SUPOR 苏泊尔

2022 Environmental, Social and Governance Report

(Stock Code: 002032)

Zhejiang Supor Co., Ltd.

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About this Report

Introduction

This is an Environmental, Social and Governance Report (hereinafter referred to as "the Report") issued by Zhejiang Supor Co., Ltd. and its subsidiaries (hereinafter referred to as "the Company", "this Company" or "Supor"). The report disclosed the achievements in ESG aspects of the Company in the year of 2022.

The Report was approved by the Board of Directors of the Company on March 29, 2023, and it truly and objectively discloses the ESG responsibilities undertaken and performed by Supor in FY2022 to the Company's shareholders, employees, suppliers, distributors, consumers and other stakeholders.

The Board of Directors and all directors of the Company guarantee that the contents of this report do not contain any false, misleading statements or material omissions and accept that they shall be individually and jointly liable for the truthfulness, accuracy and completeness of the contents.

Organization Scope

The scope of content disclosed in this report is consistent with that of the annual report.

Reporting Period

This report is an annual report for the reporting period from January 1 to December 31, 2022 (hereinafter referred to as "the reporting period"). To enhance the readability of the report, some contents or data relate to previous years or subsequent years.

Data in the Report

The data and examples used in the report have been obtained from our internal documents, statistical reports and relevant performance summaries and statistics.

Reporting Principles

This report has been prepared in accordance with the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, Shenzhen Stock Exchange Regulatory Guidelines for Listed Companies No. 1-Standardized Operation of Listed Companies to meet relevant corporate social responsibility performance and disclosure requirements. In addition, this report has been prepared with reference to the Corporate Social Responsibility Reporting Guidelines released by the Chinese Academy of Social Sciences ("CASS-CSR 4.0"), the requirements of the Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong Ltd., and the "core" option of the Sustainability Reporting Standards ("GRI Standards") by Global Reporting Initiative ("GRI").

Access to the Report and Feedback

This report is available on the Company's website (https://www.supor.com/), the Shenzhen Stock Exchange's website and CNINFO's website. This report is available in both Chinese and English, in the case of a discrepancy between the two versions, please refer to the Chinese version.

Letter from the Management

The year of 2022 witnessed the business difficulties of Supor in sluggish domestic and oversea markets. Compared with declining export sales, we had a sound growth in domestic sales. Although the revenue decreased, the net profit increased slightly. We are confident of the sustainable growth in the future with the gradual recovery of the Chinese and foreign market.

The "Carbon peaking and Carbon neutrality" goals enable us to continuously introduce the concept of green operation into the responsible supply, low-carbon logistics, green consumption and other aspects. Guided by low-carbon initiatives, we aim to improve the resource utilization, continuously reduce greenhouse gas and waste emissions, and promote the sustainable development of the industry and the Company. To accelerate the green development, Supor has promoted the comprehensive utilization of energy. We formulated water-saving and air pollution treatment schemes, advanced the implementation of distributed photovoltaic projects in various bases and raise employees' green and environmental awareness to support the construction of a better earth life. In 2022, in the face of calls to curb climate change and corporate green low-carbon transformation, Supor is actively taking on environmental responsibility, actively exploring in energy conservation and emission reduction, and landing several new carbon reduction plans.

Looking ahead to 2023, we have fully deployed the innovation-driven development. Focusing on consumer behaviors, as well as sustainability, health and green, we prioritize customer demands and create smart products targeted at various market segments. While building a closed-loop for internal innovation, we vigorously promote the combination of industry and research to advance more professional and scientific R&D, improve the innovation efficiency with external experts, and constantly release innovation momentum with long-lasting quality.
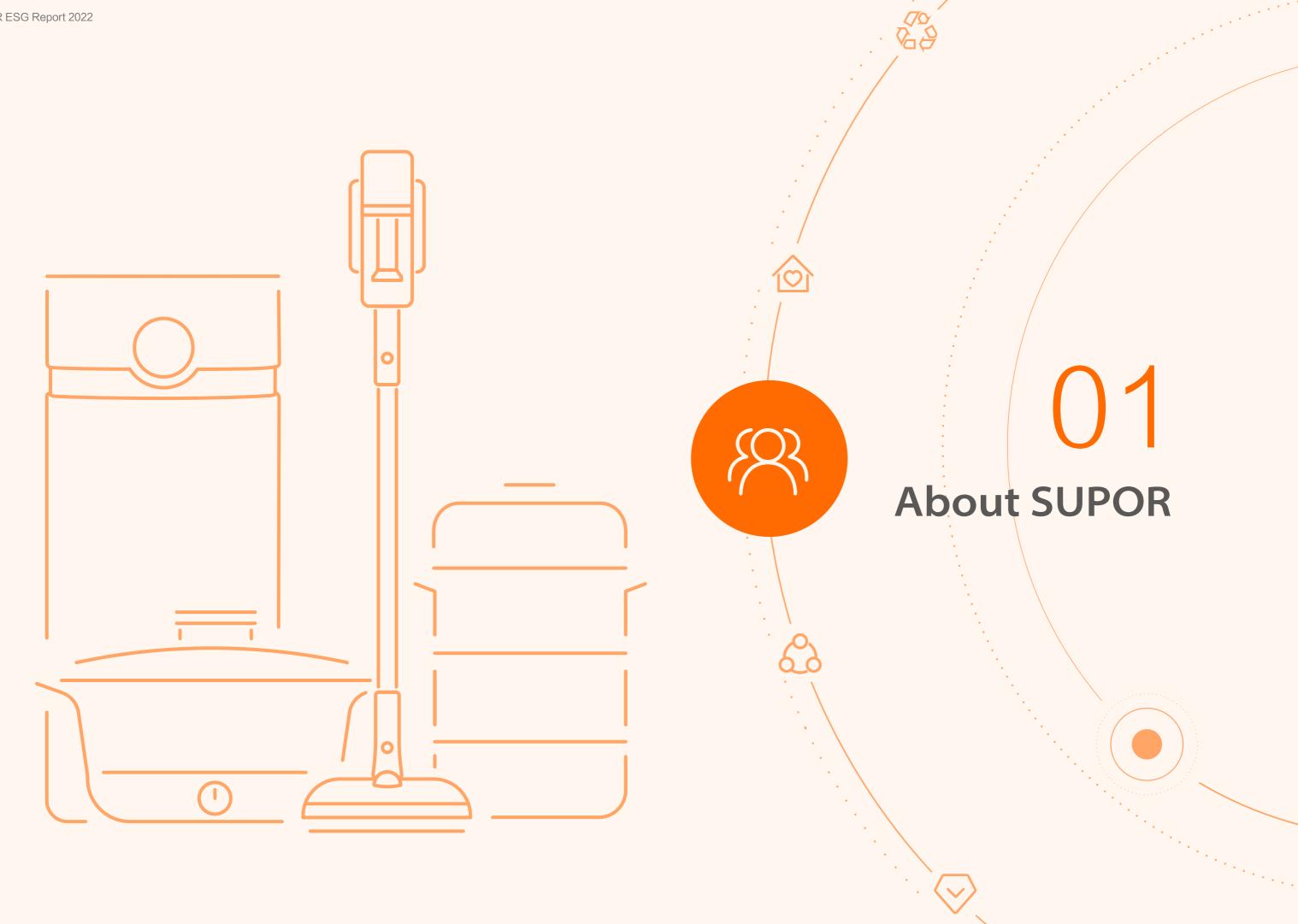
We appreciate all our employees' dedication to Supor, and we will do our best to create a self-fulfillment platform for them. Besides "Supor Primary School" project, we also actively support life education courses for the next generation to make children in different regions experience warmer and better life.

We advocate to share responsibilities, powers and interests, and improve the supervision system and corporate governance structure. We comprehensively strengthen the risk management, establish risk identification maps, and systematically evaluate the operation of the Company with digital tools. Meanwhile, we continue to optimize, and strive to create a good company atmosphere according to the principle of fairness, equitable and openness.

In the future, Supor will continue to insist on the corporate strategy of quality and innovation, insist on a higher business ethics, and integrate ESG concepts into the corporate management. In the fields of production and operation, with the support of new technologies and the guidance of low-carbon manufacturing, green development and digital intelligence, we will constantly promote and develop ESG work in the Company.

01

About SUPOR
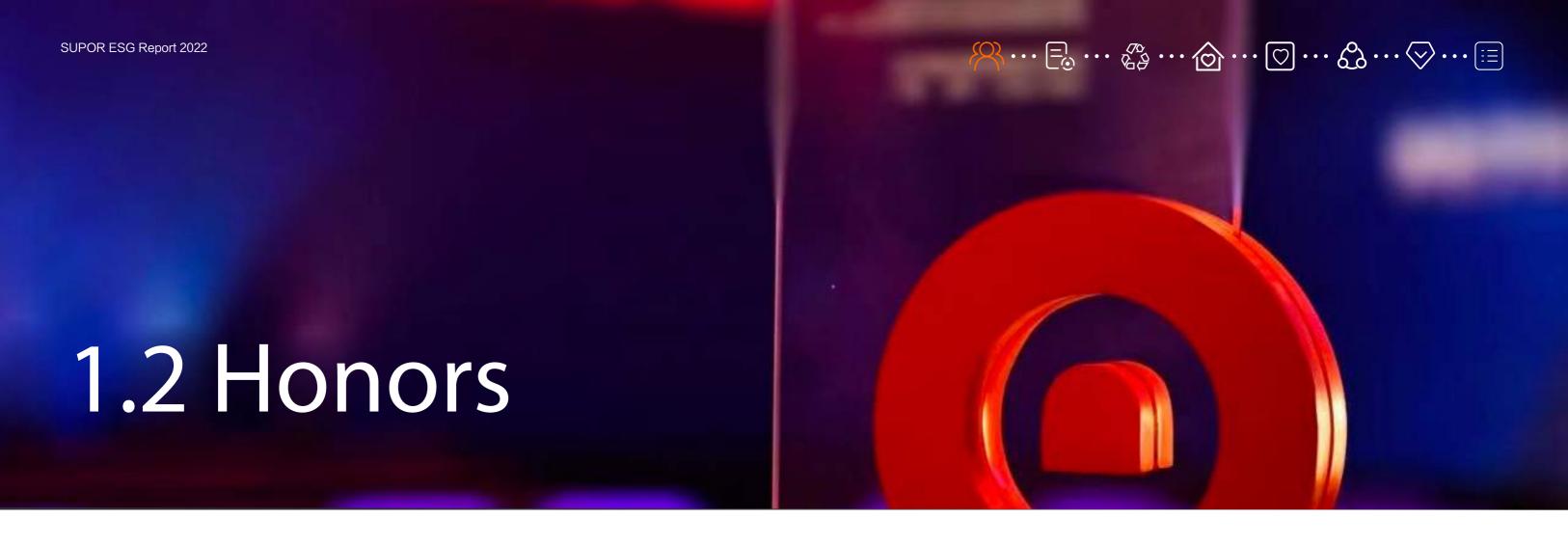
About SUPOR

1.1 Overview

Supor, a famous leading brand of cookware and small domestic appliances, was established in 1994, and listed in Shenzhen Stock Exchange in 2004 (stock code: 002032), was the first listed company in China's cookware industry. The Company is headquartered in Hangzhou and owning 6 R&D and manufacture bases in Yuhuan, Hangzhou, Shaoxing (Yuecheng and Keqiao) in Zhejiang Province, Wuhan, Hubei Province, and Vietnam. By the end of 2022, the Company had a total of 10,224 employees. Supor's main businesses include open fire cookware, small domestic appliance, large kitchen appliance and H&PC appliance.

1994
ESTABLISHED IN

2004 (002032.SZ)
LISTED IN SZSE

10,224 EMPLOYEES
BY THE END OF 2022

6
INDUSTRIAL BASES
YUHUAN, HANGZHOU, YUECHENG, KEQIAO, WUHAN, VIETNAM

4
BUSINESS AREAS
OPEN FIRE COOKWARE, SMALL DOMESTIC APPLIANCE, LARGE KITCHEN APPLIANCE , H&PC APPLIANCE

1.2 Honors

2022.01

Awarded the
"Responsible Brand Award at the
11th China Charity Festival"

2022.04

Awarded the
"Best Investor Relations Award for
Listed Companies in China"

2022.05

Awarded the May l Labour Medal
of Hubei Province

2022.07

Rated as the "Quality Leading Enterprise in
Small Domestic Appliances in China";
Passed the cleaner production enterprise
acceptance in Zhejiang;

2022.08

Selected into "Forbes 2022 China
Digital 100", and awarded the
"2022 China Integrated Kitchen
Appliance Industry Leading Brand",
"Best-selling Quality Award",
"Excellence Experience Award";

2022.09

Selected into
"Top 100 Listed Companies on
Main Board"
Awarded as
"Zhejiang Province Intellectual Property
Demonstration Enterprise"

2022.12

Awarded the
"2022 Outstanding Corporate Social
Responsibility Report Award";
Selected into "Water-saving
Benchmarking Enterprises in Zhejiang"

2023.01

Selected into
"2022 Top 30 Best Internal Control
Listed Companies in Zhejiang"
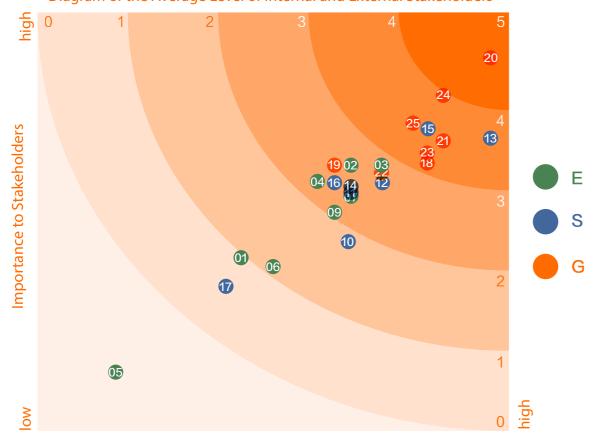
1.3 Communication with Stakeholders

The Company analyzed ESG key issues to provide an important reference for corporate ESG governance and information disclosure. We identified 25 key ESG issues by sustainable development background analysis, stakeholder and issue identification, and questionnaire surveys, and scored them from the perspectives of "the importance of economic, environmental and social impacts" and "the impact on stakeholder assessment and decision-making" to form the ESG key issue matrix.

Diagram of the Average Level of Internal and External Stakeholders

Importance to Stakeholders — high / low

Importance to Supor — high

- ● E
- ● S
- ● G

Environment

Water resources	01
Raw materials	02
Management of energy consumption	03
Packaging materials	04
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Greenhouse gas emission	06
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Green and environment protection actions	09

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Employee remuneration and benefits	10
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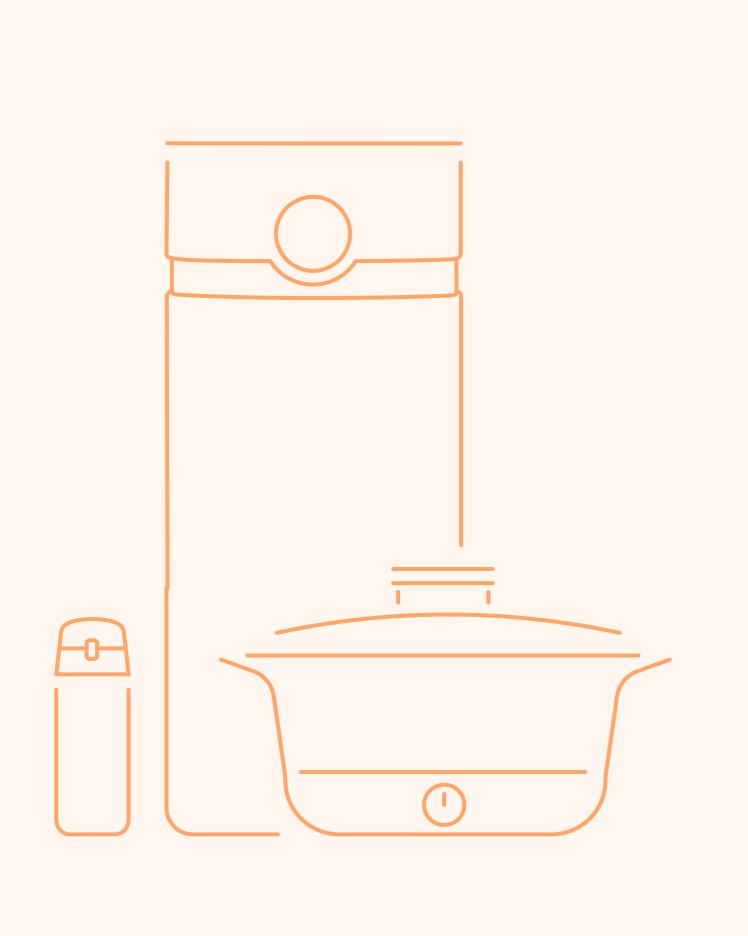
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1.4 Response to Sustainable Development Goals

The Company has helped to donate 28 Supor Primary Schools in remote mountainous areas in the Midwest to help alleviate poverty in education.

Supor regards its partners as a close team and actively builds the long-term strategic partnership for mutual benefit, win-win results, and common development.

The Company is unswervingly committed to building a "trustworthy" brand.

The Company attaches great importance to protecting the local ecological environment and habitats of animals and plants, and minimizes the impact of enterprise production and operation on the surrounding ecological environment.

The Company actively implements water pollution and environmental protection measures to minimize the impact of enterprise production and operation on the surrounding ecological environment.

The Company pays close attention to climate change, echoes the Paris Agreement, and takes multiple measures to effectively carry out energy-saving and emission reduction actions.

The Company vigorously promotes the clean and honest construction, actively creates sustainable supply chains, and establishes and improves the entire process quality management system.

The Company's first employee public welfare base has been built, encouraging more people to participate in volunteer public welfare projects and community services, and jointly promoting regional sustainable development of the region.

Adhering to the principle of equal employment, the Company opposes all discriminatory behaviors due to the differences in gender, age, race, sexual orientation, etc., and creates a professional environment to protect equal rights and interests.

The Company continues to promote its canteen project at Supor Primary Schools, helping more primary school students obtain nutritious lunches.

The Company attaches great importance to the occupational health conditions of employees, and actively creates a safe, healthy, and enjoyable working environment.

The Company supports the training program of supported teaching, participates in the cooperation with the Sunfaith Education Fund, and continually improves the education level of the society."

The Company adheres to the principle of equal employment, opposes all acts of gender discrimination, and creates a professional environment with equal rights and interests.

The production base utilizes the water-saving countercurrent spray cleaning process and the reclaimed water reuse system to improve the carrying capacity of water resources.

The Company will launch multiple distributed photovoltaic projects, and will continue to increase the proportion of clean energy use.

The Company adheres to social value orientation, adheres to a high level of business ethics, pursues long-term interests of the enterprise, returns to society, and promotes civilization and progress.

Supor always aims to improve the life quality of users and creates a minimalist and intelligent kitchen, actively exploring a comprehensive and intelligent product line.

SUSTAINABLE DEVELOPMENT GOALS

02

Governance Principles

Governance Principles

Under the strategic guidance of sustainable development, the Company continues to establish and improve the enterprise management mechanism from the reality. In 2022, the Company actively performed its responsibilities in terms of governance mechanism and compliance management, which consolidated a solid foundation for the Company's steady development. On the one hand, we improved the organizational structure and developed a KPI system to assess the performance of all employees. On the other hand, to strengthen the employees' compliance awareness and improve the corporate governance ability comprehensively, we further enhanced the internal compliance management mechanism and carried out the special training, such as anti-bribery and personal information security protection.

8 DECENT WORK AND ECONOMIC GROWTH

Operating Income	Total Profit	Net Profit Attributable to Shareholders of Listed Company	Total Assets	Weighted Average Return on Net Assets	Basic Earnings per Share
20.2 BILLION	**2.5** BILLION	**2.1** BILLION	**13.0** BILLION	**27.9** %	**2.6** YUAN
YoY ▼6.6 %	YoY ▲6.7 %	YoY ▲6.4 %	YoY ▼6.8 %	YoY ▲1.1 pts	YoY ▲6.9 %

Number of Male Managers	Number of Female Managers	Number of employees in the Annual Equity Incentive Plan
406 person	**190** person	**290** person
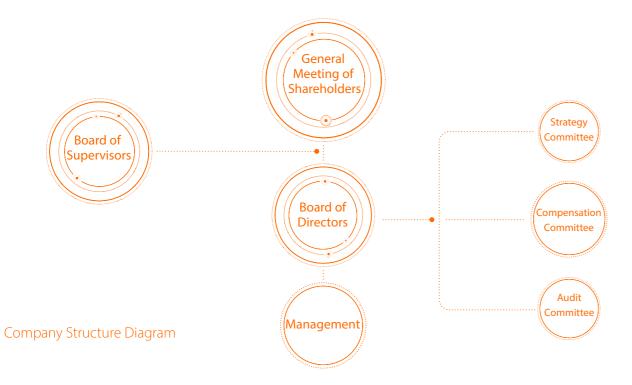
Governance Principles

2.1 Governance Mechanism

The Company attaches great importance to the improvement and construction of the governance structure. In accordance with relevant laws and regulations, we established the general meeting of shareholders, the Board of Supervisors, the Board of Directors and its special committees, enhanced the ability of directors to perform their duties and ensure the standard governance of the Company with an all-round and multi-level mechanism of Board of Directors[1]. At present, there are three independent directors in the Company, accounting for one third of all directors, who give full play to their professional expertise for the prudent and scientific decision-making of the Board of Directors and promote the standardized operation of the Company. In terms of the organizational structure, we established a standardized and orderly governance structure, and formed a system with clear powers and responsibilities, which ensure the efficient and compliant governance of the Company. In terms of the information disclosure, in strict accordance with the requirements of CSRC and Shenzhen Stock Exchange[2], and referring to the provisions on the preparation of regular reports, the Company completed the disclosure of 2022 periodic reports and provisional announcements in a timely and accurate manner. It attached great importance to the major or unexpected matters of concern to shareholders and investors, and kept confidential before disclosure to ensure that investors can understand the true situation of the Company in a timely, fair, accurate and complete manner.

2.1.1 Organizational Structure

In the long-term practice of corporate governance, we have always been committed to achieving high standards of corporate governance, constantly improving the modern corporate governance structure and continuously standardizing the internal governance framework to create an active internal and external governance environment, earnestly safeguard the interests of all shareholders, and promote the sound and stable development of the Company.

Company Structure Diagram

2.1.2 Performance and Appraisal

The Board of Directors of the Company set up a Compensation Committee composed of two independent directors and one director to take charge of reviewing important matters concerning the remuneration and assessment of the Company.

The Company implements the KPI system, and formulates the annual appraisal scheme according to the actual situation every year. The performance pay and post promotion of employees are closely linked with appraisal results. Besides, the Company has established a perfect KPI and salary system for senior executives, which directly connects the work performance of senior executives with their salary. At the beginning of each year, the Company will carry out a year-end evaluation of the working ability, performance status and completion of responsibility targets of senior executives of the Company according to the KPI formulated at the beginning of the previous year, and pay the annual performance salary.

During the reporting period, the Company implemented the *2022 Restricted Stock Incentive Plan (Draft)*, which encourages middle and senior management and core employees from the Company, business unit and individual level, and can effectively combine the interests of shareholders, the Company and employees to realize the common development of employees and the Company.

2.1.3 Information Disclosure and Investor Communication

The Company timely disclosed daily information, major information and important events in a true, accurate, complete, timely and fair manner after review and approval. During the reporting period, the information disclosure evaluation grade of the Company was Grade A. Four periodic reports were prepared and disclosed, and 72 announcements were issued. In addition, we did a good job in the filing management of information disclosure documents and the confidentiality before information disclosure, and made the information disclosure concise, clear, substantive and effective.

2.2 Compliance Operation

The compliance operation is an essential guarantee for the sustainable development of the Company. Supor has further consolidated its three lines of defense in corporate governance and risk management mechanism in recent years by enhancing its supervision system, issuing Code of Professional Ethics of Employees, Internal Control Manual and Rules for Anti-fault, promoting risk assessment and improving the evaluation system for audit results. In the future, we will also optimize internal control processes, pay attention to substantive risks, improve operational efficiency and strengthen performance management to realize steady and healthy business development in the process of digitalization and intelligence. During the reporting period, the Company further improved its internal compliance management mechanism for in risk management, anti-fault and fair competition, clean and honest construction, and information security and privacy protection.

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[1]The Company strictly complies with the requirements in the *Company Law*, the *Securities Law, Shenzhen Stock Exchange Regulatory Guidelines for Listed Companies No. 1-Standardized Operation of Listed Companies*, the *Corporate Governance Guidelines for Listed Companies* and the laws and regulations of the CSRC.

[2]Rules Governing the Listing of Stocks on Shenzhen Stock Exchange

2.2.1 Risk Management

The Company values risk management, integrates risk management with its business, proactively explores and establishes an effective risk management mechanism. According to the established strategic objectives and risk preference, the Company introduces different forms of measures, such as risk self-assessment, anti-corruption questionnaire, risk mapping, and tax risk matrix, to carry out comprehensive and systematic information collection with both quantitative and qualitative methods, in order to timely identify and analyze the internal production and operating risks such as human resources, management, innovation, finance, assets, health, safety, environmental protection, data confidentiality, business loss, and continuing operation, and the external production and operating risks such as politics, economy, law, taxation, science and technology, natural environment, social environment, etc., and to determine the risk response strategy that matches the Company's risk bearing capacity and take appropriate control measures to achieve effective risk control on the basis of weighing the principle of cost-benefit.

The Company evaluated the effectiveness of its annual internal control in combination with the internal control system and evaluation methods, and on the basis of routine and special supervision of internal control, in accordance with the provisions of the *Basic Standard for Enterprise Internal Control* and relevant guidelines and other internal control regulatory requirements. We enhance the digitalization process and apply information technology to fix the internal control process, reduce internal control risks and upgrade management effectiveness. With more digital technologies applied to the internal audit supervision, non-routine operations can be reviewed with big data and apply digital tools to departmental self-inspection.

The Audit Department reports to the Audit Committee under the Board of Directors. The Audit Department evaluates the level of internal control and the efficiency of process control and organization through internal audit, internal control consultation and organizational risk assessment, and timely reports to the management and the Audit Committee for the internal control defects and potential risks detected in the process of supervision and inspection, and promotes relevant departments to formulate action plans and follow up the corresponding rectification performance to ensure the effective implementation of internal controls.

2.2.2 Anti-fraud and Fair Competition

The Company strictly complies with Chinese laws and regulations on anti-bribery and anti-fraud, and establishes relevant rules for anti-fault, which are aimed at reflecting the values of the Company, strengthening company governance and internal control, minimizing operational risks, and conducting its business in accordance with the principles of fairness, integrity and transparency.

The Company has established an Anti-fraud Committee composed of the CEO, CFO, Legal Director and HR Director. The Anti-fraud Committee holds meetings periodically to review the progress and results of fraud investigations, and to discuss and approve follow-up treatment and action plans. The Audit Department is responsible for the daily anti-fraud work. Responsibility centers should report to the Audit Department immediately in case of any fraud incidents.

Special training on the *Prevention of Job-related Crimes* of infringement of trade secrets, misappropriation of funds, commercial bribery and duty encroachment for newly promoted managers was conducted, and nearly 386 new managers participated in the training. During the reporting period, 32 managers participated in the training *on Prevention of Economic Crimes from a Criminal Compliance Perspective*, 179 new employees in training on *Employee Anti-fraud*, and 4,227 new employees in training on *Professional Ethics of Employees*.

4,227 *Professional Ethics of Employees* new employees

386 *Prevention of Job-related Crimes* newly promoted managers (accum.)

179 *Employee Anti-fraud* new employees

32 *Prevention of Economic Crimes from a Criminal Compliance Perspective* managers

Mechanism for Anti-fraud Work

The Anti-fraud Committee coordinates, guides and supervises of anti-fraud work.

Registration
Register by the Audit Department

Acceptance
Evaluate the scope of acceptance

Investigation
Designate investigator or team to conduct investigation

Report
Report the progress and investigation result to the Anti-fraud Committee, and regularly update with Audit Committee and the heads of responsibility centers

Processing
Scheme submitted by responsibility centers to the Anti-fraud Committee for approval, publicize results appropriately as a warning

Feedback
Investigation results feedback to whistleblowers

Follow-up
Audit Department follow-up on the processing results and responsibility centers risk improvement

2.2.3 Probity Construction

In order to guarantee the sound development of operation and production, the Company takes solid steps to promote probity constructions. Initiatives are taken to conduct special training activities for employees, for example, economic investigation experts from the police office are invited to offer training to managers on job-related crimes. The Company opens designated channels for supervision and whistleblowing, and publicizes via internal documents, official website, SRM, CRM system, etc. Our suppliers, distributors and other stakeholders are also invited to supervise the probity and self-discipline acts of employees. Reminders on incorruptible employment and anti-corruption are issued on our official account and management systems of suppliers and distributors respectively.

2.2.4 Information Security and Privacy Protection

To reduce privacy leak risks and create a secure environment for orderly operation, we take measures to improvrelated internal systems. We generated information security-related strategies to stipulate the use of office equipment, Internet resources, official mailboxes, password using strategies, data and file security and restrictions on networks to give clear guidelines for privacy protection in daily office operations[1].

[1]*Personal Information Protection Law of the People's Republic of China* and *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*

We are establishing and improving the personal information protection system, rules and process system documents, carrying out personal information protection audit for apps, mini programs, member activities and systems related to personal information processing, conducting PIA assessments for personal information related businesses, and further ensuring the safety and reliability of personal information processing through the rectification of risk matters and signing of relevant documents.

Personal Information Protection

In December 2022, Supor smart IH electric rice cookers and Supor App were listed in the first batch of enterprises and products in China that pass the product evaluation of *Personal Information Protection Requirements and Test Methods for Intelligent Household Appliances* (GB/T 40979-2021). Supor pays great attention to the protection of personal information security, which is the technical premise of protecting consumers' legitimate rights and interests and promoting the sound development of the industry. In the future, Supor will continue to strengthen the implementation of users' personal information protection requirements, and consistently promote the intelligent development of home life on the basis of compliance.
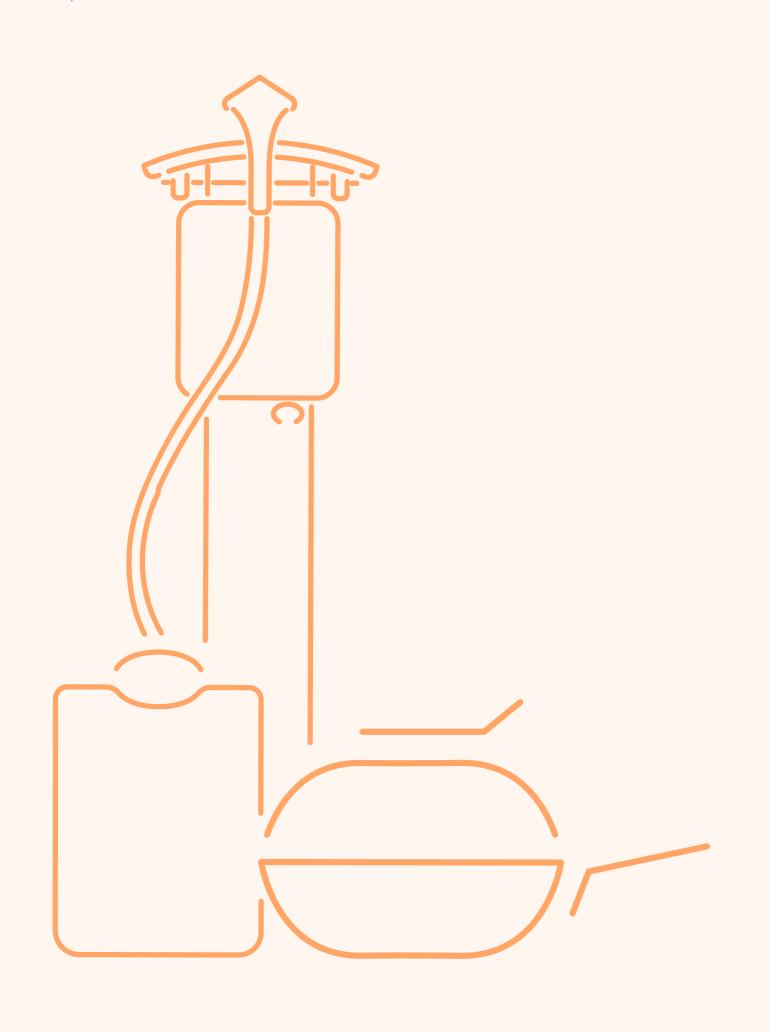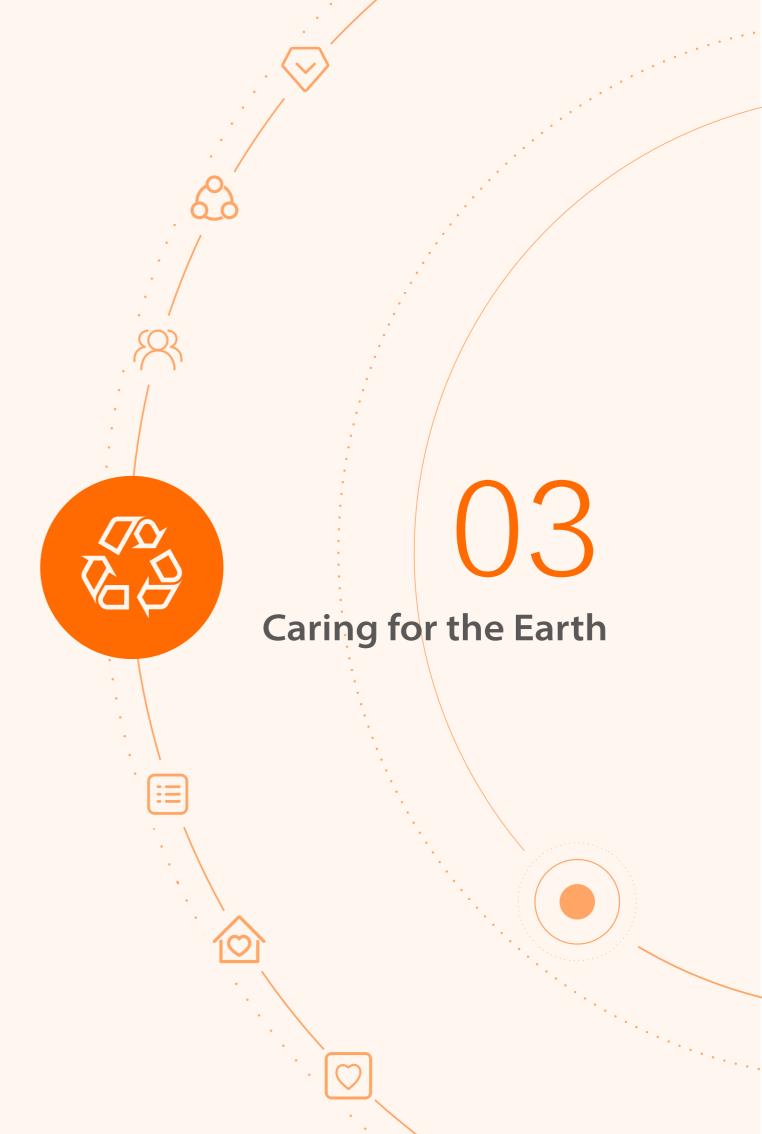

Data Compliance Training

Efforts are made to improve the data security awareness and basic skills of key departments and employees through online and offline training and evaluations.
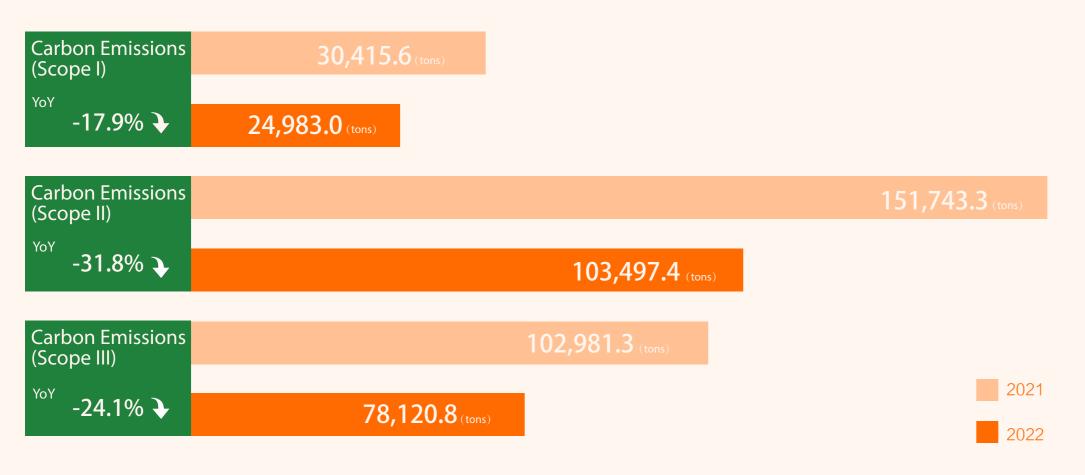
03

Caring for the Earth

Caring for the Earth

The Company advocates the century concept of environmental protection and sustainable development, and strengthens resource management and pollution control from resource utilization, pollution prevention and green development, climate change and ecological management. First, we build a resource management system featuring green, low-carbon and recycling, and a clean and sustainable manufacturing chain, such as the implementation of distributed photovoltaic projects in various bases. Second, we make active efforts to participate in carbon and emission trading, and practice the development of green and low-carbon economy with green financial payments. Third, we pay close attention to the climate change and accelerate the low-carbon transition. We have signed an agreement of transfer of 10,000MW green electricity certificate with third-parties to make constant improvements on the management system of greenhouse gas indexes.

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

Carbon Emissions (Scope I)
YoY **-17.9%** ↘
2021: 30,415.6 (tons)
2022: 24,983.0 (tons)

Carbon Emissions (Scope II)
YoY **-31.8%** ↘
2021: 151,743.3 (tons)
2022: 103,497.4 (tons)

Carbon Emissions (Scope III)
YoY **-24.1%** ↘
2021: 102,981.3 (tons)
2022: 78,120.8 (tons)

2021
2022

Annual Electricity Consumption
182.9 (GWh) YoY −20.3% ↘

Annual Water Consumption
2,249.9 (1,000 tons) YoY −16.9% ↘

Wastewater Discharge Volume
1,737.2 (1,000 tons) YoY −22.9% ↘

Solid Waste Discharge Volume
20.5 (1,000 tons) YoY −31.6% ↘

Total Investment in Environmental Protection
21.4 (RMB Million) YoY 9.0% ↗

Caring for the Earth

3.1 Resource Management and Recycling Revolution

We take multiple measures to maximize the rate of resource utilization and improve our ability of resource management. In terms of the water resource management, in Shaoxing and Yuhuan bases, production lines were improved to increase the reuse rate of reclaimed water. The underground water pipes of Wuhan base were changed into open ones, and leakage point investigation and pipe network checking were optimized to save water resources. In terms of packaging materials, recyclable and degradable materials have been adopted by the Company with the aim of reducing packaging consumables and strengthening users' awareness of environmental protection. We are committed to replacing storage and packaging materials with light or recyclable materials. In Yuhuan base, the coverage rate of packaging projects using no plastic has reached 57%, effectively reducing the resource consumption. As for the energy management, the Company introduces energy-saving equipment into production lines to reduce consumption and emission, and the photovoltaic power generation capacity will be over 20MW. We also take advantage of warehouse area locations to reduce the consumption in transportation.

3.1.1 Water Resources

According to production conditions, in each base, activities related to the efficient utilization of water resources are conducted to explore ways of water conservation and reclaimed water reuse. The reuse rate of reclaimed water in Shaoxing Base exceeds 50%. Efforts are made to optimize production processes and develop resource-saving technologies in Keqiao Base. The annual water consumption decreases by 25% year-on-year in Vietnam Base by replacing high water-consuming processes, achieving the purpose of water-saving and emission reduction and avoiding waste of water resources.

Recovery and Reuse of Water Resources in Cleaning Lines

The water-saving countercurrent spray cleaning process is adopted in cleaning lines of Yuhuan Base, by which the remaining water in the cleaning process is concentrated in the collection pool and then pumped back to the spray system of spray rooms for recycling use. This technology can save 1,200 tons of water every year, improve the carrying capacity of water resources and decrease the pollution of water resources.

Water-saving Flow Chart of Cleaning Lines in Yuhuan Base

3.1.2 Material Resource

The Company gradually improves the production system, actively explores recyclable packaging and production materials, and implements measures such as reuse and alternative use of packaging materials to reduce the proportion of packaging materials in the Company's total solid waste and the replacement proportion of paper support materials and foaming materials. The Company also carried out a green management of packaging and auxiliary production materials in Shaoxing Base, which effectively decreased the use of scrapped packaging. The proportion of packaging materials in total solid waste decreased from 50.6% in 2021 to 49.28% in 2022, and the replacement proportion of paper support materials and foaming materials increased from 5% in 2021 to 8.8% in 2022, realizing the green circulation of production and packaging.

Reduce the Use of Packaging Materials and Advocate Green Packaging

We have consistently improved the energy-saving and environmental protection measures in product packaging, and increased the material recycling rate by green packaging. In Yuhuan base, the coverage rate of packaging projects using no plastic reached 57% in 2022, reducing the resource consumption. In Shaoxing Base, measures are taken to improve packaging. 2,500 scrapped packaging boxes were saved by changing plastic package to calcium plastic boxes; 40,000 cartons were saved every year by replacing cartons with wrapping film for glasses package; and 5,000 scrapped packaging boxes were saved by replacing hardware packaging with iron baskets, which can reduce pollution.

External Plastic Packaging Equipment in Wuhan Base

Pulp Mold Packaging in Wuhan Base

Instructions for Packaging Grading of Fragile Products in Wuhan Base

Cost Saving Effect Chart of Green Materials in Injection Molding Production in Shaoxing Base

92,307kW · h

Saving 400kg ink and chemical solvent by transforming the screen printing to laser engraving, reducing 92,307KWh of energy consumption through simplified process, and reducing cost by RMB0.26 million per year.

4,220frames

Reducing number of new rubber frame by 4,220 by using recycled scrapped materials, and reducing cost by RMB0.9 million per year.

7.4 million bags

Saving 7.384 million of PE packaging bags for plastic molding parts by recycling, reducing cost of RMB1.1million per year.

Environment-friendly Packaging Upgrade

In 2022, the Company conducted an environment-friendly packaging upgrading project to regulate and uniform all categories of e-commerce package and transportation boxes in line with the e-commerce environment and practical application scenarios. By the means of optimizing design styles, simplifying product diagram, and improving layout utilization rate, the ink consumption was reduced by a large margin and the paper consumption of some categories was also reduced. More flexible package of "general box and product information sticker" for small tools can reduce the waste of boxes.

Simplified Diagram of Outer Package

Small Tools Packaging

RCS Certification

In 2022, Yuhuan Base once again passed the factory inspection and certification of RCS2.0. RCS (Recycled Claimed Standard) is a recycling standard launched by the Textile Exchange (TE) in 2013, serving as the certification basis for products with recycled raw materials.

3.1.3 Energy Resources

The Company fully supports energy-saving technology renovation projects to tap the energy-saving potential and explore ways of energy saving and carbon reduction. We set up photovoltaic self-generating electricity projects, including 15MW distributed power supply facilities to be built in Shaoxing Base, and photovoltaic project of an annual power generation capacity of over 4.3MW in Yuhuan Base. Secondly, we optimize energy-saving equipment, improve production techniques and enhance energy efficiency. For instance, the power consumption of air compressors in Yuhuan Base decreases by 9.1%, and the annual power saving is over 510,000kWh. Thirdly, we take full advantage of warehouse area locations and select in light of business experience to decrease the energy consumption in transportation and provide a basic geographic support for green logistics in the future. Lastly, we promote green energy-saving products from the product side and cultivate energy-saving awareness and demands in the terminal to achieve energy-saving and profit-making.

Promoting Photovoltaic, Embracing Clean Energy

Responding to "Carbon peaking and Carbon neutrality" goals, the Company focuses on developing clean energy such as hydropower, and photovoltaics. The distributed photovoltaic project in Yuhuan Base covers an available area of 43,860m2, with an estimated annual power generation capacity of 4.3MW. In the future, we will continue to promote the implementation of the project in each base, increase the proportion of clean energy, and support the green economy development.

Photovoltaic Project Diagram in Longshan Plant Area of Yuhuan Base

Increasing Equipment Renovation Investments, Improving Energy Use Efficiency

The Company actively carries out the new development philosophy and accelerates the use of energy. For example, in 2022, the frequency conversion renovation on two hydraulic machines and the renovation of the pipelines of vacuum pumps and the frequency conversion control system of drying furnaces in No.6 workshop were carried out in Wuhan Base. In Shaoxing Base, the replacement of common air compressors with energy-saving ones can save electricity by 15% annually. The above measures can improve energy production and supply capacity, actively expand new ways of energy development, and promote the diversified development of clean energy.

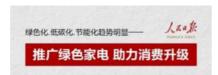Energy-saving Air Compressors in Shaoxing Base

Green Logistics led by Technology Innovations, Intelligent Transportation towards Zero-carbon Society

Through continuously business accumulations and technological innovations, the Company relocates its warehouse, reconsolidate freight routes and transport capacities to optimize delivery methods, cancel leased warehouses and reduce the short distance transports so as to minimize carbon emissions. Therefore, the Company adjusted delivery methods for customers such as WMF to centralized delivery from Shanghai logistic warehouse to improve the transportation efficiency.

Eco-friendly Products Benefit Society, Advocates a Green and Low-carbon Lifestyle

The Company introduces the concept of energy saving and low carbon to use scenarios, and provides customers with sustainable lifestyles via our products and services to awaken consumers' awareness of energy saving and reduce the climate impact. We strive to provide customers with trustworthy and smart products and continuously integrate the concept of green and energy saving into the product lifecycles by creating "Eco-friendly design products".

绿色化.低碳化.节能化趋势明显——

推广绿色家电 助力消费升级

" 以日常厨房场景为例，传统灶具往往因圆火力无法满足爆炒，导致烹饪时间变长，能源消耗加大；灶具热量散失导致烹饪效率不够高，不够节省液化气或天然气。这些功能上的短板，成为供给侧攻关的重点，不少家电品牌对此发力。苏泊尔厨卫大家电战略市场总监王亮亮介绍，新型燃气灶通过增压宽域极限火力技术、双层聚能锅架技术等多种技术创新，可优化厨房家电消费体验。 "

Report of People's Daily on the Company's Green Domestic Appliance Technology

3.2 Pollution Prevention and Green Development

The Company formulated a number of systems complying with the relevant local requirements on three wastes discharge[1]. First, wastewater discharge compliance, the Company established a recycling process and centralizing sewage discharge. Secondly, the Company formulated a long-term vision for waste gas disposal through technical transformation, such as adsorption, desorption, catalytic combustion and using water-based coatings instead of oily coatings to gradually reduce emission concentration and towards zero pollution. Thirdly, recycling expired products to reduce environmental pollution and advocates the use of recyclable materials. In 2022, the Company recycled raw materials such as aluminum, iron, stainless steel up to 490 tons and purchased 2,368 tons of recycled aluminum and 4,530 tons of recycled stainless steel. In addition, the company has been promoting environmental awareness online and offline. Through environmental activities, environmental themed months and low-carbon Grand Prix etc., the Company is able to raise green awareness, apply green program to improve production efficiency and integrate "green concept" into the Company's development philosophy.

4,530 ton
Recycled Stainless Steel Purchased

2,368 ton
Recycled Aluminum Purchased

490 ton
Raw Materials Recycled

Recycling

[1] Measures for the Management of Industrial Sewage Discharge, Up-to-standard Discharge System for Domestic Sewage, Control Regulations for Wastewater Discharge, Control Regulations for Waste Gas Discharge, Control Regulations for Waste Collection, Classification and Disposal, etc.

3.2.1 Water Pollutant Disposal

In active response to the advocation for manufacturing enterprises to carry out industrial water control and the concept of "Five Water Treatment", the Company practices the green environmental protection concept and explores wastewater treatment, reducing sewage discharge, as well as improving the efficiency of reclaimed water reuse. Among which, Hangzhou Base set a goal of saving 30% industrial water in three years. Therefore, it actively carries out technology R&D and utilizes high-performance PTFE coating in the existing substrate surface technology to replace the old oxidation process that can achieve cost reduction and sewage emission reduction at once. The water consumption in a single process will directly decrease by 22.4% with the average annual water saving about 55,500 tons. Meanwhile, the Company pays attention to domestic sewage treatments. A sterilization project for domestic sewage is implemented in Shaoxing Base, with the removal rate of the total number of colonies over 94%, effectively improving the water quality. In Yuhuan Base, wastewater from steaming process can be 100% recycled and used in polishing, dust removal and spray system. In 2022, the wastewater discharge of each production base decreased by 35% year-on-year, and the Company was also awarded as the "Water-saving Benchmarking Enterprises in Zhejiang".

Wastewater Reuse and New Ecology of Saving Water

The wastewater from the ultrasonic cleaning line of Yuhuan Base will be recycled for the use in polishing, dust removal and spray system, with an annual saving about 1,500 tons of water for polishing and dust removal. In the process of obtaining pure water by the steam engines in canteens, it is estimated that about 55% of the wastewater will be produced. After technical improvement, the wastewater generated will be recycled for the cooling water of die casting workshops. 1,440 tons of water were saved in 2022.

Wastewater Recycling Equipment

Wastewater generation point → Wastewater generated by the water purifier unit → Discharge pipe → Electrical conductivity of wastewater reaching 200-300s/m → Electrical conductivity test

Wastewater transported to dust removal equipment through pumps

Utilization for polishing, dust removal and spraying systems ← Recycling for polishing, dust removal and spraying systems ← Wastewater supplement control ← Supplement of the generated wastewater ← Pumps to collect wastewater

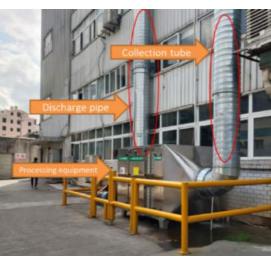Flow Chart of Wastewater Recovery and Utilization of Ultrasonic Cleaning Line in Yuhuan Base

3.2.2 Air Pollutant Disposal

The Company sets waste gas treatment targets and conscientiously fulfills the main responsibility of pollution prevention and control, continuously improving the treatment level of air pollutants. In 2022, the product scheme adjustment and upgrading and reconstruction of waste gas facilities implemented by Hangzhou Base, which plans to invest RMB 1.55 million to replace high VOCs coatings from the source and upgrade the inefficient waste gas treatment facilities, passed the environment impact assessments and was put on record by the local ecological environment authorities. At the same time, the Rubber and Plastic Company timely managed and optimized waste gas treatment facilities for different waste gas pollution. Three sets of on-line monitoring equipment for waste gas were added, and all of them were connected to the environmental protection network for real-time monitoring, ensuring the long-term operation of waste gas absorption facilities and treatment systems in each workshop. It was estimated that the emission of harmful substances in waste gas will be decreased by 60% year-on-year, which effectively reduced the emission of waste gas and environmental pollution. A green factory project was also set up in Shaoxing Base to control the waste gas emission in the production process of some spraying products, aiming to achieve a year-on-year decrease of VOCs emission by 81.5% per product.

Three Steps of Waste Gas Treatment to Realize Zero Emission

Generally, a large amount of oily fume will be produced in the post cure for existing rubber products. To solve the environmental pollution caused by direct emissions, the technical team of our Company adopts the organized emission of directly discharged oily fume after treatment. The composite processes such as water spraying, catalytic oxidation, activated carbon adsorption and spray scrubbers are applied to deconstruct the oil mist generation mechanism in the waste gas under the *Discharge Standard and Measurement Methods of Pollutants from Paint Manufacturing* (GB 37822-2019). After testing, the concentration of emissions treated by this method is far lower than the requirements in the relevant national standard.

Design Sketch of Organized Emission of Vulcanized Waste Gas and Injection Molding Waste Gas in Rubber and Plastic Company
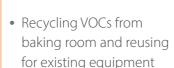
Illustration for Three Steps of VOCs Treatment Project in the Rubber and Plastic Company

Step I 2021–2023

Step II 2023–2024

Step III 2024–2025

Unorganized Area Parallel Connection

- Recycling VOCs from baking room and reusing for existing equipment
- Adding draft ducts for VOCs in leveling section
- Theoretical treatment rate of 90%

Importing Catalytic Combustion Equipment

- Theoretical treatment rate of 95%
- Generating carbohydrate after treatment
- High equipment investment cost

Application of Water-based Paint

- Technology in water-based paint is mature
- Theoretical treatment rate of alcohol solubility water-based paint of over 96%
- Treatment rate of complete water-based paint of over 99%
- No imported treatment equipment

3.2.3 Solid Waste

The Company always improves its internal management system and procedures following the principles of waste reduction, recycling and hazard-free treatment, and regulates the collection, storage, utilization and disposal of scrapped products. In 2022, the amount of products recycled and reused has reached 490 tons.

Disposal System for Old Machines and Returned Products

The Company supervises the scrapping of old machines in the distributors' operation on site, and requires distributors to ask a qualified company for green recycling according to local waste classification rules. For return products, according to the waste classification required by the government, we adopt a green recycling system to avoid environmental pollution. For products that have been used and cannot be repaired within the warranty period, the Company will sell them to material processing plants for recycling. In 2022, the amount of raw material recycled has reached 490 tons.

2022
Recycled Raw Materials
490 tons

3.2.4 Green and Environment Protection Actions

The Company actively promotes green initiatives both internally and externally. For example, the Company organizes external social media campaigns to raise awareness of environmental protection among users and potential customers, while also set up low-carbon events and activities internally, such as the Environmental Theme Month and the SUPOR Challenge, all of which is to encourage green technology innovation and develop a green corporate culture. Among which, a number of green and low-carbon technologies that the Company has implemented have already brought significant results and have benifited various production sites.

Supor's Official Weibo Account Campaign

Poster Campaign of Wuhan Base

Environmental Theme Month

The Company actively pursues a green and low-carbon lifestyle and spreads the concept of green and low-carbon development. For example, the Company issues energy saving and green development initiatives to all employees in May each year and carrying out Environmental Theme Month activities. In 2022, the Company also launched the first Supor Energy Saving Competition with the theme of "Energy Saving and Environmental Protection, Building a Clean and Beautiful World Together". Moreover, the Company also launched a series of activities to mobilise employees' motivation and help them to gain a deeper understanding of the mission of environmental protection, energy saving and emission reduction.

In May 2022, Shaoxing Base carried out the Environmental Theme Month with a series of activities, and the theme was "Together we can create a better environment and share a healthy and beautiful life".

Shaoxing Base issued the first "Energy Conservation and Consumption Reduction and Green Development Proposal" within the Company

Activity Flow of Environmental Theme Month in 2022

Eliminate Dripping, Leaking And Idling

Collect special slogans for energy saving and consumption reduction

Appraise through competition of energy saving and consumption reduction

Model of energy saving and consumption reduction

My ideas of improvement

Golden ideas for energy saving and consumption reduction

The Fourth SUPOR Challenge

This year's challenge is based on the theme of "Building Industrial Competitiveness, Creating a New Benchmark in the Industry". 26 project teams showcased their achievements in quality, safety, environment, new products, production, procurement and logistics competitiveness.

As the Company's top industrial event, the first SUPOR Challenge was held in 2018 and has always uphold the concept of safety, fairness and openness, encouraging the participation of all employees, enhancing the exchange and sharing of best practices among the Company's bases and divisions, and giving full play to its leading role.

This year's challenge is based on the following seven dimensions, with the aim of achieving industry and cross-industry benchmarking. The fierce competition in this year's challenge has once again revealed the direction of improvement for Supor people: breakthrough innovation, compete with the market and constantly challenge new heights of industrial performance.

I. Consumer-oriented Quality - Most Satisfaction Award

Make full use of consumers' feedback to promote the transformation of quality system and pursue high satisfaction and low complaint rate
- Improving e-commerce service satisfaction-Yuhuan Base
- Lean layout, quality innovation - True Stainless' four-generation customer satisfaction quality improvement project-Wuhan Base

II. Safety - Strongest Risk Prevention and Control Award

Use pioneering risk analysis tools and management methods for effective prevention of safety risks and reduction of work damage accident rate, or implement more preventive KPIs.
- Turn-by-turn automation equipment to reduce safety risks-Hangzhou Base
- Smart Electricity Management in Staff Accommodation-Wuhan Base

III. Environment - Best Low Carbon Environmental Protection Award

Meet low-carbon or low-pollution emission standards in energy saving and consumption reduction, carbon neutralization or waste management with leading methods of environmental protection or high-tech projects.
- Improvements in surface waste gas treatment units-P&R Company
- Air compressor heat recycling energy saving and consumption reduction project-Wuhan Base

IV. New Product Competitiveness-Most Hot-selling Product Award

Through standardization, process shift, integration and synergy, the overall cost efficiency is reflected in the new product stage, and the sales, gross profit and market share performance is excellent compared with competitive products, while the new product development process is optimized and solidified.
- Highly competitive electric kettles-Shaoxing Base
- Building competitiveness in far-infrared product series through innovation-Hangzhou Base

V. Production Competitiveness - Leanest Award

Eliminate waste, rationalize the plant layout, improve the automation efficiency and techniques, optimize the flexibility and utilization of raw materials/equipment/human resources, and improve the operational efficiency.
- Process innovation, industry leading - five generations of imitation die-casting process upgrade project-Wuhan Base
- CCD vision technology application to enhance production competitiveness-Shaoxing Base

VI. Procurement Competitiveness - Most Competitive Material Category

Achieve great saving contribution, excellent delivery quality and great competitiveness in the external market with supply group management as its core, and through supplier integration strategy, scale effect and supplier development group.
- Procurement Competitiveness - Packaging-CW BU
- PCBA category sourcing cost reduction-SDA BU

VII. Logistics Competitiveness - Most Agile Supply Award

Optimize the overall distribution network to maintain flexibility to better serve e-commerce, carry out lean improvement to reduce transportation and warehousing costs, and finally meet customers' expectations
- Agile and flexible delivery for domestic sales-Shaoxing Base
- Increased satisfaction with after-sales parts service-SDA BU

3.3 Climate Change and Ecological Management

The Company implements the "Carbon peaking and Carbon neutrality" goals and actively addresses climate change. We promote the construction of "carbon peaking and carbon neutrality" and the establishment of a greenhouse gas index management system, and a total purchase of 10,000MW green electricity certificate by various bases. We identify climate change risks and formulate a series methods of risk prevention, avoidance and coping. In face of extreme weather, we formulate BCP schemes to achieve the production capacity complement of bases with similar product categories. We also focus on the influence of the production and operation sites on ecological and biological environment, and actively respond to the call of COP15 biodiversity.

3.3.1 Emission of Greenhouse Gas

To implement the "Carbon peaking and Carbon neutrality" goals and major relevant decision-making arrangements, various bases together purchased 10,000MW green electricity certificate of renewable energy through third parties in 2022.
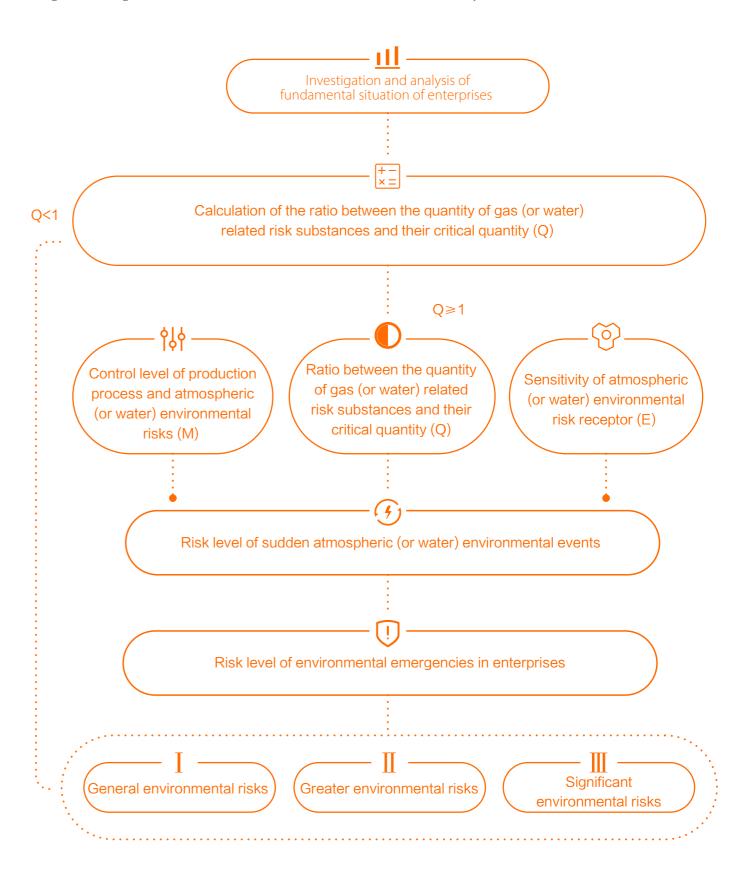
Supor Green Electricity Certificates

3.3.2 Management of Climate Risks

The Company formulated the Environmental Emergency Plan, set up the headquarters for environmental emergencies, and implemented measures to extreme weather to identify, avoid and address climate risks in production bases in an organized and planned way. To deal with such special circumstances as extreme weather, the Company formulated point-to-point business continuity plan (BCP) for some production bases.

Measures for Extreme Weather

Targeted management measures for extreme climate are taken to effectively control and avoid climate risks.

Investigation and analysis of fundamental situation of enterprises

Calculation of the ratio between the quantity of gas (or water) related risk substances and their critical quantity (Q)

Q<1

Q≥1

Control level of production process and atmospheric (or water) environmental risks (M)

Ratio between the quantity of gas (or water) related risk substances and their critical quantity (Q)

Sensitivity of atmospheric (or water) environmental risk receptor (E)

Risk level of sudden atmospheric (or water) environmental events

Risk level of environmental emergencies in enterprises

I General environmental risks

II Greater environmental risks

III Significant environmental risks

Drills for Unexpected Conditions in Typhoon Seasons at Yuhuan Base

In 2022, Yuhuan base revised its Emergency Plan for Typhoon and Heavy Rainfall, in which the revised plan achieved full coverage for the existing plant area. For Longshan plant at Yuhuan base, due to the special geographical characteristics of sudden climatic and environmental events which may lead to secondary disasters such as seawater backflow, are further clarified in the revised plan. In 2022, Yuhuan base has carried out 49 drills on 14 emergency plans, and organized 9 emergency escape drills for all employees with totally 4,300 participants in the whole year.

49 Emergency Plans Drills

9 Emergency Escape Drills

Total Number of Participants **4,300**
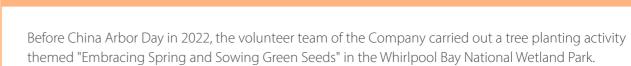
3.3.3 Biodiversity

The Company gives top priorities on the protection of the local ecological environment and habitats of flora and fauna in the process of production and manufacturing. It also actively responds to the calls and regulatory policies and implements ecological environment restoration measures, so as to minimize the impacts of production and operation on the surrounding ecological environment.
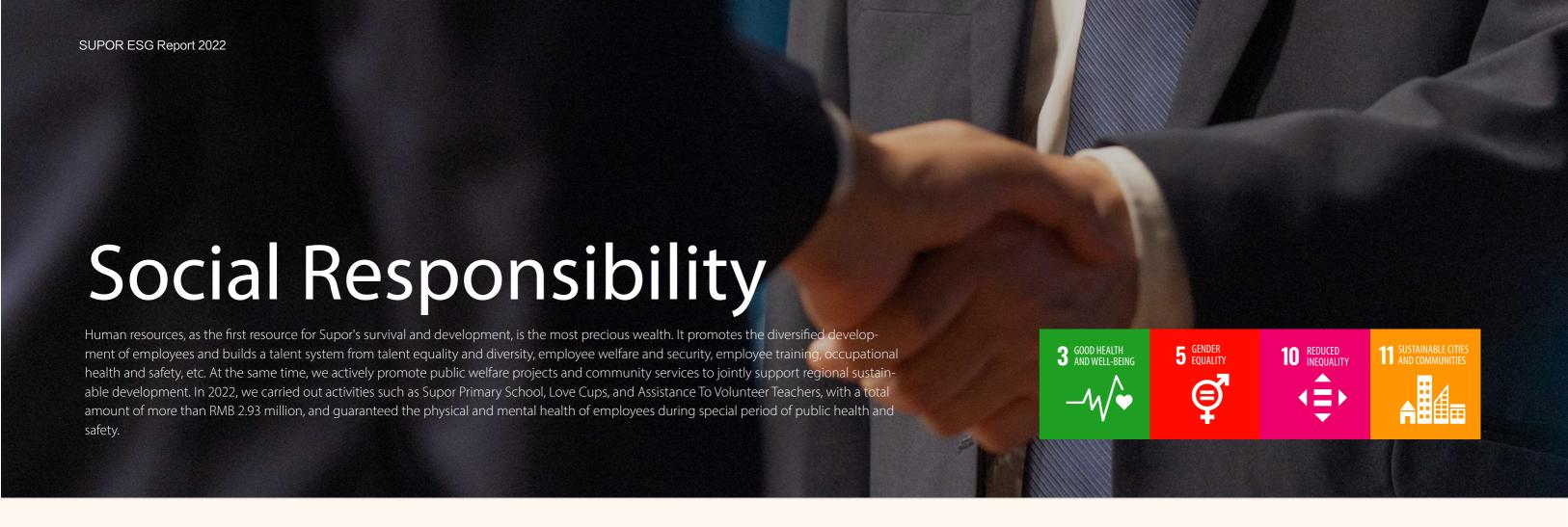
Volunteer Activity in China Arbor Day

Before China Arbor Day in 2022, the volunteer team of the Company carried out a tree planting activity themed "Embracing Spring and Sowing Green Seeds" in the Whirlpool Bay National Wetland Park.

Emergency plan system at Yuhuan Base

The emergency plan system is composed of comprehensive, special and on-site emergency plans.

Comprehensive Emergency Plan

- Fire Emergency Plan
- Production Safety Accident Emergency Plan
- Electric Shock and Power Accident Emergency Plan
- Heat Stroke Emergency Plan
- Dust Fire and Explosion Emergency Plan
- Personnel Health and Sudden Illness Emergency Plan
- Fire and Explosion Emergency Plan for Die Casting Melting Furnace

- Natural Gas Explosion Emergency Plan
- Typhoon and Heavy Rainfall Emergency Plan
- Chemical Leakage Emergency Plan
- Workplace Injury Emergency Plan
- Canteen Food Poisoning Emergency Plan
- Infectious Disease Emergency Plan
- Limited Space Operation Accident Emergency Plan

On-site Emergency Plan

04

Social Responsibility

Social Responsibility

Human resources, as the first resource for Supor's survival and development, is the most precious wealth. It promotes the diversified development of employees and builds a talent system from talent equality and diversity, employee welfare and security, employee training, occupational health and safety, etc. At the same time, we actively promote public welfare projects and community services to jointly support regional sustainable development. In 2022, we carried out activities such as Supor Primary School, Love Cups, and Assistance To Volunteer Teachers, with a total amount of more than RMB 2.93 million, and guaranteed the physical and mental health of employees during special period of public health and safety.

3 GOOD HEALTH AND WELL-BEING | **5 GENDER EQUALITY** | **10 REDUCED INEQUALITY** | **11 SUSTAINABLE CITIES AND COMMUNITIES**

Number of Male Employees	Number of Female Employees	Number of New Employees From on-campus Recruitment	Number of New Employees	Number of Disabled Employees	Total Charitable Donations
6,363 person	**3,861** person	**135** person	**4,227** person	**31** person	**2.9** million
YoY ▼ 14.3 %	YoY ▼ 12.6 %	YoY ▲ 22.7 %	YoY ▼ 37.6 %	YoY ▲ 6.9 %	YoY ▲ 46.5 %

Rural Revitalization Fund Investment	Number of Work-related Accidents	Death Rate of Employees Due to Work-related Injuries	Total Attendance of Safety Training	Accumulated Time of Safety Training	Safety Production Investment
2.7 million	**0**	**0** %	**42,170** person	**53,262** hour	**30.8** million
YoY ▲ 36.5 %	YoY ▼ 100.0 %	YoY —	YoY ▲ 12.0 %	YoY ▲ 36.3 %	YoY ▲ 19.1 %

Social Responsibility

4.1 Equal Employment and Rights and Interests

Adhering to the principle of equal employment, the Company opposes all discriminatory behaviors due to the differences in gender, age, race, sexual orientation, etc., and creates a professional environment to protect equal rights and interests. We also establish harmonious and stable labor relations, safeguard the legitimate rights and interests of employees, and promote the diversified development of employees. We strictly abide by the Code of Professional Ethics and Conduct, allow no employment of child labor in the whole process of production and operation, and stipulate that employees must report to departments in case of any suspicions of employing child labor.

4.1.1 Composition of Employees

● **Total**
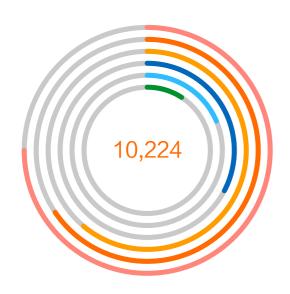
By the end of 2022, there were 10,224 employees (including non-contract employees) in the Company, with male and female employees accounting for 62% and 38% respectively.

62% Male

38% Female

10,224

● **Age Structure**

at present, the employees of the Company are at a younger age. Among them, employees aged 31-40 account the highest proportion, reaching 39.84%.

10,224

Employee Age Structure in 2022

267	**2.61**% 18-20 years old	2,660	**26.01**% 21-30 years old
4,073	**39.84**% 31-40 years old	2,586	**25.29**% 41-50 years old
635	**6.21**% 51-60 years old	3	**0.03**% Above 60

4.1.2 Talent Equality and Diversity

Guided by the strategic planning and business development needs and relying on the employees' professional development, the Company actively holds professional and managerial trainings. According to the Company's talent development strategy, the learning and development projects are designed hierarchically and systematically, and the Employee Manual and the Employee Management System are formulated to clarify the management of employee training and development. Therefore, the trainings are carried out orderly and efficiently to support the strategic development of the Company.

The Company lays emphasis on employee training innovations. Through diversified learning methods such as online leaning, live streaming, offline workshops/sessions and cross-field visits etc., training experience and conversion rate are improved. The Company also provide mentorship resources from internal managers, and form a teaching combination to accelerate competency and growth of employees.

● ● ●   **Remarkable Talent Echelon Construction in Supor**

In 2022, Zhuo Aiming, who is the director of mold trial production in Yuhuan Base, was given the title of the Craftsman of Zhejiang. He devotes himself to mold development and process research for a long time and leads the team to get technical breakthroughs. Zhuo Aiming has trained five senior stampers and two senior forgers for the Company. One technician under his instruction won the 2nd place in Yuhuan Vocational Skill Competition in 2021.

In 2022, Zheng Jingxu's studio of Supor, named after Zheng Jingxu, a "Taizhou Craftsman", was awarded the honorary title of "Taizhou Highly Skilled Master (Model Worker) Innovation Studio".

4.2 Employee Welfare and Security

In traditional and statuary holidays, for example, Spring Festival, Lantern Festival, Dragon Boat Festival, Mid-Autumn Festival, National Day, International Women's Day, the Company and bases actively organize theme activities and distribute welfare and gifts, creating a harmonious working environment. We actively set up football, badminton, and basketball clubs, carry out internal leagues, and select outstanding players to participate in local amateurish matches, which gain compliments and warm welcomes from employees, greatly enhance team cohesion and stimulate enthusiasm. In 2022, 239 silver medal employees and 85 gold medal employees were awarded for their 10 and 20 years of self-improvement in Supor.

Walk Side by Side and Create a New Chapter

On August 26, 2022, the Company and its bases carried out Supor anniversary celebration, and awarded gold and silver medals to gold and silver medal employees.

Happy Traditional Festivals

On Dragon Boat Festival, theme activities were held in variousbases, and there were full of festive atmosphere and warm.

Lantern Festival and Reunion Together

The Lantern Festival, is the day when spring returns and the renewal of all things. The Company prepared different activities to celebrate Lantern Festival, such as guessing lantern riddles and eating rice dumplings.

Employee Activity, Keep Going Beyond

From July to August 2022, the "Beyond Cup" basketball matches were launched in bases. In August, a team formed by the players of the Company's badminton club participated in the Hangzhou High-tech Zone Enterprise League on behalf of the Company. "Beyond Football Team" of Yuhuan Base reached the semifinal of Yuhuan Cup Football League.

Paying Tribute to Glorious Time, Passing down the Eternal Flame

Retirement ceremony for retired employees to express good wishes and great respect.

4.3 Occupational Health and Safety

The Company highly values occupational health of its employees, and formulates different occupational health and safety management procedures and prevention systems of occupational disease at each base accordingly. At Wuhan base, 594 employees exposed to occupational hazards took occupational health examinations, and the in-post physical examinations cover all employees. Shaoxing Base carried out the molding department transformation and cancelled posts with high temperature hazards, which greatly improved the working environment. The Company actively created a "zero tolerance" safety culture, formulated the Emergency Plan for Work Safety Accidents, actively conducts training on potential safety hazards and illegal operations[1].

4.3.1 Occupational Disease Prevention and Control

All employees took pre-job, on-job and post-job physical examinations, and aimed to ensure a high examination coverage and health rate. In 2022, 594 employees exposed to occupational hazards from Wuhan Base took occupational health examinations, and the in-post physical examinations cover all employees. In 2022, Shaoxing Base transformed molding department and cancelled high temperature hazards posts to decrease probability of occupational hazards. The Company takes relevant measures based on examination results to improve work environment, and to protect occupational health and related rights of its employees.

● ● ● **Physical Examinations and Prevention of Occupational Diseases for Employees**

The occupational health management system has been set up and improved in each base of the Company. During the reporting period, the physical examination rates of Shaoxing, Hangzhou, Yuhuan, Wuhan and other bases were 100%.

4.3.2 Work Safety Training

According to the requirements of work safety standardization, we strengthen the construction of safety management teams, and safety training, emergency plan drills and other activities are carried out in bases to enhance the professionalism of safety management teams[2].

[1]The Company complies with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Provisions on the Supervision and Administration of Occupational Health at Work Sites, Measures for the Supervision and Administration of Employers' Occupational Health Surveillance* and other relevant laws and policies, and formulates different occupational health management procedures and occupational disease hazard prevention responsibility system according to the situation of each base.

[2]We strictly abide by relevant laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Fire Protection Law of the People's Republic of China*, and has formulated a number of work safety management systems such as the *Work Safety Management System*, the *Fire Safety Management Regulations*, the *Typhoon Emergency Plan*, the *Electric Shock Emergency Plan*, the *Dust Explosion Accident Emergency Plan*, and the *Heat Stroke Rescue Emergency Drill*.

Safety and Security Training

In order to ensure the effective implementation of safety management, the safety supervision and inspection at different levels and categories are carried out, which give full play to the role of safety personnel at all levels, ensure that safety management is carried out orderly, safety management measures are put in place, and potential safety risks are comprehensively rectified, thus forming a closed loop of safety management. The Company and bases actively carried out 36 sessions of training on 12 safety topics. 22,061 participants participated in 156 types of JSA and "5 don't" training, and 1,450 monthly meetings of safety departments, weekly meetings of workshops and daily meetings of teams and groups were carried out.

| Pre-job Training | Post Practice Training | Emergency Drill Practice | Emergency Drill Summary |

Work Safety Month Activity

In the 21st "Work Safety Month" in China, in bases, activities were carried out to improve the awareness of work safety and strengthen the work safety concept, continuously carried out the relevant, and activities of "Work Safety Month" can continuously strengthen the awareness of safety red line, and promote the stable development of work safety. By organizing training, educational and practical operation drills, such as special inspection of equipment protection, emergency drills against falling, fire drills, night fire drills in dormitories, competitions of voluntary fire brigades, and on-site safety answering activities, we continue to improve the work safety production level.

4.4 Employee Training and Development

Guided by the strategic planning and the needs of business development and relying on the career development and professional ability improvement of employees, the Company actively holds professional and technical and management trainings. According to the planning of talent development strategy and coordinating with talent echelon construction, the Company makes training plans for employees at different levels and posts to improve their professional ability and comprehensive quality in an all-round way.

4.4.1 SLP training

SLP (SUPOR Leadership Program) is launched for a better cultivation of backbones. It covers "SLP I Talent Exploration Plan", "SLP II Talent Sharpening Plan" and "SLP III Talent Maturity Plan" to meet the needs of leadership development at all levels.

"SLP II Talent Sharpening Plan" is indispensable for Supor's backbone managers. It lasts for six months with the form of offline and online hybrid training mode. Training experience and knowledge conversion rate can be improved through online learning, offline class knowledge input, after-school practice, case study, community operation and other project operation forms.

4.4.2 Employee Skills Training

Induction Training

All new employees of the Company receive induction training, it helps new employees with different work experiences, cultural backgrounds to better understand the culture, business philosophy, rules and regulations of the Company, and to master the workflows and methods, integrate into the team atmosphere and reach the required business level more easily.

Pre-job Training

Employees who change or transfer posts should also ensure to master the knowledge and skills required by the new posts they will take up, including but not limited to department functions, post responsibilities, operation specifications and workflows. Employees of special types of work should be certified and subject to annual audit.
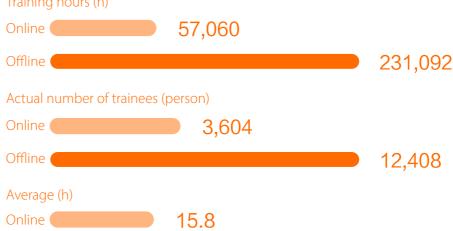
On-the-job Training

According to the Company's strategy and the training needs of departments, the Human Resources Department organizes and implements the training on professional ability, core ability and leadership of employees at different levels.

Training Figures in 2022
Training hours (h)

Online	57,060
Offline	231,092

Actual number of trainees (person)

Online	3,604
Offline	12,408

Average (h)

Online	15.8
Offline	18.6

Innovative Training

During the reporting period, Supor continued to promote the implementation of innovative tools, empowered the R&D and product teams to explore technological and product innovation, and fully cultivated potential innovative projects, thus improving the innovation capability. In 2022, the Company convened 50 young R&D backbones to participate in the TRIZ-Innovative Problem Solving Tools Training Camp.

4.4.3 Continuing Education and Training

Employees are encouraged and supported to take part in systematic training and professional knowledge training in their spare time, such as record education, English and other language learning, non-certified vocational qualification training. They can be reimbursed for relevant costs in a certain proportion after the special approval of the Company, and sign training and service agreements for corresponding years according to the Employee Training Management System with the Company, which can also be applied to overseas training. The obtained training achievements can be recorded in the personnel files as a reference for departments to select, employ and promote.

4.5 Public Welfare and Community Involvement

The Company actively responds to national policies and promotes different public welfare projects in various ways. First, a total of RMB 2,060,000 was donated to support the post-disaster reconstruction of Supor Primary School in Yuanzhuang, Junxian, Henan Province, and repair the infrastructure for Supor Primary School in Zhangsai, Longling County, Yunnan Province to improve the local education and living environment. Second, a new public welfare project "Supor - Little Artist of Life" was launched to promote children's life and education. Supor "Love Cups" were made and delivered to more than 3,000 students in 17 Supor primary schools in mountain areas. Third, daily community charity projects such as "Returning Home - Weibo Cracking Down on the Abduction" are carried out. In the "Weibo Cracking Down on the Abduction" project, the Company provided donations to parents who have been finding their children for many years.Meanwhile, the Company closely liaises with local communities and government agencies to form strategic collaborations, promote local employment, actively implements technological innovations, and receives relevant subsidies.

4.5.1 Rural Revitalization

With the national development strategy shifting from poverty alleviation to rural revitalization and common prosperity, the Company's public welfare projects expands from the focus on the improvement of rural school infrastructure in remote mountain areas to the promotion of urban and rural school life and education. In 2022, the Company actively responded to the policy requirements of the CPC Central Committee and the State Council in Opinions on Comprehensively Strengthening Labor Education in Universities, Primary and Secondary Schools in the New Era and the Ministry of Education in Compulsory Education Labor Curriculum Standard 2022. Continuing to consolidate the original Supor Primary School project, the Company, based on the vision and mission of the enterprise, gave full play to its own advantages in industry and resources and supported urban and rural schools to carry out life and labor education for children.

Carrying Out Love Donations to Help Children's Growth

A total of RMB 2,060,000 was donated to support the post-disaster reconstruction of Supor Primary School in Yuanzhuang, Junxian, Henan Province, and repair the infrastructure for Supor Primary School in Zhangsai, Longling County, Yunnan Province. Meanwhile, the Company continued to cooperate with online and offline education support organizations such as the U-light and Under the Same Sky, donated more than RMB 300,000 to supplement music, art and English teachers for 14 Supor Primary Schools, and dispatched volunteer teachers for Supor Primary Schools in Daliang Mountains, helping children in remote mountain villages enjoy better educational conditions. Supor Primary School in Laoli, assisted by the Company, was honored as the "2022 Demonstration Unit for Ethnic Unity".

New Supor Primary School in 2022

4.5.2 Educational Public Welfare

On the basis of more than ten years' public welfare, the Company upgraded the corporate public welfare strategy and established a new public welfare initiative of "sharing a better life with each child". By focusing on the life education of Chinese children in urban and rural areas, the Company launched a new public welfare project "Supor - Little Artist of Life", with the aim of "sharing a better life with each child". The new project provided support for urban and rural schools to carry out life and labor education from various aspects such as education space construction, labor curriculum R&D, and education activity planning, so as to jointly cultivate children of the new era who are future-oriented, love life and care for family. During the reporting period, the Company carried out activities such as Supor Primary School, Love Cups, and assistance to volunteer teachers, with a total investment of more than RMB 2.93 million.

> **● ● ●**   Education Space of "Little Artist of Life"
>
> The Company actively cooperated with educational organizations at all levels to carry out labor classroom construction projects in primary and secondary schools[1]. In 2022, as a model of labor education in primary and secondary schools, "Little Artist of Life" project supported by Supor was settled in Hangzhou. Since then, the Company has established cooperations with Hangzhou Wentao Primary School, Chunhui Primary School, Shaoxing Keling Primary School and Jinyun Changkeng Primary School to support their labor education courses and campus life festivals.
>
> In the future, in order to promote the quality and balanced development of China's basic education, Supor will further explore the public welfare in the field of children's life literacy education, and will develop the "Supor - Little Artist of Life" project to benefit more schools, especially rural boarding schools in remote mountainous areas of central and western China.

[1]We actively respond to the *Opinions on Comprehensively Strengthening Labor Education in Universities, Primary and Secondary Schools in the New Era* put forward by the CPC Central Committee and the State Council.

Love Activities Help Children in Mountainous Areas Grow up Healthily

The Company actively mobilizes product teams to participate in social welfare projects. The Company's team of children's cup designers collected creative cup patterns from Supor primary schools in China on the eve of Children's Day in 2022, and carefully designed the patterns on product packaging to make unique Supor "Love Cups". This project benefited over 3,000 students from 17 Supor primary schools in the mountains, and accurately helped to alleviate poverty in education in ethnic minority areas.

Abilise from Yi Ethnic Group Designed the "Unique Cup" for Supor and the Love Cup Given by Supor Primary School

We are all Little Artists of Life

The Company has been actively promoting its community primary and secondary school students to visit the Company and participate in the "We are all little artist of life" study activities. During the activity, students have a chance to know and understand the daily household appliances and cookware products, to build an initial understanding of the production process of household appliances, to have hands-on experience with innovative products and to experience how to create a better life.

4.5.3 Community Service

The Company insisted on the continuous attention to and deep integration with communities, and took community welfare as an important goal in the development of corporate social responsibility. We continue to carry out projects such as "Returning Home - Weibo Cracking Down on the Abduction" and "Community Charity" to help regional development. In 2022, in the "Weibo Cracking Down on the Abduction" project, the Company provided donations to parents who have been finding their children for many years.

The Company actively participates in community public welfare activities. In July 2022, the Company's employees spent the weekend with community social workers to carry out a public welfare activity with the theme of "Polishing the City Window, Cleaning the Bus Shelters".

We distributed gifts to local sanitation workers to express our respect to the "city beauticians" during holidays, making communities warmer by caring for each others.
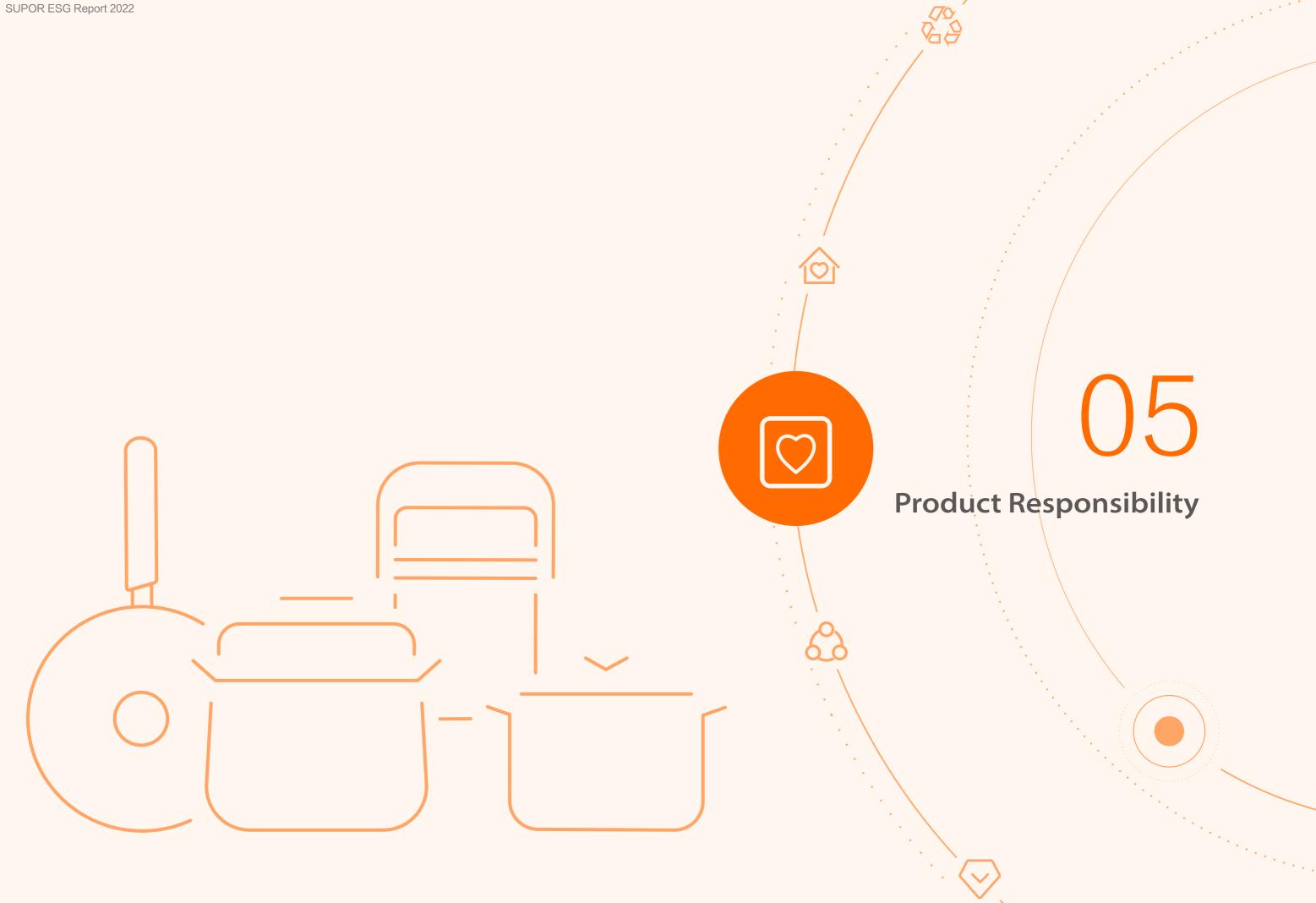
The Company actively participated in overseas base related community charity, and sent New Year gifts and wishes to families in need, actively integrated into local communities and carried forward the concept of sustainable development to promote local community development and social harmony.

New Year Gifts for Families in Need   Caring for the Elderly

05

Product Responsibility

Product Responsibility

| | | | | | | |

The Company insists on quality-oriented, high values product quality management, and vigorously promotes product innovation and reformation based on market demands. The Company established a quality management system covering the whole processes and links along with safety certification standards to ensure that all products pass safety and quality inspection. Also, the Company highly values R&D, and established Innovation Center in 2022, forming an industry-research integration model to achieve cooperative integration of technology and management. Moreover, we actively promoted the R&D and protection of intellectual property rights.

5.1 Quality Management

The Company attaches great importance to the quality management. We established a whole-process quality management system, which covers product R&D, procurement, production, logistics, sales and recycling, and actively accepted the audit of external quality and safety certification organizations. We are the first company in the industry that passes the certification of ISO9002, ISO14000 and GB/T28001. The product safety is our bottom line to ensure that all products pass the internal quality and safety inspection[1].

5.1.1 Quality Control

"Pursuing excellent quality and exceeding customer expectations" is our relentless pursuit. The Company promotes the establishment and implementation of product quality inspection specifications, establishes relevant inspection specifications and work instructions for raw materials, processes, finished products and shipment inspections, and urges inspection personnel to operate according to established workflows, inspection specifications and work instructions to ensure that products reach relevant standards.

Passing DNV Management System Certification

To improve the risk prevention level of factories, each base has been audited by DNV expert group, with its quality and environmental management system successful passing the DNV certification, which further promotes the quality management construction of factories and improves the product quality level of the Company.

Shaoxing Base First-line Technical Team Leader is Confirming the Quality of Components

5.1.2 Product Safety

The Company attaches great importance to product safety. To reduce relevant risks, the Company established comprehensive safety certification standards, making sure that all products pass safety and quality inspection. Taking stainless-steel pressure cookers as an example, this type of products has passed 13 CS+CE certifications and 5 CE+UKCA standards, providing consumers with a "guaranteed bottom line" for quality and safety.

[1]We strictly abide by the *Product Quality Law of the People's Republic of China* and other laws and regulations, implements strict quality control measures in the whole production process, establishes Supor quality management system covering the whole product process, and comprehensively implements it in all bases.

Ensure Product Safety and Improve Management Standards

In Yuhuan Base, detailed quality management standards were prepared to ensure product quality and safety.

I In September 2022, YSD, YST, YSH, and YSRB pressure cookers were re-certified by GS/CE.

II For YSRB pressure cooker, the UKCA certification was also completed in September 2022.

In terms of product safety publicity, the Company provides safety operation brochures, which explain the use methods in detail to ensure the use safety for consumers.

Product Safety Operation Publicity   Authentication Certificate

5.1.3 Industry Leading

As the leader of Chinese cookware and small domestic appliances, the Company promotes the industry development with our own practical experience. The Company also play an active role in guiding China small domestic appliance market, and guides the technological innovation of production enterprises.

Participate in the Formulation of Major Standards, Occupy the Leading Position of the Domestic Appliance Industry

During the reporting period, the Company participated in 57 standard preparation and revision projects, including 25 national standards, 13 industrial standards, 13 group standards, and 6 issued standards, which relate to *Standards for Drinking Water Quality* (national standard), *Maximum Allowable Values of Energy Consumption and Energy Efficiency Grade for Drinking Water Treatment Equipment* (industrial standard), and *Technical Requirements for Rice Quality Evaluation of Slowly Digestible Rice Cooked by Electric Pressure Cooker* (group standard), making contribution to the preparation and revision of standards and specifications in China's small domestic appliance industry.

Preparation and Revision of Standards Participated by the Company (Released in 2022)

Standard type	Standard No.	Standard name	Implementation date
Industrial Standard (1 item)	QB/T 5679—2022	*Maximum Allowable Values of Energy Consumption and Energy Efficiency Grade for Drinking Water Treatment Equipment*	2022-7-1
Group Standards (4 items)	T/CAS 596—2022	*Technical Requirements for Rice Quality Evaluation of Slowly Digestible Rice Cooked by Electric Pressure Cooker*	2022-5-11
	T/CAS 573—2022	*Technical Requirements for Intelligent Household Appliances with Internet of Things Operating System - Electric Rice Cooker*	2022-3-7
	T/CAS 574—2022	*Technical Requirements for Intelligent Household Appliances with Internet of Things Operating System - Food Processor*	2022-3-7
	T/CAS 570—2022	*Specification for Performance Evaluation of Household Range Hood without Dismantling and Washing*	2022-2-18

5.2 Innovation and Revolution

In 2022, "innovation" was highly regarded as a development strategy once again, the Company established Innovation Center at the headquarters level. This upgrade increased innovation functions and R&D investment, and formed a "closed loop of innovation" to maximize the advantages of innovation resources. With the establishment of internal innovation loop, external experts and organizations will be invited to further help improve the innovation efficiency.

5.2.1 R&D Innovation

The Company is constantly developing new products and applicable scenarios based changing market demands. A number of products for different consumer groups and market segments are developed and have received strong market reactions.

Innovate Products for the Elderly to Protect their Health

In order to adapt to the aging trend, the Company launched the "Far Infrared IH Rice Cooker" for the "Silver Hair", which is specially developed with intelligent voice navigation function and colour screen to increase product accessibility for parents. Moreover, the "Smart Water Cup" was also designed to protect parents' health in all aspects.

Far-infrared IH Electric Rice Cooker

Smart Water Bottle

Simplifying and Empowering Health

Nowadays, the public health incident has profoundly changed the customers' demands, and air fryers have become popular among consumers. The innovative far- infrared air fryer is designed to be fast heating, with a high skimming rate and innovative wavy fryer basket which is flip free; the visible and detachable glass lid is more hygienic.

Far-infrared Visible&Detachable Air Fryer

5.2.2 Industry and Research Integration

The Company's Innovation Center is committed to create an open innovation ecosystem, taps into external resources to support innovation. In 2022, the Innovation Center successfully built strategic cooperation relations with four industry-leading suppliers with joint projects in various fields. In the research fields such as ingredients, materials and motors, the Company successfully cooperated with renowned industry professors and experts from Jiangnan University, Donghua University, etc. to promote specific research projects.

Actively Participate in International Cooperation to Share Innovations and R&D Jointly

The Company's Innovation Center and SEB Innovation Center regularly communicate and share their innovative information and technologies, aiming at promoting more collaborative projects and global applications of innovative technologies. Our Innovation Center regularly participates in SEB monthly innovation meetings to share its innovative concepts and projects. In 2022, the Company has had several joint R&D projects in progress. At the same time, the two sides also regularly share insights on innovation fields and market areas to provide information input for innovation.

SUPOR Far-infrared Heating Rice Cookers Have Been Exported to SEB Global Market
● Generation 2 Far-infrared IH Electric Rice Cooker
● Top far-infrared heating technology

SUPOR High-speed Blenders with Removable Blades Have Been Exported to SEB Global Market
● 1.7L anti-scalding glass (1.4L heating mode)
● Removable blades for easy clean
● Touch panel for easy operation

School-enterprise Cooperation for Win-win Results

The Company has maintained research cooperation with many professional colleges for a long time, laying a theoretical foundation for innovation research. In 2022, the Company continued to cooperate with China National Rice Research Institute and Huazhong Agricultural University on rice and cooking techniques. We also established research cooperation projects in new fields with key universities including Jiangsu University and Jiangnan University.

17,110
Authorized Patents (inc. overseas)

567
Registered Domestic Trademarks

182
Registered Overseas Trademarks

39
Registered Domestic Copyrights
(software and works)

90 th
Global Smart Home Invention
Patent Ranking TOP100

Patent Knowledge Training

5.2.3 Intellectual Property Right Protection

The Company actively explores and develops technologies with independent intellectual property rights to support the core competitiveness of its products. During the reporting period, the Company obtained 17,110 authorized patents (including overseas), registered 567 domestic trademarks and 182 overseas, and registered 39 domestic copyrights (software and works). In 2022, for the first time, Supor was listed in the Global Smart Home Invention Patent Ranking TOP100, ranking 90th.

Management Team

The Company has set up a professional intellectual property management team, which is responsible for strictly abiding by local intellectual property laws and regulations and using the intellectual property system established by the Company to protect innovation.

Risk Control

The Company avoids the risk of intellectual property infringement through patent-free implementation analysis and other measures.

Intellectual Property Management

Raising Awareness

The Company carries out targeted intellectual property training programs to cultivate respect for intellectual property and mitigate intellectual property risks.

Cooperative Innovation

The Company respects the technological innovation of our partners, and are willing to engage in technological innovation alongside them and share intellectual property risks and achievements. Supor advocates for fair competition based on the principle of mutual respect for intellectual property.

Attach Importance to Patent Protection to Lead the Industry in this Field

The Company always lays emphasis on the management of intellectual property rights. So far, we have achieved ten China Patent Awards, covering cookware, water bottles, electric pressure cookers, slow cookers and electric rice cookers, etc. In the field of electric rice cookers, IH Ball Pot Rice Cooker, Steam Rice Cooker, Slowly Digestible Rice Cooker and Small Capacity&Fast Rice Cooker successively won China Patent Awards, and especially in 2018, the Company became the first winner of the China Patent Golden Award in China's rice cooker industry. The patent ZL201821016189.3 of Small Capacity&Fast Rice Cooker won the China Patent Excellence Award in 2022.

In 2022, the Company took actions to protect suppliers in intellectual property cases, with a value of RMB 9.47 million, which greatly secured the interests of the Company. External criminal crackdowns and internal audit supervision were combined to launch compliance monitoring for suppliers. Crackdown on irregularities, violations and crimes with criminal cases warn suppliers to raise their awareness of compliance. Suppliers are required to make regular reports in accordance with the Company's compliance supervision requirements, and through on-site visits and inspections, we supervise suppliers to improve their regulations and management systems and enhance their compliance level.

06

Sustainable Supply Chain

Sustainable Supply Chain

The Company highly values supply chain management and actively builds a sustainable one. For supplier access, the Company strictly controls access standards, raises specialized thresholds and uses a dynamic assessment model to safeguard supply quality. For responsible sourcing and marketing, the Company manages upstream suppliers based on relevant standards, while ensuring marketing services to downstream customers is truthful, objective, accurate and comprehensive, promoting the improvement of responsible supply chains.

6.1 Strict Access and Quality First

The Company insists on the supplier access standard of "quality first", and further refines the evaluation classification by revising the audit terms and conditions of the Supplier Site Assessment Form to improve the supplier access threshold. For upstream suppliers, the Company dynamically evaluates their performance through supplier monitoring and elimination mechanism to ensure that their quality level meets the requirements. In terms of supplier training, the Company builds a cooperative training platform and maintains close communication with suppliers to promote the common progress and the sustainable and stable development of the industry.

Supplier Access → Supplier Monitoring and Elimination Mechanism → Supplier Training

6.1.1 Supplier Access

The Company establishes strict evaluation standards for supplier access and sets up a hierarchy of on-site audit personnel based on materials classification to ensure the audit quality. We revised the audit terms in the Supplier Site Assessment Form, set a minimum score for key contents, and special cases shall be approved by GM of BU, so as to ensure the supplier quality. Specifically, each business unit adopts supplier access mechanism accordingly.

Refine the Review Classification and Take Strict Access Standards

The SDA business unit divides materials into Category A, B and C, those scoring higher than 85% are included directly; those scoring less than 85% should refer to material categories, unqualified items to be corrected within a month (not less than 75% for Category A, 70% for Category B and 65% for Category C); to be corrected and audited within three months (not less than 65% for Category A, 60% for Category B and C); and to be cancelled in case of less than 65% for Category A, 60% for Category B and C.

Evaluation Categories for New Suppliers

Material Category	Qualified	Qualified but Need to Improve	Unqualified and Need to be Re-evaluated	Disqualified
Category A (Key)	X≥85%	85%>X≥75%	75%>X≥65%	X<65%
Category B (Important)		85%>X≥70%	70%>X≥60%	X<60%
Category C (General)		85%>X≥65%	65%>X≥60%	X<60%
Evaluation Conclusion	Direct access	Improvements to non-qualified items within one month	Re-evaluation of non-qualified items within three months	Disqualified

Level of On-site Audit Personnel

Assess of New Suppliers

Category A Material Assessment Team:

Director Level

Strategic Purchasing Director + Base Quality Director + R&D Director + Material Control Director + Finance Director

Category B Material Assessment Team:

Managerial Level

Strategic Purchasing Manager + Base Quality Manager + R&D Manager + Material Control Manager + Finance Manager

Category C Material Assessment Team:

Supervisory level

Strategic Purchasing + SQE + R&D Engineer + On-site Purchasing + Finance Supervisor

Annual Evaluation of Existing Suppliers

Category A Material Assessment Team:

Managerial Level

Strategic Purchasing Manager + Base Quality Manager + R&D Manager + Material Control Manager + Finance Manager

Category B Material Assessment Team:

Supervisory level

Strategic Purchasing + SQE + R&D Engineer + On-site Purchasing + Finance Supervisor

Category C Material Assessment Team:

Supervisory level

Strategic Purchasing + SQE + R&D Engineer + On-site Purchasing + Finance Supervisor

6.1.2 Supplier Monitoring and Elimination Mechanism

The Company dynamically monitors and manages the suppliers' performance, and has established a strict mechanism for supplier monitoring and elimination. The strategic purchasing, quality control and material control departments of the Company assesses performance of suppliers based on the Supplier Management Regulations , and takes improvement or elimination measures for low-grade suppliers. Eliminated suppliers are not allowed to be assessed for 12 months, and shall be re-evaluated one year later. The Company awards excellent suppliers with "Best Supplier", "Best Innovation Award", "Best Quality Award" and "Best Cooperation Award", and adheres to the principle of rewarding and punishing for mutual benefits.

Quantitative Indicator Name	2022	2021	Year-on-Year
Total Number of Suppliers	571	508	12.4%
Supplier Audit Frequency	109	89	22.5%
Number of Suppliers denied due to Environmental and Social Responsibility Levels	0	0	0

Establish Assessment Grade to Guarantee the Supply Quality

According to the audit terms and conditions in *Supplier Site Assessment Form*, the annual assessment grades of suppliers are divided into A, B, C and D. Grade A means excellent, and the rectification items will be recovered within one month; Grade B means qualified, but suppliers need to improve, with unqualified item improvement report submitted and unqualified item improvement and closure within one month; Grade C means to be re-evaluated, with unqualified item improvement report submitted and unqualified item improved and re-evaluated after three months; Grade D means unqualified, with correction completed within three months and decreasing order ratio or elimination. There are corresponding correct period and restriction measures for each grade to guarantee the quality level of suppliers to the greatest extent.

Supplier Annual Assessment Grade

Assessment grade	Grade A	Grade B	Grade C	Grade D
Scoring Interval	X≥85%	85%>X≥70%	70%>X≥60%	X<60%
Judgment Conclusion	Excellent	Qualified but Need to Improve	Qualified and Need to be re-evaluated	Unqualified
Improvement Measures	1. Continuous improvement 2. Response to rectified items within one month	1. Submit unqualified item improvement report 2. Finish the improvement and closure of unqualified items within one month	1. Submit the improvement report of unqualified items and complete the improvement 2. Re-evaluate after three months	1. Complete the rectification within three months, decrease orders or eliminate

6.1.3 Supplier Training

Number of Supplier Training Sessions

YoY **8.1%** ↗

2022 ▬▬▬▬▬▬▬ 200
2021 ▬▬▬▬▬ 185

The Company pays attention to the communication with suppliers. We build a barrier-free communication platform by annual supplier conferences, and care about suppliers' cooperation demands and development expectations to promote the sustainable and stable development of the industry. Supplier training activities on different topics every year facilitate suppliers to understand our development strategy and management planning, as well as out requirements and standards of responsible procurement.

Supplier Quality Control Plan

In 2022, the Company carried out the theme training on *OEM Product Inspection Control Procedures*, and a total of 19 suppliers participated.

Improvement of Self-inspection Ability for Inspection-free Products

In 2022, a total of 13 suppliers participated in the theme activities of improving the self-inspection ability for inspection-free products and learning the unqualified 8D corrective and preventive action list.

6.2 Responsible Procurement and Marketing

As for responsible procurement, the Company actively regulates the behaviour of its partners, enhances their service awareness, and manages suppliers in accordance with the Company's *Responsible Procurement Charter* and other regulations to enhance the Company's sustainable development. Also, the Company highly values responsible marketing and strictly avoids exaggerated advertising by formulating advertising audit systems such as the *Guidelines for Reviewing Advertising Materials* and the *Advertising Self-Check Checklist* and by strengthening advertising law publicity and training activities.

6.2.1 Responsible Procurement

The Company actively practices responsible procurement and carries out sustainable development throughout the whole procurement process. On the basis of Regulations on Responsible Procurement and other norms, the Company expands the concept of sustainability to the supply chain, jointly promotes the value chain, fulfills social responsibilities, and continuously improves the responsible procurement mechanism to promote the sustainable development of the supply chain. To help suppliers solve social and environmental issues, and correctly understand responsible procurement policies and inspection indicators, in the process of responsible procurement, we carry out background and qualification checks, and assess suppliers' basic competencies according to our requirements. Suppliers fail to meet the requirements will be cancelled. The Company requires new suppliers and key core suppliers to sign the *Social Responsibility Commitment Letter*.

Social Responsibility Audit

Every year, the Company selects a certain number of suppliers for key components to conduct periodic rolling social responsibility audits of WCA (Workplace Conditions Assessment) and BSCI (Business Social Compliance Initiative). To help suppliers solve social and environmental issues, the Company will provide social responsibility training organized by SEB Group at the beginning of the year for suppliers who need to accept social responsibility audits to ensure that suppliers correctly understand our responsible procurement policies and inspection indicators. In 2022, we conducted the social responsibility audit for a total of 31 suppliers, and those who fail to meet the standards in the first audit were required to rectify within a certain period and be re-evaluated until reaching the requirements.

6.2.2 Responsible Marketing

The Company practices the responsible marketing from the compliance and sustainable marketing. On the one hand, the Company provides compliance operation guidance for business departments to make advertising materials and put advertisements by formulating advertising audit systems such as *Guidelines for Advertising Material Audit and Advertising Self-examination List*, as well as the implement of publicity and training activities on the popularization of advertising laws, and provide intelligent advertising review tools for business departments to conduct compliance preliminary examination before releasing, so as to avoid illegal marketing content output. The Company clearly discloses the statistical caliber and data sources of publicity materials to ensure the traceability of information and protect customers' right to know.

Strengthen the Publicity of Laws and Improve the Level of Responsibility

Around the International Consumer Rights Day, the Company carried out such activities as "Advertising Law" training, online knowledge testing, classic case presentation and right protection experience sharing, to enhance the responsibility awareness of advertising propagandists, further advocate responsible marketing, and create a clean and positive advertising market environment.
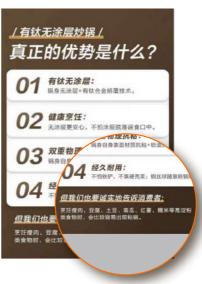

Page of Advertising Law Publicity Campaign

Contents of Advertising Law Publicity Campaign

Convey True Information and Avoid Exaggerated Advertisement

The Company introduces product knowledge and brand to customers through product manuals, official website, sales platforms and others. According to different product characteristics, relevant information such as product performance, use efficiency, potential risks, safe use instructions, operation and maintenance methods, is conveyed to customers truly and effectively.

Performance Description of Titanium Uncoated Non-stick Wok

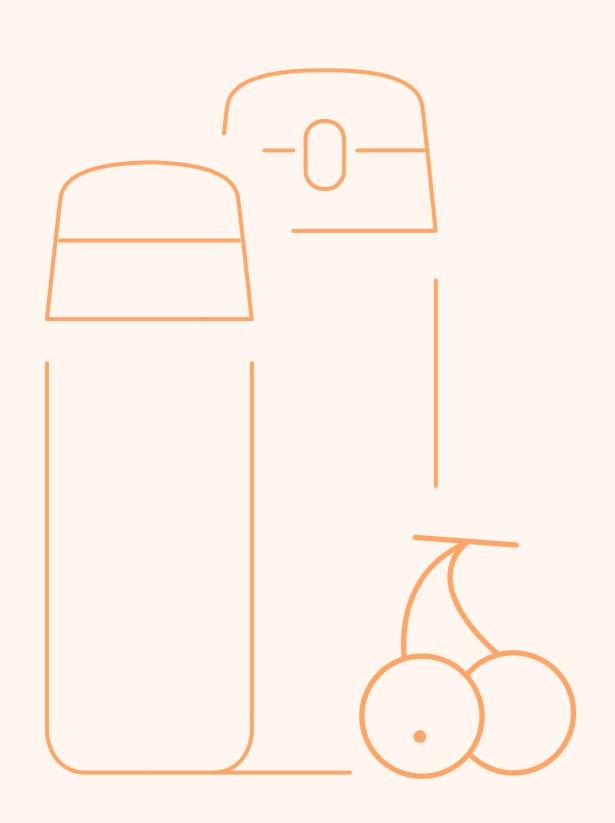Caliber Explanation of Far-infrared Electric Rice Cookers

Caliber Explanation of Electric Pressure Cookers

Responsible Marketing in Major Promotions

During the reporting period, the Company issued the *Guide to Major Promotion Compliance*, which actively guides the compliance marketing in all business links during major promotions such as "Double 11" and "618".

07

Customer Service
and Rights Protection

Customer Service and Rights Protection

The Company always takes customer satisfaction as the principle and guarantees customer service quality and rights and interests. In terms of consumer operation, we actively expand the channel network, lay out the private domain operation field and explore brand innovation to meet the diversified purchasing needs of consumers from different directions and levels. In terms of after-sales service, the Company establishes an after-sales service network covering the whole country, and improves the response quality of customer complaints by taking customer needs as our center, and handling complaints in a kindly and patiently.

7.1 Consumer Operation

With the accelerated integration of online and offline markets, the Company continues to uphold the "consumer-centered", optimize the channel layout, and meet the needs of different consumers by multi-channel and multi-mode layout matrix. Efforts are also made to actively explore private domain operations with VIP operations at the core, which aims to enhance the consumer loyalty. We also monitor the brand performance and comprehensively upgrade the brand platform to better match the new needs of consumers.

7.1.1 Channel Network

The Company promotes the transformation of online and offline channels simultaneously, and optimizes the channel layout.

In terms of online channels, the Company continues to promote the online channel transformation and optimize the store matrix and product sales structure. With the stable advancement of the "stock-taking" mode and DTC direct sale strategy, the Company's online business maintained rapid increase and achieved outstanding results during the "618" and "Double 11" promotions in 2022. With the development of new e-commerce channels, the Company's sales volume and number of members in Temu, TikTok and other platforms grew rapidly.

In terms of offline channels, the Company and distributors maintain a long-term mutually beneficial cooperative relationship, and the relatively high network coverage and coverage density ensure that products can be continuously delivered to consumers. The Company maintains rapid growth through community group purchase and home business in the primary and secondary markets and strengthens cooperation with leading platforms to seize channel opportunities. The Company deepens its development strategy in the third and fourth markets, and promotes comprehensive cooperation with e-commerce platforms by the O2O channel in markets in lower-tier cities. The Company's O2O channels obtained an increase in the third and fourth markets in 2022, and major O2O channels such as JD stores, Suning retail cloud and Tmall Premium all had high coverage and good sales.

Achievements in "618" and "Double 11" in 2022
Data source: sycm.taobao.com, sz.jd.com, and Pinduoduo and TikTok background

7.1.2 Private Domain Operation

The Company values member operation a lot. Therefore, to strengthen consumer operation and full life-cycle management capabilities, we build a consumer operation department and marketing cloud platform, offering consumers good product services, improving their satisfaction, and increasing the number of members at a high speed. During the reporting period, the Company enhanced the member loyalty to platforms from aspects of new product use, product cycle planning and selected recipes, as well as enhancing the activity of members.

New Product Trial

We recruit members for new product trials. Therefore, we can get product feedback and improve relevant design. The new product trial in 2022 relates to 44 new products from three business units. 151,015 registration questionnaires were submitted by 47,889 participants. The Company provides free rubber sealing rings of core categories of stainless-steel pressure cookers, and in 2022, about 6,100 ones were given free of charge to provide consumers with value-added services.

Product Life Cycle Management

Based on the product life cycle, the Company accurately pushes product usage methods and daily maintenance skills for users of Supor products (it is expected to cover nearly 2 million users throughout the year), guiding them to use products more scientifically and frequently, and improving the product service life and utilization rate. New members can get another one-year free maintenance service on the basis of the original one-year free maintenance commitment to enhance members' trust and recognition of products.

Selected Recipes

There are exclusive recipes (nearly 1,000 recipes) for each product in sections of the member center, covering core categories in three business units and helping users to use products more efficiently and improve the cooking efficiency.

7.1.3 Brand Innovation

In 2022, we cooperated with well-known research companies such as Ipsos and Kantar to carry out quantitative and qualitative research on brands, and continuously tracked the brand performance, gaining insight into the new life trends of consumers in the new stage of high quality development. On this basis, the Company fully upgraded its brand platform and actively explored a brand-new marketing model.

Brand Platform Upgrade

In the brand-new brand platform, the Company upgraded the core value of the brand. First of all, we continue to emphasize the significance of "trustworthy", and insist on high requirements for product quality and authenticity of marketing communication content, so as to consolidate Supor's trustworthy brand assets. Secondly, we emphasize the importance of technological innovation, continuously improve product performance and bring consumers a better product experience through the innovation of core technology and the upgrading of smart structure. Based on the insight into the current appearance economy, the Company pointed out the strategic significance of product design to the brand for the first time. Supor's unique design language makes products more in line with the aesthetics of modern home design and better integrates into consumers' home life. In the future, Supor will explore more fields and life scenarios, and satisfy consumers' pursuit of a quality life. We aim to promote the development of Supor from a well-known brand to a favorite one, and keep in line with consumers' lifestyle.

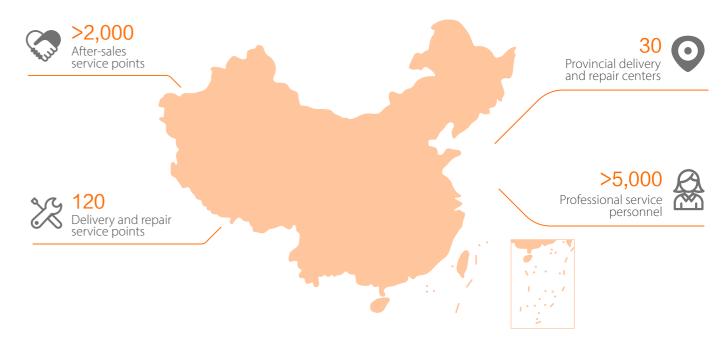### Exploration of a New Model of Brand Marketing

In terms of the brand marketing, the Company accelerates its transformation of digital marketing and actively explores brand-new marketing models. As we expanded investment in TikTok, GMV in live streaming increased at a high speed, and multi-category sales took the lead in the industry. At the same time, the brand awareness continued to grow, achieving the "balance between brand awareness and sales result" in marketing. The exploration of the new mode of "content marketing plus attracting traffic through advertising" achieved initial results. New products were launched successfully, such as the titanium uncoated non-stick wok, multifunctional and quick electric skillet, and the insulation cup with detachable straw, which soon became hot selling products, and the close-loop marketing was achieved more efficiently.

7.2 After-sales Service

The Company puts emphasis on the customer service and always takes customer satisfaction as the principle. On one hand, the after-sales service outlets have been continuously improved. By the end of 2022, more than 2,000 service outlets were built nationwide, realizing an effective response mechanism of full coverage of nationwide quality assurance and delivery repair. The brand reputation is also out focus. We carefully build customer service systems and handle customer feedback in a friendly way. In 2023, the Company will focus on "user satisfaction", and continue to build a faster and more efficient Supor delivery repair service system to ensure that consumers can enjoy high-quality after-sales service at home.

7.2.1 Service Network

The Company has formed an after-sales service network covering all provinces in China. By the end of 2022, the Company has established more than 2,000 after-sales service outlets, 30 provincial delivery repair centers and 120 electric appliance delivery repair service outlets, with more than 5,000 professional service personnel, forming a national after-sales service system of full coverage of nationwide quality assurance and delivery repair. Channels of 4008 national service hotline (7*12h), WeChat official account, after-sales customer service on e-commerce platforms, sales terminals throughout the country and others are arranged to satisfy consumer service needs, and the after-sales service satisfaction reached 99.7%.

>2,000 After-sales service points

30 Provincial delivery and repair centers

120 Delivery and repair service points

>5,000 Professional service personnel

7.2.2 Customer Complaint Response

To improve the quality of customer complaint response, adhering to user-centered principle, the Company handles all complaints actively according to the specific normative process management measures in *Market Quality Handling Process* (Q/SPE-G15018-2022). The Company lays emphasis on the customer satisfaction and brand reputation, carefully builds all-channel, excellent experience and efficient customer service system to handle customer complaints in a reasonable, legal, reasonable and friendly manner.

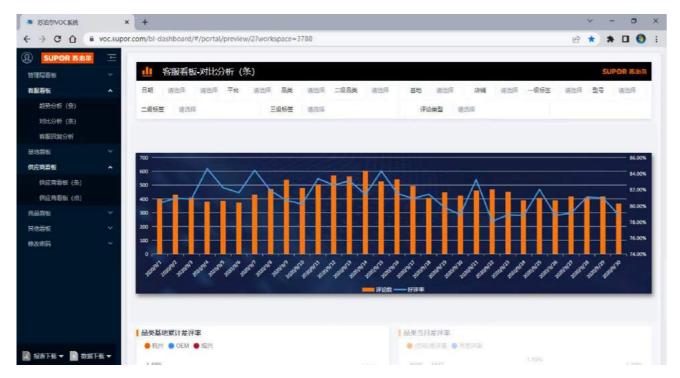### Faster Response Times, Improved Service Quality

In 2022, the Company's rate of responding complaints within one hour is more than 99% with a service satisfaction rate of 99%. Meanwhile, the Company promises to provide feedback on issues within 24 hours and pay full attention to consumers' feelings throughout the entire process, communicate with customers in a friendly manner and to form a closed-loop management. The Company also digitalizes customer services such as order dispatching, response, processing to improve the after-sales service quality. The information flow is unified in the smart user service system platform, and provides a smart self-service platform on WeChat public account&mini program and the enterprise official website.

After-sales Service on WeChat Official Account

7.2.3 Improve Consumer Satisfaction

The Company attaches great importance to the negative feedback of consumers, and actively seeks to improve the product quality, enhance after-sales service, and reduce the negative comments on products. VOC system is applied to collect information related to customer evaluation, negative feedback from consumers and competitors and other related materials to form a visual line chart, so as to observe the changing trend of product evaluation more directly. In 2022, the VOC e-commerce customer evaluation information system was launched.

System Interface of the VOC E-commerce Customer Evaluation Information System

"Old for New Service" to Enhance the Consumer Satisfaction

The Company supported more than 1,000 electric appliance providers and stores to provide old users with trade-in service. In accordance with the conditions, after obtaining the consent of consumers, the Company will replace the faulty products that have been used for a long time and have high maintenance cost free of charge, so as to improve the user satisfaction. In addition, the Company provides direct delivery of consumable accessories on Tmall, JD, Youzan and other platforms (200,000 orders in 2022) to extend the safe service life of products.

"Old for New Service" Booth and Poster

Feedback from Readers

To our readers:

Thank you very much for taking the time to read this Report. In order to improve the Company's sustainable development management and environmental, social and governance information disclosure, we particularly hope to hear your valuable comments and suggestions. Please fill out the feedback form below. You may send us your feedback using any of the following methods.

Email： 002032@supor.com

Address: Securities Department, 23F, Supor Building, 1772 Jianghui Road, High-tech Industrial Zone, Hangzhou, Zhejiang, China

1. Which stakeholder category of Supor do you belong to?

☐Government   ☐Media   ☐Community/Public

☐Employee   ☐Consumer   ☐Partner（Suppliers & Distributors）

☐NGOs

2. What is your overall evaluation of this Report？

☐ Excellent   ☐ Good   ☐ Average   ☐ Poor   ☐ Very Poor

3. What do you think about the quality of environmental, social and governance information disclosed in this Report?

☐ Very High   ☐ High   ☐ Average   ☐ Low   ☐ Very Low

4. What do you think about the structure of this Report?

☐ Excellent   ☐ Good   ☐ Average   ☐ Poor   ☐ Very Poor

5. What do you think about the readability of this Report?

☐ Excellent   ☐ Good   ☐ Average   ☐ Poor   ☐ Very Poor

6. Which part of this Report are you most interested in?

☐ Governance Principles   ☐ Caring for the Earth   ☐ Social Responsibility

☐ Product Responsibility   ☐ Sustainable Supply Chain   ☐ Customer Service and Rights Protection

7. Your comments and suggestions on the Company's environmental, social and governance performance:

....

8. Your comments and suggestions on the report preparation:

....

If convenient, please leave your contact details:

Name：   Occupation：   Company：

Postal code：   E-mail：   Contact number：

Contact address：

....

We will fully consider your comments and suggestions, and are committed to keeping your information safe.

Content index for Environmental, Social and Governance Reporting Guide of HKEX

Subject Areas, Aspects, General Disclosures and KPIs			1.3 Communication with Stakeholders
A. Environment			
Aspect A1: Emissions	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		
	KPI A1.1	The types of emissions and respective emissions data.	3.2 Pollution Prevention and Green Development
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.3.1 Emission of Greenhouse Gas
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.2.3 Solid Waste
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.2.3 Solid Waste
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	3.2.3 Solid Waste
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken as listed in The ESG Policy/System Overview Table of GAC to achieve them.	3.2.3 Solid Waste
Aspect A2: Use of Resources	General Disclosure. Policies on the efficient use of resources, including energy, water and other raw materials.		
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	3.1.3 Energy Resource
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	3.2.1 Water Pollutant Disposal
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	3.1.3 Energy Resource
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	3.2.1 Water Pollutant Disposal
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	3.1.2 Material Resource
Aspect A3: The Environment and Natural Resources	General Disclosure. Policies on minimising the issuer's significant impacts on the environment and natural resources.		
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.3.2 Management of Climate Risks
Aspect A4: Climate Change	General Disclosure. Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		3.3.2 Management of Climate Risks
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	3.3.2 Management of Climate Risks
B. Social			
Employment and Labour Practices			
Aspect B1: Employment	General Disclosure. Information on: (a) the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		4.2 Employee Welfare and Security

	KPI B1.1	Total workforce by gender, employment type (for example, full- or part- time), age group and geographical region.	4.1.1 Composition of Employees
Aspect B1: Employment	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	4.1.1 Composition of Employees
	KPI B1.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.3.1 Occupational Disease Prevention and Control
Aspect B2: Health and Safety	General Disclosure. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		4.3.1 Occupational Disease Prevention and Control 4.3.2 Work Safety Training
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	4.3.1 Occupational Disease Prevention and Control
	KPI B2.2	Lost days due to work injury.	4.3.1 Occupational Disease Prevention and Control
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.3.1 Occupational Disease Prevention and Control
Aspect B3: Development and Training	General Disclosure. Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		4.4 Employee Training and Development
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	4.4 Employee Training and Development
	KPI B3.2	The average training hours completed per employee by gender and employee category.	4.4 Employee Training and Development
Aspect B4: Labour Standards	General Disclosure. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		4.1 Equal Employment and Rights and Interests
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1 Equal Employment and Rights and Interests
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1.2 Talent Equality and Diversity
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosure. Policies on managing environmental and social risks of the supply chain.		
	KPI B5.1	Number of suppliers by geographical region.	6.1.1 Supplier Access
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	6.1.2 Supplier Monitoring and Elimination Mechanism
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.1.2 Supplier Monitoring and Elimination Mechanism
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.1.2 Supplier Monitoring and Elimination Mechanism
Aspect B6: Product Responsibility	General Disclosure. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.1.2 Product Safety
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	7.2 After-sales Service

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Aspect B6: Product Responsibility	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.2.4 Information Security and Privacy Protection
	KPI B6.4	Description of quality assurance process and recall procedures.	5.1.1 Quality Control
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.2.4 Information Security and Privacy Protection
Aspect B7: Anti-corruption		General Disclosure. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	2.2.3 Probity Construction
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	2.2.3 Probity Construction
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	2.2.3 Probity Construction
		Community	
Aspect B8: Community Investment		General Disclosure. Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	4.5.3 Community Service
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	4.5.2 Educational Public Welfare
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	4.5.3 Community Service

GRI

Criteria	No.	Content	Corresponding Chapter
GRI 2 Series General Disclosures	GRI 2-1	Organization details	2.1.1 Organizational Structure
	GRI 2-2	Entities included in the organization sustainable development report	2.1.3 Information Disclosure and Investor Communication
	GRI 2-3	Reporting period, frequency and contacts	2.1.3 Information Disclosure and Investor Communication
	GRI 2-4	Information restatement	2.1.3 Information Disclosure and Investor Communication
	GRI 2-5	External authentication	2.1.3 Information Disclosure and Investor Communication
	GRI 2-6	Activities, value chains and other business relations	1.1 Overview
	GRI 2-7	Employees	2.1.1 Organizational Structure
	GRI 2-8	Personnel other than employees	2.1.1 Organizational Structure
	GRI 2-9	Governance structure and composition	2.1.1 Organizational Structure
	GRI 2-10	Nomination and selection of the highest governing body	2.1.1 Organizational Structure
	GRI 2-11	Chairman of the highest governing body	2.1.1 Organizational Structure
	GRI 2-12	Supervision of the highest governing body in terms of management influence	2.1.1 Organizational Structure
	GRI 2-13	Authorization for the management influence responsibility	2.1.1 Organizational Structure
	GRI 2-14	Effect of the highest governing body in the sustainable development report	2.1.1 Organizational Structure
	GRI 2-15	Conflict of interests	2.1.1 Organizational Structure
	GRI 2-16	Communication of critical concerns	2.1.1 Organizational Structure
	GRI 2-17	Common knowledge of the highest governing body	2.1.1 Organizational Structure
	GRI 2-18	Performance evaluation of the highest governing body	2.1.2 Performance and Appraisal
	GRI 2-19	Remuneration policy	2.1.2 Performance and Appraisal
	GRI 2-20	Procedure to confirm the remuneration	2.1.2 Performance and Appraisal
	GRI 2-21	Ratio of annual total remuneration	Undisclosed
	GRI 2-22	Statement of the sustainable development strategy	2.1.3 Information Disclosure and Investor Communication
	GRI 2-23	Policy commitments	Letter from the Management
	GRI 2-24	Integration policy commitments	Letter from the Management
	GRI 2-25	Remedial procedures to negative impacts	Letter from the Management
	GRI 2-26	Mechanism to seek suggestions and propose concerns	Letter from the Management
	GRI 2-27	Compliance with laws and regulations	2.2 Compliance Operation
	GRI 2-28	Membership of the association	1.3 Communication with Stakeholders
	GRI 2-29	Participatory approach of stakeholders	1.3 Communication with Stakeholders
	GRI 2-30	Collective negotiation agreement	1.3 Communication with Stakeholders
GRI 3 Series Material Topics	GRI 3-1	Procedures to confirm material topics	1.3 Communication with Stakeholders
	GRI 3-2	List of material topics	1.3 Communication with Stakeholders
	GRI 3-3	Management of material topics	1.3 Communication with Stakeholders

Criteria	No.	Content	Corresponding Chapter
GRI 200 Series Economic Disclosure	GRI 201-1	Economic value directly generated and distributed	1.3 Communication with Stakeholders
	GRI 201-2	Financial influence and other risks and opportunities brought by climate change	3.3.2 Management of Climate Risks
	GRI 201-3	Fixed welfare plans/obligations and other retirement plans	4.2 Employee Welfare and Security
	GRI 201-4	Financial subsidies granted by the government	4.5 Public Welfare and Community Involvement
	GRI 202-1	Ratio of the standard starting salary by gender and the local minimum salary	Undisclosed
	GRI 202-2	Proportion of senior executives hired from the local communities	Undisclosed
	GRI 203-1	Infrastructure investment and supporting services	4.5 Public Welfare and Community Involvement
	GRI 203-2	Significant indirect economic impact	4.5 Public Welfare and Community Involvement
	GRI 204-1	Proportion of procurement expenses from local suppliers	6.1 Strict Access and Quality First
	GRI 205-1	Operators received corruption risk assessment	2.2.3 Probity Construction
	GRI 205-2	Communication and training for anti-corruption policies and procedures	2.2.3 Probity Construction
	GRI 205-3	Confirmed corruption and actions taken	2.2.3 Probity Construction
	GRI 206-1	Lawsuit on anti-competition, anti-trust, and anti-monopoly practices	2.2.2 Anti-fraud and Fair Competition
	GRI 207-1	Taxation guideline	2.2.1 Risk Management
	GRI 207-2	Taxation management/control and risk management	2.2.1 Risk Management
	GRI 207-3	Stakeholder participation in terms of taxation concerns	2.2.1 Risk Management
	GRI 207-4	National report	2.2.1 Risk Management
GRI 300 Series Environmental Disclosures	GRI 301-1	Weight and volume of material used	3.1.2 Material Resource
	GRI 301-2	Material fed for recycling	3.1.2 Material Resource
	GRI 301-3	Recycled products and their packaging materials	3.1.2 Material Resource
	GRI 302-1	Internal energy consumption of the organization	3.1.3 Energy Resources
	GRI 302-2	External energy consumption of the organization	3.1.3 Energy Resources
	GRI 302-3	Energy intensity	3.1.3 Energy Resources
	GRI 302-4	Reduction of energy consumption	3.1.3 Energy Resources
	GRI 302-5	Reduction of energy demand for products and services	3.1.3 Energy Resources
	GRI 303-1	Interaction of the organization and water as the shared resources	3.1.1 Water Resources
	GRI 303-2	Management and influence related to drainage	3.2.1 Water Pollutant Disposal
	GRI 303-3	Water taking	3.2.1 Water Pollutant Disposa
	GRI 303-4	Drainage	3.2.1 Water Pollutant Disposal
	GRI 303-5	Water consumption	3.2.1 Water Pollutant Disposal
	GRI 304-1	Operators owned, rented and managed by the organization in or near conservation areas or biodiversity-rich areas conservation areas	Undisclosed
	GRI 304-2	Significant impacts of events, products and services on biodiversity	Undisclosed
	GRI 304-3	Protected or restored habitats	Undisclosed
	GRI 304-4	pecies in habitats affected by operations that have been listed in IUCN Red List of Threatened Species and the list of national protected species	Undisclosed
	GRI 305-1	Direct (category 1) greenhouse gas emissions	3.3.1 Emission of Greenhouse Gas
	GRI 305-2	Energy indirect (category 2) greenhouse gas emissions	3.3.1 Emission of Greenhouse Gas

GRI

Criteria	No.	Content	Corresponding Chapter
GRI 300 Series Environmental Disclosures	GRI 305-3	Other indirect (category 3) greenhouse gas emissions	3.3.1 Emission of Greenhouse Gas
	GRI 305-4	Greenhouse gas emission intensity	3.3.1 Emission of Greenhouse Gas
	GRI 305-5	Emission reduction of greenhouse gas	3.3.1 Emission of Greenhouse Gas
	GRI 305-6	Emission of ozone-depleting substances (ODS)	Undisclosed
	GRI 305-7	Emission of NOX, SOX and other major gases	3.3.1 Emission of Greenhouse Gas
	GRI 306-3	Major leakage	3.2.3 Solid Waste
	GRI 308-1	Supplier screening in the screening of new suppliers	6.1.1 Supplier Access
	GRI 308-2	Negative environmental impact and actions taken of the supply chain	6.1.2 Supplier Monitoring and Elimination Mechanism
GRI 400 Series Social Disclosures	GRI 401-1	Hiring rate of new employees and mobility rate of employees	4.1.1 Composition of Employees
	GRI 401-2	Welfare provided to full-time employees (excluding temporary or part-time employees)	4.2 Employee Welfare and Security
	GRI 401-3	Childcare leave	4.2 Employee Welfare and Security
	GRI 402-1	The Shortest notice period related to operational changes	Undisclosed
	GRI 403-1	Occupational health and safety management system	4.3.1 Occupational Disease Prevention and Control
	GRI 403-2	Hazard identification, risk assessment and accident investigation	4.3.1 Occupational Disease Prevention and Control
	GRI 403-3	Occupational health services	4.3.1 Occupational Disease Prevention and Control
	GRI 403-4	Occupational health and safety related affairs: participation, consult and communication of workers	4.3.1 Occupational Disease Prevention and Control
	GRI 403-5	Occupational health and safety training	4.3.2 Work Safety Training
	GRI 403-6	Acceleration of the health of workers	4.3.1 Occupational Disease Prevention and Control
	GRI 403-7	Prevention and alleviation of occupational health and safety influences directly related to the business	4.3.2 Work Safety Training
	GRI 403-8	Workers with occupational health and safety management system covered	4.3.1 Occupational Disease Prevention and Control
	GRI 403-9	Work-related injuries	4.2 Employee Welfare and Security
	GRI 403-10	Work-related health problems	4.3.1 Occupational Disease Prevention and Control
	GRI 404-1	Average number of hours of training per employee per year	4.4 Employee Training and Development
	GRI 404-2	Employee skills upgrading scheme and transition assistance scheme	4.4 Employee Training and Development
	GRI 404-3	Percentage of employees reviewed for regular performance and career development	4.4 Employee Training and Development
	GRI 405-1	Diversification of governance organizations and employees	4.1.2 Talent Equality and Diversity
	GRI 405-2	Proportion of male/female basic salary and remuneration	Undisclosed
	GRI 406-1	Incidents of discrimination and corrective actions taken	4.1.2 Talent Equality and Diversity
	GRI 407-1	Operators and suppliers with possible risk in freedom of association and the right to collective negotiation	6.1 Strict Access and Quality First
	GRI 408-1	Operators and suppliers with significant risk of child laborer incidents	6.1 Strict Access and Quality First

Criteria	No.	Content	Corresponding Chapter
GRI 400 Series Social Disclosures	GRI 409-1	Operators and suppliers with significant risk of forced or compulsory labor events	6.1 Strict Access and Quality First
	GRI 411-1	Events related to the violation of aborigines rights	4.5 Public Welfare and Community Involvement
	GRI 415-1	Political contributions	4.5 Public Welfare and Community Involvement
	GRI 416-1	Assessment on the health and safety influences of products and services	5.1.2 Product Safety
	GRI 416-2	Violations of laws and regulations involving health and safety in terms of products and services	5.1.2 Product Safety
	GRI 417-1	Requirements for product and service information and identification	5.1 Quality Management
	GRI 417-2	Violations involving product and service information and representations	5.1 Quality Management
	GRI 417-3	Violations involving marketing communication	6.2.2 Responsible Marketing
	GRI 418-1	Confirmed complaints involving invasion of customer privacy and loss of customer information	7.2.3 Improve Consumer Satisfaction