



# 2024

## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT



Minth Group Limited

Stock code:425



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# About this Report

## Overview

We hereby release the 2024 Environmental, Social, and Governance (ESG) Report (hereinafter referred to as the "ESG Report") of Minth Group Limited and its subsidiaries (hereinafter referred to as "Minth Group" "the Group" or "We"). This report comprehensively presents our policies, measures, and performance regarding all ESG issues in 2024.

## Reporting Boundary

Unless otherwise stated, this report covers Minth Group Limited and its subsidiaries and covers the period from January 1, 2024 to December 31, 2024 ('the Reporting Period'). Unless otherwise specified, the currency involved in the report is Chinese Yuan (RMB).

## Reporting Principles

This report is prepared in compliance with the ESG Reporting Guide in Appendix C2 of the Main Board Listing Rules of Hong Kong Exchanges and Clearing Limited ('HKEX') and observes the following principles:

**Materiality:** Key ESG issues are identified through a materiality assessment and relevant information is disclosed in this report.

**Quantitative:** Information on the standards, methodologies, assumptions, conversion factors used to calculate KPIs are disclosed.

**Balance:** This report provides an unbiased picture of our ESG performance.

**Consistency:** The methodologies used to disclose ESG information in this report are consistent with the ones used in the 2023 ESG report.

This report is also prepared in reference to the Global Sustainability Standards Board (GSSB) GRI Standards, relevant requirements of Morgan Stanley Capital International's ESG rating (MSCI ESG Rating), the UN Sustainable Development Goals (SDGs), and the Sustainable Accounting Standards Board (SASB) standards- Auto Parts.

## Material Source and Reliability Statement

The information and cases in this report are mainly collected from the Group's statistical reports and relevant documents. The Group guarantees that this report is free from any false records or misleading statements, and thereby undertakes liabilities for the truthfulness, accuracy, and completeness of the Report.

## Access and Feedback to this Report

This report is available in Traditional Chinese and English. In light of environmental protection, we recommend the electronic version, which can be found on the Group's website or the Company's "Financial Statements/ESG Information" on the website of the Stock Exchange. We highly value the voices of stakeholders and welcome readers to contact us through the following channels. Your opinions will help us further improve this report and enhance the Group's overall ESG performance.

## Confirmation and Approval

After confirmation by the Management, this Report was approved by the Board of Directors on 22 April 2025.

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# Message from the Chairperson

Dear Shareholders, Partners, Employees, and Friends from All Walks of Society,

In 2024, the global landscape continues to evolve at a rapid pace, with the automotive industry undergoing profound transformations driven by electrification, intelligence, and connectivity trends that are accelerating ceaselessly. As a key player in the global automotive components sector, Minth Group remains steadfast in its commitment to the core values of coexistence with ESG, sustaining robust growth amidst fierce competition and uncertainty.

On the journey towards sustainable development, Minth Group consistently takes customer needs as our compass, continuously refining our global strategy and enhancing our market responsiveness. We are well aware that only by closely aligning with automotive manufacturers can we accurately anticipate industry demand shifts and achieve efficient collaboration. Thus, guided by the strategy of achieving local excellence through global resources, Minth Group operates in key locations across 14 countries, leveraging industry integration and technological innovation to deliver superior products and services, propelling industry advancement.

Climate change has become one of the most urging challenges globally, with substantial scientific evidence indicating that the combined issues are having a profound impact on ecosystems, economic development, and human society. For a long time, the rise in global temperatures, the increase in extreme weather events, the rise in sea levels, and the reduction in biodiversity have become undeniable facts. According to the report by the Intergovernmental Panel on Climate Change (IPCC), since the Industrial Revolution, the global average temperature has risen by 1.1-1.3° C and continues to accelerate. If effective measures are not taken, the global temperature may exceed the critical thresholds of 2 ° C or 3 ° C within this century, triggering irreversible ecological changes and posing tremendous challenges to the survival of all humanity. The automotive industry has long relied on fossil fuels, and the carbon emissions from the transportation sector account for nearly 1/4 of the global emissions, making energy formation and low-carbon development a consensus. Minth Group is deepening green development in multiple dimensions

such as operations, supply chain, and products under its self-set 2040-2050 carbon neutrality goals.

Employees are among our most valuable assets, and our strategy execution is as crucial as the strategy itself, which is why we place great emphasis on employee job satisfaction and sense of mission. For a long time, Minth Group has been committed to fostering a culture of "love and unity" built on the foundation of core ESG coexistence values such as "integrity", "trust", "teamwork" and "drive transformation". We are convinced that employees and the Group's mission are aligned, continuously enhancing personal and organizational competitiveness, and working together to achieve sustainable development goals.

Finally, we extend our heartfelt thanks to all shareholders, customers, employees, business partners, and other stakeholders of Minth Group. At Minth Group, we continue to contribute our part to creating an environmentally friendly, equal, and loving world. With aiming to the best of the industry as our long-term goal.



**Wei Ching Lien**

Chairperson of the Board of Directors  
and the Sustainability Committee  
Minth Group Limited





# About Minth

Minth Group is one of the global leaders in the supply of automotive exterior, and body structural components, committed to providing high-quality, high-performance automotive parts for the global automotive industry. The Group employs 25,663 people worldwide, operates across 4 major product lines, and has a presence in 14 countries across three continents, with 77 manufacturing plants and offices. Its customer base spans over 70 automotive brands. With its diverse and extensive clientele, Minth Group has made strategic investments in the electric vehicle sector, establishing itself as the world's largest supplier of battery housing and body structural components. In addition, Minth Group also promotes AI-enabled production, strengthens the digital transformation of enterprises, improves enterprise production efficiency, and ensures safe production.

In addition to pursuing commercial success, Minth Group is dedicated to fostering a sustainable society and future. The Group advocates for green innovation and continuously integrates green energy into its operations. Minth Group remains committed to providing customers with automotive parts that meet the highest global standards, driving technological advancements and innovation within the automotive industry.

The Group employs **25,663** people worldwide

with **4** major business units,

and has a presence in **14** countries across three continents,

with **77** manufacturing plants and offices.

Its customer base spans over **70** automotive brands.



## North America

- Windsor ON (Canada)
- Tawas City MI (USA)
- Wixom MI (USA)
- Canton MS (USA)
- Lewisburg TN (USA)
- Aguascalientes AGS (Mexico)

## Europe

- Ilseburg, Munich (Germany)
- Paris, Ruitz (France)
- Prague (Czech Republic)
- Sunderland (UK)
- Szprotawa (Poland)
- Loznica, Sabac (Serbia)
- Istanbul (Turkey)

## Asia

- Shanghai, Guangzhou + 19 locations (China)
- Tokyo, Kyushu + 4 locations (Japan)
- Osan, Asan (South Korea)
- Bangkok, Rayong (Thailand)





# 2024 ESG Highlights

## ESG Rating and Awards

- CDP Climate Change: **B**
- CDP Water Security: **B**
- MSCI Rating: **BBB**
- EcoVadis: **Committed medal**

## Governance

- Mandatory ethics and compliance education is delivered to **all employees** through diversified approaches and programs
- Committed to advancing board diversity, with female directors constituting **50%** of the board composition.
- 4** manufacturing facilities have successfully obtained **ISO 37001:2016** Anti-Bribery Management System (ABMS) certification.

## Environmental

- 100%** factories<sup>1</sup> have obtained **ISO 14001** Environmental Management System certification.
- 4** subsidiaries have been recognized as China National Green Factories, **3** subsidiaries have been awarded National Green Supply Chain Management Enterprise and **14** subsidiaries have received Provincial and Municipal Green Factory
- 151** energy-saving projects in total have been carried out
- Overall installed rooftop photovoltaic capacity reached **63** MW
- 27,411** MWh of electricity and **175,800** m<sup>3</sup> of Natural gas have been saved through energy-saving renovation
- Scope 1 and 2 greenhouse gas emission intensity reduced **7.15%** compared to 2023
- Total water consumption has decreased by **24%**
- Recyclable waste accounts for **70%**<sup>2</sup>
- 100%** recycled and reclaimed materials used in some of our body and chassis structural components

## Social

- The R&D investment in clean technology accounted for approximately **44%** of the total R&D investment, totaling RMB **630** million
- 100%** factories have obtained **ISO 45001** Occupational Health and Safety Management certification
- Subsidiaries secured **38** quality and service awards, garnering widespread recognition from global clients
- 100%** factories have obtained **IATF 16949** Automotive Management certification
- Zero** product quality recall incidents
- 100%** suppliers received training on quality, cost, service, or delivery topics
- The average training hours per employee reached **85.5** hours

<sup>1</sup> Regarding ISO 14001, ISO 45001 and IATF 16949 certification, since new factories are unable to apply for certification, "all factories" and "100% factories" refer to those that have been in mass production for at least one year (excluding R&D bases, logistics or transit stations, etc.).

<sup>2</sup> Proportion of recyclable waste = Waste that has been disposed by a third party and has been recycled/ Non-hazardous waste \*100%



# 01

## **Solid Corporation Governance**







# ESG Management

## Statement of the Board

The Board of Directors fully recognizes the importance of ESG-related risks and opportunities, and acknowledges that changes in the ESG landscape may have profound implications for Minth Group's financial prospects. Consequently, these issues are regarded as equally significant as other risks and opportunities the Group encounters. The Board takes responsibility for overseeing these issues, focusing on assessing how ESG-related matters may impact the Group's overall strategy and fulfilling the corresponding responsibilities.

As the primary overseer of ESG governance at Minth Group, the Board is tasked with identifying ESG-related risks and opportunities. The Board oversee the adequacy and effectiveness of the Group's ESG risk management and internal control systems. The Board has defined the Group's ESG management framework, strategic direction, priority areas, and set objectives, and regularly reviews the Group's progress in achieving ESG-related goals and standards.

Furthermore, the Board affirms and endorses the content of the ESG report published by Minth Group.



## ESG Governance

Minth Group's ESG management is divided into three main layers, namely the governance layer, the management layer, and the implementation layer. Each layer has its own role to play in advancing the ESG development of Minth Group.

### Governance Level

Within Minth Group, the Board of Directors holds the highest level of oversight authority over sustainability actions, overseeing the work of the Sustainability Committee. The Board reviews internal policies related to ESG, evaluates the risk management of these actions, and monitors the development and progress of the Group's ESG-related goals. Additionally, the Board ensures the transparency and accuracy of ESG-related information disclosed to the public, ensuring compliance with relevant regional laws

Minth Group has established a Sustainability Committee under the leadership of the Board of Directors. The committee reports regularly to the Board and provides strategic recommendations on the Group's ESG initiative. The Chairperson of the Group also serves as the Chairperson of the Sustainability Committee. The primary responsibilities of the committee include reviewing the Group's sustainability vision, goals, strategy, and key policies; reviewing and approving the support provided for sustainability projects; overseeing the implementation of the Group's sustainability strategy, coordinating internal and external resources to advance related work; regularly assessing and managing the Group's sustainability performance, ensuring that improvement measures are appropriate and effective; and reviewing the Group's internal ESG risk management system, as well as addressing major ESG-related risks and corresponding mitigation measures.





## Management Level

The ESG Working Committee at Minth Group is composed of key members of the management team, and is primarily responsible for effectively coordinating and managing ESG planning and actions within the Group. The committee regularly reports updates to the Sustainability Committee. Its main responsibilities include developing the ESG strategic plan, action plans, and objectives, ensuring alignment with the Group's overall business strategy; reviewing and approving initiatives to enhance various aspects of ESG, establishing an ESG-related risk management system to identify and assess the major ESG-related risks the Group may face and reviewing corresponding mitigation strategies to alleviate or eliminate these risks, thereby promoting the sustainable development of the Group's business operations.

## Implementation Level

The ESG Working Group at Minth Group is composed of key members from the core business team, and operates under the leadership of the Group's ESG Working Committee. Its primary responsibilities include implementing the Group's ESG strategic plan and action plans, ensuring the attainment of related objectives; coordinating resources across business units to promote ESG practices, enhancing the management system, and ensuring that all management tasks are conducted in a standardized, institutionalized, and ongoing manner.



ESG Management Structure Three-tier Architecture Diagram





The Interlocking Relationship of ESG Performance Indicators Across the Departments

The Group has adopted a "Long-term Strategy + Short-term KPIs + Hierarchical Management" approach to drive the achievement of ESG performance metrics. Taking carbon emissions as an example, to realize the strategic goals of reaching carbon peak by 2030 and achieving operational carbon neutrality by 2040, the Group implements the following measures across different levels:

At the operational level, the primary responsible units are the Group Energy Department, Business Units (BUs), and factories. They focus on energy conservation, increasing the proportion of renewable energy, and monthly tracking of energy data to actively reduce Scope 1 & 2 emissions. At the value chain level, the key responsible units include the Group Procurement Center, International Logistics Center, and BUs. Aligning with global operations, they work to improve the quality and transparency of supply chain carbon emission data, increase the utilization rate of low-carbon materials and resource recycling, and optimize logistics routes. Scope 3 emissions in some plants are tracked quarterly with exploration of reduction opportunities.

In 2024, the Board of Directors of Minth Group, along with its Sustainability Committee, conducted five specific governance actions related to ESG matters.

ESG Issues Organised by the Commission for Sustainable Development

- 2024.01 Sustainable Development Committee approved the Minth Group Carbon Neutrality White Paper.
- 2024.03 ESG team presented a report to the board of directors on the progress and future plans of ESG-related affairs for the year 2023.
- 2024.04 Board of directors convened a meeting to review and approve multiple proposals, including the review and approval of the 2023 ESG report.
- 2024.08 ESG team reported the progress of key tasks in the first half of the year and the detailed roadmap for achieving the annual goals in the second half of the year.
- 2024.12 ESG team organized an annual training on listing rules including the new climate information disclosure of the HKEX.

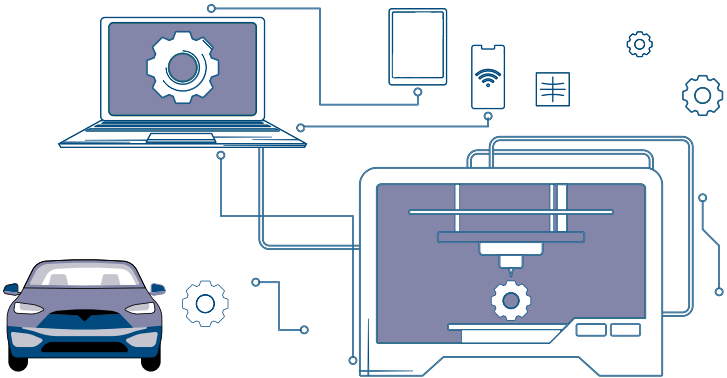
To enhance the ESG capabilities of the Group's Board of Directors, Minth Group has also conducted training on ESG-related topics.

Minth Group's ESG Training Programs

- Provisions and Amendments to the Listing Rules regarding climate-related information disclosure under the ESG framework
- Directors' duties and continuing responsibilities
- Inside information, the Model Code for Securities Transactions by Directors of Listed Issuers, and insider dealing
- Corporate governance code and corporate governance practices

Stakeholder Engagement

The Group recognizes the importance of stakeholders in its business operations and is committed to promoting inclusivity and balance. Our key stakeholders include shareholders/investors, employees, suppliers, customers, community members, media, and government/regulatory agencies.







Key Stakeholders	External Stakeholders										Internal Stakeholders
	Directors	Investors	Employees	Clients	Government Regulators	Suppliers	Partners	Peers	External Experts	Public	Senior Management
<b>Stakeholder Representatives</b>	Member of the Board of Directors	Shareholders	Employee representatives	OEMs	Local government department/HKEX	Major supplier of raw materials/services	Business associations/universities/partner companies	Peer representatives	Practitioners/researchers in industry-related fields	NGOs/Charities/-Surrounding Communities	Senior Management Member/Executive Officers
<b>Topics</b>	Opportunities in Clean Technology; Energy Management; Biodiversity Protection; Customer Service; Intellectual Property Protection; Diversity, Equity, and Inclusion	Sustainable Supply Chain; Supplier Quality Management; Corporate Governance; Employee Rights Protection; Opportunities in Clean Technology; Product Quality and Safety; Research and Development Innovation; Occupational Health and Safety	Occupational Health and Safety; Employee Rights Protection; Employee Training and Development; Product Quality and Safety; Customer Service; Information Security and Privacy Protection; Diversity, Equity, and Inclusion	Product Quality and Safety; Customer Service; Supplier Quality Management; Sustainable Supply Chain; Research and Development Innovation; Opportunities in Clean Technology; Occupational Health and Safety; Business Ethics	Environmental Management System; Emissions and Waste Management; Water Management; Recycling and the Circular Economy; Product Quality and Safety; Research and Development Innovation; Intellectual Property Protection; Information Security and Privacy Protection	Product Quality and Safety; Employee Rights Protection; Supplier Quality Management; Research and Development Innovation; Sustainable Supply Chain; Business Ethics; Customer Service; Information Security and Privacy Protection; Risk Management	Climate Change Response; Opportunities in Clean Technology; Energy Management; Environmental Management System; Customer Service; Research and Development Innovation; Employee Rights Protection; Occupational Health and Safety; Industry Cooperation	Opportunities in Clean Technology; Emissions and Waste Management; Product Quality and Safety; Research and Development Innovation; Water Management; Employee Rights Protection; Sustainable Supply Chain; Climate Change Response; Energy Management	Opportunities in Clean Technology; Emissions and Waste Management; Product Quality and Safety; Diversity, Equity, and Inclusion; Environmental Management System; Customer Service; Research and Development Innovation; Employee Rights Protection; Business Ethics	Product Quality and Safety; Recycling and the Circular Economy; Energy Management; Customer Service; Intellectual Property Protection; Occupational Health and Safety; Diversity, Equity, and Inclusion; Opportunities in Clean Technology	Product Quality and Safety; Emissions and Waste Management; Recycling and the Circular Economy; Customer Service; Research and Development Innovation; Diversity, Equity, and Inclusion
<b>How to communicate with stakeholders</b>	Board Meetings; Visit/Telephone/Written Communication	General Meeting of Shareholders; Financial Reporting Results Presentation; Company Announcements; Roadshow; Visit/Telephone/Written Communication; Investment strategy meeting	Employee training; Staff meetings; Employee activities; Employee interviews; In-house publications	Customer line; Customer satisfaction surveys; Customer visits and discussions; Customer complaint handling; Correspondence by mail	Monthly reports; Press Releases/Announcements; Annual Report/Interim Report; ESG reports; Communicate regularly	On-site research; Supplier assessment; Quality communication; Telephone/written communication; Supplier Conference	Industry Networking Meeting; ESG reporting; Colloquium	Industry Networking Meeting; ESG reports	Colloquium; Visit/Telephone/Written Communication	On-site research; Meeting; Public welfare activities; Community co-construction activities	Executive Symposium; All-hands meeting; Internal meetings; Visit/Telephone/Written Communication; General Meeting of Shareholders





Minth Group employs a variety of methods to enhance communication with its stakeholders. A total of more than 270 online and offline meetings were held in 2024, including one Annual General Meeting, 14 brokerage investment forums/strategy conferences, and weekly arrangements for investor and clients communications, both online and offline.

**Minth Group's Approach to Communicating with Shareholders and Investors** —



In addition, the Group has actively engaged global OEM partners through collaborative dialogues in different ways to align sustainability strategies, co-developing tailored solutions that accelerate green transformation across the auto industry.

**Minth Group's Diverse Interaction with Clients**



During the reporting period, in one of the projects, Minth Group's team maintained biweekly or monthly meetings with a European client, regularly updating their sustainability team on Minth's Group-wide carbon neutrality roadmap. Together, we formulated a carbon neutrality pathway and action plan for one of the factories in Serbia. Additionally, leveraging product carbon footprint analysis, we established a data-sharing mechanism with the client. Our joint design teams collaborated closely to deliver competitive clean-tech products such as battery housing and green aluminum components, directly supporting the client's low-carbon product and material innovation. Furthermore, by participating in the client's Sustainability Supplier Conference and Sustainable Technology Exhibition, we fostered open dialogue to jointly address industry-wide challenges, including high costs of low-carbon technologies, complexity in supply chain data tracking, and uncertainties from policy and market shifts. These efforts underscore our commitment to driving collaborative, innovative solutions for a sustainable automotive ecosystem.



2024 BMW China Sustainable Supplier Conference



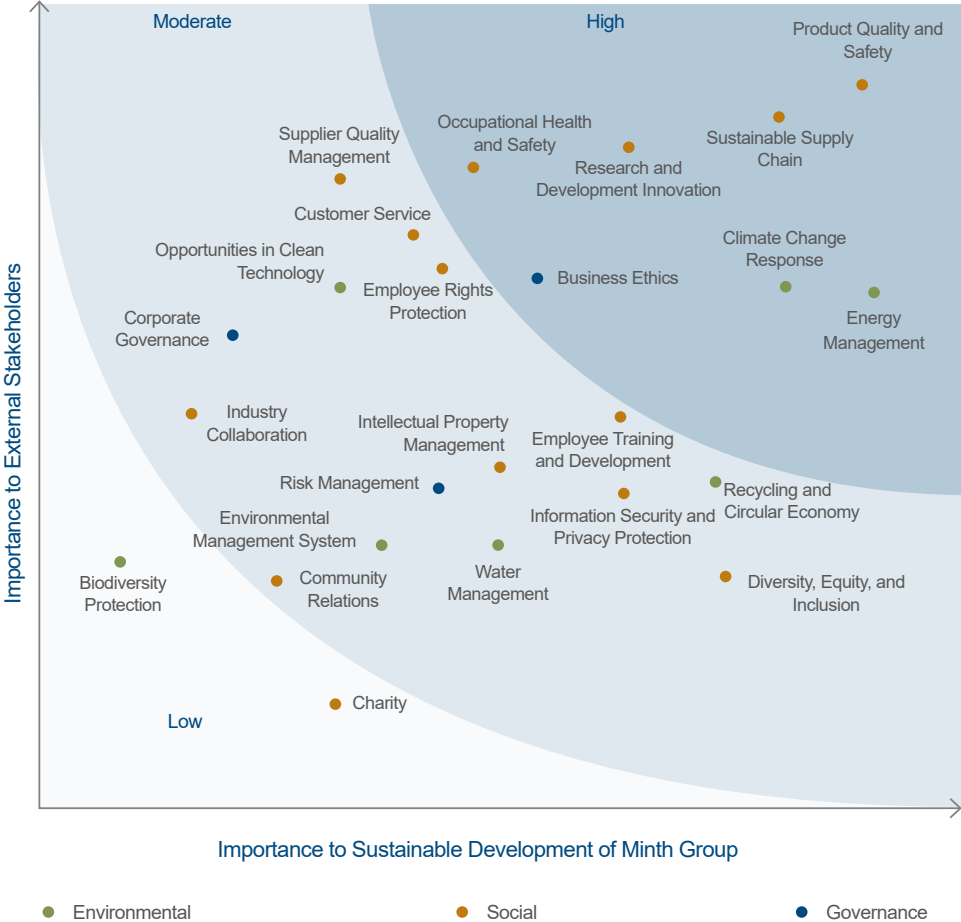
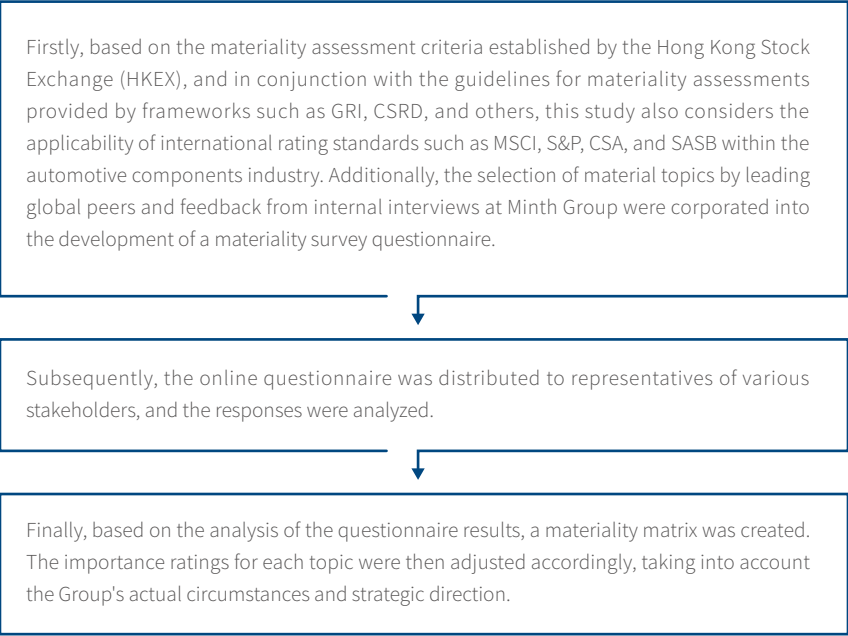
2024 Volvo Car APAC Sustainability Tech Show





## Materiality Assessment

Based on the policy requirements, industry trends, and stakeholder concerns in 2024, we found that the previous results are still applicable to Minth Group's materiality topics. Minth Group has summarised 7 high materiality issues, 16 medium materiality issues, and 2 low materiality issues. The following flowchart delineates the methodological framework and operational mechanism adopted by Minth Group for executing materiality assessments.







# Response to UN SDGs

## Environmental

### Goals

### Achievements



- Minth Group is still striving to reduce water consumption by 20% from the 2020 baseline by 2030.

- We have kept working on saving water. As the end of the reporting period, we have achieved our annual water saving target to cut water consumption by 48%.



- Focusing on the carbon strategy of ‘carbon peaking by 2030 and carbon neutrality by 2050’, we set a target of a 5% year-on-year reduction of energy consumption intensity<sup>3</sup> and scope 1 and 2 carbon emission intensity from base year of 2021.

- While experiencing steady business growth, our scope 1 and 2 greenhouse gas emission intensity in 2024 reduced 7.15% compared to 2023.



- To achieve our carbon neutrality commitment, Minth Group is working to achieve a total photovoltaic generation capacity of 300 GWh by and use 100% green electricity by 2040.

- During the reporting period, the total installed capacity of new rooftop photovoltaics in 2024 is 11.5 MW. As of the end of 2024, the Group has installed 63 MW of photovoltaic power generation capacity.



- We have released the first climate change risk and assessment report (Please refer to Appendix 1).



- We have committed to cutting hazardous waste by 25% (from the 2019 baseline) by 2030.

- In 2024, we achieved an 11% year-on-year reduction in hazardous waste intensity<sup>4</sup>.



- We are dedicated to reducing pollutant emissions, including exhaust gas emissions and wastewater discharge.

- We are consistently improving our air pollution prevention and control measures.

- Through the implementation of closed-loop water management systems, 30 factories have eliminated wastewater discharge, contributing to the improvement of the freshwater ecosystem.

<sup>3</sup> Energy consumption intensity: total energy consumption per RMB10,000 value of output.

<sup>4</sup> Hazardous waste intensity: hazardous waste per RMB10,000 value of output.





Social

Goals



- We aim to provide more employment opportunities for graduates through university-enterprise cooperation programs, trying to promote local economic development, and to improve employment rates.
- Minth Group remains committed to making clean technology a core part of its corporate strategy.
- By 2030, we plan to invest more than RMB 3 billion cumulatively in core clean tech fields such as light weighting, key components of new energy vehicles, low carbon materials, clean energy technologies, wireless charging, and low altitude aircraft.
- We target to use 88% recycled aluminium by 2050.



- We adhere to the principles of diversity, equity, and inclusion.
- We firmly oppose any form of discrimination, inequality, and harassment.
- We are committed to enhancing the health and family happiness of employees and their family members.

Achievements

- Minth Group has established a comprehensive employee development system, designing dual career progression paths for different talent categories.
- Minth Group actively promotes university-enterprise collaboration programs, launching cooperative initiatives for both white-collar and blue-collar employees, covering 20 colleges and universities such as Harbin Institute of Technology and Minth University of Science and Technology.
- The R&D investment in clean technology accounted for approximately 44% of the total R&D expenditure, totaling RMB 630 million.
- In 2024, Eco-Alumin® S632 Green Aluminum contains at least 50% recycled aluminum and can be 100% recycled.
- In 2024, the proportion of female directors on Minth Group's board reached 50%, female employees accounted for 30% of the total workforce, and the proportion of female managers was 20%. We employed 84 employees with disabilities.
- Minth Group has established an anti-discrimination hotline, an office of workplace equity, and task forces and conducts anti-discrimination training to foster an inclusive work environment.
- Minth Group consistently upholds a corporate culture centered on "love", deeply caring for the holistic well-being of employees.





# Corporate Governance

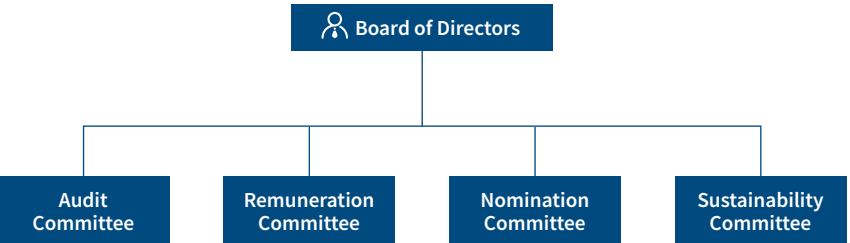
## Governance Structure

Minth Group places significant emphasis on and consistently adheres to high standards of corporate governance, with a commitment to continuously enhancing its organizational management capabilities. The Group actively promotes the diversification and professionalization of the Board of Directors to enhance transparency, improve efficiency, and strengthen its capacity for sustainable development.

Minth Group continually refines its corporate governance structure, firmly believing that a sound and stable governance system is the cornerstone of the Group's sustainable development. The Board of Directors plays a crucial role in decision-making, with subcommittees such as the Audit Committee, Remuneration Committee, Nomination Committee, and Sustainability Committee, which are responsible for executing various functions, implementing the Group's governance policies, and ensuring compliance and long-term sustainability in the Group's operations.

To foster the diversification of the Board, the Group evaluates its composition from the perspectives of gender, age, cultural diversity, international education background, and professional experience. As of December 31, 2024, Minth Group's Board consisted of 8 members, with 4 female directors, accounting for 50%. Additionally, eight directors are from 3 or more countries/regions.

### Composition of the Board of Directors






# Risk Management

Minth Group maintains rigorous internal control and risk management protocols as a corporate governance priority. In alignment with PRC Company Law, PRC Securities Law, and the Basic Norms for Enterprise Internal Control-supplemented by dual listing requirements under Shanghai STAR Market Rules and Hong Kong Listing Rules - the Group has institutionalized its Internal Control and Risk Management System.

This tailored framework codifies risk management objectives, operational principles, and jurisdictional scope through systematic procedures encompassing risk identification, quantitative assessment, mitigation strategies, and dynamic monitoring. The system's design effectively balances regulatory compliance with organizational specificity, reinforcing preventive safeguards while maintaining operational agility. The Group's internal control and risk management system consists of the Board of Directors, the Audit Committee, management, the auditing and monitoring departments, and all employees. This multi-level, multi-dimensional structure ensures that the Group can effectively identify, assess, and respond to various risks in a complex and ever-changing environment, thereby safeguarding the Group's assets and ensuring the continued development of its business.

### Internal Control and Risk Management Team

-  **Board of Directors**  
Report to the shareholders, evaluate risks that affect the achievement of strategic objectives, and exercise the authority to make management decisions for the group. It is the highest decision-making body for internal control and risk management within the Group.
-  **Audit Committee**  
Responsible for reviewing the effectiveness of internal control and risk management, and conducting self-assessments. It coordinates the auditing work related to internal control and risk management and other related matters.
-  **Management**  
Responsible for the daily operation of internal control and risk management, and for adjusting and improving internal control and risk management measures based on changes in the external environment within its authorized scope.





Under its robust risk management framework, Minth Group conducted 10 special audits and investigations during the reporting period following risk-oriented principles. These initiatives provided targeted risk advisories to management, thereby enhancing the Group's risk resilience capabilities.

Minth Group not only employs conventional audit procedures for risk governance but has also developed an integrated risk management platform to enhance the identification and mitigation of worldwide business exposures.

The Group's Online Risk Management Platform Launched

Minth Group enhanced its risk evaluation mechanism to integrate risk management into daily work, achieve real-time visualization, and effectively improve risk management awareness. Minth Group have organized the Group's all entities to complete the 2024 semi-annual risk identification and evaluation with a risk list of 468 items covering finance, purchase, ESG, etc., generated and sent to respective management.



# Business Ethics and Anti-Corruption

## Anti-Corruption

Minth Group upholds compliance as the core principle for corporate development. The Group strictly adheres to domestic and international laws and regulations and has established, implemented, maintained, and continuously improved an anti-bribery management system in accordance with the ISO 37001:2016 standard.

The Board of Directors plays a key role in leading and overseeing the anti-bribery management system. This system applies to all aspects of automotive parts design, production, sales, and delivery, with the aim of identifying and assessing bribery risks and preventing, detecting, and responding to bribery incidents. Based on this, Minth Group has developed a systematic Anti-Bribery Risk Control Procedure to identify and assess bribery risks and implement corresponding measures to address them.

### Anti-Bribery Risk Control Procedure



Audit Work on Anti-Corruption

In the reporting period, in accordance with the Group's regulations, the procurement and sales departments collectively submitted 135 items of gifts (including various physical items, gift cards/coupons, etc.) that exceeded corporate standards. Suppliers who violated the Group's business ethics requirements through improper gifting, entertainment, and hospitality were issued written or verbal warnings; cooperation with individual suppliers with more severe violations was terminated.





# Anti-Unfair Competition

Minth Group continually optimizes its Anti-Unfair Competition Guidelines, which include provisions prohibiting false labeling, commercial bribery, and dumping, among other practices. These guidelines aim to effectively manage unfair competition and ensure their proper implementation and enforcement.

Additionally, Minth Group has implemented various measures to conduct business ethics audits. Simultaneously, the Group has organized all global employees to reaffirm and sign the Conflict of Interest Declaration, ensuring that employees do not compromise the Group's interests due to personal gains while fulfilling their responsibilities, thereby guaranteeing the fairness of the decision-making process.

Audit Work on Anti-Unfair Competition

During the reporting period, Minth Group conducted systematic sampling audits on over 68% of business quotations and quality management operations revealed no detectable unfair competition practices, with all examined activities demonstrating full compliance with internal corporate policies and client contractual obligations. Extended scrutiny of 483 public relations initiatives identified zero violations of national statutory regulations, the Group governance protocols, or client-mandated policy frameworks.



Minth Group has established Ethics and Compliance Reporting Policy, which encourages all employees to participate in corporate governance and report corrupt activities through multiple channels.

## Corruption Reporting Channels

**Mail:** [Audit@minthgroup.com](mailto:Audit@minthgroup.com)  
**Phone:** +86 (0574) 55842816  
**For more information, please visit** [MINTHGROUP](#)



This policy stipulates that, unless required for an investigation or by law, the organization should keep reporting information confidential, protect the identity of the whistleblower and involved parties, and allow for anonymous reporting. Additionally, if a whistleblower reports or raises concerns in good faith or based on reasonable judgment regarding attempted or actual bribery, violations of the anti-bribery policy, or the management system, the Group will protect the whistleblower from any form of retaliation.

To enhance employees' anti-corruption awareness, Minth Group provides training for all employees, including contractors. During onboarding, the Human Resources (HR) department organizes uniform auditing and supervision training to ensure that every employee receives anti-bribery training.

Minth Group also engages family members of employees from various factories in activities such as "Integrity Painting | Elegant Brush Celebrating Integrity", embedding the core corporate values of "integrity and honesty" into hearts and minds. This extends the Group's controls—through systems and processes—to embody "family care".



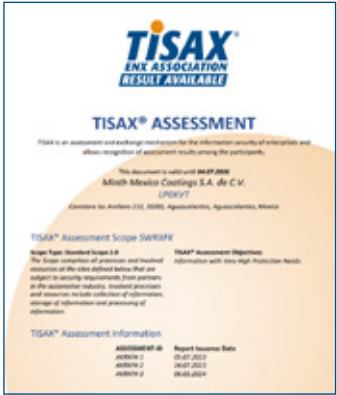


# Data Security and Privacy Protection

Minth Group is committed to protecting customer privacy and information security, strictly adhering to the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and the General Data Protection Regulation (GDPR), as well as other international and domestic laws and regulations. To ensure information security, we have established multiple management systems, including the Information Security Management Guidelines for the R&D Center and the Data Security Management Procedures, which regulate the management of employees and assets within the the Group ensuring the security of customer, the Group, and employee information.

Minth Group has established an Information Security Team and Committee to implement and evaluate information security measures. The highest-level report on information security incidents is made to the Chief Financial Officer, highlighting the Group's strong emphasis on information security incidents.

During the reporting period, Minth Group obtained the TISAX certification and added 8 new certified sites. As of the end of the reporting period, Minth Group had a total of 17 globally certified sites under TISAX.



TISAX (Trusted Information Security Assessment Exchange) Certification



Minth Group's Global Sites Achieve TISAX Certification

To establish a comprehensive information security management system, Minth Group has also developed an information security emergency response mechanism and the Incident Security Management Procedures. In the event of a security incident, effective measures can be promptly implemented to address the situation.

### Company-Wide Phishing Awareness Exercise

The event, named Phishing Security Awareness Testing Activity, is scheduled for August 20, 2024. Participants included employees from various regional subsidiaries of the Group, especially those using the Group's email. By sending simulated phishing emails, the activity aims to assess employees' ability to recognize phishing attacks, enhance their cybersecurity awareness, and thereby further strengthen the Group' s information security safeguards..





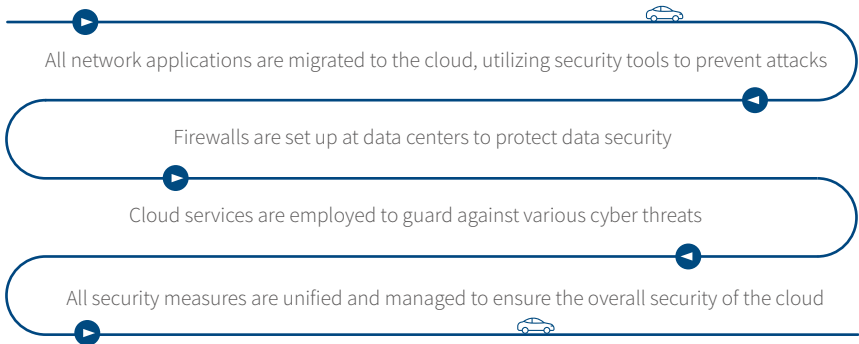
### The Emergency Response Plan



The Emergency Response Plan safeguards the security, confidentiality, and integrity of private information by preventing unauthorized access, use, disclosure, or tampering through management strategies, technical measures (data leakage prevention, file encryption), and strict management processes.

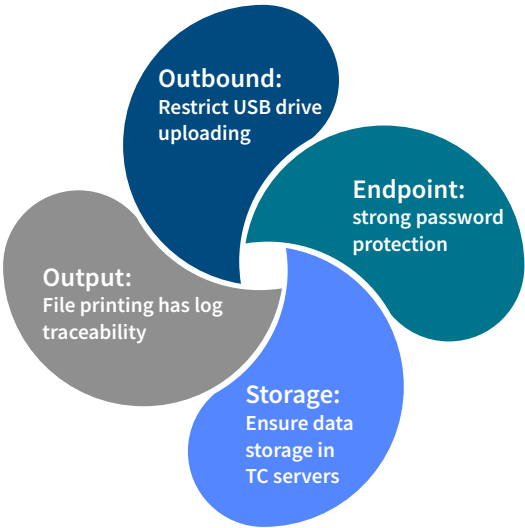
Cloud-based management serves as a critical component of Minh Group's digitalization efforts, primarily designed to enhance secure storage and transmission of data and information. This system also helps reduce administrative costs while driving the enterprise's digital transformation through optimized operational efficiency.

### Cloud Management Process



In addition to cloud-based digital management, Minh Group has reinforced data leakage prevention measures and enhanced file encryption technologies to safeguard information security and protect privacy.

### Data Protection Technical Support



Minh Group places a high priority on cultivating cybersecurity awareness among employees. The Group has conducted multiple rounds of training programs focused on information security and data privacy protection, which have strengthened staff's security vigilance and ensured steady advancement in the digital transformation wave.

Minh Group remains dedicated to strengthening its information security and privacy protection measures while assisting suppliers in cultivating related awareness via online training initiatives.

During the reporting period, no information security vulnerabilities were reported within the Group.



Employee Information Security Awareness Training



Minh Group Vendor Information Security Training



# 02

## **Undertake Environmental Responsibility**







# Low-carbon Operation

## Against Climate Change

Minth Group recognizes that carbon neutrality is a crucial path for the auto industry & transportation sector's sustainable development, and we are committed to mitigating climate risks and leveraging opportunities for long-term sustainable development. In pursuit of these objectives, we adopt the ISSB (The International Sustainability Standards Board) “IFRS S2 Climate-related Disclosures” to assess, analyse, manage, and transparently disclose climate-related risks and opportunities. For more information on climate change risks and opportunities, as well as carbon emission data, please refer to Appendix 1.

## Energy Management

Minth Group strictly complies with the laws and regulations of the regions where it operates. We regularly update internal management policies and procedural documents, such as the Energy Operation Control Management Guide, Energy Benchmarking and Performance Parameter Control Procedures, and Energy Responsibility and Authority Management Procedures, to strengthen the Group's energy management.

We have set an annual target to reduce energy intensity by 5% based on 2021 and have established an energy management system in compliance with the ISO 50001 standard. This system encompasses systematic planning and management across energy procurement, consumption monitoring and efficiency improvement. As of the end of the reporting period, 38 of Minth Group's factories have obtained energy management system certification.

To achieve real-time monitoring and precise management of energy consumption across production lines, we have fully integrated advanced digital technologies. By deploying smart sensors and data acquisition systems, we can collect dynamic energy consumption data from each production line and consolidate it into a central management platform. This allows us to track energy consumption and carbon emissions across our facilities at any time, significantly enhancing our ability to manage resources effectively.



Jiaxing Minhui ISO 50001 Energy Management System Certification

### Minth Group Launched Energy Management Module for Large-Scale Production Lines

In 2024, Minth Group introduced an energy consumption management module for large-scale production lines within our self-developed carbon emissions management system. This module focuses on high energy consuming equipment, enabling precise control over energy consumption. We have broken down our energy-saving targets to the facility level, continuously monitoring their energy consumption. For three key types of energy-intensive facilities, we have established energy consumption metrics per unit of product area. Data is collected and reported monthly, with trends analyzed to identify potential improvements and refine our energy-saving strategies, ensuring a more detailed and accurate approach to energy management.

Minth Group Carbon Neutral Platform and Energy Consumption Management Module





# Energy Efficiency Improvement

Minth Group has developed a comprehensive energy efficiency improvement system that integrates equipment upgrades, advanced technology adoption and management optimization. We systematically phase out obsolete, high-energy-consuming facilities and replace them with energy-efficient alternatives, allowing us to produce the same product using less energy. Meanwhile, we continuously improve our energy management methods through data-driven monitoring and process optimization. This method enables us to reduce the energy consumption of idle facilities and allocate every energy source to the appropriate facilities.

- We have carried out a total of 151 energy-saving projects in 2024.



## Summary of Completed Energy-Saving Projects in 2024

Energy-Saving Measures	Number of Projects	Type of Energy Saved	Energy Units	Energy Saved
Inverter renovation	27	Electricity	10,000 kWh	410.19
Air compressor renovation	28	Electricity	10,000 kWh	448.08
Utilization of surplus energy	5	Electricity	10,000 kWh	31.17
		Natural gas	10,000 m <sup>3</sup>	6.95
Process optimization	39	Electricity	10,000 kWh	764.16
		Natural gas	10,000 m <sup>3</sup>	5.37
Facilities Renovation	15	Electricity	10,000 kWh	364.23
		Natural gas	10,000 m <sup>3</sup>	5.27
Optimization of scheduling management	37	Electricity	10,000 kWh	723.32
Total	151	Electricity	10,000 kWh	2,741.15
		Natural gas	10,000 m <sup>3</sup>	17.58
		Carbon dioxide equivalent emissions reduction <sup>5</sup>	16,491.22 tCO <sub>2</sub> e	

<sup>5</sup> The electricity emission factors are uniformly estimated using the Announcement on the Release of 2022 Electricity Carbon Dioxide Emission Factors issued by the Ministry of Ecology and Environment.

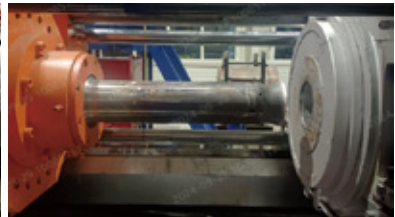
### UATE Energy Saving Reform of Extrusion Die



UATE implemented an energy-saving reform for the extrusion die process, focusing on optimizing energy efficiency and reducing material usage. The service life of the extrusion head increased by 4-5 times, while material usage was reduced by 90%. Additionally, the reform saves approximately 6,000 kWh of electricity and 300 m<sup>3</sup> of natural gas monthly, significantly lowering energy consumption and operational costs.



Before the Reform



After the Reform

### Jiaxing Minhui Replaces Energy-Efficient Boilers



In December 2024, Jiaxing Minhui completed the replacement of three gas-fired boilers with energy-efficient models. These new boilers utilize fully premixed combustion technology, ensuring complete gas combustion and maximizing heat output, thereby improving energy efficiency. The new energy-efficient boilers reduced average natural gas consumption by approximately 12%, saving around 418,000 m<sup>3</sup> natural gas annually.

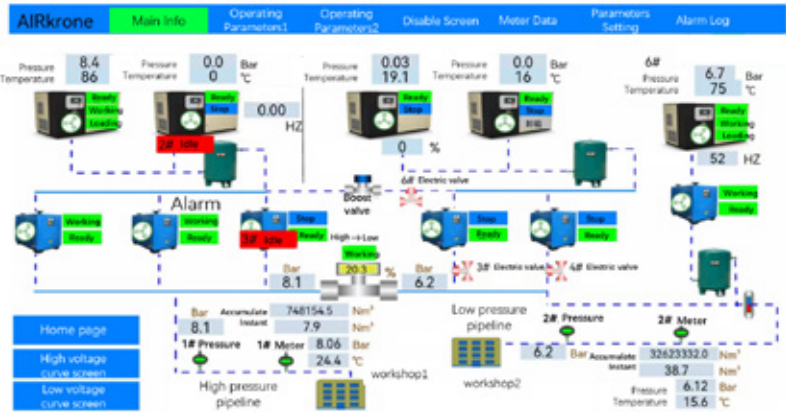




### Guangzhou Minth Implemented Remote Central Control System



Guangzhou Minth has upgraded four high-power smoke exhaust systems by introducing a remote central control system. This system enables automatic start-stop control and underclocking during break times, significantly improving energy efficiency. The new central control system effectively manages four inverters, automatically stopping motors during production line breaks and closing valves when equipment is idle. It also calculates the required frequency to achieve energy-saving operation. During the reporting period, this initiative saved approximately 270,000 kWh, substantially reducing energy consumption, and enhancing operational efficiency.



Remote Central Energy Control System



## Energy Structure Optimized

One of the core strategies for achieving our carbon neutrality goal is optimizing our energy resources. Minth Group has committed to achieving a total installed photovoltaic power generation of 300 GWH by 2040. In order to achieve our goal, we have standardized the construction process of photovoltaic projects and established a specialized technical evaluation model for photovoltaic technology, which enables us to quantitatively evaluate the technology of new photovoltaic projects and smooth progress of future photovoltaic projects. At the same time, we fully evaluate the feasibility of installing photovoltaic systems, raise the utilization of factory roofs, parking lots, walls and other spaces, and we continue to extend the construction of distributed photovoltaic power systems.

### Completed Photovoltaic Projects During the Reporting Period



- the 7 MW photovoltaic project at the Hubei Minth and Hubei Minneng, which was self invested and built by Minth Group, has completed construction and connected to the grid for trial operation in January 2025, The average annual power generation is about 6,434 MWh

### Ongoing Photovoltaic Projects

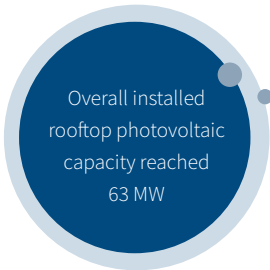
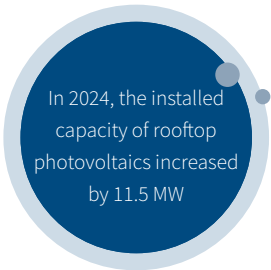


- The 11.48MW project of Minth Serbia is currently underway, with the 4.5MW photovoltaic project in Sabac having completed construction and undergoing trial operation. 70% of the construction progress in Loznica has been completed
- The photovoltaic project of Minth Mexico has completed the preliminary plan coordination, component planning, and investment analysis
- The photovoltaic project of Minth Poland has completed the preliminary plan coordination, overseas technology docking, and investment analysis





As of the end of the reporting period, our latest progress as follows:



Hubei Minth and Hubei Minneng Photovoltaic Project

We are also exploring the use of clean energy through direct purchases green electricity. During the reporting period, Minth Group purchased 32,800 MWh of green electricity.



Green Electricity Certification

Category	2024	2023	2022	Unit
Purchased electricity	66,557	63,620	65,543	Ten thousand KWh
Purchased non-green electricity <sup>6</sup>	63,277	/	/	Ten thousand KWh
Purchased green electricity	3,280	/	/	Ten thousand KWh
Purchased steam	152,364	151,154	/	Tonne
Self-built distributed photovoltaic power generation	8,263	5,658	2,974	Ten thousand KWh
Self-built distributed photovoltaic power consumption	7,140	/	/	Ten thousand KWh
Natural gas	2,841	2,527	2,588	Ten thousand m <sup>3</sup>
Diesel oil	220	143	159	Tonne
Gasoline	189	108	70	Tonne
Direct energy consumption	38,389	35,117	34,755	Tonnes of standard coal
Indirect energy consumption	110,167	97,628	84,207	Tonnes of standard coal
Comprehensive energy consumption	148,556	132,744	118,962	Tonnes of standard coal
Comprehensive energy per RMB10,000 of output value	64.18	64.68	68.74	kg standard coal/ RMB10,000

<sup>6</sup> Purchased non-green electricity, purchased green electricity, self-built distributed photovoltaic power consumption are newly disclosed for 2024.





# Environmental Governance and Control

## Environmental Management


Minth Group strictly adheres to environmental laws and regulations in all regions where it operates, such as Directive 2004/35/EC<sup>7</sup>, Mexico's General Law for Ecological Equilibrium and Environmental Protection (LGEEPA), Republic of Serbia Law on Environmental Protection<sup>8</sup>, the Environmental Protection Law of the People's Republic of China. Internally, we have established comprehensive policies such as the Minth Group EHS Management Manual and Red Line Management Standard to regulate our activities to standardize our environmental activities. These documents provide comprehensive guidance and improvements for our environmental management practices.

To address potential environmental risks such as pollution leaks or improper waste disposal, we have developed environmental emergency response plans in accordance with regulatory requirements. Additionally, we have newly formulated and released the Earthquake Safety and Emergency Management Guidelines and Cold Weather Safety and Emergency Management Guidelines to enhance our ability to respond to sudden environmental incidents.

We regularly organize training sessions and drills to optimize internal communication and coordination processes, improving our capacity to manage environmental risks across various scenarios.

### Jiaxing Minth Machines Conducted Multiple Environmental Drills

In 2024, Jiaxing Minth Machines conducted a series of environmental emergency drills to enhance its environmental management capabilities. These drills covered multiple potential risk scenarios, including accidental leaks in hazardous waste storage areas and spills when transferring hazardous chemicals. During the drills, employees quickly activated response procedures, such as sealing off polluted areas using absorbent materials to contain leaks to ensure the safety of the site.

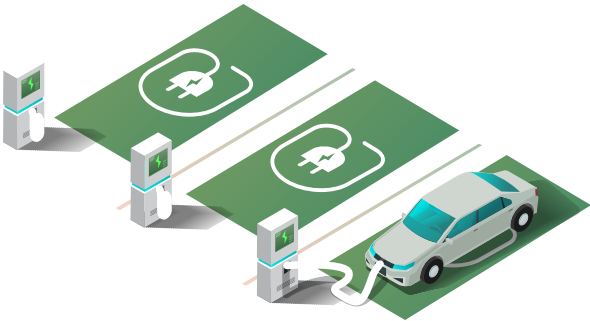


Environmental Drills

The Group has established a robust environmental management system. As of the end of the reporting period, 100% of Minth Group's plants which have been in mass production for at least one year have obtained ISO 14001 Environmental Management System certification. Additionally, 4 subsidiaries have been recognized as China National Green Factories, 3 subsidiaries have been awarded National Green Supply Chain Management Enterprise, and 14 subsidiaries have received Provincial and Municipal Green Factory recognition.



Tianjin Minxin Was Awarded the China National Green Factory Recognition



<sup>7</sup> Directive 2004/35/EC on environmental liability with regard to the prevention and remedying of environmental damage issued by European Union.  
<sup>8</sup> Law on Environmental Protection (Official Gazette of the Republic of Serbia No. 135/2004, 36/2009, 36/2009, 72/2009, 43/2011 and 14/2016).






# Water Resources and Wastewater Management

In our operations, we strictly comply with the Water Law of the Water Framework Directive - European Commission(2000/60/EC), the United States Clean Water Act, Water Law of the People's Republic of China and relevant local regulations. Internally, we have developed and implemented the Water Usage Management Guidelines to standardize water-related activities across all our plants.

Minth Group maintains a high level of attention to water resource risks. We utilize the Water Risk Filter tool, developed by the World Wildlife Fund (WWF), to assess water risks at all our operational sites every two years. This allows us to identify potential long-term water challenges and develop targeted response strategies. According to WWF data, our plants in Mexico and Thailand are located in moderate water scarcity areas, accounting for approximately 13% of the Group's total water consumption.

Water Conservation at Minth Mexico

Located in a moderately water-scarce region, Minth Mexico has actively implemented water-saving measures. The facility collects rainwater through ground pits, pumps it into the raw water tank. After treatment, the water is supplied to the oxidation line, replacing municipal water. Annually, the Minth Mexico collects approximately 50 tons of rainwater daily over 100 days, totaling 5,000 tons fresh water.




Rainwater Collected and Recycled by Minth Mexico Coating

Water Conservation at Minth Thailand

Minth Thailand has implemented multiple measures in 2024 to achieve water-saving improvement to reduce water risk. Firstly, Minth Thailand sorted out the layout of water usage in the factory, installed water meters in different areas, and recorded daily water usage to reduce waste and unnecessary water resource consumption. Secondly, Minth Thailand has taken measures such as reducing the diameter of the inlet pipe, improving the process, and optimizing equipment for the production line with the highest water consumption, resulting in a decrease in daily water consumption from 1,200 tons to 600 tons and a 40% reduction in monthly total water consumption.


We are committed to conserving water resources and improving water management practices. To minimize water usage, we have implemented water-saving measures across water withdrawal, continuously optimized production processes, strengthened water recycling systems, and enhanced real-time monitoring to precisely control water consumption and maximize water utilization.

## Minth Group's Water-Saving Initiatives




Water Conservation at the Source

- By replacing underground water and firefighting water pipes with above-ground pipelines, Jiaxing Minhui significantly reduced water leakage caused by rust and corrosion, saving approximately 300,000 tons of water annually.
- Shenyang Minneng utilized rainwater collection systems from sponge city projects; the facility collects rainwater during the rainy season for irrigating new vegetation, effectively reducing freshwater usage.



Use Recycled Water

- Ningbo Taiyong upgraded its granulation process to underwater cutting granulation. Water discharged during the process is filtered and recycled into a circulating water pool, achieving a 70% water reuse rate.
- Steam condensate is collected and directed into water treatment facilities by Tianjin Minshin. The remaining water is fed into a pure water production system, saving an average of 36,000 tons of pure water annually.



Precise Water Control

- Automatic control valves have been installed to regulate water intake, reducing tap water usage and minimizing the waste of clean water resources in Anhui Minsheng.
- The facility monitors electroplating water usage in Qingyuan Minhui, recording consumption every 6 hours and tracking usage trends in real time.






In terms of wastewater discharge, Minth Group strictly adheres to regulations such as the Pollution Discharge Permit Management Regulations. Internally, we have established guidelines for treating pure water, electroplating wastewater, coating wastewater and anodizing wastewater, ensuring standardized management of wastewater treatment and discharge.

We follow the principle of separating rainwater and sewage for categorized treatment, comprehensively monitoring wastewater discharge to ensure compliance with national standards. For wastewater generated during production, we utilize self-built wastewater treatment facilities and reclaimed water recycling technologies to treat and ensure that discharged water meets environmental requirements. We are committed to reducing wastewater discharge intensity by 25% by 2030 compared to 2019. To achieve this goal, the Group is gradually phasing out old wastewater treatment equipment, introducing advanced intelligent treatment systems, and actively promoting the application of wastewater recycling technologies.

### Concentrated Water Recycling System in Tianjin Minshin

Previously, approximately 20-30% of the concentrated water generated during the pure water production process at Tianjin Minshin was directly discharged. In 2024, the facility implemented an improvement by redirecting this concentrated water to the exhaust gas tower, where it is used as circulating water for exhaust gas treatment. This initiative has reduced concentrated water discharge by about 4,500 tons annually.



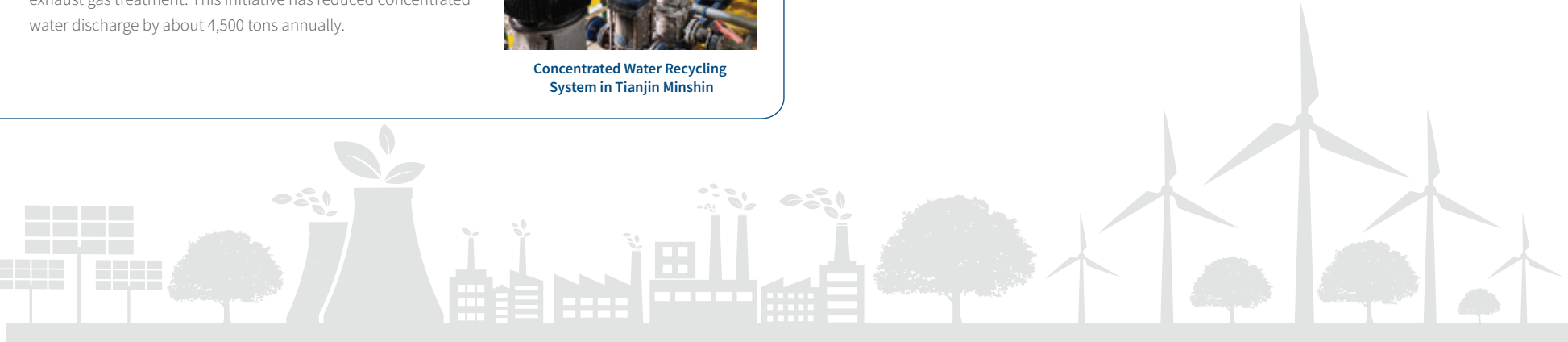
Concentrated Water Recycling System in Tianjin Minshin

As of the end of the reporting period, our water resource usage and wastewater performance data are as follows:

Category	2024	2023	2022	Unit
Total water withdrawal <sup>9</sup>	5,721,416	5,758,449	5,979,876	Tonne
Total water consumption	1,744,496	2,761,520	3,336,227	Tonne
Water consumption per RMB10,000 of output value	0.75	1.35	1.93	Tonne/ RMB10,000
Wastewater discharge <sup>10</sup>	3,976,920	2,996,929	2,643,649	Tonne
Wastewater reuse	367,074	296,436	232,911	Tonne
COD (Chemical Oxygen Demand)	378	321	277	Tonne
Ammonia nitrogen	27	37	25	Tonne

<sup>9</sup> To further improve the granularity of data calculation, we updated total water consumption and water consumption per RMB 10,000 of output value indicator data rather than the water withdraw data in 2023 through verification.

<sup>10</sup> Due to data collection difficulties, industrial wastewater data were only counted in few factories outside of China in 2023.







# Exhaust Gas Management

In our production operations, we strictly adhere to the European Union Ambient Air Quality Directives, the United States Clean Air Act and Air Pollution, as well as all relevant regional regulations and air pollution standards. To ensure compliance, we conduct third-party air pollution testing and have deployed real-time online monitoring equipment across our production processes. Additionally, our digital EHS management system enables proactive emission control and continuous improvement in environmental management efficiency.

Guided by the principles of source reduction, process optimization, on-site improvements and end-of-pipe treatment, we employ advanced technologies and stringent management practices to minimize pollutant emissions. We are committed to reducing air pollution generated during production to the greatest extent possible.

Jiaxing Minsheng Upgraded Exhaust Gas Treatment Equipment

Jiaxing Minsheng has upgraded its rotary regenerative thermal oxidizer (RTO) to an industry-leading three-tower RTO system. The new equipment incorporates advanced heat exchange technology and innovative ceramic regenerative materials, significantly enhancing performance and stability. The volatile organic compound (VOC) removal rate increased from around 85% to over 95%, achieving a notable reduction in emissions. Moreover, by optimizing heat recovery and combustion efficiency, the plant has successfully reduced natural gas consumption by 60%, further lowering carbon emissions.

As of the end of the reporting period, our air pollutants data are as follows:

Category	2024	2023	2022	Unit
NOx	37	35	53	Tonne
SOx	12	12	5.7	Tonne
VOC <sup>11</sup>	51	47	/	Tonne
Particulate matter	21	/	/	Tonne

<sup>11</sup> To further improve the granularity of data calculation, category is expanded to include VOC in 2023 and particulate matter in 2024.

# Waste Management

Minth Group upholds strict compliance with local and international waste management regulations. In 2024, our European facilities fully aligned with European Union waste management laws, by significantly enhancing hazardous waste disposal processes and minimizing environmental risks. We have clearly defined the procedures and standards for hazardous waste disposal, assigned responsibilities for each stage of the process and developed detailed waste management plans. Additionally, we conducted rigorous compliance checks on the classification, storage and transfer of hazardous waste, collaborating with professional third-party hazardous waste disposal companies to ensure all procedures meet regulatory requirements. These efforts not only effectively reduce environmental risks but also contribute positively to local sustainable development and environmental protection.

The Group has set a target to reduce the intensity of hazardous waste generation by 25% in 2030 compared to 2019. We continue to implement solid waste reduction strategies, enhance source control capabilities, and reduce waste generation through technological innovation.

## Cases on Waste Reduction

Zhejiang Minneng collects waste cutting fluid and centrally recycles it into the liquid supply system, which can reduce the generation of hazardous waste by 495 tons annually.

Wuhan Hesheng coating line has added a paint removal system to the circulating water tank, which presses and dehydrates the water containing paint residue, reducing the annual production of solid waste by 200 tons.

Besides, we are continuously increasing the volume of waste recycled at the end of the process. For example, while ensuring all recycled materials meet customer and product quality standards, we recycle aluminum scrap, chips and defective products by type, remelt and reuse them in the extrusion processes. We also crush and reuse plastic scrap generated on-site, improving the recycling rate of materials and waste. With excellent practice, Minth Group was selected as one of the first provincial-level "Zero-Waste Groups" in Zhejiang Province.





**MINTH AUTOMOTIVE EUROPE d.o.o. is Exploring Circular Economy Practices to Minimize Waste Generation**



In October 2024, the MINTH AUTOMOTIVE EUROPE d.o.o. utilized advanced treatment technology to remove harmful substances from Aluminum-containing wastewater, producing valuable Calcium aluminate. This process enabled the internal reuse of resources within the group. Additionally, Sodium hydroxide and water from the wastewater can be partially recycled, establishing a resource-efficient closed-loop system. This initiative not only reduced hazardous waste by approximately 1,200 tons annually but also significantly decreased water consumption.

The Group is also exploring various treatment methods such as incineration, photocatalysis, and biodegradation to achieve harmless treatment of hazardous waste, significantly reducing its impact on soil, water, and air and protecting ecological balance.

In our offices, we are advancing paperless green office practices by implementing digital approval, procurement, and office systems, converting application processes from paper-based to online, thereby minimizing paper usage. Additionally, we collaborate with Zhejiang Minth Love Foundation, Minth Kindergarten, Pearl Home, and other organisations to organize zero-waste and eco-friendly activities spread the "Zero-Waste" concept from employees to the public.

**"Life on Earth · Earth Party" Environmental Charity Event**



In April 2024, the Zhejiang Minth Charity Foundation organised the "Life on Earth · Earth Party" environmental charity event at the Ginkgo Swan Lake Scenic Area in Jiaxing. Held in conjunction with Earth Day, the event aimed to promote recycling lifestyles, encourage people to take small steps in their daily lives to protect the environment, and foster green, sustainable development.

During the event, participants were encouraged to collect 10 plastic bottles or aluminum cans in exchange for a limited-edition "Earth Party" entrance ticket, spreading the concept of "zero waste". The event also featured an eco-friendly market, a flea market, environmental workshops, a book-for-vegetable exchange, and collaborative eco-art activities. These activities not only provided participants with a unique experience of environmental aesthetics in everyday life, but also showcased the joy of giving new life to idle items, effectively reducing waste generation.



Waste Recycle Event

As of the end of the reporting period, our waste-related performance data is as follows:

Category	2024	2023	2022	Unit
Hazardous waste	14,269	15,576	14,752	Tonne
Hazardous waste per RMB10,000 of output value	6.16	7.59	8.52	kg/RMB10,000
Non-hazardous waste	52,653	57,400	43,039	Tonne
Recyclable waste <sup>12</sup>	37,096	12,729	/	Tonne
Non-hazardous waste per RMB10,000 of output value	22.75	27.97	24.87	kg/RMB10,000

<sup>12</sup> The statistical method for this data is the waste that has been disposed by third parties and has been recycled. We continue to optimize our internal ESG data collection work flow. In 2024, we use a more accurate statistical approach to collect this data.





# Biodiversity Protection

We integrate ecological protection into every aspect of our corporate operations. The company conducts all its work in strict accordance with the Convention on Biological Diversity and the specific ecological protection regulations in domestic and overseas operating regions, ensuring that all business activities are legal and compliant, and earnestly fulfilling our responsibilities for biodiversity protection.

During the reporting period, Minth Group did not have any sites located in or near nature reserves, protected areas, or regions with rich biodiversity. A comprehensive assessment of our production activities, products, and services identified no significant adverse impact on biodiversity.

During the initial construction phases of Minth Group facilities, all sites comprehensively met the ecological protection requirements of environmental impact assessments. For example, during the site selection process, we confirmed that none of the plant locations fall within ecological protection red lines, fully complying with ecological protection requirements. We also engage in various biodiversity-related activities to promote ecological balance.

Jiaying Minhui's Lake Water Treatment Initiative

The lake in the Jiaying Minhui plant was prone to algae growth, which prevented fish from surviving. To maintain species diversity, Jiaying Minhui initiated a lake restoration project, introducing water-purifying aquatic plants to establish a self-sustaining aquatic ecosystem. Over time, the ecological conditions improved significantly, allowing aquatic plants, fish, swans, ducks, and other species to thrive together, this provided a good and attractive living environment for these animals.



The Lake in Jiaying Minhui Provides a Good Living Environment for Animals



Jiaying Minhua's Ecological Protection Initiatives

Jiaying Minhua has implemented multiple ecological protection measures to safeguard the environment. First, Jiaying Minhua established a "Glass Walkway". Additionally, water-purifying plants were planted along the external river that flows through the plant. The water quality and plant growth are monitored weekly, with timely cleanup aquatic plants and algae.

Furthermore, Jiaying Minhua cultivated ecological plants such as rice and wheat in open areas in the plant. Every spring the area attracts a large number of egrets.



Aquatic Plant Treatment



Ecological Environment in Jiaying Minhua





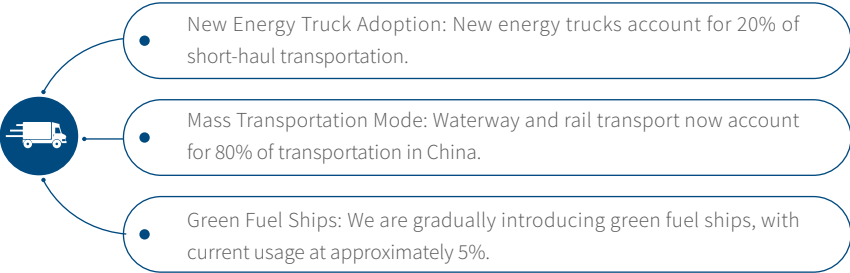
# Green Logistics and Packaging

## Low-Carbon Logistics

Minth Group is actively advancing green logistics by optimizing transportation strategies, prioritizing low-carbon suppliers, and integrating digital solutions to reduce carbon emissions in logistics.

We prioritize green transportation vehicles, gradually phasing out high-energy-consuming fuel trucks in favor of new energy trucks. Additionally, we are shifting from traditional road transport to more sustainable modes such as waterway and rail transport, significantly reducing carbon emissions during transportation.

### Transformation of Transportation Modes and Vehicles



Sustainability is a key selection criterion for Minth Group's logistics contractors. We pay special attention to the setting of carbon reduction targets, emission tracking capabilities, and green transportation solutions when selecting logistics contractors.

Digital technologies play a crucial role in Minth Group's logistics system. By introducing digital tools, we have optimized loading rates and transportation routes, accurately tracked cargo status, and improved logistics management efficiency.

### Digital Logistics

#### Container Loading System

Automatically calculates loading rates to improve transportation efficiency.

#### Robotic Process Automation Tools

Used for BI dashboards and customs documentation, improving operational efficiency.

#### SAP Extend Warehouse Management Project

Implemented on overseas warehouses to enhance warehouse efficiency and inventory accuracy.

#### Logistics Tracking System

Launched the Cargo-act system to improve logistics tracking efficiency.

#### Supplier Management System

Introduced the SRM system to digitize supplier management.







# Green Packaging

Minth Group is committed to driving the transition to green packaging. We have set a clear goal to increase the weight proportion of recyclable packaging materials to 22% by 2026, demonstrating our determination and proactive efforts in the field of sustainable packaging.

In the aspect of product packaging, Minth Group actively promotes the use of recyclable materials, including paper, plastic, wood, and metal. By optimizing packaging design, we reduce the consumption of disposable packaging materials and encourage the internal reuse of recycled packaging to minimize the procurement and use of new packaging. For example, products shipped from Wuhan Tokai to the MMB now use paper-based packaging, which can be recycled and reused by the Serbia plant after receipt.

### Minth Group Uses Reusable Containers to Reduce Packaging Waste

To reduce packaging waste, Minth Group is increasing the adoption of reusable containers. For instance, approximately 80% of products shipped from Europe to Germany, France, and other regions now use reusable containers. Additionally, Jiaxing Minhui has replaced foam boards and wooden pallets with self-made iron carts for handling semi-finished products like luggage racks, significantly reducing the generation of wooden waste containers.

Category	2024	2023	2022 <sup>13</sup>	Unit
Packaging material consumption	35,142	30,058	19,777	Tonne
Turnover packaging materials <sup>14</sup>	7,418	/	/	Tonne
Proportion of turnover material used	21.11	/	/	%
Packaging material consumption per RMB 10,000 of output value	15.18	14.65	11.43	kg/RMB 10,000

<sup>13</sup> The packaging material data for 2022 includes the subsidiaries in China region and subsidiaries outside of China that have entered the production stage.

<sup>14</sup> To further improve the granularity of data calculation, turnover packaging materials data is expanded in 2024. Turnover packaging materials are used in reusable packaging containers and can be reused many times, such as metal and plastic materials.





# 03

**Produce Excellent  
Products**







# Research and Development Innovation

## Product Innovation

Minth Group has always regarded innovative research and development as a core driving force for corporate growth. During the reporting period, we comprehensively updated our R&D strategy, integrated clean technologies into our R&D strategy and focused on key areas such as charging of new energy vehicles, photovoltaics, energy storage, low-altitude economy, and biotechnological material research to be closer to customers and create better products based on shared values with customers. Meanwhile, Minth Group seizes the opportunity of AI development, empowers production and operation with innovative AI technology, controls production quality and energy consumption more efficiently and accurately, and continuously transforms towards intelligence and digitization.

We have a strong R&D team and are planning to make the structure of our R&D team more global and independent. As the end of the reporting period, our R&D personnel increased by 141, further enhancing our technological innovation capabilities. The group has established multiple R&D centers worldwide, including in North America and Europe, equipped with advanced laboratory facilities to provide solid support for technological breakthroughs.



Total R&D expenditure is around  
**1,449** million RMB.

Minth Group put efforts to stimulate the innovative vitality of the R&D team. On one hand, we released a new "H2H3 Business Performance Incentive Policy" during the reporting period, setting up multiple awards for new products and new businesses, including the H3 Product Incubation Award. On the other hand, we injected vitality into the R&D team through innovation funds to accelerate innovation. These new incentive measures not only provide clear goals and value orientation for R&D employee but also effectively promote the rapid implementation and commercialization of new technologies, injecting strong impetus into the long-term development of the enterprise.

Minth Group actively engages in external collaboration and has developed strong collaborative partnerships with renowned international research institutes, universities, and businesses. During the reporting period, the group carried out research cooperation with 16 universities, including Harbin Institute of Technology, South China University of Technology, and Shanghai Jiao Tong University, covering fields such as wireless charging, low-altitude aircraft, and composite materials. These collaborations can accelerate technological breakthroughs, as well as cultivate many high-level talents for the industry.

### Joint Research on Wireless Charging Technology with China University of Mining and Technology

Minth Group collaborated with China University of Mining and Technology to conduct research and development on foreign object detection technology in the field of wireless charging. The project team consists of five researchers from the university and over ten experts from Minth Group. This project has significantly reduced costs and promoted industry level reform through the Coil Time-division Multiplexing Scheme, achieving a breakthrough in wireless charging foreign object detection technology. This collaboration not only enhances Minth Group's technical strength in the field of wireless charging, but also sets a benchmark for technological progress in the industry.





Additionally, Minth Group has also participated in the creation and revision of several national standards, further establishing its influence in the industry. During the reporting period, we led the formulation and participated in the revision of 21 national standards and 5 industry/association standards. The group also actively participated in over 100 global automotive industry forums, such as the SAIC Volkswagen Technology Seminar and the Geely New Energy Vehicle Technology Forum. At these forums, we shared our innovative achievements in fields such as clean technologies and lightweight materials. Participating in these activities can enhance Minth's industry influence and provide invaluable experience for sustainable development of the global automotive industry.

**During the reporting period, Minth Group:**

- Participated in the formulation and revision of 21 national standards and 5 industry/association standards.
- Participated in over 100 global automotive industry forums.



During the reporting period, Minth Group won several R&D honors and awards, including the 9th Lingxuan Award (Excellence Award in the Prospective Power System Category), International CMF Design Award, Technology Leading Demonstration Enterprise Award, and Silver Award of the Ningbo Patent Innovation Competition. These honors are a testament to our R&D commitment and capabilities.



The 9th Lingxuan Award (Excellence Award in the Prospective Power System Category)



International CMF Design Award



Technology Leading Demonstration Enterprise Award



Silver Award in Ningbo Patent Innovation Competition





# Intellectual Property Management

## Intellectual Property Risk Management

Minh Group attaches great importance to the protection of intellectual property rights and strictly complies with relevant domestic and international laws and regulations and has established a comprehensive intellectual property rights management system. During the reporting period, we issued the “Guidelines on Patent Licensing, Transfer, and Intangible Asset Management”, which clarified the patent licensing and transfer process, and intangible asset management requirements to ensure the reasonable use and protection of intellectual property rights.

As a global group, we have constructed a stringent intellectual property protection network around the world to provide security for the globalization of our products. In terms of patent layout, we have patented our core technologies in Japan, the United States, Mexico and other countries to enhance our global competitiveness. Meanwhile, in terms of trademark layout, we have perfected the application of international trademarks such as MINTH, MINJET, Meet series, covering many countries and regions such as Brazil, Canada, the United States, the European Union, Japan, etc., which further consolidates the brand's position in the global market.

To mitigate intellectual property-related risks, we leverage multiple platforms and employ various measures to conduct comprehensive patent research and analysis for newly initiated projects. We also regularly monitor the latest patent developments for key projects, enabling timely adjustments to risk levels and ensuring the compliance and safety of R&D activities. During the reporting period, the group completed patent search and analysis for over 150 projects and conducted global infringement searches for more than 60 new product proposals, covering 172 countries and regions, including China, the United States, and Europe.

### Intellectual Property Risk Management

Global Patent Search and Analysis	Patent Infringement Risk Search	Dynamic Monitoring Mechanism
Utilizing multiple platforms such as the European Patent Office and the National Intellectual Property Administration, we conduct searches and analyses covering 172 countries and regions worldwide.	For new product proposals, we perform preemptive searches to identify potential patent risks. Risks are mitigated through design modifications or invalidation lawsuits.	The latest patent information is automatically pushed to R&D personnel via email on a weekly or monthly basis, ensuring real-time updates on changes in patent legal status.

In its collaboration with Original Equipment Manufacture (OEM) customers, Minh Group has established a robust intellectual property protection mechanism to ensure the security and compliance of technical information.

### Intellectual Property Management for OEM Customers

External Confidentiality Agreements	Strict non-disclosure agreements are signed with OEMs and supply chain partners, clearly defining the scope of confidentiality and accountability mechanisms.
Internal Confidentiality Policies	Confidentiality levels are assigned based on the importance of R&D projects, with clear boundaries set for information sharing.
Patent Application Review	The patent management system facilitates process reviews to ensure that patent applications comply with customer agreement requirements.
Supplier Management	Secondary suppliers undergo intellectual property compliance reviews, with clearly defined responsibility-sharing mechanisms.
Technology Disclosure Control	Adhering to the principle of minimal disclosure, only the technical information necessary to meet customer requirements is provided.





Minth Group attaches great importance to intellectual property protection training and enhances employees' awareness and practical skills of intellectual property through systematic courses.

### Minth Group held the 8<sup>th</sup> Intellectual Property Month Event



In September 2024, Minth Group held the 8th Intellectual Property Month event with the theme of "Empowering Enterprises with New Quality Productivity through Intellectual Property". The activities include a kickoff meeting, intellectual property professional knowledge training, offline prize-winning quizzes, online quizzes, intellectual property forum, recognition of outstanding intellectual property employees, etc.

Among them, training and quiz activities popularize employees' intellectual property knowledge, enhance awareness, and stimulate R&D employee's enthusiasm for innovation. The forum invites external experts, university teachers, government officials, and Minth senior executives to discuss topics such as patents and trademarks, promote in-depth exchanges among all parties, and enhance the level of intellectual property management in enterprises. The Outstanding Employee Commendation Activity praises employees who have demonstrated outstanding performance in the field of intellectual property. By organizing a series of activities, we effectively enhance the intellectual property awareness and professional level of all employees.

## AI Empowered Intellectual Property Management

Minth Group actively adopts the internal digital tools of Innospat intelligent patent management system has comprehensively upgraded the Innospat during the reporting period. This upgrade combines artificial intelligence technology, significantly improving the efficiency of patent search, analysis, and management.



### Innospat Fully Upgraded with AI Integration



#### AI Search Function

Utilizing AI to automatically extract search elements, reduce search barriers, improve efficiency, accurately match technical content



#### AI Reading and Analysis

Automatically construct technical feature associations in patent literature to assist in a deeper understanding of patent literature



#### AI Writing

Intelligently generate high-quality documents, support technical information expansion and polishing, and multilingual translation



#### Summary and Multilingual Translation

Quickly extract key points, with translation functions in English, Japanese, Korean, etc., to solve multilingual reading barriers



#### Multidimensional Search and Analysis

Support functions such as patent value evaluation sorting and citation analysis, helping to quickly locate high-value patents and competitive dynamics

#### During the Reporting Period, Minth Group had a total of:

- 449 patents filed
- 400 patents authorized
- 112 patents searched and analysed



#### As of the end of the Reporting Period, Minth Group had a total of:

- 5,166 patents applied
- 2,624 valid patents authorised
- 907 patents searched and analysed





# Clean Tech Products

Minth Group remains committed to making clean technology a core part of its corporate strategy, driving the green transformation of the automotive industry, and supporting global climate action. We are dedicated to researching lightweight and integrated products, developing green material and environmentally friendly technologies to provide professional, efficient, and sustainable solutions for the automotive industry, driving the industry toward low-carbon and eco-friendly development. At the same time, we continue to invest in breakthroughs in recycled materials, bio-based materials, and advanced technologies to realize the goal of carbon reduction throughout the product life cycle. We are also actively engaged in the field of wireless charging, energy storage, photovoltaic and other clean energy, contributing to global sustainable development.



## Clean Tech Product Strategy

### Traditional Automotive Exterior Products: Full consideration is given to the use of recycled materials and lightweight design solutions.

- In 2024, we focused on breakthroughs in the development of PP (polypropylene), PC+ABS (polycarbonate + acrylonitrile butadiene styrene), and ABS (acrylonitrile butadiene styrene) materials with 30% recycled content; and develop advanced molding and injection processes that shorten the production process and reduce energy consumption by 40%.
- By 2027, the layout will be completed for the development of bio-based TPV (thermoplastic vulcanizate) and bio-based engineering plastic materials.
- By 2030, continue to increase the application of bio-based materials and recycled plastics in exterior products; strategically complete the development of composite vehicle body panels and promote their application, achieving a 40% weight reduction in body panel product solutions in terms of lightweighting.

### New Energy Vehicle Battery Housings and Chassis Structures: Focus on lightweight and green innovation.

- In 2024, we focused on the breakthrough of Minal S series ultra-high-strength aluminum materials. The application of ultra-high-strength aluminum materials can help battery housing and structural component products achieve a 30% weight reduction; At the same time, carry out the research and development of 50% recycled green aluminum materials technology.
- In 2027, we will continue to research and develop green aluminum materials with a higher recycling ratio (75%).
- In 2030, we will achieve the goal of using 100% green aluminum in our products.

### Clean Energy Products: Active deployment in wireless charging, energy storage, photovoltaic, hydrogen and low-altitude economy.

- We have worked to develop products such as high-power wireless charging and storage and charging machines for automobiles, which can effectively improve the efficiency of power and energy utilization and reduce energy consumption at the social level through peak frequency regulation and peak shaving and grain filling.
- We have established electrolytic hydrogen production products and photovoltaic EPC business, which will help us transform from fossil energy to clean energy.
- We have worked to develop electrified low-altitude aircraft products to promote the rapid development of low-altitude economy, improve travel efficiency and reduce carbon emissions.

During the reporting period, the Group's R&D investment in clean technology accounted for approximately 43% of the total R&D investment, totaling RMB 630 million. We have also set a target to increase investment in clean tech, that is by 2030, we plan to invest more than RMB 3 billion cumulatively in core clean tech fields such as light-weighting, key components of new energy vehicles, low carbon materials, clean energy technologies, wireless charging, and low-altitude aircraft.





Some of the Group's clean tech products are shown below:

Type of Clean Tech	Type of Product	Description of Some Product Names and Contents	Status
Fuel Economy	Key Products for Hybrid or Electric Vehicles	<b>Battery Housing</b> Our Vehicle Body & Chassis Structures product line, established in June 2019, has undertaken more than 100 battery housings assembly projects of various types at the end of the reporting period, covering major automobile manufacturers around the world. As a global leader, the Body & Chassis Structural Components product line delivered 1.5 million battery housings for hybrid or electric vehicles, during the reporting period.	Mass production
	Advanced Materials	<b>Minal-S311 New Aluminum Core Housings</b> Minth has successfully developed a new generation of non-drawn aluminum material for battery cell casings, which can be used for products such as microchannels and water-cooling plates in new energy vehicles. This material has a strength that is 50% higher than traditional profiles, and it features superior properties such as higher high-temperature strength, corrosion resistance, weldability, and ease of extrusion. This product can help reduce structural weight by 20%, improve the fuel economy of vehicles, and achieve carbon reduction in production.	R&D completed & further development working with clients
		<b>Eco-Alumin® S632 Green Aluminum</b> Eco-Alumin® S632 Green Aluminum contains at least 50% recycled aluminum and can be 100% recycled. The product has excellent corrosion resistance, impact resistance, and high strength. Due to these properties, the use of this material can effectively contribute to weight reduction in vehicle design, improve vehicle fuel economy, and reduce overall product carbon emissions.	R&D completed & further development working with clients
Reuse/Recyclable	Recy - cable/ Recycled Material	<b>Recycled Low-Line Expanded Resin Material</b> In 2024, we have completed the research and development of low-line expanded PP+EPDM+TD30 material for the outer plate of our own plastic tailgate, and the proportion of recycled material used in the product is 30%, and the proportion of carbon reduction is 24%.	R&D completed & further development working with clients

Type of Clean Tech	Type of Product	Description of Some Product Names and Contents	Status
Energy Storage Technology	Energy Storage Products	<b>Storage and Charging Machine</b> The research and development of the storage and charging machine is underway, and the B-sample development has been completed and the demonstration project in the park has been realized.	R&D under-way
Industrial Operations & Automation	Optimization Technologies & Systems	<b>Wireless Charging</b> We have completed the R&D and B-sample development of wireless charging solutions for ground and vehicle ends of new energy vehicles. We have made significant progress in the development of two-in-one technology solutions for wall and ground ends, and two-in-one technology solutions for battery housings and vehicle ends.	R&D under-way
Alternative Energy	Solar Power	<b>Photovoltaic EPC (Engineering Procurement Construction) Services</b> We have established a joint company in Serbia to contract the design, procurement, and construction of photovoltaic power plant projects through the entire process or in several phases.	R&D under-way
	Hydrogen Energy	<b>Hydrogen Energy</b> Completed sample validation of one-plate-two-field bipolar plate product program, passed A-sample trial and testing of PEM/AEM electrolysis tank.	R&D under-way





# Intelligent Manufacturing

## Intelligent Construction

Amid the digital transformation wave, Minth Group has proactively formulated a forward-looking digital strategy. By deeply integrating and innovatively applying information technologies, the Group enhances operational efficiency, streamlines management processes, strengthens market competitiveness, and drives sustainable growth. Under this strategic framework, Minth Group has established six digital infrastructure pillars that support efficient business operations and innovation, continuously optimizing key areas such as data management, manufacturing, and quality control.

<b>Manufacturing Domain:</b> Process Optimization Topics&Change Management Topics	The objective is to align both online and offline operations with closed-loop control, supporting the efficient utilization of manufacturing resources and building an agile, high-quality operational system.
<b>Quality Domain:</b> Process Optimization Topics & Quality Change Control Topic	The focus is on online industrial monitoring and targeted optimization of the process to support continuous improvement. It aims to establish a high-quality, high-efficiency operational system.
<b>Talent Domain:</b> Manufacturing & Organizational Talent Topics	This project aims to promote the improvement of workforce capabilities, including the redesign of job levels and management tasks. Key goals include enhancing personnel skill sets, optimizing data capabilities, and building digital project teams for long-term organizational success.
<b>Finance Domain:</b> Production Unit Cost Calculation & Optimization	With the goal of unit production cost + 2H/T + 1D, based on operational management norms, the discussion revolves around the division of costs in production and supports the realization of cost control within the central management, providing data-driven guidance for operations.
<b>Data Domain:</b> Data Platform Topics & Data Application Topics	The project requires data management from the platform's perspective, focusing on the discussion of complex data structures and technology for large-scale replication of data. The objective is to enhance the deployment and recovery of technology systems.
<b>Strategy Domain:</b> Digital Strategy Topics & Digital Framework Topics	With the goal of integrating the project into local operations, the discussion covers advanced recommendations for strategy construction and building project frameworks to enhance strategic implementation from a global perspective.





### AI-enabled manufacturing drives digital transformation



To further its digital transformation, Minth Group has conducted SMART AI workshops, providing training across various departments. During the reporting period, the SMART AI project covered seven topics across six factories. To enhance its impact, Minth Group has formed research teams for each of the seven topics and provided ongoing coaching to the members, fostering AI talent with expertise in deep learning and AI implementation.



Centralized Training Camp



Award Ceremony

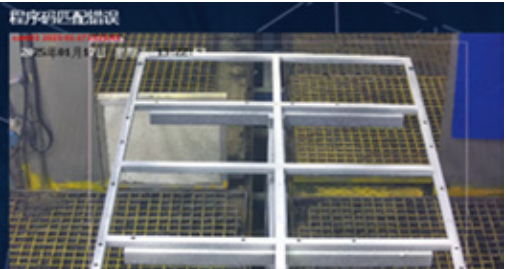
## Intelligent Manufacturing Achievements

Minth Group's dual-focused strategy combines AI talent cultivation in smart manufacturing with institutionalized technology integration. Such talent empowerment directly serves the dual objectives of industrial AI integration: advancing intelligent production ecosystems while future-proofing organizational capabilities through human-machine collaboration frameworks. This approach enhances production capacity, reduces operational risks, and improves corporate efficiency.

### Error-proofing Mechanism for Painting Line Processes



By utilizing camera-based AI vision technology, Minth Group's painting production line has achieved intelligent product identification and program comparison, eliminating material and labor waste caused by manual input errors. Since its launch in December 2024, this innovation has enhanced production efficiency and achieved zero input errors, laying a strong foundation for smart manufacturing.



Error-proofing Mechanism for Painting Line Processes

### Extrusion Flash Scrap Weight



Minth Group's extrusion line employs camera-based AI vision technology to automatically detect production anomalies, link with equipment control, and alert employees for timely intervention, thus preventing material waste and equipment malfunctions. Since its implementation in October 2024, the system has successfully identified 644 instances of material failure, reduced potential losses and improved product quality.



Extrusion Flash Scrap Weight





# Product Responsibility

## Quality Management System

In order to enhance product quality management, Minth Group has developed "Product Release Management Procedures" and "Product Safety Management Guidelines" for product quality and safety control. The Group also closely complies with the laws and regulations of several countries pertaining to quality management. During the reporting period, the Group has updated the "APQP Management Procedure", "Control Plan (CP)" and quality manuals to optimize the entire life cycle from product pre-planning, planning, and control to mass production and after-sales so as to ensure the risk control and completeness of the system processes. This is based on the updated Advanced Product Quality Planning (APQP) & CP manuals published by the automotive industry during the reporting period as well as the IATF 16949:2016 Automotive Quality Management System standard.

### At the end of the reporting period:

- All factories of the Group with over one year of mass production have achieved **100%** certification under the IATF 16949 Automotive Quality Management System.
- New factories are unable to apply for certification as they have not yet completed one year of mass production. New factories, including Tianjin Tokai, Tianjin Minth, Minth Poland, and Minth France, and Minal, are planned to obtain certification by 2025.



Aiming to maintain the integrity of Minth Group's quality management in all aspects, we have established a quality management system that runs from the top Group level to the bottom plant level, with various levels of quality management departments carrying out their respective responsibilities.



### Group Quality Team

- Monitor the key account performance of the group, dealing with significant customer audits.
- Track and support the attainment of group KPIs, including identifying, preventing, and containing high-risk group quality.
- Establish and manage the group quality system and manual/procedure.

### BU or Region Quality Team

- Monitor the key account performance of BU, assisting in significant customer audit.
- Track and support the achievement of BU KPIs, including identifying, preventing and containing the high-risk BU quality and managing both BU advanced quality as well as mass production quality.
- Establish and manage the BU quality system and manual/procedure.

### Plant Quality Team

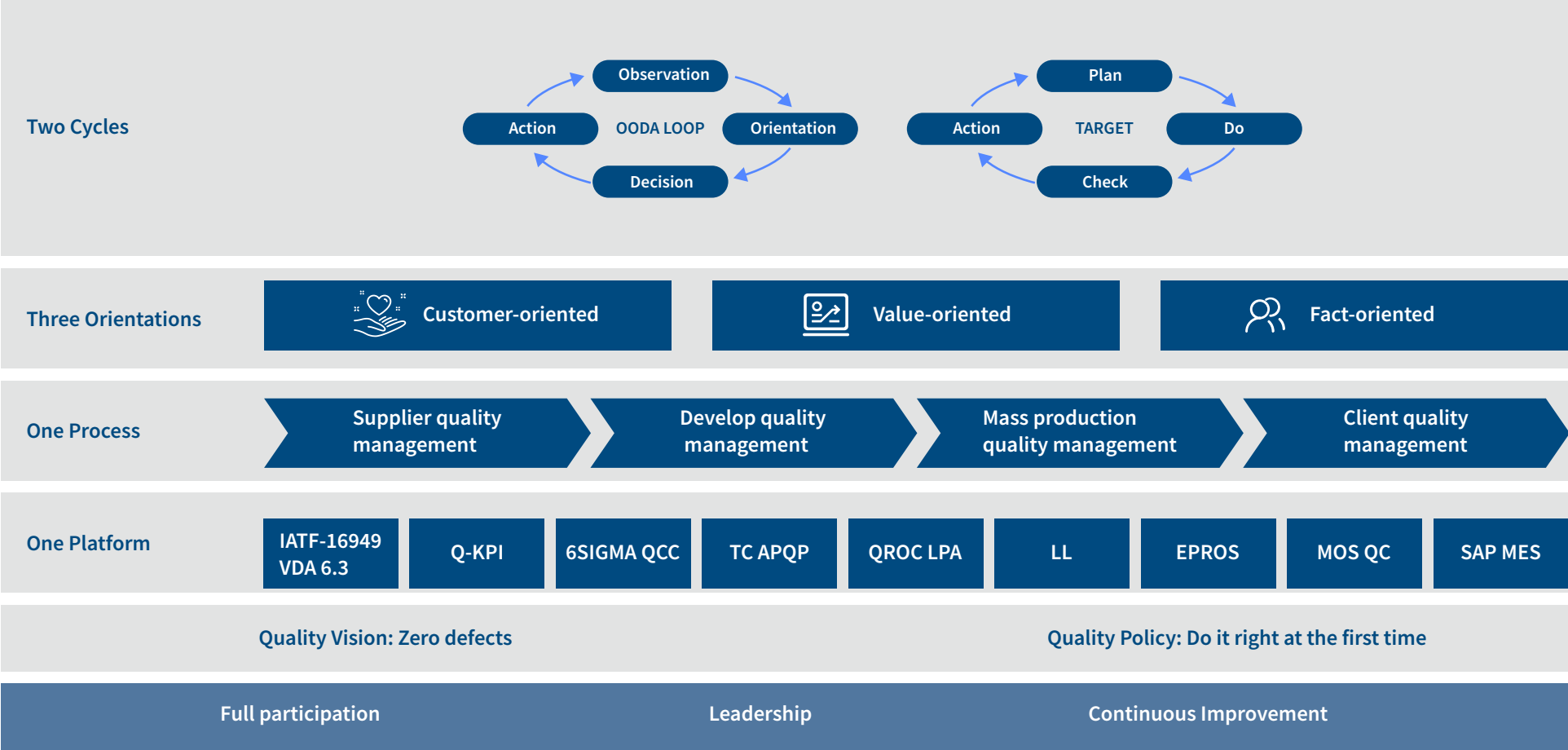
- Track and support quality assurance and the achievement of plant quality KPI, including identifying, preventing and containing the high-risk plant quality.
- Introduce new project and prepare for launch to ensure the fluency of mass production.
- Effectively implement the QMS and establish the quality team.





To protect the interests of customers, the Group has set the quality targets of "zero quality incident" and "zero recall". Furthermore, the Group closely integrates quality management with sustainable development objectives and continuously monitors the quality programs pertaining to ESG assessment.

Quality Management System







# Product Quality Improvement

## Full Lifecycle Quality Assurance

Minth Group has adopted quality enhancement initiatives in its product development process and has optimized the whole life cycle from product early-stage risk mitigation, planning, and control to mass production and after-sale so as to ensure the risk control and integrity of system processes.

Each of the Group's development centers strictly follows the APQP process and formulates a comprehensive product quality plan. To guarantee that the products developed and manufactured fully satisfy the needs of the market, every crucial step—from idea approval to production is painstakingly planned and carried out. We utilize advanced inspection equipment to do precise measurements of every product, either in complete dimensions or critical dimensions, during the development and mass production stages. This enables us to ensure product quality, prevent the production of defective items, and quickly identify product problems.

### Product Inspection Measures



Adopt advanced LIDAR technology, multi-eye vision system, and three-dimensional measuring machine to measure the full-size or critical dimensions of products accurately.



Strictly test the welding performance of the products by means of welding seam inspection equipment and metallographic microscope.



Use self-developed airtightness testing equipment such as gas test, water test, helium test, etc., to conduct 100% inspection of the products' sealing.



Use cleanliness testing equipment to strictly test the cleanliness and other characteristics of the products.



In the manufacturing process, Minth Group has also carried out product quality improvement measures. The Group created the "Management Procedures for Monitoring and Measuring Devices" and the "MSA Management Guide", which effectively prevented quality risks resulting from measurement system failures and potential risks in the early stages of product design and development. We also established a dedicated team for Failure Mode and Effects Analysis (FMEA) and introduced the Measurement System Analysis measurement management system to guarantee that 100% of all projects adopt the FMEA method. Furthermore, Minth Group has established the first and last part management mechanism, obtained ISO 17025 laboratory qualification certification, and conducted 100% testing on products manufactured in batches.

The Group's digital quality management system is deeply embedded in its daily operations. The Group utilizes advanced quality management tools and digital methods to optimize the processes of management quality and conducts continuous assessment of the effectiveness of the quality management system through LPA layered audits, VDA 6.3 process audits, VDA 6.5 product audits, etc., to ensure the provision of high-quality products and services to customers.

Meanwhile, through the integration of various advanced tools, we have realized the quality management of the whole process of "Supplier - Design - Manufacturing - Customer Service". These digital tools enable the Group to track quality data in real time, conduct internal quality audits efficiently, and swiftly resolve quality issues, while also facilitating more targeted quality training.





## Digital Quality Management Initiatives

### Integrated Systems

The Group has integrated its business management solutions (SAP) and manufacturing execution system (MES) to ensure quality management and traceability throughout the entire process from product design to production, covering product inspection and non-conforming goods management.

### Standards Delivery

Utilizing the QBOM system, we ensure the accurate transfer of quality inspection standard data from development to mass production, ensuring the consistency and accuracy of standards.

### Quality Control

QMS platform has been established and deployed for hierarchical auditing, process auditing, product auditing, and system auditing systems, which significantly improves the digitalization of quality auditing and ensures that the quality of each link can be controlled.

### Problem Solving

The QRQC meeting management and problem solving system has been launched to enable quick response and resolution of quality problems, while accumulating experience to improve management efficiency. In addition, PROFET AI was introduced for modeling and forecasting to facilitate continuous improvement.

### Experience Management

A Lessons Learned (LL) system has been implemented to accumulate and record quality knowledge and lessons learned, providing a reference for future projects and avoiding the recurrence of problems.

### Quality Cost Analysis and Data Management

All production lines (including coating, plating and oxidizing) have been digitized, and the operational dynamics of each factory line is monitored in real time through the Sensitive Cube system in order to ensure the transparency and controllability of the production process.

## Non-conforming Product Management

In order to conduct thorough analyses of defective parts and argue for related factors, Minth Group has developed the "Procedures for the Management of Non-conforming Products" and the "Guidelines for the Management of On-site Analysis of Defective Parts". Furthermore, Minth Group has set up a Defects Argumentation and Analysis Team containing technical experts, manufacturing plant craftsmen, and quality personnel. These actions can also serve as the workable solutions to the issues and provide a summary of the experience.

For product quality issues that can be resolved on-site, Minth Group has implemented measures such as after-sales service point planning, after-sales personnel management, and on-site employee support. The Group has also established systems, including service management procedures and after-sales personnel management guidelines.

For product quality issues that cannot be resolved on-site, Minth Group implements measures such as return and replacement management, customer requirement management, and customer claim management. Additionally, the Group has established the Return and Replenishment Management Guidelines. Minth Group has standardized the recall process for defective products. Specifically, the Group has formulated the "Recall Management Guidelines", which stipulates that for those defective products or products with quality problems, the Group would provide treatment or take them back without compensation, correct the defects, or destroy the products to eliminate the impact of defective products on customers. At the same time, the Group has also launched a Group-level investigation of similar problems to ensure that similar problems do not recur.







Product Recall Handling Mechanism

Recall Issue Notification

- Report the need for recall to the Quality Assurance (QA) team.
- After confirmation, promptly report it to the factory Manager and the Quality Department of the Group.



Recall Response Meeting & Prerecall Communication

- Meeting at the factory level.
- Brief the details of the affected products and form an emergency recall team.
- Engage in discussions with customers to determine and confirm the recall plan.

Develop the Recall Plan & External Communication

- Prepare the Product Recall Handling Form and submit it to the Group.
- PR to promptly respond to the concerns of the media, regulatory agencies, and customers.



Recall and Disposal of Recalled Products

- Properly label and isolate the non-compliant products in accordance with regulations.
- Prohibition on the reuse or sale of recalled products.

Report on Corrective and Preventive Measures

- Analyze and summarize the experience gained from the product recall.
- Involve multiple parties, including BU, the Group, suppliers, and external experts, in the analysis process, when necessary.



During the reporting period:

- The number of recalls occurred in the Group was zero.



The Minth Group's subsidiaries have achieved remarkable success in the quality field by leveraging their excellence in quality management, quality services, and industry-leading innovation drive. They have won 38 awards related to quality services cumulatively, earning widespread recognition from global customers.



Minth Automotive (UK) Ltd. Won the Nissan Supplier Quality Award - Europe Regional Quality



Minth Group was Awarded “2024 Best in Quality Performance”





# Quality Training

To guarantee complete participation and recognition, as well as to create a thorough knowledge of quality among all employees, from management to frontline staff, the Group has aggressively communicated its quality vision and strategies to its workforce across the globe. To guarantee that all our employees and suppliers can deliver high-quality products to our clients, Minth Group has put in place a thorough quality training program that includes all of them. The goal of this program is to improve professional skills and quality awareness.

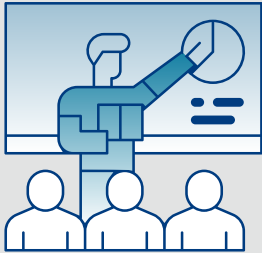
The Group attaches great importance to the development of quality skills for our staff. From the very beginning of their careers, the Group provides 100% coverage of quality awareness and skills training to all employees (including temporary workers) and organizes quality awareness activities on a regular basis. Through a variety of training contents and forms, employees are able to systematically master quality standards and operation regulations, which can help them to accurately control quality in their daily work.

**During the reporting period:**

- The annual duration of the Group's employee quality training was **32** hours per person.
- **100%** coverage of quality awareness and skills training to all employees (including temporary workers)



## Quality Training Program Categories



- Quality Improvement
- Quality System
- Automotive Industry Manual
- Customer Requirements
- Quality Management
- Field Quality Basics
- Craft Fundamentals



Serbia Plant Gauge Usage Training



Serbia Plant On-site Quality Standards Training

## Minth Group Launches “Quality Elite Class” Talent Cultivation Program



In 2024, Minth Group launched the “Quality Elite Class” special talent development program, aiming to cultivate and enhance the quality management capability of its employees. Through a series of well-designed professional courses, scenario simulation exercises, and practical on-the-job training, and guidance from quality experts, the program aimed to strengthen the professional skills of the reserve talent team in a comprehensive manner. Through these training activities, employees will not only enhance their ability to solve quality problems but also promote the establishment of a quality culture of continuous improvement within the organization.







**MBU of Minth Group Carries Out Monthly Activities on “Quality from the Heart”**



In order to create a strong quality culture and improve the quality of employees, MBU of Minth Group has carried out a series of monthly activities with the theme of “Quality from the Heart”, which have been successfully carried out more than 30 times so far. These activities not only enhance employees' ability to take actions in quality practice but also guide them to take the initiative to improve their quality awareness in their daily work and realize the enhancement of their self-worth. Ultimately, these efforts converge into the continuous improvement of customer satisfaction, creating a better product and service experience for customers.



**MBU “Quality from the Heart” Activity**

Minth Group organizes annual quality training programs for its suppliers, achieving 100% coverage of domestic raw material and component suppliers, as well as partial coverage of overseas suppliers (as the training system is still under development). The training includes change management, development case sharing, performance management requirements, and 8D problem-solving. Delivered through a hybrid online and offline model, the training ensures broad coverage and effective implementation, enhancing suppliers' quality management capabilities.



**Minth Group Conducts Change Management Process Training**

# Customer Management

## Customer Complaint Management

Minth Group has formulated systems such as “Service Management Procedures”, “Improvement Management Procedures”, and “Guidelines for Management of Customer Complaints”. To guarantee consistent compliance and uniformity of services, the Group has additionally improved and published the “Guidelines for Management of Field Service Personnel” during the reporting period. These guidelines specify the management requirements for on-site implementation and technical support personnel of our customers.

In order to effectively address customer's needs and promptly resolve associated issues, Minth Group has set up a methodical procedure for handling customer complaints that covers important areas like customer consultation, complaint handling, and after-sales service. This has greatly increased customer satisfaction.

### Customer Complaint Handling Process



#### Layout of Service Points

The Minth Group has a global after-sales service system that recognizes on-site service points based on customer demand, business volume, and product quality, aiming to ensure service coverage and response speed.



#### Customer Feedback Collection

The Minth Group collects customer complaints and feedback through various channels such as emails, the B2B system, and direct communication with field service staff. In addition, customer feedback is further collected through monthly customer quality summary meetings, customer visits, customer audits, and other means of improving communication with customers.



#### Customer Feedback Response

For complaints related to product quality or technical problems, Minth Group will promptly report the problems to the relevant departments, analyse the causes and then propose corrective measures. After it is resolved, a formal problem solving report will be issued and delivered to the customer for verification, which can ensure that the problem is properly solved.



#### Summarize

Lessons learned during the process are incorporated into the internal Lessons Learned system for continuous improvement and optimization of the customer service process in the future.





In order to enhance the efficiency and responsiveness in handling customer complaints, the Group has updated its customer complaint handling mechanism. We have strengthened the mechanism for quick response to customer complaints and established an escalation mechanism for customer complaints. At our headquarters, we have designated dedicated staff to oversee the service of significant customers and resolve customer complaint issues with group-wide impact through high-level risk assessment meetings. At the same time, the Group implemented a new client-side performance monitoring system and reported the results of the monitoring at the Group's quality management meeting every month so as to ensure that the issues were promptly addressed and dealt with.

In response to key customer complaints received by subsidiaries, the Group established a task group in 2024 to develop solutions to meet customer needs. To prevent the occurrence of similar issues, such cases were summarized as lessons learned and uploaded to the LL system to form a closed-loop management system, which can also contribute to the continuous improvement of the Group's overall service quality.

## Enhance Customer Experience

Minth Group has established a comprehensive response mechanism for customer complaints. To address issues, the Group first sends out on-site service representatives to the client's location. Every member of the on-site support staff must be able to solve basic problems in the beginning, and all must successfully complete product process training and a practical assessment. Then field service employees will report complicated or development-related concerns to a Quality Engineer (QE), who will assemble a cross-functional team (CFT) to devise a solution and document the lessons learned in a knowledge base for future use and enhancement. To guarantee prompt response and efficient resolution of client issues, Minth Group was Awarded "2024 Best in Quality Performance" has established expert customer care teams at the corporate, product line, and factory levels.

In terms of key client management, the Group has also implemented comprehensive pre-sales and post-sales management measures. During the pre-sales phase, the Group promptly gets customer data, detects possible high-risk situations, helps manufacturers pass customer audits, and responds to significant consumer evaluations at the Group level (e.g. cross-business units). In the post-sales phase, the Group continuously monitors client performance, removes red alerts, and makes sure that green performance goals are fulfilled. At the same time, the Group helps factories and business units detect, prevent, and reduce high-risk quality issues, with the closure rate of such issues reaching 100%.

Minth Group has established a customer satisfaction survey system, utilizing efficient data collection methods to reach a broad customer base. During the reporting period, the Group leveraged this system to invite key clients worldwide to participate in satisfaction surveys based on four critical dimensions: quality, technology, logistics, and procurement. For areas with lower scores, the Group will organize targeted improvement measures at our factories to enhance customer satisfaction. Furthermore, customer satisfaction surveys were conducted during the reporting period to comprehensively assess customer satisfaction from various dimensions, such as internal and external, objective performance, and subjective evaluation, with an overall score of 4.4.

### During the Reporting Period:

- The Group received 135 quality-related customer complaints, achieving a 100% timely response rate and a 100% issue resolution rate.
- We have established a customer service personnel directory covering Asia Pacific, Europe, and North America, realizing multi-functionality sharing among different product lines.







# Symbiotic Supply Chain

To accomplish a systematic and standardized management of the supply chain, the Group has formulated a comprehensive set of management documents, including the “Supplier Development and Management Manual”, “Guidelines for New Supplier Entry Management”, etc. These documents provide structured guidance for supplier entry, performance assessment, and management of the Group’s business operations. Furthermore, the Group applied a holistic management approach covering supplier admission, performance evaluation and risk control for social responsibility. In the “Code of Conduct for Suppliers of Minh Group”, Minh Group clearly requires suppliers to not only respect human rights and uphold labor rights and occupational health and safety, but also actively protect the environment and eliminate the use of conflict minerals.

## Supplier Classification Management

During the reporting period, Minh Group renewed its supplier classification system to enhance the efficiency and precision of supply chain. Based on the nature of business, suppliers are categorized into two major groups, namely production material suppliers and non-production material suppliers. For suppliers of production materials, the Group conducts a comprehensive assessment based on four dimensions, namely, the complexity of the supply market, the proportion of purchases by category, the strategic importance of the material and the supplier’s dependency relationship, and then classifies them into four levels, namely, Strategic Relationship (S), Collaborative Relationship (C1), Contractual Relationship (C2) and General Transactional Relationship (T) in accordance with the “Guidelines on Supplier Classification and Management” , with the levels ‘S’ and ‘C1’ being the core suppliers.

### Supplier Classification







# Supplier Lifecycle Management

Minth Group is committed to implementing a comprehensive supply chain lifecycle management for suppliers, covering all stages from supplier development, qualification, access, project targeting, development management and mass production management to final exit. The Minth Group set up dedicated development supplier quality engineer (SQE) teams for different product lines to oversee suppliers' project development nodes and product quality. At the same time, through the adoption of the Group's integrated procurement system (GDMP), the Group has realized the Advanced Product Quality Planning (APQP) node review and Production Part Approval Process (PPAP) approval for project development to effectively manage the lifecycle of suppliers in terms of development, mass production, and withdrawal.

## Supplier Lifecycle Management Process

### Resource Development

- Develop a clear segmentation strategy.
- Evaluate suppliers' growth potential and professional development needs.

### Qualification Review

- Ensure supplier compliance with relevant laws and regulations, including IATF16949/ISO9001 and ISO14001/ISO45001 standards.
- Evaluate suppliers' financial soundness, technical capability and production capacity.
- Gather and review basic supplier information.
- Conduct conflict minerals investigations.

### Physical Audit

- Evaluate potential suppliers using the VDA 6.3 standard.
- Perform EHS compliance audits.
- Conduct CSR audits.
- Evaluate risks of potential suppliers.

### Supplier Access

- Allocate supplier codes.
- Sign Purchasing Circulars, Quality Agreements, Sustainability Commitments, and Integrity Agreements.

### Project targeting

- Sign specific procurement contracts to define project locations.

### Development Management

- Perform APQP node planning.
- Conduct Production Part Approval Process (PPAP) project approval.
- Perform Product System Warranty (PSW) part approval.

### Mass Production Management

- Implement supplier performance management.
- Resolve quality issues and make continuous improvements.
- Utilize Trie2 system for supplier management.

### Supplier Withdrawal

- Remove suppliers that are no longer qualified from the qualified supplier directory according to the Supplier Management Manual.







## Supplier Assessment and Admission

Minth Group follows the "New Supplier Admission Management Guidelines" to guide the admission of new suppliers through a detailed process to ensure that they meet the Group's stringent requirements on quality and efficiency. In 2024, Minth Group made significant improvements and updates to its supplier access review process. To ensure the professionalism and rigor of the new supplier access audits, Minth Group's Global Supplier Management Center, led by the Procurement Center, is equipped with professional auditors to accurately identify potential problems in suppliers' production processes.

During the supplier admission phase, Minth Group conducts several audit procedures with a strict and accountability driven mindset. To guarantee the introduction of high-quality suppliers and establish a strong basis for future collaboration, the Group not only thoroughly examines the financial standing, production capability, social responsibility, and ESG performance of suppliers, but also thoroughly verifies their quality control system and performs multifaceted checks.

### Qualification Review

- Suppliers in different categories are required to obtain different certifications such as IATF 16949 and ISO 9001.
- The Minth Group conducts an preliminary investigation on basic information and ESG performance of 100% newcomer suppliers and plans to cover 100% of suppliers in the BOM category by 2025.

### On-site Audit

- Minth Group fully evaluates the supply risk, quality risk, management risk, financial risk, and EHS risk of the suppliers.
- Minth Group also conducts on-site CSR review, including the human rights, health and safety, business ethics, environmental protection, and conflict minerals issues.

Number of Suppliers	2024	Unit
Total	4,113	Number
Asia & Mid East (China, Thailand, Japan, South Korea, India, United Arab Emirates, Israel)	3,485	Number
North America (United States, Mexico, Canada)	295	Number
Europe (Serbia, Czech Republic, Germany, France, Italy, United Kingdom, Switzerland, Austria, Poland, Montenegro, Spain, Turkey, Netherlands, Romania, Slovenia, Slovakia, Belgium, Bosnia and Herzegovina, Bulgaria,Croatia)	332	Number
Oceania (Australia)	1	Number
Number of core suppliers undergoing annual review in 2024	211	Number
Proportion of core suppliers undergoing annual review in 2024	100	Proportion of suppliers
The number of suppliers who have passed ISO 14001 Environmental Management System Certification	796	Number

Suppliers who have passed the qualification review and on-site audit will be formally included in Minth Group list of qualified suppliers and assigned with a unique supplier code. At this stage, the Procurement Engineer will sign a series of written agreements with the suppliers, including Purchasing Circular, Quality Agreement, Sustainability Commitment, and Integrity Agreement, aiming to establish a long-term relationship based on the principle of equality and mutual benefit. All the relevant documents and agreements will be recorded in the Minth Group's integrated procurement management system (GPMS) for subsequent tracking, auditing, and management to ensure the transparency and sustainability of the supplier relationship.

### During the reporting period:

- The number of suppliers that have obtained ISO14001 environmental management system certification is 796.
- The signing rate of the supplier integrity agreement is 100%.







# Supplier Performance Review

During the mass production stage, the Group has been promoting the improvement of product quality among suppliers through performance evaluation to ensure the overall quality of the supply chain. During the reporting period, Minth Group has optimized its performance management system by revising the document “Guidelines on Supplier Performance Management” and “Supplier Process Audit Management Guidelines” and re-adjusting the weighting and evaluation contents of quality and cost. Through this approach, Minth Group could identify and screen quality suppliers more accurately. Additionally, by evaluating suppliers' cost structures, Minth Group was able to collaborate with them to optimize costs, lower procurement expenses, and increase enterprise profitability.

In accordance with the VDA6.3 standard, the Group divides suppliers into three categories and conducts supplier audits. We conducted supplier annual audit at least once a year, and the audit results shall be divided into three levels: A, B, and C.



## Tier 1 - Direct / Tier 1 Supplier Audit



The Group formulates a comprehensive annual audit plan based on the suppliers' supply quality performance in the past year, the audit records of the past two years, the business development plan for the coming year and the suppliers' own development strategies. 2024, Minth Group adopted VDA6.3, which is widely recognized in the automotive industry, to identify and audit all suppliers, of which 43 are in Tier A, 29 are in Tier B, and one is in Tier C. In response to the issues identified during the audit, the Group has conducted a comprehensive audit on the suppliers' performance and has sent SQE engineers with appropriate qualifications to conduct on-site audit. In response to any problems identified during the audit, the auditors assisted the suppliers in formulating corrective measures, and the rectification rate reached 100% during the reporting period. In addition, the SQE team conducted 485 on-site reviews and audits on 211 suppliers in 2024, covering all core suppliers.

## Tier 2 - Indirect / Sub-tier Supplier Audits



Minth Group has implemented stringent quality control measures for its accessory suppliers. The Group requires all suppliers in the accessories category to be certified under the IATF16949 system for the automotive industry and monitors the validity of the supplier's system certificates through an electronic system. To ensure the quality of products from secondary sub-suppliers, the Group has formulated the “Management Guidelines for Minth Group's Secondary Suppliers” which is applicable to all indirect or secondary suppliers of products of accessory items to minimize the risk of supply chain management. At the same time, Minth Group has set up an assessment team to evaluate identified critical Tier 2 suppliers based on critical product characteristics on the accessory drawings, critical production process of the accessory, and the “Tier 2 Product & Supplier List” . In 2024, Minth Group's implementation rate of the audit program for Tier 2 suppliers reached 100%.

## Tier 3 - Raw Material / Raw Material Quality Periodic Inspection



During the development and approval stage of new products, Minth Group verifies the quality of raw materials used by suppliers and their consistency with the design drawings. For mass production materials, suppliers are required to ship the raw materials with quality certification reports to confirm their conformity with the drawings at the incoming inspection stage. In 2024, Minth Group has developed more than 3,800 parts, and the quality of the raw materials used have all met the required standards and are in full conformity with the design drawings, which ensures the high quality and reliability of the products.

Based on the audit results, Minth Group will direct suppliers to make improvements within a specified time limit. Suppliers will be permanently removed if, after the deadline, they continue to fall short of the requirements. During the reporting period, the Group optimized its supply chain structure, eliminating 174 suppliers, comprising 138 suppliers of non-production-related goods and 36 suppliers of production-related materials.





## Empowering the Digital Platform for Supply Chain Management

To systematize and streamline the global management of the supply chain, the Group has developed an integrated procurement management system (GDMP) and integrated it with the Systems, Applications and Products (SAP) system. The system not only caters to the Group's internal procurement team, but also opens the necessary order-driven and problem-solving platforms to suppliers, ensuring that procurement information is communicated in a timely and accurate manner and resolved quickly.

When Minth Group developed the Quality Problem Solving System (QMS), it significantly improved supplier digital management. To improve supply chain management's efficiency and transparency, the system enables the digital management of the entire process, from problem reporting in the SAP system to SQE analysis of problems, analysis of supplier countermeasures, problem closure, joint management of claims, and management of experience and lessons learned. To ensure that suppliers can master the operation of the QMS system, the Group has compiled a detailed operation manual and organized training activities, including system function demonstrations, practical operation exercises and answers to frequently asked questions, to achieve a 100% training coverage of suppliers in the upstream regions and help suppliers adapt to the new mode of digital management.

## Sustainable Supply Chain

The Minth Group is committed to enhancing the sustainability performance of its supply chain, strictly adheres to the “Guiding Principles for Enhancing the Sustainability Performance of the Supply Chain in the Automotive Industry” jointly published by the Automotive Industry Action Group (AIAG) and Drive Sustainability, and implements sustainable management of its suppliers in alignment with these principles.

During the reporting period, Minth Group updated its Sustainable Development Commitment Letter, and all suppliers are required to sign it. The new commitment letter emphasizes the principles of environmental sustainability and corporate governance sustainability, in which including all ESG dimensions.

Environmental	Social	Governance
Minth Group requires suppliers not only to collect GHG data more accurately, but also to set the organizational GHG reduction plans.	Minth Group requires suppliers to strictly manage conflict minerals and ensure that the raw materials they purchase do not come from conflict areas, so as to prevent the procurement of resources from becoming a cause of regional conflicts at source,ect. Also, the Group requires suppliers to assess the human right risks in the deep value chain.	Minth Group requires suppliers to comply with relevant laws, regulations and ethical standards, enhance the diversity of their boards of directors, and comply with the anti-trust and fair competition laws of each country/region.

To collect more accurate ESG information, the Group conducts an annual ESG questionnaire survey for suppliers, covering areas such as ESG report disclosure, carbon reduction measures, conflict mineral usage, and public welfare activities in which the suppliers participates. In 2024, more than 3000 suppliers participated in the survey, with green power and photovoltaic projects becoming the key focus of green development projects for suppliers.

In terms of the social and governance, Minth Group has high requirements for the integrity of suppliers. According to “Guidelines on the Management of New Supplier Admission” , the Group requires all potential suppliers to sign the “Integrity Agreement” , which effectively prevents the breeding of undesirable behaviors such as commercial bribery and unfair competition by clarifying the code of conduct and ethical bottom line during cooperation.

**As of the end of the reporting period:**

- All suppliers have signed the Integrity Agreement, with a signing rate of **100%**.







In terms of environmental impact, over 90% of our carbon emissions can be attributed to our scope 3 emissions, so we attach great importance to the performance of value chain carbon emissions. We have set a goal of carbon neutrality in the value chain by 2050 and are working together with suppliers to participate in energy conservation and emissions reduction, steadily advancing towards the goal of carbon neutrality in the value chain.

To promote energy conservation and emissions reduction among suppliers, the Group emphasizes energy management in the supply chain, encouraging the use of clean energy such as solar and wind power to reduce carbon emissions at source. The Group also encourages suppliers to invest more in environmental protection and advocates the use of innovative technologies such as hydrogen steel chaining to reduce carbon emissions in the production process.

In addition, Minth Group reduces carbon emissions in the value chain by purchasing low-carbon materials and actively promotes green transformation of the supply chain through the procurement of environmentally friendly materials such as green aluminum and green steel. We have established close partnerships with our suppliers to develop sustainable sourcing strategies and motivate them to adopt environmentally responsible and socially responsible business practices.

**Metal Materials**

Minth Group actively adopts green aluminum and steel to reduce product carbon footprint.

**Plastics**

Minth Group promotes the use of biodegradable green plastics to enhance its environmental performance.

Minth Group is committed to enhancing suppliers' ESG performance through comprehensive ESG training. The Group organized supply chain sustainability training sessions covering 100% key suppliers, focusing on important current sustainability issues such as climate change response, sustainability strategies, social responsibility standards and traceability surveys. The training analyzed the risks, challenges, and response strategies, explained the authoritative social responsibility standards, and guided suppliers to integrate sustainability concepts into their development strategies. In addition, the training also taught how to establish a product traceability system to prevent possible risks in the supply chain.



Supply Chain Sustainability Seminar

# Value Chain Labor Management

To ensure the compliance of supplier labor management, Minth Group has taken a series of measures in accordance with the "Supplier Corporate Social Responsibility (CSR) Management Guidelines". Minth Group ensures that suppliers strictly comply with national and local labor regulations, eliminate any form of discrimination during the recruitment stage, develop a competitive salary and benefits system, and implement occupational health and safety management for employees. To ensure that suppliers comply with Minth Group's labour standards, the Group has implemented a detailed investigation and audit process aimed at assessing and managing labour risks. Minth Group will not consider working with suppliers who violate these requirements.

Supplier Labour Risk Review Mechanism	
Supplier Qualification Reviews	Qualification Review: Suppliers are required to submit necessary documents including business license, labor dispatch license, human resources service license, etc., as well as legal person identification, business premises photo, bank account information, quotation, labor management system, company profile, and tax and insurance payment certificates.
	Bidding Evaluation: During the bidding meeting, Minth Group comprehensively evaluates the operational status, cooperation history, personnel allocation capabilities, and risk prevention measures of the labor service company.
	Contract Confirmation: Minth Group clearly defines the contract terms and requires the supplier to pay a deposit so as to ensure the quality of subsequent services.
Regular Audit	Monthly Audit: Review the labor agreements, salary payments, and insurance contributions of suppliers on a monthly basis to ensure that labor rights are fully protected.
	Annual Audit: Conduct a comprehensive audit of suppliers every six months, including reviewing the completeness of labor company information, compliance of labor personnel management, as well as the quantity and quality of personnel allocation, and issuing audit reports.





For suppliers, Minth Group also offers a reporting channel. It is explicitly stated in the "Integrity Agreement", which is signed by all suppliers when they begin working with Minth, that they have the right to register complaints or denounce corrupt practices like default, deliberate harassment, and pursuing improper benefits through the appropriate channels.

## Supplier Capacity Building and Assistance

Minth Group has taken a series of measures to promote supplier capacity building. In accordance with the "Supplier Status Classification Management Guidelines", the Group implemented comprehensive quality management training for all core suppliers (including Class S and Class C1), covering process quality control, on-site non-conformity management, quality problem analysis and resolution, the application of 8D report and new product development process, etc. During the reporting period, Minth Group organized a total of five such trainings, achieving a 100% training coverage rate for domestic and overseas.



Supplier Quality Conference Group

Knowing that cooperating with suppliers is key to achieving long-term stable development, Minth Group has carried out several support measures. Minth Group analyzed the production efficiency and product quality problems encountered by suppliers at the bottom of the performance ranking, and the SQE team inspected the suppliers' production processes on site and made suggestions on optimizing the shortcomings of the production process. In addition, Minth Group assists suppliers to improve their internal management system by sharing mature management experience and best practices. For suppliers with liquidity problems, Minth Group provides solutions to shorten the billing period to enable suppliers to recover capital faster and ensure stable business operation.





# 04

## **Empower Employee Development**







# Gathering Excellent Talents

## Employee Recruitment

Minth Group strictly abides by the labor laws and relevant regulations of various countries, continuously improving and perfecting the fairness of its HR process and recruitment system. Therefore, the Group has formulated internal policies such as the Minth Group Recruitment and Selection Policy to standardize the recruitment process, regardless of race, skin color, religious beliefs, age, and gender, and resolutely eliminate any form of discrimination, ensuring the openness, fairness, and impartiality of recruitment activities.

To enhance inclusivity and diversity, Minth Group is committed to increasing the proportion of female employees within management and across the group. The proportion of female employees in the Group has reached 30%, with 20% being female middle and senior-level personnel. Additionally, Minth Group has issued the Global Code of Conduct Commitment, which outlines the behavioral standards employees must adhere to when communicating through one-on-one interactions, meetings, emails, and hierarchical exchanges in the context of the Group's global business development and expansion. It also specifies the workflows and problem-resolution approaches to be followed during cross-border and cross-departmental projects. At the end of the reporting period, the Group employed 84 disabled employees.

In order to improve local economic development, cultural integration, and increase employment rates, Minth Group puts more attention on localized employment. We continue to promote increase in the number of local employees at the top level of units and factories, standardize their working conditions, and manage the employment relationship between labor and capital. On a global scale, Minth Group refines its localized management based on the labor regulations of its host countries, ensuring that its policies and operations comply with local laws and regulations. During the reporting period, Minth Group's MMC plant in Mexico employed 2,900 employees, of whom 2,820 were local hires, achieving a local employment rate of 97%. At Minth Thailand plant, there were 332 employees, of whom 312 were local hires, resulting in a local employment rate of 94%.

Category	2024	Unit
Total number of employees	25,663	Number
Gender		
Male employees	17,963	Number
Female employees	7,700	Number
Age		
29 years old and younger	6,940	Number
30 years old and above but less than 40 years old	11,693	Number
40 years old and above but less than 50 years old	5,735	Number
50 years old and above	1,295	Number
Region		
Asia (China, Thailand, Japan, South Korea)	17,428	Number
North America (United States, Mexico, Canada)	3,647	Number
Europe (Germany, United Kingdom, Serbia, Czech Republic, France, Poland)	4,588	Number
Type of Employee		
Professional	3,350	Number
Technical	5,098	Number
Management	1,175	Number
Production	16,040	Number
Full-time employees	25,663	Number
Part-time employees	0	Number
Contractor	0	Number





Category	2024	Unit
Total turnover Rate	28.60	%
Gender		
Male employees	28.60	%
Female employees	28.60	%
Age		
29 years old and younger	37.79	%
30 years old and above but less than 40 years old	28.80	%
40 years old and above but less than 50 years old	17.70	%
50 years old and above	7.43	%
Region		
Asia (China, Thailand, Japan, South Korea)	26.49	%
North America (United States, Mexico, Canada)	42.93	%
Europe (Germany, UK, Serbia, Czech Republic, France, Poland)	21.53	%

During the reporting period, Minth Group was awarded honors such as Liep in 2024 Zhejiang Annual Extraordinary Employer, the Yonyou · Dayee 2024 Employer Brand Management Model Award, and the DHR Association 2024 Outstanding Practice Award for Global HR Management.



Human Resources Awards of Minth Group

## Campus Recruitment

Minth Group has implemented multiple measures to improve the quality and efficiency of recruitment. In 2024, the recruitment activities of the Group have significantly increased in scale and depth. On a global scale, Minth Group has launched a campus recruitment program for white-collar employees, covering 28 top international universities, including The Hong Kong Polytechnic University, University of St Andrews, and Zhejiang University, covering 6 countries, bringing new vitality to the company's globalization and diversification strategy. Additionally, Minth Group conducted 24 online and offline campus recruitment activities for blue-collar employees, covering more than 20 universities in Zhejiang, Yunnan, Hubei, Jiangxi, Sichuan, Ningxia, and Northeast China, achieving mutual empowerment between enterprises and local universities.

### Minth Group Launches Campus Recruitment for the UK Five Schools Alliance



The University of St Andrews, University of Warwick, Durham University, University of Newcastle, and University of Exeter, as leading academic institutions worldwide, cultivate students with diverse cultural backgrounds and international perspectives, perfectly aligning with Minth Group's global talent strategy. Minth Group conducted campus recruitment through online presentations and offline job fairs, with over 200 students participating, providing a solid talent foundation for the Group's strategic layout in Europe and effectively promoting the implementation of the Group's diversified & inclusive talent strategy.



UK Five Universities Joint Campus Recruitment Initiative





**Minth Group Launches Campus Recruitment Fair for Jiujiang Institute of Technology**



Minth Group actively expands campus recruitment channels and has established a partnership with Jiujiang Institute of Technology. As a higher vocational education institution focused on engineering education, Jiujiang Institute of Technology has a strong team of teachers and profound teaching experience in professional fields such as machinery manufacturing and automation, automotive maintenance engineering, etc. This activity focuses on students' practical skills and innovation abilities, accurately matches job requirements, introduces high-quality technical talents for itself, supports the career growth of local university students, and promotes the efficient connection between educational resources and the job market.



**Jiujiang Institute of Technology Campus Recruitment Fair**

**University-Enterprise Cooperation**

During the reporting period, Minth Group achieved significant results in talent development, work-study integration, and internationalization through diversified university-enterprise collaboration programs, ranging from internship bases at Chinese universities to dual-track partnerships in European countries. The Group launched eight cooperative programs targeting white-collar employees, covering 15 renowned international universities, including the University of Artois in France, Minth University of Science and Technology in Taiwan, and Harbin Institute of Technology, with over 240 students participating. Additionally, the Group established partnerships with five vocational education institutions, including Minth University of Science and Technology and Harbin Applied Vocational Technical School, focusing on the "University-Enterprise Collaborative Talent Development Program", which is expected to benefit 350 students annually. During the reporting period, Minth Group recruited a total of 312 domestic and international interns through campus recruitment and university-enterprise collaboration programs.

**Minth Group Establishes an Internship Employment Base at Ningbo University**



Minth Group has established a partnership with Ningbo University to deepen their cooperation through activities such as open days. During the event, Minth Group provides students with opportunities to visit the Group's headquarter and factories, as well as participate in long-term and short-term internship projects, to gain a visual understanding of production processes and business operation models, and to provide students with career development guidance and advice on future career planning. Through this approach, the project has promoted the effective integration of academic theoretical knowledge with the practical needs of enterprises and successfully cultivated a group of high-quality talents that meet the needs of enterprises, attracting 18 students to join Minth Group.

**Poland Factory Launches University-Enterprise Collaboration Project with the University of Zielona Góra**



In 2024, the Minth Poland Factory initiated a university-enterprise collaboration project with the University of Zielona Góra, focusing on a dual-track work-study alternating model, in response to the long-term demand for young university students. Approximately 100 students from Poland and other European countries participated in the internship program, with 10 outstanding students ultimately being hired. The dual-track approach helped students clarify their future career paths while providing the Group with a significant pool of local talent, promoting the localization of the enterprise.





Minth Group and Harbin Applied Vocational and Technical College Carry Out a University-Enterprise Cooperation Talent Targeted Training Project



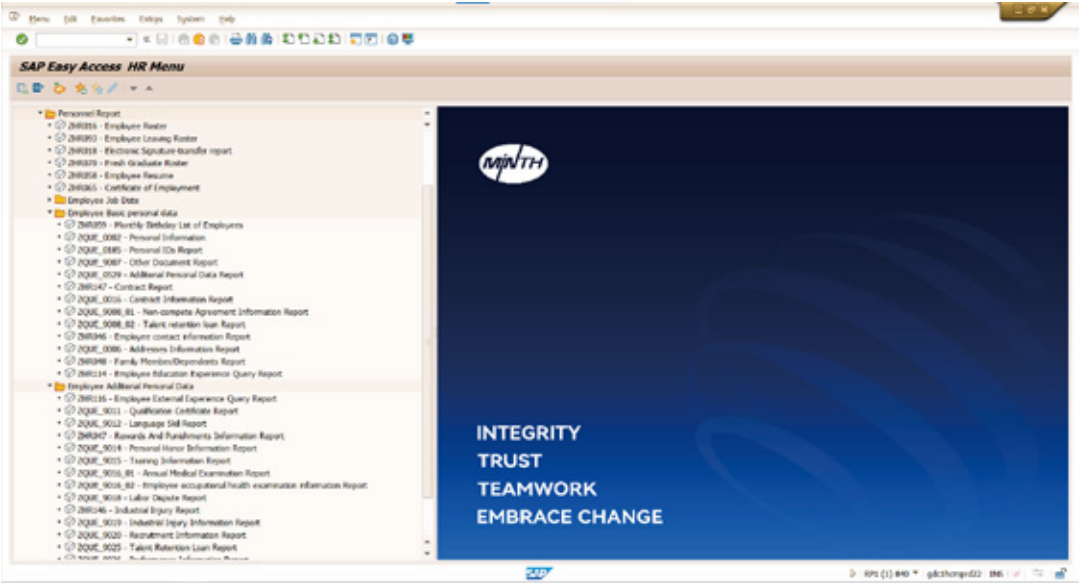
In response to the growing demand for talent in the global expansion of Minth Group and to enhance the adaptability of new employees to corporate culture and technical standards, the Group has jointly launched the "University-Enterprise Cooperation Talent Targeted Training Project" with Harbin Applied Vocational and Technical School. Harbin Applied Vocational and Technical School, as a leading vocational education institution in the region, has significant professional advantages in key fields such as machinery manufacturing and automation, which are in line with the business needs of Minth Group. By cultivating talents in advance, it is expected that more than 50 high-quality technical graduates from Harbin Applied Vocational and Technical College will join Minth Group every year. Both parties regard this collaboration as an opportunity to explore new models of industrial education integration and jointly promote the common progress of regional economy and vocational education.

Digital Human Resource Management

Minth Group has developed a global human resources master data management platform, which achieves digitalization and automation of personnel processes worldwide based on a unified personnel master data standard. In China, all core personnel processes, such as employee onboarding, transfer, relocation, and resignation, have been fully integrated into the Core HR system, achieving full process online and automation. The online coverage of HR processes in other countries has exceeded 50%. In addition, the platform has launched a payroll accounting system in countries such as Thailand, Serbia, the Czech Republic and China, and has implemented a one-click posting function for payroll accounting in the Chinese region, automatically processing transactions.

By combining external procurement and independent research and development, Minth Group has deployed attendance management systems in major countries around the world, achieving online management of personnel processes such as clocking in and out, overtime, and leave requests. All relevant reports have been made online. Through this system, the Group expects to reduce global printing paper usage by over 213,000 sheets<sup>15</sup>, while promoting green office practices and improving work efficiency.

<sup>15</sup> Based on the number of personnel incidents worldwide in 2024, the paper usage is estimated using the method of one personnel incident equals one piece of paper.



Human Resources Master Data Management Platform Dashboard





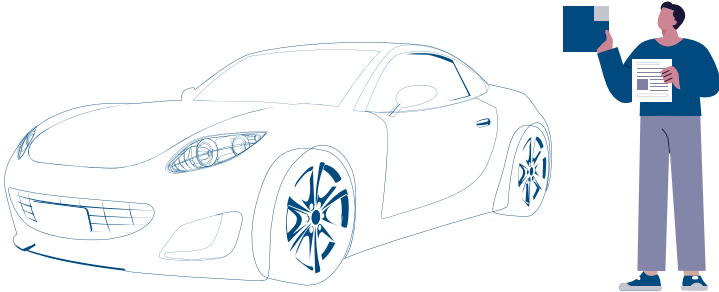
# Employee Rights Protection

Minth Group strictly abides by the European Working Time Directive, the Fair Labor Standards Act, the Labour Law of the People's Republic of China, the Provisions on the Prohibition of Child Labour etc., and is committed to eliminating any form of forced labor. To this end, the Group has formulated multiple internal policies, including the Minth Group's Prohibition of Child Labour and Anti-slavery and Human Trafficking Supplementary Provisions, and the Recruitment and Selection Policy, which explicitly prohibit the employment of child labor and any form of forced labor, and are committed to creating a safe, respectful, and sustainable working environment for employee.

## Labor Rights Management System

Minth Group has established a reporting channel for labour risk incidents to enhance transparency and promote problem-solving. The Group clearly informs employees of the ways to resolve issues in the employment agreement. To further ensure that employees' voices are heard, Minth Group has set up an online and offline "General Manager Mailboxes" in each factory so that employees' information can be smoothly fed back to superiors.

Minth Group has established a labour rights management system. Labor risk management measures cover 100% of Minth Group operating sites.



### Labour Rights Management System

#### Prevention of Involuntary Labor

- To prevent involuntary labour, Minth Group stipulates that withholding employees' original government-issued ID cards and travel documents is strictly prohibited. This ensures that all work is based on the employees' voluntary choice.

#### Eradication of Child Labour

- To eliminate child labor, the Group rigorously verifies employees identity through the public security system during the recruitment process and conducts secondary verification via the digital human resources management system. If violations are found, immediate action will be taken to return the child to their place of residence to be cared for by their parents or guardians. Responsible individuals will be punished and held accountable.

#### Prohibition of Forced Labour

- Minth Group strictly prohibits forced labor. If any illegal situations are discovered, the Group will take immediate action to stop them and will punish the violating supervisors according to regulations. In serious cases, the matter will be referred to judicial authorities for further handling.
- Moreover, the Group manages its operations and supply chain with reference to the Uyghur Forced Labor Prevention Act (UFLPA), and to ensure that there is no forced labor situation. We regularly conduct risk assessments through internal processes and external questionnaires.

#### Working Hours

- The Group follows the provisions of labour laws in various countries, implements a standard working hour system of 40 hours per week, and strictly prohibits any form of forced or disguised overtime. In cases where production and operation require employees to work overtime, the Group will communicate fully with employees on a voluntary basis and pay corresponding overtime compensation to employees in accordance with the law.

#### Women's Rights

- To protect the rights and interests of female employees, the Attendance & Leave Policy provides maternity and nursing leave for female employees, paternity leave for male employees, ensuring that male and female employees can balance their family responsibilities while working.

#### Elimination of Discrimination and Harassment

- Minth Group rigorously adheres to the principles of "openness, fairness, and justice" and firmly opposes all forms of discrimination and harassment. The Group has established the "Reward and Punishment Management Policy", which explicitly prohibits any form of sexual innuendo, verbal or physical actions, as well as behaviors such as verbal abuse, malicious attacks, false accusations, physical violence, severe humiliation, or threats that cause mental or physical harm to others or violate national laws. The policy includes a stringent disciplinary mechanism, ensuring that any verified instances of discrimination and harassment, once reported and confirmed, will be met with appropriate disciplinary actions.





Minth Group ensures that employees have the freedom to join unions. All formal employees of the Group, regardless of their ethnicity, gender, occupation, age, religious beliefs, or educational level, are eligible to become union members as long as they recognize the union constitution. Minth Group has formulated the Labour Union Representative Election Procedures and Responsibilities and the Labour Union Collective Bargaining Agreement, which aim to elect trade union representatives through democratic elections by employees and protect employee rights by promoting trade union negotiations and communication. At present, a total of 19,330 employees participate in the union and sign collective agreements, accounting for 75% of all employees. In regions such as China, France, and Germany, the membership rate of employees has reached 100%. The Group is actively preparing and building relevant trade union systems and will continue to strive to increase the participation rate of trade unions.

## Labor Management Training

Minth Group has launched a comprehensive labour management training program aimed at enhancing employees' awareness of labour rights protection and strengthening their understanding of their own rights. The Group integrates anti-discrimination and anti-harassment training into its onboarding process for new employees, ensuring that all staff are informed of the Group's policies on equal employment and workplace harassment prevention from the outset. Additionally, specialized anti-discrimination training is conducted for the human resources department. Through systematic training, Minth Group not only ensures the compliance of labour management, but also lays a solid foundation for building harmonious.

### Minth Group Conducts Anti-discrimination Training



In February 2024, Minth Group conducted an anti-discrimination training for the entire Group's human resources, hosted by American lawyers. This training is conducted through a combination of online and offline methods, covering the identification and understanding of the negative impacts of bias and discrimination, as well as reducing potential conflicts and unfair behavior in the workplace and promoting compliance with Group policies. The core objective of this training is to promote the Group's diversity, inclusivity and fairness, and to enhance employees' awareness and respect for different cultures and differences.

### During the reporting period:

- Minth Group has not found any incidents of employing child labour or forced labour.
- All formal employees of the company sign labour contracts, and the social insurance contribution rate for employees under the labour contract system is **100%**.







# Compensation and Benefits

## Compensation System

Minth Group has established a global compensation system to ensure pay equity for employees across different positions within the organization through a clear job hierarchy. Guided by principles of fairness, a balanced ratio of fixed to variable compensation, transparency, reasonable benefits, legal compliance, and a combination of short- and long-term incentives, the Group has formulated the Benefit Policy. During the reporting period, the Group provided living wages to its employees to ensure that all employees' compensation met or exceeded the minimum wage standards in the countries where it operates, thereby supporting employees' basic living needs. To help employees understand the Group's compensation structure, the Group includes training on compensation and benefits in the onboarding programs for new employees in all regions.

To ensure that the compensation system remains competitive and aligned with market standards, Minth Group has established a long-term partnership with a globally leading human resources consulting firm. During the reporting period, the Group conducted a comprehensive review and update of its compensation standards by participating in external salary benchmarking surveys, integrating its global business strategy and organizational positioning.

Minth Group has implemented a performance-based variable compensation system for all employees, both domestically and internationally, encompassing monthly, annual, and special incentives. The Group also provides long-term incentive plans for employees who contribute to its core values. The Minth Group Short-Term Incentive Policy offers additional variable compensation, including team excellence funds, year-end bonuses, special awards, and CEO special awards, based on employee performance. Furthermore, Minth Group has established Share Option Schemes and Share Award Schemes for eligible participants, including employees, directors, and senior management. Selected participants may receive share options, share awards, and related benefits, ensuring that employees' efforts and achievements are closely linked to the organization's long-term success.

### Performance-based Variable Compensation System



#### White-collar Employees

- Performance-based team excellence fund
- Performance-based annual bonus
- provision of options or restricted stock for core value contributors



#### Blue-collar Employees

- Performance-based team excellence fund
- Performance-based annual bonus
- Provision of options or restricted stock for core value contributors
- Performance-based monthly bonus for operational and technical blue-collar workers at major production bases in Mexico, Thailand, China, Poland, and Serbia

## Benefit System

Minth Group has established a global benefits system and updated its Benefits Policy to ensure the standardization, transparency, and consistency of benefits programs, standards, and approval processes across different countries and regions. According to the Attendance & Leave Policy, the Group provides all employees in China with no less than 15 weeks of parental leave (including maternity leave, paternity leave, and other related leave types). Additionally, Minth Group's overseas subsidiaries strictly comply with local laws, regulations, and standards, offering maternity leave, paternity leave, parental leave, breastfeeding leave, and prenatal check-up leave in accordance with local labor laws. In regions including Europe, Asia-Pacific, and North America, the Group has implemented a series of common benefits programs, such as the team excellence fund, long service anniversary awards, and communication allowances, which form the foundational framework of the global benefits policy.

In order to standardize the management process and division of responsibilities between labor dispatch companies, dispatched labor employees, and labor outsourcing workers, Minth Group has formulated specialized policies for labor dispatch and labor outsourcing Through standardized management processes and clear allocation of responsibilities, the transparency and compliance of the Group's employment management have been improved.

When customizing country-specific benefits policies, Minth Group ensures that the global benefits management system remains unified while accommodating local characteristics. By integrating common benefits programs with region-specific policies, Minth Group has established a comprehensive and flexible benefits system across different countries.





### Serbia Benefits Policy – Common and Unique Benefits



The benefits policy in Serbia consists of statutory benefits and supplementary benefits provided by the Group. Statutory benefits are social security benefits mandated by national or local laws, including pensions, health insurance, and unemployment insurance. These benefits apply to all employees under an employment contract. Additionally, companies in Serbia typically offer a range of supplementary benefits, such as meal allowances, transportation subsidies, fuel subsidies for senior employees, mobile communication allowances, housing benefits, and holiday benefits, including gifts for International Women's Day and Christmas.

During the reporting period, the Group updated its overseas assignment benefits policy. Minth Group conducts biannual assessments of overseas living allowances in different countries, resulting in a 25% increase in allowances for employees assigned to Serbia. Furthermore, the Group enhanced its education benefits policy for the children of senior management employees. In countries such as Canada, the education allowance for children has been increased to improve the stability of senior employees assigned to overseas.

### Overseas Assignment Employee Support

Provide pre-travel training and overseas induction training for expatriate employees, which improves the stability of their overseas life and work.

All expatriate employees are entitled to 800,000 RMB commercial insurance for overseas travel, which reduces the medical burden of employees.

Expatriates enjoy annual medical checkups, paying attention to employees' health.

Provide employees with one-time settlement allowance, spouse allowance and children's education subsidy.

Provide dormitories for expatriates or provide subsidies according to local rental standards. For employees who are dispatched for a long period of time and have immediate family members traveling with them, the Group provides family housing.

Increase the length of employee welfare leave according to the local labor law, and provide free return air tickets to their home countries, and pay attention to the emotional needs of expatriate employees.

Provide employees with shuttle buses to and from work, diverse canteens, and holiday benefits.



Employee Dormitories for Mexico Assignees



Shuttle Services for Assignees





# Employee Care

Minth Group is committed to establishing diversified communication channels, including employee forums, town hall meetings, a general manager's mailbox, and bulletin boards, to ensure that employees have timely access to critical information such as Group goals, strategies, and policy updates. At the same time, Minth Group values employee feedback, utilizing these communication channels to gather employees' opinions and suggestions, thereby gaining a more precise understanding of their needs.

## Minth Group Hosts Leadership Communication Workshop for Senior Executives



In December 2024, Minth Group conducted a Leadership Communication Workshop for the Group's core senior executives, attended by 30 top-level managers. The workshop aimed to further enhance the communication skills of senior leaders, strengthen team collaboration, and provide guidance on employing effective communication strategies in the face of conflicts or crises. This initiative is designed to elevate the leadership capabilities and influence of senior management personnel.

Minth Group is committed to fostering a caring work environment, embodying its philosophy of "Gathering Love, Spreading Love" through concrete actions. The Group has implemented the "Three-live" Care Program, which includes special attention for employees' birthdays, illnesses, and newborns. It provides comprehensive support through commercial group insurance and high-end medical insurance for outpatient visits, hospitalization, critical illnesses, accidental disabilities, and death. Additionally, the Group has established nursing rooms and childcare facilities in the workplace to create a more secure environment for female employees. The Group has also founded a Love Foundation to offer emergency assistance and support to employees while extending a helping hand to underprivileged communities through initiatives supporting education, disability assistance, elderly care, and other public welfare projects. During the reporting period, Minth Group provided aid to 59 employees in China and Serbia.

In 2024, the Group launched multiple employee care initiatives globally. We conducted 59 sessions of the "Holistic Wellness Workshop" and 27 sessions of the "Emotional Intelligence Workshop", providing physical and mental health support to 1,950 employees while offering personalized care services to over 1,000 individuals. For employees' families, we introduced special programs such as the "Couples' Love Camp", "Parenting Inspiration Classes" and "Family Reception Rooms" implemented in Serbia, the United States, Thailand, and other regions, benefiting over 1,200 families and enhancing the physical, mental, and emotional well-being of employees and their families.

## Minth Group Family Day Activities



In August and September 2024, Minth Group organized Family Day events at its operations in Poland and France, aiming to strengthen the bond between employees and their families while fostering greater family support and recognition of employees' professional development. Employees and their family members were specially invited to tour the factories, with volunteers providing guided tours and explanations, allowing families to gain a deeper understanding of the Group's products, global presence, and corporate culture. Additionally, the events featured a variety of interactive experiences, enhancing the enjoyment of the activities while effectively bridging the gap between the Group and employees' families.



Minth Poland Family Day





### Minth Group Conducts Couples' Love Camp Activities



In 2024, Minth Group successfully held three sessions of the "Couples' Love Camp" in Jiaxing and Ningbo, China, as well as in Serbia, Europe, with a total of 47 employee couples participating. The "Couples' Love Camp" is a special initiative designed to strengthen family relationships among employees. Led by experienced marriage and family coaches, the program employs various formats such as personal experience sharing, professional knowledge lectures, practical demonstrations, and interactive activities to guide couples in establishing deeper communication, thereby enhancing family happiness. By the end of the reporting year, 650 couples have participated in the program.



Minth Group 42nd Couples' Love Camp

During the reporting period, the Group conducted an annual employee satisfaction survey based on the Gallup Q12 model. Based on the survey results, Minth Group formulated an employee satisfaction improvement plan focusing on four key areas: basic needs, managerial support, team collaboration, and personal development. The Group also monitored the implementation of these plans across various organizations. As of the end of the reporting period, the overall average employee satisfaction score was 4.12 out of 5.



## Training and Development

Minth Group places high importance on employee training and development, offering a wide range of career advancement opportunities and skill-enhancement programs to all employees. These initiatives are designed to support employees in progressing steadily along their career paths, achieving a perfect alignment between personal growth and organizational goals.

## Employee Promotion and Development

We have formulated the Minth Group Employee Promotion Policy and established a comprehensive dual-track promotion system, aimed at providing employees with diverse career growth pathways and accelerating the development of both the Group's management team and professional technical talent pool. Employees can choose to specialize in either a technical expertise track or a management track based on their individual capabilities and career aspirations. Minth Group, is committed to building a robust Performance Development Review system, which helps employees understand the Group's expectations for them while regularly receiving feedback on their work performance, thereby motivating personal growth and professional advancement.

### Blue-Collar Employee

- The promotion pathway for blue-collar operators ranges from O1 to O4, where O1 represents entry-level operators, O3 denotes core personnel, and O4 signifies line leaders. Further advancement beyond O4 leads to the management promotion pathway.
- The promotion pathway for blue-collar technicians spans from T1 to T6, with T1 being the basic technician level and T6 representing senior technicians. Senior technicians may transition to the departmental management promotion pathway.
- O-category operators can transition to T-category technicians through internal training programs and internal competitions. Both O-category and T-category blue-collar employees are eligible to compete for white-collar positions through internal competitions.

### White-Collar Employee

- The promotion pathway for white-collar employees ranges from Level 1 to Level 10 and above, where Level 1 corresponds to entry-level employees/interns, and Level 10 and above pertains to senior and managerial levels.
- White-collar promotions are categorized into professional sequence promotions and management sequence promotions.

### Employee Promotion Mechanism





To support the Group's global strategic expansion, Minth Group places special emphasis on the competency and growth of its senior management team. Starting in 2024, the Group has innovatively introduced the Assessment Center (AC) mechanism for senior management positions at Level 10 and above, utilizing scientific evaluation methods to identify high-potential management candidates. This assessment system employs diversified situational simulation techniques to comprehensively evaluate candidates' overall competencies.

In 2024, Minth Group conducted a systematic talent review across all product lines, aiming to gain a comprehensive understanding of the current talent landscape and allocate resources according to the unique characteristics of different talents, thereby strengthening the appointment and development of high-potential successors. This review covered four major business units—Metal & Trim, Battery-housing, Aluminum and Plastic—with a focus on talent distribution, the proportion of new employees, and the readiness of key positions.

Within the Metal & Trim and Aluminum business units, talent distribution spans core functions such as production, quality, technology, and project management. With business growth, the business units has onboarded a significant number of new employees in roles such as project management, equipment, process engineering, and quality, injecting fresh energy into the team. The Battery-housing business unit primarily focuses on talent in development centers, project management centers, and mid-to-senior management positions. and the emphasis will be placed on strengthening talent reserves in technological innovation to support global expansion and technological upgrades. The Plastic business unit, meanwhile, concentrates on talent reserves for non-China factory management and innovative technical roles, meeting the needs of globalization and strategic development.

## Employee Training

Minth Group has established a comprehensive and diversified training system designed to meet the practical needs of employees, enhance performance, facilitate career advancement, and strengthen overall competencies. Targeted training programs are provided for employees at different levels to ensure their continuous development.

Average Training Hours <sup>16</sup>	2024	Unit
Category		
Professional	86.35	Hours per employees
Technical	35.63	Hours per employees
Management	110.81	Hours per employees
Production	99.27	Hours per employees
Gender		
Male employees	86.46	Hours per employees
Female employees	83.12	Hours per employees
Trained Employee Ratio		Unit
Category		
Professional	13.05	%
Technical	19.87	%
Management	4.58	%
Production	62.50	%
Gender		
Male employees	70.00	%
Female employees	30.00	%

<sup>16</sup> To enhance data calculation accuracy, we have begun disclosing data with two decimal places starting from 2024.

Minth Group offers three primary training avenues for employees: internal training, external training, and Minxue Online Training. These three approaches complement each other, enabling all employees to acquire knowledge flexibly and independently.

### Employee Training Categories

#### Training



- Employee Onboarding Training
- Professional Skills Training
- General Skills Training
- Management Skills Training

#### External Training



- Employees may directly apply or be nominated to attend short-term courses at external management consulting firms or professional training institutions.
- Short-term training courses organized by various external training providers.
- Knowledge exchange sessions.

#### Minxue Online Training



- An exclusive online learning platform provided for internal employees.
- Course categories include thematic, leadership, professional, manufacturing & technology, and humanities.

Minth Group recognizes that talent is the core driver of corporate growth. To support employee development and build high-performing teams, the Group has implemented customized training programs tailored to all employees at all levels.





Training Mechanisms Tailored for Employees at Different Levels

New Employees

Focused on foundational training in corporate culture, product knowledge, job-specific skills, and safety protocols to help new hires integrate quickly and perform effectively.

Frontline Staff

Emphasizes skill enhancement, quality awareness, and lean production techniques to improve operational efficiency and work quality.

Mid-Level Managers

Centers on management skills, team building, and communication to strengthen leadership and execution capabilities.

Senior Executives

Prioritizes strategic thinking, innovation, and global perspectives to enhance decision-making and leadership at the highest levels.

Minth Group Launches Global Management Trainee Camp for New Hires

In 2024, Minth Group launched a Global Management Trainee Camp. Each new trainee was paired with an experienced mentor for one-on-one guidance in both professional and personal development. Activities included factory tours, hands-on project participation, and detailed introductions to Group products and business processes. These initiatives helped 93 new management trainees quickly integrate into the Group and master their roles. The onboarding training satisfaction rate exceeded 95%, and the probation pass rate improved significantly. Notably, four trainees have already completed their assessments ahead of schedule and been assigned to key overseas positions.

Specialized Skills Training

In terms of professional competency development, Minth Group has implemented diversified specialized skills training programs. By establishing a comprehensive online and offline learning platform and resource library, the Group supports all employees in flexibly and independently acquiring knowledge. The Group encourages employees to pursue certifications and technical development, and has established corresponding allowance incentives and promotion policies for the creation, protection, and application of intellectual property within the technical research departments.

Specialized Skills Training Program Categories

- Artificial Intelligence Training

Machine learning, computer vision, and other AI technologies, as well as the application of AI in automotive parts manufacturing.
- Production Line Training

Lean production, Six Sigma, equipment operation and maintenance, quality control, etc.
- International Trade Terms Theory and Case Training

Incoterms® 2020 and other international trade terms, analysis of responsibilities and risks under different trade terms, logistics operations, and practical applications.
- Quality Management Training

Mastery of quality management tools and methodologies.



International Trade Terms Theory and Case Training





# High-Potential Talent Development Program

Minth Group conducts systematic training programs annually for high-potential talents at various levels, focusing on leadership, communication, critical thinking, and decision-making skills, etc. These initiatives are designed to accelerate talent development and build a sustainable talent pipeline for the Group.

## High-Potential Talent Development Programs for Different Levels

### Management Training Program (MTP)

**Objective:** Enhance foundational management skills, teamwork, and problem-solving abilities.  
**Content:** Communication skills, time management, team building, problem analysis and resolution, industry knowledge, and business processes.  
**Methods:** A blend of online and offline approaches, including classroom training, case studies, role-playing, and team projects.

### Senior Management Training Program (SMTP)

**Objective:** Develop leadership, strategic thinking, and cross-departmental collaboration capabilities.  
**Content:** Leadership development, strategic thinking, decision-making, influence and persuasion, conflict management, industry trend analysis, business model innovation, financial management, human resource management, and project management.  
**Methods:** Executive mentorship, external expert lectures, case discussions, action learning, and job rotation.

### General Management Training Program (GMTP)

**Objective:** Cultivate a global perspective, strategic decision-making, and change leadership.  
**Content:** Strategic leadership, change management, corporate culture development, global vision, capital market operations, mergers and acquisitions, risk management, and corporate social responsibility.  
**Methods:** EMBA courses from renowned business schools, corporate visits, senior leadership forums, and strategic workshops.



SMTP Training

## Senior-Level Talent Communication and Leadership Course



In December 2024, Minth Group organized a three-day leadership communication workshop for 30 senior executives, led by a distinguished clinical psychology expert from Taiwan. The program centered on themes such as empathetic leadership and managing challenging conversations. Through interactive learning and practical exercises, participants gained a deeper awareness of their emotions, behaviors, and communication styles. By focusing on realistic real-world communication scenarios, the workshop enhanced the executives' understanding of leadership communication and strengthened their overall management skills.



Communication and Leadership Course

In alignment with its future global business strategy, Minth Group officially launched a one-year Global Senior Leadership Development Program in 2024. This program covers five key areas: business and strategy, team management, digital transformation, cultural integration, and continuous innovation. The initiative aims to cultivate high-potential management talents and achieve the strategic goal of localized management.

Minth Group provides all employees with opportunities for continuing education and academic certification. The Group assists employees in promptly accessing information on degree programs, academic qualifications, and certification exams, as well as subsidy details, and supports employees in applying for relevant subsidies.





# Occupational Health and Safety

Minth Group regards occupational health and safety management as a core element of corporate sustainable development, deeply integrating it into every link of research and development, production, and operations. The Group is committed to internalizing the concept of safety as a behavioral guideline for every employee, thereby consolidating the safety foundation for the Group's growth.

Minth Group adheres to the core philosophy of "Intelligent Manufacturing, Safe Development" and has established a scientific and comprehensive EHS management system. The Group strictly follows the international standard GB/T 45001-2020/ISO 45001:2018 and has compiled and implemented the "Minth Group EHS Management Manual". This manual systematically standardizes the management of safe production, environmental protection, and energy management, ensuring the prevention of occupational diseases and safety accidents from the source.

Minth Group has standardized the management of occupational health and safety across all its factories. We require each factory to conduct an annual identification and evaluation of EHS laws, regulations, and technical standards. Additionally, the identification of EHS red lines, risk assessment, and the formulation of corresponding measures are mandatory. During the reporting period, the Group endeavored to reduce the occurrence of occupational diseases and safety accidents through system building, cross-auditing, accident review, and horizontal expansion mechanisms. It also implemented measures such as replacing toxic chemicals with non-toxic or low-toxic ones and reducing the usage of chemicals. These actions have significantly lowered the incidence of occupational diseases and safety accidents, effectively implementing the people-oriented development concept.

In addition, the Minth Group's EHS team has been continuously conducting the annual "Fourteen Major Red Lines" audit across all factories in the Asia-Pacific, Europe, and North America regions. By carrying out internal EHS red line audits across 45 dimensions, the Group has comprehensively enhanced its ability to manage and control key EHS risks. This has effectively reduced the risks of fire and work-related accidents, ensuring the safe and healthy operation of the Group.

During the reporting period, Minth Group updated the notification of occupational hazard factors based on the assessment of occupational disease hazard control and the report of occupational hazard factor detection issued by a third party. This ensures that the content of the notification remains dynamically consistent with the actual occupational hazards in the working environment, thereby better safeguarding the occupational health and safety of employees.

Category	2024	Unit
Work-related fatalities	1	Person
Work-related fatalities rate	0.0039	%
Work injury rate	1	Number of injury/millions of working hours
Lost days due to work injury	9,381	Days

## EHS Digital Management

During the reporting period, Minth Group will further optimize and integrate the EHS digital system, promoting the upgrade and bilingual (Chinese-English) transformation of abnormal hazard management and work injury accident management systems. This will make the EHS digital system more efficient, intelligent, and international, supporting the implementation of the Group's GLOCAL strategy.

For the abnormal hazard management system, Minth Group has optimized the system processes to achieve closed-loop management throughout the entire workflow, from hazard identification and risk assessment to rectification tracking and verification. Through seamless integration between mobile and PC platforms, all employees are supported to participate in hazard identification anytime and anywhere, enhancing their safety awareness and skills.








# EHS Management Initiatives

Minth Group places great emphasis on employee occupational health and safety. The Group has implemented various initiatives, including training sessions, drills, and AI-powered safety helmet detection, to enhance employee awareness of EHS and reduce safety risks.

AI Safety Helmet Detection

Minth Group has deployed cameras to conduct 24-hour monitoring whether personnel are wearing safety helmets. When non-compliant behavior is detected, an intelligent on-site warning is triggered. Since its launch in December, the system has issued an average of 130 alerts per day for instances of not wearing safety helmets, accompanied by on-site voice reminders. This camera-based monitoring approach addresses the inefficiencies of traditional manual supervision methods, effectively reminding personnel to pay attention to safety precautions, enhancing employees' awareness of wearing safety helmets, and reducing potential safety hazards.



Joint Fire Emergency Drill and Training Activity Conducted by Tianjin Shintai and Tianjin Minshin Factory

In June 2024, Tianjin Shintai and Tianjin Minshin jointly conducted a fire emergency drill and training activity, with over 1,400 employees participating. The drill included multiple components such as emergency evacuation, hands-on fire extinguisher and hydrant operation by volunteer fire teams, and casualty rescue. The activity aimed to comprehensively enhance employees' emergency response capabilities and reaction skills in accident scenarios through practical and realistic simulations. This exercise not only tested employees' understanding of fire safety knowledge but also reinforced the safety philosophy of "prevention first, combined prevention and firefighting".



Fire Emergency Drill and Training Activity at Tianjin Factory Sites

Emergency Drill and Response Training Activity Conducted by Minth Thailand

In December 2024, the Minth Thailand collaborated with the local fire department to conduct emergency drills and emergency response training activities. The initiative aimed to enhance employees' fire safety awareness and emergency response capabilities, ensuring swift and effective evacuation and self-rescue in the event of a fire. The activities included fire safety education, emergency evacuation drills, and training on the use of firefighting equipment. By simulating real fire scenarios, employees gained skills in fire prevention, firefighting, and evacuation, while also improving team collaboration. Additionally, on-site guidance from firefighters further enhanced employees' practical operational skills.



Emergency Drill and Emergency Response Training Activity Conducted at Minth Thailand



# 05

## Build Harmonious Society







# Build Harmonious Society

With a strong feeling of gratitude and social responsibility, Minth Group has always upheld the principle of “Gathering Love, Delivering Love” , and advocating the concept of “Creating Value for the Society” . The Group actively assumes social responsibility by strongly supporting and participating in social welfare undertakings. The establishment of the Minth Fund by the Group not only addresses employees' pressing hardships but also exemplifies proactive commitment to social responsibilities. In 2024 Minth Group's expenditure on public welfare activities increased by 53% compared to the previous year. The Group's total contribution to public welfare and charity was 4,860,476.67 RMB.

### Youth Builds Dreams, China-Serbia Walks Together

On August 17, 2024, the 10-day “China-Serbia Youth International Cultural Exchange Camp” initiated by Zhejiang Minth Foundation came to a successful end. One hundred exceptional young Serbians were exposed to the richness of Chinese culture and the successful growth of contemporary China. They sensed the warmth of social welfare and the humanistic compassion of Chinese families.



Group Photo of Serbia's China Tour

### Minth Group Caring Representatives Visited Pearl Students in Tiandong Middle School in Guangxi Province

On May 4, 2024, Mr. Qin Ronghua, the founder of Minth Group, Ms. Wei Ching Lien, the chairperson of Minth Group, and Ms. Xu Hailan, the executive director of Zhejiang Minth Foundation, and other programme ambassadors visited the Tiandong Middle School in Guangxi Province, and offered support to the students of Minth Group's Pearl Class.



Photo of Condolences to the Trainees of Minth Group's Pearl Class

### Donation of 1 Million RMB to Support Gansu Earthquake Relief and Post-disaster Reconstruction

An earthquake with a magnitude of 6.2 struck Jiesshishan County in Gansu Province in December 2023, severely damaging local residents' lives and property and affecting the entire nation.


To aid with disaster relief and post-disaster recovery and reconstruction efforts, Minth Group donated one million RMB on January 5, 2024. We hope that everyone on the planet will live in peace and that we will all walk together with "kindness" and share in each other's sorrows.



Gansu Earthquake Relief Site

### Minth Group's Management Trainees Visited Nursing Homes to Deliver Warmth and Care to the Elderly

On August 8, 2024, one-hundred Management Trainees of Minth Group visited the Fengqiao Xinchunyuan Senior Citizens' Residence, the Fengqiao Town Senior Citizens' Service Center, the Daqiao Town Senior Citizens' Service Center, and the Xinfeng Town Senior Citizens' Service Center, to engage in the practice of assisting the elderly while showering them with warmth and care.



Group Photo of Management Trainees and Representatives of Elderly Homes



# Appendix

## Disclosure of Climate Change Information

Minth Group is acutely aware of the significance of addressing climate change for the achievement of sustainable development by enterprises. To effectively manage the impacts of climate change that our company faces, we refer to the requirements of Appendix C2 "Environmental, Social and Governance Reporting Code" of the Hong Kong Stock Exchange Listing Rules, particularly Part D: Climate-related Disclosures. We actively engage in the identification, assessment, analysis and management of climate risks and opportunities, laying a solid foundation for our company's green transformation and the enhancement of climate resilience.

### Governance

Minth Group has incorporated climate action into the company's ESG governance system and established a governance structure of "Board of Directors - Sustainability Committee -ESG Working Council - ESG Working Group". The Board of Directors is the highest regulator of climate action and is responsible for assessing the Group's climate action risks and related information disclosure, ensuring the establishment of an effective ESG risk management system and clear strategic objectives. The Sustainability Committee oversees the progress of climate action implementation and reports regularly to the Board. The ESG Working Council is responsible for the overall management of climate action. The ESG Working Group is responsible for the implementation of specific measures.



### Strategy

We have formulated a clear path to address climate change by identifying and analyzing climate risks and then worked with our internal management experts and external consulting teams to explore climate response strategies and factors to integrate into our strategic planning and business model. We strive to build a more resilient and sustainable development system in collaboration with global clients.

In order to more comprehensively consider the impact of climate risk under different time frames and to help us derive more comprehensive analysis results, Minth Group has selected two sets of climate scenarios for comparison based on our own situation and selected appropriate parameters from external respectable databases for quantitative analysis.

#### Minth Group Climate Analysis Principles

Time Frame	Aligned with Minth Group's carbon neutrality strategic planning timeline: Short-term (by 2030), Medium-term (2030-2040), Long-term (2040-2050)
Coverage	The entities included are consistent with those in the 2024 annual report.





Scenarios	Low emission scenarios	High emission scenarios
Temperature rise	Within 2°C	Above 3°C
Scenario Description	Future temperature rise will be contained within 2°C, with socio-economic development towards sustainability and low carbon and minimal physical risk impacts.	The physical risk impacts are particularly significant as the future temperature rise may be beyond 3°C, possibly exceeding 4°C and the socio-economy moves in the direction of high carbon emissions with a high dependence on fossil energy.
Transition Risk Assessment Scenarios	IEA Net Zero Emissions Scenario by 2050 (NZE)	IEA Stated Policies Scenario (STEPS)
Physical Risk Assessment Scenarios	IPCC SSP 1-2.6(corresponding to RCP 2.6)	IPCC SSP 5-8.5(corresponding to RCP 8.5)



Physical Risks

The frequent occurrence of extreme climate disasters such as heatwaves, storm surges, and torrential rains and floods on a global scale has posed multi-dimensional threats to business operations. These include damage to critical production facilities, pressure on the resilience of global supply chains and potential challenges to employee health and safety. We have conducted systematic physical risk assessments at 15 core production and operation sites located in China, the United States, Mexico, Thailand, Serbia and the Czech Republic. By weighting these assessments according to the revenue contribution of each site, we have established a group-level physical risk inventory.

In the physical risk assessment process, we selected 11 key physical risks presented in the table on the right and utilized climate model data from authoritative databases such as CMIP 5/6, AR 5/6, and ICGM (IPCC) to predict the exposure levels of different physical hazards. We calculated the potential physical risk levels that core production and operation sites might face in the medium and long term under both high-emission (SSP5-8.5) and low-emission scenarios (SSP1-2.6). In the transition risk assessment process, we adopted carbon pricing as a key parameter, analyzing future carbon prices on data selected from the IEA - World Energy Outlook 2024 database.

Parameter		Metric	Data source
Acute	Flooding (River)	Water depth (m)	GPM, TRMM, CMIP5/6, CCSM4, Hadgem2, Micro-wave Satellite Datasets, etc.
	Typhoons	Wind speed (km/h)	IBTrACS, CMIP, CMIP5/6
	Storm Surge	Water depth (m)	Meteorological Center Datasets, MERIT DEM, etc.
	Wildfires	Fire Weather Index (FWI)	AR5, AR6
	Landslides	Annual landslide frequency (times/yr)	NOAA, GPM, CMIP5/6, MODIS Slope, etc.
	Flooding (Rain-fall)	Water depth (m)	GPM, TRMM, CFSR
	Extreme Cold	Temperature (°C)	CHESLA, MEERA, CMIP5/6, etc.
	Extreme Heat	Temperature (°C)	CHESLA, MEERA, CMIP5/6, etc.
Chronic	Snowmelt	Snowmelt quantity 10 <sup>6</sup> (kg·m)	AR5, AR6
	Sea level rise	Sea level rise (m)	GCM (IPCC), MERIT DEM
	Drought	Standardized Precipitation Index (SPI)	GPM, TRMM, CFSR





## Inventory of Physical Risks at the Minth Group Level:

Risk type	Risk term	2030		2050		Impact and mitigation measures
		SSP 1-2.6	SSP 5-8.5	SSP 1-2.6	SSP 5-8.5	
Acute risk	Flooding (River)	Low	Low	Low	Low	<p><b>Impact:</b> Extreme weather events such as storm surge, typhoons, extreme heat and extreme cold are direct threats that could lead to equipment damage, production interruptions, and transportation delays at Minth Group's facilities, thereby increasing operational costs and economic losses. Additionally, extreme heat and cold weather conditions escalate the demand for electricity, potentially triggering power rationing risks and disrupting capacity layouts and production schedules.</p> <p><b>Mitigation measures:</b> To address these risks, Minth Group has implemented multi-dimensional measures:                      We have set up emergency response plans and work closely with meteorological and emergency management departments to quickly get alerts and respond effectively.</p> <ul style="list-style-type: none"> <li>• In terms of material preparedness, we stockpile emergency supplies in advance and conduct regular emergency drills to enhance team response capabilities.</li> <li>• For production operations, we adjust production schedules and optimize logistics routes to minimize downtime losses and ensure smooth supply chain operations.</li> <li>• In energy management, we have established strategic energy storage agreements with partners to maintain operational continuity during grid capacity constraints.</li> <li>• Through coordinated initiatives including systematic optimization of production layouts, shift scheduling adjustments and continuous enhancement of energy utilization efficiency, we ensure resilient and sustainable energy stewardship.</li> <li>• Furthermore, we mitigate potential economic losses by purchasing property and transportation insurance.</li> </ul>
	Typhoons	Low	Low	Low	Medium	
	Storm Surge	Low	Medium	Low	Medium	
	Wildfires	Low	Low	Low	Low	
	Landslides	Low	Low	Low	Low	
	Flooding (Rainfall)	Low	Low	Low	Low	
	Extreme Cold	Medium	Medium	Medium	Medium	
	Extreme Heat	Medium	Medium	Medium	Medium	
Chronic risk	Snowmelt	Low	Low	Low	Low	
	Sea Level Rise	Low	Low	Low	Low	
	Drought	Low	Low	Low	Low	

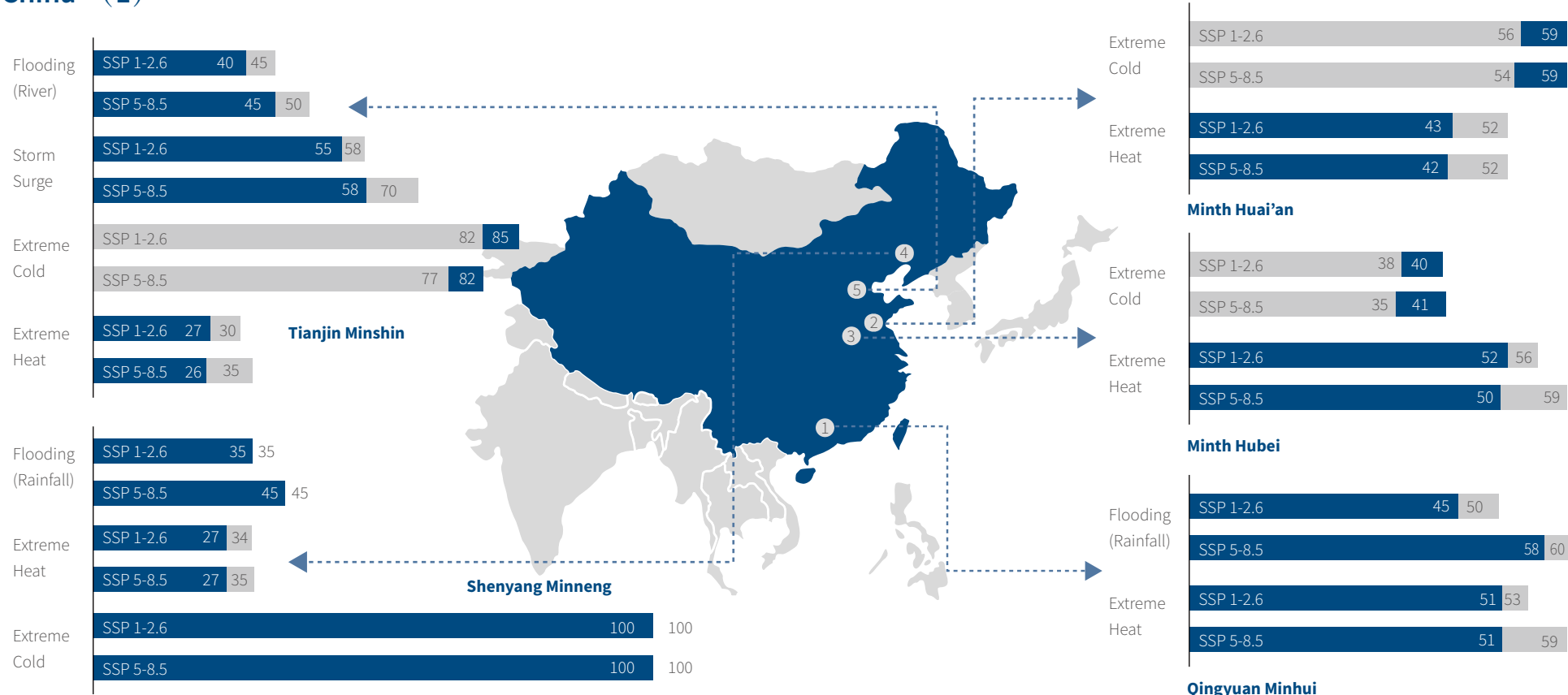
Level of risk impact:

Risk free
  Low Risk
  Medium Risk
  Medium-High Risk
  High Risk
  Extremely High Risk



Based on the physical risk assessment results across our operating countries, we anticipate that as global warming intensifies, the physical risk impacts faced by Minth Group as a whole, will further escalate, posing greater challenges to our business and assets. The varying trends observed in different operating countries under different timeframes and climate scenarios indicate that we need to promptly prepare for changing climate patterns to ensure the sustainable development of our business. Below, we present the changes in medium- and long-term physical risks under different climate scenarios for Minth Group's major production and operational bases<sup>1</sup>:

China<sup>2</sup> (1)

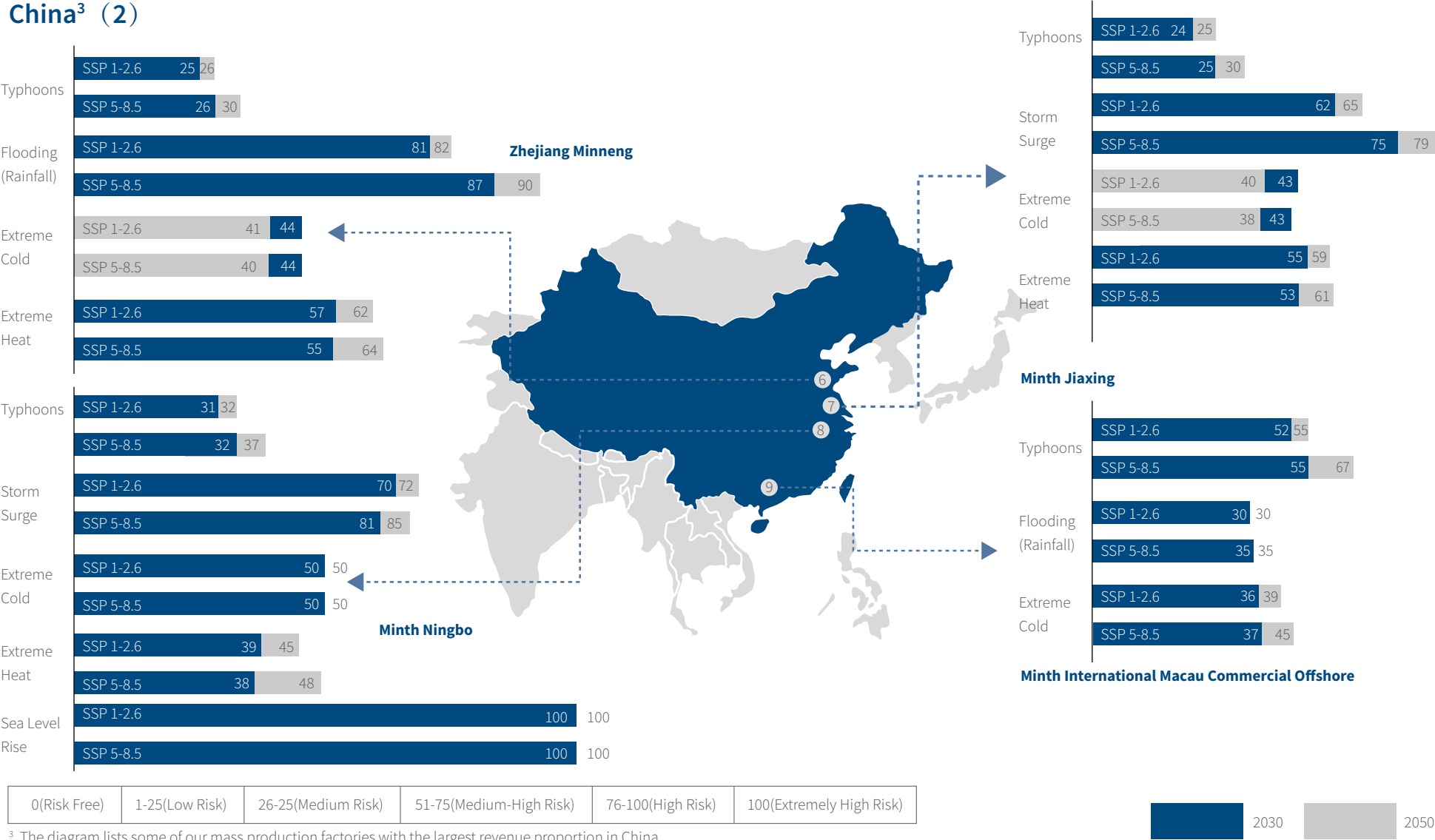


<sup>1</sup> The image displays only the medium-risk and higher physical risks faced by each major production base.

<sup>2</sup> The diagram lists some of our mass production factories with the largest revenue proportion in China.



China<sup>3</sup> (2)



<sup>3</sup> The diagram lists some of our mass production factories with the largest revenue proportion in China.

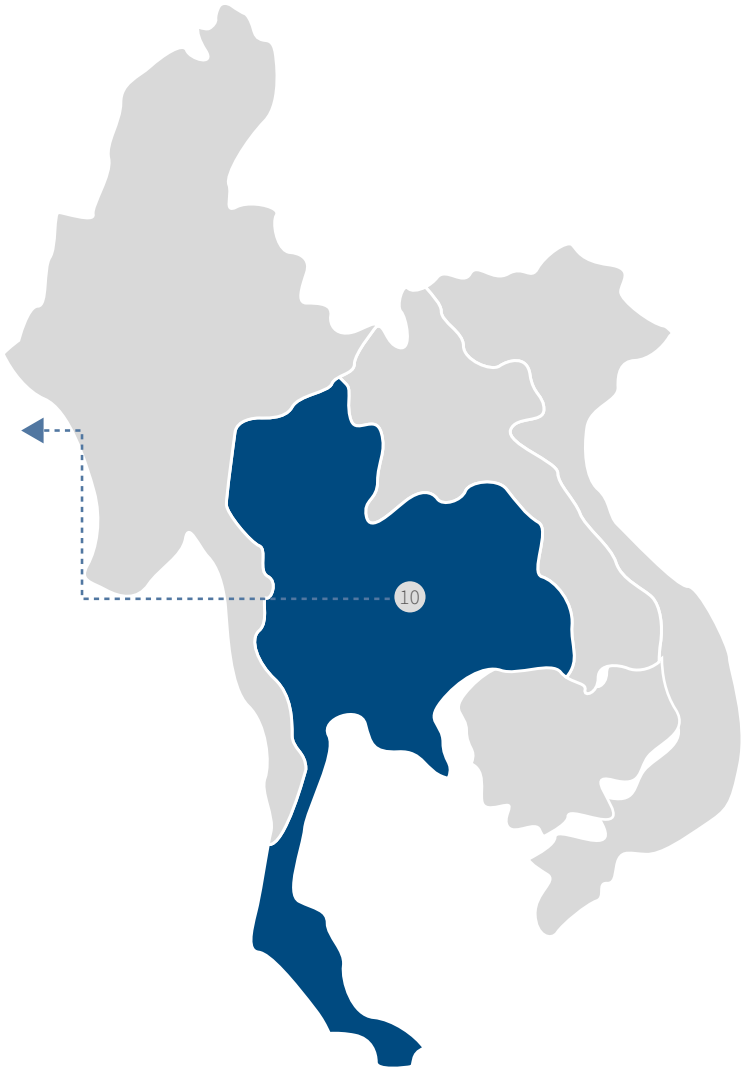




# Thailand



Minth Thailand



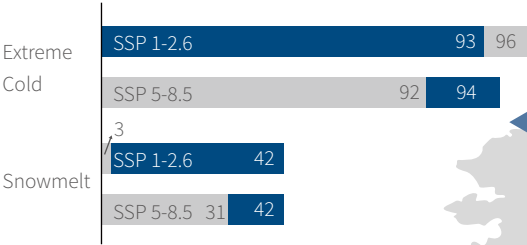
0(Risk Free)	1-25(Low Risk)	26-25(Medium Risk)	51-75(Medium-High Risk)	76-100(High Risk)	100(Extremely High Risk)
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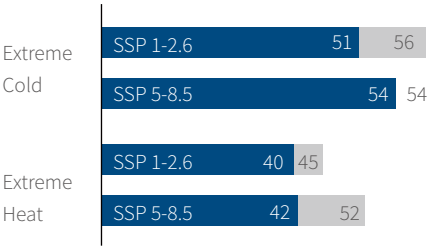
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# The United States

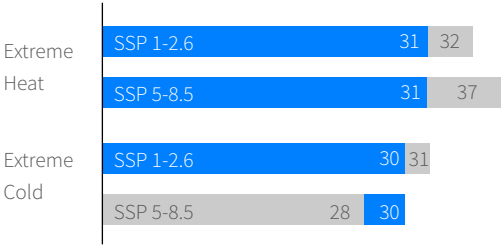


Placstic Trim International



Minth Tennessee

## Mexico



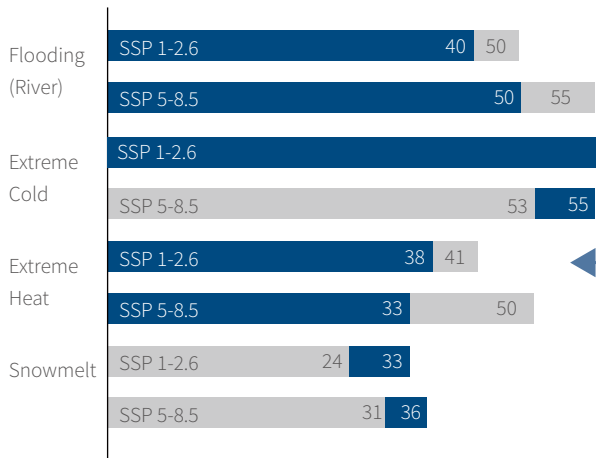
Minth Mexico

0(Risk Free)	1-25(Low Risk)	26-25(Medium Risk)	51-75(Medium-High Risk)	76-100(High Risk)	100(Extremely High Risk)
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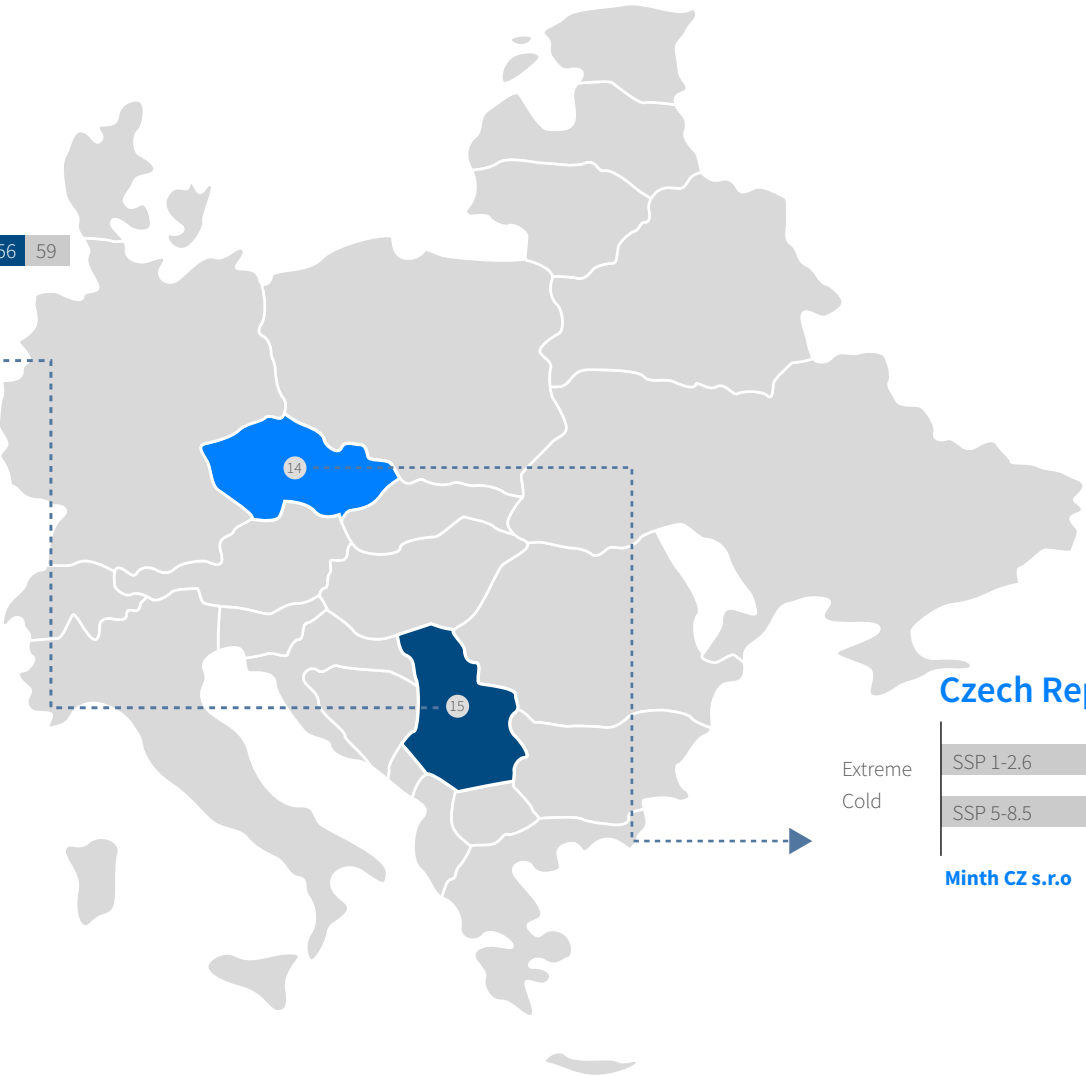




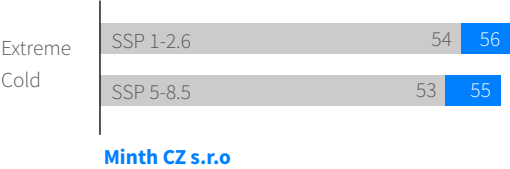
Serbia



Minth Automotive Europe



Czech Republic



0(Risk Free)	1-25(Low Risk)	26-25(Medium Risk)	51-75(Medium-High Risk)	76-100(High Risk)	100(Extremely High Risk)
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The following table provides a detailed analysis of the transition risks and opportunities identified by Minh Group, offering a comprehensive examination of the potential impacts these risks and opportunities may entail, as well as the response measures adopted by the Minh Group. This analysis serves as a robust foundation for the company to formulate more specific and effective climate risk management strategies moving forward.

Transition Risks

Risk Type	Risk Description	Impact Level	Time Frame	Mitigation Measures
Policies and Regulations	<b>Carbon Tax Policies:</b> <ul style="list-style-type: none"><li>The European Union has introduced stricter carbon trading policies and implemented the European Union Carbon Border Adjustment Mechanism (CBAM), which includes certain automotive components in the list of products subject to carbon taxes. This increases carbon tax costs (export costs), reduces the price competitiveness of enterprises in the international market and impacts market share.</li></ul>	High	Long-term	<ul style="list-style-type: none"><li>We continuously follow up on changes in European Union carbon tax policies and periodically check for compliance and sort out potentially regulated products</li><li>We adjust order acquisition strategies by increasing orders related to new energy products and reducing exports of products subject to carbon taxes</li><li>We maintain data transparency and proactively communicate with suppliers and customers</li></ul>
Policies and Regulations	<b>Energy Policies:</b> <ul style="list-style-type: none"><li>Fluctuations in the European Union electricity market may lead to energy price instability, potentially resulting in increased electricity costs. Additionally, the tightening of environmental policies in China could further necessitate adjustments in production costs.</li></ul>	High	Long-term	<ul style="list-style-type: none"><li>We actively engage with local governments to negotiate for preferential electricity rates and secure long-term power supply agreements.</li><li>In newly constructed facilities, we fully implement standardized configurations for photovoltaic projects and prioritize the procurement of high-efficiency production equipment to enhance energy use efficiency from the source.</li></ul>
Policies and Regulations	<b>Tariff Policies:</b> <ul style="list-style-type: none"><li>Adjustments to U.S. tariff policies may significantly impact our climate action funding allocation and operational cost structure. Specifically, if the U.S. imposes additional tariffs on imported automotive components, direct export cost increases would compel us to reallocate financial resources, potentially curtailing budgets originally earmarked for low-carbon technology R&amp;D and clean production upgrades.</li></ul>	High	Medium-term	<ul style="list-style-type: none"><li>We proactively leverage Minh Group’s globalized production and operational footprint to hedge against tariff policy risks.</li></ul>
Policies and Regulations	<b>Photovoltaic Subsidy Policies:</b> <ul style="list-style-type: none"><li>Some regions are gradually phasing out photovoltaic subsidies, adjusting tax incentives and strengthening oversight of existing photovoltaic projects. The reduction or elimination of subsidies and adjustments to tax incentives may lead to decreased project profitability and lower investment returns.</li><li>This could also diminish the investment appeal of future photovoltaic projects, increasing the difficulty of securing financing.</li></ul>	Low	Short-term	<ul style="list-style-type: none"><li>We are deepening government-enterprise cooperation and establishing regular communication mechanisms to create favorable conditions for clean energy deployment.</li><li>Simultaneously, we are actively promoting resource integration by planning and constructing centralized photovoltaic power stations through land leasing or acquisition, thereby expanding the scale of renewable energy utilization.</li></ul>





Risk Type	Risk Description	Impact Level	Time Frame	Mitigation Measures
Policies and Regulations	<b>Policy Uncertainty:</b> <ul style="list-style-type: none"> <li>Divergent regional decarbonization pathways and fragmented electrification policy frameworks may escalate compliance costs, particularly from renewable energy procurement mandates and grid infrastructure upgrades.</li> <li>Additionally, differences in policy directions between regions may cause enterprises to adopt a more cautious approach in executing their investment strategies, potentially resulting in delays or reductions in investments in certain areas. This could impact their market share and long-term development.</li> </ul>	Medium	Long-term	<ul style="list-style-type: none"> <li>We pay constant attention to regional policy dynamics, flexibly adjust our business layout and product lines according to different regional policies and market changes and formulate response strategies in advance.</li> </ul>
Technology	<b>Investment Costs Of Low Carbon Transition Technologies:</b> <ul style="list-style-type: none"> <li>R&amp;D and application of green technologies tend to be long-cycle, high-cost and high-risk. If the application of emerging green technologies fails, or is not mature enough, the result is that enterprises may suffer from investment failure and cost recovery difficulties.</li> <li>To compensate for the impact of technology failure, enterprises may need to invest more money for equipment renewal or technology transformation, etc., which directly leads to cost increase.</li> </ul>	Medium	Long-term	<ul style="list-style-type: none"> <li>We pay close attention to the development trend of green technology and promote technological innovation through in-depth collaboration with suppliers to jointly strengthen the maturity of emerging green technologies.</li> <li>We carefully evaluate the cost-benefit of new technologies and select those with a high degree of maturity for application.</li> </ul>
Market	<b>Changes In Customer Behavior:</b> <ul style="list-style-type: none"> <li>At present, some customers have put forward requirements for parts suppliers to reduce carbon emissions, strengthen the low-carbon attributes of their products, and use clean energy; failure to meet customers' requirements in a timely manner may affect customer relationships, which in turn may affect revenues and the expansion of new business in the future.</li> <li>Failure to meet customers' low-carbon requirements will require companies to invest more money to support low-carbon transformation, and it will take a longer period for the return on investment to be realized.</li> </ul>	Low	Long-term	<ul style="list-style-type: none"> <li>We maintain regular synergy with each production base to systematically promote the construction of carbon accounting system. We maintain close communication with our customers to provide timely feedback on the carbon emissions data and information required by our customers and understand their environmental protection requirements.</li> <li>We actively provide upstream suppliers, especially small and medium-sized suppliers, with emission reduction capacity building support, and build a low-carbon ecosystem</li> </ul>
	<b>Rising Cost of Raw Material:</b> <ul style="list-style-type: none"> <li>Climate change is exacerbating the energy crisis and impacting the stability of global supply chains. For example, droughts are slowing down some maritime transport and increasing transportation costs.</li> <li>If companies experience supply chain disruptions, this may affect product delivery, which will lead to lower customer satisfaction and affect their competitiveness in the market.</li> </ul>	Medium	Medium-term	<ul style="list-style-type: none"> <li>We have adopted a multi-source procurement strategy, continuously expanded procurement channels and ensuring stable supply of raw materials by establishing long-term cooperative relationships with suppliers.</li> <li>We optimize logistics and transportation routes and reduce the risk of cargo loss by purchasing transportation insurance.</li> </ul>





Risk Type	Risk Description	Impact Level	Time Frame	Mitigation Measures
Reputation	<b>Stakeholder Concerns and Feedback:</b> <ul style="list-style-type: none"><li>• Poor performance in climate change response and carbon reduction will raise concerns among stakeholders, such as investors and customers.</li><li>• Decreased investor confidence, which may reduce investment or increase the cost of financing for the enterprise.</li><li>• Damage to the company's brand image, which may lead to loss of customers and loss of market share, affecting the company's revenue</li></ul>	Medium	Long-term	<ul style="list-style-type: none"><li>• We have established a carbon-neutral strategic plan and continuously improved the carbon related management and supervision mechanism.</li><li>• We actively carry out carbon reduction work and establish a positive corporate image.</li><li>• We actively communicate with stakeholders, proactively respond to stakeholder questions on climate, and enhance the transparency of climate and carbon-related information.</li></ul>





## Opportunities

Opportunities Type	Opportunities Description	Impact Level	Time Frame	Mitigation Measures
Energy Sources	<b>Clean Energy:</b> <ul style="list-style-type: none"> <li>The use of photovoltaic power generation will bring multiple benefits, including operational cost reduction through distributed generation and smart grid integration, carbon footprint mitigation via clean energy substitution, and additional revenue streams from surplus electricity trading.</li> <li>At the same time, the use of clean energy can attract more customers and investors, and meet their requirements for green enterprises, which can help enterprises win more market share.</li> </ul>	Medium	Medium-term	<ul style="list-style-type: none"> <li>We continuously invest in PV projects and plan for the construction of centralized PV power plants to reduce operating costs and improve economic efficiency.</li> <li>Meanwhile, we cooperate with investment organizations to help reduce upfront investment costs and ease the pressure on construction funds.</li> </ul>
Resource Efficiency	<b>Green Logistics:</b> <ul style="list-style-type: none"> <li>Some customers show higher concern for green transformation in the downstream of the enterprise value chain. Examples include green transportation and green packaging. While reducing carbon emissions downstream of the value chain, it can help reduce carbon emission costs and operating costs, and at the same time respond to the demands of customers, attracting more customers with this preference, and helping the enterprise to gain more revenue.</li> </ul>	Medium	Medium-term	<ul style="list-style-type: none"> <li>We plan for low-carbon transportation in advance, for example, by optimizing transportation routes and adopting electric vehicles, etc., to reduce carbon emissions at the logistics end and save fuel costs.</li> <li>We take recycling as an important consideration in packaging, and actively adopt recyclable packaging to reduce the consumption of packaging materials and save packaging costs.</li> </ul>
	<b>Circular Economy:</b> <ul style="list-style-type: none"> <li>By building a circular economy value chain covering core materials such as plastics, aluminum, and steel, and improving the efficiency of resource utilization, we can effectively reduce raw material procurement costs.</li> <li>As customer demand for sustainable products increases, companies can open up new markets and customer groups.</li> </ul>	High	Long-term	<ul style="list-style-type: none"> <li>We have incorporated the low-carbon dimension of our products into our total life cycle management system, forming a total value chain management from materials, product design, process, operation, and procurement.</li> <li>We are gradually increasing the proportion of recycled plastic products and prioritizing low-emission plastic particles in procurement. In addition, we have increased the proportion of aluminum rods purchased and launched aluminum recycling.</li> </ul>
Product and Services	<b>Renewable Energy Products:</b> <ul style="list-style-type: none"> <li>Climate change has given rise to market demand for new products and services, such as the growing demand for new energy auto parts. Enterprises that have advanced their green product offerings can gain market share and attract new investors.</li> </ul>	Medium	Short-term	<ul style="list-style-type: none"> <li>We will continue to increase our investment in R&amp;D and production of new energy automotive parts and continuously enhance our brand influence in the new energy market.</li> <li>We will continue to strengthen market research, understand customer needs, and adjust product and service types in a timely manner to improve our adaptability and flexibility in the new energy market to strengthen our competitiveness in the market.</li> </ul>



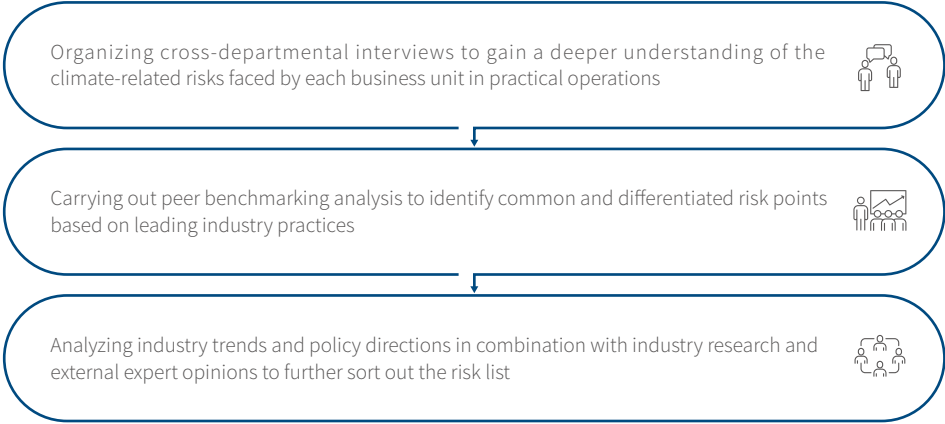
# Risk Management

Minh Group has embedded climate risk management within our enterprise risk framework, systematically identifying, evaluating, and addressing climate-related impacts through structured processes. This approach informs strategic decision-making, enabling timely mitigation measures while positioning the organization to capitalize on emerging low-carbon opportunities.



## Climate Risk Identification

We conduct climate risk identification through external research and internal cross-departmental collaboration, the main steps including:



## Risk Impact Assessment

In 2024, through in-depth cross-departmental interviews with external experts, we have identified risk exposures across the Minh Group's entire value chain of business operations and preliminarily outlined the impact level of each risk. To assess the potential impact of climate-related risks and opportunities more comprehensively on our business, we have conducted climate scenario analyses for different time frames. Additionally, we have referenced relevant external parameters as a basis for quantitative analysis to help us more thoroughly evaluate risk impacts and carry out risk prioritization.



# Metrics and Targets

In 2024, Minth Group released its Carbon Neutrality White Paper, which details Minth Group's carbon neutrality goals and action plan: a commitment to achieve carbon peaking by 2030, operational carbon neutrality by 2040, and value chain carbon neutrality by 2050.

To realize our climate goals, Minth Group takes action to address climate issues from both the operational and value chain perspectives. In terms of operational emission reduction, we continue to explore our own emission reduction potential through a variety of energy saving and emission reduction measures, such as process improvement, equipment upgrading, and management innovation. Meanwhile, we vigorously develop distributed clean energy, participate in green power trading, or purchase green power certificates to reduce the emission of electricity applications. We plan to conduct a Scope 1&2 net-zero factory demonstration in 2025, and will summarize its experience and steadily expand it to more factories. At the same time, we are conducting third-party verification of GHG emissions data for several plants to further improve the quality of disclosed data.

Given the Scope 3 emissions contribute to more than 90% of the Group overall carbon emissions, we plan to progressively meet value chain carbon reduction targets in the following three ways:

## Supply chain carbon emission management

We have demonstrated the Minth Group' s carbon neutrality goals to our supplier partners through measures such as supplier conferences and training sessions, and have requested them to start formulating corresponding carbon reduction strategies. During the annual calculation of our Group's Scope 3 emissions, we have continuously improved the collected activity data through communication and collaboration with our major suppliers. Additionally, we plan to introduce a digital platform with AI technologies such as factor matching in 2025 to continuously enhance the data quality of Scope 3 disclosures and further involve our suppliers.

## Green materials

With the healthy growth of Minth Group' s business, the demands for aluminum and plastic related products are expected to keep rising in the future. To this end, lots of resources have been invested to reduce the emission from this part of value chain. We have built factories to recycle aluminum casting rods in China and Serbia, and have been working with suppliers to obtain lower carbon aluminum raw material sourcing. Furthermore, we have worked with global OEM clients to promote the bio-based TPV material and the PC+ABS material, which can reduce the product carbon emissions by 30% and 25%, respectively, compared to conventional plastics.

## Green logistics and packaging

Based on customers' requirements and own pursuit of cost reduction and efficiency improvement, we actively driving a green transformation in logistics by optimizing transportation methods, selecting low-carbon suppliers, and leveraging digital technologies to reduce carbon emissions in logistics. When selecting logistics contractors, sustainability is a core evaluation criterion. Key factors include whether the contractor has set carbon emission targets, possesses carbon emission calculation capabilities, can provide green transportation solutions, and the feasibility of new energy trucks on certain routes.

Our greenhouse gas emissions for the past three years (including the reporting period) are as follows:

Category	2024	2023	2022	Unit
Scope 1 GHG emissions <sup>4</sup>	74,873	71,571	57,364	Tonnes of CO <sub>2</sub> equivalent (tCO <sub>2</sub> e)
Scope 2 GHG emissions <sup>5,6</sup>	405,462	387,130	363,632	Tonnes of CO <sub>2</sub> equivalent (tCO <sub>2</sub> e)
Total scope 1 & 2 GHG emissions	480,335	458,701	420,996	Tonnes of CO <sub>2</sub> equivalent (tCO <sub>2</sub> e)
Scope 1 & 2 GHG emissions per RMB 10,000 of output value	0.21	0.22	0.24	Tonnes of CO <sub>2</sub> equivalent (tCO <sub>2</sub> e)/RMB 10,000

In the future, Minth Group will rigorously advance climate resilience through governance enhancements fully aligned with the HKEX Climate Disclosure Guidelines. We will implement targeted oversight mechanisms to monitor physical climate risks across operational assets, coupled with proactive scenario analysis to address critical transition risks emerging from policy and market shifts. At the same time, we will steadfastly adhere to our carbon neutrality commitments and keep embedding decarbonization imperatives into our operational strategies. These efforts will be reinforced through continuous staff capacity-building programs and stakeholder collaboration, ensuring our climate strategy remains adaptive to evolving regulatory requirements and industry best practices.

<sup>4</sup> To further improve the granularity of data calculation, category is expanded to include refrigerants.  
<sup>5</sup> The electricity emission factors in the United Kingdom, Thailand, and the United States of America are selected from the "Emission Factors for Cross\_Sector\_Tools" issued by IPCC. The electricity emission factors in Poland, Germany, France, Czech Republic, Mexico, and Serbia are selected from the Carbon Database Initiative (CaDI). The electricity emission factors in Mainland China is selected from the Announcement on the Release of Carbon Dioxide Emission Factors of Electric Power in 2022 issued by the Ministry of Ecology and Environment of the People's Republic of China.  
<sup>6</sup> The GHG emissions are calculated in alignment with 2023.



# Key Performance Indicator

Environmental				
Indicators	2024	2023	2022	Unit
Energy Comsumption				
Purchased electricity	66,557	63,620	65,543	Ten thousand kWh
Purchased non-green electricity	63,277	/	/	Ten thousand kWh
Purchased green electricity	3,280	/	/	Ten thousand kWh
Purchased steam	152,364	151,154	/	Tonne
Self-built distributed photovoltaic power generation	8,263	5,658	2,974	Ten thousand kWh
Self-built distributed photovoltaic power consumption	7,140	/	/	Ten thousand kWh
Natural gas	2,841	2,527	2,588	Ten thousand m <sup>3</sup>
Diesel oil	220	143	159	Tonne
Gasoline	189	108	70	Tonne
Direct energy consumption	38,389	35,117	34,755	Tonnes of standard coal
Indirect energy consumption	110,167	97,628	84,207	Tonnes of standard coal
Comprehensive energy consumption	148,556	132,744	118,962	Tonnes of standard coal
Comprehensive energy per RMB10,000 of output value	64.18	64.68	68.74	kg standard coal/RMB10,000
Carbon Emission				
Scope 1 GHG missions	74,873	71,571	57,364	Tonnes of CO2 equivalent (tCO2e)
Scope 2 GHG missions	405,462	387,130	363,632	Tonnes of CO2 equivalent (tCO2e)
Total scope 1&2 emissions	480,335	458,701	420,996	Tonnes of CO2 equivalent (tCO2e)
Scope 1 & 2 GHG emissions per RMB 10,000 of output value	0.21	0.22	0.24	Tonnes of CO2 equivalent (tCO2e) RMB10,000
Water and Wastewater				
Total water withdraw	5,721,416	5,758,449	5,979,876	Tonne
Total water consumption	1,744,496	2,761,520	3,336,227	Tonne





Environmental				
Indicators	2024	2023	2022	Unit
Water consumption per RMB10,000 of output value	0.75	1.35	1.93	Tonne/RMB10,000
Wastewater discharge	3,976,920	2,996,929	2,643,649	Tonne
Wastewater reuse	367,074	296,436	232,911	Tonne
COD	378	321	277	Tonne
Ammonia nitrogen	27	37	25	Tonne
Air Pollutant				
NOx	37	35	53	Tonne
SOx	12	12	5.7	Tonne
VOC	51	47	/	Tonne
Particulate matter	21	/	/	Tonne
Waste				
Hazardous waste	14,269	15,576	14,752	Tonne
Hazardous waste per RMB10,000 of output value	6.16	7.59	8.52	kg/RMB10,000
Non-hazardous waste	52,653	57,400	43,039	Tonne
Recyclable waste	37,096	12,729	-	Tonne
Non-hazardous waste per RMB10,000 of output value	22.75	27.97	24.87	kg/RMB10,000
Material Consumption				
Packaging material consumption	35,142	30,058	19,777	Tonne
Turnover materials	7,418	/	/	Tonne
Proportion of turnover material used	21.11	/	/	%
Packaging material consumption per RMB 10,000 of output value	15.18	14.65	11.43	kg/RMB 10,000





Social and Governance				
Indicators	2024	2023	2022	Unit
Number of Employees				
Total number of employees	25,663	22,311	21,331	Number
Gender				
Male employees	17,963	15,127	15,277	Number
Female employees	7,700	7,184	6,043	Number
Age				
29 years old and younger	6,940	5,489	7,430	Number
30 years old and above but less than 40 years old	11,693	11,847	11,704	Number
40 years old and above but less than 50 years old	5,735	4,172	2,033	Number
50 years old and above	1,295	803	158	Number
Region				
Asia (China, Thailand, Japan, South Korea)	17,428	17,073	/	Number
North America (United States, Mexico, Canada)	3,647	2,385	/	Number
Europe (Germany, United Kingdom, Serbia, Czech Republic, France, Poland)	4,588	2,853	/	Number
Type of Employee				
Professional	3,350	3,012	2,826	Number
Technical	5,098	4,172	4,215	Number
Management	1,175	1,116	1,246	Number
Production	16,040	14,011	13,044	Number
Full-time employees	25,663	/	/	Number
Part-time employees	0	/	/	Number
Contractor	0	/	/	Number





Social and Governance				
Indicators	2024	2023	2022	Unit
Turnover Rate				
Total turnover rate	28.60	30	35.2	%
Gender				
Male employees	28.60	31	36.20	%
Female employees	28.60	27	32.80	%
Age				
29 years old and younger	37.79	38	17.86	%
30 years old and above but less than 40 years old	28.80	28	15.65	%
40 years old and above but less than 50 years old	17.70	25	1.6	%
50 years old and above	7.43	17	0.06	%
Region				
Asia (China, Thailand, Japan, South Korea)	26.49	29	/	%
North America (United States, Mexico, Canada)	42.93	37	/	%
Europe (Germany, UK, Serbia, Czech Republic, France, Poland)	21.53	24	/	%
Average Training Hours				
Category				
Professional	86.35	68.7	4	Hours per employees
Technical	35.63	24.9	2	Hours per employees
Management	110.81	105.7	8	Hours per employees
Production	99.27	104.7	1	Hours per employees
Gender				
Male employees	86.46	85.2	2	Hours per employees
Female employees	83.12	84.4	2	Hours per employees





Social and Governance				
Indicators	2024	2023	2022	Unit
Trained Employee Ratio				
Category				
Professional	13.05	12	12.99	%
Technical	19.87	16	18.58	%
Management	4.58	4	6.00	%
Production	62.50	68	62.43	%
Gender				
Male employees	70.00	69	68.00	%
Female employees	30.00	31	32.00	%
Occupational Health and Safety				
Work-related fatalities	1	1	0	Person
Work-related fatalities rate	0.0039	0.004	0	%
Work injury rate	1.00	1.04	1.08	Number of injury/millions of working hours
Lost days due to work injury	9,381	1,308.785	62	Days
Product Recalls				
Customer complaint	0	0	0	Number
Supply Chain Management				
Total number of suppliers	4,113	5,576	/	Number
Asia & Mid East (China, Thailand, Japan, South Korea, India, United Arab Emirates, Israel)	3,485	4,864	/	Number
North America (United States, Mexico, Canada)	295	178	/	Number
Europe (Serbia, Czech Republic, Germany, France, Italy, United Kingdom,Switzerland, Austria, Poland, Montenegro, Spain, Turkey, Netherlands, Romania,Slovenia, Slovakia, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia)	332	533	/	Number
Oceania (Australia)	1	1	0	Number
Number of core suppliers undergoing annual review	211	/	/	Number





Social and Governance				
Indicators	2024	2023	2022	Unit
Proportion of core suppliers undergoing annual review	100	/	/	%
The number of suppliers who have passed ISO 14001 Environmental Management System Certification	796	/	699	Number
Innovative Research and Development				
R&D expenditure	144,944.40	139,662.20	117,239.40	RMB10,000
Investment in clean technology opportunities	63,477.82	/	/	RMB10,000
New patents applied	449	530	635	Number
New patents authorized	400	412	592	Number
New patents searched and analysed	112	91	/	Number
Accumulated patents applied	5,166	4,775	4,282	Number
Accumulated patents authorized	2,624	2,209	1,803	Number
Accumulated patents searched and analysed	907	795	704	Number
Business Ethics				
Number of business ethics violations	0	0	0	Number
Number of concluded legal cases related to business ethics	0	0	0	Number
Total number of anti-corruption training sessions conducted	145	/	/	Number
Total number of participants in anti-corruption training programs	27,182	/	/	Number
Total duration of anti-corruption training programs conducted	1,450	/	/	Hours
Total number of employees who have received anti-corruption training	25,663	22,311	21,331	Number
Board of directors who received anti-corruption training	8	9	6	Number
Other employees (excluding directors) who received anti-corruption training	25,655	22,302	21,325	Number
Percentage of employees who received anti-corruption training	100	100	100	%
Number of employees who signed the integrity agreement	25,663	22,311	21,331	Number



Representative Awards

Award Name	Company Entity	Date
Best Coordinated Community Award (Serbia) 2024	Minth Group	March-2025
Selected in the S&P Global Sustainability Yearbook (China) 2024	Minth Group	November-2024
2024 International CMF Design Award	Minth Group	December-2024
2024 Lingxuan Advanced Technology-Dynamical System-Excellence Award	Minth Group	November-2024
Better Health at Work Silver Award	MINTH AUTOMOTIVE (UK)	February-2024
Nissan Supplier Quality Award Europe Regional Quality Award	MINTH AUTOMOTIVE (UK)	July-2024
CCCUK China UK Economic & Trade Award	MINTH AUTOMOTIVE (UK)	November-2024
Collaborative Development Award	Jiaxing Minhui	December-2024
Outstanding Partnership Award	Qingyuan Minhui	January-2024
Outstanding Supplier Award	Qingyuan Minhui	January-2024
Collaborative Partnership Award	Jiaxing Minhui	January-2024
Outstanding Supplier Award	Jiaxing Minth Machines	December-2024
Volvo Car APAC Energy Action Award	Jiangsu Hexing Investment	September-2024
Sincere Collaboration Award	Ningbo Minshi Trading	September-2024
Outstanding Quality Award	Ningbo Minshi Trading	March-2024
Geely Outstanding Quality Award	Jiaxing Minhui	January-2024
Yanfeng Plastic Omnium Outstanding Contribution Award	Jiaxing Minhui	November-2024
National Green Factory	Tianjin Minshin	December-2024
2023 Annual Quality Excellence Award	Tianjin Minshin	March-2024



Representative Awards

Award Name	Company Entity	Date
2023 Annual Outstanding Quality Award	Tianjin Minshin	March-2024
2023 Annual Outstanding Supplier	Tianjin Minshin	April-2024
National Model Worker Home	Qingyuan Minhui	September-2024
2024 H1 Noteworthy Suppliers	Wordwise Plastic LLC	June-2024
Supplier Quality Award	Zhejiang Minneng	November-2024
Supplier Quality Award	Zhejiang Minneng	December-2024
Supplier Quality Award	Zhejiang Minneng	December-2024
Supplier Quality Award	Zhejiang Minneng	December-2024
District Chief Quality Award	Zhejiang Minneng	December-2024
Quality Excellence Award	Tianjin Minth	December-2024
Letter of Commendation	Mignen CR s.r.o.	December-2024
Letter of Commendation	Chengdu Minsheng	December-2024
Huzhou City Intelligent Factory (Digital Workshop)	Zhejiang Minsheng	April-2024
Digital Liaoning Intelligent Manufacturing Strong Province	Shenyang Minneng	January-2024
Provincial Specialized, Sophisticated, Innovative and Emerging SME	Shenyang Minneng	June-2024
Tianjin City Eagle Enterprise	Tianjin Minth	September-2024



Hong Kong Exchange Index

Subject Areas, Aspects, General Disclosures and KPIs			Chapter
A. Environmental			
Aspect A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.		Environmental Governance and Control
	KPI A1.1	The types of emissions and respective emissions data.	Key Performance Indicator
	KPI A1.2	[Repealed 1 January 2025]	[Repealed 1 January 2025]
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	ESG Management Environmental Governance and Control
	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.	Environmental Governance and Control





Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, etc.		Low-carbon Operation Environmental Governance and Control Green Logistics and Packaging
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	ESG Management Low-carbon Operation
	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.	ESG Management Environmental Governance and Control
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Key Performance Indicator
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		Environmental Governance and Control Green Logistics and Packaging
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Governance and Control Green Logistics and Packaging
Aspect A4: Climate Change	[Repealed 1 January 2025]		[Repealed 1 January 2025]
	KPI A4.1	[Repealed 1 January 2025]	[Repealed 1 January 2025]





B. Social			
Employment and Labour Practices			
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Gathering Excellent Talents Employee Rights Protection Compensation and Benefits Training and Development
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Gathering Excellent Talents Key Performance Indicator
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Gathering Excellent Talents Key Performance Indicator
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Occupational Health and Safety
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety Key Performance Indicator
	KPI B2.2	Lost days due to work injury.	Occupational Health and Safety Key Performance Indicator
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.		Training and Development
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Performance Indicator
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Training and Development Key Performance Indicator



Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Employee Rights Protection
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Rights Protection
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Rights Protection
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		Symbiotic Supply Chain
	KPI B5.1	Number of suppliers by geographical region.	Symbiotic Supply Chain Key Performance Indicator
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Symbiotic Supply Chain
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Symbiotic Supply Chain
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Symbiotic Supply Chain





Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Product Responsibility
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility Key Performance Indicator
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Research and Development Innovation
	KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Security and Privacy Protection
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Business Ethics and Anti-Corruption
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Key Performance Indicators
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics and Anti-Corruption
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics and Anti-Corruption





Community			
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Building a Harmonious Society
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Building a Harmonious Society
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Building a Harmonious Society Key Performance Indicators
Part D: Climate-related Disclosures			
(I) Governance	19 (a)	Information on: the governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities.	Disclosure of Climate Change Information
	19 (b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Disclosure of Climate Change Information
(II) Strategy	20	Information on: the climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	Disclosure of Climate Change Information
	21	Information on: the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	Disclosure of Climate Change Information
	22	Information on: the effects of climate-related risks and opportunities on its strategy and decision-making.	Disclosure of Climate Change Information
	23	Information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22.	Disclosure of Climate Change Information
	24 (a)	Information on: how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	Disclosure of Climate Change Information
	24 (b)	Information on: the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Disclosure of Climate Change Information
	25 (a)	Information on: how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Disclosure of Climate Change Information





(II) Strategy	25 (b)	Information on: how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Disclosure of Climate Change Information
	26	Information on: the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities.	Disclosure of Climate Change Information
(III) Risk Management	27 (a)	Information on: the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks.	Disclosure of Climate Change Information
	27 (b)	Information on: the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).	Disclosure of Climate Change Information
	27 (c)	Information on: the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Disclosure of Climate Change Information
(IV) Metrics and Targets	28	Absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent	Disclosure of Climate Change Information
	29 (b)	Information on: the approach it uses to measure its greenhouse gas emissions	Disclosure of Climate Change Information
	29 (c)	Information on: any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions.	Disclosure of Climate Change Information
	29 (d)	Information on: the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Disclosure of Climate Change Information