

Goertek

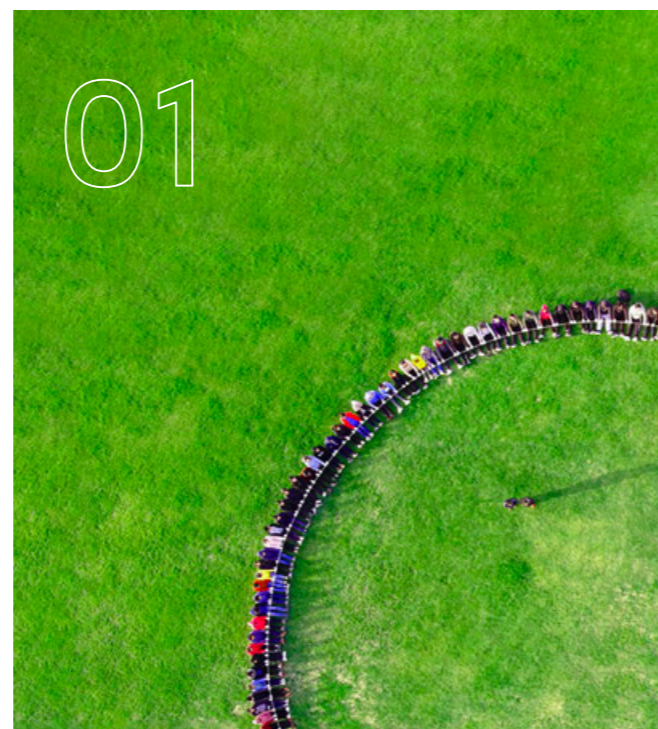


2024 Environmental, Social and Governance (ESG) Report

Goertek Inc.
Stock Code: 002241

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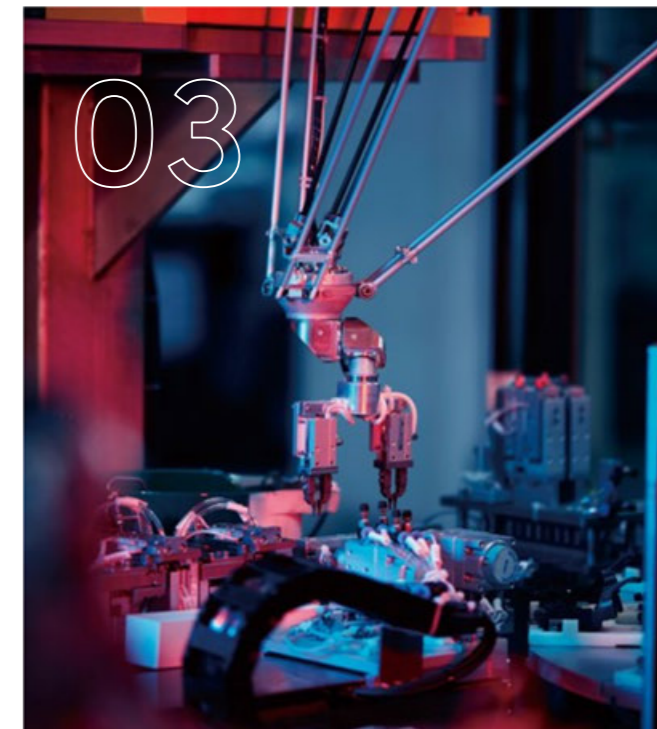
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About the Report

This Report aims to disclose the management and performance of Goertek Inc. (abbreviated as "the Company" "we") in Environmental, Social and Governance (ESG) and communicate with stakeholders to respond to their needs.

Reporting Scope

The reporting scope of this Report includes Goertek Inc. and its subsidiaries. The coverage and calculation methods of the data involved in this Report have been marked herein.

Reporting Period

This Report is an annual report, and the Reporting Period is from January 1st, 2024 to December 31st, 2024. Unless otherwise specified, "this year" in this Report refers to the above Reporting Period. To ensure the coherence of the report, some contents may exceed this time period.

Preparation Basis

This Report is prepared in accordance with the *Self-regulatory Guidelines No.1 for Companies Listed on Shenzhen Stock Exchange – Standardized Operation of Companies Listed on the Main Board* issued by the Shenzhen Stock Exchange, and with reference to the *Self-regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange – Sustainability Report (For Trial Implementation)* issued by the Shenzhen Stock Exchange, the *GRI Sustainability Reporting Standards* issued by the Global Sustainability Standards Board (GSSB), the United Nations Sustainable Development Goals (SDGs) and the needs of the Company's stakeholders.

Report Access and Feedback

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

To view and download the electronic version of this Report, please visit our official website:



Website: <http://www.goertek.com>

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Chairman's Statement

In 2024, we kept pace with the global technological wave, with the vision of "To be a Great Company", and by firmly implementing the ESG concept, fulfilling our social responsibilities, and pooling the strength of all employees to create value for customers, employees, partners and society. This year, we have continued to be shortlisted for the list of "Brand Finance China 500", and have been listed on the All-China Federation of Industry and Commerce's "China's Top 500 Private Enterprises" for the 11th consecutive year.

Connecting the World with High-Level Openness for Steady Development

Facing the complex and ever-changing global market, we have always connected the world with an open attitude, seized the opportunities in the AI+ metaverse industry, deepened strategic major customers, expanded strategic business, improved the level of intelligent manufacturing, and built intelligent factories. We have fully utilized regional advantages, improved international layout, sought benefits from management, promoted comprehensive and continuous improvement, and achieved strong development of business. This year, we demonstrated strong competitiveness and innovative vitality on the global stage with a higher level of openness.

Driving the Future with Technological Innovation for Craftsmanship Development

As a pioneer in technological innovation, we have always adhered to the concept of "Craftsmanship and Continuous Improvement", focusing on cutting-edge fields, strengthening technological innovation, accelerating the cultivation of new quality productive forces, and promoting industrial upgrading. Through continuous R&D investment and technological breakthroughs, we have provided smarter and more innovative solutions to customers around the world. Our technical strength continues to increase, not only consolidating our position in the global industrial chain but also making due contributions to the development of the industry.

Fulfilling Responsibility with Green and Low Carbon for Sustainable Development

Under the guidance of the carbon neutrality goal, we have always regarded green development as one of our core strategies and strive to reduce the environmental impact of our product manufacturing and operational processes. Through a series of measures such as systematically promoting energy-saving and consumption-reducing transformation, increasing the proportion of clean energy use, and optimizing resource utilization efficiency, we have significantly improved the green level of production and operation, injecting strong momentum into our low-carbon transformation. We insist on high-target traction, with technological innovation and management optimization as the dual-wheel drive, and continue to promote the in-depth practice of green manufacturing, contributing Goertek's strength to building a greener and more sustainable future.

Creating Shared Value through Win-Win Cooperation for Mutual Development

We have always worked with partners, employees, and all walks of life to practice responsible procurement and build a green, safe, and sustainable supply chain. We insist on a people-oriented approach, create a diversified and inclusive working environment, and optimize our welfare system to help our employees develop. We also actively undertake social responsibilities, giving back to the local communities and those in need of help, so that technology benefits more people's lives. By optimizing the human resources system, deploying talents globally and providing diversified benefits, we further enhance employees' sense of belonging and happiness, and achieve mutual growth between the Company and our employees.

We have always practiced the core values of "Client Orientation, Employee Development, Trustworthy, Cooperation and Mutual Benefits", driven by innovation and change, and constantly fulfilled our mission of "A Better Life Enriched by Technology". In the future, we will continue to work together with all stakeholders to move towards a more sustainable future with an open mind, innovative spirit, green concept and cooperative attitude.



Jiang Bin
Chairman of Goertek Inc.

About the Company

Company Overview

Goertek Inc. is a global innovative technology company. The Company was established in June 2001 and is headquartered in Weifang, Shandong Province. The Company was listed on the Shenzhen Stock Exchange in May 2008 and has been included in the CSI 300 and SZSE 100 indices.

The Company serves leading customers in the global technology and consumer electronics industries, specializes in the R&D, manufacturing and sales of precision components, smart system devices, and high-end manufacturing systems, and provides customers with vertically integrated product solutions for precision components and smart hardware, as well as related design, development, and manufacturing services. The Company's main products include precision components such as acoustic, optics, microelectronics, and enclosure parts, as well as smart hardware products such as VR (Virtual Reality), MR (Mixed Reality), AR (Augmented Reality), smart wireless earphones, smart wearables, smart home electronic gaming consoles and accessories, and smart home products.

The Company has a global R&D footprint, with R&D centers in overseas countries such as the United States, Japan, South Korea, and Denmark, as well as in major domestic cities such as Beijing, Weifang, Qingdao, Shanghai, Shenzhen, Nanjing, and Xi'an. With acoustics, microelectronics, and optics as the main technical directions, the Company provides customers with systematic overall solutions by integrating cross-domain technologies. Through continuous technological innovation and business expansion, the Company continuously strengthens core competence in the fields of precision manufacturing and intelligent manufacturing, realizes cooperation and mutual benefits, and grows together with first-class clients globally.



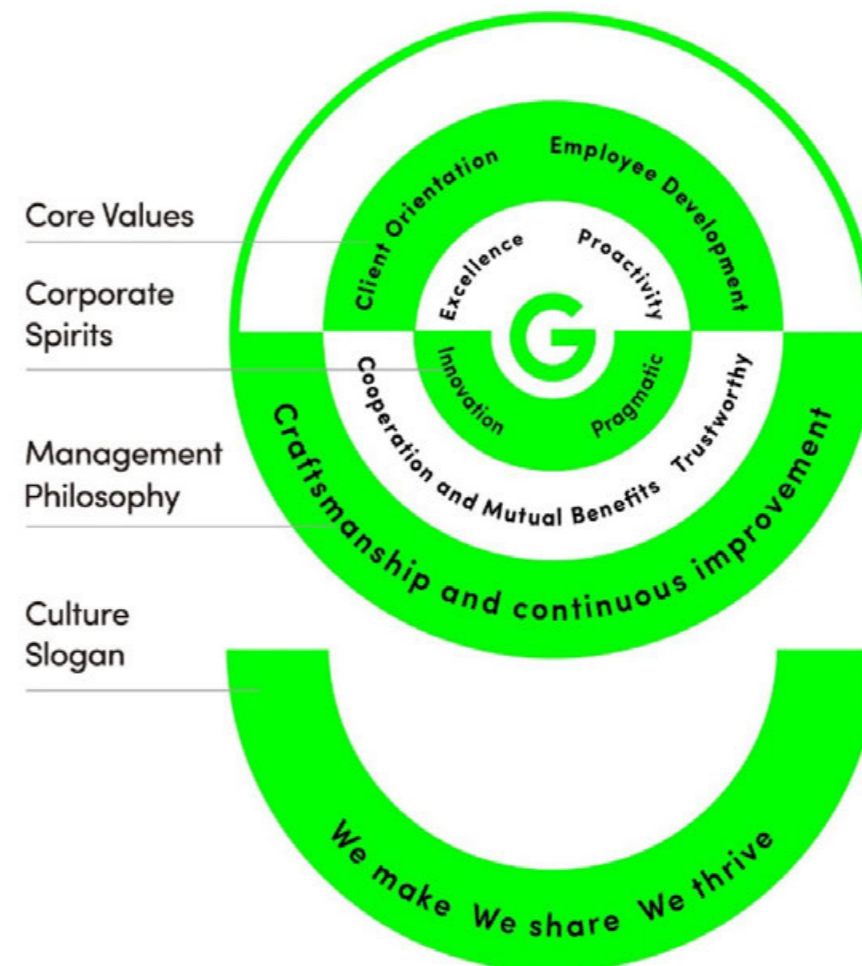
Goertek Inc.

Company Culture

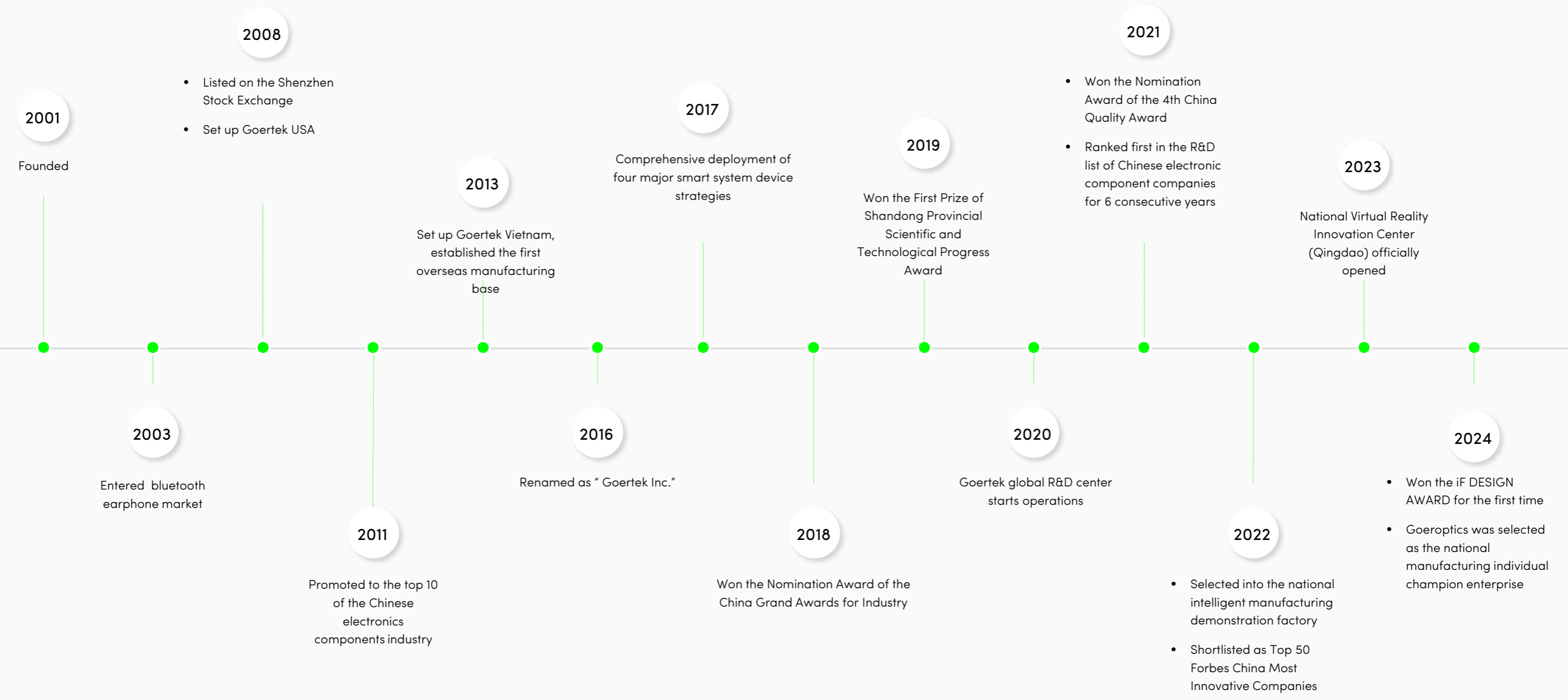
Our cultural slogan is "We Make, We Share, We Thrive". We are committed to the mission of "A Better Life Enriched by Technology", aspire "To be a Great Company", uphold the core values of "Client Orientation, Employee Development, Trustworthy, Cooperation and Mutual Benefits" and the corporate spirits of "Excellence, Proactivity, Pragmatic, Innovation", and adhere to the management philosophy of "Craftsmanship and Continuous Improvement", establishing the "Together" cultural model centered around our core values and corporate spirits.

Mission A better life enriched by technology

Vision To be a great company



Company History



Company Honors

Pictures of Key Awards



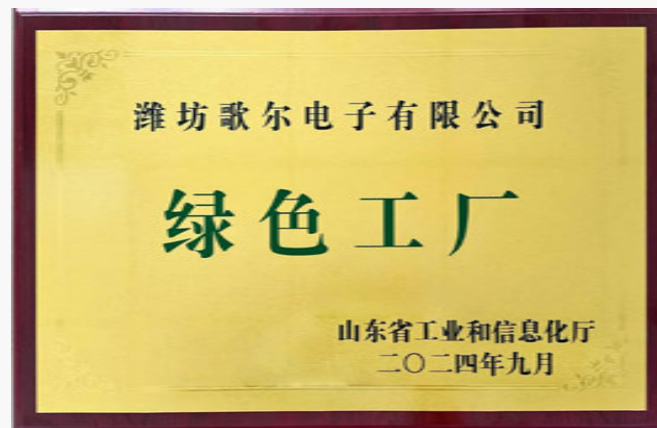
JRJ.com

The 13th "Golden Intelligence Award" hosted by JRJ.com
2024 Outstanding Green and Low-Carbon Contribution Award



China Business Journal

2024 Outstanding Performance Enterprise in Energy Digital and Intelligent Transformation



Shandong Province's Department of Industry and Information Technology
2024 "Green Factory" Honorary Title



iF International Forum Design GmbH
iF DESIGN AWARD 2024
(Goertek's Flexible VR Glasses)

Other Awards

Award categories	Awards	Awarded by
	China's Top 500 Private Enterprises in 2024	All-China Federation of Industry and Commerce
	China's Top 500 Private Manufacturing Enterprises in 2024	
	No. 9 among the Top 200 Shandong Private Enterprises in 2024	Shandong Province's Federation of Industry and Commerce, Shandong Province's Development and Reform Commission, Shandong Province's Department of Science and Technology, Shandong Province's Department of Human Resources and Social Security, Shandong Province's Department of Agriculture and Rural Affairs, Shandong Province's Department of Commerce, Shandong Province's Taxation Bureau, Shandong Province's Market Supervision Bureau
	No. 5 among the Top 100 Shandong Private Enterprises for Innovation in 2024	
	No. 2 among the Top 100 Shandong Private Enterprises for Employment in 2024	
Governance	2024 Fortune China 500	Fortune China
	2024 Hurun China 500	Hurun Research Institute
	China's Top 500 Listed Companies by Market Value	21Data News Lab
	Top 20 Hurun China Metaverse Companies with the Greatest Potential 2024	Hurun Research Institute

Other Awards

Award categories	Awards	Awarded by
Environmental	Shandong "Provincial Zero Waste Factory"	Shandong Province "Zero Waste City" Construction Task Force Office
	Third Prize in the Second "Master Cup" High Energy Efficiency Air Conditioning System Engineering Competition	China Refrigeration And Air-Conditioning Industry Association
	The eighth batch of national manufacturing individual champion enterprises (Goertek Optical Technology)	Ministry of Industry and Information Technology
	The World's 50 Most Valuable Electronics & Appliances Brands	Brand Finance
No. 113 among the China's Top 500 Brands		
Social	China Best Employer Award 2024 China Best Employers in Qingdao	Zhaopin.com
	"China Vision Valley" Comprehensive Competitiveness Champion Enterprise in the New Quality Productive Forces List of Visual Intelligence Industry	TMTPost, China Vision Valley
	2024 Shandong Extraordinary Employer Award	Liepin
	2024 Campus Recruitment Excellence Practice Award	Yonyou

Award categories	Awards	Awarded by
Technology and innovation	The China Patent Award	China National Intellectual Property Administration
	The World's First QTL Certification for Wearing Comfort of Consumer Electronics Products	SGS
	First prize in the Lean session of the 10th Enterprise Improvement Case Competition, Second prize in the QCC Quality Improvement session	www.qualityclub.cn
Technology and innovation	2024 Digital and Reality Integration Development Conference and TOP100 Digital and Reality Integration Enterprises	China Enterprises Evaluation Association
	No. 1 among China's Top 50 VR Companies in 2024	World Display Industry Innovation and Development Conference

ESG Management

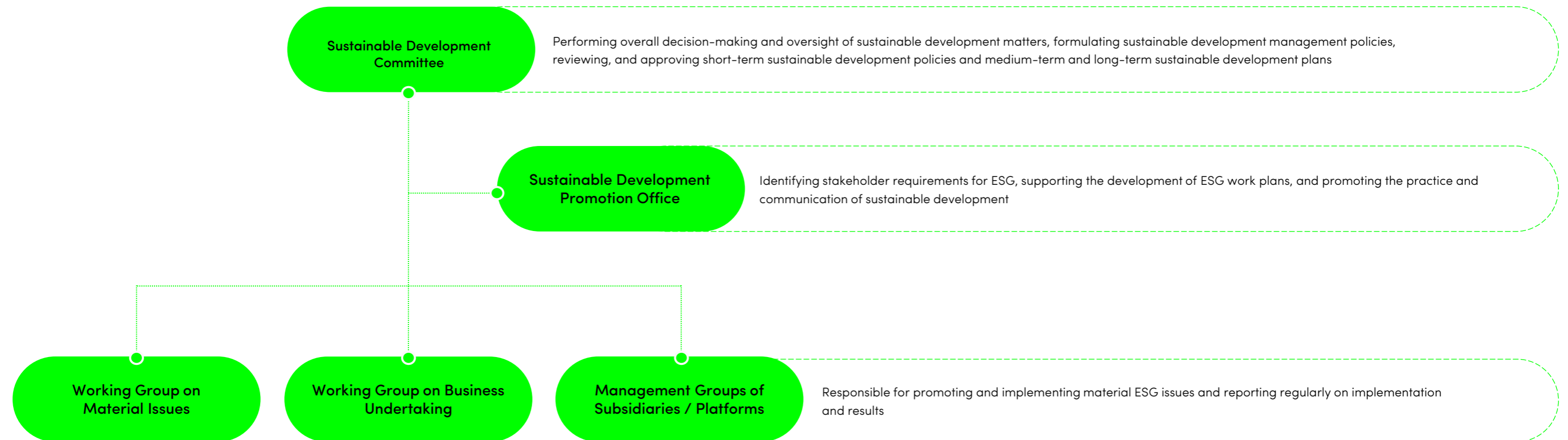
We have deeply integrated ESG concepts into our management and operation system, responded to the concerns of clients, employees, investors and other stakeholders on the Company's ESG performance, and continued to drive the sustainability of the Company.

ESG Management Structure

An effective ESG management system strongly supports the Company's sustainable development goals. We are continuously improving our ESG integration and management capabilities by clarifying ESG management concepts, establishing and improving the ESG management structure, and developing ESG management systems.


The Company has established a top-down, well arranged, and well-defined ESG management structure, covering three levels: decision-making, management and execution. The Company has formed clear principles, strategies and responsibilities for ESG management to ensure that the Company's sustainable development work is standardized and organized, and improve the Company's overall ESG performance.

Sustainable Development Management Structure



Stakeholder Communications

The Company fully respects and protects the legitimate rights and interests of stakeholders, maintains communication with stakeholders through various channels, and continuously pays attention to and responds to stakeholders' key issues in the Company's operations and decision-making, jointly promoting the Company's continuous and steady development.

Stakeholders	Main communication and feedback channels	Main issues of concerns	Stakeholders	Main communication and feedback channels	Main issues of concerns
Governments and regulators 	Work meeting Work report Work inspection	Waste management Product quality Employee rights and interests Employee health and safety	Employees 	Employee satisfaction survey Employee reception day Employee proposal system Employee seminars Suggestion boxes	Employee health and safety Employee rights and interests Employee development Employee care
Major shareholders and investors 	Shareholders' meeting Board of Directors Investor communication meeting Bondholder meeting	Product quality Innovative R&D Green and low-carbon products Employee health and safety Risk management	Partners and media 	Exclusive interviews Information disclosure Seminars	Innovative R&D Business ethics Product quality Chemicals management
Customers 	Customer satisfaction surveys Customer visit Special seminars	Product quality Business ethics and compliance Customer service Information security and privacy protection	Communities 	Welfare activities Seminars Community project participation	Public Welfare Discharges management Business ethics Information security and privacy protection
Suppliers and contractors 	Supplier management Industry experience sharing Theme training Compliance bidding	Sustainable Supply Chain Product quality Business ethics Information security and privacy protection			

Materiality Analysis

Based on core business and strategic planning, we analyze the key drivers of our sustainable development and stakeholder concerns, identify material issues, create the ESG materiality matrix, and take targeted management and action based on the matrix. We are also actively exploring methods for assessing and analyzing the financial importance of ESG issues to better guide sustainable development and information disclosure-related work.

Background analysis

The Company has analyzed sustainable development factors that affect the internal and external environment based on operating status, development strategy and industry characteristics.

Issue identification

The Company has identified 20 material issues, including 7 environmental issues, 11 social issues, and 2 governance issues.

Materiality assessment

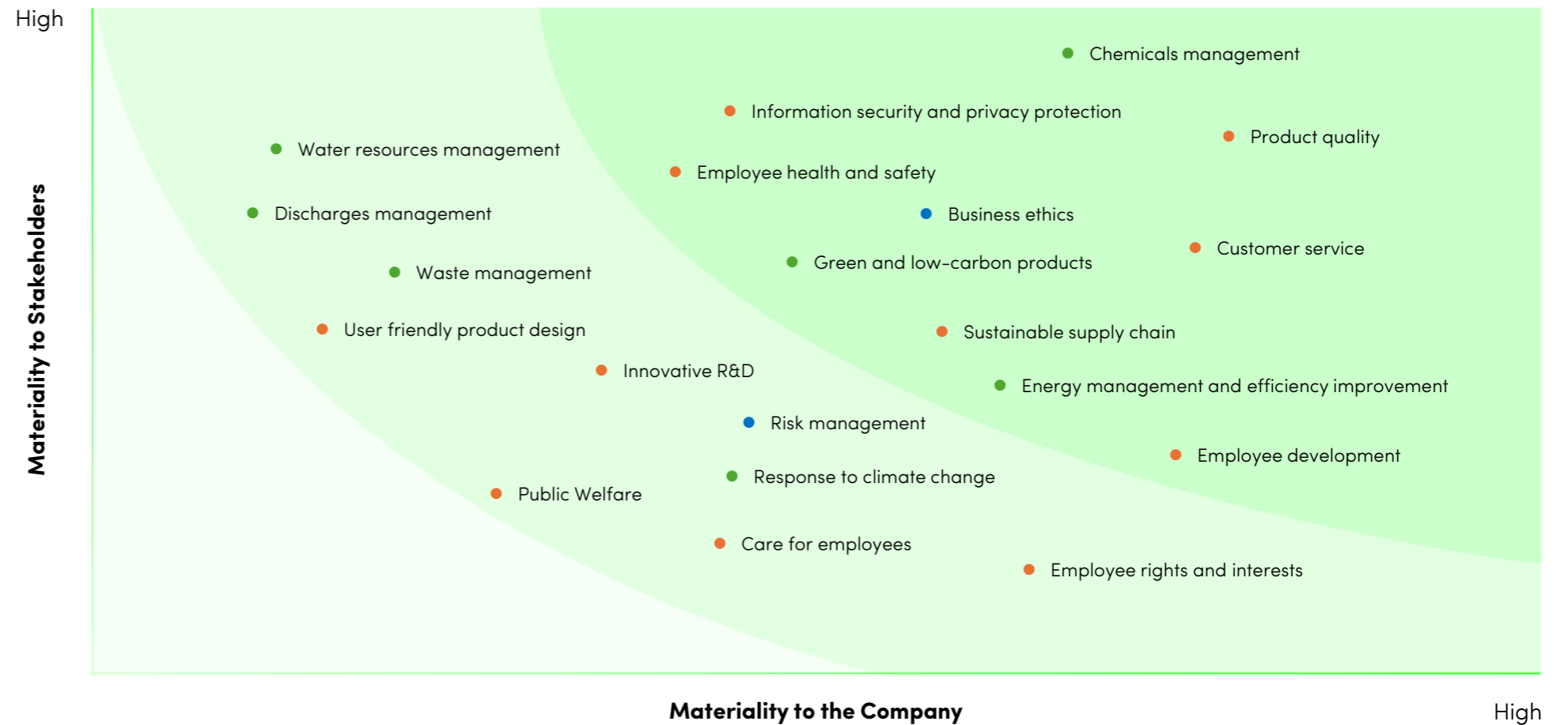
The Company has assessed the material issues through surveys and interviews, invited internal and external stakeholders and experts for discussion and analysis, and ranked the materiality of the issues according to "Materiality to the Company" and "Materiality to Stakeholders", forming the Materiality Matrix"

Verification

The Company has verified the materiality assessment and, combined with the Company's business policies and strategic planning, as well as industry expert advice, proposed a sustainable development management plan based on the materiality of the issues to develop and implement action plans and complete information disclosure.

Goertek Inc. 2024 Materiality Matrix

● Governance ● Social ● Environmental



Classification of Material Issues

Environmental	Social	Governance
1. Response to climate change	1. Product quality	1. Business ethics
2. Energy management and efficiency improvement	2. Customer service	2. Risk management
3. Chemicals management	3. Employee development	
4. Discharges management	4. Employee rights and interests	
5. Water resources management	5. Employee health and safety	
6. Waste management	6. Care for employees	
7. Green and low-carbon products	7. Information security and privacy protection	
	8. User friendly product design	
	9. Innovative R&D	
	10. Sustainable supply chain	
	11. Public welfare	

01

Responsibility in Cultivating Momentum for Growth

Goertek Inc. is committed to creating a sustainable governance system. The company strictly abides by laws, regulations and listed company management regulations, and has established a governance structure that is in line with the Company's own strategic planning, production and operation, and industry characteristics. We continue to strengthen scientific governance and improve internal control management, business ethics, intellectual property protection, information security and privacy protection, and other compliance systems to effectively safeguard the interests of the majority of stakeholders.



Related United Nations Sustainable Development Goals (SDGs)

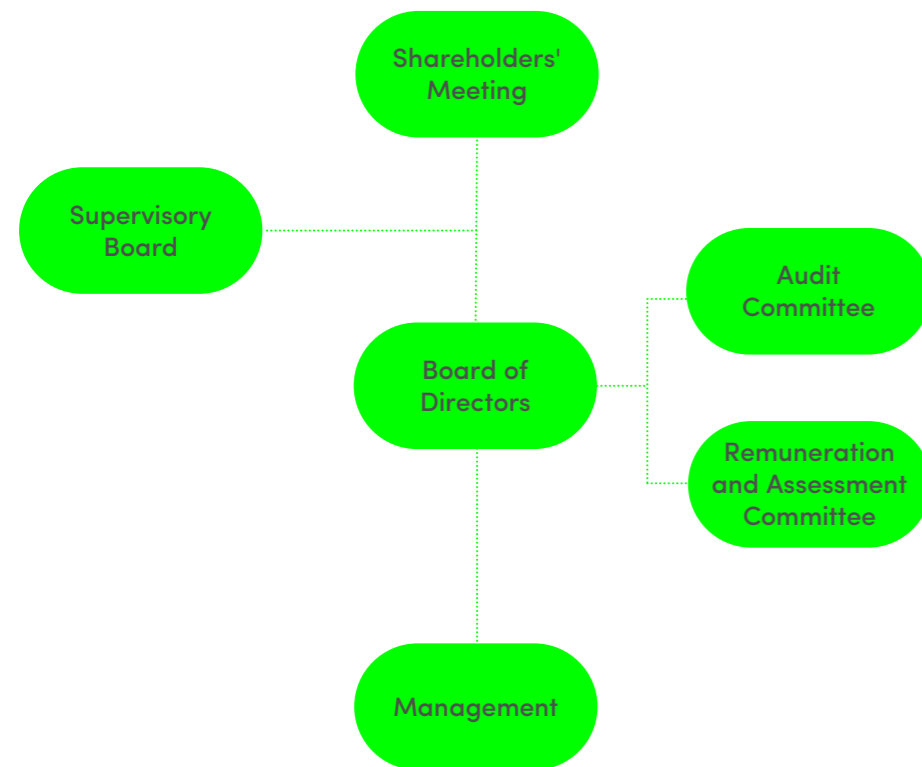


Corporate Governance

Goertek Inc. adheres to the principle of integrity in business operations, strictly abides by the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange* and other relevant laws, regulations and normative documents and the requirements of regulatory authorities such as the China Securities Regulatory Commission, establishes and continuously improves the corporate governance structure to further standardize the Company's operations and enhance the level of corporate governance.

Governance Structure

The Company has established governance mechanisms of "Shareholders' Meeting, Board of Directors, Supervisory Board, and Management" to ensure the integrity of the Company's governance structure and mechanism and the efficiency of operation.



Shareholders' Meeting

The Shareholders' Meeting is the Company's highest authority. The Company strictly follows relevant laws and regulations, the *Articles of Association of Goertek Inc.* and the *Rules of Procedure of Shareholders' General Meetings* to standardize the convening, holding and voting procedures of shareholders' meetings. The Company provides online voting and other methods to enhance the convenience of small and medium shareholders to participate in Shareholders' Meetings and fully protect the rights of small and medium shareholders. The Company engages lawyers to witness Shareholders' Meetings on-site, ensuring that the convening, and holding voting procedures of each Shareholders' Meeting are legal and compliant, thereby effectively safeguarding the legitimate rights and interests of the Company and all shareholders.

- This year, the Company held **5** Shareholders' Meetings, including **4** extraordinary meetings, and reviewed and approved **37** important proposals.

Board of Directors

As the Company's core business decision-making body, the Board of Directors is responsible for the Shareholders' Meeting and implements the resolutions of the Shareholders' Meeting. The Board of Directors strictly abides by the laws and regulations, the *Articles of Association* and the *Rules of Procedure of Board of Directors*, and performs important duties including the establishment of the Company's internal management organization, the appointment and dismissal of senior management, and the formulation of the Company's basic management system. Through in-depth discussions and full communication, the members of the Board of Directors ensure the scientificity, timeliness and efficiency of decision-making, form resolutions on major governance and operating matters of the Company, supervise the implementation of resolutions, and provide strong support for the Company's sustainable, healthy and steady development, effectively safeguarding the legitimate rights and interests of the Company and all shareholders.

- This year, the Company held **10** Board of Directors' meetings, reviewed and approved **72** proposals, and the attendance rate of directors was **100%**.

Special Committees of the Board of Directors

To enhance the professionalism and independence of the Board of Directors, the Company's Board of Directors has set up two Special Committees: the Audit Committee and the Remuneration and Assessment Committee. Acting in accordance with the *Articles of Association* and the authorization of the Board of Directors, each committee is responsible for key functions such as financial auditing, internal control supervision, executive remuneration formulation and performance appraisal, comprehensively supervising and guiding the Company's operations and management, and ensuring the compliance and efficiency of related matters.

- This year, the Company held **5** Audit Committee meetings and **5** Remuneration and Assessment Committee meetings.

Supervisory Board

As the Company's supervisory body, the Supervisory Board shall conduct effective supervision of major events, related party transactions, financial status, and the performance of directors and managers by the law, and issue review opinions. The Company has further standardized the supervision process by formulating the *Rules of Procedure of the Supervisory Board* and other systems to ensure the standardization and effectiveness of supervision.

- This year, the Company held **8** Supervisory Board meetings, reviewed and approved **45** proposals, and the attendance rate of supervisors was **100%**.

Board of Directors Independence and Diversity

The Company attaches great importance to the independence and diversity of the Board of Directors and believes that board members with diverse backgrounds can more effectively supervise and manage the Company's operations, thereby better protecting the long-term interests of the Company's stakeholders. When electing board members, the Company comprehensively considers factors such as age, gender, educational background, industry experience and professional qualifications to ensure the diversity and professionalism of the board member structure, so as to improve the scientificity and comprehensiveness of decision-making.

Name	Position	Gender	Age	Education	Expertise and Skills	Main Experience
Jiang Bin	Chairman	Male	59	Master	Electroacoustic Industry Expert, Business Management Expert	As the founder of the Company, Jiang Bin has more than 30 years of experience in the electroacoustic industry and profound experience in corporate management. He has won honors such as national/provincial model worker, leading entrepreneur in the electronic information industry, the highest award in science and technology of Shandong Province, and Qilu Outstanding Talent.
Li Youbo	Director, President	Male	48	Bachelor	R&D and Manufacturing Expert, Business Management Expert	Li Youbo has more than 20 years of experience in the entire process of R&D and Manufacturing of components and complete products in the electronic information industry. He has served in various positions such as Engineer, Technical Manager, Head of Business Unit, Vice President, and President. He has rich experience in the electronic information industry and business management.
Duan Huilu	Director, Vice President	Male	49	Bachelor	Finance and Accounting Expert	Duan Huilu has more than 20 years of experience in full-cycle corporate financial management, covering accounting, fund management, financial strategy development and other fields.
Liu Yaocheng	Director, Vice President	Male	52	Ph.D.	Strategic Planning Expert, Technology R&D Expert, Investment and M&A Expert	Liu Yaocheng holds a Ph.D. in Materials Science and Engineering and a Master's degree in Electronic Engineering from Stanford University, as well as a Master's degree in Materials Science and Engineering from Tsinghua University. He has held positions at renowned companies such as IBM Semiconductor Research and Development Center, McKinsey & Company, etc. He has served as the head of the Company's strategy and investment department, the Central Research Institute and other departments. He has rich experience in strategic planning, technology R&D, and investment and M&A.
Huang Yidong	Independent Director	Female	60	Ph.D.	Optoelectronics Technology Expert	Huang Yidong is the Deputy Director of the Academic Committee and Professor of the Department of Electronic Engineering, Tsinghua University. He is also the International Member of the National Academy of Engineering, United States, fellow of the OPTICA, Executive Director of the Chinese Optical Society, Vice Chairman of the China Education Society of Electronics, etc.
Jiang Fuxiu	Independent Director	Male	56	Ph.D.	Finance and Accounting Expert, ESG and Governance Expert	Jiang Fuxiu is the Professor and Ph.D. Supervisor of the Department of Accounting and Finance, Renmin University Business School, and the Director of the ESG Research Center of the National Academy of Development and Strategy, Renmin University of China. He has served as an Independent Director of many listed companies, deeply involved in the construction of corporate compliance governance mechanisms and sustainable development work.
Qiu Min	Independent Director	Male	50	Ph.D.	Optoelectronics Technology Expert	Qiu Min holds a Ph.D. in Electromagnetism from the KTH Royal Institute of Technology and Ph.D. in Condensed Matter Physics from Zhejiang University. He is the Vice President of Westlake University, the Dean of School of Engineering, and Dean of Westlake Institute for Optoelectronics, fellow of the OPTICA, Fellow of the Chinese Optical Society, Fellow of the Chinese Society of Optical Engineering, Executive Director of the Chinese Society for Optical Engineering, and Vice President of the Optical Society of Zhejiang and the Zhejiang Physics Society.

Board of Directors and Executive Remuneration

The Company has institutionalized the alignment between executive compensation and sustainability performance by establishing sustainability-related KPIs. The assessment results are directly integrated into the executive remuneration system to ensure the implementation of relevant management initiatives. Currently, sustainability performance indicators account for an average of over 20% of the total weighting in senior management evaluations, covering critical areas such as energy conservation and green and low-carbon, employment recruitment and cultivation, health and safety.

The Company also regards safety issues as important Company-level matters, and lists production safety, information security and customs affairs incidents as red-line behaviors, and as veto items for executives' performance commitments. If such accidents occur, it will seriously affect the annual performance evaluation of executives, further highlighting the important position of safety in corporate governance.

Say on Pay

The Company's *Rules of Procedure of Shareholders' General Meetings* stipulate that the Shareholders' Meeting shall lawfully exercise its authority to determine the remuneration of directors and supervisors, thereby fully safeguarding shareholders' decision-making power in compensation distribution. In the actual implementation process, the Remuneration and Assessment Committee of the Company's Board of Directors, in accordance with the *Implementation Rules for the Remuneration and Assessment Committee*, shall be responsible for formulating the directors' remuneration policies, plans and standards, which will be implemented after the Board of Directors submits them to the Shareholders' Meeting for approval. In addition, the Remuneration and Assessment Committee regularly supervises and assesses the implementation of the remuneration plan. For details of the remuneration of directors, supervisors and senior management for this year, please refer to Section 4 "Corporate Governance" of the *2024 Annual Report of Goertek Inc.*

About Performance Evaluation and Incentive-Restraint Mechanism

The Company has established and continues to optimize fair and transparent performance evaluation standards and incentive and restraint mechanisms for directors, supervisors and senior management in accordance with the Long-term Incentive Assessment Management Measures and other regulations. This mechanism is based on the performance evaluation indicators set by the Company, and conducts evaluations by integrating the assessment indicators of each stage and the work performance of relevant personnel. Moreover, depending on the severity of any violations, the Company will recover the amount of long-term incentives cashed out in the current year. The Company is committed to forming a balanced value distribution system to effectively achieve the alignment of the interests of shareholders, the Company, and the individual interests of the core team.

Management Structure	<p>The Company's Remuneration and Assessment Committee is responsible for formulating the long-term incentive and appraisal management plans, supervises the implementation of the plans and the approval of appraisal results.</p> <p>The Human Resources Department and the Finance Department are responsible for calculating the appraisal data and delivering incentives based on the appraisal results.</p>
Mechanism Requirements	<p>The Company implements performance appraisal mechanisms along with incentive and constraint mechanisms for middle and senior management personnel and key backbones. The appraisal dimensions include personal performance appraisal and key task completion, and the Company determines specific appraisal dimensions and weights according to the differences in the responsibilities of the incentive targets. If the appraisal target has major violations of regulations and disciplines such as integrity and honesty or is responsible for major production and operation accidents, the Company has the right to deduct the amount of long-term incentives to be redeemed in that year.</p>
Appraisal Procedure	<p>Under the guidance of the Remuneration and Assessment Committee, relevant departments such as human resources are responsible for specific appraisal work, developing performance appraisal reports and submitting them to the Committee for review, which serve as the basis for calculating long-term incentives.</p>

Information Disclosure and Investor Relations Management

The Company specifically established a department, equipped with professional teams, and duly performed the disclosure obligations in strict accordance with the provisions of Measures for the Administration of Information Disclosure of Listed Companies, Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, and Articles of Association, and discloses information as per the law, so as to ensure that the information disclosure is true, accurate, complete, timely, fair, concise, clear, easy to read, free from false statement, misrepresentations and material omissions. All shareholders were given equal access to the information. The Company has continuously improved the Insider Information Management Rules, strengthened the confidentiality of insider information, maintained the fairness of information disclosure, and effectively protected the legitimate rights and interests of investors. The Company has designated Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily, and CNINFO (<http://www.cninfo.com.cn>) as the information disclosure media. In 2024, the Company disclosed a total of 181 announcement documents, to reveal its financial statements, operating information and other significant matters to shareholders and the public in a timely manner, ensuring transparency of information.

Shareholder Return

The Company has always focused on its core business and actively shared the development achievements with investors while promoting its own long-term and healthy development. The Company strictly abides by the profit distribution policy of laws and regulations and the *Articles of Association* to continuously implement cash dividends. This year, the Company has paid cash dividends three times in total, with a total dividend amount of approximately RMB 850 million; the Company has also successfully implemented a share repurchase plan, with a repurchase amount of approximately RMB 500 million.

Investor Relations Management

To better serve investors, the Company has designated the Board Secretary as the person in charge of investor relations management, and have equipped a professional team to be responsible for related matters, including receiving shareholder visits, holding annual performance briefings, providing online voting platforms, and participating in strategy meetings. The Company's official website has an investor relations column, and the Company responds to investor questions promptly through various channels such as the Shenzhen Stock Exchange Easy Interaction Platform and the investor hotline, ensuring unobstructed communication channels and building a fair and efficient communication bridge with investors and the public.

This year,

the Company answered more than **400** calls from investors, responded to more than **300** questions from investors on the Shenzhen Stock Exchange Easy Interaction Platform.

the Company disclosed **3** records of investor relations activities, and communicated with investors through various means such as telephone conferences, field research, and strategy meetings.



Risk Management

Goertek Inc., adhering to the risk control concept of "effectively controlling risks and maintaining sustainable and healthy operations", builds a risk management framework based on internal control and compliance as the bottom line and improves the risk management mechanism to enhance the risk awareness and management capabilities of all employees and continuously strengthen the recognition and response capabilities of all employees for risk prevention, effectively managing various risks.

Risk Management Framework

The Company continues to improve the internal control management framework to realize the precise implementation of internal control functions of the Company, business group and platform, and to optimize risk identification, assessment and management processes to enhance risk management capabilities. The Company deeply integrates risk management into all business links through regular collaborative promotion and refined closed-loop management, effectively reducing and avoiding operating risks. The Company has also established three lines of defense: Business Units, the Internal Control Department and the Audit Department, to ensure that the Company is legal and compliant, efficiently operated and asset secured.

First Line of Defense

Composed of Business Units, as risk responders and main responsibilities, independently identify business risks and design corresponding risk response plans

Second Line of Defense

Composed of the Internal Control Department, mainly responsible for planning and supervising risk management work, improving the risk management system, identifying new risks, and continuously improving the effectiveness of risk control

Third Line of Defense

Composed of the Audit Department, mainly responsible for independent and objective evaluation of the effectiveness of risk management and internal control, and continuously improving the risk management system



Internal Control Management Mechanism

The Company has formulated such policies as *Risk Management Handbook*, *Identification and Management Process of Three Risk Elements*, *Process of Setting and Changing Risk Control Goals*, *Routine Process of Inspecting Risk Control*, *Risk Control Sampling Process*, *Special Improvement Process of Risk Control*, further clarifying the processes of risk identification, analysis, processing, inspection, and improvement. Among them, the Company conducts centralized management and priority processing for major risks to ensure the smooth achievement of the Company's strategic goals by planning and implementing risk mitigation and response measures in advance.

The Company continues to deepen the risk internal control management mechanism, and to optimize and upgrade the risk internal control management policy system, building a comprehensive and multi-level risk prevention and control network to accurately identify, scientifically evaluate and dynamically monitor various risks throughout the entire operation cycle of the Company.

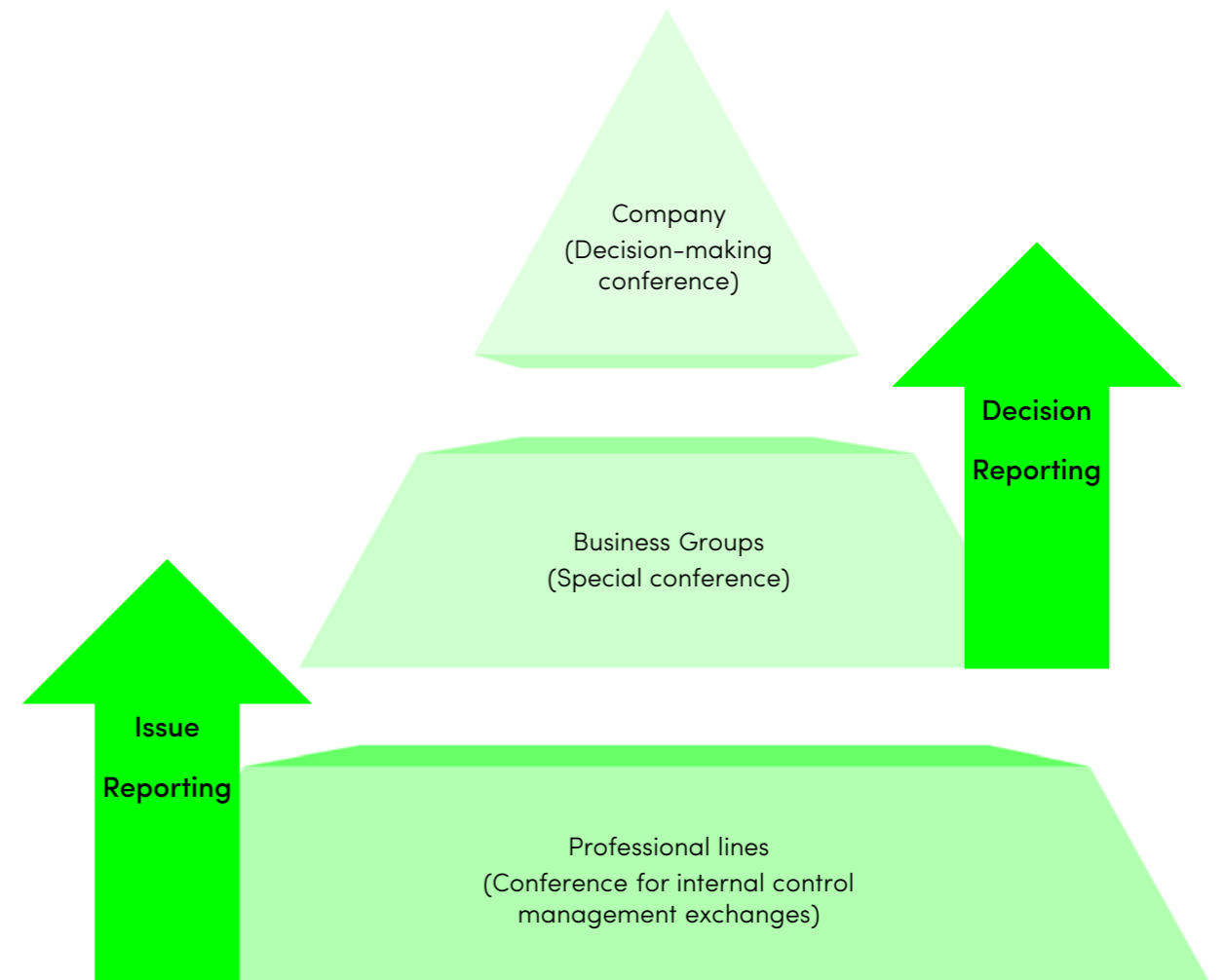
The Company complies with the new changes in national policy orientation and market environment and deeply integrates into the business operation process, creating a comprehensive closed-loop management system covering risk identification, scientific evaluation, effective response, and continuous improvement to identify potential risk factors and forming a list of risk issues.



"Compliance builds foundation for a steady development" - Construction of the Company's Trade Compliance System

The Company has built a trade compliance system since 2020, ensuring business compliance through developing manuals, publishing processes, launching systems, and setting up teams. In 2023-2024, the Company promoted the implementation of trade compliance requirements in various business departments, strengthened training to enhance compliance awareness, and introduced the Dow Jones database to enhance risk identification capabilities, ensuring the Company's operational compliance.

The Company has established a "three-conference coordination" management system consisting of Professional Lines, Business Groups and the Company levels, and regularly holds internal control management exchange meetings to build a communication path for immediate escalation of problems and decisions. We focus on basic management optimization, closely monitor internal control processes and potential risk points, and use the conference mechanism to improve decision-making efficiency and solve problems, promoting flexible allocation of resources and close collaboration among team members



Risk Culture Building

The Company continues to deepen the construction of the internal control system by optimizing the training content and strengthening the cultural promotion strategy, enhancing the employees' understanding and recognition of the internal control mechanism to ensure the implementation of risk management measures. This year, the Company continued to carry out a series of training and cultural promotion work to further enhance the Company's internal control management capabilities.


▶ Training Mechanism

The Company integrates internal and external expert resources to invite industry lecturers and implement empowerment training programs for internal control professional teams, management and front-line business personnel. We have comprehensively updated the content of the ten core courses covering internal control management capacity improvement, knowledge popularization and mindset innovation, to systematize the training framework to support the deepening and development of internal control management.

▶ Culture Publicity

The Company uses a variety of media, including manuals, official websites, educational videos and professional journals, to fully explain the risk management concept to employees, widely disseminate internal control management knowledge, continuously deepen employees' understanding and recognition of the internal control system, and create a positive internal control culture atmosphere.

Published **24** issues of internal control journals to create an internal control atmosphere and enhance internal control awareness for all employees

Selected **16** outstanding risk control cases to continuously control operational risks 

Organized **12** internal control special activities to promote internal control interaction across departments and strengthen training for internal control knowledge and skills

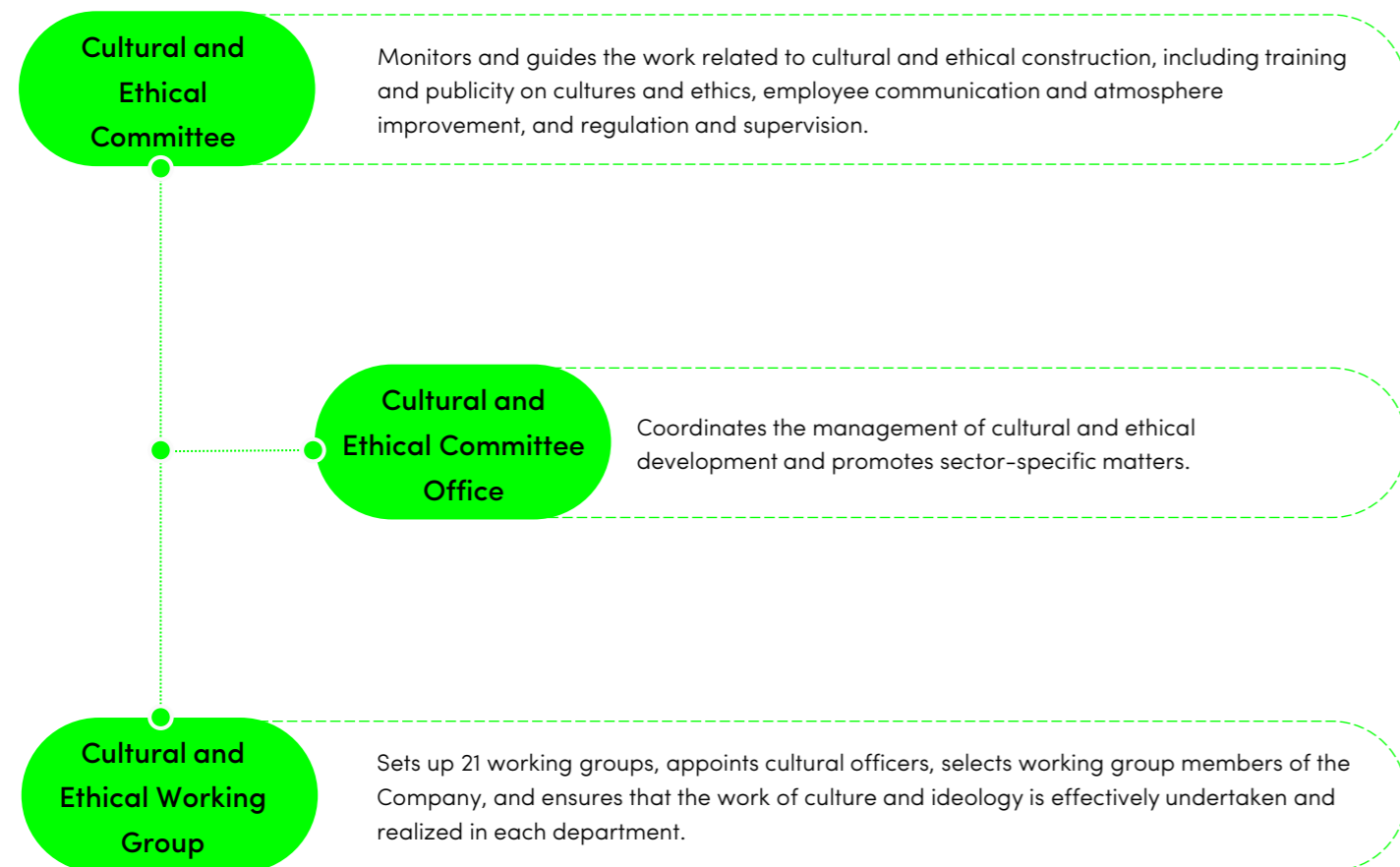


Business Ethics

The Company strictly complies with the *Civil Code of the People's Republic of China*, the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, and other relevant laws and regulations of the regions in which we operate, and continues to improve internal policies related to business ethics, including *the Regulations on Rewards and Punishments for Employee Behaviors*, and *the Goertek Cadre Standard Manual 2.0*, etc., to regulate the behavior of the Company's employees and related parties (including suppliers) and jointly build a compliant and honest business environment.

Business Ethics Management System

The Company has set up a cultural and ethical management structure and a Cultural and Ethical Committee, whose members include the Chairman of the Board (Director of the Committee), senior managers of the Company, heads of all relevant departments, and cultural specialists. The Cultural and Ethical Committee is responsible for strengthening cultural ethics education and publicity, promoting employee exchanges and improving the working atmosphere, and strengthening supervision, aiming to create a clean and upright working atmosphere.



Anti-Corruption and Anti-Bribery Management

The Company has formulated and issued the *Regulations on Rewards and Punishments for Employee Behaviors* for all employees, which puts forward specific behavioral norms for business activities, regulates the behaviors that employees should abide by, and prohibits violations including bribery, corruption and unfair competition, and requires strict implementation at all levels. We have publicly released a statement on integrity and compliance on our official website, clarifying its "Zero Tolerance" attitude.

To continue to consolidate the construction of the anti-corruption and anti-bribery system, the Company has issued supporting management systems such as the *Goertek Cadre Standard Manual 2.0* and *the Cadre Prevented and Prohibited Behaviors*, developed relevant integrity requirements for key areas and key links, and further clarified the standard requirements and reward and punishment mechanisms for cadre behavior.

All Employees	All employees are required to sign the <i>Integrity Commitment</i> , promising to uphold the principles of fairness and impartiality in business dealings with all relevant parties and to ensure that the interests of all parties will not be harmed due to the convenience of their positions.
Cadre Group	We attach great importance to the integrity behavior of cadres, regularly organize cadres to receive honest education, hold integrity oath ceremonies, clarify the content of abiding by business ethics, and further enhance the honest work awareness of cadres.
High-risk departments	Held 3 anti-corruption publicity meetings for high-risk departments to reiterate anti-corruption policies and encourage employees to proactively report violations.
Partners	Before establishing a partnership with suppliers, customers and third parties, relevant documents such as the <i>Integrity Agreement</i> must be signed to require all partners to fulfill the obligations agreed in the contract during the business cooperation process, strictly abide by the laws and regulations of the place of operation and the business ethics standards of the industry, and ensure that the Company's business is carried out on a fair and just basis.

The number of integrity training sessions for management staff
More than **7,000** people

Signing rate of *Integrity Commitment*
100%


Business Ethics Audit Mechanism

The Company attaches great importance to the business ethics of employees and business-related third parties, and requires all employees to abide by business ethics, comply with market rules and participate in fair competition, and adopts a "Zero Tolerance" attitude towards any illegal, unethical and business-standard behavior.

As for the *Employee Code of Business Conduct, the Integrity Agreement, Regulations on Rewards and Punishments for Employee Behaviors*, and other issued standards, the Company regularly benchmarks against the standards issued by international and local industries and organizations to organize re-examination and revision, continuously improving internal management systems to enhance the level of business ethics management.

The Company conducts business ethics audits around process conformity, compliance, and risk management, focusing on the business ethics performance of subsidiaries, supply chains, and manufacturing. In the process of business ethics audits, we pay attention to the compliance of business behavior, deeply explore potential management problems and risks, and formulate improvement measures for the problems found. The executive department of the Company's audit mechanism reports the audit results and corrective measures to the Board of Directors and Management and summarizes the problems found to handle them openly and transparently and make them public to employees through meetings, internal emails and other channels.

Conduct business ethics audits for all operations at least once every three years



Complaint Management

Strict measures are taken to address any inappropriate behaviors that breach the Company's guidelines, including commercial bribery, unauthorized disclosure of trade secrets, and misappropriation, embezzlement, or theft of the Company's assets. The Company has established and published reporting channels, and informed persons can report violations by phone, email, etc. The Company's Audit Department reviews and handles business ethics issues at all levels.

Tel: 0536-3050999

Email: tousu@goertek.com

Address: Audit Department, No.268 Dongfang Road, High-tech Industrial Development District, Weifang, Shandong Province, China



The Company strictly adheres to the confidentiality policy regarding reported matters, strictly keeps confidential the personal information of the whistleblower and the reporting materials provided, strictly prohibits anyone from retaliating against the whistleblower in any form, and takes measures to protect the whistleblower, including concealing the whistleblower's name, contact information and other private information.

The Company has established the *Audit Work Management System*, which outlines the reporting mechanism, whistleblower protection, complaint reward policies, voluntary disclosure policies, and other relevant provisions. Relying on this system, we can effectively identify and thoroughly analyze complaints and appeals, and promptly verify and handle the reported issues.

Complaint Reward Policy

Rewarding whistleblowers for providing significant leads

Voluntary Disclosure Policy

Granting lenient treatment to any voluntary disclosure of violations and breaches of internal rules and regulations of company

Fostering a Culture of Business Ethics

The Company attaches great importance to enhancing the business ethics awareness of all employees and continues to improve the business ethics training system, and, through on-site training, online video conferences, service account tweets, and internal communication meetings, to provide employees with integrity training, including anti-corruption, anti-commercial bribery, anti-embezzlement, etc.


- The Company held an anti-corruption conference with the theme of "Continuous Efforts to Fight Corruption and Promote Integrity" to convey expectations and requirements for integrity operation and integrity management. More than 1,300 people participated on site and more than 18,000 people were trained internally.
- The Company strengthened the supervision of employees' business ethics and integrity education worldwide. For the Vietnam Factory, the Company conducted 6 training sessions related to "Integrity Culture Building", covering more than 1,000 employees.
- The Company set up an internal forum section "Integrity Goertek" to promote the integrity and compliance culture and collect employee voices.

The Company also pays attention to suppliers' business ethics culture building, regularly carries out publicity activities and conveys the Company's philosophy and complaint channels to suppliers through the official website of the SRM (Supplier Relationship Management) system, emails and other channels to continuously improve suppliers' compliance awareness. For local suppliers of the Vietnam Factory, the Company has planned an exclusive supplier conference to publicize the Company's anti-corruption and anti-commercial bribery policies to jointly build upright and uncorrupted partnerships.

Through the "Integrity Goertek" service account, 14 in-depth case analyses were published, with a total reading volume of more than **350,000** times.

Produced 3 warning education videos covering topics such as bribery, theft, and embezzlement by non-state employees, with a total of over **5,000** views

100% of employees were trained on integrity.



Intellectual Property Protection

Goertek Inc. attaches great importance to the strategic position of intellectual property rights in the innovation and development of the Company and regards it as a key factor in maintaining core competitiveness and promoting technological innovation. The Company strictly abides by the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations, and has established a complete intellectual property management system. The Company continues to promote intellectual property protection and the deep integration of intellectual property rights with technological innovation and market expansion to provide continuous impetus for the high-quality development of the Company.

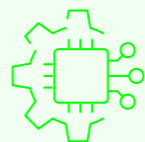
The Company has established the Legal and Intellectual Property Management Department, which is fully responsible for the coordination and implementation of intellectual property-related work. Its responsibilities include core work such as new technology proposal evaluation, patent application and protection, registration and management of trademarks and copyrights, and intellectual property database maintenance. The Company has also established a complete intellectual property management system, including management policies, rules and regulations, and strategic planning to ensure that intellectual property protection runs through the entire process of product design and development.

At each key stage from product development to sales, the Company systematically conducts intellectual property compliance review and risk investigation to ensure the legality and compliance of procurement, research and development, production, sales and other links, while respecting third-party intellectual property rights. In addition, the Company coordinates the intellectual property work of each subsidiary through unified standardized management to ensure the consistency and efficiency of the Company's internal intellectual property management, providing a solid guarantee for the Company's innovative development.

We continue to strengthen our ability to create, use, protect and manage intellectual property rights, and won the title of "National Intellectual Property Demonstration Enterprise". In the past three years, six patents have won the China Patent Silver Award and Excellence Award, reflecting our comprehensive competitive advantages in technological innovation and intellectual property management.

During the Reporting Period, there were a total of

17,695 valid patents



Information Security and Privacy Protection

Goertek Inc. strictly abides by the laws and regulations applicable to the place of operation, such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *EU's General Data Protection Regulation* and the *Personal Data Protection Law of Vietnam*. The Company is committed to building an information security ecosystem with all-staff co-governance, intelligent defense and value co-creation to continuously optimize the information security and privacy protection management system, improve the security operation mechanism, and strengthen personnel training so that information security and privacy protection become an important cornerstone for the Company's sustainable development.

The Company has established an Information Security Management Committee, with the president as the chairman of the committee and the vice president of IT as the deputy director of the committee, to comprehensively coordinate the strategic planning and implementation of information security. Each business group is equipped with a full-time information security team, which is responsible for promoting the specific implementation of information security policies and regularly reporting work progress to the Information Security Management Committee.



Partial screenshot of *Information Security Management Manual*

Information Security

Goertek Inc. has always implemented the information security philosophy of "Priceless Information, Strict Confidentiality, Proactive Prevention and Shared Responsibility", and built a top-down information security governance system guided by the *Information Security Management Manual, the Provisions for the Operation and Management of the Information Security Management Committee, and the Provisions for the Information Security Risk Management* and other management systems. The Company comprehensively sorted out the information security risk panorama, established a security technology protection platform by clarifying the information security management policy, management objectives and management process, and effectively guaranteed the Company's internal information security. This year, the Company did not have any major data security incidents.

The Company attaches great importance to information security risk management and control, strictly follows the ISO 27001 information security management system standard, and has established a full-process management mechanism covering information asset identification, risk assessment, review and improvement, incident response and disposal. By formulating scientific management strategies, the Company ensures the continuous optimization and effective operation of the information security management system and realizes the closed-loop control of information security risks.

All factories were certified to the **ISO 27001** Information Security Management System

As of the end of 2024, the Company has completed encryption processing for **25** internal systems

Effectively reducing the risk of leakage of sensitive information of employees and continuously strengthening data security protection through technical means



The Company focuses on improving employees' information security awareness, integrating information security awareness into employees' work, and building a normalized learning mechanism, including learning topics such as the importance of commercial confidentiality, the consequences of violations, and personal privacy protection to improve employees' information security awareness and effectively train employees to become practitioners and guardians of information security.

"One Lesson" event for information security awareness education achieving a **100%** employee training coverage rate



The coverage rate of information security training for newly recruited employees reached **100%**

Annual employee information security training duration **>8** hours



Information Security Month Event

Privacy Protection Management

We strictly abide by the relevant laws and regulations on privacy protection, and effectively protect the privacy rights and interests of all relevant parties and ourselves. We attach great importance to the protection of clients' and our business secrets, establishing a complete confidential information management system. We have formulated systems such as the *Information Asset Identification Process and the Classified Management System for Confidential Information*, conducted systematic impact analysis on customer, individual and enterprise-related information, and implemented classification and grading management, taking corresponding protection measures for different levels of information to effectively reduce the risk of information leakage. This year, the Company did not receive any confirmed complaints related to infringement of customer privacy and loss of customer information.

The Company strictly protects client business secrets, complies with client confidentiality agreement requirements, and conducts full-process standardized management of client privacy and project information to prevent leakage, loss or unauthorized access. The Company also requires suppliers to sign relevant confidentiality agreements, and through the *Supplier Code of Conduct* and audit mechanism, improves the level of information security in the entire chain, reduces the risk of leakage at the supply chain end, and establishes a trustworthy brand image to win the trust of clients and partners.

The Company conducts information security inspections every six months. Regarding personal information protection, the Company has formulated internal policies such as the *Personal Information Protection Management System and the Personal Information Security Emergency Plan* to clarify the management requirements for handling personal information and continues to improve the privacy protection management system to effectively reduce the risk of data leakage.

In 2024, the Company conducted two offline trainings and one online training on personal privacy protection, covering all employees, and providing all-round protection for the personal privacy of employees and third parties.



Personal Data Protection Training

02

Green Smart Manufacturing Practicing High-Quality Development

Goertek Inc. is well aware that a harmonious and stable ecological environment is the foundation of economic and social development. We regard green development as one of the key points of future strategic development, and are committed to minimizing the negative impact of product manufacturing and operation on the environment, to help society to respond actively to environmental risks and build a lifestyle in harmony with nature.



Related United Nations Sustainable Development Goals (SDGs)

Addressing Climate Change

Goertek Inc. actively responds to the national "3060" dual carbon goals, continues to explore low-carbon development paths, and participates in global climate governance. The Company has incorporated climate change-related risks into the overall risk management system, and referred to the Task Force on Climate-Related Financial Disclosure (TCFD) disclosure framework to manage climate change-related risks and opportunities. The Company has incorporated climate change-related risks into the overall risk management system and referred opportunities to better respond to the impact of climate change on us.

Governance

The Company's Board of Directors is responsible for overseeing ESG-related matters, including climate change-related risks and opportunities. The Sustainable Development Promotion Office is responsible for the management of climate change-related risks and opportunities, of which the internal risk control department is responsible for identifying and assessing risks. The ESG-related persons in charge of each business group, functional department and key regional platform are responsible for identifying and managing specific climate change risks and opportunities, and formulating corresponding management systems and response measures for major risks and opportunities identified. The Company has included climate-related content in the medium- and long-term performance evaluation indicators of directors and senior executives.



Strategy

To better address climate change, the Company actively identifies and assesses climate change-related risks based on internal risk identification results and advice from external industry experts, and takes measures in all aspects of operations to respond to related risks.

We are fully aware of the necessity of low-carbon development, actively seize the market opportunities of green development, and improve our operational efficiency and strengthen high-quality development through our green transformation. The main climate opportunities we have identified include:

Climate-related Risks	Potential Impacts	Response Strategies
Physical Risk		
Chronic Risk	Climate change has led to rising temperatures, increased factories energy consumption and cooling costs, and supply chains are vulnerable to natural disasters, increasing overall operating costs.	<ul style="list-style-type: none"> Replace equipment to improve resilience against natural disasters.
Acute Risk	Climate change may bring about extreme weather and geological disasters including storms, typhoons, floods, earthquakes, mudslides and other events, affecting the normal operations of factories and transportation.	<ul style="list-style-type: none"> Develop emergency plans related to supply chain guarantees to respond to sudden natural weather events and meet the company's production, operation and transportation needs.
Transition Risk		
Policy Risk	Local low-carbon policies are tightening and regulatory requirements are increasing, leading to increased corporate management costs. The Company needs to invest more resources in environmental protection and meet compliance reviews.	<ul style="list-style-type: none"> Actively follow up on national and local compliance requirements to formulate, update and implement various management measures.
Technical Risk	As the national low-carbon policies are gradually tightened and downstream clients are required to reduce emissions, the Company may need to switch to lower-carbon production technology in the short and medium term, which increases the Company's operating costs.	<ul style="list-style-type: none"> Continue to reduce the power of energy-consuming equipment, strengthen the research of recycled materials, and vigorously promote the development and application of clean technology.
Market Risk	Under the influence of climate change, energy price fluctuations have led to price increases for raw materials, equipment, transportation costs, labor costs, etc., increasing operating costs.	<ul style="list-style-type: none"> Continue to optimize supplier management, expand the scale of the supply chain, ensure the stable operation of the supply chain, and take climate change risks into consideration.
Reputation Risk	If business conducts fail to meet stakeholders' expectations for the Company's green and low-carbon development, the Company's reputation and image may be affected, thereby affecting the Company's market performance.	<ul style="list-style-type: none"> Establish dedicated communication channels with stakeholders to understand their needs promptly and make adjustments and responses.

Climate-related Opportunities	Descriptions	Potential Impacts
Product and Services	By creating low-carbon products, innovating service models or increasing technological research and development, we can respond to market demand and comply with policy trends, enhance the Company's competitiveness and brand value, and focus on meeting the needs of clients, industries and regulations for sustainable solutions.	<ul style="list-style-type: none"> Develop new revenue sources and reduce reliance on traditional high-carbon businesses. Promote the popularization of low-carbon technologies (such as bio-based materials) to reduce carbon emissions throughout the life cycle. Enhance consumer trust and brand loyalty.
Market	With the increasing demand for a low-carbon economy in the downstream market, we can optimize the Company's strategic positioning through policy incentives, new market development or asset layout to seize the opportunity of a low-carbon economy in advance, and make full use of public sector support and regional market differences to achieve growth.	<ul style="list-style-type: none"> Accelerate the implementation of renewable energy projects. Diversify market risks (such as multi-regional layout). Enhance control over the industrial chain. Utilize green investment policies to expand international cooperation projects.
Resource Efficiency	Through technological innovation and process optimization, we can improve the efficiency of energy, water, materials and other resources, reduce operating costs and carbon emission intensity, and build a circular economy model.	<ul style="list-style-type: none"> Save operating costs (such as reducing water bills through water-saving equipment, reducing transportation costs through smart logistics, etc.). Create additional income through waste recycling. Promote the application of new technologies.

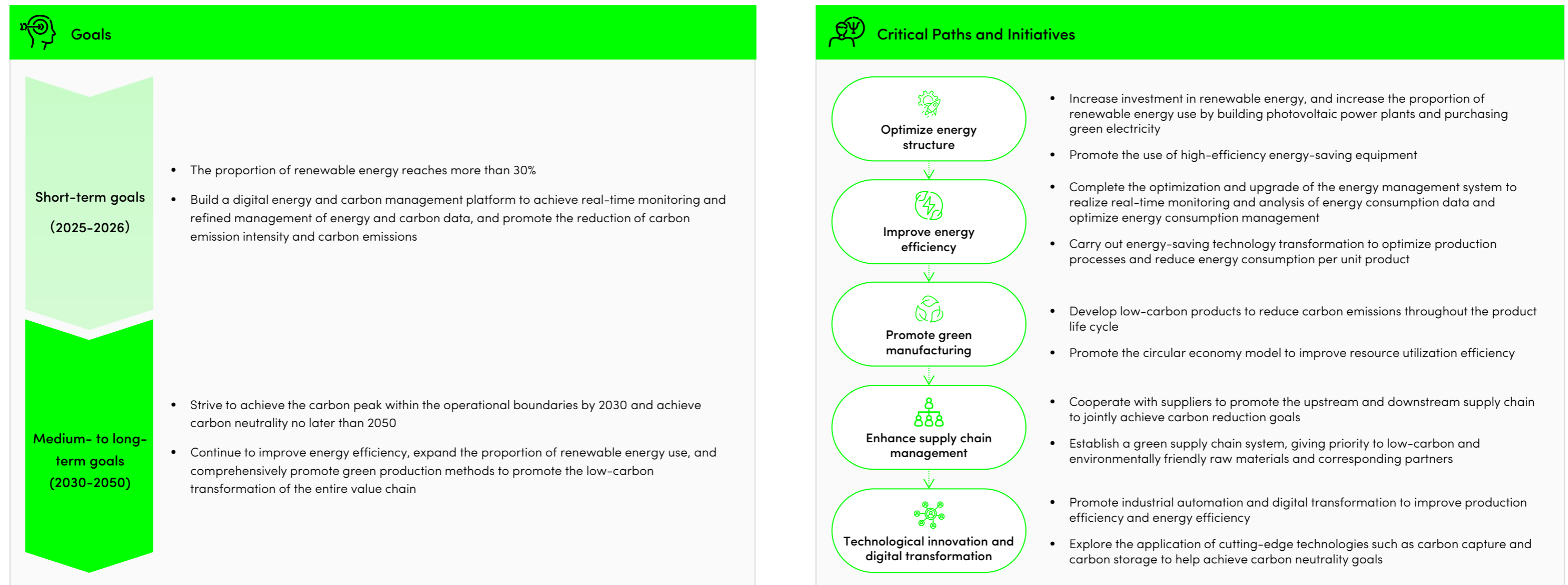
Risk Management

The Company recognizes that climate change risk is an important factor in corporate risk and has incorporated climate-related risks into the corporate risk management system for unified management. The Company identifies and monitors climate-related risks in all aspects of the Company's operations and continuously strengthens climate risk management capabilities. The Company will continue to monitor, evaluate and adjust the management system and response measures corresponding to climate risks to reduce the impact of climate risks on the Company.

Metrics and Goals

The Company adheres to the carbon reduction concept of reducing carbon emissions, improving energy efficiency and adopting sustainable production methods to set company-level emission reduction targets and implement refined carbon emission management, contributing to promoting green and low-carbon social development.

Carbon Neutrality Roadmap



Since 2017, we have been carrying out ISO 14064 carbon inventory work to understand our carbon emissions and continuously track and review the implementation and completion of the goals. This year, we have completed carbon data inventory for Weifang, Rongcheng, Dongguan and Vietnam factories, covering some Scope 3 carbon emissions, and obtained ISO 14064-1 third-party greenhouse gas verification statement.

We focus on carbon reduction work in Scope 1 and Scope 2 production links, including improving production efficiency, reducing energy consumption of production equipment, and optimizing energy structure, and continue to reduce carbon emissions at the operational level (for details, please refer to the "Energy Management" section). We also continue to improve carbon reduction awareness and management level through carbon emission verification work, employee carbon emission training and other measures, achieving initial results in achieving dual carbon goals.

In the future, we will continue to be guided by dual carbon goals, deepen green transformation, promote low-carbon development of the entire value chain, and contribute to addressing climate change and achieving sustainable development goals.

Carbon Neutrality Training

This year, the Company organized a series of carbon neutrality trainings and invited third-party professional institutions to give lectures, deeply analyzing the core concepts and practical paths of carbon neutrality from multiple dimensions such as carbon neutrality methodology and practical paths, energy-saving and carbon reduction technologies and application scenarios, dual-carbon management strategies and implementation guarantees. By combining theory with practice, we deepened employees' understanding of the core concepts of carbon neutrality, improved their green and low-carbon management capabilities and execution, laid a knowledge foundation and provided talent guarantees for achieving sustainable development.



This year

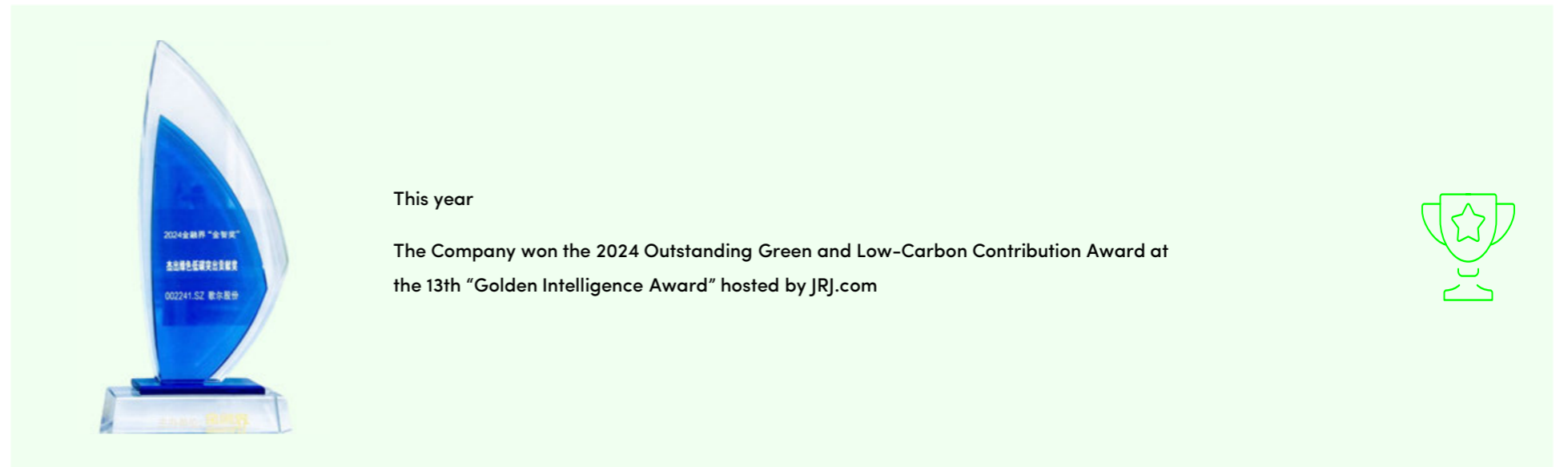
The proportion of renewable energy use reached **23.5%**

Carbon emissions within the operating boundary decreased by

26.8%, compared with 2022.



The energy management system was optimized and upgraded, and energy consumption data was monitored in real-time.



This year

The Company won the 2024 Outstanding Green and Low-Carbon Contribution Award at the 13th "Golden Intelligence Award" hosted by JRJ.com




Optimizing Use of Resource

The Company has comprehensively improved resource utilization efficiency to promote green and low-carbon development by building an efficient energy management system, promoting water conservation and recycling, and practicing the concept of circular economy.

Energy Management


The Company adheres to the energy management policy of "Compliant Energy Use, Efficient Emission Reduction, Full Participation, and Green Development", actively promotes energy-saving and consumption-reduction transformation projects, builds energy digitalization platforms, and continuously improves the use of renewable energy and energy efficiency.

The Company has built a three-level energy management structure including decision-making, planning and execution levels to integrate, standardize and guide the Company's energy management activities and promote the realization of the Company's energy management goals.




Decision-making Level

- Responsible for supervising energy management-related matters
- Review energy-related planning, monitor the implementation of annual key performance indicators, and evaluate the achievement of goals



Planning Level

- Responsible for setting energy management goals, improving energy management processes, and providing support and guidance to the executive level
- Responsible for collecting and analyzing feedback from the executive level, deeply exploring energy-saving potential, and providing solid data support for the Company's energy management planning and decision-making



Execution Level

- Each business group has an energy management team responsible for implementing specific energy-related goals and formulating phased tasks based on actual production to ensure the continuous optimization and efficient operation of the Company's overall energy management

Operation Energy Consumption Management

Based on the ISO 50001 energy management system, the Company has established two major improvement directions: "stable and efficient energy supply" and "continuous improvement of energy-saving management", and formulated management systems such as the *Energy Review Management System*, the *Green Electricity Demand Management Process*, and the *Energy-Saving Project Management Policy*, to carry out all-round management of "energy demand - energy guarantee - energy efficiency control - energy carbon evaluation", to ensure the standardization and effectiveness of energy use, improve the efficiency of energy utilization, and provide strong support for achieving sustainable development goals.

This year, the Company updated and improved the energy management standards, covering plant energy-saving design, high-efficiency power room construction, production/office energy control and other aspects, to ensure that every link from source design to production operation has rules to follow, to achieve the coordination and optimization of the entire chain of energy management, and to improve the level of refined energy management.

This year, the Company successfully passed the ISO 50001 - Energy Management System recertification audit.



Driven by the efficient energy management system, the Company actively carries out special transformation of energy conservation and emission reduction:

- According to the requirements of the *Elimination Catalogue of High-Energy Consumption and Outdated Electromechanical Equipment (Products)*, in the selection of production process systems, auxiliary production systems and ancillary production system process technologies and equipment, it is strictly prohibited to select products that are explicitly prohibited and eliminated by the state.
- According to the *Minimum allowable values of energy efficiency and values of efficiency grades for motors (GB 18613-2020)*, for small and medium-sized motors, low-voltage motors with energy efficiency not less than level 2 are selected, and newly purchased motors must use level 1 energy efficiency.
- The newly purchased chiller meets the level 1 energy efficiency standard, and the newly built refrigeration room must be equipped with a magnetic levitation chiller according to the standard.

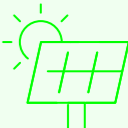
This year,

80 energy-saving projects were implemented, covering five major systems: lighting/motor/air compression/HVAC/production process

with a total investment of more than RMB **20** million

Annual energy saving: **3,931** tons of standard coal

Annual emission reduction: **17,422** tons of carbon dioxide equivalent



Energy-Saving Technological Transformation Results

Number	Category	Number of projects	Annual energy saving/Ton of standard coal	Annual carbon reduction/Ton of CO2 equivalent
1	Lighting	14	3.4	15.4
2	Motor	21	529.3	2,369.3
3	Air Compression	21	1,269.2	5,266.7
4	HVAC	9	429.4	1,919.9
5	Production Process	15	1,699.7	7,850.9

Special Topic | Digital Intelligent Control Improves Energy Utilization Efficiency

This year, Goertek Inc. actively carried out several digital control projects through technology upgrades, equipment transformation and intelligent control applications, effectively reducing the loss in the energy production and transmission process, and implemented a dynamic on-demand energy supply strategy based on the actual operation of the equipment to effectively improve energy utilization efficiency.

The energy-saving results achieved by the Company through various digital control projects are as follows:

Energy Supply	<ul style="list-style-type: none"> Vietnam Factory high-efficiency refrigeration room: The project design combines high-efficiency equipment, low-resistance pipelines and intelligent control technology. The refrigeration room's year-round energy efficiency ratio far exceeds the leading standard Vietnam Factory first-level compressed air station: The project adopts the concept of a high-efficiency air compressor room for design and construction, and the compressed air station reaches the first-level energy efficiency level Weifang Factory refrigeration room automatic control system upgrade: According to the energy efficiency monitoring and classification standards of high-efficiency air conditioning refrigeration room system, the refrigeration room is upgraded and renovated intelligently. After completion, the refrigeration room reaches the first-level energy efficiency level
Energy Demand	<ul style="list-style-type: none"> Energy consumption reaches "zero" and the production line automatically cuts off power and gas: by intelligently identifying the status of the production line, it automatically delays the shutdown after the standby state continues for a period of time, and accordingly reduces or closes the air pressure of the line to achieve the dual benefits of saving electricity and gas. Big data automatic adjustment of combined air conditioners: Based on the data collected by the sensor, combined with the preset temperature and humidity values and real-time conditions on site, precise regulation can ensure that the temperature and humidity of the workshop are constant within the set range while ensuring maximum energy utilization efficiency. Air-cooling unit & natural cooling intelligent switching: During winter cooling, intelligent switching technology is used to realize automatic switching between air-cooling modules and natural cooling, solving the problem of untimely manual switching and excessive waste of energy.
Continue to build an energy and carbon digital system to promote efficient use of energy	<ul style="list-style-type: none"> This year, the Company continued to promote the construction of the energy management system. By the end of 2024, the Company has completed the construction of five factories in Weifang, Qingdao, Rongcheng, Dongguan and Vietnam, covering a total of 46 energy subsystems and connecting more than 12,000 energy metering instruments. The Company plans to build a Company-level energy-carbon digital management system in 2025, realizing multiple functions such as energy cockpit, energy efficiency management, energy-saving project management and carbon emission management, promoting efficient use of energy and cost control, and promoting the Company's low-carbon development.



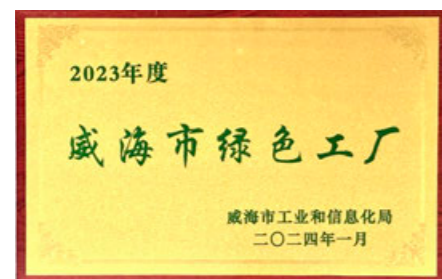
Awarded by China Business Journal "2024 Outstanding Performance Enterprise in Energy Digital and Intelligent Transformation"



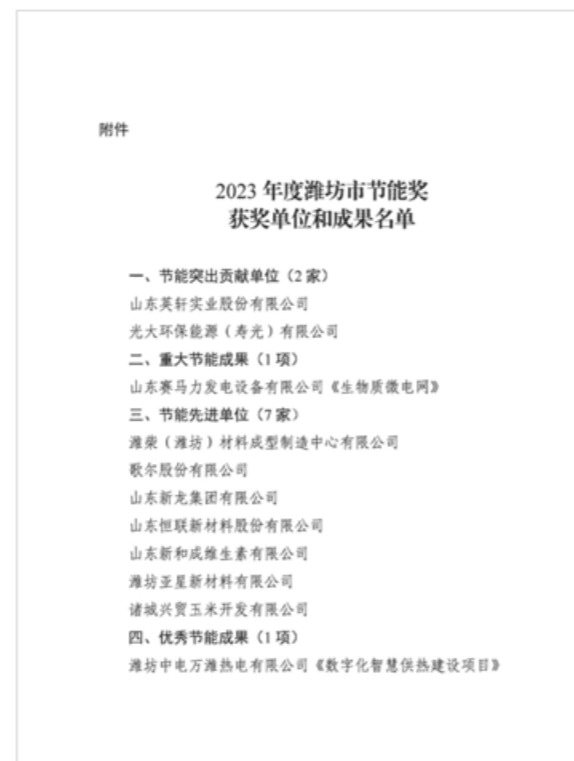
The high-efficiency refrigeration machine room of Goertek Electroacoustic Park Phase I won the third prize in the second "Master Cup" high-energy-efficiency air-conditioning system engineering competition



Weifang Goertek Electronics Co., Ltd passed the Shandong Province's "Provincial Green Factory" Certification



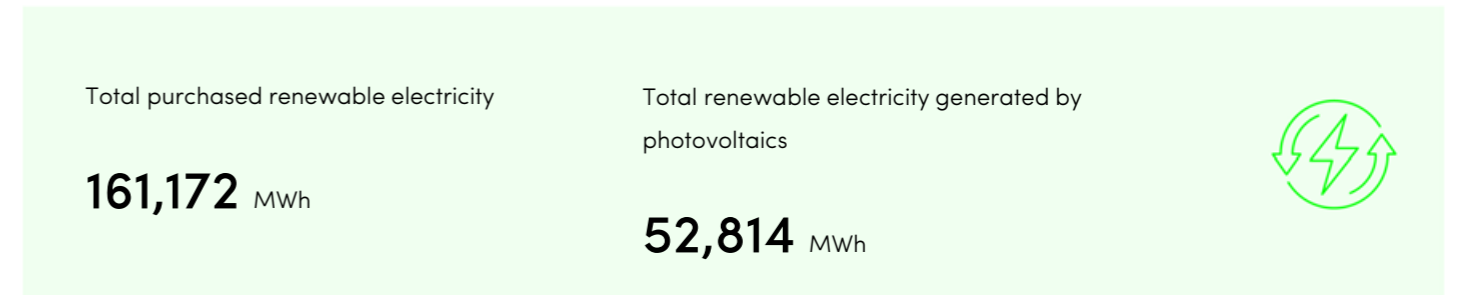
Weihai Rongcheng Factory was awarded the honorary title of "Weihai Green Factory" in 2023



Weifang Factory won the honorary title of "Advanced Energy Saving Unit" of Weifang City in 2023

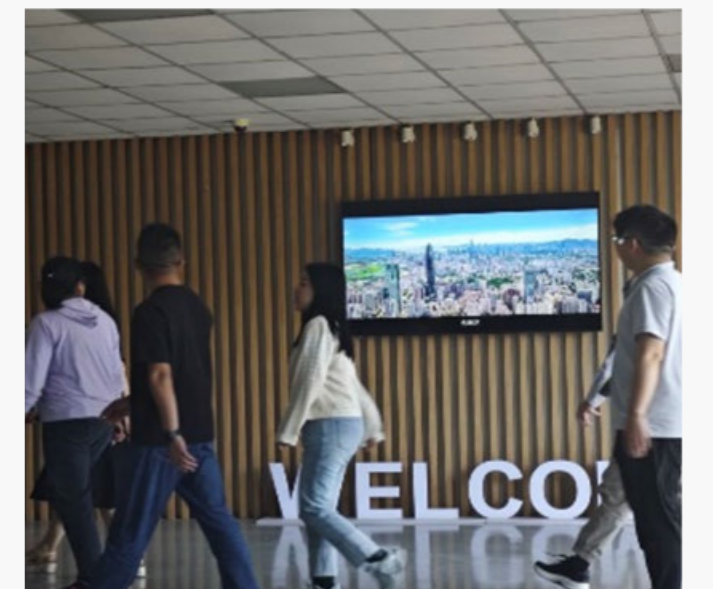
Renewable Energy Use

The Company is committed to promoting the application and management of renewable energy in operations, continuously increasing investment in renewable energy facilities in various factories, and actively participating in green electricity market transactions. The Company also fully utilized the roof space of the park to successfully build a solar photovoltaic power station with a total installed capacity of 51.3 megawatts, and plans to further expand the scale of photovoltaic power generation to continuously optimize the energy structure and improve the utilization rate of renewable energy.



Carry out special activities for Energy Saving Publicity Week and National Low Carbon Day

In May 2024, the Company focused on the theme of "green transformation and energy conservation" and held an Energy Saving Publicity Week and a National Low Carbon Day special event, covering more than 3,000 employees. Through in-depth work site exploration of energy-saving potential, the Company integrated green and low-carbon concepts into daily work practices to ensure that energy management work was implemented, effectively promoting the steady progress of the Company's energy conservation and consumption reduction work.



Water Resource Management

The Company attaches great importance to water resource management, strictly abides by the *Water Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China* and other laws and regulations, and formulates internal water resource management systems and water resource management goals, and promotes water resource management construction by standardizing equipment water use and domestic water use.

This year, the Company actively carried out relevant work based on water-saving planning and water resources management goals, and continued to promote water-saving culture and improve water resource utilization efficiency through measures such as gradually replacing high-water-consuming facilities, upgrading power water management, reusing reclaimed water, and strengthening water-saving awareness training.

Water Resource Management Goals

Water resources management system establishment

- Establish a sound water resources management system. The Weifang Factory plans to obtain AWS (Alliance for Water Stewardship) water resources certification in 2025.

Water resource efficiency improvements

- Improve water use efficiency by optimizing production processes, equipment modification, water balance testing, etc.

Water resources monitoring analysis

- Establish a monitoring system for water consumption and wastewater discharge, and conduct regular data analysis and reporting

Increasing water conservation awareness

- Regularly carry out water-saving publicity and training activities to increase water-saving awareness and participation of all employees

Key water equipment control

- Monitored the water usage trends of key water equipment by installing additional metering instruments
- Upgraded power water management to increase water concentration and reduce wastewater discharge and new water consumption

Domestic water control

- Gradually replaced old and high water-consuming facilities with new water-saving appliances, such as water-saving toilets, water-saving faucets, automatic sensor flushing devices, etc.
- Established a reclaimed water treatment station to treat domestic sewage and reuse it for greening irrigation and toilet flushing. The water reuse volume in 2024 was 164,000 tons.

Water saving campaign

- On the occasion of the 32nd "World Water Day" and the 37th "China Water Week", the Company actively carried out a series of water-saving publicity activities, distributing learning materials, organizing the viewing of water-saving videos and other activities, showing typical examples and valuable experiences of water conservation, and enhancing employees' awareness of water conservation, water love, water cherishment and water protection.
- In May 2024, the Weifang Water Conservation Management Office and eight mainstream media went deep into the Company to promote water conservation work and filmed promotional videos for our outstanding water conservation cases.

Water balance test

- Water balance tests were conducted in key water-using plants, and the test results showed that the comprehensive utilization rate of water resources in the plants was high. Meanwhile, as a key water-using enterprise, the Company participated in the exchange training and summary meeting of the water balance test project for key water users organized by the government, and through the sharing of water-saving technologies and recycling experience among enterprises, we stimulated innovation, promoted the overall improvement of the industry, and promoted the efficient use of water resources and sustainable development.

AWS Standard certification

- To achieve efficient and sustainable water resource management, the AWS Standard certification of Weifang Factory was officially launched this year, demonstrating the Company's commitment and actions in water resource management. The certification is planned to be completed in 2025.

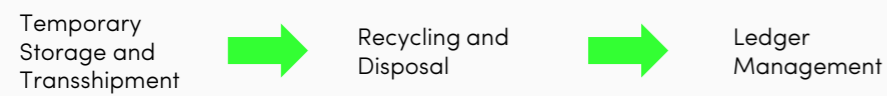
Circular Economy

The Company practices the concept of circular economy, continues to pay attention to the compliance of waste treatment and develop the circular economy, as well as green and low-carbon products and services that meet market demand, to reduce the impact of waste landfills on the environment.

Waste Management

The Company is committed to reducing waste generation from the source, continuously promoting the comprehensive management of waste harmless, resource utilization and reduction, promoting circular economy and green development, strictly following the requirements of laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *Administrative Measures for the Prevention and Control of Environmental Pollution by Electronic Waste*, and the *Administrative Measures for Hazardous Waste Transfer*, has established a management system with the *Waste Management Process* as the core. This year, with the support of the information system, the Company has improved the recycling mechanism through the informatization of the entire process of waste storage, classified storage and treatment, ensuring 100% compliance in waste disposal.

Non-hazardous Waste Disposal Process



Hazardous Waste Disposal Process



Waste Recycling

The Company actively practices the concept of circular economy, through innovative green design, selection of environmentally friendly materials and creation of a closed-loop resource system, and comprehensively promotes the efficient utilization and recycling of materials to build a more resilient circular economy system.

Develop Green Design

- Established a supplier removable packaging development project to reduce damage to packaging materials

Select Environmental Friendly Material

- Prioritize the use of renewable, degradable or low-carbon footprint raw materials to reduce negative impact on the environment
- Promote suppliers to use environmentally friendly materials to ensure resource consumption is reduced from the source

Create a Resource Closed-Loop System

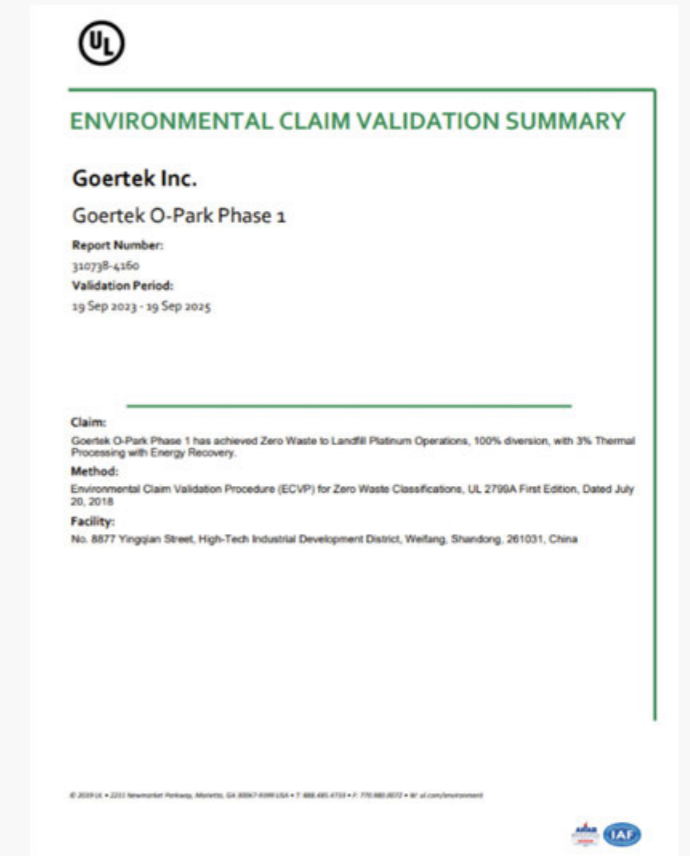
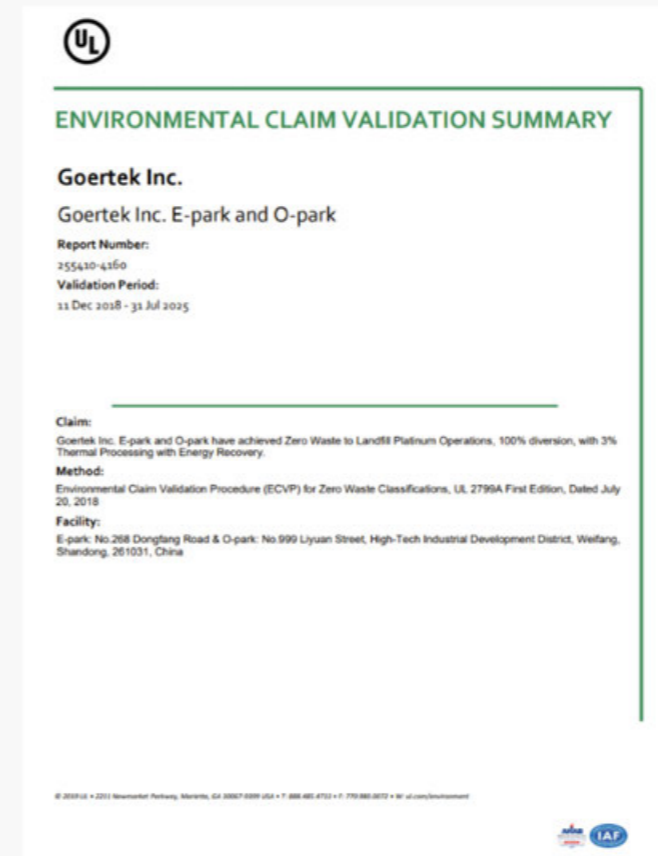
- Promote the recycling and reuse of plastics and other materials as well as suppliers' complete packaging, including corrugated boxes, covers, wooden pallets, etc.
- Work with consumable suppliers to use recycling technology to replace or reprocess the raw and auxiliary materials used in some molds to reduce the waste of resources caused by new purchases



Launch zero-landfill projects to expand waste recycling

This year, the Company actively explored ways to recycle waste and continued to promote the zero-waste landfill project. Through measures such as 100% reuse of workpiece trays and transferring waste to qualified professional processing units, the Company ensured that waste was effectively managed and reduced waste generation from the source.

By the end of 2024, the Company had obtained 5 "zero landfill" platinum certifications, covering a production area of 1.2583 million square meters, a year-on-year increase of 5.5%. The Company plans to continue to carry out platinum-level zero landfill certification in 2025 to achieve a 100% waste conversion rate for factories that have obtained zero landfill certification. In the future, the Company will continue to reduce the incineration and landfill of waste, increase the reuse rate of waste, and promote resource recycling.



Zero Waste to Landfill Certification

Protecting Ecological Environment

The Company implements the management guideline of “Compliance with Laws and Regulations, Pollution Prevention, Health and Safety Protection, full participation, promotion of sustainable development”, and continues to optimize the environmental management structure and improve internal management policies and processes to the effective control of environmental risks. The Company has prepared an emergency plan for sudden environmental incidents and filed it under the requirements of the local environmental protection department. We regularly conduct environmental risk identification and assessment, covering production processes, equipment operation, raw material use and other links. By introducing cutting-edge environmental protection technologies and equipment and other measures, the environmental risks brought by pollutant emissions are effectively reduced. This year, the Company did not have any major environmental incidents or receive any major administrative penalties from relevant departments such as the ecological environment.

As of the end of 2024, the Weifang, Rongcheng, Dongguan, and Vietnam factories have obtained ISO 14001 environmental management system certification.

Pollutant Emissions

The Company always maintains a high sense of social responsibility and environmental awareness in wastewater and waste gas management, ensuring that all emissions are legal and compliant, and reducing pollutant emissions by upgrading wastewater and waste gas treatment facilities, strengthening equipment inspections, and adopting low VOCs (Volatile Organic Compounds) content substitutes.

Wastewater Discharge

The Company strictly abides by the *Water Pollution Prevention and Control Law of the People's Republic of China* and other laws and regulations, by formulating a wastewater management system, standardizing the discharge standards, testing frequency and other requirements of wastewater pollutants and the treatment process to ensure that wastewater pollutants meet the discharge standards and reduce the impact on the environment. The Company's production process does not use large-scale industrial water. The main water resource consumption comes from domestic water, and it does not harm the waters in the surrounding environment.

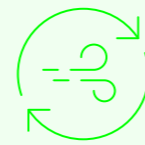
Wastewater Type	Pollutant Components	Disposal Methods
Domestic wastewater	COD, BOD, SS, ammonia nitrogen, animal and plant oils, total nitrogen, total phosphorus, etc.	The Company discharges the wastewater into the urban sewage network after stable treatment in septic tanks and grease traps. To ensure the stable operation of the facilities, the Company has established an inspection mechanism and commissioned qualified third-party professional organizations to conduct regular inspections and maintenance.
Industrial wastewater	BOD, COD, SS, petroleum, ammonia nitrogen, etc. contained in electroplating wastewater and dicing wastewater	The Company treats the wastewater at the sewage treatment plant and discharges it into the urban sewage network after it meets the standards. The Company has set up online monitoring devices to monitor the status of industrial wastewater in real-time.

Waste Gas Emissions

The Company strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, *Comprehensive Emission Standards of Regional Air Pollutants in Shandong Province* and other laws and regulations applicable to the location of its operations. We also strictly enforce the *Integrated Emission Standard of Air Pollutants (GB 16297-1996)*, *Technical Specifications for Monitoring Site Setting of Waste Gas from Stationary Pollution Sources (DB37/T3535-2019)* and other standards for the waste gas management.

Waste gas management goals:

The Company gradually reduces the emission concentration of VOCs, particulate matter, tin and its compounds to **5%** below the limit by 2030.

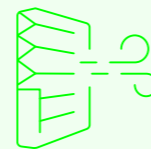


The Company uses high-efficiency treatment processes such as double-stage activated carbon adsorption technology, RTO (Regenerative Thermal Oxidizer) and RCO (Regenerative Catalytic Oxidizer) to treat waste gas emissions such as VOCs, particulate matter, tin and its compounds generated in the production process, focusing on solving the problem of the source of waste gas emissions.

This year,

the Company's waste gas emissions reached **635,000** cubic meters, and

all types of pollutants were **100%** compliant.



Waste Gas Compliance Emissions

Before the operation period, the Company strictly implements the national environmental protection "three simultaneous" system for new construction, reconstruction and expansion projects to ensure that pollution prevention and control facilities were designed, constructed and put into use simultaneously with the main project.

During the operation period, the Company regularly tests and continuously monitors waste gas emissions to ensure that the emission of all air pollutants complies with relevant legal provisions.

The Company has launched a clean air project to systematically identify VOCs emission reduction opportunities through on-site process operation identification, raw and auxiliary material sorting, and pollution source investigation. The Company has upgraded the VOCs treatment facilities and fully adopted low-VOCs substitutes to achieve VOCs emission reduction. In the future, the Company will continue to optimize process flows and environmental protection facilities to further reduce VOCs emissions.



Biodiversity

The Company conducts regular ecological assessments on all new projects to ensure that development activities do not infringe on ecologically sensitive areas. Around the factory, the Company plants native tree species to create a habitat for wild animals and plants. In the office area, the Company's plant walls and roof gardens provide a haven for birds and insects, helping to balance the ecosystem. At the supply chain level, the Company emphasizes sustainability, works with suppliers to comply with environmental regulations, promotes the use of environmentally friendly materials and technologies, and leads the supply chain to green transformation.



Carry out green actions and build an eco-homeland

On March 12, 2024, the Company held an Arbor Day event with the theme of "Participate in green actions and build a better home together", which helped build biodiversity and promoted green ecology and sustainable development.



Chemicals Management

The Company is committed to designing and manufacturing healthy and safe products. In all aspects of the chemical life cycle, we strictly abide by the relevant laws and regulations of the international and operating locations, meet the requirements of customers for restricted substances, conduct testing on chemicals used in all products, and manage chemicals with high standards, in order to reduce, control and avoid the impact of harmful substances on employee health and the environment.

The Company strictly abides by the *Regulations of the People's Republic of China on the Administration of Controlled Chemicals*, the *Catalogue of Hazardous Chemicals*, the *Regulations on the Safety Management of Hazardous Chemicals*, the *Regulation on the Administration of Precursor Chemicals*, and the *Measures for the Administration of Hazardous Chemicals Registration* and other laws and regulations applicable to the operating location, organizes an internal professional compliance team to continuously track and identify its revisions, formulates process documents such as the Chemical Management System, standardizes the management of chemical import, procurement, handling, use, storage, and waste, and ensures the compliance and safety of chemical use.

The company continues to pay high attention to restricted substances in chemicals used in manufacturing processes, sorts out customer requirements and compiles *Restricted Substances and Requirements for Customer Process Chemicals*, and combines the requirements of RBA (Responsible Business Alliance) to identify and control restricted substances during the chemical import stage. This year, the Company did not have any chemical-related safety accidents.

The Company systematically manages each process of chemical management and focuses on the following aspects:

Storage

■ System Monitoring:

- Set up a chemical storage management system to monitor the inbound and outbound chemicals and the storage capacity of the warehouse in real time
- When the chemical storage capacity exceeds the default value, the system automatically issues an alert

■ Environmental Detection:

- Equip combustible gas and toxic and harmful gas alarms in chemical storage areas to monitor the concentration of toxic substances in the environment in real time
- Prevent potential harm to employees' health caused by chemicals through alarm monitoring

■ Classified Storage:

- Chemicals are stored in different areas according to their hazardous properties.
- For flammable and explosive chemicals, explosion-proof storage areas are set up, and door interlocks, static elimination devices and combustible gas detectors are configured.
- The combustible gas detector is linked to the automatic fire alarm system to monitor the storage of chemicals in real time and promptly identify and handle safety hazards.
- When storing liquid chemicals, secondary anti-leakage trays are equipped to prevent environmental pollution or safety accidents caused by chemical leakage.

Application

■ System Supervision:

- Establish the *Chemical Receipt and Disposal Registration System* to supervise the use of chemicals
- Set SOP (Standard Operating Procedure) for chemical use to standardize operations

■ Training and Protection:

- Conduct special training on chemicals every quarter, covering all chemical operators to improve safety awareness and operational skills
- Require strict compliance with SOPs during the use of chemicals, including operators wearing gas masks, corrosion-resistant gloves and other labor protection supplies to ensure personal safety

■ Supervision and Inspection:

- Closely monitor the use of chemicals in each factory to ensure compliance and safety of chemical use
- Regularly conduct safety inspections and control of potential hazards related to chemicals, and sets deadlines for corrections of non-conformities
- Verify the completion of rectifications due to expiration to ensure that rectification measures are implemented in place and safety hazards are eliminated

In addition, the Company has established process documents such as the *Emergency Management System*, *Chemical Leakage Emergency Plan*, and *Chemical Leakage Site Response Plan*, which clarify the handling process and measures for chemical leakage and emergencies. An emergency response and rescue team has been established to quickly respond to emergencies and take effective measures to minimize risks and losses. At the same time, the Company has formulated an annual emergency drill plan and carried out normalized emergency drills. Each emergency response and rescue team organizes at least two chemical leakage simulation emergency drills per year to improve accident response capability.

Hazardous Substance Management

The Company strictly manages hazardous substances and complies with relevant domestic and international laws and regulations on hazardous substances and chemicals in electronic and electrical products and sets standards for the management of customers' restricted substances and hazardous substances. We have established management rules such as the *Goertek Restricted Substances Specification*, the *Goertek Green Product Marking Specification*, the *Hazardous Substance Process Management Specification for Suppliers*, the *Incoming Environmental Testing Monitoring Operation Manual*, the *Process Environmental Testing Monitoring Operation Manual*, and the *Shipping Environmental Testing Monitoring Operation Manual*. We conduct hazardous substance testing and monitoring on all components, raw materials, auxiliary materials, packaging materials and finished products used in the production process.

The Company's restricted substances mainly include carcinogens, mutagenic and reproductive toxic substances and other substances that cause serious harm or impact on human health and the environment, as well as substances regulated by laws and regulations. The Company gives priority to the management of highly toxic substances (such as SVHCs substances of high concern, CMR carcinogenic, mutagenic and reproductive toxic substances, and PAHs polycyclic aromatic hydrocarbons) according to their harmfulness, and takes corresponding measures to ensure the safety of employees and prevent work-related diseases.

▶ Design

- In accordance with laws, regulations and client requirements, the Company integrates green and environmental protection concepts into product design, does not use hazardous substances prohibited by laws and regulations, and reduces the generation of pollutants to reduce the impact on the environment and health.

▶ Manufacture

- The Company's chemical laboratory has passed the ISO/IEC 17025 Laboratory Accreditation. Before the materials enter the warehouse, they must be tested under the *Incoming Environmental Testing Monitoring Operation Manual*
- Entrust a third-party professional organization to conduct an independent assessment of our hazardous substances to ensure that they meet internal standards and regulatory requirements

▶ Procurement

- The Company investigates suppliers' hazardous substance management capability and conducts on-site audits. Once the suppliers meet Goertek's baseline on green products and sign the agreement, the suppliers should be qualified and enter Goertek's supplier chain.
- Suppliers must provide third-party environmental testing reports such as RoHS, halogen, organotin, PAHs, VOCs, MSDS (Material Safety Data Sheet) and evidential technical information to confirm that their materials meet the Company's hazardous substance restriction standards. If the requirements are not met, the material cannot be imported.

▶ Non-conformity Control

- Comprehensive processes and rules are in place for handling non-conforming products, including the *Operation Manual for Handling Environmentally Abnormalities and Non-conformities*, which stipulates the details of the handling process such as environmental abnormality and non-conformity scenarios and definitions, isolation of environmentally non-conforming materials, root cause analysis and corrective actions of abnormality, disposal of environmentally non-conforming materials, and supplier penalties.
- Since the establishment of the Company, there has been no accident involving hazardous substances exceeding the standard.

The Company's smart wearables, virtual/augmented reality, smart wireless headphones and other products all cooperate with customers to complete the verification of non-mandatory standards such as no specific hazardous substances, wearing safety, and biocompatibility.

By the end of 2024, the factories in Weifang, Qingdao, Rongcheng, Dongguan, and Vietnam have achieved 100% coverage of IECQ QC 080000 Hazardous Substance Process Management System Certification. Meanwhile, the factories in Weifang, Rongcheng, and Vietnam have all passed the Green Partner Certification for specific clients.

Hazardous Substance Management Standards

The Company's internal hazardous substance management standards cover the requirements of laws and regulations and are stricter than regulatory requirements, including RoHS, halogen, REACH, CP65, POPs, battery directive, packaging directive, VOCs, etc. The restricted substances controlled in the standards are divided into prohibited substances and reportable substances. In response to updated laws and regulations, the Company identifies and takes stricter control measures in advance. Regarding RoHS exemption 6(c), we have reached a consensus with some clients to ban the use of lead-containing copper alloys in watches, bracelets, headphones and other products in advance to ensure that the products meet higher environmental standards.

The Company has identified and strictly complied with relevant laws, regulations, standards, and requirements related to hazardous substances, including:

<p>China</p>	<ul style="list-style-type: none"> • <i>Administrative Measures on the Restriction of the Use of Hazardous Substances in Electrical and Electronic Products</i> • <i>Limit of Harmful Substances of Industrial Protective Coatings</i> (GB 30981-2020) • <i>Limit of Volatile Organic Compounds Content In Adhesive</i> (GB 33372-2020) • <i>Limits for Volatile Organic Compounds Content in Cleaning Agents</i> (GB 38508-2020) • <i>Limits of Volatile Organic Compounds (VOCs) in Printing Ink</i> (GB 38507-2020) 	<p>North America</p>	<ul style="list-style-type: none"> • <i>Consumer Product Safety Improvement Act (CPSIA)</i> • <i>Safe Drinking Water and Toxic Enforcement Act</i> (1986) • <i>Canadian Environmental Protection Act (CEPA)</i> (1999) • <i>Toxic Substances Control Act (TSCA)</i> (2016) • <i>Toxics in Packaging Clearhouse (TPCH) Model Legislation</i> (2021) • <i>Washington State Children's Safety Products Act (CSPA)</i>
<p>EU</p>	<ul style="list-style-type: none"> • <i>Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment</i> (2011/65/EU) • <i>Directive on Waste Electrical and Electronic Equipment (WEEE)</i> (2012/19/EU) • <i>Amending Directive 94/62/EC on Packaging and Packaging Waste</i> (2018/852/EU) • <i>Regulation Concerning Batteries and Waste Batteries</i> ((EU)2023/1542) • <i>EU - Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)</i> ((EC) No 1907/2006) • <i>EU - Regulation on Persistent Organic Pollutants (POPs)</i> (2019/1021/EU) • <i>French AGEC Law - Law Regarding a Circular Economy and the Fight Against Waste</i> (No.2020-105) • <i>Swedish Chemical Tax Act on Electrical and Electronic Products</i> (2016:1067) • <i>EC Regulation on Substances that Deplete the Ozone Layer</i> (2037/2000/EC) • <i>EU Biocidal Products Regulation</i> (EU No.528/2012) • <i>EU Timber Regulation</i> (No.995/2010) 	<p>Japan</p>	<ul style="list-style-type: none"> • <i>Chemical Substances Control Law</i> • <i>Japan Printed Circuit Association - Limitation of Chlorine and Bromine Content in Printed Circuit Boards (PCBs)</i> (JPCA-ES-01-1999)
<p>Norway</p>	<ul style="list-style-type: none"> • <i>Prohibition of Certain Hazardous Substances in Consumer Products (PoHS)</i> (2021) 	<p>Others</p>	<ul style="list-style-type: none"> • <i>International Electrotechnical Commission - Limitation of Halogen Content in Materials for Printed Boards and Other Interconnecting Structures</i> (IEC 61249-2-21) • <i>Material Declaration for Products of and for the Electrotechnical Industry</i> (IEC 62474-2018) • <i>Montreal Protocol on Substances that Deplete the Ozone Layer</i> • <i>Global Automotive Declarable Substance List (GADSL)</i> • <i>Stockholm Convention</i>

The Company has established a complete hazardous substance management system and takes the following measures to ensure that the use of chemicals complies with legal and regulatory requirements and minimize potential risks.

Hazardous Substance Declaration and Review

01

The Company has established a hazardous substance declaration system to review all chemicals to ensure that their use does not conflict with applicable laws and regulations. Before chemicals enter and are used, the system verifies whether they are included in the list of banned substances and develops corresponding alternatives, mitigation plans and protective measures.

02

Procurement Front-End Control

All products entering the Company are required to submit hazardous substance declarations, test reports and ingredient information. Before purchasing, the Company strictly reviews relevant materials, and only products that meet regulatory requirements can be put into production, eliminating the purchase of hazardous substances from the source.

Product Database and Compliance Management

03

All products manufactured by the Company are databased in the system to achieve full life cycle management. When laws and regulations are updated, the system can quickly identify the compliance of existing products to ensure that existing and new products continue to meet the latest regulatory requirements.

Elimination and Reduction of Hazardous Substances

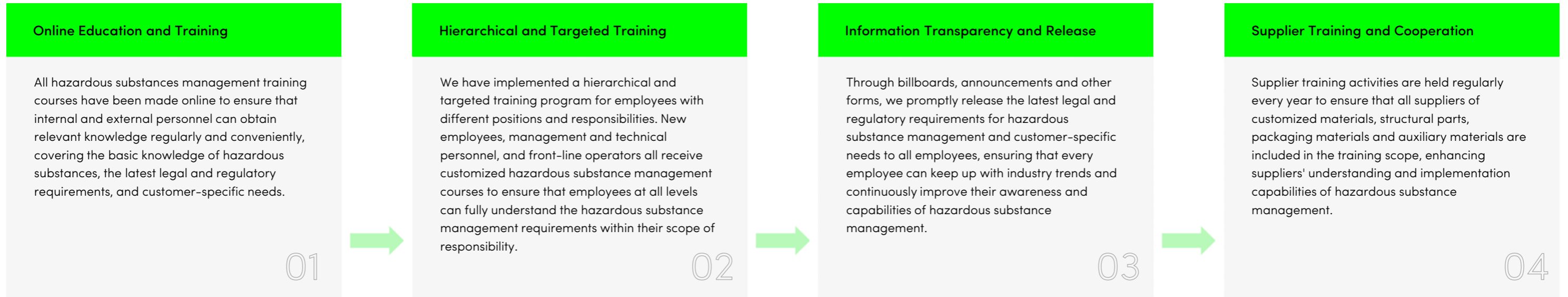
As the global requirements for product safety and environmental protection continue to increase, in order to ensure that the Company's products comply with the regulatory requirements of major markets such as the European Union, the United States, Canada, China, South Korea, and Japan, and to enhance the market competitiveness and brand image of the company's products, we continue to pay attention to the updates of laws and regulations on hazardous substances and customer requirements. 100% of the chemicals used have been identified, and based on laws and regulations as the bottom line and in combination with clients' hazardous substance requirements, we independently restrict, reduce and replace hazardous substances, and formulate reduction and elimination plans for chemicals that do not meet control requirements.

The Company seeks environmentally friendly alternative materials, deploys hazardous substance reduction plans in advance, and continues to promote the implementation of phase-out plans to systematically carry out hazardous substance management and control work.

Chemical Substance	Hazardous Attributes	Effective Date
MOAH	Carcinogenic risk, genotoxicity, organ damage	March 1, 2024
MOSH	Bioaccumulation, metabolism, and toxicity	March 1, 2024
2-(2H-benzotriazol-2-yl)-4,6-ditertpentylphenol	Damage to organs, eye, respiratory and skin irritation, environmental hazards	January 27, 2025
Phenyl mercuric acetate	Lipophilic toxicants that mainly invade the nervous system	January 27, 2025
(neodecanoato-O)phenylmercury	Acute toxicants, organ damage, environmental hazards	January 27, 2025
Per- and Polyfluoroalkyl Substances	Carcinogenic risk, endocrine disruption, liver damage, immune system damage	March 1, 2025
Dechloran(DP)	Liver, pulmonary and reproductive toxicity, potential neurotoxicity and endocrine disruption	March 1, 2024
F、Cl、Br、I and its compounds	Substances containing halogen elements will generate harmful gases when burned, causing harm to the human body.	March 1, 2024

Increasing Awareness of Hazardous Substance Management

The Company attaches great importance to the management of hazardous substances and is committed to comprehensively improving the awareness level of employees at all levels of the Company and supply chain partners, and enhancing the management awareness of all employees and the supply chain.



Clean Technology Exploration

In the context of global green transformation, the Company closely follows the international clean technology concept and integrates the national policy "green and low-carbon development" task to optimize production processes, reduce energy consumption and greenhouse gas emissions, and accelerate the green and low-carbon transformation of enterprises. Meanwhile, the Company strengthens collaborative innovation with domestic and overseas partners to promote the application of clean technology in the industry, reduces greenhouse gas emissions in the manufacturing process of electronic components to further reduce the carbon footprint in global operations and value chains, and creates more high-quality sustainable products for the whole society.

The Company has always paid great attention to the research, development and application of clean technology, and continues to promote the research and practice of clean technology in the entire process of product development, procurement, manufacturing, and quality, in order to reduce energy consumption during the product life cycle, as well as greenhouse gas emissions, improve the environmental performance of products, and minimize negative impacts on the environment.

R&D Innovation Driven

Adhering to the principles of sustainable and ecological design, we optimize material selection and product design to improve product sustainability. We promote the use of recycled materials and design products that are easy to disassemble to minimize the environmental impact of the products' entire life cycle.

- For details, please refer to the chapter "Leading scientific and technological innovation"

Procurement Green Supply Chain

We strictly follow green supply chain management, select more environmentally friendly and safer materials, and continue to improve products' environmental standards. We work closely with suppliers to promote higher environmental standards throughout the supply chain.

- For details, please refer to the chapter "Green Supply Chain"

Manufacture Low-Carbon Technology

We develop and apply green production processes to promote the transformation of the manufacturing process towards cleanliness, automation, and intelligence. We invest in clean energy, advanced production equipment and technology to reduce resource consumption and waste generation, improving production efficiency and product quality.

- For details, please refer to the chapter "Optimizing Use of Resource"

Quality Environment Monitoring

Based on the chemical laboratory accredited by ISO/IEC 17025 and the self-developed SRM environmental collaboration system, we monitor the environmental performance of green materials, components, and final products in real time to ensure that products comply with environmental regulations and clients' clean and low-carbon needs.

- For details, please refer to the chapter "Quality First"



Clean Technology Practices and Achievements


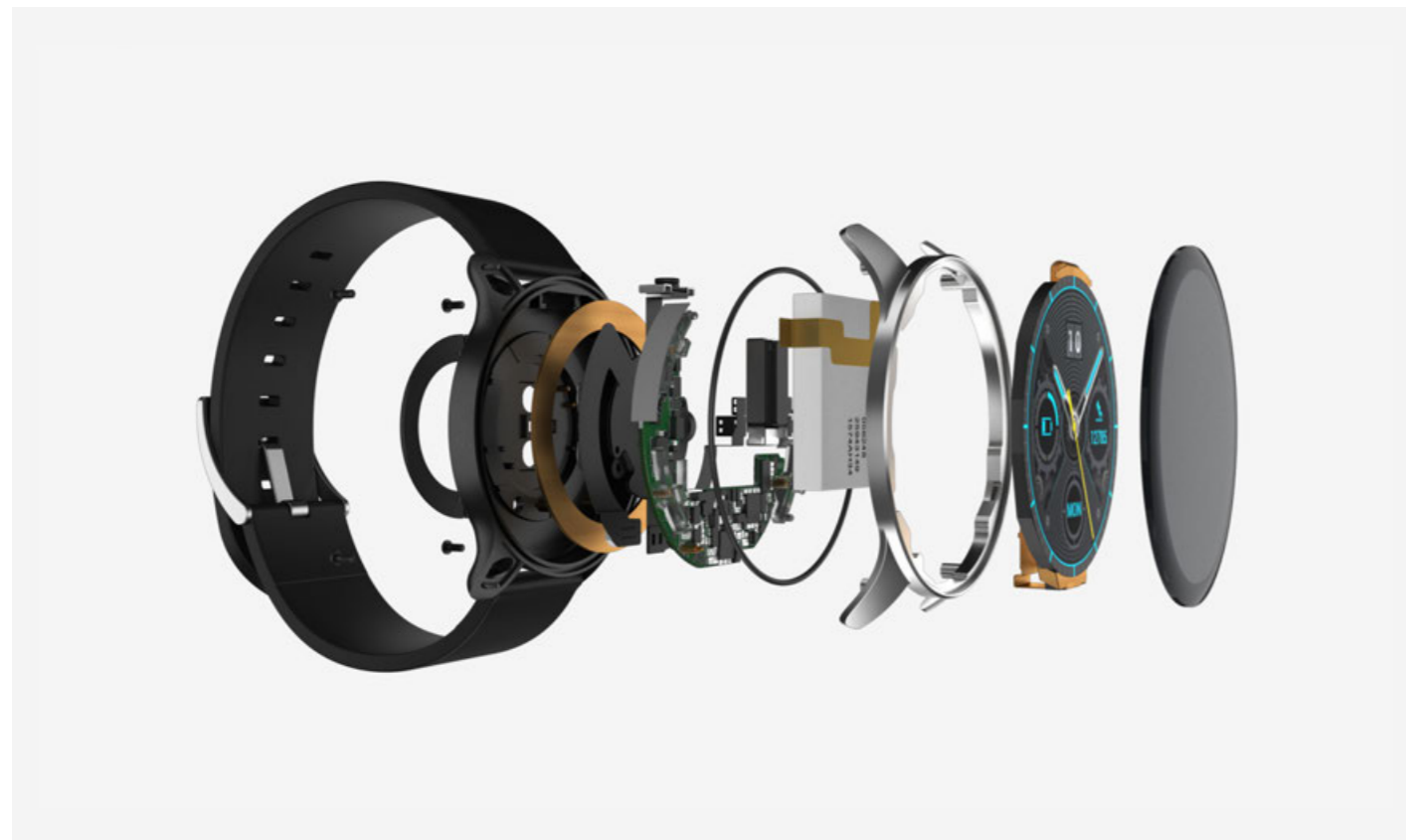
The Company adheres to customer-oriented values, continues to provide green and low-carbon products and solutions to make breakthroughs in the fields of clean energy use, energy-saving and low-carbon technology development, recycled material application and product lightweighting, and broadens the field of clean technology research and development to explore potential market opportunities.

Clean Technology Category	Practice Description
Plastic Packaging Reduction	The plastic reduction ratio of packaging materials for some parts and complete products reached 35.7%, reducing the use of plastics.
Renewable Resource Technology	A project uses PCR (post-consumer recycled) materials in four colors: black, white, blue and purple. The weight of structural materials PCR accounts for 50%
Low-Carbon Product Design	A product shares similar materials or supplier standard materials, reducing new mold openings and fixtures as well as resource consumption.
Raw Material Recycling	We encouraged customers to use raw materials containing recycled aluminum, switching from 6/7 series aluminum alloys to K series. After product iterations, 20%-30% recycled aluminum is used, saving more than 90% of resources.

This year

Obtained **52** patents related to clean technology

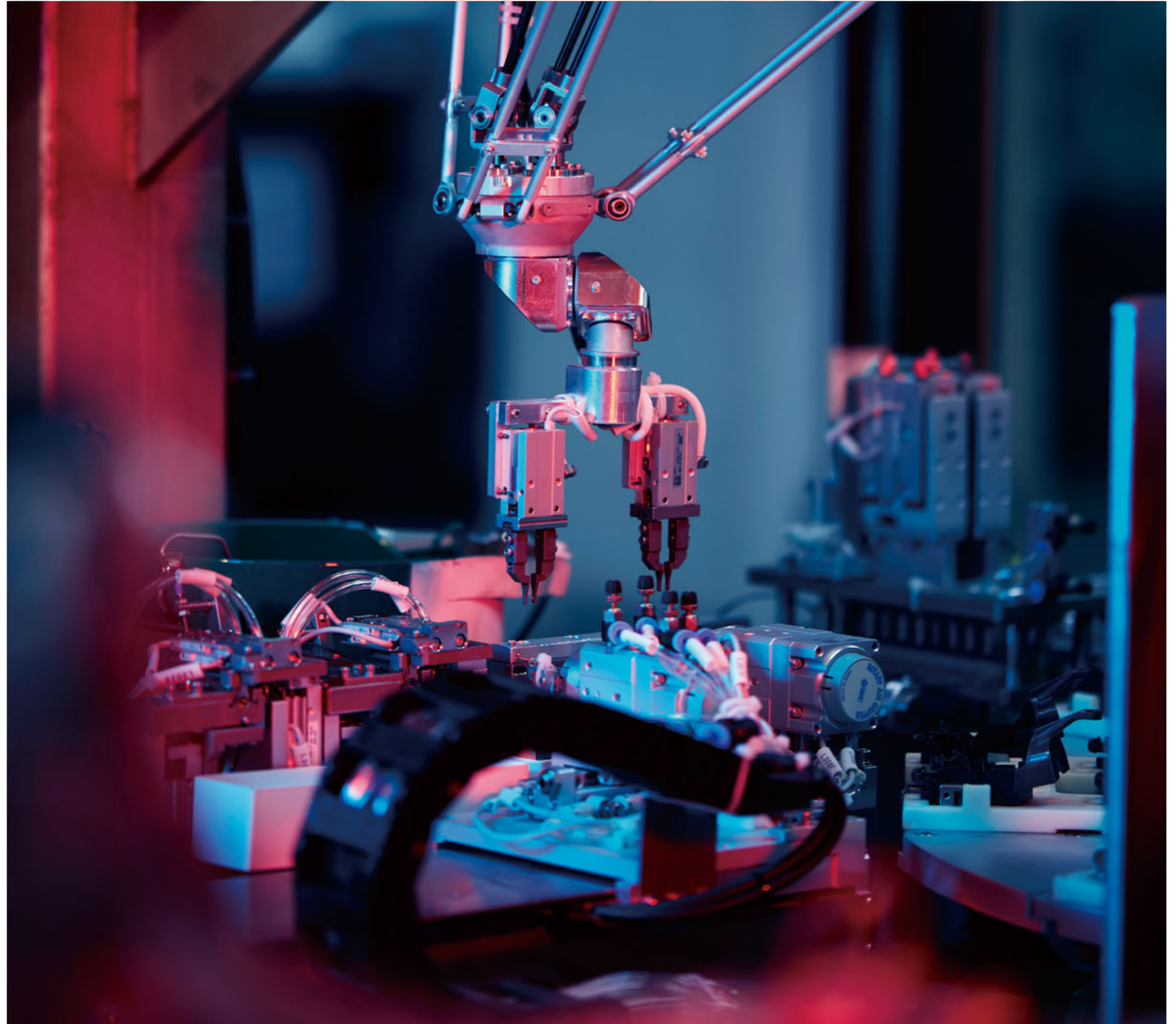
Targets to invest more than RMB **100** million in clean technology in 2025

03

Craftsmanship Opening Links to the World

Goertek is committed to "To be a Great Company," upholding the spirit of "Excellence, Proactivity, Pragmatic, Innovation." We continuously improve our products and services, focus on employee growth, promote sustainable supply chain development, actively fulfill social responsibilities, and consistently create value for all stakeholders.



Related United Nations Sustainable Development Goals (SDGs)

Quality First

Goertek Inc. regards quality as the cornerstone of corporate development and has formulated the quality policy: Quality Is Lifeline, adhere to a customer-oriented approach, based on the ISO 9000 quality management system, focus on process management, comply with procedural rules, and engage in continuous improvement across all personnel to provide clients with exceptional products and services.

As of the end of 2024, the Company has obtained certifications for a number of international and industry-related quality management systems, including the ISO 9001 Quality Management System, the IATF 16949 Automotive Industry Quality Management System, the ISO 13485 Medical Device Quality Management System, the ANSI/ESD S20.20 Electrostatic Discharge Protection Management System, the IECQ QC 080000 Hazardous Substances Process Management System, the IEC 61340-5-1 General Requirements for Electrostatic Protection of Electronic Devices, and the ISO/IEC 17025 Laboratory Accreditation System.

Product Quality Management

The company regularly reviews and strictly complies with product safety-related laws, regulations, and standards in all global markets where its products are sold, including the *Product Quality Law of the People's Republic of China* and the *Code of Federal Regulations in the United States*, to ensure compliance with local requirements. The Company has established internal systems such as the *Product Quality Standard Development Process*, the *Product Regulatory Compliance Control Process*, and the *Process Quality Control Process*. It has also set up a product certification standard database to manage and timely update changes in laws, regulations, and standards, ensuring the timeliness and accuracy of information to meet external market and regulatory requirements. This ensures that every aspect of product design and manufacturing strictly follows established quality standards.

Quality Management Requirements

The Company has established a comprehensive quality management process system, including policy regulations such as the *Basic Law of Quality Management*, which sets specific quality management requirements for all employees across various business segments such as research and development, engineering, materials, and manufacturing. These requirements cover multiple aspects, including the quality management system, management review, organizational management, and performance management. The Company is committed to continuously improving the First Pass Yield (FPY), practicing a "0PPM" (Zero Parts Per Million) defect rate in the market, and achieving a zero customer complaint target for major product quality issues, thereby continuously driving the Company's excellence in quality management.

The Company has specified product quality requirements in terms of research and development quality, engineering quality, material quality, manufacturing quality, and basic quality.

R&D Quality

In the process of project development, through product design and development and testing and verification, to ensure that the product appearance, hardware/software function/performance/reliability/laws and regulations to meet the customer's requirements, to achieve zero-defect product design and manufacturability.

Engineering Quality

In the process of project development, reliable solutions for achieving mass production are ensured through robust process development, adequate process validation, and comprehensive line acceptance.

Material Quality

The quality stability and consistency of the entire life cycle of the material is guaranteed throughout the entire lifecycle via reliable material design, robust supplier control, and precise incoming material control.

Manufacturing Quality

Implement production process controls in accordance with process documentation and quality control plans, control the variation of the production factors, to ensure the continuity and stability of product production and provide products that meet client requirements.

Basic Quality

To support the improvement of R&D quality, engineering quality, material quality and manufacturing quality, the Company pursues "Do It Right The First Time" and continuous improvement, in terms of quality culture construction, quality system construction, quality process and digitalization construction, quality index management and analysis, quality process evaluation, personnel quality capacity building and continuous improvement, achieving both efficiency and effectiveness.

Process Quality Control

The Company has formulated internal quality management processes and systems such as the *Process Quality Control Procedures* to implement refined and systematic quality control throughout the manufacturing process to ensure that each link meets the quality standards. The following control measures are adopted by the Company to ensure product quality:

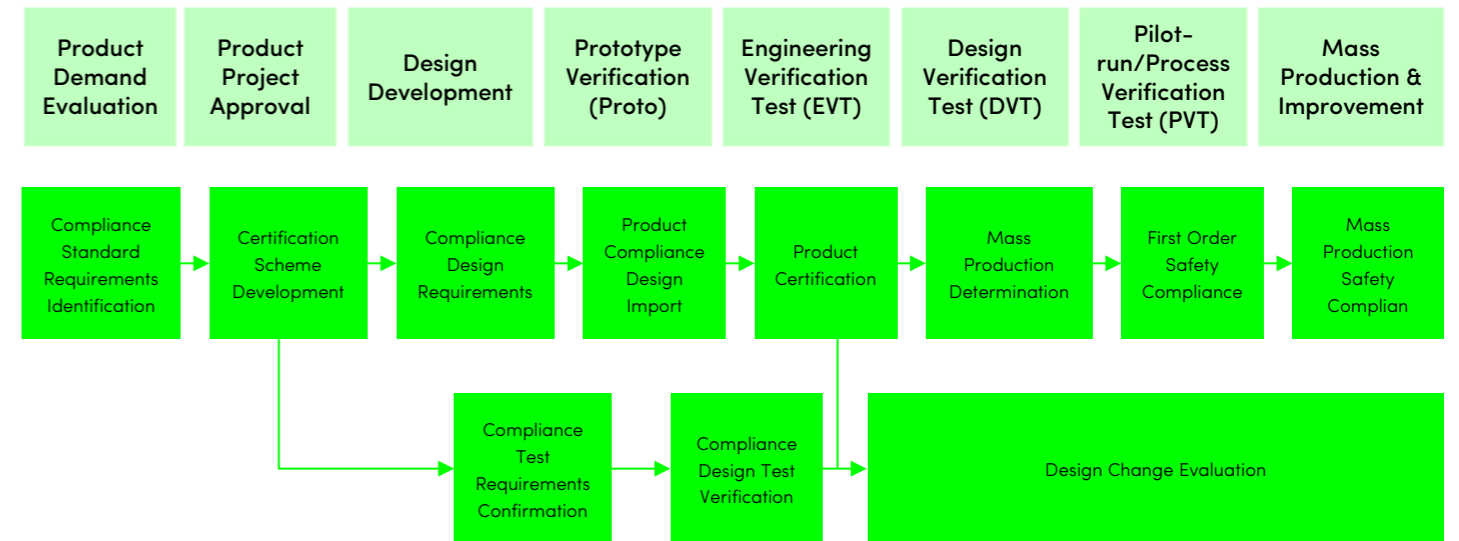
First-Article AOI Automated Inspection	Prior to the product assembly and enclosure closure stage, AOI technology is employed to automatically inspect critical risk points affecting product functionality such as screw fastening and B2B (Board-to-Board) connector engagements.
Appearance Compliance Check	After the product is assembled, an appearance compliance check is performed to ensure that the product appearance is free of defects and meets the design requirements.
Comprehensive Product Function Test	Carry out comprehensive product function tests on the finished products to ensure that the product specifications and performance meet the requirements.
Defective Product Analysis and Follow-up	For non-conforming items identified during inspection or testing, engineering and technical personnel conduct analyses to confirm the causes of anomalies and develop corrective and preventive measures. Subsequently, quality management personnel are responsible for following up on the implementation of these improvement measures to ensure that the issues are effectively resolved, thereby forming a closed-loop management system.

The Company continuously carries out the investigation of nonconforming products in the process of production and operation, standardizes the process of controlling nonconforming products in the production process by formulating *Nonconforming Products Handling Process* and *Process Quality Control Process*, and immediately activates the emergency response mechanism for the identified nonconforming products, and organizes a professional team to review and analyze the situation of the nonconforming products, and take effective measures for correction and improvement.

Safety Compliance

The Company's Quality Management Headquarters has established a dedicated Product Certification Department responsible for product safety and compliance management. This department, comprising a professional product certification team and a manufacturing safety compliance team, coordinates and plans related work across various fields such as research and development, procurement, manufacturing, quality, and processes. They assess the safety and compliance requirements of product design and manufacturing processes, integrate these requirements into product research and development as well as manufacturing process management, and confirm compliance during the design and manufacturing stages to ensure that the Company's project products meet safety and compliance requirements.

The Company has established a product safety and compliance management system that covers the entire product life cycle and has formulated the *Regulatory Compliance Control Process*. Safety and compliance management measures have been integrated into relevant processes such as research and development design and manufacturing management.



Battery Safety Management Process

Establishment of material standard library	Establish the Company's material standard library, especially for batteries and other key components, to clarify its safety norms and management requirements, to ensure that all materials are in line with the established safety standards before storage.
Define battery requirements	In the product design stage, the certification team needs to determine the safety specification requirements of the battery, and strictly screen the materials to ensure that the selected materials can meet these safety requirements, to protect the safety of the product from the source.
Product validation and certification testing	Product design verification and product certification, through a series of rigorous testing standards, to ensure that the battery can work stably and safely in practical applications, to meet the established performance and safety indicators.
Incoming Battery Materials Sampling	Sampling of incoming battery materials, paying special attention to the safety specification part, to ensure that each batch of batteries are in line with the design requirements, to avoid potential safety hazards caused by material problems.
Real-time monitoring of production process	In the production process, automated and visual inspection means are utilized to monitor the use of batteries in real time to ensure that batteries are installed and used correctly and safely, and to reduce safety problems caused by human error.
Unscheduled Random Inspection	Conduct occasional sampling and safety specification tests on batteries to ensure that the batteries can still maintain their safety performance during long-term use, and timely detection and treatment of potential safety hazards.

Service Quality Management

Goertek Inc. insists on the service concept of "Customer Focus, Quality First", and all staff members adhere to the principle that "quality is the bottom line of all work", focusing on listening to, understanding and responding to customers' needs, and aiming to provide excellent service that exceeds customers' expectations.

Customer Communication

To enhance employees' customer-oriented service awareness, the Company has launched a customer-oriented implementation transformation project. This initiative encourages each business group to actively learn about customer culture and characteristics, and to organize, summarize, and internalize the mindset and behavioral norms that should be possessed during service delivery. The Company also conducts internal empowerment training to improve the service capabilities of customer-facing personnel and to increase customer satisfaction. Additionally, the Company encourages each business group to proactively identify areas for improvement in customer communication and to develop measures for continuous improvement and enhancement of service quality. The Company has established the *Customer Feedback Management Process* to achieve full-process refined management of customer feedback, from collection and analysis to the formulation and implementation of monitoring and improvement plans, in order to continuously enhance customer satisfaction.

- For customer feedback and opinions related to product quality, the Company has established the *Product Quality Complaint Handling Process*. After receiving customer information from the market, the Company forms an 8D team in response to customer complaints, analyzes the causes of the problem and its leakage, develops corresponding improvement measures, and conducts spot checks on the implementation of these measures to ensure that issues are quickly and effectively resolved.
- For customer requests for returns, exchanges, and repairs, the Company has established the *Customer Return and Exchange Handling Process* to systematically manage the accounting of returned goods and the identification of defects, as well as repair processing. By real-time monitoring of the delivery commitment fulfillment rate for returns and exchanges, return rate, and defect data, the Company ensures that returns and exchanges are completed according to customer requirements and provides support for the identification, analysis, and improvement of quality risks.

Customer Satisfaction Survey

This year, the Company has updated and improved systems such as the Customer Satisfaction Survey and Analysis Management Process, clarifying the channels for obtaining customer satisfaction information, the analysis process, and the application scenarios. This enables the Company to quickly identify weaknesses in internal management and operations and to drive continuous improvement, thereby creating the greatest value for customers.

The Company's Customer Management Center initiates at least one customer satisfaction survey annually, covering five major areas: quality, cost, delivery, service, and R&D. This comprehensive and multi-faceted approach collects genuine customer feedback. This year, the Company actively listened to customer ideas and opinions, conducting a total of 199 customer satisfaction surveys. For three consecutive years, the customer satisfaction scores have exceeded the set targets.

This year, to continuously improve customer satisfaction, the Company has carried out the following special projects in line with its commitment to continuous improvement:

▶ Customer Satisfaction Management Optimization Initiative



- Full-Chain Review: Conduct a detailed review of the entire customer satisfaction process, including scoring criteria, calculation logic, and business alignment, to identify areas for further optimization.
- Implementation Plan Development: Develop specific implementation plans and solutions for the identified optimization areas to ensure that the optimization measures are effectively implemented.
- Feedback Collection and Improvement: When collecting customer feedback, delve into the root causes behind the feedback to develop more detailed measures. Ensure that customers are satisfied with the implementation results of the improvement actions. Actively address customer requests and promote successful improvement cases within the Company, such as sharing through internal service accounts.
- Cultural Manual: Continuously increase the training efforts on the cultural manual internally to reinforce a customer-oriented culture and ensure that all employees understand and practice the customer-centric service philosophy.
- Marketing Process Compliance Verification: Conduct in-depth internal communication and promotion of the customer satisfaction management process, focusing on customer satisfaction and customer feedback. Continuously strengthen the improvement and closed-loop management of customer feedback.

Quality Culture Construction

Goertek Inc. has always adhered to the philosophy that "Quality Is Lifeline", deeply engaged in manufacturing industry and driven by the original aspiration to create world-class products. With the *Basic Law of Quality Management* as the core, the Company has built a unique quality culture system, which includes quality philosophies, process management requirements, and key details of quality operations, and conducted quality culture construction activities to strengthen the Company's quality culture atmosphere and enhance employees' awareness of pursuing high-quality development.

The Company actively carries out a variety of quality culture activities, including visual promotion of quality culture, offline events, quality competitions, and improvement case contests, to create a quality atmosphere in which all employees participate. Meanwhile, the Company has organized employees in China and Vietnam to study the *Basic Law of Quality Management*, with a total of more than 75,000 participants. The Company has established the quality "Five Ones" code of conduct, including writing personal quality insights, participating in internal and external quality audits, teaching quality courses, leading quality reviews or self-reflection, and communicating with customers about quality, continuously promoting the transformation of quality awareness into concrete practice. As of the end of 2024, the Company has completed a total of 108,034 quality behavior practices, effectively integrating quality culture into daily work.

Promotion of Cultural Philosophy

- Basic Law of Quality Management
- Quality culture visualization atmosphere creation

Featured Cultural Activities

- Quality Contest
- Quality culture street activities
- Quality field group building

300 received the Quality "Five Ones" Practice Award



This year, the Company participated in the 10th National Corporate Case Competition organized by the China Quality Club. The project "Innovative Technology Sharing of Anti-Error, Anti-Omission, and Anti-Mixing in Packaging" won the Second Prize in the QCC Quality Improvement Session, and the project "G Project PCB CNC + CCD (Vision Guidance)" received the "First Prize in the Lean Production Session."




优秀者死
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 Excellence

Leading scientific and technological innovation


Goertek Inc. adheres to the strategy of innovation-driven development, and always adheres to the development concept of "standard-led, innovation-driven". Through continuous increase in scientific research investment, expanding the scale of R&D team, accurately identifying various types of innovation scenarios and customizing efficient processes, Goertek Inc. has been able to comprehensively support and empower innovative R&D business, and effectively maintain and enhance the Company's core competitiveness.

Innovation Management System


The Company continuously improves its innovation management system and is committed to promoting the standardization, synergization and process of enterprise technology innovation research. The Company has set up a technology committee, which is composed of the Company's R&D backbone and technical experts. At the same time, the Company identifies and cultivates experts in high-precision fields through internal evaluation and training mechanisms, effectively integrates and shares expert resources, and provides solid support for the enhancement of the Company's technological innovation capability. The Company has set up the Science and Technology Innovation Award, the Innovation Excellence Award and the Innovation New Talent Award to recognize outstanding projects and talents in the fields of strategy, technology and market.

▶ Appraisal Mechanism 

The Technology Committee has established a performance appraisal mechanism combining KPIs and key tasks, using the appraisal as a handhold for improving the effectiveness of scientific and technological innovation, and promoting the healthy and orderly operation of each technical sub-committee to continuously produce scientific and technological innovation results.

▶ Specialized training 

Empower the technology research and development team, and enhance the related personnel's awareness of scientific and technological innovation and technology development capability.

▶ Technical exchanges 

Through the establishment of cross-departmental and cross-specialty exchange and seminar mechanisms, and the strengthening of exchanges and learning with external exchanges, it opens up new ideas for technicians in product R&D, promotes in-depth planning of technological R&D, and facilitates the effective promotion of scientific and technological achievements.

The Company has built a globalized R&D system, with R&D centers in Weifang, Qingdao, Beijing, Shanghai, Nanjing, Xi'an, Shenzhen and other domestic cities, as well as in the United States, Denmark, Japan, South Korea and other countries, and through the establishment of national R&D platforms and the strengthening of upstream and downstream cooperation, the Company has continued to improve the Company's scientific research and innovation capabilities, enhance the Company's leadership in the field of technology research and development, and further promote the industry's innovative development.

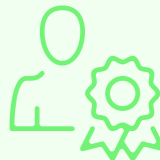
The Company leads the development of the domestic industry, and has led the establishment of 14 provincial-level and above R&D platforms, including the National Virtual Reality Innovation Center (Qingdao), the Technology Innovation Center of the Ministry of Culture and Tourism for Common Virtual Reality Technology, and the National Engineering Laboratory for Virtual Reality/Augmented Reality Technology and Applications.

The Company has established joint R&D centers, joint laboratories and other innovation platforms with globally renowned universities, research institutes and upstream and downstream industry partners.

Innovative Process Management

The Company attaches importance to R&D innovation and actively responds to market changes. Through continuous optimization of the innovation management process system, the Company accurately identifies diversified innovation demand scenarios, comprehensively considers the ethics of science and technology, and customizes highly efficient innovation processes, which comprehensively supports and empowers innovative R&D business, and maintains the core competitiveness of the Company.

The Company continues to increase the development of new technologies, products and processes, and build a team of high-end technical talents. During the year, the Company achieved the following results:

The Company's R&D spending was RMB **4.57** billion, representing **4.53%** of the operating income 

Won the China Patent Excellence Award issued by the State Intellectual Property Office (SIPO)

Technical standardization

Goertek Inc. has accumulated a series of advanced management experience and technological achievements through independent innovation and industrial cooperation. It continues to deepen the construction of the enterprise technology standardization management system, promote the formulation of industry technical standards, and help the sustainable development of related industry fields.

Enterprise technical standards

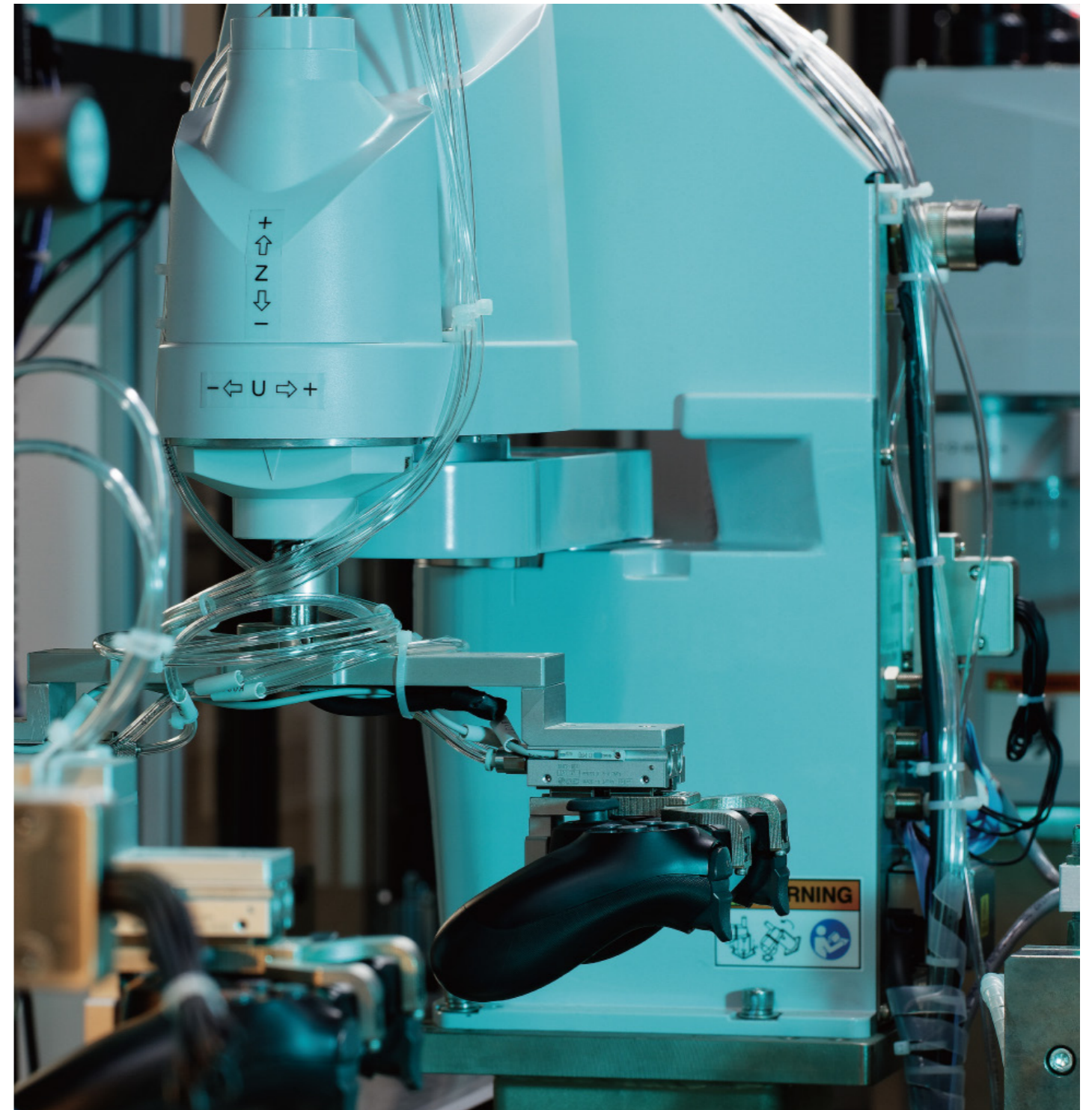
Through the establishment of a perfect standardization management system, the Company continuously strengthens the standardization awareness of all staff members, and achieves a comprehensive improvement from "attaching importance to standards" to "practicing standards". The Company implements the strategy of intelligent manufacturing standardization, and carries the concept of standardization through the whole process of product development and manufacturing resource allocation, and builds an intelligent manufacturing enterprise standard system with testing, process and automation technology as the core by continuously optimizing the process and collaborating in the allocation of resources.

Development of industry technical standards

The Company always adheres to the innovation-driven development strategy and is committed to the construction and innovation of industry technical standards, focusing on the technical fields of virtual/augmented reality, wireless audio, acoustics and intelligent manufacturing. By the end of 2024, the Company has led and participated in the formulation of 70 important technical standards, including 5 international standards, 25 national standards, 10 industry standards and 30 group standards, focusing on the general specifications, technical requirements and test methods for complete equipment and key components, which has transformed the Company's technological innovations into industry standards, and promoted the innovation and improvement of technical standards in the field of consumer electronics.

This year, Goertek Inc. participated in the new release:

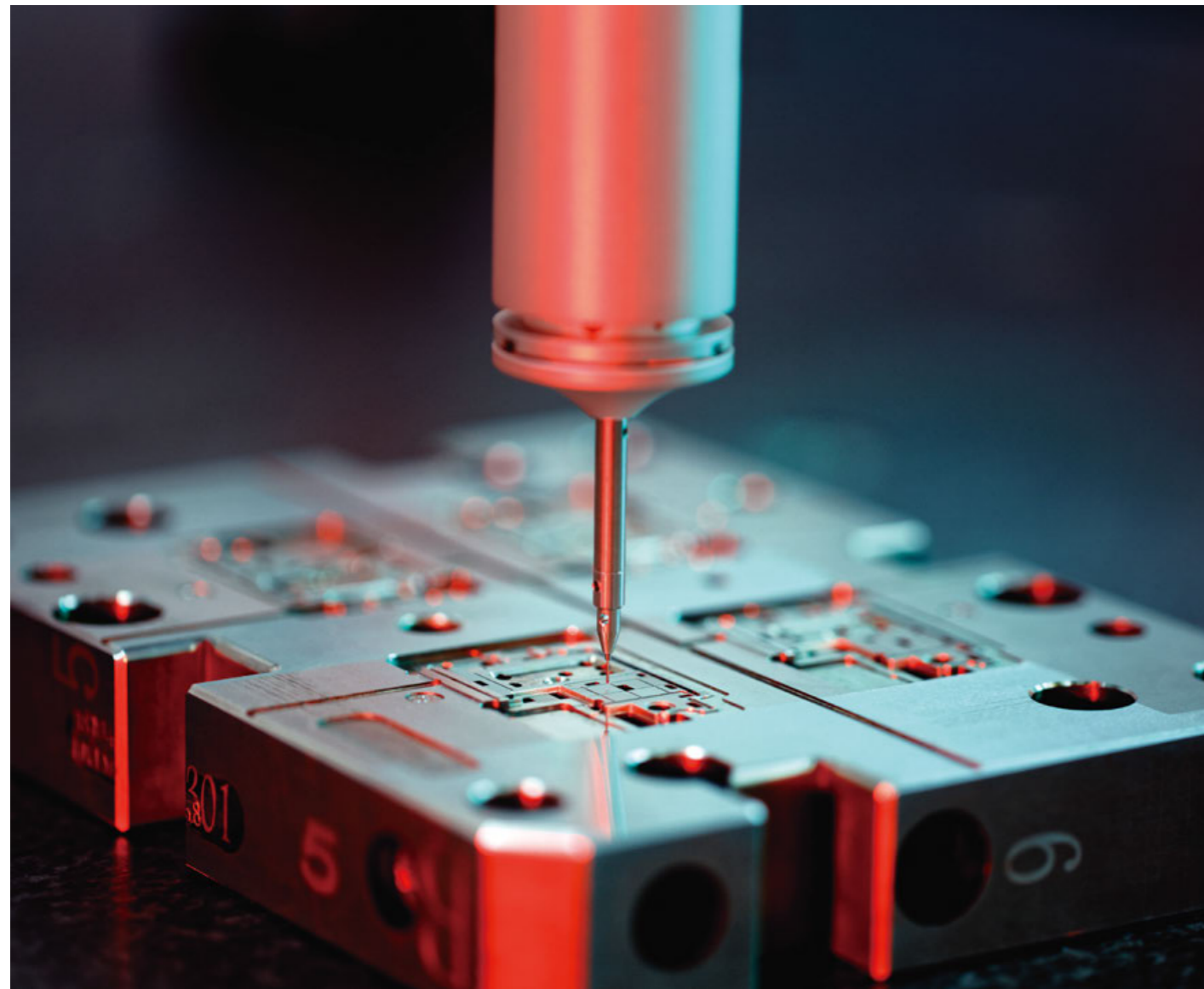
National Standard	Industry Standard
GB/T 44220-2024	2024-0907T-SJ
<i>Interfaces for virtual reality devices Positioning devices</i>	<i>An Objective Evaluation Method for Virtual Reality Audio Quality</i>
GB/T 44465-2024	
<i>Specification for virtual/augmented reality content production process</i>	
GB/T 44218-2024	
<i>Measurement methods for micro-speakers</i>	



Technology Industry Synergy

Goertek Inc. has established close strategic partnerships with industry leaders and organizations upstream and downstream of the industry chain. Through continuous strengthening of industry cooperation, collaborative development and integration of cutting-edge software and hardware technologies and rich product resources from various parties, we have achieved win-win situation in the industry and promoted the sustainable development of science and technology innovation.

The Company continues to deepen the cooperation and exchange with top domestic and foreign universities and research institutions, in terms of joint technology research and development, major scientific and technological projects, high-level talent construction, etc., with Tsinghua University and other more than 20 well-known universities, think tanks and industry partners, to carry out industry-university-research cooperation.



Technology and Humanistic Care

The Company has always adhered to the mission of "technology creates health and beauty", and is committed to integrating "warm" technology into the Company's products to meet the needs of consumers while providing comfort and convenience to the public in their daily lives.

Technology Serving Human Comfort

The Company is committed to user-friendly innovative design, integrating aesthetics, functionality, and comfort to create outstanding experiences for users worldwide. This year, Goertek's products have been honored with two international design awards:

▶ iF Design Award 2024, Germany

Flexible VR Glasses won the German iF Design Award for the first time for its innovative design and user experience. The Company's Flexible VR Glasses product focuses on solving the pain point of bulky and inconvenient to carry VR glasses, and reduces the space occupied by the product by 40% by adopting the foldable design realized by the pivot. At the same time, users can directly flip the front island (the main part) to interact with the real environment, which improves the convenience of the product and reduces the pressure on the face and eyes caused by wearing the front island for a long time. In addition, the product designs and supplements the front island with a front mask air duct, which drives air circulation, reduces the surface temperature of the mask, and realizes a good heat dissipation effect.



▶ IDEA Design Awards 2024, USA

The Company's self-developed and designed XR (Extended Reality) device wearing comfort detection system and other four industrial design works in the field of XR won the 2024 IDEA Design Award for the first time in the United States for its innovative design and friendly user experience.

This series of products meets the needs of users in different scenarios by building a one-stop XR solution, effectively improves the comfort of the products, and provides consumers with the ultimate auditory and visual experience.



Promoting Talent Development

Goertek Inc. attaches great importance to talents and regards them as one of the core competitiveness of the Company. The Company adheres to the concept of "Talent First, Attracting and Nurturing First-class, Making the Best Use of Talent, and Growing Together", and continuously optimizes and improves the talent management system around the protection of employee rights and interests, welfare, personal development, and occupational health and safety. Meanwhile, the Company is committed to actively creating a diversified, fair, inclusive, respectful and safe working environment, aiming to enable each employee to give full play to their potential and achieve common growth of individuals and the Company.

Employee Rights

The Company complies with laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, the *Trade Union Law of the People's Republic of China*, and the *Special Provisions on Labor Protection for Female Employees*. In accordance with international standards such as the *Universal Declaration of Human Rights* and the *Declaration on the Protection of Human Rights*, the Company has established internal systems including the *Regulations on the Prohibition of Child Labor*, the *Regulations on the Protection of Female and Minor Employees*, the *Regulations on the Prohibition of Forced Labor*, and the *Attendance and Leave Management Regulations* to implement human rights protection measures and is committed to safeguarding the rights and interests of its employees.

To ensure the implementation of the Company's labor management system, the Company achieves comprehensive supervision of issues related to employee rights through internal audits, customer audits, and external third-party audits (such as RBA).

Theme	Commitment	Policy	Management Measures
Prohibition of Forced Labor	The Company commits to not employing any form of forced or involuntary labor.	<i>Regulations on the Prohibition of Forced Labor</i>	By establishing human resource management systems, the Company ensures the standardization and transparency of employee management. Through training, public notice, and promotional activities, the Company ensures that every employee clearly understands the requirements of the entire process from application to resignation. Particularly in the resignation process, employees are able to freely and conveniently handle their resignation procedures within a reasonable notice period.
Minor Employees	The Company commits to not employing child labor.	<i>Regulations on the Prohibition of Child Labor</i>	The Company adopts a six-step method for checking child labor. In addition to visual inspection, technical verification methods are added to ensure the authenticity and validity of employee identification, preventing the accidental employment of child labor. The Company also formulates remedial measures for child labor and implements its obligations for child protection.
Working Hours	The Company commits to ensuring that employees' working hours comply with local legal regulations, and all overtime is voluntary on the part of employees.	<i>Attendance and Leave Management Regulations</i>	The Company sets clear weekly/monthly working hour standards and red lines for consecutive attendance. It regularly informs employees of their attendance status and establishes a system of accountability for managers in cases of unreasonable overtime.
Wages and Benefits	The Company commits to ensuring that employees are entitled to wages and benefits in accordance with the law.	<i>Compensation Management System</i>	The Company clarifies the composition of employee salaries and the rules for calculation, ensuring that employees are able to enjoy benefits and holidays in accordance with the law and receive fair, lawful, and reasonable remuneration and benefits. The Company also regularly conducts external salary benchmarking and continues to adjust salaries to ensure that employees' compensation remains relatively competitive.
Anti-discrimination, Anti-harassment, and Humane Treatment	The Company commits to treating all employees fairly and justly, without discriminating against employees on the basis of religion, race, gender, political views, region, skin color, or other factors.	<i>Anti-discrimination, Anti-harassment, and Anti-abuse Management Regulations</i>	By strengthening training and communication through various channels, the Company informs employees and managers of relevant disciplinary policies and procedures to prevent inhumane behavior. It standardizes and strictly enforces a reward and punishment system and provides accessible channels for reporting and appeals.
Freedom of Association and Collective Bargaining	The Company respects the rights of all employees to voluntarily form and join labor unions, engage in collective bargaining and negotiations, and participate in peaceful assemblies. It also respects the right of employees to refrain from participating in such activities.	<i>Freedom of Association and Collective Bargaining Management System</i>	The Company regularly conducts the election of employee representatives to encourage broad employee participation and ensure the selection of representative staff members. The Company hold periodic employee representative conferences to discuss and make decisions on significant issues such as the Company's development plans, production and operations, and employee benefits, fully promoting democratic management. Additionally, the Company actively organize various labor union activities to enrich employees' leisure lives.

Internal audit

In accordance with laws and regulations, customer requirements and industry standards, the Company conducts regular inspections and random checks on the implementation of the Company's labor system from time to time.

Customer Audit

The Company responds positively to audits of the Company's labor management system conducted by customers and provides timely feedback and communication of audit findings.

External Third-Party Audit

The Company engages an external third-party organization to conduct systematic audits in accordance with international industry standards to promote the continuous improvement of the Company's labor management.

Talent Attraction and Retention

Goertek Inc. actively attracts outstanding talents from diverse backgrounds and fields, and always adheres to the people-oriented philosophy. The Company provides employees with a variety of compensation and welfare guarantees, as well as smooth communication channels. It cares about employees' work and life needs, values their opinions, and continuously enhances their sense of belonging and happiness.

Employee Recruitment

The Company carries out recruitment work with the principles of fairness and justice. It has established systems such as the *Recruitment Management System* and the *Social Recruitment Implementation Management Rules*, which standardize various aspects of the recruitment process, including recruitment principles, needs, plans, talent acquisition, interviews, hiring, and recruitment channel management, to ensure fairness and professionalism. The Company's recruitment principles are as follows:

Principle of fairness and impartiality	Principle of merit based admission	Principle of personnel avoidance principle	Principle of law-abiding principle	Principle of equality, voluntariness, and consensus	Principle of confidentiality of information
Public release of recruitment information. Any form of discrimination is strictly prohibited.	Selection of excellent talents matching the positions, and strictly prohibit fraudulent practices.	The existence of relatives, friends, classmates, alumni, fellow countrymen and other relationships should be avoided. Employees recommending the above relationships or special relationships with the Company's business must be reported in advance.	Do not employ child labor or arrange minor workers to engage in labor operations prohibited by laws and regulations. Do not use forced, debt-bonded or contractually bound employees or involuntary employees.	Candidates shall be recruited and placed in positions based on their own wishes and by mutual agreement, and forced labor is prohibited.	Strictly protect the personal information of the applicants and comply with the Company's payroll confidentiality system.

The Company attaches great importance to talent supply planning and strategy, regularly evaluates market trends, business needs and talent flow, and continues to attract a wide range of outstanding talents through various talent recruitment channels, including joint school-enterprise talent training programs, social recruitment, campus recruitment, employee recommendation, internal talent selection and hiring.

For campus talent cultivation, the company continues to deepen the integration of industry and education, has established the Goertek Craftsmanship Training Center, collaborating with 16 vocational colleges and 6 undergraduate universities. By the end of 2024, for the rapid development of the new generation information technology industry, over 4,000 skilled vocational talents and over 200 undergraduate engineering and technical talents have been cultivated, with currently over 1,300 people under training.

Yonyou

2024 Campus Recruitment Excellence Practice Award

Liepin

2024 Shandong Extraordinary Employer Award

Zhaopin.com

China Best Employer Award 2024
China Best Employers in Qingdao

Employee Remuneration

The Company has formulated internal systems such as the Remuneration Management System and the Employee Welfare Manual to build and continuously improve the remuneration and welfare management system, and to supervise and guide the standardized operation of the remuneration and welfare systems of its subsidiaries. Meanwhile, subsidiaries have formulated differentiated remuneration and benefit policies according to their respective operating sites to meet the individual needs of local employees and further enhance employee experience.

The Company has formulated a compensation and incentive system with a complete structure, sharing, focusing on differences and protection, and highlighting the characteristics of benefits, and has gradually improved the incentive mechanism oriented to high performance and high incentives, prioritizing the allocation of resources to talents with excellent performance and key position groups, and continuously improving the competitiveness of the compensation of high-contribution and high-potential employees.

The Company's performance appraisal system, which covers all employees at home and abroad, continuously optimizes the internal performance appraisal system, and the continuously optimized salary distribution mechanism ensures that salary distribution is closely linked to individual and team performance, creating a high-performance culture. The Company breaks down strategic objectives, organizational objectives, and individual objectives into layers, forming a closed-loop process from performance objective setting, performance implementation and coaching, performance evaluation and performance feedback. At the same time, the Company adopts a data-driven performance evaluation mechanism to objectively evaluate the performance of employees, and sets up a multi-round communication mechanism to guarantee the fairness of the assessment.

Long-term incentive mechanism

The Company implements employee shareholding and option incentive plans for core business backbones, and through the innovation of equity incentive mechanism, conducts assessment based on the assessment indexes or work performance set at each assessment stage, and continuously improves the formation of a well-balanced value distribution system, so that the core staff can continue to share the growth of the Company's value.

Specialized incentive mechanism

For key positions and talents supporting the development of the Company's strategic new business, the Company has implemented special salary adjustment strategies to realize precise talent attraction and retention. The Company continues to raise the salary level of fresh graduates, and implements the "Talent Retention Award" incentive program for high-potential talents and the "Moat (Talent Retention)" incentive program for core engineers to protect the talent pool.

During the year, based on the Company's digital transformation needs and the identification of digital transformation positions and employee groups, the Company formulated a competitive compensation system and continued to maintain its attractiveness by conducting internal compensation analysis and external benchmarking of compensation levels in the same industry and for the same positions. The Company has set up monthly and quarterly performance appraisals for the performance measurement cycle of operational employees, first-line managers, and technicians, and added new digital assessment points to create a digital performance pilot for the Company.

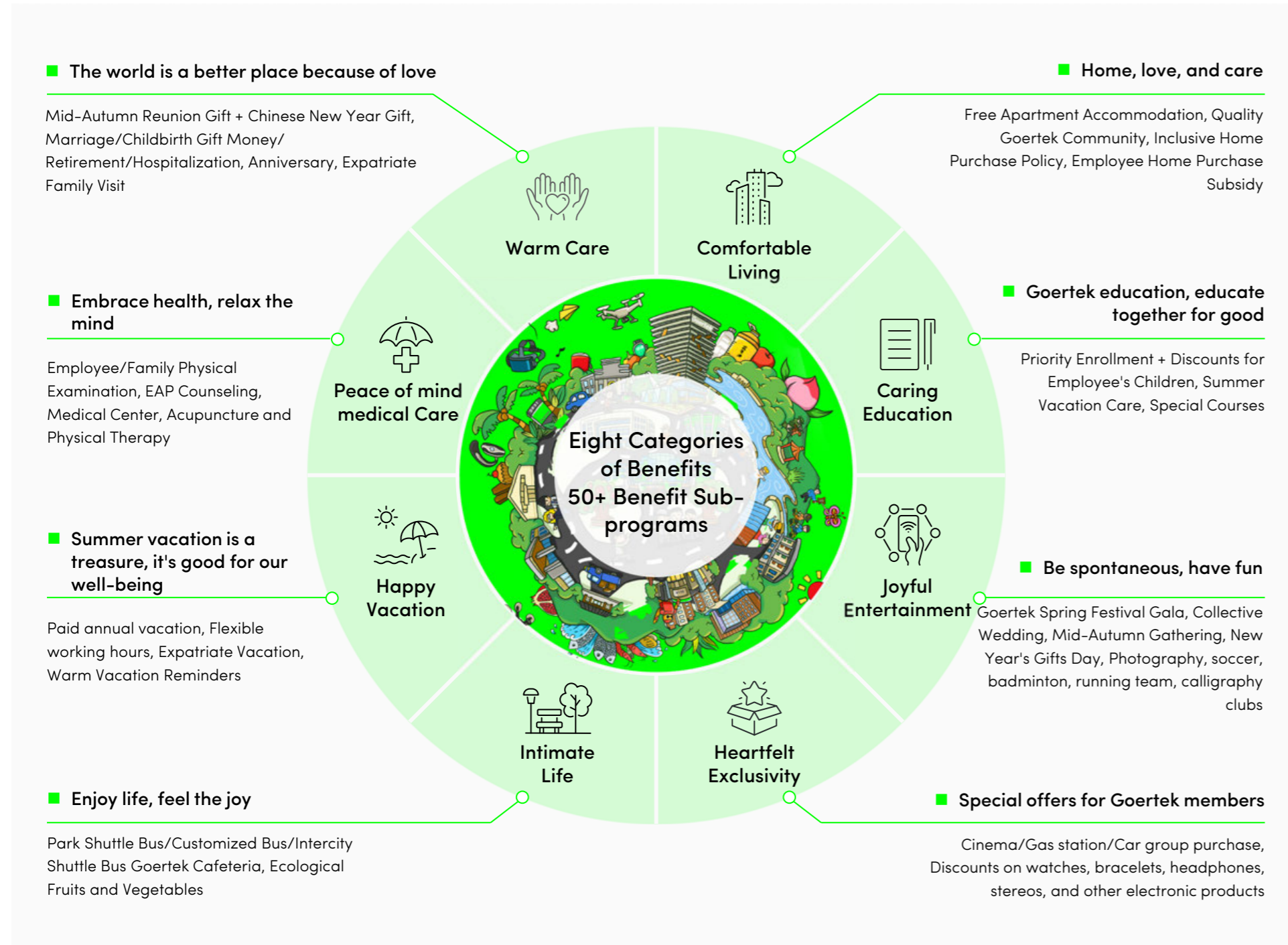
Employee Long-Term Incentive Program

The Company has set up an equity incentive plan for employees, and long-term incentives have become one of the most important means to attract, retain and motivate employees, so as to realize the common development of the enterprise and employees.

During the year, the Company's long-term incentive plans that are still in existence, including the "Home No.6" Employee Stock Ownership Plan, "Home No.7" Employee Stock Ownership Plan, 2021 Stock Option Incentive Plan, 2022 Stock Option Incentive Plan, and 2023 Stock Option Incentive Plan", covering more than 6,000 persons in total.

Employee Welfare

The Company has set up a diversified welfare system characterized by home culture, and is committed to enhancing employees' sense of belonging and happiness. The Company provides diversified welfare programs for all employees, covering eight categories: comfortable living, caring education, joyful entertainment, heartfelt exclusivity, intimate life, happy vacation, peace of mind medical care, and warm care, and continuously organizes creative and temperature coexisting welfare activities, to comprehensively, multi-level and three-dimensional protect employees' welfare.



This year

The Company organized and carried out a total of **10** Company-level cultural and sports activities, with more than **90,000** times of employee participants

The Company set up **18** interest clubs in response to the needs of employees, and carried out **120** interest club activities in a variety of forms, with more than **50,000** times of employee participation

Set up **4** specific care measures for marriage, childbirth, hospitalization, and retirement

Delving into the daily lives of employees and showing meticulous care, the Company has distributed welfare benefits amounting to over **RMB 3** million

By the end of 2024, the company has met the diversified housing needs of more than **2,000** employees



Basic welfare rights and interests

The Company strictly follows the national laws and regulations and the relevant policies of the local government to protect the welfare rights and interests of all employees:

- Social Insurance**
The Company ensures that both domestic and foreign employees participate in a comprehensive social insurance system, including pension, health insurance, work injury insurance, unemployment insurance and maternity insurance.
- Housing Fund**
The Company contributes to the housing fund for employees in accordance with national and local regulations and policies.
- Diversified Vacation Arrangement**
All employees are entitled to local statutory holidays, marriage leave, childcare leave, nursing parent leave, work injury leave, paid annual leave and sick leave. The Company strictly protects all kinds of legal rights and interests and treatment of female workers, and provides prenatal check-up leave, maternity leave, breastfeeding leave, etc. for female workers.
- Diversified Vacation and Flexible Working System**
The Company promotes diversified vacations and flexible working systems, and establishes a variety of special holidays, such as paid welfare leave, expatriate family leave, paid hourly leave, and paid leave for specially recruited talents, to help employees balance work and life.

Diversified Cultural Activities

During traditional festivals and anniversaries, the Company has carefully planned and successfully held 10 home cultural activities, including New Year's Joyful Festival, Mid-Autumn Festival Street, Fluorescent Night Running, Talent Competition, etc., which add color and vitality to the life of employees.



New Year's Joyful Festival

In 2024, the Company launched the Lunar New Year shopping event, in which Weifang, Qingdao, Rongcheng and Dongguan factories jointly organized the Chinese New Year bazaar, non-heritage handicrafts and parent-child interactions, with a total of 15,000 employees and their families participating in the event. By setting up food bazaars, fun games and presenting "Fu" Chinese New Year couplets, the activities relied on traditional Chinese New Year customs and aimed to create a warm workplace atmosphere, enhance the fun of family sharing, and improve the sense of belonging and cultural identity of employees.



Club Carnival - Fluorescent Night Running

In May 2024, the first Goretek Sports Club Carnival was officially launched, with "Running Together on Fluorescent Nights" as the first activity, which kicked off in the Zhuo River Scenic Spot. The event attracted more than 700 participants, including honorary leaders from various associations, department heads, employee representatives, chairmen of branch labor unions, and many running enthusiasts. The activity aimed to promote a healthy lifestyle and enhance team cohesion, and jointly create a positive corporate culture.



Jia-Yuan Mid-Autumn Festival Street

The 7th Jia-Yuan Mid-Autumn Festival Street event carries out the Company's "Together" cultural concept in depth, aiming to carry forward the traditional Chinese festival culture and integrate it with an international perspective, and contribute to the construction of a happy factory. The event brought a full range of sensory enjoyment to more than 18,000 employees and their relatives through cultural performances, cultural and creative bazaar, interactive experience of science and technology, parent-child games and gourmet street, etc. The atmosphere at the site was warm and cozy.



Interest Clubs

In order to enrich the spare time life of the staff, the Company has set up three major categories of 18 interest clubs, which provide a broad space for learning and communication and a stage for displaying individual and team styles.

- Sports: Basketball, soccer, badminton, table tennis, cycling, running, swimming and other clubs encourage employees to actively exercise and enjoy the fun of sports.
- Hobbies and interests: painting and calligraphy, travel, reading, chorus, yoga and other clubs to meet the diversified interests of employees and promote spiritual and cultural cultivation.
- Support: Creative Arts, Wing Pioneer, New Media, matchmaker and other clubs provide a platform for employees to improve their skills, innovate and practice, and expand their social life.



Employee Family Care

The Company is committed to enhancing employees' sense of belonging and happiness by establishing a dating platform for young talents, organizing family visit tours, providing childcare benefits and free medical checkups, which have attracted the active participation of many employees and their families, and jointly created a warm and harmonious working atmosphere.

Youth Dating, Lighting up the Light of Employees' Happiness

The Company jointly set up Weifang Young Talent Dating Union with external organizations, and regularly carried out youth dating activities. In 2024, the Company carried out 13 special activities, with more than 600 participants, reaching nearly 50 pairs of dating intentions, and 11 pairs of marriage certificates, which helped the young employees to broaden the scope of dating, and assisted in the retention of young talents.



Affinity connection, building a happy home for employees

From July to August 2024, the Company organized two family visit tours for the families of employees in Vietnam, inviting nearly 100 parents and children of employees to enter the Vietnam Factory, visit the enterprise environment and experience the exotic atmosphere in close proximity, which further brought employees, their families and the Company closer and enhanced the welfare experience of the expatriate employees and their families.



Custodianship service, care for employees' children

The Company attaches importance to the issue of family education of the employees, effectively implements the work of caring for employees' children. In the current year, the Company provided hosting service for 101 employees' children, effectively alleviating the problem of unattended employees' children during vacation.



Health Action, Free Physical Examination Benefits Employees and Their Families

The Company attaches importance to the physical health of employees and their families, and provides free medical checkups, free re-examinations, and interpretation of medical reports for new and current employees and their families, so as to safeguard employees' body and mind and help them embrace a healthy life in high-quality work.



Leisure and Entertainment Activities

The Company is committed to letting employees have fun in high level work and enriching their lives with sports, reading, science and technology, and art activities.



Leisure facilities, advocating a healthy and beautiful lifestyle

The Company has carefully planned and equipped various recreational facilities in each park, including fitness equipment, badminton courts, table tennis courts, yoga studios, libraries and spiritual harbors, which provide employees with diversified ways to relax.

In the outdoor area, the Company has also planned with great care to provide a green soccer field, a dynamic basketball court, a circular running track and a comprehensive physical training area to satisfy the sports needs of employees in all aspects.

With a total area of more than 17,000 square meters, the Company has created a pleasant working environment where employees can enjoy their leisure time after work and achieve a perfect work-life balance.



Starry Night School, Creating a Vibrant Social Circle for Employees

This year, the Company launched the pioneering "Starry Night School" program, which elaborately designed 12 diversified courses covering vocal music, dance, fitness and beauty fashion, etc. It attracted the enthusiastic participation of 600 employees, which greatly enriched the spare time life of the employees, cultivated a wide range of diverse interests, and promoted the comprehensive improvement of the overall quality of the individual.



Scholarly Goertek, Building a Learning Organization Together

This year, the Company and Weifang Library joined hands to create Goertek Library, aiming to create a strong reading culture for all employees, stimulate their intrinsic motivation to learn and comprehensively improve their cultural and artistic cultivation, and build a learning organization, with a library collection of more than 22,000 books. In order to enhance the reading experience, the Company regularly organizes colorful reading activities, aiming at deepening employees' understanding and application of knowledge through interaction and communication, and promoting knowledge dissemination.



Employee Communication

The Company attaches great importance to and firmly protects the legitimate rights and interests of all employees, including participation in labor union activities, freedom of association, equal consultation, and the conclusion of collective agreements, etc., and creates an open, inclusive and transparent communication platform.

In promoting employee communication, the Company has adopted diversified measures to ensure the smooth flow of information. We have established a three-tier feedback mechanism as channels for employees to voice their grievances, so that each employee's opinions and suggestions can reach the management quickly and effectively, enhancing communication efficiency and employee participation.

The Company has set up a standardized internal complaint handling system and an internal monitoring organization, which implements strict confidentiality and protection measures for employees who have lodged complaints or grievances, and resolutely opposes any form of retaliation. The internal monitoring team will uphold the principle of objectivity and fairness, conduct an in-depth assessment of employee feedback, and grasp the actual situation through visits and surveys, employee seminars and other means to effectively help employees to solve the problems they face.

The Company has set up a variety of communication channels and informed employees through various means, advocating a proactive, equal and mutually respectful communication atmosphere. During the year, the closure rate of employee feedback issues was 100%.

Feedback channels

- Company-level mailbox: the Company intranet home page set up mailbox plate, employees can make suggestions, for valuable comments or suggestions, will be given certain rewards or be reproduced and published.
- Hotline channel: the Company has set up a service hotline, with dedicated personnel to answer the calls.
- On-site feedback: the Company set up a workshop feedback hotline, suggestion box, management personnel contact card, etc.

Approach to inform feedback channels

- The feedback process is clarified in the training materials for new employees at the onboarding stage.
- Regularly push the feedback channel through the manuscript publicity of the official account.
- The workshop prominently posted the feedback channel guide plate



In accordance with the *Trade Union Law of the People's Republic of China*, the *Constitution of the Chinese Trade Union* and other systems and statutes, the Company has continued to improve the democratic management system centered on the Employee Congress, and signed *Goertek Inc. Collective Contracts and Wage Collective Negotiation Agreements*, to effectively safeguard the legitimate rights and interests of the employees and better promote the development of the enterprise. According to the three-year collective contract agreement (2023.7-2026.7), the Company implements the mechanism for safeguarding employees' rights and interests through diversified communication channels.

The Company emphasizes employees' evaluation of their work and carries out annual employee satisfaction research through online questionnaires, focusing on aspects closely related to employees, such as food, clothing, housing, transportation, working environment and employee activities. The Company listens carefully to the suggestions and opinions of the employees, and according to the collected feedback, sets up a special improvement team to carry out targeted analysis and improvement. At the same time, the Company incorporates the results of problem improvement into the performance appraisal of the relevant departments, and continuously tracks and investigates the handling of problems to ensure that they are solved.

At the same time, the Company carries out research on organizational capability, and invites all employees to evaluate the strategy and organizational management related content and their own work experience by issuing a questionnaire with a dual perspective of organizational capability and dedication, reflecting the overall health and effectiveness of the organization.



Vietnam Factory Cultural Construction and Transformation Program

This year, the Company carried out the Vietnam Factory Cultural Construction and Transformation Project to summarize and precipitate the experience of multinational culture integration and promote the construction of culture in the Vietnam Factory. Through 138 in-depth interviews and over 4,000 questionnaires, the program identified over 40 explicit and implicit cultural distinctions between Chinese and Vietnamese practices, and identified the key issues for improvement.

- Developed the "Cross-cultural Communication and Management" course, organized seminars, and established 14 actionable task lists and 13 standardized behavioral guidelines for cross-cultural management.
- Collaborated with clients on a joint cross-cultural training initiative, resulting in 7 employees earning cross-cultural management certifications.
- Established cross-cultural management SOPs and formed the "Cross-cultural Management Handbook" to guide cadres to enhance localization management competencies among personnel.



Talent Development

Based on the concept of talent planning, supply, retention and development, Goertek Inc. carries out diversified job settings, builds a scientific and fair talent development management system, and helps employees realize self-development.

Employee Promotion

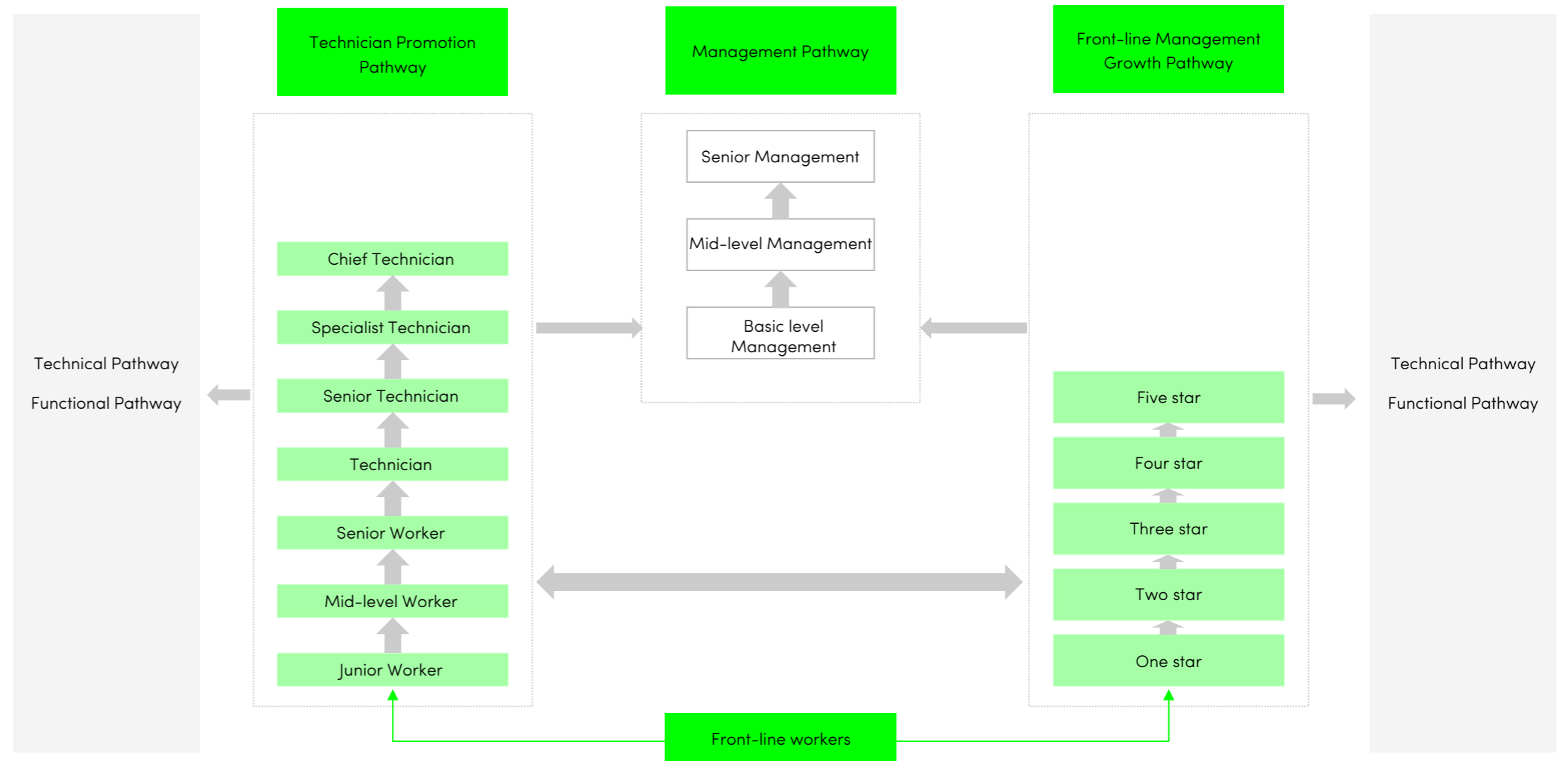
A fair and transparent promotion system is the basis for the common development of the enterprise and talents. The Company continues to optimize the promotion system, develops differentiated development strategies for employees of different levels and departments, and ensures open, fair and equitable promotion.

The Company adopts a job classification system and builds "management + technical" career development channels to provide employees with diversified development paths, covering key business lines such as management, technology research and development, system engineers, project management and other cross-fields, ensuring that each employee has a clear and transparent career development blueprint.

At the same time, the Company has formulated a clear career development path and growth system for direct employees, and encourages employees to realize their personal career growth through continuous learning and skill enhancement.

The Company has established a comprehensive performance appraisal system, which focuses on hard skills, soft qualities and personal qualities in addition to basic qualifications and performance appraisal, with the aim of objectively evaluating the performance of employees. The Company attaches great importance to the feedback of employees on the results of performance appraisal. Supervisors communicate with employees after the performance appraisal, listen to their opinions and feedback, and counsel them to achieve personal growth. For outstanding employees, the Company provides annual promotion opportunities to promote the professional growth of employees through a series of links such as promotion nomination, qualification review, employee presentation, result approval and employee communication.

Direct Employees Promotion Pathway



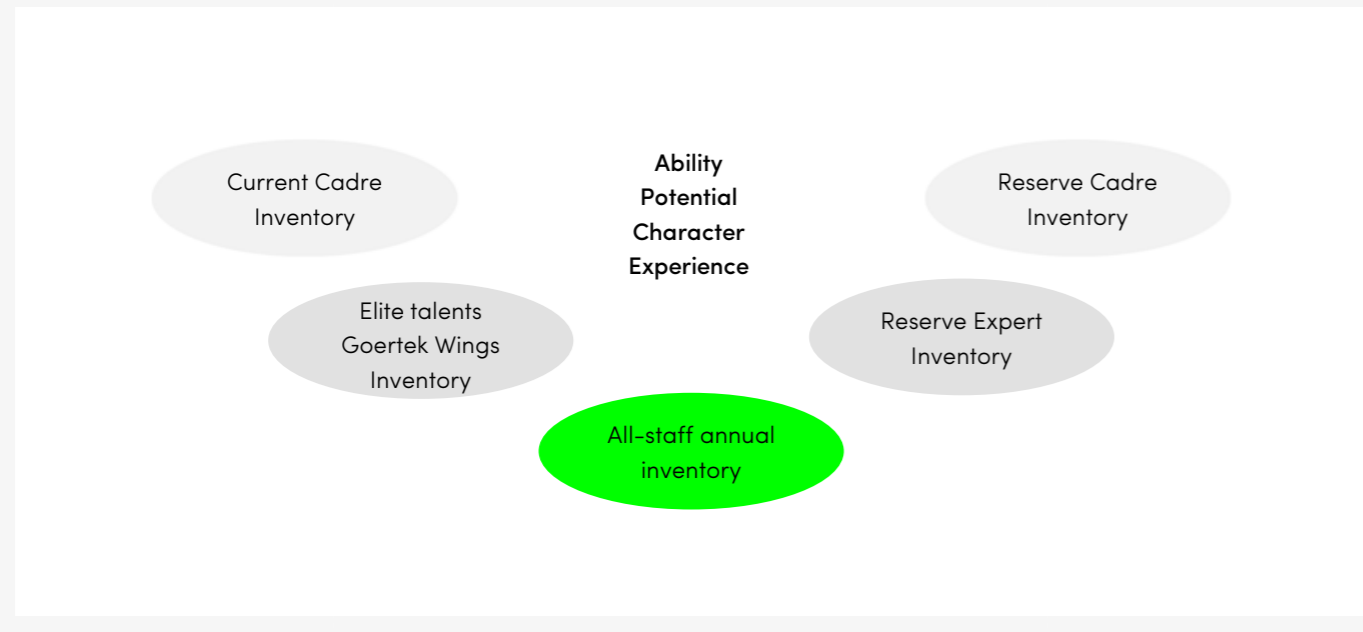
Employee Cultivation

Goertek Inc. regards talents as the Company's core strategic resources, and lists "employee development" as one of the Company's core values. It has formed a perfect human resources training and development system, and is committed to creating a first-class platform for talent training and development as well as self-growth of employees.

Precise Evaluation

Through regular inventory of employees' ability, potential, character and experience, we accurately identify personal qualities, achieve dynamic matching of people and jobs, optimize the internal talent allocation of the organization, and proactively match employees with the most suitable positions and development opportunities.

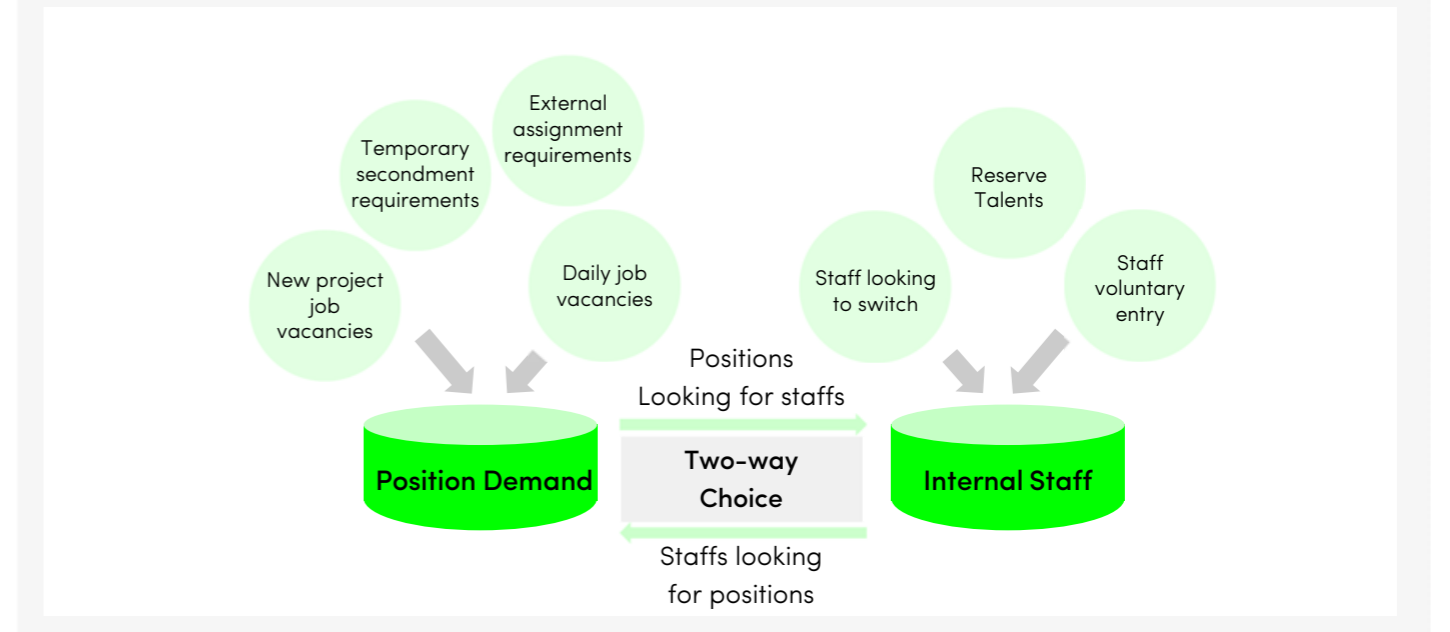
Regular inventory to identify employee characteristics and match jobs



Talent Matching

Establish a diversified recruitment channel, including external hiring and open competition for all employees, emphasizing the orientation of actual job requirements, and combining internal and external resources to quickly respond to the talent gap in business development.

Competitions for open positions



Free rotation

The company designs cross-field rotation paths, such as R&D and manufacturing, marketing and procurement rotation, to promote the accumulation of employees' experience in multiple business lines. Design the rotation mechanism of key business segments, strengthen the synergy between function and market, and accelerate the comprehensive ability of talents.

The Company and business groups work together to coordinate and manage the development of training plans for each business group and supervise the development of training, set targets for evaluation of training satisfaction, ensure the orderly development of training, and continue to cultivate high-quality talents for the business.

Deepening the integration of strategic business and talent training

The Company closely integrates major strategic projects and management priorities with talent training to ensure that the direction of talent training is consistent with the Company's strategy.

Building a diversified talent training system

The Company has built a comprehensive talent training foundation system centered on cultural values, new employees, professionalism, leadership, and skilled personnel to help employees receive appropriate support and training at different stages.



By the end of 2024

The Company has developed more than **2,300** courses for all employees, covering management, professional, technical, cultural and general courses.

Reserve a team of more than **2,700** lecturers.

Built learning resources under various job qualifications, which are applicable to the training needs of people and support various training activities.



For technical and frontline managers

The Company has developed a total of **18,530** courseware.

Developed **646,500** test questions covering general, cultural and professional courses.



Continuously iterating the training model for new employees recruited from schools, helping new employees integrate and grow

The "Goertek Wings" is the fresh talent that supports the company's long-term development in the future. After more than a decade of accumulation and iteration, the systematic and targeted cultivation and development system has basically matured.

In 2024, the Company launched centralized training for new "Goertek Wings", covering diverse contents such as theoretical lectures, development activities and frontline practice, providing a good foundation for new employees to adapt to and integrate into the Company, change their roles, understand the culture, and quickly get on the job.



Improvement of degrees and vocational skills, empowering staff growth

The Company actively encourages all employees to improve their degrees and vocational skills. The Company has established close cooperation with Shandong University, Qufu Normal University and other universities to provide employees with a variety of channels for degree upgrading, customized learning courses, and tuition fee concessions for enrolled employees. In 2024, the Company's equivalent master's degree cooperation program cumulative total of more than 40 students.



Iterative Upgrade of Digital Transformation, Continuously Helping GPS Talent Cultivation

Along with the advancement of the Company's GPS strategy, GPS Academy builds a "rocket model" for GPS talent cultivation based on the intelligent manufacturing system, adopts a hierarchical and classified cultivation model to guarantee the continuous output of talent cultivation and support the Company's digital transformation.

GPS Academy focuses on the training of digital talents, and plans and carries out programs such as data analyst and AI application engineer. In order to improve the digitalization and leaning ability of all employees, GPS Academy plans and carries out learning programs for all employees. GPS Academy planned the first Data Analyst Competition, in which more than 100 teams took the initiative to participate, creating a trend of data-driven management learning.



Establishment of Goertek Craftsmanship Training Center, School-Enterprise Collaboration in Educational Training

In 2024, the Company actively promoted the integration of industry and education. It developed two new cooperative institutions and collaborated with Weifang Vocational College and Shandong Vocational College of Science and Technology to obtain approval for two projects under the "First Batch of National Vocational Education On-site Engineer Special Training Program." It also established a new characteristic industry college with Shandong Chemical Engineering Vocational College and initiated the construction of an Excellent Engineer College with Qufu Normal University.

Students trained in this model have a strong willingness to work, are proficient in technical skills, and show positive confidence, which has been highly recognized by the employing departments. They have truly achieved the goal of "employment immediately after graduation and competence immediately after taking up the post."

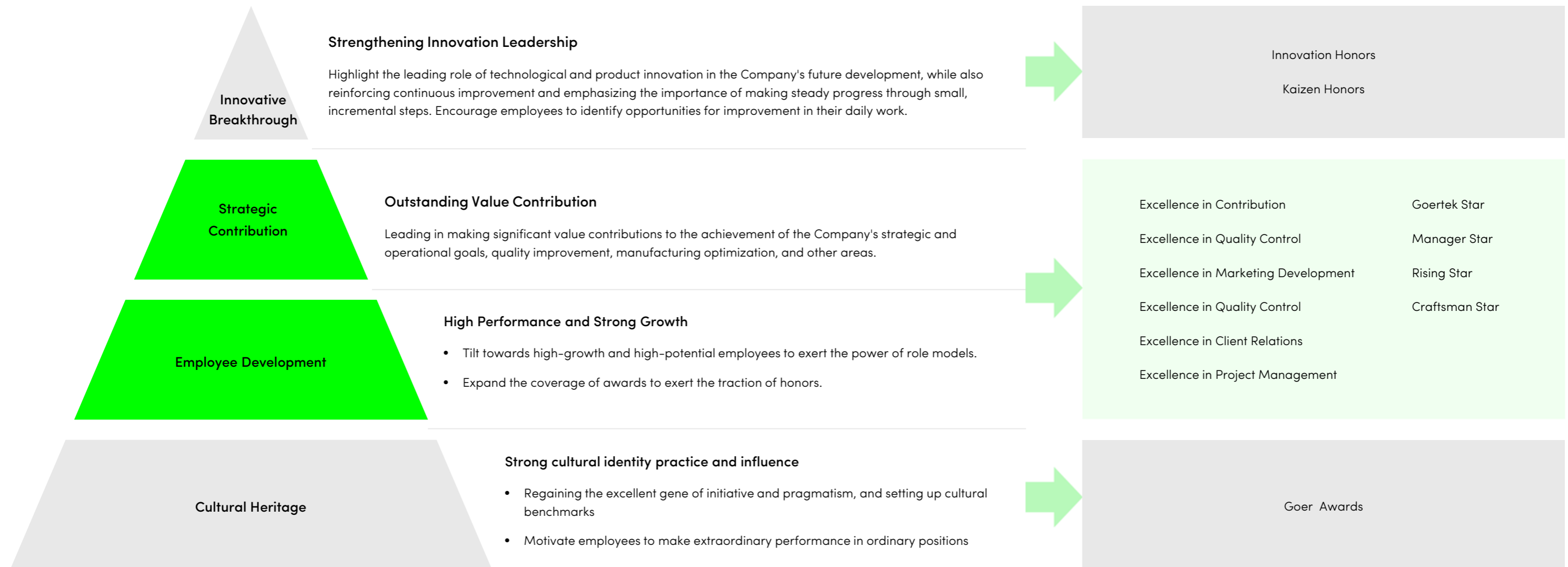
Meanwhile, the Company paid attention to the training of skilled talents in Vietnam and added three training models for engineers: "local pre-training - short-term training between China and Vietnam - long-term training between China and Vietnam," and established the Ban-Mo College for technicians.



Employee Honors

The Company values talent and has established a multi-level honor system with its own characteristics, covering four aspects: innovative breakthrough, strategic contribution, employee development, and cultural heritage. It affirms and recognizes the efforts made by employees and their achievements.

To reward teams and individuals who have made outstanding contributions to the annual business value, the Company holds the "Goertek Innovation and Kaizen Conference" every May to select and recognize innovation and continuous improvement awards. The "Goer Awards" is selected and presented every August to September to recognize cultural heritage awards. This year, the Company has added awards for quality, project management, and market categories to strengthen the leading and driving role of market, project management, and quality in achieving the Company's strategic management goals. This year, the Company has selected and recognized 8 "Role Model Teams" and 90 "Role Model Individuals."



At the same time, the Company is committed to all-round enhancement of staff's sense of honor, strengthen the sense of honor ceremony, and change honor from pure "information transfer" to a profound "emotional imprint". The Company elaborately creates exclusive immersive recognition activities, and carries out honor penetration ceremonies through online and offline channels, and carries out honor throughout the ceremonial activities and daily work scenes, including setting up exclusive parking spaces for awardees, and sending honorary glad tidings to the relatives of the awardees, etc.



"REFRESH—The Power of Role Model—Goertek 2025 Annual Party"

In January 2025, the Company held "REFRESH - Role Model Power - Goertek 2025 Annual Party" in Weifang Grand Theater, which honored the teams and individuals with outstanding performance in the past year, summarized the work in 2024 and looked forward to the future development. It also summarized the work in 2024 and looked forward to the future development. The annual meeting was held in the form of "main venue + live video + online graphic broadcast", which conveyed the Company's guidance and role model power to all employees, and had more than 28,000 viewers in total.



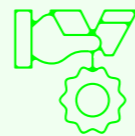
At the same time, the Company's employees have received a number of external honorary awards for their performance, covering areas such as professional skills, technological innovation, and leadership.

This year

Won **3** national talent honors

Won **5** provincial talent honors

Won **77** municipal and district-level talent honors



Pomegranate Music Festival--Goer Awards & Zhong Qin (Devotion & Diligence) Recognition

This year, the Company integrated the devotion and diligence recognition with the Goer Award recognition, strengthened the spirit of leading the development of the Company in the new era, and reshaped the spiritual connotation of the Goer Award - entrepreneurs pursuing excellence and pioneering with passion, doers doing things pragmatically with continuous improvement, and co-venturer being altruistic in sincerity with win-win situation for mutual benefit. The Company held the Pomegranate Music Festival for the first time, using a sense of ceremony to inject respect and recognition for the Goer Awards, integrating resources to enhance the value of the Goer Awards and the sense of achievement of the awardees, and paying tribute to the Goer Awards winners.

During the year, more than 1,000 employees were honored for 10 years and 20 years of Zhong Qin, and each department continued to carry out activities to commemorate employees' one-year, three-year, and five-year of service to pass on the spirit of Zhong Qin.



The Third Company-level Skill Competition "Passing on Craftsman Culture, Casting Goertek Craftsmen"

To facilitate the implementation of the Company's GPS upgrade and respond to the call for innovation from all employees, the Company promoted the spirits of model workers and craftsmen through competitive events, encouraging technicians to respect and enhance their skills. This year, the Company organized the third "Passing on Craftsman Culture, Casting Goertek Craftsmen" Skill Competition. The event featured seven major competition items in two categories: regular and challenge events, with nearly 3,000 technical personnel participating.



Employee Health and Safety

Goertek Inc. adheres to the safety management philosophy of "Safety First, Life First, Prevention and Full Participation", continuously improving management systems and enhancing employees' safety awareness and capabilities, with a commitment to creating a healthy and safe working environment.

Occupational Safety

The Company strictly complies with relevant laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and the *Fire Protection Law of the People's Republic of China*. It has established standards and procedural documents such as the *Environmental and Occupational Health and Safety Management Manual*, as well as management documents including the *Safety Responsibility System Management Regulations*, the *Hazard Identification and Risk Management Process*, the *Hidden Danger Investigation and Management System*, the *Safety Visualization Management Regulations*, the *High-Risk Work Management Regulations*, the *Emergency Management Regulations*, the *Fire Management Regulations*, the *Equipment Safety Management Regulations*, and the *Safety Education and Training Management Regulations*. The Company continuously optimizes its management system with the goal of protecting employees' safety and health, safeguarding business achievements, and supporting the Company's long-term development, striving to create a healthy and safe working environment. This year, the Company has had 0 cases of occupational diseases.

The Company continues to improve its occupational health and safety management system and work safety responsibility system. It has established a Safety Management Committee to oversee safety management, with five subgroups focusing on safety and environmental protection, public security, production equipment, special and power equipment, and hygiene and epidemic prevention. Additionally, safety leadership groups are set up in each business group and functional department, and safety management sub-committees are established in each subsidiary and platform.

The Company has established a life cycle hidden danger management mechanism, strictly following the *Hidden Danger Investigation and Management System*. In 2024, more than 7,000 hidden danger investigations were conducted at various levels. Through a three-dimensional risk identification system of "equipment inspection + process evaluation + employee feedback," the Company closely monitors high-risk scenarios such as chemical leaks, electrical fires, and mechanical injuries, establishing a three-tier risk matrix for high, medium, and low risks and implementing differentiated control strategies.

The Company vigorously promotes the optimization of equipment safety management, incorporating a safety review mechanism into the entire equipment management process, shifting the focus of safety management to the early stages. Risks are identified and control measures are established during the initial introduction phase to prevent risks from entering the production stage, thereby enhancing the inherent safety of equipment.

The Weifang, Rongcheng, Dongguan, and Vietnam factories have all obtained the ISO 45001 Occupational Health and Safety Management System Certification.



Goertek Inc. was awarded the Weifang 2024 "Outstanding Group for the City's Internal Security and Defense Work".

Weifang Goertek Electronics Co., Ltd. was awarded the Weifang 2024 "Outstanding Group for the City's Internal Security and Defense Work".

Weifang Goertek Electronics Co., Ltd. was honored as "Advanced Enterprise in Work Safety" in Weifang Comprehensive Free Trade Zone for the year of 2024.

Rongcheng Goertek Technology Co., Ltd. was honored as "Advanced Unit in Fire Fighting Work" in Weihai City for the year 2024.

Rongcheng Goertek Technology Co., Ltd. was awarded "Provincial Healthy Enterprise" in Shandong Province in 2024.



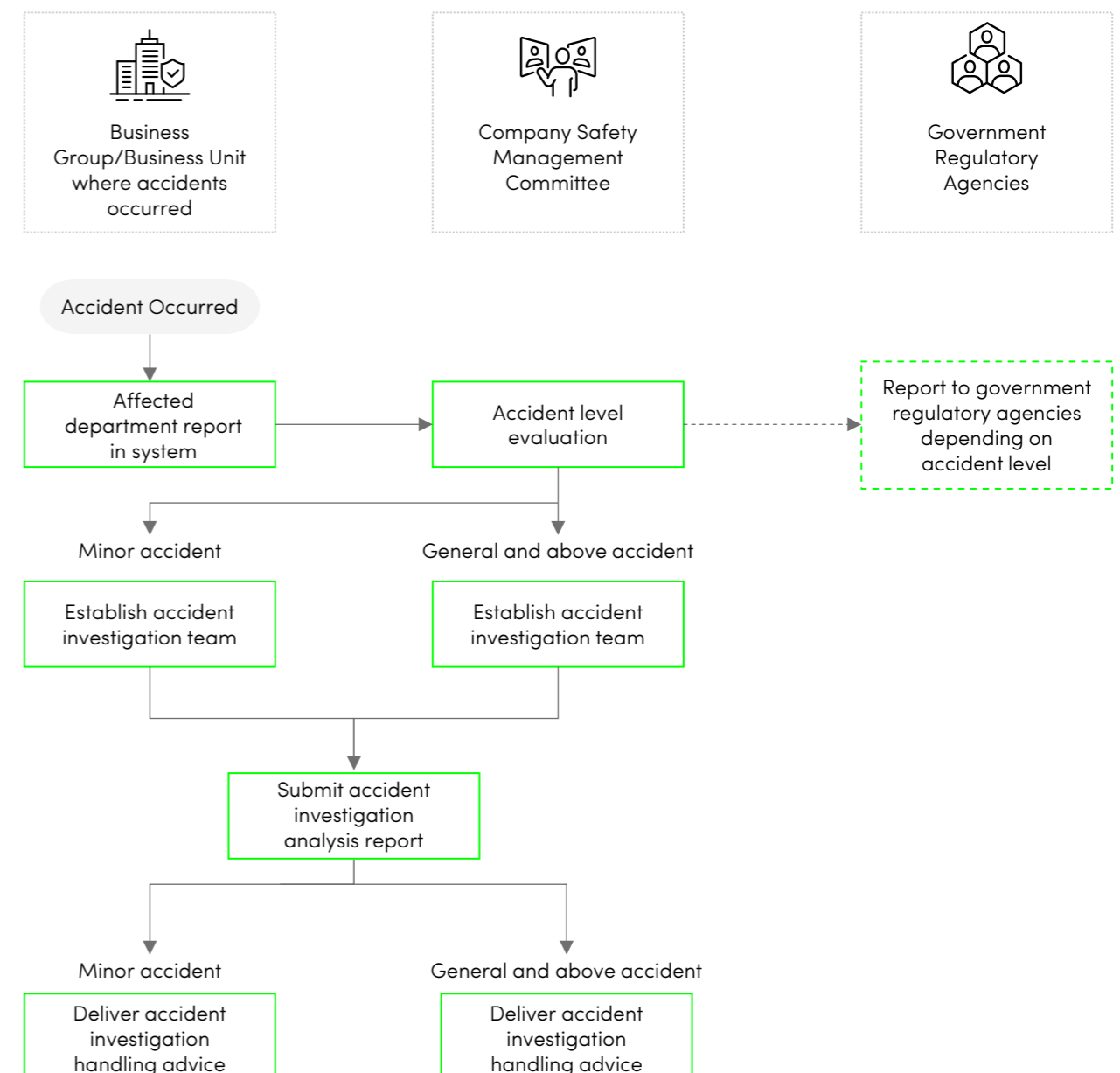
The Company introduces innovative application of intelligent technology to enhance the essential safety in the work of hidden danger investigation and accident prevention.

AI Behavioral Monitoring System	Monitor PPE compliance, personnel violations and electronic fence overruns in real time, deploy intelligent temperature control alarm devices in the AGV charging area, and install AI monitoring and equipment interlocks in some of the large-scale manipulator areas, to capture personnel entering hazardous areas and issue timely commands to them to stop the equipment from operating
Intelligent Forklift Retrofit	Install acoustic and visual alarms, outline lights and AI collision avoidance system, and implement the dual verification mechanism of "face recognition activation + seat belt detection"
Hidden Danger Investigation and Rectification Tracking System	Through the Hidden Danger Investigation and Rectification Tracking System, ensure that safety hazards are rectified in a timely manner and the rectification closed-loop rate is increased to 100%
Equipment Safety Intelligence	Visual AI self-monitoring, self-alarming, self-interlocking and self-protection technologies applied to equipment safety protection, realizing the transformation from "employee risk avoidance" to "automatic equipment identification and protection" mode
Digital Management Platform	Real-time monitoring through the digital platform to visualize safety management data

Emergency Response Mechanism and Handling





The Company has established a series of systems, including the *EHS Accident Management System* and the *Accident Analysis and Investigation Report Guidelines*, which clarify the reporting procedures, investigation processes and handling measures for accidents, and, meanwhile, implement the environmental, health, and safety (EHS) management responsibilities of managers at all levels. In the event of an accident, the department where the accident occurred must report it immediately. The Safety Committee will report to the local government authorities within the stipulated time frame based on the severity of the accident and is responsible for organizing the establishment of an accident investigation team, ultimately issuing an accident investigation and handling report.

Safety Accidents Handling Procedure








Safety Culture Construction

The Company actively promotes the construction of safety culture and continuously organizes a series of safety activities.


	<p>All-Staff Safety Knowledge Quiz: The Company organized a safety knowledge competition with the theme of "Everyone Speaks of Safety, Everyone Knows How to Respond to Emergencies", which was carried out simultaneously online and offline, with more than 10,000 people participating in the quiz online, and nearly 2,500 people participating in the offline parks, which consolidated the safety knowledge of the employees and at the same time created a strong safety culture atmosphere. The quiz activity consolidated employees' safety knowledge and created a strong culture of safety atmosphere at the same time.</p>
	<p>Firefighting Competition: The Company held the 7th Volunteer Fire Brigade Skills Competition, in which 25 teams from various business groups in Weifang participated in the competition with a total of more than 100 people. The competition subjects included firefighting with fire extinguishers obstacles and crossing the fire scene, which were closer to the actual combat, enhancing employees' fire safety awareness and skills.</p>
	<p>Public Security Publicity into the Factory Activities : the Company jointly organized legal education publicity activities with external organizations to promote the prevention of telecommunication fraud, the rejection of pornography, gambling and drugs, and the protection of one's own rights and interests in emergencies and other topics, and through daily broadcasting, video and other publicity methods to deepen the impression of the staff and enhance the awareness of law and order and security.</p>
	<p>119 Fire Safety Month Roadshow Publicity Activity: The Company organized 119 Fire Safety Month Roadshow Publicity Activity with the theme of "Fire Prevention for All, Life First" in each park, set up fire safety publicity area and fire equipment display area for employees to visit and learn, and popularized fire prevention, fire escape, primary fire, and fire safety awareness through on-the-spot explanations, demonstrations, presentations, and so on. Through on-site explanation, demonstration and presentation, the Company popularized the fire prevention, fire escape, fire extinguishing and other scenes of fire knowledge, and improved the staff's awareness of fire safety.</p>

Safety Training

The Company is well aware of the importance of safety training, and requires all departments to conduct regular production safety training to popularize production safety knowledge, enhance the quality of employees' safety skills, and cultivate their sensitivity to hidden safety hazards and risks. The Company has carried out special safety training for different groups of people, aiming to comprehensively enhance the safety awareness and preventive capabilities of employees.

All-Staff	Management	Front-line Staff	New Staff	Professional Production Safety Personnel
<p>Conduct monthly training on safety topics, including traffic safety, chemical safety, occupational health and labor protection, special equipment safety, fire safety, and food safety, etc.</p> 	<p>Conduct security leadership training for mid-level and senior management so that they can fully consider security factors during the decision-making stage.</p> 	<p>Develop professional competence in safety operations to master safety operation skills and improve the on-site safety management level.</p> 	<p>Provide education on safety knowledge to help them quickly integrate into the Company's safety culture.</p> 	<p>Invite external equipment safety experts to conduct training in the Division, explaining the key points of equipment safety and protection in terms of risk classification, protective measures, safety interlocks, and electronic control logic. The Company conducts internal transfer training to improve the safety skills and awareness of safety professionals.</p> 

Cumulative volunteer firefighters training of more than **24,000** participants by the end of 2024





"EHS50" Professional Training Course to Cultivate Safety Management Elites

From August to December 2024, the Company continuously conducted the "EHS50" professional training course for safety management professionals to further cultivate high-potential talents in safety management and enhance the comprehensive ability of safety management personnel of business groups and subsidiaries. The course covers safety awareness and methods, EHS management system, occupational health, fire safety, laws and regulations, and equipment safety. The workshop combines practical cases and analysis to guide the participants to think deeply and realize the change from "keep me safe" to "I want to be safe, I can be safe", and to build up a strong safety defense.



The "first lesson" training at the start of work

The Company organizes the "first lesson" training every year, organizes all the staff to watch the safety propaganda and education film, and explains the typical accident cases in detail, so as to educate and mobilize all the staff to effectively overcome the laxity, enhance the safety awareness, and quickly enter into the work state, and to prevent all kinds of production and safety accidents from occurring.



Security System Informatization Construction

The Company has built a safety command center data system, integrating security, fire fighting, public order and EHS management data, to anticipate, resolve and track safety developments through system linkage. The Company has introduced a global intelligent fire protection system and installed more than 120 sets of fire water monitoring devices and 20 sets of electrical fire monitoring devices in its subsidiaries in many places to monitor real-time water pressure, liquid level and the main factors of electrical fires, and set up more than 200 patrol points to ensure fire safety. At the same time, more than 60 fire mainframe collectors were installed to realize the networked management of fire alarm information. During the year, the Company also strengthened security patrol control by analyzing data from previous years, adjusting patrol efforts to enhance the safety of key areas, and introduced a new type of law-enforcement recorder to improve disposal efficiency.



Safety Experience Hall

This year, the Company built the first safety experience hall integrating knowledge transfer, practical experience and interactive communication. The experience hall has 8 experience areas, including safety culture display area, mechanical injury, electrical safety, safety protection, hidden danger investigation, fire linkage alarm, local ventilation simulation and safety marking signboard area, with more than 20 types of somatosensory equipment as well as various types of safety warning markers, covering common types of risks in the Company. Through simulation of various kinds of imitation scenarios and interactive experience, the hall helps the staffs to better master the basic self-protection skills and improve the Safety Awareness. At present, new employees in the Company are trained through the safety experience before they start their work.



Occupational Health

The Company values the occupational health and safety of its employees, proactively identifies and effectively controls occupational hazards, and focuses on preventive measures. It has established processes and documents such as the *Occupational Health Management System* and the *Labor Protective Equipment Management System* to ensure the safety and health of employees during work operations.

Occupational diseases: 0 cases

Occupational health administrative penalties: 0 cases



- **Graded Management of Occupational Hazard Positions:** Regularly monitor and assess the working environment to ensure it meets occupational health standards. For positions with occupational hazards, the Company implements clear graded management, formulates and enforces control measures for occupational hazards based on risk levels, and continuously improves these measures.
- **Measures to Reduce Occupational Hazards:** Actively reduce and minimize occupational hazards through substitution, isolation, ventilation, and automation. For example, in the injection molding workshop, vacuum noise generators have been replaced with vacuum noise reduction equipment, and magnetic circuit material feeding protection nets have been replaced with noise reduction protection covers to lower noise levels and reduce the number of people exposed to hazards.
- **Management of Positions and Workers:** Annually identify positions with occupational hazards and update the *List of Positions for Occupational Health Examinations* based on the findings. Timely optimize and adjust protective measures to ensure the occupational health and safety of employees. Strictly enforce pre-employment, on-the-job, and post-employment health examination systems for employees in hazardous positions, and inform employees of their examination results. Additionally, establish and dynamically update employee occupational health surveillance files to ensure comprehensive and up-to-date management of occupational health.
- **Protective Equipment Management:** Based on the *Regulations for the Management of Labor Protective Equipment by Employers* and the Company's graded results for hazardous positions, formulate standards for the provision of personal protective equipment to ensure that employees are provided with appropriate protective items such as dust masks, earplugs, safety goggles, and protective clothing. Regularly organize training and education to ensure employees correctly use personal protective equipment. Include the use of personal protective equipment in routine inspections and regularly conduct special inspections. Also, set up occupational disease prevention facilities and emergency rescue facilities to further safeguard employee health and safety.
- **Employee Awareness Training:** Regularly provide all employees with training on occupational health and safety to enhance their safety awareness and skills, ensuring they can correctly implement safety measures. Conduct specific operational skills training based on the characteristics of different positions to ensure employees can correctly use equipment and tools. Teach employees how to properly respond in emergencies, including fire, chemical spill, and first aid procedures. Train employees on the correct use and maintenance of personal protective equipment such as dust masks, earplugs, safety goggles, and protective clothing.



"Heartfelt Joy" EAP Program

The Company places great importance on the mental health of its employees. To this end, the Company has actively introduced an EAP (Employee Assistance Program), collaborating with a leading domestic third-party EAP professional organization to jointly build a comprehensive and systematic mental health support platform. The platform offers a wide range of services, including training corporate health managers, implementing crisis prevention and intervention measures, providing professional psychological counseling, conducting psychological assessments, disseminating mental health knowledge, and offering psychological themed courses. In 2024, the EAP program saw 227 employee consultations and 4 mental health themed activities, with a total participation of 33,000 person-times.



Sustainable Supply Chain

Goertek Inc. always adheres to the supply chain management concept of "Agile Resilience, Win-Win Collaboration, Transparency and Professional Leadership". By integrating ESG principles into every link of our supply chain, we are committed to building a transparent, green, fair and responsible supply chain system. Through green procurement and close collaboration with partners, we consistently respond to challenges while sharing development opportunities. With the spirit of win-win cooperation, we will inject enduring vitality into our supply chain, promote the harmonious unity of economic value, environmental justice and social welfare, and work together to move towards a sustainable future.

Supply Chain Management

The Company has established a series of management systems and procedures, including the *Supplier Social Responsibility Code of Conduct*, the *Supplier Annual and Special Audit Process*, the *Supplier Development and Certification Management Process*, and the *Supplier Performance Evaluation and Application Process*. These aim to set high standards for supplier behavior in areas such as labor rights and environmental responsibility. The Company conducts closed-loop management of suppliers in three stages: development and access, graded management, and evaluation and audit.

During the reporting period, we added provisions for the introduction and approval of temporary suppliers in the *Supplier Development and Certification Management Process*. We also required first-tier suppliers to effectively manage their own suppliers (i.e., second and third-tier suppliers), further perfecting the Company's supplier management system.

This year, the Company optimized the capability requirements for supplier audit personnel. Based on the *Qualification Matrix for New Supplier Development and Certification Audit Personnel*, in addition to requirements in business and technical dimensions, clear requirements were set for the relevant experience, communication skills, and audit qualifications of supplier audit personnel. They are required to participate in professional training and pass exams or obtain International Organization for Standardization auditor certificates in areas such as quality management, social responsibility, information security, and hazardous substance management to have the qualifications for new supplier audits and annual audits in the corresponding fields.

During the audit process, we communicated and promoted Goertek's standards and requirements for supplier management, product quality, environmental protection, and social responsibility with suppliers in a timely manner. We also required potential suppliers to sign a series of documents, including the *Supplier Social Responsibility Commitment Letter*, the *Integrity and Cleanliness Commitment Letter*, and the *Conflict Minerals Commitment Letter*. At the same time, it was clarified that suppliers must obtain at least one certification each in quality management and environmental and social responsibility to be included in the list of potential suppliers.

Development and Access Evaluation

The Company has established a new supplier development and introduction review mechanism. According to the access standards stipulated in documents such as the *Supplier Development and Certification Management Process* and the *Supplier Annual and Special Audit Process*, strict qualification reviews are conducted for suppliers.



Supplier access threshold investigation

Mainly investigate suppliers' industry qualifications, financial risks, organizational capabilities, technical capabilities, inspection capabilities, management systems, and other basic conditions to support business operations.

Baseline investigation of supplier capability

Mainly investigate suppliers' production equipment, testing equipment, technical process capability, project management capability, quality control and environmental protection control capability.

Audit of management system

Audit supplier management system, including quality system, quality process, social responsibility, information security, hazardous substance management, etc.

Graded Supplier Management

This year, the Company optimized the *Supplier Performance Evaluation and Application Process*. After new suppliers are onboarded, the Company dynamically manages suppliers through periodic performance evaluations to ensure product quality and supply chain stability. A cross-departmental team is formed to evaluate suppliers' performance across dimensions such as technology, quality, responsiveness, delivery, cost, and social responsibility, assigning them one of four performance grades: A, B, C, or D. The Company continuously tracks suppliers' performance, requiring them to rectify any identified issues and submit rectification reports, which are then verified either online or on-site.

The Company refined the *Supplier Grading and Classification Management Process*, preferentially selecting, optionally selecting, restricting selection, or eliminating suppliers based on their performance levels, resource alignment, and willingness to cooperate. This dynamic management approach differentiates suppliers to maintain an optimal supplier pool.

Supplier Grading	Management Measures
Preferred	<ul style="list-style-type: none"> • Prioritize participation in project selection, increasing cooperation opportunities. • If performance deteriorates, review for demotion.
Selectable	<ul style="list-style-type: none"> • Eligible for project selection. • Subject to upgrade or demotion based on performance.
Restricted	<ul style="list-style-type: none"> • Limited participation in new projects. • Subject to upgrade or demotion based on performance.
Eliminated	<ul style="list-style-type: none"> • Ineligible for new projects, with a phase-out plan to exit, reduce supply share, and eventually terminate cooperation within one year.

Supplier Evaluation and Audit

The Company conducts annual supplier audits and special inspections annually, combining online and offline methods. The audit dimensions are consistent with the entry audit dimensions to regularly verify that qualified suppliers continue to meet compliance requirements. In 2024, the Company continued to promote the application of the SRM system, directly and efficiently connecting with suppliers through the system to enhance audit work efficiency, ensuring records are traceable and verifiable, and advancing the systematization and standardization of supplier annual audits and special inspections.

This year, the Company optimized the *Annual Supplier Audit Personnel Capability Matrix*, setting higher capability requirements for those conducting annual supplier Audit Personnel in terms of system management and professional experience.

Supplier Rights Protection

The Company places great importance on protecting supplier rights and has no instances of overdue payments to small and medium-sized enterprises that have been publicly disclosed by the National Enterprise Credit Information Publicity System.

Supplier Empowerment

Recognizing that supplier capability is crucial for building a sustainable supply chain, the Company engages in various communication methods such as one-on-one on-site empowerment, quarterly meetings, specialized training, and supplier conferences to jointly identify management risks in the cooperation process and explore improvement directions with suppliers, thereby reducing business risks and continuously enhancing the level of cooperation. In October 2024, the Company held a partners' integrity promotion meeting to advocate the Company's future development direction and policies and called on all partners to jointly resist corruption. A total of 220 suppliers attended the meeting on-site.

Supplier Training Theme

- Supplier Management Rules Update
- SRM System Process Operation
- Integrity and Business Ethics
- Project Information Security Management and Personal Privacy Protection
- CSR Management and EHS Management




- Conflict Minerals Management
- Carbon Emissions and Energy Management
- Product Quality Management
- Harmful substances management
- Other related matters involving synergies

Responsible Supply Chain

Goertek Inc. actively practices the concept of responsible procurement and adheres to the RBA Code of Conduct, committing to building a transparent and fair supply chain cooperation model. The Company has established internal management policies such as the *Supplier Social Responsibility Code of Conduct*, the *Supplier Development and Certification Process*, and the *Supplier Risk Management Process*. These policies standardize the rules for supplier cooperation and the process of risk identification and assessment. Through comprehensive management across the entire process, the Company ensures that suppliers comply with internal and external regulatory requirements in terms of quality, environment, society, and business ethics, thereby continuously enhancing the stability and security of the supply chain.

Supplier Entry CSR Management

The Company strictly implements supplier access mechanisms such as the *Supplier Survey Form*, the *Supplier Development Requirement Form*, and the *Supplier Development and Introduction Qualification Threshold*. In accordance with the *Supplier Development and Certification Management Process*, the Company comprehensively evaluates and examines the environmental and social risks, as well as the green environmental management system of both internal and external suppliers through written review and on-site audit. The Company signs a series of documents with suppliers who meet the access requirements, including the *Purchase Contract*, the *Confidentiality Agreement*, the *Integrity and Cleanliness Agreement*, the *Social Responsibility Commitment Letter*, and the *Conflict Minerals Agreement*. These actions effectively implement and practice the supply chain management philosophy of "collaborative win-win and transparency," ensuring the stability and sustainability of the supply chain.

Employee Rights and Interests	Health and Safety	Environmental Protection	Business Ethics	Management System Requirements
<ul style="list-style-type: none"> • Prohibition of forced labor • Child and minor labor • Working hours • Wages and benefits • Non-discrimination/non-harassment/humane treatment • Freedom of association and collective bargaining 	<ul style="list-style-type: none"> • Occupational Health and Safety • Emergency Preparedness • Workplace Injuries and Illnesses • Industrial Hygiene • Physically demanding work • Machine safety guarding • Public Health, Food and Accommodation • Health and safety communication 	<ul style="list-style-type: none"> • Environmental Licensing and Reporting • Pollution Prevention and Resource Conservation • Harmful substances • Solid Waste • Exhaust Emissions • Restricted Substances • Water Management • Energy Consumption and Greenhouse Gas Emissions 	<ul style="list-style-type: none"> • Business integrity • No undue advantage • Disclosure of information • Intellectual property rights • Fair dealing, advertising and competition • Protection of identity and prohibition of retaliation • Responsible sourcing of minerals • Privacy 	<ul style="list-style-type: none"> • Corporate Commitment • Management accountability and responsibility • Legal and customer requirements • Risk assessment and risk management • Improvement objectives • Training • Communication • Employee/stakeholder involvement and access to remediation • Audits and Assessments • Corrective Action Process • Documentation and Records • Supplier Responsibility 

Supplier CSR Audits

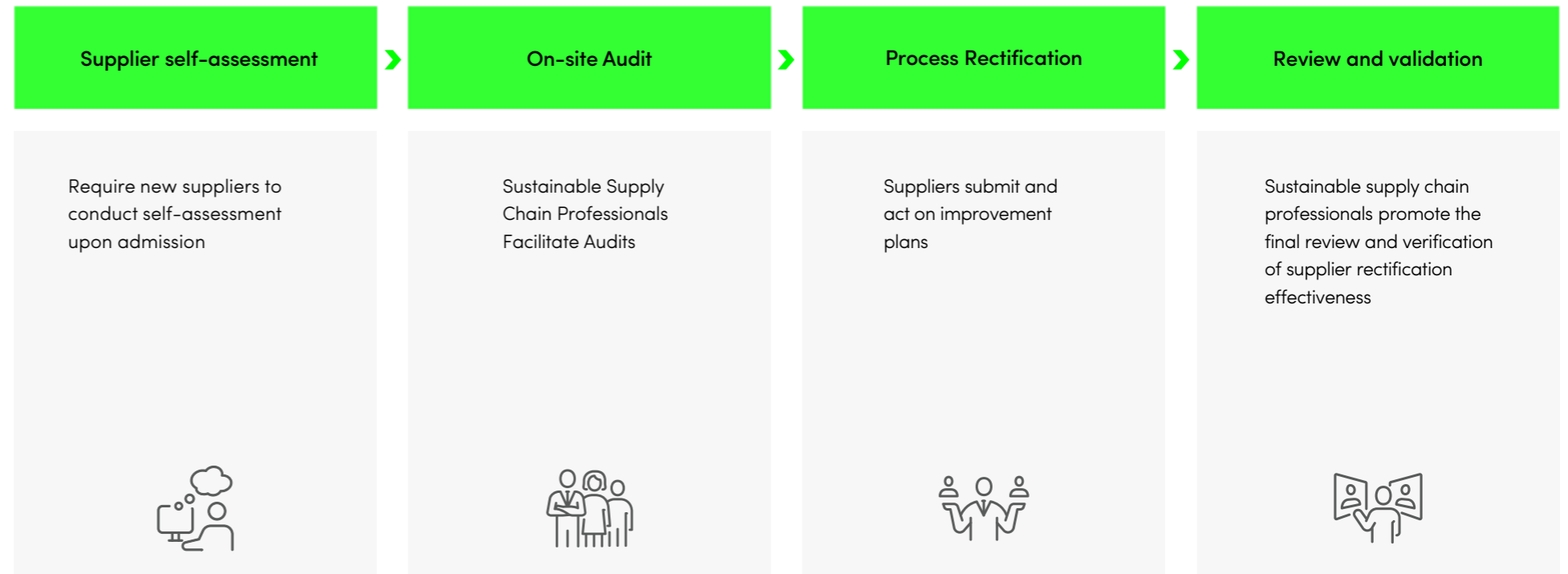
We conduct compliance assessments of the *Supplier Social Responsibility Code of Conduct* for domestic and international raw material and auxiliary material suppliers, based on standards and market requirements from international organizations such as *RBA*, the *International Labour Organization (ILO)* and the *International Organization for Standardization (ISO)*. We also assist suppliers in making necessary improvements.

Based on risk management needs, the Company follows the *Supplier Annual and Special Audit Process* to develop and implement an annual CSR audit plan. CSR audits mainly cover five dimensions: employee rights, health and safety, environmental protection, business ethics, and management systems. The Company requires suppliers to make timely rectifications for issues identified during the audit. This year, the Company achieved a 100% CSR audit rate for new suppliers and a 100% completion rate for the annual CSR audit plan for component and raw material suppliers.

This year, Goertek Inc. has implemented online management for relevant audit processes. By standardizing the entry of supplier information and providing standardized templates and procedures, the Company ensures the accuracy and completeness of supplier information. At the same time, the Company classifies and grades suppliers, implementing targeted audits and corresponding management measures for different categories of suppliers.

The Company's social responsibility audit process follows a closed-loop mechanism of "supplier self-assessment → on-site audit → process rectification → review and validation."

- Before conducting access audits for new suppliers, the Company requires suppliers to conduct self-assessments and submit the results, encouraging them to carry out internal reviews to identify shortcomings and manage them independently to meet our requirements.
- For suppliers with minor non-conformities identified during on-site audits, we will urge them to make rectifications based on the severity of the issues and verify the effectiveness of the rectifications through final review and validation.
- For suppliers who repeatedly fail to meet the Company's standards for quality, delivery, price, and service in multiple performance evaluations, or who violate CSR standards such as labor rights, environmental protection, and business ethics, we will reduce our procurement share from these suppliers.



In 2024, during the CSR audits conducted on suppliers, no significant violations were found regarding the prohibition of forced labor, child labor, compensation and benefits, environmental permits, hazardous substance management, and occupational health and safety.

Supplier CSR Empowerment

The Company values the construction of CSR management capabilities for suppliers in the supply chain, striving to empower upstream partners with its own practical experience. We encourage suppliers to continuously improve their management levels and performance in labor rights, environmental protection, health and safety, and business ethics, helping them enhance their sustainable development management capabilities. In the future, we will strengthen relevant training to help both the Company and its suppliers continuously improve their sustainable development performance.

Green Supply Chain

The Company has formulated supply chain-oriented measures related to carbon emissions, environmental compliance, and hazardous substance management, and strictly complies with the requirements of laws and regulations on green supply chain management, selects more environmentally friendly and safer materials during product design and manufacturing, continuously improves the environmental standards of its products, and makes every effort to promote the green transformation of its supply chain.

Supply Chain Environmental Compliance Management

To promote suppliers' implementation and maintenance of environmental compliance and enhance environmental compliance across the entire supply chain, the Company has refined its supplier environmental compliance management system. It identifies common environmental management risk sources and uses a database to track suppliers' environmental violation records. While supervising the Company and its suppliers to reduce and eliminate environmental management risk sources, it also urges and guides suppliers to establish standardized environmental management systems and regularly optimize them.

Supply Chain Carbon Reduction Management

The Company fully recognizes the importance of energy conservation and emission reduction in the supply chain for achieving its carbon reduction goals. Through supplier training and on-site reviews, the Company continuously practices and promotes the realization of carbon emission reduction management in the supply chain. We encourage suppliers to actively participate in carbon verification and energy management, empower suppliers to improve their carbon emission management level, and earnestly fulfill the commitment to building a green supply chain.

Supply Chain Hazardous Substance Management

As a bridge between suppliers and customers, we fully understand that conveying clear raw material management requirements to suppliers is an important prerequisite for providing customers with high-quality and environmentally friendly products. We require suppliers to adhere to consistent standards and, on the basis of their compliance, continuously improve their management of hazardous substances and reduce supply chain risks.

We continue to refine the environmental management module of the SRM system to systematically manage hazardous substances in the supply chain and support green procurement. The system includes a basic chemical substance database and a database of the Company's environmental control requirements for various materials, standardizing the submission of environmentally friendly materials by suppliers. We use the system to query and trace the material data and compliance status of substances, and to implement preemptive control and develop response strategies for new industry or customer requirements regarding the restriction or prohibition of hazardous substances. At the same time, we also promptly share with suppliers the latest relevant laws and regulations, industry trends, and customer and Company requirements for the management of hazardous substances to ensure that suppliers understand and comply with these requirements and work with us to ensure the efficient and high-quality delivery of products to customers and users.



Conflict Minerals Management

Goertek Inc. adopts the basic policy of "prohibiting the use of conflict minerals," promoting continuous improvement and optimization of conflict minerals management in the supply chain, and is committed to providing a solid guarantee for the Company's sustainable development and customer trust. The Company has publicly disclosed the *Conflict-Free Minerals Policy Statement* on its official website to avoid contributing directly or indirectly to illegal armed conflicts, human rights violations, environmental destruction, and unethical business practices.

"The Company does not accept or use gold, tantalum, tungsten, cobalt, tin, and mica minerals originating from conflict-affected areas in the Democratic Republic of the Congo and its neighboring countries, or from regions controlled by non-state armed groups or illegal armed groups."

The Company has incorporated the *Conflict-Free Minerals Commitment* into its commercial agreements with suppliers to regulate their behavior. It has also established management policies such as the *Supply Chain Policy* and the *Supplier Social Responsibility Code of Conduct*, requiring suppliers to conduct responsible mineral due diligence on the minerals used in their products, proving that the sources, processing, and chain of custody of gold, tantalum, tungsten, cobalt, tin, and other metals in their products meet regulatory or customer requirements.

Understanding the importance of supply chain transparency and traceability, the Company is gradually building a comprehensive and detailed supply chain traceability system. This system aims to enhance supply chain transparency while ensuring precise tracking and verification of the sources and flows of minerals used in the supply chain. The Company requires all component manufacturers to provide compliance information for any conflict metals used in their products and to provide a list of upstream smelters or refiners (SORs) recognized by the Responsible Minerals Initiative (RMI), ensuring that their products do not use any 3TG (Tantalum, Tin, Tungsten, and Gold) metals or minerals that are not recognized.

Based on its business structure, the Company does not directly purchase raw materials from smelters or refiners. Not all products manufactured by the Company involve 3TG, cobalt, mica, or other minerals. For products that do involve these minerals, the Company can achieve 100% traceability of their country of origin, ensuring management transparency and traceability.

Supply Chain Due Diligence

The Company strictly follows the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* and the RMI due diligence reporting process. It conducts continuous and in-depth due diligence on the metal raw materials and auxiliary materials involved in its business operations, enabling the Company to clearly understand key information about the sources and chain of custody of conflict minerals.

1	2	3
Require suppliers to complete CMRTs and EMRTs, and require SORs from a list of Responsible Minerals Assurance Program (RMAP) certified SORs identified by RMI.	The list of SORs collected through the CMRT and EMRT is compared to the RMAP list to determine if the SORs have been validated as conflict free. the results of the RMAP review are reflected in the list of SORs that have been validated by RMI.	Suppliers that do not obtain RMAP certification and do not complete the corrective action requirements within a limited period of time will be removed from the supplier pool.

In response to situations where it is not possible to understand the source of the raw and auxiliary metal materials used through due diligence, the Company has set up dedicated staff to regularly check the compliance status of smelters, determine their country of origin through other forms of investigation, and provide the results of the investigation to customers for reference to ensure the transparency of the source of spare parts and components.

Routine Compliance Management

The Company has established systems and processes such as the *Supplier Conflict Minerals Management Process*, covering dynamic monitoring of conflict minerals, risk reduction plans, and corrective actions. The Company periodically reviews multiple aspects of suppliers, including verifying their industry qualifications, ensuring the signing of the *Conflict-Free Minerals Commitment*, and addressing non-conformities identified by the CMRT (Conflict Minerals Reporting Template) through improvements and corrections. If any non-compliance is detected, the Company will immediately communicate with the supplier, requesting a detailed problem description and corrective action documentation. Meanwhile, the supply chain management department collaborates with business management, sales management, and other relevant departments to conduct an in-depth evaluation and analysis of the issue. Should there be any violation of laws and regulations that is not rectified within the stipulated time frame, the Company will immediately terminate its business cooperation with the supplier.


Moreover, the Company actively urges suppliers to fulfill their conflict-free minerals commitment in their daily operations, empowering and deepening suppliers' awareness of conflict minerals management through relevant supply chain departments. The supply chain management department regularly conducts training themed on conflict minerals management, requiring department personnel to actively promote the Company's policies and convey downstream customer demands and requirements to suppliers, thereby enhancing communication and overall performance in conflict minerals management.

This year,

The Company identified suppliers involving 3TG and distributed the CMRT questionnaire to **100%** of them, achieving a **100%** response rate from suppliers.

For suppliers involving cobalt and mica, the Company initiated the EMRT investigation with a **100%** coverage rate, and the response rate from suppliers was **90.3%**.

The percentage of suppliers with all smelters and refiners having carried out RMAP certification was **92.6%**.



Fulfilling Social Responsibility

Goertek Inc. fulfills its social responsibility with all its heart, devotes itself to the development of social welfare undertakings, and focuses on the theme of "Together" to make efforts in various dimensions, such as community public welfare, employee volunteering, and rural revitalization, and gives full play to the advantages of the Company's organization, scientific research and other strengths, so as to fully create a social responsibility system with participation of all people and sustainable development. Let the warmth and power of public welfare and charity spread everywhere in the society, and contribute to building a better society.

Community Welfare

As a responsible enterprise, Goertek Inc. has always insisted on the deep integration of its own values and social values. This year, the Company continued to carry out "6·25 Public Welfare Day", scholarships and other public welfare and charitable activities, and deeply participated in national fitness activities such as the Goertek-2024 Weifang Marathon, innovated forms, enriched the content, and actively linked to more social resources, to build a platform for the enterprise's employees and the community to carry out and participate in public welfare and charitable and voluntary activities, and to continue to promote the flourishing of community welfare undertakings. Continuously promote the vigorous development of community welfare undertakings. By the end of 2024, the Company had placed more than 3,400 underprivileged people and 200 unemployed people into employment.



Guard the Starlight Together, "6·25 Public Welfare Day" Takes Care of Special Children Groups

In this year's "6·25 Public Welfare Day", Goertek Inc. actively fulfilled its social responsibility and showed its corporate commitment. During the event, the Company collected picture books from all employees, aiming to send knowledge and warmth to special children groups. At the same time, Goertek Inc. once again donated RMB 200,000 to the "Goertek Charity Fund" of Weifang Charity Federation, injecting Goertek's energy into the development of public welfare undertakings. The Company sent VR headset, 3D printing pens and other gifts to the children in the auxiliary school to enrich the children's learning life and further promote the deep integration of science and technology with special education.



The symphony of sports and technology, Goertek supports "2024 Weifang Marathon"

In October 2024, the Goertek-2024 Weifang Marathon started with over 15,000 professional marathon runners and enthusiasts participating in the race, and Goertek and Weifang once again joined hands to create "Health and Beauty".

Following the success of the Goertek-The First Weifang Marathon, the Goertek-2024 Weifang Marathon has become a category A1 event certified by the China Association of Athletics Federations (CAAF), and has officially joined the Good Luck Shandong - Marathon City League platform. For this year's race, the Company not only sent out a sincere invitation to more children from schools in remote areas, but also joined hands with the race operator to carry out pre-race training camp activities, so as to allow more sports-loving ordinary citizens to participate in depth.



Volunteer Activities

Goertek Inc. has always been adhering to the concept of actively fulfilling its social responsibility, and has been vigorously encouraging its employees to participate in various volunteer activities. Every year, the Company carries out volunteer activities such as "Home Cleaning", "Civilization Advocacy", "Respecting the Elderly and Helping the Elderly", etc., giving full play to its role as an exemplary leader and promoting the normalization of volunteer services. At the same time, relying on the "China Volunteer Service Network" and the internal innovation platform "Goertek Charity Platform", the Company further promotes the systematic and project-oriented operation of public welfare and charity and volunteer activities. By the end of 2024, the Company had built 30 public welfare teams, carried out more than 90 volunteer services, involving more than 1,500 people and a total of 2,360 hours of public welfare.

In 2024, the Company was awarded the honor of the most caring enterprise from 2018 to 2023 by Weifang Civil Affairs Bureau and Weifang Charity Federation, and at the same time, it was listed on the Weifang Charity List and ranked at the top.

Rural Revitalization

Goertek Inc. actively responds to the call to consolidate and expand the results of poverty alleviation and comprehensively promotes the revitalization of the countryside, and through the enterprise's own influence calls on employees, stakeholders and people from all walks of life to participate in this topic.

Starting from 2019, the Company has continued to pay attention to the growth of children in rural areas, carried out the "Goertek-We Make It Together Program", and constructed the "Goertek Growth Station". The Company has issued a call to all employees to carry out a variety of public welfare activities in rural schools with weak educational resources, and to provide children with AI, XR and other special courses centered on cutting-edge technologies in the field of science and technology. After the completion of the station, the Company insisted on carrying out special return visits such as "the first lesson of the school year - walking with AI", and continued to invite some teachers and students to participate in research and study activities.



"Goertek Growth Station" in the West, AI Draws a Bright Future

In 2024, Goertek Inc. took active steps to build six new "Goertek Growth Stations", so that more schools in townships could have access to more high-quality science and technology education resources. Among them, Goertek volunteers supported the western mountainous areas by building three new "Goertek Growth Stations" in Wen County, Longnan, Gansu Province. By the end of 2024, the total number of "Goertek Growth Stations" reached 20, benefiting more than 6,000 students and teachers.

In order to help enrich the scientific and technological education resources in township schools, the Company's volunteers kept up with the cutting edge of science and technology, and upgraded the special courses such as AI and XR, making the contents of the courses lively and interesting. The upgraded science and technology courses stimulated the children's strong interest in science and technology, and some of them showed enthusiasm and potential for exploration.

The Company carefully planned and carried out the "First Lesson at the Beginning of the School Year - Walking with AI" return visit activity, exchanging AI technology with the children, guiding them to look forward to the future world of science and technology, and stimulating the children's vision of science and technology innovation.

The Company invited teachers and students from some of the station to participate in the Goertek-2024 Weifang Marathon, campground outdoor development and other study activities, which enhanced the physical fitness of teachers and students and their teamwork ability, and further enriched the high-quality educational resources in remote rural areas.



Appendix 1: Key Performance Indicators

Environmental KPIs¹

Key KPI Indicators	2024	Unit
Greenhouse Gas (GHG) Emission²		
Total GHG Emission	482,085	tCO ₂ e
Direct GHG emission (Scope 1)	37,104	tCO ₂ e
Indirect GHG emission (Scope 2)	444,981	tCO ₂ e
GHG Emission Intensity per Unit of Business Income	4.78	tCO ₂ e/1 million RMB
Total GHG emission reductions	17,422	tCO ₂ e
GHG emissions reduced through abatement measures		
Retrofit equipment	9,571	tCO ₂ e
Improvement of processes	7,851	tCO ₂ e
GHG emissions reduction (Scope 1)	255	tCO ₂ e
GHG emissions (Scope 2)	17,167	tCO ₂ e
Energy use³		
Total Energy Consumption	908,652	MWh
Energy consumption intensity per unit of business income	9.00	MWh/1 million RMB

Key KPI Indicators	2024	Unit
Consumption by type of energy		
Total direct energy consumption	33,904	MWh
Gasoline consumption	243,387	Liter
Diesel consumption	29,738	Liter
Natural gas consumption	2,858,339	Cubic Meter
Liquefied petroleum gas consumption	234,920	Kg
Total Indirect Energy Consumption	874,748	MWh
Electricity	817,803	MWh
Purchased non-renewable electricity	603,817	MWh
Purchased renewable electricity	161,172	MWh
Self-generated renewable electricity	52,814	MWh
Steam	29,990	Tons
High temperature water	124,848	GJ
Total Renewable Energy Consumption	213,986	MWh

¹Unless otherwise specified, the statistical scope of environmental data is the Weifang, Qingdao, Rongcheng, Dongguan and Vietnam factories.

²The statistics cover the Company's factories in Weifang, Rongcheng, Dongguan and Vietnam. The statistics are calculated in accordance with the *Guidelines on Accounting Methods and Reporting of Greenhouse Gas Emissions for Enterprises in Other Industrial Sectors*, the *Sixth Assessment Report of the IPCC* published by the Intergovernmental Panel on Climate Change (IPCC), and the National Standard of the People's Republic of China, the *General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)*.

³These statistics cover the Company's factories in Weifang, Rongcheng, Dongguan and Vietnam. The types of energy consumption include natural gas, liquefied petroleum gas, diesel fuel, gasoline, electricity, steam and high temperature water. This statistical data is based on the National Standard of the People's Republic of China the *General Rules for Calculating Comprehensive Energy Consumption (GB/T 2589-2020)*, *Gasoline for Motor Vehicle Use (GB 17930-2016)*, diesel fuel inspection report of the plant in Vietnam, and the "Enterprises in Other Sectors of the Industry - Guidelines on Greenhouse Gas Emission Accounting Methods and Reporting".

Key KPI Indicators	2024	Unit
Air Pollutant Emissions⁴		
Suspended particles and particulate matter (PM)	0.64	Tons
Sulfur oxides (SO _x)	0.15	Tons
Nitrogen oxides (NO _x)	1.06	Tons
Volatile organic compounds (VOCs)	6.98	Tons
Water Pollutant Emissions⁵		
Ammonia Nitrogen (NH ₃ -N)	1.55	Tons
Chemical Oxygen Demand (COD)	16.65	Tons
Total Nitrogen (TN)	6.67	Tons
Total phosphorus (TP)	0.001	Tons

Key KPI Indicators	2024	Unit
Waste Generation		
Total Waste Generation	52,886	Tons
Hazardous Waste Generation	2,196	Tons
Amount of non-hazardous waste generated	50,690	Tons
Total amount of hazardous waste generated per unit of business revenue	0.02	Ton/1 million RMB
Total amount of non-hazardous waste generated per unit of business revenue	0.50	Ton/1 million RMB
Amount of waste recycled	47,482	Tons
Consumption of renewable resources	46,778	Tons
Consumption of renewable resources as a proportion of total consumption of corresponding resources	88	%
Water Withdrawal		
Total water withdrawal from all operating sites ⁶	6,090,052	Tons

⁴The statistics cover the Company's factories in Weifang, Qingdao, Rongcheng and Dongguan.

⁵The statistics cover the Company's factories in Weifang, Qingdao, Rongcheng and Dongguan.

⁶The statistics are all from third-party facilities/municipalities.

Social KPIs

Key KPI Indicators	2024	Unit
Employee Employment		
Total number of employees	81,819	Person
Employees by gender		
Male	50,721	Person
Female	31,098	Person
Employees by Age Group		
Under 30 years old	41,233	Person
30 to 49 years old	40,319	Person
50 years old and above	267	Person
Indirect employee turnover rate ⁷	13.32	%

Key KPI Indicators	2024	Unit
Employee Rights and Benefits		
Total number of employees entitled to parental leave	5,293	Person
Number of male employees	3,614	Person
Number of female employees	1,679	Person
Total number of employees who actually took parental leave	4,292	Person
Number of male employees	2,858	Person
Number of female employees	1,434	Person
Total number of incidents of discrimination	0	Case
Health and Safety		
Amount invested in employee injury insurance	2,397	10,000 RMB
Coverage rate of workers' compensation insurance	100	%
Amount invested in employee workplace safety liability insurance	12.58	10,000 RMB
Percentage of employees receiving regular performance and career development reviews		
Male	100	%
Female	100	%

⁷Indirect employee turnover = number of indirect employees lost during the year / (number of indirect employees at the end of the year + number of indirect employees lost during the year)

Key KPI Indicators	2024	Unit
Training & Education		
Number of staff training ⁸	2,223	Times
Training hours per person ⁹	34.45	Hours
Employees by Grade Group		
Middle and Senior Staff	112,462	Hours
Basic level Employees ¹⁰	2,706,143	Hours
Business Ethics Related Training		
Total hours of business ethics-related training	73,179	Hours
Middle and Senior Level Employees	5,947	Hours
Basic level employees	67,232	Hours
Of which, total hours of anti-bribery and anti-corruption related training	37,560	Hours
Middle- and high-level employees	3,188	Hours
Basic level employees	34,372	Hours

⁸The statistics are the number of offline training

⁹Training hours per person = (total online training hours + total offline training hours)/total number of employees

¹⁰This statistic includes the Basic level managers and non-management staff.

Key KPI Indicators	2024	Unit
R&D Innovation		
Amount of R&D investment	4.569	Billion RMB
Amount of R&D investment as a percentage of revenue	4.53	%
Number of R&D employees	12,568	Person
Ratio of R&D employees	15.36	%
Number of applications for patents of invention in the reporting period	2,236	Patents
Number of patents granted during the reporting period	1,387	Patents
Number of active patents in the reporting period	17,695	Patents
Supplier Management		
Total number of suppliers with whom the Company has transactions ¹¹	1,178	Firms
Domestic	814	Firms
Overseas	364	Firms
Social Welfare		
Hours of volunteer activities	561	Hours

¹¹This statistic is the number of suppliers involved in the purchase amount in the reporting period of 2024

Appendix 2: GRI Standards Index

Description of use	Goertek Inc. reported the information in the GRI Indicator Index during the reporting period with reference to the GRI standard.
GRI 1 Used	GRI 1:Base 2021

GRI Standards	Disclosure	Chapter(s) in the Report
GRI 2 The Organization and Its Reporting Practice		
2-1	Organizational detail	About the Report
2-2	Entities included in the organization's sustainability report	About the Report
2-3	Reporting period, frequency and contact point	About the Report
GRI 2 Activities and Worker		
2-6	Activities, value chain and other business relationships	About the Report
2-7	Employees	About the Report
GRI 2 Governance		
2-9	Governance structure and composition	Corporate Governance
2-10	Nomination and selection of the highest governance body	Corporate Governance
2-11	Chair of the highest governance body	Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance
2-13	Delegation of responsibility for managing impacts	Corporate Governance
2-15	Conflicts of interest	Stakeholder Communications
2-16	Communication of key concerns	Stakeholder Communications
2-17	Corporate governance of the highest governance body	Corporate Governance
2-18	Performance assessment of the highest governance body	Promoting Talent Development
2-19	Remuneration policies	Promoting Talent Development
2-20	Process to determine remuneration	Promoting Talent Development

GRI Standards	Disclosure	Chapter(s) in the Report
GRI 2 Strategy, Policies, and Practices		
2-22	Statement on sustainable development strategy	Chairman's Statement
2-23	Policy commitments	No major violations
2-25	Processes to remediate negative impacts	Stakeholder Communications
GRI 2 Stakeholder Engagement		
2-29	Methods of Stakeholder Engagement	Stakeholder Communications
2-30	Collective bargaining agreements	Promoting Talent Development
GRI 3 Material Topics		
3-1	Process for identifying substantive issues	Stakeholder Communications
3-2	List of substantive issues	Stakeholder Communications
GRI 201 Economic Performance		
201-1	Direct economic value generated and distributed by the organization	Goertek Inc. 2024 Annual Report
201-2	Financial impact of climate change and other risks and opportunities	Addressing Climate Change
201-3	Obligated defined benefit plans and other retirement plans	Promoting Talent Development
GRI 203 Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	Fulfilling Social Responsibility
GRI 205 Anti-corruption		
205-1	Operational sites where corruption risk assessments have been conducted	Business Ethics
205-2	Communication and training on anti-corruption policies and procedures	Business Ethics, Social KPIs
205-3	Corruption incidents identified and actions taken	Business Ethics
GRI 206 Anti-Competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics

GRI Standards	Disclosure	Chapter(s) in the Report
GRI 302 Energy		
302-1	Energy consumption within the organization	Environmental KPIs
302-3	Energy intensity	Environmental KPIs
302-4	Reduction of energy consumption	Optimizing Use of Resource
302-5	Reductions in energy requirements of products and services	Optimizing Use of Resource, Clean Energy Exploration
GRI 303 Water and Effluents		
303-1	Interactions with water as a shared resource	Protecting Ecological Environment
303-2	Management of water discharge-related impacts	Protecting Ecological Environment
303-3	Water withdrawal	Environmental KPIs
GRI 304 Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protecting Ecological Environment
304-2	Significant impacts of activities, products and services on biodiversity	Protecting Ecological Environment
GRI305 Emissions		
305-1	Direct (Scope 1) GHG emissions	Addressing Climate Change, Environmental KPIs
305-2	Energy Indirect (Scope 2) GHG Emissions	Addressing Climate Change, Environmental KPIs
305-4	GHG Emission Intensity	Environmental KPIs
305-5	GHG Emission Reductions	Addressing Climate Change
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant gas emissions	Environmental KPIs
GRI 306 Waste		
306-1	Waste Generation and Significant Impacts Related to Waste	Protecting Ecological Environment
306-2	Management of Significant Impacts Related to Waste	Protecting Ecological Environment
306-3	Waste Generation	Environmental KPIs
GRI 308 Supplier Environmental Assessment		
308-1	New suppliers screened using environmental criteria	Sustainable Supply Chain
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain

GRI Standards	Disclosure	Chapter(s) in the Report
GRI 401 Employment		
401-1	New Hire Rates and Employee Turnover Rates	Key Performance Indicators
401-2	Benefits offered to full-time employees (excluding temporary or part-time employees) benefits	Promoting Talent Development
401-3	Parental leave	Promoting Talent Development
GRI 403 Occupational Health and Safety		
403-1	Occupational Health and Safety Management System	Employee Health and Safety
403-2	Hazard identification, risk assessment and incident investigation	Employee Health and Safety
403-3	Occupational Health Services	Employee Health and Safety
403-4	Occupational Health and Safety Services	Employee Health and Safety
403-5	Worker OHS training	Employee Health and Safety
403-6	Worker health promotion	Employee Health and Safety
403-7	Prevention and mitigation of OHS impacts directly related to business relationships	Employee Health and Safety
403-8	Workers covered by OHS management systems	Social KPIs
403-9	Work-related injuries	Social KPIs
403-10	Work-related health issues	Employee Health and Safety
GRI 404 Training and Education		
404-1	Average number of hours of training per employee per year	Social KPIs
404-2	Employee skills enhancement programs and transition assistance programs	Promoting Talent Development
404-3	Percentage of employees receiving regular performance and career development reviews	Promoting Talent Development
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity in Governance Organizations and Employees	Corporate Governance
GRI 406:Anti-discrimination		
406-1	Incidents of discrimination and corrective action taken	Employee Rights, Sustainable Supply Chain

GRI Standards	Disclosure	Chapter(s) in the Report
GRI 407 Freedom of Association and Collective Bargaining Rights		
407-1	Operational Sites and Providers That May Be at Risk	Talent Attraction and Retention
GRI 408 Child Labor		
408-1	Sites of Operation and Suppliers at Risk for Significant Incidents of Child Labor	Employee Rights, Sustainable Supply Chain
GRI 409 Forced or Compulsory Labor		
409-1	Sites and suppliers with significant risk of incidents of forced or compulsory labor	Employee Rights, Protecting Ecological Environment, Sustainable Supply Chain
GRI 413 Local Communities		
413-1	Operations with local community involvement, impact assessments and development plans	Community Welfare
413-2	Operations with actual or potential significant negative impacts on local communities	Community Welfare, Sustainable Supply Chain
GRI 414 Supplier Social Assessment		
414-1	New suppliers screened using social criteria	Sustainable Supply Chain
414-2	Negative social impacts of supply chains and actions taken	Sustainable Supply Chain
GRI 416 Customer Health and Safety		
416-1	Assessment of health and safety impacts on product and service categories	Quality First
416-2	Health and safety violations involving products and services	No such incident occurred
GRI 417 Marketing and Labeling		
417-1	Requirements for product and service information and labeling	Intellectual Property Protection
417-2	Breaches involving product and service information and labeling	No such incident occurred
417-3	Breaches involving marketing	No such incident occurred
GRI 418 Customer Privacy		
418-1	Substantiated complaints related to invasion of customer privacy and loss of customer data	Information Security and Privacy Protection

Appendix 3: Index in accordance with Shenzhen Stock Exchange's Self-regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange – Sustainability Report (For Trial Implementation)

Dimension	No.	Issue	Corresponding Article	Chapter(s) in the Report
Environmental	1	Combating Climate Change	Articles 21 to 28	Addressing Climate Change
	2	Pollutant Emissions	Article 30	Optimizing Use of Resource
	3	Waste treatment	Article 31	Optimizing Use of Resource
	4	Ecosystem and Biodiversity Conservation	Article 32	Protecting Ecological Environment
	5	Environmental Compliance Management	Article 33	Protecting Ecological Environment
	6	Energy Utilization	Article 35	Optimizing Use of Resource
	7	Water Utilization	Article 36	Optimizing Use of Resource
	8	Circular Economy	Article 37	Optimizing Use of Resource
Social	9	Rural Revitalization	Article 39	Fulfilling Social Responsibility
	10	Social Contribution	Article 40	Fulfilling Social Responsibility
	11	Innovation Drive	Article 42	Leading Scientific and Technological Innovation
	12	Science and Technology Ethics	Article 43	Leading Scientific and Technological Innovation
	13	Supply Chain Security	Article 45	Sustainable Supply Chain
	14	Equal Treatment for SMEs	Article 46	Sustainable Supply Chain
	15	Product and Service Security and Quality	Article 47	Quality First
	16	Data Security and Customer Privacy Protection	Article 48	Information Security and Privacy Protection
	17	Employees	Article 50	Promoting Talent Development
Sustainable development-related governance	18	Due Diligence	Article 52	Sustainable Supply Chain
	19	Stakeholder Communication	Article 53	ESG Management
	20	Anti-Bribery & Corruption	Article 55	Business Ethics
	21	Anti-Unfair Competition	Article 56	Business Ethics

Goertek

We make **it** together



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