Anker Innovations
Sustainability Report 2023

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1 About This Report

Report Overview

This is the second annual Sustainability Report (also known as Environmental, Social, and Governance Report) released by Anker Innovations Technology Co., Ltd. (hereinafter referred to as "Anker Innovations", "the company" or "we") to disclose its sustainable development practices and progress with stakeholders.

Reporting Principles

All of the information in this report comes from Anker Innovations and its subsidiaries. The report has been reviewed and approved by the Board of Directors of Anker Innovations. Anker Innovations is responsible for the authenticity, accuracy, and integrity of the information in this report.

Scope of the Report

This report covers the full scope of Anker Innovations and its subsidiaries. For details of the company's business and subsidiary information, please refer to the Anker Innovations 2023 Annual Report (which can be found at http://www.cninfo.com.cn/). Any instances where the scope of the quantified performance data statistics does not conform to the aforementioned situations are explained in the report.

The information in this report covers the period from January 1, 2023, to December 31, 2023. To enhance the continuity and comparison, some information may go beyond the aforementioned time range.

Reporting Standards

The preparation of this report refers to the *Global Reporting Initiative (GRI) Standards 2021, the United Nations Sustainable Development Goals (UN SDGs)*, and the *Guidelines No. 17 of Shenzhen Stock Exchange for Self-regulatory of Listed Companies at the Shenzhen Stock Exchange - Sustainability Report (Trial)* disclosure requirements.

Anker Innovations identifies key stakeholders, conducts materiality issue analysis, and defines the scope and boundaries of the report. Meanwhile, we collect, compile, organize, and review relevant information to ultimately produce this report.

Information Sources

All the information presented in this report is derived from the company's official documents, publicly disclosed information and reports from third-party organizations. Unless otherwise specified, the monetary amounts mentioned herein are in CNY (Chinese Yuan).

Reporting Language

This report is available in both Chinese and English versions for reference. The electronic version of the report can be accessed through our company's website at https://www.anker-in.com/. In the event of any discrepancies, the Chinese version shall prevail.

Responding to this Report

If you have any questions or suggestions on this report, please contact us.

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Message from Our CEO

CEO of Anker Innovations

Steven Yang

As a global technology corporation with business operations extending across more than 140 countries and regions, and impacting over 150 million users worldwide, we increasingly focus on fulfilling our social responsibilities through environmental protection, social value creation, and the enhancement of corporate governance. In 2023, we have integrated ESG (Environmental, Social, and Governance) at the core of our corporate development strategy. This integration not only signifies a substantial strategic shift, but also represents our steadfast commitment to the future.

Last year, we embarked on an in-depth exploration and practical implementation within the realm of ESG:

In terms of environmental protection, we are committed to reducing our carbon footprint and promoting the use of green energy. We have increased our investment in new energy products within our core business, including the launch of several devices based on the conversion of solar energy and comprehensive energy management systems. We have deepened the application of eco-friendly materials such as bio-based and recycled materials in our products and packaging, with over 300 products receiving sustainable product certification in 2023. Simultaneously, we have joined forces with organizations such as Oceana and the China Green Foundation to contribute to marine conservation and desert greening initiatives, adding strength to the protection of our green planet.

In terms of social responsibility, we strive to create value for users, employees, and the public, thereby realizing social value. We continue to increase investment in industry-leading technology research and development, committed to delivering products and services that exceed user expectations. We have deepened our localization strategy in global markets, providing an intelligent living experience for users with diverse cultural backgrounds. We have upgraded our corporate culture and values, established comprehensive evaluation and learning systems, and offered diverse work and development opportunities, aiming to attract and cultivate more creators who are "First principle, Seek ultimate, Grow together". We actively participate in philanthropic and charitable activities, collaborating with organizations in China, Australia, Japan, Turkey, the Middle East, and Africa. We fervently support projects that fulfill the dreams of critically ill children, partake in the construction of disaster relief and sports communities, and support rescue operations, all contributing to the building of a better society.

In terms of corporate governance, we consistently adhere to proactive, rigorous, and standardized management principles, upholding business integrity and ethics. We have diversified the backgrounds of our board members and implemented various measures to ensure decision-making is professional and efficient. In 2022-2023, the company demonstrated outstanding performance in standardized operations, regular reporting disclosures, and financial management innovation, obtained Shenzhen Stock Exchange Information Disclosure Rating A (the highest rating). By continuously improving our governance system, strictly enforcing anti-bribery regulations, and establishing an integrity and self-discipline management system, we have constantly enhanced the standardization and effectiveness of internal controls, providing a solid foundation for the stable development of the listed company and the protection of investors' legitimate rights and interests.

We firmly believe that the long-term value of a company is not only reflected in its ability to provide the necessary products and services to its users but also in the impact it has on society – whether it brings about positive and meaningful change. In 2023, Anker Innovations took a solid step forward in integrating technological innovation with sustainable development, as well as upholding the dual importance of consumer value and social value. We look forward to joining hands with an increasing number of companies to create a better world.

02

About Anker Innovations

Anker Innovations is a global enterprise that specializes in consumer electronics. Our mission is to develop high-quality global brands through independent R&D and innovation, and to "empower smarter lives." We emphasize social responsibility, environmental sustainability, and good governance practices. We persist in promoting sustainable development to achieve long-term economic, social, and environmental benefits.

Company Profile

Anker Innovations, established in 2011, is a global consumer electronics company that specializes in developing mobile charging accessories and home energy solutions, as well as unique consumer products that support premium audio, mobile entertainment, and the emerging smart home space. Our mission is to develop high-quality global brands through independent R&D and innovation, and to empower smarter lives.

Six Major Brands

ANKER eufy NEBULA soundcore AnkerWork AnkerMake

Sort by brand establishment time

Business Overview

150
million users

146+
countries and regions

3,163
intellectual properties

Staffing

30+
nationalities

Approximately **48%**
of employees are R&D personnel

Corporate Culture

Mission

Empowering Smarter Lives

Vision

Establish a portfolio of leading brands that deliver a comprehensive range of essential services.

Values

First principle,
Seek ultimate,
Grow together.

Anker Makers'10 key characteristics

1.Beyond surface facts

2.Seek fundamental principles

3. Seize the key to breakthroughs

First Principle

Seek Ultimate

Grow Together

4.Withstand enormous risks

5.Exhaust every possibilties

6.Long-term global-optimal outcome

7.Long-term:Delay gratification with an endgame mindset

8.Greater good:Big-picture-first with a sense of gratitude

9.Continuous learning

10.Evolution through self-reflection

Annual Honors

- 2023 ESG Innovation Enterprise - Forbes China
- 2023 Annual ESG Enterprise Award - WAVE Global Leader
- 2023 Annual ESG Pioneer Enterprise Award - 13th Public Welfare Festival
- 2023 Top 30 Outstanding Digitized Enterprises of China Listed Companies Award - Securities Times
- 2023 Growth 50·China Consumer Annual Growth Brand Award- First Financial
- 2023 Global Talent Attraction Employer Award - LinkedIn
- 2023 Most Popular Employer Among College Students Award - Nowcoder
- 2023 BrandZ Top 50 Chinese Global Brand Award (Ranked 13th) - Kantar
- Won 8 German iF Design Awards and 5 German Red Dot Design Awards

Examples of Anker Innovations 2023 Honors and Awards

Corporate Governance

Corporate Governance Framework

Anker Innovations advocates for a corporate governance philosophy that is open, transparent, and highly efficient. Anker Innovations follows the strict compliance guidelines from the *Company Law of the People's Republic of China (PRC)*, the *Securities Law of the PRC*, and the *Corporate Governance Guidelines for Listed Companies* issued by the China Securities Regulatory Commission, as well as other relevant securities laws and regulations in the other nations' and regions where the company's products and services are sold. To ensure compliance, Anker has established a governance structure consisting of the General Meeting of Shareholders, the Board of Directors, the Supervisory Board, and the Management team. During the reporting period, the company's governance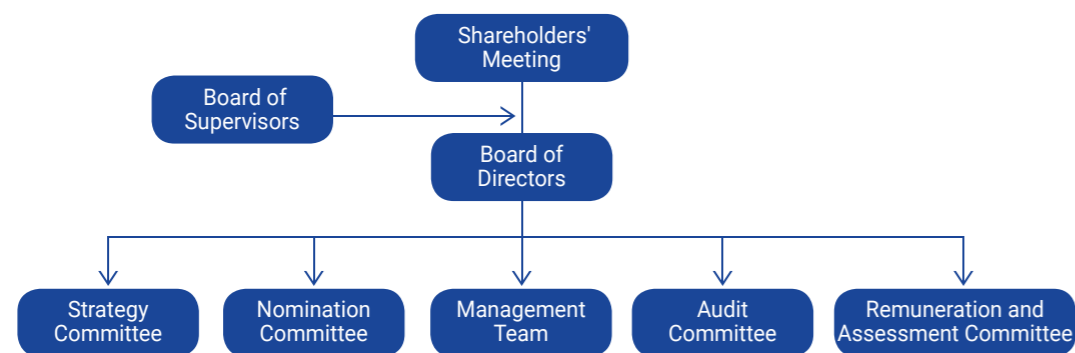 practices were in full compliance with relevant laws and regulations. The General Meeting of Shareholders, the Board of Directors, and the Supervisory Board all exercised their respective decision-making, executive, and supervisory powers in a standardized and effective manner. With clear divisions of responsibility and standardized operations, the company has earnestly safeguarded the legal rights and interests of all shareholders, especially those of the minority shareholders.

Shareholders' Meeting — **Board of Supervisors** — **Board of Directors** — Strategy Committee, Nomination Committee, Management Team, Audit Committee, Remuneration and Assessment Committee

Directors and Board of Directors

To ensure the diversity and rationality of the Board's decision-making, the third Board of Directors of Anker Innovations consists of nine members from various professional fields and occupational backgrounds, including one non-independent director appointed by external shareholders and three independent directors. The three independent directors, each with expertise in financial auditing and corporate governance, business management, and investment orientation, possess extensive experience and provide reasonable independent opinions and suggestions for the company's operational decisions and standardized operations.

The Board of Directors has established four specialized committees to provide consultation and advice for decision-making, including the Audit Committee, Remuneration and Assessment Committee, Nomination Committee, and Strategy Committee. The proportion of independent directors in the first three professional committees exceeds 50%, ensuring the professionalization and efficiency of the Board's decision-making and deliberation.

Supervisors and the Board of Supervisors

In terms of supervision and governance, the company has established a Board of Supervisors. The third Supervisory Board consists of three members, all of whom are female supervisors. This includes one employee representative supervisor. Through the operation of the Board of Supervisors, the employee representative supervisor protects employees' rights to participate in corporate governance, and continuously promotes democratic management of the company. During the reporting period, the Board of Supervisors of the company supervised and inspected the company's compliance operations and the performance of directors and senior management in accordance with the requirements of "the Rules of Procedure for the Board of Supervisors" and other regulations, to protect the rights and interests of all shareholders and ensure the company's compliance operation.

Key Performance

Shareholders' Meetings — The company held **3** times — Approved Proposals **26** pieces

Board of Directors Meetings — The company held **8** times — Approved Proposals **50** pieces

Board of Supervisors Meetings — The company held **7** times — Approved Proposals **33** pieces

Institutional Guarantee

In the realm of governance, Anker Innovations has established a series of standardized documents for corporate governance, including but not limited to the "the Rules of Procedure for the Board of Directors," "the Working System for Independent Directors," "the Rules of Procedure for the Board of Supervisors," and "the Rules of Procedure for the Shareholders' Meeting", to help provide clear guidance and norms for corporate governance. The company has also formulated a series of documents such as the "the Management Measures for Information Disclosure," "the Registration System for Persons with Insider Information," "the Internal Audit System", and so forth, to help ensure the transparency and compliance of company information disclosure, and to strengthen the supervision and audit of internal management.

During the reporting period, in conjunction with relevant laws, regulations, and actual business development needs, the company revised the "Foreign Exchange Hedging Business Management System." By continuously improving the corporate governance system, Anker Innovations is constantly improving its corporate governance to make it more standardized and effective, providing a solid institutional guarantee for the steady development of the listed company entity.

Investor Communication and Shareholder Rights Protection

Investor Communication

A standardized and transparent information disclosure mechanism is an indispensable key prerequisite for protecting investors' interests. Anker Innovations deeply understands the concerns and positions of investors, strictly follows laws and regulations, carefully constructs and continuously improves the management system and internal processes related to information disclosure, to ensure that investors' rights and interests are fully protected. During the reporting period, the company disclosed a total of 140 reports (including periodic reports), among which 76 were numbered announcements, conveying the relevant disclosure information of the company to the public in a true, accurate, timely, and complete manner. By doing so, Anker Innovations safeguarded the investors' right to know.

In July 2023, our "2022 Annual Report" was recognized as one of the top 28 exceptional examples amongst 1,251 enterprises listed on the Shenzhen Stock Exchange's ChiNext, which was included in the "Compilation of Outstanding Cases of GEM 2022 Annual Report Disclosure." In October of the same year, the company's information disclosure work for the year 2022-2023 received the highest rating of A from the Shenzhen Stock Exchange. In November, in view of the company's comprehensive, outstanding performance in standardized operations, periodical report disclosure, financial management innovation, and referring to the evaluations of regulatory authorities such as the Hunan Securities Regulatory Bureau and the Shenzhen Stock Exchange, the company's financial officer was honored with the title of "Excellent Chief Financial Officer of Hunan Province in 2022" by the Hunan Listed Companies Association.

Anker Innovations is well aware of the importance of smooth and compliant communication channels for protecting investors' interests. Therefore, we prioritize our interaction and communication with investors, adhering to the principles of equality and compliance. Through various channels such as investor hotlines, the Hudongyi platform (the interactive platform of the Shenzhen Stock Exchange), shareholders' meetings, and performance presentations, we objectively and truthfully share the overview of company operations and development strategies with investors, building a bond between the enterprise and investors, and achieving two-way communications and positive interactions between both parties.

Total number of reports the company disclosed
140
(including periodic reports)

Total number of numbered announcements
76
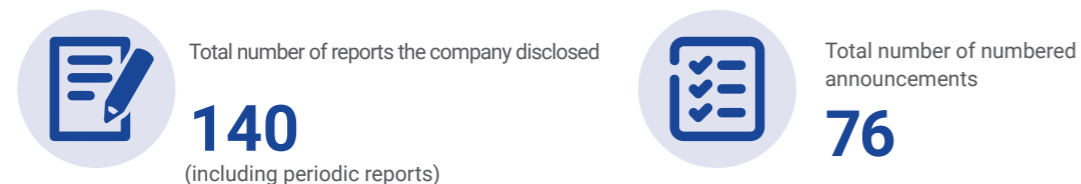
Shareholder Rights Protection

Since its listing in 2020, Anker Innovations has prioritized rewarding shareholders and set up a continuous and stable dividend policy. From 2020 to 2023, Anker Innovations' accumulated cash dividends totaling CNY 1.951 billion (including the dividend program for 2023). The ratio of total cash dividends to total net profit attributable to the parent company after listing was 42.45%. In order to effectively protect the rights and interests of shareholders, the company strictly follows the requirements of relevant laws and regulations, and "the Articles of Incorporation" to re-examine the future shareholder return plan every three years, ensuring the stability and continuity of the profit distribution policy.

In order to align the interests of the company, shareholders and employees, Anker Innovations launched two consecutive restricted stock incentive plans in 2022 and 2023. In addition, the company adopted a second restricted stock incentive method to enrich the company's long-term incentive mechanism. This initiative aims to explore and carry out shareholding plans that are in line with the company's organizational and talent development, and enhance a shareholding structure that aligns with the interests of the management team, key personnels and shareholders. This approach can help the company achieve long-term development.

Accumulated cash dividends amounted to
CNY **1.951** billion
(including the dividend program for 2023)

The ratio of total cash dividends to total net profit attributable to the parent company
42.45%

Risk Management and Internal Control

Anker Innovations attaches great importance to risk management and control, and is dedicated to constructing a risk management system that reflects the company's characteristics and provides long-term security.

Management Framework

The company aligned with COSO (Committee of Sponsoring Organizations of the Treadway Commission) risk management framework, ISO 31000 risk management standards and industry best practices to build a customized three-line defense risk management framework. This framework encompasses the entire chain from internal control environmental construction to audit closed-loop rectification, and establishes a comprehensive internal risk control system covering various business departments, risk management departments, and the internal control audit department.

Board of Directors
Audit Committee

First line of defense
Business Units
Departmental risk management representative

Second line of defense
Finance, Economics, Quality Operations departments
Supporting tier-1 departments in conducting risk management on professional perspectives

Third line of defense
Internal Control and Audit Department
Leading third-party audits and conducting integrity investigations

Implementation

In terms of implementation, the company follows management procedures such as the "Internal Audit System of Anker Innovations Technology Co., Ltd.," "Internal Supervision System of Anker Innovations Technology Co., Ltd.", "Anker Innovations Clean and Self-discipline Management Regulations," "Anker Innovations Audit Closure Management Measures," and the "Anker Innovations Special Audit Management Measures." By effectively operating daily risk management mechanisms, as well as major risk management mechanisms, the company quickly and accurately identifies, evaluates, monitors, and responds to various risks and vulnerabilities within its operations.

To further improve risk management, the company has implemented the following measures since 2020.

Improving Organizational Structure
Strengthening the first line of defense in risk control through risk control specialists in each department.

Identifying Important Business Risks
Fully ensuring the financial and physical security and operational efficiency of the company.

Expanding Risk Prevention and Control Scope
Covering various types of risks such as strategic, operational, financial, market, and procurement risks.

Enhancing Risk Prevention and Control Effectiveness
Continuously strengthening special audit management, audit closed-loop management, special integrity governance, and audit violation punishment management.

03

Sustainable Development Management

Anker Innovations believes that the most important value of sustainability is that companies leverage their core competencies to create value for stakeholders. To achieve this, we need to comprehensively integrate stakeholder demands into our company's development. We will achieve the goal of sustainable development by formulating ESG strategies and frameworks, identifying and managing ESG-related risks and opportunities, and strengthening communication and cooperation with all stakeholders.

ESG Strategy and Governance Framework

To realize sustainable development, Anker Innovations focuses on four key dimensions of ESG management: "Eco-Innovation," "Sustainable Operations," "Responsible Governance," and "Community Engagement." The company aims to integrate social responsibility, environmental protection, and efficient business operations seamlessly to achieve sustainable development across economic, social, and environmental perspectives.

In support of reaching its sustainable strategic development goals, the company is continuously enhancing its ESG governance system by establishing a governance framework consisting of the ESG Special Committee, ESG Office, and ESG Taskforce, as well as fostering collaboration at various levels to ensure the implementation of sustainable development practices. The ESG Special Committee, led by the CEO and consisting of Board members and core executives, plays a primary role in aligning the development and execution of ESG-related plans with corporate strategies, goals, and visions. The committee provides oversight of ESG performance and annual progress to ensure effective ESG management. As the highest governing body for ESG affairs within the company, the ESG Special Committee holds responsibility of reviewing and approving the information presented in this report.

ESG Special Committee
The CEO serves as the chairman, and the committee members are composed of board members and core executives.

ESG Office
Coordinated by Central-Strategy Planning Office, the members are composed of ESG representatives from functional units, business groups, and regions.
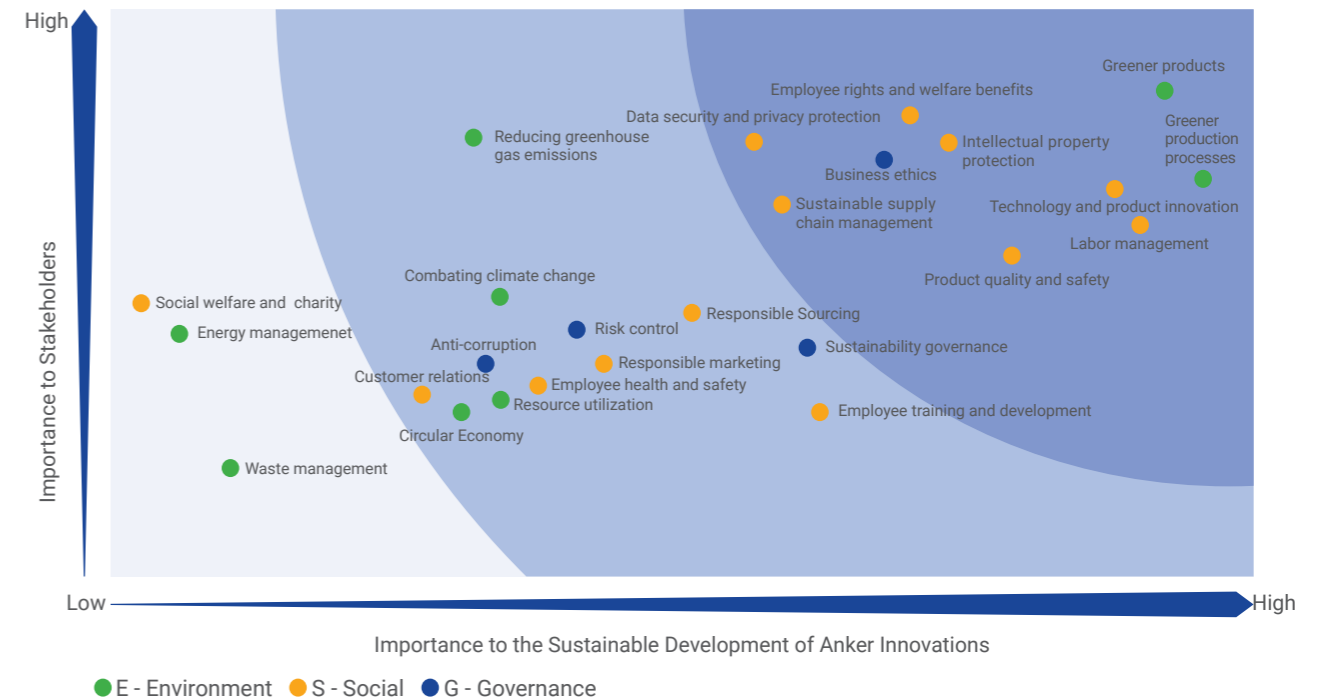
ESG Taskforce
Each business group and region establishes taskforces according to the annual key issues, responsible for the daily implementation and management of ESG related matters.

Decision-making level / Administration level / Execution level

Anker Innovations ESG Governance Framework

Identification of Material Topics

Anker Innovations has identified and established an ESG materiality topic pool based on policy and regulatory benchmarking, industry best practices benchmarking, public opinion analysis, stakeholder feedback, as well as the company's strategy and business development. ESG issues are analyzed from two perspectives: importance to the sustainable development of company and importance to stakeholders, and sorted by importance to create the ESG materiality matrix for the year, aiming to ensure that we continuously focus on the most influential sustainable development issues during business operations.

The top-rated sustainable development topics for Anker Innovations in 2023 include: greener production processes, greener products, technology and product innovation, intellectual property protection, product quality and safety, data security and privacy protection, business ethics, sustainable supply chain management, employee rights and welfare benefits. We carry out special management and improvement assignments for the identified ESG material topics, and disclose information in different sections of this report to respond to stakeholder concerns and continuously improve the performance of sustainable development management.

2023 Anker Innovations ESG Materiality Matrix

E - Environment   S - Social   G - Governance

2023 Anker Innovations ESG Material Topic List

Importance of ESG Material Topics		
High	Medium	Low
Greener production processes	Responsible Sourcing	
Greener products	Responsible marketing	
Technology and product innovation	Sustainability governance	
Intellectual property protection	Risk control	
Product quality and safety	Employee training and development	
Data security and privacy protection	Employee health and safety	Social welfare and charity
Business ethics	Combating climate change	Waste management
Sustainable supply chain management	Reducing greenhouse gas emissions	Energy managemenet
Labor management	Anti-corruption	
Employee rights and welfare benefits	Resource utilization	
	Circular Economy	
	Customer relations	

Stakeholder Engagement

Anker Innovations places great emphasis on multi-stakeholder engagement and interactive communication, and is committed to establishing an efficient communication mechanism with stakeholders. The company strives to ensure that stakeholders fully exercise the right to be informed and to participate. Through transparent and open communication, we aim to deepen stakeholders' understanding and identification with the company. At the same time, we actively listen and collect the demands and suggestions from various parties, incorporating issues of concern to stakeholders into the company's medium and long-term strategic decision-making, to achieve mutual growth and a win-win situation with stakeholders.

Shareholders and Investors

Major Concerns

- An Overview of Company Operations and Financial Analysis
- Corporate Growth Strategies and Research & Development Focus
- Corporate Governance Practices and Risk Management Measures

Communication Channels

- Regular Reports and Interim Announcements
- Shareholders' Meetings
- Investor hotline, Investor Email, interactive platform
- Performance Briefings Related to Regular Reports, Industry Conferences, etc.

Regulatory Agencies

Major Concerns

- Company's compliance with laws and regulations
- Measures to protect the rights and interests of customers, employees, investors and other stakeholders
- Company's operational stability and sustainability of business growth

Communication Channels

- Statistical forms, survey questionnaires, etc.
- Telephone, email, on-site reporting and communication

Customers

Major Concerns

- High-quality product performance
- Information security and privacy protection
- Green product standards
- Timely and efficient customer service
- Efficient logistics
- Product after-sales service and guarantee

Communication Channels

- Online: email, instant messaging, phone, official website, app, social media, platform feedback, etc.
- Offline: customer visits, exhibitions, etc.

Employees

Major Concerns

- Stable corporate development
- Abundant resources for capacity building
- Open and transparent career development channels
- Work-life balance
- Competitive salary and benefits
- Healthy, safe, diverse, inclusive and equal working environment

Communication Channels

- Open channels for internal communication
- Employee congress

Suppliers

Major Concerns

- Fair and transparent selection process
- Stable financial performance and payment policies
- Long-term stable cooperative relationship
- Fair, just, open, and transparent procurement environment
- Reasonable product and other requirements

Communication Channels

- Annual supplier training and exchange meetings
- On-site audit and communication
- Regular visits
- High-level mutual visits

Communities

Major Concerns

- Contribution to the sustainable development of the community
- Sharing the fruits of corporate development

Communication Channels

- Face-to-face communication
- Public welfare activities
- Complaint hotline

Social Organizations

Major Concerns

- Sound cooperation
- Timely sharing of corporate experience and practices
- Transparent information communication and sharing
- Common development of the industry

Communication Channels

- Regular communication
- Project cooperation

04

Promoting Industry Green Transition

Our approach is designed to foster harmonious coexistence between humanity and nature, maximize economic and social benefits, and achieve high-quality sustainable development by minimizing the use of resources that are harmful to the environment. We are committed to driving changes, while actively contributing to society and the environment through innovative and sustainable business practices.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

Actively Advocating for the Industry's Green Transition

Anker Innovations is strongly advocating for sustainable transformation, including the adoption of unified charging standards to help reduce e-waste and greatly improve energy efficiency as consumers charge and use their products.

## Advocating for the Elimination of in-Box Chargers of Electronic Devices

Since 2018, Anker Innovations has publicly advocated for removing chargers as standard accessories of electronic devices such as mobile phones and laptops. Taking this step would effectively reduce electronic waste, encourage customers to reuse existing charging devices, reduce resources typically required in the production process such as metal and plastic, and reduce energy consumption during production and transportation.

Advocating for the Unified USB Type-C Interface

Furthermore, since 2018, we have publicly advocated for the adoption of the unified USB Type-C interface. Anker Innovations clearly foresaw that "compatibility" helps realize the interoperability of multiple brands and devices, thereby reducing customers' repeated purchases and the need to use multiple charging interfaces. This adoption also enhances the reusability of chargers, reducing waste generation and saving resources. At the end of 2022, the European Council approved a law aimed at unifying the charger interface within the European Union (EU).

The implementation of this law is expected to reduce electronic waste by 11,000 tonnes annually within the EU. This milestone for sustainable development in the charging field demonstrates the foresight of Anker Innovations' philosophy and its consistency with international policies. This year has witnessed a growing trend among industry players to standardize on the Type-C interface. In a significant move, Apple Inc. unveiled its iPhone 15 series to the global market in September 2023, with each model featuring the Type-C interface.

This shift not only reflects the rising tide of environmental consciousness, but also resonates with Anker's ethos of innovation, a synergy that emerged organically without prior collaboration.
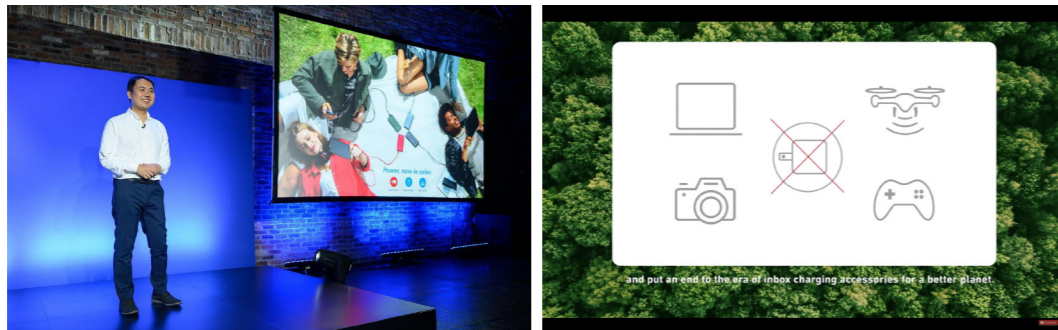
Anker Innovations publicly advocates for the industry's green transition

# Technology Propels the Enhancement of Product Energy Efficiency

Gallium Nitride (GaN) is a material that was initially used in charger semiconductors due to its low heat generation, which allows for a more compact components layout while retaining high power output. Anker Innovations' GaN charging products brought impactful change to the charging industry and popularized the trend of smaller and lighter chargers. Aside from digital charging accessories, GaN is also used in portable power stations to help reduce energy loss, improve energy conservation, and decrease harmful emissions from small combustion engines.

Enhancing Energy Efficiency of Charging Accessories

In 2018, Anker, a sub-brand of Anker Innovations, revolutionized the personal electronics charging industry by the application of GaN, propelling the entire industry into the era of smaller, more efficient charging devices.

In 2021, Anker Innovations released its second-generation GaN products, which helped to change the industry's design and manufacturing solutions, and transform customer usage habits. In 2022, Anker Innovations introduced the GaNPrime lineup. In 2023, the company further reduced chip sizes, moving products toward an even more compact form factor, and continued to incorporate GaN driving technology and lossless current detection technology, enhancing the performance and safety of the product line.

Through innovative applications of GaN technology including PowerIQ™4.0, ActiveShield™2.0 and compact architecture design, Anker has developed its most intelligent multi-device fast charging system to-date. This system has an energy conversion efficiency of 95% [1], including dynamic power distribution during charging that can save up to one hour of charging time while being compatible with more than 1,000 devices. Anker Innovations has achieved this while reducing the size of an Anker GaN charger by up to 53%. In addition, the Navitas chip can effectively reduce carbon emissions by 30% [2] during the manufacturing process. Except for the power segments of 20W and below, all new PD Wall Chargers released by Anker after 2021 utilize gallium nitride materials.
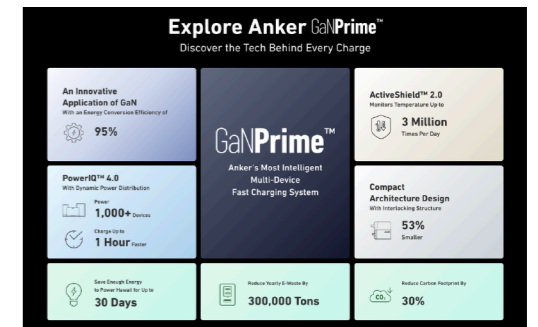
Anker GaNPrime Multi-Device Fast Charging Lineup

[1] Power efficiency refers to the ratio of output power to input power during the process of converting input electrical energy to output electrical energy. Peak full-load efficiency can reach up to 95%. The higher the power conversion efficiency, the less energy is lost during the conversion process.

[2] Data is sourced from Navitas' analysis of the effects of replacing silicon with GaN during the manufacturing process.

Actively Promoting the Circular Economy Model

Anker Innovations actively promotes the circular economy model. We pledge to drive the industry to improve resource utilization efficiency and reduce electronic waste generation to lower the environmental impact of our charging products.

Promoting Resource Recycling and Improving Recycling Programs

Adhering to the principles of environmental protection and promoting resource recycling, Anker Innovations has been at the forefront in Japan since 2019 with its mobile power bank recycling initiative. By offering vouchers as incentives, we encourage consumers to recycle their old devices. In 2022, we once expanded the scope of recycling to include other brands, not limited to Anker products, to collectively drive the entire industry towards sustainable development.

In 2023, the company continued its efforts to enhance the global end-of-life product recycling system, aiming to accept discarded devices in a more standardized and professional manner. Fifteen products from the company's charging accessories category have conducted a pilot product recycling program in North America and Europe. This initiative represents the company's first proactive step towards recycling and disposing of unused electronic products on a company-wide scale. In the future, more products and categories will be incorporated into the recycling program, with the goal of reducing electronic waste emissions and continuously pursuing sustainable development objectives.

Anker Japan Mobile Battery Trade-in & Replacement Program
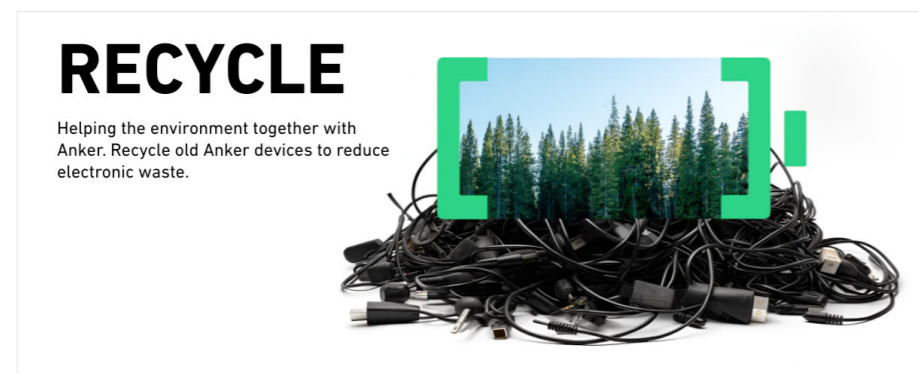
Anker Official Website Recycling Guidelines

"Headphone Insurance" Service Guides Eco-Friendly Consumer Behavior

As product technology rapidly advances, consumers are confronted with the issue of how to handle electronic devices that are no longer in use or are partially damaged. This not only pertains to the efficient use of resources, but also encompasses the significant issue of reducing electronic waste. Anker Innovations is dedicated to reducing resource waste through innovative services and guiding consumers to enhance the recycling of products.

In the TWS earphone category, we've noticed that for every 50 pairs sold, at least one user loses an earpiece[1]. This leads users to discard the remaining earphone and buy a new set. To address this issue, we offer the "Headphone Insurance Plan" on our website and app. Users can purchase a one-year insurance plan, allowing them to buy replacement earphone parts at a 50% discount. This service is currently available in the US and will expand to other markets. By offering this service, we aim to improve user experience, reduce e-waste, and contribute positively to the environment.

Empowering Green and Eco-Friendly Lifestyles

Enhancing Charging Efficiency and Reducing Waste with Multi-in-One and Wireless Technologies

With the increase in personal electronic devices, the demand for convenient, efficient charging solutions grows. Anker Innovations addresses this by launching fast-charging products that allow users to simultaneously charge multiple devices, thus improving the user experience and reducing electronic waste.

From a port count perspective, consider the 120W multi-port charger as an example. Before Anker Innovations created the 120W device, charging three devices at once typically required separate chargers. Now, the Anker 737 Charger (GaNPrime 120W) consolidates this process into one device. In 2023, this innovation prevented 7,181 kg [2] of electronic waste, effectively lessening the environmental impact.

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[1] The data is sourced from the brand's own sales data and statistics on user feedback received by the after-sales customer service team.

[2] This calculation is based on the assumption that a 120W charging demand typically requires three 40W chargers. Using Anker 737 Charger (GaNPrime 120W) as a replacement reduces electronic waste by 34 grams per unit. With 211,219 units sold in 2023, this equates to approximately 7,181 kg of waste reduction.

Wireless charging technology not only boosts efficiency, but also lessens the need for multiple accessories, revolutionizing charging practices. The Anker 3-in-1 wireless charger significantly reduces reliance on conventional chargers and cables, thus diminishing electronic waste and encouraging a shift to a more sustainable lifestyle.

Another sustainable product example is the Anker 3-in-1 PowerWave Stand, which seamlessly integrates charging for phones, earbuds, and watches into a single device, ensuring wide compatibility and ease of use in various settings. This innovative product represents not just a charging solution, but also a commitment to a more convenient, efficient, and environmentally friendly lifestyle.

Anker 737 Charger (GaNPrime 120W)
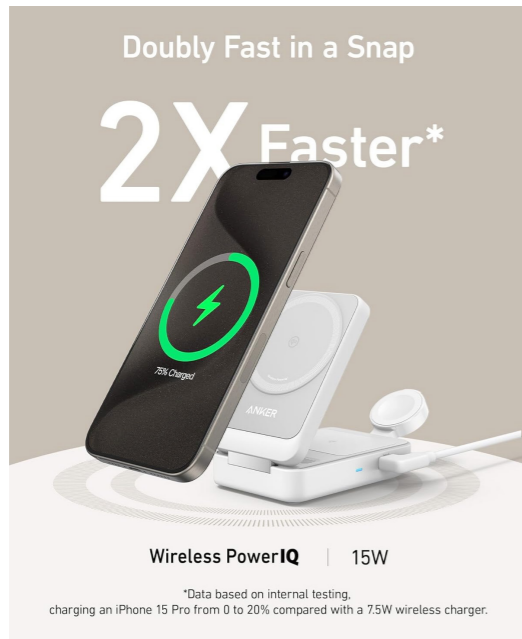
Anker MagGo Wireless Charging Station (Foldable 3-in-1)

Promoting Clean Energy Adoption for an Eco-Friendly Lifestyle

Anker Innovations is actively expanding its portfolio with mobile and home energy storage products powered by solar and other renewable sources. This initiative aims to enhance consumers' use of clean energy, reduce carbon emissions and other environmental pollution from traditional energy sources, and provide stable energy supply for households. It accelerates the societal shift towards a green and sustainable energy lifestyle.

Taking the AnkerSOLIX PPS F series portable energy storage products as an example, high-capacity mobile energy storage can be integrated with rooftop photovoltaic systems for charging and discharging, reducing the use of high-carbon energy sources such as grid electricity during peak times and generators during power outages. This initiative encourages consumers to utilize clean energy sources and reduce carbon dioxide emissions.

Furthermore, Anker Innovations has launched the AnkerSOLIX Balcony Solar Storage series, designed with a 15-year lifespan [1]. These systems work in conjunction with balcony photovoltaic products, charging with solar energy during the day and discharging at night, effectively helping users reduce reliance on thermal power and save on electricity costs.

Anker SOLIX Portable Power Station F Series

Anker SOLIX Balcony Energy Storage Series

[1] Under the condition of one cycle per day, a residential-grade battery cell with 6,000 cycles can satisfy a lifespan of up to 15 years.

05

Responsible Products and Technology

As a responsible product company, Anker Innovations is committed to promoting the research and development of green products, boosting technological and product innovation, ensuring product quality and safety, and actively promoting sustainable supply chain management. We strive to continuously improve the quality and sustainability of our products and technologies to meet the needs and expectations of our customers and stakeholders. We remain dedicated to upholding a responsible attitude and driving the process of sustainable development forward.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

Greener Products

Green Design

Anker Innovations is actively researching and developing innovative technologies to bring environmentally friendly features to its products. Beyond promoting the sustainable design process, the company addresses the environmental impacts of its products, such as energy utilization and usage scenarios, enhancing product lifespan and resource efficiency.

eufy Security Cameras: Utilizing Solar Panels for Sustainable Monitoring

The newly announced SoloCam S340 features a detachable solar panel design. The solar panel can be attached to the device's base or positioned several feet from the camera's location using an extension cable to optimize sunlight exposure.

Many eufy Security cameras are powered by solar panels, with advanced technology that achieves up to 25% photovoltaic conversion efficiency, surpassing other solar batteries by approximately 2-5%. This efficient use of clean energy ensures sustainable monitoring, reduces the number of charges needed, extends the camera's life, and decreases carbon emissions. All current battery-powered camera products support external solar panel accessories.

AnkerWork: Empowering Hybrid Work and Creating Green Meetings

AnkerWork offers audio and video solutions that enhance hybrid work environments. These products not only deliver high-quality audio and video output, but also feature AI noise reduction and image tracking optimization algorithms for clear and precise transmission. AnkerWork fosters a "green office" environment through devices that help reduce the need for physical attendance and travel for meetings. Our lineups of webcams, speakerphones, conference headsets and wireless microphones can help fundamentally cut carbon emissions from transportation, as well as save time, resources, and costs, contributing to sustainable development.

AnkerWork Audio and Video Solutions

Anker PowerLine: Longer-Lasting and Lower Resource Consumption

Manufacturing high-quality, long-lasting products and continuously improving their service life is one of the most effective ways to prevent resource waste. The bend lifespan of Anker PowerLine (for example, Anker PowerLine+ III) can reach 35,000+ times, which is 7 times the durability of a standard charging cable (5,000 bends). We considerably reduce the demand for and waste of resources by prolonging the service life of the product and reducing the frequency of purchase.
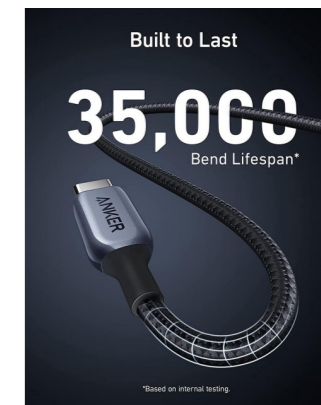
Anker PowerLine

Anker Prime Charging Station: High Power, Enhanced Efficiency, Reduced Size, and Low Carbon Emissions

In 2023, the launch of Anker Prime 140W 6-in-1 USB-C Charging Hub set a trend in the industry with its ultra-slim design and compact size. The product employs Power Integrations' cutting-edge GaN technology, which upgrades the power capacity from 100W to 140W while maintaining the original casing size. This design significantly improves the power efficiency ratio and reduces users' reliance on multiple charging devices. This charging hub's high-power density delivers more energy within a compact space, helping to conserve energy. The unique innovative stacking design and pop-up sockets, with a thickness of only 0.7 inches, greatly saves on space usage. This product was honored with the CES Innovation Award in January 2024, which not only affirmed its product innovation and outstanding performance, but also served as international recognition of Anker's efforts in the field of environmental protection.

Anker Prime 140W 6-in-1 USB-C Charging Station

2024 CES Innovation Award

Anker Nano Charger: High-Efficiency Space Utilization Design, Volume Reduction, and Carbon Emission Reduction

Anker's charger products have significantly reduced their size through the adoption of innovative product stacking solutions and high-efficiency space utilization designs. Compared to industry-standard chargers of the same power level, some Anker models have achieved a volume reduction of up to 45%. This compact design approach reduces the use of raw materials for components and shortens the processing time and steps for parts, effectively lowering energy consumption and carbon emissions during the entire manufacturing process. Furthermore, this approach also lightens packaging requirements, effectively slowing down resource consumption and e-waste generation. Anker's ultra-compact charging products are a key element in promoting sustainable consumption and production, helping to shape a greener and more environmentally friendly lifestyle.

Anker 20W USB-C Charger (A2637): Size Reduction Compared to Standard Chargers

eufy Robotic Vacuum Cleaners: Reducing Idle Energy Consumption and Decreasing Greenhouse Gas Emissions

Throughout the product's life cycle, the robotic vacuum cleaner mostly stays on the docking station or charging dock in standby mode. To reduce energy usage during standby, we have implemented measures in product design to minimize power from wall outlets and lower greenhouse gas emissions. Our robotic vacuum cleaners are certified to meet energy efficiency standards such as the US CEC, EU ERP, and Canada NRCan, ensuring low energy consumption even when the robot is on the docking station or charging dock for as long as 24 hours.

eufy X10 Pro Omni

eufy Smart Lock: Reducing Product Weight to Lower Carbon Emissions During Transportation

Our eufy Video Smart Lock S330 model has upgraded to E330 by optimizing the size and materials. We replaced the heavier zinc alloy front panel with a lighter aluminum alloy and combined this with aesthetic enhancements. This resulted in a weight reduction of approximately 200 grams and a 21% decrease in volume. These changes effectively reduced carbon emissions during transportation.

Green Materials

Anker Innovations continuously promotes innovation in eco-friendly materials by exploring the use of renewable, biodegradable, and recyclable materials in products. By integrating green material concepts into the product development process, we aim to reduce resource consumption and environmental pollution while enhancing the consumer experience.

● 2023 Eco-Innovation Material Applications

Case 1: Renewable Materials

Anker's eco-friendly cable (Anker 541 Bio-Based / Bio-Based Nylon) is made with bio-based materials extracted from plants, reducing the dependency on petroleum-based plastics by up to 40%.

Built with Bio-Based Nylon

Plant-Based Materials

46% of the body exterior is built by incorporating plant-based materials like corn and sugar cane, reducing petroleum consumption by 30-40%*.

*Data based on internal laboratory testing.
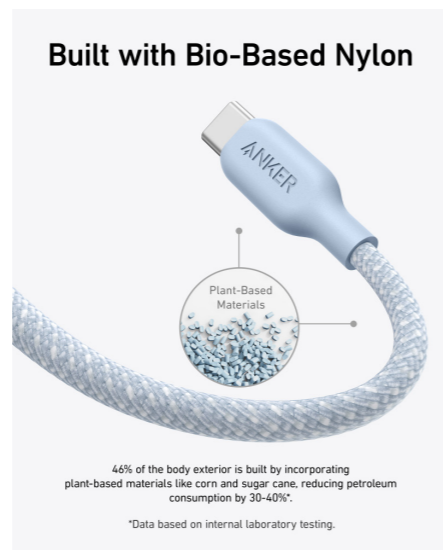
Case 2: Product Case Utilizing Recycled Materials (PCR Material)

Recycled materials, also known as Post-Consumer Recycled (PCR) materials, are waste materials generated after circulation, consumption, and use. Through physical or chemical recycling processes, these materials can be restored to performance levels similar to the original materials. The recycled resources can then be reintroduced into the production cycle as valuable industrial raw materials. For example, the use of recycled plastics significantly reduces the dependence on virgin plastics, effectively achieving the regeneration and recycling of resources, which is of great importance for promoting the development of a circular economy.

In September 2023, Anker released new products including charging plugs, power banks, and power strips, all of which feature housings made from recycled plastics. This initiative has significantly reduced the use of disposable plastics, making a practical contribution to the advancement of the circular economy.

Eco-Friendly Design — Reduce Carbon Emissions by 50%** — **73%****

Sustainable Design for a Greener Future — **75%** Recycled Plastic*

Eco-Friendly Design — **75%***

Eco-Friendly Design — **75%***

Reduced Carbon Emissions by 80%**

*No bio-based materials were used.

*The exterior casing incorporates 80% post-consumer recycled plastic, contributing to about 69% of the entire product.

**Assessment based on internationally recognized standards ISO 14040 / ISO 14044 for evaluating the cradle-to-gate environmental impacts of this product's manufacturing process.

80%*

In September 2023, Anker introduced new products utilizing Post-Consumer Recycled (PCR) materials.

● Green Materials Initiatives for 2024 and Beyond

Product Level — The company aims to launch a series of products made with eco-friendly materials and gradually expand their use across all brands and product lines over the next few years.

Mechanism Level — Through the implementation of a pre-research technology management approach, the company aims to simultaneously develop and validate a range of eco-friendly materials to reduce carbon emissions.

Green Packaging

Sustainable development has become a global consensus. In 2023, we continued to innovate from design to manufacturing processes, using more eco-friendly packaging materials, reducing packaging waste, and promoting the recycling of packaging materials to minimize environmental impact. From ESG packaging strategies and design solutions to the implementation of processes, every detail is infused with our respect to the planet.

Continuous Practice of the Green Packaging Concept

Sustainable design, as a concept, constantly challenges us to rethink and iterate our packaging design strategies. In the fiscal year 2023, we adhered to the "4R1D" principle of sustainable design and persistently implemented eco-friendly measures. Anker has expanded the use of Recycled and Degradable materials in packaging design, with more new products using recovery materials. In addition, we have significantly reduced the use of packaging materials by minimizing package size, simplifying the design process, and removing paper manuals. At the same time, 100% of our packaging materials are recyclable.

Recyclable packaging materials used in packaging designe

100%
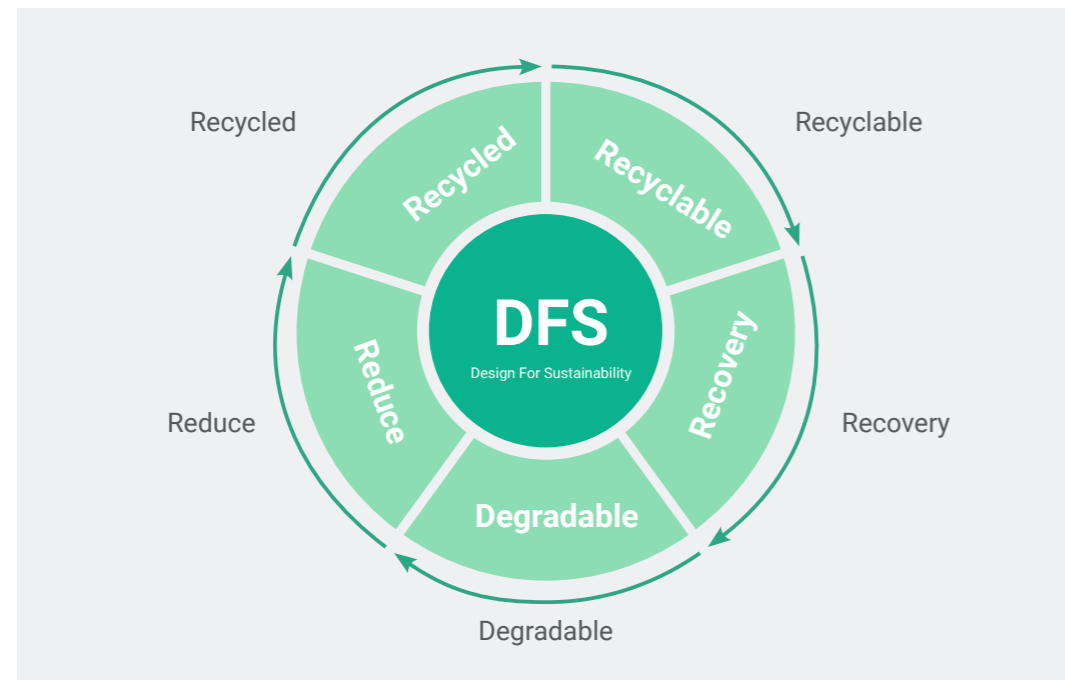
"4R1D" Design Concept

Our 2023 Green Packaging Initiatives

- **Reduce the use of plastic in new product packaging and work toward a "zero" plastic goal.**

  We have progressively reduced the use of single-use plastics in Anker's new packaging for portable charging accessories. The packaging trays are designed to contain up to 50% R-PET[1], and for the Nano series, we have further eliminated the use of plastic. By optimizing the cushioning structure, we have replaced plastic blister trays with fully paper-based tray structures, CPE bags with protective films, and used degradable virgin wood pulp sealing stickers instead of PP sealing stickers to achieve the goal of "zero" plastic packaging[2]. For the soundcore headphone category, we have optimized the packaging structure and adjusted the dimensions to reduce the use of disposable plastics. We are also continuously upgrading to molded pulp tray structures and replacing PP stickers with degradable wood pulp stickers, achieving a 96% plastic reduction in packaging for all new products.

- **Lightweight packaging and "Paperless Manual Initiative" campaign are committed to reduce waste.**

  Lightweight design serves as a "catalyst," committing our brands to significantly reduce the use of packaging materials by optimizing packaging structures, adjusting dimensions, and implementing minimalist packaging designs. Meanwhile, we have also launched a "Paperless Manual Initiative" campaign. By removing paper manuals in packaging and streamlining the contents of the mandatory safety sheets or quick start guides, we have reduced the use of paper materials by at least 60%. This initiative is expected to reduce the use of approximately 240 metric tons of paper materials in 2024, achieving optimal material efficiency and reducing the environmental impact of the packaging lifecycle, thereby conserving natural resources.

The "Paperless Manual Initiative" is expected to reduce paper materials by about

240 tons

"Paperless Manual Initiative" Campaign

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[1] R-PET stands for Recycled Polyethylene Terephthalate, which is a recycled material made by collecting and reprocessing PET.

[2] Refers to materials that do not contain coatings or adhesives.

- **Expand the use of recycled materials and renewable materials and further reduce the impact of harmful substances.**

eufy's packaging has significantly reduced the use of EPE and plastic blister packs, replacing them with paper cards and recycled materials. Approximately 99% of our packaging uses recycled fiber derived from recycled waste paper. This method reduces raw material consumption. For new products in other categories, such as chargers, headphones and robotic vacuums, we use paper certified by the Forest Stewardship Council (FSC). In addition, we have transitioned to using environmentally friendly soy-based inks instead of petroleum-based inks for new product packaging, eliminating volatile organic compounds (VOCs) and further reducing the environmental impact of harmful substances.

eufy Robotic Vacuum Cleaner Packaging Contains Recycled
Materials

Use of FSC-Certified Paper Materials

Use of Environmentally Friendly Soy Ink

Going forward, we plan to accelerate our efforts to reduce plastic use and to expand the use of renewable materials in 2024. Initiatives to introduce plastic-free packaging will begin in categories such as portable chargers and headphones. Since 2022, we have set annual plastic reduction plans and targets, aiming to eliminate plastic from the packaging of products on sale by 2027. This commitment is part of our contribution to conserving the Earth's resources and reducing pollution.

"Zero" Plastic Goals and Actions:

Percentage of Packaging Containing Plastic	Measures for Plastic Reduction

2022 — **25%**
- •Used FSC-certified paper and eco-friendly soy ink for portable charging products.
- •Optimized packaging design to reduce plastic and weight.
- •Reduced the use of blister trays in favor of paper cards and paper-plastic for some key product packaging.

2023 — **19%**
- •Used FSC-certified paper and eco-friendly soy ink for over 50% of new products.
- •The "Paperless Manual Initiative" campaign saved at least 60% of paper materials.
- •Key products in portable charging and headphone categories have achieved over 97% of plastic removal packaging.

2024 — **15%**
- Use FSC-certified paper and eco-friendly soy ink for 90% of new product packaging.
- •Minimize package structure design to further reduce material and weight.
- •Use "zero" plastic packaging for some key products.

2025 — **11%**
- •Use FSC-certified paper and eco-friendly soy ink for 100% of new products.
- •Use more paper cards and paper-plastic and less plastic pallets.
- •Use "zero" plastic packaging for new products in the portable charging and headphone categories.

2026 — **5%**
- •Use FSC-certified paper and eco-friendly soy ink for 100% of new products.
- •Use "zero" plastic packaging for all new products. Achieve 0% plastic packaging by the end of 2026.

2027 — **0%**
- •Use FSC-certified paper and eco-friendly soy ink for 100% of new products.
- •Packaging is completely "zero" plastic.

Green Achievements

Reduction Certification by Carbon Trust

Since 2022, Anker Innovations has undertaken comprehensive lifecycle carbon footprint assessments for Anker charging products, formulating proactive and robust plans for emissions reduction. We have persistently strived to lower the carbon emissions associated with our products while actively supporting climate initiatives, including the generation of renewable energy. In 2023, 91 charging products were awarded the Reductions Certification Label by the Carbon Trust, a prestigious global organization specializing in low-carbon consulting and certification. Furthermore, these products have been awarded the Climate Pledge Friendly badge by Amazon, and were recommended as sustainable choices on Amazon.

Amazon Climate Pledge
Friendly Badge

Examples of Carbon Trust Reduction Certifications

Carbon Neutral Certified by SCS and Climate Neutral by ClimatePartner

Anker Innovations has developed a roadmap for continuously reducing the carbon emissions of Anker charging products and soundcore audio products based on carbon footprint assessments. The company also purchased additional carbon offsets to compensate for remaining carbon emissions. These credits support climate projects such as biomass power generation and forestry carbon sequestration initiatives, demonstrating the company's deep commitment to the global effort to combat climate change. In 2023, a total of 189 of the Anker and soundcore products received Carbon Neutral Certification by SCS Global Services and Climate Neutral Certification by ClimatePartner.

Example of Carbon Neutral Certification

Example of Climate Neutral Certification

UL ECOLOGO

Products certified by UL ECOLOGO have been verified to reduce environmental and health impacts. This optional, eco-friendly certification shows that products meet tough standards after thorough testing and auditing. In 2023, a total of 15 Anker charging products and mobile accessories successively received the UL ECOLOGO certificate.

Example of UL ECOLOGO

TCO Certified

TCO Certified is a globally recognized sustainability certification for IT products. It includes up-to-date standards, third-party verification, and a framework for continuous improvement, with the goal of achieving real and lasting sustainability. The certification covers standards for reducing harmful substances, enhancing recyclability, upholding social responsibility, and protecting the environment. As of 2023, Anker Innovations has had five headphone products that have been awarded the TCO Certified certificate.

Example of TCO Certification

Amazon Certified Pre-Owned Program

The Amazon Certified Pre-Owned Program assists consumers in identifying products that meet rigorous standards for cleanliness, quality, and functionality. In 2023, over 141 product models from various categories received certification, with approximately 928,000 used products being refurbished, repaired and resold, thus extending their lifecycle and reducing resource consumption.

Amazon Pre-Owned Certified Badge

Examples of Amazon Certified Pre-Owned Products: Anker soundcore Bluetooth Stereo Speaker (Renewed) and Anker Life Q30 Hybrid Active Noise Cancelling Headphones (Renewed)

Strengthening Technological and Product Innovation

Anker Innovations puts customers first to generate value for users and is committed to leveraging technology to drive the industry's progress. We strengthen our knowledge, explore scenarios that improve users' lives, prioritize product quality, and reinforce our reputation with technological innovation. We aim to be a leading product and service supplier in the categories of charging accessories, energy storage, IoT smart devices, audio, and house cleaning, as well as to deliver positive societal outcomes through constant innovation.

Process, Architecture, and Methodology of Technological Innovation

Anker Innovations adopts a dual-wheel drive innovation model of "Technology + Scenario", generating innovation in technology, excavating and creating user needs, and changing users' life scenarios.

Multiple innovative categories

GaN Charger
PowerLine
Coaxial dual driver earbuds
4K Ultra HD solar-powered battery camera
……

| Functional value of categories | High definition | Long battery life | …… |

Drive

Empower

Technology -driven

Dual-Wheel Driven Innovation Model

Scenario -driven
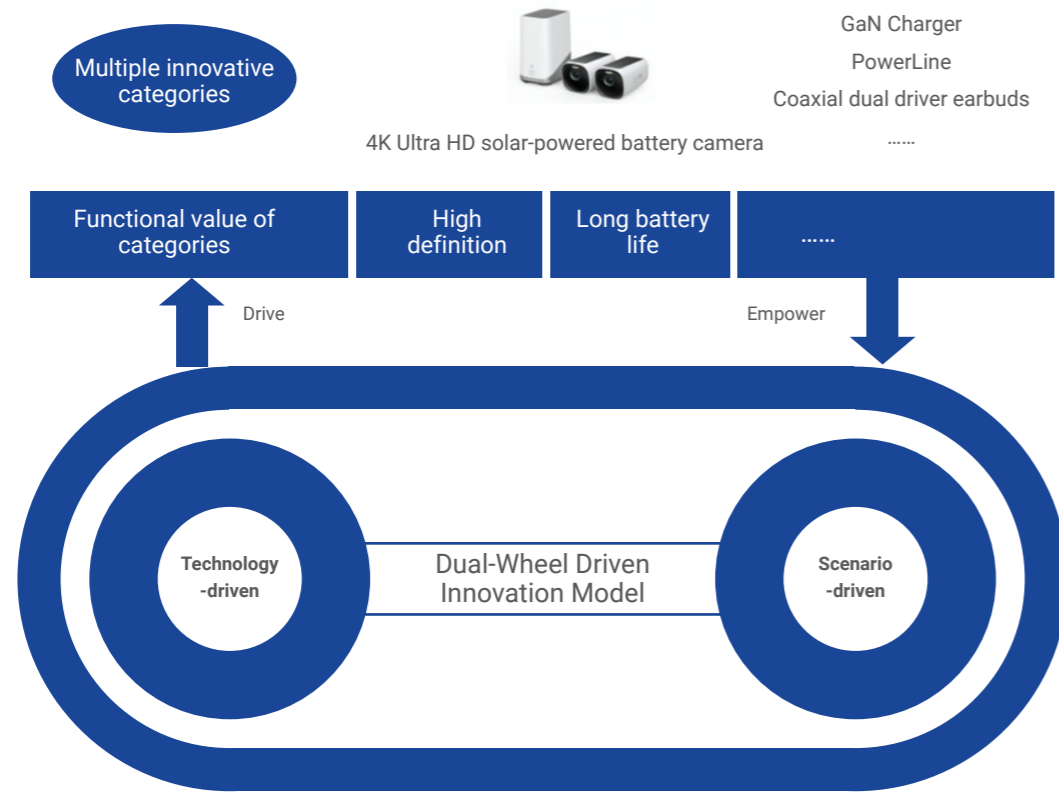
R&D Innovation Strength

Anker Innovations established a Research and Development (R&D) center in 2012 and invests extensively in R&D each year. In 2023, the company invested 1414 million CNY in R&D, with 1,918 R&D employees accounting for nearly half of all employees. Many of our senior R&D employees are from well-known technology companies or top universities around the world.

R&D Investment

Year	Investment
2023	1414 million CNY
2022	1081 million CNY
2021	778 million CNY
2020	567 million CNY

Intellectual Property

3,163 Intellectual Properties

1,615 Patents   **75** Software Copyrights

1,473 Registered Trademarks
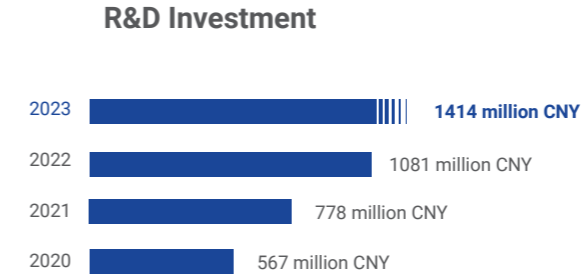
Note: Patents statistics include Invention Patents, Utility Model Patents, and Design Patents.

Highlight Technological Innovations

soundcore Liberty Series Coaxial Dual Driver Earbuds

To deliver studio-quality sound in true wireless earbuds, soundcore created the Astria Coaxial Acoustic Architecture (ACAA), a unique technology that surpasses existing headphone drivers in sound quality. ACAA is a groundbreaking coaxial driver technology that integrates a dynamic driver and a customized Knowles-balanced armature driver into a single body. Since ACAA's launch, soundcore has continued to upgrade the technology for new flagship products in the Liberty series.

Sound is delivered directly to consumers' ears with no interference between the treble and bass. The soundscape is expansive, and every detail within the music is delivered with precision accuracy. soundcore true wireless earbuds with ACAA driver technology have been recommended by 20 GRAMMY-winning music producers and 10 GRAMMY-winning artists.

ACAA TECHNOLOGY
The Ultimate Listening Experience
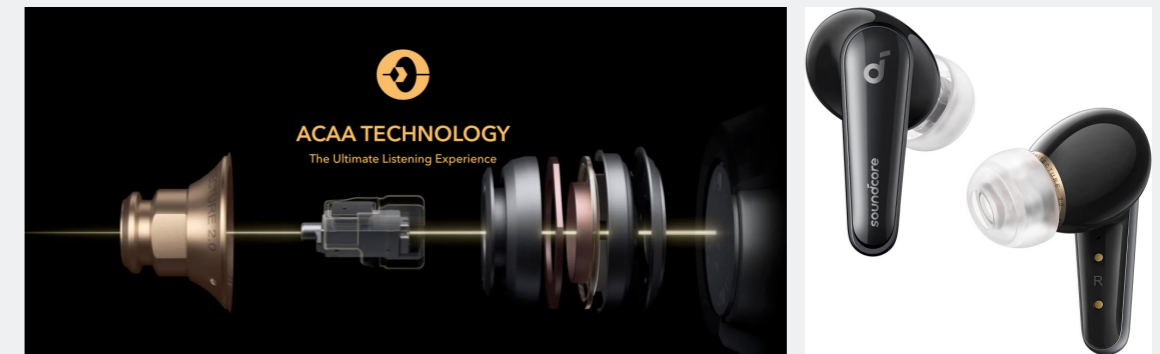
⭐ AI Active Noise Cancellation Technology

Using soundcore Liberty series as an example, although we can adjust for excellent Active Noise Cancellation (ANC) effects, the actual noise reduction may deviate from expectations due to individual ear shape differences, wearing status, and varying environmental noise levels. This is a common challenge faced by ANC technology. To address this issue, we have innovatively developed a full-spectrum real-time adaptive ANC algorithm. This groundbreaking technology enhances noise cancellation capability by more than 50%[1] in real-time, particularly excelling in the treatment of mid-to-high-frequency noises that traditional ANC struggles to eliminate. Combined with AI scene recognition technology, our algorithm can automatically optimize ANC settings based on different noise environments, wearing styles, and user ear shapes, ensuring the best noise cancellation experience under any circumstances. Currently, our technology is at an excellent level within the industry.

Advanced Noise Cancelling System

AI

Ensuring Product Quality and Safety

Ensuring Product Quality and Safety

The company implements the quality strategy of "user experience-oriented, driven by system engineering + big data + AI as the foundation, to build a comprehensive quality management system," continuously optimizing and improving the quality organizational structure, and clarifying the responsibilities and authorities of quality management. With the quality philosophy of "customer-oriented, data-driven, prevention-focused, and continuous improvement," the company continuously enhances product quality and safety.

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[1] Data is based on a comparison with the market version of soundcore liberty 4 NC.

Improving Product Quality and Safety

The company has established a Quality Management Center responsible for monitoring the market and process quality performance of each product line, as well as the development of platform capabilities. In collaboration with the quality departments of each product line, the center implements a quality management model that emphasizes operational quality, with "Quality Representatives" as the main focus under the Integrated Product Development (IPD) framework. The company upholds a quality and environmental management system, complying with ISO 9001:2015 and ISO 14001:2015 certifications. Aligning with these systems, the company engages in continuous improvement of its management practices, aiming to elevate the level of quality management.

The company adopts IPD to manage the lifecycle of its products, ensuring strict compliance with legal regulations such as the *European Union's Low Voltage Directive 2014/35/EU, ROHS Directive (Restriction of Hazardous Substances) 2011/65/EU*, and *Electromagnetic Compatibility Directive 2014/30/EU*, as well as various standards related to its own products, from product design, production, to inspection stages. The company effectively manages non-conforming products, investigates the causes, and continuously improves through robust customer feedback and complaint handling mechanisms. By leveraging these strategies and its quality management systems, the company is committed to perpetual enhancement of product and service quality.

The company carries out random inspections on products from the factory, assessing aspects like orders, functions, appearance, packaging, market certification, and customer demands. Products failing these inspections are returned for corrective action to guarantee quality standards before market release.

In addressing quality issues in processes and the market, the company has established processes including "Quality Accident Layered and Graded Processing Procedure", "Crisis Management Process", and "Product Recall Process", ensuring that major quality issues in the market and processes can be rapidly responded to. Concurrently, the company performs in-depth analyses of root causes, develops both immediate and long-term solutions, conducts timely assessments, assigns accountability for quality incidents, and enforces a system of rewards and penalties. This structured approach is designed to prevent recurrence of issues.

Quality Training

The company places great emphasis on enhancing the skills and management capabilities of quality personnel. In 2023, the company organized 63 special empowerment events for quality personnel and developed 21 in-house quality training courses to enhance the professional and general abilities of quality personnel.

Quality and Environmental Management System Training Cases

Electro-Static Discharge Training Cases

Sustainable Supply Chain Management

Supply Chain Lifecycle Management

Anker Innovations continuously monitors domestic and international trends in sustainable supply chain management, identifying key subjects within the supply chain. We focus on corporate social responsibility, environmental performance, low-carbon and recyclable products, and responsible procurement of minerals, integrating these aspects progressively into our supply chain lifecycle management.

To help organize this approach, Anker Innovations has developed comprehensive supplier lifecycle management standards, which encompass a suite of over 50 procurement process documents. These include the "Management of Supplier Certification Process", the "Management of Supplier Selection Process", the "Management of Supplier Performance Process", and the "Management of Supplier EOL Process". Each stage incorporates ESG management principles to ensure consistency and integration throughout the lifecycle.

Anker Innovations Procurement Management Process System Framework
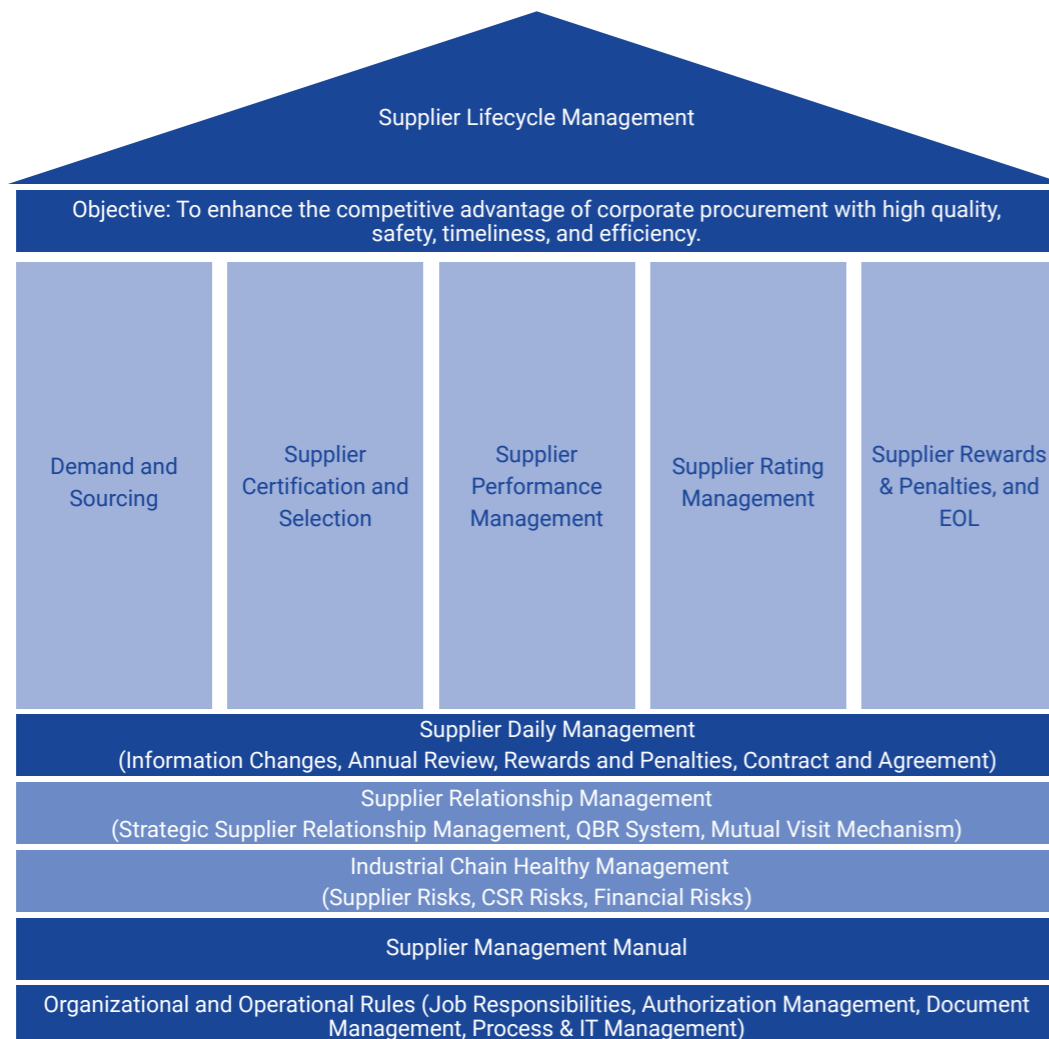
Strict Entry Requirements

We set strict entry thresholds for our suppliers based on customer and industry requirements, guided by international standards such as SA 8000, ISO 14001, ISO 45001, OHSAS 18001, ISO 50001, and energy conservation and environmental protection principles. We encourage suppliers to align with ESG system requirements by considering their ESG strategies during the selection process, placing considerable emphasis on excluding suppliers with significant negative events.

The "Management of Supplier Certification Process" involves a comprehensive and professional analysis by our assessment team. Before becoming an official supplier, they must sign a series of contracts and compliance documents, including "Procurement Framework Agreement", "Integrity Joint Construction Agreement", "Supplier Quality Assurance Agreement", and "Supplier Compliance Commitment Letter".

"Anker Innovations Supplier Compliance Code of Conduct" (hereinafter referred to as "Code of Conduct")

The "Anker Innovations Supplier Code of Conduct" outlines our expectations and requirements for human rights, labor benefits, health and safety, protection of environment and natural resources, conflict minerals, business ethics, and sustainability management systems. We collaborate closely with internal and external experts to assess and update the "Code of Conduct" annually to address emerging risks. We are also developing the "Supplier Sustainability Handbook"(hereinafter referred to as "the Handbook") to communicate our sustainability requirements and management approaches to suppliers. We work with stakeholders to ensure our "Code of Conduct" and "Handbook" align with internationally recognized standards.

In 2023, we have upgraded our supplier management system to ensure 100% of suppliers sign compliance letters through process control.

Performance Management and Evaluation Mechanism

Before officially onboarding new suppliers, they must undergo a series of certifications, including a sustainability system evaluation, which has veto power in the evaluation process.

Anker Innovations has established an extensive supplier grading and examination system, evaluating suppliers across six categories: technology, quality, delivery, responsiveness, commercial competitiveness, and sustainability. We categorize suppliers according to the "Supplier Classification Management Process" and apply different standards and policies. By integrating comprehensive assessments into our quarterly reviews, we inform our procurement and selection strategies to support the company's overall goals. Our objective is to converge towards preferred suppliers and improve supplier fitness continuously.

For suppliers who consistently underperform, we initiate the EOL process and, in severe cases, may consider terminating the business. Suppliers involved in ethical violations, non-compliance, or integrity breaches are subjected to stringent review and are blacklisted to ensure compliance with our EOL process.

Human and Labor rights

Anker Innovations is committed to advancing human and labor rights within the supply chain, embedding these requirements in supplier sourcing, onboarding, cooperation, performance assessment, and EOL processes to ensure compliance and continuous improvement.

We use the "Supplier Social Responsibility Compliance Assessment Questionnaire" to gain insights into suppliers' corporate social responsibility performance. To ensure comprehensive and accurate assessments, we continuously refine the content based on international standards and industry guidelines and optimize the on-site assessment process. Steps include opening meetings, document reviews, site tours, employee interviews, closing meetings, report signing, and corrective action plan reports. Through this multi-dimensional assessment approach, we thoroughly evaluate suppliers' sustainability performance.

We pay particular attention to significant violations, such as child labor, forced labor, commercial dishonesty, and fraudulent documentation, and we stay abreast of international corporate social responsibility developments, refining our zero-tolerance policy and clearly outlining non-negotiable issues for suppliers.

Responsible Procurement of Minerals

Anker Innovations is acutely aware of the potential labor, human rights, environment, bribery, and governance issues associated with mineral extraction, trade, and transportation. We place a high priority on these matters and are committed to adhering to responsible mineral initiatives such as the Responsible Minerals Initiative (RMI), and the OECD's "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" (the " OECD's Minerals Due Diligence Guidance"). We respect human rights, do not contribute to conflict, and take corporate responsibility seriously in our procurement and supply chain practices, adhering to social ethics. In line with these commitments, we pledge not to directly or indirectly use conflict minerals and have established a "Conflict Minerals Statement", which has been widely disseminated to all stakeholders. The content of the statement is also accessible on our company website.

In 2023, we have completed a survey on the use of conflict minerals with the first batch of 30 suppliers and collected information on their responsible mineral procurement management systems. Additionally, we have conducted in-depth investigations of eight suppliers using 3TG and cobalt and their upstream supply chains, including 225 smelters, and encouraged these smelters to apply for and obtain responsible mineral compliance certification to ensure the transparency, traceability, and compliance of our supply chain.

Supplier Integrity Management

Anker Innovations emphasizes the highest standards of integrity in all business interactions and requires suppliers who collaborate with us to adopt a zero-tolerance policy against any form of bribery, corruption, extortion, and embezzlement. All business transactions must be transparent and accurately reflected in supplier business accounts and records. We implement supervision and reinforcement procedures to ensure compliance with anti-corruption laws and regulations.

Anker Innovations continuously improves an efficient and rigorous procurement internal control compliance management system, establishing a framework of pre-emptive prevention, in-process inspection, and post-audit to jointly address issues from both a procedural and ideological perspective, thereby minimizing the risk of supplier bribery and corruption.
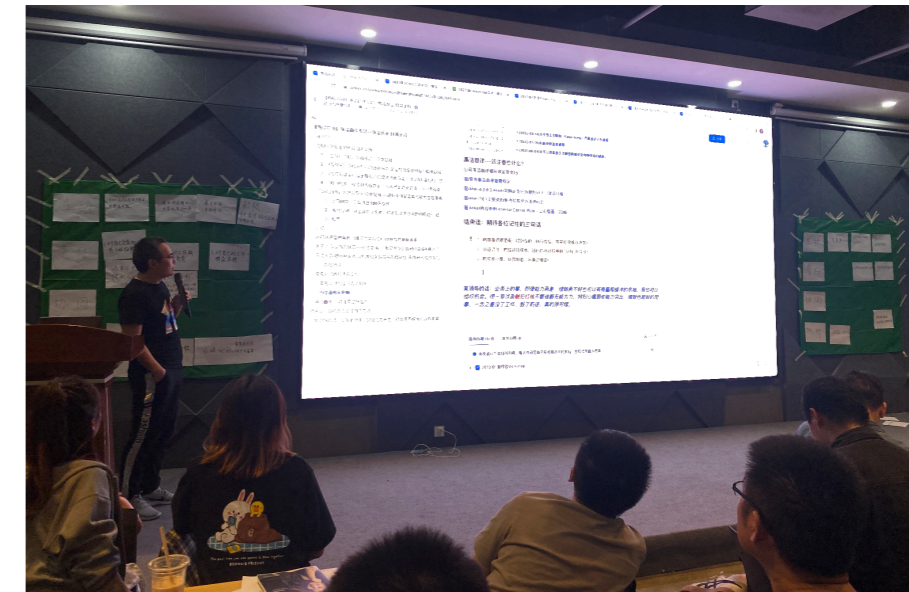
The supply chain department organizes regular training, internal control seminars, and presentations, with integrity and anti-corruption being one of the key topics

Supply Chain Security

Anker Innovations prioritizes supply chain security to ensure a steady and timely supply of materials, accurate order fulfillment, and efficient delivery. We've established a comprehensive set of standards and systems for a resilient and dependable supply chain framework. This includes:

• Regular industry chain insights focused on long-term prevention and preparedness. This includes, but is not limited to, supply market conditions (including commodity price trends), the supply situation at the upstream end of the industry chain, and the status of industry chain shutdowns and mergence event.

• Based on these insights and identified risks, we proactively develop risk reserve plans at various levels, such as long-term PO, key component reserves and strategic reserves. We prepare for major unexpected events with early warning systems and contingency plans to ensure supply security while keeping cost stable.

• A well-established internal supply and demand coordination mechanism, which includes a Big Planning Loop (demand forecast review by the S&OP Committee) and a Small Planning Loop (from demand plan to procurement execution), ensures a balance between supply and demand through regular communication between front-end and back-end teams.

• Through refined operations of customer order commitment and fulfillment, we accurately identify potential risks that would exist in the customer order delivery process and take preventive measures to ensure high-quality customer order execution.

• To strengthen upstream and downstream cooperation and enhance business continuity risk management, we invested in nine key product cooperation suppliers by the end of 2023. This has enabled us to build a strong industrial synergy with our supplier partners.

Supply Chain Climate Action

Anker Innovations actively engages in energy conservation and emissions reduction within its supply chain, exploring and implementing measures to reduce energy consumption and emissions. We are dedicated to ongoing improvements in logistics and warehousing to support our commitment to environmental protection.

When selecting suppliers, we prioritize proximity to minimize energy loss from long-distance transportation, thus improving transportation efficiency. We also pursue partnerships with low-carbon, environmentally friendly shipping companies like Maersk and Evergreen Marine Corporation. In addition, the company is accelerating the replacement of traditional forklifts with electric and environmentally friendly models. For example, at the Anker Innovations warehouse in Dongguan, China, more than 30 electric forklifts were put into use in 2023, accounting for more than 90% of total forklifts.

In terms of logistics and transportation, we have replaced some of our sea-road (where the end transportation is by truck) solutions with sea-rail (where the end transportation is by rail) options to reduce carbon dioxide emissions caused by truck fuel consumption. For shipments from China to our overseas warehouse in Chicago, the proportion of sea-rail solutions replacing sea-road solutions will be approximately 15% in 2023, with plans to increase this number to 30% by 2024.

Looking ahead to 2024, we will continue our trials and efforts in this area to make a meaningful contribution to the development of a low-carbon, sustainable supply chain.

Equal Treatment for Small and Medium Enterprises

In 2023, Anker Innovations adhered to fair contractual terms with small and medium-sized enterprises, ensuring that due payments were met and overdue accounts were managed prudently. By the end of 2023, the accounts payable (including notes payable) of the company amounted to 1.553 billion CNY, accounting for 12.15% of the total assets. We commit to upholding financial responsibility, maintaining strong partnerships with small and medium-sized businesses, and ensuring fair treatment for all partners.

2023 SME Contractual

Overdue Payment

0 Incidents

06

Green and Low-Carbon Development

The concept of sustainable development has reshaped corporate development models, with companies increasingly shifting from a sole focus on financial growth to a multidimensional value creation encompassing economic, social and ecological aspects. Led by the concept of sustainable development, Anker Innovations strives to maximize the value creation for stakeholders. To achieve green, low-carbon and benign development, we actively participate in addressing climate change, and strengthen the management of the environmental impact from production and operation by intensive management.

6 CLEAN WATER AND SANITATION

13 CLIMATE ACTION

Addressing Climate Change

Coping with climate change is a global challenge. As a responsible corporation, Anker Innovations sees climate change as a core element of ESG management. The ESG Special Committee is responsible for formulating and making decision on strategies and targets related to climate change. The ESG Office develops corresponding implementation paths and management plans based on the company's strategies and targets related to climate change. The ESG Taskforce is in charge of implementing daily measures to tackle climate change.
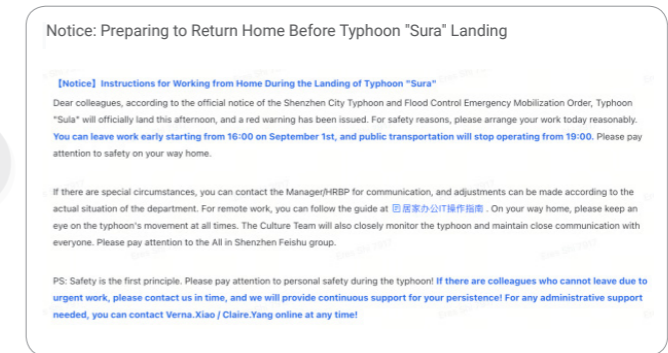
Anker Innovations attaches great importance to the impacts brought by climate change. We proactively identify risks associated with climate change and develop response plans so as to effectively enhance the company's climate resilience, as well as manage and prevent climate risks.

Climate-related risk identification and response of Anker Innovations

Climate Risks	Risk Type	Risk Description	Analysis of Potential Impact of Risk on Business	Response Measures by Anker Innovations
Physical Risks	Acute Risk	Climate change has led to a high incidence of extreme weather, such as typhoons, blizzards and rainstorms	• Extreme weather may damage office buildings (e.g., roof collapses, ground damp, window damage), resulting in property loss. • Extreme weather may have impact on the operation of the company's core office sites (Beijing/Changsha workplaces - blizzard and heavy rain, Shenzhen workplace - typhoon and rainstorms), affecting employee safety in commuting, and potentially causing unexpected financial losses. • Extreme weather may affect communication networks and devices, leading to restricted online business operations and decreased business income.	• We closely monitor official reports of extreme weather. When the buidling damage occurs, we will initiate emergency repairs under the condition that personnel safety are secured. We issue emergency notices and activate emergency plans for affected office sites and local employees promptly. We deploy alternative plans and emergency plans for damaged communication networks and devices. • We provide employees with remote work options, flexible clock-in mechanisms, and timely reporting systems to protect their physical health and safety as well as ensuring business continuity.
			• Extreme weather may affect supply chain and logistics activities, affecting product delivery to customers, resulting in both economic and reputational damage.	• We closely monitor official reports of extreme weather in various regions and exchange information of delivery risks to customers in advance. • We establish emergency plans for supply chain disruptions, to be activated in the event of an extreme situation to mitigate losses
	Chronic Risk	Average temperatures rise globally, which directly causes rising sea level, increasing extreme weathers and growing disease incidence rate.	• Rising sea levels may affect the operation of coastal office sites (e.g., Shenzhen), causing additional costs due to office relocation. • High temperatures or extreme cold weather may affect the health of employees, which may lead to lower work efficiency and reduced operational effectiveness. • Extreme hot and cold weather will increase the cooling and heating energy supply at operation sites, leading to increased production costs. • Humid weather may affect the performance of the product stock in the warehouse, leading to a deterioration in product quality, resulting in financial losses and reputational damage. • Extreme high and low temperatures may affect the safety of transporting and using portable chargers	• We closely monitor geographic and geomorphic changes at operation sites, incorporating climate risk as one of the factors in the site selection. • We pay close attention to employee health. During the days of extreme weather, we will timely provide necessary medicines and needed supplies. • We flexibly control cooling and heating systems based on weather conditions, and offer employees flexible working options. • We frequently monitor warehouse conditions. During the days of extreme weather, we will pay special attention to product storage, conduct spot checks on product quality, and make emergency plans. • We constantly improve the CCC certification of products, adjust the transport plan of products in extreme weather, pay attention to the potential change of product performance in extreme weather and explain the correct use specification to consumers.

Climate Risks	Risk Type	Risk Description	Analysis of Potential Impact of Risk on Business	Response Measures by Anker Innovations
Transition Risks	Policy and Regulatory Risk	ESG information disclosure requirements have a tendency to be strict	• The Shanghai, Shenzhen, and Hong Kong Stock Exchanges have issued ESG information disclosure guidelines for listed companies. The guidelines ask for strict climate-related information disclosure.	• We monitor the ESG information disclosure guidelines issued by the listed stock exchanges and proactively comply with the guidelines.
		GHG emissions have been under the strict control.	• China's "Dual Carbon" goals require enterprises to undergo a green and low-carbon transition, thereby increasing operational costs. • The new EU battery regulation requires the carbon footprint accounting for portable batteries, which may increase operational costs.	• We establish a scientific and effective energy consumption management mechanism, strengthen energy use management, and continuously carry out energy-saving and consumption-reducing measures. • We monitor green and low-carbon related policies and regulations in overseas markets and meet the compliance requirements.
	Market Risk	Customer demand for low-carbon products increases.	• Consumers prefer green and low-carbon products. Products without green and low-carbon features will lose their competitiveness in the future market.	• We actively layout our plan on R&D and application of green and low-carbon technology.
	Technology Risk	Green and low-carbon technology can become first-mover advantage.	• Guiding the development of green and low-carbon technology is one of the important pathways to achieve the national "Dual Carbon" goals. Failure to focus on and deploy green and low-carbon technology in products may result in the loss of technological first-mover advantage.	• We actively collect market demands for green and low-carbon products, capture market opportunities, and take the lead in deploying R&D in green and low-carbon technology.
	Reputation Risk	Climate-related negative events increasingly become a focus of stakeholders.	• High carbon emissions and energy consumption in the company's production processes may cause long-term negative impact on the company's reputation.	• We highly put value on energy consumption and GHG emissions during the production process. We will continuously optimize production processes, and improve our energy efficiency in production.

● **Typhoon Message Alert and Workshifting Notification**

Fw: 【通知】关于台风"苏拉"登陆期间的提前归家说明

From: 文化部 <culture-team@anker-in.com>
Date: Fri, Sep 1, 2023, 11:43
Subject: 【通知】关于台风"苏拉"登陆期间的提前归家说明
To: <mioc-shenzhen><mioc-shenzhen@anker-in.com>

亲爱的小伙伴们，经深圳市防台风防汛紧急动员令官方通知，台风"苏拉"台风将在下午正式登陆，红色预警拉响。基于安全角度考虑，请在公司的小伙伴们，合理安排好自己今天的工作，**9月1日下午16:00开始可提前归家**，公共交通将在19:00开始停运，请大家在归家途中注意安全。

如有特殊情况可联系Manager/HRBP沟通，依据部门实际情况进行调整，如需远程办公可参阅 **归居家办公/IT操作指南** 指引进行操作。归家途中，请各位随时关注台风的动向。Culture-Team也将密切关注台风并与大家保持着密切沟通，请大家关注All in Shenzhen飞书大群。

PS：注意安全是第一原则，大家在台风期间注意人身安全！如果有紧急工作无法离开的同事，请及时与我们联系，我们将为你们的坚守提供保障！任何需要行政支持的事宜可随时在线联系Verna.Xiao / Claire.Yang处理！

Notice: Preparing to Return Home Before Typhoon "Sura" Landing

[Notice] Instructions for Working from Home During the Landing of Typhoon "Sura"
Dear colleagues, according to the official notice of the Shenzhen City Typhoon and Flood Control Emergency Mobilization Order, Typhoon "Sula" will officially land this afternoon, and a red warning has been issued. For safety reasons, please arrange your work today reasonably. **You can leave work early starting from 16:00 on September 1st, and public transportation will stop operating from 19:00.** Please pay attention to safety on your way home.

If there are special circumstances, you can contact the Manager/HRBP for communication, and adjustments can be made according to the actual situation of the department. For remote work, you can follow the guide at **归居家办公/IT操作指南**. On your way home, please keep an eye on the typhoon's movement at all times. The Culture Team will also closely monitor the typhoon and maintain close communication with everyone. Please pay attention to the All in Shenzhen Feishu group.

PS: Safety is the first principle. Please pay attention to personal safety during the typhoon! **If there are colleagues who cannot leave due to urgent work, please contact us in time, and we will provide continuous support for your persistence! For any administrative support needed, you can contact Verna.Xiao / Claire.Yang online at any time!**

Waste Management

Anker Innovations strictly adheres to the *Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, rigorously controls the discharge of waste, and manages hazardous and non-hazardous waste separately to ensure the safe and orderly disposal of waste. For recyclable waste, Anker Innovations follows the principles of the circular economy and provides these waste to third-party partners for recycling. During the reporting period, Anker Innovations did not experience any significant environmental pollution incidents that violated laws and regulations.

Anker Innovations values the protection of natural resources and reduces waste at the source. The company advocates for paperless offices, with office printers set to double-sided printing by default to avoid paper waste. Besides, the company has taken action such as replacing bottled water with direct drinking water, using hand dryers instead of paper towels, and limiting the use of tissue paper to reduce waste emission. In 2023, the company saved a total of 15,000 plastic bottles and 14.4 million sheets of tissue paper, effectively reducing the consumption of natural resources like wood and emissions of pollutants like plastic.

Anker Innovations employs waste classification management approach. The company's non-hazardous waste mainly consists of office garbage and kitchen waste from various regional workplaces. Complied with the waste classification management requirements of each city, office garbage and kitchen waste are collected and transported to the Industrial Park's waste transfer station by designated personnel, where they are recycled by a professional third-party recycling company contracted by the property management entity. The company's hazardous waste primarily includes electronic waste generated from offices, such as monitors, desktops, laptops, and printers. According to the internal "IT Fixed Asset Management Process" and "Anker Innovations Fixed Assets Management System", the company regularly conducts inventory and disposal of office electronic waste. For recyclable electronic waste, Anker Innovations provides them to third-party suppliers for recycling based on the principles of safe circulation; for electronic waste without recycling value, it is disposed safely and reasonably. During the reporting period, the total amount of hazardous waste emissions decreased by 27.67% compared to the previous year.
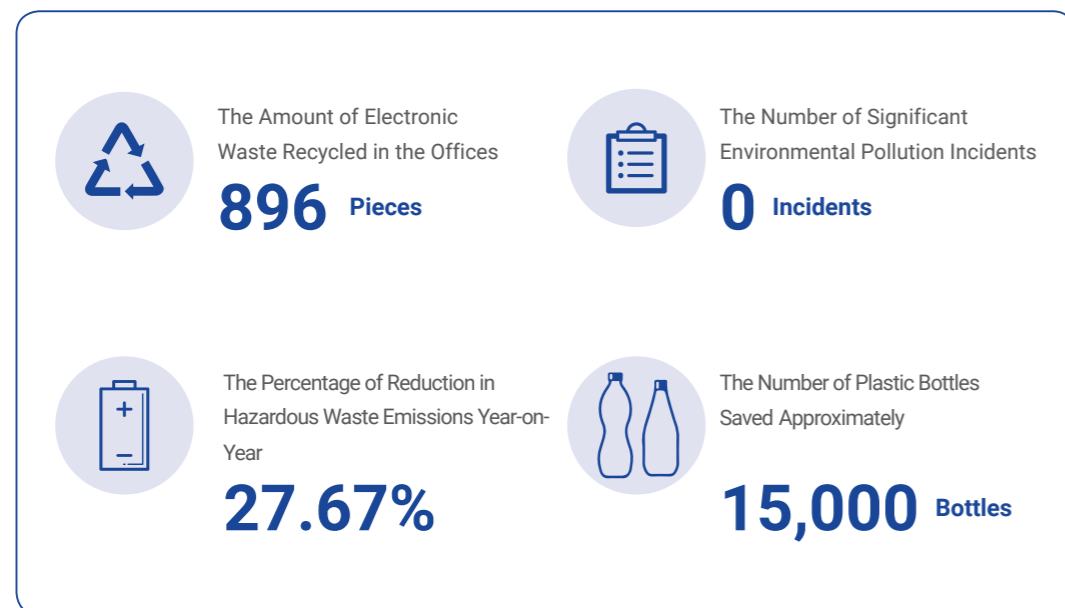
Metrics		Unit	2023
Non-Hazardous Waste [1]	Office Waste	tons	206.70
	Kitchen Waste	tons	23.80
	Electronic Waste - Desktops	Pieces	54
	Electronic Waste - Monitors	Pieces	69
	Electronic Waste - Laptops	Pieces	773
	Total Non-Hazardous Waste	Tons	232.76
Hazardous Waste[2]	Hazardous Waste - Ink Cartridges	Boxes	50
	Hazardous Waste - Toner Cartridges	Units	8
	Total Hazardous Waste	Tons	0.05
Waste Emission Intensity	Non-Hazardous Waste Emission Intensity	Tons per 100 million yuan	1.33
	Hazardous Waste Emission Intensity	Tons per 100 million yuan	0.0003
Waste Recycling[3]	Amount of Electronic Waste Recycling	Pieces	896

Notes:

[1] The statistics for office and kitchen waste include data from Shenzhen, Guangzhou, Changsha, and Suzhou offices, while the statistics for electronic waste include data from the Shenzhen and Changsha offices. The amount of office waste generated was not recorded in the year 2022.

[2] The statistics for hazardous waste include data from Shenzhen, Changsha, and Guangzhou offices.

[3] The statistics for waste recycling include data from Shenzhen and Changsha offices.

The Amount of Electronic Waste Recycled in the Offices
896 Pieces

The Number of Significant Environmental Pollution Incidents
0 Incidents

The Percentage of Reduction in Hazardous Waste Emissions Year-on-Year
27.67%

The Number of Plastic Bottles Saved Approximately
15,000 Bottles

Green and Low-Carbon Operation

Anker Innovations strictly adheres to the *Environmental Protection Law of the PRC*, the *Atmospheric Pollution Prevention and Control Law of the PRC* and the *Water Pollution Prevention and Control Law of the PRC*. We actively practice environmental protection, improve resource usage efficiency, and integrate green and low-carbon notions into every aspect of daily operations.

Energy Management

In 2023, Anker Innovations strengthened its energy management initiatives by effectively improving energy efficiency through intelligent devices, with significant energy-saving performance. Compared to 2022, the company significantly increased the utilization of clean energy and will continue to enrich the energy structure in the future, increasing the proportion of clean energy to help achieve "Dual Carbon" goals.

The company achieved good water saving performance by the end of the year, with a 30% surplus in water and electricity expenses, through intelligent transformation of hardwares, daily strict control, logistical incentives to encourage employee's behaviors, and promotion & habit formation of energy-saving.

Summer

23℃ − 26℃

Winter

20℃ − 23℃

For every 2°C decrease, the heat island effect increases by two points.
Let's not allow carbon dioxide to envelop our lives.

Air Conditioning Temperature Control Reminder

Energy Management Initiatives

Unified Air Conditioning Control
Implement strict controls on the operating times and temperature settings of air conditioners in offices, and plan to apply smart temperature control devices.

Office Support Incentive
Set energy consumption management targets for each floor, with incentives provided for floors that achieve their targets.

Energy Conservation Promotion
Promote water and electricity conservation to employees, advocating for green and low-carbon office operations.

Metrics		Unit	2023
Energy Consumption[1]	Natural Gas Consumption	m^3	18,967.00
	Electricity Consumption	kWh	10,902,160.78
	Per Capita Electricity Consumption	kWh/Person	2,714.01
	Electricity Consumption per Unit of Building Area	kWh/m^2	228.30
	Total Clean Energy Consumption	Tons of Standard Coal	25.23
	Percentage of Clean Energy Use	%	1.85%
	Direct Energy Consumption	Tons of Standard Coal	25.23
	Indirect Energy Consumption	Tons of Standard Coal	1,339.88
	Total Energy Consumption	Tons of Standard Coal	1,365.10
	Energy Consumption Intensity	Tons of Standard Coal per 100 Million Yuan Revenue	7.80

Note:

[1] Energy consumption statistics include data from Shenzhen, Changsha, Guangzhou, and Suzhou offices of Anker Innovations.

Low-Carbon Operation

In addition to reducing GHG emissions through daily energy-saving measures, Anker Innovations actively promotes green commuting within the company and pilots carbon trading to offset carbon emissions generated by business operations.

We encourages employees to do cycling, using public transportation or driving Electric Vehicles for daily green commutes. During the reporting period, 83% of employees praticed green commuting[1].

Anker Innovations piloted two carbon tradings in 2023. The company has participated in the China Bijie Afforestation VCS project and the Heilongjiang Bayan Biomass Cogeneration CDM project and obtained carbon credits 68,542 tCO₂e in total to offset the carbon footprint of related products (see section 5.1.4 Green Achievements - Carbon Neutral Certified by SCS and Climate neutral by ClimatePartner).

CO_2 Carbon Credits
68,542 tCO₂e
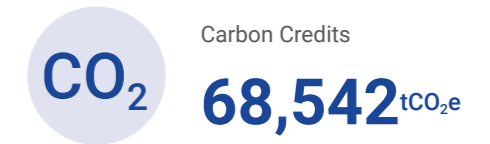
Certificate of Voluntary Cancellation
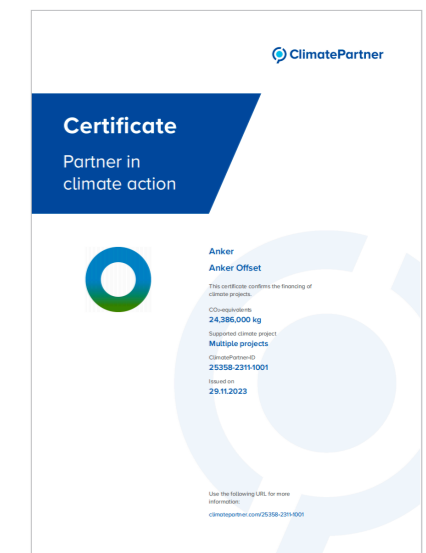
Annual Carbon Offsetting Statement on the Climate Neutriality Project

[1] According to internal statistics, approximately 17% of commuting employees travel by fuel-powered vehicles, while the rest opt for green transportation methods.

Metrics		Unit	2023
GHG Emissions	Total GHG Emissions[1]	tons of CO_2	7,638.16
	Scope 1 Emissions	tons of CO_2	41.01
	Scope 2 Emissions	tons of CO_2	5,762.71
	Scope 3 Emissions[2]	tons of CO_2	1,834.44
	Per Capita GHG emissions	tons of CO_2 per person	1.90
	GHG Emissions per Unit of Building Area	tons of CO_2 per m^2	0.17
	Carbon Credits	tCO_2e	68,542

Notes:

[1] The statistics for GHG emissions include data from Shenzhen, Changsha, Guangzhou, and Suzhou offices of Anker Innovations.

[2] Scope 3 emissions include emissions from travel transportation, hotel accommodations, waste disposal, and sewage treatment.

Water Resource Management

Anker Innovations lays emphasis on the protection and conservation of water resources in daily operations. The company promotes the concept of water conservation internally through promotional poster, cultural promotion, and other means to cultivate employees in forming good water-saving habits. Intelligent sensing devices are also installed to automatically control water usage.

Water Conservation Poster

Metrics		Unit	2023
Water Resource Use[1]	Municipal Water Consumption	tons	35,597.80
	Barrelled Water Consumption	tons	116.00
	Total Water Consumption	tons	35,713.80
	Per Capita Consumption	tons per person	8.89
	Total Sewage Discharge	tons	35,713.80

Note:

[1] Statistics on water use and sewage discharge include data from Shenzhen, Changsha, Guangzhou, and Suzhou offices of Anker Innovations.

Environmental and Ecological Protection

Anker Innovations values biodiversity and ecosystem protection. During the reporting period, Anker Innovations did not engage in any business activities or select operation sites in ecologically sensitive and fragile areas under national protection, for example, the ecological natural reserves.

The company collaborates with internal and external stakeholders to actively conduct green charity events, aiming to enhance employee awareness of environmental protection and fulfill corporate social responsibility. In 2023, Anker Innovations initiated a green flea market event, selling 525 items in the company. The donations collected from this event were given to the "One Billion Suosuo" project through the Society of Entrepreneurs and Ecology (SEE) to support afforestation and improve local ecology. Anker Innovations' Green Community organized 580 employees to participate in green and low-carbon commuting, where they walked, ran, and cycled in various ways, accumulating approximately 22 million steps, running 1,100 kilometers, and cycling 4,500 kilometers. The company's matching donations for this event were entirely donated to the China Green Foundation's "One Seaberry Tree Greens One Desert" project, contributing to green ecology.

Donation Certificate of Environmental Protection Event for Anker Innovations

Anker Innovations Campaign - *Cut the "Carbon" from your "Footprint"*

In the United States, Anker Innovations has partnered with the world's largest marine conservation organization Oceana, to provide financial and material donations in support of marine environmental research for joint action on the improvement of the global marine environment. On June 13, 2023, Anker Innovations held an environmental protection-themed event, where Oceana's experts attended in person and delivered a speech on environmental cooperation with high recognition on the contributions to environmental protection made by Anker Innovations.

07

Integrity and Compliance in Operations

Anker Innovations is guided by ethical standards and legal regulations, striving to ensure that our business operations comply with the highest industry standards. We adhere to integrity in business, uphold commercial ethics, regulate marketing activities, and actively promote compliance with privacy and information security, protecting intellectual property rights to maintain the legality, reliability, and stability of our business.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Compliance with Business Ethics

We adhere to the principles of integrity in business operations, upholding commercial ethics, and complying with all applicable anti-bribery, anti-corruption, and anti-unfair competition international conventions and laws in the locations where business is conducted. This includes the *United Nations Convention against Corruption*, the *Criminal Law* and the *Anti-Unfair Competition Law of the People's Republic of China*, as well as relevant anti-bribery and anti-corruption laws, the *United States' Foreign Corrupt Practices Act*, the *Federal Trade Commission Act*, the *United Kingdom's Bribery Act*, and the *Competition Act*, among others. The company maintains a "zero tolerance" policy towards bribery and corruption. During business operations, we uphold ethical conduct and oppose exerting improper influence on others, directly or indirectly, through the payment of cash, valuable goods, or any other form of bribery.

The company has implemented effective measures and management systems to prevent commercial bribery, corruption, and unfair competition. We have established management systems such as the "Anker Innovations Code of Conduct" and the "Anker Innovations Supervision Management Mechanism" to ensure clean practice and lawful operations. All employees are required to thoroughly learn and comply with these requirements. We regularly organize integrity self-discipline onboarding training for all new employees, require them to sign a "Integrity Commitment Letter", and integrate this into the onboarding process, with a signing ratio of 100%.

The company prohibits all employees or individuals and entities representing the company from bribing government officials or other third parties, directly or indirectly, in any cash or non-cash form to obtain business opportunities. We have established the "Anker Innovations Integrity Reporting system" and the "Anker Innovations Integrity Reporting Reward Program". Should any such behavior occur, employees must refuse and report it to the company.

Employee signature ratio for the Letter of Integrity Commitment
100%

Conducting Responsible Marketing

Anker Innovations strictly complies with relevant advertising and marketing regulations applicable in its business and operational locations, including but not limited to the *Advertising Law of the People's Republic of China* and the Section 5(a) of the *Federal Trade Commission Act (FTC Act)*, 15 U.S.C. § 45(a) Unfair methods of competition unlawful of the United States.

To further standardize marketing activities, Anker Innovations has established the "Marketing Internal Control Regulations" and "Marketing Advertising Language Compliance Guidelines" to ensure that the information in brand and product promotional materials is accurate and does not contain any false or misleading actions towards consumers. At the same time, it ensures that materials and brand partners do not involve negative content such as pornography, violence, terror, etc., which could cause public panic and adverse feelings; promotional activities that leak consumer personal information are not allowed in order to protect consumer privacy.

To ensure the implementation of these standards, the company has established a process for the external release of promotional materials and product packaging, which includes production, review, release, and tracking. This ensures that relevant departments such as brand, product, research and development, retail, and legal dynamically review and confirm the officially released drafts to ensure precise text and visual presentation. In cases of stock shortages or expired promotional information, the retail and brand sides will lead the communication for information correction to ensure consumers are not misled.

To further encourage employees to fully understand and follow the "Marketing Internal Control Regulations" and "Marketing Advertising Language Compliance Guidelines", the company uses emails, corporate public account articles, offline advocacy meetings, trainings, and regular audits to ensure that all employees regularly refresh their understanding of responsible marketing and ensure that actual business operations do not cross any red lines. In 2023, the coverage rate of responsible marketing training for sales personnel was 100%, with an average training duration of 5.5 hours.

Training Session on Responsible Marketing - On Site
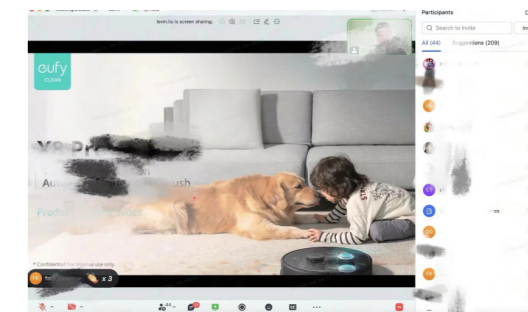
Training Session on Responsible Marketing - Online

Coverage Rate of Responsible Marketing Training for Sales
100%

Strengthening Technological Ethics Governance: AI Data and Algorithm Management

Anker Innovations strictly adheres to technological ethical standards, proactively identifies and manages potential ethical risks in technological innovation, and is dedicated to using technology for the greater good to foster social progress and enhance human well-being. The company rigorously follows domestic and international laws and regulations, as well as forthcoming legislation, such as the *Law of the PRC on Scientific and Technological Progress, Opinions on Strengthening the Governance of Science and Technology Ethics, Measures for Scientific and Technological Ethics Review (Trial)*, and the *European Union Artificial Intelligence Act*, to standardize the research and application of artificial intelligence technology. Furthermore, Anker Innovations has established a comprehensive system for algorithm and privacy data control to ensure the compliance and ethical integrity of technology applications.

Anker is committed to achieving trustworthy and controllable AI technology and algorithms:

• During the data engineering phase, pre-employment responsibility training is organized, which includes training on the duty to filter out harmful information and discriminatory content. In the process of data collection and processing, harmful information and discriminatory content are effectively filtered through initial checks by operators and subsequent manual reviews. This ensures a trustworthy data source for the training of algorithmic models.

• During the model training phase, both subjective and objective assessments, as well as endpoint testing, are conducted to verify the fairness of the actual effects of algorithmic models. Inferior models are intercepted, and the quality of model version releases is strictly controlled to ensure they meet the required standards.

• During the user engagement phase, channels for user feedback are provided, enabling timely tracking and resolution of algorithmic anomalies in user environments. This process ensures the continuous enhancement of the fairness and reliability of the algorithmic models.

Ensuring Information and Privacy Security

Anker Innovations attaches great importance to and invests significantly in cybersecurity, data security and privacy compliance. The company consistently implements practical and effective protection measures to enhance the security of our products, aiming to earn the trust of customers.

Principles of Security and Privacy Compliance

Anker Innovations adheres to privacy protection principles that align with industry best practices and integrates them into the entire lifecycle of product and service development, including requirements gathering, design, development, testing, release, operations, and user experience, to protect user privacy from infringement.

Principle of Transparency

We use advanced security technologies that are transparent in terms of algorithms and architecture. We also proactively share our compliance practices with users to promote transparency.

Principle of "Zero Trust"

As operators and owners of the system, we ensure user data security through product design and other methods. The "Zero Trust" principle is embedded into the product development process.

Principle of Privacy Protection

We adhere to the principle that all "sensitive and personally identifiable data", including but not limited to images and video stream information, be treated as highly sensitive information. Encryption is applied to stored content, content in transit, and transmission channels.

Principle of Buckets Effect

We realize that the security level of the weakest component in the system determines the overall security level.

Principle of Full-Process Management

We are committed to integrating security design throughout the entire Integrated Product Development (IPD) process, ensuring that every step from planning to release is properly handled. We manage data using a hierarchical classification principle, implement customized security measures, enhance supervision over sensitive data, and restrict its use. At the same time, we adhere to the principle of minimization, using only the necessary types and amounts of data, and ensuring that the purposes for use are clear and reasonable.

Principle of Regulatory Compliance

Compliance with legal requirements is a fundamental aspect of ensuring security and privacy. We strive to make our products, services, and operations comply with relevant local laws and regulations regarding privacy and security. When our products/services need to collect or process personal information, a strict compliance review must be completed before going live or before the iteration of new features, in accordance with the "Privacy assessment and risk disposal form and the Online Protocol Drafting, Updating, and Launching Process".

Information and Privacy Security Training

Anker Innovations organizes an annual Information Security Awareness Month and periodically conducts information security and privacy-related training sessions for various departments. These initiatives aim to enhance the privacy and security awareness of company employees.

Information Security Month Event
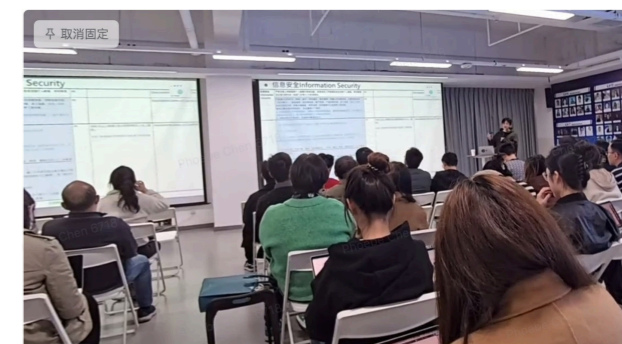
Training Session on Information Security

Data Privacy Achievements

Anker Innovations is committed to establishing a multidimensional and sustainable privacy compliance management system. The company has developed privacy compliance operating standards and guidelines for various data collection and processing departments. Currently, the eufy Security product series (including Camera, Doorbell, Smart Lock, and Alarm System) of Anker Innovations has obtained ISO 27001 and ISO 27701 certifications awarded by the British Standards Institution (BSI), as well as the U.S. TRUSTe certification. Shenzhen Hai Yi Zhi Xin Technology Co., Ltd. has also obtained the TRUSTe enterprise certification.

eufy Security product series has obtained ISO 27001 and ISO 27701 certifications.
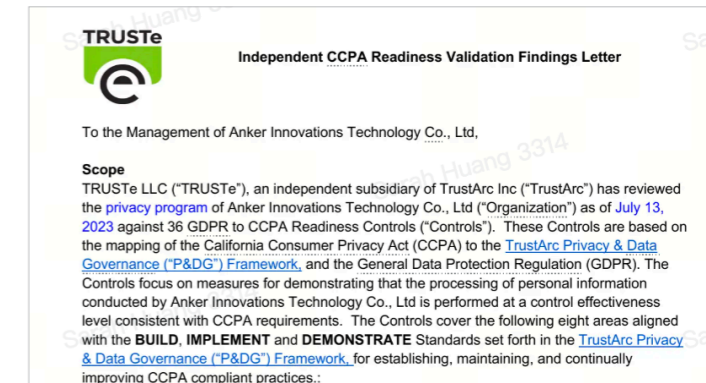
2023 TRUSTe Certificate

Intellectual Property Protection

Anker Innovations places great importance on the protection of intellectual property (IP) rights. The company strictly adheres to the IP laws and regulations of each country, pledging not to infringe upon the IP rights of others, while vigorously defending its own legitimate IP rights to prevent and dissuade infringements by others. Currently, the company's IP portfolio encompasses over 100 countries and regions.

Anker Innovations has implemented a dedicated intellectual property management process within its business operations. The company has established a comprehensive IP management system, including a specialized IP database and management system. This system enables the company to effectively and meticulously manage various forms of IP, such as patents, trademarks, and copyrights, ensuring compliance, efficiency and precision in IP management.

Patent and Trademark Management

Anker Innovations emphasizes high-quality and efficient systematic management of patents. The company has issued a series of patent management regulations, including "Patent Management Guidelines", "Patent Quality Management Guidelines", and "Patent Risk Assessment and Application Guidelines for Product Development Projects". These regulations are accompanied by detailed rules, tools, and empowering documents to ensure the effective implementation of important processes.

To promote R&D innovation, Anker Innovations has established distinctive patent incentive and management systems, such as the "Patent Reward Management Guidelines" for service invention patents and the "Guidelines for Excellent Patent Awards Assessment" for annual outstanding patent awards. The company has also incorporated patent accumulation requirements into the R&D promotion criteria through the "Inclusion of Patents in R&D Promotion Standards". In recent years, Anker Innovations has made significant technological investments in energy conservation and environmental protection, resulting in numerous innovative achievements. Some of these achievements have been captured in patent applications, including the company's novel technological developments in green environmental protection.

In the area of trademark management, Anker Innovations has also established a series of management methods, including "Trademark Management Guidelines", "IPD Trademark Review and Application Guidelines", "Product Naming Process", "Trademark Registration Approval Process for Technical Names", "Amazon Complaint Reporting and Response Process" and so on. These management methods aim to ensure the efficient and orderly conduct of trademark management work, thereby protecting the company's intellectual property rights and brand image. At the same time, the company also demonstrates its ecological and environmental attitudes to consumers by registering and using eco-friendly trademarks.

Intellectual Property Protection Training

Anker Innovations offers online intellectual property training to employees to enhance their knowledge and help them be more aware of intellectual property protection and risks. We have established online intellectual property courses, including the "Anker Innovations Patent Fundamentals Course" and the "Anker Innovations Trademark Fundamentals Course". The company has also set up an online "Patent Service Desk" software assistant, which regularly pushes out patent-related knowledge and cases. Offline, the company periodically provides specialized empowerment for employees in various departments, including: "Fundamentals of Patent Application" and "How to Retrieve and Analyze Patents" for the product and R&D departments, "Patent Risk Review and Patent Application Operation - IPM System Guide", "Interpretation Training on the Amendments to the Detailed Rules for the Implementation of the Patent Law", "Utility Model Examination Training", "US Patent Litigation Response training" for the intellectual property team, and "Trade mark Basic Knowledge and Risk Prevention", "Amazon Intellectual Property Policy, Complaints and Responses" and other professional training for the marketing department. These initiatives comprehensively enhance the employees' awareness of intellectual property protection and risk prevention, and improve the overall level of the company's intellectual property management.

Intellectual Property Achievements

Data Statistics Explanation		Indicator	Number of Applications	Number of Grants
Intellectual Property Protection	2023 Total Number	Invention Patents	269	70
		Utility Model Patents	254	280
		Design Patents	196	154
		Software Copyrights	19	19
		Trademark	276	71
	Cumulative Number	Invention Patents	993	173
		Utility Model Patents	1,129	848
		Design Patents	1,292	594
		Software Copyrights	76	75
		Trademark	2,333	1,473
	Application and utilization of pending and granted patents in core business operations	Number of granted invention patents applied to core business	-	129
		Number of invention patent applications in 2023	269	-

Customer Rights Protection

Voice of Customer (VOC)

Digitalization Initiative

Anker Innovations, since its establishment, has always adhered to a customer-centric approach and actively promoted the digitalization of the customer service system. Through channels such as email, Livechat/ WhatsApp, phone, official website, app, and social media, we listen to the voice of our customers. Additionally, the company keeps pace with technological trends and focuses on the implementation of AI technology in the smart customer service center. We utilize the official website Support platform and AI-powered chatbots to provide customers with 24/7 self-service consultation. In 2023, the company continued to advance the application of AI technology from NLP to the large language models like ChatGPT, expanding application scenarios and increasing the coverage of AI services. Our six global service centers received a total of approximately 2.8 million customer inquiries from various channels, with AI chatbots responding to approximately 1.57 million and directly resolving and closing around 870 thousand cases.

Customer Complaint Response

Anker Innovations consistently improves its customer complaint response mechanism and has established guidelines such as the "After-Sales Service Policy", "Customer Service Management Standards", "Customer Complaint Ticket Processing Procedure", and "Return and Exchange Procedure". We classify and manage customer complaints based on their severity, monitor and assess the response timeliness and closure rate. Our goal is to ensure that all customer issues receive timely responses and resolutions within the expected timeframe.

Customer Voice Closed-Loop

In addition to addressing customer complaints through "small closed-loop" processes, the company also delves deeper into exploring and promoting the customer voice "large closed-loop". By categorizing and analyzing a large volume of customer feedback (with a cumulative output of 200+ analysis reports in 2023), we identify common pain points and demands and provide feedback to the product and quality departments. This drives quality improvement and iterative upgrades of our products, resulting in a continuous enhancement of user experience.

Customer

Consultation/Complaint

Receiving Issues → AI Response → System Categorization and Grading

"Small Closed-Loop"

Closing Issues ← Handling Issues ← Distributing Issues ← Server Team

"Large Closed-Loop"

Closing Issues ← Product/Operations Improvement ← Statistical Analysis ← Product/Operations Team
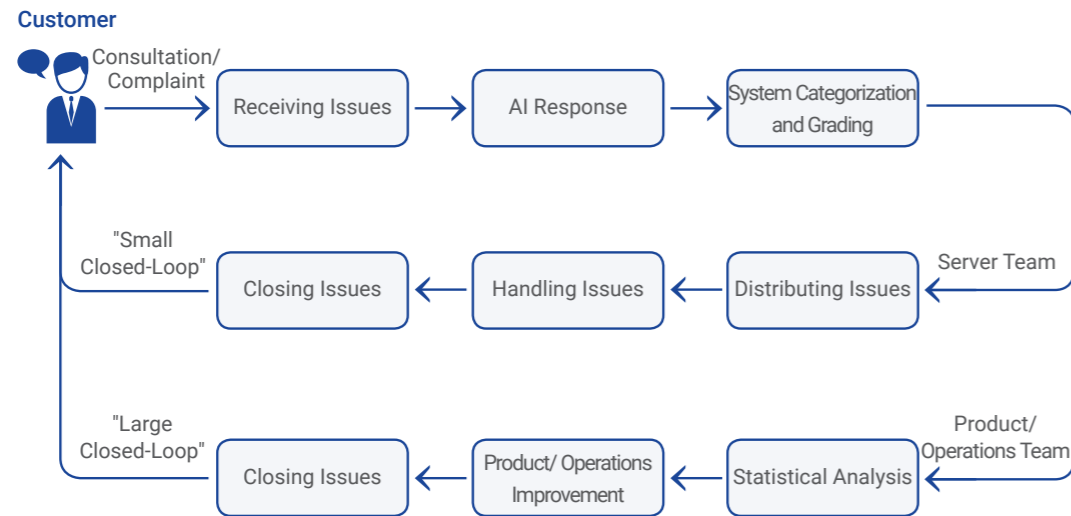
Customer Satisfaction

Anker Innovations considers service as a core competitive advantage. The company has established an internal "Service Quality Management Process" to monitor and optimize service quality through metrics such as the pass rate of quality inspection and the rate of customer complaint escalations. For tickets that do not pass the quality inspection or require escalation, the customer service team conducts review analysis. In 2023, the rate of qualified quality inspections was 97.73%, and the rate of customer complaint escalations was 0.11%.

Pass Rate of Quality Inspection
97.73%

Rate of Customer Complaint Escalations
0.11%

Ticket Extraction/ Escalation

Improvement — Quality Inspection

Customer Service Review
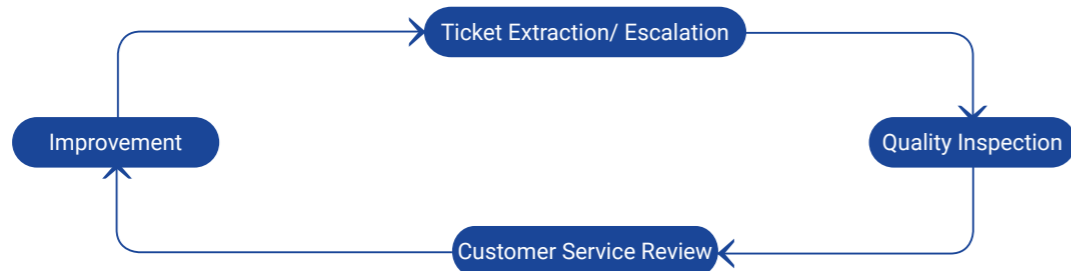
Customer feedback is an important source of information for continuous service improvement at Anker Innovations. The company places great emphasis on customer satisfaction management and has established a comprehensive satisfaction evaluation system. In 2023, a total of 85,146 customer satisfaction surveys were collected, with an overall satisfaction rate of 4.1 out of 5. Additionally, the company values and pays attention to customer feedback provided on sales platforms, with a seller positive feedback of 99% on major platforms like Amazon.

Total Number of Customer Satisfaction Surveys Collected
85,146

Amazon Seller Positive Feedback Percentage
99%

Overall Customer Satisfaction Rate (Out of 5)
4.1

Service Team

Anker Innovations believes that only employees who "grow together" with the company can consistently provide high-quality service to customers. Therefore, the company places great importance on training and empowering customer service personnel. Upon joining the company, new employees undergo a one-month onboarding training program and receive three months of one-on-one mentoring from an experienced mentor. Through case studies, practical exercises, and post-training reviews, new employees quickly grasp the relevant knowledge and skills. Product engineers regularly provide product training to customer service personnel to ensure they can quickly identify and resolve customer issues when handling complaints. In addition to regular product training, there is a strong focus on improving the service mindset, communication and presentation skills, structured thinking, empathy, and other soft skills of customer service personnel, we facilitate discussions and empowerment through seminars across different job functions. In 2023, the company organized over 60 empowerment training sessions specifically for customer service personnel, covering a total of more than 1,000 participants.

Number of Annual Customer Service Training Sessions
60+

Number of Participants in Customer Service Training Annually
1,000+

Service training session

08

Empowering Employee Development

Anker Innovations is dedicated to fostering personal growth and enhancing individual capabilities, driving organizational progress and achieving a mutually beneficial relationship with its talent. This philosophy is reflected in the company's employment guarantees, organizational culture, recruitment process, compensation and performance incentives, training and development, and other aspects.

| 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES |

Favorable Work Environment and Atmosphere

Employee Communication

Employee Recruitment

Employee Training and Development

Compensation and Performance Incentives

Employee Welfare and Health

Legally Compliant Employment Guidelines
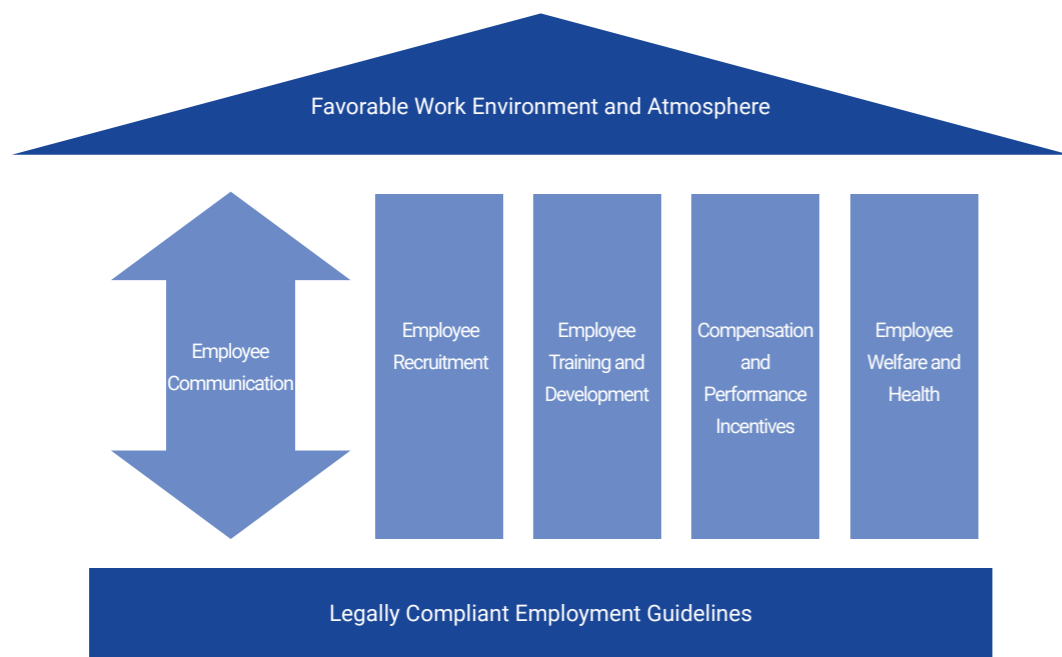
Ensuring Employee Rights

Employment Guidelines

Compliance with Labor Laws and Regulations

Anker Innovations strictly adheres to domestic labor laws and regulations such as the *Labor Law of the PRC*, the *Labor Contract Law of the PRC*, the *Social Security Law of the PRC*, and the *Law of the PRC on the Prevention and Control of Occupational Diseases*, as well as relevant employment laws and policies of the locations where overseas employees work to safeguard the legitimate rights and interests of employees.

Anker Innovations also strictly adheres to international conventions such as the *Convention on the Elimination of All Forms of Discrimination Against Women*, the *International Labour Organization Conventions*, and the *United Nations Convention on the Rights of the Child*, as well as domestic laws and regulations including the *Law of the PRC on the Protection of Rights and Interests of Women*, the *Special Provisions on Labor Protection of Female Employees*, the *Law of the PRC on the Protection of Minors*, the *Provisions on Prohibition of Child Labour*, and the *Regulations on Work-Related Injury Insurances*, along with relevant laws and policies concerning the protection of rights and interests of employees in the locations where overseas staff work. The company prohibits the recruitment of child labor and any form of discrimination against women, forced labor, and slavery. These prohibitions are also clearly stated in labor contracts and the "Employee Handbook", which explicitly protect employee rights by strictly forbidding any form of forced labor/slavery/child labour. At the same time, the rights of female employees are safeguarded, ensuring that Anker Innovations' employment practices are compliant and lawful in all respects.

In the year 2023, Anker Innovations did not face any incidents of complaints, grievances, or collective bargaining related to the employment of child labor or forced labor, reflecting our unwavering commitment to ethical employment practices.

Protecting Employee Rights

In addition, Anker Innovations strictly adheres to the *Universal Declaration of Human Rights*, explicitly prohibiting any form of harassment, abuse, and inhumane treatment in its labor contracts and "Employee Handbook", and ensures that there is no occupational discrimination based on any employee's personal information in matters involving hiring, compensation, promotion, and other such affairs.

Diversity, Equity and Inclusion (DEI)

Diversity

Anker Innovations has a workforce of 4,017 employees from diverse genders, skin colors, ethnicities, and religious beliefs, both domestically and internationally. The fact that over half of the employees are young and energetic contributes to the vibrancy of the company. Recognizing the diverse backgrounds of employees in terms of ethnicity, skin color, region, and nationality, the company respects and considers this diversity when building and implementing internal systems. It follows an equal and inclusive approach, complying with local laws, regulations, and employment practices in each country.

Equity and Inclusion

Nearly half of Anker Innovations' workforce are female, including 14% female executives. To ensure and care for women's rights and interests, Anker Innovations earnestly implements the provisions of the aforementioned international conventions and legal regulations. The company particularly safeguards the rights and benefits of female employees during pregnancy, childbirth, and breastfeeding periods, such as maternity leave, prenatal examination leave, miscarriage leave, breastfeeding leave, childcare leave, paternity leave for male employees, and maternity bonuses among other leave and welfare benefits (the leave and holiday arrangements for overseas female employees are subject to the legal provisions and local policies of their place of work). This year, the number of employees who took the above-mentioned leaves was 659. The company strictly prohibits any incidents of reducing wages, unwarranted dismissal, etc., due to female employees' pregnancy, childbirth, or breastfeeding. Regarding employees with disabilities, the company also adopts a positive attitude towards their employment and ensures that they are in a fair and healthy working environment. The company explicitly prohibits any form of workplace discrimination by employees in all its guidelines.

Employee Statistics:

Employees by Gender
58%
42%

- 2,332 Male employees
- 1,685 Female employees

4 Female Executives Accounting for 14% of total executives

Employees by Level
0.7%
8.7%
90.6%

- 28 Senior-level employees
- 348 Mid-level employees
- 3,641 Entry-level employees

Employees by Region
86%
14%

- 3,465 in Mainland China
- 552 Overseas employees and employees in Hong Kong, Macau and Taiwan

Employees by Age Group
0.7%
36.8%
62.5%

- Employees Over 50 Years Old: 28
- Employees Aged 30-50: 2,510
- Employees Under 30 Years Old: 1,479

Note: The statistical scope for categorized data: "Total number of employees is 4,017", with the count finalized as of December 31, 2023. The statistical scope includes only formal employees (excluding individuals with internship agreements and labor contract personnel).

Talent Development System

Employee Recruitment

Scientific Talent Selection

With the aim of building a scientific talent selection standard, Anker Innovations draws on ideas from multiple international consulting firms and has developed its own candidate-competency model dictionary with the company's unique characteristics. Regular interview-skill training is also provided for interviewers to achieve a scientific talent-selection process.

Strict Recruitment Process

Anker Innovations has implemented a comprehensive and strict interview evaluation process in social, campus, and internal recruitment. Such methods as professional tests, various assessments, cross-interviews are included in its recruitment process to ensure a standardized recruitment environment.

Employer Brand Management

The company places great importance on building and maintaining its employer brand. On the recruitment side, the company conducts candidates satisfaction surveys and gathers feedback from various public opinion platforms. Specific actions are taken to address any issues identified, ensuring a positive job-seeking experience for candidates. Moreover, the company participates in third-party employer evaluations to expand its employer influence.

Diverse Recruitment Channels

Anker Innovations is committed to expanding and enhancing its recruitment channels. In addition to collaborating with mainstream talent websites, the company maintains deep partnerships with multiple reputable third-party headhunting firms. We have built a comprehensive database of headhunter suppliers to effectively identify and attract top-tier strategic talents. Internally, we continuously explore social recruitment methods and innovate on platforms such as Maimai and Douyin. Moreover, through specialized projects to develop our own talent pool, we enrich our talent activation strategies and foster strong connections with the talent market.

Digital Recruitment Platform

Anker Innovations has achieved end-to-end digitization of the recruitment process by using advanced third-party recruitment management systems. Digital platforms can help build a much more comprehensive recruitment process, assessment process and scientific evaluation process. Moreover, Anker Innovations explores the efficient application of advanced technologies such as ChatGPT in the recruitment field.

Job Opportunities for Graduates

Anker Innovations has recruited over 200 graduates from top universities for three consecutive years. It has established strong partnerships with universities with abundant career opportunities and highly competitive compensation and packages through programs like summer internships and international management trainee programs.

Compensation and Incentives

Anker Innovations has a competitive compensation system to attract and retain the most talented individuals with the core principle of mutual growth between the company and talents. Every achievement of the company is closely linked to the collective efforts of all employees. As the company grows, it ensures that employees share in the success and rewards of the business. It rewards top-performing employees with generous compensation, fully unleashing their potential to create value.

Comprehensive Compensation Structure >>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>

Anker Innovations has developed a comprehensive compensation framework that covers various departments including research and development department, functional roles, and business units. In addition to the base salary, different groups enjoys various types of allowances and subsidies provided by the company. Performance-based bonuses and compensation mechanisms are also provided to meet the incentive demands of different employee groups and levels. The compensation structure will be regularly reviewed in response to market changes and to align with the company's objectives.

Encouraging Employees to Pursue Excellence with Reward Mechanisms >>>>>>>>>>>>>>

Anker Innovations has formulated the "Annual Excellence Award Management Measures" to reward individuals and groups who have made outstanding contributions. This initiative encourages employees to make greater achievements in their performance and make contributions to the overall development of the company. This method helps drive business growth, enhances the company's brand reputation, and elevates its overall image to support the company's long-term development.

Sharing Benefits for Long-term Development >>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>

To meet long-term talent requirements for sustained and healthy development of the company and incentivize core employees, Anker Innovations has established the bonus mechanism called "Long-term Incentive Award Management" to motivate its core staff, allowing both employees and the company to share in the long-term business growth benefits. The company will keep strengthening its incentive mechanisms and encouraging management teams and core staff to create higher value for customers in the long term. Anker Innovations has introduced the "Entrepreneur Plan in the Next Decade" with the principle of shared growth values since 2022.

Employee Career Development

In terms of employee development, Anker Innovations adopts a diversified career development approach called the "Trident", different from the traditional linear career progression path. This approach allows individual contributors to develop their career path between the expert and managerial tracks. Anker Innovations aims to provide more development opportunities for talents by establishing both horizontal and vertical career paths.

Additionally, the company offers a wide range of job rotation opportunities to help employees facilitate their comprehensive learning and diversified development within the company. Anker Innovations places great importance on employee career development and encourages employees to grow together with the company through a supportive stance and actionable measures.
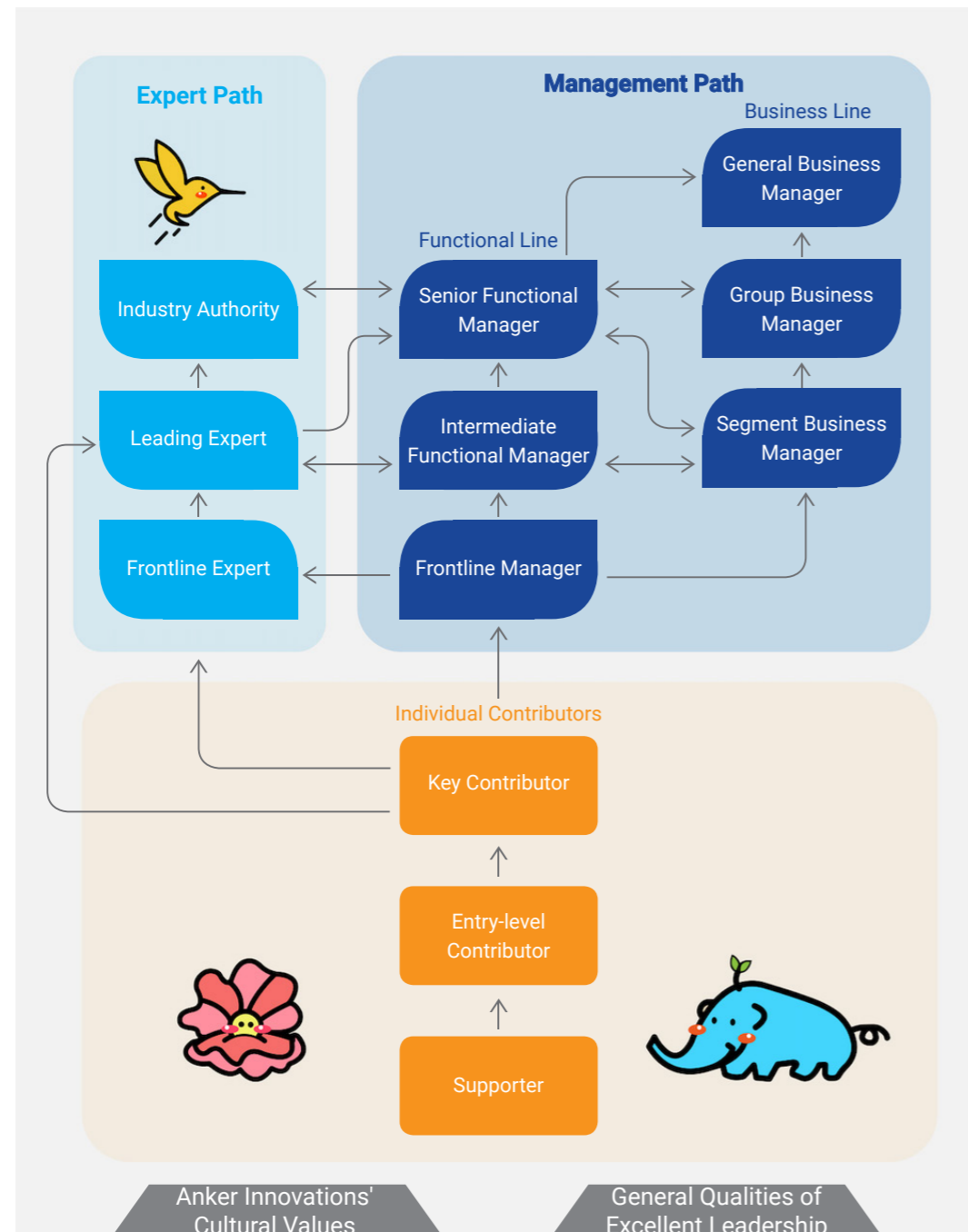
Employee Training

Committed to building a learning organization, Anker Innovations places great emphasis on the development of its employees and provides comprehensive training and development opportunities. The company has built its own Learning Center and Professional Association, which not only offers professional skills training but also focuses on employees' leadership development.

Anker Innovations adopts a combination of online platforms and offline teaching methods, closely aligned with the company's development roadmap and business needs. Training is integrated with practical applications, providing comprehensive support for the career development of every employee.

The company encourages employees to participate in various learning activities, including professional courses, seminars and workshops, to enhance their abilities and qualities. The personal development of employees is one of the company's top priorities. The company will continue to invest more resources and efforts to provide the best support for employees' career development.

Comprehensive Training Programs
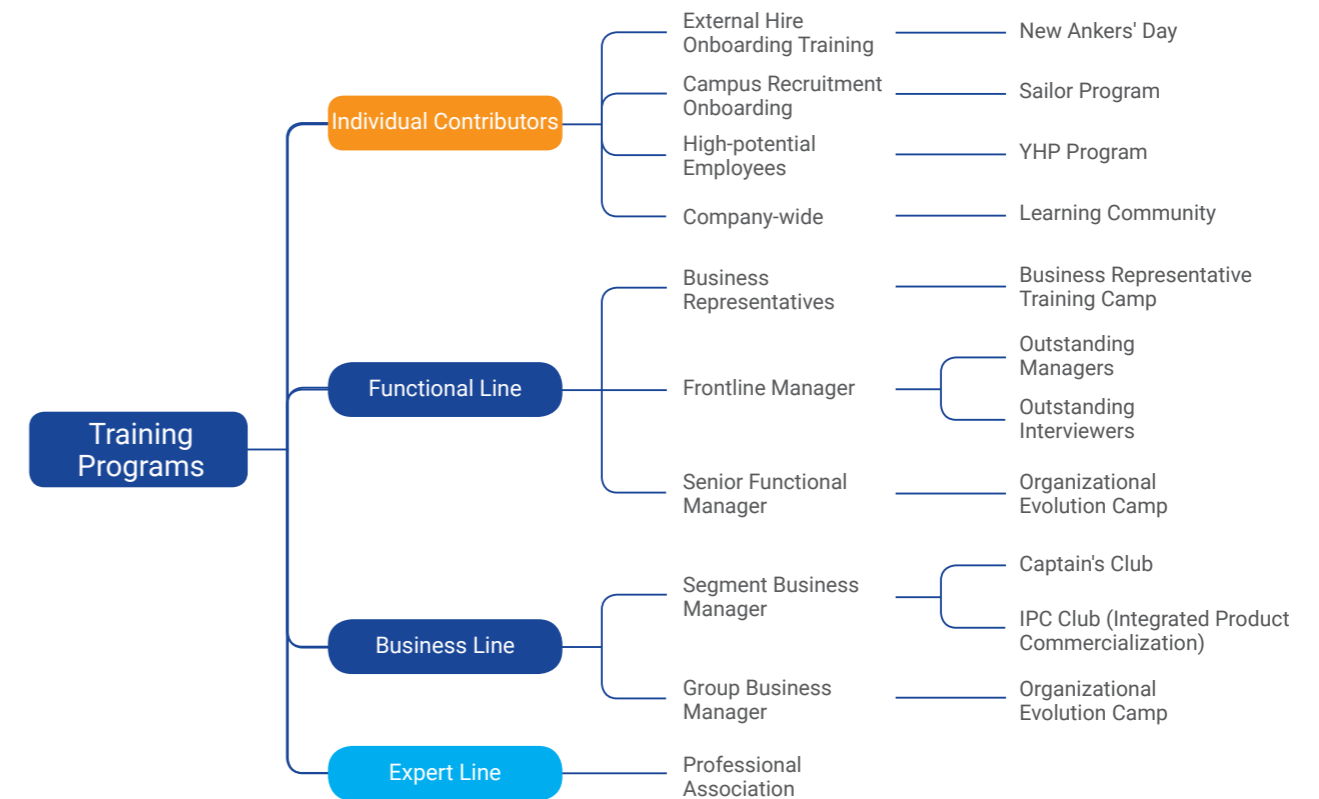
Anker Innovations Sailor and Captain Training Program

Anker Innovations Learning Platform

In line with Anker Innovations' four core value streams, the company has developed various specialized courses for employees, which allows employees to quickly identify the courses they need to enhance their skills and qualities.

价值流专题

| IPD价值流 | IPC价值流 | ISC价值流 | IEA价值流 |

岗位族专题

| 质量族专题 | 营销族MKT专题 | 服务族CED专题 | 财经族管理专题 |
| 营销族OSO专题 | JP专题 | 技术族PDP专题 | 数字化赋能专题 |

Anker Innovations Online Learning Platform

Self-Developed Courses

Anker Innovations has developed a wide range of courses in various areas, covering topics such as work methodologies, career transformation, market insights, and skill development. The company has established a team dedicated to extracting practical experiences and refining them into online courses for employees to learn from.

Consumer Insight: Target Audience Segmentation and In-depth Needs Exploration Method | Anker's "Innovation" Seven-Step Work Method | One-Stop Software Development Management Platform (CODING) | Anker Competence Definition Interpretation and Application

Examples of Anker Innovations' Self-Developed Courses

Training Data for 2023

Total Number of Training Participants	Average Learning Duration Per Person	Total Number of Courses Offered	Average Satisfaction Rating
4,396 People	**2.66** Hours	**605** Courses	**4.74** Out of 5 Points

Note: The training data for 2023 only includes the statistics from the Empowerment Center projects and does not cover the training activities conducted independently by various departments.

Implementation of Employee Care

Caring for Employee Wellbeing

To ensure employees' sense of belonging and security at Anker Innovations while fostering strong bonds between employees and the organization, we provide a comprehensive range of welfare benefits that encompass various areas, including meals, health, transportation, and culture. These benefits reflect our commitment to supporting both the professional and personal lives of our employees, contributing to creating a warm, comfortable, and caring work environment and organizational culture.

Regarding welfare leave, in addition to the standard annual leave and statutory holidays, Anker Innovations acknowledges the diverse needs of our employees, such as caring for and visiting family members or attending to personal matters. As a result, we have expanded our range of welfare leave options to accommodate these different needs, demonstrating our understanding and support for the various aspects of our employees' lives.

Employee Benefits

Catering Benefits	Free breakfast and dinner, discounted lunch options, overtime meals, discounts at partner restaurants for employees, coffee corners
Health Benefits	Social insurance, medical check-ups, basic medical insurance, million medical insurance, critical illness insurance, access to fitness centers, major illness assistance
Transportation Benefits	39 free parking spaces (in Changsha), transportation support for overtime work
Welfare Leave	2-hour paid short leave, special leave for long-term employees, visiting-family leave for expats
Employee Care	Birthday benefits, mentorship dinner benefits, quarterly team building benefits and anniversary gifts
Cash Gifts	Wedding cash gift, maternity cash gift, sympathy cash gift for family members' illness
Product Benefits	Employee discounts for purchasing company products, free customized products

Cultural Activities

In addition to traditional benefits, Anker Innovations, as a youthful and dynamic company, organizes a variety of cultural activities that resonate with young individuals.

Learning Sharing Sessions

The learning sharing session is an important platform for building a learning organization within the company. During these sessions, we invite individuals from various positions to share the company achievements and business growth, methodologies, and corporate strategies from the previous year, following the format similar to TED talks.

Clubs and Special Activities

Anker Innovations introduces various initiatives to promote a healthy lifestyle, such as the "Sports Month" event. We also organize special activities to show care and appreciation for different groups, including the Women's Day/ Mother's Day/ Engineer's Day events. Additionally, we offer 33 interest-based clubs and organize departmental activities to cater to diverse interests and promote employee engagement.

Anker Innovations' global offices have also organized a series of activities to jointly establish an open, equal, and inclusive cultural atmosphere.

The Dubai office organized team-building activities

The Japan office held an annual meeting

The Australian office conducted its annual event

Family Day

Family Day is like Spring Festival for Anker Innovations employees. It is a family-oriented event open to all staff members. On this day, the company invites employees, their families, and important prospective partners to join in various fun activities, games, and exhibitions. Through these interactive experiences, attendees can immerse themselves in the company's culture, gain insights into our business, and foster a sense of belonging.

Establishing Effective Communication Channels

Anker Innovations places great importance on employee experience and is dedicated to actively gathering and incorporating employee feedback to improve our systems and processes. We are committed to creating a favorable work environment, fostering a positive organizational culture, and providing ample opportunities for employee growth. In order to promote an atmosphere of open and equitable communication, we have implemented various measures to facilitate continuous employee feedback, including:

Annual Employee Opinion Survey

Conduct an annual anonymous survey targeting all employees to assess their satisfaction and engagement from multiple dimensions. Identify common key issues based on employee feedback and incorporate them into the key improvement areas for the following year's organizational development.

Monthly All-Hands Meeting (TGIF)

Regularly hold a monthly communication meeting for all employees, where the Board of Directors and business representatives share key updates and address anonymous employee questions in an open forum.

Monthly Manager Communication Meeting

Organize monthly communication meetings specifically for managers, where the Board of Directors share the company's latest business strategies and conduct workshops to gather insights on business and organizational challenges, providing recommendations for corporate strategy, business operations, and organizational development.

Board Feedback Email

Establish a Board of Directors' public email address (voice@anker.com) within the company, where employees can send their opinions and ideas regarding company strategy, development, business matters, or any significant issues. The email response rate is 100%.

Company-wide Communication and Exchange Group

Create an open and candid communication culture by facilitating direct communication in a company-wide group, where any topic can be discussed. The response rate is 100%.

Project-specific Communication and Exchange Groups

For daily operational matters such as administrative dining, office hygiene, or IT maintenance, we establish dedicated project-specific communication groups with assigned personnel to address and resolve employee feedback or questions.

Emphasizing Health and Safety

Employee Safety and Production Assurance Measures

- **Employee Safety Education and Training**: The company has implemented the "Safety Education and Training Management System" to prioritize the enhancement of safety awareness among all employees and outsourced personnel. We proactively conduct safety training for new employees during onboarding process, as well as regular and specialized training sessions. Training is delivered through on-site lectures, practical exercises, and other methods, covering a comprehensive range of courses, including three-level safety training, and safety management training. The company is committed to continually improving the quality and effectiveness of its training programs.

Employee Safety Education and Training

- **Fire Safety Training:** The company conducts training sessions aimed at enhancing participants' awareness of fire hazards. These sessions ensure that all individuals have a clear understanding of the fundamental measures for fire prevention, methods for extinguishing fires, and the necessary skills to organize personnel evacuation and facilitate a safe escape.

Fire safety training with on-site instruction and drills.

Employee Occupational Health

Employee Occupational Health

Social and Commercial Insurance	The company provides comprehensive employee social insurance and medical insurance, including basic medical insurance and critical illness insurance, with a **coverage rate of 100%**. In 2023, the company additionally purchased million-dollar medical insurance for some employees, with plans to extend coverage to all staff in 2024, demonstrating care for the health and well-being of our workforce.
Medical Examinations	From September to December each year, the company offers comprehensive medical check-ups to all employees, with a **coverage rate of 100%**.
First Aid Kit	The company provides essential over-the-counter medications free of charge, demonstrating our commitment to the well-being of employees and providing basic assistance for emergencies.
Doctor Visits at the Workplace	The company has collaborated with community organizations multiple times to organize health lectures, inviting doctors from the Dawn Community Health Center to share knowledge on the prevention and curing methods related to cervical spondylosis and hair loss. Regular visits from doctors are arranged each year to address common workplace health concerns and provide answers and guidance to employees.

First Aid Kit

Doctor Visits at the Workplace

09

Building a Harmonious Community

While promoting the growth of the company, Anker Innovations actively assumes social responsibility and deeply participates in various charity activities such as green public welfare practices, social charity actions, and community development support, all of which contribute to the development of a harmonious community.

3 GOOD HEALTH AND WELL-BEING

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

Carrying out Public Welfare Practice

Anker Innovations consistently pays attention to vulnerable groups, particularly children requiring special education, regions with public health treatment needs, or areas in urgent need of reconstruction after disasters. In recent years, the company has actively fulfilled its social responsibilities by providing timely charitable assistance, with cumulative donations of cash and materials valued at over 10 million yuan. In 2023, Anker Innovations has left a positive footprint in the construction of harmonious communities across various regions globally.

In Australia, Anker Innovations partnered with its channel partner digiDirect and other consumer electronics brands to sponsor the charity organization "Make A Wish", which helps critically ill children fulfill their dreams. Together, they made possible activities such as a soccer match and a meeting with "Iron Man", providing children with life-threatening conditions the chance to have their wishes come true and experience a memorable day filled with hope.

In Japan, Anker Innovations has collaborated with "Kawasaki Frontale" (soccer team) to support the construction of a health and disaster prevention community named "ANKER FRON-TOWN IKUTA" by providing company products such as soundcore speakers and Nebula smart projectors. The community includes 2 soccer fields (which Kawasaki Frontale's youth academy uses for practice), 6 tennis courts, a gymnasium, and a club house, as well as sports orthopedic rehabilitation facilities, a kids nursery and a park, a multifunctional plaza managed by the Kawasaki City Waterworks and Sewerage Bureau, and the Ikuta Exchange Plaza, among other elements and sports facilities. This community will serve as the activity base for the Kawasaki Frontale Academy, as well as a sports venue for Kawasaki citizens, and a temporary refuge and disaster response base in case of emergencies.

In Turkey, we have established a partnership with GEA, an esteemed member of the International Search and Rescue Advisory Group, which is dedicated to volunteer search and rescue operations and providing humanitarian assistance. We provide them with Anker charging and energy storage products to meet their energy and communication needs during disasters such as earthquakes, fires, and floods.
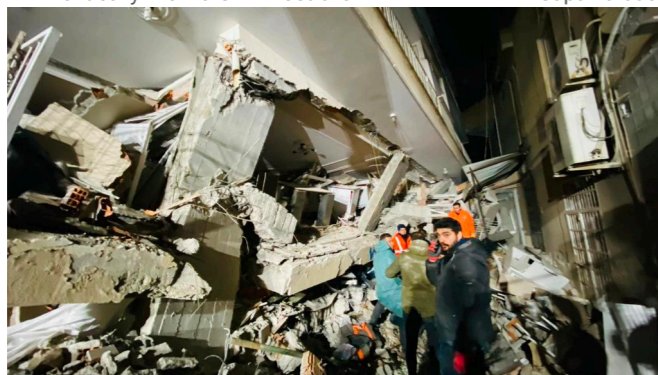
In the Middle East and Africa, Anker Innovations embraced sustainability at the region's most iconic technology event, GITEX GLOBAL, by eliminating paper POSM and brochures from their booth. Additionally, we developed a dedicated microsite for the event to communicate the concept of environmental protection to users. Furthermore, we has entered into a strategic partnership with R3 Factory, a key player in the "re-commerce" sector, to fulfill its regional commitment to sustainable development through the renewal, reuse, and reduction of electronic waste.
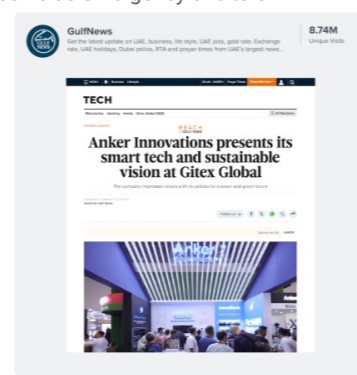

Participating in the Make-A-Wish event for critically ill children in Australia

Supporting the construction of a community sports center in Japan that also serve as emergency shelters

Supporting GEA's rescue operations in Turkey

Showcasing Smart Technology and Sustainability at GITEX GLOBAL in the Middle East and Africa

Supporting Local Development

Supporting Local Development

Anker Innovations has leveraged its product advantages in emergency rescue and played an important role in securing power supply in municipalities.

Given the frequency of natural disasters in Japan, keeping electronic devices powered has become a necessary condition during disasters. To address this, Anker Japan launched the "Anker PowerBag", a special disaster preparedness set of charging products including batteries, solar chargers, cables, etc. Moreover, the company cooperates with municipalities in Japan and to date has signed disaster support agreements with eight cities' governments to provide Anker PowerBag and Anker PowerHouse series of ultra-large-capacity portable power stations to help secure power supply in times of disasters. Starting from 2023, a portion of the sales from Anker PowerBag will be donated to the certified non-profit organization "Japan Disaster Prevention Association".

These actions fully reflect Anker Innovations' social responsibility and make positive contributions to the safety and stability of the municipalities.

Anker PowerBag - Products for Disaster Prevention
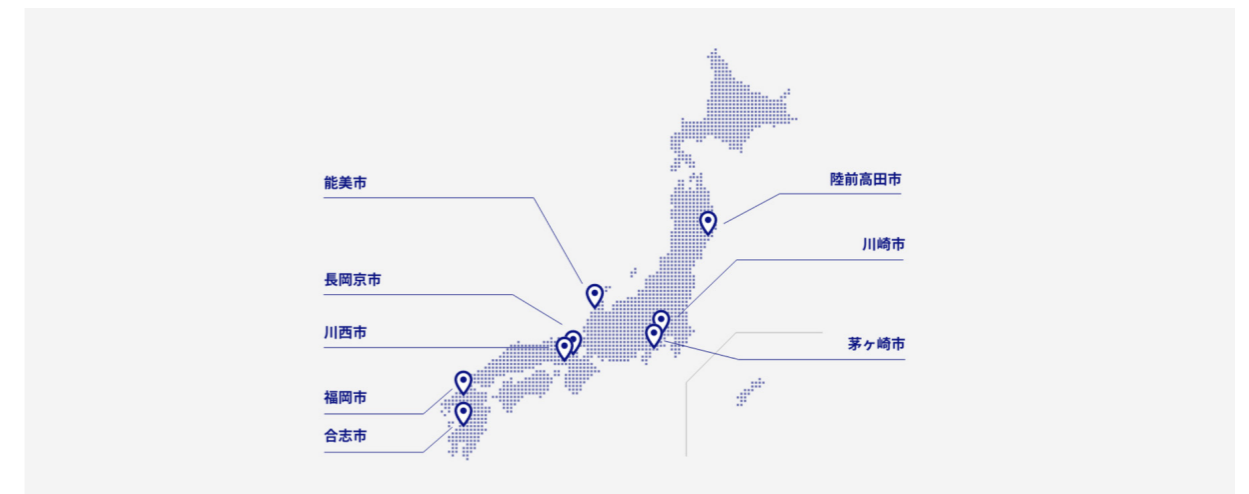
Anker Japan has signed disaster support agreements with eight cities' governments in Japan

10 Appendix

Economic Performance Table

Key Economic Performance Indicators	Unit	2023	2022
Prime Operating Revenue	100 million yuan	174.31	141.10
Sales Volume	Units	83,330,981	72,021,545
Financial Assistance Received From Government	10 thousand yuan	7,371	3,960

Environmental Performance Table

Category of Topics	Key Environmental Performance Indicators	Units	2023	2022
Energy Use[1]	Natural Gas Consumption	m³	18,967.00	/ [*]
	Total Electricity Consumption	kWh	10,902,160.78	9,222,189.90
	Per Capita Electricity Consumption	kWh per person	2,714.01	2,551.09
	Electricity Per Unit of Building Area	kWh per m²	228.30	199.35
	Total Clean Energy Consumption	Tons of Standard Coal	25.23	/
	Percentage of Clean Energy Use	%	1.85%	/
	Direct Energy Consumption	Tons of Standard Coal	25.23	/
	Indirect Energy Consumption	Tons of Standard Coal	1,339.88	1,133.41
	Total Energy Consumption	Tons of Standard Coal	1,365.10	1,133.41
	Energy Consumption Intensity	Tons of Standard Coal/100 million yuan revenue	7.80	7.95
GHG Emissions[2]	Total Direct GHG Emissions (Scope 1)[3]	Tons of CO_2	41.01	/
	Total Indirect GHG Emissions (Scope 2)	Tons of CO_2	5,762.71	4,857.77
	Total Other Indirect GHG Emissions (Scope 3) [4]	Tons of CO_2	1,834.44	767.04
	Total GHG Emissions	Tons of CO_2	7,638.16	5,624.80
	Per Capita GHG Emissions	Tons of CO_2 per person	1.90	1.56
	GHG Emissions per Unit of Building Areas	Tons of CO_2 per m²	0.17	0.12
	Carbon Credits [5]	tCO_2e	68,542	/

Environmental Performance Table（Cont.）

Category of Topics	Key Environmental Performance Indicators		Units	2023	2022
Water Resource Use[6]	Municipal Water Consumption		Tons	35,597.80	24,060.00
	Barrelled Water Consumption		Tons	116.00	99.40
	Total Water Consumption		Tons	35,713.80	24,159.40
	Per Capita Water Consumption		Tons per Person	8.89	6.68
	Total Sewage Discharge		Tons	35,713.8	24,159.40
Paper Use [7]	Office Paper Consumption		Tons	3.35	2.62
	Per Capita Office Paper Consumption		Tons per Person	0.0008	0.0007
Waste Management	Non-hazardous Waste[8]	Office Waste	Tons	206.70	/
		Kitchen Waste	Tons	23.80	15.90
		Electronic Waste - Desktops	Pieces	54	44
		Electronic Waste - Monitors	Pieces	69	32
		Electronic Waste - Laptops	Pieces	773	259
		Total Non-hazardous Waste	Tons	232.76	16.88
	Hazardous Waste [9]	Hazardous Waste - Ink Cartridges	Boxes	50	60
		Hazardous Waste - Toner Cartridges	Units	8	12
		Total Hazardous Waste	Tons	0.05	0.06
	Waste Emission Intensity	Non-hazardous Waste Emission Intensity	Tons per 100 million yuan	1.33	0.12
		Hazardous Waste Emission Intensity	Tons per 100 million yuan	0.0003	0.0004
	Waste Recycling [10]	The Number of Electronic Waste Recycling	Pieces	896	335

Notes:

[*] Based on the considerations of data authenticity, accuracy and disclosure prudence，metrics that were unable to be precisely measured and traced will be denoted by a forward slash ("/").

[1] Statistics on energy consumption include data from Shenzhen, Changsha, Guangzhou, and Suzhou offices of Anker Innovations.

[2] Statistics on GHG emission include data from Shenzhen, Changsha, Guangzhou, and Suzhou offices of Anker Innovations.

[3] Scope 1 emission mainly comes from natural gas consumption.The emission factors is referenced from the *Guideline for Quantifying and Reporting of Organizational GHG Emissions*.

[4] Scope 3 emissions include emissions from travel transportation, hotel accommodations, waste disposal, and sewage treatment.

[5] Anker Innovations has participated in the China Bijie Afforestation VCS project and the Heilongjiang Bayan Biomass Cogeneration CDM project and obtained carbon credits 68,542 tCO_2e in total.

[6] Statistics on water use and sewage discharge include data from Shenzhen, Changsha, Guangzhou, and Suzhou offices of Anker Innovations

[7] Statistics on paper consumption include data from Shenzhen and Changsha offices.

[8] The statistics for office and kitchen waste include data from Shenzhen, Guangzhou, Changsha, and Suzhou offices, while the statistics for electronic waste include data from the Shenzhen and Changsha offices. The amount of office waste generated was not recorded in the year 2022.

[9] The statistics for hazardous waste include data from Shenzhen, Changsha, and Guangzhou offices.

[10] The statistics for waste recycling include data from Shenzhen and Changsha offices.

Social Performance Table

Category of Topics	Key Social Performance Indicators		Unit	2023	2022
Labor Management/ Employment	Total Number of Employees [1]		Persons	4,017	3,615
	Number of Employees by Gender	Male Employees	Persons	2,332	1,969
		Female Employees	Persons	1,685	1,504
	Number of Employees by Level	Senior-level Employees	Persons	28	29
		Mid-level Employees	Persons	348	292
		Entry-level Employees	Persons	3,641	3,152
	Number of Employees by Region	Employees in Mainland China	Persons	3,465	3,053
		Overseas Employees and Employees in Hong Kong, Macau and Taiwan	Persons	552	420
	Number of Employees by Age Group	Employees aged under 30	Persons	1,479	1,348
		Employees aged 30-50	Persons	2,510	2,112
		Employees aged over 50	Persons	28	13
	Diversity of Governance	Number of Female Executives	Persons	4	6
		Percentage of Female Executives	%	14.29	20.7
	Number of Employees by Employment Type	Full-time Employees	Persons	4,017	3,615
		Outsourcing Employees (Contractors)	Persons	3	/
		Other Employees (Interns)	Persons	243	/
	Proportion of Senior Management Hired from the Local Community	Proportion of Senior Management Hired from the Key Operational Sites	%	0.5	/
	Signing Rate of Employee Contracts		%	100	100
	Social Insurance Coverage		%	100	100
Employee Development and Training [2]	Total Number of Training Participants		Person-time	4,396	6,147
	Total Training Hours		Hours	280	187
	Total Training Person-hours		Hours	12,117.50	8,955
	Number of Employee Under Training by Gender	Number of Male Employee Under Training	Persons	2,332	/
		Number of Female Employee Under Training	Persons	1,685	/
	Number of Employee Under Training by Employment Type	Number of Senior-level Employee under Training	Person-time	34	/
		Number of Mid-level Employee under Training	Person-time	557	/
		Number of Entry-level Employee under Training	Person-time	3,805	/
	Average Hours of Each Employee Under Training by Gender	Average Hours of Male Employees under Training	Hours per Person	2.66	/
		Average Hours of Female Employees under Training	Hours per Person	2.66	/
	Average Hours of Each Employee Under Training by Level	Average Hours of Senior-level Employees	Hours per Person	2.66	/
		Average Hours of Mid-level Employees	Hours per Person	2.66	/
		Average Hours of Entry-level Employees	Hours per Person	2.66	/

Social Performance Table（Cont.）

Category of Topics	Key Social Performance Indicators		Unit	2023	2022
Employee Development and Training [2]	Percentage of Employees under Performance and Career Development Assessments by Gender	Percentage of Male Employees under Performance and Career Development Assessments	%	58.05	/
		Percentage of Female Employees under Performance and Career Development Assessments	%	41.95	/
	Percentage of Employees under Performance and Career Development Assessments by Level	Percentage of Senior-level Employees under Performance and Career Development Assessments	%	100	/
		Percentage of Mid-level Employees under Performance and Career Development Assessments	%	100	/
		Percentage of Entry-level Employees under Performance and Career Development Assessments	%	100	/
	Employee Skill Improvement	Number of Annual Training	Time	605	/
	Average Employee Satisfaction Rate [3]		%	4.74	4.71
	Employee Training Investment and Coverage	Number of Employee Training	Time	605	/
		Annual Training Spending	10 Thousand yuan	114	/
		Employee Training Coverage	%	100	/
Occupational Health and Safety	Number of Work-related Fatalities		Persons	0	0
	Rate of Work-related Fatalities		%	0	0
	Lost Days Due to Work Injury		Days	50	24
	Coverage Rate for Health Check-up Services		%	100	100
	Coverage and Investment of Employee Work-related Injury and Production Safety Liability Insurance	Total Amount of Investment in Work-related Injury Insurance	10 Thousand yuan	66.2	/
		Coverage Rate of Employee Work-related Injury Insurance	%	100	/
Supply Chain Management	Number of Suppliers		/	393	/
	Number of Suppliers by Region	Number of Suppliers in Mainland China	/	329	/
		Number of Overseas Suppliers and Suppliers in Hong Kong, Macau and Taiwan	/	64	/
	Supplier Anti-Corruption Management	Rate of Suppliers Signing Anti-Commercial Bribery Clause/ Integrity Agreement	%	100	100
	Proportion of spending on local suppliers	Proportion of Production Materials Procurement from Key Operational Sites	%	100	/
		Proportion of Complete Appliance Procurement from Domestic Suppliers	%	86	/
		Proportion of Complete Appliance Procurement from Overseas Suppliers	%	14	/
Product Quality and Safety	Assessment of the health and safety impacts of product and service categories	Percentage of the health and safety impacts of assessed product and service categories	%	0	/

Social Performance Table（Cont.）

Category of Topics	Key Social Performance Indicators		Unit	2023	2022
Responsible Marketing	Coverage Rate of Responsible Marketing Training for Sales		%	100	/
	Average Hours of Responsible Marketing Training for Sales Employees		Hours per Person	6	/
Customer Service	Number of Customer Service Consultation and Complaints		Person-time	2,800,000	2,750,000
	Customer Service Satisfaction Rate [4]		/	4.1	4.1
	Number of Annual Customer Service Training Sessions		Times	60	50
	Number of Participants in Customer Service Training Annually		Person-time	1,000	700
Technological Innovation	Annual Investment	Annual Investment in Technology Research and Development	100 million yuan	14.14	10.81
	Cumulative Investment in Recent 3 years	Cumulative Investment in Technology Research and Development	100 million yuan	32.73	24.26
	Proportion of R&D Investment	Proportion of R&D Investment in Prime Operating Revenue [5]	%	8.11	/
	Number of R&D Employees & Proportion of R&D Employees	Number of R&D Employees	Persons	1,918	1,820
		Proportion of R&D Employees	%	47.75	50.35
Intellectual Property Protection	Total Number of Grants	Patents [6]	/	504	544
		Software Copyrights	/	19	3
		Registered Trademarks	/	71	199
	Cumulative Number of Grants	Patents	/	1,615	1,201
		Software Copyrights	/	75	84
		Registered Trademarks	/	1,473	1,066
	Patent Applications and Utilization	Total Number of Granted Patents Applied to the Prime Business Operations since the company's establishment	/	129	/
		Number of Patent Applications	/	269	/
Data Security and Privacy Protection	Number of Annual Data Safety/Privacy Protection Training		Times	11	/
	Audit frequency for information security policies and systems		Year per Time	3	2
Charity and Welfare	Annual Investment in Public Charity Activities/Voluntary Service Activities		10 Thousand yuan	2.42	2.83
	Cumulative Investment in Public Charity Activities/Voluntary Service Activities [7]		10 Thousand yuan	1,000+	800+

Notes:

[1] The "total number of employees" in 2023 only include full-time employees excluding interns and contractors. The number in 2022 include both full-time employees and daily-paid interns. The statistics of employees by category only includes full-time employees and does not include daily-paid interns.

[2] Training statistics only include data from the Learning Center and does not include training statistics from business units.

[3] The maximum satisfaction score for employee training is 5 points.

[4] The maximum satisfaction score for customer service is 5 points.

[5] Core business refers to a business line that exceeds 60% revenue.

[6] Patents statistics include Invention Patents, Utility Model Patents and Design Patents

[7] Due to the various types of public welfare/volunteer service projects that the company has participated in previous years, the total amount of investment involves direct donations and the estimated value of donated products, so the cumulative investment amount is not an absolutely accurate number.

Governance Performance Table

Category of Topics	Key Governance Performance Indicators		Unit	2023	2022
Business Ethics	Number of Corruption Lawsuits Filed Against the Company and Employees		/	0	/
	Economic Losses incurred by the Corruption Lawsuits		yuan	0	/
	Number of Anti-Corruption Training/Integrity Culture Promotions		Times	12	12
	Number of Internal Anti-Corruption/Investigation Activities		Times	8	6
	Employee Coverage Rate of Business Ethics Standard Training		%	100	100
	Audit Frequency for Business Ethics Standard		Time/Year	1	1
	Percentage of Operations Completed Corruption Risk Assessment		%	70	70
	Number of Employees participating in Anti-Corruption and Anti-Bribery Training	Number of Senior Executives Receiving Anti-Bribery and Anti-Corruption Training	Person	220	/
		Percentage of Senior Executives Receiving Anti-Bribery and Anti-Corruption Training	%	10	/
		Number of Employees Receiving Anti-Bribery and Anti-Corruption Training	Persons	2,200	/
		Percentage of Employees Receiving Anti-Bribery and Anti-Corruption Training	%	100	/
Risk Management and Internal Control	Number of Risk Management and Internal Control Training		Times	12	12
	Employee Coverage Rate of Risk Management and Internal Control Training		%	100	100

GRI Content Index

GRI Standard	Disclosure	Locatioin
Part 1 General Disclosure		
GRI 2: General Disclosures 2021	2-1 Organizational details	About Anker Innovations
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-6 Activities, value chain and other business relationships	About Anker Innovations
	2-7 Employees	Empowering Employee Development Social Performance Table
	2-8 Workers who are not employees	Employee Recruitment Social Performance Table
	2-9 Governance structure and composition	Corporate Governance Framework
		ESG Strategy and Governance Framework
	2-10 Nomination and selection of the highest governance body	Corporate Governance Framework
	2-11 Chair of the highest governance body	Corporate Governance Framework
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Framework
		ESG Strategy and Governance Framework
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Framework
		ESG Strategy and Governance Framework
	2-14 Role of the highest governance body in sustainability reporting	ESG Strategy and Governance Framework
	2-16 Communication of critical concerns	Investor Communication and Shareholder Rights Protection
		Stakeholder Engagement
	2-22 Statement on sustainable development strategy	ESG Strategy and Governance Framework
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Engagement
	2-27 Compliance with laws and regulations	Integrity and Compliance in Operations
	2-29 Approach to stakeholder engagement	Stakeholder Engagement
Part 2 Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Identification of Material Topics
	3-2 List of material topics	Identification of Material Topics
	3-3 Management of material topics	Identification of Material Topics
Economic Performance		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance Table
	201-2 Financial implications and other risks and opportunities due to climate change	Addressing Climate Change
	201-3 Defined benefit plan obligations and other retirement plans	Caring for Employee Wellbeing
	201-4 Financial assistance received from government	Economic Performance Table

GRI Content Index（Cont.）

GRI Standard	Disclosure	Locatioin
Market Presence		
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Social Performance Table
Procurement Practice		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social Performance Table
Anti-corruption		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Governance Performance Table
	205-2 Communication and training about anti-corruption policies and procedures	Compliance with Business Ethics
		Governance Performance Table
Anti-competitive Behavior		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance with Business Ethics
Materials		
GRI 301: Materials 2016	301-2 Recycled input materials used	Greener Products
	301-3 Reclaimed products and their packaging materials	Greener Products
Energy		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management
		Environmental Performance Table
	302-3 Energy intensity	Energy Management
		Environmental Performance Table
	302-4 Reduction of energy consumption	Energy Management
	302-5 Reductions in energy requirements of products and services	Greener Products
Water amd Effluents		
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Water Resource Management
	303-3 Water withdrawal	Water Resource Management
		Environmental Performance Table
	303-4 Water discharge	Water Resource Management
		Environmental Performance Table
	303-5 Water consumption	Water Resource Management
		Environmental Performance Table
Biodiversity		
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Environmental and Ecological Protection

GRI Content Index （Cont.）

GRI Standard	Disclosure	Locatioin
Emissions		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Low-Carbon Operation
		Environmental Performance Table
	305-2 Energy indirect (Scope 2) GHG emissions	Low-Carbon Operation
		Environmental Performance Table
	305-3 Other indirect (Scope 3) GHG emissions	Low-Carbon Operation
		Environmental Performance Table
	305-4 GHG emissions intensity	Low-Carbon Operation
		Environmental Performance Table
	305-5 Reduction of GHG emissions	Low-Carbon Operation
		Environmental Performance Table
Waste		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management
	306-2 Management of significant waste-related impacts	Environmental Performance Table
	306-3 Waste generated	Waste Management
		Environmental Performance Table
	306-5 Waste directed to disposal	Waste Management
		Environmental Performance Table
Supplier environmental assessment		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain Management
Employment		
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Incentives
		Caring for Employee Wellbeing
	401-3 Parental leave	Diversity, Equity and Inclusion
Occupational health and safety		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Emphasizing Health and Safety
	403-3 Occupational health services	Emphasizing Health and Safety
	403-5 Worker training on occupational health and safety	Emphasizing Health and Safety
	403-6 Promotion of worker health	Emphasizing Health and Safety
	403-9 Work-related injuries	Social Performance Table

GRI Content Index （Cont.）

GRI Standard	Disclosure	Locatioin
Training and education		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Training
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training
	404-3 Percentage of employees receiving regular performance and career development reviews	Social Performance Table
Diversity and equal opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance Framework
		Diversity, Equity and Inclusion
Non-discrimination		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity, Equity and Inclusion
Child labor		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Employment Guidelines Sustainable Supply Chain Management
Forced or compulsory labor		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employment Guidelines Sustainable Supply Chain Management
Customer health and safety		
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Social Performance Table
Marketing and labeling		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Conducting Responsible Marketing
	417-2 Incidents of non-compliance concerning product and service information and labeling	Social Performance Table
	417-3 Incidents of non-compliance concerning marketing communications	Social Performance Table
Customer privacy		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Ensuring Information and Privacy Security

Guidelines No. 17 of Shenzhen Stock Exchange for Self-regulatory of Listed Companies at the Shenzhen Stock Exchange - Sustainability Report (Trial) Index

Chapter	Disclosure Content	Disclosure Section
Chapter 1	General Principles	1 About This Report
		2 About Anker Innovations
		3 Sustainable Development Management
Chapter 2	Sustainability Disclosure Framework	3 Sustainable Development Management
		6 Green and Low-Carbon Development
Chapter 3: Environmental Information Disclosure		
Chapter 3 Section 1	Addressing Climate Change	6 Green and Low-Carbon Development
Chapter 3 Section 2	Pollution Prevention and Ecosystem Protection	4 Promoting Industry Green Transition
		6 Green and Low-Carbon Development
Chapter 3 Section 3	Resource Utilization and Circular Economy	5 Responsible Products and Technology
		6 Green and Low-Carbon Development
Chapter 4: Social Information Disclosure		
Chapter 4 Section 1	Rural Revitalization and Social Contribution	9 Building a Harmonious Community
Chapter 4 Section 2	Innovation Driving Power and Technology Ethics	5 Responsible Products and Technology 7 Integrity and Compliance in Operations
Chapter 4 Section 3	Suppliers and Customers	5 Responsible Products and Technology 7 Integrity and Compliance in Operations
Chapter 4 Section 4	Employees	8 Empowering Employee Development
Chapter 5: Sustainability-related Corporate Governance Information Disclosure		
Chapter 5 Section 1	Governance Mechanisms Related to Sustainability	3 Sustainable Development Management
Chapter 5 Section 2	Business Behaviors	7 Integrity and Compliance in Operations
Chapter 6	Supplementary Provisions and Definitions	10 Appendix

Note: SSE has not released the English version of the Guidelines yet. If any incorrect translation occurs, please kindly refer to the Chinese version.