



## 2022 Environmental, Social and Governance (ESG) Report of Appotronics



# Content

● <b>About the Report</b> >>	<b>02</b>	● <b>Innovation leads the vigorous development of the industry</b> >>	<b>55</b>
● <b>Preface</b> >>	<b>03</b>	Promote synergistic progress in the industry	<b>57</b>
Chairman Statement	<b>05</b>	Expand the social influence of products	<b>61</b>
Sustainable development	<b>07</b>	● <b>Company employees growing together</b> >>	<b>63</b>
Outstanding ESG performance	<b>07</b>	Safeguard employee rights and communication	<b>65</b>
Appotronics and SDGs	<b>13</b>	Support employee development	<b>71</b>
Approaching Appotronics	<b>14</b>	Ensure employee safety	<b>75</b>
● <b>Sustainable R&amp;D Innovation</b> >>	<b>17</b>	● <b>Reliable environmental and climate management</b> >>	<b>79</b>
Maintain technological leadership	<b>19</b>	Disclosure of climate information	<b>81</b>
Protect intellectual property rights	<b>23</b>	Environmental management system	<b>83</b>
Innovation facilitates energy conservation and emission reduction	<b>24</b>	● <b>Resilient and sustainable procurement</b> >>	<b>89</b>
Inherit excellent culture	<b>25</b>	Responsible supply chain	<b>91</b>
● <b>Responsible ESG management</b> >>	<b>27</b>	Conflict Minerals	<b>92</b>
Improve ESG governance	<b>29</b>	● <b>Influential social welfare</b> >>	<b>93</b>
Identify stakeholders	<b>29</b>	Pay attention to ural revitalization	<b>95</b>
ESG topics identification	<b>31</b>	Popularize science and technology actively	<b>97</b>
Take ESG Actions	<b>33</b>	Jointly fight the COVID-19, watch out for and help each other	<b>98</b>
● <b>Diversified corporate governance structure</b> >>	<b>35</b>	● <b>Appendix</b> >>	<b>99</b>
Strengthen corporate governance	<b>37</b>	GRI Index	<b>99</b>
Adhere to integrity and compliance	<b>40</b>	● <b>Feedback</b> >>	<b>104</b>
Emphasize digital construction	<b>43</b>		
● <b>Safe and reliable products</b> >>	<b>45</b>		
Optimize quality management	<b>47</b>		
Adhere to responsible marketing	<b>52</b>		
Safeguard information security	<b>54</b>		

# About the Report

## Brief Introduction

This report is the environmental, social, and governance ("ESG") report released by Appotronics Corporation Limited ("Appotronics", "Company", or "We", stock code: 688007. SH) for the year 2022. It is also the fourth non-financial information report of the Company since its listing, reflecting the practice and performance of the Company and its subsidiaries in terms of ESG.

## Reporting period

This report is an annual report covering the financial year from January 1, 2022 to December 31, 2022 ("Reporting period"), and some related information may be traced beyond the reporting period.

## Reporting Scope

The policies and data provided in this report cover our Company and its subsidiaries, and the scope of the report is consistent with the annual report. Unless otherwise specified, all currencies involved are RMB. The data and cases in this report mainly derive from our Company's statistical reports and related documents.

## Compilation Basis

This report is based on the Global Reporting Initiative ("GRI Standards") issued by the Global Sustainability Standards Board ("GSSB"), and the China Corporate Social Responsibility Report Guidelines (CASS-ESG 5.0), in accordance with Appendix 27 of the Listing Rules of the Stock Exchange of Hong Kong Limited, Environmental, Social and Governance Reporting Guidelines, "Recommendations Report on Climate Related Financial Information Disclosure" by the Task Force on Climate-Related Financial Disclosure ("TCFD") and the United Nations' Sustainable Development Goals ("SDGs"). At the same time, it complies with relevant opinions and guidelines such as the "Code of Corporate Governance for Listed Companies", the "Self-regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange's Sci-Tech Innovation Board ("STAR") No. 1- Standardized Operation", the "Rules Governing the Listing of Stocks on Shanghai Stock Exchange's Sci-Tech Innovation Board", and the "Guidelines for the Compilation of Social Responsibility Reports" (GB/T36001). The report also meets the relevant opinions and guidelines of the Shanghai Stock Exchange's "Guidelines for Environmental Information Disclosure of Listed Companies" and "Report on Corporate Social Responsibility".

## Data Source and Reliability

All data and contents have been reviewed by the Company's management before the release of this report. We promise that there are no false records, misleading statements, or significant omissions in the materials of this report, and will assume individual and joint responsibilities concerning the objectivity and authenticity of its contents.

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**For more information, please visit:** <https://www.appotronics.com/shehuizeren.html>

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# 01

## Preface



## Chairman Statement

"Uncertain times", so says the Human Development Report of the United Nations in September 2022, about the current status of human development. The report also underscores that innovation will be the core of successfully addressing many unforeseeable and unknown challenges in the future.

We deeply realize that only when we develop ourselves can we address multiple external uncertainties, that is, we must adhere to technological innovation and pursue sustainable and high-quality development.

Looking back, we have been keeping a pulse on technology innovation every step of the way, which is also the optimal choice for listed companies to pursue high-quality development. The ESG reports voluntarily released by STAR enterprises, as a response to non-financial indicators of the environment, society, and corporate governance, also provide more opportunities for technology-based enterprises to be seen.

Firstly, we are pleased that our ESG work in 2022 has been recognized by various sectors of society, earning the "Chunhui Action Contribution Award" by the Organization Department of the Guizhou Province, the A-level rating given by Wind ESG, and the Cailian Press Social Responsibility Pioneer Enterprise Award. At the same time, we have made great efforts in environment, society and governance with typical achievements as below:

In terms of technological innovation, we always adhere to the long-term principle of high investment. In 2022, our R&D investment reached RMB262 million, accounting for 10.31% of revenue. We have 521 R&D personnel, accounting for 31.83% of the Company's total employees. The Company has had 1773 patents filed or granted cumulatively around the globe, of which 966 patents have been granted, alongside a "National Intellectual Property Exemplary Enterprise" award. Breakthroughs have been made in automotive optics, AR optical modules, ALPD® 5.0, zero-back focus technology, intelligent robot fusion and others, continuous contributions to the society in terms of technological innovation in the laser display field.

A new entrant to the auto industry, we have relied on our years of deep accumulation in the field of optics to quickly complete the implementation of our automotive optics business, a one-year achievement ranging from obtaining the IATF 16949:2016 international quality management system certification to obtaining the designation statuses by domestic and international well-known enterprises such as BYD, an international car company, and SERES. BMW's i Vision Digital Emotional Experience (Dee), globally debuted this year, is equipped with the core components provided by Appotronics, marking the successful global debut of four-window fusion display technology. At the 20th Shanghai Auto Show, we first launched our demonstration automotive equipped with an immersive laser display and lighting technology scene, alongside the world's first standard color laser headlights, as well as immersive digital interaction solutions for car windows, transparent interior display, interior entertainment screen, and smart surfaces. We are working together with industry chain ecological partners to create a new intelligent car experience for consumers through three major product lines: automotive display, HUD, and laser headlights. With the rapid development of AI technology represented by ChatGPT and the iterative progress of intelligent cabins, the immersive digital experience space of intelligent cars supported by core components of Appotronics will become more creative and imaginative.

What makes us even more proud is that our innovative technology can effectively contribute to energy conservation and emission reduc-



LI Yi Chairman and CEO of Appotronics

tion. Statistics show that 27700 sets of Advanced Laser Phosphor Display ( "ALPD®" ) laser projection solutions have been installed in China, running about 236 million hours in total, saving about 425 million kilowatt hours of electricity, and effectively reducing carbon dioxide emissions by about 186 million cubic meters.

In promoting industrial progress, we, a leader in the laser display industry, apply world-class, standard work experience and are committed to leading and promoting the healthy and sustainable development of the industry. In 2022, we participated in the development of 10 international standards, 9 national standards, 22 industry standards, and 8 group standards, and obtained 4 national enterprise standard "leader" certifications and 6 Shenzhen standard certifications.

Regarding rural revitalization, we provided first-hand assistance by directly purchasing agricultural products from Qianxi townships in Guizhou province, and helped cultural empowerment stimulate rural vitality through introducing in-house developed technology and hardware into rural areas, popularizing aerospace knowledge, disseminating excellent traditional culture and serving young entrepreneurs. In addition, we donated laser screens worth RMB1.2597 million to multiple medical institutions through the Health Commission of Shenzhen Municipality for family education of medical staff's children, expressing our respect for their fights against the COVID-19 pandemic.

As for supporting employee development, we adhere to the "people-oriented" principle and have established a transparent, fair, and interactive corporate culture through organizing CEO face-to-face communication meetings, fresh graduate exchange meetings, and other activities. We also organize diverse team building and club activities to stimulate employee vitality and creativity, release stock incentive plans, gather corporate strategic consensus, and live up to every employee who actively contributes to the Company.

When it comes to the environmental management, we refer to the TCFD's initiatives to assess the potential risks brought by climate change, plan ahead to respond, and seize the development opportunities that climate change may bring, actively responding to the national carbon peaking and carbon neutrality goals. In 2022, our environmental indicators met the standards by third-party professional testing institutions. After production optimization, the average water and electricity consumption per product produced by our factory throughout the year continued to decrease.

With regards to corporate governance, we have established a diversified governance structure, optimized the "three meetings and one layer" operating mechanism, and promoted the continuous optimization of corporate governance efficiency. We received honors such as the Golden Bull Award for Investor Relations Management, the Best Listed Company Board of Directors, and the Best Shareholder Relations Award.

ESG practice has gradually been integrated into all aspects of our work. Going forward, we will be committed to utilizing core laser technology to create a better life experience for people and create better long-term value for our stakeholders.

## Sustainable development

New Light, New Life. Appotronics is committed to utilizing core laser technology to create a better life experience for people and create better long-term value for our stakeholders.

## Outstanding ESG performance

### ESG honors

Wind ESG

2022 Industry Top Rated



Wind ESG A-level rating

中共贵州省委组织部  
贵州省精神文明办  
贵州省农业农村厅  
贵州省教育厅  
共青团贵州省委

黔青联发〔2022〕9号

关于表彰第七届优秀春晖使者、春晖行动工作先进个人、春晖行动工作先进集体、春晖行动贡献奖的决定

各市（州）党委组织部、精神文明办、农业农村局、教育局、团委、省直团工委、省国资委团工委、省属各高校团委：  
在深入学习贯彻习近平总书记视察贵州重要讲话精神和对春晖行动工作的重要指示精神中，全省各地深化社会动员机制，

Guizhou Province "Chunhui Action Contribution Award"

2022财联社ESG致远奖

TRANSCENDENCE AWARDS OF 2022

光峰科技  
社会责任（S）先锋企业奖

2022年12月



Cailian Press Social Responsibility Pioneer Enterprise Award



National Business Daily Qingxin 2022 Green Practice Pioneer-shortlisted

### Other major honors

Award date	Award Issuer	Award name
January	Human Resources and Social Security Bureau of Shenzhen Municipality	Shenzhen Enterprise Postdoctoral Workstation Substation
January	State Administration for Market Regulation	2021 Enterprise Standard "Leader"
January	Industry and Information Technology Bureau of Shenzhen Municipality	Shenzhen Innovative Product Application Promotion Catalog - DLP Laser High Definition Ultra Short Focus Commercial Education Projector AL-DUH610
January	Industry and Information Technology Bureau of Shenzhen Municipality	Shenzhen Innovative Product Application and Promotion Catalog - Laser Highlight Project Projectors AL-TU26K, AL-TU33K
January	Shenzhen Electronic Equipment Industry Association Shenzhen Intelligent Equipment Industry Association	Shenzhen Advanced Manufacturing Pioneer Award
February	Beijing Bureau of Economy and Information Technology	Beijing Specialized and Innovative Small and Medium-size Enterprises(CINEAPPO)
May	Guangzhou Guangya Academy of Light Research	The 10th ALight Award in 2022- Best Award (Appotronics AL-TU33K Project Projector)
June	People's Government of Guangdong Province	The 9th Guangdong Excellence Patent Award
July	China National Intellectual Property Administration	The 23rd China Patent Excellence Award
July	Shenzhen Administration for Market Regulation	Shenzhen Standard Certification for Intelligent Display Terminal Products
August	Technischer Überwachungs-Verein	Witness Test Laboratory qualification
September	Southern Metropolis Daily	Greater Bay Area New Industry Emerging Award
October	China National Intellectual Property Administration	National Intellectual Property Demonstration Enterprise
November	Times Media Group	Brand Value Communication Award
December	Gaogong Intelligent Automotive Industry Institute	Annual Intelligent automotive Industry Chain Innovation Technology Award
December	Shenzhen Electronic Equipment Industry Association Shenzhen Intelligent Equipment Industry Association	2022 Shenzhen Advanced Manufacturing Industry "Red Sail Award"
December	Shenzhen Administration for Market Regulation Bureau of Civil Affairs of Shenzhen Municipality Shenzhen Performance Excellence Management Foundation Shenzhen Quality Innovation Technology Alliance	2022 "Outstanding Innovation Award"

Award date	Award Issuer	Award name
December	Roadshow China's IR unit	Best Shareholder Relations Award
December	China Video Industry Association	Technology Innovation Award • Technology Award (MF03H Optical Machinery)
December	China Securities Journal	Public Company Golden Bull Award "2021 Investor Relations Management Award"
December	National Business Daily	Best Board of Directors of Public Companies
December	National Business Daily	Outstanding Brand Cases of Chinese Public Companies in 2022
December	China Association for Public Companies	Best Practices for the 2021 Annual Report Performance Explanation Meeting of Public Companies

Key data indicators >>

Financial highlights:

Unit: yuan Currency: RMB

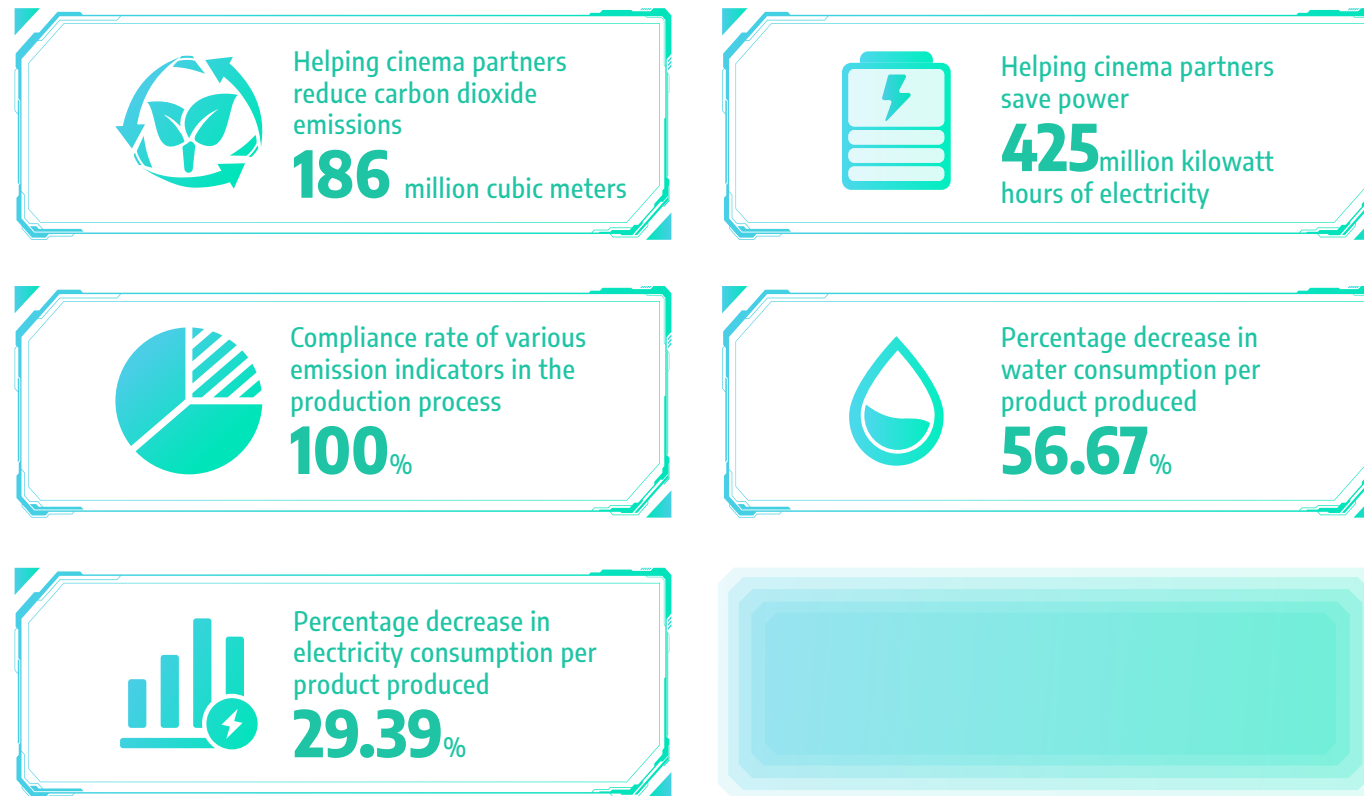


Social Performance:

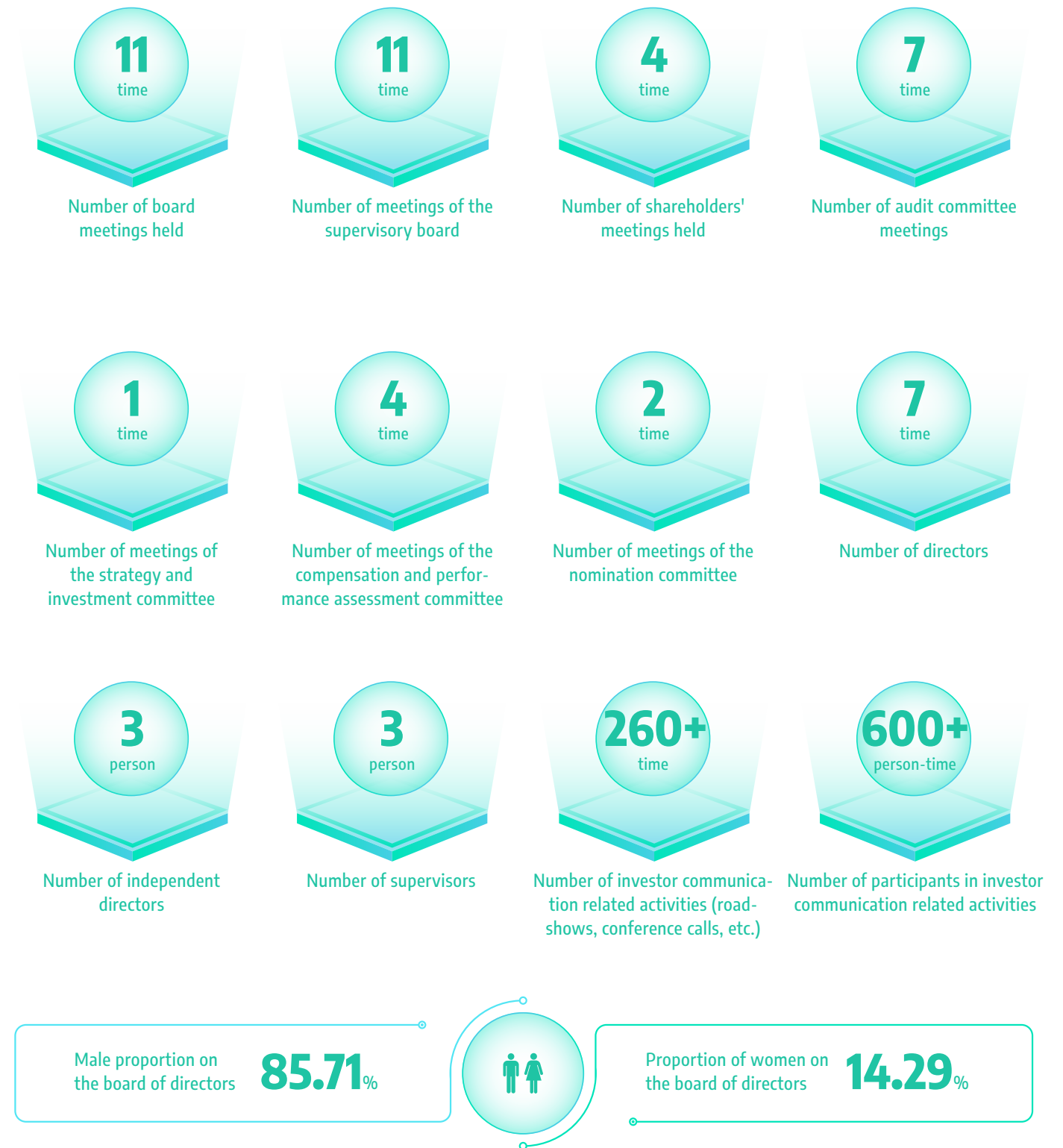




Environmental indicators:



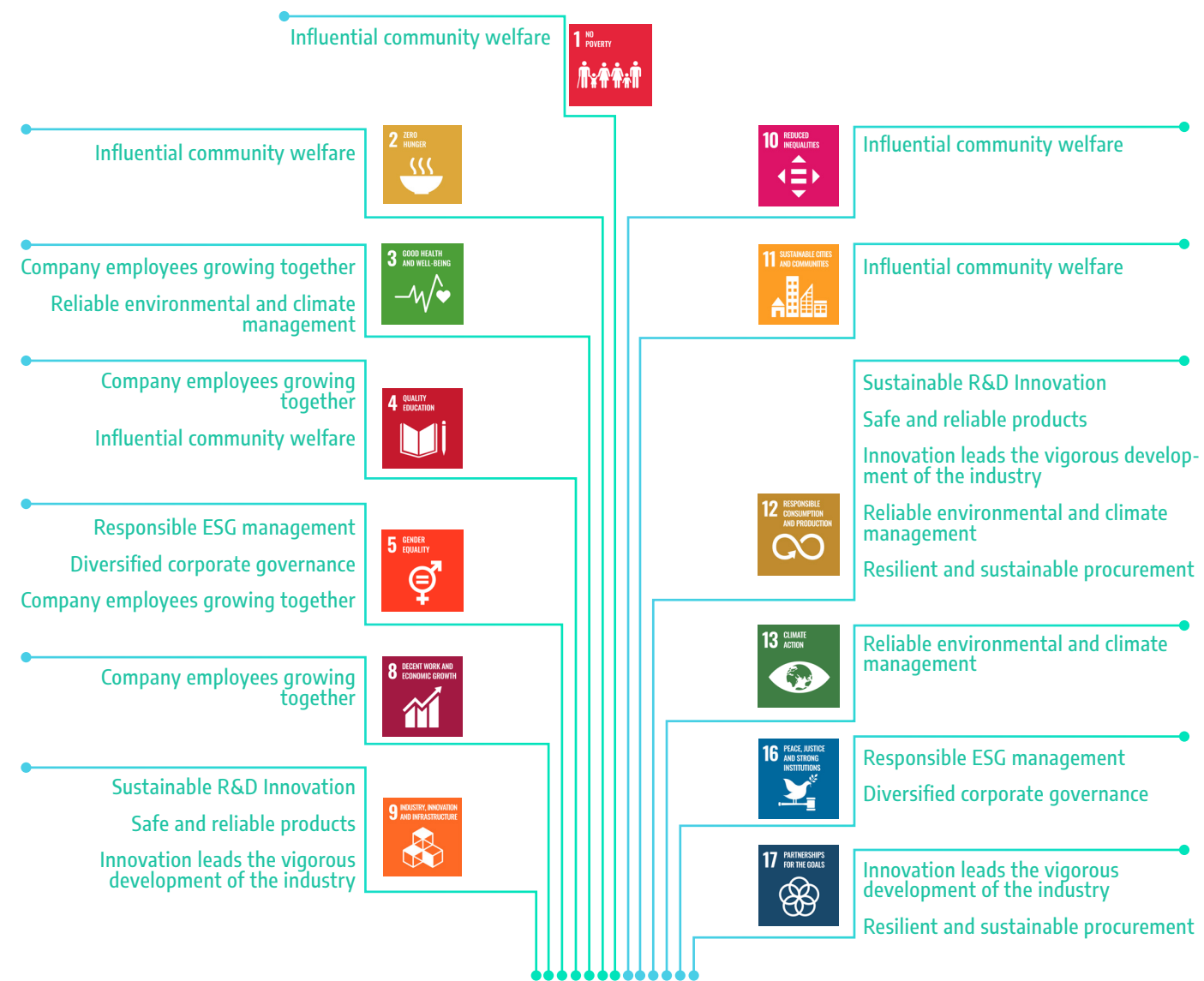
Governance performance:



# Appotronics and SDGs

Appotronics Supports the United Nations' SDGs

In 2022, Appotronics integrated the requirements of the United Nations Sustainable Development Goals and China's National Plan on Implementation of the 2030 Agenda for Sustainable Development in terms of ESG management. Based on the actual development situation, Appotronics selected 13 United Nations sustainable development goals to formulate policies and actively took actions.



# Approaching Appotronics





Company profile >>

Founded in 2006, Appotronics is a leading technology company in the laser display field with in-house R&D, patented core technology, and critical components manufacturing capabilities.

Listed on the STAR market in 2019, Appotronics is one of the first listed on the bourse, and remains the first SSE STAR Market listed company in Guangdong Province, and the first A-share listed company in the laser display field. The Company, a world-leading laser display enterprise continuously integrating the laser display technology with the latest technologies such as human-computer interaction, intelligent recognition, Internet of Things, cloud platforms, and big data, has completed forward-looking layout positioning in new application fields such as automotive optics, aviation display and AR, and has conducted deep cooperation with multiple well-known brands and institutions around the world, such as leading new energy car companies and aviation giant Airbus. With the growth of each trillion-worth market segment, the Company, a core component supplier upstream, will inevitably jointly usher in an explosion.

In addition, the Company has taken the lead in undertaking national key research projects, collaborating with 12 entities such as the Chinese Academy of Sciences, Beijing Institute of Technology, Sun Yat-sen University, Zhejiang University, and TCL to promote the development of national laser display technology, jointly driving the laser industry chain, and creating a strong laser industry ecosystem.

So far, the Company has been awarded the honors including National High-tech Enterprise, National Intellectual Property Demonstration Enterprise, and National Enterprise Standard "Leader", as well as STAR Hard Technology Leading Enterprise among others.

Appotronics, New Light, New Life!



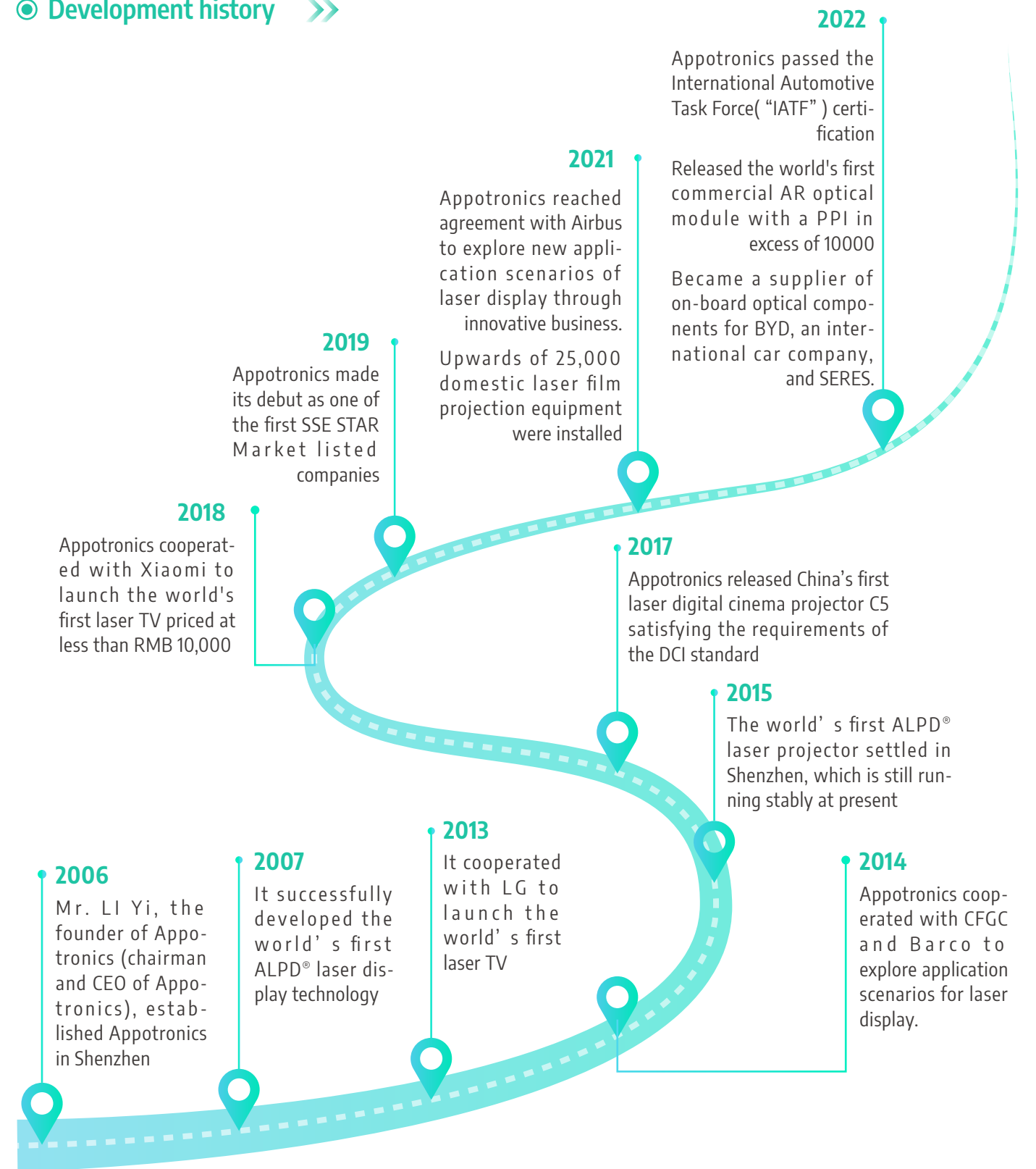
Vision and mission >>

New Light, New Life

On the global lighting market, Appotronics gets to leverage its original core technology to apply core devices to a wide range of new fields and segments, attracting customers, partners, investors, employees, etc. from around the world to move forward with the Company. At present, its laser technology has been applied in fields such as cinema, household use, engineering, education, and automotive transportation. With the continuous integration and development of optics, aviation, AR, human-computer interaction, and the Internet of Things, more and more application scenarios will emerge related to Appotronics. Going forward, Appotronics will surely create a better life experience for many people around the world.



Development history >>



# 02



## Sustainable R&D Innovation

## Maintain technological leadership and actively influence the industry

Appotronics has always placed technological innovation at the core of its overall development, promoting high-quality development through technological innovation. The Company focuses on the transformation of research and development achievements to ramp up industrialization, and makes full use of its technological prowess to actively influence the industry. In 2022, the Company's R&D investment reached RMB 262 million.

### Major R&D achievements in 2022:

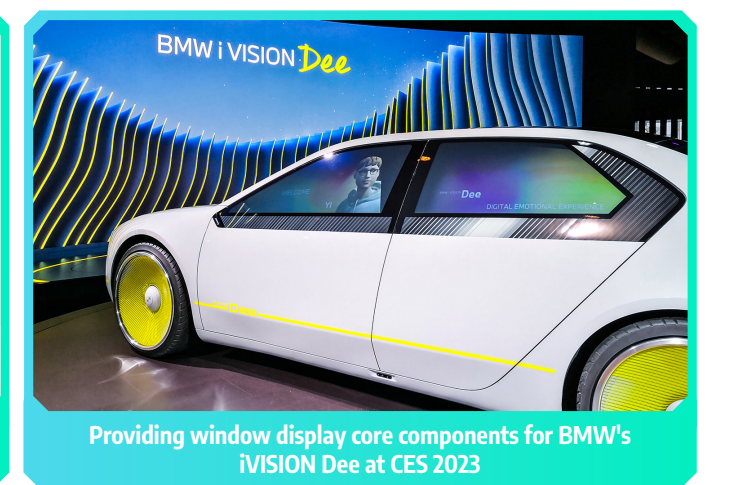
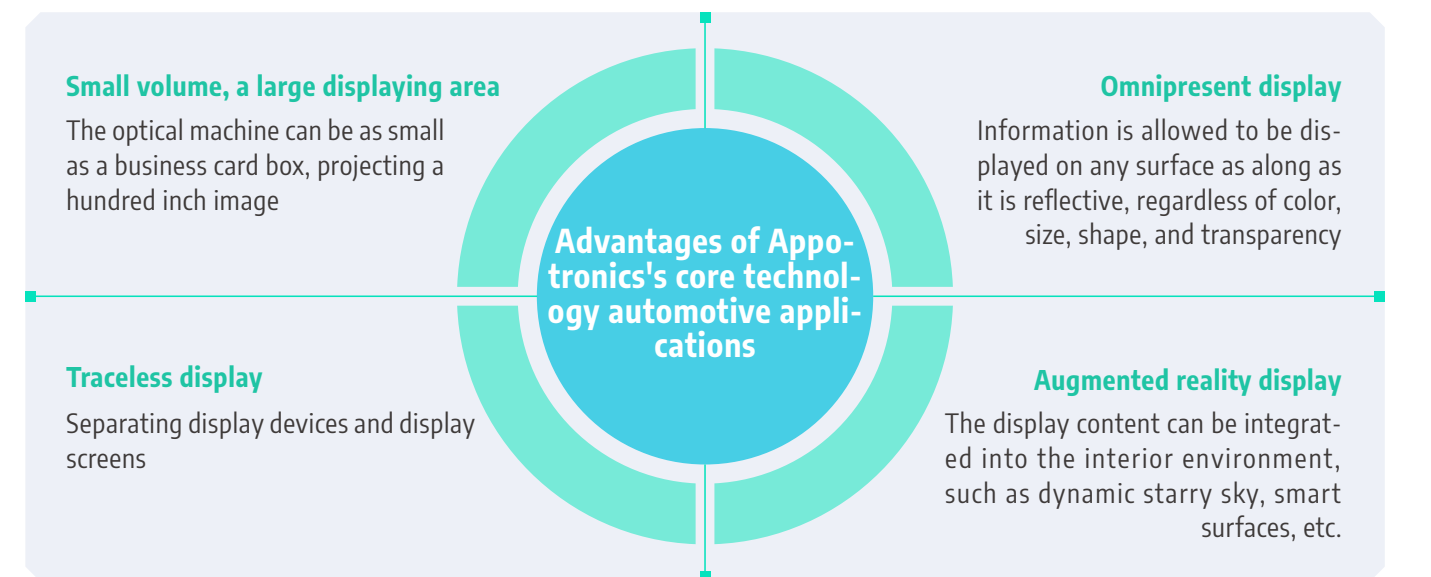
Key R&D achievements	Technical advantages	Achievement translation
<b>Automotive optics application</b>	Small volume, large screen, enabling seamless display, ubiquitous display, and augmented reality display	Has been designated by multiple well-known car companies
<b>ALPD® 5.0 laser display technology</b>	Achieving the maximum visible color gamut for the human eye on a speckle free, low-cost, efficient and compact basis	Accelerating commercial integration with display products
<b>AR optical module</b>	World's first of its kind to achieve 10000 PPI with SPD technology, the AR optical module allows for twice the industry average image clarity in the same volume	Supplied in small quantities
<b>"Zero"back focus machine solution</b>	Discards the prisms, back focus blocks, and other parts that exist in traditional optical machines, thereby minimizing the volume of the optical machine to the greatest extent possible	Application development in progress
<b>Laser scanning point cloud</b>	High altitude remote imaging up to 3000 meters, with ultra-high brightness up to 100000 lumens	Applied in multiple celebration events

### Technology innovation expands application scope >>

#### Automotive Display:

The emerging automotive intelligence means new demands for automotive optics, spurring innovative applications of laser core technology, such as providing driving assistance, human-computer interaction experience for passengers, and entertainment functions, resulting in application scenarios such as roof canopy, transparent display of car windows, entertainment screen, AR-HUD, smart surfaces, and intelligent laser headlights.

Appotronics has seized the application opportunity and carried out research and innovation in the automotive displays, laser headlights, and HUD. It has launched a compact automotive display light machine that meets car specifications, featuring high light efficiency, wide color gamut, small size, and strong stability. In comparison, under the same volume, the brightness of the laser display is 1.5 to 2 times that of traditional displays. In terms of efficiency, the required driving power consumption is about half of that of traditional light sources with the same brightness, yielding functional and energy-saving benefits.



**ALPD® 5.0 technology:**

On top of its speckle-free and low-cost technology, the color gamut range is significantly increased, reaching 120% Rec-202165% DCI-P3210% Rec-709, meeting the requirements of the 4K standard for color gamut and enabling the maximum visible color gamut to the human eye.



Appotronics launches ALPD® 5.0

**AR optical module:**

The world's first AR optical module with a PPI in excess of 10000, using SPD technology to achieve twice the industry average image clarity in the same volume. This AR optical module is suitable for AR eyewear terminal products and will be suitable for a wider range of usage scenarios moving forward.



AR optical module rendering of Appotronics SPD technology

**The "zero" back focus optical machine solution:**

discards the prisms, back focus blocks, and other parts that exist in traditional optical machines, thereby minimizing the volume of the optical machine. The thickness of the optical machine is nearly equal to the camera module of mainstream mobile phones, reduced from the previous 3cc (cubic centimeters) volume to 1cc, or even 0.5cc, indicating the possibility for optical machines to enter the mobile phone field. Based on the ultra-small size of optical machinery, this technology is also expected to be applied in mobile phones, AR, automotive, and more emerging fields in the future.

**Laser scanning point cloud:**

Breaking through the restriction of 500 meters distance by the conventional projection technology, achieving high-altitude and long-distance imaging up to 3000 meters. At the same time, the brightness of a single laser device can reach 100000 lumens, ensuring a clear visual image visible to the naked eye in clouds of up to a kilometer.



Laser cloud shooting on May Fourth Youth Day

**2.1.2 Actively influence the industry >>**

Appotronics focuses on the needs of national strategic development, serves as the leader of major scientific research projects, actively participates in exhibitions of scientific and technological innovation achievements, professional forums, conferences and other activities organized by the authoritative institutions in China and beyond, actively undertakes national projects, formulates domestic and foreign standards, participates in international award applications, and continues to promote the development of the laser display industry.

In 2022, the Company participated in drafting the first domestic laser television industry standard, participated in the formulation of the "White Paper on the Development and Intellectual Property of Laser Display Technology", and obtained Shenzhen standard certification for intelligent display terminal products.



Attends the World Conference on Display Industry

## Improve R&D management and protect intellectual property rights

### Construction of R&D talent team >>

Appotronics has a strong R&D team composed of international leaders in the laser display field and outstanding R&D personnel from well-known universities at home and abroad, covering multiple fields such as optics, electronics, materials, physics, mechanical design, precision manufacturing, etc. As of December 31, 2022, the Company has 521 research and development personnel, accounting for 31.83% of the total number of employees, of which 26.87% hold master's degrees or above, providing a solid talent foundation for the Company's technological innovation.

At the same time, the Company attaches great importance to cultivating and motivating R&D talents, having established a comprehensive R&D talent echelon system. By executing skill training plans, formulating career development plans, and providing generous salaries and benefits, the Company attracts, retains, and motivates outstanding R&D talents to promote the sustainable development of the enterprise.



### Intellectual Property protection >>

Pivoting around the core technology, Appotronics continues to carry out global intellectual property layout, having established a sound intellectual property system, including the "Patent Management Regulations", "Patent Application Review Measures", "Trademark Management Regulations" and other systems related to patents and trademarks, in order to ensure the Company's research and development achievements, protect the Company's intellectual property from infringement, and secure the effective development of the Company's various production and business activities. Meanwhile, the Company also respects the intellectual property rights of others and cooperates with an open attitude to promote the healthy development of the laser display industry.

Thanks to the well-established "patent moat", Appotronics has been recognized as a national high-tech enterprise, a national intellectual property demonstration enterprise, and a Guangdong provincial intellectual property demonstration enterprise since its inception, having set up science and technology research platforms such as the "Guangdong Enterprise Key Laboratory", "Guangdong Engineering Technology Research and Development Center", "Guangdong Doctoral Workstation", "Shenzhen Enterprise Technology Center", "Shenzhen Postdoctoral Innovation Practice Base", "Shenzhen Engineering Technology Research Center", and "Shenzhen Engineering Research Center".

As of December 31, 2021, Appotronics holds 1773 authorized patents around the globe, of which 966 are authorized patents for invention, resulting in a total of 2,629 patent applications plus authorized patents around the world.

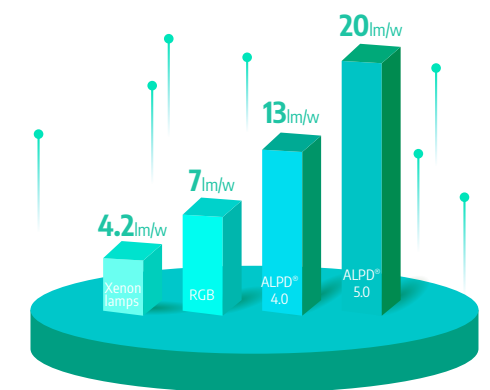


## Innovative technology, continuous support for energy conservation and emission reduction

### Green science and technology >>

Laser, currently the brightest and purest artificial light source in the world, has advantages that traditional display technologies cannot match, such as eye health, color performance, large screen, and energy efficiency. Appotronics fully utilizes the advantages of light sources and technology to continuously improve product energy efficiency.

The Company places special emphasis on achieving environmental protection, energy conservation, and low-carbon emission during the R&D and design process. In November 2022, the ALPD® 5.0 laser display technology with energy efficiency of over 20lm/W was released, which is about 100% higher than other light sources, allowing for significantly reduced energy consumption and improved brightness. In addition, household projection products feature diffuse reflection imaging to avoid direct light exposure and harmful blue light, reduce visual fatigue, and effectively protect human eye health. The Company maintains full consideration of factors such as technological ethics and human wellness in the research and development process.



◎ Active application of energy conservation and emission reduction >>

As of December 31, 2022, 27700 sets of ALPD® laser projection solutions have been installed in China, running about 236 million hours in total, saving about 425 million kilowatt hours of electricity, and effectively reducing carbon dioxide emissions by about 186 million cubic meters.

(Calculation method description: According to statistics, compared to xenon lamps, laser light sources save an average of 1.8 kilowatt hours of electricity per hour. One kilowatt hour of electricity generates approximately 0.86kg of CO<sup>2</sup>, and the volume of one ton of CO<sup>2</sup> is 509m<sup>3</sup>. Therefore, the volume of CO<sup>2</sup> generated by one kilowatt hour of electricity is 0.44 m<sup>3</sup>. Saving 425 million kilowatt hours of electricity offsets 186 million cubic meters of CO<sup>2</sup> emission.)

	<p>Installed ALPD® laser projection solutions: <b>27700</b> sets</p>		<p>Help cinema partners reduce carbon dioxide emissions: <b>186</b> million cubic meters</p>
	<p>Total duration of light source operation: <b>236</b> million hours</p>		<p>Help cinema partners save power: <b>425</b> million kilowatt hours</p>

Case:

The projectors of the same model used to be running in the Hall 8 and Hall 9 of the Dadi Cinema (one certain store in Tianjin), which replaced the one with the laser light source in Hall 9 in June 2021, with xenon lamps still in use in Hall 8. As of March 16, 2022, after more than 8 months of use, engineer testing results showed that the laser light source saved 74.4% of electricity compared with traditional xenon lamps.

Hall NO.	Electric meter reading (June 25, 2021)	Electric meter reading (March 16, 2022)
No. 9 Laser hall	0	2743.2 kilowatt hours of electricity
No.8 xenon lamp hall	0	10726.25 kilowatt hours of electricity



## Technology+ culture, inherit excellent culture

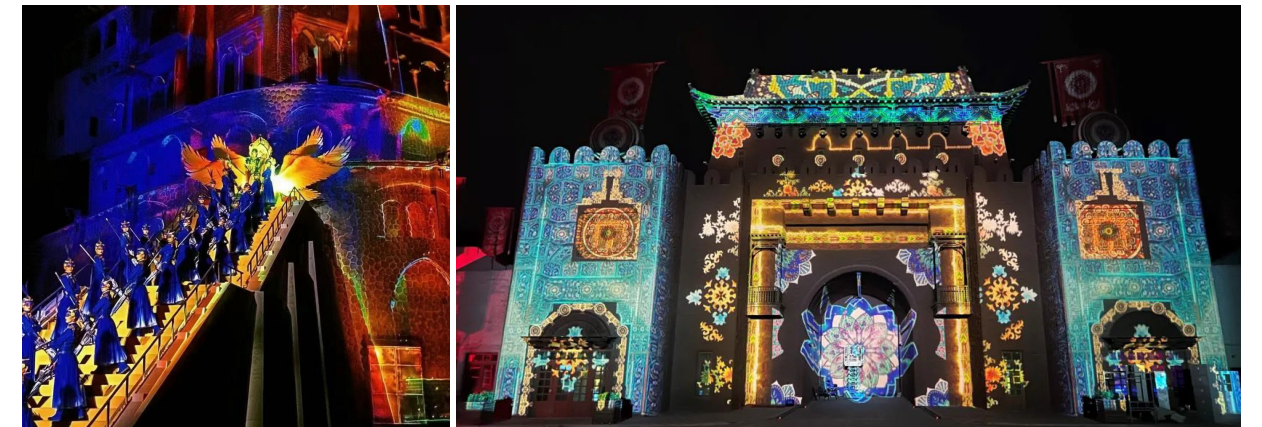
Appotronics takes promoting the integration of technology and culture as its own responsibility, and assists in the dissemination of traditional culture through various means such as large-scale cultural tourism, artistic performances, landscape lighting, and night light shows. The Company's G-series engineering projector helped create Xinjiang's first comprehensive immersive performance, "Music From All Around, including Khotan", which incorporates new light and shadow technology into historical and cultural stories to bring unprecedented sensory experience and emotional resonance to the audience; The Company's engineering T-series assisted in the life show of Wuyuan Cultural and Tourism Town in Jiangxi, creating a magnificent "Great Lake Show" within the life performance, with local characteristic buildings

fully displayed with real-life scenes to promote the excellent traditional Chinese culture to the audience.

Moving forward, the Company will continue to explore the integration of technology and culture, launch more innovative products, inject new vitality into the cultural and creative industry, and assist in the upgrading and development of the cultural industry.

### Case: Xinjiang's first comprehensive immersive performance, "Wan Fang Yue Zhou You Yu Tian"

"Wan Fang Yue Zhou You Yu Tian" was presented with the combination of Appotronics' s brand-new light and shadow technology with historical and cultural stories, at Yotkan, an epitome of cultural tourism in Yutian of Xinjiang, and was well received by the audience.



### Case: Life Show of Wuyuan Cultural and Tourism Town in Jiangxi Province

Wuyuan County in Shangrao City of Jiangxi Province, widely known as the "Chinese Huizhou Art, Culture, and Tourism Resort Town", was at the core of the projection life show. Appotronics helped create a magnificent "Great Lake Show", with giant images covering three major scenes: Huizhou architecture, divine tree sculpture, and water curtain. More significant still was a Mapping projection show on the 59 meter high "Jade Pagoda", relaying the story of the legends.



# 03



## Responsible ESG management

## Improve ESG governance

Sustainable development, an essential component of Appotronics's business development, has become an important reference in the Company's decision-making process to ensure the fulfillment of the Company's ESG goals and commitments.

### ESG goals >>

"New Light, New life", not only the Company's mission and vision, but also the goal of ESG work, amounts to utilizing laser core technology to create a better life experience for people and create better long-term value for the stakeholders.

### ESG organizational management >>

Appotronics has established and continuously improved an ESG management communication and coordination linkage mechanism, designed to promote the effective implementation of the Company's ESG work. As the first person responsible for ESG, the Chairman is responsible for reviewing and making decisions on the Company's ESG work strategy and goals; Functional departments, business departments, and subsidiaries are responsible for formulating corresponding ESG work goals and plans, implementing company strategies, and maintaining communication with internal and external stakeholders; The informal ESG working group of the Company is responsible for collecting ESG information and preparing reports, regularly reporting ESG matters to the management, and forming a work promotion method of review and decision-making, coordinated supervision, and step-by-step implementation.

## Identify and communicate with stakeholders

### Stakeholder identification >>

Appotronics attaches great importance to the opinions of various stakeholders, having defined seven major stakeholders, including employees, government and regulatory agencies, shareholders and investors, suppliers, customers, partners, and communities through group size, communication frequency, and correlation analysis of important topics. The Company, with established smooth communication channels and cooperative relationships with all stakeholders, analyzes the demands of stakeholders, identifies substantive topics related to the Company's sustainable development, and clarifies internal responsibilities and implements key management projects, so as to achieve high-quality development of the Company through positive impacts on the environment and society. The Company actively communicates with stakeholders via websites, media, conferences, reports, and events among others.

### Stakeholder engagement >>

With communication with stakeholders in mind, Appotronics has established a normalized communication mechanism to ensure full listening, communication, and responding to the needs of stakeholders. During the period, the Company, based on feedback and suggestions from stakeholders, developed and optimized communication methods and channels to ensure high-level participation of stakeholders.

Key stakeholders	Topics of concern	Communication and response
Employees	Protection of employee rights and interests	Employee activities, employee congress, union activities, enterprise intranet, employee training, employee handbook, etc
Government and regulatory bodies	Compliant operation, crisis management, environmental management, adaptation to climate change	Institutional inspection, official correspondence, policy implementation, information disclosure, etc.
Shareholders and investors	Anti-corruption, data compliance, corporate ESG governance, crisis management, responsible marketing, responsible supply chain	Shareholders' meeting, Financial report, Enterprise ESG report, Roadshow research, conference calls, SSE e-interactive platform, Dedicated hotline and Email for investor communication, Open online investors day, etc.
Supplier	Responsible supply chain, anti-corruption, data compliance, climate change adaptation	Supplier communication activities, supplier management platform, regular supplier training, supplier verification, exchange visits, reporting and complaints, etc.
Client	R&D innovation, product quality and safety, responsible marketing, data compliance, crisis management	Product exhibitions, customer research, technical seminars, customer hotlines, official WeChat accounts, customer satisfaction surveys, regular audits, reports and complaints, etc.
Partners (academic institutions, research institutions, industry associations)	Adaptation to climate change, corporate ESG governance, responsible supply chain	Telephone communication, irregular visits, ESG activities, academic seminars, industry exhibitions, industry training, exchange meetings, etc.
Community (media, social organizations, etc.)	Environmental management, responsible marketing, responsible supply chain, product quality and safety, innovative research and development, corporate ESG governance, social welfare, providing employment opportunities	Press releases, social media, event participation, questionnaire surveys, community volunteer activities, social welfare projects, social career support projects, etc.



## ESG topics identification

Based on the substantive analysis process in the enterprise ESG report, Appotronics established a systematic analysis model to identify sustainable development topics of concern to stakeholders, which was used as a reference for information disclosure, in order to facilitate effective communication with different stakeholders.

### Step 1: Establish communication goals

Appotronics sets communication goals, expecting to communicate with stakeholders via information disclosure by ESG report.

Communication objectives:



### Step 2: Identify sustainable development topics

Appotronics has identified 7 key stakeholders, taking into account domestic and international policies and standards that should be followed, such as the Shanghai Stock Exchange's Self-Regulatory Guidelines for Listed Companies No. 1 Standardized Operation, the Global Reporting Initiative's (GRI) Sustainable Development Reporting Standards, the United Nations' Sustainable Development Goals, and ESG rating requirements, focus of internal and external stakeholders' attention and peer benchmarking analysis, as well as the Company's industry characteristics and strategic direction to select communication topics.

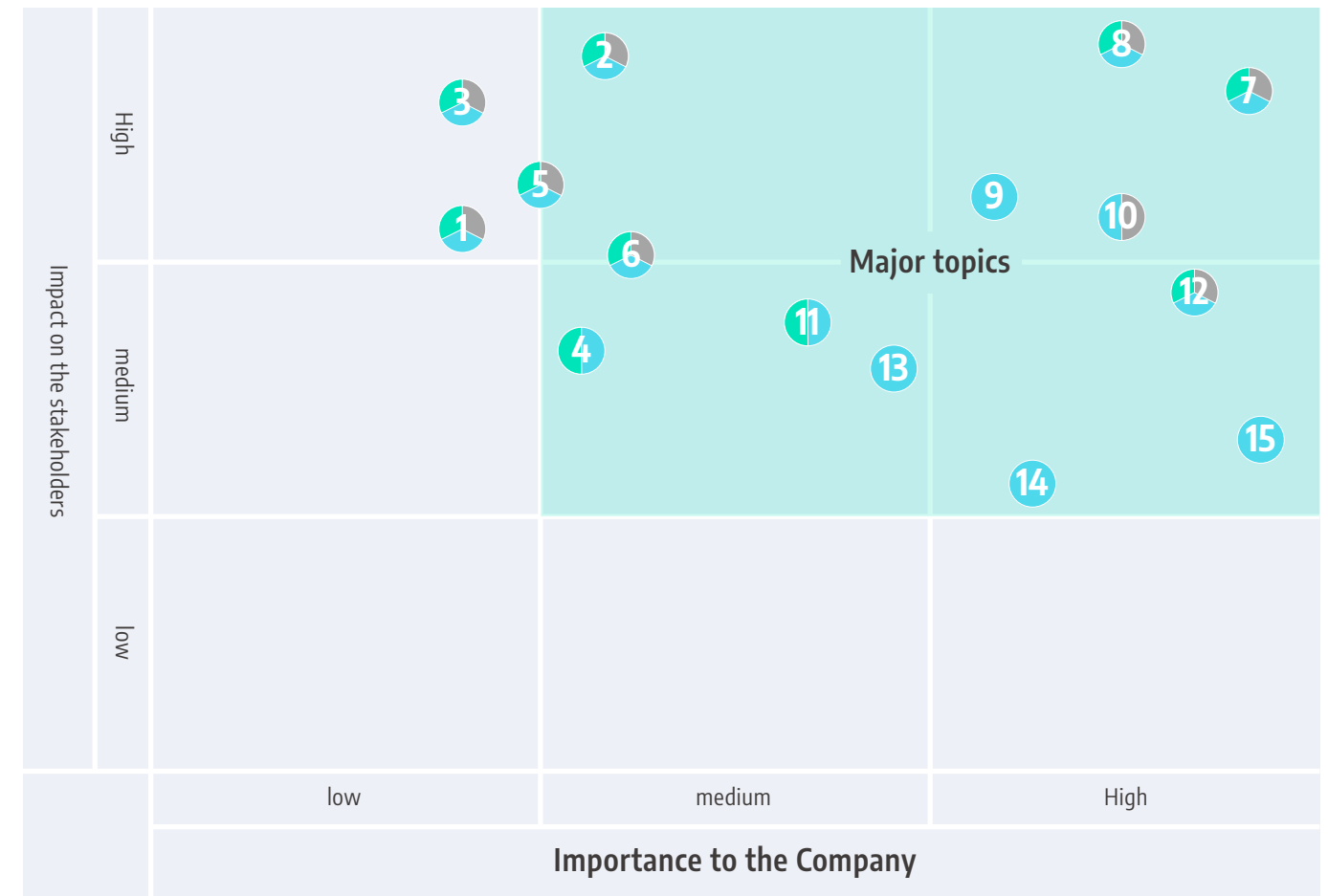
### Step 3: Conduct stakeholder research

Appotronics takes the listed topics as the core contents of stakeholder research, and conducts stakeholder research on the impact of sustainable development topics through online questionnaires.

### Step 4: Analysis of the importance of the topics

In order to identify substantive topics of concern to stakeholders, Appotronics analyzes the importance of each stakeholder's rating of the topic and the weight of the stakeholders, from two dimensions: "importance of economic, environmental, and social impacts" and "importance of impact on stakeholder evaluation and decision-making", and combines the importance of each stakeholder's rating of the topic and the weight of the stakeholders in the rating, to draw a matrix analysis diagram of substantive topics.

## Substantive Topics Matrix Analysis Chart





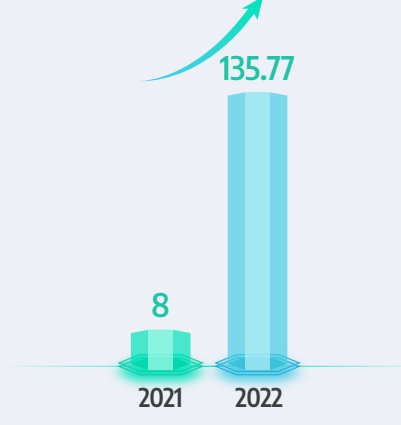
● upstream ● company ● downstream

- 1 Waste management
- 6 Avoiding the use of harmful substances
- 11 Responsibility supply chain
- 2 Adapting to climate change
- 7 R&D innovation
- 12 Anti-corruption
- 3 Improving resource utilization efficiency
- 8 Product quality and safety
- 13 Data compliance
- 4 Improving energy efficiency
- 9 Human resource development
- 14 Enterprise ESG governance
- 5 Greenhouse gas emission management
- 10 Responsibility marketing
- 15 Crisis management

# Take ESG Actions

## Conduct ESG training >>

In order to enhance the Company's overall ESG awareness and build an ESG management culture, Appotronics provided ESG training to members of the board of directors, informal working group members, and relevant departments through internal organization and external participation in training activities organized by the China Association for Public Companies during the period, resulting in 3 ESG training sessions with upwards of 30 trainees.

Indicator	Unit	2021	2022	Postscript
Number of social responsibility / ESG training sessions	Time	1	3	
Number of social responsibility / ESG trainees	Person-time	21	32	
Public welfare contribution	RMB 10,000	8	135.77	

## Active ESG communication >>

During the period, Appotronics actively participated in ESG communication and sharing activities between enterprises, learned from the ESG work experience of excellent enterprises, and spoke through media channels to further enhance the breadth and transparency of the Company's ESG communication.

1) In July 2022, Tang Shi, Vice President of Appotronics, participated in "ESG• Salon for 3rd Anniversary of the Sci-tech Innovation Board" hosted by National Business Daily to share and discuss the corporate ESG practice.

1) In August 2022, Tang Shi, Vice President of Appotronics, attended the Southern International Forum of Finance and Economics 2022, the second session of the 21st Century Excellent Board of Directors series activities, and the launch ceremony of the 21st Century Finance and Economics APP "ESG Channel", and delivered a keynote speech on the topic of ESG for Chinese listed companies.



## Enhance ESG information disclosure >>

Since its listing in 2019, Appotronics has voluntarily disclosed independent social responsibility reports and ESG reports for the fourth consecutive year, continuously improving the transparency of the Company's ESG information disclosure. During the period, the Company's ESG was rated A by Wind ESG, ranked among the top 11% of A-share listed companies. It was awarded the Social Responsibility Pioneer Enterprise Award by Cailian Press and recognized as a green practice pioneer in 2022 by the National Business Daily.



Moving forward, the Company will continue to regard ESG information disclosure as a long-term undertaking, ensure the authenticity and openness of ESG related information, and shape a good corporate image.

# 04



## Diversified corporate governance structure

## Strengthen corporate governance and consolidate the cornerstone of sustainable development

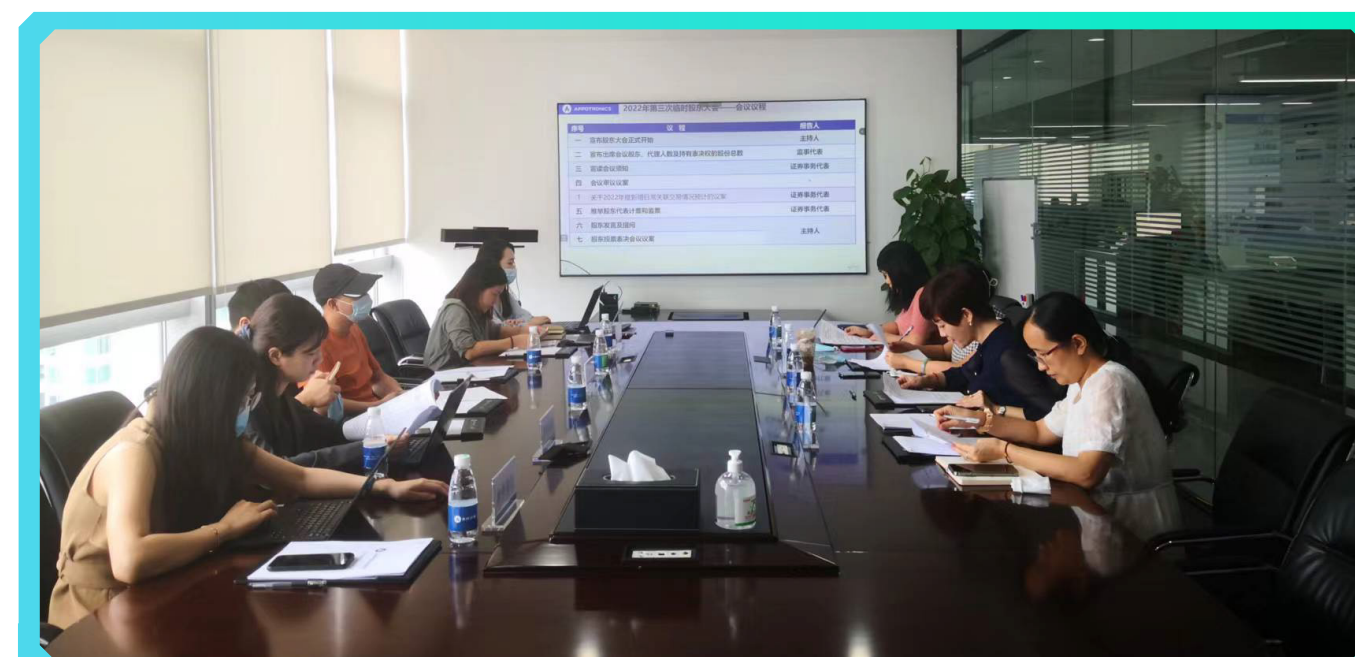
Responsibility dimension	Indicator	Unit	2022
Three meetings governance	Number of board meetings	time	11
	Number of meetings of the supervisory board	time	11
	Number of shareholders' meetings	time	4
	Number of audit committee meetings	time	7
	Number of meetings of the strategy and investment committee	time	1
	Number of meetings of the compensation and performance assessment committee	time	4
Board Composition	Number of meetings of the nomination committee	time	2
	Number of directors	person	7
	Male proportion on the board of directors	%	85.71
	Proportion of women on the board of directors	%	14.29
Investor relations	Number of independent directors	person	3
	Number of investor communication related activities (roadshows, conference calls, etc.)	time	260+
	Number of participants in investor communication related activities	Person-time	600+

### ◎ Diversification of the board of directors >>

Appotronics has established a diversified governance structure, fully mobilizing resources from all parties to promote synergy, and continuously improved the level of corporate governance. The Company conducts its work in accordance with the provisions and requirements of the Company Law, Securities Law, Listed Company Governance Standards, and relevant laws and regulations, as well as normative documents of the China Securities Regulatory Commission and Shanghai Stock Exchange. The board of directors is the permanent decision-making and management body of the Company, and consists of four specialized committees: the Strategy Committee, the Compensation and Performance Assessment Committee, the Nomination Committee, and the Audit Committee. At the same time, a corporate governance structure has been formed between the shareholders' meeting, board of directors, board of supervisors, and management with clear powers and responsibilities, effective checks and balances, scientific decision-making, and coordinated operation. The Company's governance structure has been continuously improved, and the operating mechanism of "three meetings and one layer", meaning shareholders' meeting, board of directors, supervisory board, and senior management, has been optimized to promote the continuous optimization of corporate governance efficiency.

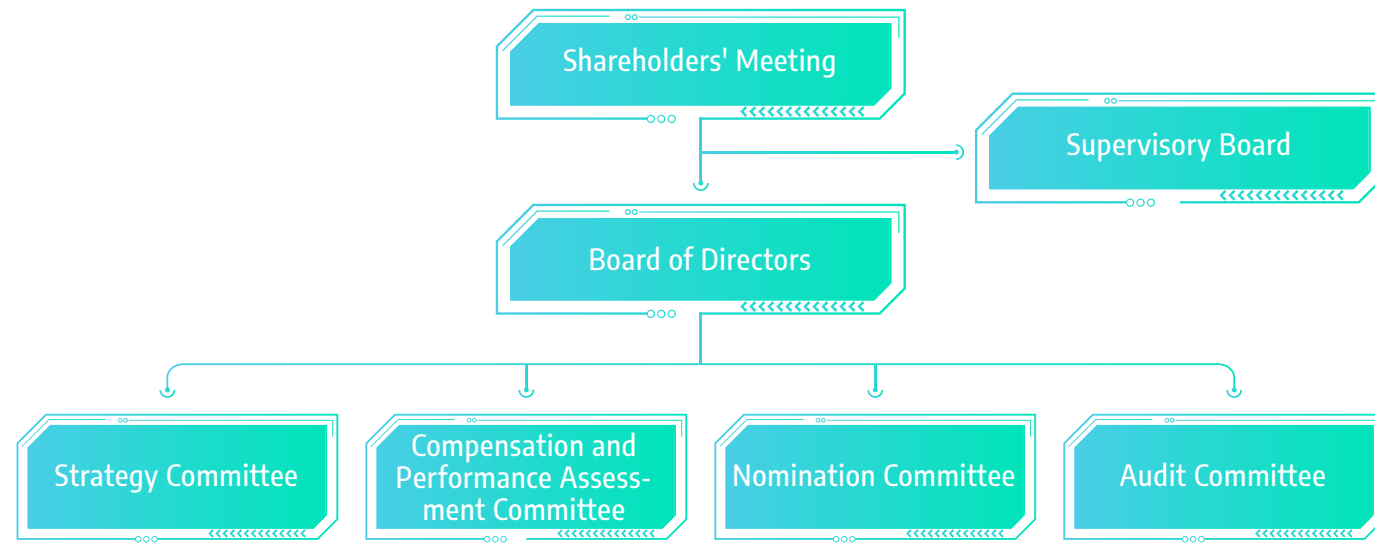
At present, the second board of directors of the Company has 7 directors, including 3 independent directors and 1 employee representative director. The committee members are diligent and responsible, securing the board's scientific decision-making for the Company. The second board of supervisors of the Company consists of 3 supervisors, including 1 employee representative supervisor. The composition of the board of supervisors and the qualifications of its members are aligned with the laws and regulations, alongside professional knowledge and work experience.

During the period, the Company held 4 general meetings of shareholders, 11 meetings of the board of directors, 11 meetings of the board of supervisors, and 14 special committees of the board of directors to review regular reports, repurchase matters, equity incentive plans, and others, standardize the operation system of the three meetings, and improve the level of internal governance.



Shareholders' meeting

● Governance structure >>



● Risk management >>

In 2022, Appotronics strengthened risk management, enhanced employees' risk awareness and prevention measures, and established a scientific and effective risk monitoring and warning mechanism to comprehensively enhance the Company's risk prevention capabilities and ensure its stable development. The Company proactively reported major issues and their progress to the regulatory authorities on a monthly basis to ramp up communication and exchange with regulatory authorities. In addition, the "Management System for Foreign Exchange Derivatives Trading Business" and relevant risk control measures were formulated to strengthen the risk management and control of foreign exchange derivatives trading, with relevant business performance necessitating corresponding decision-making procedures and information disclosure.



In order to better control legal risks and ensure the healthy and efficient business operation, during the period, the Company's legal center regularly launched three issues of legal frequent questions and answers ("FQA"), which sorted out common legal issues and professional answers encountered in daily work on the OA platform, allowing for legal empowerment for all employees and enhancing legal awareness.

● Investor relation management >>

In 2022, Appotronics continued to strengthen communication and interaction with investors, created more value and return for investors, and established a good image of the capital market. There were a total of over 260 roadshows, including roadshows, reverse roadshows, online and offline strategy meetings, and investor open days (excluding daily phone conversations), accessing over 600 buyer investors. Two performance briefing sessions were held within 2022, over 700 IR hotlines were connected, and approximately 100 inquiries from investors on public exchange platforms were responded to.

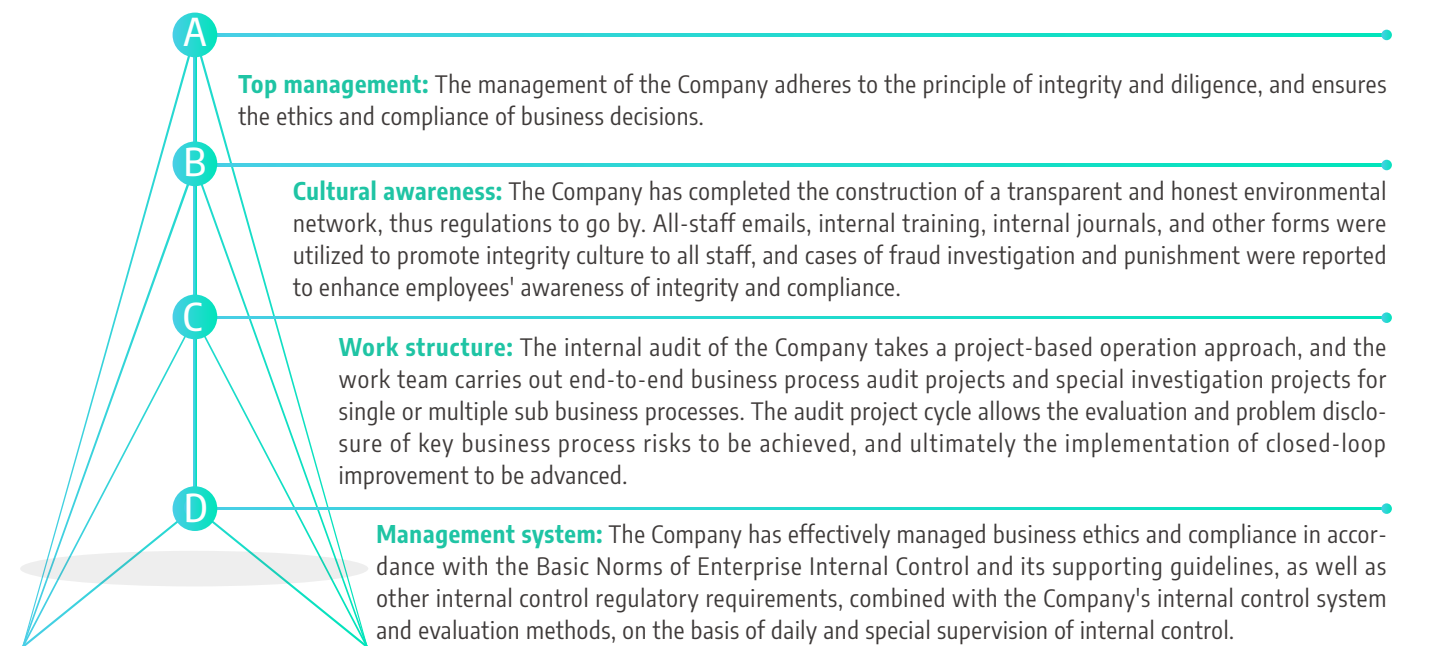
Meanwhile, Appotronics further improved its information disclosure management work and implemented it in accordance with relevant laws and regulations as well as the "Information Disclosure Management System" and other relevant requirements. The Company repeatedly

conducts voluntary information disclosure, releases ESG reports and letters to shareholders, and guides investors to pay attention to corporate responsibility and the Company's long-term development strategy, alongside true, accurate, complete, timely, fair, proactive and frequent information disclosure. The fact that the Company was designated by well-known domestic and foreign car companies, a timely reflection on the progress of the Company's car business to assist investors in decision-making, was disclosed, and so were the English versions of the reports on a regular basis to enable overseas investors to grasp the Company's development status and more.



**Adhere to integrity and compliance, strengthen internal business management**

● Business ethics and compliance management >>



- Board Office** Conducted three compliance training sessions for relevant departments of the Company, popularized information disclosure and related party transactions among others, and improved the Company's internal control compliance level.
- Audit Department** Launched the "Integrity Appotronics Quarterly", which involves anti-corruption and compliance management, including anti-corruption, corporate social responsibility, and sustainable development, to comprehensively convey the image and concept of corporate integrity and compliance.
- Legal Center** Held a Trade Secret Protection Month to promote the theme of trade secrets for all employees of the Company, including offline training and online learning, testing, etc.



Internal information confidentiality compliance promotion meeting

Screenshots of 'Integrity Appotronics Quarterly'

External lawyers hired to provide training on "Key Points for Protecting Enterprise Trade Secrets"

**Internal audit**

The Company actively carries out internal audit on business ethics and anti-corruption, assesses the potential risks of business activities, and formulates annual self-inspection and audit plans according to the risk situation to improve the management system, so as to effectively control the Company's business moral hazard. During the reporting period, the Company did not have any major litigation cases involving corruption or unfair competition.



**External audit**

To ensure the fairness and independence of the audit, Appotronics conducts third-party external audits every year to ensure that the Company fully meets the requirements in terms of business ethics and other aspects. At the same time, the Company regularly and accurately promotes the concept of clean cooperation to its partners, achieving a closed-loop external supervision.

**Anti-corruption and integrity system**

Appotronics is determined to fight corruption and establish and improve management mechanisms related to anti-corruption, such as the "Appotronics Anti-Corruption Management System," "Employee Gift Management Measures," and "Appotronics Employee Behavior High Voltage Line". If there is any violation of national laws and regulations, company rules and regulations, or damage to the company's image and interests, the audit department of the Company will conduct investigation, prosecution or transferring to judicial authorities depending on the severity of the situation, and promptly report it to the chairman or board of directors.

At the same time, the Company attaches great importance to its partnerships, continuously strengthening supplier management and integrity construction, and signing the "Integrity Cooperation Agreement" with all external suppliers and other partners, with a signing rate of 100%. Appotronics supervises and manages the integrity performance of suppliers in daily work, actively initiates rights protection measures against defaulting suppliers, and safeguards the legitimate rights and interests of the Company.

**Reporting system and handling mechanism**

- Reporting phone number** 13620926735
- Report Email** jubao.audit@appotronics.cn
- Reporting rewards** Those who proactively report and cooperate with investigation, evidence collection, and verification, will be rewarded 30% to 50% of the recovered amount (up to a maximum of RMB 1 million), exempt from punishment and given priority cooperation opportunities under the same conditions.
- Protection matters** In response to the tip-offs, the Company will assign dedicated personnel to follow up and manage them, and strictly keep them confidential to protect the legitimate rights and interests of the whistleblowers.



Appotronics has opened a clean reporting channel on its official website and pays attention to the confidentiality of whistleblowers. The reported content is communicated and recorded by dedicated personnel, strictly preventing the leakage and dissemination of confidential information such as whistleblower identity and reporting materials. The Company strictly prohibits and punishes acts of retaliation against whistleblowers, and if necessary, requests judicial authorities to investigate legal responsibilities in accordance with the law.

# Emphasize digital construction and enhance network security innovation

## Network security commitment and system

Appotronics puts great emphasis on internal network security within the Company, having developed the "Code of Conduct for Employee Information Confidentiality and Information Security" to guide the effective implementation of related work throughout the Company, which covers all information protection and security measures involved in employees' work, and is designed to provide specific and clear guidance and norms for employees to ensure that their behaviors meet the Company's information security requirements. In addition to formulating a code of conduct, the Company has conducted multiple explorations and practices in the field of network security, believing that only by protecting the internal network security of the company can we provide customers with more secure, reliable, and efficient services, laying a solid foundation for the company's sustainable development.



## Network security construction

Appotronics strengthens the Company's information security and stable network operation via the combination of internal and external network security construction measures. The Company provides internal cloud disk Seafile services to various core departments (finance, research and development, sales, etc.) to ensure the security of the Company's core information assets and avoid the risk of information asset loss caused by hacker attacks and employee laptop loss. Additionally, the Company actively collaborates with external consulting companies to launch client antivirus, server antivirus, and employee security audit software, strengthening the defense of the Company's personal computers and servers against viruses.

Construction route	Phase I(Basic safety)	Phase II(Analysis and warning)	Phase III(Active response)	Phase IIII(Construction cycle/targeted construction)
External risk	Firewall Tighten the boundary	IPS   Email gateway   VPN AC(Internet behavior management) Anti-virus gateway   Terminal antivirus	Honeypot   Security sandbox Situational awareness Security Intelligence	External risk baseline optimization Targeted construction of external risk baseline
Internal risk	Firewall Internal network isolation Internet control	IPS   Desktop platform   Access control Service monitoring platform   EDR Log Analysis Management Platform Fortress machine   traffic probe Terminal Security Behavior Audit	Log analysis platform linkage mechanism Business Accompanying Patch management Zero trust	Internal risk baseline optimization Targeted construction of internal risk baseline
Data security	Firewall   UPS Cross machine backup computer room air conditioner	Remote disaster preparedness Dynamic environmental monitoring Precision air conditioner Server virtualization	Document Control Authorization System Desktop virtualization	Data non-implementation Data security baseline optimization Target construction of data security baseline

Network security prevention architecture

## Enterprise digital infrastructure

Appotronics strengthens the enterprise digital construction, having launched the SRM supplier management system in 2022, completes the informationization of the supplier import process, avoids printing and storing paper supplier information, and significantly improves the efficiency of related approval. The Company has established a digital supply chain architecture for the system and completed the upgrade and switching of Moka recruitment system and enterprise email, and CBS banking platform, greatly improving the internal work efficiency of the Company.

Interactive Links	Supplier portal	B2B e-merce	Communication and interaction
SRM business operation	Resource development Supplier lifecycle management Potential supplier registration, Supplier access, Supplier classification and level management, Supplier performance evaluation, Supplier rectification and termination	Price management Inquiry and quotation management Price Approval Price adjustment Price adjustment	Quality management FAI access quality VDCI (8D process)
	Procurement execution Purchase order full process Procurement requests Release and confirmation Summary and review Supplier capacity Contract type Contract text Contract template Contract performance Order generation and review Order release confirmation Order process monitoring Delivery schedule Delivery appointment and order Receipt and others Disinvolvement online Invoice payment Deduction settlement Subcontracting contract Inventory sharing		
	Master data management Materials and supplies master data Supplier master data Price master data Source quota	Basic data Organizational structure Personnel information Access management	Basic platform Report design Workflow design Page designer
	Synergetic system Security management Interface platform Log management PLM ERP MES WMS TMS OA other systems		
		Instant messaging Email SMS	Workflow Message management

Digital supply chain architecture

## Digital supply chain factory

The application of digital technology means significantly improved production efficiency, improved product quality, and reduced production costs, thus promoting high-quality development of enterprises. The Company has invested in the construction of digital factories, especially the introduction of BI display board in digital supply chain factories, which can address the information statistics and analysis efficiency issues in the production process, display on-site management related data in real time, and meet customer certification requirements.



Digital factory BI display board

## IT Technology drives business process innovation

Appotronics redesigns and improves business processes via the application of modern Information technology ("IT"), a key driving force for enterprise business process innovation, to realize more efficient and precise operations, and optimizes processes through data analysis to improve production efficiency.

**Former sign back approach**  
Manual scanning, manual naming, manual uploading to FIS  
15000 orders per month 3-4 days per month

**New approach**  
The system automatically detects the logistics tracking number that has been signed for, automatically signs back K3, and saves the electronic sign back, significantly saving labor

**Company RPA platform**

# 05



## Safe and reliable products



# Optimize quality management to ensure product safety and quality

Product quality is the cornerstone to the market and the key to winning the trust of users. Appotronics, striving for high-standard, high-quality, and highly efficient quality management, passed the ISO 9001 quality management system certification when it was established, and in 2021, implemented the IATF 16949 quality management system. A series of normative documents such as "APQP Management Regulations", "Certification Product Consistency Control Regulations", and "Process Exception Handling Process" were developed internally to guide the strengthening of quality management and promote the construction of quality culture concepts, system and process, laboratory system, and quality monitoring system for full process quality management.

The Company is committed to creating an Appotronics-style "zero defect" quality culture, achieving production monitoring, aging time, and 5S visualization throughout the entire process system, and integrating quality monitoring into every aspect of production management. With strengthened quality management, the Company's products can meet the needs of high-end core devices, household laser intelligent projection, laser movie projection equipment, laser engineering machines, laser business education products, laser televisions and others, and have been highly recognized by top-tier users in industries such as Xiaomi, Barco, and China Film. At the same time, the Company attaches great importance to product quality training, achieving a 100% coverage rate for all personnel in product quality training.




ISO 9001 quality management system certification

## Strict quality control in DQA laboratory

Appotronics, aiming to provide safer, more reassuring, and higher quality products to the public, has established a DQA laboratory responsible for ensuring product design quality and strictly controlling product quality in accordance with standard requirements. The DQA laboratory operates in accordance with the ISO/IEC17025 international laboratory management system and has comprehensive testing, detection, identification, and certification procedures and capabilities. The laboratory, which has been recognized by CNAS, can issue CNAS reports with social credibility and international mutual recognition. The Company has also established a safety testing laboratory, with international standards (such as IEC60950-1 and IEC62368-1) applied to product design.

International / national	Authorized and recognized laboratory name	Introduction to authorizing and recognizing parties	Authorization level	Authorization standards	Certificate / plaque
International	WTDP Laboratory	UL Safety Testing Institute is the most authoritative institution in the United States, the world's authoritative institution engaged in safety testing and certification, and also a leader in the global safety industry. UL certified products have high credibility among government agencies and consumer groups.	WTDP&CTF2	IEC 60950-1:2005 IEC 60065-1:2014 UL/CSA 60950-1 UL/CSA 60065-1 IEC 60950-1:2005 IEC 62368-1:2014 IEC 62368-1:2014 IEC 60950-1:2005 UL/CSA 60950-1 UL/CSA 62368-1 EN 60950-1:2006 EN 62368-1:2014 EN 62368-1:2018	
International	SATELLITE Laboratory	ITS, an international authoritative testing agency and third-party notary firm, is one of the largest consumer goods testing, inspection, and certification institutions in the world. It is renowned worldwide for its professionalism, accuracy, and integrity.	Level2&CTF2	The same as above	
International	CTF Stage 2 Laboratory	TÜV Rheinland, one of the world's leading testing and certification service providers, represents safety and quality in almost all commercial and life fields. The TÜV logo on a product is tantamount to safety, quality, and reputation, which is a passport to enter the international market. UL, ITS, and TÜV are the top three authoritative institutions in North America in terms of recognition.	Level2&CTF2	The same as above	

International / national	Authorized and recognized laboratory name	Introduction to authorizing and recognizing parties	Authorization level	Authorization standards	Certificate / plaque
International	Listed on the IEC website	International Electrotechnical Commission(“IEC”) is one of the three major international organizations for standardization	CTF2	The same as above	
National	CNAS laboratory	China National Accreditation Service for Conformity Assessment	/	Projector related testing standards	
National	Energy efficiency testing laboratory	China National Institute of Standardization Energy Efficiency Labeling Management Center	/	Energy efficiency standards for projectors	
International	Appotronics- ITS strategic cooperation laboratory	Intertek	/	/	

International / national	Authorized and recognized laboratory name	Introduction to authorizing and recognizing parties	Authorization level	Authorization standards	Certificate / plaque
International	TÜV SÜD authorized laboratory	TÜV SÜD	Level2&CTF2	IEC 60950-1:2005 IEC 60065-1:2014 UL/CSA 60950-1 UL/CSA 60065-1 IEC 60950-1:2005 IEC 62368-1:2014 IEC 62368-1:2014 IEC 60950-1:2005 UL/CSA 60950-1 UL/CSA 62368-1 EN 60950-1:2006 EN 62368-1:2014 EN 62368-1:2018	

Compliant design, market trust

Appotronics carries out product compliance design in accordance with global market access requirements, strictly controlling laser radiation, photobiological safety, electrical safety, chemical environmental protection, harmful substances, electromagnetic compatibility, etc., to provide safe, reassuring and high-quality products for the society. The Company's products have passed national mandatory CCC certification, national energy-saving and environmental protection CECP certification, overseas product safety CB/UL/ETL/TÜV certification, overseas electromagnetic compatibility FCC/CE-EMC certification, and FDA certification.

The Company strictly follows environmental protection requirements in product design and production, and implements environmental self-commitment in accordance with international regulations/directives such as the European Union(“EU”)’s Restriction of Hazardous Substances(“RoHS”), the EU’s Packaging and Packaging Waste, and Registration, Evaluation, Authorization and Restriction of Chemicals(“REACH”). The company also reports/files with relevant departments.



Quality molding, excellent strength >>

Adhering to high-quality development, Appotronics has been awarded the "Class A enterprise" by the China Quality Certification Center. The relevant person in charge of the Company, serving as an expert in the Shenzhen standard library and a reviewer of the Shenzhen Quality Award, actively participates in the formulation of industry standards, excellent quality coaching for enterprises, and quality award evaluation, forming a replicable model of high-quality development work experience for the whole society, and promoting the development of excellent quality in the industry.

Appointment letters for Class A enterprises and experts

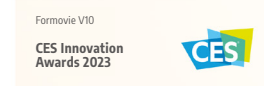


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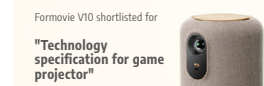
Case: Formovie strictly controls quality

The private label business of Formovie, a subsidiary controlled by Appotronics, maintains high requirements for product quality, conducting strict quality control and supervision spanning from production, manufacturing, logistics and distribution to after-sales service to ensure the stability and reliability of the product. The company has passed the strict review of SGS and obtained the ISO9001 quality management system certificate.

The company has received multiple awards for its products and brands



Formovie V10&Formovie S5 German Design Award 2022 GOOD DESIGN



Formovie V10&Formovie S5 AVF Technology Innovation Award



Formovie projector shortlisted for 2022 China New Consumption Gen-Z Brand hosted by National Business Daily



Adhere to responsible marketing and improve service experience satisfaction

Appotronics prioritizes customer needs and experience, ensuring that product quality is flawless and customer service is complaint-free. In terms of product marketing, its actively expanding marketing strategies and multi-channel and diversified sales channel development strategies can help enhance the stickiness between brands and users. At the same time, the Company focuses on compliance in marketing and adopts active marketing strategies while adhering to relevant regulations and standards, vigorously expanding the market.

Emphasize customer needs >>

Appotronics attaches great importance to the actual needs of customers, having successively launched display solutions for home audio and video, cinema projection, laser engineering, education and commercial use, and innovatively developed application scenarios such as automotive optics, aviation display, AR, etc., thus full scenario coverage of laser display.

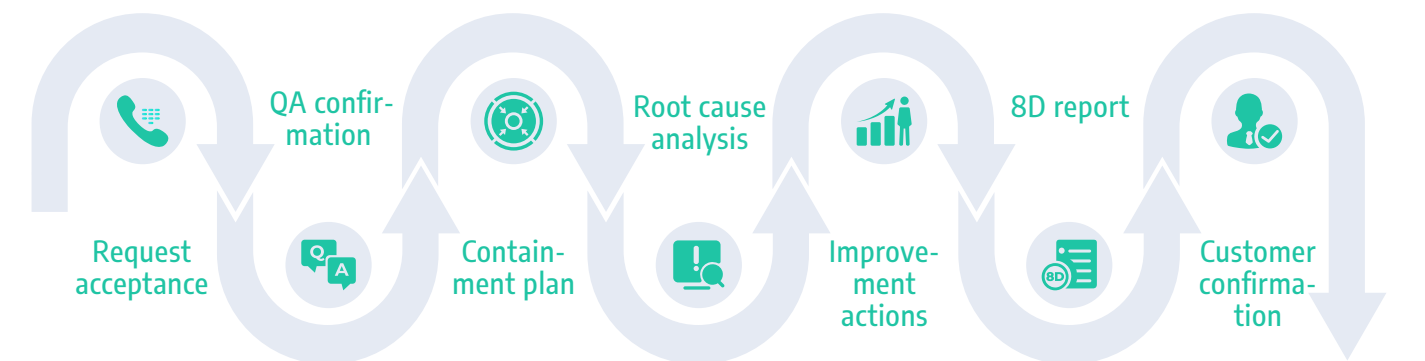
Establish a satisfaction system >>

The Company, adhering to the principle of "maximizing customer interests", has established a satisfaction system, and internally formulated a series of systems such as "Product Safety Management Regulations", "Customer Satisfaction Survey Process", and "Customer Complaint Handling Process" to better understand customer needs and feedback, thereby continuously improving products and services and improving customer satisfaction and loyalty.

Improve the after-sales system >>

The Company continues to improve its user service system, allowing for an after-sales service capability that covers mainstream e-commerce platforms, combines online and offline, and integrates pre-sales and after-sales services. In terms of after-sales service, informatization, specialization, and localization constructions will be carried out to ratchet up service timeliness and customer satisfaction.

Customer complaint handling flowchart



### Case 1: Formovie establishes a standardized sales training system

The sales department of Formovie has established a standardized training ledger system, deploying full-time trainers for online and offline salesmen as well as distributors, establishing annual training plans, and developing training courses and plans on a quarterly basis. New employees are arranged for pre-job training and regular on-job retraining, and can only start work after passing the assessment. At the same time, the sales department promptly visits employees and distributors after training, continuously improves the training plans and courses, continuously improves the professional skills and knowledge reserves of sales personnel, and ensures responsible sales of products.

### Case 2: Formovie continuously improving its after-sales service system

In 2022, Formovie continued to improve its user service system, forming an after-sales service system covering mainstream e-commerce platforms, combining online and offline, and integrating pre-sales and after-sales services. Its 400 after-sales service covered major e-commerce platforms, providing 12 hours \* 365 days of after-sales service. Hotline calls were available for 9 hours \* 365 days throughout the year, answering over 42000 user calls, and customer satisfaction reached 98.91%, maintaining an industry-leading level.



After-sales service work

### Case 3: CINEAPPO launches the 400 Service Hotline

In 2022, CINEAPPO opened a 400 phone and online service hotline, which connected more than 15000 times, and online customer service received more than 1200 customers, with a total of over 7000 messages and customer satisfaction reaching 96%. In addition, prioritizing the use of telephone and online customer service to help customers efficiently solve problems meant reduced cost of engineer maintenance caused by unnecessary issues.



## Protect privacy and safeguard customer information security

Appotronics is committed to protecting customer privacy, strictly complying with relevant laws and regulations, encrypting all information related to customer privacy, and using secure and reliable storage methods to prevent information leakage. At the same time, strict training and management are provided to internal employees of the Company to ensure that they fully recognize the importance of customer privacy and master relevant protection skills. The Company only allows authorized personnel to access customer privacy information to ensure the security of customer privacy.

### Case 1: Automotive optics awarded information security certificate

Appotronics attaches great importance to ensuring information security, especially in the automotive optical product line, having carried out ISO27001 certification work to obtain the "Information Security Management System Certification Certificate". The certification, earning the Company the trust and recognition of automotive optical customers, provided relevant information security requirements and guarantee measures for customers during the factory inspection process. It also indicates the Company's professional strength and commitment in the field of information security, with the capabilities to provide users with more reliable and secure products and services.



### Case 2: Formovie continuously improves user privacy protection

In strict accordance with the Personal Information Protection Law of the People's Republic of China, Formovie, a subsidiary of Appotronics, has formulated different regulatory systems and process documents around FengOS user privacy protection such as Information (Data) Management Process System of Formovie, and Information Security Management Code and Confidentiality System of Formovie, alongside a new version of user privacy agreement to ensure that the user data is collected legally and compliantly. At the same time, Formovie actively carries out training on user personal information protection to continuously improve the awareness of information protection among employees, having completed user privacy compliance check in 2022 according to the Personal Information Protection Law.

# 06



**Innovation leads the vigorous development of the industry**

## Promote synergistic progress in the industry

Appotronics, a leader in the laser display industry working together with global partners to grow and strengthen the laser display industry, applies world-class standard work experience and is committed to leading and promoting the healthy and sustainable development of the industry.



### Participate in the development of domestic and international standards >>

A member unit of the International Electro Technical Commission (IEC), Appotronics participates in international standardization work, promotes the integration of domestic technology with international standards, and plays an active role in technology fields such as laser displays, automotive optics, and smart cities. As of the end of 2022, the Company has participated in the development of 10 international standards.

In addition, as a member unit of the Standardization Administration of the People's Republic of China, the Company actively participates in the formulation of national and industry standards in the field of laser display, leading the formulation of industry standards for projection display. Based on the development trend of projection display, the Company formulates industry standards for projection display according to its segmented application scenarios, leading and regulating the sustainable development of the industry. As of the end of 2022, the Company has participated in the development of 9 national standards and 22 industry standards.

Category	Standard organization abbreviation	Full name of the standard organization	Certificate/plaque
International	IEC-TC100/TA1	International Electrotechnical Commission/Audio, video and multimedia systems and equipment/Terminals for audio, video and data services and contents	
International	IEC-TC110/WG10	International Electrotechnical Commission/Electronic displays/Laser displays	
National	SAC/TC242	Standardization Administration of the People's Republic of China / National Technical Committee for Standardization of Audio, Video, and Multimedia Systems and Equipment	
National	SAC/TC547/SC1	Standardization Administration of China / National Technical Committee for Standardization of Flat Panel Display Devices / Subcommittee 1 on Laser Display Devices of National Technical Committee 547 on Flat Panel Display Devices of Standardization Administration of China	
National	SAC/TC284/SC4	Standardization Administration of China / Incoherent Optical Radiation Safety	
National	/	China Energy Conservation Association Green and Efficient Energy Products Professional Committee	

◎ Synchronize research and development with standardization >>

With years of experience in the laser display industry, where standardization is relatively weak, Appotronics actively promotes communication and cooperation among enterprises in the industry, jointly promotes the development and application of laser technology, and develops industry standardization. The Company, adhering to standardization strategy of "synchronous R&D and standardization" and aiming for customer satisfaction, sustainable development, social contribution and responsibility, actively explores and practices standardized work modes and methods, and ultimately establishes a synchronous R&D and standardization work mechanism. Under the mechanism, it has achieved a one-time success in product design, a significant reduction in product development cycle, a continuous decrease in product costs, a leap in product quality, significant improvement in customer satisfaction and rapid transformation of scientific research achievements. The Company was thus highly recognized by relevant departments as a "Demonstration Enterprise for Synchronizing R&D and Standardization (A-level)".



Appotronics is willing to communicate and share advanced work experience with peers, leverage the exemplary and leading effect of benchmark enterprises, and guide more peers to develop healthily. The Company has won the honor of being the "leader" in national enterprise standards for its multiple standards, the products designed accordingly serving as leading technical indicators in the industry. In addition, the Company guides the production and consumption of high-quality products in the industry and promotes sustainable development by strengthening standard "hard constraints". As of December 31, 2022, Appotronics has obtained six Shenzhen standard certifications.

Award Name	Level	Certificate/plaque
National Enterprise Standard "Leader" (4)	National	
Shenzhen Standard Certification (6)	Provincial-/municipal	

◎ Participate in industry association work >>

Appotronics actively participates in the work of industry associations where the Company holds important positions such as vice president and chairman, a force of high-quality development and high standard requirements within the industry, making positive contributions to the

healthy and sustainable development of the industry. As of December 31, 2022, the Company has jointly released 8 group standards with industry associations and enterprises within the industry.

Industry association name	Post	Certificate/plaque
China Video Industry Association Laser Television Industry Branch	Vice President Unit	
Guangdong Association of Quality Inspection	Vice President Unit	
Shenzhen Performance Excellence Management Foundation	Vice President Unit	
Greater Bay Area Standard Innovation Alliance	Council member	

Appotronics adopts a combination of online and offline participation mode, introducing the Company's standardized work mode, sales direction, technical development, quality and after-sales solutions to companies, customers, and suppliers in the industry at the meeting, fully leveraging its industry influence and serving as a demonstration.



Attending the industry technology innovation application seminars



Organizing industry sharing salons

## Expand the social influence of products

Optimizing the social influence of products allows the enterprises to achieve sustainable development and fulfill their social responsibilities, while improving the market competitiveness and commercial value of products. Appotronics focuses on improving the positive social impact of its products, featuring cost-lowering design, advanced functions and user-friendly design, which make them better meet the needs and expectations of consumers and improve convenience and comfort of use. In addition, the Company is committed not only to researching and developing laser products, but also actively promoting technological knowledge to make more people feel the charm of Appotronics's products.

### Case 1: User-friendly design by Formovie

Formovie, a subsidiary of Appotronics, spares no effort to reduce user usage costs, products fully representing user care. Through in-house developed Feng OS intelligent algorithm system, its product provides omnidirectional automatic trapezoidal correction and automatic image obstacle avoidance technology, making product use more convenient. Equipped with "Xiaoming" far-field voice, it enables the access to MIJIA Smart Home, with human voice easily controlling the projector. It also features optimized heat dissipation design for low noise operation, making consumers feel more comfortable during use. Moving forward, Formovie will fully consider the usage needs of elderly and children, and pay more attention to the user-friendly design of products.



User-friendly function of Formovie S5 laser projector

### Case 2: CINEAPPO laser projection solution assists FIRST film festival in conveying film culture

The organizer of the 16th FIRST International Film Festival once again designated CINEAPPO ALPD® laser digital film projection solution as projection support. The C60 laser projection solution provided strong outdoor projection support for young film actors who have received much attention and recognition, promoting the development of the film industry in the post-COVID era together with FIRST.



FIRST film exhibition

### Case 3: Laser technology assists beach screening at Hainan Island International Film Festival

At the 4th Hainan Island International Film Festival, CINEAPPO provided screening support and was officially awarded the "Hainan Island International Film Festival Official Outdoor Screening Technology Partner". This film festival, an icing on the cake, marked a complete milestone for the film industry in 2022.



Hainan Island International Film Festival



# 07



Company employees growing together

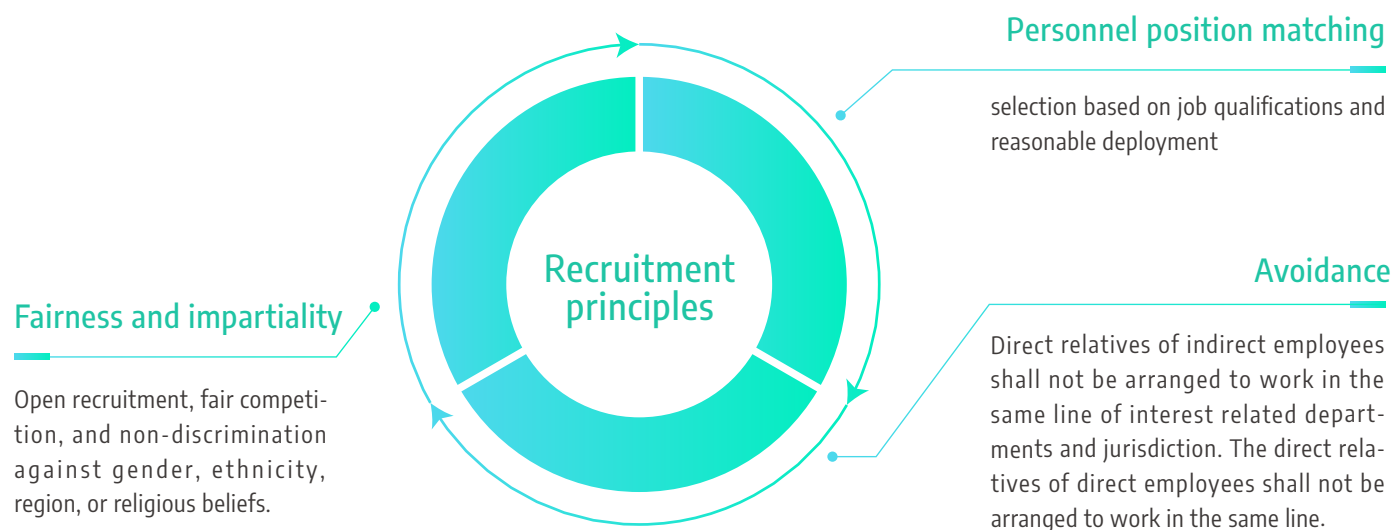
## Safeguarding employee rights and communication

Appotronics actively advocates and always follows the “people-oriented” value, on the basis of which the Company formulates comprehensive human resources management specifications focused on the protection of employees’ rights and interests, continues to improve the employee management system to deepen the communication mechanism, and is willing to provide every employee with humane work environment. The Company attaches great importance to the welfare and benefits of its employees, providing them competitive salaries and benefits, as well as high-quality training opportunities. In addition, the communication and exchange mechanism is deepened for the employees to be heard.

### Adhere to equal employment >>

Appotronics utilizes various diversified recruitment channels to widely recruit talents and form a dynamic team. The Company follows the value concept of equality and non-discrimination in employment throughout all aspects of employee recruitment, onboarding, promotion, and resignation, firmly opposing any form of employment discrimination, and making the employment mechanism more scientific and reasonable. The company provides inclusive and fair development and promotion opportunities for employees of different genders, nationalities, ages, races, ethnicities, religious beliefs, disabilities, sexual orientations, or family conditions. In addition, the Company explicitly prohibits the employment of children. During the 2022 reporting period, 100% of the Company’s employees signed labor contracts.

Appotronics adheres to the principles of fairness and impartiality, personnel position matching, and avoidance. In terms of fairness and justice, the Company adheres to the principles of open recruitment, equal competition, meritocratic recruitment, and internal and external selection to avoid discrimination against gender, ethnicity, region, and religious beliefs. As for job matching, the Company selects and reasonably allocates personnel based on job qualifications. At the same time, the Company prohibits direct family members from working in the same line, securing the fairness and transparency of the workflow.



### Employee composition in 2022

By gender	Female	610	Person
	Male	1027	Person
By employment type	Total number of full-time employees	1630	Person
	Total number of part-time employees	7	Person
By age (R&D personnel only)	30 years of age and below	198	Person
	30-50 years old	222	Person
	50 years and older	101	Person
By education	Junior college and below	711	Person
	Undergraduate	734	Person
	Master’s degree and above	192	Person
Total number of employees		1637	Person



◎ Ensure employee benefits >>

Appotronics is committed to establishing a sound compensation and welfare system, and provides reasonable and competitive compensation in the industry by combining guaranteed income and incentives in accordance with the basic idea of "adapting to the market environment, reflecting the value of talents, and playing an incentive role".

In addition to the basic salary, the Company also provides employees with incentive bonuses (profit sharing bonus, patent bonus, sales bonus, etc.) and performance bonuses (for outstanding workers, quarterly/annual honorary awards, etc.).

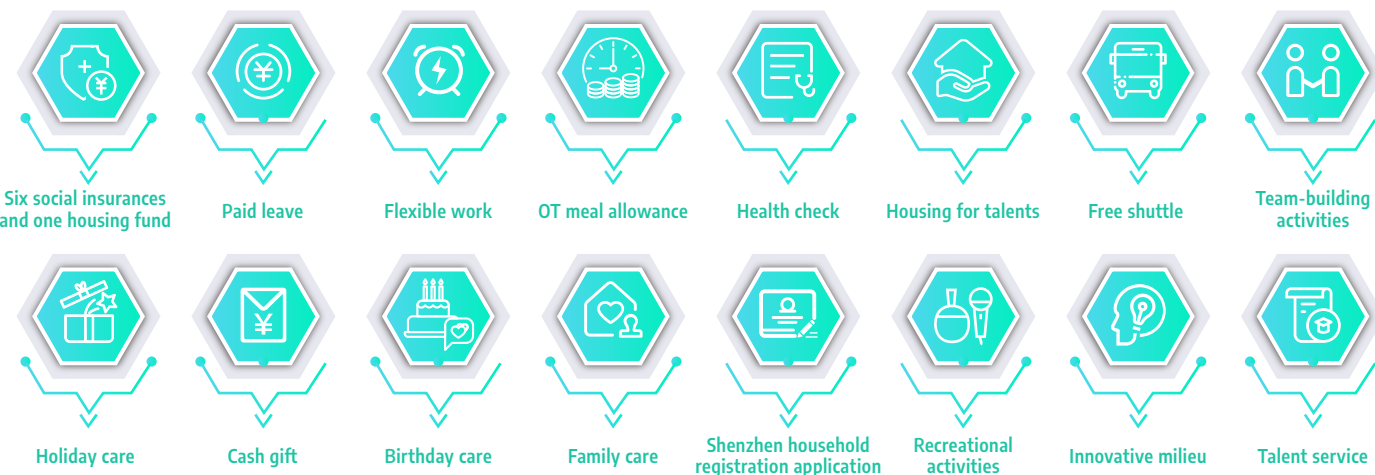
At the same time, in addition to the statutory "five social insurances and one housing fund", Appotronics purchases commercial insurance for all employees, covering accident insurance, death due to illness, and major illness. Besides, Appotronics has formulated and issued the Employee Care and Welfare Management Regulations to implement various paid leave systems and built a comprehensive welfare guarantee mechanism, so as to maintain employees' enthusiasm for work.



**福利来袭 全员商业保险**  
- 2022-2023年度 -

**保障范围及保障**

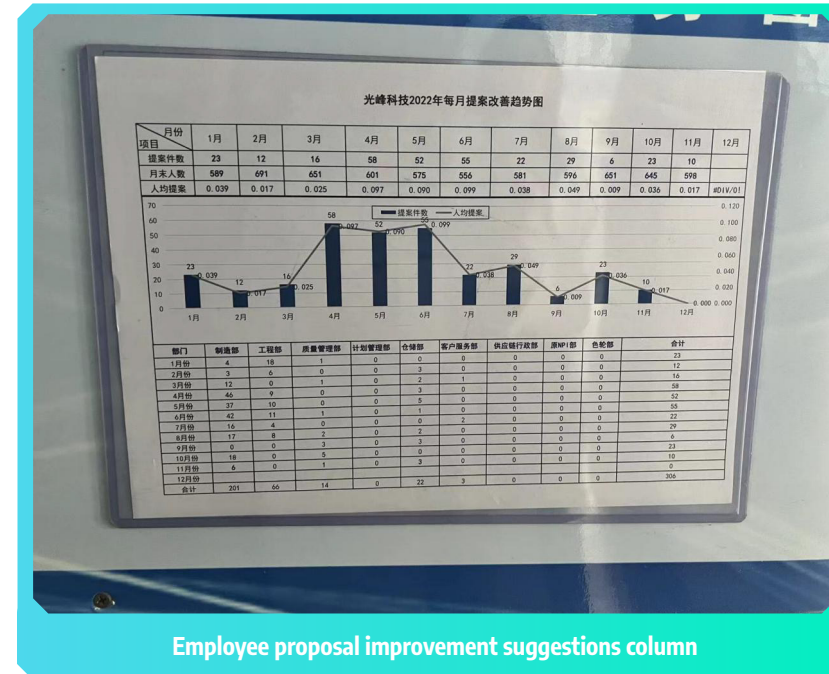
保障种类	保障范围	保障责任	保障期限
意外伤害	因工或非因工意外身故、伤残	身故、伤残	2023
重大疾病	合同约定的重大疾病	身故、重疾	2023
医疗保险	合同约定的疾病	医疗费用	2023



◎ Equal communication and exchange >>

Appotronics attaches great importance to the demands and opinions of employees, and continues to improve the channels and mechanisms for communication. At the company level, the Company establishes a series of formal and informal communication methods such as trade union employee representative conference, quarterly employee communication conference, democratic life meeting, new employee forum, performance counseling and evaluation communication, so as to actively encourage our employees to participate in corporate management, and safeguard employees' rights to information and participation.

In 2022, the Company organized activities such as "CEO Face to Face Communication Meeting" and "Fresh Graduate Communication Meeting" to establish a transparent, fair, and interactive corporate culture through active communication, encourage employees to participate in enterprise management, and protect their rights to know and participate.



◎ Pay attention to employee care >>

Appotronics strives to enhance employees' sense of belonging and stimulate their work enthusiasm and creativity. In order to strengthen the exchange and learning between employees after work, and enhance mutual understanding and trust, the Company organized team building activities in 2022, such as djembe learning, Qixi festival poetry competition, basketball competition, and singles club movie viewing. At the same time, the Company's labor union has established and operated yoga, dance, badminton, reading and other association clubs, allowing employees to relax in their spare time and improving team collaboration ability and work efficiency.

The Company has formulated the Management Measures for the Trade Union's Love Support Fund, according to which employees who are hospitalized due to illness or suffer from sudden accidental injuries, natural and man-made disasters resulting in difficulties to their families will be given relief funds amounting to RMB 2,000 to 5,000 by the trade union as appropriate. Since the promulgation of the measures, nearly 10 employees and their families in total have received help.



Djembe learning



Qixi festival poetry competition



Basketball competition



Singles club movie viewing

Case: CINEAPPO advocates employee daily fitness

CINEAPPO pays attention to the health and welfare of its employees, actively carries out various health related sports activities, and continuously promotes various health activities and exercise methods. The company encourages employees to participate in various fitness activities, such as the "12th Beijing International Film Festival Run for Fun", and also advocates for daily fitness activities for employees to enhance their physical fitness and promote the development of a healthy lifestyle. By maintaining a healthy body and a positive attitude, employees can better immerse themselves in their work and make greater contributions to the development of the company.



12th Beijing International Film Festival Run for Fun

# Support employee development and learning

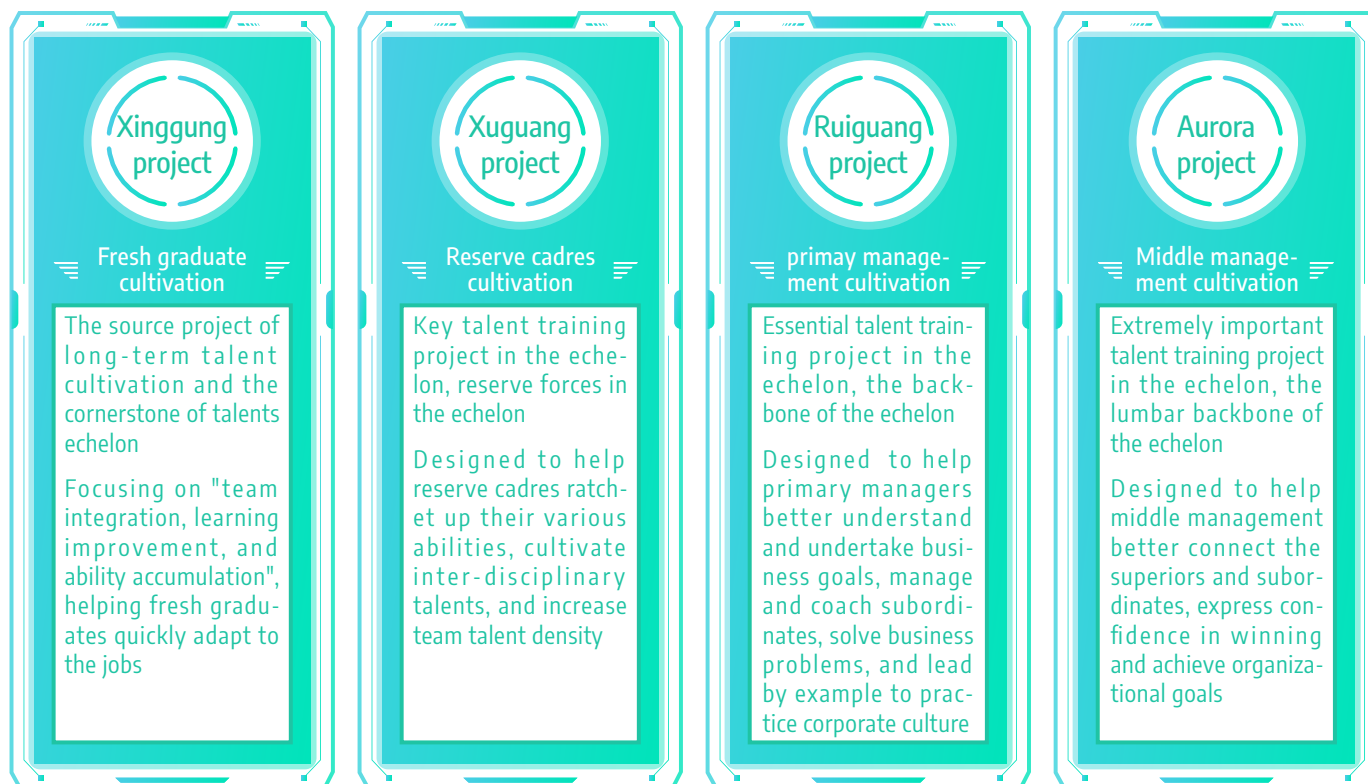
Appotronics provides a variety of job opportunities and platforms, allowing employees to leverage their professional abilities and improve their skills. It provides rich learning resources and a comprehensive training system to help employees continuously learn and grow. This diverse empowerment tool can motivate employees to continuously learn, improve work efficiency, and realize their self-worth. The Company strives to provide employees with a positive and upward working environment, promoting their personal and professional development.

## ● Talent development channel >>

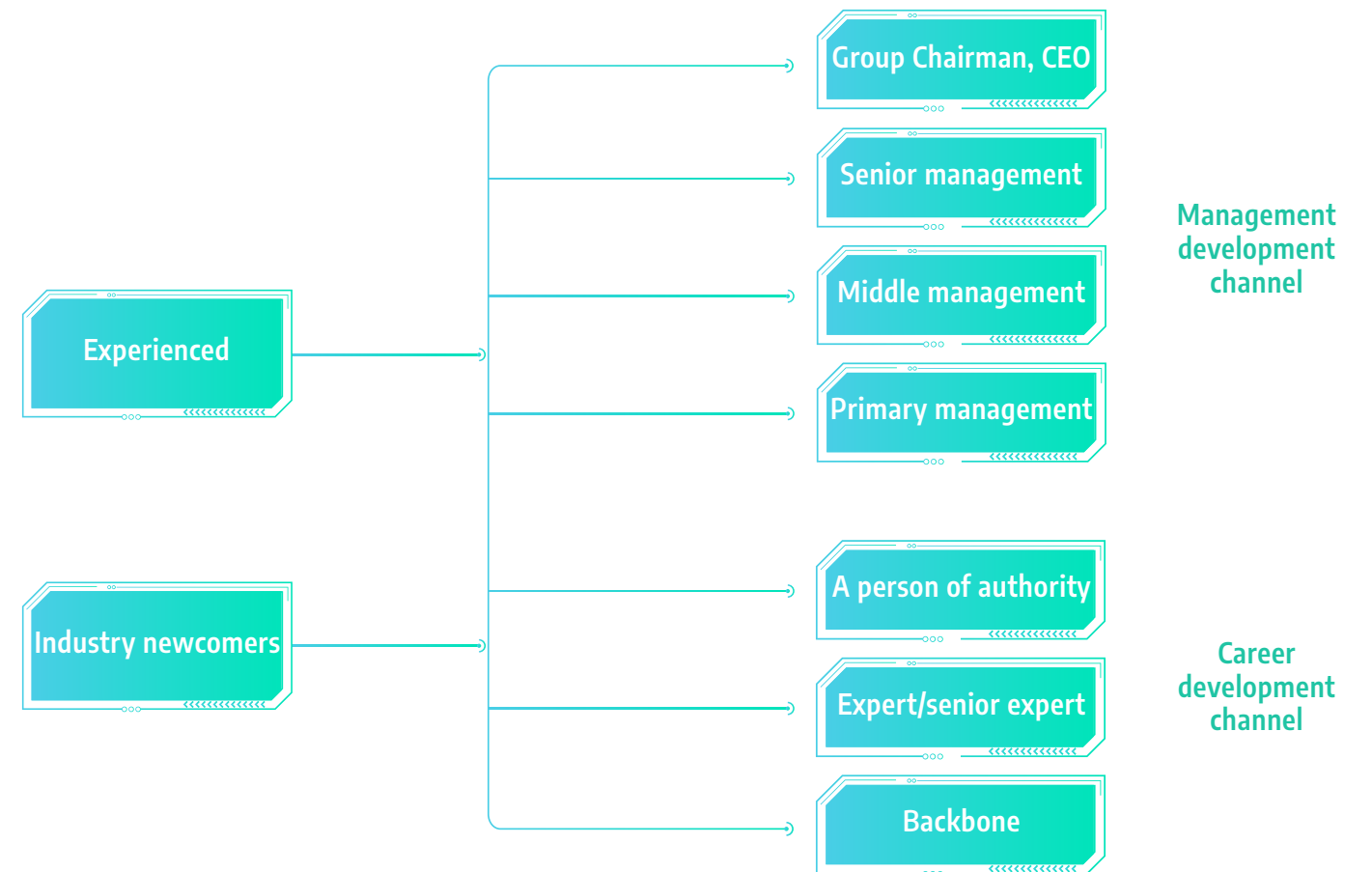
With focuses on employees' personal growth and career development, Appotronics has formulated the Employee Promotion Management Regulations, and established multiple career development channels such as management channels, technical channels, professional channels, and marketing channels, which have provided effective guidance for the development of employees. At the same time, the Company has established a position rank system that divides positions into ten levels from lowest to highest, with qualification standards including tenure, performance, skills and others stipulated for each level. With our efforts, every employee may achieve self-development goals while creating values.

Appotronics has established a talent training system of Aurora, Ruiguang, Xuguang and Xingguang series to create a comprehensive training plan for new graduates, reserve cadres, primary managers and middle management. By the end of 2022, Xingguang has trained 219 students in six phases, Xuguang program trained 33 students in phase I, Ruiguang program included 86 students in Phase II and Aurora trained 34 students in Phase I, indicating good talent cultivation and talent echelon construction and providing guidance for talent development of the management channel.

### Aurora, Ruiguang, Xuguang, and Xingguang training system



## Employee dual channel development sequence



## ● Conduct employee training >>

Appotronics has established a unique training system designed to prop up organizational development, personal improvement, and organizational capabilities, with four major links continuing to operate in a closed-loop manner. The quality and effectiveness of the designed learning products have been unanimously recognized by both students and the Company, and the training feedback is above 9 points.

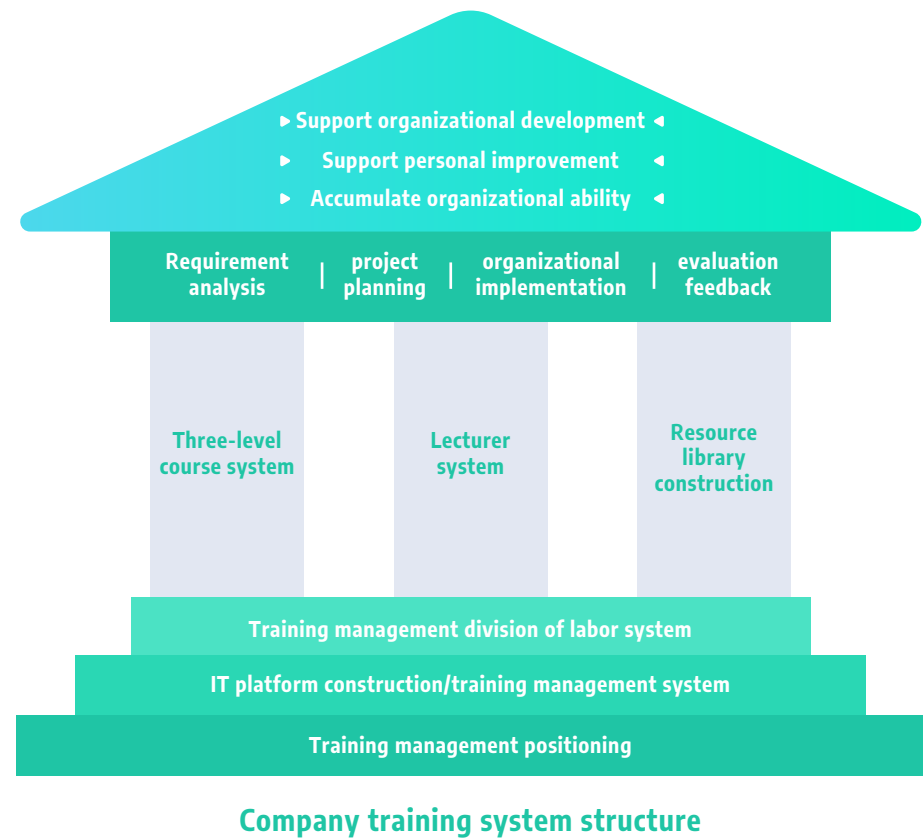
### Curriculum system:

The core courses for middle level leadership, primary management knowledge and skills, and professional skills training courses have been continuously developed, with a completion rate of about 70%.

### Lecturer system:

In 2022, the Company had 283 lecturers, with a well-running company/center/department three-level curriculum system. Over the past three years, the Company has certified over 80 instructors. The internal/external teacher course resource library is continuously being maintained and updated. With the management system continuously upgrading, the labor division and collaboration mode of training, HRBP, and department learning committee members is basically mature, and the training system is basically complete, adapting to the current learning and development needs.

According to statistics, the total training time for employees in 2022 was 17673 hours, with an average training time of approximately 14.73 hours per person (only for employees of the parent company). In addition, in order to enable new employees to quickly integrate into the company, adapt to organizational development, develop a sense of belonging, and quickly adapt to work positions, the Company organized and implemented new employee training camps on a monthly basis, covering a total of over 180 people throughout the year.



**Case: CINEAPPO continuously learning and growing together**

CINEAPPO regularly holds employee training to help employees improve their business abilities and knowledge reserves, a practice of the "continuous learning and common growth" corporate culture. In 2022, CINEAPPO conducted a total of 16 internal training sessions for employees, totaling 550 participants, 546 hours of training and 20 internal lecturers. The course "Practical Operation Sharing of Company Business System Usage" helped the employees quickly understand and learn about the business system; The "Service Timeliness and Service Commitment" provided employees with a profound understanding of service commitments, among others. At the same time, CINEAPPO has launched cloud classroom, making it convenient for employees to review and learn new things.



CINEAPPO training

**Equity incentives and equity buybacks**

Appotronics, an enterprise that attaches great importance to talent incentive and development, released the 2022 restricted stock incentive plan in April 2022, with 10.5 million restricted stock shares planned. The equity incentive plan will be beneficial for enhancing the enthusiasm and team combat effectiveness of the company's core team members, further consolidating corporate strategic consensus, stimulating employees' potential and innovation awareness, and promoting high-quality development of the enterprise.

Meanwhile, Appotronics, based on the confidence in the future development prospects of the Company and a high recognition of the Company's value, combined with the company's operating situation, main business development prospects, financial situation, and future profitability, initiated a share buyback in March 2022, using no more than RMB 20 million of raised funds to repurchase the company's shares, earmarked for employee stock ownership plans or equity incentives at an appropriate time going forward. In September 2022, the Company cumulatively repurchased 900000 shares, with an average repurchase price of RMB21.53 per share, successfully completing the transaction in 2022. The move reflected confidence in the future development prospects of the Company and recognition of intrinsic value.

# Ensure employee safety and health

Appotronics always puts safety production in an important position, with the construction of a safety production oriented scientific and technological innovation enterprise as the dominant factor, actively shoulders the main body responsibilities, continuously innovates and implements safety management measures, fulfills the legal responsibility of safety production, strengthens the due diligence and supervision of safety production, and carries out various work such as safety hazard investigation and safety operation guarantee, so as to strengthen the safety and provide a solid ground for the stable growth and development of the Company.

	Indicator	Unit	2022
Safety accident	Extraordinarily serious accident		0
	Serious accidents		0
	Major accidents		0
	Ordinary accidents		1
Safe production	Safety hazard elimination rate	%	100%
	Number of safety emergency drills	time	1
	Number of participants in safety emergency drills	Person/time	15
Strengthening security measures	Number of special occupational disease physical examinations	Person/time	42
	Number of occupational disease deaths	Person	0
	Number of work-related deaths	Person	0
Building a safety culture	Employee safety training hours	Hour	186
	Number of participants in safety training	Person/time	93

## Ensure safe production

Appotronics prioritizes safety production, continuously improves safety management mechanisms, and promotes the construction of a safety production system. The Company has set up a Safety Management Committee with an Office of the Safety Management Committee, the R&D center and supply chain center of the company being responsible for specific implementation. The 2022 Safety Responsibility Letter was inked to strengthen the Company's safety work, with a signing rate of 100%. The Company implements dual prevention mechanism measures, and has formulated systems such as Regulations on Safety Production Responsibility, Regulations on Fire Safety Management, Regulations on hazard Management, Accident Investigation Report, Regulations on Safety Protection and Control of Female Employees, and Regulations on Management of Labor Protection Articles. In addition, both the Company and its subsidiaries have obtained the ISO 45001 occupational health and safety management system certification.

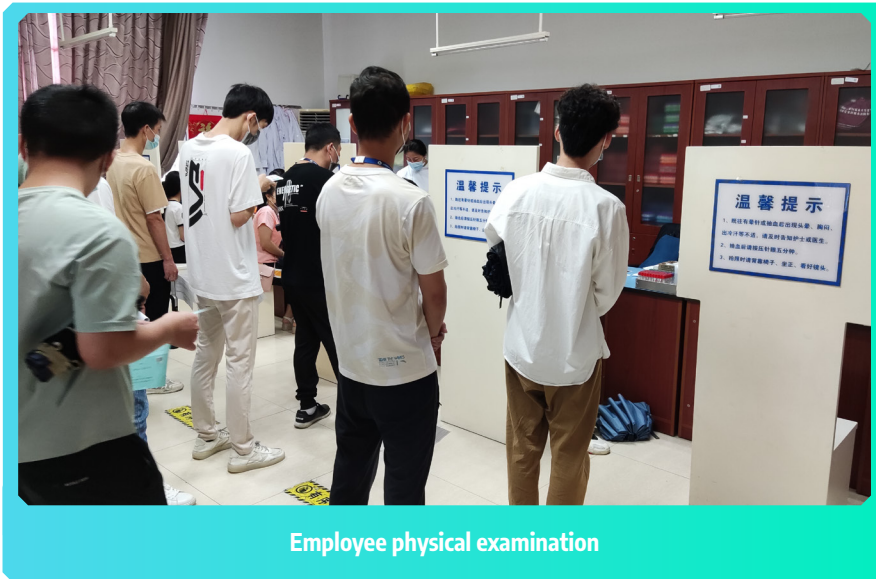
At the same time, the Company prevented safety risks, improved emergency response capability, comprehensively investigated potential safety hazards, carried out regular safety inspections, eliminated potential accident hazards, carried out post investigation, and analyzed countermeasures and prevention measures. In addition, the Company prepared emergency plans, simulated accident processes, verified the feasibility of emergency plans, conducted emergency drills, and tested the reliability of emergency response capabilities. In 2022, the Company organized various internal safety inspections and found a total of 166 potential safety hazards, all of which were rectified, with a safety hazard rectification rate at 100%.



◎ Prevention of occupational diseases >>

Appotronics attaches great importance to the physical and mental health of employees, establishes a comprehensive employee health prevention system, and formulates systems such as the "Occupational Health Management Regulations" and "Occupational Disease Identification and Protection Control Regulations" to ensure the occupational health of employees. The Company regularly organizes employees to participate in annual occupational health examinations every year, establishes employee health records, and passes international standards for environment, health, and safety (EHS) and OHSAS18000 certification.

In 2022, no suspected cases or acute occupational disease incidents of occupational diseases occurred throughout the year. The existing office environment does not have significant occupational disease hazards, and the overall risk of occupational diseases is controllable.



Employee physical examination



Regular inspection report on occupational hazards

◎ Safety and health culture >>

The safety culture helps to enhance employees' safety awareness and safety literacy. Appotronics popularizes various safety knowledge and operating procedures to all employees through various forms, such as conducting safety training lectures, regularly organizing safety drills, and holding safety culture promotion month activities, to improve employees' safety awareness and emergency response capabilities. The Company's safety culture training covers various departments and positions, and corresponding safety culture training plans are developed for different job responsibilities and risk characteristics to ensure that employees fully understand various safety operating procedures and always maintain a high level of vigilance and sense of responsibility, such as the "Cardiopulmonary Resuscitation First Aid" training. In 2022, the Company held a total of 12 monthly evaluations, and each department's security person was able to sort out evaluation materials in accordance with the "Quantitative Evaluation Measures for Safety Management of Appotronics" and execute them accordingly.

Appotronics promotes a series of safety production month activities every year to promote safety production culture. In June 2022, when the national "Safety Production Month" was launched, the Company initiated a safety production training activity with the theme of "Abiding by the Safety Production Law and Being the First Responsible Person", closely following the theme of the Safety Production Month activity. In order to continuously improve the performance ability of safety officers in various departments, the Company hired experts to help safety officers in various departments solve difficulties encountered in their work from three dimensions: on-site management requirements, risk classification and control, and hidden danger investigation system, imbedded with the Company's production and operation characteristics. The safety officers raised questions about practical problems encountered in daily work and life, and the training teachers answered them with a combination of the theory and practice.



Emergency drill



Safety Production Month series activities - Poster&banner promotion



# 08



## Reliable environmental and climate management

## Detailed disclosure of climate information, attend to climate risks and opportunities

### ◎ Risk and opportunity analysis >>

Appotronics, with the impact of climate change on company operations in mind, identifies climate change risks and opportunities and takes effective response measures referring to the initiatives of the Task Force on Climate-Related Financial Disclosure (“TCFD”).

#### 1. Governance disclosure:

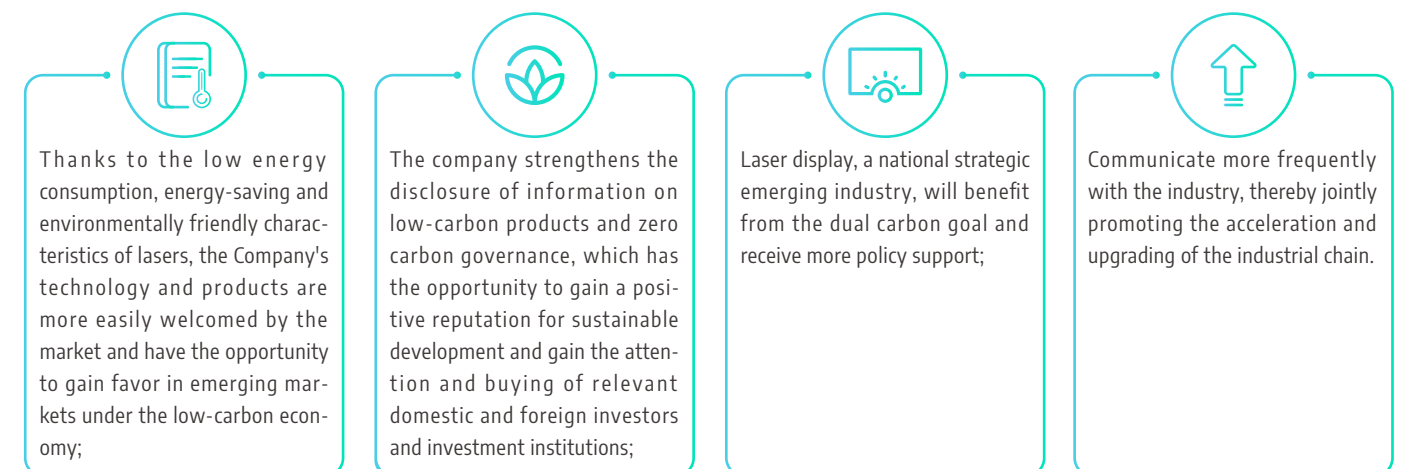
As the first person responsible for ESG, the Chairman attaches great importance to the potential impact of climate change on the company's operations. The company will identify, evaluate, manage and actively respond to climate related risks and opportunities internally. The ESG informal working group and business departments conduct data collection and risk governance, while the board of directors and management supervise the overall work.

#### 2. Climate risk analysis and management

Climate change risks		Countermeasures
Physical risks	Acute risk (typhoon, rainstorm and other extreme weather), chronic risk (continuous high temperature, drought, etc.)	<p>Since the main business site is located in coastal areas, sudden risks such as typhoon, rainstorm and high temperature, and long-term risks such as sea level rise may have a certain impact on the daily operation of the company, such as reduced staff efficiency, damage to fixed assets such as production equipment, or other potential economic losses.</p> <ul style="list-style-type: none"> <li>◎ We have formulated the “Emergency Plan for Natural Disaster Accidents”, established corresponding warning and response mechanisms, and continuously updated and improved them based on actual situations;</li> <li>◎ Purchasing corresponding insurance for potential damage to fixed assets will effectively reduce economic losses;</li> <li>◎ Based on past experience, the Company has not been exposed to significant climate risk hazards under extreme weather conditions, mainly affecting employee work efficiency. Thanks to experience during the COVID-19 pandemic, the Company provides employees with technical support for working from home, which can ensure normal online office order, and work efficiency has not significantly decreased according to monitoring;</li> <li>◎ On the production side, measures such as optimizing production plans, efficient production organization, and lean production through technology are taken to effectively ensure production rhythm.</li> </ul>

Climate change risks		Countermeasures
Transformation risk	Policy and legal risks	The implementation of the national dual carbon target requires stricter disclosure requirements for corporate climate and other related emission reduction information, and companies need to invest more in emission reduction to respond to the national call.
	Technological risks	The achievement of emission reduction targets poses new demands for technological upgrading, and there is an urgent need to develop low-carbon and environmentally friendly technologies and products.
	Market risk	Consumers and customers are willing to choose products that are more low-carbon and environmentally friendly, while the high demand for emission reduction throughout the entire industry chain may lead to increased costs of raw materials and energy.
	Reputation risk	Due to climate related events affecting the company's reputation, customer loss may occur.
		<ul style="list-style-type: none"> <li>◎ Actively pay attention to international policies or relevant laws and regulations in the field of dual carbon emissions, strengthen learning and timely response, and actively carry out energy conservation and emission reduction work;</li> <li>◎ In technology research and development and product design, energy conservation and environmental protection is considered as one of the important factors, and low-carbon technologies in the industry and market are paid attention to, and cooperation is introduced in a timely manner;</li> <li>◎ Actively develop green and low-carbon technologies and products to meet market demand;</li> <li>◎ Continuously improve the disclosure of company environmental information and enhance the confidence of stakeholders in the Company.</li> </ul>

#### 3. Climate opportunity analysis and management



Goals and action planning

Appotronics will continue to promote emission reduction, fully utilize its technological research and development advantages, actively carry out low-carbon technology research and development, continuously improve various production and manufacturing processes, increase the proportion of renewable energy use, effectively reduce the generation of wastewater, exhaust gas, and solid waste, and actively contribute to the national dual carbon goal.



Environmental management mindset and system

In 2022, Appotronics took the sustainable development as its responsibility, incorporating environmental benefits and environmental management into the entire process of enterprise operation and management, with significant results. It was awarded the "Green Leading Enterprise" by the CEC. The Company's products, designed strictly in accordance with energy-saving and green requirements, have passed the China Certification Center for Energy Conservation Product ("CECP") certification. The Company obtained the "Excellent Enterprise Award" by the Environmental Development Center of the Ministry of Ecology and Environment, a model for the industry.



Figure 1 Green leading enterprise



Figure 2 Excellent Enterprise Award

During the efforts to strictly control product energy efficiency indicators, the DQA laboratory of the Company got recognized by the China Institute of Standardization, and authorized by the Energy Efficiency Testing Laboratory, thus its energy efficiency testing capabilities nationally recognized. The energy efficiency testing report issued by the laboratory can be directly submitted to the Energy Efficiency Labeling Management Center of the China National Institute of Standardization for energy efficiency filing.

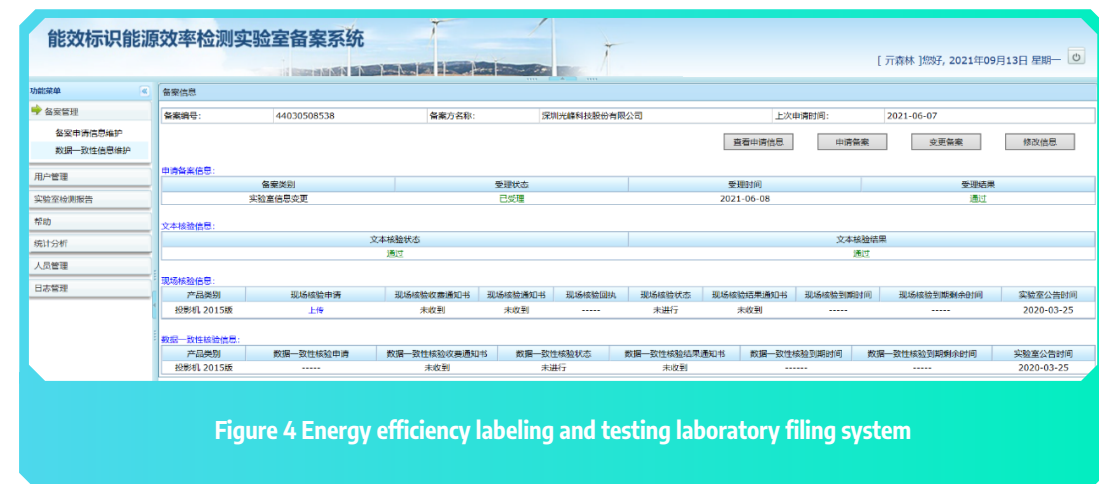


Figure 4 Energy efficiency labeling and testing laboratory filing system



Figure 3 Level 1 energy efficiency mark for Appotronics' products

Practice green production

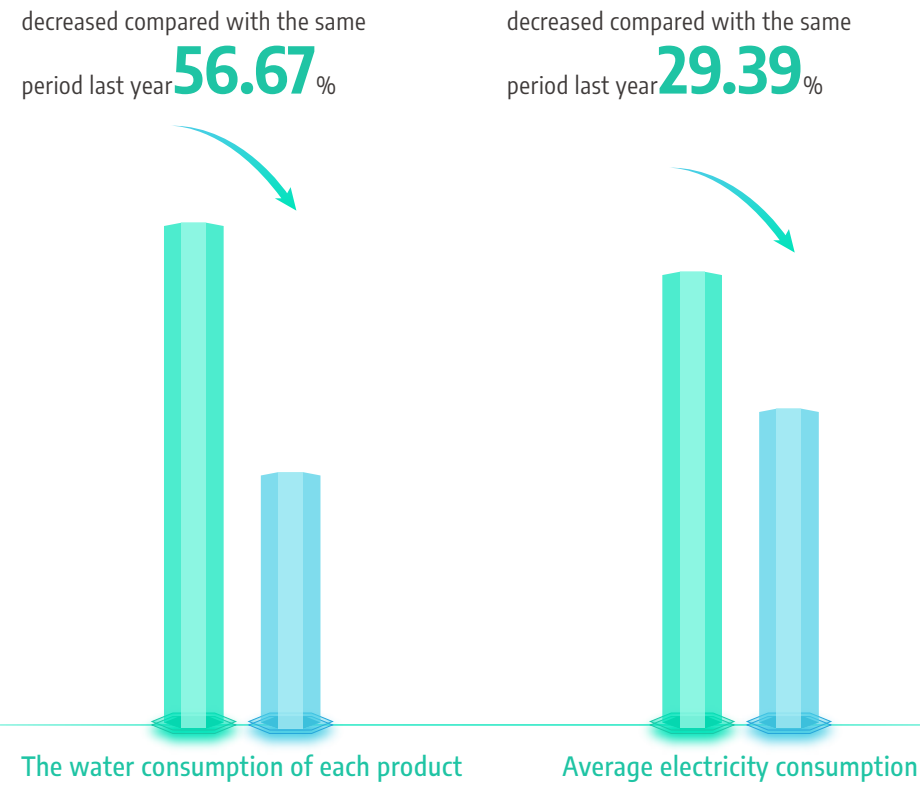
Appotronics strictly adheres to national and local environmental protection laws and regulations, closely monitors changes in laws and regulations, and makes timely adjustments. Under the principle of green production, the Company continuously optimizes production processes, adopts advanced energy-saving technologies, ensures minimal environmental impact during the production process, promotes sustainable development and environmental protection, and contributes to the beautiful future of human society. In 2022, the Company did not receive any environmental complaint from environmental protection departments, relevant organizations, or companies, and no individual or unit complaint occurred, nor did any environmental pollution incident.

The environmental impact of the Company's current production and activities is very low, and the generated wastewater only produces very little exhaust gas and noise after legal treatment. At the same time, the Company entrusts a qualified third-party environmental testing agency to test the wastewater/exhaust gas/noise emitted by the Company every year to ensure that the Company's production wastewater does not pollute the external environment. In April 2022, the Company commissioned a third-party environmental testing agency to test the wastewater, exhaust gas, and noise generated by the Company's production. The testing reports, numbered R22322809 and R22112633-A, showed that the wastewater, exhaust gas, and noise all met the requirements of national and regional laws and regulations.

Environmental indicators of the company



In 2022, the average water consumption per product produced by the Company's factory in the Shenzhen Fuyong district decreased by 56.67% year-on-year, and the average electricity consumption decreased by 29.39% year-on-year.



The specific environmental factors affecting the company are as follows

The domestic wastewater generated at the Company's office is treated uniformly by the office building and industrial park property. After reaching the standard through pre-treatment, it is discharged into the municipal sewage pipe network. During the reporting period, third-party testing institutions conducted tests on the wastewater generated by the Company's production activities in accordance with the "Guangdong Provincial Local Standard Water Pollutant Discharge Limits", test results all meeting the discharge standards.

The Company produces relatively small amounts of waste gas from production and activities, the majority being tin-containing waste gas and non-methane hydrocarbons, which are treated through UV photolysis, activated carbon adsorption devices, air purification equipment, and others. After treatment, the concentration of waste gas emissions meets the environmental protection standard "Emission Limits of Air Pollutants" (DB44/27-2001 Level 2 standard) in the location of the production and operation entity. After a third-party testing agency is commissioned for testing and the standards are met, the waste is released.

The Company's waste is mainly divided into three categories: recyclable, non-recyclable, and hazardous waste, which are collected separately and transferred to the renewable resources company for compliance treatment. The Company verifies the business qualifications of the renewable resources company every year and signs relevant recycling contracts with it; In addition, the Company pays relevant management fees to the property every month to ensure that the waste generated by the company does not have an impact on the environment.

The noise generated by the Company's production and activities is very low. In April 2022, a third-party testing agency conducted testing on the production site in accordance with the emission standard for industrial enterprises noise at boundary (GB12348-2008), and the results all met the emission standards.

The Company has formulated the "Chemical Hazardous Materials Control Procedure" in accordance with relevant regulations, guiding employees to manage chemicals, setting up specialized areas for storing chemicals, and confirming on-site that the management, transfer, and recycling of chemicals meet the requirements.

The Company has formulated the "Emergency Plan" and "Emergency Preparedness and Response Control Procedure" for emergency accidents involving chemicals and fires. Safety officers are assigned to conduct daily safety inspections, which are combined with departmental inspections. Employees are trained on firefighting knowledge, and emergency plans for fire accidents are prepared. The on-site inspection shows that the management meets the requirements.

The Company has formulated the "Energy and Resource Consumption Control Procedure" and related environmental goals, designed to guide the company's employees to control energy and resource consumption. The administrative department conducts monthly statistics on the Company's water, electricity, and office paper use, warning employees to save water and electricity and prevent waste.

Through on-site confirmation, it can be determined that all environmental factors are effectively controlled according to the control methods in the "Environmental Factor Checklist", without any phenomenon of running, emitting, dripping or leaking. The management of chemicals, the use and utilization of resources, and fire management all comply with the requirements of laws and regulations collected by the Company.

◎ Promote green operations >>

During the daily operation, Appotronics focuses on cultivating employees' awareness of environmental protection and encourages everyone to use environmentally friendly products and services in their work and life. At the same time, the Company has taken various green office measures, implementing garbage classification in public areas, pasting energy-saving signs, and continuing to promote measures such as water-saving, electricity saving, paper saving, video conferencing, electronic office, reducing office and household waste generation and waste recycling, in order to realize green office.

Appotronics vigorously promotes digital construction, improving office efficiency while also saving paper printing. The Company has established an online work platform system to realize online approval of office service contracts, and introduced electronic signature services for printing and stamping. Data linkage is carried out between ERP procurement contracts and CRM sales contracts, reducing a large amount of procurement contract printing and stamping, which helps to improve the overall office efficiency of the Company and reduce paper consumption.



**Case: Appotronics advocates green office and resource regeneration and recycling**

Appotronics actively advocates resource regeneration and recycling, adopting a series of sustainable measures designed to reduce the impact on the environment and enable effective utilization of resources. The Company focuses on the reuse of waste and the recycling of resources, such as waste paper baskets at the front desk for storing A4 paper that has been used on one side for recycling. After removing the battery from the remote control returned by the after-sales service, it will be used as office supplies and sent back to the employees in need for use. The materials and decorations used in various activities every year are reused as much as possible. The Company also promotes environmental protection internally, guiding employees to start from their daily work and life and practice a green lifestyle.

**Case: CINEAPPO advocates energy conservation and environmental protection**

CINEAPPO always adheres the energy conservation and environmental protection, advocating for the utilization of recycled office waste paper in terms of green office. It advocates for energy conservation and require its employees to keep their lights, projectors, and air conditioning turned off whenever they leave the office or conference room, in order to maximize energy conservation. In 2022, the company realized paperless office work, the promotional manual materials basically shifted to the electronic from the paper version, practical environmental protection actions.

# 09



## Resilient and sustainable procurement

## Responsible supply chain

Appotronics advocates the construction of a responsible supply chain, ensuring that suppliers comply with various regulations in terms of ethics, laws, environment, health, and safety, provide high-quality, reliable, and sustainable products, and adhere to achieving mutual trust and reciprocity during the process. The company attaches great importance to cooperation with suppliers and strategic partners, actively implements clean procurement and responsible procurement, chooses to purchase environmentally friendly raw materials, and actively layout the core areas and links of the industrial chain as an important component of the Company's production and operation. The Company continues to strengthen supplier corporate responsibility management, standardize procurement transaction behavior, improve the sustainable competitiveness of the supply chain, and work together with suppliers to develop and build a responsible value chain. In 2022, the Company's responsible procurement ratio was 100%.

### Strengthen supplier management

Appotronics places emphasis on supplier management in all aspects of production to ensure the stability, reliability, and sustainability of the supply chain, helping the company reduce costs, increase efficiency and enhance competitiveness and risk management capabilities. In 2022, the Company upgraded the supply chain system, established collaborative interfaces between the supply chain and other departments internally, strengthened communication and linkage between suppliers, customers, and the supply chain externally, and conducted overall upgrading and capacity reconstruction of the supply chain system throughout. The company has formulated the "Supplier Development and Management Regulations" to standardize the introduction and internal workflow of new suppliers, ensure the QCDS of newly introduced suppliers, and clarify the assessment and management system for qualified suppliers.

At the same time, the company implements the accountability system, clarifies the division of responsibilities for supplier assessment, allocates different responsibilities to different departments, organizes and optimizes the supplier resource pool, and timely optimizes procurement strategies. In addition, the Company has established an inventory traffic light warning mechanism to increase inventory management and improve turnover efficiency.

### Promote green transformation of the supply chain

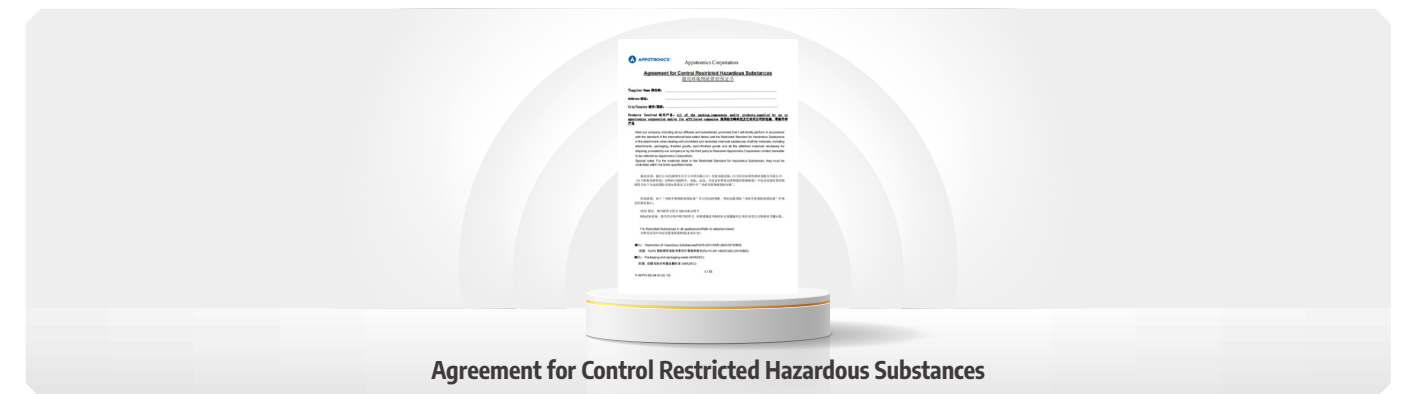
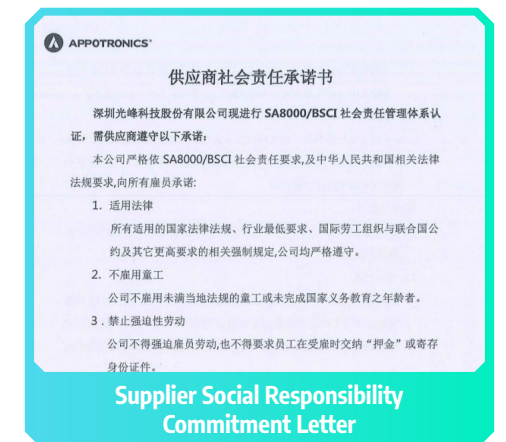
Appotronics encourages, assists and supports suppliers to fulfill continuous improvement of social and environmental responsibilities, including improving energy efficiency, reducing carbon emissions, reducing waste generation, promoting sustainable procurement, protecting labor rights, etc., and promoting the transparency of the supply chain. The Company and suppliers jointly develop, implement, and supervise improvement plans to ensure the actual effectiveness of the improvements. The Company has formulated the "Supplier Environmental Requirements Control Regulations" to promote the improvement of supplier environmental performance to protect the interests of customers and consumers, expand the impact of the Company's environmental policies, and jointly promote social environmental activities. The Company signs a "Supplier Social Responsibility Commitment Letter" with suppliers to ensure that they comply with the commitments of these agreements, hold suppliers accountable for their violations, and ensure that bad behavior is corrected.



Figure 1 Supplier Development and Management Regulations

In addition, the Company has established a qualified supplier management evaluation mechanism for suppliers, which evaluates their performance based on relevant factors and divides them into excellent suppliers, qualified suppliers, and suppliers to be improved. For a supplier with environmental risk, or a score of "environmental requirements" falling below 65%, it is considered unqualified, even if the total score  $\geq 60$ .

Environmental protection score rate (SR)	Environmental risk level
SR $\geq$ 85%	Low-risk
85% $>$ SR $\geq$ 75%	Medium-risk
75% $>$ SR $\geq$ 65%	High-risk



## Conflict Minerals

The specific minerals produced by the Democratic Republic of the Congo and its surrounding countries have become a source of funding for conflict forces, which may contribute to human rights violations and ecological damage caused by the conflict. Due diligence on conflict minerals is an important manifestation of corporate social responsibility, and relevant enterprises have the responsibility to actively promote their development and prevent the occurrence of improper behavior.

Appotronics adheres to responsible mineral procurement and signs the "Non Use of Conflict Minerals Commitment Letter". In accordance with the "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" issued by the Organization for Economic Cooperation and Development ("OECD"), it ensures that the procurement of raw materials for its own and all products in the supply chain do not involve minerals from conflict areas.

The Company declares that it strictly complies with international organizations and industry regulations, does not accept the use of "conflict minerals" from the Democratic Republic of Congo and surrounding countries and regions, and requires all suppliers to trace the sources and regulatory chains of gold (Au), tantalum (Ta), tin (Sn), tungsten (W), cobalt (Co), and mica (Mica) contained in their products, to reasonably ensure that its source complies with the OECD's Due Diligence Guidelines for Responsible Mineral Supply Chains from Conflict-Affected and High-Risk Areas or equivalent and recognized due diligence frameworks.

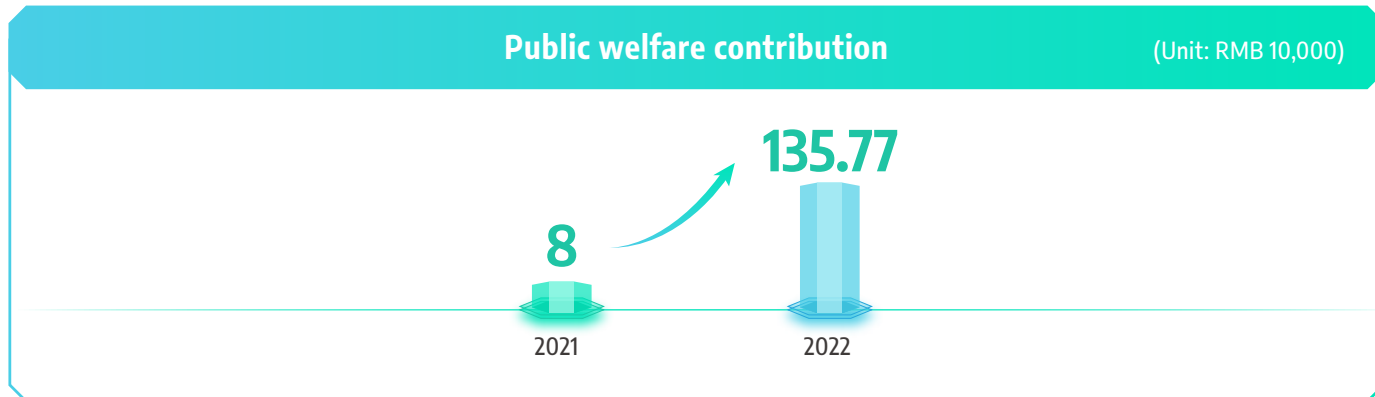


# 10



## Influential social welfare





Appotronics, an enthusiastic public welfare enterprise, has always been committed to fulfilling social responsibility and promoting the development of public welfare undertakings. We deeply understand that enterprises are not only pursuers of commercial value, but also bearers of social responsibility, actively contributing to society. The Company actively participates in rural revitalization, technology popularization, and public welfare activities, contributing to society. At the same time, the Company provides better support and assistance for public welfare undertakings through technological innovation, and contributes to promoting technological innovation and cultivating technological talents.

## Rural revitalization, talent revitalization

Appotronics actively practices the social responsibility as an industry leader, continuously responds to the call for rural revitalization, and contributes to the cause of rural revitalization through "purchasing as a substitute" and "technology to assist agriculture". In 2022, recommended by the Guizhou Qianxi Youth League Committee, the Company was awarded the "Chunhui Action Contribution Award" by Organization Department of the Guizhou Province for its actions to revitalize talents and assist agriculture in Qianxi.



## Public welfare assistance to agriculture

Upon the information of marketing difficulties of agricultural products in Gantang Town and Huaxi Township of Qianxi, Guizhou Province, Appotronics initiated the "2022 Mid-Autumn Festival Public Welfare and Agricultural Aid Action" project to help poor areas solve the problem of agricultural product marketing by purchasing instead of direct assistance. The Company successfully contacted the person in charge of the local agricultural assistance platform through the Qianxi Youth League Committee and purchased thousands of local agricultural products to assist in rural revitalization through practical actions.



## Talent revitalization

Appotronics helps create a space for young entrepreneurs, adding "edge" to youth entrepreneurship and employment. At the beginning of 2022, the Guizhou Qianxi Youth Maker Space donated by the company was officially unveiled as a local youth service platform, guiding young people to start businesses and employment correctly, and assisting in the revitalization of rural talents. The Company used hardware products equipped with ALPD® laser display technology to create a youth entrepreneurship center and youth cinema featuring a 100 inch high-definition giant screen for the maker space. It will focus on serving local youth, in terms of entrepreneurship and employment training and skill enhancement, a bridge connecting youth, entrepreneurship mentors, employers, and relevant government departments.



## Popularize technology and build the brand

Appotronics, focused on enhancing connections and cooperation with the society, has built an urban science popularization base, designed to promote the popularization of technology and talent cultivation, improve the public welfare image and commercial value of enterprises, and allow more people to enjoy the convenience brought by technological innovation. The "writing on the cloud" on the May Fourth Youth Day and the intelligent large screen for rural areas have demonstrated the Company's deep accumulation and innovative ability in the field of technology, while also spreading aerospace knowledge and promoting the astronauts' spirit.

### Popular science base >>

The Company continues to support Shenzhen's urbanization strategy of building a "child friendly city" and has been awarded the title of "Nanshan District Science Popularization Base". Having a science popularization base is an important measure for the Company to practice social responsibility, promote technological innovation and sustainable development. It helps to promote the concept of technological innovation, promote technology popularization and talent cultivation, and strengthen connections and cooperation with the society. In 2022, Appotronics's science popularization base received a total of 6 children's science popularization public welfare visit projects, with approximately 100 children visitors.



Youth science popularization public welfare activities

### Aerospace dream >>

In order to spread aerospace knowledge and promote the astronauts' spirit, the Company, in collaboration with the CASCI, launched a series of activities called "Radiance Plan - Technology Assists Rural Revitalization, Building Aerospace Dreams with Light", and entered Badu Yao Township in Tianlin County of Guangxi, delivering intelligent screens to Liulin Village, Bailu Village, and Pingfeng Village. With the intelligent large screens, villagers can conveniently and efficiently carry out daily village affairs, training and learning, holiday activities, and other daily activities.



Jointly initiated the "Radiance Plan" with CASCI

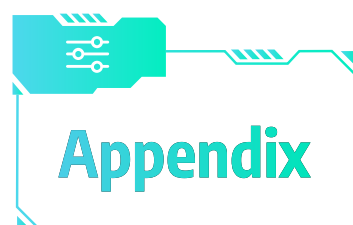
## Jointly fight the COVID-19, watch out for and help each other

Amid the COVID-19 pandemic last year, Appotronics maintained a high sense of social responsibility and mission, actively participated in the anti-pandemic work, and overcame difficulties with all sectors of society. The Company responded to the national call for COVID-19 prevention and control promptly, supporting pandemic prevention and medical treatment work in areas such as public health and community services. At the same time, the Company strengthened internal COVID-19 prevention and control, adopted strict protective measures, and ensured the health and life safety of employees.

To show respect for the anti-pandemic medical staff, the Company in April 2022 donated 300 laser projectors with a total value of RMB 1.2597 million to the Shenzhen Health Commission through the Red Cross Society of China Shenzhen Branch. Those projectors were distributed in batches by the Shenzhen Health Commission to 29 medical institutions, including the Shenzhen Center for Disease Control and Prevention and the Shenzhen Center for Prehospital Care, for the purpose of family education for the children of anti-pandemic medical workers.



Donating to Shenzhen Health Commission to help fight against the pandemic



# Appendix

◎ GRI Index >>

GRI standards	Disclosure items	Chapter name
<b>GRI 102: General disclosure</b>		
<b>Organization profile</b>	102-1 Name of the organization	About the Report
	102-2 Activities, brands, products, and services	Preface: Approaching Appotronics
	102-3 Location of headquarters	20-22/F, High-Tech Zone Union Tower, No.63, Xuefu Road, Nanshan District, Shenzhen, Guangdong Province
	102-4 Location of operations	20-22/F, High-Tech Zone Union Tower, No.63, Xuefu Road, Nanshan District, Shenzhen, Guangdong Province
	102-6 Markets served	Preface: Approaching Appotronics
	102-7 Scale of the organization	Company employees growing together
	102-8 Information on employees and other workers	Company employees growing together
	102-9 Supply chain	Resilient and sustainable procurement
	102-10 Significant changes to the organization and its supply chain	Resilient and sustainable procurement
	102-11 Precautionary principle or approach	Diversified corporate governance
	102-12 External initiatives	Innovation leads the vigorous development of the industry
	102-13 Membership of associations	Innovation leads the vigorous development of the industry
	<b>Strategy</b>	102-14 Statement from senior decision-makers
102-15 Key impacts, risks and opportunities		Diversified corporate governance

GRI standards	Disclosure items	Chapter name	
<b>Strategy</b>	102-16 Values, principles, standards and norms of behavior	Preface: Approaching Appotronics	
<b>Governance</b>	102-18 Governance structure	Responsible ESG management	
	102-20 Executive-level responsibility for economic, environmental, and social topics	Responsible ESG management	
	102-21 Consulting stakeholders on economic, environmental, and social topics	Responsible ESG management	
	102-22 Composition of the highest governance body and its committees	Responsible ESG management	
	102-33 Communication of important concerns	Responsible ESG management	
	102-34 Nature and total number of important concerns	Responsible ESG management	
	<b>Stakeholder engagement</b>	102-40 List of stakeholder groups	Responsible ESG management
		102-42 Identifying and selecting stakeholders	Responsible ESG management
		102-43 Approach to stakeholder engagement	Responsible ESG management
102-44 Key topics and concerns raised		Responsible ESG management	
<b>Reporting practices</b>	102-45 Entities included in the consolidated financial statements	About the Report	
	102-46 Defining report content and topic boundaries	Responsible ESG management	
	102-47 List of material topics	Responsible ESG management	
	102-48 Restatements of information	Responsible ESG management	
	102-49 Report changes	About the Report	
	102-50 Reporting period	About the Report	
	102-51 Date of most recent report	About the Report	
	102-52 Reporting cycle	About the Report	
	102-53 Contact point for questions regarding the report	Feedback	
	102-54 Claims of reporting in accordance with the GRI Standards	About the Report	
	102-55 GRI content index	Appendix-GRI Index	

GRI standards	Disclosure items	Chapter name
<b>GRI 103:Management Approach</b>	103-1 Explanation of the material topic and its boundary	Responsible ESG management
	103-2 The management approach and its components	Responsible ESG management
	103-3 Evaluation of the management approach	Responsible ESG management
<b>GRI 201:Economic performance</b>	201-1 Direct economic value generated and distributed	Preface:Approaching Appotronics
	201-2 Financial implications and other risks and opportunities due to climate change	Reliable environmental and climate Management
<b>GRI 205:Anti-Corruption</b>	205-2 Communication and training about anti-corruption policies and procedures	Diversified corporate governance
	205-3 Confirmed corruption incidents and actions taken	Diversified corporate governance
<b>GRI 302:Energy</b>	302-1 Energy consumption within the organization	Reliable environmental and climate Management
	302-4 Reduction of energy consumption	Reliable environmental and climate Management
<b>GRI 303:Water and Effluents</b>	303-2 Management of water discharge-related impacts	Reliable environmental and climate Management
	303-3 Water withdrawal	Reliable environmental and climate Management
	303-4 Water discharge	Reliable environmental and climate Management
	303-5 Water consumption	Reliable environmental and climate Management
<b>GRI 305 Emissions</b>	305-5 Reduction of GHG emissions	Sustainable R&D innovation
<b>GRI 306 Effluents and Waste</b>	306-2 Total amount of waste by type and disposal method	Reliable environmental and climate Management

GRI standards	Disclosure items	Chapter name
<b>GRI 307:Environmental Compliance</b>	307-1 Violation of environmental laws and regulations	NA
<b>GRI 308:Supplier Environmental Assessment</b>	308-1 New suppliers screened using environmental standards	Resilient and sustainable procurement
	308-2 Negative environmental impacts in the supply chain and actions taken	Resilient and sustainable procurement
<b>GRI 401:Employment</b>	401-1 New employee hires and employee turnover	Company employees growing together
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Company employees growing together
<b>GRI 403:Occupational Health and Safety</b>	403-5 Worker training on occupational health and safety	Company employees growing together
	403-6 Promotion of worker health	Company employees growing together
	403-7 Preventing and mitigating occupational health and safety impacts directly related to business relationships	Company employees growing together
	403-9 Work-related injuries	Company employees growing together
	403-10 Work-related health issues	Company employees growing together
	<b>GRI 404:Training and Education</b>	404- 1 Average hours of training per year per employee
404-2 Programs for upgrading employee skills and transition assistance programs		Company employees growing together
404-3 Percentage of employees receiving regular performance and career development reviews		Company employees growing together

GRI standards	Disclosure items	Chapter name
<b>GRI 405: Diversity and Equal Opportunity</b>	405-1 Diversity of governance bodies and employees	Diversified corporate governance Company employees growing together
<b>GRI 406: Non-discrimination</b>	Management plan	Company employees growing together
<b>GRI 408: Child Labor</b>	Management plan	Company employees growing together
<b>GRI 409: Forced or Compulsory Labor</b>	Management plan	Company employees growing together
<b>GRI 413: Local Communities</b>	Management plan	Influential social welfare
<b>GRI 41: Supplier Social Assessment</b>	414-1 New suppliers screened using social standards	Resilient and sustainable procurement
	414-2 Negative social impacts in the supply chain and actions taken	Resilient and sustainable procurement
<b>GRI 416: Customer Health and Safety</b>	416-1 Assessment of the health and safety impacts of product and service categories	Safe and reliable products
<b>GRI 417: Marketing and Labeling</b>	417-1 Requirements for product and service information and labeling	Safe and reliable products
<b>GRI 418: Client Privacy</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	None
<b>GRI 419: Socioeconomic Compliance</b>	419-1 Non-compliance with laws and regulations in the social and economic area	None

**Feedback >>**

Thank you very much for taking time out of your busy schedule to read the 2022 ESG Report of Appotronics. In order to improve the activities of Appotronics in the environmental, social and governance areas, and further enhance the Company's ability on sustainable development with closer communication with all walks of life, we sincerely look forward to your valuable comments and suggestions towards our work and reports

Please fill out the feedback form and send it to the following email address: [csr@appotronics.cn](mailto:csr@appotronics.cn)

**Your information**

Name: \_\_\_\_\_ Tel: \_\_\_\_\_

Company: \_\_\_\_\_ Email: \_\_\_\_\_

**Your overall assessment of the ESG Report of Appotronics is:**

Extremely satisfied     Very satisfied     Satisfied     Not satisfied     Dissatisfied

**Your evaluation of our company's ESG responsibilities fulfillment:**

**Financial responsibility:**

Extremely satisfied     Very satisfied     Satisfied     Not satisfied     Dissatisfied

**Social responsibility:**

Extremely satisfied     Very satisfied     Satisfied     Not satisfied     Dissatisfied

**Environmental responsibility:**

Extremely satisfied     Very satisfied     Satisfied     Not satisfied     Dissatisfied

**Whether do you think this report can reflect the impact of our company's social responsibility practices on the economy, society, and environment?**

Well     Relatively well     Generally     Not very much     No

**What do you think of the clarity, accuracy, and completeness of the information, data, and indicators disclosed in this report?**

**Clarity:**

Extremely satisfied     Very satisfied     Satisfied     Not satisfied     Dissatisfied

**Accuracy:**

Extremely satisfied     Very satisfied     Satisfied     Not satisfied     Dissatisfied

**Completeness:**

Extremely satisfied     Very satisfied     Satisfied     Not satisfied     Dissatisfied

**Do you think the content arrangement and layout design of this report facilitate reading?**

Yes     Roughly     No

**Do you have any other comments on Appotronics' ESG work?**

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