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2024

Megmeet ESG Report



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About This Report

This report marks the fifth time Shenzhen Megmeet Electric Co., Ltd. has disclosed social responsibility information and is the fourth Environmental, Social, and Governance (ESG) Report published by the company. It systematically presents the company's ESG practices and performance, aiming to provide investors and stakeholders with a clear, intuitive, and transparent understanding of Megmeet's ESG status.

Reporting Period

This is an annual report covering the period from January 1, 2024, to December 31, 2024. To enhance the historical comparability of the report, any textual information that exceeds this scope will be explained in the relevant sections.

Scope of the Report

This report covers Shenzhen Megmeet Electrical Co., Ltd. and its subsidiaries ("Megmeet" or "the Company"). Unless otherwise stated, the reporting scope aligns with the consolidated financial statements disclosed in Megmeet's annual report (stock code: 002851.SZ). Details of subsidiaries within the report scope are provided in the Appendix "List of Subsidiaries within the Report Scope".

References in the Report

For ease of reading, "Shenzhen Megmeet Electric Co., Ltd." is referred to as "Megmeet," "the Company," or "we."

Data Description

The financial data presented in this report is derived from the Company's audited financial statements. Other data is sourced from the Group's internal documents and aggregated statistical information. Unless otherwise specified, all monetary figures mentioned in this report are denominated in RMB.

Reporting Basis

This report has been prepared with reference to the following standards and guidelines:

- Guideline No. 17 on Self-Regulatory Supervision of Listed Companies — Sustainable Development Report (April 2024 Revision), issued by the Shenzhen Stock Exchange
- Guideline No. 3 on Self-Regulatory Supervision of Listed Companies — the Preparation of Sustainable Development Reports, issued by the Shenzhen Stock Exchange
- Sustainability Reporting Standards (2021 edition) by the Global Reporting Initiative (GRI Standards)
- Guidelines for Chinese Corporate Sustainability Reporting (CASS-ESG 6.0) — General Framework, issued by the Chinese Academy of Social Sciences
- United Nations Sustainable Development Goals (SDGs)

Message from the Chairman

Deepening core competencies to drive multi-pillar growth

As a company rooted in power electronics and related control technologies, Megmeet focuses on power conversion, automation control, and their applications. Dedicated to becoming a world-class solution provider in the fields of electrical control and energy efficiency, Megmeet has grown into a well-known domestic supplier across multiple sectors, including smart home appliance control products, power supplies, new energy and rail transit components, industrial automation, intelligent equipment, and precision interconnection. Its products are widely used in a range of consumer and industrial fields such as home and commercial displays, variable-frequency appliances, smart bathrooms, medical equipment, telecommunications, data centers, renewable energy applications, new energy vehicles, rail transit, industrial automation, intelligent manufacturing equipment, and precision connectors. The company continues to expand its reach in the electrical automation domain, extending its technological scope, diversifying its product portfolio, and steadily penetrating new markets. Over the past year, Megmeet has emphasized multi-pillar growth and balanced risk management, aiming to harmonize the scale and development trends across its business segments to mitigate risks arising from cyclical fluctuations or operational changes in any single product line. Always centered around user needs, the company evolves from circuit boards to modules, from systems to integrated solutions—leveraging technological expansion and breakthrough innovation to tap into emerging markets and deliver higher-quality, more environmentally friendly solutions to customers worldwide.



Driven by innovation, empowering green transformation

Amid the wave of the global energy revolution, Megmeet fully recognizes that technological breakthroughs are the core driving force in addressing climate challenges. We continuously invest 11% of our revenue into research and development, building cross-disciplinary core technology platforms to drive product upgrades toward low-carbon and intelligent solutions. By strengthening supply chain integration and clean production management, the company has achieved end-to-end environmental optimization, reducing resource consumption and pollutant emissions at the source. At the same time, we are deeply involved in the construction of the new energy industry chain, providing key component support for clients in power electronics, energy storage systems, and new energy transportation—helping our industry partners push technological boundaries and accelerate the path to carbon neutrality.

Practicing Responsibility Commitments, Building a Sustainable Ecosystem Together

We always consider sustainable development as part of our corporate DNA. Megmeet further integrates ESG concepts into the entire operation chain: internally, by implementing various energy-saving measures to improve energy efficiency and promoting the construction of zero-carbon factories; externally, by collaborating with supply chain partners to build a green ecosystem and using digital tools to optimize carbon footprint tracking and management. In the field of social responsibility, we focus on community co-construction, injecting lasting power into social development through long-term mechanisms such as employment support, educational empowerment, and industry collaboration. In addition, the company continues to enhance its talent strategy, attracting international professionals, strengthening employee training and career development systems, and creating an inclusive and innovative organizational culture.

Embracing Change with Resilience: Moving Towards the Future

Looking ahead to 2025, the global energy transition will enter a new stage—shifting from rapid expansion to quality improvement. Megmeet will remain committed to two core missions: first, driving industrial upgrading through technological innovation by exploring the frontiers of power electronics to provide more efficient and lower-carbon solutions for sectors such as new energy and intelligent manufacturing; second, building a resilient ecosystem through open collaboration, working with upstream and downstream partners to tackle supply chain challenges and explore circular economy and net-zero business models. We firmly believe that only by aligning our development with the vision of a shared future for humanity can we achieve steady and long-term progress amid transformation. "The road ahead may be long and challenging, but with action, we will reach our destination." In the face of both the climate crisis and industrial transformation, Megmeet is committed to walking hand in hand with global partners—leveraging the power of technology to safeguard our planet, and upholding a sense of responsibility to deliver on the promise of sustainable development. Together, we strive toward a future where humanity and nature coexist in harmony.

Dr. Tong Yongsheng
April 2025

About Megmeet

Founded in 2003, Shenzhen Megmeet Electrical Co., Ltd. (Stock Code: 002851.SZ) is a one-stop solution provider specializing in the research and development, manufacturing, sales, and service of hardware and software in the field of electrical automation. Over the past two decades, Megmeet has built a robust technology platform centered around digital power control, system control and communication, and power conversion hardware. This platform has given rise to six major business segments: intelligent home appliance control systems, power products, new energy and rail transit components, industrial automation, intelligent equipment, and precision connectivity. The company has established research and development centers, manufacturing centers and market service centers across the globe.

Corporate Vision



To become a leading provider of electrical automation products and solutions.

Corporate Philosophy



Focus on core technologies and deliver the best components and solutions to customers.

Corporate Development Strategy



- Maintain strong and sustained investment in the research and development to continuously optimize platform development.
- Expand business horizontally while strengthening vertical specialization in segmented products.
- Proactively deploy in future-oriented industries to drive diversified growth and balance risk.

Corporate Mission



To use electric energy efficiently and provide a comfortable living environment for humanity.

Corporate Responsibility



Comply with laws and regulations, treat employees well, conserve resources, and protect the environment.

Corporate Culture



Leadership, openness, collaboration, and innovation.

Industry Leadership and Demonstration



As a global specialist in providing solutions for the electrical automation sector, Megmeet is committed to enabling more efficient use of electric energy, fostering a cleaner living environment, continuously improving production efficiency, and enhancing the quality of life. The company actively implements energy transition strategies and supports the realization of carbon peaking and carbon neutrality goals, aspiring to become a world-class provider of products and solutions in the field of electrical automation.

The company has been awarded honors such as "National Green Factory" and "Industrial Product Green Design Demonstration Enterprise," setting a benchmark for the industry's green and low-carbon transformation.

As a "National Green Supply Chain Management Enterprise," the company promotes the low-carbon transformation of the entire industry chain through measures like green procurement and supplier management.

As an industry leader, Megmeet has advanced the adoption of green supply chains and green design, enhancing the sustainability level across the entire industry.

7600+

Number of Employees

2800+

Number of R&D Personnel

1990+

Total Valid Patents and Copyrights
(including 400+ new filings in 2024)

10

R&D Centers

9

Manufacturing Bases

Corporate Development History

Megmeet focuses on core technologies in power electronics and related control systems, continuously expanding into cross-disciplinary and emerging fields associated with its core technologies. Starting from the television power supply sector, the company has steadily broadened its scope to include consumer power controllers, industrial power supplies, industrial control products, consumer-end devices, and industrial equipment. Over time, Megmeet has upgraded from board-level products to module products, system products, and integrated products, while continually extending its presence in the electrical automation field, expanding the range of technologies and product categories, and penetrating and expanding into new domains.

The expansion of Megmeet's product portfolio has driven the company's growth from the home television market into a wide range of consumer and industrial sectors, including commercial displays, variable frequency home appliances, smart sanitary ware, medical equipment, telecommunications, intelligent equipment, new energy vehicles, rail transit, industrial microwave applications, intelligent oil extraction equipment, thermal management, and motor-related control systems. This continuous diversification has created a fission effect, uncovering new market demands and enabling entry into more specialized segments.

Through over 20 years of practical experience, Megmeet has developed a unique business model, product philosophy, and market expansion approach. The company expands its technologies and product offerings through both organic growth and external initiatives, targeting high-end sectors and future industry trends. With forward-looking planning, strategic patience, and systematic investment, Megmeet builds its technological reserves and competitive advantages, gradually unlocking potential to support sustained business growth in the future.

Ranked 7th Globally in Power Supply Sales Volume in 2023

— Source: MTC Report



Megmeet was founded, focusing on the flat panel display power supply sector, ushering in a new era for industrial displays.

2003



Entered the fields of industrial automation and industrial power supplies.

2007



Started the development of core components for new energy vehicles.

2011



Established a global manufacturing base in Zhuzhou, Hunan, empowering customers worldwide—and expanded into the smart home appliance and industrial intelligent welding machine sectors

2014



Listed on the Shenzhen SME Board (Stock Code.002851)

2017



The internationalization process has been further advanced, with research institutes and production bases established both domestically and internationally

2019



Listed in Forbes Asia's Top 200 Small and Mid-sized Listed Companies

2020



Integrated to form six business segments, focusing on the precision connection business

2022



The acceleration of globalization and quality improvement, with the opening of the Changsha Smart Industry Center and the commencement of construction at the new production base in Thailand

2023

Highly Acclaimed and Frequently Awarded

As of the end of 2024, Megmeet had received a total of 164 honors and certifications, including 19 at the national level, 87 at the provincial and ministerial level, and 44 at the municipal level. These accolades include the National Manufacturing Single Champion (for commercial display power products), National Green Factory, Green Design Demonstration Enterprise for Industrial Products, National Green Supply Chain, Pilot Enterprise for the Digital Transformation of SMEs, and National High-Tech Enterprise, among others.

164
Number of Honors and Qualifications
(As of the end of 2024)

19
National Level (items)

87
Provincial Level (items)

44
Municipal Level (items)



Global Layout and Expansion

Megmeet has established a robust platform for research and development, manufacturing, marketing, and services. Globally, the company operates 50 branches, 24 market service centers, and has over 500 partners.

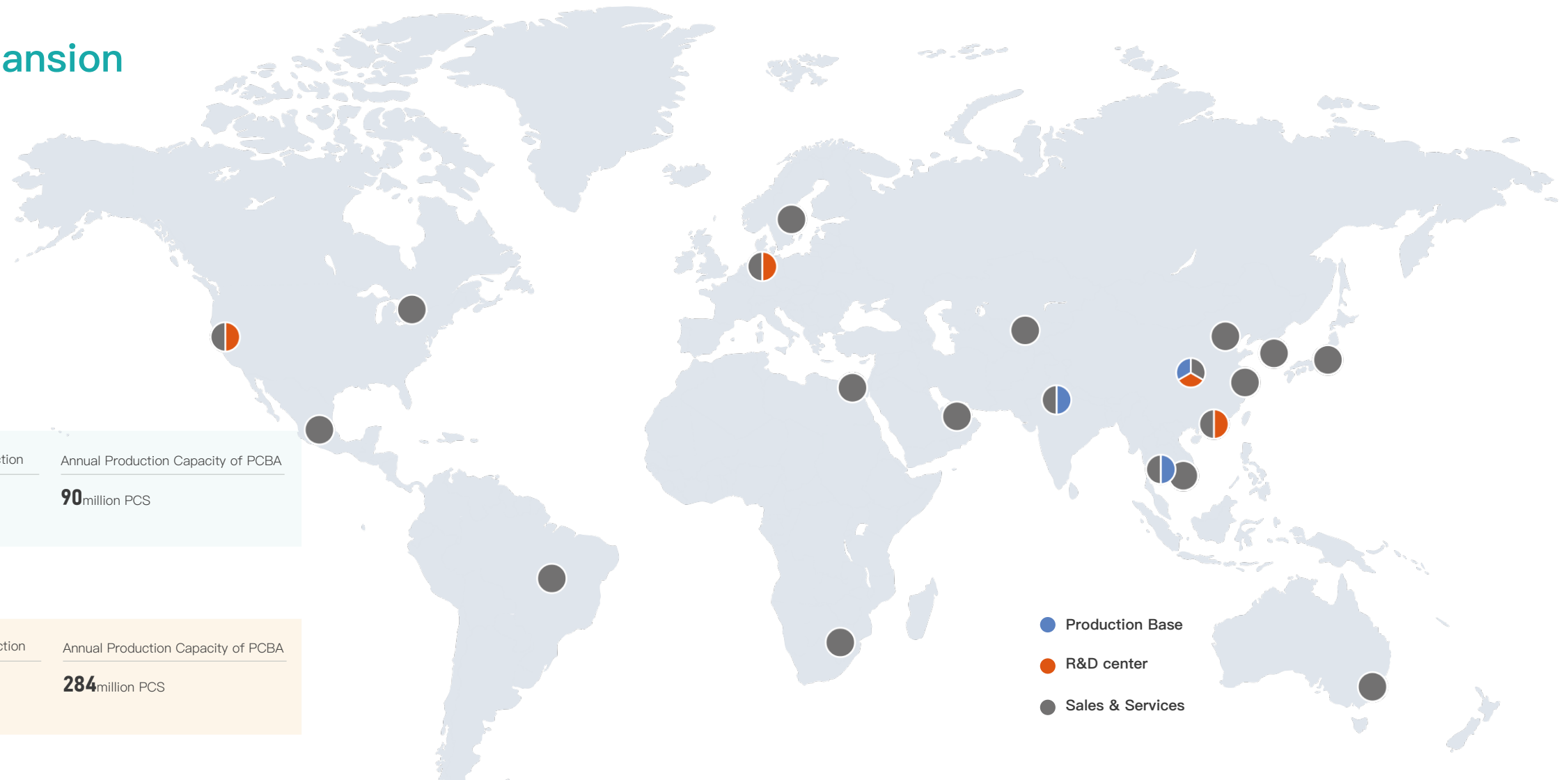
By 2028, we expect to expand our total land area to 1,000 mu (approximately 666,700 square meters), with a total building area of 900,000 square meters. The number of production lines is projected to increase to 390, and the annual PCBA production capacity is expected to reach 284 million pieces.

2023

Total Area	Constructed Area	Various Production	Annual Production Capacity of PCBA
634 mu (approximately 422,000 square meters)	580,000 square meters	184 lines	90 million PCS

The Five-year Plan

Total Area	Constructed Area	Various Production	Annual Production Capacity of PCBA
1000 mu (approximately 422,000 square meters)	900,000 square meters	390 lines	284 million PCS



Zhuzhou Global Manufacturing Base



Zhuzhou Phase II



Heyuan



Yiwu



Hangzhou (under construction)



Taizhou



Thailand (under construction)

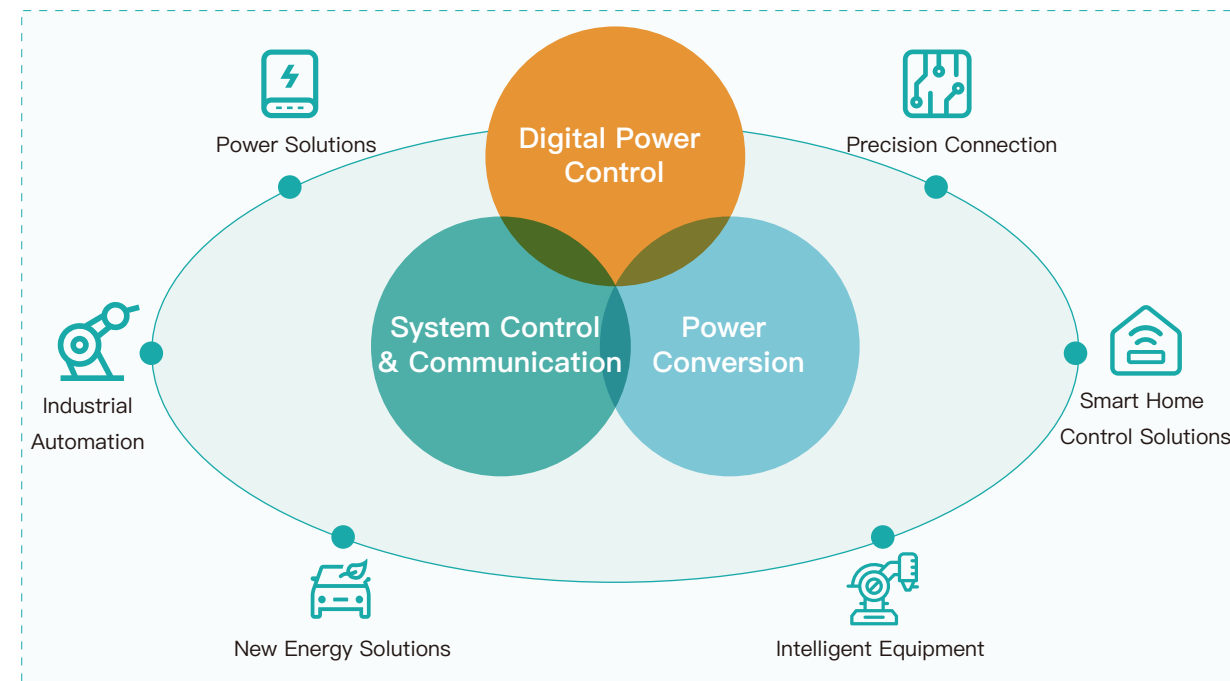


India

Core Businesses and Key Technologies

Megmeet's products are widely applied across a broad range of consumer and industrial sectors, including household and commercial displays, variable frequency home appliances, smart bathrooms, medical equipment, communications, data centers, renewable energy applications, new energy vehicles, rail transit, industrial automation, intelligent manufacturing equipment, and precision connectivity components. The company continues to extend its reach in the field of electrical automation, expanding its technological scope, diversifying its product portfolio, and steadily penetrating and exploring new areas.

Through years of investment in research and development, the company has successfully built several technological platforms, including a power conversion hardware platform, a digital power control technology platform, and automation control and communication software. Megmeet continues to expand toward integrated mechatronics and thermal management systems. By leveraging the cross-application of these platforms, the company has achieved a diversified product layout across various sectors, established a cross-industry business operation model, and continuously enriched the technological foundation that supports the rapid expansion of new products.



According to application areas, the company's products are mainly divided into six categories: intelligent home appliance control products, power supply products, new energy transportation, industrial automation, intelligent equipment, and precision connectivity. Among them, the main sub-products of intelligent home appliance control products include various variable frequency home appliance power controllers, air source heat pump controllers, smart bathroom systems and components, etc.; the main sub-products of power supply products include medical device power supplies, communication power supplies, server power supplies, industrial power supplies, solar-storage-charging solutions, display power supplies, and OA power supplies, etc.; the main sub-products of new energy transportation components include power electronic integration modules (PEU) for new energy vehicles, motor controllers (MCU), on-board chargers (OBC), DC-DC modules, on-board compressors, rail transit vehicle air conditioning electrical components, light electric vehicles, core components of thermal management systems, etc.; the main sub-products of industrial automation include servo and variable frequency drives, programmable logic controllers (PLC), fully active hydraulic suspension systems, linear motors, encoders, etc.; the main sub-products of intelligent equipment include digital welding machines, industrial microwave equipment, intelligent oil extraction equipment, etc.; the main sub-products of precision connectivity include shaped electromagnetic wires, coaxial cables, ultra-fine flat wires, FFC, FPC, etc.

Main Businesses

Power Solutions  <ul style="list-style-type: none"> Telecom Power Server Power Electric Power Medical Power Display Power LED Power Laser Power Bi-directional Inverters for Portable Power Solar & BESS & EV Charging Solution OA Power Flat Panel Power 	Industrial Automation  <ul style="list-style-type: none"> Variable Frequency Drive Servo System Control System Encoder Linear Motors Internal Gear Pump IoT Solution Elevator Controller 	eMobility & EV Infrastructure  <ul style="list-style-type: none"> Multiplexed EV Charging System (OBC & DC-DC) Motor Control Unit Power Electronic Unit (2-in-1, 3-in-1) E-Compressor Intelligent Active Hydraulic Suspension (i-AHS) TV EDU Construction Machinery Controller Thermal Mgmt. System Light Electric Vehicle Controller Railway A/C Controller Railway VFD
Intelligent Equipment  <ul style="list-style-type: none"> Intelligent Welding Industrial Microwave Electric Submersible-Progressing Cavity Pump Polysilicon Water Quenching Equipment Automatic Car Washing Machine 	Home Appliance Control Solutions  <ul style="list-style-type: none"> Residential A/C Controller Commercial A/C Controller Heat Pump Controller Vehicle A/C Controller Solar A/C Controller Mini Compressor Controller Refrigerator Controller Washer/Dryer Controller Residential Microwave Industrial Microwave Smart Bidet RF Thawing System 	Precision Connection  <ul style="list-style-type: none"> FFC FPC Coaxial Cable CSS Litz Wire Peek Wire

01

Corporate Governance

Megmeet has always regarded governance capability as the core engine for sustainable development, establishing a governance system that is highly compatible with the transformation of the electrical industry, based on the principles of "scientific decision-making, transparent operations, and controllable risks." By optimizing the board structure, deepening the application of digital governance tools, and strengthening a culture of integrity and compliance mechanisms, the company has achieved comprehensive improvements in decision-making efficiency, risk management, and stakeholder trust. In the future, the company will focus on innovations in intelligent governance technology, continuously providing a reliable governance model for global energy transition and high-quality development of the industrial chain.

G1 Due Diligence

G2 Stakeholder Communication

G3 Double Materiality Assessment

G4 ESG Governance

G5 Board Management

G6 Anti-Corruption and Anti-Bribery

G7 Anti-Unfair Competition

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G1 | Due Diligence

Megmeet actively practices responsible business conduct and green development by implementing sustainable due diligence across the entire supply chain. The company identifies and assesses potential environmental, social, and governance (ESG) risks in both upstream and downstream chains, intervening in advance to prevent issues and promote sustainable development throughout the company’s entire supply chain.

Due Diligence Responsible Institutions and Personnel

The company, in collaboration with the Sustainability Development Committee and external professional organizations (third-party certification bodies), conducts comprehensive identification and assessment of sustainability-related risks.

Due Diligence Scope

Megmeet’s due diligence scope covers enterprises throughout the supply chain, encompassing key business areas such as new energy and rail transportation, as well as industrial automation. It spans raw material procurement, manufacturing, and logistics, with a particular focus on suppliers’ environmental compliance (e.g., carbon emissions and resource consumption) and protection of labor rights. In the field of product R&D and technological innovation, the due diligence scope primarily targets emerging technologies such as server power supplies and thermal management products, evaluating their full life cycle environmental impacts (e.g., energy efficiency and electronic waste disposal). In terms of overseas operations, we align due diligence efforts with the Company’s global expansion strategy, analyzing and assessing environmental regulatory risks and community relations based on the operational status of overseas R&D centers and manufacturing bases.

Risk Identification Method

We summarize findings through stakeholder communication and rely on third-party audit content, using a risk assessment matrix approach to comprehensively analyze risks throughout the entire value chain during company operations

Risk Assessment Matrix	By combining quantitative and qualitative analysis, we identify high-priority risks such as climate change, resource shortages, and labor disputes.
Third-Party Audits	We engage international certification bodies to conduct ESG (Environmental, Social, and Governance) audits on supply chain enterprises to ensure compliance with international standards (e.g., ISO 9001 Quality, ISO 14001 Environmental, ISO 45001 Occupational Health and Safety, IATF 16949 Automotive, ISO 13849 Functional Safety, etc.).
Stakeholder Communication	We gather sustainability-related needs and improvement suggestions through investor research, employee surveys, and community interviews.

Risk Mitigation Measures

For areas identified as high-risk in environmental and social aspects, we implement the following measures to intervene promptly and mitigate risks

Greening the Supply Chain	Overseas Compliance Management
We sign sustainability agreements with suppliers, requiring a gradual reduction in carbon emission intensity starting from 2025. Suppliers that violate the red lines outlined in the Sustainable Business Conduct Code (Megmeet’s Sustainability Code of Conduct) will be subject to an access ban mechanism.	At production bases in Thailand, India, and other locations, we have established environmental management systems and adopted localized operations to reduce cultural conflicts and community risks.

G2 | Stakeholder Communication

Megmeet fully understands that sustainable development relies on close cooperation and communication with all stakeholders. To uphold the concept of sustainability, the company places great importance on engaging and interacting with stakeholders, always adhering to an open and transparent approach. Megmeet actively listens to the concerns of various parties and integrates these insights into its strategy and daily operations to jointly advance the achievement of sustainability goals. The company has established and implemented a stakeholder communication system to ensure smooth and effective engagement.

The main topics, methods, and channels of our communication with various stakeholders are shown in the table below:

Stakeholders	Stakeholder Representatives	Key Topics	Communication Methods and Channels
Investors	Company Shareholders and Potential Investors	orporate Governance, Compliance Operations, Economic Performance, Anti-Corruption, R&D Innovation, Safe Production, Industry Cooperation and Development	<ul style="list-style-type: none">Shareholders' MeetingFinancial Reports, ESG Reports, Performance ReportsCompany Website, Official WeChatRoadshows, Research, Phone Calls, Emails, Shenzhen Stock Exchange "Interactive Easy" Platform, and Other Methods
Employees	Employee Representatives	Employee Rights and Benefits, Occupational Health and Safety, Product Quality and Safety, Talent Development and Training, Diversity and Equal Opportunities, Information Security and Privacy Protection	<ul style="list-style-type: none">Employee ActivitiesEmployee TrainingEmployee Evaluation and PromotionEmployee HandbookInternal Communication PlatformOccupational Health MonitoringSafety Emergency Drills
Customers	Contacts from Customer Procurement, Quality Control, and Energy & Low-Carbon Departments	Product Quality and Safety, Responsible Supply Chain, Circular Economy, Responsible Mineral Sourcing Management, Product Carbon Footprint, Clean Technology Opportunities	<ul style="list-style-type: none">Company Website, Official WeChat Account for Information DisclosureCustomer Satisfaction SurveysGreen Products and Services Throughout the Entire LifecycleCustomer Inquiries and ComplaintsCustomer AuditsTechnical Seminars
Government and Regulatory Authorities	Government of the company's operating locations, Shenzhen Stock Exchange	Compliance Operations, Fair Competition, Anti-Corruption, Product Carbon Footprint, Environmental Management System	<ul style="list-style-type: none">Information DisclosureOfficial CorrespondencePolicy ImplementationInstitutional InspectionsParticipation in Government Research Activities
Suppliers	Suppliers of Core Raw Materials such as Cathode Materials, Anode Materials, etc.	R&D Innovation, Supply Chain Security, Information Security and Privacy Protection, Product Quality and Safety, Safe Production, Occupational Health and Safety	<ul style="list-style-type: none">Phone CommunicationSupply Chain AuditsSupplier Coaching and ImprovementIrregular VisitsTechnical Seminars
Partners	Industry Associations, Chambers of Commerce, and Partnered Universities in the Company's Operating Locations	Industry Cooperation and Development, R&D Innovation, Product Quality and Safety, Economic Performance, Emissions and Waste Management	<ul style="list-style-type: none">Exchange VisitsActivities of Relevant Associations and Chambers of CommerceStrategic Cooperation ProjectsIndustry ExhibitionsIndustry Training
Communities, Public, and Media	Non-Governmental Organizations, Charitable Institutions, Social Organizations, Mainstream Media	R&D Innovation, Product Quality and Safety, Economic Performance, Public Welfare and Volunteer Services, Community Communication and Development	<ul style="list-style-type: none">Exchange VisitsPress Releases, Social MediaEnergy Saving, Emission Reduction, and Pollution ControlCommunity Development ProjectsCommunity Volunteer ActivitiesCharitable Donations

Investor Relations

Since its listing, Megmeet has placed great emphasis on investor relations management. The company uses its Securities Department as a point of contact and actively engages with investors through various channels, including shareholder meetings, on-site investor research, investor hotlines, online performance briefings, and the "Interactive Easy" platform. This interaction helps enhance investors' understanding of the company, strengthen their confidence, and ensure that these communication channels and platforms are maintained by dedicated personnel for timely and effective communication. The company continually improves its information disclosure and investor relations management, constantly perfects its investor protection mechanisms, and promotes positive interaction with investors through initiatives such as consistent dividends, efficient and transparent information disclosure, and close communication with investors. These efforts aim to safeguard the legitimate rights and interests of investors, particularly small and medium-sized investors, and create tangible value returns for them.



A screenshot of the Investor Relations page on Megmeet's official website

The company has established an "Investor Relations" section on its official website, where it publishes company announcements, routine investor reception schedules, and other related information for investors to access. Additionally, the company actively responds to investor inquiries on the Shenzhen Stock Exchange's "Interactive Easy" platform.

The company enhances investor understanding of Megmeet and strengthens interaction through activities such as hosting performance briefings and participating in events like the "Online Collective Reception Day for Listed Company Investors." During these events, the company's management communicates with investors in real-time on key topics of concern, including company performance, corporate governance, development strategy, operational status, financing plans, equity incentives, and sustainable development.

Megmeet strictly complies with the requirements set forth in the Articles of Association, Rules of Procedure for Shareholders' Meetings, and other relevant regulations to standardize the convening and holding of shareholders' meetings. The company ensures that all shareholders, especially minority shareholders, enjoy equal status and fully safeguards their rights to be informed, to participate, and to vote on major company matters.

Megmeet's Basic Principles of Investor Relations Management

Compliance Principle

Megmeet conducts investor relations management based on fulfilling its information disclosure obligations in accordance with the law. It complies with all applicable laws, regulations, rules, normative documents, industry standards, self-regulatory rules, internal company policies, as well as widely accepted ethical norms and codes of conduct in the industry.

Equality Principle

In the conduct of investor relations management activities, Megmeet treats all investors equally, creating opportunities and providing convenience for minority investors to participate.

Proactivity Principle

The company takes a proactive approach to investor relations management, actively listening to investor opinions and suggestions, and responding promptly to investor concerns.

Integrity and Trustworthiness Principle

Megmeet values honesty, adheres to ethical boundaries, operates in a standardized manner, assumes its responsibilities, and strives to foster a sound and healthy market environment.

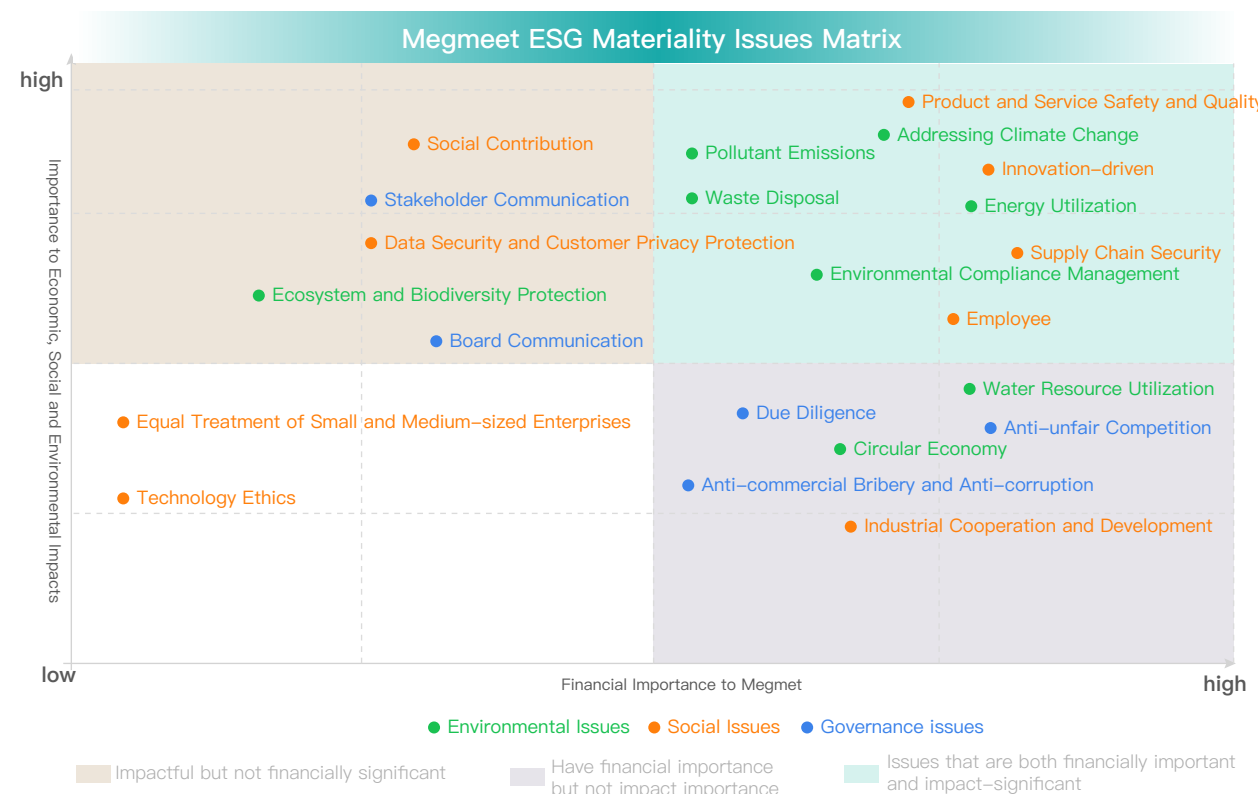
G3 | Double Materiality Analysis

Megmeet, in alignment with the characteristics of its industry and business operations, identifies topics that may have significant impacts on its business model, operations, development strategy, financial status, operating results, cash flow, financing methods, and financing costs in the short, medium, and long term. Additionally, the company evaluates whether its performance on these topics may have significant effects on the economy, society, and the environment.

The Megmeet ESG Management System Development Committee maintains a comprehensive understanding of the company's activities and business relationships, is well-versed in relevant laws, regulations, and supervisory policies, and analyzes industry standards as well as media sentiment to map the distribution of stakeholders. Based on the industry characteristics, development stage, business model, and value chain position of the company, the Committee identifies topics with financial or impact materiality and continuously improves the list of material topics.

The Committee evaluates the identified topics for materiality and invites stakeholder experts to participate in the process. The impact materiality of a topic is assessed primarily based on four dimensions: scale, scope, irremediability, and likelihood. Financial materiality is evaluated based on two main aspects: the likelihood of occurrence and the magnitude of financial impact. The Committee sets reasonable thresholds for both impact and financial materiality and ultimately integrates the results to form a comprehensive materiality assessment.

Analysis Results of Material Topics



According to the results of the Company's 2024 double materiality analysis, "Product and Service Safety and Quality," "Climate Change Response," "Innovation-Driven Development," "Energy Use," "Pollutant Emissions," "Waste Management," "Supply Chain Security," "Environmental Compliance Management," and "Employees" have been identified as the most critical topics (i.e., those with both financial materiality and impact materiality). The Company will continue to pay close attention to these topics in its sustainability management and disclose relevant information in detail in this report.

Based on Megmeet's actual circumstances, the committee identified two additional material topics beyond those listed in the SZSE Guidelines: "Board Governance" and "Industry Cooperation and Development."

Since the company's business does not involve scientific research or technological development activities in sensitive fields such as life sciences or artificial intelligence, and the company does not fall under any of the two situations listed in Article 46 of the SZSE Guidelines, the company has identified the topics of "Equal Treatment of SMEs" and "Technology Ethics" as non-material topics and, in accordance with the SZSE Guidelines, will not disclose them here.

G4 | Sustainable Development Governance

Sustainable Development Governance Structure

In building the company's sustainable development governance structure, Megmeet integrates ESG goals into strategic decision-making, organizational processes, and daily operations, forming a top-down systematic management loop. Led by the board of directors, the company clearly defines governance responsibilities and strategic objectives, establishes a multi-layered execution network, creates standardized management tools, and strengthens supervision and incentive mechanisms.

Decision Layer

Supervise the assessment of the company's sustainable development related impacts, risks, and opportunities; Guide and review the company's sustainable development policies, strategies, and goals; Regularly monitor the progress and completion of sustainable development related goals; Approve the company's Sustainable Development Report

Chairman of ESG Management System Construction Committee

Responsible for the overall operation of the ESG management system construction committee, ensuring the necessary resources for the committee's sustained and effective operation.

Esg Management System Construction Consultant

Ensure that the committee has the necessary professional resources to participate in high-level interviews and provide professional advice to support the operation of the committee.

Management

Supervise the assessment of the company's sustainable development related impacts, risks, and opportunities; Guide and review the company's sustainable development policies, strategies, and goals; Regularly monitor the progress and completion of sustainable development related goals; Approve the company's Sustainable Development Report

Executive Director and Deputy Director of ESG Management System Construction Committee

Responsible for communicating with service agencies, developing ESG work plans, organizing company personnel to complete annual ESG information collection, assisting in the completion of ESG reports and smooth disclosure. Cooperate with service agencies to complete the quantitative performance indicator manual for Megmeet ESG performance management, establish responsible personnel for each ESG module of the company, develop work guidelines and standardized processes, and ensure the perfect operation of the company's ESG management system.

Execution Layer

Coordinate the preparation of sustainable development reports; Responsible for sustainable management, data statistics and analysis of the company; Implement the sustainable development work plan; Regularly report work results to management

Executive Committee Member of ESG Management System Construction Committee

Participate in the collection of annual ESG module disclosure data, participate in ESG module management planning, develop fixed templates and processes for smooth daily collection and supervision work.

Megmeet ensures that relevant personnel possess sufficient professional skills and capabilities by hiring professionals with a background in sustainable development. The company has developed a training plan to enhance the sustainable development skills of management staff and invites senior industry experts to provide training on the latest ESG policy context, development trends, and industry best practices.

The company holds an ESG committee meeting every year to review the progress towards goals and adjust strategies, ensuring that sustainable impacts, risks, and opportunities are incorporated into the company's strategy. Key progress is submitted to the board for review. In accordance with the Shenzhen Stock Exchange's "Sustainable Development Report Guidelines," the company publishes an annual ESG report within four months after the end of each fiscal year, covering quantitative indicators and qualitative analysis in the three major dimensions of Environment, Social, and Governance (ESG).

The board supervises the company's sustainable development-related impacts, risks, and opportunities through approving strategies, assessing risks, setting goals, overseeing execution, and reviewing performance. Additionally, the company links the management performance evaluation to the performance of sustainability-related topics.

G5 | Board Management

Board of Directors

Megmeet strictly adheres to relevant laws and regulations such as the "Company Law," "Securities Law," and the "Code of Corporate Governance for Listed Companies," continuously improving the company's corporate governance structure and establishing a sound internal control system. The company has established a standardized governance structure based on the articles of association, with the shareholders' meeting, board of directors, supervisory board, and management as the main bodies, ensuring the formation of a coordinated and balanced mechanism between the power structure, decision-making body, supervisory body, and management with clear responsibilities and standardized operations.

The Board of Directors has four specialized committees: the Audit Committee, the Strategy Committee, the Remuneration and Appraisal Committee, and the Nomination Committee, as well as the Board Office. Each of these committees is responsible for tasks such as auditing, development strategy, the nomination, selection, management, and evaluation of directors and senior management. In accordance with the "Code of Corporate Governance for Listed Companies" and the company's "Work System for the Board of Directors' Specialized Committees," these committees diligently perform their duties, fully leveraging their professional expertise and functional roles, providing strong support for the Board of Directors' decision-making.

The company has formulated the "Articles of Association of Shenzhen Megmeet Electrical Co., Ltd." in strict accordance with the "Company Law," specifying the election procedures for selecting directors and hiring senior management. The Board of Directors consists of five directors, including two independent directors. The company has one female director, accounting for 20% of the total board members. The number and composition of the Board of Directors comply with the legal and regulatory requirements, and the board considers diversity to enhance its capabilities and overall governance. The Board of Directors operates in accordance with the "Board Meeting Rules," "Measures for the Management of Independent Directors of Listed Companies," and "Guidelines for Self discipline Supervision of Listed Companies on the Shenzhen Stock Exchange No. 1- Standardized Operation of Main Board Listed Companies" and other relevant regulations.

According to Megmeet's "Independent Director Working Rules," independent directors shall constitute at least one-third of the Board, and at least one independent director must be an accounting professional. Independent directors are not influenced by the company's controlling shareholders, actual controllers, or any other entities or individuals with vested interests in the company. They perform their duties independently and are able to express independent opinions on major company matters.

In 2024, Megmeet held a total of 8 Board meetings and approved 42 resolutions.

Supervisory Board

The Supervisory Board of Megmeet consists of three members, including one employee representative supervisor elected by the employee representative assembly. The number and composition of the Supervisory Board comply with the relevant laws, regulations, and the provisions and requirements of the Articles of Association. In accordance with the Shenzhen Stock Exchange Listing Rules, the Articles of Association, and the Rules of Procedure for the Supervisory Board, the Supervisory Board diligently performs its duties by supervising major company matters, financial conditions, and the compliance of directors and senior executives in the performance of their duties, thereby safeguarding the legitimate rights and interests of the company and its shareholders. In 2024, Megmeet held a total of eight Supervisory Board meetings and reviewed and approved 30 resolutions.

General Meeting of Shareholders

In 2024, the Company held a total of two general meetings of shareholders, including one annual general meeting and one extraordinary general meeting. The convening and holding procedures, qualification of attendees, voting procedures, disclosure of voting results and resolutions were all in compliance with laws, regulations, and the Company's Articles of Association. Both physical attendance and online voting were provided to ensure that shareholders could participate equally and effectively in corporate governance. When reviewing and electing non-independent directors, independent directors, and supervisors, the cumulative voting system was adopted. These mechanisms effectively safeguarded the rights of minority shareholders to be informed, to participate, and to make decisions, thereby protecting the legitimate interests of all investors.

Executive Compensation

The compensation plans for the Company's directors, supervisors, and senior management are proposed by the Remuneration and Appraisal Committee and implemented upon approval by the Board of Directors and subsequent resolution by the General Meeting of Shareholders. The remuneration for other senior management personnel is implemented after being approved by the Board of Directors upon the proposal of the Remuneration and Appraisal Committee. From 2022 to 2024, the number of directors, supervisors, and senior executives at Megmeet remained stable at 10, and their total compensation accounted for approximately 3% of the total employee compensation, with the proportion showing a slight year-on-year decline.

G6 | Anti-Commercial Bribery and Anti-Corruption

Management of Commercial Bribery and Corruption

Megmeet strictly adheres to national policies, regulations, and guidelines such as the "Criminal Law of the People's Republic of China" and the "Interim Regulations on Prohibiting Commercial Bribery," and has established and follows management systems such as the "Regulations on Handling Violations and Disciplinary Actions" and the "Procurement and Related Business Conduct Code." The company insists on anti-corruption and integrity practices, taking serious actions against illegal and non-compliant behaviors to ensure the integrity and compliance of its operations.

Upon joining the company, new employees sign a "Integrity Commitment Letter." In the event of any violation, the company will take strict action, including dismissal without compensation or referral to relevant government authorities. During the reporting period, Megmeet has not encountered any major commercial bribery or corruption incidents, nor has it terminated cooperation with business partners or been investigated or penalized by relevant authorities.

The company adheres to a zero-tolerance policy for corruption, bribery, and major fraudulent activities, and has established several efficient and accessible reporting channels:

Reporting Channels

- 1 **Company EIP intranet:** Issue Hotline section.
- 2 **Feedback email:** qywh@megmeet.com.
- 3 **Anti-corruption reporting email:** compliance@megmeet.com.
- 4 **Group WeChat official account:** MEGMEET麦米电气
- 5 **Physical suggestion boxes:** Public areas in each regional office (e.g., reception or break areas).

Employees can submit feedback through any of the above channels. Upon receiving the feedback, the company will forward it to the relevant department for handling and ensure timely follow-up to close the loop. Once the matter is resolved, the relevant department will inform the submitter of the outcome and, if necessary, issue an announcement to communicate the results and any improvement measures. The company is committed to maintaining open feedback channels at all times, responding promptly, and following up on any issues until they are fully resolved.

Anonymous Reporting	The company supports anonymous reporting. As long as the information provided is truthful and reliable, it can be used as the basis for an investigation.
Anti-Retaliation Policy	The company strictly prohibits any form of retaliation. If an employee experiences unfair treatment or retaliation as a result of reporting, the matter will be investigated and dealt with severely, and the whistleblower will be provided with strict legal protection.
Protective Measures	The company has established comprehensive protective measures, including but not limited to confidentiality of identity, job reassignment, legal assistance, etc., to ensure the safety and rights of the whistleblower.
Reward System	Employees who report serious violations that are subsequently verified will receive material or moral rewards, to encourage active participation in monitoring and maintaining the company's positive operational environment.

Monitoring of Commercial Bribery and Corruption

The Megmeet Discipline and Supervision Committee is the company's primary oversight body, responsible for monitoring and inspecting the legal and compliant operation of all business units, platform departments, and business activities across the Group. It ensures the proper implementation of the Group's rules and regulations, handles internal and external reports as well as violations identified through supervision, and safeguards the interests of the Group. For suspected violations of discipline or regulations, a dedicated investigation team will be formed to conduct inquiries and implement corresponding disciplinary measures based on the findings. Cases involving illegal activities will be transferred to the relevant judicial authorities for further action.



Megmeet 2024 Annual Integrity Pledge Conference

The company's Discipline and Supervision Committee carries out its oversight duties based on several key principles: confidentiality and protection, fact-based and lawful compliance, conflict of interest avoidance, integration of supervision with continuous improvement, and the right to appeal. Violations of discipline or regulations are subject to strict penalties in accordance with company policies, including warnings, demotion, reassignment, salary deductions, and withholding of year-end bonuses. In severe cases, offenders will be handed over to the relevant judicial authorities for criminal prosecution. The company emphasizes the importance of anti-corruption and integrity, encouraging all employees to comply voluntarily and uphold the company's reputation and image, thereby laying a solid foundation for Megmeet's sustainable development.

G7 | Anti-Unfair Competition

Anti-Unfair Competition Policies and Regulations

Megmeet, in accordance with laws and regulations such as the Anti-Unfair Competition Law, Anti-Monopoly Law, and Regulations on the Protection of Trade Secrets, has incorporated anti-unfair competition clauses into its Regulations on Handling Violations of Discipline, Megmeet Employee Handbook, and Supplier Agreements, ensuring compliance management across the entire value chain. The company explicitly prohibits practices such as false advertising, commercial bribery, monopoly agreements, and infringement of trade secrets.

The company has established a Discipline and Supervision Committee responsible for formulating and overseeing the implementation of anti-unfair competition policies. This committee coordinates risk identification, investigation of reports, and the enforcement of corrective measures, and regularly reports to the Board of Directors. Each year, Megmeet conducts risk assessments of the market competition environment to identify high-risk scenarios such as false advertising, price manipulation, and data theft. At the same time, the company performs compliance reviews of marketing activities, bidding documents, and technical cooperation agreements, implementing a dual-review mechanism to ensure the authenticity and legality of all content.

Specific Measures and Implementation

Prevention of False Advertising	All external promotional materials at Megmeet must undergo joint review by the Legal and Technical Departments to ensure that descriptions related to product performance, certifications, and other claims are factual and accurate.
Anti-Monopoly and Fair Competition	Megmeet enforces pricing control policies and has issued relevant regulations prohibiting price-fixing or market division agreements with competitors.
Protection of Trade Secrets	Departing employees are required to sign a Confidentiality Commitment Letter, pledging to protect technical and business secrets. Suppliers are required to sign Non-Disclosure Agreements (NDAs), and regular information security audits are conducted during cooperation to ensure supply chain information security is effectively managed.
Whistleblower Mechanism	Megmeet provides anonymous reporting channels (email and WeChat official account messages). The company ensures these channels remain accessible while safeguarding whistleblower privacy. Once a report is verified, an investigation is initiated within 48 hours.
Violation Handling and Disciplinary Measures	In accordance with the Regulations on Handling Violations of Discipline, employees found in violation are subject to strict penalties, including warnings, demotion, reassignment, salary deductions, and withholding of year-end bonuses. In serious cases, offenders will be referred to judicial authorities for criminal prosecution.

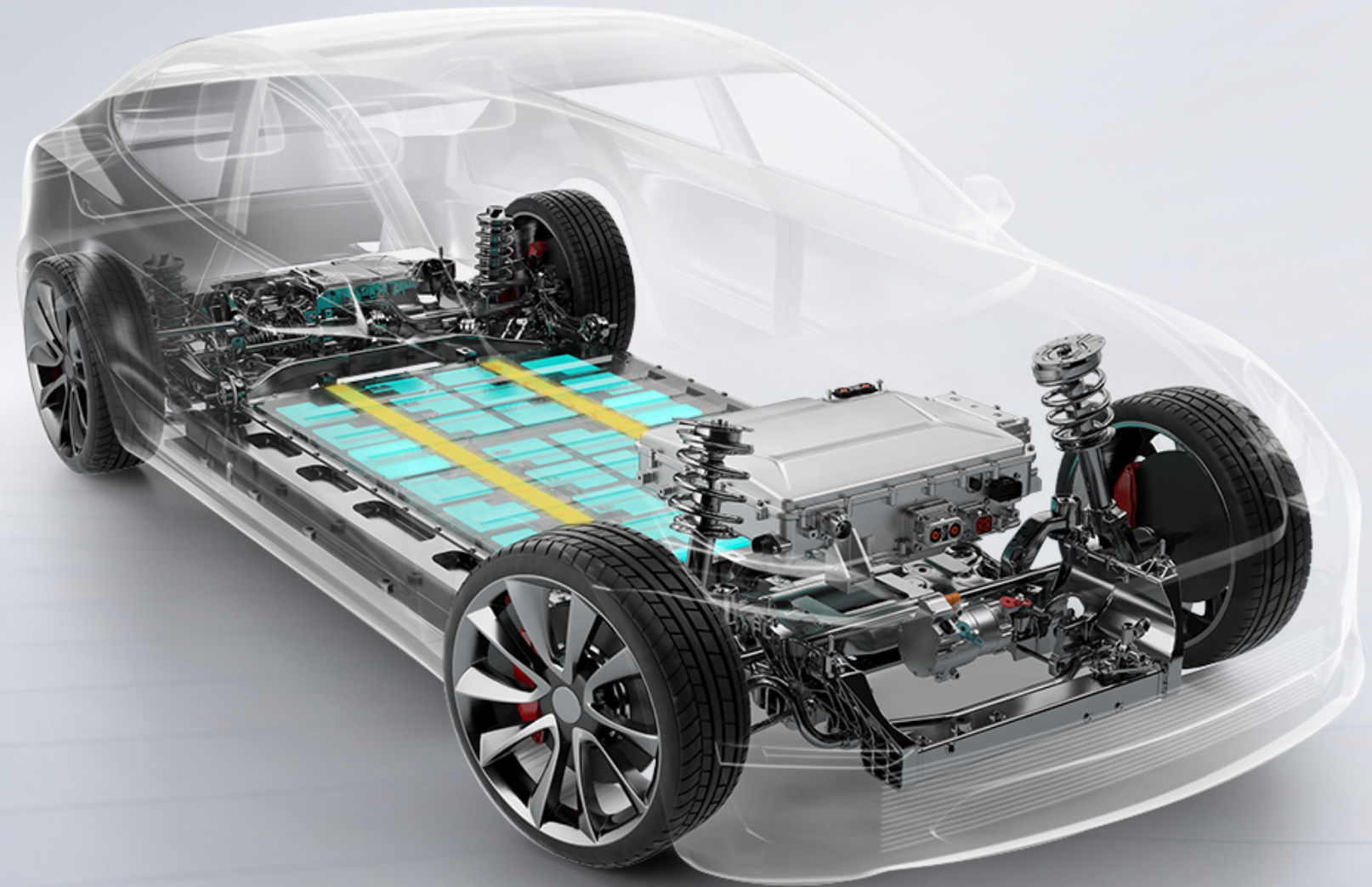
During the reporting period, there were zero lawsuits or major administrative penalties resulting from unfair competition practices by the company.

02

Green and Low-Carbon

Megmeet adheres to the philosophy of "Technology Drives a Green Future," integrating environmental responsibility throughout the entire product development, production operations, and supply chain management processes. The company continuously promotes the low-carbon transformation of the electrical industry. By increasing the use of renewable energy and innovating green technology research and development, Megmeet systematically reduces environmental impact. The company will continue to deepen its efforts in zero-carbon technology, empowering the optimization of global energy structures and ecological protection through technological advancements.

- E1 Climate Change Response
- E2 Energy Use
- E3 Water Use
- E4 Environmental Compliance
- E5 Emissions
- E6 Waste Management
- E7 Circular Economy
- E8 Ecosystem and Biodiversity Protection



MEGMEET

E1 | Climate Change Response

Impact, Risk, and Opportunity Management

Climate change has a profound impact on Megmeet’s production stability, cost structure, and market competitiveness through extreme weather events, policies and regulations (such as carbon tariffs), and shifts in market demand (e.g., preference for low-carbon products). In response to the adverse effects of climate change, we are addressing these challenges through green energy transformation, low-carbon technology research and development, and supply chain collaboration to reduce carbon emissions.

Climate-Related Risk Categories		Time Horizon	Risk Description and Impact	Risk Mitigation Measures
Transition Risks	Policies and Regulations	Short to Medium Term	Tightening Carbon Emission Management Policies and Regulations: <ul style="list-style-type: none">Increasingly stringent greenhouse gas emission reporting requirements, leading to higher compliance costs for carbon emissionsA clear trend toward carbon tariffs in international trade, potentially resulting in increased costsThe industry may be affected by carbon market mechanisms, leading to higher operational costs	<ul style="list-style-type: none">Monitor the dynamics of carbon emission policies and regulations in operating regions to respond appropriately to policy and legal updatesAdopt energy-efficient production equipment and proactively implement energy-saving and emission-reduction projectsStrengthen carbon reduction efforts across the entire production and operation process
	Technology	Short to Medium Term	Transition to Energy-Efficient and Low-Carbon Technologies: <ul style="list-style-type: none">Early phase-out of high energy-consuming equipment and the retirement or write-off of existing assets, leading to increased operational costsIncreased expenditures on the research, development, and application of clean energy or innovative low-carbon technologies	<ul style="list-style-type: none">Choose mature, low-energy, low-emission instruments and equipment available in the marketActively collaborate with universities and research institutions on industry-academia-research projects to advance the development of energy-saving and low-carbon technologies, sharing risks collectively
	Market	Medium to Long Term	The uncertainty of changing consumer behaviors and market signals. On one hand, it is difficult to predict the premium consumers are willing to pay for green and low-carbon products; on the other hand, it is challenging to gauge the market demand for these products	<ul style="list-style-type: none">The company allocates resources appropriately towards market analysis, closely monitoring market trends to seize sales opportunities
	Reputation	Medium to Long Term	There is ongoing attention from all sectors of society regarding the company's response to climate change and sustainable development. Stakeholders expect the company to take on more environmental responsibility, and failure to meet these expectations could expose the company to the risk of reputational damage	<ul style="list-style-type: none">Continuously monitor public opinion and the expectations of the company's stakeholders regarding its response to climate change and sustainable development
Physical risks	Acute	Short term	Climate warming has led to the frequent occurrence of extreme weather events such as high temperatures, typhoons, heavy rainfall, and floods.	<ul style="list-style-type: none">Plan and equip cooling facilities as needed for temperature reductionEquip fire protection facilitiesPlan for multiple transportation methods and schedule logistics in advance based on weather warningsEnsure adequate inventory of material reservesRegularly conduct emergency drills and training for extreme weather events

Physical risks	Chronic	Long term	Sea level rise: Coastal operating entities may need to relocate inland, and damage or premature scrapping of fixed assets can lead to increased production costs	<ul style="list-style-type: none">Continuously monitor sea level rise trendsConsider the impact of sea level rise when selecting operational locationsDevelop multiple suppliers in different regions for the same category to ensure a stable supply of raw materials
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The major uncertainties considered in assessing its climate resilience include the following aspects:

Policy and regulatory changes	Domestic CCER carbon trading regulations are constantly evolving, while internationally, the EU’s CBAM (Carbon Border Adjustment Mechanism) is still in a transitional phase. Rules specific to the electronics and electrical industry have yet to be clarified, making it impossible to estimate the additional costs the company may face.
Technology maturity and costs	The R&D costs of low-carbon technologies may restrict the widespread application of new technologies, resulting in cautious investment by the company in low-carbon technology development.
Market demand fluctuations	There is a risk that the premium of low-carbon products may not be widely accepted by the market.
Physical risks of extreme weather	Physical risks such as flooding, lightning, and extreme heat in the locations where factories are situated are often difficult to predict.

Strategy – Transition Plan

Megmeet continuously enhances its ability to adjust strategies and business models in response to climate change across various aspects, including strategy formulation and governance, technological innovation and application, supply chain and ecosystem collaboration, risk management and resilience building, as well as resource integration and financial support.

Strategy and Resource Adjustment

To address climate-related risks and opportunities, the company has made adjustments in its strategy, business model, and resource allocation:

- Strategic Adjustment**
Megmeet has positioned “green products + circular economy” as its long-term strategic core, integrating resources and operations across its subsidiaries and major factories to establish a closed-loop system of “green R&D — green procurement — green production — green recycling.”
- Business Model Innovation**
Megmeet positions itself as a one-stop solution provider in the field of electrical automation, covering hardware and software R&D, production, sales, and services. It offers ODM/JDM services for power electronic components and systems to major clients across various industries both domestically and internationally.
- Resource Allocation**
The company has established a dedicated sustainability fund, allocating a certain proportion specifically to initiatives such as green factory upgrades, green supply chain management, and low-carbon product technology R&D.

Transition Plan and Key Assumptions

To adapt to climate change and respond to increasingly severe and frequent extreme weather events, Megmeet has formulated a transition plan that outlines short-term, medium-term, and long-term strategies, along with corresponding adjustments to its business model.

■ Short-term (1–3 years)

Optimize the energy structure and expand the coverage of distributed photovoltaic systems; implement a supplier screening system that incorporates carbon management into supplier admission criteria.

■ Medium-term (3–5 years)

Continuously advance technological R&D related to low-carbon products; enhance corporate carbon emissions management through digitalization.

■ Long-term (over 5 years)

Megmeet will continuously adjust its business model to address the impacts of climate change by building a circular economy loop, fostering cross-industry climate collaboration, and transforming into a “green solution provider.”

■ When formulating its transition plan, the company primarily relies on the following key assumptions:

1. The domestic government will continue to strengthen climate policies, while international laws and regulations related to climate change will become increasingly stringent.
2. The cost of key low-carbon technologies will significantly decline.

Safeguard Measures for the Transition Plan

In the process of transitioning to address climate change, Megmeet has systematically allocated diverse resources to support the achievement of strategic goals. In terms of financial resources, we have established a dedicated low-carbon fund; In terms of technological resources, we actively promote the application of digital technologies to assist in energy-saving and low-carbon management; In terms of human resources, we have formed a sustainability professional team and optimized the organizational structure and talent development system. We also plan to collaborate with governments, research institutions, and non-governmental organizations to jointly drive climate action and the innovation and application of green technologies.

Low-Carbon Products and Technologies

As an enterprise focused on environmental responsibility, Megmeet is committed to the application and innovation of green energy-saving technologies. The company actively invests in green product R&D and energy-saving technology applications, integrating “green” and “energy-saving” into various stages such as product design, production manufacturing, and corporate operations. This helps reduce the overall greenhouse gas emissions of the company’s operations and products, and promotes both the company and its customers to better fulfill their environmental responsibilities.

Focusing on Energy Conservation and Low-Carbon, Creating Green Products

Megmeet is fully committed to creating green products, giving full consideration to energy conservation and environmental factors throughout the processes of R&D design, production, and use. The company strives to reduce its environmental impact and improve resource efficiency.

Two wholly-owned subsidiaries of the company, Zhuzhou Megmeet Electric Co., Ltd. (Zhuzhou Electric) and Zhejiang iKAHE Sanitary Ware Co., Ltd. (iKAHE Sanitary Ware), are recognized as national-level green factories by the Ministry of Industry and Information Technology. They conduct product carbon footprint calculation and certification in accordance with standards such as ISO 14067 and PAS 2050, assessing the potential climate and environmental impacts across the

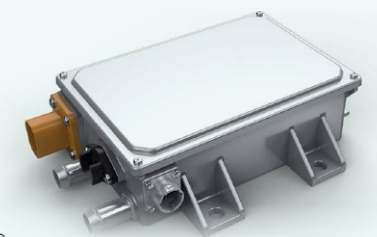
entire lifecycle of the products. Currently, Yihe Sanitary Ware has completed third-party verification of the carbon footprint for its entire range of products, while Zhuzhou Electric has completed carbon footprint certification for its photovoltaic module product (MS483000HG). The company comprehensively analyzes the results of carbon footprint verification and optimizes the high-energy consumption and high-emission process links to gradually reduce the product's carbon footprint value.



In October 2023, iKAHE Sanitary Ware was awarded the title of Green Design Demonstration Enterprise for Industrial Products by the Ministry of Industry and Information Technology. The company develops green products and promotes eco-friendly design by utilizing a digital information management platform, applying photovoltaic power stations and energy storage stations, and testing systems for 100% water reuse. Using PLM and PMS, the company optimizes product structure and process layout to reduce production material waste. It has developed water-saving and energy-efficient products that meet first-class water efficiency and energy efficiency standards. The company actively participates in the development of various standards, technical specifications, and policies related to green design, green products, and green manufacturing. It has participated in the formulation of 23 standards, including 4 national standards, 1 industry standard, 17 group standards, and 1 enterprise standard. In 2024, the company added 2 national standards, 2 group standards, and 1 enterprise standard to its participation.

New Energy DC-DC On-Board Power Supply

The bi-directional two-in-one on-board power supply for new energy vehicles developed by Megmeet integrates charging, inversion, and DC-DC conversion functions. The product converts the high-voltage power from the vehicle’s drive battery into low-voltage 12V power, which is used to supply power to the vehicle’s low-voltage system. The product features high power density and advanced control technology, covering power segments from 1 to 3 kW, with efficiency exceeding 95%. This enhances the energy conversion efficiency of new energy vehicles during operation and significantly reduces energy loss. The product has a compact structure and flexible installation, allowing for electrical integration with components such as OBC/MCU. This product has been successfully applied to multiple passenger vehicles, logistics vehicles, and bus air conditioning systems, providing reliable power support for various types of vehicles.



R744 Heat Pump-Type Thermal Management System

The company’s R744 heat pump-type thermal management system is made using recyclable materials such as aluminum and plastic (reducing emissions during the product's end-of-life recycling process). It uses R744 refrigerant, which has characteristics of 0 ODP and 1 GWP, helping to reduce emissions from Scope 1 fugitive emissions. The system utilizes specific algorithms to improve the driving range of electric vehicles in winter (reducing emissions during the product’s use phase), significantly lowering the greenhouse gas emissions across the product’s entire lifecycle.



Megmeet L6 Low-Voltage Drive Series

The company's pure electric forklifts and aerial work platform machinery products offer advantages such as zero emissions, ultra-low noise, and low vibration. They are equipped with an exclusive high-performance Digital Signal Processor (DSP) and advanced motor control algorithms for electric torque and speed regulation. The products feature a variety of flexible application interfaces, including 8 SW ports, 5 DRIVER ports, 2 Analog Inputs (AI), and 1 Analog Output (AO). They are easy to maintain, have longer maintenance cycles, lower maintenance costs, and a longer product lifecycle. Compared to traditional fuel-powered products, they achieve a cost saving of 77.78%, with significant advantages in energy conservation and emission reduction.



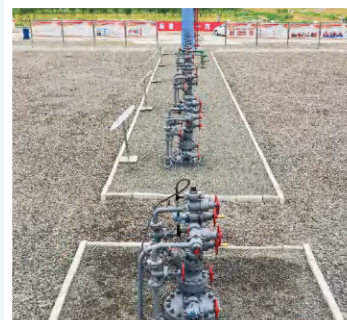
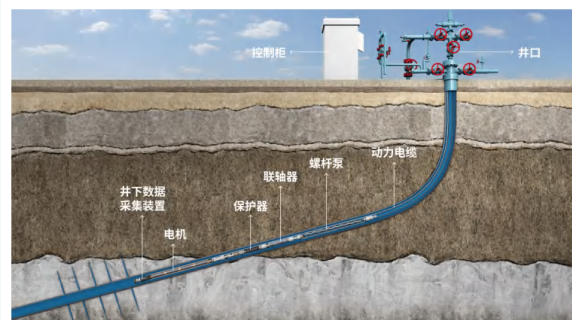
Intelligent Oil Extraction System

Megmeet focuses on the engineering industry by introducing an energy-efficient and eco-friendly alternative to traditional high-energy-consuming pumping units—the Electric Submersible Screw Pump Intelligent Oil Extraction System. The company actively explores solutions that are green, safe, reliable, and intelligently managed, aiming to achieve an organic integration of digitalization and environmental sustainability.

The company has redesigned and optimized traditional pumping unit equipment, developing an Electric Submersible Screw Pump Intelligent Oil Extraction System that occupies only 5 square meters and operates at a power of just 7.5 kW. Compared to products with the same displacement, it saves over 50% in electricity consumption, significantly reducing energy usage. In addition, unlike traditional pumping equipment (such as conventional pumping units and surface direct-drive screw pumps), the electric submersible screw pump system eliminates wellhead leakage, offering distinct advantages in environmentally sensitive areas.

The system was later equipped with temperature and pressure measurement devices as well as an APP-based remote control, enabling intelligent operation. It can automatically adjust the rotation speed to ensure coordination between oil well supply and discharge, and to maximize output. This enhances the flexibility and economic efficiency of oil extraction, paving the way for forward-looking innovation in digitalized oilfield development.

At present, the Electric Submersible Screw Pump Intelligent Oil Extraction System has been widely applied in horizontal wells, low-production wells, heavy oil wells, sand-containing wells, and deviated wells. In Changqing Oilfield—PetroChina's largest oilfield—it holds over 90% market share in the rodless screw pump extraction segment, truly achieving digital energy efficiency, safety, and reliability in efficient oil extraction within the petrochemical industry.



EV Charging Pile Solution

Megmeet provides one-stop solutions for OEM, ODM, SKD, and Non-Brand Standard Products through its strong R&D capabilities and efficient manufacturing platform. The company's 40kW liquid-cooled charging module adopts an industry-leading liquid cooling solution, featuring a unique waterway design. The product has a design life of up to 10 years, significantly exceeding the industry average. This product uses silicon carbide (SiC) components, with an efficiency of up to 96%, reducing energy loss during use and saving electricity consumption. It is applied in new energy vehicle charging piles, contributing to energy conservation and emission reduction.



Focus on Green Technologies to Build Low-Carbon Factories

Beyond green and low-carbon products, Megmeet is also actively engaged in energy-saving and low-carbon transformations at the operational level. By introducing advanced energy-efficient technologies and equipment, the company has achieved significant reductions in energy consumption during production processes. At the same time, Megmeet has increased the use of renewable energy to replace traditional fossil fuels, further reducing carbon emissions.

Aerogel Insulation Materials

The Megmeet Changsha Intelligent Industrial Center uses highly efficient energy-saving material—aerogel. Aerogel has an extremely low thermal conductivity, providing 2 to 3 times better insulation performance compared to traditional materials. This effectively reduces the transfer of temperatures between the interior and exterior of the building, thereby lowering the overall energy consumption of the building. In addition, aerogel has excellent fire resistance, a long service life, and is not prone to settling or decomposition. It also has good hydrophobic properties, meeting the heat protection requirements for summer while offering adequate insulation for winter.



Photovoltaic + Energy Storage + Charging + Car Wash Machine Integrated Project

The Megmeet Changsha Intelligent Industrial Center has successfully implemented the Photovoltaic + Energy Storage + Charging Integrated Project, integrating photovoltaic power generation, energy storage, and charging facilities to provide sustainable energy solutions for the park. On one hand, photovoltaic power generation supplies renewable and clean energy (powering the park's charging stations and car wash machines), reducing dependence on traditional fuels and lowering environmental pollution and greenhouse gas emissions at the source. On the other hand, the batteries and energy storage devices ensure that the system continues to supply power even during periods of insufficient sunlight.

Air Source Heat Pump Technology

The Megmeet Changsha Intelligent Industrial Center has introduced an air source heat pump system, which converts low-grade heat energy from the air into high-grade heat energy, achieving the regeneration and reuse of energy and minimizing energy waste. The air source heat pump system has an annual integrated energy efficiency of 3.5, demonstrating excellent energy-saving characteristics. After being put into operation, it is expected to further enhance energy efficiency and achieve higher energy-saving results. The hot water supply for the dormitories and canteens uses air source heat pump technology, effectively reducing the energy consumption of traditional hot water supply methods. The air source heat pump is equipped with an electric auxiliary heating function, which provides additional heating capacity in extreme weather conditions, such as cold winters, ensuring the stability and reliability of hot water supply. The air source heat pump technology reduces reliance on traditional coal or gas heating methods, lowering the emissions of carbon dioxide and other pollutants.



Injection Molding Workshop Lighting System Renovation

Megmeet's wholly-owned subsidiary iKAHE Sanitary Ware commissioned a professional lighting design team to carry out the design and installation of the lighting and control system in the injection molding workshop. All switches in the injection molding and mold workshops are equipped with wire-free kinetic switches, which do not require batteries or wiring. Additionally, with the integration of an intelligent system, the entire workshop's lighting can be turned on as needed with a single button (scene control). It can later be upgraded to smart scene control (the East section of the injection molding workshop has already set up a one-click scene). Managers can pre-set lighting scenes via a mobile app interface according to production needs, avoiding waste while meeting lighting requirements.



Solar Photovoltaic Power Station Construction

Megmeet's wholly-owned subsidiary Zhuzhou Electric has installed a rooftop photovoltaic power station that uses polycrystalline silicon solar cell technology. The total area of the solar panels is approximately 20,000 m², and the actual electricity generation, after accounting for various factors, reaches 1.204 million kWh per year. By 2024, the total electricity generated will reach 5,528 MWh, all of which is used on-site. In response to the national call for the development of clean energy, Zhuzhou Electric has signed a photovoltaic energy management contract. The company utilizes the idle rooftops of existing factories and office buildings and applies polycrystalline silicon solar cell technology, with a total panel area of approximately 20,000 m². The actual electricity generation, after adjustments, reaches 1.204 million kWh per year, replacing electricity with clean energy to reduce carbon emissions.



Variable Frequency Energy-saving Street Lighting

Megmeet's wholly-owned subsidiary iKAHE Sanitary Ware has achieved the goals of energy conservation, emission reduction, and low-carbon environmental protection by installing variable frequency energy-saving street lighting. The lighting and control system at the iKAHE Sanitary Ware factory has been professionally designed by a national-level registered lighting designer. It uses advanced photovoltaic street lights equipped with a timed automatic dimming function, effectively utilizing natural light resources, reducing dependence on traditional energy, and lowering energy consumption.



Commercial and Industrial Energy Storage Power Station Projects

Megmeet Electric Zhuzhou Blue Valley Park Commercial and Industrial Energy Storage Power Station, with a construction capacity of 0.86 MWh, was put into operation in September 2023. It is expected to save approximately 300,000 yuan in electricity costs annually. The energy storage station in the Zhuzhou Park uses peak shaving and valley filling to balance the peak-valley price difference, thereby reducing the company's electricity costs. The control part of the energy storage station, PCS, PACK, and the entire system are all self-developed and produced by Megmeet Electric. It is expected to save electricity costs for the company for about 10 consecutive years, with significant energy-saving benefits.



Air Compressor Waste Heat Recovery Project

Zhuzhou Electric has launched a waste heat and pressure utilization project. The entire waste heat recovery system has been in operation since March 2023, with a cost of 365,000 RMB. The system recovers the waste heat generated by the air compressor system, providing hot water for the employee dormitories and significantly reducing energy consumption. Specifically, the system saves approximately 74,000 cubic meters of natural gas per year, reducing the cost of heating water with natural gas by about 250,000 RMB. This has helped reduce the company's operating costs. The Zhuzhou base cools the high-temperature, high-pressure gas generated by the factory's air compressors using water, producing 40–50°C hot water to supply part of the domestic hot water to the office building. This not only saves energy from the air compressors but also lowers their temperature, improving operational efficiency. It is an effective and energy-saving method with a short payback period.

Greenhouse Gas Emissions

Megmeet follows the GHG Protocol standards and has commissioned external consultants to conduct a greenhouse gas (GHG) carbon inventory for the entire company. During the calculation process, the operational control method is used to consolidate the GHG emissions. Priority is given to obtaining missing data through communication within the supply chain. Appropriate methods such as regression, mean, mode, and median imputation are employed to handle missing data.

Based on data collection and statistical results, the total and intensity data for Scope 1, 2, and 3 greenhouse gas emissions for the years 2022–2024 from Megmeet Group's subsidiaries, including Zhuzhou Electric, iKAHE Sanitary Ware, Megmeet Thailand, and Megmeet Shenzhen, are as follows:

Indicators	Unit	2022	2023	2024
Total Greenhouse Gas	Tons of CO ₂ Equivalent (tCO ₂ e)	17171012.40	24327917.63	23721492.79
Scope 1 Total Greenhouse Gas Emissions	Tons of CO ₂ Equivalent (tCO ₂ e)	1296.52	1180.50	522.80
Scope 2 Total Greenhouse Gas Emissions	Tons of CO ₂ Equivalent (tCO ₂ e)	16863.69	20289.39	26744.98
Scope 3 Greenhouse Gas Emissions Total	Tons of CO ₂ Equivalent (tCO ₂ e)	17152852.19	24306447.74	23694225.01
Greenhouse Gas Emissions Intensity	tCO ₂ e per 10,000 RMB of Revenue	23.23	29.33	26.81

SBTi Science-Based Targets

Megmeet is formulating science-based carbon targets and emissions reduction plans in alignment with customer expectations.

- For Scope 1 and Scope 2 emissions, the company is setting absolute targets, aiming to reduce absolute greenhouse gas emissions by 50% by 2030.
- For Scope 3 emissions, Megmeet is setting an intensity-based target, aiming to reduce greenhouse gas emissions from capital goods and the use of sold products per unit of gross profit by 51.6% by 2030.

We expect to submit our targets for validation by the Science Based Targets initiative (SBTi) by the end of this year. At that time, our science-based carbon targets and action plans will align with the 1.5°C emissions reduction pathway outlined in the Paris Agreement, demonstrating our active contribution toward achieving global carbon reduction goals.

COMPANY	NEAR-TERM STATUS
Shenzhen Megmeet Electrical Co., Ltd. China, Asia	COMMITTED
SBTi ID: 40019125 Organization type: Corporate Sector: Electrical Equipment and Machinery Temperature alignment (based on scope 1 and 2 targets): NA	



Greenhouse Gas Emission Reduction Practices

Megmeet's Emission Reduction Pathway

To ensure the successful achievement of the SBTi science-based carbon targets and meet the stakeholders' expectations regarding Megmeet's greenhouse gas emissions, we have developed different carbon reduction pathways for Scope 1, Scope 2, and Scope 3 emissions.

Scope 1: Direct Emissions

Energy Management Optimization	Establish a comprehensive energy management system to monitor and analyze energy consumption. Install smart energy metering devices to monitor energy use in real-time across all production processes, develop energy management plans, and set clear energy-saving targets and measures.
Improving Energy Efficiency	Upgrade and retrofit production equipment; analyze and optimize production processes to reduce energy consumption; enhance the recovery and utilization of waste heat and energy.
Technology-Driven Innovation	Increase investment in R&D and establish long-term partnerships with universities and research institutions to jointly carry out cutting-edge carbon reduction technology projects. Actively promote the application of low-carbon technologies and transform R&D achievements into practical productivity.

Scope 2: Indirect Emissions

Use of Green Energy	Adopt renewable energy to reduce reliance on traditional fossil fuels. On one hand, build renewable energy facilities such as solar photovoltaic and wind power systems; on the other hand, sign long-term power purchase agreements with renewable energy suppliers to procure green electricity.
Energy Performance Contracting	Sign energy performance contracts with Energy Service Companies (ESCOs), which assess the company's energy usage, propose energy-saving retrofit solutions, and are responsible for the implementation and operation of the projects. Megmeet pays based on the actual energy savings achieved, thereby reducing both energy costs and greenhouse gas emissions.

Scope 3: Upstream and Downstream Value Chain Emissions

Enhanced Supply Chain Management	Establish long-term, stable partnerships with suppliers to jointly promote carbon reduction throughout the supply chain. Strengthen supervision and evaluation of suppliers, and establish a comprehensive supplier assessment system.
Promotion of Green Transportation	Utilize advanced logistics management systems to optimize transport routes and reduce mileage and travel time. Use clean energy vehicles and gradually replace traditional fuel-powered vehicles with electric or hybrid ones. Encourage employees to use green commuting options.
Improved Waste Management	Establish a comprehensive waste management system. Reduce waste generation during production through process optimization and the use of eco-friendly materials. Implement waste classification, recycling, and reuse, and explore energy recovery from waste.
Product Carbon Footprint Management	Strengthen carbon footprint management to reduce emissions throughout the product lifecycle. Conduct carbon footprint assessments, optimize product design, and introduce carbon labeling to inform consumers of the carbon footprint, guiding them toward low-carbon product choices.

Operational Boundaries	Emission Sources	Emission Reduction Targets	Current Status	Emission Reduction Actions
Scope 1	Fuel Vehicles (Company-Owned Assets)	By 2025, 80% of fossil fuel vehicles will be replaced with new energy vehicles.	90% of the company's vehicles are fuel-powered.	Purchase new energy vehicles to reduce our Scope 1 emissions.
Scope 2	Renewable electricity	By 2025, the annual solar photovoltaic electricity generation will reach 7 million kWh.	The annual solar photovoltaic electricity generation will reach 5.5 million kWh.	The second phase of the solar photovoltaic project at the Zhuzhou factory has entered the implementation stage. The planned installed capacity for the photovoltaic system is 1.7 MW, with excess electricity being fed back into the grid. The expected annual electricity generation is approximately 1.5 million kWh.
	Operational Electricity Consumption	By 2025, the application range of the feedback system is expected to reach 80%, with an estimated electricity savings of up to 2.3 million kWh per year.	The application range of the feedback system is approximately 60%, with an estimated electricity savings of around 1.9 million kWh per year.	The feedback system replaces the traditional resistive system, recycling electrical energy to form a closed-loop system. The energy recovery efficiency can reach 60–90%, significantly reducing energy consumption.
		Install and maintain variable frequency control devices.	Save 120,000 kWh of electricity per year.	The workshop exhaust fan is equipped with a variable frequency adjustment device, which tests the air duct pressure and automatically adjusts the exhaust fan speed to reduce unnecessary ventilation, resulting in a 30% reduction in electricity consumption. This will save more than 120,000 kWh of electricity annually.
		Expand the coverage of the energy-saving lighting system, with an expected annual electricity savings of 30,000 kWh by 2025.	An annual electricity savings of 15,000 kWh.	By adopting an energy-saving lighting system, energy consumption is reduced. The park's streetlights are equipped with Beidou latitude and longitude control devices, which automatically calibrate and locate the local sunrise and sunset times, adjusting the brightness of each lamp in a time-controlled manner. Compared to traditional streetlights, this system saves 20% in energy, resulting in an annual electricity savings of 15,000 kWh.
范围三	Purchased products and services	Continue execution and expand the scope of implementation	In progress	Purchase energy-efficient variable frequency air conditioners, paper and printed materials that meet ISO 14001 and EMAS certifications, and other energy-saving and environmentally friendly products.
		Paper usage: Process ITization rate reaches 90%; Printer IDization rate reaches 90%	The IT digitization rate of processes reaches 80%; the printer ID rate reaches 70%.	Department heads should strengthen education on paper conservation for employees, control the amount of paper used in the office, and encourage the use of the company's IT system for non-essential documents and second-hand paper. Print permissions should be controlled via ID cards, with the number of prints and paper usage managed for each ID.
	Waste Management	100% of specific solid waste is recycled.	purchase new	During office and factory renovations, metal and glass frame parts were reused to achieve a 100% recycling rate.

Carbon Emission Management Incentive System

To encourage employees in various departments to propose valuable suggestions for improving production efficiency and reducing carbon emissions in daily operations, employees are required to submit rational improvement suggestions within their scope of work through the "Rationalization Suggestion Form." The form includes the necessary investment and equipment required for the proposal, as well as an initial estimate of the implementation effect. Department heads evaluate the suggestions submitted by employees and submit feasible proposals to the "Green Factory Working Leadership Team" for approval. Once approved, the leadership team will develop an implementation plan, monitor the implementation results, and provide evaluation feedback.

E2 | Energy Utilization

Megmeet has always adhered to relevant energy regulations, such as the "Energy Conservation Law of the People's Republic of China," and actively fulfills its corporate social responsibility, striving to be a green pioneer in the industry. During the reporting period, the main energy consumed by the company includes direct energy (such as gasoline, diesel, and natural gas) and indirect energy (such as purchased electricity and self-generated solar power).

Energy Management Policy

Green, Low Carbon, Energy Conservation, and Efficiency Improvement.

The direct energy within the company's scope includes:

Types of Direct Energy		
Natural Gas	Gasoline	Diesel
Energy Utilization Scenarios		
Employee Canteen	Operation of company-owned vehicles	Operation of company-owned vehicles
Solar Self-Generation	Purchased electricity	Operation of backup diesel generators
Manufacturing	Production and manufacturing	

In the 2024 reporting period, the company achieved significant progress. iKAHE Sanitary Ware successfully passed the annual energy management system surveillance audit. Meanwhile, the Shenzhen headquarters and Zhuzhou Electric gradually established their own energy management systems and obtained certification in early 2025. The company implemented the energy management system in accordance with GB/T 23331-2020 / ISO 50001:2018 Energy Management Systems — Requirements with Guidance for Use, and developed a series of management policies and procedures, including the Energy Review Management Measures, Energy Performance Parameters and Energy Baseline Management Measures, Policy and Objectives Management Measures, and Energy Services, Products, Equipment, and Energy Procurement Management Measures, among others.



The company has established a systematic energy management approach and supervision mechanism. Through feasibility studies and analysis, it sets annual quota targets and adopts an assessment mechanism to promote green production and eliminate resource waste. Meanwhile, energy-intensive and inefficient equipment is upgraded to support the development of a low-carbon economy.

Based on data collection and statistical results, the energy consumption indicators of Megmeet Group—including Zhuzhou Megmeet Electrical, iKAHE Sanitary Ware, Megmeet Thailand, and Shenzhen Megmeet—for the years 2022 to 2024 are shown as follows.

Indicator	Unit	2022	2023	2024
Total electricity consumption	Megawatt hour (MWh)	30983.76	36924.16	47728.75
Photovoltaic electricity consumption	Megawatt hour (MWh)	1413.90	1549.15	1529.06
Municipal electricity consumption	Megawatt hour (MWh)	29569.86	35375.01	46199.69
Overall energy consumption	Ton of standard coal (tce)	3807.90	4537.98	5865.86
Overall energy consumption intensity	Kilograms of standard coal per ten thousand yuan of output value (kgce/ten thousand yuan)	5.16	5.48	6.64

Zhuzhou Electric's public buildings have adopted a large number of water-saving devices, such as sensor-based flushing devices and foot-operated flushing devices in public areas. The dormitories within the campus are equipped with numerous water-saving fixtures, which have proven to be highly effective. All fixtures meet the Ministry of Housing and Urban-Rural Development's standard CJ/T164-2018 for water-saving sanitary appliances. The iKAHE Sanitary Ware project's flushing water is recycled and not discharged. Ceramic cleaning wastewater and ultrasonic cleaning wastewater are filtered through cloth and then enter a sedimentation pool, where they are treated and recycled without being discharged. Between 2022 and 2024, the following table summarizes the water consumption statistics for the Megmeet Group, including Zhuzhou Electric, iKAHE Sanitary Ware, Megmeet Thailand, and Shenzhen Megmeet.

Water Consumption Indicators	单位	2022	2023	2024
Total Water Consumption	Ton	187638	184155	213689
otal Water Consumption Intensity	Ton per ten thousand yuan of output value	0.254	0.222	0.242

Water resource protection has become an important national strategy and policy direction. Against the backdrop of increasingly scarce water resources, iKAHE Sanitary Ware, as a socially responsible enterprise, deeply integrates the concept of sustainable development into its core strategy. It actively assumes its social responsibility for water conservation and environmental protection, and promotes the design of eco-friendly products. Its innovative development of water-saving sanitary products has achieved significant technical breakthroughs and won the "Advanced Water-Saving Product Award" in industry evaluations, demonstrating the brand's leading advantages in the field of environmental protection.



E3 | Water Resources Utilization

Megmeet is committed to promoting a clean and healthy life for all humanity by continuously improving the environment and preventing pollution, with a focus on safe production and harmonious development in water resource management. The company adopts various measures to reduce water usage and waste, enhance water resource utilization efficiency, and contribute to the protection of Earth's water resources.

Water Resource Management Objectives

- Embrace green and low-carbon practices, and build a clean home together
- Foster integration between the enterprise and green practices, ensuring development and ecology coexist
- Promote cleanliness for production and embrace green for development.

Water Resource Management Policy

The company implements the strictest water resource management system, rigorously controls water pollution, adheres to a comprehensive water-saving policy, and prioritizes the protection of the ecological environment.

Water Risk Assessment and Response Strategy

Megmeet's water source is entirely from municipal water supply, primarily for the operational base's domestic water use. Domestic wastewater is pre-treated in septic tanks within the factory to meet standards before being discharged into the local municipal sewage network. It is then further treated by the municipal sewage treatment plant before being released into the natural environment. During the reporting period, the company did not experience any significant direct or indirect impacts on water resources due to changes in water extraction, consumption, discharge, or storage.



E4 | Environmental Compliance Management

Megmeet is directly led by the General Manager, who oversees major decisions regarding safety production, environmental protection, and occupational health and safety, ensuring the implementation of national laws and regulations. The Safety and Environmental Protection (S&E) Department operates as an independent secondary department, responsible for the implementation of the environmental management system, risk prevention, and daily supervision, with clear division of responsibilities at all levels. The company has developed an "Environmental Management Manual," which outlines goal management, energy and resource management procedures, and supporting special systems such as the "Emergency Preparedness and Response Management Procedure" and the "Emergency Response Plan for Environmental Incidents."

Emission, wastewater, and solid waste management:

- 100% legally compliant disposal of pollutants, with regular monitoring of discharge data to ensure consistent compliance with standards.
- Hazardous waste (such as paint sludge, waste packaging barrels, etc.) is entrusted to qualified enterprises for compliant disposal, with a dedicated hazardous waste warehouse set up and strictly managed.

Innovative Waste Disposal

The Megmeet Changsha Intelligent Industrial Center uses efficient composite microbial degradation technology, combined with a gas purification module, to successfully convert food waste from the cafeteria into fertilizer. The organic materials required for production are processed through degradation and waste recycling, making a positive contribution to environmental protection and resource recycling. The optimized treatment technology (such as efficient composite microbial degradation technology) helps reduce the amount of waste generated.

Environmental Management System

Megmeet Environmental Management System Policy

To achieve a clean and healthy life for all mankind, we are continuously improving and preventing pollution, while striving for safe production and harmonious development.



Environmental Audit Work

The company conducts environmental internal audits annually to identify potential risk points and develop corrective measures, ensuring a closed-loop management process. Each year, a professional institution is hired to conduct an annual audit of waste gas, wastewater, and solid waste treatment processes to ensure the effectiveness and compliance of the measures.

Indicator	2024	Goal Progress
Pollutant Emission Compliance Rate	100%	Achieved compliance for three consecutive years
Employee Environmental Training Coverage Rate	100%	Full coverage for all employees
Hazardous Waste Compliance Disposal Rate	100%	Full coverage by qualified disposal companies
Number of Environmental Incidents	0	Zero incident record maintained

E5 | Pollutant Emissions

The company strictly abides by laws and regulations such as the "Water Pollution Prevention and Control Law of the People's Republic of China," the "Air Pollution Prevention and Control Law of the People's Republic of China," and the "Solid Waste Pollution Prevention and Control Law of the People's Republic of China," as well as national and industry standards such as the "Environmental Noise Emission Standards for Industrial Enterprises (GB 12348-2008)" and other applicable regulations and standards. The company conducts environmental management to strictly control the generation and discharge of wastewater, exhaust gas, and noise during production operations, minimizing environmental impact.

Pollutant Impact

During the reporting period, Megmeet ensured that all pollutant emissions from its operations strictly complied with national environmental protection laws and regulations. During the period, the company did not receive any complaints from employees or local community residents regarding adverse impacts. The company also did not face any major administrative penalties or criminal liabilities due to pollutant emissions. The company implemented a comprehensive environmental monitoring plan to ensure that all emissions not only met but exceeded national standards. Additionally, the company has a well-established risk management system to effectively prevent environmental pollution incidents, safeguarding employee health and community welfare. This reflects the company's strong commitment to environmental protection and social responsibility.

Pollutant Treatment

Exhaust Emissions

The exhaust emissions generated by the company mainly consist of welding fumes, injection molding fumes, and crushing dust, with the main pollutants being tin and its compounds, smoke, particulate matter, volatile organic compounds (VOCs), etc. To strengthen environmental management and improve the workshop working environment, we collect and treat all exhaust gases before they are discharged. Welding fumes are absorbed by activated carbon and then extracted through a ventilation system and released at a height of 15 meters. Organic waste gases from the injection molding workshop are collected by a centralized exhaust system, with the collected gases being treated by “UV photocatalysis + activated carbon adsorption” before being discharged through an exhaust stack (15m) on the factory roof. Scrap and defective products generated during the injection molding process are crushed and reused in production. The company has a dedicated closed crushing workshop in the factory area, using environmentally friendly crushing equipment for collection and reuse in production, with minimal dust emissions released in an unorganized manner.

Wastewater Discharge

The wastewater discharged is primarily domestic sewage, with the main pollutants being chemical oxygen demand (COD), animal and vegetable oils, suspended solids, biochemical oxygen demand (BOD), ammonia nitrogen, petroleum, and total phosphorus. After pre-treatment in the septic tank within the factory to meet the standards, it is discharged into the municipal sewage system.

Noise

The company selects advanced, low-noise production equipment during the equipment selection and procurement process to reduce noise generation at the source. For high-noise equipment, soundproof rooms have been established, and the density of equipment layout in the workshop is controlled within an appropriate range to minimize the impact of noise on the working environment. For high-noise and vibrating equipment, measures such as vibration-proof foundations or shock-absorbing pads are implemented to reduce the impact of vibration on equipment and workers. Additionally, we strengthen the maintenance of production equipment to ensure it operates smoothly and reduce noise and vibration.

Case 1: iKAHE Sanitary Ware

- Wastewater** Domestic sewage is pretreated to meet the tertiary standard of GB8978–1996 "Comprehensive Sewage Discharge Standard" (with ammonia nitrogen and total phosphorus discharge standards referring to the "Indirect Discharge Limits for Nitrogen and Phosphorus Pollutants from Industrial Enterprise Wastewater" (DB33/887–2013)). It is then discharged into the municipal sewage network and ultimately treated by Taizhou Water Treatment Development Co., Ltd. to meet the discharge standards.
- Noise** Adheres to the category 2 standard of GB12348–2008 "Environmental Noise Emission Standards for Industrial Enterprises at Boundary".
- Waste Gas** The concentration of total suspended particulates is subject to the non-organized discharge standard in Table 2 of the "Comprehensive Air Pollutant Discharge Standard" (GB16297–1996).

Case 2: Zhuzhou Electric

- Wastewater** Wastewater includes workshop floor cleaning wastewater, canteen wastewater, and domestic sewage. The discharge outlet complies with the indirect discharge limits specified in GB 39731–2020 Discharge Standard of Water Pollutants for Electronic Industry.
- Noise** The southern boundary of the Taishan Road plant area adopts the Class 2 standard limits specified in Table 1 of GB12348–2008 Emission Standard for Industrial Enterprises Noise at Boundary. The western boundary of the Taishan Road plant area adopts the Class 3 standard limits from the same table.
- Exhaust Gas** Welding fume is collected by a fume hood and treated via a fume extraction and filtration dust collector before being discharged at high altitude. The emission complies with the Class 2 standard limits specified in Table 2 of GB 16297–1996 Comprehensive Emission Standard of Air Pollutants. The concentration of total suspended particulates complies with the fugitive emission limits specified in Table 2 of the same standard.

E6 | Waste Management

Waste Management Policy and Objectives

Megmeet strictly adheres to the principles of "reduction, resource utilization, and harmless treatment," promoting full-process management of waste. The company explicitly requires each factory to ensure that 100% of the waste in all factory areas is disposed of legally and in compliance with regulations, and that 100% of hazardous waste is handled by qualified enterprises.

Policies and Responsibility Framework

The company has formulated and implemented the Waste Management Measures and Hazardous Goods Management Measures, which clearly define classification standards, disposal procedures, and responsibilities. Each factory has established a dedicated storage area for hazardous waste, with classified storage by zone. All factories maintain hazardous waste management records to ensure full-process traceability.

Waste Classification and Disposal Practices

- Recyclable general waste, such as plastics, packaging cartons, and household waste, is collected and recycled by certified renewable resource companies.
- Non-recyclable general waste, such as office waste and kitchen waste, is collected and transported by the sanitation department.
- Hazardous waste, including paint residue, used rags and gloves, and discarded packaging barrels, is disposed of in compliance with regulations through certified contractors, with hazardous waste transfer manifests signed.
- Each factory has set up a dedicated hazardous waste warehouse for temporary storage, equipped with anti-leakage and anti-dispersion facilities. Regular inspections of the storage environment are conducted to prevent leakage and cross-contamination.
- The company has formulated an Emergency Response Plan for Environmental Incidents and conducts targeted drills for emergency response to hazardous waste leakage scenarios.

Indicator	Unit	Megmeet 2024 Data
General Solid Waste	Ton	2177.71
Hazardous Waste	Ton	4.11
Compliance Disposal Rate of Hazardous Waste	Percentage	100%
Third-Party Compliance Audit Pass Rate of Hazardous Waste	Percentage	100%

E7 | Circular Economy

Circular Economy Governance and Strategy

Megmeet adheres to the core values of "green, environmental protection, and sustainable development" and upholds the principles of "reduction, resource utilization, and harmlessness" to promote efficient resource utilization and recycling throughout the entire product lifecycle. The company has established a Green Packaging Committee to coordinate cross-functional efforts (R&D, production, procurement, and marketing), formulate the Green Packaging Design Guidelines, and oversee the implementation and performance evaluation of these standards. In alignment with environmental protection concepts, Megmeet has also set up a dedicated department responsible for the timely recovery and reuse of recyclable components and materials.

The company implements a series of recycling measures:

- Actively selects recyclable and biodegradable packaging materials, such as cardboard and bioplastics, to reduce environmental impact.
- Optimizes packaging designs to reduce the use of unnecessary materials. The compact packaging design effectively minimizes space waste.
- For certain products or components, the company has designed reusable packaging solutions, such as reusable plastic boxes or pallets, allowing for multiple uses in transportation and storage, thus reducing packaging material consumption and waste generation.
- The company has established corresponding recycling systems and processes, collaborating with customers to promote packaging recycling and reduce environmental impact.

Resource Recycling Practices

Megmeet recycles recyclable materials (such as cardboard and plastic) through a recycling company to increase the recycling rate, while non-recyclable materials (such as kitchen waste) are safely disposed of by sanitation departments.

MRF280-TCU Project:

In the MRF280-TCU project, the company combines thermoformed pallets (bamboo powder) and pulp molding design, introducing paper boxes to replace traditional plastic packaging structures, achieving plastic-free packaging. At the same time, low-density weight-reduction technology is used to further reduce packaging weight, decrease energy consumption, and minimize material waste.

Megmeet Changsha Smart Industrial Center Zero-Carbon Demonstration:

The research center uses efficient composite microbial degradation technology to convert 100% of cafeteria waste into organic fertilizer, achieving resource utilization of organic waste. The process meets the "three-zero standard" (zero emissions, zero pollution, zero secondary pollution).

Recycling Economy Related Indicators	Megmeet 2024 Data	Management Effectiveness
Packaging Labeling Compliance with Domestic and International Regulations (e.g., Plastic Ban, EU Packaging Directive)	100%	No violations for three consecutive years
Recycled Packaging Usage Rate	75%	Industry-leading level

E8 | Ecosystem and Biodiversity Conservation

The company continues to focus on the impact of its activities on ecosystems and biodiversity, strictly adhering to relevant laws and regulations such as the "Environmental Protection Law of the People's Republic of China," the "Soil Pollution Prevention and Control Law of the People's Republic of China," and the "Opinions on Further Strengthening Biodiversity Protection" issued by the General Office of the CPC Central Committee and the State Council. The company's current production and operational sites are not located in key ecological functional areas, marine areas, or ecological protection red lines. During the site selection process for new projects, ecological impact is considered to mitigate risks and identify potential hazards in advance. As of the end of the reporting period, no significant adverse impacts on biodiversity have been identified from the company's production activities, products, or services.

03

Trust and Win-Win

Megmeet follows the principle of "Technology for Good, Responsibility Coexistence," integrating social responsibility throughout the entire value chain of research and development, production, and services. In the field of scientific and technological innovation, the company focuses on breakthroughs in low-carbon technologies, integrates green and sustainable management into the supply chain, and promotes green innovation and sustainable development in the electrical industry through industry collaboration and partnerships with universities and research institutions.

- S1 Innovation Driven
- S2 Product Quality and Safety
- S3 Customer Service Management
- S4 Data and Information Security
- S5 Supply Chain Security
- S6 Industry Cooperation and Development



MEGMEET

S1 | Innovation-driven

Innovation is the core engine of Megmeet's sustainable development. The company will continue to deepen its "Technology + Market" dual-drive strategy, increase investment in cutting-edge fields such as AI and energy storage, with the goal of achieving a research and development expenditure ratio exceeding 12% by 2025. It will strengthen cooperation with global research institutions, accelerate globalization, promote the internationalization of green technology standards, and uphold the mission of "Smart Manufacturing for a Green Future" to support the achievement of carbon neutrality goals, driving the sustainable development of the industry through innovation.

Technology Innovation Strategy

As a global leader in power electronics and industrial automation solutions, the company has always regarded innovation as the core strategy for its development. Guided by laws and regulations such as the "Science and Technology Progress Law of the People's Republic of China" and the "Patent Law of the People's Republic of China," and based on national standards, industry standards, and customer needs, the company focuses on key areas such as digital transformation, green technology, and artificial intelligence. It builds a comprehensive innovation system covering technology research and development, product innovation, and management optimization.

Strategic Directions

■ Focus on Core Area

Continuously invest in cutting-edge fields such as digital transformation, green technology, and artificial intelligence, and drive breakthroughs in core businesses such as power supply technology, electric vehicle control, and industrial automation.

■ Enhance Industry-Academia-Research Collaboration

Strengthen cooperation with universities and research institutions, establish joint laboratories or innovation platforms, and promote the transformation of technological achievements.

■ International Expansion

Establish research and development centers in Germany to attract top global talent.

System Assurance

■ R&D Process Management

Establish and implement systems such as the "Design and Development Management Procedure," "Project Development Review Standards," "Research and Development Management System," and "Research and Development Operational Standards," incorporating national standards, industry standards, and customer requirements throughout the entire R&D lifecycle to ensure product quality across its entire lifecycle.

■ Innovation Incentive Mechanism

Establish and implement systems such as the "Megmeet R&D Department Performance Appraisal System" and "Scientific and Technological Achievements Transformation Organization and Incentive Reward System" to stimulate the vitality of the R&D team.

Process Control

To enhance product R&D and innovation capabilities, the company divides the new product development project cycle into five stages: concept phase, planning and design, development phase, pilot phase, and mass production phase. During the new product development process, the company is customer-demand driven, developing detailed R&D plans for the products. From the design stage, the entire product lifecycle, related process quality, and service quality are considered to ensure high-quality new products for customers.

Science and Technology Innovation Goals and Indicators

Megmeet's Science and Technology Innovation Goals

Short-term goals (1-2years)

Achieve breakthroughs in core technologies, launch 1-2 innovative products, and digitize part of the business processes.

Medium-term goals (3-5years)

Establish a leading technological position in the industry, launch 3-5 market-competitive products, and achieve full digital transformation.

Long-term goals (5+years)

Become a leader in setting industry technological standards, continuously launch innovative products, and achieve sustainable development goals.

Megmeet's Science and Technology Innovation Indicators

Technology R&D Indicators

- Ensure that annual R&D investment accounts for more than 10% of operating revenue.
- Number of newly filed patent applications: 130.
- Number of core technology breakthroughs (e.g., 1-2 per year).

Product Innovation Indicators

- Number of newly launched products: 23.
- Market share of new products: 5%.
- Customer satisfaction rate: over 90%.

Digital Transformation Indicators

- Digital coverage rate of business processes: over 80%.
- Improvement rate in operational efficiency: 20%.
- Proportion of data-driven decision-making: over 70%.

Sustainability Indicators

- Annual reduction in carbon emissions: 5%.
- Proportion of green products: over 30%.
- Increase in resource utilization efficiency: over 20%.



Innovation Funding Assurance

To ensure the smooth implementation of technological innovation, the company has adopted a series of support measures, including the establishment of a dedicated innovation fund. This fund is used to support key areas such as technological R&D, product innovation, and digital transformation. It aims to optimize resource allocation and ensure that funding needs for various innovation activities are met, thereby driving the company’s continuous innovation and development.

Funding Arrangement

Internal Funding	Utilize the company’s own capital to ensure continuous investment in R&D and innovation projects. Improve operational efficiency, reduce costs, and increase cash flow.
External Financing	Raise funds through equity financing by issuing new shares or introducing strategic investors; raise long-term funds through debt financing such as issuing corporate bonds or obtaining bank loans; actively apply for national and local government subsidies or special research funds to secure external support for R&D expenditure.
Cooperation and Joint Ventures	Collaborate with universities and research institutions to share R&D resources and reduce costs; or form joint ventures with leading industry enterprises to jointly develop new technologies and products.

Funding Guarantee Measures

Financial Planning	Develop a detailed financial budget to ensure the rationality and effectiveness of fund utilization; conduct regular financial audits to ensure transparency and compliance in the use of funds.
Risk Management	Establish a risk assessment mechanism to identify and evaluate the risks of technological innovation projects; develop contingency plans to ensure timely action can be taken when risks occur.
Performance Evaluation	Establish a performance evaluation system for technological innovation projects, regularly assess the progress and outcomes of projects; adjust funding allocation based on evaluation results to maximize the effectiveness of fund investment.
Policy Support	Closely monitor national and local policies on technological innovation, apply for relevant policy and funding support in a timely manner; maintain good communication with government departments to secure more policy support and resource advantages.



Megmeet effectively promotes technological innovation and achieves sustainable development through the above strategies, goals, indicators, funding arrangements, and guarantee measures, maintaining a competitive advantage in the industry.

Research and Development Resource Investment


In 2024, Megmeet's research and development investment accounted for 12.04% of the company's total revenue. The investment was primarily focused on core technology breakthroughs in areas such as LED displays, server power supplies, and electric vehicle electric control systems. A significant amount of funds were also allocated to upgrading the simulation testing digital system, which greatly shortened the product development cycle.

The company implements a talent recruitment system to attract a large number of R&D professionals, obtaining recognition for 15 high-level talents at the provincial and municipal levels, and 17 talents under district-level and other talent programs. During the 2024 reporting period, the company's R&D team size reached over 2,800 people, with R&D staff accounting for 36% of the total workforce.

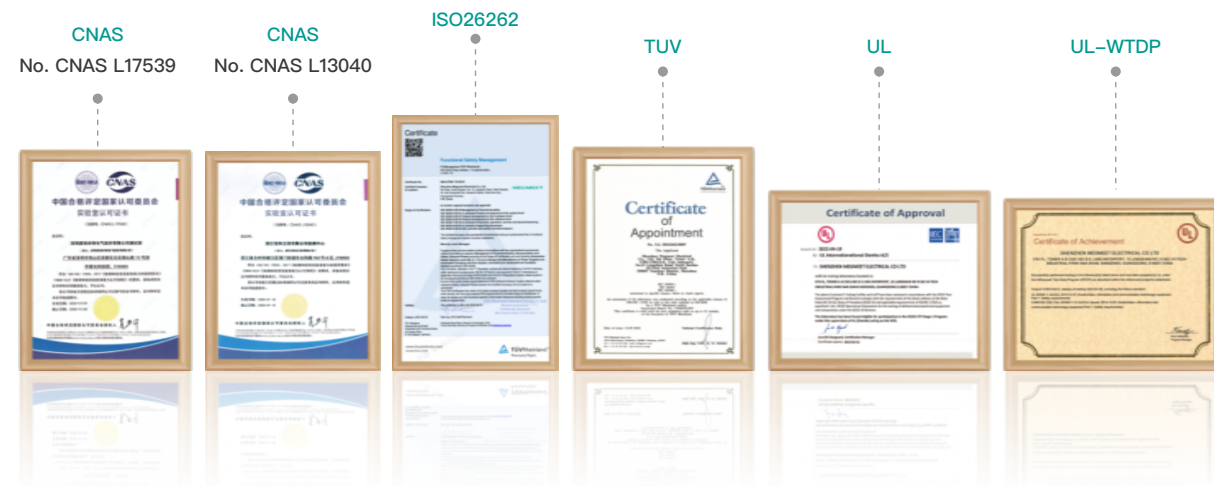
Indicator	2022	2023	2024
R&D Investment as a Percentage of Main Business Revenue (%)	11.09%	11.55%	12.04%
R&D Personnel as a Percentage of Total Employees (%)	34%	34%	36%

R&D Facilities

Megmeet has world-class laboratory R&D equipment, creating standardized, professional, automated, and intelligent testing platforms that effectively ensure the accuracy and stability of test results. The company uses top-tier equipment brands such as R&S, SCHWARZBECK, AMETEK, Tektronix, Keysight, and YOKOGAWA to build high-standard laboratories, including those for sanitary ware, electromagnetic compatibility (EMC), and battery life testing. The group company and iKAHE Sanitary Ware have both received CNAS laboratory, TUV Rheinland laboratory, and UL laboratory accreditation certificates, supporting high-precision technology validation. Additionally, the company has established the "Smart Energy Carbon Dual Control Cloud Platform" to achieve digital management throughout the entire R&D process.

Functional and Performance Testing Laboratory	EMC Testing Laboratory	Environmental and Reliability Testing Laboratory	Other Specialized Laboratory
 Electrical and Electronic Performance Testing	 RE Lab (10M, 3M*2)	 Temperature and Humidity Environmental Testing	 Semi-anechoic Testing
 Electric Motorcycle Hub Testing	 CE Lab*2	 Climate Environment and Reliability Lab	 Burn-in Lab
 High-speed Bench Testing	 Surge Testing	 Three Comprehensive Test Bench Testing	 Enthalpy Testing

Megmeet's laboratory testing capabilities and management system have been recognized by authoritative institutions, holding qualifications such as CNAS, TUV, UL-CTF, and UL-WTDP. The test results are globally recognized.



Technological Innovation Achievements and Impact

Technological Breakthroughs

Over the years, the company has received 15 awards related to technological innovation, including First, Second, and Third Prizes for Provincial Scientific and Technological Progress, the Excellent Award in the Provincial Industrial Design Competition, the Annual Outstanding Project Award, the Government Quality Award, among others. As of February 15, 2025, the company holds a total of 249 valid invention patents. Megmeet has achieved core technological breakthroughs in key areas such as LED displays, server power supplies, and electric vehicle control systems. As of February 15, 2025, the company had been granted 25 invention patents applied for in 2024 alone.



Server Power Supply Field

Patent: "Power Supply Circuit, Power Control Method, Composite Power Supply Circuit, and Electronic Device" (CN118399786B).

This patent describes a control circuit that adjusts DC output based on the rise and fall of AC signals, using an isolation transformer to regulate the current in a resonant circuit, thereby achieving zero-voltage switching and high-efficiency operation across the full frequency range. This significantly reduces energy loss and noise, expands the maximum gain range, and enhances overall system efficiency and power density, making it suitable for widespread application. It also provides a standardized reference for the industry and promotes the development of power supply technology toward higher frequency, greater energy efficiency, and increased intelligence.

LED Display Power Supply Field

Patent: "A Power Processing Circuit and LED System" (CN222169621U).

This patent introduces a method of detecting the AC output of the power supply to control a power factor correction (PFC) module, which outputs a preset voltage. The voltage is then processed by a resonant module to deliver the target power. During low-voltage input conditions, a boost operation is performed to improve power output efficiency, reduce component heat generation, and enhance the reliability of the power supply and the performance of the LED display. The technology has been widely applied and currently provides high-quality services to leading and key clients in the display power supply industry.

Industrial Automation Field

Patent: "An Expansion Card and Inverter System" (CN118074488B).

This patent presents the design of an expansion card featuring a first connection terminal, a second connection terminal, and two independent isolation circuits—a first isolation circuit for power signal conversion and a second isolation circuit for the transmission of control and feedback signals, ensuring real-time signal transmission. By directly connecting to the inverter's microcontroller unit (MCU), the expansion card enhances the real-time reception of signals, thereby improving the safety and reliability of the inverter system. It enables rapid response to external device inputs and significantly enhances control performance.

Impact of Technological Innovation

Market Expansion and Customer Recognition

Megmeet's commercial display power supply products were awarded the title of National Manufacturing Single Champion in 2024. The global market share of commercial display power supplies has exceeded 30% for three consecutive years, ranking first in the global segmented market. The company has built a strong foundation in the network power supply industry. Through continuous and intensive R&D investment in the network power business, Megmeet has received multiple project demands and orders from leading domestic and international clients in recent years, and has gradually emerged in the global server industry. The company has become one of the few comprehensive power supply providers capable of high-power, high-efficiency server power technologies and full-process overseas production and supply. Megmeet's arc welding robot power supplies have ranked first in domestic sales for nine consecutive years, with annual shipments exceeding 10,000 units and a market share of nearly 30% in the Chinese market. The company's products have received international certifications such as UL and TÜV Rheinland and have entered high-end markets in Europe and North America.

New Quality Productivity Promotion

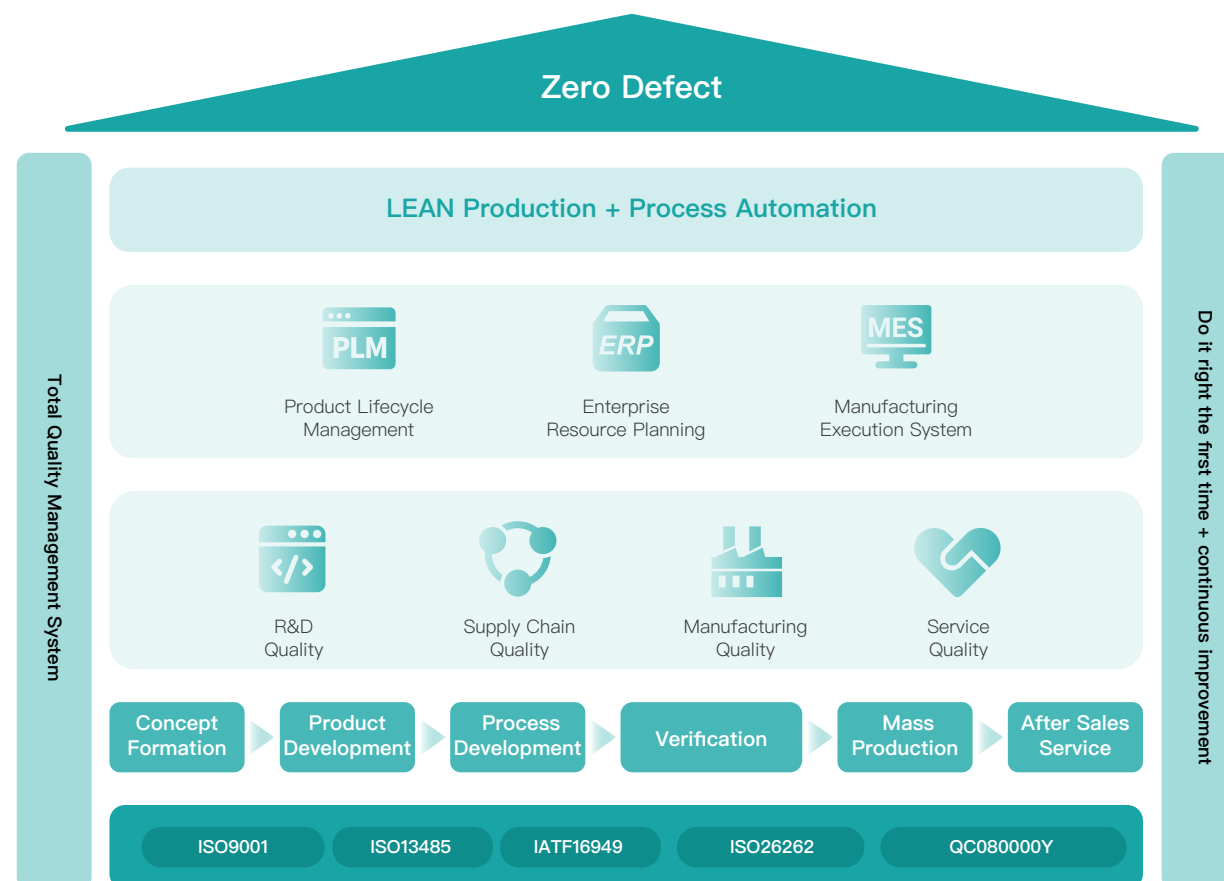
The company's numerous patented technologies have driven technological upgrades in fields such as power supplies, electric vehicles, LED displays, and industrial automation, specifically reflected in the following:

- Innovations in power supply technology have laid the foundation for the development of smart devices.
- Optimization of electric vehicle control devices has enhanced the performance and market competitiveness of new energy vehicles.
- Advances in intelligence and automation technology have accelerated the transformation of traditional manufacturing industries towards intelligent and automated systems.
- Technological innovations in the industrial automation field have helped manufacturing clients achieve more efficient production processes, improving overall productivity.

S2 | Product Quality and Safety

Quality Management Strategy

Megmeet's quality management framework is guided by the principle of achieving "doing it right the first time" and continuously improving toward the ultimate goal of "zero defects." The company, based on international quality management standards, is committed to establishing a quality management system that covers the entire product lifecycle, ensuring that each stage—from design, development, inspection, delivery, to after-sales service—meets high-quality standards. At the same time, the company has set strict quality specifications during the R&D and manufacturing processes to standardize quality management in production. Megmeet places a strong emphasis on supplier quality management, ensuring that every link in the supply chain meets quality standards. In terms of service, the company is dedicated to providing high-quality after-sales service to ensure customer satisfaction and brand reputation. To support the implementation of the quality management system, Megmeet has developed an information platform. The platform is based on the PLM (Product Lifecycle Management) system platform for R&D product data and project management, the ERP (Enterprise Resource Planning) system platform for enterprise resources and finished product management, and the MES (Manufacturing Execution System) platform for production processes and warehouse logistics management. The collaborative use of these three systems helps the company better achieve the "zero defects mindset + informatization and automation" quality management philosophy.



1

Implementation Path

To achieve the zero-defects goal, the zero-defect quality management philosophy must be implemented proactively, with full participation from all employees, and it should be integrated throughout the entire product lifecycle.

2

R&D Quality

- Standardized R&D Process (IPD, phase review deliverables), IT-enabled (PMS), ensuring efficient and standardized execution.
- Leading R&D Validation Capability compared to peers (based on international, national, and industry requirements, while also benchmarking hardware and personnel configurations of competitors), ensuring that the output characteristics of the developed products meet the R&D requirements.
- Early Involvement of Manufacturing Personnel to ensure early identification and avoidance of issues, reducing subsequent handling costs (Design for Manufacturability (DFM), Design for Testability (DFT), Design for Reliability (DFR), and other DFX design activities).

3

Supply Chain Quality

- Strict supplier qualification for both entry and exit;
- Ensure standardized introduction and effective management of suppliers;
- Standardize component selection and verification with scientific protocols;
- Provide quality assistance and technical support to core and potential suppliers.

4

Process Quality

- Improve and continuously optimize the MES system, using IT methods for error-proofing and mistake-proofing;
- Automate key processes;
- Stabilize grassroots management personnel and continuously enhance their capabilities through training;
- Enhance product quality engineering capabilities; Use and promotion of advanced quality tools
- Standardization of abnormal handling and analysis
- Improve failure analysis capabilities for quality issues.

5

Customer Service & After-Sales Quality

- Standardize and improve the customer service process and outputs;
- Standardize the after-sales quality service process and outputs, enhance the capabilities of after-sales personnel, improve efficiency, and create value.

Quality Management System

Megmeet strictly adheres to domestic and international product quality and safety laws and standards, including the Product Quality Law of the People's Republic of China, Standardization Law of the People's Republic of China, ISO9001 (General), ISO13485 (Medical), IATF16949 (Automotive), and GB 4943.1, GB/T 9254, GB15579, IEC 60601-1, GB31241, GB4706, GB/T 18387, GB/T 18487, IEC 61215-2 IPC600, IPC610, IPC620, among others. The company has established and implemented a series of quality management system documents, including the Management System Manual, Medical Management System Manual, Functional Safety Management Manual, Record Control Procedure, Internal Audit Control Procedure, Management Review Control Procedure, Equipment Control Procedure, Emergency Preparedness and Response Control Procedure, Human Resources Control Procedure, Contract Review Control Procedure, Customer Satisfaction Control Procedure, Nonconforming Product Control Procedure, Corrective and Preventive Action Control Procedure, Identification and Traceability Control Procedure, Compliance Evaluation Procedure, Monitoring and Measuring Equipment Control Procedure, Customer Feedback Control Procedure, Design and Development Control Procedure, After-Sales Service Control Procedure, Procurement Control Procedure, Production Service Control Procedure, Incoming Inspection Work Standard, Process Inspection Work Standard, and Finished Product Inspection Work Standard. These documents form the foundation for the establishment, implementation, and certification of the quality management system.

The company places a high emphasis on quality management and consistently adheres to the "zero defects" quality management strategy. It strictly follows the ISO9000 quality management standard and has established, implemented, and certified several industry-specific and special requirements-based quality management systems, including the ISO13485 medical device quality management system and the IATF16949 automotive industry quality management system. The company not only strengthens quality control during product design, production, and delivery but also focuses on quality management throughout the entire product lifecycle to ensure the delivery of high-quality and reliable products to customers.

In 2024, the company further expanded the scope of product quality certifications. By strengthening the quality certification of the company's management systems and products, the company ensures the quality and reliability of its products, providing customers with higher-quality and more trustworthy products.

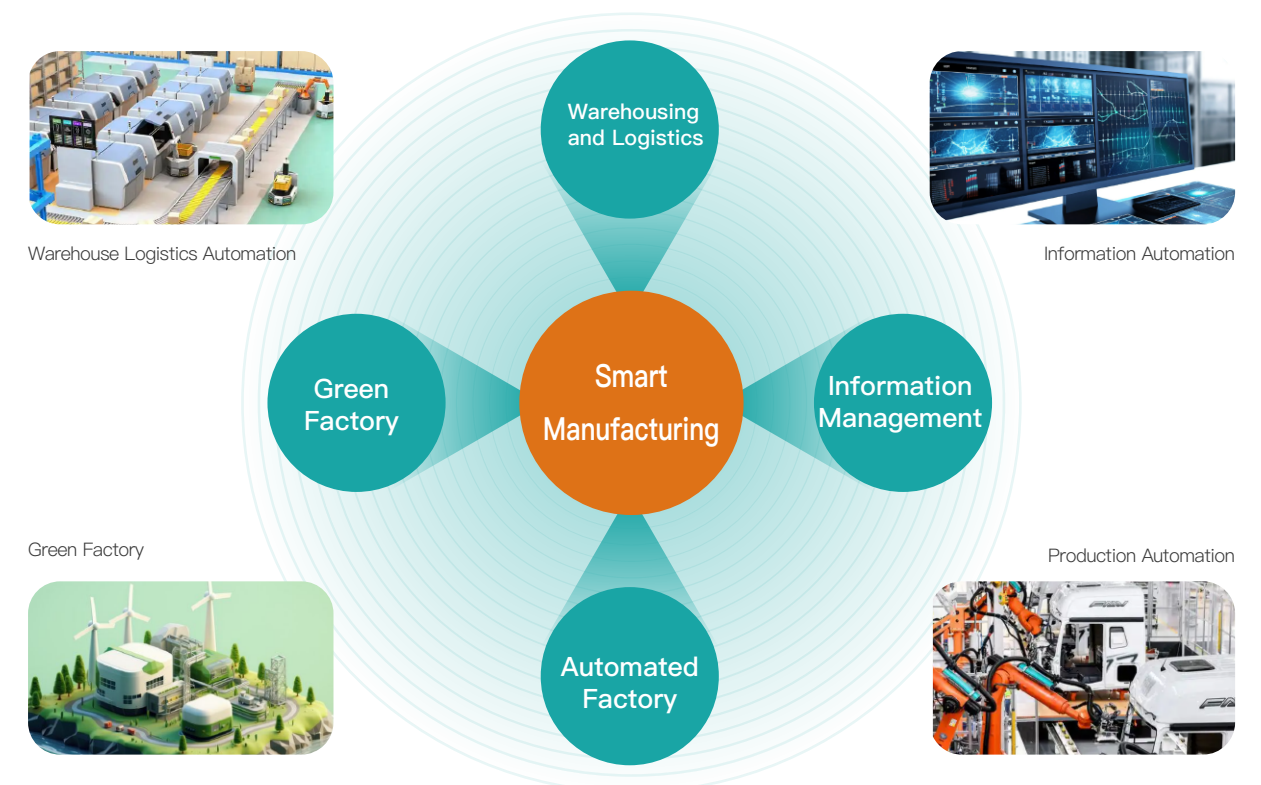


Product Safety and Reliability Management

Product safety and reliability are key characteristics of quality, and the core of quality lies in ensuring high reliability. "Zero defects" is a powerful support for high reliability. Megmeet focuses on product reliability risk management and data management throughout the entire product development and mass production processes, ensuring the safety and reliability of products throughout their lifecycle, and providing customers with more trustworthy products and services.

The company continuously takes various actions to ensure the safety and reliability of its products:

- ① Risk Prevention and Control:** The company assesses risks associated with the introduction of new technologies, new product platforms, new components, and new types of products. It identifies safety and reliability risks during the introduction of new technologies and develops solutions.
- ② Tool Optimization:** The company develops and optimizes testing methods related to product safety and reliability throughout the entire product lifecycle, identifies key issues, supports effective detection of characteristics during the incoming materials and process stages, and promotes the quantification and identification of reliability risks.
- ③ Capacity Expansion:** The company expands and builds new production bases, increases production scale, and significantly enhances production capacity.
- ④ Manufacturing Automation:** The company has established an intelligent automation department that uses intelligent equipment to support automation and environmental sustainability across the entire manufacturing process, reducing the impact of process fluctuations on product quality and improving product safety and reliability.

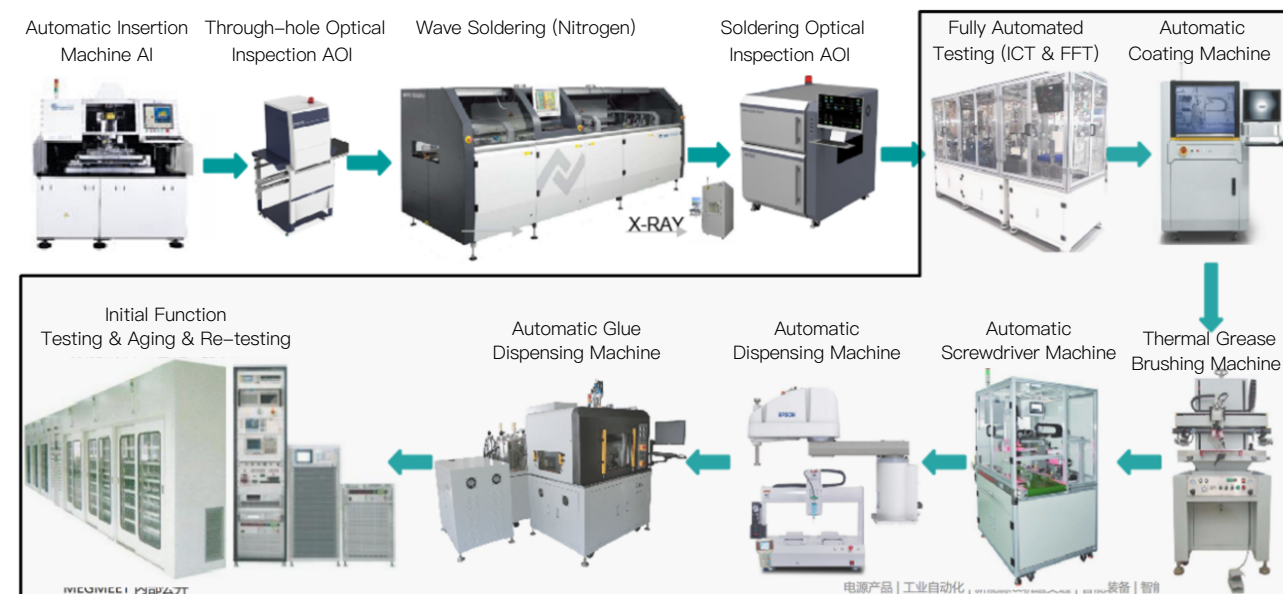


To ensure automation in the smart manufacturing production process, the company has configured SMT (Surface Mount Technology) equipment, directly purchasing standard equipment such as material box-type board machines, QR code laser engraving machines, placement machines, and nitrogen generators. Additionally, the company has configured PA (Process Automation) equipment, utilizing existing resources and R&D capabilities to manufacture non-standard equipment such as automatic insertion machines, automatic coating machines, automatic adhesive dispensing machines, and automatic screw machines.

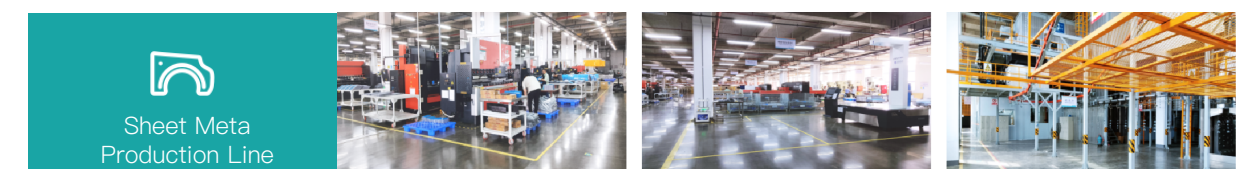
SMT Equipment Configuration (Standard Equipment)



PA Equipment Configuration (Non-Standard Equipment)



⑤ **Implementing Lean Production:** By implementing lean production within the company, product quality has been improved, production efficiency has been increased, production costs have been reduced, customer satisfaction has been enhanced, and supply chain management has been optimized.



⑥ **Product Testing Management:** The company has established a testing center and set up product lifecycle testing laboratories for EMC, reliability, lifespan, safety regulations, and failure analysis, comprehensively enhancing the safety and reliability of its products.



1		
2	3	4

- 1 Changsha Global R&D Center
- 2 Mechanical Reliability Lab
- 3 High-speed Bench Testing
- 4 Highly Accelerated Life Test Lab



Total testing area
15000
square meters

No. of labs
48

No. of lab devices
120+

The Megmeet Changsha Intelligent Industry Center began planning and construction in 2016, with official construction starting in 2021. After two years of design and engineering, it was completed and put into use in early 2024. The total area covers 15,000 square meters, with a total building area of 75,000 square meters. It is equipped with the most comprehensive and advanced testing equipment in the global power electronics field, including 48 laboratories and over 120 sets of laboratory equipment, capable of accommodating more than 2,000 R&D engineers. It is considered a world-class testing laboratory.

The company implements strict control in the material and product inspection stages, using preventive testing to address potential product quality issues at each stage, ensuring product quality. For new or potential quality issues, the company prioritizes preventive testing solutions such as mistake-proofing, error prevention, and equipment automation to improve product quality and production efficiency.

To ensure that product quality meets standards, the company has established a series of strict management documents, including the "Non-Conforming Product Control Procedure," "Corrective and Preventive Control Procedure," "Identification and Traceability Control Procedure," "Monitoring and Measurement Device Control Procedure," "Incoming Material Inspection Operating Specifications," "Process Inspection Operating Specifications," "Finished Product Inspection Operating Specifications," and the "Product Type Testing Management Measures." These management procedures specify the inspection standards, processes, and responsibilities, ensuring effective quality control and testing at every production stage, and timely management and disposal of non-conforming products. Specifically, this is divided into the following three major stages:

1

Incoming Material Inspection

The company rigorously controls the inspection of incoming material quality, using the IQC (Incoming Quality Control) capability matrix to analyze supplier material quality. Inspectors strictly follow the requirements outlined in the quality management system documents to ensure that the materials used in production meet the required standards. Inspectors generally provide inspection results within two working days, while in urgent cases, results must be provided within two hours. We prioritize the quality of each batch of materials and ensure that every inspection is conducted strictly according to the specified procedures to guarantee product quality and reliability.

2

Material Inspection and Sampling

First-piece inspection is a crucial part of the company's quality control process. The company's inspection department performs first-piece inspections according to the SOP for first-piece inspection. If the first-piece inspection results meet the company's product technical specifications, quality standards, and other relevant requirements, only then can mass production proceed. The company has clarified the responsibilities and authorities for line inspection and standardized the relevant operational procedures. During process inspections, inspectors strictly follow the overall QCP (Quality Control Plan) engineering forms and SOP requirements. The inspection results are detailed in the MES system's "IPQC Inspection Record" for timely tracking and analysis. In the event of abnormalities, production personnel are immediately notified for resolution. If the production department is unable to resolve the issue, the technical, quality, equipment, and other relevant departments must be contacted to discuss and implement a solution to eliminate the abnormality, restore normal production, and prevent recurrence. If necessary, the quality department may request the production department to halt the line to address the issue, ensuring product safety and quality.

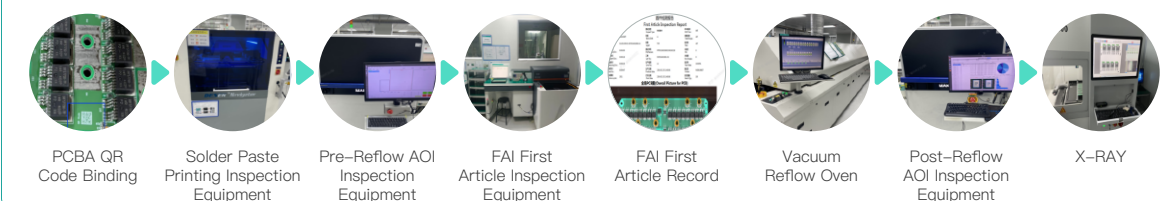
3

Finished Product Inspection

Before products are stored in the warehouse, inspectors carry out sampling inspections based on the "Finished Product Inspection Specifications," artwork files, and customer-approved samples to ensure the quality of shipped products. The manufacturing center promptly sends each batch of products that pass the production line inspection for further testing. FQC (Final Quality Control) inspectors conduct random sampling inspections on each batch of products. Only products that pass the inspection are allowed to enter the warehouse.

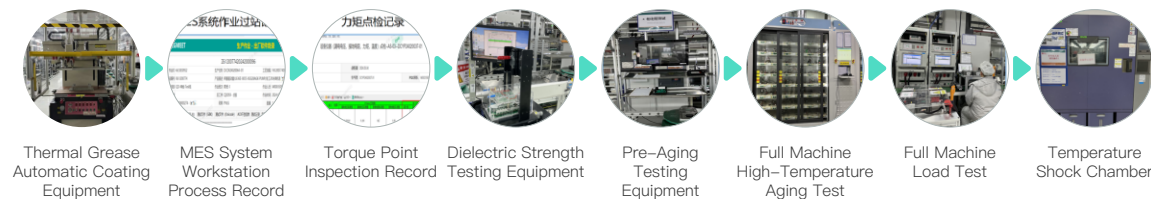
Case 1: PCBA Process Quality Control:

On the PCBA board, a QR code is attached for effective traceability via MES. Comprehensive checks are performed on the printing process to ensure the printing meets relevant technical requirements and standards. Next, the board components are inspected for missing, incorrect, or reversed components using pre-reflow AOI (Automated Optical Inspection) equipment. FAI (First Article Inspection) equipment is used to calculate the quantity of various components based on the BOM (Bill of Materials) and record the first-piece inspection results, effectively preventing errors, omissions, and reversals of components. The products are then subjected to high-quality soldering in a vacuum reflow oven to reduce the rate of solder voids. Afterward, post-reflow AOI equipment inspects the soldering quality on the pins to determine the yield rate. Finally, X-Ray inspection is used to detect voids in the MOSFET solder joints.



Case 2: Key Quality Control Points:

Automated thermal paste coating equipment is used to improve the coating efficiency and consistency of the coating quality. The entire production process is managed and traced through the MES system, including operation records and torque point records. The insulation impedance performance of the product is tested using a high-voltage testing device. Next, the product's performance is checked through pre-aging testing equipment by applying power. During the full machine high-temperature aging test, the stability and reliability of the electronic product are evaluated. The product is then subjected to a full-load test to check voltage, current, temperature, and other key indicators. Finally, the product's performance and reliability are tested in a high and low-temperature shock chamber to simulate extreme temperature conditions.



Corporate Quality Culture

Megmeet attaches great importance to cultivating employees' quality awareness, actively building a quality culture, and strives to eliminate product safety and quality risks at the early stages.

The company prioritizes technology and quality, establishing a Quality Committee and an independent quality management department dedicated to ensuring the quality of products and services. Currently, the company employs over 500 quality staff, more than 70% of whom have many years of experience in quality or related industries. Some staff members have also worked in large domestic and international enterprises, bringing rich practical experience and professional knowledge, which provides strong support and assurance for the company's quality management.

The company actively promotes a culture of quality among all employees, establishing quality assessment standards to evaluate employee levels and standardize training and assessment criteria. Product quality and safety training have been conducted, covering past quality and safety incidents, customer product complaints, and typical case studies. Based on this, quality improvement activities are implemented. As a result, employees' professional skills and quality awareness continue to improve.

Nonconforming Product Management Closed Loop

Megmeet has established the "Nonconforming Product Control Procedure" to standardize the management of nonconforming products from both business process and on-site process dimensions, forming a closed-loop operation of identification, marking, isolation, review, disposal, and improvement. Each process step is assigned to a responsible department to ensure strict quality control. Nonconforming products at different stages are handled with different disposal methods.

Nonconforming finished products

reworked or repaired by the production department, then re-inspected by the quality department. Only after passing the inspection can they be put into storage.

Nonconforming semi-finished products (in-process products)

reworked or repaired by the production department, then re-inspected by the quality department. Only after passing the inspection can they proceed to the next process; those that cannot be repaired shall follow the scrapping process.

Nonconforming raw materials

If they do not affect the production schedule, the procurement department contacts the supplier for return/replacement; if they may affect the production schedule, the procurement, quality, planning, and production departments hold an MRB (Material Review Board) meeting to discuss and determine a solution to ensure uninterrupted production.

Safety and Quality Risk Assessment

In 2024, the company regularly conducted assessments and analyses of product quality and safety risks and opportunities. A total of six high-risk items were identified, and corresponding countermeasures were implemented for each. Evaluation results confirmed the effectiveness of these measures. The audits conducted included: supplier qualification audits, annual surveillance audits, special audits, and safety regulation audits. In total, 329 audit sessions were carried out, with all issues addressed and recognized by customers and certification bodies. Continuous improvement projects are also being implemented and followed up. In 2024, the company did not experience any major safety or quality liability incidents, nor were there any administrative penalties or major customer complaints due to product safety or quality issues.

Quality Culture Development

- Signage Standardization
- Unified visual management of the shop floor dashboards has been completed, with installation on the second and third floors of Building A.

Quality Month Activities

The Quality Month activities, themed 'Learn Standards, Speak Standards, Follow Standards,' aim to promote quality awareness among all employees.

QCC Special Activities

Continuously organize and carry out 'QCC Project Improvement' activities focused on efficiency and quality enhancement. Two rounds of QCC activities were conducted, with 18 projects initiated, 12 completed, and 3 projects and teams awarded.



S3 | Customer Service Management

Megmeet is customer-centric, continuously strengthening pre-sales, in-sales, and after-sales services to build a high-quality customer service system. The company has formulated and implemented documents such as the "Customer Service Center Performance Evaluation and Incentive System" and "After-Sales Service Control Procedure" to improve customer service management and enhance the response speed to customer demands.

After-Sales Service

- Establishment of global customer service centers (Shenzhen, Munich, Bangkok) to support services in Chinese, English, German, and Thai, handling 32,000 inquiries annually.
- Establishment of 10 regional service centers in North China, East China, South China, etc., with dedicated technical teams providing localized technical support.
- Launch of the "Megmeet Service" WeChat Mini Program, offering online fault diagnosis, video guidance, and other smart services, significantly increasing the self-service resolution rate for customers.

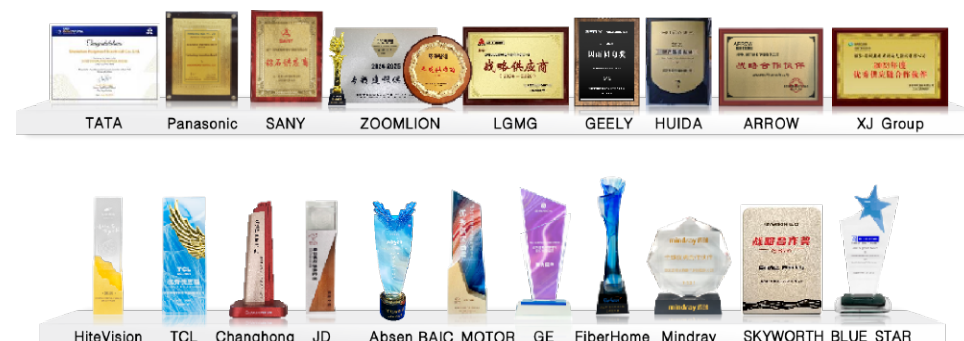
Customer Complaint Management

The company has established and implemented documents such as the "Customer Complaint Handling Guidelines" to actively address customer complaints and protect customer rights. We communicate with customers in a timely manner through various channels, including the official website, 400 customer service hotline, online platforms, emails, and face-to-face meetings, to handle customer inquiries and complaints.

We have established a customer complaint improvement team, with members selected based on the characteristics of the complaints. The team consists of personnel from both direct and indirect units to ensure the resolution of customer complaints. The team members promptly analyze the causes of the complaints, gather and integrate information provided by the customer, use various testing equipment and analytical methods to examine and verify the issues, identify the root cause of product quality problems, propose and implement corrective measures, resolve the complaints, and ensure that similar issues do not occur again.

Customer Satisfaction Management

Megmeet always adheres to a customer-oriented approach and continuously improves customer satisfaction. According to the national standards GB/T 19038-2009 "Guidelines for Customer Satisfaction Measurement Models and Methods" and GB/T 19039-2009 "General Rules for Customer Satisfaction Measurement," we conduct customer satisfaction surveys through the Enterprise Information Platform (EIP). The survey covers ten aspects, including product quality, product packaging, product cost-effectiveness, transportation services, order delivery, and after-sales services. By analyzing the information obtained from the customer satisfaction survey, the company identifies its shortcomings and the areas of concern for customers, continuously improving product and service quality to ultimately support mutual development with customers.



S4 | Data Information Security

Data Security Management System

Compliance Requirements

Based on the "Data Security Law of the People's Republic of China," "Personal Information Protection Law," "Cybersecurity Law," and industry standards (ISO 27001, GDPR, etc.), and combined with the company's business scenarios, a security management system covering the entire data lifecycle is established.

ESG Strategic Positioning

Megmeet incorporates data security and customer privacy protection into the core issues of ESG (Environmental, Social, Governance), as a key action to fulfill social responsibility, enhance brand trust, and meet global compliance requirements. This aligns with the United Nations Sustainable Development Goal (SDG 9), which calls for "building inclusive and sustainable industrial innovation."

Business Requirement

As a high-end equipment manufacturing and intelligent solutions provider, Megmeet ensures the security of sensitive information such as customer data (Personally Identifiable Information - PII, device usage data), R&D data, and supply chain data. This includes ensuring the security of data during the processes of collection, storage, transmission, sharing, and destruction.

Data Security Management

In accordance with the "Cybersecurity Law of the People's Republic of China," "Data Security Law of the People's Republic of China," and other relevant laws and industry standards, the company has formulated and implemented systems such as the "Megmeet Employee Electrical Manual - Information Security," "Information Security Management Reward and Penalty Regulations," "Information Asset Classification Management Specifications," "Information System Security Management Regulations," "Information Security Incident Emergency Plan," and "Data Backup Management Specifications." The focus is on network security protection, data backup and disaster recovery management, and establishing a data security emergency response mechanism to continuously strengthen information security and confidentiality management. The company is gradually improving the security incident reporting management system, establishing an information security liaison system, and specifying the handling and corrective actions for different levels of information security incidents reported by employees. This ensures robust information security. The company regularly conducts information security knowledge training for employees, external partners, and customers through various channels. It strengthens the protection of personal privacy and trade secrets, improves data leakage prevention technologies, and ensures the non-leakage of core data, providing higher-quality and more secure services to customers. The company has completed the ISO/IEC 27001 Information Security Management System certification. During the reporting period, the company did not experience any leakage of core R&D data, customer data, or operational data, nor any major security attacks or data breaches.



Data Operation Management

To ensure comprehensive data security, the company implements a three-tier operation model: "Data Classification and Grading – Technical Protection – Dynamic Monitoring." In terms of classification standards, data is divided into three main categories: core R&D data (algorithm code, patent designs), customer data (contract orders, user profiles), and operational data (financial reports, HR information), accurately matching business scenario needs. Based on this, graded protection is implemented according to data sensitivity and impact scope: top secret level (core algorithms), confidential level (customer privacy), and internal level (daily operations), with differentiated encryption strategies and access control to achieve refined management.

In terms of technical protection, a multi-layer defense mechanism is adopted: core data is encrypted throughout its entire lifecycle using the AES-256 encryption algorithm, and transmission channels are upgraded to the TLS 1.3 protocol; the least privilege authorization is implemented based on the RBAC role-based access control model, combined with a SIEM system for real-time monitoring of abnormal operations and logging; endpoint devices are equipped with document encryption systems to block unauthorized external transfers via email, USB drives, etc.; user behavior data is desensitized using differential privacy technology to ensure compliance with data protection regulations.

S5 | Supply Chain Security

Supply Chain Management Strategy

Megmeet adheres to the core supply chain management philosophy of "safety and compliance, green and low-carbon, cooperation and win-win," maintaining efficient and low-cost supply chain operations, and has established a supply chain security management system covering the entire chain. This is achieved through a layered management model for efficient operations.

In terms of management structure, the Group's Supply Chain Management Center oversees the certification and procurement of standard components and other general materials, and formulates supplier management policies, standards, and other guiding documents. The subsidiaries and business units of the Group focus on the certification, procurement, and delivery of industry-specific and customized materials, forming differentiated control. The company's four core functional departments (Purchasing, Quality, Planning, and Outsourcing Support) collaborate to ensure that the entire process, from raw material selection to production delivery, is safe and controllable.

The core objective of Megmeet's supply chain management is to ensure the stability of the entire product delivery chain through efficient and low-cost operations, and to drive the intelligent upgrade of the supply chain to meet the development needs of multiple industries.

Supply Chain Management Documents

The company has developed dozens of supply chain management documents and related forms based on government regulatory requirements, multiple international standards (ISO9001, ISO14001, ISO45001, IATF16949, ISO13485, IECQ QC080000, RoHS directives, etc.), as well as customer requirements, in conjunction with the company's actual situation. A comprehensive supply chain management system has been established, covering supplier access, audits, performance evaluations, and compliance management. This system is continuously optimized in line with updates to government policies, international standards, and the company's actual needs, ensuring that the company's supply chain management requirements are continuously met.

The company's main supplier management documents include the "Supplier Management Procedure," "Supplier Certification Operating Standards," "Supply Agreement," "Supplier Quality Assurance Agreement," "Supplier Confidentiality Agreement," "Environmental Agreement," "Supplier Social Responsibility Management Procedure," "Supplier On-Site Audit Operating Standards," and "Supplier Performance Evaluation Operating Standards," among others.

Supplier Chain Management System

New Supplier Access Standards

Megmeet requires new suppliers to sign seven agreements, including the "Supplier Certification Operating Procedures" and the "Megmeet Sustainability Business Code of Conduct," covering core clauses such as quality, environmental protection, and social responsibility. The company conducts on-site inspections and evaluations of potential suppliers based on supply chain management documents. In principle, the supplier introduction review should be conducted on-site, but remote reviews can be considered under force majeure circumstances (e.g., war, pandemic, political factors, etc.). During the supplier introduction review process, evaluations are conducted based on multi-dimensional standards, including quality, delivery, cost, service, hazardous substances, and CSR (labor, environmental protection, and business ethics). Suppliers are rated in four levels: A, B, C, and D, ensuring high-standard selection.

Supplier Hazardous Substance Review

Megmeet has established the "Supplier Hazardous Substance Scoring Table," which outlines a series of self-assessment guidelines for suppliers. Specifically, these include managing environmental requirements such as RoHS, REACH, and ELV as product specifications, and confirming that all materials in the product bill of materials comply with environmental requirements for eco-friendly products.

Green Supplier Management

The company prioritizes selecting suppliers that use renewable energy or circular production technologies. Suppliers are required to meet green criteria, including establishing management systems, implementing eco-design, and effectively managing their resource and energy consumption, pollutant emissions, and the use of hazardous substances.

Supplier Dynamic Performance Management

In supplier performance management, Megmeet combines monthly performance evaluations with annual supervisory audits. According to the "Supplier Performance Evaluation Operating Standards," suppliers are assessed on a monthly basis, with evaluation factors including technical services, quality (including environmental protection), cost, and delivery. The results of the monthly evaluations serve as important data for the annual supervisory audits. Based on the evaluation outcomes, Megmeet implements corresponding incentive or corrective measures and applies tiered management to key suppliers.

Conflict Minerals Management

The company implements conflict minerals management measures and conducts due diligence on the sources and supply chains of tantalum, tin, tungsten, and gold used in its products, to reasonably ensure that their sources comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework.

Supply Chain Risk Identification, Assessment, and Response

Risk Identification and Assessment

Megmeet identifies, assesses, and responds to supply chain risks through a systematic mechanism to ensure business continuity and stability. The company implements the "Procurement Risk Control and Risk Procurement Management" process, classifying risks into: external risks (including price risk, accidental risk, quality risk, technological advancement risk, and contract fraud risk) and internal risks (including planning risk, selection risk, contract risk, acceptance risk, inventory risk, and responsibility risk). Risks are regularly quantified and assessed based on their impact and probability of occurrence. The company conducts "Potential Failure Mode and Effects Analysis (PFMEA)" to evaluate the impact of key risk points on the company's operations and development.

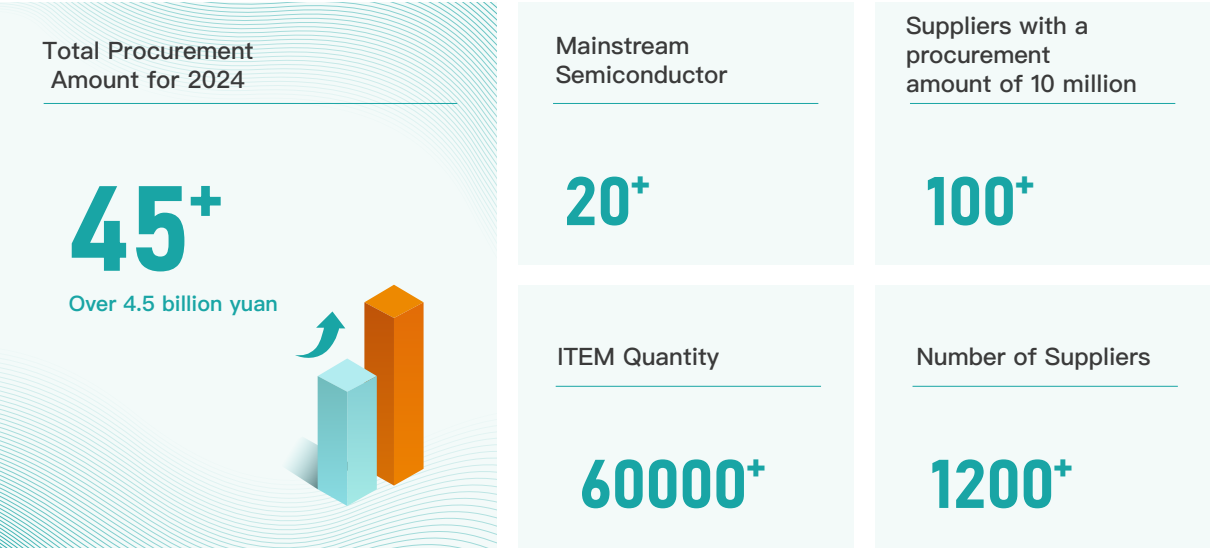
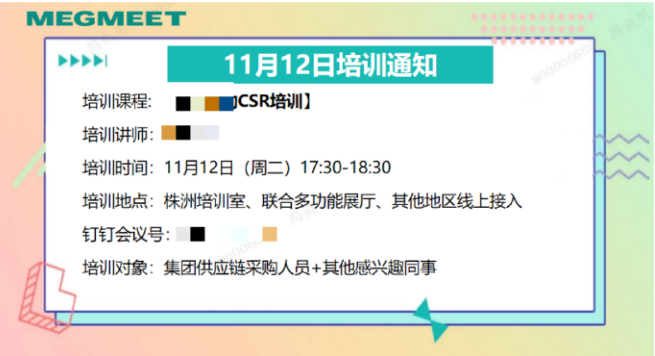
Response Measures and Outcomes

- 1
- The company responds to different levels of supply chain risks in a tiered manner, prioritizing high-priority risks and taking corresponding measures. Lower-priority risks are addressed progressively as resources allow.
- 2
- The company adopts a diversified layout strategy by establishing a dual manufacturing hub model of "domestic + international," with key chip reserves sufficient to meet up to six months of demand.
- 3
- The company applies an intelligent early warning model to analyze geopolitical and natural disaster risks, effectively avoiding potential supply disruption crises. No supply interruption incidents occurred in 2024.
- 4
- Megmeet has established an emergency response system and conducts quarterly supply chain disruption simulation drills, effectively reducing recovery time to 48 hours.
- 5
- The company has set up a "CSR Red Line Emergency Plan," which defines ten red lines for itself and suppliers, including child labor, illegal labor, and environmental violations. No major violations occurred in 2024.
- 6
- Megmeet tests incoming materials for hazardous substances in accordance with the RoHS directive, intercepts non-compliant materials, and has established and implemented the "Procedure for Handling Material Hazardous Substance Exceedance." Environmental non-compliance issues with suppliers are managed in a closed-loop system, with a 100% rectification rate.
- 7
- In terms of conflict minerals management, the company conducts due diligence on the sources of tantalum, tin, tungsten, and gold in its products. In 2024, it completed 3TG (tantalum, tin, tungsten, gold) source investigations for 208 suppliers, with 100% compliance in the results.

Megmeet's Supply Chain Management in 2024

In 2024, the Company provided strong support for steady business growth by optimizing supply chain management, strengthening logistics coordination, promoting digital upgrades, and advancing green supply chain development to manage procurement risks.

In this year, we revised the supplier onboarding process and annual audit process, with specific documents including the "Supply Agreement," "Environmental Agreement," "Confidentiality Agreement," and "Quality Assurance Agreement," and organized suppliers to re-sign them. We established an agent certificate management section and optimized the supplier certificate management. We organized centralized CSR training for the company's supply chain procurement personnel to enhance the social responsibility awareness of the relevant staff. At the same time, we conducted internal training on hazardous substance management and E-Learning online course training.



Continuously Promote Green Supply Chain Management

In 2024, Megmeet further strengthened the resilience of its supply chain and promoted the green and low-carbon transformation. Key initiatives include:

- System Optimization

Optimized and improved core documents such as the "Megmeet Sustainability Business Conduct Guidelines," "Supply Agreement," "Quality Agreement," and "Supplier Quality, Environmental Protection, and Social Responsibility Claim Agreement," incorporating carbon emissions assessments into the supplier CSR audit.
- Capability Building

Hired a dedicated Supply Chain Carbon Management System Engineer and developed the "Supplier Carbon Emissions Management Procedure" to promote the implementation of carbon emissions management among suppliers. Conducted 5 internal compliance training sessions and 12 external (supplier) hazardous substance management training sessions. On-site environmental audits also include awareness training on the company's environmental requirements to enhance ESG awareness across the entire supply chain.
- Green Actions

Conducted carbon emission baseline surveys for CSR-excellent suppliers to more accurately assess the carbon footprint of the supply chain, providing data support for the future development of a supply chain carbon management strategy. Provided energy-saving transformation technical support to high-carbon-emission suppliers. Continued to promote energy-saving and carbon-reduction business practices among suppliers, striving to align their development with the company's ESG goals.



S6 | Industry Cooperation and Development

University-Industry-Research Cooperation

Megmeet always places talent strategy at the core of its development, committed to building a high-quality talent ecosystem and promoting technological innovation and sustainable development in the industry. In 2024, the company continued to deepen its university-industry cooperation, partnering with over 30 universities in Central China, East China, South China, and Northwest China. Through the establishment of joint laboratories, internship bases, and technology exchange platforms, the company set up special scholarships and grants to provide young talents with dual channels for scientific research practice and career development. Focusing on cutting-edge industry technology, Megmeet collaborates with universities such as Zhejiang University and Xi'an University of Science and Technology on industrial research and technology cooperation, supporting students in tackling advanced topics. To enhance talent attraction, the company has built a "recruitment, cultivation, utilization, and retention" full-cycle management system, customizing growth paths for talent from campus selection to job empowerment. Relying on its global R&D network, Megmeet continues to increase investment in core technologies, driving innovation to release the value of talent and injecting sustained momentum into the development of the smart electrical field.

In recent years, Megmeet has actively engaged in multiple industry-university-research projects with research universities. These include collaborations with South China University of Technology on "Key Technologies Research and Development for High-Performance ****", Zhejiang University's Hangzhou International Innovation Center on "Advanced Power Management Technology Consulting", Xi'an University of Science and Technology on the "2024 Shaanxi Province Technology Innovation Guidance Plan Project — Qin Chuangyuan 'Scientists + Engineers' Team Building Project", Zhejiang University City College on "Research on Industrial Control Servo Pump *****", Zhejiang University of Technology Taizhou Research Institute on "Factory Layout and Logistics Optimization Plan Design", Taizhou Vocational and Technical College on "Intelligent Sanitary Ware ***** Testing", and Zhejiang University Taizhou Research Institute on "Split Machine Innovative Design", among others. These industry-university-research projects have all been successfully developed, and the research outcomes have been industrialized with a high conversion rate, receiving positive market feedback.

Participation in Associations and Exhibitions

Megmeet actively joins industry associations and participates in peer exchange exhibitions, benchmarking against leading companies in the industry. By collaborating with outstanding small and medium-sized enterprises in the industry and supply chain, Megmeet works together to pursue a sustainable development path. Through technological innovation and market expansion, Megmeet continuously strengthens its core competitiveness, contributing to the prosperity of the electrical industry.

Megmeet understands the important role of industry associations in promoting industry development, regulating market order, and driving technological innovation. Therefore, it actively joins multiple industry associations related to the electrical industry.

By joining more than 30 associations, including the China Power Supply Association, IEEE, PMIC, China Mechatronics Association, China Industrial Electrical Association, China Welding Technology Association, Shenzhen Electronics Industry Association, Shenzhen Experts and Talents Association, and Shenzhen Automation Association, Megmeet consistently upholds the principles of proactive engagement and win-win cooperation. The company actively participates in association activities, engaging in extensive communication and collaboration with peers, benchmarking against leading industry players, and working alongside outstanding small and medium-sized enterprises in the supply chain to jointly explore sustainable development paths. Through technological innovation and market expansion, Megmeet continues to strengthen its core competitiveness, contributing significantly to the prosperity of the electrical industry.

In 2024, Megmeet actively participated in various international industry exhibitions and forums, engaging in in-depth discussions with global customers and accurately capturing industry demand trends. The company attended more than 50 exhibitions across over 20 countries.

展会数量

50⁺ 场

国家数量

20⁺ ↑

ESG

04

Harmonious Culture

Megmeet strictly follows the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and other relevant laws and regulations to establish its employee management system, ensuring compliance and fairness in aspects such as recruitment, dismissal, compensation, promotion, working hours, and vacation management. The company adheres to the principles of openness, fairness, and impartiality in recruitment and dismissal processes. It also conducts exit interviews with former employees to understand their true opinions, while helping to improve employee management processes, performance assessments, and other related tasks, ensuring the compliance and fairness of dismissal decisions and protecting employees' legal rights.

S-7 Employment Practices

S-8 Occupational Health and Safety

S-9 Career Development

S-10 Employee Care

S-11 Social Contribution

MEGMEET

S7 | Employment Practices

Compliance in Employment

Megmeet always adheres to the core concept of equal and compliant employment, creating a fair, just, safe, and healthy work environment. In strict compliance with the relevant laws and regulations of the country or region where it operates, the company has established systems such as the "Regulations on Prohibiting the Use of Forced Labor," "Procedures for the Relief of Child Labor and Minor Worker Protection," "Child Labor Rescue Control Procedures," and "Prohibition of Child Labor and Child Labor Rescue Procedures." The company firmly prohibits any form of forced labor, the employment of child labor, and respects employees' will, ensuring that employees enjoy their legal labor rights. In addition, the company has developed the "Regulations on Protecting Employees from Discrimination and Harassment," which clearly stipulates anti-discrimination, anti-harassment, and anti-abuse clauses. The company has also established an employee reporting and protection mechanism for incidents of discrimination, harassment, and abuse, effectively safeguarding the legal rights of all employees.



7624

In 2024, the total number of employees in the company is

6:4

With a gender ratio of approximately

56%

Employees aged 30 and above account for of the total workforce



In 2024, the top ten administrative regions by employee origin are

Hunan Province, Guangdong Province, Zhejiang Province, Hubei Province, Jiangxi Province, Henan Province, Sichuan Province, Guizhou Province, Shaanxi Province, and Anhui Province.

Compensation Management

Megmeet, in accordance with the Labor Law of the People's Republic of China, has established the Employee Compensation Management Measures, aiming to create a compensation system that is fair, competitive, motivating, economical, and compliant. These measures apply to all formal employees, including retired rehires, secondees, outsourced personnel, and interns. The compensation system is closely linked to employees' qualification levels and is divided into five major job families, with specific compensation grades approved by the Human Resources Committee. The compensation structure consists of four components: salary, bonuses, benefits, and equity. Employee compensation information is strictly confidential and is verified and managed by the Human Resources Department.



Salary



Bonuses



Benefits



Equity

Employee Rights and Interests

Megmeet strictly abides by national and local labor laws and regulations to protect employees' rights regarding wages, working hours, rest, and leave. The company has established the Voluntary Employment Management Procedure and set up employee feedback channels to ensure that employees' legal rights and interests are promptly upheld. In addition, Megmeet places great importance on employees' career development and growth by offering diverse training and develop-

ment opportunities and advocating a fair and competitive employment mechanism. The company actively fulfills its corporate social responsibilities by participating in public welfare activities and supporting charitable causes, contributing to the building of a harmonious society. Megmeet's commitment to employee rights not only reflects its respect and care for its employees but also demonstrates its active undertaking of social responsibility. The company will continue to strive for the joint development of both the enterprise and its employees.



S8 | Occupational Health and Safety

Occupational Health and Safety Management System

Megmeet focuses on the health of its employees and is committed to ensuring their safety. In terms of occupational disease management, the company has implemented a strict response mechanism, including strict health controls during the initial recruitment phase, adding occupational disease examination items, and having the Safety Committee conduct annual reviews of occupational diseases for each position, intervening immediately to address high-risk issues. The company uses the LEC risk assessment method for risk evaluations, assessing risk exposure time, the severity of the risk, and the number of people directly exposed to the risk through quantitative values. The company cares about employee health and organizes free annual health check-ups for employees, in addition to providing additional liability insurance and overseas safety coverage insurance.

The company has developed comprehensive and complete procedures and regulations, including the "Occupational Health and Safety Control Procedures," "Chemical Spill Emergency Response Plan," "Fire Accident Emergency Response Plan," "Anti-Terrorism and Riot Emergency Response Plan," and "Food Poisoning Accident Emergency Response Plan," to improve the company's rapid response and emergency handling capabilities, reduce accident injuries and occupational disease hazards, ensure the physical health and life safety of employees, and minimize environmental impact and property damage. The company has also established the "Employee Safety Manual" and "Safety Responsibility Reward and Punishment System," which clearly outline the safety matters employees should pay attention to before, during, and after work, eliminate violations, and uphold the safety red line.

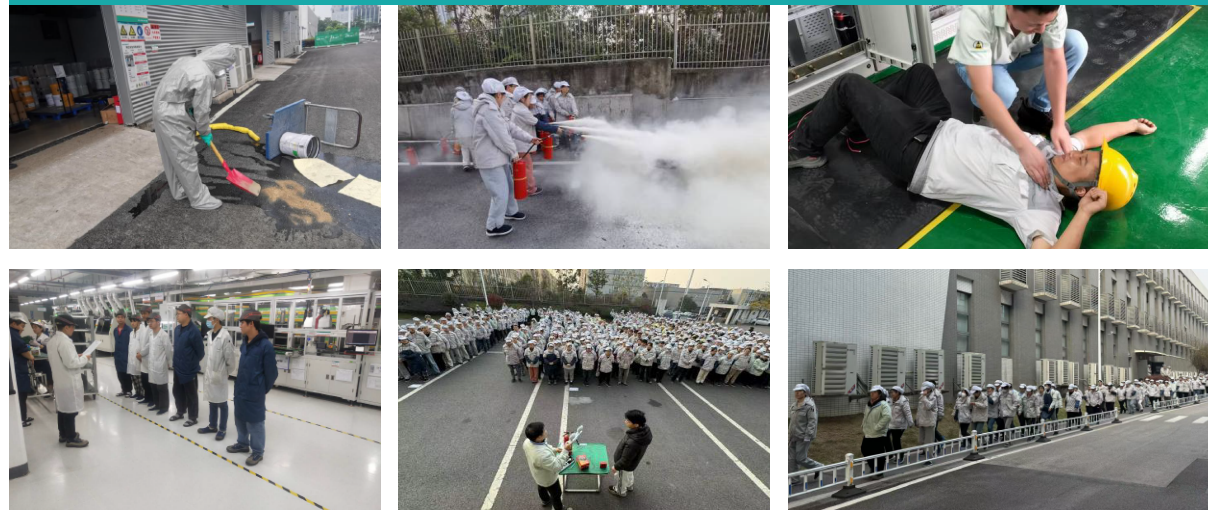
Megmeet and its subsidiaries conducted regular monitoring of occupational health-related hazard factors in 2024, with third-party organizations issuing the testing reports. Since 2019, Megmeet has continuously held the GB/T45001-2020/ISO45001:2018 Occupational Health and Safety Management System Certification.



Occupational Health and Safety Training and Drills

Megmeet develops an annual plan for occupational health and safety training and drills, and implements training and drills according to the plan. The company's Safety Management Department first organizes training for the safety officers from each department, who then return to their respective departments to conduct training for the employees. During the training, attendance is recorded, and at the end, a questionnaire exam is conducted through a QR code scan to assess the training effectiveness. In 2024, Megmeet conducted a total of 199 training sessions, achieving a 100% completion rate for the relevant indicators.

Megmeet Safety Training and Drills



Special Initiative: Safety Production Month Activities

In June 2024, Megmeet's Global Manufacturing Center held Safety Production Month activities. The event, centered around the theme "Everyone Talks Safety, Everyone Can Handle Emergencies – Smooth Life Channels," was conducted in the form of a quiz with prizes. It included three main segments: safety knowledge quizzes, a "Spot the Safety Hazards" activity, and a "Charades" game where participants guessed safety-related content. The event aimed to educate in an enjoyable way, allowing employees to raise their safety awareness, familiarize themselves with safety production operations, and avoid risks and hazards in a relaxed, game-like atmosphere.

Employee activities



S9 | Career Advancement and Development

Career Advancement and Development

Megmeet has developed the "Training Management System" to promote group training management based on the principle of "universal planning, hierarchical implementation." The Human Resources and Administration Center, in accordance with the group's strategic plan and the training needs of business units, identifies key training projects for each stage and formulates the group's annual training plan. Focusing on employees' personalized needs, the center fully refers to relevant position development programs, professional course catalogs, and knowledge lists, comprehensively considering and proposing suitable training methods and course content to meet both employee growth and business development needs.

Megmeet's talent development work is divided into four levels: company-level training, business group-level training, department-level training, and training for middle and junior management personnel.

Company-level training

This is aimed at employees across all levels of the company. Examples include new employee onboarding training, management training, reserve cadre training, specialized training for key positions, general quality and skills training, and the implementation of external recruitment projects. The goal is to ensure that employees can quickly integrate into the company and acquire the necessary professional knowledge and skills.

Business group-level training

This training is continuously carried out around the actual business needs, such as product introductions, basic professional skills training, internal experience sharing, and hands-on drills. It enables employees to refine their skills through practice and quickly respond to complex and changing business challenges.

Department-level training

Based on individual development plans and business needs, this training focuses on key skills, knowledge, and the internalization of processes. It includes areas such as software and instrument operation, equipment usage, etc. By combining online learning maps, hands-on job training, and mentoring, the learning content and paths are clearly planned, shortening the employee development cycle and ensuring that employees meet job competency standards.

Middle and junior management personnel training

"Management cadre training" is a series of training courses designed internally by Megmeet for management personnel, aiming to enhance their role awareness, operational capabilities, and leadership influence, so they can better cope with the challenges in daily management work.

The courses cover topics such as leadership development, team management, decision-making, and execution, helping management personnel continuously improve their management skills and leadership abilities. Through these targeted management training programs, the company is committed to cultivating management talent with strategic vision, excellent execution, and outstanding leadership, providing strong support and assurance for the company's long-term development.

Middle and Junior Management Personnel Training



Campus Recruitment Newcomer "Eagle Training Camp"

"Eagle Training Camp" is a training program designed by Megmeet specifically for campus recruitment graduates, aimed at enhancing their action conversion effectiveness and focusing on the graduates' periodic growth and role transition during their onboarding process.

The training program is implemented every year in July and lasts for 6 months. It combines theoretical training, production experience, and on-the-job practice, allowing participants to systematically master relevant knowledge and skills. In addition, to enhance corporate culture recognition and integration, the training also includes activities such as team-building, executive meet-and-greets, personal growth story sharing, and workplace tips sessions.

Through the "Eagle Training Camp," campus recruitment graduates are able to comprehensively enhance their personal abilities, accelerate role transition and growth, while also strengthening their recognition and integration with the company culture, injecting vitality into the company's future development.



Social Recruitment Newcomer "Eagle Training Camp"

"Eagle Training Camp" is a training program conducted by Megmeet for new employees hired through social recruitment, focusing on team integration and standardized management of new employee onboarding and probationary period development.

The "Eagle Training Camp" is held every two months and adopts a blended learning model, combining online and offline training. Online training is conducted through the E-learning platform, where participants need to complete the learning map challenges and pass online assessments to finish the online training. The learning map consists of 8 stages and 10 courses, covering topics such as "Introduction to Megmeet," "Interpretation of Values," "Meeting Equipment Usage," "Information Systems and Security," and "Financial Expense Reimbursement," among others. Offline training includes corporate culture introduction, including "Company and Product Introduction," "Onboarding Essentials," "Safety Training," and team challenge projects.

Through the "Eagle Training Camp," new employees can systematically understand the company's business and core values, familiarize themselves with the work environment and team members, allowing them to adapt to their roles more quickly and integrate into the team.



Brigadier Training Camp – Reserve Cadre Training Class

The "Reserve Cadre Training Class" is a training program designed by Megmeet specifically for campus recruitment graduates in production and manufacturing. The program aims to develop both comprehensive abilities and professional skills simultaneously, combined with a job rotation plan, to identify and cultivate reserve talent to meet the needs of organizational strategy implementation and talent reserves.

	Professional	Corporate Person	Magmeet People
Training Stage	Stage One: Intensive Training	Stage Two: QCC Topics	Stage Three: Job-Specific Training
Training Objectives	Mindset Inspiration Process Introduction Professional Etiquette Team Building	Job Awareness Process Awareness Project Practice Skill Training	Department Awareness Professional Skills Role Transformation Professional Contribution
Training Duration	2024.4	2024.5–2024.10	2024.11–2025.1
Training Content	Notification & Professional	Job-Specific Skills	Job-Specific Skills
Evaluation Method	Training Results	Project Practice Mentor Evaluation Learning Credits	Mentor Evaluation Performance Follow-up
Effect Achievement	Cultural Identity Role Transformation	Business Learning Capability Enhancement	Performance Growth Value Realization

Performance Management

Megmeet follows the principles of "objectivity, fairness, and transparency," balancing internal fairness and market competitiveness, and combining security with incentives. The company has developed the "Employee Performance Management Measures" to align responsibility with benefits, capability with value, and performance with rewards in employee compensation distribution. This supports the execution of the company's strategic initiatives, enhances organizational capabilities, and ensures the implementation of corporate culture. In terms of performance evaluation and setting, Megmeet has adopted multiple performance assessment methods, such as the "goal-oriented" management approach and 360-degree performance evaluations, to motivate employees to achieve both individual and team goals. The company has also established a comprehensive performance feedback and grievance mechanism with the principle of "timely communication and thorough investigation of complaints," ensuring fairness and justice in performance evaluations.

Promotion Pathways

The company practices a "people-oriented" talent philosophy and continuously optimizes the talent development ecosystem. Based on the group's development needs, the company comprehensively considers factors such as business volume, work saturation, and settlement resources to reasonably configure staff teams at all levels. The company has established a career development system and promotion mechanism for employees, determining career development paths based on employee abilities and breaking through limitations in promotion routes. It fully respects the personalized development needs of employees, dividing the pathways into management and professional tracks. The professional track is further divided into technical, marketing, professional, and operational categories, with each category having its own job levels and promotion requirements, ensuring that all types of talent can receive career development opportunities that match their abilities. Promotion selection is based on objective and fair principles, with job responsibilities serving as the foundation. Employee abilities, work performance, professional qualities, and job responsibilities are matched, and job positions and levels are evaluated objectively. At the same time, the company follows dynamic management principles, with the ability for employees to be promoted or demoted, avoiding lifetime appointments, and maintaining the continuous vitality of the group's human resources.

S10 | Employee Care Implementation

Megmeet regards employee care as a key mission, demonstrating concern and support for employees through a series of specific initiatives, thereby enhancing employee happiness and work motivation.

Creating a Warm Workplace

The company regularly organizes a variety of internal employee care activities and union events, including new employee forums, graduate forums, and more, aimed at promoting communication and interaction among employees and enhancing team cohesion. The company has developed a comprehensive employee care system. In terms of cultural life, the company organizes traditional holiday activities, sports events, and cultural and sports association activities throughout the year, enriching employees' cultural lives and strengthening organizational cohesion. Regular employee care and union activities are held, including new employee forums and graduate forums, to promote employee communication and interaction, enhance the sense of belonging and team cohesion, and create a positive organizational atmosphere.

Addressing Employee Difficulties

The company places great emphasis on caring for employees facing difficulties, establishing a support management system for employees in need. It provides financial assistance and care services, reflecting the company's warm concern for its employees.

Focusing on Employee Mental Health and Caring for Female Employees

The company regularly organizes psychological health seminars, wellness therapies, and other welfare and consolation activities, paying attention to employees' physical and mental well-being and ensuring their safety. The company also genuinely cares for female employees by holding activities for International Women's Day, actively implementing parental leave policies, and providing ten days of parental leave each year for employees with children under three years old, offering comprehensive support and care for employees.

Case: Employee Psychological Counseling Room

Megmeet's Changsha Intelligent Industry Center has established an employee psychological counseling room, equipped with a dedicated external psychological counseling team to provide personalized psychological guidance and counseling services. The center is committed to offering comprehensive mental health support, providing employees with a safe and private space to address psychological concerns related to work and life.



S11 | Social Contribution

Megmeet has made positive contributions to building a harmonious society, promoting social development, and enhancing people's well-being through its social responsibility practices. The company has established a strong corporate image and received widespread praise and recognition from all sectors of society. At the same time, it has conveyed a positive corporate culture and values to society, making an active contribution to the creation of a harmonious society and the achievement of sustainable development.

Social Welfare

Megmeet organizes regular public welfare activities every year, such as material donations and voluntary blood donations, bringing warmth to communities and streets. The company actively fulfills its social responsibilities, advocates, and encourages employees to participate in social welfare activities, such as providing assistance to those in need and joining social welfare organizations. Through these practices, Megmeet continuously strengthens its social responsibility brand image, contributing to the high-quality development of its business.



Educational Assistance

Megmeet continuously contributes to society through regular interactions and exchanges with government departments, sharing innovative ideas. For the past eight years, the company has collaborated with the School of Electrical Engineering at Zhejiang University on educational assistance activities. As of December 2024, more than 180 students have received awards and assistance.

The company has donated funds to establish the Megmeet Scholarship and Financial Aid Fund, aimed at rewarding outstanding students at the School of Electrical Engineering, Zhejiang University, and providing financial support to students from low-income families to help them successfully complete their university studies. This scholarship and aid program not only focuses on students' academic achievements but also takes a comprehensive approach by considering students' moral character, intellectual development, and physical well-being to recognize well-rounded excellence.

Megmeet Scholarship

Target Audience

Outstanding students from the School of Electrical Engineering, Zhejiang University

Scope of Funding

Including doctoral students, master's students, and undergraduate students

Funding Amount

The funding amount is divided by degree level: 8,000 RMB (Doctoral), 6,000 RMB (Master's), and 4,000 RMB (Undergraduate).

Megmeet Financial Aid Scholarship

Target Audience

Students with financial difficulties currently enrolled

Scope of Funding

Students who are diligent, hardworking, and have excellent academic performance, and are recognized by the school as having financial difficulties.

Funding Amount

Each student will be granted 4,000 RMB per year.

ESG Key Performance Data Table

Climate Change Response

Indicator	Unit	2022	2023	2024
Total Greenhouse Gas Emissions	Tons of CO2 Equivalent (tCO2e)	17171012.40	24327917.63	23721492.79
Scope 1 Total Greenhouse Gas Emissions	Tons of CO2 Equivalent (tCO2e)	1296.52	1180.50	522.80
Scope 2 Total Greenhouse Gas Emissions	Tons of CO2 Equivalent (tCO2e)	16863.69	20289.39	26744.98
Scope 3 Total Greenhouse Gas Emissions	Tons of CO2 Equivalent (tCO2e)	17152852.19	24306447.74	23694225.01
Greenhouse Gas Emissions Intensity	Tons of CO2 Equivalent / Ten Thousand Yuan of Revenue (tCO2e/10,000 RMB)	23.23	29.33	26.81

Note 1: The greenhouse gas accounting scope is limited to Megmeet Group's subsidiaries, including Zhuzhou Electric, iKAHE Sanitary Ware, Megmeet Thailand, and Shenzhen Megmeet. The calculation and statistical methods are based on the GHG Protocol Greenhouse Gas Accounting System.

Note 2: Scope 1 greenhouse gas emissions originate from direct emissions caused by the consumption of natural gas, gasoline, and diesel in the company's owned equipment and vehicles.

Note 3: Scope 2 greenhouse gas emissions originate from indirect emissions caused by the purchase of electricity by the company.

Note 4: Scope 3 greenhouse gas emissions mainly come from the following sources: purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, upstream leased assets, downstream transportation and distribution, processing of sold products, use of sold products, disposal of sold products, downstream leased assets, franchises, and investments.

Energy Usage

Indicator	Unit	2022	2023	2024
Total Electricity Consumption	MWh	30983.76	36924.16	47728.75
Photovoltaic Electricity Consumption	MWh	1413.90	1549.15	1529.06
Municipal Electricity Consumption	MWh	29569.86	35375.01	46199.69
Comprehensive Energy Consumption	Tons of standard coal (tce)	3807.90	4537.98	5865.86
Comprehensive Energy Consumption Intensity	kg of standard coal/10,000 yuan of output value (kgce/10,000 yuan)	5.16	5.48	6.64

Waste Disposal

Indicator	Unit	2024
Total Hazardous Waste	Ton	4.11
Total Non-Hazardous Waste	Ton	2177.71

Note 1: Hazardous waste refers to waste that, due to its toxicity, corrosivity, flammability, reactivity, infectivity, or other dangerous characteristics, may cause direct or potential harm to the ecological environment or human health.

Note 2: Non-hazardous waste refers to waste that does not have toxic, corrosive, flammable, reactive, infectious, or other dangerous characteristics, and does not cause significant harm to the ecological environment or human health during normal disposal or natural degradation processes.

Water Resources Utilization

Indicator	Unit	2022	2023	2024
Total Water Consumption	Ton	187638	184155	213689
Total Recycled Water Consumption	Ton	0	0	0
Water Consumption Intensity	Ton/10,000 RMB Output	0.25	0.22	0.24

Data Information Security

Indicator	Unit	2022	2023	2024
Data Security Incidents	Count	0	0	0
Customer Privacy Breach Incidents	Count	0	0	0

Employee Type Proportion Breakdown

Indicator	Unit	2022	2023	2024
Total Number of Employees	Persons	5262	6716	7624
Total Number of Male Employees	Persons	3312	4248	4910
Percentage of Male Employees	%	62.9%	63.3%	64.4%
Total Number of Female Employees	Persons	1950	2468	2714
Total Number of Female Employees	%	37.1%	36.7%	35.6%
Number of Employees Aged 30 and Below	Persons	2106	2821	3351
Percentage of Employees Aged 30 and Below	%	40.0%	42.0%	44%
Number of Employees Aged 31-40	Persons	2340	2785	2964
Percentage of Employees Aged 31-40	%	44.5%	41.5%	35.3%
Number of Employees Aged 41-50	Persons	706	954	1119
Percentage of Employees Aged 41-50	%	13.4%	14.2%	14.7%
Number of Employees Aged 51 and Above	Persons	110	156	460
Percentage of Employees Aged 51 and Above	%	2.1%	2.3%	6%
Percentage of Employees on Labor Contracts	%	95.3%	90.4%	71.5%
Percentage of Employees on Labor Dispatch	%	2.9%	7.2%	27.4%

Employee Training and Development

Indicator	Unit	2022	2023	2024
Average training hours per senior management	Hours	24	28	48
Average training hours per middle management	Hours	16	36	40
Average training hours per production employees	Hours	38	36	44
Number of social responsibility training sessions	Sessions	190	148	257
Number of trade safety training sessions	Sessions	20	15	30
Number of production safety training sessions	Sessions	201	139	163
Number of management skills training sessions	Sessions	197	283	273
Number of engineering technical training sessions	Sessions	88	95	184
Number of quality system training sessions	Sessions	102	164	193
Number of comprehensive quality training sessions	Sessions	345	174	153
Number of new graduate training sessions	Sessions	55	68	87
Number of onboarding training sessions	Sessions	173	195	265
Total number of training sessions	Sessions	1371	1281	1705

Innovation-Driven

Indicator	Unit	2022	2023	2024
R&D Investment as a Percentage of Main Business Revenue	%	11.09%	11.53%	12.04%
R&D Personnel as a Percentage of Total Employees	%	34%	34%	36%

Supply Chain Management

Supply Product Categories	Number of Suppliers Providing Products for Megmeet in 2024
Category 1 – Semiconductors	380
Category 2 – Magnetic Components	210
Category 3 – Hardware Components	200

Business Ethics

2024 Annual Megmeet Anti-Bribery and Anti-Corruption Training Statistics			
	Directors	Management	Employees
Total Number	5	434	7624
Trained Number	5	434	7624
Percentage	100%	100%	100%

Corporate Governance

Indicator	Unit	2022	2023	2024
Shareholders' General Meetings Held	Sessions	4	4	2
Supervisory Board Meetings Held	Sessions	10	5	8
Board of Directors Meetings Held	Sessions	11	6	8

Index Table of Reporting Standards

Report Chapter	Corresponding SZSE Clause	Reference GRI Topic Disclosure
Due Diligence	Article 52	/
Stakeholder Communication	Article 53	GRI 2-29 Approach to stakeholder engagement
Double Materiality Analysis	Article 5	GRI 3-1 Process to determine material topics GRI 3-2 List of material topics
Sustainability Governance	Article 12	GRI 2-12 Role of the highest governance body in overseeing impacts GRI 2-14 Role of the highest governance body in sustainability reporting GRI 2-17 Collective knowledge of the highest governance body
Board Management	/	GRI 405-1 Diversity of governance bodies and employees
Anti-bribery and Anti-corruption	Article 55	GRI 205-2 Communication and training about anti-corruption policies and procedures
Anti-unfair Competition	Article 56	GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
Climate Change Response	Articles 21 to 28	GRI 201-2 Financial implications and other risks and opportunities due to climate change GRI 305-1 Direct (Scope 1) GHG emissions GRI 305-2 Energy indirect (Scope 2) GHG emissions GRI 305-3 Other indirect (Scope 3) GHG emissions GRI 305-4 GHG emissions intensity
Energy Use	Article 35	GRI 302-1 Energy consumption within the organization GRI 302-2 Energy consumption outside the organization GRI 302-3 Energy intensity GRI 302-4 Reduction of energy consumption
Water Resource Utilization	Article 36	GRI 303-3 Water withdrawal GRI 303-5 Water consumption
Environmental Compliance Management	Article 33	GRI 306-3 Significant spills
Pollutant Emissions	Article 30	GRI 303-4 Water discharge GRI 306-2 Waste by type and disposal method

Waste Management	Article 31	GRI 306-3 Waste generated GRI 306-2 Waste by type and disposal method GRI 306-2 Management of significant waste-related impacts
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Ecosystem and Biodiversity Protection	Article 32	GRI 304-2 Significant impacts of activities, products, and services on biodiversity
Innovation-Driven	Article 42	/
Product Quality and Safety	Article 47	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services
Customer Service Management	Article 47	/
Data and Information Security	Article 48	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
Supply Chain Security	Article 45	GRI 308-1 New suppliers that were screened using environmental criteria GRI 414-1 New suppliers that were screened using social criteria GRI 308-2 Negative environmental impacts in the supply chain and actions taken GRI 414-2 Negative social impacts in the supply chain and actions taken
Industrial Cooperation and Development	/	GRI 2-28 Membership associations
Employment Practices	Article 50	GRI 2-7 Employees GRI 406-1 Incidents of discrimination and corrective actions taken GRI 2-19 Remuneration policies
Occupational Health and Safety	Article 50	GRI 403-9 Work-related injuries GRI 403-1 Occupational health and safety management system GRI 403-2 Hazard identification, risk assessment, and incident investigation GRI 403-5 Worker training on occupational health and safety GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
Career Development and Training	Article 50	GRI 404-1 Average hours of training per year per employee GRI 404-3 Percentage of employees receiving regular performance and career development reviews
Employee Care Implementation	Article 50	GRI 401-2 Benefits provided to full-time employees
Social Contribution	Article 40	/