

Stock code

002139.SZ

TOPBAND 拓邦
Co-Innovating A Smarter Future

Topband ESG Report 2024

Shenzhen Topband Co., Ltd.



About the Report

This is the 5th Social Responsibility Report and the 4th ESG Report issued by Shenzhen Topband Co., Ltd. since its listing, which discloses Topband's activities and performance in the main areas of sustainable development including environment, society and governance. The Report was deliberated and approved at the 18th Meeting of the 8th Board of Directors of Topband held on March 26, 2025, and was released together with Topband's Annual Report 2024.

Time range

January 1, 2024 to December 31, 2024. Some parts of the Report involve the information of previous years to ensure its integrity.

Data and content

The data and cases that are used in the Report are all from official documents, statistical reports and other documents provided by relevant departments of the Company. The Report does not contain any false information or misleading statements, and Shenzhen Topband Co., Ltd. is responsible for the truthfulness, accuracy and completeness of the content herein.

Unless otherwise specified, the monetary amounts involved herein are expressed in RMB.

Basis of preparation

The Report is prepared based on the actual situation of the Company in accordance with the relevant requirements of the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation) and the Global Reporting Initiative (GRI) Standards. The disclosures of indicators in the Report are detailed in "Index".

Language of the Report

The Report is prepared in Chinese and translated into English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail. And the report electronic version is available on our official website: <https://www.topband.com>.

Contact information

Department: Securities Department of Topband

Address: Topband Industrial Park, Keji Second Road, Shiyan Sub-district, Bao'an District, Shenzhen

Tel.: 0755-26957035

Fax: 0755-26957440

Email: wenzh@topband.com.cn

About the Report	1
Chairman's Statement	3
ABOUT TOPBAND	6
ESG MANAGRMENT	13
Green Empowerment, Ecological Leadership	18
1 1.1 Reinforce Environmental Management.....	19
1.2 Combat with Climate Change.....	23
1.3 Efficiently Use Resources.....	29
1.4 Protect Ecological Environment.....	35
Innovation Navigates, Compassion Accompanies	42
2 2.1 Be Original in R&D to Pursue Excellent Quality.....	43
2.2 Optimize Service to Ensure Responsible Supply.....	50
2.3 Protection of rights and interests and strengthening of care.....	53
2.4 Health care to promote the development.....	60
2.5 Never Stop Public Welfare with Love.....	67
Prudent Governance, Sustainable Future	69
3 3.1 Improve Management Systems.....	70
3.2 Stick to Compliant Development.....	77
3.3 Adhere to Business Ethics.....	80
3.4 Protect Data Security.....	83
Key Performance Indicators (KPIs)	86
Index	93

Chairman's Statement

Wu Yongqiang
Chairman of Shenzhen Topband Co., Ltd.



Dear shareholders, partners, and all friends concerned about Topband,

Hello, everyone!

Thank you for your continuous attention to and trust in Topband. In 2024, we successfully achieved the strategic goal of "restarting growth". The Company's operating income exceeded RMB 10 billion for the first time, seeing the year-on-year growth rate regain double-digit growth. The overall profitability, operational efficiency and per capita efficiency of the Company were significantly improved compared to those in 2023, with the health of the Company further enhanced. In the past year, the industry of power tools and home appliances experienced continuous rapid development, the transformation of digital energy business achieved initial success, and a series of intelligent systems with strong market competitiveness were launched. These advances are inseparable from the efforts and dedication of all Topband employees, as well as the continued support of all shareholders and partners.

In the past decade, we have achieved tenfold growth. Such sustained and stable "resilient growth" not only reflects the society's increasing demand for intelligent products, but also embodies Topband's original aspiration of long-term adherence to "value creation through technology" and the fact that it has always implemented the business philosophy of "Agility·Innovation·Partnership". We have built a technical platform of "four electrics and one network" and established a customer-centered global operating system, forming a multi-level business layout and a good customer structure and enabling the Company to maintain resilient growth in the face of market fluctuations.

In 2025, we have three strategic priorities to support the realization of the overall strategic policy of "accelerating growth":

I. Expand the share of component business. The business of intelligent controller components has always been Topband's dominant field. In 2025, we will continue to focus on resources, enhance our competitiveness, further expand our market share in existing fields, and actively explore new fields to become the "hidden champion" in more segments.

II. Make breakthroughs in AI system business. Artificial intelligence (AI) is rapidly changing our lives and industrial models. Topband will continue to increase investments in AI and intelligence, with a particular focus on the application of AI technology in terminal products. The Company plans to implement a responsibility system for younger product managers, stimulate the team's innovation potential, continuously launch more competitive AI system products, and strive to create "category champions" in multiple sub-categories, gradually growing into a leading AI application company.

III. Accelerate overseas marketing. At present, half of the Company's business comes from overseas markets, and we have established multiple operation bases overseas. We shall further accelerate "overseas marketing". We shall not only seize the opportunities of global industrial chain transfer, but also actively develop local markets and build a truly international company.

We are well aware that there are no companies successful once and for all, but only ones that constantly adapt to the development of the times. From RMB 10 billion to RMB 100 billion, we stand at a new starting point. We firmly believe that when the control technology is deeply integrated with artificial intelligence, a new pattern of a trillion-level intelligent hardware industry is taking shape. Topband will gradually grow from a leader in intelligent control to an expert in AI applications, and actively participate in and promote industrial upgrading.

We look forward to working with you to create this intelligent and beautiful future!



March 28, 2025



Interpretations

Terms	Refer to	Contents
Company, the Company, Topband	Refer to	Shenzhen Topband Co., Ltd.
CSRC	Refer to	China Securities Regulatory Commission
Exchange	Refer to	Shenzhen Stock Exchange
Reporting Period	Refer to	January 1, 2024 to December 31, 2024
Articles of Association	Refer to	Articles of Association of Shenzhen Topband Co., Ltd.
Shiyuan Branch	Refer to	Shiyuan Branch of Shenzhen Topband Co., Ltd.
Huizhou Topband	Refer to	Huizhou Topband Electrical Technology Co., Ltd.
Ningbo Topband	Refer to	Ningbo Topband Intelligent Control Co., Ltd.
Nantong Topband	Refer to	Nantong Topband Lithium Battery Co., Ltd.
Topband Romania/Topband Europe	Refer to	Topband Smart Europe Company Limited S.R.L.
Topband Mexico	Refer to	Topband Mexico Company Limited
Topband Battery	Refer to	Shenzhen Topband Battery Co., Ltd.
AI	Refer to	Artificial intelligence
BLDC Motor	Refer to	Brushless DC Motor
BG and BU	Refer to	Business Group and Business Unit
IPD	Refer to	Integrated Product Development
1C1C3S	Refer to	Cell, cloud platform, BMS, PCS, EMS



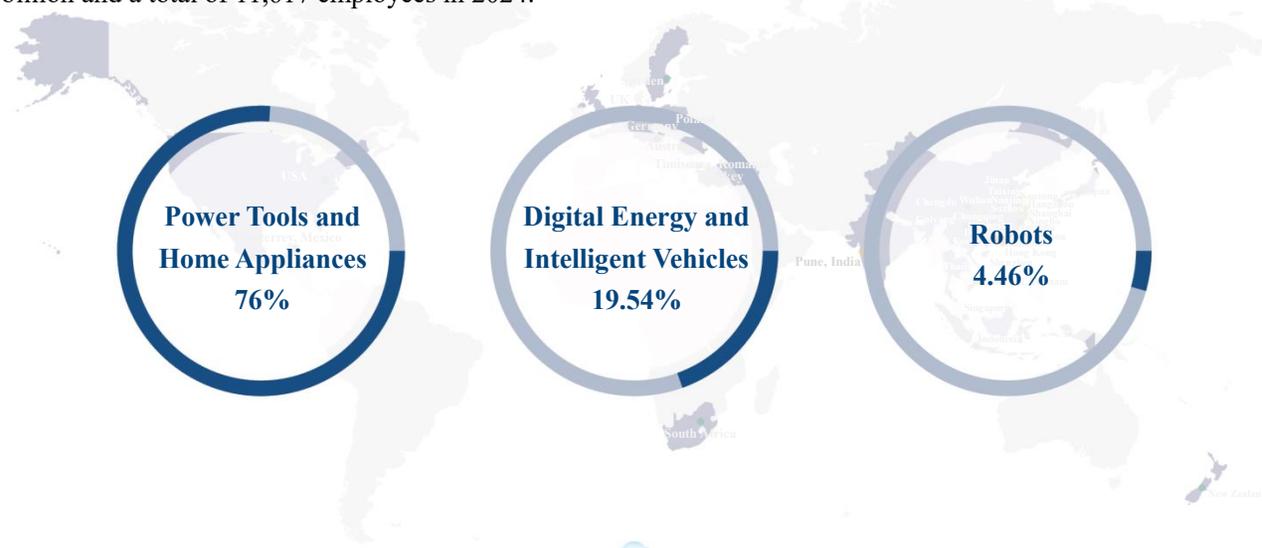
ABOUT TOPBAND

Shenzhen Topband Co., Ltd. (hereinafter referred to as "the Company" or "Topband") is a provider of product solutions with rich technical experience in the intelligent control industry. With the core technology system of "four electrics and one network" (electric control, motor, battery, power and IoT), the Company is specialized in developing, manufacturing and selling components and systems. The components mainly include intelligent controllers, high efficiency motors, battery packs, power products, etc. The systems mainly include AC/DC charging piles, industrial and commercial energy storage products, household energy storage products and AI systems. Our products are widely used in three major fields: tools and home appliances, digital energy and intelligent vehicles, and robots. We not only offer innovative, efficient and reliable customized services to global customers, but also bring green, intelligent and innovative products to consumers.

 <p>Power Tools Home Appliances</p>				
				
				...
 <p>Digital Energy Intelligent Vehicle</p>				
				...
 <p>Robots</p>				...

Remarks: The above are some of the Company's clients, and the rest have not been disclosed due to business secrecy.

Established in 1996 and listed on the Shenzhen Stock Exchange in 2007, Topband is a state-recognized enterprise technology center, a national high-tech enterprise, a pilot demonstration enterprise in Shenzhen, an AEO, a winner of the Shenzhen Industrial Award, and a winner of the China Manufacturing Champion for its smart home control module. In 2024, the Company ranked 62nd in the 2023 Top 500 Manufacturing Enterprises in Guangdong. Since its listing, the Company has realized solid financial performance, with sales revenue exceeding RMB 10 billion and a total of 11,617 employees in 2024.



Technologies & Platforms

Electric control



The Company takes microcomputer as the core to achieve intelligent control and has formed hundreds of electric control technology platforms. The Company has accumulated a lot of experience and technologies in key areas such as automatic control, human-machine interaction, embedded computing, machine vision, robotics, intelligent sensors and motion control. The technologies can fulfill the needs of products like power tools and home appliances, digital energy, robots and intelligent vehicles.

Motor technology



The Company makes continuous innovation around high efficiency, low noise, high precision and high stability of motors, and has built complete technical capabilities from motor design and simulation, testing and verification to large-scale manufacturing, with dozens of advanced motor product platforms formed, including Brushless DC (BLD-C) motors, coreless motors, stepper motors and servo motors.

Our motor technology takes the lead in the industry, and in terms of the application of motor technology in new energy vehicles, robot and medical care, we have achieved remarkable results, which has been widely recognized in the market. We have a coreless motor product platform covering outer diameters of $\Phi 7$ to $\Phi 40$, a complete brush/brushless product lineup, and design, research, development and production capabilities for key components including motors, reduction gearboxes, screws, encoders, controllers as well as their actuator module assemblies, with an annual production capacity of over one million motors.

Battery technology



The Company has built complete design, development, customization and production technology capabilities around the Cell, Cloud Platform, BMS, PCS, and EMS (1C1C3S) system. In terms of battery management system (BMS), we have achieved industry-leading accuracy and reliability. With advanced algorithms and control strategies, our BMS can monitor and manage the battery status in real time, ensuring optimal performance and safe operation of the battery system. Technological innovations in this area have made us a market leader when providing efficient and safe battery solutions for energy storage systems, power backup, power exchange and portable devices.

Power technology



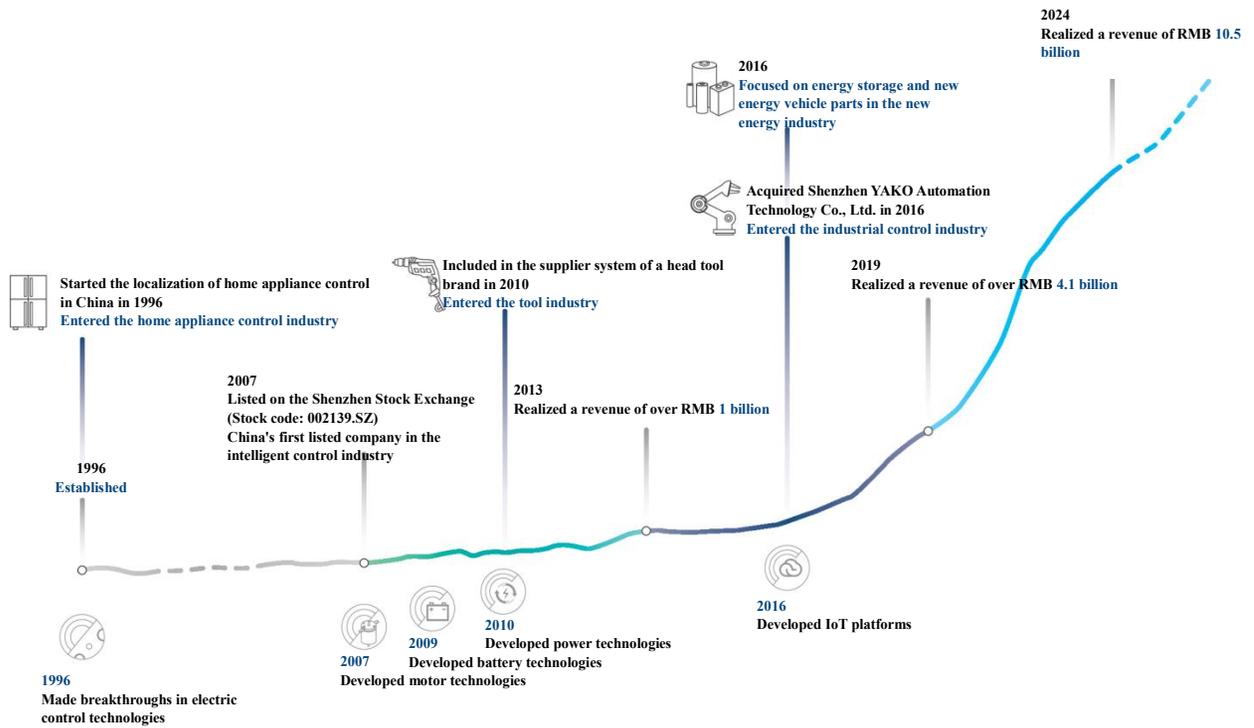
The Company has various analog power supply, switching power supply, and digital power technology platforms with different power levels and types. It can provide charging, inverter, and various customized power supply solutions. Our power conversion system (PCS) uses innovative energy management strategies and high-precision power quality control technology, which supports a wide range of battery types and configurations and meets the needs of energy storage applications varying in scale. In terms of photovoltaic inverter technology, we have significantly improved the energy conversion efficiency of solar panels with advanced control algorithm and efficient electrical energy conversion circuit design, supporting a variety of communication protocols. In the field of high power DC charging piles, we have achieved fast and safe charging of electric vehicles by using efficient power electronic conversion technique and intelligent charging control algorithm.

IoT platform

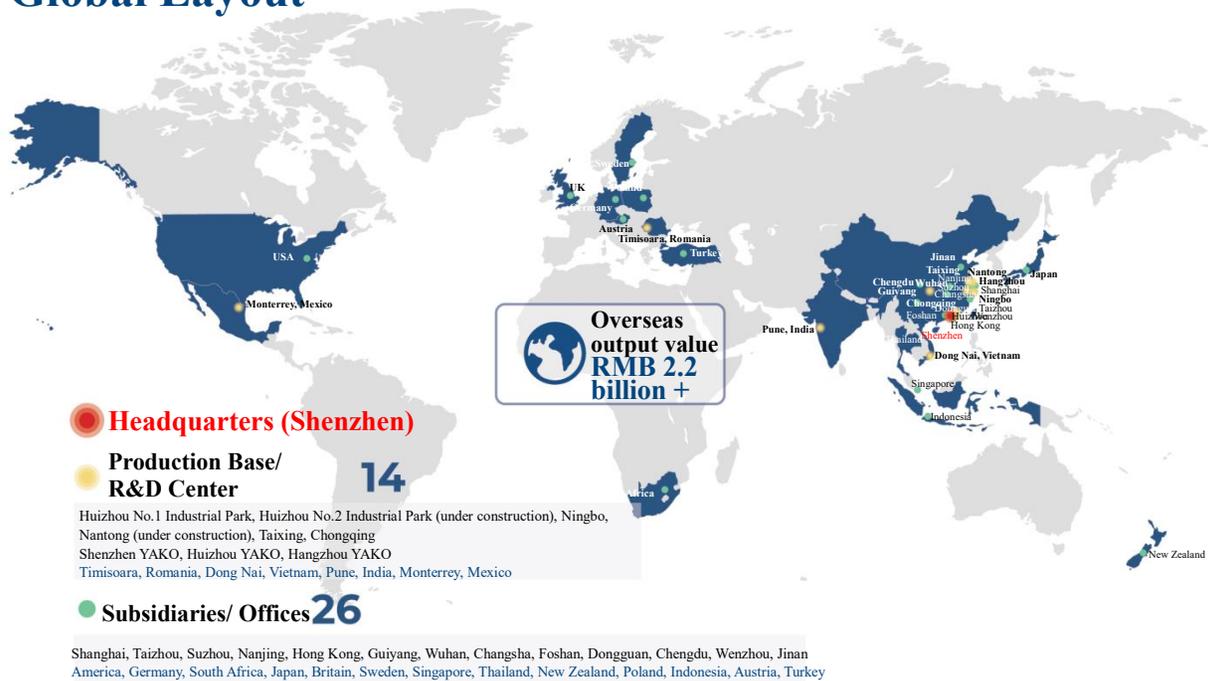


As the key to connecting the perception, network and application layers, the IoT platform enables us to intelligently connect devices and efficiently manage data. With complete technical capabilities from modules and smart terminals to applications (APP) and Platform as a Service (PaaS), we can provide integrated solutions for multiple industries. In the development of the photovoltaic power generation, energy storage and charging cloud platforms, we have achieved the intelligent collaboration of solar power generation, energy storage and charging facilities with the advanced IoT technology; our digital energy management platform provides comprehensive energy monitoring, analysis and optimization for the industrial, commercial and public facilities with big data and artificial intelligence technology.

Development Course



Global Layout



Key operation results

 Operating income RMB 10.50 billion		 Net cash flow from operating activities RMB 1.09 billion	
 Gross profit rate 22.97%	 Net profit belonging to parent company RMB 671 million	 Net profit excluding extraordinary profit and loss RMB 642 million	 EPS (basic) RMB 0.55
 R&D investment RMB 952 million	 Proportion of R&D input 9.07%	 R&D personnel 2,178	 Total tax payment (including tax payment at home and abroad) RMB 353 million
 Net assets RMB 6.7 billion	 Total assets RMB 12.8 billion	 Estimated dividend amount RMB 86.02 million	 Buyback amount RMB 95.7 million

In 2024

The Company supplied nearly 1.63 billion sets of intelligent control products to downstream enterprises and customers

Intelligent controllers are the core business of Topband. In 2024, it shipped 178 million sets of intelligent controllers, with a year-on-year increase of 28.5%, taking a leading position in the field of intelligent control solutions for home appliances and power tools.

Topband's high-efficiency motors focus on three categories, including external-rotor brushless DC motors used in the tool industry, LiDAR motors used for automobiles, and coreless motors used for robots. In 2024, it shipped 3.53 million sets of high-efficiency motors, with a year-on-year increase of 100%, and it ranked among Tier 1 in the industry.

Battery packs are the third largest category of Topband's component products, with a wide range of applications, including not only the industry of power tools and home appliances, but also e-bikes, onboard equipment and other business scenarios. In 2024, it shipped 564MWh of battery packs, with a year-on-year increase of 27%.

Market recognition ▼

Date of Recognition	Subject	Award	Granting organization
2024/2/22	Topband Romania	Top 10 Best Cultural Enterprises and Best Employers in Timisoara, Romania	Hipo, a human resource consulting company in Romania
2024/3/19	Topband	OFweek 2023 "Excellent Demonstration Project" Award in Energy Storage Industry	OFweek
2024/4/9	Topband	Manufacturing Individual Champion Demonstration Enterprise (Smart Home Control Module)	Ministry of Industry and Information Technology of the People's Republic of China
2024/4/24	Topband	"Top 100 IoT Enterprises in China"	China Internet of Things Industrial Application Alliance
2024/5/28	Topband	No.62 in Top 500 Manufacturing Enterprises in Guangdong	Guangdong Manufacturers Association
2024/5/28	Huizhou Topband	No.85 in Top 500 Manufacturing Enterprises in Guangdong	Guangdong Manufacturers Association
2024/8/27	Topband Battery	High-tech enterprise recognition	Industry and Information Technology Bureau of Shenzhen Municipality
2024/8/27	Mingtai Intelligent	High-tech enterprise recognition	Industry and Information Technology Bureau of Shenzhen Municipality
2024/8/27	Topband Motor	High-tech enterprise recognition	Industry and Information Technology Bureau of Shenzhen Municipality
2024/9/2	Topband	Chief engineer studio recognition	Bao'an District Human Resources Bureau
2024/9/11	Huizhou Topband	High-tech enterprise recognition	Huizhou Industry and Information Technology Bureau
2024/9/17	Topband	Certificate of "International Advanced" Scientific and Technological Achievements	Zhongke Biao Chuang (Guangdong) Science and Technology Project Evaluation Center
2024/10/16	Topband	Annual Energy Storage BMS Excellent Brand	China Magisterial Energy Network
2024/12/13	Topband	2024 Gao Gong Golden Globe Award - Annual Pioneer in Exploring Overseas Market	2024 Gao Gong Annual Conference on Energy Storage

Quality recognition ▼

Date of Recognition	Subject	Award	Granting organization
2024/12/24	Topband	Quality Innovation Competition TOP8	milwaukee (subsidiary of TTI)

Sustainable development-related recognition ▼

Date of Recognition	Subject	Award	Granting organization
2024/11/20	Huizhou Topband	ECOVADIS Gold Recognition	EcoVadis
2025/3/12	Topband	CDP climate change B - and water safety management B	CDP

Capital market recognition ▼

Date of Recognition	Subject	Award	Granting organization
2024/10/24	Topband	"Top 100 Fastest Growing Chinese Listed Companies" in the 18th China Listed Company Value Evaluation	Securities Times
2024/12/26	Topband	Top 300 Most Popular Listed Companies	RoyalFlush

ESG MANAGRMENT

ESG governance

Topband has deeply integrated the concept of sustainable development into its strategies and daily operations, built a management system with ESG as the core and continuously improved the governance efficiency through strategy guiding, system improvement, organization optimization and multi-cooperation, laying a solid foundation for long-term value creation. Under the five strategic frameworks of "scale growth, customer Intimacy, innovation-driven, refined operation and organization development", the Company integrates ESG goals into the overall development planning and establishes a dynamically optimized management indicator system to ensure that the environmental, social and governance issues are addressed as the business grows. As the highest decision-making organ of ESG governance, the Board of Directors comprehensively arranges the review and supervision of major ESG issues, regularly evaluates the policy risks and opportunities, guides the business department to make response strategies, and plans to establish a Strategy and ESG Management Committee in March 2025 to further enhance the strategic decision-making efficiency and resource integration capability.

To increase transparency and standardization, the Company strictly conforms to the international standards such as Global Reporting Initiative (GRI) and Task Force on Climate-Related Financial Disclosure (TCFD) and domestic regulatory requirements, and has continuously released the Social Responsibility Report since 2020, which was upgraded to ESG and Social Responsibility Report in 2021 and renamed as ESG Report in 2024. The Report is publicly released together with the Annual Report after consideration at the Annual Board Meeting. The Report presents Topband's practices and achievements in low-carbon transition, employees' rights and interests and governance and optimization, and updates the responsibility fulfillment news via Topband's official website and WeChat Official Account. Besides, The Company actively participates in global ESG ratings and regularly responds to CDP climate change questionnaires. In 2024, Huizhou Topband, a core wholly-owned subsidiary of Topband, gained the Ecovadis Gold Recognition with its excellent performance, ranking among the top 5% of the global participating enterprises, which reflects the international community's high recognition of Topband's ESG management.

Topband has established an ESG risk identification and response mechanism to enhance the ESG awareness of all employees through special training, policy interpretation and cross-department cooperation. The Board of Directors regularly reviews the system improvement and policy compliance in ESG areas to ensure the forward-looking and robust business operations. The Company extends the ESG concept to supply chain management, advocates the cooperation principle of "equality, health, fairness and justice", gives priority to partners whose value fits the value of the Company, clearly defines the ESG standards such as environmental protection and labor rights in the contract and cooperates with the upstream and downstream enterprises in green technological innovation and energy efficiency improvement to build a low-carbon intelligent industrial chain. In the future, Topband will continue to deepen the strategy guiding by the Board of Directors and improve the risk control and performance appraisal system, striving to become an ESG benchmark for the global intelligent control industry and contributing wisdom and strength to the sustainable development of the society.

Assessment of substantive issues

Topband continues to optimize ESG management and carries out evaluation of substantive issues based on the internal and external environmental changes. Taking into account its business characteristics and operations, Topband conducted an in-depth analysis of macro trends, reporting criteria, and intra-industry focuses, and established an ESG issue library consisting of 20 key issues, forming an importance matrix of ESG substantive issues approved by the internal management after comprehensive and scientific evaluation.

This matrix identifies issues from two dimensions - "the importance of economic, environmental and social impacts" and "the impact on the stakeholder assessment and decision-making" - to systematically present the priority of issues. Through visual analysis, the Company has identified the disclosure priorities of the Report and, based on this, optimized the ESG management system and made targeted management plans to promote ESG integration into daily operations and strategic planning, providing an important support for the continuous improvement of ESG governance.

Environment ▼

- 1 Greenhouse gas management
- 2 Combat with climate change
- 3 Environmental management and opportunities
- 4 Water resource management
- 5 Pollutant management
- 6 Waste management

Society ▼

- 7 Employment of employees and their rights and interests
- 8 Occupational safety and health
- 9 Employee development and diversity
- 10 Employee care and communication
- 11 Product R&D and Innovation
- 12 High-quality products services
- 13 Responsible supply chain
- 14 Social welfare

Governance ▼

- 15 Corporate governance
- 16 Protection of shareholders' rights and interests
- 17 Compliant operation
- 18 Risk management
- 19 Information security and privacy protection
- 20 Business ethics



Stakeholder communication

Topband has always adhered to the concept of open and transparent governance and continued to deepen the communication with key stakeholders such as the shareholders, clients, employees, communities and partners. Through the multi-dimensional communication channels we established, we actively listen to and respond to the expectations and demands of the stakeholders with the purpose of forming a long-term sustainable relationship on mutual trust.

Our current communication channels include: annual general meeting of shareholders and temporary meetings that guarantee the shareholders' right to know and make decisions; regular questionnaire surveys that cover all stakeholders; one-to-one in-depth discussion for key clients; the experience sharing platform of summits and ESG forums; special dialogue mechanisms such as the workers' congress and the supplier responsibility communication meeting. Through the systematic collection, analysis and feedback mechanism, we ensure that the ESG management is closely related to all stakeholders. In the future, we will continue to improve communication mechanisms, maintain close contact with key stakeholders, and jointly promote the continuous improvement of ESG governance work.

Stakeholders	Expectations and demands	Response and communication
Government and regulators	Greenhouse gas management Combat with climate change Environmental management and opportunities Water resource management Pollutant management Waste management Corporate governance Compliant operation Information security and privacy protection Business ethics	Response to national policies Law-abiding and compliant operation Practicing green development
Shareholders and other investors	Corporate governance Protection of shareholders' rights and interests Compliant operation Risk management	Enhance information disclosure and response (shareholders' meeting, investor exchange meeting, performance briefing, investor hotline, SZSE Cloud Platform, and Topband Investor Relations Applet) Strengthening Corporate Governance Maintain shareholder rights and interests Law-abiding and compliant operation
Customers	Product R&D and Innovation High-quality products services Information security and privacy protection Business ethics	Provide high-quality products and services Strengthen customer privacy security and protection Adhere to business ethics
Suppliers and other partners	High-quality products services Responsible supply chain Business ethics	Strengthen supply chain management Conduct supplier training Adhere to business ethics
Employees	Employment of employees and their rights and interests Occupational safety and health Employee development and diversity Employee care and communication	Protect employee rights and interests Ensure occupational safety and health of employees Promote employee development Strengthen employee communication (Congress of Workers and Staff, Journal of Yanxingzhe, Colleague Bar, Employee Experience Platform)
Media	Pollutant management Employment of employees and their rights and interests High-quality products services Business ethics	Enhance information disclosure Media interview and exchange and cooperation Timely update the Company's official website
Community	Social welfare	Carry out voluntary service activities Conduct charity donations

01

Green Empowerment, Ecological Leadership

With the value of "making the world more intelligent and low-carbon", Topband continues to explore the path of properly combining environmental benefits with economic and social benefits, and practices the principle of "prevention first, and integrating prevention with control". It has established an environmental management system in accordance with ISO 14001. Topband is committed to realizing the synchronous planning, implementation and development of production, construction and environmental protection, utilizes the "four electrics and one network" (electric control, motor, battery, power and IoT platform) technologies, and integrates the intelligence and low-carbon concept into products and services to create a green sustainable development ecosystem and make contributions to the realization of a smart and low-carbon future.

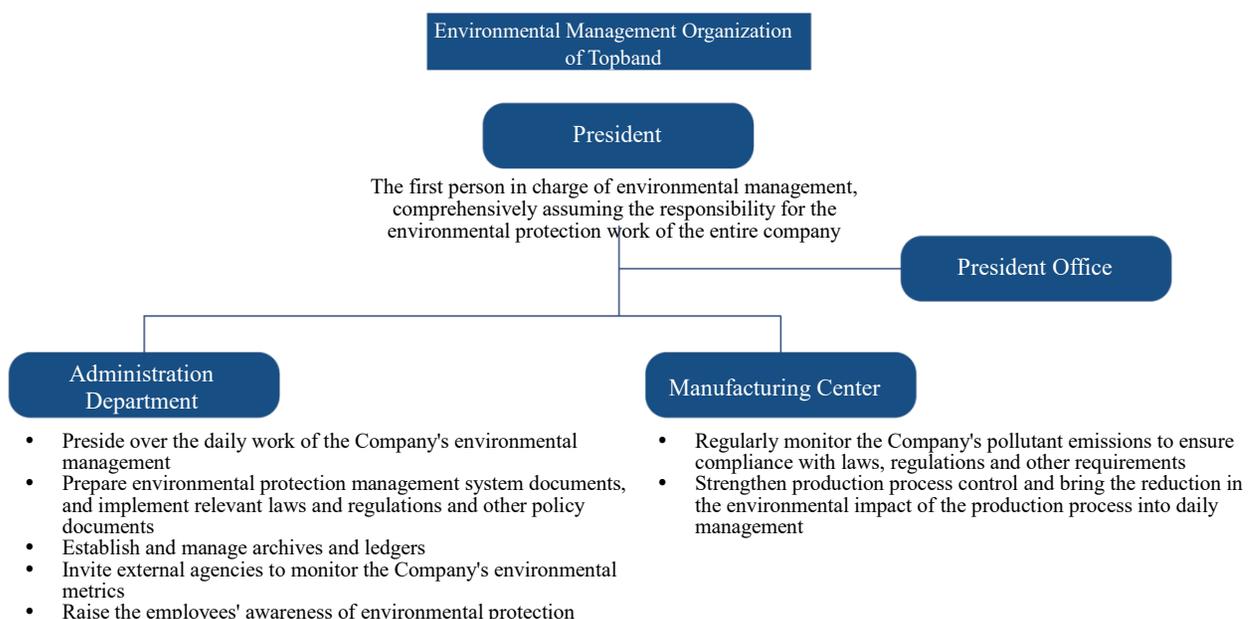
1.1 Reinforce Environmental Management

Topband has established and improved the environmental management system to continuously optimize the environmental management rules and organization structure and ensure the compliance of environmental management. Besides, the Company provides environmental training for employees to strengthen the concept of green office and fully improve the environmental management capability.

1.1.1 Environmental compliance management

Topband strictly abides by the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution and other national laws and regulations, as well as other laws, regulations and policy documents applicable to the places of the global businesses. It has formulated a series of internal management systems including the Environmental Analysis and Risks and Opportunity Control Procedure, the Environmental and Safety Management Control Procedures of Interested Parties and the Policies on Labor, Health and Safety, Environment, Low Carbon and Ethics to continuously improve the environmental management system. We pay close attention to the policy changes, timely adjust and optimize the internal systems and measures to make sure that they always comply with the latest regulatory requirements.

We have established and improved the hierarchical environmental management organization to clarify the responsibilities and authorities of each department. In 2024, Topband updated the Comprehensive Management Manual to future refine the management organization and the responsibilities and authorities of each department. The President takes full charge of the Company's environmental management to ensure the efficient promotion of the environmental management strategies from design to implementation; the President Office organizes regular reviews of the environmental management system to identify the internal and external environmental factors and the needs and expectations of the interested parties, accurately evaluate the environment-related risks and opportunities and formulate measures to address them; the Administration Department and Manufacturing Center play a key role in promoting the Company's environmental performance from the construction of the system, production management, emission monitoring and other aspects, regularly carry out internal audit to make sure that the system certification covers all operating sites and that the environmental management is quantitative and controllable.



Topband makes clear environmental indicators and action plans every year based on its actual operations, relevant regulations and customer requirements, with reference to policy guidance and best industry practices. The Company summarizes and evaluates the achievement of the annual environmental objectives at the end of each fiscal year, providing data support and decision-making basis for continuous improvement of environmental management.

During the Reporting Period, Topband passed ISO14001 Environment Management System Certification and QC080000 Hazardous Substance Process Management Certification; Huizhou Topband gained Five-Star Rating on Green Supply Chain Assessment and green enterprise certification.

Environment Management System Certification (ISO 14001)



Topband Environment Management System Certification

Huizhou Topband Environment Management System Certification

Hazardous Substance Process Management Certification (QC 080000)



Topband Hazardous Substance Process Management Certification

Huizhou Topband Hazardous Substance Process Management Certification



Huizhou Topband Certificate of Five-Star Rating on Green Supply Chain Assessment



Huizhou Topband Certificate of Green Enterprise

The Company attaches great importance to environmental risk prevention and control and manages environmental risks in a systematic and scientific manner. We have formulated internal system documents such as the Environmental Analysis and Risk and Opportunity Control Procedure, the Identification of Internal and External Environmental Factors and the Risk and Opportunity Evaluation and Response Planning to fully identify the internal and external environmental factors, accurately assess the potential environmental risks and opportunities and take countermeasures in a scientific manner.

We have also formulated the Emergency Response Plan for Environment Emergencies and filed at the environmental protection department in accordance with relevant regulations. The plan covers critical aspects such as risk assessment, emergency response process and post-event recovery to ensure that the Company can respond quickly and efficiently in case of environmental emergencies to minimize the impact on the environment and people. Besides, we have conducted emergency drills on chemical and hazardous waste leakage every year to continuously improve the emergency response capability for environmental emergencies. During the Reporting Period, no major environmental events occurred to the Company and no administrative penalties were imposed on the Company for environmental management.

Topband extends environmental management requirements to the supply chain to enhance the environmental friendliness of the supply chain. We have formulated the Control Procedure for Environmental and Safety Management of Interested Parties to specify the requirements for environmental and safety management and encourage the interested parties to actively carry out environmental and safety management. By signing the Agreement on Environment and Occupational Health and Safety of Interested Parties with Interested Parties such as suppliers, construction contractors, logistics companies and recycling companies, the Company ensures that their activities comply with the laws, regulations and standards, thereby effectively managing the supply chain environment and the occupational health and safety risks.

The Company strengthens the suppliers' environmental management and integrates environmental performance into the supplier audit. Environmental protection specialist positions are arranged, and material-based environmental records are maintained. The incoming materials of suppliers are tested on a regular basis to ensure that the materials meet the environmental requirements. The Company, on this basis, actively supports the environmental management needs of the clients and extends environmental responsibilities throughout the whole chain from the upstream suppliers to the downstream customers. The Company's component engineering department collaborates with the supply chain and the environmental protection specialists of each business unit to investigate the use of harmful substances and conflict minerals in various divisions, and upload the relevant information to customer's environmental protection system to improve the environmental management performance in the supply chain of customers.

1.1.2 Green culture construction

Topband is committed to promoting the construction of green culture by creating a green office environment and carrying out environmental protection training to integrate the green concept into daily operations and raise the employees' awareness of environmental protection and enthusiasm, making environmental protection become an important part of the corporate culture.

● **Green office**

Topband actively implements the concept of green office and optimizes the office environment to promote the construction and development of green office culture. Paperless office was promoted to reduce paper consumption; recycling of resources was strengthened to improve resource utilization; energy conservation transformation was promoted to implement energy efficient lighting and air conditioning management; water saving equipment were installed to reduce the waste of water resources; low-carbon travel was advocated to encourage employees to commute in an environmentally-friendly manner.

<p>Paperless office</p>	<ul style="list-style-type: none"> • Paper process exception forms and equipment maintenance records were replaced with electronic ones; • Hand towels at hand washing stations were removed, and handkerchiefs were distributed to employees.
<p>Recycling of resources</p>	<ul style="list-style-type: none"> • A paper and plastic waste sorting station and waste clothing recycling bin were set up; • Recycling of computers was carried out to extend the service life; • Recycling of waste batteries was carried out to reduce environmental pollution; • Recycling of office desks and chairs was carried out reduce waste of resources; • A stationery sharing desk was set up to enable the cross-department circulation and recycling of office supplies and production consumables that are still in their life cycle as evaluated.
<p>Energy conservation</p>	<ul style="list-style-type: none"> • Traditional lamps were replaced with LED energy-saving lamps; • A system for the use of centralized and independent air conditioners was developed, with clear responsibilities and rules for switching on and off the air conditioners.
<p>Water conservation</p>	<ul style="list-style-type: none"> • Water-saving faucets, toilets, appliances and sensors were installed; • Bottled water was replaced with tea for receiving guests to reduce water waste while effectively reducing the plastic waste from bottled water.
<p>Low-carbon travel</p>	<ul style="list-style-type: none"> • New energy vehicles replaced fuel vehicles as routine transportation vehicles and commuter buses; • Charging piles for new energy vehicles were installed in the park.

● Training for environmental protection

Topband carries out a variety of environmental protection training to effectively enhance the environmental awareness and practical ability of employees. The Company has constructed a three-level (company, workshop and shift) training system to provide regular environmental protection training for new employees and transferred employees. The training covers the basic knowledge of hazardous waste, relevant laws, regulations and standards, management systems and operating procedures of the Company, the proper use and maintenance of PPE/supplies, and emergency rescue measures in case of an accident.

In 2024, Topband organized a series of environmental protection training activities according to the actual situation and needs of the Company. Shenzhen Topband carried out "Low-carbon Life" theme activities, including green travel, bringing coffee cups, sharing every saving tips and donating clothes, to effectively stimulate employees' enthusiasm for environmental protection; Ningbo Topband carried out ISO 14001 Environment Management System related training to strengthen the employees' understanding of environmental management standards; Nantong Topband carried out training on waste sorting and hazardous waste disposal to improve the employees' skills in environmental protection; Ninghui Topband carried out training on disposal of hazardous waste and emergency drills on cleaning of hazardous waste warehouse and liquid waste leakage to enhance the employees' ability to respond to environmental emergencies.



**Environmental Protection Training of
Ningbo Topband**



**Environmental Protection Training of
Nantong Topband**



**Environmental Protection Training of
Ninghui Topband**

1.2 Combat with Climate Change

Under the severe situation of global warming, combating with climate change has become the common responsibility of all mankind. Under this background, Topband is exploring the "path to realize low-carbon manufacturing". It put forward the climate action strategies and measures of "increasing energy efficiency + increasing new energy" and "industrial carbon reduction + conservation for carbon reduction", and the strategic goal of "creating carbon-neutral parks, zero-carbon factories and green products" to actively contribute to global climate governance.

"Two increases" - energy efficiency increase and new energy increase

The first increase is to improve the energy efficiency. The Company accelerates product upgrade through low inventory and manufacturing collaboration, and reduce carbon emissions in the production by improving process management, utilizing low-carbon raw materials and conducting low-carbon treatment of high-carbon energy.

The second increase refers to developing non-fossil energy, including solar energy, hydro energy, wind energy, biogas, hydrogen energy and bioenergy. Topband takes PV as the main entry point of utilizing non-fossil energy, and has installed PV roofs in Shenzhen, Huizhou and Ningbo Parks.

"Two reductions" - industrial carbon reduction and conservation for carbon reduction

Industrial carbon reduction refers to optimizing and upgrading the industrial structure. Topband invests in the layout of businesses including intelligent energy and intelligent driving LiDAR, technology platforms including converter technology, lithium battery technology and integrated control system, and green operations including production automation, industry automation and green transportation to optimize and upgrade the industrial structure.

Conservation for carbon reduction means developing low-carbon culture. Resource recycling, paperless office, green business, energy saving in office, adoption of low-energy equipment and energy-saving and water-saving equipment, and the increase of green plants within the Company are promoted.

1.2.1 Greenhouse gas management

In accordance with the Guidance for Quantification and Reporting of the Organization's Greenhouse Gas Emissions (SZDB/Z 69-2018), the Guidance for Verification of the Organization's Greenhouse Gas Emissions (SZDB/Z 70-2018), the Technical Points for Carbon Emission Verification of Carbon Trading Controlled Organizations in Shenzhen, and the laws, regulations, and norms applicable to the places where the Company's production bases are located, the Company annually verifies the greenhouse gas emissions in Scope 1 and Scope 2 within the organizational boundary and reporting boundary, and then employs a qualified third-party agency or uses the qualified third-party agency employed by the government to verify the results. The greenhouse gas involved in the verification is carbon dioxide.

Paperless office	2022	2023	2024
Total emissions (tCO ₂ e) - Shenzhen Plant	12,064.00	13,690.03	15,421.36
Total emissions (tCO ₂ e) - Huizhou Plant	34,078.97	/	28,123.96
Total greenhouse gas emissions (tCO ₂ e)	46,142.97	13,690.03	43,545.32
Scope 1: Direct emissions (tCO ₂ e)	286.88	123.03	767.63
Scope 2: Indirect emissions (tCO ₂ e)	45,856.09	13,567.00	42,777.69

Note: The data covers all activities related to CO₂ emissions in production areas, office areas and living areas of Topband, Shiyuan Branch and the wholly-owned subsidiaries registered in Shiyuan, Shenzhen, and Huizhou Topband. The greenhouse gas emission data in 2024 is preliminary data, and the final data shall be subject to approval by the Bureau of Ecology and Environment.

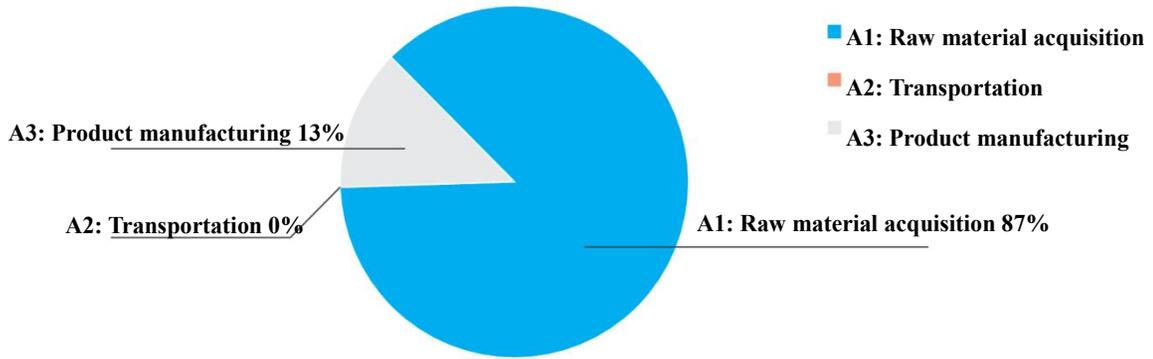
Category	Subcategory	Emission source	Emissions (tCO ₂ e)	Quantitative methods and formulas
Scope 1 Direct emissions	Fuel combustion	Natural gas	154.77	Emission factor method: CO ₂ emissions from natural gas = Emission factor * Natural gas consumption * GWP value
		Gasoline	0	-
		Diesel	69.27	Emission factor method: Diesel CO ₂ emissions = emission factor * diesel consumption * GWP value
		Methane (CH ₄)	400.82	Emission factor method: CO ₂ emissions from methane = Emission factor * Methane consumption * GWP value
		WD-40 Anti-rust oil (CO ₂)	0.02	Emission factor method: CO ₂ emissions = Emission factor * Consumption * GWP value
		HFC-227ea	133.85	Emission factor method: CO ₂ emissions from HFC-227ea= Emission factor * HFC-227ea consumption * GWP value
		Refrigeration plant (Refrigerant R134a, R23, R32, R410, R410a)	8.90	Emission factor method: CO ₂ emissions from refrigerant = Emission factor * Refrigerant consumption * GWP value
Scope 2 Indirect emissions	Outsourced electricity	Power/all electrical facilities	42,777.7	Emission factor method: CO ₂ emissions from outsourced electricity = Outsourced electricity consumed * Emission factor * GWP value

Note: Emissions factors are from the appendix to Guidance for Quantification and Reporting of the Organization's Greenhouse Gas Emissions (SZDB/Z 69-2018)

Topband focuses not only on the management of greenhouse gas emissions at the organizational level, but also on the quantification and control of product carbon footprint, aiming to achieve refined management of greenhouse gas management throughout the chain. The Company employs a qualified third-party agency to conduct quantitative calculation, assessment and verification of carbon emissions of some products over the half life cycle in accordance with standards including the Greenhouse Gases - Carbon Footprint of Products - Requirements and Guidelines for Quantification (ISO 14067:2018), the Greenhouse Gases - Carbon Footprint of Products - Requirements and Guidelines for Quantification (GB/T 24067—2024), the Technical Requirements for Carbon Footprint Assessment of Lithium Battery Cell (T/SQIA 059—2023) and Technical Requirements for Carbon Footprint Assessment of Power Adapter (T/SQIA 091—2023). In 2024, the charging equipment was certified as a green and low-carbon product, and many products obtained the carbon footprint certification in the Greater Bay Area, such as the 30Ah LFP lithium-ion battery and energy storage battery management system.

Case: Topband Carried Out Carbon Footprint Assessment of the Power Tool Controller Module

In recent years, the EU has continuously raised the environmental protection requirements and issued a series of directives related to sustainable development. In this context, our international clients are increasingly demanding carbon emission control. In 2024, in collaboration with the sustainability department of the clients, Topband investigated and assessed the carbon footprint of the power tool controller module as planned. According to the results, the carbon footprint of the product was 15.10kgCO₂e, 87% of which came from the stage of obtaining raw materials and 13% came from the stage of manufacturing. The carbon footprint of the product was significantly better than the international average.



Results of carbon footprint assessment of the power tool controller module



Green and low-carbon certification of charging equipment



High-power lithium battery adapter C750X



Energy storage battery management system BAU20C+BCU60M+BMU48P



Energy storage battery management system BAU20C+BCU60M+BMU52P



A number of Topband's products have obtained the carbon footprint certification in the Greater Bay Area

By continuously improving the carbon accounting and strengthening the green supply chain management, Topband gradually carried out the carbon footprint assessment throughout the product life cycle. At present, precise control and continuous optimization of the carbon footprint of the Company's core "storage" and "charging" low-carbon products are gradually realized. In 2024, six core products of the Company, including the high-power lithium battery adapter and energy storage battery management system, obtained the carbon footprint certification in the Greater Bay Area, with the scope of certification covering the whole life cycle of the product from raw materials purchasing, manufacturing, distribution to the end of the life cycle; the integrated DC charger obtained the green and low-carbon certification. These certifications not only reflect the leading position of Topband in the field of green and intelligent manufacturing, but also provide strong support for Topband to explore the international market. In the future, the Company will continue to optimize the carbon footprint management of products and drive low-carbon operations with technological innovation, making contributions to the realization of the "carbon peaking and carbon neutrality" goals.

1.2.2 Seizing climate opportunities

In recent years, the active actions are taken at home and abroad to deal with the looming climate crisis. The technology-driven greenhouse gas emission reduction and energy transition are regarded as a key path to achieve carbon neutrality. In this context, new energy application scenarios and demands continue to be expanded, bringing development opportunities for related enterprises.

As a leading enterprise in the industry, Topband actively grasp climate opportunities and regularly carries out internal sharing. Specifically, strategic departments and relevant organizations share industry trends and standard updates related to climate change, and integrate low-carbon and smart concepts into product development and design. At the same time, as a member of the Shenzhen Energy Storage Standardization Committee, Topband is actively involved in the development of new energy storage-related standards, contributing to the high-quality development of the industry.

With advantages as an intelligent control enterprise, the Company works together with downstream customers in the field of home appliances and tools to build a sustainable industrial chain covering raw material selection, design, production and other links for low-carbon and intelligent products. In the field of new energy, we cooperate closely with China Tower and other leading enterprises for a steady increase in the business scale; we also supply high quality and high performance products to markets such as lightweight power batteries, industrial vehicle batteries, and robotic batteries, establishing a good reputation in the industry.

In the future, Topband is expected to develop cost-effective products, build new business growth drivers, and achieve business development and environmental protection side by side by relying on close cooperation with leading customers in home appliances, tools, new energy, industrial control and other areas.

Case: Topband Explores New Environmentally-friendly PCB Materials to Help E-Waste Reduction and Sustainable Development

With the rapid upgrading of electronic products, 50 million tons of electronic products are discarded each year, and only a small amount of them were recycled. Since the e-waste contains a large number of harmful substances, such as heavy metals like lead, mercury and cadmium and organic pollutants like brominated flame retardants, random disposal or burning will cause serious harm to the environment and human health.

As a leading printed circuit board assembly (PCBA) manufacturing enterprise in China, Topband actively responds to this challenge and explores the application of new environmentally friendly PCB (printed circuit board) materials. Currently, a new type of PCB material made of plant fiber, non-toxic polymer and halogen-free flame retardant has appeared on the market. When immersed in 90°C water for 30min, the polymer dissolves and the natural fibers can be decomposed for composting, which means that 90% of the electronic components can be recycled. Compared with the traditional glass fiber substrate (FR-4), the carbon footprint of the new material is reduced from 17.7kg to 7.1kg. Now Topband is verifying the manufacturing process of this new material, and when the results are acceptable, the Company will gradually use the new material to reduce carbon emissions and environmental pollution.

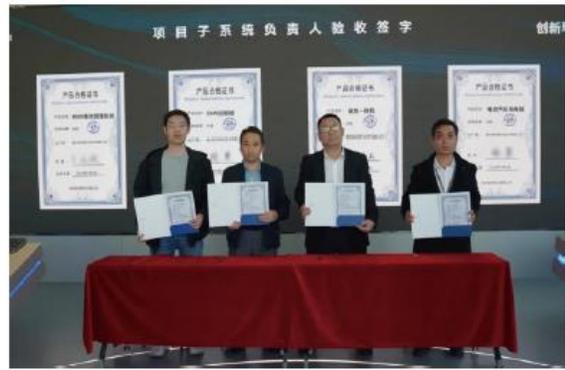
Case: Topband Developed the "Photovoltaic Power Generation, Energy Storage and Charging Cloud Platform" Micro-grid Project to Accelerate the Application of "Storage" and "Charging"

Topband adheres to the core values of "Agility·Innovation·Partnership", build core capabilities based on the customer needs and provide component and system solutions for smart energy customers with its core technology - Cell, Cloud Platform, BMS, PCS, and EMS (1C1C3S). In January 2024, the first self-developed "photovoltaic power generation, energy storage and charging cloud" micro-grid demonstration station in Huizhou Park was successfully delivered, showing the Topband's strength in core products and integrated solutions of "photovoltaic power generation, energy storage and charging cloud" micro-grid and the confidence of Topband in focusing "energy storage" and "charging" scenarios in the long run.

In the context of global energy transition and low-carbon economy, the concept of photovoltaic power generation, energy storage and charging solution has been rising day by day. The "photovoltaic power generation, energy storage and charging cloud" micro-grid project can effectively reduce energy costs and improve energy utilization through intelligent control and optimization of energy allocation, while providing users with more stable and reliable power supply. This project has built a 240kW DC charging pile, a 40kW DC charging pipe, eleven 7kW AC charging piles and two 100kW/215kWh energy storage integrated cabinets according to the actual application scenarios and daily operation requirements of Huizhou Topband Industrial Park. Besides, we also completed the reconstruction of 15 parking spaces for the new energy vehicles in the park.



Aerial View of Topband's First Self-developed "Photovoltaic Power Generation, Energy Storage and Charging Cloud" Micro-Grid Project



Signing of the Certificate of the "Photovoltaic Power Generation, Energy Storage and Charging Cloud" Micro-Grid Project

Case: Topband Grasps the "Carbon Peaking And Carbon Neutrality" Opportunities and Focuses on the Innovation in the Field of Intelligent Energy and Intelligent Vehicle

Since it entered the new energy field in 2010, Topband has focused on "energy storage" and "new energy vehicle" and accumulated core technologies consisting of Cell + Cloud Platform + BMS + PCS + EMS. It has provided diversified product solutions, including household energy storage, industrial and commercial energy storage, portable energy storage and charging and control of new energy vehicles, and conducted product upgrade and technology development as scheduled to support the green transformation of customers by marketization of advanced technologies.

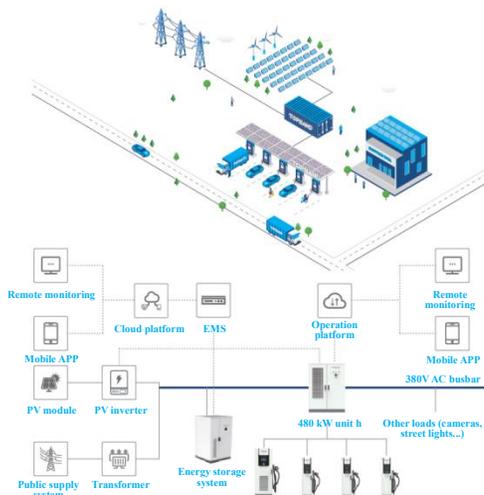
In 2024, Topband appeared at the third EESA Energy Storage Exhibition in Shanghai and showed its technology and strength in the field of new energy with the "1C1C3S" core technology system. During the exhibition, Topband exhibited a new generation of intelligent and safe lithium battery system based on edge cloud collaboration for the first time. This all-in-one system is compatible with a variety of protocols and can achieve cloud monitoring, online diagnosis and intelligent operation and maintenance. Topband also exhibited a series of innovative products such as the configured edge cloud collaboration based energy management system, MEGA liquid-cooling solutions, industrial and commercial photovoltaic power generation, energy storage and charging solutions, household photovoltaic power generation, energy storage and charging solutions and balcony micro storage solutions. These products and solutions reflect Topband's deep technology accumulation in the field of energy storage and show its extensive application capabilities in household, industrial and commercial and distributed energy storage scenarios. Topband consolidated its position as an innovation leader in the field of new energy through this exhibition.



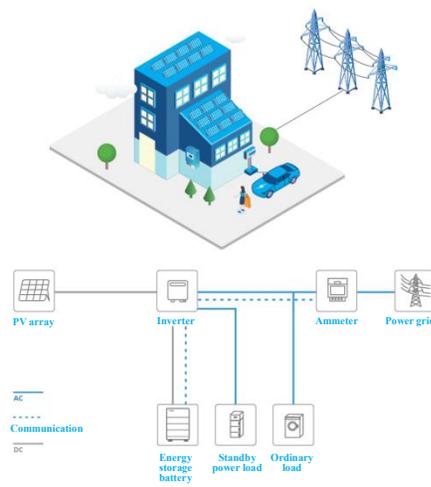
New Generation of Edge-Cloud Collaboration-based Intelligent and Safe Lithium Battery System



Topband's Configured Edge-Cloud Collaboration-based Energy Management System



Industrial and Commercial Photovoltaic Power Generation, Energy Storage and Charging Solution



Household Energy Storage Solution

1.3 Efficiently Use Resources

Topband was committed to achieving efficient and circular utilization of resources, strengthening the management of energy, water resources and materials, effectively reducing the waste of various resources, effectively cutting operating costs, and improving its comprehensive competitiveness in the market.

1.3.1 Optimizing energy management

Topband strictly abided by the Energy Conservation Law of the People's Republic of China and other national laws and regulations as well as applicable relevant laws, regulations and policy documents of regions where its global business is located, and established and improved a series of internal energy management systems such as the Measures for Assessment of Energy Target Management and the Energy Consumption Management System for Microelectronics Workshop, in order to effectively reduce energy consumption and improve energy utilization efficiency through systematic energy management. Each branch and each subsidiary formulated and implemented specific energy-saving measures and management regulations based on the guidelines and system requirements of the headquarters as well as their own actual situation. Among others, Shenzhen Topband formulated the General Provisions of Regulations on Management of Environmental Protection, Energy Conservation and Emission Reduction, the Regulations on Management of Environmental Protection, Energy Conservation and Emission Reduction, and the System for Inspection of Environmental Protection, Energy Conservation and Emission Reduction; Ningbo Topband and Nantong Topband formulated the System for Management of Energy-Saving Operation and the Regulations on Management of Energy-Saving Use of Hydropower.

Topband built an energy management architecture of corporate level and business unit level to ensure effective implementation and supervision of energy management strategies at all levels. Each branch and each subsidiary set up an energy leading group, with the president of the branch or subsidiary as the group leader and representatives from business units as group members, to be responsible for leading the assessment of energy targets and the special inspection of energy consumption. Each business unit set up a special energy management group. The group leader is responsible for coordinating company-level energy management tasks and the energy-saving work of departments; the representative of each department is responsible for the energy management of the department, covering energy-saving improvement in multiple aspects such as the production department, the quality department, the engineering department and the warehouse; the energy-saving inspection specialist is responsible for daily energy-saving inspection, including floor energy consumption management and monthly energy consumption inspection.

Topband implemented an energy-saving target responsibility assessment and evaluation system to effectively promote the achievement of its energy goals. In 2024, the Company formulated and implemented the Measures for Assessment of Energy Target Management, decomposed energy-saving targets issued by the energy-saving department of the government or formulated within the Company to departments (workshops) and working teams (working sections) level by level, and assessed and evaluated the completion of energy-saving targets. For departments with outstanding performance, the Company commended and rewarded them; for departments that failed to meet the standards, the Company requested them to analyze the causes and submit a rectification plan within a specified time to ensure continuous improvement.

Topband steadily advanced basic energy-saving work in energy consumption statistics and analysis, energy measurement, and energy audit. The Company fully utilized the data analysis function of the energy management platform, improved the list of high-power equipment, monitored the operating status of equipment through energy management cards, and ensured accurate control of energy use. At the same time, the Company actively carried out energy waste inspection, and accurately located and solved the energy waste problem through internal energy consumption statistics. In addition, the Company organized property, audit and finance departments and each business unit to conduct a special energy consumption inspection every month to comprehensively investigate potential energy consumption problems; the internal energy management group of the business unit took turns to conduct two special energy consumption inspections each month to ensure the implementation of energy-saving measures.

Energy-saving indicator	Achievement in 2024
Power consumption per RMB 10,000 of output value	<ul style="list-style-type: none"> The power consumption target for mature parks per RMB 10,000 of output value was an annual decrease of 4%; the actual achievement was a decrease of 17.67% compared to 2023. Shenzhen Topband's power consumption per RMB 10,000 of output value decreased by 12% compared to 2023. Huizhou Topband's power consumption per RMB 10,000 of output value decreased by 17.75% compared to 2023. The remaining parks under production expansion were not assessed temporarily as they were in the stage of increasing output value.
Optimization of control measures	<ul style="list-style-type: none"> Enhancement of control of equipment power consumption: The control of air conditioning temperature and lighting was optimized, air conditioning temperature in the office area was set to not lower than 25 °C strictly as required, and the lighting system in workshops and offices was finely managed; the use and shutdown process of key high-power equipment was standardized to avoid power waste caused by the long-term idling or standing-by of equipment. Optimization of production process and equipment configuration: By optimizing the production process, three high-frequency machines for a certain product were merged into one, effectively reducing the number of machines used. According to the calculation, up to 105,000 kWh of electricity can be saved every year by optimizing the equipment configuration. Application of intelligent control system: Intelligent control technology was introduced to achieve fine management of humidity and temperature in production and office spaces; air-conditioning terminals in workshops realized intelligent control, remote monitoring and operation were supported, and energy utilization efficiency was further optimized.
Equipment renewal and modernization	<ul style="list-style-type: none"> Upgrading of equipment in living and office areas: A central drinking water filtration system was used for water dispensers in staff dormitories, high-energy-consumption equipment was phased out, and equipment with first-class energy efficiency was used instead; the lighting system in the office area was optimized for energy saving, and floor lighting was reduced under the condition that the illuminance met production needs. Optimization of workshop equipment and ventilation system: Smoke purifiers were used to replace inefficient exhausting systems, separate control valves were added for soldering smoke purification, and cold air loss was reduced; air curtains were installed at the exit of workshops, and thermal insulation paper was installed on glass doors and windows to reduce cold air loss and heat transfer; the exhausting system was changed to a combination of timer and automatic variable-frequency control to further reduce energy consumption. Modification of heating equipment and thermal insulation: For all newly purchased heating equipment, thermal insulation structure was added as required to reduce the loss of heat energy of equipment and improve the refrigeration effect of air conditioning; for purchased old heating equipment such as wave soldering equipment, reflow soldering equipment, tunnel furnaces and ovens, simple thermal insulation treatment was carried out to reduce heat conduction and save air conditioning costs.
Energy recovery	<ul style="list-style-type: none"> Waste heat recovery: Ningbo Topband converted the high-temperature waste heat generated during the operation of the air compressor into hot water resources by an installed waste heat recovery device, and the recovered hot water was used for the supply of domestic hot water for employees. Condensate recovery: Nantong Topband recovered the waste heat of steam condensate to provide hot water for dormitory production staff, achieving efficient conversion and reuse of energy.
Use of renewable energy	<ul style="list-style-type: none"> Construction of "photovoltaic power generation + energy storage" green park: Solar panels were installed on the roof of production workshops to provide green energy support for the park's production and operations. The capacity of Shenzhen Topband's self-built photovoltaic power station was 240kWp. In 2024, the photovoltaic power output was 261,600kWh and for its own use only. The capacity of Huizhou Topband's self-built photovoltaic power station was 1,354kWp. In 2024, the photovoltaic power output was 1,384,420kWh, the residual electricity fed into the grid was 13,320kWh, and the photovoltaic power output accounted for about 2.5% of the annual power consumption. The capacity of Ningbo Topband's self-built photovoltaic power station was 1,479.089kWp. In 2024, the photovoltaic power output was 1,423,636.2kWh, the residual electricity fed into the grid was 101,520kWh, the self-use power consumption was 1,322,116.2kWh, and the photovoltaic power output accounted for about 19.62% of the park's power consumption.

Indicator	Unit	2022	2023	2024
Annual total energy consumption	MWh	91,938.48	100,971.70	129,865.79
Renewable energy power generation	MWh	460.74	2,239.00	4,311.47
Natural gas	m ³	98,235.00	215,907.00	141,846.00
Power consumption	MWh	90,642.64	80,764.60	127,207.85
Outsourced electricity	kWh	74,076.96	96,573.63	122,997.90

1.3.2 Strengthening water-saving management

Topband complied with domestic laws and regulations such as the Water Law of the People's Republic of China and the Regulations on Water Conservation, as well as applicable regulations in other regions where its global business is located, and was committed to the scientific management and efficient utilization of water resources. The Company ran the water-saving concept through the entire production and operation process, and improved the efficiency of water resource utilization and reduced water waste through a series of water-saving measures such as implementing water use monitoring and inspection, promoting sensor faucets, and posting water-saving signs.

Water use monitoring	<ul style="list-style-type: none"> The water consumption data was analyzed based on monthly meter reading records, the causes of water consumption differences were accurately located, and they were handled in time. Water-saving facilities, including faucet water savers, water-saving showers and sensor faucets, were regularly inspected and maintained, and water leaks were repaired in a timely manner.
Equipment upgrading	<ul style="list-style-type: none"> Water-saving showers or sensor faucets were used in the park to reduce the waste of water resources, which is expected to save about 4,000 cubic meters of water every year under ideal conditions. A central drinking water filtration system was used for water dispensers in dormitories to achieve water-saving and electricity-saving effects, which is expected to save about 8,500 kilowatt hours of electricity and 450 cubic meters of water per year.
Circular utilization of water	<ul style="list-style-type: none"> Ninghui Topband's production project was equipped with three circulating cooling towers to realize the circular utilization of cooling water.
Water-saving publicity	<ul style="list-style-type: none"> In the park, water-saving publicity activities were widely carried out and water-saving signs were posted to create a strong water-saving atmosphere.

Indicator	Unit	2022	2023	2024
Total water consumption	m ³	340,000	516,327	627,918
Decrease in water consumption per RMB 10,000 of output value	%	-	-	4.85

1.3.3 Promoting circular economy

In the context of China's vigorous promotion of the development of the circular economy, Topband actively responded to policy calls and deeply integrated resource recycling awareness into the lifecycle management of products. The Company followed the circular economy principles of "reduction, reuse and resource utilization", and was committed to reducing environmental pollution and improving resource utilization efficiency through measures such as optimizing product design and development, using environmentally friendly materials and promoting packaging improvement actions, thus contributing to the realization of the national circular economy development goals in the 14th Five-Year Plan.

● Green design

Topband was committed to building a sound green design and development management system, formulated a series of internal system documents such as the Design and Development Management Control Procedure, the Packaging Design Specification Management Control Document and the Microelectronics Scrapping Management System, and formed a cross-departmental development team including environmental protection specialists, in order to ensure that resource waste and environmental pollution were reduced from the source. From the stage of demand collection, we identified and integrated the requirements of environmental protection and safety specifications, ran them through the whole process of product design, process design and packaging design, and transferred them to the supply chain synchronously to promote the green transformation of the whole chain.

In the product design stage, Topband fully considered the charging and discharging efficiency, cycle life and environmental protection factors of batteries, and adopted an advanced battery management system to optimize the use of batteries and reduce waste and unnecessary replacement. At the same time, the system design paid attention to improving energy efficiency and reducing greenhouse gas emissions during product use. In the selection of raw materials, we fully considered environmental protection requirements, gave priority to non-toxic, harmless, recyclable or biodegradable materials, and avoided using materials containing harmful substances. During the coding and project approval process, environmental protection specialists reviewed the environmental protection information provided by suppliers and strictly controlled the environmental compliance of raw materials. The Company also produced recycled lithium products by recycling and reusing materials from lithium-ion batteries, thus improving the resource utilization efficiency and reducing the dependence on virgin mineral resources.

● Green production

Topband ensured the environmental protection and sustainability of the production process through technological innovation and fine management. The Company strictly controlled the production process, adopted environmentally friendly and energy-saving production technology, and comprehensively considered factors such as product realization, customer requirements, production capacity, quality and cost. For products with few solder joints, it gave priority to relatively energy-saving processes such as butt welding, laser welding, reflow soldering and soldering machines to replace traditional wave soldering processes, thus effectively reducing energy consumption and pollutant emissions. In addition, the Company established a strict mechanism of phased review and conducted detailed assessment of each key milestone in product development to ensure that all requirements were fully met. In terms of manufacturing process monitoring, high-risk processes were accurately identified and monitored to ensure a pollution-free production process. For example, a solder composition test was conducted for the wave soldering process every week, and the process inspector (IPQC) conducted inspection and confirmed whether test results met environmental protection requirements.

● Green packaging

Topband incorporated the concept of sustainability into packaging design, and specified environmental requirements for packaging materials in packaging design specifications. In the selection of packaging materials, we gave priority to materials with low environmental pollution to ensure that the content of hazardous substances in packaging materials met RoHS and REACH standards. In packaging design, we used less materials according to the principle of maximizing space utilization, and communicated with customers to use recyclable and sustainable packaging methods for shipment, such as blister materials and recyclable turnover boxes. During the Reporting Period, the Company carried out several actions to improve recyclable packaging and continued to promote the implementation of green packaging.

Case: Green transformation from partition and bubble bag to blister packaging

In 2024, the Company actively promoted the improvement of packaging to address the inefficiency and insufficient environmental protection of the traditional packaging method. Previously, the Company adopted the packaging method of partition + bubble bag, which not only resulted in low packaging efficiency, but also made it impossible to recycle partitions and bubble bags after product delivery, leading to resource waste and increased costs.

In order to improve packaging efficiency, meet environmental protection requirements and reduce manufacturing costs, the Company decided to change partition and bubble bag packaging to blister packaging. After rigorous prototype verification to ensure the reliability and applicability of the new packaging method, the solution was fully promoted to all products whose change was approved by domestic customers. The improvement significantly improved packaging operation efficiency and reduced packaging material costs. At the same time, the recyclability of blister packaging materials reduced the generation of waste, alleviated the impact on the environment, and achieved a win-win situation of economic and environmental protection benefits.



Partition + bubble bag packaging before improvement



Blister packaging after improvement

● Waste recycling

Topband focused on the environmental impact management of products at the end of their lifecycle, covering key links such as product recycling and scrapping. We collected solid wastes such as copper foil separately and handed them over to qualified manufacturers for standardized recycling to ensure efficient reuse of resources and environmental safety. In 2024, the Company collected and resold wastes such as component pins, miscellaneous wires, steel mesh, plastic, aluminum alloy and lamp bases, with the total resale income for the whole year reaching RMB 118,105.

In terms of overseas business, Topband also adhered to the principle of being responsible for the entire lifecycle of products and actively fulfilled its corporate environmental responsibilities. During the Reporting Period, Romania Topband followed relevant local laws, and set and achieved the goal of recycling 75% of paper packaging, 50% of plastic packaging and 25% of wooden packaging; Vietnam Topband also actively responded to local environmental protection policies, set the goal of handing over 100% of waste to qualified companies for recycling, and successfully achieved it.

1.4 Protect Ecological Environment

Topband attached great importance to pollution prevention and control and ecological protection, and actively practiced the concept of green development. We strictly controlled wastewater, waste gas and wastes to ensure their up-to-standard discharge and standardized treatment; we strengthened chemical management to ensure safe use; and we prevented noise pollution and reduced its impact on surrounding areas.

1.4.1 Management of three wastes

Through the scientific and standardized management of three wastes, Topband effectively controlled the environmental impact of wastewater, waste gas and solid waste generated in the production process, ensured their up-to-standard discharge and standardized treatment, and earnestly fulfilled its corporate environmental protection responsibilities.

● Management of wastewater discharge

Topband formulated internal systems such as the Emergency Control Procedures for Nonconforming Discharge of Wastewater from Wastewater Treatment Plants and the Management Guidelines for Wastewater Discharge, Exhaust Emissions and Noise in accordance with the Emission Limits of Water Pollutants (DB 44/26-2001), the Integrated Wastewater Discharge Standard (GB 8978-1996), the Wastewater Quality Standards for Discharge into Municipal Sewers (GB/T 31962-2015) and applicable regulations in other regions where its global business is located.

Topband strictly monitored a number of key indicators in wastewater, including pH value, suspended solids, chemical oxygen demand (COD), ammonia nitrogen, total phosphorus, total nitrogen, and animal and vegetable oils. We implemented a classification-based treatment strategy for wastewater, and prohibited the mixing of industrial wastewater with domestic wastewater for treatment. Domestic wastewater flew into municipal pipelines and was discharged into the urban domestic wastewater treatment plant for centralized treatment. In addition, the Company arranged for a qualified organization to conduct domestic wastewater discharge indicator testing at least once a year to ensure that the wastewater was discharged as per standards.

Domestic wastewater	Industrial wastewater
It mainly involves toilet wastewater. It is discharged into the municipal pipeline network through the existing drainage pipes in the parks for treatment in the municipal wastewater treatment plant. Kitchen wastewater was filtered and discharged into the drainage pipeline of the industrial park. Nantong Topband and Ninghui Topband built a domestic wastewater treatment station to treat domestic wastewater within the plant area to reduce the impact of domestic wastewater on the municipal wastewater treatment system.	It is treated by a qualified third-party hazardous waste treatment agency for zero discharge of industrial wastewater. Nantong Topband and Ninghui Topband built a special wastewater treatment station for production wastewater to detect daily drainage data in real time and connect to the online monitoring system of the Environmental Protection Bureau in real time.

Topband's diverse wastewater management measures	
Management of rainwater discharge	<ul style="list-style-type: none"> • Strictly implement the separation of rainwater and wastewater, and strictly separate wastewater pipelines from rainwater pipelines; • New construction, reconstruction and expansion projects need to be equipped with rainwater drainage facilities to prevent untreated wastewater from being discharged into rainwater pipelines; • The Company's Administration Department organizes regular inspection of rainwater pipelines to ensure the normal operation of the drainage system; • The Company's Administration Department regularly contacts a qualified organization to inspect rainwater discharge at least once a year. If the inspection results do not meet the limits specified for environmental impact assessment, the Administration Department is responsible for identifying the causes and making improvements until the standards are met.

Topband's diverse wastewater management measures	
Standardization of wastewater treatment	<ul style="list-style-type: none"> • The canteen grease trap is regularly cleaned, and a filter is provided at the wastewater outlet to prevent oily wastewater from being discharged directly into the sewer without treatment; • It is prohibited to store garbage in the open air. Garbage shall be collected at designated locations to prevent wastewater from flowing into rainwater pipelines; • It is prohibited to wash vehicles in the Company to prevent oil stains from flowing into rainwater or wastewater pipelines; • The oil and chemicals dripping on the floor shall be wiped up with a rag, and it is forbidden to flush them with water into the sewer; • The wastewater generated by screen cleaning machines and cleaning equipment and tools shall be collected and handed over to a qualified environmental protection company for treatment.

Environmental objective for 2024	Actual performance in 2024	Achievement of objectives for 2024
The wastewater discharge compliance rate is 100%, without illegal, unauthorized or accidental discharge of wastewater.	100%	Achieved

Note: Target entities include Shenzhen Topband, Huizhou Topband, Ningbo Topband, Nantong Topband, Ninghui Topband, Topband Vietnam, Topband India, Topband Mexico and Topband Romania.

● **Exhaust emission management**

Topband strictly abided by the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution and relevant laws and regulations in places where its factories are located, and formulated internal systems such as the Management Regulations for Exhaust Emissions and the Control and Management Guidelines for Wastewater Discharge, Exhaust Emissions and Noise in accordance with the Integrated Emission Standard of Air Pollutants (GB 16297-1996), the Integrated Emission Standard of Volatile Organic Compounds for Stationary Pollution Sources (DB 442367-2022) (Guangdong), the Emission Limits of Air Pollutants (DB 4427-2001) (Guangdong), the Ambient Air Quality Standards (GB 3095-2012), the Emission Standards of Pollutants for Battery Industry (GB 30484-2013) and other standards and specifications, laying the system foundation of hazard-free exhaust treatment.

Waste gas pollutants involved in Topband's production and operation process mainly include volatile organic compounds (VOCs), non-methane total hydrocarbon concentration, particulate matter, and canteen fumes. In view of these different types of pollutants, the Company adopted a variety of treatment strategies based on their characteristics to ensure that waste gas emissions met standards.

Supporting facilities for waste gas treatment equipment	<ul style="list-style-type: none"> • Equipment with large waste gas emissions and great environmental impact shall be provided with exhaust gas treatment devices to ensure that waste gas emissions meet the requirements of laws and regulations; • All departments are required to take waste gas into consideration during project construction, reconstruction and expansion and install waste gas collection devices for pollution-producing equipment and facilities; • When the waste gas generating equipment is working, the waste gas collection device must be turned on, and direct discharge of waste gas is prohibited; • The waste gas generated at the production site is collected by the exhaust fan at the work site, and then discharged after being adsorbed by activated carbon in the waste gas treatment device on the roof of the factory building.
--	---

<p>Monitoring and management of waste gas</p>	<ul style="list-style-type: none"> • The monitoring/measurement organization is a qualified external organization. The Lithium Battery Business Unit hires an external testing organization with national accreditation qualifications at least twice a year to conduct monitoring; • The results of monitoring/measurement data are summarized to the Company's Administration Department, which fills in and publishes the monitoring data on the national pollution source platform, takes corrective measures for nonconforming phenomena, and tracks and manages them.
<p>Daily operation and maintenance and employee education</p>	<ul style="list-style-type: none"> • Spot checks are conducted on environmental protection equipment on time, and the activated carbon inside the environmental protection equipment used to absorb waste gas pollutants is regularly replaced; • The domestic waste gas generated in the Company's canteen is purified by the kitchen air purifier before being discharged; • Annual inspection is conducted on the Company's all vehicles to ensure that exhaust emissions meet legal and regulatory requirements; • The education of employees is strengthened, and the awareness of waste gas emission reduction is raised.

<p>Environmental objective for 2024</p>	<p>Actual performance in 2024</p>	<p>Achievement of objectives for 2024</p>
<p>The waste gas discharge compliance rate is 100%, without illegal, unauthorized or accidental discharge of waste gas.</p>	<p>100%</p>	<p>Achieved</p>

Note: Target entities include Huizhou Topband, Shenzhen Topband, Ningbo Topband, Nantong Topband, Ninghui Topband, Topband Vietnam, Topband India, Topband Mexico and Topband Romania.

Case: Enhancement of waste gas treatment in Topband's parks

Shenzhen Topband: Main pollutants in waste gas are VOCs, and regular testing is carried out every year to ensure that emissions meet standards. The production waste gas treatment facilities and production equipment were equipped with working condition monitoring instruments, with real-time monitoring simultaneously enabled to prevent the emission of untreated waste gas. In 2024, a set of waste gas treatment facilities were added, and the existing facilities were upgraded to improve treatment efficiency.

Huizhou Topband: Environmental protection facilities were set up according to environmental impact assessment requirements, activated carbon adsorption treatment was used for VOCs and particulate matter, and the process of spray adsorption + activated carbon adsorption was used for acid mist, in order to further improve the waste gas treatment process.

Nantong Topband: For the fugitive emission of particulate matter, the main method adopted is to add dust collection devices. By centralized collection, the external emission of particulate matter was reduced, and the diffusion of particulate matter was effectively controlled.

Ninghui Topband: Main pollutants in waste gas are particulate matter and non-methane total hydrocarbons. In 2024, a total of 8 exhaust stacks were installed, and measures such as "bag dust removal + activated carbon adsorption" were taken respectively to ensure up-to-standard waste gas emission after effective treatment.

● Waste management

Topband strictly abided by the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, the National Catalogue of Hazardous Wastes and other applicable laws, regulations and policy documents in regions where its global business is located, and formulated waste management systems such as the Waste Management System, the Environmentally Hazardous Waste Management System and the Hazardous Waste Management Regulations.

Topband was committed to reducing the generation of waste from the source. It introduced eco-friendly materials by upgrading production and technology, and adopted advanced technologies such as activated carbon adsorption, laser welding, and wash-free cast welding machines, so as to effectively reduce the waste generation rate. The Company's property management department is responsible for classifying and removing various types of garbage, and ensuring that special wastes (such as lamp tubes and batteries) and general wastes are separated and separately handed over to professional waste treatment stations for recycling, so as to achieve standardized waste management. For hazardous waste, the Company strictly followed the hazardous waste disposal process, collected them in a centralized manner and then handed them over to qualified third-party professional organizations for treatment; it commissioned general industrial solid waste to qualified manufacturers for harmless recycling.

Disposal of hazardous waste	<ul style="list-style-type: none"> • For the storage, utilization and transportation of hazardous waste, the Company has established a hazardous waste record management system, and arranged personnel to maintain the data on the hazardous waste management platform, fully understanding the types and quantities of hazardous waste. • During the collection, storage, utilization and transfer of hazardous waste, the Company set up accurate, obvious and eye-catching warning signs and signboards in accordance with the requirements of national standards, and classified hazardous waste strictly according to its characteristics. • The Company set up a special warehouse for the transfer of hazardous waste, which is managed and monitored in real time by specialized personnel. The hazardous waste at the end of its life cycle was handed over to a qualified supplier for decomposition and sorting every week to every 10 days. • The corresponding joint records of hazardous waste handling were properly kept to ensure that the quantity and types of hazardous waste handled were in accordance with those of the hazardous waste actually generated and stored.
------------------------------------	--

Environmental objective for 2024	Actual performance in 2024	Achievement of objectives for 2024
The hazardous waste treatment rate reaches 100%, without illegal, unauthorized or accidental discharge.	100%	Achieved
General solid waste is disposed of in compliance with regulations to ensure that there is no illegal, unauthorized or accidental discharge.	No violation of the law	Achieved

Note: Target entities include Shenzhen Topband, Huizhou Topband, Ningbo Topband, Nantong Topband, Ninghui Topband, Topband Vietnam, Topband India, Topband Mexico and Topband Romania.

Indicator	Unit	2022	2023	2024
Total weight of hazardous waste disposed	MT	815.466	933.45	938.78
Total weight of non-hazardous waste disposed	MT	402.85	1,825.00	2,204.71

Case: Nantong Topband conducted training on hazardous waste management

In 2024, Nantong Topband conducted systematic training of employees in relevant positions on the types, treatment processes and potential hazards of hazardous wastes. Through the training, employees fully mastered the key points of hazardous waste management, improved their environmental awareness and operational standardization, and provided strong support for the Company's standardized management of hazardous waste.



Nantong Topband's Training on Hazardous Waste Management

1.4.2 Management of chemicals

Topband strictly abided by the Regulations on Safety Management of Hazardous Chemicals, the Regulations on Management of Monitored Chemicals and relevant laws and regulations in places where its factories are located, and formulated documents such as the System for Management of Chemicals, the Specifications for Introduction and Management of Chemicals and the Procedure for Safety Management of Hazardous Chemicals to specify the full-process management requirements for chemicals from procurement, storage and use to disposal and ensure the standardization and institutionalization of chemical safety management. In 2024, the Company updated and revised the Procedure for Safety Management of Hazardous Chemicals, with signage requirements for hazardous chemicals and fire prevention added to further strengthen the management of the Company's purchase, storage and use of hazardous chemicals and prevent disasters and accidents such as fire, explosion and environmental pollution.

The Company constantly standardized the lifecycle management of chemicals, and was committed to eliminating the risk of chemical leakage and reducing potential threats to the environment and safety. At the same time, we actively applied chemical recovery technology to promote the recycling of solvents, save solvent resources, and reduce the potential environmental impact of solvent discharge. For example, advanced solvent evaporation liquid-cooling recycling technology was adopted for the NMP solvent to realize a recovery rate of over 90% for the cathode paste solvent.

<p>Purchase</p>	<ul style="list-style-type: none"> • All departments shall try to replace hazardous chemicals with non-hazardous chemicals in production processes or daily use; • All containers of hazardous chemicals entering the Company shall be labeled with the name of hazardous chemicals contained, potential hazards, etc. The label text must be easy-to-understand symbols or text, and the signs of hazardous materials or fire prevention are not allowed to be blocked.
------------------------	--

<p>Storage</p>	<ul style="list-style-type: none"> • Hazardous chemicals must be stored in special warehouses, special places or special storage cabinets and managed by specially assigned personnel; • Places where hazardous chemicals are stored must be equipped with firefighting facilities and lightning protection facilities; • Hazardous chemicals in large quantities or with a long period of storage must be placed in hazardous chemical warehouses. Departments may store small quantities of hazardous chemicals in temporary warehouses, but the storage volume must not exceed three days' usage. • Cofferdam facilities are set up in the chemical storage tank area, and a special pollutant discharge pool is installed in the hazardous chemical warehouse to ensure that chemical reagents leaked during the storage process can be effectively intercepted and collected to prevent their outflow and environmental pollution.
<p>Use</p>	<ul style="list-style-type: none"> • Chemicals are collected by the material clerk from the Company's chemical station according to actual production needs and stored in the workshop's chemical warehouse. The production line actually collects chemicals based on the work order usage and completes warehouse-in and warehouse-out registration; • Emergency flushing equipment is installed in all places where hazardous chemicals are used, and showers are installed in areas where corrosive and toxic chemicals are used; • Used waste shall not be dumped at will but be properly stored in special containers and recovered by designated cooperative organizations.
<p>Emergency response</p>	<ul style="list-style-type: none"> • An emergency drill for hazardous chemical leakage is conducted once a year to enhance employees' emergency response capabilities in the event of emergency leakage of hazardous chemicals; • Operators are regularly trained and assessed to ensure that they have necessary safety knowledge and skills; • Emergency response plans for work safety accidents are established, including on-site disposal plans for hazardous chemical leakage accidents; • Regular safety inspections and assessments are conducted at chemical storage and use sites to timely identify and eliminate safety hazards; • Safety protection articles and facilities, such as protective gloves, protective masks, leak-proof tanks and eyewash stations, are provided.

Environmental objective for 2024	Actual performance in 2024	Achievement of objectives for 2024
0 chemical leakage accidents.	0	Achieved

Note: Target entities include Shenzhen Topband, Huizhou Topband, Ningbo Topband, Nantong Topband, Ninghui Topband, Topband Vietnam, Topband India, Topband Mexico and Topband Romania.

1.4.3 Management of noise pollution

Topband followed relevant standards such as the Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008), formulated internal management systems such as the Measures for Management of Noise Control, the Control and Management Guidelines for Wastewater Discharge, Exhaust Emissions and Noise and the Control Procedure for Environmental and Safe Operation, and set management objectives for up-to-standard emission of noise at the boundary to effectively prevent noise pollution. The Company organizes at least once a year the monitoring of the noise emission, and hires external testing agencies with nationally recognized qualifications to carry out the monitoring to ensure that the noise at boundary is acceptable. In 2024, the Company formulated an annual noise testing plan, and conducted noise testing every quarter to ensure that test values were within the standard range.

The Company made reasonable arrangements for noise pollution sources, and took effective isolation, anti-vibration and noise reduction measures for key noise sources. We gave priority to installing sound insulation devices in workstations with high noise level. For example, ultrasonic welding machines were equipped with a semi-closed soundproof housing, and sound-absorbing cotton was installed inside the soundproof housing to further reduce noise transmission. In addition, we provided protective resources for all employees in noisy areas, and distributed noise-proof headphones to all employees at noise-generating workstations to ensure their hearing health.

Environmental objective for 2024	Achievement of objectives for 2024
The emission compliance rate of noise at the boundary is 100%, without illegal, unauthorized or accidental emissions of noise.	Achieved

Note: Target entities include Shenzhen Topband, Huizhou Topband, Ningbo Topband, Nantong Topband, Ninghui Topband, Topband Vietnam, Topband India, Topband Mexico and Topband Romania.

02

Innovation Navigates, Compassion Accompanies

Driven by technological innovation all along, Topband is committed to the field of intelligent control, actively develops efficient and low-carbon downstream application scenarios to provide innovative and sustainable solutions for customers, and ensures reliable delivery of products through strict implementation of the quality management system. While fulfilling its business mission, the Company adheres to the people-oriented approach, builds an inclusive organizational culture, and continues to enhance employees' sense of well-being and belonging through career development support, health management mechanisms and humanistic care initiatives.

2.1 Be Original in R&D to Pursue Excellent Quality

Topband regards R&D and innovation as the core driving force for industry progress, continues to increase investments in R&D, and accelerates the independent development and iterative upgrading of core technologies by building an open and collaborative innovation platform. With the goal of "zero defects", the Company has built a quality management system covering the whole life cycle of products to ensure the highest standards are met in each process.

2.1.1 Promotion of R&D and innovation

Based on the corporate values of "adhering to the value of technology, constantly making progress and pursuing excellence", Topband has built a full-chain R&D system covering basic researches, application development and cutting-edge researches. The Company has set up a number of specialized research departments, and promotes brainstorming among researchers in different fields to stimulate the innovation vitality through interdisciplinary collaboration mechanisms. The Company also actively integrates external resources by establishing strategic cooperation relations with universities, scientific research institutions and industrial chain partners, to create a collaborative innovation ecology for production, university, research and application.

In terms of the construction of the R&D management system, the Company has established a product development system with customer value as the core through the Integrated Product Development (IPD) model, and built an efficient and agile collaborative innovation mechanism through the three-dimensional collaboration of demand sensing, process collaboration and integrated development, which have significantly improved the innovation efficiency of product development, the response speed to the market and the business conversion efficiency.

To ensure the R&D efficiency, the Company has established a sound R&D management system, covering the whole process of product planning, project management, R&D testing, and results conversion. The Company has also formulated the Innovation and Incentive System to encourage continuous improvement and breakthrough innovation by employees through a target-oriented reward mechanism, and to create a technical and cultural atmosphere of full participation, openness and sharing.

Front office-Middle office-Back office Three-tier R&D Organization Structure	
Front office	A closely coordinated "iron triangle" formed by managers with solution responsibility (SR), accountant responsibility (AR) and fulfillment responsibility (FR) of each business unit (BU) to directly contact the market and customers.
Middle office	Composed of R&D centers of each business group (BG) to provide specialized product and technical platforms.
Back office	Composed of the central research institute to make preparatory development and reserves for common and core technologies required by future products and markets according to the strategies and product planning of the Company, BGs and BUs.

Indicator	Unit	2024
R&D personnel	Person	2,178
Proportion of R&D personnel	%	18.75
R&D investment	RMB ten thousand	95,210.53
Proportion of R&D input	%	9.07

In addition, as a member of the National Technical Committee on Household Automatic Controller of Standardization Administration of China, the KNX Standard Home and Building Control System, USB IF, the WiFi Alliance and the Wireless Power Consortium (WPC), Topband continues to output its own technical experiences and innovation results, and actively participates in the development and promotion of industry standards. In 2024, Topband participated in the formulation and revision of 11 national, industry and group standards, and four of the standards have been issued, including the Electromagnetic Compatibility Requirements for Home Appliances, Power Tools and Similar Apparatus - Part 1: Emission (GB 4343.1-2024), the Over-the-Air (OTA) Technical Requirements of Automatic Electric Controls for Household and Similar Use (GB/T 43964-2024), the General Safety Technical Requirements for Intelligent Speech Control (GB/T 43969-2024), the Household and Similar Refrigerating Appliances Computer Program Controls (GB/T 43689-2024), and has continuously promoted the development of normalization and standardization of the industry, improved the overall technical level and product quality of the industry and promoted the coordinated progress of the upstream and downstream industrial chains.



A Member of the National Technical Committee on Household Automatic Controller of Standardization Administration of China

Major Technological Breakthroughs and Industrial Applications

Cutting-edge power semiconductor technology in the world

The Research and Industrial Application of Highly Integrated Intelligent Power Semiconductor Chips and System Project, which the R&D team of Topband Electric HVAC Business Unit participated in, has reached the "international leading" level according to authoritative appraisal as the project can significantly improve the energy utilization efficiency and provide core technical support for fields such as intelligent home appliances, industrial control, etc.



Scientific and Technological Achievements Evaluation Certificate

BMS technology innovation, leading the energy storage safety

The battery management system (BMS) independently developed by Topband adopts advanced algorithms and dynamic control strategies to achieve real-time monitoring and optimal management of battery status, and has been widely applied in the fields of energy storage system, backup power, battery replacement and portable equipment. With its technological advantages, the Company won the 2024 Best Energy Storage BMS Supplier Award, demonstrating its market competitiveness.



2024 Best Energy Storage BMS Supplier Award

Green technological innovation and low-carbon practices

Strategic cooperation on new energy

Topband and the People's Government of Bao'an District, Shenzhen entered into a strategic cooperation framework agreement targeting carbon peaking and carbon neutrality and focusing on core fields such as integration of PV power generation system, energy storage equipment and charging station, low-carbon park construction and energy digital twin to promote the new energy industry agglomeration and the energy structure transformation.

Technological breakthrough for fuel-to-power transformation

Topband is working with Hunan University in the cooperation project of Motor Controller on Electric Forklifts to jointly develop motor controllers suitable for various types of electric forklifts to provide technical and product support for the fuel-to-power transformation of industrial machinery. It is expected that after the completion of the project, electric forklifts installed with the controller can save more than 80% of standard coal consumption and reduce pollutant emissions to 10%, assisting the low-carbon transformation of the construction machinery industry.

Green upgrading of power tools

Based on market demands, Topband has independently developed and launched products such as battery-powered portable threading machine, air pump, etc. as well as mechanical-electrical integration solutions to reduce the dependence of traditional tools on fossil energy.

2.1.2 Protection of intellectual property rights

Topband has always taken scientific and technological innovation as the core driving force to promote the transformation of technological achievements and the improvement of product competitiveness through a sound intellectual property management system and patent operation system, and has built a whole-process risk prevention and control mechanism to guarantee the business security and sustainable development. The Company has built a patent management platform to realize the digital management of the entire intellectual property process, covering the whole process from patent application, examination, authorization to maintenance, to ensure the traceability and information transparency of the process. With this platform, the Company can achieve efficient assignment of a process to external agencies with real-time information exchange, which greatly improves the collaboration and efficiency of patent management. In the meantime, inventors can view the application progress in real time, obtain the official notice and handle affairs at the earliest time possible on the platform, to ensure the smooth progress of patent application.

For new products, Topband has established a three-level risk prevention and control mechanism of prevention-monitoring-response to ensure the compliance and security of business. At the project application stage of new products, the Company searches and identifies potential infringement risks, and discusses and formulates avoidance plans or countermeasures with the R&D team to reduce the Company's risk of patent litigation. The Company also pays attention to the identification of intellectual property risks in contracts and conducts special examinations on key points in contracts to avoid from the source potential losses to the Company due to intellectual property issues in contracts. Moreover, the Company actively provides patent training for business departments to enhance employees' patent awareness and related professional knowledge and promote the improvement of the overall intellectual property protection level of the Company. Up to now, the Company has not been filed against any infringement litigation.

Focusing on the strategic direction and market demands of the Company, Topband promotes the closed-loop management of patents from planning to benefit realization. The Company has established and continuously improved the Patent Benefits Management System, and actively implemented the further development, planning and achievement transformation of patents for the new direction and new products of business departments. The Company also conducts in-depth searches on industry technology trends and competitors' patent planning and prepares technical gap reports and innovation suggestions on a regular basis to help the R&D team break through technical bottlenecks. In 2024, the patented product sales of the Company reached about RMB 1.268 billion, with an average gross profit of 32%.

Type	2024			
	Patent for invention	Utility model	Appearance	Total
New applications	111	145	81	337
Accumulative patent applications	1,270	1,844	442	3,556
New granted patents	149	108	66	323
Accumulative valid patents	413	1,510	332	2,255
Valid foreign patents in the current year	-	-	-	7
Accumulative foreign valid patents	-	-	-	27

2.1.3 Product quality assurance

In the whole life cycle management of products, Topband has formulated the Quality Manual, and ensures the reliability of product design and manufacturing through a systematic quality management system and innovative practices. At the product and process development stage, the Company comprehensively uses tools such as DFMEA (design failure mode and effects analysis), DFM (Design for manufacturability), simulation technology, APQP/IPD (advanced product quality planning/integrated product development), PPAP (production part approval procedure), etc. in combination with the staged review and experience reuse mechanism, to comprehensively identify and control quality risks. With professional laboratory resources, the Company verifies the quality of product design, process plan and devices in multiple dimensions to ensure the quality of development from the source.

Manufacturing quality management presents from supply chain and production process. The Company selects qualified suppliers through the SQM (Supplier Quality Management) system, and have professional IQC (Incoming Quality Control) teams plan material inspection items in advance with advanced equipment to effectively evade potential risks. In the production process, personnel at many positions such as QE (quality engineer), IPQC (input process quality control), OQC (outgoing quality control) and QA (quality assurance) cooperate to monitor the whole process of manufacturing, including process parameters, process stability and finished product quality. In 2024, the Company had no major liability incidents related to the safety and quality of products.

In terms of certification and compliance management, the Company has passed the certification of ISO 9001, IATF 16949, ISO 14001 systems, as well as the certification of the ISO 13485 Quality Management System for Medical Devices. In terms of products, the Company has passed multiple international certifications, including UL, CCC&CQC, CSA and ETL. In terms of environmental protection management and control, raw materials are purchased in strict accordance with the ROHS and REACH requirements, environmental protection engineers regularly collect annual effective environmental protection reports from suppliers, and the IQC team tests the environmental protection related parameters of incoming materials with XRF testing equipment to ensure that the materials meet the standards before they are used for production.



IATF 16949 Quality Management System Certificate



IATF 16949 Quality Management System Certificate



ISO 13485 Certification of Quality Management System for Medical Devices



ISO 9001 Quality Management System Certificate

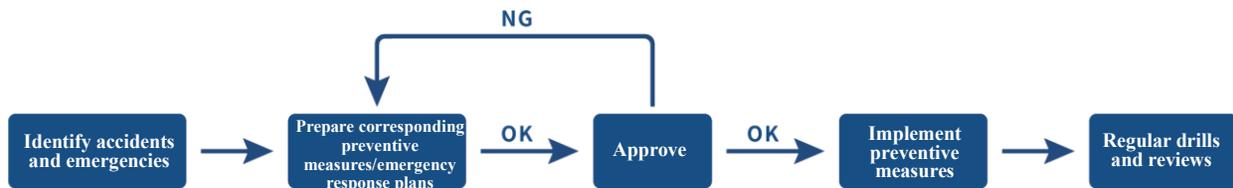


ISO 9001 Quality Management System Certificate



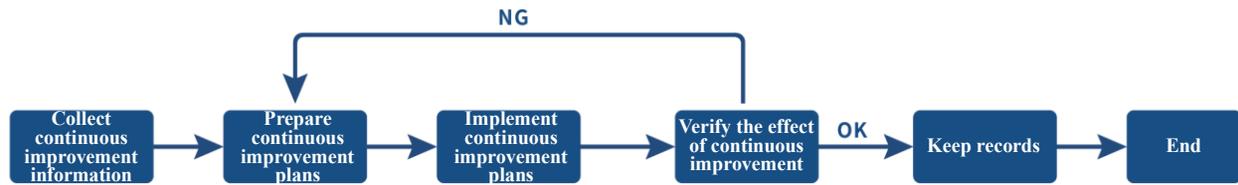
ISO 9001 Quality Management System Certificate

Risk management and business continuity guarantee are the core links of the quality management systems. The Company applies the LECD evaluation criteria to identify environmental factors and hazardous substance risks in design and production, and has formulated the Risk and Opportunity Control Procedure and the FMEA Control Procedure to strengthen preventive measures. By implementing the Emergency Plan Management Procedure and the Business Continuity Management Procedure, the Company systematically improves the ability to respond to emergencies to minimize potential losses.



Emergency Management Process Flow

Topband attaches importance to continuous improvement and technological innovation. The Company implements special quality improvement programs based on business plans and strategic plans (BP&SP), and identified 219 improvement opportunities through process audit in 2024 to promote the closed-loop optimization according to the Continuous Improvement Control Procedure. The Technological Innovation Team of the R&D Center and the Process Preparatory Development Team of the Manufacturing Center jointly explore breakthroughs in product and process design. In the quality month of each year, different forms of quality activities, such as training, case sharing and competition, are carried out to strengthen the quality awareness of all employees. In 2024, a total of 23 issues concerning quality culture publicity were released, with contents covering warning cases and responsibility investigation, to deepen the penetration of quality culture.



Continuous Improvement Process Flow

In order to build a long-term quality assurance mechanism, the Company standardizes the product development process with the APQP Management Procedure, and has formulated the Internal Review Management Procedure and the Management Review Control Procedure to ensure the suitability, adequacy and effectiveness of the quality management systems. The internal review mechanism covers the IATF 16949 and ISO 13485 standards to facilitate the continuous monitoring of the effectiveness of the quality systems combined with process review, product review and management review. For tiered quality training and electronic process monitoring for new and old employees, the quality talent base and implementation standardization are further enhanced to provide systematic support for high-quality delivery throughout the life cycle of products.

Case: Topband Quality Activities in 2024

The 2024 Topband Global Quality Month activities, including quality training, knowledge contest, case evaluation and promotion, were organized for all the employees in October and November to strengthen the quality awareness; during the activities, all departments implemented the concept of "quality first" by making an oath, practical operation training, cross-departmental cooperation, etc., and finally effectively improved the process control ability and customer satisfaction, laying the foundation for continuous optimization of product quality.



Quality Activity Planning



Quality Activity Training



Evaluation of Excellent Quality Cases

2.1.4 Protection of product safety

Product safety is one of the core commitments of Topband's corporate responsibility. The Company has always integrated user health, environmental sustainability and social trust into product life cycle management, and built a multi-dimensional safety protection system through systematic design, dynamic monitoring and the full-chain emergency response mechanism.

Safety is the principal factor considered by the Company in the design and development phase of products. The Company uses high-quality materials that are resistant to high temperature, corrosion and aging as the criterion for selecting key components to ensure the stable operation of products under extreme temperatures, humidity or chemical environments. Through modular topological architecture design, the Company breaks down complex systems into independent functional modules to reduce risks of coupling failures while improving the maintainability and traceability of products. For high-load scenarios, the R&D team innovatively adopts a multi-layer cooling structure design to ensure that the temperature rise of equipment is always within the safe threshold during prolonged operation.

Products are verified for electrical property, environmental adaptability and durability by a three-level test system before they are marketed. When testing the electrical safety, the key indicators such as insulation resistance, withstand voltage strength and leakage current are tested to ensure that the products meet the national standards and standards applicable in the export market. During the environmental adaptability test, various environmental conditions such as high-/low-temperature environment and humid environment are simulated to verify the stability of products in actual scenarios. To guarantee the long-term reliability, the Company carries out the full-load aging and other tests to ensure the safety and reliability of products in their full life cycle.

Topband integrates the intelligent safety monitoring system in the products to monitor in real time based on the key parameters such as voltage, current, temperature, etc., to ensure the rapid identification of abnormal scenarios. The products are built in with multiple protection mechanisms for over-voltage, over-current, short circuit, over-temperature and leakage, to automatically prevent common failures of equipment. The Company has also established a compliance certification system covering the global market, and its products have passed CE, UL and other internationally recognized certifications, and dynamically tracks the latest standards of target markets to ensure regulatory compliance. To reduce manmade risks, the Company provides detailed user manuals, and empowers cooperative enterprises through customized training, to effectively reduce the misoperation rate of users.

In addition, for defective products, the Company has formulated the Product Recall Control Procedure and established a classified recall management system, which defines two types of recall situations: recall of Class 1 is for defective products that are not compliant with local and foreign regulations or may cause serious health risks (e.g. serious injury or death); recall of Class 2 is for products with non-safety defect that do not meet a functional performance standard. The recall process is initiated immediately upon the occurrence of a quality hazard in a delivered product, and the triggering conditions include the verification of customer complaints, the discovery of non-conforming batches on the market by internal inspections, and changes in technical regulations or emergencies affecting the compliance of a delivered product.

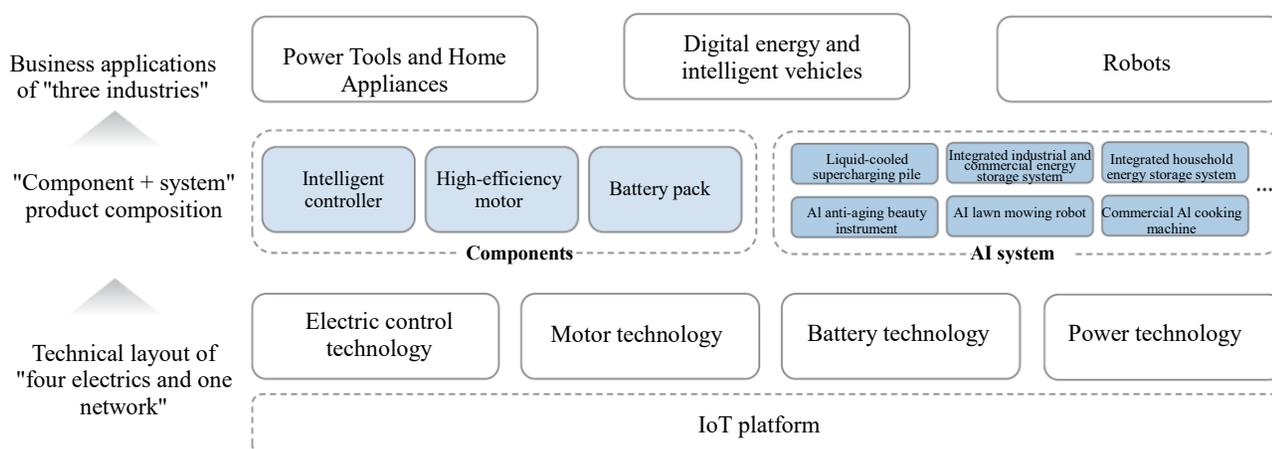
To recall a product, the root cause of defects shall be analyzed and corrective actions shall be developed, which shall be circulated internally and to the customer concerned. All recalled products shall be identified and isolated, those that need to be destroyed shall be destroyed under the supervision of the Quality Department, and the rest shall be repaired or scrapped according to the Nonconforming Product Control Procedure; the Company shall check the same type of products at the same time to eliminate potential risks. By strengthening quality control and supply chain coordination, the Company had no recall incidents in 2024, and will continue to optimize the early warning mechanism in the future to ensure the safety and controllability of products in the whole life cycle.

2.2 Optimize Service to Ensure Responsible Supply

Topband regards customer needs as the core, and has built a full life cycle service system deeply embedded with customer value chain through the efficient response mechanism, customized solutions and intelligent service tools. The supply chain management system actively built by the Company has promoted green procurement and fair trade practices, and created a transparent and sustainable industrial ecological chain.

2.2.1 Improvement of customer service

With the mission of "providing value to customers with intelligent control technology, to benefit all people", Topband has always placed customer needs at the core of its strategy and built a service system throughout the life cycle of products. With the "four electrics and one network" (electric control, motor, battery, power and IoT platform) technologies as the core technologies, the Company provide customized solutions to such industry sections as tools, home appliances, digital energy, intelligent vehicle, robot, etc. Through standardized process design, professional team support and differentiated service innovations, the Company continues to improve customer experiences and strengthen cooperation.



In terms of service concept and practice, the Company has established a closed-loop management system from communication to improvement with the Customer Complaint Handling Procedure as the framework. Routine communication with customers shall not only cover product information communication, contract performance and response to changes, but also lay emphasis on collecting customer feedback, including complaints and suggestions on products and services. For the key nodes such as customer property management and urgent requirements, the Company has developed standardized operating procedures to ensure transparent and efficient services. For example, the complaint handling is classified into three levels, i.e. general, serious and extraordinarily serious levels, according to the severity of problem, and the processing mode of "responding to customers within 4 hours, replying with interim measures within 1 working day, and replying with improvement reports within 3 working days" is implemented, where rapid and accurate countermeasures, complete elimination of losses and whole-process feedback are required.

Types of customer complaints	Deadline for providing emergency measures
General complaints	8H
Serious complaints	4H
Extraordinarily serious complaints	2H

To reduce the occurrence rate of customer complaints from the source, the Company drives service upgrading with technology. In the field of energy storage lithium batteries, the Company systematically improves product reliability through developing highly stable products with a long service life in combination with failure analysis, cross verification and problem recurrence. In the pre-sales stage, our professional team provides in-depth consultation for customers to help them accurately match their needs; after sales, tools such as the 8D Analysis Report are used to quickly identify problems and promote improvements in a closed loop. In 2024, the customer satisfaction for services was improved on the whole. Moreover, the Company provides customer trainings and technical supports on a regular basis to empower customers to improve the product availability and extend the value period.

In terms of service innovation, the Company creates differentiation advantages through the strategy of rapid response + resource customization + technology empowerment. For strategic customers, dedicated account managers are assigned to achieve one-to-one service to ensure seamless integration with customer needs; with the help of remote monitoring technology, the operating condition of the energy storage system can be traced in real time for proactive prediction of risks and intervention for maintenance, to guarantee the stability of the system to the greatest extent. In the face of individualized needs, the Company breaks through the boundaries of standardized services and provides end-to-end customized solutions from product adaptation to energy management to help customers achieve cost reduction and efficiency improvement.

Customer feedback is not only the start of service optimization, but also the source of the Company's competitiveness. Topband regards complaints and suggestions as an opportunity for improvement, and continuously upgrades the service system through the complete chain of problem identification - root cause analysis - implementation of measures - effect verification. In the future, the Company plans to deepen the application of digital tools, make researches on cutting-edge technologies such as AI intelligent diagnosis and predictive maintenance, and further consolidate the benchmark image of "agile service and value symbiosis" in the industry.

2.2.2 Strengthening the supply management

Topband has always regarded supply chain management as an important cornerstone for sustainable development of the Company, and promoted the comprehensive optimization of supply chain in the field of ESG by building a scientific and standardized management system. The Integrated Supply Chain Center is a core unit of the Company and subordinated by the Strategic Procurement Department, Customs & Logistics Department, Business Planning Department, and SQM and Digital Risk Control Department responsible for the implementation of specific affairs, forming a matrix collaborative network, to achieve the integration and efficient coordination of resources across various departments and bases. On this basis, the product line business partner (BP) mechanism is established for the product lines of various business units (BUs) to accurately identify business needs and operation difficulties, provide targeted support by coordinating internal and external resources, and ensure the flexibility and resilience of the supply chain system.

In terms of supplier access and full life cycle management, Topband has established a strict screening and classification mechanism. Intended suppliers shall sign the core documents, including the Quality Assurance Agreement, the Anti-Commercial Bribery Agreement, the Environmental and Occupational Health and Safety Agreement for Interested Parties, the Anti-terrorism Security Agreement, and the Letter of Guarantee for Environmental Compliance, to ensure that the obligations of both parties on quality, delivery, business ethics, environmental protection and social responsibility are clearly defined from the initial stage of cooperation.

The Procurement Department of the Company reviews the qualification of suppliers based on their classes, divides suppliers into Classes A/B/C/D in combination with the scoring results of their quality system, and includes the qualified ones in the List of Compliant Suppliers. For key raw materials, the Company further requires upstream suppliers to sign the Commitment Not to Use Conflict Minerals to strictly avoid ethical and environmental risks in the supply chain and respond to the international social responsibility standards.

Indicator	Unit	2024
Total number of suppliers (at the end of the Reporting Period)	Nr.	2,224
Number of suppliers in the Chinese mainland (at the end of the Reporting Period)	Nr.	2,031
Number of suppliers in Hong Kong, Macao and overseas regions (at the end of the Reporting Period)	Nr.	193
Total number of new suppliers	Nr.	862

To continuously improve the capability of suppliers, Topband implements a dynamic multi-dimensional evaluation mechanism. In accordance with the Supplier Monthly Performance Appraisal and Scoring Guidance, the business units evaluate suppliers quantitatively on a regular basis from the aspects of quality control, delivery timeliness, service response, etc., and reports the results to the management through the data sharing platform to promote the performance transparency and continuous improvement of suppliers. Meanwhile, the Company organizes an on-spot audit of qualified suppliers across departments and teams on a yearly basis, and the audit is led by a supplier quality engineer (SQE) to check the system operation, technical capability and social responsibility performance of suppliers together with procurement, engineering and other professionals, to promote the iterative upgrading of their management level.

In respect of compliance and sustainable development, Topband deeply integrates social responsibility and environmental protection into its supply chain management practices. The Company requires 100% of its suppliers to sign the ETI Basic Code and an Environmental and Occupational Health and Safety Agreement for Interested Parties to promise to comply with the international labor standards on prohibition of child labor, fair pay, reasonable working hours, and occupational health and safety, and incorporate environmental protection requirements into the mandatory terms of contracts. The Company has also formulated the Supplier Code of Conduct to clearly prohibit the use of conflict minerals and forced labor, and supervises the implementation of the Code through regular audits and surprise inspections. In the face of supply risks that may be caused by market fluctuations, policy adjustments and emergencies, the Company has established the Abnormal Material Cost Fluctuation Risk Response Mechanism to minimize the impact of supply chain disruptions on business through the closed-loop management of early warning, monitoring, rapid decision-making, collaborative execution, review and optimization.

Indicator	Unit	2024
Number of manufacturers that have conducted EIA	Nr.	105
Number of manufacturers that have conducted SIA	Nr.	105
Percentage of official manufacturers pass the ISO9001 certification	%	100

Topband is committed to building responsibility shared, transparent and mutual trusting cooperation relations with suppliers. The rights and obligations of both parties are clearly defined in the Supply Guarantee Agreement. While requiring suppliers to strictly perform the agreement, the Company commits to pay for goods in time as agreed, and actively negotiate solutions for overstocked products of suppliers due to decisions of the Company, to reflect the concept of fair and responsible procurement. The Company also implements the Procurement Data Confidentiality Management Standard to strictly protect the commercial information of suppliers and safeguard the rights and interests of partners. In terms of supply chain transparency construction, Topband continues to enhance the openness and credibility of suppliers on ESG issues such as environmental protection and labor rights through binding contract terms, regular information disclosure and third-party audit.

2.3 Protection of rights and interests and strengthening of care

Topband regards talents as the core competitiveness of the enterprise, attaches great importance to organization construction, and gathers talents with grand ambitions, sense of mission and internal drive, striving to create a working environment that is energetic and inclusive and enables continuous progress.

2.3.1 Employment, rights and interests of employees

Topband always adheres to legal and compliant employment management, strictly abides by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and the relevant labor laws and regulations of the region where the business is located, to ensure that all labor practices comply with international and local laws and standards. The Company firmly opposes all forms of forced labor and child labor and is committed to creating a fair, just and human rights respecting working environment. In order to further strengthen the prevention and management of forced labor, the Company has formulated the Forced Labor Management Procedure to definitely oppose forced labor. For the employment of child labor, the Company has formulated the Child Labor Prohibition Procedure and the Child Labor Relief Procedure to definitely prohibit the employment of child labor and provide remedial measures for possible child labor incidents.

In order to avoid any mistaken employment of child labor due to false age documents, Topband applies strict recruitment management measures to identify the age of candidates by effective ways such as face recognition and ID card information matching, and ensure that all employees meet the legal age requirements when being recruited by the Company. The Company also provides convenient reporting and feedback channels for employees, including audit and complaint channels and the Employee Experience Platform, to ensure the timely identification and effective handling of various illegal acts. In 2024, the Company further enhanced the training on human rights policies and procedures to ensure that each employee has a deep understanding of the Company's commitments and regulations on labor rights, anti-discrimination and human rights protection through the systematic training of all employees, so as to strictly abide by and implement all regulations in practical work.

The Company attaches great importance to the balanced distribution of talents in different regions, and the proportion of employees in Guangdong Province reached 30% in 2024, providing a solid talent base for future regional development of the Company. The Company not only strictly protects the rights and interests of employees at fixed positions, but also actively offers more jobs and creates flexible and informal jobs. During the Reporting Period, the Company successfully rehired nearly 10 retirees through the introduction of flexible employment policies such as reemployment of retirees, which fully reflects the importance the Company attaches to protecting the rights and interests of flexible and informal employees.

Indicator	Unit	2024
Number of total employees	Person	11,617
Number of employees by gender - Male	Person	6,664
Number of employees by gender - Female	Person	4,953
Percentage of male employees	%	57.36
Percentage of female employees	%	42.64

In 2024, in order to further improve the long-term incentive mechanism of the Company and attract and retain outstanding talents, Topband launched the Compound Employee Equity Incentive Plan, aiming to effectively mobilize the enthusiasm of the core team of the Company and realize the organic integration of shareholders' interests, corporate strategies and employees' personal interests. Under the premise of fully protecting the rights and interests of shareholders, the Company has launched two incentive measures, i.e. stock option and employee stock ownership plan, with a wide range of coverage, not limited to the management level in accordance with the Company Law, Securities Law, Management Measures, Self-discipline and Supervision Guidance and other relevant laws and regulations as well as the Articles of Association, and in the principle of matching income with contribution.

Case: Compound Employee Equity Incentive Plan

The Compound Employee Equity Incentive Plan aims to effectively mobilize the enthusiasm of the core team through a scientific and fair incentive mechanism, achieve a high degree of consistency between the interests of shareholders, the Company and employees, and jointly promote the realization of the Company's long-term strategic objectives.

Items	Stock Option Plan	Employee Stock Ownership Plan
Targeted object	Core technical and management personnel	Management level, BU president, etc. of the Company
Source of share	Buyback/additional issue of shares	All shares repurchased
Source of capitals	Self-raising by employees	Provision for incentive fund accrued by the Company
Range of coverage	1,050 employees at the core and key positions	No more than 50 employees at the core and key positions
Number granted	32.9 million stock options granted in total	5,181,200 shares granted in total

In order to ensure the fairness and rationality of the incentive measures, the Company hired a third-party intermediary to strictly control the risks in the grant price, configuration of assessment conditions, expense provision and other aspects of the equity incentive and Employee Stock Ownership Plan, and consulted the opinions of independent directors for many times, so as to achieve a high degree of consistency between the interests of employees, shareholders and the Company on the basis of protecting the rights and interests of small and medium-sized investors.

In 2024, Topband has continuously optimized the salary management system, formulated and implemented the employee salary management system, implemented differentiated salary band division for positions based on value assessment, built a salary grade development channel directly linked to the qualifications for the position, and formed a dynamic salary mechanism of "different salaries for the same position, and changes in salary with changes in position". For salary determination, the method of a combination of performance and qualification certification was adopted, a gradual salary adjustment strategy of "small steps and fast progress" was implemented, and on the premise of ensuring reasonable control of the total salary, department managers and the Human Resources Department jointly assess it. For overseas employees, the Company has revised the salary, welfare and holiday management measures, further refined the principles, time and process for the issuance of overseas allowances, improved the home leave policy, and clarified the attendance management standards to protect the rights and interests of overseas employees. Topband strictly fulfilled its responsibilities of paying employees' wages and social security, ensuring that all employees enjoy social insurance protection and building a solid welfare foundation for employees.

In terms of salary fairness and performance management, the Company has established an internal salary benchmarking system, which compares industry salary levels through external salary reports and combines internal salary data analysis to provide a basis for annual salary adjustment decisions, ensuring that salary levels are fair while being competitive in the market. The performance management system focused on organizational strategic goals, emphasized team collaboration and personal development, and ensured that individual performance is consistent with the Company's overall goals. Meanwhile, the Company has actively promoted the family welfare policy, including 15 days of paternity leave, 178 days of maternity leave and 1 hour of breastfeeding leave per day, to fully support the family needs of the employees.

Indicator	Unit	2024
Average pay gap between male and female employees (Percentage of average total hourly pay of female employees in average total hourly pay of male employees)	%	74.94

2.3.2 Employee care and communication

Topband attaches great importance to communication with employees, and actively improves the communication channels and mechanism. The Company regularly holds employee communication meetings every month, and has built an Employee Experience Platform where the employees can express their opinions and suggestions anytime and anywhere, and the Company makes targeted adjustments and improvements on a monthly basis according to feedback. Topband has established the labor union organization in Shenzhen and Huizhou to protect the rights and interests of the employees. In 2024, the Company received 545 suggestions from employees through the Employee Experience Platform and actively promoted the rectification and optimization. Ten employee communication meetings were also held throughout the year, in which, the problems proposed by employees were fully discussed and improved, and 248 practical issues involving the rights and interests of employees were successfully solved.

Topband developed five plans, namely Topband Ease Plan, Topband Development Plan, Topband Happiness Plan, Topband Love Plan and Topband Housing Plan, to show solicitude for employees all aspects of physical and mental growth. The welfare system covers all scenarios to reduce worries of employees.



"Topband" Ease Plan

- Social insurance and housing fund: endowment insurance, medical insurance, maternity insurance, employment injury insurance, unemployment insurance, and housing fund.
- Statutory holidays: annual leave, marriage leave, maternity leave/paternity leave, sick leave, funeral leave, etc.
- Supplementary leave: paid travel leave.
- Daily welfare: free shuttle, free dormitory, cheap canteen, welfare shop, afternoon tea, birthday cards and holiday gifts.
- Overseas benefits: overseas subsidies, home leave, personal accident insurance and family visit subsidies.

"Topband" Happiness Plan

- Interest associations: At present, all bases have more than 20 interest associations. Rich activities can be implemented for relax.
- Employee activities: Monthly organize colorful cultural activities, including fun sports game, fitness and weight loss activities, skill competition, sports carnival, summer parent-child summer camp, singing contest, e-sports competition, engineer's day, New Year party, etc.
- Festival activities: including guessing lantern riddles at the Lantern Festival, making Zongzi at the Dragon Boat Festival, garden party at the Mid-Autumn Festival, annual meeting at the Spring Festival, etc.
- Annual tourism/group construction: Tourism funds and group construction funds are provided. Recreational facilities: Free gym, dance room and children's amusement park are provided for employees, and activity venues such as basketball court, badminton court, ping pong room and billiard room are available.

"Topband" Housing Plan

- Public rental housing for talents: The Company can provide government-subsidized rental housing for talents in Shenzhen for employees.
- Hukou transfer: The Shenzhen Headquarter can provide hukou transfer and registration services for the employees who are eligible for transferring their hukou to Shenzhen.

"Topband" Growth Plan

- Internal cultivation: Different cultivation programs and management modules are set up for different stages of career, including new employee management (new recruits from school and society), professional skill training (R&D, sales, supply chain...), management of leaders of different levels.
- External learning: For those in need of external training, all or part of the training expenses can be reimbursed.
- Scholarship for education promotion: Encourage internal personnel in continuous education promotion, and give scholarships to those realize education promotion.
- Internal teaching reward: Build a complete internal training course system and an excellent lecturer team, and give corresponding rewards to lecturers engaged in development and teaching of courses.
- Talent recommendation reward: Encourage on-the-job employees and external personnel to introduce all kinds of talents to the Company, and reward them upon recommendation.

"Topband" Love Plan

- Periodic physical examination: Annually organize all employees to take physical examination, to help employees to better manage their physical health.
- Psychological care for EAP employees: Full-time psychological counselors are assigned, to provide free psychological counseling services for formal employees and their immediate family (parents, children and spouses), thus promoting physical and psychological health and improve happiness. In 2023, the EAP Center received a total of 431 employees and 40 immediate family members (parents, children and spouses) of employees for psychological counseling, with a total counseling time of 519 hours. In addition, 126 psychological trainings were organized for 5,070 employees, to effectively implement the Company's care of the employees and reduce their psychological risks.
- Employee experience care: An employee experience platform is set up, so that employees can put forward suggestions and ideas, and explore new demand for improvement of software and hardware.
- Love fund: When employees or their immediate family encounter serious diseases, accidents, emergencies, etc., they can apply for the Company's love fund, to help over the difficulties. In 2024, the Company appropriated RMB 460,000 to the Love Fund in total, accounting for 45.63% of the annual income of the Love Fund.

Topband is committed to creating a respectful and inclusive working atmosphere, taking the promotion of employee happiness as an important task, continuously promoting the cultural consistency among the bases in China, and actively carrying out work concerning fusion with foreign cultures, so that every employee can find a sense of belonging in Topband. The Company also has more than 20 associations, covering outdoor mountaineering, basketball, badminton, table tennis and other ball sports, as well as board games, English corner and other fields, to meet the after-work entertainment and learning needs of employees. In 2024, Topband organized 60 large-scale events and thousands of small-scale events in its parks and bases, focusing on creating a respectful and inclusive working atmosphere of the Company, building the sense of happiness of employees, promoting the cultural consistency among the bases in China, and carrying out work concerning fusion with foreign cultures.



Case: Topband 2024 Music Festival

In 2024, Topband held a music festival to create a platform for employees to release pressure and show themselves to enable them to enjoy the beauty of music after busy work. At the beginning of the event, 35 music lovers actively signed up, and 9 strong singers stood out after two rounds of auditions and sang with four music partners on the stage on November 13. Topband also plans to continue the music festival as a long-term conventional event and continuously enrich the content and form of the event to create more such warm and happy moments for employees.



Topband Music Festival

Case: Topband 2024 Mother's Day with the Theme of Collecting a Whiff of Fragrance, May Time Last Forever

On the Mother's Day in 2024, Topband, with the purpose of caring and supporting female employees who are mothers, organized an event for 2024 Mother's Day with the theme of Collecting a whiff of fragrance, May time last forever, including diversified activities in different parks such as giving out gifts for the Mother's Day, offline parent-child handicraft making and other colorful activities, to express respect and gratitude to all working mothers of the Company.

Topband Shenzhen Park: Bouquet DIY and drawing the image of mother

Topband Nantong Park: Experiencing the fabrication of circular fans on Mother's Day

Topband Ninghui Park: Giving exquisite presents to mothers; tea party for mothers

Topband Ningbo Park: Giving scarves to mothers as a gift



2024 Topband Mother's Day Event (Shenzhen Park)

Case: 2024 Topband Sports Carnival

The 2024 Topband Sports Carnival run from summer to November 28, with 300 employees participating in basketball, football, table tennis, badminton, billiards and outdoor yoga activities. This event not only provided a platform for the employees to show themselves, but also promoted the communication and cooperation among employees and enhanced team cohesion. The fighting spirit and the love for sports shown by the employees in the event have become a vivid embodiment of the corporate culture of Topband.



Badminton Game



Outdoor Yoga Activity



Table Tennis Game

Case: Topband Family Open Day

The 2024 Topband Summer Family Camp and Family Open Day events were successfully held in Shenzhen Park. The Summer Family Camp helped solve the worries of stay-at-home parents and enabled the employees to work with peace of mind. In the shuttle buses, the park, the canteen, the playground and other areas of Topband, you can often see the warm picture of children and their mothers walking and chatting together, and the parent-child relationship is more harmonious, making up for the parents' lack of child companionship due to work. The Family Open Day provided children with an opportunity to understand the work environment of their parents and visiting the exhibition hall and laboratory of the Company, and other activities organized during the event included flea market and charity contribution, parent-child adventure games, waste-recycling potted plant DIY, Shenzhen Wildlife Zoo sightseeing, etc. This event allowed the children to broaden their knowledge and enhance the relationship between parents and children.



Group Photos of Topband Summer Family Camp Event

Group Photos of Topband Family Open Day Event

2.4 Health care to promote the development

Topband adheres to promoting the deep integration of employee value and corporate sustainable development on the basis of safety culture empowered by talents development.

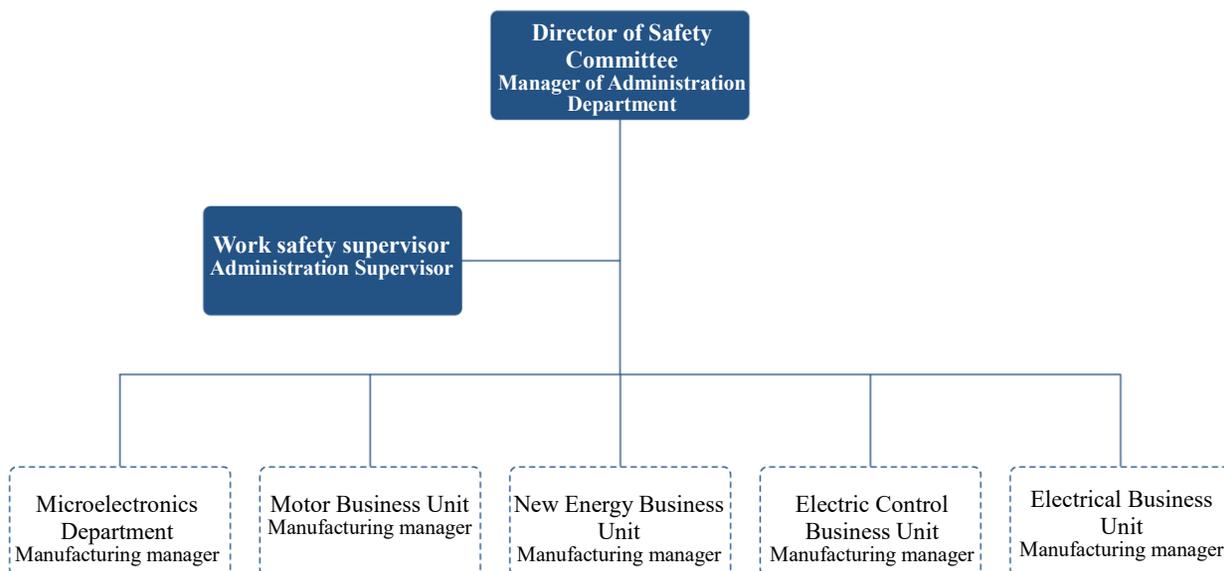
2.4.1 Occupational health and safety

Topband always regards employees' health and safety as the core of sustainable development of the enterprise, and has been building a safe and healthy working environment through systematic management systems and multi-dimensional preventive and control measures. The Company has established a sound occupational health and safety management system, formulated the Work Safety Management System, Work Safety Responsibility System, Hazard identification and Management System and other core systems, covering the whole process of risk prevention, responsibility implementation and labor protection, and passed the certification of ISO 45001 occupational health and safety management system to ensure standardized and procedure-based safety management work.

In November 2022, the Company established the Work Safety Management Committee ("Safety Committee"), which is the highest decision-making and enforcement division of the Company for safety management and comprehensively coordinates the work of work safety. The Safety Committee is chaired by the manager of the Administration department in charge of safety affairs, and the head of each business unit serves as a member. It holds regular meetings every quarter to review the implementation of safety regulations, annual targets and reward and punishment mechanisms, supervise the implementation of standardized safety management system, and lead accident investigation and rectification. The Safety Committee promotes the implementation of safety responsibilities by all departments through the quarterly inspection and assessment mechanism to ensure the breakdown and full coverage of safety management objectives at all levels and for all employees.



Topband ISO 45001 Occupational Health and Safety Management System Certificate



Organization Chart of Topband Work Safety Management Committee

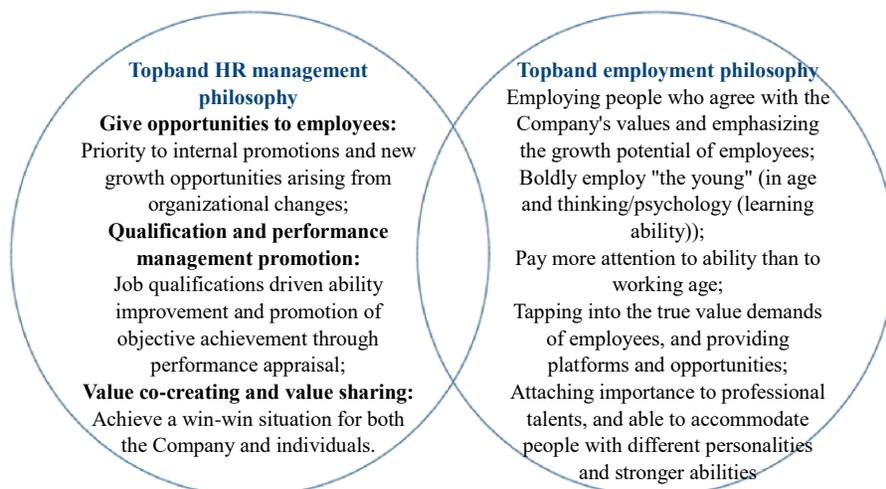
In view of occupational health risks, the Company implements full-cycle closed-loop management, regularly identifies occupational hazard factors in the workplace, has established the hazard identification and dynamic risk assessment mechanism, takes measures such as job mobility and special protective equipment allocation for high-risk positions, and allows safety management personnel to conduct on-site investigations and risk prevention in change of changes to the operating environment or process to ensure that the risks are controllable. The Company also implements a strict safety training system to strengthen the safety capacity building of all employees. New employees must receive the three-level safety training and pass the assessment before starting work. Front-line production employees receive no less than 20 minutes of special safety training every month, covering operating procedures, emergency response skills and occupational disease prevention knowledge, and early detection and early intervention of health risks is realized through occupational health examination.

In addition, the Company has formulated the Emergency Response Plan for Work Safety Related Accidents to clarify the key equipment and accident response protocol, and organizes practical drills on a regular basis. In 2024, two fire evacuation drills and one chemical leak emergency response drill were carried out to improve the self-rescue and mutual rescue ability and emergency response efficiency of employees by simulating real scenarios to ensure the operability of the plan. In order to improve the ability of disaster prevention, the Company has also established a rescue and disaster relief command system to strengthen the ability of rapid and collaborative response under emergencies, and minimize losses arising from accident.

The health and safety policies of Topband cover the work or activities of the Company related to various suppliers and subcontractors, and has formulated regulations such as Outsourced Construction Safety Management System and the Outsourced Service Provider Control Procedures to clarify the safety standards and supervision requirements of external partners working on the premises of the Company. The Company requires employees of outsourced service providers to receive safety training before entering the premises of the Company to ensure they fully understand and comply with the health and safety policies of the Company. In addition, the Company has established an effective supervision mechanism to ensure that their work conforms to the safety standards of the Company.

2.4.2 Development and diversity of employees

Topband adheres to the human resource management concept of "keeping individuals full of vitality and the organization always healthy", is committed to creating and sharing the value of the Company and employees by focusing on the needs of employees, providing development platforms and stimulating the internal drive of employees. Topband also follows the employment concept of "respect, inclusiveness, openness, equality, competition, and prioritizing", attaches importance to personal growth potentials, and identifies the real value demands of employees.



● Diversity and inclusiveness

The Company always regards it as an important mission to create a work environment with open communication, equal opportunities and respect for individual differences, and actively develops and implements the Anti-Discrimination Management Procedure to resolutely eliminate any form of discrimination, covering race, ethnicity, nationality, region, language, skin color, gender, sexual orientation and many other aspects. The Company strives to create an atmosphere free of bullying, harassment, harm and discrimination, and through disciplinary mechanisms and continuous education, constantly strengthens the enforcement of policies to ensure that every employee can work in a safe and comfortable environment.

In the recruitment and employment process, the Company adheres to the principles of fairness and transparency, and takes a series of proactive measures to attract diversified talents. The Company includes the training on diversity, equality and inclusiveness into the employee training system and adopts diversified training methods to constantly improve the understanding and cognition of employees on these concepts and help employees better integrate into the diversified atmosphere. Meanwhile, the Company carefully cultivates an inclusive and respectful corporate culture through multicultural activities, celebrations and a comprehensive publicity and education strategy, so that the concept of diversity and inclusiveness is deeply rooted in the hearts of all employees.

Case: Carry Forward China-Romania Friendship, Paint a New Chapter of Cooperation

Under the background of the 75th anniversary of the establishment of diplomatic relations between China and Romania, the European factory set up by Topband in Romania has successfully built an efficient and collaborative international team with a diverse and inclusive corporate culture, becoming an excellent practice case of global management for Chinese enterprises. Through the cultural integration mechanism, the factory has realized the deep integration of local wisdom and Chinese experience: with a deep understanding of the European market, the Romanian team has deeply participated in the optimization of the production process and proposed an improvement plan in line with the characteristics of the European market; the Chinese team has introduced intelligent manufacturing experiences to promote the efficient certification of the ISO14001, ISO45001 and ISO9001 systems. This innovative practice enabled the factory to be named one of the "Top 10 Best Companies for Organizational Culture and Best Employers" in Timisoara, Romania in its second year of operation.

The European factory of Topband regards cultural differences as a source of innovation and builds a platform for communication through traditional festivals of China and Romania. Employees were organized to experience Zongzi making during the Dragon Boat Festival, Romanian employees performed Chinese songs at the Spring Festival Gala, and moreover, the Company integrated local traditional music into cultural activities, to establish cultural resonance between the Chinese expatriate employees and 83% of the local team. The factory has also innovatively set up a "cross-cultural learning circle" to encourage Chinese and Romanian employees to learn language and culture from each other to improve the efficiency of team work. The Company has also built activities such as badminton games and skills competitions into informal learning scenes, further promoting cultural integration and team cohesion.

The practice of the Topband European factory proves that under the framework of the Belt and Road Initiative, Chinese enterprises can fully realize localization through building an inclusive culture. This management model, which promotes integration through respect and creates values by exploiting differences, has not only won international recognition for Chinese smart manufacturing but also become a vivid footnote to China-Romania economic and trade cooperation in the new era.



● Career development

Topband has formulated internal systems such as the Job Qualification Management System, the Measures for the Management of Post, Title and Capability Level System, the Topband Leader Management System, the Grass-roots Line Leader Training System and Program, the Innovation and Incentive System, etc., to provide employees with a clear career development path, stimulate their enthusiasm and creativity, ensure the stability and sustainability of the talent pool as well as the reasonable structure and matching capabilities of the cadre team by optimizing the talents selection and reserve mechanism, thus to better support the implementation of the strategies and promote the sustainable development of the enterprise.

In terms of employee promotion and selection, in 2024, the Company updated the Job Qualification Management System, in which, the ranking system and multiple development channels for management leaders are specified in detail, the incentive measures for the Qualification Committee were added, and the certification review process was improved, to promote employees to achieve career advancement based on their competency. The Company has established a job system that includes two major series, i.e. professional ability and management, and the series of professional ability is divided into six job groups, namely: technical group, marketing group, functional group, supply chain group, manufacturing group and quality group. The Company also provides employees with multi-position certification conditions to meet the promotion and selection needs of compound talents.

The career development mechanism of the Company focuses on the two core points of talent introduction and talent development. In terms of talent introduction, Topband adheres to the "532" talent introduction strategy. On the one hand, the Company boldly uses excellent fresh graduates and attaches great importance to improving both quality and number in the introduction of fresh graduates, to consolidate the foundation of talent reserve. On the other hand, the Company actively searches and recruits industry experts to build strong competitiveness of talents by a combination of measures.

In terms of talent development and training, the Company adheres to the "361" talent structure strategy, and continues to promote the echelon construction through talent review, so as to realize a more reasonable distribution of talents within the team. The Company also resolutely implements the "1:1" management succession strategy, vigorously encourages the active flow of management personnel, and provides strong data support for the promotion and training of management personnel through the evaluation of their comprehensive quality, competence and development potential. In addition, the Company has also established a poor reserved management personnel to reserve a number of outstanding talents for key positions and effectively guarantee the sustainable development of the Company.

● Employee training

Topband is committed to providing all-round support for employees' vocational ability improvement and personal growth through a systematic and multi-level talent cultivation system. The Company has established a training management system covering the whole career cycle of employees, including the Outsourced Training Management System, the Internal Part-time Trainer Management Measures, the Trainer Management System, etc., to systematically ensure the integration of new employees and the ability improvement of on-the-job employees. The Company has also launched the Policy on Encouraging the Improvement of English Ability to strengthen the reserve of international talents.

Since 2020, the Company has continued to invest in the construction of the job qualification system. By 2024, the Company's qualification system has covered 2,400 employees at 62 positions, with more than 1,500 employees being certified, which not only has provided employees with clear criteria for career advancement, but also has helped improve the organizational effectiveness through accurate matching of capabilities and positions. On this basis, the Company focused on the cultivation of core position capabilities, and innovatively designed special training camps to meet the needs of different job categories such as marketing, procurement, quality, and R&D. In 2024, the training camp covered more than 1,000 person-times and offered more than 40 courses, with a total class time of over 100 hours.

Featured Training Camp	
Marketing	To improve practical sales skills and draw experiences from excellent cases through scenario-based teaching modes such as live action role playing games based on key account project operation
Purchasing	To improve the understanding of job roles, workflow and methods through systematic lectures
Quality engineer	To adopt the combination training mode of professional module + general module + special taskforce, and strengthen the teamwork and problem solving ability through workshops
R&D Engineer	To achieve breakthroughs in technological and innovative capabilities through special training programs

In respect of echelon construction of management personnel, the Company organizes management trainings by levels. In 2024, 5 trainings were organized in Shenzhen, Nantong and Huizhou, covering 226 management personnel from grass-roots to senior levels. In the Shenzhen Base, 14-18 courses were given under the Primary Management Training Program and the Mid-level Management Training Program, with a total of 92 class hours, and 87 employees were chosen into the pool of reserved management personnel after assessment. In the Nantong Base, 24 class hours and 25 class hours of training were provided respectively through the primary and mid-to-senior level training camps. In the Huizhou Base, 58 front-line management personnel were trained through the team leader training camp. The trainings broke through the tradition modes and integrated "world coffee" round table dialogue, management concept debate competition, impromptu speech with topic not specified and other innovative interactive modes, through which, the leadership and strategic thinking of management personnel were comprehensively improved in combination with guidance by trainers and team tasks.

Direct recruitment from school is an important source of talents for the Company. The Company adheres to the "532" talent introduction strategy, with 50% of its talents recruited through the school recruitment channel, and has developed a full-cycle training system specifically for them. Through the "New Recruits Training Camp", the Company provides courses in the two modules of general knowledge and career skills to accelerate the transition of new recruits from students to professionals. During the probation period, the dual-track training mode of teaching + practice is adopted, and the training effect is tested through question answering and debriefing of work responsibilities; a one-year protection period is also provided for new recruits to enable them to match the transitional requirements of job qualifications and enhance their sense of belonging through caring activities such as gifts for the first anniversary of employment.

In addition to training on professional skills, the Company also attaches great importance to the comprehensive development of employees, incorporates safety training, corporate culture publicity, mental health counseling, etc., into the scope of routine training, and adopts diversified forms of training such as O2O mixed learning, flipped classroom, offline training, etc., to ensure the efficient access to learning resources. In 2024, various departments of the Company organized 929 internal training sessions, with a total of over 1,800 class hours and an average training time of 16 hours/person. Moreover, the Company actively opens up external training resources, and employees can proactively apply the resources according to the regulations to further broaden the channel of personal growth.

Case: Topband First Training Camp for Overseas Bases

In May 2024, the Company launched the first "Overseas Goose Training Camp", which lasted for two weeks. 21 outstanding management cadres and professional backbone personnel from three overseas bases in Vietnam, India and Romania participated in the training camp. The learning content included 15 hours of lessons on the Company's development history, strategy and management philosophy. In addition, there were visits to the parks in Shenzhen and Huizhou, departmental learning and practice, world coffee seminars, and a two-day tour to Guangzhou and Shenzhen to deeply experience China's economy and humanities. The training camp enhanced overseas employees' understanding of the headquarters in China, promoted cross-cultural communication and cooperation, and assisted in the implementation of the Company's globalization strategy.



Topband 2024 Training Camp for Overseas Bases

Indicator	Unit	2024
Total number of employees in all regions who have received job related training	Person	11,617
Percentage of number of employees in all regions who have received job related training in total number of employees	%	100
Percentage of employees who have accepted diversity, discrimination or harassment training in all employees in all regions	%	100
Number of new recruits attending the induction training	Person	4,816
Employee training person-times (staff + employee)	Person-time	More than 20,000
Amount allocated for employee training (staff + employee)	RMB	Approx. 2 million
Total hours of employee training (staff + employee)	h	Approx. 160,000
Average hours of employee training (staff + employee)	h/employee	10

2.5 Never Stop Public Welfare with Love

Topband firmly believes that volunteer service is a key bond for social cohesion. For a long time, Topband has been actively engaged in programs in many fields such as education, low-carbon, poverty alleviation and so on to make every effort to eliminate social injustice and poverty and contribute to the sustainable development of society.

2.5.1 School-enterprise cooperation

Topband always upholds the idea of deep cooperation with universities, attaches great importance to personnel training and development, and actively promotes the progress of education. From 2021, Topband and Huizhou University launched their cooperation strategy and established a teaching practice base. Topband has also funded a special scholarship with several underlying awards in the School of Electronic Information and Electrical Engineering of Huizhou University to encourage the growth of college students and motivate students to achieve all-around development in scientific and technological innovation, campus culture, literature and art, sports, etc. In March 2024, a total of RMB 50,000 was granted to 30 students at the award ceremony of the Topband Scholarship.



Topband Scholarship Award Ceremony

In 2024, more than 10 technical exchange activities especially focusing on technical exchanges and discussions on new energy products, new materials, and intelligent control of high-power energy equipment were organized between Topband and professors from various universities, to actively explore and promote the practical possibilities of the research results of the universities - including the exchange with Guangdong University of Technology on the research route, strategy and current results in the field of solid electrolyte, and later the visit to and technical exchange with Songshan Lake Materials Laboratory; exchanges with Harbin Institute of Technology on the researched technical route of solid and semi-solid electrolytes, research results of dexterous humanoid robot hand, and concepts to realize the route and products.

2.5.2 Public service activities

Topband always adheres to the concept of promoting social harmony, conveying love and warmth, actively participates in work for the public good and extensively supports programs in various fields, to contribute to promoting social sustainable development. In 2024, Topband Volunteers Association organized and participated in more than 25 internal and external activities, involving more than 300 participants, including environmental protection volunteer service, care for special children, community assistance activities, Bao'an Marathon service, park activity service, etc. and won many honors, for example, the Award for Voluntary Service Organization with Outstanding Contribution granted by Shiyang Sub-district, Bao'an District, the Award for Excellent Children Friendly Organization, Topband 2024 Gold Medal Association. Topband also initiated the establishment of Shenzhen Bao'an Shiyang Sub-district Micro Public Welfare Association together with Shiyang Sub-district, and serves as the executive vice president.



In terms of environmental protection, the Company adheres to the principle of "making life smarter and low-carbon", and is committed to reducing negative effects on the environment and applying sustainable methods and technologies to reduce energy consumption and emissions and vigorously promote the development of circular economy. In 2024, Topband held a series of voluntary activities such as "Take the Lead in Low-carbon Actions" to actively explore ways to promote sustainable development within the Company, integrate low-carbon concepts into daily work and life, improve the environmental awareness of all employees, and contribute to the cause of environmental protection.



Indicator	Unit	2024
Total investment of the Company to voluntary activities	RMB ten thousand	2
Number of employees participated in voluntary activities	Person	250
Total hours of voluntary services provided by employees	h	639.5
Average hours of voluntary services provided by employees	h	2.558

Topband also actively responds to the rural revitalization policy. On November 19, 2024, Topband reached a cooperation agreement with the Huizhou Zhongkai High-tech Zone Charity Federation to assist the Western China and Eastern China cooperation in Anlong County, Qianxinan Autonomous Prefecture, Guizhou Province, focusing on industrial development, rural revitalization and improvement of people's livelihood to support the high-quality development of Anlong County. Topband donated RMB 10,000 to the program to promote the development of rural assistance activities, fulfill the corporate social responsibility and make contributes as a member of society.

Indicator	Unit	2024
Fund invested by the Company to support rural revitalization	RMB ten thousand	1
Total amount for public welfare and charity	RMB ten thousand	6

03

Prudent Governance, Sustainable Future

Topband strictly abided by relevant national laws and regulations, continuously improved the corporate governance system, ensured compliance operations, and always adhered to business ethics. On this basis, the Company continued to strengthen data security management and effectively guaranteed customer privacy security through the establishment of a strict information security system, providing a solid guarantee for the stable growth of the Company.

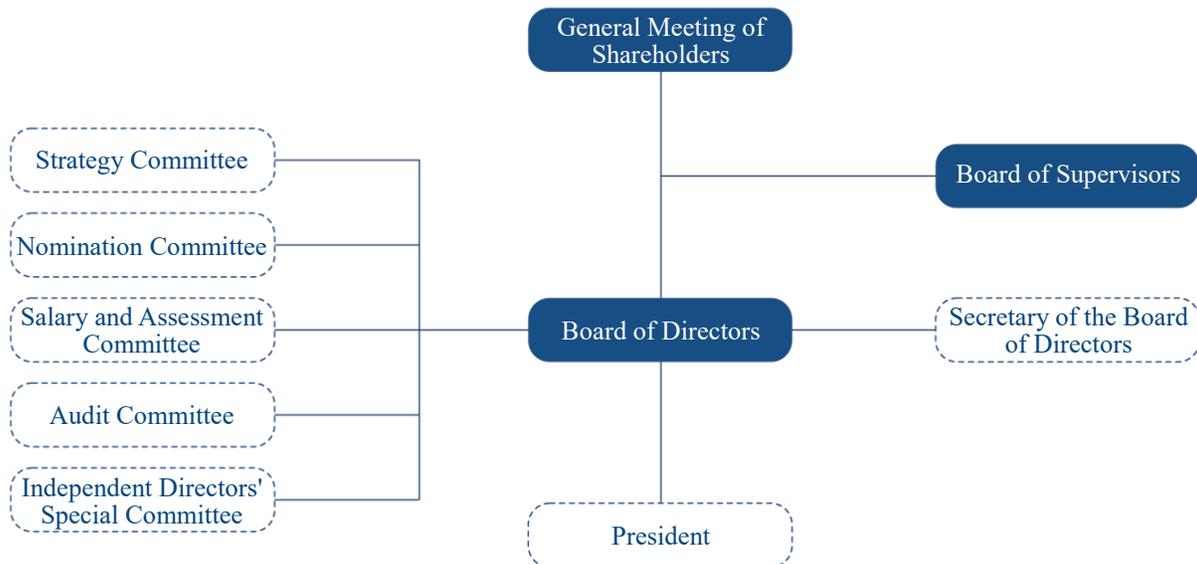
3.1 Improve Management Systems

The Company has established a modern corporate governance mechanism and thoroughly implemented the corporate governance in accordance with the law to ensure that the Company's decision-making is scientific and efficient and its business operations are standardized and transparent.

3.1.1 Corporate governance structure

Topband strictly abided by the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Stock Listing Rules of Shenzhen Stock Exchange, the Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 - Standardized Operation of the Companies Listed on the Main Board and other laws and regulations, and established a sound governance structure to ensure the standardized operation of the Company. The Company formulated key internal rules and regulations such as the Rules of Procedure for the General Meeting of Shareholders and the Articles of Association to lay the foundation for the long-term and stable development of the Company. At the same time, we paid close attention to industry dynamics and market changes, and updated and optimized our internal regulations in a timely manner to adapt to the ever-changing market environment and regulatory requirements.

The Company's Board of Directors established the Strategy Committee, the Nomination Committee, the Salary and Assessment Committee, the Audit Committee and the Independent Directors' Special Committee. Each special committee provided professional support and guarantee for the Company's development based on its own work rules. In 2024, Topband held 11 special committee meetings in accordance with laws and regulations, including: 2 meetings of the Strategy Committee, 2 meetings of the Salary and Assessment Committee, 5 meetings of the Audit Committee, and 2 meetings of Independent Directors' Special Committee.



Indicator	Independent Directors' Special Committee	Unit	2023	2024
Number of meeting(s) of the Board of Directors held		Time	11	12
Number of general meeting(s) of stockholders held		Time	4	3
Number of annual general meeting(s) of stockholders held		Time	1	1
Number of extraordinary general meeting(s) of stockholders held		Time	3	2
Number of meeting(s) held of the Board of Supervisors		Time	7	7
Number of meeting(s) of the Strategy Committee		Time	1	2
Number of meeting(s) of the Audit Committee		Time	4	5
Number of meeting(s) of the Nomination Committee		Time	1	0
Number of meeting(s) of the Salary and Assessment Committee		Time	2	2
Number of meeting(s) of Independent Directors' Special Committee		Time	Not established	2

● Diversity of the Board of Directors

In the process of selecting director candidates, Topband gave priority to accounting experts, strategic experts and investment professionals with relevant business capabilities. In addition, we also attached importance to personal characteristics of board members, such as age structure and educational background, and strove to build a diversified board team, so as to provide a comprehensive perspective and rich experience for the Company's development. As of now, all members of the Company's Board of Directors have rich industry experience, and their professional backgrounds cover multiple fields such as strategy, accounting, corporate management, and investment.

Position	Name	Gender	Educational background	Professional competence				
				Industry experience	Strategy	Financial accounting	Corporate management	Investment
President	Wu Yongqiang	Male	Master	✓	✓		✓	✓
Vice President and Head of the Microelectronics BG	Ma Wei	Male	Bachelor	✓			✓	
Vice President and Head of the Electric Control BG	Zheng Sibin	Male	Master	✓		✓	✓	
Head of the Electrical BG	Peng Ganquan	Male	Master	✓			✓	
Independent director	Li Xumeng	Male	Doctor	✓	✓		✓	✓
Independent director	Chen Zhengxu	Male	Doctor	✓		✓	✓	✓
Independent director	Qin Wei	Male	Master	✓		✓	✓	✓

● Independence of the Board of Directors

In accordance with the requirements of the Management Measures for Independent Directors of Listed Companies, Topband formulated the Working System for Independent Directors' Special Committee to ensure that independent directors could effectively perform their duties and give full play to their supervisory, check and balance and professional consulting functions. The Company stipulated that the Independent Directors' Special Committee could be held only when more than two-thirds of the independent directors are present or commission others to attend, so as to ensure the scientific and effective decision-making of the meeting. In addition, we explicitly required each independent director to submit a report on work at the annual general meeting of shareholders, detailing the performance of duties, so that shareholders could fully understand the independent director's work performance and effectiveness in fulfilling the duties. As of the end of the Reporting Period, the Company had a total of three independent directors.

Indicator	Unit	2023	2024
Number of board members	Person	7	7
Number of independent directors	Person	3	3
Proportion of independent directors in the Board of Directors	%	42.86	42.86
Percentage of independent directors in the Salary and Assessment Committee	%	66.67	66.67
Proportion of independent directors in the Audit Committee	%	100	100
Proportion of independent directors in the Nomination Committee	%	66.67	66.67
Proportion of independent directors in the Strategy Committee	%	20	20

● Building of the Board of Directors

Topband adhered to the principles of work-based distribution and combination of responsibilities, rights and benefits, and formulated the Remuneration Management System for Directors, Supervisors and Senior Executives, which closely combined the remuneration of directors, supervisors and senior executives with the Company's benefits, performance goals and personal work ability to ensure the scientific and reasonable remuneration system.

The directors, supervisors and senior executives serving in the Company were subject to an annual salary system, where the base annual salary was determined in accordance with the system of position, job responsibility level and ability level and was paid monthly; the operating annual salary was paid at the end of each fiscal year in a specific amount determined by the resolution of the Board of Directors or the General Meeting of Shareholders. The work allowance plan for independent directors was formulated by the Company's Board of Directors and submitted to the General Meeting of Shareholders for deliberation and approval before the payment of work allowance. The reasonable expenses incurred by independent directors for attending the meetings of the Company's Board of Directors or the General Meeting of Shareholders or performing other duties were borne by the Company in accordance with the relevant provisions of the Articles of Association.

In addition, in order to prevent and reduce conflicts of interest, the Company developed a series of targeted management mechanisms to comprehensively reduce the risks of various conflicts of interest.

Topband's measures for prevention and management of conflicts of interest

- After deliberation by the Board of Directors and the General Meeting of Shareholders, senior executives and their responsibilities were clearly defined in the Articles of Association, and the Non-Compete Agreement was signed with the senior executives.

- The basic obligations of controlling shareholders were clearly stated in the Articles of Association, such as: exercising shareholder's rights in accordance with the law, and not abusing control rights to damage the legitimate rights and interests of the Company or other shareholders; not illegally occupying company funds; not requiring the Company to provide guarantees in violation of laws and regulations; not using undisclosed important information to seek benefits or leak information; not damaging the rights and interests of the Company and other shareholders through unfair related party transactions; ensuring the independence of the Company and not interfering with the Company's normal decision-making procedures; safeguarding the common interests of the listed company and all shareholders.

- The Related Party Transaction Management System was formulated to clarify the avoidance and voting procedures for shareholders and directors with related party relationships within the Company, and related information on related party transactions was regularly disclosed in periodic reports.

- The Non-compete Agreement was signed with employees to bind and regulate them in respect of business and investment; the relative avoidance and cross-business unit or cross-department recommendation system was implemented.

- The Articles of Association and the relevant rules of procedure for the General Meeting of Shareholders and the Board of Directors were strictly abided by, and the principle of shareholder equality was followed.

- Open and transparent information disclosure system.

- The independent director's open solicitation of proxy voting rights.

- Supervision of management personnel by the General Meeting of Shareholders, the Board of Supervisors, the Audit Committee and independent directors.

- The right of shareholders to request the convening of an Extraordinary General Meeting of Shareholders and the right to vote by proxy.

Indicator	Unit	2022	2023	2024
Ratio of the annual total remuneration of the highest-earning individual to the annual total remuneration median of all employees	/	18.37	16.53	13.7
Ratio of the growth rate of the annual total remuneration of the highest-earning individual to the growth rate median of the annual total remuneration of all employees	%	122	122	94

Topband attached great importance to the capacity improvement of board members to ensure that members meet the qualifications requirements of China Securities Regulatory Commission, the Exchange and the Company, and was committed to building a board team with strong professional capabilities and high comprehensive qualities to better lead the Company's long-term sustainable development. During the Reporting Period, the Company carried out special information disclosure promotion for board members from time to time, and made all directors continuously familiar with information disclosure and business compliance rules based on case analysis to improve their professional quality and decision-making ability.

3.1.2 Stockholders' equity protection

Topband was committed to protecting the participation rights and the rights to know of small and medium shareholders. The Company strictly abided by the requirements of laws and regulations such as the Securities Law of the People's Republic of China and the Management Measures for Information Disclosure of Listed Companies and formulated the Rules of Procedure for the General Meeting of Stockholders and the Investor Relations Management System based on actual conditions to ensure that small and medium shareholders could fully understand the Company's operations and participate in the Company's decision-making process. At the same time, we properly handled the impact of various public opinions on the Company's market value, business reputation and normal production and operation activities in accordance with the Public Opinion Management System to effectively protect the legitimate rights and interests of investors.

In addition, the Company also paid attention to strengthening communication with investors and giving full play to the role of the investor hotline and the SZSE Cloud Platform to ensure information transparency and reduce misunderstandings and misjudgments. As of the end of the Reporting Period, the Company had disclosed a total of 12 investor communication and research minutes, achieved a response rate of 92% through the SZSE Cloud Platform, and communicated with investors fully, timely and through multiple channels. At the same time, the marginal changes in issues of concern to the capital market had been summarized and fed back to the Company's management, and suggestions for business development had been formed when necessary, thus forming a closed loop of investor protection.

● Regard returns to shareholders as important

Topband always attached importance to reasonable investment returns to investors. We formulated the Plan for Dividend Distribution to Shareholders for the Next Three Years (2023-2025) in accordance with the requirements of the Notice on Matters Relating to the Further Implementation of Cash Dividend Distribution of Listed Companies, the No. 3 Guideline for the Supervision of Listed Companies - Cash Dividend Distribution of Listed Companies, the Articles of Association and other relevant documents. On the premise of ensuring the sustainable development of the Company, the Plan fully considered the returns to shareholders and strove to achieve a balance between company development and shareholder interests. The Company has maintained a continuous and stable profit distribution policy since its listing, with a particular emphasis on continuous and stable cash dividends to actively reward the shareholders. In 2024, the Company planned to pay a cash dividend of RMB 0.7 (tax inclusive) per 10 shares to all shareholders based on the Company's total share capital of 1,228,789,388 shares (excluding repurchased treasury shares). It was expected to pay a cash dividend of RMB 86.0153 million in 2024. Since its listing in 2007, the Company has distributed a total of RMB 752 million in cash dividends (excluding dividends to be distributed in 2024), and has repurchased a total of 38.0657 million shares with a repurchase amount of RMB 288.111 million.

Indicator	Unit	2021	2022	2023	2024
Cash dividends (tax inclusive)	RMB ten thousand	6,271.30	7,586.13	7,350.27	8,601.53
Net profit attributable to shareholders of listed companies in the consolidated statement in the year of dividend distribution	RMB ten thousand	56,496.43	58,265.53	51,551.40	67,144.27
Percentage of cash dividends in the consolidated net profit attributable to the parent company in the year of dividend distribution	%	11.10	13.02	14.26	12.81
Cash dividends to be distributed per 10 shares (tax inclusive)	RMB	0.5	0.6	0.6	0.8
Amount of repurchases	RMB ten thousand	0	5,243.45	5,997.00	9,570.21
Percentage of repurchases in the consolidated net profit attributable to the parent company in the year of dividend distribution	%	0.00	9.00	11.63	14.25
Total cash dividends (including repurchase forms)	RMB ten thousand	6,271.30	12,829.57	13,347.27	18,171.74
Percentage of total cash dividends (including repurchase) in the consolidated net profit attributable to the parent company in the year of dividend distribution	%	11.10	22.02	25.89	27.06

● **Timely disclosure of information**

In order to protect the legitimate rights and interests of investors, Topband continuously strengthened the management of information disclosure affairs and fulfilled information disclosure obligations in strict accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and other laws and administrative regulations, so that investors could timely and fully understand the Company's business development. The Company formulated the Public Information Disclosure Management System, the Work System for the Information Disclosure Committee and the Registration and Management System for Insiders of Inside Information to further standardize the information disclosure process, clarify information disclosure responsibilities, strengthen inside information management, prevent information leakage risks, and ensure the fairness, justice and openness of information disclosure.

We regularly disclosed cross-appointments on the Board of Directors, cross-shareholdings with suppliers and other stakeholders, shareholdings of controlling shareholders and annual routine related party transactions in the form of announcements, and granted shareholders the right to review and copy the Articles of Association, minutes of meetings of the Board of Shareholders, resolutions of meetings of the Board of Directors, resolutions of meetings of the Board of Supervisors and financial accounting reports to ensure transparency of company information. In 2024, the Company strictly followed various rules and regulations and obtained a B rating in the information disclosure rating of Shenzhen Stock Exchange.

3.2 Stick to Compliant Development

The Company continued to strengthen its compliance management system and risk management system, and ensured its long-term and steady development by improving risk identification, monitoring and response mechanisms.

3.2.1 Strengthening of risk control

Topband adhered to the concept of comprehensive risk management and was committed to building a sound risk governance structure to ensure the comprehensiveness and systematicness of risk management. The Company integrated risk management into every aspect of corporate governance based on the Internal Control Management System, the Enterprise Risk Management Framework and various compliance processes of the Company.

We divided risk management into three key aspects: risk identification, risk control and risk response. At the same time, the Company regularly updated the risk factors in the risk library in accordance with changes in the internal and external environment, and clearly defined them to ensure the accuracy of risk identification and management. In 2024, we found no new risk factors compared to the previous year.

Risk identification	Risk control	Risk response
The Company actively built a legal risk library and systematically collected, sorted and managed legal risk information in order to identify various potential risks in a timely and accurate manner.	The Company ensured the effectiveness and sustainability of risk management measures through the formulation of overall plans, implementation of specific measures, evaluation of implementation effects, and supervision mechanisms.	According to the nature and severity of the risks, the Company adopted corresponding response strategies in accordance with the law to avoid or reduce potential losses caused by the occurrence of risks.

Topband strictly adhered to the "three lines of defense" for risk management. At the same time, Topband took risk control as its core work and built a sustainable control mechanism through special improvements and single-point control. As of the end of the Reporting Period, the Company had identified a total of 6 major risks and 11 general risks, of which 3 major risks and 9 general risks had been controlled. We will continue to strengthen risk management and continuously optimize risk management strategies in a dynamic environment.

"Three lines of defense" for risk management	<ul style="list-style-type: none"> • As the first line of defense for risk management, the business and its support departments carried out risk management through control measures such as separation of duties, authorization and approval, budget control, information systems and property preservation and daily approval processes. • As the second line of defense for risk management, compliance departments such as finance, law and securities departments carried out risk identification, control and response by building a risk library. • As an independent third line of defense, the Audit Department inspected, confirmed and improved the implementation of the Company's risk management through daily supervision and internal audit items.
---	---

At the same time, Topband established a trade secret risk feedback mechanism to collect and handle trade secret risk information through multiple channels. The Company established dedicated trade secret risk feedback channels, including the internal network, email and dedicated feedback hotline, to ensure that employees and partners could easily and quickly feed trade secret risk issues back. In addition, we established a strict feedback information handling process, thoroughly investigated each piece of feedback received, and took corresponding measures based on the investigation results to ensure the timely and effective handling of trade secret risks. As of the end of the Reporting Period, the Company had successfully implemented three trade secret risk optimization measures, effectively reducing the probability of occurrence of leakage risks.

Topband always regarded the construction of risk culture as a key aspect in corporate development. We provided training for trade secret officers in various business domains to significantly improve their ability to identify and control trade secret risks. At present, the relevant training has covered 9 departments, and the risk classification tables have been successfully prepared for each department, providing a strong support for the Company's risk management. During the Reporting Period, the Company was not involved in any major litigation or arbitration items and other risk events.

Indicator	Unit	2024
Number of risk management training provided	Time	20
Number of person-time participating in risk management training	Person-time	165

3.2.2 Implementation of compliant operations

Topband always placed compliance management in an important position. The Company formulated management measures such as the Code of Business Conduct and Compliance of Topband Group, the Corporate Accountability System, the Management Measures for Rewards for Complaints and Reports of Misconducts and Corrupt Practices, the Management Measures for Declaration of Conflicts of Interests Between Employees and the Company, and the Internal Control Management System, which covered all aspects of compliance management and provided a solid institutional guarantee for the Company's steady operation. In 2024, we further improved the compliance management system and newly issued the Financial Data Confidentiality Management Specifications to strengthen the confidentiality measures of financial data and effectively prevent the risk of information leakage; at the same time, we revised the Regulations on Rewards and Punishments for Trade Secret Violations to better adapt to the Company's development needs and changes in the external environment and ensure the timeliness and effectiveness of the system.

On the basis of the Internal Control Management System, Topband established an internal control management system with the Legal Department, the Finance Department, the Securities Department and the Audit Department as the core to ensure and enhance the supervision effect. With special internal control audits and field audits on a regular basis, we could effectively identify and rectify management shortcomings and process loopholes, and provide practical improvement suggestions for internal control aspects, thereby improving the overall management quality.

To ensure compliant operations, the Company launched an internal control audit platform to digitally manage audit projects and follow up on the rectification of audit projects. On the other hand, after deliberation by the Board of Directors and the General Meeting of Stockholders, Topband hired RSM China to regularly supervise and audit annual reports and other matters, and further improved the Company's compliance management level with the help of professional external forces.

● Compliance training

The Company actively promoted the construction of compliance culture, and was committed to deepening the concept of compliance in the hearts of the people, creating a good atmosphere where all employees participate and everyone complies. In order to raise the employees' awareness of compliance and risk prevention and control, Topband constantly performed education and publicity campaigns in the internal network, the official website, the WeChat Official Account of the Audit Department for anti-fraud purpose and the internal publication Yanxingzhe and other platforms, ensuring that all employees could deeply understand the importance of compliance management. During the Reporting Period, the Company provided 34 times in total of targeted compliance training for different departments focusing on compliance management such as protection of trade secrets, risk control, anti-corruption and anti-embezzlement, and anti-commercial bribery, to ensure that employees in each department could master the compliance knowledge and skills related to their work and effectively prevent various risks.



Photo of Compliance Training for the Electrical Department



Photo of Compliance Training for the Electric Control and R&D Departments

Indicator	Unit	2024
Number of compliance trainings	Time	34
Total hours of compliance training	h	36.6
Person-time participating in compliance training	Person-time	2,202
Employee coverage of compliance training	%	18.95

3.3 Adhere to Business Ethics

The Company was committed to maintaining an open and aboveboard business environment, fully resisting any form of bribery and unfair competition, and ensuring the legality, fairness and transparency of all business activities.

3.3.1 Building of a solid bottom line of integrity

The Company actively shaped a clean culture with anti-bribery and anti-corruption as its cornerstones, deeply absorbed the industry's compliance concepts, carefully built an anti-corruption compliance system that suited its own characteristics, and passed the ISO 37001 anti-bribery management system certification. In accordance with the Anti-unfair Competition Law of the People's Republic of China, the Anti-monopoly Law of the People's Republic of China and the Anti-corruption Law of the People's Republic of China, we constantly improved our anti-corruption governance system and effectively safeguarded the legitimate rights and interests of all stakeholders. During the Reporting Period, the Company revised the Management System for Declaration of Conflicts of Interests Between Employees and the Company and the Anti-bribery Agreement to clarify the specific circumstances that were deemed to be soliciting and accepting bribes, and made every effort to create an honest and upright business environment.



ISO 37001 Anti-bribery Management System Certificate

We had zero tolerance for fraud and corruption and were committed to ensuring that all aspects of the supply chain complied with laws, regulations and business ethics standards. To this end, the Company required employees to sign the Purchase Personnel Integrity Agreement and required business partners to sign the Commitment to Integrity and the Anti-Bribery Agreement before cooperation to ensure that all stakeholders could adhere to the consistent integrity concept, thereby creating a comprehensive integrity management system from the source to the end. For suppliers who violated the above Agreement and Commitment, we imposed a fine of RMB 1 million or 30% of the transaction amount based on the content of the Agreement and held them criminally responsible.

In daily operations, Topband conducted irregular business ethics and anti-corruption reviews and risk assessments every month, focusing on the inspection of operating business, transportation costs, financial reimbursement and procurement of fixed assets and raw materials, to ensure the authenticity and rationality of expenditures and reimbursements and prevent false reimbursements and corruption. During the Reporting Period, the Company discovered one case of business bribery and embezzlement, and attached great importance to the case and reported it to the police for handling. In the future, we will strengthen supervision of the department's asset purchase requisition and acceptance processes, intensify publicity efforts on integrity, and create a clean and upright business environment.

● Anti-corruption culture construction

Topband provided anti-fraud and integrity culture training on an irregular basis every quarter to ensure that employees established a correct concept of integrity. The training content centered on the two major themes: the Code of Business Conduct and Compliance and the Duty Crime and Risk Prevention. The employees were helped to deeply understand the harmfulness of corruption and consciously resist unhealthy practices in their work through case analysis and special lectures. At the same time, the Company also strengthened the daily penetration of integrity education through various channels. The Audit Department used the WeChat Official Account to issue integrity reminders during important festivals such as the Spring Festival and the Mid-Autumn Festival, and published penalty announcements for violators in the internal software to further strengthen employees' awareness of integrity in their work. According to statistics, the relevant integrity reminders and penalty announcements have been read more than 6,200 times.



Clean Procurement Training



Training on Duty Crime and Risk Prevention



Indicator	Unit	2024
Total number of times of anti-corruption training provided	Time	4
Total person-time receiving anti-corruption training	Person-time	980
Number of directors receiving anti-bribery and anti-corruption training	Person	7
Proportion of directors receiving anti-bribery and anti-corruption training	%	100
Total number of managers receiving anti-bribery and anti-corruption training	Person	8
Percentage of managers receiving anti-commercial bribery and anti-corruption training	%	66.67
Number of employees receiving anti-bribery and anti-corruption training	Person	972
Proportion of employees receiving anti-bribery and anti-corruption training	%	8.37

● Fair competition

Topband abided by the Anti-unfair Competition Law of the People's Republic of China, the Anti-monopoly Law of the People's Republic of China and other relevant laws and regulations, actively advocated fair trade and fair competition, and always participated in market activities in accordance with the law and in compliance with the regulations. The Company adopted various methods to strengthen internal management and was committed to firmly maintaining fair competition order in the market in its operating activities. During the Reporting Period, the Company was not involved in any major litigation matters involving unfair competition or monopolistic behavior.

3.3.2 Anti-corruption reporting mechanism

Topband continuously optimized the reporting mechanism, broadened reporting channels, and encouraged employees to take the initiative to disclose suspicious behavior. In accordance with the Management Measures for Complaint and Reporting of Misconducts and Corrupt Practices, we specified a variety of reporting channels in detail, including online telephone, email, WeChat Official Account of the Audit Department and reporting mailbox, so that the reporting scope successfully covered the Company's partners, customers, suppliers, and internal and external employees. Topband also established a reward system for reporting, providing corresponding rewards for substantiated reports. For violations, we took different disciplinary measures based on the severity, including credit score deduction, disciplinary warning, demerit recording, dismissal or the transfer to judicial organs for investigation.

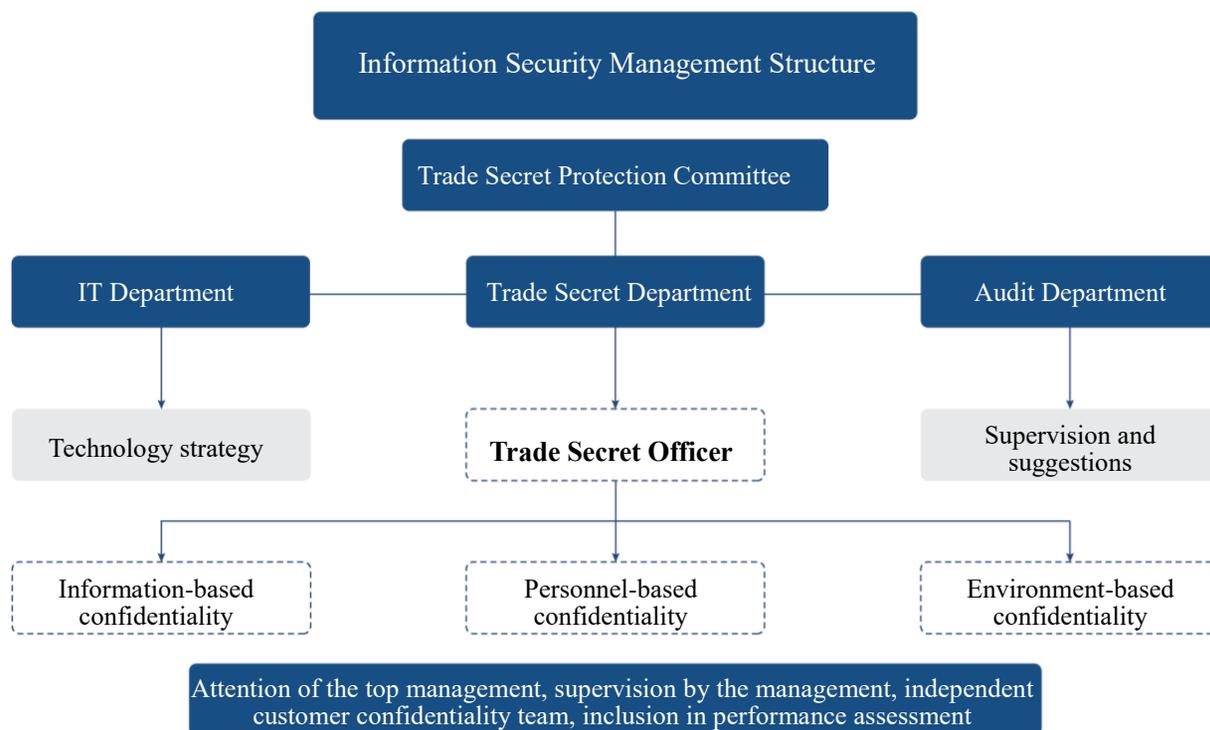
We attached great importance to the privacy protection of informers and strictly followed the Management Regulations on the Protection of Informers to prevent informers from being subject to any form of unfair treatment. During the investigation, Topband strictly controlled the scope of informed persons and adopted secret investigation methods to effectively safeguard the legitimate rights and interests and personal safety of the informers.

Reporting channels	<ul style="list-style-type: none">• Tel.: 0755-27651888-8040• Email: tbjb@topband.com.cn• Letter: Audit Center, Shenzhen Topband Co., Ltd., Liyuan Industrial Zone, Tangtou Village, Shiyan Town, Keji 2nd Road, Bao'an District, Shenzhen, Postal code: 518108
---------------------------	--

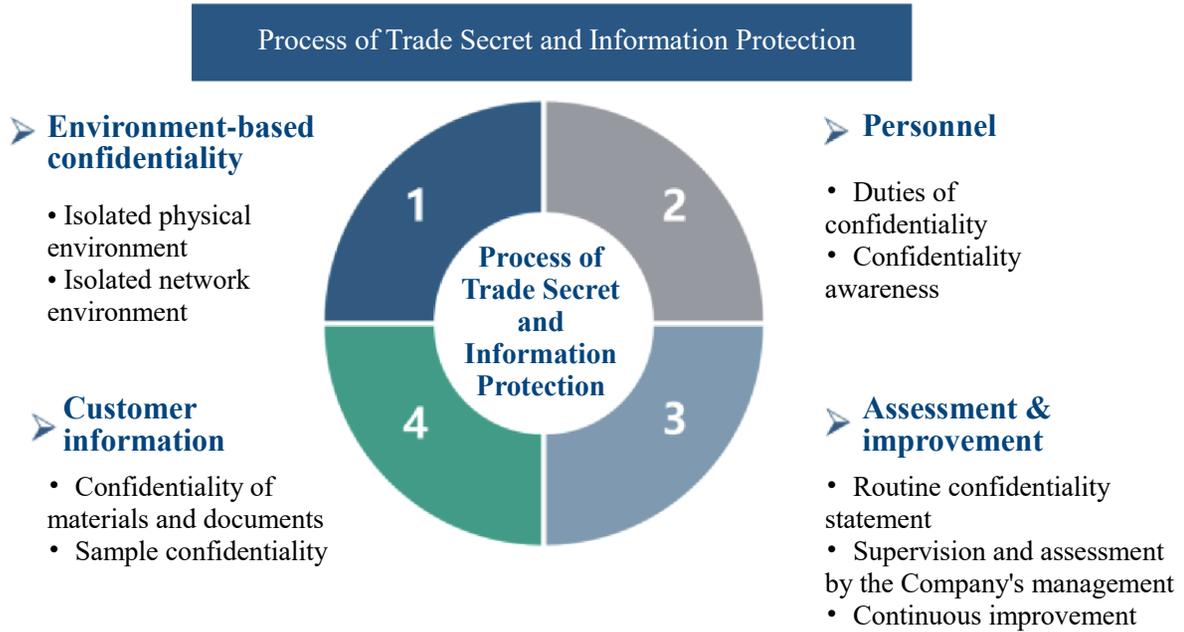
3.4 Protect Data Security

In accordance with the Cybersecurity Law of the People's Republic of China, the Regulations on the Security Protection of Computer Information System of the People's Republic of China, the Management Measures for the Graded Protection of Information Security and other laws and regulations, Topband regarded data security management as a core part of the overall corporate strategy. The Company has developed the Management System for Network Information System Security to ensure comprehensive and strict security management of network information platforms.

We have established a three-level information security management structure: "overall planning by the Trade Secret Protection Committee, Construction by the Trade Secret Department and Execution by the Trade Secret Officer" to ensure that security policies are effectively executed in daily operations. The Trade Secret Protection Committee is responsible for overall leadership and coordination at the company level to ensure the comprehensive implementation of trade secret management. The Trade Secret Department develops specific management plans based on customer needs, organizational strategies and department plans. At the same time, the IT Department and the Audit Department provide necessary support. The Trade Secret Officer comprehensively promotes the implementation of data security protection measures from three dimensions: personnel, environment and information based on the developed plans.



The Company actively responded to national cybersecurity policies and continued to deepen the research and practical applications in the field of information security. On the basis of business requirements, Topband started its work around the three core areas of security technology, management and operation, implemented an all-round risk management strategy covering the whole process, and built a perfect management process for trade secrets and information security protection. On this basis, we strictly classified and managed the access to confidential information. By formulating a special confidentiality table, we clarified the classification, storage and transmission permission of information, and used a strict approval process to ensure that unauthorized personnel could not obtain information illegally, thereby ensuring information security in all aspects. As of the end of the Reporting Period, Topband and Vietnam Topband had obtained the ISO 27001 Compliance certification. At the same time, during the Reporting Period, the Company made further progress in the protection of trade secrets. The Company's wholly-owned subsidiary Ningbo Topband was awarded the Ningbo City-level Trade Secret Protection Demonstration Site in 2024 after acceptance review by the Ningbo Market Supervision Bureau through on-site spot checks and on-site questions.



3.4.1 Information security management measures

Topband formulated an internal system - Management Measures for Information Emergency Response Plans and built a dynamic governance system of "prediction-defense-response-evolution" based on core technologies such as vulnerability management and attack surface analysis to ensure the continuity and effectiveness of the operation of the information security system. The Company conducted an internal security audit every six months and a comprehensive external audit assessment every year, and regularly detected security vulnerabilities in applications, servers, network equipment and user terminals. During the Reporting Period, Topband Ningbo Base was awarded the honor of Trade Secret Protection Demonstration Site.

In the field of supply chain security, Topband assessed the information security of its partners annually, strictly controlled suppliers' fulfillment of responsibilities in accordance with the Annual Review of Supplier Information Security and the Supplier Security Management Regulations, and required the cooperative third-party organizations to sign confidentiality agreements. In addition, the Company regularly organized quarterly information security training for all employees to strengthen their awareness of the importance of information security and ensure that everyone could acquire the necessary information security knowledge and skills. In 2024, the Company had no information security incidents.

Topband's information security related training	<ul style="list-style-type: none"> • Network information security awareness training • Security knowledge training on phishing emails for enterprise mailboxes • Information security training provided by Huizhou Industry and Information Technology Department • Shenzhen network protection related training • Specification for the use of personal computers to prevent leaks
--	--

Indicator	Unit	2023	2024
Information security and privacy protection training session	Session	2	3
Person-time receiving information security and privacy protection training	Person-time	80	100
Total hours of information security and privacy protection training	h	100	150
Number of information security incidents	Piece	0	0
Percentage of business locations with ISO 27000 information security management system certification in the total number of business locations	%	25	50

3.4.2 Customer privacy protection

Topband strictly abided by the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA), and made every effort to protect the security of customer data, so as to ensure operational compliance and win customer trust. The Company fully considered user privacy requirements in the product design process, adopted the principle of data minimization, only collected necessary information, and provided users with the function of "one-click turnoff of data sharing" to protect the legitimate rights and interests of customers and consumers.

In 2024, the Company implemented data encryption transmission for important departments to ensure the security of sensitive data throughout its life cycle; on the other hand, we optimized the network architecture and strictly implemented the isolation of customer production networks from external networks. All servers provided to the outside world passed the national level-3 information security protection certification, which further strengthened network security. During the Reporting Period, the Company had no incidents of leaking customer privacy, and customer satisfaction reached over 80%.

Key Performance Indicators (KPIs)

Environmental issues ▼

Indicator	Unit	2024	2023	2022
Annual total energy consumption	MWh	129,865.79	100,971.70	91,938.48
Renewable energy power generation	MWh	4,311.47	2,239.00	460.74
Gasoline consumption	L	40	-	-
Diesel consumption	L	107,431.72	-	-
Natural gas consumption	m ³	141,846.00	215,907.00	98,235.00
Power consumption	MWh	127,207.85	80,764.60	90,642.64
Outsourced electricity	MWh	122,997.90	96,573.63	74,076.96
Water intake	m ³	627,918	-	-
Total water consumption	m ³	627,918	516,327	340,000
Total discharge of pollutants in water	MT	No wastewater discharged	No wastewater discharged	No wastewater discharged
Total amount of non-hazardous waste generated	t	2,639.78	-	-
Total amount of waste disposed of	t	3,143.49	2,758.45	1,218.32
Total weight of hazardous waste disposed	MT	938.78	933.45	815.466
Total weight of non-hazardous waste disposed	MT	2,204.71	1,825.00	402.85
Chemical leakage accident	Time	0	0	0
Disposal of hazardous waste	%	100% up to standard	100% up to standard	100% up to standard
Up-to-standard noise emissions at the factory boundary	%	100% up to standard	100% up to standard	100% up to standard
Industrial exhaust emission	%	100% up to standard	100% up to standard	100% up to standard
Sulfur dioxide emission compliance rate	%	100% up to standard	-	-
Nitrogen oxide emission compliance rate	%	100% up to standard	-	-
Particulate matter emission compliance rate	%	100% up to standard	-	-

Social issues ▼

Indicator	Unit	2024	2023	2022
R&D headcount	Person	2,178	2,004	1,776
Proportion of R&D personnel	%	18.75	21.50	21.20
R&D investment	RMB ten thousand	95,210.53	-	-
Proportion of R&D input	%	9.07	9.28	8.11
Patents obtained (including foreign patents)	Piece	305	351	566
Number of total employees	Person	11,617	9,323	8,379
Percentage of female employees in the total number of employees of the Company	%	42.64	41.46	42.27
Percentage of female holding senior management posts	%	12.5	15.92	15
Percentage of female directors	%	0	0	11

Social issues ▼

Indicator	Unit	2024	2023	2022
Total number of employees aged 30 and below	Person	4,834	-	-
Total number of employees aged 30 to 50	Person	6,653	-	-
Total number of employees aged 50 and above	Person	130	-	-
Number of full-time contract employees	Person	11,521	-	-
Number of full-time dispatched employees	Person	934	-	-
Total number of new employees	Person	9,350	-	-
Employment rate of new male employees	%	47.23	-	-
Employment rate of new female employees	%	47.12	-	-
Employment rate of new employees aged 50 and above	%	12.69	-	-
Employment rate of new employees aged 30 to 50	%	35.98	-	-
Employment rate of new employees aged 30 and below	%	59.48	-	-
Employment rate of new employees working in Chinese mainland	%	42.93	-	-
Employment rate of new employees working in Hong Kong, Macao, Taiwan and overseas	%	66.75	-	-
Employee turnover rate	%	37.15	-	-
Male employee turnover rate	%	38.35	-	-
Female employee turnover rate	%	35.41	-	-
Turnover rate of employees aged 50 and above	%	20.15	-	-
Turnover rate of employees aged 30 to 50	%	31.72	-	-
Turnover rate of employees aged 30 and below	%	43.11	-	-
Turnover rate of employees working in Chinese mainland	%	38.27	-	-
Turnover rate of employees working in Hong Kong, Macao, Taiwan and overseas	%	31.98	-	-
Percentage of employees covered by collective agreements with work terms in all employees of all regions	%	21.11	26.30	29.26
Percentage of employees who cover the formal election of employee representatives in all employees of all regions	%	0.26	0.32	0.25
Days of employee maternity leave	Day	178	178	178
Hours of employee breastfeeding leave	h/day	1	1	1
Total number of employees entitled to parental leave by gender	Person	Male/2,780 Female/2,839	Male/2,348 Female/2,424	Male/1,882 Female/1,923
Total number of employees taking parental leave by gender	Person	Male/373 Female/177	Male/297 Female/245	Male/167 Female/93
Total number of employees who return to work during the Reporting Period after parental leave by gender	Person	Male/333 Female/136	Male/271 Female/165	Male/161 Female/89
Return rate of employees on parental leave by gender	%	Male/95.59% Female/92.19%	Male/91.25% Female/67.35%	Male/96.41% Female/95.70%
Total hours of the Company's training related to human rights policies or procedures and percentage of employees covered	h; %	Newcomer training involves a course on human rights, 2 h/session, approximately 24 h/year in total. Covering 100% employees	Newcomer training involves a course on human rights, 2 h/session, approximately 24 h/year in total. Covering 100% employees	Newcomer training involves a course on human rights, 2 h/session, approximately 24 h/year in total. Covering 100% employees

Social issues ▼

Indicator	Unit	2024	2023	2022
Percentage of workplaces where the Company has conducted employee health and security risk assessment in all workplaces	%	77.78	100	100
Number of factories where the Company has conducted employee health and safety risk assessments	Nr.	7	-	-
Percentage of all employees at all locations who are represented by a health and safety committee	%	100	100	100
Proportion of full-time employees undergoing occupational health and safety examinations	%	100	49.91	80
Number of employees at key and special posts	Person	1,023	-	-
Number of employees at key and special posts undergoing physical examinations	Person	665	-	-
Percentage of employees at key and special posts who receive special medical checkups	%	100	100	100
Number of occupational hazard factor detections conducted in places involving occupational hazards	Times/year	Not applicable	2	2
Number and rate of fatalities due to workplace injuries	Person; %	0; 0	0; 0	0; 0
Number and rate of workplace injuries (excluding fatalities) with severe consequences	Person; %	0; 0	0; 0	0; 0
Number of recordable work-related injuries	Person	6	7	0
Number of working days lost due to work-related injuries	Day	364	-	-
Number of deaths caused by work-related health issues	Nr.	0	0	0
Number of recordable cases of work-related health issues	Nr.	0	0	0
Amount of investment in work-related injury insurance and workplace safety liability insurance	RMB ten thousand	461.22	-	-
Total hours of safety training	h	884	-	-
Total person-time receiving safety training	Person-time	7,944	-	-
Number of new employees participating in orientation training	Person-time	4,816	9,600	More than 6,600
Percentage of employees participating in orientation training	%	41.46	92.40	78.77
Achievement rate of safety education for new employees	%	100	100	100
Number of employees certified for qualifications	Person	923	1,470	More than 700
Number of core key personnel covered by IDP (Individual Development Plan)	Person	More than 200	1,260	Approx. 300
Percentage of employees who have accepted regular performance and career development assessment in all employees in all regions	%	100	100	Regular performance 100%, career development assessment 20%
Percentage of employees who have accepted relevant vocational or skill training in all employees in all regions	%	100	100	100
Percentage of employees who have accepted diversity, discrimination or harassment training in all employees in all regions	%	100	100	100
Number of participants and hours of skill training for professional posts	Person; h	Person-time of 11,842; 147,852 h	Person-time of 4,200; about 34,400 h	Person-time of 1,600; about 260 h
Number of management skills training sessions conducted by the Company	Session	6	9	10
Number of skill training sessions conducted within each department	Session	929	499	Approx. 1,000 sessions
Employee training person-times	Person-time	More than 20,000	More than 20,000	More than 20,000
Investment in employee training	RMB	Approx. 2 million	Approx. 2 million	Approx. 2 million

Social issues ▼

Indicator	Unit	2024	2023	2022
Total employee training hours	h	Approx. 160,000	Approx. 140,000	Approx. 160,000
Average employee training hours	h	10	13	15
Average training hours of employees by gender and category	h	The number of average training hours for female employees is about 13 h; The number of average training hours for male employees is about 12 h; The number of average training hours for professionals is about 14 h; The number of average training hours for managers is about 8 h.	The number of average training hours for female employees is about 12 h; The number of average training hours for male employees is about 14.5 h; The number of average training hours for professionals is about 14 h; The number of average training hours for managers is about 9 h.	The number of average training hours for female employees is about 10 h; The number of average training hours for male employees is about 18 h; The number of average training hours for professionals is about 8 h; The number of average training hours for managers is about 6 h.
Percentage of total employees of workers from ethnic minorities, minority groups and vulnerable groups (for example, disabled person) ①	%	22.42	0.23	14.04
Gap of average remuneration both male and female (percentage of average total hourly wage of female employees in that of male employees)	%	74.94	76	77
Minimum number of weeks that the Company notifies employees and their representatives in advance before implementing major operational changes that may have a significant impact on the Company and employees	Week	1	1	1
Total number of employee proposals received by the "Employee Experience Platform"	Nos.	545	475	More than 600
Number of holding of "employee communication meetings"	Time	10	7	2
Number of employee feedback issues resolved through "employee communication meetings"	Nr.	248	54	29
Total number of suppliers (at the end of the Reporting Period)	Nr.	2,224	-	-
Number of suppliers in the Chinese mainland (at the end of the Reporting Period)	Nr.	2,031	-	-
Number of suppliers in Hong Kong, Macao and overseas regions (at the end of the Reporting Period)	Nr.	193	-	-
Total number of new suppliers	Nr.	862	-	-
Percentage of target suppliers who have signed the Sustainable Purchase Charter/Supplier Code of Conduct	%	100	100	100
Percentage of suppliers signing contracts that include environment, labor and human rights requirements	%	100	100	100
Percentage of target suppliers who have subjected to assessment of corporate social responsibility (CSR)	%	100	100	100
Percentage of target suppliers who have subjected to on-site audit of corporate social responsibility (CSR)	%	100	100% for official manufacturers	100% for official manufacturers
Percentage of purchasers who have received sustainable purchase training in all regions	%	100	100	100
Proportion of spending on local suppliers	%	70	39.30	40
New manufacturers selected according to environmental standards	Nr.	86	-	-
Percentage of new suppliers selected according to environmental standards	%	100% for target suppliers	100% official suppliers	100% official suppliers
Number of manufacturers that have conducted EIA	Nr.	105	72	110

① Including the number of ethnic minorities and vulnerable groups (such as the disabled) in Shenzhen R&D Center, Huizhou Factory, Nantong Factory, Ningbo Factory and Romania Factory

Social issues ▼

Indicator	Unit	2024	2023	2022
Number of suppliers identified as having actual and potential significant negative impact on the environment	Nr.	0	0	0
Percentage of suppliers identified as having actual and potential significant negative impact on the environment and approved for improvement after assessment	%	0	0	0
Percentage of suppliers identified as having actual and potential significant negative impact on the environment and decided to terminate their relationship after assessment	%	0	0	0
New manufacturers selected according to social standards	Nr.	86	-	-
Percentage of new suppliers selected according to social standards	%	100% for target suppliers	100% official suppliers	100% official suppliers
Number of manufacturers that have conducted SIA	Nr.	105	-	-
Number of suppliers identified as having actual and potential significant negative impact on the society	Nr.	0	0	0
Percentage of suppliers identified as having actual and potential significant negative impact on the social and approved for improvement after assessment	%	0	0	0
Percentage of suppliers identified as having actual and potential significant negative impact on the social and decided to terminate their relationship after assessment	%	0	0	0
Total investment of the Company to voluntary activities	RMB ten thousand	2	-	-
Number of employees participated in voluntary activities	Person	250	-	-
Total hours of voluntary services provided by employees	h	639.5	-	-
Average hours of voluntary services provided by employees	h	2.56	-	-
Fund invested by the Company to support rural revitalization	RMB ten thousand	1	-	-
Total amount for public welfare and charity	RMB ten thousand	6	-	-

Governance issues ▼

Indicator	Unit	2024	2023	2022
Number of board members	Person	7	7	9
Number of independent directors	Person	3	3	3
Proportion of independent directors in the Board of Directors	%	42.86	42.86	33.33
Number of meeting(s) of the Board of Directors held	Time	12	11	12
Number of general meeting(s) of stockholders held	Time	3	4	4
Number of meeting(s) held of the Board of Supervisors	Time	7	7	12
Number of meeting(s) of the Strategy Committee	Time	2	0	-
Number of meeting(s) of the Audit Committee	Time	5	4	4
Number of meeting(s) of the Nomination Committee	Time	0	1	-
Number of meeting(s) of the Salary and Assessment Committee	Time	2	2	2
Number of meeting(s) of Independent Directors' Special Committee	Time	2	Not established	Not established
Ratio of the annual total remuneration of the highest-earning individual to the annual total remuneration median of all employees	/	13.7	16.53	18.37
Ratio of the growth rate of the annual total remuneration of the highest-earning individual to the growth rate median of the annual total remuneration of all employees	%	94	122	122
Reports generated by the whistleblowing program	Piece	28	23	19
Corruption incidents	Piece	1	2	3
Total number of incidents where employees from the Company are dismissed or disciplined due to corruption	Piece	4	2	3
Total number of incidents where the Company's contracts with business partners are terminated or not renewed due to violations related to corruption	Piece	3	5	3
Total number of business locations where the Company has conducted internal audits/risk assessments on business ethics issues	Nr.	10	8	2
Percentage of business locations where the Company has conducted internal audits/risk assessments on business ethics issues in the total business locations	%	100	80	25
Percentage of the Company's anti-corruption policies and procedures communicated to employees	%	100	100	100
Percentage of the Company's anti-corruption policies and procedures communicated to business partners by the Company	%	100	100	100
Total number of times of anti-corruption training provided	Time	4	-	-
Total person-time receiving anti-corruption training	Person-time	980	-	-
Number of directors receiving anti-bribery and anti-corruption training	Person	7	7	9
Proportion of directors receiving anti-bribery and anti-corruption training	%	100	100	100
Total number of managers receiving anti-bribery and anti-corruption training	Person	8	-	-
Percentage of managers receiving anti-commercial bribery and anti-corruption training	%	66.67	-	-

Governance issues ▼

Indicator	Unit	2024	2023	2022
Number of employees receiving anti-bribery and anti-corruption training	Person	972	-	-
Proportion of employees receiving anti-bribery and anti-corruption training	%	8.37	-	-
Number of members of governance bodies to whom the Company's anti-corruption policies and procedures have been communicated.	Person	7	7	9
Percentage of the Company's anti-corruption policies and procedures communicated to members of governance bodies	%	100	100	100
Number of risk management training provided	Time	20	-	-
Number of person-time participating in risk management training	Person-time	165	-	-
Number of compliance trainings	Time	34	-	-
Total hours of compliance training	h	36.6	-	-
Person-time participating in compliance training	Person-time	2,202	-	-
Employee coverage of compliance training	%	18.95	-	-
Information security and privacy protection training session	Session	3	2	-
Person-time receiving information security and privacy protection training	Person-time	100	80	-
Total hours of information security and privacy protection training	h	150	100	-
Number of information security incidents	Piece	0	0	0
Percentage of business locations with ISO 27000 information security management system certification in the total number of business locations	%	50	25	-

Index

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

Dimension	No.	Issue	Corresponding terms	Report section
Environment	1	Combat with climate change	Articles 21 to 28	Combat with climate change
	2	Pollutant emissions	Article 30	Protection of the ecological homestead
	3	Waste disposal	Article 31	Protection of the ecological homestead
	4	Ecosystem and biodiversity conservation	Article 32	Strengthening of environmental management
	5	Environmental compliance management	Article 33	Strengthening of environmental management
	6	Energy utilization	Article 35	Efficient utilization of resources
	7	Utilization of water resources	Article 36	Efficient utilization of resources
	8	Circular economy	Article 37	Efficient utilization of resources
Society	9	Rural revitalization	Article 39	Path of public welfare with love
	10	Social contribution	Article 40	Path of public welfare with love
	11	Innovation-driven	Article 42	Being original in R&D to pursue excellent quality
	12	Science and technology ethics	Article 43	Being original in R&D to pursue excellent quality
	13	Supply chain security	Article 45	Optimization of services to ensure responsible supply
	14	Equal treatment of small and medium-sized enterprises	Article 46	Optimization of services to ensure responsible supply
	15	Safety and quality of products and services	Article 47	Being original in R&D to pursue excellent quality Optimization of services to ensure responsible supply
	16	Data security and customer privacy protection	Data security protection	Data security protection
	17	Employees	Article 50	Protection of rights and interests and strengthening of care Health care to promote the development
Sustainable development related governance	18	Due diligence	Article 52	Improvement of the governance system Building of a solid compliance development
	19	Stakeholder communication	Article 53	Stakeholder communication
	20	Anti-bribery and anti-corruption	Article 55	Adherence to business ethics
	21	Anti-unfair competition	Article 56	Building of a solid compliance development

Index

GRI index

GRI standards	Disclosure items	Report section	Page
GRI 2: General Disclosures			
2-1	Organizational details	About the Report	01
2-2	Entities included in organization's sustainability reports	About the Report	01
2-3	Reporting period, frequency and contact point	About the Report	01
2-6	Activities, value chain and other business relationships	About Topband	06-11
2-7	Employees	Protection of rights and interests and strengthening of care Key Performance Indicators (KPIs)	50-56 81-87
2-9	Governance structure and composition	Improvement of the governance system	66-71
2-10	Nomination and selection of the highest governance body	Improvement of the governance system	66-71
2-12	Role of the highest governance body in overseeing the management of impacts	Responsibility Management Improvement of the governance system	12-15 66-71
2-13	Responsibility authorization for management impact	Responsibility Management Improvement of the governance system	12-15 66-71
2-14	Role of the highest governance body in sustainability reporting	About the Report Responsibility Management	01 12-15
2-15	Conflict of interest	Improvement of the governance system	66-71
2-20	Salary determination procedure	Improvement of the governance system	66-71
2-22	Statement on sustainable development strategies	Responsibility Management	12-15
2-25	Procedure for remedying negative effects	Building of a solid compliance development	72-74
2-27	Compliance with laws and regulations	Building of a solid compliance development	72-74
2-29	Methods of stakeholder participation	Stakeholder communication	15
GRI 3: Material Topics			
3-1	Process to determine material topics	Assessment of substantive issues	14
3-2	List of material topics	Assessment of substantive issues	14
3-3	Management of material topics	Assessment of substantive issues	14
GRI 201: Economic Performance			
3-3	Management of material topics	About Topband	06-11
201-1	Economic value directly generated and distributed	About Topband	06-11
201-2	Financial impacts and other risks and opportunities brought about by climate change	Combat with climate change	21-26
GRI 202: Market Presence			
3-3	Management of material topics	About Topband	06-11
GRI 203: Indirect Economic Impacts			
3-3	Management of material topics	Path of public welfare with love	63-64
203-1	Infrastructure investment and supporting services	Path of public welfare with love	63-64
GRI 204: Procurement Practices			
3-3	Management of material topics	Optimization of services to ensure responsible supply	47-49
204-1	Proportion of spending on local suppliers	Optimization of services to ensure responsible supply Key Performance Indicators (KPIs)	47-49 81-87
GRI 205: Anti-corruption			
3-3	Management of material topics	Adherence to business ethics	75-77
205-1	Operations assessed for risks related to corruption	Key Performance Indicators (KPIs)	81-87
205-2	Communication and training about anti-corruption policies and procedures	Adherence to business ethics Key Performance Indicators (KPIs)	75-77 81-87

GRI standards	Disclosure items	Report section	Page
205-3	Confirmed incidents of corruption and actions taken	Adherence to business ethics	75-77
		Key Performance Indicators (KPIs)	81-87
GRI 206: Anti-competitive Behavior			
3-3	Management of material topics	Adherence to business ethics	75-77
GRI 301: Materials			
3-3	Management of material topics	Efficient utilization of resources	27-31
GRI 302: Energy			
3-3	Management of material topics	Efficient utilization of resources	27-31
302-1	Energy consumption within the organization	Efficient utilization of resources Key Performance Indicators (KPIs)	27-31 81-87
302-4	Reduction of energy consumption	Efficient utilization of resources Key Performance Indicators (KPIs)	27-31 81-87
302-5	Reductions in energy requirements of products and services	Efficient utilization of resources	27-31
GRI 303: Water and Effluents			
3-3	Management of material topics	Efficient utilization of resources Protection of the ecological homestead	27-31 32-38
303-1	Interaction between the organization and water (shared resources)	Efficient utilization of resources Protection of the ecological homestead	27-31 32-38
303-2	Management of drainage-related impacts	Efficient utilization of resources Protection of the ecological homestead	27-31 32-38
303-3	Water intaking	Efficient utilization of resources Key Performance Indicators (KPIs)	32-38 81-87
304-4	Drainage	Protection of the ecological homestead Key Performance Indicators (KPIs)	32-38 81-87
304-5	Water consumption	Protection of the ecological homestead Key Performance Indicators (KPIs)	32-38 81-87
GRI 305: Emissions			
3-3	Management of material topics	Combat with climate change	21-26
305-1	Direct (Scope 1) GHG emissions	Combat with climate change Key Performance Indicators (KPIs)	21-26 81-87
305-2	Energy indirect (Scope 2) GHG emissions	Combat with climate change Key Performance Indicators (KPIs)	21-26 81-87
305-7	Emissions of nitrogen oxides (NOx), sulfur oxides (SOx) and other significant gases	Combat with climate change Key Performance Indicators (KPIs)	21-26 81-87
GRI 306: Waste			
3-3	Management of material topics	Protection of the ecological homestead	32-38
306-1	Waste generation and significant waste-related impacts	Protection of the ecological homestead	32-38
306-2	Management of significant waste-related impacts	Protection of the ecological homestead	32-38
306-3	Waste generated	Protection of the ecological homestead Key Performance Indicators (KPIs)	32-38 81-87
306-5	Waste to be disposed of	Protection of the ecological homestead Key Performance Indicators (KPIs)	32-38 81-87
GRI 308: Supplier Environmental Assessment			
3-3	Management of material topics	Optimization of services to ensure responsible supply	47-49
308-1	New suppliers selected according to environmental evaluation	Optimization of services to ensure responsible supply Key Performance Indicators (KPIs)	47-49 81-87
308-2	Negative environmental impacts in the supply chain and actions taken	Optimization of services to ensure responsible supply	47-49
GRI 401: Employment			

GRI standards	Disclosure items	Report section	Page
3-3	Management of material topics	Protection of rights and interests and strengthening of care	50-56
401-2	Benefits provided to full-time employees that were not provided to temporary or part-time employees	Protection of rights and interests and strengthening of care	50-56
401-3	Parental leave	Key Performance Indicators (KPIs)	81-87
GRI 402: Labor/Management Relations			
3-3	Management of material topics	Protection of rights and interests and strengthening of care	50-56
402-1	Minimum notice periods regarding operational changes	Key Performance Indicators (KPIs)	81-87
GRI 403: Occupational Health and Safety			
3-3	Management of material topics	Health care to promote the development	57-62
403-1	Occupational health and safety management system	Health care to promote the development	57-62
403-2	Hazard identification, risk assessment, and incident investigation	Health care to promote the development	57-62
403-3	Occupational health services	Health care to promote the development	57-62
403-4	Worker participation, consultation, and communication on occupational health and safety	Health care to promote the development	57-62
403-5	Worker training on occupational health and safety	Health care to promote the development Key Performance Indicators (KPIs)	57-62 81-87
403-6	Promotion of worker health	Health care to promote the development	57-62
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health care to promote the development	57-62
403-8	Workers covered by an occupational health and safety management system	Health care to promote the development Key Performance Indicators (KPIs)	57-62 81-87
403-9	Work-related injuries	Health care to promote the development Key Performance Indicators (KPIs)	57-62 81-87
403-10	Work-related ill health	Key Performance Indicators (KPIs)	81-87
GRI 404: Training and Education			
3-3	Management of material topics	Health care to promote the development	57-62
404-1	Average hours of training per year per employee	Key Performance Indicators (KPIs)	81-87
404-2	Programs for upgrading employee skills and transition assistance programs	Health care to promote the development	57-62
404-3	Percentage of employees receiving regular performance and career development reviews	Key Performance Indicators (KPIs)	81-87
GRI 405: Diversity and Equal Opportunity			
3-3	Management of material topics	Protection of rights and interests and strengthening of care Improvement of the governance system	50-56 66-71
405-1	Diversity of governance bodies and employees	Protection of rights and interests and strengthening of care Improvement of the governance system Key Performance Indicators (KPIs)	50-56 66-71 81-87
405-2	Ratio of basic salary and remuneration of male employees to female employees	Protection of rights and interests and strengthening of care Key Performance Indicators (KPIs)	50-56 81-87
GRI 406: Non-discrimination			
3-3	Management of material topics	Protection of rights and interests and strengthening of care	50-56
406-1	Incidents of discrimination and corrective actions taken	Protection of rights and interests and strengthening of care	50-56
GRI 407: Freedom of Association and Collective Bargaining			
3-3	Management of material topics	Protection of rights and interests and strengthening of care	50-56

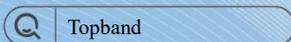
GRI standards	Disclosure items	Report section	Page
		strengthening of care	
GRI 408: Child Labor			
3-3	Management of material topics	Protection of rights and interests and strengthening of care	50-56
GRI 409: Forced or Compulsory Labor			
3-3	Management of material topics	Protection of rights and interests and strengthening of care	50-56
GRI 413: Local Communities			
3-3	Management of material topics	Path of public welfare with love	63-64
GRI 414: Supplier Social Assessment			
3-3	Management of material topics	Optimization of services to ensure responsible supply	47-49
414-1	New suppliers selected according to social standards	Optimization of services to ensure responsible supply Key Performance Indicators (KPIs)	47-49 81-87
414-2	Negative social impacts in the supply chain and actions taken	Optimization of services to ensure responsible supply	47-49
GRI 416: Customer Health and Safety			
3-3	Management of material topics	Being original in R&D to pursue excellent quality Optimization of services to ensure responsible supply	40-46 47-49
GRI 418: Customer Privacy			
3-3	Management of material topics	Data security protection Key Performance Indicators (KPIs)	78-80 81-87
418-1	Substantiated complaints involving invasion of customer privacy and loss of customer data	Data security protection Key Performance Indicators (KPIs)	78-80 81-87



CO-INNOVATING A SMARTER FUTURE

Shenzhen Topband Co., Ltd.
Topband Industrial Park, Shiyan Sub-district,
Bao'an District, Shenzhen, China
Email: topband@topband.com.cn

Stock code: 002139.SZ
Tel.: 0755-2765 1888
<https://www.topband.com.cn>



WeChat Official
Account of Topband



LinkedIn



Facebook



Instagram