

# 2024

## MULTEK GROUP ESG

Environmental, Social and Governance Report



# ABOUT THE REPORT

## INTRODUCTION

This is the third Environmental, Social and Governance Report (referred to as the "ESG Report" or "the Report") issued by Multek Group. The purpose of this report is to periodically and systematically disclose the Company's philosophy, approaches, practices, and performance in the area of Environmental, Social, and Governance (ESG) to stakeholders including shareholders and investors, local governments and regulatory authorities, employees, customers, partners, media and the public, and local community residents. The report aims to enhance stakeholders' understanding of the Company and to subject our operations to public oversight.

## BASIS OF PREPARATION

This report has been prepared with reference to the GRI Standards 2021, the IFRS S2 Climate-related Disclosures-Electronic Manufacturing Services&Original Design Manufacturing, and at the same time, the report focuses on the Company's efforts to promote social, environmental, ecological and economic sustainability in line with the United Nations' Sustainable Development Goals (SDGs).

## REPORTING SCOPE AND BOUNDARIES

The reporting period of this report is annual, and the scope of the organization is Multek Group, and the timeframe is from 1 January 2024 to 31 December 2024 (hereinafter referred to as the "reporting period"). Considering the continuity and comparability of the disclosed information, part of the information may be retrospective beyond the reporting period.

## REFERENTIAL EXPLANATION

To facilitate expression, Multek Group uses the following appellations to refer to itself in the report: Multek Group, Multek, the Company, we, etc. The abbreviations of our subsidiary companies in the report are as follows:

Multek Industries	referring to	Multek Industries Limited. (North Campus) <sup>1</sup>
Multek China	referring to	Multek China Co., Ltd. (South Campus) <sup>2</sup>

## DATA SOURCE AND RELIABILITY ASSURANCE

All information and data in this report are sourced from the Company's financial reports and environmental, social, and governance information that have been compiled, verified, and audited by the Company. The currency and amounts mentioned in this report, unless otherwise specified, are stated in RMB

This report was approved for release by the CEO on May 15, 2025, and it is committed that the report does not contain any false or misleading information, and the Company takes responsibility for the truthfulness, accuracy, and completeness of its contents.

## REPORT RELEASE AND ACCESSIBILITY

This report is available in both Chinese and English versions for readers to refer to. You can access and download the electronic version of this report on the website of Multek Group (<https://www.-multek.com>). In case of any discrepancies between the Chinese and English versions of this report, the Chinese version shall prevail. If you would like to learn more about us, you can browse our company website.

## CONTACTS

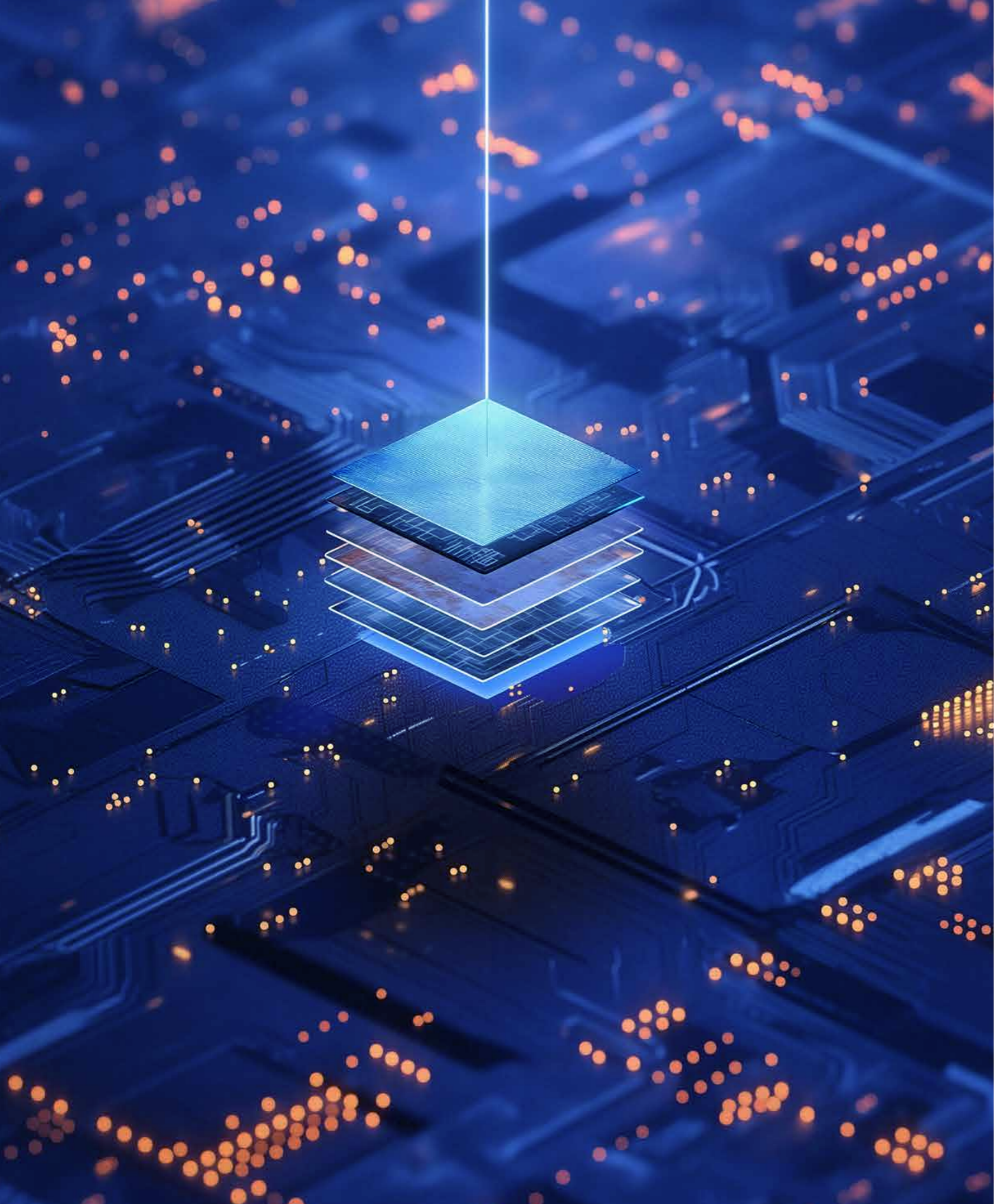
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<sup>1</sup> B1,B2,B2B,B3&B12 Factories, No.2 Xintang Road, Xinqing Technology Industrial Park, Jing'an Town, Doumen District, Zhuhai City, Guangdong Province, China.

<sup>2</sup> Phase I and Phase II of B5 Factory,No.2021 Zhufeng Avenue, Xinqing Technology Industrial Park, Doumen District, Zhuhai City, Guangdong Province, China.



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# MESSAGE FROM COO

The mountains and rivers remain silent, but the will remains; the wind and rain do not stop the heart from moving forward. In 2024, in the face of challenges such as weak demand for communication products and rising raw material costs, the Company keenly seized the strategic opportunities brought by new technology waves like AI. Driven by innovation and with tenacity as its foundation, the Company blazed a steady and upward development path, laying a solid foundation for sustainable development. With an unwavering original aspiration, we respond to the ever-changing situation, fostering new opportunities amid crises and opening up new horizons in changing circumstances, demonstrating the strong development resilience and innovative vitality of the enterprise.

This year, we have deepened the pace of reform and achieved remarkable results in organizational integration. The Company continuously optimizes the governance structure and deepens the ESG system construction, deeply integrating the concept of sustainable development into the entire process of enterprise operation. While enhancing business efficiency, the Company actively fulfills social responsibilities, achieving the organic unity of commercial value and social value.

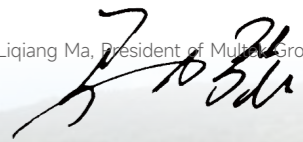
This year, we have strengthened energy conservation and emission reduction, injecting new impetus into the green development of enterprises. The Company has been deeply promoting the green development strategy. Through multiple measures such as expanding distributed photovoltaic projects, purchasing green certificates or green electricity, and implementing energy-saving renovations of equipment, the Company has been driving the production process towards clean and low-carbon transformation, significantly enhancing the effectiveness of energy conservation and emission reduction, steadily advancing the realization of the 2030 carbon emission reduction target, and fulfilling our commitment to sustainable development with concrete actions.

This year, we have focused on customer value and accelerated the process of high-quality development. We adhere to the development concept that "quality is the lifeline and informatization and industrialization are the accelerators", deepen total quality management, continuously improve the quality pass rate, accelerate the pace of "informatization and industrialization" upgrading, introduce advanced equipment and build an intelligent management platform to promote a dual breakthrough in production efficiency and quality assurance.

This year, we have promoted talent and cultural development, and focused on building a high-quality development platform for employees. The Company promotes the "Evergreen Plan", deepens the concept of "relying on technology for a living", continuously focuses on the cultivation and introduction of highly skilled talents, builds a corporate culture with strong cohesion and innovative vitality, and provides diversified and sustainable career development channels and platforms for all employees.

Only through trials does true potential shine; those who endure in silence will one day rise to greatness. We will always uphold the core values of "openness, inclusiveness, pragmatism and progress", unswervingly follow the path of high-quality development, embrace changes with a firming belief, meet challenges with a more open attitude, and create a bright future of coordinated development between the enterprise and society!

—— Liqiang Ma, President of Multek Group



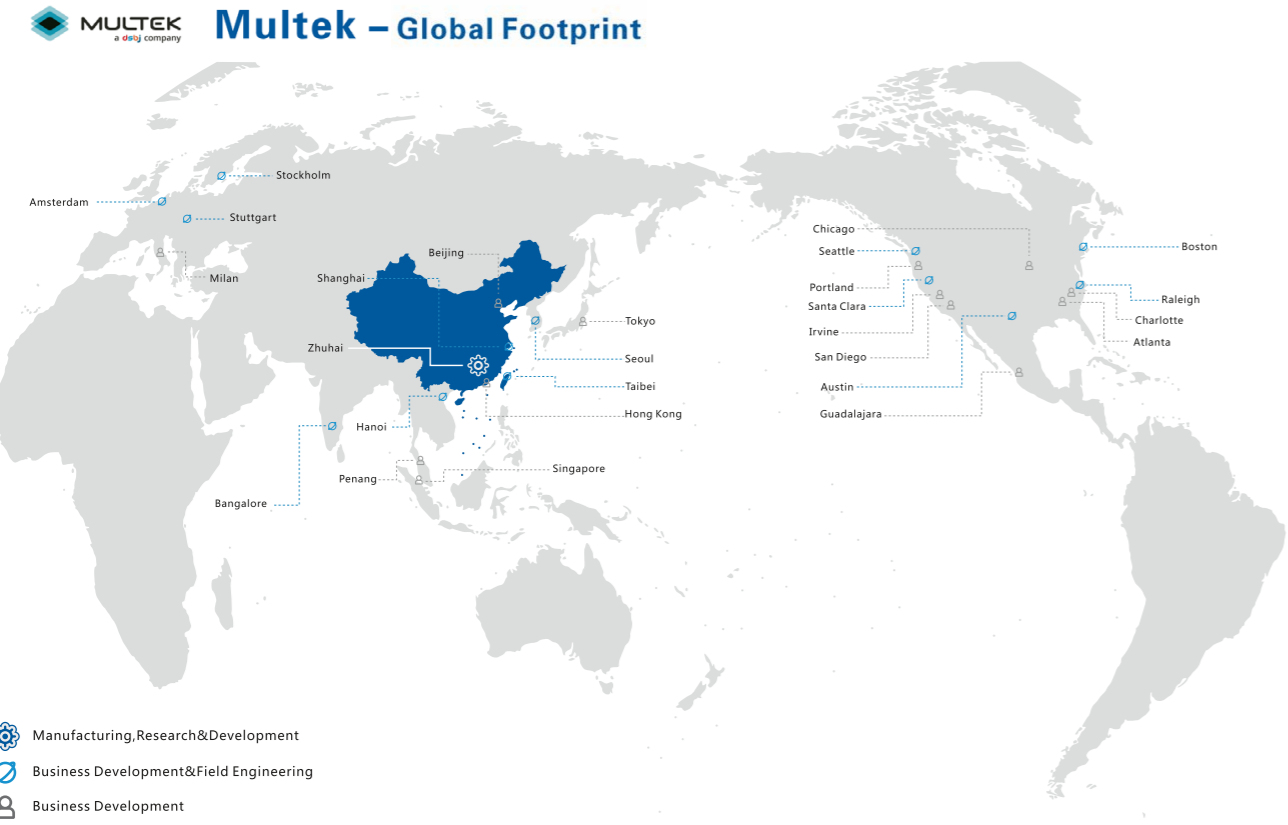
# ABOUT MULTEK

Multek is a wholly-owned subsidiary of Suzhou Dongshan Precision Manufacturing Co.,Ltd. (DSBJ) (Shenzhen Stock Exchange Code: 002384). Multek is a global leader in printed circuit board technology and value-added manufacturing. Multek provides unparalleled engineering expertise and manufactures complex high-density interconnect rigid, flexible, and rigid-flex printed circuit boards.


With a focus on innovation, Multek delivers industry-leading solutions in thermal management, advanced interconnect development, and value-added assembly. Multek serves a broad range of industries, including automotive, telecommunications, datacom, consumer electronics, medical, and industrial markets.

Renowned for its cutting-edge solutions and commitment to quality, Multek enables customers to quickly bring products to market by leveraging early engineering, adoption of advanced manufacturing technology, and seamless prototype to mass production transition.


Explore the possibilities with Multek at [www.multek.com](http://www.multek.com).



# COMPANY CULTURE

**Mission:**

Creating a more interconnected world

**Vision:**

To be a global leading provider of interconnected solutions



Value:

**FAST 高效**

Meeting Our Customer's Time-To-Market Needs  
满足客户、分秒必争



**Fast** Meeting Our Customer's Time-To-Market Needs

**CREATIVE 创新**



Unique Solutions For Our Customers  
专属方案、别具匠心



**Creative** Unique Solutions For Our Customers

**COLLABORATIVE 协作**



Collaboration Creates Infinite Possibilities  
齐心协力、共创未来



**Collaborative** Collaboration Creates Infinite Possibilities

**COMPETITIVE 竞争**

One Step Ahead  
快人一步、保持领先



**Competitive** One Step Ahead

**RELIABLE 可靠**



We Deliver Best In Class Quality And Outstanding Customer Service  
优良品质、专业服务



**Reliable** We Deliver Best In Class Quality And Outstanding Customer Service

**HONEST 诚信**

Uncompromising Integrity From Ourselves And Each Other  
信守承诺、同舟共济



**Honest** Uncompromising Integrity From Ourselves And Each Other

# DEVELOPMENT HISTORY

1978

○

Founder George Schreyer established Multek in Santa Ana, California, USA, and expanded to Irvine, California.

1994

○

Acquired by DII Group.

1998

○

Acquired Unisys in Minnesota, IBM Facility in Texas, HP Facility in Germany & Brazil.  
Launches Facilities on DII Campus in Zhuhai

2001

○

Acquired by Flextronics&Astron Facility in Zhuhai merges with 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 operations to the Zhuhai factories in China and closed the remaining factories in Europe and America.

2016

○

Three-year \$150 million capacity expansion began at Zhuhai factories in China.

2017

○

Factory 4.0 with fully connected and automated production lines equipped with intelligent devices.

2018

○

Acquired by Suzhou Dongshan Precision Manufacturing Co., Ltd. (DSBJ).

2021

○

Established carbon reduction targets and implemented carbon footprint assessment.

2022

○

Fully embrace sustainable development and released the first ESG report.

2024


○

Multek Industries has been awarded the title of Guangdong Green Factory.


# POSITIONS IN SOCIAL ORGANIZATIONS

Company	Association/Organization	Positions
Multek Group	Guangdong Province Printed Circuit Association	Board member
Multek China	Zhuhai Environmental Protection and Cleaner Production Industry Association	Board member
Multek Industries	Zhuhai Precursor Chemicals Management Industry Association	Board member
	Association of Environmental Protection and Ecology in Zhuhai City	Board member
	Zhuhai Printed Circuit Association	Vice President Organization


# 2024 SUSTAINABILITY PERFORMANCE

 Governance

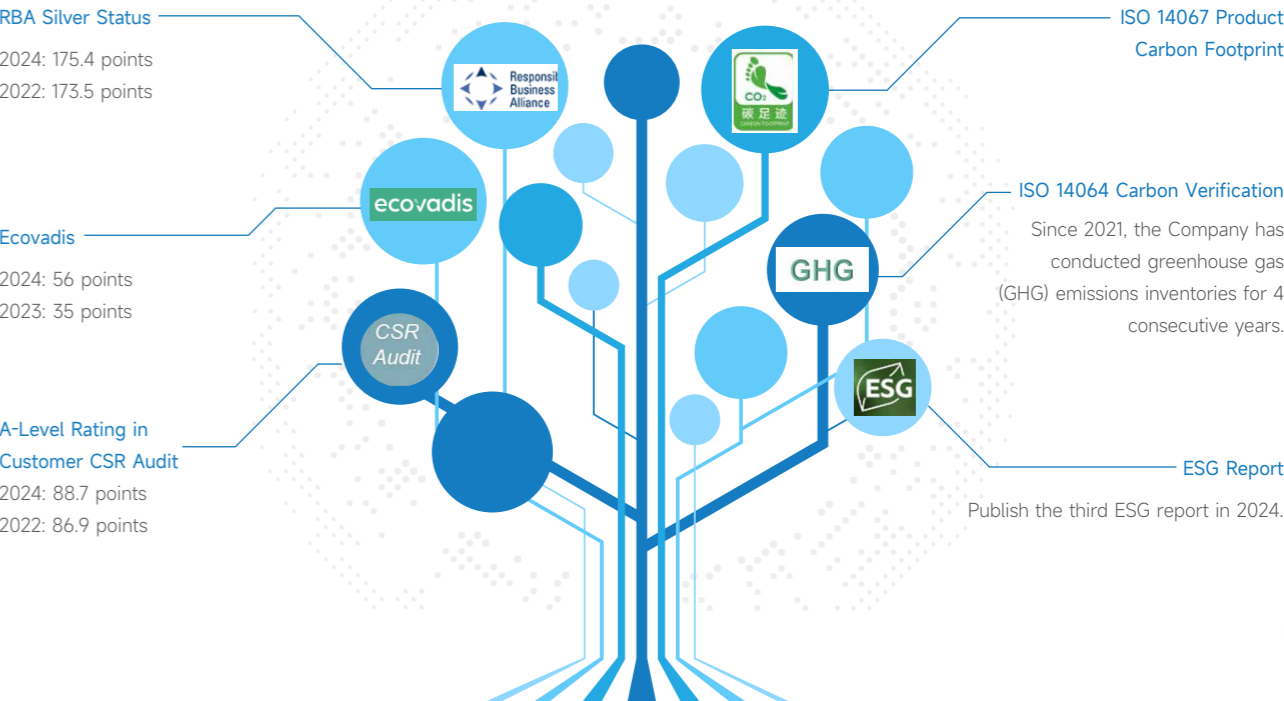
- No illegal or regulatory violations occurred

 Environment

- Water recycling volume: 114,984 tons
- Solar/PV energy consumption: 1,134,707 kWh
- Total environmental protection investment: RMB5,797.23 ten thousand

 Social

- Number of major labor and human rights risk incidents: 0
- Employee training coverage: 100%
- Number of occupational disease cases: 0
- Customer satisfaction rate: 96%
- Product recall rate: 0%



# MAIN AWARDS AND HONORS

Multek Industries Limited.

2024  
Guangdong Green Factory  
★★★★★

2024  
Outstanding Foreign Investment  
Enterprise in Doumen District  
★★★★★

2023  
Excellent Enterprise in Green  
Manufacturing and  
Environmental Protection  
★★★★★

2024  
Zhuhai Trustworthy  
Enterprise  
★★★★★

Multek China Co., Ltd.

2023  
Excellent Enterprise in Green  
Manufacturing and  
Environmental Protection  
★★★★★

2024  
Zhuhai Trustworthy  
Enterprise  
★★★★★

# OUR SUSTAINABILITY MANAGEMENT

As a leader in the circuit board industry, Multek, relying on the corporate values of "Fast, Reliable, Creative, Collaborative, Competitive, and Honest", and with the mission of "Creating a more interconnected world" as its responsibility, has organically integrated the ESG concept into our corporate development strategy. The Company continues to improve the ESG management system, firmly explore the path of sustainable development, and strive to move towards the outstanding position of technology-based high-end supplier in the circuit board industry.

## 1. ESG Management

Based on our sustainable development strategy, the Company has set up the Sustainable Development Management Committee to coordinate the work of corporate sustainable development, and set up response teams in each department with contact persons to implement the concept of social responsibility.

### Social and Environmental Responsibility Working Group

- Make decisions regarding strategic planning involving mission, vision, goals, and areas of focus.
- Establish a performance evaluation mechanism for the implementation of sustainable development strategies.
- Coordinate the sustainable development resource allocation across departments and standardizing reporting.
- Drive departments to engage in autonomous practices around the results of strategic planning and standardize reporting.
- Respond to the expectations of various stakeholders, such as employees, consumers, and communities.
- Generate substantial positive social impact.

## ESG Management and Operation Mechanism

We have gradually optimized the ESG management and operation mechanism, and based on the original governance structure, we have clarified the distribution of ESG responsibilities among the management, executive and third-party levels, forming a top-down ESG working mechanism.

Management level

- Sustainable development business management system.
- Approval of budget for strategic planning of sustainable development.

Execution level

- Execution of sustainable development projects.
- Monitoring and evaluation of sustainable development projects.
- Dissemination of sustainable development projects.

Third-party level

- Monitoring and evaluation of project compliance.

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.

Decision-making meetings	The meetings of the Sustainable Development Committee, the 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 Corporate Social and Environmental Responsibility Working Group collaborates with the Group's functional departments on ESG-related topics to continuously enhance their technical expertise, expand their knowledge, and deepen their understanding of sustainable development.
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

Upgrade the sustainable development business credo:

- Communicating core corporate culture and values throughout the Company.

Establish a position and role in domestic and international markets and industries:

- Develop and commit to medium and long-term sustainable development strategies and targets.

Establish a safeguard mechanism for the implementation of sustainable development strategies:

- Encourage innovation and participation in sustainable development at the corporate policy level.
- Break down departmental silos and promoting collaborative operations at the organizational level.
- Develop standards and approaches for assessing the impact of sustainable development.
- Implement monitored sustainable development project plans and execution.
- Continuously take corrective actions during the sustainable development project process.

Establish a mechanism for reviewing and approving sustainable projects.

Establish a mechanism for the sustainable participation of stakeholders.

2. Stakeholder Communication

The Company coordinates the relevant departments to evaluate and manage the selected issues, selects the Company's ESG material topics and key performance indicators, establishes efficient and comprehensive communication channels and methods, listens to the opinions and suggestions of stakeholders such as government and regulatory agencies, shareholders and investors, customers, employees, suppliers, communities and the public. We will identify the feedback and expectations of each stakeholder on the Company, respond to the needs of each party in a targeted manner, and comprehensively improve the Company's sustainable development performance.

Main stakeholders	Primary requests	Communication and response methods
 Government and regulatory agencies	<ul style="list-style-type: none"><li>· Contribute to local economic development</li><li>· Pay taxes in accordance with the law and operate in compliance</li><li>· Abide by business ethics</li><li>· Environmental protection and climate change response</li></ul>	<ul style="list-style-type: none"><li>· Attend government and regulatory meetings</li><li>· Pay taxes in full accordance with the law and comply with all applicable laws and regulations</li><li>· Enhance the ability of clean and honest employment</li><li>· Information disclosure platform</li></ul>
 Investors	<ul style="list-style-type: none"><li>· Standardize corporate governance</li><li>· Ensure continuous and stable returns</li><li>· Strengthen risk internal control management</li><li>· Transparent information disclosure</li></ul>	<ul style="list-style-type: none"><li>· Improve a scientific governance structure</li><li>· Issue announcements and reports regularly and irregularly</li></ul>
 Employees	<ul style="list-style-type: none"><li>· Legal and compliant employment</li><li>· Reasonable salary and performance</li><li>· Occupational safety and health</li><li>· Training and promotion</li></ul>	<ul style="list-style-type: none"><li>· Employee representative congress</li><li>· Visits, assistance and communication</li><li>· Specialized training and emergency drills</li><li>· Cultural, sports and festive activities</li><li>· Interactive communication on intranet and media platforms</li></ul>
 Customers	<ul style="list-style-type: none"><li>· Improve the scientific and technological innovation mechanism</li><li>· Lean product quality</li><li>· Provide high - quality services</li></ul>	<ul style="list-style-type: none"><li>· Strengthen the strength of scientific research</li><li>· Improve the quality supervision mechanism</li><li>· Ensure product supply and quality</li><li>· Improve after - sales service</li></ul>
 Suppliers	<ul style="list-style-type: none"><li>· Fair and just procurement</li><li>· Honor contracts in good faith</li></ul>	<ul style="list-style-type: none"><li>· Adhere to compliant procurement</li><li>· Regularly conduct supplier audits</li><li>· Business expansion and win - win cooperation</li></ul>
 Community	<ul style="list-style-type: none"><li>· Pay attention to community development</li><li>· Participate in public welfare and charity activities</li><li>· Pay attention to vulnerable groups</li></ul>	<ul style="list-style-type: none"><li>· Carry out public welfare and charity activities</li><li>· Participate in community co - construction</li></ul>
 Environment	<ul style="list-style-type: none"><li>· Address climate change</li><li>· Improve resource utilization efficiency</li><li>· Control pollution emissions</li><li>· Promote low - carbon operations</li></ul>	<ul style="list-style-type: none"><li>· Develop clean energy</li><li>· Improve the environmental management system</li><li>· Innovate energy - saving and environmental protection technologies</li></ul>

3. Material Topics Management

Multek follows the materiality principle, continuously improves the process of identifying and determining the materiality of ESG issues, comprehensively discloses important ESG issues and responds to the concerns of our stakeholders, and strengthens the management and fulfillment of important ESG issues in our daily operations.

①Understand the organization's environment

We understand the organizational context in a holistic way, looking at a number of dimensions, including company activities, business relationships, sustainability context, and stakeholders (including minority interests).

The factors we focus on are:

- The Company's values, policies, strategies, goals and objectives.
- Direct financial impact.
- The interests and expectations of stakeholders (e.g., customers, employees, investors, suppliers).
- Significant risks and opportunities for the Company, peers and competitors.
- Relevant laws, regulations, international and voluntary agreements, etc.

②Identify material and potential impacts

After comprehensively considering the above factors, we referred to the GRI Standards 2021, the International Sustainability Standards Board (ISSB) disclosure requirements, and the relevant indicators outlined by the Responsible Business Alliance (RBA). In combination with our company's specific characteristics, the requirements of our parent company — Suzhou Dongshan Precision Manufacturing Co., Ltd. (DSBJ), as well as feedback from stakeholders, we have identified and integrated a total of 21 material topics.

③Assess the importance of the topics

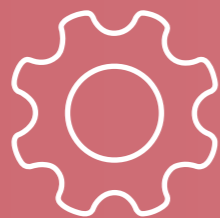
Based on the "double materiality" principle (financial materiality and impact materiality), we conducted material assessments through internal research, expert consultations, benchmarking with excellent companies in the industry, and other methods. From the two dimensions of "importance of impact on economy, society, and environment" and "importance to the Company's financial performance", we have analyzed and identified 9 key topics that carry both impact significance and financial significance.

④Prioritize reporting the most significant impacts

The Company will respond to and disclose material topics and prioritize reporting on highly significant issues.



# 01



## ADVANCING WITH STABILITY, EXCELLING THROUGH DILIGENT GOVERNANCE

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### Key issues

- Data security and privacy protection
- Anti-commercial bribery and anti-corruption
- Anti-unfair competition

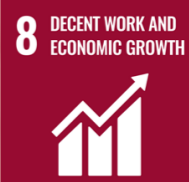


### Main action strategies

- Conduct internal and external information security audits, identify existing risks and propose avoidance and resolution measures.
- Regularly publicize and train senior management on anti-fraud policies, and conduct anti-fraud training and integrity ethics education for new employees.
- Establish strict reporting and complaint channels.



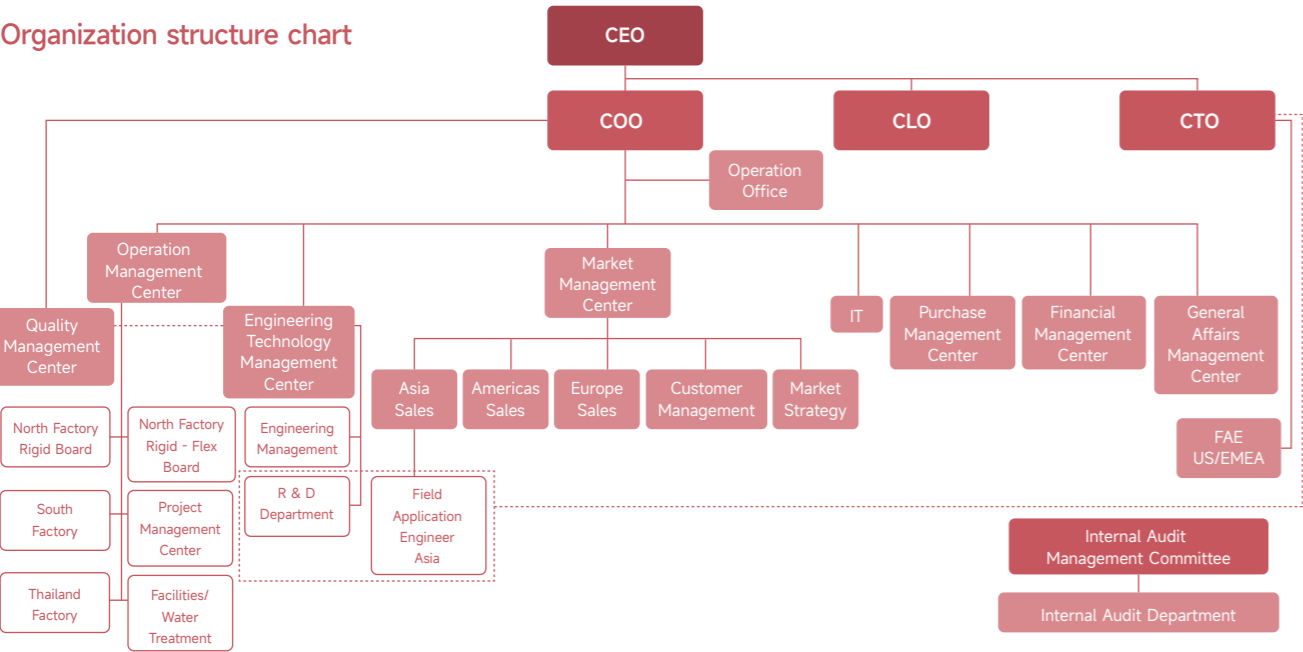
### United Nations Sustainable Development Goals



# STANDARDIZING CORPORATE GOVERNANCE

As a wholly-owned subsidiary of Suzhou Dongshan Precision Manufacturing Co., Ltd, the Company strictly follows the Company Law and other relevant laws and regulations, regulatory guidelines and the management system of the parent company to build up a set of top-down governance structure spanning across a number of business sectors, and to continue to strengthen the standardized level of corporate governance, so as to lay a solid foundation for the enterprise's solid and long-term development.

Organization structure chart



# PROMOTION OF COMPLIANCE MANAGEMENT

## 1. Compliance Management

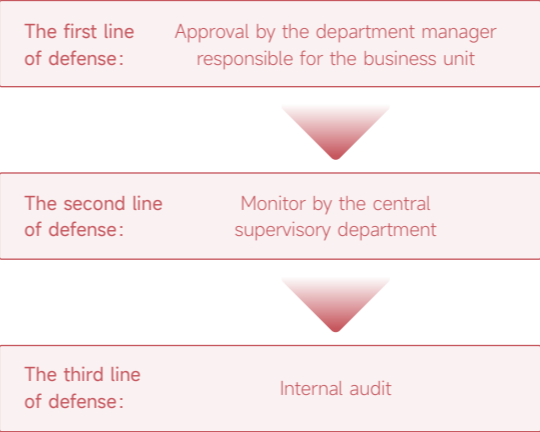
The Company has always regarded compliance management as the foundation of sustainable development, and has built a multi-level compliance management system to ensure that all business activities strictly comply with laws, regulations and industry norms. We have established a systematic compliance system including the Multek Code of Business Conduct and Multek Internal Audit Management Rules, and through regular employee compliance training, dynamic risk assessment and continuous compliance monitoring, we ensure the legality and standardization of our operations in all aspects to ensure the sound operation of the Company.



## 2. Risk Management

The Company establishes a comprehensive three lines of defense for risk management and formulates corresponding risk response strategies through risk identification, assessment, control and monitoring. We insist on carrying out regular risk assessment work in order to understand and identify potential risks in a comprehensive and in-depth manner, and strive to minimize the likelihood and impact of the occurrence of risks. Meanwhile, in order to track and monitor the Company's risk dynamics in a timely manner, we have established a risk monitoring and early warning mechanism to ensure that we are able to respond to and properly deal with all types of risks promptly.

Three-line defense system for risk management



AEO Advanced Certification Enterprise certificate<sup>3</sup>

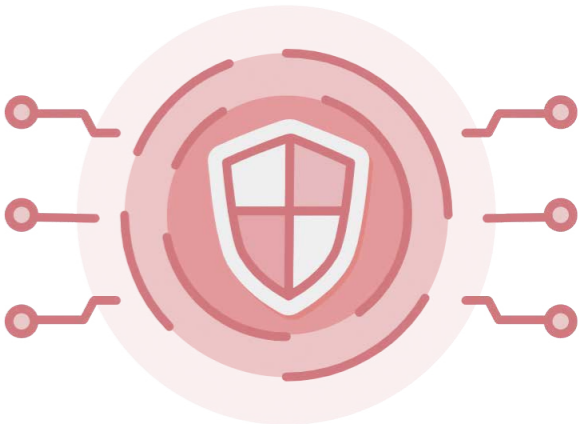


## 3. Information Security and Privacy Protection

The Company complies with relevant laws and regulations such as the Network Security Law, the Data Security Law, the Personal Information Protection Law, etc., and in accordance with the ISO 27001 information security management system, formulates the Information Security Incident Management Strategy, the Information Security Risk Evaluation Management Procedure, and the Information Security Conformity Procedure, etc., to clearly define the responsibilities and processes for information security incident handling, effectively handle information security incidents, and minimize the losses brought to the Company by information security events.

Information security objectives
Ensure the availability of training
Ensure the effectiveness of password management
Ensure the effectiveness of access card management
Ensure the availability of network resources
Ensure the effectiveness of antivirus measures
Ensure the effectiveness of backups
Ensure the non-disclosure of sensitive information
(The Company has achieved all the set goals)

Information security policy
Everyone participates in risk prevention and control
Manage in accordance with regulations and continuously improve
Build information management system to lead the information security



<sup>3</sup> AEO, or Authorized Economic Operator, is the highest credit rating granted by customs authorities.

We have established an information security executive team led by the Information Security Management Committee, with an information security manager who is responsible for regularly reporting risks (especially major risks) to the members of the Information Security Management Committee and giving relevant opinions for decision-making by the members of the Information Security Committee. In addition, the information security manager can adjust the security strategy or system in a timely manner based on the information security needs proposed by the Information Security Management Committee.



Information security management measures

Strengthen network device security	Protect the security of network devices involves updating and maintaining the firewall, security patches, and passwords of network devices, restricting physical access to network devices, and conducting regular security audits and vulnerability scans.
Establish access control mechanisms	Implement access control on network resources and sensitive data to ensure that only authorized employees can access and manipulate relevant information. This can be achieved through methods such as identity verification, permission management, and multi-factor authentication.
Enhance data protection and encryption	Protect the security of sensitive data, including encrypting, backing up and recovering data, restricting the transmission and storage of data, and establishing mechanisms for monitoring and preventing data leakage.
Establish a security monitoring and emergency response mechanism	Establish a security monitoring system to detect and respond to network security incidents in a timely manner, setting up an emergency response mechanism, handling and investigating incidents, and taking timely measures to repair vulnerabilities and restore the normal operation of the system.

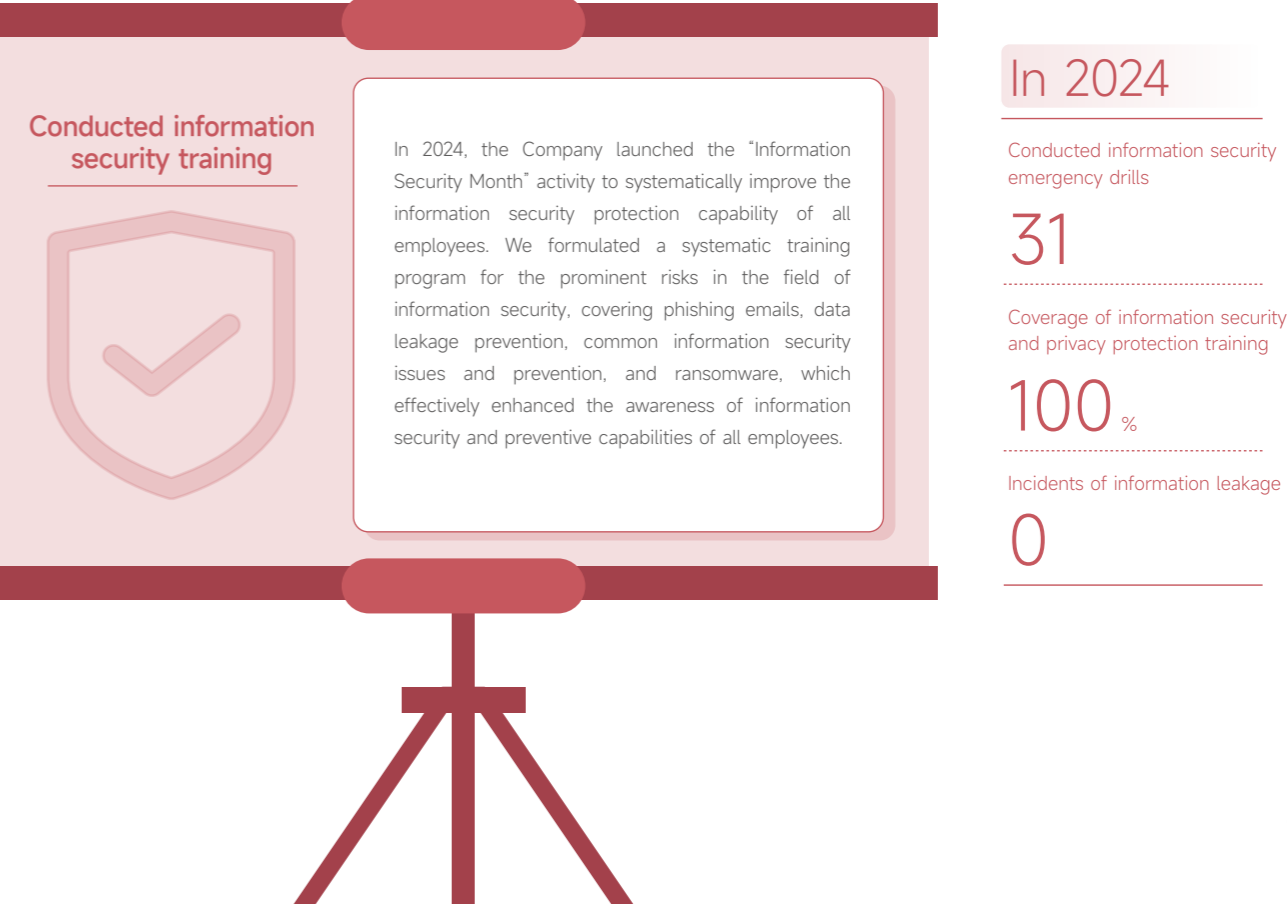
In order to better grasp the specific implementation of the information security management system, so that it meets the relevant compliance requirements of ISO 27001, and at the same time to lay the foundation for the development of external audits, so that the relevant personnel can further understand the requirements of ISO 27001. We conducted an internal audit from October 9 to October 11 and an external audit from November 4 to November 7. In 2024, we conducted more than 5 special audits and obtained external certifications including ISO 27001 and TISAX Level 3.



ISO/IEC 27001 Information Security Management System Certificate

TISAX Level 3 Certificate

In terms of building an information security culture, we continue to strengthen our employees' cybersecurity training and education, raise their awareness of cybersecurity risks and their sense of prevention, educate them to comply with cybersecurity policies and regulations, and reduce security loopholes caused by human factors.



# ADHERENCE TO BUSINESS ETHICS

## 1. Anti-fraud and Anti-corruption

In order to maintain the integrity of all employees of the Company, conscientious work style, prevention of corruption and malpractice, the Company formulated the Business Ethics and Integrity Construction Management Regulations, the Anti-Fraud Management Guidelines, and require employees to do "no bribery, no gifts, no association, no fraud, no jerry-built, no commercial fraud, and keep promises" (i.e., "six no's and one promise"), to effectively reduce the Company's risk and standardize business practices.

### Anti-fraud Management Structure

We have established an Internal Audit Committee, which is responsible for examining the results of the fraud risk assessment and guiding the establishment of overall control procedures and mechanisms to minimize the chances of fraud occurring; and overseeing the progress and results of whistleblower investigations. We have designated the Internal Audit Department as the standing organization for the Company's anti-fraud work, responsible for assisting and establishing anti-fraud mechanisms, as well as paying attention to and checking possible fraud during the audit process; and assisting various departments of the management in conducting the risk assessment of the annual anti-fraud work and the independent assessment of the Company's anti-fraud work. At the same time, it assists the Company to carry out anti-fraud publicity activities, receives fraud reports, investigations and reports, and ultimately reports to the Internal Audit Management Committee on related work.

### Anti-fraud Prevention and Control

We conduct internal publicity and training on anti-fraud through employee handbooks, rules and regulations, journals, newsletters and other forms, and we regularly publicize and train our senior management on anti-fraud policies and provide new employees with anti-fraud training and education on integrity and ethics. At the same time, we require employees to sign the Non-Compete Agreement, the Anti-Fraud and Anti-Commercial Bribery Commitment Letter and the Conflict of Interest Policy Declaration Form when signing the employment contract to ensure that every employee is aware of the anti-corruption and integrity requirements.



Integrity training



Business Ethics Series online course

## 2. Anti-monopoly and Fair Competition

The Company strictly abides by the Law of the People's Republic of China Against Unfair Competition and strives to outperform its competitors in a fair and equitable manner. It is strictly prohibited to steal proprietary information, to obtain trade secret information without the consent of the owner, or to induce departing or current employees of other companies to disclose such information. At the same time, we also require that company-related personnel should make every effort to respect the rights of customers, suppliers, competitors and employees and treat them fairly and impartially, and that no company-related personnel should gain undue advantage through manipulation, concealment, misuse of privileged information, misrepresentation of material facts, or any other intentional unfair trade practices.

## 3. Complaints and Reporting

The Company advocates all employees to report corruption, fraud and other violations of discipline, and the whistleblower can submit the report directly to the Internal Audit Department or the head of the department. Each department and employee shall report to the Internal Audit Department within 24 hours after discovering corruption or serious disciplinary violations. The Internal Audit Department has the right to interview the relevant personnel to carry out investigations, and the case will be withdrawn if it is found to be untrue. For malicious false accusations, the Company will pursue the responsibility of the whistleblower according to the reward and punishment system.

At the same time, the Company strictly in accordance with the law to protect the privacy of the informant's information, strictly prohibit any form of retaliation, no one shall in any way to probe or disclose the identity of the informant and witnesses, or by asking questions to determine the factual situation provided by the informant or witness.

### Complaints e-mail:

fxgl@multek.com

### On-site complaint mailbox:

Workshops of the branch factories

### Reporting hotline:

0756-5329338

MULTEK  
a denji company

Feel  
Something  
Suspicious  
Speak up.  
发现有什么  
事情不妥当?  
请大胆举报

INTEGRITY 正直诚实

Contact the Ethics Hotline to report your concern anonymously at 0756-5329338/15907560017 or 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

## In 2024

The Company has not been involved in any legal proceedings related to anti-unfair competition or anti-monopoly, nor has there been any corruption or bribery in violation of the principle of honesty and integrity.

# 02



## LEADING THE WAY IN LOW-CARBON TRANSITION, PURSUING GREEN DEVELOPMENT

Addressing Climate Change	23
Deepening Environmental Management	29
Optimizing Resource Utilization	32
Strengthening Pollution Prevention and Control	37
Protection of Biodiversity	41



### Key issues

- Addressing climate change
- Hazardous waste
- Chemical safety
- Energy and renewable energy use
- Circular economy
- Water resources utilization
- Pollutant emissions



### Main action strategies

- Carry out identification, assessment, verification and certification of greenhouse gas emissions; reach the 2024 annual emission reduction target.
- Carry out energy-saving technological reform work to enhance the efficiency of resource use.
- Expand the application scope of distributed photovoltaic facilities, procure green certificates or green power, etc., to optimize the structure of energy use and reduce its own greenhouse gas emissions.
- Carry out soil pollution hazard investigation, and formulate corresponding rectification plans to protect the surrounding environment.



### United Nations Sustainable Development Goals



# ADDRESSING CLIMATE CHANGE

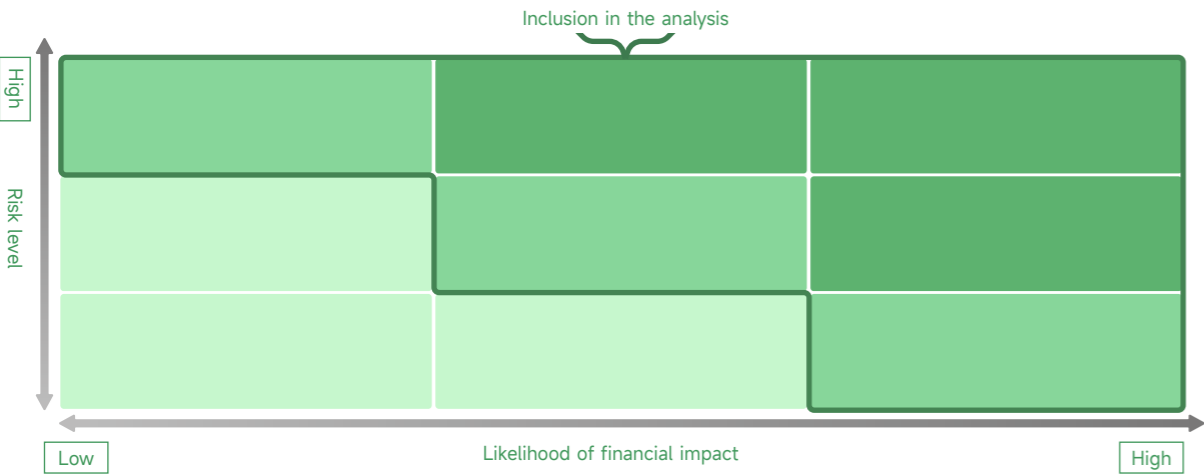
## 1. Governance

The Company integrates climate governance into the whole process of production and operation, and continuously pays attention to issues such as policy changes, laws and regulations, corporate reputation and climate-related risks. We formulate reasonable response strategies for identified climate risks, combining the changes in the external environment with the current internal development situation, and take practical actions to respond to the risks and seize the opportunities.

## 2. Strategy

The Company attaches great importance to the potential impact of extreme weather events triggered by climate change on the Company's business model and value chain. We refer to IFRS S2 - Climate-related Disclosures to identify physical risks and transition risks that have potential impacts on the Company, and assess climate risks and opportunities in terms of likelihood, degree of impact and resilience.

Based on the identified climate risks and opportunities, the Company assesses the likelihood of the financial impact of climate risks and opportunities, taking into account its regional location, business characteristics and industry research.



Based on the above assessment process, we screened out the climate physical risks and transition risks that have a high potential financial impact on the Company and developed corresponding response initiatives, the results of which are summarized in the table below.

Risk category		Timeframe	Potential financial impact	Measures
Physical risk	Extreme weather events such as heavy rainfall, typhoons, and coastal flooding	Short-term	<ul style="list-style-type: none"><li>May cause damage to the infrastructure of the Company's manufacturing sites, resulting in operational disruptions, leading to asset impairments and increased operating costs.</li><li>It may cause disruptions in the operations of production manufacturers, which in turn may result in non-delivery of orders, leading to a decrease in revenue from main business.</li></ul>	<ul style="list-style-type: none"><li>Develop a sound response mechanism and emergency plan for extreme weather risks, conduct regular emergency drills and training for natural disaster accidents, and improve the ability to respond to natural disasters.</li><li>When disposing of extreme weather and climate events, conducts scientific assessments of site safety, safeguards the personal safety of on-site personnel, and carries the necessary safety and protective gear, as well as collects and disposes of pollutants properly in order to minimize the impact on the environment.</li></ul>
	Extreme heat	Medium- and long-term	<ul style="list-style-type: none"><li>The Company is located in a subtropical climate zone, based on hot summer weather, an increase in the frequency and duration of heat waves will lead to an increase in the demand for refrigeration, which in turn will result in an increase in the cost of electricity.</li><li>Continued extreme heat may increase the risk of heatstroke for employees during commuting or production, resulting in decreased operational efficiency and increased costs.</li></ul>	<ul style="list-style-type: none"><li>Comprehensively check the rainwater and sewage diversion and discharge systems, flood relief and drainage facilities, drainage ditches, canals and openings of the plant, and carry out timely dredging to ensure smoothness.</li></ul>
Transition risk	Policy and legal risks	Short, medium and long term	<ul style="list-style-type: none"><li>Increasing regulation of corporate carbon emissions around the world has led to increased carbon compliance costs. Companies that fail to meet regulatory requirements for carbon emissions management or fail to disclose carbon emissions and other information in a timely manner will face compliance risks and increased compliance costs.</li></ul>	<ul style="list-style-type: none"><li>Continuously promote the transformation of energy structure through energy-saving technological transformation and self-built photovoltaic to reduce the total energy consumption and greenhouse gas emissions.</li><li>Pay attention to the carbon emission policies and regulatory developments in the locations where we operate, in order to reasonably respond to the updates of policies and laws.</li><li>Strengthen carbon inventory, product carbon footprint management, and strictly comply with disclosure requirements to ensure compliant operations.</li></ul>
	Technology innovation risk	Medium and long term	<ul style="list-style-type: none"><li>In order to reduce carbon emissions from products, the research and development and application of low-carbon innovative process technologies will be strengthened; the early elimination of energy-consuming equipment may lead to accelerated asset impairment, resulting in increased operating costs.</li></ul>	<ul style="list-style-type: none"><li>Practice green production concepts in all plants and implements low-carbon electronics production processes.</li></ul>
	Market risk	Medium and long term	<ul style="list-style-type: none"><li>Due to the upstream customers' increasing awareness of environmental protection, if we fail to meet customers' requirements for green and low-carbon products, the Company may face the risk of shrinking market share, which in turn will reduce the revenue from the main business.</li></ul>	<ul style="list-style-type: none"><li>Incorporate energy saving and environmental attributes into important considerations during the optimization of production processes for electronic products.</li></ul>

Climate change not only poses risks, but also breeds new opportunities. Relying on our strengths, we are actively taking a series of measures to respond to climate change, seize the new opportunities it may bring, and promote the development of green and low-carbon industries. We have identified the following major opportunities arising from climate change:

Climate opportunity	Description of the opportunity	Time dimension	Response approach
Products & Services	Public preference for green products and services is growing.	Medium and long term	Manage the environmental impact of products throughout their life cycle; accelerate the development of green electronics to meet market demand and promote sustainable development.
Policy support	The introduction of carbon neutrality, clean energy and other related green policies has positively guided the market for green products and services, providing favorable opportunities for the Company to develop new markets and businesses.	Long term	With the help of policy support, we will further promote the research and development of green products to meet the policy requirements and market demand, and promote sustainable development.
Resource efficiency	Clean energy, energy-saving technologies, resource recycling, and the purchase of green certificates or green electricity can improve the efficiency of resource and energy use.	Medium and long term	Enhance the efficiency of energy and resource use through energy-saving technological improvements, investment in photovoltaic facilities, and purchase of green certificates or green power.

3. Risk Management

We manage climate change-related risks potentially affecting our company through three steps: risk identification, assessment, and management, and take practical actions to address potential climate change-related risks from multiple perspectives, including system establishment, risk prevention and control.

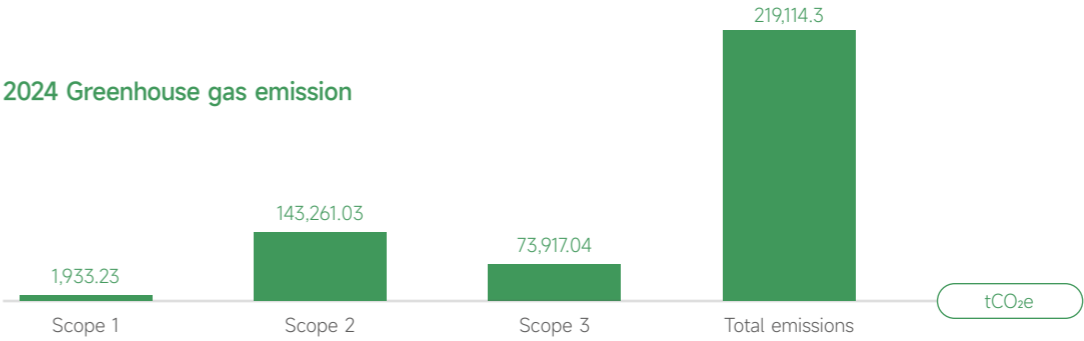
Risk management process

Risk identification	Risk assessment	Risk management
Through research on climate change trends, domestic and international industry development, technological changes, etc., combined with the Company's own operating conditions and business characteristics, we identify physical and transition risks affecting each of the Company's business segments and establish a climate change risk list.	Comprehensively analyze the impact of climate change on the Company's business model and value chain, and rank the identified climate-related risks from three perspectives: likelihood, degree of impact, and resilience.	Based on the results of risk identification and assessment, formulate targeted measures, regularly evaluate and monitor the effectiveness of the measures, establish a climate change risk management system, and promote the normalization of climate change risk management.

4. Greenhouse Gas Management

The Company actively responds to the national "carbon peaking and carbon neutrality" initiative, and proactively conducts carbon inventory, verification, and formulates carbon reduction and carbon neutrality goals and path planning. The Company's greenhouse gas emissions sources are mainly divided into direct greenhouse gas emissions (including gasoline, diesel, natural gas, and refrigerants, etc.) and indirect greenhouse gas emissions (including purchased electricity), and the main greenhouse gases involved include carbon dioxide, methane, etc.

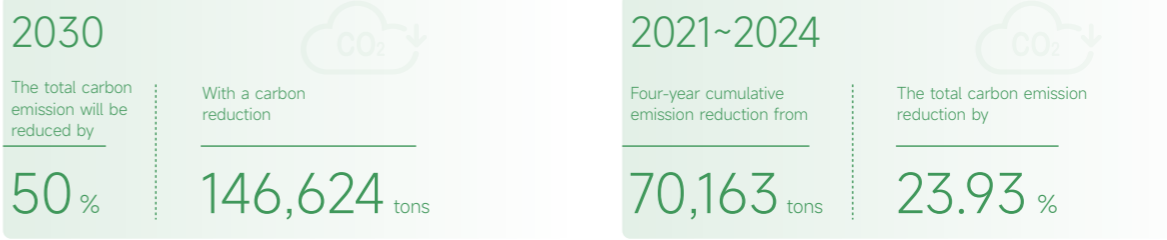
2024 Greenhouse gas emission



In order to actively respond to the domestic and international carbon reduction targets, the Company sets carbon reduction targets based on its own actual production and operation, and establishes the Carbon Emission Reduction Management Committee. We formulate carbon emission reduction action paths from our own operational perspective, and actively promote the Company's emission reduction strategy by taking energy structure transformation, green production/office, and product carbon footprint management as important measures.

Carbon emission reduction target

With 2018 as the base year for carbon emission reduction



Transformation of the Energy Structure

The greening of electricity is a necessary path towards carbon neutrality. The Company invests in distributed photovoltaic facilities, direct purchase of green certificates or green power, etc., in order to reduce Scope 2 greenhouse gas emissions, as well as to reduce energy management costs and enhance the efficiency of comprehensive energy use.

Distributed photovoltaic power generation project

In 2024, the Company added 5,967 square meters of roof-top solar panels, with a planned installed capacity of 612.495kWp and an annual power generation of 649,000KWh, which is equivalent to a reduction of 370.125 tons of carbon emissions.



Procurement of green certificates

The Company purchased a total of 30,000 MWh of green power in 2024, equivalent to a reduction of 16,098 tons of CO<sub>2</sub>.



In 2024  
Solar/Photovoltaic  
consumption

1,134,707 kWh



Product Carbon Footprint Management

The Company utilizes LCA tools to carry out product full life cycle carbon footprint management and accurately identify high carbon emission hotspots in the product life cycle. On this basis, we effectively reduce the carbon intensity per unit of product through product design optimization, implementation of green and low-carbon processes in the production process, and reduction and optimization of product packaging.



PCB ISO 14067 Product Carbon Footprint Certificate

With continuous investment and innovative practices in carbon management, the Company was awarded the 2023 Greenhouse Gas Emission Reduction Honor by our client Flextronics Flex in March 2024, which fully recognizes our unremitting efforts and remarkable results on the path of low-carbon development.



Cleaner Production

We understand the importance of cleaner production for energy saving, carbon reduction and sustainable development, and through improving production processes and optimizing production equipment to reduce the consumption of energy and raw materials in the production process, and to reduce the generation and emission of pollutants. In 2024, Multek Industries and Multek China successfully passed the Guangdong Province Cleaner Production Audit and Assessment.

Reducing the use of ozone-depleting substances

Implementation of the phase-out plan for ODS-containing refrigerants:

Phase out ODS-containing refrigerants according to the phase-out plan, not later than 2030, and the new refrigerants used for replacement are not allowed to contain ODS in principle.

Selection of new air-conditioning systems:

When purchasing new air-conditioning equipment, equipment containing ODS refrigerant is not allowed to be purchased in principle.

Repair and maintenance:

Regularly check the refrigerant usage of chiller units to avoid refrigerant leakage and pollution of the environment.

# DEEPENING ENVIRONMENTAL MANAGEMENT

## 1. Environmental Management and Awareness Promotion

The Company adheres to the principle of prioritizing environmental protection, integrates the concept of green development into the Company's operation, strictly abides by the Environmental Protection Law of the People's Republic of China, the Guangdong Provincial Environmental Protection Regulations and other laws and regulations related to environmental protection, formulates and implements a series of systems and norms, such as the Environmental Health and Safety Manual, the Guidelines for the Identification of Environmental Factors and Dangerous Sources and Risk Evaluation Work, and comprehensively implements the main responsibility of environmental management.

The Company has set up an EHS (Environment, Health and Safety) department, which is responsible for coordinating, promoting and supervising the implementation of EHS planning, targets and programs, and the EHS management system covers 100% of all the Company's business segments. Based on the core concept of sustainable development, we have formulated a comprehensive EHS policy that focuses on energy, water, land, air, waste, and employees, and through scientific management and continuous optimization, we have promoted the balanced development of economic and social benefits in our operations.

Environmental, health and safety policy

- We take the necessary measures to provide a healthy and safe workplace, to protect the environment, to prevent pollution, and to conserve energy and natural resources through the use of advanced technology and an "Environment, Health and Safety (EHS)" management system.
- We will monitor and measure our performance and comply with all applicable EHS legal and other requirements in all locations in which we operate.
- We will periodically review our EHS objectives, goals, practices and procedures to ensure continuous improvement.
- We will openly make this policy available to all persons working for or on behalf of Multek, vendors, customers, and the public.
- We will foster a culture where it is the responsibility of management, employees and business associates to work together for the benefit of the environment and the health and safety of all.

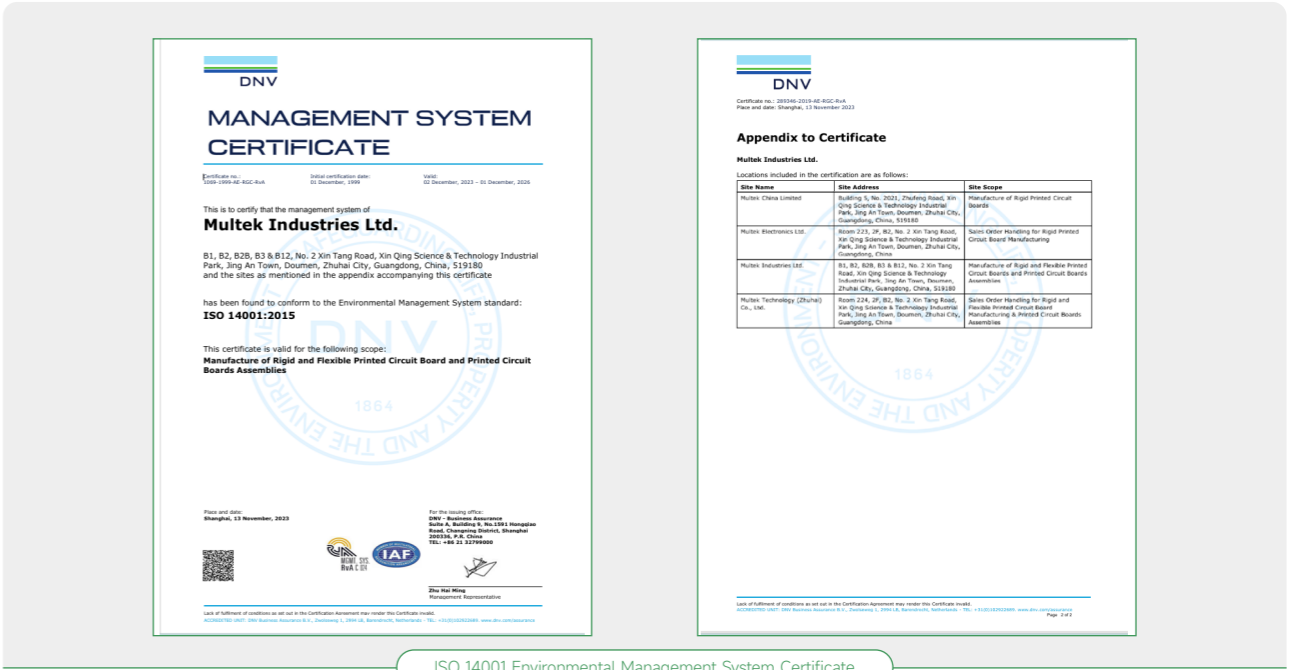
**ENVIRONMENTAL, HEALTH AND SAFETY POLICY**

- We will take the necessary measures to provide a safe and healthy workplace, protect the environment, prevent pollution, conserve energy and natural resources by applying technology and our Environmental, Health and Safety (EHS) Management System.
- We will monitor and measure our performance and comply with all applicable EHS legal and other requirements in all locations in which we operate.
- We will periodically review our EHS objectives, goals, practices and procedures to ensure continuous improvement.
- We will openly make this policy available to all persons working for or on behalf of Multek, vendors, customers, and the public.
- We will foster a culture where it is the responsibility of management, employees and business associates to work together for the benefit of the environment and the health and safety of all.

The Company has established the Environmental Health and Safety Objectives, Indicators, and Management Program Procedure. Based on our own circumstances, the Company has set environmental management objectives such as zero environmental incidents, compliance with discharge standards, and carbon emission reduction targets. These objectives are further broken down and assigned to relevant departments, and are linked to the performance evaluation of responsible managers through mechanisms such as one-veto items, routine assessment criteria, and bonus points.

Indicators and targets	Targets for 2024	Performance for 2024
Number of wastewater-related penalties imposed by the environmental authority	0	0
Number of air emission-related penalties imposed by the environmental authority	0	0
Number of noise and hazardous waste-related penalties imposed by the environmental authority	0	0

Based on external regulatory requirements, internal rules and regulations and actual production and operation situation, the Company continuously improves its environmental management system according to ISO 14001 environmental management system and other standards. By the end of the reporting period, the Company and its subsidiaries have passed ISO 14001 environmental management system certification.



At the same time, we actively carry out environmental protection publicity and training work, enhance the environmental awareness of all employees, so that everyone can become a promoter and practitioner of green development, and jointly promote the sustainable development of the Company.



## 2. Environmental Risk Management

The Company has built up a whole-process management system covering environmental risk identification, evaluation and control. According to the internal Guidelines for Identification and Risk Evaluation of Environmental Factors and Dangerous Sources, we identify and analyze environmental impact factors on a regular basis, and incorporate environmental impact factors into the annual target and index management program. For the identified environmental impact factors, we formulate corresponding control measures to ensure that our production and operation activities comply with the requirements of environmental protection laws and regulations, and systematically reduce the risk of environmental violations.

Identification

- Each department identifies environmental factors by process and fills in the Environmental Factor Identification and Evaluation Form and submits it to EHS for review.
- The EHS department summarizes and supplements the missing items to formulate the List of Important Hazardous Sources and Significant Environmental Factors.

Assessment

- Evaluation of direct environmental factors:**
- Determination based on the Criteria for Evaluation of Directly Significant Environmental Factors<sup>4</sup>.
  - Determination based on management requirements and experience with environmental management systems: non-compliance with regulations, complaints from related parties, no effective control measures, hazardous waste.
- Evaluation of indirect environmental factors:**
- Suppliers: Suppliers of critical chemicals need to review licenses, package labels, spill containment measures.
  - Disposers: Local hazardous waste disposers need to meet qualification and transportation safety requirements.

Control

- Direct environmental factor control:**
- Develop control programs (e.g., pollution prevention, resource optimization) in accordance with regulations and company documents.
  - Incorporated into annual EHS objectives and management program, and supervised by EHS for implementation.
- Indirect environmental factor control:**
- Conduct audits in accordance with the Company's annual supplier audit program and provide daily oversight of suppliers requiring in-plant operations in accordance with the Company's documented requirements.

Environmental Emergency Management

The Company has formulated the Emergency Response Plan for Sudden Environmental Incidents, which has passed the expert evaluation and has been filed in the Zhuhai Ecological and Environmental Protection Bureau to standardize the emergency management work, improve the response speed and coordination level for dealing with environmental emergencies, prevent the spread and expansion of environmental pollution accidents, avoid the occurrence of secondary disasters, and minimize the impact on the environment. At the same time, we configure emergency materials for disposal of environmental emergencies in accordance with the requirements, hold regular annual emergency drills related to the leakage of chemicals and hazardous wastes, and sign the Agreement on Emergency Rescue and Mutual Aid for Environmental, Health and Safety Accidents with our neighboring enterprises to ensure that the Company can effectively dispose of various types of environmental emergencies to minimize casualties and property losses.

In 2024

Total investment in environmental protection

RMB 5,797.23 thousand

Starting from 2018, we have purchased Environmental Pollution Liability Insurance for 8 consecutive years and still maintain a good record of zero insurance and zero claims.

<sup>4</sup> Evaluation criteria for direct environmental factors: Based on the identification results, the frequency of occurrence of each factor F, the size of the loss P (when consuming resources, this is the consumption of resources R), the impact range of the score S. If  $F * P (R) * S \geq 45$ , then the item is judged to be a significant environmental factor.

# OPTIMIZING RESOURCE UTILIZATION

## 1. Energy Management

The Company strictly abides by the Energy Conservation Law of the People's Republic of China, the Energy Conservation Regulations of Guangdong Province and other laws and regulations and related policies, establishes the energy management policy of "law-abiding innovation, energy saving and consumption reduction, cleaner production, and continuous improvement", and formulates the Energy Consumption Management Procedure, the Energy Operation Control Procedure, the Energy Management Manual and other energy management systems. We will systematically promote the construction of a scientific, standardized and informationized energy management system, and promote energy saving and emission reduction in the three dimensions of "management-based energy conservation, technology-driven energy efficiency, and optimization of energy structure".



We have established a three-tier energy governance structure of "President/General Manager-Functional Management Center-Departments" to ensure that the responsibility of energy management is carried out to the posts and people. At the same time, we set up an energy management team, organize and implement energy management reviews on a regular basis, conduct in-depth analysis of energy performance, accurately identify opportunities for improvement, and scientifically break down energy-saving targets into all aspects of production and operation.

### Energy management measures (excerpt)

Electricity usage management

- Departments to do a good job of electricity management in the area, so that after work to turn off the relevant electrical facilities, such as lights, air conditioning, computers, water heaters, etc., and strictly prohibit the emergence of the phenomenon of long bright lights and air conditioning.
- For production and living areas with good lighting (including public aisles), use natural light as much as possible according to the actual situation, so that the lights are turned off in time during the day or turned on as little as possible; the implementation of flexible control of illumination in small areas and time periods, and under the premise of meeting the national standards, the illumination should be close to the lower limit to narrow down the scope of control.
- Each electrical equipment should avoid running empty except for the need of maintenance and commissioning.

Management of  
air-conditioning usage

- Office air conditioners should be left on as much as possible during transitional seasons, such as when temperatures are not very high or very low. Frequently unoccupied premises are turned off during periods of non-use.
- All air-conditioned rooms (areas) must have their doors and windows closed when the air-conditioning is on. In summer, when there is sunlight entering the room, curtains should be pulled down to avoid waste, except for air-conditioned connected areas.

Management of  
energy-using equipment

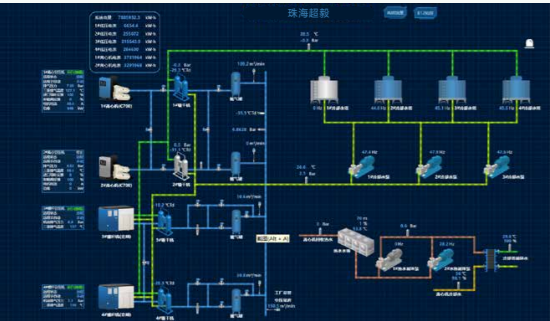
- Each department operates in accordance with the requirements of the operating instructions for the inspection and maintenance of energy and water-using equipment to improve the effectiveness of energy-using equipment.
- Departments carry out regular or unscheduled inspections of their energy and water-using equipment and energy transmission pipelines to prevent the phenomena of running, risking, dripping and leaking and to reduce energy waste.
- Establish accounts for key energy-using equipment in the whole plant, and inspect and supervise the condition of energy-using equipment. Phenomena such as inefficiency or energy leakage and waste are promptly detected and rectified through the responsible departments by a deadline.
- The old equipment with high energy consumption and low efficiency will be eliminated and replaced, and more efficient production technologies and processes will be applied to improve the efficiency of energy use and realize energy saving and emission reduction.

Multek intelligent energy online monitoring system

The Company has established an intelligent energy online monitoring system, utilizing information technology and big data analysis to realize real-time monitoring and analysis of energy consumption, carry out fine control of energy use through digital means, and continuously optimize energy use strategies to promote further improvement of the Company's energy efficiency.

Real-time monitoring of energy consumption: Through the power and compressed gas monitoring platform, real-time collection and analysis of energy consumption of major equipment operation and compressed gas are carried out, with granularity refined to every hour, so that abnormal consumption patterns can be detected in time.

Visualization and analysis of energy consumption: In-depth analysis of energy consumption data provides insights into the trends and changes in unit consumption at different workstations and during different time periods, in order to identify energy-saving improvement opportunities and formulate more effective energy-saving strategies.



Air compressor joint control system service platform



Electricity monitoring system

Upgrade project for outdated equipment in public facilities – Class 1 energy efficiency compressed air system

In 2024, the Company invested RMB14.07 million to build a class 1 energy efficiency station for air compressors, using two centralized large air compressors to replace 24 inefficient stand-alone air compressors that have been in use for more than 20 years, with an annual electricity saving of 3.19 million KWh, which is equivalent to a reduction of 1,819,257 tCO<sub>2</sub>.



Class 1 energy efficiency air compressor



Class 1 energy efficiency compressed air station plaque

Centralized vacuum energy saving

The Company has used centralized vacuum equipment and supporting piping to replace 58 individual vacuum fans to reduce equipment power consumption, workshop air conditioning power consumption, and improve workshop environment. The total annual electricity saving is 304,617KWh, which is equivalent to a reduction of 163.46 tCO<sub>2</sub>.



Pipes



Host

Energy consumption in 2024

Energy category	Unit	2024
Gasoline	Ton	19.71
Diesel	Ton	12.66
Natural gas	m <sup>3</sup>	258,484
Purchased electricity	kWh	2,734,21,807

2. Water Resources Management

The Company strictly abides by the Water Law of the People's Republic of China, the Measures for Water Conservation in Guangdong Province and other policies and regulations, formulates water management procedures, has the Facilities Department in charge of coordinating and supervising the management of water resources, promotes the establishment of a water conservation group, and formulates a water conservation plan and an implementation plan every year to minimize the consumption of water resources and promote the sustainable use of water resources. During the reporting period, the Company did not experience any major violations related to water resources.

The Company's water resources mainly come from municipal water consumption, and its major production and operation sites that consume a large amount of water are located in areas with a low water resources risk rating. We continue to strengthen our water consumption and water conservation management, accelerate the transformation of water consumption to conservation and intensification, and comprehensively enhance the effectiveness of water consumption. Meanwhile, in order to standardize water consumption in our plants, we continue to monitor and measure the amount of water used in production and daily life, so as to reduce the waste of water resources.

Water resources management and conservation measures

Water balance analysis

Water balance analysis is conducted to measure and analyze the supply, use and discharge of water in the production process of factories, and to formulate targeted measures to improve the utilization of water resources. As of the end of the reporting period, both Multek Industries and Multek China had conducted water balance analysis.

Conservation of water

Develop a water quota plan, monitor and follow up monthly water consumption, identify weak links and strengthen daily water conservation management; use water-saving facilities and appliances, such as installing sensor water-saving controllers, regular maintenance and management of water equipment to eliminate leakage; increase water conservation publicity, carry out water conservation publicity activities, and advocate water-saving fashion.

Recycled water

In the production operation, we actively promote water recycling technology, the production line adopts multi-stage countercurrent water washing process, which improves the efficiency of water resources use while reducing the impact of wastewater discharge on the surrounding water bodies; we reuse the RO concentrated water and return it back to the source pool to make pure water, and the remaining water is used for flushing toilets and other non-directly drinkable purposes, which reduces the reliance on the municipal water supply.

Water risk reduction

Water risks are taken into account during the selection process for new project investments, and the risk of water shortages is constantly monitored and water use strategies are evaluated to ensure that the water supply is available for the necessary production operations.

Production line water saving program - Installation of intelligent water saving devices

In 2024, the Company invested RMB0.6 million to install intelligent water-saving devices and distribution control water-saving online monitoring system on 5 plating lines and DES lines with the highest water consumption, which saved 71,221 tons of water annually.



Improvement outcomes



Water saving online monitoring system

In 2024

Municipal water withdrawals

2,964,633 tons

Recycled water consumption

114,984 tons

Multek China was successfully awarded the title of Zhuhai Water Saving Enterprise again. Multek Industries and Multek China passed the water balance test and obtained the record receipt from Doumen District Water Affairs Bureau.

3. Chemical Management

In order to standardize the procurement, storage, use and disposal of explosive hazardous chemicals, the Company has formulated the MSDS and Chemical Safety Label Management Procedure, the Safety Operation Instruction of Chemical Storage and the Management System for Explosive Hazardous Chemicals, so as to effectively control the risks of the relevant work and to ensure that the Company complies with the relevant regulatory requirements.

Hazardous chemicals used in the Company's plant mainly include hydrochloric acid, sulfuric acid, nitric acid, hydrogen peroxide, sodium hydroxide, ammonia, ethanol, sodium permanganate (solution) and so on. The Company has set up acid chemical warehouse, alkaline chemical warehouse and Class A chemical warehouse to store hazardous chemicals respectively, and for the waste hazardous chemicals, the Company strictly follows the hazardous waste process.

General measures for handling hazardous chemicals

Classification and labeling

Classify hazardous chemicals according to their hazard class and label containers with appropriate markings, including hazard class, marking graphics and text, etc., to draw attention to the hazards.

Licensing and filing

Licensing and record-keeping of units that produce, operate, use and store hazardous chemicals to ensure that they meet the relevant safety requirements.

Safe storage and use

Hazardous chemicals should be stored in specialized storage places with appropriate safety measures, such as fire prevention, explosion prevention and corrosion prevention. In the course of use, they must be operated in strict accordance with safe operating procedures and equipped with the necessary personal protective equipment.

Transportation management

The transportation of hazardous chemicals is strictly managed, including the selection and inspection of transportation vehicles, the packaging and marking of transportation containers, and the planning of transportation routes to ensure safety during transportation.

Emergency preparedness and disposal

Relevant units should formulate contingency plans for hazardous chemical accidents, including measures for accident reporting, evacuation of personnel, accident rescue and environmental protection, as well as accident investigation and treatment after an accident.

In the management of chemicals, we strictly follow the principle of managing them throughout their life cycle, fully considering their potential environmental and health impacts at every step, from design, procurement, use, storage to disposal. We adhere to closed-loop management and are committed to minimizing the risk of negative impacts of chemical substances on human health and the environment.

Full life cycle management of chemical products

Design

- Adhere to the principles of environmental friendliness and sustainability in the product design process, and actively seek and adopt non-hazardous or less risky alternatives to chemical substances.
- Evaluate and reduce the use and release of chemical substances in product design through life cycle assessment and environmental risk assessment.

Procure

- When establish a cooperative relationship with a supplier, the Company explicitly requests the supplier to provide relevant information on chemical substances, including but not limited to substance composition, detailed safety data, and potential environmental impacts.
- Prioritize suppliers that strictly comply with environmental and health standards, and establish a comprehensive supply chain compliance system for chemical substance management to ensure that the use and management of chemical substances throughout the supply chain meets environmentally friendly and health and safety requirements.

Use and storage

- Actively apply cleaner production techniques and technologies to reduce the use and emissions of chemical substances in the production process.
- Establish a chemical management system to ensure that the storage, use and handling of chemical substances comply with the latest relevant regulations and standards.
- Provide detailed instructions and safety warnings to guide employees in the proper use and handling of chemical substances in products.
- We raise employees' awareness of the safe use of chemical substances and environmental protection through regular education and publicity.

Dispose

- Establish a chemical waste management system to categorize, store, treat and dispose of hazardous waste in a compliant manner to ensure compliance with environmental and regulatory requirements.

# STRENGTHENING POLLUTION PREVENTION AND CONTROL

## 1. Exhaust Gas Management

The Company's exhaust gas emission types are mainly organic waste gas, hydrogen chloride, sulfuric acid mist, nitrogen oxides, particulate matter and so on, which are generated in the production process. The Company strictly abides by the Law of the People's Republic of China on Prevention and Control of Air Pollution, the Volatile Organic Compounds in the Printing Industry and other relevant laws, regulations and norms, and all the exhaust gas emission outlets are designed and installed in accordance with the national standards, and the exhaust gases are discharged into the atmosphere through the exhaust pipe after treatment. The Company's internal management personnel and third-party agencies monitor the exhaust gas emissions to ensure that the exhaust gas is discharged in a compliant manner; continue to optimize the environmental protection treatment process and upgrade the highly efficient end-of-pipe treatment device, in order to further reduce the exhaust gas emissions on the basis of meeting the compliant emissions.

Advanced process technologies contribute to atmospheric pollution prevention

The Company's exhaust gas mainly comes from the solder resist green oil, silk screen, etching pull, pickling pull and other processes, the introduction of advanced treatment technology, for different types of exhaust gas using targeted exhaust gas treatment technology, effective exhaust gas treatment: for organic exhaust gas, the use of "zeolite molecular sieve adsorption and desorption + combustion" treatment process, the removal rate of the exhaust gas is up to more than 90%, significantly reducing the pollution of the atmospheric environment; for acid and alkali waste gas, using "acid and alkali neutralization" treatment process, by adding alkali or acid to the waste gas treatment, the harmful components in the acid and alkali waste gas is converted into neutral substances, to achieve purification and harmless waste gas emissions; for particulate matter, the treatment process of "cloth bag dedusting" is adopted, in which the waste gas is filtered by cloth bag duster to effectively capture and remove the particulate matter.



Acid waste gas tower



Organic waste gas tower

Targets	2024
Total emissions	1,698,258 10,000 Nm³
Waste gas emission compliance rate	100%
Organic waste gas	1.87 Tons
Nitrogen oxides (NOx)	0.75 Tons
Particulate Matter (PM)	0.39 Tons

## 2. Wastewater Management

The Company's wastewater mainly comes from processes such as etching line, pickling line and electroplating line, and the wastewater is categorized into domestic sewage and industrial wastewater. The Company strictly abides by the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Electroplating Water Pollutant Discharge Standard and other laws, regulations and standards, and has formulated the Wastewater Station Operation Guidelines and other targeted system guidelines, which standardize the control of wastewater discharges, the treatment process, the monitoring, and the emergency management, and so on. Domestic wastewater is discharged to the municipal sewage network after treatment in septic tanks, and industrial wastewater is discharged into the discharge tank after meeting the standards through the treatment processes of coagulation, flocculation, sedimentation, biochemical treatment, MBR membrane filtration, and so on.

The Company continues to optimize the wastewater treatment process to improve the effectiveness of pollutant treatment; installing pollutant online monitoring system at the discharge port, and networking with provincial and municipal environmental protection departments to jointly monitor the wastewater flow, pH, chemical oxygen demand, ammonia nitrogen, total copper, and other wastewater discharges.

### Set up an industrial wastewater treatment station:

The Company adopts the advanced "physical + biochemical + MBR membrane filtration" process, which can effectively remove COD, ammonia nitrogen, total copper, total nickel and so on.



Wastewater treatment station

### Establishment of an early warning platform for the detection of industrial wastewater:

Set internal control indicators that are stricter than the standard.



Industrial wastewater online monitoring system



User interface of the industrial wastewater detection and alert system

Indicators	2024
Total water discharge	2,166,481 tons
Wastewater discharge compliance rate	100%
COD	51.73 tons
Ammonia Nitrogen	15.33 tons

3. Waste Management

The Company strictly abides by the General Industrial Solid Waste Storage and Landfill Pollution Control Standards, the Hazardous Waste Storage Pollution Control Standards and other laws and regulations, formulates and implements the Waste Management Procedure, the Hazardous Waste Management Plans and other rules and regulations, builds up a closed-loop management process of "Generation - Classification - Storage - Disposal." EHS and CMR personnel regularly assess the waste disposal situation to ensure the harmlessness of waste and minimize the impact of waste on the environment and human health.

General waste disposal process

Production

- Departments/processes generate general waste such as domestic waste, industrial waste, etc. during production activities.
- Regularly update the list of wastes in the department's Safety Practice Guidelines.

Categorization

- Domestic waste is collected separately from industrial waste.
- Use transparent plastic bags for storage and post gray identification labels indicating the name of the waste, the process and date of generation.

Reservation

- Domestic waste is uniformly transported to designated domestic waste silos.
- Industrial wastes are stored temporarily in designated areas to avoid mixed storage.

Disposition

- Recycling and reuse are prioritized.
- Industrial waste is collected and treated by capable disposal units for comprehensive utilization.
- Domestic garbage is collected uniformly and entrusted to capable disposal units or sanitation departments for regular transportation.

Hazardous waste disposal process

Production

- The production process generates various hazardous wastes, including waste circuit boards, trimmings, tin-bearing waste liquids, spent ink containers, waste organic solvents, and sludge containing heavy metals.
- All new waste types require categorization by the EHS Department.

Categorization

- Classify according to the National Hazardous Waste Inventory, and affix orange identification labels indicating the composition, hazard category and safety measures.

Reservation

- Temporarily stored in the hazardous waste warehouse, with waterproof and leak proof measures taken, strictly classified and placed in accordance with the Pollution Control Standards for Hazardous Waste Storage (GB18597-2023) for temporary storage, and is kept by a designated person with an entry leader filled out.
- The warehouse is marked and equipped with emergency facilities (such as leak-proof containers).

Disposition

- The Hazardous Waste Management Plan Form has been filed.
- Annual transfer declaration: Based on the total amount of hazardous waste generated in the current year and the production plan for next year, submit the management plan for the following year. Change declaration: When changing the type of hazardous waste or adjusting the estimated output, a change declaration should be made.
- Declare the electronic waybill on the Guangdong Province Solid Waste Information Management Platform.
- Electronic manifest: Fill in the manifest and the transportation unit scan the code for confirmation.
- Recycling and treatment: Waste is periodically transported and disposed of by qualified professional agencies.

The Company adheres to the principle of "solid waste reduction, resource utilization and harmlessness", promotes the process of solid waste reduction, through the optimization of production processes and resource recycling, minimizes the generation of waste, and pursues zero solid waste/zero waste to landfill. At the same time, the Company advocates the reasonable disposal of waste circuit boards, conveying the concept of "cost-effective, green and environmentally friendly" to customers, and suggesting that they hand them over to qualified units for green treatment, in order to minimize the adverse impact on the environment.

Hazardous waste reduction measures



Recovery of copper in etching waste solution by electrolysis, reducing copper-containing waste solution.



Upgrading of 8 high-efficiency filter presses to effectively reduce water content in sludge.

Multek Industries was selected as one of the “Waste-Free City Cells” in Zhuhai

Multek Industries was awarded the title of “Waste-Free Enterprise” in Zhuhai City, which is a full affirmation of the Company’s continuous efforts to promote the reduction, resourcefulness and harmless treatment of solid waste. In the future, we will continue to contribute to the transformation of urban green development and the improvement of ecological environment quality, creating a new pattern of ecological civilization.

Details of hazardous waste disposal in 2024

Indicators		Unit	2024
Solid waste compliance disposal rate		%	100
Non-hazardous waste	Generation volume	ton	5,192.71
	Recycling volume	ton	5,138.37
	Recycling rate	%	98.95
Hazardous waste	Generation volume	ton	13,299.51
	Recycling volume	ton	12,584.13
	Disposal volume	ton	715.38
	Recycling rate	%	94.62

PROTECTION OF BIODIVERSITY

The Company strictly follows national and local laws and regulations on biodiversity protection, and carries out biodiversity protection throughout all aspects of project planning and design, construction and operation, and protects the ecological stability and biodiversity of the operation site through a series of practical initiatives. In the project planning and design stage, based on the requirements of biodiversity protection, we conduct a comprehensive survey and assessment of the surrounding ecological environment, fully understand the characteristics and distribution of local biodiversity, avoid selecting sites that will adversely affect biodiversity, and obtain the environmental impact report of the project in accordance with regulations. During the construction phase of the project, minimize the impact on local vegetation, soil and water bodies by establishing construction protection measures and limiting the construction scope. During the operation phase of the project, continuous environmental monitoring will be carried out, and data on environmental indicators such as air quality, water quality and soil quality will be collected and analyzed on a regular basis, so that potential problems can be identified and solved in a timely manner, and ecological restoration and protection will be actively carried out.

The Company actively utilizes third-party professional monitoring platforms to continuously monitor and assess whether the Company’s operations have caused any negative impact on the local ecological environment and biodiversity, and to ensure that potential environmental issues can be identified and resolved in a timely manner. The Company’s production and operations not only comply with relevant environmental regulations, but also strive to minimize ecological impacts, conserve natural resources, and protect biodiversity.

Whether it is within the ecological protection red line?	No
Whether it is located within or near an ecologically sensitive area?	No
Whether there are species listed in the IUCN Red List and the National Register of Protected Species in the habitats affected by development or operation?	No
Whether it causes changes in land/freshwater/marine use?	No
Whether high-ecological-impact products are manufactured?	No
Whether high-ecological-impact products are procured?	No
Whether wild species are used?	No
Whether exotic species have been introduced?	No
Whether measures are taken to avoid, mitigate, restore or offset the impact on biodiversity?	Yes

Biodiversity conservation measures

Building a pollution prevention and control system	Establishment of wastewater treatment station (including physical and chemical, biochemical processes), waste gas treatment facilities (acid and alkali spray tower, zeolite molecular sieve adsorption, etc.) and standardized hazardous waste warehouse to effectively reduce pollutant emissions and ecological impacts on the surrounding soil, water and air.
Establishment of risk prevention and control mechanisms	Regularly carry out soil pollution hazard investigation, repair broken ground, maintain seepage prevention facilities (such as emergency pools in chemical warehouses and the ground in tank areas) to prevent the leakage of toxic substances from polluting the surrounding environment and to avoid jeopardizing the regional ecosystem.
Environmental monitoring and emergency management	Implement soil and groundwater self-monitoring, specify monitoring points and indicators (such as copper, nickel, VOCs, etc.) in accordance with the requirements of the Soil Environmental Quality Soil Pollution Risk Control Standards for Construction Land (Trial) (GB36600-2018) and the Groundwater Quality Standards (GB/T14848-2017), and formulate an emergency response plan to ensure that unexpected pollution incidents are disposed of in a timely manner and to reduce the impact on neighboring biological impacts on neighboring waters.

Carried out soil and groundwater monitoring and soil contamination hazard detection

In June, we commissioned a professional testing organization to carry out soil and groundwater monitoring work, and in October, we carried out soil pollution hidden danger investigation. Based on the results of the investigation and expert opinions, we formulated corresponding rectification plans and prepared a hidden danger investigation report to eliminate hidden dangers and control risks. In December, the soil pollution hidden danger investigation report successfully passed the expert review organized by the Eco-Environmental Technology Center of Zhuhai Ecological Environment Bureau. By adopting a series of professional environmental protection measures, the Company effectively controls soil environmental risks and makes positive contributions to the protection of local soil ecosystem and biodiversity.



Expert evaluation for soil pollution risk screening



"Protect Biodiversity-Join Us in Taking Action" public poster

# 03



## UNITING FORCES FOR SHARED VALUE CREATION

Strengthening Quality Control	45
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### Key issues

- Product safety and quality
- Product research and development and innovation
- Supply chain management
- Intellectual property protection
- Responsible procurement
- Responsible marketing



### Main action strategies

- Establish a coordinated quality management organizational structure and implement comprehensive measures to improve product quality, ensuring consistent delivery of high-quality products.
- Organize a series of Engineer Culture Festival events under the theme of "Engineering Carries Forward Craftsmanship, Technology Creates the Future," fostering a corporate culture that values technological advancement and innovation.
- Utilize the "Supplier Rating System" to manage and monitor suppliers, enabling digital oversight of multi-dimensional supplier performance and improving the efficiency of supplier management.



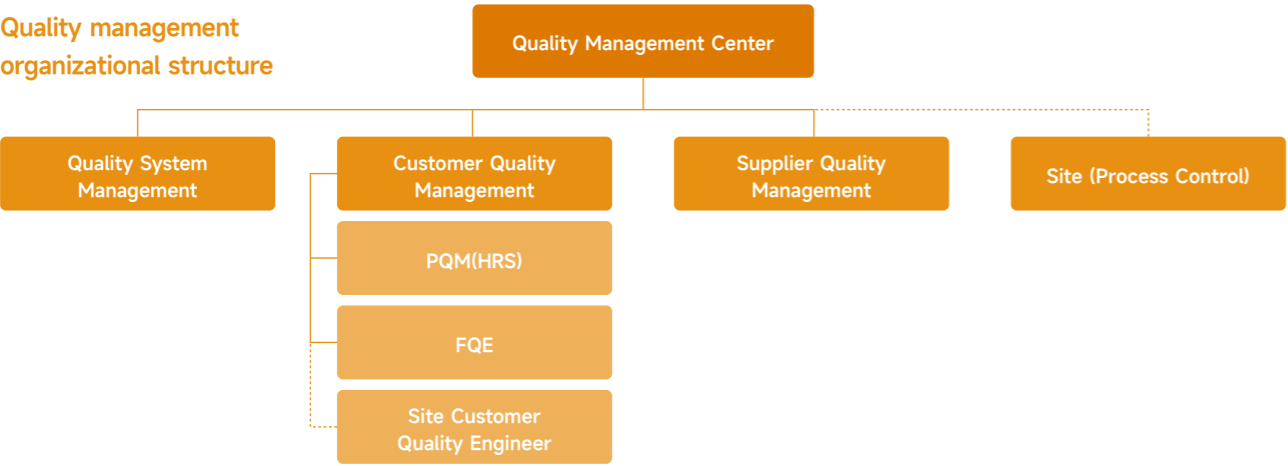
### United Nations Sustainable Development Goals



# STRENGTHENING QUALITY CONTROL

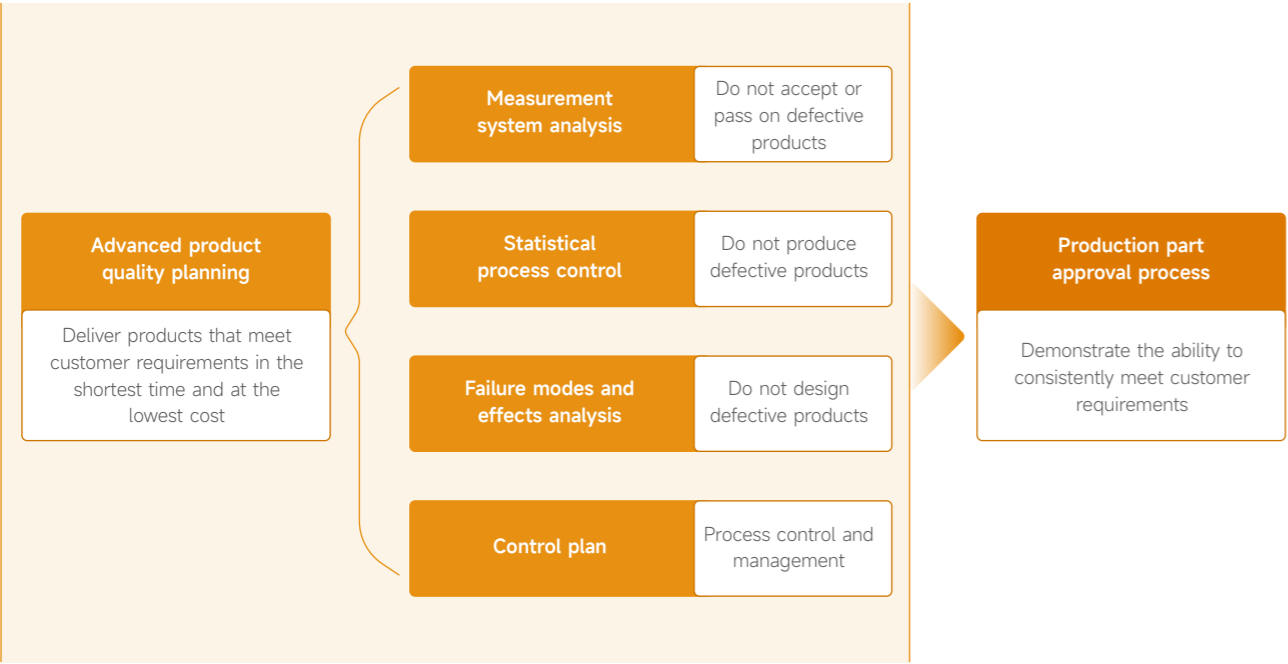
## 1. Quality Management System

The Company has established quality control and assurance systems, including the Raw Material Quality Management Procedure and the Corrective and Preventive Action Management Procedure, building a comprehensive quality management framework. By integrating four key modules—quality system management, customer quality management, supplier quality management, and site-level process control—the Company has formed a coordinated quality control organizational structure, continuously enhancing the overall quality management capabilities.



We utilize the Six Quality Tools to identify and manage quality risks in both products and processes, develop appropriate control methods, and implement measures to improve product quality. This has effectively increased the product pass rate, significantly reduced the incidence of quality defects, and continuously enhanced overall product quality levels.

### Quality risk control

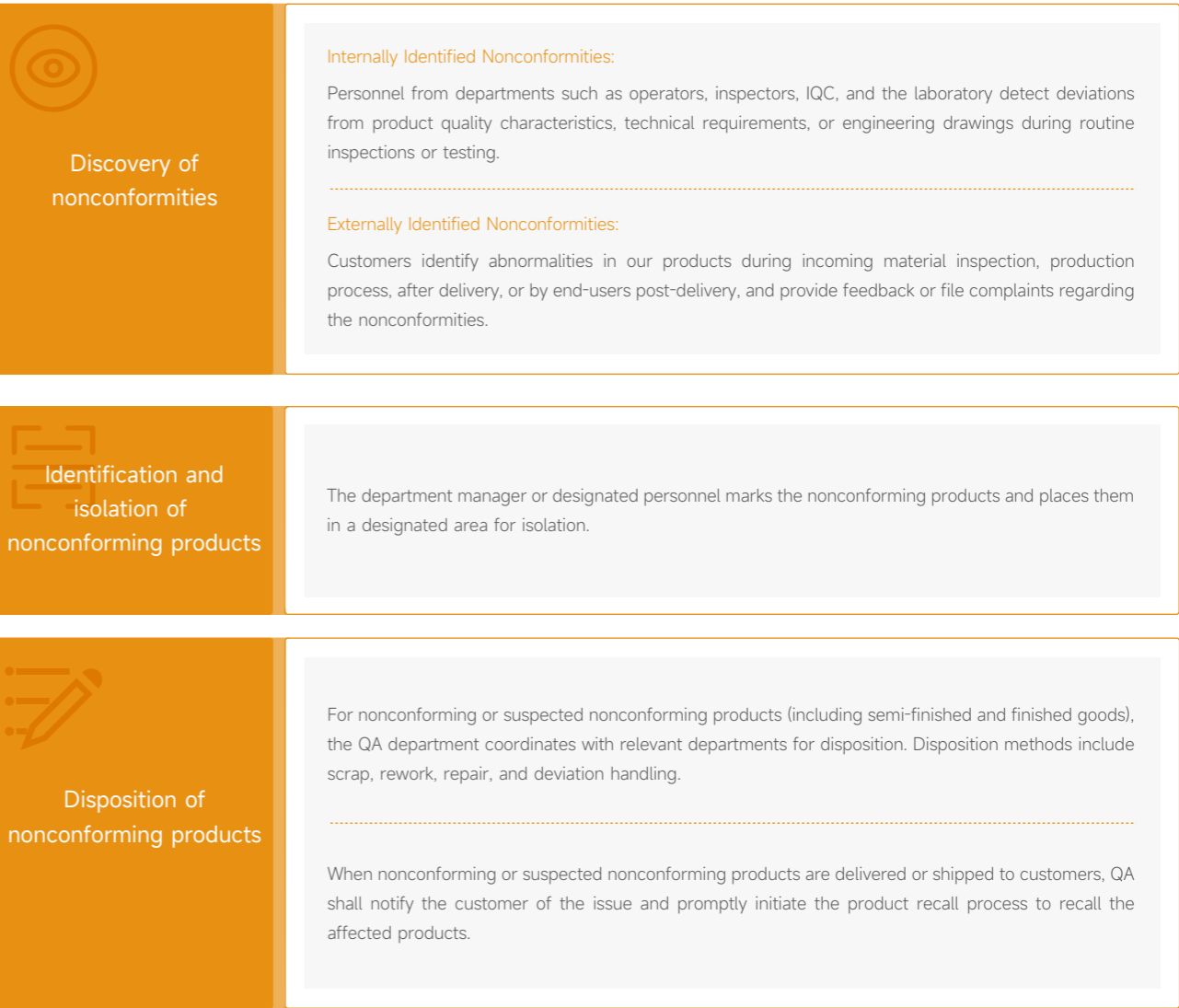


Product quality improvement measures

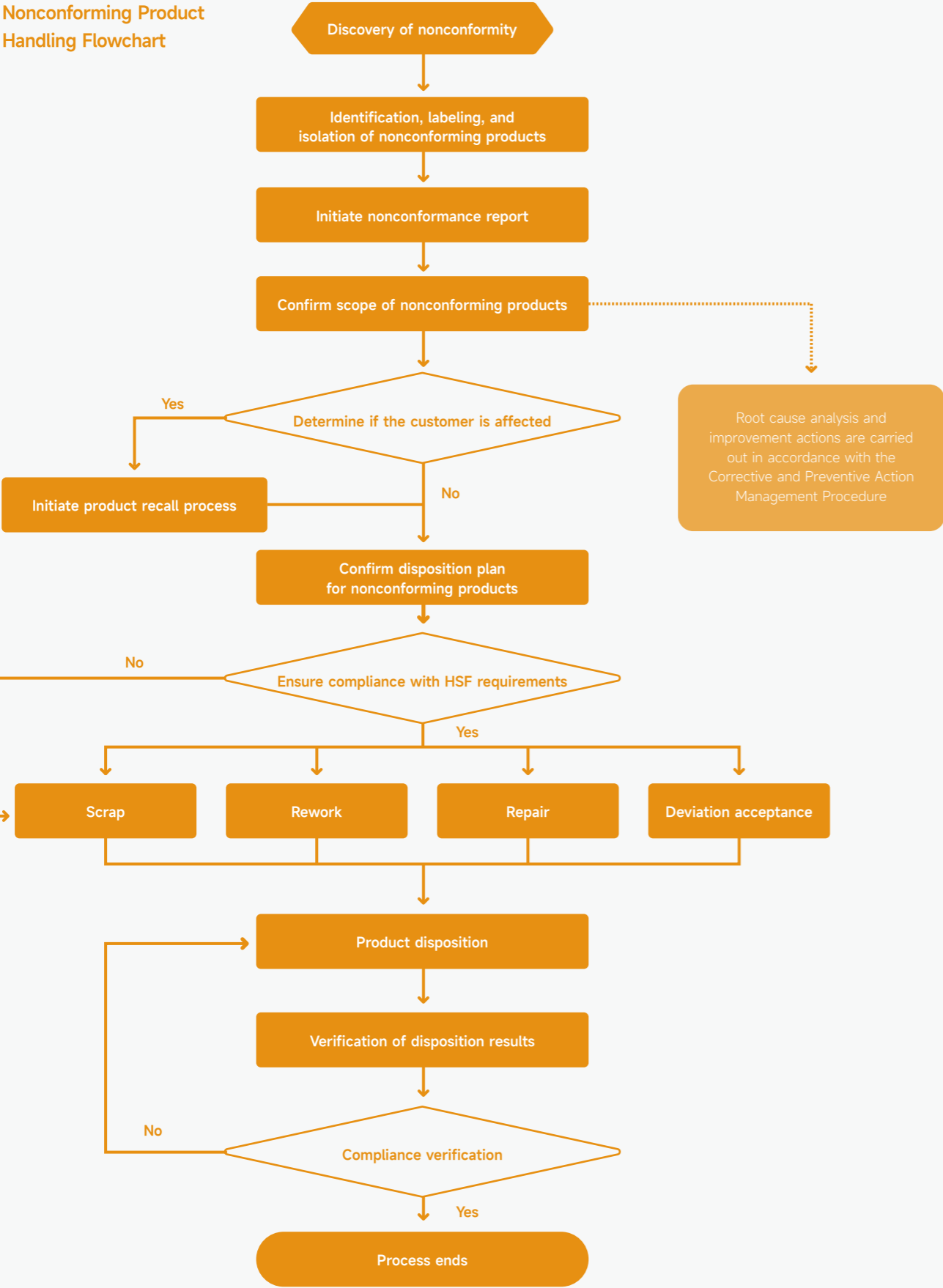
- 2P2C grasp of early-stage product design, application of emerging industry technologies to improve process yield and reduce internal scrap costs.
- Advance planning for the following month, weekly and monthly reviews, PDCA continuous quality improvement.
- Promote the construction of integration between industrialization and informatization, adopt automated inspection equipment to increase interception rates.
- Optimize the four-person process team work mechanism, strengthen cross-departmental collaboration, enhance process quality.
- Reorganize and integrate quality and customer service personnel, establish a sound customer service mechanism.

The Company has established the Abnormality Management Procedure, which systematically standardizes the entire process of abnormality management, from identification and analysis to evaluation and corrective action. This ensures that non-conforming products are effectively isolated and properly handled, fundamentally preventing the risk of unintended use or installation, and providing a reliable guarantee for product quality.

### Nonconforming product handling process



Nonconforming Product  
Handling Flowchart



Compliance management and customer quality information briefing

From May 11 to 21, the Company's Central Quality Management Center conducted a briefing session on compliance management and customer quality information sharing. The event focused on process compliance management, customer specification compliance, and quality information from the customer side. Through continuous cross-factory quality information sharing, we promoted learning and experience exchange among employees, helping them better understand quality management principles, effectively reduce and prevent potential risks, and ultimately improve overall quality management levels and customer satisfaction.



In 2024  
Product recall rate 0 %

2. Quality Culture Development

The Company promotes a culture of continuous improvement. Each week, quality meetings are held at all sites, focusing on the review of three key topics. These sessions systematically identify deviations from quality objectives, pinpoint critical issues, and establish a closed-loop tracking mechanism to ensure the effective implementation of corrective actions.



The Company organizes Block Operating Leader Sharing Sessions to promote the exchange of best practices. Through on-site observations and case studies, the sessions deepen knowledge application and foster a positive atmosphere of internal communication, mutual learning, and collective progress.

2024 Q1	<ul style="list-style-type: none"><li>Shared demonstrations and discussions on the production characteristics and advanced technical experiences of the B5 solder mask &amp; dry film processes</li><li>Exchanged advanced practices and experiences in production processed, equipment operation, daily management, and talent selection, development, and retention</li></ul>
2024 Q2	<ul style="list-style-type: none"><li>Shared best practices and experiences on production process management of B2F stiffener application &amp; solder mask processes</li><li>In the era of new quality productive forces, continuously exploring the comprehensive application of AI technology and the requirements of new quality productive forces</li></ul>
2024 Q3	<ul style="list-style-type: none"><li>Shared best practices and experiences on production process management of B3 mechanical drilling &amp; dry film processes</li><li>Outstanding practice cases in equipment upgrading, intelligent production line transformation, and green process optimization</li></ul>
2024 Q4	<ul style="list-style-type: none"><li>Hosted a debate on the topic: "Building an Intelligent Manufacturing Factory: Is Human Labor at Risk of Replacement, or Facing New Opportunities for Self-Optimization?"</li><li>Strengthened the operating leaders' critical thinking and teamwork abilities, and reinforced the construction of a new operational culture</li></ul>

The Company regularly conducts QCC (Quality Control Circle) activities to enhance employees' quality awareness and literacy, stimulate enthusiasm for quality improvement, and effectively promote the implementation of a quality culture centered on "continuous improvement through full staff participation."

Jan-Mar	Apr	May	Jun	Jul	Aug	Sep
Topic selection & registration	QCC team formation	Cause analysis	Solution development	Result verification	Report summary	Achievement presentation contest
	Current situation investigation	Root cause confirmation	Solution implementation	Achievement standardization	Documentation review	
	Goal setting					

2024 QCC Activity Achievement Presentation Contest successfully held

On September 4, the Company successfully hosted the 2024 QCC Activity Achievement Presentation Contest. Ten QCC teams participated, aligning their quality improvement projects with the Company's strategic direction and key quality indicators. With the goals of increasing product yield, improving customer satisfaction, and reducing waste and defects, the teams followed the QCC methodology and utilized a variety of quality tools to address their selected topics. Each team showcased their notable achievements in quality improvement. After a rigorous review by the expert judging panel, winning teams were recognized and awarded in a closing ceremony.



At the same time, we encourage employees to participate in quality improvement-related examinations and obtain relevant certifications. Through systematic training and assessment, we continuously enhance the professional capabilities of our team, providing a solid talent foundation for product quality improvement.

Our employee obtained VDA 6.3 auditor certification

ISO 9001 Quality Management System Certificate

IATF 16949 Management System Certificate

Multek Industries Ltd. ISO 13485 Management System Certificate

Multek Industries Ltd. AS9100D and ISO 9001 Management System

### 3. Hazardous Substance Management

The Company strictly complies with hazardous substance control directives and regulations such as RoHS (Restriction of Hazardous Substances), REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), and TSCA (Toxic Substances Control Act). In addition, based on hazardous substance control specifications and management documents received from customers, the Company has established hazardous substance management systems, including the Hazardous Substance Management Manual and the Hazardous Substance Process Management Procedure. Furthermore, for prohibited and restricted chemicals listed in the Multek Hazardous Substance Control List, the Company has developed phase-out, substitution, or reduction plans. The use of any phased-out substances is strictly prohibited in both production and non-production processes.

QC 080000 organizational structure diagram



The Company has established a hazardous substance control system that spans the entire product lifecycle. By integrating environmental and health standards into all stages of product development and manufacturing, we have implemented management mechanisms and action measures to prevent the use of hazardous substances. This ensures that every production stage complies with hazardous substance environmental regulations and meets relevant customer requirements.

#### Full life cycle management of hazardous substances in products

 R&D and design	Review new products based on customer design drawings, inspection standards, customer HSF requirements, and HSF-related laws and regulations; conduct design evaluations in accordance with the Multek Hazardous Substance Control List, and specify that raw and auxiliary materials used in design must comply with the Company's hazardous substance control requirements.
 Green procurement	Continuously implement green procurement practices, requiring that provided or processed products meet the requirements of the "Environmental Hazardous Substance Control Standards," as well as relevant laws, regulations, and government directives.
 Process management	Each business unit has established regulations and guidelines such as the Hazardous Substance Process Management Procedure and the Safety Operation Instruction of Chemical Storage, to enhance the full-process management of hazardous chemicals at the worksite, prevent harm to human health, and avoid pollution incidents.
 Delivery management	In strict accordance with product design management standards and shipping-related procedures, the components of the products are verified against the Multek Hazardous Substance Control List based on inspection items or specific customer requirements. When required by customers, third-party testing laboratories are commissioned to conduct inspections on hazardous substances, ensuring that all restricted substances are within the limits stipulated by applicable laws, regulations, and customer specifications. Products that pass verification are labeled with environmental compliance labels, and the necessary test reports and declarations of conformity are provided as required.

#### Hazardous Substance Free (HSF) policy

To comply with the Hazardous Substance Free (HSF) initiative, the Company is fully committed to working together with our customers and supply chain partners to focus on environmental responsibility throughout the product manufacturing process. We adhere to the following principles:

- Avoid the use, production, and sale of products containing restricted or prohibited substances in order to meet both customer and regulatory requirements.
- Collaborate with customers and suppliers to co-create a green procurement management platform, dedicated to the development of environmentally friendly products.
- Establish and maintain a Hazardous Substance Process Management system aimed at eliminating any possibility of hazardous substance usage and contamination in our manufacturing processes.
- Promote transparency in communicating product-related hazardous substance information across the entire supply chain.
- Continuously review and improve the effectiveness of our HSF management activities.
- Communicate Multek's commitment to the HSF policy to all employees and suppliers. We seek their input and provide support to jointly achieve our HSF objectives.

The Company strictly controls the inflow of hazardous substances from suppliers. Based on the Supplier Hazardous Substance Management Procedure and the Multek Supplier Hazardous Substance Control Specification, we prohibit the procurement of products from suppliers that exceed the allowable limits of hazardous substances. Suppliers are required to notify us within 24 hours if they discover any non-conforming products have already been shipped. For suppliers confirmed to be in violation of these standards, their supply will be immediately suspended, and solutions will be discussed and implemented accordingly.

#### Supplier hazardous substance management process

Supplier introduction and management	<ul style="list-style-type: none"><li>● Require suppliers to sign the Multek Supplier Quality Agreement to ensure their responsibility for the hazardous substance compliance of their supplied materials.</li><li>● Conduct hazardous substance management audits on suppliers; those who do not meet the Company's requirements will not be approved as qualified suppliers.</li></ul>
Material introduction and management	<ul style="list-style-type: none"><li>● When initiating new material certification, send the supplier the Hazardous Substance Review &amp; Declaration Report, requiring them to stamp and return it after review. The SQM (Supplier Quality Management) team evaluates the returned report, categorizes it accordingly, and archives it for record keeping.</li><li>● Require suppliers to provide third-party hazardous substance test reports.</li></ul>
Material risk assessment and control	<ul style="list-style-type: none"><li>● Conduct risk assessments on materials with regard to hazardous substances.</li><li>● Develop an annual supplier hazardous substance management audit plan based on the results of material risk assessments.</li></ul>

At the same time, based on the supplier’s Hazardous Substance Review & Declaration Report, the Company assesses the hazardous substance risk level of materials according to the following table:

Material hazardous substance risk levels	Definition
Risk Level 1	Materials and components that do not intentionally require the addition of substances likely to contain hazardous ingredients during their composition or manufacturing process, such as metallic materials, packaging materials, and electronic components.
Risk Level 2	Materials that may contain substances likely to include environmentally hazardous ingredients either in their composition or due to the manufacturing process, such as flame retardants, plasticizers, and stabilizers.
Risk Level 3	Materials that intentionally contain hazardous substances in their composition or as part of the manufacturing process in order to achieve specific product functions, such as solder, plated hardware parts, adhesives, etc.

In 2024:  
Suppliers were audited hazardous substance management

48

29 existing suppliers  
19 new suppliers

Audit completion rate

100 %

Hazardous substance compliance pass rate

100 %

The Company regularly conducts training sessions on the control of environmentally hazardous substances, including topics such as the basics of RoHS, customer-specific requirements, IECQ QC080000 hazardous substance process management, and internal procedures for managing hazardous substances. In addition, the Company actively maintains close communication with suppliers and partners, providing hazardous substance management training to ensure that suppliers understand and are proficient in relevant standards and requirements. Both Multek Industries Ltd. and Multek China Ltd. have obtained IECQ Certificate of Conformity Hazardous Substance Process Management.

IEC

ieq

IEC QUALITY ASSESSMENT SYSTEM (IECQ)  
covering Electronic Components,  
Assemblies, Related Materials and Processes  
For rules and details of the IECQ visit www.iecq.org

IECQ Certificate of Conformity  
Hazardous Substance Process Management

IECQ Certificate No.: IECQ-H DNVON 17.0009 Issue No.: 5 Status: Current  
Supersedes: IECQ-H DNVON 17.0009 Issue 4  
Issue Date: 2023/04/06 Org Issue: 2008/04/25  
CB Reference No.: PRC-HSPM-1362 Expiration: 2026/04/24

Applicable to:  
• European Directive 2011/65/EU ("RoHS" – Restriction of the use Of certain Hazardous Substances") in electrical and electronic equipment, including all published amendments  
• European Directive 94/62/EC ("Packaging and Packaging Waste") and its amendments  
• European Directive 2012/19/EU ("WEEE" – waste electrical and electronic equipment) recast  
• European Regulation EC No. 1907/2006 ("REACH") and its amendments  
• Customer specified requirements

Multek Industries Ltd.  
B1, B2, B3B, B4 & B12, No.2 Xin Tang Road,  
Xin Qing Science & Technology Industrial Park,  
Jing An Town, Duanmen, Zhuhai City,  
Guangdong 519180,  
P.R. China

The organization has developed and implemented Hazardous Substance Process Management procedures and related processes which have been assessed and found to comply with the applicable requirements for IECQ HSPM organization approval which is in accordance with the Basic Rules IECQ 01 and Rules of Procedure IECQ 03-5 "IECQ Hazardous Substances Process Management" of the IEC Quality Assessment System for Electronic Components (IECQ), and with respect to the IECQ Specification:  
• IECQ QC 080000:2017 - Hazardous Substance Process Management System Requirements

This Certificate is applicable to all electronic components, assemblies, related materials and processes for the following scope of activities:  
Manufacture of Rigid and Flexible Printed Circuit Boards and Printed Circuit Board Assemblies

Issued by the Certification Body: DNV Business Assurance China Co. Ltd.  
Bld. 9, No. 1591, Hong Qiao Road,  
Changning Dist., Shanghai 200336  
China  
Authorized person:  
ZHU Hai Ming

IECQ-H-0001-08

Multek Industries Ltd.

IEC

ieq

IEC QUALITY ASSESSMENT SYSTEM (IECQ)  
covering Electronic Components,  
Assemblies, Related Materials and Processes  
For rules and details of the IECQ visit www.iecq.org

IECQ Certificate of Conformity  
Hazardous Substance Process Management

IECQ Certificate No.: IECQ-H DNVON 17.0009-02 Issue No.: 5 Status: Current  
Additional Site to Certification: IECQ-H DNVON 17.0009 Originally issued: 2008/04/25  
Supersedes: IECQ-H DNVON 17.0009-01 Issue 2  
Issue Date: 2023/04/06 Site Added: 2017/04/26  
CB Reference No.: PRC-HSPM-1362-3 Expiration: 2026/04/24

Applicable to:  
• European Directive 2011/65/EU ("RoHS" – Restriction of the use Of certain Hazardous Substances") in electrical and electronic equipment, including all published amendments  
• European Directive 94/62/EC ("Packaging and Packaging Waste") and its amendments  
• European Directive 2012/19/EU ("WEEE" – waste electrical and electronic equipment) recast  
• European Regulation EC No. 1907/2006 ("REACH") and its amendments  
• Customer specified requirements

Multek China Ltd.  
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Guangdong 519180,  
P.R. China

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Manufacture of Rigid Printed Circuit Boards

Issued by the Certification Body: DNV Business Assurance China Co. Ltd.  
Bld. 9, No. 1591, Hong Qiao Road,  
Changning Dist., Shanghai 200336  
China  
Authorized person:  
ZHU Hai Ming

IECQ-H-0001-08

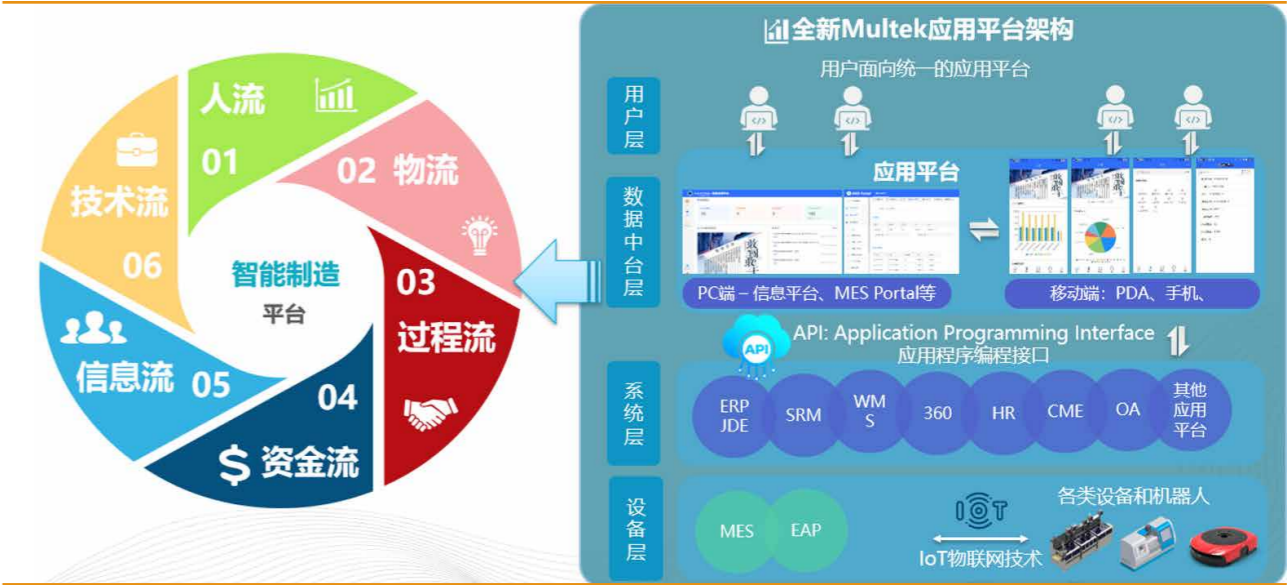
Multek China Ltd.

IECQ Certificate of Conformity Hazardous Substance Process Management

## 4. Intelligent Manufacturing System

The Company actively integrates advanced digital and intelligent technologies into the production processes by building an intelligent manufacturing system centered on a smart business platform and supported by a data middleware. This system comprehensively connects manpower flow, material flow, capital flow, process flow, information flow, and technology flow, effectively improving production and operational efficiency, reducing human error rates, and continuously enhancing product quality.

### Establishment of an intelligent manufacturing platform



### Electronic conversion of manual records

Before change

Difficult archive retrieval

Non-standard Manual Records

After change

MES system

Standardized system data

Easy electronic data query

The Company continues to advance the integration of informatization and industrialization by building a new production and manufacturing system that is digital, networked, and intelligent, thereby comprehensively enhancing the Company’s core competitiveness.

Outstanding Team Award for Informatization and Industrialization Integration

2023年度杰出团队  
两化建设卓越团队奖

授予: 智能制造技术平台与体系建设团队

团队成员: 许勇、彭文文、李长江、周平煌、方东生、张俊、胡玉龙、闫妍、于振东、杨杏芳

特别此证 以资鼓励 再创佳绩

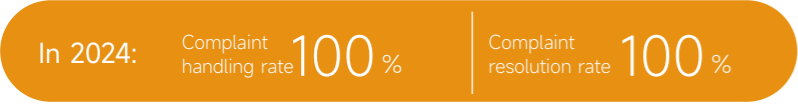
单建斌 集团执行总裁 2024年1月 授予日期

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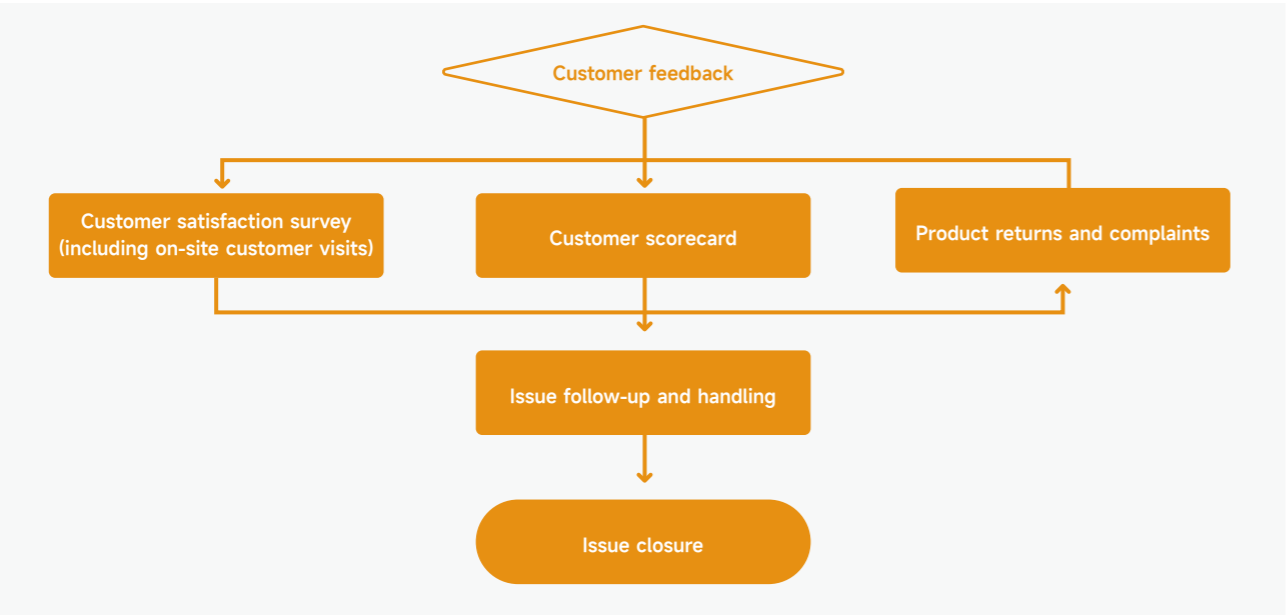
# PROVIDING HIGH-QUALITY SERVICES

## 1. Customer Service

The Company has established documentation procedures such as the Product and Service Planning Procedure, the Customer Quality Complaint Handling SOP, and the Customer Satisfaction Survey Procedure to ensure service quality through standardized processes. For customer complaints, we implement a 12-hour response time, complete root cause analysis within 2 working days, and submit corrective and preventive actions within 3 working days. Through a systematic complaint handling process and efficient response speed, we continuously improve customer satisfaction and fulfill our commitment to delivering high-quality service.



In addition, the Company has established the Customer Feedback Management Procedure and built a standardized management system for receiving and systematically processing all types of customer feedback (verbal/written). This procedure clearly defines standard handling processes for various types of feedback, including customer satisfaction surveys, customer scorecard management, and return and complaint procedures. Feedback is professionally categorized into types such as quality issues, delivery issues, and service-related concerns, with dedicated departments responsible for follow-up improvements. This ensures that every customer concern receives a professional and standardized solution, continuously enhancing service quality.



For non-conforming products, we have established the Product Re-Call Handling Procedure and implement corresponding recall measures. Once a critical quality issue or excessive levels of hazardous substances beyond customer specifications are identified, we will notify the customer within 24 hours and, if necessary, initiate product returns to ensure that customer interests are not compromised.

2024 Customer satisfaction survey

We conducted the 2024 annual customer satisfaction survey, covering aspects such as technology, quality, service, delivery, and pricing. The results showed an overall customer satisfaction rate of 96%, an increase of 1% compared to 2023. However, evaluations in areas such as quality performance, functional department services, and on-time delivery showed a slight decline. In the coming year, we will launch targeted improvement initiatives to address these weak points and strive to enhance performance across all areas.

## 2. Responsible Marketing

The Company consistently upholds a responsible marketing philosophy, deeply integrating compliance requirements into the entire process of business development and contract management. We strictly abide by relevant laws and regulations such as the Consumer Rights and Interests Protection Law and the Advertising Law. In key marketing stages such as market expansion, sales promotion, and product labeling, we resolutely prevent any form of false advertising or misleading behavior. All marketing activities and information dissemination are conducted with the principles of accuracy, truthfulness, openness, and transparency, ensuring the protection of consumer rights and fulfilling our corporate social responsibilities. During the reporting period, the Company did not experience any litigation cases related to marketing activities.

## 3. Customer Privacy Protection

The Company has established a comprehensive information and data security system, strictly adhering to contractual provisions and confidentiality requirements. Access to customer data is restricted based on defined permissions, and employee data access behaviors are monitored and recorded to ensure compliance with information security standards. According to company policies such as the Information Security Management Manual and the Information Security Incident Management Strategy, in the event of a major security incident such as a customer data breach, the incident must be reported to the IT Director immediately. A cross-departmental emergency response mechanism will be activated concurrently — involving collaboration between senior management, customer relations, and legal departments — to address the situation. Once a resolution plan is determined, timely notifications will be issued to affected customers and relevant stakeholders, ensuring transparency and safeguarding customers’ right to be informed and their legal rights.

To provide comprehensive protection for customer information, the Company has also developed data protection and privacy programs and actions that cover suppliers and business partners:

- DLP (Data Leakage Prevention) software is deployed in key positions.
- For certain customers, an isolated network is used for receiving and transmitting data, with email outbound functions disabled, printing prohibited, and USB ports disabled.
- Disk encryption software is deployed based on customer requirements.
- Based on customer requirements, dedicated physical spaces are provided, where customer data can only be accessed within that designated area. These spaces are equipped with independent monitoring systems and door locks.

# PROMOTING INNOVATIVE R&D

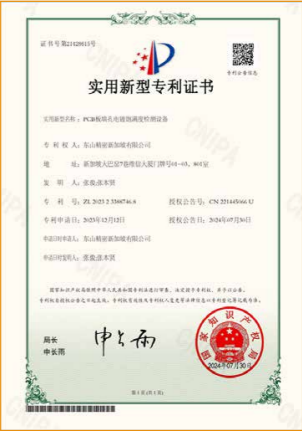
The Company has established and implemented the Patent Management Procedure to comprehensively strengthen standardized patent management, effective utilization, and strict protection. This supports the transformation of technological innovations into practical outcomes and safeguards the Company’s intellectual property rights. We strictly comply with relevant IP laws, regulations, and contractual provisions, and we respect and protect the intellectual property rights of suppliers, customers, and industry competitors. Unless explicitly authorized in advance by the IP rights holder, employees are prohibited from copying, distributing, displaying, or otherwise using any intellectual property not owned or licensed by Multek.



Utility Model Patent Certificate for PCB Board Hole Crack Defect Detection Device



Utility Model Patent Certificate for PCB Board Electrical Performance Testing Mechanism and Its Detection Device



Utility Model Patent Certificate for PCB Board Fill Plating Fullness Detection Equipment

“Engineering Carries Forward Craftsmanship, Technology Creates the Future” themed Engineer Culture Festival

In 2024, the Company held a series of Engineer Culture Festival events under the theme “Engineering Carries Forward Craftsmanship, Technology Creates the Future.” By establishing various platforms for competitions and exchanges, the event promoted skill enhancement and experience sharing among technical talents. It helped foster a positive environment for building a workforce that is knowledge-based, technology-oriented, and innovation-driven, thus supporting the growth and development of engineering professionals.



In 2024: Newly added effective patents: 7 patents | Total cumulative effective patents: 18 patents | Intellectual property infringement incidents: 0 cases (neither infringing nor being infringed)

# BUILDING A SUSTAINABLE SUPPLY CHAIN

## 1. Supplier Management

The Company has established a sound supplier management system and regulations, including the Supplier Management Procedure, the Supplier Audit Procedure, the Supplier Risk Assessment Procedure, and the Supplier Nonconformance Management Procedure, to fully standardize supplier admission, evaluation, supervision, and exit mechanisms, continuously improving supplier management level and supply chain operational efficiency.

### Supplier management process

Supplier evaluation and selection	Suppliers are evaluated and selected through information collection, preliminary screening, qualification review, and file establishment. The selection process follows principles such as compliance with laws and regulations, quality priority, and long-term cooperation.
Supplier collaboration and management	Supplier management includes signing cooperation agreements, supply chain coordination, quality control and supervision, risk management, performance evaluation, and feedback mechanisms.

### Supplier incentives and elimination

- Incentives:** Suppliers with outstanding performance will be rewarded, given preferential treatment, and offered opportunities for further collaboration and development.
- Elimination:** Suppliers may be eliminated if their products are identified as counterfeit, if they cause losses to Multek due to quality issues and refuse compensation, or if they violate other relevant policies of Multek. For suppliers with serious breaches of trust or illegal activities, the Purchasing Management Center maintains a blacklist system, prohibiting any form of cooperation with such suppliers.

The Company has established and standardized a supplier performance evaluation system. Based on the Supplier Performance Rating Procedure, the Purchasing Management Center leads the evaluation process during the first week after the end of each quarter, in collaboration with relevant departments. The evaluation covers, but is not limited to, key performance indicators such as quality, cost, delivery, technology, and service, aiming to continuously improve supplier performance.

### Supplier performance evaluation ratings and corresponding actions

Score	Performance	Rating	Action
<60	Poor	D	Send a high-risk performance alert letter to the supplier’s General Manager (or higher-level executive) and require systemic improvements.
≥60 and <70	Needs Improvement	C	Require the supplier to initiate internal corrective actions and submit an improvement report within one week.
≥70 and <90	Acceptable	B	Encourage the supplier to continuously improve in areas of weakness.
≥90	Excellent	A	The supplier has the potential to become a preferred supplier and may receive additional quotation opportunities and/or increased purchase volume.

The Company uses the “Supplier Rating System” to manage and query supplier information, enabling digital control over multi-dimensional supplier performance and improving the efficiency of supplier management.



To ensure supply stability and prevent production disruptions caused by supplier delivery delays, the Company has signed managed inventory agreements with suppliers and established a business continuity plan at the Purchasing Management Center. Risk mitigation strategies and measures have been developed to address potential shortages of materials or services caused by supply chain disruptions, ensuring smooth and stable production operations.

Risk	Strategy	Measures / Plan description
Material or service shortages caused by supply chain disruptions	Preventive measures	<ul style="list-style-type: none"><li>Evaluate two or more alternative materials</li><li>Evaluate two or more backup suppliers</li><li>Maintain existing suppliers through performance evaluation, risk assessment, and annual audits to identify issues early and drive improvement</li></ul>
	Emergency plan	<ul style="list-style-type: none"><li>Activate backup materials</li><li>Engage backup supplier</li><li>Notify affected customers in advance of potential delivery delays</li></ul>
	Recovery plan	<ul style="list-style-type: none"><li>Reassess the original supplier to confirm that their materials/services meet company requirements</li></ul>

We held multiple technical exchange sessions with suppliers:

- February 29: Supplier EMC and our company's personnel held a technical exchange on products in currently popular markets such as AI servers and new energy vehicles, as well as new products under development.
- May 29: Supplier Anda visited our company to introduce their environmental nitration process agent and conduct a technical exchange.
- August 8: We invited supplier Luxemburg to conduct a technical exchange with our personnel on ultra-thin copper foil.
- November 12: We invited supplier ZYLT to carry out a technical exchange on cost-reduction projects.

In 2024:

Total number of suppliers

713

Suppliers receiving training

48

Suppliers penalized for economic, social, or environmental reasons

0

2. Responsible Procurement

The Company follows the Responsible Business Alliance (RBA) Code of Conduct. By establishing and signing the Supplier Social Responsibility Commitment with suppliers, we require that both suppliers and their downstream supply chains fully implement RBA standards. Suppliers are expected to use limited resources cautiously and responsibly. All manufacturing processes of products must comply with laws and regulations related to the environment, society, and business ethics, and suppliers should strive to minimize the environmental and social impacts of their operations.

Suppliers' required compliance in social responsibility

Labor

Free choice of employment, Child labor and underage workers, Working hours, Wages and benefits, Humane treatment, Non-discrimination, Freedom of association

Health and Safety

Occupational safety, Emergency preparedness, Work-related injuries and illnesses, Industrial hygiene, Physically demanding work, Machine safeguarding, Sanitation, food, and housing, Health and safety communication

Environment

Environmental permits and reporting, Pollution prevention and resource conservation, Hazardous substances, Solid waste management, Air emissions, Material restrictions, Water management, Energy consumption and greenhouse gas emissions

Ethics

Ethical business conduct, No improper benefits, Disclosure of information, Intellectual property, Fair business practices, advertising, and competition, Identity protection and no retaliation policy, Responsible mineral sourcing, Privacy

Management Systems

Corporate commitment, Management accountability and responsibility, Legal and customer requirements, Risk assessment and risk management, Training, Communication, Employee feedback, participation, and complaints, Audits and evaluations, Corrective action procedures, Documentation and records, Supplier responsibility

The Company advocates a clean and healthy cooperative environment, actively preventing violations such as commercial bribery. We have issued the Supplier Notification Letter and signed the Honest and Integrity Agreement with suppliers to ensure that both parties conduct business activities with integrity, honesty, efficiency, and mutual benefit. Channels for reporting violations of anti-corruption policies are also established:

Reporting Email:

fxgl@multek.com

Reporting Hotline:

0756-5329338

In 2024:

Number of suppliers that signed integrity commitments/agreements

713

Number of suppliers certified under environmental management systems

177

3. Conflict Minerals Management

The Company has established the Conflict Minerals Management Procedure and the Conflict Minerals Procurement Policy in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and other applicable standards. We have implemented a comprehensive due diligence management system for responsible mineral sourcing. Clear and transparent management procedures are in place to monitor the use of minerals in our production and operations, identify potential risks, and ensure effective control. The Company commits to not using "conflict minerals" originating from areas controlled by armed groups in the Democratic Republic of the Congo (DRC) and its neighboring countries or regions. We trace the sources of gold (Au), tantalum (Ta), tin (Sn), and tungsten (W) contained in all products to ensure the legality of raw material origins and uphold ethical procurement practices.

As the Company does not directly engage in the mining or smelting of 3TG minerals (tin, tantalum, tungsten, and gold), all 3TG minerals required for production are sourced from third-party suppliers. The Purchasing Management Center is responsible for establishing and maintaining the Conflict Minerals Management Program. During the due diligence process, responsibilities are clearly assigned, including scope definition, supplier communication, policy formulation, and risk management. By tracing the sources of 3TG minerals, verifying whether they originate from conflict-affected areas, and ensuring that procurement activities do not support armed conflicts, the Company prevents the use of conflict minerals.

Supplier conflict minerals<sup>5</sup> investigation process



Due diligence questions and measures at the product level

No.	Investigation questions	Due diligence measures
1	Are any 3TG metals intentionally added or used in the product or production process?	<div>If the response is "yes," no further action is required.</div> <div>If the response is "no," follow up with the supplier regarding all four metals to determine if the answer is reasonable. If it is not reasonable, request the supplier to provide an explanation.</div>
2	Is there any 3TG still present in the product?	<div>If the response is "yes", no further action is required.</div> <div>If the response is "no", follow up with suppliers within the business unit regarding all four metals to determine whether the answer is reasonable. If it is not reasonable, request the supplier to provide an explanation.</div>
3	Does any smelter in your supply chain source 3TG from the listed countries?	<div>If the response is "yes" or "no", verify whether the origin of materials is specified in the comments section, and request supporting documentation (e.g., invoices).</div> <div>If the response is "uncertain or unknown", verify whether the comments section includes supporting evidence demonstrating the steps the company has taken to identify the origin. If this information is not provided, request the company to submit it.</div>

No.	Investigation questions	Due diligence measures
4	Are 100% of the 3TG metals (used due to functional or manufacturing necessity in the product) sourced from recycled or scrap materials?	<div>If the response is "yes", verify whether the origin is specified in the comments section, and request supporting documentation (e.g., invoices).</div> <div>If the response is "no", no further evidence is required.</div> <div>If the response is "uncertain or unknown", verify whether the comments section includes supporting evidence demonstrating the steps the company has taken to identify the origin. If this information is not provided, request the company to submit it.</div>
5	What percentage of suppliers related to the investigation of your supply chain have provided responses?	<div>If the response is "100%", verify whether the smelters are listed in the comments section, and request supporting documentation (e.g., invoices).</div> <div>If the response is "less than 100%", request the company to explain the reason for the incomplete response, such as supplier refusal to report, uncertainty regarding all suppliers, or other reasons.</div>
6	Have you identified all smelters supplying 3TG to your supply chain?	<div>If the response is "yes", verify whether the smelters are listed in the comments section, and request supporting documentation (e.g., invoices).</div> <div>If the response is "no", verify whether the comments section includes supporting evidence demonstrating the steps the company has taken to identify the smelters. If this information is not provided, request the company to submit it.</div>
7	Has all applicable smelter information received by your company been reported in this submission?	<div>If the response is "yes", request evidence of CFS (Conflict-Free Smelter) certification. Also verify whether the supplier has provided CFS certification for all smelters referenced in Question 6.</div> <div>If the response is "no", ask what percentage of the smelters listed in the CFS list represent of all smelters used, and request evidence that these smelters have been certified as conflict-free. Also request evidence of the measures the company has taken to achieve conflict-free sourcing.</div> <div>If the response is "unknown", request the company to provide evidence of the measures it has taken to ensure conflict-free sourcing.</div>

At the same time, the Company encourages each business unit to communicate the conflict minerals policy to direct suppliers through various channels, and requires suppliers to sign documents such as the Commitment Letter on Non-Use of Conflict Minerals, the Conflict Minerals Agreement, and the Conflict Minerals Policy Letter. The Company also incorporates mineral sourcing management regulations into contracts and agreements signed with suppliers, requiring all relevant suppliers to strictly comply and commit to not using minerals sourced from conflict-affected areas. In addition, each business unit encourages suppliers to establish their own conflict minerals policies and requires them to cascade this principle to their upstream suppliers, building a responsible mineral sourcing supply chain and effectively fulfilling corporate social responsibility within the supply chain.

2024年：Number of suppliers that signed the Non-Use of Conflict Minerals Commitment Letter713

<sup>5</sup> Including but not limited to cassiterite, wolframite, columbite-tantalite (coltan), and gold, as well as their derivatives — rare metals such as tin (Sn), tungsten (W), tantalum (Ta), and gold (Au), particularly those originating from the Democratic Republic of the Congo (DRC) and its neighboring countries, or from areas within these countries controlled by any armed groups. These metals are collectively referred to as 3TG metals.

# 04



## PEOPLE-ORIENTED, BUILDING A SHARED FUTURE TOGETHER

Safeguarding Employee Rights 65

Empowering Employee Growth 73

Constructing Security Lines of Defense 77



### Key issues

- Human capital development
- Occupational health and safety



### Main action strategies

- Establish a systematic human rights due diligence process to monitor the fulfillment and effectiveness of human rights policies.
- Passed the RBA VAP Silver Certification.
- Signed the 2024 corporate collective contract with all employees and organized various forms of employee communication sessions.
- Implemented the Employee Education Funding Program to provide qualified employees with support for academic upgrading and vocational skills training.
- Develop OHM (Occupational Health) management system to optimize the details of occupational health management and response plan for abnormal items.



### United Nations Sustainable Development Goals



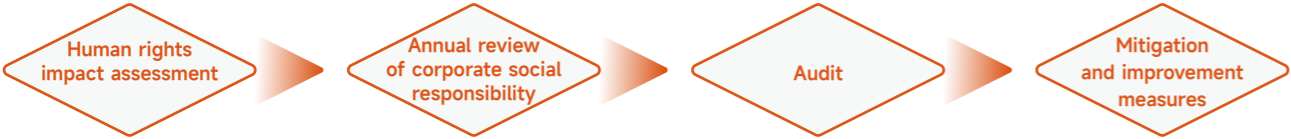
# SAFEGUARDING EMPLOYEE RIGHTS

## 1. Compliant Employment Practices

The Company strictly complies with the Labor Law of the People's Republic of China, the Employment Promotion Law of the People's Republic of China and other national labor laws and regulations, and at the same time fully implements the Responsible Business Alliance, the core conventions of the International Labor Organization and the United Nations Global Compact, and formulates and implements the Procedure for the Application of Freedom of Choice of Employment and Non-discrimination, the Procedure for the Avoidance of the Use of Child Labor and the Management of Minor Workers, and other specific systems. In addition, the Company explicitly prohibits any form of forced labor, child labor, and employment discrimination that violates the legitimate rights and interests of employees, and ensures that all employment practices comply with laws and regulations through regular compliance reviews, employee training, and the establishment of complaint channels, in order to effectively safeguard the legitimate rights and interests of employees and create a fair, safe, and dignified work environment.

The Company conducts annual human rights due diligence covering all of its operations and business-related activities, including all human rights protections such as prohibition of forced labor, prohibition of child labor, freedom of association, equal pay for equal work, anti-discrimination, and the right to collective bargaining, etc., and establishes a systematic human rights due diligence process to oversee the fulfillment and effectiveness of its human rights policies.

### Human rights due diligence process



Human rights impact assessment	Carry out a human rights risk assessment once a year, identify potential human rights risks based on the results of the risk assessment, set up corresponding risk prevention targets, and proactively prevent human rights risks in daily business activities.
Annual review of corporate social responsibility	Review the implementation of the Company's human rights policy every year, and adjust the Company's human rights policy, etc. in a timely manner in accordance with new human rights-related laws and regulations, as well as prepare a report on the Annual Review of Corporate Social Responsibility and submit it to the Company's management for reporting and approval.
Audit	Conduct RBA VAP audits based on the requirements of the Responsible Business Alliance (RBA) Code of Conduct to ensure that the Company complies with labor protections with respect to human rights.
Mitigation and improvement measures	Monitor the achievement of human rights goals continuously and set an ethics hotline, employee hotline, and other channels for employee feedback. When human rights issues arise, the Company corrects and handles violations at the first opportunity.

We carry out annual RBA&CoC training to strengthen the learning and dissemination of human rights protection-related systems among our staff. The completion of the training for the year is shown in the table below:

Training participants	Training course	Number of completions	Completion rate
G1 - G7 (Employees hired before January 1, 2024)	Annual training	2,502	98.9%
G1 - G7 (Employees hired before July 2024)	Onboarding training	702	100%
Employees above G7 level	Annual training	900	78.3%
		4,104	93.4%



On the basis of adhering to the compliance of employment and protecting the legitimate rights and interests of employees, we always adhere to the concept of openness and diversity of talent, and actively broaden the various types of talent recruitment and attraction methods, in an effort to attract more outstanding talents to join our team.

### Talent recruitment and attraction measures

Creating diversified recruitment channels	Online Recruitment: Cooperate with mainstream recruitment websites to expand the scope of talent search.  Campus Recruitment: Go deep into famous universities at home and abroad and participate in special job fairs to attract outstanding fresh graduates.  Social Recruitment: Through industry summits, cooperation with senior industry headhunters and other channels, we accurately attract industry talents with rich experience.  Internal Recommendation: Encourage employees to recommend excellent talents and set up a recommendation reward mechanism.
Establishment of framework agreements on talent development and training with relevant institutions/organizations	Collaborate with universities and training institutions in a tripartite partnership to establish a customized talent supply channel.
Fresh graduate/Internship training program	For fresh graduates, a management trainee program (Evergreen Program) has been launched to provide job rotation opportunities and mentorship to help them grow rapidly.
International talent attraction strategy	Attract talents with international background through cooperation with global headhunters and rewarding internal referrals. Provide internationalized talents with competitive salary and benefits, cross-cultural adaptation support, etc. to ensure their smooth integration into the Company.

In 2024:

Labor contract signing rate

100 %

Significant labor and human rights risk incidents

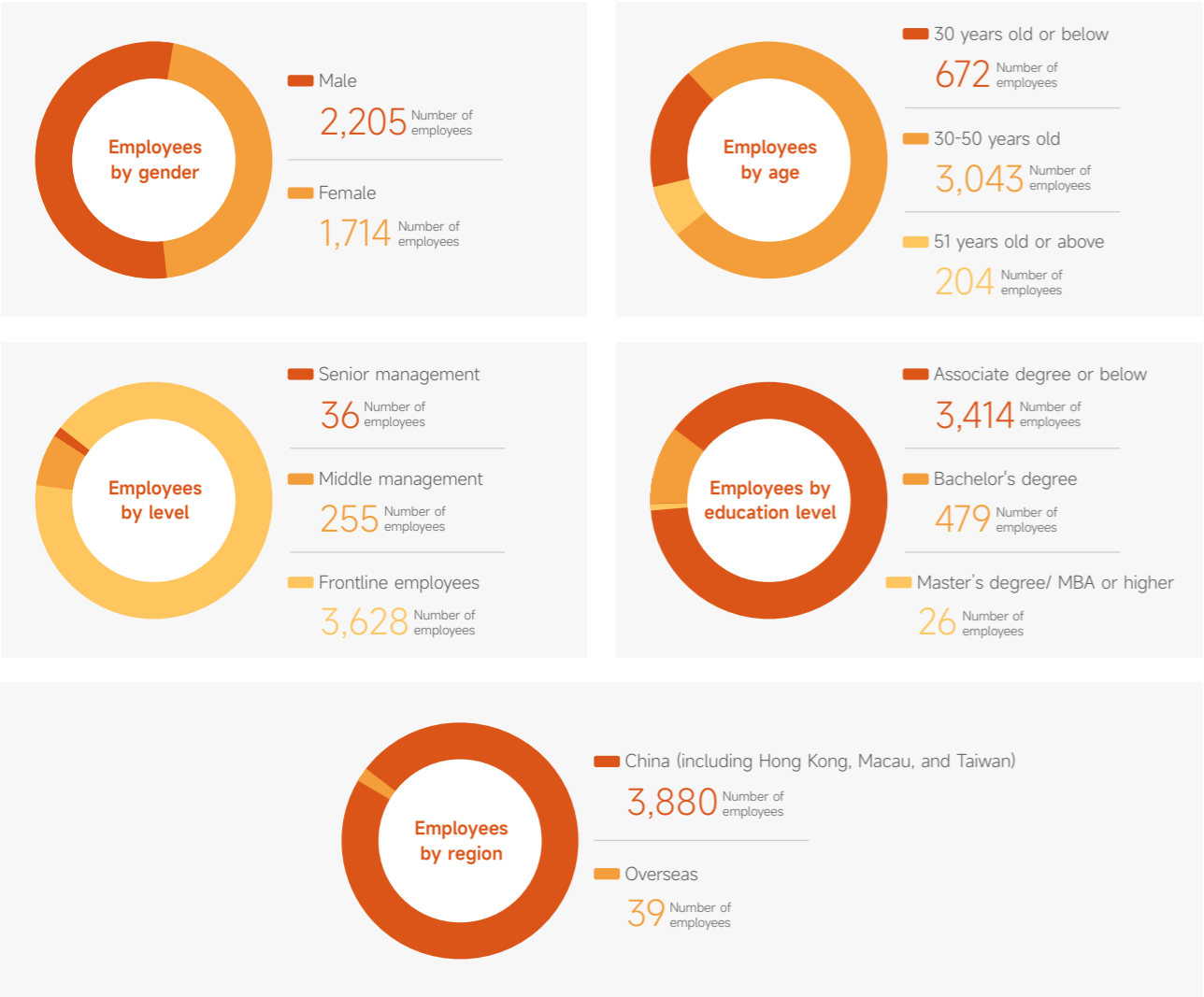
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2. Diversity and Equality

The Company strictly follows the International Labor Organization's Discrimination (Employment and Occupation) Convention and the United Nations' Global Compact and other international conventions and standards, and always adheres to the principles of equal employment and diversity and inclusion in the whole process of human resources management, including talent recruitment, training and development, and compensation and benefits. We explicitly prohibit discrimination on the basis of any of the following factors: race, color, age, gender, sexual orientation and gender identity, ethnicity, disability, maternity, religious beliefs, political position, association affiliation, veteran status, genetic information and marital status, etc., in order to ensure that we establish a fair and inclusive work environment.

The Company has established the Procedure for the Application of Free Choice of Employment and Non-Discrimination, which clearly stipulates the relevant anti-discrimination provisions, protects our employees from any form of differential treatment or discrimination in the employment relationship, and prohibits forcing our employees or prospective employees to undergo hospital tests (including pregnancy or virginity tests) or medical examinations that may be conducted for discriminatory purposes. We are committed to providing and maintaining a professional work environment free from harassment and discrimination, and we strongly oppose and actively combat any incitement to discriminatory behavior, ideas and messages, and have zero tolerance for violence in the workplace.

In addition, the Company has always upheld the principle of gender equality in the workplace and strictly implemented relevant laws and regulations such as the Law on the Protection of Women's Rights and Interests and the Special Provisions on Labor Protection for Female Employees. We are committed to building a fair professional development platform for female employees. In practice, women have been playing key roles across all levels of the organization, contributing significantly to the Company's growth through their outstanding abilities and leadership. Currently, female employees account for 43.7% of the total workforce. These figures not only reflect the Company's notable achievements in promoting gender equality, but also demonstrate our strong commitment to and continuous investment in women's career development.



The Company has always been committed to social responsibility and actively promotes the inclusive employment of persons with disabilities. Since the launch of the care program for employees with disabilities in 2018, we have continuously created equal employment opportunities and fostered an inclusive working environment for people with disabilities. As of 2024, the Company has employed 335 employees with disabilities. Through professional pre-job training and position customization, these employees are able to adapt to the workplace quickly, fully realize their potential, and gain a sense of achievement and happiness in their work.

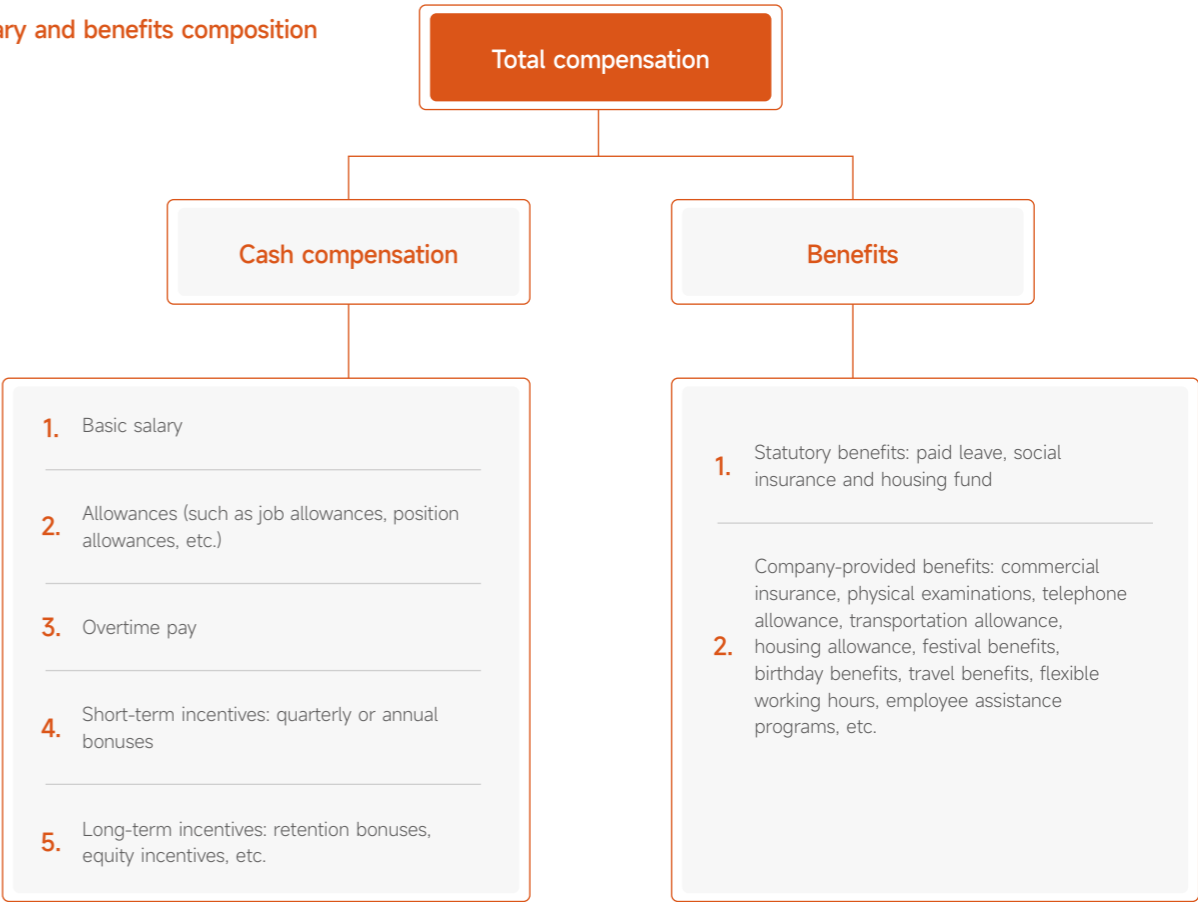
Communication meeting for employees with disabilities



3. Compensation and Benefits

In order to effectively play the important role of compensation and benefits in talent attraction, retention and incentive management, the Company has formulated the Salary Management System in accordance with the national labor laws and regulations and our own actual situation, to establish a fair, just and reasonable compensation and benefits system. We implement the incentive mechanism of "performance-driven, merit-based" to encourage employees to focus on personal performance improvement while paying attention to the development of the Company's performance, optimize the personnel structure, identify and retain outstanding talents, ensure the realization of the Company's development strategy and business objectives, and promote sustainable development of the enterprise.

Salary and benefits composition



The Company has established a normalized performance management mechanism, with monthly and quarterly performance review and feedback. Supervisors conduct regular performance interviews with their subordinates and formulate performance enhancement and improvement plans to help employees continuously improve their work performance. In case of performance anomalies, the HR department will follow up in a timely manner and conduct detailed investigation and review to ensure fair and objective evaluation of each employee's contribution.

We also attach great importance to the workplace rights and well-being of female employees, formulate and implement the Management System for Pregnant Female Workers, set up and implement maternity leave, paternity leave, breastfeeding leave, family planning leave, parental leave and so on according to the law, to ensure that female employees enjoy full legal protection and humanistic care during pregnancy, maternity, breastfeeding and other special periods. At the same time, we continue to optimize the working environment, pay attention to the physical and mental health of female employees, and strive to create a warm and harmonious working atmosphere for them.



International Women's Day activities

In 2024:

Social insurance coverage

100 %

Parental leave return rate

100 %

Per capita annual paid vacation

14.5 days

4. Employee Care

In order to help employees get sufficient relaxation and rest after a stressful work, the Company has carefully planned and organized a series of employee care and recreational activities in novel and interesting forms. In the future, we will continue to carry out and optimize the form of activities to further enhance team cohesion, so that every employee can feel the warmth and care of the Company.



Visit and care for employees in need



Distributing red envelopes to employees with disabilities



Farewell party for retired employee



Mid-Autumn cultural fair



Dragon Boat Festival tour



Basketball league activities



Birthday party activities



Photography club activities

"Years of Glory, Steps of Commitment"-Multek 2023 Long Service Award ceremony

In order to thank the long-time employees who have been with Multek for a long time, each branch plant held a grand ceremony for the 2023 Long Service Award in April. This activity not only serves as a sincere thanks to the long-term contribution of employees, but also enhances the cohesion and sense of belonging of the team, creating a harmonious and positive working atmosphere for the Company.



"Shine at Work, Shine on Stage"-Multek Talent Show successfully concluded

On October 31, the Company successfully held the "Shine at Work, Shine on Stage" employee talent show activities. The activity set up a stage for employees to show their charm and creativity, and they showed their talents through singing, dancing, playing musical instruments and other forms, which enriched the cultural life of the employees and demonstrated the team's vitality and the inheritance of corporate culture.



Conducted the 2024 outdoor team-building activity for employees with disabilities

On November 29, the Company and the Municipal Disabled Persons' Federation jointly organized an outdoor development activity for disabled employees, in which 19 disabled employees of our company actively participated. The activity set up five parts: ice-breaking game, team display, drumming life, land curling and group photo, which let the participants feel the warmth and care of the Company and the society, and at the same time, provided a good platform for them to show themselves and integrate into the collective.



5. Democratic Management

The Company strictly follows the laws and regulations of each operation place, establishes trade union organizations in accordance with the law, respects the right of employees to join trade unions of their own choice, formulates the Humane Treatment and Freedom of Association System, and effectively protects the right of employees to participate in democratic management through the system of equal consultation and collective contract. Meanwhile, the Company actively creates an open and inclusive atmosphere and encourages employees to make suggestions. Every improvement suggestion put forward by employees is an important force to promote the Company to continuously optimize the working environment and achieve healthy development.

Signing of the 2024 enterprise collective labor contract

In order to safeguard the legitimate rights and interests of the employees and the enterprise, and to establish a harmonious and stable labor relationship, the Company in accordance with the Labor Law, the Labor Contract Law, the Trade Union Law, the Regulations on Collective Contracts of Enterprises in Guangdong Province and other laws and regulations and the actual situation of the enterprise, the trade union committee of Multek Industries signed an enterprise collective contract on behalf of all the employees of the enterprise and the Company, and approved by the First Session of the 2nd Workers' Congress on July 11, 2024.

Communication type	Frequency	Times	Remarks
Lunch communication meeting between employees and management	Monthly	51	Utilize lunchtime to invite different types of employees to communicate with management.
Operation/quality conference	Monthly	22	Announce the Company's operational status, reward outstanding employees and teams, and publicize company policies.
CSR & Trade Union communication	Monthly	67	Study the client's CSR requirements and regulations, participate in union meetings to gather employee feedback, and summarize the status of employee relations.
Site visit	Weekly	77	Conduct proactive visits and daily walk - through investigations to understand employees' opinions, and follow up on the progress of problem - solving.
Visits & Hotline & Others	/	260	Receive consultations and complaints, answer HR hotline calls, and help employees solve problems and relieve worries.



Lunch meeting group photo



Frontline employee communication



Female employee communication meeting

In 2024:

Employee challenges resolved

417

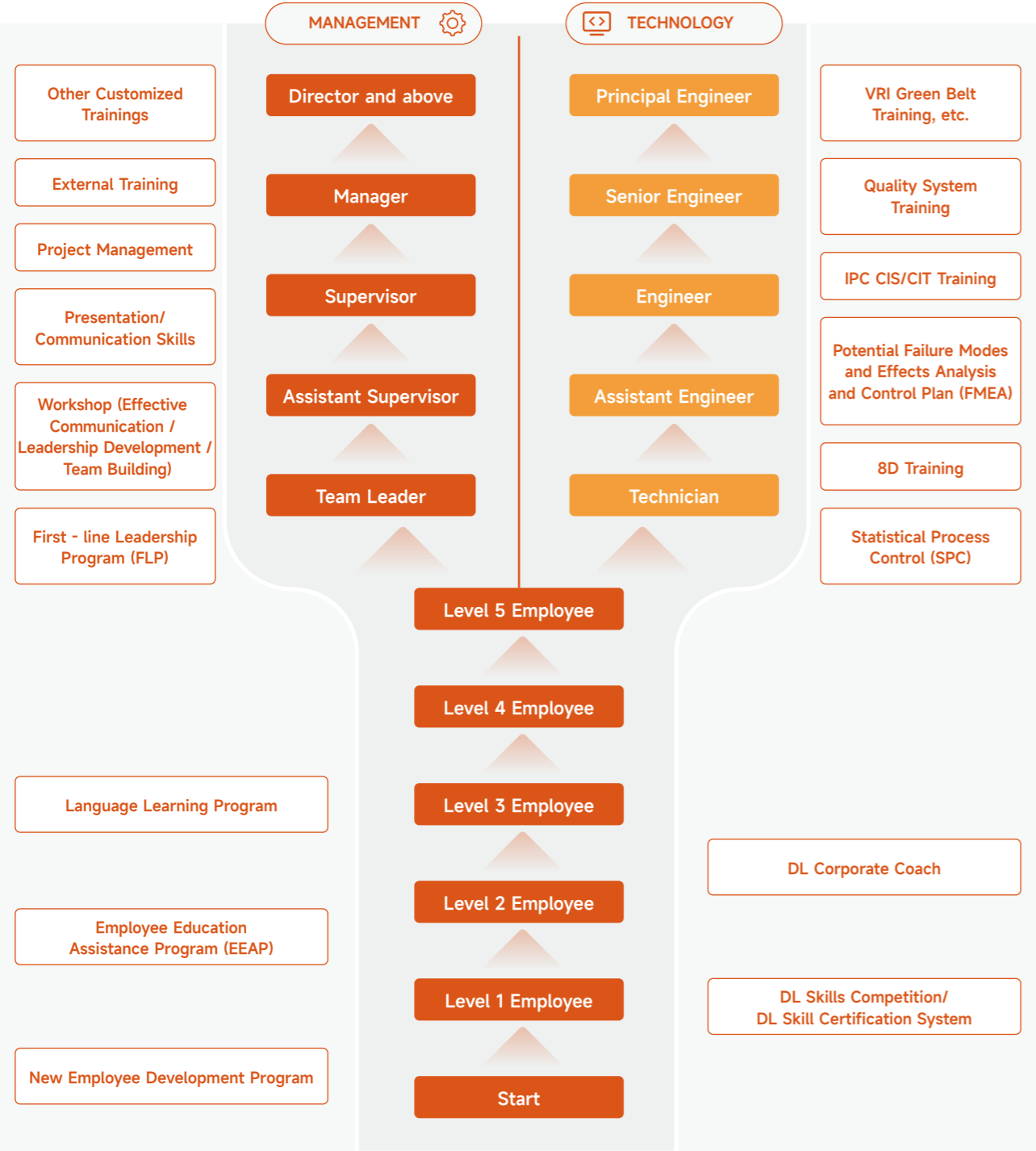
Coverage of union/collective bargaining agreements

100 %

# EMPOWERING EMPLOYEE GROWTH

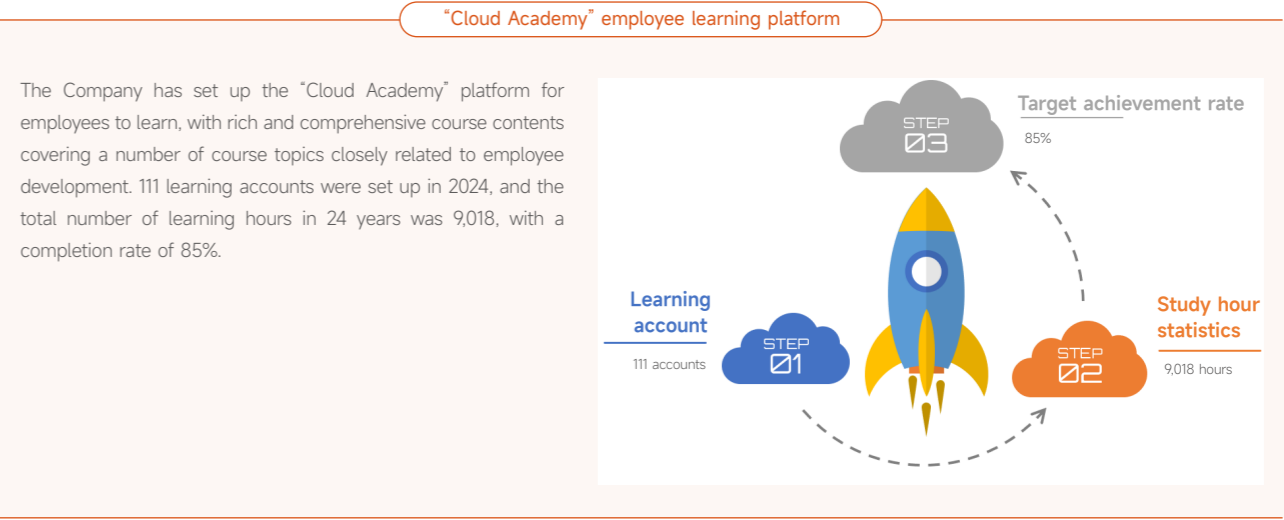
The Company has established a perfect talent training system, formulated the Training System Operation and Management System, the New Employee Training Guidelines and other supporting systems, covering all levels of talent training from new employees to executives. Through the dual-channel training mode of management and technology, we provide systematic career development support for each employee, and continuously improve their professional ability and comprehensive quality.

### Learning and development opportunities for employees



We provide all new recruits with training on company culture, policies and basic job knowledge to enable them to integrate into the Company as soon as possible. 254 rounds of DL (direct labor) training were conducted in 2024, with a total of 4,762 participants, and the pass rate was 100%.

New employee training content	
• Company profile, corporate culture	• Lean production awareness training
• HR related policies and EHR system	• PCB basic knowledge
• RBA and business ethics requirements	• TPM and MEE awareness training
• IT security regulations and OA system operations	• New employee safety training
• EHS awareness training	• Factory360 System user guide
• Quality management awareness training	• Introduction to administrative services



"Igniting Passion, Empowering Growth"-Multek 2024 management trainee "CEO Classroom" & lunch meeting

On August 1, the Company organized and carried out the CEO Classroom and face-to-face lunch symposium for the management trainees. The leaders of the Company elaborated the career growth path for the first-time trainees by sharing their life experience, industry situation and company development, and inspired them to contribute to the Company's prosperous development together.

In addition to internal training, the Company regularly invites professional training institutions to offer courses across various fields, helping employees broaden their knowledge and expand their horizons.

External training courses (partial)

Training institution	Courses
HKPCA Hong Kong Printed Circuit Association	Design for Manufacturability of 3D Assembly and Corresponding Solutions
	Environmental Factors Concerned by Nokia in ESG
	ESG in PCB Industry, Carbon Reduction Blueprint, Carbon Right Transaction and Green Factory Establishment
Red Cross Society of China Zhuhai Branch	First aid training
Guangdong Association of Environmental Protection Industry	Waste gas treatment technician Wastewater treatment technician certificate Solid waste management technician
HAD Consulting	Interpretation of new version APQP&CP

The Company implements the Employee Education Subsidy Program to provide qualified employees with support for academic upgrading and vocational skills training. Up to now, a number of employees have furthered their studies in Shenzhen University, Guangdong University of Foreign Studies and other colleges and universities. At the same time, the Company's labor union, based on the On-the-job Academic (Degree) and Vocational Skills Education Subsidy Standard Management Regulations, provides education subsidies for other employees in need, ensuring that more employees have access to growth opportunities, and promoting the career development of talents.

In 2024:

Training coverage

100 %

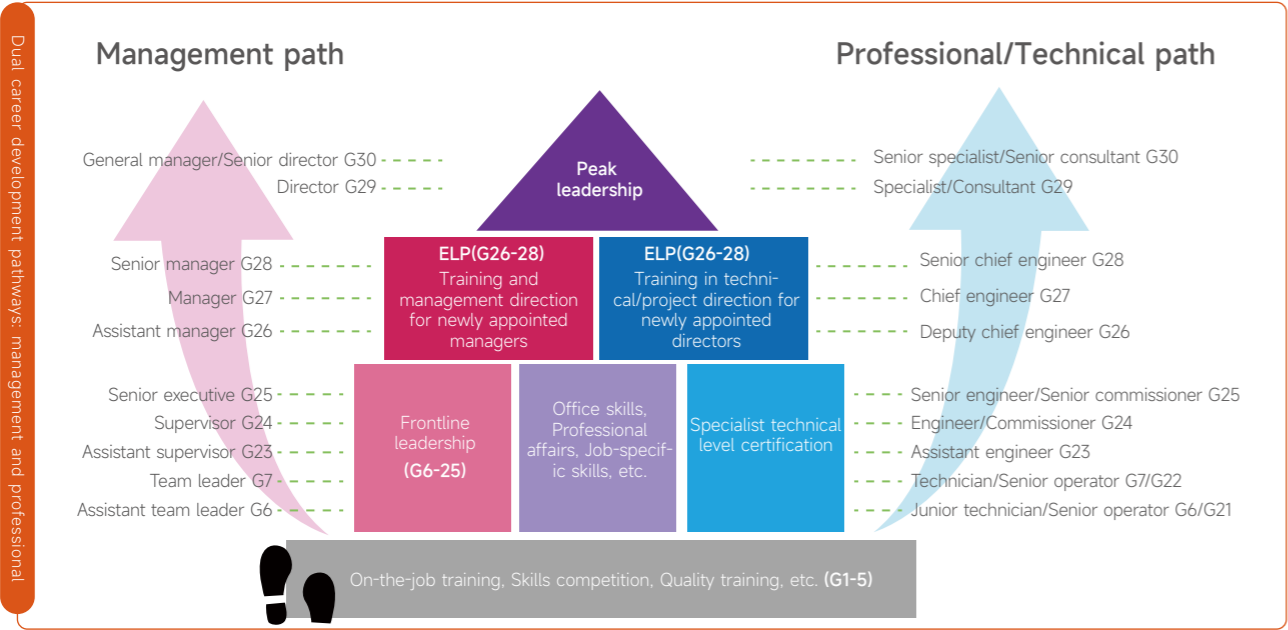
Person-times trained throughout the year

23,085

Total training hours

76,775

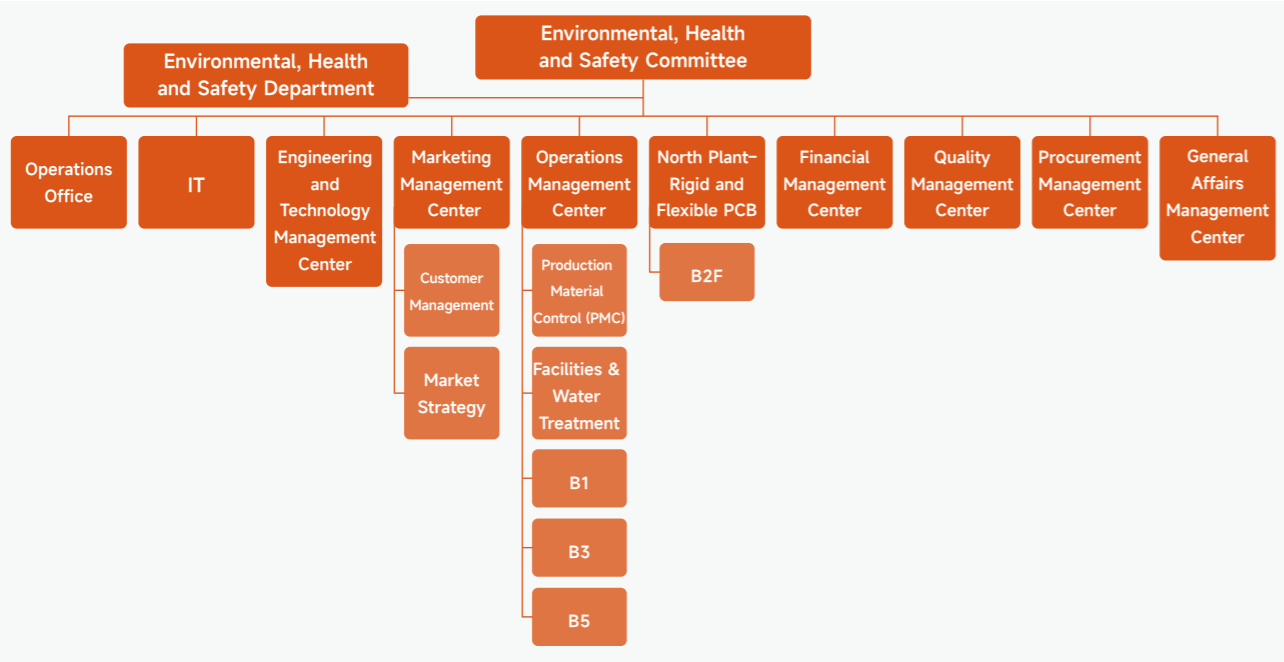
In 2024, the Company continued to promote the construction of talent management system, focusing on the needs of strategic development, optimizing the dual-channel career development paths of management and professional/technical, and strengthening the talent ladder training mechanism, so as to provide strong talent support for the Company's sustainable development.



# CONSTRUCTING SECURITY LINES OF DEFENSE

## 1. Safe Production

The Company strictly follows the requirements of the Law of the People's Republic of China on Work Safety and other laws and regulations, adheres to the work safety policy, and establishes a sound work safety management system. At the same time, the Company has formulated regulations such as the Environmental Health and Safety Responsibility Management System, the Equipment Safety Operating Procedures Management Procedure, the Special Operation Management System, the MULTEK Emergency Plan and Emergency Contact Guidelines, the Guidelines for Safety Team Work and Rewards and Punishments, etc., to comprehensively standardize the safety management structure, rules of procedure, safety objectives, hidden danger investigation, emergency plans, assessment and accountability, etc., to ensure the smooth and effective operation of the Company's safety and production work.



### Safety Inspections and Emergency Drills

The Company establishes and implements the EHS Inspections and Screening and Treatment of Potential Hazards Procedure, and carries out various forms of safety inspections, such as daily inspections, special inspections and seasonal inspections, to comprehensively ensure the environment, health, safety and compliance operations, realize the timely detection and effective rectification of hidden safety hazards, and prevent accidents from occurring at the source.

Inspection type	Inspection frequency
Plant - level EHS Inspection	Once a month
Department - level EHS Inspection	Once a month
Team/Job - level EHS Inspection	Once per shift
Special EHS Inspection	Irregularly

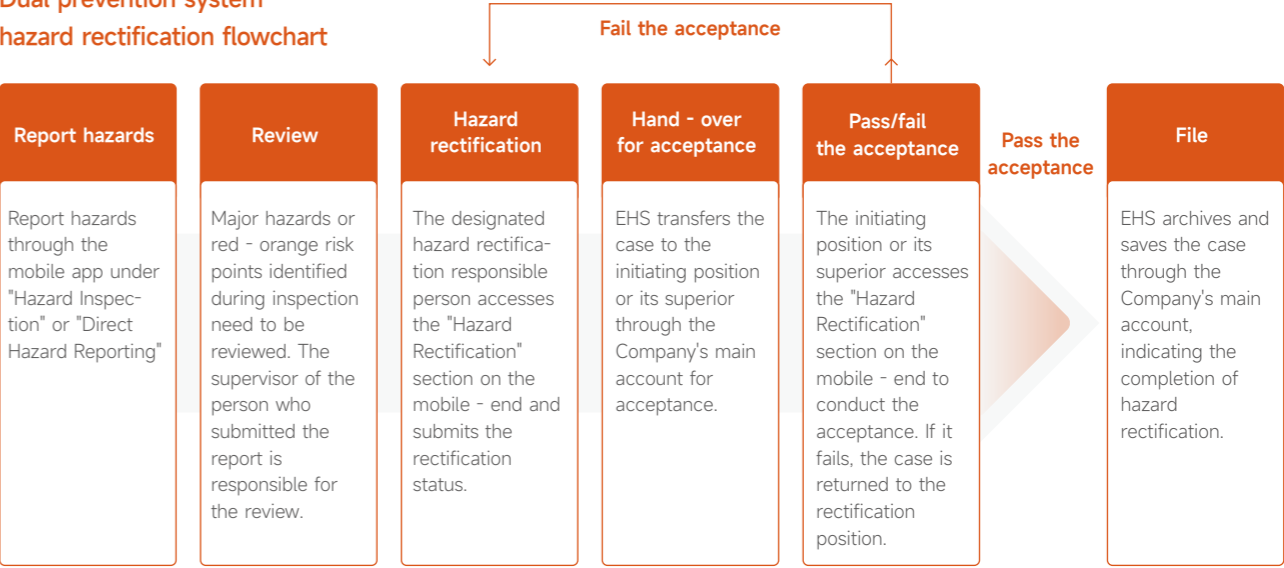
Inspection type	Inspection frequency
Seasonal EHS Inspection	According to weather conditions
Pre - holiday EHS Inspection	One week before statutory holidays
EHS Inspection on Holiday Shifts	Once a day
Routine EHS Inspection	Irregularly



Work safety and occupational health inspections

The Company has established a perfect dual prevention mechanism of safety risk classification and control and hidden danger investigation and management, and formed a mutually supportive and cooperative safety protection system through the construction of a risk prevention and control system of "identification-assessment-control" and a hidden danger closed-loop management system of "investigation-rectification-acceptance", which provides a double guarantee for safe production and stable operation.

### Dual prevention system hazard rectification flowchart



The Company regularly organizes diversified emergency drills such as fire evacuation, limited space, chemical leakage, etc., and improves the employee's emergency response capability through practical training to ensure quick response and effective disposal in case of unexpected accidents and minimize the impact of accidents.



Emergency rescue drill for asphyxiation in limited space



Emergency response drill for hazardous waste spills



Emergency response drill for chemical spills, burns, and cyanide poisoning accidents



Fire evacuation drill

Conducted 11 categories and 45 emergency drills in 2024

- Emergency drill for asphyxiation and poisoning in limited space
- Emergency drill for accidents involving special equipment (trapped elevator)
- Emergency drill for hazardous waste leakage
- Dust explosion emergency drill
- Emergency drill for infectious disease prevention and control
- Emergency drill for natural gas leakage and thermal oil leakage
- Comprehensive emergency drill for fire evacuation
- Emergency drill for typhoon and heavy rain weather conditions
- Emergency drill for chemical burns and scalds

Safety Culture Construction

The Company continuously strengthens the construction of safety culture, systematically carries out safety activities, safety training and lectures and publicity, guides all employees to establish correct safety values and behavioral norms, cultivates a safety culture with corporate characteristics, realizes a higher level of safety self-discipline on the basis of meeting the requirements of laws and regulations, and pushes the Company's level of safety and production to be continuously upgraded. In 2024, the Company carried out a number of occupational health and safety trainings, with training attendance reaching 63,000+.





Fire training



Daily safety training



Invite professional safety training organizations to train key safety responsibilities and safety management personnel

Production safety month activities

In June, the Company organized and carried out a series of activities in the month of production safety with the theme of "everyone talks about safety, everyone knows how to respond to emergencies - open the life channel". Through the colorful activities such as safety production knowledge training, safety knowledge riddle, safety knowledge competition and other forms of activities, as well as the excellent safety team and individual selection and other incentives, the Company effectively enhanced the safety awareness of the staff, improved the level of safety production management in the plant, and laid a solid foundation for creating a safe and harmonious working environment.



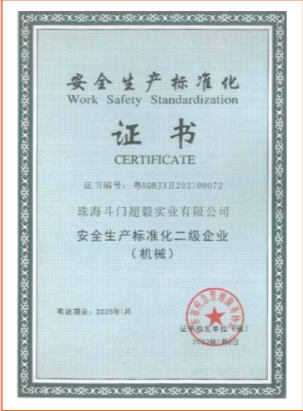
Safety knowledge on-site quiz



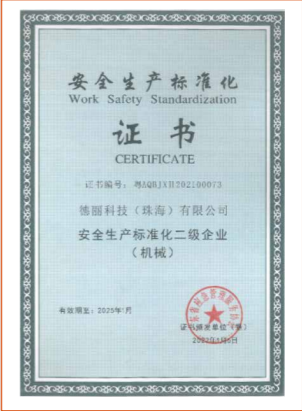
Outstanding safety team and individual selection



Workplace safety slogans



Multek Industries



Multek China

Level II Work Safety Standardization Enterprise (Machinery) Certificate

In 2024: Safety training 100 % Conducted 45 emergency drills in 11 categories Number of identified issues 6,275 Number of rectified issues 6,249

2. Occupational Health and Safety

In order to effectively implement the requirements of the Work Safety Law, the Occupational Disease Prevention and Control Law, the Provisions on Supervision and Management of Occupational Hygiene in Workplaces and other laws and regulations, and to improve the level of prevention and control of occupational diseases, the Company has formulated the Occupational Hygiene Management System, the Personal Protective Equipment (PPE) and Emergency Response Equipment Management Procedure and other related systems and procedures on occupational health and safety, so as to strengthen the management of occupational health and safety, and to effectively safeguard the rights and interests of the workers in occupational health.

Occupational Health Management - OHM System

The Company organizes annual projects on occupational health management combing and review meetings, and independently developed OHM (occupational health) management system to optimize the details of occupational health management and the response plan for abnormal items.

Total number of occupational health checkups completed: 2,637 (pre-employment, in-employment, off-employment)

MULTEK Multek Asia OHM System						
Employee Information Physical examination data table Remind Data Table Basic Data Admin Legend						
职业健康档案						
姓名	性别	年龄	职业	体检日期	体检结果	备注
王小明	男	35	操作工	2024-06-15	合格	
李小红	女	28	操作工	2024-06-15	合格	
张小明	男	42	操作工	2024-06-15	合格	
赵小红	女	30	操作工	2024-06-15	合格	
孙小明	男	38	操作工	2024-06-15	合格	
周小红	女	25	操作工	2024-06-15	合格	
吴小明	男	40	操作工	2024-06-15	合格	
郑小红	女	32	操作工	2024-06-15	合格	
王小明	男	35	操作工	2024-06-15	合格	
李小红	女	28	操作工	2024-06-15	合格	
张小明	男	42	操作工	2024-06-15	合格	
赵小红	女	30	操作工	2024-06-15	合格	
孙小明	男	38	操作工	2024-06-15	合格	
周小红	女	25	操作工	2024-06-15	合格	
吴小明	男	40	操作工	2024-06-15	合格	
郑小红	女	32	操作工	2024-06-15	合格	

OHM system



ISO 45001 Occupational Health and Safety Management System Certificate

Performance indicator	2024 Target	2024 Performance
Number of serious injuries	0	0
Number of minor injuries	6	5
Number of occupational diseases	0	0

In 2024: Total investment in health and safety RMB 1,145.65 ten thousand Coverage of employee occupational health checkups 100 %

# 05



## RESPONSIBILITY IN ACTION, WARMTH ALONG THE WAY



### Key issues

- Social contribution



### Main action strategies

- Insist on participating in public welfare and actively carrying out volunteer activities to contribute to the community.



### United Nations Sustainable Development Goals

**1** NO  
POVERTY



**3** GOOD HEALTH  
AND WELL-BEING



**10** REDUCED  
INEQUALITIES



The donation ceremony for the "Huangyang Guangong Students" was successfully held

On November 21st, our company and Doumen District Guangong Committee jointly held the second "Huangyang Guangong students" donation and sponsorship ceremony. We have been sponsoring "Huangyang Guangong students" for two consecutive years, with a total donation of RMB0.6 million, and a total of 403 donations to young people with difficulties in Doumen District, helping students with poor families and good character to overcome temporary difficulties and continue to complete their studies.



Donation ceremony for the "Huangyang Guangong Students"



The honorary plaque titled "Caring for Guangong Students, Demonstrating Corporate Responsibility" was awarded by the Zhuhai Doumen District Committee on Concerning the Next Generation



The certificate for charitable book donation was issued by the Zhuhai Doumen District Charity Promotion Association



"Caring for Education, Nurturing through Book Donations" -donation certificate



Certificate of appreciation for voluntary blood donation

In 2024: Total public welfare donation RMB 300,000

Total volunteer service hours 768 Hours

APPENDIX

1. Key Performance Table Environmental Performance

	Indicator	Unit	2024
Water usage	Municipal water intake	Ton	2,964,633
	Surface water intake	Ton	0
	Groundwater intake	Ton	0
	Total wastewater discharge	Ton	2,166,481
	Recycled water usage	Ton	114,984
Wastewater discharge	Industrial wastewater discharge	Ton	2,147,897
	COD emissions	Ton	51.73
	Ammonia-nitrogen emissions	Ton	15.33
	Domestic wastewater discharge	Ton	18,584
Waste gas emissions	Organic waste gas emissions	Ton	1.87
	Nitrogen Oxides (NOx) emissions	Ton	0.75
	Sulfur Oxides (SOx) emissions	Ton	0
	Particulate matter (PM) emissions	Ton	0.39
	Total waste gas emissions	10,000 Nm <sup>3</sup>	1,698,258

Indicator		Unit	2024
Solid waste	Non-hazardous waste generated	Ton	5,192.71
	Non-hazardous waste recovered	Ton	5,138.37
	Hazardous waste generated	Ton	13,299.51
	Hazardous waste recovered	Ton	12,584.13
	Hazardous waste treated	Ton	715.38
Energy consumption	Gasoline	Ton	19.71
	Diesel	Ton	12.66
	Natural gas	m <sup>3</sup>	258,484
	Purchased electricity	kWh	2,734,21,807
	Purchased heat	GJ	0
Greenhouse gas emissions	Direct GHG emissions (Scope 1)	tCO <sub>2</sub> e	1,933.23
	Indirect GHG emissions (Scope 2)	tCO <sub>2</sub> e	143,261.03
	Other indirect GHG emissions (Scope 3)	tCO <sub>2</sub> e	73,917.04
	Total GHG emissions	tCO <sub>2</sub> e	219,114.3
Clean energy	Solar / Photovoltaic power consumption	kWh	1,134,707
	Purchased green electricity	kWh	30,000,000
Total environmental investment		Ten thousand yuan	5,797.23

Employee Performance

Indicator			Unit	2024
Workplace compliance	Labor contract signing rate		%	100
	Social insurance coverage rate		%	100
	Return-to-work rate after parental leave		%	100
	Average annual paid leave days per employee		Number of days	14.5
	Total number of employee discrimination incidents		Number of cases	0
	Percentage of employees covered by union / collective bargaining agreements		%	100
	Major labor and human rights risk incidents		Number of cases	0
Employee composition	Total number of employees		Number of employees	3,919
	Newly hired employees	Employment numbers recruited during reporting period	Number of employees	4,988
		New graduates hired	Number of employees	30
		Locally hired employees	Number of employees	348
	Employees by gender	Male	Number of employees	2,205
		Female	Number of employees	1,714
	Employees by age	30 years old or below	Number of employees	672
		30-50 years old	Number of employees	3,043
		51 years old or above	Number of employees	204
	Employees by level	Senior management	Number of employees	36
		Middle management	Number of employees	255
		Frontline employees	Number of employees	3,628
	Employees by education level	Associate degree or below	Number of employees	3,414
		Bachelor's degree	Number of employees	479
		Master's degree/ MBA or higher	Number of employees	26
	Employees by region	China (including Hong Kong, Macau, and Taiwan)	Number of employees	3,880
		Overseas	Number of employees	39
Ethnic minority employees		Number of employees	362	
Employees with disabilities		Number of employees	46	
Employee turnover	Total number of departures		Number of employees	1,670
	Departures by gender	Male	Number of employees	1,066
		Female	Number of employees	604
	Departures by age	30 years old or below	Number of employees	661
		30-50 years old	Number of employees	981
		51 years old or above	Number of employees	28

Indicator		Unit	2024
Employee training	Total training expenditure	Ten thousand yuan	28.15
	Total number of training participants	Number of participants	23,085
	Total training hours	Number of hours	76,775
	Average training hours per employee annually	Number of hours	19.59
	Training coverage rate	%	100
	Male	%	100
	Female	%	100
	Senior management	%	100
	Middle management	%	100
	Frontline employees	%	100
	Average training hours-male	Number of hours	2.9
	Average training hours-female	Number of hours	2.63
	Average training hours- senior management	Number of hours	2.36
	Average training hours-middle management	Number of hours	1.99
	Average training hours- frontline employees	Number of hours	2.96
	Total number of course views on the online training platform	Number of participants	11,846
	Total viewing duration of courses on the online training platform	Number of hours	8,983.89
Satisfaction	Employee satisfaction rate	%	79
Employees receiving special assistance		Number of employees	7
Health and safety	Health and safety investment	Ten thousand yuan	1,145.65
	Safety training coverage rate	%	100
	Total safety training participation	Number of participants	68,428
	Employee medical checkup coverage rate	%	100
	Number of work-related injury cases	Number of employees	6
	Number of occupational disease cases	Number of employees	0
	Number of fatalities due to work accidents	Number of employees	0
	Lost time injury frequency rate (per million hours)	%	0.499
Total lost workdays due to injuries		Number of workdays	211
Responsible Business Alliance (RBA) VAP certification achieved			Silver recognition obtained

Social Performance

Indicator		Unit	2024
Supply chain	Total number of suppliers	Number of suppliers	713
	China (including Hong Kong, Macau, and Taiwan)	Number of suppliers	658
	Overseas	Number of suppliers	55
	Suppliers certified under quality management systems	Number of suppliers	434
	Suppliers certified under occupational health and safety management systems	Number of suppliers	69
	Suppliers certified under environmental management systems	Number of suppliers	177
	Suppliers audited under third-party social and environmental responsibility standards (e.g., RBA, Sedex)	Number of suppliers	23
	Suppliers certified under IECQ QC 080000 Hazardous Substance Process Management System	Number of suppliers	12
	Suppliers that have completed responsible mineral due diligence	Number of suppliers	77
	Proportion of suppliers covered by responsible mineral due diligence	%	10.79
	Suppliers signing quality assurance agreements	Number of suppliers	713
	Proportion of suppliers signing quality assurance agreements	%	100
	Suppliers signing integrity commitments / anti-corruption agreements	Number of suppliers	713
	Suppliers signing non-use of conflict minerals commitments	Number of suppliers	713
	Suppliers penalized for economic, social, or environmental reasons	Number of suppliers	0
	Suppliers trained annually	Number of suppliers	48
R&D and innovation	New valid patents added in 2024	Number of patents	7
	Valid patents accumulated	Number of patents	18
Customer service	Customer complaint handling rate	%	100
	Customer complaint resolution rate	%	100
	Customer satisfaction rate	%	96
Information security	Information security and privacy training coverage rate	%	100
	Data breach incidents	Number of cases	0
Product quality	Product recall rate (number of defective products recalled / number of products shipped)	%	0
	Customer complaints related to hazardous substances	Number of times	0
	Supplier incoming materials with HSF(hazardous substance-free) non-conformance	Number of items	0
Public donations	Public/charitable donation input – education	Ten thousand yuan	30
Volunteer services	Volunteer participants	Number of participants	48
	Annual volunteer service hours	Number of hours	768

2. Standard Index

Content		GRI standards	ISSB standards
About the Report		GRI 2-2, GRI 2-3	
Message from COO			
Learning more about Multek		GRI 2-1, GRI 2-28	
Our Sustainability Management	ESG Management	GRI 2-14	
	Stakeholder Communication	GRI 2-16, GRI 2-29	
	Material Topics Management	GRI 3	
Advancing with Stability, Excelling through Diligent Governance	Standardizing Corporate Governance	GRI 2-9, GRI 2-11, GRI 2-13	
	Promotion of Compliance Management	GRI 2-27	
	Adherence to Business Ethics	GRI 2-15, GRI 205, GRI 206	
Leading the Way in Low-Carbon Transition, Pursuing Green Development	Addressing Climate Change	GRI 201-2, GRI 305	
	Deepening Environmental Management		
	Optimizing Resource Utilization	GRI 302, GRI 303	TC-ES-140a.1
	Strengthening Pollution Prevention and Control	GRI 303, GRI 305, GRI 306	
	Protection of Biodiversity	GRI 304	
Uniting Forces for Shared Value Creation	Strengthening Quality Control	GRI 416	
	Providing High-Quality Services	GRI 2-6, GRI 417, GRI 418	
	Promoting Innovative R&D		
	Building a Sustainable Supply Chain	GRI 2-6, GRI 308, GRI 414	
People-Oriented, Building a Shared Future Together	Safeguarding Employee Rights	GRI 2-7, GRI 2-30, GRI 401,GRI 405,GRI 406,GRI 407,GRI 408,GRI 409	TC-ES-000.C
	Empowering Employee Growth	GRI 404	
	Constructing Security Lines of Defense	GRI 403	
Responsibility in Action, Warmth Along the Way		GRI 203, GRI 413	

IFRS S2 Climate-related Disclosures-Electronic Manufacturing Services & Original Design Manufacturing

Topic	Metric	Category	Unit of Measure	Code	Executive Summary
Water Management	(1)Total water withdrawn, (2)total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m³), Percentage (%)	TC-ES-140a.1	2,964,633 tons
Product Lifecycle Management	Weight of end-of-life products and e-waste recovered; percentage recycled	Quantitative	Metric tons (t), Percentage(%)	TC-ES-410a.1	
Activity Metrics	Number of manufacturing facilities	Quantitative	Number	TC-ES-000.A	
	Area of manufacturing facilities	Quantitative	Square meters (m²)	TC-ES-000.B	
	Number of employees	Quantitative	Number	TC-ES-000.C	3,919

3. Reader Feedback

Dear Reader:  
Hello!  
Thank you very much for reading the Multek Group 2024 Environmental, Social and Governance Report. We highly value your opinion and would greatly appreciate your feedback on this report. Your comments and suggestions will serve as an important reference for us to continuously improve future reports. Please complete the feedback form below and send it back to us via email at Dylan.huo@multek.com.

Your information

Name: .....

Position: .....

Contact Number: .....

Email Address: .....

1/ What is your overall evaluation of this report:

☐Excellent

☐Good

☐Fair

☐Poor

☐Very Poor

2/ How do you assess the accuracy, completeness, timeliness, and clarity of the information disclosed in this report?

☐Excellent

☐Good

☐Fair

☐Poor

☐Very Poor

3/ Do you think the content organization and style design of this report are conducive to easy reading?

☐Excellent

☐Good

☐Fair

☐Poor

☐Very Poor

4/ What topics are you interested in?

5/ What information do you think is missing from the report that should be included?

6/ Do you have any additional comments on the Company's work in environmental, social, and corporate governance aspects?