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## OPPEIN Home Group Inc. 2024 Sustainability Report



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## ABOUT THIS REPORT

This fourth sustainability report from OPPEIN Home Group ("OPPEIN", "the Group" or "we") outlines our sustainable development concepts, practices, and annual progress. Prepared with objectivity, standardization, transparency, and comprehensiveness principles, it aims to enhance communication with stakeholders through information disclosure.

### Preparation basis

This report is prepared in accordance with the "Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 - Standardized Operations", and also refers to the "GRI Sustainability Reporting Standards" (GRI Standards) issued by the Global Sustainability Standards Board (GSSB), The "United Nations Sustainable Development Goals" (SDGs) issued by the United Nations, and the "Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Reporting (Trial)" issued by the Shanghai Stock Exchange.

### Scope of the report

Aligned with our financial reporting scope, this report covers the Group's ESG management approaches, initiatives, and performance throughout 2024, including operations at our Guangzhou headquarters and production bases in Tianjin, Qingyuan, Wuxi, Chengdu, and Wuhan. Selected content has been expanded to improve comparability and foresight.

### Data sources

Financial data originates from the 2024 annual financial report, while other content is drawn from internal records and public sources. All monetary values are in RMB unless specified. The Board of Directors assumes responsibility for the report's accuracy and completeness.

### Access method

This bilingual (Chinese/English) PDF report is accessible on our official website ([www.oppein.com](http://www.oppein.com)) and the Shanghai Stock Exchange platform ([www.sse.com.cn](http://www.sse.com.cn)). The Chinese version prevails in case of discrepancies. For feedback or inquiries, please contact [oppeinir@oppein.com](mailto:oppeinir@oppein.com).





# PREFACE



## BOARD STATEMENT

Amid global industrial restructuring and China's home furnishing sector embracing digitalization and dual-carbon goals, OPPEIN advances its "Shining at 30" vision. Facing evolving consumer demands, technological shifts, and sustainability imperatives, we strengthen capabilities through enhancing consumer lifestyles, building resilience through change, and driving value innovation to lead high-quality industry development.

Guided by the vision to become a global home furnishing leader, OPPEIN advances its "Ultimate Lifestyle" philosophy through six pillars: operational excellence, collaborative partnerships, social equity, talent development, innovation, and green initiatives. We fortify governance with robust risk controls, reshape industry paradigms through eco-management and digital transformation, and measure social responsibility through compassionate action, delivering strategic stability alongside innovative progress.



### Stable operation for sustainable development

OPPEIN embeds sustainable governance into daily operations through a "supervision-decision-management-execution" framework enhanced by transparency and digitalization. In 2024, we upgraded risk controls, maintained SSE's A-grade disclosure rating for six consecutive years, and hosted three investor briefings with 130,000+ live views. All employees completed business ethics training and signed integrity pledges. Demonstrating shareholder commitment, we allocated RMB 1.502 billion in cash dividends under our 2024-2026 pledge of annual RMB 1.5+ billion distributions.

### Low carbon commitment for green circular economy

OPPEIN embeds green practices across product lifecycles, advancing energy management and renewable energy adoption. In 2024, we expanded PV capacity by 2.93 MW (total 44.13 MW), generating 41,060 MWh of clean power and reducing CO<sub>2</sub> emission by 27,400 tons. Our Qingyuan base achieved national/provincial green factory certification, reinforcing circular economy efforts in design, production, and logistics.

### Working together for a sustainable supply chain

OPPEIN strengthens supply chain resilience through system reforms and green procurement practices. In 2024, we established an integrated procurement system, ensured 100% legal traceability of raw materials, and implemented ESG evaluations for suppliers. With 559 certified sustainable suppliers and full compliance with our supply chain code of conduct, we collaborate with industry partners to develop standards and foster a green ecosystem for sector-wide sustainability.

### Innovation for product quality

OPPEIN enhances customized home experiences through technological innovation, investing over RMB 1.0 billion in R&D and digital manufacturing in 2024. With ISO9001/IQNET certifications across subsidiaries, we ensure quality while expanding product diversity and affordability. Customer-centric initiatives include strengthened data privacy protections and the "Integrated Home Furnishing Golden Butler" service, elevating post-sales support for premium experiences.

### People-oriented for social responsibility

OPPEIN prioritizes employee well-being with RMB 95 million invested in welfare programs and support for 45 staff in need, earning 2024 Guangdong Top Employer and Veteran Employment Model honors. Upholding our "Warm Homes with Love" vision, we conducted rural revitalization and education initiatives through the OPPEIN Foundation, donating RMB 15.9 million to community welfare.

Over three decades of growth, OPPEIN expresses sincere gratitude for all stakeholders. As climbers scaling new heights, we will advance governance innovation, set green benchmarks, and lead digital transformation. Grounded in service excellence and sustainability, we march toward our vision of becoming a global home furnishing leader.




## About OPPEIN


### Company Profile


Founded in 1994 (Stock Code: 603833) and headquartered in Guangzhou, OPPEIN is China's first customized home furnishing listed company with market capitalization exceeding RMB 100 billion. Starting with whole-cabinet solutions, we now cover ward-robres, whole-home customization, wooden doors, bathroom vanities, and soft furnishings, operating 7,900+ global stores across 118 countries. As an integrated R&D-manufacturing-sales leader, we deliver modern holistic home solutions worldwide.


世界的 **欧派**  
OPPEIN  
AROUND THE WORLD



 Establishment of OPPEIN **1994**

 Stores worldwide **More than 7,900**

 Business income in 2024 **RMB 18.925 billion**

 Net profit in 2024 **RMB 2.599 billion**



2024 Performance

Total floor area exceeds  
**3.15** million square meters

## Business Layout

OPPEIN operates five production bases (Tianjin, Qingyuan, Wuxi, Chengdu, Wuhan) spanning 3.15 million sqm. Each facility supports a 600km supply radius and enables nationwide delivery within 8 hours.

### ★ Chengdu, China

On April 10, 2019, OPPEIN Chengdu base, invested 2.5 billion yuan and spanning 414 acres, began production. It focuses on smart homes to enhance customized home intelligence.



### ★ Qingyuan, China

OPPEIN Southern production base spans 994,000 sq.m, addressing South China market demands while extending global reach.



### ★ Tianjin, China

In July 2011, the Tianjin base began operation, and in 2013, its second phase was completed and operational.



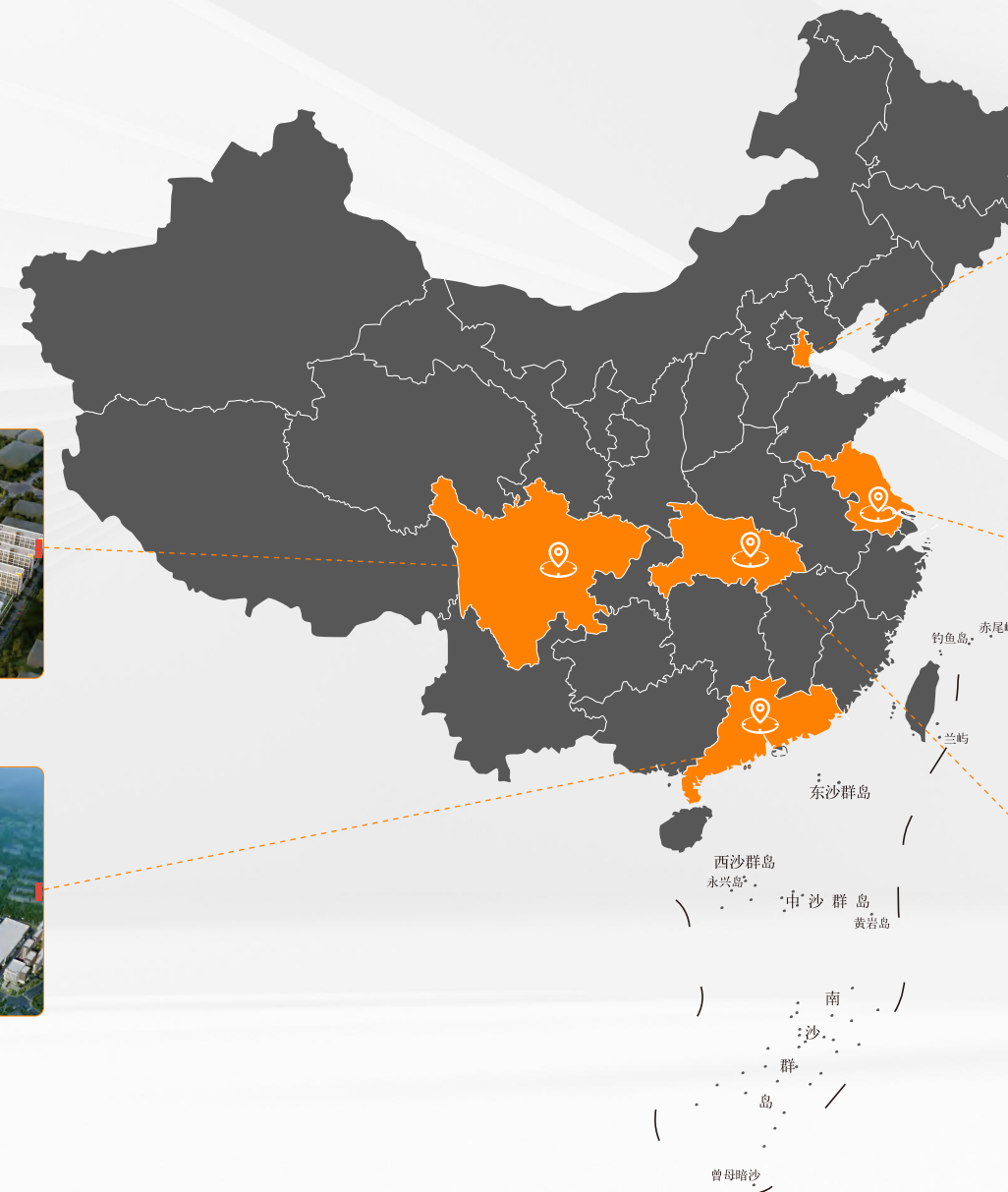
### ★ Wuxi, China

In 2014, OPPEIN reached a strategic deal with Wuxi's Huishan District Government, receiving 300 acres of land for a two-phase project worth 2.8 billion yuan.



### ★ Wuhan, China

In July 2021, OPPEIN began constructing the Central China Intelligent Manufacturing Base in Wuhan's Caidian District, aiming to increase high-quality production capacity and expand services globally.



\*Map compiled according to the approval number: GS(2019) No. 1702



## Corporate culture

### MISSION

Providing world-class, personalized home furnishing products and services to families around the globe

### CORE VALUES

Fairness, brightness, cooperation, and freedom

### VISION

Building OPPEIN into the world's outstanding home furnishing brand

OPPEIN 欧派

With home, with love, with OPPEIN

### ENTERPRISE SPIRIT

Pursuing perfection

## ESG Rating Performance in 2024

MSCI  
ESG RATINGS



BB

RATING ACTION DATE: November 26, 2024  
LAST REPORT UPDATE: November 26, 2024

MSCI ESG Rating Upgraded to BB

Wind ESG  
欧派家居  
2024评级



A

Wind ESG rating upgraded to A

秩鼎  
ESG 评级



AAA

QuantData ESG rating upgraded to AAA

欧派家居 (603833)



AA

CSI ESG Rating Maintains AA





#### National Green Factory

Ministry of Industry and Information Technology of the People's Republic of China



#### AEO Certificate

Guangzhou Customs, People's Republic of China



#### Top 500 Private Enterprises in China's Manufacturing Industry in 2024

All-China Federation of Industry and Commerce (ACFCIC)



#### China ESG Listed Companies Greater Bay Area Pioneer 50

China Central Radio and Television (CCTV) Financial Programming Center



#### Listed Company Information Disclosure Grade A Evaluation

Shanghai Stock Exchange (SSE)



#### Guangdong Manufacturing Single Champion Enterprises

Guangdong Provincial Department of Industry and Information Technology



#### Provincial Green Factory

Guangdong Provincial Department of Industry and Information Technology



#### Guangdong May 1st Labor Award Certificate

Guangdong Provincial Federation of Trade Unions



#### Top 100 Guangdong Manufacturing Private Enterprises 2024

Guangdong Federation of Industry and Commerce



#### Guangzhou SME Digital Transformation City Pilot "Digital Traction Unit"

Guangzhou Bureau of Industry and Information Technology



#### 2023 Guangzhou Private Enterprises with Outstanding Contribution to Industry Scale (Industry)

Guangzhou Leading Group for Promoting the Development of Small and Medium-sized Enterprises



#### Top 20 ESG Information Disclosure in the Optional Consumption Sector of A-Share Listed Companies in 2024

China Securities Index (CSI)



#### 2024 ESG Golden Dawn Corporate Governance Award

Securities Market Weekly



#### 2024 Five Star Gold Award for Social Responsibility of Listed Companies in China's Manufacturing Industry

Time Responsibility Forty Forum Think Tank



#### Enterprise Standard "Leader" Certificate

Shenzhen Furniture Research and Development Institute



#### 2024 China Home Furnishing Champion List "Industry Leading Brands"

NetEase (Home)



#### 2024 Service Model In Household Industry

NetEase (Home)



#### 2024 Jianggao Town Outstanding Company for Trash Separation

People's Government of Jianggao Town, Baiyun District, Guangzhou City



#### Demonstration Enterprises for Veterans' Employment

Guangzhou Baiyun District Retired Soldiers Affairs Bureau, Guangzhou Private Science and Technology Park Management Committee



#### 2024 Guangdong Extraordinary Employer

Liepin



## SUSTAINABLE DEVELOPMENT MANAGEMENT

Sustainable development is key to building a community with a shared future for mankind. As a national favorite furnishing brand, OPPEIN adheres to the vision of "making every home warm because of love" and the social responsibility concept of "originating from and returning to society". We continuously optimize its sustainable development management system, aiming to long create-term shared value for stakeholders through improving internal management and enhancing external information disclosure.

### Management structure

The Group actively integrates sustainable development into daily operations, enhancing its management structure based on "Supervision-Decision-Management-Execution". This aims to establish a top-down, target-driven approach for setting sustainability goals, strategies, and risk management. During the reporting period, we advanced sustainability management reforms, formed an ESG working group, and led ESG-related tasks. As of this report, we've reorganized the "Strategy Committee" into the "Strategy and Sustainability Committee" to handle sustainability issues, risks, and oversee goal implementation.

### Management policy

The Group focuses on six areas: "Steady Operation, Win-win Partnership, Public Harmony, Employee Empowerment, Pioneering Innovation, and Natural Environment Protection". It fulfills its sustainable strategy and builds a green industry. The Group integrates sustainability into management, strengthens governance, partners with stakeholders for a top supply chain, fulfills social responsibilities, views talent as key and enhances the work environment, innovates customer-focused while ensuring platform sustainability, and follows green standards to build integrated production solutions.



Steady **O**peration

Fairness, Brightness,  
Cooperation, Freedom

Win-win **P**artnership

Mutual Benefit and Trust  
Processing Together

**P**ublic Harmony

Equity and Pragmatism,  
Harmonious Development

**E**mployee Empowerment

Selecting Talents Only, Utilizing Each  
One's Full Potential

Pioneering **I**nnovation

Building Homes with the Spirit of  
Aircraft Manufacturing

**N**atural Environment Protection

Green as the Foundation, Ecology  
as the Pillar





## Strategy and goals

We align our sustainability strategy with the UN SDGs and are committed to the ten principles of the Global Compact.

In 2024, based on our business and industry, we've upgraded our sustainability strategy system. We've established five key areas: "Governance, Environment, Supply Chain, Products and Services, Employees and Society", and are actively carrying out sustainable practices. We've set sustainability goals based on these core pillars and are taking actions to achieve them.

### Environmental goals and actions

OPPEIN advances China's "dual-carbon" strategy through clear environmental goals and climate risk/opportunity assessments. We optimize processes, boost clean energy adoption, and promote environmental awareness to reduce energy consumption. By implementing comprehensive waste and water recycling systems, we drive resource circularity across operations, enhancing efficiency.








### Fulfilment of social responsibilities

OPPEIN drives social impact through its Public Welfare Foundation, focusing on education and rural revitalization. Simultaneously, we prioritize employee health via occupational safety systems, regular health checks, safety training, and wellness initiatives to safeguard workforce rights.










### Governance system building

OPPEIN enhances sustainable governance by strengthening oversight and risk management systems, ensuring informed decision-making. We prioritize stakeholder engagement through transparent communication and improved disclosure practices, maintaining operational integrity.



Pillar	United Nations sustainable development goals	OPPEIN Sustainable Development Goals	Progress in 2024
Governance	  	Optimizing sustainable development management	Promoted reforms of the sustainability management structure, set up an ESG working group with various departments, formed a four - tier "supervision, decision - making, management, execution" framework, and established sustainability management policies and objectives.
		Enhancing stakeholder communication	Strengthened communication with stakeholders via channels like investor conferences, staff congresses, distributor conferences, and supplier conferences. Held 3 performance briefings with online views exceeding 130,000 times.
		Enhancing shareholder returns	From 2024 to 2026, annual cash dividends will be at least RMB 1.5 billion (tax - included). In 2024, the dividend is set at RMB 1.502 billion.
		Enhanced risk and compliance management	Enhanced risk management and internal controls, strengthened data compliance, and regularly conducted legal training to boost employees' risk and compliance awareness. Established internal control norms for high - risk areas, with 24 annual legal training sessions covering 228 people.
		Strengthening the promotion of business ethics	Promote righteousness culture: 67 internal training sessions, 100% business ethics training coverage; 158 external anti - corruption tours, covering 50 suppliers and 108 dealers; 100% employee integrity commitment signing rate.
		Responsible marketing management	Strengthen responsible marketing management in compliant, ethical, transparent, and green marketing. Conduct partner visits.
		Safeguarding the quality of information disclosure	Rated A in the "SSE's 2023 - 2024 Main Board listed companies' information disclosure work evaluation", with six consecutive years of Grade A recognition.
Environment	   	Promotion of environmental management system certification	Enhanced the environmental management system and passed the ISO14001 environmental management system recertification audit.
		Carry out climate risk identification and response	Identify climate - related risks, establish a list of climate change risks and opportunities, and improve response measures.
		Increase the proportion of clean energy use	Expanded renewable energy projects at headquarters and bases, generating 41,060.38 MWh of photovoltaic power annually. Renewable energy usage reached 11.39%, reducing CO2 emissions by 27,400 tons.
		Reduce energy consumption and carbon emissions	Implemented energy management measures such as energy storage projects, production equipment retrofits, and office energy-saving steps at Qingyuan and Wuxi bases. The Qingyuan base achieved ISO50001 energy management system certification.
		Improvement of water resource utilization	Implement measures to enhance process water recycling and household water conservation. Invest in water-saving initiatives and sewage treatment facilities.
		Increased investment in pollutant prevention and control	Dispose of organic waste gas and production dust compliantly. Entrust professional organizations to handle hazardous waste. Annual environmental investment is RMB70.28 million.
		Establishment of green production system	Practice environmentally friendly design, clean production, streamlined packaging, and low - carbon transportation. Gradually enhance the product life cycle's green management system. By the reporting period's end, the Qingyuan base was certified as a national and provincial green factory, and the Tianjin base as a provincial green factory.
		In-depth practice of the circular economy model	From ecological R&D and design to sustainable procurement, clean production, low - carbon logistics, and trade - in campaigns, the circular economy concept of "reduce, reuse, recycle" is deeply practiced.



Pillar	United Nations sustainable development goals	OPPEIN Sustainable Development Goals	Progress in 2024
Supply chain	   	Strictly regulate the procurement process	Safeguarded the procurement process's green, safety, and integrity aspects. Achieved 100% legal traceability for raw materials and ENF plate certification rate. All suppliers signed the "Integrity Commitment Letter".
		Standardize sustainable management of suppliers	Established a supplier SRM system for collaboration, conducting regular ESG assessments and full - process ESG performance monitoring. We have 559 sustainable certified suppliers, with 100% compliance to the supply chain code of conduct. Conducted 75 supplier trainings annually, including 1 ESG training for 152 suppliers.
		Empowering Dealer Development	Adhere to the "OPPEIN Tree Roots Theory" and establish a dealer benefit - sharing mechanism. Regularly hold dealer empowerment summits to enhance their efficiency.
		Strengthening the development of industry exchanges	Support and join industry association activities, co - organize meetings and forums, and participate in setting 69 home furnishing industry standards, including 20 national, 12 industry, and 37 group standards.
Products and services	 	Promotion of quality management system certification	Enhanced quality management system with ISO9001 and IQNET certifications for the Group and its subsidiary, Aowei Decoration Material Co., Ltd.
		Ensure product safety and health	Designed ergonomically, researching safer materials, improving processes, and monitoring hazardous chemicals.
		Increase investment in scientific and technological R&D and innovation	R&D investment: RMB 1.023 billion (5.41% of operating income), 1,955 R&D staff (9.50% of total), 151 new patent applications.
		Enhancing product accessibility	Committed to enhancing product accessibility through brand trust, diversity, affordability, service availability, supply chains, delivery, aftersales, and industry support to better meet customer needs.
		Continuous improvement of the after-sales service system	Re-launched the "Integrated home furnishing gold butler service", won the "Service Model In Household Industry" honors.
		Strengthening information security and privacy protection	Continuously invested in IT infrastructure, achieving zero APPs regulated or taken down, and no data breaches occurred.
Employees and society	      	Ensure reasonable labor and fair employment	Awarded "2024 Guangdong Extraordinary Employer" and "Model Enterprise for Ex - servicemen". Annual labor contract signing rate is 100%, with no human rights or discrimination incidents.
		Enhancement of Employee Compensation and Benefits	100% of employees covered by performance appraisals and incentive bonuses; social security coverage is 100%. Invested RMB95 million in employee welfare, aided 45 employees in difficulty, and consoled 9 sick or mourning employees.
		Emphasis on staff development and training	Focused on "dual - engine" talent and system building. Employees received 685,787 training hours (33.31 hours/person - average), with RMB7.137 million invested in vocational training.
		Protecting the occupational health and safety of employees	Annual lost - time injury rate dropped by 33.21% year - on - year. Employee health check - up rate and occupational hazard detection rate both 100%. Conducted 104 fire drills with 100% hazard rectification. EHS trained 175,996 people with 100% coverage.
		Open channels for employees to communicate their suggestions	Established OA monitoring and feedback platform, performance E system and other communication channels. Received 5,087 employee suggestions, up 15% year - on - year, with a 68% adoption rate. 2,027 Class A suggestions were implemented. Employee satisfaction rate is 79.35%, dedication rate 80.01%.
		Increasing public investment in community development	Continued rural revitalization and educational charity activities. OPPEIN Public Welfare Foundation donated RMB 15.90 million annually, including RMB 5.95 million for education and RMB 5.7 million for rural revitalization. The Group Chairman donated RMB 5.3 million for flood relief and post - disaster reconstruction in Meizhou.



Stakeholder communication

OPPEIN values stakeholder communication, building a strong internal and external platform with a transparent mechanism. During the reporting period, OPPEIN maintained close contact with key stakeholders such as shareholders, investors, government bodies, employees, customers, suppliers, dealers, partners, and community members through diverse channels, actively understanding and responding to their expectations and needs.



Interested party	Government and regulatory bodies	Shareholders and Investors	Customers	Employees	Suppliers	Distributors and other partners	Community and environment
Principal subjects of concern	Corporate governance Sustainable development governance Risk control and compliance Intellectual property protection Climate change risks and opportunities Water use and management Energy consumption and management Carbon emissions management Pollutant prevention and control Occupational Health and Safety R&D and Innovation circular economy	Corporate governance Sustainable development governance Risk control and compliance Business ethics Climate change risks and opportunities Carbon emissions management Product safety and quality R&D and innovation Occupational health and safety	Climate change risks and opportunities Green production Product safety and quality Customer rights protection Information security and privacy protection Responsible marketing Raw material use and management	Training and career development Occupational health and safety Labor compliance and equal opportunity Compensation, benefits and performance Employee communication and grievance	Supplier management Business ethics Climate change risks and opportunities Responsible procurement Product safety and quality Occupational health and safety Raw material use and management	Product safety and quality Information security and privacy protection Climate change risks and opportunities Responsible marketing R&D and innovation Labor compliance and equal opportunity	Community involvement Occupational health and safety Labor compliance and equal opportunity Climate change risks and opportunities Water use and management Energy consumption and management Raw material use and management Carbon emissions management Pollutant prevention and control Waste disposal Green production Circular economy Ecosystem and biodiversity conservation conservation
Communication channels and methods	Regulatory assessment Regular submission and mailing of information or reports Special meeting Questionnaire Disclosure of information	Disclosure of information General shareholders' meeting Investor networking events SSE Interactive Platform Official website and investor relations hotline or email Questionnaire	Official website, official microblogging and customer service hotline Social media interaction Customer complaints and callbacks Satisfaction survey	Workers' congress Employee feedback service center Staff training Employee activities Enterprise microsoft group Dedication and satisfaction surveys	SRM platform Supplier conference Supplier visits Supplier training Public tender Questionnaire	Official website, official microblogging and customer service hotline Disclosure of information Dealer conference Dealer tour Dealer training	Official website, official microblogging and customer service hotline Public welfare activities Disclosure of information Field visits



## Identification and assessment of material issues

OPPEIN is guided by the GRI Standards and SSE guidelines, will continue to identify, evaluate, and disclose sustainability issues for 2024. Building on the 2023 materiality analysis results, the company aims to establish issues of double materiality for both the Group and stakeholders.



### Recognize

Conducted policy and peer - benchmarking analyses to identify 27 sustainability issues across governance, environment, supply chain, products/services, and employees/society, forming the 2024 issue database.



### Valuation

Collected input from stakeholders and sustainability experts to assess these issues' "financial" and "impact significance".



### Disclosure

The Board of Directors reviewed the materiality assessment, resulting in a double - materiality matrix to guide the Group's sustainability management and reporting.



	Number	OPPEIN 2024 material issues
Core issues	17	Product safety and quality
	1	Corporate governance
	2	Sustainable development governance
	20	Customer rights protection
	3	Risk control and compliance
	13	Green production
	10	Carbon emissions management
	14	Circular economy
	11	Pollutant prevention and control
	9	Raw material use and management
Important issues	8	Energy consumption and management
	4	Business ethics
	15	Responsible procurement
	5	Responsible marketing
	18	R&D and innovation
	6	Climate change risks and opportunities
	12	Waste disposal
	25	Compensation, benefits and performance
	23	Occupational health and safety
	7	Water use and management
Related issues	16	Supplier management
	24	Labor compliance and equal opportunity
	22	Training and career development
	26	Employee communication and grievance
	21	Information security and privacy protection
	19	Intellectual property protection
	27	Community involvement





01

THEME:  
SHINING AT 30, SETTING  
OFF AGAIN

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# Strive forward with determination

Over three decades, OPPEIN has advanced design innovation and product quality through global collaborations, delivering customized solutions and robust after-sales services that earned widespread acclaim.

Guided by its vision to become a world-class home furnishing leader, OPPEIN accelerates internationalization under the Belt and Road Initiative, exporting products globally as a hallmark of Chinese manufacturing excellence.

## Thirty years of progress

Founded in 1994, OPPEIN has pioneered home furnishing innovation for three decades through collective perseverance. Upholding its original vision, the Group continues to forge ahead with resilience and groundbreaking spirit.

### 1994 Constructed capabilities and embarked on a voyage

Established in 1994 as Guangzhou Kangjie Kitchen Cabinet, we pioneered China's "whole kitchen" concept. Introduced China's first industrialized modern kitchen cabinets, initiating the "kitchen revolution."

### 1996 Brand new

Launched national consumption guidelines and expanded franchise networks in Shenzhen, Dongguan, and other key cities in China.

### 1999 Dominated

Built China's first kitchen cabinets chain system, establishing franchised stores in 100+ cities and emerging as a market leader.

### 2000 Broke through RMB 100 million mark

OPPEIN launched the "2000 functionalized kitchen cabinets" series, a gift to the new century, and was recognized as a recommended product by the Guangdong Consumer Council during 2000 - 2001. Annual business income broke through RMB 100 million.

### 2004 Landed overseas

The brand now has nearly 700 shopping malls nationwide and exports to over 20 countries like the US, Japan, and Canada.

### 2007 Established a strong position

OPPEIN became the industry's first "Chinese Famous Brand Product" brand and won the "Leading Kitchen Cabinets company" title for two years in a row, the annual sales exceeded RMB1 billion.

### 2017 A-share listed

Listed on the Shanghai Stock Exchange with stock code 603833, OPPEIN ranks No.1 in China's top 500 home furnishing brands with a value of RMB23.955 billion. It also ranks 406th among China's top 500 private manufacturing enterprises.

### 2021 Navigated and leading

Became the first 100 billion market value home furnishing enterprise and reached 20 billion in sales revenue.

### 2022 Broke through

Winning the 7th Guangdong Provincial Government Quality Award for excellence in leadership, quality, innovation, branding, and efficiency. Also got awarded "National Industrial Design Center" title, becoming a fifth batch of national industrial design centers member.

### 2024

#### Crossed the glacier, meet at the top

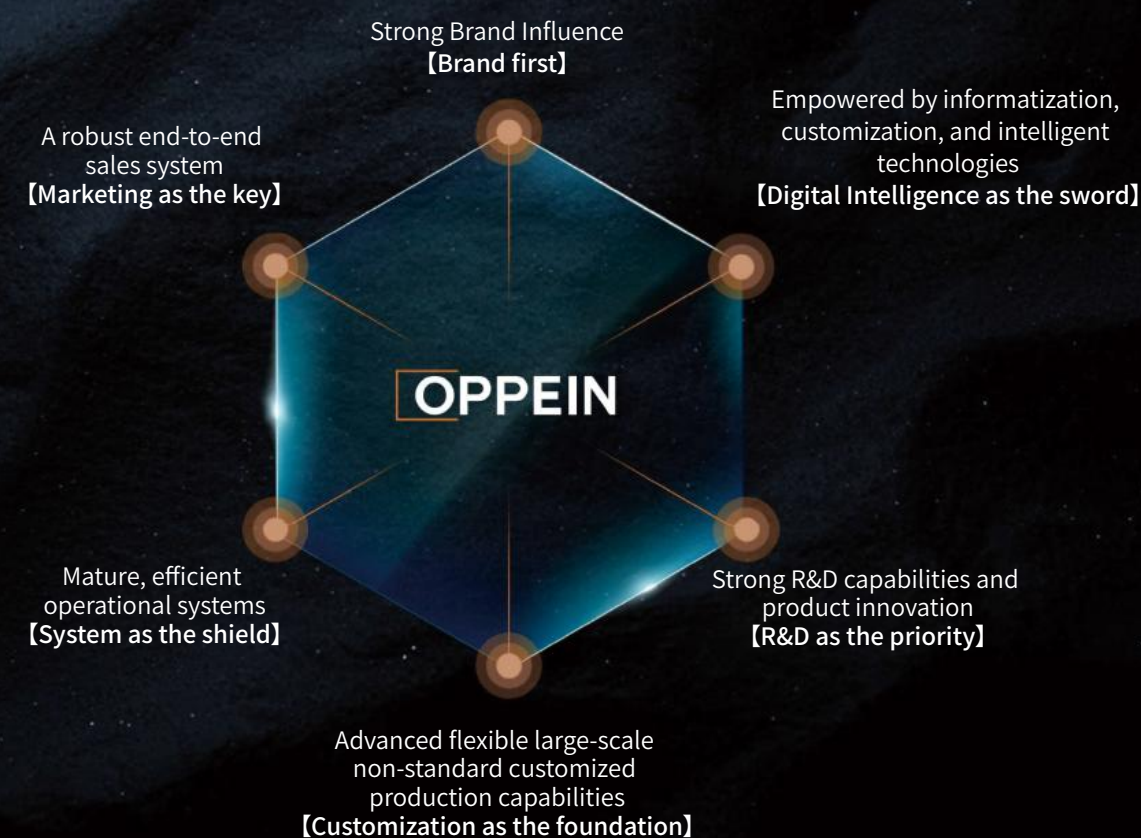
Comprehensively marching to the top of home furnishing industry, writing a new chapter of OPPEIN's glory.

## OPPEIN Manufacturing 2025 Strategy

In 2015, OPPEIN officially launched its "Manufacturing 2025" strategy, integrating internet, big data, and AI-driven manufacturing. By digitally connecting all processes—including sales, R&D, production, and logistics—the initiative ushered in an era of "AI-powered factories," characterized by "what you see is what you get, what you feel is what you desire, design equals manufacturing, and manufacturing equals service."



## Core competitiveness



## Brand development matrix

A brand development matrix covering multiple consumer groups has been established to fully meet differentiated market demands. Main products include kitchen cabinets, whole-home customization, wardrobes, bathroom vanities, wooden doors, metal doors and windows, armored doors, furniture, kitchen appliances, soft furnishings, and integrated large-scale home furnishings.





Leading the industry and win together

Over the past 30 years, OPPEIN has maintained its leading position in the customized home furnishing industry. The Group emphasizes the mutual development of the home furnishing industry and aims to collaborate with industry peers. By participating in the formulation of industry standards and engaging in industry conferences and forums, OPPEIN actively enhances industry standards. The Group is dedicated to promoting the "Integrated Home" strategy through dealer training and industry exchange conference, exploring new development models, and driving the industry's high-quality development and transformation and upgrading of home furnishing consumption industry.

Helping partners grow

Adhering to the "OPPEIN tree root theory", we implement the "Integrated Home Strategy", establishing a comprehensive home service network and mature service mechanism. We share industry dividends with dealers and enhance market resource investment. By optimizing policies in terminal operations, subsidies, channel support, and marketing, we help small and medium-sized partners to meet consumer demand changes and industry challenges.



\*OPPEIN tree-root theory



Case: Planning for the Future: Starting a New Chapter

In March 2024, OPPEIN's Annual Marketing Summit was held at Baiyun International Century Hall. Global dealers gathered, themed "Crossing the Industry Glacier, Meeting the Top of Integrated Home", to focus on trends, plan the future, and start a new chapter.



Win-Win Industry Cooperation

As a leader in customized home furnishing, we drive industry development, solve pain points, and explore paths for high - quality growth. We support government policies and industry associations, enhancing industry quality by participating in standard - setting forums. We had participated in 69 standard-setting activities (20 national standards, 12 industry standards, 37 group standards). During the last year,we participated in 10 standard setting activities, reaching a 100% year-on-year growth rate, and attended 2 industry exchange meetings.

Standard nature	Editor-in-chief	Standard name
 Compulsory national standard	National Artificial Board Standard Committee	Limits of Formaldehyde Emission from Indoor Decoration Materials, Artificial Boards and their Products.
		Odor Classification and Evaluation Methods for Artificial Boards and Products
		Classification of Volatile Organic Compound Emissions from Artificial Boards and Their Products
 Recommended national standard	National Furniture Standard Committee	Plywood and Blockboard with Impregnated Film Paper Finish
		Furniture fittings Strength and durability of hinges and their components Hinges with straight axial rotation of sheep weights.
		General Technical Conditions for Wooden Furniture
 Industrial standard	China Light Industry Information Center (CLIIC)	Kitchen Furniture: Matching Dimensions
		Residential Kitchen Facilities and Equipment
		Edge Banding for Furniture
		General Technical Requirements for Smart Elderly Home Products

As an industry trendsetter, OPPEIN's 30th anniversary announcements mark its leap to high - quality development and its role in reshaping the customized home furnishing ecosystem and service standards. In the future, OPPEIN will tackle consumer pain points, innovate service models, and provide excellent services at every customer touchpoint. It will lead the pan - home industry into a new "service" and "reputation" - oriented era, enhancing home life for all users.



Case: OPPEIN attended China International Building Exp

As a global leading event in the integrated Home construction and decoration industry, the China International Building Exp (Guangzhou) is the largest exhibition in China and even globally. On its 30th anniversary, OPPEIN attended the CIBE to explore industry trends with other home furnishing enterprises, discussed effective strategic approaches to address consumption pain points, and jointly seek new business models for the industry's high quality development.







#### Case: OPPEIN 30 years thanksgiving and domestic demand promoting summit was successfully held in Guangzhou

In May 2024, OPPEIN 30 years thanksgiving and domestic demand promoting summit was successfully held in Guangzhou. OPPEIN Chairman Yao Liangsong engaged in a summit dialogue on promoting domestic demand, offering new perspectives on how home furnishing enterprises can drive domestic demand and forge new growth paths through innovation under the new economic norm.



#### Case: Launching the initial year of integrated home service upgrading program

On its 30th anniversary, OPPEIN reinforced its "Integrated Home Strategy", marking a new peak and the start of its intergrated home service upgrading year. Committed to this strategy, OPPEIN and its partners tackle market challenges jointly amidst fast changing trends.



## World journey, grateful to you

Over 30 years, OPPEIN has established five intelligent production bases in Tianjin, Qingyuan, Wuxi, Chengdu, and Wuhan, with a total area of 3.15 million square meters, radiating high-quality production capacity nationwide and serving globally. Currently, OPPEIN has over 7,900 global stores (including over 100 overseas dealer stores), selling products in 118 countries across six continents, and serves more than 10 million families. Adhering to the philosophy of "With home, with love, with OPPEIN", the Group will continue to serve Chinese families and create better home lives.

### Build OPPEIN into a global brand

OPPEIN's history reflects a Chinese manufacturing enterprise's active response to the "going out" national development strategy. Following the path of "Exploration - Breakthrough - Rooted - Fractal", OPPEIN moved from the exploration stage of "going out" to the breakthrough stage of "coming in" by acquiring Italy's FORMER, and then to the rooting stage by establishing overseas stores in Canada, the UAE, the UK, the US, and Panama over the past two years. OPPEIN is advancing toward becoming a globally renowned "world's OPPEIN" and a "century-old store".

OPPEIN actively builds an overseas offline store network, drives sales innovation, and wins media acclaim. After 30 years of overseas expansion, it has established a large global sales network with over 100 stores and showrooms in 60 countries across Europe, America, the Middle East, Asia, and Australia. Its products are exported to more than 130 countries, earning recognition from global partners. During the reporting period, OPPEIN obtained Customs AEO Advanced Enterprise Certification, facilitating international trade and enhancing market competitiveness. Customs AEO Advanced Enterprise Certification, facilitating international trade and enhancing market competitiveness.



1994

Chairman Yao Liangsong founded OPPEIN's predecessor, "Kangjie Kitchen Cabinets", introducing Europe's "whole kitchen cabinets" concept to China.

2022

Acquired Italian furniture manufacturer FORMER and launched the miForm brand, marking a strong entry into China's high-fashion home furnishing market and aligning with OPPEIN's internationalization strategy.

February 2024

The first North American wholesale flagship store opened in Toronto, attracting over 100 guests and earning a congratulatory letter from Canadian counterparts.

2004

OPPEIN opened its first overseas franchise store in Los Angeles, exporting products to over 20 countries including the US, Japan, Canada, and Australia.

2023

Overseas sales revenue reached a 46.5% year-on-year growth rate.

June 2024

Panama's new president, José Raúl Murillo, attended the flagship store opening ceremony in Panama. As a key American market, OPPEIN gained local partner recognition and signed contracts leveraging its integrated design advantages.





### Customs AEO Advanced Enterprise Certification

The Customs AEO certification, the highest recognition of enterprise credit, management ability, and trade security, highlights the Group's core competence in internal control, risk management, and supply chain security. This certification allows the Group to enjoy priority in customs clearance, reduced inspection rates, and other benefits, effectively improving international trade efficiency, lowering export costs, and enhancing international competitiveness and brand value.

## With home, with Love, with OPPEIN

The love home culture is central to OPPEIN. The Group integrates the concepts of "home" and "love" into all aspects of its operations, helping to create a better life. It actively responds to national calls by providing practical benefits to turn the dream of quality homes into reality for more people. Diversified cultural activities offer timely care for employees, making them feel the warmth of a family.

### ● Contributing to a better life

Launched the "Good Life, Renewal Season, Joint Benefit" activity with three major benefits. Introduced the "30th Anniversary Phenomenal" May Day Home Goods Renewal Festival in response to the national trade-in program, helping consumers renew their homes without worry. OPPEIN also launched the 30th Anniversary Gold Member Benefits and the "Green Home Renewal Inclusive Action", conducting related activities in 20 cities nationwide to assist people in home renewal and achieving a quality home life.



### Case: "Good Life Renewal Season" with Xinhua News

In January 2024, OPPEIN and Xinhua News Agency Client City Channel jointly signed the "Better Life Renewal Season" agreement at OPPEIN's headquarters. As a leader in China's customized home furnishing industry, OPPEIN helps Xinhua News Agency Client City Channel launch the "Better Life Renewal Season", exploring high quality development through innovation and quality upgrades to enhance Chinese people's lives.



### ● Love in the family stretches on

OPPEIN, since its establishment, has adhered to the "family and love" corporate culture, caring employees' work and life, and actively conducting cultural activities to provide humanistic care. The labor union innovates cultural and sports activities to enhance employees' happiness and sense of belonging. Besides regular holiday care, OPPEIN organizes special activities like summer parent-child camps and collective weddings. OPPEIN's humanistic care includes helping those in difficulty, such as the "Peace Fund" and injury visits, and welfare benefits like birthday and festival gifts, health checkups, and special awards for long - serving employees.







# 02

## GOVERNANCE

OPPEIN has established a comprehensive corporate governance system. Under the principles of independent operation, mutual oversight and effective collaboration among governance bodies, we continuously improve management policies to effectively supervise business ethics matters including anti-corruption, fair competition and responsible marketing. This enhances risk control and compliance management, ensuring stable operations and creating long-term value for shareholders, customers, employees and other stakeholders.

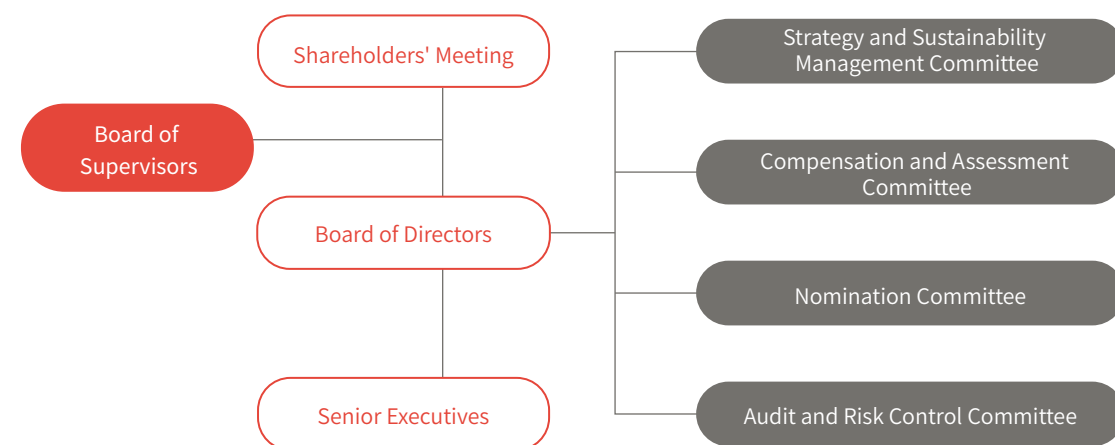


## CORPORATE GOVERNANCE

A comprehensive and scientific corporate governance mechanism is the foundation and assurance for the sustainable and healthy development of enterprises. The Group considers corporate governance as a long-term systematic project and continuously improves its corporate governance structure in strict accordance with the requirements of various laws, regulations, and normative documents, taking into account the actual situation of the Group. We establish and improve the standardized operating mechanisms, enhance the responsibility for information disclosure, and ensure the healthy and stable operation of the Group.

### Governance structure

The Group has established a corporate governance structure comprising the general meeting of shareholders, the Board of Directors with its special committees, the Supervisory Committee, and the management of the Company. We adhere to the requirements of the "Company Law of the People's Republic of China", the "Securities Law of the People's Republic of China", the "Code of Governance for Listed Companies", the "Rules Governing the Listing of Stocks on the Shanghai Stock Exchange", and the "Guidelines for Self-discipline and Supervision of Listed Companies of the Shanghai Stock Exchange". We also comply with the provisions of the "Articles of Association of OPPEIN Home Group Inc." to regulate its operation and formulate the basic management system that covers corporate governance, including the "Rules of Procedure for the General Meeting of Shareholders of OPPEIN Home Group Inc.", the "Rules of Procedure of the Board of Directors of OPPEIN Home Group Inc.", the "Rules of Procedure of the Board of Supervisors of OPPEIN Home Group Inc.", and the "Working System of Independent Directors of OPPEIN Home Group Inc." We convene regular shareholders' meetings, Board of Directors' meetings, and Board of Supervisors' meetings to make management decisions and management decisions and monitor operations.



\*Corporate Governance Chart

## Governance practices

### 2024 Performance

### Shareholders' Meeting

Shareholders' Meeting  
**2**

Among them, Extraordinary  
General Meeting  
**1**

Shareholders' Meeting  
Reviews Proposal  
**15**

The Shareholders' Meeting is the authority of the company. In accordance with the "Guidelines for the Articles of Association of Listed Companies", the "Rules for Shareholders' Meetings of Listed Companies", and the "Articles of Association of the Company", the Group has formulated the "Rules of Procedure for Shareholders' Meetings of OPPEIN Home Group Inc.". The Shareholders' Meeting exercises its authority within the scope defined by laws, regulations, and corporate governance systems. The convening, conduct, voting, and resolution procedures of the Shareholders' General Meeting comply with relevant laws, regulations, regulatory documents, and the provisions of the Articles of Association of the Company. The qualifications of attendees and the convener of the Shareholders' General Meeting are legally valid, and the voting procedures and results of the Shareholders' General Meeting are legally valid and effective.

The Shareholders' Meeting adopts a combination of on-site registered voting and online voting to ensure that all investors can fully exercise their rights, safeguarding shareholders' rights to be informed, to participate, and to vote. Additionally, when deliberating on major matters affecting the interests of minority investors, the Shareholders' Meeting separately counts the votes of minority shareholders to fully protect their legitimate rights and interests. During the reporting period, the Group convened Shareholders' Meetings twice, reviewing a total of 15 proposals.

### 2024 Performance

### Board of Directors

Board of Directors  
Meetings  
**9**

Board of Directors'  
Resolution Review  
**40**

The Board of Directors plays a pivotal role in the Group's decision-making for major matters. In compliance with the Company Law and the Articles of Association of the Company, the Group has formulated the "Rules of Procedure for the Board of Directors" and the "Work System for Independent Directors". The Board comprises 7 directors, including 4 non-independent directors and 3 independent directors. During the reporting period, the Board convened 9 meetings, reviewing a total of 40 proposals.

In advancing Board diversity, the composition of the Group's Board reflects a multi-dimensional balance across age, professional expertise, and cultural backgrounds. Board members range in age from 44 to 60 years old, with cross-sector experience spanning mechanical manufacturing, aircraft manufacturing engineering, law, and business administration. Several directors possess diverse management experience across industries. Through establishing specialized committees and implementing an independent director mechanism, the Group ensures that strategic decision-making balances innovation with risk management, fully embodying the empowerment of inclusive governance for long-term value creation. Moving forward, the Group will continue to optimize Board diversity initiatives and evaluation mechanisms, strengthening the integration of global perspectives and industry insights.

During the reporting period, independent directors accounted for 43% of the Board, with their qualifications, number, and proportion aligning with the "Administrative Measures for Independent Directors of Listed Companies" and other relevant regulatory requirements. Additionally, the Company amended its Articles of Association during the reporting period to revise the Board's structure, including the creation of a new employee representative director position. This representative was elected by the Company's Employee Congress, fostering deeper integration of corporate development and employee interests at the strategic decision-making level and enhancing corporate governance capabilities.



2024 Performance

Board of Supervisors Meetings

6

Supervisory Committee's Deliberation on the Proposal

16

Board of Supervisors

The Board of Supervisors has formulated the "Rules of Procedure for the Board of Supervisors" to clarify its deliberation methods and voting procedures, ensuring operational efficiency and scientific decision-making. The Supervisory Board oversees corporate governance, major matters, financial status, and the legality and compliance of the performance of duties by directors, managers, and other senior executives, thereby promoting lawful and standardized operations and safeguarding the interests of the Company, shareholders, and employees. The Board of Supervisors comprises 3 supervisors, including 2 shareholder representatives and 1 employee representative. During the reporting period, the Group convened 6 Supervisory Board meetings and reviewed a total of 16 proposals.

2024 Performance

Female Executive Ratio

40%

Senior Executives

The Executives is responsible for the operational management of the Group's production and business activities, implementing resolutions of the Shareholders' General Meeting and the Board of Directors, executing annual business plans and investment proposals, formulating internal regulations, and exercising other authorities granted by the Articles of Association or the Board of Directors. During the reporting period, 2 out of the 5 senior executives in the Group were female.

Responsibilities of specialized committees

The specialized committees of the Group's Board of Directors fulfill their duties in accordance with the Articles of Association and conduct specific operations under their respective working rules, ensuring scientific decision-making and standardized governance of the Board. All committee members are directors, with their selection achieving a balanced diversity in skills, experience, and perspectives. In the Audit and Risk Management Committee, Nomination Committee, and Compensation and Assessment Committee, independent directors constitute two-thirds of the membership and serve as conveners. The convener of the Audit and Risk Management Committee is a professional in accounting. During the reporting period, the Group convened 4 meetings of the Audit Committee, meeting of the Nomination Committee, 1 meeting of the Compensation and Assessment Committee, and 1 meeting of the Strategic Committee, reviewing a total of 12 proposals.

2024 Performance

Convening of the Audit Committee

4

Nomination Committee

1

Compensation and Assessment Committee

1

Strategic Committee

1

Total Audit Resolutions

12

Responsibilities of Specialized Committees

Specialized committee	Key Responsibilities	Members
 Audit and Risk Control Committee	<ul style="list-style-type: none"><li>Oversee and evaluate internal and external audit activities</li><li>Review the company's financial information and its disclosures</li><li>Assess the effectiveness of the company's internal control and risk management systems</li><li>Coordinate communication among management, internal audit departments, relevant departments, and external audit institutions, etc.</li></ul>	<p>Chairman: Jiang Qi*</p> <p>Members: Li Xinquan*, Zhang Xiuju</p>
 Nomination Committee	<ul style="list-style-type: none"><li>Providing recommendations to the Board of Directors on the size and composition of the Board based on the company's operational activities, asset scale, and shareholding structure</li><li>Researching the selection criteria and procedures for directors and managerial personnel and proposing recommendations to the Board of Directors</li><li>Conducting extensive searches for qualified candidates for directors and managerial roles</li><li>Reviewing candidates for directors and managerial positions and proposing recommendations</li><li>Reviewing other senior management personnel requiring Board appointment and proposing recommendations</li></ul>	<p>Chairman: Li Xinquan*</p> <p>Members: Tan Qinxing, Lu Xiaodong*</p>
 Compensation and Assessment Committee	<ul style="list-style-type: none"><li>Reviewing and approving matters related to the compensation of directors and executives, as well as the cancellation of stock options</li><li>Approving the company's annual remuneration plans formulated by the Group's management</li><li>Developing assessment criteria for directors and executives and conducting evaluations</li><li>Formulating and reviewing compensation policies and plans for directors and executives</li></ul>	<p>Chairman: Li Xinquan*</p> <p>Members: Jiang Qi*, Yao Liangbai</p>
 Strategy and Sustainability Management Committee	<ul style="list-style-type: none"><li>Conducting research and providing recommendations on the company's long-term development strategies, major investment decisions, and environmental, social, and corporate governance (ESG) initiatives</li><li>Analyzing major investment and financing proposals requiring Board approval under the Articles of Association and submitting recommendations</li></ul>	<p>Chairman: Yao Liangsong</p> <p>Members: Yao Liangbai, Lu Xiaodong*</p>

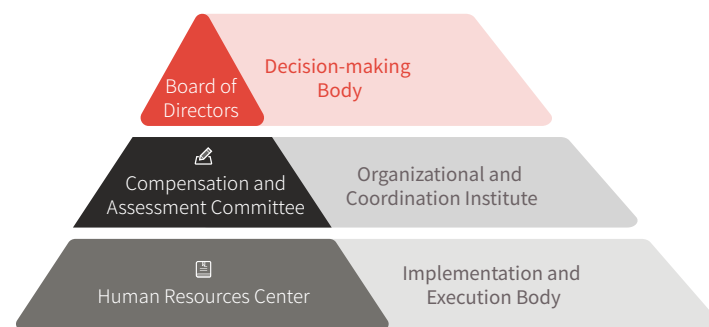
Note 1: \* is an independent board member of the Group;  
Note 2: On April 24, 2025, at the 22nd meeting of the Board of Directors' fourth session, the Board approved renaming the Audit Committee to the Audit and Risk Management Committee and the Strategy Committee to the Strategy and Sustainability Committee.



## Executive compensation management

OPPEIN has formulated its Compensation Management Regulations and Director & Executive Compensation and Evaluation Measures in compliance with the Corporate Governance Guidelines for Listed Companies and its Articles of Association. The company has established a compensation and performance management system aligned with position value, corporate development and individual performance, with clearly defined evaluation procedures for directors and executives. The Board's Remuneration Committee conducts annual reviews of compensation matters, with packages for directors (non-independent) and executives submitted to the Board or Shareholders' Meeting for final approval after committee deliberation.

During the reporting period, OPPEIN further optimized its executive compensation and incentive system, implementing a three-dimensional evaluation mechanism linking remuneration to individual performance and functional objectives for directors (non-independent), supervisors and senior management. Notably, ESG performance was incorporated as a key assessment metric, effectively motivating innovation and transformation while driving both high-performance targets and comprehensive improvements in environmental, social and governance dimensions. This approach has enhanced operational efficiency and promoted sustainable development.



\*Remuneration management organizational structure

## Information disclosure

The Group highly values information disclosure, actively safeguards investor rights, and improves disclosure quality. It adheres to developing an investor - oriented system while fulfilling obligations. Complying with laws like the "Code of Corporate Governance for Listed Companies", it has internal policies such as the "OPPEIN Home Group Information Disclosure Management Regulations". A digitalized process ensures comprehensive control and traceability for truthful, accurate, timely, and complete disclosures. The Group manages insider information registrations and reporting. It also prioritizes investor needs, enhancing disclosure readability and effectiveness for better transparency.

During the reporting period, the Group executed high-quality information disclosure practices, publishing 145 announcements and online documents, including 4 periodic reports (e.g., annual reports) and 1 ESG report, actively communicating corporate developments and operational outcomes to the market. Notably, the Group received a Grade A rating in the \*2023-2024 Information Disclosure Evaluation for SSE Mainboard Listed Companies\* (with only 18.95% of SSE-listed companies achieving Grade A). Furthermore, the Group has been awarded the SSE's Grade A in information disclosure for six consecutive years (a distinction held by only 108 A-share companies, representing 4.81% of the total).



### 2024 Performance

Maintaining an **"A"** grade in SSE information disclosure for **six consecutive years**

## Investor relations

The Group adheres to an "investor-centric" philosophy and has established institutional frameworks including the OPPEIN Home Group Inc. Market Value Management Regulations, the Investor Relations Management Guidelines, and the Media Communication and Crisis Management Protocols. These frameworks standardize investor relations practices, safeguard investor interests, and ensure transparent communication channels. The Group has introduced the "Shareholder Dividend Return Plan for the Next Three Years (2024-2026)" and the "2024 Action Plan for "Enhancing Quality, Efficiency, and Shareholder Returns", reaffirming its commitment to high-quality development and value creation. These initiatives enhance transparency in profit distribution decisions, actively reward shareholders, and protect investors' legitimate rights.

### 2024 Performance

Meetings for the presentation of the results

**3**

Online views of the results presentation

**133, 000**

Other investor networking events

**3**

Number of responses to investor questions on the "SSE e-Interaction" platform

**42**

### Investor communication

The Group values input from every investor and actively organizes various online and offline engagement activities, including the "SSE e-Interaction" platform, investor briefings, shareholder meetings, and roadshows. These initiatives facilitate multi-level and multi-channel engagement with investors, maintaining open communication channels, conveying corporate value to the capital markets, and fostering investor understanding and recognition. This approach builds long-term, stable, and mutually beneficial relationships while strengthening the Group's market reputation. The Group has implemented an investor feedback mechanism to proactively address market concerns. It initiates contact with investors to solicit feedback, relays suggestions to senior management, and ensures two-way information flow between internal and external stakeholders. During the reporting period, the Group conducted 3 earnings presentations, where the Chairman, independent directors, CFO, and Board Secretary interacted with investors via live streams and Q&A sessions. These live-streamed events garnered over 130,000 views, demonstrating robust investor engagement.



"SSE e-Interactive" platform: <https://sns.sseinfo.com/>

Investor Hotline: 020-36733399

Investor Relations Email: [oppeinir@oppein.com](mailto:oppeinir@oppein.com)

\*Investor Communication Channels





#### Case: “Understanding Our Listed Companies – A Tour to the Greater Bay Area” OPPEIN Session

In October 2024, the Group worked with the China Securities Investor Services Center and others to hold the “Understanding Our Listed Companies – A Tour to the Greater Bay Area” OPPEIN Special Session, and partnered with the Shanghai Stock Exchange for the “I Am a Shareholder” visit to OPPEIN. These efforts allowed more minority investors to tour the company, understand its operations better, and improved investor relations management, promoting the Group’s high - quality development.



### Enhancing shareholder returns

OPPEIN has maintained a strong shareholder return commitment since its IPO, continuously improving cash dividend payouts in line with capital allocation and operational needs. In compliance with the "Notice on Further Implementing Cash Dividend Distribution by Listed Companies" and "CSRC Guideline No. 3 on Cash Dividends", we have established a sound dividend policy that emphasizes transparent communication with investors, particularly minority shareholders. As the first in our industry to publish "Quality-Efficiency Reports", implement a "Three-Year Fixed-Amount Dividend Plan", and develop market value management mechanisms, we stabilize returns through share buybacks and structured dividend programs. During the reporting period, we amended our Articles of Association to formalize dividend policies and launched the "2024-2026 Shareholder Return Plan", committing to annual cash dividends of no less than RMB 1.5 billion (pre-tax).

Key Performance	2024	2023	2022
Cash Dividend per Share (RMB) (pre-tax)	2.48	2.76	1.77
Total Cash Dividends (RMB 100 million)	15.02	16.70	10.75
Cash Dividends as % of Net Profit Attributable to Parent Company Shareholders	57.80%	55%	40%

\*The Group's cash dividends in the last three years

## RISK AND COMPLIANCE CONTROL

To actively adapt to the challenging market environment and prevent major risks, the Group is continuously increasing its efforts toward risk management and internal control systems. We develop risk management strategies, promote the internal audit process, identify and manage the risks involved in the operation process, and focus on the environmental, social and governance (ESG) related risks to promote sustainable and stable operations.

### Risk management

The Group and its subsidiaries strictly follow the "Risk and Opportunity Management System of Oppein Home Group Inc." and "Risk and Opportunity Identification and Evaluation Management Process of Oppein Home Group Inc.", "Internal Control Management System of Oppein Home Group Inc." and other internal system documents and risk management processes, focusing on the construction of risk and compliance control system, and timely updating the domain map of the group's risk and compliance control structure. With the goal of risk prevention and efficiency enhancement, we integrate risk management into our business processes and clarify the departments responsible for risks and opportunity management. The Audit Committee supervises and evaluates the internal control of the company. The audit department and the supervision Department have established a self-evaluation working group, which is responsible for carrying out internal checks and supervision, continuously identifying and resolving problems, and improving the overall collaboration capabilities and risk resistance of the group. Each department is required to establish methods for identifying and responding to risks and opportunities, identify the risks present in the department and record the results in the "Risk and Opportunity Identification and Analysis Assessment Form", and comprehensively identify and respond to risks and opportunities in production and management activities.

We set strategic goals based on the group's risk appetite and adopt the risk management and control process of "risk factor identification - risk management planning - risk response assessment - risk operation monitoring", striving to achieve the closed-loop management of risk events.



—\*Closed-loop management of risk events





Internal control

The Group’s self-assessment of internal control is divided into 24 modules, based on guiding norms such as the "Basic Standards for Enterprise Internal Control" and "Internal Control Guidelines for Listed Companies on the Shanghai Stock Exchange", as well as the group’s business characteristics and internal control construction status. Among these modules, there are 8 major modules that are ESG-related high-risk areas, including Group Governance, Contract Management, Sales and Collection Management, Procurement and Payment Management, Quality Management, Research and Development Management, Human Resources Management, Safe Production and Environmental Management. Corresponding internal control management measures or standards have been established for these modules.

ESG-related internal control modules	Key risk factors	Management and control measures
Corporate governance	Risk of corporate governance	Improve the company's institutional system, standardize the company's production operations, improve the corporate governance structure, and conduct management decisions and operational supervision in accordance with regulations.
Contract management	Risk of business ethics	Establish a work order that maintains integrity, anti-corruption, and righteousness, and incorporate the commitment to honest cooperation into procurement contracts, regularly conduct internal audits of business ethics, and strengthen inspections of suppliers and dealers.
Sales and receivables	Risk of dealer management	Strengthen the risk prevention and daily management of dealers' business, timely judge the dealers' operating conditions, conduct regular assessments on them, and timely deal with their violations.
Procurement and payables management	Risk of supplier management	Create a supply chain system that matches the integrated home furnishing model, strengthen the access review and performance assessment of suppliers, and continue to practice responsible procurement.
Quality management	Risk of product quality	Build an integrated quality assurance system, carry out a series of quality reform projects, optimize the quality management process, and improve the management of the product life cycle including R&D, production, logistics and sales.
Research and development management	Risk of research and development	Improve the R&D incentive mechanism, actively invest in the development of new technologies and products, introduce and cultivate R&D talents, and strengthen independent R&D capabilities and employee innovation capabilities.
	Risks of intellectual property protection	Establish an intellectual property management system to manage attribution, confidentiality, data and infringement, and timely register intellectual property rights including patents and trademarks to prevent the loss of the group's intangible assets.

Human resources management	Risk of labor relationship	Employee rights protection systems covering recruitment, compensation, and evaluations were refined, complemented by regular satisfaction surveys and multi-channel communication.
Safe production and environmental management	Risks of occupational health and safety	Carry out various emergency drills, regularly organize physical checkups for employees, eliminate occupational disease hazards in the workplace, and avoid work-related injuries to the greatest extent.
Safe production and environmental management	Risks of climate change	improve the resilience to climate change by promoting the group's energy conservation and consumption reduction, introducing renewable energy and other measures.

Note: For information on climate change risks management, please refer to the "Addressing change change" section of this report.

2024 Performance

Legal training sessions conducted  
**24**  
Training hours  
**47**  
Number of people covered  
**228**

### Capacity Building

The Group continuously strengthens risk and compliance capabilities through enhanced operation and maintenance of risk and compliance platforms.Regular legal training sessions are conducted, covering diverse topics such as legal interpretation, contract review techniques, case law analysis, and key considerations in advertising contract scrutiny. These initiatives ensure employees stay informed of evolving regulatory requirements and bolster legal acumen, underpinning the Group’s robust development with a strong legal framework. During the reporting period, the Group organized 24 legal training sessions totaling 47 training hours, reaching 228 participants. Additionally, directors, supervisors, and senior executives participated in specialized programs hosted by stock exchanges, the listed companies association, and internal departments, focusing on periodic report preparation, M&A compliance , and the updated Company Law. These efforts systematically elevate compliance leadership across the organization.

☆

Case: Internet advertising risk and compliance training

In June 2024, the Group Legal Department conducted training on risks and compliance issues in Internet advertising, and relevant personnel from the e-commerce marketing department participated in the training. This training clarified compliance boundaries such as the authenticity of advertising content and consumer privacy protection by interpreting laws and regulations such as the Advertising Law and the Internet Advertising Management Measures, responded to regulatory requirements, avoided legal disputes caused by false propaganda or information leakage, and promoted the company's compliance operations.





## BUSINESS ETHICS

The Group places great emphasis on overseeing business ethics, adhering to the management philosophy of "Fairness, Transparency, Cooperation, and Freedom" and promoting a culture of integrity. We continuously refine internal guidelines and codes of conduct, establish and improve anti-corruption systems and regulatory mechanisms, and strengthen whistleblower protections. Mechanisms such as fair competition and responsible marketing are integrated into the corporate management system to resolutely eliminate false advertising and oppose any unfair practices that restrict market competition. We are committed to fostering a clean, corruption-free, and ethical work environment, building a fair and healthy business ecosystem, and safeguarding the Group's high-quality development.

### 2024 Performance

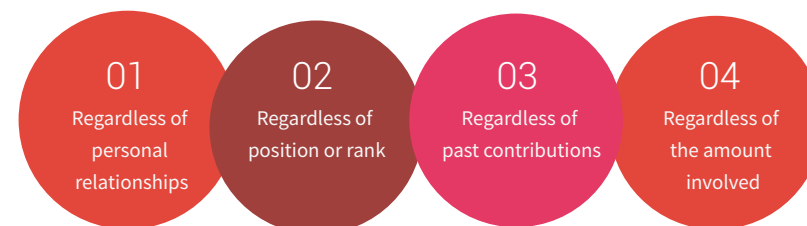
Employee Integrity  
Pledge Signing Rate  
**100%**



OPPEIN Managing Principles

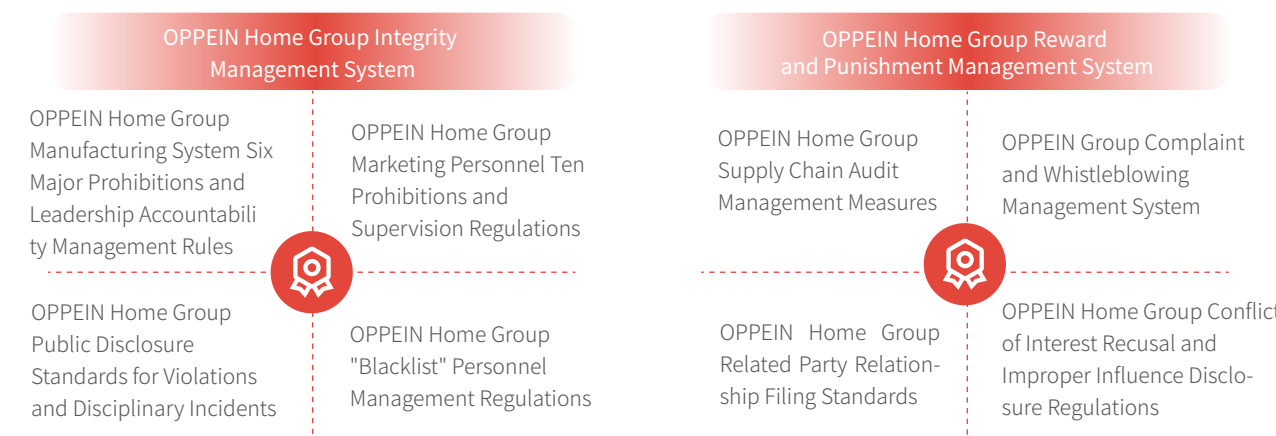
### Anti-corruption

The Group upholds the principles of integrity in business and ethical conduct. We have established anti-corruption policies, including the "OPPEIN Home Group Integrity Management System", the "OPPEIN Home Group Reward and Punishment Management System", and the "OPPEIN Home Group Gift Submission Guidelines". Adhering to the "Zero Tolerance" principle, we impose strict penalties on any form of corrupt activity, striving to build a robust anti-corruption framework based on self-discipline, mutual supervision, and collaborative governance. During the reporting period, the signing rate of the Integrity and Self-Discipline Pledge among our employees reached 100%.



Anyone found guilty of embezzling company assets or engaging in corruption must leave OPPEIN (and may face legal prosecution depending on the circumstances).

\*The "Four Regardless" Principle



\*OPPEIN Home Group Integrity Management System

### Collaborative Mechanisms with Law Enforcement

OPPEIN has established joint prevention mechanisms with the Baiyun District Public Security Bureau and Baiyun District People's Procuratorate.

### Internal Cross-Departmental Supervision

The Audit Department and Supervision Department operate independently from all business units, subsidiaries, and marketing systems, and work closely to monitor corporate misconduct, implement preventive measures.

### Regular Reporting

The Supervision Department receives whistleblowing reports, conducts thorough investigations into corruption cases, and regularly discloses findings.

### Transparent OPPEIN Platform

The company ensures accessible reporting channels for all employees, suppliers, and dealers while continuously expanding internal and external oversight mechanisms.

### Employee Integrity Pledges

All employees are required to sign the Integrity and Self-Discipline Commitment Letter as an annex to their employment contracts.

### Anti-Corruption Training

Integrity awareness campaigns are conducted across production bases, business units, and functional departments to promote ethical corporate culture.

\*OPPEIN anti-corruption initiatives

### 2024 Performance

Anti-corruption Visits to  
Business Partners  
**158** times

Including supplier  
visits:  
**50** times

dealer visits:  
**108** times

### ● Anti-corruption in supply chain

At OPPEIN, we promote corporate integrity culture and strengthen ethical compliance oversight of partners. Guided by the "OPPEIN Home Group Supply Chain Management Regulations", we've enhanced integrity evaluation for suppliers and dealers and improved whistleblowing mechanisms. We've increased on-site anti-corruption visits to partners, communicating anti-bribery policies and investigating potential misconduct. Violations are disciplined immediately. During the reporting period, we made 158 anti-corruption visits (50 to suppliers and 108 to dealers).



### Case: OPPEIN anti-corruption training

In February 2024, OPPEIN held an anti-corruption training seminar for executives with prosecutors from Baiyun District People's Procuratorate. The session "Risk Analysis and Prevention of Private Enterprise Corruption - Through the Lens of Criminal Law Amendment (XII)" strengthened our integrity culture. It established workplace controls against corruption, cultivating ethical practices among employees to support sustainable corporate development.





## Anti-unfair competition

The Group upholds fair competition by strictly complying with anti-unfair competition laws and implementing internal regulations including commercial secret management protocols. Clear disciplinary standards address dealer misconduct such as malicious competition, while brand protection policies combat counterfeiting. Supplier interaction guidelines prohibit unethical benefit transfers, safeguarding consumer rights and market order.

Employees and partners are encouraged to report violations of ethical standards or contractual obligations, collectively maintaining operational integrity.

During the reporting period, the Group faced no legal disputes related to unfair competition or anti-monopoly issues.

### 2024 Performance

Total tax payment  
RMB **1.446** billion

## Tax transparency

We firmly oppose tax corruption, fulfill tax obligations with integrity, and contribute to local economic development.- Complying with tax laws, we formulated the "Tax Management System of OPPEIN Home Group Inc." and established a sound tax management system. We use risk assessment mechanisms for early warning, regulate tax - related activities, and ensure timely tax declarations and payments. We strengthen the tax management system through random checks, training, and improving practices to avoid risks. During the reporting period, the Group met national tax and accounting regulations, received tax compliance certificates, and paid a total of RMB 1.446 billion in taxes.



### 2024 Performance

Total whistleblowing  
reports received  
**213** Performance

Whistleblowing Case  
Resolution Rate  
**100%**

## Reporting and complaint management

We encourage OPPEIN employees, suppliers, dealers, and business partners to report law-breaking, fraud, or corruption. We've established the "Complaints and Reporting Management Regulations of OPPEIN Home Group Inc." and a regularized reporting mechanism across the Pan - OPPEIN system. The Supervision Department, Marketing Supervision and Customer Service Department, and Supply Chain Audit Branch handle and investigate complaints to safeguard whistleblowers' rights. During the reporting period, the Group received and fully investigated 213 whistleblowing cases, resolving all of them.

### Complaint and reporting channels

Chairman's Whistleblowing Email: opceo@oppein.com

Supervision Department Whistleblowing Email: opjcb@oppein.com

Supervision Department Whistleblowing Hotline: 020-36733955

Supervision Department WeChat Reporting Channel: 13538731145

WeChat Complaints and Reporting Platform: "Integrity OPPEIN" official account

Address for receiving visits and letters: Supervision Department of OPPEIN Group (Room 506, 5th Floor), No. 366, Guanghua Third Road, Baiyun District, Guangzhou City, and Supervision Department of Qingyuan Base, Building G, 3rd Floor, Area A.



### ● Handling of complaints and reports

The Group ensures prompt handling of complaints and reports. For filed cases, dedicated personnel are immediately assigned to investigate. In daily supervision, communication mechanisms are based on professional divisions. If violations fall under both professional and public supervision, the "whoever discovers, handles" principle applies. Verified cases of fraud, corruption, or unfair competition are dealt with under the "Four No Exceptions" rule, and investigation results are fed back to the complainant.

### Whistleblowing handling principles

- ◆ Principle of confidentiality
- ◆ Principle of recusals
- ◆ Principle of integrity and self-discipline
- ◆ Principle that complaints must be investigated and violations must be punished
- ◆ Principle of Protection and Reward



## ● Whistleblower protection measures

The Group strengthened whistleblower protection through enhanced confidentiality protocols, mandating non-disclosure obligations for all personnel handling reports. Cases are processed under secure handling protocols aligned with ethical codes and classified by business category.

Retaliation against whistleblowers is strictly prohibited. Violations trigger joint investigations governed by integrity policies, with confirmed cases resulting in disciplinary action, including judicial referrals for criminal offenses. Affected individuals are instructed to immediately report retaliation incidents to supervisory departments.

### 2024 Performance

Righteousness Culture  
training sessions

**67** times

People trained

**23,217**

Training coverage rate

**100%**

## Business ethics training

Righteousness Culture is a crucial part of OPPEIN's corporate culture. Guided by the "OPPEIN Integrity Management System," the Group sets up strong systems to punish violations, promote integrity, and build an honest work environment. This reinforces anti-corruption defenses for leaders and employees.

We conducted multiple integrity culture promotion activities across production bases, business units, and functional departments. A diversified training system has been built, combining on-site workshops, online courses, internal publications, and official account articles. This system integrates topics such as anti-corruption, fair competition, and responsible marketing, aiming to guide employees in upholding ethical conduct and professional integrity to prevent serious violations. During the reporting period, a total of 67 integrity culture training sessions were held, covering 23,217 participants with a 100% coverage rate.

### Complaint reporting safeguard mechanism

- ◆ Reporting of complaints against OPPEIN employees: transfer, welfare policy favoritism
- ◆ Provider complaint reporting protection: immunity, cooperation protection, cooperation upgrade protection
- ◆ Complaint reporting protection for dealers: immunity, agency protection, dealer economy, benefit protection, resource support, opportunity support

### Training participants

### Training focus areas

#### New employees

"Righteousness Culture" education is mandated as a core component of onboarding. Corporate and production base audit supervisors must conduct timely training sessions.

#### Management personnel

Specialized "Righteousness Culture" seminars for leadership: Minimum two annual training sessions required, participation records included in annual performance evaluations.

#### Suppliers

"Righteousness Culture" training conducted through annual supplier conferences to reinforce OPPEIN's core values: "Fairness, Transparency, Collaboration, Freedom".



"Righteousness Culture" promoting  
scene: Headquarter



"Righteousness Culture" promoting  
scene: Wuxi base



"Righteousness Culture" promoting  
scene: Qingyuan base



"Righteousness Culture" promoting  
scene: Chengdu base



"Righteousness Culture" promoting  
scene: Tianjin base



"Righteousness Culture" promoting  
scene: Wuhan bas

\*"Adhere to the Righteousness, Win Together" Theme Training



## RESPONSIBLE MARKETING

To ensure the legality and compliance of all marketing work, the Group has formulated internal management systems such as the Ten Prohibitions and Supervision and Management Regulations for Marketing Personnel of OPPEIN Home Group, the Terminal Operation Management Regulations for Dealers of OPPEIN Home Group, the Management Measures for Overseas Retail Dealers of OPPEIN Home Group, and the Advertising Compliance Guidelines of OPPEIN Home Group in accordance with relevant laws and regulations including the Advertising Law of the People's Republic of China. These regulations standardize the marketing behaviors of the Group and its subsidiaries within the administrative regions of China (excluding Hong Kong, Macau and Taiwan regions), enhance the compliance awareness of marketing personnel, and strengthen marketing management. While pursuing commercial interests, the Group fully considers the long-term interests of consumers, society and the environment, ensuring that marketing activities are transparent, honest, and beneficial to society.

### Marketing compliance

Marketing content related to health/life must meet national standards and secure prior consent when involving third-party rights.

### Ethic advertising

All advertising must be truthful, avoiding false/misleading claims that could deceive consumers.

### Transparent marketing

Product and service claims regarding performance, quality, pricing, etc., must be accurate and transparent.

### Green marketing

Eco-friendly products are promoted to minimize waste and pollution, supported by sustainable production/packaging methods that reduce carbon footprints.

\*Responsible marketing management

OPPEIN dealers strictly adhere to advertising operations in accordance with the OPPEIN Home Group Outdoor Advertising Management Regulations and related compliance requirements. Our multi-tiered oversight system ensures full compliance about Legal Review, Ongoing Monitoring, Enforcement Measures.







# 03

## ENVIRONMENT

OPPEIN embeds green development across operations, advancing eco-friendly enterprise construction through low-carbon circular systems. Guided by national environmental laws, the Group formulated internal environmental policies defining organizational responsibilities and driving EMS development. Energy-saving upgrades and emission reduction initiatives were prioritized, with increased investments integrating green practices into manufacturing processes to enhance environmental performance.



## ENVIRONMENTAL MANAGEMENT SYSTEM

The Group adheres to national and local environmental regulations, adopting "prevention-first" principles aligned with GB/T24001-2016 standards. Environmental mechanisms were strengthened through risk management, PDCA cycles, and process optimization to ensure system efficacy.

### Management policies and goals

Environmental protection is integrated into the sustainability strategy, with tailored policies guiding operations. The Group enhanced pollution control and resource recycling initiatives to achieve comprehensive green development goals.



#### 【Environmental policy】

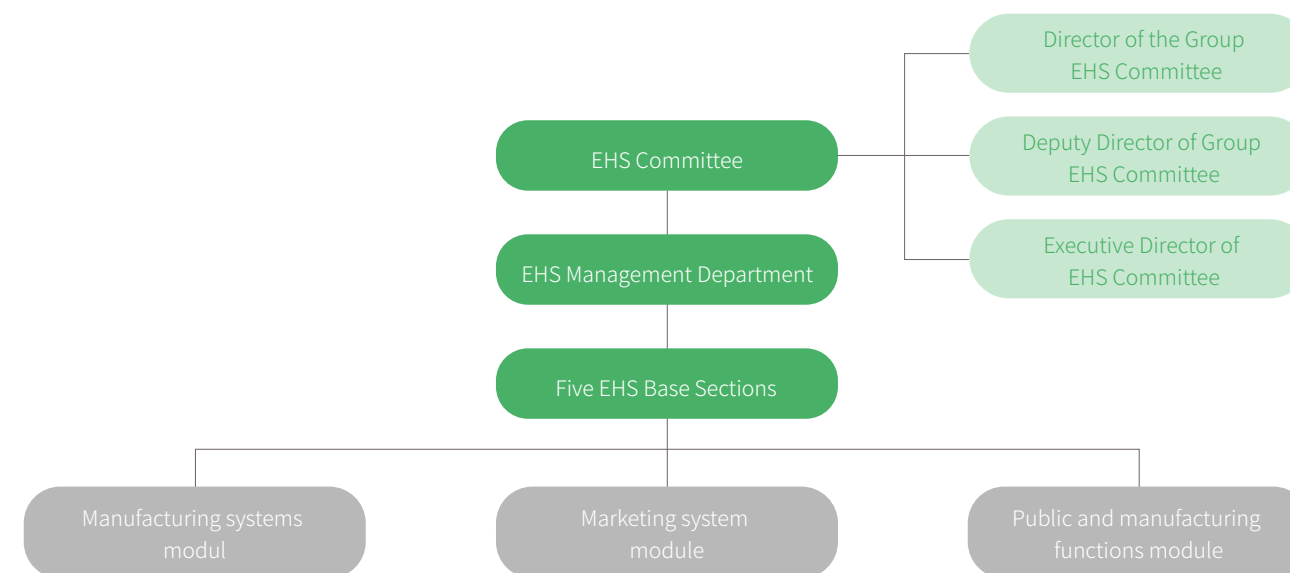
Protecting the environment and combating pollution;  
Energy saving and cleaner production;  
Compliance and continuous improvement.

#### 【Environmental management goals】

100% compliance rate for waste gas, noise and waste water emissions  
100% compliant disposal of all types of waste  
0 environmental complaints from related parties

### Management structure

The Group established a three-tier EHS management structure (leadership, coordination, implementation) under its environmental strategy, with defined roles at each level. Implementing dual responsibility principles and accountability mechanisms, responsibilities are allocated across manufacturing, marketing, and support functions to coordinate environmental efforts. EHS risk management is integrated across all operations, systematically identifying and controlling risks to reduce workplace accidents and environmental impacts, while fostering a safety and sustainability-focused culture.



\*Group EHS management organization structure

### Management system

The Group, as an industry pioneer with ISO14001 certification and eco-label accreditation, established comprehensive environmental management systems including "Environmental Management Manual", "EHS Management Guidelines", "Procedures for Environmental Factor Identification and Determination Control", etc. During the reporting period, the Qingyuan Base Environmental Implementation Specification was introduced to systematically advance green supply chain development. Standardized environmental management practices enhanced overall performance, with both Guangzhou headquarters and Qingyuan Base achieving EMS certification by period-end.



\*ISO14001 Environmental System Certification





## Management review

We've established "Environmental Monitoring and Measurement Control Procedures" and "Compliance Evaluation Control Procedures" to test key environmental parameters and assess compliance with laws, regulations, and targets. We maintain records like the "Environmental Operation Inspection Sheet" and periodic evaluation results.

### Internal review

We conduct an annual internal audit of the environmental management system per internal requirements, covering all system provisions and departments to check compliance with GB/T24001-2016 and proper implementation.

### Management evaluation

We annually review the environmental management system per the "Oprah Home Furnishings Group System Management Review System," usually after internal audit or before third-party audit, to ensure its suitability, adequacy, and effectiveness. Reviews may increase with major external changes or requests from environmental bodies.

During the reporting period, a third-party certification body externally audited our Guangzhou headquarters and Qingyuan base's environmental management system. The audit concluded the system meets applicable requirements and can achieve expected results.

### Routine monitoring

We monitor and correct irregularities, environmental incidents, and EHS work implementation issues. Violations of environmental regulations leading to harmful consequences are handled per relevant provisions. We follow up on non-conformities found through monitoring, internal audits, and management reviews, take corrective actions, and check their effectiveness.

Each base's EHS management branch supervises environmental work implementation. Non-compliant cases are ordered to rectify immediately, and responsible departments must complete rectification and submit a written report within the specified period.

## ADDRESSING CLIMATE CHANGE

The Group implemented comprehensive risk management frameworks through dedicated regulations, defining risk mitigation measures and control processes to strengthen operational resilience.

### Governance, strategy and risk management

We recognize the urgency of climate change and prioritize its response by integrating climate - related risks and opportunities into ESG management, while improving risk response and environmental disclosure. During the reporting period, following the Group's risk management procedures, we strengthened climate change risk management. We identified climate risks and opportunities in business operations, adjusted the energy structure, optimized resource use, and enhanced risk management effectiveness through energy conservation, consumption reduction, and renewable energy adoption.

### Inventory of climate change risks and opportunities

Aligning with TCFD recommendations and Shanghai Stock Exchange guidelines, the Group identified transition and physical climate risks via comprehensive analysis. Countermeasures were developed to embed climate considerations into ESG and risk management systems.





## Transition risk

### Policy and legal risks

 Influence period Medium and long term

#### Risk description

Since China's 2020 dual-carbon pledge, tightened regulatory frameworks have elevated operational compliance risks and potential legal exposures.

#### Response

Monitor governmental environmental regulations and disclosure requirements to ensure compliance and mitigate risks.

 Influence period Medium and long term

#### Risk description

Industry carbon reduction mandates are intensifying emission control requirements.

#### Response

Implement energy-saving initiatives and boost clean energy adoption.

 Influence period Short, medium and long term

#### Risk description

Global carbon market regulations may escalate operational and compliance costs.

#### Response

Continuously monitor global carbon pricing mechanisms while adapting strategies to address emission challenges.

 Influence period Medium and long term

#### Risk description

Overseas operations face environmental compliance risks from regional/language barriers affecting procedure adherence.

#### Response

Conduct regular legal training for regional operations, employ dedicated compliance officers, and enforce policy adherence.

## Technology risk

 Influence period Medium and long term

#### Risk description

Insufficient investment in eco-tech R&D/upgrades risks technological obsolescence.

#### Response

Enhance R&D capabilities through talent development and technology partnerships.

 Influence period Medium and long term

#### Risk description

Delayed adoption of green technologies hinders low-carbon competitiveness.

#### Response

Advance energy-efficient innovation via industry collaboration and resource recycling initiatives.

## Market risk

 Influence period Medium and long term

#### Risk description

Raw material and energy costs are gradually rising.

#### Response

Forge stable supplier partnerships and prioritize clean energy adoption in production.

 Influence period Medium and long term

#### Risk description

Inadequate response to green product demand risks market share loss.

#### Response

Expand eco-friendly product lines to meet market demands.

 Influence period Short-term, Medium-term, and Long-term

#### Risk description

During the production and operation process of the group or suppliers and distributors, negative impacts on climate or the environment may lead to reputational damage for the group and a decrease in investment willingness from stakeholders.

#### Response

Strengthen the group's own sustainable development management and actively respond to climate change. Strictly require the group's upstream and downstream industry chains to follow sustainable development principles and operate legally and compliantly in a green manner. Improve the transparency of the group's related information disclosure by regularly and irregularly disclosing relevant management information through annual reports and sustainable development reports.

## Reputational risk

 Influence period Short, medium and long term

#### Risk description

Operational environmental impacts from value chain activities threaten reputation and investor confidence.

#### Response

Strengthen the group's own sustainable development management and actively respond to climate change. Strictly require the group's upstream and downstream industry chains to follow sustainable development principles and operate legally and compliantly in a green manner. Improve the transparency of the group's related information disclosure, and regularly and irregularly disclose relevant management information through annual reports and sustainable development reports.



## Physical risk

### Acute risk: Extreme weather such as typhoons, heavy rains and floods



Influence period Short, medium and long term

#### Risk description

Extreme weather can damage assets like plants, office buildings and equipment.

#### Response

We identify asset damage risks and insure necessary equipment.



Influence period Short, medium and long term

#### Risk description

Extreme weather can cause equipment damage, hinder normal work and disrupt transportation.

#### Response

We've developed emergency plans for extreme weather and outdoor operations, and conduct related training to enhance disaster response.

### Chronic risk: Persistent heat, drought, etc.



Influence period Short, medium and long term

#### Risk description

Persistent high temperatures increase risks of power facility failures and accidents.

#### Response

We strengthen equipment maintenance, fix faults promptly and install cooling systems.



Influence period Short, medium and long term

#### Risk description

High temperatures affect employee health and reduce outdoor working time and efficiency.

#### Response

Cooling facilities and heatstroke prevention supplies are provided in production areas. We ensure water supply, implement heatstroke prevention measures and adjust production plans as needed.



Influence period Short, medium and long term

#### Risk description

Prolonged drought can cause insufficient water supply and unstable production.

#### Response

Reserve water, boost water recycling, and avoid building factories in high water risk areas

## Opportunity

### Resource efficiency



Influence period Medium and long term

#### Opportunity description

Develop energy-efficient equipment and technology; leverage policy incentives.

#### Response

Explore new tech, equipment and processes to improve resource efficiency.  
Leverage government support to introduce new technologies and invest in green projects.

### Products & Services



Influence period Medium and long term

#### Opportunity description

Focus on R&D of green, low-carbon products.

#### Response

Boost R&D investment in green products to increase their market share.

### Market



Influence period Medium and long term

#### Opportunity description

Meet growing consumer demand for low-carbon products and tap emerging markets.

#### Response

Identify and participate in emerging markets.

### Adaptability



Influence period Medium and long term

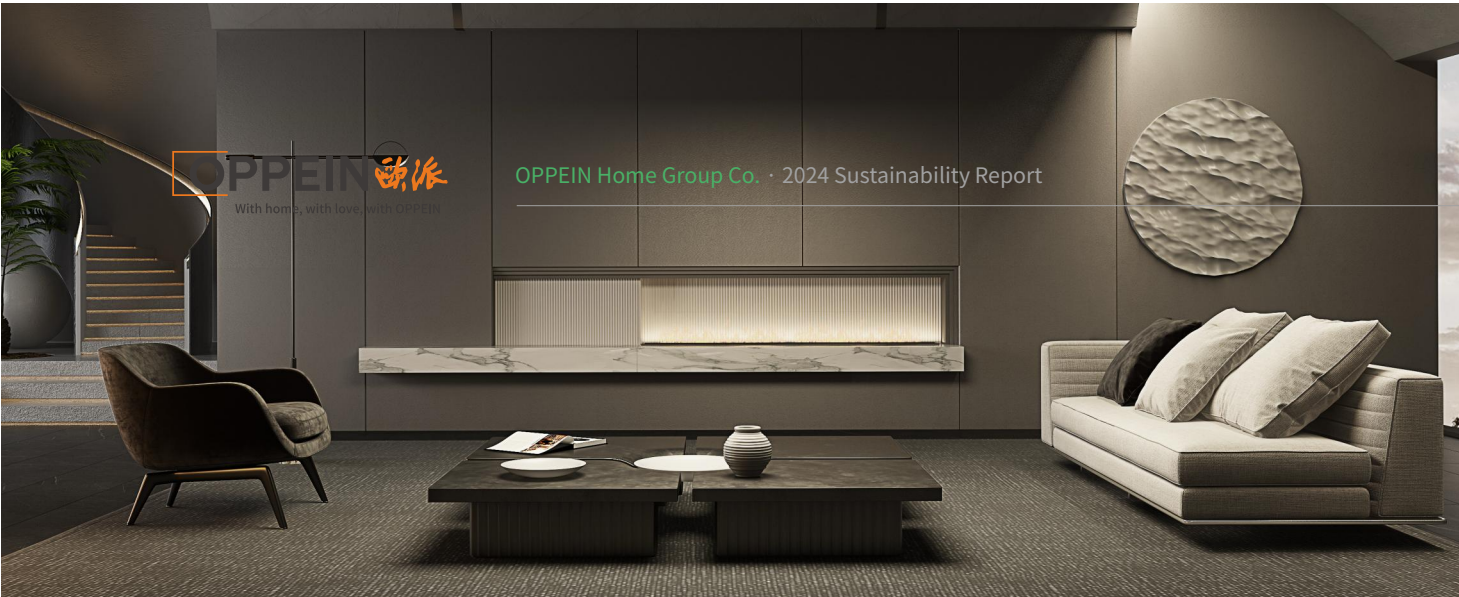
#### Opportunity description

Utilize renewable energy sources and implement energy substitution/diversification programs.

#### Response

Step up renewable energy development and utilization.





## RESOURCES UTILIZATION AND MANAGEMENT

The Group has integrated sustainable development into production and operations, strengthened resource management, practiced green development, complied with relevant laws and regulations, and implemented systematic resource management solutions to enhance resource efficiency.

### Water utilization and management

We strictly follow China's water management requirements for water-saving evaluations, improving our management system with institutions, personnel, metering network diagrams and water metering ledgers. We proactively install secondary metering water meters in base buildings and workshops for categorized water consumption statistics. During the reporting period, the Group had no major water extraction or drainage incidents.

#### Water utilization



Our water primarily comes from municipal supplies for domestic use, indirect cooling water, and some production water. To better manage water resources and address related pressures and risks, we have actively implemented water-saving and upgrading measures, investing in water conservation initiatives and sewage treatment equipment. In the reporting period, we replaced sensor-type water-saving appliances with a 10% water-saving rate and reduced daily water consumption through various measures. We also fully utilized recycled water in production, with sewage treatment and recycling in the countertop plant reducing tap water usage by 720,000 tons annually.

2024 Performance

The factory adopts wastewater treatment and recycling, reducing tap water usage by **720,000** tons annually.

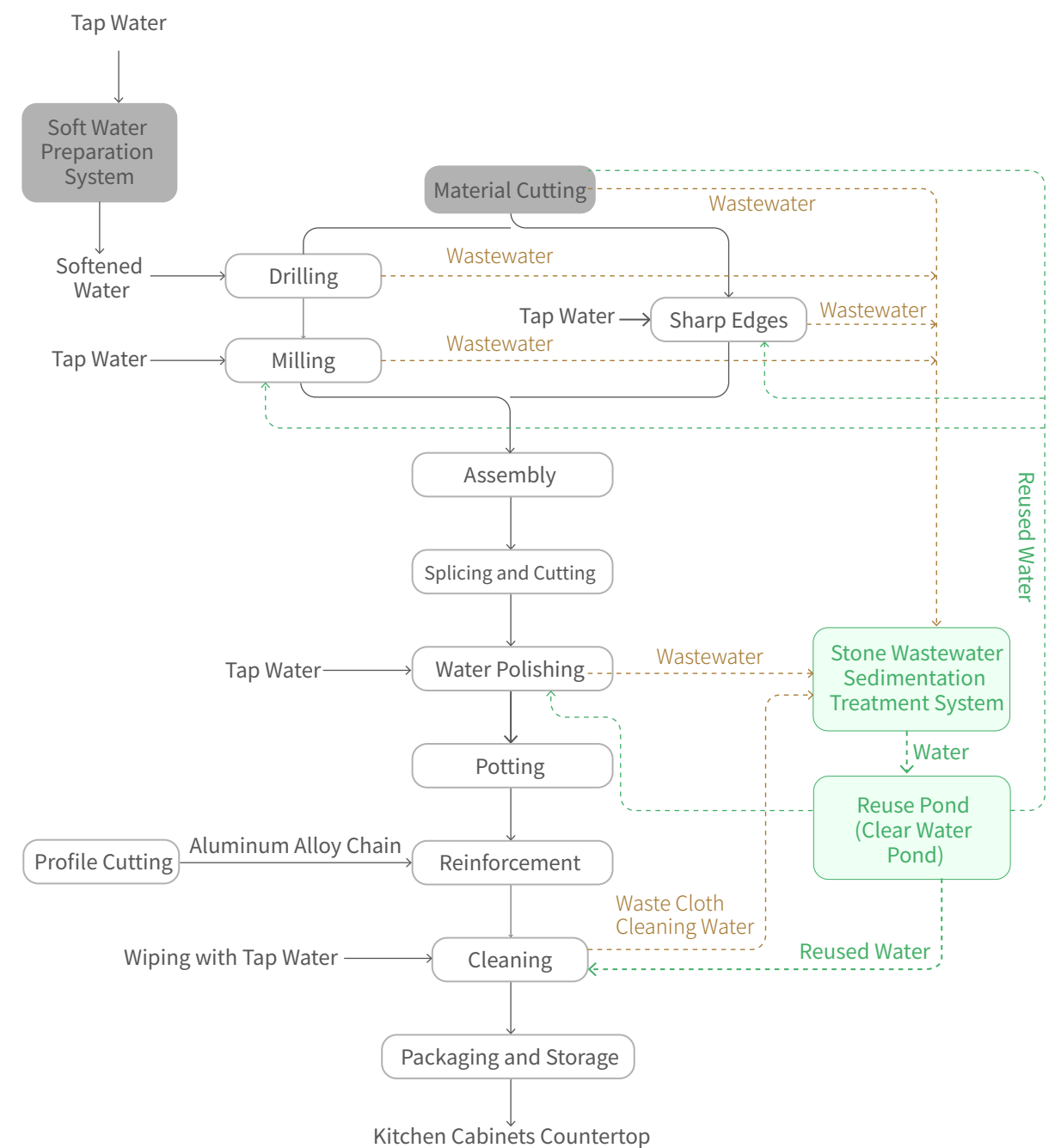
\*Sensor-type water-saving appliances



### Case: Recycled water for processes

#### Recycled water for painting process

Use paintgun wash water in airtight space cleaning, recover and recycle it via filtration, and employ water curtains to handle paint mist with water recycling, regular paint residue salvage, and water replenishment and replacement.





Energy consumption and management



\*Energy Management System Certification of Qingyuan OPPEIN Integrated Home Furnishing Co.

Energy management

We strictly equip, use, and manage energy according to standards like GB17167-2006, conduct regular energy audits, and assess energy management to ensure compliance. Monthly energy consumption stats like water, electricity, and oil are analyzed, with data reports sent after department checks. Any consumption anomaly triggers an investigation and energy-saving report to the Executive President. During the reporting period, a base energy management system was established. Energy storage projects were implemented at Qingyuan and Wuxi bases. Power system operations were optimized to cut fossil fuel waste and peak shifting reliance. Renewable energy use was increased to reduce resource consumption and pollution. The energy consumption monitoring system was also continuously improved.

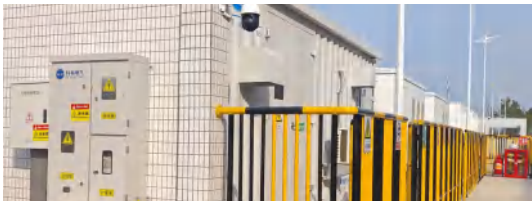


\*Intelligent power consumption online energy efficiency monitoring and management system


☆

Case: Electrochemical Energy Storage Project

In 2024, we deployed lithium iron phosphate electrochemical energy storage systems with 17.5MWh and 18.37MWh capacities at our Qingyuan and Wuxi bases, connected to the grid for trial operation on March 25. The system stores electricity in off-peak hours and releases it during peak times, reducing the company's energy costs by about 2 million yuan annually. It also enhances energy system flexibility and reliability, ensuring stable production power supply.



Qingyuan OPPEIN energy storage project



Wuxi OPPEIN energy storage project

2024 Performance

Total PV capacity (including under construction)

56.13 MW

Expansion of PV capacity

2.93 MW

Total electricity generated by PV projects

41,060.38 MWh

Proportion of clean energy use

11.39%

Annual savings in standard coal

12,500 tons

Reduction in carbon dioxide emissions

27,400 tons

Renewable energy utilization

We align with national low-carbon goals, advocating low-carbon production. We've invested in renewable energy projects at our Guangzhou, Qingyuan, Tianjin, and Wuxi bases, using a "self-generation, self-consumption, surplus to grid" model. This increases clean energy use, transforms our energy structure, mitigates climate risks, and cuts greenhouse gas emissions from electricity use, aiding national carbon goals.

During the reporting period, we expanded photovoltaic projects in Tianjin and Wuxi, reaching 2.93 megawatts. Our total installed photovoltaic capacity is 56.13 megawatts (including those under construction), generating 41,060.38 megawatt-hours. This represents 11.39% of our clean energy use, a 15.87% year-on-year increase. We save 12,500 tons of standard coal and reduce CO<sub>2</sub> emissions by about 27,400 tons annually.

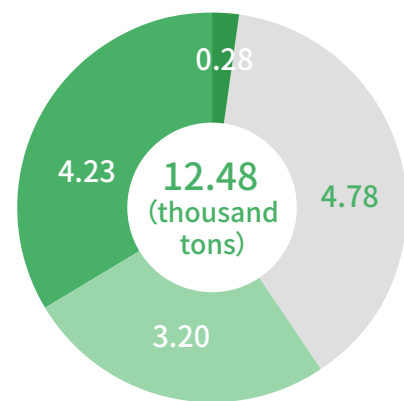
Note: Calculate annual CO<sub>2</sub> emission reductions of PV projects per the Ministry of Ecology and Environment's 2023 emission reduction factors.

Renewable energy projects				
Project location	Type of renewable energy	Installed capacity (MW)	Annual power generation (MWh)	Project Fact Sheet
Guangzhou Headquarters	PV	0.80	906.23	Project covers factory and living area roofs, 155,000 sqm; Phase 1 grid-connected Dec 2021, Phase 2 Jun 2023.
Qingyuan Base	PV	20.40	15,730.61	Project covers factory and living area roofs, 155,000 sqm; Phase 1 grid-connected Dec 2021, Phase 2 Jun 2023.
Tianjin Base	PV	9.13	10,518.00	Tianjin Base project on ABCDEFGH building roofs, operational May 2022; factory PV grid-connected Dec 2023; living area PV completed Jul 2024.
Wuxi Base	PV	13.80	13,905.54	Wuxi Base project on six ABCDEF building roofs, 82,000 sqm, grid-connected Aug 2018; Building G, 17,000 sqm, grid-connected Jan 2024; total capacity ~13 MW.
Chengdu Base	PV	12.00	-	Chengdu Base project on ABCDEFG building rooftop, 120,000 sqm, planned for grid connection May 2025.
Total		56.13	41,060.38	



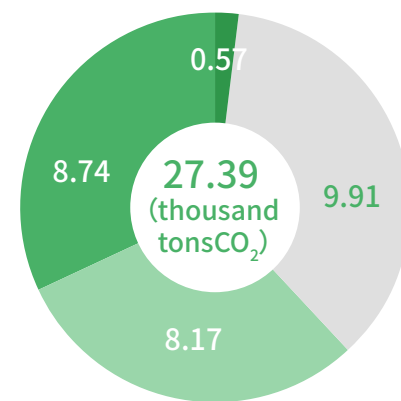
### Photovoltaic Project Location

Annual standard coal savings



● Guangzhou Headquarters ● Qingyuan Base ● Tianjin Base ● Wuxi Base

Annual carbon dioxide equivalent emission reductions



Guangzhou Headquarters PV Power Generation Project



Qingyuan Base PV Power Generation Project



Tianjin Base PV Power Generation Project (New Living Area)



Wuxi Base PV Power Generation Project

## Energy-saving renovation

We deeply practice energy-saving production principles. Each plant sets annual energy - saving targets and programs based on production and operation realities. During the reporting period, the Group's headquarters and bases comprehensively enhanced energy efficiency via structural, technological, and management energy - saving measures, and consistently tracked energy - saving and renovation program progress.

Selected energy-saving renovation projects completed during the reporting period			
Project Type	Project Type	Project description	Energy-saving effect
Technical energy conservation	Lighting energy-saving retrofit	Replace ordinary LED lamps with high - efficacy ones (luminous efficacy>150lm/W) to save about 46% energy and expand energy - saving lighting applications.	The base upgraded over 38,000 lighting fixtures, reducing annual electricity costs by RMB 3.5 million.
Technical energy conservation	Compressed air leakage prevention	Use sound and visualization equipment to locate compressed air system leaks quickly and dispose them. The Group's management standard for compressed air systems specifies leakage monitoring and prevention techniques.	Compressed air system leak repairs (2,300+ points addressed) saved RMB 2.4 million yearly.
Technical energy conservation	Air Compressor Pressure Reduction Supply	Promote Tianjin base's air compressor pressure reduction program Group - wide, cutting air supply pressure by 0.5 bar and compressed air system energy consumption by 4%. Bases innovate with separate high - and low - pressure air supply to boost energy - saving.	Air compressor pressure optimization achieved annual savings exceeding RMB 2 million.
Technical energy conservation	Vacuum cleaner, air compressor timed shutdown energy saving	Shut down vacuum cleaners and air compressors automatically during production line rest periods via timer shutdown functions, time control switches, or self - programmed auto - shutdown programs to avoid energy waste from idling equipment, enabling over 1 hour of daily shutdown.	Post-retrofit comparisons show Wuxi Base saving RMB1.04 million/year and Chengdu Base RMB 840,000/year in energy costs.
Technical energy conservation	Air compressor high and low pressure separate air supply project	Chengdu base pilots high - and low - pressure separate air supply for production lines based on equipment air pressure demand. This improves compressed air efficiency, reduces air compressor load, cuts energy consumption, and extends equipment life.	Chengdu's pilot retrofit program generated approximately RMB 650,000 in annual net benefits.



EMISSIONS MANAGEMENT

The Group complies with national environmental regulations governing solid waste management, ensuring proper handling of discharged materials. Collaboration with authorities and stakeholders enhances ecological safety and emission standardization.

2024 Performance

Carbon emissions management

Total GHG emissions  
(Scope 1 and 2)  
**174,155.35** tons CO<sub>2</sub>

EYear-on-year reduction  
in greenhouse gas emissions  
**16.25%**

Aligned with China's dual-carbon goals, the Group conducted green-house gas inventories per national guidelines, implementing energy-sav-ing measures to reduce emissions. Supply chain carbon tracking is being phased in to refine reduction strategies. During the reporting period, Scope 1 and 2 emissions totaled 174,155.35 tons CO<sub>2</sub>e, a 16.25% year-on-year decrease.

OPPEIN Greenhouse gas emissions of in 2024 (in tCO <sub>2</sub> e)			
Bases	Direct GHG emissions (Scope 1)	Indirect GHG emissions (Scope 2)	Total GHG emissions (Scope 1 and 2)
Guangzhou Headquarters	422.92	11,734.66	11,572.97
Qingyuan Base	3,430.49	65,766.79	69,197.28
Tianjin Base	2,414.72	28,727.42	31,142.14
Wuxi Base	486.68	33,544.88	34,031.56
Chengdu Base	463.37	20,884.62	21,348.00
Wuhan Base	98.33	6,765.07	6,863.40
Total	7,316.52	166,838.83	174,155.35

2024 Performance

Environmental protection  
facilities synchronization  
operation rate**100%**

Pollutant monitoring  
pass rate**100%**

Annual environmental  
protection investment  
**RMB 70.28** million

Pollutant prevention and control

In accordance with national laws such as the "Air Pollution Prevention and Control Law of the People's Republic of China" and the "Solid Waste Pollution Environmental Protection Law of the People's Republic of China," we have established and imple-mented regulations including the "Environmental Protection Implementation Standards" and "Waste Gas Treatment and Emission Management Procedures" to enhance control over pollutant emissions.Production processes implement standard-ized disposal of organic emissions and dust, with hazardous waste managed by certified institutions. Environmental assess-ments and routine monitoring ensure compliance. During the reporting period, 100% operational rate of eco-facilities, 100% pollutant compliance, and RMB 70.28 million invested in environmental initiatives.

Pollutant monitoring and management				
Monitoring projects	Monitoring method	Monitoring cycle	Test method or standard	Record
VOCsexhaust	Outsourced monitoring	1 time/half year	Standard for Comprehensive Emission of Volatile Organic Compounds from Stationary Pollution Sources (DB 44/2367-2022)	Third-party test reports
Dust emissions	Outsourced monitoring	1 time/year	Air Pollutant Emission Limits	Third-party test reports
Employee cafeteria domestic sewage water discharge	Outsourced monitoring	1 time/half year	Criteria for Design Treatment Acceptance of Wastewater Treatment Plants	Third-party test reports
Noise emission	Outsourced monitoring	1 time/quarte	Environmental Noise Emission Standards for Industrial Enterprises at Factory Boundaries (GB 12348-2008)	Third-party test reports



## Air emissions

Production processes generate particulate matter, VOCs, and combustion byproducts. Advanced filtration systems (dust collectors, RTOs, activated carbon devices) ensure emissions comply with standards for nitrogen oxides, sulfur oxides, and particulate matter.



### Case: Online monitoring equipment for air pollutant emissions

Online monitoring equipment is managed by dedicated staff, with data recorded and maintained per regulatory requirements. During malfunctions, manual VOCs monitoring occurs every six hours, with results documented and reported to authorities.



## Wastewater management

We strictly adhere to "Water Pollution Prevention and Control Law" and the "Regulations on Urban Drainage and Wastewater Treatment." In line with OPPEIN's "Environmental Management Regulations" and local requirements, we enhance control over the discharge of domestic sewage and industrial wastewater. We actively use new wastewater treatment equipment and online water quality monitoring technology to ensure that the wastewater discharged within the factory meets national standards like "Integrated Wastewater Discharge Standards (GB 8978-1996)" and "Urban Sewage Treatment Plant Pollutant Emission Standards (GB 18918-2002)," minimizing environmental impact.

During the reporting period, the Group was not involved in any penalties related to wastewater discharge violations.

### Wastewater discharge

We strictly carry out wastewater classification and treatment with a well-established sewage treatment system. For domestic wastewater, living area wastewater goes into the municipal sewer network via septic tanks (with canteen oily wastewater pre-treated by a grease trap), and production area wastewater is discharged into the sewer after septic tank pre-treatment and centralized wastewater treatment plant treatment.

For production wastewater, water curtain paint spray wastewater is recycled in the system and replaced regularly. Replaced wastewater is treated via coagulation, air flotation, Fenton oxidation, biochemical treatment, etc. Countertop production wastewater is treated by our stone wastewater sedimentation system and reused except for waterjet cutting. Quartz rough slab workshop wastewater is treated via flocculation and sedimentation outside the plant and then recycled.

## Noise management

Our noise pollution mainly comes from cutting, grinding, air compressor operation, motor vehicles, and the sewage treatment station's fans and pumps. For different noise sources, we take various control measures, such as using low-noise equipment, adjusting operation frequency, muffling, soundproofing, placing noisy equipment away from plant boundaries, and implementing green isolation around boundaries.

## Waste management

We categorize and manage waste as non-hazardous and hazardous, with clear regulations for the entire waste management process.

### Non-hazardous waste

Our non-hazardous solid waste includes domestic garbage, wood-type edges, dust, glass, countertop edges, and aluminum edges. We standardize the construction and maintenance of general industrial solid waste temporary storage warehouses according to relevant standards and regularly transfer waste to qualified treatment units. We also establish management accounts to record waste details and retain transfer documents.

### Selected types of general industrial solid waste generated



Wood chips, wood dust



Sludge from Bathroom Vanities/countertops/Ovi



Waste stone not stained with paint/adhesive



Waste wood not stained with paint/adhesive



During the reporting period, the Group incurred one environmental administrative penalty related to solid waste treatment and paid a fine amounting to RMB 199,000, and the details of the violation are as follows:

### Introduction to the event

From 2022-2023, Wuxi Base faced issues with unqualified third-party sludge disposal vendors. In May 2024, local authorities imposed a RMB199,000 fine under solid waste regulations.

### Rectification measures

The Wuxi base has terminated cooperation with a supplier by the end of 2023 to prevent long-term pollution risks. By May 2024, it selected a certified supplier for sludge disposal. Due diligence verified the new supplier's processes, with rectification reports submitted and fines paid promptly.



\*On-site due diligence traceability of newly selected suppliers

### Rectification results

#### ◆ Selection of local qualified suppliers:

Selected a licensed unit with a general solid waste operation license as the sludge disposal supplier, verified its qualifications and technical capabilities, and conducted on-site due diligence of its sludge disposal site and process. Choosing local solid waste disposal suppliers facilitates the entire process of solid waste transportation and disposal tracking. Their transportation vehicles are equipped with government-managed GPS systems, and shorter transportation distances reduce the risk of solid waste transportation leakage.

#### ◆ Improvement of solid waste transfer management mechanism:

Enhanced solid waste transfer management with a ledger and monthly reports. Launched a joint order system on the government platform for tracking waste from the factory to the receiver, with online monitoring and mutual confirmation.

#### ◆ Unscheduled Plant Inspection and Verification:

Conducted unscheduled visits to the sludge disposal supplier's plant for random inspections of solid waste treatment to ensure compliance with contractual agreements.

#### ◆ Optimization of supplier management:

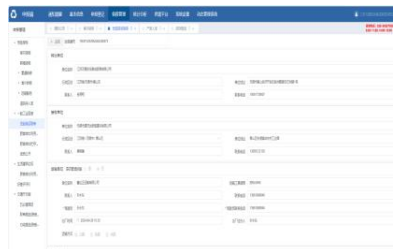
Optimized supplier management by strictly verifying suppliers' qualification documents and environmental protection penalty records in accordance with relevant laws and regulations. The Group's headquarters and bases carry out unannounced on-site inspections on high-risk suppliers from time to time.

#### ◆ Upgrade the internal compliance system:

Set up a commissioner to supervise and track the entire process management of solid waste transfer, disposal, and record archiving. Focused on training relevant personnel to learn relevant laws and regulations to strengthen environmental compliance awareness.

#### ◆ Enhance the transparency of information disclosure:

Disclosed the annual solid waste disposal situation and responded to relevant penalties and corrective measures in the "Waste Management" section of the Group's "2024 Sustainability Report".



"One enterprise one file" transfer joint declaration platform



Solid waste disposal supplier irregular factory inspection verification



2024 Performance

● Hazardous waste

Total hazardous waste treated at various sites  
**2,597.07** tons

Hazardous waste treatment rate  
**100%**

The hazardous wastes we generate include waste paint sludge, waste glue, waste glue residue, waste activated carbon, waste empty drums, paint-containing wastewater, etc. Each of our bases has formulated "Operating Rules for Hazardous Wastes" to strictly control the entire process of classification, packaging, storage, transfer, and disposal of hazardous wastes. During the reporting period, the Group's bases properly disposed of a total of 2,597.07 metric tons of hazardous waste, achieving a 100% proper disposal rate of hazardous waste.

Classification & packaging

Strictly identify and classify hazardous wastes in accordance with their characteristics with the "National Hazardous Wastes List", set corresponding hazardous waste identification labels, and update and print hazardous waste identification labels according to the requirements of the latest national standards.



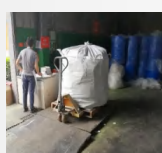
Storage

Set up hazardous waste storage in the factory following the "Hazardous Waste Storage Pollution Control Standards" (GB 18597-2001). Take seepage control, corrosion prevention, and protection from rain and sun to prevent environmental pollution. Include a drainage ditch or cofferdam after relevant treatment.



Transfer & disposal

Take pollution prevention measures to prevent scattering, loss, and leakage during the process of transfer, entrust qualified organizations for transfer and disposal, and verify whether the "Road Dangerous Goods Transport Business License" of the transport unit and the "Hazardous Waste Operating License" of the receiving unit are consistent with the type of hazardous waste to be transferred.



compliance management

Each base must establish a hazardous waste management ledger to record entry and exit times, sources and destinations, weight, container details, and storage facility numbers. Also, enter the electronic ledger into the base's regional solid waste platform.



Case: Emergency response exercise for hazardous waste spills

To enhance environmental safety in hazardous waste collection and disposal, Chengdu Base's relevant personnel formed an emergency drill team per the "Hazardous Waste Leakage On-site Disposal Plan," organizing drills and reviews.



Hazardous waste transporter spills glue



Surrounding employees evacuate the site and notify administrators



Collect hazardous waste to hazardous waste contaminant bags



Completion of site cleanup and cleanup and exercise summary and review

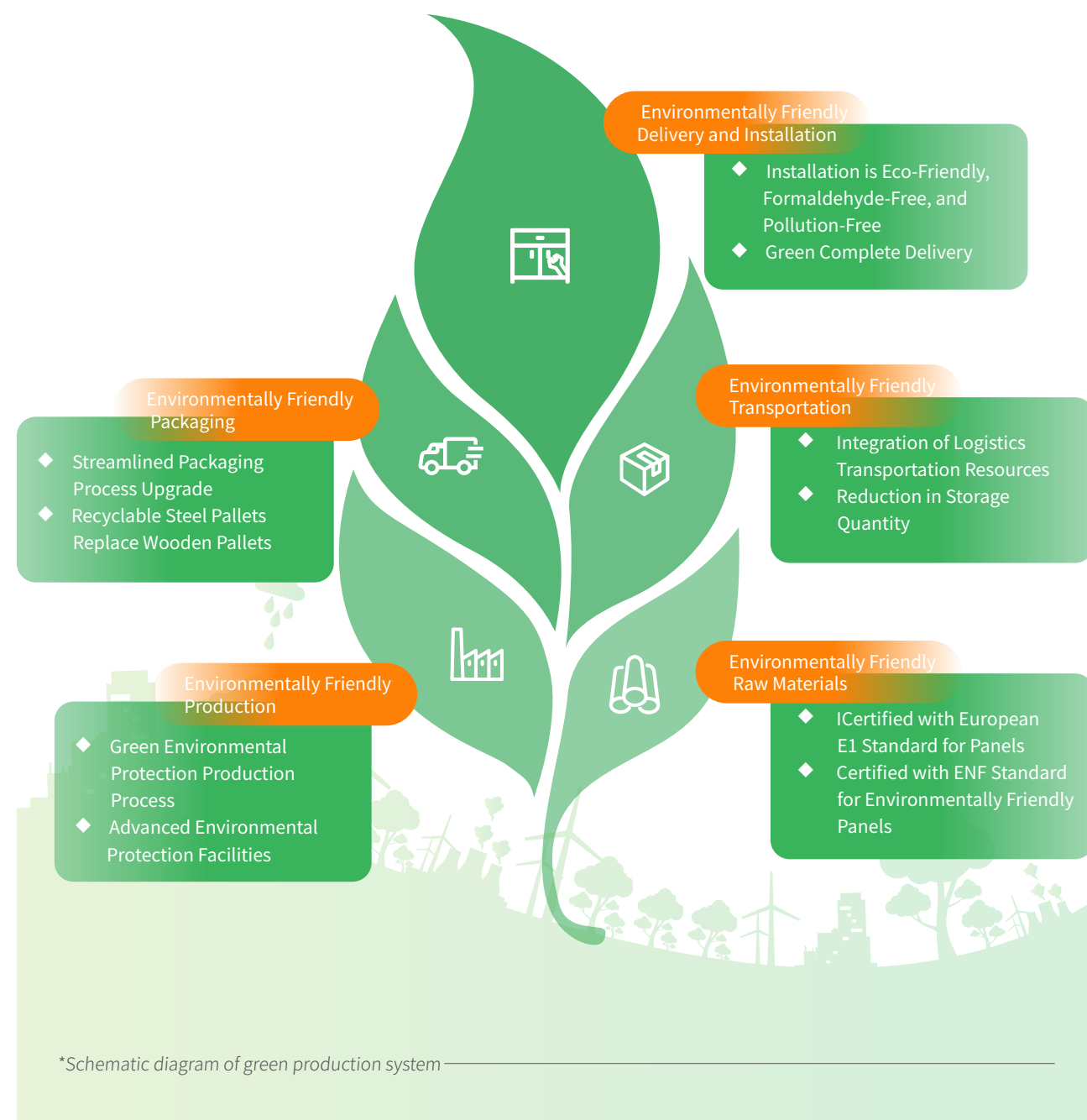
● Reduced environmental impact

All bases are required to create a heavy polluted weather response plan per local environmental requirements and file it with the local department. Upon pollution warnings, all bases cooperate with government emergency info and production cut requests, implementing reductions to decrease pollutant emissions like VOCs, nitrogen oxides, particulates, and sulfur dioxide, thus minimizing their environmental impact.



# GREEN PRODUCTION SYSTEM

The Group maintains green production and operation principles, ensuring all stages from raw material selection to installation meet green environmental standards. With sustainable development at its core, the Group constructs a full - process green industry chain, including integrated green production solutions and environmental monitoring standards. This forms a rigorous green production loop, enhancing energy efficiency, reducing pollution, and contributing to the Group's green transformation and sustainable social development.



## 2024 Performance

## Green factory

National Green Factory Certification

1 company

Provincial Green Factory Certification

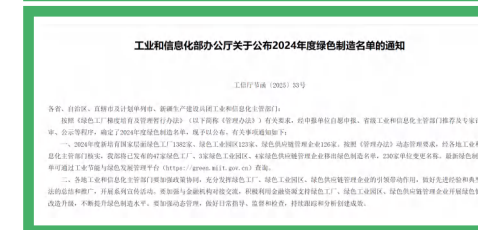
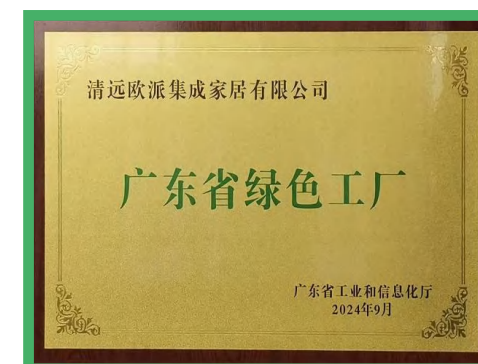
2 companies

We apply green design concepts in plant construction, using local, low-energy, eco-friendly materials to reduce lifecycle energy use. By optimizing plant orientation and lighting, we balance natural and artificial light. Fan systems enhance workshop air circulation, cutting AC use. An ecological program with native plants controls maintenance costs.

These measures helped our Qingyuan base earn national and Guangdong Province Green Factory certification during the reporting period. By the report's end, the Group held 1 national and 2 provincial Green Factory certifications.



Qingyuan base was honored with both national and provincial "Green Factory"



序号	工厂名称	推荐单位
1014	金三江（肇庆）铝材股份有限公司	广东省工业和信息化厅
1015	悦意电梯股份有限公司	广东省工业和信息化厅
1016	蓝思科技（东莞）有限公司	广东省工业和信息化厅
1017	蓝月亮（广州）有限公司	广东省工业和信息化厅
1018	龙源电子（惠州）有限公司	广东省工业和信息化厅
1019	鸿兴源集团（中国）有限公司	广东省工业和信息化厅
1020	清远欧派集成家居有限公司	广东省工业和信息化厅
1021	清远欧派集成家居有限公司	广东省工业和信息化厅
1022	龙源东阳光新能源材料有限公司	广东省工业和信息化厅
1023	龙源东阳光药业有限公司	广东省工业和信息化厅
1024	杉金光电（广州）有限公司	广东省工业和信息化厅
1025	时代广汽动力电池有限公司	广东省工业和信息化厅



Tianjin base was honored with the provincial "Green Factory"



序号	工厂名称	推荐单位	天津市	备注
39	天津市瑞远电气股份有限公司	天津市环境保护科学研究院	津南区	—
40	天津立林机械集团有限公司	天津市环境保护科学研究院	津南区	—
41	天津友安铝业集团有限公司第一分公司	冶金工业信息标准研究院	静海区	国家第三批
42	天津欧派集成家居有限公司	天津市环境保护科学研究院	静海区	—
43	天津达祥精密工业有限公司	天津银锐科技有限公司	武清区	国家第三批
44	天津新伟祥工业有限公司	天津银锐科技有限公司	武清区	—



## Clean manufacturing

We prioritize environmental protection and emission reduction in product development. We research and promote green materials, technologies, and processes, use energy-efficient equipment and automation, and adopt advanced environmental facilities. Our Asia's first furniture powder spraying line achieves no VOC emissions and cuts carbon emissions by over 75% compared to baking paint. We also explore green processes like water-based paint and low-energy PUR edge sealing.



## Environmentally friendly products

We are committed to creating eco-friendly home products. Through innovation, we enhance product environmental performance to build healthier homes. As an industry leader in environmental standards, we've released the "OPPEIN Pure Formaldehyde Enterprise Standard", limiting formaldehyde emissions to 0.02mg/m<sup>3</sup>, below the national ENF standard. During the reporting period, we upgraded our formaldehyde purification tech to version 4.0, offering consumers comprehensive health protection and advancing home environmental standards.

### [OPPEIN Wardrobes "formaldehyde-free" development history]

2021

Formaldehyde-Free 1.0: Single Cabinet Formaldehyde-Free  
Whole Home 1.0: "Three High Standards"

2023

Formaldehyde-Free 3.0: Whole House 360° Formaldehyde-Free  
Whole Home 3.0: "5+N" Integrated Home

2022

Formaldehyde-Free 2.0: Whole Cabinet Formaldehyde-Free  
Whole Home 2.0: Six Major Space Solutions

2024

Formaldehyde-Free 4.0: Formaldehyde-Free Dual Stars  
Whole Home 4.0: Nine Major Spaces + Whole House Matching



OPPEIN aldehyde-free Gemini six all-round standards —

\*China Environmental Labeling  
Product Certification

\*The Group has been shortlisted as  
"Green and Low Carbon Medical Building  
Materials A-Level Supplier".

## Streamlined packaging

We actively cut product packaging materials and use eco-friendly, recyclable alternatives to boost resource utilization. In packaging technology, we've refined processes, revised redundant packaging standards and designs, and enhanced protective performance to reduce product damage during distribution. This reduces costs, meets market demands, and raises customer satisfaction.

### Packaging process upgrading measures

- ◆ Ongoing optimization of board-level blocking software rules reduces the occurrence of non-essential single-piece packages or fragile blocking patterns.
- ◆ Optimize some of the packaging materials, develop alternative materials for filling foam particles that are prone to fall off, and ensure that the cost of packaging is competitive.
- ◆ Use recyclable steel brackets instead of wooden bottom brackets.

## Low-carbon transportation

We build an integrated, transparent, intelligent and green delivery system for integrated home furnishings. We implement the Group's "complete, all set, on time and low cost" delivery strategy, optimizing logistics via trunk line integration, freight shuttle systems, consignment transport and informatization, and upgrades the green delivery system.

### ● Trunk line integration

Trunk line integration reduces cargo transshipments from 3-6 to 1-2 times, improving efficiency. It also cuts outsourcing, enhancing logistics control and service quality. During the reporting period, the company signed trunk line agreements in over 300 cities, covering 97% of integrable cities and 90% of cargo volume. Shuttle on-time rate was 93.45%, trunk integration rate 92.28%, delivery on-time rate 95.21%, and transport loss improved 21.97% year-on-year.

### 2024 Performance

Cities with trunk line integration  
agreements signed with carriers  
Over **300**

Proportion of cargo covered  
by dry line integration  
Over **90%**

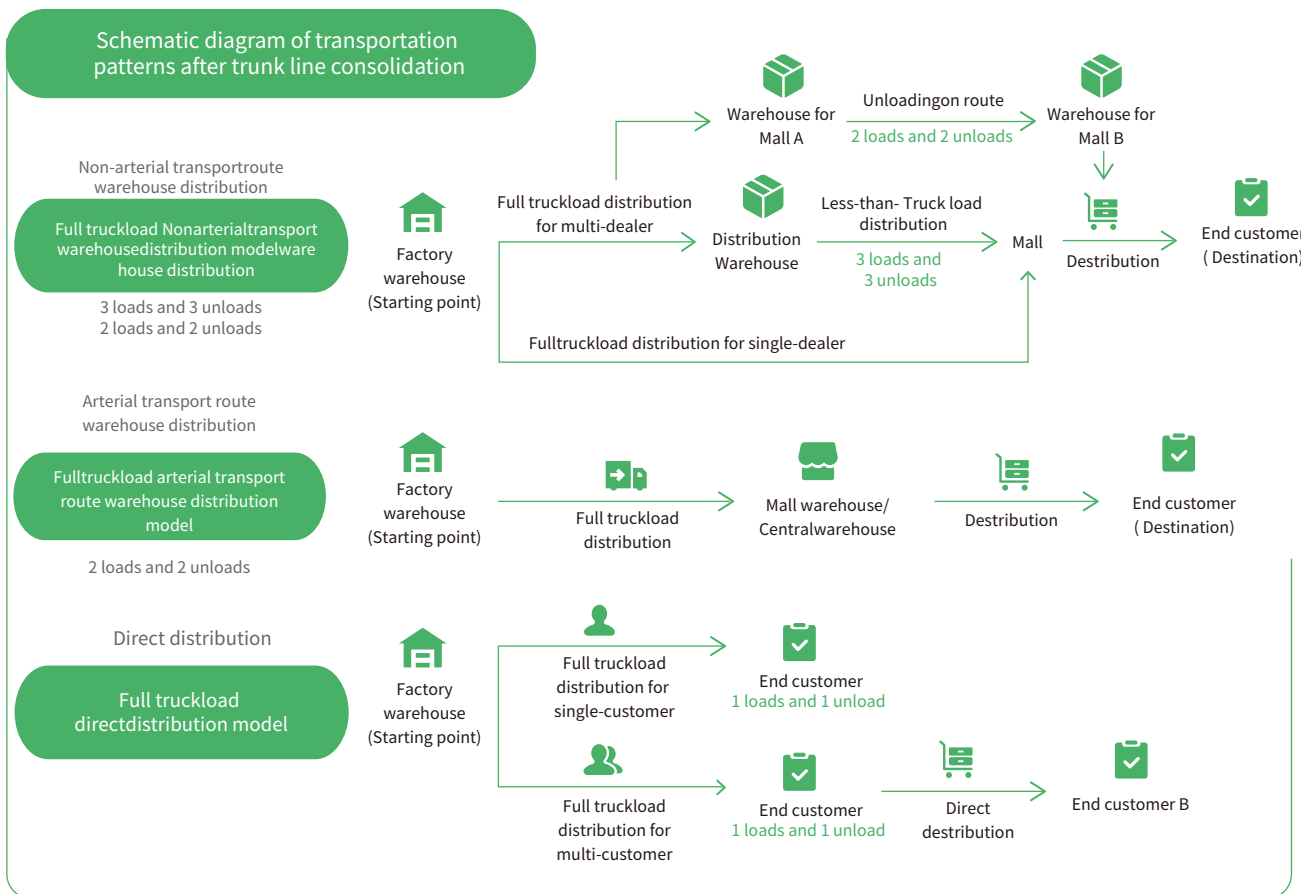
Trunk line integration  
rate **93.45%**

Trunk line integration  
rate **92.28%**

On-time delivery  
rate **95.21%**

Year-on-year improvement  
in overall transportation loss  
**21.97%**





### ● End-storage reconfiguration

We're promoting dealer logistics models like one-loading-one-unloading to cut terminal warehouse area and number, integrate resources, lower logistics costs, and unify delivery standards, reducing shipping damage risks. Rebuilding end warehouses also boosts logistics efficiency and first-time installation success, optimizing time and energy costs.

#### 2024 Performance

Annual gasoline savings  
**19,900** cubic meters

Annual diesel savings  
**11,000** cubic meters

Reduction in carbon dioxide emissions: approximately  
**71.63** tons

### ● Emission reduction from vehicular transportation

We're replacing high - emission vehicles with new energy buses. We also sign safety and environmental agreements with vehicle carrier companies. These agreements prohibit uncertified or sub - standard vehicles from transporting goods and require carriers to properly handle waste and save energy. During the reporting period, we purchased and leased out 6 new energy buses, saving 19,900 liters of gasoline and 10,100 liters of diesel yearly. This cuts CO2 emissions by about 71.63 tons and reduces pollutants like nitrogen oxides and particulate matter by around 378.50 kg.

## CIRCULAR ECONOMY

As a sustainable development practitioner, OPPEIN promotes waste reduction and resource utilization via the 3R principle.

### Reduce

We integrate circular economy into product design, using renewable materials and modular design to extend product life. We use high-quality raw materials like quartz stone and glass to improve product quality and reduce reworks. The Group builds green AI factories, uses intelligent plate cutting and energy management to reduce material loss and enhance resource efficiency. We collaborate with suppliers on sustainable solutions like eco-friendly processing and lightweight packaging, and optimize logistics to reduce carbon emissions.

### Reuse

We focus on the efficient use of wood resources, prioritizing the selection of suppliers with FSC-FM forest management certification to establish a transparent and traceable supply chain. By supporting sustainable forestry practices, we reduce reliance on virgin forest resources, promote the recycling of raw materials, and protect the ecosystem. At the same time, we enhance the recycling of water resources in the production process and use recyclable steel pallets instead of wooden pallets in transportation to effectively reduce

#### 2024 Performance

Total amount of non-hazardous waste produced  
**232,200** tons

Of which, recyclable waste  
**226,100** tons

Recovery rate of non-hazardous waste:  
**97.38%**

### Recycle

We deeply integrate the concept of recyclability into modular design, enhancing the recovery efficiency of waste materials through standardized components and easy-to-disassemble structures, thereby reducing resource consumption. Concurrently, we build a harmless waste recycling system. In the reporting period, the Group generated 232,200 tons of non-hazardous waste, with 226,100 tons recyclable, achieving a 97.38% non-hazardous waste recycling rate.



#### Case: Home Renewal Inclusive Action

Responding to government policies encouraging the circular economy, we launched the "Green Home Renewal Inclusive Action" in June 2024. It was recognized by the Ministry of Commerce and included in its 2024 consumption promotion activities list.





## ECOSYSTEMS AND BIODIVERSITY

We emphasize ecosystem and biodiversity protection, aligning with China's Biodiversity Conservation Strategy and Action Plan (2023-2030). In new projects, we assess ecological impact to ensure that the project location will not have a negative effect on the ecological environment. In the production process, we strictly implement clean production standards, implement various pollution prevention and control measures, effectively manage the risks of soil and groundwater pollution, and strive to reduce the burden of production activities on the environment. We also engage in eco-protection activities, focusing on local ecosystems and rare species.

None of our production bases are in national nature reserves or priority biodiversity areas, and we have no biodiversity-impairing projects as of the reporting period.



### Case: Greening Guangdong's ecological construction

Guangzhou Oprah Public Welfare Foundation has donated nearly 1 million yuan to support green Guangdong ecological construction, funding activities in Meizhou townships and participating in Guangzhou's "green Baiyun" initiative by planting trees in Baiyun District. These actions improve the local ecosystem and promote sustainable development.

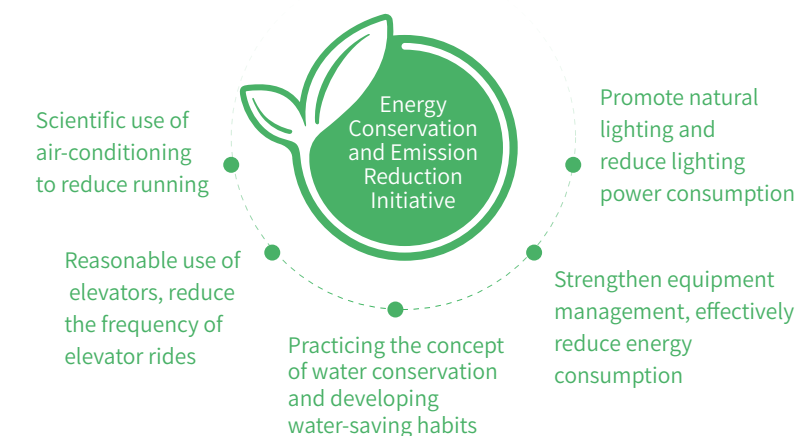


## PRACTICE ENVIRONMENTAL CONCEPTS

The Group implements green production strategies, integrating energy conservation and resource recycling across operations. Green office practices include paperless workflows, energy-efficient lighting, and virtual meetings to minimize environmental impact.

## Energy-saving and environmental protection promotion

Aligned with national emission reduction goals, the Group issued resource conservation guidelines and encouraged staff to identify efficiency improvements. Dedicated teams monitor energy use and enforce compliance through audits, implementing water/electricity conservation measures enterprise-wide.



### Case: Qingyuan base environmental management trainin

The Qingyuan Base integrates environmental management into annual training programs, covering facility operations and hazardous waste handling. Departments execute tailored training to ensure personnel competency through assessments.



## Environmental friendly action

We encourage all employees to firmly establish the concept of a green ecology, guide them to pay attention to the ecological environment and resource recycling through practical actions, and deeply practice a simple, economical, and low-carbon lifestyle. This helps employees and all sectors of society to share environmental responsibilities and contribute to building a beautiful planet.



The Group was honored as the "2024 Jianggao Town Outstanding Company of Trash Separation".



The logo for OPPEIN 欧派 is displayed on the side of a modern building. It features the word "OPPEIN" in a bold, white, sans-serif font, followed by the Chinese characters "欧派" in a stylized orange font. The logo is set against a dark grey background on the building's facade.

OPPEIN 欧派

# 04

## SUPPLY CHAIN

Efficient, stringent and eco-friendly supply chain construction is the key to ensuring the sustainable development of OPPEIN. OPPEIN leverages its scale and brand advantages to drive digital supply chain transformation, pursuing “quality enhancement, cost reduction and system upgrades.” The company continuously optimizes its supply chain to align with its integrated home furnishing model while strengthening partner collaboration to build a sustainable green ecosystem.



## SUSTAINABLE PROCUREMENT

The Group consistently implements responsible procurement practices. In compliance with China's Tendering and Bidding Law and other relevant regulations, we have established the "OPPEIN Procurement Bidding Management Policy" to standardize procedures, unify material specifications, and ensure consistent quality standards. We enforce procurement standards that exceed national requirements, particularly for engineered wood and adhesives. Our rigorous inspection process prioritizes recyclable, renewable, and eco-friendly materials while strictly ensuring material safety and ethical management practices.



\*Supplier FSC-FM Forest Management Certification

## Environmentally friendly guarantee

To establish a green procurement supply chain that meets domestic market requirements, we rigorously implement environmental standards starting from material selection. In accordance with "Raw Material Procurement Technical Standards", we give priority to suppliers with China Environmental Label (Ten-ring) Certification and require them to submit "Material Composition Declarations" committing to exclude environmentally harmful substances. We are accelerating the substitution of raw materials with low or no volatile organic compounds (VOCs), requiring suppliers to comply with relevant environmental standards including HJ/T 432-2008 for kitchen cabinets, HJ 2547-2016 for furniture, and HJ 459-2009 for wooden doors, along with other national environmental requirements, thereby providing solid assurance for creating environmentally friendly products.



\*Chinese environmental labeling product certificate provided of the suppliers



\*Supplier environmental management system certification

### 2024 Performance

The proportion of wood/paper raw materials sourced from the place of origin **100%**

Raw materials purchased met ENF certification standards **100%**

Suppliers certified with ISO14001 environmental management system certification **307**

### 2024 Performance

Suppliers certified with ISO 9001 Quality Management System **580**

Suppliers certified with ISO 45001 Occupational Health and Safety Management System **285**家



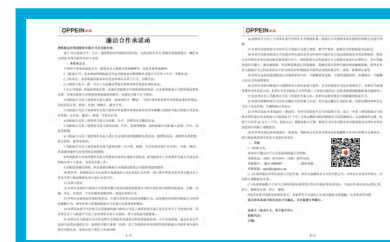
\*Antimicrobial mark trial qualification certificate



\*Product analysis and inspection report

### 2024 Performance

Signing rate of the Supplier Integrity Cooperation Commitment **100%**  
Supplier Integrity Training **2** times



\*Integrity Cooperation Commitment Letter

## Material safety guarantee

We prioritize material safety as the cornerstone of responsible procurement. By ensuring the safety and reliability of raw materials in the supply chain and strictly monitoring the environmental, health, and safety (EHS) standards of our suppliers, we endeavor to provide customers with safer and more reliable products for their homes.

We have established a rigorous raw material quality and safety inspection system. Under "New Materials (Products) Evaluation and Trial Management Regulations", we require suppliers to provide MSDS, third-party test reports and other documentation. Our CNAS-accredited laboratory conducts random safety tests to verify products meet flame retardancy, corrosion resistance, load-bearing requirements, as well as chemical limits for formaldehyde, TVOC and toluene. Additionally, we implemented "Contractor Safety Management Regulations", specifying occupational health and safety requirements for suppliers and contractors. We verify safety certifications, sign safety agreements, and mandate proper protective equipment and safe working environments to eliminate occupational hazards, ensuring comprehensive safety throughout raw material production.

To strengthen supply chain quality and safety management, OPPEIN continuously improves its supplier accountability mechanism, implementing quality traceability and assessment systems to enhance product quality. During the reporting period, 580 suppliers achieved ISO 9000 or equivalent quality management certification, while 285 obtained ISO 45001 occupational health and safety certification.

## Integrity guarantee

In supply chain integrity management, we have established comprehensive regulations including the "Work Management Rules for External Departments", "Audit Operations Guidelines (Trial)", "Points Management Procedures (Trial)", and "Ten Prohibitions" for Supplier Interactions, which strictly regulate employee-supplier engagements to prohibit all forms of bribery and maintain fair, ethical business practices.

To build a fair, just and transparent business environment, we incorporate the "Integrity Cooperation Commitment Letter" into all procurement contracts with OPPEIN and its affiliates. The document clearly specifies each supplier's integrity obligations, outlines prohibited misconduct, and provides whistleblowing channels -ensuring transparent cooperation that safeguards mutual interests. During the reporting period, 100% of our suppliers signed the Integrity Cooperation Commitment Letter, and we conducted two integrity training sessions for suppliers.





2024 Performance

Supplier Database Coverage  
**2,071**

Among them, Domestic Suppliers  
**2,062**

Overseas Suppliers  
**9**

Local Supplier Ratio  
Around **99%**

Local Procurement Spending Ratio  
Around **99%**

## SUPPLIER MANAGEMENT

The Group is committed to optimizing its supplier management system, prioritizing the development of high-quality industry resources and establishing a categorized supplier database. Suppliers are classified into primary and reserve pools based on utilization, with a dynamic evaluation mechanism in place to continuously enhance supply chain quality. Through digitalization, intelligentization, and process-driven management, we elevate the sustainability of supply chain operations. We treat small and medium-sized enterprises (SMEs) equally, actively seeking collaboration opportunities to foster long-term partnerships aimed at improving SMEs' technical capabilities and managerial expertise.

Simultaneously, we advance the evaluation of suppliers' ESG performance, aligning development goals with partners to implement a mutualistic sustainable development strategy. This approach solidifies a win-win green ecosystem and builds a diversified, efficient, and resilient supply chain management system.

During the reporting period, the Group's supplier database included 2,071 suppliers, comprising 2,062 domestic and 9 overseas entities. The localized supply chain strategy achieved significant results, with suppliers' localization rate and procurement value proportion both reaching approximately 99%, ensuring robust supply stability and operational efficiency.

### Supplier ESG management

The Group has deeply integrated ESG management principles into its supplier management framework, prioritizing ESG oversight across the supply chain. A comprehensive sustainable supply chain management mechanism has been established, including ESG Due Diligence Assessment for newly onboarded suppliers. This evaluation covers criteria such as environmental management, workplace safety, labor rights, and social responsibility. Additionally, the Group prioritizes partnering with suppliers holding recognized sustainability certifications and mandates all suppliers to sign the Code of Conduct for Supply Chains. Through institutionalized and standardized governance, we continuously enhance ESG performance across the supply chain, cultivating an eco-friendly and socially accountable value chain ecosystem.

### ESG assessment

We have deeply embedded ESG assessment into the full lifecycle management of supplier collaboration, establishing a three-dimensional evaluation framework covering environmental responsibility, social accountability, and governance efficacy. This framework systematically identifies improvement opportunities for suppliers in critical areas such as resource utilization efficiency, labor rights protection, and business ethics compliance, driving the transformation of supply chains from compliance-driven control to value co-creation.

By implementing a dynamic "evaluation-feedback-optimization" management loop, we strengthen sustainability consensus across the supply chain, empower suppliers to enhance ESG governance capabilities, and jointly build a more resilient industrial ecosystem under the "dual-carbon" transition.

During the reporting period, 2,071 suppliers had signed and complied with the Group's Code of Conduct for Supply Chains, with 559 suppliers holding recognized sustainability certifications.

2024 Performance

Suppliers with  
Sustainability  
Certifications **559**

signed and complied  
with the Group's Code  
of Conduct for Supply  
Chains  
**2,071**

OPPEIN Supplier ESG Assessment System	
Environmental assessment indicators	Evaluate suppliers' energy consumption and emissions and request energy audit reports to ensure compliance with environmental standards.
	Check suppliers' waste disposal methods and encourage the use of environmentally friendly treatment technologies to reduce environmental impact.
Social assessment indicators	Examine the supplier's employee rights and benefits protection, including wages and benefits, working hours, labor safety, etc., to eliminate illegal labor practices.
	Evaluate suppliers' community relations, focus on their public interest participation and community feedback, and promote suppliers' fulfillment of social responsibility.
Governance assessment indicator	Verify supplier governance structures, focusing on transparency in decision-making and internal oversight mechanisms to ensure that business operations are standardized.
	Verify suppliers' business ethics, prevent commercial bribery and unfair competition, and maintain a level playing field in the market.

### ESG support

2024 Performance

Number of ESG training  
sessions conducted for  
suppliers **1**

As an active practitioner in supply chain ESG development, the Group has proactively built a full-chain empowerment system, supporting suppliers' sustainable growth through core pathways including green transition support, social responsibility collaboration, and governance capacity enhancement.

We established a supply chain governance exchange platform to share expertise in risk management, corporate strategy, and strategic planning with suppliers, assisting them in refining internal governance structures, improving decision-making efficiency, and jointly exploring sustainable governance models tailored to the home furnishing industry.

In advancing social responsibility, the Group deepened high-quality partnerships with suppliers to elevate corporate social image and brand value; created an employee exchange mechanism across the supply chain, fostering cross-enterprise knowledge sharing and capacity building in labor rights protection, occupational health and safety, and employee welfare, thereby driving holistic improvement in social responsibility performance.

During the reporting period, the Group conducted 1 ESG training session for suppliers.



Group support for supplier ESG enhancement	
Technical and training support	<ul style="list-style-type: none"> <li>◆ We provide environmental protection tech training for suppliers and share energy-saving and emission reduction experience to enhance their environmental management.</li> <li>◆ We conduct social responsibility training to improve suppliers' ability to protect employee rights and community relations, promoting social harmony management.</li> </ul>
Resources and collaboration support	<ul style="list-style-type: none"> <li>◆ We offer green financial resources to assist suppliers in obtaining loans and subsidies for eco-projects, advancing their green transformation.</li> <li>◆ We have established a supplier cooperation platform to boost experience exchange and resource sharing among suppliers, collectively enhancing ESG performance.</li> </ul>
Incentive and feedback mechanisms	<ul style="list-style-type: none"> <li>◆ A reward mechanism has been set up for suppliers with excellent ESG performance, providing incentives such as order tilting and honor recognition.</li> <li>◆ WWe supply regular feedback on ESG assessment results to suppliers, making improvement recommendations to aid their ongoing ESG performance enhancement.</li> </ul>

## Digitalized management

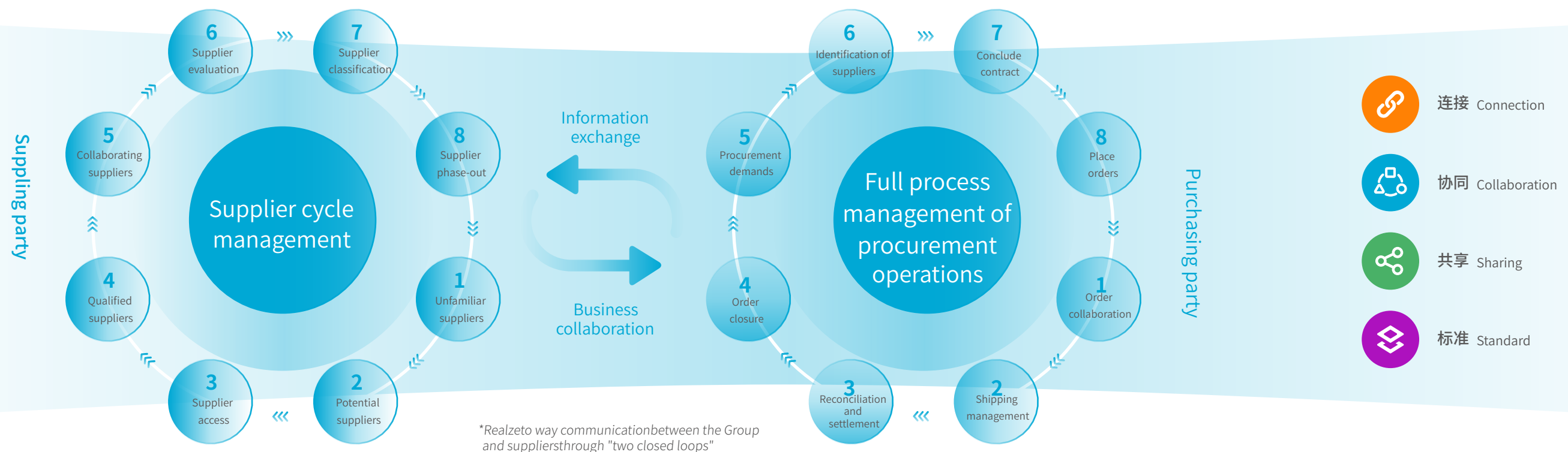
Guided by market dynamics and resource allocation, the Group formulated the Oppein Home Furnishing Group Integrated Procurement Management Guidelines and Oppein Procurement Category & Strategy Regulations, initiating a large-scale supply chain re platform enables end-to-end procurement process control, allowing suppliers to: sign procurement contracts digitally, access real-time quotes, tender notices, purchase orders, receive deposit collection alerts and quality anomaly notifications.

By implementing "two closed loops", we achieved integrated procurement synergy between the Group and suppliers, enhancing bidirectional communication and accelerating information flow efficiency across the supply chain.

☆

Case: Supplier ESG training

In September 2024, the Group organized an ESG training session titled “Co-Creating Sustainable Value” for suppliers. The program focused on four key pillars: ESG Principles and Strategic Relevance, Oppein’s ESG Practices and Compliance Expectations, Supplier ESG Implementation Roadmap with Case Studies, Future Collaboration Scenarios between ESG and Supplier Partnerships. This initiative clarified the Group’s sustainable partnership framework with suppliers, committed to building a resilient supply chain ecosystem and driving industry-wide ESG advancement in the home furnishing sector.

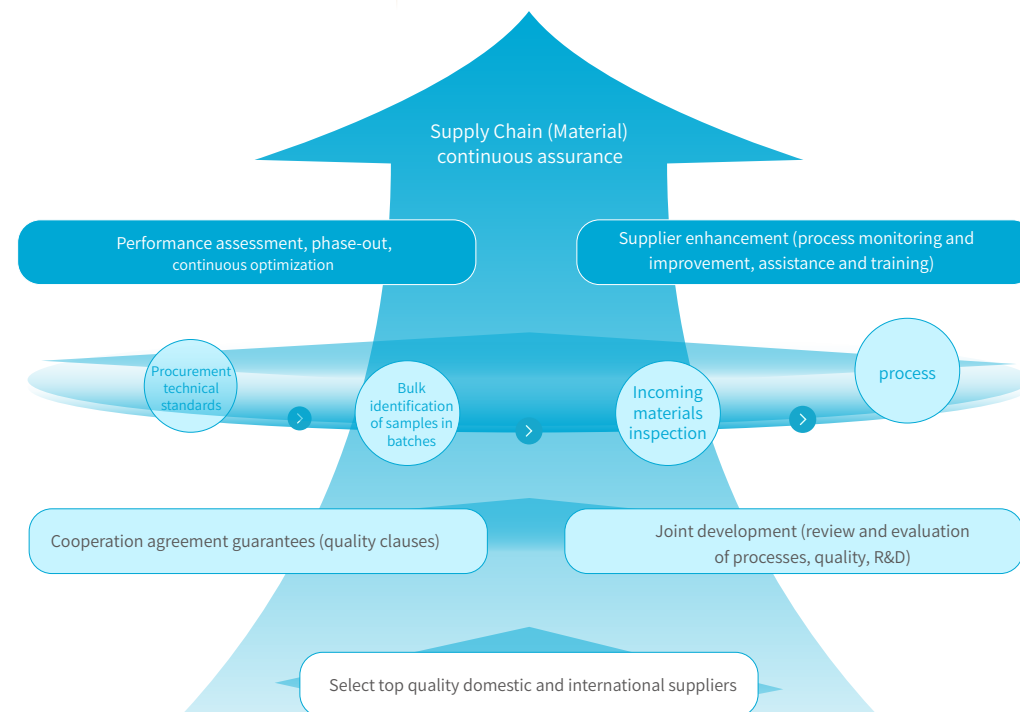


## Supply chain digitalization initiatives

- ◆ Leveraging achievements from the large-scale supply chain reform, we refined our digitalization strategy and optimized IT architecture to align with evolving operational needs.
- ◆ Partnered with external experts to identify supply chain information optimization pathways and strategically integrated third-party resources to enhance digital capabilities.
- ◆ Building upon the achievements of the comprehensive supply chain reform, we have restructured our supply chain digitalization strategy to enhance its architectural framework. By collaborating with external partners, we explore optimization pathways for supply chain information systems and leverage external expertise to elevate digital capabilities as required. An annual digitalization road map has been formulated, addressing functional modules across the supply chain with targeted solutions including standardized procurement requirements, an e-platform for spot purchases, integrated new material development processes, material certification workflow restructuring, cost database establishment, price forecasting models, automated price renewal mechanisms, supplier risk alerts, supplier performance evaluation systems, and confidential price inquiry protocols, all implemented according to predefined schedules.
- ◆ We improve system basic data and data labeling to prepare for system application.

## Whole process management

We benchmark the requirements of the world's outstanding home furnishing companies, and select the industry's first-class and professional suppliers to establish long-term strategic cooperative relationships. We follow a series of management systems and procedures including "Supplier Development and Selection Management Regulations of Oppein Home Group Inc." and "Supplier Freezing and Withdrawal Management Regulations of Oppein Home Group Inc.", "Supplier Operation Performance Appraisal Management Regulations of Oppein Home Group Inc.", and "Supplier Change and Replacement Management Regulations of Oppein Home Group Inc.", to conduct a whole-process management of suppliers from the dimensions of development and access, due diligence, performance appraisal, as well as frozen and exit.



\*Supply chain digitalization initiatives

### 2024 Performance

New Supplier  
Development  
and Selection  
**728**

Approved and  
Regularized  
**559**

potential suppliers  
were rejected due  
to non-compliance  
**56**

### Development and access

We continue to standardize the supplier access standards, formulate the "Supplier Development and Selection Management Regulations of OPPEIN Home Group Inc.", treat small and medium-sized enterprises (SMEs) equally, avoid discriminatory access conditions, and strictly implement the new supplier selection process centered on qualification review, on-site inspection, product appraisal, and supplier turnaround. Based on the type of business, we categorize our suppliers into two types including production suppliers and non-production suppliers such as traders or agents, and we require all suppliers to provide qualification certificates mandated by national laws and regulations and have implemented a classified access management system for all types of suppliers. We conduct research and sort out the industrial distribution of supply resources, analyze their geospatial aggregation or dispersion, and analyze the competitiveness level of supply industries in different regions, so as to sort out the regional layout plan of suppliers' industries suitable for the company, and rationalize the selection of suppliers according to the region.

During the reporting period, the Group evaluated a total of 728 suppliers and selected 559 suppliers who passed the assessment, and 56 potential suppliers were rejected due to non-compliance.

#### Process of access

##### Qualification Review

After receiving the questionnaire submitted by the potential supplier in the SRM system, the group engineers conduct a preliminary review and a pre-review, and comprehensively compare the results of these reviews.

##### On-site inspection

Production suppliers must undergo an on-site inspection and review, and the on-site inspection and review team formed by members from the supply chain, R&D, process, quality, and EHS and other departments and score respectively.

##### Product Identification

After the supplier passes the on-site inspection, the Group's supply chain management center and demand department conduct appraisals for small samples and small batches. Only after passing the appraisal can formal cooperation begin.

##### Transfer to regular supplier

After the supplier passes the above-mentioned process, we can sign the procurement contract, collect the performance deposit, and issue the purchase order, and the supplier will be included in the Group's supplier database.

#### Qualification

Supplier type	Questionnaire	Content
Production	Production questionnaire	Legal person information; Enterprise qualifications; Production and business capabilities; Quality and technical capabilities; Pre-sales and after-sales service capabilities; Financial information; Affiliated suppliers, etc.
Non-production	Non-production questionnaire	Legal person information; Enterprise qualifications; Pre-sales and after-sales service capabilities; Financial information; Agency qualifications, etc.
Other	Simple questionnaire	Legal person information; Financial information



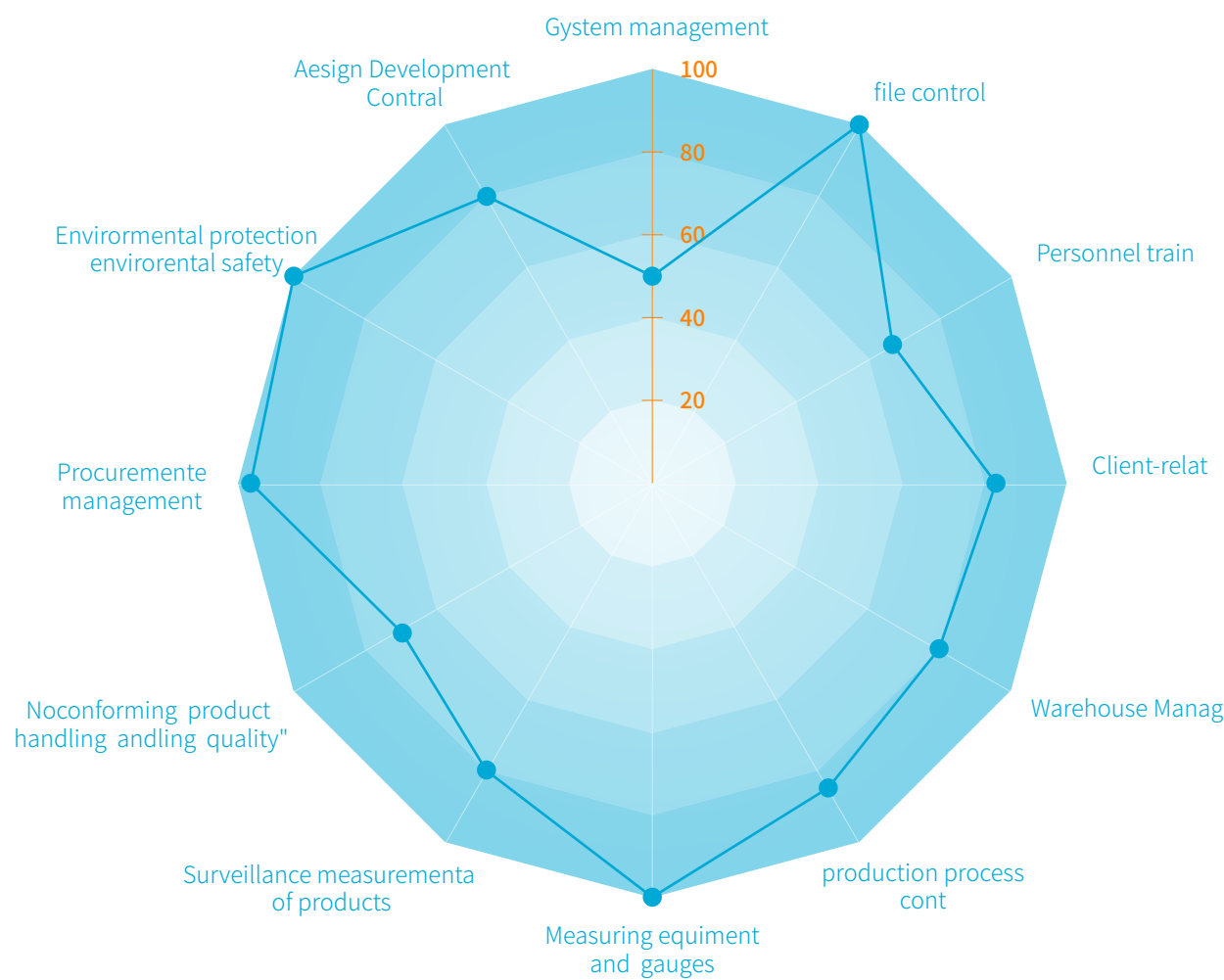
2024 Performance

Due diligence

On-Site Inspections for  
New Suppliers  
**159**

We attach importance to the due diligence of suppliers, and require production suppliers to undergo on-site inspection and evaluation. The on-site inspection is led by the supply chain management center and organized by the supply chain, R&D, process, quality, EHS and other related departments to form an inspection and evaluation team to inspect the suppliers on-site and give the evaluation opinion, put forward the optimization direction for the items that need to be improved, and draw the OPPEIN Audit Matrix from the 12 dimensions, and formulate the result table of the inspection and evaluation of the suppliers.

During the reporting period, the Group continued to conduct on-site inspections for new suppliers, with a total of 159 inspections.



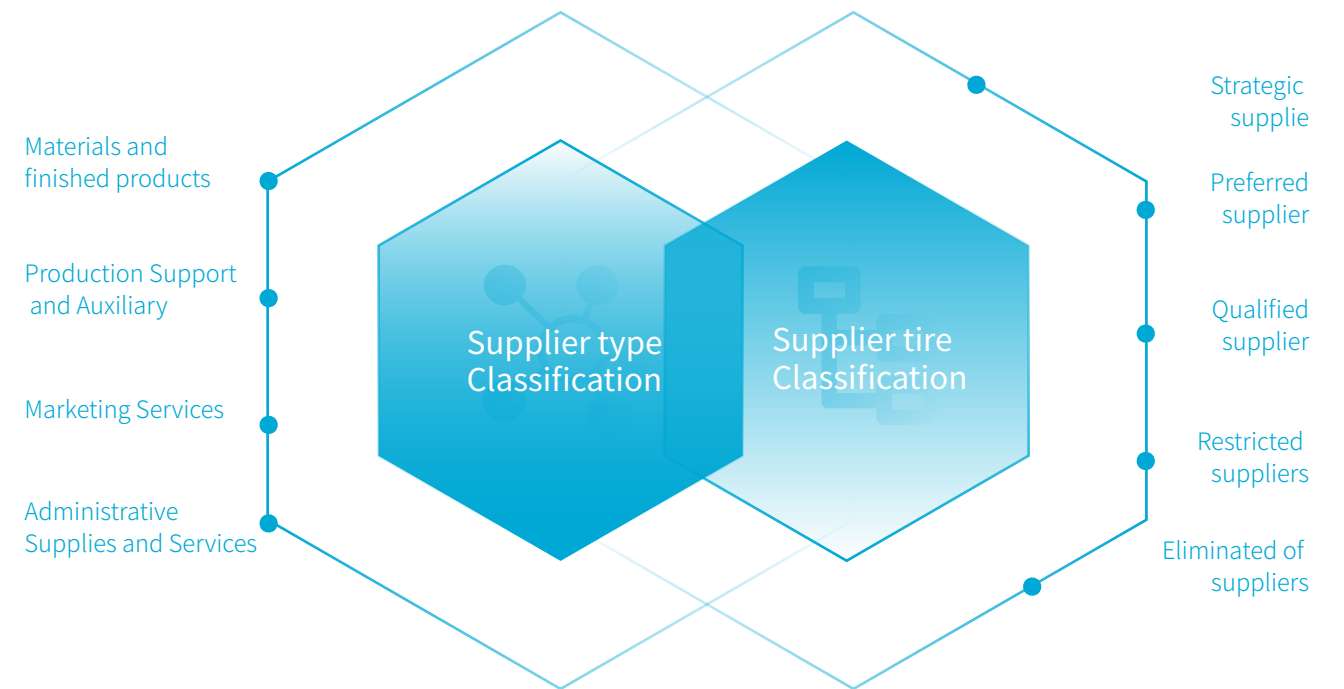
\*OPPEIN Audit Matrix Chart



\*Inspection of key equipment for plate suppliers  
\*Maintenance records for critical equipment  
\*Inspection of plate supplier monitoring equipment  
\*Inspection of plate suppliers' production facilities

Supplier tier classification management

The Group has established a scientific supplier tier classification management system, first implementing horizontal categorization based on procurement category characteristics encompassing business nature, product attributes, and service types, while simultaneously conducting vertical tire classification evaluations using core metrics including supplier qualifications, creditworthiness, historical performance, management capabilities, and innovation competencies. This integrated approach forms a matrix-based management framework, achieving precise resource matching and dynamic optimization of supplier capabilities.





## Performance appraisal

The Group has formulated the "Supplier Operation Performance Appraisal Management Regulations of Oppein Home Group Inc." to promote the standardized control of suppliers and improve the management level of suppliers. Supplier operation performance appraisal refers to the implementation of dynamic management of suppliers within the system, assessing their technology, quality, cost, response and delivery, safety and environmental protection and other aspects of the ability to measure the level of their supply. The Group adopts unified evaluation standards to conduct fair and impartial evaluation of suppliers, and the results of the evaluation serve as the decision-making basis for the allocation of suppliers' purchasing shares, the superiority and inferiority of suppliers, the assessment of the type of cooperative relationship of suppliers, and the selection of products for participation in research and development.

The Group assesses suppliers on a monthly/annual basis and formulates monthly/annual management flow charts, and the Supply Chain Center, Quality Department, Purchasing Department, Planning and R&D Department jointly carry out the operational performance assessment of suppliers. The monthly performance appraisal only assesses the quality, response and delivery performance. The quality and response and delivery performance are assessed according to the respective scoring rules of each business line, and the final output is "red, yellow and green" light information. The annual performance appraisal is a comprehensive performance appraisal, supplier's technology, quality, cost, response and delivery, safety and environmental protection dimensions are measured comprehensively, and the final output is "excellent", "qualified", "limited" and "eliminated". The final output will be publicized.

During the reporting period, the Group conducted performance appraisals on all non-one-time procurement suppliers, with a total of 1,064 suppliers assessed.

### 2024 Performance

Performance appraisals on all non-one-time procurement suppliers  
**1,064**

### Cost appraisal

Evaluate supplier's on-time delivery, supplier's delivery standardization, delivery coordination service and responsiveness for monthly and annual appraisal.

### Technical appraisal

Evaluate the supplier's independent R&D capability, product trial production capability, product stability, R&D services and other technical aspects for annual appraisal.

### Safety and Environmental appraisal

Evaluation of the supplier's product environmental protection, including formaldehyde emission, TVOC release rate, heavy metal content and other harmful substances testing, involving water, electricity, gas, flammable and explosive products that have a significant impact on the safety of personal property, the need for its product safety indicators for the annual appraisal.

### Response and delivery appraisal

Evaluate supplier's on-time delivery, supplier's delivery standardization, delivery coordination service and responsiveness for monthly and annual appraisal.

### Quality appraisal

Evaluate the supplier's incoming quality compliance, use quality compliance, customer quality, integrity events, and major quality anomalies for monthly and annual appraisal.

\* Supplier operational performance appraisal

### 2024 Performance

Terminated suppliers due to non-compliance  
**13**

## Freezing and withdrawal

In order to ensure standardized management of the supply chain, we have formulated the "Supplier Freezing and Withdrawal Management Regulations of Oppein Home Group Inc." to improve the operating procedures and requirements for each link in the supplier frozen and exit process, and ensure that the quality of products or services provided by suppliers meets OPPEIN and customer requirements.

During the reporting period, the Group had a total of 13 suppliers whose cooperation was terminated due to non-compliance.



\*Freeze and withdrawal scenarios



## Tier-two supplier management

To improve the supplier management system and ensure supply quality and stability, the Group formulated the "Designated Tier-two (and above) Supplier Management Regulations of Oppein Home Inc." to strengthen management of such suppliers. "Designated Tier-two (and above) Supplier " refer to suppliers the Group designates to provide materials and finished products to its first-tier suppliers, which process them and sell back to the Group (referred to as "tier-two suppliers"). The Group has integrated these tier-two suppliers into its supplier system management, standardizing their business processes, responsibilities, and operations throughout the supply chain. It also requires all responsible parties to fulfill management duties for OPPEIN designated tier-two suppliers, forming an effective quality control mechanism, continuously building an efficient, reliable, competitive supply chain, and striving to create a benign supply chain ecosystem.

### Principles and approval requirements

The designation of tier-two suppliers strictly implements the principle of "Competition". Each demand department designates a tier-two supplier and initiates a formal official document for signing and approval, which is signed by the head of the relevant department and finally approved by the President's Office.

### Business regulation and management

The tier-two suppliers shall be included in the unified management of the supplier system, with reference to the management of the "Management Regulations on Procurement Development and Supplier Selection of OPPEIN Home Furnishings Group". The suppliers and tier-two suppliers with business connections shall sign a multi-party agreement.

### Supply assurance management

Annual capacity assessment and capacity implementation supervision of suppliers; release of supply information of tier-two suppliers through the "Group's designated tier-two suppliers' information filing". The existence of commercial disputes coordinated by the Group's Supply Chain Management Center shall not arbitrarily stop the supply of products. It is strictly prohibited to replace or counterfeit products of tier-two suppliers.

### Quality assurance Management

The tier-two suppliers will be included in the quality management system for management, and the management rules and corresponding quality default treatment methods will be formulated for the process to be monitored and the results to be controlled.

### Delivery management

Formulate a management mechanism for the integrated management of the delivery of secondary suppliers, as well as a penalty program for the delivery of abnormalities in the delivery of secondary suppliers that result in the suppliers' inability to perform the delivery of goods to the Group.

\*Group Designated Tier-two (and above) Supplier Management Specification

## Training and communication

We regularly conducts supplier training and communication activities covering procurement expertise, negotiation skills, supply chain management, and laws and regulations to improve the team's overall business level. It values good cooperative relationships with external suppliers, actively conducting training and exchange activities, and expects all supplier partners to progress together and pursue "Common evolution, Win-win sharing".

During the reporting period, the Group conducted a total of 75 supplier training sessions, with 152 suppliers participated.

### 2024 Performance

Total Supplier Training  
Sessions Conducted

75次

Participated suppliers

152

### External supplier training and communication

We conducts various forms of supplier communication, including supplier visits, global supplier conferences, quality audits, analysis meetings, seminars, communication sessions, and counseling, in order to establish good communication mechanisms and support channels, ensuring collaboration, mutual benefit, and quality synergy.



\*Seminar for external suppliers

### Internal supply chain personnel training

The Group strengthens internal supply chain personnel training by inviting high-level lecturers for job-specific skill training, establishing a business knowledge sharing platform, enhancing team case reviews and competitor product analysis, and formulating work manuals and requirements to speed up new employee onboarding. It strictly controls product input quality and mandates certification for job eligibility through mandatory testing, ensuring personnel acquire professional skills and knowledge to fulfill supply chain management duties.



\*Internal supply chain personnel training





05

## PRODUCTS AND SERVICES

OPPEIN adopts the "consumer-centered home furnishings with airplane-building spirit" concept, implements the "quality + service" dual-drive strategy to build unique core product competitiveness, deepens service value, expands multi-channel layouts, and drives brand/service model upgrades. Integrating sustainable development into all production/service links, it increases green/healthy product supply, accelerates smart home innovation, continuously improves product/service quality, and strives to deliver comfortable, healthy customized home products and living experiences.



## PRODUCT QUALITY UPGRADES

The Group has always viewed product quality as the foundation of its business and customer experience as the cornerstone of development. As consumers' demand for home environment quality grows, it has deeply focused on product quality—from Asia's large-scale smart manufacturing to industry-leading AI technology and national testing standards—leading the integrated home furnishing era through efficient intelligence and craftsmanship in R&D.

### Product quality assurance

The Group complies with the "Product Quality Law of the People's Republic of China" and applicable quality regulations/-standards in its operating regions, actively deploys the Quality Change 2.0 strategy, initiates organizational quality reforms, carries out a series of quality improvement projects, establishes a product quality management system, builds an integrated quality assurance system, and continuously enhances product quality and efficiency.

#### Quality management system

The Group formulates quality management systems including "OPPEIN Home Group Quality Management Regulations," "Quality Assessment Management Regulations," "Quality Integrity Management Measures," "Quality Veto Assessment Mechanism," "Quality Breakthrough Award Incentive Mechanism," and "Logistics Quality Audit Management Norms," among others, to improve the system covering the full product lifecycle—development, production, logistics, sales, etc. It refines management modes to pursue a "prevention-oriented" goal, ensuring lifecycle quality safety and control. During the reporting period, the Group and subsidiary Aowei Decoration Material Co., Ltd. obtained ISO9001 and GB/T19001 dual quality management system certifications.



#### Management strategies, policies and goals

The Group implements the "three characteristics, five enhancements, two improvements" quality strategy and establishes the policy of "striving for excellence, sincerity in exchange, perfection pursuit," focusing on quality/efficiency improvement to advance the quality enhancement plan and continuously optimize products/services to return to business fundamentals.



#### Quality strategy: Three Characteristics, Five Dimensions and Two Enhancements

**Three:**customer demand compliance, management system suitability, quality improvement systematic  
**Five:**quality management informationization, quality inspection automation, personnel specialization, standardization of the underlying logic of quality management and quality improvement driving mechanism  
**Two:**product quality enhancement, customer satisfaction enhancement

##### R&D quality

Construct a quality assurance system for R&D based on the integrated home.

##### Design quality

- ◆ Group Universal Basic Empowerment System + Knowledge Academy
- ◆ Design process app + system interaction
- ◆ Visualizing Dullness Prevention

##### Raw materials quality

- ◆ Quality and reliability testing system changes
- ◆ New product quality control system changes

##### Process quality

- ◆ Breakthrough in automated inspection of dimensional edges
- ◆ AI visual inspection + quality cloud platform deepening application

##### Transportation quality

- ◆ Innovative reforms of transportation modes, such as "shuttle bus system" and "with care"
- ◆ Great Delivery Reform Project

##### Installation quality

Sub-legacy accurate identification + hierarchical classification and control, multi-legacy has been effectively prevented and controlled.

\*Panorama of the Group's quality evolution



● Quality organizational revolution and outcomes



Through quality organizational changes, IT construction, automated inspection technology/system development, and raw material/design quality control systems, the Group achieved a consolidated quality reputation of 8.17/10 (up 7.28% year-on-year), an 18.91% improvement in total legacy rate, over 60% improvement in automated edge size defect inspection, and about 30% higher quality system efficiency. During the reporting period, it optimized quality assessment management requirements/scoring rules and newly implemented the "OPPEIN Home Furnishing Group Quality Breakthrough Award Special Incentive Measures," providing incentives to organizations/employees with outstanding quality contributions after fair evaluation to encourage all staff to meet quality goals.

Quality assessment	Quality brakthrough incentive awards
Quality veto assessment mechanism	Quality integrity management approach
Quality assessment data audit	Quality critical negative event management
Quality accident management	

\*Partial quality management measures

Quality system construction	
Technical application	Quality improvement outcomes
Quality cloud system construction	The five quality clouds of customer-design-material-process-transportation are constructed to realize the precise control of each module process online, establish a unified and systematic management platform, guarantee the quality of each link, and improve the timeliness and effectiveness of internal information transmission as well as the satisfaction of end customers.
Quality data online operations	QAS opens up the Group's underlying quality data, realizes online management of data statistics, analysis, query and early warning, realizes accurate and traceable data acquisition, and improves the efficiency of data statistics by more than 30%.
Deepening the application of the quality platform	The iterative deepening of the legacy accurate responsibility system and the Habitat code-scanning legacy ordering system has further expanded the utility of the platform and further improved the efficiency of each module.

Results of process-wide quality change during the reporting period

Design quality revolution	The Group constructs and iterates the design quality control system, empowers terminal initiatives through in-depth external collaborative marketing to improve design skills: developing a design process mini-program and the ZhiXueTang platform with 426 online universal design courses, 41 live broadcasts (over 25,000 clicks), achieving a terminal designer certification rate of ~70%. Internally, it strengthens error-prevention design technology to reduce source errors: improving 227 items/48 problem types and intercepting 160,000+ issues.
Raw material quality revolution	Through systematic reforms in material quality control—including the establishment of key reliability test standards (swelling, chipping, dirt, scratch) and procurement quality enhancements—we achieved a 100% year-on-year increase in the traceability accuracy of abnormal material quality losses. Concurrently, raw material loss costs were reduced by 22%, and total material loss costs decreased by 66%.
Process quality revolution	In factory quality management, the deepened application of automated testing has driven a shift in process quality from full-range control to focused qualitative improvement, with this approach gradually extended to the supply chain. This has significantly enhanced defective rate detection accuracy, leading to a substantial reduction in factory rework costs.
Improvement of transportation loss	Macro-model changes have been effective in reducing transportation loss, with a 25.06% improvement in overall transportation loss through the use of iron pallets, iron cage trucks and other carriers. <div></div>



2024 Performance

Cultural training

**78** times

Cumulative coverage

**1,756** person times

● Quality culture

Promoting key quality systems/mechanisms/policies, the Group formulates the "OPPEIN Home Group Quality Talent Certification and Empowerment Management Standards," establishes base quality committees to clarify responsibility entities, and adheres to the quality culture spirit of "focus on core, monitor key areas, deepen on-site efforts, benchmark standards, and ensure full participation" to maintain quality accountability. It organizes regular quality training—including pre-service education, online courses, and case studies—to enhance employee quality awareness, improve professional skills, and promote "shared responsibility" through quality empowerment. During the reporting period, the Group and its bases conducted 78 quality culture trainings, reaching 1,756 cumulative participants.

Some quality culture training conducted by the Group



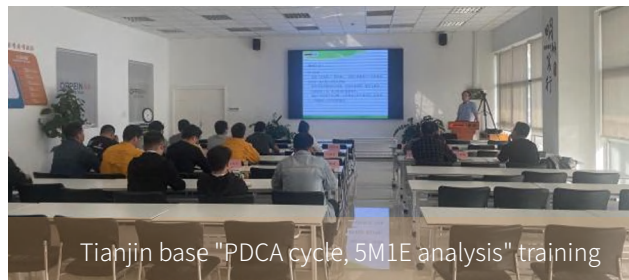
Qingyuan base "Factory Quality Portrait" training



Qingyuan base "size & edge automation inspection deterioration reversal empowerment" training



Wuxi base "Quality Mechanism" training



Tianjin base "PDCA cycle, 5M1E analysis" training

● Product recall

The Group formulates and improves raw material certification standards and quality control processes, strengthens supply chain, production, and transportation management, conducts supplier qualification reviews and raw material sampling inspections, and implements whole-life-cycle quality, health, and safety risk control to minimize product recall risks at the source. It also enhances product recall emergency plans per the "Non-conformity and Corrective and Preventive Measures Management System," establishing a rapid response team, publicly updating progress, and revising plans timely to reduce profit, brand, and consumer confidence impacts. Going forward, it will optimize supplier/raw material audits, strengthen digital risk control, and comprehensively improve product safety/environmental quality control to deliver higher-standard products.

During the reporting period, we did not experience any product recalls due to product quality health and safety issues.

Product safety and health

According to the "China Healthy Home Consumption Cognition Survey," over 85% of consumers prioritize health when purchasing home products. In a health-conscious national context, the Group focuses on people-oriented innovation, committing to developing healthy, eco-friendly, low-carbon home products. It ensures whole-house customized products and raw materials comply with "Environmental Labeling Product Technical Requirements" standards to create an environmentally friendly and healthy living environment for consumers.



■ Chemical safety

The Group complies with Chinese and overseas chemical safety laws/regulations, including the "Regulations on the Administration of Controlled Chemicals" and "Hazardous Chemicals Safety Management Regulations," and formulates internal rules like the "OPPEIN Furniture Group Dangerous Chemicals Management Regulations" to strengthen chemical management. It identifies, tracks, and assesses risks of chemical substances throughout the product lifecycle, managing and reducing impacts on environment, health, and safety to ensure employees are safe from workplace hazardous chemicals and consumers are not exposed to toxic substances in daily use.

During the reporting period, the Group's products passed the China Environmental Labeling Product Certification, and the environmental performance indexes of the materials used in whole-house customized home furnishing products complied with the relevant national standards, of which the formaldehyde emission of the sheet materials complied with the current highly demanding European standards (E1 level).

● Chemicals management

The Group has formulated "Chemical Management Standards" to strengthen access control for chemical use/storage areas, implementing detailed records of chemical inventory/requisition. It posts Chinese labels and Safety Data Sheets (SDS) for on-site hazardous chemicals and requires operators to wear standardized labor protection equipment. Regular toxic/hazardous gas concentration testing is conducted at operation sites, with pre-, in-, and post-employment medical examinations arranged for employees exposed to such gases to protect their occupational health and safety.

Chemical safety management code and acceptance		
Element	Specification	Receiving and inspection methods
Standardized ledgers	Preparation of regulatory requirements and chemical type ledger information for plant use, storage and responsible persons.	Inspection of chemical ledgers + regulatory requirements for chemical management
Visualization	The site where chemicals are stored and used should have the necessary safety risk communication, MSDS and related warning information.	On-site inspection of the chemical storage area, use area visualization signs, MSDS and other basic information is complete and correct
Special inspection	Create a special safety checklist and conduct regular special safety inspections with a certain frequency.	Check the status of factory inspections carried out, at least 1 special safety inspection before acceptance
Specialized training	Production of specialized safety training materials and regular implementation of a certain frequency of specialized safety training.	<ul style="list-style-type: none"> <li>◆ Check that plant training is carried out and that at least 1 special safety training is carried out before acceptance;</li> <li>◆ Ask authorized employees about their training and knowledge of chemical safety risks and knowledge.</li> </ul>
On-site management	On-site storage should have explosion-proof cabinets, eyewash, electrostatic apparatus, fire sand, leak-proof trays. Also, manage personnel PPE equipment and dispensing containers as required.	<ul style="list-style-type: none"> <li>◆ Inspect chemical safety settings in the storage area and assess explosion-proof cabinet specification settings;</li> <li>◆ Manage on-site chemical use, including dispensing containers and employee PPE wear.</li> </ul>



During the reporting period, the Group conducted chemical safety training for on-site staff at hazardous chemical sites and allowed them to take up their duties only after passing the assessment, thus ensuring that the on-site operators were fully aware of the hazardous characteristics of the chemicals and familiarized with the specific processes and requirements for emergency response.



\*Specialized training for chemical-use positions



\*Improvement of chemical dispensing operations for edge banding machines

● Chemical testing recognition

The Group has met the "Brand Evaluation of Healthy Kitchen Cabinets" (T/GIEHA 061-2023) standard issued by China Brand Building Indoor Air Brand Cluster and Guangdong Indoor Environmental Hygiene Association, passing assessment by an industry-designated third-party certifier. Sampling audits showed 100% compliance in indicators like formaldehyde emission, TVOC emission rate, antibacterial rate, and antibacterial durability, awarding the "Healthy Kitchen Cabinets" brand mark. Its other home products also met the "General Rules for Evaluation of Healthy Whole Home Customization" (T/CFDCC 0607-2023), being recognized as green home products.

2024 Performance



● Prohibition of chemicals

The Group prohibits the use of banned chemicals and outdated chemical production processes, strictly requiring suppliers to self-declare product ingredient lists and the presence of hazardous substances, and to timely provide hazardous substance test reports (e.g., from third-party authoritative national testing organizations such as SGS, CTT, ITTC), Material Safety Data Sheets (MSDS), product ingredient lists, and confirmations of environmental management changes. It conducts occasional sampling tests for chemical indicators like formaldehyde, TVOC, and toluene through internal labs and external third-party organizations, and uses information technology to supervise the entire process of chemical access, formulation, use, and supplier compliance. This ensures every product meets environmental quality management system requirements and local regulations on prohibited/restricted chemical use. During the reporting period, we did not incur any major incidents and fines related to chemicals and did not use any prohibited chemicals.

● Chemical disclosure

We set out in the product manuals the product hazardous substance limit table, which shows consumers the hazardous substance limits of veneer boards, paints, stone, adhesives and other raw and auxiliary materials used in household products.

OPPEIN kitchen cabinets raw materials hazardous substance limit table

Panel coating						
<div>Items</div> <div>Limit value</div> <div>Component type</div>	Formaldehyde Emission Content (Climate box method)	Soluble Pb	Soluble Cd	Soluble Cr	Soluble Hg	methanol
Genuine wood	-	-	-	-	-	-
Medium Density Fiberboard	≤0.124mg/m <sup>3</sup>	-	-	-	-	-
Particleboard	≤0.124mg/m <sup>3</sup>	-	-	-	-	-
Plywood	≤0.124mg/m <sup>3</sup>	-	-	-	-	-
Paints and Coatings	-	≤90mg/kg	≤75mg/kg	≤60mg/kg	≤60mg/kg	≤500mg/kg
Stone materials						
<div>Items</div> <div>Limit value</div> <div>Component type</div>	Internal exposure index (IRa)	External exposure index (Ir)		median lethal dose (LD50)		
Domestic quartz stone	≤0.6	≤0.8		>5000mg/kg		
Imported quartz stone	≤0.6	≤0.8		>5000mg/kg		
Adhesive						
<div>Items</div> <div>Limit value</div> <div>Component type</div>	Free formaldehyde	Benzene	Toluene + Xylene	Ketones	Total volatile organic compounds	
Adhesive	≤0.05g/kg	Should Not Detectable	Should Not Detectable	Should Not Detectable	≤40g/L	

No

Incidents and fines related to chemistry

Not used

Any prohibited chemicals



## Thoughtful design and safe workmanship

Guided by ergonomic principles, we prioritize convenience, user-friendliness, and safety in product design, aiming to create safe, comfortable, and warm home environments for our customers—incorporating care and attention into every design detail while pursuing craftsmanship excellence to achieve the highest quality standards. Our products are manufactured using state-of-the-art international equipment, ensuring excellent environmental performance and durability. The hinges and rails in our products are reliably durable, guaranteeing decades of trouble-free use.



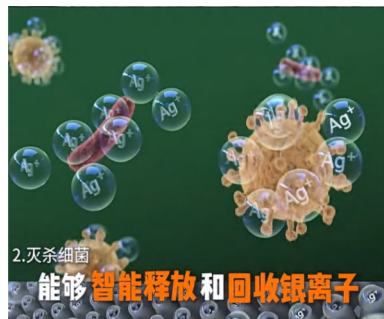
### Case: Healthy decontamination design

#### Wardrobes sub-closet area deodorizing aromatherapy module



#### Comprehensively antibacterial healthy kitchen

We launched a new generation of antibacterial healthy kitchen with core components like healthy materials, appliances, and accessories for users' health. The OPPEIN Health+ antibacterial plate uses OPS-1 supramolecular silver antibacterial technology for long - lasting cyclic antimicrobial performance, keeping a 99% antimicrobial rate after over 5,000 scrubs. The new photo-catalyst antibacterial technology in quartz stone countertops and sinks also reaches a 99% antibacterial rate. Kitchen accessories feature disinfecting lighting, easy - clean nano - antibacterial sinks, and antibacterial baskets.



### Case: Aging-friendly design



Drinking fountain + medication area for the elderly to access medication in an emergency



Duplex beds reduce tossing, turning and getting up to interfere with partner's sleep



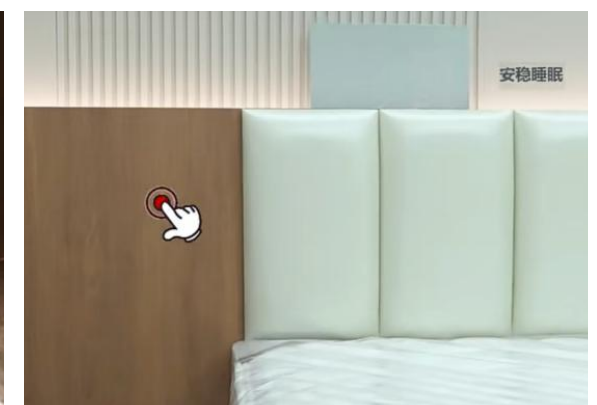
Handrails are integrated into the whole house design, such as cabinets, bedside thin cabinets, etc.



Trip door design reduces risk of stumbling



Night rise automatic sensor night light



Bedside emergency call button



## Product accessibility



Home is more than a physical living space—OPPEIN understands the beautiful home visions behind every individual's home furnishings, launching the "234+N Happy Life Equation" to enable everyone to enjoy happiness at home. Through product diversity, affordable pricing, service localization, and efficient production, it achieves accessibility of whole-house customization, ensuring consumers—regardless of location, budget, or needs—can obtain "tailored" home solutions and comprehensive caring service at reasonable costs, breaking through time, space, budget, and resource limitations in customized home solutions.

## Brand recognition and trust

We prioritize long-term brand investment, consistently sharing brand stories to convey the "love of home" culture, building emotional connections with consumers via diverse social media to strengthen brand identity and embed the OPPEIN integrated home concept in people's minds. Through advertising, KOL collaborations, and showcasing real customer cases, we boost brand visibility, influence, and trust. Additionally, we set industry-leading safety, environmental, and health standards and provide authoritative panel test reports to enhance consumer confidence.



### Case: "The 100 Chinese New Homes" program

We partnered with Youju's "Dear Home 100" column to create the OPPEIN "100 Chinese People's New Home" documentary, which shares stories of 100 Chinese families building new homes, leveraging our total design, one-stop matching, and integrated services to resonate with consumers and explore better life solutions. Meanwhile, we collaborated with 4 million bloggers to create exclusive "amazing new homes" from diverse family structures and home-life needs perspectives.



## Product diversity and modularity

We offer diverse whole-house design styles covering mainstream trends and niche needs, providing customized solutions for individual requirements while incorporating safety designs for children, aging-friendly features, and smart technology to meet varied family needs and expand application scenarios. Using detachable modules, we create flexible, multi-functional living spaces with growth-oriented designs, ensuring furniture adapts to customers' evolving needs across different life stages.



### LDKB de-living room one-piece design

Integrating sports and fitness area, children's play area, home theater area, parent-child reading area, toy storage area, and study room, it creates a warm and interactive space for the whole family to enjoy each other's company and love each other.



### "Micro-variable structure" region

Two sets of flexible removable floor cabinets, baby care period can meet the baby supplies storage, night feeding, diaper changing and other operational functions; later move the floor cabinet module can be transformed into a dresser or desk to meet more needs.



Removable twin bed with drawers

Growing children's room design



## Price affordability

We operate four major brands—miform (high-end), OPPEIN (high-end), OPLONI (national), and OPLIA (light luxury fashion)—with diversified product lines covering high, medium, and low price points, offering clear and transparent pricing to meet different budget needs. Through internal quality improvements and efficiency enhancements, we actively promote inclusive home campaigns like "green inclusive upgrades" and consistently implement a "good yet affordable" product policy, delivering tangible benefits to consumers and enabling more Chinese families to enjoy a higher-quality lifestyle.

## Products and services accessibility

We offer integrated online-offline product experience channels, using official websites, e-commerce platforms, and social media to lower customer access barriers while operating numerous physical stores that create immersive living-scene spaces for on-site material, craftsmanship, and service experiences. With over 7,900 stores worldwide, we provide full-process services including door-to-door measurement, design, installation, and after-sales support.



## Supply chain and delivery efficiency

We shorten the customization cycle through intelligent manufacturing to achieve fast delivery; at the same time, we create a integrated home logistics model, optimize inventory management and logistics and transportation system to reduce the product transportation time, and safeguard the distribution capacity in remote areas by cooperating with local professional logistics companies.

## After-sales service guarantee

We continue to improve the after-sales service guarantee system, the establishment of consumer feedback rapid response system, to ensure that customer complaints are timely response and proper resolution; at the same time, the launch of the OPPEIN Golden Butler service, to enhance the value of the full life cycle of the product.

## Policy and industry support

We lead and participate in developing industry and group standards, establishing standardized design, installation, and acceptance criteria to enhance industry transparency. In cities offering subsidies for eco-friendly home products, we actively respond to national initiatives by promoting subsidized activities for environmentally friendly home products, indirectly reducing consumer costs.



### Case: Lifestyle scenario

In 2024, we launched "IP+Narrative" to present diversified lifestyle scenes, approaching and impressing users through spiritual and emotional resonance, guiding their lifestyles to create more diversified lifestyles for consumers. We accurately depict mainstream user profiles, locate core living scenes, develop lifestyle function modules of "mainstream house type + reasonable space layout + two-way activity line + diversified storage methods", sell N living scenes and lifestyles, and customize life for different families.

#### Design empowerment

Based on the study of functional modules of lifestyle scenes, we build scene designs and diverse optional functional modules.

#### Terminal empowerment

Super shopping guide platform on-line product function column, joint graphic designers to produce e-commerce end of the product introduction, the product into the life scene, refine the product design highlights, upgrading the e-commerce platform from a single product distribution center for whole-house home one-stop collection place.

#### Marketing empowerment

The marketing trainer conveyed the concept of lifestyle space scene marketing to the terminal sales, enabling customers to better understand the product features, advantages and applicable scenes, and guiding customers to change from "product thinking" to "space scene thinking".



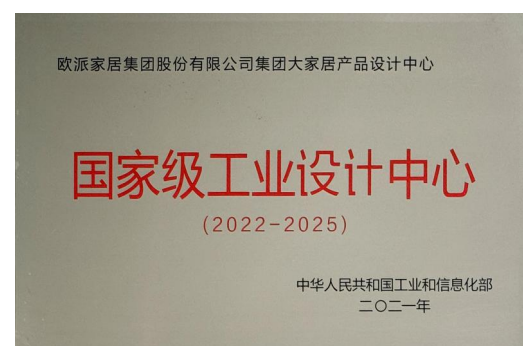


## INNOVATION RESEARCH AND DEVELOPMENT

The Group innovates in technology, products, models, management, and services, adhering to "technology for good" by infusing humanistic care into intelligent technology. It focuses on investing in production process innovation, energy-saving R&D, digital manufacturing, and smart manufacturing, strengthening independent R&D and employee innovation to maintain its leading position in home manufacturing through technological advantages and R&D industrialization. By the reporting period end, it owns a CNAS-certified laboratory and has been recognized as a national industrial design center, won the Guangdong Provincial Government Quality Award, established a Guangzhou high-level enterprise research institute and post-doctoral research station, and is certified as a high-tech enterprise, leveraging professional technology to safeguard product quality.



\*High-tech Enterprise Certificate



\*National Industrial Design Center



\*OPPEIN Group CNAS accredited laboratory



\*Product development process

## R&D plans and goals

The Group prioritizes R&D, insists on innovation-driven development, continuously conducts independent research to advance technological and industrial upgrading in the customized home furnishing industry, and accelerates the growth of new quality productivity. It strengthens market-oriented R&D management, enhances foundational R&D platforms, focuses on advanced manufacturing, and boosts technological R&D and reserves to create industry-leading products and cultivate new growth drivers. In the future, the Group will continue emphasizing R&D and innovation to maintain OPPEIN's leading position in the customized home furnishing sector.

Taking the principle of integrated home as the principle, turning to the innovation of integrated home set of space research and development mode, and continuously improving the competitiveness of the

By combining the stability of classic products and the rapid iteration ability of popular products, it not only enhances the adaptability of the product market, but also meets the consumers' pursuit of personalization and diversification.

\*Five future research and development plan



Enhance the management and utilization of product data to improve the efficiency of accurate development.

Implementing cross-space color management for integrated homes, realizing joint and synchronous research and development of cross-category materials of the same color, and enhancing the wholeness of integrated home products.

By connecting the sales system and product management system, the back-end product management function is front-loaded to the user side, enhancing the front-end user experience and the efficiency of back-end data management.



2024 Performance

R&D investment  
RMB**10.23**billion

As a percentage of  
operating income  
**5.41%**

Cumulative R&D investment in the past 5 years  
RMB**55.21**billion

### R&D investment and results

The Group prioritizes the construction of R&D teams and cultivation of high-tech talents, establishing home furnishing product R&D centers, business-segment-specific R&D departments, and a Milan (Italy) R&D design center. It actively engages in industry-academia-research collaborations and in-depth school-enterprise partnerships and talent exchanges with professional universities to drive technological innovation in the home furnishing industry. During the reporting period, R&D investment reached RMB 1.023 billion (5.41% of operating revenue), with cumulative five-year investment totaling RMB 5.521 billion, a leading figure in the industry.

Our R&D team comprises 1,955 pioneering personnel, including 45 master's graduates, 972 undergraduates, and 938 others, accounting for 9.50% of the total workforce. To boost enthusiasm and creativity, we adopt a market-oriented R&D management model with incentive policies such as "Salary Incentives for Design Team Personnel," "Piecework Salary Incentives for Product Crafts Division," and "Design Award Declaration Management Measures." We revised and improved the "Development and Design Personnel Salary Incentives" and "Piecework Personnel Salary Incentives," established project-based R&D innovation awards with clear incentive standards for different products, and implemented a talent incentive model combining material and spiritual rewards to encourage continuous innovation.

We leverage agile development to enable products to quickly respond to market demand, optimizing production processes and enhancing customer experience through rapid iteration and flexible adjustments. By focusing on user needs and breaking traditional lengthy design/production cycles, we achieve efficient delivery via modular, digital, and collaborative approaches. During the reporting period, we developed 120 new product sets.

2024 Performance

R&D team employees  
**1,955** people

R&D employees proportion in the Group  
**9.50%**

Total developed new products  
**120**

#### By education level



Master  
**45** people

Undergraduate  
**972** people

Otehrs  
**938** people

#### By gender



Female  
**508** people

Male  
**1,447** people

#### By age



Under 30 years of age (not including 30 years of age)  
**505** people

30-50 years old  
(including 30 years old and excluding 50 years old)  
**1,421** people

50 and over  
**29** people



\*Group Wins 10 MUSE Design Awards in 2024



#### Case: 3D stacked digital sheet printing

In 2024, we overcame traditional machining and mold limitations. Based on digital model files, we launched a new 3D digital intelligent veneer production process. Using digital printing technology, it directly prints customized textures and colors onto the plate surface, offering more design options for furniture and decorative panels. This technology isn't restricted by the substrate, can create various wood-like effects with controllable costs. Moreover, digital printing has more stable quality and lower supply-chain risks than traditional veneer splicing, and also reduces carbon emissions.



#### Case: Color lab

In 2024, the Group and AICELEY established a color laboratory. They integrated color data into design and production, creating a color management solutions system. This improved product quality and production efficiency. The initiative aims to drive color management innovation in the home furnishing manufacturing industry, break color detection bottlenecks, achieve accurate color visualization, and ensure "what you see is what you get".





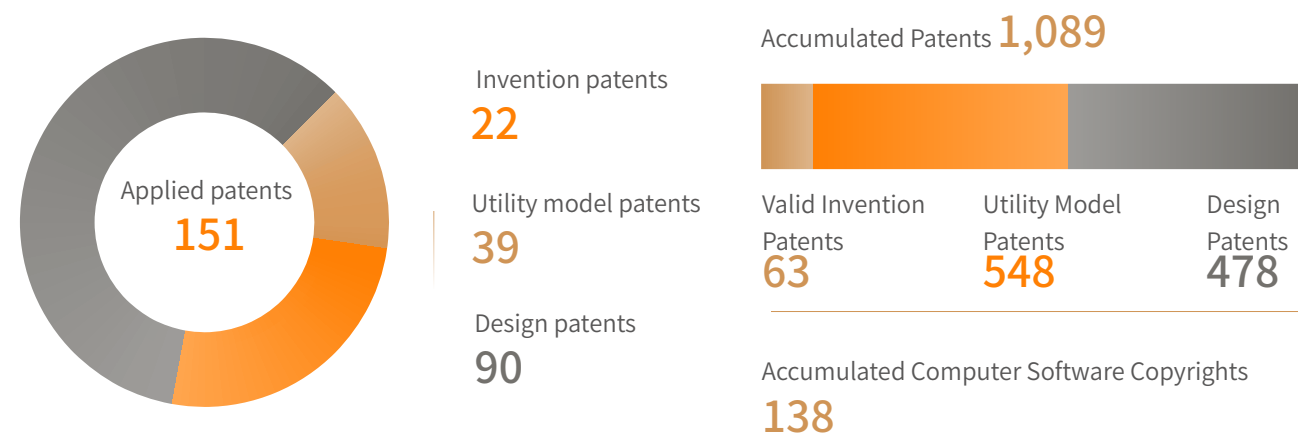
## Patents and intellectual property

We prioritize maintaining independent intellectual property rights in patents and original designs, established the "Intellectual Property Management Regulations" to standardize IP management, set up a dedicated management organization, mitigate risks, prevent intangible asset loss, and foster employee innovation to enhance core competitiveness.

Our intellectual property management follows the framework of "rights recognition - maintenance - protection - application," establishing strict, unified standards for ownership, confidentiality, data management, and infringement risk control. We have defined rigorous business processes for the application, maintenance, protection, and utilization of patents, trademarks, and copyrights. To encourage employee innovation and protect intangible technological inventions, we implement patent incentive policies that reward inventors based on criteria such as patent protection strength, technical stability, potential value, and implementation benefits.

During the reporting period, the Group applied for a total of 151 patents, including 22 invention patents, 39 utility model patents and 90 appearance patents. As at the end of the reporting period, the Group and its holding subsidiaries had obtained a total of 1,089 patents, of which 63 were valid invention patents, 548 were utility model patents and 478 were appearance patents; and a total of 138 computer software copyrights.

### 2024 Performance

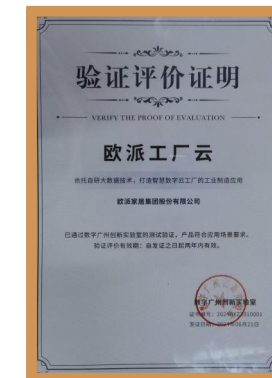
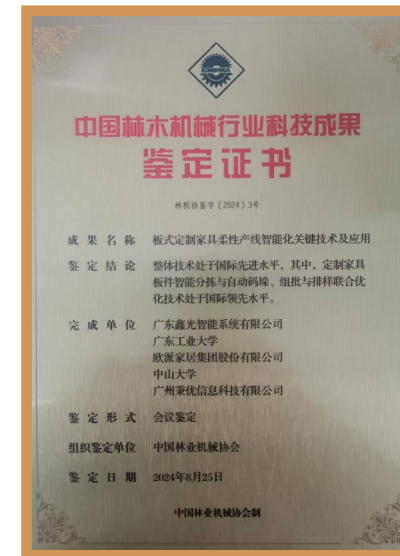


## Digitalization and smart manufacturing

We focus on intelligent manufacturing to solve industry production and logistics problems, using the TPS production model and our self-developed information management system as the core. By leveraging innovative technologies such as the Internet, big data, AI, and supply chain synergy, we help terminals expand, aiming to open up design and digital production, integrate information systems across the business chain, and achieve automated and intelligent production. This drives industry digital transformation, reconstructs value chains, innovates customization models, and promotes sustainable development. During the reporting period, automation innovations like offline automatic palletizing, SCADA online systems, and AGV support enhanced OPPEIN's intelligent manufacturing capabilities.



\*OPPEIN joined hands with Xinhua News Agency "Strong Nation Factory" to explore the Integrated Home Strategy and OPPEIN intellectual manufacturing



\*"OPPEIN Factory Cloud" passed the test and verification of digital Guangzhou Innovation Laboratory

\*The Group was awarded the honor of "Digital Traction Unit" for the digital transformation of small and medium-sized enterprises in Guangzhou.

\*"Key Technology and Application of Intelligent Flexible Production Line for Customized Furniture" won the "Certificate of Appraisal of Scientific and Technological Achievements in China's Forestry Machinery Industry".

### Some digital and intelligent transformation results:

#### Intelligent AS operations across all categories

Leveraging digital technology, we drove R&D for intelligent, automated, and self-service scheduling across the base, aiming for full - process automation in AS operations to cut costs, boosted efficiency, and improved quality. By digitizing key rules, we created software automation models and system services to optimize processes and capture high - quality data, achieving partial process automation, fast scheduling, and reduced production energy consumption.

#### Digital transformation of raw material warehouses

Based on optimizing raw material warehouse entry/exit, we digitally transform raw material operations, using informatization and automation to build an intelligent warehouse management system. This improves warehouse efficiency, connects information flows, and automates inventory management for paperless operations. We set up an automatic inventory warning and upgrade material requisition and truck scheduling, enhancing supply chain reliability and response to anomalies.

#### Intelligent logistics and warehousing

By integrating IoT RFID and upgrading MCTS, we enabled automatic real-time logistics order push, smart path guidance, and AI-calculated recommended storage in MCTS. This cut out manual shelf-related tasks in warehouses, streamlining order turnover and reducing logistics costs, with the aim of achieving fully digitalized logistics management.

#### Delivering cloud services

We enhanced the digital warehouse of the delivery system, integrated the underlying data of business systems for centralized data management and sharing, and achieved end - to - end order monitoring and anomaly pre - warning via data analytics. We developed an AI - powered intelligent order consultation & response platform with an updated knowledge base, supported by human customer service, to offer dealers a convenient way for real - time order tracking and delivery policy inquiries.



\*Delivery center Q&A robot

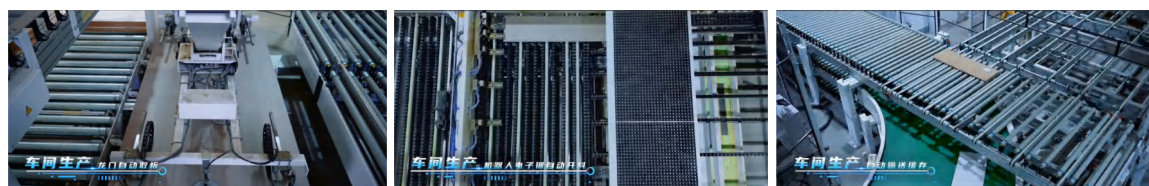




## Case: OPPEIN AI digital intelligent factory

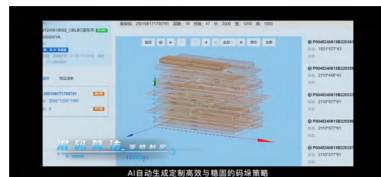
### Automated workshop production

Gantry automatic board pickup, robot electronic saw automatic board pickup multiple cutting, automatic conveyor caching, flexible gauge square accurate sealing, digitalized row of holes, intelligent sorting, automatic packaging and so on.

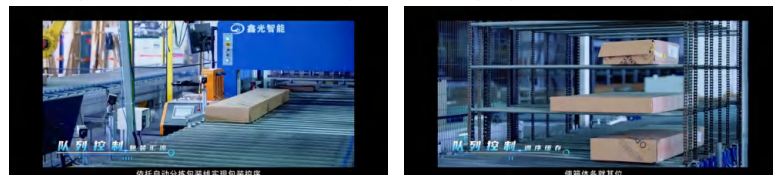


### Downline palletizing system

- Original downline palletizing system instead of manual palletizing, docking mixing algorithms, AI auto-generation to customize efficient and solid palletizing strategies.



- Relying on the automatic sorting and packaging line to realize the packaging control sequence.



- Utilizing palletizing robots to automate precision gripping and placing of multi-size packages in mixed lines.

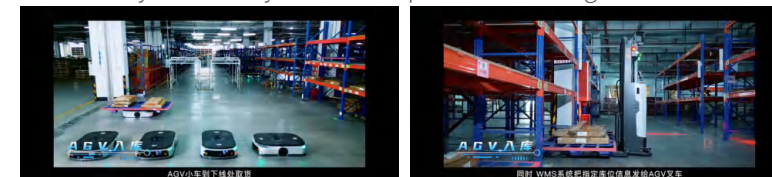


- The production terminal quickly builds a logistics infrastructure, connecting the industry's automated production and logistics system.



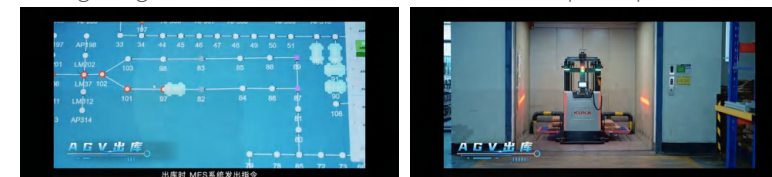
### AGV inbound

The system sends the stocking task to the AGV, the AGV cart picks up the goods at the lower line, hands them over to the AGV forklift along the preset route, and transports them to the designated stocking information indicated by the WMS system to complete the stocking.



### AGV outbound

AGV forklift receives the instruction from MES system, goes to the designated warehouse to pick up the goods and send them to the elevator to complete the delivery out of the warehouse, which can effectively shorten the time consuming manual searching for goods, reduce the risk of mixing the goods, and can realize 24-hour uninterrupted operation.



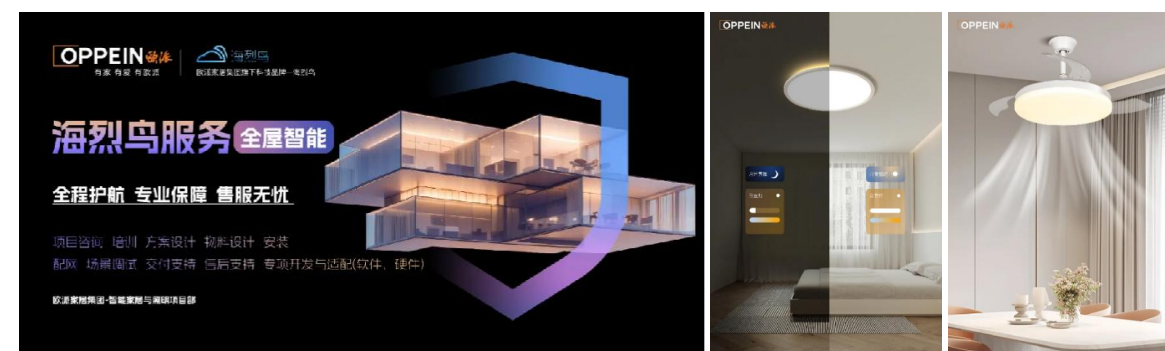
### Sheet material three-dimensional warehouse

Automatic warehousing, automatic picking by stacker cranes, automatic board allocation by AI scheduling and automatic finished product warehousing system.



## Case: "Sea Flamingo" whole-house intelligent terminal officially launched

OPPEIN's home furnishing technology brand "Sea Flamingo" whole-house intelligent terminal products was officially listed in July, focusing on whole-house intelligent light environment management, serving OPPEIN system stores. It based on OPPEIN integrated home model to adapt to innovation, give customers a better experience, in order to form the differentiation advantage of the sea flamingo whole-house intelligent.





## Compliance with ethical norms of science

We prioritize ethical science and technology management, focusing on ethical issues related to user information, living habits, and preferences collected in artificial intelligence customer service and intelligent Internet of Things whole-house smart terminals. We strictly comply with laws and regulations such as the "Interim Measures for the Administration of Generative Artificial Intelligence Services" and the "Measures for the Review of Ethics in Science and Technology" (for Trial Implementation). Complying with the "Cybersecurity Law," "Data Security Law," and "Personal Information Protection Law" of the "People's Republic of China," we have established a comprehensive information security management system and developed an adaptive closed-loop security protection system to comprehensively safeguard the security of network infrastructure and data assets.

We adhere to the "minimum necessary principle," clarifying user information rights and authorization mechanisms to prevent over-commercialization or non-consented data use while encrypting family-sensitive data. We enforce transparency in AI algorithms, banning the generation of false, misleading, or discriminatory content. To avoid user over-reliance on smart terminals that weakens home environment control, we design "human-centered" interfaces retaining manual control functions and embed an "interpretability" principle in technical design to help users understand system logic.



## CUSTOMER RIGHTS AND BENEFITS

The Group strictly complies with laws such as the Civil Code of the People's Republic of China, the Product Quality Law, and the Law on the Protection of Consumers' Rights and Interests to protect customer rights, deliver quality services, and enhance brand reputation and customer service satisfaction.

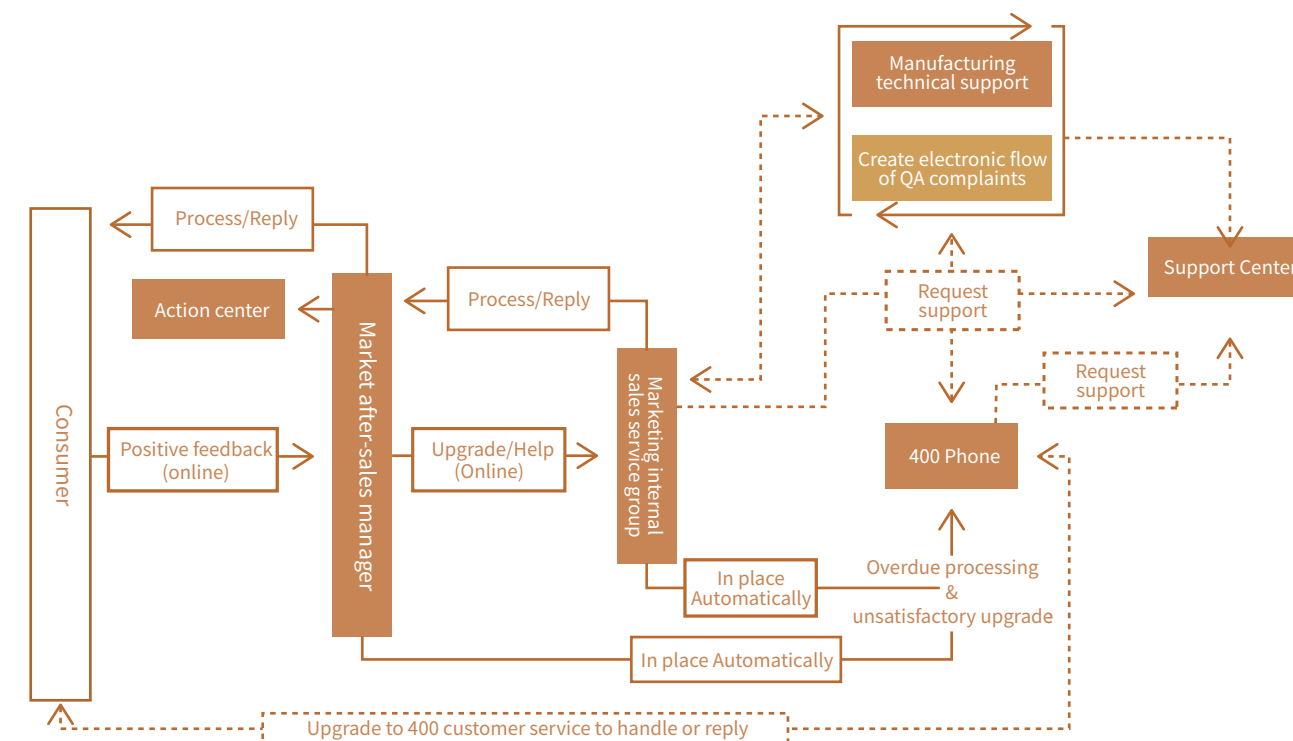
## Enhance Customer Satisfaction

Guided by the core concept of "fairness and brightness + the pursuit of perfection," OPPEIN's brand culture centers on home and love, committed to delivering a high-quality "home and love" experience. We focus on enhancing the efficiency, quality, and satisfaction in handling positive customer feedback, strictly tracking and evaluating indicators related to product services and customer satisfaction to ensure customer voices are transmitted "without attenuation" within the Group.

### Customer service system

Adhering to "customer first, service by heart," we reformed the after-sales system, opened customer feedback channels, launched a category-wide customer support center app, and streamlined feedback processes for the Group's 400 hotline, ISFS system, and non-customized products. During the reporting period, two customer satisfaction surveys covered over 1.56 million customers. Internal statistics showed positive consumer trends: basic service satisfaction scored 8.75/10, and product quality reputation scored 8.30/10.

Closed-loop requirements:  
efficiency + satisfaction



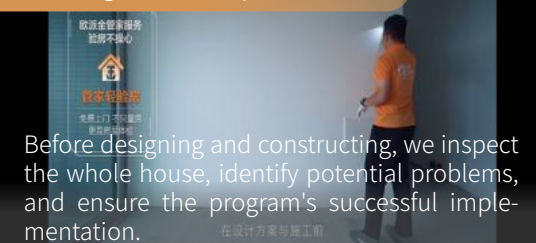




## Case: The Integrated Home Gold Butler Service

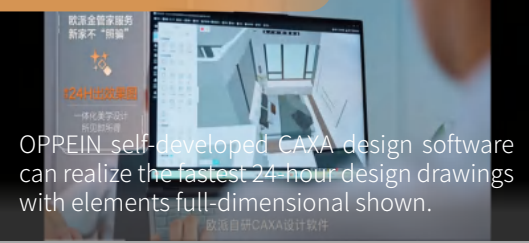
For its 30th anniversary, OPPEIN launched the "Integrated Home Gold Butler Service," gaining insight into user needs, innovating service models, and upgrading service standards under the principle of "service as the foundation, reputation as the soul." Through eight comprehensive services, it aims to solve consumer problems and fulfill their needs.

### Butler light home inspection



Before designing and constructing, we inspect the whole house, identify potential problems, and ensure the program's successful implementation.

### Restored effect



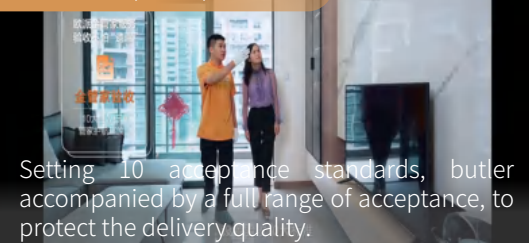
OPPEIN self-developed CAXA design software can realize the fastest 24-hour design drawings with elements full-dimensional shown.

### Six-one installation standard



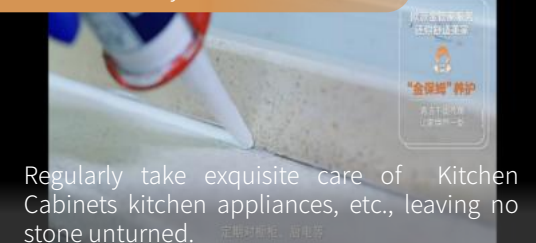
1 installation-kit, 1-red carpet-mulch, 1-set of uniforms, 1 pair of shoe covers, 1 sheet of protective film, 1 acceptance form.

### Stewardship acceptance



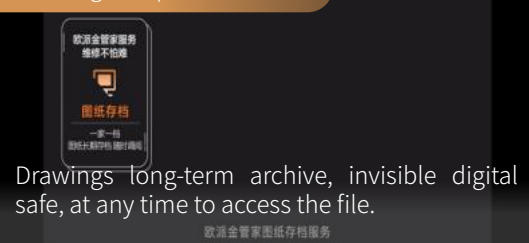
Setting 10 acceptance standards, butler accompanied by a full range of acceptance, to protect the delivery quality.

### "Golden Nanny" conservation



Regularly take exquisite care of Kitchen Cabinets kitchen appliances, etc., leaving no stone unturned.

### Drawings keep on record



Drawings long-term archive, invisible digital safe, at any time to access the file.

### Extremely fast after-sales service



Extremely fast online response and prompt in-home treatment.

### Lifetime maintenance



A product warranty is provided to protect your home.

## Customer feedback processing

We established management regulations such as "OPPEIN Home Group Customer Survey Management Regulations" to standardize service complaints and crisis handling, defining a four-step process: acceptance, processing, return visit, and rectification, with the customer service center ensuring effective implementation. We reinforced professional training for sales and customer service teams, conducting 66 trainings covering 1,239 employees with an average of over 10 hours per capita. Additionally, we created the "Turning Complaints into Opportunities - Customer Experience Enhancement Manual," boosting complaint handling satisfaction by 6.8% year-on-year.

2024 Performance

Conducted customer feedback-handling professional training  
**66**times

Covered employees  
**1,239**people

Average training hours exceeded  
**10**hours/person

Year-on-year increase in complaint handling satisfaction rate  
**6.8%**

### Customer feedback channels

Establishment of the Group's 400 hotline, telephone number: 400-884-1868

Group website: [www.oppein.com](http://www.oppein.com)

E-mail: [op@oppein.com](mailto:op@oppein.com)

WeChat service number: OPPEIN Home Customer Service, WeChat small program: OPPEIN Home Group

Postal mail: No. 366, Guanghua 3rd Road, Jianggao Town, Baiyun District, Guangzhou City, 510450, Group Customer Service Center of OPPEIN Home Group Co.

(vi) Shopping malls are required to inform customers of the Group's service channels, including but not limited to the following: purchase contracts, store plaques, store service boards, etc.

Some customer service quality enhancement and improvement projects

### Customer quality improvement

Issued the "Notice on the Closed-loop Control Process of Special Inspection on the Identification of Secondary Legacies on the Line", which focused on accurately identifying secondary legacies and implementing hierarchical classification control to effectively prevent and control multiple legacies. Established a fast reformulation process. Through the online process, reformulation needs were quickly approved, enabling same-day or next-day order delivery to meet customers' rapid delivery requirements.

### Delivering AI customer service

Used a unified front-end consulting portal, integrated AI customer service functions, and optimized its service capabilities. Set up an artificial customer service team, standardized its service processes and standards, enabled seamless collaboration between intelligent and artificial customer service, and enhanced the overall quality and efficiency of customer service.



\*Specialized training in customer complaint handling



客户体验提升手册  
——变诉为机 追求完美——

\*"Turning Complaints into Opportunities - A Handbook for Enhancing the Customer Experience"



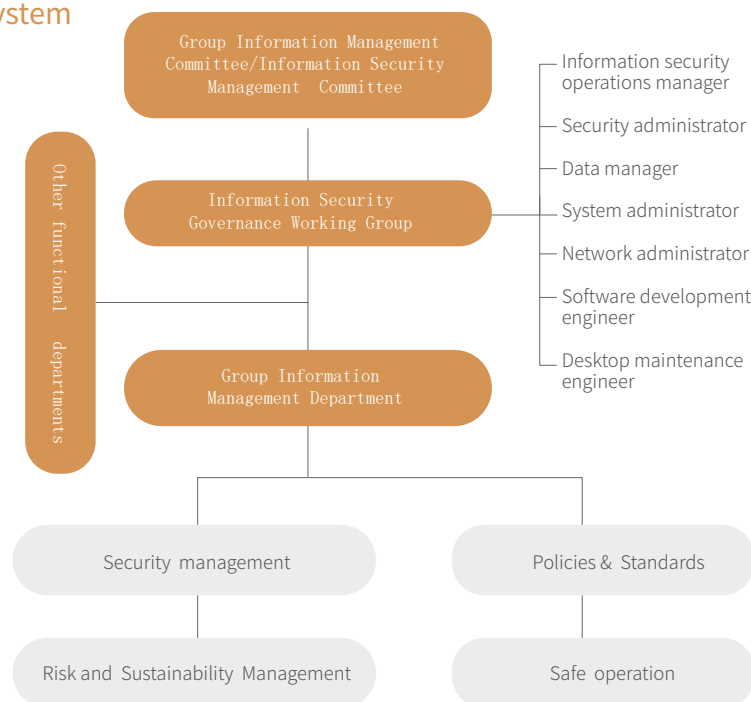
## Information security and privacy protection

We prioritize data and privacy security, following the principle of "prevention first, unified standards, etc." We establish an internal information security management system with clear structures and protocols, backed by a security team and security investments. Upholding DevSecOps and regulatory compliance, we standardize data security to deliver secure products/services, ensure business continuity, and protect information security. We also conduct regular security education and training to cultivate a security - conscious culture among employees.

During the reporting period, the Group did not experience any information leakage incident, and its relevant business APPs have not been publicly notified or taken down by national regulatory bodies.

### Information security management system

As the Group embraces intelligence and digitization, we increasingly prioritize network information security. To strengthen protection of key data and information assets, we have developed regulations like the "Oppein Home Group Information Security Management Regulations" and "Data Security Management Specifications," complying with laws such as the Personal Information Protection Law and Cybersecurity Law. These establish and maintain data security policies and standards, forming the Oppein Information Security Management System. During the reporting period, we implemented a public cloud security project to ensure stable operation of information systems and introduced new norms including the "Public Cloud Management Specifications" and "Terminal Marketing System Material Maintenance Management Specifications".



\*Information security management organization structure

#### ● Data compliance management

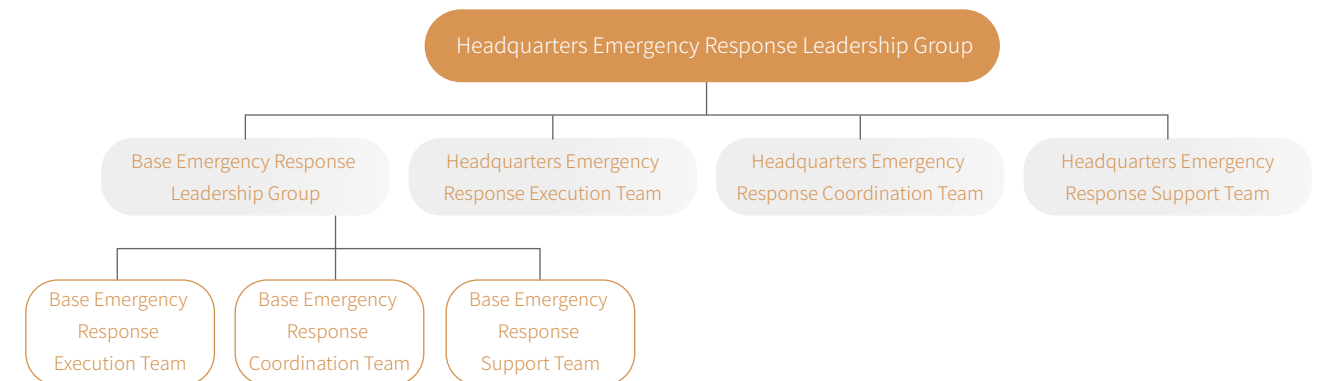
We have established a robust data compliance management system with regular communication mechanisms, clarifying accountability for data compliance and making adherence to regulatory requirements a condition of employment. For key data-processing positions, we conduct background checks and require signed compliance undertakings and confidentiality agreements to define obligations, ensuring comprehensive compliance in data utilization and safeguarding the Group's data security.

#### ● Privacy protection

We strictly regulate user privacy policies and personal information collection/use in our APPs (e.g., OPPIE Smart Home, Sea Martyrs) and mini-programs, conducting regular privacy impact assessments and compliance testing while promptly rectifying issues. We respect users' rights to know, choose, and control their personal information, detailing policies for acquisition, management, and protection in our digital platforms and seeking consent before collection/use. Additionally, we employ strict data access controls, multi-factor authentication, data anonymization, and encrypted transmission to ensure comprehensive protection of personal information.

#### ● Emergency plan

We have formulated emergency plans like the "OPPEIN Home Furnishings Group Information Security Incident Emergency Management Standards" and established an information security emergency response organization to address incidents promptly. In case of security incidents, we immediately take remedial actions and follow up to minimize losses and impacts. Additionally, we conduct vulnerability management per the "Information Security Vulnerability Management Specification," defining a lifecycle-based process tailored to the Group's needs and performing penetration testing via simulated malicious attacks to assess network system security.



\*Information security emergency response organizational structure

#### ● Partner regulation

We prioritize privacy and trade secret management with partners, including confidentiality clauses in procurement and cooperation agreements to require strict compliance with confidentiality commitments and protect product secrets and user privacy. We also integrate core stakeholders' information security and privacy protection policies into our overall risk management plan, making them key focuses in internal and external security audits, and conduct annual special reviews to ensure effective control over information and privacy security.

### 2024 Performance

Carried out safety awareness promotion

**2**times

Conducted cybersecurity training

**1**time

Covered employees

**9,724**person times

Cybersecurity quiz covered employees

**1,564**people

### Information security training

All employees must complete information security training upon hiring, and we regularly conduct annual training and awareness campaigns via centralized on-site sessions, emails, "E Orange Academy" online learning, and office desktop pushes. Content includes national regulations, network security awareness, email security, software download safety, virus protection, and telecom fraud prevention, targeting all in-service and new employees, with additional specialized training for information security personnel. During the reporting period, the Group held 2 security awareness campaigns and 1 cybersecurity training, reaching over 9,724 person-times, and conducted quizzes for 1,564 employees, issuing warnings for potential risks to enhance their cybersecurity awareness and skills.





# 06

## EMPLOYEES AND SOCIETY

OPPEIN insists on "Cultivating love for family and society, from small to large, from individual love to great love". We internally emphasize that "talent is the first resource for enterprise development", prioritize the respect and protection of every employee's rights and interests. We strive to create a safe and healthy working environment and stimulate potential of employees. We offer diverse activities to employees to enhance their sense of fulfillment, happiness, security, and satisfaction. Externally, we focus on fulfilling our corporate social responsibility, increasing support for rural revitalization, poverty alleviation, education for children with disabilities, and public welfare education at red bases, and constantly strengthening the public's high recognition of OPPEIN "home-loving culture" brand awareness and sense of social responsibility, so that we can embrace and give back to the society.



## EMPLOYEE RESPONSIBILITY

OPPEIN comprehensively protect employees' legitimate rights and interests, building a fair, just, and transparent career development platform. We continuously improve our compensation, benefits, and performance evaluation systems, implement employee stock ownership plans, and enhance welfare protections to deliver a satisfying work-life experience for our workforce. OPPEIN provides diverse training programs to support career advancement, robust occupational health and safety management systems, optimized worker representative conferences and staff forums and multiple channels for employees to contribute ideas and suggestions. Through these efforts, we foster mutual growth for both the company and our employees.



\*Guangdong May 1st Labor Award

### Compliant employment and equal opportunities

We respect strict compliance with the "Labor Law of the People's Republic of China", the "Labor Contract Law of the People's Republic of China", the "Employment Promotion Law of the People's Republic of China", the "Provisions on Employment Services and Employment Management" and other laws and regulations of the places where we operate. We formulated the "Employee Recruitment and Employment Management Regulations of OPPEIN Home Group Inc.", the "Onboarding and Labor Contract Management Regulations of OPPEIN Home Group Inc." and "Recruitment and Employment Management Standards for Fresh Graduates of OPPEIN Home Group Inc.", "Recruitment and Employment Management Regulations", "Employees' Overtime Wage Accounting Management Regulations of OPPEIN Home Group Inc." and other systems. We respect human rights and uphold justice, and resolutely prohibit the employment of child labor. We uphold equal treatment by providing fair opportunities to all employees throughout recruitment and employment processes. During the reporting period, the Group was honored with the titles of "2024 Guangdong Extraordinary Employer" and "Model Enterprise for Veterans Employment".



\*2024 Guangdong Extraordinary Employer of the Year



\*Model Enterprise for Veterans Employment

### Compliant employment

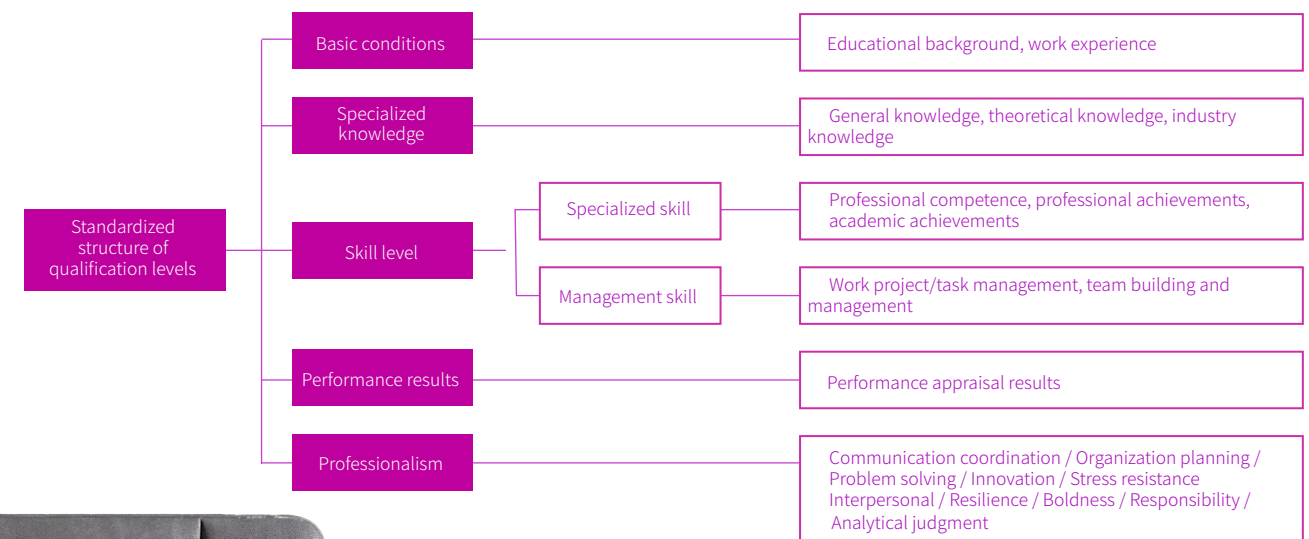
The Group resolutely prohibits the employment of child labor, establishes a personnel system control module to automatically warn candidates who have not reached the legal age, and requires the original ID card to be submitted again for age review during the recruitment and employment process. If there is any inconsistency, the investigation process will be immediately initiated to verify the actual age, and employees under the age of 18 will be resolutely cancelled; A clear qualification level standard structure will be established to clarify the qualification standards for various job categories, types of jobs, and positions. Labor contracts will be signed with employees in a timely manner to clarify the rights and obligations of both parties and ensure compliance with employment regulations. During the reporting period, the Group formulated the "OPPEIN Home Group External Shared Employment Management Regulations" to improve the legal definition of shared employment and clarify the roles and responsibilities of participating entities. During the reporting period, 0 child laborers and 0 forced laborers were found in the Group, and no strikes/work stoppages occurred; the signing rate of employee labor contracts was 100%.



\*The personnel system control module automatically warns candidates who have not reached the legal age

#### 2024 Performance

Child laborers discovered:	Forced laborers discovered	Signing rate of employee labor contracts
0	0	100%



\*Standardized structure of qualifications





## 2024 Performance

Total employees  
**20,582**

Ethnic minority  
employees  
**1,085**

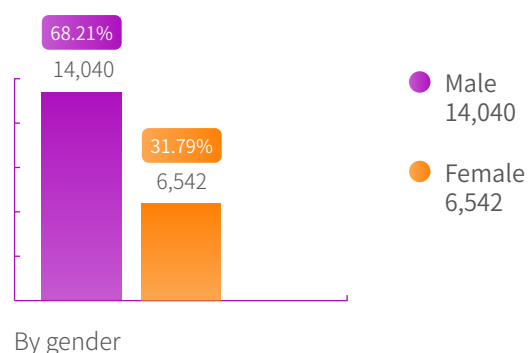
Veterans  
employees  
**214**

Newly recruited  
employees  
**3,265**

## Equal employment

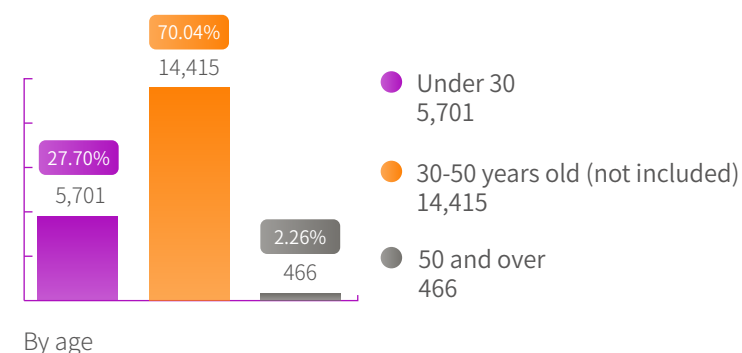
We abide by the employment philosophy of "merit-based appointment, full utilization of talents, fair competition, and mobility both upward and downward", and provide equal opportunities to all candidates and employees regardless of gender, race, marital status, injury, health, or family status.

As of the end of the reporting period, the Group had a total of 20,582 employees, including 1,085 ethnic minority employees and 214 veteran employees, 3,265 new employees were recruited during the reporting period.

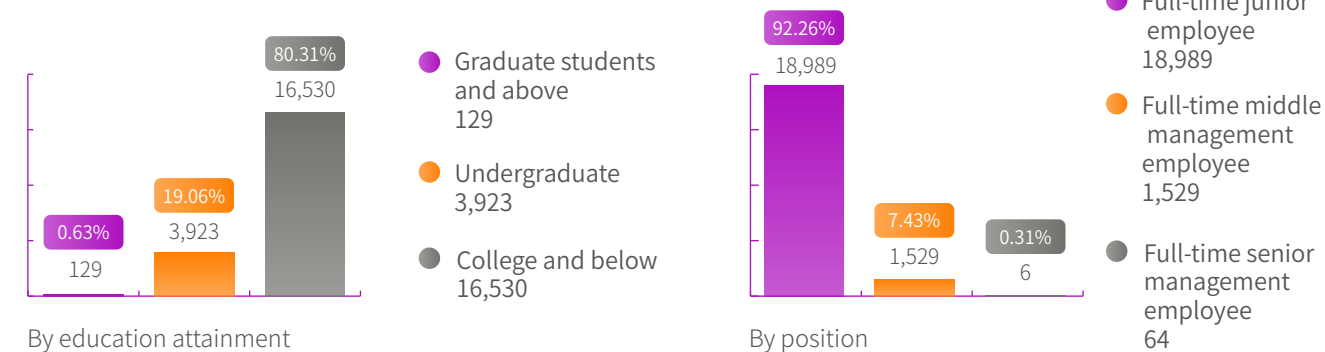


By gender

\*Employee attrition



By age



By education attainment

By position

\*Employee attrition



By gender

By age

\*Employee turnover rate attrition

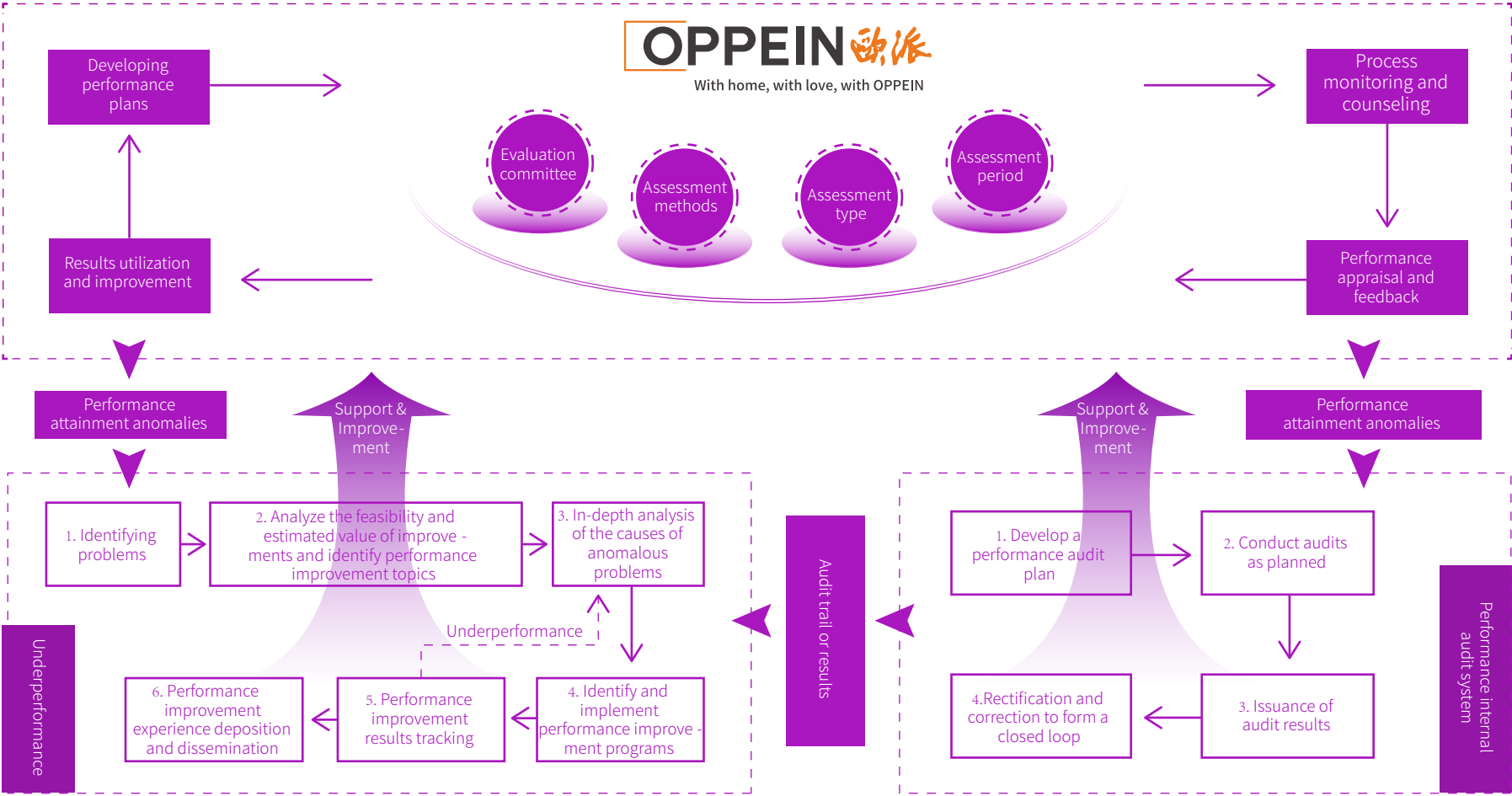


7.1.2.Employee compensation and performance

We formulated fair and just salary system such as "Salary Management Regulations of OPPEIN Home Group Inc.", "General Management Regulations on Incentives and Accounting for Employees of OPPEIN Home Group Inc.", created a competitive salary system for all employees. The Group has launched an employee stock ownership plan to improve the interest sharing mechanism between employees and shareholders. We continued to improve the employee rights protection system, upgraded the employee welfare system, established a trade union committee, and sound labor contracts, social insurance, salary distribution, parental leave, employee physical examinations, work-related injury management and other rules and regulations to effectively protect the legal rights and interests of employees, OPPEIN also carried out employee care activities, and enhance employees' work happiness and sense of belonging.

Performance incentives

OPPEIN formulated "Performance Management Regulations of OPPEIN Home Group Inc." and "Incentive Mechanism Construction Management Regulations of OPPEIN Home Group Inc." to establish a performance management incentive mechanism that is scientific, comprehensive, objective, fair, efficient, practical, and precise in evaluation, consisting of three major components including the "Performance Management System", the "Performance Internal Audit System", and the "Performance Improvement System". It closely connects organizational and personal performance goals, maximizes the activation of organizational effectiveness and personal effectiveness, and ensures the realization of organizational strategic goals while improving the personal performance of employees. The performance management system mainly consists of 5 parts which includes "appraisal type, appraisal cycle, appraisal method, appraisal team and performance process", and the appraisal results shall be used for the accounting of performance incentive. If the appraisee has any objection to the appraisal results, he/she can initiate objection feedback to his/her superior within 3 working days upon receipt of the appraisal results. As of the end of the reporting period, the system has covered all employees. With different emphasis, the appraisal varies for personnel at different levels, mainly categorized into senior, middle and junior levels. During the reporting period, the performance appraisal and incentive bonus scheme covers 100% of employees in the Group.

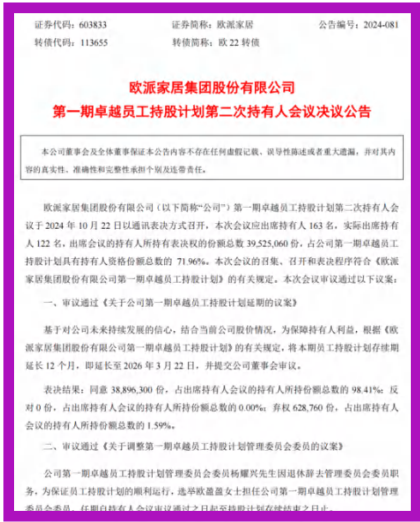


\*Performance Management System

2024 Performance	
Performance management system coverage 100%	
Focus of performance appraisal	
Senior level	The assessment focuses on 4 major aspects: finance (Group strategy decomposition, annual business planning), customers (internal and external customer service enhancement needs), internal operations, and learning & growth.
Middle level	The assessment focuses on 3 major aspects: the decomposition of business planning for business divisions/bases, the planning of departmental key work, and the fulfillment of core functions.
Junior level	The assessment focuses on 3 major aspects: core job duties, work priorities for the time period, assessment deficiencies and key improvement directions.

Employee stock ownership plan

In order to enhance the cohesion of employees and promote the long-term and sustainable healthy development of the company, the Group implements equity incentive plans for key employees, middle-level managers, senior managers, directors and other employees who have made outstanding contributions to the company's performance or have a significant impact on the company's future performance in accordance with the China Securities Regulatory Commission's "Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Plans by Listed Companies" and "Shanghai Stock Exchange Listed Company Self-Discipline Supervision Guide No. 1-Standardized Operations". In 2022, the Group formulated and launched the "OPPEIN Home Group Inc. First Phase Excellent Employee Stock Ownership Plan", with a total of 230 incentive targets, a total of approximately 578,500 shares granted, and a transaction amount of approximately RMB 68.2559 million. During the reporting period, based on the confidence in the Group's future sustainable development and the current stock price of the company, the Group's Board of Directors agreed to extend the company's first phase of the Excellent Employee Stock Ownership Plan to March 22, 2026 to maximize the interests of holders and the company and promote the company's long-term development.





2024 Performance

Social insurance coverage  
**100%**

Investment in employee  
welfare construction  
approximately  
RMB**95**million

Employee benefits

OPPEIN places paramount importance on humanistic care for its employees. Through the establishment of the "OPPEIN Home Group Employee Welfare Subsidy Management Regulations", the Group has constructed a 360° comprehensive care system, fostering a collaborative mechanism of shared creation, shared benefits, mutual success, and collective prosperity. This system continuously provides employees with a wide range of welfare benefits. Additionally, by formulating the "OPPEIN Home Group Employee Visitation, Support, and Donation Assistance Management Standards", the Group prioritizes the well-being of frontline employees, female staff, retirees, and employees facing difficulties, consistently refining assistance mechanisms to enhance workplace happiness and sense of belonging.

During the reporting period, the Group achieved 100% social insurance coverage for all employees and invested approximately 95 million yuan in employee welfare programs.

Employee welfare system

OPPEIN complies with national regulations by providing statutory benefits such as social insurance, housing fund, and legal holidays. The Group also offers 16 supplementary welfare programs (e.g., festival/birthday benefits, training subsidies, health checkups).

In leave management, the Group adheres to national working hour standards and paid annual leave policies, respecting statutory holidays like International Women's Day. A comprehensive leave system with 16 categories (e.g., personal/sick leave, parental leave) includes family visitation leave and fully paid special leave. Regarding working hours, OPPEIN operates a 7.25-hour daily work schedule (8:30 AM - 5:15 PM) and implements a flexible scheduling policy during winter months and every Friday, allowing employees to leave 15 minutes early (5:00 PM). This results in an average weekly working time below the 40-hour statutory standard, effectively balancing professional and personal commitments while enhancing employee satisfaction and organizational loyalty.

Supplementary Employee Benefits	
Service	<p><b>Cultural and recreational facilities:</b> gymnasium, basketball court, table tennis room, library, badminton court, billiard room, soccer field</p> <p><b>Supporting living space:</b> mother and baby room, bank, convenience store, medical office (including outpatient clinic, Chinese medicine physiotherapy room (new), psychological counseling room (new), providing acupuncture, moxibustion, tuina and other services), additional electric car shed</p> <p><b>Life support software:</b> carpooling platform (to meet the needs of employees for daily commuting, holiday travel and other group carpooling)</p>
Improvement of facilities	New dormitory curtains and hoods; replacement of dormitory doors, iron frame beds, cold and warm inverter air conditioners, constant temperature water heaters, anti-mosquito curtains; renovation of the basketball court; renovation and remodeling of the cafeteria
Talent apartment	Installation of additional welfare and couples' rooms, car charging piles and express lockers
Employee Services	<p>Provide Golden Nanny dormitory cleaning service, Sunflower office cleaning service</p> <p>Launch of fresh food group purchasing service</p> <p>Additional staff lounge</p> <p>Provision of free dormitory services and pest control in dormitories</p>
Employee Activities	<p>Festivals (e.g. Lantern Festival, Women's Day)</p> <p>Specialized thematic activities (e.g., Good Life Bazaar, food safety, food festivals, staff talks and interactions)</p> <p>Summer Parent-Child Programs (DIY Baking, Backyard Kitchen Tour)</p>



\*Infirmary



\*Nursing room



\*Banks



\*Library

Enhancing Employee  
Birthday Benefits

The standard of per capita benefits has been raised, with more diversified gift choices, personalized hand-drawn greeting cards, convenient collection process and considerate redemption reminder services.

Improving the Employee  
Physical and Medical Experience

Successfully introduced the medical institution of Jiang-gao Health Center to provide employees with more comprehensive and accurate physical examination services and professional report interpretation and follow-up value-added services; the medical office

Care for employees

The Wuhan base is equipped with sufficient heat-prevention and cooling materials for the front-line employees who are subjected to the "baking test" of the hot

\*Optimization and upgrading of OPPEIN's 2024 welfare system



Case: Talent residences

The OPPEIN Talent Residences, north of the Guangzhou Baiyun headquarters, cover 2,600 sqm with a 61,989 sqm GFA. Comprising four buildings with 526 furnished apartments, the complex offers premium amenities including a central garden, parking, fitness center, and a convenience store. These facilities ensure comfort and reflect OPPEIN's commitment to employee well-being through quality housing.





2024 Performance

● Employee care initiatives

Employees received assistance

45

Care visits to ill employees and bereaved executives

9

Cultural care activities conducted

43

OPPEIN actively implements diverse cultural and recreational programs to enrich employees' lives, including innovative activities such as New Year red envelope distributions, corporate merchandise design competitions, workshop fun events, and parent-child educational outings, all designed to enhance employees' sense of well-being and belonging. Concurrently, the Group has established a comprehensive and targeted support system for employees in need, organizing regular visits to convey corporate care, initiating donation campaigns to pool collective goodwill, and facilitating access to special assistance from the Municipal Employee Development Foundation for severely disadvantaged staff.

During the reporting period, the program assisted 45 employees facing hardships, provided visits to 9 individuals (including those battling illnesses and bereaved executives), and conducted 43 cultural and recreational care activities, demonstrating OPPEIN's holistic commitment to workforce welfare.



Case: Employee carnival for the Group's 30th anniversary

In October 2024, the Group connected its five major smart manufacturing bases nationwide across time and space, successfully planning and implementing cultural and sports activities like the 30th Anniversary Employee Carnival to enrich employees' leisure time and enhance team cohesion and belonging. Notably, the chairman personally attended the Carnival, interacting cordially with employees to provide great encouragement and strength.



Case: Caring for female employees

We are well aware of the unique value and contribution of female employees in the workplace, and actively advocate gender equality and a workplace environment that respects multiculturalism. In March 2024, the group's labor union offered holiday greetings to all female employees on Women's Day and launched free "nail art services" and "plaster doll coloring DIY" activities.



Case: Children's Day- fun and companionship

To promote the "family culture", the group's labor union launched Fengxing Dairy Town parent-child activities and the Excellent Education Parent-child Special in June 2024 for Children's Day. 23 employee families (82 people) joined the Fengxing Dairy Town study tour, while the Special offered parent-child DIY, robot interaction, and lectures. Transforming industrial resources into family welfare, these activities boosted parent-child bonding via immersive learning and enhanced employees' family belonging and work-life balance.



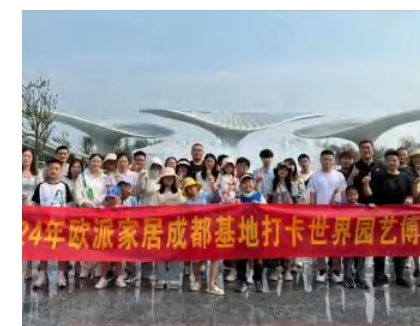
\*Tianjin Base: Tug-of-war



\*Wuxi Base: Blessings at Dragon Boat Festival



\*Guangzhou Headquarters: Badminton Tournament



\*Chengdu Base: A trip to the World Horticultural Exposition



\*Qingyuan Base: Billiards Challenge



Warm Winter Gluttony Festival



Training and career development

We prioritize talent retention/attraction through "pipeline development, internal empowerment, and market-oriented expansion," leveraging digital/intelligent transformation. This builds a collaborative talent ecosystem integrating internal/external resources. We support employees in internal/external learning and professional certifications for holistic growth. Strengthening internal training, we offer tailored programs and personalized development plans. These empower employees, create advancement opportunities, and establish a merit-based mechanism ("competent rise, underperforming improve"). This ensures a high-caliber, high-performance team for sustained excellence.

Talent training

We always regard talent development as the core driving force for the sustainable development of the company, establish a sound and complete internal employee full-career cycle training system, focus on the optimization of key position capability models through a hierarchical and classified precise training mechanism, achieve dynamic matching of talent skills and business needs, and help employees and companies grow together.

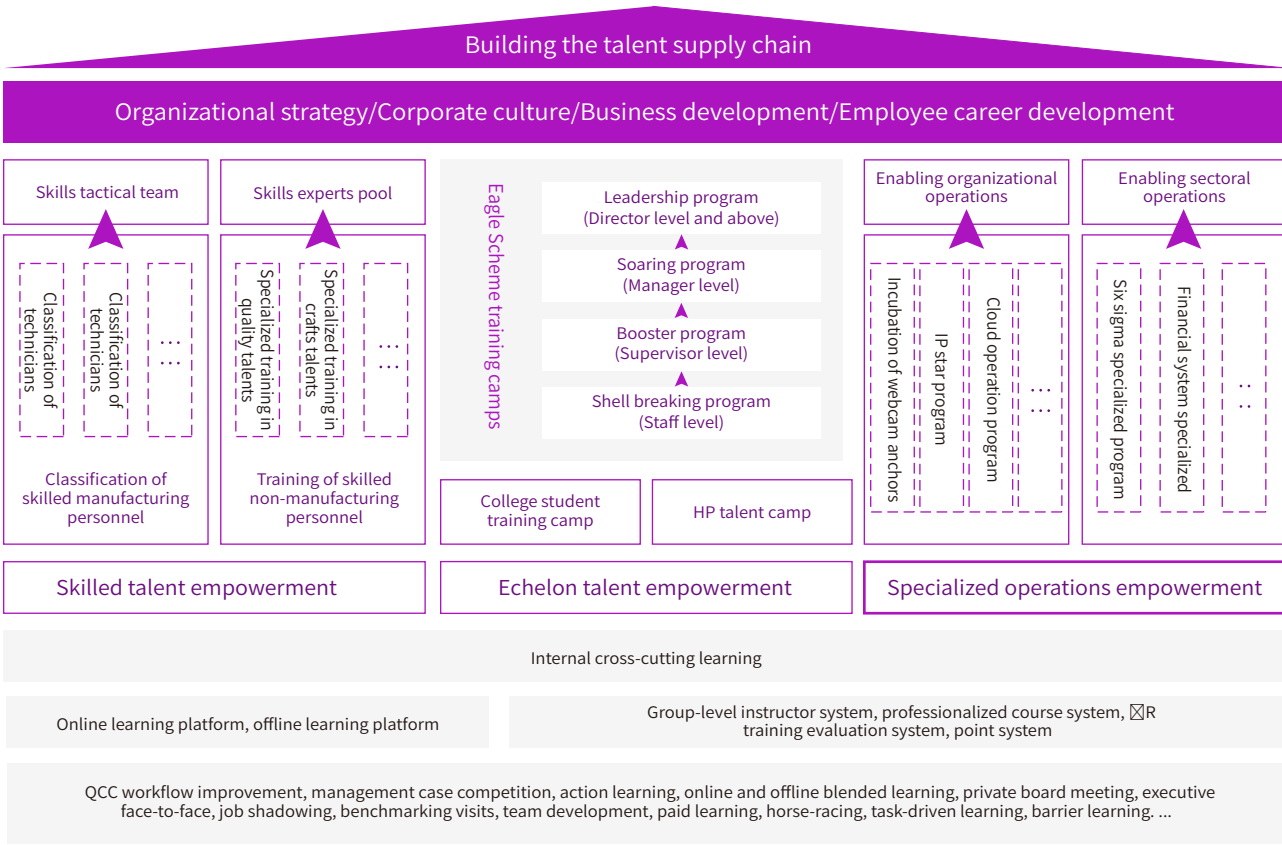
In terms of the internal training system, the Group is guided by business needs and establishes a hierarchical and classified precise training mechanism. Through the "E-Orange Academy" online learning platform, employees' learning needs are met; for new employees, college students, and key positions such as R&D and design, the training of Integrated Home Strategy is strengthened; through the reconstruction of the Mini-EMBA course for executives, a team of managers with industry vision is cultivated. At the same time, we regularly organize challenging team projects and enhance employees' cross-departmental collaboration and cohesion through practices such as outdoor development.

In external collaborative education, the Group feeds industrial experience into vocational education, leading terminal empowerment projects like "full-case design transaction" and "anchor incubation" to cover dealer systems. It develops courses/evaluation systems such as "Approaching OPPEIN" and skill certification, completing self-evaluation qualification applications for roles like Interior Decoration Designer. Selected as a Guangdong "Industry-Education-Evaluation" leader unit and Guangzhou's model project, the Group led the development of "Mechanical Carpenter" digital portraits in the National Vocational Digital Exhibition Hall, becoming a national skill display unit.

During the reporting period, the Group's employee training time was 685,787 hours, of which offline training time was 75,339 hours and online training time was 610,448 hours, with an average training time of 33.31 hours per person. The Group invested RMB7.137 million in vocational training.

2024 Performance:

Total training time	Offline training time	Online training time
685,787 hours	75,339 hours	610,448 hours
Average training time per person	Investment in vocational training	
33.31 hours	RMB 713.7 million	



\*Talent Development and Cultivation System

Talent training to improve focus	
Talent Team Optimization	Implement targeted talent reserves and training, establish a key talent pool, form a competitive mechanism of "capable people go up, mediocre people go down", and build a high-quality team.
Efficient Training Model	Adopt a mixed, experiential, and training-combat training method to accurately improve business capabilities and the ability to solve practical problems.
Integration of Policies and Demands	According to national policies and company strategies, combined with business needs, strengthen organizational and personal performance, and promote the training of skilled talents.
Personalized Training	Based on annual demand surveys, provide training programs that meet personalized growth.
Technology Platform Integration	Simplify learning pathways and increase efficiency through multi-platform integration such as E-Orange Academy.





### Case: Full-case design and transaction breakthrough camp

In May 2024, the first design practice class of Full-case Breakthrough Camp 2.0 launched at OPPEIN South China's Qingyuan base. The training covered "online preview, offline intensive training, and PK drills," with over 50 hours of cumulative learning, producing 270 practical assignments and 52 design reports. After six days of full-process closed training, 54 designers from 28 malls nationwide completed their tasks and graduated.



### Case: Approaching the OPPEIN-A Study Tour and Learning Program

The "Approaching OPPEIN Study Tour Project" follows the principle of "attracting people through acquaintance" and focuses on "management, manufacturing, marketing, and R&D", opening to all walks of life via "latest practices, executive insights, first-hand experience, and in-depth interaction". Since launch, it has hosted 20+ events, welcomed 400 managers from 200 companies with a 9.66 satisfaction rating. In 2024, the project will upgrade with four major models, adding diverse ways to understand OPPEIN and meet learning needs.

A look at the top featured sites - intuitive feeling, immersive experience

Enter the world's top customized home furnishings full-category exhibition hall & fully automatic flexible production site

A study tour of unity of knowledge and action - learning while traveling, knowledge and action go hand in hand

On-site visit + single-theme course sharing + in-depth interaction

Multiple wisdom exploration journey - in-depth experience, multiple learning

On-site visit + series of themes/multiple themes course sharing + in-depth interaction

Wisdom navigator sharing session - wisdom sharing, leading the way forward

OPPEIN lecturers go to upstream and downstream cooperative enterprises to give themed lectures





## 2024 Performance

## Career development

Employees regularly received performance and career development assessments rate  
**100%**

The Group has formulated the "OPPEIN Talent Development Management Regulations" and "OPPEIN Employee' Career Development and Qualification Management Standards" in combination with the characteristics of the home furnishing industry, and established a talent pool with management and skilled personnel as the core. It plans, trains and uses talents from a systematic perspective, accelerates the empowerment of high-potential and high-performance talents, and promotes the implementation of the talent elite strategy. At the same time, we actively carry out the 2024 qualification level assessment work to stimulate the vitality of internal talents, accelerate the iterative growth of internal talents, and provide solid talent guarantees for the realization of the company's vision and strategic goals. During the reporting period, 100% of the Group's employees regularly received performance and career development assessments.

### Channel building

Dual career development paths for employees: management channel, technical channel (different channels can be switched)

### Standard rating

Through the qualification standards to clarify the quality, knowledge, skills and performance requirements, pulling employees to improve professional ability.

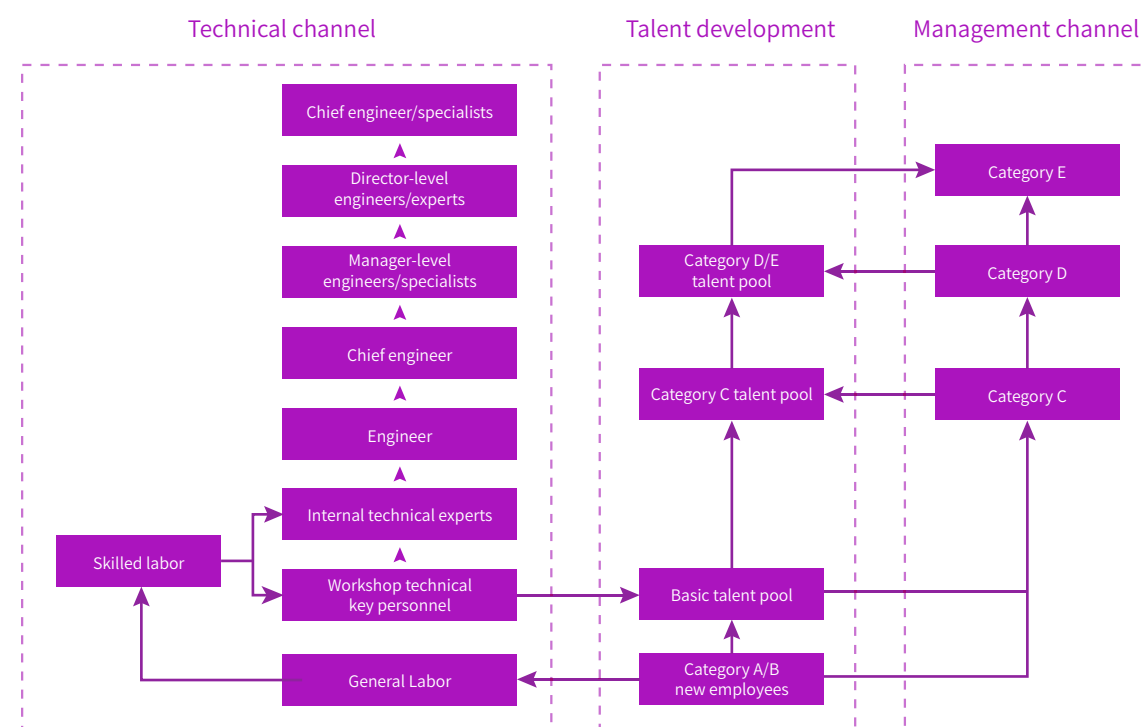
### Qualification assessment

Through the new arrival grading and annual evaluation, we analyze the competency level of employees and indicate the direction and target of competency enhancement and improvement.

### Results application

The results of the qualification level assessment will be applied to the work of salary incentives, selection & appointment, training management, etc.

\*OPPEIN talent promotion channel



\*Oppein talent promotion channel

## 2024 Performance

Total EHS training time  
**175,996** hours

EHS training coverage  
**100%**

Total EHS training participants  
**114,240**



## Occupational health and safety

We attach great importance to the occupational health and safety of employees, and are committed to providing healthy and safe working conditions for them and continuously improving the occupational health and safety management system. We implement "Production Safety Law of the People's Republic of China", "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases", "Regulations on Safety Training for Production and Business Units", and "Fire Protection Law of the People's Republic of China", etc. to formulate the "Occupational Health Management Regulations of OPPEIN Home Group Inc.", "Eight Prohibitions on Environmental, Safety and Health (EHS) of OPPEIN Home Group Inc.", "EHS (Environmental, Safety and Health) Assessment and Incentive Management Regulations of OPPEIN Home Group Inc.", "EHS Meeting and EHS Inspection Management Regulations of OPPEIN Home Group Inc." and other systems. Resolutely implement the production safety policy of "safety first, prevention first, comprehensive management", continuously implement the responsibility of production safety, and make every effort to create a favorable environment for production safety.

During the reporting period, OPPEIN conducted 175,996 hours of EHS training covering 114,240 participants (100% coverage), with zero



\*Awarded Third Prize in the Team Category at the 2024 Municipal-Level Minimum Emergency Unit Competition

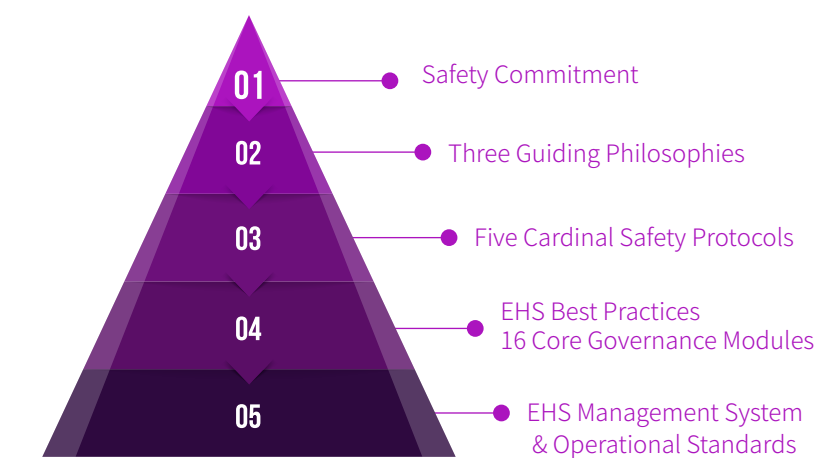


\*Awarded Outstanding Organization Award at the 2024 Baiyun District Emergency Response Unit Competition

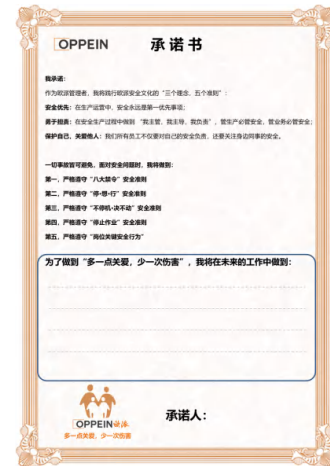


## I Safety production mechanisms

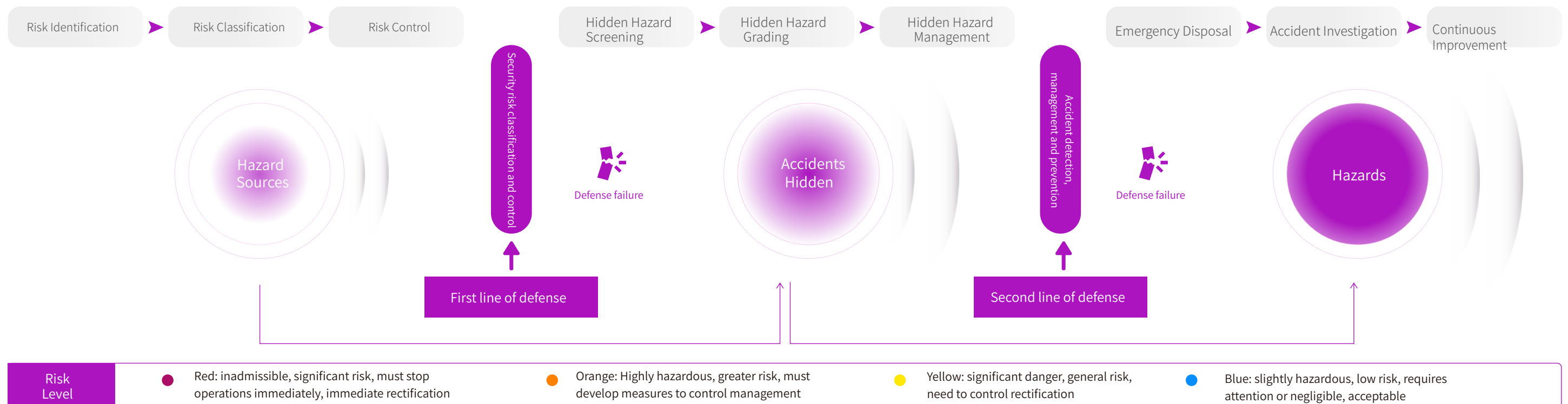
Guided By The Vision To "Lead In Home Furnishing Industry EHS Performance And Build An Exemplary Safety Culture", OPPEIN Established A Continuously Improving Safety Framework By Formulating Core Policies Including Production Safety Responsibility System, Safety Culture Manual, And Work Stoppage Criteria. The Group Launched A Unified EHS Standardization Project Across All Operations, Enforced Through Signed Safety Commitment Letters Defining Accountability At All Levels, Aligning With The Triple Zero Goal: Zero Casualties, Zero Environmental Pollution, And Zero Occupational Hazards.



\*Safety Culture



\*Safety Responsibility Commitment



\*Dual prevention work mechanism for safety risk classification and hidden accident detection and management

### 2024 Performance

Rectification rate for identified hazards  
**100%**

Lost Time Injury Frequency (LTIF) per million work hours decreased  
**33.21%**

Aligning with the safety production characteristics of the furniture manufacturing industry, we have established a dual prevention mechanism by leveraging two core methodologies: risk tiered control and hidden hazard identification. In compliance with the OPPEIN Home Group Hazard Identification and Risk Tiered Control Regulations, we implement systematic risk management—starting with risk identification and utilizing risk control measures to mitigate risks before they evolve into hazards. Simultaneously, guided by the OPPEIN Home Group Hidden Hazard Investigation and Resolution Regulations, we conduct tiered hazard remediation, continuously monitoring operational processes to identify potential control gaps and eliminate risks at their nascent stage, thereby preventing safety incidents. During the reporting period, the Group achieved a 100% rectification rate for identified hazards, while the Lost Time Injury Frequency (LTIF) per million work hours decreased by 33.21% year-on-year.



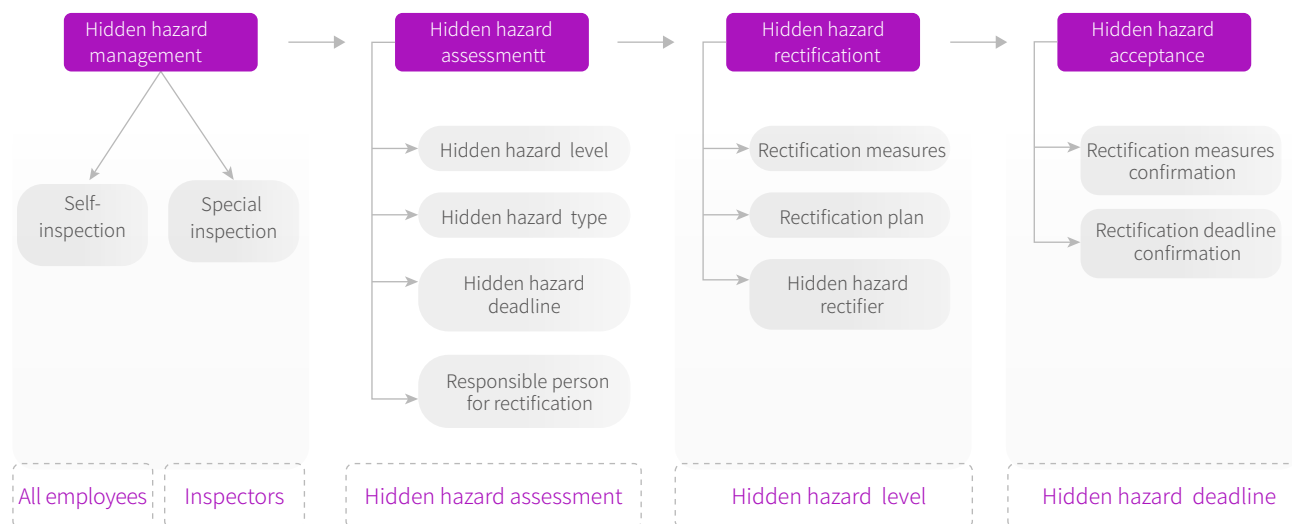
## 2024 Performance

"Hidden Hazard" Reporting  
Process coverage  
**5** bases  
and more than **30** factories.

Monthly average reported  
hazards exceed  
**1,000** pieces

## "Hidden Hazard" reporting process

To strengthen safety management, the Group has developed the "Hidden Hazard" reporting process in compliance with the "OPPEIN Hidden Hazard Investigation and Resolution Regulations". We formulated the "Operational Guidelines for Hazard Reporting Procedures", regularly circulate hazard reporting data across manufacturing facilities to ensure timely identification and reporting, and enhance procedural efficiency and accuracy. This enables closed-loop tracking of hazards, rectification rate evaluation, and tiered classification. During the reporting period, the Group successfully implemented this process across 5 production bases and over 30 factories, averaging over 1,000 reported cases monthly.



\*"Hidden Hazard" Reporting Process



### Case in point: Identifying potential environmental hazards



In October 2024, the Group conducted a comprehensive investigation of potential environmental hazards in the enterprise, covering multiple key dimensions, including the preparation and review of risk assessment reports for sudden environmental incidents, the formulation of emergency plans for sudden environmental incidents, and the improvement of hidden danger investigation and management systems, etc., to identify and eliminate potential environmental risks and lay a solid foundation for achieving sustainable development.

## 2024 Performance

Employee physical examination  
coverage rate  
**100%**

Occupational disease hazard  
factor detection rate  
**100%**

Special operations personnel  
certification rate  
**100%**



\*The canteen of the  
Guangzhou regional  
headquarters in the  
south area was awarded  
the A-level canteen rating



\*Occupational Health  
and Safety Management  
System Certification

## Occupational health management

We benchmarked the ISO45001 occupational health and safety management standard and formulated the "Regulations on Operation Management in Flammable and Explosive Sites", "Regulations on Fire Operation Management", "Regulations on Confined Space Operation Management", "Regulations on Height Operation Management", and "Regulations on Labor Protection Products Management". We continuously improve the occupational health supervision mechanism through regular physical examinations, technical transformation, and the addition of labor protection products. We establish employee occupational health monitoring files and organize employees to undergo a comprehensive physical examination every year to timely understand the health status of employees and prevent the accumulation of various occupational injuries. At the same time, we entrust evaluation and testing agencies to conduct occupational hazard factor testing in the workplace every year. If any workplace is found to be inconsistent with national standards and industry standards during the evaluation process, we will immediately take measures to rectify and manage it, eliminate occupational disease hazard factors in the workplace, ensure that the workplace meets occupational health requirements, and allow employees to work more safely, healthily, and comfortably.

As of the end of the reporting period, the pilot factory of the furniture and kitchen cabinets category of the OPPEIN Qingyuan base has passed the ISO45001 certification. During the reporting period, the employee physical examination coverage rate was 100%; the detection rate of occupational disease hazard factors was 100%; and the certification rate of special operations personnel was 100%.



### Case: Caring for health and benefiting the people with fine medicine

OPPEIN Clinic, Guangdong's first corporate-backed "1-Yuan Healthcare" initiative, provides convenient medical services to employees. Staff pay only 1 yuan (plus insurance) for consultations and prescriptions. The program offers 167 essential medications for common workplace illnesses, balancing health management with productivity while enhancing workplace well-being.





## 2024 Performance

## Handling of work-related accidents

Work-related accident rate decreased  
**32%**

For the handling of work-related accidents, we comply with relevant laws and regulations such as the "Work Safety Law of the People's Republic of China" and the "Regulations on Reporting, Investigation, and Handling of Production Safety Accidents". Based on these requirements, we have established the "Regulations on Safety Incident Reporting and Management" to standardize procedures for reporting, investigating, analyzing, determining, and documenting production safety accidents. Additionally, we formulated the "Guidelines for On-Site Work Injury Management Implementation", requiring all bases and factories to develop emergency response plans tailored to their specific conditions. These plans must include organized training and drills to ensure employees are proficient in emergency protocols. In the event of an accident, the emergency response plan must be activated immediately to minimize losses.

Regarding accident investigation, the Group's EHS Management Department will form an investigation team based on the accident type, with all departments obligated to support and cooperate. The team must complete the investigation within 7 business days of the accident occurrence, conduct root cause analysis, implement corrective and preventive measures, and submit an accident investigation report for approval by compliance approvers to finalize the case.

During the reporting period, the Group achieved a 32% reduction in work-related accident incidence, surpassing the challenging target of over 30% reduction for two consecutive years.

## Promotion of safety education

To ensure that employees understand workplace safety knowledge, master safe operation skills, and effectively prevent safety incidents, the we have established the "OPPEIN Safety Education and Training Management Regulations". This framework builds a comprehensive safety education and training system, incorporates emergency drills, and continuously promotes safety education through various methods including classroom lectures, safety forums, team discussions, hands-on drills, video demonstrations, online courses, and study of safety manuals.



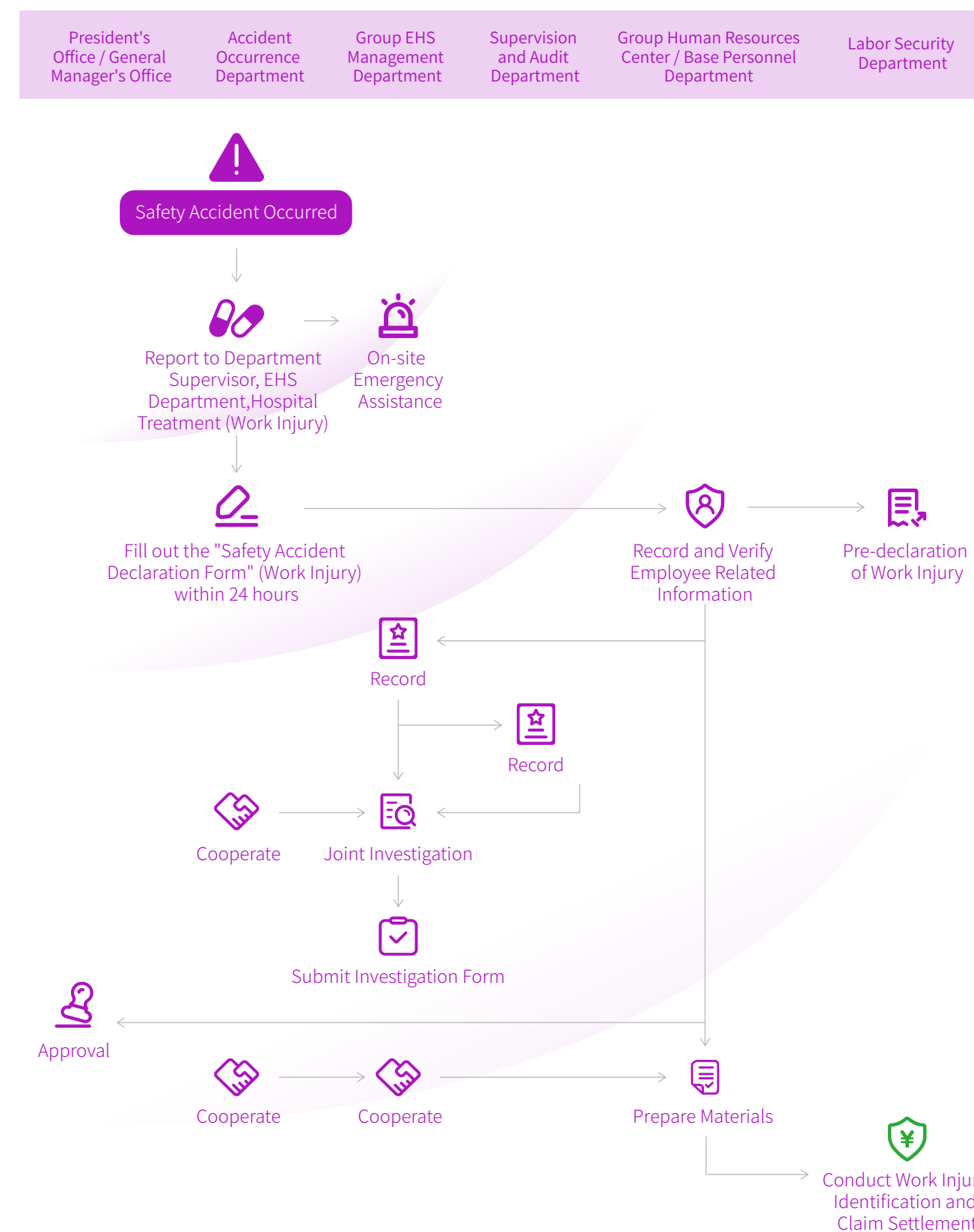
## 2024 Performance

## Safety culture training

Employee safety culture training participation rate **100%**

Training Satisfaction rate **95.72%**

All employees are required to complete safety-related training courses upon onboarding and receive periodic cybersecurity awareness training during their employment. Safety training is conducted through the Group's E-Orange Academy, covering topics such as National Cybersecurity Awareness Week, Alert on Cybersecurity Risks: Phishing Email Attack Prevention, and Cybersecurity Educational Videos. During the reporting period, the employee participation rate in safety culture training reached 100%, with a satisfaction rating of 95.72%.



\*Process of handling work-related accident accidents





\*Safety culture training: Guangzhou headquarters



\*Safety culture training: Tianjin Base



\*Safety culture training: Qingyuan Base



\*Safety culture training: Chengdu Base



#### Case: Safety culture training

In October 2024, OPPEIN held a safety training workshop on its Eight Compliance Principles and Eight Prohibitions. The session covered workplace safety, fire/emergency response, chemical handling, contractor/specialized operations, high-risk machinery, and equipment guarding, with 38 attendees.



#### ● Emergency management

The Group's Emergency Management Department organizes emergency response drills for sudden environmental incidents at least biannually. All drill plans, post-drill summaries, photographic documentation, and attendance records must be submitted to the EHS Management Department. Additionally, "On-Site Emergency Response Cards for Sudden Environmental Incidents" must be prominently displayed in key operational areas to ensure the functionality of infrastructure such as leak-proof facilities, containment systems, and emergency equipment. Any identified damage or operational failures require immediate repair or replacement. During the reporting period, the Group conducted 82 emergency drills.

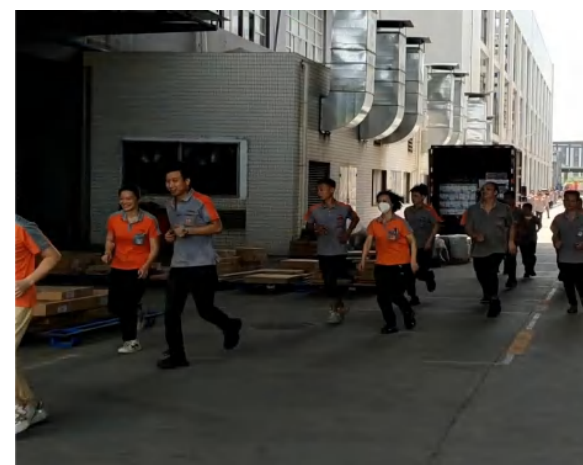
#### 2024 Performance

Emergency drills conducted  
**82** times



#### Case: Fire emergency drill

In June 2024, Qingyuan Furniture Factory conducted an unannounced fire drill to strengthen emergency coordination and safety awareness. The surprise scenario achieved full evacuation in 3m55s, followed by personnel verification in 20s (total 4m15s). Employees followed predefined routes to outdoor assembly points without crowding, meeting all compliance protocols.



#### Case: Emergency drill for hazardous waste leakage incident

In November 2024, the Group executed a simulated hazardous waste leakage drill at Qingyuan Countertop Factory's temporary storage area, involving cutting operators, supervisors, EHS specialists, and management. The exercise aimed to strengthen emergency response capabilities through training on protective equipment, containment measures, evacuation protocols, and safety/environmental awareness.





Labor relations management

We fully recognize that the Group’s development relies on the contributions of every employee. We highly value employee feedback and actively improve labor relations. We continuously optimize management mechanisms and workflows, including the Workers' Congress, rationalization suggestions, collective consultation, workplace transparency, labor dispute mediation, and other initiatives to establish a multi-dimensional, efficient, and smooth labor dialogue system, effectively safeguarding the rights and interests of all employees. Additionally, we conduct employee engagement and satisfaction surveys to promptly understand staff concerns and create a comfortable working environment for all.

2024 Performance

Rationalization suggestions submitted by employees

5,087

Year-on-year growth

15%

Suggestions adopted (Category A)

2,027

Workers' Congress/Union proposal passed

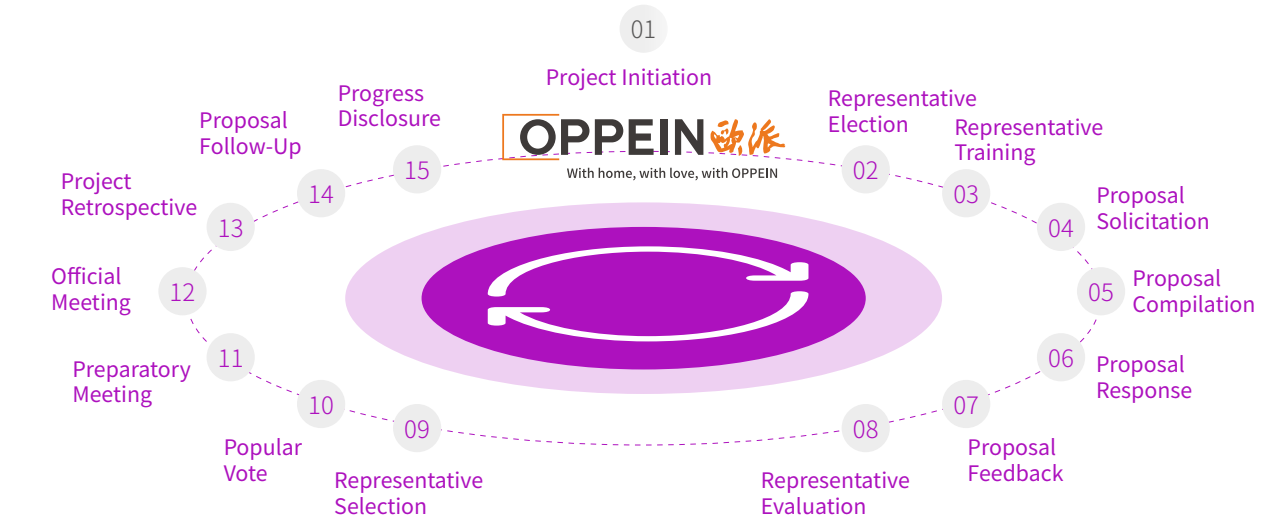
71

Efficiently resolved compliance-related proposals

65

Employee communication channels

OPPEIN has established regulations including the "Workers' Congress Management Standards", "Employee Representative Symposium Guidelines", "Employee Feedback Survey Procedures, Factory Affairs Disclosure System", "Suggestion Proposal Rules", and "Employee Relations Management Policy" to encourage staff participation in corporate development. The Group collects employee suggestions through both online channels (OA platform, performance system, WeChat) and offline methods (cafeteria suggestion boxes, Workers' Congress), covering production, technology, and management areas. All feedback receives timely processing with appropriate rewards. During the reporting period, 5,087 rationalization suggestions were submitted by employees, reflecting a 15% year-on-year increase; 2,027 Category A suggestions (adopted and implemented with measurable outcomes) were executed; 71 proposals were reviewed and approved by the Workers' Congress/Union; 65 compliance-related proposals were efficiently resolved.



\*OPPEIN Workers' Congress Proposal Closed-Loop Management Model



Case: The 18th fourth session of the employee representative congress

In December 2024, OPPEIN (Guangdong Region) held the Fourth Session of the 18th Workers' Congress at the headquarters training center, with group leadership attending in person and employee representatives participating online. The congress reviewed and approved 89 corporate policies and collective contracts, while conducting democratic evaluations of the union's 2024 work, congress organization, and departmental proposal responses. Senior management addressed employee concerns during the meeting and formally recognized outstanding employee representatives.



Case: Employee feedback service center

OPPEIN's trade union has established an online "Employee Feedback Service Center" platform that integrates suggestion submission, progress tracking, and result feedback. As a key supplement to the Workers' Congress, this platform enables direct employee-management communication, significantly reducing issue resolution time. With continuously improved features like upvoting/downvoting and satisfaction ratings, the platform has enhanced processing efficiency. During the reporting period, the union received and fully addressed 106 valid suggestions (100% resolution rate).





2024 Performance

Employee satisfaction rate  
**79.35%**

Engagement rate      Vitality rate  
**80.01%**              **81.05%**

About **95.10%** of employees expressed a low likelihood of leaving the company

About **95.55%** of employees reported pride in being part of OPPEIN

## Employee engagement and satisfaction survey

We are committed to building an agile organization characterized by high satisfaction, engagement, and vitality. By leveraging engagement driver models and key influencing factors, we continuously strive to enhance employee engagement, maximize workforce vitality, and strengthen employees' sense of belonging and loyalty to the Group. Annually, we conduct a comprehensive survey measuring engagement, satisfaction, and vitality, evaluating aspects such as compensation and incentives, benefits, performance management, training and career development, leadership practices, work environment, and job responsibilities. This enables us to gain deep insights into employee needs and promptly address their concerns. Based on survey results, the Group's Human Resources department develops and implements targeted action plans for improvement.

During the reporting period, the Group achieved an employee satisfaction rate of 79.35%, engagement rate of 80.01%, and vitality rate of 81.05% (surpassing China's national average of 79% and the manufacturing industry benchmark of 75%). Key findings include: 95.10% of employees expressed a low likelihood of leaving the company; 94.30% demonstrated willingness to go the extra mile to drive the company's growth; 95.55% reported pride in being part of OPPEIN.

【Satisfaction】

Basic Needs

Salary, benefits, safety

Employees are retainable assets

Compensation and benefits are used to reward employees for their time and output

【Engagement】

Psychological Needs

Sense of achievement, teamwork, equality

Employees are assets requiring proactive acquisition and optimization.

Build organizational capability (e.g., strategic clarity, corporate culture, leadership, career development, compensation, benefits, and tools/resources) in exchange for employee engagement.

【Vitality】

Growth Needs

Purpose, meaning, impact

**Human-centric, technology-driven.** Maximize value through human-machine collaboration.

New expectations (integrity, innovation, agility, transparency, fairness, digitalization, and health) to deliver holistic employee experiences in exchange for broader contributions.

## SOCIAL RESPONSIBILITY

Guided by the vision of "Making Every Home Warm with Love," our Group strictly adheres to external regulations, leverages its resources and strengths to serve society, and actively fulfills its social responsibilities. Deeply committed to public welfare, we established the Guangzhou OPPEIN Foundation with the mission to "Support Vulnerable Communities, Advance Education, Assist Families in Difficulty and Suboptimal Health, and Promote Social Stability." Aligned with the vision of "Bringing Greater Warmth to Homes and Strength to Love," we consistently spearhead impactful initiatives such as rural revitalization, educational support, and the Love & Care Initiative.

Rooted in our values, we integrate Party-building principles into operational practices, unifying developmental momentum and collaborating with diverse societal stakeholders. Since its inception in 2020, the OPPEIN Foundation has upheld the philosophy of "Putting People First, Caring for Society," proactively addressing needs through initiatives aiding the disadvantaged, supporting education, and assisting families in crisis. Through charitable efforts in rural revitalization, disaster relief, and education, we repay society's trust and strive to realize our vision of "Making Homes Warmer and Love Stronger." During the reporting period, the OPPEIN Foundation contributed RMB 15.90 million in donations and was recognized with honors including the "2024 Guangzhou Philanthropy Role Model."

2024 Performance

Total donations from the OPPEIN Foundation  
RMB **15.8963** million



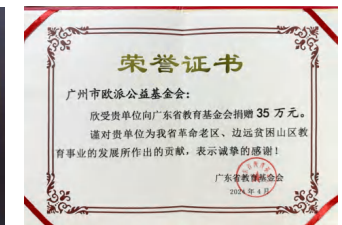
\*2023 Guangzhou Regional Grade A Transparency Rating for Charity Organizations



\*2023 Meizhou Gold Award for Poverty Alleviation and Relief



\*2024 Guangzhou Philanthropy Role Model



\*Guangdong Education Foundation Certificate



Vision

Bringing Greater Warmth to Homes and Strength to Love

Vision

Mission

Aid the Disadvantaged and People with Disabilities, Support the Needy and Education, Care for Families

Mission



## 2024 Performance

Educational support donations

RMB **5.9485** million

School admission quotas secured  
(including those from the Qingyuan  
Base Labor Union)

**149**

Year-on-year increase

**16%** 

## Educational support

Education serves as the cornerstone of rural revitalization and a pivotal force driving comprehensive economic, cultural, and social development in rural areas. The OPPEIN Charity Foundation, deeply aware of education's transformative power, has prioritized "Empowering Dreams Through Education" as a key philanthropic focus since its establishment. In collaboration with the One Foundation, we launched the Love & Care Initiative to upgrade school infrastructure and foster safe, healthy campus environments. Additionally, our proprietary program, the Evergreen Excellence Initiative, is dedicated to funding underprivileged students to complete their education and realize their academic aspirations. From equipping libraries and computer labs to establishing teaching funds, scholarships, and targeted support for remote mountainous schools, the OPPEIN Charity Foundation continues to deepen and expand its educational impact.

During the reporting period, the Foundation donated RMB 5.95 million toward educational support initiatives and secured 149 school admission quotas (including those from the Qingyuan Base Labor Union), marking a 16% year-on-year increase.

### ● Building an educational charity brand

Intellectual empowerment precedes poverty alleviation, and educational support has always been at the heart of the OPPEIN Charity Foundation's mission. Moving forward, the Foundation will continue to uphold and amplify OPPEIN's "Family-Centric Culture", focusing on three flagship educational philanthropy initiatives: Evergreen Excellence Program, which is dedicated to supporting underprivileged students through scholarships and financial aid; Migrating Geese Program, which is committed to empowering children with disabilities through inclusive and adaptive educational programs; Spark Heritage Program, which is focused on revolutionary heritage education and training at historical "red base" sites. By leveraging these initiatives, the OPPEIN Foundation will further advance China's educational equity agenda, helping more students realize their dreams.



\*Oppein public welfare band system



### Case: Revitalizing library facilities in 7 Pingyuan schools

In September 2024, during the "June 30th Guangdong Poverty Alleviation Day" initiative, OPPEIN Foundation discreetly completed the handover of its donated Love Library Rooms to provincial educational institutions. Seven schools in Pingyuan County, Meizhou – including Shangju Dongqing Central Primary School and Hetou Xuefen Central Primary School – received either newly constructed or fully renovated libraries. These spaces now empower children to immerse themselves in reading, broaden their intellectual horizons, and cultivate global perspectives through accessible literary resources.



### Case: Donation of a computer room

In June 2024, the Guangzhou OPPEIN Foundation joined the Green Love Computer Donation Ceremony hosted by the Guangdong Provincial Education Foundation. The Foundation donated 21 green love computers to Longwo Second Central Primary School in Zijin County and established a "Green Love Computer Classroom," boosting the school's educational informatization and providing a modern teaching environment for teachers and students.



## Rural revitalization

The Group actively implements General Secretary Xi Jinping's directives on rural revitalization and common prosperity, strengthening our systematic approach to empower rural communities. Leveraging industry expertise, we participate in national campaigns including: 10,000 Enterprises Aid 10,000 Villages Precision Poverty Alleviation Program; 10,000 Enterprises Vitalize 10,000 Villages Rural Regeneration Initiative; Green Building Materials Promotion Initiative; Greening and Lighting Improvement Projects. During the reporting period: OPPEIN Foundation allocated RMB 5.703 million for rural development programs; The Chairman donated RMB 5.3 million for Meizhou flood relief and post-disaster reconstruction. While expanding our business reach, we will enhance practical governance capabilities, promote philanthropic traditions in poverty alleviation and strengthen integration between poverty eradication achievements and rural revitalization.

## 2024 Performance

The OPPEIN Foundation donation

RMB **5.703** million

relief and post-disaster reconstruction

RMB **5.3** million





OPPEIN Foundation 2024 Rural Revitalization Initiatives	Amount of donation (RMB)
"Hundreds, Thousands, Tens of Thousands Initiative" Lighting Project Changtian Town, Pingyuan County	350,000
"OPPEIN Forest" Greening Campaign Dazhuo Town, Pingyuan County	500,000
Cuiwen Basketball Court Renovation Shenggang Village, Changtan Town, Jiaoling County, Meizhou City	500,000
Red Core Cultural Center Construction Dazhuo Town, Pingyuan County	4,000,000
"10,000 Enterprises Vitalize 10,000 Villages" Program Tianjin Jinghai District Red Cross Collaboration	10,000
June 30th Rural Revitalization Campaign Zhuhai Rural Development Foundation	30,000
Qingyuan 630 Rural Empowerment Initiative (Coordinated with Guangdong Poverty Alleviation Day)	100,000
Shenggang Village Streetlight Upgrade Changtan Town, Jiaoling County	213,000



Case: Material donation to support Meizhou flood

In April 2024, Qingyuan OPPEIN (Qingyuan Base) supported flood relief in Shijiao Town by delivering daily necessities and emergency supplies to affected areas, aiding response personnel and victims. After Meizhou's severe flooding in June 2024, OPPEIN Group Chairman Yao Liangsong donated 5.3 million yuan via the OPPEIN Charity Foundation for disaster relief and rebuilding, to speed up production recovery and help residents restore normal lives.



Case: Rooted in hometown, revitalized the homeland

In 2024, the OPPEIN Charity Foundation funded a basketball court and 77 energy-saving streetlights in Shenggang Village, Jiaoling County, improving local leisure facilities and nighttime safety. These rural revitalization projects earned recognition from Changtan Town authorities with a "Rooted in Hometown, Revitalizing the Homeland" plaque.





## Party building activities

The Group's Party Committee follows "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era". It focuses on implementing the spirit of the 20th National Congress of the CPC and the Third Plenary Session of the 20th Central Committee, centering on guiding OPPEIN's high - quality development. While strengthening Party building, the Committee uses the "Five Integrations" approach—integrating with production, talent, integrity, culture, and social responsibility. This creates OPPEIN's "Party Building + Five Integrations" model, infusing Party building vitality into management and driving innovation. In the drive for national rejuvenation, OPPEIN shows the responsibility of a private enterprise.

During the reporting period, the Group's Party Committee recruited 2 new Party members, approved the conversion of 2 probationary members to full membership, and organized 5 Party membership activists and 2 developing members to participate in specialized training programs. The Group's Party member volunteer team was awarded the "Kapok Pioneer List" Model Team by Guangzhou's non-public economic organizations, and the Group's Party building case, Deepening 'Party Building + Five Integrations' to Build a World-Class Home Furnishing Enterprise with High Quality, won the "First Prize for Party Building Innovation Cases" among Guangzhou's non-public economic organizations.



\*Group Party Committee Honored as Guangzhou's "Double Strengthening and Six Excellences" Model Party Organization



\*Group's Third Party Branch Wins First Prize in Party Branding Initiatives



\*Group Party Committee Launches Summer Cooling Initiative



\*Inclusion in 2024 (Inaugural) National Outstanding Corporate Party Affairs Thesis Collection



### Case: Inherit the revolutionary spirit

In June 2024, the Party Branch and Labor Union of OPPEIN Chengdu Base jointly organized the themed hiking event "Three Decades of Glory, Building Dreams for the Future – Retracing the Long March and Inheriting the Revolutionary Spirit" to celebrate OPPEIN's 30th anniversary. Aimed at embarking on a new journey and drawing strength from Party history, the activity integrated the Red Long March spirit with OPPEIN's 30-year development, vividly showcasing the company's enduring vitality over three decades.



### Case: OPPEIN's Third Party Branch joined non-public sector party-building mentorship unit

In December 2024, during the 2022-2024 Party-Building Brand Creation Evaluation for non-public economic sector organizations in Qingyuan City, OPPEIN's Third Party Branch was awarded the First Prize. Due to its extensive experience accumulated during the brand development phase, the branch was also officially appointed as a member of the "Qingyuan Non-Public Sector Party-Building Mentorship Unit", marking the start of a new journey in leading and exemplifying Party-building practices for non-public enterprises.





可持续发展关键绩效表

Governance

Norm	Unit	Performance in 2023	Performance in 2024
Corporate governance			
Business income	RMB 1 billion	22.782	18.925
Annual net profit	RMB 1 billion	3.036	2.599
Total tax payment	RMB 1 billion	1.497	1.446
Total cash dividends paid	RMB 1 billion	1.670	1.502
Business income per capita	RMB	947,512.89	919,492.76
Number of Board of Directors	person	7	7
Of which: Independent directors	person	3	3
non-independent director	person	4	4
Number of supervisors	person	3	3
Of which:Shareholder representative supervisor	person	2	2
Employee representative supervisor	person	1	1
Number of executives	person	5	5
Of which: Male executives	person	3	3
Female executives	person	2	2
Number of General Meetings of shareholders	times	2	2
Of which: Extraordinary General Meeting	times	1	1
Number of proposals considered at the General Meeting of Shareholders	cases	18	15
Number of Board of Directors Meetings	times	8	9
Number of proposals considered by the Board of Directors Meetings	cases	41	40
Number of Board of Supervisors meetings	times	6	6
Number of proposals reviewed by the Board of Supervisors	cases	16	16
Number of meetings of the Remuneration and Assessment Committee	times	1	1
Number of proposals considered by the Remuneration and Assessment Committee	cases	2	3
Number of meetings of the Audit Committee	times	4	4
Number of proposals considered by the Audit Committee	cases	9	7
Number of strategic committee meetings	times	0	1
Number of proposals considered by the Strategy Committee	cases	0	1
Number of meetings of the Nominating Committee	times	0	1

Norm	Unit	Performance in 2023	Performance in 2024
Number of proposals considered by the Nominating Committee	cases	0	1
Total Number of Proposals Reviewed by Specialized Committees	times	11	12
Number of periodic reports issued	pieces	4	4
Number of ESG reports issued	pieces	1	1
Number of interim announcements issued	pieces	108	96
Number of performance briefing meetings held	times	3	3
Number of online views for performance briefing	times	92,000	133,000
Other investor exchange activities	times	2	3
The number of investor questions answered by the "Shanghai Stock Exchange e-Interaction" platform	cases	61	42
Risk and compliance management			
Number of legal training sessions conducted	times	33	24
Legal training hours	hours	66	47
Number of legal training sessions	person-time	309	228
Business ethics			
Employee Integrity Pledge signing rate	%	100	100
Number of anti-corruption visits	units	156	158
Of which: Suppliers	units	42	50
Dealers	units	114	108
Number of anti-unfair competition and anti-monopoly related legal proceedings	cases	0	0
Handling rate of business ethics complaints	cases	186	213
Number of reported business ethics complaints received	%	100	100
Number of Righteousness culture training sessions conducted	times	164	67
Number of employees trained in Righteousness culture training sessions	person-time	32,602	23,217
Righteousness culture training coverage rate	%	100	100



Environment

Norm	Unit	Performance in 2023	Performance in 2024
Resource consumption and management			
Total water consumption	tonnes	1,907,672.00	1,823,584.29
Water consumption intensity	Metric tons/RMB 1 million	83.74	96.36
Total wastewater discharge	tonnes	1,213,605.00	1,383,314.00
Of which: Domestic sewage	tonnes	707,351.00	1,379,759.00
Production wastewater	tonnes	506,254.00	3,555.00
Petroleum consumption	cubic meters	3,429,510.00	2,949,173.00
Diesel consumption	liter	313,510.55	266,414.54
Gasoline consumption	liter	109,153.03	110,269.71
Purchased electricity	MWh	338,150.99	310,918.43
Intensity of consumption of purchased electricity	MWh/RMB 1 million	14.84	16.43
Total energy consumption in standard coalT	tonnes	46,519.70	42,491.95
Energy intensity	tonnes standard coal/RMB 1 million	2.04	2.25
Proportion of renewable energy consumption	%	9.83	11.39
Installed photovoltaic capacity	MW	37.54	56.13
Of which: Guangzhou Headquarter	MW	0.80	0.80
Qing RMB Base	MW	17.74	20.40
Tianjin Base	MW	8.30	9.13
Wuxi Base	MW	10.70	13.80
Chengdu Base	MW	-	12.00
Photovoltaic power generation	MWh	41,270.00	41,060.38
Of which: Guangzhou Headquarters	MWh	1,200.00	906.23
Qingyuan Base	MWh	18,000.00	15,730.61
Tianjin Base	MWh	10,630.00	10,518.00
Wuxi Base	MWh	11,440.00	13,905.54

Norm	Unit	Performance in 2023	Performance in 2024
Annual standard coal savingsi)	thousand tons	12.54	12.48
Of which: Guangzhou Headquarters	thousand tons	0.36	0.28
Qingyuan Base	thousand tons	5.47	4.78
Tianjin Base	thousand tons	3.23	3.20
Wuxi Base	thousand tons	3.48	4.23
Annual CO <sub>2</sub> equivalent emission reductionsii)	thousand tons CO2	29.30	27.39
Of which: Guangzhou Headquarters	thousand tons CO2	0.79	0.57
Qingyuan Base	thousand tons CO2	11.82	9.91
Tianjin Base	thousand tons CO2	8.79	8.17
Wuxi Base	thousand tons CO2	7.90	8.74
Certification pass rate of procured ENF panels	%	100	100.00
Consumption of refrigerant HCFC-22iii)	kilograms	373	172.50
Consumption of refrigerant HFC-32	kilograms	60	60.00
Consumption of refrigerant R-410A	kilograms	480	450.00
Emissions management			
Synchronized operation rate of environ-mental protection	%	100	100
Qualified rate of pollutant monitoring	%	100	100
Direct GHG emissions (Scope 1)iv)	tCO2	10,368.67	7,316.52
Region: Guangzhou Headquarters	tCO2	418.45	422.92
Qingyuan Base	tCO2	3,992.12	3,430.49
Tianjin Base	tCO2	4,684.85	2,414.72
Wuxi Base	tCO2	704.60	486.68
Chengdu Base	tCO2	560.09	463.37
Wuhan Base	tCO2	8.56	98.33



Norm		Unit	Performance in 2023	Performance in 2024
Indirect GHG emissions (range 2)v)		tCO <sub>2</sub>	192,847.51	166,838.83
Region:	Guangzhou Headquarters	tCO <sub>2</sub>	11,734.66	11,734.66
	Qingyuan Base	tCO <sub>2</sub>	79,385.76	65,766.79
	Tianjin Base	tCO <sub>2</sub>	30,404.40	28,727.42
	Wuxi Base	tCO <sub>2</sub>	48,865.28	33,544.88
	Chengdu Base	tCO <sub>2</sub>	22,226.55	20,884.62
	Wuhan Base	tCO <sub>2</sub>	230.86	6,765.07
Total GHG emissions (Scope 1+2)		tCO <sub>2</sub>	203,216.18	169,337.88
Region:	Guangzhou Headquarters	tCO <sub>2</sub>	12,153.11	11,572.97
	Qingyuan Base	tCO <sub>2</sub>	83,377.88	69,197.28
	Tianjin Base	tCO <sub>2</sub>	35,089.25	31,142.14
	Wuxi Base	tCO <sub>2</sub>	49,569.89	34,031.56
	Chengdu Base	tCO <sub>2</sub>	22,786.64	21,348.00
	Wuhan Base	tCO <sub>2</sub>	239.41	6,863.40
Total GHG emissions intensity		tonnes/RMB 1 million	8.92	8.95
NOx emissions		tonnes	1.08	1.68
SOx emissions		tonnes	0.05	0.19
VOC emissions		tonnes	16.26	14.33
Hydrogen sulfide emissions		tonnes	0.00	0.00
Particulate emissions		tonnes	21.59	21.24

Norm		Unit	Performance in 2023	Performance in 2024
Waste management				
Total non-hazardous waste generation		tonnes	204,917.59	232,200.25
Of which:	total domestic waste generated	tonnes	17,688.89	6,076.64
	total industrial waste generated	tonnes	187,228.70	226,123.61
Amount of non-hazardous waste recycled		tonnes	187,228.70	226,123.61
Of which:	Waste paper	tonnes	2,906.85	3,276.11
	Scrap metal	tonnes	1,882.80	3,555.51
Waste plastic		tonnes	1,834.90	2,161.74
Waste wood		tonnes	176,852.70	214,584.86
Waste glass		tonnes	3,142.53	1,141.42
Waste leather		tonnes	66.79	103.62
Waste mixed material		tonnes	511.14	1,273.26
Waste paperboard		tonnes	26.00	23.00
Waste foam		tonnes	3.00	2.50
Waste and scrap rubber		tonnes	2.00	1.60
Harmless waste recycling rate		%	91.37	97.38
Intensity of non-hazardous waste emissions		tonnes/RMB 1 million	8.92	12.27
Total amount of hazardous waste generatedvi)		tonnes	-	2,597.03
Of which:	Wastewater containing paint (HW12 substance)	tonnes	-	858.07
	Waste oil paint residue (HW12 substance)	tonnes	-	847.43
Waste empty bucket (HW49 substance)		tonnes	-	536.35
Waste contaminants (HW49 substances)		tonnes	-	264.60
Waste glue (HW13 substances)		tonnes	-	34.85
Waste glue residue (HW13 substances)		tonnes	-	23.42
Waste activated carbon (HW49 type material)		tonnes	-	12.83
Paint-containing sludge (HW12-typesubstances)		tonnes	-	9.05
Waste solvents (HW06 type substanes)		tonnes	-	8.43
Waste engine oil (HW08 type substanes)		tonnes	-	2.01



Norm	Unit	Performance in 2023	Performance in 2024
Proper disposal rate of hazardous waste	%	100.00	100.00
Total paper consumptionvii)	tonnes	308.93	288.73
Of which: A3	tonnes	1.14	1.49
A4	tonnes	264.51	275.32
A5	tonnes	23.80	6.01
Logistics consignment note	tonnes	10.65	4.11
Needle Duplex Printing paper	tonnes	7.09	0.08
Needle Triple Printing Paper	tonnes	1.72	1.46
A0 150G 84*120cm	tonnes	0.02	-
A1 59*84cm	tonnes	0.01	-
A1 60*84cm	tonnes	0.01	-
A5 color cardboard	tonnes	0.00	0.18
A4 color cardboard	tonnes	0.00	0.09
Practice environmental concepts			
Number of newly purchased and leased new energy buses, minibuses, and small passenger cars during the reporting period	vehicles	22	6
Number of trees planted	vehicles	780	734
Environmental investment	ten thousand RMB	6,429.88	7,028.44

Notes:

i)The calculation of energy consumption conversion standard refers to the General Principles for Comprehensive Energy Consumption Calculation (GB/T 2589-2008) issued by the State Administration for Market Regulation and the National Standardization Administration of China;

ii)The calculation factors for carbon dioxide emissions reduction from photovoltaic power generation in 2023 refer to the "2019 Emission Reduction Project China Regional Power Grid Baseline Emission Factors", and the calculation factors for carbon dioxide emissions reduction from photovoltaic power generation in 2024 are as follows:Refer to the '2023 Emission Reduction Project China Regional Power Grid Baseline Emission Factors';

iii)Refrigerants are entrusted to a third-party professional organization for recovery;

iv)Scope 1: Greenhouse gas emissions include direct emissions from gasoline, diesel, and natural gas; The calculation of greenhouse gas emissions refers to the "Accounting Methods and Reports for Enterprise Greenhouse Gas Emissions" by the Ministry of Ecology and Environment of ChinaGuidelines for Power Generation Facilities (2022 Revised Edition);

v) Scope 2: Greenhouse gas emissions include indirect emissions from purchased electricity; The calculation factors for greenhouse gas emissions in Scope 2 of 2023 are based on the 2019 national electricity carbon dioxide emission factors and the 2024 scopeThe greenhouse gas emissions for the second quarter of 2022 will be based on the national electricity carbon dioxide emission factors released by the National Bureau of Statistics on December 20, 2024;

vi) "-" is the performance metric for the year in which relevant data has not been disclosed;

vii) The unit weight of various types of paper is as follows: A3 paper 9.98g/sheet; 4.37g/sheet of A4 paper; A5 paper 2.18g/sheet; Logistics consignment note 3.58g/sheet; Needle type two-piece printing paper 4.99g/sheet; Needle type triple injectionPrinting paper 7.58g/sheet; A0-150G-84 \* 120cm paper 151.2g/sheet; A1-59 \* 84cm paper 74.34g/sheet; A1-60 \* 84cm paper 75.60g/sheet; A5 color cardboard 90g per sheet; A4 color cardboard180g per sheet.

Supply chain

Norm	Unit	Performance in 2023	Performance in 2024
Responsible procurement			
Legally Traceable Ratio of Raw Materials for Panels	%	100	100
Integrity Cooperation Commitment Letter Signature Rate	%	100	100
Supplier Management			
Total number of suppliers	suppliers	2,026	2,071
Number of suppliers in mainland China	suppliers	2,017	2,062
Of which: Northeast China	suppliers	20	12
North China	suppliers	133	114
Eastern China	suppliers	531	530
Southern China	suppliers	1,146	1,219
Central China	suppliers	76	90
Northwest China	suppliers	10	6
Southwest China	suppliers	101	91
Number of overseas suppliers	suppliers	9	9
Proportion of localized procurement amount	%	99.56	99.57
Proportion of purchase amount from suppliers in mainland China	%	98.31	98.92
Of which: Northeast China	%	0.14	0.08
North China	%	5.84	6.81
Eastern China	%	27.20	23.48
Southern China	%	52.69	54.91
central China	%	7.04	8.11
Northwest Territories	%	0.15	0.05
Southwest China	%	5.25	5.49
Proportion of procurement amount from overseas suppliers	%	1.69	1.08



Norm	Unit	Performance in 2023	Performance in 2024
Number of suppliers signed up and compliant with the company's supply chain code of conduct	suppliers	2,026	2,071
Number of suppliers development selections	suppliers	758	728
Of which: Number of suppliers upgraded to regular supplier	suppliers	621	559
Number of new suppliers participating in site visits	suppliers	88	159
Number of suppliers participating in annual performance appraisals	suppliers	1,630	1,064
Of which: Kitchen cabinets	suppliers	487	383
Integrated home	suppliers	373	298
Door	suppliers	311	277
Bathroom vanities	suppliers	373	45
Houseware	suppliers	86	61
Number of suppliers with sustainable certification	suppliers	-	559
Number of suppliers with quality management system certification Number of suppliers with certified quality	suppliers	-	580
Number of suppliers with occupational health and safety management system certification	suppliers	-	307
Number of suppliers with occupational health and safety management system certification	suppliers	-	285
Number of suppliers suspended for non-compliance	suppliers	52	13
Number of potential suppliers rejected for non-compliance	suppliers	143	56
Number of supplier trainings	times	67	75
Number of trained suppliers	suppliers	-	152
Supplier ESG training	times	-	1
Industrial development promotion			
Number of standards developing involved	items	27	69
Of which: National standard	items	4	20
Industry standard	items	7	12
Group standard	items	16	37

Note: "-" represents the caliber of performance without disclosure of relevant data for the year.

Product and service

Norm	Unit	Performance in 2023	Performance in 2024
Product Quality Upgrade			
Number of product recalls	pieces	0	0
Percentage of product recalls	%	0	0
Pass rate of external sampling of products	%	100	100
Number of quality internal audits	times	1	1
Number of training sessions on quality culture	times	33	78
Quality culture training hours	hours	-	56.75
Number of people covered by quality culture training	person-time	-	1,756
Innovative research and development			
Product R&D Investment	RMB 1 billion	11.26	10.23
Product R&D investment in last 5 years	RMB 1 billion	44.98	55.21
Percentage of revenue invested in product R&D	%	4.94	5.41
Number of R&D personnel	person	2,730	1,955
Percentage of R&D personnel to total headcount	%	11.35	9.50
Annual number of patent applications	items	65	151
Of which: Invention patents	items	3	22
Utility model patents	items	38	39
Appearance Patent	items	24	90
Cumulative number of patent applications	items	1,007	1,089
Of which: Invention patents	items	30	63
Utility model patents	items	570	548
Appearance Patent	items	407	478
Cumulative computer software copyrights	items	98	138



Norm	Unit	Performance in 2023	Performance in 2024
Customer rights protection			
Number of customer satisfaction surveys	times	-	2
Consumer basic service satisfaction score	score	8.92	8.75
Product quality reputation score	score	8.63	8.3
Complaints timely handling growth rate year-on-year	%	9	1.06
Solution satisfaction growth rate year-on-year	%	15	6.8
Number of specialized training sessions for customer complaint response customercomplaint response	person-time	712	698
Total duration of customer complaint response special training	hours	78	83
Number of specialized training sessions on customer complaint response	times	37	37
Number of assessments for responding to customer complaints	times	29,242	30,244
Customer complaint response assessment pass rate	%	94.04	96.57
Number of information leakage incidents	times	0	0
Total investment in information security	ten thousand dollars	-	299.11
Number of information security training and practice sessions	times	1	3
Number of people covered by information security training and practice	person-time	8,000	9,724

Note: "-" represents the caliber of performance for which the relevant data were not disclosed in the current year.

Employees and social

Norm	Unit	Performance in 2023	Performance in 2024
Compliant employment and equal opportunities			
Number of child labors detected	person	0	0
Number of forced labors detected	person	0	0
Number of strikes/lockouts	times	0	0
Labor contract signing rate	%	100	100
Social insurance coverage	%	100	100
Employee medical check-up rate	%	100	100
Total number of regular employees	person	24,044	20,582
By gender: Female employees	person	7,683	6,542
Male employees	person	16,361	14,040
By position: Full-time junior employees	person	22,366	18,989
Full-time middle management employees	person	1,618	1,529
Full-time senior management employees	person	60	64
By age: Employees under 30 years old	person	7,893	5,701
Employees aged 30-50 (not included)	person	15,831	14,415
Employees over 50 years old	person	320	466
By education attainment: Graduate students and above	person	136	129
Undergraduate	person	4,187	3,923
College and below	person	19,721	16,530
Annual total number of newly recruited employees	person	5,850	3,265
Total number of employees on short-term contracts (retired and rehired)	person	70	52
Total number of employees from ethnic minorities	person	1,379	1,085
Total number of retired military employees	person	255	214
Total employee turnover rate	%	36.79	44.24
By gender: Female employee turnover rate	%	32.96	37.71
Male employee turnover rate	%	38.45	47.29
By age: Employee turnover rate for employees under 30 years old	%	40.55	60.33
Employee turnover rate for employees aged 30-50 (not included)	%	34.34	37.61
Employee turnover rate for employees over 50 years old (excluding)	%	20.88	10.94



Norm	Unit	Performance in 2023	Performance in 2024
Employee compensation and performance			
Number of employees covered by performance appraisals and incentive bonuses	person	24,008	20,115
Of which: Number of management employees	person	1,678	1,423
Number of non-management employees	person	22,366	18,692
Performance Appraisal and Incentive Bonus Coverage Employee Ratio	%	100.00	100.00
Of which: Management level employees	%	100.00	100.00
Non-management level employees	%	100.00	100.00
Employees took parental leave	person	109	121
Of which: Male employees	person	22	35
Female employees	person	87	86
Employee welfare construction expensesii)	RMB 1 million	-	9,500
Number of talent apartments provided	set	526	526
Assistance to employees in difficultyiii)	person	29	45
Consoled sick and bereaved employees	person	36	9
Cultural and sports care activities	times	38	43
Employee training and career development			
Amount invested in vocational training	RMB 1 million	874	713.7
Total number of regular employees trained	person-time	725,061	617,208
Total number of formal employees trained	person	24,044	20,582
By gender: Female employee training ratio	%	51	52
Male employee training ratio	%	49	48
By position:Training ratio of junior employees	%	49	48
Middle management training ratio	%	21	22
Training ratio of senior management	%	30	30
Total training hours for regular employee	hours	806,233	685,787
Of which: Offline training	hours	82,885	75,339
online training	hours	723,348	610,448
Training hours per regular employee	hours	34.34	33.31
By gender: Training hours per female employee	hours	33.04	31.82
Training hours per male employee	hours	34.95	34.01

Norm	Unit	Performance in 2023	Performance in 2024
By position: Training hours per full-time junior employee	hours	33.94	33.94
Training hours per full-time middle management employee	hours	24.06	25.15
Training hours per full-time senior management employee	hours	55.62	43.01
Total training hours on short-term contracts (retired and rehired employee)	hours	451.33	285.48
Average training hours for short-term contracts (retired rehired employee)	hours	6.74	5.49
Occupational health and safety			
Operating hours lost rate reduction per millions of man-hours	%	44	33.21
Employee medical check-up rate	%	100	100
Cumulative number of firefighting and other specialized drills conducted	times	104	82
Hidden danger investigation and rectification rate	%	100	100
Coverage rate of safety risk prevention training	%	100	100
Certification rate of special operation personnel on duty	%	100	100
Detection rate of occupational hazard factors	%	100	100
EHS Training Coverage	%	100	100
Total EHS training hours	hours	182,400	175,996
Total EHS trainees	person	16,330	14,900
Total number of EHS trainees	person-time	162,110	114,240
Employee communication and grievances			
Total number of employee suggestions received	pieces	4,407	5,087
Number of suggestions adopted and achieve results (category A)	pieces	2,147	2,027
Group employee satisfaction rate	%	79.74	79.35
Group employee dedication rate	%	80.10	80.01
Vitality of Group Employees	%	-	81.05
Community involvement			
Hours of participation in the Group's public service activities	hours	2,000+	-
Number of people covered by the Group's public welfare activities	ten thousand people	20+	-
Group Public Welfare Donation	RMB 1 million	525.37	1,589.63

"Notes:  
1) Employee turnover rate for employees aged 50 and above in 2023 includes retired employees;  
ii) ""-"" is the caliber of performance for the year in which the relevant data is not disclosed;  
iii) The caliber of the 2023 data for helping employees in difficulty includes duplicated assistance, and the caliber of the 2024 data for helping employees in difficulty does not include duplicated assistance.



GRI INDEX

**[Instructions for use]**OPPEIN Home Group Inc. and its subsidiaries have reported the information referenced in this GRI Content Index from January 1, 2024 to December 31, 2024 by reference to the GRI Standards.

**[GRI used 1]**GRI 1: Foundation 2021

Sustainability Reporting Standards	Disclosure item	Chapter
GRI 2: General Disclosure 2021	1. Organization and reporting methods	2-1 Organizational details About this report
		2-2 Entities included in the organization's sustainable development report About this report
		2-3 Reporting Period, frequency of reporting and contact person About this report
		2-4 Restatement of information There have been no significant changes in the size, structure and ownership of the Group's organization compared to the 2023 Responsibility report
	2. Activities and staff	2-6 Activities, value chains and other business relationships Board statement; About OPPEIN
		2-7 Employees Employee responsibility
		2-8 Workers other than employees Employee responsibility; Sustainability KPI index - Employees and society
	3. Governance	2-9 Governance structure and composition Corporate governance
		2-10 Nomination and selection of the highest governance body Corporate governance
		2-11 Chairman of the highest governance body Corporate governance
		2-12 Role of the highest governance body in terms of managerial impacts Corporate governance
		2-13 Delegation of responsibility for managing impact Risk and compliance controls; Addressing climate change
		2-14 Role of the highest governance body in sustainable development reporting Sustainable development management
		2-15 Conflict of interest Corporate governance; Reference to the Group's annual report for 2024
		2-16 Communication of critical concerns Sustainable development management
		2-17 Common knowledge of the highest governance body Sustainable development management
		2-18 Performance assessment of the highest governance body Sustainable development management
		2-19 Remuneration policy Corporate governance
		2-20 Procedures for determining remuneration Corporate governance; Employee responsibility

Sustainability Reporting Standards	Disclosure item	Chapter
GRI 2: General Disclosure 2021	4. Strategies, policies and practices	2-22 Statement on sustainable development strategies Board statement; Sustainability management
		2-23 Policy commitments About the present report
		2-24 Embedding policy commitments Corporate governance; Business ethics; environmental management systems
		2-25 Processes to remediate negative impacts Business ethics; Customer rights and benefits; Employee responsibility
		2-26 Mechanisms for seeking advice and raising concerns Business ethics; Employee responsibility
		2-27 Compliance with laws and regulations Business ethics; Responsible marketing
		2-28 Membership in the association About OPPEIN
	5. Stakeholder participation	2-29 Methods of stakeholder engagement Sustainability management; Corporate governance
		2-30 Collective bargaining agreements Employee responsibility
GRI 3: Substantive issues 2021		3-1 Process for identifying substantive issues Sustainable development management
		3-2 Substantive list of issues Sustainable development management
		3-3 Management of substantive issues Sustainable development management
GRI 201: Economic Performance 2016		201-1 Direct economic value generated and distributed Reference to the Group's annual report for 2024
		201-2 Financial impacts of climate change and other risks and opportunities Addressing to climate change
		201-3 Defined benefit plan obligations and other retirement plans Employee responsibility
		201-4 Financial subsidies granted by the Government Reference to the Group's annual report for 2024
GRI 202: Market Performance 2016		202-1 Ratio of the standardized starting level wage to the local minimum wage, by sex Reference to the Group's annual report for 2024
		202-2 Percentage of executives hired from local communities Reference to the Group's annual report for 2024
GRI 203: Indirect Economic Impacts 2016		203-1 Infrastructure investment and support services social responsibility
		203-2 Significant indirect economic impacts social responsibility
GRI 204: Procurement Practices 2016		204-1 Proportion of expenditure on procurement from local vendors Supplier management; Sustainability KPI index - Supply chain
GRI 205: Anti-Corruption 2016		205-1 Operational sites for which corruption risk assessments have been conducted Business ethics; Responsible marketing
		205-2 Communication of and training in anti-corruption policies and procedures Business ethics; Responsible marketing
		205-3 Identified incidents of corruption and action taken Business ethics



Sustainability Reporting Standards	Disclosure item	Chapter
GRI 206: Undue Competitive Behavior 2016	206-1 Lawsuits against anticompetitive behavior, antitrust	Business ethics
GRI 207: Taxation 2019	207-1 Tax policy	Business ethics
	207-2 Tax governance, controls and risk management	Business ethics
	207-3 Stakeholder engagement and management of tax concerns	Business ethics
GRI 301: Materials 2016	301-1 Weight or volume of material used	Sustainability KPI index - Environment
	301-2 Recycled input materials used	Circular economy
	301-3 Recycled products and their packaging materials	Green production system
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Resource utilization and management; Sustainability KPI index - Environment
	302-3 Energy intensity	Sustainability KPI index - Environment
	302-4 Reduction of energy consumption	Resource utilization and management
	302-5 Reducing energy demand for products and services	Resource utilization and management; Green production system; Circular economy
GRI 303: Water Resources and Wastewater 2018	303-1 Interaction between organizations and water as a shared resource	Resource utilization and management
	303-2 Management of water discharge-related impacts	Resource utilization and management
	303-3 Water withdrawal	Resource utilization and management
	303-4 Water discharge	Emissions management; Sustainability KPI index - Environment
	303-5 Water consumption	Sustainability KPI index - Environment
GRI 304: Biodiversity 2016	304-1 Operations owned, leased, managed by the organization in biodiversity-rich areas located in or adjacent to protected areas and outside protected areas	Ecosystems and biodiversity
	304-2 Significant impacts of activities, products and services on	Ecosystems and biodiversity
	304-4 Species listed on the IUCN Red List and national conservation lists in habitats in the area affected by the operation	Ecosystems and biodiversity
GRI 305: Emissions 2016	305-1 Direct (Scope 1) Greenhouse gas emissions	Emissions management; Sustainability KPI index - Environment
	305-2 Energy Indirect (Scope 2) GHG Emissions	Emissions management; Sustainability KPI index - Environment
	305-4 Greenhouse gas emission intensity	Emissions management; Sustainability KPI index - Environment
	305-5 Greenhouse gas emission reductions	Resource utilization and management; Sustainability KPI index - Environment
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	Resource utilization and management; Sustainability KPI index - Environment

Sustainability Reporting Standards	Disclosure item	Chapter
GRI 306: Waste 2020	306-1 Waste generation and waste-related significant impacts	Emissions management
	306-2 Management of significant impacts associated with waste	Emissions management
	306-3 Waste generated	Emissions management; Sustainability KPI index - Environment
	306-4 Waste transferred from disposal	Emissions management; Sustainability KPI index - Environment
	306-5 Waste entering disposal	Emissions management; Sustainability KPI index - Environment
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers screened using environmental evaluation dimensions	Supplier management
	308-2 Negative environmental impacts of supply chains and actions taken	Supplier management
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee responsibility; Sustainability KPI index - Employees and society
	401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	Employee responsibility
	401-3 Parental leave	Employee responsibility; Sustainability KPI index - Employees and society
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee responsibility
	403-2 Hazard identification, risk assessment, and incident investigation	Employee responsibility
	403-3 Occupational health services	Employee responsibility
	403-4 Occupational health and safety matters: worker participation, consultation and communication	Employee responsibility
	403-5 Occupational health and safety training for workers	Employee responsibility
	403-6 Promotion of the health of workers	Employee responsibility
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee responsibility
	403-8 Workers covered by an occupational health and safety management system	Employee responsibility
	403-9 Industrial injuries	Employee responsibility; Sustainability KPI index - Employees and society
	403-10 Work-related health problems	Employee responsibility
GRI 404: Training and Education 2016	404-1 Average hours of training per employee per year	Employee responsibility; Sustainability KPI index - Employees and society
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee responsibility
	404-3 Percentage of employees receiving regular performance and career development appraisals	Employee responsibility; Sustainability KPI index - Employees and society
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governing bodies and employees	Corporate governance; Employee responsibility



Sustainability Reporting Standards	Disclosure item	Chapter
GRI 406: Anti-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee responsibility
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operational sites and suppliers where freedom of association and collective bargaining rights may be at risk	Employee responsibility
GRI 408: Child Labor 2016	408-1 Operating sites and suppliers at risk of major child labor incidents	Employee responsibility
GRI 409: Forced or Compulsory Labor 2016	409-1 Operating sites and suppliers with significant risk of incidents of forced or compulsory labor	Employee responsibility
GRI 413: Local Communities 2016	413-1 Operational sites with local community involvement, impact assessment and development plans	Employee responsibility
	413-2 Operations with actual or potential significant negative impacts on local communities	Employee responsibility
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers screened using social evaluation dimensions	Supplier management
	414-2 Negative social impacts in the supply chain and actions taken	Supplier management
GRI 416: Client Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product quality upgrades
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product quality upgrades
GRI 417: Marketing and Signage 2016	417-1 Requirements for product and service information and labeling	Product quality upgrades
	417-2 Incidents of non-compliance concerning product and service information and labeling	Product quality upgrades
	417-3 Incidents of non-compliance concerning marketing communications	Responsible marketing
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer rights and benefits

## SSE SUSTAINABILITY REPORT TOPIC INDEX

【Reference standard】Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 4 - Preparation of Sustainability Reports, Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Reports (for Trial Implementation)

Dimension	Serial number	Topics	Corresponding chapters
Environment	1	Addressing climate change	Addressing climate change
	2	Pollutant emissions	Emissions management
	3	Waste disposal	Emissions management
	4	Ecosystem and biodiversity conservation	Ecosystems and biodiversity
	5	Environmental compliance management	Environmental management system
	6	Energy use	Resource utilization and management
	7	Water resource utilization	Resource utilization and management
	8	Circular economy	Circular economy
Social	9	Rural revitalization	Social responsibility
	10	Social contribution	Social responsibility
	11	Innovation driven	Innovation research and development
	12	Ethics of Science and technology	Innovation research and development
	13	Supply chain security	Sustainable procurement, supplier management
	14	Equal treatment of small and medium-sized enterprises	Supplier management
	15	Product and service safety and quality	Product quality upgrades
	16	Data security and customer privacy protection	Customer rights and benefits
	17	Employee	Employee responsibility
Sustainable development-related governance	18	Due diligence	Supplier management
	19	Stakeholder communication	Sustainable development management
	20	Anti-commercial bribery and anti-corruption	Business ethics
	21	Anti-unfair competition	Business ethics