

SUPOR

2023 Environmental, Social and Governance Report



(Stock Code: 002032)
Zhejiang Supor Co., Ltd

CONTENTS

About this Report _____ 01

Message from CEO _____ 02

Key Performance _____ 03

Awards and Honors _____ 04

1 About Us _____ 05

1.1 Overview _____ 06

1.2 ESG Management _____ 06

2 Corporate Governance _____ 08

2.1 Organizational Structure _____ 09

2.2 Risk Control _____ 09

2.3 Business Ethics and Clean Governance _____ 10

2.4 Cybersecurity, Information Security,
and Personal Information Protection _____ 12

2.5 Intellectual Property Rights _____ 15

3 Products and Services _____ 17

3.1 Quality Management _____ 18

3.2 Innovation-driven Development _____ 21

3.3 Responsible Marketing _____ 22

3.4 Quality Services _____ 24

4 Sustainable Supply Chains _____ 26

4.1 Stable Supply _____ 27

4.2 Access, Monitoring, and Elimination _____ 27

4.3 Suppliers' Integrity and Business Ethics _____ 28

4.4 Responsible Procurement _____ 29

4.5 Traceability and Conflict Minerals _____ 30

5 Environmental Responsibility _____ 31

5.1 Climate Action _____ 32

5.2 Environmental-Friendly Operations _____ 32

5.3 Resource Management _____ 38

5.4 Circular Economy _____ 39

6 People First _____ 42

6.1 Rights and Interests Protection _____ 43

6.2 Welfare Support _____ 44

6.3 Training and Growth _____ 46

6.4 Safety and Health _____ 49

6.5 Enjoy Life _____ 51

7 Social Contribution _____ 53

7.1 Education Assistance _____ 54

7.2 Community Co-construction _____ 57

7.3 Public Welfare Assistance _____ 58

Appendix _____ 60



About this Report

| Overview

This report is the third Environmental, Social, and Governance Report (hereinafter referred to as "ESG Report") released by Zhejiang Supor Co., Ltd. to inform all its stakeholders of the Company's management, practices, and performance in ESG.

| Reporting Period

This report covers the period from January 1, 2023 to December 31, 2023 (hereinafter referred to as the "reporting period"). Part of the content and data may be appropriately traced back to previous years or beyond the foregoing time framework.

| Scope and Boundaries of This Report

Unless otherwise specified, this report delineates the reporting scope of the organization based on the materiality principle. All other material content of this report encompass Zhejiang Supor Co., Ltd. and its subsidiaries, aligning with the disclosure scope in the annual report.

| Description of Reference

For the convenience of reference, Zhejiang Supor Co., Ltd. and its subsidiaries are also referred to as "Supor", "the Company" or "we/us" in this report.

| Reference Standards

This report is prepared in accordance with the requirements for corporate social responsibility and disclosure provided in the *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange (Revised in 2022)* and the *Shenzhen Stock Exchange Regulatory Guidelines for Listed Companies No. 1-Standardized Operation of Listed Companies* and also by referring to the *Guidelines for Fulfilling Social Responsibilities of Listed Companies on the Shenzhen Stock Exchange*, the *Sustainability Reporting Standards* released by the Global Reporting Initiative (abbreviated as "GRI"), the *Sustainability Accounting Standards* released by the Sustainability Accounting Standards Board (abbreviated as "SASB"), the *Basic Framework of Corporate Social Responsibility Reporting for Chinese Enterprises* (CASS-CSR 5.0), and the United Nations Sustainable Development Goals (abbreviated as "SDGs").

| Sources of Information and Assurance of Reliability

The information and data disclosed in this report are from statistical reports and official documents of the Company and have been audited by relevant departments. The Company promises that this report contains no false records and misleading statements and will be held accountable for the authenticity, accuracy and integrity of the content hereof.

| Confirmation and Approval

This report was approved by the Board of Directors in March 2024 after confirmed by the management.

| Access to This Report

The electronic edition of this report can be downloaded from the official website of Zhejiang Supor Co., Ltd. (<https://www.supor.com.cn/>), the website of the Shenzhen Stock Exchange or the website of CNINF (<http://www.cninfo.com.cn>). This report is published in both Chinese and English. In case of any discrepancy between these two versions, the Chinese version will apply.

Message from CEO

Looking back on this year, Supor, as a leader in China's cookware and small domestic appliance industry, stayed true to its original aspiration, and remained committed to delivering high-quality products and services to users with great passion. Bearing the brand mission of "inspiring your love for home life through innovation", and holding the corporate vision of "empowering every family to enjoy a quality life", we upheld the principle of operating with integrity, always put us above the bottom line of work safety, and aligned ourselves with the national "carbon peaking and carbon neutrality" initiative. We also took multi-faceted measures to safeguard the rights and interests of our employees, and proactively fulfilled our social responsibilities.

Stick to compliant operations and promote sustainable development. In order to further improve our ESG management system layout, we implemented a top-down three-tier ESG management structure, these three tiers are the ESG committee, the ESG leading department and the ESG working group, respectively. Supported by such a top-down collaborative approach, we also established a system of well-defined rights and responsibilities, thus offering excellent safeguard for efficient and compliant corporate governance. This year, we placed significant emphasis on the Company's practices in risk control and business ethics standards. Specifically, we collected, identified, and analyze various internal and external risks through diverse channels, devised appropriate countermeasures, and sustained our efforts to implement internal control regulatory requirements such as the *Basic Norms of Enterprise Internal Control*. Through routine supervision and targeted supervision, we did a good job in implementing internal control and fostering a culture of transparency and integrity in our business operations.

Strictly stick to the bottom line of environmental protection and promote green and low-carbon development. Supor not only prioritizes internal governance and sustainable development, but also considers ecological protection a top priority. In this regard, we actively fulfill our corporate environmental responsibilities and practice green production activities. This year, Supor took active measures for checking its carbon quantification and finding solutions to cutting down carbon emissions. In active response to the State Council of the PRC's

directive for industrial green upgrades and rapid green transformation, the Company's all major production bases passed the certification of ISO 14001 Environmental Management System in 2023.

Strengthen production control and deliver high-quality products in the industry. As a leader in China's cookware and small domestic appliance industry, Supor has consistently upheld high-standard and rigorous management objectives for product development and production, and improved its quality control system in all aspects. Among other efforts, we issued a set of internal rules such as the *Management Rules for Product Safety Risk Prevention and Control*, and established a robust quality assurance system and quality control procedures. All our major production bases were successfully certified by the ISO 9001 Quality Management System. Additionally, our products were tested and certified by many third-party inspections, and thus received unanimous recognition from all sectors of society. By integrating high-quality products and exceptional services, Supor has consistently taken a leading position in the industry.

Safeguard the rights and interests of employees and pool strengths for better employee welfare. Embracing an open and inclusive approach, Supor welcomes every like-minded employee, provides care and benefits to them, and offers a platform for individuals from diverse backgrounds to demonstrate their talents and fulfill their aspirations. In 2023, in addition to effectively safeguarding the rights and interests of employees, Supor proactively implemented employee incentive mechanisms to drive their development, offered holiday gifts, and organized team-building activities. Furthermore, we conducted a range of professional training sessions tailored to employees in various roles to foster their personal growth and development, promoting mutual growth of employees and the Company.

Support public education campaigns to fulfill social responsibilities. In addition to our dedicated efforts to our business development and performance, we also engaged in our community, public welfare activities and educational campaigns in rural areas. The year of 2023 marks the 16 consecutive year of the Company carrying our public education campaigns in rural areas. These campaigns covered 12 provinces in central and western China, benefiting more than 20,000 teachers and students in remote mountainous areas. Simultaneously, Supor launched the "Future Artist of Life" public welfare program, promoted the use of educational kitchen products on school campuses and provided support for labor education in primary and secondary schools, representing a new initiative for Supor in the realm of public welfare activities.

Over the past 29 years, Supor has evolved into an ambitious and responsible model enterprise in the industry through its dedicated efforts. Looking into the future, we will continue to move ahead with distinction, and consolidate and enhance our corporate competitiveness in compliance operations, ecological conservation, safe production, people-oriented initiatives, and public welfare. Supor will practice the ESG concept in our routine production and operation activities, persist in seeking sustainable development paths, and contribute to the steady development of China's cookware and small domestic appliance industry.

CEO of Supor
Cheung Kwok Wah



Key Performance

Environment

7 major subsidiaries have completed carbon inventory

The photovoltaic projects at the Yuhuan Base (installed) and the Vietnam Base (to be installed at the beginning of 2024) are expected to generate more than

7,525 MWh of electricity annually

31% reduction in wastewater discharge

CNY

41.6 million Investment in environmental protection over the last two years

Awarding of the title

"Green Low-Carbon Factory"

to the Shaoxing (Yuecheng District) base

10,279 tons of recycled aluminum procured

8,909 tons of recycled steel procured



10,753 employees in total	Construction of 28 Supor Primary Schools (accum.)
CNY 431 million invested in R&D	Over 20,000 students and teachers in remote mountainous areas have been benefited (accum.)
18,876 active patents	
816 registered trademarks	Involvement in 207 international, national, industry, and group standards
Donation value approximately CNY 8.7 million	

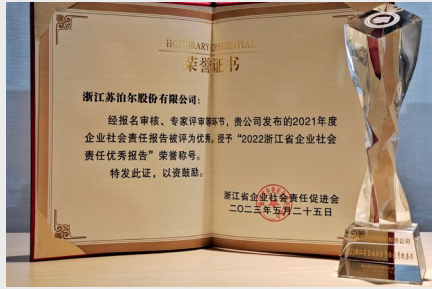
Society

100% of suppliers, distributors, and service providers have signed the <i>Letter of Commitment for Honesty and Self-discipline</i>	CNY 21.3 billion in operating income
CNY 2.7 billion in total profit	Net profit attributable to shareholders of listed company CNY 2.2 billion
	CNY 13.1 billion in total assets
34.6% weighted average net asset return	CNY 2.7 of basic earnings per share

Governance

Awards and Honors

In March 2023



Supor won the "2022 Zhejiang Province Excellent Corporate Social Responsibility Report" award by the Zhejiang Provincial Association for Promoting Corporate Social Responsibility

In April 2023



Supor won the "Outstanding Digital Solution Award for 2023" at the 2023 STIF & DSC

In June 2023



Supor was included in the "China's ESG Pioneer 100 Listed Companies" list

In June 2023



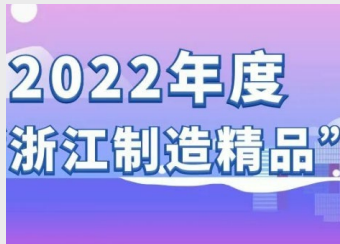
Supor ranked among the "Top 100 Creative Enterprises of Zhejiang Province" released by the China National Intellectual Property Administration

In June 2023



Supor was honored with the "2023 Outstanding Human Resource Management Award - Top Employers" and the "Top Graduate Employers 2023"

In September 2023



Supor was included in the list of manufacturers of "First-class Products of Zhejiang Province in 2022"

In September 2023



Supor ranked 38th among the "Top 100 Chinese Listed Companies with Best Social Responsibility Performance in 2023" released by Zhejiang University and Zhejiang Provincial Institute of Public Policy Research in September 2023, and ranked 6th among the "Top 100 Listed Enterprises in Zhejiang Province with the Best Social Responsibility Performance in 2023"

In October 2023



Supor passed the Great Place to Work Certification™

In November 2023



Supor was included in the list of "National Industrial Design Centers (2024-2027)" selected by the Ministry of Industry and Information Technology of the People's Republic of China

In November 2023



Supor was given the "Most Influential Brand of 2023" Award at the 6th Social Responsibility Conference

In December 2023



Supor was granted the "Panshi Award" for China's domestic appliance industry in 2023

About Us

1.1 Overview _____ 06

1.2 ESG Management _____ 06




1.1 Overview

Supor is a modern enterprise specializing in manufacturing cookware and small domestic appliances. Founded in 1994 when the Company produced China's first safe pressure cooker, Supor rapidly evolved into a prominent cookware manufacturer in China and got listed on the Shenzhen Stock Exchange in 2004 (stock code: 002032.SZ), representing the first listed company among its peers in China. Since its founding, Supor has consistently delivered innovative, high-quality, and well-designed products to users, spearheading China's kitchen industry and ushering in a new era of home living.

At present, more than 10,000 workers in the six R&D and manufacturing bases located in Yuhuan City, Hangzhou City, Shaoxing City (Yuecheng District and Keqiao District) in Zhejiang Province, Wuhan City, Hubei Province and Ho Chi Minh City, Vietnam over 100,000,000 of products, including open fire cookware, small domestic appliance, H&PC appliance, and large kitchen appliance. Backed by a forward-looking layout of multiple brands and categories, Supor has become a comprehensive leader in China's cookware and small domestic appliance industry.

 **1994** Established

 **2004** Listing on the Shenzhen Stock Exchange

 **10,753** employees as of the end of 2023




6 Major R&D and Manufacturing Bases
Yuhuan, Hangzhou, Shaoxing (Yuecheng District and Keqiao District), Wuhan, and Vietnam

4 Core Business Domains
Open fire cookware, small domestic appliances, large kitchen appliances, H&PC appliances

1.2 ESG Management

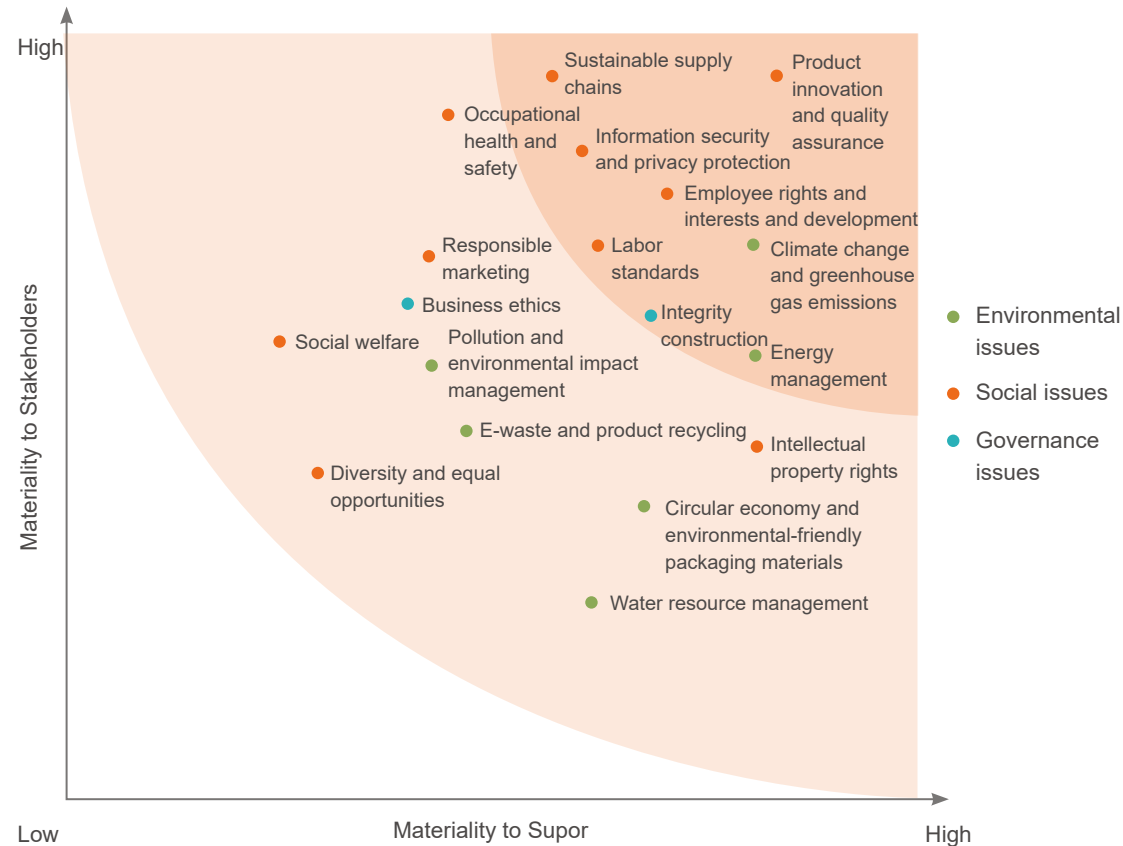
Management Structure

In order to effectively execute our ESG strategies and integrate ESG into our business operations, the Company has established a comprehensive collaborative work mechanism by setting up an ESG committee and an ESG working group and appointing the leading department of ESG.

Structure	Responsibilities
 <p>ESG Committee</p>	<ul style="list-style-type: none"> Evaluate the Company's ESG management strategies, risk identification and assessment results, and screen and mitigate high-risk ESG issues Oversee the Company's ESG governance management, review annual ESG reports, ensure report quality, and drive enhancements to elevate disclosure standards Perform other ESG-related functions and powers as authorized by the Board of Directors
 <p>ESG Leading Department</p>	<ul style="list-style-type: none"> Lead the ESG Working Group, coordinate and promote the implementation of the Company's ESG management related work Develop the Company's ESG management goals and specific objectives, define medium and long-term goals and annual goals, and institute an ESG target assessment system Follow up on the progress of the ESG Working Group's work plan, assess the completion of ESG goals, summarize the completion of goals, and report to the ESG Committee
 <p>ESG Working Group</p>	<ul style="list-style-type: none"> Actively respond to the Company's short, medium, and long-term ESG goals, and cooperate with the ESG leading department to implement their respective ESG management tasks within in their primary responsibilities and areas of expertise Develop an annual ESG work plan for each primary responsibility, including key areas for improvement the current year, target assessment methods, etc Regularly update the management status, goal setting and completion status to the ESG leading department, implement viable ESG action plans, and continuously improve the Company's performance under various ESG issues Cooperate to carry out normalized ESG information disclosure, including but not limited to prepare the Company's ESG reports, organizing qualitative and quantitative data collection and summary, participating in ESG training, etc

ESG Issues

By concentrating on and studying global ESG trends and assessing potential risks and opportunities related to ESG issues, we identified 19 key ESG issues from two dimensions, namely "materiality to stakeholders" and "materiality to Supor". Through peer benchmarking, external policy research, analysis of domestic and foreign capital market requirements, and engaging with our stakeholders, Supor gained comprehensive and systematic knowledge of the primary concerns of major stakeholders in the ESG field of Supor. On this basis, Supor created a matrix of material issues by aligning the Company's sustainable development status, industry context, and key concerns of stakeholders.



Matrix of Material ESG Issues of Supor

Communication with Stakeholders

During the reporting period, Supor kept updated with the demands and concerns of various stakeholders by frequent communication with them through multiple channels, and made positive responses through practical actions.

Key stakeholders	Expectations and demands for ESG	Communication channels
 Government and regulatory authorities	<ul style="list-style-type: none"> Compliance management Sound internal control and risk management Practicing low-carbon responsibilities Improved emission management Tax payment according to law 	<ul style="list-style-type: none"> Information submission Regular communication Symposium and research
 Shareholders and investors	<ul style="list-style-type: none"> Continuously stable business and performance growth Open and transparent information disclosure A clean operating environment Sound corporate governance 	<ul style="list-style-type: none"> General Meeting of Shareholders Information disclosure Official website of the Company Daily communication Hotline Email
 Suppliers	<ul style="list-style-type: none"> Fair procurement and honest performance Mutual advancement and win-win cooperation 	<ul style="list-style-type: none"> Supplier management and communication Official website of the Company Regular visits Reporting and complaint
 Employees	<ul style="list-style-type: none"> Safeguarding the legitimate rights and interests of employees Good salary and welfare Fair and equal employment opportunities Diversified growth and promotion opportunities A safe and healthy working environment 	<ul style="list-style-type: none"> Staff meeting Employee activity Employee satisfaction survey Employee symposium Executive meeting Reporting and complaint
 Consumers	<ul style="list-style-type: none"> High-quality products Innovative and diversified products Excellent pre-sales and after-sales services Protecting privacy and information security Eliminating false advertising 	<ul style="list-style-type: none"> Hotline Email WeChat Official Account WeChat Mini Program Official website of the Company Visits to customers Satisfaction research
 Communities	<ul style="list-style-type: none"> Safe and compliant operating Carrying out social welfare and volunteer activities 	<ul style="list-style-type: none"> Public welfare activities Volunteer services

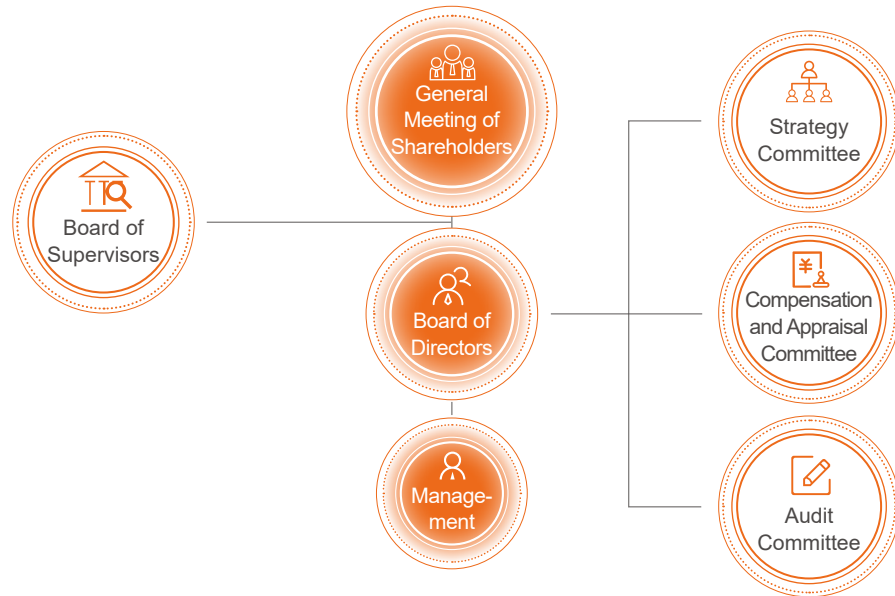
Corporate Governance

2.1 Organizational Structure	09
2.2 Risk Control	09
2.3 Business Ethics and Clean Governance	10
2.4 Cybersecurity, Information Security, and Personal Information Protection	12
2.5 Intellectual Property Rights	15



2.1 Organizational Structure

A robust governance system is crucial for ensuring the stable operation of a business, its effective response to unexpected threats, and seizing development opportunities. At present, the Company has established an organizational structure consisting of the General Meeting of Shareholders, the Board of Supervisors, the Board of Directors and their subordinate committees, and the management. Within this structured and organized governance framework, we have implemented a system of clearly defined rights and responsibilities, guaranteeing our effective and compliant corporate governance.



Corporate Governance Structure

Specifically, the Board of Supervisors is accountable to the General Meeting of Shareholders and oversees the Board of Directors and senior executives to perform their respective duties according to law. The Strategy Committee will regularly review the Company's strategic development plan and reviewing the progress made in implementing the Company's development strategies. The Compensation and Appraisal Committee is responsible for deliberating on material matters relating to remuneration and appraisal and plays a cooperative role in implementing the Company's comprehensive performance evaluation system for all employees, including senior executives. The Audit Committee is tasked with reviewing and supervising the effective implementation and self-evaluation of internal control. Under such a structure, the remuneration of each senior executive is directly linked with their work performance. Their annual performance is appraised based on their work ability, performance, and completion of assigned tasks, with their annual performance pay determined accordingly. The independent directors of the Company are also capable of fully leveraging their professional specializations, significantly contributing to the Board of Directors' execution of prudent and scientific decision-making processes and facilitating the Company's operations in compliance with established norms.

2.2 Risk Control

The Company accords high priority to risk management, seamlessly integrating risk management practices with the execution of business activities, and proactively endeavors to establish and refine an effective risk management mechanism. Guided by the Company's strategic objectives and risk preferences, and tailored to the distinct phases of business evolution, the Company employs a diverse array of methodologies, including risk self-assessment, anti-corruption inquiry questionnaires, risk mapping, and tax risk matrices. Utilizing a blend of qualitative and quantitative approaches, the Company methodically and continuously gathers pertinent information, thereby identifying and systematically analyzing risks associated with human resources, management, innovation, finance, assets, health, safety, environmental protection, data security, operational losses, and sustainability, as well as external risks emanating from political, economic, legal, taxation, technological, natural, and societal environments. On the foundation of cost-benefit analysis, the Company delineates risk response strategies congruent with its risk-bearing capacity, instituting appropriate control measures to adeptly mitigate risks.

Supor combines the regulations of internal control norms, such as the *Basic Norms of Enterprise Internal Control*, with the Company's internal control systems and evaluation methodologies. Through regular and special supervision, internal controls are enforced, and the effectiveness of the Company's annual internal controls is assessed. Additionally, the Company, by integrating information systems and periodically conducting internal audits by the Audit Department, efficaciously fosters robust risk control management measures.

Risk Management Strategy

- Application of the cost-benefit analysis principle
- Formulation of risk response strategies in alignment with the Company's risk tolerance

Risk Management Measures

- Risk self-evaluation
- Anti-corruption investigation questionnaires
- Risk mapping
- Tax risk matrices

Supor's Risk Management Mechanism

Digital System

- Persistently advances the digitalization process, harnesses information technology to refine internal control procedures, and effectively minimizes internal control risks while ensuring efficiency and significantly enhancing managerial effectiveness.
- At present, digital technologies have been incorporated into internal audit oversight, big data are employed to scrutinize unconventional operations, and the use of digital tools across departments is widely promoted to facilitate self-examination.

Audit Department

- Undertake internal audits, consultations on internal controls, and organize risk assessments annually, thereby appraising the Company's internal control standards, process controls, and organizational efficacy, promptly identifying deficiencies and risks within the internal control framework, and reporting to the management level and audit committee.
- Actively motivate relevant departments to devise action plans and monitor the implementation of corrective measures.

2.3 Business Ethics and Clean Governance

Supor accords paramount importance to the norms of business ethics, rigorously adheres to national legislations and regulations concerning anti-fraud, anti-corruption, amongst other realms, establishes pertinent internal governance frameworks, formulates relevant management policies, and steadfastly advances the cultivation of an integrity-oriented culture.

The Company has an Anti-Fraud Committee, comprising the Company's president, chief financial officer, chief legal officer, and chief human resources officer. The Anti-Fraud Committee convenes meetings on a regular basis to coordinate, guide, and oversee anti-fraud endeavors, reviews the progression and outcomes of investigations into allegations

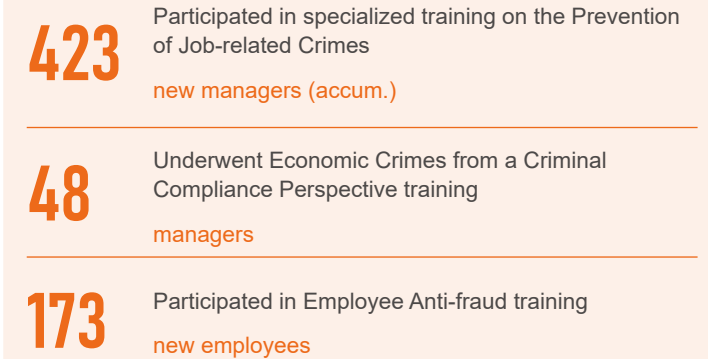
of fraud, and deliberates on and approves subsequent remedial measures and strategies.

The Company has instituted and executed policies and mechanisms for the control and prevention of fraud risks, such as the *Rules for Anti-fault*, *Code of Professional Ethics of Employee* and *Group Internal Audit System*, endeavoring to forge a business milieu characterized by honesty and transparency. The execution of these tasks is entrusted to the Audit Department, which proceeds according to the following operational protocol.



Supor's Fraud Report Processing Procedures

To elevate the ethical consciousness of our employees and establish a culture of integrity and honesty, Supor has executed targeted business ethics training for employees. As of the end of the reporting period, specialized training on the *Prevention of Job-related Crimes* cumulatively encompassed 423 newly appointed managers. During the reporting period, 48 managers participated in the *Prevention of Economic Crimes from a Criminal Compliance Perspective* training, and 173 new employees engaged in *Employee Anti-fraud* training.



2023 Supor Business Ethics Training

SUPOR

企业使命：
让每一天的生活更轻松
Corporate Mission:
Make everyday life easier



Case Integrity Culture Themed Training

On May 23, 2023, Supor organized a training event centered around the theme of Integrity Culture. This session featured a special invitation to the Economic Investigation Brigade of the Hangzhou Public Security Bureau, offering profound insights into criminal compliance through detailed case studies, guiding employees to comprehend the perils of occupational crimes, and providing recommendations for enhancing the corporate criminal compliance framework, thereby nurturing an ethos of honesty and lawful business conduct, fortifying the internal risk control and monitoring framework, and safeguarding the Company's legal interests and the shared benefits of society.



A Photo of the Integrity Culture Themed Training



During the reporting period, there were no settled litigation cases pertaining to corruption or fraud directed against the Company or its employees. Moreover, the Company was distinguished with the accolade of being among the Top 30 Zhejiang Listed Companies in Internal Control for 2023 (attaining the 7th position).

In addition to internal measures for fostering the Company's business ethics and clean governance, partners constitute a vital element of our integrity ecosystem. We have devised and executed the *Letter of Commitment for Honesty and Self-discipline*. The letter of commitment outlines the expectations for business ethics and integrity of the Company's partners. As an annex to the business contracts with our partners, it plays a crucial role in regulating their actions. During the reporting period, all of the Company's suppliers, distributors, and service providers signed this *Letter of Commitment for Honesty and Self-discipline*.

Beyond constructing a clean governance within the Company, Supor actively engages in exchanges and shares anti-fraud experience and case studies across various industries. During the reporting period, Supor hosted the "Integrity Promotion and Power of Honesty" series of activities initiated by the Enterprise Anti-Fraud Alliance. This event facilitated discussions among multiple companies on the construction of corporate risk control systems, new ideas for honest development, and new challenges in corporate fraud investigations. Supor also participated in the formulation of the *Corporate Compliance Construction Maturity Evaluation Guide*, which is a group standard.

Case 2023 "Integrity and Innovative Famous Enterprises Tour" Supor Special Session

In the afternoon of December 19, 2023, Zhejiang Supor Co., Ltd. hosted a series of activities initiated by the Corporate Anti-Fraud Alliance, "Integrity Promotion and Integrity Power" in Supor Building, Hangzhou. More than 30 member units and 50 enterprise representatives were invited to participate. This activity helps enterprises to internal audit, internal control, supervision and other businesses to learn from each other, share information within the industry, and strengthen the management concept of internal control system of anti-corruption.



Integrity Promotion and Power of Honesty Activity Photo

杭州市滨江区企业刑事合规促进会

杭滨促〔2023〕009号

关于发布团体标准
《企业合规建设成熟度评价指引》的公告

各有关单位：

根据《杭州市滨江区企业刑事合规促进会团体标准管理办法（试行）》的相关规定，现批准发布《企业合规建设成熟度评价指引》，编号为：（T/XSHG 0001—2023）。

标准自2023年10月25日起实施。

特此公告。



Supor participated in the formulation of the *Corporate Compliance Construction Maturity Evaluation Guide*.

2.4 Cybersecurity, Information Security, and Personal Information Protection

Cybersecurity and Data Security

To create a safe and orderly online environment that protects the information and data of the Company, its employees, and customers, Supor has established a comprehensive cybersecurity internal control system. We continually strengthen the development of our cybersecurity policies to minimize the risk of privacy breaches.



Mechanism Establishment



- Establish policies related to office equipment, internet resources, email use, password policies, data/file security, and network restrictions.
- Update several policies, including the Data Center Management Policy, the Data Backup and Recovery Management Policy, the Information System Data Protection Policy and the Infrastructure Requirements and Change Request Process, further ensuring cybersecurity and information security.

Safety Certification



- Establish policies related to office equipment, internet resources, email use, password policies, data/file security, and network restrictions.

Security Test



- Conduct 3 internal network information security tests and collaborated with external third-party professional organizations for comprehensive penetration testing of information assets. All identified controllable risk points were properly resolved and closed.
- Revise and adjust the system change process, requiring that any new system release must first undergo a more comprehensive security testing and inspection. Only after passing these tests can the system be implemented, further enhancing the Company's network information security guarantees. No information security breaches occurred during the reporting period.

During the reporting period

3 network security information tests were conducted

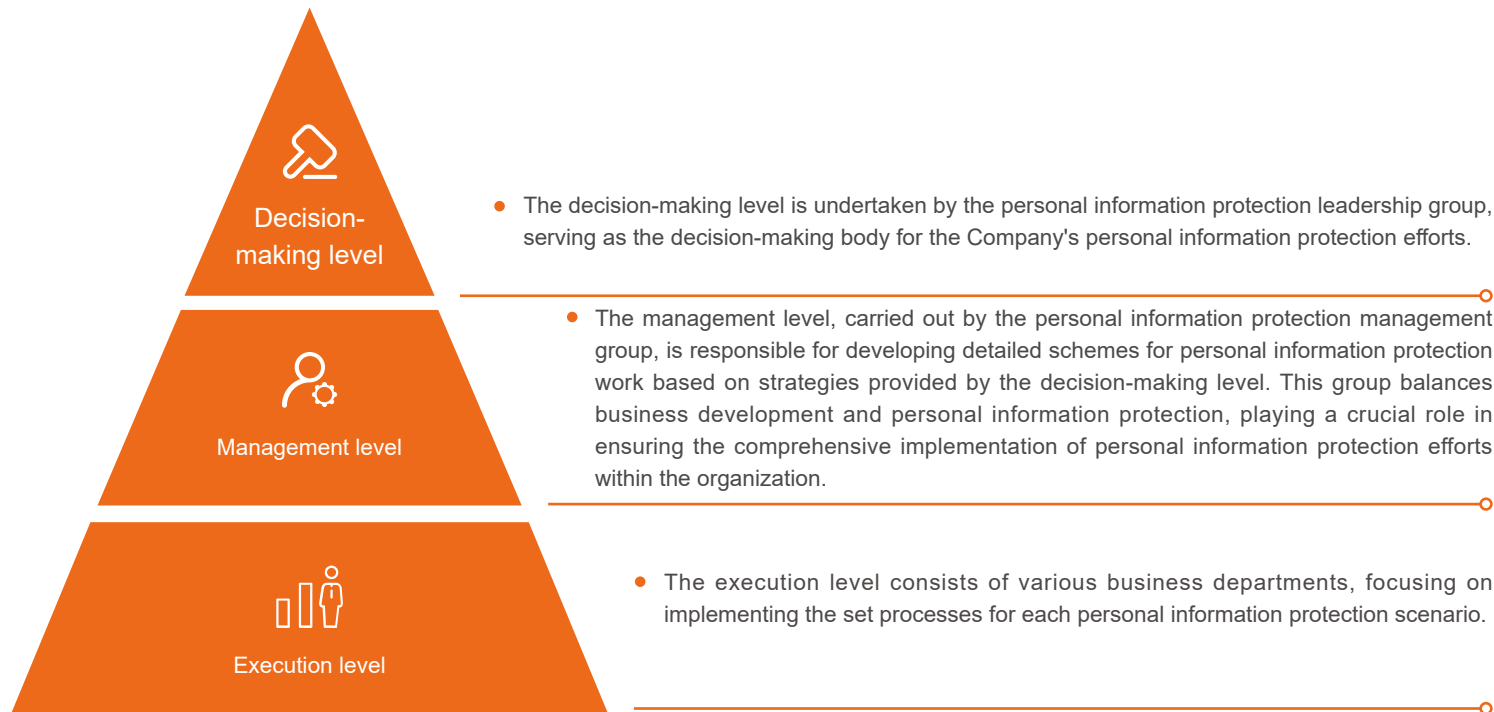
0 information security breaches

Personal Information Protection

Management Structure

The organizational structure of the Company's personal information protection efforts is divided into decision-making, management, and execution levels. The decision-making level is undertaken by the personal information protection leadership group, serving as the decision-making body for the Company's personal information protection efforts. The management level, carried out by the personal information protection management group, is responsible for developing detailed plans for personal information protection work

based on strategies provided by the decision-making level. This group balances business development and personal information protection, playing a crucial role in ensuring the comprehensive implementation of personal information protection efforts within the organization. The execution level consists of various business departments, focusing on implementing the set processes for each personal information protection scenario.

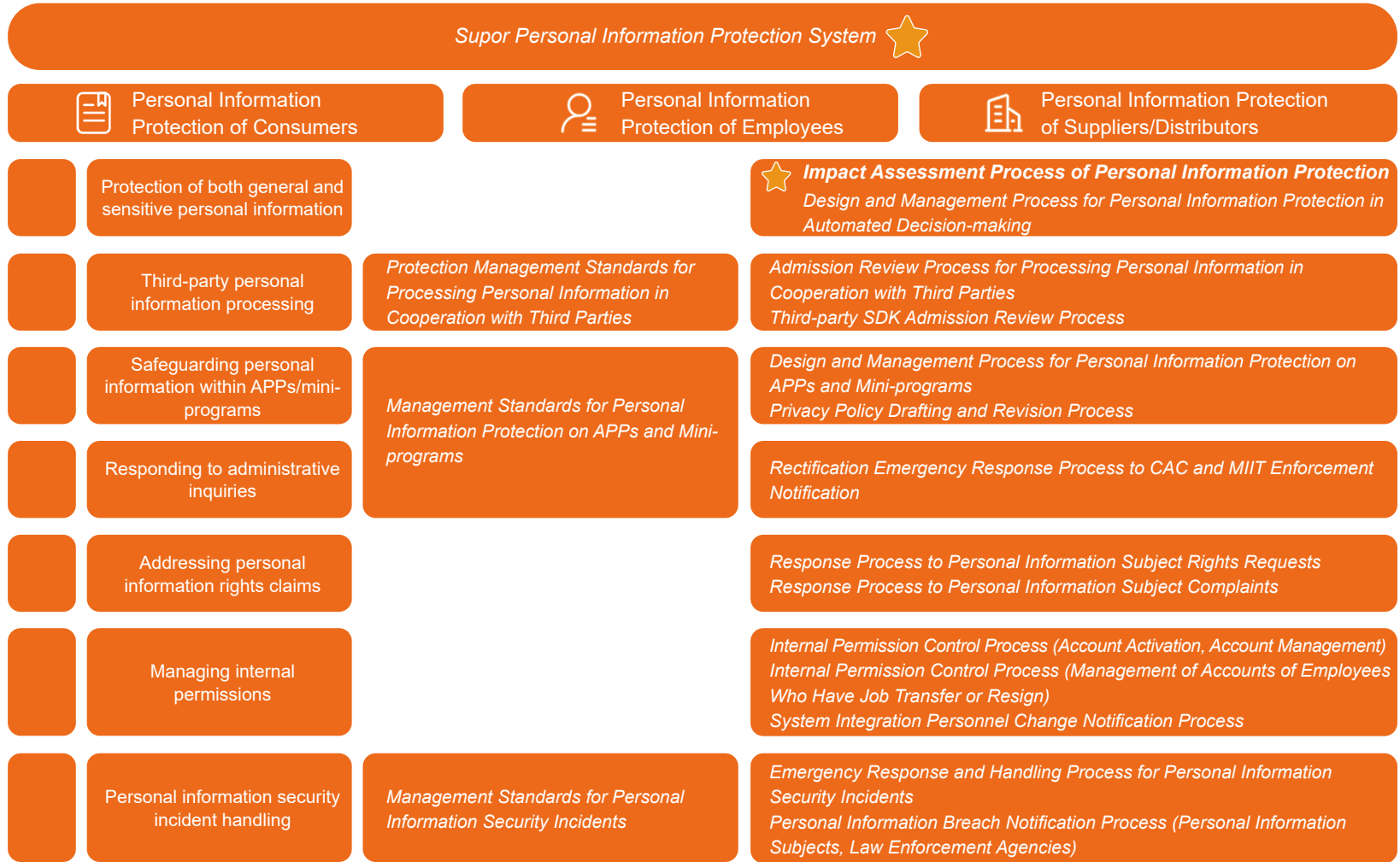


Personal Information Protection Management Structure



Mechanism Establishment

The Company has developed the *Supor Personal Information Protection System* along with a comprehensive suite of related standards, processes, and template documents. During the reporting period, the Company further refined its standards for the admission of IT tools, software development services, or systems involved in personal information processing activities. Additionally, we conducted an exhaustive review and organization of employee personal information processing activities, addressing and rectifying identified risks. This effort is part of our ongoing commitment to enhance the protection of personal information for consumers and employees alike.



Personal Information Protection System Structure

Compliance Ecosystem

During the reporting period, we diligently conducted personal information impact assessments for APPs, mini-programs, member activities, and any systems or databases involved in personal information processing, as per the policy documents outlined above. Through meticulous risk item remediation and the execution of relevant documentation, we reinforced the security and reliability of our personal information processing activities.

In tandem with refining our internal personal information protection practices, we have been proactive in ensuring that our business partners adhere to their responsibilities for personal information protection within their operations. Contracts with these partners include specific personal information KPIs and provisions for breaches. Furthermore, to elevate our partners' workforce compliance capabilities regarding personal information protection, we have developed tailored training modules and recorded online courses for their benefit. This training initiative has been rolled out across all business units, with over 150 partner employees participating in the program. Moreover, we have enhanced the management of partner accounts through measures like real-name registration, restricted sharing, tiered permission levels, and routine inspections, all aimed at safeguarding personal information security.



2.5 Intellectual Property Rights

In alignment with our commitment to fostering a robust intellectual property (IP) ecosystem, Supor has strategically developed our IP management practices across four principal dimensions: policy and awareness development, IP asset acquisition, IP risk assessment, and infringement mitigation. These measures aim to elevate IP protection awareness among our employees, enhance our IP asset portfolio, mitigate risks of IP infringement, and safeguard the Company's IP rights.



Supor's Initiatives in IP Management

System development and awareness raising

System development: adhering strictly to IP laws and regulations, the Company has instituted comprehensive internal IP policies and procedures. These policies integrate IP acquisition, maintenance, and operation into our product R&D, and sales processes, thereby safeguarding innovation and managing risks effectively.

Knowledge training: the Company conducts extensive IP training, combining online and offline formats, to ensure thorough dissemination and implementation of IP policies and case studies. This initiative aims to cultivate deep respect for IP, encourage innovation protection, and enhance awareness and capabilities in avoiding IP risks among our employees.

Asset (right) acquisition

Organization and system: with a dedicated professional IP management team in place, the Company rigorously applies relevant laws, regulations, and internal IP management processes to secure, register, maintain, and manage our trademarks, patents, copyrights, and trade secrets efficiently.

Reward for innovation: reflecting on industry and market trends, the Company periodically revises and updates its innovation reward programs to recognize and motivate teams and individuals contributing significantly to innovation and IP protection.

Risk investigation

Risk control measures: integrating IP risk assessment within our product R&D and market launch workflows, the Company proactively prevents risks related to trademark, patent, and copyright infringements.

Anti-infringement actions

External multi-dimensional governance: employing a comprehensive approach, the Company addresses external violations through online complaints, offline civil and legal actions, and cooperation with administrative authorities.

Internal audit and supervision: in line with our internal governance standards, the Company conducts regular internal audits and supervision to ensure adherence to our IP management policies, utilizing self-reports, audit discoveries, and whistleblower reports.

Supor's IP Management Measures

During the reporting period, we expanded our efforts in online and offline patent education. In April 2023, we launched 5 online patent knowledge courses, including 15 videos and a comprehensive online quiz bank featuring 250 questions. In September and October, after soliciting input from our technical teams and customizing the content through internal discussions, Supor arranged 18 offline technical patent knowledge training sessions and 1 design patent session tailored for our industrial design team, conducted by seasoned external experts.

Our accomplishments in IP management have been recognized through multiple external accolades. During the reporting period, the Company was honored with the Second Prize in the Trademark category and the Third Prize in the Patent category at the First Zhejiang Province Intellectual Property Awards, and received the Excellence Award in Appearance Design at the 24th China Industrial Design Awards. By the end of the reporting period, the Company accumulated a total of 11 China Patent Awards.

As of the end of the reporting period, the intellectual property status held by Supor is as follows:

18,847 valid domestic patents

29 valid overseas patents

634 domestic registered trademarks

182 foreign registered trademarks

39 registered domestic copyrights (including software and works)

53rd Place in the Global Smart Home Invention Patent Ranking TOP 100

Supor's IP Acquisition



Supor's IP Awards



Products and Services

Supor is committed to stringent quality control and continuous innovation in technology R&D, leading the industry in responsible marketing practices. Through our comprehensive network of online and offline service, and a user operation strategy that blends public and private domains, we strive to elevate our service quality. This approach enables us to offer superior, innovative products and services, thus enhancing customer satisfaction.

3.1 Quality Management	18
3.2 Innovation-driven Development	21
3.3 Responsible Marketing	22
3.4 Quality Services	24



3.1 Quality Management

The Company is deeply focuses on understanding and meeting customer needs, optimizing our quality management processes by simulating user scenarios from purchase to use. We adhere to the principle that "quality is the foundation of Supor's existence and the starting point for the value and dignity of every member of Supor, emphasizing that "product quality is assured with sound design and manufacturing, not inspection" to carry out quality management.

Management Structure

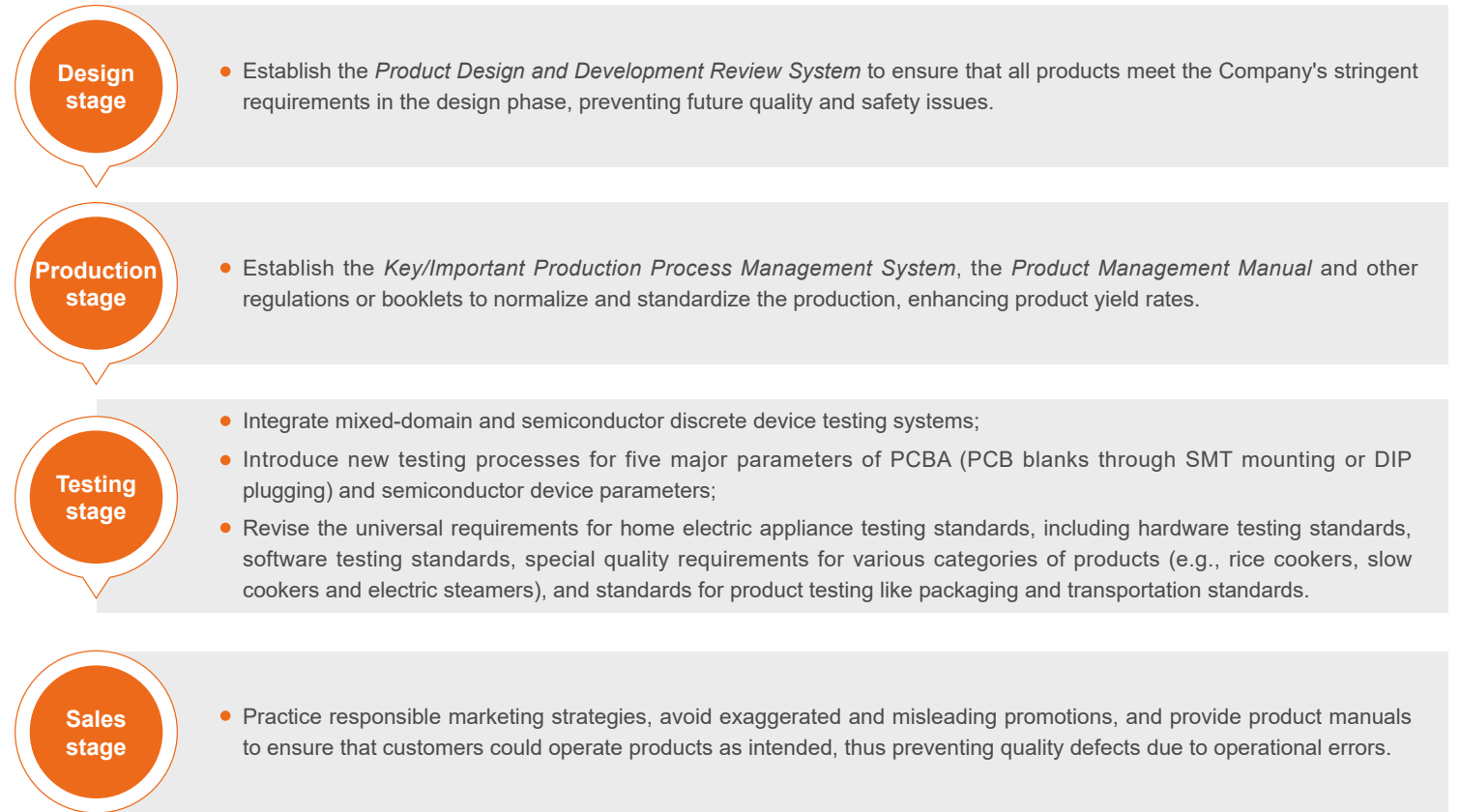
The Company has a Product Quality and Service Committee, comprising the CEO, industrial development lead, legal, finance, planning heads, and managers of each business unit. The committee convenes regularly. This committee reviews the Company's core quality performance metrics and follows up on the resolution of quality issues and risk points.

Mechanism Establishment

All Supor's business units and manufacturing bases have implemented a suite of protocols, including the *Management Rules for Product Safety Risk Prevention and Control*, the *Key/Important Production Process Management System*, the *Product Management Manual*, the *Finished Product Inspection Guidelines* and the *Product Design and Development Review System*. During the reporting period, continuous optimizations and enhancements were made to these systems. For example, Hangzhou base introduced 4 new quality process management documents and revised 24, while Shaoxing (Yuecheng District) base added and updated 71 quality management process documents. Shaoxing (Keqiao District) base initiated and completed 86 improvement projects.

Control Process

Detailed quality management processes have been instituted across all stages of product lifecycle, including design, production, testing, and sales, to ensure the highest standards of quality control. For instance, the quality control process for small domestic appliances is as follows:



Quality Control Process of Small Domestic Appliances

Before the mass production of products, we conduct multiple, comprehensive tests on safety regulations, performance, and reliability. Taking Supor Far-infrared Rice Cooker as an example, it undergoes safety regulation testing, performance testing, and reliability testing at stages including prototype/first mold/trial production/mass production, totaling over 240 items.

Quality Certification

All Supor production bases have passed the certification of the ISO 9001: 2015 Quality Management System. Additionally, based on their product types and target markets, our bases have acquired external certifications like the CB system (IEC system for electrical product testing and certification), 3C, CE, PSE, KC, CSA, and ETL.

We also maintain 3 national CNAS laboratories, providing a solid foundation for product quality assurance for the Company.

Standard Setting

Leveraging Supor's extensive industry experience and broad market recognition, we have organized or participated in the development of a series of relevant national, industry, and local standards, actively facilitating the construction of high standards and quality regulations in China's domestic appliance and cookware industries. As of the end of the reporting period, our involvement in standard development is as follows:

Category	Released		Under formulation		Total
	As the organizer	As a participant	As the organizer	As a participant	
International standards	/	/	/	2	2
National standards	15	49	6	23	93
Industrial standards	14	22	1	8	45
Group standards	14	37	3	13	67
Total (item)	43	108	10	46	207

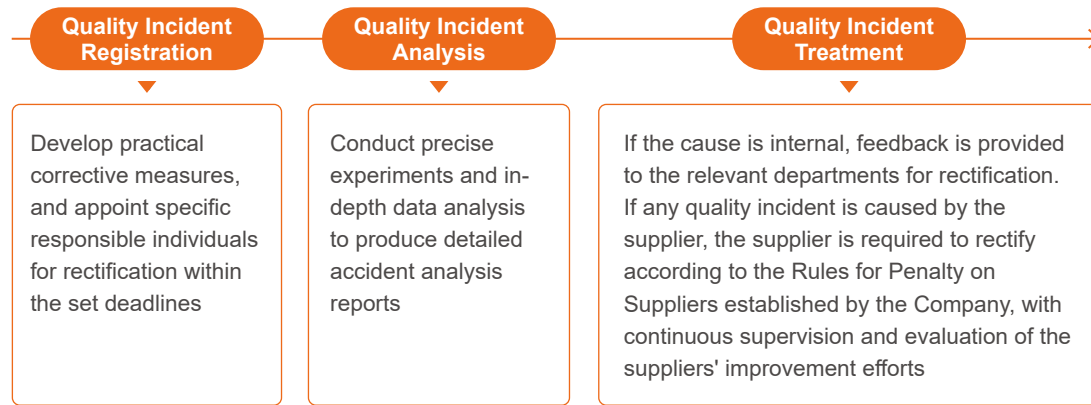
During the reporting period, we organized or participated in the development of several standards, including:

Code	Category	Name	Administration	Category
GB/T 42762-2023	Cup	General Technical Requirements for Cups and Kettles	China National Light Industry Council	National standard
GB/T 43342-2023	All categories	Safety Requirements of Automatic Controls for Household and Similar Purposes with Remote Operation	National Technical Committee for Standardization of Domestic Automatic Controllers National Standard	National standard
QB/T 5900-2023	Cookware	Titanium cookware	Technical Committee for Standardization of Metal Catering and Cooking Utensils	Industrial standard
QB/T 5899-2023	Iron pot	Cast iron pan	Technical Committee for Standardization of Metal Catering and Cooking Utensils	Industrial standard
QB/T 5812-2023	Pan with non stick coating	Cast Aluminium Alloy Pan with Non Stick Coating	Technical Committee for Standardization of Metal Catering and Cooking Utensils	Industrial standard
QB/T 1957-2023	Aluminium pot	Aluminium and Aluminium Alloy Pots	Technical Committee for Standardization of Metal Catering and Cooking Utensils	Industrial standard



Handling of Quality Defects

In response to quality defects reported by consumers or clients, we have implemented the *Market Quality Incident Management Procedures* to collect and analyze quality data. On this basis, we have initiated improvement projects and tracked quality issue improvements to enhance product quality and customer satisfaction. Concurrently, we have implemented the VoC (Voice of Customer) system, actively gathering consumers' opinions and suggestions on product quality to promptly identify and rectify quality defects.



Quality Improvement Tracking Flowchart

Each base has developed recall systems and procedures based on product characteristics. Taking our base in Wuhan as an example, its Quality Management System includes *Customer Feedback Handling and Emergency Recall Management Procedures*, mandating the recall of marketed products with quality defects, safety hazards, or other risks, and conducting a closed-loop process of problem analysis, verification and confirmation, and updating improvement schemes. During the reporting period, we did not experience any product recalls due to quality or safety issues.



Supor Product Recall Process

Quality Culture Construction

A sound quality culture can effectively promote the smooth operation of our quality management system. During the reporting period, we actively carried out quality management-related training, and mobilized all company members to participate in a series of activities such as Quality Month and quality training, thus continuously improving the Company's quality management.

Knowledge training

- In March 2023, the Company invited experts from TÜV to provide training on "PFAS regulations and food hygiene knowledge of various countries" to our quality control staff.
- In July 2023, the Company invited experts from the CVC Consulting Training Center to conduct training on "Establishing and Implementing the Enterprise Quality and Safety Management System", continually enhancing the Company's quality and safety management.

Skill upgrading

- In April 2023, the Company conducted training on the DFMEA design failure mode tool.
- In June 2023, the Company held an inspection skills competition to improve employees' inspection-related skills.

Talent training

- In 2023, the Company organized training for internal auditors of the quality management system, encouraging employees to obtain internal auditor certification, strengthening the Company's quality audit team.



3.2 Innovation-driven Development

Innovation is a highly significant component of the Company's development strategy. Supor continuously increases investment in innovation functions and R&D, actively encourages employee innovation, vigorously promotes a culture of innovation, and consistently produces innovative outcomes. As of the end of the reporting period, the Company has 1,372 R&D personnel. During the reporting period, the Company's R&D expenditure was CNY 431 million.

Innovative Results

To adapt to ever-changing market demands, we continually gauge consumer needs and, through an open innovation ecosystem, persistently introduce innovative products, leading the trends in China's cookware and kitchen appliance market.

Product Innovation



Titanium II Uncoated Wok:

Supor, a leader in titanium alloy uncoated non-stick pans, has established the industry group standard for non-coated non-stick pans, with the product winning the Design Intelligence Award



Portable Coffee Maker:

Identifying usage scenarios innovatively, this is Supor's first compact, portable, Italian espresso machine capable of operation outdoors without electrical power



Intelligent Cooking Machine Cook3:

It features with instant connectivity with WIFI+NFC, and is equipped with Supor's online smart recipes for fully automatic intelligent cooking, delivering a proper cooking level. It won the DIA China



All-Steel Detachable High Speed Blender (SP66R):

Engineered to be resistant to water entry for hassle-free cleaning, it represents Supor's initial foray into fully detachable products with removable blades accessories, setting a pioneering standard in industrial design within its category to address consumer pain points

Software Innovation

The Company is making relentless efforts in innovation with big data, cloud computing, AI, and more, aiming from a user-need perspective to elevate the smart, delightful experience. For instance, within the maternal and infant scenario, inspired by guidelines from the Chinese Maternal and Child Health Association, we have developed an innovative intelligent milk powder temperature adaptation mode, conveying more professional, scientific, and advanced infant nutrition knowledge to broader families, aiding new-generation Chinese households with mothers and their babies in achieving a novel advancement in life quality.



Applicable Scenario for Maternal and Infant APP

Innovation Awards

Supor, with a steadfast commitment to R&D, design, and innovation, continuously introduces groundbreaking products. Our industrial design and numerous new products have garnered accolades such as the National Industrial Design Center and AWE Excellent Product among others.



National Industrial Design Center



The Far-infrared Electric Rice Cooker, Small Multifunctional Smart Rice Cooker and Far-Infrared Air Fryer were awarded the 2023 AWE Excellent Product Award



Innovative Culture

The Company steadfastly positions product and technological innovation at the heart of its growth strategy, tirelessly fostering an innovation ethos and advocating universal innovation participation. To augment our comprehensive innovation capabilities across various competitive arenas, the Company promulgated the *SUPOR Innovation Reward Policy Notice*, which aims to acknowledge and incentivize exemplary innovative endeavors. During the reporting period, the Company orchestrated an "Innovation Month" initiative, employing a range of activities including expert lectures, company-wide innovation proposals, and accolade ceremonies, to significantly enhance the dynamism and proactivity of our innovation teams.

Case Innovation Awards and Recognition Ceremony

Annually, the Company identifies a select number of superior platform projects for the "President's Innovation Award", a prestigious accolade personally bestowed by our president along with a gold medal, a certificate of honor, and monetary rewards. Moreover, each business unit separately honors its yearly exceptional projects, providing recognition and incentives.

The 2023 Innovation Recognition Ceremony was convened in Hangzhou in September, when inventors with notable contributions over the past three years, along with proposers of distinguished proposals from the Innovation Month activities, were duly recognized and rewarded.



A Group Photo at the Innovation Recognition Ceremony

3.3 Responsible Marketing

The Company has formulated systems and templates such as the *Guidelines for Advertising Material Audit* and *Advertising Self-examination List* to offer compliance guidance for the creation and deployment of advertising materials. At crucial marketing junctures, the Company issued advisory documents like *Guide to Major Promotion Compliance* and coupled them with targeted training for our employees and external partners, thereby advocating responsible marketing practices and denouncing deceptive advertising.

The Company adopts multifaceted management measures including routine review, case-by-case accountability, random inspections, and rectifications, leveraging tools like advertising compliance self-assessment and online verification systems to ensure the legality and effectiveness of our marketing operations.

Case "315" (World Consumer Rights Day) Spot Check and Rectification

To elevate our employees' comprehension and appreciation of responsible marketing, our legal department spearheaded a series of activities around the "315" period, encompassing spot checks of advertisement detail pages, elucidation of seminal marketing cases, and sharing of rights protection insights. These initiatives aim to fortify the professional ethics and responsibility among our advertising personnel, fostering a more accountable marketing approach and cultivating a fair, transparent, and orderly advertising ecosystem that staunchly protects consumer rights.

2023年 电商广告抽查情况汇总分析

浙江苏泊尔股份有限公司 法务部



Case Study Presentation on "315" Spot Checks

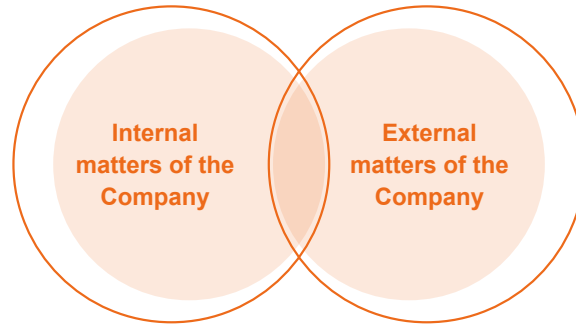
To continuously elevate the marketing compliance awareness among our business units and collaborators, we provided training on the *Advertising Law*, the *Anti-Unfair Competition Law*, and instances of advertising violations to individuals directly involved in product marketing and third-party agencies through platforms such as corporate WeChat, E-learning, WeChat groups, and offline courses, including an online testing database to ensure the reinforcement of relevant skills and compliance awareness among pertinent personnel.

Employee Awareness Enhancement

The Company introduces FOR SUPORER series, with 11 issues disseminated during the reporting period to foster a culture of responsible marketing among all employees.

Training of key posts

The Company's Brand Department conducts combined offline and online responsible marketing training for employees involved in brand promotion, urging staff to avoid exaggerated and misleading marketing practices to prevent consumer deception.



Responsible Marketing Ecosystem

The Company establishes a compliance communication group, offering customized advertisement training materials for service partners, continuously sharing compliance updates, and managing the marketing practices of partners. Meanwhile, the Company trains partners through live online sessions. During the reporting period, responsible marketing training reached 4 business divisions, with more than 150 individuals participating.

During the reporting period, responsible marketing



training reached **4** business divisions, with more than

150 individuals participating.

FOR SUPORER
大家来看法
LEGAL DEPARTMENT
栏目由总部法务部倾情提供
—为你提供简单好记的法律知识—
Advertising Picture of the "FOR SUPORER" Program

Online Courses on Supor E-learning Platform

任务名称	学分/积分设置	快速了解【任务管理】
任务 (3)	2021《新广告法》	420/497人 86% 0 0 管理
学员 (497)	阶段2 测试知识掌握程度	
带教	广告法掌握度测试	421/497人 84% 0 0 管理
报名	阶段3 广告宣传案例分享	
证书	广告宣传案例分享与合规建议	420/497人 86% 0 0 管理
设置		

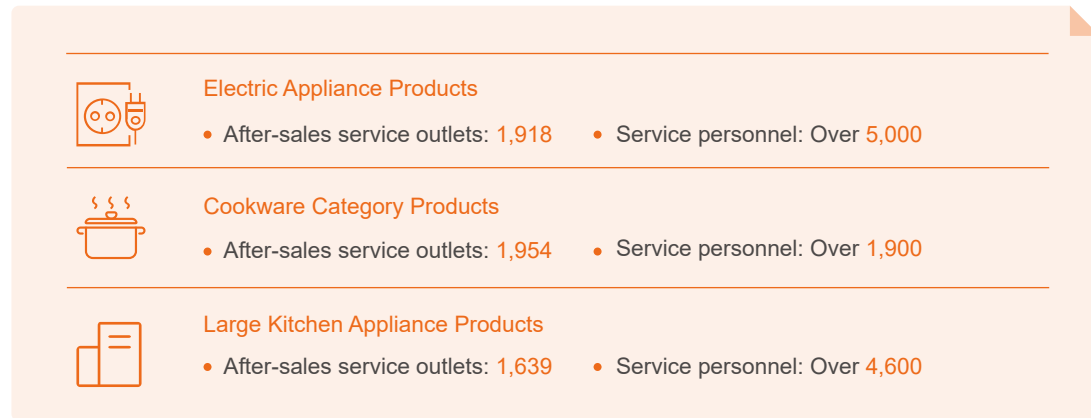
3.4 Quality Services

Codes and Standards

The Company is steadfast in centering on the consumer experience, rigorously abiding by the *Law of the People's Republic of China on Protecting Consumers' Rights and Interests*, the *Regulations on Repair, Replacement, and Return Responsibilities for Certain Commodities*, among other regulatory mandates. During the reporting period, we revised our *Electric Appliance After-sales Service Policy*, *After-sales Service Norms and Execution Standards* and *Layout Requirements for Repair (Mail-In Repair) Service Outlets*, thereby continually elevating customer satisfaction and fostering a reputable brand image.

After-sales Service Network

The Company established an extensive nationwide after-sales service framework, providing consumers with professional and reliable support.



In pursuit of heightened repair efficiency, beyond conventional in-store service, we introduced mail-in service options, affording consumers the convenience of accessing after-sales support without leaving their premises. By the end of 2023, we operationalized 30 mail-in repair centers and 160 mail-in service points.

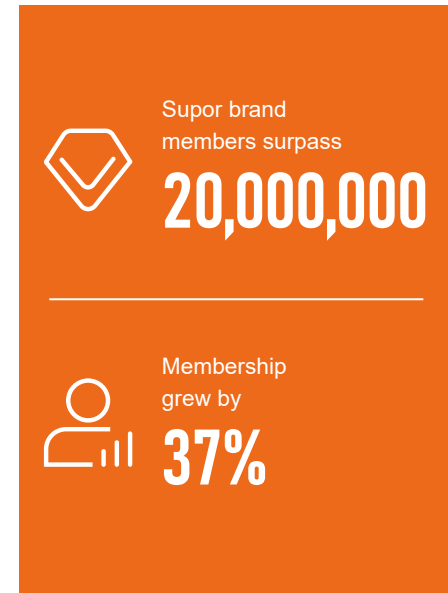
Beyond the traditional 400 hotline service, we proactively utilized the WeChat Mini Program via our member center to deliver online services including product guidance, installation, and repair requests to over 20,000,000 consumers.

Diversified Services

Adopting a consumer-centric approach, Supor has devised a user operation matrix that integrates public and private domains to cater to and fulfill the multifaceted needs of consumers.

The Company persistently manages various channels within the public domain, constructing a self-media network comprising Weibo, WeChat Service Account, Wechat Channels, Xiaohongshu, and Bilibili platforms, thereby significantly augmenting the influence of the Supor brand. In 2023, our fan base exceeded ten million, marking a 26% increase, with the official account engaging in over one million interactions throughout the year. This enabled us to gather substantial consumer feedback on products and services, which was subsequently channeled into product development and after-sales service improvement schemes.

Through private domain operations, we focus intently on user service and experience, integrating brand users from both online and offline avenues into private domains, primarily through WeChat Official Account, WeChat Mini Program, and Enterprise WeChat platforms. We continuously offer product information, purchasing options, after-sales services, a variety of welfare activities, and precise product recommendations on these private domain platforms, establishing a comprehensive, lifecycle-spanning one-stop product and service solution for users. In 2023, the number of Supor brand members surpassed twenty million, experiencing a 37% year-on-year increase in membership.



Diversified services

- Product instructions
- Exclusive recipes
- Product development feedback

Member benefits

- Extended warranty services
- Recycle instead of repair
- Complimentary trials for new products
- Birthday gifts

Trade-in for Members

Nearly 70,000 users showed interest in the trade-in program, with 1,170 participants registering for the event.



Recycle Instead of Repair

In 2023, this program accommodated approximately 6,000 items of cookware.



Free Rubber Sealing Rings Service

Throughout the year 2023, this campaign resulted in the distribution of approximately 18,500 replacement rubber sealing rings.



In the realm of IoT, our AloT Center unveiled the Yun Zhuan - Smart Gourmet Life Co-creation Platform, in collaboration with over 200 culinary experts, culminating in the creation of approximately 16,000 recipes. This innovative platform effectively meets the all-encompassing needs of consumers for gourmet home cooking experience, facilitating the seamless creation of digital recipes. This achievement was recognized with the "Outstanding Digital Solution Award" at the 2023 STIF2023 & DSC.

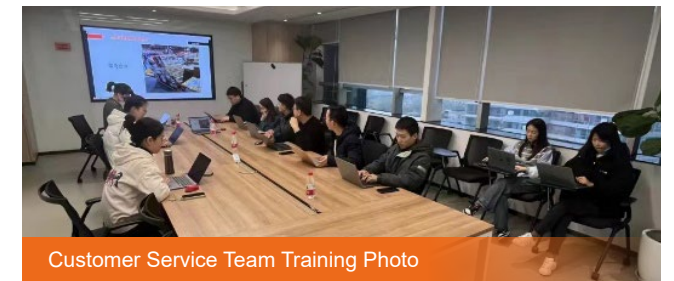


Amplification of Customer Satisfaction

Our Product Quality and Service Committee also prioritizes the enhancement of after-sales service quality. It convenes regular meetings to review the achievement of core performance indicators within the after-sales service framework and monitors the progression of significant initiatives. At the same time, the company holds regular meetings to discuss the direction of optimizing private domain operation services and to monitor the results of various private domain operation projects.

We place significant emphasis on negative consumer feedback, and integrate feedback from online store consumers into our product and service pain point analysis, alongside competitive analysis. Our Customer Service Department, in collaboration with the Quality Control Department, advance the VoC initiative, proactively gather customer feedback, opinions, and suggestions. Based on consumer needs, we propose targeted product and service optimization schemes, and meticulously evaluate the real-world impact of each improvement initiative.

To bolster the service capabilities of our customer service team, we conducted four specialized e-commerce customer service training sessions during the reporting period. These sessions covered core product introductions and FAQs, aimed at enhancing the team's proficiency in communication, product knowledge, and after-sales service. This preparation better positioned them to understand and meet customer needs, offer targeted solutions, elevate customer satisfaction, and solidify a robust foundation for product expansion and brand image enhancement.

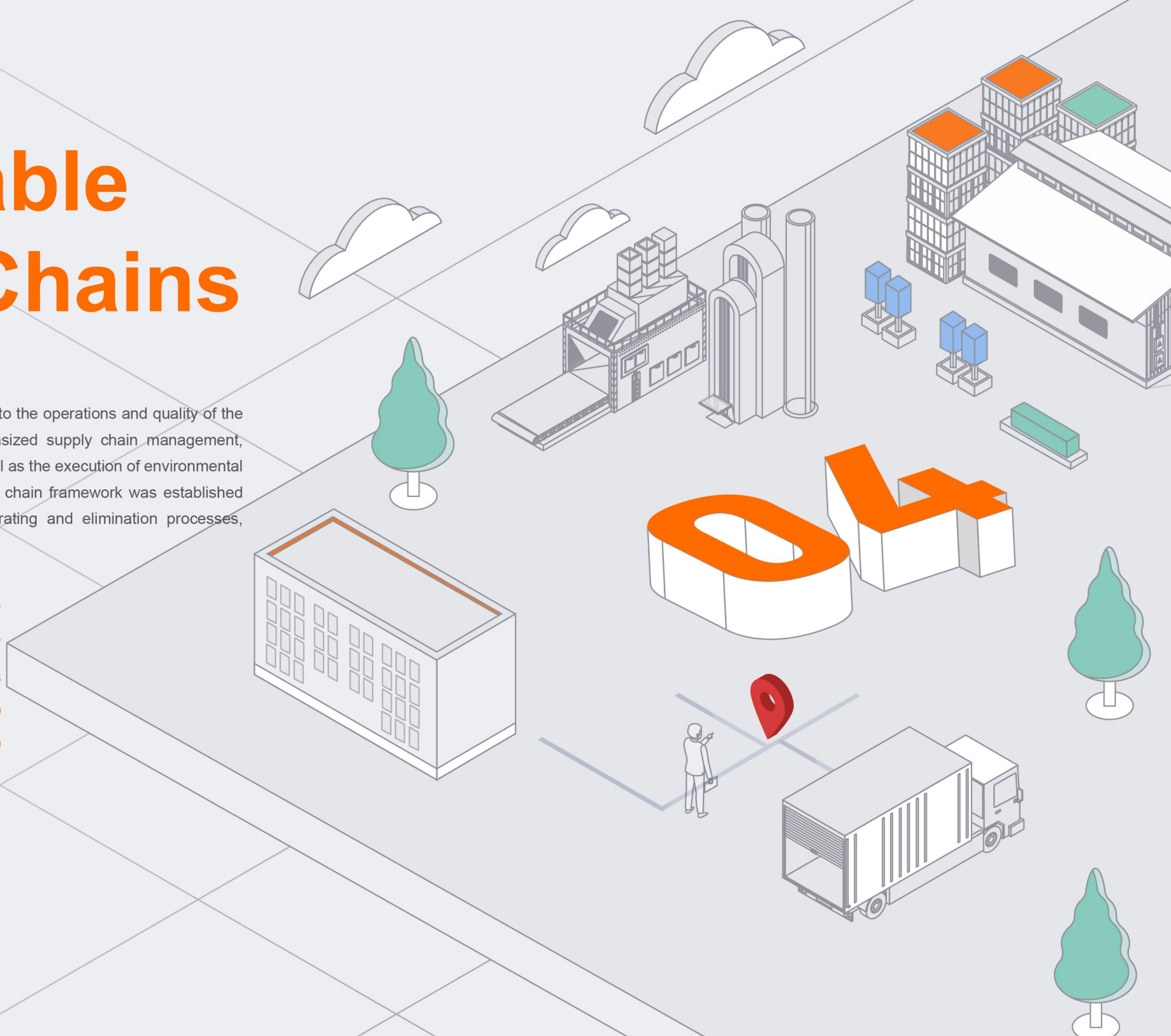


Customer Service Team Training Photo

Sustainable Supply Chains

The management of the supply chain is integral to the operations and quality of the Company's products. SUPOR diligently emphasized supply chain management, concentrating on supplier risk assessment as well as the execution of environmental and social responsibilities. A sustainable supply chain framework was established through rigorous selection, monitoring, audit, rating and elimination processes, advocating a sustainable value chain.

4.1 Stable Supply	27
4.2 Access, Monitoring, and Elimination	27
4.3 Supplier's Integrity and Business Ethics	28
4.4 Responsible Procurement	29
4.5 Traceability and Conflict Minerals	30

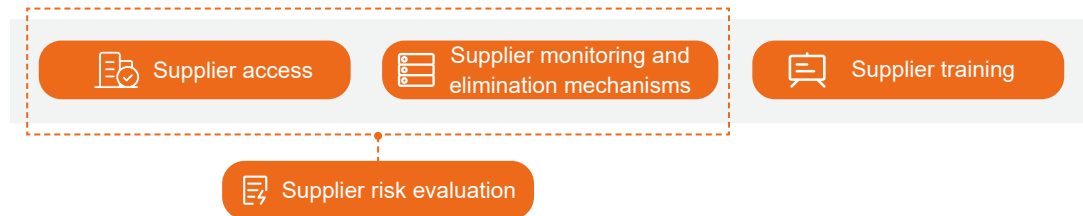


4.1 Stable Supply

Index	2023
Total number of suppliers	964
Supplier audit frequency	383
Number of suppliers denied due to unacceptable environmental and social responsibility levels	0

Notes: This table includes data on the main procurement suppliers for all of Supor's business divisions.

To guarantee continuous and stable supply, we implemented a supplier risk grading and evaluation mechanism to assess supplier risks and the potential for substitution across five criteria, including financial, quality, business, competition, and social responsibility, categorizing each into four distinct levels. We conducted regular verifications of supplier qualifications, risk analyses, and analyses of market supply-demand dynamics to gauge rating adaptability. We require suppliers that fail assessments to rectify within a limited time. For suppliers who still do not meet the standards after rectification, we elevate their risk level and gradually reduce our business cooperation with them.

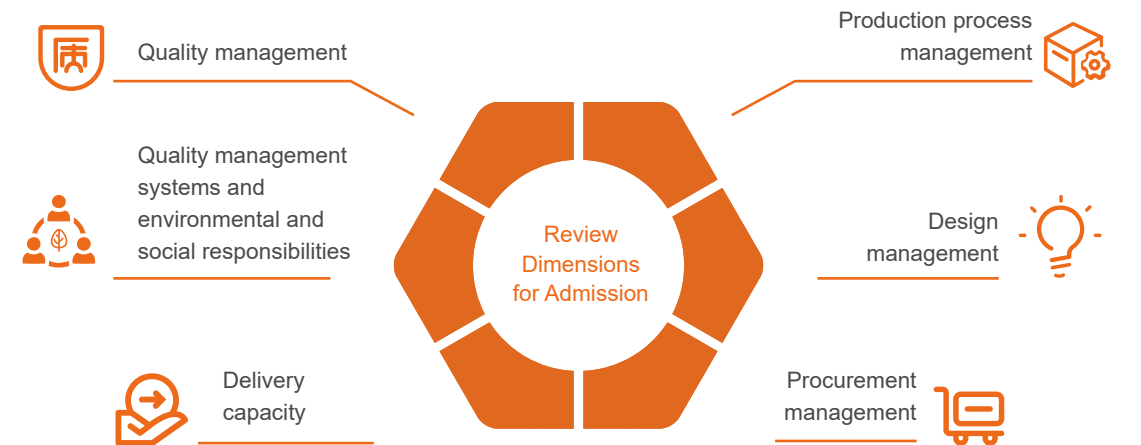


Additionally, we proactively maintained material sourcing diversification by replicating supply sources, developing alternative resources, and establishing backup suppliers to ensure that the same materials are procured from at least 2 distinct suppliers.



4.2 Access, Monitoring, and Elimination

The Company adheres to a "quality first" criterion for supplier admission, and employs the *Supplier Base Assessment Form* to refine assessment content and grading standards, thereby elevating the threshold for supplier admission. A rigorous on-site audit regime was applied to evaluate suppliers' qualifications and capabilities. Each business unit maintains a dedicated supplier admission on-site audit team, comprising procurement, materials control, R&D, and quality departments, tasked with scrutinizing new suppliers across environmental and social responsibilities, quality control, procurement processes, production, design management, and delivery capabilities.



For instance, within the SDA(Small Domestic Appliance) Business Unit, production materials are categorized into Categories A, B, and C based on their significance. The admission review for suppliers of varying categories is delegated to personnel at corresponding levels of responsibility. Review outcomes are categorized into "Acceptable", "Acceptable but Need to Improve", "Unacceptable" and "Need to be Re-evaluated", and "Unacceptable".

Classification of review	Materials	Acceptable	Acceptable but Need to Improve	Unacceptable and Need to be Re-evaluated	Unacceptable
	Category A (Key)	X≥85%	85%>X≥75%	75%>X≥65%	X<65%
	Category B (Important)	X≥85%	85%>X≥70%	70%>X≥60%	X<60%
	Category C (General)	X≥85%	85%>X≥65%	65%>X≥60%	X<60%
	Results	Directly admitted	Improvements of unacceptable items within one month To be admitted post-improvement	Improvements of unacceptable items within three months Re-evaluation post-improvement	Admission rejected

Review Result Classification for the Admission of New Suppliers by the SDA Business Unit

For suppliers who fail to complete the corrective action in any aspect within the specified period and provide the corresponding evidence, we will suspend the process of becoming a supplier of Supor.

Concurrently, suppliers integrated into the Company's supply chain undergo both monthly and annual monitoring. Monthly assessments focus on quality, delivery, R&D and service, integrating data from the past twelve months to evaluate the supplier's performance within the current period comprehensively. Annual assessments emphasize evaluating the supplier's quality level and RoHS (Restriction of Hazardous Substances) risk level. Suppliers identified as not meeting the Company's standards are given a corrective action notice, with continuous follow-up until reassessment approval or were eliminated.

4.3 Suppliers' Integrity and Business Ethics

Supor highly values supplier's integrity and business ethics within its supply chain. *Letter of Commitment for Honesty and Self-discipline* and the *Responsible Purchasing Charter* are concurrently signed with suppliers and distributors during annual contract negotiations, urging suppliers to adhere to business ethics. During the reporting period, 100% of suppliers were covered by these documents.

During the reporting period, **100%** of suppliers were covered by *Letter of Commitment for Honesty and Self-discipline* and the *Responsible Purchasing Charter*

Multiple Whistleblower Channels

- Online: Launching online channels such as the supervisory email jubao@supor.com.
- Offline: Introducing mail-based reporting among other offline channels.

Regular promotion and training activities

- Platform announcement: Regular emphasis on integrity and anti-corruption through platform announcements, encouraging supervision and reporting, and disseminating integrity commitment letters to all suppliers.
- Targeted Training Sessions: Organizing various thematic training sessions for suppliers

Clean and Honest Construction for Suppliers



The Large Kitchen Appliance Business Unit organized a training session on business ethics for suppliers.

4.4 Responsible Procurement

In collaboration with suppliers, emphasis is also placed on suppliers' ESG management and practices.

During the supplier access phase, an environmental and social responsibility risk assessment for suppliers is conducted, specifically reviewing new suppliers for:

- Establishment of work safety committees, health and safety management systems, and their implementation
- Compliance of the working environment with legal and regulatory standards for water, air, noise, waste and energy saving and consumption reduction
- Product compliance with specific RoHS and WEEE (Waste Electrical and Electronic Equipment) standards
- Effectiveness assessments of management systems
- Identification of environmental hazards and the setting of goals for continuous improvement
- Provision of insurance and annual health checks for special types of work
- Additional WCA (Workplace Condition Assessment) social responsibility audits for strategic suppliers



- Establishment of product quality and environmental management organizations
- Clarity in organizational structure and authority
- Inclusion of all departments with quality/environmental management responsibilities in internal audits
- Regular organization of fire and emergency drills
- Absence of child labor or forced labor
- Health examinations for workers exposed to occupational hazards before, during, and after employment

The *Responsible Purchasing Charter* of the Group is integrated into supplier contracts, mandating adherence to the *United Nations Global Compact*, the *CECED Code of Conduct*, the *Universal Declaration of Human Rights*, and *International Labour Organization (ILO) Convention*, committing to no forced or compulsory labor, child labor, excessive working hours, and ensuring wages not lower than the local minimum standard. With all these efforts, we ensure worker health and safety, non-discrimination, freedom of association, and ensure that business activities do not cause environmental harm. To verify suppliers' commitment compliance, third-party WCA factory audits are advanced for strategic and core supply resources to ascertain their fulfillment of social responsibilities. All suppliers signed this charter during the reporting period.

Furthermore, all suppliers are required to sign an *Intellectual Property Rights Non-Infringement Commitment*, with specified penalties, compensation, demotion, and elimination for breaches of commitment.

4.5 Traceability and Conflict Minerals

During the reporting period, we dedicated efforts towards achieving traceability of raw materials, prioritizing the use of certified materials, and firmly avoiding the utilization of conflict minerals. Through these feasible measures, we not only ensured the reliability of our product quality but also made positive contributions to promoting the green transformation of our supply chain and responsible procurement practices.

Traceable Raw Materials

The procurement of traceable materials facilitates the Company's product specification management, and our comprehensive supply chain traceability system enables the identification of "material origins, tracking of destinations, and risk management", thereby reducing supply chain risks. During the reporting period, Supor achieved 100% traceability to the origin for materials such as aluminum ingots, stainless steel coils, glass, phenolic molding compound, and silicone. Additionally, the Company actively advanced the accurate ledger system, ensuring the transparent and traceable entry and exit of traceable raw materials. For instance, in December 2023, nearly three thousand tons of traceable aluminum ingots were stored at Yuhuan base, with each order assigned a unique number and recorded in the aluminum ingot traceability management ledger.

We also commit to procuring and utilizing materials certified by third parties. During the reporting period, taking the Cookware Business Unit's procured materials as an example, the information on the certified raw materials procurement is as follows:

Type of raw material	Name of the third party	Certification agency	Percentage of Certified Materials Procured of That Type
Recycled aluminum ingot	Global Recycled Standard 4.0 (GRS 4.0)	INTERTEK	100%
Recycled stainless steel	Recycled Claim Standard 2.0 (RCS 2.0)	INTERTEK	90%
Color printing	Forest Stewardship Council	TÜV	100%

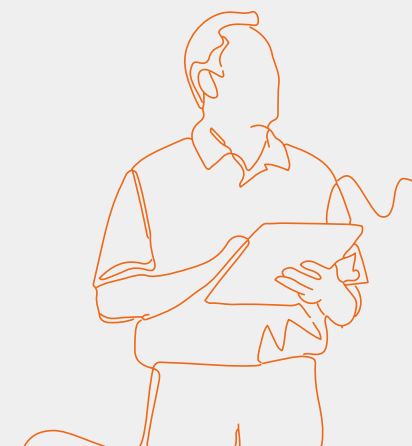
Material Certification Status of the Cookware Business Unit

Furthermore, in the procurement process for finished products, procurement managers and OEM on-site quality control personnel adhere to the Group's *Responsible Purchasing Charter* principles, verifying the raw materials and test reports of finished component suppliers, i.e., Tier 2 suppliers. This process enables traceability for some finished components and ensures the reliability of suppliers' raw material sources.

Management of Conflict Minerals

At Supor, we investigate raw material procurement that may involve conflict-affected regions to ensure that the mineral materials used in our products come from responsible and compliant sources. During the reporting period, we further expanded the coverage of our responsible procurement principles, extending monitoring of conflict minerals to include the procurement processes for key metal materials such as aluminum ingots and stainless steel. From establishing detailed ledger records to requiring suppliers to provide product quality assurance certificates and compliance declarations

During the reporting period, we specifically investigated and researched the use of materials from currently conflict-affected regions (aluminum ingots) and required suppliers to produce relevant conformity declarations. Related suppliers responded that their upstream supply chains were free from conflict minerals or dispute risks and provided conformity declarations. We will continue to monitor conflict mineral issues and further refine our management practices of conflict minerals.



Environmental Responsibility

- 5.1 Climate Action _____ 32
- 5.2 Environmental-Friendly Operations _____ 32
- 5.3 Resource Management _____ 38
- 5.4 Circular Economy _____ 39



5.1 Climate Action

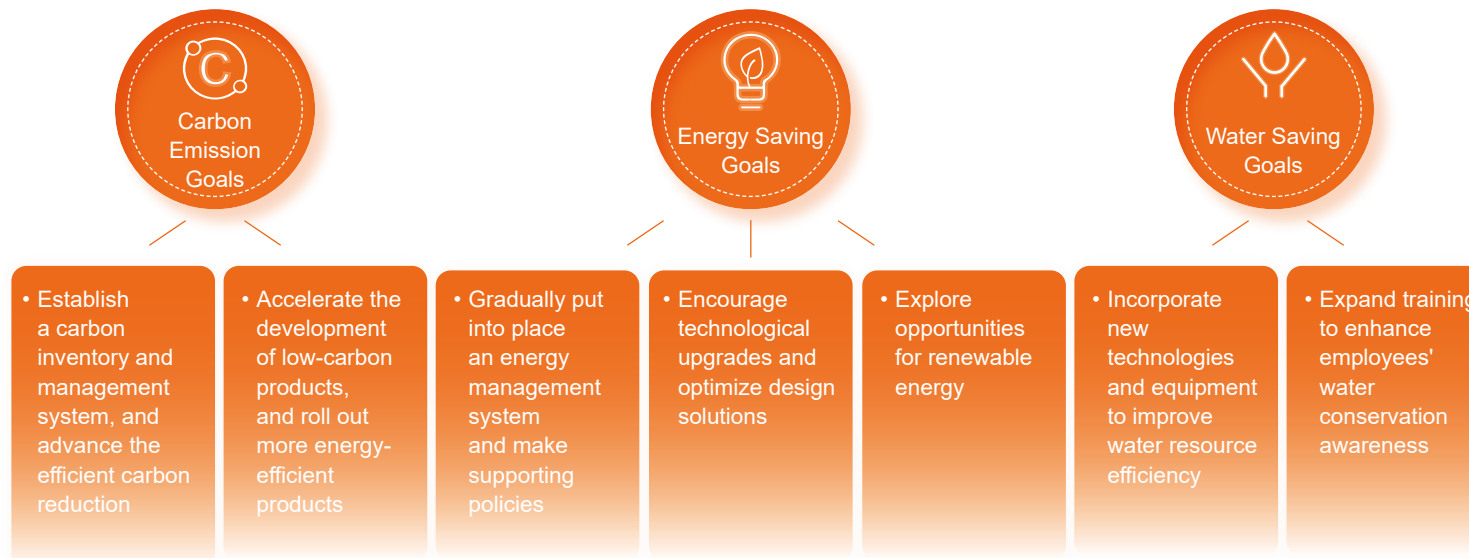
Confronting climate change, a shared challenge for humanity, the Company diligently progressed energy efficiency and emission reduction projects during the reporting period, with an aim to refine our environmental management objectives and framework, contributing to the global ambition of the *Paris Agreement* to limit temperature rise to 1.5°C.

Climate Risk and Opportunity Identification

Actively addressing the challenges and crises induced by climate change, the Company recognizes the emergence of new opportunities for business growth within this context. Guided by the *Task Force on Climate-related Financial Disclosures* (TCFD) framework, the Company has conducted a preliminary identification of climate-related risks and opportunities, evaluating their potential impacts on our operations and strategic direction. For *Climate Change Risk and Opportunity Analysis*, see the appendix.

Indicators and Goals

To ensure the effective implementation of climate change strategies and risk response measures, the Company has set the following environmental development goals from a long-term sustainability perspective, aiming to maximize resource utilization and reduce greenhouse gas emissions during the production cycle. Key performance indicators (KPIs) for carbon reduction, energy saving, and water conservation are delegated to the production base level, with regular supervision and review of the implementation progress. During the reporting period, our base in Yuhuan exceeded its set target of reducing per unit water consumption by 5%.



Actions in Response to the "Carbon Peaking and Carbon Neutrality" Goals

Responding to "Carbon Peaking and Carbon Neutrality" goals, the Company has engaged third-party experts to conduct comprehensive carbon audits during the reporting period. This initiative aimed to deepen our understanding of operational carbon emissions, assess our energy structure and emissions reduction potential, and initially explore decarbonization pathways, including photovoltaic, green electricity procurement, and intelligent energy systems. Furthermore, we actively sought carbon reduction models that complement our product lifecycle, fostering a transition towards greener production practices. Since 2018, Supor's main production base have been incorporated into the SBTi (Science Based Targets initiative) commitment framework, and we have also actively formulated and pursued short, medium, and long-term strategies to meet our carbon reduction goals.

5.2 Environmental-Friendly Operations

Responding to the State Council's directive for industrial green upgrades and rapid green transformation, Supor steadfastly promotes a low-carbon operational philosophy, recognizing it as essential for driving corporate advancement. The Company has established a robust energy and environmental management system, dedicating ourselves to the compliant management of wastewater, waste gases, and solid waste through rigorous enforcement of management protocols and inspection mechanisms. Over the past two years, the company's total investment in environmental governance and protection was CNY 41.56 million.



CNY **41.56** million in environmental protection investment over the past two years

Regulations and Certifications

Adhering to the *Law of the People's Republic of China on Conserving Energy* and relevant international regulations, the Company has instituted various internal rules for our bases, including the *Operational Procedures for Environmental, Occupational Health and Safety*, the *Environmental Management Procedures*, the *Water and Electricity Conservation Regulations* and the *Environmental, Occupational Health and Safety Goals and Management Plans*. These measures ensure compliance and aim for sustainable operational longevity. As of the end of the reporting period, all major production bases passed the certification of the ISO 14001 Environmental Management System.

Key Figures Relating to Environment

Throughout our journey of production advancement and business expansion, each production base has enhanced its energy management structure and explored the potential of clean energy sources, and made efforts in elevating green compliance awareness among employees to minimize environmental risks associated with our operations and build a harmonious corporate ecosystem.

To figure out clear emissions benchmarks, we refined our approach to energy consumption and carbon emissions data collection and analysis through carbon auditing during the reporting period. This year's data encompass our major production bases in Hangzhou, Yuhuan, Shaoxing (Yuecheng District and Keqiao District), Wuhan, and Vietnam.



The Company's energy consumption and carbon emissions during the reporting period are as follows:

Index	Unit	Total in 2023
Total consumption of purchased electricity	GWh	196.2
Total self-generated renewable energy	MWh	572.3
Total consumption of natural gas	10,000m ³	595.6
Total consumption of petrol	10,000L	13.3
Total consumption of diesel	10,000L	6.1
Total consumption of liquefied petroleum gas	ton	502.0
Total consumption of liquefied natural gas	ton	3,994.8
Greenhouse gas emission (Scope 1)	tCO ₂ e	28,769.7
Greenhouse gas emission (Scope 2)	tCO ₂ e	111,904.2
Total greenhouse gas emission (Scope 1 + Scope 2)	tCO ₂ e	140,673.9

Notes:

1. Following the carbon inventory initiatives undertaken in 2023, the methodologies and scopes for gathering energy consumption and emission data were refined. Guided by the principle of importance, the base data scope mentioned above encompasses six key R&D and production bases: Yuhuan, Hangzhou, Shaoxing (Yuecheng District and Keqiao District), Wuhan, and Vietnam; The calculation methods are based on the Greenhouse Gas Protocol (GHG Protocol) issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD);

2. Scope 1 greenhouse gases include emissions from the combustion of natural gas, gasoline, diesel, liquefied petroleum gas and liquefied natural gas, plus emissions from leaks of refrigerants, septic tanks, and carbon dioxide fire extinguishers. Emission factors are derived from the Guidelines for Greenhouse Gas Emission Accounting and Reporting in Mining, Land Transportation, and Other Industrial Enterprises (Trial) and the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6); Scope 2 greenhouse gases account for emissions from purchased electricity, with emission factors based on the Guidelines for Corporate Greenhouse Gas Emission Accounting and Reporting for Power Facilities (Revised in 2022).

Measures for energy conservation

Our commitment to energy conservation extends across our production and office environments, encompassing:

<div style="background-color: #f4a460; color: white; padding: 5px; border-radius: 10px; display: flex; align-items: center; justify-content: center;"> Production </div> <ul style="list-style-type: none"> • Equipment upgrades and energy-efficient retrofitting • Optimization of production processes • Deployment of clean energy sources 	<div style="background-color: #f4a460; color: white; padding: 5px; border-radius: 10px; display: flex; align-items: center; justify-content: center;"> Office </div> <ul style="list-style-type: none"> • Online meeting • Paperless office • Publicity of energy conservation
--	--

Notably, during the reporting period, our bases launched 24 key projects focused on energy conservation and efficiency enhancement, projected to yield an annual carbon reduction of 14,623 tons.

Case
Servo Motor Retrofit for Injection Molding Machines for Energy Saving

In pursuit of energy saving and consumption reduction, the Company phased out inefficient production equipment and enhanced production techniques during the reporting period to lower carbon emissions during manufacturing. This reporting period saw significant motor bases across our main facilities, with our base in Wuhan reducing carbon emissions by 585 tons annually by replacing standard motors with servo motors in 11 hydraulic machines.

Case
DSM Implementation for Enhanced Energy Efficiency

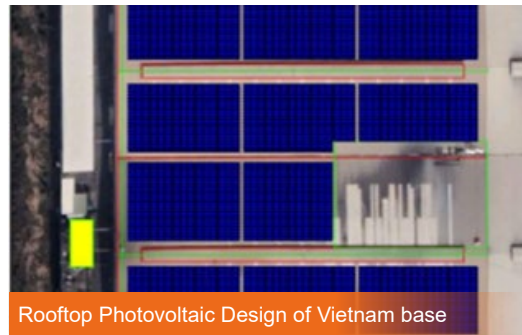
To improve real-time monitoring of energy usage across our production bases, identify high-consumption equipment, and provide a basis for energy consumption analysis, Supor actively promoted the deployment of DSM (Digital Shop floor Management, an intelligent energy monitoring system). We are making efforts to roll out this system across our facilities, with the one in our base in Wuhan already operational by the end of the reporting period.

Case
Shaoxing (Yuecheng District) Base receives the "Green Low-carbon Factory" title

During the reporting period, Shaoxing (Yuecheng District) Base, adhering to sustainable development principles, enhanced its energy management system focusing on equipment energy efficiency improvements, work process optimization, and renewable energy deployment, earning the "Green Low-carbon Factory" title from Shaoxing Municipal Bureau of Economy & Information Technology.

Clean Energy Initiatives

The Company has identified the advancement of clean energy and the increased utilization of renewable resources as pivotal components of our future strategic framework. This commitment is driven by an active pursuit of novel solutions for the integration of new energy sources to effectively confront the substantial challenges presented by climate change. During the reporting period, our base in Yuhuan successfully completed a 5.08 MW distributed photovoltaic generation project, achieving operational grid-connected photovoltaic electricity generation. This project is anticipated to produce a minimum of 5 million kWh annually. Since its grid connection in November 2023, it has already generated 609,000 kWh. Additionally, our base in Vietnam has implemented solar street lighting and rooftop solar conversions, and has initiated the installation of photovoltaic systems projected to generate 2,525 MWh annually, aiming for grid connection by 2024. These efforts demonstrate a reduction in dependency on traditional fossil fuels and embody our commitment to energy efficiency, emission reduction, and resource conservation.






Pollution Prevention and Control

The Company places significant emphasis on mitigating the impacts of industrial production on both the environment and human health. All bases strictly comply with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste*, alongside pertinent laws, regulations, and industrial standards at both national and operational levels. We conduct a thorough assessment of environmental impacts associated with construction projects, and implement preventive and control strategies for identified and potential environmental risks.

To bolster internal management capabilities in environmental affairs and raise environmental compliance awareness among our employees, we have instituted comprehensive internal management protocols, including the *Environmental Management Procedures* and the *Environmental Operational Control Procedures*. These protocols are designed to meticulously manage the adverse environmental effects of industrial production, contributing towards achieving a sustainable operational model that aligns with Supor's environmental protection and commercial development objectives.

| Exhaust Gas Emission Management

During the reporting period, the Company formulated and progressively refined the *Emissions Control Procedures*, and actively assumed responsibilities for pollution prevention. This entails reducing pollution at its source and enhancing the management and treatment of atmospheric pollutants. Moreover, we initiated proactive technological upgrades to our existing waste gas treatment systems, integrating processes such as adsorption desorption and catalytic combustion, and transitioning entirely to water-based paints from oil-based options, moving towards achieving reduced emission concentrations and zero pollution.

 <p>Phase I 2021-2023 Unorganized Area Parallel</p>	 <p>Phase II 2023-2024 Use of Catalytic Combustion</p>	 <p>Phase III 2024-2025 Application of Water-based Paint</p>
<ul style="list-style-type: none"> • Recycling VOCs from the baking room and reusing for existing equipment • Increase of volatile capture in the leveling section • Theoretical treatment efficiency aimed at 90% 	<ul style="list-style-type: none"> • Theoretical treatment efficiency aimed at 95% • Generating carbohydrate after treatment • High equipment investment cost 	<ul style="list-style-type: none"> • Mature technology in water-based paint • Theoretical treatment rate of alcohol solubility water-based paint of over 96% • Treatment rate of complete water-based paint of over 99% • No need for treatment equipment

Short-term Disposal Phased Plan of Exhaust Gas

Case Optimize Spraying Treatment Equipment to ensure Up-to-standard Discharge

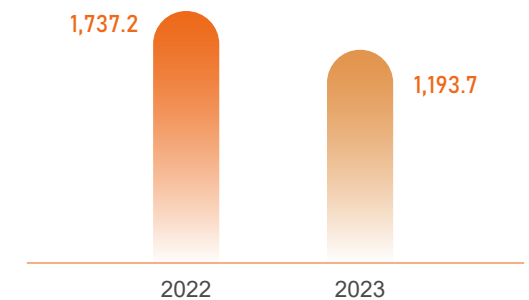
The Company continuously drives the improvement of waste gas treatment measures by acquiring advanced treatment equipment to handle the emissions of harmful gases produced during manufacturing processes compliantly. During the reporting period, our base in Wuhan enhanced its environmental compliance by adding one set of spray painting waste gas treatment equipment each with capacities of 160,000m³/h and 40,000m³/h, respectively. This enhancement is part of our commitment to improving our environmental management practices and ensuring compliance with emission standards.

| Wastewater Discharge Management

The Company adheres stringently to the *Law of the People's Republic of China on the Prevention and Control of Water Pollution* and the *Integrated Wastewater Discharge Standard* and other applicable regulations, ensuring that wastewater from our primary production bases is discharged in compliance with Pollutant Discharge Permit. Although our main production processes do not entail significant direct water consumption and generate limited wastewater, we have reinforced internal controls. Wastewater treatment stations have been established at our main water-using bases to guarantee that industrial wastewater is treated to meet standards onsite before being discharged into the municipal sewage system.

During the reporting period, the Company's wastewater discharge-related performance indicators are as follows:

Total wastewater discharge (in 1,000 tons)



Waste Management

The Company strictly follows the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste* and related waste disposal regulations to establish a comprehensive waste management system, ensuring that all types of waste are disposed of in compliance with the principles of "waste reduction, recycling and hazard-free treatment".

Regarding the management of E-waste, we are committed to the responsible disposal of it, actively fulfilling our producer responsibility. This involves collaboration with third-party organizations that possess the requisite qualifications for processing hazardous substances and compliantly dismantling and recycling valuable materials.

During the reporting period, we developed *waste management procedures* and other internal management methods and standards, focusing on production process optimization and quality control as the focal point for reducing such waste. By adopting advanced production technologies and focusing on process innovation, we aim to improve product qualification rates and ensure products meet high standards from the manufacturing stage to minimize production stage waste.

Case Reducing the Quantity of Defective Products

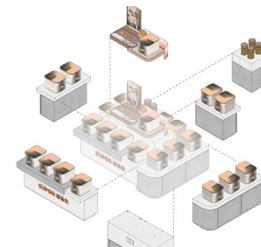
During the reporting period, to enhance product qualification rates, reduce material waste, and decrease waste discharge, our base in Vietnam optimized and revised 40 internal management system documents. The target first-time qualification rate for new products in 2023 was 96.0%, with an actual achievement of 96.5%, 0.5% higher than the set target. Aluminum products and stainless steel both met their first-time qualification rate targets, with the former achieving a target of 96.5% and an actual rate of 96.7%, and the latter a target of 97.0% and an actual rate of 97.8%.

Case Standardized Design for Sales Terminals

Supor's terminal image design scheme has established standardized and modular design specifications, dividing cabinets into five modules: cookware area, small domestic appliance area, environmental domestic electric appliance area, demonstration area, and scenario experience area. Each module's individual cabinet can be flexibly configured, supporting multiple disassembles and reuses to accommodate different spatial needs, thereby minimizing material waste and waste generation. In terms of production, each module has achieved standardized and batch manufacturing at the factory end, reducing on-site assembly procedures at the store, enhancing construction efficiency, and simultaneously reducing environmental pollution on construction bases. As of December 31, 2023, 249 offline terminals nationwide were refit, with standardized factory-manufactured cabinets accounting for 50% of usage.



Dongguan JD Super-Experience Store



Different Assembly Methods for Individual Cabinets

249 Offline terminals nationwide were refit

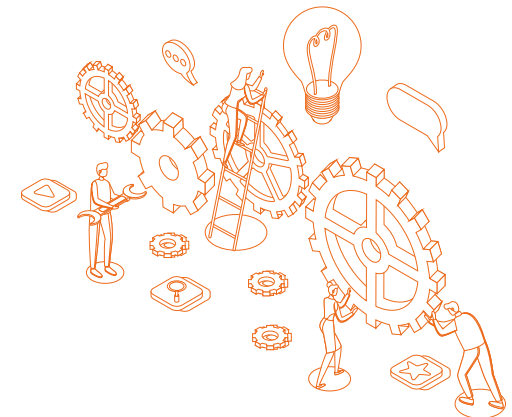
Standardized factory-manufactured cabinets accounting for

50% of usage

During the reporting period, the primary method of disposing of waste was compliant transfer to third parties with disposal qualifications. Our factories developed a waste management and disposal system based on local production realities, taking corporate responsibility to prevent the impact of production waste from spilling over into the surrounding environment and affecting community health. Our base in Hangzhou formulated the *Hangzhou Base Goods Dispatch Management System* and sorted waste by color and category for collection. It also recycled materials that still have value and entrusted the disposal of hazardous substances to compliant third parties. Our base in Shaoxing (Yuecheng District) improved the infrastructure of the park, renovated the hazardous waste warehouse, managed hazardous waste by zones, and publicly displayed the management records of hazardous waste, effectively enhancing the level of waste management.

During the reporting period, the Company's waste-related performance indicators are as follows:

Waste category	Units	2023
Total hazardous waste	in 1,000 tons	1.9
Total non-hazardous waste	in 1,000 tons	19.5
Total	in 1,000 tons	21.4





Enhancement and Dissemination of Low-Carbon Environmental Awareness

The Company focuses on enhancing employees' green consciousness through continuous internal propaganda and training activities, covering multiple employee levels and organizing multiple sessions on environmental protection and compliance standards. The aim is to enable all employees to deeply understand the importance and urgency of environmental protection and to practice environmental responsibility in their work.



Training by environmental knowledge experts



Promotion of low-carbon environmental knowledge

Supor's Environmental and Green Awareness Training

In addition to focusing on low-carbon and environmentally friendly operations, Supor also calls on consumers, the public, and other stakeholders to engage in green actions. Supor's official Weibo account conducts green promotions during important moments such as the Arbor Day, the Earth Hour, and the World Earth Day, calling on stakeholders to care for the environment, save energy, and reduce emissions, highlighting the brand's social responsibility.



World Earth Day



Earth Hour



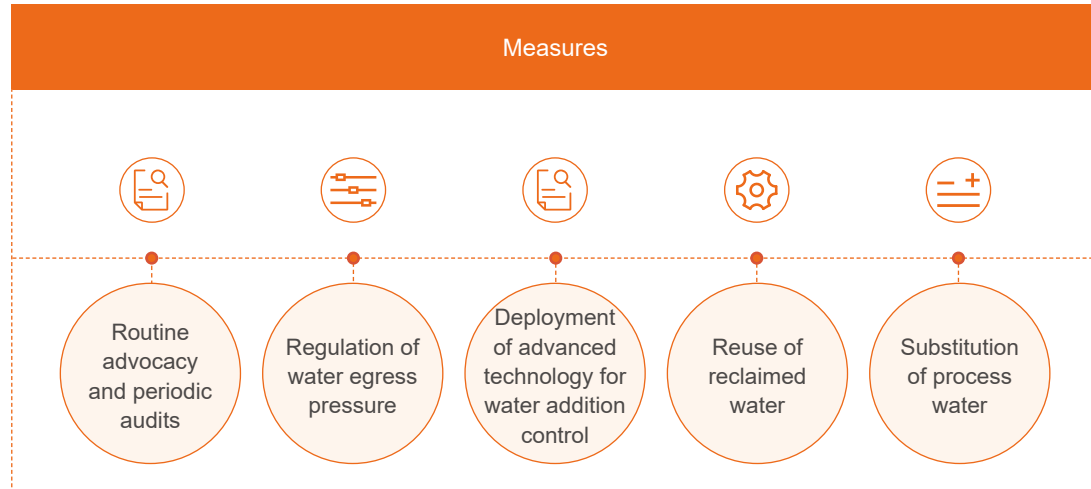
Arbor Day

5.3 Resource Management

The Company is committed to the ethos of resource conservation, actively implementing upstream measures to diminish water demand and enhance production efficiency, thereby ensuring the efficient utilization of water resources. Each production base has instituted a stringent resource management system, proactively capitalizing on the locational benefits and intrinsic resources of diverse bases to autonomously pursue technological refurbishments and equipment modernization, aimed at minimizing water resource depletion.

| Water resource management

The company has implemented a comprehensive internal water resource management regime and standards, aiming to safeguard and enhance water resource utilization. Our base in Yuhuan, for example, adheres scrupulously to the *Energy Conservation, Consumption Reduction, and Environmental Performance Management Measures* and the *Water and Energy Saving Management Procedures*, integrating environmental benchmarks with managerial performance metrics. This alignment ensures the infusion of environmental management and sustainable development principles in operational undertakings, whilst upholding exemplary production standards.



The Company persistently fortifies its water resource management mechanism and has enacted effective management strategies, culminating in notable water conservation achievements during the reporting period.

Case Optimization of Water Usage in Cleaning Lines

In 2023, our base in Yuhuan devised a strategy involving the deployment of high-precision conductivity measuring instruments to monitor the water quality of cleaning lines, resulting in a conservation of approximately 5,200 tons of water annually.

Case Technological Innovation for Water Conservation

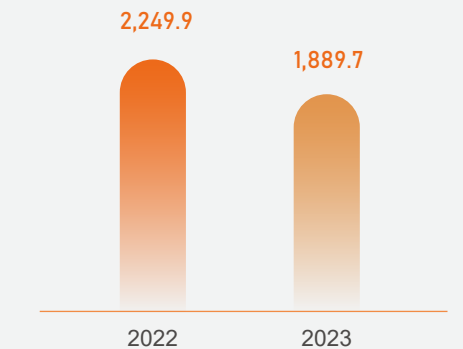
In 2023, our base in Hangzhou achieved a reduction in water consumption of 57,900 m³ from the previous reporting period, omitting the oxidation phase in product manufacturing thanks to technological innovation.

Reusing Water

The Company is acutely aware of the environmental impact of its operational practices, striving to avert excessive water resource wastage and advocating the efficient and repeated utilization of water resources. Each base responds proactively to the circular water usage directive, augmenting the resourceful application of sewage and advancing the use of treated wastewater for domestic, industrial, and ecological replenishment purposes. Illustratively, our base in Shaoxing (Yuecheng District) operationalized a reclaimed water station, applying advanced treatment processes to industrial and domestic sewage for reuse within its production ecosystem, achieving cumulative reclaimed water utilization of 32,000 tons during the reporting period. Furthermore, our bases in Vietnam and Shaoxing (Keqiao District) maximized the use of treated production wastewater for sanitary applications.

The Company's water consumption metrics during the reporting period are delineated as follows:

Water consumption volume (in 1,000 tons)



5.4 Circular Economy

The Company, grounded in a circular economy strategy, endeavors to achieve sustainable development by continuously innovating and optimizing management practices, and adopts a variety of measures to maximize the recyclability and utilization rate of resources throughout their entire lifecycle. The Company has integrated circular economy practices into the entire lifecycle of products, applying the 3R principles (Reduce, Reuse, Recycle) in aspects such as raw material procurement, packaging, product use, and recycling, to promote the cyclical use of materials and resources.

Procurement of Recycled Materials

To implement the requirements of the *Plan to Promote Circular Economy for The 14th Five-Year Plan* and accelerate the construction of a recycling system for waste materials, the Company actively procures recycled materials, advancing the use of recycled materials. During the reporting period, the Company purchased 10,279 tons of recycled aluminum and 8,909 tons of recycled steel.



Case Aluminum and Stainless Steel Recycling Projects

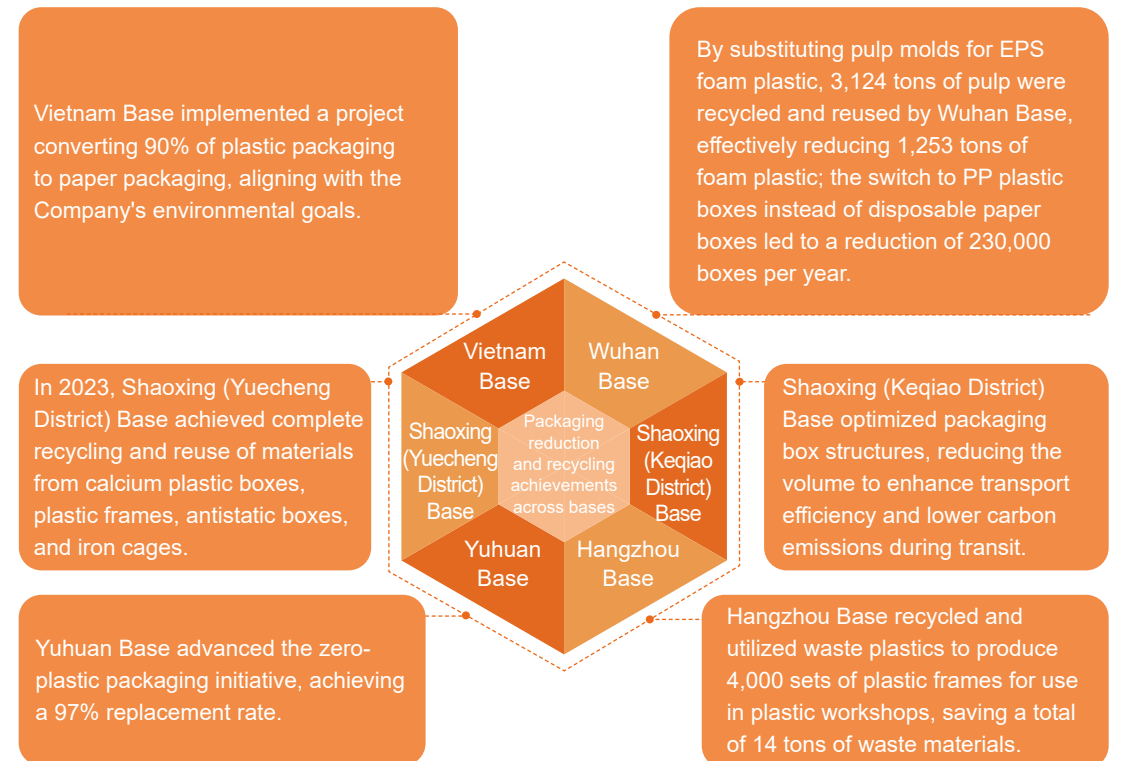
In this reporting period, our base in Yuhuan successfully implemented two recycled material application projects. Firstly, by implementing 15 recycled aluminum projects, 5,694 tons of recycled aluminum were purchased; secondly, the base advanced 10 recycled stainless steel material application projects, achieving the use of 4,171 tons of recycled stainless steel.

Packaging Material Reduction and Recycling

To further improve the recycled resource recovery system, the recycling program for packaging materials used in products is a key component of the company's waste recycling system, offering both environmental and economic benefits. During the reporting period, each base, in accordance with base production and operational realities, actively implemented a series of forward-looking packaging material management initiatives centered around environmentally friendly packaging design, prioritizing the use of eco-friendly packaging materials, optimizing packaging processes, and recycling.



Various units at the headquarters and each production base have taken measures to reduce the use of packaging materials and enhance the sustainability of packaging materials.



Case Environmental Packaging Improvement

During the reporting period, Supor launched an environmental packaging upgrade project, targeting cookware and electric appliance e-commerce packaging, major domestic appliance packaging, and outer box packaging. Utilizing a younger design language and more systematic algorithm logic, not only was a high degree of visual consistency in packaging achieved, but also a significant reduction in ink usage and paper use made. In November 2023, Supor's e-commerce packaging, due to its efficient use of packaging materials and reduced environmental impact, won the Brand Star Awards - Special Innovation Award - Product and Design Innovation Group - Silver Award for Packaging Design.



Silver Award for Packaging Design

Case E-commerce Environmental Packaging Renewal

Supor's new e-commerce environmental packaging was featured by improved production efficiency and reduced packaging materials. Based on the new environmental packaging design scheme, packaging for small tool products across all categories was upgraded, and for certain categories (such as knives, chopping boards), a "generic packaging + sticker" form was adopted to further reduce packaging material consumption. As of December 31, 2023, the new packaging for e-commerce products on sale had a coverage rate exceeding 70%.

- Meet national standards: include storage and transportation markings, compliance statements, and other necessary content.
- Maximize brand communication: LOGO is highlighted.
- Chinese-English name: global packaging.
- Enhance category recognition: Facilitate associated purchases, and offer category recommendation information.
- Easy to manage: variable information printed on adhesive labels for easy audit and modification.

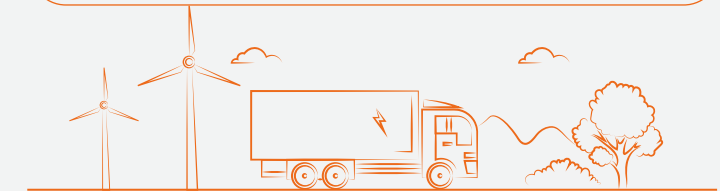
Knives and chopping boards use the "generic packaging + sticker" form

Extended Service Life of Our Products

Supor recognizes the importance of longer product lifespans for resource protection and energy saving. We leverage our existing after-sales maintenance service system to provide professional maintenance service support, and offer consumable accessories on online platforms such as Tmall and JD to extend product life and reduce direct disposal.

Case Consumable Parts Purchase Service

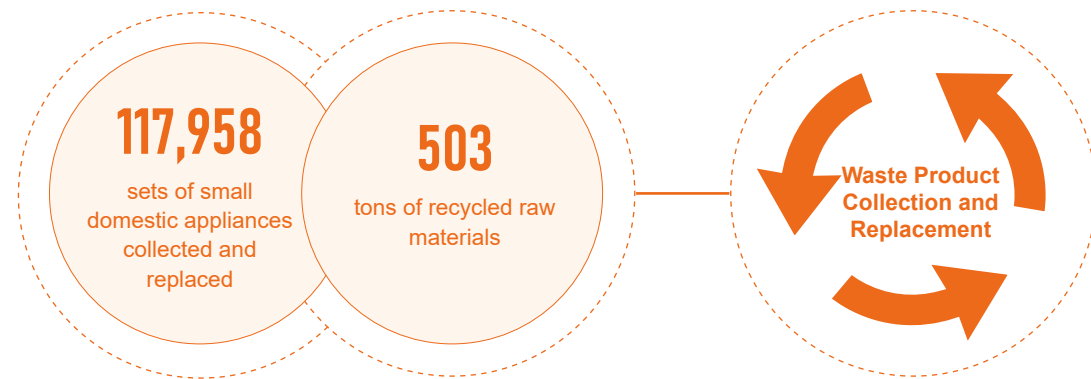
To assist consumers in conveniently maintaining and repairing household water purifiers, extending product life, and reducing direct disposal, the Company dedicated personnel actively remind users when filters need replacing, offering renewal services, and providing options to purchase parts outside the warranty period. During the reporting period, a total of 68,533 types of filters were provided to consumers, with the replacement rate increasing from 18.2% to 43.8%, significantly reducing the environmental impact at the end of the product lifecycle.



Waste Product Collection and Disposal

To promote the efficient use and compliant disposal of our products and packaging materials at the end of their lifecycle, minimize the redundant energy consumption and additional greenhouse gas emissions from raw material extraction, product reproduction, and waste disposal, the Company adheres to the principle of responsible disposal of materials, and actively conducts online and offline waste product collection, dismantling, and recycled material reuse actions.

In the product collection phase, the Company has established a scrapped product collection system centered around after-sales service outlets, with the support of extensive courier door-to-door mail-in repair services, actively promoting "Old for New Service" and "recycle instead of repair" services to encourage consumers to exchange waste products. During the reporting period, the above two collection and exchange services covered approximately 117,958 small domestic appliance products, significantly reducing resource waste and environmental impact of directly discarded appliances. Simultaneously, during the reporting period, the Company recycled 503 tons of raw materials (aluminum, iron, stainless steel) from discarded cookware products.



Case Recycle Instead of Repair

To reduce the disposal of damaged/awaiting repair products, Supor offers a recycle option instead of repair service to its customers. Consumers who purchase specified products and complete the product binding via the WeChat Mini Program will receive a recycle voucher valid for one year. According to statistics, during the reporting period, this service was provided to approximately 6,000 users, offering improved after-sales experience for consumers while reducing product waste.

During the reporting period, this service was provided to approximately **6,000** users



In the disposal phase, the Company adopts a responsible approach, and clarified collected products according to the relevant categories outlined in the *Catalogue for the Treatment of Waste Electrical and Electronic Products*. A strict selection and classification method is applied before handing them over to specialized waste processing facilities.

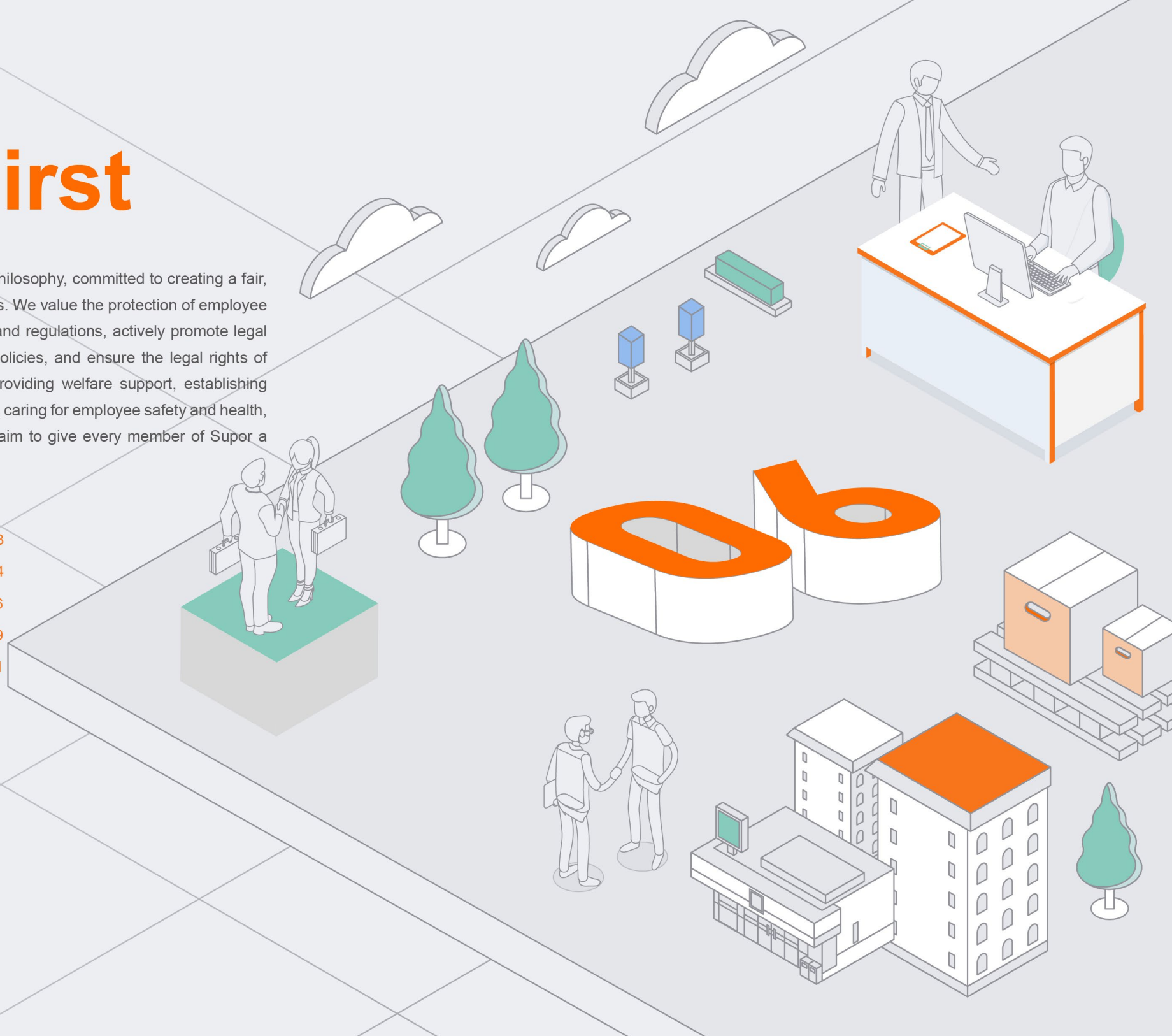
During the recycling phase, the Company prioritizes the recovery of valuable materials from discarded products, such as usable parts, separating them out and incorporating them into the accessories warehouse. In addition to recycling valuable parts of materials, other irreparable or valueless waste products are classified by metal type and stored in the waste library, to be sold periodically to material processing plants, thereby minimizing the environmental impact of hazardous substances.



People First

Supor consistently adheres to a people-centric philosophy, committed to creating a fair, just, and safe working environment for employees. We value the protection of employee rights, strictly follow national and regional laws and regulations, actively promote legal and comply with employment and recruitment policies, and ensure the legal rights of every employee. On this foundation, through providing welfare support, establishing platforms for employee training and development, caring for employee safety and health, and organizing various employee activities, we aim to give every member of Supor a happy and pleasant working experience.

6.1 Rights and Interests Protection	43
6.2 Welfare Support	44
6.3 Training and Growth	46
6.4 Safety and Health	49
6.5 Enjoy Life	51

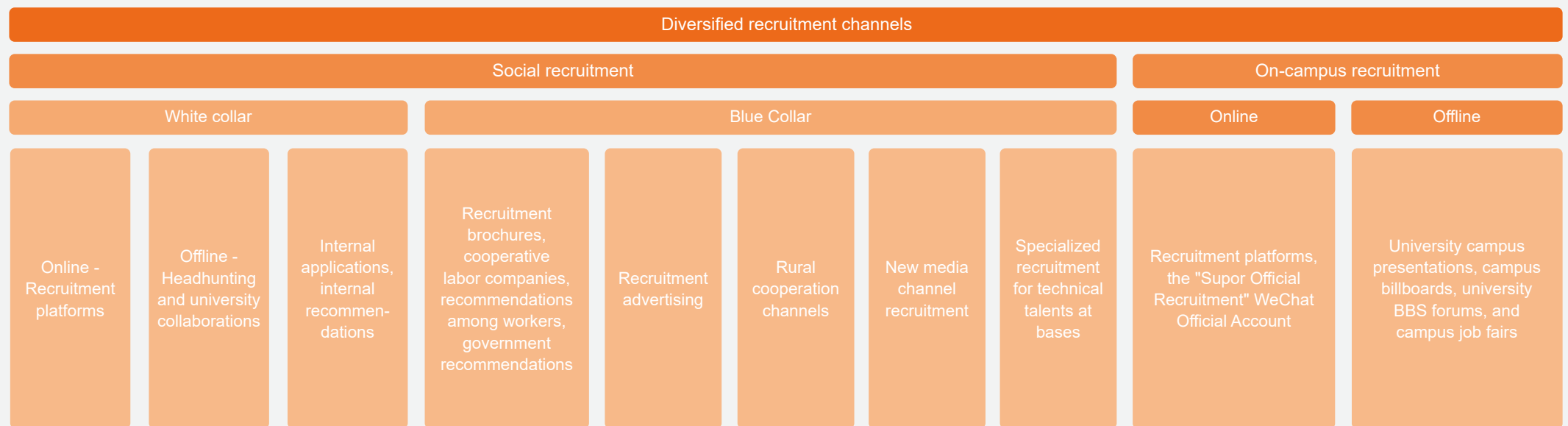


6.1 Rights and Interests Protection

The Company eliminates the use of child labor and forced labor through strict adherence to laws and regulations, fair recruitment processes, enhanced protection of candidate rights, increasing legal awareness among employees, and effective internal monitoring mechanisms, ensuring the legality and compliance of the entire recruitment and employment process.

Equal employment

We actively welcome talents of various backgrounds, provide them with an equal, open, and inclusive working environment to unleash their potential, enrich cultural exchanges and interactions, and promote progress between employees and the Company together.



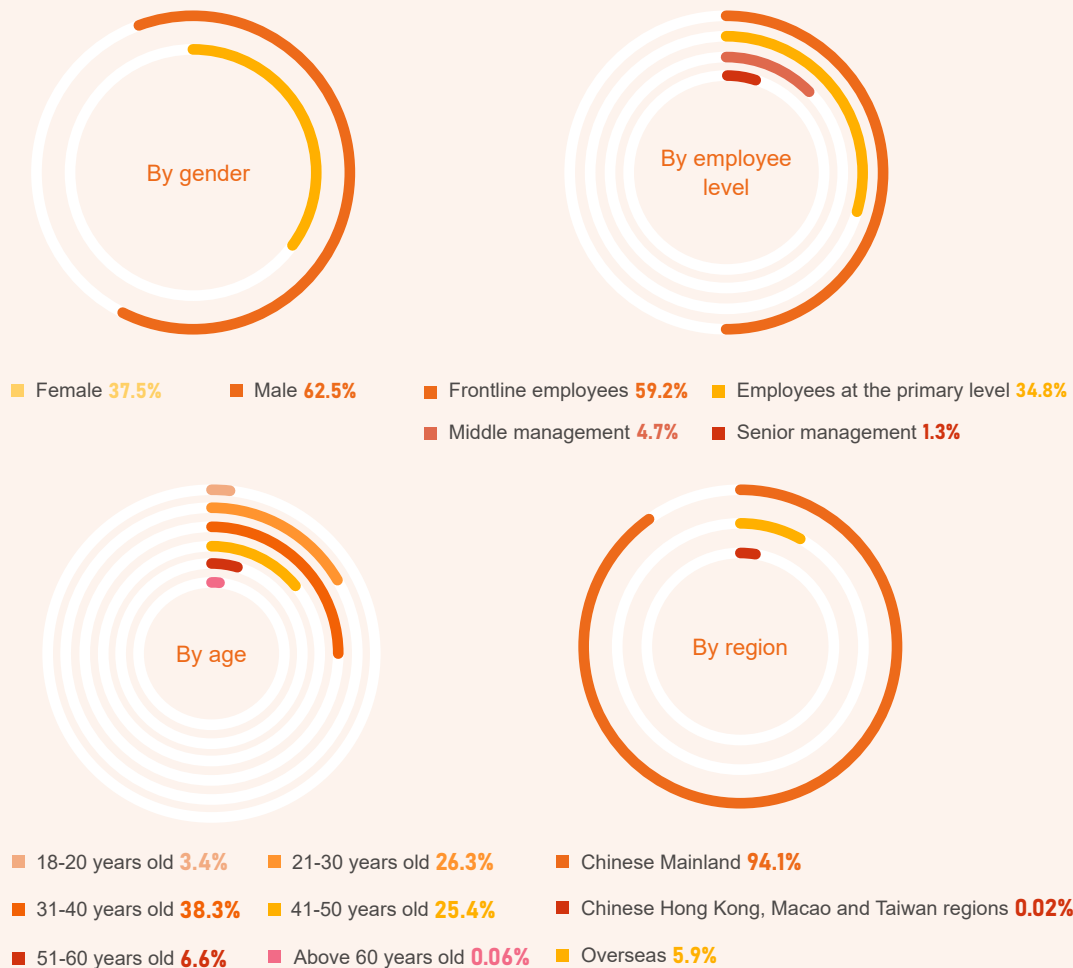
Supor's Diverse Recruitment Channels

Supor actively conducts both online and offline recruitment, sourcing talents from multiple channels to create a multi-dimensional talent pool. This year, 6,408 new employees were hired, including 2,303 female. During the reporting period, each production base actively engaged in diverse employment practices, established employment coordination project teams for people with disabilities, and employed individuals with hearing impairments, promoting high-quality employment for disabled people. By the close of the reporting period, the company employed 72 employees with disabilities.

Labor Rights

Supor strictly adheres to the Code of Professional Ethics and Conduct, resolutely prohibiting the employment of child labor and forced labor. We have clearly stipulated that employees must immediately report to the relevant departments if they become aware of any suspicious use of child labor.

Supor steadfastly upholds the principle of equal employment, and firmly opposes any form of discrimination, including gender, age, race, sexual orientation, etc. At the end of the reporting period, Supor had a total of 10,753 employees, with the following distribution:



Caring for Women

Supor continues to focus on the influence of women in the workplace and actively conducts a series of activities to support our female employees. For instance, we joined the HERfinance Project, which focuses on the financial literacy of female employees, covering various levels including workshop clerks, group chiefs, and front-line workers. Through the HERfinance Project, Supor enables employees to gain financial management skills, effectively improving their family's economic situation and enhancing their ability to withstand financial risks.

Case Supor's HERfinance Project

Supor has formed a professional project team that delivers modularized training. The training process is enriched with explanatory coaching, interactive sharing, team discussions, and game competitions to enhance the interest in training while deepening employees' understanding and experience of the training content.



6.2 Welfare Support

Supor places great importance on the interests and welfare of its employees, fosters a positive work environment through optimizing remuneration and benefits, strengthens employee communication, and conducts workplace satisfaction surveys. This approach lays a solid foundation for the Company's long-term development.

Remuneration and Welfare

Supor values the efforts of every employee and continuously enhances the employee incentive mechanism. The Company has timely adjusted its equity incentive plan, transitioning from a model based on restricted stocks to a more flexible combination approach. This shift aims to motivate employees' enthusiasm for work and adapt to new market environments. Through these measures, Supor hopes to more effectively attract, retain, and motivate key talents, thereby accelerating the Company's progress.

In terms of employee welfare, the Company offers a variety of leave options, including: annual leave, marriage leave, maternity leave, prenatal check-up leave, and parenting (care) leave, alongside providing welfare benefits aligned with holiday themes. During holidays such as the International Women's Day, the Dragon Boat Festival, the Mid-Autumn Festival, the Laba Festival, the Chinese New Year, and the start-of-work celebration, Supor distributes festival gifts or red packets according to the characteristics of each festival.

Employee Satisfaction

Supor is committed to creating an excellent, fair, and open workplace, continuously improving employee satisfaction. During the reporting period, the Company invited a third-party organization to conduct a workplace satisfaction survey covering all divisions and bases, including employees in various business units, ranks, and genders other than frontline staff. The survey focused on "fairness, respect, pride, trust, and friendship", with a final participation rate of 97% and an overall satisfaction score of 90%, earning the Great Place to Work® Certification for Greater China in 2024.



During the reporting period, Supor was honored with the "2023 Outstanding Human Resource Management Award - Top Employers" and the "Top Graduate Employers 2023".



Employee Communication

Sharing & Conversation

Initiation of Townhall meetings, Face-to-Face with President, and Lunch Sharing Sessions to facilitate open conversations between employees and the Company's top management; These initiatives help employees understand and implement the Company's strategic deployments, setting clear directions and goals for steady progress.

Internal magazines of the Company

The Company published the internal magazine Suporer, serving as a tool for internal information exchange and providing a platform for employees to showcase their talents and share experiences.

Employee Communication Mechanisms

Focus Group Interview

The Company organized qualitative focus group interviews around strategic planning, corporate culture, work environment, communication mechanisms, personal career growth, and team efficiency. These anonymous interviews encouraged honest feedback and discussion on various dimensions.

Internal Information Dissemination Platforms

To promote timely internal communication, the Company maintained an internal information publication platform, allowing employees to stay updated with company news, notices, and information.

Face-to-Face with President

- The Human Resources Department at headquarters periodically organizes "Face-to-Face with President" events, where all employees can interact with the president by either attending in person or watching the livestream through various forms of engagement such as asking questions. This event not only allows employees to gain a more direct understanding of the company's annual plans, performance, and strategic deployments but also provides valuable opportunities for the management to listen to the voices of the employees.

President Lunch Meetings

- Quarterly, employees from various business units and bases are invited to have lunch with the President, sharing work insights in a relaxing environment and creating opportunities for sincere exchanges.

6.3 Training and Growth

Supor has always recognized that employees are the Company's most valuable asset. During the reporting period, to further enhance employee skill levels and strengthen the Company's core competitiveness, Supor implemented a series of innovative measures in employee training and development and performance management. These initiatives not only focus on individual growth but also aim to create an efficient and fair work environment, laying a solid foundation for the Company's long-term development.

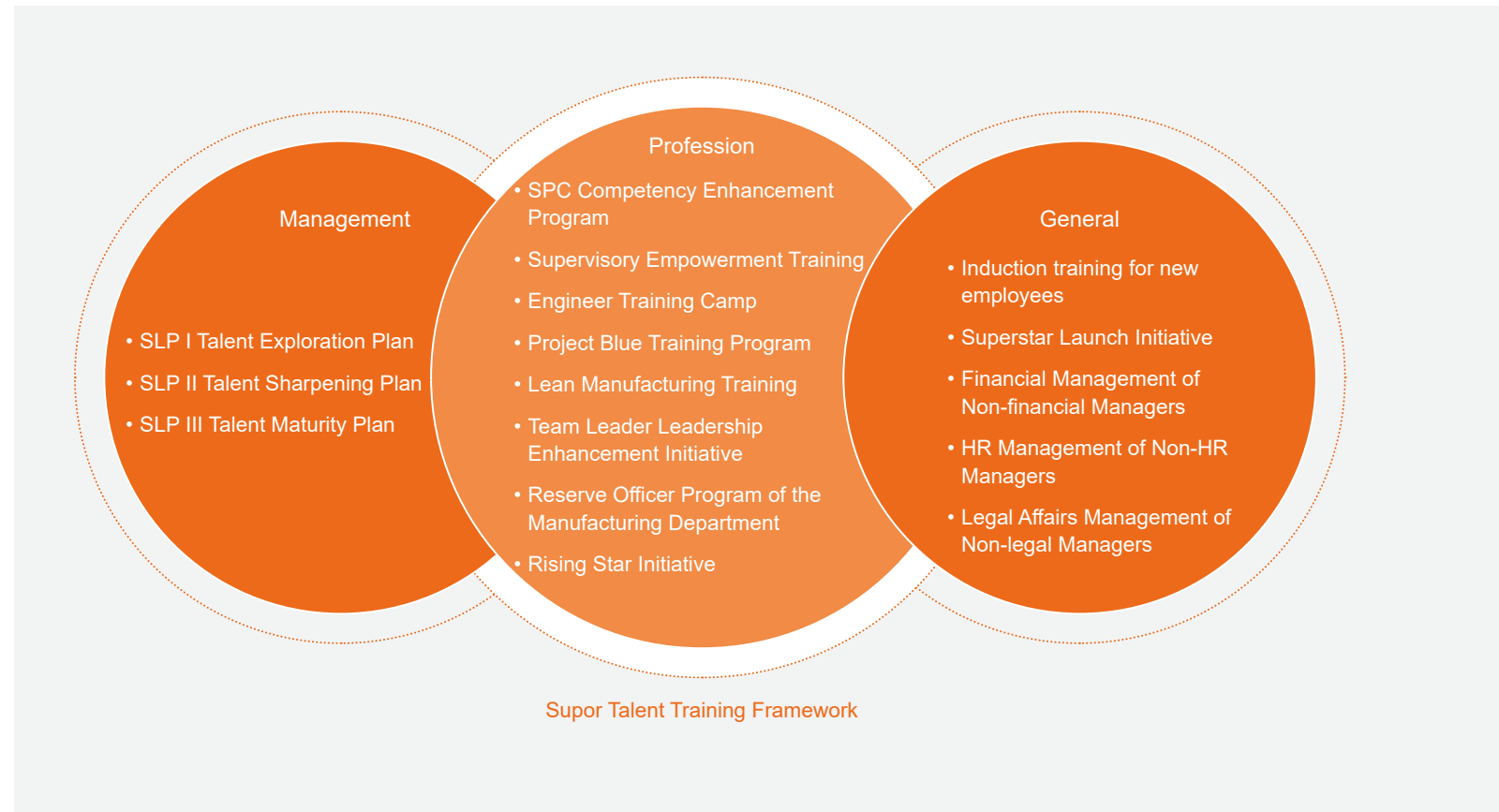
Talent and Performance Management

The Company adopts a universal performance appraisal system, annually crafting assessment schemes based on real conditions, with outcomes directly linked to employee performance wages, and promotional or demotion movements. The Company has established the perfect performance appraisal system and salary system of Senior Executives, and their job performance will be directly linked to their income. At the start of each year, the company evaluates the work performance, duty fulfillment, and goal achievement of its senior executives based on Key Performance Indicators (KPIs) established at the beginning of the preceding year, subsequently rewarding annual performance wages.

During the reporting period, we initiated talent inventory and strategic talent projects for Supor, applying external authoritative evaluation tools to assess all high-level and middle-level managers based on dimensions of performance and potential. The project offers a new perspective for the Company's performance management and multi-dimensional evaluation, aiding in the identification and development of internal talents and providing a basis for talent selection and promotion.

Employee Training

Supor offers targeted training courses for employees at all levels and positions, establishing a comprehensive and multidimensional vertical training system. The Company also conducts various modes of exchange and learning sessions to improve communication efficiency among peers, creating unique horizontal training experience. Additionally, modular specialized training is provided based on the Company's project needs and job content, forming Supor's unique training system from vertical, horizontal, and modular perspectives.



Case Supor Leadership Development Programs

In pursuit of cultivating the pivotal force within Supor and refining the talent pipeline, Supor University has devised the SUPOR Leadership Program (SLP) series. This series encompasses [SLP I Talent Exploration Plan], [SLP II Talent Sharpening Plan] and [SLP Talent Maturity Plan], three programs laddered to cater to the leadership development requisites across various echelons.

[SLPIII Talent Maturity Plan] -- Geared towards veteran managers, focus on the transition from specialized team leadership to broader organizational guidance. The capability enhancement is organizationally oriented, aiming to master the translation of strategy into performance outcomes.

[SLP II Talent Sharpening Plan] — Tailored for a broad spectrum of middle management, proceed to facilitate the transition from singular, vertical team management to a multifaceted approach encompassing cross-level and cross-team dynamics, alongside an elevation in business acumen.

[SLP I Talent Exploration Plan] -- Offer thematic training encompassing the Management Awareness, the Management Compass and the Self-Advancement, targeting the evolution from individual contributors to adept team managers, with a focus on empowering personal management competencies and team management tools.

Case SPC Competency Enhancement Program

To augment the technical proficiency of quality control personnel within the Company, the SPC (Statistical Process Control) Competency Enhancement Program was launched in our bases. Aimed at bolstering the application of SPC tools among quality management team members, the program encompasses an amalgamation of online learning, offline project enhancement, mentorship, and the articulation of improvement benefits and achievements. This initiative has effectively facilitated the proposition and implementation of 4 substantial project improvement schemes.



SPC Project Engagement Overview

Case Inter-enterprise Exchange and Learning

To facilitate inter-enterprise exchange and learning, thereby broadening the horizons and knowledge base of management personnel and assimilating the strengths and highlights of exemplary enterprises, our bases organized management personnel for a production workshop highlight tour and mutual learning sessions among enterprises in September 2023. Following the visit, members proposed improvement suggestions for issues identified within the Company. These suggestions were further refined through discussion and communication, leading to the subsequent implementation of actionable schemes.



Photos of Enterprise Exchange and Learning Activities

For newly recruited employees, we have specially developed the Supor "Superstar Launch Initiative". The infusion of new talent is a critical measure in the Company's talent reserve strategy. We designed a 6-day and 6-night Superstar Launch Initiative training camp, encompassing cultural heritage, multi-dimensional course empowerment, and team-building activities. This initiative aids new recruits in inheriting Supor culture, shaping professional capabilities, and accelerating the transition to workplace roles. During the reporting period, we successfully trained 76 new graduate talents into roles across R&D, industrial, marketing, strategy, and functional business lines.



Team Activity



Collective Courses



Teamwork Star Activities



A Group Photo at the Closing Ceremony

During the reporting period, our employee training performance was as follows:

training hours (Hours)

Online 38,762

Offline 258,203

Number of trainees (Person)

Online 3,436

Offline 9,907

Average training hours by channel (Hours)

Online 11.28

Offline 26.06

Average training hours by gender (Hours)

Female 24.93

Male 26.71

6.4 Safety and Health

Supor places paramount importance on the occupational health of employees, and develops specific occupational health and safety management processes and incident reporting procedures tailored to the conditions of each base. We have formulated system documents such as the *Operational Procedures for Environmental, Occupational Health and Safety* and the *Incident Investigation Report Control Procedures* to standardize the handling and reporting of safety incidents during daily production operations. Clear requirements are set for incident definition levels, reporting content, and timeliness, aiming for incidents to be reported to supervisors and safety personnel within 3 minutes upon emergency events by the witness.

Prevention and Treatment of Occupational Diseases

The Company conducts pre-employment, in-employment, and post-employment medical examinations for all employees exposed to occupational disease hazards. Based on the examination results, we make timely adjustments to positions and optimize the on-site environment and standards for labor protection equipment to ensure better occupational protection for employees. For example, at our base in Wuhan, during the reporting period, a total of 441 individuals underwent occupational health examinations, ensuring comprehensive coverage for those exposed to occupational disease risk factors.

Additionally, our occupational disease prevention measures include, but are not limited to: comprehensive equipment maintenance to reduce noise through the installation of noise-cancelling curtains and soundproof panels, and full coverage with cooling equipment for high-temperature positions and adjusting work schedules to minimize occupational injuries.

Case Hangzhou Base

Workshop modifications and additional cooling facilities were implemented to lower temperatures in summer work areas, improving the work environment for employees.



Post-renovation Workshop

Case Yuhuan Base

High-temperature risk positions were addressed by employing robots for loading and unloading, reducing the need for manual labor.



Robots in Operation

Work Safety

Each base actively engaged in various activities to raise awareness of work safety, reinforce the concept of work safety, continuously strengthen safety awareness, and maintain a positive trend in work safety conditions. During the reporting period, Supor conducted a series of safety drills and emergency response training, including fire evacuation drills, forklift safety training, traffic training, fire safety training, gas safety training, safety knowledge contests, chemical safety, and fire-fighting competitions.



Fire Drill



Fire Training



Conducting gamba walks (on-site inspections) at three safety levels

In line with the standards for work safety, the Company continuously strengthened the construction of safety management teams. Various bases carried out multiple safety training, emergency plan drills, etc., to enhance workplace safety, raise employees' awareness of safety precautions, and ensure behavioral norms for safe production.

Case Activities of Employee Safety Month at Shaoxing (Yuecheng District) Base

Our Base in Shaoxing (Yuecheng District) organized activities centered around physical control themes, including fall prevention emergency drills, life line upgrades and improvements in warehouse areas, material dumping theme improvement activities, and safety indoctrination related to workshop driving. Over 300 participants engaged in these activities, experiencing the importance of safety in real scenarios and enhancing their safety awareness.



Employees Participating in Fall Prevention Emergency Drills

Shaoxing (Yuecheng District) Base actively responded to SUPOR's Work Safety Activity Month, hosting a variety of vibrant activities such as EHS theme base on-site quiz, safety project challenges, voluntary fire brigade competitions, pre-shift fire safety training, and management safety inspections. The mobilization reached over 3,000 individuals, truly reflecting the theme that "Everyone concerns about safety, everyone knows how to respond to emergencies".



Safety Activity Month

Case Opening health lectures at the Wuhan Base

Our Wuhan Base developed an annual training plan for work safety, conducted *Occupational Health Management* themed training during the reporting period and invited external medical units to conduct *High-Quality CPR, AED Use, and Heatstroke Prevention* training across various departments. The "Healthy Hanyang" public health lecture was offered to employees, spreading awareness of the importance of health and occupational health knowledge.

Case Work Safety Training at Hangzhou Base

During the reporting period, our Hangzhou Base conducted emergency responder certification training, with 36 individuals completing all online training and examinations. They participated in offline training co-organized by the Binjiang District Red Cross, learning first aid theory and relevant rescue knowledge. 28 individuals completed assessments for CPR and bandaging, receiving emergency responder certificates. Additionally, in July, occupational hazard and prevention training was organized. Employees exposed to occupational hazards participated in on-site training, learning about occupational health laws and regulations, and how to identify, monitor, and test for occupational disease hazards. 60 individuals passed the on-site examination.



Emergency Ambulance Certification Training



Occupational Hazard and Prevention Training



Wellness Training

6.5 Enjoy Life

Supor remains steadfast in its commitment to employee welfare, striving to foster a congenial workplace milieu. This is manifested through a variety of initiatives aimed at promoting activities, supporting employees' familial and personal well-being, attending to their holistic health, and enriching workplace welfares to facilitate a balanced life-work synthesis.

Cultivating a Comfortable Work Environment

In pursuit of establishing an agreeable and gratifying work environment, the Company has introduced initiatives such as commemoration of employment anniversaries, awarding gold and silver medals for 20 and 10 years of service respectively, and organizing Lunch & Learn Sessions. These endeavors are designed to amplify employees' sense of affiliation and contentment.

To meet the diverse culinary preferences of our employees and ensure healthy, reassuring, and enjoyable dining experience, our cafeteria continuously updates its menu by introducing specialty dishes and noodle varieties. By customizing daily specials based on employee feedback and featuring unique dishes every Friday, employee satisfaction has significantly increased, making daily meals surprising. Concurrently, the Company emphasizes mental well-being through the implementation of the Employee Assistance Program (EAP), offering a suite of psychological services.



New Cafeteria Offerings in a Base



Employment Anniversary Celebrations



Gold and Silver Medal for Recognition

Lunch Sharing Meeting

The "Lunch & Learn" initiative constitutes an educational forum available to all Supor personnel, merging direct instructions with virtual broadcasts. These gatherings are designed to disseminate knowledge in an atmosphere of ease and engagement, promoting a culture of comprehensive learning and sharing among employees.

Case Employee Assistance Program (EAP) at Wuhan Base

Focusing on the mental wellness of our staff, our Wuhan Base provides an array of specialized, confidential psychological services to all employees. These services aim to bolster psychological resilience and mental health standards, ensuring a supportive work environment. During the reporting period, mental health assessments were conducted, involving 102 participants in diagnostics; 12 on-site psychological counseling sessions serving 60 individuals; and 2 group counseling sessions benefiting over 60 individuals.

Psychological health examination



Psychological consultation



Group counseling



Encouraging all forms of sports, the Company organizes sports activities aligned with the interests and preferences of its employees. Football, basketball, and badminton clubs have been established and expanded, with internal selection for leisure group and professional group. Employees are invited to engage in weekly training, partake in internal contests, and compete in external sports events and worker's contests held by local government, with accolades serving as motivation. These activities create a platform for employees to exhibit their sportsmanship, underlining the importance of fitness and competitive spirit.



Supporting Employees Lives

Supor consistently focuses not only on cultivating a productive workplace atmosphere but also on enhancing the quality of employees lives, aiming to boost their overall happiness and satisfaction. During the reporting period, various initiatives such as suite renovations and detailed management improvements in dormitory buildings were undertaken across all bases to provide a warmer and more comfortable living environment, effectively elevating the standard of employees' residential life.



Social Contribution

Supor actively fulfills its corporate social responsibility by advancing a wide range of public welfare activities and community services. Through initiatives like Supor Primary School and the Supor Future Artist of Life, the Company continues to increase its contributions to public welfare, advancing educational aid, community co-construction, and public assistance to benefit a broader segment of the population. Simultaneously, the Company fosters the spirit of volunteer service, encouraging employees to actively participate in volunteer activities and contribute to society.

During the reporting period, Supor donated approximately 8.67 million CNY, with volunteer activities totaling 702 hours.

7.1 Education Assistance	54
7.2 Community Co-construction	57
7.3 Public Welfare Assistance	58



7.1 Education Assistance

Adhering to the Company's vision and mission, the Company continues to implement public welfare education assistance projects, and donates funds to improve basic education conditions in remote mountainous areas of central and western China. This includes enhancing schools' teaching and living functions, encouraging employee participation in educational volunteer activities, and providing ongoing training and incentives for rural teachers. This support aims to boost the management capabilities and characteristics development of mountain village schools, promoting equal educational opportunities.

Supor Primary School

The Company has continuously supported China's basic education public welfare for 16 years, implementing the "Supor Primary School" public welfare education support project. To date, the Company has donated to build 28 Supor Primary Schools in remote mountainous areas across 12 provinces including Qinghai, Hubei, Yunnan, Sichuan, Guizhou, Jiangxi, Hunan, Guangxi, Henan, Shaanxi, Gansu, and Hebei, with a total investment of over 30 million CNY. This initiative has fundamentally assisted more than 20,000 students and teachers in remote areas, with plans to gradually increase support based on needs.



Investment over
30 million CNY
(accum.)



Establishment of
28 Supor
Primary Schools
(accum.)



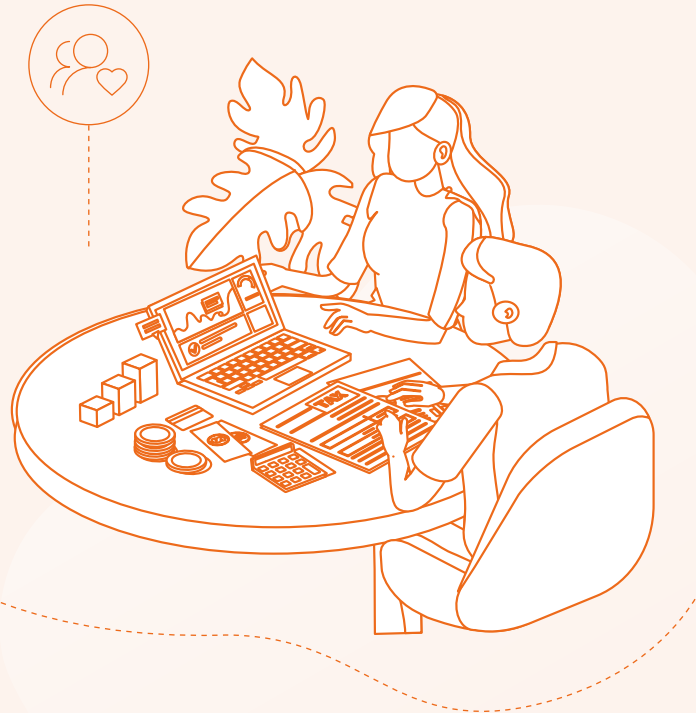
Over
20,000
students and
teachers in remote
areas have been
assisted (accum.)



Supor Primary School

Volunteer Activities and Employee Participation

Supor collaborates with public welfare partners to comprehensively carry out various activities beneficial to the growth of rural children, support the management improvement, curriculum optimization, and developmental progress of primary schools in mountainous areas. The employees of Supor actively participated in these activities as well.



Case Volunteer Activity Examples

On the eve of the Children's Day, hundreds of Supor employees participated in the "Running for Kids" event, donating their steps converted into more than 30,000 CNY to assist children in need.



On the eve of the Children's Day, hundreds of Supor employees participated in the "Running for Kids" event, donating their steps converted into more than 30,000 CNY to assist children in need.

During the public welfare week in December, employee volunteers visited Qinglong Dasendian Supor Primary School in Hebei, offering interest classes in cooking, crafts, reading, and hosting to the children, spending joyful time together.



Employee participation in teaching children's interest classes

Promoting Education Equality

Supor actively cooperates with rural education experts, educational institutions, and public welfare organizations to explore teacher training methods suited to the needs of rural schools in the west and provide platforms for the growth and exchange of teachers at Supor Primary Schools. The Company focuses on enriching educational methods and content, continuously promoting school management improvement, curriculum optimization, and developmental progress. To date, 10 sessions of rural teacher training have been conducted at Supor Primary Schools, involving over 200 core teachers in rural areas in various educational training and exchange activities, laying a solid foundation for the long-term development of Supor Primary Schools.



10 sessions of rural teacher training have been conducted at Supor Primary Schools



involving over **200** core teachers in rural areas in various educational training and exchange activities



Case Education Assistance Examples

In the summer of 2023, the Supor Primary School Rural Teacher Exchange Program was resumed, with 41 rural teachers supported by the Company coming to Hangzhou for educational exchanges.



Teacher Exchange and Training Program

Supor, in collaboration with public welfare partners, continues to offer online live classes in arts, foreign languages, and science for 14 Supor Primary Schools, enhancing the connection of students and teachers in mountainous areas with the outside world, ensuring that children there also have access to quality education.



Online Courses

7.2 Community Co-construction

Supor Future Artist of Life

The Company is committed to the new philanthropic principle of "sharing a better life with each child". We persistently advance our public welfare project, "Supor Future Artist of Life", aiming to leverage our corporate business resources to encourage diverse life and labor education activities across schools. Our goal is to collectively nurture a new generation of young individuals who are future-oriented, passionate about life, and caring towards their families.

Research Study Activities

As a member of the "Binjiang District Science and Education Alliance" in Hangzhou, Supor actively promotes the initiation and perfection of corporate research and study functions. We have hosted numerous extracurricular research and study activities for local primary and secondary schools, with over 200 students visiting Supor in 2023. This not only serves as a form of corporate community service but also represents our brand's commitment to the new generation.

Guided by local educational policies, we support the enhancement of scientific interests and popular science education among the youth of surrounding communities, thereby promoting high-quality educational development.

Case Visit to Supor by Binjiang Experimental Primary School

Students from Binjiang Experimental Primary School in Hangzhou embarked on a research and study tour to Supor. Under the guidance of their teachers, they learned about Supor's entrepreneurial journey, the principles of rice cooker manufacturing, and the production process, experiencing our smart products firsthand.



Study Tour

Supporting Quality Education

Supor carries out labor education support work in schools, cities, and villages across various locations, tailoring its efforts to local conditions. We actively cooperate with schools in the design of labor Education Spaces, functional planning, and curriculum development, providing support in terms of products, technology, and resources. To date, over 20 urban and rural schools across Hangzhou, Shaoxing, Lishui, Wuhan, Xingyi, and more have received support, creating life education space and conducting life skills classes, enabling children to achieve better growth through practical experiences.

Case Supor Full-Scene Kitchen Creative Space at Hangzhou Wentao Primary School

In collaboration with Supor and other high-tech and construction companies, Wentao Primary School has created a full-scene cooking training classroom within the school. Supor employees participate by guiding students in cooking and conducting safety training.



Education Space

7.3 Public Welfare Assistance

Rural Revitalization

The Company actively responds to the national policies of rural revitalization. Using schools as platforms, we engage in rural education practices, and carry out various beneficial public welfare actions for the growth of rural children. We join hands with like-minded public welfare partners to contribute to the realization of a better life and society in rural areas.

Case Donation of Materials to Rural Areas

In October 2023, through the YouChange China Social Entrepreneur Foundation, the Company donated more than 250,000 water cups and dining utensils for children to kindergartens in rural areas of Yunnan, Guangxi, Guizhou, Chongqing, and more.



Donating Water Cups and Dining Utensils to Kindergartens

Earthquake Relief Work

In the face of natural disasters, the Company actively fulfills its social responsibilities by participating in rescue and assistance efforts to support disaster-stricken communities.

Case Donating Earthquake Relief Materials

In December 2023, a sudden 6.2 magnitude earthquake hit Jishishan County in Linxia, Gansu, and its surrounding areas. Supor promptly responded and collaborated with the YouChange China Social Entrepreneur Foundation to donate 1,500 electric heaters and 1,500 thermal water kettles, bringing warmth and care to the affected residents.



collaborated with the YouChange China Social Entrepreneur Foundation to donate

1,500 electric heaters



and **1,500** thermal water kettles






Donating Relief Materials

Appendix

Climate Change Risk and Opportunity Analysis Table

Climate Change Risk Analysis

Risk Type	Climate Risk	Impact Description	Supor's Mitigation Measures
 Physical risks	Typhoon	Our bases, particularly those in China's coastal provinces, are vulnerable to typhoons and other extreme weather events, potentially leading to regional power outages or shortages, thereby affecting production schedules or causing halts.	The Company adheres to strategies outlined in the <i>Responding to Climate Change: China's Policies and Actions</i> , enhancing our climate resilience through the establishment of <i>Environmental Emergency Plans</i> . Concretely, we have set up a headquarters for environmental emergencies, and managed incidents hierarchically to mitigate climate risks across all bases. Notably, to manage electrical risks, bases adopt staggered electricity usage patterns. Moreover, a <i>Business Continuity Plan (BCP)</i> has been tailored for specific facilities to address extreme weather impacts.
	Flood	The escalation of global warming amplifies water risk, increasing the frequency of flooding. The Company's factories in Hangzhou, Shaoxing, and Yuhuan, Zhejiang Province, are exposed to flood risks, which could damage production lines, storage facilities, and electrical installations, leading to financial losses.	
	Rising Temperatures	Increased temperatures, particularly during summer, boost the demand for cooling in production processes, elevating electricity consumption. Additionally, high temperatures may increase employee fatigue and the risk of heat-related illnesses.	
	Sea Level Rise	The Company's primary production bases, located in coastal areas of Southeast and South China, face threats from sea erosion and operational damage, potentially impacting the entire supply chain, especially coastal suppliers and partners.	
 Transitional risks	Policy and legal risks	The evolution of national and regional legal frameworks introduces stringent climate change mitigation and adaptation requirements for enterprises, elevating potential compliance costs and litigation risks.	The Company monitors and tracks emerging legislation diligently, ensuring proactive compliance with new legal and regulatory standards.
	Environmental Information Disclosure	The refinement of carbon management and trading schemes imposes higher environmental information disclosure demands from exchanges, capital markets, and rating organizations, posing risks of regulatory penalties and reputational damage.	The Company has put into place an internal environmental information management system, enhancing regulation and audit processes to guarantee the accuracy and authenticity of environmental disclosures. Furthermore, the Company engages in carbon and pollutant discharge trading, detailing our carbon footprint in the annual ESG report.

Risk Type	Climate Risk	Impact Description	Supor's Mitigation Measures
 Transitional risks	Technological innovation risks	The development of low-carbon products necessitates eco-friendly materials and energy-efficient technologies, presenting challenges in technological uncertainty and cost.	We invest in low-carbon product R&D and energy-efficient domestic appliances, fostering a culture of innovation through comprehensive incentive programs and cross-sectoral collaborations.
	Market preferences	Rising consumer awareness towards sustainable consumption and carbon footprint reduction shifts consumers' preferences towards low-energy products. Failing to align with these expectations in product design and certification may risk customer attrition and revenue loss.	Our product design and manufacturing processes prioritize energy saving and environmental conservation, engaging in third-party certifications to align with consumer expectations.
	Stakeholders' rising environmental concerns	As sustainability issues gain prominence, customers, investors, and other stakeholders increasingly focus on the Company's sustainability performance. Subpar disclosures may tarnish the corporate image and reputation, diminishing capital market recognition.	The Company emphasizes transparency in our annual ESG report, truthfully discloses our ESG performance, and continuously ensures environmental compliance through robust environmental management practices.

Climate Opportunity Identification

Climate Opportunity	Opportunity Impact Description	Countermeasures
 Policy support and incentives	In pursuit of the country's "carbon peaking and carbon neutrality" goals, the government has introduced a package of support and incentive policies in the fields of energy efficiency, environmental protection, and renewable energy. These may include tax reductions, technical support, subsidies, and facilitated market access.	The Company remains vigilant to regional and national policies related to sustainable development, climate change subsidies, tax reductions, and carbon emission restrictions, and maintains close cooperation with governmental bodies through continuous communication to capitalize on policy opportunities.
 Low-carbon products and services	Implementing low-carbon production solutions and launching a series of certified eco-friendly products can tilt the market towards a low-carbon direction. Technology sharing and collaboration within the industry, as well as potential low-carbon production model sharing, will help further reduce production costs.	The Company has engaged in extensive cross-industry and organizational collaborations to drive the development of products and services, promoting resource and information sharing, and elevating the overall industry standard.
 Renewable resource utilization	Against the backdrop of potentially rising fossil fuel costs, proactive planning and gradual adjustment of the energy structure in production to favor green energy can secure long-term cost advantages. Furthermore, utilizing renewable energy significantly can significantly reduce the Company's operational carbon footprint and greenhouse gas emissions, thus enhancing corporate responsibility and brand value.	The Company actively responds to the initiative for high-quality development leap, accelerating energy transition and advancing the deployment of renewable energy. Our base in Yuhuan currently operates a photovoltaic project expected to generate 5 million kWh annually. The base in Vietnam is installing photovoltaic equipment, with an expected annual generation of 2.525 million kWh.
 Market preferences	The intensification of global climate change scenarios, with increasingly frequent extreme cold and hot weather, has raised consumer interest in heating and cooling appliances year by year. Additionally, the consumer market is becoming increasingly aware of the environmental impact of their purchasing behaviors, prioritizing eco-friendly and low-energy products.	The Company strives to produce products that satisfy and meet consumer needs, and focuses on green transformation and upgrades in product manufacturing and design. Using renewable materials, energy-saving technologies, and actively pursuing relevant certifications demonstrate the Company's sustainable approach.

Global Reporting Initiative (GRI Standards) Content Index

Criteria	No.	Content	Corresponding report sections
GRI 2 series General Disclosures	GRI 2-1	Organizational details	1.1 Overview
	GRI 2-2	Entities included in the organization's sustainability reporting	About this Report
	GRI 2-3	Reporting period, frequency of reporting and contact point	About this Report
	GRI 2-4	Restatements of information	Undisclosed
	GRI 2-5	External assurance	Undisclosed
	GRI 2-6	Activities, value chains and other business relationships	1.1 Overview
	GRI 2-7	Employees	6.1 Rights and Interests Protection
	GRI 2-8	Workers who are not employees	6.1 Rights and Interests Protection
	GRI 2-9	Governance structure and composition	2.1 Organizational Structure
	GRI 2-10	Nomination and selection of the highest governing body	2.1 Organizational Structure
	GRI 2-11	Chair of the highest governance body	2.1 Organizational Structure
	GRI 2-12	Role of the highest governance body in overseeing the management of impacts	1.2 ESG Management
	GRI 2-13	Delegation of responsibility for managing impacts	1.2 ESG Management
	GRI 2-14	Role of the highest governing body in sustainability reporting	1.2 ESG Management
	GRI 2-15	Conflicts of interest	2.2 Risk Control
	GRI 2-16	Communication of critical concerns	1.2 ESG Management
	GRI 2-17	Collective knowledge of the highest governance body	2.1 Organizational Structure
	GRI 2-18	Evaluation of the performance of the highest governance body	2.1 Organizational Structure
	GRI 2-19	Remuneration policies	6.2 Welfare Support
	GRI 2-20	Process for determining remuneration	2.1 Organizational Structure
	GRI 2-21	Annual total compensation ratio	Undisclosed
	GRI 2-22	Statement on sustainable development strategy	Message from CEO
	GRI 2-23	Policy commitments	2.3 Business Ethics and Clean Governance
	GRI 2-24	Embedding policy commitments	Message from CEO
	GRI 2-25	Processes to remediate negative impacts	2.2 Risk Control

Criteria	No.	Content	Corresponding report sections
GRI 2 series General Disclosures	GRI 2-26	Mechanisms for seeking advice and raising concerns	1.2 ESG Management
	GRI 2-27	Compliance with laws and regulations	Message from CEO
	GRI 2-28	Membership associations	3.1 Quality Management
	GRI 2-29	Approach to stakeholder engagement	1.2 ESG Management
GRI 3 series Material Topics	GRI 2-30	Collective bargaining agreements	1.2 ESG Management
	GRI 3-1	Process to determine material topics	1.2 ESG Management
	GRI 3-2	List of material topics	1.2 ESG Management
GRI 200 series Economic Disclosures	GRI 3-3	Management of material topics	1.2 ESG Management
	GRI 201-1	Direct economic value generated and distributed	Awards and Honors
	GRI 201-2	Financial implications and other risks and opportunities due to climate change	5.1 Climate Action
	GRI 201-3	Defined benefit plan obligations and other retirement plans	6.2 Welfare Support
	GRI 201-4	Financial assistance received from government	Undisclosed
	GRI 202-1	Ratios of standard entry level wage by gender compared to local	Undisclosed
	GRI 202-2	The proportion of senior managers hired from the local community	Undisclosed
	GRI 203-1	Infrastructure investment and services supported	7.2 Community Co-construction
	GRI 203-2	Significant indirect economic impact	Key Performance
	GRI 204-1	Proportion of spending on local suppliers	Undisclosed
	GRI 205-1	Operations assessed for risks related to corruption	2.3 Business Ethics and Clean Governance
	GRI 205-2	Communication and training about anti-corruption policies and procedures	2.3 Business Ethics and Clean Governance
	GRI 205-3	Confirmed incidents of corruption and actions taken	2.3 Business Ethics and Clean Governance
	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.3 Business Ethics and Clean Governance
	GRI 207-1	Approach to tax	2.2 Risk Control
	GRI 207-2	Tax governance, control, and risk management	2.2 Risk Control
	GRI 207-3	Stakeholder engagement and management of concerns related to tax	1.2 ESG Management
	GRI 207-4	Country-by-country reporting	Undisclosed

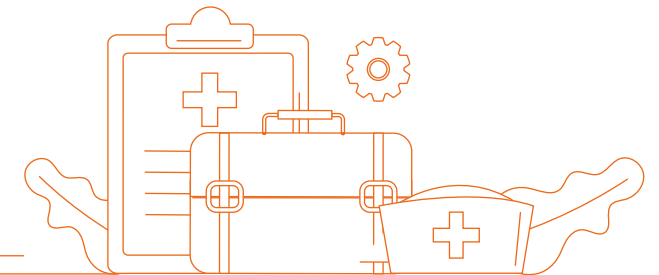
Criteria	No.	Content	Corresponding report sections
GRI 300 series Environmental Disclosures	GRI 301-1	Materials used by weight or volume	5.4 Circular Economy
	GRI 301-2	Recycled input materials used	5.4 Circular Economy
	GRI 301-3	Reclaimed products and their packaging materials	5.4 Circular Economy
	GRI 302-1	Energy consumption within the organization	5.2 Environmental-Friendly Operations
	GRI 302-2	Energy consumption outside of the organization	5.2 Environmental-Friendly Operations
	GRI 302-3	Energy intensity	5.2 Environmental-Friendly Operations
	GRI 302-4	Reduction of energy consumption	5.2 Environmental-Friendly Operations
	GRI 302-5	Reductions in energy requirements of products and services	5.2 Environmental-Friendly Operations
	GRI 303-1	Interactions with water as a shared Resource	5.3 Resource Management
	GRI 303-2	Management of water discharge-related impacts	5.3 Resource Management
	GRI 303-3	Water withdrawal	5.3 Resource Management
	GRI 303-4	Water discharge	5.3 Resource Management
	GRI 303-5	Water consumption	5.3 Resource Management
	GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Undisclosed
	GRI 304-2	Significant impacts of biodiversity, products and services on biodiversity	Undisclosed
	GRI 304-3	Habitats protected or restored	Undisclosed
	GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Undisclosed
	GRI 305-1	Direct (Scope 1) GHG emissions	5.2 Environmental-Friendly Operations
	GRI 305-2	Energy indirect/Scope 2 GHG emissions	5.2 Environmental-Friendly Operations
	GRI 305-3	Other indirect/Scope 3 GHG emissions	Undisclosed
	GRI 305-4	GHG emission intensity	Undisclosed
	GRI 305-5	Reduction of GHG emissions	Undisclosed
	GRI 305-6	Emissions of ozone-depleting substances (ODS)	Undisclosed
	GRI 305-7	Nitrogen oxides (NO _x), Sulfur oxides (SO _x), and other significant air emissions	Undisclosed

Criteria	No.	Content	Corresponding report sections	
GRI 300 series Environmental Disclosures	GRI 306-1	Waste generation and waste-related significant impacts	5.2 Environmental-Friendly Operations	
	GRI 306-2	Management of waste-related significant impacts	5.2 Environmental-Friendly Operations	
	GRI 306-3	Waste generated	5.2 Environmental-Friendly Operations	
	GRI 306-4	Wastes diverted from disposal	5.2 Environmental-Friendly Operations	
	GRI 308-1	New suppliers that were screened	4.2 Access, Monitoring, and Elimination	
	GRI 308-2	Negative environmental impacts in the supply chain and actions taken	4.4 Responsible Procurement	
	GRI 400 series Social Disclosures	GRI 401-1	New employee hires and employee Turnover	6.1 Rights and Interests Protection
		GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.2 Welfare Support
GRI 401-3		Parental leave	6.2 Welfare Support	
GRI 402-1		Minimum notice periods regarding operational changes	Undisclosed	
GRI 403-1		Occupational Health and Safety Management System	6.4 Safety and Health	
GRI 403-2		Hazard identification, risk assessment, and incident investigation	6.4 Safety and Health	
GRI 403-3		Occupational health service	6.4 Safety and Health	
GRI 403-4		Worker participation, consultation, and communication on occupational health and safety	6.4 Safety and Health	
GRI 403-5		Worker training on occupational health and safety	6.4 Safety and Health	
GRI 403-6		Promotion of worker health	6.4 Safety and Health	
GRI 403-7		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.4 Safety and Health	
GRI 403-8		Workers covered by an occupational health and safety management system	6.4 Safety and Health	
GRI 403-9		Work-related injuries	Undisclosed	
GRI 403-10		Work-related ill health	6.4 Safety and Health	
GRI 404-1		Average hours of training per employee per year	6.3 Training and Growth	
GRI 404-2		Programs for upgrading employee skills and transition assistance programs	6.4 Safety and Health	
GRI 404-3		Percentage of employees receiving regular performance and career development reviews	6.3 Training and Growth	

Criteria	No.	Content	Corresponding report sections
GRI 400 series Social Disclosures	GRI 405-1	Diversity of governance bodies and employees	6.1 Rights and Interests Protection
	GRI 405-2	Ratio of basic salary and remuneration of women to men	Undisclosed
	GRI 406-1	Incidents of discrimination and corrective actions taken	6.1 Rights and Interests Protection
	GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.1 Stable Supply 4.4 Responsible Procurement
	GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	4.1 Stable Supply 4.4 Responsible Procurement
	GRI 409-1	Operators and suppliers at significant risk for incidents of forced or compulsory labor	4.1 Stable Supply 4.4 Responsible Procurement
	GRI 411-1	Incidents of violations involving rights of indigenous peoples	4.1 Stable Supply 4.4 Responsible Procurement
	GRI 414-1	New suppliers that were screened using social criteria	4.3 Suppliers' Integrity and Business Ethics
	GRI 415-1	Political contributions	Undisclosed
	GRI 416-1	Assessing the health and safety impacts of product and service categories	3.1 Quality Management
	GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.1 Quality Management
	GRI 417-1	Requirements for product and service information and labeling	3.1 Quality Management
	GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	Undisclosed
	GRI 417-3	Incidents of non-compliance concerning marketing communications	Undisclosed
	GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.4 Cybersecurity, Information Security, and personal information Protection

Sustainability Accounting Standards Board (SASB) Index for the Domestic Appliance Manufacturing Industry

Criteria	No.	Content	Corresponding report sections
Product Safety	CG-AM-250a.1	Number of recalls issued and total units recalled	3.1 Quality Management
	CG-AM-250a.2	Discussion of process to identify and manage safety risks associated with the use of its products	3.1 Quality Management
	CG-AM-250a.3	Total amount of monetary losses as a result of legal proceedings associated with product safety	3.1 Quality Management
Impact of product life cycle on the environment	CG-AM-410a.1	Percentage of eligible products by revenue certified to an energy efficiency certification	Undisclosed
	CG-AM-410a.2	Percentage of eligible products by revenue certified to an environmental product lifecycle standard	Undisclosed
	CG-AM-410a.3	Description of efforts to manage products' end-of-life impacts	5.4 Circular Economy



Reader Feedback

Dear readers,

Greetings! We appreciate you taking the time to read this report amidst your busy schedule. To continuously enhance our sustainable development management and the disclosure of environmental, social, and governance (ESG) information disclosure, we sincerely welcome your valuable feedback and suggestions. Please assist by completing this page and returning it to us via the following methods.

Email: sustainability@supor.com

Address: Legal Department at 15F of Supor Building, No.1772 Jianghui Road, New & High Tech Development Zone, Hangzhou, China

1. What is your stakeholder category in relation to Supor?

- Government Media Society and the public Non-governmental organizations
 Employees Consumers Partner (supplier & distributor)

2. How would you rate this report overall?

- Good Better Average Relatively poor Poor

3. What is your opinion on the quality of the environmental, social, and governance information disclosed in this report?

- High Relatively high Average Relatively poor Poor

4. How do you find the structure of this report?

- Good Better Average Relatively poor Poor

5. How would you rate the readability of this report?

- Good Better Average Relatively poor Poor

6. Which part of this report interests you the most?

- Corporate Governance Products and Services Sustainable Supply Chains
 Environmental Responsibility Putting People First Social Contribution

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

8. Your comments and suggestions on the compliance of the Company's environmental, social, and governance responsibility report:

If convenient, please leave your contact information:

Name: _____ Occupation: _____ Employer: _____

Postal code: _____ Email: _____ Contact number: _____

Address: _____

We will take your opinions and suggestions seriously and promise to keep your information confidential.

SUPOR