, and controlled by qualified units and company-organized environmental factor identification, evaluation, and control planning activities • The power engineering department carries out a comprehensive safety risk assessment of the company's environmental protection facilities, clarifies the current safety status of the environmental protection facilities, and thoroughly checks the safety risks and impact scope of the environmental protection facilities in use • The process engineering department continues to promote the adoption of noise reduction measures
Network communications facilities division, Guangdong	• Industrial wastewater discharge meets standards • To increase the wastewater reuse rate as a management target	• After being treated by an independent wastewater treatment system, most of the nickel-containing wastewater is reused in other processes, while the nickel-containing residual liquid is handed over to qualified units for recycling and treatment, achieving zero total nickel discharge • Other phosphorus-containing and dyeing wastewater are separately pretreated, and then treated together with the comprehensive wastewater through comprehensive wastewater treatment facilities and reclaimed water reuse facilities before being reused in the production process

During the current year, The Group produced a total of 1,178,680.68 tonnes of sewage, with a sewage density of 180.00 KG/HK$1,000.

Wastewater discharge	Unit	2023	2022	Change
Total domestic wastewater discharged	Tonnes	**616,316.84**	695,546.39	-11%
Total industrial wastewater discharged	Tonnes	**562,363.84**	398,286.35	41%
Total wastewater discharged	Tonnes	**1,178,680.68**	1,093,832.74	8%
Wastewater discharge intensity (by revenue)	KG/HK$1,000	**180.00**	140.00	29%

Water usage

Aspect	Policy of The Group and its subsidiaries	Key Point
Management provisions for water resources	Home appliances division • *"Assessment Control Procedures of Environmental Factors, Hazard Source Identification and Impact"* Handsets and automotives division • *"Energy Saving and Emission Reduction Management System"* • *"Energy Consumption Control Procedure"* • *"Energy Saving and Consumption Reduction Management System"* Tongda Smart Tech division • *"Energy Operation Control Program"* • *"Energy Management Practice Code"* • *"Management Code for Effective Utilization of Energy Resources"* • *"Environmental Factor Identification and Assessment Management Procedure"* • *"Sustainable Development Management* Network communications facilities division • *"Environment Requirement and Energy Conservation Management Procedures"*	Formulate management regulations for the Group's use of water resources, implement the principle of water conservation, continuously monitor and maintain the use of water resources, systems and related technologies, and promote water resource protection

The Group mainly uses water resources for industrial production and living purposes, and manages the consumption and utilization of water resources with a responsible attitude. We value the rational use of water resources and continue to strengthen water management measures.

Water-saving technological innovation

- Actively develop, promote, and apply new water-saving and recycling technologies, phase out production processes, technologies, and equipment with high water consumption to improve our water-saving efficiency
- Regularly supervise, inspect, maintain, and repair water-using equipment, pipes, and appliances, promptly report repairs when damage or leakage is found, to avoid unnecessary waste of water resources

Water usage and water-saving statistics

- Establish a complete water system at each production base, and use water metering instruments to monitor the use of water
- Conduct monthly water consumption statistical analysis to better understand the water usage situation

Reward system for water usage

- Establish a water management responsibility system, and set corresponding goals and performance evaluation standards, carry out internal water-saving inspections and assessments
- Each subsidiary company has established related functional departments and units, responsible for implementing various water-saving measures, and continuously supervising to ensure that water-saving work effectively protects water resources

Water-saving publicity and education

- Actively promote experiences, methods, and knowledge of water conservation to reduce water consumption and waste
- Improve employee awareness of water conservation and cultivate good water usage habits

Each division of the Group has set its own water resources goals this year and carried out the following projects:

Subsidiary division	Water usage targets	Improvement plan
Home appliances division, Shishi	• Aim to conserve water in public toilets	• Install a timed flushing device in public toilets to reduce the frequency of flushing at night • Recycle and reuse the concentrated water produced by pure water for flushing in public toilets
Handsets and automotives division, Shishi and Xiamen	• Aim to reduce the water consumption per RMB10,000 of output value • Aim to increase the reuse rate of concentrated wastewater	• Further reuse the steam condensate for heat exchange in evaporators with lower temperature requirements, then discharge it to the concentrated water system, and reuse it together with the concentrated water from pure water for flushing toilets, cooling towers, greening irrigation, and environmental flushing • Reuse the standard wastewater after sewage treatment to the sewage system for dosing • Reuse the water from the final clear water tank of the process to the previous washing tank • Install water-saving taps or tap sensors to control the switch • Regularly check whether there are leaks in the faucets and pipes, and repair them in time • The production of pure water should monitor the water production rate, and the use of pure water should be approved. If tap water can be replaced, pure water must not be used • Concentrated water is a by-product of pure water production and can be used as a substitute for tap water for flushing in public toilets, makeup water for cooling towers, roof and road surface cooling and cleaning, greening makeup water, etc. The purpose is to replace tap water use as much as possible

Subsidiary division	Water usage targets	Improvement plan
Tongda Smart Tech division, Shishi and Xiamen	• Aim to conserve water via effective management	• The power engineering department is responsible for the installation, maintenance, and upkeep of the water supply system. • Safety officers and various departments should regularly inspect water-using equipment. If water leakage, overflow, or running water is caused by equipment damage, they should promptly notify the power engineering team to organize repairs. • Every department using water should pay attention to conserving water and turn off the faucet in a timely manner after use. If any abnormalities are discovered, they should promptly notify power engineering for processing.
Network communications facilities division, Guangdong	• Aim to reduce the water consumption per RMB10,000 of output value	• Regularly check whether there are leaks in the faucets and pipes, and repair them in time to prevent leaks, sprays, and drips

During the Year, the main water source of The Group came from municipal water supply, and there were no problems in obtaining applicable water sources. The total water consumption of The Group is 2,313,504.00 cubic meters, and the water density is 0.35 cubic meters/HK$1,000.

Water consumption	Unit	**2023**	2022	Change
Total water consumption	m^3	**2,313,504.00**	2,474,068.09	-6%
Water consumption intensity (by revenue)	m^3/HK$1,000	**0.35**	0.31	13%

Office supplies

We pay attention to the reasonable consumption of energy and natural resources. In addition to saving water, electricity and fuel, we are also committed to reducing the use of office supplies. The Group actively promotes measures to save office paper, implements the concept of paperless office, and encourages double-sided copying and waste paper recycling. At the same time, we require all departments to submit paper budgets to reduce waste of resources and environmental pollution, and to further promote environmental management work.

Packaging material

Aspect	Policy of The Group and its subsidiaries	Key Points
Management provisions for product packaging	Tongda Smart Tech division • *"Management provisions for product packaging"*	Standardize packaging design and materials, and formulate management specifications for purchasing packaging materials, so as to meet requirements in customer orders

The Group uses various materials for packaging finished goods, including cardboard boxes, blister boxes, corrugated paper, vacuum bag paper, plastics, wood, and metals, etc. According to relevant management regulations, our production department reviews the demand for packaging materials and checks warehouse inventory to ensure procurement as needed, avoiding excessive waste. In addition, the Group actively promotes measures to save packaging materials, enhancing the efficiency of packaging material use through reduction and recycling. At the same time, we focus on environmentally friendly design, controlling the volume and weight of packaging to reduce resource consumption.

During the Year, The Group used a total of 21,996.21 tonnes of finished product packaging materials, and the density of finished product packaging materials was 3.37 KG/HK$1,000.

Packaging material	Unit	**2023**	2022	Change
Paper	Tonnes	**7,817.75**	5,598.50	40%
Plastic	Tonnes	**13,655.52**	9,685.13	41%
Wood	Tonnes	**522.94**	271.22	93%
Metal	Tonnes	**0.00**	179.80	-100%
Total materials used in the packaging of finished products	Tonnes	**21,996.21**	15,734.65	40%
Packaging material intensity	KG/HK$1,000	**3.37**	1.96	72%

Tackling Climate Change

Aspect	Policy of The Group and its subsidiaries	Key Points
Management provisions for climate change	Please refer to the "Energy and Carbon Emissions" section for the policies of Tongda and its divisions.	Formulate climate change-related management to promote sustainable development and mitigate climate change, and foster the effective implementation of the Group's GHG management through emission reduction and energy-saving
	Home appliances division • *"Assessment Control Procedures of Environmental Factors, Hazard Source Identification and Impact"* Handsets and automotives division • *"Environmental Monitoring, Measurement, Analysis and Evaluation Control Procedures"* Tongda Smart Tech division • *"Environmental Factor Identification and Evaluation Management Procedure"* • *"Emergency Plan Management Procedures"* Network communications facilities division • *"Environmental Factor Identification and Impact Evaluation Control Procedures"* Network communications facilities division • *"Emergency Preparedness and Response"*	Standardize risk assessment and control procedures for climate change-related risks to identify and respond to climate risks and opportunities in a timely manner, in order to enhance the Group's resilience to climate change Establish emergency response procedures and preventive measures corresponding to potential emergencies brought by climate change, so as to enhance the responsiveness to climate change

The world is currently facing multiple impacts and risks brought about by climate change to the economy and society. Mainland China has strengthened its efforts to promote economic and social development, actively moving towards a comprehensive green transformation, while setting clear goals to reduce energy consumption intensity and achieve “carbon peak” and “carbon neutrality”. The Group will actively plan for low-carbon operations to make an effective contribution to the dual carbon goal. We continue to focus on reducing the environmental impact of operations and are planning to develop internal policies and regulatory systems according to the situation of each division, aimed at managing the emissions, resource usage generated by each production base, and enhancing their ability to identify and respond to climate risks and opportunities.

For example, in the mobile car division of Shishi District, we have established the “Greenhouse Gases Management Regulations” based on ISO14064-1 to promote the effective management and development of greenhouse gas reduction goals and plans. At the same time, we regularly collect and collate data related to greenhouse gas emission activities, including plant buildings, activities or facilities, emission sources, categories, etc., to prepare for greenhouse gas inventory. In addition, the mobile car division of Shishi District includes the greenhouse gas report in the management review report as a strategic reference for the next year to help develop appropriate emission reduction plans in the future.

The Group deeply understands that identifying and effectively managing climate risks and opportunities is crucial for achieving stable and sustainable corporate development. We plan to gradually identify climate risks related to our own business industry in the future and further analyze the connection and impact between these risks and our business. This will help each division identify and develop responsive measures and enhance operational stability.

As climate change intensifies, extreme weather is becoming more frequent and severe. To cope with severe weather, the Group has developed an emergency management procedure. Among them, the mobile car division in Shishi District has developed the following action plan to deal with extreme weather:

Strengthening bottom-line thinking	• Enhancing risk awareness, improving prevention and control capabilities, and focusing on prevention and mitigation of material risks • Strengthening emergency management training for relevant department heads at all levels to improve their awareness on extreme weather, and to enhance their emergency response capabilities
Strengthening forecasting and early warning	• Prioritizing prevention and increasing the frequency of extreme weather monitoring and forecasting • Establishing a point-to-point early warning and response mechanism to promptly remind relevant departments in performing prevention and response work • Circulating weather forecast information to employees for early hazard prevention and risk avoidance
Strengthening operability of plans	• Developing a comprehensive linkage mechanism of early weather warning and emergency response, quantifying relevant activating standards, and formulating specific extreme weather prevention and response measures
Strengthening unified command	• Enhancing the unified governance of disaster prevention, mitigation and relief work, and reinforcing relevant responsibilities of various departments • Fostering responsibilities of the emergency management department and other related departments, to facilitate leadership, commanding and coordination
Strengthening resources allocation	• On the basis of risk assessment, providing guidance and supervising relevant departments to deploy corresponding resources for high-risk areas in advance
Strengthening publicity and education	• Conducting extensive publicity and education on disaster prevention and mitigation to enhance employees' risk awareness and ability to avoid disasters

COMMITMENT TO EMPLOYEES

The Group upholds the core value of "people-oriented", and is committed to building an excellent and diversified team.

We attach importance to work in areas such as occupational health and safety, talent management, labour standards, and employee communication. Through continuous promotion of employment management, we build an equal, safe, healthy, and friendly working environment for employees, while supporting employee training and development, realizing the common growth of The Group and employees.

Occupational Health and Safety

Aspect	Policy of The Group and its subsidiaries	Key Points
Management provisions for occupational health and safety	Home appliances division • *"Environmental, Occupational Health and Safety Management Manual"* • *"Operation Control Procedure"* Handsets and automotive division • *"Occupational Health Management System"* Tongda Smart Tech division • *"Occupational Health & Safety Control Procedure"* Network communications facilities division • *"Environmental and Occupational Safety and Health Management Procedure"*	Establish an occupational health and safety management framework to standardize the Group's production safety management system; Enforce various safety control and monitoring management policies through the implementation of relevant targets and indicators management plans, in order to effectively prevent, control and eliminate occupational hazards, and protect employees' safety and health
Management provisions for safety training and education	Home appliances division • *"Safety Training Education Control Procedure"* • *"Safety Education Training and Assessment System"* Handsets and automotives division • *"Safety Education and Training Management System"* Tongda Smart Tech division • *"Safety Education and Training Standards"* Network communications facilities division • *"Safety Education and Training Standards"*	Establish a management system by standardizing the classification, content, requirements and assessment of safety training, to holistically improve the safety awareness and quality of employees, so as to avert safety accidents or behaviours

Aspect	Policy of The Group and its subsidiaries	Key Points
Management provisions for safety protection	Home appliances division • *"Incident Reporting, Investigation and Handling Procedures"* Handsets and automotive division • *"Labor Protection Supplies Management System"* • *"Hazardous Chemicals Control Procedures"* • *"Accident Reporting, Investigation and Handling Procedures"* • *"Safety Marking Management System"* • *"Occupational Disease Physical Examination System"* Tongda Smart Tech division • *"Workshop Safety Production Management System"* • *"Hazardous Operations Management System"* • *"Occupational Disease Protective Equipment Management System"* • *"Occupational Disease Hazard Accident Handling and Notification System"* • *"Occupational Disease Hazard Warning and Notification System"* • *"Position Occupational Hygiene Operating Procedures"* Network communications facilities division • *"Management Procedures for Labor Protection Products"* • *"Accident Handling Management Procedure"*	Formulate management specifications for safety protection equipment and facilities, safety production warnings, occupational health inspections, incident handling, etc., to clearly guide safety production work, thereby strengthening the protection for employees' health and safety

Aspect	Policy of The Group and its subsidiaries	Key Points
Management and control provisions for safety risks	Home appliances division • *"Environmental Factors, Hazard Source Identification and Impact Assessment Control Procedures"* • *"Environmental, Occupational Health and Safety Monitoring, Measurement, Analysis and Evaluation Control Procedures"* Handsets and automotive division • *"Hazard Source Identification and Evaluation Control Procedure"* • *"Production Safety Risk Classification Control Assessment Management System"* Tongda Smart Tech division • *"Hazard Source Identification and Risk Assessment Control Procedures"* • *"Occupational Disease Hazard Monitoring, Detection and Evaluation Management System"* • *"Emergency Plan Management Procedures"* • *"Occupational Health and Safety Control Procedures"* Network communications facilities division • *"Hazard Source Identification and Risk Level Assessment Procedure"* • *"Hazardous Energy Control Procedure"*	Formulate clear specifications for comprehensive identification and evaluation of various occupational health and safety hazards, and promote the implementation of safety risk management and control measures to thoroughly prevent and control risks, in order to reduce and eliminate occupational health and safety hazards

The Group regards occupational safety and health as one of its primary responsibilities. We adhere to the occupational health and safety management policy of "safety first, prevention-oriented", and strive to create a healthy and safe working environment for employees. We firmly believe that only by establishing a safe and reliable occupational atmosphere can employees better unleash their potential.

Management System

The Group has established a complete occupational health and safety management system, and strictly implements various safety production measures according to the "Occupational Health and Safety Goal Indicator Management Plan" set each year. Under the safety production responsibility system, we closely monitor and evaluate the implementation effect of management work through the Safety Production Committee, and continuously improve the performance of occupational safety and health. In this year, the Group's subsidiaries have obtained occupational health and safety management system certification, including ISO45001:2018 standard.

Risk Assessment

To ensure a comprehensive understanding of potential hazards, we conduct internal hazard identification and risk assessment every year, and formulate corresponding training, supervision, emergency preparedness and protective measures to enhance the ability to respond to potential risks. At the same time, we also contact qualified occupational health testing institutions to conduct annual inspections and evaluations of occupational hazards at work sites, as well as at least one occupational hazard status evaluation every three years. In this way, we ensure that the working environment meets relevant safety standards and reduces the occurrence of occupational diseases. In addition, we conduct internal safety 5S (Sorting, Straightening, Sweeping, Standardizing, and Sustaining) inspections and daily patrols every week to ensure the cleanliness and order of the workplace, and timely rectify it when problems are found, thereby improving the safety of the working environment.

Facility Equipment

Safety production protection	• When introducing, rebuilding or expanding projects, implement "three simultaneous" (simultaneous design, construction, and operation and use of labour safety and sanitation facilities with the main project) • Prioritize the adoption of new technologies, techniques and materials that are conducive to the prevention of occupational diseases and the protection of employees' health • Formulate safety guidelines for workplaces and equipment, electrical safety, flammable and explosive materials, elevators, fire work, fire safety, etc.
	• Distribute up-to-standard personal protective equipment to employees • Regularly inspect protective facilities and labour protection equipment for timely repair and renewal
Safety label and occupational disease hazard warning logo	• Set up corresponding safety notification cards and reminders of protective equipment at the prominent location of places or facilities with flammable, explosive, toxic and harmful hazards • Set up fire safety signs, including public fire-fighting facilities, evacuation routes, safety exits • Incorporate the management of safety labels and occupational disease hazard warning logos into daily safety inspections

Health Check

We firmly believe that only by ensuring the occupational health of the operators can we ensure their long-term work ability and quality of life. Therefore, we arrange occupational health examinations for operators who are in contact with occupational hazards before taking up posts, during posts, and when leaving posts, so as to detect occupational health problems as early as possible. At the same time, we establish individual files for each operator for easy access to their health status and inspection results, and take necessary measures in a timely manner. If there are operators with occupational health damage, we will immediately transfer them from their posts to ensure their safety and health. At the same time, we will properly arrange for the affected operators and provide them with the necessary treatment and support.

Safety Training

We understand that training is a key link, so we formulate safety training plans every year and regularly assess and evaluate the safety knowledge of all employees. In this way, we ensure that employees have the necessary knowledge and skills and maintain their focus and attention on safety. New employees must receive three-level safety production training (factory level, second level, team level), special operations personnel must receive additional training and assessment to obtain relevant job qualification certificates, and all employees must undergo on-the-job safety training every quarter. To ensure the safety of employees, we prohibit any employee who has not passed safety production education and training from working.

Incident Handling

In order to respond quickly to any accident, we have built first aid facilities and emergency rescue teams, as well as volunteer fire brigades, to increase the ability to deal with emergencies such as fires. We conduct at least one emergency evacuation drill, fire safety and fire extinguishing training every year to improve employees' awareness and ability in dangerous situations. If an occupational disease hazard accident occurs, we will report it in accordance with internal procedures, take emergency measures and rescue, and conduct rigorous investigations afterwards to determine the cause of the accident and propose improvement measures.

The Group has always been committed to improving the occupational safety and mental health of employees, and has carried out the following optimization projects in its divisions this year:

Subsidiary division	Occupational health and safety improvement plan
Home appliances division, Shishi	• Arranged occupational health body checks for special operation employees concerning hazards brought by dust, noise and waste • Organized safety training on dust and hazardous chemicals
Handsets and automotives division, Xiamen	• The Safety Office has held a Safety Committee meeting every month and conducted workshop safety inspections to ensure the safety of all machinery and protection equipment • The Safety Office has carried out in-depth publicity on various safety issues on a regular basis, and held emergency drills once a month to enhance safety awareness of all employees • A new occupational health examination institution was added to ensure the thorough and extensive inspection of all employees related to occupational hazards • Invite union professional psychologists to hold mental health lectures, allowing employees to understand how to manage stress and improve emotional health, etc. • Invite third-party organizations to provide health consulting services, including healthy eating guidance, exercise suggestions, etc., to help employees improve their lifestyle.

During this year, 55 industrial injury accidents occurred among the Group's employees and 3 outsourced personnel, mainly related to the operation of machinery, and some of the accidents were caused by improper operation. The Group has timely provided medical treatment and support for injured employees, and provided corresponding compensation in accordance with relevant laws and regulations. At the same time, we continue to strengthen employee training to reduce similar accident events. In addition, the Group recorded 1 death case of work injury during the reporting period. The case was mainly due to the abnormal physical condition of the employee, causing him to faint during work, and was confirmed dead after immediate hospitalization. The Group understands that employees may not be able to detect physical discomforts in time during work, so in addition to providing regular breaks every day to remind employees to rest, the Group has also strengthened health awareness training and provided regular health check-ups to fully ensure employee health. The Group is committed to continuously improving the safety production management system, strictly conducting accident investigations and responsibilities, strengthening the investigation and management of safety hazards, and preventing them before they happen.

	2023	2022	2021
Number of work-related injuries	**55**	55	99
Rate of work-related injuries	**0.38%**	0.31%	0.42%
Lost days of work-related injuries	**2,265.50**	1,178.00	3,121.00
Number of work-related fatalities	**1**	1	0
Rate of work-related fatalities	**0.01%**	0.01%	0

Employment Management

Talents Recruitment and Retention

Aspect	Policy of The Group and its subsidiaries	Key Points
Management provisions for recruitment	Home appliances division • *"Employee Handbook"* Handsets and automotives division • *"Recruitment Management System"* Tongda Smart Tech division • *"Recruitment Management System"* • *"Employee Management System"* Network communications facilities division • *"Recruitment and Employment Management Procedures"*	Use standardized and programmed recruitment processes to ensure the construction of the Group's employee team and promote reasonable and efficient employment management
Management provisions for remuneration and benefits	Home appliances division • *"Salary Management System"* • *"Reward and Punishment Management System"* Handsets and automotives division • *"Salary Management System"* • *"Reward and Punishment Management System"* Tongda Smart Tech division • *"Employee Management System"* • *"Rewards and Punishment Management Measures"* Network communications facilities division • *"Working Hours and Wage Management Procedures"* • *"Employee Incentive Measures"*	Establish a management system for employees' remuneration, performance, rewards and punishments, to ensure the incentive and protection of salary and benefits with reasonable standards, in order to promote employee interests and corporate benefits

Aspect	Policy of The Group and its subsidiaries	Key Points
Management provisions for attendance and holiday	Home appliances division • *"Salary Management System"* • *"Attendance Management System"* Handsets and automotives division • *"Attendance and Leave Management System"* Tongda Smart Tech division • *"Employee Management System"* • *"Attendance Management System"* Network communications facilities division • *"Attendance Management Regulations"* • *"Holiday Management Regulations"*	Clearly regulate the working hours, overtime work and vacations of employees to strengthen attendance management and promote the balance of working and resting, so as to improve work efficiency in an orderly manner while safeguarding the legitimate rights and interests of employees

To meet the talent needs of business development, the Group has established a comprehensive employment system, covering recruitment and promotion, remuneration and dismissal, working hours, holidays, equal opportunities, diversity, anti-discrimination, other benefits and welfare aspects. According to our internal strategic plan, the Group orderly carries out talent recruitment work, supplementing human resources through diverse channels of internal allocation and external recruitment.

We adhere to the principle of "open recruitment, equal competition, selective admission, internal recruitment before external recruitment". Through interviews and background checks, we select suitable candidates for formal employment. In addition, the Group also values compliant employment, truthfully promotes job responsibilities, working environment and related benefits, and signs labour contracts with employees to protect the legal rights and interests of both parties.

Remuneration and Benefits

The Group firmly believes that only with a satisfying work environment and good benefits can employees better unleash their potential and achieve the common growth of individuals and the Group. In recognition of the employees' contributions, we are committed to providing employees with competitive remuneration and benefits, striving to achieve a win-win labour-capital relationship. The Group provides comprehensive employment protection through a perfect pay-performance system, reasonable work arrangements, and timely review and adjustment.

Remuneration and benefits	• Advocate reasonable compensation for work in accordance with skills, positions, working hours, performance and other factors, provide salary at a level not lower than the local minimum wage standard, and offer living allowances, high temperature subsidies, seniority subsidies, statutory benefits and other allowances • Regularly adjust salaries with reference to internal and external integral evaluations to attract and retain outstanding talents • Evaluate employee performance and provide bonuses based on monthly and annual assessments
Attendance and vacations	• Control working and resting, and manage and monitor employee attendance through clock-in system • Implement a strict overtime working approval system and provide overtime compensation • Employees are entitled to national statutory holidays, paid annual leave, marriage leave, funeral leave, maternity leave, work injury leave, sick leave, paternity leave, etc.

Case study: Talent advancement project

During the Year, the Group's handsets and automotives division in Shishi has continued to introduce the following talent management projects to progressively enhance its human capital:

1. Built a reserve talent pool through the 2023 fresh graduate training project;
2. Reduced the loss of key talents through key talent file management and loss tracking, and built a reserve talent echelon;
3. Evaluated the capabilities of existing employees in key positions through the compilation of qualification manuals and implementation of ability assessment for key positions, to facilitate the preparation for competency improvement.

Employee Engagement

The Group values the balance between employees' life and work, actively provides various benefits and employee activities to express care for employees. In addition, we continuously improve the working and living environment of employees, and provide cultural and sports facilities to enhance employee satisfaction and sense of belonging.

Employe Activities

Handsets and automotives division, Shishi, organised staff team participated in the 7th "Tongda Cup" basketball friendly match, allowing employees to interact with each other, build friendships, and become more united.

Handsets and Automotives division, Xiamen established badminton and running clubs to enhance the physical and mental health of employees, promote team cooperation and friendship, and allow everyone to enjoy the fun of life outside of work.

Employee Welfare

Handsets and automotives division, Shishi organized different employee welfare activities to build a a harmonious and positive work team:

Women's Day Activities

Tuberculosis publicity at Kaijiang Health Center

Cooperated with Taihe Hospital to promote the "Colon Cancer Science Popularization and Health Care" activity

Employee recuperation activities

Jointly with the Kaijiang Labour Union to express condolences to the company's disabled employees

Condolences to the families of sick employees

As of December 31, 2023, the Group has a total of 14,572 Group employees, and employs another 3,731 other employees. For related employment data, please refer to 'Key Performance Indicators Overview'.

Employee Diversity and Equal Opportunities

Aspect	Policy of The Group and its subsidiaries	Key Points
Management provisions for corporate culture	Home appliances division • *"Discrimination and Punitive Measures Management System"* • *"Employee Complaint Management System"* Handsets and automotives division • *"Procedure to Prevent Discrimination and Harassment"* • *"Discrimination and Punitive Measures Management System"* Tongda Smart Tech division • *"Anti-Discrimination Management Procedure"* • *"Harassment, Abuse and Punishment Management Procedures"* Network communications facilities division • *"Prohibition of Discrimination and Harassment Management Procedure"*	Based on the principle of fairness and rationality, clearly formulate management specifications and procedures for equal opportunities, diversity, and anti-discrimination, in order to create a working environment of mutual respect, harmony, equality and diversity

"Respecting human rights and equality, creating a harmonious working atmosphere" is the social responsibility policy of the Group. We are committed to establishing a fair and reasonable employment system, and advocating for workforce diversity, equality for all, and the concept of equal opportunities. In order to build a more inclusive and harmonious working environment, we have established related management procedures and codes of conduct, providing equal opportunities for all employees.

In the processes of hiring, compensation, training, promotion, and dismissal, the Group adopts an equal treatment attitude, ensuring equal pay for equal work, and equal responsibilities for the same position. Employment benefits are determined based on individual abilities, job performance, and behavior. All qualified employees can compete fairly and have equal rights to employment and development. We strictly prohibit any form of discrimination in the recruitment and employment process, including but not limited to nationality, race, gender, religious beliefs, marital status, and physical disabilities.

We value the rights and needs of employees, and respect their creeds or requirements in terms of race, social class, nationality, religion, disability, sexual orientation, social membership qualifications, and union membership. For example, in our Handsets and Automotives division, we implement guidelines, procedures, and training on equal opportunities, diversity and inclusion, and anti-discrimination, and promote them through company announcements and notice boards to enhance team cooperation and mutual understanding.

The Group absolutely does not tolerate any bullying, threats, intimidation, control, or other types of harassment in the workplace and other public places. Under the complaint mechanism, employees can directly file complaints to employee representatives, senior managers, or general managers. We will take all issues related to discrimination or harassment seriously, appoint a dedicated person to investigate, take corrective actions, and punish the offenders to ensure the safety and respect of the workplace."

Accessible Workplace	We are committed to creating a more inclusive, accessible work environment for employees with disabilities, enhancing the understanding and respect of their colleagues, and encouraging an attitude of inclusivity and support in the workplace. Handsets and automotives division, Shishi: • Organize consolation activities for employees with disabilities to promote communication and interaction among employees, provide more support and care for employees with disabilities, and create a more inclusive work environment. Handsets and Automotives division, Xiamen: • Provide job opportunities for people with physical and mental disabilities to promote social inclusivity. • Allocate suitable facilities and provide support for disabled or chronically ill employees, ensuring accessibility in the workplace.
Workplace Inclusivity	We uphold employees' freedom of religious belief, providing flexible arrangements including additional space and time for employees to fulfill their religious obligations. In addition, we understand that hiring retired or older employees brings rich work experience and knowledge, and can strengthen diversity and inclusivity in the organization, thereby promoting innovation and creativity. Handsets and Automotives division, Xiamen: • Establish "Religious Belief Management Procedures" to protect employees' freedom of religious belief. • Hire retired or older employees to increase age diversity in the organization. • Establish effective communication channels and complaint mechanisms to handle and respond to complaints and suggestions raised by employees on equal opportunities, human rights, and anti-discrimination.

Ethnic Unity	We focus on enhancing communication and cooperation among employees of different ethnicities, advocating equality, friendship, and mutual assistance, helping to promote ethnic unity and progress in the province, and achieving social harmony and development. Handsets and automotives division, Shishi: • Respect the customs of all ethnicities, set up a Muslim canteen to meet the dietary needs of Muslim employees. • Appoint a logistical support department to inspect the canteen, ensuring the food safety of Muslim employees. Handsets and Automotives division, Xiamen: • Set up ethnic minority specialty restaurants in the canteen, respect the faith, customs, and other traditions of ethnic minority employees. • Expand recruitment channels for diverse ethnic employees, promote communication and integration among employees of different ethnicities. • Communicate with minority groups on the front line to understand their needs in the workplace, and improve any reasonable suggestions (for example, we conducted specialized communication on the prayer rituals of Muslim employees to provide better support).
Focus on Women's Rights	We pay attention to the labour rights of women and strengthen the protection of women's rights in special physiological needs during menstruation, pregnancy, childbirth, and lactation. We prohibit differential treatment of female employees in job allocation and welfare treatment, ensuring that they receive fair and equal treatment in their work. Handsets and Automotives division, Xiamen: • Establish a labour protection management system for female employees, implement labour protection for female employees. • Promote female leadership and talent development, encourage more women to participate in leadership positions.

Development and Training

Aspect	Policy of The Group and its subsidiaries	Key Points
Management provisions for personnel change	Home appliances division • *"Performance Management Measures of Home Appliances Division"* Handsets and automotives division • *"Performance Management System"* Tongda Smart Tech division • *"Employee Management System"* • *"Promotion Management System"* Network communications facilities division • *"Standards for Staff Appointment, Appraisal and Promotion"*	Establish a reasonable employment management system to ensure the orderly processing of promotion, internal transfer and resignation, so as to promote the sound development of the Group's employment management
Management provisions for employee training	Home appliances division • *"Training Control Program"* Handsets and automotives division • *"Training Management System"* • *"Employee External Training Management System"* • *"Key Position Management System"* Tongda Smart Tech division • *"Employee Management System"* • *"Key Position Management Standards"* Network communications facilities division • *"Human Resources Management and Education and Training Procedures"*	Bolster the work and management capabilities of employees at all levels and improve their knowledge, skills and attitudes through the formulation of training management specifications, in order to improve work efficiency and performance

Career Development

The Group attaches great importance to providing a diverse range of career development opportunities for employees and has established a complete job allocation management system. The system aims to respect the career development aspirations of employees and make personnel changes based on the principles of fairness and justice, ensuring the right of employees to career development. In addition, we have strengthened the internal talent sharing mechanism to support the operations and development of the Group. In this way, we provide employees with more opportunities and support, enabling them to achieve their career goals.

The Group has set up three channels for career development: management, technical, and administrative. We will consider various factors objectively according to business development planning and job positions, combined with employee training records, individual abilities and performance, and employee personal requirements. After mutual consultation, we will implement promotions or lateral transfers, providing employees with more choices and development space in their career development. Job transfers are subject to a probationary period to review qualifications, and those who pass training, trial, and assessment will be confirmed as effective. We regularly carry out promotion work, including annual promotion, quarterly promotion, and irregular promotion.

Training Management

The Group values talent cultivation and is committed to providing employees with abundant learning opportunities and a development platform, to promote the joint realization of group goals and individual goals. To achieve the strategic goals of business development, we adopt a systematic and gradual management model to train employees and offer diversified training and education programs to enhance professional skills and performance.

To enhance business operation knowledge and improve work skills, we have established a comprehensive training management system, providing multiple training opportunities and resources for employees. This covers various course categories, including quality management, professional skills, environmental safety, and management skills, to meet the different development needs of employees at all levels.

Types	Training Activities	Target Audience	Focus
Internal Training	New employee training	New employees	Including general knowledge, basic job knowledge training, aimed at letting new employees understand the Group's policies and requirements, mastering the necessary work skills and knowledge. After completing training and passing the assessment, new employees can formally start their jobs.
	On-the-job Training	Existing employees	Including job level, hierarchy level training, aimed at improving the professional skills and qualities of on-the-job employees, assisting them in fulfilling their job responsibilities, and promoting potential development.
External Training	Position for special operation	Specialized practitioners	To encourage continuous learning, support employees to participate in external training and bear the cost of training for them, in order to introduce excellent management experience and advanced technology from outside, improve individual professional ability, and the entire group's management and technical level.
	Other positions	Non-specialized practitioners	

Major On-the-job Training Categories

Management Techniques Production, human resources, finance, sales, procurement and other management	**Professional Techniques** Production and process, equipment maintenance and repair, network information, company-related system expertise, special expertise and other technologies
Environmental Protection & Safety Environmental protection, recognition of important environmental factors, identification and prevention of hazards, unacceptable risks, Occupational Health & Safety, major equipment energy consumption, etc.	**Quality Management** Quality control, material input, process, final product inspection methods, etc.

According to relevant management regulations, the Human Resources Department of each subsidiary company submits an "Annual Training Summary Report" every year. The purpose of this report is to summarize, analyze, and evaluate the effectiveness of training, and to develop an "Annual Training Plan" based on internal needs and business development, in order to continuously improve and plan the training program for the next year, ensuring that employees can receive comprehensive and effective training. After the training is completed, the Group will conduct an effectiveness evaluation, and those who fail to meet the standards will be reexamined or retrained. All

relevant training records will be archived for safekeeping, and the Human Resources Department will supervise the implementation and evaluation of various training sessions to ensure the effective execution of training.

In this year, The Group has carried out the following types of employee training to actively promote employee development:

Subsidiary division	Employee Training Programme
Home appliances division, Shishi	• Organized corresponding training based on the needs of each position and employee to improve employee capabilities
Handsets and automotives division, Shishi	• Implementation of qualification examinations: – Set up a working group to compose and review the know-how questions, in order to establish a data base for exam questions – Identified the current competencies of employees through assessment, providing basic data for the talent inventory at the year end • Establishing a corporate knowledge sharing platform: – Provided work-required professional courses for employees at all job levels – Collected feedback after completing the course to confirm trainees' understanding, and to understand their views on management of the Company • New Employee Training – Training in video format was newly added, which the contents cover anti-fraud awareness, factory level safety awareness training, safety management, regulations, social responsibility and ethics • Annual skills subsidy training – Carry out six training projects, cooperate with external institutions, implement online platform teaching, on-site teaching dual-mode training
Handsets and automotives division, Xiamen	• Cooperated with sub-district and judicial offices to conduct training after understanding internal needs for skill improvement • Carried out capacity enhancement training for managers, R&D employees, reserve talents and other key personnel to improve the competency of employees in key positions • Built a corporate sharing platform to regularly share knowledge, skills and other information

In this Reporting Year, the training rate of the employees in The Group was 99.70%, and the average training time was 2.53 hours. For related training data, please refer to the "Key Performance Indicators Overview".

Employment Standard

Aspect	Policy of The Group and its subsidiaries	Key Point
Management provisions for labour standards	Home appliances division • *"Recruitment Management Regulations"* Handsets and automotives division • *"Recruitment Management Regulations"* • *"Management Regulations for Child Labour/Underage Worker/Students/ Interns"* • *"Forced or Compulsory Labor Management System"* Tongda Smart Tech division • *"Child Labour Prevention Policy and Remedial Procedures"* • *"Underage Worker Protection Management Procedures"* • *"Prohibiting Forced Labour Control Procedures"* Network communications facilities division • *"Management Procedures for the Protection of Prohibited Child Labor and Underage Labor"* • *"Management Procedures for Prevention of Forced Labour and Prohibition of Prison Labour"*	Prevent the employment of child labour and the occurrence of forced labour by establishing a clear recruitment system and labour management procedures
Management provisions for resignation	Home appliances division • *"Resignation Management System"* Handsets and automotives division • *"Resignation Management System"* • *"Labour Contract Management System"* Tongda Smart Tech division • *"Labor Contract Management System"* Network communications facilities division • *"Labour Contract Management Procedures"*	Establish a reasonable employment management system to ensure the orderly processing of resignation, so as to promote the sound development of the Group's employment management

The Group strictly adheres to labour standards and relevant legal requirements, strictly prohibiting the employment of child labour and any form of forced labour. We are committed to maintaining the physical and mental health and legal rights and interests of all children, minors, and employees based on compliant employment. At the same time, we implement legal recruitment measures, advocate reasonable employment, ensure that all employees are employed and work in peaceful and voluntary conditions, and enjoy corresponding social security benefits.

Preventing Child Labor

The Group prohibits the employment of child labour. To ensure that employed employees reach the legal working age, in addition to conducting on-site interviews and background checks, the Group will verify the authenticity and validity of the identity documents provided by the applicants. Such information will be entered into the human resources system and public security system. The Human Resources Department is responsible for reviewing, archiving management, and communicating and supervising related execution matters, to ensure the legal rights and interests of employees.

If there is a situation of child labour, the Group will check and stop child labour work immediately, arrange for a physical examination to confirm their health condition, report to the local labour bureau, and escort the child labour to their parents or guardians. In addition, we will also provide compulsory education and assistance resources to ensure that they receive appropriate support and attention. At the same time, we will continue to track the situation of child labour to ensure their healthy development. Afterwards, we will conduct a strict investigation, find out the reasons for misusing child labour, and impose appropriate penalties on the related violators. We will also implement corrective measures to prevent similar incidents from happening again.

Protection of Minors and Student Workers

The Group will review the qualifications and identity documents of school interns, and sign and implement work agreements in accordance with regulations. We prohibit the arrangement of minor workers and student workers to engage in high-intensity physical labour or other work with safety hazards. Before minor workers and student workers start their jobs, we will arrange for them to undergo physical examinations and safety and skill training, and regularly undergo physical examinations. To confirm the legality of work, we regularly supervise the job operations of minor workers and student workers.

Preventing Forced Labor

The Group does not tolerate any forced labour, compulsory labour, labour trafficking, or prison labour. At the same time, we strictly prohibit any actions involving fee collection, withholding of documents, or requests for guarantees. To ensure transparency, we will explain the work situation and welfare treatment to the applicants in a full and detailed manner. In addition, we do not allow any behavior that insults employees and firmly oppose treating employees in a brutal and inhumane manner.

During the Year, the automotives division in Xiamen district has negotiated with the union and employee representatives about the overtime control and other work situations. At the same time, it has strengthened the inspection of the work situation and the strictness of the identity verification during the interview, in order to protect the rights and interests of the workers.

If forced labour is found, the Group will immediately take action to stop involuntary labour and provide appropriate protection and placement, and contact the local judicial authorities for handling. For internal staff involved in forced labour, we will terminate the labour relationship with them and take legal action if necessary.

Resignation Arrangement

The Group adheres to the principle of compliance and reasonableness. After negotiation between the two parties, the labour relationship is terminated and dissolved according to the established procedure. The Human Resources Department will verify and approve, and proceed with the resignation procedures and work handover according to the relevant procedure, while settling the corresponding salary. For employees who are seriously derelict, violate laws and regulations or corporate rules and regulations, we will hold them legally responsible when necessary to ensure fairness and reasonableness.

Reporting and Supervision Mechanism

We have established complaint channels such as employee suggestion boxes, unions, and employee representatives, so that employees can express their opinions and feelings at work in verbal or written form. The relevant person in charge will collect the contents of the suggestion box once a week, and conduct investigations and arrange meetings to discuss solutions.

In order to better identify and monitor related violation risks, the Group conducts irregular internal personnel checks and interviews, and regularly audits suppliers to ensure that we adhere to principles and never cooperate with suppliers who use or subcontract to illegal labour. This not only helps the Group to ensure compliance with laws and regulations, but also can establish a corporate image and enhance the trust of customers and partners. We will continue to strengthen monitoring and auditing mechanisms to ensure that the supply chain does not involve any violations of labour standards.

Employee Communications

Aspect	Policy of The Group and its subsidiaries	Key Points
Management provisions for rights protection	Home appliances division • *"Employee Grievance Management System"* Handsets and automotives division • *"Employee Grievance Management System"* • *"Measures for the Management of Employee Complaints, Reports and Reasonable Suggestions"* • *"Freedom of Association and Collective Bargaining Management System"* Tongda Smart Tech division • *"Employee Complaints and Related Party Management Procedures"* • *"Procedure for the Administration of Freedom of Association and the Right to Collective Bargaining"* Network communications facilities division • *"Grievance Handling and Anti-Retaliation Procedures"*	Establish a grievance and complaint mechanism to handle employees' feedback in a timely manner, in order to eliminate unethical behaviours and protect the legitimate rights and interests of employees
Management provisions for employee communication	Home appliances division • *"Employee Grievance Management System"* Handsets and automotives division • *"Workers' Congress Management System"* Tongda Smart Tech division • *"Employee Communication Mechanism Management System"* • *"Employee Satisfaction Management Measures"* Network communications facilities division • *"Measures for Election of Employee Representatives"*	Establish a communication mechanism to encourage employees to express their opinions, so as to build a harmonious labour relationship

Respecting employee opinions and establishing effective communication channels can help protect employee rights and promote internal collaboration, while creating a harmonious and inclusive working atmosphere. Our group is committed to conducting honest and open communication with employees, optimizing communication channels, deeply understanding employee needs and providing appropriate support. In addition, we continue to improve the level of human resources management to increase employee satisfaction and loyalty, and at the same time enhance the benefits and cohesion of the enterprise. These measures not only help to create a better working environment, make employees feel more respected and valued, but also promote team cooperation and mutual growth.

Grievance and complaint mechanism	• Set up various complaint channels such as suggestion box, complaint platform in WeChat (such as employee self-service platforms, employee service centers), corporate mailbox, telephone contact, etc. to collect employee complaints and opinions • After receiving relevant feedback, dedicated personnel will conduct a fair and independent investigation and submit a reply within the specified time • Undertake confidentiality commitment to employees who express their opinions, and prohibit any forms of retaliation
Trade union and employee representative	• Recognize and respect employees' right to exercise freedom of association and collective bargaining in accordance with the laws; Support the development of employee representative elections, employee representative conferences and other forms of democratic participation • Hold regular meetings with employee representatives to hear their demands and provide feedback to The Group leaders • Protect the legitimate rights and interests of employees and prohibit any forms of interference and unfair treatment

Employee satisfaction survey	• Through interviews, questionnaires, complaint analysis and other methods, regularly investigate employees' perspectives on aspects such as operation management, employment system, environmental safety, corporate development and culture • Summarize and analyze the results to examine the satisfaction trend and report to department heads for review and conclusion
Regular employee communication channels	• Provide the latest information of The Group through media such as Company's newsletter, website, instant communication and internal forums • Set up Employee Relations Department, mediation room, employee care room, psychological counseling room, etc., to understand employees' demands • Set up employee care hotline, anonymous mailbox, Chairman mailbox, corporate WeChat, etc., to regularly collect employees' opinions and suggestions • Facilitate mutual exchanges through channels such as employee representatives, employee forums and employee interviews

COMMITMENT TO CUSTOMERS

As a responsible corporation, we prioritize social responsibility and aim to foster trust with our customers and suppliers to nurture long-term partnerships.

The Group adheres to the SA8000:2014 standard for managing social responsibility. We place a strong emphasis on product quality and safety, privacy and data security, supply chain management, and business ethics. We proactively integrate duty management systems, conduct risk assessments and regular reviews, and continually infuse sustainability concepts into our production and operation processes to safeguard the rights and interests of our customers and suppliers.

Product Responsibility

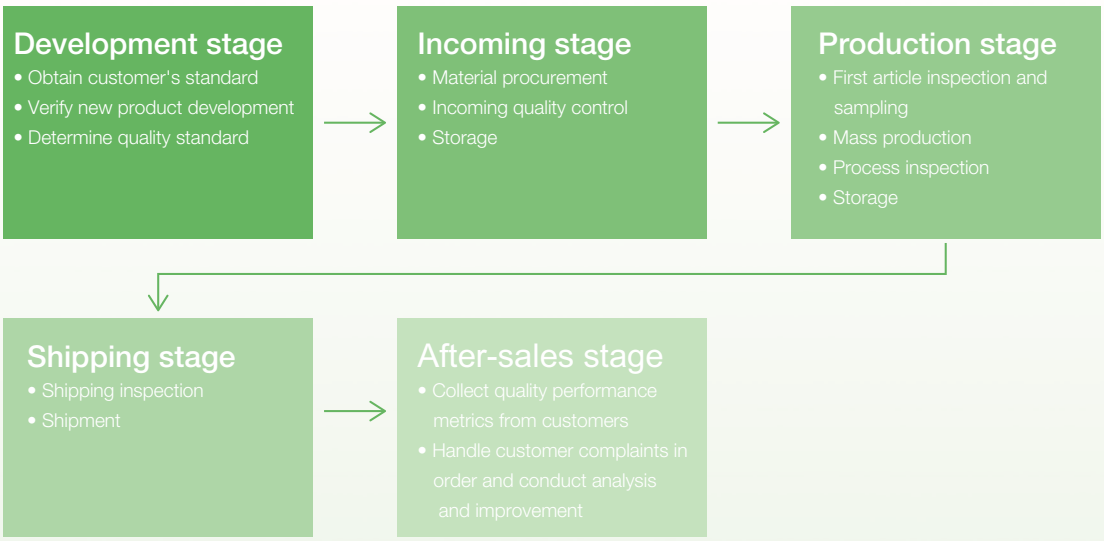
Quality and Safety

Aspect	Policy of The Group and its subsidiaries	Key Points
Management provisions for quality control	Home appliances division • *"Production Process Control and Confirmation Procedure"* • *"Control of nonconforming product program"* • *"Identification and Traceability Control Procedure"* • *Corrective and Preventive Action Control Procedures* Handsets and automotive division • *"Product Inspection Management Procedures"* • *"Control of nonconforming product program"* Tongda Smart Tech division • *"Quality Control Management Procedure"* • *"Control of nonconforming product program"* • *"Identification and Traceability Management Procedure"* Network communications facilities division • *"Incoming Material Inspection Management Procedure"* • *"Process Inspection Management Procedure"* • *"Shipping Inspection Management Procedures"* • *"Nonconforming Product Management Procedure"* • *Corrective and Preventive Action Management Procedure* • *"Product Labeling and Traceability Management Procedures"*	"Product Labeling and Traceability Management Procedure" Through the quality management system, define the product quality management specifications covering design and development, material input, manufacturing process, shipment, and customer end, and formulate management procedures for handling unqualified products, in order to promote continuous improvement of product quality on the basis of fulfilling customer' needs

Aspect	Policy of The Group and its subsidiaries	Key Points
Management provisions for product health and safety	Home appliances division • *"Hazardous Substance Identification and Evaluation Control Program"* Handsets and automotives division • *HSF Management Procedures* • *"Environmental Protection Control Management Standards"* Tongda Smart Tech division • *"Toxic and Hazardous Chemicals Control Procedures"* Network communications facilities division • *"Hazardous Substances Management Procedure"* • *"Management Approach of Environmental Requirement of Raw Material"*	"Environmental Requirements Raw Material Management Procedure" Standardize the management and control requirements of hazardous substances to ensure hazardous substances involved in the development, procurement and production process are in compliance with relevant laws, regulations and standards, so as to reduce environmental and safety risks of products

The Group adheres to the quality management policy of "high technology, high quality, high efficiency, providing customers with satisfactory products and services", and is committed to improving product quality and safety and preventing related risks. Through the quality management system, we implement the full life cycle quality management of products. The Handsets and Automotives division of the Group has obtained IATF16949 Quality Management System, ISO9001 Quality Management System, and QC080000 Hazardous Substance Process Management System certification. Each quality control department is responsible for monitoring and supervising product quality, and continuously improving product quality, production processes, and after-sales service, to provide better products and services to customers.

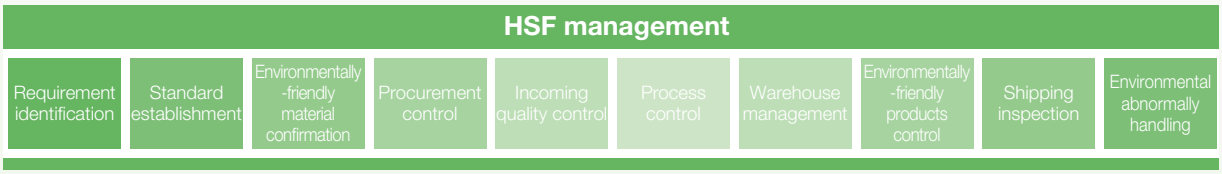
Full product lifecycle quality management and control



Standardized quality control	• Implement full-process product inspection, to strictly examine and control product quality, and ensure that the production quality is qualified • Carry out reliability testing during the development and mass production stages to avoid delivering poor reliability or defective products to the client • Continuously monitor the reliability test and review the reliability management on a quarterly basis to ensure accuracy of the experimental results
Closed-loop management of unqualified products	• Immediately respond and implement rectification in case of unqualified products • Carry out corrective and preventive measures such as tracing, identification, isolation, repair or selection, and subsequent improvement in accordance with established procedures • Re-inspection of batches with abnormal quality is required, which the quality of three consecutive batches will be tracked to ensure product compliance

Regarding product health and safety, our group adheres to the policy of 'compliance with regulations, environmental protection, customer satisfaction, and continuous improvement' in Harmful Substance Free (HSF) management, and implements an effective Hazardous Substance Process Management (HSPM) system to comply with relevant laws, standards, and customer requirements. The Group strictly carries out the identification, evaluation, and control of hazardous substances, and manages according to the level of risk to prevent environmental pollution or safety issues.

Regarding product health and safety, our group adheres to the policy of "complying with laws and regulations, upholding environmental protection, gaining customer satisfaction, striving for continuous improvement" in Harmful Substance Free (HSF) management, and implements an effective Hazardous Substance Process Management (HSPM) system to comply with relevant laws, standards, and customer requirements. At the same time, we are committed to protecting the environment and reducing potential impacts on the ecosystem. To ensure the safety of our products, we strictly carry out the identification, evaluation, and control of hazardous substances, and manage according to the level of risk to prevent environmental pollution or safety issues. We will continue to improve the related management system to ensure that our products meet high standards of health and safety requirements.



During the Year, The Group did not recall any products for safety and health reasons.

Customer Communications

Aspect	Policy of The Group and its subsidiaries	Key Points
Management provisions for customer service	Home appliances division • *"Stakeholder Communication and Satisfaction Control Procedures"* • *"Operation Specification for Customer Complaint Handling"* Handsets and automotives division • *"Customer Satisfaction Survey Analysis Management Procedure"* • *"Customer Complaint Management Regulations"* Tongda Smart Tech division • *"Customer Satisfaction Survey Management Procedure"* Network communications facilities division • *"Customer Satisfaction Management Procedure"* • *"Customer Complaints Handling Procedures"*	Establish a systematic customer service management system to standardize customer feedback channels and handling procedures, in order to ensure closed-loop handling of product quality issues and continuously fulfill customer requirements

The quality of products and services is the key to maintaining customer confidence and support. The Group not only strives to achieve customer satisfaction but also pursues exceeding customer expectations. For this reason, we constantly strive to enhance the timeliness and efficiency of customer service, accelerate the response to product quality issues and customer opinions, follow up properly to ensure that customer needs are met.

To understand customer satisfaction, we regularly conduct telephone interviews, questionnaire surveys, visit surveys, and hold symposiums, etc. Through this, we collect and analyze customer opinions and feedback, understand group performance, and compare with customer needs and expectations to formulate corresponding countermeasures.

The Group has established customer complaint handling regulations to ensure that complaints are properly handled. We regularly supervise and review the performance of customer complaints, summarize improvement measures based on the review results, and incorporate them into technical operations and quality management process standards for operation training guidance.

Customer complaint handling mechanism
According to the nature of customer complaints, handle the case after classification and grading
▼
Respond to customers within 2 hours
Propose and implement contingency and remedial measures within 24 hours
Define the root cause within 48 hours, develop mid- and long-term improvement measures within 5 days
Complete a “8D Improvement Report” as a formal reply
▼
Conduct continual scrutiny and tracking, which tracking of three consecutive production batches are required to confirm the improvement effect
▼
Carry out horizontal inspections to lower similar quality risks

This year, The Group received a total of 344 customer complaints. All departments actively handled the issues until the customers were satisfied, and all cases were properly resolved and closed.

To continuously improve product quality and customer service, The Group has launched the following improvement projects this year:

Subsidiary division	Product and service improvement plan
Home appliances division, Shishi	• According to the "Stakeholder Communication and Satisfaction Control Procedures", strengthen customer service management, conduct a customer return visit survey every half year on the five major Aspects of delivery, quality, response, technology, and cost. • The average customer score for this year's customer satisfaction survey is 97.4 points. The analysis results show that customers are satisfied with the company's services and capabilities in all aspects, and have formulated further improvement plans based on the results.
Handsets and automotives division, Shishi	• Initiate process reengineering projects, establish a customer satisfaction management system, and clearly regulate customer satisfaction management and customer complaint handling procedures • Establish satisfaction scoring KPI, include the scoring of key customers in the monthly performance review • Designate related departments to be responsible for interfacing, in order to monitor and track customer satisfaction responses, and organize internal countermeasure improvement work

Intellectual Property Rights

Aspect	Policy of The Group and its subsidiaries	Key Point
Management provisions for intellectual property rights	Home appliances division • *"Intellectual Property Management System"* • *"Intellectual Property Procedural Documents"* Handsets and automotives division • *Knowledge Control Management Procedure"* • *"Internet Resource Usage Management Measures"* Tongda Smart Tech division • *"Knowledge Control Management Procedure"* • *"Patent Management System"* Network communications facilities division • *"Intellectual Property Protection and Control Procedures"* • *"Organizational Knowledge Management Process"*	Standardize the use, maintenance and supervision of intellectual property rights through the management system, in order to effectively protect all intellectual property rights involved in the Group's business operations, and prevent infringement risks

Innovation technology and craftsmanship are one of the most important competitive advantages of our group. To ensure that this competitive advantage can continue to play a role, our group values the protection of intellectual property rights. We are committed to strengthening the protection, application, and management of intellectual property rights, strictly enforcing relevant management regulations, to comprehensively protect and promote internal technological progress and innovation, and enhance the competitiveness and economic benefits of the Group in the market.

Intellectual property rights management system	
Evaluation and assessment	Novelty and search
Information file	Work filing
Confidentiality and commitment, contract-signing	Protection
Promotion and training	

The Group is mainly responsible for the daily management, maintenance, and supervision of intellectual property rights by the Human Resources Department and the Research and Development Center. We regularly carry out planning for the development of intellectual property rights, conduct performance evaluations and analyze improvement work to promote the construction of the Group's intellectual property assets. In addition, the Group requires all employees to fulfill their obligations to protect the company's intellectual property rights and prohibits the disclosure of confidential information to others without company authorization. When cooperating with third parties, we clearly stipulate the terms of intellectual property protection in written contracts to ensure that the legitimate rights and interests of both parties are protected. At the same time, we actively carry out training and publicity work every year to raise employees' awareness of intellectual property protection and infringement prevention.

During the Year, the Group has successfully obtained 300 valid patents, including 31 new patents under applications.

Responsible Marketing

In terms of labels, the Group has formulated the "Product Packaging and Design Specification" to provide clear guidance, including the information listed on product labels and the location of the stickers, to ensure the traceability of the product. In terms of advertising, the nature of the Group's business does not involve advertising. Only a few products are displayed in the company's display cabinets.

Data Security and Privacy Management

Aspect	Policy of The Group and its subsidiaries	Key Point
Management provisions for information security	Home appliances division • *"Internal and external communication and information exchange control procedures"* Handsets and automotives division • *"Staff Information Security Management Standards"* • *"Information Security Management Specifications for Relevant Party Personnel"* • *"Confidential Project Information Flow Management Specifications"* Tongda Smart Tech division • *"Customer Master Data Modification Process"* Network communications facilities division • *"GSV09 Information Security Regulations"*	Standardize the security measures and procedures of data and confidential information, and delegate personnel responsible for management and control, in order to prevent losses caused by information system interruption, data loss, information leakage and other accidents

Aspect	Policy of The Group and its subsidiaries	Key Point
Management provisions for cybersecurity	Home appliances division • *"Internal and external communication and information exchange control procedures"* Handsets and automotives division • *"Communications Security Information Management Procedure"* • *"Information Security Operation Control Management Procedure"* • *"Information Security User Access Control Management Procedure"* • *"Central Computer Room Management Specifications"* Tongda Smart Tech division • *"Information and Technology Security Management Procedure"* Network communications facilities division • *"TD-IP-002 Network Security Risk Management Program"*	Set up management specifications on network configuration, use and information access to facilitate the safe and reliable operation of network, and hence holistically protect the confidentiality, authenticity and integrity of information

The Group is based on the management policy of "data confidentiality, information integrity, risk control, continuous improvement, and extensive participation for excellence", and is committed to maintaining data security and customer privacy. The group's divisions have established a management system that complies with the ISO27001 information security management system standards, including a series of information security management regulations, and regularly conduct risk assessments. The Group's Information Management Center is responsible for guidance, technical support, and supervision. For the information of suppliers, customers, and employees, we have commissioned specialists in various departments to carry out related management work, and actively promote the participation of all employees to ensure the effective implementation of confidentiality management.

In the face of increasingly frequent network threats, the Group pays attention to the security and stability of its network and information system. We have formulated detailed management guidelines for aspects such as computer rooms, hardware equipment, firewalls, computer software, and network configurations according to strict information security management systems. These guidelines are managed and regularly audited by the Information Management Center. In addition, we provide comprehensive defensive measures for the network system by establishing codes of conduct, setting access rights, and conducting network monitoring.

Information flow management	• Implement a graded management of all types of information and set up access permissions, while establishing secure areas for key protection • Prohibit personnel with no relevant responsibilities or business scope from viewing confidential items, and arrange for a designated officer to handle documents, as well as encrypt and backup specific confidential items • Require personnel who come into contact with confidential information to sign a confidentiality agreement, and undergo permission approval when accessing confidential data, while keeping relevant records • Use codes and numbers to establish internal documents of sensitive information
Network and Information System Management	• Monitor and periodically audit the data center, hardware equipment, firewalls, computer software, and network configuration. • Strengthen security by setting access control and entry and exit permissions for the data center. • Confidential data cannot be copied, transcribed, or taken out without approval. • Employees are required to change their passwords regularly, and are strictly prohibited from randomly storing confidential documents.
Handling of information security incidents	• Regularly perform information security audits; Immediately take appropriate corrective and preventive measures when potential security hazards or information leakage are discovered, and conduct investigation and reporting afterwards • Those who divulged or illegally obtained confidential information shall be warned or dismissed, and if necessary, shall be handed over to the judicial organization while pursuing legal responsibilities

In the Year, the Group did not experience any customer information leaks or cybersecurity incidents.

Anti-corruption

Aspect	Policy of The Group and its subsidiaries	Key Point
Management provisions for anti-corruption and -commercial bribery	Home appliances division • *"Integrity and Integrity Commitment Letter"* Handsets and automotives division • *"Integrity Construction Management System"* • *"Integrity Construction Work Management System"* Tongda Smart Tech division • *"Anti-Commercial Bribery Management System"* Network communications facilities division • *"Management Regulations on Anti-Corruption and Promoting Integrity"*	"Business Conduct and Ethics Procedure" Formulate clear specifications for the education, prevention, elimination, correction and handling of anti-corruption and anti-bribery through the establishment of probity management system, and implement internal control and monitoring mechanism, in order to guide the Group and all employees to act with integrity, honesty and self-discipline

Transparent and honest management can win the trust of stakeholders and achieve long-term sustainable development. Our Group adheres to the business philosophy of law-abiding integrity and quality service, and prohibits any corruption, commercial bribery, extortion, and other forms of improper behavior. We fully understand the importance of integrity construction, so we continuously strengthen and improve the integrity management system and promote the corporate culture of anti-corruption and integrity. To promote anti-corruption and anti-bribery work in business activities, our Group adopts the policy of "treating both symptoms and root causes, enforcing comprehensive governance, exercising punishment and prevention, and emphasizing on prevention", and continuously implements various management regulations and measures to eradicate any behavior that violates business ethics.

Internal System

We have established an internal control and supervision system to prevent corruption. The Group's internal policy clearly shows its integrity towards internal and external parties, provides clear guidance on business ethics and responsibilities, covering conflicts of interest, gifts and entertainment, asset protection and use, intellectual property confidentiality, and fair competition and transactions. We require all directors and employees to uphold the highest level of conduct when handling various matters and strictly prohibit the use of their positions or job influence for personal gain. Employees are required to sign the "Commitment to Integrity" when they join, confirming that they comply with the professional conduct requirements and disciplinary prohibitions listed in the "Integrity and Self-discipline Regulations" and the "Employee Code of Conduct".

The Financial Audit Center and the Human Resources Department review each sensitive operational link at least every half year. In addition, the Group conducts random audits from time to time, and requires relevant departments to immediately formulate preventive and improvement measures upon discovering problems, and verify their effectiveness. Key personnel must fill in the "Integrity Self-assessment Form" every half year and uniformly carry out subsequent appraisal work. The annual business ethics social evaluation management is conducted through seminars, questionnaires or online surveys.

Publicity and Education

Our Group attaches great importance to the establishment of internal integrity awareness and is committed to strengthening employees' understanding and importance of business ethics and integrity. The Human Resources Department is responsible for planning and arranging training courses on integrity and anti-corruption. In order to promote the latest requirements of business ethics-related laws and regulations, we hold at least one training event every year. Key point personnel must receive training at least once every six months and undergo related assessments to ensure the effectiveness of the training. In this year, the total training hours for directors and employees' anti-corruption were 1 hour and 10,178 hours respectively.

Supplier and Field Personnel Management

Our Group requires relevant personnel to actively declare their relationships with customers and suppliers, conduct procurement activities in a fair and transparent manner, and opposes any form of kickbacks, bribes, corruption, and other unethical behaviours. We cancel cooperation with suppliers who ask for or accept any benefits and gifts, to ensure the integrity and fairness of business activities. In addition, we require suppliers to confirm and sign the "Commitment to Anti-commercial Bribery", and publicly express the group's business ethics code to suppliers through supplier association meetings, procurement documents, and emails. We also continuously monitor suppliers' compliance to ensure that they are consistent with the Group's values and ethical standards.

Reporting Mechanism

To encourage employees or other stakeholders to report any known or suspected violations, our Group has set up reporting channels such as the "Integrity Reporting Mailbox" and "Integrity Hotline", and the Integrity Work Leadership Group arranges for a special person to regularly receive and handle them. We adopt confidentiality measures for reporting information and prohibit any form of retaliation against reporters. After preliminary verification, the integrity work officer will conduct investigations according to the situation, report results to the general office, carry out follow-up work or report to the regulatory department. We implement the evaluation responsibility mechanism to ensure that relevant personnel take responsibility, and punish violators according to the severity, serious violators are subject to termination of labour contracts, and those suspected of violating laws and regulations are transferred to judicial authorities for handling.

In this year, our Group did not receive any reports of business ethics cases.

Supply Chain Management

Aspect	Policy of The Group and its subsidiaries	Key Point
Management provisions for supply chain management	Home appliances division • *"Procurement Control Procedure"* • *"Supplier Selection and Evaluation Control Procedure"* Handsets and automotives division • *"Supplier Development and Management Procedure"* • *"Outsourcing Processing Management Procedures"* • *"Supplier Control Management Procedure"* • *"Supplier Assessment Management Regulations"* • *"Procurement Contract Management Regulations"* Tongda Smart Tech division • *"Procurement Control Operating Procedures"* • *"Supplier and Subcontractor Management Procedure"* • *"Supplier Control Management Procedure"* Network communications facilities division • *"Procurement Management Procedure"* • *"Supplier Selection and Evaluation Management Procedure"* • *"Supplier and Subcontractor Evaluation Management Procedure"*	Standardize supply chain management procedures from selection, daily management to review and evaluation, to promote long-term and stable procurement operations and continuously improve supplier performance, so as to ensure effective management and control of supply chain risks.

The Group fully understands the importance of supply chain management to business development and long-term performance, so it is committed to establishing a comprehensive supply chain management system. This system covers the entire process of procurement control, including the selection, regular monitoring, and evaluation of suppliers. We actively communicate with suppliers to establish long-term cooperative relationships and jointly promote the goal of sustainable development.

Supplier Management

The Group conducts supplier screening, management, and evaluation processes in accordance with supplier management policies and procedures, and requires suppliers to meet the requirements of quality, environment, and social responsibility, to ensure the rationality, accuracy, timeliness, and effectiveness of procurement work.

Supplier sourcing

- Conduct source research based on internal demand
- Carry out on-site inspection to further evaluate supplier's production equipment, supply capacity, quality and technology, environmental management, etc., and complete the "Supplier Evaluation Report" and "Supplier Social Responsibility Questionnaire" for approval
- After signing contracts and relevant social responsibility agreements, approved suppliers will be included in the "Qualified Supplier List"

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Supplier cooperation

- Carry out sample trial production and verification before confirming the purchase order
- Implement delivery control and quality control, to regularly inspect and monitor supplier's production progress, quality, and output performance
- Provide guidance and conduct rectification for suppliers with defects, and follow up and confirm the improvement afterwards

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Supplier evaluation

- Conduct quarterly and annual supplier evaluation, concerning quality, delivery, hazardous substances, environmental protection and services, etc., to update the list
- Carry out risk classification and control based on the evaluation results, and assign designated personnel to conduct on-site inspection for suppliers with medium and high risks
- Delist suppliers with continuously unsatisfactory evaluation performance, and blacklist suppliers who committed serious violation against the agreements

This year, the Group employed a total of 3,566 suppliers to provide materials and services, of which over 99.02% of the suppliers were from China and all complied with the relevant supplier practices. Please refer to the 'Key Performance Indicator Overview' for related supplier data.

Sustainable Procurement

The Group integrates the concept of sustainable development into supply chain management, formulating regulations for managing environmental and social risks of suppliers, in order to identify and reduce related risks. We have established a "Supplier Corporate Social Responsibility Agreement" to regulate the corporate social responsibility management requirements of suppliers, covering labor standards, health and safety, environmental protection, business ethics, etc., and we prioritize suppliers who have passed relevant quality, environmental and social responsibility management system certifications to promote a sustainable supply chain.

Managing environmental risks in the supply chain	*"Environmental Questionnaire for Related Parties"*	*Carry out environmental audits on suppliers, regarding environmental management system, environmental monitoring reports, regular internal audits, etc.*
	"Guarantee for Environmental Management of Substances"	*Conduct hierarchical control of high-risk materials and regular sample testing, and require suppliers to submit third-party testing report*
	"Commitment for Not Using Poisonous and Hazardous Substances" *"Environmental Substance Management and Control Requirements"*	*Guarantee HSF suppliers have fulfilled requirements of related laws and regulations*
Managing social and governance risks in the supply chain	*"Commitment to Integrity"*	*Require suppliers to abide by fairness, integrity, and oppose to bribery and unfair competition*
	"Human Resources Management Regulations for Supplier"	*Safeguard the rights and interests of employees from outsourced recruitment*

In order to better achieve the goal of a sustainable supply chain, the Group continuously monitors and evaluates the performance of suppliers, and will further strengthen cooperation with suppliers to ensure that each link in the supply chain meets corresponding environmental and social standards. Additionally, we will actively communicate with suppliers, raise their awareness and understanding of sustainable development, and encourage them to take specific actions to improve their operating models and production methods to support the sustainable development of our supply chain in economic, environmental, and social dimensions.

COMMITMENT TO THE COMMUNITY

The Group values social responsibility. While achieving our own development, we also hope to care for and satisfy the needs and interests of the local community, and promote the harmonious development of society.

We firmly believe that by actively participating in public welfare activities and encouraging employees to participate in community construction and development, we can practice the concept of caring and service, and make a positive contribution to the local community. We will continue to strive to promote social progress and welfare with practical actions.

In this year, the Group continued to focus on the aspect of education and community assistance, investing approximately RMB 170,000 in various public welfare undertakings, with a total service time of 92 hours.

Educational charity	Handsets and automotives division, Shishi, participated in the scholarship activities of Shishi City Hanjiang Middle School and Hanjiang Elementary School, donated a total of RMB20,000 to help poor students.

Handsets and Automotives division, Xiamen, donated a total of RMB200,000 to Beijing University of Chemical Technology for the third year, providing scholarship opportunities for outstanding students, helping them achieve their learning and career goals, and promoting talent cultivation.

Caring for community development	The Handsets and Automotives division of Shishi participated in the volunteer service event at the Loving Elderly Home on the Double Ninth Festival, where volunteers expressed their respect and care to the elderly, contributing a total of 20 hours of service time. Handsets and Automotives division, Xiamen donated RMB20,000 to the Dongfu Police Station of the Xiamen Municipal Public Security Bureau to enhance the investment in convenient construction resources. Tongda Smart Tech division donated RMB100,000 to Jingyuan County, Guyuan City, Ningxia, to support local development, and at the same time participated in the learning Lei Feng good role model to convey positive energy volunteer activities.

KEY PERFORMANCE INDICATORS OVERVIEW

Environmental KPIs

Air emissions[5]	Units	**2023**	2022	2021
Nitrogen Oxides	kg	**9,655.92**	7,773.18	10,798.11
Sulphur Oxides	kg	**2,048.73**	1,825.54	1,190.48
Respirable Suspended Particulates	kg	**51.19**	48.41	97.20

Greenhouse gases[6]	Units	**2023**	2022	2021
Scope 1: Direct emissions[7]	tonne of CO_2-e	**6,064.96**	5,372.27	8,741.27
Scope 2: Energy indirect emissions[8]	tonne of CO_2-e	**180,699.24**	182,143.65	240,841.92
Total GHG emissions	tonne of CO_2-e	**186,764.20**	176,771.38	249,583.19
GHG intensity (by revenue)	KG of CO_2-e/ HK$1,000	**28.64**	22.70	25.04

Waste	Units	**2023**	2022	2021
Total amount of hazardous waste	Tonnes	**1,706.40**	2,194.52	3,638.59
Intensity of hazardous waste (by revenue)	KG/HK$1,000	**0.26**	0.27	0.36
Total amount of non-hazardous waste	Tonnes	**9,246.06**	9,606.12	12,394.62
Disposed non-hazardous waste	Tonnes	**1,630.29**	1,040.25	7,658.70
Recycled non-hazardous waste	Tonnes	**7,615.76**	8,565.87	4,735.92
Intensity of non-hazardous waste (by revenue)	KG/HK$1,000	**1.42**	1.20	1.24

5. The calculation method of air emissions has referred to the "Technical Guidelines on Preparation of Emission Inventory of Air Pollutants from Road Vehicles (Trial)", "Technical Guidelines on Preparation of Emission Inventory of Primary Source of Inhalable Particulate Matter" and "Technical Guidelines on Preparation of Emission Inventory of Air Pollutants from Non Road Mobile Sources (Trial)" published by the Ministry of Ecology and Environment of the People's Republic of China, as well as the "How to Prepare an ESG Report – Appendix 2: Reporting guidance on Environmental KPIs" published by the HKEx.

6 The quantitative process and emission factors of greenhouse gas emissions are with reference to the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" published by the Environmental Protection Department and the Electrical and Mechanical Services Department, the "Guidelines for Calculating Greenhouse Gas Emissions from Energy Consumption (Version 2.1)" issued by the World Resources Institute, the "Notice on the Management of Greenhouse Gas Emission Reports of the Enterprises in the Power Generation Industry from 2023-2025" published by the Ministry of Ecology and Environment of the People's Republic of China and the "Guidelines for Accounting and Reporting Greenhouse Gas Emissions Other Industrial Enterprises" issued by the National Development and Reform Commission.

7 According to "The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition)" issued by the World Business Council for Sustainable Development and the World Resources Institute, Scope 1 direct emissions are directly generated by businesses owned or controlled by the Group, including natural gas from canteen, boiler fuel, vehicle fuel, factory vehicle fuel, fugitive emissions from refrigerant of air-conditioning equipment, fugitive carbon dioxide emissions from fire extinguishers, etc.

8 Scope 2 indirect emissions are sourced from the Group's electricity (purchased or acquired) and steam consumption.

Energy	Units	**2023**	2022	2021
Purchased electricity	MWh	**300,898.07**	289,746.76	392,908.78
Purchased electricity (green power)	MWh	**23,540.04**	21,887.18	Not applicable
Purchased electricity (solar energy)	MWh	**1,355.868**	Not applicable	Not applicable
Unleaded petrol	MWh	**1,048.74**	1,060.40	3,191.12
Diesel oil	MWh	**1,522.51**	1,639.78	5,379.16
Pipeline natural gas	MWh	**18,345.50**	15,300.33	29,354.89
Liquefied Petroleum Gas (LPG)	MWh	**9.06**	6.91	9.77
Steam and heat	MWh	**22,972.41**	21,284.15	28,844.66
Total energy consumption	MWh	**369,692.20**	350,925.51	459,688.38
Energy intensity (by revenue)	kWh/HK$1,000	**60.00**	40.00	46.11

Water	Units	**2023**	2022	2021
Total water consumption	cubic meter	**2,313,504.00**	2,474,068.09	3,882,192.80
Water consumption intensity (by revenue)	cubic meter/HK$1,000	**0.35**	0.31	0.39

Wastewater	Units	**2023**	2022	2021
Total domestic wastewater discharged	Tonnes	**616,316.84**	695,546.39	Not disclosed
Total industrial wastewater discharged	Tonnes	**562,363.84**	398,286.35	727,774.47
Total wastewater discharged	Tonnes	**1,178,680.68**	1,093,832.74	Not applicable
Wastewater discharge intensity (by revenue)	KG/HK$1,000	**180.00**	140.00	73.00

Packaging Material	Units	**2023**	2022	2021
Paper	Tonnes	**7,817.75**	5,598.50	10,682.89
Plastic	Tonnes	**13,655.52**	9,685.13	8,061.85
Wood	Tonnes	**522.94**	271.22	501.00
Metal	Tonnes	**0.00**	179.80	727.12
Total materials used in the packaging of finished products	Tonnes	**21,996.21**	15,734.65	19,972.86
Packaging material intensity	KG/HK$1,000	**3.37**	1.96	2.00

Social KPIs

Number of employee[9]		**2023**	2022
Gender[10]	Male	**9,710**	10,984
	Female	**4,862**	6,696
Employment types	Full-time	**14,572**	17,663
	Part-time	**0**	17
Age	18-30	**7,036**	9,409
	31-45	**6,080**	6,907
	46-60	**1,456**	1,364
Employment level	First-tier employee	**9,093**	13,186
	Technical employee	**3,816**	2,777
	Management employee	**1,663**	1,717
Geographical region	Shish	**5,523**	6,290
	Xiamen	**8,256**	9,942
	Guangdong	**793**	1,448
Total		**14,572**	17,680

9 As of the end of the reporting period

10 The higher proportion of male employees compared to female employees is due to the fact that the Group's business activities are highly labor intensive and do not involve any discriminatory behavior.

Other workers[11]		**2023**	2022
Gender	Male	**2,538**	1,877
	Female	**1,193**	805
Employment types	Full-time	**3,731**	2,682
	Part-time	**0**	0
Age	18-30	**2,177**	1,917
	31-45	**1,084**	756
	46-60	**470**	9
Employment level	First-tier employee	**3,710**	2,682
	Technical employee	**0**	0
	Management employee	**21**	0
Geographical region	Shish	**2,612**	0
	Xiamen	**522**	2,593
	Guangdong	**597**	89
Total		**3,731**	2,682

New hire rate[12]		**2023**	2022
Gender	Male	**5,228**	Not Disclosed
	Female	**2,421**	
Employment types	Full-time	**7,649**	Not Disclosed
	Part-time	**0**	
Age	18-30	**4,696**	Not Disclosed
	31-45	**2,504**	
	46-60	**449**	
Employment level	First-tier employee	**6,900**	Not Disclosed
	Technical employee	**507**	
	Management employee	**242**	
Geographical region	Shish	**4,271**	Not Disclosed
	Xiamen	**3,101**	
	Guangdong	**277**	
Total		**7,649**	

[11] According to "How to Prepare ESG Reports - Appendix 3: Social Key Performance Indicators Reporting Guidelines" issued by the HKEx, other workers include: employed by the issuer to work in workplaces or public places controlled by the issuer and/or at the issuer's clients Workplace work/agents/contract personnel/suppliers providing services: and interns/volunteers who perform unpaid work for the issuer.

[12] New hired employee ratio (percentage) = Number of new employees in the category / Total number of employees in the category at the end of the reporting period x 100%.

Employee turnover rate[13]		**2023**	2022
Gender	Male	**60.97%**	73.55%
	Female	**53.93%**	65.43%
Employment types	Full-time	**58.62%**	70.54%
	Part-time	**0.00%**	0.00%
Age	18-30	**73.59%**	77.35%
	31-45	**46.51%**	57.19%
	46-60	**36.81%**	90.32%
Employment level	First-tier employee	**83.98%**	84.54%
	Technical employee	**16.33%**	36.98%
	Management employee	**17.02%**	16.60%
Geographical region	Shish	**84.36%**	129.78%
	Xiamen	**43.07%**	32.19%
	Guangdong	**41.24%**	75.76%
Total		**58.62%**	70.48%

Health and safety	**2023**	2022
Number of work-related injuries	**55**	55
Rate of work-related injuries	**0.38%**	0.31%
Lost days of work-related injuries	**2,265.50**	1,178.00
Number of work-related fatalities	**1**	1
Rate of work-related fatalities	**0.01%**	0.01%

[13] Employee attrition rate (percentage) = Number of lost employees in the category / Total number of employees in the category at the end of the reporting period x 100%.

Number and percentage of trained employees[14]		2023	2022
Gender	Male	**9,613 (99.00%)**	14,280 (130.01%)
	Female	**4,891 (100.60%)**	8,627 (128.84%)
Employment level	First-tier employee	**9,269 (101.94%)**	18,012 (136.60%)
	Technical employee	**3,689 (96.67%)**	3,138 (113.00%)
	Management employee	**1,546 (92.96%)**	1,757 (102.33%)
Total		**14,504 (99.53%)**	22,907 (129.56%)

Average training house per employees (hour)[15]		2023	2022
Gender	Male	**6.33**	8.07
	Female	**6.60**	7.36
Employment level	First-tier employee	**6.66**	6.58
	Technical employee	**5.84**	8.12
	Management employee	**6.44**	16.62
Total		**6.42**	7.80

[14] Employee training figures include hired employees and departed employees of the Group in this year. The ratio of trained employees (percentage) = the number of trained employees in that category / the total number of employees at the end of the reporting period for that category x 100%.

[15] The average training time for employees = the total training time for employees in that category / the total number of employees at the end of the reporting period for that category.

HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	Content	Page Number/ Remarks
Mandatory Disclosure Requirements		
Governance Structure	(i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); an (iii) ow the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	9-12
Reporting Principles	**Materiality:** The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. **Quantitative:** Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. **Consistency:** The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	4-5, 15-16
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report	4

Aspects	Content	Page Number/ Remarks
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A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	20-45
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	46-48
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	46-48
B Social		
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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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	13, 56-64
B1.1	Total workforce by gender, employment type, age group and geographical region.	96-97
B1.2	Employee turnover rate by gender, age group and geographical region.	98

Aspects	Content	Page Number/ Remarks
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 providing a safe working environment and protecting employees from occupational hazards.	14, 49-55
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B4 Labor Standards		
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Aspects	Content	Page Number/ Remarks
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B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	86-88
B7.3	Description of anti-corruption training provided to directors and staff.	87
B8 Community Investment		
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