

COWELL

Cowell e Holdings Inc.
高偉電子控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1415

2024

**ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT**



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About this Report

This report is the first Environmental, Social and Governance (“**ESG**”) Report separately published (it was previously published in the annual report) by Cowell e Holding Inc. (the “**Company**”), disclosing the Company’s ESG philosophy and policies as well as performance of the Company in 2024 in relation to ESG matters.



Reporting Period

This report is published on an annual basis and at the same time as the publication of the 2024 annual report of the Company (the “**Cowell 2024 Annual Report**”). This report covers the same reporting period of the annual report from 1 January, 2024 to 31 December, 2024. In order to enhance continuity and comparativeness of the report, certain content has been retrospectively and expansively included.



Title Description

For easier reference, “Cowell”, the “Group”, the “Company”, “we” or “us” collectively refer to Cowell e Holding Inc. in this report.



Reporting Principles

This report is prepared based on the principles of Materiality, Quantitative, Consistency, and Balance as required under the ESG Reporting Guide of the Listing Rules.

Materiality: based on the result of the ESG material issues evaluation as approved by the board of the Company (the “**Board**”), this report provides key reporting on issues that may have a significant impact on stakeholders and the Company.

Quantitative: data included in this report is gathered from formal documents, statistical reports and financial reports of the Company, as well as ESG information collected, consolidated and reviewed by the Company. Data in this report is based on the requirements or industry standards on survey and calculation of the People’s Republic of China (“**PRC**”). For instance, General Rules for Calculation of the Comprehensive Energy Consumption (GB/T2589–2020), General Rules for Water Statistics in Water-use Organization (GB/T26719–2022), Calculation Method for Pollution Discharge Volume at the Discharge Outlet of State Controlled Pollution Sources (H.B. [2011] No. 8), and Energy Statistical Reporting System (2021) (National Bureau of Statistics), etc.

Consistency: unless otherwise stated, no changes have been made to the statistical methods or KPI in this report, and no changes have been made to other relevant factors using any other influential data for comparison.

Balance: content of this report reflects objective facts and discloses indicators involving both negative and positive information.



Reporting Scope

This report includes Cowell e Holding Inc. and its subsidiaries, consistent with the reporting scope of the Cowell 2024 Annual Report.



Data Description

Data quoted in this report refers to final data as of 31 December, 2024. For more economic data, please refer to the Cowell 2024 Annual Report.



Basis of Preparation

This report is prepared in accordance with the requirements set forth in Appendix C2 of the (formerly known as Appendix 27) to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) — “Environmental, Social and Governance Reporting Guide”, with reference to the requirements under the GRI Sustainability Reporting Standards (GRI Standards) issued by Global Sustainability Standards Board (GSSB) and 2030 Agenda for Sustainable Development under the United Nations Sustainable Development Goals (SDGs). Content in relation to climate change has made reference to the Guidance on Climate Disclosures issued by the Hong Kong Stock Exchange.



Reporting Language

This report is published in Chinese and English, in case of any discrepancies, the English version shall prevail.



Accessibility

The Chinese and English version of this report is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.cowellholdings.com), available for download.

Chairman's Statement

Looking back to 2024, the acceleration of global climate change and technological innovation together form the core background of our corporate development. In light of the challenges from the external environment, we responded actively and explore opportunities. Adhering to our responsible development philosophy, we incorporated the Environmental, Social and Governance (“ESG”) philosophy into corporate operation in depth while striving for commercial value. Leverage on the assistance from the management team of the Company, the ESG management and effectiveness of the Company achieved outstanding progress in 2024 and we separately published the ESG report for the first time, reporting our practice, outcome and commitment on ESG to all stakeholders.

Promote the optimization of corporate governance and effectively enhance development resilience. In terms of ESG management, we established a completed ESG governance structure and organized an ESG management team directly led by the Board to comprehensively coordinate and promote specific ESG work. In 2024, we identified key issues through dual materiality issue analysis and developed specific improvement plans. In terms of risk management, we established a complete risk identification, evaluation and response system, covering management procedures on opportunities, internal audit and response, to ensure stable development of the Company in the complex and variable environment. In terms of commercial ethics, we uphold the principles of fair and transparent, strictly prohibit all forms of improper behaviors such as corruption and bribery. We strive to safeguard the positive image of commercial ethics and integrity operation, create sustainable commercial value for shareholders, customers and the community, fulfil social responsibilities, protect the environment, and promote harmonious community development.

We firmly put the environmental protection concepts into practice and actively implement green production. In terms of responding to climate change, we start from the bottom up and consolidate energy saving, emission reduction and environmental protection goals into production and operation. We formulated strategic measures and strategies that align with the Company's development, with an aim to lower carbon emission. We strive to optimize resources consumption, enhance energy efficiency through various innovative measures, reduce waste of water, reduce consumption by gradually using more recycled materials, reduce mine exploitation, with an aim to maximize efficiency in the use of resources. In terms of solid waste disposal management, we strictly controlled solid waste disposal, wastewater and exhaust gas emission, to ensure the Company's impact on the environment is lowered to the minimum level. In terms of promoting clean production, we strive to materialize positive interaction between economic development and environmental protection by ways of advanced technologies and management measures, including increase the use of recycled materials during the process and reduce the use of hazardous chemicals.

We adhere to the synergies of the whole value chain, cooperate to create mutual values. In terms of AI manufacturing, we consider AI driven technology as the core strategic engine for the Company's digital transformation. Leverage on AI technologies, we reconstructed the “production-management-decision” whole value change to create a new industry model of “data defined manufacturing, algorithm driven future”. In terms of product quality, we formulated a comprehensive quality management system and constantly improve product quality with the support from various parties. We strengthened product quality awareness of all staff to create greater value for our customers in actions. In terms of supply chain management, we actively established a transparent and effective supply chain management system and strictly conducted responsible mineral procurement to ensure every link in the supply chain meets high ESG standards, promote green transformation of the industry chain and achieve win-win development. The Company strives to materialize stable and long-term cooperation with all parties, such as suppliers and customers.

We firmly safeguard interests of our staff and demonstrate care for humanity. We stringently comply with labour law and regulation, enter into standardized labour contracts with staff to ensure their legal rights are fully protected. We offer competitive remuneration and benefit packages to our staff and fully leverage on our staff's enthusiasm and creativity by ways of performance-based awards and share options, and/or awards, etc.. We have also formulated a comprehensive employee training and development system to provide rich learning opportunities and wide range of career development, which in turn assist employees to materialize personal value and organic consolidation of the Company's development. Meanwhile, we emphasize the physical and mental health of our staff. Through all types of cultural activities and provision of livelihood protection, we create a warm and harmonious working environment for all staff and pass on love and care.

In 2024, Cowell's achievement in ESG is definitely recognizable, yet we are aware that this is just a new start. In 2025, we will continue to adhere to the responsible development philosophy, deepen ESG management and enhance the Company's sustainability. We will further strengthen communication and cooperation with stakeholders, listen to the advice and recommendation from all parties and constantly optimize our ESG practice. We will deploy more resources into environmental protection, energy saving and social charity, with an aim to create greater value for the community. We believe that with the support from all stakeholders, Cowell will definitely move forward on the sustainability aspect and create a better future.

Mr. Meng Yan
Chairman of the Board



Knowing Cowell

General Information of the Company

Our Group was listed in Hong Kong in March 2015 (stock code: 1415). We are a large High-New Technology Enterprise and a world leading supplier of delicate optical modules for electronic mobile devices. We engage in the design, development, manufacture and sale of a variety of modules and systems integration products that are applied in smartphones, multimedia tablets, smart driving and other mobile devices of internationally-renowned brands.



Factory Floor Plan of Dongguan Cowell Optic Electronics Co., Ltd., one of the principal subsidiaries of the Group

Corporate Culture



Mission

Committed to advanced technologies to materialize dreams of global partners



Vision

Become the most trustworthy solution provider for global customers



Core Values

Satisfying clients: to satisfy our client is a way to achieve self-satisfaction

Mission accomplished: missions are to be accomplished regardless of our condition, if no satisfying condition in place, create the condition

Continuous innovation: turn innovation into a habit and instinct

Together as one: progress together based on trust, knowing your partners always have your back

Self driven growth: self materialization and value creation both ride on growth



Corporate Awards



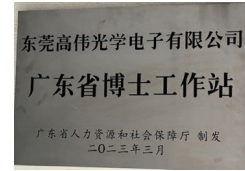
AEO Certified Enterprise Certificate

Huangpu Customs
of the People's Republic of China



High-New Technology Enterprise

Guangdong Science and Technology Department
Department of Finance of the Guangdong Province
State Taxation Administration
Guangdong Provincial Taxation Bureau



Guangdong Provincial Doctoral Workstation

Guangdong Provincial Human Resources
and Social Security Department



2024 Investment Elite Project of Global Merchants in Guangdong-Hong Kong-Macao Greater Bay Area

The People's Government of
Guangdong Province



Skilled Master Workshop

Dongguan Human Resources and
Social Security Department



Vocational Skills Certified Enterprise

Dongguan Human Resources and
Social Security Department



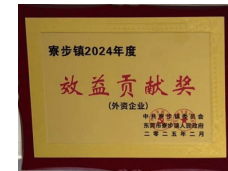
Intelligent Factory

Dongguan Ministry of Industry and
Information Technology



2024 Liaobu Outstanding Import and Export Enterprise

Liaobu Committee of the Communist Party
of the PRC
People's Government of Liaobu Dongguan



2024 Liaobu Efficiency Contribution Award

Liaobu Committee of the Communist Party
of the PRC
People's Government of Liaobu Dongguan



2024 Liaobu Advanced Principal Business Award

Liaobu Committee of the Communist
Party of the PRC
People's Government of Liaobu Dongguan



2024 Liaobu Model Individual Dedicated to Fire Safety Public Welfare Undertakings

Liaobu Fire Safety Committee

ESG Governance

Table of Communication Between Stakeholders

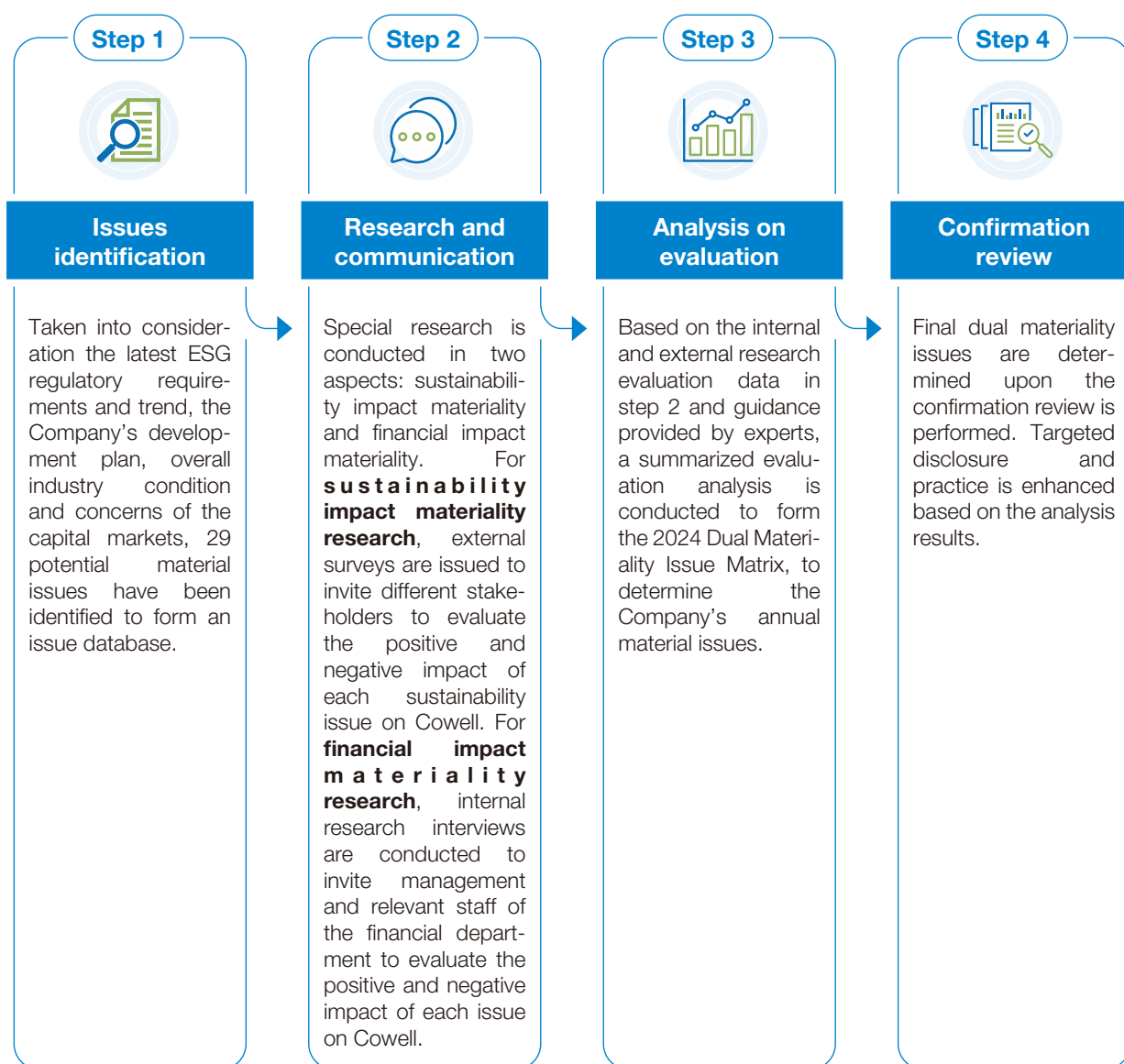
In order to systematically organize and identify substantive issues, we refer to relevant guidance and standards and national macro policies, combined with the Company's business characteristics and actual operations, and identify 8 types of major stakeholders. We continue to optimize the diversified communication system, to ensure the expectations and concerns of all parties are actively consolidated into the Company's strategic plans and management practices.

Type of Stakeholders		Issues of Concern	Communication Channels
	Government and Regulatory Authorities	Environmental management system, emissions management, water resources management, energy management, climate change response, employee rights protection, corporate governance, business ethics, information security and privacy protection	<ul style="list-style-type: none"> • under supervision • unscheduled communication and reporting • participation in related meetings • survey
	Shareholders and Investors	Corporate governance, sustainability management, shareholder rights protection, risk management, environmental management system, energy management, climate change response, clean technology opportunities, renewable energy use, technological innovation	<ul style="list-style-type: none"> • multi-channels information disclosure • shareholders' meeting • telephone conference, email etc. • survey
	Customers	Supply chain management, product quality, hazardous substance management, information security and privacy protection, customer service	<ul style="list-style-type: none"> • customer satisfaction survey • daily communication and regular meetings with customers • regular audit on customers • survey
	Suppliers	Circular economy, supply chain management, conflict mineral procurement, business ethics, information security and privacy protection	<ul style="list-style-type: none"> • supplier meetings • onsite audit • supplier trainings
	Employees	Employee rights protection, employee training and development, occupational health and safety, employee care, information security and privacy protection, chemicals safety management	<ul style="list-style-type: none"> • employee satisfaction survey • employee feedback • employee activities and trainings • employee communication meeting
	Industry Partners	Industry development, business ethics, information construction, automation construction, technological innovation	<ul style="list-style-type: none"> • industry exchange meetings • business communication visits • multi-channels information disclosure
	Community	Environmental management system, emissions management, water resources management, climate change response, community involvement	<ul style="list-style-type: none"> • multi-channels information disclosure • complaint hotline • survey • volunteering activities
	Public Media	Environmental management system, emissions management, water resources management, climate change response, renewable energy use, circular economy, community involvement, sustainability management	<ul style="list-style-type: none"> • multi-channels information disclosure • interviews • survey

Substantive Issue Analysis

Cowell combines the latest international disclosure standards and updated evaluation methods to conduct its first dual materiality assessment. Based on the previous materiality assessments, a financial perspective is incorporated and perspectives of various departments and stakeholders are fully incorporated to comprehensively analyze the impact of ESG issues on the Company's finances, economy, environment and social aspects. In this report, we provide focused responses to 23 material issues.

Dual Materiality Assessment Method





Environmental issues	1	environment management system	2	emissions management	3	water resources management
	4	energy management	5	climate change response	6	clean technology opportunities
	7	renewable energy use	8	circular economy		
Social issues	9	employee rights protection	10	employee training and development	11	occupational health and safety
	12	employee care	13	supply chain management	14	conflict mineral procurement
	15	product quality	16	hazardous substance management	17	information security and privacy protection
	18	customer service	19	community involvement	20	technological innovation
	21	chemicals safety management	22	industry development	23	information construction
	24	automation construction				
Governance issues	25	business ethics	26	compliance and risk management	27	sustainability management
	28	shareholder rights protection				



1 Strong Foundation for Compliance

Strong Foundation for Compliance

Corporate Governance

Cowell firmly believes that an optimized corporate governance structure and a highly efficient Board is the foundation to outstanding corporate governance. We stringently comply with the laws, regulations and regulatory requirements of the places of operation. We constantly optimize the corporate governance system, actively implement various regulatory policies and best practices. Through constant improvement on the governance system, strengthening of the Board functions and promotion of diversified construction, a solid foundation is laid for the Company's sustainability to create long-term values for our shareholders.

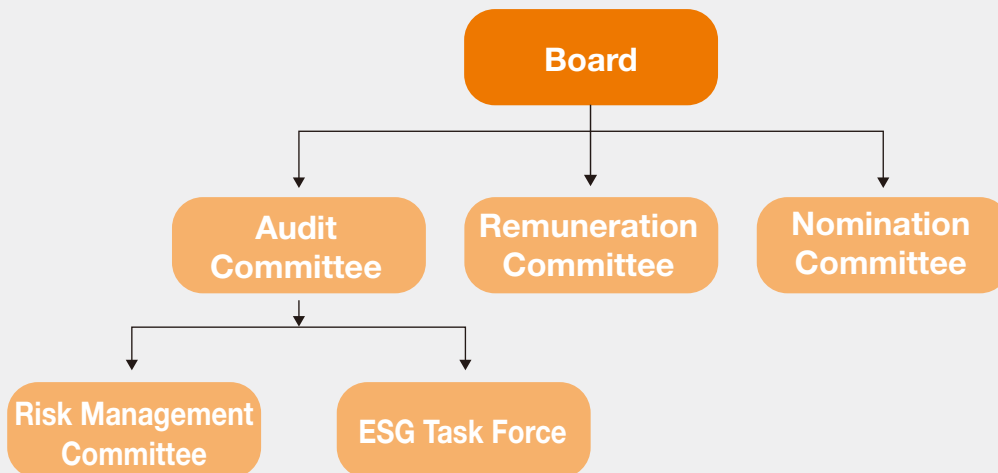
Governance Structure

We have established a governance structure with the Board as its core, including the formulation and monitoring of the Company's long-term strategies and policies, review of financial results, approval of annual budget, monitoring and review of the internal control and risk management system. All material issues of the Company's corporate governance system, including responsibilities assumed and safeguarding of core values of the Company, are subject to the Board's approval, and the Board reserves the rights to resolve those issues.

In order to monitor specific matters of the Company, the Board has established three Board committees, i.e. Audit Committee, Remuneration Committee and Nomination Committee. The Board has delegated responsibilities to each Board committee as stated in the respective terms of reference. For details on the specific terms of reference, please refer to the Cowell 2024 Annual Report. The independent non-executive directors of each Board committee contribute respective experiences and expertise to the Board committee and provide objective views.

For detailed information on corporate governance, please refer to the Cowell 2024 Annual Report.

Board Structure of Cowell



Board Governance

Under the backdrop of an increasingly complex business environment, a sound Board governance structure and diversified management has become an essential factor to the Company's sustainability. We optimize Board governance in terms of governance structure improvement, operation mechanism improvement and members diversification, with an aim to create long-term values for our shareholders.

- Board governance structure and operation mechanism**

The Board comprises of 7 members, including 2 executive directors, 2 non-executive directors and 3 independent non-executive directors, which is in compliance with the requirements for independent non-executive directors under the Listing Rules.

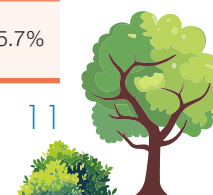
The Company has established a complete system for meeting and decision making. During the reporting period, we stringently complied with the Listing Rules when holding meetings of the Board and other specific committee meetings. The review and supervising functions of professional committees are fully demonstrated during the decision making process for material matters. The Directors Continuous Development Plan has been implemented and professional training courses have been organized regularly to enhance the duty performing abilities of directors (for details, please refer to the Cowell 2024 Annual Report).

- Management on Board Members Diversification**

A diversified Board could bring more comprehensive perspectives and views, which in turn increases the governance effectiveness of an enterprise. The Nomination Committee has adopted the Board Diversity Policy. Under such policy, the Company, with the assistance of the Nomination Committee, will consider a number of factors in the selecting process for Board members, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, independence, skills, knowledge and length of service. The selection criteria adheres to the principle of professional ability and strategic contribution. Sets out below is the information of our board members in terms of gender, age and expertise and professional experience for reference:

Basic Information of the Board Members

		No. of members	Ratio
Gender	Male	5	71.4%
	Female	2	28.6%
Age	31–40	1	14.3%
	41–50	1	14.3%
	51–60	5	71.4%
Expertise and professional experience	Financial management	4	57.1%
	Operation management	5	71.4%
	Capital market	4	57.1%
	Risk management	2	28.6%
	Strategic planning	2	28.6%
	Supply chain management	1	14.3%
	Electronic industry and other relevant industry experience	6	85.7%



Business Ethics

Cowell upholds a fair and transparent operation, strictly prohibits all corruption, extortion, misappropriation and bribery actions. The Company requires all operational activities and staff to stringently comply with domestic and foreign laws and regulations on anti-corruption. It is determined to safeguard business ethics and integrity operation, constantly improve its corporate governance to create long-term values for shareholders, customers and the community.

Establishment of the Anti-Corruption System

Cowell perceives anti-corruption as a core element of corporate governance, strictly complies with the Hong Kong Prevention of Bribery Ordinance and relevant PRC regulations on anti-corruption and have incorporated such principle into the Company's Code of Conduct. The Company has established a comprehensive anti-corruption system, which explicitly prohibits any forms of corruption, extortion and misappropriation. In particular, employees are prohibited from bribing public servants in business transactions or providing illegal benefits directly or indirectly.

- **Gift management:** employees are prohibited from giving or receiving gifts with any monetary value, to eliminate the possibility of transfer of benefits.
- **Restrictions on external interactions:** employees participating in activities (such as catering events) with suppliers or external related parties must obtain prior approval to ensure interactions are transparent and compliant.
- **Prevention on conflict of interest:** employees are prohibited from taking advantage of the Company's business opportunities to gain personal benefits, to avoid influenced/partial decisions and conflict of interest.
- **Training and promotion:** all directors and employees have to participate in the annual "anti-corruption" training, to enhance compliance awareness and legal knowledge.

Key Performance

In 2024, there were no concluded litigation cases against the Company or employees, and no corruption-related reports were received. There have been no incidents of bribery, extortion, fraud or money laundering that have a significant impact resulting from violation of anti-corruption laws and regulations.

We have formulated a comprehensive whistleblowing policy, with an aim to provide a safe and smooth channel for employees and other stakeholders to report any suspicious misconduct or fraud. The Company is committed to strictly protecting whistleblowers and ensuring that they will not suffer any form of retaliation for reporting.

• Whistleblowing channels and anonymous mechanism

Multi reporting channels

The Company has established various channels for communication and reporting, including but not limited to hotline, email and online reporting platform, to ensure convenient submission of information by whistleblowers.

Anonymous complaint

In order to protect the privacy of whistleblowers, the Company offers an anonymous reporting mechanism, allowing whistleblowers to raise concerns without disclosing their identities, eliminating their worries about reporting.

• Whistleblowers protection measures

Confidentiality

The Company strictly keeps the identity of whistleblowers and content of the report confidential, and only authorized personnel shall have access to relevant information to ensure the confidentiality of the information reported.

No retaliation

The Company explicitly prohibits any retaliation against whistleblowers and will take severe disciplinary action against violators.

Handling of malice reporting

In terms of false reports involving malice slander or defamation, the Company will pursue relevant responsibilities in accordance with laws and regulations to maintain the fairness and seriousness of the whistleblowing mechanism.

Establishment of an Integrity Culture

In order to create an upright, honest and law-abiding work environment and cultivate an integrity and efficient corporate culture, the Company's Disciplinary Committee regularly distributes the "Integrity Notification Letters" to all employees. Regular reminders serve as a warning to prevent employees from violating integrity regulations due to negligence or ignorance, and to reduce the occurrence of violations.

Anti-corruption training is carried out on a regular basis, and business ethics training courses are included in new employee induction training and promotion training. In addition, specific anti-corruption training is carried out on an irregular basis to enhance employees' awareness, promote corporate governance operation and effectively deliver the Company's operation philosophy. 4 anti-corruption trainings have been conducted in 2024.



Trade Secrets Protection

Cowell places great emphasis on trade secrets protection and considers it an important part of the Company's core competitiveness. The Company requires all employees to stringently comply with trade secret protection regulations during their tenure and upon resignation to ensure the security of confidential information of the Company and third parties.

Employee Confidentiality Obligations

During their tenure

Employees bear confidentiality obligations towards all of Cowell's production and operation data. They shall not disclose or provide any confidential information to external parties or internal personnel not related to confidential information without the Company's permission.

Resignation management

Upon employees ceasing their employment, they must immediately return or destroy all work materials and guarantee to continuously perform confidentiality obligations on confidential information, until the Company officially declassifies such information or when such information has been otherwise made available to the public.

Protection of third party trade secrets

Employees shall not infringe on trade secrets of any third party. They are prohibited from using third party trade secrets or operational information in Cowell to ensure the legality and compliance of the Company's business activities.

Risk Management

Under the backdrop of a complex business environment, a sound risk management has become an essential factor to the Company's sustainability. Cowell comprehensively identifies, evaluates and responds to operation via systematic risk and opportunity management, rigorous internal audit mechanism and efficient emergency management system, to ensure business continuity and stability and create long-term values for stakeholders.

Risk and Opportunity Management

Cowell has established a comprehensive risk management system to identify, evaluate and response to the risks and opportunities faced by the Company during production and operation. Based on the comprehensive consideration of the impact of external environment, internal operation and stakeholders, the Company has formulated effective risk control measures to regulate and avoid risks, eliminate risks at source, reduce the possibility and outcome of the risks. Meanwhile, the Company is actively exploring development opportunities to promote sustainable business growth.

- **Risk identification and evaluation**

Scope of risk identification: During the risk identification process, emphasis is placed on the external environmental risks, production risks, product quality related risks, post product delivery service risks, raw material procurement risks and other risks which may lead to process failure.

Standards of risk evaluation: Quantitative evaluation method is adopted to consider the materiality of the potential risks and the damages they may cause, including but not limited to the risks of violation of laws and regulations and product standards and clients' request, potential personal injuries and property loss, and possibility of product recall and damages to the corporate image, etc..



- **Management procedures and measures**

Protection mechanism: Core management procedures are in place to ensure systematic and standardized risk management, for instance the “Rules on labour and ethical risk assessment”, “Procedures on hazard source identification and risk assessment management”, “Procedures on laws and regulations identification and compliance evaluation management” and “Procedures on environmental factor identification and evaluation management” etc..

Continuous improvement mechanism: Regular identification and assessment is carried out on the Company's operational risks to ensure the suitability and effectiveness of the Corporate Social Responsibility (CSR) management system. It is to ensure that the Company's operation always complies with the national regulations, international standards and customers' requests.

- **Opportunity management**

The Company improves operational efficiency by adopting innovative practices and technologies, launches new products to meet market demand, explores new markets to expand customer base, establishes strategic partnerships to enhance competitiveness, leverages on new technologies and other favorable conditions to address the requests from organizations and customers, actively grasps developmental opportunities and drives sustainable business growth.

Internal Audit Management

Cowell has established various systems such as “Procedures on internal audit management” and “Rules on CSR internal audit management”, to ensure the Company's operation comply with the laws and regulations, customers' demand and internal policy by performing systematic internal audit, with an aim to provide basis for continuous improvement on management system and performance, to ensure effective operation of the system.

- **Internal audit implementation mechanism**

Organization and responsibilities: Management representatives are responsible for reviewing and approving the CSR internal audit plans and appointing the leader of the internal audit team. Internal audit team leader is responsible for organizing the audit team, notifying departments being audited, leading the audit work, issuing reports on the unqualified items and preparing the audit report within 5 business days after the audit is completed.

Requirement and scope of audit: Internal auditors shall not audit their own business, and have to be familiar with the Company's operating procedures, laws and regulations, and auditing techniques. Audit aspects include labour, ethics, environment, health and safety, as well as management commitment and management systems. Scope of audit includes production facility, equipment, facilities, warehouses, security, dormitories, canteens and other related areas and personnel.

Frequency of audit and auxiliary methods: The Company conducts full CSR internal audit at least once a year and the audit may be performed more frequently if needed. Customers or third party audits maybe used as auxiliary method for the system operation evaluation.

- **Audit on suppliers and sub-contractors**

In order to ensure supply chain compliance, the Company regularly evaluates the operational performance of subcontractors and subordinate suppliers, and effectively manages labour dispatch agencies and intern schools in accordance with legal and customer requirements, including qualification audit, due diligence, regular audit and establishment of business suspension or termination procedures.



- **Special project audit**

Upon customers' requests, the Company carries out special project audits such as security, environment, health and safety, fire safety, chemicals management, water resources management, dust prevention, greenhouse gas emissions and carbon footprint.

- **Non-compliance management and constant improvement**

Handling of non-compliance matters: Unsatisfied demands are deemed non-compliant, including environmental health and safety accidents, labour disputes, employee complaints, disciplinary violations and audit issues. Each department shall formulate corresponding handling procedures for non-compliant issues within their scope of responsibility and clearly list out the time limit for improvement. In case of resources or implementation limitation, improvement plan by stages is required, which is to be completed within a maximum of 3 months.

Remedy and preventive measures: The "Procedures on Remedy Measures management" has been formulated, targeting the issues discovered during internal and external audits, and evaluation and inspections, and ensuring remedy measures are adopted in a timely manner. Preventive measures are formulated to eliminate the reasons for non-compliance. Audit team leader is responsible for keeping track of the implementation of such remedy measures and management is responsible for confirming its effectiveness.

Performance monitoring and improvement: The Company continues to improve its social responsibility system and corporate governance performance through process monitoring, measurement and evaluation, combined with internal and external audits, management reviews, training and communication.

Emergency Management

Cowell has formulated the "Procedures on Emergency Preparation, Response and Recovery Management", with an aim to safeguard properties of the Company and personal safety of employees to the largest extent. Meanwhile, we take into full consideration factors such as social environment, public order and coordination of external emergency resources, to reduce the risks caused by accidents, in order to quickly and effectively respond to emergencies, prevent or reduce possible accompanying environmental impacts, and to provide a solid guarantee for the implementation of the Company's strategic plan and the satisfaction of customer needs.

Procedures on Emergencies Handling

Prevention and preparation

Establish a comprehensive emergency plan and state the responsibilities and response procedures of each department. Regularly conduct emergency drills to improve employees' ability to respond to emergencies.

Quick response

Ensure emergency mechanisms are instantly activated during emergencies and take effective measures to prevent worsening of the situation.

Restoration and improvement

After the incident is being handled, promptly assess the impact and implement restoration measures, conclude on the experiences and lessons learned to optimize emergency management procedures.



Emergency Drill

In 2024, we have conducted a total of 18 emergency drills.

Emergency flood prevention drill
4 May, 2024



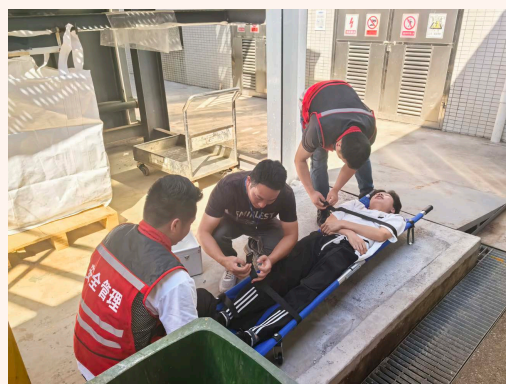
Emergency food poisoning drill
20 June, 2024



Chemicals leakage emergency drill
22 June, 2024



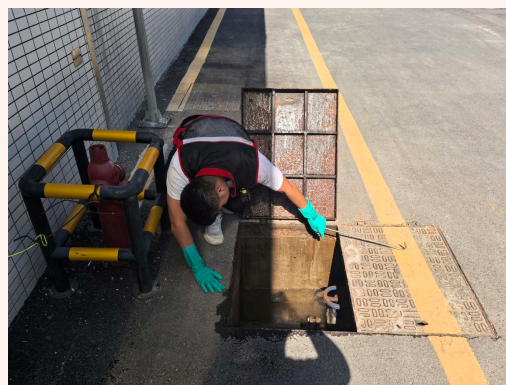
Heat stroke emergency drill
27 June, 2024



Mechanical injury emergency drill
10 July, 2024



Environmental accident emergency drill
20 September, 2024



Cardiac arrest emergency drill
8 October, 2024



Fire evacuation emergency drill
1 December, 2024

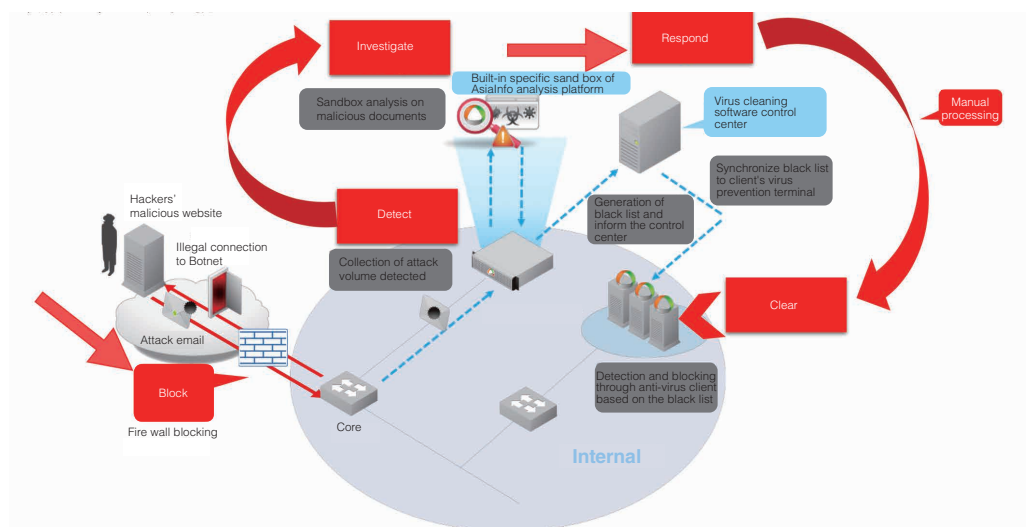


Information Security

Cowell has established a comprehensive information security management system, covering 4 major aspects: terminal security, network security, server security and data security. Through a combination of technical measures, management systems and employee training, we ensure the security, integrity and availability of the Company's information assets provide a solid guarantee for business operations, while fulfilling corporate social responsibilities and maintaining trust from our customers and partners. The Company passes annual supply chain audit of customers, including Supplier Infrastructure (PIR) and Information Security (AIS).

Terminal security management

Anti-virus software is installed, real time scanning is implemented and weekly virus clean-up is performed regularly. Bugs in the operation system is fixed at a timely manner to ensure the security of the systems. Strict account security policies are implemented, including mandatory 90-day password changes, strong password policies, disabling historical passwords, and three-incorrect-entry lockout mechanisms. User training is enhanced, including new employee induction training and quarterly assessment. Terminal activities are audited and recorded to detect and tackle threats in real time. Terminal access security management is adopted and real-name authentication is required for network access.



- **Network security management**

Two-factor authentication is adopted for material systems to enhance user identity authentication security. Network intrusion prevention system is in place to interfere real time intrusion activities and raise the alarm. A zero-trust virtual private network (VPN) for remote working is implemented. Minimum access is allowed and access to the terminal have to undergo environmental detection. Sector isolation firewall is installed to filter and clean up abnormal traffic. Threat detection system detects intranet breaking, extortion and other behaviors in real time, reports such issues and order inspections and clean up in a timely manner. The emergency response plan covers incident detection, assessment, containment, elimination and recovery.

- **Server security management**

The server operating system, intermediate hardware and database are regularly updated and non-operating service system is terminated. Minimum installation principle is adopted to reduce exposure. External port of the server is minimized to reduce the risk of network exposure. Server password is regularly changed and high security password strategy is adopted. Anti-virus software is installed in the server, real time scanning is implemented and weekly virus clean-up is performed regularly. Real time server warning is issued through the monitoring platform and daily log is collected in a unified manner. Access to the server must go through a secured base machine and real-name authentication, authorization and audit records are implemented. Server data backup is performed regularly.

- **Data security management**

Outgoing emails are reviewed and recorded. Removable media (such as USB flash drive) is prohibited to reduce data leakage risk. Internet access is restricted to the minimum level, tools such as Netdisk, Wechat and remote control are prohibited. Terminal computer screen watermark and print watermark are set to prevent screenshots and photo taking. Terminal computer operation behavior is recorded to facilitate subsequent traceability. Regular backup is performed on material systems, multiple copies and offline storage is adopted to prevent blackmail and tampering.

- **Training and advertisement**

We have implemented new employee induction and quarterly information security assessments for all employees, and regularly updated the assessing questions. Through continuous training and promotion activities, we will enhance the safety awareness of all employees and strengthen their sense of safety responsibility. We regularly circulate notices to all employees to share anti-phishing and anti-extortion measures and cases.

Key Performance

No information security incidents occurred throughout 2024 and production activities were not affected.

We have successfully identified and solved 9 phishing attacks, proofing the effectiveness of the defense mechanism.

Traditional remote office VPN is upgraded to zero-trust access control to achieve refined access rights management and reduce network risks.

Honeypot system has been deployed to successfully trap and analyze potential threats and predict security risks in advance.

The bug scanning platform strategy has been optimized, scanning tasks are executed automatically and reports are generated on a monthly basis, improving management efficiency and response speed.



Investors' Interests

Since its listing, Cowell has always considered the protection of investor interests as one of the core tasks of corporate governance. The Company strictly complies with requirements under relevant laws and regulations, normative documents and the Articles of Association. Combined with the actual situation, we have formulated a specific investor relations management system and committed to building a complete investor interests protection system. By strengthening communication between the Company and investors, the Company has established a well-functioning interactive platform, continuously improved the governance structure, effectively protected the legitimate rights and interests of investors, and promoted the long-term, stable, and harmonious relationships between the Company and investors.

- **Communication channels**

The Company maintains close interaction with investors through diversified communication channels, including but not limited to: regularly publishing financial reports and ESG reports, holding online and offline investor exchange meetings and general meetings, setting up dedicated email for investors, and timely disclosing major information through official websites and announcement platforms.

- **Information disclosure mechanism**

The Company accurately records information related to business activities, labour rights, health and safety, and environmental practices, and discloses it in an honest and transparent manner to all relevant parties where applicable to ensure the authenticity and completeness of the information.





2 Environmental Protection Drives Development

Environmental Protection Drives Development

Environment Management System

Cowell strictly complies with environmental protection related laws and regulations such as The Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on Environmental Impact Assessment and Energy Conservation Law of the People's Republic of China, etc. The Environmental Protection, Occupational Health and Safety (EHS) department is responsible for obtaining, updating and complying with all necessary environmental permits. It also conducts annual review and periodic reporting as required. Based on the "Procedures on Environmental Factor Identification and Evaluation Management" and "Procedures on Environmental and Occupational Health and Safety Monitoring and Measurement Control", the Company identifies and evaluates environmental factors in the Company's activities, products and services, specifies evaluation methods, identifies major environmental factors, and formulates improvement plans to control the adverse effects on the environment and sustainability, and continuously improves environment management performance.

Environmental policy

It is our environmental policy to comply with the regulations, save energy and reduce consumption, protect the environment, and continuously improve.

System establishment

Cowell has established a comprehensive environment management system based on the requirement under the ISO14001 Environment Management System to ensure its effective operation. As of the publication of this report, the ISO14001 third party certification rate of the Company and its subsidiaries reaches 100%, ensuring all operating entities comply with international environment management standards.



Note: Dongguan Luxsense Innovation Electronics Limited ("Luxsense") and Luxcolight Optics (Dongguan) Company Limited (立高光学(东莞)有限公司) ("Luxcolight") are subsidiaries of Dongguan Cowell Holdings (东莞高偉控股), as detailed in Cowell 2024 Annual Report

Environment Monitoring and Information Disclosure

The Company conducts regular environment monitoring to ensure that various environmental indicators comply with regulatory requirements and discloses relevant information in a timely manner to maintain transparency.

Environmental Audit

In order to ensure the effectiveness of the environment management system, the Company conducts annual internal audit and management reviews, and invites third party certification agencies to carry out supervision and audit. The Company conducts full coverage certificate renewal audit every three years. The audit covers management review, internal audit, non-compliance handling, risk response, target planning and compliance, to ensure the suitability, adequacy and effectiveness of the system. In addition, the Company regularly organizes training for auditors within the environment management system. During the reporting period, a total of 46 staff obtained relevant certifications, and a total of 3 environmental protection special inspections were carried out to further strengthen environment management.

Climate Change

The Company is well aware of the potential consequences brought about by climate change, and therefore it is important for us to respond to the climate change-related issues that may impact our business operations.

More frequent extreme weather events, for instance, typhoons, rainstorms and flooding, could interrupt our capability in delivering products to our customers. Meanwhile, as the international community is increasingly concerned about climate change, countries have been actively negotiating and various protocols and agreements are entered into in that regards. Keeping abreast of changes and developments in policies on climate change and mitigation of its effects could also potentially increase costs and legal risks in our daily operations.

Achieving carbon peak and carbon neutrality is an extensive and profound economic and social systemic revolution. Cowell actively responds to the national “dual carbon” strategy, incorporates carbon emission reduction targets into the Company’s long-term development strategy. Cowell actively promotes carbon emission reduction by optimizing the governance structure, formulating clear strategies, strengthening risk management and setting quantifiable indicators.

Direct Emission (Scope 1)

greenhouse gas emission **1,229.81** tCO₂

Indirect Energy Emission (Scope 2)

greenhouse gas emission **94,308.19** tCO₂

Note: Data are not comparable with those of previous years due to the optimisation of review method in 2024 by adopting the ISO14064 standard for review

• Governance

Cowell has adopted multiple measures to effectively reduce the consumption of energy, water and natural resources, reduce greenhouse gas emissions (GHG) and carbon footprint, and at the same time reduced water consumption. The Company’s production department implements reduction and replacement measures to minimize the use of hazardous material, records the hazardous types and quantities of raw materials, and strictly implements the identification and prevention regulations on prohibited materials.



The Company places emphasis on sustainable design of products, ensures that products are easy to reuse, repair or recycle, saves packaging materials to reduce waste, and encourages consumers to achieve sustainable consumption. In order to standardize the statistics and calculation methods of greenhouse gas emissions and improve the accuracy and reliability of data, the Company formulates “Greenhouse Gas Management Specifications” and “Rules on Energy and Resource Management” to ensure that energy saving and emission reduction work are regulated by protocols.

Cowell has established a comprehensive ESG governance structure, gradually achieved the “dual carbon” target and materialized climate change response.

The Board: as the highest decision-making body for ESG governance, it incorporates climate change related risks and opportunities into the scope of supervision.

General manager: coordinates sustainability matters, and is responsible for the identification, analysis and management of climate risks, supervises the implementation of climate change response by various departments, and regularly reports to the Board.

Execution level: the ESG Management Center and EHS departments leads the carbon reduction project, and the ESG taskforce is responsible for the specific implementation and daily management of carbon management of the project.

- **Strategy**

In response to climate change, Cowell actively carries out energy saving and emission reduction work, improves energy utilization efficiency, and reduces greenhouse gas emission. Specific strategies include:

Greenhouse gas check

We conduct annual greenhouse gas check in every factory site, regularly monitor the emission reduction results, evaluate the completeness of emission reduction projects, and promptly identify and repair defects.

Solid waste management

We strengthen solid waste monitoring and proper disposal, and encourage suppliers to use recyclable packaging materials.

Energy and resource efficiency improvement

We continue to improve energy and resource utilization efficiency and increase the ratio of green energy.

Long-term strategy consolidation

We incorporate environment, climate and energy management into the Company's long-term development strategy, concern and collect information on relevant topics on a regular basis, and report to the Audit Committee.

Energy related education and training

We offer green energy and dual carbon management training, as well as energy saving technology training. During the reporting period, 62 employees participated in the management courses and 34 employees participated in the technology courses.



- **Risk management**

Cowell incorporates climate change risk into the Company's general risk management system, identifies short-term, medium-term and long-term climate change risks and opportunities, formulates corresponding response measures, and ensures the Company's sustainability in the backdrop of climate change.

- **Index and targets**

Cowell performs a comprehensive carbon check on the Company and its subsidiaries in 2024, establishes a carbon emission index system and collects emission source index data on a regular basis. Meanwhile, based on the Company's 2023 and 2024 carbon check data, the Company's current development, external environmental policy and the relatively mature carbon reduction target setting methodology, we set the Company's emission reduction targets.



Optimize Resources Utilization

In order to effectively allocate and utilize energy and resources, improve utilization rate, and reduce the wasting of available energy and resources, the Company has formulated the “Rules on Energy and Resource Management” and other institutional documents, which explicitly state the responsibilities and requirements of each department in terms of energy and resources utilization. Through regular monitoring, statistical survey and continuous improvement, the Company ensures the effective implementation of resource management measures in order to lead the Company towards green, low-carbon and sustainable development.

Energy Utilization Management

Cowell places great emphasis on energy management, and has always considered energy saving and emission reduction as one of the material strategies for corporate sustainability. The Company has comprehensively improved energy management efficiency and promoted green and low-carbon development by adopting multiple measures, such as formulation of all-rounded system documents, implementation of technological innovation and system optimization.

Electricity consumption

2023
80,959 MWh

2024
137,312 MWh

Gasoline consumption

2023
36,797 L

2024
35,718 L

Diesel consumption

2023
12,128 L

2024
24,803 L

Natural gas consumption

2023
442,950 m³

2024
267,739 m³



• **Energy saving alteration**

The Company achieves energy saving and emission reduction targets through technological innovation and system optimization, and promotes green and low-carbon development.

2024 Energy Saving and Emission Reduction Projects



Residual Heat Recycle

Project background: the fresh air cabinet installed in South China factory originally used boiler for heating and humidification, which consumes more energy.

Renovation measures: leverage on the residual heat recycling technology, the boiler is no longer in use and heat pump is in place as a backup solution to respond to insufficient residual heat due to air compressor failure or extreme weather.

Effectiveness: in 2024, a total of 254,317 m³ natural gas has been reduced, significantly reducing energy consumption and carbon emission.



Leakage Check and Repair

Project background: gas leaks in the compressed air systems increase over time, resulting in energy waste.

Renovation measures: formulate and implement ongoing maintenance plan for the compressed air systems, use ultrasonic leak detectors to identify leaks, with focus on pipe joints and valves, etc..

Effectiveness: in 2024, a total of 42,551 KWH electricity has been reduced, improving system efficiency.



Improvement on Energy Saving Lighting

Project background: 19W LED lighting was originally used in the factory, which consumes more energy.

Renovation measures: switch to 8W LED energy saving lighting, reducing energy consumption in terms of lighting.

Effectiveness: in 2024, a total of 342,556 KWH electricity has been reduced, materializing energy saving and optimization of the lighting system.



Before renovation



After renovation

Energy Saving Renovation on Low Voltage Power Room Air Conditioning

Project Background: 16-18 split type 5P air conditioners were originally installed in the low voltage power room of South China power station, which consumes more energy.

Renovation measures: install cool water central air conditioning system to replace the original split type air conditioners.

Effectiveness: in 2024, a total of 251,300 KWH electricity has been reduced, significantly reducing energy consumption of the air conditioning system.



Before renovation



After renovation



• System optimization

The Company improves energy management efficiency through system optimization, builds a digital integrated energy management platform for the Internet of Energy (IOE), and materializes highly intelligent energy management through artificial intelligence (AI) models and data analysis.



Construction of IOE digital intelligent integrated energy management platform

In order to improve the Company's energy utilization efficiency, effectively save energy and reduce carbon emission, optimize energy management, and ensure safe energy supply, Cowell launched the **IOE digital intelligent integrated energy management platform** construction project in 2024. The project focuses on 4 core sectors, namely **high voltage power station energy saving system, air conditioning station energy saving system, terminal air conditioning box/exhaust fan-air cabinet energy saving renovation and electrical safety system management**, to comprehensively review the Company's current energy management. The highly intelligent IOE system is materialized by applying AI models, together with the quantified energy saving results supported by data analysis and constant monitoring, a powerful, continuous and all-rounded AI algorithm optimization control capability is ultimately created. The platform is expected to be completed and commence operation in 2025.



Water Resources Consumption Management

We do not have any issue in sourcing water and the existing supply of water meets the daily operational and manufacturing needs. Cowell places great emphasis on water conservation. Back in 2021, the Company has conducted a comprehensive review and diagnosis of water resource consumption through a special water-saving project. Cowell complies with local laws and regulations and closely adheres to the governmental evaluation standards and policy guidelines for water-saving enterprises. Cowell has carried out targeted improvement projects in accordance with the water conservation technical indicators and management indicators, and has been credited as the first group of water-saving enterprises in Dongguan City in 2021.



Water consumption

2023 389,423 m³

2024 572,664 m³



Water conservation management mechanism

The Company has established a scientific and reasonable water conservation managing position and responsibility system, optimized the water conservation management organization and personnel allocation, specified the main leadership responsibilities, departments management and job responsibilities of water conservation management, and formulated clear water conservation plans to ensure the orderly advancement of water conservation.

Water conservation management system

To effectively control the utilization of water resources, the Company has formulated a series of water conservation management system documents, including the "Water Consumption Management System", "Water Consumption Reward and Punishment System", "Water Consumption Measurement, Statistical and Management System" and "Water Consumption Inspection System". Such systems provide a solid systematic guarantee for the Company's water conservation management, resolutely eliminate water waste, and effectively improve the efficiency of water consumption.

Pipe network (equipment) management

The Company has prepared detailed water supply and drainage pipe network maps and installed measuring instruments at major water points to ensure that water consumption can be quantified and tracked. The Company has prepared a pipe network measurement map based on the actual situation to specify the management responsibilities of the water supply network and facilities. The Company performs regular or irregular inspection on each equipment to discover and repair leakage in a timely manner to ensure effective functioning of the equipment.

Water consumption measurement management

The Company has installed meters at major water consuming locations to monitor water consumption in real time. The water conservation leading task force assigns dedicated personnel to regularly record water usage measurement of each water meter and report them to relevant departments for data integration and analysis to provide scientific basis for optimizing water management.

Water conservation technology renovation

Based on the water balance testing results, the Company carries out a comprehensive renovation of the spiral lift faucets and non-filter faucets in the green, canteen and office areas and replaces them with water conservation faucets, effectively reduces the waste of water resources caused by water appliances.

Water conservation education

Based on the water conservation suggestions of the water balance testing results, the Company actively carries out water conservation publicity and education activities for employees, with an aim to improve employees' awareness of water conservation and create a positive water conservation atmosphere. Specific publicity measures include: regularly organize water conservation publicity and education training meetings; conduct questionnaire surveys on employees' water conservation knowledge; post water conservation posters in the factory and water conservation signs next to water appliances to enhance employees' awareness on water conservation.

Material Consumption Management

Through strict resource management measures, the Company has achieved effective control and optimization in the use of office, daily supplies and production materials. The Company has adopted multiple measures to effectively improve the efficiency of resource consumption and reduce environmental impact, fully reflecting its commitment and practice in sustainability.

The packaging materials consumed by us are mainly trays and carton boxes. These are in line with main customers' standard packaging requirement.



Note: Increase in packaging material consumption due to the expansion of the Company's Tiancheng Workshop in 2024

- Production material management**

The Company also placed emphasis on material reduction and efficiency improvement during the production process. Specific measures include:

Process and equipment optimization: The development team fully considers customer needs and environmental protection requirements when designing the processing technology and selecting equipment, and adopts reasonable processes and equipment to achieve energy saving and noise reduction, while reducing material costs and consumption losses.

Monitoring and control of material consumption: The warehouse prepares material in strict compliance to rules and records material consumption in a real time manner. Dust-free supplies are distributed daily at a specific quantity to reduce waste. Dust-free cloths are used effectively, while dust-free cloths soaked with alcohol are used on both sides before discarding.

- Office and daily supplies management**

In order to effectively control resources consumption, the Company has implemented a strict management system for office and daily supplies. Office and daily supplies used by employees of various department have to be approved, including quantity, cycle and plan, to ensure the rationality and necessity of resource consumption.

Paperless office: In 2024, the Company carried out an internal paperless office improvement project, comprehensively organized paper use of each department, and introduced corresponding electronic improvement plans. After multiple rounds of screening and confirmation, a total of 51 improvements were implemented and 49 improvements were completed, which in turn reduced approximately 6,100 sheets of paper per month.

Enhance Emission Management

In the pursuit of excellence, Cowell always regards environmental protection as an important mission. By strengthening emission management which comprehensively covers key aspects such as solid waste, wastewater and exhaust gas, Cowell standardizes our own behavior with higher standards to promote green development and contribute to protecting the ecological homeland.



Solid Waste Disposal Management

We strictly comply with applicable laws and regulations such as the Environmental Protection Law of the People's Republic of China (the “PRC”) and the Law of the PRC for the Prevention and Control of Pollution by Solid Wastes. In order to reduce harm to the environment and human body caused by solid waste generated in production and daily life, the Company has formulated the “Rules on Solid Waste Management” to implement full-process management and control of solid waste to ensure the solid waste is effectively classified, stored and processed, and to minimize the risk of environmental pollution.

- **Solid waste classification and catalogue**

We sort out solid waste of the entire factory by production area, including hazardous solid waste, general industrial waste, domestic waste and food waste. At the same time, we prepare a solid waste catalogue to sort by hazardous level as hazardous solid waste, general waste and industrial waste. The catalogue clearly lists out the production cause, source, storage method, terms, responsible departments and methods of the wastes, the effect of such handling is regularly monitored.

- **Solid waste storage**

We store the solid waste in dedicated areas according to visual classification and hazardous signs. The storage is rainproof, waterproof and leakproof. Reasonable stacking height and spacing is adopted to prevent collapse; chemical solvents must be covered and sealed to avoid leakage and spillage. Our Environmental Safety Department conducts daily inspections and handles any abnormalities promptly to ensure storage safety.

Temporary storage for categorized garbage



Warehouse for hazardous solid waste



Temporary storage for food waste

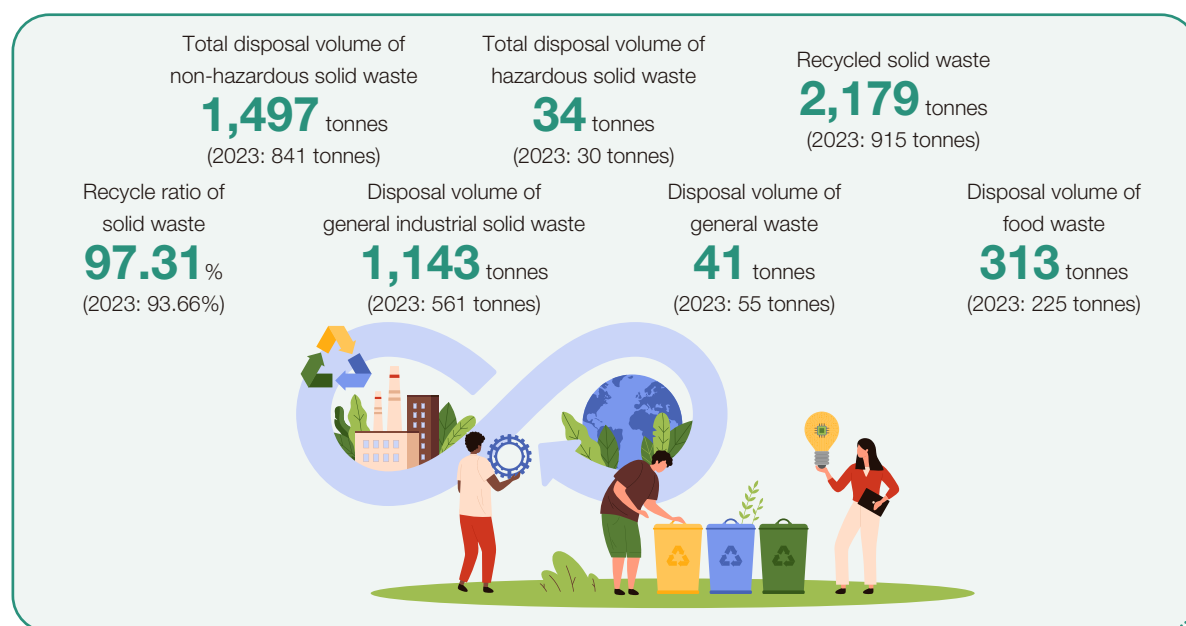


Warehouse for general waste and general solid waste



• Solid waste disposal

The Company actively promotes the reduction, resource utilization and de-hazardous of solid waste, encourages internal and external reuse projects, and regularly collects details of reuse projects in each workshop every quarter to reduce waste generation. The Company promotes identification, management and recycling and reuse to reduce the final disposal volume of solid waste. The Company sets up dedicated storage facilities and passes onto qualified suppliers for compliant recycling and disposal. These treatments are fully in compliance with Law of The People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste.



Note: Increase in the generation of wastes due to the expansion of the Company's Tiancheng Workshop in 2024

Types of solid waste	Handling method	Specific measures
Recycling of hazardous solid waste (transfer)	Recycled	Waste tin paste and waste silvery plastic are sold to external qualified organizations to extract valuable metals for reuse and generate income.
	Non-recycled	Appoint organizations qualified for handling hazardous waste to undergo de-hazardous treatment.
Handling of general industrial solid waste	Recycled	<ul style="list-style-type: none"> — sold to external parties to undergo remelting, cleaning and resource reuse; — dust-free gloves are collected, washed and reused; — collect partial trays for production reuse; — collect partial carton boxes for delivery testing.
	Non-recycled	Transport to thermal power plants for incineration and power generation.
Handling of general waste	Recycled	After proper classification, sold to external parties to undergo remelting, cleaning and resource reuse.
	Non-recycled	Transport to governmental general waste collection points, the Government will transport the waste to thermal power plants for incineration and power generation.
Handling of food waste	Recycled	Sold to biotech companies for compost and ecological farming.

The entire factory achieves zero waste landfill and effective incineration

Since 2018, Cowell has been promoting zero waste landfill and effective incineration, and such measures have been under stable control and management for 7 years. We effectively control and supervise the entire process of waste classification and collection, waste storage, waste labeling, waste transportation and disposal. We continuously optimize solid waste disposal methods by effectively reduce waste disposal from source, reuse and recycle etc. For solid waste that has to be disposed, we conduct regular audits and reviews on solid waste disposing organizations to ensure solid waste shipped out by Company achieves zero waste landfill, and collect statistics on the amount of effective incineration and resource recycling. In addition, we collect data on the entire process of solid waste disposal on a regular basis and regularly update the solid waste data tracking table to achieve effective and transparent management of zero waste landfill incineration.

• Training and responsibilities

The Company attaches importance to waste management training and responsibility. New joining employees (including solid waste operators and management personnel) must receive no less than 1 hour of waste classification training. The waste collection, weighting and storage department receives annual specific training with specific management responsibilities and such training records are kept for at least 2 years to ensure the traceability and continuity of the management process.

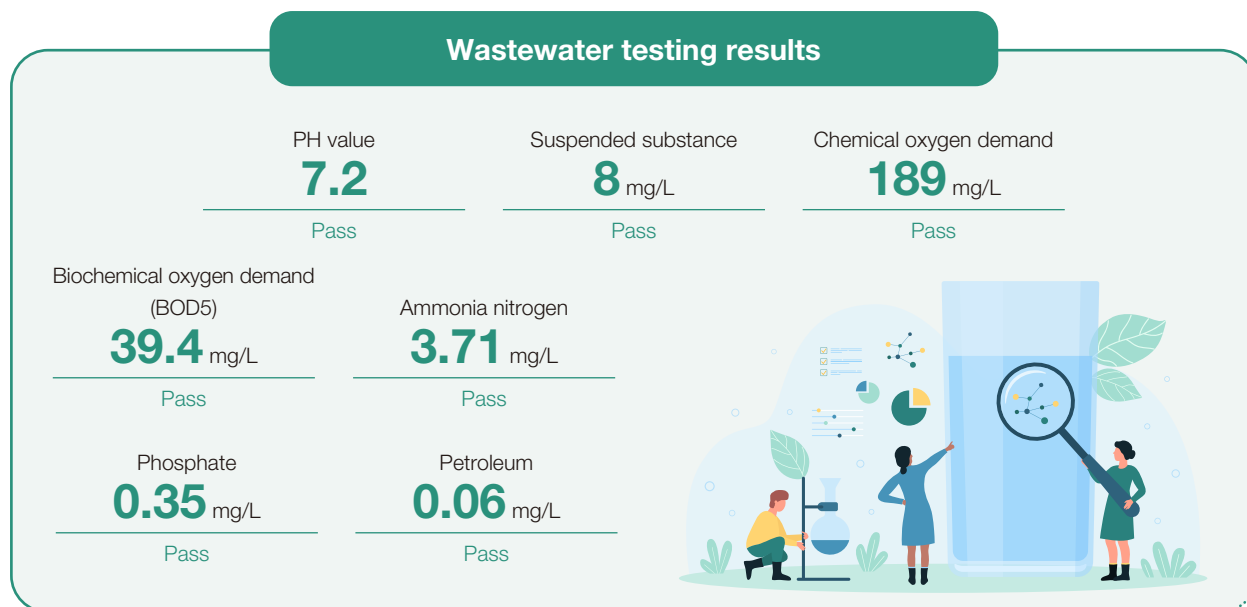
Special environmental protection training for cleaning staff

On 10 July, 2024, we offered a special environmental protection training for all cleaning staff of the factory with an aim to further promote solid waste management. The training covers waste classification, solid waste collection and storage requirements, hazardous waste identification and classification methods, safety measures during the collection and transportation of hazardous waste, etc., to ensure all cleaning staff have sufficient knowledge to handle basic waste classification and collection.



Wastewater Discharge Management

In order to effectively control the production and disposal of wastewater in the entire factory and reduce water pollution, the Company has strictly complied with the Environment Protection Law of the PRC and has formulated "Rules on Wastewater Management". It sets forth the specific requirement for all aspects of wastewater management to ensure wastewater discharge complies with the requirement and continues to optimize management process.



Note: No data comparison shall be made as the source of water for inspection was different from those for the previous year due to the expansion of Tiancheng Workshop in 2024 as well as the addition of the sewage treatment works

- Wastewater source control**

The Company focuses on reducing wastewater from its source, and reduces wastewater discharge by optimizing the production processes, equipment selection and operating procedures. Meanwhile, the Company regularly evaluates wastewater generation in the production process to ensure the wastewater management measures match with actual production.

- Wastewater generation and domestic wastewater control**

Wastewater generation: we classify, collect and treat wastewater generated from the production process to ensure compliance with national and local discharge standards.

Domestic wastewater: we collectively treat domestic wastewater to ensure compliance with discharge standards and reduce impact on the environment.

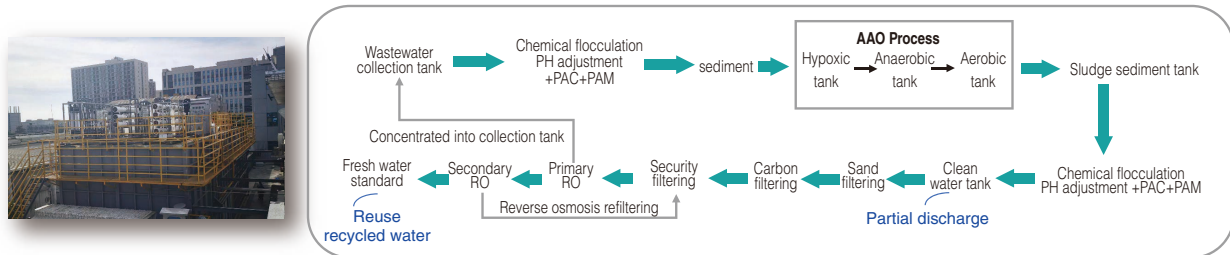
- Abnormal treatment and list update**

Abnormal treatment: we establish emergency response mechanism for abnormal wastewater discharge to ensure measures are applied in a timely manner during abnormalities to prevent the spread of pollution.

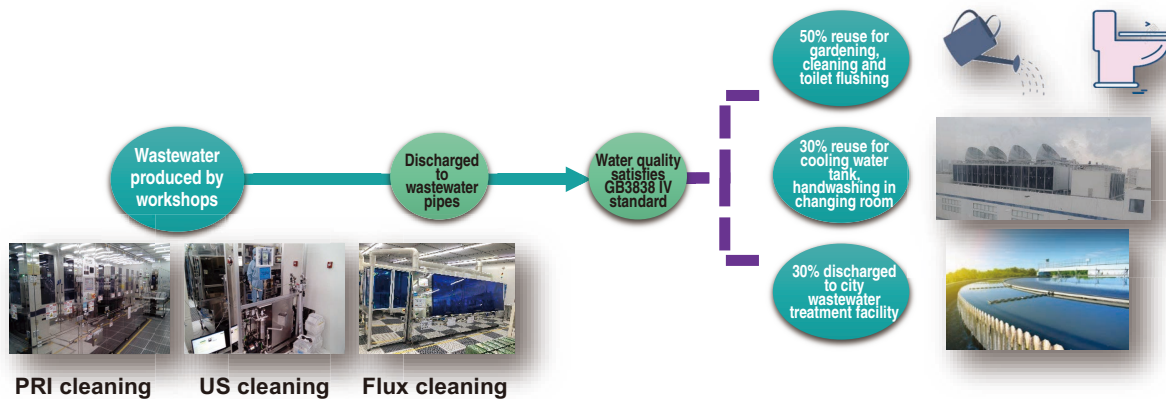
List update: when new equipment or new processes are introduced or renovation and expansion projects are carried out, we update the wastewater list in a timely manner. We review and amend the list every six months to ensure wastewater management measures are long-lasting and effective.



Wastewater treatment process flow chart



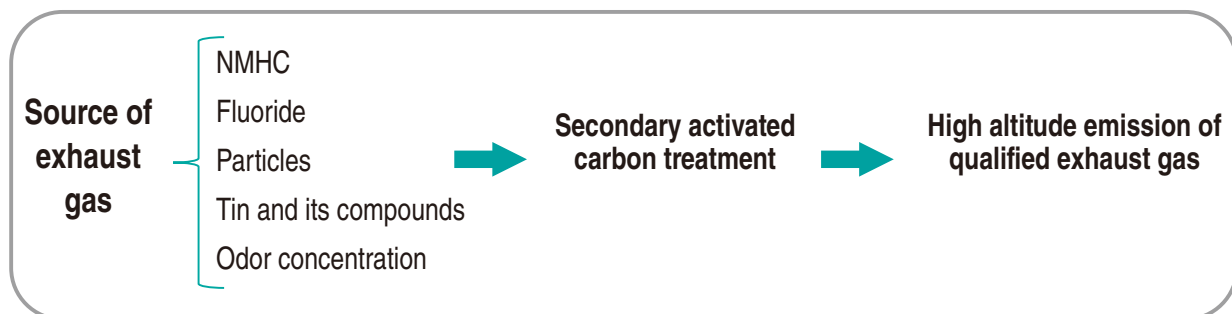
Wastewater reuse process and ratio



Exhaust Gas Emission Management

In order to effectively control exhaust gas emissions and ensure that exhaust gas treatment facilities operate normally and satisfy emission standards, the Company has complied with the law of the prevention and control of atmospheric pollution in China has formulated the “Exhaust Gas Management Specifications” to reduce exhaust gas pollution and fulfill environmental protection responsibilities through regular monitoring, inspections, training and other measures.

Exhaust gas treatment process flow chart



- *Exhaust gas treatment facilities operations and inspection*

Facilities operations: we ensure the effective operation of exhaust gas treatment facilities, conduct visual inspections of facilities every week, focusing on the treatment of canteen exhaust gas, generator exhaust gas and workshop exhaust gas. We fill out the “Exhaust Gas Treatment System Checklist” to discover and resolve potential issues in a timely manner.

Emission inspection: we appoint qualified suppliers to carry out exhaust gas emission inspection every year to ensure that exhaust gas emissions comply with national and local environmental protection standards.



TC —
Exhaust Gas Treatment Facilities



GD —
Exhaust Gas Treatment Facilities



HN —
Exhaust Gas Treatment Facilities

Exhaust Gas Treatment Facilities of Different Factories

Other Emission Management

The Company has always adhered to the philosophy of sustainability and is committed to reducing the impact of production and living activities on the environment. By formulating a strict environment management system, which covers key areas such as noise and rainwater discharge, the Company ensures that all pollutants are discharged up to standards and effectively fulfills its environmental protection responsibilities.

- *Noise management*

Factory noise monitoring

We conduct internal monitoring once every quarter and appoint qualified third party to perform external monitoring every year.

Monitoring requirements

Internal monitoring equipment must be calibrated, qualified, and used within the validity period; monitoring methods, conditions, frequency, targets, and measurement points must comply with national environmental noise management regulations.

- *Rainwater discharge management*

In order to protect the rainwater drainage system and external water quality, the Company has formulated the “Rainwater Drainage Management Specifications”.



Management measures

It is prohibited to place raw materials and solid waste (such as chemicals and oils, etc.) that may pollute the water or soil around the rainwater drainage system; it is prohibited to dump pollutants into the rainwater pipe network or connect production and domestic sewage to the rainwater pipe network; it is prohibited to place garbage in the rainwater outlet or pour it into the rainwater well to ensure that the rainwater outlet and pipes are clear and free from pollution.

Pollution prevention and control over rainwater path

We prepare the rainwater drainage floor plan according to the factory design and highlight the layout of the rainwater drainage system. We prevent rainwater path pollution through a systematic approach and strictly prohibit illegal discharges and overflows from entering rainwater pipes to ensure that rainwater discharge does not have a negative impact on the environment. We inspect the relevant valves and interception facilities of the rainwater pipe network on a monthly basis.

Clean Production

The Company actively practices clean production and reduces the impact on the environment through measures such as resource recycling, replacement of hazardous substances, energy saving and consumption reduction, and promotes the realization of sustainability targets.

• Use of recycled materials

In order to reduce resource waste, the Company actively promotes the use of recycled materials. In 2024, a total of 18 processes involved recycled materials (recycled tin and recycled gold), among which 17 processes have achieved recycled materials ratio of 94%. Only 1 remaining process is still undergoing certification. It is expected to achieve 100% recycled materials use in 2025.



ENVIRONMENTAL CLAIM VALIDATION SUMMARY

Alpha Assembly Solution (Shenzhen) Co. Ltd.

SAC305 OM340(r) 88.1.5-M18 Solder Paste

Report Number:

138518-4210

Validation Period:

30 May 2019 - 26 Mar 2024

Claim:

Master Alloy SAC305(r) alloy family contains a minimum of 75% recycled content, consisting of 100% recycled tin

1. Solder Paste of SAC305(r) alloy family contains a minimum of 75% recycled content.
2. Solder Powder of SAC305(r) alloy family contains a minimum of 96% recycled content
3. Cored Wire of SAC305(r) alloy family contains a minimum of 99% recycled content
4. Solder Bar of SAC305(r) alloy family contains a minimum of 96% recycled content

Method:

Environmental Claim Validation Procedure (ECVP) for Recycled Content, UL 2809 Fifth Edition, April 29, 2021

Facility:

No 266, Guanglian Road, Tangxiayong Village, Songgang Town, Baoan District, Shenzhen, Guangdong, 518105 China

Certification of Tin Recycling



ENVIRONMENTAL CLAIM VALIDATION SUMMARY

Heraeus Materials Singapore Pte Ltd

Gold Bonding Wire Family (Au AW6-R, Au AW66-R, Au AW99-R, Au HA3-R)

Report Number:

295152-4210

Validation Period:

14 Nov 2022 - 14 Nov 2024

Claim:

Gold Bonding Wire Family (Au AW6-R, Au AW66-R, Au AW99-R, Au HA3-R) contains a minimum of 97% recycled content, consisting of 100% recycled gold.

Method:

Environmental Claim Validation Procedure (ECVP) for Recycled Content, UL ECVP 2809-2, Second Edition, dated June 29, 2024. Recycled Content is defined in accordance with ISO 14021.

Facility:

Blk 5002 Ang Mo Kio Ave 5 Techplace II #04-07, Singapore

Certification of Gold Recycling

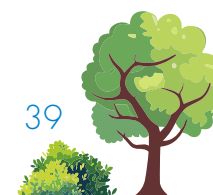
- **Promotion on per-and polyfluorinated alkyl ("PFAS") free substances**

In order to reduce the use of hazardous chemicals, the Company actively promotes the application of PFAS-free materials.

Substitutes for PFAS: In 2024, a total of 46 processes involved PFAS materials, among which 45 processes have used PFAS substitutes, reaching a 98% ratio. Only 1 remaining process is still undergoing certification. It is expected to achieve 100% PFAS-free material use in 2025.

The clean technology projects carried out by the Company during the reporting period and the results are as follows:

Project Name	Measures and Results
Ceramic substrate cleaning solvent-chemical solution (containing PFAS) replaced by deionized water	After replacement, the amount of chemical solution used is reduced by 14.728 tonnes per year. The testing results show that the cleaning effect is the same and have passed all product reliability tests.
Energy saving enhancement in workshop lighting	By optimizing the fluorescent lamp scheme for the workshop ceiling, energy consumption is reduced while ensuring illumination. The energy consumption of workshop ceiling lighting is reduced by 50%, which improves energy efficiency while protecting the visual health of our employees.
Energy consumption enhancement of cleaning machines	Energy consumption is reduced by optimizing the cleaning station process, adjusting equipment power, improving cleaning methods and improving equipment efficiency. Energy consumption of the cleaning station is reduced by 62.87%, significantly enhancing production output.
Energy consumption enhancement of gas equipment	By adjusting the vacuum air source of the equipment and replacing nitrogen by compressed air, the use of nitrogen-making equipment and the space occupied in the machine room are reduced. Provided that the quality, yield and efficiency is maintained at the same level, the energy consumption of gas equipment is reduced by 86%, with the vacuum alarm rate being reduced at the same time.





3 Quality Marks Our Reputation

Quality Marks Our Reputation

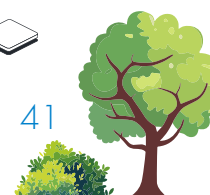
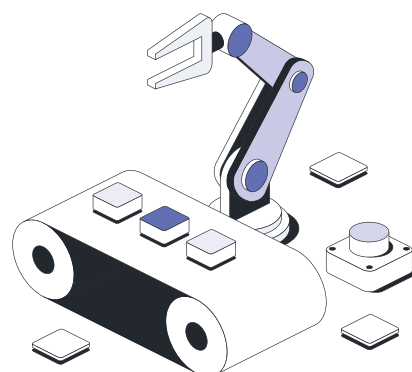
Innovative Development

In the era of rapid change, innovation is the core driving force for corporate development. Cowell actively explores and executes technological innovation, management innovation and system innovation. Our efforts spread over strengthening automation, promoting intelligent manufacturing upgrades and strengthening intellectual property protection, providing strong momentum for the Company's high-quality development.

Enhancing Automation

Through technological innovation and automation upgrades, the Company continues to improve production efficiency, reduce labour costs, reduce risks caused by manual operation, and promote the development of intelligent manufacturing.

Series of Automation Improvement		
Improvement Area	Before Improvement	After Improvement
Automated equipment for "comprehensive outlook and dimension inspection"	Traditionally performed by manual visual inspection	Adopt bionic mechanical system and AI algorithm to achieve full-scale inspection of comprehensive outlook and map definitions
Workerless cleaning room alteration	Required huge manpower to complete cleaning operations in the cleaning room	Through a series of intelligent alteration measures, the required manpower in the cleaning room is reduced by a total of 44.5 persons
Improvement on product identification code (ID)	Manual scanning with hand-held scanners, low efficiency and prone to errors	Use of scanning equipment to improve efficiency and accuracy
Manual flipping replaced by automated tray flipping	Manual operation, low efficiency	Automated equipment, enhance efficiency
Introduction of automatic guided vehicle (AGV) transport equipment	Manual lifting, low efficiency and high cost	AGV automated lifting, save on manpower and cost
Introduction of AGV loading and unloading equipment in the workshop	Manual loading and unloading, low efficiency and prone to errors	AGV automated loading and unloading, enhance efficiency
Introduction of automatic optical inspection (AOI) for automated full inspection in lens unloading	Manual checks, low efficiency and easy to miss	AOI automated full inspection, enhance inspection efficiency
Develop fully automatic drop test machines	Manual drop test, low efficiency and high risk	Fully automated testing, enhance efficiency and safety
Replace semi-automatic dual-channel automatic transfer switch (ATS) by fully automatic ATS equipment	semi-automatic equipment, low efficiency	Fully automated equipment, enhance production efficiency



Intelligent Manufacturing Upgrade

By introducing advanced intelligent manufacturing technologies and systems, the Company has comprehensively improved production efficiency and intelligence. It is committed to integrating AI tools into every position, allowing every employee to talk to AI, and promoting the transformation of the manufacturing industry into digitalization and intelligence.

Digital twin workshop builds a full-scenario digital intelligent industrial ecosystem

By deeply integrating production data, we build an intelligent collaboration system covering all elements of “people, machines, materials, methods and environment” to achieve a leapfrog upgrade from single-point intelligence to global intelligence. By creating a digital twin workshop, the operation level has direct access to real time data to better promote operational decision-making.

The digital twin workshop is a virtualized workshop model based on digital twin technology. It applies the Internet of Things, 3D modeling, real time data fusion, interaction and visualization and other technologies to completely map the production line status to the system. Combined with the AI big model, actual production is monitored and controlled by the intelligent command center. All equipment and machines in the production line are connected to realize real time mapping, two-way interaction and synergy optimization of the physical workshop and the digital space, becoming Cowell's core intelligent manufacturing platform.



Project Name

Measures and Results

Particle Monitoring Big Screen

We use automated patrol equipment to monitor the environment according to the routes set by technicians. When the patrol equipment reaches designated areas in the workshop, it automatically performs dust measurement and sends the results to the system in real time, ensuring that the dust-free workshop always meets standards, improving the stability of the production environment and product quality.

EOL real time production cockpit

Real time monitoring of various key indicators in the production process helps managers to quickly acknowledge the production status, discover problems in a timely manner and make decisions, ensuring the continuous optimization of production efficiency and product quality.

Equipment UPH/EFF

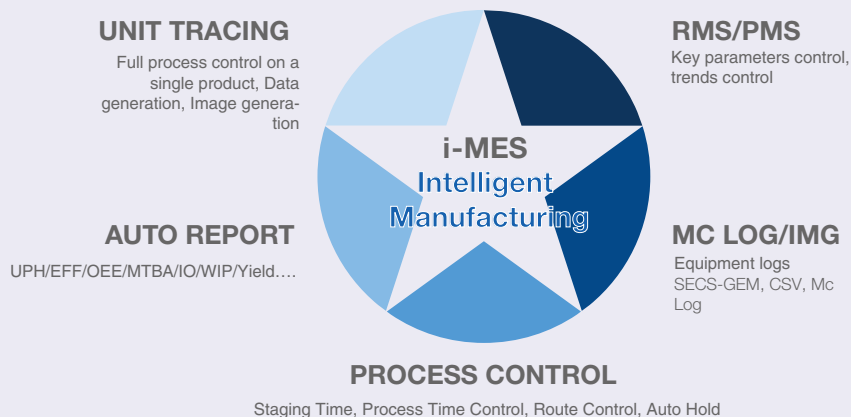
Through real time monitoring of the unit hourly output (UPH) and efficiency (EFF) of the equipment, we could be aware of the production status of the equipment in a timely manner. The system will automatically color-code equipment that are not up to standard to facilitate rapid identification and problems handling and maximize equipment operation efficiency.

Equipment central calling repair system

Leverage on the manufacturing execution system (MES) function, we have developed the equipment central calling repair system, completely altered the traditional manual repair calling model. The system is able to automatically identify equipment failure and trigger maintenance processes, significantly reducing manufacturing time, reducing engineering manpower, and promoting the construction of workerless chemical factories by intelligent manufacturing.

i-MES intelligent manufacturing system

The Company successfully developed and launched the i-MES intelligent manufacturing system, which covers five core modules: product traceability, process control, equipment formula management, log management and production reports. Combining smart bracelets with Internet of Things technology, the i-MES system realizes rapid repair functions, reduces manpower required for manufacturing engineering, speeds up repairs, and significantly improves equipment availability. In addition, the system displays changes in production data in real time through the big screen, helping managers to analyze and judge, and providing strong support for production decisions.



Intellectual Property Protection

The Company attaches great importance to intellectual property protection and innovation management. By establishing a strict confidentiality system, regulating employee behavior, strengthening training and promoting technological innovation, the Company ensures that intellectual properties are fully respected and protected, and at the same time enhances our innovation capabilities and competitiveness.

Intellectual property protection measures

The Company has formulated a strict intellectual property protection system and entered into confidentiality agreements with employees and related parties to safeguard customer information, technology and methods. Specific measures include:

Confidentiality agreements

The Company enters into confidentiality agreements with employees and related parties, specifies the responsibility to safeguard customer information and technical confidentiality and prevent information leakage.

Security system

The Company has established a strict security system to prevent the leakage of customer information, management techniques and methods, and safeguard our intellectual property.



• *Employee code of conduct*

The Company requires employees to comply with laws and regulations related to intellectual property, and has formulated a detailed code of conduct:

Prohibition on pirated software: Employees are prohibited from downloading, installing and using unauthorized softwares on Company computers and personal computers. The directors of each department are responsible for supervising the removal of pirated software. If employees need to use relevant software due to work requirement, they must apply for and purchase legitimate software through the intelligent information department. The Company carries out irregular inspections and handles violations in a strict manner, serious violations will be passed onto judicial authorities.

Comply with former employment obligations: When employees join the Company, they are required to ensure that they are not restricted by confidentiality, non-competition and other agreements of their former employment or third parties and undertake not to use property or work information from their former employment for the Company's business. The Company requires employees to sign an undertaking letter and regularly clean up documents that may involve any third parties. Those who violate these requirements maybe subject to warning or termination.

Key Data

As of the end of 2024, the Company accumulatively obtained a total of 131 patents, including 37 invention patents and 94 utility model patents. 160 patent applications have been filed in 2024, among which 12 applications have been approved.

In 2024, we have published 3 academic theses.

• *Intellectual property training*

In order to improve employees' awareness on intellectual property, the Company organizes relevant training on a regular basis.

Training on patent related knowledge

In 2024, the Company organized patent knowledge training to help technical personnel understand the patent application process and protection strategies and improve the quality and approval rate of patent applications.



TRIZ innovative thinking

The Company has launched "TRIZ innovative thinking" training. TRIZ is the abbreviation of "Inventive Problem Solving Theory", with an aim to improve employees' innovation capabilities and promote technological breakthrough through systematic innovation methods.



Product Quality

High quality products are the cornerstone of corporate sustainability. We have established a comprehensive quality management system, continued to enhance product quality, strictly controlled the use of hazardous materials, and actively created a culture of quality among all employees. We are committed to providing customers with safe, reliable and environmentally friendly products, to put into action our corporate social responsibilities.

Quality Control System

Product quality and safety is the foundation of the Company. The Company strictly complies with laws and regulations such as Product Quality Law of the People's Republic of China and Standardization Law of the People's Republic of China, etc, and has established a complete quality management system. It is committed to continuously improving the quality of products and services and creating greater value for our customers.

The Company's Quality Department is the main department responsible for quality supervision. Its functions include the establishment and maintenance of the system, hazardous substances reduction (HSF) management, etc. Through various management systems, the Company has specified the requirements and contents of quality, environment, occupational health and safety and hazardous substance management to ensure the effective operation of various management systems.

Quality policy

Pursue excellence, strive for excellence, customer satisfaction, and continuous improvement.

System Establishment

The ISO 9001:2015 third party certification rate of the Company and its subsidiaries reaches 100%, ensuring all operating entities comply with international quality management standards and continue to promote product and service quality improvement.

ISO9001 System Certification

Cowell

Bureau Veritas Certification

Luxsense

Certificate of Registration

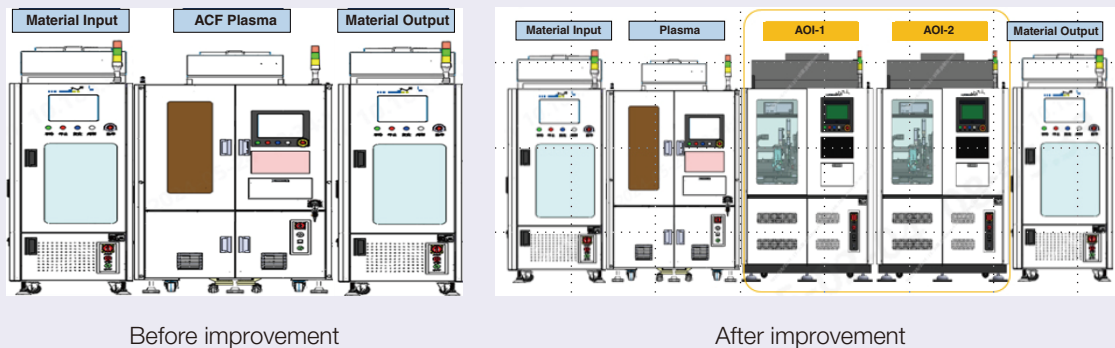
Luxcolight

Product Quality Enhancement

The Company always considers product quality as its core competitiveness. Through technological innovation, equipment upgrades and quality improvement which involves all employees, it continues to improve product quality, reduce defective rates and satisfy customer needs.

Improvement on ACF Pismo Pad foreign matter

The Company addresses the issue of increased PCT defective rates after Flex assembly due to dirt on the Pads of ACF products and adopts improvement measures that introduce Pismo Pad AOI equipment. By altering idle AOI equipment and putting it into inline operation upon offline verification, the Company not only saves investment in new equipment, but also fulfils process production needs.



Particle Special Improvement Project

In order to reduce the defective rate and create a clean and comfortable workshop, the Company launched the Particle Special Improvement Project which involves all employees in 2024. The activity implemented the "3 No + 1 Quick" principle (no dust generation, no dust passing, no accumulation, and quick removal), and a total of 662 issues were discovered and improved. Through this activity, the Company not only enhanced the quality improvement awareness among all employees, but also significantly improved the working environment of the workshop, promoted the concept of "zero occurrence" of quality issues and further enhanced customer satisfaction.



Activity Completion and Award Ceremony

- Intelligent quality control**

The Company adopts intelligent technology to comprehensively improve quality management efficiency and ensure the product quality remains stable.

Project Name	Measures and Results
Introduction of 360-degree detection of Audio-Video interlace (AVI) format	360-degree AVI inspection equipment is introduced to the highly difficult filming project to improve inspection quality and efficiency and significantly reduce the requirement for appearance inspection personnel.
Intelligent image recognition and detection system	We develop image recognition AI and use process images to identify potential product risks in advance. In 2024, we successfully detected many cases of quality risks and ensured the quality of product to be delivered.
Quality risk prevention system	We launch the new IMES system to materialize all-round data monitoring and analysis, covering from materials delivery, processes to shipments. In 2024, there was no quality incident on the customer side for we have predicted and avoided product risks in advance.
REL equipment automation upgrade	We have introduced automated equipment to multiple test projects and materialized automation of the entire test process. We ensure the accuracy of REL tests, reduce operator required and improve efficiency.
Smart output quality control (Smart OQC)	We set the control line by the MES system and inspect Lot beyond the control line with intelligent measures to reduce labour costs and equipment utilization.
Drift management	We use the MES system to automatically monitor data deviations and issue automatic warnings on items beyond the control, to achieve early detection and early improvement of abnormalities.
Confirmation of new product sample	We introduce the Universal AVI, with appearance inspection coverage reaching 100% and dimensional inspection coverage reaching 51%. We withdraw manpower for OQC appearance inspection and certain dimensional inspection.

Hazardous Substance Management

The Company places great emphasis on the monitor and control of hazardous substance in its products. Combined with the customers' requests, the Company has established the Hazardous Substance Process Management System (HSPM) and implemented Hazardous Substance Free (HSF) monitor and control measures to ensure the products comply with environmental protection and health and safety standards. There is no recall on sold or delivered products due to safety and health issues.

- Risk evaluation and design optimization**

The Company conducts prior risk evaluations on all products and services for consumers, customers, supply chains and other stakeholders, focusing on their impact on human health and the environment. We reduce risks from the product design stage and avoid the use of carcinogenic, toxic or hazardous materials by reviewing the adequacy and suitability of relevant regulations, standards and specifications.



- **Hazardous substance monitor and control standards**

Among all products supplied by the Company, the hazardous substance level of its raw materials and components strictly complies with industry standards such as the Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS) issued by the European Union, etc. If customers have higher control standards, the Company will comply with the higher standards to ensure product safety and compliance. For specific monitor and control procedures, please refer to the "HSF Control Operating Procedures".

Creating the Culture of Quality

The Company has always regarded the culture of quality as the core driving force for corporate development. Through systematic quality management and education on quality awareness among all employees, we have created a customer-centered culture of quality.

- **Quality policy and training scheme**

The Company formulates and implements a comprehensive quality management training scheme based on the quality policy, business development needs and employee job competency requirements. From employee induction, pre-job training to continuous on-job education, quality awareness training is thoroughly carried out to ensure all employees focus on customers and actively participate in quality management.

- **Creating the cultural atmosphere of quality**

Base on the core philosophy of "customer being the next step in the process", the Company actively responds to the Particle special project and deeply implements the culture of quality into every employee through multi-level and multi-dimensional quality knowledge training.

Training for security staff

Identification of items allowed to enter and exit the workshop as the first gate to safeguard product quality



Training for all employees outside of the workshop

Training on quality knowledge, in depth understanding of quality requirements



Training for all employees within the workshop

Training on operating precautions, strict implementation in accordance with SOP (standard operating procedures)



Customer Service

By establishing a comprehensive customer service system and quality management procedure, we ensure that customer needs are timely responded to and customer satisfaction continues to improve. We have formulated and implemented systems such as "Customer Service Operation Procedures", "Customer Complaint Handling Procedures", "Customer Line Tour (Production Line Inspection) Management Specifications" and "Customer Audit Management Specifications" to ensure the standardization and standardization of customer service procedures.

Number of customer complaints

1

2023: 0

Customer complaint resolution rate

100%

2023: 100%

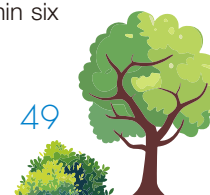


- Establishment and optimization of the customer service system**

We strive to improve customer service quality in all aspects by establishing a comprehensive delivery management and quality assurance customer service system, building a one-stop customer service platform, a national customer data center, easing customer communication channels and optimizing customer relationship management system. In order to ensure in depth monitor and control of all customer links and customer information exchange links, we have established a customer evaluation system that "evaluates people". The object under evaluation include 6 key positions such as project general manager and engineering manager to promote the achievement of fast, true, objective and effective management targets.

- Customer satisfaction survey**

We send out Customer Satisfaction Survey (CSS) on a yearly basis, follow up on the survey and request feedback from customers. We invite customers to evaluate on TQRDC (Technology, Quality, Responsiveness, Product Delivery and Cost Control) and other aspects. We conduct statistical analysis on customer satisfaction. Each department shall conduct analysis and statistical survey on CSS and internal performance and adopt corresponding improvement measures. If the total score of customer evaluation is less than 85% or a single score is less than 3, the Company shall make key improvements to such customer satisfaction, complete the improvements within six months and conduct another survey to confirm the improvement results.



Intellectual Property Protection and Privacy Policy: in accordance with the confidentiality agreement (the “Confidentiality Agreement”) entered into with the customers, all production activities of the Company are conducted in a highly confidential manner. The entire property of the Company is strictly restricted and only authorized personnel can enter. Any violation of the requirements of the Confidentiality Agreement is regularly reviewed by the internal audit team and legal team. The regular review results are reported to the Group’s Risk Management Committee on a monthly basis and the committee will determine whether or not to further report to the Audit Committee or the Board. In addition, the report of the Group’s Risk Management Committee submitted to the Audit Committee on a quarterly basis also includes this issue. During the 2024 Financial Year, no violation have been reported to the Group’s Risk Management Committee or the Audit Committee.

Supply Chain Management

In the context of global operations, we deeply understand the importance of supply chain management to sustainability. We are committed to establishing a transparent and efficient supply chain management system and strictly practicing responsible mineral procurement to ensure that every link in the supply chain meets high environmental, social and governance standards, and to promote green transformation and mutual development of the industrial chain.

Supply Chain Management System

The Company formulates and implements various systems including “Supplier Management Procedures”, “Supplier Management Standards”, “Supplier Performance Evaluation Standards”, “Business Partner Supply Chain Safety Standards”, “Procurement Operation Procedures”, “Special Procurement Management Operation Procedures” and “Contractor Management Procedures”. We require all suppliers to comply with such requirements in order to establish a supply chain management system that covers the entire life cycle of suppliers, continuously optimize the procedures of supplier admission, classification, assessment, grading and layoff, and build a sustainable cooperative relationship.

Classification of Suppliers by Geographical Location

Eastern China PRC	Southern China PRC	Central China PRC	Total
Number of Suppliers	Number of Suppliers	Number of Suppliers	
2023	2023	2023	
50	217	1	
2024	2024	2024	2024
51	216	1	342
Northern China PRC	Western China PRC	Korea	
Number of Suppliers	Number of Suppliers	Number of Suppliers	
2023	2023	2023	
5	3	25	
2024	2024	2024	2024
5	2	27	
Japan	Hong Kong	Others	
Number of Suppliers	Number of Suppliers	Number of Suppliers	
2023	2023	2023	
10	7	19	
2024	2024	2024	2024
10	9	21	



Years of Cooperation

Years of Cooperation Less than 1 year		Years of Cooperation 1 to 2 years		Years of Cooperation Over 3 years		Total	
Number of Suppliers		Number of Suppliers		Number of Suppliers		Number of Suppliers	
2023	2024	2023	2024	2023	2024	2023	2024
32	20	52	61	253	261	337	342

- Introduction of new supplier*

The Company has established a strict new supplier introduction process. The introduction of new supplier must undergo a strict review process to ensure that suppliers meet the Company's requirements on quality, environment, occupational health and safety, and hazardous substance management, while meeting customer expectations.

Review preparation: the purchasing department prepares the "Supplier Basic Information List" and supplier qualification certificate, and submits to the review team comprised of quality, PE, and RD for review. Members of the review team must have served in the department for more than 2 years.

Review scope: includes basic information of suppliers, level of hazardous substance management, quality system review, on-site audit and sample inspection. Upon review, suppliers must submit the review evaluation form within one month.

Introduction conditions: the introduction of new suppliers must meet one of the following conditions: existing suppliers are unable to provide required parts, occurrence of quality or delivery issues, demand increases, cooperation is terminated due to operational issues, unqualified hazardous substance management, costs are too high or production efficiency is insufficient, or specified by customers, etc.

Management by risk level: we management suppliers by environmental risks level, which is determined by the level of hazardous substance management of materials supplied by the suppliers: on-site audit is performed when new supplier with high level of environmental risks management is introduced, for suppliers with low level of environmental risks management, evaluation could be performed by sample testing for specific hazardous substances.

- Supplier evaluation*

The Company performs strict evaluations of suppliers to ensure that they meet quality and management requirements.

Quality system review: suppliers are required to provide relevant qualification certificates, i.e. ISO9001, ISO14001, etc.

On-site audit: the supplier management team conducts on-site audits and completes the "Supplier Audit Evaluation Form". Agents are required to provide the original factory authorization letter and no on-site audit is required.

Scoring criteria: 4-point scale is used, with 3 being the system is comprehensive and effectively implemented, and 0 being no documented regulations and not yet implemented.

Evaluation results: supplier with a score of 80 or above is an approved supplier and can place an order for purchase; supplier with a score of 70–80 is a conditionally approved supplier and is required to complete rectification within 6 months; supplier with a score below 70 is an unapproved and no order should be placed.



Green Supply Chain

The Company integrates ESG concepts into the supply chain management system, actively implements environmental and social responsibility risk management of suppliers, is committed to building a low carbon, efficient and transparent supply chain system, and promotes the sustainability of the entire value chain.

- **Supplier review management**

The Company formulates a supplier review plan on a yearly basis, conducts regular or irregular reviews on key suppliers, and prioritizes business partners who have passed ISO 14001, ISO 45001, ISO 9001 and other certifications.

Review scope

Including management system document review, manufacturing site review and confirmation on issue improvement.

Issues handling

For non-conforming items discovered during the review, suppliers are required to provide improvement countermeasures and follow up on the improvement.

- **Supplier quality records and environmental management**

We make the supplier contract documents and basic data management a regular task and collect and review environmentally controlled substances related documents. The Company requires suppliers to stringently comply with environmentally controlled substances management requirements and implement PCN (Product Change Notification) management in accordance with the "Procedures on Project Change Management".

- **Supplier advising and management**

In order to assist suppliers to improve their ESG management and response to issues discovered during our review process, the Company will provide special advice to help them enhance quality and delivery performance. In addition, we offer supplier and ESG-related training from time to time, covering carbon inventory check, clean production technology and other topics to promote upstream and downstream environmental awareness.

Responsible Mineral Procurement

The Company strives to ensure the compliance and sustainability of the sources of tungsten, tin, tantalum, gold, cobalt, mica and other minerals used in its products. As such, we have formulated the "Conflict-Free Mineral Operational Code", which clearly stipulates that all minerals used must not come from conflicted and high risk areas and ensures that all mineral sources have been audited by the Responsible Minerals Initiative (RMI). We firmly adhere to the Organization for Economic Co-operation and Development (OECD) Guidance Manual on mineral supply chain management regarding conflicted and high risk areas. We also reference to the Conflict-Free Sourcing Initiative (CFSI) or lists of qualified smelters issued by our customers to ensure the supply chain is transparent and compliant.

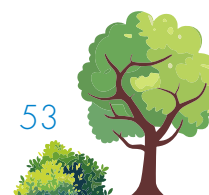
- **Conflicted mineral review mechanism**

When introducing new suppliers or existing suppliers providing new materials, we will determine whether or not the materials are high risk conflicted minerals based on the material composition, for instance whether or not the material contain tin, tantalum, tungsten, gold (3TG) or cobalt, mica and other elements. In terms of high risk materials, we require suppliers to provide a Conflicted Minerals Reporting Template (CMRT) or Extended Minerals Reporting Template (EMRT) report. In terms of new suppliers, we also require them to sign the “Not to Use Conflicted Minerals Commitment”. All CMRT/EMRT reports are reviewed and confirmed by the Company’s internal professional team.

For high risk material suppliers, we conduct CMRT/EMRT investigations twice a year, and the relevant teams are responsible for following up on the report submission of suppliers designated by customers. The procurement team is responsible for the reports submitted by other suppliers. All CMRT/EMRT reports submitted by suppliers are carefully reviewed and internal CMRT/EMRT reports are generated within the Company to ensure the transparency and traceability of the supply chain.

- **Supply chain due diligence**

We carry out due diligence on the entire supply chain to ensure that minerals such as tin, tantalum, tungsten, gold and cobalt used in our products are not originated from the Democratic Republic of Congo (DRC) or nearby countries. The Company actively promotes the use of recycled tin and gold in our products, constantly applies the philosophy of safe environmental protection and reuse and recycle in our procurement process, optimizes relevant green procurement standards and systems, comprehensively considers the management practice of suppliers in terms of environmental protection to continuously reduce environmental impact of materials purchased. We are able to trace the sources of all minerals through the CMRT reports. In 2024, we have completed the conflicted mineral investigation report as scheduled and actively cooperated with customers to assist relevant smelters in obtaining CFS (Conflict-Free Smelter) certification, further ensured the compliance and sustainability of the supply chain.





4 Feedback on Employee Empowerment

Feedback on Employee Empowerment






Employees' Interests

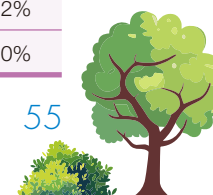
By upholding the principle of voluntary and equality at all times, Cowell strictly complies with the laws and regulations of where it operates and the relevant regulatory authorities there. Cowell enters into employment contracts with its employees by the laws and regulations and constantly optimizes its employment management mechanism of compliance and equality to safeguard any lawful rights and interests of each employee. By establishing a sound and healthy personnel management system, the Company is allowed to offer competitive remuneration and fringe benefits. The Company has always been committed to creating a tolerant, equal, caring and enterprising work environment for its employees to attract and retain talents by practical acts.

Equal Employment

The Company has stringently complied with the principle of equal employment, through formulating and implementing rules and regulations, such as "Human Resources Management Procedures" and "Recruitment Management Regulations", refining the recruitment process, optimizing the talent selection mechanism, and upholding the recruitment philosophy of "recruiting openly, competing equally, hiring with merits, prioritizing internal promotion", to ensure that the hiring mechanism is scientific and justifiable.

As of 31 December, 2024, we had 6,035 employees in total with a turnover rate of 18.18%. The related breakdown by gender, age group, region and position is as follows:

Cowell's Employee Structure and Turnover			Total number of employees	Percentage of employees	Turnover rate
	By gender	Female	1,475	24.44%	4.46%
		Male	4,560	75.56%	13.72%
	By age group	30 years old or below/person	2,993	49.59%	12.03%
		31–40 years old/person	2,332	38.64%	5.21%
		41–50 years old/person	650	10.77%	0.88%
		51 years old or above/person	60	0.99%	0.07%
	By region	Central China	2,116	35.06%	7.12%
		Southern China	1,861	30.84%	5.31%
		Southwest China	1,009	16.72%	2.93%
		Northwest China	248	4.11%	0.54%
		Other regions in China	736	12.20%	2.13%
		Overseas	65	1.08%	0.15%
	By employment type	Full-time	4,584	75.96%	18.18%
		Part-time	1,451	24.04%	—
	By position	Senior management	172	2.85%	0.16%
		Middle management	2,549	42.24%	7.82%
		Other employees	3,314	54.91%	10.20%



Prohibition of discrimination. During the recruitment process, the Company strictly prohibits any form of discrimination based on race, color, age (subject to legal age for employment), gender, sexual orientation, gender identity and gender expression, race or ethnicity, disability, pregnancy, religion, political affiliation, union membership, protected veteran status, protected genetic information, or marital status.

Prohibition of child labour or forced labour. The Company continuously optimizes its recruitment and identity verification process to avoid mistaken child labour. The Company prohibits any form of forced, bonded, indentured or prisoned labour, and strictly prohibits participation in human trafficking. All employment is voluntary, and employee contracts clearly stipulate employment conditions in their native languages to safeguard the employee's rights of information and options. During the reporting period, the Company has no incident of mistaken child labour or forced labour.



Awarded "China Best Employer (Nomination) Award 2023" by Zhaopin

Salary and Benefits

The Company has always adhered to the "people oriented" philosophy and is committed to providing employees with competitive salary and benefit packages to attract, motivate and retain outstanding talents. Our salary and benefits package not only focuses on employees' physical rewards but also focuses on their overall development and job satisfaction.

- Performance incentive system**

The Company has established an effective remuneration structure, gradually promoted to keeping the fixed portion of remuneration unchanged and increasing the variable portion of remuneration, and promoted a remuneration system based on contribution. In addition to agreed salary and overtime paid, we offer additional performance appraisal wages, year end bonuses and equity incentives to ensure employee compensation is linked to performance and to motivate employee's initiatives.

Indirect employee incentive system

The Company adopts a performance incentive system among all indirect employees to motivate their initiatives and creativity. At the end of each quarter, the Company conducts a comprehensive performance appraisal based on employees' performance, target achievement, team contribution and other multi-dimensional indicators. Evaluation results will be directly reflected on the performance appraisal wages, we have adopted a variable payment mechanism to ensure employees with outstanding performance are entitled to higher returns, thus demonstrating its fairness and incentives.

Direct employee incentive system

The Company implements a bonus incentive system among all direct employees to encourage them to maintain efficient and high quality performance in daily work. At the end of each month, the Company evaluates employees' work results, efficiency and behavioral performance through a combination of quantitative and qualitative methods. Based on the evaluation results, the Company will distribute corresponding bonus incentives in a timely manner to ensure employees' efforts are immediately recognized and rewarded, and to further enhance employees' motivation and satisfaction.

Employee equity incentive plan

The Company especially launched an employee equity incentive plan in order to enhance the sense of ownership among core employees and further stimulate their initiatives and creativity. The plan targets core technicians and senior management who have made outstanding contributions in technology research and development, innovation management and other aspects. By granting equity incentives, they can share with the Company our development growth and responsibilities. As of the end of 2024, approximately over 200 employees participated in the employee equity incentive plan.

• Non-monetary benefits

In order to provide all rounded care for the physical and mental health of employees and enhance work-life balance, the Company offers a variety of non-monetary benefits and is committed to creating a warm and supportive working environment for every employee.

Daily benefits	Employee birthday gifts, department gatherings, annual body check, Employee Assistance Program (EAP) mental wealth consultation, association activities, summer childcare services, family open days, once a week extra food option in the canteen, etc.
Festivals benefits	Gifts for Chinese New Year, Chinese Valentine's Day, Women's Day, Dragon Boat Festival, Father's Day, Mother's Day, Mid-Autumn Festival and other festivals.
Livelihood protection	Free shuttle bus, transportation subsidies, fuel subsidies, hairdressing services, coffee shop vouchers, libraries, gyms, talent apartments, employee mutual aid funds, etc.
Fertility support	maternity leave, prenatal checkup leave, childcare leave, paternity leave and other paid holidays, a nursery room is set up in the factory.



2024 Annual Body Check



Union Caring Activity "Cooling Down"



Democratic Communication

The Company has formulated the "Procedure on Internal and External Communication Management" to ensure effective communication with employees and other stakeholders. We listen to the employees and promote the harmonious development of the Company.

• Diversified communication channels

The Company has set up various online communication channels, including hotlines, bulletin boards, internal newsletters, management emails and suggestion boxes. In addition, the Company also organizes offline communication meetings on a regular basis such as team meetings, face-to-face communication, and employee surveys to ensure employees can timely and effectively provide feedback on relevant issues, express personal demands, and enhance communication efficiency between the Company and employees.



• Employee satisfaction survey

The Company carries out employee satisfaction surveys on a quarterly basis to understand the needs and opinions of employees. We continuously improve management measures to enhance employee satisfaction.



Health and Safety

The Company has always prioritized employees' health and safety. We are committed to building a comprehensive and systematic health and safety management system to ensure a safe and healthy working environment for all. Through the establishment of the occupational health and safety management system, strengthening of safe production, standardization of chemicals management, and the implementation of occupational disease prevention, the Company has effectively identified and controlled various health and safety risks, improved employees' awareness on protection and operational standards, and laid a solid foundation for sustainability.

Occupational Health and Safety Management System

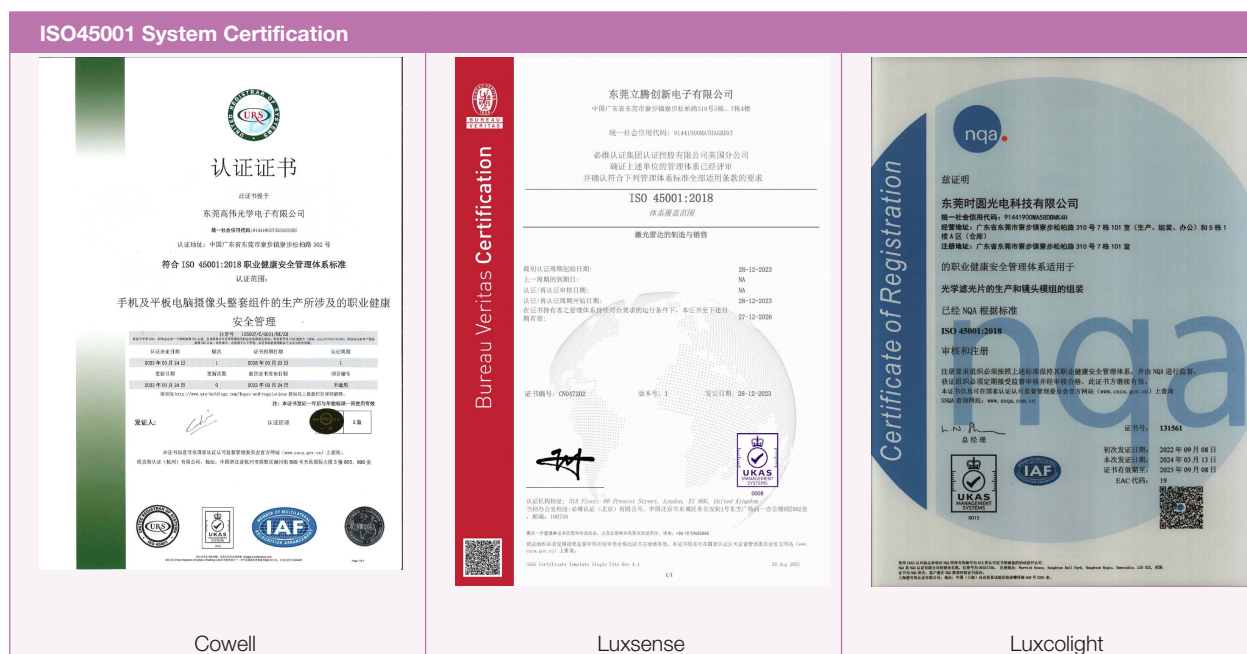
The Company has always taken employees' health and safety as its core responsibility and strives to create a healthy and safe working environment. Through systematic management, the Company constantly improves occupational health and safety and ensures that all operating entities comply with international occupational health and safety management standards.

Occupational health and safety policy:

Comply with laws and regulations; combine prevention and control; work together as one; implement gradually accelerating management and control; strive to improve occupational health and safety; and create a healthy and safe working environment.

System construction

The ISO 45001:2018 third party certification rate of the Company and its subsidiaries reaches 100%, ensuring all operating entities comply with occupational health and safety management standards. We continue to promote the completeness and enhancement of occupational health and safety management system, strive to further optimize the working environment and eliminate potential occupational health and safety risks by way of systematic management.



Safe Production

In order to ensure the safety and sustainability of the Company's operations, the Company has formulated a comprehensive safety management system and established a safety committee to supervise and guide the safety management of the entire Group. The system specifies responsibilities at all levels. The Group's safety responsibilities are assumed by factory supervisors, while factory safety responsibilities are assigned to various ministerial units. In order to further strengthen safety management, the Company has selected core members from various departments to form a safety team at the ministerial level, and specified responsibilities of each safety officer to ensure comprehensive management and control of work safety.



• Responsibilities of the Environmental Safety Executive Committee

The Environmental Safety Executive Committee plays a key role in the safety management system. Its main responsibilities include serving as the primary responsible person for fire safety within the department and ensuring fire safety measures are effectively implemented. We receive regular EHS related training to enhance safety awareness and emergency response capability. We conduct potential hazard inspections on our departments every week and submit potential hazard records before Wednesdays of next week to ensure potential risks are promptly identified and rectified. We participate regular Environmental Safety Executive Committee organized by the EHS department, report safety work progress and participate in decision making, actively cooperate with the EHS department in organizing various emergency drills, improve emergency response capability, participate in activities organized by the EHS department in relation to safety, environment and health enhancement of the Company and promote the safety culture within the Company.

• Incentive mechanism

The Company has developed a comprehensive incentive mechanism with an aim to motivate safety officers to better perform their duties. All safety officers are evaluated every month based on the “Environmental Safety and Health Incidents” and “Environmental Safety and Health Management” detailed in the “Part-time Fire Safety Officer Performance Evaluation Form”. We grant cash rewards based on the evaluation results. This mechanism not only improves initiatives of safety officers but also ensures the effective operation of the safety management system.

• Environmental Safety Executive Committee

The Company regularly organizes Environmental Safety Executive Committee meetings every month to evaluate the performance of safety officers and discuss and resolve major issues in safety management. This mechanism ensures the continuous improvement and optimization of the safety management system.



Picture of Environmental Safety Executive Committee Meeting

Number of work-related fatalities

Total number of work-related fatalities (person)	2022	2023	2024	Work-related fatalities rate (per 1,000 employees)	2022	2023	2024
	0	0	0		0.00%	0.00%	0.00%

Work injury

Number of accidents		Accident rate (per 1,000 employees)		Working hours lost (hours)	
2023	2024	2023	2024	2023	2024
3	12	0.08%	0.16%	623	2296



Chemicals Management

The Company strictly monitors and controls substances that have hazardous properties, listed in the “Catalogue of Hazardous Chemicals” monitored and controlled by places of operation and are prohibited or restricted for use by customers. The Company has now completely phased out chemicals that have hazardous properties, listed in the “Catalogue of Hazardous Chemicals” monitored and controlled by places of operation and contained substances restricted for use by customers. The Company has formulated the “Chemicals Management Practice” to regulate the procurement, production, storage, transport, use and disposal of chemicals (including glue) within the Company to prevent chemicals from harming our employees and the environment.

- **List management**

We comprehensively identify all chemicals used, prepare a detailed chemicals list, implement centralized management and update the list on a regular basis. The list contains the names, element information, storage location, quantity, usage information, hazard classification, monitor and control records, safety data sheets (SDS) and other information of all chemicals. We comprehensively monitor the procurement, usage, storage and disposal of chemicals, and effectively identifies and monitor risky substances.

- **Testing of restricted substances**

Every year, external authoritative testing agencies perform specific testing of restricted substances on chemicals to ensure that they comply with relevant laws, regulations and industry standards and effectively ensure the legality of the chemicals usage. The 2024 testing results show that none of the chemicals tested showed excessive restricted substances or other violations.

- **Procurement management**

We review the suppliers' safety production license, quality certification, business license scope, product certificate and other relevant qualification certificates before making purchase, require them to produce safety labels and safety technical manual and verify such documents. We require suppliers to provide test reports issued by qualified laboratories and enter into non-containing statements regarding chemicals used in designated processes. If suppliers do not meet the restriction requirements, no purchase will be made.

- **Transport management**

Manufacturers are responsible for the transport of hazardous chemicals purchased. When entering into supply agreement with the manufacturer, safety matters regarding transportation will be specified in such agreement.

- **Storage management**

We store chemicals in strict compliance with national standards, assign dedicated personnel for management purposes and establish a chemicals storage compatibility matrix. Chemicals in the workshop should be stored in isolation as required, store separately or in special explosion proof cabinets. Chemicals should not be mixed with ordinary goods. The amount of chemicals stored in the workshop should not exceed the usage for 24 hours.

• Labels management

All chemical containers or chemical disposal barrels (tanks) in the workplace are labeled, indicating the name of the hazardous chemicals contained as well as health, safety and environmental warning information stated in the chemicals safety data manual (MSDS). We put up clear safety signs in all venues where hazardous chemicals are stored and used.

In 2024, we carried out a special workshop project to strengthen separate packaging of chemicals. Through management inspections of chemicals in the workshop, we discovered a total of 4 potential safety hazards. We immediately issued an improvement plan and efficiently implemented rectifications within a week to ensure safe chemicals use in the workshop and safeguard our employees' safety and health.



Standardize the use of explosion proof cabinets

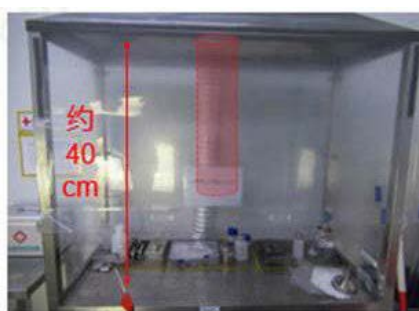


Diagram of extended duct installed to venting cabinet



Prevention of Occupational Diseases

The Company always prioritizes occupational the health and safety of its employees. We are committed to building a comprehensive occupational disease prevention system to ensure the health and safety of employees in the workplace. Through systematic hearing protection training, special inspections on the use of personal protective equipment (PPE) and strict rectification measures, the Company has effectively identified and controlled occupational health risks and enhanced employees' protective awareness and operational standards.

Number of cases of occupational diseases

0 person
No occupational diseases occurred in the Company in 2023 and 2024



• Special improvement project on hearing protection

In order to protect the occupational health of employees, the Company places great emphasis on the prevention of occupational diseases, in particular, the Company implements special protection measures for employees exposed to high noise environments ($L_{Aeq}, 8 \geq 85\text{dB}$). The Company regularly organizes hearing protection training every year and continues to implement special improvement projects in relation to factory noise to reduce the impact of noise on our employees' health.

Hearing protection training: we regularly offer special training to employees exposed to high noise environment. The training covers harmful hazards of noise to the human body, purposes and procedures of hearing tests, status and control methods of corporate noise, as well as the use and management of ear protectors.



Special improvement project on noise: we regularly monitor the noise data of the factory and promptly carry out special rectifications once the limit of any dedicated area is being exceeded. In 2024, we carried out a total of 5 special rectification projects. Noise reduction measures adopted include but are not limited to:

Noise absorption measures

We install sound absorbing blocks in indoor areas and increase the total surface area of sound absorbing materials by 20% to reduce noise transmission.

Equipment alteration

We replace the noise making exhaust fan with silent exhaust fan and install silencer; we install silencers on the inside of the heat dissipation louvers and the air compressor heat dissipation outlet to reduce noise generated by operation of equipment.

Sound insulation optimization

we upgrade single layer glass windows to double-layer hollow soundproof windows to further improve sound insulation.

• Special inspection on PPE usage

In order to ensure the safety and health of employees in the workplace, the Company's EHS department regularly conducts special inspections on the use of personal protective equipment (PPE) to ensure employees clearly understand the hazards in their work stations and relevant protective measures, and wear PPE correctly and reasonably.

Inspection scopes: cover chemical factors, physical factors, radiation factors and other common hazard factors, and comprehensively inspects the use of PPE by employees.

Inspection results: in the recent special inspection, we identified a total of 7 issues, mainly relating to employees not wearing protection equipment correctly.

Rectifying measures: in response to issues discovered, the Company immediately adopts rectification measures to ensure that employees correctly wear protection equipment in accordance with the operating specifications. With an alteration completion rate reaching 100%, we have effectively eliminated safety hazards.

Before rectification

Certain employees fail to correctly wear protection equipment, posing potential occupational health risks.



After rectification

Through special inspections and rectifications, employees are able to follow operating standards and correctly wear protection equipment, significantly reducing occupational health risks.



Training and Development

The Company has always considered employee training and development as a cornerstone of corporate sustainability. We are committed to enhancing professional skills and comprehensive qualities of employees through a systematic training system and diversified career development channels, and assisting employees achieve mutual growth with the Company.

Employee Training

The Company establishes comprehensive employee training system and designs systematic offline training courses for all employees to ensure the training coverage reaches 100%. In addition, the Company also regularly offers equipment training, skills training and other special training to continuously improve the professional level of employees.

Cowell's Employee Training Data

		Training coverage rate	Training hours/ person (hours)
By age	Male	100%	27.89
	Female	100%	27.89
By position	Middle and senior management	100%	37.36
	Junior management	100%	22.02
	Other employees	100%	19.36

• Training by level

We customize various training courses for staff, employees and team leaders to meet training needs of different positions.

Team leaders training



Employee training



Equipment training



Staff training

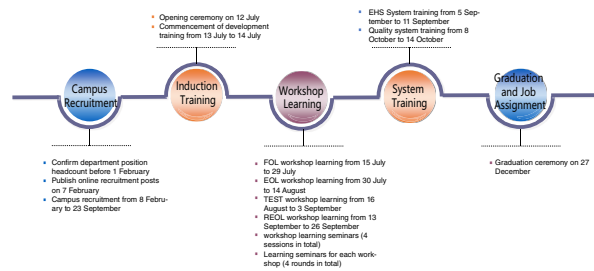


Skills training



New comers training

We design half-year systematic training courses for fresh graduates, covering the Company's entire business process, to help new comers quickly pick up their work and perform efficiently.



English language training

Based on the analysis on employee' English improvement needs in 2024, we have formulated the 2024–2025 English training scheme, including internal classes and external professional courses, to comprehensively improve employees' English level.



Internal classes



External classes

Online training

Through the dedicated online training Distributed Control System (DCS), we have independently developed diversified courses and supporting assessment mechanisms. In 2024, we have organized a total of 720 courses, 1,366 test papers, with 81,714 times of participation by employees in the assessment, effectively meeting the diverse learning needs of employees.

LUXVISIONS 课程管理													
课程管理													
课程关联公司: 请选择 课程编码: 课程名称: 课程类型: 请选择 归属培训计划: 请选择													
讲师工号: 讲师姓名: 培训时间: ~													
查询 新增 导出Excel 清空													
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课程编号	课程名称	授课类型	分类	难度系数	考核方式	培训时间	讲师	是否公开	课时	二倍约	关联学员	打卡记录	基本信息
EC8006124	Pismo/Durango Glue Locking	网课	NPI ME	中级		2023/11/17 08:00至2099/12/31 23:50	1491282 / 李刚	是	60分钟				
EC8006123	Durango Driver Filling	网课	NPI ME	中级		2023/11/17 08:00至2099/12/31 23:50	1491282 / 李刚	是	60分钟				
EC8006121	Ceramic Carrier Attach	网课	NPI ME	中级		2023/11/17 08:00至2099/12/31 23:50	1491282 / 李刚	是	60分钟				
EC8006120	Bending	网课	NPI ME	中级		2023/11/17 08:00至2099/12/31 23:50	1491282 / 李刚	是	60分钟				
EC8006119	AVI-ACA	网课	NPI ME	中级		2023/11/17 08:00至2099/12/31 23:50	1491282 / 李刚	是	60分钟				
EC8006118	ACF Attach	网课	NPI ME	中级		2023/11/17 08:00至2099/12/31 23:50	1491282 / 李刚	是	60分钟				
EC8006117	Active Alignment	网课	NPI ME	中级		2023/11/17 08:00至2099/12/31 23:50	1491282 / 李刚	是	60分钟				
EC8006116	FACA	网课	NPI PE	高级		2023/11/17 08:00至2099/12/31 23:50	1491282 / 李刚	是	60分钟				
EC8006115	ZEUS Blemish	网课	NPI ME	中级		2023/11/17 08:00至2099/12/31 23:50	1491282 / 李刚	是	60分钟				
EC8006114	Iguana Test	网课	NPI ME	中级		2023/11/17 08:00至2099/12/31 23:50	1491282 / 李刚	是	60分钟				

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Employee Development

The Company provides employees with diversified career development channels, including services such as vocational skill certification, academic qualification advancement, and professional title application, to help employees achieve career growth.

• Vocational skill certification

We cooperate with the Ministry of Human Resources and Social Security to organize internal vocational skill certification projects, employees can complete training and assessment within the Company. As of the end of 2024, a total of 1,658 employees have completed certification, including 537 new employees in 2024.



Vocational Skill Appraisal Board

• Academic qualification advancement

We cooperate with the School of Continuing Education of Guangdong University of Science and Technology to provide employees with academic advancement including high school to junior college and junior college to bachelor's degree. In 2024, a total of 31 employees were admitted to junior college and 33 employees were admitted to bachelor's degree programs.



Academic Qualification Advancement Committee

• Professional title application

In order to satisfy career development needs of employees, the Company cooperates with Guangdong University of Science and Technology to provide professional title application guidance services. In 2024, a total of 26 employees signed up for professional title application.



Professional Title Application Lecture

Caring for Employees

Cowell adheres to its “people-oriented” philosophy and is committed to providing employees with a warm and comfortable working and living environment, creating a healthy and harmonious working atmosphere, and continuously enhancing employees’ sense of belonging and happiness. Through a variety of extracurricular clubs, cultural activities and family care initiatives, the Company not only enhances employee cohesion, but also builds a positive corporate culture.

- Extracurricular clubs and cultural activities**

The Company encourages employees to explore interests and hobbies, enrich their livelihood and promote communication and cohesion among employees. As such, the Company sets up various internal clubs and organizes different cultural activities on a regular basis. The Company has established various internal extracurricular clubs, including basketball club, football club, badminton club, hiking club and dance club, to encourage employees to explore interests and hobbies, enrich their livelihood and promote communication among employees and team cohesion.

Hiking club



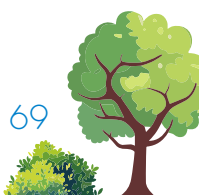
Basketball club



Dance club



Badminton club



Football club



- Family care and support**

The Company highly appreciates the well-being of employees' families, and through a series of family care initiatives, it helps employees to balance their work and family responsibilities and builds a positive interactive relationship between the Company and their families.

- Employee support scheme**

The Company provides employees with a comprehensive support scheme, covering career development, mental health, welfare and other security, ensuring that employees receive all-round support in both work and livelihood.

Mental health lectures



Summer day care



Father's Day haircut



Employee birthday party



Family open day



Staff basketball tournament



Community Involvement

The Company adheres to the vision of promoting social and economic sustainability and actively fulfills its corporate social responsibilities. We prioritize local procurement, support regional economic development and contribute to the long-term development of the communities where we operate. Meanwhile, the Company strictly complies with laws and regulations of places of operation, maintains clean and transparent cooperative relations with government officials, and is committed to creating a positive community atmosphere and cultural environment and promoting harmonious development of the community.

In order to improve the skill level of local labour, the Company has introduced the Dongguan Labour and Employment Training Project to promote cultural creation and skills development and assisted employees and the community to enhance vocational capabilities. In addition, the Company actively participates in charity through social investment and charitable activities. We give back to the community and help the community to achieve prosperity.

Employment support and school-enterprise cooperation

The Company pays close attention to current social issues, in particular the employment pressure faced by fresh graduates. For this purpose, we actively establish school-enterprise cooperation with major universities and offer internship program, which provides internship training and mentoring with a cumulative input of 360 hours in training for interns in 2024. These help students experience the workplaces in advance, improve professional skills and practical experience, and lay a solid foundation for their future employment.



Meanwhile, the Company carries out campus recruitment promotions in major universities. In addition to meeting its own employment needs, the Company prioritizes hiring fresh graduates and puts into actions to alleviate social employment pressure. These measures not only reflect the Company's social responsibility, but also cultivate high quality talents for the community, achieving a win-win situation for both the Company and our community.

Guangdong University of Science and Technology Internship Employment



Guangdong University of Science and Technology Cooperation Contracting Ceremony



Guizhou Intelligent Engineering Technician College Cooperation Contracting Ceremony

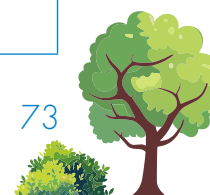


Qiannan Polytechnic for Nationalities Cooperation Contracting Ceremony



Indicator Index

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KPI A1.2	Greenhouse gas emissions in total (in tonnes)	23	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	33	Not applicable to unit intensity calculation
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	33	Not applicable to unit intensity calculation
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	32-39	The Company is currently at the development stage and has not set specific targets for emission reduction
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	32-39	All waste has been effectively incinerated without landfilling
Aspect A2: Use of Resources			
General Disclosure		22, 26	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000 s) and intensity (e.g. per unit of production volume, per facility).	26	Not applicable to unit intensity calculation
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	30	Not applicable to unit intensity calculation
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	27-28	The Company is currently at the development stage and has not set specific targets for emission reduction
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	30	The Company is currently at the development stage and has not set specific targets for emission reduction
KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	31	Not applicable to unit intensity calculation

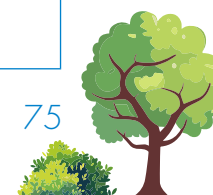


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KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	52	
Aspect B6: Product Responsibility			
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KPI B6.2	Number of products and service related complaints received and how they are dealt with	49	
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Feedback Form

Dear readers,

Hello! Thank you very much for taking time to read our ESG Report. In order to improve the procedures in compiling the report and enhance the capability of Cowell to perform its duties, we are looking forward to your comments and ideas on the report. We would like to thank once again for your support!

1. Which of the stakeholders to Cowell below best describes you?

- ☐ Government and regulatory authority ☐ Shareholder and investor ☐ Customer ☐ Supplier
☐ Employee ☐ Business partner ☐ Community member ☐ Mass media

2. How would you rate this report in general:

- ☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very poor

3. How would you comment on the layout and design of this report:

- ☐ Very reasonable ☐ Relatively reasonable ☐ Average ☐ Poor ☐ Very poor

4. How would you rate the readability of this report:

- ☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very poor

5. How would you rate the quality of information regarding sustainability disclosed in this report:

- ☐ Very high ☐ High ☐ Average ☐ Low ☐ Very low

6. Do you have any other comments or advice on the compilation of the report or responsibility fulfilment?

You may send your feedback above by mail to No. 302 Songbai Road, Huanan Industrial Zone, Liaobu Town, Dongguan City, Guangdong Province, PRC.

