



MULTEK
a **dsbj** company



2022

MULTEK GROUP
**Environmental,
Social and
Governance Report**

ABOUT THIS REPORT

Introduction

This report marks the first time for Multek Group to publish an *Environmental, Social and Governance Report* ("ESG Report" or "Report") to the public. It provides regular and systematic information on the Company's philosophy, approach, practices and performance in environmental, social and governance ("ESG") to the Company's shareholders and investors, local government and regulatory authorities, employees, customers, partners, the media and the public, local community residents and other stakeholders, with a view to enhancing the understanding and awareness of the Company by all stakeholders. We will also accept the monitoring of the community.

Reference Standards

The report is based on the *GRI Standard 2021*, the Responsible Business Alliance (RBA), the Sustainable Development Goals (SDGs) and the ISO 26000 social responsibility standard.

The report follows the principles of materiality, quantification, consistency and balance.

Materiality The report identifies ESG issues that are of material relevance to the company and provides targeted disclosure on the corresponding issues.

Quantitative The report discloses information on the standards, methods, assumptions and/or calculation tools used for reporting emissions/energy consumption (where applicable) and the sources of conversion factors used.

Consistency The report is consistent in the statistical methods used to disclose data and any changes to the statistical methods of disclosure or key performance indicators will be clearly stated in the report.

Balance The report provides a fair, equitable, objective and balanced picture of the company's environmental, social and governance performance to avoid inappropriate interpretations, decisions and judgments by readers.

Report Scope and Period

The report period is annual and the scope of the organization is Multek Group. It covers the period from January 1, 2022 to December 31, 2022 (the "Reporting Period"). Considering the continuity and comparability of the information disclosed, some of the information may be retrospective to outside the reporting period.

Indicative Description

To facilitate the presentation, Multek Group uses the terms "Multek", "the Company", "we" in the presentation of the report. The abbreviations of its holding company in the report are as follows:

Multek Electronics	means	Multek Electronics Limited
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Multek Technologies	means	Multek Technologies (Zhuhai) Co., Ltd.
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Multek Industries	means	Multek Industries Limited
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Multek Zhuhai	means	Multek Zhuhai Co., Ltd.
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Multek China	means	Multek China Co., Ltd.

Credibility Statement

All information in this report is derived from the Company's statistical, aggregated and reviewed environmental, social and governance information. Unless otherwise stated, the currency and amount of the data in the report are measured in RMB. This report is the first *Environmental, Social and Governance Report* of the Company and no restatement of information is required.

Report Format & Access

The report is published in both Chinese and English. You can download an electronic copy of this report and obtain further information from the website of Multek (<https://www.multek.com>). If you would like to learn more about us, you can supplement it by reading the Company's annual report or visiting the Company's website.

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MESSAGE FROM THE CEO

In 2022, due to the tight global economic situation and slowing demand growth, the industry faces enormous challenges and pressures, and crossing the bottom of the cycle and building momentum for the next round of glory becomes a top priority for companies. In the face of the severe external environment and the recurring epidemic, Multek adhered to its sustainable development strategy, completed organizational optimization, continued to improve quality and efficiency, deepened technological research, and promoted stable business growth, we achieved a 60% year-on-year increase in annual revenue and a 70% year-on-year increase in operating profit.

We have concentrated our efforts on organizational optimization, strengthened our development base, improved our efficiency and competitiveness, and defined a clearer and more practical business strategy, tactical planning and development philosophy. We continue to promote the

integration of the "management optimization and internal transformation, strategies", deepen the potential of these two, and achieve more and more significant results in internal cost reduction and efficiency enhancement.

We focus on quality improvement, carry out the "Quality Everywhere, Craftmanship for All" project, take the idea of "quality forward" as our guide, "do things right once" as our requirement, and "zero defects" as our goal, and comprehensively promote excellent quality of products and services, so that the quality pass rate continues to improve.

We deepen the application of technology research, accelerate the key core technologies and equipment in the field of circuit boards, breakthroughs in new markets and new business. Technology drives social progress, technology leads high-quality development, we think what our customers think, respond to customer needs, and act what

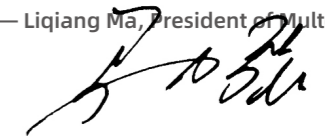
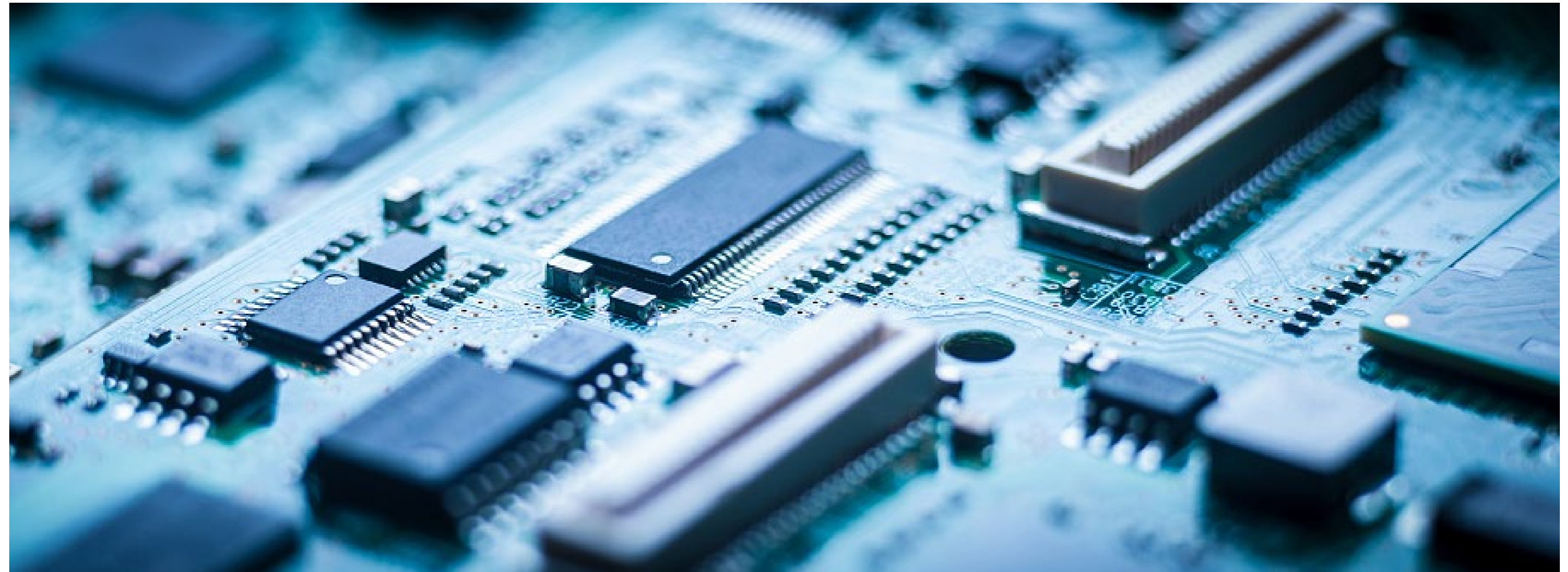
our customers expect. In 2022, we increased our investment in the research and development of new technologies and equipment to enhance our innovation and development capabilities, and made new breakthroughs in improving the new product development process, systematic thinking, overall planning and incremental efficiency in new markets and new businesses.

Green and low-carbon development is a matter of the overall layout of the construction of ecological civilization, and China's "30-60 carbon peaking and carbon neutrality goals" requires the joint efforts of the whole society. Multek has long adopted the concept of green management as a part of our business practices. We actively promote cleaner production activities, energy saving and quality improvement activities to reduce pollutant emissions at source and at all stages of production. We have proactively set carbon reduction targets, carried out annual carbon

inventories and invested in an intelligent energy monitoring system at all times. In the future, we will continue to do this through a combination of measures.

Multek's passion and performance is to be steadfast and forward-looking. The uncertainty of the global economy not only brings risks and challenges, but also contains new development opportunities. In 2023, we will continue to be true to our roots, grasp the opportunities of the new era and new journey, adhere to sustainable development, adjust the industrial structure, change the growth momentum, adhere to our main responsibilities and main business, and consciously follow the path of quality development!

— Liqiang Ma, President of Multek Group

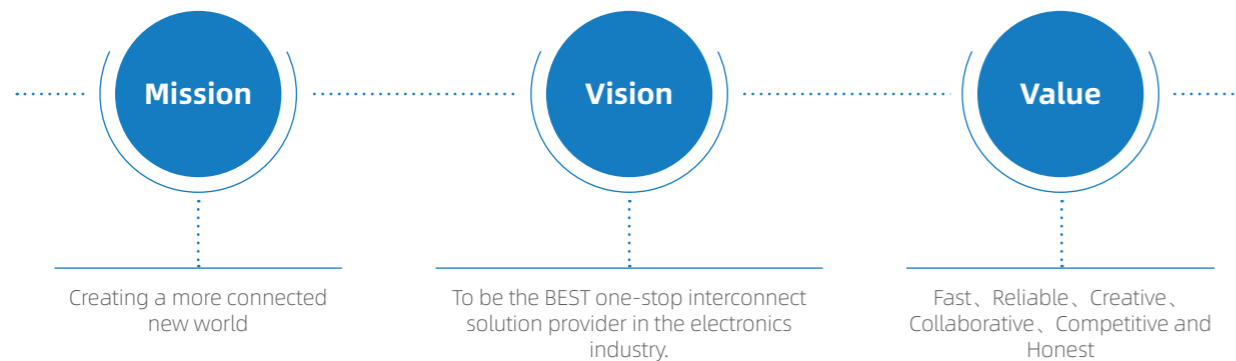
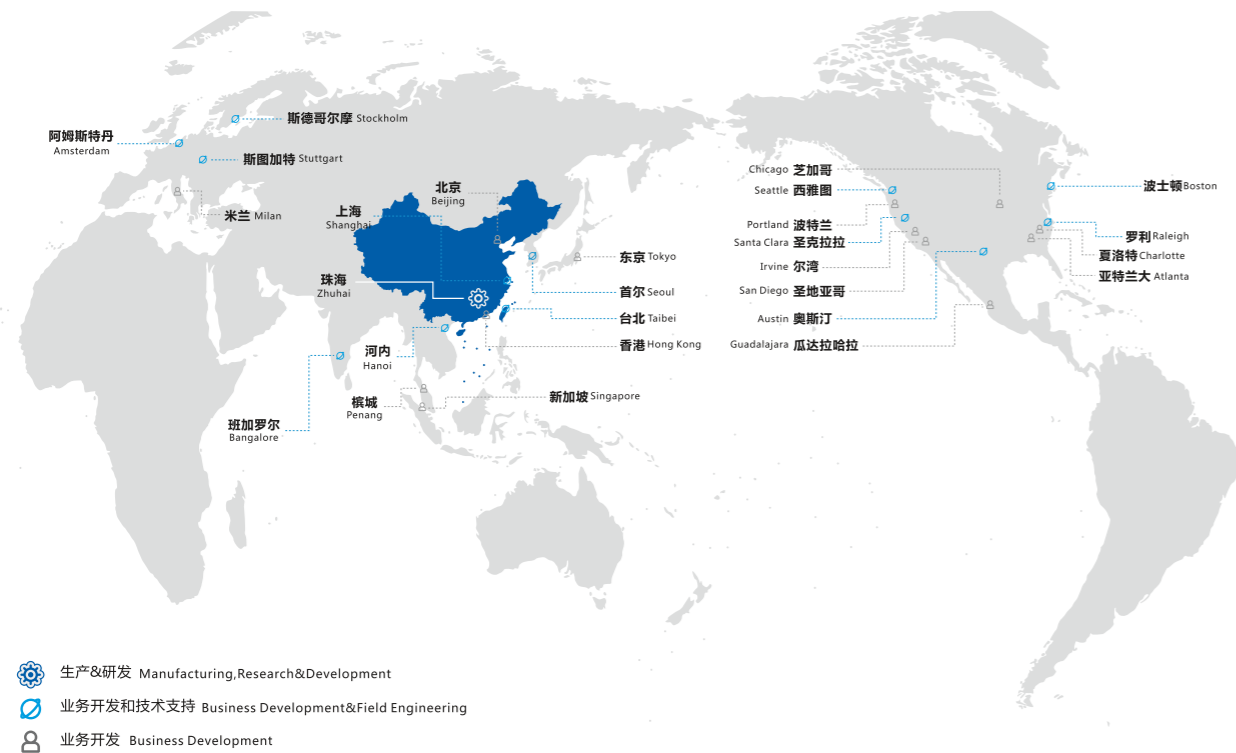
ABOUT US

Company Profile

Multek Group, abbreviated as "Multek," was founded in 1978 and is a leading value-added manufacturer in the printed circuit board (PCB) technology industry. With all five of its factories located in the Zhuhai region, Multek has a global service footprint. Its main business revolves around providing a wide range of PCB engineering and manufacturing expertise, including high-density interconnect, rigid, flexible, and rigid-flex PCBs, as well as assembly solutions. Multek serves customers

in the mobile, automotive, internet, medical, wearable devices, telecommunications, computer, industrial, and consumer electronics markets. It enables customers to swiftly bring their products to the market through early engineering, adoption of advanced technologies, and mass production. With its exceptional global technologies, Multek rightfully claims its position among the world's top ten PCB suppliers and is the most precise and complex multilayer PCB supplier worldwide.

MULTEK **Multek – 全球足迹** Global Footprint



Development History

- 1978** • Founder George Schreyer established Multek in Santa Ana, California, USA and expanded to Irvine, California
- 1989** • Multek production expanded in Irvine, California
- 1994** • Acquired by DII Group, resulting in a new company after asset allocation
- 1996** • Added former Unisys site in Roseville, Minnesota, USA, specializing in backplanes and larger circuit boards
- 2000** • Merged with Flex(formerly Flextronics) Existing Flextronics Astron PCB facility in Zhuhai, China renamed to Multek
- 2006** • The production capacity of FPC increased in the Zhuhai factory area, China
- 2014** • Multek Interconnect Technology Center opened in Zhuhai, China
- 2015** • Multek consolidated manufacturing to Zhuhai, China, Closed the remaining European and Americas factories
- 2016** • Three-year \$150 M capacity expansion began at Zhuhai, China factories
- 2017** • Factory 4.0 deployment-Connected and automated lines with intelligent equipment
- 2018** • Multek acquired by Dongshan Suzhou Precision Manufacturing Co. (DSBJ)
- 2021** • Setting carbon reduction targets and implementing carbon inventories
- 2022** • Releasing our inaugural ESG report, demonstrating our comprehensive dedication to sustainability

01

GOVERNANCE

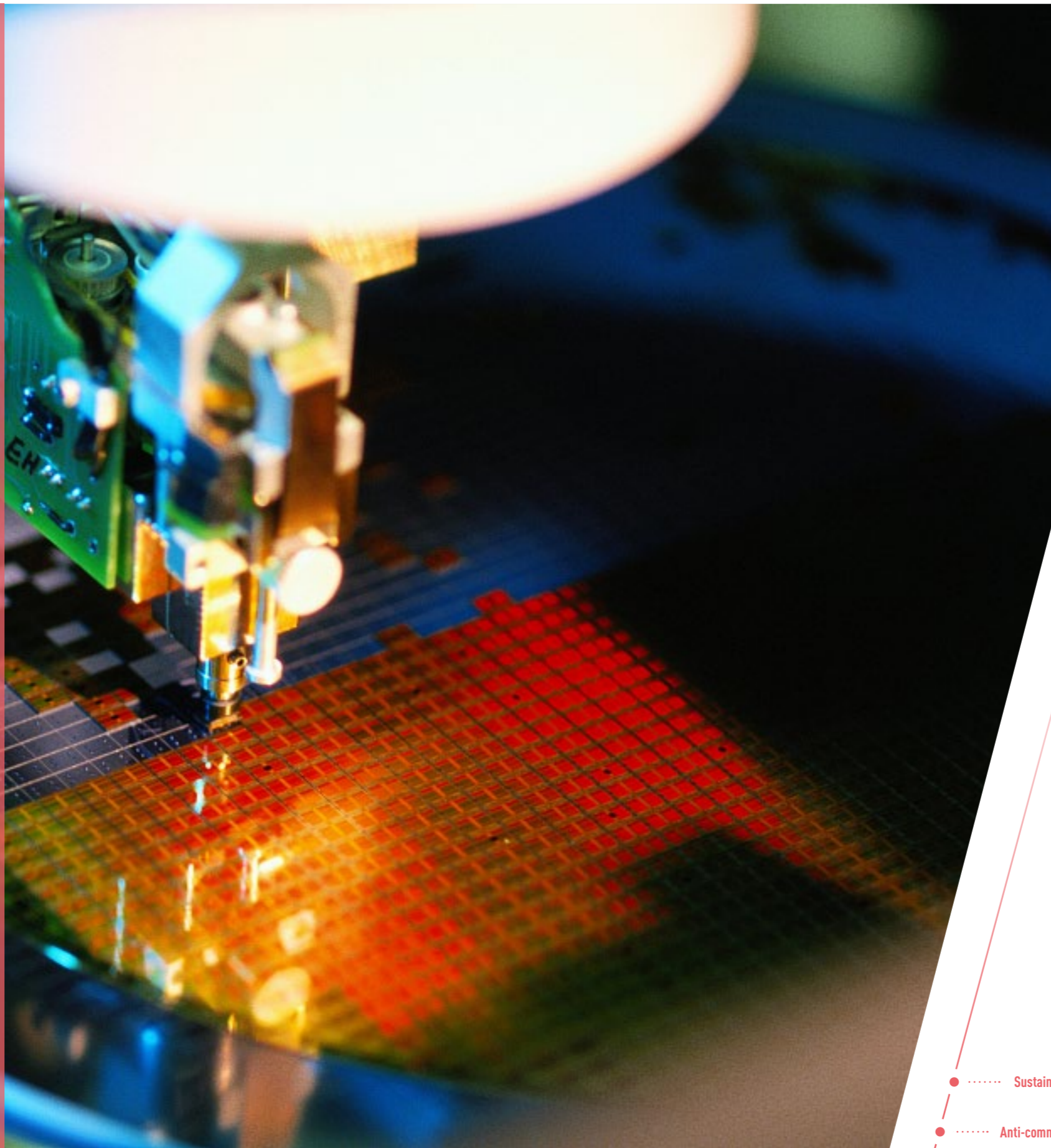
Compliance Operation and Steady Progress

Multek, as a wholly-owned subsidiary of Suzhou Dongshan Precision Manufacturing Co., Ltd., strictly adheres to the requirements of the *Company Law*, *Securities Law*, *Listing Company Governance Guidelines*, and other relevant laws, regulations, regulatory bodies, and corporate regulations. We follow the relevant rules of procedure, work management processes, and systems while continuously improving internal audit processes and systems within the Multek Group, driving the ongoing optimization of corporate governance. To build a modern energy system and accelerate the achievement of high-quality economic development, Multek anchors its commitment to "Green Development, Energy Revolution, and Dual Carbon Goals." We actively promote clean production, undertake energy conservation, emission reduction, and quality improvement activities, set carbon reduction targets and compliance certifications proactively, and employ multiple measures to promote sustainable development.

Aligning with the SDGs

..... Sustainable Development Strategy

..... Anti-commercial Bribery



Key Issues

- Business Ethics and Integrity
- Compliance Operations
- Anti-Corruption Advocacy
- Risk Management

Key Action Strategies

- Optimizing organizational structure, integrating internal oversight, establishing internal audit mechanisms, and continuously expanding the breadth and depth of supervision efforts.
- Strict adherence to policies and regulations on anti-corruption and anti-bribery, conducting integrity and anti-corruption training, regularly conducting risk assessments, and establishing a core anti-corruption institutional framework.

Core Management Performance

Individuals received training on integrity and anti-corruption

370

Individuals received anti-corruption training

1,200

individuals underwent business ethics proficiency testing

1,200

Consecutive anti-corruption and integrity training conducted for three years since 2019

3

follow-up feedback rate on received reports

100%

SUSTAINABLE DEVELOPMENT STRATEGY

Practicing the concept of sustainable development is the "steering wheel" of steady navigation. As a leader in the circuit board industry, Multek pays attention to the environmental and social impact of its products and industry. We are committed to collaborating with stakeholders for continuous development and low-carbon operations, leveraging the positive value of our enterprise, contributing to society through responsible business practices, and reshaping a more ethical and expansive business landscape.

ESG Governance

ESG Governance Framework

Advancement of the sustainable development strategy requires the establishment of an ESG governance framework to regulate daily operational management and formulate relevant policies and procedures. Building upon its own sustainable development strategy, Multek has established a Sustainable Development Management Committee to oversee the company's sustainable development efforts. Each department has set up corresponding teams with designated contacts to fulfill their management responsibilities and ensure the implementation of social responsibility principles across the organization.



ESG Management Operation Mechanism

Regulatory routines and procedures are divided into decision-making meetings, daily meetings, and stakeholder communications. The frequency of meetings is adjusted based on the progress and effectiveness of major sustainable development issues and key performance indicators

Management Level	Sustainability Business Management System	Strategic Planning for Sustainable Development Funding budget approval
Execution Level	Execution of sustainable development projects Monitoring and evaluation of sustainable development projects Dissemination of sustainable development projects	
Third party level	Project compliance and assessment	

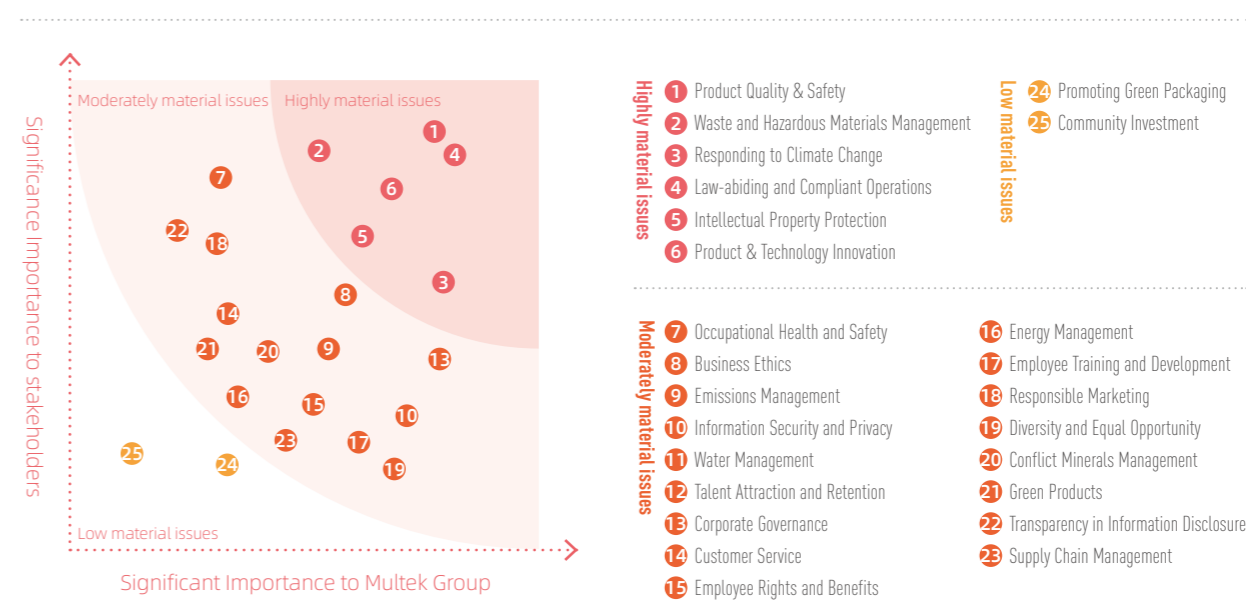
- Decision-making meetings**
 - The meetings of the Sustainable Development Committee, Board of Directors, or senior executives are typically scheduled at the end of the previous year or the beginning of the current year. For meetings that involve the need to reach a final decision, the voting ratio is determined based on factors such as attendance rate and conflicts of interest, with the requirement that the in-favor votes exceed two-thirds of the total votes for the final decision to be announced.
- Daily meetings**
 - The Sustainability Committee and the Group's functions meet regularly through ESG-themed meetings to continuously improve their skills, knowledge and deepening of their understanding of sustainability.
- Stakeholder communications**
 - To establish communication channels for upward communication of stakeholder views, such as setting up feedback from suppliers and establishing a customer complaint mechanism.

ESG Safeguard Mechanism

- Upgrading the Sustainable Business Credo**
 - communicating core corporate culture and values throughout the company
- Defining a role in domestic and international markets and industries**
 - developing and committing to medium and long-term sustainable development strategies and targets.
- Establishing a safeguard mechanism for the implementation of sustainable development strategies**
 - Corporate policy level encourages innovation and participation in sustainable development
 - Breaking down interdepartmental segregation at the organisational level and operating in synergy
 - Establishing criteria and approaches for sustainability impact assessment
 - Following up on monitored sustainable development project plans and implementation
 - Continuous action correction in the course of sustainable development projects
- Establishing mechanisms for validation and accreditation of sustainable projects.**
- Establishing mechanisms for ongoing stakeholder engagement**

Analysis of Major Substantive Issues

Significant substantive issues determination process:	Issue Identification	Stakeholder Engagement	Issue Assessment	Audit Confirmation
	Based on Multek's business model, combined with national policies and capital market concerns, and through benchmarking and analysis of peer companies' concerns, sustainable development issues such as product quality and safety, employee rights and welfare, energy utilization and energy conservation and emission reduction were selected	Multek collected 114 pieces of information from internal and external stakeholders, including investors, suppliers, customers and employees, to fully understand the focus of internal and external stakeholders on our sustainable development management	Based on the results of the stakeholder survey, Multek ranked the sustainability issues on two dimensions: "importance to corporate development" and "importance to stakeholders", and drew up a matrix of importance issues	Present the results of the materiality assessment to management and obtain management confirmation



Stakeholder Communication Response

STAKEHOLDERS	TOPICS OF INTEREST	RESPONSE METHOD	2022 KEY INITIATIVES
Shareholders and Investors	<ul style="list-style-type: none"> Transparency in information disclosure Continuous value creation Sound risk management 	<ul style="list-style-type: none"> Standardize company management system Continuously deepen the strategy to promote and build advantageous industries 	<ul style="list-style-type: none"> Focus on core industries to enhance profitability
Government & Regulators	<ul style="list-style-type: none"> Law-abiding and compliant operation Responding to national policy 	<ul style="list-style-type: none"> Compliance with national laws and regulations Actively fulfill social responsibility 	<ul style="list-style-type: none"> Continued internationalization process Actively fulfill social responsibility
Consumers and Customers	<ul style="list-style-type: none"> Product quality and safety Innovative product technology to meet customer needs 	<ul style="list-style-type: none"> Improve product quality and safety, strengthen scientific research and innovation, and provide services to a wider range of customer groups 	<ul style="list-style-type: none"> Launching the "Quality Everywhere, Craftsmanship for All" campaign to encourage innovation, high goals and ultimate product quality to meet consumer needs Invest in core technology and equipment R&D Customer satisfaction survey, complaint system and after-sales service
Suppliers and Distributors	<ul style="list-style-type: none"> Standardized procurement process, good competition mechanism Industry chain partners for mutual benefit Promoting industry development 	<ul style="list-style-type: none"> Made supplier agreement, fair procurement Supplier assessment, auditing, training and communication Support for partners 	<ul style="list-style-type: none"> Launched the <i>Honesty and Integrity Agreement</i> Launched <i>Multek Supplier CSR Red Line</i>
Employees	<ul style="list-style-type: none"> Protection of employee rights and interests Occupational health and safety Respect for diverse cultures and lifestyles Grow and develop together with employees Enhance employer competitiveness 	<ul style="list-style-type: none"> Comply with laws and regulations and protect the basic rights and interests of employees Improve occupational health and safety measures Provide competitive compensation package Caring for employees' lives Employee capacity building 	<ul style="list-style-type: none"> Continued to carry out the Zhuhai Artisan, Multek Artisan, Zhuhai Chief Technician and other merit evaluation and talent incentive competitions, comprehensively promote the training of highly skilled personnel, independent certification of vocational skills levels and other training, won the Zhuhai City "Highly Skilled Personnel Training Base" "Model Enterprise Training Center" and other honors listed
Community	<ul style="list-style-type: none"> Improve the community environment Helping the vulnerable groups Caring for the development of the next generation 	<ul style="list-style-type: none"> Caring for the ecological environment Assistance in community building Conducting volunteer activities Supporting youth development 	<ul style="list-style-type: none"> Support environmental charity projects Organizing employees to serve the community Organize employment guidance for people with disabilities Organizing support - epidemic activities
Environment	<ul style="list-style-type: none"> Addressing climate change Energy use efficiency Energy saving and emission reduction Effective use of waste 	<ul style="list-style-type: none"> Development of green production Establishing an environmental protection system 	<ul style="list-style-type: none"> Implementing cleaner production, energy saving and emission reduction activities, setting carbon reduction targets, conducting carbon inventories and compliance certification compliance disclosure

ANTI-COMMERCIAL BRIBERY

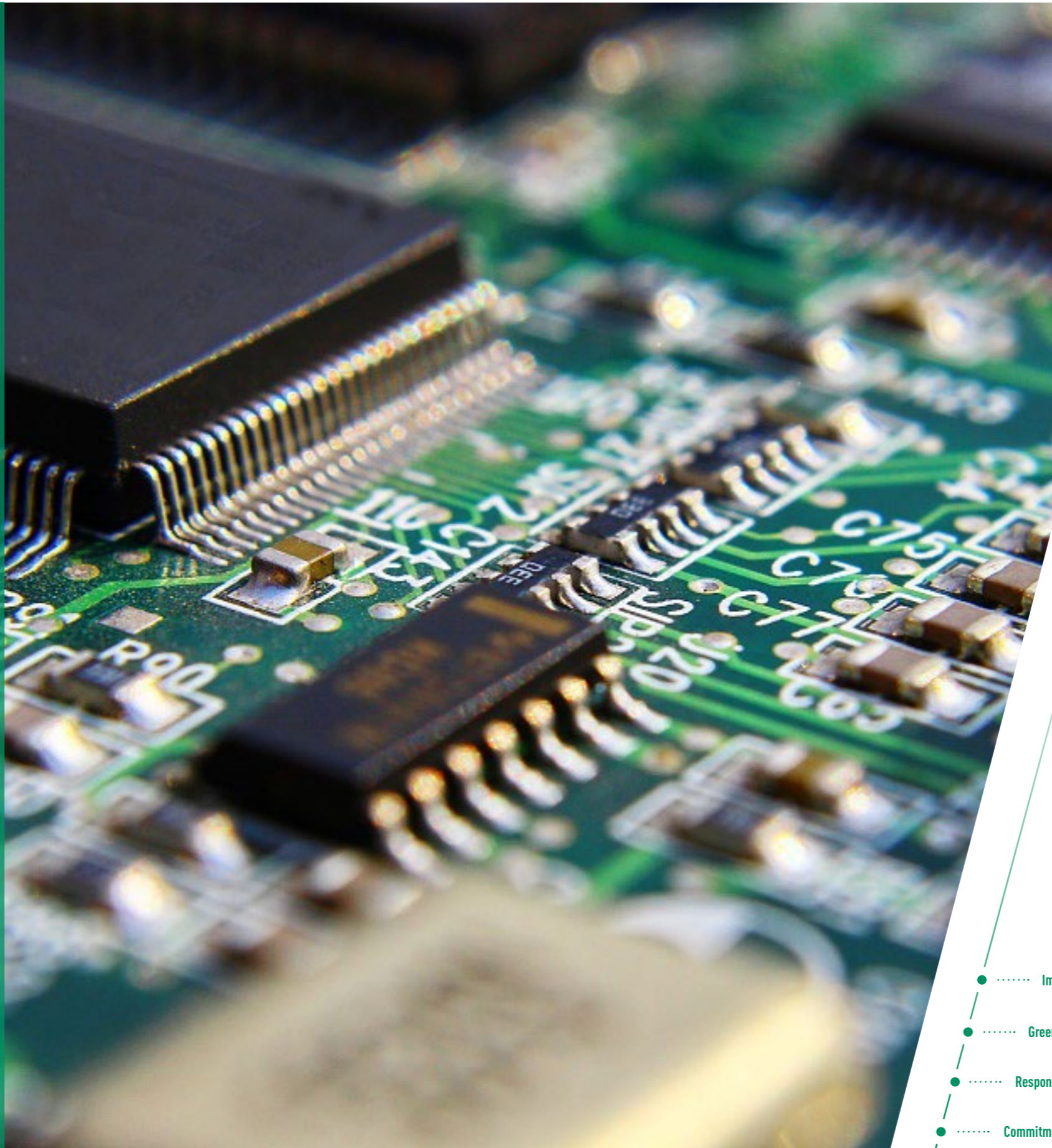
Multek includes integrity in its corporate core values, traditionally advocates compliant operation, attaches great importance to anti-fraud work, strictly abides by national laws and regulations, and focuses on the prevention and punishment of corruption.

Multek set up a special internal audit department to build a corruption prevention and control integrity system and make every effort to build a clean enterprise. Internal audit work is to adapt to the company's management needs, to improve the internal supervision and inspection mechanism of the company's risk management, to prevent and control risks, to strengthen internal control, risk management, to improve the efficiency and effects of governance activities and business management, and to safeguard the interests of shareholders and investors.



"Fast, reliable, innovative, collaborative, competitive and honest" are the core values of Multek. Among them, "honesty" is the first key to social responsibility, and employees are clearly required to keep their promises, be pragmatic and honest, and discipline themselves. The Group has established a guideline document *Business Ethics and Integrity Management System*, the basic principles of which include honesty and integrity, legal compliance, confidentiality and conflict of interest avoidance, and has carried out various forms of publicity and training, and conducted regular audits of the standard. The Group has established the institutional document *Multek Anti-Fraud Management Rules* to create an anti-fraud corporate culture environment, assess fraud risks, receive and investigate fraud reports, and establish overall control procedures and mechanisms to reduce the chances of fraud occurring. The Group publishes the *Letter of Notice to Suppliers on Integrity Procurement* to prevent corruption incidents from the perspectives of integrity culture promotion, integrity system construction and risk avoidance prevention, and suppliers and customers are required to sign the *Integrity and Integrity Cooperation Agreement* when cooperating with each other, which effectively improves the integrity and fairness of business and self-discipline and self-love of employees. The Group not only prevents corruption from the system, but also establishes a systematic integrity education and training mechanism at the behavioral level. The training is targeted at all employees and includes a number of core documents related to anti-bribery in business, such as *Business Ethics and Integrity Management System*, *Code of Business Ethics Conduct*, *Code of Conduct for Responsible Business Alliance*, etc. At the same time, provisions such as anonymous reporting and whistleblower protection are set up to prevent both systematically and behaviorally the occurrence of corruption risk events.





Key Issues

- Waste and Hazardous Materials Management
- Climate Change Response
- Emissions Management
- Water Management
- Energy Management
- Conflict Minerals Management
- Promotion of Green Packaging
- Green Products

Key Action Strategies

- Passed ISO 14001 environmental management system certification.
- All pollutant emissions are better than the discharge permit requirements.
- Initiating employees to travel green and promoting green office concepts such as saving paper, water and electricity.
- Identify climate change risks, carry out greenhouse gas emissions identification, assessment, verification and certification, and prepare and publish the Greenhouse Gas Verification Statement.
- Set a carbon reduction target: Using 2018 as a baseline, we will work to cut carbon emissions by half by 2030 and continue to advance toward carbon neutrality.

Core Management Performance

Operating costs of environmental protection facilities

\$44,955,566

Pay environmental tax of

\$33,232.71

Greenhouse Gas Verification Statement to be published in 2018, 2021 and 2022

3

02

ENVIRONMENTAL

Low Carbon and Green Drive

In the process of development, Multek not only focuses on improving the economic and social benefits of the company, but also focuses on environmental benefits. We rely on scientific and technological progress to constantly transform and improve the production process. We explore and develop an effective model of sustainable economy, establish a perfect environmental protection management system, strengthen the environmental protection awareness and training of employees, and actively promote the disclosure of environmental protection information in order to improve the utilization of resources, reduce the production and emission of pollutants, protect and improve the environment, and practice environmental protection responsibilities with practical actions.

Aligning with the SDGs

● Improve Environmental Management

● Green Low-Carbon Practices

● Responding to Climate Change

● Commitment to Ecological Protection

IMPROVE ENVIRONMENTAL MANAGEMENT

Multek is committed to protecting the earth's environment and minimizing pollution and damage. We are committed to developing green production and the ability to design products in an environmentally friendly manner, continuously improving our environmental management system, conducting risk assessments of unexpected environmental events, investigating and managing potential environmental risks, improving risk prevention and control measures for unexpected environmental events, and enhancing environmental emergency management.

Environmental Management System

Multek has taken the initiative to take responsibility for the environment, introduced an advanced management system, established a sound management structure in accordance with the ISO 14001 environmental management system standard, promulgated the environmental health and safety policy, with "protecting the environment, preventing pollution, saving energy and natural resources, implementing green low-carbon manufacturing, and pursuing zero solid waste/zero waste to landfill" as overall environmental goals. We are committed to improving environmental performance throughout the entire process from supplier procurement, manufacturing to waste management by preparing the Environmental Health & Safety Objectives, Targets and Management Program Procedures.



Multek Electronics ISO14001 Certificate

Multek Technologies ISO14001 Certificate

Multek Industries ISO14001 Certificate



Multek Zhuhai ISO14001 Certificate

Multek China ISO14001 Certificate

Environmental Risk Control

In compliance with relevant national laws and regulations, Multek has formulated a series of management methods and emergency response plans to strengthen the prevention and control of environmental risks and effectively prevent, timely control and eliminate the hazards of unexpected environmental events. During the reporting period, the company did not have any incidents of exceeding the emission monitoring results.

Strict Self-Environmental Monitoring

Multek has formulated the Periodical Waste Water & Exhaust and Factory bound Noise Monitor and Measurement Procedure and Self-monitoring Program to standardize the company's regular monitoring procedures, which clearly stipulate the monitoring points, indexes, frequency, implementation standards and restrictions for the discharge of wastewater, exhaust gas and noise, etc., and employ qualified third-party testing organizations to monitor the discharge of wastewater and exhaust gas to ensure that all kinds of pollutants meet the emission standards.

Improve the Environmental Emergency Plan

In order to respond to environmental emergencies, standardize the company's response to the disposal of environmental emergencies and improve the ability to respond to and prevent environmental emergencies, Multek formulated the Emergency Response Plan for Environmental Emergencies and filed it with the Bureau of Ecology and Environment of Zhuhai City.

The company allocates emergency materials for the disposal of environmental emergencies as required and holds various emergency drills such as chemical (hazardous waste) leakage regularly every year to ensure that the company can make timely and effective disposal in case of environmental emergencies, minimize casualties and property losses, and reduce the damage to the environment and the impact on the social surface. We signed the *Agreement on Mutual Rescue for Emergency Response to Environmental Health and Safety Accidents* with neighboring enterprises to improve the disposal capability of sudden and unexpected environmental pollution accidents. Since 2018, we have purchased Environmental Pollution Liability Insurance for 6 consecutive years, and still maintain a good record of zero accidents and zero payouts.

Production Safety Accident Emergency Plan Exercise

On April 27th and September 1st, 2022, Multek conducted emergency disposal drills for chemical leakage, burn accident, cyanide poisoning accident and hazardous waste leakage drills respectively. Through a series of drills such as material preparation, personnel rescue and treatment, protective equipment wearing, accident response and waste transfer, the results of the drills were summarized and a report of the drills was formed. Through such safety production accident emergency disposal drills, the company's staff's ability to respond to unexpected accidents has been improved, and the process of emergency rescue and disposal of chemical leakage, burn accident, cyanide poisoning and hazardous waste leakage has been standardized, which will most effectively control and reduce the losses caused when accidents occur.



Emergency response drills for chemical spills, burn accidents and cyanide poisoning accidents



Emergency drill for hazardous waste leakage accident

GREEN LOW-CARBON PRACTICES

Emission and Discharge Control

Lucid waters and lush mountains are invaluable assets. Multek has implemented advanced environmental treatment facilities for wastewater treatment, waste gas purification, and solid waste classification and storage facilities. A range of advanced environmental technologies and management methods have been adopted, Multek is actively promoting clean production activities, energy conservation, emissions reduction, and quality improvement. By reducing the generation and emission of pollutants from the source and throughout the production processes, the company ensures that its production and operation activities do not have any negative impact on the environment.

Multek pays attention to the treatment and control of pollutants such as waste gas, wastewater, and solid waste. We strictly adhere to the legislations and regulations on pollutant management, such as the Environmental Protection Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Solid Waste Pollution Prevention and Control Law of the People's Republic of China, Emission Standards of Volatile Organic Compounds for Printing Industry, and Regulations on Pollution Administrative Permit, as well as industry standards. The company has developed a comprehensive plan for waste gas and wastewater treatment, equipped with a complete set of pollution control facilities, which are either outsourced or operated and maintained by ourselves. The company has an Environmental Health and Safety Department to supervise and manage pollution and the operation of environmental protection facilities, regularly maintain and overhaul environmental protection facilities, and the Service Department is responsible for leading energy conservation and emission reduction activities.

During the reporting period, the company obtained the pollution administrative permit, and all environmental protection facilities operated normally. Various pollutions were lower than the permitted limit value. The company did not receive any administrative penalties related to ecology or environment, and no incidents of illegal discharge, emission, or solid waste dumping occurred. There is no involvement in judicial judgments related to the ecology or environment.

During 2022

Operation costs of environmental protection facilities

44,955,566 yuan

Environmental protection tax

33,232.71 yuan

The Company's Pollution Release List in 2022

Pollutant	Release Amount in 2022 (Unit: ton)	Release Amount in 2021 (Unit: ton)	Release Amount in 2020 (Unit: ton)
Water Pollutant			
Wastewater Total Amount	3,189,572.57	3,588,186.00	2,516,684.00
COD	61.88	73.92	60.72
N-NH4+	4.77	10.79	5.51
Total N	32.74	34.25	26.58
Total Ni	0.001	0.001	0.00001
Total Ag	0.001	0.00002	0.01
Air Pollutant			
HCl (g.)	61.07	16.86	6.97
H2SO4 (fog)	4.56	2.49	3.75
VOCs	3.60	2.07	0.00
NOx	2.03	2.32	0.00
Particulate Matter	28.07	2.19	3.82
Solid Waste			
General Waste - Recycling	5,903.02	6,370.05	4,876.75
General Waste - Disposal	67.83	88.50	3.40
General Waste - Generation	5,970.86	6,458.55	4,880.16
Hazardous Waste	14,648.60	18,778.94	21,734.26

Waste Gas Management

Multek has implemented measures to control air pollution. The main sources of the company's waste gas are from processes such as solder mask application, silk screening, etching, and acid washing. Organic waste gas is treated using the "zeolite molecular sieve adsorption-desorption with combustion" process, achieving a removal efficiency of over 90%. Acid and alkali waste gas is treated through the "acid-alkali neutralization" process, and particulate matter is treated using the "baghouse dust removal" process.



Waste gas absorption equipment inside the workshop and outside absorption tower of Multek Electronics

Source collection and end-of-pipe treatment equipment for organic waste gas



Waste gas absorption equipment inside the workshop and outside absorption tower of Multek Industries



Waste gas absorption equipment inside the workshop and outside absorption tower of Multek China

Wastewater Management

Multek adheres to the principle of ecology and environment protection. The company's wastewater mainly comes from processes such as etching, acid washing, and electroplating. The industrial wastewater from Multek Industrial, Multek Zhuhai, and Multek China is treated in their on-site industrial wastewater treatment plants, with daily treatment capacities of 8,300 t, 2,000 t and 7,600 t, respectively. After meeting the standards, the treated water is discharged in accordance with regulations.

Since 2016, a total investment of 71 million has been made in the upgrading and renovation of the industrial wastewater treatment system

Establishing industrial wastewater treatment facilities using advanced “physicochemical + biological + MBR” filtration technology, which can effectively remove pollutants such as COD, ammonia nitrogen, total copper and total nickel

An industrial wastewater testing and early warning system has been established, with strict, internal control indicators that exceed the standard requirements

Online monitoring systems for COD, ammonia nitrogen, total copper, total nickel, and other pollutants have been installed at the discharge outlets, which are connected to the environmental protection online platform



Industrial wastewater testing and early warning system



MBR treatment technology



Wastewater treatment system

Solid Waste Disposal

Multek adheres to the principles of “waste reduction, recovery, and reuse” to minimize the adverse environmental impacts of solid waste. The company deals with various hazardous waste types, including sludge, copper-containing waste liquid, waste printed circuit boards, tin-containing waste liquid, and contaminated waste materials such as filter cartridges and empty barrels. Solid waste handled by the company includes plastic waste, discarded textile materials, and non-ferrous metals. The company has established waste management systems for proper storage, transfer, and disposal of waste. Hazardous waste is entrusted to qualified third parties for disposal, ensuring compliant release and proper treatment of various pollutants, thus minimizing the environmental impact.

The company advocates for the proper disposal of waste printed circuit boards. It promotes the concept of “economically efficient and environmentally friendly” to its customers, encouraging them to entrust qualified organizations for the disposal of waste printed circuit boards. This approach aims to minimize the adverse environmental impact to the greatest extent possible.

Solid waste drying facility:

By utilizing low temperature drying methods, this facility is able to extract over 45% of the water from solid waste, reducing 5,500t of waste annually

Dryfilm waste recovery system:

Reducing 250t of waste annually with screw extrusion drying, capable of pulling over 70% of the water from dryfilm waste



Hazardous waste storage sites in Multek



Sewage sludge drying and weight-reducing equipment



Online waste film sludge weight-reducing equipment

Resource Efficiency Improvement

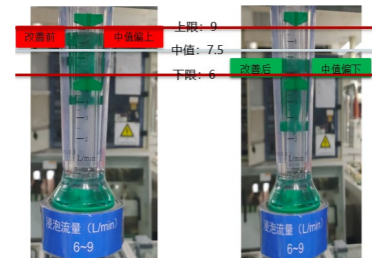
As global energy consumption continues to increase and environmental issues become more prominent, Multek has been dedicated to developing and providing more efficient and environmentally-friendly energy solutions. The company strictly adheres to the laws, regulations, and standards, including the Energy Law of the People's Republic of China, Energy Conservation Law of the People's Republic of China, Renewable Energy Law of the People's Republic of China, Water Law of the People's Republic of China, and others applicable to its operation sites. In alignment with the national policies on carbon peaking and carbon neutrality, we strive to reduce energy consumption.

Resource Conservation

Multek adheres to the production philosophy of water conservation and environmental protection, actively promotes water resource management, and implements substantial water-saving measures. The company consistently optimizes water resource management, promotes advanced water-saving technologies and equipment, improves water resource reuse rates, conducts water-saving awareness campaigns, and fosters a culture of water conservation among all employees. The freshwater consumption of Multek over the past three years is listed as below:

Type	Unit	2022	2021	2020
Gross Water Use	Ton	3,741,786	4,389,174	4,159,652

Water saving performance of Multek:



- Water flowmeter parameter is adjusted from above medium level of indicator to below medium level of indicator for all water usage lines
- Total water saving of 82,000 t annually



- Improvements to old RO membrane system to recycle wastewater generated by RO membrane machine and reuse
- Total water saving of 79,200 t annually



- Reused overflow water in production lines improved flowing pipe to rinse tank to reuse
- Total water saving of 65,000 t annually

Environmental Performance

Multek actively implements the concept of "Lucid waters and lush mountains are invaluable assets", making continuous resource and fund investments in environmental protection, and has achieved outstanding results. In the 2021 Corporate Environmental Credit Evaluation conducted by the Department of Ecology and Environment of Guangdong and Bureau of Ecology and Environment of Zhuhai, each factory area has been awarded the "Green Label" (Environmentally Trustworthy Enterprise) or "Blue Label" (Environmentally Good Enterprise), details are listed below:

No.	Company Name	Level	Rating
1	Multek Electronics Limited	Province	Green
2	Multek: Industries Limited	Province	Green
3	Multek Zhuhai Co., Ltd.	Province	Green
4	Multek China Co., Ltd.	Province	Blue
5	Multek Technologies (Zhuhai) Co., Ltd.	City	Green

In November 2022, five factories of Multek were awarded the title of "Excellent Enterprise of Green Manufacturing and Environmental Protection in 2021" or "Advanced Enterprise of Green Manufacturing and Environmental Protection in 2021" by Shenzhen Environmental Protection Industry Association, Shenzhen Printed Circuit Board Industry Association and Guangdong Printed Circuit Board Industry Association.



Multek Electronics Limited—Green Manufacture and Environment Excellent Enterprises



Multek Technologies (Zhuhai) Co., Ltd.—Green Manufacture and Environment Advanced Enterprises



Multek Industries Limited—Green Manufacture and Environment Excellent Enterprises



Multek Zhuhai Co., Ltd.—Green Manufacture and Environment Advanced Enterprises



Multek China Co., Ltd.—Green Manufacture and Environment Excellent Enterprises

Environmental Education, Publicity and Implementation

Guard the green water and green mountains, to create a beautiful well coast. The ecological environment is our home and is closely related to everyone's life. We are both the actors and the bearers of building a beautiful home. Through a variety of outdoor public welfare activities, Multek promotes the public welfare project into the hearts of people and forms a good new trend of all employees' attention and participation. We advocate employees to travel green and promote green office concepts such as saving paper, water and electricity to reduce the impact of company operations on the environment.

CASE "Multek Outdoor Healthy and Environmental Conservation Charity Walking 2022" Event held by Multek

On August 27, 2022, the company's labor union outdoor association organized an Outdoor Healthy Walking and Environmental Conservation Charity Event. Over 20 employees donned environmentally-focused volunteer vests and were divided into groups, starting their journey from the Multek Recruitment Center and ending in Huangjin Village. Throughout the walk, participants wore masks and carried trash tongs and bags to collect and sort waste such as plastic bags, foam, and cigarette butts along the way. The event not only promoted physical fitness and beautified the environment, but also spread the philosophy of environmental conservation.



Multek Outdoor Healthy and Environmental Conservation Charity Walking Event

RESPONDING TO CLIMATE CHANGE

Multek deeply understands that the impacts of climate change on the company are not limited to temporary disruptions caused by extreme weather events, but they also affect our long-term operational policies, financial performance, and development strategies. Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we disclose our climate opportunities, the sources and corresponding emissions of greenhouse gases (Scope 1 and 2), identify and disclose climate risks faced by the company, and assess the levels of these risks. Furthermore, we are continuously improving our climate risk management mechanisms to handle these climate risks and setting carbon emission targets.

Identifying Climate-related Risks

Multek conducts industry-level climate risk reviews based on public materials and industry analysis, with climate change risks primarily including physical risks and transition risks. Physical risks are those caused by extreme weather or rising temperatures, while transition risks are risks brought about by changes in markets, regulations, policies, etc., due to climate change.

We identify common industry risks through reviewing peer-released materials, industry commentaries, media reports, and expert communication, and recognize the potential impacts of climate change on our business sectors across different time scales: short-term (1~2 years), medium-term (3~5 years), medium to long-term (6~9 years), and long-term (10 years and beyond) in line with TCFD framework. We employ a qualitative assessment method, ranking the identified risks as "low", "medium", and "high" in terms of impact intensity based on the likelihood of an event occurring, its potential impact, adaptability, and resilience.

Climate-related Risk Identification Matrix

Risk Type	Risk Factor	Risk Category	Description of Risk Example	Period	Business Sector Involved	Risk Rating
Physical Risks	Heat Wave	Acute Operational Risk	The company is located in a subtropical climate zone, where heatwaves can pose significant challenges. During these periods, employees may be incapacitated due to heat exhaustion, heat stroke, or other health conditions caused by extreme heat, leading to increased water and energy consumption, which in turn results in higher operating costs. Additionally, the production machinery might face overheating issues, which could shorten their lifespan.	Short-term	Whole company	High
	Earthquake	Acute Operational Risk	Zhuhai, located about 100 kilometers from the mainland coastline, may be subject to the impact of earthquakes. However, it is not in a high-risk earthquake zone, thus the risk of earthquakes is relatively low.	Long-term	Whole company	Low
	Typhoon	Acute Operational Risk	Due to its geographical location within the tropical cyclone belt, the area is prone to typhoons, thereby resulting in a high risk from typhoons.	Long-term	Whole company	High
	Mosquito Breeding	Chronic Operational Risk	The rise in temperature and increase in precipitation can facilitate mosquito breeding, thereby increasing the risk of mosquito-borne disease transmission. Being located in a subtropical area with high temperature and high humidity, the company faces high risk in this regard.	Long-term	Whole company	High
	Sea Level Raise	Chronic Operational Risk	With global warming, the speed of sea-level rise is accelerating, which may cause seawater to invade inland, flood overflows, coastal retreat, aggravation of the El Niño phenomenon, greatly damaging coastal economy and urban construction, and even leading to mass death and rot of creatures, resulting in disasters such as red tides. However, as the company's geographical location is not on the coastline, it faces a moderate risk of sea-level rise.	Long-term	Whole company	Moderate

Risk Type	Risk Factor	Risk Category	Description of Risk Example	Period	Business Sector Involved	Risk Rating
Physical Risks	Thunderstorms, Floods, Heavy Precipitation	Acute Operational Risk	The company and its manufacturing plants are located in areas where the summer weather is hot with abundant rainfall, and thunderstorms and heavy rain are frequent. These conditions can lead to secondary disasters such as floods. With many flammable and explosive devices in the factory, the increase in thunderstorms poses a risk of triggering explosions and fires, potentially damaging equipment or preventing staff from getting to work, leading to loss of income. Therefore, the company faces a high risk in this regard.	Short-term	Whole company	High
	Dense Fog and Strong Wind	Acute Operational Risk	The climate in Zhuhai is warm and humid, with dense fog in the winter and strong winds throughout the year. This weather could potentially damage equipment or prevent staff from getting to work, increasing operating costs. As the company and its manufacturing plants are in areas prone to such weather conditions, they face a high risk in this regard.	Short-term	Whole company	High
Transition Risks	Tight Energy Supply	Acute Operational Risk	Power restrictions imposed by the local government may lead to direct shutdown or reduced production in the production department. Power restrictions could also affect the upstream supply chain, thereby increasing production costs.	Short-term	Whole company	High
	Water Stress	Chronic Operational Risk	Given the company's manufacturing plants are located in an area with low water stress, the risk of water shortage is relatively low.	Short-term	Production Sector	Low
	New Policies for Low Carbon Economy Transition	Market and Technology Risk	China has committed to a "3060 carbon peaking and carbon neutrality goals", with the government introducing new policies to support the low-carbon transition. High-emission economic activities will be under pressure, thereby increasing the research and development costs for green operations.	Long-term	Whole company	High
	Policies for Energy Transition	Market and Technology Risk	Due to more stringent emission reduction policies from the government, the company is required to use lower-emission green energy to replace existing high-emission energy sources, thus increasing the cost of transitioning to lower-emission technologies.	Medium to long term	Whole company	Moderate
	Price Volatility in the Carbon Market	Market and Reputation Risk	The company's cash flow may be affected by price volatility in the carbon market because of stricter carbon emission policies.	Medium to long term	Whole company	High
	Changes in Market Demand	Market Risk	Downstream customers have varying requirements for climate-related issue management, which could potentially lead to financial impacts due to changes in market demand.	Short-term	Whole company	Moderate
Improvement of Environmental Standards	Market and Technology Risk	The company needs to improve energy standards for operating equipment due to stricter environmental policies introduced by the government, which may require additional investment for energy-saving and environmental protection improvement.	Long-term	Whole company	High	

Measures to Address Climate-related Risks

In order to adapt to climate change and address its risks, Multek has fully implemented corresponding measures:

- During the handling of extreme weather and climate events, a scientific assessment of the safety at the site is conducted to ensure the personal safety of those present. Necessary safety protection equipment is brought along, and there is a thorough collection and cleanup of pollutants, to minimize the environmental impact as much as possible.
- A comprehensive inspection of the factory area's rainwater and sewage diversion discharge system, flood control and drainage facilities, drainage ditches, canals, and outlets, etc. is undertaken, with dredging performed promptly to ensure smooth flow.
- Strictly implement the departmental leadership duty system, the departmental leadership must be on duty 24 hours during typhoons and thunderstorms. There is also enhanced patrol inspection of key areas, timely assessment of production safety risks, and coordinated handling of various anomalies and emergency situations.
- Timely and targeted emergency drills and training for natural disaster accidents are carried out, applicable and effective emergency supplies and equipment are equipped, and the rescue forces are implemented.
- The safety management of hazardous chemical storage and the inspection and maintenance of electrical facilities are enhanced.
- In construction engineering, priority is given to climate-resilient infrastructure, such as designs and builds for earthquake resistance, windproof, lightning protection, flood prevention, and fire prevention.
- Dynamic identification of domestic and international climate-related policies and regulations is practiced.
- There is a continuous system iteration, constantly improving energy usage efficiency, reducing the total amount of energy consumption, and promoting energy transition.

Greenhouse Gas Management

To reduce the risks of climate change, enhance the level of socio-economic development, and respond to domestic and international policies on greenhouse gas emissions reduction, Multek regularly conducts identification, assessment, verification, and certification of greenhouse gas emissions. In 2018, 2021, and 2022, third-party greenhouse gas inventories were commissioned in accordance with the ISO14064-1 standard, and Greenhouse Gas Verification Reports and certificates were obtained. Our greenhouse gas emissions mainly consist of direct greenhouse gas emissions (Scope 1 emissions, including gasoline, diesel, natural gas, and refrigerants, etc.) and indirect greenhouse gas emissions (Scope 2 emissions, including purchased electricity). The greenhouse gases involved include carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons.

In order to mitigate greenhouse gas emissions, we have improved our production processes, increased energy conservation and emission reduction, and utilized clean energy. We have introduced efficient and energy-saving equipment, established targets for reducing greenhouse gas emissions, reduced or avoided the use of substances that deplete the ozone layer, promoted low-carbon lifestyles, and encouraged green commuting and online meetings among other measures, to reduce carbon emissions in daily life.

Multek Greenhouse Gas Emissions in 2022

Scope	Main Source	Emissions (tCO2 Equivalent)	Percentage
Scope 1	<ul style="list-style-type: none"> Daily consumption of gasoline as a source of power for some of the plant's own official vehicles; Daily consumption of diesel fuel as a power source by some of the plant's own official vehicles, forklifts for workshops and generators; Daily consumption of natural gas as a source of energy provision for heating in winter by boilers in the plant area; CH4 generation from septic tanks in the plant; Refrigerants R134a and R123 for chillers, R404a for compressed air dryers and R407c, R410a, R22 and R32 for air conditioners; The use of acetylene for atomic absorption spectrometers for testing; Methane generation from material fire performance burners and plant septic tanks; The use of potassium permanganate and sodium permanganate for the workshop Plasma leveling process; Workshop Plasma machine using carbon tetrafluoride; Carbon dioxide generated by the process of radium drilling machine in the workshop; The use of heptafluoropropane for the automatic fire extinguishing system in the electrical room; 	1,780.72	0.74%
Scope 2	<ul style="list-style-type: none"> Purchased electricity consumed by the company for office lighting, machine production, etc. 	239,731.95	99.26%
Greenhouse Gas Total Emissions		241,512.67	100%

NOTE The data sources are the Organize Greenhouse Gas Verification Report of plants of Multek in 2022

Energy Saving in Production

Multek proactively carries out various energy-saving and emission-reduction initiatives as well as green production efforts every year. We strive for environmental protection, energy efficiency, and high productivity in our production processes, contributing positively to sustainable development. This includes the implementation of real-time energy monitoring systems, utilization of efficient central air-conditioning facilities, replacement of electric heating in electroplating line baths with energy-efficient air source heat pumps, use of solar photovoltaic power generation, energy-saving modifications to constant temperature and humidity cabinets, and energy-saving transformations of press vacuum systems. These measures continuously enhance energy utilization efficiency and minimize energy wastage.

CASE

Establishing an Online Electricity Monitoring and Supervision Platform to Promote Greenhouse Gas Emission Reduction Goals

In 2022, Multek invested 2.67 million to establish an online electricity monitoring and supervision platform. This platform provides functions such as electricity data collection and analysis, electricity usage trend analysis, and abnormal electricity usage alerts. These features assist Multek in monitoring electricity usage more accurately, facilitating the detection of abnormal electricity consumption and timely corrective measures.



Online Electricity Monitoring and Supervision Platform

CASE

Energy-Saving Upgrade for High-Efficient Central Air Conditioning

Multek's existing end-use facilities and equipment, which operate on a sinusoidal alternating current supply system, produce transient currents. Activities such as ultra-high voltage surges, ultra-fast harmonics, and ultra-high frequency instantaneous current peaks occur frequently, causing inductive load motor temperatures to rise and reducing electricity efficiency. Therefore, we invested 1.06 million in an air conditioning energy-saving upgrade project. This included adding five sets of filtering and energy-saving devices to the chilled water main unit, which annually saves 58,916 kWh of electricity. This equates to a reduction of 47.38 tons of greenhouse gas emissions.



High-efficient central air conditioning filtering and energy saving equipment

Plant	Investment Amount (Unit: Thousand yuan)	Number of Upgraded Equipment (Unit: Nr.)
Multek Industries Limited	99.61	4
Multek Zhuhai Limited	6.64	1

CASE Electroplating production line liquid bath electric heating energy-saving renovation

Multek (B4) plating production line liquid bath uses electric heating, which has high energy consumption and high fire safety hazards. In 2022, we invested 960,000 yuan to implement the energy saving upgrade project of plating production line electric heating elements, replacing electric heating with high-efficient air energy heat pump, adding new heat pump and heat exchanger, and replacing plating production line electric heating elements. The total savings will be 130,000 kWh per year, which is equivalent to 104.55 tons of greenhouse gas emission reduction per year.



High-efficient air energy heat pump

CASE Using solar photovoltaic power generation

Multek uses more than 1 million solar photovoltaic green electricity, which is equivalent to 804 tons of carbon emission reduction.



Solar panels on the roof of plants

CASE Constant temperature and humidity air cabinet energy-saving upgrade

Zhuhai experiences high humidity (RH60%) for over 300 days per year. Before the modifications, Multek's constant temperature and humidity cabinets used reduced chilled water temperatures and electric heating for dehumidification. However, to meet operational requirements, the electric heater needed to be frequently turned on and off, leading to substantial electricity consumption. We installed DX direct expansion units (with a combined energy efficiency ratio of 7:18) within the original units, replacing the existing electric heating system. In total, we modified 16 units. The upgraded constant temperature and humidity cabinets save 4,988,031 KWH of electricity annually.

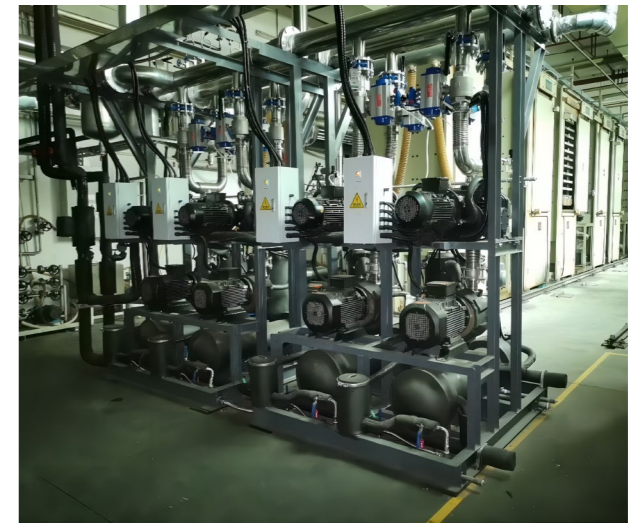


Upgraded constant temperature and humidity cabinets

Plant	Investment Amount (Unit: Thousand yuan)	Number of Upgraded Equipment
Multek Industries Limited	2,605,598	10
Multek Zhuhai Limited	252,847	2
Multek China Limited	1,317,464	4

案例 CASE Energy-Saving Upgrade of Press Vacuum System

Originally, the machine press was equipped with a single vacuum system. This system was prone to energy wastage, and if the vacuum pump was damaged during the pressing process, it could lead to a loss of vacuum in the machine and pose a quality risk. In 2022, the company invested 2,874,151 CNY to replace the single vacuum system with a centralized vacuum system, complete with a backup unit. In the event of a fault, the faulty unit can be automatically shut down, and the backup unit can be activated to maintain normal vacuum conditions. This upgrade saves 858,910 kWh of electricity annually, equivalent to reducing greenhouse gas emissions by 690.74 tons.



Upgraded press vacuum system

Energy-Saving Management

Multek deeply understands that energy saving management is an important part of sustainable development, and we have adopted a series of energy saving measures in management to help achieve environmental protection goals and sustainable development goals.

Our energy-saving management performance:

The Energy-saving Team conducts daily site inspections to avoid energy waste.

序号	日期	位置	问题属性	具体问题点	责任部门	责任人	处理部门	状态	处理状态	完成时间	备注
74	2022/3/23	B2二楼绿油	电源浪费	化学前处理无板状态机器运行	PSM	胡顺琼	PD	Close	已处理	2022/3/22	
75	2022/3/23	B2B二楼ETS	电源浪费	隧道炉无板状态机器运行	ETS	卢士萍	PD	Close	已处理	2022/3/22	

The number of lights is adjusted, turn off the computer monitor when no one is using it, and turn off the phone monitor.

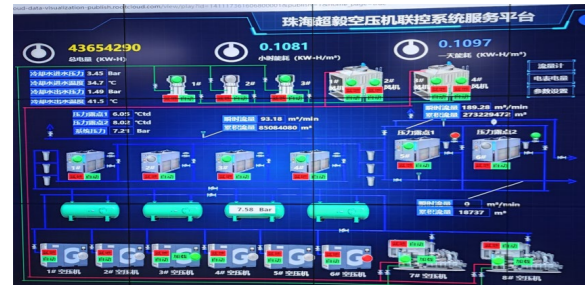


We explain the implementation of energy saving targets to each process, and discuss and share energy saving techniques and experiences with clients.

From: Evan Lu
 Sent: 2022年7月7日 10:15
 To: Claire Yan <Claire.Yan@multek.com>; HL Guo <hl.guo@multek.com>; Allen Liu <Allen.Liu@multek.com>; Yong Su <Su.Yong@multek.com>; YingBo Zhuo <YingBo.Zhuo@multek.com>; Dongsheng Fang <Dongsheng.Fang@multek.com>; ZH Lee <ZH.Lee@multek.com>; Debo Luo <Debo.Luo@multek.com>; Yousheng Liu <Yousheng.Liu@multek.com>; Yude Zhang <Yude.Zhang@multek.com>; Yixiang Zhang <YX.Zhang@multek.com>; Hui Xiang <Hui.Xiang@multek.com>; Vic Wong <Wei.Wang@multek.com>; JinJun Zhang <JJ.Zhang@multek.com>; Lingyun Li <Lingyun.Li@multek.com>; Guoquan Liang <Guoquan.Liang@multek.com>; WM Wu <WM.Wu@multek.com>; XW Wang <XW.Wang@multek.com>; Fubiao Fan <Raymond.fan@multek.com>; Youxuan He <Youxuan.He@multek.com>; Genfu Cao <Genfu.Cao@multek.com>; Jingming Cai <Jingming.Cai@multek.com>
 Cc: Yunfei Fang <Yunfei.Fang@multek.com>; Bo Peng <Bo.Peng@multek.com>; Arron Zeng <Arron.Zeng@multek.com>; Hyman Huang <Hyman.Huang@multek.com>; Guanghui Guo <Guanghui.Guo@multek.com>; XF Liu <XF.Liu@multek.com>; RC Lee <RC.Lee@multek.com>
 Subject: RE: Multek 生产及设备用电量降本周会

- Dear All
- 本周周会的会议记录内容如下，请大家跟进相关内容，谢谢
- 会议再次强调节能降本，必须要有强烈的责任心、强有力的执行，就会有好的结果；
 - 各厂都需要回头看，对所有节能措施、抓手验成果，找差距。下次周会各厂增加回看的总结报告；
 - 每周的报告，挖掘好的经验，相互借鉴（各厂周报 PPT 共享路径：[\\MultekFiles\mncn109\CPS\Share Folder\Multek 生产节能节水周报](#)）；
 - 各厂节能负责人可以主动找 PE、IE 探讨节能相关技改；
 - IE 郭主席建议：
 - 根据 Loding 指导安排集中生产，或避免尖峰、高峰时段用电；
 - 每个厂回顾年初目标，总结上半年达成状态；
 - 水电考核建议直接分到每个工序主管上。
 - 7月、8月、9月进入尖峰电价月份，各厂要有可实行的抓手，降低尖峰时段用电。以下为7月1-5日各厂时段用电状态：

Installation of energy saving management software to optimize operating parameters to improve air compressor efficiency.



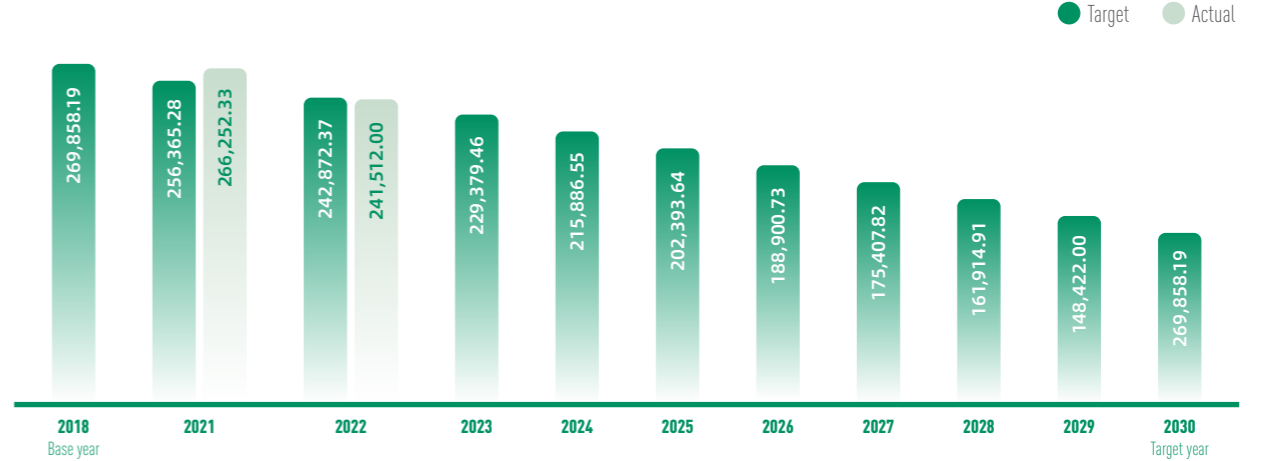
Carrying out energy saving awareness activities such as training and holding best practice competitions. Tapping the energy-saving potential of front-line employees while enhancing their awareness of energy conservation.



Greenhouse Gas Emission Reduction Targets

The Greenhouse Gas Emission Reduction Targets we set are shown in the table below:

Year 2018	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
(Base year, t/CO2)										(Target Year)
269,858.19	256,365.28	242,872.37	229,379.46	215,886.55	202,393.64	188,900.73	175,407.82	161,914.91	148,422.00	134,929.10
Targets										
Annual greenhouse gas emission reduction amount	13,492.91	13,492.91	13,492.91	13,492.91	13,492.91	13,492.91	13,492.91	13,492.91	13,492.91	13,492.91
Annual greenhouse gas reduction rate	5.0%	5.3%	5.6%	5.9%	6.3%	6.7%	7.1%	7.7%	8.3%	9.1%
Actual Data										
Annual greenhouse gas emission reduction amount	3,605.86	24,740.33								
Annual greenhouse gas reduction rate	1.34%	9.29%								



The 2023 Emissions Reduction Practice Plan we have established is as follows:

Investment Amount (Unit: million CNY)	Project Description	Expected power reduction (unit: kWh/a)	Expected greenhouse gas reductions (unit: t/a)
4.7	Purchasing a high-efficiency central air conditioner to replace old air conditioners that are more than 12 years old	3,800,000	3,055.96
1	Purchasing 4 new advanced high efficient compressors to replace the old ones in the wastewater treatment system	540,000	434.21
2	Purchasing 2 high efficient central air conditioners to replace old air conditioners in the drilling and milling room process that are over 15 years old	560,000	450.35

Carbon Emission Reduction Targets

The world faces an urgent global climate change crisis, posing a dual challenge to all of humanity and our daily livelihoods. The 1.5 °C business ambition is a global initiative aimed at addressing and mitigating the severe impacts of climate change. We believe environmental responsibility and fostering more sustainable business practices are important priorities. Our operations will align with the United Nations Global Compact's 1.5° C business ambition, actively joining the global movement of leading companies.

In response to the goal of reaching peak carbon emissions and achieving carbon neutrality, and to meet our customers' demands for carbon reduction actions, our company has voluntarily set carbon emission reduction targets and established a Carbon Emission Reduction Management Committee. In conjunction with our current and future development plans, we solemnly commit to taking scientific measures to limit global temperature rise to 1.5° C. Using 2018 as a baseline, we aim to halve our carbon emissions by 2030 and continually strive towards achieving carbon neutrality.

COMMITMENT TO ECOLOGICAL PROTECTION

Multek is actively engaged in environmental protection, taking measures in all aspects of our operations to prevent and control soil pollution. In order to fulfill the provincial government's requirements on preventing new pollution on construction land and implement target responsibilities, our company signed a soil pollution prevention and control responsibility agreement with the People's Government of Doumen District, Zhuhai. The agreement clearly states that each factory is responsible for preventing and controlling soil pollution on its construction land. Each factory conducts regular soil environmental monitoring every year and proactively carries out soil risk investigations, implements rectification measures, and supplements and improves relevant content in environmental emergency plans to prevent soil pollution, thereby reducing the risk of soil pollution.

Key Issues

- Product Quality and Safety
- Customer Service
- Information Security and Privacy
- Employee Rights
- Employee Training and Development
- Occupational Health and Safety
- Supply Chain Management
- Community Investment

Key Action Strategies

- Establish a quality management system by the standard of ISO9001, formulate a three-year technology plan, and focus on promoting product quality upgrades through technological innovation.
- Rational coordination of the company's safety, human resources and other functional departments, and continuous improvement of the labour management system.
- Strictly comply with relevant laws and regulations and the requirements of RBA and other business alliances to eliminate human rights violations.
- Conduct regular vocational training to ensure employees' progress and contribute to the sustainable development of the company.
- Conduct regular occupational health checkups and safety training to protect employees' occupational health and safety.
- Conduct customer satisfaction surveys, improve the handling of customer complaints, and attach great importance to customer suggestions and demands.
- Require suppliers to take environmental and social responsibilities, implement sustainable procurement policies, and jointly drive the supply chain to fulfil their sustainable development responsibilities.
- Establish employment bases for people with disabilities, promote the employment of disadvantaged groups, and consolidate the results of poverty eradication.



Core Management Performance

- Coverage of quality training
100%
- Number of RBA-certified suppliers
60
- Employee gender ratio
1.23: 1
- Total training attendance
21,793
- Total training hours
57,749 hours
- Training time per capita
1 hour
- Occupational health checkups
2,282 person-time
- Customer satisfaction
92%
- Public welfare donation of
100,000 RMB

03

SOCIETY

Harmony and Goal Alignment

As a socially responsible enterprise, Multek fully listens to the expectations and demands of its stakeholders, takes the initiative to assume responsibility for customer service, employee development, partner cooperation and social welfare, and creates shared value with all stakeholders.

Aligning with the SDGs

● Products and Services			
● Employees and Development			
● Supply Chain and Peers			
● Social and Assistance			

PRODUCTS AND SERVICES

Multek always upholds the tenet of "quality assurance, professional service and customer satisfaction" and provides professional products and solutions. With the most patient, careful and attentive attitude, we practice the business philosophy of "seeking benevolence for the great, seeking profit for the small, and truly serving the people". We are committed to becoming the world's most advanced PCB manufacturer.

Creating Responsible Products

As a leading global PCB manufacturer, Multek has rich experience in production and global operation management. We have been deeply engaged in the automotive, medical and communication fields. With the quality manual as the action guide for quality management, we have established a perfect quality management system by the ISO9001 standard, focused on promoting product quality upgrades by technological innovation, and won the unanimous approval of our customers with our excellent quality.

Quality Management

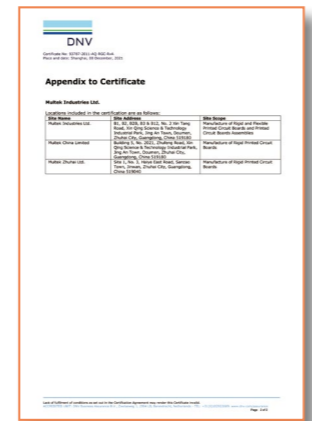
Multek insists on bringing the best products to customers; with the requirement of "doing it right once" and the goal of "zero defects", we have established a quality management organization with the quality management centre as the core, fully implemented quality management regulations and promoted the realization of quality objectives. In 2022, our factory has passed ISO9001 quality management system certification, IATF16949 automotive industry quality management system certification and QC08000 hazardous substance process management system certification.



IATF 16949 Quality Management System Certification for the Automotive Industry



QC08000 Hazardous Substance Process Management System Certification

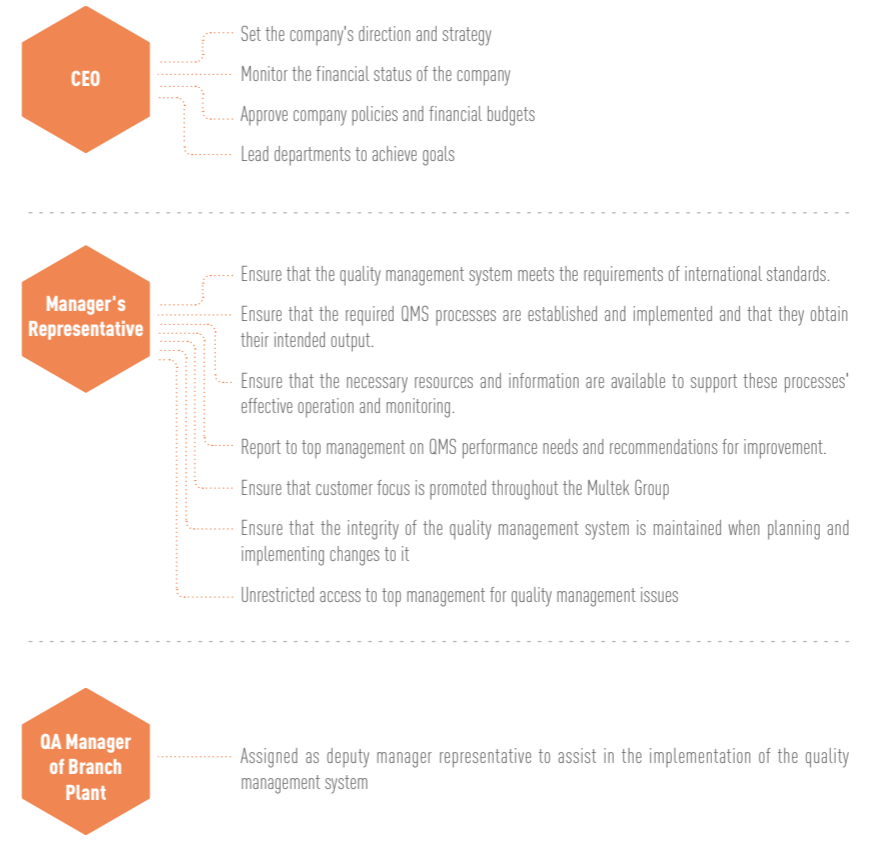


ISO 9001 Quality Management System Certification

Multek Quality Policy:

- Delivering innovative products and services through world-class quality solutions
- Maintaining the highest level of quality through continuous process improvement and a zero-defect culture
- Continuously optimizing the quality management system and maintaining its effectiveness while ensuring full compliance with regulatory and certification norms

Responsibility and authority of the quality management system

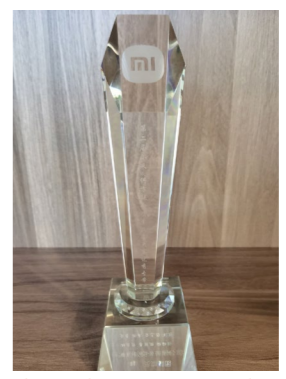


2022

A total of improvement projects in each factory
50 pieces
 Yield rate
88%
 Increase from 2021
11%

The company's overall yield rate improved by
2.36%
 from 2021
90.89%
 to 2022
93.25%

We build a comprehensive quality management process, implement quality policy, quality objectives and quality targets in all activities of quality planning, quality control, quality assurance and quality improvement, and continuously improve the quality of products and services in four aspects: pre-regulation, in-process control, post-analysis and process traceability. During the reporting period, the company has won high praise from many customers in the industry for its excellent quality management strength and won the "2nd Xiaomi & Supplier Joint Quality Improvement Competition Outstanding Project Award" and the "Flex WZ Supplier Best Quality Award", etc.

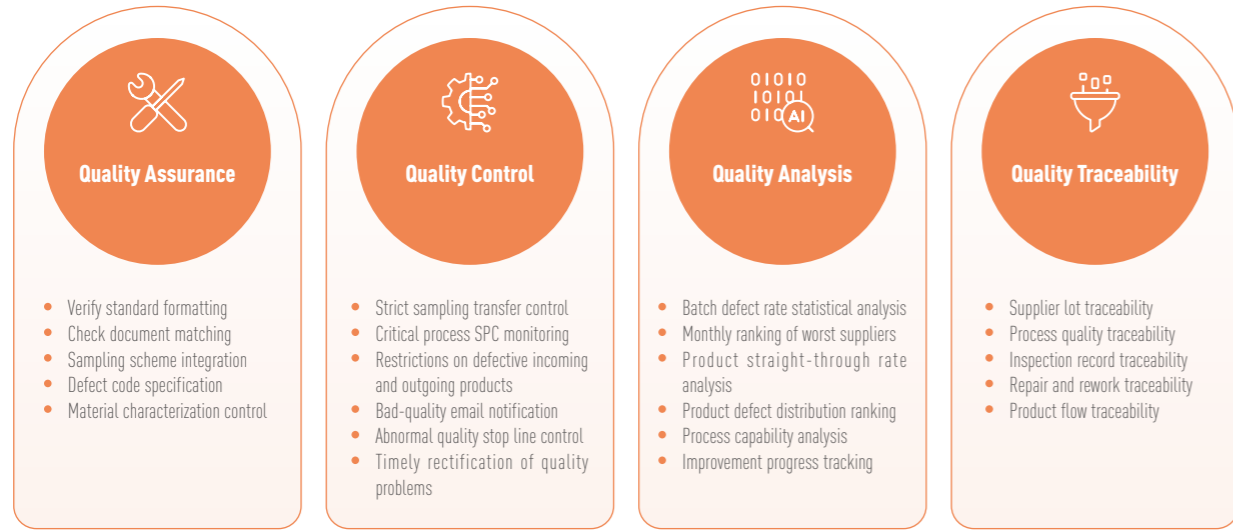


The 2nd Xiaomi & Supplier Joint Quality Improvement Competition Outstanding Project Award



Flex WZ Supplier Best Quality Award

Quality Management Flow Chart



The company builds a strong echelon of quality management professionals. We combine business development needs and the actual situation of each factory, set up a quality team composed of quality management experts, industry experts, project managers, and team members in quality management, product development, customer service and other aspects of coordination and complementary advantages, the formation of the current more professional quality team, and achieved the desired quality management results.

In addition, we attach importance to the leading role of culture on quality and have formulated a three-year work plan for quality culture construction of "quality perception - culture practice - quality for all employees", organized multi-channel and multi-forms of quality culture training activities to enhance the quality awareness of all employees and create a good atmosphere of quality culture for all employees. During the reporting period, the quality culture training activities conducted through video lectures, online quizzes and offline activities covered 11,318 people, achieving a 100% participation rate of front-line employees. Every year, we evaluate the maturity of quality culture construction in 8 aspects and 23 indicators and continue to refine the quality culture requirement of "quality everywhere and craftsmanship for everyone".

Innovative R&D



Chemistry Lab



Physics Lab

Multek always insists on creating value with technology and leading the market with innovation. The company takes technological innovation as the power source of the company's high-quality development, takes enhancing independent R&D capability as the main task of innovative R&D management, deeply grasps the cutting-edge trends of global technology innovation, and strives to empower various industries with leading technology fully. We are confident that under the guidance of the three-year technology plan, we can improve the output rate and quality of our products and bring more commercial value and social benefits to the company.

We have built a perfect technical documentation and project management system, a ITC technology R&D centre and an advanced laboratory, which enable new product development to follow strict scientific management procedures. We introduce the most advanced intelligent robots and automation equipment to explore new technology applications such as smart manufacturing and industrial internet to create a more intelligent and sustainable production model. The application of automatic sorting machines, automatic braiding machines, automatic palletizing machines, and AOI linking devices not only improves product competitiveness but, more importantly, reduces the exposure of front-line operators to hazardous environments.

We recognize that intelligent manufacturing must be supported by talent. For this reason, the company has implemented a high proportion of R&D staff incentives to stimulate the innovative vitality of skills continuously. After years of development and precipitation, we have created an R&D group that is brave to make breakthroughs and daring to innovate. Our team keeps up with the market demand to continuously explore new technologies and materials and constantly improve the performance and quality of our products.



Guiping Huang was awarded the honorary title of "Zhu Hai Artisan"



Hongtu Zhang was awarded the title of "Excellent Scientist in PCB Industry"

CASE Multek combines online and offline quality culture activities

This year, Multek officially launched a full staff quality culture activity with the theme of "quality everywhere and craftsmanship for everyone" and carried out concept inculcation and culture practice activities in the form of combining online and offline with the annual concept of "fearing quality and doing it right once", and built a complete set of methods and practice tools in the mode of full staff quality culture construction, which provided a reliable guarantee for the subsequent real practice of full staff quality culture.

Theme activity planning

- Preliminary Activity Planning
- The first video script of "What is a craftsman"
- Quality knowledge quiz contest planning

First round of quality knowledge online quiz
Quality Gas Station, Micro Library

- The first video shooting and promotion
- Theme activity kick-off meeting
- 2021 Multek Artisan and Zhuhai Artisan series report
- The first quarter of 2022 Quality Star Recognition Announcement

Jan - Feb

Event preparation & launch
Incentive program release

- Kick-off meeting preparation
- Question answering platform design and testing
- Quality incentive award release
- Computer wallpaper theme update

Mar

Apr - May

The second round of quality knowledge online quiz
Quality awareness video study

- Second video script production, filming and promotion
- The first round of quality knowledge quiz and prize evaluation
- The second round of quality knowledge quiz activities
- The second quarter of 2022 quality star recognition announcement

Jun - Jul

The third round of online quality knowledge quiz
Offline quality improvement activities

- The third "How to be a craftsman" video script production, filming and promotion
- The third round of quality knowledge quizzes and award
- Monthly quality star selection and commendation

Aug - Sept

Quality Awareness Video Learning
Continuous empowerment of quality knowledge

- Off-line game development
- Selection and awarding of Zhuhai craftsmen
- Selection and awarding of the best-quality team
- Third quarter quality star recognition announcement in 2022

Oct - Nov

Wrap-up & Recognition

- Wrap-up video production and promotion
- 2022 Q4 Quality Star Commendation Notice
- Activity summary report
- Year-end Commendation

Dec - Jan



Kick Off Conference



Off-line activities

Intellectual Property Protection

Multek attaches great importance to the high-quality development of intellectual property rights. We have formulated the Patent Management Procedure to strengthen the management, utilization and protection of the company's patents and promote the orderly development of intellectual property protection. We respect the creative work of our employees and clarify the reward mechanism for the creation, acquisition, protection and application of intellectual property rights of our employees, and set up patent application awards, patent authorization awards and patent remuneration to thank them for their contributions in research and development and transformation of achievements. We also promise not to infringe others' intellectual property rights, especially to consciously fulfill the obligation of confidentiality in technical and business cooperation with partners, and not to disseminate experimental samples, professional data and technical indicators to third parties without written permission, thus maintaining a fair competition order and guaranteeing healthy market development.

As of December 31, 2022, Multek has obtained a total of 15 domestic patents.

Insist on Responsible Marketing

Multek Marketing Planning abides by the principles of authenticity and accuracy and constantly strengthens the sense of responsible marketing. The company abides by the relevant laws and regulations of China, the United States, the European Union, etc., to ensure that its marketing behaviour meets the requirements of rules and regulations, industry norms and ethics.

In product promotion, the company is guided by honesty, focuses on the authenticity of the information conveyed, conveys the knowledge of product quality and performance, operation methods, and precautions to customers simply and effectively, and respects customers' right to know and independent choice. We actively carry out marketing knowledge conduction of customer service staff, sort out the service process, provide accurate information to help customers make wise purchase decisions, and effectively improve the service capability of our team. By improving the customer experience, we win the recognition and goodwill of our customers and make them trust us and become promoters of our products.

Protection of Customer Rights

Multek insists on the concept of "customer first", listens to customers' opinions, and constantly improves and enhances its service system. We have formulated corresponding systems and processes throughout the service process and standardized the channels and procedures for handling customer complaints. We also conduct regular surveys on customer satisfaction to ensure the provision of quality services and to improve the service experience of our customers continuously.

Improve the Service System

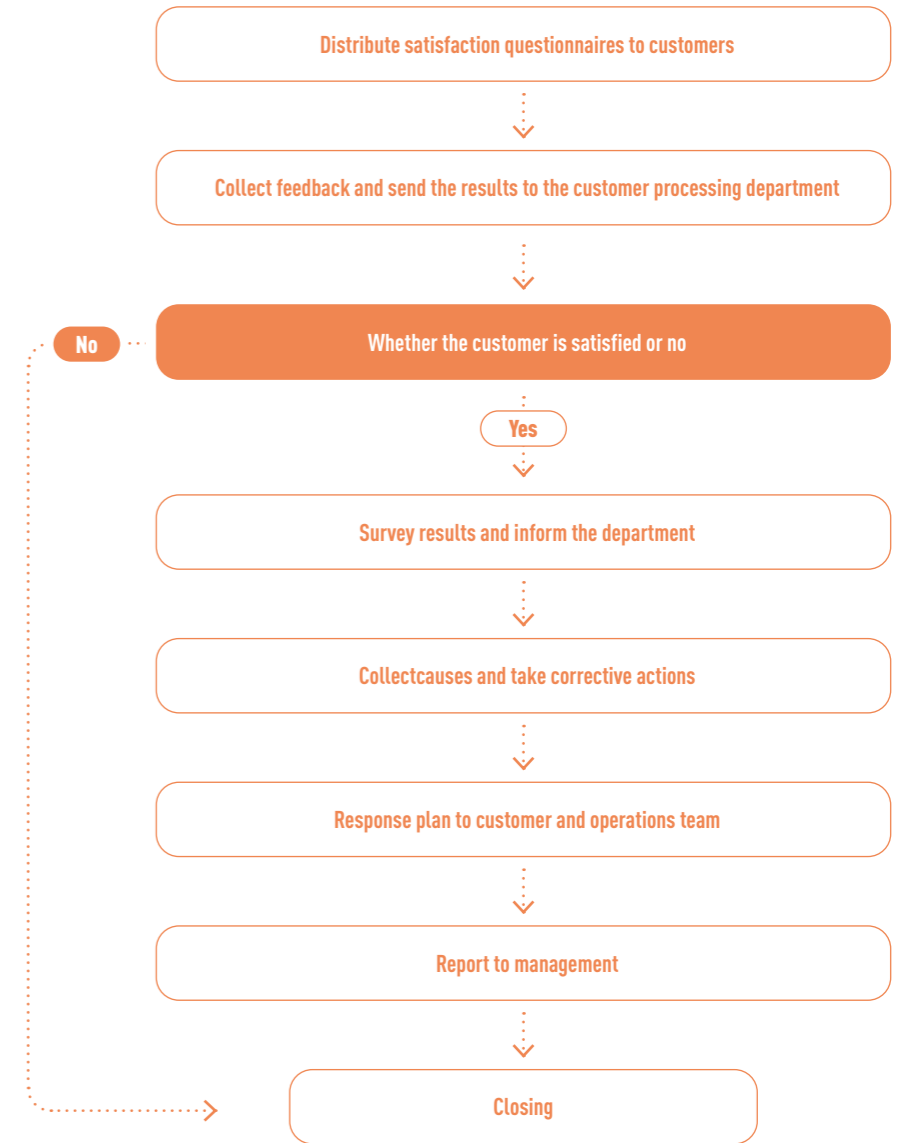
Multek insists on taking customers' needs and expectations as the guide, constructing a perfect service system from pre-sales, in-sales and after-sales, always keeping close contact with customers and effectively ensuring customers' service experience. Our customers' ultimate success and satisfaction are extremely important to our sustainable development, and we will continue to improve our system management and provide a full range of quality services.



Ensure Customer Satisfaction

Multek firmly believes that customer satisfaction is our greatest success. To better meet customer needs, we have formulated the *Customer Satisfaction Survey Procedure*, and the quality department organizes customer satisfaction surveys and improvements twice a year and the company once a year. We continuously monitor customer satisfaction by collecting customers' opinions on product quality and services. We develop and implement improvement plans through the correction and prevention system and are committed to ensuring the standardization of the production and marketing processes to improve customer satisfaction further. During the reporting period, Multek received 92% satisfaction from customers.

Customer satisfaction survey procedures



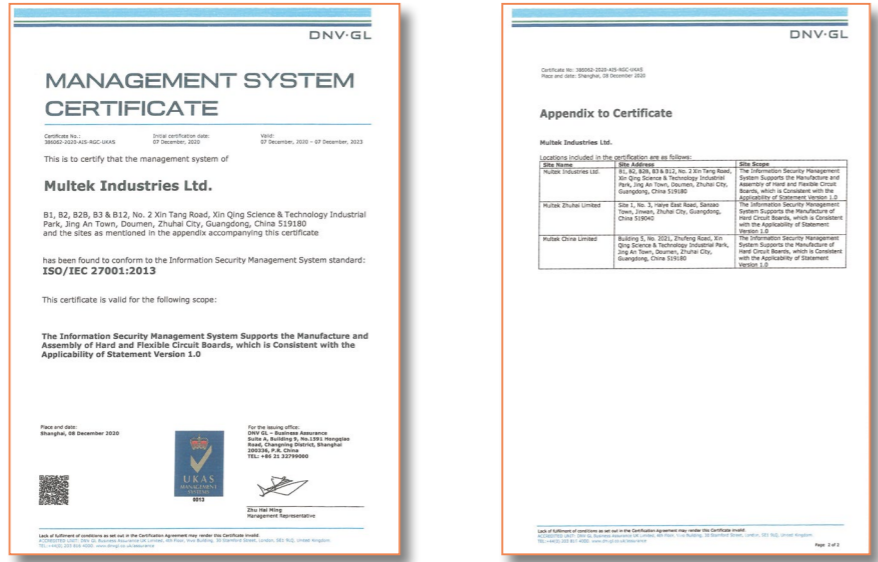
Customer complaint handling mechanism:

- ① After receiving the complaint, we will reply to the customer within 12 working hours and further confirm the complaint information with the customer
- ② Assess whether the problem is caused by Multek factory production; if not, actively communicate with the customer; if the customer does not recognize the assessment, then start item
- ③ If it is a factory production quality problem, we will quickly collect data to analyze the cause of the defect
- ④ Propose improvement and action and then give feedback to the customer for audit, if the customer does not approve the return to item
- ⑤ Accepted by the customer and verify the effectiveness of corrective and preventive actions

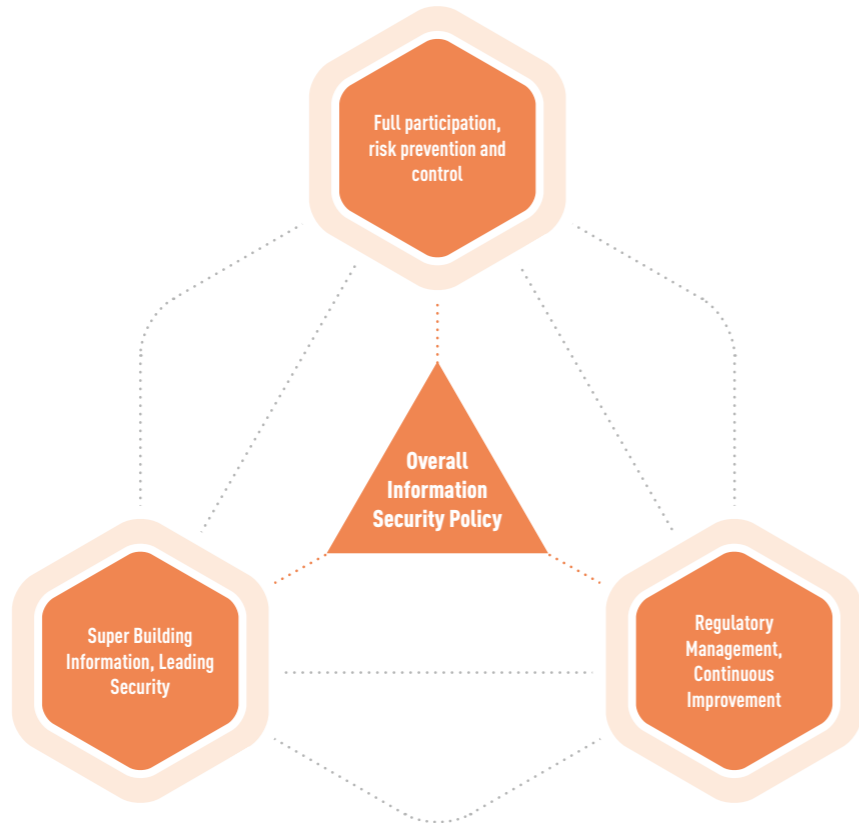
We have established Customer Quality Complaint Handling Procedures to ensure our products meet customer requirements. When we receive a complaint from a customer about a quality problem, we will further communicate with the customer in the shortest possible time to confirm detailed information about the defect so that we can confirm the cause with the highest efficiency and communicate with the customer promptly. In case of meeting the customer's wishes and complying with the regulations, we will provide customers with return and exchange processing or corrective actions, and the whole process will be completed within 14 working days to protect the rights and interests of customers effectively. During the reporting period, Multek had no significant complaints regarding product quality and service and did not recall any products due to quality and health issues.

Maintaining Information Security

Multek is committed to providing safe, stable, efficient operation and maintenance services. We strictly comply with the People's Republic of China Network Security Law and other laws and regulations, establish an information security management system based on ISO27001 standard, develop internal documents such as the Information Security Management Manual, and set up a special Information Security Committee to lead and organize the work of our information system level protection. We carry out information security management work based on the principle of minimization and separation of authority to achieve the information security management goal of security, professionalism, efficiency and innovation. In 2022, we carry out internal and external information security audits to guarantee the continuous improvement of the information security management system. During the reporting period, no significant information security risk events occurred.



ISO27001 Information Security Management System Certification



EMPLOYEES AND DEVELOPMENT

Talent is an important resource for enterprises. Multek insists on being people-oriented, adheres to labour standards, and fully protects employees' legal rights and interests and occupational health and safety. We create a fair, just and open career development platform, provide employees with diversified training opportunities, promote continuous improvement, and achieve personal career development of employees. We provide employees with competitive salaries to motivate them through a perfect compensation and performance assessment system to achieve a win-win situation for both the company and the employees. We are always concerned about our employees' physical and mental health and are committed to providing satisfactory work and life experience.

Human Rights Policy



Free Choice of Employment

We ensure that employees work at Multek entirely of their own free will and can leave as long as a reasonable notice period is provided, subject to compliance with the employment contract. The terms of the employment contract are negotiated voluntarily between the two parties. We will never employ forced, bonded, prison, enslaved persons or illegally smuggled labour.



No child labour

We comply with all local regulations and international guidelines regarding the prohibition of child labour.



Benefits and Salary

Meet or exceed the legal minimums of the company's location.



Hours of work

Compliance with the lower local requirements or RBA regulatory guidelines, overtime is voluntary and paid according to regulations.



Equal opportunity and non-discrimination

We ensure no discrimination in hiring, compensation, training, promotion, termination or retirement practices based on race, social class, nationality, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.



Harassment and Abuse

We will not tolerate physical aggression, sexual harassment, or psychological or verbal abuse against employees or suppliers.



Freedom to deal with management

We provide our employees with multiple communication channels to ensure they can express their opinions and ideas and access management without fear. We respect the right of our employees to participate freely in different associations by local laws.



Health and Safety

We comply with and meet health and safety-related regulatory requirements to provide employees with a healthy and safe working environment.

Employee Rights and Benefits

Multek always adheres to the bottom line of employees' rights and interests, strictly complies with all domestic and foreign labour laws and regulations, and introduces several systems and rules to protect employees from infringement of their legitimate rights and interests. We formulate a fair and just salary system, create a competitive salary system for all employees, and provide employees with rich welfare benefits to motivate them to create value.

Diversity and Equal Employment

Multek 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 other relevant laws and regulations, as well as the core conventions of the International Labor Organization, the United Nations Global Compact and other protective provisions, and conducts labour rights audits based on the requirements of the Responsible Business Alliance (RBA) Code of Conduct and monitors the effective implementation of human rights policies. We have established good human resource and management systems to ensure labour compliance, prohibit discrimination, and eliminate child and forced labour.

Multek has always been committed to creating a diverse and inclusive work environment, providing training related to diversity and human rights policies, and continuing to build a diverse and varied workforce. As of the end of the reporting period, we had 4,212 employees.



● Han Chinese
3,861 人 **92%**

● Other Minorities
351 人 **8%**



● Graduate Degree or Above
17 人 **0.4%**

● Undergraduate Degree
382 人 **9.1%**

● High School Degree or Below
3,813 人 **90.5%**



● Middle and Senior Management
130 人 **3%**

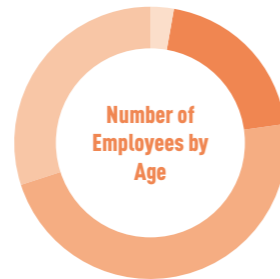
● Junior Management Staff
910 人 **22%**

● Employees
3,172 人 **75%**



● Male
2,325 人 **55%**

● Female
1,887 人 **45%**



● 30 Years Old and Below
829 人 **20%**

● 31 to 40 Years Old
1,987 人 **47%**

● 41 to 50 Years Old
1,256 人 **30%**

● 50 Years Old and Above
140 人 **3%**

Excellent Compensation and Benefits

Multek establishes a perfect salary system, focuses on reasonable salary distribution, considers fairness, and affirms the value of employees' labour through differentiated salary and performance incentives. We always pay attention to the happiness and satisfaction of all employees' lives, fully appreciate the needs of employees, and enhance their satisfaction through initiatives such as a perfect employee welfare system, work-life balance, caring for employees' children and helping employees. We provide our employees with the social insurance required by local laws in each operating location, such as in mainland China, where we pay five insurance premiums for all regular employees. In addition to statutory benefits, we provide our employees with benefits above and beyond the statutory requirements, including commercial insurance, birthday packages, etc.

Democratic Communication Care

Multek complies with the laws and regulations of each place of operation and the relevant requirements for establishing labour unions. All subsidiaries have established labour unions, and employees of the company have the right to voluntarily join the labour unions of their choice, to coordinate labour relations and to safeguard the labour rights and interests of employees of the company through equal consultation and the collective contract system. We provide various communication channels for our employees to ensure they can express their opinions and ideas without fear. During the reporting period, Multek was awarded the "2022 Zhuhai Harmonious Labor Relations Model Enterprise".

Suspect something is wrong? Speak up.
感觉有什么事情不妥当?
请大胆举报

Contact the Ethics Hotline to anonymously report your concern at 0756-5329338/15907560017. You may also email to fxgl@multek.com

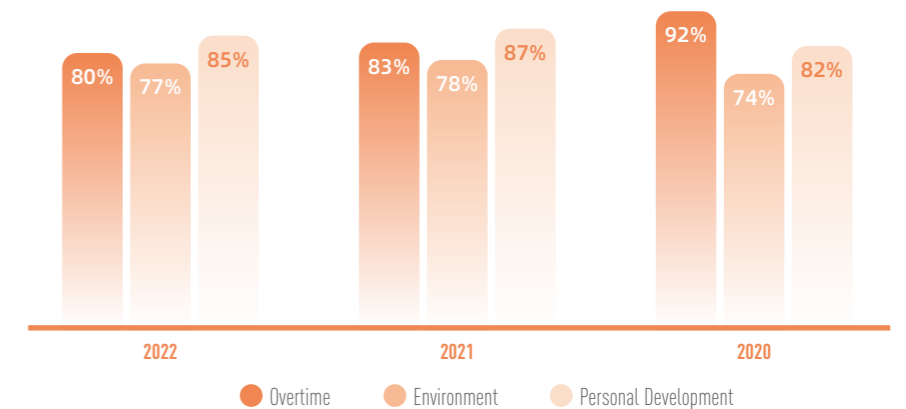
请拨打0756-5329338/15907560017或发邮件至fxgl@multek.com联系“道德热线”，匿名举报您的疑虑。

工会热线: 0756-5321111 员工沟通热线: 0756-5322222
Union hotline:0756-5321111 Employee Communication Hotline:0756-5322222

Employee grievance channels

Multek attaches great importance to the physical and mental health of employees, relieves the work pressure of employees through a series of measures, and gives special care to employees with disabilities and female employees. To enrich employees' spare time, we have opened staff activity centres, soccer fields, basketball courts, badminton courts, table tennis rooms, gymnasiums, lounges and other leisure and recreational places for employees, and held such colourful cultural and sports activities such as basketball games, badminton games, table tennis games and so on.

Employee Satisfaction Survey



Caring for Disabled Employees



- Communication/Activities
- Mental Health Training

Care for Women Workers



- "Two types of cancer" screening
- Skincare and makeup knowledge training

Communication



- Monthly General Meeting
- Luncheon

Holiday Benefits



- Mid-Autumn Festival staff activities
- Long Service Award

Employee Training and Development

The process of company development is the process of growing together with employees. Multek pays attention to talent retention and attraction and continues to promote the construction of a talented team. The company formulates relevant rules and regulations internally, builds a proper and transparent promotion channel and a complete vocational training system, and provides employees a broad space for personal growth.

Training of Employees

Multek actively implements the strategy of "talent strengthening enterprise", attaches importance to the introduction and cultivation of talents, and provides systematic and comprehensive training courses for employees through various platforms such as internal trainer skill competition, cloud classroom, leadership excellence and FLP post-training counselling camp, striving to improve employees' professional quality and skills and broaden their career development path. In 2022, we organized more than 360 training sessions with more than 20,000 participants and 60,000 total training hours.

Training Content



Training Data

Number of participants:
more than

20,000

Total training hours:
more than

60,000

Number of training sessions:
more than

360

Number of courses:

88

Training Outcomes

Completion Rate

100%

Pass Rate

100%

Satisfaction Rate

96%


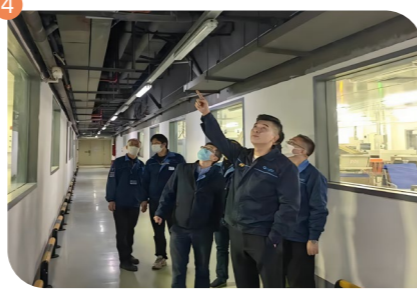
Safety of Employees

Multek complies with the relevant requirements of laws and regulations such as the *Law of the People's Republic of China on Safe Production and Fire Law of the People's Republic of China*, adheres to the policy of safe production, and has formulated safety production rules and regulations such as *Environmental Health & Safety Manual, Environmental Health and Safety Objectives, Indicators and Management Program Procedures and Management Procedure on Safety Operation Instruction*, covering safety management structure and rules of procedure, emergency plans, assessment methods and accountability methods.

Multek follows a safety education and training policy and has established a three-tier EHS training program to ensure adequate training is provided to different categories of employees, including but not limited to new employees, safety managers, special operators and all levels of management. Specialized safety inspections are conducted regularly, covering different topics including but not limited to unsafe human behaviour, chemical safety, fire safety, electrical safety, etc.

- 1 Daily Inspection
- 2 Government Inspection
- 3 Management Inspection
- 4 Special Inspection



SUPPLY CHAIN AND PEERS

Multek advocates a responsible supply chain. The company attaches importance to supplier management, comprehensively builds a supplier management system covering supplier access, audit and performance evaluation, and conveys the value of sustainable development to suppliers by implementing a sustainable procurement policy.

Creating a Responsible Supply Chain

Supplier Management

Multek has formulated the Supplier Social Responsibility Commitment, based on the Code of Conduct of the Responsible Business Alliance and relevant national laws and regulations, to clarify the environmental and social responsibilities that suppliers should assume in terms of labor, health and safety, environment, ethics, management system, etc., and effectively embed the concept of sustainable development into all aspects and processes of supplier management, driving the whole supply chain to jointly fulfill sustainable development responsibility. As of December 31, 2022, the company had 60 core suppliers, all of which have passed Multek CSR audits or obtained RBA certification, and 13 annual CSR audits were conducted in 2022.

Access Management

We control supply chain risks from the source and have established a strict supplier access policy and implemented the New Supplier Audit Procedures, focusing on the following matters:

- Assessment of the qualifications of new suppliers in terms of the quality management system, hazardous substances process management system, manufacturing/service processes, etc;
- Assessment of new suppliers' qualifications in corporate social responsibility;
- Evaluate the qualification of new suppliers in environmental health and safety.

Annual Audit

We use a combination of dynamic assessment and periodic audits to monitor qualified suppliers based on the Supplier Audit Procedure, focusing on the following performance :

- Assessment of supplier quality system and manufacturing process performance;
- Assessment of supplier environmental health and safety performance;
- Assessment of supplier social responsibility performance.

Elimination of Withdrawal

We arrange a second audit for suppliers who fail the audit within three months. If the second audit fails, we will issue a *Supplier Disqualification Form* according to the *Supplier Disqualification Procedure* and the management will approve the termination of its cooperation relationship.

During the reporting period, we evaluated 13 suppliers through qualification review, on-site research and material inspection, etc. 100% of the suppliers received good or above evaluation, and no supplier was terminated due to environmental and social responsibility issues.

CASE Safety Culture Building - Conducting Safety Month 2022

In June 2022, Multek actively carried out various and richer safety activities such as safety production knowledge training, safety knowledge quiz, safety knowledge competition and excellent safety team selection during the National Safety Production Month with the theme of "Abide by the Safety Production Law and Be the First Responsible Person", focusing on the promotion of national laws and regulations on safety production, safety production knowledge and the company's safety production management system, enhancing the safety awareness of all employees and their ability to prevent accidents, and further strengthening the attention of all employees on the importance of safety work.



Safety knowledge training



Safety knowledge quiz

CASE Multek sets the CSR red line for suppliers

Multek requires all suppliers to comply with all applicable laws and regulations and international standards, especially the bottom-line requirements regarding labor rights, safety and health, environmental protection and business ethics, and take effective measures to prevent and control possible losses. On this basis, the following 10 CSR red-line requirements are established:

- 1 Prohibit the use of any form of child labor.
- 2 Prohibit the use of prison labor and forced labor, the use of prisons as suppliers or subcontractors, the restriction of personal freedom, and the withholding of identification documents.
- 3 The use of violence, verbal abuse, corporal punishment or sexual harassment, and illegal body or heterosexual searches are prohibited.
- 4 It is prohibited to pay employees below the local minimum wage.
- 5 Any major fire and explosion accidents are prohibited.
- 6 Prohibit any working conditions that seriously endanger life safety or health, and prohibit fatal accidents at work sites.
- 7 Any illegal discharge of toxic and harmful pollutants, including wastewater, gas or sludge, is prohibited.
- 8 Any media crisis and serious mass incidents, including unnatural death (suicide, homicide, fall, sudden death, etc.), collective labor disputes or strikes, mass fights and brawls, mass poisoning or other mass deaths and injuries, are prohibited.
- 9 Prohibit any infectious disease epidemic due to improper internal management and protection resulting in collective infection events, or failure to prepare protective materials in advance (such as masks, gloves, protective clothing, disinfectant solution, etc.) resulting in a significant impact on employee health and safety or normal company operations.
- 10 Prohibit the occurrence of corruption and dishonesty, to achieve "no bribery, no gifts, no association, no falsification, no jerry-built materials, no commercial fraud, and keep promises", that is, "six no's and one keep".

Responsible Purchasing

Multek has developed a comprehensive procurement system. We implement a sustainable procurement policy and expect our suppliers to excel in business ethics, environmental impact, and social responsibility to ensure that our products come from a value chain full of fairness and respect.

We refuse to source conflict minerals from conflict areas, refer to the *SEC Conflict Minerals Regulations*, the *EU Conflict Minerals Regulations*, the *OECD Due Diligence Guidance for Responsible Minerals Supply Chains*, the *Responsible Minerals Initiative (RMI) Reporting Framework* and other requirements, and develop *Conflict Minerals Management Procedures* to standardize and improve conflict minerals management mechanisms and promote conflict-free supply chains. We are committed to the conflict minerals procurement program. We are committed to not sourcing gold, tantalum, tin and tungsten directly or indirectly from the DRC and its neighboring countries in the products we purchase. We regularly send and update the *Conflict Minerals Reporting Template* to our customers and work together to promote responsible mineral due diligence management of our supply chain. During the reporting period, the Company involved a total of seven 3TG suppliers, and 100% of the 3TG mineral feedstock was sourced from conflict-free smelters.

Multek Mineral Procurement Anonymous Report Tel: 0756-5329338 / 15907560017

Customer Certification



RBA Certification

Multek has established a management mechanism that complies with RBA guidelines, and regularly conducts internal inspections and external audits in accordance with RBA standards to ensure that production processes meet the requirements related to social and environmental responsibility. These efforts have earned the company the trust and recognition of our customers and laid the foundation for our leading position in the industry. 2022, we received "Silver" certification in the RBA audit program and achieved "A" grade in the supply chain CSR assessment of our head brand customers. We achieved an "A" grade in the supply chain CSR assessment of our top brand customers.

Hand in Hand with Industry Development

Multek has always focused on maintaining close cooperation with global partners, and we actively establish various forms of cooperation with peer enterprises, universities and research institutes to promote industry development and innovation and achieve mutual benefit and win-win situation.

Serial Number	Name of the Association / Organization Joined	Role
1	Guangdong Printed Circuit Board Industry Association	Director Unit
2	Zhuhai Circuit Board Industry Association	Vice President Unit
3	Zhuhai Management Association of Precursor Chemical	Director Unit
4	Zhuhai Environmental Protection and Cleaner Production Industry Association	Director Unit
5	Zhuhai Environmental Protection and Ecology Association	Director Unit

Attend the GPCA member meeting to share experience with the industry

In November 2022, the 2nd session of the 3rd General Meeting of Guangdong Printed Circuit Association (GPCA) and the 2nd session of the 4th General Meeting of Shenzhen Printed Circuit Association (SPCA) were held in Shenzhen. Xie Wei, Senior Manager of Environmental Health and Safety Department of Multek, spoke as a representative of an outstanding enterprise in green manufacturing and environmental PCB, sharing the management experience of Multek in green production.



Xie Wei shares his experience in green production management

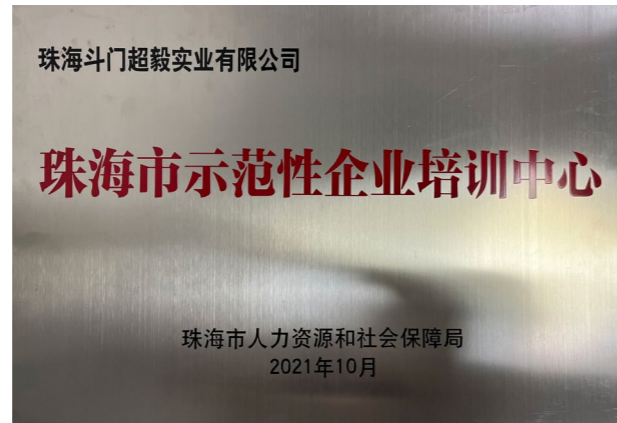


Multek was awarded the title of "Green Manufacturing and Environmental Protection Enterprise"

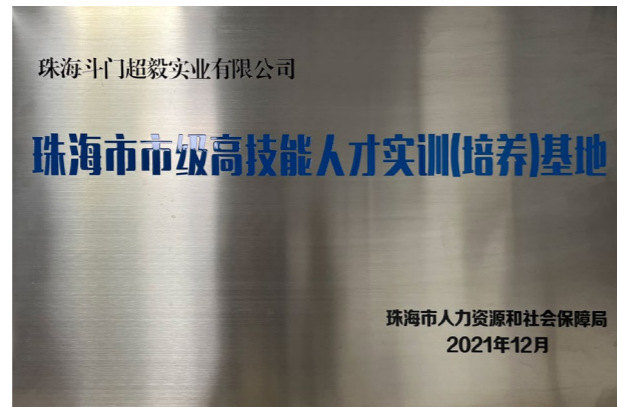
CASE Multek was approved as "Zhuhai Highly Skilled Personnel Training Base" and "Zhuhai Model Enterprise Training Center"

In October 2022, Multek held the awarding ceremony of "Zhuhai Highly Skilled Personnel Training Base" and "Zhuhai Exemplary Enterprise Training Center". Since the successful recognition of the training base, Multek has followed the government policy and organized nearly 1,000 technicians to participate in training through labor skill training, vocational quality improvement and skill competitions, striving to cultivate more craftsmen of the new era for the industry.

Plaque of "Zhuhai Model Enterprise Training Center"



Plaque of "Zhuhai Highly Skilled Personnel Training Base"



SOCIAL AND ASSISTANCE

Consolidate the Results of Poverty Eradication

Multek takes practical actions to resonate with the same frequency to build a better home. The company actively participates in helping the weak and the poor, caring and helping the disadvantaged groups, dedicating a piece of true love to the areas out of poverty, and dedicating a force to drive employment. During the reporting period, Multek provided 74 jobs for the disadvantaged groups.

CASE Multek established an employment base for people with disabilities

In 2022, Multek will set up a "Centralized Employment Base for Persons with Disabilities in Guangdong Province (Level 3)" to provide a platform for equal employment for persons with disabilities, promote stable employment for persons with disabilities, give full play to the advantages of the enterprise, consolidate and promote the results of poverty eradication, provide solid and effective support for people in poverty-eradicated areas to achieve a better life, and actively fulfill its corporate social responsibility.



Awarding ceremony of the centralized employment base for the disabled in Guangdong Province

CASE Multek and Southern Eddie Technical School vigorously promote school-enterprise cooperation

Multek actively promotes the deep integration of industry and education with Southern Eddie Technical School, vigorously promotes the new school-enterprise cooperation mechanism of cooperative education and cooperative development, strives to realize the deep school-enterprise cooperation relationship of school-enterprise talent sharing, equipment sharing, technology sharing, school-enterprise cultural complementarity and school-enterprise management interoperability, jointly helps to improve the vocational skills of industry talents and intelligent manufacturing personnel training, and makes continuous contributions to the industry and regional economic development.



Cooperation Ceremony between Multek and Southern Eddie Technical School

Promote Community Building

Multek adheres to the concept of dedication, great love and gratitude, insists on participating in public welfare undertakings and never forgets to fulfill its social responsibility. We have established a volunteer service team to actively carry out volunteer service activities, make practical contributions to the community, spread the positive ethos of enthusiasm and mutual assistance, and promote and develop advanced culture. During the reporting period, Multek invested a total amount of RMB100,000 to public welfare causes.

CASE Planting and reinforcing trees after the typhoon

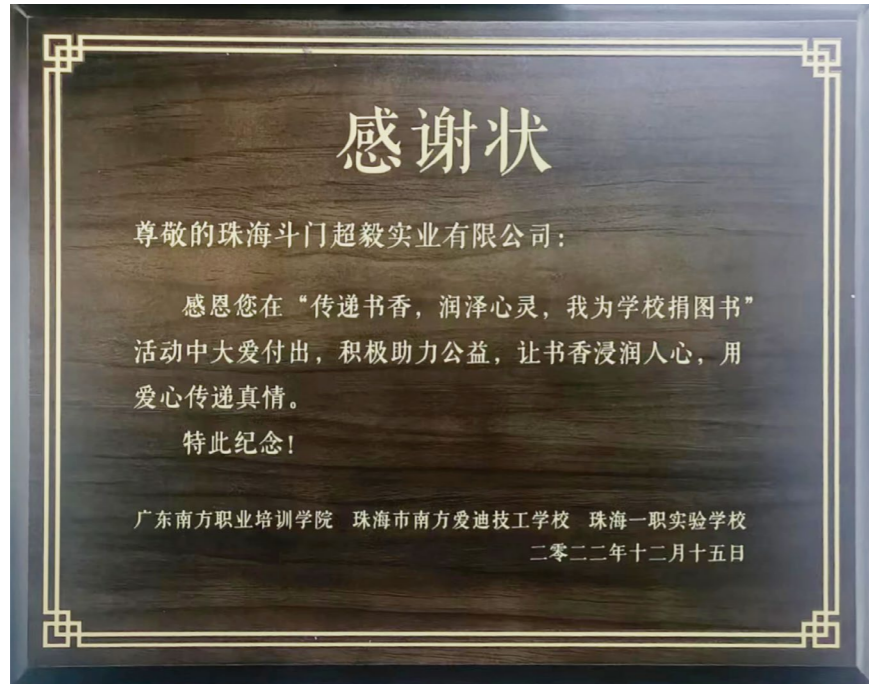
After the typhoon, Multek actively organized volunteers to replant trees that were blown down by the typhoon and used tripods to reinforce them, contributing to the restoration of natural ecology in the affected areas.



Tree planting and consolidation site after the typhoon

CASE Book Donation

Multek donated books to Guangdong Southern Vocational Training School, Zhuhai Southern Eddie Technical School and Zhuhai No.1 Vocational Experimental School with love, hoping to promote campus culture construction in depth, grow students' knowledge, expand their horizons and contribute to the creation of a book-loving campus.



Certificate of appreciation from the recipient school to Multek

REPORT APPENDIX

Key Performance Tables

Social Performance Table

Indicators	Unit	Numerical Value
Major information security incidents	Times	0
Total number of employees	Person	4,212
Labor contract signing rate	%	100
Ratio of male to female employees	/	1.23:1
Number of people trained in anti-corruption	Person	1,200
Number of people tested for business ethics	Person	1,200
Number of people trained in integrity and anti-fraud	Person	370
Number of quality training subscribers	Person	11,318
Cumulative training sessions	Times	356
Cumulative number of trainers	Person	21,793
Cumulative training hours	Hours	57,749
Training completion rate	%	100
Training pass rate	%	100
Training satisfaction rate	%	96
Number of EHS trainers	Person	62,049
Major safety incidents	Times	0
Occupational medical examination coverage	%	100
Number of core suppliers	Suppliers	60
Supplier review pass rate	%	100
Number of RBA certified suppliers	Suppliers	60
Number of suppliers audited using environmental and social responsibility standards	Suppliers	13
Total external public welfare donations	CNY	10,000
Number of volunteer activities	Times	24
Number of participants in volunteer activities	Times	200

CASE Donation of 100,000 RMB to Zhuhai Fire Rescue Charity Fund

In September 2022, Multek donated 100,000RMB to the Fire and Rescue Charitable Fund. This donation is intended to support the outstanding work of firefighters in keeping our communities safe. We hope that this donation will provide the firefighters with the equipment, training and resources they need to help them better fulfill their mission. Multek will continue to actively fulfill its corporate social responsibility and strive to make more contributions to society.



Donation Reply Slip to Fire and Rescue Charity Fund

Environmental Performance Table

Indicators	Unit	Numerical Value
Total greenhouse gas emissions (Scope I)	Tons of carbon dioxide equivalent	1,780.72
Total greenhouse gas emissions (Scope II)	Tons of carbon dioxide equivalent	239,731.95
Total greenhouse gas emissions	Tons of carbon dioxide equivalent	241,512.67
Operating costs of environmental protection facilities	CNY	44,955,566
Total amount of environmental tax paid	CNY	33,232.72
Electricity consumption monitoring inputs	CNY	2,670,000
Energy saving retrofit input	CNY	4,175,909
Energy-saving retrofit units	Unit	16
Energy-saving retrofit units save electricity	Annual average kWh	4,988,031
Total electricity savings	kWh	5,800,000
Total electricity savings converted into carbon emission reductions	Ton	4,664
Solar PV green power usage	kWh	1,000,000
Green power use equivalent carbon emission reductions	Ton	804
Total water consumption	Ton	3,741,786
Wastewater system renovation inputs (from 2016)	CNY	7,100,000
Total water savings	Ton	226,200
Annual average reduction of solid waste from solid waste drying facilities	Ton	5,500
Annual average solid waste reduction from dry film recycling systems	Ton	250
Number of major environmental accidents	Times	0

Report Index Table

Support the UN Sustainable Development Goals

Objectives	Target Content	Corresponding Actions
Goal 1	No Poverty	Education for poverty alleviation and employment assistance for the disabled
Goal 2	Zero Hunger	Education for poverty alleviation and employment assistance for the disabled
Goal 3	Good Health and Well-being	Healthy and safe products Focus on the physical and mental health of employees
Goal 4	Quality Education	Staff training, school-enterprise cooperation
Goal 5	Gender Equality	Equal employment
Goal 6	Clean Water and Sanitation	Protecting water resources
Goal 7	Affordable and Clean Energy	Photovoltaic power generation
Goal 8	Decent Work and Economic Growth	Diverse and inclusive work environment, reasonable compensation system
Goal 9	Industry, Innovation and Infrastructure	Product innovation research and development
Goal 10	Reduced Inequalities	Education and poverty alleviation, employment assistance for the disabled, post-disaster support
Goal 11	Sustainable Cities and Communities	Energy saving and emission reduction measures, carbon target setting
Goal 12	Responsible Consumption and Production	Green production, carbon target setting
Goal 13	Climate Action	Energy saving and emission reduction measures, carbon target setting
Goal 14	Life Below Water	Reduce pollutant emissions and protect the environment
Goal 15	Life on Land	Reduce pollutant emissions and protect the environment
Goal 16	Peace, Justice and Strong Institutions	Operate in compliance with the law and anti-corruption and anti-fraud
Goal 17	Partnerships for the Goal	Hand in hand with industry chain partners

Global Reporting Initiative (GRI) Sustainability Report Writing Standards

Catalog		GRI Standards 2021
About this Report		GRI-102
Message from the CEO		GRI-102, GRI-103, GRI-201, GRI-203
About Us	Company Profile	GRI-102
	History	GRI-102
Governance (Sustainable Development Strategy)	ESG Governance	GRI-101, GRI-102
	Analysis of Substantive Issues	GRI-102, GRI-103
	Stakeholder Communication Response	GRI-102
Governance (Anti-Commercial Bribery)		GRI-102, GRI-205
Environment (Improving Environmental Management)	Environmental Management System	GRI-301, GRI-302, GRI-303, GRI-304, GRI-305,
	Environmental Risk Control	GRI-306, GRI-307, GRI-416
Environment (Practicing Green and Low-carbon)	Emission and Discharge Control	GRI-301, GRI-303, GRI-305, GRI-306
	Resource Efficiency Improvement	GRI-302
	Environmental Education, Publicity and Implementation	GRI-404, GRI-413, GRI-416
Environment (Addressing Climate Change)	Identifying Climate-related Risks	GRI-304, GRI-305, GRI-307
	Greenhouse Gas Management	
Environment (Commitment to Ecological Protection)	Carbon Emission Reduction Targets	GRI-307
Social (Products and Services)	Creating Responsible Products	GRI-102, GRI-203
	Insist on Responsible Marketing	GRI-102, GRI-203, GRI-419
	Protection of Customer Rights	GRI-416, GRI-417, GRI-418, GRI-419
	Maintaining Information Security	GRI-417, GRI-418, GRI-419
Social (Employees and Development)	Employee Rights and Benefits	GRI-401, GRI-402, GRI-405, GRI-406, GRI-408, GRI-409
	Employee Training and Development	GRI-404
	Employee Health and Safety	GRI-403, GRI-404
Social (Supply chain and Peers)	Creating a Responsible Supply Chain	GRI-203, GRI-205, GRI-206, GRI-308, GRI-414, GRI-418
	Hand in Hand with Industry Development	
Social (Society and Assistance)	Consolidating the Results of Poverty Eradication	GRI-203, GRI-304, GRI-413
	Promoting Community Building	
Key Performance Tables		
Index of Indicators		GRI-102
Reader Feedback Form		

Reader Feedback Form

Thank you for reading the Multek Group 2022 Environmental, Social and Governance Report during your busy schedule. We are looking forward to hearing your voice in order to continuously improve our social responsibility efforts and continuously improve the level of fulfillment of social responsibility and sustainable development. We kindly ask for your assistance in completing the relevant questions raised in the reader feedback form and provide us with feedback by selecting the following methods:

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Tel: 0756-5329608

Email: Dylan.huo@multek.com

Your Message

Name

Work Unit

Position

Contact Information

What is your overall rating of the Multek Group 2022 Environmental, Social and Governance Report?

Do you think this report can reflect the significant environmental, social and economic impacts of Multek Group?

How clear, accurate and complete do you think the information, data and indicators disclosed in this report are?

What do you think of the structure, design, and presentation of this report?

Which part of this report are you most satisfied with?

Which part of this report are you most satisfied with?

What suggestions do you have for our future reports?