

## Sustainability Development

The company established Sustainability Development Team in 2024, which is the company's dedicated unit for Sustainability development. The general manager serves as the general convener, and the general manager's office serves as the executive secretary office. It is responsible for the company's Sustainability development coordination and promotion and other related matters. It has jurisdiction over It has five working groups including corporate governance, environmental sustainability, customer relations, employee care and social participation. The team members are the supervisors and members of each department. They effectively integrate resources and implement the sustainability strategy to all departments. Sustainability Development Team reports on the sustainability strategy and project implementation results to the board of directors at least twice a year. In 2024, it was excuted on August 8 and November 7 respectively.

In 2023, the company has adopted the GRI Universal Standards 2021 (GRI Universal Standards 2021) to identify the important stakeholders. In addition to serving as the management policy of the sustainability report, the impact of this sustainability issue can also be used to take stock of the company's sustainability status, continue to promote the implementation of relevant policies, and create value for society and the company.

10 major themes were identified, namely: economic performance, risk management, climate change, greenhouse gas emissions, water resources management, waste management, talent attraction and retention, occupational safety and health, research and development and innovation, customer relationship management. ESG report 2023 will be written based on the major themes listed above, and its management policies and performance results will be fully disclosed in the report. Sustainability Development Team develops management systems and processes, collects information, prepares sustainability reports, and conducts inspections and reviews by the subcommittee to ensure that sustainability information and performance are accurately expressed. The final report is approved by the board of directors and Issued before August 31 every year.

Risk management aspect: Maintain stable operation and sustainable development of the enterprise. Effective risk management can identify and mitigate potential threats in advance, protect assets and reputation, and improve decision-making quality. However, improper risk management may lead to significant losses, operational disruptions and a crisis of trust, affecting the company's long-term development.

Therefore, the company implements comprehensive risk management strategies to maximize potential benefits and reduce negative shocks.

Climate change: Corporate sustainability and environmental responsibility are crucial. Effective climate change management can reduce carbon emissions, improve energy efficiency, and enhance market competitiveness. However, if not managed properly, it can lead to environmental damage, regulatory fines and reputational damage, affecting the company's long-term development. As a result, the company implements comprehensive climate change strategies to maximize potential benefits and reduce negative impacts.

Energy and greenhouse gas management: Effective management can reduce carbon footprint, improve energy efficiency, comply with environmental protection regulations, and enhance market competitiveness. However, if not managed properly, it may lead to environmental pollution, regulatory fines and reputational damage, affecting the company's long-term development. Therefore, the company implements comprehensive greenhouse gas emissions management strategies to maximize potential benefits and reduce negative impacts.

Water resources management: Effective water resources management can improve water efficiency, reduce operating costs, and comply with environmental regulations. However, if not managed properly, it can lead to water waste, regulatory fines and reputational damage, affecting the company's long-term development. Therefore, the company adopts a comprehensive water management strategy to realize potential benefits and reduce negative impacts.

Occupational safety and health: This is crucial to safeguarding employee health and the continued operation of the business. Effective management can reduce the rate of work-related injuries and improve job satisfaction and productivity. However, poor management may lead to workplace accidents, legal liability and reputational damage, affecting the company's long-term development. Therefore, the company implements comprehensive occupational safety and health strategies to maximize benefits and reduce potential negative impacts.

## Supplier Management in Sustainability Development

The supply chain plays an important and critical role in enterprise organizations, and effective management of the supply chain is a part of improving the competitiveness of the organization.

There are certain standards for selecting suppliers. Taking into account quality, cost, delivery time and service, it is necessary to conduct regular assessments every year and establish the authority and responsibility units for each link.

### **Supplier selection**

The purchasing unit searches for suitable suppliers based on the company's needs and obtains relevant manufacturer information as a basis for future selection and purchasing. If it is an international famous brand or an exclusive agent, it can be listed as a priority purchase manufacturer.

### **Contract management**

Establish various procurement operation procedures to enable relevant units to effectively execute requesting and procurement operations.

### **Supplier monitoring and improvement**

Based on the annual evaluation results, we seek improvement measures in terms of quality, cost, delivery time, etc.

### **Compliance with regulations**

Sign an Integrity Commitment Letter

### **Risk Management** Conduct regular risk assessments

To sum up, supply chain management is an important part of enterprise organization. It can help reduce procurement costs, improve procurement efficiency, reduce supply risks, and at the same time ensure product quality and company reputation.