Innoscience

Stock abbreviation	Innoscience
Stock code	02577.HK

2024 Environmental, Social and Governance Report

InnoScience (Suzhou) Technology Holding Co., Ltd.

GaN 出美好芯未来
POWER THE FUTURE

Innoscience

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Suzhou, Jiangsu Province, China

Contents

About the Report

Report Introduction

The Report is the first Environmental, Social, and Governance (ESG) report published by InnoScience (Suzhou) Technology Holding Co., Ltd. ("Innoscience", the "Company" or "our company"). Based on the principles of openness and transparency, the Report provides a detailed disclosure of the Company's ESG efforts and achievements for the year 2024. It comprehensively demonstrates the Company's relentless efforts in promoting sustainable development and actively responds to the expectations and concerns of stakeholders.

Scope of the Reporting Organization

The Report is centred on InnoScience (Suzhou) Technology Co., Ltd. as the primary entity. Relevant sections also cover Innoscience and its subsidiaries and branches. Unless otherwise specified, the scope of the Report is consistent with that of the Company's annual report.

Reporting Period

The reporting period is from January 1, 2024, to December 31, 2024. To enhance the comparability and forward-looking nature of the Report, some content has been extended beyond this period.

Basis for Report Preparation

The Report has been prepared with reference to the following standards, frameworks, principles, and relevant requirements:

·Appendix C1 "Corporate Governance Code" and Appendix C2 "Environmental, Social, and Governance Reporting Guide" ("ESG Guide") of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited ("HKEX")

·The Report complies with the "comply or explain" provisions outlined in the HKEX ESG Guide and is prepared based on the reporting principles of materiality, quantitative, balance, and consistency.

Additionally, the following references have been considered:

·Global Reporting Initiative (GRI) Standards

·United Nations Sustainable Development Goals (SDGs)

Data Explanation

The data used in the Report is sourced from the Company's actual operational records, publicly available government data, annual financial data, internal statistical reports, third-party surveys, and third-party evaluation interviews. The financial data in the Report is presented in Renminbi (RMB). In case of any discrepancies with the financial report, the financial report shall prevail.

Definitions and Interpretations

For ease of reference and readability, InnoScience (Suzhou) Technology Co., Ltd. is referred to as "Innoscience", the "Company", or "our company" throughout the Report, depending on the context. For further details, please refer to the InnoScience (Suzhou) Technology Co., Ltd. 2024 Annual Report.

Confirmation and Approval

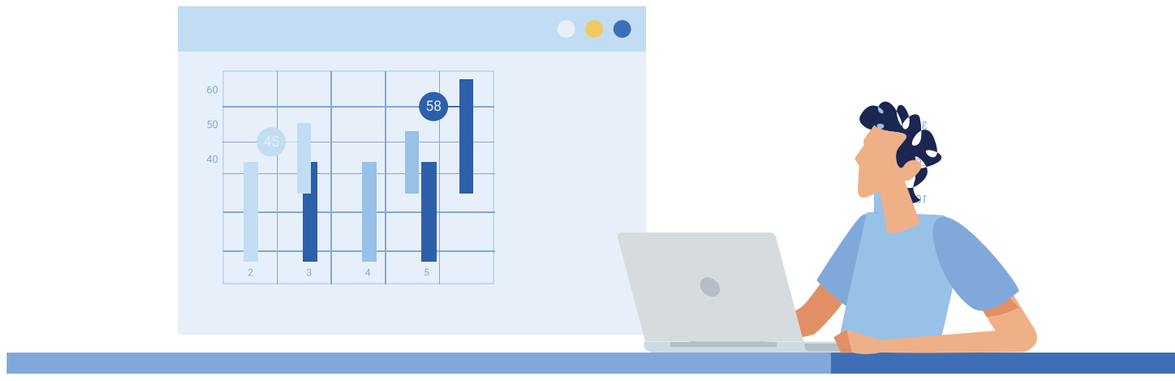
The Report has been approved by the Company's Board of Directors (the "Board") and is published concurrently with the annual report. The Board is committed to overseeing the content of the Report, ensuring that it contains no false or misleading statements, and assumes responsibility for its authenticity, accuracy, and completeness.

Access to the Report

The Report is published in electronic format in both Traditional Chinese and English. You can download the electronic version of the Report and access more company information from the official Innoscience website: https://www.innoscience.com.

Feedback

If you have any questions or suggestions regarding the content of the Report, please feel free to contact us through the following channels:
Address: No. 98, Beishe Xinli Road, Lili Town, Wujiang District, Suzhou, Jiangsu Province, China
Email: boardoffice@innoscience.com



Chairperson' s Message

2024 was a significant year for Innoscience. In this year, Innoscience successfully listed on the Main Board of the Hong Kong Stock Exchange, officially entering the international capital market and opening a new chapter in its global development. As the first integrated device manufacturer (IDM) in the world to achieve large-scale mass production of 8-inch Gallium Nitride (GaN) wafers, we always uphold the mission of "GaN for a better Future", fulfill our environmental, social and governance (ESG) commitments in business innovation, and work hand-in-hand with stakeholders to build a greener, more energy-saving and more efficient Earth.

Compliance Governance, Building "Chip" Development Together

Innoscience has always regarded compliance operations and corporate governance as the foundation for sustainable development. In 2024, we further improved our corporate governance structure and strengthened the ESG governance functions of the Board to ensure a high level of alignment between ESG strategies and business objectives. In terms of financial performance, the market share of our products in consumer electronics applications continued to grow, and also made significant breakthroughs in strategic and emerging sectors such as new energy vehicles and AI. During the Reporting Period, the Company achieved a revenue of RMB828.4586 million, representing a year-on-year growth of 39.77% and continuously creating long-term value for our shareholders.

Low-Carbon Leadership, Protecting the "Chip" Homeland

Green development is one of Innoscience' s core strategies. In 2024, we implemented the concept of green development and integrated the green gene into the whole industry chain: on the production side, by optimizing production processes and energy consumption management, improving energy efficiency, and advancing energy-saving and emission-reduction efforts, we realized total greenhouse gas emissions per million yuan of revenue of 77.82 tons of CO_2 equivalent, representing a year-on-year decrease of 42.44%; and on the product side, we focus on green application scenarios such as clean energy and new energy vehicles, and support our customers to improve efficiency and reduce consumption. With constant exploration and practices, Innoscience has become a participant in the global energy revolution, and we will continue to make greater contributions to protecting our shared Earth.

Innovation-Driven, Co-Creating the "Chip" Future

Innovation is the core driving force behind Innoscience' s development. In 2024, we continued to focus on technological innovation, strengthening product quality control, optimizing customer service, and improving the supply chain system, actively building an open and collaborative innovation ecosystem. This year, the Company' s R&D investment totalled RMB 323.0277 million, accounting for 38.99% of revenue. Through continuous R&D investment, we are primarily engaged in the development of two GaN applications, namely high-voltage high-power products and mid- and low-voltage high-frequency products, to further optimize product performance and application reliability, and empower the intelligent and green transformation of the downstream industries. The third-generation high- and low-voltage process platform, along with device platforms for automotive-grade and encapsulated devices that we have developed and launched have not only increased the chip output per wafer by more than 30% as compared to the previous generation, but also further improved the key performance indicators of chips. Our continuous R&D iterations and upgrades not only demonstrates our relentless pursuit of technological innovation but also lays a solid foundation for consolidating and expanding our market presence.

Promoting Growth, Fulfilling "Chip" Responsibility

We adhere to a people-oriented core philosophy, ensuring that the basic rights and development opportunities of every employee are safeguarded. The Company places great importance on talent cultivation and development, establishing a sound training and development system to inspire employee enthusiasm and creativity. We actively create a diverse, equal, and respectful work and development platform that encourages individuality, fosters a positive and upward attitude, and enables employees to surpass themselves, achieving mutual growth for both the Company and its employees. Additionally, the Company actively fulfils its corporate citizenship responsibility, strongly supporting public welfare initiatives and creating more value for employees, the community, and society.

Striving for Excellence, Opening a New Chapter in the "Chip" Industry

We actively respond to the new development philosophy of "innovation, coordination, green, openness, and sharing" , further accelerating the pace of technological innovation and business expansion, empowering global customers with high-frequency, efficient, and green energy-saving GaN products. Finally, on behalf of the Innoscience' s Board, I would like to express my sincere gratitude to all shareholders, partners, employees, and friends from all sectors of society. In 2025, with the guidance of ESG and the "chip" empowerment of the GaN power semiconductors in China, let us move forward together to create a bright tomorrow of sustainable development!

Chairperson of Innoscience
Dr. Weiwei Luo

2024 ESG Key Performance

Economic Performance

Operating revenue
RMB **828.4586** million

Total assets
RMB **5,547.2489** million

Net assets attributable to the shareholders of the listed company
RMB **2,971.0185** million

Social Performance

R&D investment
RMB **323.0277** million

Total R&D team members
326 employees

Total employees
1,163 employees

Total number of patents granted
419 items

Total number of invention patents granted
346 items

Total number of utility model patents granted
73 items

Employees from minority ethnic groups
51 employees

Number of employee training sessions
74 sessions

Total number of training participations
27,374 person-times

Average training duration per employee per year
15.20 hours

Number of anti-bribery and anti-corruption training sessions
3 sessions

Number of employees participating in anti-bribery and anti-corruption training
1,109 employees

Investment in safety production
RMB **12.0996** million

Number of safety education training sessions
39 sessions

Total number of participants in safety education training
18,143 person-times

Environmental Performance

Total investment in environmental protection
RMB **11.0366** million

Number of environmental protection training sessions
6 sessions

Total participation in environmental protection training
2,093 person-times

Total hours of environmental protection training
727 hours

Pollutant monitoring compliance rate
100%

Compliance rate for environmental "Three Simultaneities" in construction projects
100%

Total water consumption
757.52 thousand tons

Water consumption density: **0.91** thousand tons per million yuan of revenue, a year-on-year decrease of **33.92%**

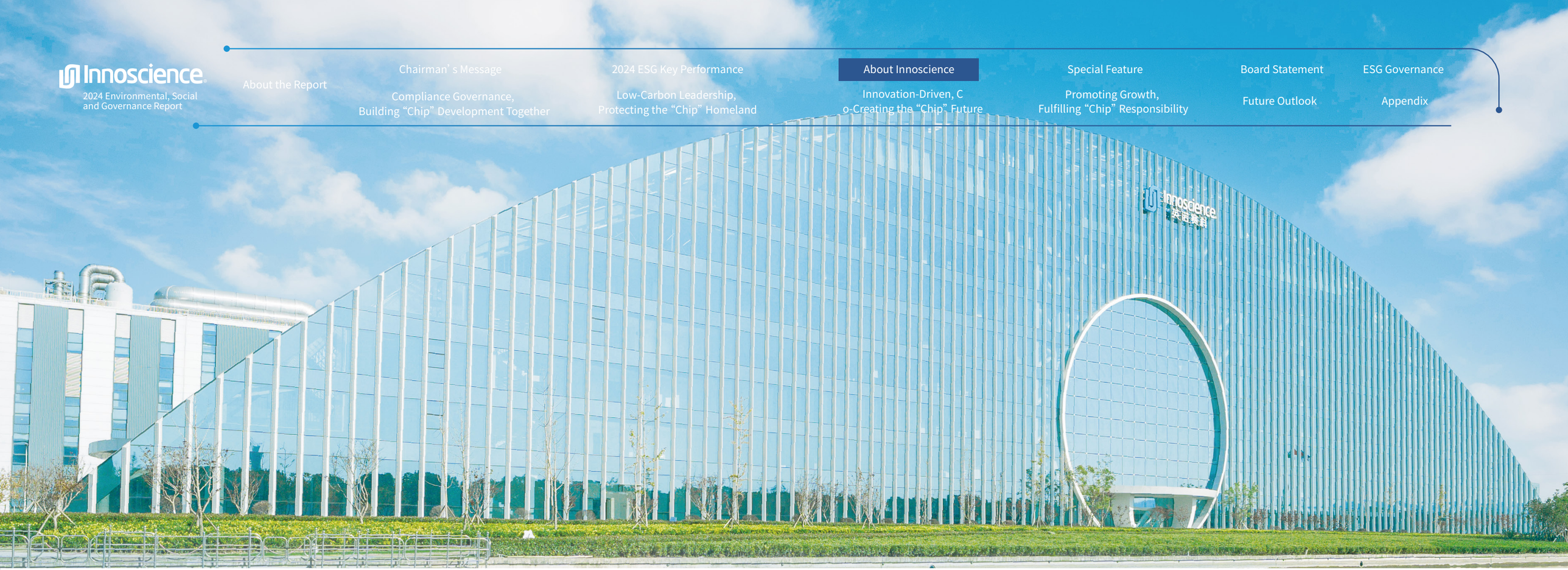
Total electricity consumption
108.54 million kWh

Electricity consumption density: **0.13** million kWh per million yuan of revenue, a year-on-year decrease of **27.30%**

Total greenhouse gas emissions
64,467.11 tons of CO_2 equivalent

Greenhouse gas emission density: **77.82** tons of CO_2 equivalent per million yuan of revenue, a year-on-year decrease of **42.44%**

Recycled water usage
50,170 tons



About Innoscience

Company Profile

InnoScience (Suzhou) Technology Holding Co., Ltd. (stock abbreviation: Innoscience, stock code: 02577.HK) was listed on the Main Board of the Hong Kong Stock Exchange on December 30, 2024. It is a leader in the global power semiconductor revolution and the largest GaN chip manufacturer in the world. The Company operates under the Integrated Device Manufacturer (IDM) business model and has pioneered the mass production of advanced 8-inch GaN on a global scale, making it a leading enterprise in the GaN industry. For two consecutive years, Innoscience has been included in the Hurun Research Institute' s Global Unicorn List.

As of December 31, 2024, Innoscience holds 419 patents and has 387 patent applications globally. Its products find extensive applications across cutting-edge sectors such as consumer electronics, automotive electronics, data centres, renewable energy, and industrial fields. The Company' s R&D spans voltages from 15V to 1200V and covers a comprehensive product range, including wafers, discrete devices, multi-chip packages, and modules. Innoscience provides complete GaN solutions to its customers.

Innoscience, leading the way to a brighter future with GaN chips!

Corporate Culture

Corporate Values
HAPPY

- Happy
- Appreciation
- Passion
- Performance
- Young

Mission Technological Innovation Leads the Future

Vision GaN, shaping a better "chip" world

Development Strategy

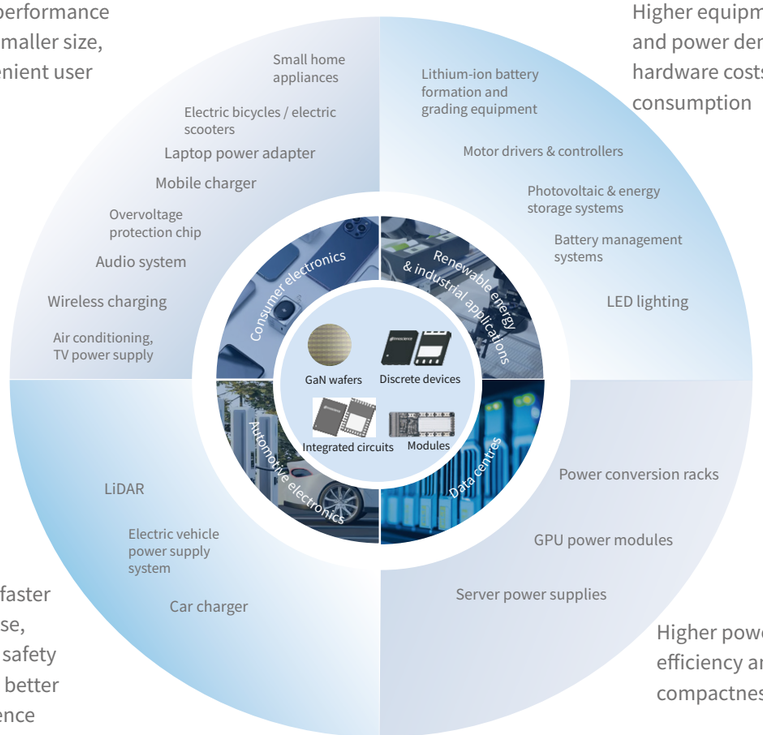
We are committed to driving innovation in the power semiconductor industry and ecosystem through our GaN products. We plan to implement the following strategies:

- Promote the global development of the GaN ecosystem and increase market penetration;
- Expand GaN product portfolio and customer base;
- Accelerate capacity expansion;
- Continue research and development to strengthen technological barriers;
- Persistently implement a globalization strategy.

Business Layout

Better product performance and efficiency, smaller size, and more convenient user experience

Higher equipment efficiency and power density, lower hardware costs and energy consumption



Higher power, faster vehicle response, more effective safety detection, and better driving experience

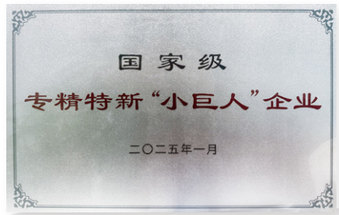
Higher power utilization efficiency and equipment compactness

Company Honors

Award Yeart	Award/Recognitiont	Awarding Institution
2025	State-Level "Little Giant" Enterprise for Specialized, Refined, Distinctive, and Innovative Companies	Industry and Information Technology Department of Jiangsu
2025	Jiangsu Provincial Enterprise Technology Centre	Industry and Information Technology Department of Jiangsu
2024	Jiangsu Provincial Enterprise Engineering Technology Research Centre	Jiangsu Provincial Department of Science and Technology
2024	Suzhou GaN New Device and Integrated Circuit Innovation Consortium	Suzhou Science and Technology Bureau
2024	First Prize of Zhuhai Science and Technology Innovation Award	Zhuhai Science and Technology Bureau
2024	Zhuhai Annual "Technology Innovation Product"	Zhuhai Association for the Promotion of Science and Technology Innovation
2024	Zhuhai Annual Best Integrated Circuit Technology Innovation Product	Zhuhai Semiconductor Industry Association
2024	Zhuhai Annual Most Promising Integrated Circuit Enterprise	Zhuhai Semiconductor Industry Association
2024	WEAA International Electronics Achievement Award – Best Power Semiconductor/Driver	Aspencore
2024	OPPO Most Innovative Partner Award	OPPO
2024	IC Industry Annual Market Breakthrough Award	Semiconductor Investment Alliance, Ijiwei
2024	The Third Generation Semiconductor Leader of the Year in China	Hangjiatalk Research
2024	Top 10 GaN Device Enterprise in China	Hangjiatalk Research
2024	Annual Influential Product Award	Hangjiatalk Research
2023	National Intellectual Property Superior Enterprise	National Intellectual Property Administration
2023	Jiangsu GaN New Device and Integrated Circuit Engineering Technology Research Centre	Jiangsu Provincial Science and Technology Department
2023	First Prize in the Zhuhai Science and Technology Progress Award	Innovation Zhuhai Science and Technology Award Committee
2024年-2021	Excellent Technological Innovation Product of the "China Chip"	China Centre for Information Industry Development
2023	The Third Generation Semiconductor Leader of the Year in China	Hangjiatalk Research
2023	Top 10 GaN Device Enterprise in China	Hangjiatalk Research
2022	National High-Tech Enterprise	Guangdong Provincial Department of Science and Technology, Department of Finance of Guangdong Province and Guangdong Provincial Tax Service, State Taxation Administration
2022	Specialized, Refined, Distinctive and Innovative SME	Department of Industry and Information Technology of Guangdong Province
2022	The 15th China Semiconductor Innovative Products and Technologies	China Semiconductor Industry Association
2022	Best IC Technology Innovation Product in Zhuhai	Zhuhai Semiconductor Industry Association

First Prize in the Zhuhai Science and Technology Progress Award

Zhuhai "Technology Innovation Product"



State-Level "Little Giant" Enterprise for Specialized, Refined, Distinctive, and Innovative Companies

Suzhou GaN New Device and Integrated Circuit Innovation Consortium

National Intellectual Property Superior Enterprise

Zhuhai Most Promising Integrated Circuit Enterprise

Best IC Technology Innovation Product in Zhuhai

IC Industry Annual Market Breakthrough Award

Annual Influential Product Award

OPPO Most Innovative Partner Award

High-Tech Enterprise

WEAA International Electronics Achievement Award – Best Power Semiconductor/Driver

Excellent Technological Innovation Product of the "China Chip"

Innoscience Successfully Listed, Ushering in a New Era as a GaN Power Semiconductor Leader

On December 30, 2024, InnoScience (Suzhou) Technology Holding Co., Ltd. ("Innoscience"), a leader in GaN power semiconductors, was officially listed on the Main Board of the Hong Kong Stock Exchange under the stock code 02577.HK. As a high-tech enterprise dedicated to the research, development, and manufacturing of third-generation GaN semiconductors, Innoscience operates the world's largest GaN power semiconductor production facility. Its product portfolio spans GaN wafers, GaN discrete devices, multi-chip packages, and modules, serving a wide range of applications across consumer electronics, home appliances, data centres, automotive electronics, renewable energy, and industrial sectors.

Currently, Innoscience has established close partnerships with several renowned smartphone manufacturers, new energy vehicle companies, and leading enterprises in the home appliance and energy storage industries. Its InnoGaN products have been mass-produced in various applications, including smartphone OVP, fast charging, automotive LiDAR, in-vehicle PD, home appliance motor drives, industrial motor drives, data centre server power supplies, BMS battery management, energy storage bidirectional converters, and photovoltaic MPPT systems.

At the bell-ringing ceremony, Dr. Weiwei Luo, Chairman of Innoscience, stated in her speech, "Innoscience is a global leader in the power semiconductor revolution and the world's largest GaN chip manufacturer. Our listing on the Hong Kong Stock Exchange marks a significant milestone in our journey, symbolizing our commitment to expanding into global markets with a broader vision and stronger determination. Innoscience firmly believes that GaN can change the world and contribute to a greener planet. As a leading company in the global GaN industry, we will continue to focus on technological innovation, empowering our customers worldwide with high-frequency, high-efficiency, and green energy-saving GaN products."

Innoscience Milestones

December 31, 2024
Cumulative GaN power chip shipments exceeded 1.2 billion units

December 30, 2024
Innoscience listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 02577.HK)

December 2023
Wafer production capacity reached 10,000 wafers per month

July 2022
First application of GaN in mobile phone internal components

April 2023
First application of GaN in automotive LiDAR

October 2023
First application of GaN in the data centre sector

July 2022
First application of GaN in industrial battery formation

October 2021
Suzhou production base completed and put into operation

April 2021
Obtained IATF automotive certification

July 2017
Company founded

December 2017
Zhuhai production base completed and put into operation

August 2020
Cumulative GaN power chip shipments reached 1 million units

Looking ahead, the Company will further accelerate technological innovation and business expansion, enhance brand influence and market competitiveness, and solidify its position as a global leader. In the new wave of global industrial competition, it aims to achieve even greater success.

Board Statement

The Board deeply recognizes the importance of ESG in corporate sustainability and long-term value creation. It assumes ultimate responsibility for ESG management, integrates ESG philosophy into the Company' s strategic decision-making and daily operations, and collaborates with stakeholders to contribute to building a greener and more energy-efficient chip world.

To ensure an effective ESG governance framework, the Company has established the ESG Management Policy and structured a three-tier ESG management system comprising the Board, ESG Leadership Group, and ESG Working Group, forming a "decision-making – management – execution" framework. The Board is responsible for ESG decision-making and governance oversight, including ESG risk assessment and control, reviewing ESG objectives and their achievement, approving ESG management policies and ESG reports, and supervising ESG-related initiatives.

For managing ESG objectives and monitoring ESG indicators, we have implemented the Objectives and Implementation Planning Management Procedure, which defines departmental procedures for setting and achieving goals. This includes specifying action plans, responsible personnel, timeframes, and evaluation criteria for goal achievement. Periodic reviews are conducted to identify issues, implement corrective measures, and report on progress.

For details on the materiality assessment process, please refer to the "Material Issues Management" section of the Report. Through this assessment, the Board gains deeper insights into the materiality of various ESG issues, enabling the Group to plan its sustainable development strategy more comprehensively.

ESG Governance

ESG Philosophy

Innoscience adheres to the mission of "Technological Innovation Leads the Future", deeply integrating ESG philosophy into technological innovation and industrial practices. By providing customers with high-frequency, high-efficiency, and green energy-saving GaN products, Innoscience contributes to building a green and energy-efficient "chip" world.

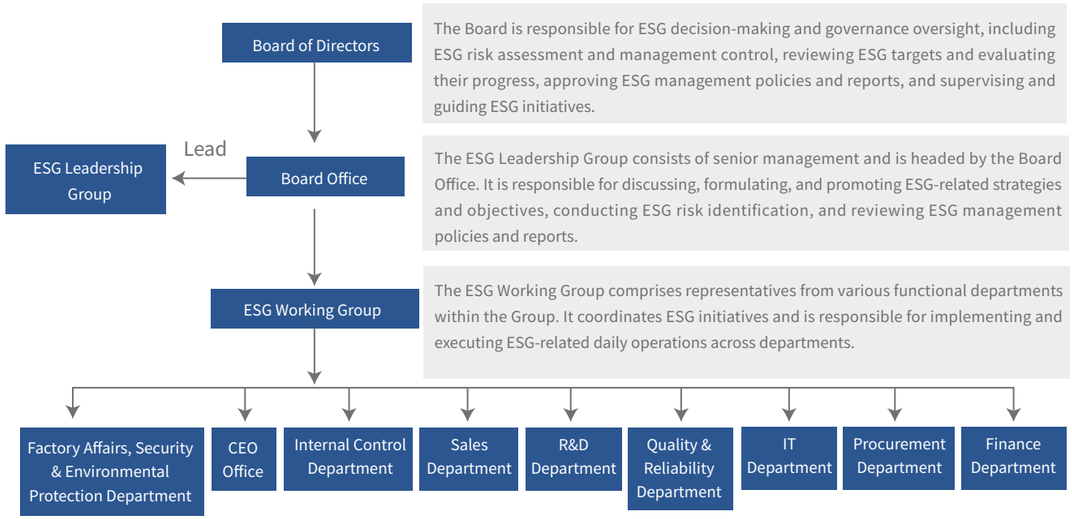
Responding to the United Nations Sustainable Development Goals

While steadily advancing its own business development, Innoscience actively responds to the United Nations Sustainable Development Goals (SDGs). By aligning these goals with its corporate culture and development strategy, the Company has identified sustainable development objectives that reflect its unique characteristics and takes concrete actions to implement the SDG philosophy.

Section	The Company's Specific Actions	Response to SDGs
Compliance Governance, Building "Chip" Development Together	• Standardize the operations of the Shareholders' Meeting, the Board of Directors, and the Board of Supervisors, and improve the corporate governance structure. • Adhere to compliance operations, continuously improve internal control and risk management. • Uphold business ethics, prevent and regulate employee ethical behaviours from various aspects, require suppliers to sign anti-corruption agreements, and resolutely prevent fraud and corruption.	
Low-Carbon Leadership, Protecting the "Chip" Homeland	• Adhere to green development concepts, actively respond to national calls, implement energy conservation and emission reduction, and contribute to achieving the country's "carbon peaking and carbon neutrality" goals. • Continuously optimize resource management and actively promote environmental awareness. • Optimize process flows to reduce pollutant emissions; actively explore and implement waste recycling measures to enhance waste utilization efficiency.	
Innovation-Driven, Co-Creating the "Chip" Future	• Continuously invest in R&D innovation, driving product and service upgrades. • Emphasize industry-academia-research collaboration, actively establish close partnerships with well-known universities and research institutes at home and abroad. • Strengthen product quality control, prioritize harmful substance management during production to ensure product health and safety. • Adhere to responsible procurement, continuously strengthen supply chain management mechanisms, and optimize management processes.	
Promoting Growth, Fulfilling "Chip" Responsibility	• Adhere to equal employment principles, advocate democratic management, oppose any form of discrimination and forced labour, and prohibit child labour to safeguard employees' legal rights. • Improve the talent development system, providing diversified training and career development opportunities for employees. • Safeguard women's rights, conduct diverse cultural activities, and create a positive working environment. • Emphasize safety production, continuously promote improvements in occupational health and safety management. • Actively fulfil social responsibilities, engage in charity donations, environmental protection projects, and respond to the national "rural revitalization" strategy by carrying out cooperation and support activities between the eastern and western regions, supporting regional education development.	

ESG Governance Mechanism

In 2024, the Company gradually improved its ESG management system and governance framework, establishing a three-tier ESG management system comprising the Board, ESG Leadership Group, and ESG Working Group, forming a "decision-making – management – execution" framework. This structure fully leverages the advantages at each level, promoting a collaborative effort that combines top-down and bottom-up approaches, ensuring the comprehensive, systematic, and effective implementation of ESG strategies.

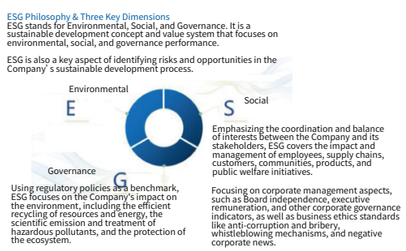


ESG Risk Management

We place great emphasis on the construction of an ESG risk management system, having established the Risk Management System to identify, analyse, and assess risks in our operations (including environmental, social, and governance risks) in a timely manner. Risks are ranked based on factors such as the likelihood of occurrence and the potential impact. The Board, as the decision-making body for the Company' s risk management, is kept informed of and fully aware of the major risks the Company faces, as well as the current status of risk management. This ensures that effective risk control decisions are made, risk assessments for significant decisions are approved, and solutions to major risks are implemented, so as to maintain effective control over various business activities and issues, keeping risks within acceptable levels.

ESG Training and Promotion

In September 2024, the Company conducted an online ESG training and awareness session for the management teams of various functional departments and subsidiaries. The training focused on ESG matters, aiming to strengthen employees' understanding and awareness of ESG. This initiative further enhances the Company' s capabilities and standards in ESG.



Stakeholder Communication

Innoscience has always regarded stakeholders as important partners in achieving sustainable development. We proactively identify stakeholders' expectations and demands through diverse communication channels and actively respond to them.

Stakeholders	Demands and Expectations	Communication Channels	Communication Response
Government and regulators	Integrity and legal compliance in operations Promotion of economic development Assumption of social responsibility	On-site interviews Work reports	Policy responses Full tax payment Promote industry development Create employment opportunities
Shareholders and investors	Protection of shareholder rights Accuracy of information disclosure Management of investor relations	Investor hotline Shareholders' Meetings Investor on-site research Performance briefing	Diversified investor communication Enhance business performance Timely and transparent information disclosure Investor question response Investor relations maintenance
Customers	Information security and privacy protection Provision of high-quality products and services Protection of customer legal rights	After-sales service Company website and email Customer discussions Daily operational communication	Product quality certification Technological innovation Customer satisfaction surveys
Suppliers and partners	Maintenance of good cooperation Open and fair procurement Mutually beneficial cooperation	Daily communication Specialized training Sustainable procurement Procurement policies and bidding procedures	Compliance with contracts Actively pursue project cooperation Open and fair bidding Participate in industry exchange activities
Employees	Protection of employee rights Improvement of career development paths Employee care and benefits	Internal communication meetings Employee representative assemblies Employee satisfaction surveys Work assessments	Improve remuneration and benefits system Conduct diversified employee training Establish career advancement pathways Organize various employee activities
Industry associations	Comprehensive and complete communication channels Accuracy of information disclosure	Daily communication Information disclosure Industry association activities	Actively participate in association meetings Assist in conducting association activities
Communities and the Public	Support for social welfare Focus on community development Green and low-carbon operations	Community communication Public welfare activities	Actively participate in public welfare activities Support rural revitalization Green operations
Media	Accuracy of information disclosure Maintenance of good cooperation Special interviews	Public media platforms	Timely, complete, and accurate information disclosure Strengthen daily communication Organize joint activities

Material Issues Management

Material Issues Assessment Process and Method

We comprehensively and accurately identify and assess material issues through processes such as issue identification, stakeholder research, issue materiality evaluation, and issue prioritization. This provides guidance for subsequent ESG management and practices.

Identification of Issues

Referring to the GRI, the SDGs, the SASB, the MSCI, and relevant ESG issues in domestic and international industries, the Company identifies and establishes an ESG issue database.

Stakeholder Research

To gain a more accurate understanding of stakeholder concerns, the Company conducts specialized research and collects stakeholder opinions and suggestions through questionnaires. By deeply understanding stakeholder needs and expectations, the Company can better address their concerns and enhance corporate social responsibility performance.

Issue Materiality Assessment

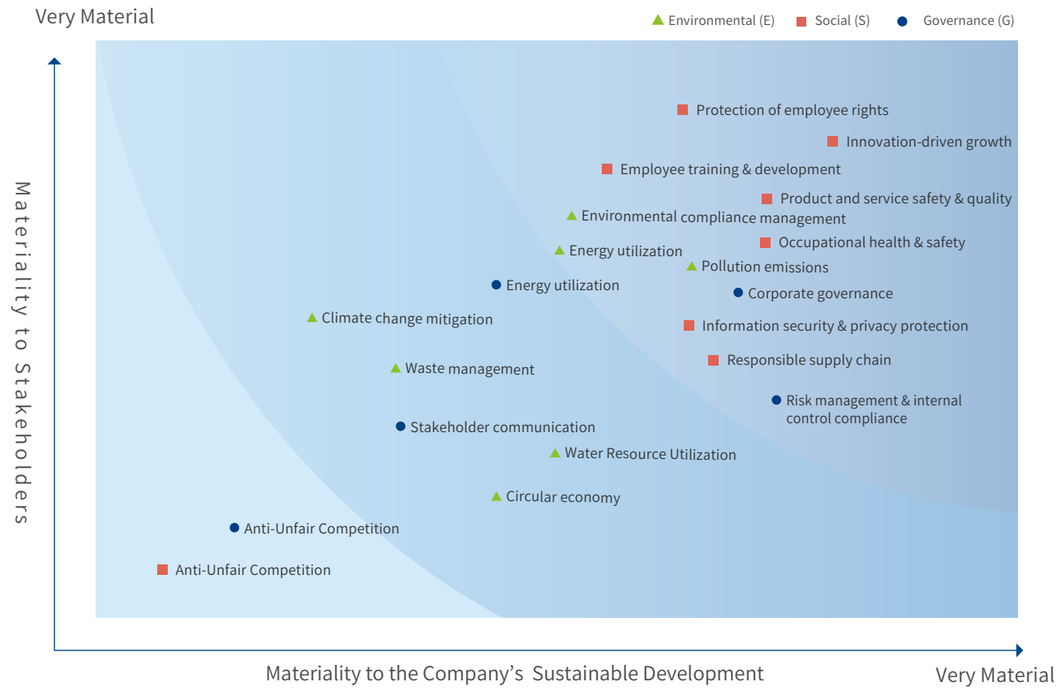
After collecting stakeholder opinions and suggestions, the Company conducts an materiality assessment of the identified issues, analysing their impact on the Company and financial implications. Through this assessment, the Company determines the key issues that require priority attention and resolution, providing a basis for subsequent issue management.

Issue Prioritization

Based on the results of the materiality assessment, the Company ranks key issues to determine their priority. The prioritized issues serve as an essential reference for the Company's ESG strategic planning and daily management, helping the Company effectively respond to the challenges posed by various ESG issues.

Materiality Assessment of Issues

Based on the collected questionnaires, an empirical analysis of material issues was conducted. The issues were ranked and analysed from two dimensions: "Materiality to the Company's Sustainable Development" and "Materiality to Stakeholders". This analysis results in the formation of a core issue matrix.



Materiality Assessment Results

Highly Material Issues	Moderately Material Issues	Generally Material Issues
Innovation-driven growth, product and service safety & quality, occupational health & safety, protection of employee rights, employee training & development, responsible supply chain, information security & privacy protection, environmental compliance management, pollutant emissions, energy utilization, corporate governance, risk management & internal control compliance	Water Use of Resources, circular economy, waste management, climate change mitigation, anti-bribery & anti-corruption, stakeholder communication	Anti-unfair competition, social contributions

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Compliance Governance, Building “Chip” Development Together

Innoscience upholds the principles of integrity and ethical business practices, continuously refining its governance framework, strengthening risk management mechanisms, and adhering to high ethical standards. Through technological innovation and steady operations, the Company creates sustainable value for shareholders and society.

Main Content of this Chapter

Standardizing Corporate Governance, Upholding Business Ethics

SDGs Addressed in this Chapter

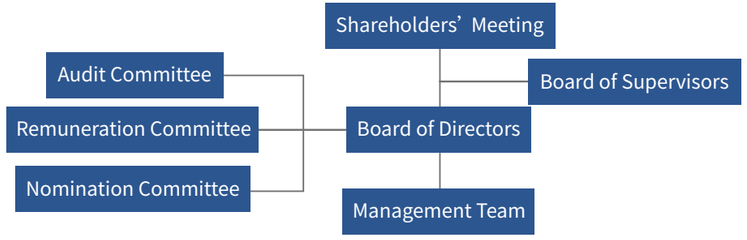
Standardizing Corporate Governance

Governance Structure

Innoscience strictly adheres to the relevant laws and regulations, including the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, and the Listing Rules of the Hong Kong Stock Exchange. The Company has established a series of internal rules and regulations, including its Articles of Association, continuously optimizing its management system and improving internal governance to effectively safeguard the interests of shareholders and other stakeholders.

The Company has established an internal governance structure consisting of the Shareholders' Meeting, the Board of Directors and its specialized committees, the Board of Supervisors, and the management team. This structure ensures a clear and efficient division of responsibilities and coordination between the decision-making body, the supervisory body, and the executive body. Each governance entity plays a critical role in the Company's decision-making and operations, providing strong support for standardized operations and stable development.

Corporate Governance Structure



Board Structure

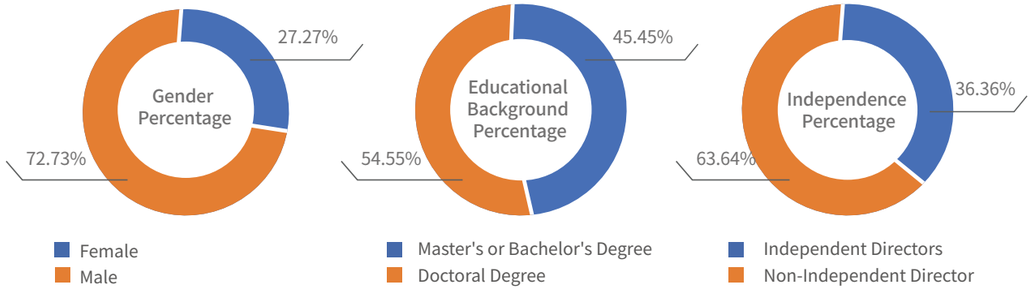
▶ Board Responsibilities

As the core governance body of the Company, the Board is responsible for decision-making and regulatory affairs, formulating strategies, and overseeing their implementation. According to the Articles of Association, the primary responsibilities of the Board include: convening the Shareholders' Meeting and reporting on work, executing resolutions adopted at the Shareholders' Meeting, formulating the Company's business plans, investment proposals, financial budgets, and profit distribution plans, making decisions on major matters such as capital increases, capital reductions, and bond issuances, drafting plans for the Company's mergers, divisions, dissolution, and changes in structure, establishing basic management systems, and exercising other powers granted by the Articles of Association or the Shareholders' Meeting. The Board leads the Company, supervises business operations and strategy implementation, guides the management team, ensures the establishment of a sound internal control and risk management system, and promotes the Company's sustainable development.

The Board has established an Audit Committee, a Remuneration Committee, and a Nomination Committee. Each committee undertakes corresponding governance duties within its clearly defined scope of authority, assisting the Board in fulfilling its decision-making and supervisory functions. The committees play a crucial role in promoting the Company's standardized operations and sustainable development.

▶ Board Diversity

The Company places great importance on the diversity of the Board. In line with its development needs, the Company gives full consideration to various factors such as gender, skills, age, professional experience, knowledge, cultural background, and educational background when selecting candidates for the Board, aiming to enhance the decision-making effectiveness of the Board. Currently, the Board possesses a balanced mix of skills (including artificial intelligence technology, healthcare, management, mathematics, accounting, etc.), experience, expertise, and diversity, which strengthens the Board's decision-making ability and overall performance, thereby supporting the continuous operation of the business and enhancing shareholder value. As of the end of the reporting period, the Board consists of 11 directors (3 female directors, accounting for 27.27%), with 4 independent directors, accounting for 36.36%.



▶ Board Independence

The Company fully understands the importance of the Board's independence for good corporate governance and the efficient functioning of the Board. To this end, the Board has established corresponding mechanisms to ensure that each director's independent opinions and suggestions are fully communicated to the Board, thereby enhancing the objectivity and effectiveness of decision-making.

Directors have the right to freely express their opinions during Board meetings, and major decisions must be made only after thorough discussion. If a director deems it necessary, they may hire an independent professional organization to provide advice, with the associated costs covered by the Company. When a director has a conflict of interest with a proposed matter, they are required to abstain from discussion and waive their voting rights, and their participation is not counted in the quorum for the vote. Furthermore, independent non-executive directors must provide objective and impartial independent opinions on the Company's matters under discussion to ensure fairness and transparency in decision-making.

The appointment of independent directors to the specialized committees is as follows:

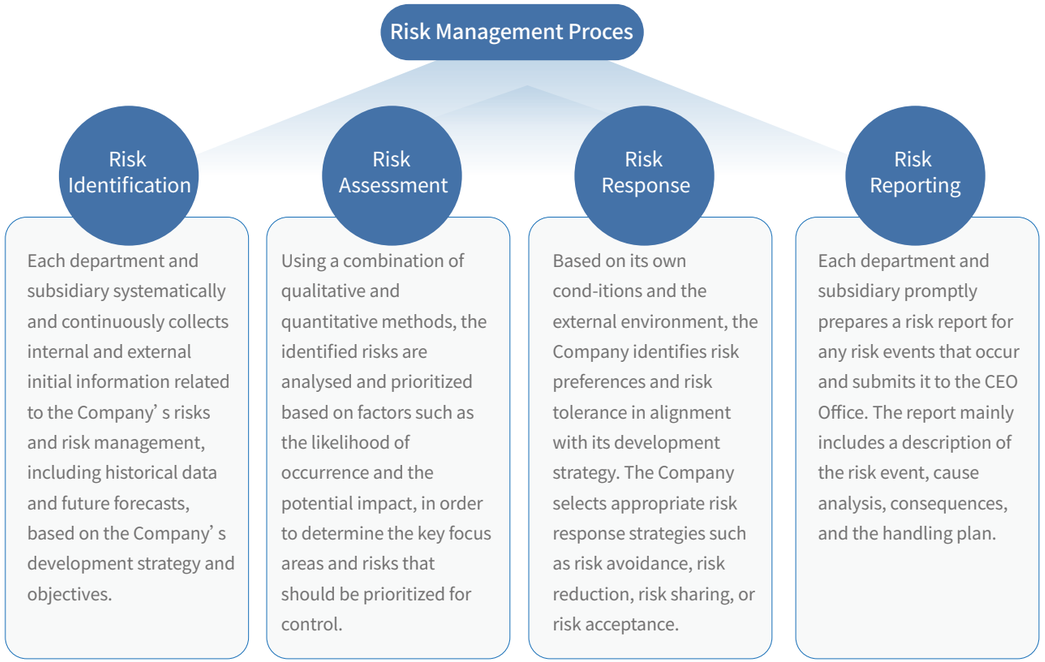
Specialized Committee	Independent Directors (Number)	Non-Independent Directors (Number)	Independent Director as Committee Chair
Audit Committee	3	0	Yes
Remuneration Committee	2	1	Yes
Nomination Committee	2	1	No

Risk Management and Internal Control

▶ Risk Management

Innoscience follows the Company Law of the People' s Republic of China, the Basic Norms of Internal Control for Enterprises, and supporting guidelines. Based on its actual circumstances, the Company has formulated the Risk Management System to establish a risk management framework covering three areas: proactive prevention, in-process control, and post-event monitoring. This system aims to improve risk management awareness and capabilities, enhancing the Company' s ability to prevent risks.

For identified risks, the Company has established a risk management process that includes risk assessment, response, and reporting. The Company coordinates and carries out risk assessments across all business departments, integrating risk awareness into the core business activities of the Company. In December 2024, the Company conducted a comprehensive risk assessment, engaging in discussions on risk management concepts and measures with various business departments through project kick-off meetings, ongoing communications, and other methods, ultimately producing the Company' s comprehensive risk assessment report.



Key Performance

2024 Risk Management Training Overview

Total number of participants in internal risk control training **302** person-times

Total hours of internal risk control training **2** hours

▶ Internal Control

To promote standardized operations and healthy development, Innoscience strictly adheres to the requirements of the Basic Norms of Internal Control for Enterprises and other relevant laws and regulations. The Company has established systems such as the Internal Audit Control Procedures to continuously improve its internal control system. The integrity, rationality, and effectiveness of internal control implementation are regularly inspected and evaluated. During the reporting period, the Company engaged a third-party organization to conduct an internal control evaluation and issued a certification report, with no significant internal control deficiencies found.

Internal Audit

The Company' s Internal Audit Department strictly complies with the requirements of relevant laws, regulations, and normative documents. It applies scientific and effective internal audit mechanisms to ensure that operational and internal control management risks are effectively minimized. During the reporting period, the Company actively carried out internal auditing activities, conducting 15 internal audit projects, including 7 business cycle evaluations and 8 specialized audits. A total of 122 audit recommendations were made, all of which have been fully rectified.

Upholding Business Ethics

Anti-Bribery and Anti-Corruption

Innoscience strictly complies with the Anti-Unfair Competition Law of the People' s Republic of China, the Interim Provisions on Prohibiting Commercial Bribery by the State Administration for Industry and Commerce, and other relevant laws and regulations. The Company has developed a series of policies, including the Employee Business Conduct Manual and the Anti-Fraud Management Handbook, to establish and improve its anti-fraud mechanisms. These efforts aim to prevent and regulate employees' ethical behaviour from multiple angles, with a firm commitment to preventing fraud and corruption. The daily anti-corruption and anti-bribery activities are managed by the Internal Audit Department, which reports to the CEO and Chairman of the Company. In case of any significant matters, the department reports to the Audit Committee.

Key Performance

During the reporting period, the Company was not involved in any legal proceedings related to corruption, bribery, or fraud.

▶ Conduct Business Ethics Training

To enhance employees' professional ethics and awareness of integrity and self-discipline, the Company conducted multiple training sessions during the reporting period, including online professional ethics promotion, online anti-corruption and anti-fraud promotion, and an offline anti-corruption and anti-fraud training session for management.

Key Performance

During the reporting period, the Company conducted anti-bribery and anti-corruption training, covering 1,109 employees, accounting for 95.36% of the total workforce. Among them, 57 senior management personnel participated in the anti-corruption and anti-fraud promotion, representing 90.48% of the senior management team.

Note: Senior management personnel refers to employees at the level of Deputy Director and above (only including those in management roles).

In May and December 2024, the Company conducted listing compliance training for all directors, supervisors, and senior executives, urging them to comply with listing regulatory rules and fulfil their responsibilities in accordance with regulations. The participation rate of directors, supervisors, and senior executives in the training was 100%.

Supplier Integrity Agreement

We require suppliers to sign an integrity agreement, in which they commit in writing to comply with all regulations related to integrity and anti-corruption. For example, suppliers must conduct their business through proper channels and are prohibited from offering gifts, securities, or valuable items to our staff in exchange for improper benefits. If we discover any violation of the agreement, we reserve the right to report the illegal actions to the authorities or terminate the supply agreement.

Whistleblowing Mechanism

The Company has established a whistleblowing and complaint channel as part of its strong internal control system to prevent and detect fraud. Employees at all levels and any parties with direct or indirect economic relationships with the Company can report fraud or file complaints through hotline, email, or offline methods. All reports are investigated according to an approved investigation plan, and upon completion, the investigation conclusions are reported to the relevant management via the established reporting channels, with a written report filed. The Internal Audit Department ensures full protection of whistleblowers and maintains strict confidentiality of all whistleblower information.

Whistleblowing Channels: Email: inno12345@innoscience.com; Hotline: +86-1955-1010-108; Short Number: 69110

Anti-Unfair Competition

In its daily operations, the Company strictly adheres to laws and regulations such as the Anti-Unfair Competition Law of the People's Republic of China and the Anti-Monopoly Law of the People's Republic of China. The Company places great emphasis on building and maintaining a fair competitive market environment. The Board leads this initiative, while the CEO Office is directly responsible for anti-monopoly and anti-unfair competition efforts. Additionally, the Company has established the Employee Business Conduct Handbook, which strictly prohibits imposing unreasonable restrictions on partners or discriminating against customers, striving to create a healthy and orderly business ecosystem.

Key Performance

During the reporting period, the Company did not experience any litigation or significant administrative penalties arising from unfair competition practices.

Responsible Marketing

The Company strictly adheres to the Advertising Law of the People's Republic of China and other relevant laws and regulations. It upholds the principles of responsible marketing, requiring employees engaged in the Company's marketing or service activities to act legally and in accordance with business ethics. Employees are also prohibited from making false or misleading statements or insinuations about competitors or their products and services.

2

Low-Carbon Leadership, Protecting the "Chip" Homeland

Innoscience implements the concept of green development and actively responds to the national "carbon peaking and carbon neutrality" strategy. In its daily production and operations, the Company continually deepens environmental management, reduces pollutant emissions, promotes energy conservation and emission reduction, optimizes resource management, and actively promotes environmental awareness. The Company is committed to advancing green and sustainable development.

Main Content of This Chapter

Addressing Climate Change, Environmental Compliance Management, Pollution Prevention and Control, Use of Resources, Green Office Initiatives

SDGs Addressed in This Chapter

Addressing Climate Change

Climate change is one of the major global risks today, impacting both human health and the long-term sustainable development of businesses. Innoscience places great importance on the national "carbon peaking and carbon neutrality" policy and actively responds to the risks and opportunities brought about by climate change. We refer to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework and strictly adhere to national laws, regulations, and institutional guidelines. Our climate risk management is carried out from four dimensions: governance, strategy, risk management, and metrics and targets.

Governance

To enhance the management of climate change responses, the Company has established the Greenhouse Gas (Carbon) Emission Management Procedure, which outlines the processes for managing climate-related risks and opportunities, as well as the Company's greenhouse gas emissions.

Climate change-related risks and opportunities are overseen by the Board, with the ESG Leadership Group responsible for organizing the identification and impact assessment, as well as formulating and summarizing the response measures. Carbon emission management is carried out by the Greenhouse Gas (Carbon) Emission Management Committee in collaboration with the Environmental Health and Safety (EHS) Department, the Factory Affairs Department, the Administrative Department, and others. This team coordinates the management of carbon emissions and carbon reduction efforts across the Company, including carbon emission data monitoring, carbon emission data accounting, training and education, as well as supervision, inspection, and assessment. Based on practical implementation, the Company advances greenhouse gas emission control in a scientific and reasonable manner, integrating climate change response into the Company's strategic planning.

Additionally, the Company focuses on the professional development of management personnel and employees in relevant departments. It actively conducts greenhouse gas emission-related training to continuously enhance knowledge on climate change and raise awareness of environmental protection.

[Case Study] ISO 14064 Greenhouse Gas Management Training

On May 9, 2024, the Company conducted an ISO 14064 training session, focusing on greenhouse gas management terminology, accounting principles, and the boundaries of the greenhouse gas inventory. The training enhanced the participants' knowledge of greenhouse gas accounting and improved their awareness of greenhouse gas management.

Strategy

We refer to frameworks and guidelines from the Intergovernmental Panel on Climate Change (IPCC), Shared Socioeconomic Pathways (SSP), and the Network for Greening the Financial System (NGFS). Through climate scenario analysis, we are able to forecast and strategically manage the impacts of climate change on our business. The climate change-related risks and opportunities, their timeframes (short-term 0-1 years, medium-term 1-5 years, long-term 5+ years), impacts on the Company, and corresponding response measures are outlined in the table below:

Risk Identification						
Risk Type		Risk Description	Timeframe	Impacted Value Chain Link	Financial Impact	Response Measures
Physical Risk	Typhoons, heavy rainfall, and other extreme weather events	Extreme weather could cause power outages, floods, and other disruptions, especially affecting our coastal factories.	Short-term	Upstream, Operations, Downstream	Potential safety issues, forced stoppage of research and production activities, increased operational costs.	Monitor climate change trends and weather forecasts. Establish emergency response plans like the Environmental Emergency Response Plan and Typhoon Flood Emergency Plan. Set up production bases in Zhuhai, Guangdong, and Suzhou, Jiangsu. Purchase property insurance, public liability insurance, and business interruption insurance.
Transition Risk	Policies and laws	Constantly evolving regulations related to carbon emissions and changing national policies and requirements will increase the Company's obligations in emissions practice and disclosure.	Short to medium-term	Operations	Require more resources to comply with increasingly strict regulatory requirements and implement higher-quality information disclosure, resulting in increased compliance costs.	Collect relevant laws and regulations in a timely manner. Establish procedures like Compliance Obligation Acquisition and Application Control Procedures and hire third-party agencies to track environmental, occupational health, and safety regulations.
	Market and Technology	Investors are placing greater emphasis on sustainable development concepts, and customers are becoming more environmentally conscious, incorporating the Company's sustainability performance into their decision-making.	Medium to long-term	Operations	ncreasing research and development of green and low-carbon technologies will require the Company to invest more in talent and technological development.	Focus more on R&D of green and low-carbon technologies. Explore opportunities for energy-saving and emission-reduction projects. Improve resource efficiency and reduce carbon emissions throughout the production process.
	Reputation	Increasing attention from regulatory bodies, investors, and customers on our sustainability performance.	Medium to long-term	Operations	Poor environmental performance can harm reputation, impacting product sales and financing.	Strictly control emissions compliance, actively promote greenhouse gas reduction, and increase related publicity efforts.

Opportunity Identification					
Opportunity Type	Opportunity Description	Timeframe	Impacted Value Chain Link	Financial Impact	Response Measures
Resource Efficiency	Improving resource efficiency can reduce resource consumption, thus lowering resource costs.	Short to medium-term	Operations	Reduced resource usage, lowering operational resource costs.	Actively promote energy-saving, water-saving, and gas-saving projects. Reduce non-hazardous waste generation through packaging optimization and improved utilization rates.
Energy Substitution	Optimizing the energy structure will become an important development direction, offering transformation and upgrading opportunities.	Medium to long-term	Operations	Reduced use of non-renewable energy, lowering operational energy costs.	Promote factory green building certifications and actively explore clean energy utilization opportunities.
Products and Services	Climate change has gained attention, and customers are increasingly focusing on companies that invest in green and low-carbon technology.	Medium to long-term	Operations	Increased demand for products used in photovoltaic and energy storage systems, boosting sales revenue.	Increase R&D and promotion of photovoltaic and energy storage products.
Market	Government policies to tackle climate change, such as fiscal subsidies, tax incentives, and other incentives.	Short to medium-term	Operations	Receive government funding support, improving corporate reputation.	Monitor government policies and actively promote cooperation.

Risk Management

The Company has established a management mechanism to identify, assess, and respond to the risks, opportunities, and corresponding impacts of climate change.

Identification

Referring to the disclosure framework recommended by the TCFD, the Company identifies the types of risks and opportunities it faces in three major categories: physical risks, transition risks, and opportunities. Based on national laws and regulations, policy requirements, global sustainability trends, and the Company' s actual circumstances, we define and describe the risks and opportunities that climate change presents to the Company.

Assessment

For each identified risk and opportunity, we systematically determine the primary climate-related drivers behind them, as well as their potential major financial impacts and the corresponding timeframes in which these impacts may occur.

Response

Based on the identification and assessment results, we develop corresponding response measures to ensure that the Company has sufficient capability and resources to address climate change risks and seize climate-related opportunities.

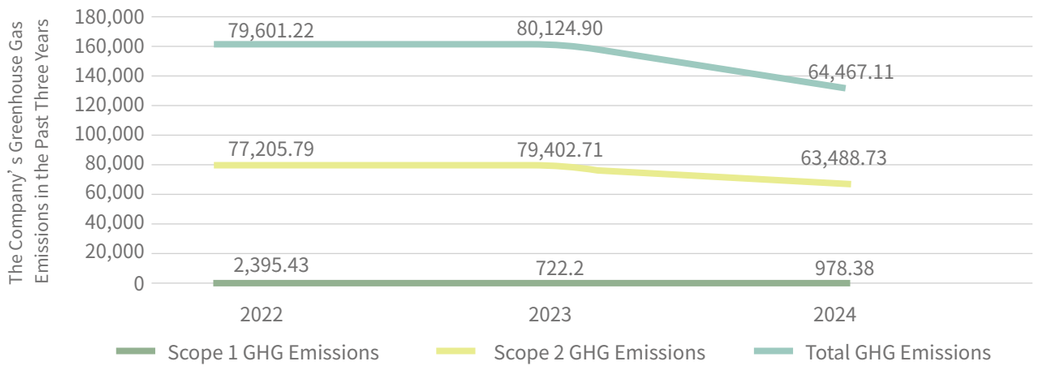
Indicators and Objectives

We adhere to the principle of "energy conservation and consumption reduction, clean production, and green environmental protection", maintaining a commitment to green development. We continuously promote carbon reduction throughout the entire production process to achieve high-quality development. The carbon emission management targets we have established are as follows:

Indicator	Unit	2024 Target	2025 Target
Electricity consumption per million yuan of revenue	Million kWh	10% reduction from 2023 achieved	5% reduction from 2024
Natural gas consumption per million yuan of revenue	Thousand cubic meters	15% reduction from 2023 achieved	5% reduction from 2024

During the reporting period, the Company has standardized its carbon emission management. The greenhouse gas emissions over the past three years are as follows:

Scope	Unit	2022	2023	2024
Scope 1 GHG Emissions[1]	Tonnes of CO2 equivalent	2,395.43	722.20	978.38
Scope 2 GHG Emissions	Tonnes of CO2 equivalent	77,205.79	79,402.71	63,488.73
Total GHG Emissions[2] (Scope 1 & Scope 2)	Tonnes of CO2 equivalent	79,601.22	80,124.90	64,467.11
GHG Emission Density	Tonnes of CO2 equivalent / million yuan of revenue	584.55	135.18	77.82



Notes:

1. The greenhouse gas emissions from natural gas and electricity consumption are calculated based on the GHG Protocol Tool for Energy Consumption in China (Chinese) published by the Greenhouse Gas Protocol. Emissions from gasoline, diesel, and gas consumption are excluded due to their small proportion.
2. Due to rounding, the sum of individual parts may not equal the total.
3. Unless otherwise specified, the environmental performance indicators reported here include the Company and its subsidiaries, Innoscience Zhuhai and Innoscience Suzhou.

Environmental Compliance Management

The Company adheres to the environmental policy of "Caring for the Earth, Energy Conservation, Clean Production, Green Environmental Protection, Compliance with Laws and Regulations, and Continuous Improvement". The Environmental Health and Safety Management Manual serves as the Company' s guiding document for environmental management. Additionally, the Company has established a series of environmental protection systems, including the Environmental Operation Control Procedures, Environmental Factor Identification and Evaluation Control Procedures, Environmental Monitoring and Measurement Management Procedures, and Environmental Occupational Health and Safety Objectives and Achievement Planning Management Procedures, to continuously improve the Company' s environmental management capabilities.

Environmental Management System

In daily operations, the Company has established an Environmental, Health, and Safety Committee management system at both its Zhuhai and Suzhou factories to coordinate the management of environmental, health, and safety-related work. The system clearly defines the committee chairman and the heads of various departments responsible for the execution of tasks. Regularly, the committee formulates environmental management policies, sets environmental management objectives, identifies environmental factors and hazards, and establishes an environmental performance evaluation system. The Company conducts regular management reviews of the achievement of environmental goals to continuously improve environmental management performance.
During the reporting period, the Company's pollutant monitoring compliance rate, the synchronized operation rate of environmental protection facilities and the "three simultaneous" implementation rate of environmental protection for construction projects were all 100%. The total investment in environmental protection amounted to RMB 11.0366 million, with an environmental protection tax payment of RMB 154,300. No environmental accidents or violations occurred. Both the Zhuhai and Suzhou branches have obtained ISO 14001 Environmental Management System certification.

▲ Innoscience Zhuhai ISO 14001 Environmental Management System Certification

▲ Innoscience Suzhou ISO 14001 Environmental Management System Certification

During the reporting period, the subsidiary Innoscience Suzhou has obtained the LEED Green Building Certification.

LEED Green Building Certification ▶

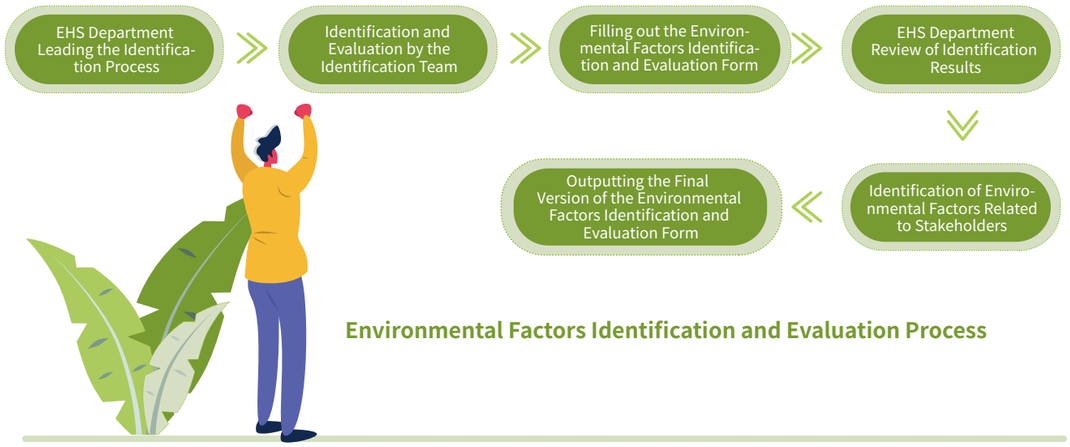
Environmental Risk Management

The Company has established systems such as the Environmental Factors Identification and Evaluation Control Procedure, Environmental Risk Assessment Report, and EHS Hazard Management Measures to regularly identify and assess environmental factors within the Company' s scope. The Company also improves emergency response processes, conducts environmental emergency resource investigations, and carries out environmental risk assessments. These efforts aim to enhance employees' emergency response capabilities, reduce potential harm from unexpected environmental incidents, and achieve prevention and effective control of adverse environmental factors.

Environmental Factors Identification and Evaluation

When identifying environmental factors, the following three tenses, three states, and seven aspects should be considered:

Three tenses	Ongoing environmental issues Previously occurred environmental issues Potential future environmental issues	Three states	Environmental issues arising under normal conditions Environmental issues arising under abnormal conditions Environmental issues arising in emergency situations
Seven aspects	Wastewater discharge Exhaust emission Noise pollution Waste discharge Land pollution Waste materials and resource, energy consumption Other environmental issues		

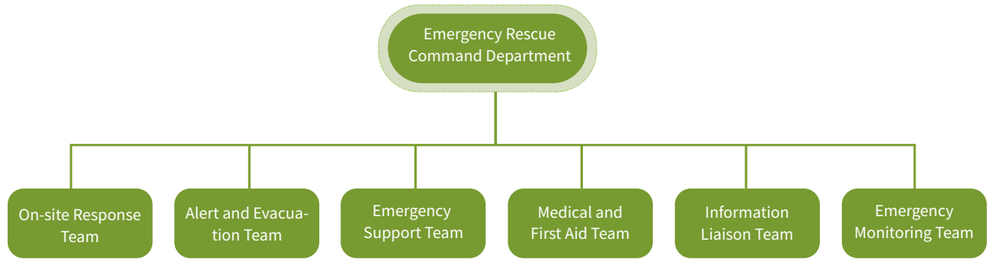


Environmental Factors Identification and Evaluation Process

Environmental Emergency Management

The Company has developed and continuously improved the Emergency Response Plan for Environmental Incidents and the Environmental Emergency Resource Investigation Report. These documents conduct scenario analyses for sudden environmental incidents and establish a detailed plan for environmental risk prevention and emergency response measures, defining the emergency procedures for handling such incidents. The Company has formed an emergency rescue leadership team for accidents, which is led by the Chief Commander of Emergency Rescue. Under this unified leadership, six action teams are established: the On-site Response Team, the Alert and Evacuation Team, the Emergency Support Team, the Medical and First Aid Team, the Information Liaison Team, and the Emergency Monitoring Team. These teams ensure that sudden environmental incidents are managed in a timely, effective, and scientific manner.

Emergency Management System



[Case 1] Emergency Drill for Sulfuric Acid Injection Pipeline Leakage in Wastewater System

On March 21, 2024, the Company conducted an emergency response drill for sulfuric acid injection pipeline leakage in the wastewater system at the Suzhou factory. After the situation was reported by the on-duty personnel, the engineers conducted on-site inspection, and the on-duty personnel cooperated remotely with the operation. The ERT team arrived at the accident site to perform rescue and emergency handling, successfully managing the sulfuric acid leak and enhancing the emergency response capabilities and awareness of the participants.

[Case 2] Emergency Drill for Hazardous Waste Leakage Incident

On November 27, 2024, the Company conducted an emergency response drill for a hazardous waste leakage incident at the Zhuhai factory. The warehouse manager discovered a leak of grinding fluid during a routine inspection and immediately reported it to the ERC and the supervisor. The ERC promptly activated the emergency response procedure and successfully managed the hazardous waste leakage on-site.


[Case 3] Environmental Protection Special Inspection

In 2024, the Company conducted one environmental protection special inspection at the Zhuhai factory and six at the Suzhou factory. All non-compliance issues have been rectified.


Environmental Awareness Enhancement

We attach importance to environmental protection publicity and the enhancement of employees' environmental awareness, with a focus on cultivating awareness of biodiversity protection. We have established the Biodiversity Protection Management Guidelines, and the EHS Department leads the assessment of biodiversity. While adhering to biodiversity protection policies, we also require our suppliers to maintain the integrity and stability of ecosystems, working together to reduce negative impacts on communities and the environment.
During the reporting period, the Company conducted testing on soil, groundwater, and rainwater-related factors, and the results showed no abnormalities.

[Case Study] Conduct Environmental Protection Training

On November 26, 2024, the Company conducted environmental protection training. The training covered topics such as basic environmental protection knowledge, the Company's current environmental protection status, and basic carbon emission management concepts. It also provided suggestions for daily environmental protection practices and encouraged employees to put environmental protection principles into action.

Key Performance

During the reporting period, the Company conducted 6 environmental protection training sessions, with a total of 2,093 participants and a total training duration of 727 hours.

Pollution Prevention and Control

For the pollutants and waste that may be generated in various stages of production operations, we have developed a comprehensive management plan from source control to end-treatment. Through systematic measures such as regular environmental monitoring, process optimization, and enhanced process control, we are committed to reducing, recycling, and harmlessly treating pollutants and waste.

Three Wastes Management System

The Company strictly adheres to national standards and policy requirements, such as the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution and the Pollutant Emission Standards for the Semiconductor Industry. We have formulated and implemented the Environmental Operation Control Procedure, Solid Waste Pollution Prevention and Control Management Procedure, and Pollutant Prevention and Control Management Specifications to rigorously control pollutant emissions and waste treatment.
The Company regularly conducts special environmental inspections to continuously monitor and measure the performance of "three wastes" management processes and the achievement of management goals. Third-party testing agencies provide relevant testing reports to ensure that key environmental factors are effectively controlled. Through the testing of wastewater and waste gas, the Company ensures that water quality and air quality meet environmental management requirements.

Production Base	Environmental Testing Category	Testing Frequency
Zhuhai	Wastewater	Third-party testing conducted quarterly
	Waste gas	Third-party testing conducted semi-annually
Suzhou	Wastewater	Monthly wastewater monitoring
	Waste gas	Quarterly monitoring
	Soil, rainwater	Annual testing

Three Wastes Emission Reduction Targets

Indicator	Unit	2024 Completion	2025 Target
Total waste gas emissions per million yuan of revenue	Tons	0.01	5% decrease from 2024
Total wastewater emissions per million yuan of revenue	Thousand tons	432.52	5% decrease from 2024
Total hazardous waste emissions per million yuan of revenue	Tons	0.55	3% decrease from 2024
Total non-hazardous waste emissions per million yuan of revenue	Tons	0.71	3% decrease from 2024

Key Performance

In 2024, the Company achieved a 100% compliance rate for the emission standards of all "three wastes" (wastewater, waste gas, and industrial solid waste) indicators.

Three Wastes Treatment and Disposal

Zhuhai Production Base

Three Wastes Category	Emission Standard	Treatment Process	
Wastewater	Guangdong Provincial Local Standard Water Pollutant Emission Limits	Treated at the factory wastewater treatment station, then discharged into the municipal sewage network.	100% Compliance with Emission Standards
Waste gas	Guangdong Provincial Local Standard Air Pollutant Emission Limits	Treated by built-in waste gas treatment facility, neutralized, then treated by an acid mist scrubber before being released into the atmosphere.	
Hazardous waste	Hazardous Waste Storage Pollution Control Standards	Waste sulfuric acid is partially reused through the factory wastewater treatment station.	
Noise	Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008)	Fixed equipment bases and vibration-proof platforms installed, trees planted around the factory walls.	

Suzhou Production Base

Three Wastes Category	Emission Standard	Treatment Process	
Industrial wastewater	Comply with Pollutant Emission Standards for Semiconductor Industry	Various types of wastewater generated from different chemicals used in each process are directed to corresponding systems, treated, and then meet the standards before being connected to the municipal sewage treatment plant.	100% Compliance with Emission Standards
Domestic wastewater	Comply with Integrated Wastewater Discharge Standard Class III, Wastewater Discharge to Urban Sewers Quality Standard (GB/T 31962-2015)	Treated at the factory wastewater treatment station and discharged into the municipal sewage network.	
Waste gas	Comply with Pollutant Emission Standards for Semiconductor Industry DB32/3747-2020 Table 3Comply with Pollutant Emission Standards for Semiconductor Industry DB32/3747-2020 Table 3	Production waste gas is classified and collected, treated by a centralized treatment system, and then discharged in compliance with emission standards. All gases and other chemicals are packaged in sealed containers, with no uncontrolled emissions during storage.	
General waste	/	Domestic waste is collected and treated by the sanitation department.	
Hazardous waste	Comply with Hazardous Waste Storage Pollution Control Standards	A contract is signed with a licensed hazardous waste disposal unit, and after reporting to the hazardous waste management platform, the transfer activities are conducted in accordance with hazardous waste management regulations. Moreover, the disposal of hazardous waste by the disposal units is also under supervision.	

Innoscience' s Three Wastes Emission Overview

Indicator	Unit	2022	2023	2024
Total waste gas emission	Tons	9.61	15.32	7.69
Waste gas emission density	Tons per million yuan of revenue	0.07	0.03	0.01
Industrial wastewater emission	Thousand tons	413.66	422.05	432.52
Industrial wastewater emission density	Thousand tons per million yuan of revenue	3.04	0.71	0.52
Total hazardous waste generated	Tons	513.66	383.22	459.52
Hazardous waste generation density	Tons per million yuan of revenue	3.77	0.65	0.55
Total hazardous waste disposal	Tons	513.66	383.22	459.52
Hazardous waste (waste sulfuric acid) recycling rate	%	5.35	42.88	54.78
Total non-hazardous waste generated	Tons	473.48	536.00	587.15
Sludge	Tons	257.52	310.60	347.99
Ammonium sulphate	Tons	215.96	225.40	239.16
Non-hazardous waste generation density	Tons per million yuan of revenue	3.48	0.90	0.71
Total non-hazardous waste disposal	Tons	413.66	422.05	587.15

Note: Domestic waste is excluded as it is not weighed during actual processing.

Enhancement of Three-Waste Management Awareness

The Company places great importance on the proper utilization of waste, actively exploring and implementing waste recycling measures to improve waste utilization efficiency.

[Case Study] Secondary Recycling of Waste Sulfuric Acid

At the Zhuhai production base, waste sulfuric acid generated during production is collected, diluted, and cooled before being repurposed in the wastewater treatment system. In 2024, a total of 72.88 tons of sulfuric acid was produced, with 12.33 tons successfully recycled, achieving a utilization rate of 16.9%.

The Company actively organizes environmental protection training and EHS-themed awareness programs. Through specialized training on the "Three Wastes", employees' environmental awareness is enhanced, ensuring a deep understanding of standardized wastewater, waste gas, and solid waste treatment processes. This initiative effectively transforms environmental protection concepts into conscious actions in daily operations.

[Case Study] Solid Waste Knowledge Training

In December 2024, the Company conducted an EHS-themed awareness program focusing on solid waste. The training covered multiple dimensions, including policy principles, definitions, and treatment measures, providing employees with a comprehensive understanding of solid waste management. Employees were guided to ensure compliance in handling solid waste.

Use of Resources

Innoscience values the rational use and management of resources and is committed to building an efficient and sustainable Use of Resources system. The Company enhances its resource management system, optimizes production processes, and reduces raw material waste.

Energy Management

The Company has established the Greenhouse Gas (Carbon) Emission Management Procedure, designating the Factory Affairs Department as the responsible unit for energy management. This department coordinates the estimation of various energy consumption levels throughout the year, formulates and implements annual energy-saving and emission reduction targets, measures, and action plans. Additionally, it conducts energy consumption and carbon reduction assessments, analyses the effectiveness of emission reduction measures, and continuously improves energy efficiency.

▶ Energy Management Targets

The Company sets quantifiable energy consumption objectives and evaluates and manages annual energy consumption control performance.

Indicator	Unit	2024 Target	Target Achievement
Electricity consumption per million yuan of revenue	Million kWh	10% reduction compared to 2023	0.13 million kWh per million yuan of revenue, 27.30% lower than the 2023 level
Natural gas consumption per million yuan of revenue	Thousand cubic meters	15% reduction compared to 2023	0.31 thousand cubic meters per million yuan of revenue, 44.77% lower than the 2023 level

Energy Consumption Overview

Indicator	Unit	2022	2023	2024
Electricity consumption	Million kWh	103.76	106.81	108.54
Electricity consumption density	Million kWh per million yuan of revenue	0.76	0.18	0.13
Natural gas consumption	Thousand cubic meters	1,106.78	333.68	257.61
Natural gas consumption density	Thousand cubic meters per millionyuan of revenue	8.13	0.56	0.31

Note:
1. The decrease in natural gas consumption in 2023 was due to energy-saving measures implemented at our subsidiary, Innoscience Suzhou. These measures included: (i) Adjusting the method of controlling temperature and humidity in the MAU; (ii) Adjusting heat usage while ensuring that the ammonia nitrogen wastewater discharge standards were not affected.

Energy-saving and Consumption Reduction Measures

The Company implements refined electricity management by encouraging employees to save electricity in daily office activities through measures such as controlling air conditioning settings, using elevators efficiently, and promptly turning off lighting systems in idle areas. At the same time, the Company strongly supports the optimization of electricity equipment operating procedures, invests in energy efficiency improvement projects, and upgrades high-energy-consuming equipment with smart technologies, achieving significant economic and environmental benefits.

Zhuhai Production Base

- Extended the CDA dryer purification time and shortened the regeneration heating time
- Combined the CDA systems of the two Company buildings and integrated the equipment operation mode
- Adjusted the operation time of canteen electrical equipment based on varying foot traffic
- Converted the water pump cooling tower from a fixed-frequency operation to a variable-frequency operation

Saved **778,000**kWh of electricity per year

Suzhou Production Base

- Precisely adjusted the boiler water supply temperature through an intelligent temperature control system
- Automatically adjusted the operation frequency of the fresh air units through real-time environmental parameter monitoring

Saved **12,059** cubic meters of natural gas per year

Saved **365,000** kWh of electricity per year

Water Resource Management

Innoscience follows the principles of water conservation, water environmental protection, legal compliance, and scientific management. The Company has established systems such as the Water Resource Management Guidelines and the Factory's Municipal Water Supply Channel Control System Guidelines to strengthen water resource management, ensure the rational and efficient use of water resources, and support the sustainable development of its production and operations.

The Company's Factory Affairs Department is responsible for developing the annual water conservation plan and implementing the corresponding measures. The department handles the statistics, planning, and formulation of water-saving plans, as well as their execution. The EHS Department is responsible for supervising water resource management. All departments within the Company strengthen their awareness of water conservation, actively participate in water-saving activities, and cooperate with the Company's water resource management efforts.As of the end of the reporting period, the Company did not experience any major incidents related to wate intake or discharge.

Water Resource Management Targets

The Company sets quantifiable water resource management objectives and evaluates and manages annual water resource control performance.

Indicator	Unit	2024 Target	2025 Target
Water consumption and density	Thousand tons	Water consumption per million yuan of revenue decreased by 13% compared to 2023 (achieved) achieved	5% decrease from 2024

Water Resource Consumption Overview

Indicator	Unit	2022	2023	2024
Water consumption	Thousand tons	849.50	820.11	757.52
Water consumption density	Thousand tons per million yuan of revenue	6.24	1.38	0.91
Amount of recycled water	Tons	-	386,344.00	50,170.00

Water Saving Measures

- **Recycled Water System:** Using innovative technology, where wastewater from the discharge pool is utilized as input for the new system. The output of the new system is then used to supplement the cooling towers and for wastewater system backflushing, achieving the goal of water resource recovery and reuse.
- **Wastewater Recovery System:**Actively treating wastewater from the acid-alkali pools and incorporating it into the cooling towers for further use.
- **Posting Water Saving Signage:**Prominently posting water-saving signs in public areas to remind employees to turn off water valves in less-frequented public areas in a timely manner.

Material Management

To regulate material management, Innoscience has established policies such as the Raw Material Incoming Inspection Procedure, clearly defining the joint responsibilities of the Logistics Department's Warehouse Team, Material Quality Department, and Material Planning Department for the inspection and management of incoming and outgoing raw materials. The Company utilizes intelligent material management through SAP, BPM, and PCCS systems, enhancing warehouse operation efficiency, reducing processing time, and optimizing workflow. Additionally, we place great emphasis on minimizing the use of plastic packaging materials by adopting biodegradable materials, optimizing packaging design, and promoting recycling initiatives to reduce environmental impact.

Packaging Material Reduction Measures

We adhere to the principle of clean production and green initiatives by implementing various measures to control the use of plastic packaging materials:

- **Supplier Management:** We evaluate whether suppliers meet environmental standards such as Hazardous Substance Free (HSF) and prioritize eco-friendly suppliers. Additionally, we encourage suppliers to adopt biodegradable materials.
- **Packaging Reduction:** While ensuring product quality, we streamline packaging design to avoid excessive packaging and reduce the proportion of plastic in packaging materials.
- **Packaging Optimization:** We prioritize the use of recyclable packaging materials to minimize environmental impact.

Case Study: Recycling of Packaging Materials

In warehouse management, the Company actively implements environmental protection practices by reusing the original packaging of raw materials. By repurposing cartons and packing materials for raw material transfers between the Zhuhai and Suzhou factories, we maximize use of resources, reduce packaging waste, lower packaging costs, and enhance operational efficiency.

Packaging Material Usage Overview

Indicator	Unit	2022	2023	2024
Total packaging material usage	Tons	8.41	14.78	24.57
Packaging material density	Tons per million yuan of revenue	0.06	0.02	0.03
Plastic packaging materials	Tons	3.69	4.67	2.94
Plastic packaging material usage density	Tons per million yuan of revenue	0.03	0.01	0.004

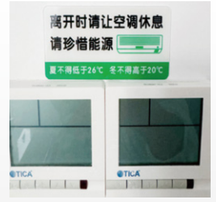
Green Office Initiatives

Within the Company, we actively promote the concept of green office practices by enhancing office area greening and displaying energy-saving and environmental protection signs to foster a green and low-carbon office environment. Employees are encouraged to incorporate sustainability into their daily work by saving electricity, water, and paper, as well as using office supplies efficiently to minimize resource waste. To further reinforce this initiative, we regularly conduct diverse training programs to enhance employees' awareness of energy conservation and environmental protection, embedding the green office concept into daily operations and contributing to our low-carbon development goals.

Conservation Signage: Prominent signage is displayed in office areas to encourage water and electricity conservation, serving as constant reminders to employees to use resources efficiently. This initiative helps cultivate a green and low-carbon office culture while continuously raising awareness about energy conservation.

▲ Clear Bottle Action Sign

▲ Water Conservation Sign



▲ Energy Conservation Sign

The Company actively promotes office area greening initiatives, with the Zhuhai factory office area featuring 6,300m^2 of green space and the Suzhou factory office area covering 21,264m^2. To enhance the quality of the office environment, we have implemented leakage prevention measures for equipment and facilities, and increased greenery to reduce noise pollution. These efforts have effectively improved the workplace environment, protected soil ecology, and created a green, healthy, and comfortable workspace for employees.

Innovation-Driven, Co-Creating the “Chip” Future

Innoscience upholds the mission of “Technological Innovation Leads the Future” by continuously driving research and development to enhance its products and services. Through robust supply chain management, the Company fosters mutual benefits with customers and partners. Additionally, Innoscience places great emphasis on information security, ensuring a solid foundation for product innovation and service quality. By strengthening its core competitiveness, the Company aims to build an influential industrial value brand and promote sustainable industry development.

Main Content of This Chapter

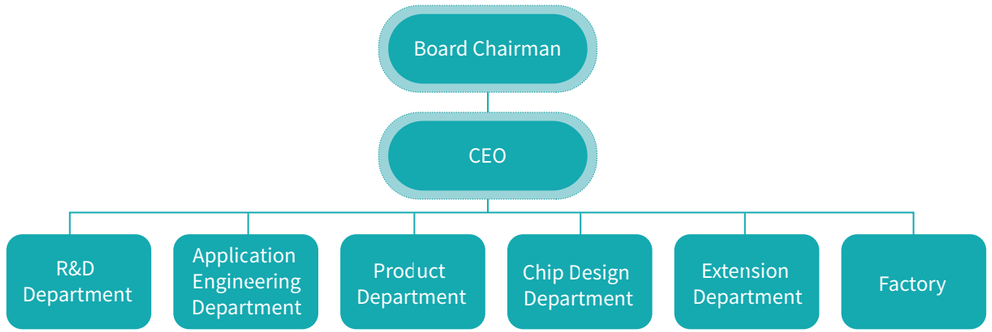
R&D and Innovation, Product Quality Management,
Optimizing Customer Service, Data Security and Privacy Protection,
Supply Chain Management

SDGs Addressed in This Chapter

R&D and Innovation

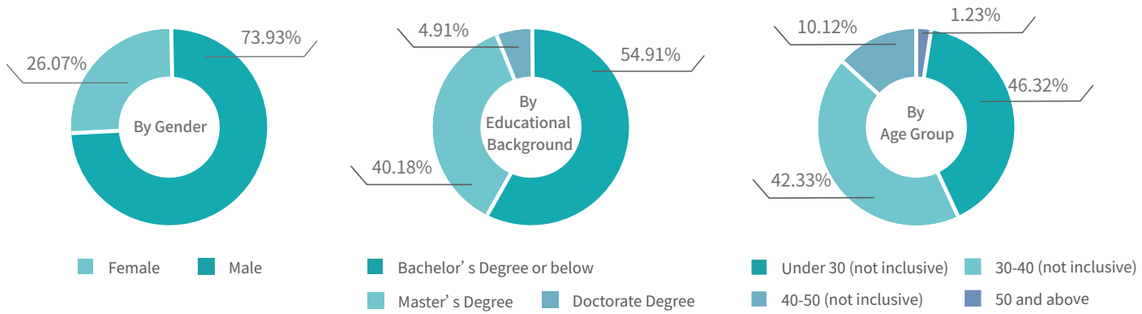
Innoscience has always regarded research and development innovation as the core driving force of its business growth. The Company insists on leading industry progress through technological innovation, increasing investment in R&D, building a high-quality R&D team, actively exploring cutting-edge technologies, and continuously upgrading products and services. This creates greater value for customers and helps the Company achieve sustainable development.

R&D and Innovation System



Organizational Structure of the R&D and Innovation System

The Company continuously optimizes the structure of its R&D talent team through a combination of internal cultivation and external recruitment, building a high-quality, professional innovation team. This ensures the Company maintains an industry-leading position in technological R&D and product innovation, providing strong momentum for sustainable development. As of the end of the reporting period, the Company had a total of 326 R&D personnel, accounting for 28.03% of the total workforce.



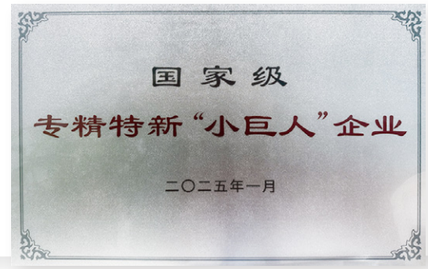
Innovation Incentive Mechanism

To encourage invention and creation, protect the Company's R&D achievements, and enhance the Company's innovation capability and competitiveness, the Company has established systems such as the Intellectual Property Incentive Measures and the Inventor Bonus Distribution Operating Guidelines. These systems encourage employees to actively participate in scientific and technological innovation activities, fully stimulating their creativity and potential. During the reporting period, the Company distributed a total of RMB 862,000 in R&D incentive bonuses.

R&D Innovation Strength

We have been recognized as a National High-tech Enterprise, a State-Level "Little Giant" Enterprise for Specialized, Refined, Distinctive, and Innovative Companies, and a Specialized, Refined, Distinctive and Innovative SME. These accolades demonstrate our strong technical strength and outstanding innovation capability in the field of scientific research and innovation. Our achievements have been highly recognized and awarded by government departments, industry associations, and various market sectors.

▲ High-tech Enterprise



▲ State-Level "Little Giant" Enterprise for Specialized, Refined, Distinctive, and Innovative Companies

R&D Innovation Practice

Innoscience upholds the concept of continuous innovation and places great importance on industry-academia-research collaboration. The Company actively establishes close partnerships with renowned domestic and international universities and research institutes. Through joint R&D, technical exchanges, and resource sharing, the Company promotes the transformation and application of cutting-edge technologies.

To promote industry-academia-research collaboration and drive the transformation of scientific and technological achievements, Innoscience Zhuhai and the Zhuhai campus of Beijing Institute of Technology held an industry-academia-research exchange event in December 2024. During the event, representatives from both sides engaged in in-depth discussions on technical cooperation, talent cultivation, and scientific research innovation, further strengthening communication and collaboration between the university and the Company.

▲ Engaging in Industry-Academia-Research Exchange Activities With Universities

Intellectual Property Protection

The Company has established systems such as the Intellectual Property Implementation, Licensing, and Transfer Management Regulations, INNO Legal Intellectual Property Management Review Regulations, and the Intellectual Property Incentive Measures in accordance with relevant laws and regulations, including the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, and the Copyright Law of the People's Republic of China. These systems regulate project management and intellectual property protection, strengthen the utilization of intellectual property, and promote the transformation and commercialization of technological achievements. At the same time, the Company has formulated the Intellectual Property Protection Management Procedures, with the Legal Department responsible for the specific management of intellectual property.

▲ In 2023, the Company was recognized by the China National Intellectual Property Administration as a National Intellectual Property Demonstration Enterprise.

Key Performance

Indicator	Unit	2022	2023	2024
Total number of patents granted	Items	83	214	419
Total number of invention patents granted	Items	58	176	346
Total number of utility model patents granted	Items	25	38	73
Total number of trademarks	Items	139	157	177

Product Quality Management

Quality Management System

Based on market demand and combined with advanced quality management experience in the semiconductor industry, we have established a comprehensive quality management system. Our subsidiaries, Innoscience Zhuhai and Innoscience Suzhou, have successfully obtained certifications from third-party organizations, including the ISO 9001 Quality Management System, the IATF16949 Automotive Industry Quality Management System, ANSI/ESD S20.20, and IEC61340-5-1 Electrostatic Discharge Protection Management System.

▲ ISO 9001 Quality Management System Certification

▲ IATF16949 Automotive Industry Quality Management System Certification

▲ ANSI/ESD S20.20 Certification

▲ IEC61340-5-1 Certification

Quality Management Measures

Improving Product Quality

To ensure product quality, we have established quality control and inspection standards that cover raw materials, the production process, and shipping. These include, but are not limited to, systems such as the Raw Material Incoming Inspection Procedure and the Statistical Process Control Standards, ensuring that every step of the production process meets the predetermined quality standards and customer expectations. Additionally, we have developed and launched corresponding digital systems, including the CCB system for change management and the SPC system for statistical process control, to improve the quality and efficiency of our quality management.

In managing raw material suppliers, we implement strict vendor management agreements and Incoming Quality Assurance (IQA) procedures. These measures aim to closely monitor the quality of materials, prevent the use of substandard raw materials on our production lines, and encourage our suppliers to continuously improve their quality.

Reducing the Use of Toxic and Harmful Substances

Innoscience places great importance on the management of harmful substances during the production process. We have established a series of systems, including the Raw Material Incoming Inspection Procedure, INNO.HSF Control List, and the Corrective and Preventive Action Control Procedure, with strict control standards for harmful substances. These systems ensure compliance with harmful substance control requirements, continually enhance harmful substance management standards, and safeguard the health and safety of our products.

When major issues related to harmful substances are identified, department managers must convene a meeting with the heads of the relevant departments to analyse the cause in the form of an 8D report. The responsible department is tasked with developing and implementing corrective actions, while the Quality, EHS, and IT departments are responsible for tracking and supervising the implementation of these corrective measures.

Product Recall Procedure

The Company has established the Innoscience Recall Procedure, which outlines the steps to be taken when a product is found to be non-compliant with international laws and regulations or has quality and reliability issues. The procedure ensures that the Company will promptly initiate a series of processes, including notifying relevant departments and customers within 24 hours, assessing the risk of failure, and deciding whether to recall the product. If a product recall is necessary, the Sales Department will notify customers within 24 hours and handle the process according to the Return Material Authorization (RMA) procedure. Meanwhile, the responsible department will take corrective and preventive actions, complete the 8D report, and, after verification, send it to the customer for validation, ensuring that all affected products are properly handled to maintain product quality and customer trust.

Key Performance

During the reporting period, the Company did not experience any negative incidents regarding product recalls for safety and health reasons.

Product Quality Training

Innoscience is committed to building a quality management system that involves all employees. Through activities such as quality management system training and quality awareness training, we continuously strengthen employees' quality consciousness and promote the continuous improvement of the Company's quality management standards.

▲ IATF16949 Automotive Quality Management System Training

▲ 2024 New Employee Quality Awareness Training

Optimizing Customer Service

Innoscience always adheres to the principle of customer-first. We are not only committed to providing high-quality products but also place great emphasis on the experience and feedback of every customer. We have established systems such as the INNO S&M Sales Management System, Technical Support Service Process and Standards, Communication Response Mechanism Management Regulations, and the Customer Satisfaction Survey Standards, to continuously optimize service processes, improve service quality, and build long-term, stable customer relationships. This approach helps drive business growth and industry advancement together.

Customer Complaint Response

We receive customer feedback through our website, phone, email, and an extensive network of distributors. When a complaint occurs, our professional team or distributors will visit the customer' s site to thoroughly understand the situation and identify the root cause of the issue. If there is a quality problem with our product, our goal is to resolve the issue by making the necessary adjustments to the customer' s application, ensuring smooth operation.

We provide a product return and exchange service tailored to address customer requests and concerns. We have established a standard product return procedure, which is detailed in our customer return management policy. When a customer reports a quality issue with our product, our on-site application technical team promptly verifies the customer' s concerns. After internal analysis and review confirm that the product is defective, our Quality Control Department will notify the Customer Service team to initiate the return and exchange request and complete the process. During the reporting period, there were 4 customer complaints, all of which were resolved with a 100% resolution rate. The related complaints were handled appropriately.

The Company periodically conducts training for Field Application Engineers (FAEs) and distributors on customer complaint response, technical support, and other areas. This training aims to enhance the FAE team' s ability to quickly respond to customer needs and effectively solve technical challenges. It also deepens collaboration with distributors to jointly improve customer satisfaction.

Key Performance

Indicator	2024
Number of customer complaint response training sessions	3 sessions
Number of participants in customer complaint response training	160 person-times
Total duration of customer complaint response training	217 hours
Number of customer complaint response assessments	12 assessments
Customer complaint response assessment pass rate	98.25%

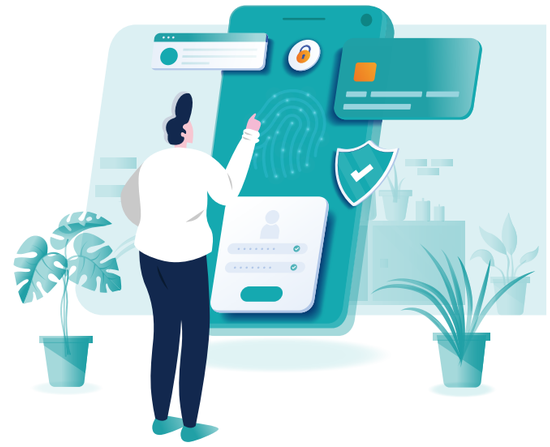
Enhancing Customer Satisfaction

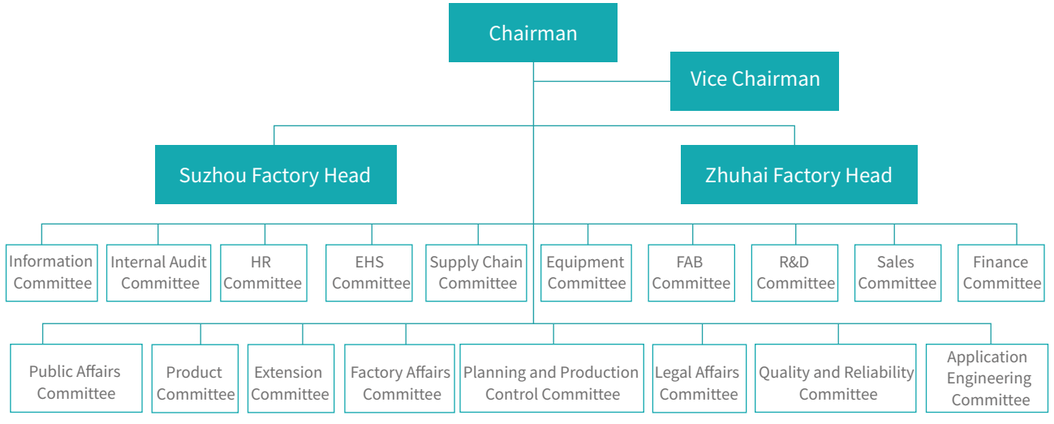
We have established the Customer Satisfaction Survey Guidelines and regularly conduct post-sale satisfaction surveys to ensure timely communication with customers. The Marketing and Sales Department conducts the satisfaction surveys, collects data, performs statistical analysis, and prepares summary reports, which are submitted to the Quality Department. The Quality Department is responsible for following up with the departments in question to implement improvements and organizing relevant departments to verify and confirm the effectiveness of the improvements. We believe that providing satisfactory after-sales service is a key determinant of success, strengthening the value chain of our products and improving the satisfaction of both customers and end-users. During the reporting period, we conducted customer satisfaction surveys with 34 customers, achieving a satisfaction rate of 96.5%.

Information Security and Privacy Protection

Information Security Management System

We uphold the information security management policy of "full participation, proactive prevention, comprehensive control, continuous improvement, customer trust, and sustainable operation" . In line with the ISO/IEC 27001 standard for information security management systems, we have developed the Information Security Management Handbook and the Project Information Security Access Management System. These documents form the foundation of our information security management system, ensuring our commitment to maintaining the integrity, availability, and confidentiality of data.





Organizational Structure of Information Security Committee

During the reporting period, the subsidiary Innoscience Zhuhai successfully obtained the ISO/IEC 27001 Information Security Management System certification.

ISO/IEC 27001 Information Security Management System Certification Certificate ▶

Information Security Management Measures

To strengthen data security and protection measures, we have established comprehensive internal policies that provide detailed regulations for data classification, storage, access, transmission, encryption, and disposal.

Emergency Drill: Internal Network Phishing Test: Testing Employees' Security Awareness and IT Response Capability

On July 1, 2024, the Company conducted an information security emergency drill. The drill involved sending realistic phishing emails to test employees' ability to identify fraudulent messages and improve their skills in recognizing fake sender information and email traps. At the same time, the drill evaluated employees' response strategies. Following the exercise, targeted training was provided to those employees who failed to identify the phishing attempts. This drill was a critical part of the Company's information security framework, aimed at strengthening the security defence and ensuring the protection of Company data.

2024 Data Security Training Overview

Indicator	Unit	2024
Data security training sessions	Sessions	18
Data security training participants	Person	1,477
Total data security coverage	Person-times	3,091
Data security training coverage rate	%	100

Privacy Protection

In our business operations, we collect, store, and process business and transaction data. Given that we conduct transactions exclusively with businesses, our operations generally do not involve the collection or processing of customer personal information. We strictly adhere to relevant data protection regulations, ensuring that all data processing complies with the principles of legality, fairness, and transparency.

Supply Chain Management

Supplier Management

Innoscience understands the importance of vendor management within corporate social responsibility. We have established a comprehensive vendor management system, implementing policies such as the Supplier Management Procedure, Raw Material New Supplier Evaluation Management Standards, and the Supplier Audit Operational Guidelines. These measures ensure that our suppliers strictly adhere to the Company's sustainable development principles.

▶ Supplier Access and Exit

We have implemented a comprehensive vendor management mechanism to ensure that all suppliers meet our standards. Relevant system documents have been established to assess the entire lifecycle of vendor behaviour, from access to exit. As of the end of the reporting period, the total number of suppliers was 585.

Supplier Access

We have established a comprehensive vendor access evaluation mechanism. Before introducing new suppliers, we conduct a written investigation of their basic qualifications and organize a joint evaluation by the Quality, EHS, and Purchasing departments. Suppliers who do not meet the requirements will not be accepted.

Supplier Audits

The Quality Department is responsible for auditing suppliers, focusing on potential risks related to environmental management, health and safety practices, regulatory compliance, and trade security. Based on the audit results, we will classify and rate suppliers. If a vendor fails to meet the required standards after re-audit, their vendor qualifications will be revoked.

Supplier Evaluation

We evaluate suppliers based on the Supplier Performance Evaluation Operations Guidelines and the New Raw Material Supplier Evaluation Management Guidelines. Regular Quality, Cost, Delivery, Service, Environment (QCDSE) assessments are conducted, with evaluation dimensions including quality, cost, delivery, service, and safety and environmental indicators. This aims to promote continuous improvement among suppliers.

Supplier Exit

We have clear regulations for vendor disqualification. In the event of any disqualification situation, the Quality Department will initiate a meeting for discussion. After professional evaluation and confirmation by the relevant departments, the Quality Department will be responsible for cancelling the vendor's qualification and removing them from the Approved Vendor List (AVL). This decision will be publicly announced to all relevant departments to ensure transparency and information sharing.

Supplier Communication and Training

Innoscience understands the importance of establishing good communication with suppliers. To achieve this, the Company has set up dedicated communication channels and regularly engages in in-depth exchanges with suppliers. During the reporting period, we completed 21 annual on-site audits and held 4 quarterly vendor communication meetings. During the on-site audits, Innoscience's audit team conducted thorough reviews of hazardous substance control, corporate social responsibility, business operations, and production quality. Following the audits, comprehensive training and guidance were provided to suppliers in the communication meetings, ensuring that suppliers meet the Company's ESG-related requirements.

【Case Study】Hosting Specialized Quality Management System Training

In May 2024, Innoscience organized specialized training on the Quality Management System for suppliers. The training covered ISO9001, IATF16949, hazardous substance management, and corporate social responsibility (labour protection, conflict minerals, etc.). During the training, we conducted a comprehensive review of the suppliers' current status and provided improvement suggestions.

Supplier ESG Training Performance

Indicator	Unit	2022	2023	2024
Number of ESG training sessions for suppliers	Sessions	40	41	42
Duration of ESG training for suppliers	Hours	80	82	84
Number of suppliers covered by ESG training	Suppliers	24	25	26

Note: The suppliers mentioned above only refer to raw material suppliers.

Supplier ESG Management

The Company has developed the Corporate Social Responsibility Management Handbook, which establishes an evaluation mechanism for suppliers, considering various dimensions such as labour standards, health and safety, business ethics, environmental protection, and commercial conduct. The Supply Chain Management Department is responsible for explaining the Company' s social responsibility policies and relevant requirements to suppliers and other partners. Additionally, a supply chain risk management mechanism and a monitoring system have been set up to enhance the stability and resilience of the supply chain, ensuring smooth operations and efficient management. Furthermore, a risk early-warning system has been established to predict and assess potential risks from suppliers. Based on the assessment results, the Supplier CSR Audit Report is compiled, which records the vendor' s performance in fulfilling its social responsibility commitments in detail.

Evaluation Dimensions	Main Contents
Environmental Responsibility	Management of pollutants and waste, environmental impact assessment, greenhouse gas inventory, energy-saving and emission reduction projects, etc.
Business Ethics	Integrity and anti-corruption agreements.
Labour Management	Forced labour, child labour, discrimination and punishment against minors, freedom of association and communication, working hours, wages, etc.
Health and Safety	Fire safety, chemical safety, equipment safety, and health management.

Supplier Review

Indicator	Unit	2022	2023	2024
Number of suppliers with quality management system certification	Suppliers	38	39	40
Number of suppliers with environmental management system certification	Suppliers	38	39	40
Number of suppliers with occupational health and safety management system certification	Suppliers	33	33	34

Note: The suppliers mentioned above only refer to raw material suppliers.

Avoidance of Conflict Minerals

Innoscience does not purchase or support the use of any conflict minerals that directly or indirectly fund or support regions affected by armed conflict. We have established the New Raw Material Supplier Evaluation Management Specification to rigorously review and assess new suppliers, ensuring that they adhere to corporate social responsibility standards, do not use conflict minerals, and comply with U.S. export control regulations. Suppliers are required to sign the Conflict Minerals Declaration, confirming that the metals contained in their products, such as tantalum (Ta), tin (Sn), and others, do not originate from conflict-affected or high-risk regions.

Responsible Procurement

We promote responsible procurement and have established the Procurement Control Procedure. For potential suppliers, we implement a strict qualification review and audit process to ensure that they meet our business requirements and align with our high standards for social responsibility and environmental protection.

We require our suppliers to sign a commitment to prohibit the use of conflict minerals and a declaration of compliance with international hazardous substance regulations, ensuring that the supply chain remains compliant and sustainable. Additionally, to ensure that the products supplied meet environmental standards and are free from restricted substances, in line with the RoHS (Restriction of Hazardous Substances) Directive, we require suppliers to sign the Environmental Material Guarantee Certificate for Eco-Friendly Products. During the procurement process, the Company prioritizes environmentally friendly and energy-efficient products, emphasizing the green characteristics of materials. We also implement measures to reduce environmental impact, such as optimizing material storage and transportation conditions and promoting the recycling of packaging materials.

Through these actions, we are committed to building a green, compliant, and sustainable supply chain, collectively advancing environmental protection and social responsibility.

Digital Management

To enhance management efficiency, we have implemented several advanced information and intelligent management systems, including the Supplier Management System (MPTC), Supply Chain Management System (SCM), Customer Relationship Management System (CRM), and Procurement Management System (BPM). These systems enable us to efficiently manage the entire process of packaging, testing, and assembly services, including key stages such as material delivery, work order management, and finished product acceptance. At the same time, they comprehensively cover the full chain from opportunity tracking to contract signing, quotation preparation, order processing, and after-sales service. In the procurement process, we adhere to the principles of sustainable development by integrating environmental protection and energy-saving factors into procurement decisions. We prioritize the procurement of products that meet sustainable development standards to achieve mutual progress for both the Company and society.

4

Promoting Growth, Fulfilling “Chip” Responsibility

Innoscience adheres to a people-oriented value system, ensuring the protection of employees’ rights and interests, advocating democratic management, and focusing on workplace health and safety. The Company provides sustainable development opportunities and space for employees. In addition, Innoscience actively fulfils its social responsibilities, strongly supports public welfare initiatives, and contributes to building a better society.

Main Content of This Chapter

Talent Employment and Rights, Occupational Health and Safety, Fulfilment of Social Responsibility

SDGs Addressed in This Chapter

Talent Employment and Rights

Human capital plays a crucial role in achieving the Company's long-term sustainable development. We adhere to the talent values of "virtue first, with both character and capability" and actively create a work and development platform for employees that is diverse, equal, respects individuality, fosters positivity, and encourages self-transcendence.

Labor Standards

Innoscience adheres to a labour rights policy centred on "respecting human rights, humane treatment, no child labour, zero tolerance for harassment, freedom of association, and two-way communication". We strictly comply with relevant laws and regulations, such as the Labor Law of the People's Republic of China and Regulations on the Prohibition of Child Labor. To ensure the legality and compliance of our employment practices, we have established policies including the Recruitment Management Guidelines, Employment Management Guidelines, Corporate Social Responsibility Manual, and the Employee Code of Conduct. The Human Resources Department is responsible for implementing and maintaining these policies, overseeing their execution across all departments to ensure standardized and compliant human resource management.

Commitment to Equal Employment

Innoscience upholds the principles of fairness, justice, transparency, merit-based selection, and the integration of both character and capability in recruitment. We ensure that our hiring procedures are compliant and transparent. The Company provides professional training for both recruiters and interviewers to eliminate any discrimination based on race, gender, religion, sexual orientation, disability, or other factors. We are committed to ensuring that every employee is treated fairly in terms of recruitment, remuneration, benefits, and other aspects of employment.

The Company firmly opposes forced labour and strictly prohibits the use of child labour. We have implemented the Regulations on the Supervision and Management of Child Labor Prohibition. During the recruitment process, we carefully verify identity documents to ensure that employees meet the legal age requirements. In the event of any child labour violation, the Company will immediately terminate the employment contract and provide remuneration based on the local minimum wage standards. Additionally, the Company will arrange for the dismissed child labourer to undergo a health check at a designated hospital, with all associated costs covered by the Company.

Key Performance

During the reporting period, the Company achieved a 100% labour contract signing rate, and no instances of employing or using child labour, forced labour, human trafficking, or any other violations of the Company's policies or relevant laws and regulations occurred.

Diverse Recruitment Channels

The Company has established a diverse range of recruitment channels to attract talented individuals through campus recruitment, social recruitment, headhunting, internal referrals, and industry talent referrals. Additionally, the Company collaborates annually with several universities, including Xidian University, Zhejiang University, and Hong Kong University of Science and Technology, to engage in university-industry partnerships, attracting more passionate and talented individuals to join the Innoscience family.

Key Performance

In 2024, the Company hired 316 new employees, of which 121 were recruited through campus channels, 193 through social recruitment, and 2 through other channels.

In 2024, Innoscience organized 11 specialized recruitment sessions and participated in 19 job fairs, collecting over 1,000 resumes offline.

During the reporting period, the voluntary turnover rate of the Group's employees was approximately 18.98%. The voluntary turnover rates, categorized by gender, age group, and region, are as follows:

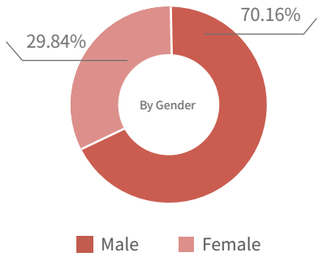
Indicator		Percentage (%)
By Gender	Male	16.20
	Female	20.02
By Age Group	Under 30 (excluding 30)	18.67
	30-40 (inclusive of 30, excluding 40)	22.02
	40-50 (inclusive of 40, excluding 50)	9.04
	50 and above	14.29
By Region	Mainland China	19.16
	Hong Kong, Macau, Taiwan	0.00
	Overseas	12.50

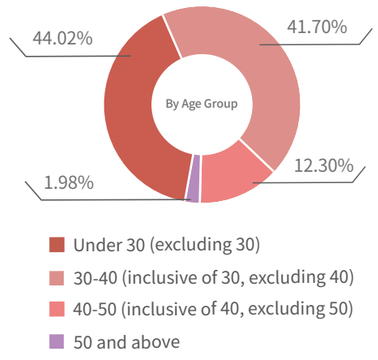
Note: The turnover rate calculation formula is: (Number of departing employees during the year) / (Total number of employees at the beginning of the year + Total number of new hires during the year). The statistics cover the turnover situation of employees who have been with the Company for more than one year.

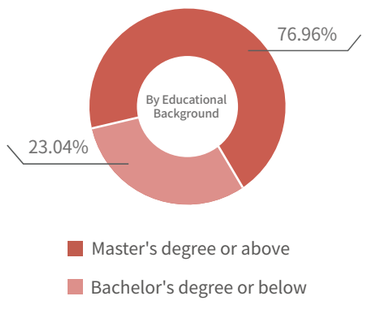
Employee Composition

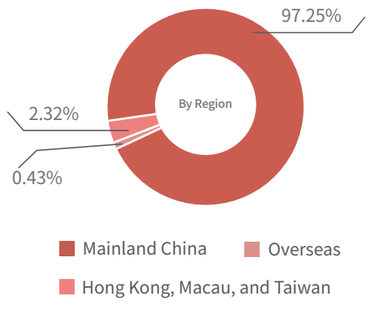
During the reporting period, the Company had a total of 1,163 employees, of whom 816 were male and 347 were female. Among them, 1,147 were full-time employees,16 were part-time employees.Among them, 51 employees were from minority ethnic groups. The proportion of female employees in senior management was 9.52%. The detailed distribution of employees is as follows:

Indicator		Number of Person in 2024
By Gender	Male	816
	Female	347
By Age Group	Under 30 (excluding 30)	512
	30-40 (inclusive of 30, excluding 40)	485
	40-50 (inclusive of 40, excluding 50)	143
	50 and above	23
By Educational Background	Master' s degree or above	895
	Bachelor' s degree or below	268
By Region	Mainland China	1,131
	Hong Kong, Macau, and Taiwan	5
	Overseas	27









Diversity, Equality, and Inclusion

Innoscience is committed to fostering a diverse and inclusive working environment, and to this end, we have implemented policies such as the Anti-Discrimination Management Regulations to define and guide the establishment of a diverse, equal, and inclusive culture. The Company explicitly prohibits workplace harassment and bullying. In the Employment Management Regulations, we ensure that we provide special care and assistance to ethnic minority employees and employees with disabilities in both their work and daily life to the greatest extent possible. In terms of infrastructure, we have designed barrier-free access in the lobby and at the clock-in gate. Regarding dining, the canteen adjusts its menu based on feedback collected by the meal committee, offering a variety of regional specialty dishes to cater to diverse dining preferences. As for training, the HR system bulletin board continuously displays posters on anti-discrimination discrimination and harassment, and related course content has been published on the online training platform, with all staff required to participate in the learning.

Promoting Democratic Management

We have always respected the legitimate rights and interests of our employees, ensuring that all employees have the right to freely form associations, join trade unions, and engage in collective bargaining within the legal framework. To foster positive interaction between employees and management, we continuously improve the employee representative assembly system, holding regular meetings to actively listen to employees' voices. In addition, the Company has established a Labor Dispute Mediation Committee, composed of employee representatives, employer representatives, and trade union representatives. This committee is responsible for timely mediation of labour disputes, maintaining a harmonious relationship between employees and the Company, and realizing a bottom-up two-way communication mechanism.

At the same time, we are committed to building open, fair, and transparent communication channels, and improving our employee satisfaction management system. Through various forms such as senior management visits, departmental roundtables, and online anonymous satisfaction surveys, the Company deeply understands the needs of employees, and promptly communicates the Company' s updates to them. We encourage employees to propose rational suggestions for the development of the Company. In response to employee feedback on areas of dissatisfaction, the Company has introduced a series of targeted measures, including holding quarterly IDL employee communication meetings, monthly DL employee recognition events, departmental meeting recognitions, and multi-dimensional management philosophy sharing sessions, all aimed at effectively improving employee satisfaction.

We place great importance on employees' sense of involvement and belonging. By continuously optimizing communication mechanisms, we create a positive and harmonious work environment, enhancing employees' sense of well-being and loyalty, and promoting the mutual development of the Company and its employees.

Innoscience's Diverse Communication Channels with Employees

Phone, Email, and Mailbox	Employees can provide personal suggestions or complaints at any time via the union hotline, HR email, or internal audit supervision phone. Relevant departments will follow up and resolve issues.
Senior Management Visits	Senior management visits frontline staff, engaging in face-to-face communication and discussions with employees.
Department & CEO Roundtables	Each department organizes employee symposiums to collect and compile employees suggestions, which are used to improve and refine the work of the respective departments. The CEO shares the latest company updates with employees, collaborates with the heads of various departments to answer employee questions, and recognizes and rewards outstanding individuals and teams.
Employee Representative Meetings / Union Member Representative Meetings	Discussion topics are gathered in advance and addressed during meetings, with the outcomes subsequently communicated to the entire company.
Employee Satisfaction Surveys	An annual online anonymous survey is conducted, using the Q12 questionnaire to assess employee satisfaction and collect feedback. The results are analysed to identify areas for improvement, with corrective measures implemented to enhance employee satisfaction.

Diverse Communication


Key Performance

During the reporting period, a total of 1,141 employee satisfaction surveys were distributed, with a participation rate of 94.6%. The overall employee satisfaction score was 90%.

Remuneration, Benefits, and Performance Evaluation

Innoscience has developed the Remuneration and Benefits Management Regulations, adhering to principles of fairness, competitiveness, incentivization, economy, strategy, and legality. In line with the Company's business strategy, we have established a market-oriented and competitive remuneration and benefits system. This system not only ensures the basic rights of employees but also fosters their enthusiasm and creativity, thereby laying the talent foundation for the sustainable development of the Company.

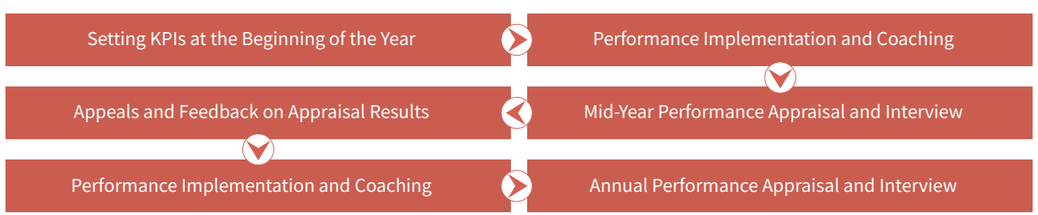
Employee Benefits

Social Insurance and Housing Fund	Pension insurance, work injury insurance, medical insurance, maternity insurance, unemployment insurance, and housing provident fund
Leave Benefits	Annual leave, marriage leave, paternity leave, and one additional day of seniority leave for every year of service
Living Benefits	For employees from other regions, the Company provides apartment accommodation or housing subsidies; shuttle bus services or transportation subsidies; 24-hour on-site meals; and meal allowances for sales employees
Holiday Benefits	Provision of holiday welfare funds
Health Protection	Annual physical check-ups for employees and coverage of accident insurance
Incentive Mechanisms	Annual awards for outstanding employees and mentors, promotion mechanisms, and other welfare policies

Performance Evaluation

The Company adopts a "90% KPI + 10% Values" evaluation model for objective and fair annual/bi-annual performance assessments. The KPI dimensions include operational performance, financial indicators, team development, and talent pipeline. The performance evaluation results serve as the basis for decisions regarding promotions, salary increases, rewards, demotions, salary reductions, termination (dismissal), and training. Department managers provide feedback to employees on performance results and the rationale behind the evaluations through one-on-one discussions. If employees have any doubts regarding the performance evaluation, they may file an appeal with the HR department. The Internal Audit Department will oversee the appeal process to ensure transparency and fairness.

Employee Performance Evaluation and Feedback Flowchart



Employee Training and Development

Innoscience has always regarded employees as the Company's most valuable asset, adhering to the philosophy of "people-oriented, combining virtue and talent, teamwork, innovation, and continuous training". Based on the strategic talent development goals, the Company has established a comprehensive talent development system to provide employees with diverse training and development opportunities, helping them enhance their professional skills and overall quality. This drives both personal growth and career development, achieving mutual progress for both talent and the Company.

Talent Development Goals

- **Talent Reserve**: Within the next three years, establish a comprehensive talent reserve to enhance the Company's competitiveness and work efficiency.
- **Talent Recruitment**: Within the next three years, recruit a certain number of outstanding talents each year to maintain the Company's vitality.
- **Talent Development**: Continuously increase training efforts for employees to improve their skills and quality.
- **Talent Incentives**: Establish a sound incentive mechanism, including setting up an annual outstanding employee award and promotion system, to improve employees' job satisfaction and loyalty.

Employee Training

To improve the talent development system, the Company has developed the Training Management System and the External Training Management Measures, among other regulations, which were optimized and upgraded in 2024. The Company continuously develops and enriches training resources, designing targeted training programs based on the needs of employees at different categories and levels. For example, onboarding training is offered for new graduates, and leadership development training is provided for management. Additionally, the Company has established the Innoscience E-learning platform as the carrier for online training courses. The platform includes modules for content management, task management, training management, and exam management, among others. As of the end of the reporting period, 656 courses have been uploaded to the E-learning platform, 742 learning tasks have been published, there are 903 valid courseware files, 769 exam papers configured, and a total of 9,221 exam questions.

At the same time, the Company is committed to building an internal instructor team, providing skill enhancement training for internal trainers every year to ensure the high-quality execution of internal training and support the continuous growth and development of employees.

Innoscience's Talent Training & Development Framework

TALENT DEVELOPMENT CYCLE MANAGEMENT

	Introduction Phase	Growth Phase	Maturity Phase
Training Development Types	Onboarding Guidance; Online Training; New Employee Dialogue	Departmental Internal Training; Thematic External Training; Company-Level Training	Key Talent Training; Key Position Succession; Promotion & Development
Training Content	· HR Policies & Employment Knowledge · Innoscience Development History · Corporate Culture · Environmental Health & Safety · Attendance, Salary & Benefits · Information Security	· Internal Departmental Professional Knowledge & Skills · Leadership Development · Office Skills · General Skills · General Knowledge Courses for Each Department	· Key Talent Courses (Combination of Internal & External Training) · Talent Selection · Talent Development · Promotion & Career Development
Training Methods & Approaches	One-on-One Knowledge Introduction Online Course Assignments & Exams	E-learning (Online Learning) Offline External Instructor Training Internal Departmental Training	Project-Based Learning & Productivity Gains Talent Review & Assessment Job Matching

"Chip Future" Training Camp

From July 1 to July 5, 2024, a five-day offline intensive training program was held in Suzhou and Zhuhai. Through course lectures, team-building activities, interactive sharing sessions, and task competitions, new employees successfully transitioned into their workplace roles. The training camp concluded with a graduation ceremony, where outstanding participants were recognized and rewarded.

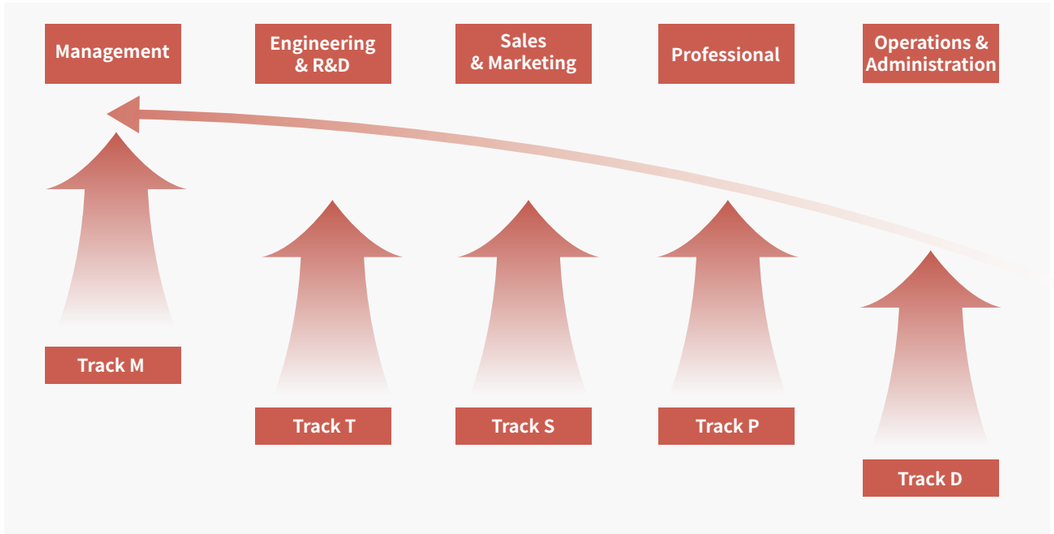
Leadership Course: "Five Essential Core Skills for Managers"

Indicator		2024
Number of training sessions		74 sessions
Total number of trainees		1,833 trainees
Total training attendances		27,374 person-times
Employee training coverage rate (employee training ratio)		100%
Training participation rate by gender	Male	100%
	Female	100%
Training participation rate by job level	Senior management	100%
	Middle management	100%
	Junior employee	100%
Total employee training hours		27,868
Average annual training hours per employee (hours/person)		15.20
Average training hours by gender	Female (hours)	17.60
	Male(hours)	14.37
Average training hours by job level	Senior management(hours)	10.86
	Middle management(hours)	18.67
	Junior employees (hours)	15.10

Promotion and Career Development

Innoscience upholds an open talent development philosophy of "promotion and demotion based on merit, and flexible entry and exit", aiming to stimulate employees' capabilities, unleash vitality, and explore potential. Based on development needs and business characteristics, the Company has introduced and continuously optimized five major career development tracks. Anchored in a structured job-level system, the Company has established an interconnected career development pathway. By continuously refining the job-level system, Innoscience has built a comprehensive career advancement framework, providing employees with a clear and structured career growth path to support their professional development.

Five Major Career Development Tracks	Based on the International Position Evaluation (IPE) system, the Company assesses the value and importance of each position, establishing clear career development pathways for employees across five tracks: Management, Engineering & R&D, Sales & Marketing, Professional, and Operations & Administration.
Interconnected Development Pathways	Built upon the five-tier job-level system, the Company has established a dual-track career development system for both technical and managerial roles. These tracks operate in parallel and are interconnected, providing flexible and suitable development opportunities for both technical and managerial talents.
Fast-Track Development Program	Within the Engineering & R&D track, the Company has launched a Technical Trainee Program, designed to create a fast-track development path. This program aims to attract high-potential talent and, through a targeted internal and external training model, accelerate their growth into high-level technical experts.



Key Performance

During the reporting period, a total of 139 internal employee transfers were conducted, including: 35 cross-organizational transfers and 104 parallel transfers within the same organization.

Employee Care

Innoscience is committed to creating an efficient, healthy, and humanistic work environment, placing employee well-being as a top priority. Through practical support measures, we provide assistance and care for employees in need. Additionally, we actively organize a variety of cultural and well-being activities to enhance employees' sense of belonging and happiness, strengthen team cohesion, and lay a solid foundation for a harmonious and inclusive corporate culture.

Employee Activities

▲ 2024 INNO Suzhou Football Game

▲ 2024 INNO Suzhou Badminton Game

Employee Support

"Cooling Relief in Summer" - The Innoscience union reached out to high-risk and high-temperature positions, distributing summer heat-relief supplies and providing health services for employees during the summer.

Female Employee Care

Innoscience strictly adheres to the Labor Law of the People's Republic of China and relevant regulations on female employee protection, providing eligible female employees with the corresponding leave and salary as per local regulations. We ensure gender equality and equal pay for equal work in career development. During maternity check-ups, maternity leave, and breastfeeding leave, employees receive their regular wages. Maternity leave employees are also given newborn blessing gifts. The Company has set up nursing rooms to facilitate breastfeeding employees. Additionally, on International Women's Day, we organize related events and distribute holiday gifts to female employees.

▲ Nursing Room

▲ Women's Health Seminar

Occupational Health and Safety

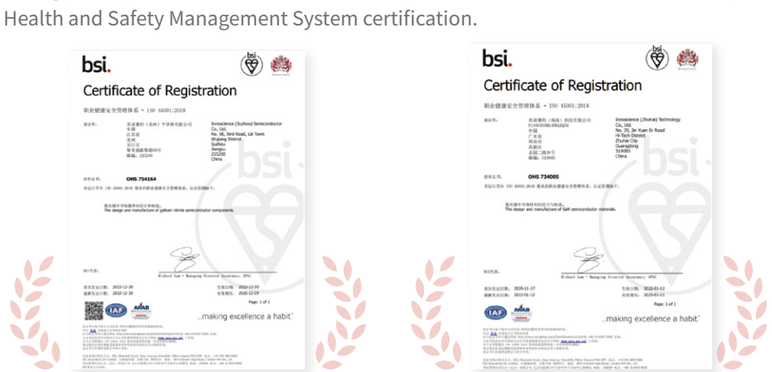
Innoscience adheres to the management policy of "full participation, prevention first, safety and health, compliance with laws and regulations, and continuous improvement" and is committed to establishing and improving its occupational health and safety management system. The Company places great emphasis on safety production, integrating it into all aspects of its operations to ensure comprehensive and systematic safety management. Through measures such as risk source inspection, risk assessment, safety information system construction, and regular health check-ups for employees, the Company provides a solid guarantee for the work environment and personal safety of its employees, continuously improving occupational health and safety management.

Management Mechanism

Innoscience strictly adheres to laws and regulations such as the Production Safety Law of the People's Republic of China and the Occupational Disease Prevention and Control Law of the People's Republic of China. The Company has established and improved various system documents, including the EHS and Fire Safety Responsibility System, Occupational Health Management System Objectives and Management Plans, and Occupational Disease Prevention and Control Management Procedures. The Company has set up an EHS Environmental Safety Committee, clearly defining the responsibilities of all employees in environmental health and safety (EHS) and fire safety. In 2024, all employees signed safety production responsibility statements to ensure accountability at every level.

The Company's General Manager is fully responsible for EHS and fire safety work. The EHS Department Manager assists the General Manager and, based on the actual management system, formulates occupational health, safety management, and fire safety goals in line with the management policies. The EHS Department Manager is responsible for overseeing the implementation process in each department, providing necessary support, and regularly organizing evaluations. The evaluation results are linked to executive compensation, clearly setting the standards for occupational health and safety management to ensure the effectiveness and continuous improvement of the management system.

During the reporting period, the subsidiaries Innoscience Suzhou and Innoscience Zhuhai both passed the ISO 45001 Occupational Health and Safety Management System certification.



ISO 45001 Occupational Health and Safety Management System Certification

Safety Production Targets and Plans

Targets	Achievement	Targets for the Next Year
The 2024 Company safety production/occupational disease prevention goal was zero safety production accidents and zero occupational diseases.	Achieved, the Company had no major safety production accidents in 2024.	Zero safety production accidents, zero occupational diseases. Strict control of all near-miss incidents and hidden risks, and conducting occupational hazard pre-job, on-the-job, and off-job health checks as required.

Key Performance

During the reporting period, the fatality rate of employees due to work-related causes was 0, the number of work-related injuries was 0, and the number of workdays lost due to work-related injuries was 0.

Risk Management

To strengthen the Company's safety production and occupational disease prevention management, and to clarify the requirements for identifying and assessing safety risks and hazards, the Company has developed the Hazard Identification and Risk Assessment Management Procedures and Risk Management System. The Company actively identifies hazards within the scope of its activities, assesses the occupational health and safety risk levels, and implements effective management and improvement measures. At the same time, the Company regularly organizes various EHS and fire safety inspections, promptly identifying potential hazards, implementing corrective actions, and preventing accidents from occurring.

Risk Identification

Through methods such as inquiries, discussions, and on-site inspections, the Company identifies and recognizes hazards in production operations.

Risk Assessment

The identified hazards are subject to qualitative and quantitative evaluation. The quantitative assessment uses the LEC method, categorizing risks based on factors such as the likelihood and frequency of accidents. Hazards with a risk level of grade three or higher are included in the Important Hazardous Sources List.

Risk Control Planning

Each department, based on its specific situation, first considers the principle of risk elimination and formulates appropriate control measures. The results of hazard identification and risk assessment are recorded in the Hazard Identification, Risk Assessment, and Risk Classification Control List.

Risk Monitoring

Each department is required to conduct hazard identification and occupational health and safety risk assessment at least once annually under the organization of EHS, and update the Hazard Identification, Risk Assessment, and Risk Classification Control List to ensure continuous monitoring of risks.

Key Performance

During the reporting period, Innoscience Zhuhai conducted 768 safety inspections, and Innoscience Suzhou conducted 802 safety inspections. The identified safety and occupational health hazards and issues were promptly rectified to ensure the safe and stable operation of production.

Safety Emergency Education and Training

In order to implement the Emergency Response Law of the People's Republic of China and the Regulations on the Management of Emergency Plans for Production Safety Accidents, prevent production safety accidents, and ensure timely control of the situation in the event of a major accident, the Company has developed the Production Safety Accident Emergency Plan. This plan clearly defines the responsibilities of each department in safety emergency management, aiming to minimize casualties, property damage, and social impact. The plan ensures that emergency rescue work is carried out quickly, orderly, and efficiently, providing strong support for the Company's comprehensive, coordinated, scientific, and sustainable production and business management.

The Company regularly organizes promotional education for emergency plans, spreading knowledge on the prevention, risk avoidance, self-rescue, and mutual rescue of production safety accidents. The effectiveness of the training is ensured through assessments that generate records.

Key Performance

During the reporting period, the Company held 39 safety education training sessions, with 18,143 participants, resulting in a training coverage rate of 97.34%.

Innoscience ERT Emergency Skills Competition



Contractor Safety Management

In accordance with the External Supplier Construction Safety Management Regulations, the Company ensures that contractors receive necessary training and assessments. All construction activities require prior safety evaluations and the submission of applications. Construction can only begin after the approval of the construction process.

Employee Health Protection

The Company has established control procedures such as the Occupational Health Monitoring Management Procedure and the Occupational Disease Prevention Management Procedure. Regular occupational health check-ups are conducted to detect and prevent potential health issues, ensuring a long-term periodic occupational health monitoring system for employees. Additionally, the Company has installed occupational hazard protection facilities, including mechanical ventilation systems and dust and toxin removal equipment, while providing employees with personal protective equipment.

Key Performance

During the reporting period, a total of 403 employees participated in occupational health and safety check-ups, with zero new cases of occupational diseases. The occupational hazard factor testing pass rate for both Innoscience Zhuhai and Innoscience Suzhou subsidiaries was 100%.

Employee Mental Health

The Company places great importance on employees' mental well-being and takes a proactive approach to preventing psychological issues through two key measures. First, it ensures open communication channels, fostering positive relationships between employees and management while cultivating a supportive work environment. Second, health centres have been established at both Innoscience Zhuhai and Innoscience Suzhou, offering psychological counselling and emotional support to all employees. Additionally, the Human Resources Department closely monitors employee well-being through one-on-one interviews and annual satisfaction surveys, providing timely psychological support when needed to safeguard employees' mental health.

Digitalization of Safety Management

The Company has developed and implemented the "IEHS Smart EHS Hazard Management Platform" and the "GMS System" to enhance safety management, risk control, and hazardous source management. By leveraging digital safety technologies, these platforms strengthen the Company's risk prevention framework and further improve overall safety management standards.

Fulfilment of Social Responsibility

Giving Back to Society

As a responsible corporate citizen, the Company is committed to integrating its corporate value with social value. By actively engaging in public welfare initiatives, charitable donations, and environmental protection projects in the communities where it operates, the Company contributes to the well-being and prosperity of society.

During the 16th Suzhou Sports Games, the Company actively fulfilled its corporate social responsibility by sponsoring the "16th Suzhou Sports Games Innoscience Cup Basketball Game". The Company donated RMB 100,000 to fully support the basketball events of the Games.

Key Performance

In 2024, the Company contributed RMB **100,000** to charitable initiatives, with a total donation of RMB **553,000** over the past three years.

"Cool Summer, Warm Care" – Innoscience's Summer Cooling Initiative

"Green & Beautiful Yongfeng" – Community Volunteer Tree-Planting Initiative

Supporting Rural Revitalization

Innoscience actively responds to the national "Rural Revitalization" strategy by participating in East-West collaboration initiatives. The Company engaged in support activities in Meitan County, Guizhou Province, strengthening cooperation between Doumen and Meitan to achieve common prosperity and development. In November 2024, Innoscience signed a support agreement with Maoping Ethnic Middle School in Meitan County, donating stationery and other supplies to support local education. This initiative aims to help outstanding students complete their studies successfully.

Future Outlook

The global power semiconductor industry presents both opportunities and challenges. As a leader in GaN chip manufacturing, Innoscience capitalizes on its IDM model and technological innovation. With its advanced 8-inch GaN mass production process and well-executed strategic positioning, the Company is poised for steady progress in the upcoming industrial transformation.

At the same time, guided by the national "carbon peaking and carbon neutrality" policy, Innoscience is adjusting its environmental goals in response to the evolving trends in the power semiconductor industry. With a focus on its business development and future plans, the Company is committed to advancing energy conservation and emission reduction initiatives while fully embracing the principles of sustainable development. By reducing energy consumption and exploring clean energy applications, Innoscience aims to become a benchmark for green manufacturing, contributing to the global semiconductor industry' s green transformation and sustainable growth.

With increasing attention from stakeholders on ESG issues, sustainability has become a central focus in business operations. As a long-term advocate, Innoscience actively incorporates ESG principles into its development strategy, corporate governance, and daily operations. Through technological innovation, green manufacturing, and a strong commitment to social responsibility, the Company fosters collaborative growth between its business and society.

Looking ahead to 2025, Innoscience will:

Operate with Integrity, Shaping a Shared Future

Innoscience remains steadfast in its commitment to integrity, continuously strengthening corporate governance, enhancing risk management, and upholding business ethics and compliance. By balancing technological innovation with stable operations, we aim to create lasting, sustainable value for our shareholders, customers, and society.

Advocate Green Manufacturing, Advancing a Low-Carbon Future

We will persist in implementing green development strategies, actively supporting the national "carbon peaking and carbon neutrality" strategy, and promoting sustainable growth through more efficient environmental management and innovative energy-saving and emission-reduction initiatives.

Uphold Innovation-Driven Growth, Building a Win-Win Future

Guided by our mission, "Technological Innovation Leads the Future", we will accelerate product and service advancements through continuous R&D. By strengthening supply chain collaboration, we aim to foster a mutually beneficial ecosystem with our customers and partners.

Regard Safety as the Foundation, Advancing Intelligence for the Future

We will reinforce information security, enhance core competitiveness, and establish a globally influential industry brand. By driving the sustainable development of the power semiconductor industry, we seek to propel technological advancements and industrial transformation.

Commit to Unity and Cooperation, Co-Creating the Future

With a people-centric approach, we will protect employees' rights, deepen democratic management, and prioritize workplace health and safety. We are committed to providing more opportunities for sustainable development and growth for our employees.

Fulfil Responsibility and Commitment, Building a Better Future

We will further fulfil our social responsibilities, actively engage in public welfare, and promote sustainable development in education, environmental protection, and other areas. Our aim is to create long-term value for our employees, society, and all stakeholders, contributing to the building of a better and more harmonious world.

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General Disclosure	GRI 2-23,GRI 3-3,GRI 204,GRI 308, GRI 414	Supply Chain Management
KPI B5.1	GRI 2-6	Supply Chain Management
KPI B5.2	GRI 2-23,GRI 3-3,GRI 308,GRI 414	Supply Chain Management
KPI B5.3	GRI 2-23, GRI 3-3,GRI 308-2, GRI 414-2	Supply Chain Management
KPI B5.4	GRI 3-3,GRI 308-1	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	GRI 2-27,GRI 3-3,GRI 416-1, GRI 417,GRI 418-1	R&D and Innovation Product Quality Management Optimizing Customer Service Information Security and Privacy Protection
KPI B6.1	GRI 416-2-b	Product Quality Management
KPI B6.2	GRI 2-26,GRI 2-29,GRI 418-1	Optimizing Customer Service
KPI B6.3	N/A	R&D and Innovation
KPI B6.4	N/A	Product Quality Management
KPI B6.5	GRI 418-1-c	Information Security and Privacy Protection

Aspect B7: Anti-corruption		
General Disclosure	GRI 2-27,GRI 3-3,GRI 205-2, GRI 205-3	Upholding Business Ethics
KPI B7.1	GRI 205-3	Upholding Business Ethics
KPI B7.2	GRI 3-3,GRI 205-2,GRI 205-3	Upholding Business Ethics
KPI B7.3	GRI 205-2	Upholding Business Ethics
Aspect B8: Community Investment		
General Disclosure	GRI 3-3,GRI 413-1	Fulfilment of Social Responsibility
KPI B8.1	GRI 203-1,GRI 413-1	Fulfilment of Social Responsibility
KPI B8.2	GRI 203-1	Fulfilment of Social Responsibility

Feedback Form

Dear Reader,

Thank you for taking the time to read the Report. We deeply value and welcome your feedback. Your insights and suggestions are crucial to our ongoing efforts to enhance corporate ESG disclosure and drive improvements in ESG management and practices. We appreciate and are grateful for any valuable comments you may offer.

1. How would you rate our overall ESG performance?
☐Excellent ☐Good ☐Average ☐Below Average ☐Poor

2. How would you rate the overall quality of this Report?
☐Excellent ☐Good ☐Average ☐Below Average ☐Poor

3. How do you assess our communication with stakeholders?
☐Excellent ☐Good ☐Average ☐Below Average ☐Poor

4. How do you assess our product responsibility?
☐Excellent ☐Good ☐Average ☐Below Average ☐Poor

5. How do you assess our performance in environmental, safety, and occupational health matters?
☐Excellent ☐Good ☐Average ☐Below Average ☐Poor

6. How do you assess our employee responsibility?
☐Excellent ☐Good ☐Average ☐Below Average ☐Poor

7. How would you rate our overall ESG efforts?
☐Excellent ☐Good ☐Average ☐Below Average ☐Poor

8. Do you have any comments or suggestions regarding our ESG efforts and this Report?

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You can contact us through the following methods:

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