

SUSTAINABILITY REPORT 2024

Dongguan Aohai Technology Co., Ltd.

A LEADER IN ENERGY EFFICIENT APPLICATIONS



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ABOUT THE REPORT

This report is the third Sustainability Report (Environmental, Social, and Governance Report) released by Dongguan Aohai Technology Co., Ltd. (hereinafter referred to as "Aohai Technology," "Company," or "We"). This report comprehensively and completely presents Aohai Technology's 2024 sustainability philosophy, management mechanisms, and specific actions, aiming to respond to stakeholders' expectations and concerns about the Company, and to jointly promote the sustainability with all stakeholders.

Preparation Basis

The report is prepared with reference to the GRI Standards 2021 issued by the Global Reporting Initiative, the United Nations Sustainable Development Goals (SDGs), and the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation).

Time Range

The report covers the period from January 1, 2024, to December 31, 2024. To enhance comparability and completeness, some contents in this report may refer to previous years or may extend beyond this range.

Data Source

All information and data cited in this report are derived from official documents, statistical reports, and financial reports of Aohai Technology, as well as sustainability practice information of functional departments and operational units compiled, summarized, and audited by the Company. In case of any discrepancies with the company's Annual Report, the Annual Report shall prevail. Unless otherwise specified, all monetary and amounts mentioned in this report are denominated in RMB.

Boundary Scope

The primary scope of the non-financial information covered in this report covers Dongguan Aohai Technology Co., Ltd., Dongguan Aohai Technology Co., Ltd. Second Branch, Dongguan Aohai Technology Co., Ltd. Third Branch (collectively referred to as "Dongguan Aohai"), and Jiangxi Ji'an Aohai Technology Co., Ltd. (hereinafter referred to as "Jiangxi Aohai").

Company name	Enterprise type	Description of reference
Dongguan Aohai Technology Co., Ltd.	Group Headquarters	Dongguan Industrial Park No. 1
Dongguan Aohai Technology Co., Ltd. Second Branch	Branch in Dongguan	Dongguan Technology Park 3
Dongguan Aohai Technology Co., Ltd. Third Branch	Branch in Dongguan	Dongguan Shahu Industrial Park
Jiangxi Ji'an Aohai Technology Co., Ltd.	Aohai Subsidiary	Jiangxi Aohai

Reporting Commitments

This report is organized and compiled by Dongguan Aohai Technology Co., Ltd. The company guarantees that the information contained in this report is authentic and that this report is free from any false or misleading statements.

Restatements of Information

In the company's 2023 Environment, Social, and Governance (ESG) Report, the carbon reduction data of Jiangxi Aohai disclosed in section 6.1.1 "Carbon Reduction" did not include methane(CH₄)emissions, resulting in Scope 1 carbon emissions being reported as only 18.47 tCO₂e. During the preparation of the 2024 Sustainability Report, the company reviewed and corrected the relevant data based on the latest applicable carbon emission accounting standards. After recalculation, Jiangxi Aohai's Scope 1 carbon emissions for 2023 should be 283.98 tCO₂e. The company has corrected this data in accordance with information disclosure standards to ensure the accuracy and completeness of the disclosed information.

Reliability Statement and Assurance

The Board of Directors takes all responsibility for the truthfulness, accuracy, and completeness of the contents of this Report. Aohai Technology entrusted SGS-CSTC Standards Technical Services Co. Ltd. (SGS) to conduct an external audit based on the AA1000 Assurance Standard, and the Independent Assurance Report is attached.

Distribution Channel

This report is published in electronic versions in both Chinese and English and can be accessed on the Shenzhen Stock Exchange website (www.szse.cn) and Cninfo (www.cninfo.com.cn).

Feedback

We look forward to receiving comments and suggestions from readers after reading this report. Please provide feedback using the following contact information:

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PRESIDENT'S MESSAGE

Dear colleagues, partners, and friends from all sectors of society: As global sustainable development continues to evolve rapidly, corporate responsibility has transcended the realm of mere economic value creation. It now deeply encompasses environmental protection, social responsibility, and corporate governance. Aohai Technology firmly believes that sustainability is not only the strategic cornerstone for long-term business growth but also our commitment to the global community and the ecosystem at large. In 2024, Aohai Technology will deeply integrate the ESG principles into our core business strategies. These principles have been embedded across product research and development, supply chain management, production operations, and corporate culture, thereby promoting the sustainable transformation of the enterprise in a systematic and structured manner. We have built a comprehensive operation system around the ESG framework to ensure that while steadily operating, the enterprise actively assumes our environmental and social responsibilities.

Sustainable Governance: Building a Transparent and Efficient Responsible Enterprise

Robust corporate governance is the cornerstone of achieving long-term sustainability. In 2024, Aohai Technology continued to optimize its ESG governance framework, ensuring that the company consistently adheres to the highest ethical and compliance standards in its decision-making and management processes. At the same time, Aohai Technology actively strengthened communication with stakeholders by regularly publishing ESG reports and hosting investor meetings, ensuring transparency and accountability in business operations. We deeply understand that only by establishing a robust, transparent, and responsible governance system can we earn the long-term trust of the market, Investors, and society.

Technological Innovation: Shaping a New Mode of High-Quality Development

As a leader in energy efficient applications, Aohai Technology consistently regards technological innovation as the core driver of sustainable development. In product design and R&D, the company actively embraces innovative concepts centered on low carbon, energy saving, and high efficiency. In 2024, we successfully developed and launched multiple smart charging devices utilizing recycled materials and energy-saving technologies. These products achieved significant breakthroughs in energy utilization efficiency, contributing to the development of the global low-carbon economy. Additionally, we have strengthened collaboration with research institutions and industry associations to jointly explore innovative applications to jointly explore innovative applications in new energy technologies, intelligent power management systems, and recyclable materials. Looking ahead, we will continue to deepen this model of cooperation, accelerate the industrial application of green technologies, and drive the industry toward a low-carbon and intelligent future.

Accountability in Action: Creating a Fully Sustainable Supply Chain Model

Sustainable supply chain management is an important component of our ESG strategy. In 2024, Aohai Technology continuously optimized our supply chain management system, promoting environmental and social responsibility throughout our upstream partnership. We actively encourage and support suppliers to adopt renewable materials, optimize manufacturing processes, and reduce carbon emissions, while also assisting them in enhancing their ESG management capabilities. Through regular assessments and capacity-building, we have not only enhanced the transparency across the supply chain but also fostered a more resilient and sustainable supply chain ecosystem within the industry.

Green Economy: Building a Circular Economy Ecosystem

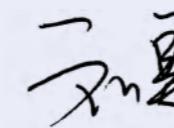
The circular economy is a key direction of our sustainable development strategy. In 2024, we comprehensively upgraded our wastewater treatment system and exhaust gas purification equipment to effectively control hazardous substance emissions during production, complying with both international and national environmental standards. Through initiatives such as waste classification and recycling, resource reuse, and material recycling, we significantly reduced the environmental impact of our production process. In 2025, we will further advance our circular economy model by exploring feasible solutions to achieve zero waste and zero landfill, striving to build a more environmentally friendly and efficient production system.

Excellence with Integrity: Shaping a New Paradigm for Sustainable Corporate Culture

Our ultimate aspiration is to become a long-standing enterprise that benefits humanity. Aohai Technology firmly believes that the successful implementation of the ESG concept relies on the recognition and practice of all employees. Therefore, we continuously upgrade our corporate culture with sustainability at its core, and embed ESG into corporate governance and daily operations to enhance employees' sense of social responsibility and environmental awareness. In 2024, we advocated for green office practices and encouraged employees to adopt a low-carbon lifestyle, such as reducing the use of disposable products and optimizing energy efficiency in the office. In terms of talent training, we continuously improved our ESG training system to help employees thoroughly understand ESG principles and apply sustainability strategies in their respective roles. We hope that every employee can become a promoter and practitioner of sustainable development.

Our ultimate aspiration is to "become a long-standing enterprise that benefits humanity". In 2025, Aohai Technology will continue to deepen the ESG strategy and comprehensively upgrade the enterprise to achieve a higher level of sustainable development. Aohai Technology will remain committed to the ESG concept and to becoming a leader in energy efficient applications, contributing to the creation of a better world. Let us work hand-in-hand to realize our mission and vision of "better energy efficiency greens the planet"!

President:




ABOUT AOHAI TECHNOLOGY

Company Profile

Company Overview

Dongguan Aohai Technology Co., Ltd. (Stock Code: 002993.SZ), established in 2004, is a global company dedicated to energy-efficient applications. With a global intelligent manufacturing platform based on power electronics technology, the company provides green energy solutions for the intelligent Internet of Everything. It focuses primarily on high-tech development, manufacturing, and sales in the areas of intelligent IoT device charging and energy storage, electric control and power systems for new energy vehicles, as well as digital energy design and R&D. On August 17, 2020, the company was listed on the Shenzhen Stock Exchange.

Aohai Technology embraces the New globalization landscape, remains rooted in China while extending its reach globally, and advances both domestic and international markets in tandem. While maintaining stable business relationships with international brand enterprises, Aohai Technology actively targets leading clients, expands its international team, and develops a strategic business development matrix focused on leading clients by region and industry, thereby broadening its overseas market presence. The company has established global service centers in the United States, Japan, South Korea, Singapore, Hong Kong, Vietnam, India, and Indonesia, strengthening its global sales network. Additionally, it operates six major intelligent manufacturing bases in Dongguan, Jiangxi, Wuhan, India, Indonesia, and Vietnam.



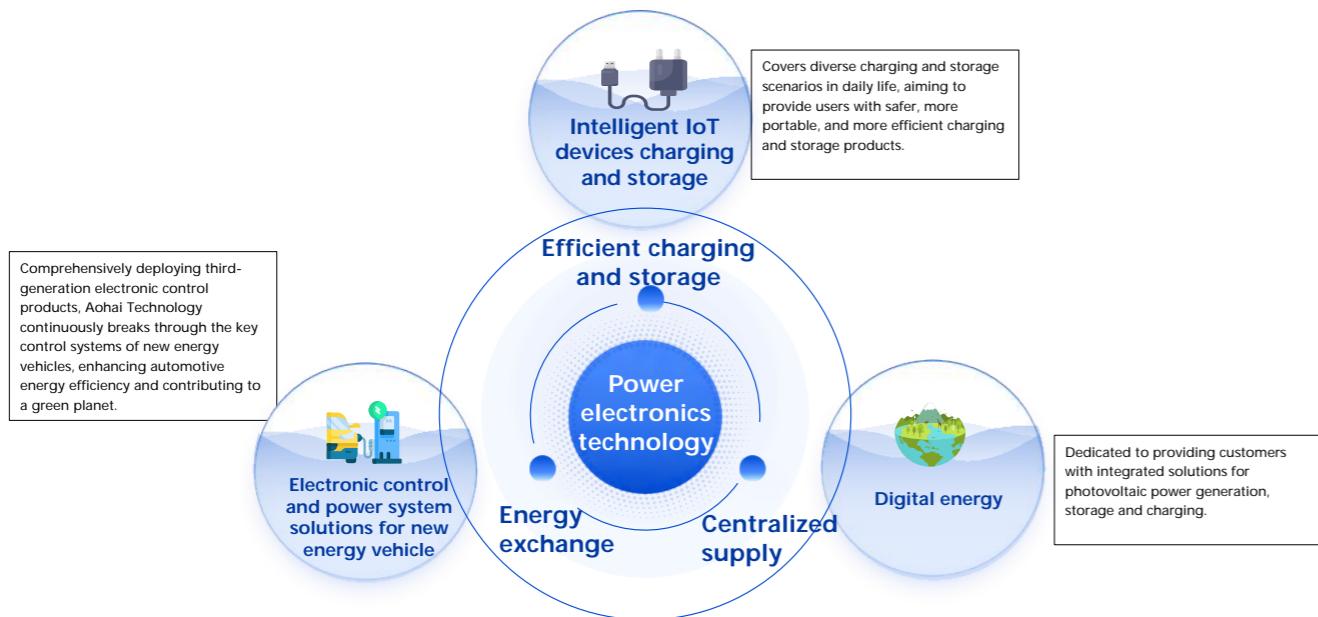
Products

Aohai Technology is a national high-tech enterprise focused on terminal energy exchange, efficient charging and storage, and centralized power supply. Leveraging a global intelligent manufacturing platform based on power electronics technology, the company offers efficient energy application solutions for the era of intelligent IoT. The company's products mainly include wired and wireless chargers, power adapters, power supplies for power tools, energy storage systems, server power supplies, motor control units (MCU), battery management systems (BMS), vehicle control units (VCU), domain control units (PDCU, VDC, and ZCU), dual inverters, charging piles (DC and AC), OBCs, DC-DC converters, PDUs, vehicle power modules, charging modules, on-board chargers, photovoltaic/energy storage inverters, etc.



Aohai Business

Centering on power electronics technology, Aohai Technology has developed its business in the fields of intelligent IoT device charging/storage, electric control, and power systems for new energy vehicles, and digital energy solutions around three business boundaries – energy exchange, efficient charging and storage, and centralized power supply.



"One-Three-Three" Strategy

One platform: A innovation and intelligent manufacturing platform focused on energy efficient applications, with five core platform capabilities, namely, energy application technology, brand channels, intelligent manufacturing, supply chain collaboration, and Information sharing. Three boundaries, three major fields: The three boundaries refer to energy exchange, efficient charging and storage, and centralized supply. The three major fields include intelligent IoT devices charging and storage, new energy vehicles, and digital energy.



One platform

An innovation and intelligent manufacturing platform focused on energy efficient applications, with five core platform capabilities, namely, energy application technology, brand channels, intelligent manufacturing, supply chain collaboration, and Information sharing.

Three boundaries, three major fields

Three boundaries
Energy exchange, efficient charging and storage, centralized supply

Three major fields
Intelligent IoT devices charging and storage, new energy vehicles, and digital energy.

Thirty billion

The short-term goal is to maintain industry leadership in the mobile phone sector, while the medium- and long-term goals aim to achieve RMB thirty billion in intelligent IoT devices charging and storage, new energy vehicles, and digital energy.

Milestones of History

Founded in Shenzhen in 2004, Aohai Technology has been deeply engaged in the power electronics sector. In 2012, it established its first industrial park in Dongguan, marking the start of large-scale development. Subsequently, it expanded its global manufacturing network with production bases in Jiangxi, India, and Indonesia. In 2017, the company completed its share-holding system reform and name change, and launched its internationalization strategy. In 2020, it was listed on the main board of the Shenzhen Stock Exchange, accelerating the integration of capital and industry. In 2021, Aohai Technology introduced the "One-Three-Three" strategy, focusing on new energy and high-end R&D. In 2022, the company acquired a controlling stake in Wuhan Zhixin. By 2024, production in Vietnam will commence, and the business upgraded to provide "integrated solutions for photovoltaic power generation, storage, and charging", marking its transformation from a power manufacturer to a global leader in the smart energy ecosystem. Over two decades of continuous innovation, Aohai Technology has propelled "Intelligent Manufacturing in China" onto the global stage.



Association Memberships

Aohai Technology actively participates in various industry associations and professional organizations to advance standardization efforts, enhance its core competitiveness, and promote industrial chain collaboration. The company joins multiple regional, national, and industry-specific associations to collaborate with industry peers to explore technological innovation, standard-setting, and market trends.

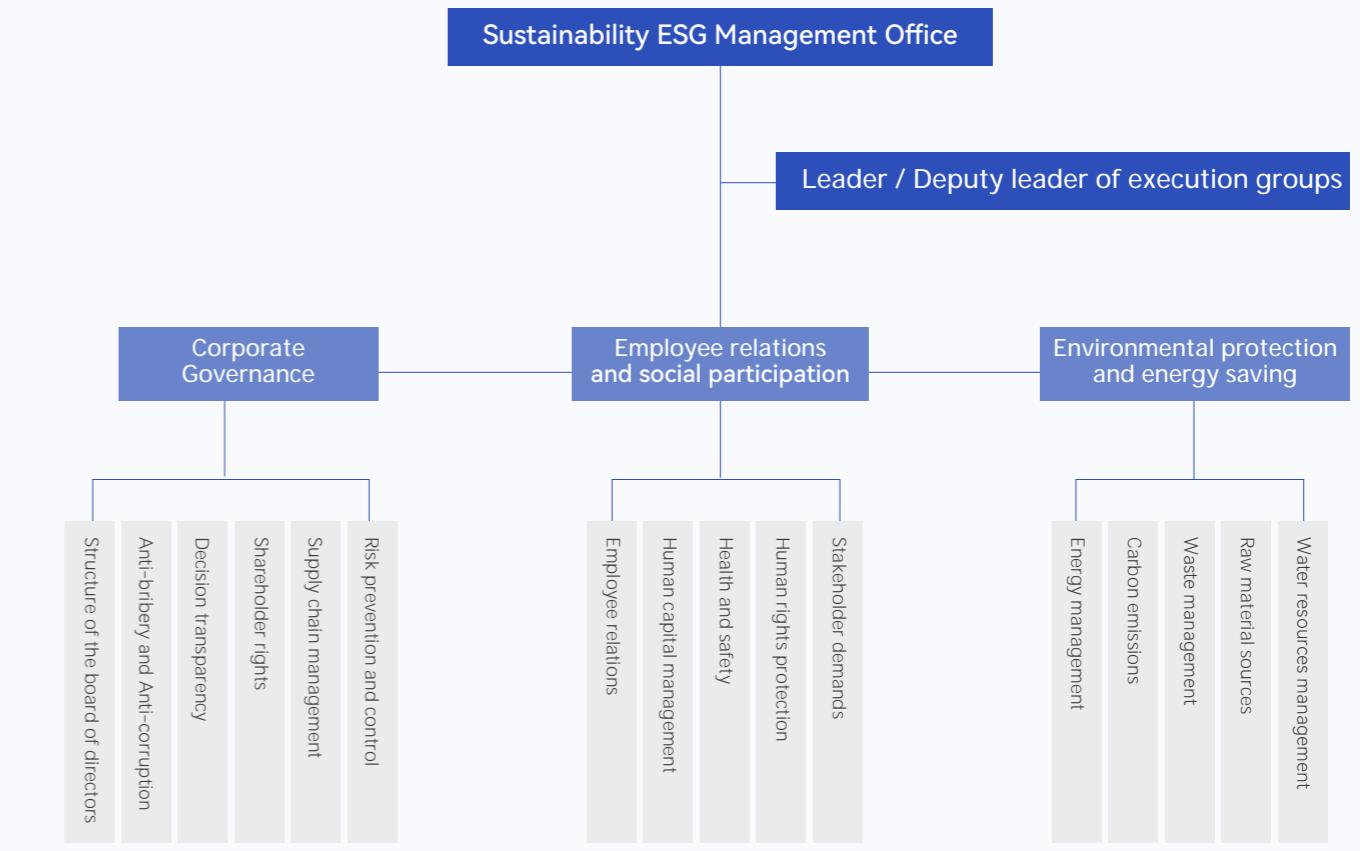
S/N	Company name	Name of association	Character
1	Dongguan Aohai Technology Co., Ltd.	Electronic Equipment Safety	Member and Deputy Secretary-General
2	Dongguan Aohai Technology Co., Ltd.	China Association for Public Companies	Vice President
3	Dongguan Aohai Technology Co., Ltd.	China Power Supply Society	Executive Director
4	Dongguan Aohai Technology Co., Ltd.	Telecommunication Terminal Industry Forum Association (TAF)	Member
5	Dongguan Aohai Technology Co., Ltd.	China Association for Consumer Products Quality and Safety Promotion	Member
6	Dongguan Aohai Technology Co., Ltd.	China Electronic Components Association Electronic Transformer Branch	Member
7	Dongguan Aohai Technology Co., Ltd.	Guangdong Fast Charging Alliance	Member
8	Dongguan Aohai Technology Co., Ltd.	The Listed Companies Association of Guangdong	Member
9	Dongguan Aohai Technology Co., Ltd.	Guangdong Manufacturers Association Quality Enterprise Cultivation Branch	Vice President
10	Dongguan Aohai Technology Co., Ltd.	Guangdong International Chamber of Commerce for the Private Sector	Director
11	Dongguan Aohai Technology Co., Ltd.	Shenzhen Ji'an Chamber of Commerce	Executive Vice President
12	Dongguan Aohai Technology Co., Ltd.	The Listed Companies Association of Dongguan	Vice President
13	Dongguan Aohai Technology Co., Ltd.	Dongguan High-Tech Industry Association	Vice President
14	Dongguan Aohai Technology Co., Ltd.	Jiangxi Chamber of Commerce in Dongguan	Executive Vice President

ESG GOVERNANCE

Sustainability Management Organization

To improve its ESG management system and overall management capabilities, Aohai Technology established a Sustainability ESG Management Office in 2023, led by the Chairman as the director, who's responsible for organizing, convening, and presiding over meetings, as well as coordinating ESG-related affairs. The Sustainability ESG Management Office oversees three main execution groups, namely, corporate governance group, employee relations and social participation group, and environmental protection and energy-saving group. Each group is headed by personnel with relevant work experience and professional skills as the leader or deputy leader while leaders from dedicated departments serve as members. The Board Office regularly or ad hoc reviews the sustainability strategies, goals, performance metrics, execution plans, and improvement proposals submitted by the Sustainability ESG Management Office to ensure the effective operation and continual optimization of the ESG management system.

Sustainability Management Structure



Responsibilities

Director of Sustainability ESG Management Office	Leader / Deputy leader of execution groups	Members of each execution group
<ul style="list-style-type: none"> Plans ESG development strategies and supervises the implementation of national and local sustainability guidelines, policies, and laws and regulations across the company and its subsidiaries. Provides guidance on sustainability and ESG initiatives, reviews related plans, goals, systems, and major issues, evaluates ESG reports, and offers advisory recommendations to the Board of Directors. 	<ul style="list-style-type: none"> Formulates ESG goals and execution plans based on the ESG guidelines established by the Sustainability ESG Management Office; Allocates necessary resources and coordinate the promotion and improvement of ESG efforts across departments 	<ul style="list-style-type: none"> Participate in the formulation of continuous improvement plans for ESG; Serve as the primary responsible person for ESG improvement within their business domain; Execute ESG-related Improvement actions and ensure the effective implementation.



Corporate Culture of Aohai Technology

Mission & Vision: Better Energy Efficiency Greens the Planet

Core Value

Vitality

Vitality empowers us with infinite possibilities

Initiative:

Initiative is the beginning of all achievements

Boldness:

Opportunities belong to courageous and resolute warriors

Breakthrough:

Explore every possibility

Growth:

Stay mentally young and keep pushing forward

Strengthen Communication, Forge Synergy

Integrity

Integrity is a cornerstone of our sustainable growth

Right:

Never go the wrong way

Down-to-earth:

Always get the right things done

Sincerity:

Act honestly and treat others with veracity

Goodness:

Act for the good of others

Celebrate the Driven, Elevate the Visionary

Sustainability Strategy and Goals



Topic	Strategic Focus	Key Performance Goals	
Sustainable Governance	<ul style="list-style-type: none"> Launch the Sustainability ESG Management Office under the direct supervision of the Board of Directors, with the Chairman serving as the Director, and empower leading first-level department heads to promote the implementation of ESG initiatives. Conduct regular internal integrity training to significantly reduce various forms of corruption and bribery. Formulate the Code of Business Ethics in accordance with laws and regulations, and require all employees to sign the Integrity Commitment Letter for Duties. Require suppliers to comply with the "Eight Prohibitions and Two Requirements" policies. Establish relevant internal control measures aligned with the ISO 27001 Information Security Management System, including employee training on information security, regular audits of privileged accounts, and strengthened change management protocols. 	<ul style="list-style-type: none"> Based on 2023 as the baseline year, maintain a 100% signing rate of Integrity Agreements among all suppliers through 2030. Based on 2023 as the baseline year, maintain 0 incidents of confidential information leakage or loss through 2030. 	<p>Social Value</p> <ul style="list-style-type: none"> Promote a scientific and standardized compensation management system to provide all employees with competitive salaries and benefits aligned with market standards. Continuously invest in talent development, by tailoring skill enhancement programs based on employees' specialties and roles, and aligning training systems with the company's operational goals to build a complete career development framework. Implement the supply chain ESG management audit mechanism, to guide all suppliers to enhance their ESG risk identification and response capabilities through systematic assessments and evaluations. Establish a Safety Committee to regularly conduct security risk inspections, and carry out health and safety management for employees in accordance with ISO 45001:2018 Occupational Health and Safety Management System. Aohai Technology is committed to being a long-standing enterprise beneficial to humanity. While developing its business, it actively participates in social welfare activities, contributing to charity donations, poverty alleviation and assistance, and caring for the elderly. <p>Green Development</p> <ul style="list-style-type: none"> Aohai Technology, after the analysis and control of energy usage, applies green design and the green factory concept to develop efficient energy-generation, energy-saving and energy-transforming products and solutions promoting carbon reduction for itself and the industry. Aohai Technology actively responds to the "14th Five-Year Plan," vigorously developing clean energy. We continuously develop rooftop photovoltaics, investing significant resources in photovoltaic installations across factory areas. R&D is the cornerstone for achieving the sustainability. Aohai is committed to contributing to the reduction of GHG emissions and conserving the earth's resources through innovative processes and products, introducing the 4R (Reduce, Reuse, Recycle, and Recover) principles from the product life cycle. The Company has established the Exhaust Gas Management Regulations and Gas and Chemical Leak Handling Methods Management Systems to supervise and manage exhaust emissions. Purify exhaust gas by installing activated carbon exhaust gas treatment equipment to ensure emissions meet regulatory requirements.
			<ul style="list-style-type: none"> Based on 2023 as the baseline year, Maintain 0 incidents of violation infringing upon employees rights through 2030. Based on 2023 as the baseline year, maintain a 100% employee performance appraisal coverage through 2030. Based on 2023 as the baseline year, maintain a 100% participation rate in employee skills training through 2030. Based on 2023 as the baseline year, maintain 0 severe occupational injuries, 0 fire incidents, and 0 occurrences of occupational diseases through 2030.

Stakeholder Engagement

Aohai Technology places great importance on the expectations and needs of stakeholders to ensure transparency and collaborative development in ESG practices. The company has established stable communication mechanisms with government and regulatory agencies, investors, customers, suppliers, employees, and the community through regular meetings, surveys, supply chain partner dialogues, customer feedback, investor communications, employee forums, and social responsibility projects. The company prioritizes stakeholder opinions and suggestions on ESG issues to continuously optimize its sustainability strategy, enhance ESG governance standards, and foster win-win development with stakeholders.

Categories	Stakeholders	Concerned issues	Communication channel	Responsible department
External stakeholders	Government and regulatory agencies	<ul style="list-style-type: none"> Addressing climate change Energy management and greenhouse gas Environmental compliance Occupational health and safety R&D and innovation Responsible supply chain management Corporate Governance Risk control Tax administration 	Meeting Notification Announcement	President's Office
	Investors	<ul style="list-style-type: none"> Addressing climate change Energy management and greenhouse gas Financial performance Responsible care Innovation and R&D Investor relations Corporate Governance 	Phone call Mail	Board Office
	Customers	<ul style="list-style-type: none"> Business ethics Customer service Responsible care R&D and innovation Information security and privacy protection Addressing climate change Energy management and greenhouse gas Green product 	Phone call Mail	Marketing Center
	Suppliers and business partners	<ul style="list-style-type: none"> Occupational health and safety Responsible supply chain management Occupational health and safety Responsible care Business ethics 	Phone call Mail SRM (Supplier Relationship Management) system	Supply Center

Categories	Stakeholders	Concerned issues	Communication channel	Responsible department
External stakeholders	Community Residents / Public Welfare and Charitable Organizations	<ul style="list-style-type: none"> Public welfare Environmental compliance 	Meeting Notification Announcement	President's Office
	Media / Public	<ul style="list-style-type: none"> Information disclosure Biodiversity 	Meeting Notification Announcement	President's Office
	Industry Associations	<ul style="list-style-type: none"> Innovation and R&D 	Meeting Notification Announcement	President's Office
	Directors, Supervisors, and Executives	<ul style="list-style-type: none"> Corporate Governance Risk control Business ethics 	Phone call Mail Meeting	Board Office
Internal Stakeholders	General Employees	<ul style="list-style-type: none"> Occupational health and safety Protection of employees' rights and interests Employee diversity and equal opportunity Employee training and development Talent attraction and retention 	Phone call Mail Work's representatives Survey questionnaire	Human Resources and Administration Center

Material Topic Analysis

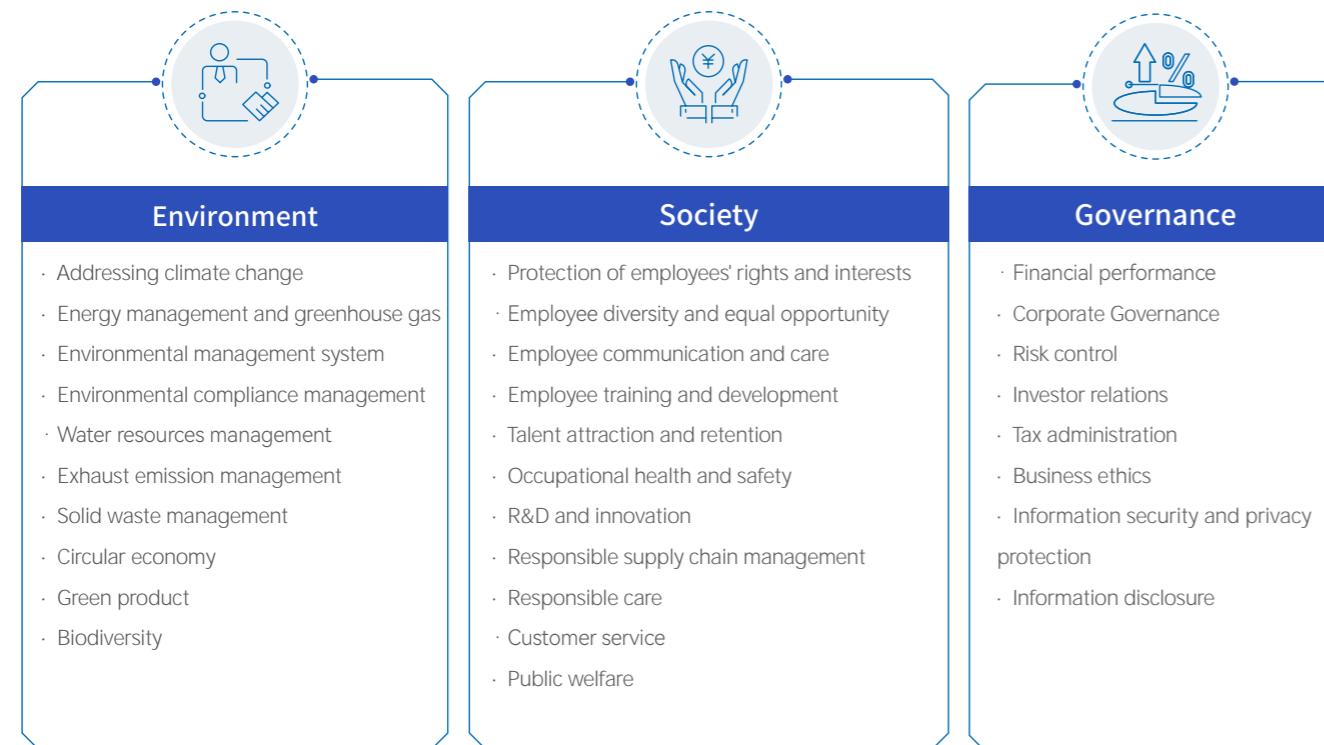
To better implement ESG strategic planning, risk and opportunity management, and information disclosure, Aohai Technology has established a regular mechanism for identifying and evaluating ESG material topics. In 2024, the Company, based on the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial) and referencing the Global Reporting Initiative (GRI) standards, compiled a list of ESG topics and conducted its first double materiality assessment. This assessment builds upon previous impact materiality assessment by incorporating financial materiality analysis, forming a double materiality matrix that provides solid data support for its sustainability strategy, thereby ensuring alignment between ESG strategy, stakeholder expectations, and changes in internal and external environments.

ESG Topic Materiality Analysis Process:



Potential Topics Identification

The company identifies 29 potential ESG material topics based on its business operations and changes in internal and external environments, regulatory requirements, industry standards, and feedback from stakeholders and external expert consultations.



Stakeholder Survey

Through a questionnaire survey, the company collected stakeholders' opinions on the actual or potential economic, societal, and environmental impact of various ESG topics, assigning quantitative scores. A total of 412 valid questionnaires were collected.

Impact Materiality Analysis

Based on the survey results, the impact materiality of each topic was ranked.

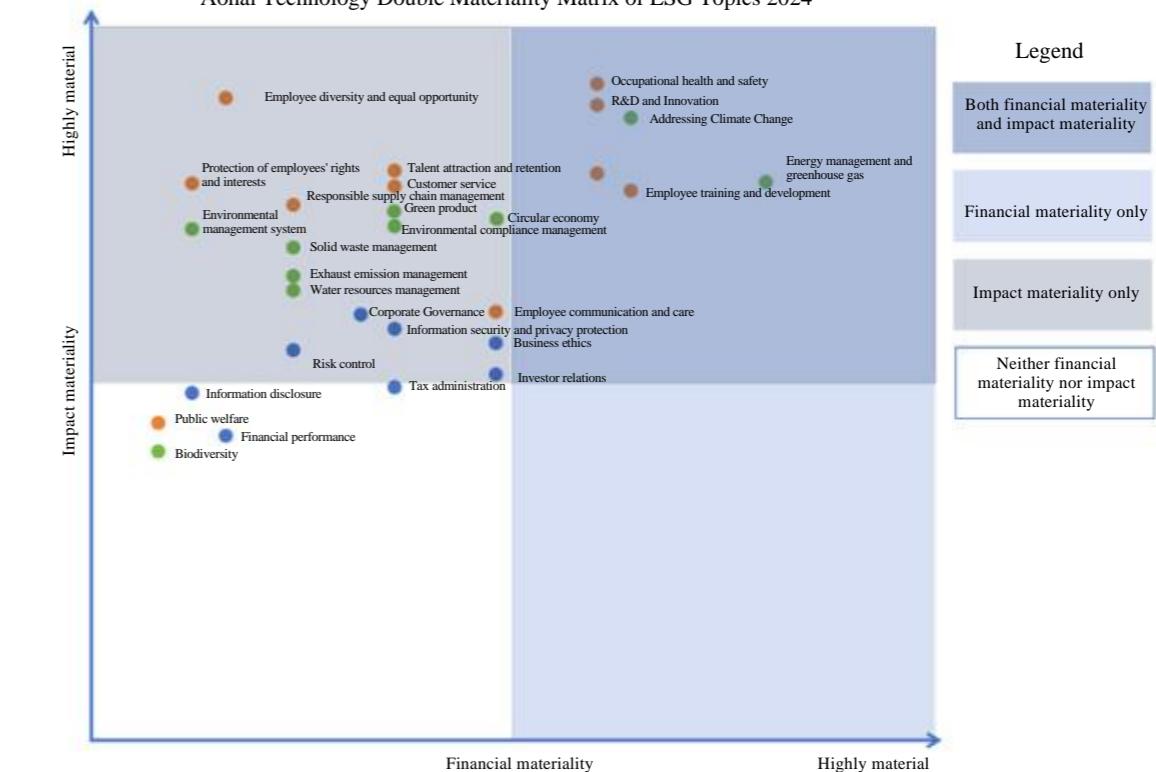
Financial Materiality Analysis

By combining the financial statements, the company analyzed whether each topic is expected to significantly impact the company's business model, business operations, development strategy, financial condition, operating results, cash flow, financing methods, and costs in the short, medium, or long term. Topics are then ranked based on the likelihood and severity of financial impact.

Double Materiality Matrix

The Company integrated the analysis results of "Impact Materiality" and "Financial Materiality" to create a double materiality matrix. The six topics identified as having double materiality are addressing climate change, R&D and innovation, occupational health and safety, responsible care, energy management and greenhouse gas, and employee training and development.

Aohai Technology Double Materiality Matrix of ESG Topics 2024



2024 Awards and recognition

In 2024, Aohai Technology received several prestigious awards and honors for its outstanding technological innovation, product quality, and industry-leading market performance, further reinforcing its leadership in the smart terminal power supply field. These honors reflect the strong recognition from customers and the industry for Aohai Technology and highlight the company's ongoing contributions to technological breakthroughs, quality management, standard formulation, and corporate social responsibility. The company was recognized by various government entities, industry organizations, and partners, successively receiving honors such as National "Little Giant" Firm, National IPR Template Enterprise, National-level Manufacturing Single-item Champion, Provincial Engineering Technology Research Center, Provincial Doctoral Workstation, Provincial Industrial Design Center, Top 500 Manufacturing Enterprises in Guangdong, National High-Tech Enterprise, and Customer Excellent / Strategic Supplier Awards.



National-level Manufacturing Single-item Champion awarded the K-Design Award.



Lead Drafting Organization of Group Standards for Technical Requirements for Carbon Reduction Assessment—Electronic Products



Beetle Charging Pile



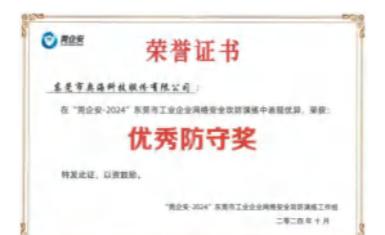
7th Chinese Design Award—35W-7,000mA Split-type Magnetic Charging and Storage Charger



High-Tech Enterprise



Top 10 Digital Transformation Benchmark Enterprises of 2024



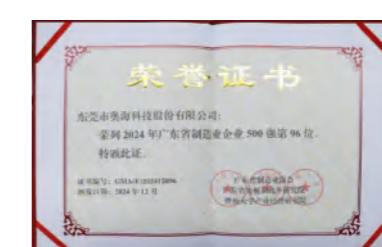
Information Security "Outstanding Defense Award"



Dongguan Capital Market 30th Anniversary – Guanyi Tribute - High-Quality Development Enterprise - Aohai Technology



Executive Director Unit of China Power Supply Society



Ranked 96th in Top 500 Manufacturing Enterprises in Guangdong of 2024



EcoVadis Silver Medal



Golden Pin Design Award



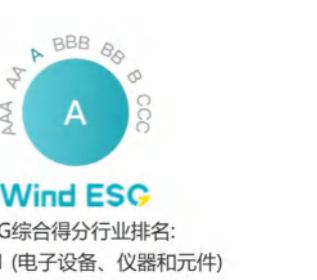
Dongguan Cup - Photovoltaic Energy Storage Inverter - DID Award



Dongguan Cup - Beetle Charging Pile - DID Award



Ji'an Mayor Quality Award



Wind ESG Rating

04

DISCIPLINED INNOVATION SUSTAINABLE GOVERNANCE

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Aohai Technology, guided by the principles of "Disciplined Innovation and Sustainable Governance," has established a standardized and transparent corporate governance structure, ensuring scientific decision-making and efficient operations; actively builds bridges for communication with investors, safeguarding their rights to information and participation; adheres to the principles of truthfulness, accuracy, and completeness to ensure timely and effective information disclosure; enhances its tax management system and proactively fulfills its corporate social responsibilities; establishes a comprehensive risk management framework to ensure stable operations; upholds business ethics and opposes any form of commercial bribery and unfair competition, and safeguards a fair market environment; and improves its information security management system to protect company information and data security, safeguarding both corporate interests and customer privacy.



CORPORATE GOVERNANCE

Aohai Technology consistently adheres to legal and compliant operation, strictly following the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Shenzhen Stock Exchange Stock Listing Rules, Guidelines on Bylaws of Listed Companies, Code of Corporate Governance for Listed Companies, and Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange—Standard Operation for Listed Companies on the Main Board, as well as other relevant laws and regulations and regulatory requirements. With sustainable governance at its core, the company strengthens its internal control and compliance system, steadily advancing across multiple dimensions such as corporate governance, investor relations, information disclosure, tax management, risk management, business ethics, and information security management.

Corporate Governance Structure and Operational Mechanism

The Company has established a decision-making, execution, and supervision system structured around the General Meeting of Shareholders, Board of Directors, Board of Supervisors, and the Management.

General Meeting of Shareholders

It is the company's authority body and is divided into the Annual and Extraordinary General Meetings of Shareholders, with the Annual General Meeting of Shareholders held once a year.

Board of Directors

It is the company's standing decision-making body. It exercises the powers granted by laws and regulations, the Articles of Association, and the General Meeting of Shareholders, and is accountable to the General Meeting of Shareholders. The Board of Directors

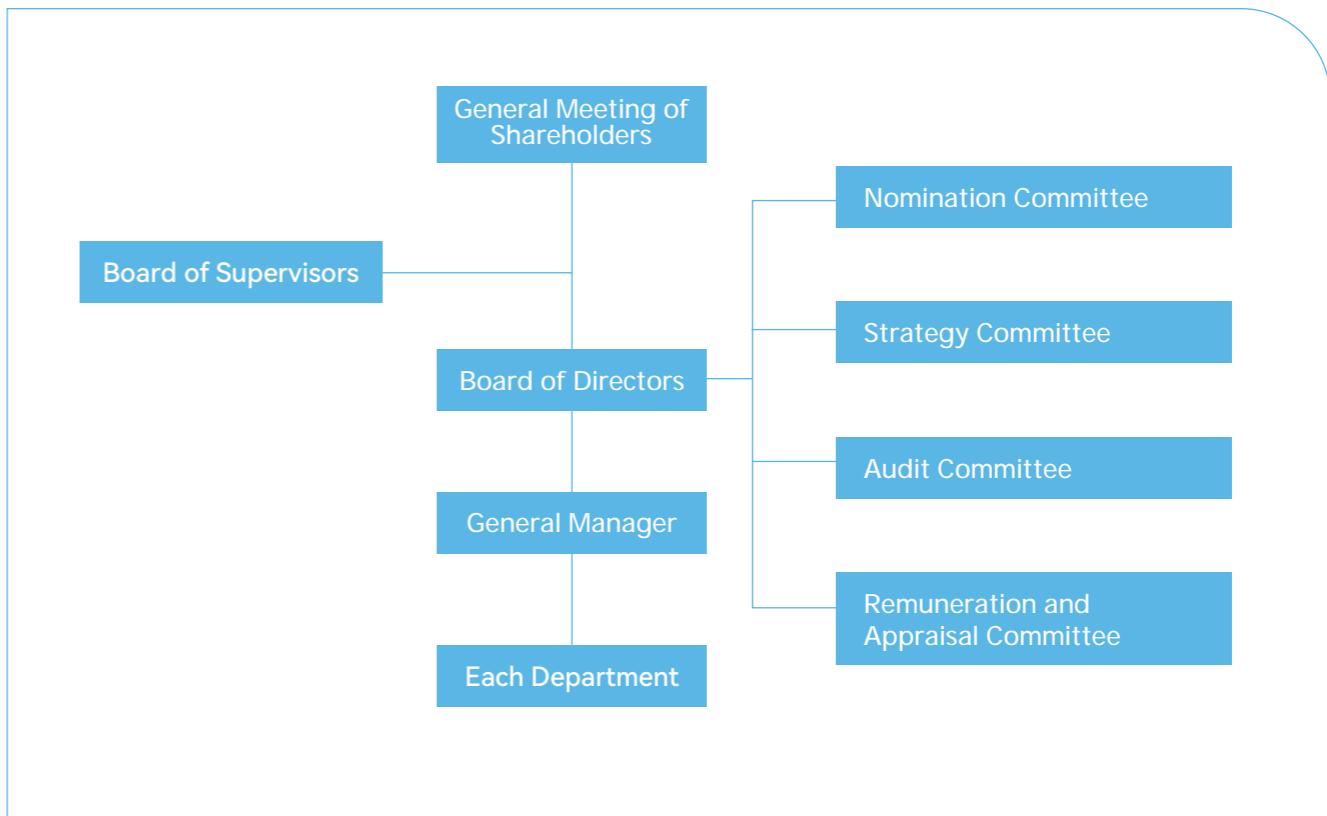
has established four special committees, namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Strategy Committee. The composition of these special committees under the Board of Directors is determined by the General Meeting of Shareholders,

while their operational guidelines are formulated by the Board of Directors. Changes in committee members are determined through elections by the Board of Directors. Each special committee is responsible to the Board of Directors and performs its duties in accordance with the Articles of Association and the powers delegated by the Board of Directors.

Board of Supervisors

It serves as the company's supervisory body, accountable to the General Meeting of Shareholders, and oversees the performance of directors and senior management. The Board of Supervisors comprises 3 supervisors, including one chairperson, and no less than one-third of the supervisors are employees' representatives.

The compensation proposals for the company's directors, supervisors, and senior management are drafted by the Human Resources and Administration Center, reviewed by the Remuneration and Appraisal Committee, and finally submitted to the Board of Directors or the General Meeting of Shareholders for approval. Compensation for directors and supervisors is approved by the General Meeting of Shareholders while that for senior management is approved by the Board of Directors.



Diversity and Capacity Building of the Board of Directors

The Board of Directors consists of 1 Chairperson and 7 members, which includes 3 independent directors, accounting for 42.86%, and 1 female director, accounting for 14.29%.

The Company consistently adheres to the principles of diversity and professionalism, ensuring a well-balanced Board structure and the diverse decision-making perspectives. During the selection process, the Company prioritizes seasoned senior experts in corporate governance, corporate development strategy, and the industry sector to ensure a high-level governance support and advance the company's sustainability at a higher level. They bring broader international perspectives and lay a solid foundation for improving the company's global governance framework.

Members	7
Independent Directors	3
Female Director	1

Proportion

42.86 %

Proportion

14.29 %

Board Member Profiles

Liu Hao, male, born in December 1976, Chinese nationality, no permanent residency abroad, bachelor's degree. Since June 2017, he has served as the Chairman and General Manager of the Company, Executive Director and Manager of Dongguan Aozhou, and Director of Hong Kong Aohai; since August 2021, he has served as Director of Singapore Aohai; since February 19, 2024, he has served as Director of Singapore Aohai Energy Storage; since November 29, 2024, he has served as Director of Cayman XIHI.

Liu Lei, female, born in November 1979, Chinese nationality, no permanent residency abroad, bachelor's degree. Since June 2017, she has served as Director of the company. Since August 2021, she has served as Director of Aohai Singapore; since November 2023, she has served as Director of Aohai Hong Kong; Since February 19, 2024, she has served as Director of Aohai Energy Storage Singapore.

Liu Xu, male, born in June 1971, Chinese nationality, no permanent residency abroad, associate degree. Since June 2017, he has served as Director and Deputy General Manager of the company. Since February 2021, he has served as Executive Director and General Manager of Shenzhen Haike; since April 2021, he has served as Director of Hong Kong Aoda; since January 2022, he has served as Director of America Aoda; since August 2022, he has served as Executive Director and General Manager of Shenzhen Aoda

Kuang Cuisi, male, born in December 1978, Chinese nationality, no permanent residency abroad, bachelor's degree. From June to September 2017, he served as Deputy General Manager of the company; since September 2017, he has served as Director and Deputy General Manager of the company.

Yan Xinjie, male, born in October 1982, Chinese nationality, no permanent residency abroad, bachelor's degree. From April 2019 to March 2024, he served as Senior Accountant and Certified Public Accountant; since June 2023, he has served as Independent Director of the company.

Zhou Dehong, male, born in January 1989, Chinese nationality, no permanent residency abroad, doctoral candidate, professor. From August 2020 to June 2024, he served as University Researcher and Doctoral Supervisor; since July 2024, he has served as University Professor and Doctoral Supervisor; since June 2023, he has served as Independent Director of the company.

Guo Jijun, male, born in December 1974, Chinese nationality, no permanent residency abroad, bachelor's degree. Since March 2001, he has served as Lawyer; since June 2023, he has served as Independent Director of the company.

Case: Board of Directors Organized ESG Standard Learning Session in 2024

To further enhance director's awareness of ESG (Environment, Social, and Governance) and strengthen the execution of sustainable development strategy, the Board of Directors of Aohai Technology organized a specialized training in 2024, focusing on in-depth discussions of ESG-related policies and standards. Through this learning session, directors gained a deeper understanding of the importance and specific requirements of ESG information disclosure, providing a more strong theoretical basis for future strategic decision-making in the field of sustainable development.



Key Performance

Year	2024	2023	2022
Number of General Meetings of Shareholders held	2	4	7
Number of issues reviewed at General Meeting of Shareholders	16	20	24
Attendance rate of external directors	100%	100%	100%
Number of Board Meetings held	3	5	7
Number of issues reviewed at Board Meeting	25	39	43
Number of Supervisory Board Meetings held	3	5	6
Number of issues reviewed at Supervisory Board Meetings	20	24	30

Investor relations

Aohai Technology strictly complies with the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Shenzhen Stock Exchange Stock Listing Rules, Work Guidelines for the Investor Relations Management of Listed Companies, Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange—Standard Operation for Listed Companies on the Main Board, and the Articles of Association. Based on the actual circumstances of the company, it has formulated the Investor Relations Management System to clarify the basic principles and content of investor relations management, strengthen communication with investors, and effectively safeguard investors' legitimate rights and interests.

Expanding communication channels

The Company continuously improves diversified communication channels with investors and designates the Board Secretary as the person responsible for investor relations management. The Company communicates with investors in the ways including but not limited to periodic reports and interim announcements, performance briefings, General Meetings of Shareholders, the Company website, one-on-one communication, mailing materials, telephone inquiries, on-site visits, analyst meetings, and roadshows. The Company strives to maintain timely, in-depth and extensive communication with investors through various channels, fostering close interactions with investors to enhance their understanding and recognition of Aohai Technology, thereby improving corporate governance, maximizing overall corporate interests, and protecting the legitimate rights and interests of investors, especially minority shareholders.

Transparent Information Disclosure

The company has revised the Information Disclosure Management System to ensure timely, compliant, truthful, and complete disclosure of all relevant information, including the Prospectus, Offering Circular, Listing Announcement, Periodic Report, and Interim Report. The company designated Cninfo, Securities Times, China Securities Journal, Shanghai Securities News, and Securities Daily as its official information disclosure channels, ensuring that all stakeholders can promptly access information related to the company's operations.

Key Performance

Year	2024	2023	2022
Number of periodic reports disclosed	6	7	6
Number of interim announcements disclosed	79	117	180
Number of investor communication activities conducted	3	8	5

Tax administration

The company strictly complies with the Corporate Income Tax Law of the People's Republic of China and the Value-Added Tax Law of the People's Republic of China, and other applicable laws, fostering a sound awareness of tax obligations and post-tax risk planning to ensure all tax-related activities are lawful and compliant. The Company regularly monitors developments in tax-related regulations and tax policies, establishes and improves the internal accounting system, implements tax strategies according to the laws, and firmly resists any actions that may affect tax credit rating. As a supervision means of tax administration, the Company employs third-party accounting firms to conduct tax audits on an annual basis.

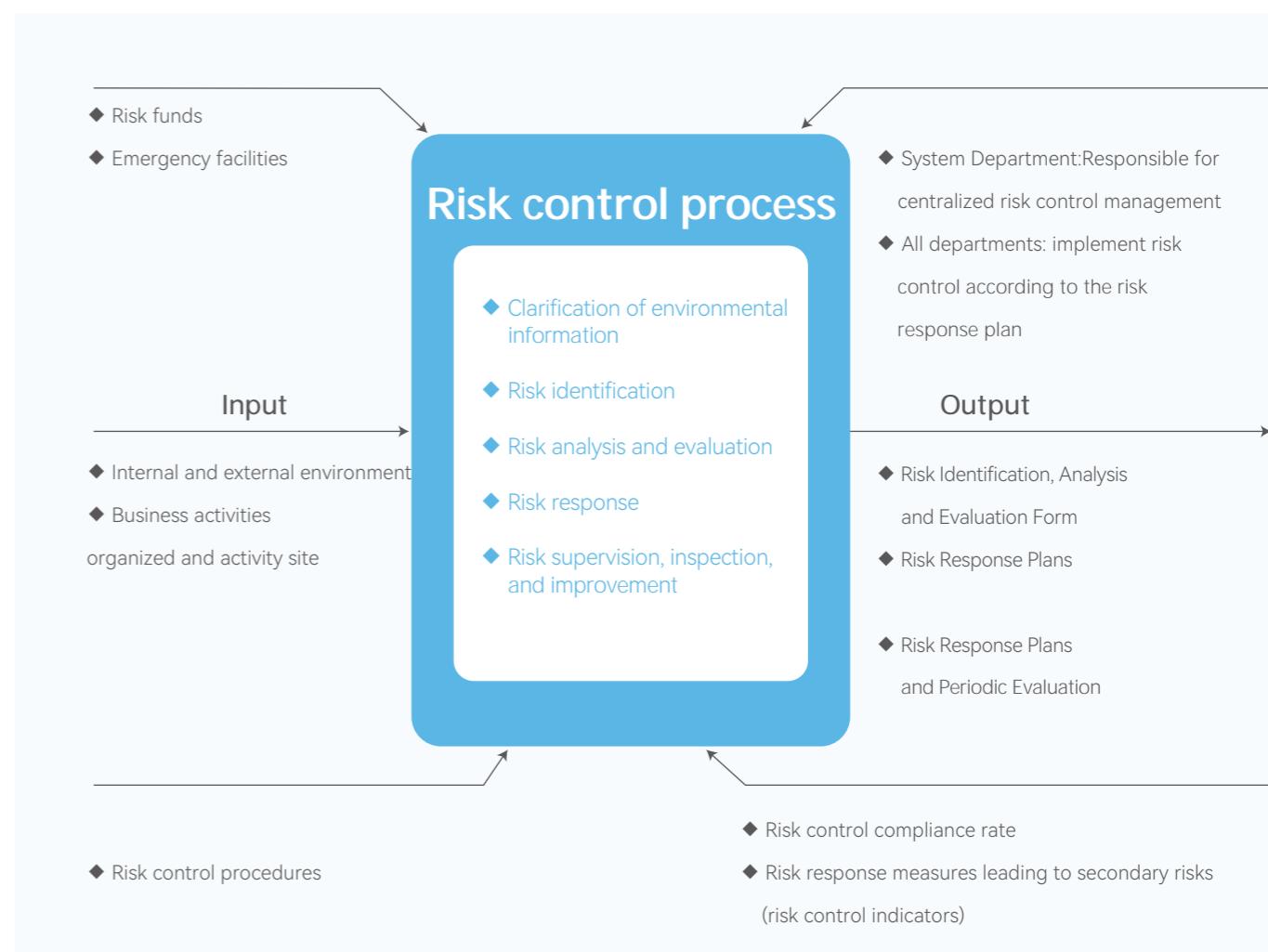
In 2024, Aohai Technology submitted tax declarations on time, paid taxes in full, mitigated tax risks, and actively fulfilled its tax obligations. The company was honored with the title of "A-level Tax Credit Enterprise" by the State Taxation Administration of the People's Republic of China.

RISK CONTROL

Adhering to the business principles of "lawful operations, institutionalization, and standardization," Aohai Technology continuously enhances and improves risk management and internal control work. The Company uniformly formulates and regularly revises relevant governance guidelines, systems, standards, contractual agreements, and ethical norms to strengthen internal control, prevent legal and regulatory risks, and ensure the lawful and compliant conduct of all business and operational activities, thereby providing a strong guarantee for the Company's steady development.

Risk Management Process

The Company has established Risk Control Procedures to systematically identify corporate risks based on internal and external environmental information. Through scientific risk analysis and evaluation, it formulates corresponding risk response plans to ensure the sustainability and compliance of business operations.



Risk Identification and Response Strategy

For different types of risks, the company formulates differentiated response measures to ensure risks are controllable and convertible to growth opportunities. Meanwhile, the company dynamically monitors risk changes, conducts at least one comprehensive risk assessment annually, and verifies the effectiveness of measures through audits and internal control testing.

Aohai Technology Risk Identification and Response Plan 2024

Risk type	Risk issue	Response plan
Operational Risk	Raw material suppliers: Primarily includes fluctuations in raw material price, quality and delivery schedule, procurement fraud, and negligence by procurement personnel, leading to discrepancies in material quantity and quality of raw materials.	<ul style="list-style-type: none"> Sign long-term agreements with suppliers to lock in prices or establish a price linkage mechanism. Diversify procurement channels and establish a backup supplier list to avoid single-source dependency. Introduce a digital procurement platform to enhance process transparency and traceability, preventing procurement fraud and negligence.
	Employee risk: Risks caused by the negligence of procurement personnel, service personnel, technical personnel, and other production management personnel, as well as risks related to the resignation of key personnel in various positions.	<ul style="list-style-type: none"> Build a talent pipeline for core positions and implement a mentorship system for knowledge transfer. Provide competitive salary and implement a mentorship system for knowledge transfer. Sign the non-compete agreement and the confidentiality agreement. Regularly conduct job training and risk awareness programs. Standardize operating procedures (SOP) and implement dual-person verification. Link performance assessment to risk responsibility.
	Equipment: Unexpected failures or even damage to production equipment.	<ul style="list-style-type: none"> Develop a regular equipment maintenance plan and use Internet of Things (IoT) technology to monitor operational status. Stock critical equipment spare parts and establish a rapid repair response mechanism. Sign priority service agreements with equipment manufacturers or lease backup equipment. Flexibly allocate production capacity across production lines to reduce the impact of downtime.
	Supply chain risk: Mainly includes risks such as breaches by suppliers and customers, as well as disruptions in supply or sales channels.	<ul style="list-style-type: none"> Sign long-term framework agreements to specify delivery time, quality standards, and liability for breach. Diversify supplier layout to avoid reliance on a single source. Establish regional warehouses or localized procurement near major markets to reduce long-distance transportation dependency.
	Legal disputes: Potential legal disputes such as consumer complaints.	<ul style="list-style-type: none"> Improve the after-sales service process to quickly respond to complaints and prevent escalation to litigation. Clearly define the coverage of product liability insurance to transfer part of the risk.

Risk type	Risk issue	Response plan
Market Risks	Market capacity: Inappropriate method in market capacity assessments may lead to an inaccurate demand amount of market target for the products, resulting in production exceeding actual demand and increasing the company's investment risk.	<ul style="list-style-type: none"> Adopt multi-dimensional research methods to segment the target market, and identify the core customer group and their consumption habits. Forecast demands using historical sales data and market trends (such as GDP, population structure, policy change).
	Market competitiveness: Inaccurate competitor analysis may result in overestimation or underestimation of the competitiveness of our products, leading to expectation risk.	<ul style="list-style-type: none"> Maintain a competitor database and provide regular updates on their products, prices, channels, and marketing strategies. Identify the company's core competitive advantages (such as technology, cost, brand, and service) and devise precise strategies to target the competitor's weaknesses. Track the actual performance of competitor products through customer feedback, sales team insights, and social media monitoring.
	Price risk: The price risk of products is influenced by factors such as cost, quality, reputation, customer consumption, and other aspects.	<ul style="list-style-type: none"> Develop a dynamic pricing strategy to maintain profitability and competitiveness while avoiding price war. Sign long-term price agreements with suppliers to lock in costs of key raw materials. Streamline production processes and implement lean production to reduce costs.
Product Risks	Product defects will lead to returns, exchanges, and repairs.	<ul style="list-style-type: none"> Strengthen the company's quality management system to ensure full process testing on raw materials, semi-finished products, and finished products, monitoring production stability, and reducing defect rates. Establish a rapid response mechanism.
	The sales of off-season and peak-season products affect customer procurement and indirectly impact company product production and inventory.	<ul style="list-style-type: none"> Analyze the historical sales data to identify seasonal trends and develop dynamic production plans. Adopt the "made-to-order production + safety stock" strategy to balance inventory pressure.
Environmental Risks	Cultural environment: Primarily reflected in the varying consumption habits of people across different time periods, regions, and ethnicities.	<ul style="list-style-type: none"> Regularly conduct consumer behavior studies (such as focus groups and big data analysis) to promptly capture changes in consumption habits. In regions with significant differences in consumption habits, cooperate with local distributors and leverage local teams to optimize marketing efforts.

Risk type	Risk issue	Response plan
Environmental Risks	Policy environment: Changes in national macroeconomic policy, economic environment, and local policies indirectly affect the necessary conditions for corporate funding and corporate operations.	<ul style="list-style-type: none"> Establish a government relations team to track policy trends related to fiscal, taxation, industry, and environmental protection. Join industry associations to gain early access to policy revision updates (e.g., environmental standards upgrade). Conduct regular reviews of corporate operations (e.g., taxation, employment) to ensure compliance with the latest regulations.
	Economic environment: Changes in interest rate, exchange rate, inflation, or deflation.	<ul style="list-style-type: none"> Fixed-rate loan: Sign long-term loan agreements during the low-interest-rate periods to lock in costs. Introduce premium product upgrades to justify price increases during inflationary periods; launch affordable products during deflation periods to maintain sales volume.
Financial Risks	Risks in the financing/fundraising process include the cost of risk financing and numerous regulatory restrictions, increasing the uncertainty in fundraising efforts.	<ul style="list-style-type: none"> Establish diversified financing channels, set up a dedicated policy research position to track financial regulatory trends in real time, and proactively prepare multiple financing contingency plans.
	Risks during debt repayment: Primarily influenced by the interest rate, volatility, leading to increased repayment risk.	<ul style="list-style-type: none"> Maintain a reasonable proportion between floating-rate debt and fixed-rate debt. Conduct monthly cash flow stress testing.
	Risks during fund utilization: Primarily manifested in short-term liquidity risk and long-term investment risk.	<ul style="list-style-type: none"> Implement a "three-tier capital budgeting" system (annual/quarterly/monthly). Establish a fund usage approval authority matrix.
	Risks in fund recovery: Delays in accounts receivable may lead to a higher incidence of bad debts.	<ul style="list-style-type: none"> Establish a dynamic customer credit rating system. Link sales collections directly to performance assessment.
	Risks in profit distribution: Primarily reflected in recognition risks and improper profit distribution to investors.	Develop appropriate profit distribution management measures and expand communication channels with investors.

Strengthen Internal Audit and Internal Control

The company Audit Committee oversees the Audit Department, which is responsible for conducting comprehensive audits of key areas such as financial operations, business marketing, procurement activities, safety management, and environmental projects across all functional departments and business lines of the company.

The Audit Department strictly adheres to the Company Law and Securities Law, and has established an Internal Audit Management System. Quarterly evaluations are conducted to objectively evaluate the company's regulatory compliance and risk control mechanisms. Any identified deficiencies are reported to the Board of Directors and Audit Committee following internal audit and supervisory work procedures. The department also supervises corrective actions to drive integrated development of compliance, risk control and internal control management. In 2024, we conducted a total of four compliance reviews for the listed company, and no non-compliance issues were identified.



BUSINESS ETHICS

Aohai Technology has always adhered to the principle of integrity in business operations and continuously improves its business ethics management system to promote a culture of integrity through institutionalized and systematic approaches. At the same time, it actively promotes the extension of integrity culture. Externally, it strengthens anti-corruption management among suppliers and advocates for responsible business partnerships; internally, it enhances employee awareness of integrity through ethics education, reinforcing the moral defense across the workforce. Additionally, the company has established a smooth and efficient whistleblowing mechanism, encouraging employees and external partners to report non-compliant behaviors, fostering a positive interactive integrity ecosystem, and laying a solid foundation for the enterprise's sustainable development.

Business Ethics Management System

Anti-corruption and Anti-bribery

Aohai Technology adheres to the management philosophy of integrity, self-discipline and compliance operation. It has developed and implemented the Anti-corruption and Anti-bribery Control Procedures and the Code of Business Ethics. These management systems apply not only to all employees of the company but also to suppliers, contractors, agents, business partners, and other relevant stakeholders, ensuring that business activities are conducted in a lawful and fair environment. The Anti-corruption and Anti-bribery Control Procedures explicitly prohibit bribery, benefit transfer, abuse of power for personal gain, and other improper behaviors. The Code of Business Ethics further clarifies the ethical standards and professional conduct required of the company and its employees in business dealings, including integrity in business, fair competition, conflict of interest management, information protection, and supply chain social responsibility. In 2024, we conducted six internal audits focused on anti-corruption and anti-bribery, and no violations and misconduct related to corruption that significantly impacted the company were identified.



Jiangxi Aohai
ISO 37001 Certificate

The company has established a sound business ethics management system, committed to building a corporate culture of integrity, efficiency, and responsibility and a fair and competitive business environment. By the end of 2024, Jiangxi Aohai has obtained ISO 37001 Anti-Bribery Management System certification.

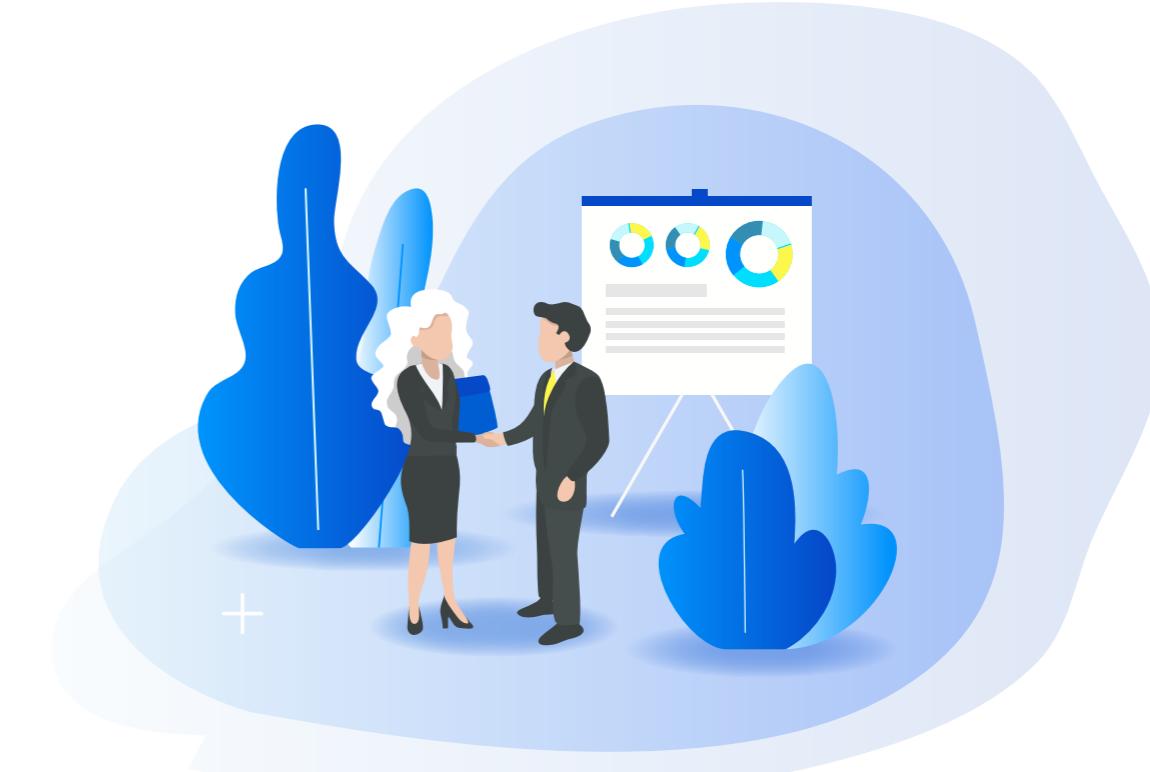


In 2024, we conducted internal audits related to anti-corruption and anti-bribery of

6 times

Violations and misconduct related to corruption that significantly impacted the company is

Zero



Anti-unfair Competition

Aohai Technology adheres to the principle of fair competition, strictly complies with the Anti-Unfair Competition Law and other relevant laws and regulations, and formulates the Fair Trade and Advertising Competition Control Regulations to prevent false advertising, commercial defamation, and infringement of trade secrets. Meanwhile, the company strengthens compliance training for employees to raise awareness of legal requirements and ethical self-discipline, ensuring all market competition activities are conducted in a lawful and transparent manner. Additionally, the company advocates for industry self-regulation, actively participates in industry standards development and exchange, and works collaboratively to promote a fair, just, and transparent market order, contributing to high-quality industry development.

Key Performance

Year	2024	2023	2022
Number of confirmed cutthroat competition incidents	0	0	0
Number of confirmed major corruption incidents	0	0	0

Integrity Culture Development

Integrity Policy Advocacy to Third-Party

Aohai Technology consistently upholds the principles of integrity and honesty in its dealings with third parties. All suppliers are required to strictly comply with the "Eight Prohibitions and Two Requirements" policies to ensure fairness, impartiality, and transparency throughout procurement and collaboration processes. To further strengthen the culture of integrity, the company signs the Code of Integrity Conduct and the Integrity Agreement with suppliers, clearly defining the basic principles and binding mechanisms for ethical collaboration. Additionally, during key holidays such as the Spring Festival, Dragon Boat Festival, Mid-Autumn Festival, and National Day, the company issues integrity advocacy emails to suppliers, reiterating the requirements for ethical business practices and reminding them to always uphold the baseline of business ethics. The company also regularly hosts supplier conferences to enhance communication around integrity, promote compliance policies, and jointly build an integrity and upright business environment that supports long-term healthy development between the company and its supply chain.

Case: Supplier Conference in 2024

At 2024 Supplier Conference, Aohai Technology emphasized the importance of integrity supervision and reiterated the company's firm commitment to integrity and compliance. The conference focused on core topics such as anti-corruption, anti-commercial bribery, and ethical business practices. All attending supplies were reminded of the specific requirements outlined in the Code of Business Ethics and the "Eight Prohibitions and Two Requirements" policies and were required to strictly comply with these regulations to uphold a fair, just, and transparent cooperative environment.



Key Performance

Year	2024	2023	2022
Signing rate of Code of Integrity Conduct and Integrity Agreement by suppliers	100%	100%	100%
Number of integrity advocacy sessions conducted for suppliers	3	3	3

Internal Integrity Culture Development

Aohai Technology places great emphasis on building an internal culture of integrity and is committed to fostering an integrity and upright work environment to ensure operational compliance and transparency. All employees are requested to sign the Commitment Letter of Official Duty Integrity to strengthen the awareness of ethical conduct in the workplace, ensuring that they strictly comply with laws, regulations, and company rules during the performance of their duties, and eliminating any form of corruption or misconduct. Additionally, the company organizes regular training sessions on compliance and integrity for employees in high-risk procurement positions and for senior management. These sessions focus on professional ethics, integrity in duty performance, anti-corruption, and anti-commercial bribery to enhance employees' legal and compliance awareness, fortify a defense for integrity, and comprehensively promote the thorough implementation of the company's integrity culture.

Key Performance

Year	2024	2023	2022
Signing rate of the Commitment Letter of Official Duty Integrity	100%	100%	100%
Number of compliance and integrity training sessions conducted	5	5	4
Coverage rate of compliance and integrity training for employees in high-risk positions	100%	100%	100%

Case: Employee Compliance and Integrity Training in 2024

In September 2024, Aohai Technology organized training sessions on compliance and integrity training for its employees, aiming to reinforce legal awareness and ethical conduct. The training covered topics such as integrity commitments, anti-corruption policy, case analysis, and risk prevention, equipping employees with the ability to identify and resist unethical behaviors. Through the training, the Company further reinforced its operational philosophy of "Integrity, Transparency, and Compliance," advancing the development of an ethical corporate culture.



Whistleblower Mechanism

Aohai Technology encourages both employees and suppliers to report disciplinary violations and illegal behavior within the company in accordance with the law. The company has formulated the Whistleblower Protection Management Regulations to ensure that suppliers and employees can exercise their rights to report in accordance with laws, while protecting their legitimate interests. Reports can be made through various channels, including in-person communication, letters, and phone calls. Aohai Technology strictly protects the identity of whistleblowers to prevent retaliation and ensures fairness in the reporting process. The company has also implemented a whistleblower reward system to motivate employees and suppliers to actively report misconduct, ensuring that all reports are promptly and appropriately addressed.

Reporting email: ahaudit@aohai.com

Reporting hotline: 13538261122

Reporting website: <http://www.aochachina.com>

Key Performance

Year	2024	2023	2022
Rate of handling business ethics-related report	100%	100%	100%



INFORMATION SECURITY

Aohai Technology places great importance on data security and privacy protection, and has established a comprehensive information security management system based on ISO 27001 Information Security Management System certification. The company has established strict safety management systems, including data classification and tiered protection, enhanced network security protection, and establishment of emergency response mechanisms to ensure the secure and stable operation of business activities. Additionally, the company promotes systematized training programs to enhance employees' security awareness.

Information Security Management System

The company's information security management system is built upon a series of regulations and inter-department collaboration to safeguard the security of all business operations. The system includes the Information Security and Confidentiality Management Regulations, Measures for Key Information Security Positions, Production Information Security Management System, Trade Secret Management Procedures, and Key Business System Data Management Mechanism, comprehensively covering all aspects of information security. As of the end of 2024, Dongguan Aohai's Dongguan Industrial Park No. 1 and Dongguan Technology Park 3 have obtained ISO 27001 Information Security Management System certification.



ISO 27001 Certificate for
Dongguan Industrial
Park No. 1



ISO 27001 Certificate for
Dongguan Technology
Park 3

Implementation and Protection of Information Security

The company strictly enforces protection measures for customer privacy and trade secrets, building a robust security defense through three dimensions: data encryption and access control, network security, and monitoring and response.

Data Encryption and Access Control

The company employs advanced encryption technology and access control mechanisms, implementing a tiered and categorized data management system based on sensitivity levels. This ensures that data of varying classifications meets appropriate security standards throughout storage, processing, and access stages. The customer privacy information is collected solely to the extent necessary, with clear notification of its purpose and prior consent obtained. Sensitive information is encrypted during storage and subject to strict access controls to ensure customer privacy protection. When sharing data, the company signs confidentiality agreements with third parties and performs the shared data masking, clearly defining its scope of usage to prevent misuse.

Network Security

From the technical standpoint, the company adopts an enterprise-grade firewall to block unauthorized external access and regularly updates firewall policies. This defense is complemented by intrusion detection and prevention system (IDS/IPS), virtual private network (VPN), and other technologies that analyze network traffic and access behaviors in real time to accurately identify and intercept potential security threats. Additionally, the company has deployed a data loss prevention (DLP) system to monitor data transmission and storage in real time, ensuring that any potential data leakage events can be promptly identified and effectively addressed.

Monitoring and Response

The Company adopts the extended detection and response (XDR) platform for continuous threat monitoring, complemented by the optimized security rules and automated playbooks, to achieve intelligent identification of abnormal behavior and potential threats. Once a security incident is detected, the system can automatically initiate a response process, which includes isolating affected devices, cutting off malicious network connections, and alerting the security team, complemented by automated tools to quickly handle common security incidents, significantly reducing response time, improving the efficiency of security incident handling, minimizing risks, and ensuring stable business operations.

Key Performance

Year	2024	2023	2022
Information leakage incident	0	0	0
Number of verified complaints involving the infringement of customer privacy violation	0	0	0

Information security training

Aohai Technology places great importance on information security training and has established a systematic and standardized training system. The training covers a broad range of topics, including fundamental knowledge of information security, key technology applications, compliance requirements, and case analysis. The company has compiled a Practical Handbook on Information Security as a guide for all employees. This handbook provides detailed explanations of the company's information security policy, data classification and protection measures, common security risks, and prevention methods. It provides convenient learning resources and references to help them better adhere to safety specifications in their daily work. Through systematic information security training and testing, the Company continuously strengthens the security responsibility awareness of all employees, ensuring they can proactively identify security risks and take effective protective measures in their daily work. This approach builds a comprehensive and multi-dimensional information security defense system that safeguards the information security of both the company and its customers.

Case: Exploration Class Information Security Training in 2024

In 2024, Aohai Technology carefully planned and launched the information security training for "Exploration Class," aimed at further enhancing employees' information security awareness and professional capabilities, ensuring the company's information assets remain secure and under control in the digital era.



关键绩效

Year	2024	
	Dongguan Aohai	Jiangxi Aohai
Information security investment amount (RMB 10,000)	119.29	113.63
Number of information security training conducted	8	4
Coverage rate of employees receiving information security training	100%	100%

05

ACCOUNTABILITY IN ACTION TECHNOLOGICAL INNOVATION

R&D and Innovation	43
Responsible care	49
Customer service	55
Sustainable supply chain	57
Social responsibility	63

Enterprises are not only creators of economic value but also practitioners of social responsibility. Aohai Technology adheres to the philosophy of "accountability in action and technological innovation," continuously increasing R&D investment, with a focus on green and low-carbon technologies, the circular economy, and the development of eco-friendly and efficient products and solutions. From raw materials procurement to after-sales service, we maintain strict controls throughout the entire process to ensure product safety and reliability. Centered around our customers, we respond rapidly to their needs, continuously optimize services, and improve customer satisfaction. Through collaborative development, we work hand-in-hand with partners to build a green supply chain and jointly promote energy conservation and emission reduction. Additionally, we actively participate in public welfare activities, giving back to society through practical actions and contributing to sustainable development.



R&D AND INNOVATION

"Technology-based Enterprise, Global Intelligent Manufacturing" is Aohai Technology's most valuable competitive edge and the key to maintaining high growth and leadership in the energy applications field. The company has assembled a high-level R&D team covering multiple technology fields, focusing on cutting-edge technological breakthroughs and product optimization and upgrades to drive industry advancement through continuous innovation. In terms of intellectual property management, Aohai Technology actively engages in patent strategies and the transformation of technological innovation, strengthening its capacity for independent control of core technology and laying a solid foundation for competitiveness. Meanwhile, the company closely follows industry trends, deeply participates in industry standards-setting and technical exchanges, and contributes to the upgrading of the industry ecosystem. The company also promotes digitalization, steadily advancing the construction of automated production lines and optimizing intelligent manufacturing systems. Through efficient, precise, and sustainable production methods, it enhances operational efficiency and product quality, leading the industry toward a smarter and greener future.

Platform and Resources

R&D Platform

In recent years, the company, leveraging its power electronic technology, has expanded its technological capabilities and executed mergers and acquisitions to pivot from consumer electronic power supply technologies toward efficient energy application technologies such as system integration. Aligning with core customer demands for high-efficiency conversion, high power density, integration and lightweight, safe and reliable solutions, as well as industry development trends, the company has actively built its technical reserves and established a generic technology platform for hardware, software, structure, and third-generation semiconductor power devices, forming integrated development advantages of hardware and software. It has made notable advancements in simulation technology, high-frequency magnetics and drive technology, electromagnetic interference (EMI) analysis and design, power factor corrector (PFC), circuit topology, integrated planar transformer, high-power DC motor drive and control, highly integrated power domain control, domain network communication, and automotive functional safety, and has applied for and been granted numerous patents.

Hardware

Circuit design, design and selection of magnetic components, PCBA, assembly manufacturing process, etc.

Software

Drive, control, data communication, AUTOSAR, BSW/ASW, HI simulation testing, etc.

Structure

Designs include appearance, sealing, stress resistance, heat dissipation, and drop resistance.

Third-generation semiconductor power devices

Gallium Nitride High Electron Mobility Transistor (GaN HEMT) and Silicon Carbide Metal-Oxide-Semiconductor Field-Effect Transistor (SiC MOSFET).

Laboratory Testing Capability

Aohai Technology has established a comprehensive testing system that complies with international standards, providing authoritative assurance of product quality. The company has built 7 integrated charging and storage laboratories, ensuring comprehensive testing capability for charging and storage products. Additionally, the company has obtained 6 certifications from professional institutions, fully demonstrating Aohai Technology's internationally leading expertise in testing technologies. With this complete testing platform, Aohai Technology ensures high reliability and exceptional performance of products in various environments and application scenarios, providing customers with safe, stable, and high-quality technical support.

CNAS Accredited Laboratory



7

Integrated Charging and Storage Laboratories

- Electromechanical Performance Laboratory
- EMC Laboratory
- Reliability Laboratory
- Materials Laboratory
- Safety Laboratory
- Environmental Chemistry Laboratory
- Failure Analysis Laboratory

6

Certifications from Professional Institutions

- CNAS Recognition
- ITS Witness Qualification
- TUV Witness Qualification
- CVC Proficiency Certification
- CHEARI Certification
- UL Witness Qualification

Case: Strategic cooperation between Aohai

Shenzhen Academy of Metrology & Quality Inspection (SMQ), a leading domestic institution for testing, certification, and metrology, has formed a strategic partnership with Aohai Technology. Both parties will leverage their respective advantages and share resources to deeply collaborate in fields such as artificial intelligence, big data, and Internet of Things. Additionally, relying on SMQ's robust testing and certification technology platform will help Aohai Technology further enhance its overall laboratory testing capacity, and achieve higher-quality development in technology R&D and talent cultivation.



R&D Team

Aohai Technology has a high-quality R&D team, spanning multiple disciplines with solid academic backgrounds and extensive industry experience. Researchers with a master's degree or above account for 2.95% of R&D personnel, contributing to an efficient and collaborative system for technological innovation. The company places strong emphasis on the continuous cultivation of R&D talent, regularly organizing specialized training, technical seminars, and external exchanges to enhance the professional competencies and keep the team abreast of emerging technologies. Additionally, leveraging its internal knowledge-sharing platform, the company promotes the accumulation of technical know-how and the stimulation of innovative thinking, ensuring that R&D personnel are aligned with industry trends and consistently overcome technological bottlenecks, thereby powering the company's sustainable innovation.



Training on Integrated Product Development Management Fundamentals in 2024

School-Enterprise Cooperation

Aohai Technology maintains close cooperation with domestic and international universities and research institutions, to promote breakthroughs in key technologies and their practical application. Focusing on cutting-edge fields such as thermal management, new energy, and electronic materials, the company continuously explores innovative solutions in high thermal conductivity, high reliability, and lightweight to enhance product competitiveness. In the future, Aohai Technology will continue to cultivate technological innovation, drive industry upgrades, and strengthen its competitive position in the market, contributing to industry development.

Case: Cooperation with the State Key Laboratory of High Pressure and Superhard Materials at Jilin University.

In 2024, Aohai Technology invited Professor Yin Hong from the State Key Laboratory of High Pressure and Superhard Materials at Jilin University to discuss R&D outcomes in new materials for thermal management. The meeting focused on the high thermal conductivity and excellent insulation properties of boron nitride materials, and conducted an in-depth analysis of their application in heat dissipation for high power density power supply products.



Aohai Technology plans to apply boron nitride materials in thermal conductive filler and PC materials to enhance the thermal conductivity of composite materials and promote their industrialization process. This cooperation not only facilitated the application of advanced material technology but also further strengthened Aohai Technology's competitiveness in the research and development field of high-performance materials, helping it achieve greater breakthroughs in future industry development.

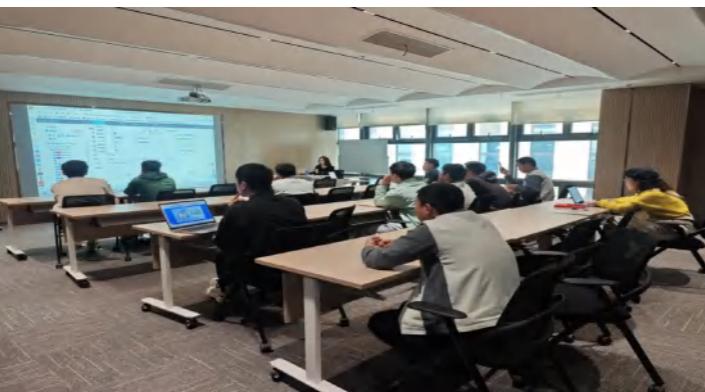
Key Performance

Year	2024	2023	2022
Number of R&D Personnel	441	440	412
Proportion of R&D personnel to total staff	16.32%	16.28%	15.24%
Number of R&D projects	332	344	178
Number of R&D training sessions	149	97	38
Number of R&D training participants	2235	1570	905
R&D training coverage	100%	100%	100%
R&D investment amount (RMB 100 million)	2.52	2.28	1.87
Percentage of R&D expenses to operating revenue	4.99%	5.24%	4.40%

IP management

Aohai Technology places great importance on intellectual property management and is committed to building a comprehensive intellectual property management system that fully covers the protection and utilization of patents, trademarks, copyrights, and trade secrets. The company has formulated the Intellectual Property Management Regulations and Patent-Related Management Measures, clearly defining the patent application process, which includes patent mining, application, audit, authorization, and maintenance, thereby improving the quality of patent applications.

The company regularly conducts intellectual property training for R&D, management, and market teams to enhance their awareness of intellectual property and compliance capabilities. Meanwhile, Aohai Technology actively promotes patent mining efforts, with close collaboration between the technical R&D team and intellectual property experts. By thoroughly analyzing technological innovations, the company systematically builds a portfolio of high-value patents to enhance technological barriers and market competition. Through these measures, the company continuously optimizes its intellectual property management system and strengthens core competitive advantages, supporting the company's innovation-driven development.



Intellectual Property Training and Patent Mining in 2024

Key Performance

Year	2024		2023		2022	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Total number of authorized patents	373	55	300	36	256	33
Total number of patents for invention	38	7	25	6	20	6
Total number of patents for utility model	223	48	192	30	162	27
Total number of software copyrights	24	0	11	0	6	0
Total number of work copyrights	1	0	1	0	1	0
Total number of layout designs of integrated circuit	1	0	1	0	1	0
Total number of design patent	111	0	83	0	74	0
Total number of domestic trademarks	49	3	13	3	13	0
Total number of intellectual property management training sessions	7	1	4	0	1	0

Industry Development

Aohai Technology is deeply committed to industry development, actively participates in the formulation of national standards, industry standards, and group standards, continuously improving technical specifications and industry influence. During the reporting period, Aohai Technology participated in the drafting of the testing method of national standard GB 20943-2025 Minimum Allowable Values of Energy Efficiency and Energy Efficiency Grades for AC-DC and AC-AC Power Supplies. With strong R&D and innovation capabilities, the company promotes the standardization of advanced technology to facilitate high-quality industry development. Meanwhile, Aohai Technology actively participates in renowned domestic and international industry exhibitions, exchanging the latest technology trends and market demands with global customers, partners, and industry experts, thereby enhancing its brand influence. By advancing both standard development and industry engagement, the company continuously solidifies its leading position in the industry, promoting technological innovation and industry upgrading.

Case: Aohai Technology Shines at the Global Sources Consumer Electronics Show in Hong Kong 2024

From April 11-14, 2024, Aohai Technology made an impressive appearance at the Global Sources Consumer Electronics Show in Hong Kong. At this exhibition, Aohai Technology showcased hundreds of flagship products, seizing modern market opportunities and demonstrating its strength. The full series of PD30W to 200W multi-port chargers, to QI2.0 magnetic power banks of various capacities, as well as single-coil magnetic wireless chargers, 2-in-1 wireless chargers, and 3-in-1 wireless chargers, all demonstrated Aohai Technology's profound expertise and outstanding innovation in the field of charging and energy storage technologies. Inside the exhibition hall, Aohai Technology engaged in in-depth exchanges with stakeholders from various sectors to explore industry development trends and future collaboration opportunities.



Key Performance

Year	2024	2023	2022
The number of national standards participated in drafting and publishing	1	1	0
Number of group standards participated in drafting and publishing	3	0	3

RESPONSIBLE CARE

Aohai Technology regards product responsibility as a response to the trust of consumers/customers, focusing on safety, reliability, and environmental protection, and fulfilling its responsibilities to consumers, society, and the environment. Driven by customer needs, the company has established a green and safe product management ecosystem covering the full process from R&D, production, to delivery. Relying on a traceable intelligent manufacturing and quality control system, the company ensures the provision of products, services, and solutions that meet international standards and brand requirements for global customers.

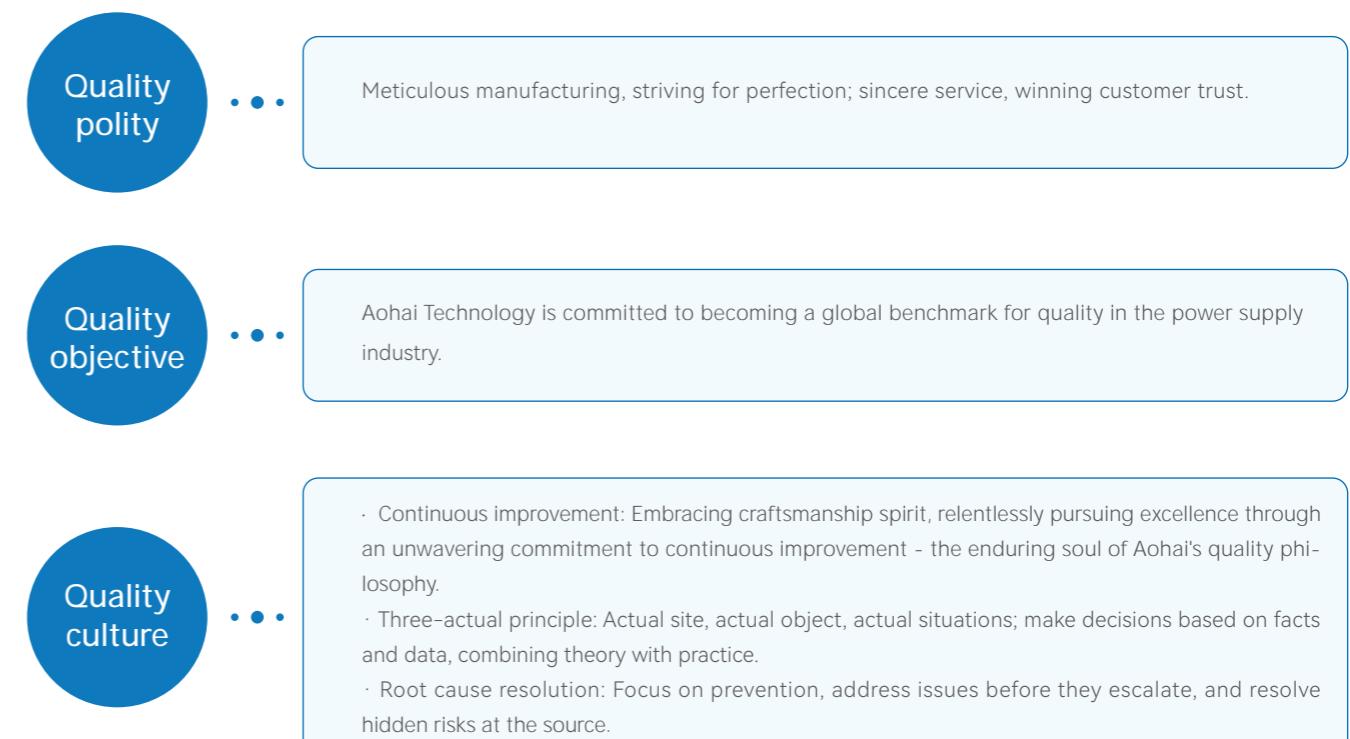
Quality Management System

Guided by industry standards, the company builds a scientific and comprehensive quality management system based on the type of customers served, adhering to ISO 9001 or IATF 16949 standards. The company has formulated the Quality Manual, which specifies the Quality Center as the central department for product quality management to strictly implement full process inspection standards covering incoming materials, manufacturing processes, and finished products shipment, clarifies the handling process for non-conforming products and strictly categorizes and processes non-conforming products found in raw materials, semi-finished products, finished products, and after-sales according to the process, preventing non-conforming products from entering the market, thereby effectively safeguarding consumer rights and the company's brand reputation.

The company regularly conducts internal audits of the quality management system and engages professional third-party organizations for external audits, ensuring the scientific, standardized, and effective operation of the quality management system. In 2024, both Dongguan Aohai and Jiangxi Aohai successfully obtained management system certifications, including the ISO 9001 Quality Management System, with Dongguan Aohai (Dongguan Park 3) also achieving IATF 16949 Quality Management System Requirements for Automotive Production and Relevant Service Parts Organizations.

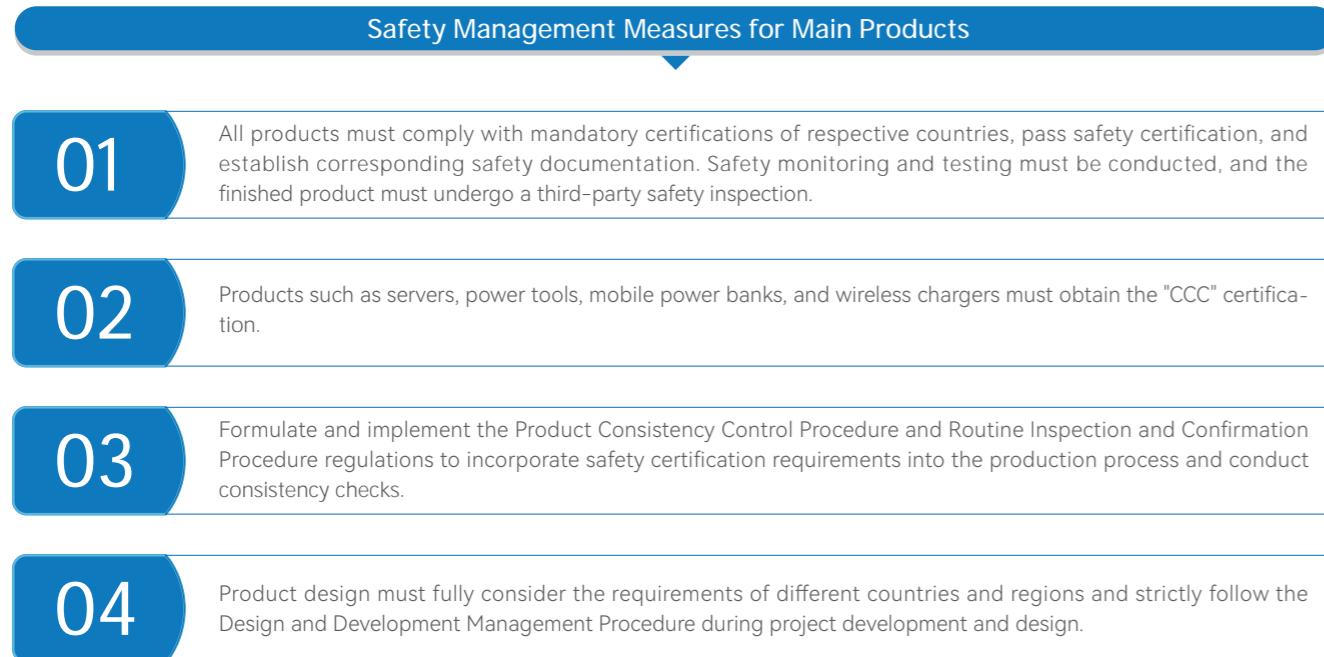


The Company continuously strengthens its quality culture development by taking the foundational knowledge as a starting point, forming a quality management philosophy suitable for Aohai Technology based on quality policy, quality objectives, and quality culture. Through knowledge training, cultural promotion, and quality communication meetings, the company integrates quality awareness into its corporate fabric, driving full participation across all levels.



Product Environmental Protection and Safety

The company values the health and safety impacts of its products on customers/consumers. It has established a green and safe product management ecosystem from R&D, and production, to delivery, and implemented the full process management from project initiation to material selection, testing, and sampling inspection to ensure that products meet safety and environmental requirements. Additionally, product packaging is considered a part of the company's quality performance and brand image. The Company has taken a series of measures in product packaging to ensure compliance with safety standards and environmental protection standards.



Main Environmental Control Measures for Products

01 The Company has passed the QC 080000 System certification, managing hazardous substances to ensure that products meet environmental protection requirements.

02 The company has established the Hazardous Substance Management Policy and Goals, as well as the Environmental Hazardous Substance Control Procedure and Environmental Hazardous Substance Management Standard and other control documents, providing a system guarantee.

03 The company's products comply with the environmental regulations of various countries and regions, including the EU's ROHS, POPs, REACH, WEEE, Packaging Directive, and Battery Directive, as well as China's ROHS, U.S.'s Toxic Substances Control Act (TSCA), California Proposition 65 (CA65).

Product Packaging Design Management

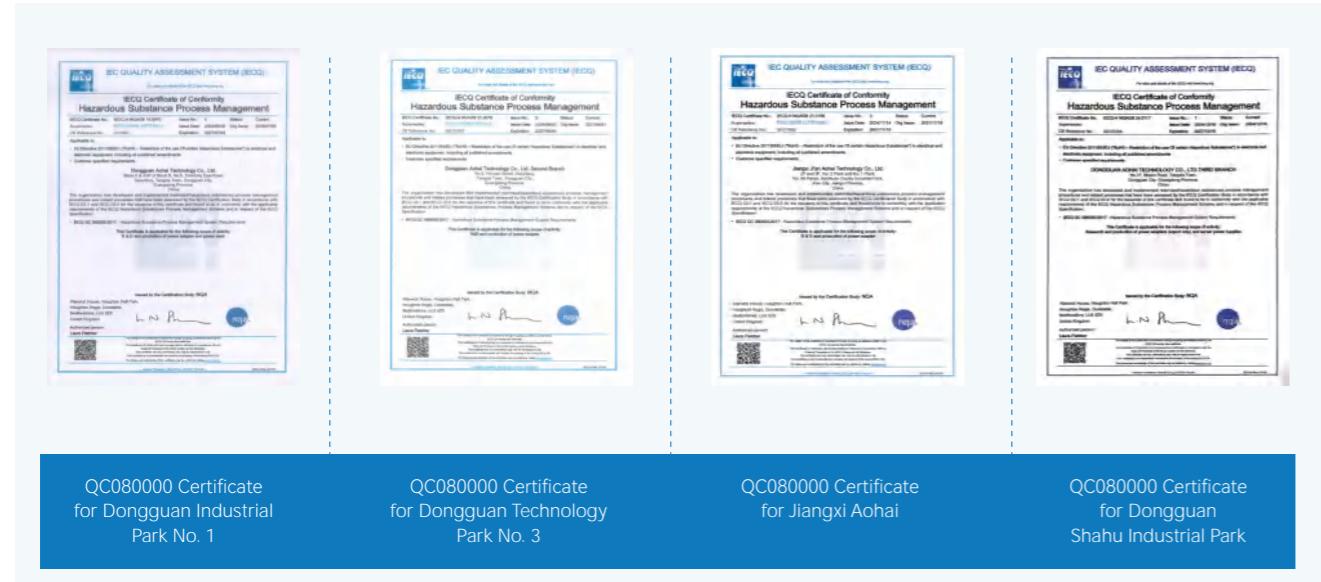
01 Product packaging design must adhere to the company's Product Packaging Design Specification and Finished Product Packaging Standards. The packaging operations must follow the corresponding work instructions.

02 Finished products for shipment must undergo packaging and label conformity checks according to the Finished Product Inspection Standard.

03 All raw materials (including packaging materials and labels) and process equipment use environmentally friendly materials and be managed according to the Environmental Hazardous Substance Management Procedure.

According to customer requirements, the company's products have obtained over 5000 global safety certifications. In 2024, the company acquired a total of 1195 new safety certifications, covering CCC, UL, CB, CE-LVD, CE-EMC, ISC (Cambodia), KUCAS (Kuwait), AR-Mark (Argentina), S+ (Switzerland), METI Registration (Japan), NCC (Brazil), etc.

In 2024, Dongguan Industrial Park No. 1, Technology Park 3, Shahu Industrial Park, and Jiangxi Aohai successfully passed the IECQ QC 080000:2017 Hazardous Substance Process Management System Requirements, demonstrating that the company has established and implemented hazardous substance process management procedures, effectively controlling hazardous substances in products.



Full-Process MES System Traceability

Amid trends in intelligent manufacturing and ESG, the company has established an MES traceability system, covering the full process management from raw materials to finished products. The system includes core modules such as process management, quality management, WMS warehouse management, maintenance management, equipment, tooling and spare parts management, and auxiliary materials management. Data for each stage is recordable, traceable, and analyzable, allowing materials (material) flow to be tracked from storage to finished products. In the event of quality issues, the root cause (such as batch defects and process deviations) can be quickly traced, narrowing recall scope and minimizing losses.

Company products have obtained global safety certifications totaling

5000+

New safety certification in 2024 totaling

1195

Recordable

Automated data collection enables recording of personnel (man), equipment (machine), materials (material), process (method), and environment (environment) throughout the entire process, minimizing manual recording errors.

Traceable

In case of consumer complaints, products can be traced through the unique identifier (e.g., QR code), allowing access to complete production records (e.g., operators, environmental temperature and humidity, etc.), achieving accurate identification of problematic batches, and reducing recall cost.

Analyzable

The accumulated traceability data can be used for AI analysis to predict quality risks, and optimize production scheduling or process parameters. By comparing product quality under different process parameters (methods), production methods can be optimized.

The full-process traceability system digitally connects all production elements, forming an intelligent error-proofing mechanism and automated early warning function, which enables the enterprise to monitor production status in real time, quickly identifies quality issues, effectively reduces manual operational errors, lowers defect rates, and enhances product consistency, stability, and reliability.

Process management

Factory data, production management, engineering data, station control, error-proofing feeding, IT-based error-proofing, in-process timeliness control, visual electronic Kanban, report management, ERP, automation connection, etc.

Quality management

Product quality data traceability, IPQC material re-verification and process sampling inspection, FQC inspection, OQC inspection, risk identification, and locking interception



Maintenance management

Maintenance analysis, functional maintenance, appearance maintenance, process reflow, maintenance material traceability

Equipment, tooling and spare parts management

Acceptance and warehousing, ledger and archive management, maintenance management, maintenance warning, lifecycle management, tooling model usage error-proofing, and inventory stagnation management for spare parts

WMS warehouse management

Inbound and outbound management for raw materials and finished goods, FIFO management, storage location management, inventory counting, material shelf-life management, supplier label management, and delivery management.

Auxiliary materials management

Auxiliary material storage period management, Material issuance control, FIFO management, Leak-proof process control, full-process system control and recording, etc.

CUSTOMER SERVICE

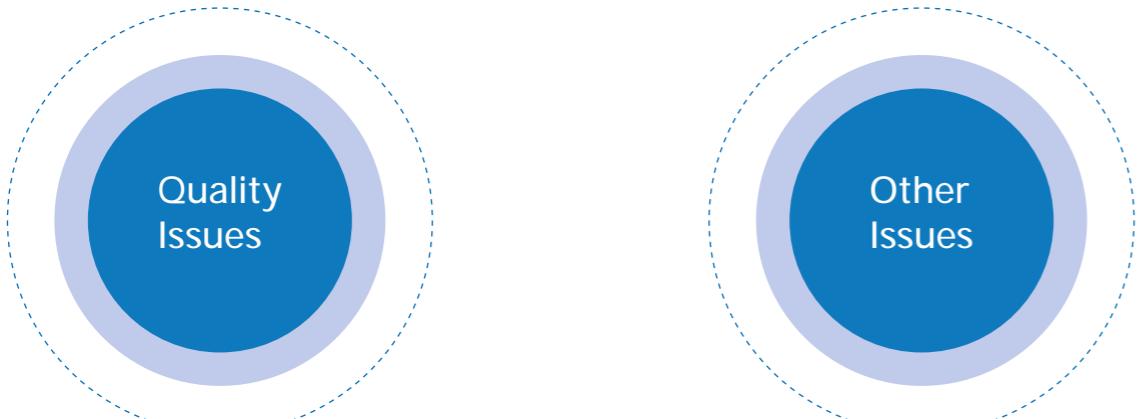
Since its establishment, Aohai Technology has always adhered to the service philosophy of "Customer-centric, Growing with Customers." Guided by customers and the market demand, the company continues to deepen cooperation, expand service breadth, continuously pursue self-improvement, and steadily improve service standards. Based on domestic and international service standards, the company has established a relatively comprehensive customer service system, dedicated to providing customers with all-around attentive service.

Ensuring Customer Service

Aohai Technology continuously refines customer service processes, gathering and collecting customer needs through multiple channels. By innovating products and technology, and optimizing service methods, all departments actively cooperate to provide customers with high-quality services covering the entire product lifecycle, creating greater value.

The company has formulated the Customer Complaint Management Procedure, clarifying departmental responsibilities for customer complaint handling. Following the handling process, customer complaints are addressed promptly and efficiently to solve customer issues and ensure customer satisfaction.

Customer Complaint Handling Window



All quality complaints are uniformly handled by CQE under the "2485" principle, which means that when a customer complaint is confirmed, an initial analysis result must be provided and temporary measures must be formulated and implemented within 24 hours, a formal report must be offered within 48 hours, and the case must be closed within 5 days.

The Brand Division has established an After-Sales Department for the online platforms to respond to consumer complaints.

Customer Satisfaction Survey

The company places great importance on customer rights and has established the Customer Satisfaction Monitoring and Management Procedure, constructing a rigorous and comprehensive customer satisfaction monitoring system. From the scientific design of the survey forms, covering key dimensions such as product delivery time, quality, and service, to the precise selection of survey subjects, including key customers, ensuring data representativeness; from the clear division of labor and efficient execution by the Business Department and Sales Center, to strict recovery rate requirements (100%) and in-depth result analysis, every step reflects the company's respect for and attention to customer feedback.

Based on the survey results, the Sales Center conducts in-depth statistical analysis and calculates the total customer satisfaction score and average satisfaction, with detailed reports distributed to key departments, providing a strong basis for decision-making. The Company, based on the analysis results, compares against quality objectives, identifies trends in customer satisfaction, and promptly detects potential problems. In cases of declining customer satisfaction, failure to meet targets, low evaluation scores, or customer complaints, the company initiates a corrective actions mechanism, with the Quality Center collaborating with relevant departments for in-depth analysis, targeted measures, and supervision of implementation effectiveness, forming a closed-loop management system.

Key Performance

Year	2024
Customer satisfaction score	94.70
Customer complaint resolution rate	100%

Product Recall

To safeguard product quality and protect consumer rights while maintaining corporate reputation, the company has formulated the Customer Feedback and Recall Control Procedure, clarifying the recall process. When delivered products exhibit severe batch non-conformance or pose safety hazards, related functional departments can promptly notify relevant parties and implement a recall to minimize the company's loss. In terms of responsibility allocation, the Marketing Center is responsible for monitoring the implementation of the recall, the General Manager approves the recall plan, and the Manufacturing Center and Quality Center collaborate accordingly. In practice, multiple recall trigger scenarios have been clarified, such as customer complaints, faults identified through internal inspections, and product damage caused by external factors. Before the product recall, a recall team must be formed to identify and evaluate the products, comprehensively assess recall-related factors, and formulate a recall plan. During the recall, from product traceability and information release, to product recovery and handling, and finally to report preparation and evaluation after the recall ends, all steps are governed by detailed and rigorous procedures. Additionally, the company emphasizes the validation of the recall procedure's effectiveness. Through validation tests, simulated recalls, or actual recall exercises, corrective actions are developed using the results to develop Corrective based on the results to continuously improve the recall procedures and management system.

Key Performance

Year	2024		2023		2022	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Number of product recall events	0	0	0	0	0	0

SUSTAINABLE SUPPLY CHAIN

Adhering to the concept of "Collaboration, mutual prosperity, shared benefits," Aohai Technology actively building a sustainable supply chain by integrating the ESG concept into the entire process of supplier selection, evaluation, and management. The company prioritizes suppliers with outstanding performance in environmental protection and social responsibility, continuously promotes local procurement and supply chain diversification, and drive suppliers to maximize their environmental and social comprehensive value. Meanwhile, we establish strategic partnerships with suppliers to jointly engage in technology research and development, energy saving, and emission reduction, fostering collaborative development across the supply chain and co-creating a green planet.

Sustainable Procurement Principles and Overview

The company has established Procurement Management Procedures. During supplier selection, while maintaining product quality, the company consistently adheres to sustainable procurement principles that balance economic benefits, environmental friendliness, and social responsibility. It prioritizes high-quality suppliers who align with green, low-carbon, social responsibility, and sustainable development concepts.



- ◆ Priority is given to suppliers certified under ISO 14001 Environmental Management System or similar environmental certification.
- ◆ Priority is given to procuring products made with renewable materials, recycled materials, or low-carbon eco-friendly materials.
- ◆ All products, components, parts, raw materials, and packaging materials purchased must comply with relevant environmental protection regulations and Aohai's Environmental Hazardous Substance Management Standard.

- ◆ Priority is given to suppliers who comply with the Core Conventions of the International Labour Organization (ILO) to ensure no child labor or forced labor.
- ◆ Suppliers are encouraged to focus on vulnerable groups in their operations, promoting inclusive social development.
- ◆ Cooperation with suppliers involved in bribery, fraud, or improper competition is strictly prohibited.

- ◆ Under equal conditions, priority is given to local suppliers to support regional economic development.

Supplier Overview

Aohai Technology's supply chain can be categorized into main materials and auxiliary materials based on material category. In 2024, the company had a total of 348 suppliers, distributed as follows:

Transaction category	Number of suppliers	Number of key suppliers	Notes
Main materials	292	133	Main materials that constitute products, such as PCB boards, ICs, and resistors
Auxiliary materials	56	12	Supporting materials used in production, such as solder paste, tin foil, and flux

To continuously reduce external environmental impacts and costs, and to emphasize the priority of the local supply chain, considering the country where the company's main operating site is located, namely China, as "local", the proportion of the company's local suppliers reached 100% in 2024.

Region	Number of suppliers	Proportion of suppliers	Proportion of purchase amount
Chinese mainland	342	98.28 %	94.39 %
Hong Kong, Macao, and Taiwan regions pf China	6	1.72 %	5.61 %
Overseas regions	0	0 %	0 %

Supplier Management

The company adopts the ISO 28000 Supply Chain Security Management System as the supply chain security framework, covering the entire process management from the design, implementation, monitoring, and improvement of the supply chain, ensuring the security and efficiency of the supply chain. Through the implementation of ISO 28000, the company has established an effective supply chain risk management mechanism, maintaining competitiveness in a globalized market. By the end of 2024, Jiangxi Aohai has obtained the ISO 28000 Supply Chain Security Management System certification.



ISO 28000 Certificate for Jiangxi Aohai

The company formulated the Supplier Management Policy, deeply integrating the concept of sustainable development into the supplier management process. This Policy includes five major stages, namely, supplier introduction, supplier risk investigation, supplier evaluation, supplier training, and supplier assessment, continuously enhancing the sustainability of the supply chain.



New supplier introduction

During supplier introduction, the Company requires the signing of a series of supplier management standards and related statements, including the Environmental and Safety Commitment, Environmental and Occupational Health and Safety Management Liaison Form, SA8000 Social Responsibility Agreement, Code of Integrity Conduct, Integrity Agreement, Business and Technical Confidentiality Agreement, and Environmental Protection Guarantee, to ensure suppliers understand and commit to complying with the company's requirements on environment, social, and governance.

Supplier risk investigation

The Company designed the Supplier Survey and Evaluation Form, requiring suppliers to conduct self-assessments based on their operational conditions. The company reviews and evaluates the contents and classifies them as high-, medium-, and low-risk suppliers based on the reported negative governance factors related to environment, social, and governance aspects. Suppliers found to have violations in environmental, social, and governance aspects are directly classified as high-risk suppliers, and the relevant cooperation is suspended. They are re-evaluated as new suppliers.

Supplier evaluation

The Company has also developed the Supplier Evaluation and Inspection Form, forming a supplier evaluation team composed of the Supply Center, R&D, Quality, and System Departments to conduct on-site audits of suppliers. The evaluation mainly involves production capacity, quality assurance capability, technology provision capability, environmental protection capability, legal compliance, trade security, social responsibility, and service attitude. Supplier on-site audits occur prior to the introduction of new suppliers and during the annual review and evaluation of qualified suppliers.

Supplier assessment

The company has formulated the Supplier Quarterly Assessment Form, under which suppliers are assessed and scored quarterly based on product validation, inspection results, delivery performance, and sustainability performance. Based on the assessment score, suppliers are categorized into four grades: A-D. Meanwhile, the company has established a reward and elimination mechanism. Suppliers with outstanding performance can receive more orders and new business opportunities, while suppliers with poor performance will have their new business introduction qualifications suspended and their purchase amount reduced. Suppliers failing to improve within the stipulated time will have their procurement stopped and their supplier qualification revoked.

Grade	Score range	Supplier reward and elimination mechanism
Level A	90-100 points	Priority in orders and new projects
Level B	80-89.9 points	Maintain the current procurement volume.
Level C	60-79.9 points	Suppliers are required to rectify relevant issues in the next quarter. If rated as C for two consecutive quarters within the year, the procurement volume will be reduced by no less than 20%, and new project cooperation will be suspended for six months. Suppliers rated as C for two consecutive quarters will have their supplier qualification revoked.
Level D	Below 60 points	The production line is required for immediate rectification, the new project cooperation is suspended, and the procurement volume will be reduced by no less than 50% until re-audit is passed. If rectification is not completed within the specified period, the supplier qualification will be revoked.

Supplier training

The company regularly provides suppliers with training related to sustainability, covering topics including but not limited to: Interpretation of ESG policies and case studies, environmental protection technology, application of energy saving and emission reduction measures, labor rights protection and employee care practices, as well as compliance operation and risk management methods. During the training sessions, the company shares exemplary ESG practices within the industry to help suppliers enhance their ESG awareness and capabilities, and work together toward the achievement of sustainable development goals.

Case: 2024 Supplier Conference and ESG Sharing Session

To strengthen supply chain sustainability and enhance ESG awareness and capabilities, in 2024, Aohai Technology hosted the Global Partner Sustainability and Co-Creation Conference themed "Co-Engineer Sustainable Futures with Aohai." During the conference, Aohai Technology shared its sustainability strategy, goals, and successful practices, leveraging its leading role to drive collaborative innovation across the supply chain and contribute to a balanced development of economic benefits, environmental friendliness, and social responsibility.



Conflict Mineral Management

Tin, Tungsten, Tantalum, Gold, Cobalt, and Mica are essential materials for the functional operation of electronic products. Aohai Technology follows international guidelines and initiatives such as the Responsible Minerals Initiative (RMI) and the Organization for Economic Cooperation and Development (OECD) and publicly commits to not using minerals sourced from the Democratic Republic of the Congo (DRC) and its surrounding conflict-affected regions, including tin, tantalum, tungsten, and gold (3TG). Through internal training and external communication, the company makes its employees and suppliers aware of its Conflict Minerals Policy to ensure full understanding and compliance.

The company has established the Conflict Minerals Management Regulations, which explicitly require suppliers to formulate policies and management systems related to conflict minerals to reasonably ensure that the sources and supply chain custody of gold (Au), tantalum (Ta), tungsten (W), tin (Sn), cobalt (Co), and mica in their products comply with OECD requirements or exclude minerals from conflict-affected and high-risk areas as defined by other equivalently recognized organizations.

We conduct a preliminary screening of all suppliers to identify those potentially involved with conflict minerals and use the Conflict Minerals Reporting Template (CMRT) to perform due diligence on identified suppliers, assessing their conflict minerals risks. High-risk suppliers are subject to regular audits to ensure their compliance with the company's conflict minerals policy. Suppliers who fail to meet requirements are required to develop and implement corrective action plans to ensure supply chain compliance.

During supplier introduction, the Non-Use of Conflict Minerals Commitment must be signed. As of 2024, a total of 348 suppliers have signed the Non-Use of Conflict Minerals Commitment, achieving a 100% signing rate. The company conducts due diligence on suppliers involving 3TG minerals, collecting information on their mineral sources (including detailed information on smelters and refineries). According to the Conformant Smelters List announced on the official RBA website, the current list of smelters/refineries used in Aohai Technology products has been reassessed, and no mineral sourcing from conflict-affected or high-risk areas has been found among the suppliers.

Conflict Mineral Policy of Aohai Technology

Dongguan Aohai Technology Co., Ltd. (hereinafter referred to as "Aohai Technology") supports the efforts of human rights organizations to end the violence and atrocities occurring in Central Africa (specifically the Democratic Republic of the Congo (DRC) and its nine neighboring countries: Republic of Congo, Central African Republic, South Sudan, Zambia, Angola, Tanzania, Burundi, Rwanda, and Uganda). It is widely reported that the main driving force behind this violence is the abundance of natural minerals such as tin (Sn), tungsten (W), tantalum (Ta), gold (Au), cobalt (Co), and mica, now collectively referred to as "Conflict Minerals." Armed groups fight to control these mineral resources in the region, and exploit forced labor to mine and sell minerals, which in turn funds ongoing violence. In August 2012, the U.S. Securities and Exchange Commission (SEC) approved the final rule regarding the procurement of conflict minerals, as detailed in "Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act." Aohai Technology will, as required by this regulation, annually review whether the products produced or subcontracted by the company contain "Conflict Minerals" originating from Central Africa and whether these "Conflict Minerals" are used in the manufacturing process. Aohai Technology will strive to follow industry best practices developed by industry peers to ensure the sourcing of conflict-free minerals, such industry peers include the Responsible Business Alliance (RBA) and the Global Electronics Sustainability Initiative (Gesi). Currently, Aohai Technology has established and implemented the Conflict Minerals Management Regulations and requires our suppliers to adopt relevant policies and management systems regarding conflict minerals to ensure that no conflict minerals are involved in the supply chain. According to the definition of "DRC conflict-free," the products supplied to Aohai Technology must meet the following conditions:

1. If the elements necessary for production and functionality do not include tin (Sn), tungsten (W), tantalum (Ta), gold (Au), cobalt (Co), or mica, no inspection is required.
2. If the products provided to Aohai Technology contain these minerals, they must either originate from regions outside the DRC, be recycled from scrap, or come from smelters verified and validated as conflict-free.
3. Suppliers must sign the Non-Use of Conflict Minerals Commitment as a pledge, Aohai Technology will conduct irregular verifications of direct suppliers; if any violation is found, the company will implement procurement suspension procedures and pursue corresponding accountability.

Key Performance

Year	2024	2023	2022
Signing rate of Non-Use of Conflict Minerals Commitment	100%	100%	100%

SOCIAL RESPONSIBILITY

In today's era of rapid development, enterprises are not only participants in economic activities but also important forces driving social progress. We are keenly aware that the success of an enterprise is inseparable from social support, and the enterprise's growth should in turn give back to society. Therefore, Aohai Technology always upholds the philosophy of "giving back to society, collaboration, mutual prosperity, shared benefits," actively participates in social welfare initiatives, and is committed to bringing positive changes to society through concrete actions. We regard social welfare as a core component of our sustainable development strategy, fulfilling our responsibilities and spreading warmth across areas such as education support, rural revitalization, and community engagement, striving to create greater value for society.

Social Donations

The company has established a dedicated public welfare fund to support projects in education, healthcare, environmental protection, poverty alleviation, and other fields. Each year, the company makes regular donations to various public welfare organizations to ensure the continuity and systematic nature of public welfare undertakings. Through a strict donation approval process and project evaluation mechanism, the company ensures that every donation is directed to the areas of great need, and it closely monitors project implementation to ensure the transparency and effectiveness in the use of funds. In April 2024, the company donated RMB 190,000 to the Jiangxi Normal University Education Development Foundation, intended to fund programs supporting financially disadvantaged students, improving teaching facilities, and promoting scientific research and innovation. This initiative aims to help the university cultivate more outstanding talents and contribute to society.

Rural Revitalization

The Company actively responds to the national rural revitalization strategy by deeply understanding the actual needs of rural regions and assisting rural economic development through funding investment, technical support, and market linkage efforts, thereby promoting the sustainable development of rural society. Aohai Technology hopes that through such initiatives, it can contribute to rural revitalization and help build livable and prosperous beautiful villages.

Case: Streetlight Illumination Project of Beiliuba Village in Xiangba Town by Aohai Technology

Beiliuba Village is located in Xiangba Town, Si'nan County, Tongren City, Guizhou Province, 62.5 kilometers away from the county seat. It was once one of the 59 impoverished villages in the county. Due to the lack of streetlights in most areas of the village, nighttime travel for villagers was extremely inconvenient, posing significant safety hazards. In August 2024, under the leadership of the Dongguan Charity Federation and the Sinan County Charity Federation, the company donated RMB 30,000 to Beiliuba Village in Xiangba Town, Sinan County, Tongren City, Guizhou Province, for the village's streetlight illumination project. Upon completion of the streetlight illumination project, it will effectively address nighttime lighting issues for over 1,100 villagers across 8 villager groups in Beiliuba Village, significantly improving the living environment within the village and enhancing their quality of life and sense of happiness.



Community Development

We firmly believe that a company's operations are closely related to the prosperity of the community. Therefore, we always maintain positive two-way communication and interaction with local community, gaining deep insights into the needs and expectations of community residents. We ensure that every business decision is made without compromising the rights of others and brings positive impacts to the community.

At the same time, based on the actual needs of local communities, we actively engage in the development and construction of surrounding communities. We have established employee volunteer service teams to participate in community volunteer services, such as environmental cleanups, caring for the elderly and disabled, tree planting, and other public welfare projects and community activities. These efforts aim to improve the quality of life for community residents and promote the sustainable development of the community.

Case: Dongguan Women Entrepreneurs Chamber of Commerce Visits Aohai Technol

In December 2024, 20 outstanding female entrepreneurs from Dongguan Women Entrepreneurs Chamber of Commerce visited Aohai Technology for a unique exchange and learning journey. As the host, Ms. Liu Lei, Director of Aohai Technology, warmly welcomed the delegation. Both parties shared experiences and explored cooperation opportunities, injecting new vitality into the regional economy. Aohai Technology hopes that through such interactions, it can contribute to the promotion of female entrepreneurship and jointly foster a more inclusive and prosperous society development.



Key Performance

Year	2024	2023	2022
Total amount of social welfare investment (RMB 10,000)	35.97	34.00	3.82

06

LOW-CARBON EFFICIENCY GREEN ECONOMY

Addressing climate change	67
Environmental compliance	76
Green products	82
Biodiversity	88

To actively respond to climate change, the company has conducted green-house gas accounting, established clear carbon emission reduction targets and implementation pathways, continuously optimized energy-saving initiatives. We have built and improved our environmental and energy management systems, consistently promoted sustainable product R&D and product lifecycle management, strictly enforced green emission reduction measures, lawfully and compliantly handled hazardous waste, and actively advocated for green office practices, thereby comprehensively reducing environmental impact.



ADDRESSING CLIMATE CHANGE

Aohai Technology has incorporated climate change response into the core sustainability agenda, gradually improving its climate risk management mechanisms, and promoting the coordinated advancement of greenhouse gas verification and adaptation measures. The company identifies and evaluates climate-related risks and opportunities based on the TCFD framework and has established a full-value-chain greenhouse gas verification system, conducting annual verifications in strict accordance with ISO 14064 standards. In terms of energy management, Aohai Technology continuously optimizes strategies by integrating green design, intelligent factory construction, and advanced energy management technologies to develop highly efficient energy-saving products and solutions, thereby effectively enhancing emission reduction outcomes. The Company actively embraces digital transformation, leveraging digital empowerment to actively respond to the national dual carbon strategy and leading the green transformation of the industrial chain.

Aohai Technology's Climate-Related Risk and Opportunity Identification, Impact Assessment, and Response Measures for 2024

Risks / Opportunity Type	Duration of Impact	Description of Risk/Opportunity	Operational Impact	Response Measures
Entity Risks	Short to medium term	1. The Company operating in Dongguan is susceptible to typhoons and other extreme weather events, which may lead to power outages, and flooding, and potentially cause production safety accidents or forced production suspensions. 2. Extreme precipitation will also affect the production and transportation processes of material suppliers, requiring the companies to prepare response plans in advance.	Increased operational and management; decreased revenue	<ul style="list-style-type: none"> Factories should avoid areas prone to heavy precipitation when selecting locations. Implement rainwater and sewage diversion to ensure smooth drainage. Establish an emergency organizational structure and emergency rescue teams, clearly defining departmental responsibilities. Develop emergency response plans, regularly organize emergency drills, and ensure sufficient emergency supplies.
		1. Increased operating costs (higher electricity expenses) may pose a threat to employees' occupational health and safety, requiring enterprises to increase investment in employee safety. 2. Potentially increased fire risk in production and operational sites.	Increased operational and management costs and higher health and safety expenditures.	<ul style="list-style-type: none"> Provide employees with heat-stroke prevention supplies and equipment. Strengthen fire prevention measures, regularly inspect and maintain firefighting facilities and equipment, and conduct fire drills.
	Medium to long-term	1. The main operational site (Dongguan) is threatened by seawater backflow caused by sea level rise, which may lead to poor drainage and localized flooding. 2. Transportation routes may be damaged, causing supply chain disruptions.	Increased operational and management; decreased revenue	<ul style="list-style-type: none"> Strengthen the disaster resistance of office buildings and the Park, such as raising the foundation height and enhancing drainage systems.

Climate-Related Risks and Opportunities

Based on the disclosure framework and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the company systematically identifies and evaluates the potential impacts of climate change on its operations and long-term strategic development across four core dimensions: corporate governance, strategic planning, risk management, and indicators and goals. Through an in-depth analysis of climate change risks and opportunities, we have further clarified their potential financial and non-financial impacts.

Risks / Opportunity Type	Duration of Impact	Description of Risk/Opportunity	Operational Impact	Response Measures
Policy and Legal Risks	Short term medium term and long terms	Existing policies, laws, and regulations, as well as stricter government policies and regulations aimed at mitigating climate change, may increase corporate operations compliance work, risk operational certification invalidation or the need to obtain new certifications, and raise the possibility of related lawsuits or claims.	Increased procurement management and compliance costs	<ul style="list-style-type: none"> Set aggressive carbon reduction targets to minimize greenhouse gas emissions from operations and closely monitor environmental laws and regulations.
Technological Risks	Medium and long terms	Failure to promptly identify and apply low-carbon technologies in the consumer electronics power supply ecosystem may result in lagging low-carbon product and service transitions compared to peers, leading to reduced market share or elimination.	Increased R&D expenditure and decreased operating revenue	<ul style="list-style-type: none"> Enhance the company's R&D capability through talent cultivation and retention to continuously research clean energy development solutions.
Product and service opportunity	Short term medium term and long terms	Aligning with core customer demands and industry development trends, such as high-efficient conversion, high power density, integration and lightweight design, and safety and reliability, the company continuously researches and develops high-efficiency low-carbon products and green products or services to enhance competitiveness.	Increased orders and operating revenue	<ul style="list-style-type: none"> Continuously research and launch high-efficient, low-carbon products or services, and promote product iteration and upgrades.
Market Opportunities	medium term	Growth in demand for low-carbon products leads to increased market share for the company.	Increased orders and operating revenue	<ul style="list-style-type: none"> Adjust business models and development strategies in a timely manner in response to market changes.

Climate Change Strategy

The company actively responds to China's "30-60" dual carbon goals, systematically promoting greenhouse gas emission reduction efforts under this guidance. Each year, the Company conducts quantitative carbon emission inventories and engages professional third-party organizations to carry out carbon verification in an effort to minimize carbon emissions resulting from our business operations.

Carbon Emission Reduction Targets and Indicators

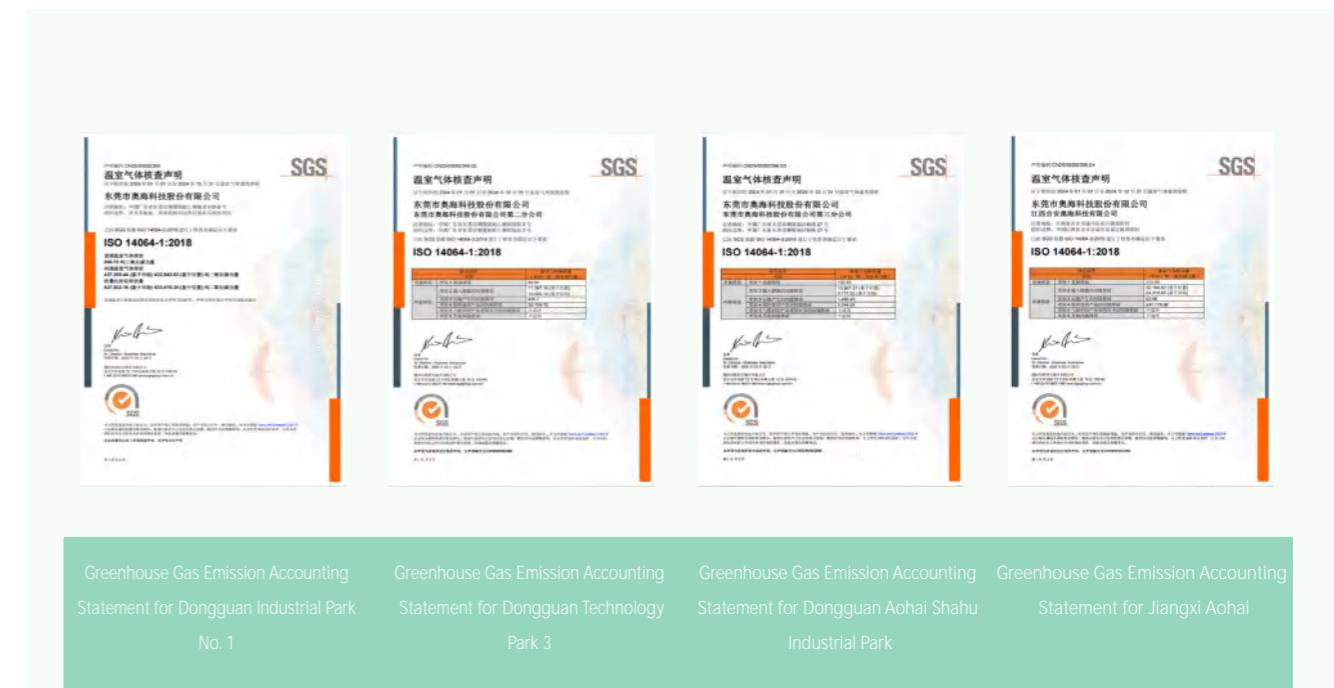
Stage Goals		Carbon Emission Reduction Management Plans
2024-2030 Goals		Based on 2023 as the baseline year, the carbon emission reduction intensity per million revenue should decrease by 3% annually compared to the previous year.
		<p>System Efficiency Innovation</p> <ul style="list-style-type: none"> Promote intelligent upgrade of production equipment by introducing variable frequency drives and intelligent control technology. Establish an energy management center to achieve real-time visualization and monitoring of factory-wide energy consumption data. Further expand the ISO 50001 Energy Management System certification and establish energy-saving quantitative evaluation models. Optimize the compressed air system, implement multi-stage utilization of process waste heat, and build an energy recycling network.
		<p>Clean Energy Transition</p> <ul style="list-style-type: none"> Develop distributed photovoltaic power generation systems to expand the scale of renewable energy applications. Explore direct green electricity purchase models to increase the proportion of clean electricity usage. Deploy user-side energy storage devices to enhance energy utilization flexibility.
		<p>Reducing Fugitive Emissions</p> <ul style="list-style-type: none"> Establish a digital management system for equipment leak detection and repair (LDAR). Adopt low-global-warming-potential (GWP) refrigerants to replace traditional coolants.
		<p>Supporting Supplier Emission Reduction</p> <ul style="list-style-type: none"> Develop a carbon management digital platform for suppliers to achieve data interconnection. Formulate an energy efficiency improvement guide for suppliers and provide energy-saving technology solutions. Establish green procurement standards, prioritizing low-carbon footprint raw materials. Organize supply chain carbon reduction experience-sharing sessions to disseminate best practices.
		<p>Product Ecological Design</p> <ul style="list-style-type: none"> Develop a carbon emission assessment model covering the full product lifecycle. Promote the application of biodegradable materials in the packaging. Optimize product structural design to reduce energy consumption during usage. Establish a material recycling system to increase the usage ratio of recycled materials.
		<p>Constructing A Low-carbon Operational Model</p> <ul style="list-style-type: none"> Implement a remote collaboration system to reduce frequent business travel. Improve green transportation facilities in factory, such as adding electric vehicle charging stations. Implement full lifecycle management of equipment to extend asset lifespan. Promote digital office systems to minimize the consumption of physical resources.
2050 objective	Achieve carbon neutrality at the operational level	

Aohai Technology Photovoltaic Plan

The company actively responds to China's "14th Five-Year Plan" policy directions on clean energy development, vigorously promoting clean energy initiatives with rooftop photovoltaic systems as the core focus. Leveraging the technological advantages and industrial layout, the company drives the diversified development of clean energy business. The company plans to allocate substantial resources to advance photovoltaic installations across various factory areas in the future, with detailed funding budget and resource allocation plans in place to ensure that each factory area's photovoltaic project receives adequate financial support. It is expected that in the coming years, the photovoltaic installed capacity of each factory area will significantly increase, providing the company with substantial clean energy, reducing reliance on traditional energy sources, lowering carbon emissions, and contributing to the achievement of sustainable development goals.

Conducting Carbon Verification

Currently, the greenhouse gas emissions generated by the Company's operations mainly come from the use of gasoline for small vehicle transportation and purchased electricity. The Company, in accordance with the ISO14064:2018 Standard, has clearly defined the organizational boundaries and accounting scope (covering Scope 1 direct emissions, Scope 2 energy indirect emissions, and Scope 3 value chain emissions), established a cross-departmental committee, and allocated dedicated budgets to support system operations. Since 2022, the Company has engaged third-party professional institutions to conduct carbon verification. By 2024, all Parks covered by Dongguan Aohai and Jiangxi Aohai have completed the carbon emission inventories, extending the scope to the upstream and downstream of the supply chain (Scope 3).



Key Performance

Greenhouse Gas Emissions Situation	2024		2023		2022	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Scope 1 (tCO2e)	254.72	312.00	135.38	283.98	Unaudited	645.33
Scope 2 (tCO2e)	21765.33	24210.65	15600.70	16564.53	Unaudited	12139.00
Scope 3 (tCO2e)	22020.05	24522.65	16901.24	16848.51	Unaudited	12784.33

Note:

- 1) Greenhouse gas emissions over the past 3 years have been classified, calculated, and reported in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.
- 2) Scope 1 and 2 greenhouse gas emissions data of 2022 covered Jiangxi Aohai. Scope 1 and 2 greenhouse gas emissions data of 2023 covered Dongguan Industrial Park No. 1, Dongguan Technology Park 3, and Jiangxi Aohai; Scope 1 and 2 greenhouse gas emissions data of 2024 covered Dongguan Industrial Park No. 1, Dongguan Technology Park 3, Dongguan Shahu Industrial Park, and Jiangxi Aohai.
- 3) Direct greenhouse gas emissions (Scope 1) from stationary combustion sources and energy indirect greenhouse gas emissions (Scope 2) over the past 3 years have been verified by an independent third-party professional agency.
- 4) Scope 2 emissions are actually market-based.

Energy-saving Management

Based on the ISO 50001 Energy Management System, the company has established a standardized procedural system to clearly define energy-saving goals and responsibility mechanisms, promote energy-saving and low-carbon transformations, and achieve precise energy usage control through intelligent control systems. Through coordinated efforts in systematization, greening, and digital intelligence, the company comprehensively enhances energy efficiency, reduces carbon emission intensity, and creates a sustainable green operation model.

Since 2023, Dongguan Aohai Technology Park 3 has successfully obtained ISO 50001 Energy Management System certification due to its outstanding energy management practices. To maintain this standard and pursue continuous progress, the Park has established detailed procedures and comprehensive institutional systems to ensure that every aspect of energy management is well-regulated by standardized processes.



ISO 50001 Certificate for Dongguan Technology Park 3

Energy-Saving Goals

The Company conducts in-depth analysis and precise calculations every year based on the actual energy consumption data from the previous year to determine the average monthly energy consumption level. On this basis, combined with the established energy-saving goals, the company scientifically determines the energy-saving indicators for the year. At the same time, the company meticulously develops an annual environmental management plan for resource and energy conservation, breaking down energy-saving tasks to individual departments and specific processes to ensure orderly and systematic advancement of energy-saving efforts.

Green Power Purchase

The company signs the Green Power Purchase Agreement and purchases green electricity (GEC) to flexibly reduce carbon emissions during operations, meeting China's "Dual Carbon" policies and other requirements for the usage of green electricity. Looking ahead, the company will continue to enhance its carbon management capabilities, further optimize its energy structure, and provide strong support for achieving the low-carbon development goals.

In 2024, Dongguan Aohai purchased 17,400 MWh of green electricity (GEC), accounting for over 32% of total annual electricity consumption.

In 2024, the green electricity (GEC) purchased by Dongguan Aohai reached

17,400 MWh

Short-term Goal

Based on 2023 as the Baseline Year, by 2024, aim to reduce electricity consumption per one million in operating revenue by

5%

Long-term Goal

Based on 2023 as the Baseline Year, by 2024, aim to reduce electricity consumption per one million in operating revenue by

30%

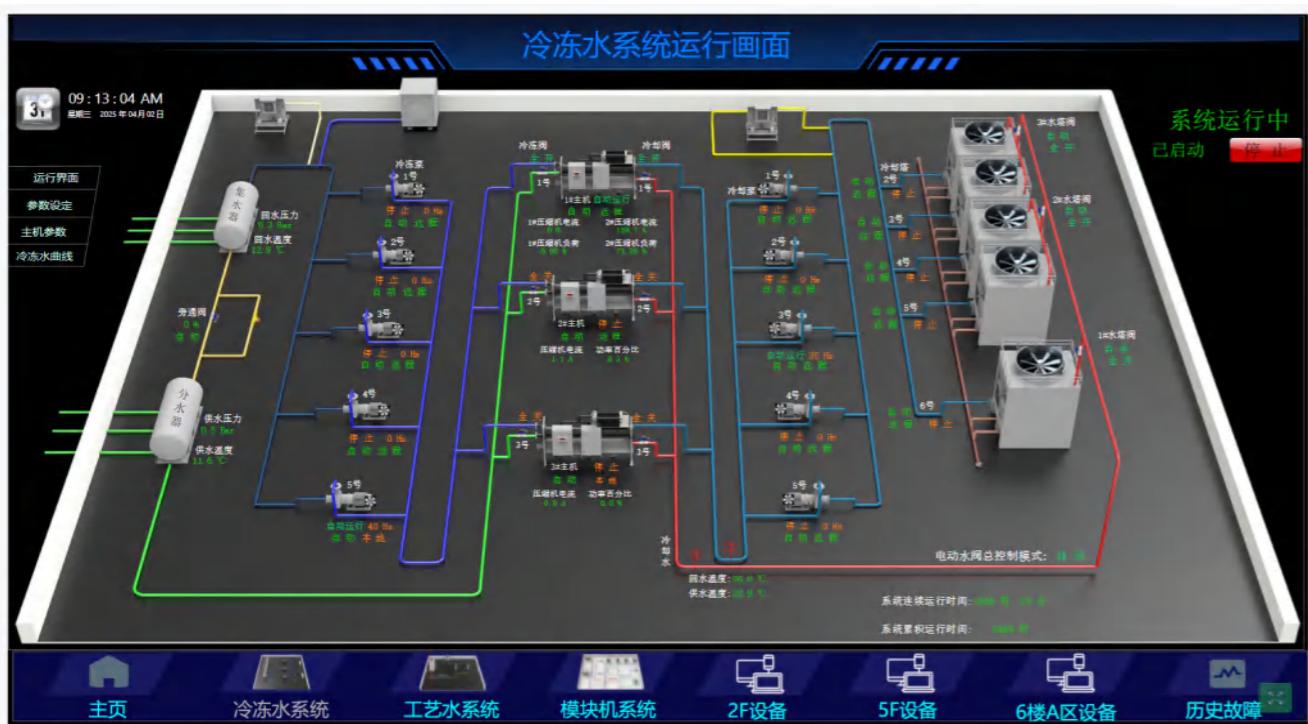
Key Performance

Energy Consumption	2024		2023		2022	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Liquefied petroleum gas/ton (ton)	0	0	0	0.162	0	3.36
Gasoline (ton)	1.747	5.283	17.762	5.771	0	4.72
Electricity (kWh)	37,164,570	41,343,318	27,355,243	29,045,300	24,381,896	21,285,284

Note: The electricity consumption in 2024 includes the newly added Dongguan Shahu Industrial Park.

Intelligent Energy Control

The Company conducts monthly summaries and statistics of energy consumption data to accurately grasp the situation of energy usage. Dongguan Aohai introduced an advanced energy monitoring system capable of conducting regional monitoring for the company and real-time monitoring for major energy-consuming equipment. Through its online monitoring function, the system automatically collects real-time and historical consumption data on various energy types, including liquefied petroleum gas, gasoline, and purchased electricity, thereby achieving a comprehensive understanding and effective management of energy consumption.



Energy Monitoring System

Low-Carbon Energy-Saving Renovation

In 2024, the company fully promoted the energy-saving projects in production processes and introduced a batch of advanced energy-saving equipment, successfully achieving the energy-saving and carbon reduction goal in production. Through these efforts, Dongguan Aohai Technology successfully passed the cleaner production audit, and further tapped into its energy-saving potential. Meanwhile, the company organized energy management training sessions for all departments, effectively enhancing employees' energy-saving awareness. Additionally, each branch conducted regular self-inspection on energy efficiency and has formulated detailed audit plans based on the company's environmental and energy-saving management measures, thereby comprehensively driving energy conservation and carbon reduction efforts to take root and produce results.

Energy Saving and Emission Reduction Project of Aohai Technology in 2024

Factory	Project name	Project introduction	Energy conservation benefits (M kWh/year)	Carbon dioxide emission reduction (tCO2)
Dongguan Aohai	Tin furnace retrofit	Renovate one outdated, high-energy-consuming tin furnace in the power supply workshop into a new energy-saving tin furnace, significantly saving electricity and lowering energy consumption per unit product.	24,200	14.171

Note: Electricity calculation factor: 0.5856tCO2/MWh 2022 Electric Power Carbon Dioxide Emission Factor



Green Office

The Company consistently integrates the concept of green and low-carbon into all aspects of production, operations, and employee daily life, striving to create a green and environmentally friendly office environment. By organizing diverse environmental protection training sessions, the company encourages employees to develop green office habits, promoting the practice of low-carbon culture throughout the workforce and fostering a sustainable development atmosphere within the enterprise.



Green Paper

- Encourage paperless office practices and double-sided printing;
- Promote the use of personal mugs to reduce disposable cup usage;
- Push digital workflows to move approvals online, reduce paper documents, and increase the efficiency of electronic seal usage.

Green Power Usage

- Reasonably control the air conditioning temperature in all office areas and assign a dedicated person to check the air conditioner panels before leaving work;
- Fully replace ordinary incandescent lamps and energy-saving lamps with energy-efficient LED bulbs to reduce lighting power consumption, and maximize the use of natural light;
- Post clear energy-saving reminders near light switches and electrical equipment to encourage energy conservation;
- Enable sleep mode on devices such as printers, water dispensers, and copiers.

Green Water Usage

- Post reminders to turn off lights and faucets when leaving restrooms and office pantries;
- Install water-saving devices in restrooms and pantries;

Green Travel

- Reduce the use of company vehicles without affecting the normal operation of the company, and stop using high-displacement service vehicles;
- Use audio/video conferencing equipment to reduce long-distance business travel for meetings

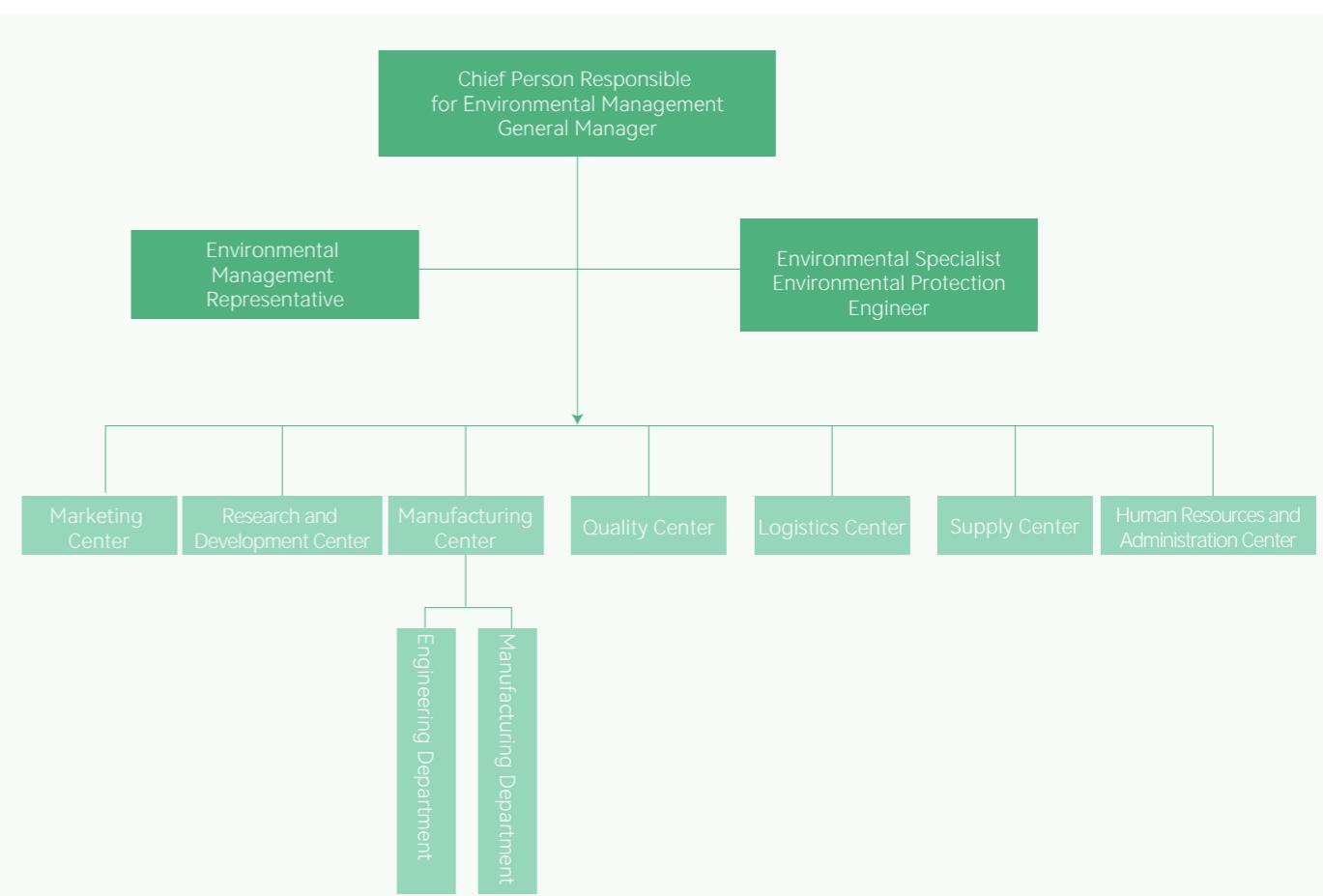


Green Office Initiative

ENVIRONMENTAL COMPLIANCE

Environmental Management System

The company has established a systematic environmental management organizational structure, forming a three-tier environmental responsibility system. At the strategic decision-making level, the general managers of corresponding companies serve as the chief person responsible for environmental management, overseeing environmental strategy planning and major decision-making. At the execution and supervision level, the environmental management representatives lead specialized teams to coordinate with environmental management specialists for the implementation of environmental policies and process supervision. At the implementation level, department heads act as the primary environmental responsibility persons for environmental protection within their respective areas, ensuring that environmental management requirements are integrated into daily operations. By constructing a clear and interconnected environmental governance mechanism, the company ensures the scientific and standardized operation of the environmental management system, achieving continuous optimization and upgrades through periodic evaluation.



Adhering to the environmental policy of "compliance with regulations, strict supervision; continuous improvement, and sustainable operation," the company upholds the principles of environmental friendliness, minimizing the ecological footprint, and maximizing the fulfillment of stakeholders' environmental expectations.

Accordingly, the company has formulated institutional documents such as the Environmental Management Policy to comprehensively strengthen environmental management and risk prevention and control during operations, effectively fulfilling corporate environmental responsibility. These efforts are aimed at advancing the environmental management system towards greater standardization, normalization, and systematization, laying a solid foundation for sustainable development. As of the end of 2024, Dongguan Aohai and Jiangxi Aohai's Dongguan Industrial Park No. 1, Dongguan Technology Park 3, and the Jiangxi Manufacturing Base have all obtained ISO 14001 Environmental Management System certification. The newly constructed Dongguan Shahu Industrial Park was officially put into operation in February 2024 and is scheduled to complete ISO 14001 certification by 2025.



Environmental compliance management

In terms of compliance management, the company strictly implements applicable environmental protection laws and regulations. During the reporting period, it has fully paid the environmental protection taxes and other statutory fees, while continuously improving its environmental compliance review mechanism. Upon verification, no environmental administrative penalty incidents occurred during the reporting period, nor were there any environmental violation investigation procedures or significant environmental impact events. The performance of its environmental management system has been acknowledged by the regulatory authorities.

The company discloses environmental information in accordance with the law, accepts public supervision, strictly complies with environmental regulations, and truthfully and promptly completes the filing of environmental information, including factual disclosure of the discharge status of the "three wastes", to ensure orderly implementation of daily environmental work such as hazardous waste disposal, wastewater treatment, and environmental monitoring.

Key Performance

Environmental compliance	2024		2023		2022	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Number of environmental violations	0	0	0	0	0	0
Compliance rate of "three wastes" Emissions	100%	100%	100%	100%	100%	100%
Environmental protection investment (RMB 10,000)	204.19		107.32		23.16	

Solid Waste Management

The company strictly adheres to the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and has formulated the Management of Solid Waste and Measures for Hazardous Chemicals Management, establishing a waste management system centered on "reduction, resource utilization, and harmlessness treatment". Through standardized classification, sealed storage, compliant disposal, and resource conversion measures, the company has achieved 100% compliant treatment of hazardous waste, systematically reducing environmental impact.

The company scientifically identifies and classifies solid waste generated during production in accordance with relevant national standards to ensure classification accuracy and standardization. According to Standard for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill (GB 18599) and the Standard for Pollution Control on Hazardous Waste Storage (GB 18597), the company has constructed standardized storage facilities to prevent secondary pollution to the surrounding environment, soil, and groundwater. At the same time, in strict compliance with environmental laws and regulations, the company entrusts qualified third-party professional institutions to handle the generated solid waste and conducts rigorous qualification checks and capacity assessments when selecting third-party institutions. Furthermore, the company has established a comprehensive ledger management system for solid waste, recording detailed information on waste categories, quantities, transportation methods, and disposal methods, achieving full traceability of the entire process from waste generation to final disposal. This provides accurate data support for the corporate environmental management and decision-making, while also facilitating supervision and inspection by relevant authorities to ensure transparency and compliance in waste management.

Zero Waste to Landfill

The company actively promotes the advanced concept of zero landfill management across all factory areas, involving diverse measures such as waste reduction, recycling, reuse, and energy conversion. These efforts significantly reduce the environmental burden of landfill and incineration while driving efficient resource recycling, striving to achieve the "zero landfill" goal.

2023 年 Milestone in Waste Management	2024 年 Toward Higher Standards	UL2799J Gold Certificate
<p>In 2023, Dongguan Aohai collaborated with its customer Amazon to successfully obtain the UL ECPV 2799 issued by UL Solutions. This certification indicates that Dongguan Aohai achieved a landfill diversion rate of $\geq 90\%$, earning the title of "Zero Waste to Landfill Silver Level". This title not only represents high recognition of the company's waste management capabilities but also highlights our industry-leading position in the field of environmental protection by effectively reducing the negative environmental impact of waste.</p>	<p>In 2024, Dongguan Aohai achieved new milestones in waste management by upgrading its UL 2799 certification from Silver Level to Gold Level. The company achieved $\geq 98\%$ of waste being recycled and converted into energy, with $\geq 90\%$ processed through non-incineration methods such as composting, biofuel, and anaerobic digestion. This achievement marks a new milestone in the company's efforts toward waste reduction, resource utilization, and energy conversion utilization.</p>	

Key Performance Indicators for 2024	
Dongguan Aohai	Hazardous waste generation volume 20.70 tons
Jiangxi Aohai	Hazardous waste generation volume 2.13 tons
Dongguan Aohai	General waste generation volume 564.04 tons
Jiangxi Aohai	General waste generation volume 457.69 tons

Exhaust Emission Management

Strictly adhering to the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the company has formulated and implemented management systems such as the Exhaust Gas Management Regulations and Gas and Chemical Leakage Treatment Methods, comprehensively regulating the supervision and management of exhaust emissions, based on pollutant emission standards applicable to production. In terms of exhaust gas treatment, the company has equipped activated carbon exhaust gas treatment equipment to efficiently purify exhaust gas generated during production. Through regular inspections, maintenance, and activated carbon adsorption, the company ensures continuous and stable operation of equipment and compliance with emission standards.

Dongguan Aohai and Jiangxi Aohai annually entrust qualified third-party agencies to conduct exhaust emission testing and properly maintain detailed test reports for verification. During the reporting period, the exhaust emissions of Dongguan Aohai strictly complied with the secondary standard of the second period in Table 2 of the Emission Limits for Air Pollutants (DB 44/27-2001); meanwhile, the exhaust emissions of Jiangxi Aohai met the secondary standard in Table 2 of the Integrated Emission Standard for Air Pollutants (GB16297-1996) and the VOCs limits for other industries in Table 2 of the Emission Control Standard for Industrial Enterprises Volatile Organic Compounds (DB12/524-2014), reflecting the company's effective implementation of environmental responsibilities and contributing to improved regional air quality.

Case: Organic Waste Gas Purification Project of Dongguan Aohai

In Dongguan Aohai's manufacturing processes, including reflow soldering, wave soldering, red glue printing, SMT, automatic dispensing, potting and drying, and cleaning, volatile organic compounds (VOCs) are generated due to solvent evaporation. With the continuous upgrade of national and local environmental emission standards, the original photolysis, activated carbon adsorption, and spray processes can no longer meet current requirements. To ensure compliance, in 2024, the company added an organic waste gas (VOCs) treatment system featuring pretreatment + activated carbon adsorption + catalytic combustion (CO) technology in accordance with environmental policies. This system ensures full compliance with national and local relevant environmental regulations and standards for exhaust emissions while minimizing their environmental impact, thereby actively fulfilling corporate social responsibility and contributing to environmental protection.



Water Resources Management

The Company strictly abides by local regulations on water usage and recycling at each production base, and adheres to the water conservation principle of "reducing consumption and sourcing alternatives" to reasonably and efficiently arrange and utilize water resources in daily operations. The company continuously optimizes the processes and procedures of water usage in various production stages, improves equipment, and regularly inspects and maintains water usage equipment, pipelines facilities, and water appliances to reduce water loss during processes, thereby achieving the dual goals of controlling total water consumption and improving water resources utilization efficiency.

项目	单位	2024 年	2024 年	2024 年
Freshwater Consumption at Jiangxi Aohai	m ³	227917	162957	136190
Freshwater Consumption at Dongguan Aohai	m ³	300643	168221	144502
Water consumption intensity per unit output at Jiangxi Aohai	m ³ /RMB 10,000	0.894	0.7	0.68
Water consumption intensity per unit output at Dongguan Aohai	m ³ /RMB 10,000	2.024	1.0	0.92

Note: Water at all production bases is supplied by the municipal water supply system. The increased water consumption in 2024 at Dongguan Aohai Shahu Industrial Park was attributed to infrastructure needs.

The company strictly complies with the requirements of the Water Pollution Prevention and Control Law of the People's Republic of China and other laws and regulations and has formulated and implemented the Wastewater Management Regulations to comprehensively standardize wastewater management in all factory areas, ensuring that wastewater discharges meet national and local standards. Through continuous optimization of management processes, the company is committed to minimizing the potential impact of wastewater on the environment.

Dongguan Aohai and the Jiangxi Base both achieve "zero wastewater discharge" during production, with only domestic sewage being discharged. The factory area implements a rainwater and sewage diversion system, where domestic sewage is pretreatment through oil and residue separation tanks and triple-septic tanks before being connected to the municipal sewage network and discharged through designated pipelines into the urban sewage treatment system, effectively preventing the mixing of rainwater and sewage. Additionally, the company annually entrusts a qualified third-party agency to conduct compliance testing on domestic sewage discharges. During the reporting period, the concentration of domestic sewage discharged by Dongguan Aohai complied with Class I standards of Period II listed in Table 4 of the Discharge Limits of Water Pollutants (DB 44/26-2001), while that of Jiangxi Aohai complied with the Class I standards listed in Table 4 of Integrated Wastewater Discharge Standard (GB8978-1996), thus fulfilling corporate environmental responsibilities and contributing to the improvement of regional water quality.

2024年关键绩效

Dongguan Aohai	Total wastewater discharge 270578.7 m ³	Wastewater volume per unit product 0.00325 m ³ /PCS
Jiangxi Aohai	Total wastewater discharge 205125.3 m ³	Wastewater volume per unit product 0.00203 m ³ /PCS

GREEN PRODUCT

Aohai Technology deeply integrates the green and low-carbon concept into full lifecycle of its products, from design, production, and usage to recycling, strictly adhering to the "4R circular economy principles" (Reduce, Reuse, Recycle, Recover), and actively promoting multiple green product initiatives. From upstream innovation to the downstream application, the company supports the low-carbon transformation through efficient resource utilization, which not only reduces its own environmental footprint but also promotes green transformation across the entire industrial chain, achieving a win-win outcome in both economic and ecological value.

High-Efficient and Energy-Saving Products and Technologies

Under the guidance of "Better Energy Efficiency Greens the Planet," the company continuously leads and explores green energy-efficiency technologies. In line with customers' core needs and industry trends such as high conversion efficiency, high power density, integration and miniaturization, as well as safety and reliability, Aohai constantly overcomes technological barriers and is committed to offering users safer, more portable, and more efficient low-carbon products.

Full-Series Fast-Charging GaN Upgrade Solution

GaN Technology, due to its superior electric power conversion efficiency and compact size, has gradually gained widespread application in the consumer electronics field in recent years. As an industry pioneer, Aohai Technology has already adopted this technology in its intelligent fast-charging products, significantly enhancing charging speed and energy efficiency. With the rise of emerging technologies such as artificial intelligence and big data, traditional power supply technology can no longer meet the demands for efficient and stable operation. Compared to traditional silicon-based power supplies, GaN offers higher energy conversion efficiency, providing lower energy consumption at the same power level, while being smaller and lighter, thus enabling a more flexible design. The company will also continue to expand the application of GaN technology in power supplies for computing servers, launching more competitive GaN power supply solutions so that consumers can enjoy higher processing performance along with the environmental benefits of energy conservation and emissions reduction.

Breakthrough in Zero Standby Power Consumption Technology

In the Year 2024, Aohai Technology achieved a breakthrough in zero standby power consumption technology through its patented PFC control circuit (CN222301638U) and the asymmetric half-bridge circuit design (CN118971629B). The new control method and chip design will provide more precise energy management for chargers, reducing power standby power consumption to below 0.1W, achieving 80% energy saving compared to traditional solutions (typically 0.5-1W).

Case: Introduction to 18.AI 65W Zero Standby Power

By studying the working principles of switching power supplies, chip operation timing, and logic, the company developed a charger with zero standby power consumption. The optimal collaborative working method for primary and secondary ICs was established. When in standby mode, the bus switch and optocoupler power supplies are both turned off. The primary and secondary ICs enter a deep sleep mode, while the main/secondary control chips minimize current consumption and reduce the operating frequency to below 20Hz, achieving zero standby power consumption.



Low-Carbon Technological Innovation

The transformer is a critical component in the power supply. Aohai Technology has continuously conducted research into high-efficiency transformers and obtained invention patents for planar transformers. Compared with traditional transformers, planar transformers are lighter weight, consume less energy, generate less pollution, and offer thinner profiles, smaller sizes, higher power density, better performance, lower EMI interference, and reduced use of raw materials, contributing to global dual-carbon goals.

During the design process of planar transformers, magnetic simulation technology is used to model the magnetic loss and EMI characteristics generated during operation, reducing the number of development iterations and speeding up project timelines. Production is carried out on the fully automated line with a daily production capacity of 15,000 pcs, enhancing product reliability. Proprietary EMI testing and control technology are adopted to ensure 100% compliance with national regulations. Thermal simulation technology is used in miniaturized products applying planar transformers to address the temperature rise issue caused by smaller sizes.

Comparison Between Planar Transformer and Traditional Transformer.

Item	Energy Consumption	Final Product Weight (g)	Pollution	
			Usage of Adhesive Tape	Degradation Period
Traditional transformer (120W)	0.084KW/H/PCS	30.25	Insulating tape fumes pose health risks	Bakelite ≥ 100 years Adhesive tape ≥ 100 years
PCB planar transformer (120W)	0.020KW/H/PCS	21.12	No adhesive tape used	Recovery

Circular Economy

Under the guidance of "Better Energy Efficiency Greens the Planet," the company continuously leads and explores green energy-efficiency technologies. In line with customers' core needs and industry trends such as high conversion efficiency, high power density, integration and miniaturization, as well as safety and reliability, Aohai constantly overcomes technological barriers and is committed to offering users safer, more portable, and more efficient low-carbon products.

The product production cycle adheres to the 4R principles.

Reduce Design Principle

- Minimize waste and raise awareness of energy utilization.

Recycle Design Principle

- Reprocess waste materials

Reuse Principle

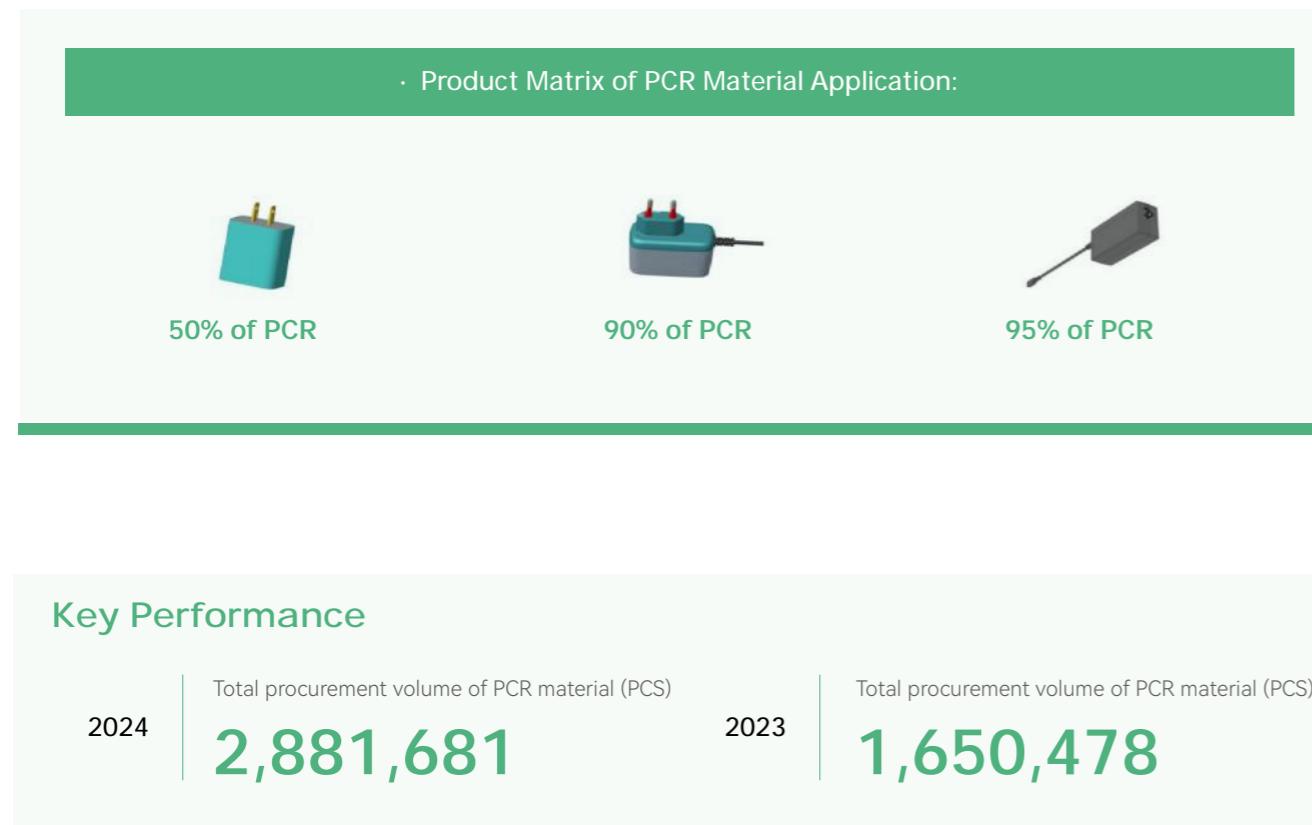
- Encourage innovative applications of existing product components

Recovery Design Principle

- For example: Using recycled plastic (PCR) for product plastic casing to reduce the use of virgin plastic materials
- For example: Utilizing new technology to reduce standby power consumption of power supply products, achieving zero standby power

Application of PCR Material

PCR (post-consumer recycled material) refers to recycled plastic materials sourced from consumer waste. These materials are reprocessed to produce new packaging materials. Currently, the company is continuously engaged in research, development and application of PCR Material, and uses recycled plastic (such as PCR materials) in charger products to reduce reliance on petroleum-based raw materials. Packaging materials with 90% PCR material have been mass-produced for multiple customers, while packaging materials with 95% PCR material have entered the validation and introduction stage, contributing to plastic reduction, energy conservation, and lower carbon dioxide emissions.



Building a Packaging Material Recycling System

The Company, following the Packaging Material Recycling Management Measures, has standardized the classification and recycling processes for various packaging materials such as cartons and inner blister trays. After usage in workshops, these materials are sorted by supplier and returned to designated storage areas, achieving a reuse rate of over 90%. By strengthening the collaborative recycling mechanism with suppliers and the supply chain traceability of PCR materials, the company effectively reduces resource consumption and waste emissions, promoting the deep integration of green manufacturing and sustainable development goals.

Promotion of Sustainable Packaging Innovation

The company actively responds to the global call for breaking free from plastic and carbon reduction by fully replacing traditional plastic and wooden packaging with recyclable and biodegradable materials. The company prioritizes the use of recycled cardboard, bio-based biodegradable plastics, plant fiber trays, and other environmentally friendly materials. By establishing a collaborative green packaging development mechanism with suppliers, strengthening recycled material traceability management, and joint developing low-carbon technologies, the company has established a closed-loop system from procurement, and production to recycling and regeneration, ensuring the carbon footprint of packaging materials throughout their lifecycle is traceable and optimizable. This initiative not only fulfills corporate social responsibility but also achieves a win-win situation for environmental protection and cost-efficiency by replacing high-pollution materials, accelerating the implementation of the global circular economy and carbon neutrality goals.

Case: Break Free from Plastic

Sustainable packaging materials are a crucial component in the promoting resource recycling. Compared with traditional packaging materials, eco-friendly packaging materials have significant advantages: They are easy to recycle, naturally biodegradable, renewable and reusable, all while being environmentally safe and pollution-free, providing strong support for green transformation.



Key Performance

2024	Procurement volume of recyclable and biodegradable packaging materials (PCS)	2023	Procurement volume of recyclable and biodegradable packaging materials (PCS)
	18,612,448		11,367,232

GRS Certification

GRS (Global Recycled Standard) is a globally recognized standard for recycled material products. The company has integrated recycled materials into its products (such as charger casings and packaging) and has aligned its practices in environmental management, social responsibility, chemical restrictions, and supply chain traceability with GRS certification standards, meeting the requirements of the international supply chain. In 2024, Dongguan Aohai Industrial Park No. 1 obtained GRS certification from a qualified third-party organization.



GRS Authentication Certificate
for Dongguan Industrial Park No. 1

BIODIVERSITY

Biodiversity, as the foundation of Earth's life system, is the ecological cornerstone for the sustainable development of human civilization. As one of the countries with the richest global biodiversity, China has made significant progress in species conservation and ecosystem restoration, yet still faces complex challenges such as habitat fragmentation and excessive resource exploitation. Against this backdrop, enterprises, as key players in economic activities, urgently need to incorporate biodiversity conservation into their sustainable development strategies. Aohai Technology responds to the national strategy through systematic ecological protection actions, providing replicable practice models for green industrial transformation and contributing to the establishment of a new development pattern that fosters harmony between humanity and nature.

The company strictly adheres to the Ministry of Ecology and Environment's China National Biodiversity Conservation Strategy and Action Plan (2023–2030) by deeply integrating biodiversity conservation into corporate strategic decisions and the commercial ecosystem, promoting industrial green transformation through the construction of a multi-dimensional protection system. At the strategic level, the company focuses on low-carbon operations and the expansion of new energy scenarios, innovatively establishing a carbon-inclusive mechanism for both the company and users. At the practical level, Dongguan Aohai Technology Park 3 took the lead in formulating the TX-WI-029 Regulations for the Management of Protected Animal Resources, constructing an animal protection mechanism covering the entire supply chain. It explicitly prohibits illegal leather procurement, ensures freedom of animal movement, prevents harm to animals during production, and extends protection requirements to secondary suppliers through a supplier code of conduct. By combining strategic planning with practical implementation, the company continuously improves its biodiversity protection management system, leading the industry towards an eco-friendly development model with exemplary measures and effectively advancing the modernization process of harmonious coexistence between humans and nature.



07

EXCELLENCE WITH INTEGRITY VITALITY-DRIVEN GROWTH

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"Excellence with integrity, vitality-driven growth" is not only our commitment to employees but also our responsibility to society. Aohai Technology places great importance on protecting employee rights, ensuring a fair and just work environment. Through systematic training and career development planning, the company builds a high-quality talent pool. In addition, the company provides competitive compensation and diversified employee care programs, enhancing employees' sense of belonging, and has established a comprehensive health and safety management system to safeguard employees' physical and mental well-being. We are committed to creating a vibrant space for employee growth, driving mutual progress between the enterprise and its workforce, and creating greater value for society. Aohai Technology will continue to put employees at the center, fulfill its social responsibilities, and empower every employee to achieve value in an environment of dignity, fairness, and safety.



PROTECTION OF EMPLOYEES' RIGHTS AND INTERESTS

Adhering to the core philosophy of "people-oriented," Aohai Technology embeds the protection of employee rights deeply into its development strategy. It strictly follows international guidelines such as the Universal Declaration of Human Rights and ILO Core Conventions, and applicable local laws and regulations, such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, and has established a systematic employee rights protection management framework of "Prevention - Supervision - Improvement". By formulating policies, raising awareness, conducting internal and external audits, and establishing confidential and retaliation-free communication channels, the company ensures that its operations achieve "zero human rights violations".

Employee Rights Protection Management System

Referencing the Social Accountability 8000 (SA 8000) and the RBA Code of Conduct, the company has formulated a series of employee rights protection systems, including the Prohibition of Child Labor Management Procedure, Prohibition of Forced Labor and Use of Prison Labor Management Procedure, Non-Discrimination Control Procedure, and Freedom of Association and Collective Bargaining Management Regulation. These systems are tailored to Aohai Technology's needs and uphold a "zero tolerance" approach to human rights violations, focusing on safeguarding four major rights: equal employment rights, collective bargaining rights, decent wage rights, and career development rights, while resolutely combating five major violations: child labor, forced labor, discriminatory policies, inhumane treatment, and retaliatory behavior.

Rights and Interests of Employee	Aohai Technology's Policies
Equal employment rights	The company has established fair and transparent systems for recruitment, promotion, job transfer, and compensation management to ensure that there is no form of employment discrimination in any aspect of human resources management.
Collective bargaining rights	It respects employees' rights to freely form or join labor unions, and supports the democratic election of employee representatives to conduct honest and fair negotiations on labor conditions and welfare policies, protecting employees' rights to express their opinions and participate in corporate governance.
Decent wage rights	The company strictly abides by relevant local laws and regulations regarding minimum wage standards, and ensures timely and full payment of compensation. In addition, it has established incentive mechanisms such as performance bonuses and overtime subsidies, purchases five social insurances and pays one housing fund as well as purchases supplementary commercial insurance to guarantee dignified labor returns for employees.
Career development rights	The company provides employees with skills training, open opportunities for internal competition, cross-department rotation, and overseas learning programs, offering clear career advancement paths and lifelong learning support.
No use of child labor	The company prohibits the employment of individuals under the age of 16 or below the local legal minimum working age. We strictly verify identity information before employment, and take necessary remedial measures to assist child labor if there's any.
No forced labor	The company ensures voluntary employment and freedom to resign for employees, and prohibits any form of debt labor, contractual bondage, or overtime forced labor. We strictly comply with legal standards on working hours, and require a written application with additional compensation for working overtime.
No discrimination	To eliminate language, behavioral, and institutional discrimination in the workplace, the company establishes anonymous complaint channels, and adopts zero tolerance for sensitive topics such as gender, sexual orientation, and marital and reproductive status. Violations, once verified, may result in termination of employment.
No inhumane treatment	The company prohibits any form of physical abuse, mental oppression, verbal insult, sexual harassment, coercive threats, or other actions that harm employees' health or degrade personal dignity.
No retaliatory	The company protects employees' rights to report violations, and strictly prohibits unfair treatment such as demotion, job transfer, or dismissal due to complaints, appeals, or participation in investigation. Violating managers will face disciplinary action up to judicial handling.

To ensure the effectiveness, integrity, and practicality of the employee rights protection management system, the company is progressively advancing the SA 8000 or RBA Code of Conduct certification based on actual conditions. By the end of 2024, Dongguan Technology Park 3 obtained SA 8000 certification, Jiangxi Aohai achieved RBA-VAP certification, and the newly established Dongguan Shahu Industrial Park, officially launched in February 2024, is scheduled to complete relevant employee rights protection certifications by 2025.



SA 8000 Certificate for
Dongguan Technology Park 3



RBA VAP certificate for
Jiangxi Aohai

Promotion and Training of employee rights protection

To systematically enhance awareness of employee rights protection, the company continuously conducts promotion and training activities on employee rights protection through online and offline courses, bulletin board announcements, communication channel posters, and meetings. The content includes, but is not limited to relevant laws and regulations, SA 8000 or RBA Code of Conduct, related employee rights protection policies, and management standards. By analyzing anonymized internal incidents and external benchmark cases, employees gain a deeper understanding of human rights violations, become aware of the company's policies, and comprehend its "zero tolerance" stance on human rights violations, thereby encouraging employees to actively safeguard their rights. In 2024, Dongguan Aohai and Jiangxi Aohai conducted training related to employee rights protection.



Employee Rights Protection Training

Supervision and Continuous Improvement

The company has formulated the RBA Risk Assessment Management Regulations and organizes personnel annually to assess the current status of employee rights protection management, identify potential labor risks, evaluate their likelihood and severity, classify labor risks (e.g., high risk $D \geq 6$), and formulate control measures accordingly. These are documented in the Labor and Ethics Risk Assessment Record. In 2024, the company identified 27 labor risks, covering five major aspects: child labor, forced labor, disciplinary measures, working hours, and compensation. All were classified as medium risks and were assigned corresponding control measures for oversight to enable early warning and precise prevention.

The company has formulated the Internal Audit Management Procedures, and conducts regular annual audits based on SA 8000 or RBA Risk Assessment Management Regulations as daily internal audit norms. Led by the Sustainability ESG Management Office, trained internal auditors review documentation, perform on-site inspections, and conduct employee interviews on 12 indicators, including employment compliance, salary distribution, and occupational health and safety. Identified deficiencies are assigned to responsible departments for corrective actions. Through internal audits, customer audits, government compliance inspections, and related third-party certification audits, the company has established a normalized supervision and continuous improvement mechanism. This effectively examines the execution of employee rights protection, promptly identifies violations and management loopholes, and takes actions to continuously improve the company's management.

In 2024, under the supervision mechanism of "precise risk prevention + strict audit closed-loop," no violations harming employee rights, such as child labor, forced labor, discrimination, harassment, infringement of freedom of association, or collective bargaining, occurred in any factory area.

Key Performance

Year	2024	2023	2022
Violations harming employee rights (cases)	0	0	0

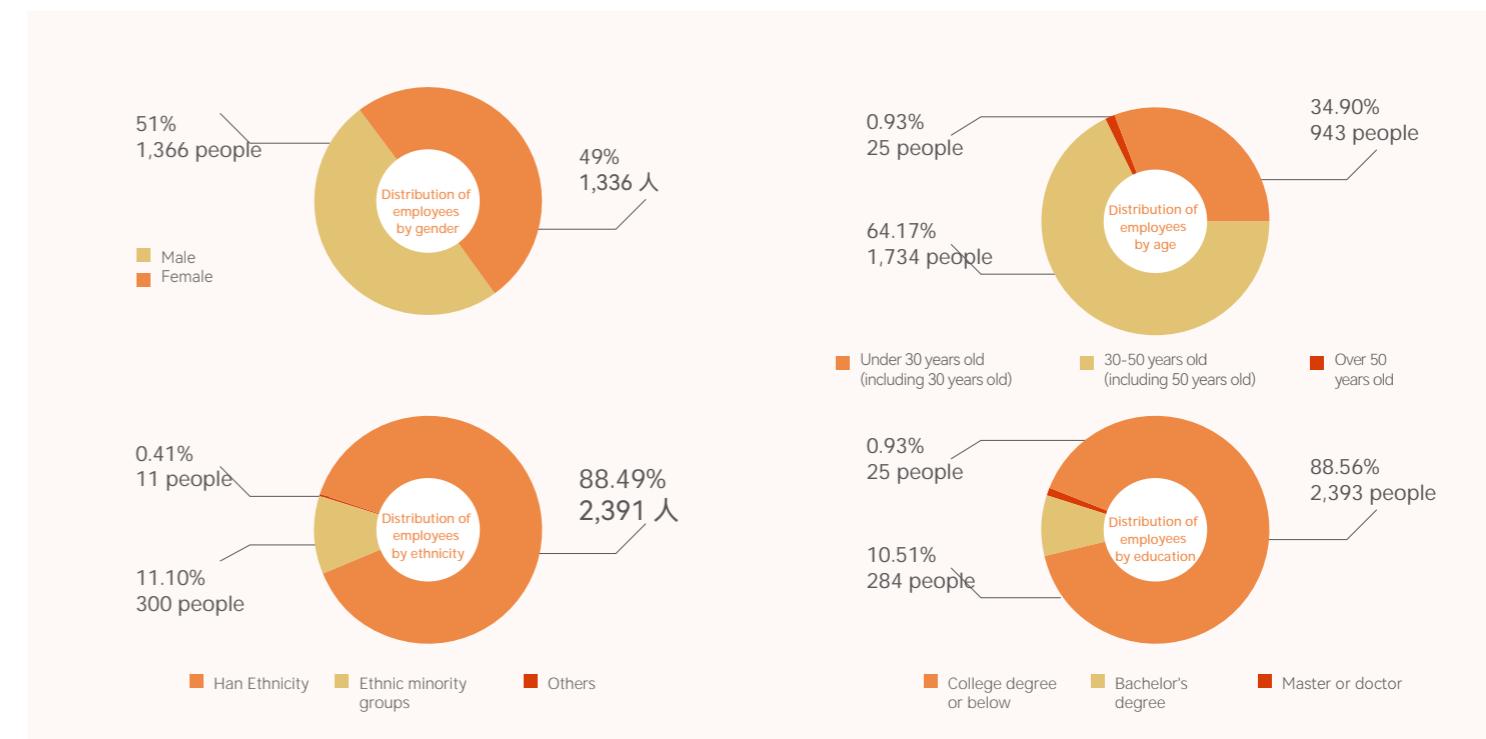
DIVERSITY, EQUALITY, AND INCLUSION

Diverse backgrounds and perspectives spark creativity, enhance team vitality, and help enterprises stand out in global competition. Aohai Technology consistently upholds the employment philosophy of "diversity and inclusion, equality and meritocracy." Through diversity recruitment, inclusive actions, and cultural integration activities, it is committed to creating a workplace environment free from discrimination and bias, ensuring every employee can showcase their talents in a fair and transparent competition.

Employee Diversity

As the company expands globally, Aohai Technology welcomes candidates of different races, nationalities, and cultural backgrounds into the family. As of the end of 2024, Dongguan Aohai and Jiangxi Aohai had a total of 2,702 employees, all of whom were directly hired as formal employees. Among them, there are 1,366 male employees, accounting for 51%, and 1,336 female employees, accounting for 49%. The gender distribution is nearly equal. In terms of age, the company's employees are primarily aged between 30 and 50, and no underage workers were employed. In terms of ethnicity, the majority of employees are Han Chinese, with a total of 11 foreign employees, accounting for 0.41%, and 300 employees from ethnic minority groups, accounting for 11.10%. Therefore, foreign employees and employees from ethnic minorities are collectively defined as minority group employees, totaling 311 people, accounting for 11.51%.

At the Director level (M9) and above, there are 32 senior management personnel, including 26 male executives (81.25%), 6 female executives (18.75%), and 1 minority or foreign executive (3.13%).



Principle of Equality

Employee Recruitment

All positions are openly recruited, with unified and transparent recruitment standards, processes, and evaluation criteria. Positions are set based on need, and candidates are selected based on personal strengths.

Employee Promotion

Promotion decisions are entirely based on performance, capability potential, and job fit. All promotion opportunities are filled through open competition, eliminating irrelevant influences.

Compensation Management

Equal pay for equal work is implemented. Compensation structures are transparent, and performance incentives cover all employees, ensuring fair rewards for equivalent performance in the same roles.

Employee Promotion

The company respects employee differences, recognizes the value of women, and supports their rights to equal development and pursuit of personal career goals. We provide female employees access to exclusive mentors, customized training programs, and career development resources to help them plan their growth, improve skills, and expand their professional networks. The company has established the Female Employee Protection Policy to safeguard their rights during pregnancy, maternity leave, and breastfeeding. We also provide special rest areas, nursing rooms, and feminine products, along with flexible working hours to help female employees balance work and family. We periodically organize women-centric activities, such as women's health lectures, yoga, and flower arranging, to promote inclusiveness and eliminate gender bias in the workplace.

Case: Ode to the Unconstrained Her — A Letter from Aohai Technology Founder/Director Liu Lei

In December 2024, the Guangdong Women Entrepreneurs Association awarded Aohai Technology's Director Liu Lei the honorary title of "Outstanding Female Entrepreneur of Guangdong Province 2024". For Director Liu Lei, it is both an honor and a responsibility. Drawing from her own experience, she passionately and expectantly penned a heartfelt letter to all female colleagues at Aohai Technology, encouraging them to bravely pursue their dreams and contribute their strength to personal and societal progress. The letter not only expressed her deep care and high expectations for female colleagues but also reflected Aohai's firm commitment to gender equality and creating an inclusive workplace.



EMPLOYEE COMMUNICATION AND CARE

Employees are the company's most valuable asset and the core driving force for the sustainable development of the enterprise. To fully tap employee potential and enhance their sense of belonging and cohesion, Aohai Technology maintains open communication channels, conducts regular satisfaction surveys to understand employee needs and improve employee satisfaction, and has established a labor union to support employee representatives in attending board meetings, to promote democratic governance. At the same time, the company deepens employee care efforts, considers employees' thoughts, addresses their urgent needs, and consistently demonstrates the company's care through timely support initiatives.

Diversified Communication Channels

The company has formulated the Opinions, Suggestions, Complaints, and Feedback Management Procedure and established a multi-channel employee communication mechanism to listen to employees' voices from multiple perspectives. It encourages all employees to express opinions and suggestions on company management or to file appeals regarding unreasonable aspects of the company and management personnel. To protect complainants and prevent retaliation, full-process confidentiality measures are implemented so employees can safely and conveniently report grievances or violations.



Employees can provide feedback to the company through WeCom, CEO's email, Aohai Forum, independent complaint and reporting mailbox, and hotline.



Through organizing employee roundtable meetings and tea sessions, conducting employee satisfaction surveys, establishing employee care groups, and posting the contact information of management personnel and human resources staff, the company promptly understands employees' needs.

Case: Aohai Technology Forum — A Communication Platform for Open Dialogue

To enhance communication with employees, the company established Aohai Technology Forum, providing employees with a direct channel for communication. Employees can access company announcements and event information, post about work and daily life issues, or provide suggestions and advice for company improvement. Departments respond promptly to forum feedback, which has been widely praised by employees.



Advancing Democratic Management

7.3.2 Advancing Democratic Management

The company promotes the principle of equality for all and advocates for the right of every employee to autonomously participate in company management. We encourage employees to engage in open communication and direct interaction with management through recognized employee representatives or employee groups, fostering active dialogue to address workplace, working conditions, or other labor issues, thereby promoting a harmonious and symbiotic labor-management relationship. The company has established systems such as the Employee Representative Management Procedure. Both Dongguan Aohai and Jiangxi Aohai have formed labor unions, each holding a quarterly employee representative assembly to listen to employee suggestions and safeguard employee rights and interests. In 2024, Dongguan Aohai had a total of 462 labor union members and 60 employee representatives, while Jiangxi Aohai had 1696 labor union members and 100 employee representatives. The labor union/employee representatives proposed a total of 82 proposals, with a proposal implementation rate of 90%.

Dongguan Aohai	Number of labor union members	462	Number of employee representatives	60
Jiangxi Aohai	Number of labor union members	1696	Number of employee representatives	100
	Number of proposals raised by labor union/employee representatives	82	Proposal implementation rate	90 %



Aohai Technology Labor Union Representative Conference

Employee Satisfaction Survey

The company cares about, pays attention to, and actively understands the needs of employees, and conducts an employee satisfaction survey every year, focusing on company management and systems, work environment and atmosphere, compensation and benefits, and training and learning. Additionally, an employee suggestion section is set up to collect various expectations and feedback from employees. The company summarizes, refines, and analyzes the collected information to form a survey report, with improvement points, and to resolve issues of employee concern within the stipulated time, continuously enhancing employee satisfaction. In 2024, Dongguan Aohai's employee satisfaction rate reached 94%, and Jiangxi Aohai's employee satisfaction rate reached 95.60%.

Employee Care

The company sincerely cares about the work and life status of every employee and has established an employee care group to promptly address employee questions and concerns, resolve difficulties, and organize various employee care activities to convey the care of Aohai Technology. In addition, Jiangxi Aohai has collaborated with the county hospital of traditional Chinese medicine to set up an on-site medical station, providing timely medical care services to safeguard the physical and mental health of employees. In 2024, the company organized a total of 20 employee care activities, including birthday parties, festival celebrations, flower arrangement sessions, and winter employee care campaigns. Jiangxi Aohai has also established a "Support Fund for Employees in Difficulty" to provide financial aid and psychological support to employees facing serious illnesses or emergencies. In 2024, Jiangxi Aohai extended support to 28 employees in difficulty. To foster a positive work environment and enrich employees' recreational and cultural life, in line with the core values of "Vitality and Integrity," Aohai Technology has set up comprehensive leisure and entertainment facilities and financially supports 14 interest clubs in organizing various interest-based activities. Each club adheres to the principle of having a "President + Advisor + Club Charter + Activity Plan + Minimum 25 Members" to encourage a culture of joyful work and happy living. From adrenaline-fueled basketball, hiking, and cycling clubs to Zen-inspired chess, fishing, and yoga clubs, Aohai Technology's diverse clubs provide a platform for hobbies and skills, significantly alleviating work-related stress, strengthening friendships among employees, and creating a joyful workplace atmosphere. In 2024, the company's 14 interest clubs organized a total of 20 interest activities.



Festival Activity



Employee Birthday Party

Dongguan Aohai's employee satisfaction rate

94 %

Jiangxi Aohai's employee satisfaction rate reached

95.60 %

Number of employee care activities organized by the company

20

Number of employees in difficulty received the supported from Jiangxi Aohai

28

Number of activities held by 14 interest clubs of the company

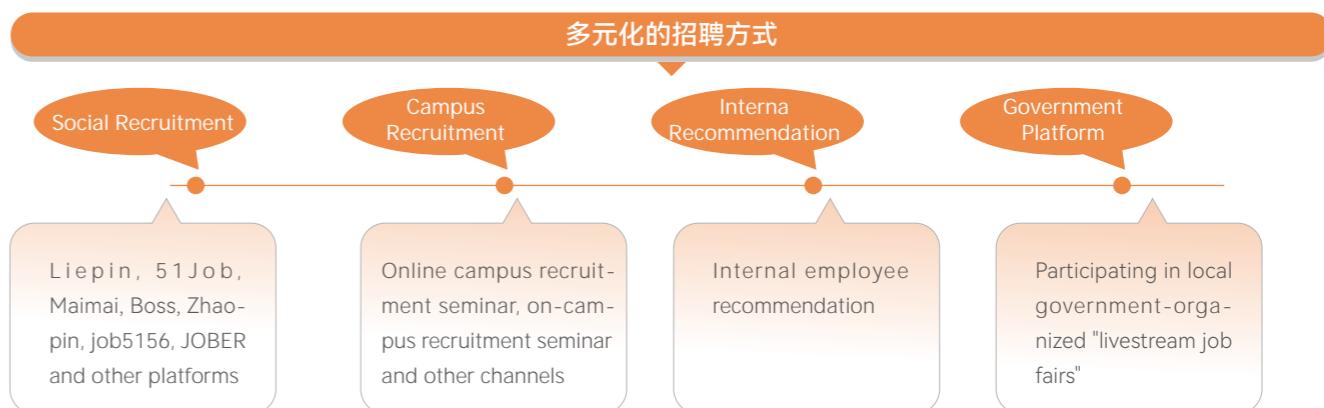
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HUMAN RESOURCE MANAGEMENT

Aohai Technology adheres to the talent philosophy of "Appoint the capable, recognize results; reward those who strive, and give positions to the thoughtful," and is committed to building a high-quality, professional, and innovative team through systematic policies for talent attraction, cultivation, and development. The company has established diverse talent acquisition channels to identify core value talents and strives to provide externally competitive and internally equitable compensation and mutually beneficial incentive mechanisms to retain talent and reward those who strive. At the same time, we focus on talent cultivation and development by creating a tiered and categorized training system and a clear career development pathway, continuously improving training resources to help employees clarify their career goals and achieve both professional aspirations and personal growth.

Talent Attraction

The company has formulated the Recruitment Procedures and Policies to establish diverse talent acquisition channels and precisely recruit high-level talents and promising young elites, providing solid talent support for the company's sustainable development.



In 2024, the company recruited a total of 4,667 new employees, including 2,637 at Dongguan Aohai with a hiring rate of 108%, and 2,020 at Jiangxi Aohai with a hiring rate of 97%.

Key Performance

	Number of new employees	Total number of employees	Hiring rate
Dongguan Aohai	1,052	1,426	74%
Jiangxi Aohai	453	1,276	36%

注: 新进率 = 当年度新进员工人数 / 当年度员工总人数 *100%



Flower Arrangement Activity



Winter Employee Care Campaign



Table Tennis Match



Football Competition



Outdoor Team Building Activity



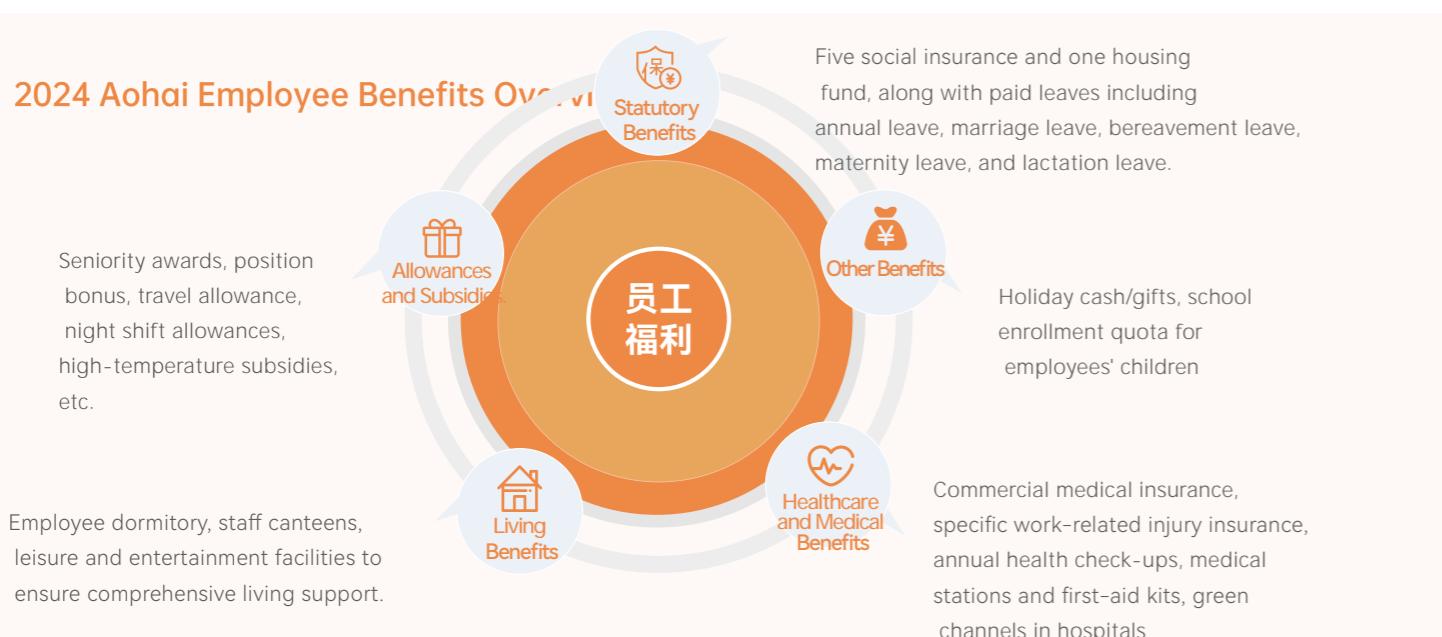
Employee Care Campaign

Distribution of New Employees 2024		Dongguan Aohai	Jiangxi Aohai
Gender	Male	648	218
	Female	404	235
Age	Under 30 years old (including 30 years old)	689	178
	30-50 years old (including 50 years old)	362	275
	50 years old and above	1	0
Nationality	Han Ethnicity	758	452
	Ethnic minority groups	284	1
	Others	10	0

Talent Retention

Compensation and Benefit System

The company has formulated the Compensation and Benefits Management Regulations, aiming to provide compensation and benefits with external competitiveness and internally equitable to attract and retain talent. The company strictly adheres to the Labor Law of the People's Republic of China and other relevant national and local laws and regulations, ensuring timely and full payment of agreed salaries and overtime wages to employees. Additionally, it provides employee benefits exceeding legal standards to enhance job satisfaction and employee loyalty. To ensure that the compensation and benefit system complies with legal requirements and maintains external competitiveness and internal fairness, the company conducts salary surveys twice a year. These surveys track changes in legal regulations and salary levels in the surrounding and peer industries, allowing timely adjustments to salary structures or strategies to prevent talent loss or recruitment difficulties. In 2024, the monthly basic salary for frontline employees in each factory site was set above the local minimum wage standards. The company adheres to the principle of "equal pay for equal work," without discrimination based on gender, physical condition, race, age, nationality, beliefs, or family background. The gender pay gap ratio (male: female) is close to 1:1.



Performance Appraisal

The company has established the Corporate Performance Appraisal Management Measures, Individual Performance Management System, and Employee Qualification Management, Promotion, and Incentive Measures. All Employees are subject to performance appraisal: frontline employees are assessed monthly, while other employees are evaluated quarterly and annually. Performance bonuses, salary adjustments, annual awards, promotions, accountability, and elimination of underperformers are linked to the performance results. Through performance appraisal, the company ensures that each employee's efforts are objectively and fairly recognized. At the same time, managers can better focus on the growth and development of each employee, and provide objective and comprehensive feedback to help employees better understand their strengths and weaknesses, clarify improvement directions, and better match individuals with their roles.

Performance Appraisal Process:



Employees conduct self-evaluations based on performance indicators.

Supervisors evaluate employees based on indicators, standards, and their work performance.

Supervisors provide the assessment results and evaluation basis, communicating the performance improvement plan.

Both parties confirm and sign off the performance appraisal form.

Key Performance

Energy Consumption	2024		2023		2022	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Employee performance appraisal coverage rate	100%	100%	100%	100%	100%	100%

Incentive Mechanism

The company advocates a culture of "praising the strivers" and has established short-term incentive mechanisms such as performance bonuses and project dividends to ensure high-performing employees receive reasonable rewards. At the same time, the company values core talent and has developed mutually beneficial long-term incentive mechanisms (equity incentives) to better align the interests of core personnel more closely with those of shareholders and the company, driving the sustained long-term performance growth of the company.

Equity Incentive:

The company has implemented an equity incentive plan for core management, key technical experts, and high-potential employees. Through restricted stock or stock options, it seeks to achieve benefit sharing among employees, shareholders, and the company, enhancing employee cohesion and the company's competitiveness while motivating employee enthusiasm and creativity to promote long-term, sustainable, and healthy development of the company. Starting in 2023, the company has launched its first employee stock ownership plan, involving a total of 217 employees (including 112 from Dongguan Aohai and 15 from Jiangxi Aohai), with 2,842,890 shares. Employees voluntarily, legally, and compliantly purchased the agreed-upon quantity and price of restricted stock at a low price. The company also formulated the 2023 Employee Stock Ownership Plan Management Measures to clarify the duration, lock-up period, and trading restrictions of the stock ownership plan. On July 14, 2024, the first Lock-up period of the 2023 Employee Stock Ownership Plan expired. The Company, based on the arrangements of the employee stock ownership plan and the prevailing market conditions, disposed of the target stocks accordingly. On the premise that corporate performance meets assessment standards, stock rights were allocated to employees meeting the equity unlock conditions according to their individual performance appraisals and the corresponding unlocking ratios, thus realizing stock cash-out.

For details, please refer to the relevant announcements disclosed by the company on the designated information disclosure media, including the China Securities Journal, Securities Times, Shanghai Securities News, Securities Daily, and the official website of Cninfo (<http://www.cninfo.com.cn>).

2024 Employee Turnover Distribution		Dongguan Aohai	Jiangxi Aohai
Gender	Male	450	121
	Female	250	75
Age	Under 30 years old (including 30 years)	470	81
	30-50 years old (including 50 years old)	228	113
	50 years above	5	2
Nationality	Han nationality	531	194
	Ethnic minorities	164	2
	Others	6	0

Employee Turnover Data

Dongguan Aohai	Number of employee turnover	700	Total number of employees	1426	Employee turnover rate	49%
Jiangxi Aohai	Number of employee turnover	196	Total number of employees	1276	Employee turnover rate	15%

Note: Employee Turnover Rate = Total Employee Turnover in the Year / Total Employees in the Year * 100%

Talent Cultivation

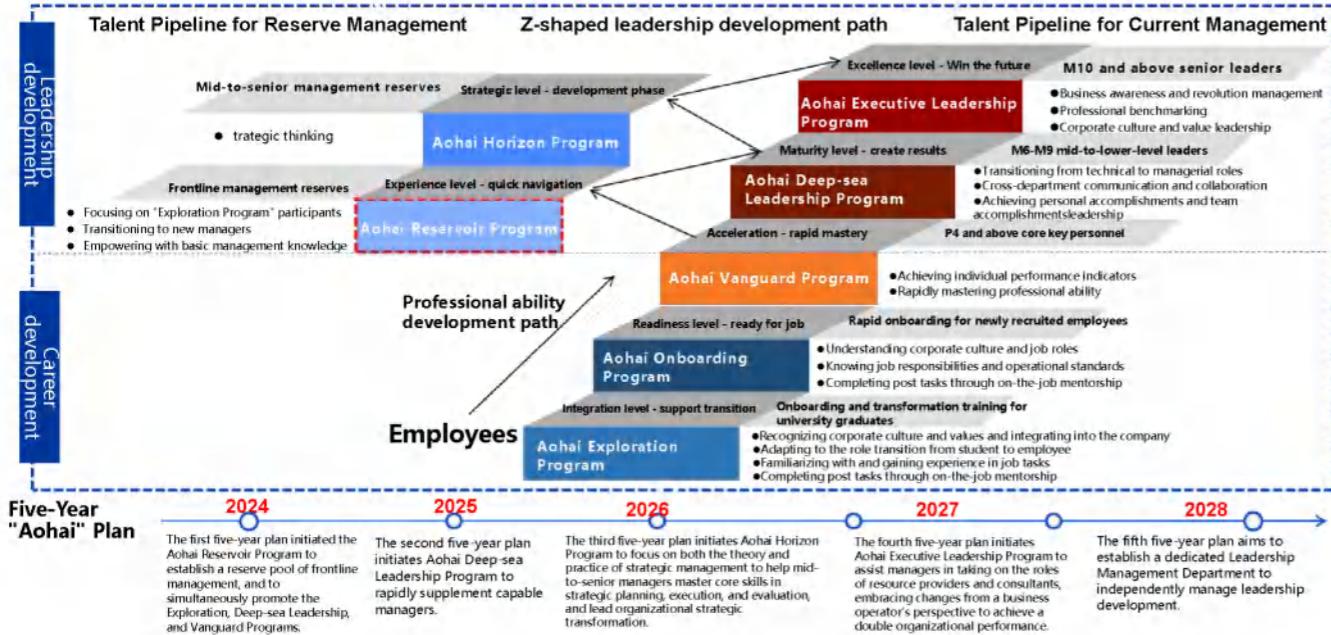
The company places great emphasis on talent development, and has established a multi-tiered and categorized talent training system. The company has established Aohai Technology Academy, focusing on leadership development, career development, and rational operational planning. Taking project-based approaches, it implements the Five-Year "Aohai" Plan to foster a smart learning ecosystem, fully activating the intrinsic motivation of its talent strategy and continuously supporting the company's talent development.

Aohai Technology Academy Promotion and Implementation Framework

The company delves deeply into the operations of Aohai Technology Academy through three dimensions: career development, leadership development, and training operations. Career development includes new employee training, professional Skill Development, and General Employee Quality Training, ensuring Targeted Empowerment and achieving Job-person fit. Leadership Development focuses on Management Skill Development, supporting the construction of the talent pipeline. Training Operations include the Training Management System, Instructor Management Policy, Course Management Policy, Online Learning Platform, and Effectiveness Transformation and Evaluation.

Five-Year "Aohai" Plan

Relying on the foundation of Aohai Technology Academy, the company has developed the "Aohai" talent development program to create a "Z-shaped" leadership growth path, building a progressive journey for junior key talent to senior managers.



"Aohai Exploration Program" Training Photo



Employee Skills Competition

Cloud School

The company has built an online learning platform, "Cloud School," to achieve an integrated online-offline matrix through digital tools. This platform ensures a closed-loop learning cycle with measurable outcomes, deliverables, and assessments, and systematically accumulates learning cases.

Key Performance

Talent Cultivation	2024		2023	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Number of training	318	215	324	167
Participation rate	100%	100%	100%	100%
Annual training investment	1,054,300		26,000	

Talent Development

The company is committed to providing all employees with fair and equitable career development opportunities. It has established the Position and Job Grade Management System and the Promotion and Advancement Management System, building career development paths for various ranks, positions, and titles across five major sequences: management, technology, marketing, professional, and operational. Employees are encouraged to engage in career planning based on their actual circumstances. They may choose career paths that align with their interests and strengths, thereby pursuing professional aspirations and personal growth on the Aohai platform.

Management (M)

Primarily responsible for leading teams to complete work tasks, with a core focus on personnel management and development - centered on "managing people."

Technical (T)

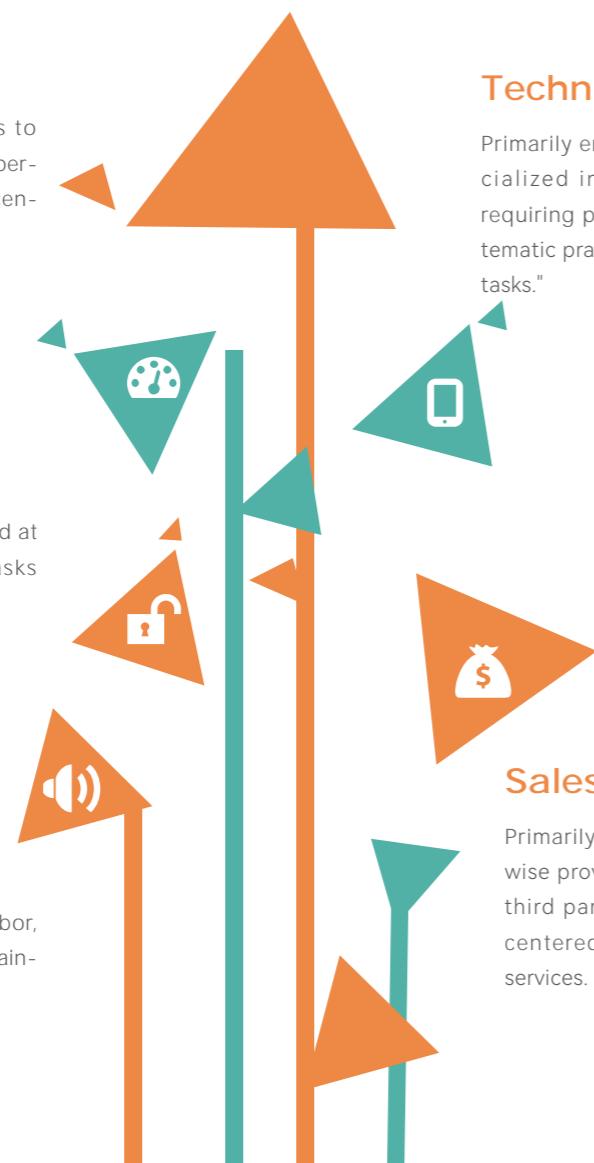
Primarily engaged in complex and specialized intellectual work, typically requiring professional training and systematic practice - focused on "managing tasks."

Professional (P)

Primarily involved in intellectual work, aimed at solving problems and accomplishing tasks using specialized knowledge and tools.

Operational (O)

Primarily engaged in repetitive manual labor, generally requiring only operational skills training - centered on "getting things done."



Sales & Marketing (S)

Primarily focused on selling or otherwise providing products or services to third parties, with the core objective centered on the sale of products or services.

Comprehensiveness

For each distinct career path (sequence) and type of position, the company has developed corresponding career development paths to ensure all employees have access to advancement opportunities within their respective roles. Development space is open to all, and promotions are performance-based.

Hierarchy

Each position is assigned a reasonable rank hierarchy to fully harness employees' enthusiasm and capabilities at every level.

Adaptability

The career development paths for employees are adjusted according to the company's development strategic goals, organizational structure, individual development needs, and job qualification requirements.

Sustainability

The career development paths span the entire career life-cycle of employees, ensuring opportunities for mutual long-term growth between the company and its people.

The company has formulated the Internal Talent Mobility Policy, and publicly releases internal recruitment announcements. Employee self-nomination and internal competition are given priority. At the same time, the company has established a mechanism for lateral transfers across career categories. Employees who meet the qualification criteria for a different career category may, upon passing a comprehensive evaluation and within the scope of organizational staffing control, switch to another path.



OCCUPATIONAL HEALTH AND SAFETY

Aohai Technology strictly complies with all national and local laws, regulations, and standards related to occupational health and safety, prioritizing the health and safety of employees. We actively build a sound occupational health and safety management system, clearly define safety responsibilities at all levels, continuously increase safety investments, improve the work environment, care for employees' physical and mental well-being, and strive to provide all employees with a safe, healthy, and stress-free work environment.

Occupational Health and Safety Management System and Organizational Structure

With the occupational health and safety guidelines of "people-oriented, prevention first; safe production, continuous improvement," the company aligns with the ISO 45001 Occupational Health and Safety Standard to continually establish and improve its tailored occupational health and safety management system. We have formulated a series of safety assurance systems, including the Environmental Health and Safety Procedure, Fire Safety Management Control Procedure, and Emergency Medical Assistance Management Procedures, to ensure the implementation of all occupational health and safety management tasks. As of the end of 2024, Dongguan Aohai and Jiangxi Aohai's Dongguan Industrial Park No. 1, Dongguan Technology Park 3, and the Jiangxi Manufacturing Base have all obtained ISO 45001 certification for occupational health and safety management system. The newly established Dongguan Shahu Industrial Park was officially launched in February 2024 and is scheduled to obtain ISO 45001 certification by 2025.



ISO 45001 Certification for
Dongguan Industrial
Park No. 1

ISO 45001 Certification for
Dongguan Technology
Park 3

ISO 45001 Certification for
Jiangxi Aohai

Dongguan Aohai and Jiangxi Aohai have respectively established a Safety Production Committee, which includes the Safety Production Executive Committee, Safety Production Promotion Team, and Emergency Response Team. The chairperson of the Safety Production Committee is the Vice President in charge of company operations, with department heads serving as committee members. The committee implements the company's workplace safety responsibility system from top to bottom and comprehensively carries out the company's occupational health and safety management work. The Safety Production Committee convenes monthly safety meetings, attended by senior executives, top leaders from each unit, and employee representatives, to disseminate relevant laws, regulations, and policies, report on hazard remediation efforts, review work-related injuries, and discuss key initiatives and exchange ideas. Under the company's strict safety requirements, both Dongguan Aohai and Jiangxi Aohai achieved notable results in occupational health and safety management. In 2024, all 3 production sites of Dongguan Aohai reported zero fatalities and zero work injuries caused by occupational incidents. Jiangxi Aohai also recorded no deaths, serious injuries, or minor work-related injuries during the year.

Key Performance

Energy Consumption	2024		2023		2022	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Number of fatalities	0	0	0	0	0	0
Fatality rate	0	0	0	0	0	0
Number of serious injuries	0	0	0	0	0	0
Serious injury rate	0	0	0	0	0	0
Number of minor injuries	0	0	0	0	0	0
Minor injury rate	0	0	0	0	0	0
Total working hours	0	0	0	0	0	0
Lost time injury frequency rate	0	0	0	0	0	0

Note: Definitions and formulas for relevant indicators are as follows:

- Work-related Fatality Rate = Number of Fatalities from Work-related Accidents ÷ Total Working Hours × 1,000,000
- Serious/Minor Injury Rate = Number of Serious/Minor Injuries from Work-related Accidents ÷ Total Working Hours × 1,000,000
- Lost Time Injury Frequency Rate = Number of Lost Workdays due to Occupational Injury ÷ Total Working Hours × 1,000,000

Health and Safety Risk Assessment and Hazard Identification and Rectification

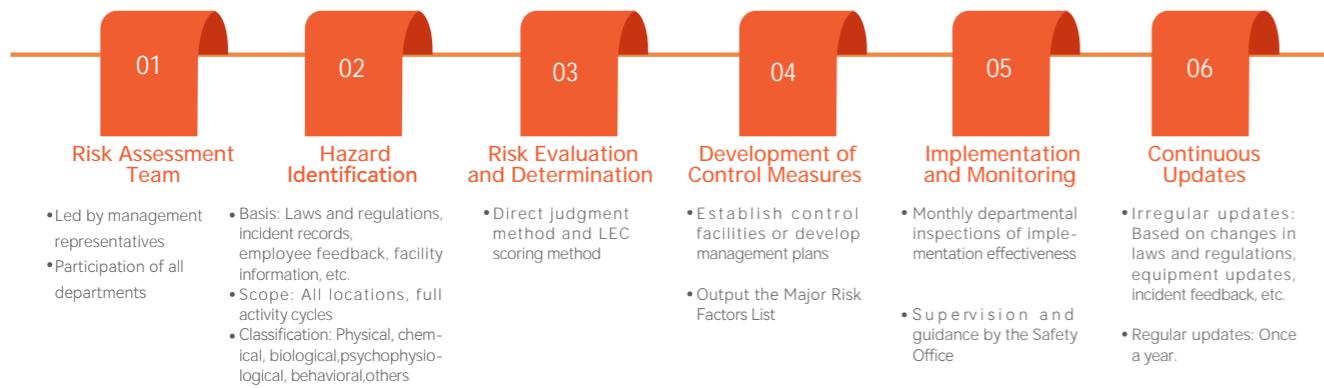
The company has established the Hazard Identification, Evaluation, and Control Management Regulations and the Safety Hazard Identification and Rectification Management System, to continuously refine the work rules for the Safety Production Committee members, strengthen dual-prevention mechanism of risk classification control and hazard identification management, comprehensively identify and control potential risks and safety hazards in production, equipment, environment, and management, thereby minimizing accident risks at the source. Dongguan Aohai conducts weekly self-inspections, cross-checks, and monthly evaluations. Based on the evaluation outcomes, allowances are awarded to part-time safety officers to encourage their active participation in the company's safety management work.

In 2024, all factories of Dongguan Aohai and Jiangxi Aohai implemented hazard source identification and risk assessment activities, comprehensively identifying hazard sources in production, office operations, and equipment. Among them, Dongguan Industrial Park No. 1 identified 177 hazards, including 6 major hazards; Dongguan Technology Park 3 identified 156 hazards, including 6 major hazards; Dongguan Aohai Shahu Industrial Park identified 189 hazards, including 6 major hazards; Jiangxi Aohai identified 357 hazards, including 8 major hazards. Control measures have been developed for all identified hazards to eliminate or minimize risks, ensuring that employees work in a healthy and safe environment.

In Dongguan Aohai Industrial Park No. 1, the number of hazards identified	Number of major hazards	177	In Dongguan Aohai Technology Park 3, the number of hazards identified	Number of major hazards	156
In Dongguan Aohai Shahu Industrial Park, the number of hazards identified	Number of major hazards	189	In Jiangxi Aohai, the number of hazards identified	Number of major hazards	357
		6			6
		6			8

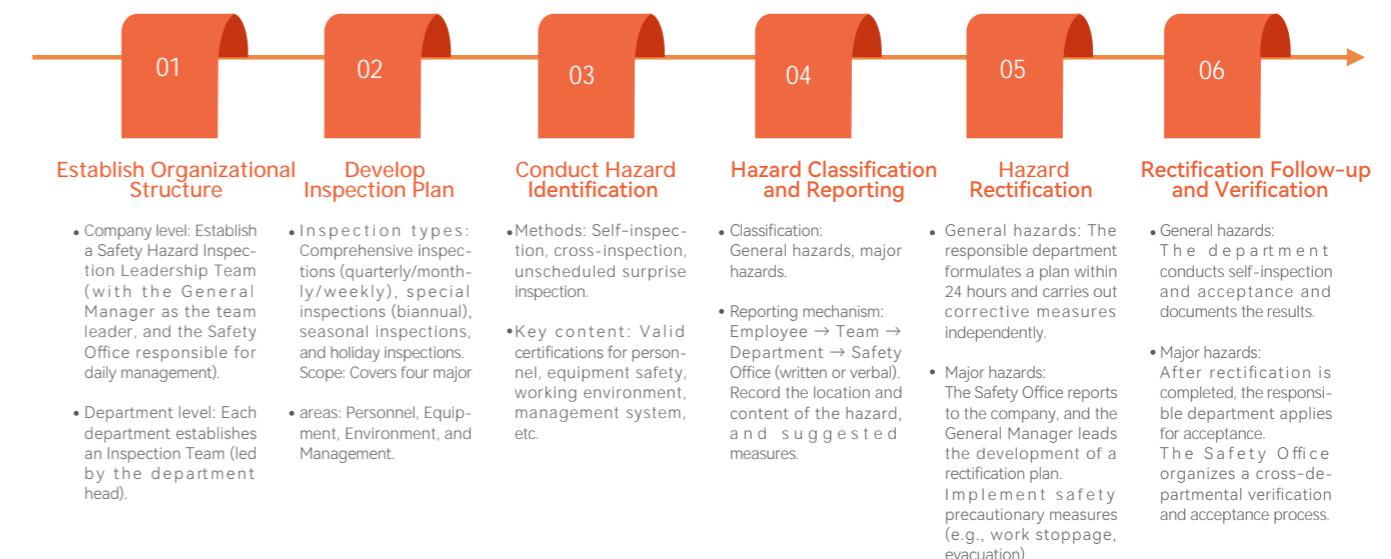
Note: Employee Turnover Rate = Total Employee Turnover in the Year / Total Employees in the Year * 100%

Health and Safety Risk Assessment Process:



In 2024, Dongguan Aohai and Jiangxi Aohai implemented a multi-dimensional, multi-tier hazard inspection mechanism, combining routine comprehensive inspections (quarterly/monthly/weekly), special inspections, holiday inspections, and unscheduled surprise inspections to cover all risk points in production, equipment, environment, and management processes. Dongguan Aohai conducted a total of 24 hazard inspection activities throughout the year, identifying and fully resolving 892 hazards, achieving a rectification rate of 100%. Jiangxi Aohai conducted a total of 36 hazard inspection activities throughout the year, identifying and resolving 917 hazards, also achieving a rectification rate of 100%.

Hazard Investigation and Rectification Process:



[Case] Dongguan Aohai Continuously Improves Safety Hazards and Launches Standardization of Hazardous Chemical Warehouses.

In 2024, Dongguan Aohai launched a standardized construction project for the hazardous chemical warehouse, involving construction of epoxy resin floor (anti-static floor), anti-leakage sand trenches, 3m³ of 800-mesh yellow sand (depth over 50 cm), louvered fan window, explosion-proof electrical systems (exhaust fans, wiring, lights, air conditioning), installation of electrical control panels on outer walls, solid walls, light-weight roofs, Grade A fire doors, combustible gas detector, explosion-proof cameras, lightning protection (lightning conductors + lightning rods), explosion-proof emergency exit lights. These upgrades ensure the company's hazardous chemical warehouse complies with relevant laws and regulations, effectively reducing the risks of fire and chemical leakage, and protecting the company assets and employee safety.



Hazardous Chemical Warehouse After Renovation

Occupational Health Monitoring and Protection

The company strictly complies with the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and the Technical Specifications for Occupational Health Surveillance and other laws and regulations and has established the Management System for Monitoring and Evaluation of Occupational Hazards and the Management System for Occupational Health Examinations to implement the occupational disease hazard reporting system, actively identify hazard factors in the workplace, strengthen source control of occupational disease hazards, and improve the level of occupational disease prevention. The company regularly tests workplace hazard factors (such as dust, noise, chemical toxins, etc.) and provides protective facilities and personal protective equipment that meet standards. For positions exposed to occupational health hazard factors, the company continuously standardizes the occupational health monitoring process by organizing occupational health examinations before employment, during employment, and post-employment as required, and establishes occupational health monitoring records for all employees. The company provides occupational health training, truthfully informing employees of occupational disease hazards and consequences associated with their positions. Upon joining, employees sign an occupational health notification letter and a safety production responsibility letter, which mainly include job-related occupational hazards, preventive measures, labor protection measures, and responsibilities and obligations.

In 2024, both Dongguan Aohai and Jiangxi Aohai engaged third-party testing teams to test and evaluate occupational health hazards, involving n-hexane, isopropanol, methanol, tin dioxide, noise, etc.

According to the evaluation results, all chemical hazard levels were within permissible limits, while a small number of noise-exceeding positions were equipped with appropriate personal protective equipment and proper training was provided. Each park of the company will publish the annual occupational health hazard assessment results on bulletin boards, enabling employees to stay informed of their work conditions.

In 2024, Dongguan Aohai organized a total of 353 occupational health check-ups for pre-employment, on-the-job, and post-employment stages, while Jiangxi Aohai organized a total of 135 occupational health check-ups. According to the health check-up results, no occupational diseases were reported.

Dongguan Aohai organized pre-employment, on-the-job, and post-employment occupational health check-ups of

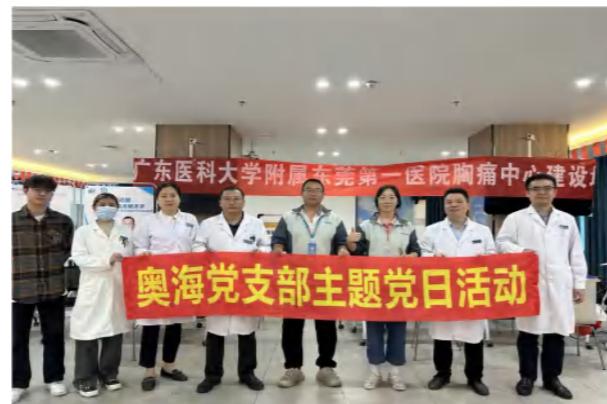
353 person-times

Jiangxi Aohai organized occupational health check-ups of

135 person-times

[Case] Dongguan Aohai Partners with Medical institutions to Provide Free Health Clinics for Employees

In March 2024, Dongguan Aohai, prioritizing employee health, partnered with the esteemed medical team from Guangdong Medical University to bring professional medical services directly to the production frontline. The initiative invited experienced specialists in ophthalmology, cardiology, and spinal neurology to address common workplace issues such as visual fatigue, cervical and lumbar strain, and chronic disease risks. The "Health Escort" Free Medical Consultation was rolled out in two phases.



Key Performance

Number of occupational diseases recorded (cases)	2024	2023	2022
Dongguan Aohai	0	0	0
Jiangxi Aohai	0	0	0

Safety Culture and Capability Building

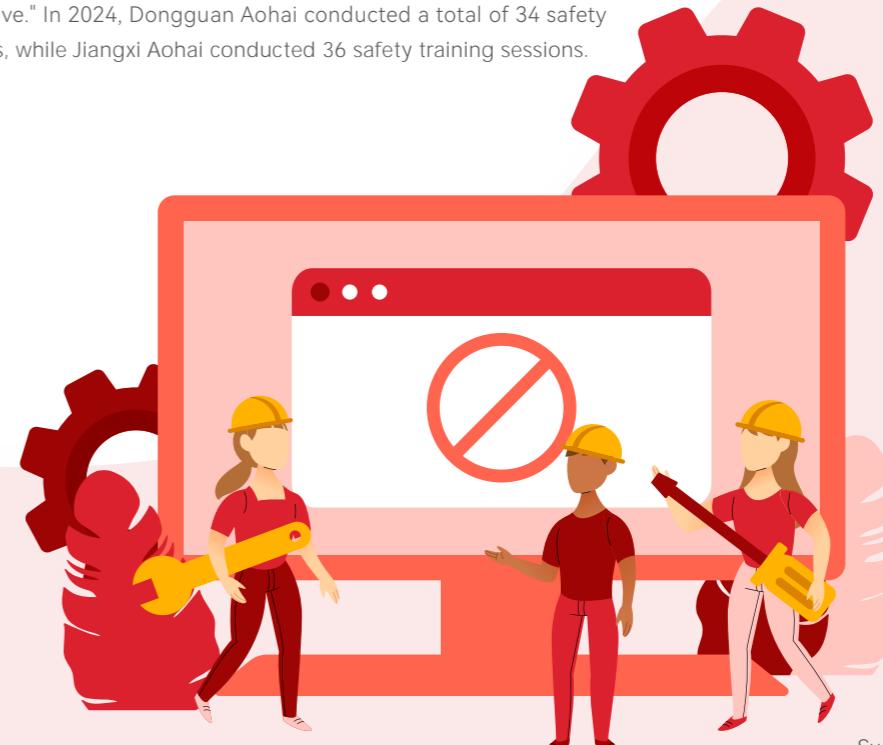
The company formulates a comprehensive safety training plan each year, covering workplace safety production laws and regulations, workshop safety precautions, skills training for key positions, process training, work injury prevention, etc., enhancing employees' overall safety awareness and risk management capabilities. New employees undergo the three-level safety education system upon joining, which includes company-level, department-level, and team-level training. Training includes written tests or hands-on assessments. Those who fail must retake the training, and only those who pass sign the Workplace Safety Responsibility Agreement and may assume their posts. Through this systematic and mandatory education cycle, new employees gain essential safety knowledge, understand job-related risks and emergency procedures, and shift their perception of safety from "rule enforcement" to "personal initiative." In 2024, Dongguan Aohai conducted a total of 34 safety training sessions, while Jiangxi Aohai conducted 36 safety training sessions.

Number of safety training sessions held by Dongguan Aohai

34

Number of safety training sessions held by Jiangxi Aohai

36



Content and Requirements of Three-Level Safety Education Training

Training Level	Responsibility Entity	Core Content	Required Hours
Company level	Safety Office	1. Company overview, safety production policy, and culture; 2. Safety laws and regulations, as well as company rules and policies; 3. General safety knowledge (fire prevention, first aid, occupational health, etc.); 4. Analysis of typical accident cases and safety awareness education.	≥8 hours
Department level	Department / Workshop heads	1. Departmental production processes, equipment, and distribution of hazards; 2. Position safety operating procedures and risk prevention measures; 3. Usage and management of personal protective equipment (PPE) 4. Departmental emergency plan and evacuation routes.	≥8 hours
Team level	Team Leaders / Mentors	1. Specific operational procedures and safety precautions for the position; 2. Safe use and maintenance of equipment and tools; 3. On-site hazard identification and reporting process; 4. Practical emergency drills (e.g., use of fire extinguishers, first aid simulations).	≥4 hours (primarily practical drills)

To enhance employee's safety awareness and reinforce safety behavior, the company fosters a culture of "Safety for All" through diverse activities, including but not limited to: annual campaigns such as "Work Safety Month" and "Occupational Disease Prevention Week"; promoting safety knowledge through themed posters, banners, and video broadcasts; organization of occupational health and safety knowledge competitions; and regular occupational health experts and firefighters training. In 2024, Dongguan Aohai and Jiangxi Aohai each organized one activity themed around occupational health and safety respectively, aiming for employees to shift their mindset from "being told to be safe" to "wanting to be safe."

To motivate all employees to participate in health and safety management, the company has established a multi-level incentive and disciplinary mechanism and formulated the Safety Production Evaluation and Reward Mechanism, combining "rewarding excellence and penalizing negligence" with "honor-based incentives," driving a shift from passive compliance to active co-governance in safety management.



Occupational Health and Safety Training



Safety Production Park Activity



Annual Recognition of Excellent in Safety Production

Key Performance

Participation Rate in Occupational Health and Safety Training (&)	2024	2023	2022
Dongguan Aohai	100%	100%	100%
Jiangxi Aohai	100%	100%	100%

Emergency Management

Based on the identification of potential health and safety risks and possible emergency scenarios, the company has developed emergency response plans at the company, department, and position levels, clearly outlining response procedures for fire, chemical spills, public health incidents, etc. The company has established an emergency supplies warehouse and continuously expanded its first-aid team, and conducts regular practical drills, such as fire emergency drills, chemical spill response drills, and special equipment emergency drills, to enhance employees' capabilities in handling emergencies through simulated accident scenarios and solutions while also spreading safety knowledge.

In 2024, Dongguan Aohai organized 6 comprehensive fire drills, 2 specialized hazardous chemical spill drills, and had 46 certified first-aiders; Jiangxi Aohai organized 2 company-wide fire emergency drills, 3 fire safety training sessions, trained 50 first-aiders, and had 65 certified first-aiders.



Fire Drill



Chemical Spill Drill



Elevator Emergency Drill



Red Cross First-Aid Training

KEY PERFORMANCE DATA TABLE

Governance

Data scope: The data scope of governance-related topics aligns with the scope of the company's consolidated financial statement.

Year	2024	2023	2022
Number of General Meetings of Shareholders held	2	4	7
Number of issues reviewed at General Meeting of Shareholders	16	20	24
Attendance rate of external directors	100%	100%	100%
Number of Board Meetings held	3	5	7
Number of issues reviewed at Board Meeting	25	39	43
Number of Supervisory Board Meetings held	3	5	6
Number of issues reviewed at Supervisory Board Meeting	20	24	30

Year	2024	2023	2022
Number of periodic reporting disclosures	6	7	6
Number of interim announcements disclosed	79	117	180
Number of investor communication activities conducted	3	8	5

Year	2024	2023	2022
Number of confirmed cutthroat competition incidents	0	0	0
Number of major corruption incidents confirmed	0	0	0

Year	2024	2023	2022
Signing rate of suppliers for the Code of Integrity Conduct and Integrity Agreement	100%	100%	100%
Number of integrity advocacy sessions conducted for suppliers	3	3	3

Year	2024	2023	2022
Signing rate of the Commitment Letter of Official Duty Integrity	100%	100%	100%
Number of compliance and integrity training sessions conducted	5	5	4
Compliance and integrity training coverage rate for high-risk position employees	100%	100%	100%

Year	2024	2023	2022
Rate of handling business ethics-related report	100%	100%	100%

Year	2024	2023	2022
Information leakage incident	0	0	0
Number of verified complaints involving the infringement of customer privacy violation	0	0	0

Year	2024	
	Dongguan Aohai	Jiangxi Aohai
Information security investment amount (RMB 10,000)	119.29	113.63
Number of information security training conducted	8	4
Coverage rate of employees receiving information security training	100%	100%

Society

Data scope: The data scope of social-related topics aligns with the scope of the company's consolidated financial statement.

Year	2024	2023	2022
Number of research and development personnel	441	440	412
Proportion of R&D personnel to total staff	16.32%	16.28%	15.24%
Number of R&D projects	332	344	178
Number of R&D training sessions	149	97	38
Number of R&D training participants	2235	1570	905
R&D training coverage	100%	100%	100%
R&D investment amount (RMB 100 million)	2.52	2.28	1.87
Proportion of R&D investment to operating income	4.99%	5.24%	4.40%

Year	2024		2023		2022	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Total number of authorized patents	373	55	300	36	256	33
Total number of patents for invention	38	7	25	6	20	6
Total number of patents for utility model	223	48	192	30	162	27
Total number of software copyrights	24	0	11	0	6	0
Total number of work copyrights	1	0	1	0	1	0
Total number of layout designs of integrated circuit	1	0	1	0	1	0
Total number of design patent	111	0	83	0	74	0
Total number of domestic trademarks	49	3	13	3	13	0
Total number of intellectual property management training sessions	7	1	4	0	1	0

Year	2024	2023	2022
The number of national standards participated in drafting and publishing	1	1	0
Number of group standards participated in and published	3	0	3

Year	2024
Customer satisfaction score	94.70
Complaint resolution rate	100%

Year	2024		2023		2022	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Number of product recall events	0	0	0	0	0	0

Year	2024	2023	2022
Signing rate of Non-Use of Conflict Minerals Commitment	100%	100%	100%

Year	2024	2023	2022
Total amount of social welfare investment (RMB 10,000)	35.97	34.00	3.82

Environment

Data Scope: The data scope of environment-related topics aligns with the company's consolidated Financial statement.

Greenhouse gas emissions status	2024年		2023年		2022年	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Scope 1 (tCO2e)	254.72	312.00	135.38	283.98	Unaudited	645.33
Scope 2 (tCO2e)	21765.33	24210.65	15600.70	16564.53	Unaudited	12139.00
Scope1+2 total (tCO2e)	22020.05	24522.65	16901.24	16848.51	Unaudited	12784.33

Energy Consumption	2024年		2023年		2022年	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Liquefied petroleum gas (tons)	0	0	0	0.162	0	3.36
Gasoline (tons)	1.747	5.283	17.762	5.771	0	3.661
Electricity (kWh)	37164570	41343318	27355243	29045300	24381896	21285284

Environmental compliance	2024		2023		2022	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Number of environmental violations	0	0	0	0	0	0
"Three wastes" discharge compliance rate	100%	100%	100%	100%	100%	100%
Environmental protection investment(RMB 10,000)	204.19		107.32		23.16	

Waste discharge	2024	
	Dongguan Aohai	Jiangxi Aohai
Amount of hazardous waste generated (tones)	20.70	2.13
Volume of general waste generated (tones)	564.04	457.69

Wastewater discharge	2024	
	Dongguan Aohai	Jiangxi Aohai
Total wastewater discharge (m³)	270578.7	205125.3
Wastewater quantity per unit product (m³/PCS)	0.00325	0.00203

Item	2024	2023
Total purchase volume of PCR material (PCS)	2881681	1650478
Purchase volume of recyclable and biodegradable packaging materials (PCS)	18612448	11367232

Environment

Data Scope: The data scope of environment-related topics aligns with the company's consolidated Financial statement.

Year	2024	2023	2022
Violations harming employee rights (cases)	0	0	0

Talent attraction	2024	
	Dongguan Aohai	Jiangxi Aohai
Number of new employees	1052	453
Total number of employees	1426	1276
Hiring rate	74%	36%

Performance Appraisal	2024		2023		2022	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Coverage rate of employee performance appraisal	100%	100%	100%	100%	100%	100%

Talent Retention	2024	
	Dongguan Aohai	Jiangxi Aohai
Number of employee turnover	700	196
Total number of employees	1426	1276
Employee turnover rate	49%	15%

Talent Cultivation	2024		2023	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Number of training	318	215	324	167
Participation rate	100%	100%	100%	100%
Annual training investment	105.43 million		26,000	

Work-related fatalities and injuries	2024		2023		2022	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Number of fatalities	0	0	0	0	0	0
Fatality rate	0	0	0	0	0	0
Number of serious injuries	0	0	0	0	0	0
Serious injury rate	0	0	0	0	0	0
Number of minor injuries	0	0	0	0	0	0
Minor injury rate	0	0	0	0	0	0
Total working hours	0	0	0	0	0	0
Lost time injury frequency rate	0	0	0	0	0	0

Number of occupational diseases recorded (cases)	2024		2023		2022	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Dongguan Aohai	0	0	0	0	0	0
Jiangxi Aohai	0	0	0	0	0	0

Participation rate in occupational health and safety training (%)	2024		2023		2022	
	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai	Dongguan Aohai	Jiangxi Aohai
Dongguan Aohai	100%	100%	100%	100%	100%	100%
Jiangxi Aohai	100%	100%	100%	100%	100%	100%

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Index of GRI Standards 2021

Instructions for Use

Aohai Technology reported the information referenced in this GRI Index during the period from January 1, 2024 to December 31, 2024, in accordance with GRI standards.

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FEEDBACK FORM

Dear reader,

Thank you for reading the Sustainability Report 2024 published by Dongguan Aohai Technology Co., Ltd. To continuously improve the quality of the report, we sincerely invite you to spend 2-3 minutes filling out this feedback form. Your opinions will help us better present our sustainability performance and responsible practices.

Your Evaluations

Please mark "✓" in the corresponding position

Evaluation Items	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Do you think this Report covers the sustainability topics you are concerned about?					
Do you think the content and layout of this Report are clear and easy to understand?					
Do you think the structure of the report is reasonable?					
Do you think the topics disclosed in the report are sufficient?					
Will you continue to follow Aohai Technology's Sustainability Report in the future?					
Which part of this Report did you find most engaging? (Please specify)					
What topics would you like to see added in future Aohai Technology Sustainability Reports? (Please specify)					
What are your expectations for our future Sustainability Reports? (Please specify)					

Contact Information

(Optional, Aohai will keep your personal information confidential)

Name	
Phone call	
E-mail	

Contact Us

Please send the feedback form to the email: ir@ohaichina.com, or contact us via phone: 0769-8697 5555.



ASSURANCE STATEMENT CN25/00002496

SGS-CSTC DONGGUAN AOHAI TECHNOLOGY CO., LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE AOHAI TECHNOLOGY Sustainability Report FOR 2024

NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by Dongguan Aohai Technology Co., Ltd. (hereinafter referred to as Aohai Technology) to conduct an independent assurance of the Chinese version of Aohai Technology Sustainability Report For 2024 (hereinafter referred to as the Report).

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Aohai Technology's Stakeholders.

RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the governing body and the management of Aohai Technology.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all Aohai Technology's stakeholders.

SGS hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the AA1000 series of standards and ISAE3000.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
AA1000AS v3 Type 2	Moderate

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The assurance engagement was conducted to evaluate the accuracy and reliability of the sustainability performance information included in the Report. Additionally, it assessed the extent to which the Report's content refers to the requirements of *GRI Standards 2021*.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees onsite at No. 27, Shadong Road, Tangxia Town, Dongguan, Guangdong Province, China, documentation and record review and validation where relevant.

LIMITATIONS AND MITIGATION

Data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

The greenhouse gas emission related data in the Report has been directly adopted from the independent third party verification data and has not been double verified in this audit.

This assurance engagement was restricted to the group level of Aohai Technology, and did not include traceability of original data from all subordinate institutions.



STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. SGS affirm our independence from DONGGUAN AOHAI TECHNOLOGY CO., LTD., being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the assurance engagement performed, the specified performance information included in the scope of assurance is accurate, reliable, and has been fairly stated.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS BASED ON GRI STANDARDS 2021

The assurance team concludes that the Report has referred to the requirements of *GRI Standards 2021*.

FINDINGS AND RECOMMENDATIONS

All observations pertaining to commendable practices, sustainable development activities, and managerial recommendations identified throughout the assurance process have been thoroughly documented in the *Internal Management Report on Sustainability Reporting Assurance*. This report has been officially presented to the relevant management divisions of Aohai Technology to serve as a reference for their ongoing efforts towards continuous improvement.

Signed:

For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

Apr. 19th, 2025
WWW.SGS.COM

