

Anker Innovations

Environmental, Social and
Governance Report 2022

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1 About This Report

Report Overview

This is the first annual Environmental, Social, and Governance (ESG) 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.

Reporting Scope

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 2022 Annual Report (which can be found at <http://www.cninfo.com.cn/>).

The information in this report covers the period from January 1, 2022, to December 31, 2022. For the sake of continuity and comparison, some information may go beyond the aforementioned time range.

Reporting Guideline

This report is prepared with references to the Global Reporting Initiative (GRI) Standards 2021, the United Nations Sustainable Development Goals (UN SDGs), and the disclosure requirements of the Shenzhen Stock Exchange's Guidelines for Listed Companies' Social Responsibility.

This report is compiled by identifying key stakeholders, analyzing critical sustainability issues, defining the scope of reporting, and collecting, compiling, organizing, and reviewing relevant documents.

Information Sources

All the information presented in this report is derived from the company's official documents and publicly available information. Unless otherwise specified, the monetary amounts herein are in CNY (the Chinese Yuan).

Reporting Language

This report is made available in Chinese and English for your reference. To obtain an e-copy of this report, please visit the company's website (<https://www.anker-in.com/>). Should there be any discrepancies in the understanding of the content, the Chinese version shall prevail.

Contact Us

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

Contact Information
Telephone: 0731-8870-6606
Email: ir@anker-in.com



About This Report

► **Message from the CEO**

About Anker Innovations

Sustainable Development
Management

Promoting the Industry's
Environmental
Transformation

Responsible Products
and Technology

Green and Low-Carbon
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Message from the CEO



CEO of Anker Innovations

Steven Yang



As a global consumer electronics company, we are creating new and innovative technologies every day to help improve people's lives around the world. As a global business, we must also take an innovative approach toward making our products and operations more sustainable.

Our holistic approach starts at the R&D level, developing products that are more sustainable and energy efficient, and then continues throughout the entire value chain, including manufacturing and product packaging.

Over the last 11 years, there have been several key milestones that illustrate our strong commitment to the environment.

In 2012, we began introducing biodegradable materials into product packaging.

In 2013, we launched our PowerIQ technology, helping us create our first universal charger, capable of supporting multiple devices and multiple charging standards, and ultimately, reducing e-waste by eliminating consumers' need to purchase multiple charging accessories.

In 2018, we used gallium nitride (GaN) to create energy-efficient charging accessories, saving up to 7% in energy consumption with every charge.

In 2022, we integrated GaN technology into our portable power stations, reducing energy loss by 60%, decreasing the working temperature by 30% and making these products last longer and become much more energy efficient.

In 2022, we launched the bio-based charging cable, reducing the use of plastic in the exterior cable sheath by over 40%.

In 2023, we stepped up our focus on sustainability, partnering with Oceana, the largest international advocate for Ocean conservation. We also received our first carbon neutral verifications from Carbon Trust for several of our charging accessories. And we launched the first phase of our "Anker RE[Charge]" initiative, outlining our commitment to making our charging business more sustainable.

In 2022, Anker Innovations celebrated its first decade in business. We have grown into a global company with more than 3,600 employees, selling more than 80 million products and services each year to more than 140 million loyal users.

Our ESG report outlines how we will balance efforts to continue growing our business by working to mitigate the impact our products and processes have on the environment. This includes making our products more energy efficient, reducing carbon emissions in all of our processes, eliminating plastic packaging and finding ways to reduce electronic waste.



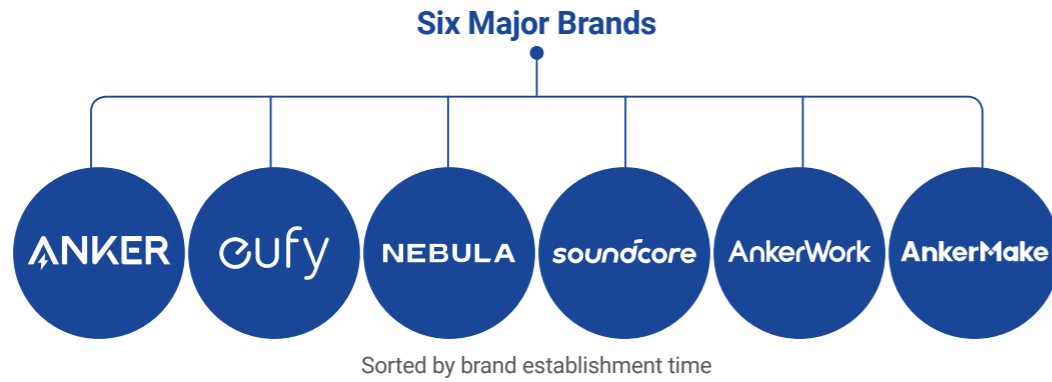
2 About Anker Innovations

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.



Business Overview



Staffing



Corporate Culture



Annual Honors

- Selected for the 2022 China Top 500 New Economy Enterprises list
- Selected for the 2022 KPMG China 50 Emerging Consumer Brands
- Ranked No.12 in the 2022 Top 50 Kantar BrandZ Chinese Global Brand Builders
- Selected for the EqualOcean China Top 100 Global Brand Pioneers in 2022
- Received 2022 Beisen China Talent Management Innovation Exemplary Award
- Received LinkedIn China MostIn 2022 Global Attractive Employer Award
- Received 9 iF Design Awards and 6 Red Dot Design Awards
- Received 1 Grand Prize, 1 Silver Prize, and 1 Bronze Prize at the 2022 ROI Festival

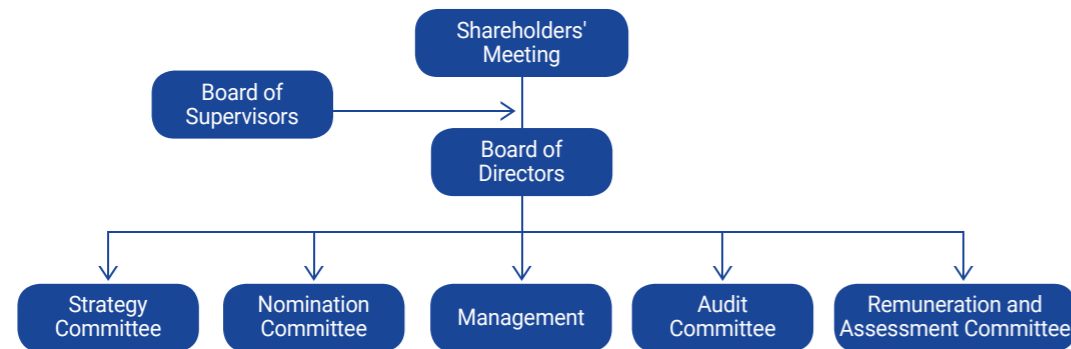


Examples of Anker Innovations 2022 Honors and Awards

Corporate Governance

Corporate Governance

Anker Innovations promotes open, transparent, and efficient corporate governance. The company strictly adheres to the *Company Law of the People's Republic of China (PRC)*, the *Securities Law of the PRC*, and the relevant laws and regulations on securities. To ensure compliance, we have established a corporate governance structure that consist of the Shareholders' Meeting, Board of Directors, Board of Supervisors, and Management. During the reporting period, our corporate governance was fully compliant with relevant laws and regulations. The Shareholders' Meeting, Board of Directors, and Board of Supervisors exercised their decision-making, executive, and supervisory powers in a standardized and effective manner, with clear division of responsibilities and standardized operations. This approach has effectively protected the legitimate rights and interests of shareholders, especially small and medium-sized shareholders.



Directors and Board of Directors

To ensure the diversity and rationality of the Board's decisionmaking, the third Board of Directors of Anker Innovations consists of nine members from different professional fields and backgrounds, including one non-independent director appointed by external shareholders and three independent directors. The independent directors have extensive experience in the fields of accounting, law and investment respectively, and provide reasonable independent opinions and suggestions for the company's business decisions and standardized operations.

The Board of Directors of the company has established four specialized committees to provide advice and recommendations 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 Board of Supervisors consists of three female members, including 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 **5** times

Approved Proposals **26** pieces



Board of Directors Meetings

The company held **13** times

Approved Proposals **49** pieces



Board of Supervisors Meetings

The company held **11** times

Approved Proposals **33** pieces



Institutional Guarantee

At the institutional level, Anker Innovations has established a series of standardized documents for corporate governance, including "the Rules of Procedure for the Board of Directors", "the Working System for Independent Directors", "the Rules of Procedure for the Board of Supervisors", "the Rules of Procedure for the Shareholders' Meeting", "the Management Measures for Information Disclosure", "the Registration System for Persons with Insider Information", "the Internal Audit System", and so forth, continuously improving the corporate governance system.

Investor Communication and Shareholder Rights Protection

Investor Communication

A standardized and transparent information disclosure mechanism is vital in protecting the interests of investors. Anker Innovations fully recognizes the significance of this mechanism, and has established relevant management systems for information disclosure in compliance with the law. In the reporting period, the company disclosed a total of 165 reports (including periodic reports), 87 of which were numbered announcements which conveyed relevant disclosure information of the listed company to the public in a truthful, accurate, timely, and complete manner. By doing so, Anker Innovations safeguarded the investors' right to know and demonstrated the company's commitment to transparency and accountability.

Anker Innovations understands the importance of having an open and compliant communication and interaction channel, which serves as a crucial foundation for protecting the interests of investors. We place great emphasis on engaging in interactive communications with our investors. In line with principles of equality and compliance, we employ various methods, such as the investor hotline, the interactive platform of the Shenzhen Stock Exchange (Hudongyi), shareholders' meetings, and performance presentations, to engage in sincere and transparent dialogue with investors regarding the company's operations and development strategies. By assuming the role of a bridge between the company and its investors, we strive to facilitate a two-way communication and foster a mutually beneficial relationship.



Total number of reports the company disclosed

165

(including periodic reports)



Total number of numbered announcements

87

Shareholder Rights Protection

Since its listing in 2020, Anker Innovations has prioritized rewarding shareholders and set up a continuous and stable dividend policy. As of 2022, Anker Innovations' accumulated cash dividends amounted to CNY 1.138 billion (including the dividend program for 2022). The ratio of total cash dividends to total net profit attributable to the mother company after listing was 38.18%. 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 its first equity incentive plan after listing in 2022. 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, employee base and shareholders. This approach can help the company achieve long-term development.

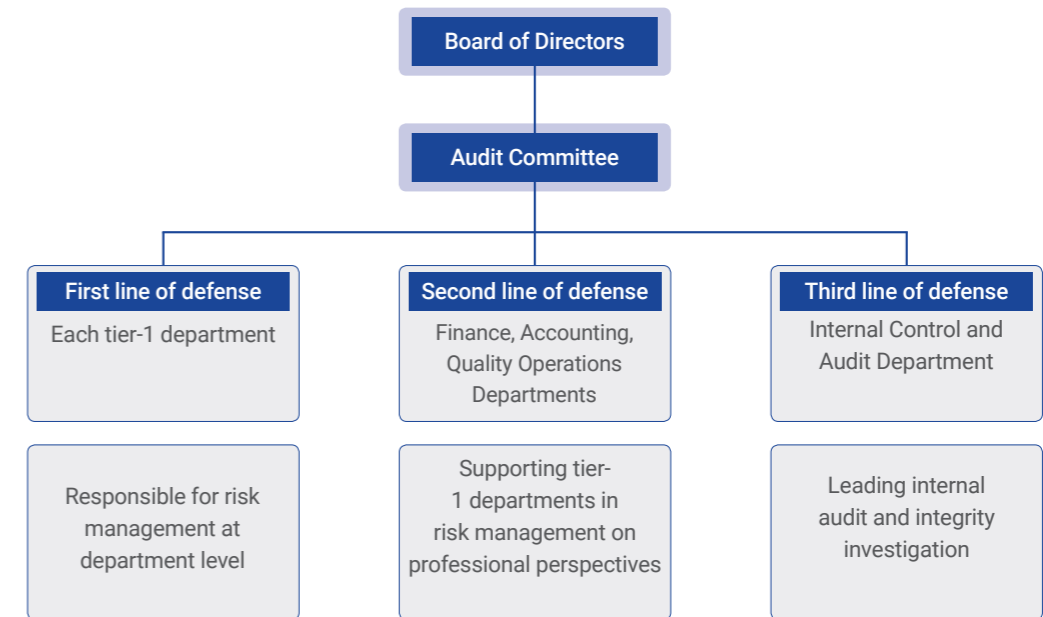


Risk Management and Internal Control

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), 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.




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", "Anker Innovations Special Audit Management Measures", etc. By effectively operating daily risk management mechanisms, major risk management mechanisms, etc., 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:



3 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.

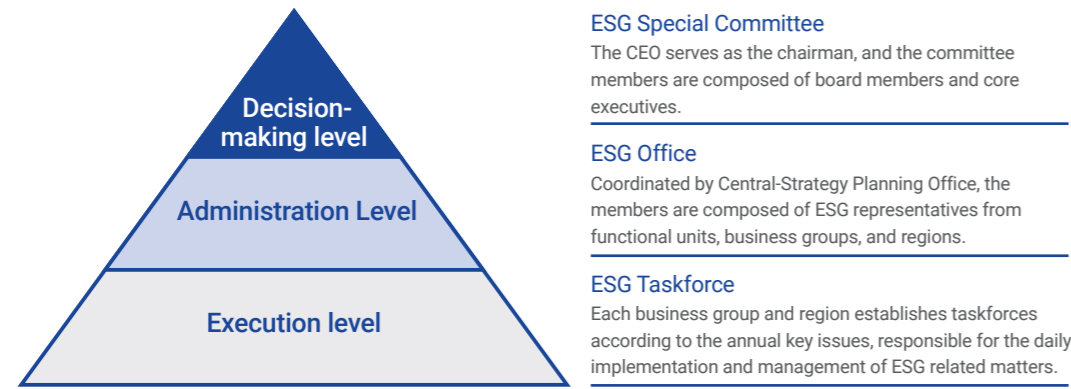
Sustainable Development Management

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 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.



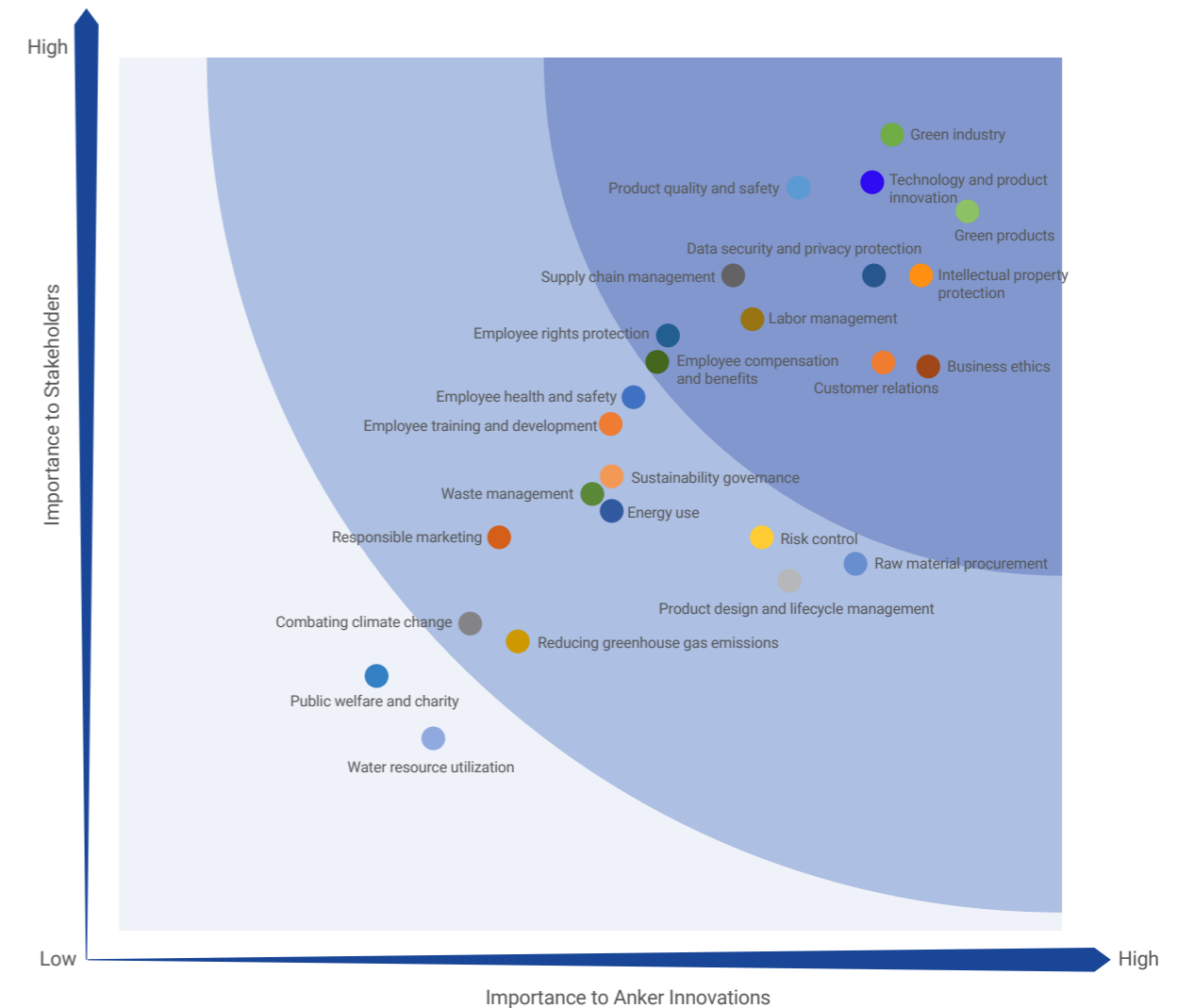
Anker Innovations ESG Governance Framework

Identification of Material Issues

Anker Innovations has identified and established an ESG materiality issue 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 Anker Innovations 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 most important sustainable development issues for Anker Innovations in 2022 include: green industry, green products, technology and product innovation, intellectual property protection, product quality and safety, customer relations, data security and privacy protection, business ethics, supply chain management, employee rights protection, and employee compensation and benefits. We carry out special management and improvement assignments for the identified ESG material issues, and disclose information in different sections of this report to respond to stakeholder concerns and continuously improve the performance of sustainable development management.

2022 Anker Innovations ESG Materiality Matrix

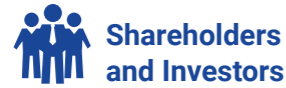


2022 Anker Innovations ESG Material Issue List

ESG Issues Materiality		
High	Medium	Low
<ul style="list-style-type: none"> ● Green industry ● Green products ● Technology and product innovation ● Intellectual property protection ● Product quality and safety ● Customer relations ● Data security and privacy protection ● Business ethics ● Supply chain management ● Labor management ● Employee rights protection ● Employee compensation and benefits 	<ul style="list-style-type: none"> ● Raw material procurement ● Sustainability governance ● Product design and lifecycle management ● Risk control ● Employee training and development ● Employee health and safety ● Waste management ● Energy use ● Responsible marketing ● Combating climate change ● Reducing greenhouse gas emissions 	<ul style="list-style-type: none"> ● Public welfare and charity ● Water resource utilization

Stakeholder Engagement

We value mutual communication with stakeholders and collect their concerns through various communication channels. At the same time, we continuously respond to the needs and expectations of stakeholders by improving our management and practices accordingly.



Shareholders and Investors

Major Concerns

- Business operations and financial analysis
- Company development strategy and R&D direction
- Corporate governance and risk management

Communication Channels

- Investor hotline, interactive platform
- Regular performance briefing sessions, 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

- Online communication platform
- Employee congress
- Reasonable proposals



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

4 Promoting the Industry's Environmental Transformation

Environmental development 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 innovation and sustainable business practices.



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Vigorously Advocating for the Industry's Environmental Transformation

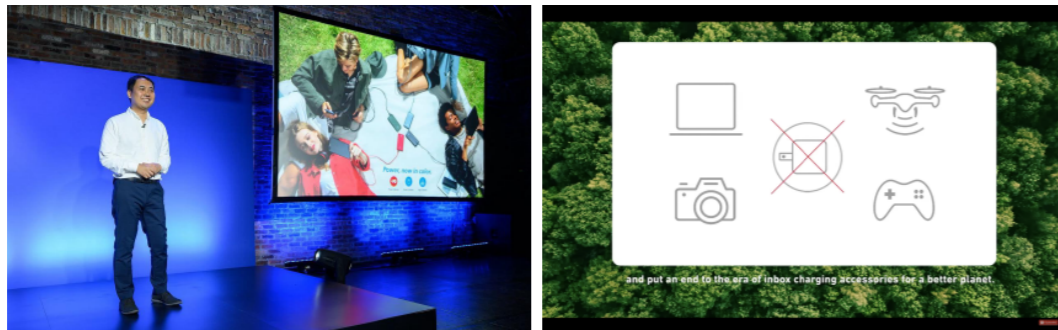
Anker Innovations is vigorously advocating for sustainable transformation, including the adoption of unified charging standards to help reduce e-waste and greatly improve energy efficiency as people charge and power their products.

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, save resources 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.



Anker Innovations advocates for the industry's environmental transformation on public occasions

Technology Drives the Energy Efficiency Revolution

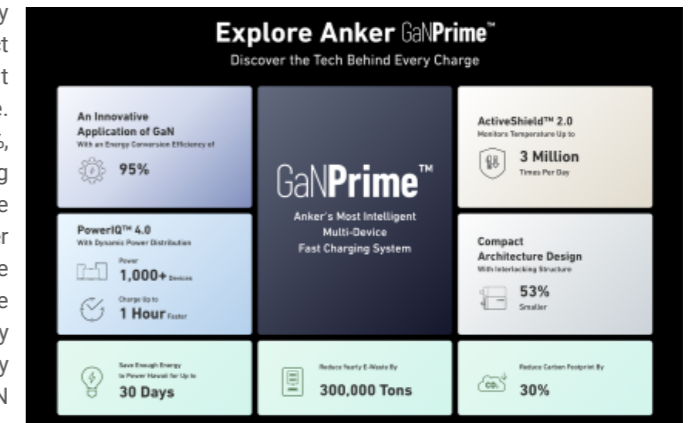
Gallium Nitride (GaN) is a material that was initially used in charger semiconductors due to its low heat generation, which allows for a more compact components layout while retaining high power output. Anker Innovations GaN charging products brought impactful change to the charging industry and popularized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

Application of GaN in 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 GaN 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 released the GaNPrime lineup, which helped redefine GaN for the global market.

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%, 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 done all this while reducing the volume of an Anker GaN charger by up to 53%. In addition, the Navitas chip can effectively reduce carbon emissions by 30% during the manufacturing process. Approximately 20% of Anker Innovations' chargers currently utilize GaN technology.



Anker GaNPrime Multi-Device Fast Charging Lineup

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Application of GaN in Portable Power Stations

Anker has achieved a significant breakthrough by incorporating GaN technology into Portable Power Stations (PPS). This innovative technology increases inverter conversion efficiency from the industry average of 88% to 96%, thereby reducing energy loss by up to 60%. If every American camping family were using the Anker 767 PPS, the energy saved in a year compared to traditional PPS could power a city the size of Chicago for up to 16 days. Furthermore, the Anker 767 PPS incorporates lithium iron phosphate batteries, which, combined with high-spec electronic components, supports a product lifespan of up to 10 years.



Anker 767 PPS reduces energy loss by up to 60%



Lithium iron phosphate batteries have increased product lifespan by up to 6 times

Actively Promoting 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.

Multi-Port Fast Charger

Compared with single-port chargers that require users to invest in multiple charging accessories, our multi-port chargers have richer interface configurations which can be used with mobile phones, laptops, tablets and other devices, while supporting multiple devices to charge simultaneously. Anker Innovations has currently developed a number of multi-port fast charging products that greatly simplify the users charging experience while eliminating the need for multiple charging ports and reducing electronic waste. Using our Anker 737 120W multi-port charger as an example, we can eliminate the need for three separate charging accessories. In 2022, this will save an estimated 3,296 kg of electronic waste while effectively promoting energy conservation.



Anker 737 Charger (GaNPrime 120W)

Mobile Battery Trade-in & Replacement Program

Since 2019, Anker Innovations has led a mobile battery trade-in and replacement program in Japan with the goal of environmental conservation and resource recycling. By offering vouchers as incentives, we encourage customers to recycle obsolete products. For the first time in 2022, we expanded the scope of recycling to include other brands outside of Anker products in order to push the industry forward in a more sustainable direction.



Anker Japan Mobile Battery Trade-In & Replacement Program

5 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.



Green Products

Green Design

Anker Innovations is actively researching and developing innovative technologies that can bring more environmentally friendly features to its products. In addition to consistently promoting sustainable development through the design process, the company addresses the environmental impact of its products, such as energy utilization and customer product usage scenarios, which extend product lifespan and resource utilization efficiency.

eufy Security Camera: Using Solar Panels for Sustainable Security Monitoring

The eufy Security Camera is powered by technologically innovative solar panels that boast a photovoltaic conversion efficiency of up to 25%, which is up to 5% greater than the typical level of other solar cells. The use of renewable energy not only increases the sustainability of security monitoring, but also decreases reliance on traditional power sources and reduces carbon emissions.



Solar-Powered eufy Security Cameras (example: eufyCam 3)

Anker SOLIX Balcony Photovoltaic System: Promoting Renewable Energy and Helping Customers Realize a Green Lifestyle

Anker SOLIX is a small photovoltaic power generation system that can be mounted on balconies, rooftops, and gardens to transform solar energy into electricity for home usage. Anker SOLIX devices are designed with high-powered photovoltaic modules with a 22.7% efficiency, which is 10% higher than standard PV modules. Each system can generate up to 892 kWh of green electricity per year and reduce carbon emissions by up to 899 kg per year. At the same time, all Anker SOLIX accessories have been strictly tested for quality and have a lifespan of up to 30 years. Anker SOLIX not only delivers an efficient energy supply, but also helps customers realize an environmentally friendly lifestyle.



High-Power Anker SOLIX Balcony Photovoltaic System

AnkerWork: Empowering Hybrid Work and Creating Green Meetings

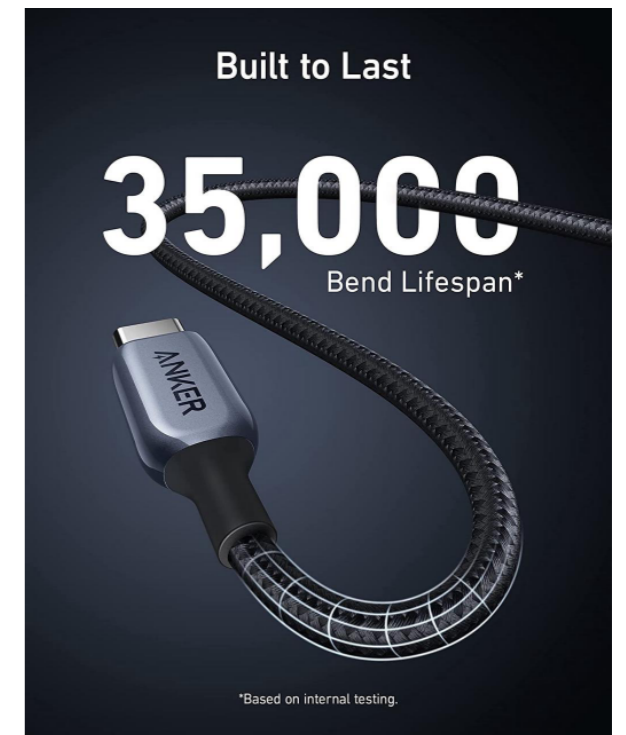
AnkerWork products provide audio and video solutions suitable for hybrid work. They not only provide high-quality user experience design and reliability, but also come with AI noise reduction and image tracking optimization algorithms, which can deliver sound and images clearly and accurately, helping users easily achieve cross-regional communication. The AnkerWork brand concept promotes the development of a "green office" environment. Reducing physical participation in meetings and travels also reduces carbon emissions from transportation, saves time, resources and costs, and contributes 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. In comparison, at the time when Anker PowerLine was first launched, the bend lifespan of a normal charging cable was about 5,000 times. We considerably reduce the demand for and waste of resources by prolonging the service life of the product and reducing the frequency of purchase.



*Based on internal testing.

Anker PowerLine

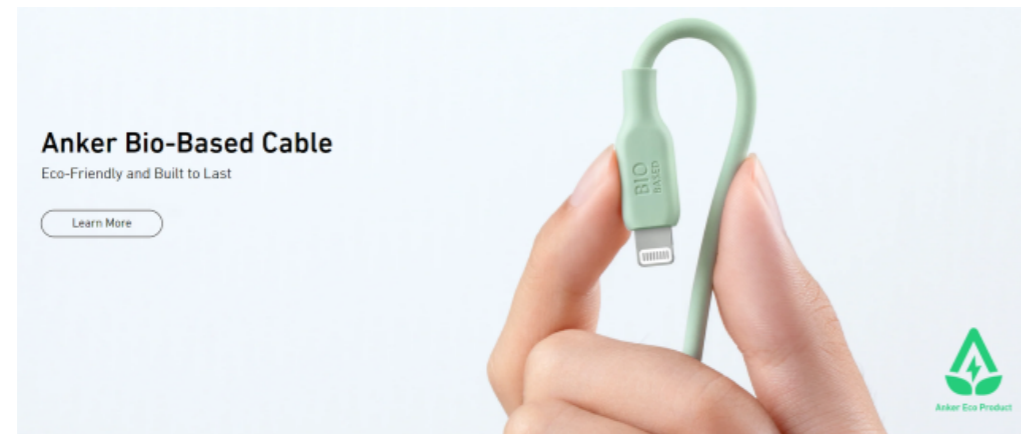
Green Materials

Anker Innovations is constantly promoting environmentally friendly material innovation. We explore the use of renewable, degradable, and recyclable materials in products, and incorporate the concept of eco-innovation into the product development process. This not only creates a great customer experience, but also reduces resource use and pollution.

2022 Eco-innovation Material Applications

Case 1: Renewable Materials

Anker's eco-friendly cable (541 bio-based/ 541 bio-based Nylon) uses bio-based materials extracted from plants, reducing the use of petroleum-based plastics by 30%-40%.



Case 2: Non-Spray Materials

Instead of metal paint spraying, the button of the eufy Mach V1 Ultra wireless steam mop is made of non-spray materials, ensuring the metal texture and reducing the surface treatment process, consequently decreasing energy consumption.



2023 and Future Green Material Initiatives

At the product level

Anker offers a variety of environmentally friendly charging products and is expanding sustainable materials across more of its product lines.

At the mechanism level

The company will simultaneously create and test numerous environmentally friendly materials using the Technology Management Pre-Research Mechanism.

Green Packaging

Packaging materials have always been valued by Anker Innovations as important consumption materials in the product life cycle. We adopt the "4R1D" sustainable design concept to gradually reduce the amount of plastic used in packaging. We also continue to promote the application of ecologically friendly packaging materials, in order to increase the use of sustainable materials, reduce resource consumption, and protect the earth we rely on.

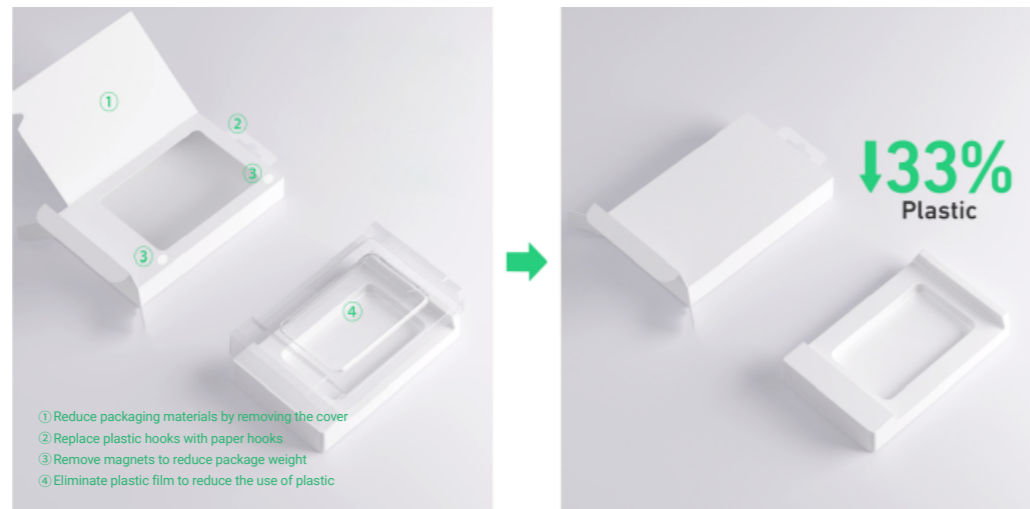
Establishing the Design Concept of Green Packaging

Demystifying the "4R1D" Design Concept: packaging materials are **recyclable**, **recycled** materials are used, package weight is **reduced**, **recovery** materials are employed, and **degradable** materials are applied.



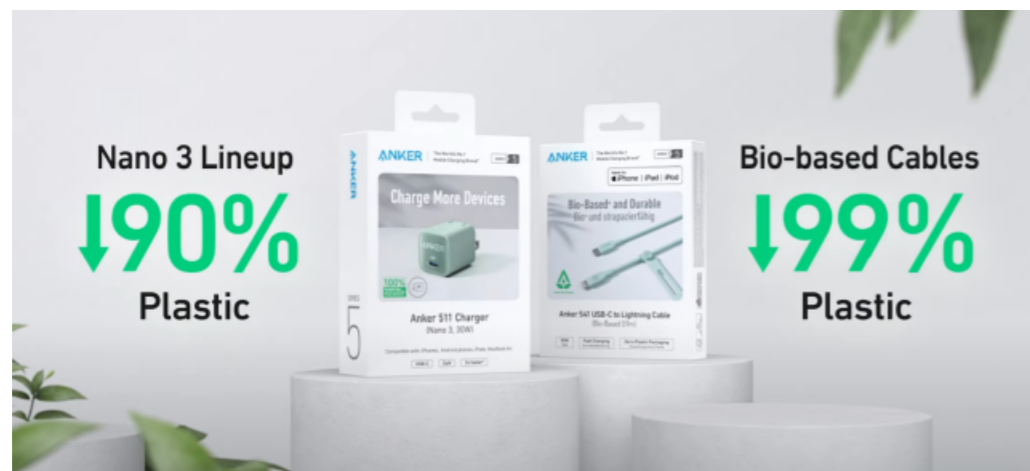
Our Green Packaging Initiatives in 2022

- Anker proved the sustainable design concept by achieving 100% recyclable materials on packaging.
- We committed to reducing the amount of plastic used in new product packaging. We optimized packaging structures and adjusted packaging sizes to reduce weight and materials. In the Anker charging products, we have reduced packaging materials by 10 tonnes and eliminated 6.5 tonnes of plastic, reducing plastic usage in packaging by 33%.



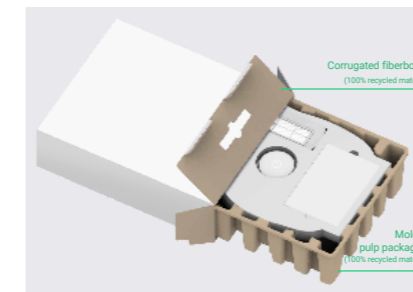
Plastic used in the packaging of Anker charging products has been reduced by 33%

- While reducing the total amount of plastic used, we also lowered the proportion of plastic components in packaging. In Anker charging products, we removed about 632,000 plastic trays and hooks, and eliminated about 389,000 plastic stickers. We also removed the surface film on the packaging and replaced PP stickers with degradable wood pulp stickers. Plastic contained in the packaging of Anker bio-based cables (541 bio-based/541 bio-based Nylon) has been decreased by 99%. In addition, soundcore has eliminated approximately 452,000 plastic trays from its headphone packaging, resulting in a total reduction of plastic consumption of 9.1 tonnes. The packaging for the TWS headphones (Space A40) has achieved a 96% reduction in plastic use.



Anker bio-based cable packaging has reduced plastic usage by 99%

- **Increased usage of recycled materials.** Over 90% of eufy Clean RoboVac packaging contains 57.8% recycled fibers, which are derived from recycled waste paper. By reusing resources, we reduced the consumption of raw materials.
- **Adoption of renewable materials.** All paper packaging for Anker's new charging products is Forest Stewardship Council (FSC) certified, ensuring that the paper comes from responsibly managed forests.
- **Reduced usage of harmful substances.** We used environmentally friendly soy ink instead of petroleum-based ink in Anker Nano3 charger and cable (bio-based), with the goal of eliminating VOCs and further reducing environmental pollution.



eufy Clean RoboVac vacuum packaging contains recycled materials



Use of FSC-certified paper materials



Use of environmentally friendly soy ink

In the future, Anker Innovations will continue to reduce the use of plastic in packaging, and will begin to use "zero" plastic packaging in multiple categories, including charging accessories and headphones. We plan to phase out packaging plastic in our current products on the market by the year of 2027. Simultaneously, we will increase the use of renewable and recycled materials in packaging design, such as R-PET, and continue to make efforts to reduce resource waste and protect the environment.



We will increase the use of renewable and recycled materials in packaging design



We will continue to reduce the use of plastic in packaging

Green Achievements

Carbon Neutral Certification by Carbon Trust

In response to the call for carbon neutrality, starting from 2022, Anker Innovations has conducted a full lifecycle carbon footprint calculation for five categories of Anker charging products and developed an effective emission reduction plan. The company also purchased additional carbon offsets to compensate for remaining carbon emissions. In 2023, five categories of charging products were awarded the Carbon Neutral Certification by Carbon Trust, a leading independent verification body for carbon footprints. Additionally, these products have been awarded the Climate Pledge Friendly badge by Amazon, and were recommended to customers as sustainable products on the Amazon e-commerce platform.



Five categories of Anker charging products have received the Carbon Trust Carbon Neutral Certification for the first time

Amazon Compact by Design

The Amazon Compact by Design certification helps customers identify products with a more efficient design. By removing excess air and water, products require less packaging and become more efficient to ship. At scale, these small differences in product size and weight lead to significant carbon emission reductions. From September 2021 to April 2023, the company had 42 charging cable products that met the requirements and were awarded the Compact by Design Certification.



Amazon Compact by Design badge



Examples of products awarded the Compact by Design badge: Anker 543 USB C to USB C Cable



Amazon Climate Pledge Friendly badge



Example of the Carbon Trust Carbon Neutral Certification

Amazon Pre-owned Certified

The Amazon Pre-owned Certified badge helps customers identify products that have been inspected, cleaned, and (if applicable) repaired to excellent functional standards. By purchasing Pre-owned Certified products rather than new, customers can extend the life of the product, reduce electronic waste, and decrease the extraction of raw materials. Between October 2022 and April 2023, the company received over 60 Amazon Pre-owned Certified badges for its products, which included a range of soundcore audio products.



Amazon Pre-owned Certified badge



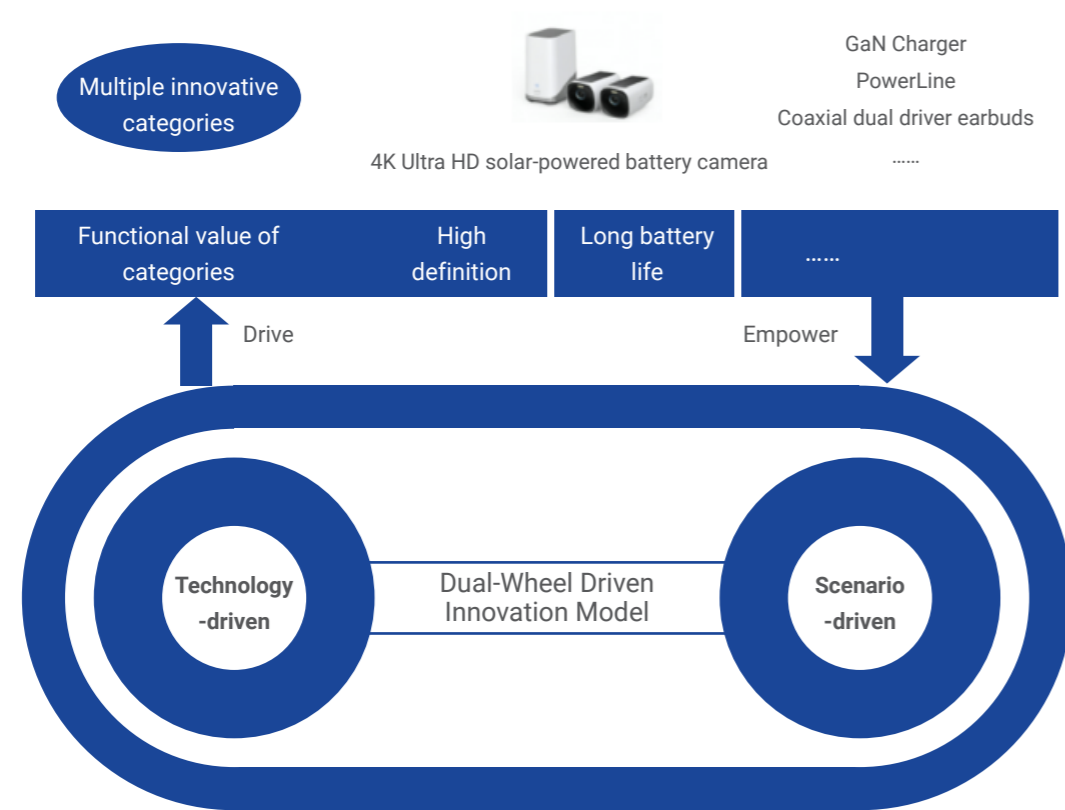
Examples of products awarded the Pre-owned Certified badge: Anker soundcore Bluetooth Stereo Speaker (Renewed), Anker Life Q30 Hybrid Active Noise Cancelling Headphones (Renewed)

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, as well as to deliver positive societal outcomes through constant innovation.

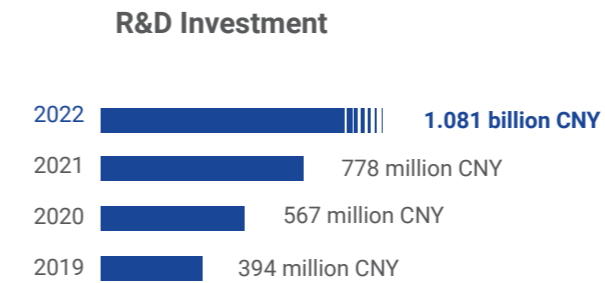
Process, Architecture, and Methodology of Technological Innovation

Anker Innovations uses a "technology + scenario" dual-wheel driven innovation model, generating innovation in technology, discovering and creating user demands, and transforming users' daily lives.



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 2022, the company invested 1.081 billion CNY in R&D, with 1,820 R&D employees accounting for more than half of all employees. Many of our senior R&D employees are from well-known technology firms and top universities around the world.



Note: Patents statistics include Invention Patents, Utility Model Patents and Design Patents.

Highlight Technological Innovations

soundcore Liberty Series Coaxial Dual Driver Earbuds

In order to bring studio-quality sound to true wireless earbuds, soundcore developed the unique Astria Coaxial Acoustic Architecture (ACAA) technology after discovering no existing headphone drivers could deliver the sound quality we desired. 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.



eufyCam 3: 4K Solar-Powered Battery Camera

eufyCam 3 features a 4K ultra-high-definition imaging system providing high image quality both day and night. At the same time, it has a low-power design and innovatively integrates solar panels. eufyCam 3 self-developed linear and dual-channel switch charging technology, and solar panel partial shading charging technology, which greatly improves solar charging efficiency. This allows the camera to achieve Forever Power in outdoor environments, under conditions where the average daily recording time is 500 seconds and receives direct sunshine for 2+ hours. eufyCam 3 also integrates a self-learning facial recognition algorithm that can distinguish between familiar and unfamiliar faces, while actively learning environmental data. This advanced AI technology is able to continuously improve facial and body recognition accuracy.



Ensuring Product Quality and Safety

Anker Innovations follows a quality strategy that involves creating a scientific and efficient quality management system based on user experience to provide five-star products and services to global customers. To achieve this, Anker Innovations continuously improves its quality management organizational structure and clarifies the responsibilities and authorities of quality management. To improve product quality and safety, the company upholds the principles of being customer-focused, data-driven, prevention-oriented, and continuous improvement.

Improving Product Quality

Anker Innovations has set up a Quality Management Center that monitors the market performance and manufacturing processes of all Business Groups. The Quality Management Center collaborates with the quality department of each Business Group to implement a management model that focuses on operational quality, with the "quality representative" as the owner, under the IPD background.

The company has developed the internal "Quality Accident Layered and Graded Processing Procedure", "Crisis Management Procedure", and "Product Recall Procedure" to ensure rapid response to serious quality problems in the market and in production, analyze the root causes of problems, formulate temporary and long-term countermeasures, conduct real-time reviews, and hold responsible parties accountable for poor product quality incidents.

Ensuring Product Safety and Compliance

Anker Innovations has formed a dedicated Security Committee to monitor and oversee security operations throughout the development process to assure product software security and compliance. A security assurance system has been established that includes system security, privacy compliance, account security, content compliance, data security, and operational compliance. The company has developed the "Security Response Procedure" to limit and control losses caused by failures and avoid and respond to accidental/major backend business failures and security events.

During the reporting period, there were no product recall occurrences due to product quality or safety.

Quality Training

Anker Innovations attaches great importance to the improvement of skills and management capabilities for our quality personnel. In 2022, the company organized 35 special empowerment activities for quality personnel, and developed 18 internal quality training courses to enhance the professional and general capabilities the team. Professional skills training includes Six Sigma professional training, quality tools training and product professional knowledge training. General skills training has developed special empowerment programs for different positions, such as quality representative leadership training, structured thinking training, and book club meetings. By combining online course learning with offline practice, the training ensures that employees fully understand and apply the training content.



Six Sigma Professional Knowledge Training



Quality Representative Leadership Training

Assisting in the Development of Standards

Anker Innovations has accumulated years of technical expertise and knowledge. We actively participate in industry standardization meetings to share experiences with peers and collaboratively drive technological growth in the industry. In 2022, the company participated in the drafting, revision, and discussion of the following standards:

Implementation date	Standard Attribute	Standard Name	Standard Number
12/29/2022	National standard	Lithium ion cells and batteries used in portable electronic equipments—Safety technical specification	GB31241-2022
12/19/2022	Industry standard	General technical requirement for portable energy storage power supply	T/GDEDIA 0004-2022
09/20/2022	Group standard	Intelligent Sweeping (Cleaning) Robot	T/SPFMF0037-2022
01/01/2022	Industry standard	General technical requirement for USB charging cables	GDEDIA 0002-2021

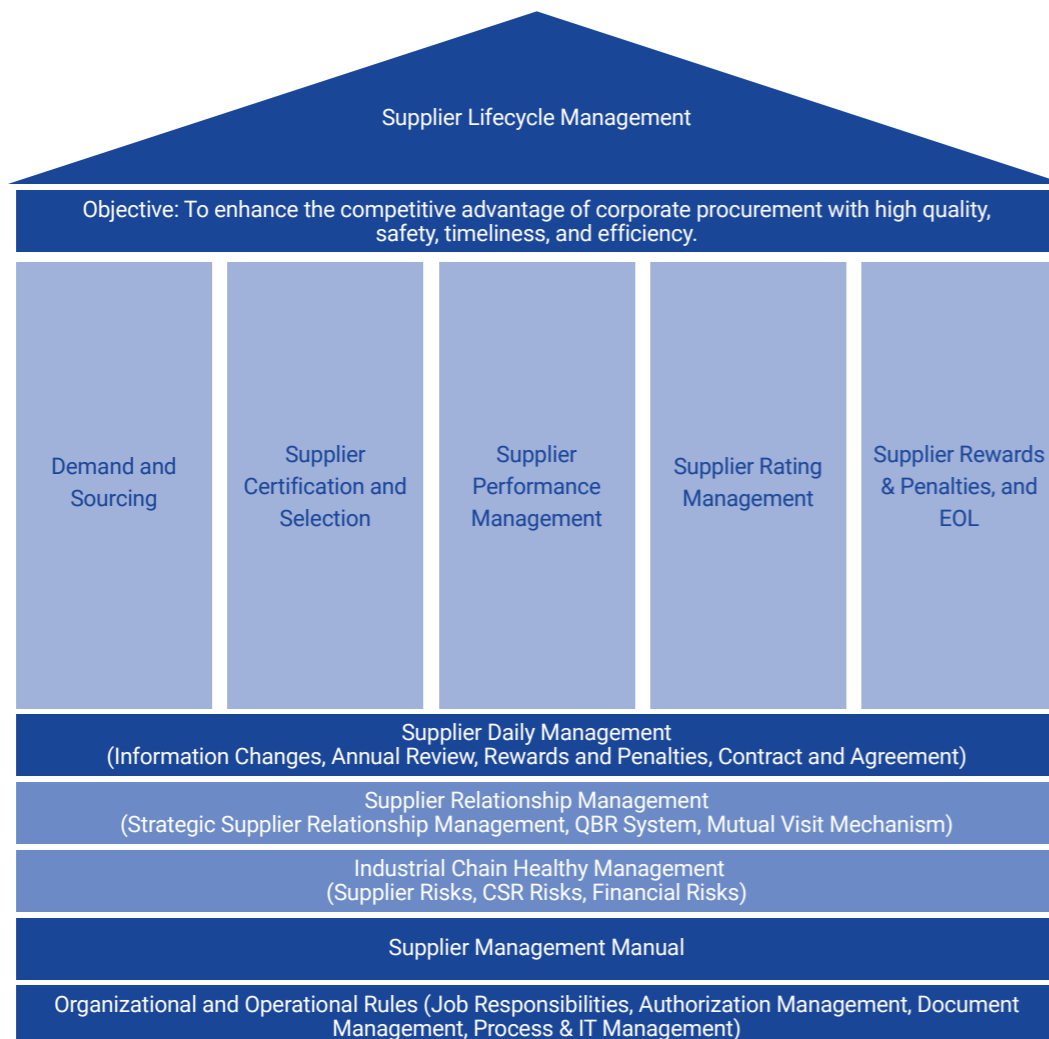
Sustainable Supply Chain Management

Thanks to our collaborative efforts with suppliers and partners, the products of Anker Innovations have been widely recognized and adopted by customers around the world. We expect our suppliers to adhere to the same standards as our company and we encourage them to fulfill their own social and environmental responsibilities, such as establishing comprehensive ESG management systems, respecting and protecting employee rights, and implementing responsible raw material procurement in the supply chain.

Supplier Lifecycle Management

Anker Innovations has established a set of supplier lifecycle management rules that range from supplier introduction to supplier phase-out. There are approximately 50+ procurement process documents such as "Management of Supplier Certification Process", "Management of Supplier Selection Process", "Management of Supplier Performance Process" and "Management of Supplier EOL Process," with ESG elements throughout the entire process.

Framework of Anker Innovations Procurement Management Process System



Threshold Management during Sourcing New Suppliers

According to industry expectations and client requirements, we guide and encourage suppliers to meet ESG system requirements, including the formulation of ESG strategies and the implementation of ESG measures based on international standards such as SA 8000, ISO 14001, OHSAS 18001, as well as energy conservation and environmental protection requirements. We regard ESG as a key element for suppliers to meet the threshold requirements during the supplier sourcing stage, which includes the requirement that suppliers must have no major negative public opinions.

Signing ESG-Related Agreements

Before becoming an official supplier of Anker Innovations, suppliers must sign a series of agreements, including the "Procurement Framework Agreement", "Integrity Joint Construction Agreement", "Supplier Quality Assurance Agreement" and "Supplier Compliance Commitment Letter". The ESG-related requirements, such as human rights and labor protection, are important provisions of this initial agreement. Since June 2022, 100% of newly introduced manufacturing-related suppliers have signed these ESG-related agreements.

100%
 of the newly introduced manufacturing-related suppliers have signed ESG-related agreements.
 (Since June 2022)

New Supplier Factory Audit and System Certification

After new suppliers meet the threshold requirements, they must undergo a series of new supplier system certifications. The corporate social responsibility system certification is an important reference and has veto power.

Driving Problem Solving after Factory Audit

Suppliers are obliged to trace the root cause of problems discovered during on-site factory audits, implement remedial and preventive measures, and continually monitor the implementation of such measures. For difficulties and pain points discovered during the audit, we organize suppliers to conduct improvement sessions to help them solve problems quickly and effectively.

Supplier Cooperation and Supplier Management

During the supplier cooperation stage, we regularly conduct supplier performance evaluations that include seven areas - technology, quality, delivery and response, cost, environmental protection, and social responsibility compliance. Based on the "Supplier Classification Management Process", we classify suppliers into different types and implement differentiated cooperation strategies. For suppliers with poor performance, we will carry out special communication and improvement training, require suppliers to provide rectification plans and ensure that corresponding problems are resolved in a timely and effective manner. Suppliers with a "phase-out" decision will be eliminated through the EOL process. One of the key factors that may lead to this decision is negative ESG news.

Human Rights and Labor Compliance Management in Supply Chain

Anker Innovations continues to promote the protection of human rights and labor rights in the supply chain, and implements relevant requirements in a variety of areas, including supplier sourcing, introduction, cooperation, and supplier performance evaluation. Our goal is to promote continuous improvement of suppliers and ensure supply chain compliance.

Key Points of Anker Innovations Supply Chain Human Rights and Labor Compliance Management



Responsible Raw Material Procurement - Conflict Mineral Management

Anker Innovations pays close attention to the issue of conflict minerals. Starting in 2022, the company initiated conflict mineral management and will gradually implement the management system in 2023.

Anker Innovations' cooperative suppliers should commit and take reasonable actions to prevent the mining and trading of metals such as tantalum, tin, tungsten, and gold (i.e. "3TG") contained in their products from directly or indirectly promoting illegal armed conflicts, or supporting human rights violations, environmental harm, or health and safety hazards. Suppliers should conduct due diligence on the sources and regulatory chains of these minerals and provide the measures taken in accordance with regulations or client requirements. These requirements are reflected as explicit terms in the "Supplier Compliance Commitment Letter" signed between Anker Innovations and the suppliers. In the future, the company will also conduct annual surveys on the use of conflict minerals by cooperative suppliers to ensure the avoidance of conflict mineral resources.

Supplier Integrity Management

Anker Innovations emphasizes that the highest standards of integrity should be followed in all business interactions, and suppliers should adopt a zero-tolerance policy prohibiting any form of bribery, corruption, extortion, and embezzlement of public funds. All business transactions should ensure transparency and be accurately reflected in the supplier's business accounts and records. Supervision and strengthening procedures should be implemented to ensure compliance with anti-corruption laws and regulations.

Anker Innovations is constantly working to strengthen its procurement internal control compliance management system. The company implements a procurement internal control system that includes pre-audit, mid-term inspection, and post-audit. We increase the process mechanism and raise awareness at the same time to minimize red-line incidents like supplier bribery and corruption.



The supply chain department holds regular training and internal control seminars, with anti-corruption being a major focus

6 Green and Low-Carbon Development

Green and low-carbon development has become a shared global vision. Guided by this vision, Anker Innovations has been committed to actively combatting climate change, improving resource efficiency, and reducing environmental impacts, while achieving business growth. Through effective management of the company's green operations, we are making a positive contribution to sustainable development.



Combating Climate Change

Combating climate change has emerged as a global challenge of our time. Anker Innovations aggressively analyzes various climate change risks associated with its operations. In addition, the company actively develops relevant strategies to efficiently mitigate risk impacts while continuously enhancing our adaptation to climate change.

Risk Type	Climate-related risks	Risk Description	Analysis of Potential Impact of Relevant Risks on Operations	Anker Innovations's Response Measures
Physical risks	Acute risks	Climate change leads to frequent extreme weather events such as typhoons, droughts, and floods	<ul style="list-style-type: none"> Employees may have difficulty commuting during extreme weather, such as typhoons. The network may be affected by extreme weather conditions, resulting in limited online business operations, leading to business suspension and reduced revenue. 	<ul style="list-style-type: none"> Pay close attention to extreme weather conditions in various regions, respond to natural disasters such as typhoons in a timely manner, and activate emergency plans. Set up remote work, flexible attendance, timely reporting mechanisms for employees to ensure their safety and operational stability.
			<ul style="list-style-type: none"> Customer assets and projects may be affected by extreme weather, resulting in limited delivery to customers and adverse effects on the company's supply chain, causing economic losses. 	<ul style="list-style-type: none"> Pay close attention to extreme weather conditions in various regions, and send warning messages to customers in a timely manner in response to natural disasters. Prepare emergency plans for supply chain disruptions and activate them as needed.
	Chronic risks	Increase in global average temperature	<ul style="list-style-type: none"> Frequent hot weather may cause discomfort to employees, affecting business efficiency and causing economic losses to the company. More frequent hot weather may also result in additional costs in the workplace, such as significantly increased air conditioning costs. 	<ul style="list-style-type: none"> Pay close attention to the health of employees. Establish methods for remote work, flexible attendance, and timely reporting for personnel to ensure their safety and operational stability. Continuously monitor the operational status of the workplace to ensure appropriate temperatures.

Risk Type	Climate-related risks	Risk Description	Analysis of Potential Impact of Relevant Risks on Operations	Anker Innovations's Response Measures
Transition risks	Policy and legal risks	Increase in greenhouse gas emission pricing	<ul style="list-style-type: none"> Operating costs may increase due to greenhouse gas emissions. 	<ul style="list-style-type: none"> Continuously monitor the latest developments in environmental policies, and work with local regulators on emission reduction. Implement scientifically sound energy management mechanisms internally, strengthen energy management, and continue to implement energy-saving measures.
	Market risks	Changes in customer behavior	<ul style="list-style-type: none"> Business partners are more inclined to cooperate with companies that focus on environmental protection or use low-carbon clean energy. Customers are more inclined to purchase green products. If we fail to provide products that meet green concepts, it may affect the company's market competitiveness. 	<ul style="list-style-type: none"> Improve energy efficiency through energy-saving technologies and measures. Incorporate green concepts in businesses. Develop low-carbon/ clean/ environmental technologies, and apply them to products and services. Raise public knowledge of our environmental preservation philosophy, and communicate our environmental activities to partners and customers, so they can effectively follow our environmental progress.
	Reputation risks	Stakeholders are increasingly concerned about climate-related negative issues	<ul style="list-style-type: none"> If we fail to meet the requirements of low-carbon development, it will have a long-term negative impact on our business reputation under the global emission reduction targets. 	<ul style="list-style-type: none"> Strictly control climate risks and carbon reduction management to avoid negative events. Actively engage in environmental preservation public relations initiatives. Increase the general public, customers, employees, and business partners' understanding of our environmental preservation philosophy.

Waste Management

Anker Innovations strictly adheres to waste management laws and regulations. We strive to decrease waste generation at its source and to implement rigorous disposal measures for general solid waste and hazardous waste in order to assure safe and harmless waste treatment while achieving resource recycling.

Anker Innovations promotes paperless offices, eliminates the usage of hand towels, limits the use of tissue, and regulates the use of bottled water to reduce waste generation at the source. Among them, the company expects to reduce 180,000 plastic bottles each year, helping prevent water and air pollution caused by plastic production.

Anker Innovations' hazardous waste consists primarily of office electronic waste, such as monitors, mainframes, laptops, printers, and so on. We work with suppliers to ensure the safe disposal and recycling of electronic waste. The company launches an electronic waste recycling program based on the internal "IT Fixed Asset Management Process" for electronic waste having recycling value, and the supplier is responsible for disposal and recycling. If electronic waste is determined to have no recyclable value, it will be safely disposed of in accordance with the "Anker Innovations Fixed Asset Management System".

The general solid waste generated by Anker Innovations is mainly office waste and kitchen waste. The company actively implements waste sorting requirements in various localities. The property management of the office building recycles and disposes of general solid waste at predetermined sites. Furthermore, the environmental protection idea of waste sorting is promoted to all employees through posters and other forms of publicity.



2022 Waste Statistics:

Types of waste		Units	Amount generated	Amount recycled
General solid waste	Kitchen waste	Tonnes	15.90	/
	Electronic waste - mainframe	Pieces	44	44
Hazardous waste	Electronic waste - monitor	Pieces	32	32
	Electronic waste - laptop	Pieces	259	259
	Other hazardous waste - ink cartridges	Boxes	60	/
	Other hazardous waste - toner cartridges	Pieces	12	/

Note:

- Kitchen waste statistics include data from Anker Innovations' main offices in China (Shenzhen, Changsha).
- Electronic waste statistics include data from Anker Innovations' main offices in China (Shenzhen, Changsha).
- Other hazardous waste statistics include data from Anker Innovations' main offices in China (Shenzhen, Changsha).



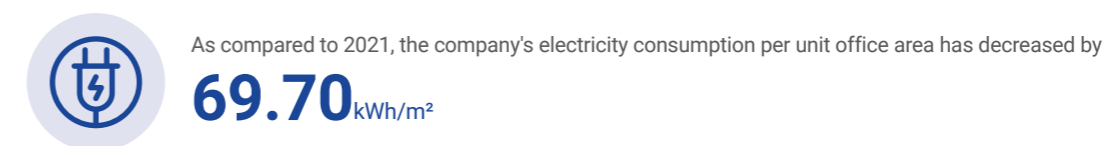
Waste Sorting and Recycling Activities

Green and Low-Carbon Operations

Anker Innovations firmly adheres to the *Environmental Protection Law of the PRC* and incorporates green and low-carbon development into its operations. The company implements energy-saving and carbon-reduction measures into different aspects of office operations, continuously checks water resource use and management, and responds to the call for low-carbon green development.

Energy Conservation and Emission Reduction

Anker Innovations continuously tracks and records energy consumption and greenhouse gas emissions in the office. We achieve energy conservation and emission reduction goals through reasonable energy-saving management measures. In 2022, the company's electricity consumption per unit office area has decreased by 69.70 kWh/m² as compared to 2021.



Annual Energy-Saving Management Measures

Electricity meter transformation	Achieve intelligent observation of air conditioning electricity consumption, and conduct data tracking and recording.
Intelligent refrigeration control	Implement intelligent unified temperature control via mobile/PC end, and control air conditioning operation time, temperature, and equipment number in accordance with varied seasons and office locations.
Use of energy-saving equipment	Increase the use of energy-saving lamps and energy-saving air conditioners.
Logistics control	Increase logistics employees' daily patrols to verify that lights are switched off when individuals leave.
Employee care	Synchronize the temperature situation in the employee group on a daily basis, and ensure that energy-saving activities are communicated.
Energy-saving publicity	Promote the notion of energy conservation and carbon reduction to all staff through blogs on energy-saving and environmental preservation.

- About This Report
- Message from the CEO
- About Anker Innovations
- Sustainable Development Management
- Promoting the Industry's Environmental Transformation
- Responsible Products and Technology
- Green and Low-Carbon Development**
- Integrity and Compliance in Operations
- Empowering Employee
- Building a Harmonious Community
- Appendix

Anker Innovations encourages employees to actively participate in energy-saving and carbon-reduction efforts in addition to the corporate energy-saving management measures. To limit the usage of plastic items for takeaway, the company provides a cafeteria for employees and encourages them to bring their own reusable lunch boxes. It is predicted that lowering the use of 10 plastic lunch boxes per week per person by more than 3,000 employees will result in a reduction of 30,132 kg of CO₂ emissions per year.

The company also encourages employees to use ecologically friendly modes of transportation, such as public transportation and shared bicycles, to go to work. It is predicted that this can save 344,100 kg of CO₂ each year. The company also arranged public welfare activities, such as cycling and walking activities, to encourage employees to participate. Employees claimed 11,800 km of green commuting distance this year, saving an estimated 2,326 kg of CO₂ emissions.



Anker Innovations Green Operations Posters and Blogs

2022 Energy Use Statistics:

Indicator	Unit	Indicator value
Total electricity consumption	kWh	9,222,189.90

Note:

- a. Energy use statistics include data from all office workplaces of Anker Innovations in China (Shenzhen, Changsha, Guangzhou).

2022 Greenhouse Gas Emissions Statistics:

Indicator	Unit	Indicator value	Emission proportion
Total direct (Scope 1) greenhouse gas emissions	tCO ₂ e	0.00	0.00%
Total indirect (Scope 2) greenhouse gas emissions	tCO ₂ e	4,857.77	86.40%
Total other indirect (Scope 3) greenhouse gas emissions	tCO ₂ e	767.04	13.60%
Total greenhouse gas emissions	tCO ₂ e	5,624.81	/
Per capita greenhouse gas emissions	tCO ₂ e /person	1.56	/
Greenhouse gas emissions per unit of building area	tCO ₂ e /m ²	0.12	/

Note:

- a. Greenhouse gas emissions statistics include data from all office workplaces of Anker Innovations in China (Shenzhen, Changsha, Guangzhou).
- b. In 2022, Anker Innovations did not involve Scope 1 greenhouse gas emissions in its business operations. Scope 2 greenhouse gas emissions come from the use of purchased electricity in the office area, while Scope 3 greenhouse gas emissions are indirectly generated from business travel, travel accommodation, kitchen waste disposal, and domestic sewage discharge treatment.

Water Resources Management

Anker Innovations emphasizes water conservation in the office and encourages employees to intentionally create good water saving habits by placing promotional posters, signs, and other forms of publicity in our offices.



Water-saving poster

Anker Innovations does not generate industrial wastewater in the production and operation process. The domestic sewage generated is uniformly collected and treated by the municipal unit.

2022 Water Resources Management Statistics:

Indicator	Unit	Indicator value
Municipal water consumption	Tonnes	24,060.00
Bottled water consumption	Tonnes	99.40
Total water consumption	Tonnes	24,159.40
Total sewage discharge	Tonnes	24,159.40

Note:

- a. Water consumption and sewage discharge statistics include data from all office workplaces of Anker Innovations in China (Shenzhen, Changsha, Guangzhou).

7 Integrity and Compliance in Operations



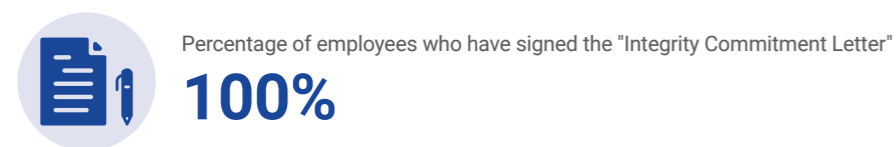
Anker Innovations adheres to the principles of integrity and business ethics, regulates marketing practices, and is guided by ethical standards and legal regulations to ensure that our business operations meet the highest industry standards. At the same time, we actively promote compliance with privacy and information security regulations, protect intellectual property to maintain the legitimacy, reliability, and stability of our business.

Compliance with Business Ethics

Anker Innovations adheres to high principles of integrity in its operations, abiding by business ethics and industry standards and complying with all relevant anti-bribery and anti-corruption international conventions, as well as with local laws and regulations applicable to its business activities. These regulations include the *United Nations Convention against Corruption*, the *Criminal Law and the Anti-Unfair Competition Law of the PRC*, and other anti-bribery and anti-corruption legislations such as the *U.S. Foreign Corrupt Practices Act* and the *U.K. Bribery Act*. Anker Innovations maintains at all times a zero-tolerance stance towards bribery and corruption. Throughout its business operations, the company upholds high ethical standards and adamantly opposes the improper influence on others, directly or indirectly, through the payment of cash, the giving of valuable items or services, or any other form of bribery.

The company has implemented proactive and effective measures and management systems to prevent commercial bribery and corruption. Currently, we have established and implemented the "Anker Innovations Code of Conduct" and other integrity management regulations. All employees are required to thoroughly understand and comply with the relevant requirements. In addition, during the onboarding process, all employees are obligated to sign the "Integrity Commitment Letter", resulting in a 100% signature rate.

The company strictly prohibits all employees or entities acting on behalf of the company from engaging in bribery, whether in cash or non-cash form, directly or indirectly, towards government officials or other third-party entities and individuals in order to obtain business opportunities. The company has established the "Anker Innovations Integrity Reporting System" and the "Anker Innovations Integrity Reporting Reward Program". In case of such occurrences, employees are required to refuse these offers and promptly report them to the company.



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 PRC* and the *US Anti-Unfair Competition Law*.

To further regulate marketing practices, Anker Innovations has established the "Marketing Internal Control Regulations" to ensure the accuracy of brand and product promotional materials and prohibit any false or misleading behavior towards customers. Additionally, materials and brand partnerships are strictly screened to avoid negative content, such as pornography, violence, or terrorism, that may cause panic or instigate negative conduct by the public. The company strictly prohibits any promotional activities that involve the disclosure of customer personal information to safeguard their privacy.

The company has set up procedures for producing, reviewing, approving, and monitoring external promotional materials and product packaging to ensure proper implementation. These procedures include intensive reviews and confirmations by various departments, such as branding, product, R&D, retail, and legal departments, to ensure the accuracy of both written and graphic presentations. In the event of inventory shortages or invalid promotional information, the retail and branding teams take the lead in communicating and rectifying any obsolete or inaccurate information to promptly ensure customers are not misled.

To further promote employee understanding and compliance with the "Marketing Internal Control Regulations", the company has utilized methods such as emails, articles on the corporate public account, offline promotional meetings, training, regular inspections, and assessments. These measures ensure that all employees are regularly updated on responsible marketing practices and minimize the chance for any violations during the company's business operations.



Training Session on Responsible Marketing

Ensuring Information and Privacy Security

Anker Innovations attaches great importance to and invests significantly in cybersecurity 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.

<p>Principle of Transparency</p> <p>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.</p>	<p>Principle of "Zero Trust"</p> <p>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.</p>	<p>Principle of Privacy Protection</p> <p>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.</p>
<p>Principle of Buckets Effect</p> <p>We realize that the security level of the weakest component in the system determines the overall security level.</p>	<p>Principle of R&D Built-in Security</p> <p>We adhere to the security requirement and principle that security must be embedded in the Integrated Product Development process, including planning, design, development, verification, and release.</p>	<p>Principle of Regulatory Compliance</p> <p>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.</p>

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).



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

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 on high-quality and efficient systematic management of patents. The company has issued a series of patent management regulations, including "Anker Innovations 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.

Regarding trademark management, Anker Innovations has established a series of management regulations, including the "Trademark Management Guidelines", "IPD Trademark Review and Application Guidelines", "Product Naming Process", "Trademark Registration Approval Process for Technical Names", and "Amazon Complaint Reporting and Response Process", etc. These management regulations aim to ensure the efficient and orderly conduct of trademark management, thereby protecting the company's intellectual property and brand image. The company also highlights its ecological and environmental attitude to customers by registering and using trademarks that encourage and support environmental protection.

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. Some fundamental courses include "Anker Innovations Patent Fundamentals Course" and "Anker Innovations Trademark Fundamentals Course". These courses cover nearly 50% of the company's employees.

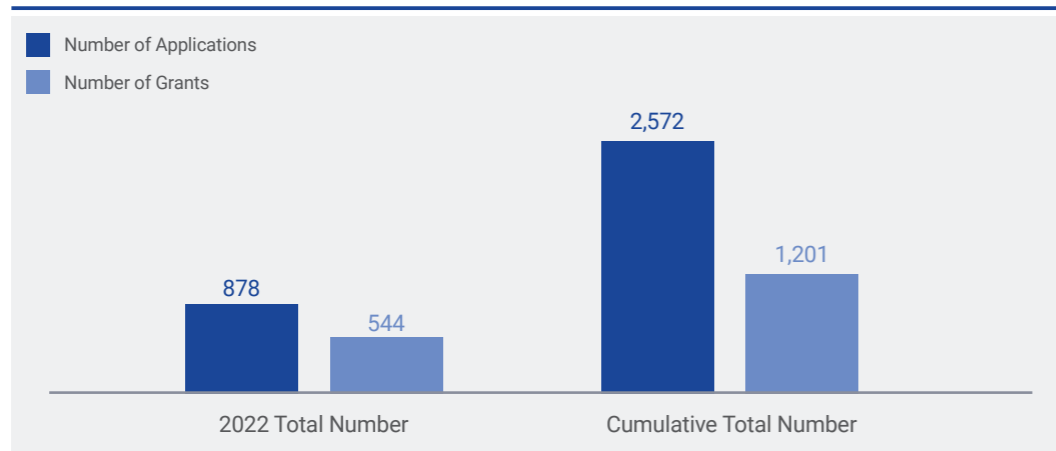
The company also conducts specialized training for different departments on an ad-hoc basis. "Fundamentals of Patent Application" and "How to Retrieve and Analyze Patents" are for the Product and R&D Departments, while "Enterprise Patent Infringement Risk Investigation and Determination" is for the Intellectual Property Team, and "Fundamentals of Trademarks and Risk Prevention" is for the Marketing Department. These professional training sessions empower employees with comprehensive knowledge and strategies of intellectual property protection and utilization, therefore improving the overall level of intellectual property compliance, utilization, and management within the company.



Examples of Anker Innovations Intellectual Property Protection Training

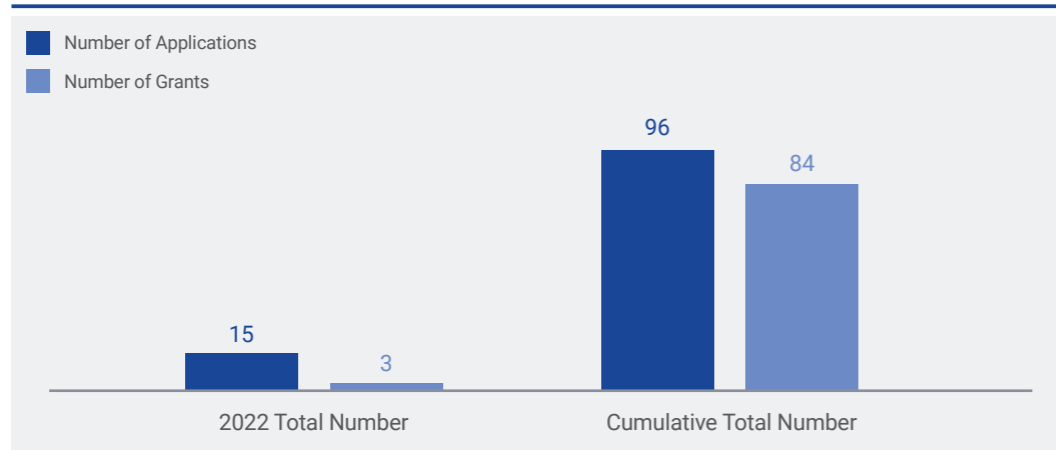
Intellectual Property Achievements

Patents

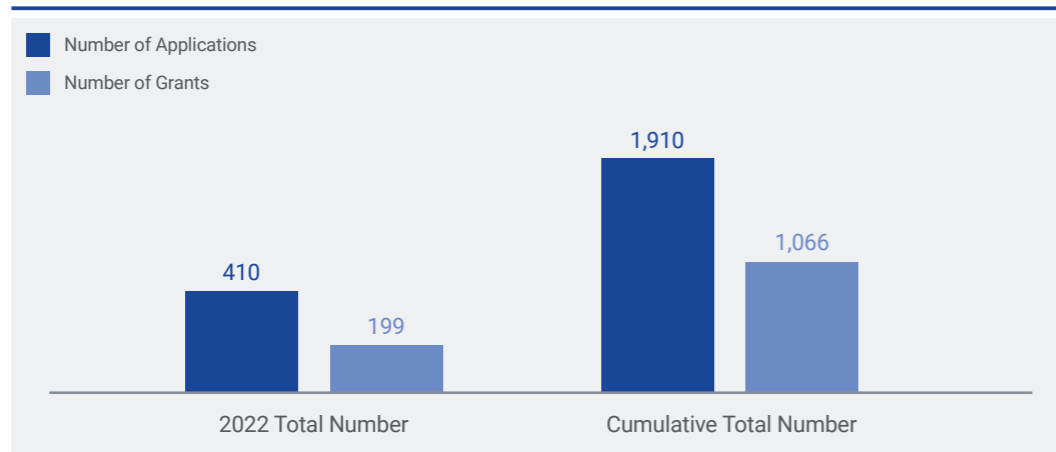


Note: Patents statistics include Invention Patents, Utility Model Patents and Design Patents.

Software Copyrights



Registered Trademarks



Customer Rights Protection

Voice of the Customer (VOC)

Digitalization Initiative

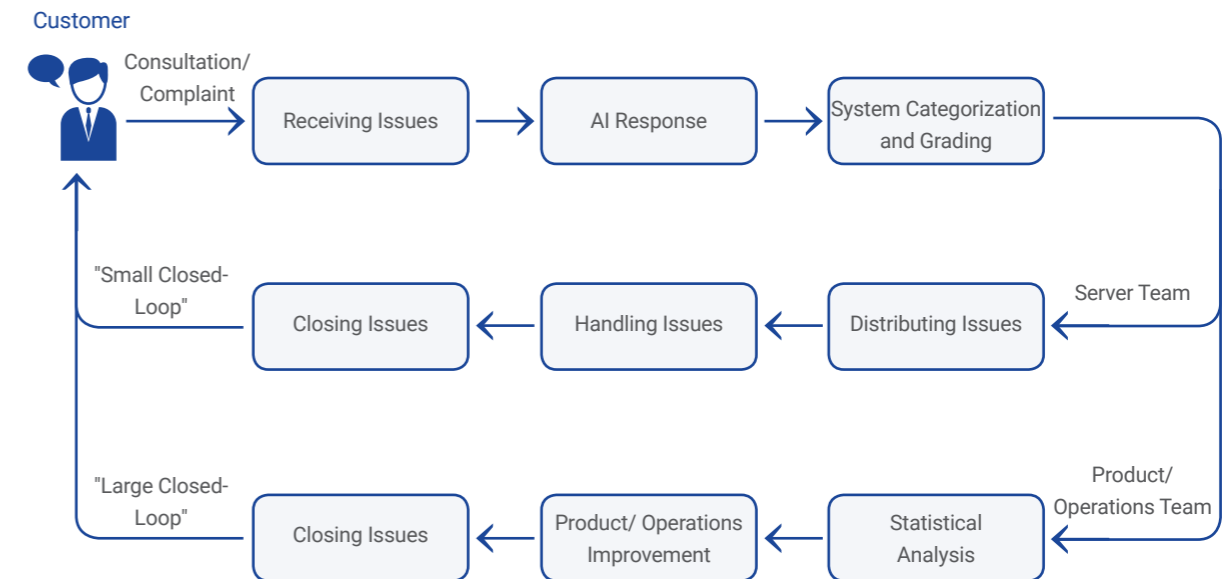
Anker Innovations, since its establishment, has always adhered to a customer-centric approach and actively promoted the digitalization of the customer service system. Through channels such as email, Livechat/ WhatsApp, phone, official website, app, and social media, we listen to the voice of our customers. 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 2022, our six global service centers received a total of approximately 2.75 million customer inquiries/ complaints from various channels, with AI chatbots responding to approximately 1.1 million and directly resolving and closing around 560 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.

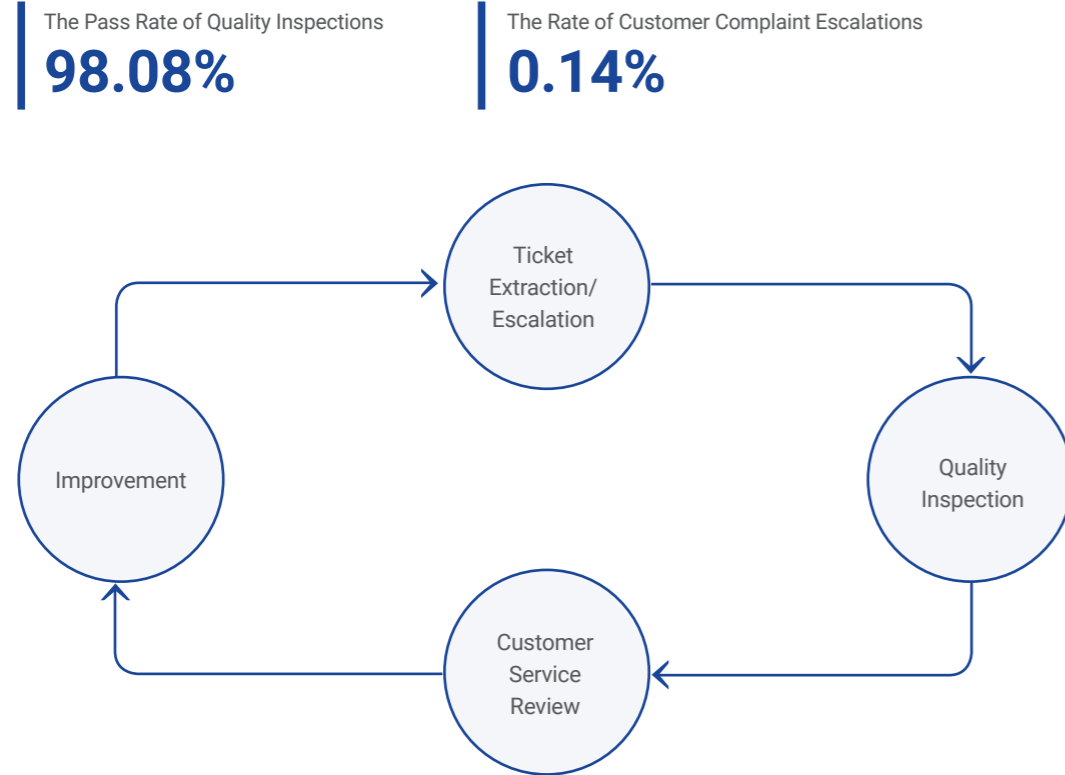
Customer Voice Closed-loop

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 325 analysis reports in 2022), 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 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 2022, the pass rate of quality inspections was 98.08%, and the rate of customer complaint escalations was 0.14%.



The Pass Rate of Quality Inspections
98.08%

The Rate of Customer Complaint Escalations
0.14%

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 2022, a total of 54,630 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 Survey Responses Collected
54,630

Amazon Seller Positive Feedback Percentage
99%

Overall Customer Satisfaction Rate (out of 5)
4.1

Service Team

Anker Innovations believes that only professional and happy employees 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. In 2022, the company organized over 50 empowerment training sessions specifically for customer service personnel, covering a total of more than 700 participants.



Number of Customer Service Training Sessions in 2022
50+



Number of participants in Customer Service Training Sessions in 2022
700+



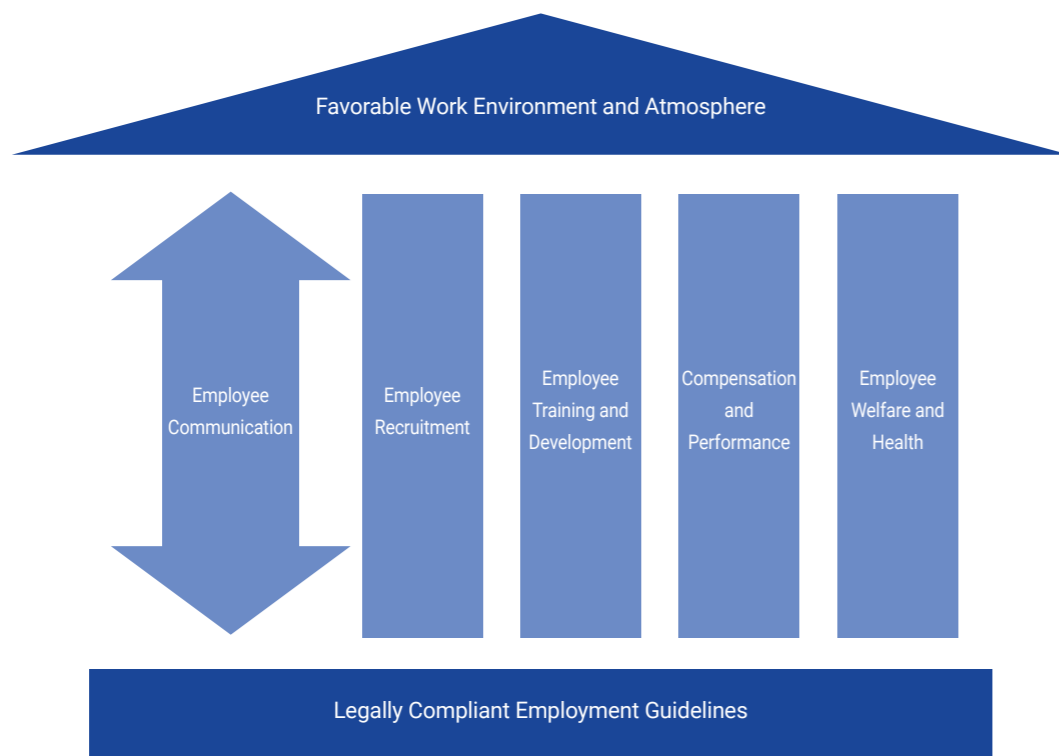
Structured Thinking Training Camp

8 Empowering Employee

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.



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Ensuring Employee Rights

Employment Guidelines

Compliance with Labor Laws and Regulations

Anker Innovations strictly adheres to the *Labor Law of the PRC*, the *Labor Contract Law of the PRC*, the *Social Insurance Law of the PRC*, and the *Law of the PRC on the Prevention and Control of Occupational Diseases* to safeguard the legitimate rights and interests of employees.

Anker Innovations also strictly complies with the *Law of the PRC on the Protection of Women's Rights and Interests*, the *Special Provisions on the 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 Insurance*, among other relevant laws. The protection of human rights of employees is explicitly stated in staff handbooks, with a strict prohibition on any form of forced labor, slavery, or child labor. Female employees' rights are also safeguarded in all aspects, ensuring full compliance with labor laws and regulations at every level.

In 2022, the company received no complaints, appeals, or collective bargaining related to the employment of child labor or forced labor.

Protecting Employee Rights

In addition, Anker Innovations strictly adheres to the *Universal Declaration of Human Rights*, prohibiting any form of harassment, abuse, and inhumane treatment. Furthermore, the company ensures that hiring, incentives, promotion, and other matters are free from any form of discrimination based on employees' personal information.

Diversity, Equity and Inclusion

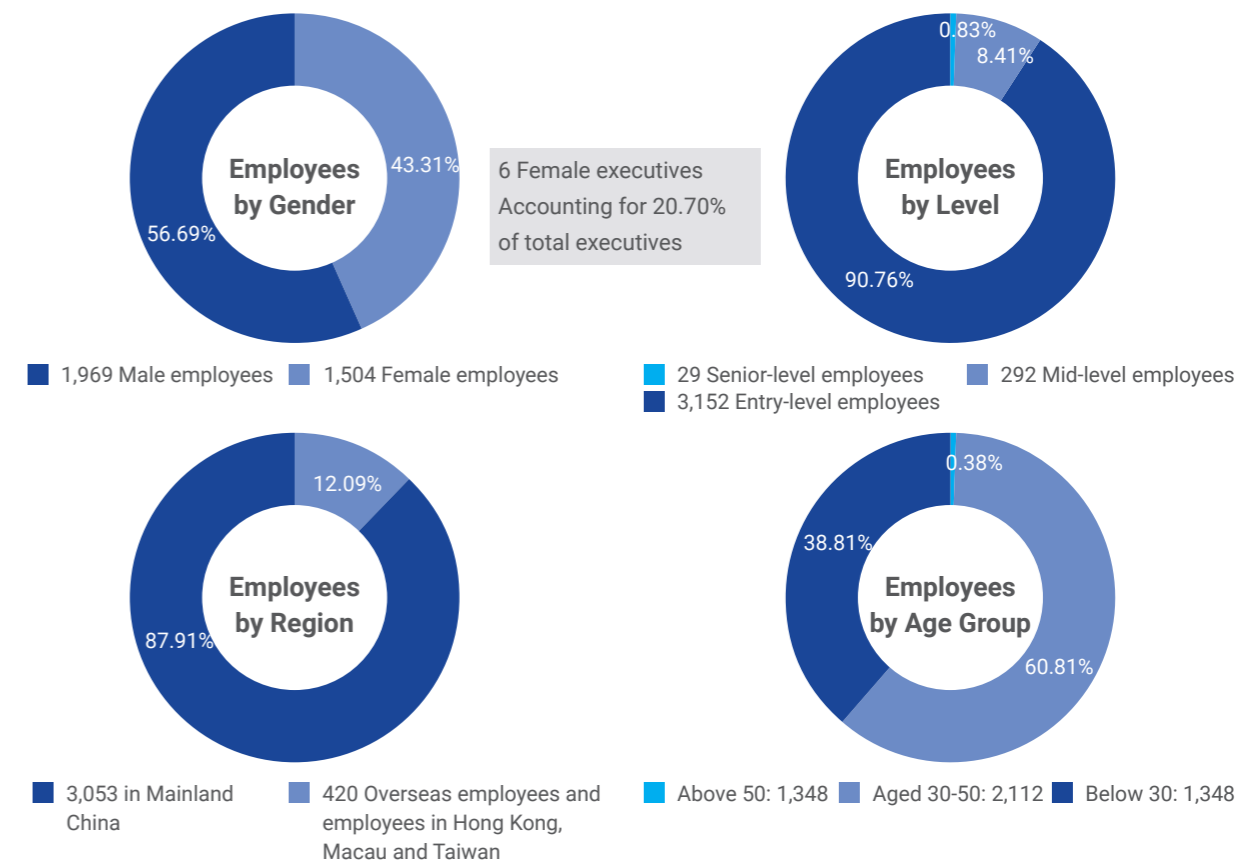
Diversity

Anker Innovations has a workforce of 3,615 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

Anker Innovations has nearly half of its workforce comprised of female employees and a certain proportion of female executives. To ensure the protection and care of women's rights, the company adheres to the *Law of the PRC on the Protection of Women's Rights and Interests*, the *Special Provisions on the Labor Protection of Female Employees*, local labor laws and regulations in the regions where our employees work, as well as relevant conventions and declarations of the United Nations on the protection of women's rights. The company attaches great importance on safeguarding the rights and welfare of female employees during pregnancy, childbirth, and breastfeeding. This includes provisions of maternity leave, prenatal and postnatal leave, miscarriage leave, breastfeeding breaks, paternity leave for male employees, and childbirth allowances. A total of 570 employees have taken the aforementioned leaves in 2022. The company strictly prohibits such actions as wage reduction or unjust dismissal based on pregnancy, childbirth, or breastfeeding of female employees. Regarding employees with disabilities, the company adopts a proactive approach to their recruitment and ensures they work in a fair and healthy environment. The company explicitly prohibits any form of workplace discrimination in all its guidelines.

Employee Statistics:



Note:

a. The above data includes only full-time employees and does not include daily-paid interns. The "total number of employees, 3,615" includes both full-time employees and interns.

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Talent Development System

Employee Recruitment



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.

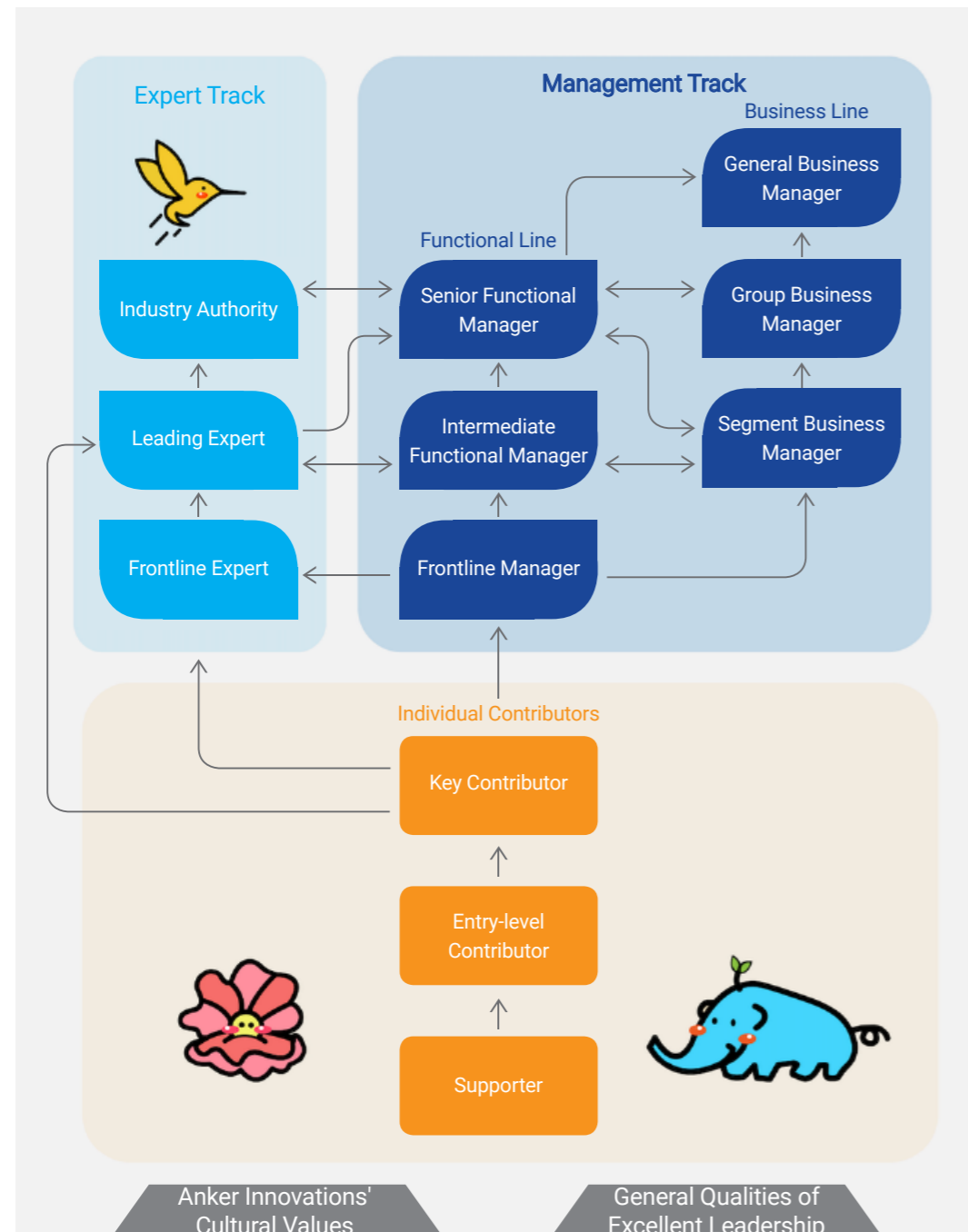
Sharing Benefits for Long-term Development

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.



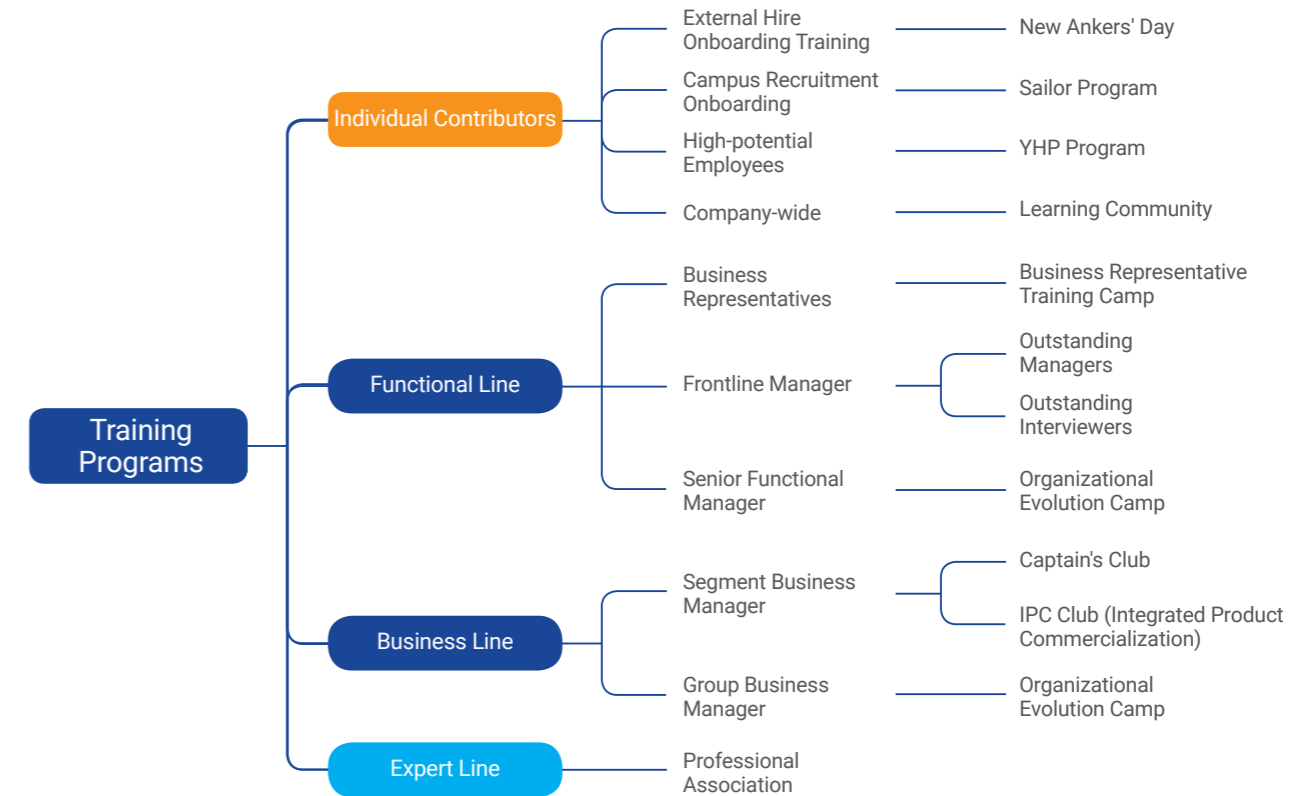
Employee Training

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.



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.



Examples of Anker Innovations' Self-developed Courses

Training Data for 2022



Note:
 a. Training statistics only include data from the Learning Center and does not include training statistics from business units.

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.



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.



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.



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.

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 US office organized dumpling-making events for the New Year



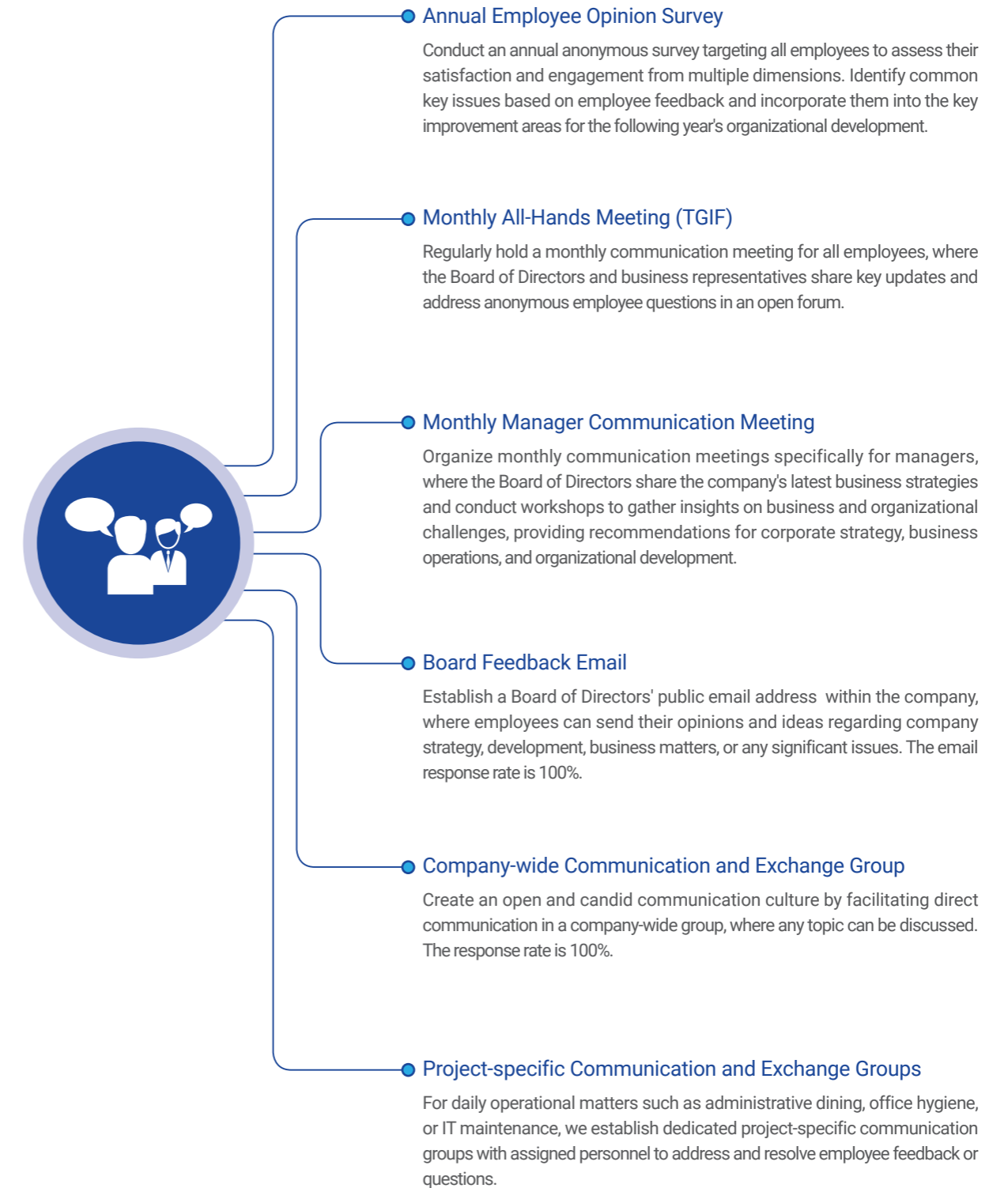
The Dubai office organized an "Iftar" dinner



The Japan office organized annual meeting events

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:



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

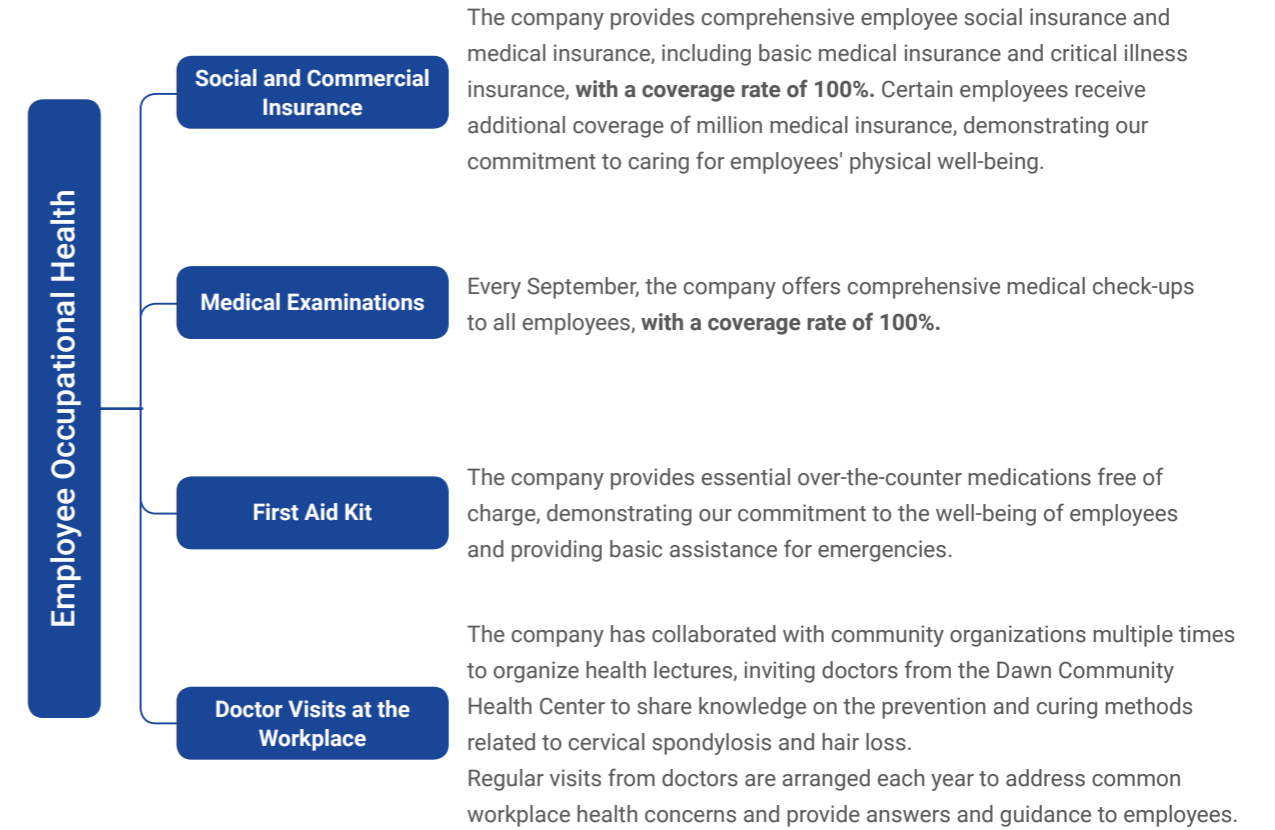
- Fire Safety Training:** The company conducts training sessions aimed at enhancing participants' awareness of fire hazards. These sessions ensure that all individuals have a clear understanding of the fundamental measures for fire prevention, methods for extinguishing fires, and the necessary skills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



On-site Explanation and Practice of Fire Safety Training

- Regulations on Supplier Employee Safety Control:** Anker Innovations mandates that suppliers adhere to the company's employee safety regulations, as outlined in the "Supplier Compliance Commitment Letter" and "Anker Innovations Supplier Compliance Code of Conduct". Suppliers are expected to implement necessary measures to align with these regulations. Non-compliance may lead to exclusion from the supplier database and future collaborations, as part of our commitment to safeguarding employee rights.

Employee Occupational Health



First Aid Kit



Doctor Visits at the Workplace

9 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.



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Carrying out Green Public Welfare Practice

Anker Innovations consistently carry out various forms of green public welfare activities and encourages employees to participate. For example, in 2022, the company organized a green low-carbon travel activity for employees, in which 297 people took part. The company also donated 17,000 CNY to the Shenzhen Spring Environmental Protection Volunteer Association to support the efforts of ecological conservation. In addition to company internal operations, we actively promote low-carbon mobility in the community. For instance, the Anker Innovations US team held an environmental protection event on 2022 Earth Day, cooperating with the community to encourage the adoption of eco-friendly transportation methods. Through the Anker Care project, the company donated Anker Universal Cell Phone Bike Mount to help make the next trip a green one.



Anker Innovations environmental protection activity donation certificate



Anker Innovations US office promoted low-carbon travel in the community on Earth Day

Engaging in Charity Actions

Anker Innovations is always concerned about vulnerable groups, including children who have specific educational needs deriving from disabilities, people in need of public healthcare services, and communities that require immediate reconstruction following natural catastrophes. In recent years, the company has timely provided charitable assistance, with a total donation of cash and goods worth over 8 million CNY. During the reporting period, Anker Innovations held a charity flea market event, in which more than 90 kind employees donated nearly 400 unused items, raising a total of 11,300 CNY. The funds were donated to the "Love Decibel, Save Ears" public welfare project through Tencent Charity, which is used to help hearing-impaired children. In addition, the Anker Innovations US team actively participated in and donated to charity events hosted by well-known retailers including Best Buy, Walmart, and Costco.



Anker Innovations held a charity flea market event and donated 11,300 CNY to help hearing-impaired children



Anker Innovations sponsored the Best Buy Charity Classic Event

Supporting Municipalities Development

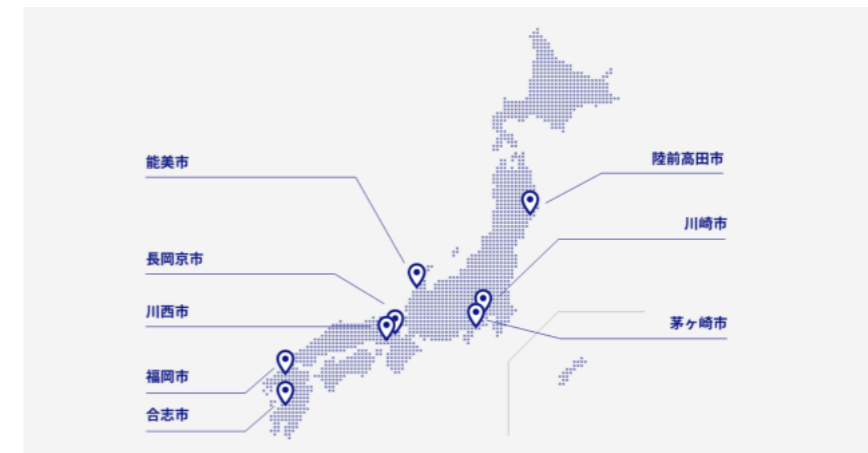
Anker Innovations has leveraged its product advantages in emergency rescue and played an important role in securing power supply in municipalities.

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.

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

Environmental Performance

Category of ESG Issues	Key Environmental Performance Indicators	Units	2022	
Energy use ^[1]	Total electricity consumption	kWh	9,222,189.90	
	Per capita electricity consumption	kWh/person	2,551.09	
	Electricity consumption per unit area	kWh/m ²	199.35	
Greenhouse gas emissions ^[2]	Total direct (Scope 1) greenhouse gas emissions ^[3]	tCO ₂ e	0.00	
	Total indirect (Scope 2) greenhouse gas emissions	tCO ₂ e	4,857.77	
	Total other indirect (Scope 3) greenhouse gas emissions	tCO ₂ e	767.04	
	Total greenhouse gas emissions	tCO ₂ e	5,624.81	
	Per capita greenhouse gas emissions	tCO ₂ e/person	1.56	
	Greenhouse gas emissions per unit of building area	tCO ₂ e/m ²	0.12	
Water resource use ^[4]	Municipal water consumption	Tonnes	24,060.00	
	Bottled water consumption	Tonnes	99.40	
	Total water consumption	Tonnes	24,159.40	
	Per capita water consumption	Tonnes/person	6.68	
	Total sewage discharge	Tonnes	24,159.40	
Waste management	General solid waste	Kitchen waste generation ^[5]	Tonnes	15.90
	Hazardous waste	E-waste ^[6] - mainframe generation	Pieces	44
		E-waste - mainframe recycling	Pieces	44
		E-waste - monitor generation	Pieces	32
		E-waste - monitor recycling	Pieces	32
		E-waste - laptop generation	Pieces	259
		E-waste - laptop recycling	Pieces	259
		Other hazardous waste - ink cartridges	Boxes	60
	Other hazardous waste - toner cartridges	Units	12	

[1] Energy use statistics include data from all office workplaces of Anker Innovations in China (Shenzhen, Changsha, Guangzhou).
 [2] Greenhouse gas emissions statistics include data from all office workplaces of Anker Innovations in China (Shenzhen, Changsha, Guangzhou).
 [3] In 2022, Anker Innovations did not involve Scope 1 greenhouse gas emissions in its business operations. Scope 2 greenhouse gas emissions come from the use of purchased electricity in the office area, while Scope 3 greenhouse gas emissions are indirectly generated from business travel, travel accommodation, kitchen waste disposal, and domestic sewage discharge treatment.
 [4] Water consumption and sewage discharge statistics include data from all office workplaces of Anker Innovations in China (Shenzhen, Changsha, Guangzhou).
 [5] Kitchen waste statistics include data from Anker Innovations' main offices in China (Shenzhen, Changsha).
 [6] Electronic waste statistics include data from Anker Innovations' main offices in China (Shenzhen, Changsha).
 [7] Other hazardous waste statistics include data from Anker Innovations' main offices in China (Shenzhen, Changsha).

Social Performance

Category of ESG Issues	Key Social Performance Indicators	Units	2022	
Labor management /Employment	Total number of employees ^[8]	Person	3,615	
	Number of employees by gender	Male employees	Person	1,969
		Female employees	Person	1,504
	Number of employees by level	Senior-level employees	Person	29
		Mid-level employees	Person	292
		Entry-level employees	Person	3,152
	Number of employees by region	Employees in Mainland China	Person	3,053
		Overseas employees and employees in Hong Kong, Macau and Taiwan	Person	420
	Number of employees by age group	Employees aged under 30	Person	1,348
		Employees aged 30 - 50	Person	2,112
		Employees aged over 50	Person	13
	Diversity of governance	Number of female executives	Person	6
		Percentage of female executives	%	20.70
	Employee development and training ^[9]	Signing rate of employee contracts	%	100.00
Social insurance coverage		%	100.00	
Total number of training participants		Person-time	6,147	
Occupational health and safety	Total training hours	Hours	187	
	Total training person-hours	Hours	8,955	
	Average employee satisfaction rate ^[10]	Score	4.71	
Supply chain management	Number of work-related fatalities	Person	0	
	Rate of work-related fatalities	%	0.00	
	Lost days due to work injury	Day	24	
	Coverage rate for health check-up services	%	100.00	
Customer service	Percentage of new suppliers that were screened using social criteria ^[11]	%	100.00	
	Rate of suppliers signing anti-commercial bribery clause/ integrity agreement	%	100.00	
Technological innovation	Number of customer service consultations and compliants	Person-time	2,750,000	
	Customer service satisfaction ^[12]	Score	4.1	
	Number of customer service trainings	Time	50	
	Person-time of customer service training	Time	700	
	Annual investment in technology research and development	100 million CNY	10.81	

[8] The "total number of employees 3,615" statistics 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.
 [9] Training statistics only include data from the Learning Center and does not include training statistics from business units.
 [10] The maximum satisfaction score for employee training is 5 points.
 [11] Since June 2022, 100% of newly introduced manufacturing-related suppliers have signed these ESG-related agreements.
 [12] The maximum satisfaction score for customer service is 5 points.

Social Performance (Continued)

Category of ESG Issues	Key Environmental Performance Indicators	Units	2022
Intellectual property protection	2022 total number of grants	Patents ^[13]	/ 544
		Software Copyrights	/ 3
		Registered Trademarks	/ 199
	Cumulative number of grants	Patents ^[13]	/ 1,201
		Software Copyrights	/ 84
		Registered Trademarks	/ 1,066
Data security and privacy protection	Audit frequency for information security policies and systems	Time/year	2
Charity and welfare	Annual investment in public charity activities/voluntary service activities	Ten thousand CNY	2.83
	Cumulative investment in public charity activities/voluntary service activities ^[14]	Ten thousand CNY	800+
Business ethics	Number of anti-corruption training/integrity culture promotions	Time	12
	Number of internal anti-corruption/investigation activities	Time	6
	Employee coverage rate of business ethics standard training	%	100.00
	Audit frequency for business ethics standard	Time/year	1
	Percentage of operations which have finished corruption risk assessment	%	70.00
Risk management and internal control	Number of risk management and internal control trainings	Time	12
	Employee coverage rate of risk management and internal control training	%	100.00

[13] Patents statistics include Invention Patents, Utility Model Patents and Design Patents.

[14] 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.

GRI Standards Index

GRI STANDARD	DISCLOSURE	LOCATION
Part 1 General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	Company Profile
	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	Company Profile
	2-7 Employees	Ensuring Employee Rights
	2-9 Governance structure and composition	Corporate Governance ESG Strategy and Governance Framework
	2-10 Nomination and selection of the highest governance body	Corporate Governance
	2-11 Chair of the highest governance body	Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance ESG Strategy and Governance Framework
	2-13 Delegation of responsibility for managing impacts	Corporate Governance 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 Establishing Effective Communication Channels
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 Issues
	3-2 List of material topics	Identification of Material Issues
	3-3 Management of material topics	Identification of Material Issues
Economic Performance		
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Combating Climate Change
	201-3 Defined benefit plan obligations and other retirement plans	Caring for Employee Wellbeing
Anti-corruption		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Social Performance
	205-2 Communication and training about anti-corruption policies and procedures	Compliance with Business Ethics Social Performance
Materials		
GRI 301: Materials 2016	301-2 Recycled input materials used	Green Materials Green Packaging
	301-3 Reclaimed products and their packaging materials	Green Materials Green Packaging
Energy		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Conservation and Emission Reduction Environmental Performance
	302-3 Energy intensity	Energy Conservation and Emission Reduction Environmental Performance
	302-4 Reduction of energy consumption	Energy Conservation and Emission Reduction
	302-5 Reductions in energy requirements of products and services	Green Products

GRI STANDARD	DISCLOSURE	LOCATION
Water and Effluents		
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Water Resources Management
	303-3 Water withdrawal	Water Resources Management Environmental Performance
	303-4 Water discharge	Water Resources Management Environmental Performance
	303-5 Water consumption	Water Resources Management Environmental Performance
Emissions		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy Conservation and Emission Reduction Environmental Performance
	305-2 Energy indirect (Scope 2) GHG emissions	Energy Conservation and Emission Reduction Environmental Performance
	305-3 Other indirect (Scope 3) GHG emissions	Energy Conservation and Emission Reduction Environmental Performance
	305-4 GHG emissions intensity	Energy Conservation and Emission Reduction Environmental Performance
	305-5 Reduction of GHG emissions	Energy Conservation and Emission Reduction Environmental Performance
Waste		
GRI 306: Waste 2020	306-3 Waste generated	Waste Management Environmental Performance
	306-5 Waste directed to disposal	Waste Management Environmental Performance
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
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
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
Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance Diversity, Equity and Inclusion
Supplier Social Assessment		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain Management Social Performance
Marketing and Labeling		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Conducting Responsible Marketing