TECHWISE

2023

TECHWISE CIRCUIT SUSTAINABLE DEVELOPMENT REPORT 2023

Contents

TECHWISE

Techwise Circuit Co., Ltd.

ABOUT THE REPORT

Techwise Circuits Ltd. (hereinafter referred to as "Techwise", "the Company", or "we") aims to communicate our practices and performances in the areas of corporate governance, economy, environment, and society to various stakeholders through the international-standard based sustainable development report. This report marks as the Techwise's first one and we plan to release it annually in the future.

Basis Of Compilation

This Report is prepared with reference to the Sustainability Reporting Standards (GRI STANDARDS 2021) issued by the Global Reporting Initiative (GRI).

Time Range

The report covers the period from January 1, 2023, to December 31, 2023. To enhance comparability and completeness, some contents in this report may refer to previous years.

Scope Of Report

The scope of this report includes Techwise (Fogang) Circuits Ltd., Techiwise Shirai (Fogang) Circuits Ltd., and Huiyang Techwise Industrial Technology Co., Ltd. The economic performance data are derived from the 2023 financial statements of the three companies. The financial statements of Techwise (Fogang) and Techwise Shirai (Fogang) have been independently audited by Guangzhou Chengpeng Accounting Firm (General Partnership), and the financial statement of Techwise Huiyang has been independently audited by Guangdong Rongde Accounting Firm Ltd. Unless otherwise stated, all amounts in this report are presented in Chinese Yuan (CNY). For non-financial information covered in this report, we will provide detailed explanations of the specific scope of disclosure in the main text of the report.

The abbreviations in the report are defined as follows:

Company Name	Address	Remarks
Techwise (Fogang) Circuits Ltd.	Jiantao Industrial City, Shijiao Town, Fogang County, Qingyuan City, Guangdong Province, China	is referred to as "Techwise Fogang".
Techwise Shirai (Fogang) Circuits Ltd.	Chengnan Industrial Zone, Shijiao Town, Fogang County, Qingyuan City, Guangdong Province, China	is abbreviated as "Techwise Shirai".
Huizhou Techwise Industrial Technology Co., Ltd.	Huiyang Economic Development Zone, Huizhou City, Guangdong Province, China	is abbreviated as "Techwise Huiyang".

Reporting Commitment

This report is organized and compiled by Techwise Circuits Ltd. The company guarantees the authenticity of the information in the report and there are no false or misleading statements.

Release Channel

The report is published simultaneously in both electronic and paper versions in Chinese,The report is available on the company's official website:http://www.techwise-circuits.com/ .

Feedback

We look forward to receiving comments and suggestions from readers after reading this report. Please give feedback according to the following contact information to help us further improve our sustainable development strategy and pursue better sustainable development performance.

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SPEECH BY SENIOR LEADERSHIP

Dear employees, shareholders, and all friends who care about the development of our company:

Hello everyone! I am honored to deliver a speech on the Sustainable Development Report released by our company. This report comprehensively showcases our commitment and practices in sustainable development, as well as our outlook for the future.

Our vision is to become a leader in the sustainable development within the industry, driving transformation across the entire sector. To achieve this vision, we have developed a comprehensive sustainable development strategy that integrates the concept of sustainability into every aspect and stage of our business. We firmly believe that only through the sustainable development can we achieve long-term value for our company and shared prosperity for society.

Environmental protection and social responsibility are integral components of the sustainable development. We always adhere to the concept of green development, reduce the impact on the environment through technological innovation and production process optimization. At the same time, we actively fulfill our social responsibilities, participate in public welfare undertakings, and contribute to the development of the community, making a contribution to social harmony and stability.

In practice, we have achieved significant results in multiple fields. We promote green production methods, improve resource utilization efficiency, and reduce waste generation. We pay attention to the health and safety of our employees and provide a good working environment and welfare benefits. In addition, we also promote the green and circularization of the industrial chain through diversified investment and cooperation.

The sustainable development is not only about the well-being of the environment and society, but also about the financial and economic benefits of the company. We are well aware that only by achieving the sustainable development can companies gain long-term competitive advantages and stable growth. Therefore, we integrate the concept of the sustainable development into the financial management and the decision-making process of the company, striving to maximize the comprehensive benefits of the economy, society, and environment.

Looking forward, we will continue to deepen the practice of the sustainable development, constantly exploring and innovating. We will further strengthen communication and cooperation with partners from all parties to jointly address global challenges. We will pay more attention to technological research and development and innovation, promote the green upgrading and transformation of industries. At the same time, we will pay more attention to the growth and development of employees, and provide them with more opportunities and platforms. We are confident in achieving more remarkable achievements on the path of the sustainable development.

Finally, I would like to thank all the employees, shareholders, and partners who support our sustainable development efforts.

Let's work together to create a better future!

Director
Luo Jialiang

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About Techwise

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COMPANY PROFILE

Techwise Circuits Ltd. is a subsidiary of Hong Kong Kingboard Holdings Limited (listed on the Hong Kong Stock Exchange). It was formerly known as Techwise Circuits Ltd., a subsidiary of Lenovo. The company mainly produces high-tech, high-quality double-sided and multi-layer printed circuit boards (PCBs), which are widely used in consumer electronics industries such as air conditioning, washing machines, computers, and communications, as well as industrials of medical devices, automotive, and industrial control. Its customers are mainly located in Hong Kong, Japan, Europe, and the United States.

The company currently has three major manufacturing bases, namely Techwise (Fogang) Circuits Ltd., Techwise Shirai (Fogang) Circuits Ltd., and Huiyang Techwise Industrial Technology Co., Ltd. , with a total monthly production capacity of 465,000 square meters.

Techwise Fogang Phase I

Techwise Fogang Phase II

Techwise Shirai

Techwise Huiyang

During the reporting period, the company's three subsidiaries achieved a total operating revenue of 277,524,87 million yuan and a total tax payment of 12,958,48 million yuan.

Operating Revenue In 2023 (104 CNY)

	Techwise Fogang	Techwise Shirai	Techwise Huiyang
	129,959.38	85,180.94	62,384.55
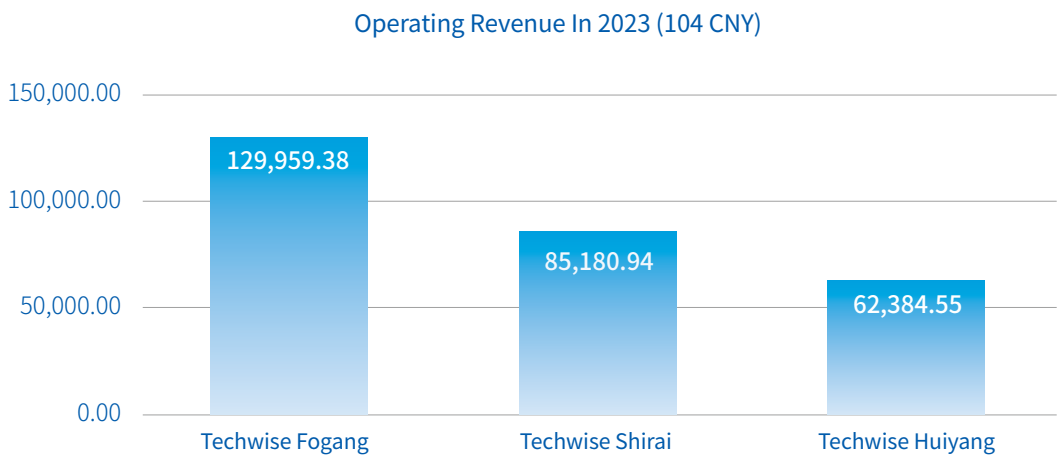
● **Tax Administration**

Techwise strictly complies with national and local laws and regulations to pay taxes in accordance with the law. It has established various tax management systems and internal control management systems, and implements various tax management requirements on a daily basis. Every year, it hires a third party to conduct financial report or statement audits to ensure the company's compliance operation. As a regulatory measure for the tax management, the group company conducts periodic audits of the financial management and issues inspection reports to ensure the company fulfills its tax obligations in accordance with the law.

Tax Amount In 2023 (104 CNY)

	Techwise Fogang	Techwise Shirai	Techwise Huiyang
	5,860.57	4,002.43	3,095.48

DEVELOPMENT HISTORY

1994
Techwise Huiyang started production in 1994

1996
Techwise Huiyang's monthly production capacity reached 23,000 square meters in 1996, and it passed the ISO 9002 certification in the same year.

2000
Techwise Huiyang started producing automobile sheets and obtained QS 9000 and ISO 14001 certifications in the same year.

2001
Techwise Huiyang started producing automobile sheets and obtained QS 9000 and ISO 14001 certifications in the same year.

2002
Kingboard Holdings Limited acquired Techwise Circuits Ltd.

2005
Techwise Shirai achieved a monthly production capacity of 70,000 square meters and obtained TS 16949 certification in the same year.

2007
Techwise Fogan started production.

2011
Techwise Huiyang invested $5 million to purchase new equipment.

2014
Techwise Fogang achieved a monthly production capacity of 70,000 square meters.

2016
Techwise Fogang Phase I invested $25 million to purchase new equipment and obtained ISO 13485 certification in the same year.

2017
Techwise Fogang Phase II invested $25 million to purchase new equipment and obtained OHSAS 18001 certification in the same year.

2023
Techwise's three major production manufacturing bases will have a combined monthly production capacity of 465,000 square meters.

Special Topic

Application Of Advanced Technology To Ensure Safety In Production

Safety is essential for production, and production must be safe. Techwise adheres to the principle of "safety first, prevention-oriented, comprehensive governance", and always puts safety production work in a primary position. Techwise insists on using scientific and systematic theories to guide safety production, implements standardized safety management, strengthens safety control in the production process, continuously carries out hazard identification, risk assessment, and safety inspections, creates a healthy and safe working environment, and provides a basic guarantee for the safe and stable operation of the company.

1. Firefighting sprinkler control cabinet
2. Firefighting water cannon
3. Firefighting materials allocation
4. Firefighting water system wet alarm device
5. Wired temperature sensing cable alarm system
6. Firefighting electrical control device
7. Automatic inspection and tracking water cannon

Factory	2023 Fire Safety Facility Upgrade Project	Investment
Techwise Huiyang	1.Upgrade of fire water system, fire linkage system, smoke exhaust system, and fire alarm system; 2.All 11,000 square meters of foam prepainted steel sheets in the entire factory have been replaced with fire-resistant magnesium oxide boards; 3.All the old cables in the factory have been replaced with new ones, and the distribution cabinets in the power distribution room have been replaced. By the end of 2023, 80% of the replacement work has been completed. 4.The heating method of a heating pen originally installed in the production line has been changed to air heating to eliminate heating safety hazards. 5.Hanging fire extinguishers have been installed in the flammable warehouse, the packaging material warehouse, and the power distribution room. Automatic patrol fire water cannons have been installed in the horizontal electroless copper and vertical continuous plating (VCP) workshops. The number and level of fire extinguishers have been increased in each workshop.	**47.64** million yuan
Techwise Shirai	6.Temperature sensing cables are used to cover and detect the temperature around each electroplating brace, and over-temperature alarms are set. Wireless temperature sensing alarm systems are used for some key power consumption to achieve 24-hour temperature online monitoring. 7.Automatic fire extinguishing balls have been installed in some warehouses, charging areas, power distribution rooms, and welding cables. Automatic fire extinguishing patches have been installed in some distribution boxes. 8.The heating method of all electroplating braces is changed to air energy hot water heating to eliminate the risk of heating pen dry burning and short circuit. 9.A fire water cannon system is installed on the roof. 10.The emergency lighting systems in the workshops are transformed into a 24V emergency lighting system to reduce the risk of electrical short circuit and electric shock.	**6.125** million yuan
Techwise Fogang	11.Fire sprinkler automatic systems, fire emergency lighting/evacuation indication systems, fire smoke detection automatic alarm systems, etc are comprehensively upgraded and transformed. 12.The fire water cannon systems are installed around the workshops and on the roofs. 13.Three additional steel structure stair fire escape exits are arranged at the building connection perimeter. 14.Automatic hanging fire extinguishing balls are installed in the workshop power distribution cabinets and welding cables. 15.The warehouses for toxic/precursor chemicals/explosive chemicals are equipped with intrusion automatic alarm systems and safety detection automatic alarm systems. 16.All 37,714 square meters of foam prepainted steel sheets in the entire factory have been replaced with fire-resistant magnesium oxide boards; 17.Non-fire-resistant glass of all windows in the workshops are replaced with Class A fire-resistant glass. 18.The heating method of the heating pens in the production line is changed to the air heating to eliminate the risk of overheating and short circuit 19.Stainless steel partition boards (sheds) are arranged to the DVCP production line and the electroless nickel and immersion gold (ENIG) production line to effectively prevent the spread of fire.	Approximately 6 million yuan was invested in items 11) to 15). Items 16) to 19) have not been counted.

HONORS

Techwise's production bases actively leverage their own advantages, continuously improve product and service levels, and continue to invest in building green, environmentally friendly, and healthy factories. In recent years, we have been recognized by various stakeholders and have successively won many honors, including high-tech industry, clean production, best supplier, health enterprise, and national-level excellent scenarios for intelligent manufacturing.

Award Winner	Award Time	Name of Honor/award	Awarding Institution
Techwise (Fogang) Circuits Ltd.	2023	Hong Kong-Guangdong Cleaner Production Partner (Manufacturing Industry)	Guangdong Provincial Department of Industry and Information Technologyand Environmental andEcology Bureau, the Government of the Hong Kong Special Administrative Region
Techwise (Fogang) Circuits Ltd.	2023	Advanced Taxpaying Enterprise of 2022 in Foshan County	People's Government of Fogang County, Qingyuan City, Guangdong Province
Techwise (Fogang) Circuits Ltd.	2022	Best Electronic Supplier	Visteon
Techwise (Fogang) Circuits Ltd.	2022	Drilling and Milling Machine Cooling WorkshopTransformation Award	Hong Kong Productivity Council
Techwise (Fogang) Circuits Ltd.	2021	Advanced Taxpaying Enterprise of 2020 in Foshan County	People's Government of Fogang County, Guangdong Province
Techwise (Fogang) Circuits Ltd.	2021	High-Tech Enterprise	Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, Guangdong Provincial Tax Service, State Taxation Administration
Techwise Shirai (Fogang) Circuits Ltd	2020	Guangdong Provincial Health Promotion Demonstration Enterprise	Health Commission of Guangdong Provincia
Huizhou Techwise Industrial Technology Co., Ltd.	2023	National-level Excellent Scenarios for Intelligent Manufacturing	Ministry of Industry and Information Technology of the People's Republic of China
Huizhou Techwise Industrial Technology Co., Ltd.	2023	Health Enterprise	Health Bureau of Huiyang Economic Development Zone, Huizhou City, Guangdong Province
Huizhou Techwise Industrial Technology Co., Ltd.	2022	Hong Kong-Guangdong Cleaner Production Partner Logo Enterprise	Guangdong Provincial Department of Industry and Information Technology
Huizhou Techwise Industrial Technology Co., Ltd.	2022	National Green Design Product	Ministry of Industry and Information Technology of the People's Republic of China
Huizhou Techwise Industrial Technology Co., Ltd.	2022	Best Logistics Provider	HELLA

Award Winner	Award Time	Name of Honor/award	Awarding Institution
Huizhou Techwise Industrial Technology Co., Ltd.	2021	Huizhou Water-saving Enterprises	Huizhou Industry and Information Technology Bureau, Guangdong Province
Huizhou Techwise Industrial Technology Co., Ltd.	2020	High-tech Enterprise	Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, Guangdong Provincial Tax Service, State Taxation Administration

CERTIFICATION

Techwise's production bases have successively obtained certifications such as ISO 9001 Quality Management System, IATF 16949 Automotive Industry Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System. By establishing advanced management systems and methods, the company has improved its management level in all aspects.

Certification Entity	System Abbreviation	System Name
Techwise (Fogang) Circuits Ltd.	ISO 9001: 2015	Quality management system
Techwise (Fogang) Circuits Ltd.	IATF 16949: 2016	Automotive Industry Quality Management System
Techwise (Fogang) Circuits Ltd.	ISO 14001: 2015	Environmental management system
Techwise (Fogang) Circuits Ltd.	ISO 13485: 2016	Medical Device Quality Management System
Techwise (Fogang) Circuits Ltd.	ISO 45001: 2018	Occupational Health and Safety Management System
Techwise Shirai (Fogang) Circuits Ltd.	ISO 9001: 2015	Quality management system
Techwise Shirai (Fogang) Circuits Ltd.	IATF 16949: 2016	Automotive Industry Quality Management System
Techwise Shirai (Fogang) Circuits Ltd.	ISO 14001: 2015	Environmental management system
Techwise Shirai (Fogang) Circuits Ltd.	ISO 45001: 2018	Occupational health and safety management system
Huizhou Techwise Industrial Technology Co., Ltd.	ISO 9001: 2015	Quality management system
Huizhou Techwise Industrial Technology Co., Ltd.	IATF 16949: 2016	Automotive Industry Quality Management System
Huizhou Techwise Industrial Technology Co., Ltd.	ISO 14001: 2015	Environmental management system

TECHWISE

Techwise Circuit Co., Ltd.

04

Sustainable Governance

Governance Structure

Corporate Culture

Sustainable Development Management

Business Ethics

Information Security And Digitization

The SDGs That This Chapter Responds To

16 Peace, Justice and Strong Institutions

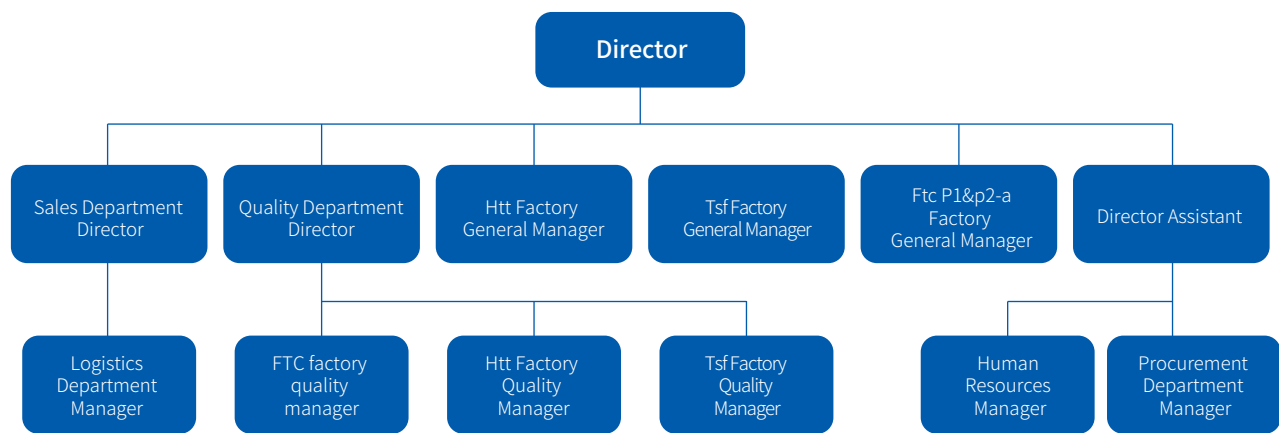17 Partnerships for the Goals

Main Actions

We establish an ESG Development Committee to implement various ESG work responsibilities, and identify and manage substantive issues; implement the Business Ethics Policy and conduct integrity training; deploy computer network system security management and equipment upgrades, and conduct network information security training.

GOVERNANCE STRUCTURE

The company's senior management, including management directory such as directors and general managers, are responsible for the company's daily operations and management. The appointment and dismissal of senior management in the company are strictly evaluated and selected by the group's board of directors to ensure that candidates have professional competence, experience, and integrity.

The company's directors attend the group's board meetings every month to report on the company's financial performance and development strategies; hold senior management meetings every month to discuss the company's financial status, operational conditions, risk management, etc.; also convene monthly work meetings with the management of each factory to review the progress of various work.

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                          Director
     ┌──────────┬──────────┬──────────┬──────────┬──────────┐
  Sales      Quality      Htt        Tsf     Ftc P1&p2-a   Director
Department  Department   Factory   Factory     Factory     Assistant
 Director    Director    General   General     General
                         Manager   Manager     Manager
  Logistics  FTC factory  Htt      Tsf Factory  Human    Procurement
 Department   quality   Factory     Quality    Resources   Department
  Manager     manager   Quality     Manager     Manager     Manager
                        Manager
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Note: HTT is an abbreviation for Techwise Huiyang, TSF is an abbreviation for Techwise Shirai, and FTC is an abbreviation for Techwise Fogan.

CORPORATE CULTURE

Company Vision

- Become a leader in the PCB industry,

Company Mission

- Continuously review policies and take appropriate measures to meet the changing market demands.
- Utilize the latest technology and optimize human resources to improve productivity and production efficiency.

Company Core Philosophy

- We take people-oriented,respect and trust as our ethics,integrate employees' personal pursuits into the long-term development of the company,take the productivity of talents as the foundation of the company's development,and take the true goodness and beauty of human nature as the basis of corporate management.

SUSTAINABLE DEVELOPMENT MANAGEMENT

With the continuous changes in the global environment, the sustainable development has become a key element for the success and sustainable operation of enterprises. Techwise is committed to promoting the development of the "smart manufacturing" and "green and low-carbon" industries, and through the implementation of sustainable development strategies, achieve harmonious unity of economic benefits, environmental benefits, and social benefits.

Through in-depth analysis of the company's current operating environment and resource utilization, and combined with market demands and customer expectations, we have set the following strategic directions for the sustainable development:

Strategic Direction

1. Improve resource utilization efficiency and reduce waste.
2. Reduce energy consumption and achieve energy saving and emission reduction.
3. Enhance product environmental performance and meet customer needs.

Implementation Measures

1. Introduce advanced energy-saving and emission reduction technologies to improve energy utilization efficiency.
2. Optimize production processes and reduce resource waste.
3. Strengthen waste classification and recycling to achieve resource cyclic utilization.
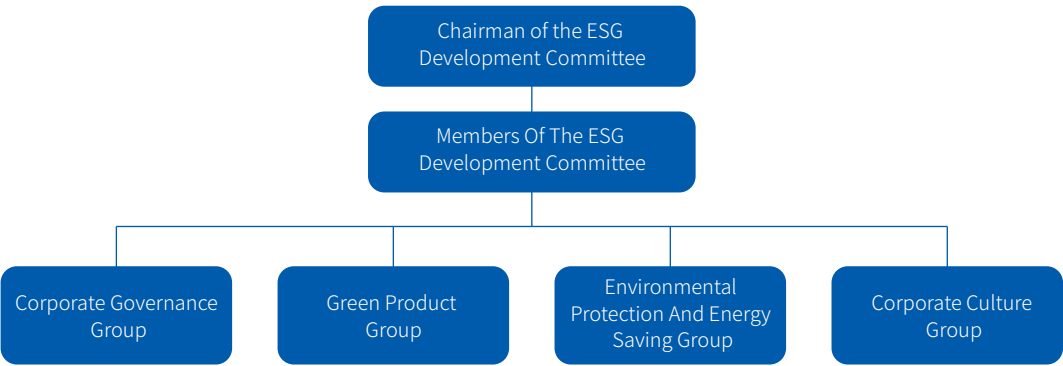4. Develop environmentally friendly products to meet market demands.
5. Promote environmental awareness and increase overall participation.

The company will continue to monitor market trends, adjust market strategies flexibly, increase technological research and development and innovation, establish and improve environmental management systems to cope with risks in the implementation of the sustainable development strategies.

In order to enhance the company's environmental, social, and corporate governance (ESG) management level and capabilities, an ESG Development Committee was established in 2023. The ESG Development Committee is composed of directors and senior executives of the company, with the directors serving as the committee chairman. The ESG Committee has four working groups, including the Corporate Governance Group, Green Products Group, Environmental Protection and Energy Conservation Group, and Corporate Culture Group.

Chairman of the ESG Development Committee

Members Of The ESG Development Committee

- Corporate Governance Group
- Green Product Group
- Environmental Protection And Energy Saving Group
- Corporate Culture Group

Character

Responsibilities

ESG Development Committee

- Develop company's ESG development direction, management principles, goals, and related policies;
- Track and review the company's ESG performance and effectiveness;
- Review the company's ESG reports and related disclosure matters;
- Supervise the work of various working groups under the committee in accordance with the committee's resolutions;
- Advocate and implement the company's integrity management and risk management work, etc.

ESG Working Group

- According to the company's ESG management policies and goals, develop and implement specific work plans for ESG at all levels;
- Regularly collect, analyze ESG-related data, and submit them for committee review;
- Assist in preparing the company's annual ESG report and submit it for committee review and approval;
- And fulfill other responsibilities assigned by the committee.

Stakeholder Engagement

The company attaches importance to stakeholder expectations, continuously improves communication channels, and maintains long-term interests and sustainable development capabilities. Actively use the company's official website, WeChat official account, and other channels to obtain feedback from stakeholders, establish strategic trust with stakeholders, and maximize the company's role in economic, social, and environmental sustainable development. The company identifies key stakeholders based on the impact and mutual dependence between the company and its stakeholders, including cooperative partner such as shareholders, customers, employees, and suppliers, government agencies, and communities.

Key Stakeholders	Main Concerns	Communication Channel	Docking Department
Shareholders	Sustainable profitability Corporate governance nformation disclosure	Board meeting Work report Daily communication	President's Office
Customers	Quality products and services Supply chain guarantee Carbon emission reduction	Satisfaction survey Customer return visit High-level exchange visits and meetings Daily communication	Sales and Marketing Departments Quality Department
Employees	Protect their legitimate rights and interests Salary and welfare guarantee Health and safety Career development	Sign a labor contract Survey questionnaire Workers' congress Employee Care Symposium Service hotline Manager's mailbox Performance appraisal	Human Resources and Administration Department
Partners such as suppliers	Transparent purchasing ntegrity performance Win-win cooperation Enhance ability	Sign an agreement or contract Communication meeting Regular visits On-site audit High-level exchange visits	Purchasing Department
Government agencies	Promote local economic development Pay taxes in accordance with the law Promote employment Legal operation Safety production Energy saving and emission reduction	overnment official website policy acquisition Receive government documents Environmental protection, safety production, fire protection, employment, taxation and other compliance supervision and inspection Participation in policy conferences	Human Resources and Administration Department Financial Department
Community	Protect the environment Help the community development	Participation in community activities Public welfare activities	Human Resources and Administration Department

Substantive Issue Analysis

The substantive issues for Techwise include the company's impact on economic, environmental, and social sustainable development, as well as the most important issues related to stakeholders. Recognizing and managing these issues is crucial for identifying and addressing risks and opportunities and effectively meeting the expectations of all parties involved.

In determining the substantive issues of this report, the company first identified 19 substantive issues based on the industry background, stakeholders' concerns, and the professional knowledge of external collaborating organizations. Then, the issues were analyzed for their impact from two dimensions: 'stakeholders' level of concern' and 'impact on economy, environment, and people'. Scores were assigned to prioritize the issues, resulting in three categories of high concern, medium concern, and general concern. The specific details are shown in the following figure.
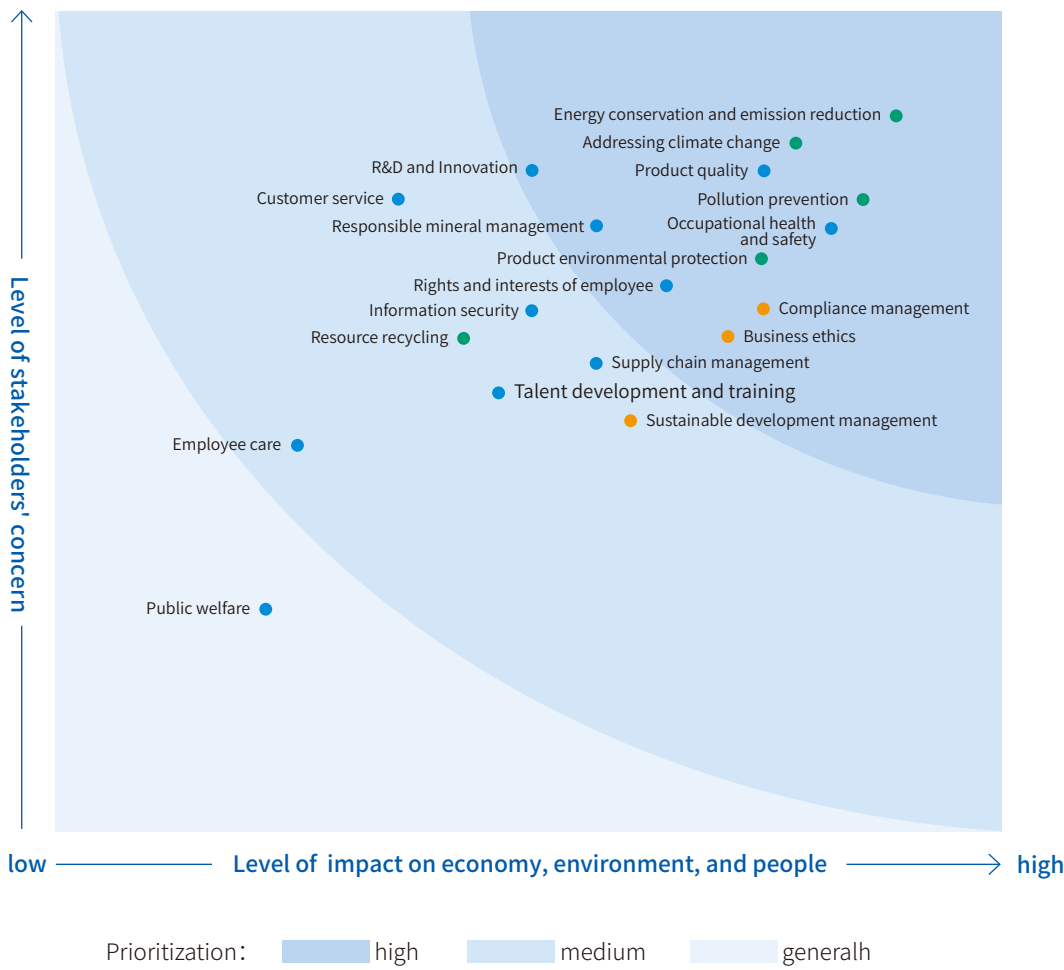
BUSINESS ETHICS

Techwise has released the Business Ethics Policy and the Anti-Bribery Code and Management System, committing to comply with all laws and regulations, and opposing any illegal activities such as unfair competition, insider trading, monopoly, corruption, and money laundering. The company has issued the Implementation Rules of the Employee Handbook in accordance with the requirements of the Kingboard Holdings Limited's Employee Handbook, which stipulates the code of conduct and behavior norms for employees. All employees are required to adhere to legal and legitimate professional ethical standards, oppose bribery and other unethical means to obtain undue benefits, and are not allowed to solicit or accept remuneration, kickbacks, or any other form of benefits from business-related entities.

The company has established a reporting channel to encourage employees and relevant parties involved in business transactions to report and expose acts of commercial bribery. The company promises to protect the identity of whistleblowers and strictly prohibits the disclosure of their information to the reported individuals or departments, in order to prevent any form of retaliation against the whistleblowers. Depending on the circumstances, the company will provide rewards to individuals whose reports are substantiated.

INFORMATION SECURITY AND DIGITIZATION

The company continuously strengthens the security management of computer network systems, implementing security principles in every aspect of system design, development, operation, maintenance, hardware, software, network communication, data, and management systems. The company has established regulations such as the Computer Network System Security Management Regulations and the Computer Network System Technical Management Specifications, strictly implementing various network system security measures.

In 2023, Techwise Huiyang deployed Continuous Data Protection (CDP) equipment in both the Mobile Internet Data Center (IDC) room and the factory area machine room, achieving real-time data updates and synchronization across different locations. The plan for 2024 is to implement the CDP project in Techwise Fogang, achieving the effect of having one set of data with three backups in different locations.

In order to improve the ability to handle network and information security incidents, and to form a scientific, effective, and responsive emergency mechanism, and to minimize the maintenance of network and information security incidents, each production base has developed customized Network and Information Security Emergency Plans, including Emergency Plan for Data Center Power System Accidents, Emergency Plan for Key Equipment Hardware Failures, Emergency Plan for Network Communication Failures, Emergency Plan for Virus and Hacker Attack Incidents, etc.

The company organizes network system key personnel training on network information security every year, including network security and virus protection, computer daily operations and procedures, etc. In 2023, a total of 74 key personnel received network information security training. No information security incidents occurred during the reporting period.

Digital Transformation

Against the backdrop of rapid global economic development and continuous technological innovation, the company's digital transformation is not only keeping up with the pace of the times, but also a key to achieving long-term competitive advantages by optimizing business processes through data analysis, improving business efficiency, reducing costs, and enhancing product quality.

Techwise is gradually implementing its digital strategy, building a digital technology foundation, and officially introducing the Manufacturing Execution System (MES) in 2022 to achieve deep integration of IT and business. Advanced systems such as 5G+ industrial internet, MEC, and IoT are used to achieve interconnection between devices, with the data system collecting real-time production status information, quality information, energy consumption, and other data from the equipment.

In 2023, the company upgraded its Office Automation (OA) system, improving its scalability and ease of use. It optimized the functionality for interacting with other systems, achieving a paperless, efficient, and collaborative environment. The system fully meets the company's daily office needs, online corporate culture, online HR services, and online administrative services, enhancing the company's management level and core competitiveness.

TECHWISE

Techwise Circuit Co., Ltd.

05

Sustainable Products And Services

R&D Innovation
Quality Management
 Customer Service

The SDGs That This Chapter Responds To

8 Decent Work and Economic Growth

9 Industry, Innovation and Infrastructure

12 Responsible Consumption and Production

17 Partnerships for the Goals

Main Actions

We encourage research and development innovation, practicing intelligent manufacturing technology, implementing production automation, conducting product lifecycle management, strictly controlling product quality, establishing customer issue response mechanisms, and launching customer satisfaction surveys.

R&D MANAGEMENT

Driven by innovation, Techwise continuously improves its technology innovation capabilities through enhancing research and development organizational management, sustained R&D investment, and systematic R&D activities with clear goals, promoting the company's sustained and rapid development.

R&d Management

The company incorporates innovative ideas into its organization, focusing on cutting-edge information collection, R&D project research, product design, analysis, testing, R&D personnel training, laboratory management, and other R&D-related work. We focuses on intelligence and automation, achieving production line optimization, equipment integration, and continuously improving organizational efficiency and competitive advantage.

Product Innovation And Intelligent Manufacturing

The company encourages R&D innovation, protects intellectual property rights, and values personnel capability enhancement. We collaborate with external service organizations to provide training on patent application, approval, authorization, annual fees, patent validity period, and rights protection for technical development personnel, achieving good results. By 2023, the company has obtained 20 authorized patents and has 11 pending patents, including invention patents, software copyrights, and utility models.

Key Performance

By the end of **2023**

the company and its subsidiaries have a total of **122** domestic patents in authorization and application.

CASE STUDY

Patent Of Method For Screen Printing Of Carbon Oil On Pcb (Printed Circuit Board)

In 2022, the Techwise Shirai factory applied for a patent for the "Method for screen printing of carbon oil on PCB (Printed Circuit Board)" and obtained authorization. The company disclosed a process method for solving the problem of sawtooth-shaped circuit board caused by oil leakage of carbon oil board. The formation of the carbon oil layer is an important process in the PCB board manufacturing process. The carbon oil layer is usually formed on the circuit layer of the motherboard (also known as the carbon oil PAD) by screen printing. A traditional carbon oil PAD with large opening design has unstable quality and is prone to oil leakage and short circuit. This patent provides a screen printing method that avoids uneven edges of the carbon oil, effectively solving the problem of oil leakage and short circuits in the carbon oil PAD. It brings higher stability in carbon oil production quality, reduces the risk of functional problems caused by customer complaints about carbon oil short circuits, and greatly improves production efficiency.

In addition, the company recognizes the importance of process optimization for industrial enterprises. Over the years, it has continuously transformed production lines, improved processes, introduced intelligent systems, updated automation equipment, and encouraged factories to share and exchange experiences. The goal is to optimize processes, improve efficiency, reduce materials usage, lower costs, and enhance product quality.

CASE STUDY

Agv Intelligent Robot Industrial Internet Application Project

With the advent of the technological era, factory automation has become an irreversible trend. The company has launched the AGV intelligent robot industrial internet application project, with a total investment of 22.06 million yuan. It has introduced AGV handling robots and mechanical hand board loading/unloading machines to achieve automatic logistics handling and transportation within the workshops. This has greatly reduced short-distance manual transportation among processes and eliminated simple repetitive tasks such as manual board placing/unplacing, improving logistics management and enhancing handling safety within the workshops.

CASE STUDY

Automatic Tin Spraying Transformation Project

Based on the advanced project experience of Techwise Huiyang, Techwise Shirai added an automatic tin spraying line system in October 2023. By using the motion function of mechanical arms to complete the soldering operation, it has greatly improved production efficiency and product reliability. At the same time, it reduces manual intervention and avoids the health hazards caused by direct contact with smoke and dust for employees

Industry Participation

To enhance its own capabilities and broaden its development path, the company actively participates in industry exchanges and activities, carries out school-enterprise cooperation, and collaborates in high-quality research projects.

CASE STUDY

Collaboration With Wuhan Engineering University

In January 2023, the company signed a school-enterprise collaboration agreement with Wuhan Engineering University. Based on the technical and talent advantages of the university, and with the enterprise as the main input, both parties will achieve complementary advantages and resource sharing. They will jointly build a collaborative research and development system and a base for training intermediate and senior talents. They will conduct cutting-edge academic research focusing on cost reduction and technological improvement of printed circuit board products.

QUALITY MANAGEMENT

Quality is the core of products and the foundation for the sustainable development of enterprises. Through system construction and improved quality management, Techwise implements the quality policy of providing customers with high-quality and reliable products and services on time. We are committed to providing customers with satisfactory products and services.

Product Lifecycle Management

The company recognizes that quality management is crucial throughout the product lifecycle. We have established control documents such as the Incoming Quality Control Work Instruction, Control Plan Development Instruction, and Product Identification and Traceability Procedure. We strictly control product quality from raw material procurement, development and design, production processes to product delivery, implementing quality control throughout the entire process to create excellent quality.

During the new product introduction phase, the company conducts a comprehensive evaluation of product information from production capacity, product design, product requirements, etc., identifies key control points, and specifies them in the production documentation for special control.

To ensure the continuous high-quality production of products, the company has established a quality inspection system that provides quality monitoring in key production processes, effectively controlling quality issues during the product manufacturing process. Our quality system enables material traceability, equipment production parameter traceability, quality record traceability, etc., and continuously optimizes based on our capabilities and customer requirements. The company upgraded and transformed the system in 2023, introducing automatic width measurement equipment, upgrading detection equipment, optimizing appearance inspection functions, and incorporating artificial intelligence, further enhancing the functionality of the quality inspection system and reducing the likelihood of quality issues.

CASE STUDY

Quality Inspection System

To ensure the continuous high-quality production of products, the company has established a quality inspection system that provides quality monitoring in key production processes, effectively controlling quality issues during the product manufacturing process. Our quality system enables material traceability, equipment production parameter traceability, quality record traceability, etc., and continuously optimizes based on our capabilities and customer requirements. The company upgraded and transformed the system in 2023, introducing automatic width measurement equipment, upgrading detection equipment, optimizing appearance inspection functions, and incorporating artificial intelligence, further enhancing the functionality of the quality inspection system and reducing the likelihood of quality issues.

For tools, machinery, equipment, and materials used in the production process, the company adds corresponding labels, marking numbers, versions, and attaching production date codes(Date Code) to the finished products, realizing traceability management throughout the product lifecycle and providing more efficient solutions when quality issues arise.

Quality Management System

The company maintains a high level of rigor in quality management work. The quality departments of each factory are directly managed by the company's directors. The department's authority is independent of the factory's management structure and is not controlled by the factory or department. It exercises veto power over quality-related issues in each factory. Each factory has established a quality management system in accordance with ISO 9001 and IATF 16949 standards and passed the initial certification in 2005 and 2008 respectively.

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Disposal Of Nonconforming Products

The company has established a platform for communication and handling of non-conforming products, the Material Review Board (MRB), and formulated the MRB Operation Instructions to promptly handle non-conforming products found in production and strengthen product quality control. All non-conforming products are determined by process quality engineers. Those determined as unacceptable, unable to be reworked, or with rework costs not economically feasible will be marked as scrap and finally destructively processed by the MRB team to prevent further processing. Those determined as reworkable or repairable will be processed according to procedures and the reworked or repaired products will undergo inspection to ensure quality compliance.

Supplier Quality Management

Every company relies on suppliers to provide high-quality raw materials and components to ensure that the quality of the final product meets customer expectations. The company focuses on controlling major materials such as sheet metal, PP, copper foil, ink, chemicals, drill bits, and milling cutters, and signs a Supplier Quality Assurance Agreement with suppliers, with a 100% signing rate for major material suppliers. Each factory evaluates, tests, and collects data on incoming materials on a monthly basis, and generates evaluation reports. When there is an abnormality in incoming materials, the factory will issue an 8D improvement report to the supplier, stating specific improvement requirements, requesting timely rectification, and conducting follow-up testing on subsequent batches.

Enhancement Of Personnel Capabilities

Personnel is a crucial part of quality management, and Techwise attaches great importance to the development of professional talents. The company regularly collects requirements from various departments, evaluates them, and forms a training plan to carry out quality training. In 2023, a total of 100 quality training sessions were conducted, with approximately 1080 participants and a completion rate of 100%.

CASE STUDY

Quality System Project Coaching

From January to April 2023, Techwise collaborated with external third-party professional organizations to provide a 3-month systematic capacity enhancement training for internal quality management personnel. The training topics included APQP (Advanced Product Quality Planning), PFMEA (Process Failure Mode and Effects Analysis), MSA (Measurement System Analysis), SPC (Statistical Process Control), VDA6.3 (Process Audit), project management, and production management improvement. A total of 66 people participated in the training, with a total training duration of 208 hours.

Through systematic learning, 5 employees of the company passed the QMC VDA6.3 Process Auditor qualification assessment and obtained certificates, strengthening the capabilities of the quality management team. This helps to achieve end-to-end quality management from product design to production and service, further enhancing product quality and customer satisfaction.

Laboratory Testing Capability

The company has an internal physical laboratory that can conduct necessary reliability tests on products. It is equipped with advanced testing equipment at home and abroad such as EDS elemental analyzer, X-ray fluorescence thickness gauge, ion chromatograph, X-RAY inspection system, and ion contamination tester.

| EDS Elemental Analyzer | X-ray Fluorescence Thickness Gauge | Ion Chromatograph | X-RAY Inspection System |
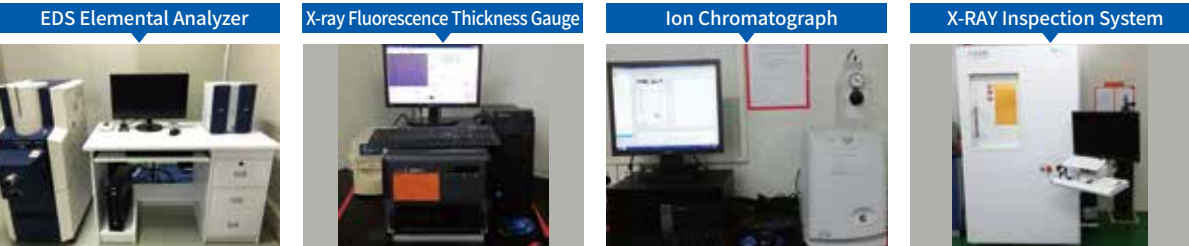
The company conducts a review of the qualification and capability of the physical laboratory every three months and generates a Physical Laboratory Qualification Report to ensure the authenticity and reliability of the test results. All tests are conducted by qualified testers who issue formal laboratory reports, which are then reviewed by the laboratory supervisor. The laboratory currently has 7 researchers, including 1 with third-party certified internal qualification.

Environment Friendly Product

The company is committed to using environment friendly materials and adheres to standards such as RoHS, REACH, and IPC to effectively control the environmental impact during the production process. We have established an internal RoHS operation process and formulated the RoHS Management Procedure and Environmental Related Substance Management Standard to classify and manage environmental related substances. We focus on metals and metal compounds, as well as halogenated organic compounds, and implement comprehensive control measures at the source, process, and finished product stages. By 2023, all suppliers are required to provide RoHS compliance reports for all raw materials. We conduct regular sampling inspections of incoming materials and conduct random inspections of finished products according to company requirements. Additional testing may be conducted as needed.

Hazardous Substance Management Process Diagram

Source Control	Process Contro	Product Control
We use environment friendly and safe materials that comply with regulatory requirements.	We have dedicated areas for the production of lead-containing products to prevent cross-contamination with lead substances.	We conduct monthly internal ROHS/halogen testing and annual third-party testing for hazardous substances.

CUSTOMER SERVICE

Techwise focuses on providing high-quality products and services, establishing an effective customer feedback mechanism, and strengthening customer service awareness to comprehensively improve the quality of customer service, promote customer satisfaction, and maintain healthy and stable customer relationships.

The company has formulated the Customer Complaints and Returns Handling Operation Instructions and Final Inspection Work Instructions, designating corresponding departments to be responsible for handling quality issues raised by customers, responding quickly and actively to customer demands, and actively establishing contact with customers to maintain good cooperative relationships. For quality issues raised by customers, the company will promptly make improvements and conduct relevant verifications on the first three batches of improved products. After passing the inspection, they will be treated as qualified products. When serious defects are discovered, the company will immediately investigate the status of the batch of products, clarify the quantity and cycle of the products in the factory, during transportation, and at the customer's site. The shipped products will be recalled and handled if necessary. The company will also report the specific defect situation to the customer and seek their opinions on handling. As of the end of the reporting period, there have been no product recall incidents. By 2023, the customer complaint resolution rate will reach 100%.

In order to continuously improve market competitiveness, the company has established the effective customer feedback mechanism. In addition to timely follow-up by the business department, customer satisfaction surveys are conducted every six months. The surveys mainly cover four dimensions: customer communication, delivery and packaging, complaint handling, and environmental system. For issues rated as average or poor, targeted improvements are made, reasonable and feasible improvement measures are proposed, responsible departments and individuals are identified, and follow-up is conducted.

In addition, the company pays attention to internal improvement and actively strengthens employees' customer service awareness. All new salespersons receive training in professional knowledge, system operation capabilities, communication, and service. Sales personnel also enhance their understanding of customers, rationalize the use and allocation of work time, improve work efficiency, and provide customers with efficient and high-quality service. By 2023, customer satisfaction reached 99.53%.

06

Sustainable Production

Safety Management System

Chemical Safety

Occupational Health Management

Safety Culture And Training

Emergency Management

The SDGs That This Chapter Responds To
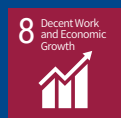
Main Actions

We establish a occupational health and safety management system and a full-staff safety production responsibility system, promote the 'one line and three checks' safety inspection, continuously improve the safety performance of production facilities, constantly improve the safety production management system, implement safety training for all staff, and carry out multiple emergency plan drills.

SAFETY MANAGEMENT SYSTEM

Each factory has established a safety management organizational structure, with the general manager assuming the main responsibilities of the unit. Regular safety meetings are held monthly or quarterly to follow up on the progress of key work, review and decide on safety work objectives, plans, and major safety matters. The safety management department exercises management functions such as safety production supervision and coordination. Techwise Fogang and Techwise Shirai have passed the ISO 45001 occupational health and safety management system certification.

The company fully implements the principle of 'dual responsibility for one position, safety must be managed for business, and safety must be managed for production and operation', ensuring the safety of employees, contractors, visitors, the local community, and the environment. Each factory establishes a safety management system with safety responsibility as the core, implements the full staff responsibility system for safety production, and signs a Safety Production Responsibility Letter with all staff

members. To comprehensively identify hazards in the workplace and operational processes, the factories conduct hazard identification annually, establish a list of hidden dangers, conduct weekly 'one line and three checks' safety check, and establish a Hidden Danger Governance Ledger. The main responsible persons participate in safety inspections organized by the safety department every month to continuously eliminate safety production hazards.

To motivate all staff members to actively participate in safety production work and enhance their sense of responsibility, the company has established a Safety Production Rewards and Punishments System, which rewards individuals and departments that have made significant achievements in safety work, and deducts safety performance or rewards for individuals or departments that fail to achieve safety goals or meet safety requirements. Safety performance requirements are included in the performance evaluation criteria for management personnel.

CASE STUDY

Continuously Improving Safety Management Systems

Techwise Huiyang continues to improve its factory safety management system. In 2023, it formulated and issued safety management systems such as the 'Duty Safety Management System, Holiday Leave Safety Management System, Safety Inspection Management System, Heating Pen Safety Management Requirements, and Painted Pulling Safety Management Requirements.

Each factory has formulated outsourcing construction safety management systems such as Interested Party and External Labor (Unit) Safety Management System, Outsourcing Construction Work Process, and Construction Safety Management Regulations, covering all contractors involved in engineering projects, daily labor, transportation, and loading and unloading safety management. All contractors entering the factory must undergo qualification pre-approval and qualification review, formulate safety production guarantee measures, and sign the Business Outsourcing Safety Management and Construction Agreement. The safetydepartment supervises and inspects the implementation of safety measures at the contractor's work site.

Key Indicators

2023

The total annual safety investment of the three factories reached:

29.05 million yuan.

Serious injuries and above accidents: **0**

Major equipment accidents: **0**

Fire accidents: **0**

CHEMICAL SAFETY

The company has established the Dangerous Chemical Safety Management System, Flammable and Explosive Chemical Storage and Use Control Instructions, and Safety Management Instructions for Precursor Toxic Chemicals, which supervise and manage the entire process of procurement, loading and unloading, use, production, storage, and transportation of dangerous chemicals. All dangerous chemicals are stored in designated areas, and the storage places are posted with Material Safety Data Sheet (MSDS) and prominent safety warning signs. The personnel in charge of dangerous chemical management are certified for their positions. Precursor and explosive chemicals are stored on-site in a classified manner, with daily inventory checks to ensure accurate accounting.

OCCUPATIONAL HEALTH MANAGEMENT

The company strictly complies with the requirements of regulations such as Law of the People's Republic of China on Prevention and Control of Occupational Diseases, establishes a series of occupational health management systems, establishes occupational health management files as required, fulfills the obligation to inform employees of occupational health hazards, continuously carries out occupational health promotion and training, improves labor protection measures, and continuously improves working conditions. Employees sign an occupational health notification letter upon joining the company, which mainly includes job-related occupational hazards, preventive measures, labor protection measures, and responsibilities.

Each factory identifies occupational disease hazards for each position and adopts technical measures to reduce occupational hazards. The production process of the assembly line equipment should be as enclosed as possible, and ventilation and dust removal devices should be installed to reduce the emission of dust and chemicals. The etching line adopts a closed automated production line, with robotic arms completing the board placement, and chemicals are transported through dedicated pipelines to reduce the frequency of employee exposure to chemicals. The company entrusts qualified third-party testing organizations to conduct occupational hazard factor testing annually and occupational hazard factor status evaluations every three years. The testing items include chemical hazards, production dust, noise, high temperature, etc. The test results are publicly displayed through bulletin boards.

The Closed Dust Suction Technology Is Used For Drilling Holes In The Boards

Automatic Addition Device For Chemical Solutions

CASE STUDY

Techwise Shirai Noise Workplace Renovation Project

In 2022, Techwise Shirai invested 2.34 million yuan to add 12 automatic board placing equipment to improve the excessive noise of board grinding position and electroless copper position in the workshop. Twelve automatic board placing equipment were added to replace manual board placing by employees, reducing the working time of employees in noisy environments and thus reducing the impact of noise on them.

In 2023, the occupational hazard status evaluation report showed that all chemical hazards and production dust testing results were qualified. The company has made improvements to the noise equipment in some positions, and the noise intensity is decreasing. The company arranges occupational health examinations for employees engaged in work involving occupational hazards. During the reporting period, no cases of occupational diseases occurred.

Key Indicators

2023

Occupational disease incidence rate: **0**

SAFETY CULTURE AND TRAINING

In order to improve the safety awareness of employees, strengthen their sense of responsibility for safety production, and enhance their awareness of compliance with rules and labor discipline, the safety department formulates an annual safety training plan. The training courses include: Level 3 safety education, safety production management knowledge, training on handling explosive materials, training on handling precursor toxic substances, fire safety training, confined space training, occupational health training, etc.

Techwise Shirai completes various safety training courses according to the annual plan, including training for 17 external hazardous chemical practitioners, training for 11 external personnel in occupational health, safety, and environmental protection management, and training for 15 special operation personnel for annual review and new certification. We also organize safety production month activities with the theme of 'everyone talks about safety, everyone knows emergency response', including studying major accident cases and identification and rectification of hidden dangers, strengthening safe operation and emergency response capabilities at work, participating in evacuation drill training camps and learning fire emergency equipment operation through videos. We also organize emergency rescue drills to enhance the safety awareness and skills of all employees.

Techwise Shirai Safety Operation Capability Training

Techwise Shirai First Aid Training

Techwise Shirai Safety Skills Competition

Techwise Shirai Fire Extinction Drill

EMERGENCY MANAGEMENT

Each factory has established a system of emergency response plans for safety production accidents, including comprehensive emergency plans, special emergency plans, and on-site disposal plans. The on-site disposal plan includes initial fire, personal injury accidents, electric shock accidents, poisoning and suffocation accidents, container explosions, and other emergency situations. The company arranges for employees to learn the contents of emergency disposal plans and regularly conducts emergency drills to enhance employees' emergency disposal capabilities and ensure their health and safety.

To quickly and effectively deal with emergencies, each factory has established emergency organizational structures, including emergency command headquarters, advance teams, rescue teams, evacuation teams, communication teams, and logistics teams. Emergency supplies and facilities such as first aid kits, eyeshowers, fire-fighting anti-chemical clothers, self-contained breathing masks, positive pressure respirators, safety ropes, and stretchers are provided in each workshop. Safety information boards, emergency procedures, and emergency evacuation maps are also arranged in each workshop.

The company has organized 19 emergency drills throughout the year, with a total of 4,895 participants. These drills included comprehensive fire emergency drills, confined space emergency drills, chemical leakage emergency drills, dust explosion emergency drills, forklift emergency drills, elevator emergency disposal drills, pressure pipeline emergency drills, pressure vessel emergency drills, and thermal oil furnace emergency drills, further enhancing the emergency capabilities of all employees.

Techwise Fogang Fire Fighting Drill
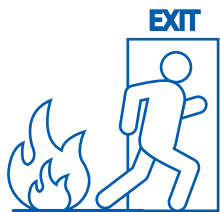
Techwise Shirai Joint Fire Fighting Drill

Techwise Fogang Confined Space Drill

Techwise Huiyang Thermal Oil Furnace Emergency Drill

07

Sustainable Environment

Response To Climate Change

Environmental Management

Resource Saving And Recycling

The SDGs That This Chapter Responds To

Main Actions

We carry out energy-saving and emission reduction projects and carbon footprint assessment, promote the application of photo-voltaic power generation technology, implement environmental monitoring and inspection, carry out treatment of three wastes, promote the recycling of waste, and actively participate in CDP disclosure projects.

RESPONSE TO CLIMATE CHANGE

Human sustainable development is affected by global climate change. Enterprises must actively respond to climate change, implement energy-saving and emission reduction measures, develop and apply green innovative solutions and low-carbon products. This not only reduces pollutant emissions and improves resource and energy utilization efficiency, but also provides an effective way for enterprises to seek breakthroughs and development.
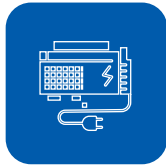
To cope with climate change, Techwise has implemented a number of measures, including the use of green power technology, promotion of photovoltaic power generation, and replacement of energy-saving equipment. In 2023, the company actively participated in climate change-related projects, such as CDP disclosure projects and EcoVadis projects.

Quality Management System

The PCB manufacturing industry is a high-energy-consumption industry, with energy consumption mainly distributed in the electroplating process and auxiliary facilities. By improving production processes, enhancing equipment efficiency, and implementing effective energy-saving measures, companies can not only reduce operating costs and improve economic benefits, but also reduce environmental impact and achieve sustainable development.
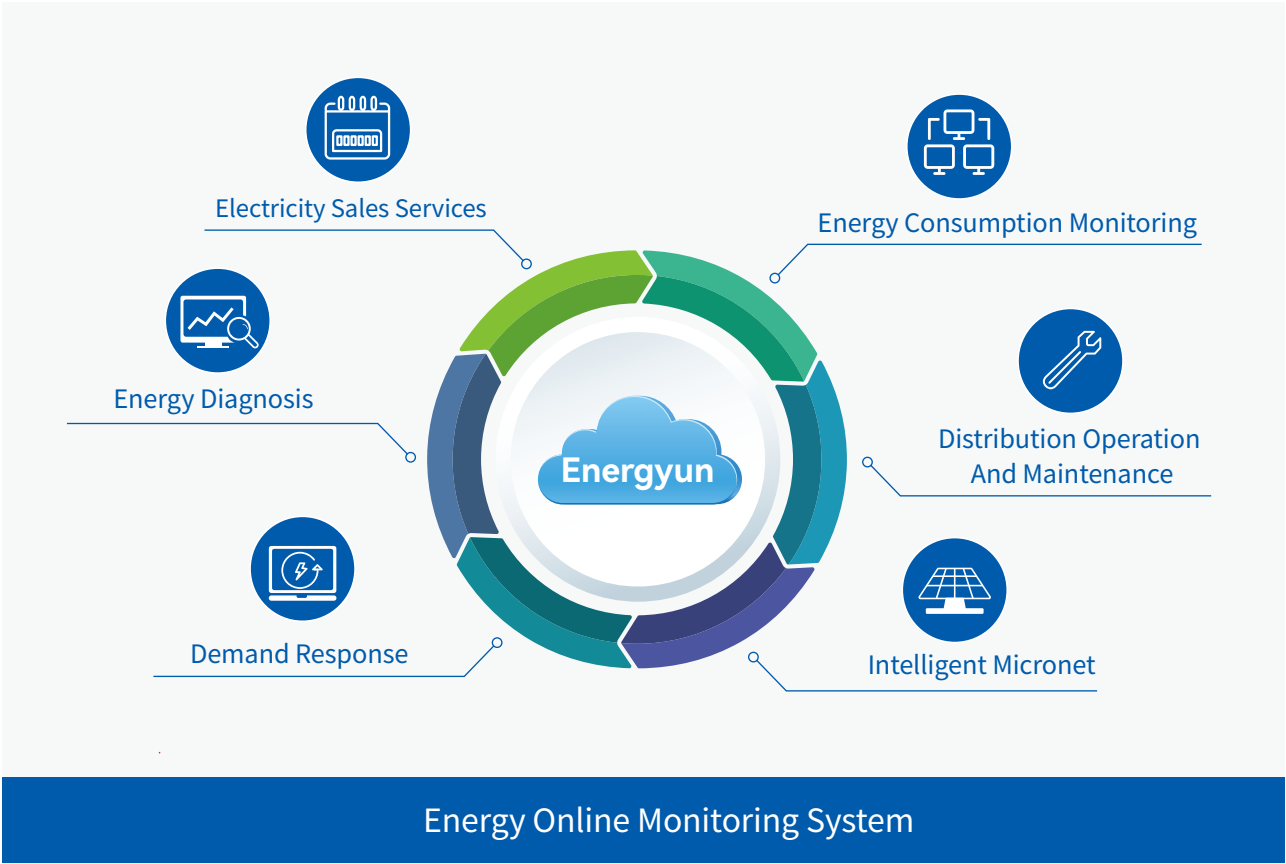
Techwise initiated energy management system construction in 2023, and each factory has issued an energy-saving plan for the 14th Five-Year Plan period, setting energy-saving goals for the period. In response to the energy-saving plan, each factory has established an energy-saving leadership group and an energy-saving management office, responsible for implementing various tasks in the energy-saving plans, clarifying management responsibilities and work procedures, establishing energy-saving management mechanisms, meeting systems, assessment methods, and conducting energy-saving publicity and training, etc. Techwise Fogang has implemented a standardized system for electricity consumption per unit in order to assign electricity consumption responsibilities to each process and individual, which has achieved good energy-saving results

Energy-saving Targets For The 14th Five-year Plan	2025 (With The Base Year Being 2020)	
	Target For Comprehensive Energy Consumption Per Unit Of Product	Target For Comprehensive Energy Consumption Per Unit Of Output Value
Techwise Fogang	Decrease by 20.00%	Decrease by 11.09%
Techwise Shirai	Decrease by 5.0%	Decrease by 8.16%
Techwise Huiyang	Decrease by 15%	Decrease by 15.2%

Energy Online Monitoring And Metering

In order to ensure accurate energy metering, energy online monitoring systems have been deployed in all factories. Among them, Techwise Fogang launched the real-time online energy monitoring system in June 2021 and passed the acceptance of the Guangdong Low-Carbon Development Promotion Association in 2022. The energy online monitoring systems realize functions such as energy data collection, processing, analysis, and management of energy equipment, energy performance assessment, energy balance, and energy prediction. It is also connected to the city-level energy consumption online monitoring system. Each plant has established a three-level energy metering management system, with a 100% installation rate of first and second-level electricity meters, and a more than 90% installation rate of third-level electricity meters. Qualified energy metering administrators are also appointed.

Electricity Sales Services

Energy Consumption Monitoring

Energy Diagnosis

Energyun

Distribution Operation And Maintenance

Demand Response

Intelligent Micronet

Energy Online Monitoring System

Clean Energy

In response to the national energy transformation and green low-carbon policies, each factory has installed photovoltaic power generation facilities in stages. By 2023, the total photovoltaic power generation is expected to reach approximately 2,354,000 kWh, which is equivalent to a reduction of 1,342 tons of carbon emissions.

Photovoltaic Power Generation Project Output

Factory	Installed Capacity (kwp)	Total Electricity Generation In 2023 (M kWh)
Techwise Fogang	1684.715	140.36
Techwise Shirai	716.9	55.00
Techwise Huiyang	1092.18	40.04
Total	3493.795	235.40

CASE STUDY

Techwise Fogang 1684.715 kWp Photovoltaic Power Generation Project

In 2022, Techwise Fogang commissioned a professional organization to simulate and calculate the photovoltaic power generation using the pvsyst, a photovoltaic power generation simulation software. It was determined that the local average daily sunshine hours were 3.25 hours, the annual horizontal solar radiation was 1188.3 kWh/year, and the available hours were approximately 1000 kWh/year. This area has abundant resources and is suitable for installing solar photovoltaic power stations.

After the project implementation, the project has occupied an area of approximately 15,000 m2of roof space, under the base of keeping original power distribution unchanged, the electricity generated by the photovoltaic system is converted into AC power by the inverter and then connected to the 380V low-voltage side of the distribution room to directly supply power for production.

Techwise Fogang Photovoltaic Power Generation Site

Techwise Huiyang Photovoltaic Power Generation Site

Energy-saving Technology Application

In the past three years, the factories of the company have implemented large-scale energy-saving projects such as air compressor replacement, air compressor heat recovery, air conditioning system transformation, and boiler waste heat recovery. In the future, we will continue to implement various energy-saving and emission reduction measures to improve energy utilization efficiency and build green and low-carbon factories.

Key Performance

2023

Techwise Fogang completed a **950** million kWh energy-saving project.

Techwise Shirai completed a **25.32** kWh energy-saving project.

Techwise Huiyang completed **1293** million kWh energy-saving project

Some Major Energy-saving And Emission Reduction Projects (Sorted By Completion Date)

Factory	Completion Year	Project name	Project introduction	Energy-saving benefits (M kWh/year)	Carbon Emission Reduction (tCO2)
Techwise Huiyang	2021	Heat recovery of air compressor replacing electric heating source	The heat from the exhaust air of the air compressor is recovered and used to heat water for the heating of the horizontal immersion tin chemical tank, replacing electric heating pipes and saving electricity consumption.	40	228
Techwise Shirai	2021	Replace old screw air compressors with permanent magnet air compressors	11 G75 Atlas screw air compressors installed from the establishment of the factory in 2002 to around 2019 are replaced with 3 220KW domestic Baode permanent magnet variable frequency air compressors, saving more than 30% of electricity consumption per month through electricity measurement.	240	1369
Techwise Fogang	2022	Modification of drilling and milling machine 's cooling water	The cooling water of the drilling and milling machine was modified to remove the heat from the equipment directly out of the workshop, saving energy consumption of air conditioning and ensuring the stability of equipment operation.	96	547
Techwise Fogang	2022	Replace centrifugal units with magnetic levitation cooling-water units	Transform the central air conditioning refrigeration system into an efficient central air conditioning refrigeration system.	59	339
Techwise Shirai	2022	Transform the blower of the biochemical pool in the waste water department into a gas-suspension silent and energy-saving blower.	Transform the high energy-consuming (55KW) and noisy old-style blower of the biochemical pool into a Ritz gas-suspension silent and energy-saving blower (37KW).	10	59
Techwise Huiyang	2022	Replace the screw cooling-water unit with a magnetic levitation frequency conversion centrifugal cooling-water unit.	Transform the central air conditioning and process cooling water refrigeration system into an efficient central refrigeration system.	543	3097
Techwise Fogang	2022	Replacing Screw air compressors with permanent magnet air compressors	Replacing the 5 160KW Atlas screw air compressors purchased in 2007 with 4 220KW domestic Baode permanent magnet variable frequency air compressors, resulting in a monthly electricity savings of approximately 20% based on electricity measurements.	252	1437

CASE STUDY

Air Compressor Technical Transformation Project

In 2023, all three factories carried out equipment upgrades for air compressors, replacing single-stage screw compressors with permanent magnet variable frequency two-stage compressors. Through electricity measurement, Techwise Fogang saves about 20% of electricity consumption per month, Techwise Huiyang saves about 22% of electricity consumption per month, and Techwise Shirai saves more than 30% of electricity consumption per month. The total monthly electricity savings for the three factories is 710,000kWh.

Some Major Energy-saving And Emission Reduction Projects (Sorted By Completion Date)

Factory	Completion Year	Project name	Project introduction	Energy-saving benefits (M kWh/year)	Carbon Emission Reduction (tCO2)
Techwise Huiyang	2022	Replacing single-stage screw air compressors with permanent magnet variable frequency two-stage air compressors	Replacing 12 75KW and 1 160KW old air compressors with 5 160KW domestic Naineng permanent magnet variable frequency two-stage air compressors, resulting in a monthly electricity savings of approximately 22% based on electricity measurements.	360	2053
Techwise Fogang	2023	Heat recovery from air compressors and replacement of heat source with three-in-one units	The heat generated by the original compressed air and released to the cooling tower is collected through pipes, used to heat water, and supplied to the workshops. The generated cold air is sent to the workshops for use in the production lines. The efficiency of the heat pump is about 3 times higher than direct electric heating, and it reduces the power consumption of the original cold air in the workshops.	720	4106
Techwise Huiyang	2023	Replacing the heat source with a cold and hot three-in-one-unit	Using an air source heat pump three-in-one-unit to heat water and supply it to the workshops for use in the production lines. The efficiency of the heat pump is about 3 times higher than direct electric heating. The generated cold air is recovered and used for the workshops' air conditioning, reducing the power consumption of the original cold air in the workshops.	350	1996
Techwise Fogang	2023	Transform of recovering waste heat from boilers	Transform the workshop's use of automatically adjusting the pressure of the heat transfer oil, and add frequency conversion function.	7	39
Techwise Shirai	2023	Transformation of constant temperature heating device in production line to air source heat pump	The electric heating pens used in the various inchemical tanks in the production lines have low energy efficiency and poor safety. They were replaced with air source heat pumps for heating 2023. By the end of 2023, 95% of the total project volume was completed, and it is estimated that it can save 4.52 millionkWh of electricity per year based on theoretical calculations.	452	2578

Note: The electricity emission factor adopts the average emission factor of the national power grid in 2022, which is 0.5703t CO2/MWh.

CASE STUDY

Techwise Fogang Drilling And Milling Machine Cooling Water Retrofit Project

In 2022, Techwise Fogang carried out a retrofit for the drilling and milling machine cooling water system, and after the retrofit, the heat from the equipment is directly taken out of the workshops, saving energy consumption for air conditioning. The annual electricity savings amount to about 960,000 kWh, equivalent to 118 tons of standard coal and a carbon emission reduction of 547 tons. This project received the Transformation Award from the Hong Kong Productivity Council in 2022.

ENVIRONMENTAL MANAGEMENT

Each factory establishes an environmental management system and an environmental management organization in accordance with the requirements of ISO 14001:2015. Through the operation of the systems, annual environmental management plans and indicators are formulated, environmental inspections and emission monitoring are regularly conducted, cleaner production technologies are promoted and applied, and environmental performance is continuously improved. Kohler Foshan, Techwise Huiyang, and Kohler Shirai have all passed ISO 14001 certification.

Environmental Monitoring And Information Disclosure

Note: For more information, please visit the company's website http://www.techwise-circuits.com/chinese/plants.jsp to view the environmental information of the three factories.

The company complies with the requirements of the local environmental protection administrative department to carry out environmental monitoring. The process wastewater is monitored in real time by the factory wastewater treatment station, and the data is updated every hour and transmitted to the Guangdong Province Pollution Source Information Monitoring Platform. A comprehensive inspection is conducted by a third party every month. Each factory realizes online monitoring of organic waste gas VOCs and connects to the local environmental protection bureau monitoring platform. The factories conduct organized and unorganized waste gas emissions testing by a third party every six months, and the environmental noise at the factory boundaries is tested by a third party every quarter. During the reporting period, the results of wastewater, waste gas, and noise testing in each plant area all meet the requirements of emission standards.

The company publicly promotes the annual statistical results of wastewater, waste gas, and noise monitoring, the construction and operation of pollution control facilities, and the environmental impact assessment and environmental protection permit status on the company's bulletin board. The detailed information on environmental information for the previous year is published in the "Environmental Information" section on the company's website.

Cleaner Production

Kohler Foshan and Kohler Shirai obtained the Cleaner Production Certification in Qingyuan City in 2020 and were included in the 21st batch (2020) of approved enterprises in the Cleaner Production Audit and Acceptance List of Qingyuan City. In April 2008, the Environmental Protection Department of the Government of the Hong Kong Special Administrative Region (EPD), together with the Guangdong Provincial Economic and Information Commission (now known as the Guangdong Provincial Department of Industry and Information Technology),

launched the Cleaner Production Partnership Program to assist Hong Kong-funded factories in Hong Kong and Guangdong Province in adopting cleaner production technologies and practices. In 2022, Kohler Shirai, Kohler Fogang, and Kohler Huiyang were all included in the 2022 list of "Hong Kong-Guangdong Cleaner Production Partners".

▲
Hong Kong-Guangdong Cleaner Production Partner

Exhaust Gas Treatment

The waste gas generated in the production process of the company is mainly acidic, alkaline waste gas and organic waste gas. For acidic and alkaline waste gas, they adopt alkaline neutralization method and acid neutralization method for treatment. For organic waste gas, they adopt "electrostatic and activated carbon adsorption and desorption" or "spraying, activated carbon adsorption and desorption and catalytic combustion" processes for treatment.

The daily production of each factory carries out a strict exhaust gas control and treatment system, regularly inspects and repairs the equipment to ensure the normal operation of environmental protection treatment facilities, and regularly commissions a third party with testing qualifications to test the company's organized and unorganized exhaust gas. In 2023, the exhaust gas pollutants from three factories have all met the standards. Specific information can be found in the environmental disclosure section on the company's website.

CASE STUDY

Techwise Fogang Vocs Deep Treatment And Rectification

In 2021, Techwise Fogang added an 'activated carbon adsorption-desorption + catalytic combustion' system to the existing two sets of organic waste gas treatment equipment in Phase I, significantly improving the treatment effect on the basis of meeting the standards in the original system. The concentration of VOCs in the treated waste gas is much lower than the standard limit, minimizing the emission of organic waste gas.

Wastewater Treatment

Each factory strictly controls the diversion and management of wastewater according to environmental requirements: domestic sewage is pre-treated in regional septic tanks and then enters the municipal sewage network; process wastewater is discharged to the wastewater treatment station in each plant area through dedicated pipelines for classification treatment. Process wastewater mainly comes from links such as surface rubber removal, oil removal, board grinding, tanning, development, etching, etc. The main pollutants include heavy metal copper ions, organic matter COD, ammonia nitrogen, etc. The treatment process for copper ions is chemical coagulation and precipitation, while organic matter is mainly treated through biochemical processes. A portion of the treated process wastewater is reused, and the rest is discharged after meeting the standards. Online monitoring equipment is installed at the discharge outlets of the factory's wastewater workshop and the main discharge outlet, enabling real-time dynamic monitoring. The main control parameters for the factory's wastewater control project are COD, ammonia nitrogen, total copper, and total nickel. The total amount control for the three factories from 2021 to 2023 all meet the requirements.

CASE STUDY

Techwise Huiyang Wastewater Treatment Plant Construction Project

The Techwise Huiyang wastewater treatment plant started the upgrade and renovation of wastewater treatment in April 2019, with an investment of approximately 40 million yuan. After completion and commissioning, it changed the situation of discharging 3,000 cubic meters of electroplating wastewater to the sewage treatment plant every day. After being put into operation, the unified collection of electroplating wastewater is achieved. It enters the wastewater treatment station through the air discharge pipeline and goes through two stages of coagulation and sedimentation, as well as various treatment processes, to ensure that the effluent quality meets the Class V surface water standards for COD, ammonia nitrogen, and total phosphorus. After environmental protection acceptance, it can be directly discharged into fresh water rivers.

Waste Management Treatment

The waste generated in the company's daily production includes domestic waste, general solid waste, and hazardous waste. The general solid waste mainly consists of waste paper, waste wood, waste steel, waste copper-clad laminate scraps, and waste plastics. The hazardous waste mainly includes copper-containing sludge, copper-containing waste liquid, tin-containing waste liquid, waste film residue, and waste circuit boards. All waste is entrusted to qualified third-party treatment organizations for disposal. The company is required to conduct statistics and reporting on general solid waste and hazardous waste in accordance with the requirements of the environmental protection department.
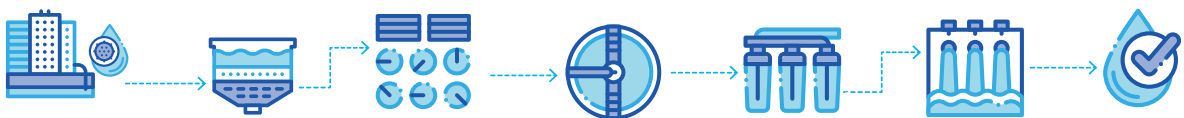
Internal Recycling Of Waste

The company follows the principles of reduction, resource utilization, and harmlessness in the management and disposal of waste. Firstly, it strives to improve the utilization rate of resources and reduce the generation of waste. For unavoidable waste, priority is given to internal recycling. For waste that cannot be reused, qualified disposal vendors are considered for harmless disposal to avoid environmental pollution.

Key Performance

In **2023**, Techwise Shirai recycles **3904** tons of copper-containing waste liquid internally , accounting for **92.93**% of the total generation; and **1016** tons of tin-containing waste liquid internally, accounting for **87.32**% of the total production.

CASE STUDY

Techwise Fogang Waste Liquid Regeneration and Reuse Project

Before 2022, Techwise Fogang generated a large amount of acidic etching waste liquid, alkaline etching waste liquid, and tin recovery waste liquid every year. The company had always had to entrust qualified units to dispose of these hazardous wastes, which is costly and causes a significant loss of resources due to external treatment. In 2022, Techwise Fogang initiated the regeneration and reuse project, adding 1 alkaline etching waste liquid regeneration and reuse system, 2 acidic etching waste liquid regeneration and reuse system, and 1 tin recovery waste liquid regeneration and reuse system to treat the waste liquid generated during the production process. The project is designed to regenerate 500 tons/a of acidic etching waste liquid, 2,757 tons/a of alkaline etching waste liquid, and 593 tons/a of tin recovery waste liquid, greatly improving the resource utilization rate and reducing treatment costs.

RESOURCE SAVING AND RECYCLING

Techwise adheres to the concept of sustainable development and actively promotes the circular economy, advocating and practicing the 3R principle of reducing usage, reusing as much as possible, and recycling to promote efficient use of resources. We believe that every small change will accumulate into a significant positive impact on the environment. We hope to contribute to the construction of a resource-conserving and environmentally friendly society through our efforts.

Water Resource Management

The company follows the water permit system and water quota system to ensure the sustainable use of water resources by reasonably extracting water based on the enterprise's water resource quota. Water demand mainly includes pure water manufacturing, production water, central auxiliary equipment cooling water, and domestic water. To accurately manage water usage, water meters are installed at all levels of the factories, and data are recorded daily and regularly summarized.

Each factory purchases water-saving equipment to control water usage from the source; in terms of water-saving technology, deionized water equipment and reclaim water recycling systems are installed to collect air conditioning cooling water and rainwater for recycling, improving water recycling rate; and in terms of management, the standardized system for water consumption per unit is implemented, fundamentally assigning water consumption responsibility to processes and individuals. In 2021, Techwise Huiyang was awarded the title of 'Huizhou Water-saving Enterprise' by the Huizhou Industrial and Information Bureau.

Key Performance

Proportion of total water reused in water cycle in **2023**:

Techwise Huiyang: **59**%

Techwise Fogang: **60**%
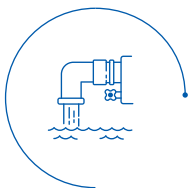
CASE STUDY

Water-saving And Emission Reduction Project Implemented In Techwise Fogang

In 2022, Techwise Fogang proposed a water-saving and emission reduction implementation plan and established a water-saving leadership group, with the general manager as the group leader. After analyzing the current situation of water usage in the factory, we brainstormed and developed water-saving measures. By implementing measures such as using deionized water (DI water) for air conditioning cooling towers, using DI water for toilets, using reverse osmosis water (RO water) for the purification tower, and using reclaim water recycling systems for grinding and washing machines, we can achieve a monthly water saving of about 35,000 tons according to the design capacity.

Distribution Of Water Sources For Water–saving In Techwise Fogang

51% 23% 26%

Water Saving In Production Line

Reclaim Water Recycling System
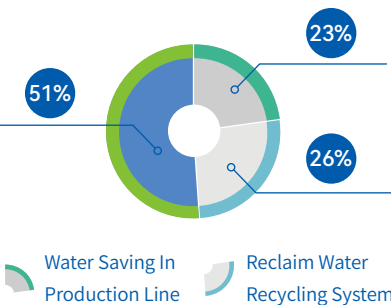
CASE STUDY

Techwise Huiyang Introduced Developer Solution Filtration Machine

In 2023, Techwise Huiyang introduced a developer solution filtration machine. After filtering the ink, the machine can recycle the green oil developer solution used in the developer tank. During the recycling process, ink residues in the solution are filtered out, which increases the frequency of changing the developer solution and reduces the amount of developer solution used. It can save 4,500 kg of developer solution and 150 tons of tap water annually. At the same time, it reduces the frequency of vat changing of the developer solution and extends the equipment maintenance period.

Case Study

Techwise Huiyang Introduced Diluent Vacuum Regeneration Machine

In 2023, Techwise Huiyang introduced a diluent vacuum regeneration machine. This equipment allows the reuse of distilled used diluent from low-pressure spraying machine during maintenance shifts. It can save 20 tons of diluent annually, achieving the reuse of diluent.

Recycling Of Raw Materials And Packaging Materials

The Three Factories Save
Acidic Etching Solution Each Year
More Than **6000** Tons

Save Alkaline Etching Solution
More Than **8000** Tons

Copper Extraction Nearly
2000 Tons

Three Factories Save
Tin Stripping Water Each Year
More Than **2000** Tons

Produce Pure Tin
More Than **100** Tons

From July To December 2023,
Directly Reduced The Use
Of Empty Barrels By
13142

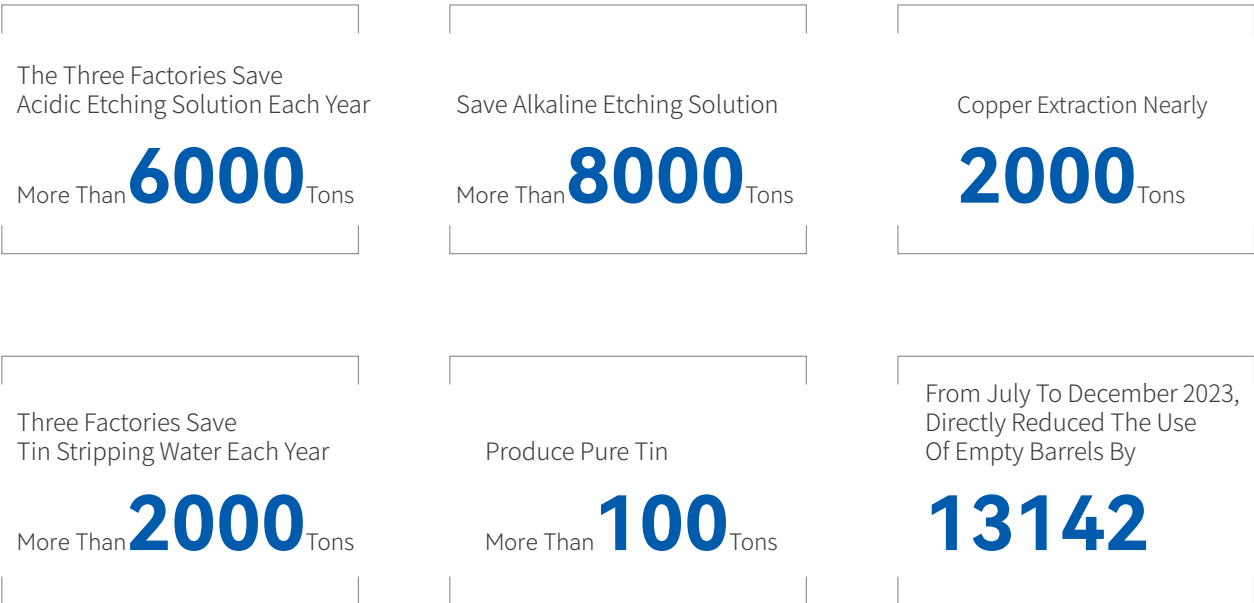The company has introduced multiple material recycling technologies, such as etching solution and tin stripping water recycling systems. Through the copper etching solution treatment system, the outer layer of copper etching waste liquid is treated to extract copper, and the cooper-extracted waste liquid is reused in the production etching process. The three factories save more than 6,000 tons of acidic etching solution, more than 8,000 tons of alkaline etching solution, and nearly 2,000 tons of copper extraction each year.

Through the introduction of tin stripping water treatment system, the outer layer of etching tin stripping waste liquid is treated to extract tin, and the tin-extracted waste liquid is reused in the production etching tin stripping process. Three factories save more than 2,000 tons of tin stripping water and produce more than 100 tons of pure tin each year.

Fogang and Huiyang factories have transformed the central chemical adding system, using ton barrels instead of small barrels. From July to December 2023, they directly reduced the use of empty barrels by 13,142, while also reducing the risk of staff packaging and chemical adding, and improving work efficiency.

CASE STUDY

Introduction Of Ldi Exposure Machine

Exposure plays a crucial role in the production process of PCB. Traditional exposure transfers images from film to PCB through mercury lamp irradiation, which requires higher energy and has lower efficiency. The LDI (Laser Direct Imaging) exposure machine directly images the image on the PCB using laser scanning. It eliminates the film process in the exposure, saving time and cost for loading and unloading films, and has the advantages of high efficiency and yield. In 2023, the company introduced another LDI exposure machine, increasing production efficiency by 400%. This has saved 3,000 films for Techwise Shirai and 17,000 films for Techwise Huiyang each year.

TECHWISE

Techwise Circuit Co., Ltd.

08

Sustainable Talent

Social Responsibility Policy

Employee Diversity

 Compensation And Benefits

Talent Introduction And Development

Employee Care

The SDGs That This Chapter Responds To

| 3 Good health and welfare | 4 Quality Education | 5 Gender Equality | 8 Decent Work and Economic Growth | 10 Reduced Inequalities |

Main Actions

listen to employee feedback and address their concerns through various means.The company establishes and implements various social responsibility management systems; provides compensation and benefits in accordance with legal requirements and reward outstanding employees; carries out multiple employee training and capacity enhancement programs;and listens to employee feedback and address their concerns through various means.

SOCIAL RESPONSIBILITY POLICY

Techwise practices corporate social responsibility by valuing the worth of individuals in production and contributing to consumers, the environment, and society. The company strictly complies with the laws and regulations of the People's Republic of China, such as the Labor Law, Provisions on the Prohibition of the Use of Child Labor, Provisions on the Special Protection of Juvenile Workers, Provisions on the Labor Protection of Female Workers, and the Anti-Unfair Competition Law. It has formulated the Social Responsibility Management document to standardize the management of labor, health and safety, ethics, employee code of conduct, environmental protection, and technological updates.

In its business operations, the company respects the employees' freedom of employment, firmly opposes the employment of child labor, forced labor, and discriminatory practices; protects and respects employees' rights to freedom of association and collective bargaining; provides a safe and healthy environment for employees; and adheres to the principles of integrity and business ethics, and eliminates unfair profits.

Prohibit The Employment Of Child Labor

- The company strictly adheres to the national laws and regulations. During the recruitment process, the recruitment personnel strictly verify the identity card, graduation certificate, and pre-employment medical examination form, and register after confirming the authenticity of the photo.
- The company has established remedial measures for child labor. If child labor is found to be mistakenly employed, appropriate remedial measures will be taken immediately to protect their legitimate rights and interests.
- The company and all production bases do not operate in high-risk areas for child

Protection Of Underage Workers

- The company has established the Special Protection System for Underage Workers to safeguard the legitimate rights and interests of underage workers and protect their health during labor production.

Prohibit The Forced Labor

- All employees hired by the company must be voluntary, and no forced labor is allowed. Deception is prohibited to lure workers to work in the factory. The company guarantees the freedom of labor and the right to rest for its employees.
- The company and all production bases are not located in high-risk areas for forced labor.

No Discrimination Is Allowed

- The company has established the Non-Discrimination System, which treats all employees equally without any discriminatory behavior in recruitment or labor production processes, ensuring equal pay for equal work regardless of gender.

Humane Treatment

- The company prohibits harsh and inhumane treatment such as sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal insults towards employees. Threats are also strictly prohibited.

Anti-bribery

- The company has established the Anti-Bribery Code of Conduct and Management System, which prohibits all employees from promising, providing, granting, giving, or accepting bribes, or obtaining undue benefits in any other form.

Key Performance

By **2023**

the company has not experienced any incidents related to the use of child labor, forced labor, or discrimination.

EMPLOYEE DIVERSITY

Techwise values employee diversity and is committed to creating an equal and respectful working environment. Employees are treated equally regardless of their ethnicity, gender, age, position, religion, physical condition, nationality, etc. Female employees are provided with equal employment opportunities, except for jobs and positions that are not suitable for women according to national regulations. The company does not refuse to hire women or raise the hiring standards for women based on gender. The company does not interfere with employees' rights to follow norms or requirements regarding race, social class, nationality, religion, disability, gender, sexual orientation, union membership, and union creed. Discrimination against employees on these grounds is strictly prohibited.

As of the end of 2023, the company has 3,222 formal employees, including 1,444 female employees, accounting for 44.8% of the total.

Distribution Of Employees By Gender

45%

55%

■ Female employee ■ Male employee
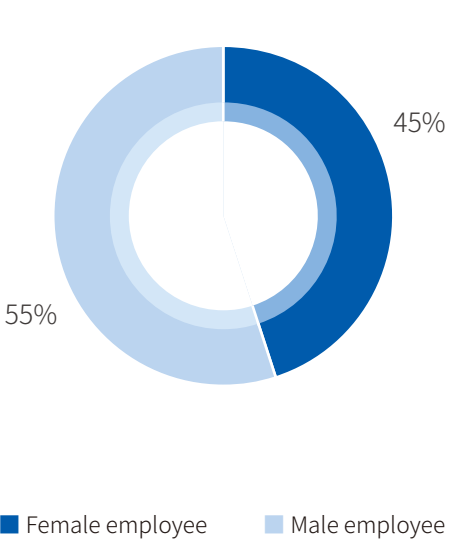
Distribution Of Employees By Age

8%

14%

78%

■ ＜30岁 ■ 30-50岁 ■ ＞50岁
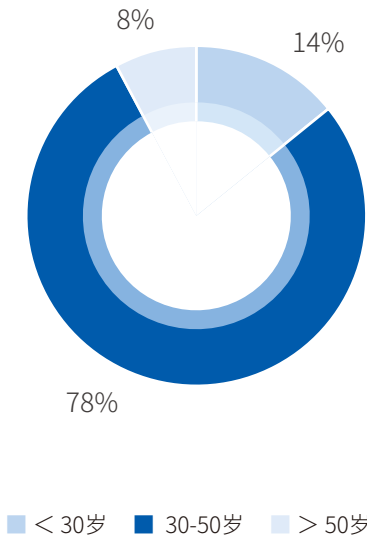
COMPENSATION AND BENEFITS

The company strictly complies with national and local laws and regulations, formulates a Compensation System, and follows the principle of equal pay for equal work between men and women. The minimum wage for all employees is higher than the local minimum wage level. In order to improve employee motivation, promote the overall development of the company, and achieve a win-win situation between employees and the company, Techwise adheres to the principles of objectivity, fairness, and continuous improvement, and has formulated and implemented the Performance Management System. Monthly performance evaluations are conducted for employees, and performance bonuses are awarded based on the evaluation results, providing employees with competitive salaries and bonuses.

In addition to timely and full payment of basic social security fees, the company provides multi-level welfare benefits, including paid leave, retirement re-employment with original salary, subsidies for disabled employees, special position allowances, high-temperature subsidies, and holiday benefits. These actions allow employees to feel the company's care and attention, and enhance their work motivation and sense of belonging. The company implements a reward system for employees who have outstanding performance and significant contributions. It has formulated Management Measures for Performance Awards, Special Contribution Rewards, and Requirements and Quotas for Selecting Outstanding Employees. It has established awards such as efficiency achievement awards, monthly outstanding employee awards, annual outstanding employee awards, special contribution rewards, and ten-year service awards. The reward system combines both spiritual and material rewards, stimulates employees' enterprising spirit, promotes continuous practical innovation, and covers all employees with welfare benefits. In 2023, a total of 56 outstanding employees were identified and awarded a total of 56,000 yuan in outstanding employee rewards across the three factories.

Mid-autumn Festival Welfare Distribution

Annual Free Physical Examination

TALENT INTRODUCTION AND DEVELOPMENT

Techwise practices a people-oriented approach, respects and trusts individuals, integrates employees' personal pursuits into the long-term development of the company, takes talent as the productivity of the company's development, and takes the true goodness and beauty of human nature as the basis of the company's management. The company provides equal development opportunities for every employee with a fair and open attitude, takes ability over education, and regards the mutual dependence and mutual promotion between employees and the company as the purpose of employment, hoping that employees and the company can achieve win-win results on the path of common progress.

Recruitment And Promotion

In order to ensure the standardized implementation of recruitment work, improve the efficiency of recruitment, and guarantee the quality of recruitment, the company has formulated the Employee Recruitment System and carried out recruitment work in accordance with the system. To ensure the fairness of recruitment work, the company stipulates that any conflict of interest shall be prevented in the recruitment process, and it is prohibited to employ, transfer, promote, etc. individuals who have a family relationship to work in the same department and the same group. Applicants must meet the legal age requirements, hold a valid ID card, and for special positions, they must hold the corresponding professional qualification certificate and pass the interview assessment before being employed.

At the beginning of each year, based on the development and production needs, with the aim of improving the quality of employees and providing strong human resources support for the company's development, the company formulates an annual recruitment plan and adopts diversified recruitment methods. The principle is to match the right person to the right position, and to continuously improve the company's talent reserve based on fairness, justice, and openness.

Recruitment Channels

- Network Recruitment
- Community Recruitment
- Campus Recruitment
- Employee Referrals
- Rotational Promotion
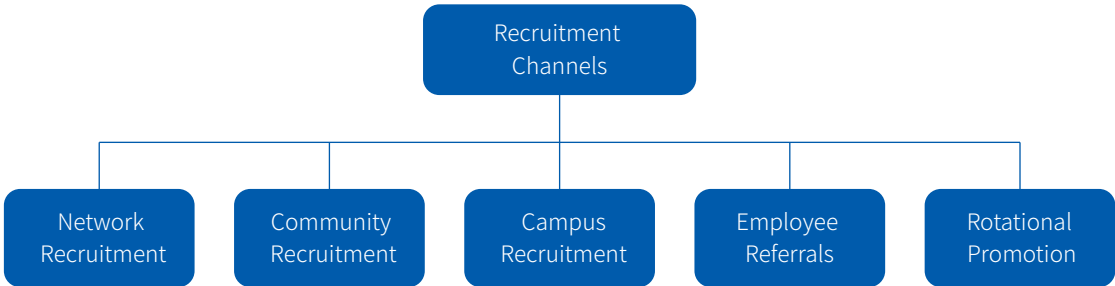
To fully mobilize the initiative and enthusiasm of employees, and encourage them to improve their work abilities, the company creates a fair, just, and open competition mechanism internally. It enhances the comprehensive abilities of personnel through job rotation, internal assessments, training, etc., and establishes a performance evaluation process. All employees undergo monthly, semi-annual, and annual assessments.

Key Performance

2023

All employees undergo regular performance evaluations.

Training And Capability Enhancement

To enhance employees' abilities and qualities, strengthen the company's talent pool, the company implements a talent development plan. Based on talent needs and employees' existing skills and qualities, tailored training plans are formulated, including internal training, external training, and job rotation.

To ensure the successful implementation of training work, the company has established a training committee to coordinate the company's education and training activities. The committee regularly analyzes training needs, reviews and discusses training plans, coordinates and supervises the implementation of training, and follows up on training effectiveness. Training management systems are developed to clarify the training responsibilities of each department, promote orderly and efficient training work, and establish an internal training system that includes pre-job training, on-the-job training, special internal training, job rotation training, and annual internal training. Training records are kept for each employee, and training files are established.

Pre-job Training

- The company provides pre-job training for all new employees, including corporate culture, quality policy, environmental policy, quality awareness, basic knowledge of common chemicals, industrial safety, and company regulations.

On-the-job Training

- Frontline employee on-the-job training adopts the master-apprentice model, and is assessed in four competency levels. The assessment is conducted through a combination of practical operation+ theoretical knowledge.Based on the assessment results, the Employee Competency Matrix is developed and posted in the production site, facilitating department resource optimization and individual employee competency tracking.
- Employees other than frontline employees are required to undergo professional skills training for their positions. The assessment is conducted in written form, and upon passing the assessment, they will be issued a qualification certificate for the position.

Special Internal Training

- The company requires special job category personnel to undergo professional knowledge training, including calibration personnel, physical laboratory personnel, laboratory personnel, electricians, forklift operators, welders, etc.

Job Transfer Training

- For employees who are transferred from one position to another due to work needs or personal reasons, the department supervisor or team leader will provide job training according to the actual needs to help the employees adapt to their new positions.

Annual Internal Training

- The company formulates training plans every year and conducts training according to the plans. The contents include professional skills, safety knowledge, etc., aiming to continuously improve the capabilities and awareness of employees.

Techwise Huiyang Conducts Comprehensive Management Capability Enhancement Training

In addition to internal training, the company actively introduces external training, such as training courses from the Kingboard Holdings Limited Management Academy, training by third-party professional institutions, and inviting professional personnel to give lectures, in order to strengthen the construction of the personnel team and further improve the company's competitiveness.

Techwise Shirai Offers Thai Language Learning Classes.

CASE STUDY

In-depth Management Training Class

In September 2023, Kingboard Holdings Limited's Kingboard Management Academy held a two-day In-depth Management training class in Fogang, inviting 7 affiliated factories in Fogang to participate, wherein a total of 38 middle and senior managers from three factories of Techwise. The training mainly covers five aspects: deep cognitive management, deep self-management, deep change management, deep responsibility management, and deep motivation management. It emphasizes that the qualities and values of managers are important factors in leading a team, promotes the improvement of managers' abilities, and enables them to lead employees to make greater contributions to the company's development.

EMPLOYEE CARE

Employees are valuable assets to a company. Techwise adheres to a people-oriented employee care policy, genuinely caring for the physical and mental health of employees and enhancing the cohesion of the company. The company has established effective communication mechanisms to understand the needs of employees and truly comprehend the problems and difficulties they face. Special attention is given to vulnerable groups, providing assistance and support to show care and warmth.

Employee Communication

The company utilizes various forms of communication such as surveys, department meetings, and forums to actively listen to the voices of employees, address their demands, and encourage them to provide suggestions and ideas. In order to protect the legitimate rights and interests of employees, promptly identify and address hidden problems, and establish effective communication channels, the company has also formulated the Appeal Management System to protect the legitimate interests of employees from infringement. The company has established an appeal committee and set up standardized processing procedures to conduct detailed investigations and understand the appeal events, and issue investigation conclusions.

In order to understand the satisfaction of employees, scientifically evaluate and improve the company's management systems, the company conducts employee satisfaction surveys every six months. The questionnaire covers 24 specific items including job satisfaction, company policies, welfare benefits, growth and development, leadership and management, quality concepts and awareness. The company analyzes and summarizes the results of each survey, proposes targeted improvement suggestions, responds to employees' concerns, and continuously improves the company's management systems to effectively strengthen a healthy and harmonious cultural atmosphere. By 2023, the overall employee satisfaction of each factory has reached the predetermined target value.

Each factory establishes a labor union, holds regular workers' representative congresses, and utilizes the power of the labor union to strengthen democratic management in the enterprise, safeguard the rights of employees to exercise democratic management in accordance with the law, fully mobilize the enthusiasm and creativity of the workers, and effectively improve the quality and economic efficiency of the enterprise. The company, in accordance with the Regulations on the Establishment of Workers Representative Congress System in Non-Public Enterprises and based on its own actual situation, has formulated the Implementation Rules for Workers Representative Congress Regulations to standardize the exercise of rights and obligations of the workers' representative congress.

CASE STUDY

Techwise Huiyang Held The Fifth Workers' Representative Congress

In July 2022, Techwise Huiyang held the fifth workers' representative congress, discussing and approving the revision of the Employee Handbook Implementation Rules, Attendance System, Dormitory Management System, Canteen Dining Management System, and other regulations. The revised regulations will take effect in September of the same year after obtaining consent.

Caring Activities

The company respects employees, understands employees, and cares for employees. It pays attention to the needs of minority groups, such as disabled employees, pregnant women, and ethnic minority employees, and strives to bring employees and the company closer together, building a loving and harmonious family.

Techwise's 2023 Employee Care Activities (partial)

Employee Care Symposium

The company cares for disabled and disadvantaged employees, conducts in-depth discussions to understand their needs and concerns, and provides targeted responses to help employees overcome difficulties.

Mid-autumn And National Day Ethnic Employee Activities

To care for the leisure cultural life of ethnic employees, strengthen the education of ethnic unity and progress, and strengthen the awareness of the Chinese nation as a community. During the Mid-Autumn and National Day holidays, the company organized a series of cultural and sports activities for ethnic employees, allowing them to feel the warmth of the ethnic family.

Celebrating Ethnic Minority Festivals

The company respects the traditional customs of ethnic minorities, cares about the work and life of ethnic minority employees, and organizes festival activities on important ethnic traditional festivals, such as Eid al-Fitr and Eid al-Adha.

Celebrating Eid al-Fitr Festival

Celebrating Eid al-Adha

Techwise Fogang Stadium, Track Renovation

Renovated Basketball Court

Renovated Football Field

The football field and basketball court of Techwise Fogang have been in use for over ten years. The company has observed signs of aging and damage on the fields. In order to provide employees with a well-equipped and pleasant activity area, a renovation project was launched and officially completed on July 5th. The renovated football field and basketball court have been completely transformed, providing a more comfortable experience for the company's employees. They have received unanimous praise from the employees.

The company aims to create a positive, healthy, optimistic, and progressive corporate atmosphere, cultivate a spirit of teamwork, enhance employees' sense of belonging and mission. With the support of corporate culture, various activities such as birthday parties, holiday events, outdoor activities, and sports competitions are organized to stimulate employees' enthusiasm and creativity, making talents an inexhaustible source of Techwise's development.

Techwise's 2023 Corporate Culture Activities (Partial)

Employee Birthday Party

The company regularly holds birthday parties for employees to care for each individual.

Techwise Foshan Employee Birthday

Techwise Huiyang Quarterly Birthday Party

Outdoor Activity

Techwise Huiyang will organize outdoor team building activities on May 6th and December 2nd respectively, to enrich employees' leisure time and enhance their enthusiasm for sports and teamwork.

Outdoor Team Building Activities

Outdoor Hiking Activities

Holiday Event

During traditional festivals such as Spring Festival, Lantern Festival, and Mid-Autumn Festival, the company organizes activities such as garden parties to enrich employees' leisure time, strengthen communication and interaction, and foster closer internal relationships.

Fun Activities For Spring Festival

Lantern Festival Garden Party

Mid-autumn Festival Park Outing

Sports Competition

In order to enrich the leisure life of company employees, cultivate good exercise habits, create a good sports atmosphere, and enhance employee relationships, the company organizes table tennis, badminton, and billiards competitions, and also collaborates with external organizations to hold basketball friendship matches.

Table Tennis Match

Pool Match

Badminton Match

Basketball League

09

Sustainable Society

Sustainable Supply Chain
Social Welfare

The SDGs That This Chapter Responds To

1 No Poverty

10 Reduced Inequalities

11 Sustainable Cities And Communities

12 Responsible Consumption and Production

16 Peace, Justice and Strong Institutions

Main Actions

Implementing a localization procurement strategy, conducting supplier social responsibility audits and performance evaluations, implementing the Supplier Code of Conduct, and conducting conflict mineral investigations annually; and conducting various forms of social welfare activities.

SUSTAINABLE SUPPLY CHAIN

Techwise is committed to establishing a win-win and long-term mutually beneficial cooperative relationship with suppliers, adhering to the concept of "sunshine transparency, healthy and orderly", adhering to good moral requirements and business norms, conducting fair operations, protecting the legitimate rights and interests of suppliers, guiding and promoting the sustainable development of suppliers, and through strengthening communication and cooperation with suppliers in corporate social responsibility management and low-carbon transformation, continuously promoting the healthy and green development of the supply chain.

Supplier Management

In order to meet the expectations and demands of stakeholders for the company's supply chain management, Techwise has established a supplier management system led by the procurement department, with participation from departments such as R&D, quality, technology, and production, covering new supplier introduction, monthly supplier assessment, annual evaluation, and management measures, etc. The company not only evaluates the technical and quality aspects, price, and delivery of suppliers' products, but also gradually incorporates social responsibility indicators into the scope of supplier evaluation, ensuring the orderly development of a comprehensive supplier evaluation framework.

New Supplier Introduction
- Quality assessment satisfaction
- Enviromental assessment satsfacton
- Social responsibility assessment

Supplier Audit And Management
- Monthly evaluation
- Annual on-site inspection and audit
- Social responsibility audit

Supplier Capability Enhancement
- Selection ofpotential suppliers
- Training and coaching for potential suppliers

Introduction Of ESG Management Evaluation Mechanism

The company is gradually introducing an ESG (environmental, social, and corporate governance) management evaluation mechanism, which includes the assessment and audit of suppliers' social and environmental performances. Through supplier self-assessment and on-site audits, suppliers will be reviewed and given an overall rating. Suppliers with higher ratings will have the opportunity for priority procurement and increased purchase volume, while suppliers with lower ratings will be provided with assistance and support, and required to complete rectification within a specified period. If a supplier fails to rectify the issues or refuses to cooperate with the evaluation after multiple attempts, the company will terminate its cooperation with the supplier directly.

Localized Procurement

There are a total of 126 suppliers at all levels of the company, including raw material suppliers, equipment suppliers, equipment calibration service providers, and logistics service providers. In order to promote local economic development and achieve the best response speed and cost, over the past three years, Techwise has maintained a stable proportion of 97% of products purchased locally (within Guangdong province).

Key Performance

2023, **97**% localization procurement ratio

Selection Of New Suppliers

Techwise implements control over the introduction of new suppliers based on the requirements of the Supplier Evaluation Procedure, including potential supplier initiation conditions, selection requirements, evaluation process, and recognition requirements.

Initiate
- Improve product quality
- Backup resources

Selection
- Supplier survey evaluation form
- Supplier control type matrix evaluation

Assessment
- System audit
- Potential riskanalysis

Recognition
- Material trial (rawmaterial supplier)
- Import successfu
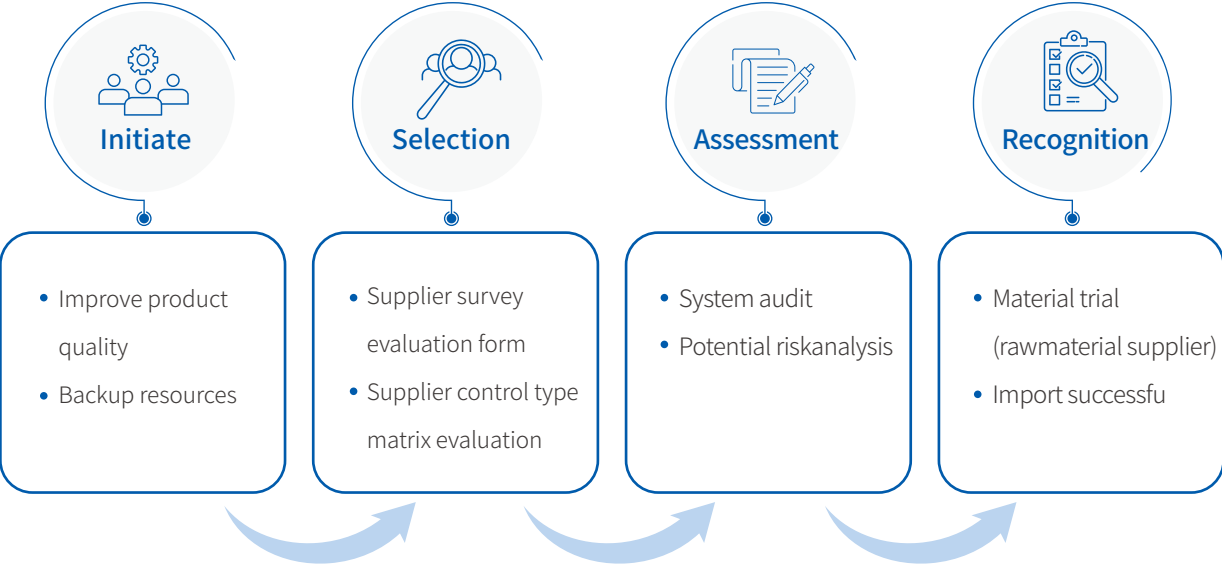
Note: Potential risk analysis refers to the VDA 6.3 P1 audit, which is an evaluation of new suppliers or existing suppliers in new locations or new projects.

● Criteria For Screening New Suppliers

In addition to quality quality evaluation, the company also takes into account the supplier's performance in labor rights, health and safety, environment, business ethics, and management systems, and treats illegal activities such as forced labor and child labor as zero tolerance issues.

Quality Quality Evaluation
- ISO 9001 Quality Management System Certification is required.
- Suppliers that have passed IATF 16949 can be given priority.

Environmental Assessment
- REACH substance inquiry form
- Suppliers that have passed ISO 14001 environmental management system certification can be given priority.

Social Responsibility Assessment
- Supplier social responsibility self-assessment report
- Supplier social responsibility on-site audit form

The company has delivered the Supplier Code of Conduct to suppliers to ensure that they are aware of the company's requirements regarding labor and human rights, business conduct and ethical standards, occupational health and safety, and environmental protection. Suppliers are required to sign the Anti-Bribery and Anti-Corruption Commitment, Confidentiality Agreement, and Declaration of Non-Use of Conflict Minerals.

Key Performance

2023

Supplier sign-up rate for the Anti-Bribery and Anti-Corruption Commitment: **100** %

Supplier Audit And Performance Management

● Monthly Evaluation And Audit Of Suppliers

The company evaluates and audits suppliers based on the Supplier Evaluation Procedure, and implements monthly assessments of suppliers according to the Supplier Evaluation Criteria and Application. Suppliers are scored based on quality, environment, on-time delivery rate, incoming material PASS rate, etc., and the final assessment score is used for management.

Supplier Assessment Score Management

Assessment Level	Assessment Result	Assessment Handling
A Level	90-100 points	Excellent performance, new project quotas can be given priority.
B-level	80-89 points	Good performance, the company can cooperate normally but follow-up may be required depending on the situation. If the assessment result is B grade due to quality issues or failure to meet the on-time delivery rate, the supplier needs to submit a Vendor Corrective Action Report (VCAR) and provide an improvement report in response.
C-level	60-79 points	The order quantity decreases in the following month, and VCAR is issued for improvement, the supplier will be downgraded if no improvement is made within the follow-up period, and an additional on-site audit will be conducted.
D-level	60 points or below	Purchase is suspended, VCAR is issued for improvement and an additional on-site audit is conducted.

● Supplier Annual On-site Audit

The company formulates the supplier evaluation plan and inspection plan for this year at the beginning of the year, and within two years, all direct material suppliers and outsourced processors need to be fully covered for process and system on-site audits. The scope of the audit includes supplier systems and manufacturing processes, using system audits and VDA 6.3 process audits. In addition, supplier social responsibility performance is audited through social responsibility questionnaires and on-site audits for core suppliers.

In 2023, a total of 27 supplier on-site audits were conducted, with 17 achieving A-level and 10 achieving B-level. All 10 B-level suppliers have submitted corrective action reports and meet the requirements for corrective actions.

Conflict Mineral Management

The company formulated the Conflict Minerals Management Directive in 2022, which sets out the requirements and management processes that all parties in the supply chain, including suppliers, mineral processors, and mining companies, need to comply with. Through close cooperation and communication with suppliers, the company signs the Declaration of Non-Use of Conflict Minerals to ensure that suppliers understand and comply with the Conflict Minerals Management Directive. At least once a year, the company conducts conflict minerals reporting template (CMRT) investigations into the use of conflict minerals by suppliers. If the use of conflict minerals is identified, the company contacts the relevant suppliers, requests a written explanation, and immediately ceases procurement.

Key Performance

2023

Percentage of signed Declaration of Non-Use of Conflict Minerals and completed investigations by raw material suppliers:

100%

SOCIAL WELFARE

The success of a company is not only reflected in its economic benefits, but also in its contributions and impact on society. Fulfilling social responsibility is not only a moral obligation, but also the cornerstone of long-term development. Techwise agrees with the concept of corporate social responsibility and consistently fulfills community obligations. By participating in public welfare activities, we can establish closer connections with society, create more value for society, and pave the way for the sustainable development of the company. We firmly believe that only by actively fulfilling social responsibilities can a company truly win the recognition and respect of society and achieve long-term and stable development.

CASE STUDY

Techwise Fogang Conducted Pre-holiday Visits And Condolences.

On the occasion of the Mid-Autumn Festival and National Day in 2023, representatives from Techwise Fogang Company were sent to visit and console the surrounding village committees and nursing homes with deep affection and gratitude.

The nursing home in Shijiao Town is located next to Techwise Fogang Company. Every year during the Mid-Autumn Festival, the company brings mooncakes and pomelos to the nursing home in Shijiao Town to convey the company's love and inherit the fine virtues of the Chinese nation.

▲
Mid-autumn Festival Nursing Home Visit

CASE STUDY

Support For Rural Infrastructure Construction

The factory building of Techwise Fogang shares a 1.8-kilometer-long water channel with the Weizai natural village in Jitian village. Due to lack of maintenance, the water channel is overgrown with weeds and filled with silt, causing poor drainage. During heavy rain, it leads to waterlogging, affecting the villagers' lives and posing safety hazards.

In late February 2023, after receiving reports on the condition of the water channel from the leaders of Shijiao town and Jitian village, Techwise Fogang Company took the initiative to bear all the expenses for the clearing and environmental improvement of the water channel. The construction of the water channel treatment project hired local villagers, ensuring flood prevention safety in summer and providing temporary income for the villagers.

Techwise also made a targeted donation of 80,000 yuan to Kewang village through the Fogang County Charity Association for rural infrastructure construction, making its due contribution to the economic development of Fogang.

CASE STUDY

Techwise Huiyang's Love Donation

In order to carry forward the company's fine tradition of poverty alleviation and fulfill its social responsibility, on September 28, 2023, Techwise Huiyang donated 45 sets of desks and chairs to Sanhe Liantang Mian Elementary School to improve the learning conditions for the children.
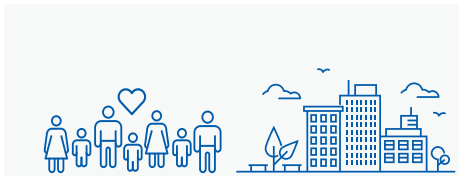
SUSTAINABLE DEVELOPMENT PERFORMANCE TABLE

● Operating Revenue (10^4CNY)

Subsidiary	2021	2022	2023
Techwise Fogang	127,493.09	126,010.41	129,959.38
Techwise Shirai	88,607.55	84,106.92	85,180.94
Techwise Huiyang	76,339.85	72,199.64	62,384.55
Total	292,440.49	282,316.97	277,524.87

● Tax Paid (10^4CNY)

Subsidiary	2021	2022	2023
Techwise Fogang	2,433.91	2,986.85	5,860.57
Techwise Shirai	2,651.72	2,477.34	4,002.43
Techwise Huiyang	2,638.56	4,351.63	3,095.48
Total	7,724.19	9,815.82	12,958.48

● Safety Investment (10^4CNY)

Subsidiary	2021	2022	2023
Techwise Fogang	230	192	1,198
Techwise Shirai	21	35	145
Techwise Huiyang	120	187	1,562
Total	371	414	2,905

● Investment In Environmental Protection (10^4CNY)

Subsidiary	2021	2022	2023
Techwise Fogang	990.52	882.79	942.96
Techwise Shirai	408.32	192.65	308.05
Techwise Huiyang	435.7	550.6	1,552.2
Total	1,834.54	1,626.04	2,803.21

● Research And Development Investment (10^4 CNY)

Subsidiary	2021	2022	2023
Techwise Fogang	4,284.00	4,273.27	4,456.25
Techwise Shirai	2,835.19	2,689.58	2,732.57
Techwise Huiyang	2,701	2,550	1,997
Total	9,820.19	9,512.85	9,185.82

● Number Of Patents Granted (Piece)

Subsidiary	2021	2022	2023
Techwise Fogang	10	4	12
Techwise Shirai	0	18	8
Techwise Huiyang	10	10	11 pending authorizations

● Energy Consumption Data Sheet

Subsidiary	Category	Unit	2021	2022	2023
Techwise Fogang	Gasoline	kg	17,941	33,128	35,504
	Diesel	kg	41,663	22,707	12,254
	Natural gas	m3	722,131	759,758	739,578
	Purchased power	kWh	122,509,380	127,436,140	139,733,680
	Photovoltaic power generation	kWh	/	/	1,403,583
Techwise Shirai	Diesel	kg	29660	5890	14,261
	Purchased power	kWh	65,854,160	67,835,520	74,129,648
	Photovoltaic power generation	kWh	/	/	549,968
Techwise Huiyang	Diesel	kg	11320	/	/
	Natural gas	m3	370,474	364,093	349,953
	Purchased power	kWh	62,270,012	60,086,181	41,750,234
	Photovoltaic power generation	kWh	/	/	400,424

● Water Consumption

Subsidiary	Category	Unit	2021	2022	2023
Techwise Fogang	Municipal water consumption	m3	1,615,764	1,646,008	1,828,122
Techwise Huiyang	Municipal water consumption	m3	1,402,151	1,243,577	1,347,969
Techwise Shirai	Municipal water consumption	m3	1,023,280	953,740	56,2570

● Total Amount Of Wastewater Pollutant Emissions

Subsidiary	Category	Unit	Total Amount Control Index	2021	2022	2023
Techwise Fogang	COD	Ton	208.7	23.372	31.453	33.231
	Ammonia nitrogen	Ton	39.13	5.8276	3.9042	5.3214
	Total copper	Ton	1.304	0.1195	0.2122	0.2311
	Total nickel	Ton	1.304	0.6331	0.0804	0.0089
Techwise Shirai	COD	Ton	84.28	37.6	18.6	20.5
	Ammonia nitrogen	Ton	43.04	3.57	6.81	2.55
	Total copper	Ton	0.97	0.43	0.16	0.2
	Total nickel	Ton	1.43	0.05	0.046	0.042
Techwise Huiyang	COD	Ton	53.952	15.78711	22.09812	21.80082
	Ammonia nitrogen	Ton	2.698	0.89224	0.32591	0.17003
	Total copper	Ton	无	0.02817	0.04325	0
	Total nickel	Ton	0.002468	0.00007	0.0001	0.00003

● Total Amount Of Air Pollutant Emissions

Subsidiary	Category	Unit	Total Limiting Value	2021	2022	2023
Techwise Fogang	VOCs	kg	41620	0.4796	11.9863	18.1313
Techwise Shirai	VOCs	kg	24090	2.29	8	4

Note: There is no total emission limit requirement for air pollutants in Techwise Huiyang, so the data is not displayed in this table.

● Waste Transfer Volume

Subsidiary	Category	Unit	2021	2022	2023
Techwise Fogang	Hazardous waste	kg	9,875,233	7,328,707	6,129,325
	General waste	kg	1,597,890	1,208,526	1,230,710
Techwise Shirai	Hazardous waste	kg	4,175,056	3,415,706	3,862,467
	General waste	kg	683,404	761,063	971,020
Techwise Huiyang	Hazardous waste	kg	5,821,957	4,555,981	4,773,448
	General waste	kg	551,700	441,692	423,638

● Formal Employee Statistics

Subsidiary	2021	2022	2023
Techwise Fogang	1,282	1,357	1,383
Techwise Shirai	1,168	1,134	1,097
Techwise Huiyang	910	801	742
Total	3,360	3,292	3,222

● Number Of Research And Development Personnel

Subsidiary	2021	2022	2023
Techwise Fogang	235	229	238
Techwise Shirai	149	153	124
Techwise Huiyang	149	138	149
Total	533	520	511

● Employee Statistics By Gender

Subsidiary	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Techwise Fogang	650	632	724	633	754	629
Techwise Shirai	579	589	576	558	564	533
Techwise Huiyang	550	360	481	320	460	282
Total	1,779	1,581	1,781	1,511	1,778	1,444

● Employee Statistics By Age

Subsidiary	2021			2022			2023		
	Under 30 years old	30-50 years old	Above 50 years old	Under 30 years old	30-50 years old	Above 50 years old	Under 30 years old	30-50 years old	Above 50 years old
Techwise Fogang	132	1,037	113	123	1,138	96	151	1,142	90
Techwise Shirai	157	954	57	196	885	53	208	839	50
Techwise Huiyang	135	616	159	103	577	121	96	544	102
Total	424	2,607	329	422	2,600	270	455	2,525	242

● Employee Statistics By Education

Subsidiary	2021			2022			2023		
	Bachelor	Junior college	Others	Bachelor	Junior college	Others	Bachelor	Junior college	Others
Techwise Fogang	39	86	1,157	40	92	1,225	46	93	1,244
Techwise Shirai	31	74	1,063	34	70	1,030	36	74	987
Techwise Huiyang	60	112	738	64	99	638	58	95	589
Total	130	272	2958	138	261	2893	140	262	2820

● Employee Statistics By Ethnicity

Subsidiary	2021		2022		2023	
	Han nationality	Ethnic minorities	Han nationality	Ethnic minorities	Han nationality	Ethnic minorities
Techwise Fogang	1,251	31	1,322	35	1,338	45
Techwise Shirai	1,143	25	1,094	40	1,064	33
Techwise Huiyang	843	67	756	45	705	37
Total	3,237	123	3,172	120	3,107	115

GRI index

Index of GRI Standards 2021

Instructions for use	Techwise reported the information referenced in this GRI Index during the period from January 1, 2023 to December 31, 2023, in accordance with GRI standards.
GRI 1 used	GRI 1: Foundation 2021

Disclosures	Chapter
GRI 2: General Disclosures 2021	
The organization and its reporting practices	
2-1 Organizational details	About Techwise - Company Profile
2-2 Entities included in the organization's sustainability reporting	About the Report
2-3 Reporting period, frequency and contact person	About the Report
2-4 Restatements of information	Not applicable
2-5 External assurance	Not applicable
Activities and Workers	
2-6 Activities, value chain and other business relationships	About Techwise - Company Profile
2-7 Employees	Sustainable Talent - Employee Diversity
Governance	
2-9 Governance structure and composition	Sustainable Governance - Governance Structure
2-12 In terms of management influence, the supervisory role of the highest governance body	Sustainable Governance - Sustainable Development Management
2-13 Responsibility authorization for management influence	Sustainable Governance - Sustainable Development Management
Strategy, Policies and Practices	
2-26 Mechanisms for seeking advice and raising concerns	Sustainable Governance - Business Ethics, Sustainable Talent - Employee Care
Stakeholder Engagement	
2-29 Approach to stakeholder engagement	Sustainable Governance - Sustainable Development Management
GRI 3: Material Topics 2021	
3-1 Process to determine material topics	Sustainable Governance - Sustainable Development Management
3-2 List of material topics	Sustainable Governance - Sustainable Development Management

Economy

GRI 201: Economic Performance 2016

201-1 Direct economic value generated and distributed	About Techwise - Company Profile

GRI 204: Procurement Practices 2016

204-1 Proportion of spending on local suppliers	Sustainable social-supplier management

GRI 205: Anti-corruption 2016

3-3 Management of material topics	Sustainable Governance - Business Ethics
205-2 Communication and training about anti-corruption policies and procedures	Sustainable Governance - Business Ethics

GRI 207: Tax 2019

3-3 Management of material topics	About Techwise - Company Profile
207-1 Tax guideline	About Techwise - Company Profile

Environment

GRI 301: Materials 2016

3-3 Management of material topics	Sustainable environment-Resource saving and recycling
301-3 Reclaimed products and their packaging materials	Sustainable environment-Resource saving and recycling

GRI 302: Energy 2016

3-3 Management of material topics	Sustainable Environment-Climate Change Response
302-1 Energy consumption within the organization	Sustainable Environment-Climate Change Response
302-3 Energy intensity	Sustainable Environment-Climate Change Response
302-4 Reduction of energy consumption	Sustainable Environment-Climate Change Response

GRI 303: Water and Effluents 2018

3-3 Management of material topics	Sustainable environment-Resource saving and recycling
303-1 Interactions with water as a shared resource	Sustainable environment-Resource saving and recycling
303-2 Management of water discharge-related impacts	Sustainable environment-Resource saving and recycling
303-3 Water withdrawal	Sustainable environment-Resource saving and recycling
303-4 Water discharge	Sustainable Environment - Environmental Management

GRI 305: Emissions 2016

3-3 Management of material topics	Sustainable Environment-Climate Change Response

305-1 Direct (Scope 1) GHG emissions	Sustainable Environment-Climate Change Response
305-2 Energy indirect GHG emissions	Sustainable Environment-Climate Change Response
305-4 GHG Emissions Intensity	Sustainable Environment-Climate Change Response
305-5 Reduction of GHG Emissions	Sustainable Environment-Climate Change Response
305-7 Nitrogen Oxides, Sulfur Oxides, and Other Significant Gas Emissions	Sustainable Environment - Environmental Management

GRI 306: Effluents and Waste 2020

3-3 Management of material topics	Sustainable Environment - Environmental Management
306-1 Waste generation and significant waste-related impacts	Sustainable Environment - Environmental Management
306-2 Management of significant waste-related impacts	Sustainable Environment - Environmental Management
306-3 Waste generated	Sustainable Environment - Environmental Management
306-5 Waste directed to disposal	Sustainable Environment - Environmental Management

GRI 308: Supplier Environmental Assessment 2016

3-3 Management of material topics	Sustainable Society - New Supplier Selection
308-1 New suppliers that were screened using environmental criteria	Sustainable Society - New Supplier Selection

Society

GRI 401: Employment 2016

3-3 Management of material topics	Sustainable Talent - Compensation and Benefits
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainable Talent - Compensation and Benefits

GRI 403: Occupational Health and Safety 2018

3-3 Management of material topics	Sustainable production
403-1 Occupational health and safety management system	Sustainable Production - Safety Management System
403-2 Hazard identification, risk assessment, and incidentinvestigation	Sustainable Production - Safety Management System
403-3 Occupational health services	Sustainable Production - Occupational Health Management
403-4 Worker participation, consultation, and communication on occupational health and safety	Sustainable Production - Safety Management System
403-5 Worker training on occupational health and safety	Sustainable Production - Safety Culture and Training
403-6 Promotion of worker health	Sustainable Production - Occupational Health Management
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainable Production - Safety Management System
403-8 Workers covered by an occupational health and safety management system	Sustainable Production - Safety Management System

403-9 Work-related injuries	Sustainable Production - Safety Management System
403-10 Work-related ill health	Sustainable Production - Occupational Health Management

GRI 404: Training and Education 2016

3-3 Management of material topics	Sustainable Talent - Talent Introduction and Development
404-2 Programs for upgrading employee skills and transition assistance programs	Sustainable Talent - Talent Introduction and Development
404-3 Percentage of employees receiving regular performance and career development reviews	Sustainable Talent - Talent Introduction and Development

GRI 405: Diversity and Equal Opportunity 2016

3-3 Management of material topics	Sustainable Talent - Employee Diversity
405-1 Diversity of governance bodies and employees	Sustainable Talent - Employee Diversity

GRI 406: Non-discrimination 2016

3-3 Management of material topics	Sustainable Talent - Social Responsibility Policies
406-1 Incidents of discrimination and corrective actions taken	Sustainable Talent - Social Responsibility Policies

GRI 408: Child Labor 2016

3-3 Management of material topics	Sustainable Talent - Social Responsibility Policies
408-1 Operations and suppliers at significant risk for incidents of child labor	Sustainable Talent - Social Responsibility Policies

GRI 409: Forced or Compulsory Labor 2016

3-3 Management of material topics	Sustainable Talent - Social Responsibility Policies
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainable Talent - Social Responsibility Policies

GRI 414: Supplier Social Assessment 2016

3-3 Management of material topics	Sustainable Society - New Supplier Selection
414-1 New suppliers that were screened using social criteria	Sustainable Society - New Supplier Selection

FEEDBACK FORM

Dear reader: Hello!

Thank you for reading the 2023 Sustainable Development Report by Techwise Circuits LtdTechwise. We kindly invite you to fill out the form below and share with us any opinions and thoughts you have about Techwise's sustainable development efforts and this report.

Your feedback is an important basis for us to advance sustainable development and improve sustainable management practices.

We sincerely appreciate your support for our sustainable development efforts!

Techwise Circuits Ltd.

April 2024

1. For Techwise, your identity is:

☐ Employee   ☐ Investor   ☐ Customer   ☐ Partner/Supplier   ☐ Regulatory Authority   ☐ Other Government Department

☐ Media   ☐ NGO

☐ Other (please specify) _____

2. Overall, how would you rate this year's report:

☐ Very good   ☐ Good   ☐ Average   ☐ Poor   ☐ Very poor

3. In the following dimensions, how do you think of this report:

Evaluation / Dimension	Very good	Good	General	Poor	Very poor
Quality of information disclosure					
Structural layout arrangement					
Layout design presentation					

4. Whether the information you are concerned about is reflected in this annual report:

☐ Yes   ☐ No (Is there anything else you would like to see? _____)

5. Do you have any other comments or suggestions on our sustainability efforts?

_____

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