

SUSTAINABLE
EXPLORATION
FOR AN
INNOVATIVE
FUTURE

2023

Sustainability (and ESG) Report

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Released for seventeen consecutive years
from 2008 to 2023

Addressing of the Management Team

Sustainable Exploration for an Innovative Future

Looking back at 2023, the world is facing many complex and rapid changing challenges. The electronics industry has been continuously impacted by demand fluctuations and global industrial chain adjustments, highlighting the uncertainty of the external environment. Meanwhile, frequent extreme weather events have made our society deeply feel the impact of climate change brought about by global warming on natural ecology and economic society. At this challenging moment, SCC has been contemplating the Company's sustainable development path. No matter how the external environment changes, we firmly believe that innovation is the key to promoting human progress and social development. Over the past

year, digital technology has made tremendous progress, especially with the rapid development of AI computing power and algorithms, providing brand-new solutions for many fields such as autonomous driving, human-computer interaction, intelligent manufacturing, and extreme weather prediction. As a leading integrator of electronic circuit technology and solutions in the industry, SCC has always adhered to the concept of technological innovation and is committed to helping build a digital world through low-carbon development, so that more population can benefit from the progress of digital technology.

SCC will continue to create value for its customers as its innovation goal, committed to providing its customers with more reliable, low-carbon and environmentally friendly products and solutions throughout the entire lifecycle of design, R&D, procurement, production, and services. The company's Guangzhou Phase I project underwent trial production in Q4 2023, and the packaging substrate business achieved further breakthroughs in the FC-BGA field, thus improving the Company's packaging substrate product chain layout. Meanwhile, breakthroughs have been made in products used for new energy vehicles and high-end servers, contributing to the development of the global data center industry and low-carbon industry. The results of the Company's annual customer satisfaction survey indicate that while the business is rapidly expanding, the quality and delivery stability of new products introduced still need to be further improved. Therefore, the Company has launched a special improvement plan to promote a more agile and reliable connection between customer needs and application scenarios.

As the Company profoundly implements its green development strategy, low-carbon development has become an important part of achieving the "world-class" ideal of SCC. In 2023, the Carbon Emission Promotion Management Committee of SCC continued

to explore, establish, and improve the product lifecycle carbon emission management system around the "2025 Emissions Target" of the Company. In terms of management, SCC has established medium and long-term goals and implementation measures, and has submitted a commitment letter to the SBTi to enhance the scientific nature of its carbon reduction actions. As for operation, it actively carries out energy-saving and carbon reduction actions. Wuxi and Nantong Bases are the first to invest in photovoltaic construction projects, with an installed capacity of about 4 MW each. After the projects are completed, the annual power generation in East China is expected to be no less than 7 million KWh, and the annual carbon emission reduction will reach 4,000 tCO₂e. Regarding supply chain cooperation, SCC has held a carbon emission management kickoff meeting, has strengthened the consensus and cooperation on carbon emissions at the supply chain end, has issued emission reduction initiatives to suppliers, and has started to jointly promote the long-term goal of green and low-carbon in the industry.

In the face of external uncertainty, SCC provides a warm, loving, and dynamic work environment for SCC employees with a diverse, fair, and inclusive attitude, focusing on building a sustainable employee growth system, helping employees develop comprehensively and healthily, and increasing their sense of occupational safety and achievement. The Company always adheres to the concept of employee care, promoting employee health and well-being through diverse employee activities. In 2023, the Company provided 1,005 new job opportunities.

Along the way, SCC has never missed the challenges and changes. Faced with the uncertainty of the external environment, SCC will always adhere to its original intention, fulfill the responsibility for sustainable development, and work together with all necessary parties involved to create a beautiful digital world and low-carbon future.

Continuous innovation to support the development of low-carbon industries



▲ SCC's Nantong facility's automotive specialized production line has a high level of intelligent manufacturing capabilities

In recent years, new energy vehicle industry has undergone rapid changes. Whether it is the improvement of driving range or the improvement of intelligent and convenient operation, many people have regarded new energy vehicles as one of their transportation options. The number of new energy vehicles in the parking lot of SCC Park has also increased visibly, and SCC has thoughtfully installed charging stations. This change has made many colleagues in the automotive product team feel proud.

"In fact, SCC has been laying out its automotive products for a long time. As early as 2005, it passed the IATF 16949 Automotive Quality Management System", Wang Beilei, the automotive product customer manager, recalled, "By the way, it was also called ISO/TS16949 at that time, but due to the relatively mature traditional fuel vehicle supply chain and relatively small dependence on electronic systems, our officers responsible for related business development felt at a loss.

There was still a bit of stubbornness and persistence in the team spirit of SCC. Although they initially lacked customer resources, they started using the approachable method: visiting customers. Employees from the business team, together with the technical team, attended various exhibitions, forums, and conferences related to the automotive industry, listened to the voices of automotive industry customers, and then brought the needs and existing problems of industry customers back to the Company for analysis. Hard work paid

off, and finally we got a head start from a major automotive component customer, officially entering the automotive industry.

With the rapid development of communication technology, the traditional automotive industry had also begun to increase its electronic content, with new demands in navigation, anti-theft, and entertainment, but the order quantity had always been small. "The real turning point is still the breakthrough in new energy vehicle technology," said colleagues who had kept confident in the Company's automotive products for several years, and finally received good news. Compared with the complex mechanical systems of fuel-powered vehicles, the electronic informatization level of the electronic control system of new energy vehicles was very high, which provided a stage for printed circuit boards (PCB), the mother of electronic system products, to be fully utilized.

However, automotive industry had very high requirements for safety and reliability. For SCC, which lacked key product cooperation, there was still a long way to go before opening up opportunities of cooperation with other major industry customers. Seeing the opportunity and having the ability, but not being able to secure orders from customers, is undoubtedly the most uncomfortable for the colleagues in the business team. Everyone could only take small and medium-sized orders while striving to know customers in the automotive industry and accumulate experience, and making

every effort to do well.

One day in 2016, the Company suddenly received a call from an international automotive parts company inquiring about the possibility of producing an electrical power steering system (EPS). "Is this order accepted or refused?" The business team felt a bit anxious because from the initial communication with the customer, it was learned that the customer had already consulted many companies with existing supply chains, and the response it received was that they could not manufacture the product. " 'Technology and solutions' are the core values of customer service for SCC. Don't rush to decline just because of difficulty. First, communicate further with the customer about its needs and see what challenges need to be overcome. " said Li Rentao, a technical marketing engineer with a background in rigid-flexible products, who still had some confidence in the Company's technical capabilities in rigid-flexible products.

"After several rounds of communication and assessment, we found that the difficulty with the customer's product lies in that, the use of rigid-flexible plate is the best solution to meet their design requirements, provided that, if the rigid-flexible plate is used, the cost is too high, so only a semi-flexible plate can be considered. As it is a product used for steering systems, in order to meet customers' bending requirements, the requirement for the reliability of the semi-flexible plate is very high!" Li Rentao finally understood the reason for the customer to receive the answer of "impossible". Faced with such an impossible challenge, Li Rentao and his colleagues in the business team still wanted to give it a try. So, while constantly communicating with the customer and improving design solutions, Li Rentao also constantly discussed with the factory how to achieve it from a technological perspective.

When the first batch of samples was produced, the colleague in charge of the factory approached Li Rentao and clearly told him, "Mr. Li, don't make this product anymore. When we tested the sample, the product was close to the required curvature, which posed a risk of cracking. You know the product is also used in automobiles, how can its reliability be met? It will make me crazy when the product is good in my hand but becomes nonconforming after delivered to the customer for use!" After listening to the test results, Li Rentao immediately put down his work and went to the laboratory for testing. Sure enough, as soon as he bent to the degree required by the customer, small cracks appeared on the board. He tested several times in a row, and the results were almost the same. In order to solve this problem, Li Rentao and other colleagues in the team spent a lot of time on the production line and laboratory; however, they did not make the desired progress.

Li Rentao had no choice but to candidly communicate with the customer about this situation. He said: "Although we really want to get this order, quality is the lifeline of SCC. If the product reliability is not enough, we cannot deliver it." After listening to Li Rentao's words, although the customer was a bit disappointed, from the perspective of verifying the feasibility of the design plan, he requested samples to go back for testing. A few days later, Li Rentao unexpectedly received good news from the customer: "Your product has passed the validation!"

Upon hearing that, Li Rentao's mind was buzzing, he quickly confirmed with the customer again that the reason for the different test results was due to differences in the testing and validation methods. The customer's production line is fully automated for assembly, and the assembled products undergo strict testing, achieving the expected results in terms of functional parameters and reliability. After hearing this news, Li Rentao couldn't help but exclaim: "It seems that our understanding of automotive industry customers still needs to be further deepened in order to provide better solutions for them."

In order to better serve automotive customers, the Company's automotive product team was officially established in 2019. In 2021, the specialized automotive production line was also initiated at the subsidiary in Nantong. In 2023, the automotive product business continued to break through, and help customers implement their applications via reliable technology and solutions. The new energy industry is not only a breakthrough in the Company's business line, but also another milestone in the Company's provision of services to low-carbon development industries and comprehensive exploration of green development.



SCC People to Explore a New Future



▲ Li Tiejun is conducting an inspection with suppliers on the newly installed photovoltaic panels

At the end of December 2023, under the warm winter sun, Li Tiejun from Wuxi SCC facility, together with suppliers, conducted the routine inspection of the photovoltaic project site on the roof of the electrical installation building. "The grid-connected power generation of this building has been stable," Li Tiejun was happy with the inspection results. "The photovoltaic project of the subsidiary in Wuxi has been under construction since the end of September, and 2/3 construction works have been completed according to the construction plan."

When it came to photovoltaic projects, Li Tiejun had some feelings, "After joining it, I found that the Company attaches great importance to environmental protection. According to a former colleague from the Company's Property, the Company already implemented a photovoltaic pilot project as early as 2012. Unfortunately, due to the dense central facilities on the rooftop of the Longgang factory, the area available for photovoltaic projects was relatively small at that time. In addition, when the project was connected to the grid, the voltage was not stable enough for the employees' dormitories, let alone the factory. In the end, the photovoltaic panels had to be removed."

SCC has always attached great importance to the introduction

of new environmentally friendly technologies in energy conservation and emission reduction. After establishing the Carbon Emission Promotion Management Committee, the Company has been more proactive in exploring new paths for low-carbon development. In order to achieve the goal of reducing carbon emissions per 10,000 yuan of integrated added value in 2025 by more than 30% compared to that in 2020, colleagues responsible for energy management and carbon reduction came up with strategies: "A certain energy-saving light bulb has a power of only one-third of the current light bulb under the same luminance"; "Through comparison of operational data, it was found that the equipment in a certain production line can reduce 200 tons of carbon per year after energy-saving renovation"; "Compared with the renovation effect in Wuxi, the heat pump renovation if completed in Nantong is expected to save 1,000 tons of carbon per year". The Committee summarized everyone's suggestions and sorted them out. After some highly feasible proposals were submitted to and approved by the Company, construction plans or pilot projects were initiated.

In such an atmosphere of productivity, photovoltaic projects returned to the list of plans in SCC. In order to effectively assess the benefits of photovoltaic projects, several colleagues responsible for carbon reduction conducted extensive surveys.

They first visited multiple photovoltaic suppliers, as well as the sites where the grid-connected power generation works were completed. Then, they tirelessly conducted an internal survey. After the assessment, it was found that the most suitable subsidiaries for constructing photovoltaic projects were those in Wuxi, Nantong and Guangzhou. The newly established subsidiaries had a more reasonable layout in the construction period than the Longgang base, and the rooftop had a larger space suitable for the photovoltaic project layout. The subsidiaries in Wuxi and Nantong each had an installed capacity of 4MW, and after preliminary calculations, they each could generate 4-4.5 million kilowatts of power.

After a comprehensive assessment, the Company finally decided to first construct photovoltaic projects in the subsidiaries in Wuxi and Nantong facilities. At the end of September, the photovoltaic project construction team was officially mobilized. To Li Tiejun's surprise, within a few days of construction, he received a lot of complaints. "For the photovoltaic construction in the parking lot, there is no need to coordinate the cooperation of various factories; therefore, we started the construction first. In order to complete the project as early as possible, we started construction in multiple parking areas at a time, which had a significant impact on the Company's already tight parking spaces. Several colleagues drove over early in the morning and found that the familiar parking spaces were gone, and there were no available parking spaces in the surrounding area. They suddenly felt very angry." Li Tiejun couldn't help feeling a bit embarrassed when talking about the problems encountered during construction. "Although we had given prior notice at the time, many colleagues were caught off guard due to inadequate planning." Li Tiejun and his colleagues from Property explained to the company colleagues while trying to ensure parking spaces as much as possible. Finally, the parking lot was constructed at a

small but fast pace.

At the subsidiary in Nantong, Ge Chen encountered the same problem, and due to the prolonged construction period and the noise generated by non-stop construction, many members of the entire property management team received many complaints from colleagues. Li Tiejun, Ge Chen, and colleagues from Property patiently introduced the significance of the photovoltaic project for the Company's green development strategy and for achieving the "dual carbon" goal, as well as its long-term benefits. Although it has brought some trouble to colleagues, most of them have chosen to understand, and provided support with actions. During the construction in the parking lot, some colleagues chose to take shuttle buses to and from work.

Ge Chen smiled and said, "When the first batch of photovoltaic panels was connected to the grid for power generation, a colleague from the business department came specifically to learn about the construction of photovoltaic projects. Currently, many of our customers are very concerned about our carbon reduction, and we are also exploring pilot cooperation with many customers on carbon footprint. If our actions show significant results, our customer manager will become more confident. If 0.581 tons of carbon is reduced per 1,000 kWh of electricity, the project can reduce about 2,000 tons of carbon per year after completed."

The photovoltaic projects in Wuxi and Nantong are expected to be completed in Q1 2024, and the Carbon Emission Promotion Management Committee has turned its attention to product carbon footprint accounting. How to achieve the product carbon footprint accounting will be a new challenge. This not only requires mobilizing internal forces of SCC, but also relies on close cooperation in the industrial chain.



▲ Wuxi SCC and Nantong SCC's photovoltaic panel installation capacities each reach 4 megawatts

Be Extraordinary in Ordinary Positions

"I'm just driving, I can't be considered in a critical position." Yang Xiaohui didn't believe that "even a ordinary shuttle driver can win an advanced individual award " until he received an invitation to have the 2023 advanced individual award image photo taken.

In 2014, Yang Xiaohui officially became an "SCC person". At that time, the Wuxi factory was under construction, and the working and living environment was relatively difficult, but Yang Xiaohui still rushed to the front line with other drivers of the fleet, becoming one of the behind-the-scenes heroes of the construction and development of the East China base. In the past decade, SCC has developed rapidly, constantly putting forward new requirements for fleet work. Yang Xiaohui is also constantly learning new knowledge from factory vehicle scheduling, and vehicle management to route planning, etc. He constantly improves himself while also improving the Company's management efficiency in administrative reception and service.

Although Yang Xiaohui and the other drivers of the fleet have a "fleet office", the seats in the car are the place where they stay the longest. Due to the nature of the fleet's work, it is common for Yang Xiaohui and other fleet members to start work at dawn and return only at nightfall. Although busy with work, Yang Xiaohui and other drivers have never made mistakes. The spotless carriages, readily available medicine, and a warm smile on the face have become a business card of the East China Administrative Fleet. In 2023, the fleet drove 1,383 times and safely traveled 95,859 kilometers, with zero traffic accidents. They are truly following their service slogan of "SCC Fleet Must Accomplish Their Mission". What Yang Xiaohui looks forward to the most is that 2024 is his tenth year in SCC, which means that this driver is about to become a Gold Medal employee who has served SCC for 10 years, winning the first gold medal engraved with his name, which is the accumulation of his ten years of youth and sweat.

There are still many "SCC people" like Yang Xiaohui who have achieved remarkable results in ordinary positions. Zou Xuebin, an equipment maintenance worker in his fifties, has a youthful energy. Zou Xuebin devoted himself to the on-site research on the business, truly turning it into his greatest pleasure. He said, "Maintenance is very challenging, just like doctors treating patients." When encountering "difficult and complicated problems", Zou Xuebin became even more excited and persistent. He always maintained a "combat" state: searching for various information, repeatedly communicating with



▲ Yang Xiaohui

suppliers, seeking advice from colleagues, and understanding the basic logic of equipment operation and the logic of processing technology itself. Sometimes he also learned new technologies at his own cost and learned about new equipment. "Although I have been doing maintenance work for my whole life, my knowledge is far from enough". In order to be able to rush to the site as soon as possible and meet the requirement of 24-hour coverage, Zou Xuebin has always insisted on staying in the dormitory within the Company's factory area. In the eight-minute journey, he has walked countless times in sixteen years. The ringing of the phone in the evening shift is the horn for him to rush to the "battlefield".

Zou Xuebin, who is humble and hardworking, subtly influences everyone around him in his own way, developing more key technicians who shine in various positions in the equipment department. "Only when all team members have learned and grown can I be more relaxed; only when the entire team has strong combat effectiveness can we face more challenges and difficulties together.

As Zou Xuebin said, people from SCC have always been fearless and unafraid of difficulties. Faced with difficulties, compared to the experienced SCC people, SCC newcomers also have their own solutions. In July 2023, Li Tong from the production technology team encountered the most difficult problem in

his two years of employment. He received the information on the abnormality of a key product, stating that there is a risk of uneven coating on the NPI panel due to multiple electroplating processes, resulting in the first piece repeatedly considered as nonconforming. Based on routine abnormality analysis, Li Tong identified that the etching compensation did not match the designed copper thickness, resulting in abnormal problems such as smaller solder pads, film clipping, and insufficient corrosion after etching processing. However, when the team was organized to make improvements, it was found that there was a risk of easy film clipping in the BGA area, and that the compensation space could not be optimized. The online product was identified through back drilling so that the optimization parameters for reducing copper thickness could not be optimized. "The team is unable to make improvements according to the conventional plan, the content of the plan exceeds the scope of the conventional design". In the face of such a problem, Li Tong himself could not give an answer. He immediately asked relevant personnel from the product line and TMG experts to , discuss and formulate an improvement plan together. But even if the optimization was made based on the improvement plan and the NPI verification was carried out again, the failure rate was still 40%, which still could meet the delivery needs of customers, and there was a risk of insufficient or excessive corrosion during rework.

"There are always more solutions than difficulties," Li Tong opened the photo plotting data again to analyze and verify

the compensation information. The team predicted whether the optimized product would have an impact on the back-end processes of solder resistance and exposure. It was confirmed through such prediction that the optimized product would affect the normal process of solder resistance and exposure. Therefore, he was active in the communication and verification, consulted experts multiple times, and continuously conducted analyses and made attempts. He made the point-to-point compensation optimization of local parts of the panel, and validated the effectiveness of the improvement plan. Considering that local compensation optimization would have an impact on the back-end processes of solder resistance and exposure, he took the initiative to communicate with the engineers responsible for solder resistance and exposure, and promptly followed up after such optimization. Through the layer-by-layer optimization and improvement, the product was finally free of such defects as insufficient or excessive corrosion and film clipping, and met various standards. The pass rate also reached 95%, effectively reducing the cost of scrap, and delivering the product with high quality on time.

For decades, SCC has always worked hand in hand with all SCC people to move forward. The Company is a stage for every employees to display their talents, and the growth of every fighter is the most precious wealth of the Company. In the future, we will continue to strive together and move towards the "world-class" ideal!



▲ Facing difficulties and challenges, Zou Xuebin (right) always maintains a proactive stance

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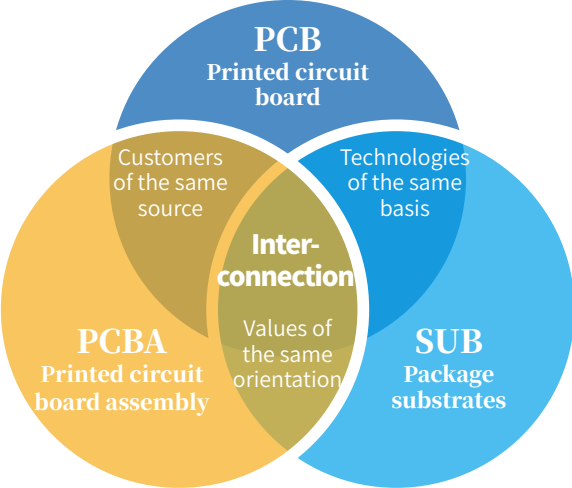
PART ONE

ABOUT SHENNAN



Company profile

SCC specializes in the field of electronic interconnection, adheres to a customer-oriented, technology-driven philosophy, and is committed to "being the world-class provider of electronic circuits technology and solutions". It is engaged in three businesses: PCB, SUB, and PCBA, which makes it a leading enterprise in the electronic circuit industry, a pioneer in the SUB industry, and an advanced enterprise in the PCBA industry in China. The Company is headquartered in Shenzhen, Guangdong Province, China, with major production sites in Shenzhen, China; Wuxi and Nantong, Jiangsu Province; and Guangzhou, Guangdong Province). The Company's products are widely used in communications, data centers, industrial control, medical, automotive electronics, and other fields. It has established long-term and stable strategic partnerships with the world's leading communications equipment manufacturers and medical equipment manufacturers.



SCC "3-In-One" strategy

Corporate culture

Since 2007 when SCC systematically explored and constructed its corporate social responsibility, it has let the initiative of sustainable development into the cultural gene of "Home of Hearts and Chips". Its vision has changed from "build a world-class PCB enterprise" to "be the world-class provider of electronic circuits technology and solutions ". It has further defined the focus on electronic circuit field and the "persistent" and "innovative" pursuit of providing customers with first-class products and services" and the "win-win" concept of "build a home of hearts and chips". In July 2011, it first released a complete set of cultural concept system in order to pass on its cultural genes to all its members.

With the Company's multi-business, multi-region and internationalized development, the change of employee scale and intergenerational change, as well as the change of internal and external environment, the Company started

to tidy up its cultural concept system in February 2019. After interview survey, workshops of intermediate and senior officers, key projects' further research and improvement, the re-insight into the connotation of the mission and vision of the Company, corporate values injected with new connotation, and through "create and share together" with the full involvement and participation of employees, the new cultural system of the Company embodies the achievements for years of SCC in social responsibility, emphasizes the interconnection, mutual creation and sharing of the Company with customers, partners, environment, community and other stakeholders.

Mission

Create happy customers and solid employee relationships

Vision

To be the world-class provider of electronic circuits technology and solutions

Core values

- ◇ Customer Focused
- ◇ Entrepreneurial
- ◇ Continuously Improve
- ◇ Responsive
- ◇ Supportive



Sustainable development performance

		2023	2022	2021
Business performance	Gross Revenue (100 million yuan)	135.26	139.92	139.43
	Total profit (100 million yuan)	13.98	17.20	16.09
	Net profit (100 million yuan)	13.97	16.41	14.81
	Total tax provision (100 million yuan)	6.00	3.03	3.25
	R&D investment (100 million yuan)	10.73	8.20	7.82
Shareholders Return	Net profit for parent company (100 million yuan)	13.98	16.41	14.81
	Cash dividend per each of 10 shares (yuan)	9.00 (Planned)	10.00	9.50
	Total cash dividends (100 million yuan)	4.62 (Estimated)	5.13	4.87
	Proportion of cash dividends in net profit	33.02%	31.28%	32.91%
Green performance	Energy consumption per 10,000 yuan of comprehensive output value (year-on-year rate of change)	7.41%	10.44%	-1.43%
	Energy consumption per 10,000 yuan of comprehensive added value (year-on-year rate of change)	5.68%	-4.51%	-7.12%
	Carbon intensity	1.06(Estimated)	1.18	1.31
	Energy-saving projects to reduce carbon emissions (tCO2e)	2,910	6,233	4,929.08
	Change of reclaimed water usage (10,000 tons)	240.35	205.19	239.76
	Volume of waste liquid produced in outer layer	8.3%	-5%	-37%
Social performance	New jobs opening (per person)	1005	-1,300	2,917
	Labor contract execution rate	100%	100%	100%
	Social insurance coverage rate	100%	100%	100%

Note: The carbon intensity for 2023 is an estimated value as the final government data has not been released.

02.

PART TWO

SUSTAINABLE DEVELOPMENT MANAGEMENT

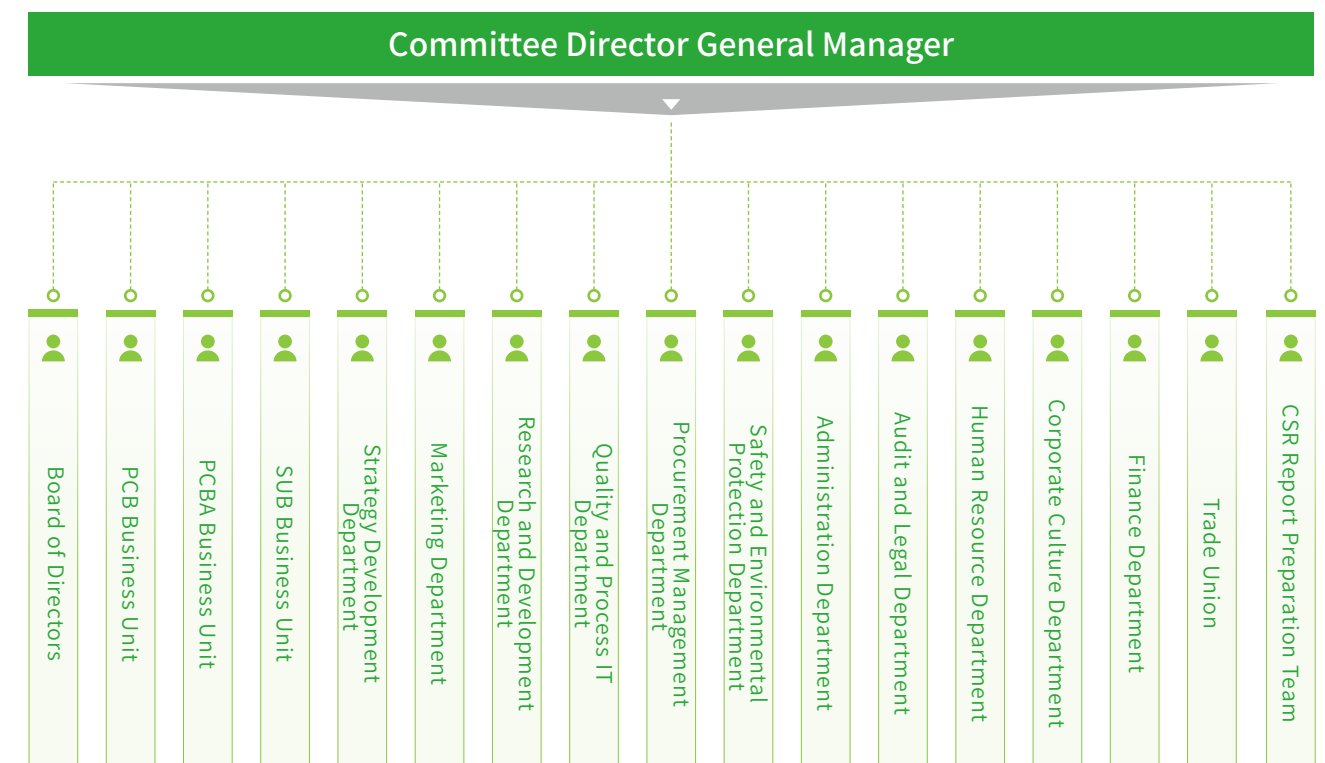




SCC CSR Committee

In 2007, with the rise of CSR in China, and the introduction of international customers of the Company, SCC was fortunate to have the early consciousness of the systematic social responsibility concept. SCC started to fulfill its social responsibility, put forward the social responsibility concept of "harmony, innovation, growth", and integrated the fulfillment of its social responsibility into the Company's sustainable development strategy. In July 2016, the Social Responsibility Management Committee of SCC was formally established. The Committee upgraded the original environment, health, safety (EHS) management system based on ISO14001 and ISO45001 to the social responsibility management system, integrating SA8000, RBA (formerly EICC) and other systems regarding labor, business ethics, and supply chain management requirements, which have further expanded the connotation and extension of corporate social responsibility management. The Social Responsibility Management Committee has proposed the social responsibility policy of "taking the lead in practice, taking responsibility, and building a home of heart and core", closely linking the social responsibility management concept with the corporate mission and vision.

In the past 16 years, SCC has constantly explored, positively practiced, gradually fulfilled its social responsibility throughout the whole process of production and management, and has formed the mature mode of the leadership in groups. The cooperation from departments and business modules, thus providing strong support for the systematical promotion of social responsibility practice to ensure the corporate strategic management meets the requirements of sustainable development. In 2023, the company will continue to improve the connotation and management scope of sustainable development based on changes in global and Chinese sustainable development policies, corporate sustainable development needs, feedback from stakeholders, and actual work responsibilities, and promote the deeper integration of sustainable development into various aspects. The daily operations of business divisions and functional departments continue to explore new paths for low-carbon development around the company's "Carbon Emission Target 2025" goal.



Sustainable Development Goals (SDGs)

In the blueprint of SCC's mission and vision, "Home of Hearts and Chips" is a platform for SCC to interconnect, coexist, create and share with customers, employees, partners, the environment, communities and other stakeholders. SCC actively undertakes and fulfills the social responsibility requirements of globalization. Taking into account its business strategy, ESG-related requirements, and the 17 UN Sustainable Development Goals, the Company has created a social responsibility action plan with a focus on "providing a sustainable connectivity foundation for the Internet of Everything"(SDGs). The goal is to achieve harmonious

development of business, society, and the environment. In 2023, the international geopolitical conflicts continued, and global economic uncertainty remains high. The electronic information industry had greater challenges in the supply of production factors, cost management, logistics delivery and consumer market volatility. SCC continued to fulfill its social responsibility in three dimensions, i.e. "Sustainable Innovations and Chips", "Sustainable Low Carbon Exploration" and "Sustainable Future", and cooperated with all stakeholders to overcome difficulties and jointly connect a better future.



- **Green and low-carbon operations**
We are committed to improving resource utilization efficiency and reducing greenhouse gas and waste emission intensity in all aspects of corporate operations.
- **Green industrial chains**
Work closely with the upstream and downstream of the industrial chain to collaboratively solve the sustainability issues of the industrial development.

Sustainable Low Carbon Exploration

Sustainable Innovations and Chips

- **Delivering sustainable products and services for the connected world through continuous innovation**
© Through continuous innovation, we explore future-oriented electronic interconnection technologies based on customer needs, provide customized solutions, and meet personalized and customized needs with a one-stop service platform;
© Throughout the entire life cycle of design, R&D, procurement, production, and service, the Company provides customers with more environmental-friendly products and solutions through continuous innovation.
- **Promote the sustainable development of customer product applications with high-quality products and services**
All employees have established the concept of quality first, guided by customer needs, deepened quality management based on digital technology, and continued to provide quality assurance for the promotion of customer product applications with high-quality products and services.



- **Sustainable Future**
- **Standardized governance**
SCC continue to standardize corporate governance, promptly and accurately disclose operating information, and protect the interests of shareholders.
- **Adhere to business ethics and operate in compliance**
Strictly abide by business ethics, oppose corruption, dumping and monopoly, abide by laws and regulations, and operate with integrity.
- **People-oriented, empowering employees' growth**
Adhere to people-oriented, protect employees' interests and achieve employee value.
- **Safety first**
Adhere to people-oriented and create a safe and healthy working environment.
- **Giving back to the society**
Participate in global sustainable development and make positive contributions to countries and communities where we operated.

Communications with Stakeholders

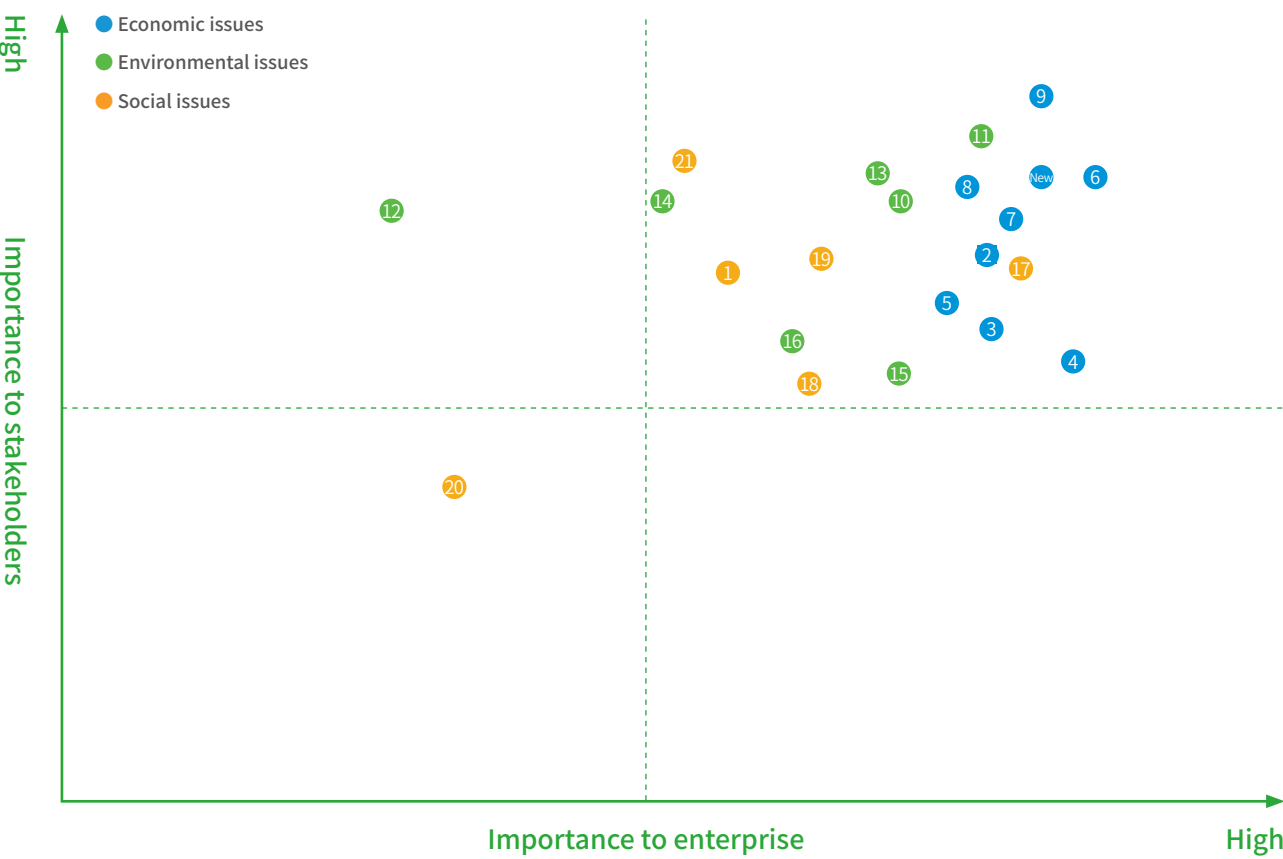
The main stakeholders of SCC include shareholders, customers, employees, partners, governments, industry organizations and communities. Through direct or indirect communications, we focus on the three dimensions of economy, environment, and society to conduct healthy communication with relevant parties on issues of common concern, understand their views, demands and expectations. In this case, we can adjust the Company's sustainable development goals and actions to effectively respond to the reasonable expectations and interests of various stakeholders through appropriate communication channels and methods.

Relevant parties	Main responsibilities	Ways of communication
 Shareholder(s)	On the premise of abiding by laws and operating with integrity, we optimize development strategies, rationally allocate resources, continuously reduce costs and increase efficiency, and continue to improve profitability through the management.	- General meeting - Information disclosure - Investor survey/roadshow - Investor hotline/email/interaction
 Customer	Focus on customers, continuously improve technology and quality, continue to create value for customers, and continuously improve customer satisfaction.	- Technological innovation - Customer meeting - Quality improvement actions - Before-sales communication - After-sales service - Customer research and review - Customer satisfaction survey - Pilot carbon footprint projects
 Employee	Keep people-oriented, respect and care for employees, create a good corporate working atmosphere, and provide a platform for employees to realize their personal value. At the same time, provide strong guarantees for employees' work safety and occupational health, strive to provide a high-quality living environment for them, and continuously improve employee satisfaction.	- Research and exchange - Trade Union - Telephone/email feedback - Training program - EAP project - Love caring platform "Desire of Glory" project - General manager's lunch - Staff activities - Staff Representative Committee - Employees Social Gathering
 Partners	Adhere to the concepts of cooperation, win-win and co-development.	- Industrial Collaboration - Material procurement - Supplier CSR review and improvement assistance - Supplier training - Supplier conference - Joint action on carbon emissions
 Government	Operate in compliance with regulations, actively pay taxes, promote regional economic development, create jobs, and reduce the impact of enterprise development on society and environment.	- Policy communication - Visits and surveys - Tax payment according to law - Pilot carbon footprint projects
 Industry organizations	Actively promote communication and cooperation within the industry, carry out intellectual property protection by participating in the formulation, release, and review of industry standards, standardize industry development with associations and peer companies, and jointly build an industry ecosystem.	- Maintain the order of industry development - Compliance with industry codes/conventions - Participate in formulation of industry standards
 Community	Actively participate in and support the development of community cultural and educational undertakings and promote the harmonious development of the region and society.	- Promote science into campus - Host the 19th Model Aircraft Open Championships - Volunteer action

Sustainable Development Issues

Feedback from stakeholders helps SCC to identify the areas that need attention or improvement, and improve sustainable development management. In 2023, SCC continues to collect report issues through stakeholder survey forms (online/offline), customer satisfaction surveys, and employee satisfaction surveys, etc. Through the identification and analysis of issues, SCC clarifies the key issues of concern to all stakeholders, and determines the priority of the issues.

Compared with 2022, due to the ongoing effects of the intense conflict in the international political and economic fields, the global economy, society, and environment were further impacted in 2023. Together with the impact of the continuous promotion of the "dual-carbon" policy and ESG-related policies and actions of the world and China and the other factors, the demand priorities of all stakeholders in the economic, environmental, and social aspects changed, leading to further refinement of some topics. Among various topics, the attention to green development related issues continued to increase, the attention to timely delivery and quality assurance became the highest among customer satisfaction, and the attention to the "dual carbon" goal is increasing. Partners are more concerned about supply chain nowadays and investors are more concerned about ESG-related topics.



1. Sustainable development management

2. Corporate governance

3. Compliance management

4. Business ethics management

5. Sustainable growth

6. Technological innovation

7. Product quality and service

8. Customer privacy & data security
9. Customer satisfaction management

10. Green products

11. Energy management and "dual-carbon"

12. Exhaust gas management

13. Wastewater management

14. Waste management

15. Green operation

16. Supply chain sustainability
17. Employee rights and protection

18. Compensation and benefits and career development

19. Intellectual property protection

20. Community charity activities

21. Stakeholder communication and response

New. Business continuity

03.

PART THREE

SUSTAINABLE INNOVATIONS AND CHIPS



The Innovation to Support Customers to Implement New Technology Applications

Innovation is the primary productive force. Science and technology innovation have made important contributions to promoting high-quality economic and social development. Insisting on a technology leadership strategy, SCC firmly believes "technology and solutions" as the core value of customer service. Through continuous innovation and high-quality products, it meets customer needs and solves problems in the industry. It helps customers in telecommunications, industrial medical control, electric

vehicles, server/storage, etc. realizing a richer application so that more people can benefit from the development of the electronic information industry. At the same time, a green and low-carbon development model is the way to a better future. Throughout the entire life cycle of design, R&D, procurement, production, and service, SCC strives to provide customers with lower-carbon and more environment-friendly products and solutions through continuous innovation.

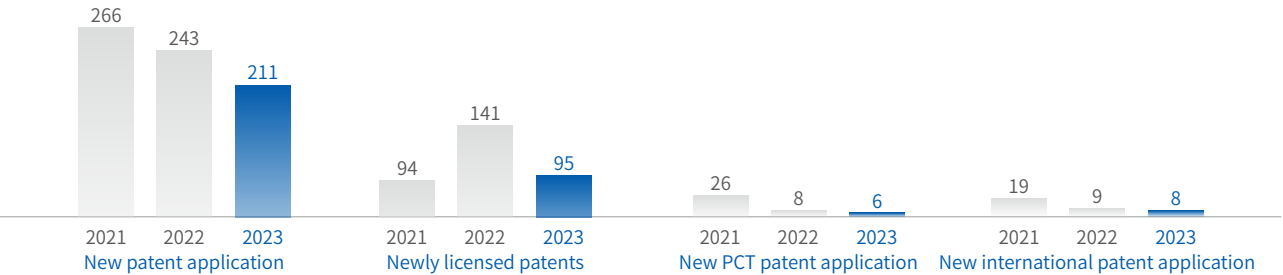
Innovation results

In 2023, SCC, around the strategic goal of "innovation-driven development", deeply reformed the construction of innovation mechanism with the total R&D investment of nearly RMB 1.073 billion in order to pursue high-quality development. By promoting changes in business processes, using technology as the foundation and characteristics as the benchmark for internal and external connections, the company has established an independent research and development system to provide valuable technologies and solutions for printed circuit boards, packaging substrates and electronic assembly customers, and has achieved success as

well as a series of innovative achievements.

In 2023, the company led and participated in the formulation of 6 industry standards, released 3 national, industry and group standards, and published 22 papers, including 3 international conferences/journals. In terms of patent layout, it will accelerate the implementation of the company's intellectual property strategy Layout, improve the patent value evaluation system, comprehensively implement high-value patent layout. It got awarded the "National Intellectual Property Demonstration Enterprise" for the first time.

Development of Intellectual Properties in the Past Three Years



SCC won the 2022-2023 IPC Asian Education Star Unit Award at the IPC CEMAC 2023

On October 27, the IPC CEMAC 2023 was held in Shanghai, with the theme of "Build an Intelligent Future: Innovation and Cooperation in the Electronics Industry". The Conference attracted authoritative experts and scholars in such high-end manufacturing fields as automobiles, rail transit, healthcare, integrated circuits, printed circuits, and electronic manufacturing, as well as representatives from over 200 leading enterprises. The Conference praised the experts and enterprises who had contributed to the electronic manufacturing industry, and SCC won the 2022-2023 IPC Asian Education Star Unit Award.

Yang Zhicheng, chairman of the company, delivered a speech via video. He said that standards are the technical support for economic activities and social development, and an important aspect of the fundamental system of

a country. In the new era, there' s an urgent need to further strengthen of standardization to promote high-quality development and comprehensively build a modern socialist country. In the future, SCC will continue to strive to promote the healthy development of the entire industry by contributing to global standards.



Chairman Yang Zhicheng is delivering a video speech.

Continuous stimulation of innovation

Science and technology workers are the main body of science and technology innovation. In order to encourage innovation and establish a good innovation ecology, SCC Science and Technology Association combined with the company's innovation strategy has formulated an incentive system covering patents, papers, standards, and professional titles, and has established science and technology awards, Young scientific and technological talents and advanced workers are selected once a year to commend and encourage teams and individuals who have contributed to innovation, and to stimulate the innovation enthusiasm of scientific and technological workers. In 2023, a total of 38 science and

technology awards, 12 young scientific and technological talents, and 9 advanced workers were selected.



At the Science and Technology Awards Conference 2023, a photo shot of company leaders and award-winning representatives

Green products help clients to develop low carbon

According to environmental regulations and customer requirements, SCC incorporates the green design concept into product development and design. By selecting environment-friendly materials and the use of environment-friendly processes, we improve the environment-friendliness of products. We also reduce the consumption of circuit boards and electronic components via the highly integrated and all-in-one design program. Moreover, we assist our customers in providing DFM simulations to shorten the client's product development cycle. The Company has consciously improved the efficiency of resource utilization in the entire design process, minimizing energy consumption and adverse environmental impact.

selection activity officially began in May 2023. Experts from the National Center for Climate Strategy Research and International Cooperation, KPMG China, TÜV SÜD Group and Siemens formed a joint judging panel, focusing on "energy efficiency and decarbonization", "resource efficiency and circularity", "people-oriented and social impact" and other dimensions, comprehensively evaluate the practices and results of enterprises in implementing their own green operations, and select benchmark enterprises that implement the concept of sustainable development. After two rounds of intense competition in the preliminary and final defense, a total of 6 enterprises were awarded this honor, including 3 receiving the Excellence Award for Operation Pioneer and 3 receiving the Excellence Award for Empowerment Pioneer.

On September 20, 2023, Siemens presented the first Zero Carbon Pioneer Award during the China International Industrial Expo. SCC won the first Siemens China Zero Carbon Pioneer Award - Operation Pioneer Excellence Award - for its outstanding performance in green and low-carbon production and operation. Chen Li, DGM of SCC, received the award on behalf of the Company.

This award represents that, SCC has been highly recognized and praised by leading global electronic circuit enterprises for its contribution to "dual carbon". SCC will work with all parties involved to create a zero-carbon future through digital production and operation, continuous promotion of energy-saving technology transformation, and continuous improvement of sustainable development capabilities in green energy.

The first Siemens China Zero Carbon Pioneer Award



SCC won the first Siemens China Zero Carbon Pioneer Award - Operation Pioneer Excellence Award

Through digital transformation, making every effort to provide customers with trustworthy products and services

SCC has always adhered to the concept of "quality first." In terms of quality digital construction based on process management digitalization, with complex business, simple organization, and human-computer interaction as the characteristics, by precisely positioning problems digitally, the Company has stimulated the management innovation kinetic energy, improved the communication efficiency, and

reduced energy consumption, thus successfully setting up a management mode of efficient operation of the process-based organizational development across multiple regions, multiple sites, and multiple functions. Response time, product quality, and cost management are all enhanced in this model.



Digitization empowers high-quality development

In 2023, SCC continued to promote the high-quality development of digital empowerment. Through the five-digitalization construction, including product digitization, manufacturing process digitization, equipment digitization, operation digitization, and flow digitization, SCC integrated the quality digitization into the five-digitalization construction process, starting from the refined management, production process optimization, digital ecological construction, and employee quality improvement. Digitization empowered high-quality development and continuously promoted the implementation of "three reductions and one improvement". All factories, business units, and functional departments made significant breakthroughs in digital assistance for the high-quality development of the Company, further improving the production efficiency and product quality. Taking a factory in Shenzhen of the PCB Division as an example, it has realized the monitoring of process capabilities by collecting data, used

digital means to promote process capability improvements, and implemented counter-control on processes that did not meet the standards. The process capability compliance rate has increased from 80% to more than 90%.

In 2023, SCC made significant progress in high-quality development of digital empowerment. Let's take digital operation construction as an example. SCC formed a daily operation management dashboard that covers all levels of factory management personnel, including managers, engineers, and directors, by categorizing data based on such special subjects as detailed reports, BI cockpits, to-do platforms and digital projects, thus effectively improving the management efficiency and enhancing organizational operational efficiency. The launch of the digital operation platform will promote more comprehensive, refined, and efficient factory operation and management.

Continuously enhance the integration of online and offline customer service system

SCC has consistently adhered to the "customer-centric" business philosophy, committed to offering customers quick, easy services, and working to enhance the after-sales support system for goods and services. The Company has established a professional and diverse after-sales service platform. To ensure that the after-sales service forms a closed loop, the after-sales service response progress is timely recorded online

through the system platform. A skilled customer after-sales service team has been established offline in East China and South China, where the geographic distribution of customers is concentrated, and they can reach the customer site within 24 hours to provide service. In 2023, SCC accelerated the expansion of its overseas offices to enhance its capabilities to respond to and serve its international customers.

For customer feedback on abnormal problems, the company divides customer complaints into three categories according to their impact on customers. Each business has designated a team of excellent industry FA analysts who can examine failure samples promptly using qualified tools and equipment to identify abnormal failure modes. They investigate the true causes of customer feedback issues from the ground up and use the customer complaint system to structurally and methodically address the abnormal issues with customer feedback. In addition, the closed-loop management and prompt resolution of customer complaints are strongly guaranteed by the online customer complaint system.

The Company manufactured products in strict compliance

with the production control process and quality management process, provided customers with material names, material compositions, environmental testing reports (in compliance with RoHS requirements) and safety regulations when shipping products, and posted relevant labels on packaging boxes for customers to identify products.

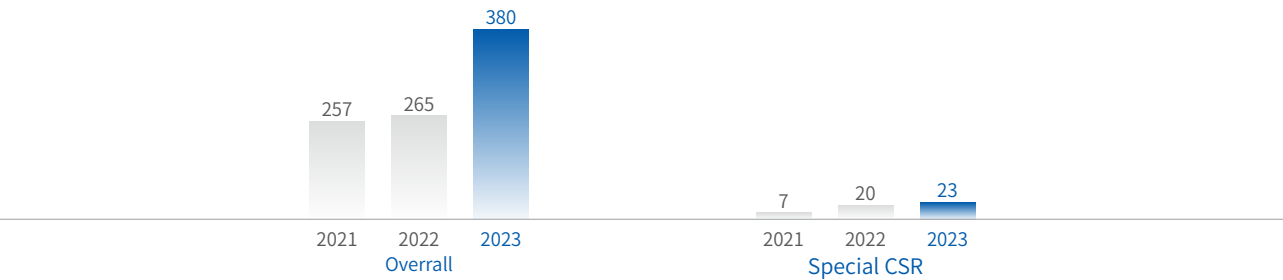
If a product delivered to a customer exhibits issues beyond their expectations or if potential problems are identified during risk screening, the company will promptly initiate the product recall process, engage in active communication with customers, and suggest temporary solutions to minimize any impact on customer interests.

System management level continuously recognized by customers

The Company has a 100% pass rate on 380 customer audits and 23 special CSR audits in 2023. Such an audit not only verified the effectiveness of the company system operation,

but also became one of the important ways for the Company to understand customer needs and absorb improvement suggestions.

Diagram of Customer Audits in the Past Three Years

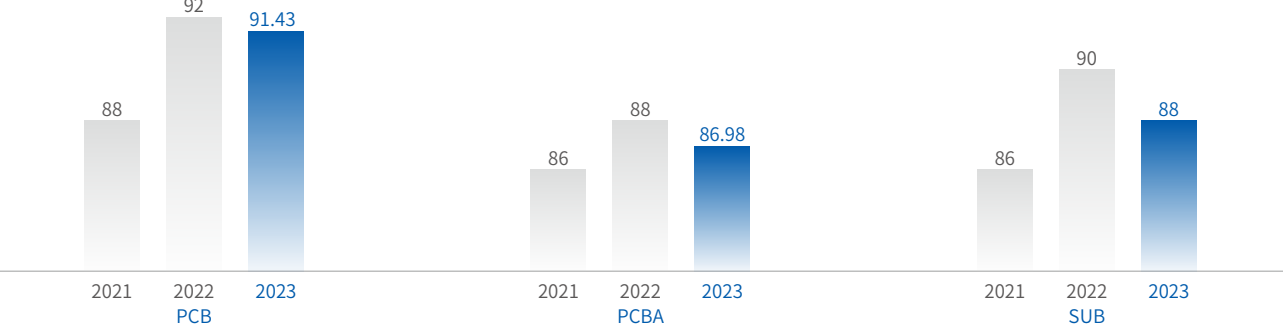


Customer satisfaction continues to improve

The Company conducts customer satisfaction surveys for its key clients at the end of each year to gain a deeper understanding of how customers perceive and feel about the Company's goods and services. The questionnaire objectively reflects customers' opinions about the Company in five dimensions, including quality, technology, delivery,

service, and cost. In 2023, customer satisfaction in all three major businesses fluctuated, mainly due to unsatisfactory quality and delivery resulting fr introduction of new projects. Consequently, the Company has initiated a special improvement plan to accelerate the construction of capabilities in these areas.

Diagram of Customer Satisfaction Changes in the Past Three Years



D4.

PART FOUR

SUSTAINABLE LOW CARBON EXPLORATION



As a leader and promoter of the national electronic circuit industry, SCC adheres to the policy of "being the first to practice, playing an active role, and building a home of hearts and chips." It actively responds to the risks and opportunities

in environmental issues, practices green development of low-carbon and environmental protection through technological innovation, and minimizes the adverse impact on the environment in the course of business operations.

Green development vision

During the early stages of its growth, SCC recognized the value of environmental protection and began to set up a systematic environmental management system. In 1999, the environmental management system was certified according to ISO14000. Over the years, SCC has implemented scientific development, prevention-oriented management ideas, the implementation of energy saving and emission reduction, and the implementation of clean production, and achieved significant results. According to the standard requirements of "Cleaner Production Standard Printed Circuit Board Manufacturing", the Company can achieve the first level of cleaner production (international advanced level) in four dimensions: production process and equipment, resource and energy utilization, pollutant generation, and waste recycling.

The SCC Green Production Management Committee (formerly Cleaner Production Management Committee), is a company-level, cross-departmental environmental management organization. The Company's general manager serves as the committee's director of cleaner production, and the deputy director is the director of the safety and environmental protection department. The committee is



designed to establish four promotion groups, including green procurement, source reduction, resource reuse, and pollution reduction. Its members represent the business units and functional departments related to green production. It can offer organizational and strategic assurance for carrying out environmental protection work methodically, thoroughly, consistently, and effectively. The Company established the "2025 Emissions Target" in 2020 with the intention of reducing industrial value added by more than 30% from 2020 to 2025. In September 2023, the Carbon Emission Promotion Management Committee of the Company continued to strengthen long-term, systematic exploration and practice in low-carbon development, contributing to the achievement of the world's and China's "carbon peaking and carbon neutrality" goals.

Green operation

SCC is experiencing a rapid development of multi-regional operations. The Company attaches great importance to industrial operations and environmental protection, continues to strengthen environmental protection investment, and is committed to improving the efficiency of resource utilization in all aspects of corporate operations and reducing greenhouse gas and waste emissions and minimizing adverse environmental impacts during operation. SCC spent more

than 60 million yuan on equipment and operating expenses for pollution prevention and control facilities in 2023, and throughout the year, all pollution factors were controlled to 100% of the required levels with no environmental violations. SCC and its subsidiary SCC Wuxi were honored as "Shenzhen Green Enterprise" and "Jiangsu Leading Enterprise of Green Development," etc.

Energy conservation and consumption reduction

To achieve the goal of low-carbon development, SCC continuously improves its energy management system. In 2023, SCC successfully completed the review of the ISO50001 energy management system in Shenzhen, Wuxi, and Nantong. The Company also keeps promoting green development by

renovating in an energy-efficient manner and introducing new environmental protection technologies. The special energy-saving and technological renovation projects within the year can reduce 2,910 tCO2e/year.

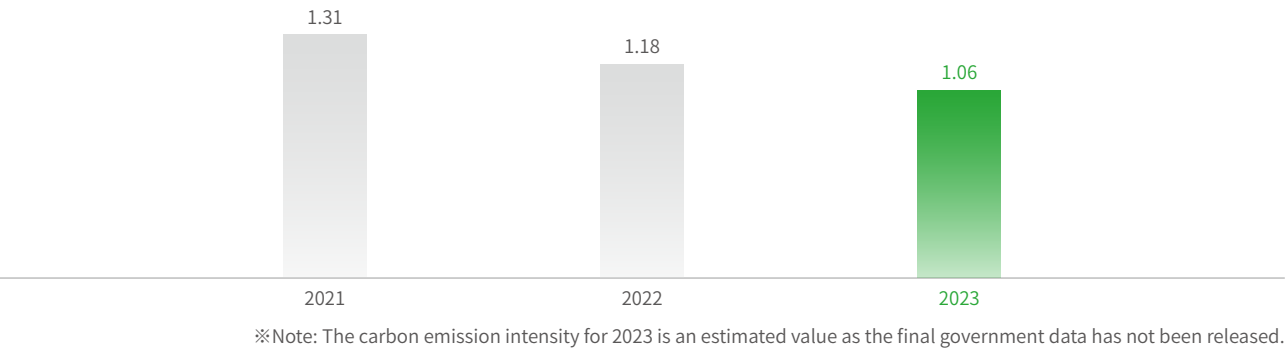
In 2023, the Company's annual CO2 emissions were 574,766 tons. It is making steady advancements in its energy-saving technology. The Company's energy consumption per RMB 10,000 integrated output value increased by 7.41% due to the capacity creep of the new plant in the Wuxi base, and the

energy consumption per RMB 10,000 value added increased by 5.68%. All three locations had lower carbon emission intensities than the government's carbon emission credits, and the Company's carbon surplus exceeds 300,000 tons at present.

● Energy Consumption Data Sheet for the Recent Three Years

Energy consumption forms	2021	2022	2023
Electricity (10,000 kWh)	68,950.25	71,777.1	74,557
Natural gas (10,000 m³)	456.13	485.90	512.9
Gasoline (tons)	85.21	41	39.4
Diesel (tons)	11.35	4	10.3
Heat (million kJ)	339,753.7	448,566.7	416,167.1
Total (10,000 tons of standard coal)	9.77	10.65	11.06

● Carbon Emission Intensity Table in the Past Three Years



● Special Energy-saving Technological Transformation Projects

Region	Input capital (10,000 yuan)	Implementing projects	Improvement gains (tCO ₂ e/year)
Shenzhen	310	Renovation of chilled water group control system	1138
		Production equipment energy-saving renovation	208
Wuxi	60	Energy-saving technical renovation project for biochemical filter aeration blower	408
Nantong	182.8	Heat pump renovation project	1043
		Production equipment frequency conversion renovation	113

Reduction of resource consumption and waste emissions

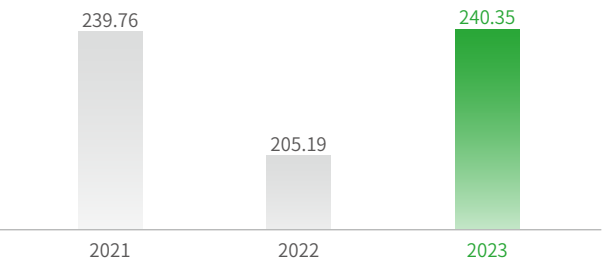
SCC continuously pays attention to the consumption of energy resources and the generation of waste in the production process. According to the management idea of

Wastewater Reduction and Recycling

SCC has carried out thorough and meticulous research and planning in all aspects of wastewater treatment around the limitations and issues of conventional treatment processes, from program demonstration, investigation, and construction, and has departed from the typical mode of PCB wastewater treatment in order to ensure the effectiveness of wastewater disposal. It systematically plans the classification of waste water and waste liquid in an inventive manner. It has developed various treatment procedures for various wastewater and meticulously categorizes the generated wastewater into heavy metal wastewater, cyanide-containing wastewater, nickel-containing wastewater, developing and stripping wastewater, high COD, nitrogen, and phosphorus wastewater, complexed wastewater, and organic wastewater.

Additionally, SCC has established wastewater discharge standards, real-time monitoring, and alarm systems that are stricter than national regulations. SCC is also capable of transmitting pollution data in real-time through online monitoring equipment to the monitoring platform of environmental protection departments.

Table of changes in reclaimed water usage in the last three years (10,000 tons)



2022-2023 Wastewater Pollution Factor Concentration Table

Wastewater discharge concentration	Shenzhen				Wuxi				Nantong			
	Local Standard	SCC Standard	Actual Value 2022	Actual Value 2023	Local Standard	SCC Standard	Actual Value 2022	Actual Value 2023	Local Standard	SCC Standard	Actual Value 2022	Actual Value 2023
Total copper (mg/L)	0.5	0.18	Less than0.12	Less than0.08	0.3	0.3	Less than0.3	Less than0.3	0.5	0.5	Less than0.5	Less than0.5
COD(mg/L)	80	33	Less than33	Less than33	50	50	Less than50	Less than50	250	250	Less than250	Less than250
Total nickel (mg/L)	0.5	0.3	0.07	Less than0.05	-	-	-	-	-	-	-	-
Ammonia nitrogen (mg/L)	15	6	0.29	0.31	8	8	5.49	0.14	35	35	6.5	6.9
Total phosphorus (mg/L)	1.0	0.4	0.09	0.09	0.5	0.5	0.15	0.06	8	8	0.78	0.5

"reduction, resource utilization, and harmlessness", SCC systematically promotes the special work of reducing energy resource consumption and waste disposal.

While this is going on, the Company frequently hires a qualified unit from a third party to monitor wastewater. The monitoring results, which are made public through the platform of the environmental protection department and the company's official website, are significantly below the discharge standard for the area surrounding the factory.

SCC continued to carry out environmental protection technology innovation, organically combining acid spray and electrolytic oxidation to convert nitrogen containing pollutants in high concentration absorption liquids into pollution-free nitrogen from the source. In 2023, total nitrogen emissions were reduced by 4.85 tons, a decrease of 64.2% compared to that in 2022.

SCC is still encouraging people to use reclaimed water. In 2023, utilization of recycled water exceeded 2.4035 million tons, or 29.21%. The industry clean production Level 1 standard is surpassed in terms of water consumption per unit area.



▲ The total nitrogen emissions significantly decreased via the implementation of the ammonia nitrogen electrolysis project

Waste gas emission management

SCC strictly implements national, local and industrial standards for waste gas emission management. Monitoring data is disclosed on the national pollutant discharge permit management information platform. To strengthen the waste gas management and give early warning in a timely manner, the Company has established a real-time waste gas

emission monitoring system, which can effectively ensure the pollutants are stably discharged under the specified standards. In 2023, the Company's emission concentration monitoring results were lower than the limits as stipulated in the pollutant discharge standards, and the total emissions did not exceed that as stipulated by the competent authorities.

List of Waste Gas Emissions for the Recent Three Years

Waste gas emissions	Emissions for Shenzhen SCC (tons)			Emissions for Wuxi SCC (tons)			Emissions for Nantong SCC (tons)		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Nitrogen oxide	0.45	3.547	2.909	0.60	0.72	0.8	0.72	0.615	1.53
Particulate matter	0.12	9.23	16.721	0.54	2.14	1.48	0.58	0.326	0.216
Tin and its compounds	0.01	0.007	0.0009	0.00	0	0	-	-	-
Formaldehyde	0.08	0.082	0.336	0.11	0	0	0.07	0.209	0
Ammonia (NH ₃)	0.09	0.879	0.884	0.18	0.29	0.04	0.14	0.543	0.984
Non-methane total hydrocarbon	3.62	3.08	3.217	-	-	-	-	-	-
Chlorine hydride	0.25	0.654	3.054	2.03	0.19	0.4	0.59	13.254	5.743
Hydrogen cyanide	0.01	0.016	0.017	-	-	-	0.02	0.0221	0.0045
Hydrogen sulfide	-	-	0.007	0.00	0	0	-	0.0017	0.0031
Sulfuric acid mist	0.67	1.541	41.159	0.69	-	1.2	1.76	4.34	7.07
Sulfur dioxide	-	-	-	0.04	0.04	0.13	-	-	-
Volatile organic compounds (VOCs)	-	0.47	0.922	0.50	0.18	2.29	5.17	0.43	1.636
Lampblack	-	-	-	0.01	0.01	0.01	-	-	-

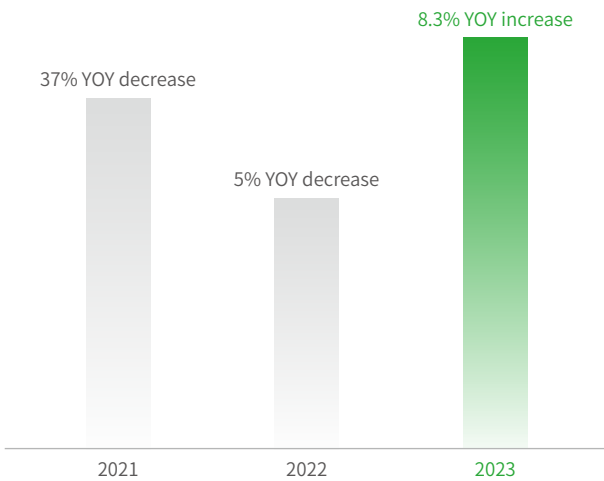
Reduction of pollutants

SCC is concerned about the impact of hazardous waste on the environment. It continues to carry out special improvement work to reduce hazardous waste generated in the production process.

At the source of hazardous waste, the Company continues to optimize the waste liquid production process by reducing the amount of syrup added and extending the replacement cycle of syrup in terms of technology, and strictly controls waste liquid generation in all aspects to reduce the production of waste liquid in terms of management. At the end of hazardous waste collection, some waste liquid is recycled and utilized to realize the recycling of waste liquid.

In 2023, due to the ramp-up of production capacity of the new factory in Wuxi base, the waste liquid generated per unit area slightly increased, with a year-over-year increase of over 14,000 tons of waste liquid, representing an 8.3% increase in waste liquid generated per unit area.

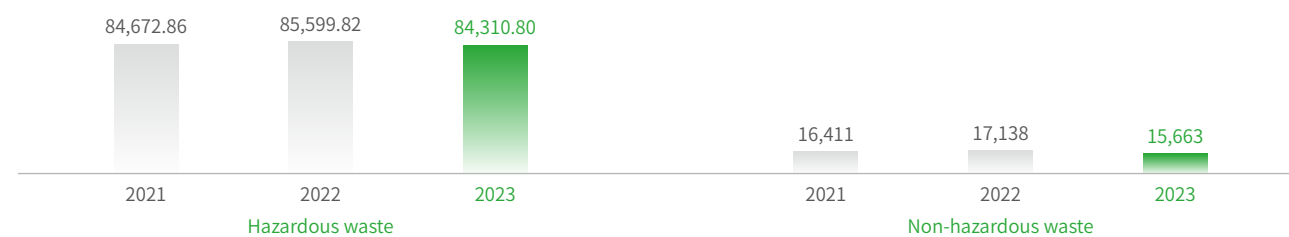
Diagram of Changes in the Amount of Waste Liquid Produced per Outer Layer Output Area in the Past Three Years



To ensure the safe management of hazardous waste throughout the entire process, SCC has developed a comprehensive system specification for hazardous waste treatment and disposal. The hazardous waste generated by the Company is segregated by processes and departments, collected, and packaged before being delivered to the purification process. This ensures that the temporary storage area for hazardous waste satisfies the criteria for leaks, sun,

and rain. Hazardous waste cannot be carelessly thrown away or dumped; all packages, vehicles, and containers carrying it must be intact and leak-free. In the end, these hazardous wastes are given to third-party organizations that are qualified to handle them and keep accurate records of the name, quantity, destination, etc. of the wastes. The rate of safe disposal of hazardous waste reached 100%.

● Amount of solid waste generated in the last three years (tons)



Green operation, building a resource-friendly enterprise

To embrace the concept of a green office, the Company has accelerated the integration of equipment transformation and information systems while deepening the transformation of digitalization and information. Paperless has also become a key component of the company's intelligent manufacturing, significantly reducing the use of paper. Furthermore, the company actively carries out environmental protection publicity and actions to promote the concept of building a resource-friendly enterprise.

In order to reduce the amount of gasoline used in official vehicles, the Company has strengthened external collaboration by implementing ride-sharing programs to replace some official vehicles, thus reducing gasoline consumption. Additionally, we encourage employees traveling to the same destination by carpooling together, and promoting the concept of green commuting. In 2023, the mileage of green business travel exceeded 1.02 million kilometers (excluding air tickets, trains, and ships), accounting for more than 90% of business travel. Compared to fuel-powered vehicles of the same displacement, this reduced carbon emissions by 30%.

After conducting assessments, SCC first invested in the photovoltaic construction project in Wuxi and Nantong bases. The Company systematically planned the stairs, parking lots, etc. in the park, and reserved some space for equipment expansion, the installed capacity of the two bases in East China was about 4 megawatts each. In Q3 2023, the photovoltaic projects in Wuxi and Nantong officially entered

the construction phase. After several months of construction, the photovoltaic project construction is nearing completion, with some already completed and entering the trial operation stage, and the remaining part expected to be completed in Q1 2024. At that time, the annual power generation of photovoltaic projects for the two bases in East China is expected to exceed 7 million kilowatt hours, and up to 4,000 tCO2e will be reduced.



▲ Theme Promotion Activity of World Environment Day (on June 5th)

© The theme promotion activity of Environment Day (on June 5th) was held in Shenzhen and Wuxi

In response to the requirements of the Ministry of Ecology and Environment to "build the modernization of harmonious coexistence between humans and nature", and in order to further enhance the awareness of water conservation, energy conservation, and environmental protection among all employees of SCC, on the morning of June 5, the theme promotional activity of World Environment Day was held simultaneously in Longgang and Wuxi, attracting nearly a thousand employees to actively participate. This activity was jointly organized by the safety and environmental protection departments and administrative management departments of Shenzhen and Wuxi bases. Through such themes as "SCC is my home, and civilization and hygiene rely on everyone", "Dedicated to energy conservation and emission reduction to build a green home together", and "Everyone starts from themselves to care for our ecological environment", as well as fun Q&As of integrating education with entertainment

on environmental protection knowledge, SCC promoted the environmental protection concept and gathered the strength of all people of SCC to jointly fulfill the responsibility and duties of building a home of hearts and chips.



▲ Theme Promotion Activity of World Environment Day (on June 5th)

Green industrial chains

The rapid development of SCC is closely related to the industrial chain, and it is inseparable from the full support of upstream and downstream partners. The Company attaches great importance to benign communication with our partners,

actively develops suppliers with common CSR values, and uses sustainable development in business cooperation to break through the difficulties and bottlenecks encountered in our development and achieve win-win cooperation.



Green purchasing

SCC adheres to the CSR management policy of "being the first to practice, playing an active role, and building a home of hearts and chips", and strictly controls the environmental compliance of purchased materials. All materials to be certified must meet RoHS2.0 and be in line with the requirements of the policies related to the occupational health, green safe supply, waste discharge environmental protection indicators, conflicting mineral management, etc., and achieve error prevention and traceability with streamlined review nodes. At the same time, the Company continues to deepen cooperation with suppliers, and through supplier certification, performance management and special assistance and support, keep promoting the supply chain

sustainable development capacity building to reduce supply risks.

SCC adhered to the principle of fairness and justice in the process of supplier introduction, selection and daily cooperation. In TQRDC five aspects, it made a comprehensive comparative evaluation of suppliers. In addition, it cooperated with related suppliers in the development of key projects to achieve a win-win situation. In 2023, SCC had more than 250 materials that meet safety and environmental protection requirements certified, providing strong support for its green development strategy.

© Conflicting Mineral Management

SCC promises and aims to purchase tin, tantalum, tungsten, gold, cobalt, mica and other minerals used in a responsible way, and, by referring to OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, promotes suppliers to establish policies to prevent and reduce the risk of the minerals contained in their manufactured products directly or indirectly providing funds or benefits the groups with serious human right violations, serious environmental hazards, serious health and safety risks, serious corruption, etc. in the high-risk areas.

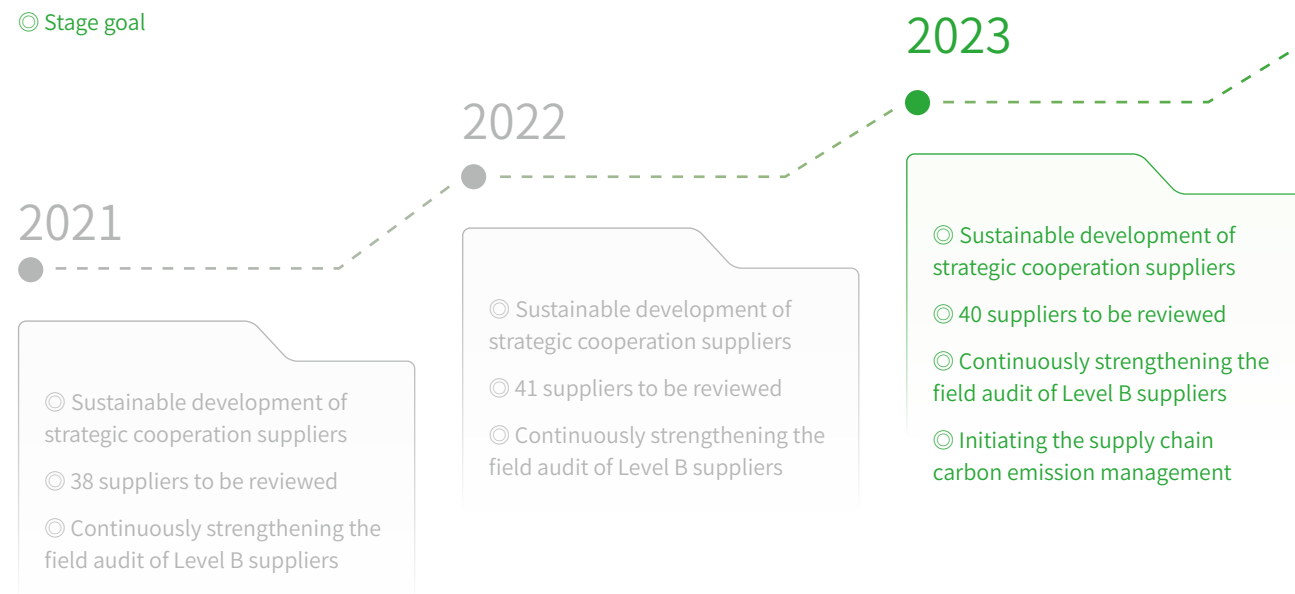
SCC, based on the Responsible Mineral Initiative (RMI), collaborates with its supplier partners to address issues related to conflict minerals, and uses the RMI conflict mineral questionnaire to conduct a supply chain survey. The Company initiates annual supplier due diligence, trace the sources of minerals in its products step by step through suppliers, identifies the smelter list, and shares the survey results with customers. In 2023, the Company has 5 suppliers involved in 3TG metal procurement, and the 3TG smelters from which suppliers purchase metals are all RMAP certified qualified smelters.

CSR management of supply chain

SCC's strategic aim for supply chain social responsibility is to foster suppliers who share our CSR values and enhance the economic and social benefits of our business partnership. We align with industry benchmarks to assess suppliers'

suitable development status and areas for improvement. We collaborate with suppliers to address deficiencies, striving for industry-leading standards together.

© Stage goal

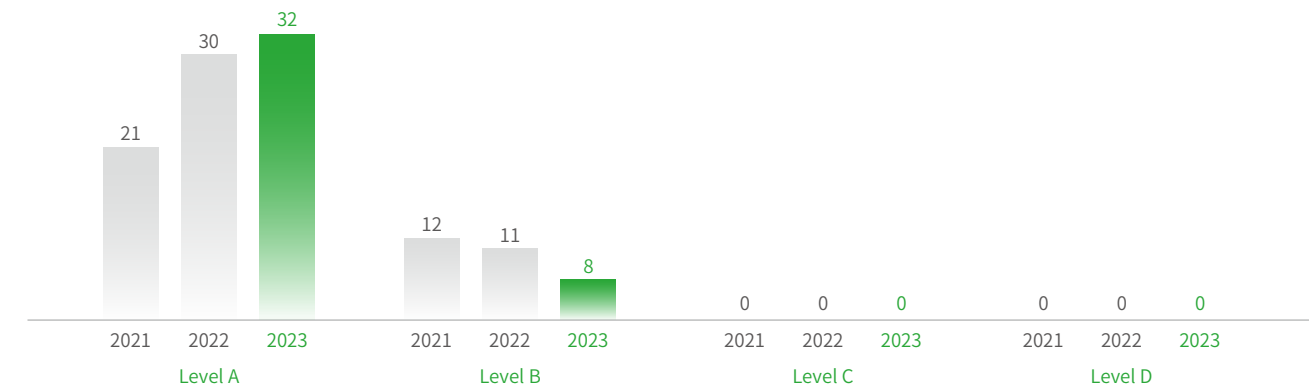


Supply Chain CSR Management Performance

In accordance with ISO14000 system standards, the company evaluates suppliers CSR performance across 12 aspects. For key significant suppliers rated as C/D in performance evaluations, we prompt them to submit improvement reports, conduct senior officer interviews, perform field audits, and reduce shares to enhance performance. In 2023, the company

completed audits of 40 key suppliers, resulting in further improvement in supplier CSR management compared to 2022. Notably, there have been no Level C suppliers for five consecutive years, and no Level D suppliers for six consecutive years.

● Supplier Evaluation Results in the Past Three Years



The SCC supplier carbon emission management kickoff meeting was successfully held

To effectively advance the Company's "carbon peaking and carbon neutrality" action plan and bolster consensus and cooperation on carbon emissions within the supply chain SCC organized an online kick-off meeting for supplier carbon emission management on October 26. The meeting drew over 200 participants, comprising Lou Zhiyong, DGM of SCC's Deputy General Manager and Deputy Director of the Carbon Emission Management Promotion Committee, key members of the administrative and procurement department, invited experts, and representatives from 130 suppliers across Shenzhen, Wuxi, and Nantong.

At the meeting, SCC discussed the greenhouse gas emissions from direct and indirect energy, supply chain, and business departments according to the ISO14064

standard. SCC suggested emission reduction measures to its suppliers, namely: first, actively complying with government and industry green and low carbon requirements to boost investment in energy conservation and emission reduction; second, setting a challenging carbon reduction goal and executing suitable action plans; finally, progressively increasing the use of clean energy to collectively advance the long-term goal of green and low-carbon industries.

Beginning with our suitable development strategy, SCC takes proactive steps to lead by example in carbon reduction efforts. However, addressing greenhouse gas emissions across the entire lifecycle necessitates collective action from the entire industrial chain.

05.

PART FIVE

SUSTAINABLE FUTURE



Adhering to business ethics and operating in compliance

For years, SCC has seamlessly integrated its mission, vision, values and social responsibility, striving for harmonious, healthy, and sustainable development in its daily operations and production. The Company upholds honest management, fosters good business ethics, and prioritizes the growth

and value realization of employees. SCC is committed to contributing to social prosperity and ultimately advancing the sustainable development of the global economy, society and environment, fostering a better interconnected and symbiotic future.

Improving corporate governance and enhancing the level of standardized operations

In compliance with existing laws, regulations, and rules such as the Company Law, Securities Law, and Shenzhen Stock Exchange Listing Rules, as well as the Guidelines on Self-regulation of Listed Companies No.1- Standardized Operation of Main Board Listed Companies, SCC has established a comprehensive corporate governance structure. This includes a general meeting, board of directors and its professional committees (audit committee, strategy committee, remuneration and assessment committee and nomination committee), and board of supervisors, along with corresponding procedural rules and management systems. Board members are nominated by the nomination committee and approved by the board of directors and shareholders' general meeting. The board comprises 9 directors, including 3 independent directors. Mr. Yang Zhicheng, the company's board chairman oversees board resolution implementation. In 2023, the Company held 3 shareholders' general meetings,

6 board of directors meetings, and 5 board of supervisors meetings. SCC actively engages shareholders in corporate governance, leveraging the leadership and oversight roles of the board of directors and supervisors in decision-making, management standards, risk mitigation, , shareholder returns, social responsibility.

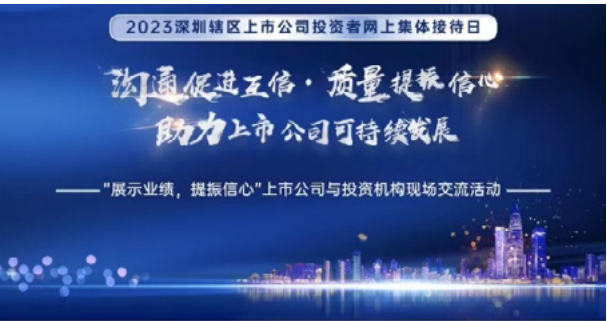


▲ 2022 Annual General Meeting of Shareholders

© Standardizing Information Disclosure and Protecting the Interests of Investors

In 2023, SCC further deepened its investor relationship management and enhanced proactive service awareness. Throughout the year, the Company engaged with over 2,000 investors and hosted 22 online and in-person strategy conferences. On the investor interactive relationship platform, the Company responded to 83 questions from investors with a 100% response rate. With 2,436 attendees, we actively conducted performance briefing sessions and

participated in events such as like online group reception days for investors to help small and medium-sized investors understand the business better. To promote awareness of



简介

互动

深南电路-沟通促进互信，质量提振信心，助力上市公司可持续发展——2023深圳辖区上市公司投资者网上集体接待日

investor rights among staff members and investors, the Company participated in the "Shareholder is Coming" investor rights knowledge competition organized by the Securities Regulatory Bureau and the Investment Service Center, receiving the "Excellent Organization Award" from the Shenzhen Investor Service Center. Through offline and online channels, the Company ensured compliant, fair and effective communication with investors and the public, conveying its value to the capital market and garnering

investor attention, understanding and support. In 2023, the Company consistently reported and efficiently disclosed information, issuing a total of 107 disclosure announcements and actively sharing its business with the capital market. The Company's securities affairs management was recognized by shareholders, institutions, and regulators with the Shenzhen Stock Exchange grading its information disclosure assessment as A for two consecutive four-years periods, from June 2019 to June 2023.

SCC won the title of the first China New Cup · ESG Golden Bull Award Carbon Neutral Top 50

On November 24, 2023, the 2023 Golden Bull Enterprise Sustainable Development Forum and the inaugural China New Cup · ESG Golden Bull Award Ceremony took place in Nantong, Jiangsu. SCC was honored with the ESG Golden Bull Award Carbon Neutral Top 50 in recognition of its exceptional performance in ESG. Zhang Lijun, DGM of the Company, attended the event and accepted the award.

The 2023 Golden Bull Enterprise Sustainable Development Forum and the inaugural China New Cup · ESG Golden Bull Award Ceremony were jointly organized by China Securities News, China Reform, and the People's Government of Nantong. Founded in 1999, the Golden Bull Award for Listed Companies is a constituent of the Golden Bull Award series hosted by China Securities News. This Award is dedicated to establishing the most credible authoritative recognition for listed companies in the capital market, serving as a beacon for and has evolved

into a flagship initiative guiding the healthy development of listed companies. ESG (Environmental, Social, and Corporate Governance) serves as a pivotal metric for evaluating the sustainable development and long-term investment potential of listed companies. This extension of the Golden Bull Award series into the ESG domain marks a significant milestone, with the establishment ESG Golden Bull Award Carbon Neutral Top 50.

This accolade signifies SCC's high recognition and acclaim from the capital market for its efforts in green development and "dual carbon". Moving forward, SCC will collaborate with all stakeholders to forge a zero-carbon future by leveraging digital production and operations, persistently advancing energy-saving technology transformation, and continuously enhancing sustainable development capabilities in green energy.



▲ Zhang Lijun, DGM of SCC, is attending the event and receiving the award

Compliance with the law

In 2023, SCC refined its Compliance Management Regulations, optimized compliance management documents, bolstered the institutional guarantee of compliance management, devised a roster of compliance bottom lines and red lines for 14 key business areas, identified critical business links, clarified baseline requirements, fortified compliance management norms in key business areas, and enhanced the scientific, targeted, and effective implementation of compliance management. Throughout the year, SCC continued to advance the implementation of compliance review mechanisms. By enhancing key compliance

requirements and review points, it assessed the control measures updated by the business departments in the 14 key areas, proposed suggestions for changes or enhancements to such measures and diligently followed up on the rectification.

In 2023, despite the ongoing rise in external uncertainty factors, SCC consistently upheld the principle of credit and honored its contractual obligations Throughout the year SCC lawfully paid taxes amounting to 600 million yuan and maintained its Class A taxpayer status for 11 consecutive years.

Conducting risk control and audits with focus on key areas

Consistently adhering to the Total Risk Management Rules of Shennan Circuits Co., Ltd., SCC implemented annual risk identification procedures across all business units, functional departments, and subsidiaries. These procedures led to the formulation of response strategies, and the compilation of the Annual List of Significant Risk Matters, which was unveiled alongside the annual business planning. SCC conducted quarterly follow-ups on major risk prevention and control measures, strengthened the primary responsibility of the risk management department. Fostered the proper and effective management of significant risks, and sustained the efficient operation of the risk control management system. As of the reporting date, SCC had not encountered any major risk events.

In 2023, adhering to the principle of accountability for business entails responsibility for business risk", SCC mandated the risk control functional department to organize

and oversee the closed-loop management of key areas within each business unit, establish and improve the mechanism of risk identification, assessment, and control, promote the effective integration of risk management into business operation and maximizing the risk control function as the first line of defense. Throughout the year, SCC conducted audit in strict compliance with the audit related requirements and plan. It identified business risks and internal control deficiencies, sealing management loopholes to promote the improvement of the relevant business internal control system and provide insights for management decision-making. SCC also streamlined the audit rectification management procedure and process, amending the Audit Rectification Management Measures (for Trial Implementation), and introducing the Audit Rectification Result Recognition Measures (for Trial Implementation) to continuously fortify the closed-loop management of rectification and enhance the efficacy of audit rectification efforts.

Abiding by business ethics and adhering to integrity

SCC adheres to and is committed to operating globally with the highest legal and ethical standards. SCC requires all employees to abide by the principle of fair competition, perform their duties with reasonable business judgment to identify and avoid conflicts of interests, maintain a "zero tolerance" attitude towards bribery and corruption, continue to strengthen the construction of anti-corruption and anti-commercial bribery management system, continuously communicates the integrity-based cooperation principle, sign a honest cooperation agreement; Additionally, SCC provides its employees with complaint channels and encourages them to report violations. The supervisory complaint mailbox is fawu@scc.com.

In 2023, SCC maintained its consistent thorough, and impactful approach to anti-bribery education. SCC

utilized warning education as a guiding principle, actively implemented to the requirements of promoting education through case studies. Leaders positions and grassroots



▲ The Company is continuing to carry out integrity training

employees were organized to participate in 14 integrity and business ethics training sessions with about 18,000 participants. SCC instructed and guided everyone to extract lessons from practical cases, effectively hold in awe and veneration, and keep the bottom line. SCC produced three micro-videos on anti-corruption and anti-commercial bribery to enrich the forms of anti-corruption education promotion; and organized three quarterly departmental education campaigns, with a department coverage rate of 100% and a pass rate of 100% in integrity testing. SCC took multiple measures simultaneously to enhance the cultivation of a culture of integrity.



▲ The Company is continuing to carry out integrity training

Caring for employees and making them successful

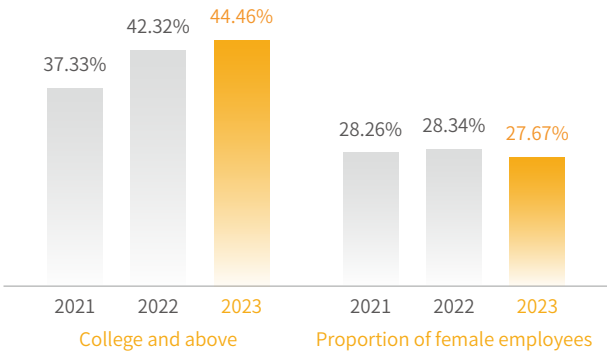
SCC consistently views every employee within the enterprise crucial for achieving outstanding performance. On one hand, it consistently enhances talent training, continuously refining the talent training system, aligning talent development with the Company's strategic direction, providing ample development opportunities and ensuring fairness while

safeguarding employees rights and interests. On the other hand, the Company remains attentive to all aspects of employees' lives, actively involving them in various health initiatives and encouraging them to maintain a healthy work-life balance.

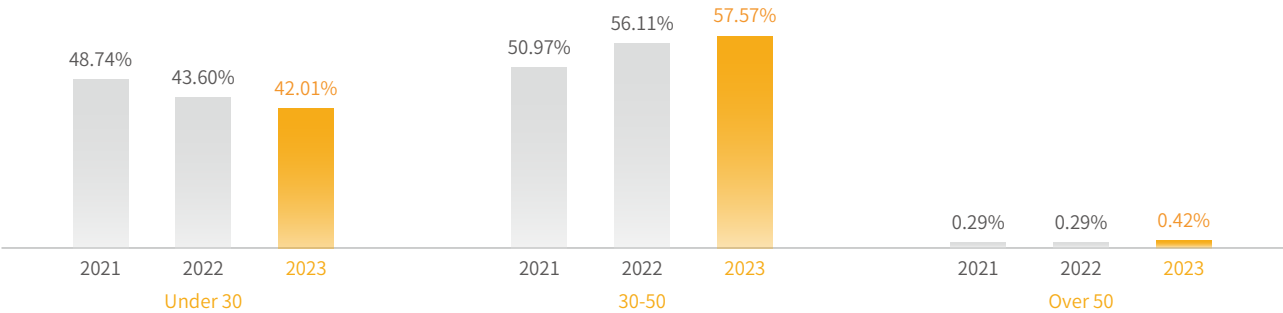
Employee diversity and equality

SCC has long diversified its employee development scope. Embracing community openness, open recruitment thorough evaluation, and meritocracy are the company's recruitment principles ensuring equal opportunities for all employees. SCC prioritizes hiring based on scientific principles, selecting, hiring, and nurturing employees in line with business development and position. As of the end of 2023, SCC employed a total of 15,445 individuals. Among them, 42.01% were under 30 years old, and 57.57% were between 30 and 50 years old. Employees with college or higher constituted 44.46% of the workforce, and there are 27.67% higher representation of women than men. The educational attainment of employees steadily increased over the past three years.

● Table of Changes in Employee Education and Gender Structure in the Past Three Years



● Table of Changes in Employee Age Structure in the Past Three Years



Salary, welfare and employee security

Based on the value of the position, SCC upholds the principle of equal pay for equal work and ensures fairness in employment. It fosters a culture of striving, advocating for increased pay based on performance, and offers competitive salaries to exceptional talents. The performance evaluation covers all employees reaching a 100% coverage rate. The Company provides its staff with the mandated five insurances and one housing fund as per national laws and regulations, along with additional comprehensive accident insurance tailored to industry characteristics and job risks. SCC prioritizes employee health through a staff health plan, regular physical examination and the provision of free labor protection equipment. All employees enjoy paid statutory holidays, maternity leave, annual leave, and receive amenities

such as working meals and shuttle bus services. Furthermore, the Company strictly adheres to the anti-discrimination policies, prohibits forced labor and child labor, respects employees' personal beliefs, and safeguards their privacy.

In 2023, SCC achieved a contract signing rate of 100%, with no incidents violating the basic rights and interests of employees during their employment. Regarding employee benefits, the Company granted 317 wedding leaves, 446 maternity and paternity leaves, conducted 12,666 health check-ups, and 9,458 occupational health checks through its employee health plan. Additionally, employees received an average of 6.88 days of paid leave per person per year, effectively safeguarding worker's interests.

Employee representative assembly to protect the rights and interests of employees

On November 13, SCC hosted the First Session of the Second Employees' Representatives Conference concurrently across multiple locations, with four venues in Shenzhen, Wuxi, Nantong, and Guangzhou. A total of 417 employee representatives attended the conference. During the event, Wang Chengyong, chairman of the trade union, delivered the opening speech. The 417 employee representatives listened to and reviewed four reports, covering the Operating Condition and Medium- and Long-term Strategic Planning Report, Report on the Human Resources and Work Safety 2022-2023, and Employee Proposal Review Report. The conference deliberated and adopted two regulations concerning the handling of employee violations and attendance and holiday management which are closely associated with employees' rights and interests. Furthermore, three employee proposals were discussed and filed regarding the training of grassroots management personnel, the

installation of charging piles in the Nantong park, and the signing of collective contracts in Wuxi subsidiary. During the conference, employee representatives participated in the elect employee supervisors, resulting in the election of Cui Rong as the fourth employee supervisor of SCC.

The Second Employees' Representatives Conference encompasses a larger number of employee representatives compared to the first one, making it more representative of the majority of employees' interests. The conference enables employees to voice their demands through their representatives. Addressing issues that directly impact their interests not only enhances the protection of employees' rights and interests, but also stimulate the wisdom and promote continuous improvement in corporate management.



▲ Voting for motions by staff representatives at the First Session of the Second Employees' Representatives Conference

Caring for employees and conveying the warmth of SCC

SCC places significant emphasis on the physical and mental well-being of its employees and has established an online psychological care platform named "Happiness Station". SCC offers EAP professional training to key frontline employees and the "chips and hearts" team to consistently enhance the professional competence and capability of employee psychological assistance personnel. In 2023, a total of 19 employees passed the EAP training test, becoming a new force in safeguarding the mental health of employees.

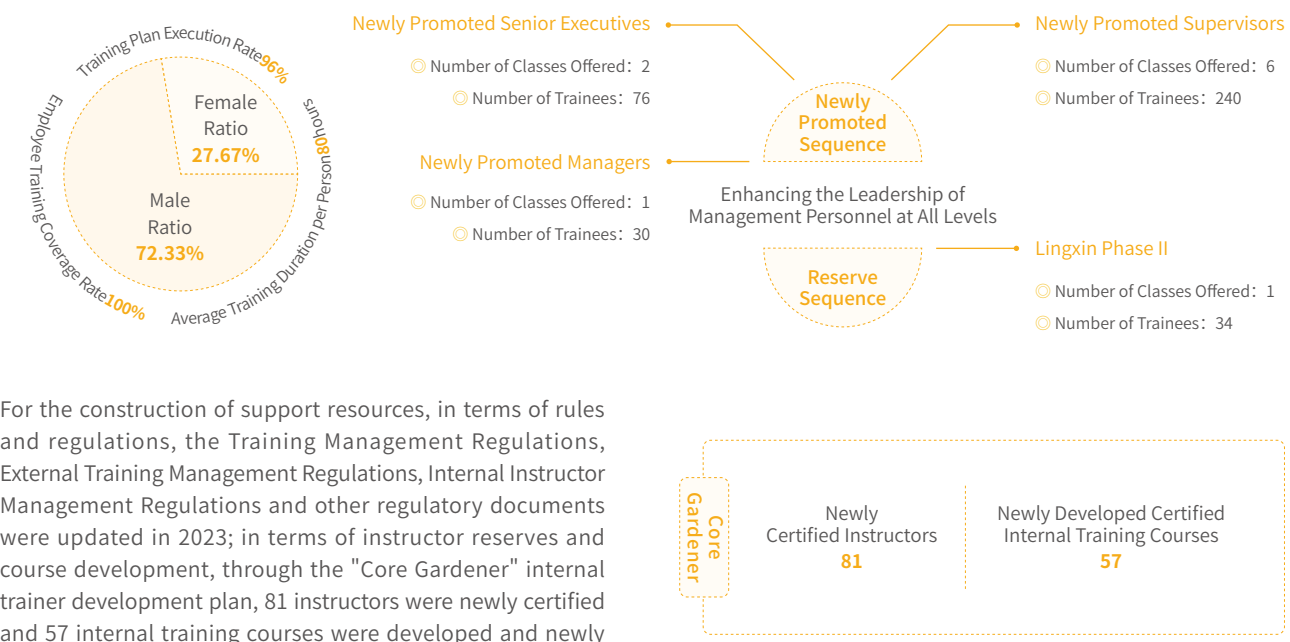


▲ The second batch of key personnel are attending the EAP training

Providing a more diversified platform to encourage employees to grow and develop better

The Company's multi-territory and multi-business portfolio has quickly developed, enhancing a more diversified growth platform for employees at all levels. In order to support the rapid growth of foundational talents at all levels and incubate high-quality industrial talents, the Company organizes various special activities for talent training and consistently provides qualified management and professional talents at all levels. The implementation rate of the annual training plan for 2023 was 96%, and the coverage rate of employee training was 100%. Among all employees, male employees accounted for 72.33% and female employees accounted for 27.67%, with an average training duration of about 80 hours per person. The "Newly Promoted" and "Reserves" programs were established to enhance the leadership development of the managers at all levels. The "Newly Promoted" program, mainly covering newly promoted managers, senior executives, supervisors,

and directors, is held once a year. In 2023, one class was opened for the newly promoted managers, with a total of 30 participants; two classes were opened for the newly promoted senior executives, with a total of 76 participants; six classes were opened for the newly promoted supervisors, with a total of 240 participants. The "Reserves" program mainly focuses on the training of different levels of reserve management, and it is held once every two years. In 2023, one class was opened for Lingxin Phase II with 34 participants. In addition, a special program called "Caring for Leadership" was established for frontline grassroots managers, for the purpose of enhancing the management capability of in-service directors and foremen, covering a total of 810 employees. In terms of the cultivation of professional talents, a program called "Project Manager Training Camp" was established, and 126 project managers or core representatives were trained.



For the construction of support resources, in terms of rules and regulations, the Training Management Regulations, External Training Management Regulations, Internal Instructor Management Regulations and other regulatory documents were updated in 2023; in terms of instructor reserves and course development, through the "Core Gardener" internal trainer development plan, 81 instructors were newly certified and 57 internal training courses were developed and newly certified in 2023.

Micro-Innovation: Innovative Shimmering Leading Technological Upgrades

In order to maintain the innovation vitality of the Company and enable ordinary employees to display their talents, the Company launched a "micro-innovation" activity in 2009 to encourage all employees to actively participate in the operation of the Company through innovation. After 14 years of development, the number of people participating in the "micro-innovation" activity every year has grown from dozens to thousands, and that the activity has become one of the important platforms to build the Company's innovation gene.

In the digital environment, all employees use the light of each "micro-innovation" to illuminate the implementation and continuous optimization of the company's "digitalization".

At the annual press conference of micro-innovation, the excellent innovative projects were showcased and discussed in a variety of ways, including skits and speeches, giving participants an intuitive understanding of the cutting-edge concepts and techniques used by the winning projects.

	2021	2022	2023
Micro-innovation proposals (pcs)	31,069	35,749	5,330
Micro-innovation participants (person)	5,113	5,583	4,132
Lean Six Sigma (pcs)	1,027	1,450	1,027
Black Belt (pcs)	18	15	18
Green Belt (pcs)	242	276	278
Yellow Belt (pcs)	767	792	780
Financial balance (10,000 yuan)	7,070	8,742	8,820

※Note: The number of micro-innovation proposals and the number of micro-innovation participants are cumulative data.



© Small breakthroughs in process gather great wisdom

A certain customer's advanced medical device as key product: In order to meet the functional design requirements of the product, the maximum temperature that its component withstands cannot exceed 80 degrees Celsius, while traditional solder paste welding usually requires a temperature of over 200 degrees Celsius. After preliminary communication, Xiao Haoyang and his team realized that if low-temperature welding could not be achieved in the process, this product could only be redesigned or temporarily stored as a piece of data in the customer's computer. How to solve this problem became a concern for Xiao Haoyang. After consulting a large amount of information, he found that there was no mature experience in the industry to learn from. In order to help our customer solve this pain point, Xiao Haoyang and his team spent all day in the laboratory and the production line. After repeated attempts, they proposed a solution of using silver paste instead of solder paste. Finally, they achieved the goal of low-temperature welding. However, they met with new problems. Generally, silver paste is processed through a dispenser with its diameter of at least 0.4mm. But this device has a high density of solder joints, with a center to center distance of only 0.3mm. If a dispenser is used for dispensing, short circuits may occur. Facing this problem, Xiao Haoyang did not give up, but comforted the team instead, saying,



"Initially, there was no solution for low-temperature welding, wasn't there? As long as we try more, we will definitely have new ideas! " The team proposed the idea of double-sided printing and pre-curing by conducting the DOE and referencing tools such as TRIZ. Through the process of printing silver paste on both sides of the device and substrate, curing first, and then mounting, the smooth processing of the product was achieved on the basis of ensuring the product pass rate. The small process improvement not only embodied the customer-centric concept of SCC people, but also achieved a breakthrough in international low-temperature welding technology.



▲ At the annual release conference of micro-innovation activities, Xiao Haoyang shares the stories of micro-innovation through performance

© Making glory from the "Long for Glory"

"Long for Glory" is a project launched by SCC to explore the bright points of ordinary employees. It encourages employees to be the better versions of themselves in work and life, and cultivate responsible and civilized consciousness and behavior from ordinary work and life, so that ordinary

employees can achieve glory in the process of participating in the project. The Company held 12 Long for Glory events in 2023. Employees have produced 2,166 winners and more than 16,250 card drops between them.

◎ Keen to learn and study, employees grow together with the enterprise

As a long-term employee activity of the Company, "Reading SCC Happily" continuously innovated its forms in 2023, entering various business units and carrying out more than 20 series of activities such as Lawn Reading Festival, Live Show of Reading Happily, Recitation Competition, Book Market, and Tour Exhibition, enhancing the emotional, knowledge, and experience exchange among employees, and becoming a booster for many frontline employees to promote to the management. Starting from the actual situation of SCC, during World Book Day and Shenzhen Book Month, April and November of each year will be designated as "SCC Happy Reading Month" to enhance the brand effect of "Happy Reading Month" from the aspects of event planning, cultural and creative design, and promotion. We build a shared lawn space around an open organizational atmosphere, open it to employees and event organizations, and provide customized services and supporting facilities such as event planning, photography, and videography. We open an online library called "Happy Reading Bookstore" covering four locations, where readers can access the collection of books online and achieve one-stop borrowing and returning.

At present, the Happy Reading Project has 9 communities and 1,279 members. In 2023, more than 17,000 people participated in reading and check-in activities and many employees developed a habit of reading and sharing during the participation process, enhancing their awareness of lifelong learning and growth. Employee learning and growth have also become an important force in promoting the growth of the Company.



▲ At the Grassland Reading Festival, employees shared the joy of reading together.

◎ Enterprise Culture Day

The annual Corporate Culture Day in early July is a traditional activity of SCC and also a holiday for employees. The food street and amusement park are open to all employees and their families. All the officers of SCC have once again become food vendors, serving all employees and thanking

everyone for their contributions to the Company. In 2023, the Company's collective wedding event was also held at the venue of the Corporate Culture Day, and everyone sent warm blessings to the newlyweds.



▲ The officers of SCC are sending blessings to the newlyweds



▲ The officers of SCC are serving the employees on the food street

2023, we are together

"Home of Hearts and Chips" is the home of strugglers. The Company is committed to building a sustainable connection between employees' work and life, not only creating an efficient, easy and caring working atmosphere for employees but also continuing to improve their sense of gain and happiness, and returning more caring life to the employees for their dedication and struggle. In 2023, the Company helped employees relax from work stress and improve their leisure time through various activities.

◎ The First Lawn Music Festival was popular through May

In May, the First Lawn Music Festival was jointly launched in Shenzhen, Wuxi, and Nantong. Rock, folk, jazz, classical dance, talk show, and fast-paced banquet were held, and the literary and artistic youth of Shenzhen brought a feast of audio-visual experience to their colleagues. The event provided a stage for young people in SCC to showcase their talents and enriched the leisure life of SCC employees.



▲ At the music festival, the literary and artistic youths of SCC each showed their unique abilities



▲ Every year, the Parent-child Summer Camp is always filled with laughter and joy ▼

◎ Offline Restart of Parent-Child Summer Camp

Every summer vacation, the SCC Parent-Child Summer Camp always brings more laughter and fun to employees. The rich and diverse experience programs broaden the children's horizons, and the warm parent-child interaction links shorten the distance between employees and their children and bring them a sense of happiness. In August 2023, the 12th Parent-Child Summer Camp of SCC was restarted offline, with over 300 families, over 700 employees, and children from Shenzhen, Wuxi, and Nantong embarking on a joyful journey of holding hands together.



◎ The First Canoe Competition sets sail in SCC Nantong

On July 4, the First Canoe Competition was held by SCC Nantong, with more than 80 people participating. SCC Nantong utilizes the advantages of the park to actively develop innovative employee activities in addition to traditional ball games, and invites professional coaches to attract employees to participate in the activities. This competition had the participation of four teams from factories and functional departments. The competition adopted a team relay competition point accumulation system and ultimately determined the overall ranking.



▲ The Canoeing Competition, as a new item, was highly sought after by people from SCC



◎ Blooming club activities

In order to enrich SCC staffs' lives, the company employee union provides activity funds for the associations with active and positive employee activities. Currently, SCC has multiple clubs including basketball, football, badminton, table tennis, yoga, fishing, reading, photography, mountaineering and volunteering, and holds a variety of competition activities every year.



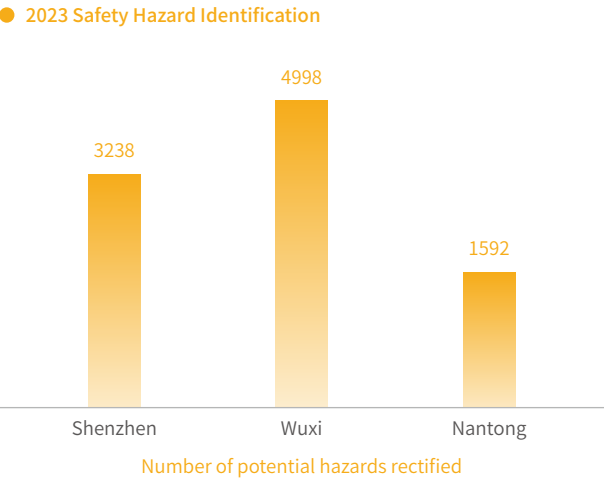
Life First and Safe Development

SCC seriously implements national safety laws and regulations and ISO45001 requirements for occupational health and safety management systems. It follows the principles of life first, essential safety, and risk pre-control. SCC uses safety development as its main reference point. It reinforces the development of a safety culture and puts into

practice the organization's "12358" overall safety goal. In 2023, SCC had no safety accidents occurred, no employees suffered occupational diseases, and the safety hazard rectification was 100% completed. SCC is awarded the National Grade II Work Safety Standardization Certification.

Comprehensively promoting intrinsic safety management and continuing to eliminate potential risks

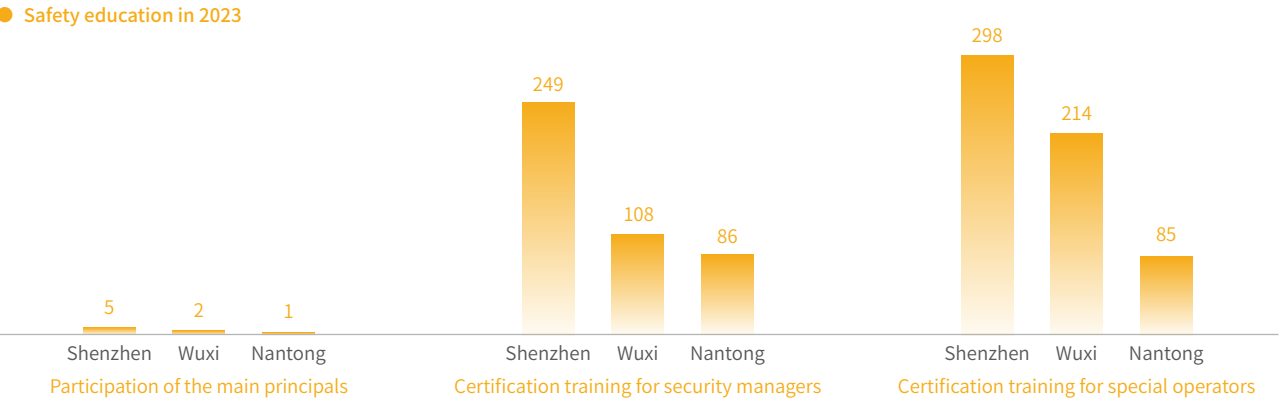
The Company improved its crucial safety management capability in 2023 while revising the "Production Safety Responsibility System" in accordance with the most recent "Production Safety Law" requirements. A total of 9,828 safety hazards occurred in Shenzhen, Wuxi, and Nantong and 9,821 corrections were made throughout the year with a 100% on-time correction rate. To provide a safer working environment for all employees, each department has implemented the primary responsibility and insisted on the activities against "irregular command, work violation, and labor discipline". In addition, in terms of safety assurance for the newly built bases in Guangzhou and Pingxi, at least one safety inspection of construction projects is carried out every month, and 140 safety hazards have been identified. All improvements have been completed within the year.



Fully implement safety education and enhance safety awareness

The three-level safety education and training for new employees in Shenzhen, Wuxi, and Nantong have reached 100%. In 2023, through training and upgrading, the number of safety management certificate holders was further increased. For example, 443 new safety management license holders were added, and 597 special operation personnel

and license holders participating in re-education and training were added, and 886 foreign construction unit operators and project leaders were further added. New employees, main responsible persons, safety management personnel at all levels, special operators, and other key personnel in the three places are all certified 100% for their work.



During the 22nd National Work Safety Month, SCC focused on the theme of "everyone talks about safety, everyone knows emergency" and its first-level hazard areas. Twelve activities were carried out, including a hazard investigation, special team meeting, safety knowledge competition, safety consultation day, emergency skill competitions, and emergency drills. All these helped to continuously improve employee safety awareness and skills, and form a good corporate safety culture.

▼ A series of Work Safety Month activities help to continuously enhance employee safety awareness and skills



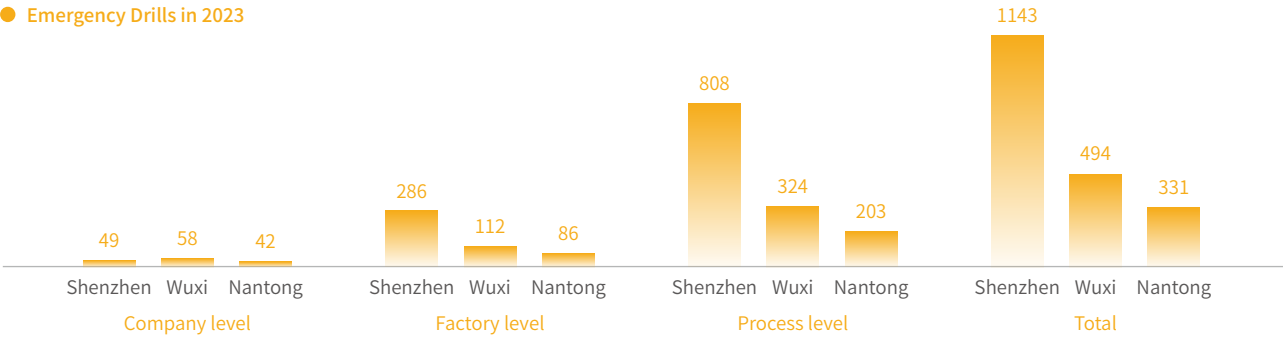
Strengthen practical drills to continuously improve emergency response capabilities

The SCC Safety Committee Office continues to improve the three-level emergency linkage mechanism and significantly strengthens factory-level drills. SCC performed 149 company-level drills, 484 factory-level drills, and 1,365 process-level drills in 2023. These include live fire drills, hazardous chemical drills, and mechanical injury drills. The open fire drills were conducted in six areas: electroplating line rectifier, AGV car battery, flammable chemicals in the purification room, laminated heat medium oil, high-voltage distribution room, organic air duct, and attic electrical circuit. The hazardous chemical drills were conducted in five areas: hydrogen peroxide in the electroplating process, central distribution medicine storage tanks, chlorine gas in the etching process, gold plating process, toxic cyanide storage and confined space (hydrogen sulfide). The mechanical injury drills were conducted in four areas: electroplating line overhead crane, automatic stacking machine for three-dimensional warehouse, mechanical arm for pallet loading and unloading

machine, and cage lifting machine. The comprehensive evaluation pass rate of the three drills is 95%, and 351 improvement points have been identified. All of them are rectified completely.

During the year, SCC organized 326 first and second-level commanders, as well as 652 emergency whitelist personnel, from factories in three locations to conduct emergency training. The training included emergency command processes, emergency response processes, emergency activation and alarm methods, wearing fire-resistant and chemical protective clothing, using fire extinguishers, connecting fire hoses, mobile fire exhaust fans, chemical suction pumps, cardiopulmonary resuscitation, and AED use. These trainings ensured that emergency commanders had 100% mastery of the use of emergency materials. Throughout the year, there were no more serious hazards in the three sites.

● Emergency Drills in 2023



Strengthen occupational health protection and continuously improve the working environment

In 2023, SCC commissioned a professional testing agency with nationally recognized qualifications to conduct occupational hazard factor inspection on a total of 3,760 points in the company’ s three locations. A total of 22 occupational hazard risk points were identified, all of which were noise

risks. Special improvement actions were taken to promote continuous improvement of the working environment under the principle of "reducing inventory and controlling increment". No occupational diseases occurred throughout the year.

Information security protection

With the acceleration of SCC digital construction and intelligent manufacturing, the large increase in data has brought new challenges to the information security work. Information security is of great significance for future digital business interconnection, and stable and sustainable development. Through technological innovation and management change, SCC constantly upgrades network security strategies and technologies in order to prevent data leakage and improve network security capability. Building an active and sustainable information security team can help customers to achieve data security and network security.

In terms of digital construction, SCC has launched the situational awareness system to monitor threats and use situational awareness scoring for the three sites every

week. The situational awareness system reports the list of risk assets, and the information security team deals with the problems by categories. This greatly improves the risk monitoring ability of the whole network, the accuracy of threat positioning and the timeliness rate of threat disposal. In 2023, SCC comprehensively improved its virus defense capabilities, monitoring and intercepting approximately 17.5 million network attacks throughout the year, a year-on-year decrease of 84%. 686 terminal security incidents (viruses, violent cracking attacks, etc.) were found, with a year-on-year decrease of 91%. In addition, the factory network became independent, and the production and office networks were 100% isolated. This ensures the information security of the Company and its customers effectively.



Giving back to the society

For a long time, SCC not only has adhered to the road of independent development but also has been concerned about the sustainable development of society. Moreover, it has maintained a high degree of attention to popular topics

like actual situations and community needs. In 2023, SCC always stuck to its original intention and worked closely with all parties to overcome difficulties and create a better future.

Paying attention to science popularization and education for young people, and helping them grow



▲ "Open Day" Activity of SCC Aviation Science Popularization Center

In order to cultivate the technological literacy of young people, SCC has been carrying out aviation science popularization and education activities for a long time under the guidance of the Guangdong Aerospace Society. In 2023, the Science Popularization Center of SCC brought interesting aviation science courses to young visitors. SCC’ s science popularization instructors include public welfare courses such as aviation history, simulated flight driving, and aircraft model production. SCC’ s science popularization instructors also actively participated in public welfare activities such as Blue Chalk, visited schools in Xixiang of Shaanxi, Guanling of Guizhou, and other places, and brought aviation science popularization courses to young people. These courses have been recognized and loved by students. The annual science popularization activities directly benefited nearly 500 young people, helping to cultivate their comprehensive scientific literacy and enhance the scientific literacy of the whole population.



▲ SCC Science Popularization Instructor Enters Guanling, Guizhou

"SCC Cup" Aviation Model Competition came to Southern University of Science and Technology

October 29, on the occasion of the Seventh "Talent Day" in Shenzhen, the 19th "SCC Cup" Aviation Model Competition with the theme of "Gathering towards NAN and Flying for Dreams" was held at Southern University of Science and Technology in 2023. It attracted more than 600 young athletes from nearly 80 schools in the Guangdong province to participate in the competition, and over 1200 students and citizens participated in the activity. This competition was guided by the Chinese Society of Aeronautics and Astronautics (CSAA) and Guangdong Provincial Association for Science and Technology, jointly sponsored by Guangdong Society of Aeronautics and Astronautics, Shenzhen Education Bureau, and Shenzhen Association for Science and Technology and organized by Shennan Circuit Co., Ltd., Southern University of Science and Technology and the Organization Department of CPC Nanshan District Committee (Nanshan District Talent Work Bureau).

This was the first time that "SCC Cup" had entered universities. At the opening ceremony, the representatives from the Aviation Model Society of Southern University of Science and Technology, He Congfa (a national figure flying champion), Liu Quande (the Chinese Best Pilot of the F3A Stunt Flying World Championships), and the representatives of elementary school students from Shixia School in Shenzhen respectively performed exciting aircraft models. The agile helicopter stunt performance by the Aviation Model Society of Southern University of Science and Technology,



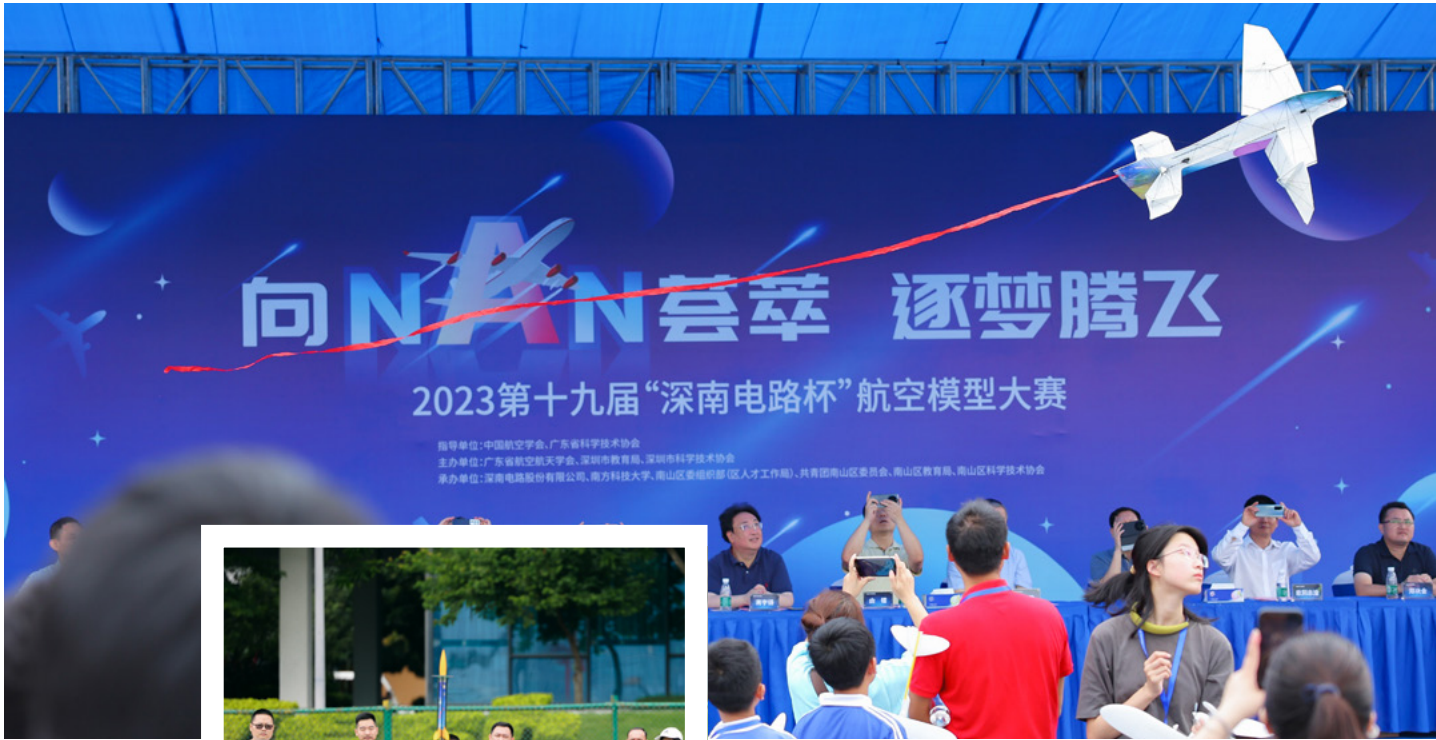
▲ Teenage competitors are showing their skills on the field

the light and butterfly-like ultra-low altitude stunt flight by He Congfa, and the flowing F3A stunt flight by Liu Quande all won the applause in the hall. The drone formation performance brought by Shixia School showed the exquisite programming ability of the new generation of young people. Just like a "different kind of inheritance," on the green field of the South University of Science and Technology, the demonstration of masters and the relay performance of young players were staged.

This competition consisted of 8 events, including the individual rotor competition and drone football. Among them, the individual rotor competition, which requires



▲ The primary school student representatives from Shixia School is performing drone formation



▲ He Congfa is operating an ultra light drone to perform ultra-low altitude stunts



▲ Teenage competitors are showing their skills on the field

leading drones to overcome obstacles, was the most intense one. It had over 300 people participating in the competition. Among many competitions, the most confrontational and interactive "aerial football match" tested the comprehensive abilities of players. It not only required players to proficiently operate drones but also required everyone to use drones to complete a series of passes, shots, defense, and other actions. It puts higher requirements on the players' team collaboration ability, tactical strategy ability, mastery of flight knowledge and other comprehensive qualities. However, in the face of constantly increasing difficulty, the enthusiasm of the competitors to participate also increases. The Dongfeng Airborne Rocket Leaving Timed Competition, the Little Strength Parachute Rocket Leaving Timed Competition, the Water Rocket Leaving Timed Competition, and so on, allowed aviation and aerospace enthusiasts to experience soaring to the sky and the mystery of striving for excellence in scientific research. "That water rocket needs to be made by oneself. Too much or too little water inside the rocket is



▲ The fun science popularization experience in the interactive experience area is the favorite of teenagers

ineffective, and too tight or too loose adhesive tape is also ineffective. We tried several times before we succeeded..." The competitor said that the way the model was made is closely related to the rocket's flight performance. Through continuous trial and error, they improved their hands-on and creative abilities, as well as honed their patience.

In addition to intense competition events, there was also a science popularization experience area on site, where teenagers could learn about aerospace knowledge through diverse experiences such as the knowledge challenge and the Little Flying Man.

Annex 1: About the Report

◆ Report Audience

Since 2008, Shennan Circuits Co., Ltd. (hereinafter referred to as "SCC", or "the Company") has been taking the initiative to report the status of sustainable development to the public and invites the public to understand and supervise our sustainable development work. SCC issues the sustainable development report to the public every year to disclose the concept and practices of sustainable development of the Company, and promote the understanding, communication and interaction between the Company and the stakeholders as well as the Company and the public, to achieve sustainable development.

◆ Report Range

The organizational range of this Report covers all the entities whose financial and operational policies and measures the Company has control right over or that the Company has a significant impact on, and that is covered by the Company's annual report. Unless otherwise specified, the Report describes the global operation of the Headquarters and all branches of SCC in terms of economy, environment and society within the reporting period (from January 1, 2023 to December 31, 2023), and all the data are taken from the formal documents and the 2023 Annual Report of Shennan Circuits Co., Ltd.

◆ Disclosure Principles

The Report has been prepared following the relevant requirements of the Guidelines for the Standard Operation of Listed Companies in Shenzhen Stock Exchange (February 2020), and by reference to the GRI Standards 2021, CASS-ESG 5.0, Corporate Social Responsibility Guide ISO26000, and the Corporate Social Responsibility Evaluation Guidelines of Shenzhen. The Report mainly sets forth the issues from the economy, environment and society, and focuses on the sustainable development practices of SCC in terms of customers, environment, employees, partners and communities.

The Chinese version of the Sustainable Development Report, as an independent report, will be released in the first quarter of 2024 after being reviewed and approved by the Board of Directors in March 2024 (the previous report was released in the first quarter of 2023), and the English version will be released in the second quarter of 2024 (the previous report was released in the second quarter of 2023). In order to protect the environment and reduce the use of paper, please visit: www.scc.com.cn>About SCC-Social Responsibility to browse or download the Report online.

SCC would like to express thanks to the stakeholders for offering suggestions and comments on the Sustainable Development Report of SCC and will persistently improve the report quality as usual. In case of any comments or suggestions on the Report, please contact SCC by the following means, and we also kindly invite you to participate in the 2024 stakeholder survey to let SCC know more about the sustainable development aspect you are concerned about.



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◆ Disclaimer

This document may contain predictive information. Uncertainties in practice may lead to differences between the actual results and the predictive information, so this document is only used for reference without any offer or commitment. Please understand that Shennan Circuits Co., Ltd. may modify the above information without any prior notice. Sorry for any inconvenience.

Annex 2: Index to Indicators

GRI Standards (2021) Index Number	Description	United Nations Sustainable Development Goals (SDGs)	ESG indicators: CASS-ESG 5.0	Page
Part I: General disclosures				
Organization and its reporting practice				
2-1	Organization details		P4.1、P4.2、P4.3、P4.4	6
2-2	Entities included in the organization's sustainability report		P1.1、P1.2、P1.3、G3.7	36
2-3	Reporting period, reporting frequency, and contact person		P4.1、A5	36
2-4	Information restatement		P4.1	N/A
2-5	External authentication			/
Activities and workers				
2-6	Activities, value chain, and other business relationships		P4.1	6、21
2-7	Employee		P4.1、P4.3	25
2-8	Workers outside of employees		P4.4	/
Organization and its reporting practice				
2-9	Governance structure and composition	SDG5、SDG16		23
2-10	Nomination and selection of the highest governing body			23
2-11	Chairman of the highest governing body			23
2-12	In terms of management impact, the supervisory role of the highest governing body	SDG16		23
2-13	Authorization of responsibility for managing impact		G3.1、G3.2、G3.3	7-8
2-14	The role of the highest governing body in sustainable development report			36
2-15	Conflict of interest			/
2-16	Communication of important concerns			9-10
2-17	Common knowledge of the highest governing body			/
2-18	Performance evaluation of the highest governing body			/
2-19	Salary policy			/
2-20	Procedure for determining remuneration			/
2-21	Annual total remuneration ratio			/
Strategy, policy, and practice				
2-22	Statement on Sustainable Development Strategy		P2.1、P2.2、P3.1	2
2-23	Policy commitment			2
2-24	Integration policy commitment			7-9
2-25	Procedures for remedying negative impacts			
2-26	Mechanism for seeking advice and raising concerns		G3.5	10-11
2-27	Abiding by laws and regulations		G1.3、G1.4、G1.10、G1.11	25; no illegal or irregular activities occurred in the reporting period
2-28	Membership of association			/
Stakeholder participation				
2-29	Method of stakeholder engagement	SDG16	G3.6	9-10
2-30	Collective agreement negotiation		S1.6	26

Annex 2: Index to Indicators

GRI Standards (2021) Index Number	Description	United Nations Sustainable Development Goals (SDGs)	ESG indicators: CASS-ESG 5.0	Page
Part II: Specific Topic Disclosures				
Financial performance				
201-1	Directly Generated and Distributed Economic Value	SDG2、SDG5、SDG7、SDG8、SDG9	A2	7
201-2	Financial impacts and other risks and opportunities brought about by climate change		E5.1、E5.2、E5.3、E5.4	4
201-3	Obligatory fixed benefit plans and other retirement plans			26
201-4	Financial subsidies provided by the government			/
Market performance				
202-1	The ratio of starting salary to local minimum wage based on gender standards			/
202-2	The proportion of executives hired from local communities			/
Indirect economic impact				
203-1	Infrastructure investment and support service	SDG2、SDG5、SDG7、SDG9、SDG11		/
203-2	Significant indirect economic impact	SDG1、SDG2、SDG3、SDG8、SDG10、SDG17	V3.4、V3.5、A2	34-35
Anti-corruption				
205-1	Operation Sites with Corruption Risk Assessment Performed	SDG16		24
205-2	Communication and Training of Anti-corruption Policies and Procedures	SDG16	G1.5、G1.6、G1.7、G1.8	24
205-3	Confirmed Incidents of Corruption and Actions Taken	SDG16	G1.9	Not occurring in the reporting period
Misconduct				
206-1	Legal Action Against Unfair Competition Practices, Antitrust and Antitrust Practices	SDG16		Not occurring in the reporting period
Tax				
207-1	Tax management measures			24
207-2	Tax governance, control, and risk management			24
207-3	Stakeholder involvement and management of tax-related matters			10
207-4	CbC Report			/
Materials				
301-1	Weight or volume of the materials used			/
301-2	Recycled feed used			/
301-3	Recycled products and their packaging materials			/
Energy				
302-1	Internal energy consumption within the organization		E1.1、E1.2、E1.3、E1.6、E2.2	16
302-2	External energy consumption of the organization			/
302-3	Energy intensity		E2.3	7
302-4	Reduce Energy Consumption	SDG7、SDG8、SDG12、SDG13	E2.1、E2.4、E2.14、E2.15、V4.3	7、16-17、20-21
302-5	Reduce Energy Demand for Products and Services	SDG7、SDG8、SDG12、SDG13		4

GRI Standards (2021) Index Number	Description	United Nations Sustainable Development Goals (SDGs)	ESG indicators: CASS-ESG 5.0	Page
Part II: Specific Topic Disclosures				
Water Resources				
303-1	Interaction between Organization and Water (as a shared resource)	SDG6	E2.9	17-18
303-2	Management of Drainage-related Impacts	SDG6		18
303-3	Water intake	SDG6		/
303-4	Drain	SDG6	E3.1	17
303-5	Water Consumption	SDG6	E2.10、E2.12、E2.13	17
Biodiversity				
304-1	Operation points owned, leased, and managed by the organization in or adjacent to protected areas and areas with abundant biodiversity outside protected areas			N/A
304-2	The significant impact of activities, products, and services on biodiversity		E4.1、E4.2	N/A
304-3	Protected or restored habitats		E4.3	N/A
304-4	Species in habitats affected by operations that have been included in the Red List of the International Union for Conservation of Nature (IUCN) and the National Conservation Register			N/A
Emission				
305-1	Direct (Scope 1) greenhouse gas emissions		E5.5	16
305-2	Indirect energy (Scope 2) greenhouse gas emissions		E5.6	16
305-3	Other indirect (Scope 3) greenhouse gas emissions			/
305-4	Greenhouse gas emission intensity		E5.7	7
305-5	Greenhouse gas reduction	SDG13、SDG14、SDG15		7
305-6	Emissions of ozone depleting substances (ODS)			N/A
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other major gas emissions			19
Sewage and Waste				
306-1	Total drainage amount classified by water quality and discharge destination			/
306-2	Total amount of waste classified by category and treatment method		E3.6、E3.8	20
306-3	Major leakage			Not occurring in the reporting period
306-4	Transport of Hazardous Waste	SDG3、SDG12	E3.5	20
306-5	Water bodies affected by drainage and/or runoff			/
Environmental Compliance				
307-1	Violation of Environmental Laws and Regulations	SDG16	E1.9	Not occurring in the reporting period
Supplier Environmental Assessment				
308-1	New Suppliers Screened with Environmental Criteria	SDG12		21
308-2	Negative Impact of Supply Chain on the Environment and Actions Taken	SDG12		21-22
Employment				
401-1	New employees and employee turnover rate		V3.1、V3.2	25

Annex 2: Index to Indicators

GRI Standards (2021) Index Number	Description	United Nations Sustainable Development Goals (SDGs)	ESG indicators: CASS-ESG 5.0	Page
Part II: Specific Topic Disclosures				
Employment				
401-2	Benefits for Full-time Employees (excluding temporary or part-time employees)	SDG3	S1.1、 S1.4、 S1.8、 S1.9	26
401-3	Parental leave	SDG3	S1.7	26
Labor and industrial relations				
402-1	Minimum notice period for operational changes			/
Occupational Health and Safety				
403-1	Occupational Health and Safety Management System	SDG8	S3.1、 S3.2、 S3.4、 S3.10	31-32
403-2	Hazard Identification, Risk Assessment and Incident Investigation	SDG3、 SDG8	S3.6	32
403-3	Occupational Health Service	SDG3、 SDG8	S3.3、 S3.7	33
403-4	Occupational health and safety affairs: worker participation, consultation and communication	SDG8		33
403-5	Occupational Health and Safety Training for Workers	SDG8	S3.5、 S3.9	32
403-6	Promote Worker Health	SDG8		26
403-7	Prevent and Mitigate Occupational Health and Safety Impacts Directly Related to Business Relationships	SDG8		33
403-8	Workers covered by occupational health and safety management system	SDG8		/
403-9	Work-related injuries	SDG8		/
403-10	Work-related health issues	SDG8		33
Training and Education				
404-1	The average number of training hours per employee per year	SDG5、 SDG8		27
404-2	Employee Skills Upgrading Program and Transition Assistance Program	SDG8	S2.1、 S2.2、 S2.3、 S2.4	27
404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	SDG5、 SDG8		26
Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	SDG5、 SDG8	G1.1、 G1.2、 S1.2、 S1.3	25-26
405-2	The ratio of basic salaries and remuneration of men to women	SDG5、 SDG8、 SDG10	S1.7	26
Anti-discrimination				
406-1	Incidents of Discrimination and Corrective Actions Taken	SDG5、 SDG8、 SDG16		Not occurring in the reporting period
Freedom of association and collective bargaining				
407-1	Operating points and suppliers that may face risks in terms of freedom of association and collective bargaining rights	SDG8、 SDG12		Not occurring in the reporting period
Child Labor				
408-1	Operation Sites and Suppliers at Risk of Significant Child Labor Incidents	SDG8、 SDG16	S5.4、 S5.5	Not occurring in the reporting period
Forced Labor				
409-1	Operation Sites and Suppliers at Risk of Significant Forced Labor Incidents	SDG8	S5.4、 S5.5	Not occurring in the reporting period

GRI Standards (2021) Index Number	Description	United Nations Sustainable Development Goals (SDGs)	ESG indicators: CASS-ESG 5.0	Page
Part II: Specific Topic Disclosures				
Security practice				
410-1	Security personnel who have received training on human rights policies or procedures			/
Indigenous rights				
411-1	Incidents involving the infringement of indigenous rights			Not occurring in the reporting period
Human right assessment				
412-1	Operating sites subject to human rights reviews or impact assessments			14
412-2	Employee training in human rights policies or procedures			27
412-3	Important investment agreements and contracts that include human rights clauses or have undergone human rights assessment			/
Local community				
413-1	Operational points with local community participation, impact assessment, and development plans			34
413-2	Operational points that have actual or potential significant negative impacts on the local community			Not occurring in the reporting period
Supplier Social Assessment				
414-1	New Suppliers Screened with Social Criteria	SDG12	S5.1、 S5.2、 S5.3、 S5.6	21-23
414-2	Negative impacts of the supply chain on society and the actions taken	SDG12	S5.4、 S5.5	Not occurring in the reporting period
Public policy				
415-1	Political donation			N/A
Customer Health and Safety				
416-1	Assessment on Health and Safety Impact of Product and Service Categories	SDG12	S4.1、 S4.2、 S4.3、 S4.4、 S4.5、 S4.7	14、 33
416-2	Violations Involving Health and Safety Impact of Products and Services	SDG16	S4.9	Not occurring in the reporting period
Marketing and Identification				
417-1	Requirements for product and service information and identification	SDG12		14
417-2	Violations involving product and service information and labeling	SDG12、 SDG16		Not occurring in the reporting period
417-3	Violations related to marketing	SDG12		Not occurring in the reporting period
Customer Privacy				
418-1	Proved Complaints Related to Breach of Customer Privacy and Loss of Customer Data	SDG16	S4.6	Not occurring in the reporting period
Social and Economic Compliance				
419-1	Violation of Social and Economic Laws and Regulations	SDG11		Not occurring in the reporting period



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