LOCTEK乐歌

Loctek Ergonomic Technology Corp.

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2324
Sustainability Report
Loctek Ergonomic Technology Corp.

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Foreword



About This Report

This is the first Sustainability Report published by Loctek Ergonomic Technology Corp. (the "Company", "Loctek" or "we"). Prior to this, we issued two Corporate Social Responsibility (CSR) Reports and two Environmental, Social and Governance (ESG) Reports. This report provides a true representation of our ESG practices, performance and progress throughout 2024. It is intended to inform stakeholders, including but not limited to shareholders, creditors, business partners and employees, about our operations and corporate responsibility initiatives. By publishing this report, we seek to strengthen stakeholder engagement, foster shared understanding and promote sustainable development of the Company.

Reporting Scope and Boundary

This report is specific to Loctek along with its branches and subsidiaries. Unless otherwise specified, the scope of this report is consistent with that of the Company's annual reports.

Reporting Period

This report covers the period from January 1 to December 31, 2024 (the "reporting period"). In order to present more comparative and forward-looking reporting data, certain sections may include retrospective data or forward-looking statements. This report is published on an annual basis, which is consistent with the Company's financial reporting cycle.

Reporting Guidelines

- Global Reporting Initiative (GRI) Sustainability Reporting Standards ("GRI Standards")
- · United Nations Sustainable Development Goals (SDGs)
- · Sustainability Accounting Standards Board (SASB) Standards
- Guidelines of China Enterprise Reform and Development Society on Sustainability Reporting for Chinese Enterprises (CASS-ESG6.0)
- Guidelines No. 17 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies Sustainability Report (Trial)

Data Sources

All information and data referenced in this report are sourced exclusively from official documents, statistical reports and financial statements of Loctek, as well as internal data and publicly available information gathered, consolidated and audited across various functional departments and business units within the Company. Unless otherwise specified, all financial figures are presented in Renminbi (RMB). In cases of discrepancies in financial figures between this report and the annual report, the latter shall prevail.

Access To This Report

In line with our commitment to low-carbon and sustainability practices, this report is available for review and download from the Company's official website (https://www.loctek.com) and the website of CNINFO (https://www.cninfo.com.cn). For further information beyond what is included here, please refer to our annual report or visit our website.

Confirmation and Approval

Upon review and approval by the Company's Board of Directors on April 18, 2025, this report has been published concurrently with the annual report. The Board undertakes to supervise the preparation of this report, confirming that the contents of this report are true, accurate and complete in all material aspects, free from misstatements or misleading information.

Feedback

We value your feedback and welcome any comments or suggestions regarding our corporate responsibility efforts and this report. For any report-related comments or suggestions, please feel free to contact us. Thank you for your continued support.



Board Secretary Office

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Message from the Chairman



In 2024, global economic landscape remained complex and volatile, posing significant challenges for businesses worldwide. Against this backdrop, Loctek demonstrated remarkable resilience and growth potential, achieving strong revenue growth and continuing our track record of consistent profitability. These results are a testament to our strategic focus, customer-centric approach and long-term commitment to value creation. We have remained aligned with macro trends, continued to deepen our capabilities in smart home solutions and cross-border third-party logistics, and actively explored new opportunities in the distribution sector. This report provides a comprehensive and objective overview of our efforts and achievements made in environmental, social and governance (ESG) dimensions, along with our ongoing commitment to sustainable development.





Strengthening Corporate Governance through Integrity and Innovation

We continued to enhance corporate governance by improving transparency, credibility and operational compliance. For the second consecutive year, Loctek received an "A" rating from the Shenzhen Stock Exchange (SZSE) for excellence in information disclosure. We further bolstered our risk management system—our internal "immune system"—to support business continuity. Upholding integrity and the highest ethical standards, we protect customer privacy and maintain a modern, efficient and transparent governance framework, laying a strong foundation for the Company's sustainable growth.

Staying Focused on Main Business and Delivering Shareholder Value

Loctek remains committed to generating stable, long-term value for our shareholders. Steady growth and sustainable profitability is the foundation of this commitment. In recent years, we have capitalized on the rising penetration of e-commerce in Europe and North America and the rapid growth of China's cross-border e-commerce sector. By integrating our cross-border e-commerce and cross-border third-party logistics, we have created a synergistic growth model. Over the past three years, our compound annual revenue growth reached 32.94%, while net profit grew at a compound rate of 23.92%. We distributed over RMB 300 million in dividends, representing 78.57% of our average net profit during the same period. We actively engage with stakeholders and maintain open, transparent communication with investors. Our controlling shareholders and senior officers have increased their shareholdings, reaffirming their confidence in the Company's long-term outlook.

Advancing Green Development and Environmental Sustainability

Guided by the principles of "low carbon, energy efficiency, performance-driven and company-wide participation" in environmental protection, we've built an ecological factory incorporating rooftop solar panels, wastewater recycling systems and green landscaping that promotes biodiversity. We continue to drive energy efficiency and emissions reduction through process improvements, technology and equipment upgrades and digital transformation. These efforts have earned us national and provincial honors and recognitions including the "National Green Factory" designation and "Water-Efficient Enterprise of Zhejiang Province". Our sustainability practices extend across the organization—from increasing the share of green products and expanding renewable energy use to promoting paperless and energy-conscious office practices. Green and low-carbon development is embedded in our operations and embraced as a shared value among all employees.

Empowering Employees and Fostering Inclusive Growth

Guided by our core values of "Diligence & Innovation" and "Shared Success", we place great importance on the well-being and career development of our employees. Loctek offers competitive compensation packages, robust equity incentive programs and clear career advancement pathways. A significant proportion of our mid- and senior-level managers are professionals born in the 1980s and 1990s. We provide comprehensive employee benefits that support daily life and well-being, reinforcing our belief that "at Loctek, you can grow and prosper". As we expand globally, we continue to foster a diverse and inclusive culture and deepen our corporate spirit of "work with joy, live with joy and entertain with joy".

Promoting Business for Good through Public Welfare

Loctek integrates social responsibility into its business strategy. We remain committed to advancing public welfare, particularly in the areas of health education and charitable initiatives. Leveraging our platform and brand strength, we support the global expansion of more than 1,000 Chinese brands through cross-border third-party logistics services. Through our official Douyin (Chinese equivalent of TikTok) account "Loctek Chairman Mr. Xiang's Talks", we regularly share business insights and best management practices to inspire entrepreneurs and practitioners in the cross-border e-commerce sector. As we expand our global footprint, we actively engage in corporate citizenship initiatives abroad, respecting local cultures and contributing to the economic and social development of the communities in which we operate.

In the face of a challenging and evolving global landscape, Loctek remains committed to embedding ESG principles into our strategic planning and day-to-day operations. We are focused on innovation-driven, green development that balances economic performance with environmental and social impacts to deliver both economic and social values. Looking ahead, we will actively participate in industry collaboration to advance sustainable growth, and remain committed to creating value for our customers through high-quality products and services. With determination and focus, we will continue to drive high-quality growth and write the next chapter in our sustainable development journey.



LOCTEK乐歌

About Us¹



W Company Profile

Founded in 2002 and headquartered in Ningbo, Zhejiang Province, Loctek has grown into a dual-engine enterprise, driven by both smart home solutions and cross-border third-party logistics. Today, the Company stands as an innovation-driven, platform-based benchmark in China's cross-border e-commerce sector.

On December 1, 2017, Loctek was listed on the SZSE ChiNext Market (stock code: 300729), becoming the first A-share listed company in the ergonomic wellness industry and the first cross-border e-commerce company to go public through an IPO in China

Loctek is deeply rooted in the ergonomic wellness space. Centered on its core expertise in intelligent lifting technology, the Company continues to expand innovative applications across smart office and smart home environments. Our main product lines include standing desks, ergonomic chairs, sit-stand desk converters, motion sofas, and smart electric beds. Loctek's products are now available in 75 countries and regions around the world.

As of the end of 2024, Loctek has established a global network of 21 self-operated cross-border warehouses, with a total storage area of 662,100 square meters. These facilities offer end-to-end All in One Solution from factory to consumer, offering comprehensive services including ocean freight, customs clearance, drayage, warehousing, fulfillment, FTL/LTL transportation, last mile delivery, and reverse logistics.—serving over 1,000 companies and helping Chinese brands expand their global footprint.

Loctek is committed to corporate social responsibility, conducting its business with integrity and in full compliance with all applicable laws and regulations including tax regulations. Guided by the values of gratitude and giving back, Loctek has actively contributed to charitable causes. Since 2006, the Company has established scholarship programs at institutions such as Ningbo University and the University of Nottingham Ningbo China, benefiting more than 2,300 students and faculty. In 2022, the Loctek Charity Foundation expanded its capital to RMB 40 million, with a focus on education, poverty alleviation, elderly care and disability support.

Loctek promotes a corporate spirit of "Work with Joy, Live with Joy and Entertain with Joy", and actively supports the principle of shared prosperity—sharing the fruits of the Company's growth with its employees.

© Corporate Culture



Vision

To evolve into a forward-thinking enterprise that meets societal needs by leveraging technology and innovation.



Mission

User Satisfaction. Customer Satisfaction





Core Values

Strive & Innovation

Work with Joy, Live with Joy and Entertain with Joy

LOCTEK乐歌

Output Development History

2002

Loctek's predecessor Logitek Standard Electronics Cable Manufacturing Co., Ltd. was founded.

2004

The first manufacturing base was established in Jiangshan Science & Technology Park, Ningbo.

2005

Loctek released its first ergonomic monitor arm.

2011

Loctek shifted its focus to cross-border e-commerce.

2015

Vietnam manufacturing base was launched;

Loctek released its first smart standing desk and pneumatic sit-stand desk converter.

2009

The second manufacturing base opened in Ningbo Yinzhou Economic Development Zone; "Loctek" brand was officially launched.

2013

Loctek established its subsidiary in Silicon Valley, USA; first cross-border warehouse began operations, marking the start of global expansion.

2016

FlexiSpot.com, Loctek's first independent e-commerce site, went live in the U.S.

2008

Loctek was recognized as a National High-Tech Enterprise.

2017

Loctek was listed on the SZSE ChiNext Market (stock code: 300729).

2021

The Smart Wellness Industrial Park project was launched in Beihai, Guangxi.

Loctek introduced its first smart electric bed.

2020

Loctek invested over USD 100 million in a comprehensive cross-border third-party logistics innovation complex.

Loctek Smart Wellness Research Institute was established.

2022

FlexiSpot ranked among Kantar BrandZ Top 50 Chinese Global Brand Builders.

Loctek held the groundbreaking ceremony for its new headquarters

2023

The CCTV program The Pillars of China, exclusively sponsored by Loctek, officially premiered.

Loctek's 1.800 TEU container vessel was successfully delivered.

Guangxi Manufacturing Base began operations.

2024

Loctek launched 4Supply.com, a professional B2B distribution platform, establishing a presence in the cross-border distribution

Construction began on Loctek's first 1000,000 ft self-built cross-border warehouse in Ellabell, Georgia, USA.

The headquarters building was officially put

2019

Loctek launched the smart study desk, the first to feature electric lifting technology in its category.





2024 Milestones

January

Loctek's new 660,000 sq. ft. warehouse in New Jersey began operation;

Our official Douyin account "Loctek Chairman Mr. Xiang's Talks" was named one of the Ningbo's Top 20 Most Influential New Media Accounts on Douyin.



Loctek was awarded "Enterprise of Great Strength" for its contribution to economic development in Yinzhou District, Ningbo.

FlexiSpot became an officially recognized partner of the renowned UK television program Grand Design.



March

FlexiSpot made donations toward rainforest and wildlife conservation initiatives:

Loctek was recognized as a "National Model Enterprise for Product and Service Quality Integrity".



兹此证明



Chairman Xiang Lehung was honored as a "Model Worker of Ninabo":

Loctek sponsored the 2024 Badminton Asia Championships. Loctek launched 4Supply.com, a professional B2B distribution platform, establishing a presence in the cross-border distribution

FlexiSpot ran its first advertising campaign across the London Underground and public transit



Lecangs was featured in a special report by CCTV News Morning News.

Lecangs was named a Provincial-Level Cross-border Warehouse Operator for the fourth consecutive year.



August

Lecangs was officially certified by TEMU.



The Lecangs Fuzhou Office opened for business;

Dortmund warehouse commenced operations, marking the Company's entry into the German market for cross-border third-party logistics services.



FlexiSpot became an official partner of Bundesliga club Bayer 04 Leverkusen for the 2024/25 season;

FlexiSpot was nominated for the IGR Innovation Prize for Ergonomics 2025.



October

Loctek successfully raised RMB 400 million through a private placement to fund construction of the Ellabell

Loctek E7 series standing desks won both the French Design Award and the German Design Awar

THE PARTY OF



FRENCH DESIGN AWARD

Construction began on Loctek's first self-owned cross-border warehouse in Ellabell, Georgia, USA;

Warehouses in Toronto and Northampton began operations, marking the Company's entry into Canada and the UK markets for cross-border warehouse

FlexiSpot Germany was named a "Trend Shop" in the furniture category by Bild Computer.



The headquarters building was officially put into use;

Loctek began planning for the second self-owned warehouse in Apple Valley, California.

Cross-border warehouse orders from third-party clients surpassed 1.5 million in December alone, with annual volume exceeding 10 million orders.



LOCTEK.





3 2024 Awards and Recognitions

leadquarters Enterprise of Zhejiang Province's Private Economy

In October, Loctek was named to the "Headquarters Enterprises of Zhejiang Province's Private Economy" list, recognizing its comprehensive strength, robust innovation capabilities and economic contributions. This recognition not only acknowledges the Company's headquarters economy cluster effect and achievements in high-quality development but also marks a new phase in its strategic planning, resource allocation and social value creation.

浙江省经济和信息化厅

关于开展浙江省民营经济总部企业评估工作

为贯彻落实党中央、国务院和省委、省政府决策部署,加 快打造民营经济总部高地, 推进民营经济总部企业培育, 根据 《浙江省鼓励和引导发展总部经济的若干意见(修订版)》《浙 江省加快打造民营经济总部高地工作方案(试行)》(浙经信合 作 [2024] 39 号) 等文件精神, 对全省报备的 668 家民营经济 总部企业(附件1)予以入库。为更好摸排有关企业情况和诉求, 助力提升在浙总部能级, 经研究决定, 拟开展民营经济总部企 业评估工作, 具体事项要求如下:

一、常态化开展评估。请各市经信局于每年11月对备案入 库民营经济总部企业开展评估工作,并于每年12月20日前, 汇总报送企业重点指标评估情况(评估的时间口径为上一年度 10月1日至当年度9月30日,附件2),并提出所辖地区企业 备案入库调整建议。

二、建立直通车机制。探索建立总部企业诉求事项直通车 机制, 请各市经信局通过调研、座谈等方式, 不定期搜集民营

序号	企业名称	产业类别	属地	认定总部类型
237	乐歌人体工学科技股份有限公司	第二产业	宁波市	企业型总部
238	龙元建设集团股份有限公司	第二产业	宁波市	企业型总部
239	美康生物科技股份有限公司	第二产业	宁波市	企业型总部
240	宁波鲍斯能源装备股份有限公司	第二产业	宁波市	企业型总部
241	宁波碧彩实业有限公司	第二产业	宁波市	企业型总部
242	宁波博汇化工科技股份有限公司	第二产业	宁波市	企业型总部
243	宁波博菱电器股份有限公司	第二产业	宁波市	企业型总部
244	宁波慈星股份有限公司	第二产业	宁波市	企业型总部
245	宁波德昌电机股份有限公司	第二产业	宁波市	企业型总部
246	宁波德业科技股份有限公司	第二产业	宁波市	企业型总部
247	宁波东方电缆股份有限公司	第二产业	宁波市	企业型总部
248	宁波方太厨具有限公司	第二产业	宁波市	企业型总部
249	宁波福尔达智能科技股份有限公司	第二产业	宁波市	企业型总部
250	宁波宏协股份有限公司	第二产业	宁波市	企业型总部
251	宁波华成阀门有限公司	第二产业	宁波市	企业型总部
252	宁波华期电子股份有限公司	第二产业	宁波市	机构型总部
253	宁波华众汽车饰件科技有限公司	第二产业	宁波市	企业型总部
254	宁波环洋新材料股份有限公司	第二产业	宁波市	企业型总部
255	宁波继峰汽车零部件股份有限公司	第二产业	宁波市	企业型总部
256	宁波家联科技股份有限公司	第二产业	宁波市	企业型总部

MIIT's "2024 5G Factory Directory"

In November, Loctek's Jiangshan manufacturing base was listed in the MIIT's "2024 5G Factory Directory", recognizing its strong integration of 5G and industrial Internet technologies to drive smart, automated manufacturing and improve operational efficiency and product quality.

	浙江珊琪服饰有限公司 5G エ厂	浙江珊琪服饰有限公司	中国电信	浙江省全华市
皮革、毛皮, 羽毛及其	老兴汽车皮革 5G 绿色智能工厂	宏兴汽车皮革 (福建)发展有限公司	中国电信	福建省泉州市
制品和 制鞋业	健儿鞋展 5G 制鞋数智化车间	普江健儿鞋服有限公司	中国电信	福建省泉州市
木材加工和	联邦智慧家具 5G 全连接工厂	广东联邦家私集团有限公司	中国电信	广东省佛山市
木、竹、藤、 榧、葉	万华禾香无醛人造板智能 5G 工厂	万华禾香集团股份有限公司	中国联通	河南省信阳市
	傳尔未来 5G 工厂	德尔未来科技控股集团股份有限公司	中国联通	江茶省茶州市
	京具制造 5G 全连接工厂	四川亚度家具有限公司	中国移动	四川省德阳市
京具制造	系数 5G 工厂	乐歌人体工学科技股份有限公司	中国联通	浙江省宁波市
水共利道	喜临门家具股份有限公司 5G 全连接工厂	喜伯门家具股份有限公司	中国移动	浙江省绍兴市
	泰普森户外家具 5G 智慧工厂	浙江泰普森实业集团有限公司	中国移动	浙江省期州市
	山鷹 5G+教智工业互联网工厂	山鹰国际控股股份公司	中国电信	安徽省马鞍山市
	河南裕忠新型环保包装 5G 工厂	河南格宏新型环保包装有限公司	中国移动	河南省駐马店市 215
	濮阳龙丰纸业 5G 全连接工厂	濮阳龙丰纸业有限公司	中国联通	河南省濮阳市
造纸和 抵制品业	宝姿 5G エ厂	江苏宝姿实业有限公司	中国联通	江茶省淮安市
10,0100.00	江茶弘展包装有限公司 5G 工厂	江苏弘晟包装有限公司	中国联通	江茶省淮安市
	智慧造纸全连接 5G 工厂	山东华泰纸业股份有限公司	中国电信	山东省东雷市
	世纪阳光 5G 工厂一阳光 5G 车间一阳光 5G 产线	山东世纪阳光纸业集团有限公司	中国移动	山东省潍坊市
的剧和记录	江茶輔达 5G 智能工厂	江茶省瑞达包装有限公司	中国电信	江茶省淮安市
	茨州美柯乐 5G 工厂	茶州工业园区美柯乐制版印各 有限责任公司	中国移动	江茶省茶州市
T 4 2 4	知中体(G 子创修工厂	谁少矿业存价者国从何他连单催厂	中国联语	中衛金油や市

2023 Ningbo 'Major, Excellent and Strong' Manufacturing Enterprise

In December, Loctek was named to this list based on its scale, innovation capabilities and value chain leadership.

【宁波市】关于博威集团等入图2023年度宁波市制造业"大优强"培育企业年度评价的 ②示企图 12-16 08:39	130名名甲酚公尔			阅读次数:	
根据《关于加快发展新质生产力全力推进新型工业化的若干意见》、《关于加快发	展新活生产力全力推进新型工业化的若干赛贝拿接细师	(2) 等文件精神, 我局开展了2023年度宁波	市制造业"大优强"培育企业年度评价工作。	经企业申报、专家评审、信息	
b音等程序,现将博成集团等入围2023年度宁波市制造业"大优强"培育企业年度评价					
一、公示时间: 2024年12月13日-12月20日。					
二、公示期间,如对公示内容有异议,可通过来电、来信、来访进行反映,反映问	题请署实名。				
三、联系电话: 89292031; 地址: 宁波市鄞州区宁穿路2001号。					
附件: 2023年度宁波市制造业"大优强"培育企业年度评价前30名名单					
023年度宁波市制造业"大优强"培育企业年度评价前30名名单.doc					
HT.	2023年度宁波市制造业"大优强	位音企业			
	年度评价前30名名单	AIR M. M.			
排名		企业名称			
1		博威集团有限公司			
2	宁坡	[丰电子材料股份有限公司			
3		舜宇集团有限公司			
4	宁	校金田投资控股有限公司			
5	学	攻德业科技股份有限公司	9 1		
6					
7 宁坡方太居與有限公司					
8 得力無所有限公司 9 学該拓善期股份有限公司					
9					
14		y东方电缆股份有限公司			
15		說科技股份有限公司			
16		爱柯迪股份有限公司			
17	Î	开控股集团有限公司			
18	E	月重工股份有限公司			
19	乐歌人	、体工学科技股份有限公司			
20	甬砂电	3子 (宁波) 股份有限公司	,		
21	浙江	[极氮智能科技有限公司			
22	宁波中	等动力机电集团有限公司			
23	宁液條	峰汽车零部件股份有限公司			
24		均胜集团有限公司			
25	宁波林	力传感科技股份有限公司			
26		24 7 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2			
27		生物科技股份有限公司			
28		工股份有限公司镇海炼化分公司			
29					
		材料科技股份有限公司			
30		波长振铜业有限公司			

Zhejiang Famous Export Brand (2024-2026)

In January, Loctek was awarded the "Zhejiang Famous Export Brand (2024–2026)" designation by the Zhejiang Provincial Department of Commerce. The award affirms the Company's global expansion efforts and further strengthens its confidence in going global.





West Performance

Economic

Operating revenue

56.70 RMB 100 million

Total profit

3.95 RMB 100 million

Total assets

101.51_{RMB 100 million}

Net profit attributable to shareholders of the parent

Energy consumption intensity

Total petrol consumption

Total indirect energy consumption

80.95_{tons}

0.91tce/ RMB 1 million (revenue)

3.36 RMB 100 million

Environmental

Environmental protection investments

444.33_{RMB 10,000}

Total direct energy consumption

1,684.49_{tce}

Total diesel consumption

56.48tons

Total purchased electricity

23,169,809_{kWh}

Total water consumption

234,981_{tons}

Total energy consumption

5,138.50tce

Total liquefied petroleum gas consumption

Renewable electricity purchased

3,500,000_{kWh}

Total air emissions

1,707tons

Including

natural gas consumption

111.51 10,000 standard cubic meters

353.752_{tons}

Photovoltaic power generation

3,454.01_{tce}

1,335,074.8_{kWh}

Total wastewater discharges

42,939_{tons}

Governance

Number of shareholders' meetings convened

Social

R&D investments

20,113.63 RMB 10,000

R&D personnel as a percentage of total workforce

26.28%

Total number of employees

4,109

Total general waste produced

312.15_{tons}

GHG emissions intensity (Scope 1 + 2)

2.88 tCO2e/ RMB 1 million (revenue)

Indirect GHG emissions (Scope 2)

12,432.92_{tCO2e}

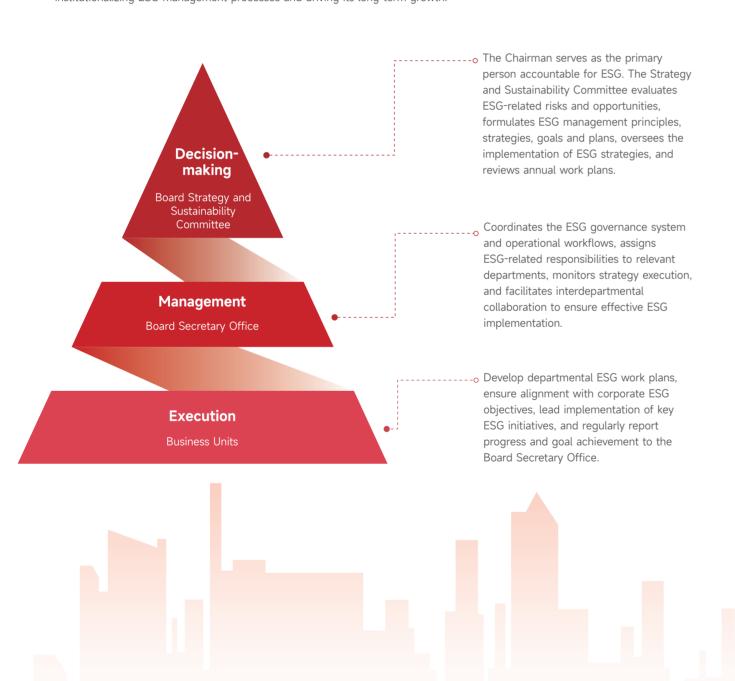






Sustainability Governance Framework

To effectively advance its sustainability agenda, Loctek has established a robust ESG governance framework and institutional system. This framework defines clear roles and responsibilities across departments and is structured around a three-tiered model encompassing decision-making, management and execution. The Company proactively identifies risks and opportunities related to climate change, environmental protection, business ethics and other material topics. It develops and rigorously implements ESG strategies, policies, risk controls, target-setting mechanisms and performance assessments, thereby institutionalizing ESG management processes and driving its long-term growth.



Sustainability Strategy

The Company has adopted ESG principles as a core driver of its strategic development. It has conducted a comprehensive review of its operations from governance, environmental and social dimensions. By integrating sustainability into both strategic decision-making and day-to-day operations, the Company proactively manages potential risks. Grounded in a strong sense of corporate social responsibility, the Company continuously evaluates its economic, environmental and social impacts to build a forward-looking, company-specific sustainability framework that provides clear direction for long-term, resilient growth.

Dimension	Topics	Primary Risks/Opportunities	Responses	
Governance	Compliance & Risk Control	 Regulatory compliance risks; Operational and market growth opportunities 	 Transparency, fairness, accountability and dedication; Rule of law, democracy, efficiency and win-win cooperation; Stability, innovation, collaboration shared success. 	
	Environmental Protection	 Regulatory and compliance risks related to emissions; Opportunities in green and smart technologies 		
Environmental	Climate Change	Physical and transition risks;Opportunities in innovation of technologies and materials	 Align with global climate action efforts; Implement energy-saving and emission-reduction initiatives; Promote circular economy practices; Adopt cleaner, more sustainable production technologies. 	
	Resource Efficiency	 Physical, regulatory and technological risks; Opportunities related to technologies and resource efficiency 		
	Product Quality Control	 Legal, market, equipment and process-related risks; Market and technology-related opportunities 	Drive growth through technological	
Social	Sustainable Supply Chain	 Risks from price volatility and supply chain disruptions; Opportunities related to supplier diversification and digital transformation 	innovation;; • Strengthen quality management to enhance customer satisfaction; • Reinforce occupational health and safety measures to build a robust culture of safety;	
	Occupational Health and Safety	Legal and operational risks;Opportunities to improve management efficiency	 Protect employee rights and interests, and foster constructive labor relations; Cultivate a diverse, inclusive workplace. 	
	Employees' Rights Protection	Legal and operational risks;Opportunities to improve management efficiency		



Management of Sustainability-related Risks and Opportunities

The Company integrates ESG principles into its risk management and decision-making processes, and has improved its *Operational Risk Identification, Assessment and Control Procedures*. It systematically identifies, evaluates and analyzes a broad range of internal and external factors including climate change, supply chain management, innovation and R&D, product quality, and employee rights, and develops targeted mitigation strategies to manage sustainability-related risks. These efforts support the Company's stable and resilient development.



Develop an ESG risk register focused on key areas and material topics;



Use scenario analysis, risk matrix and other tools to assess various potential future scenarios and effectively identify and evaluate risks;



Sustainability-related Risk and Opportunity Management Process **(3**)

Engage in multi-channel communication with stakeholders to determine the ESG risk levels;



Formulate recommendations for mitigating ESG risks in both the short and long term based on the assessed risk levels;



The Board Strategy and Sustainability Committee reviews and validates the ESG risk assessment results and corresponding recommendations, and incorporates risk and opportunity management into the Company's strategic planning.





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Sustainability Metrics and Targets

The Company places strong emphasis on long-term, sustainable development and embeds its ESG framework centered around environmental protection and social responsibility commitments into its corporate strategy. We continue to refine our ESG strategy and set specific targets across multiple levels of operation, aligning our initiatives closely with the United Nations 2030 Sustainable Development Goals (SDGs). Through ongoing improvement of our ESG management system, we aim to minimize environmental impact, enhance R&D for high-quality products, protect employee rights, nurture high-caliber talent, and contribute to social harmony and progress.

Strategic Pillar	Targets & Commitments	United Nations Sustainable Development Goals (SDGs)	Company Actions in 2024
Corporate Governance	 Strengthen board independence and diversity to enhance governance structure; Improve mechanisms for protecting shareholder rights and ensure transparent information disclosure; Formulate, maintain and update the Articles of Association, management systems, rules of procedure and operational guidelines; Optimize ethical business practices, with a focus on cultivating employee awareness of business ethics. 	8 DECENT WORK AND ECONOMIC GROWTH 10 INEQUALITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS IN	Compliance & risk control Investor relations management Business ethics and anti-corruption Information security and privacy protection
Green development	 Incorporate environmental impact considerations into operations; Improve energy efficiency, promote circular economy principles, and reduce resource consumption and waste; Minimize carbon footprint by transitioning to green, renewable energy sources and contribute to China's carbon peak and carbon neutrality goals. 	6 CLEAN WATER AND SANITATION TO CLEAN ENERGY TO CLEAN ENERGY THE SUSTAINABLE CITIES AND COMMAINTES AND PRODUCTION AND PRODUCTION TO CLEAN ENERGY TO CLEAN ENER	Environmental management Resource efficiency Green operations Response to climate change

Strategic Pillar	Targets & Commitments	United Nations Sustainable Development Goals (SDGs)	Company Actions in 2024
Customer Satisfaction	 Promote innovation and R&D for green, sustainable products; Implement incentive mechanisms for R&D projects, product innovation, patents and talent development; Enhance customer service systems to deliver a high-quality, responsive experience; Ensure zero incidents of customer data breaches; Improve the supply chain management system by incorporating supplier ESG risks as a part of risk identification, prevention and control; Foster industry collaboration for long-term, sustainable development 	9 INDUSTRY, INNOVATION AND PRODUCTION AND PRODUCTION CONSUMPTION AND PRODUCTION CONTINUES.	R&D system development Technological innovation Intellectual property protection Product quality assurance Quality service Sustainable supply chain
Social Responsibility	 Ensure equal opportunities in recruitment, promotion and career development; create a diverse, flexible and inclusive workplace that supports employee growth; Establish a safe and healthy workplace, target zero workplace accidents, promote employee wellbeing, and strive for 100% employee satisfaction; Actively support the national "shared prosperity" goal, uphold a philosophy of gratitude and giving back, and commit to public welfare through sustained philanthropic initiatives 	1 NO POVERTY THE	Diversity and inclusion Compensation and benefits Employees' rights protection Democratic governance Employee wellbeing Occupational health and safety Employees development Public welfare and charity Educational access Universal participation in charity Belt and Road Initiative participation Local community development



Stakeholder Engagement

The Company is committed to establishing a robust and diversified stakeholder communication framework. By accurately identifying and responding to the ESG concerns of key stakeholder groups—including shareholders and investors, customers, employees, suppliers, communities, government and regulatory authorities, media, and professional organizations—the Company continuously evaluates both risks and opportunities to refine and strengthen its ESG strategy.

















Shareholders & Investors

Government & Regulatory Agencies

Employees

Suppliers & Partners

Communities, Public and Media

Professional **Organizations**

Sound compliance

Operational risk management Information disclosure and transparency

> Sustainable returns on investment

Alignment with national policies

Compliance with laws and regulations

Tax compliance

Risk and compliance management

Regional economic development

Environmental protection

Product and service quality

Customers

Product safety and reliability

Product development and innovation

Information security and privacy protection

Intellectual property protection

Protection of labor rights and interests

Employee well-being

Remuneration and benefits

Employee growth and training

Occupational health and safety

Transparent procurement

Win-win collaboration

Regulatory and ethical

Supply chain sustainability

Economic performance

Public welfare and charity

Responsible and compliant operations

> Promotion of social development

Environmental protection

Technological innovation

Industry advancement and development

Shareholders' meetings and and periodic reports

Earnings briefings

Ongoing investor engagement

Information disclosure

Investor support lines

Policy briefings and updates Meetings and exchanges

Policy advisory engagement On-site inspections and visits

Client meetings Customer satisfaction surveys Customer service platforms

Employee representative assemblies

Employee satisfaction surveys

Performance evaluation and feedback mechanisms

Employee activities

Employees interviews

Training programs and employee handbook

Contract execution Supplier conferences

Supplier visits

Supplier management and training

Company website

Media interviews and press releases

Charitable events Facility tours

Industry forums

Trade fairs and exhibitions

Sector-specific conferences and dialogues

21 Anti-unfair competition



Materiality Assessment

In alignment with the Guidelines No. 17 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial) and international standards such as GRI 3: Material Topics, the Company follows the principles of materiality, completeness, and balance to identify and prioritize ESG topics. This process incorporates both impact materiality and financial materiality, supporting the development of a focused ESG strategy that reflects the Company's most significant sustainability risks and opportunities. The following table presents the specific steps of assessment:



• Examine industry trends on both global and domestic macroeconomic levels;

- Analyze the Company's industry landscape;
- · Assess the Company's business model;
- Identify and analyze the impacts, risks and opportunities the Company and its stakeholders currently face.



List of Material **Topics**

 Develop a pool of material ESG topics by drawing upon assessment methodologies from global standards such as the GRI, SDGs, SASB and MSCI, along with best practices from industry peers.



Materiality

Assessment

Impact Materiality Assessment:

Gather stakeholder insights through surveys, interviews, and other engagement methods to evaluate the potential environmental, social and economic impacts of each topic.

• Financial Materiality Assessment:

Analyze the results of the survey, focusing on the impact, dependencies and other relevant factors; and integrate expert judgment and surveys from all functional departments on the likelihood of each issue and severity of financial impact to identify and evaluate the risks and opportunities associated with each issue, ultimately determining which issues hold financial materiality.



Topic Confirmation · Compile a final list of material topics, distinguishing those based on impact and financial materiality and ensuring that all relevant issues are presented in a transparent, balanced and comprehensive manner Medium.

Materiality Assessment Results

4 Ecosystem and biodiversity

5 Environmental compliance

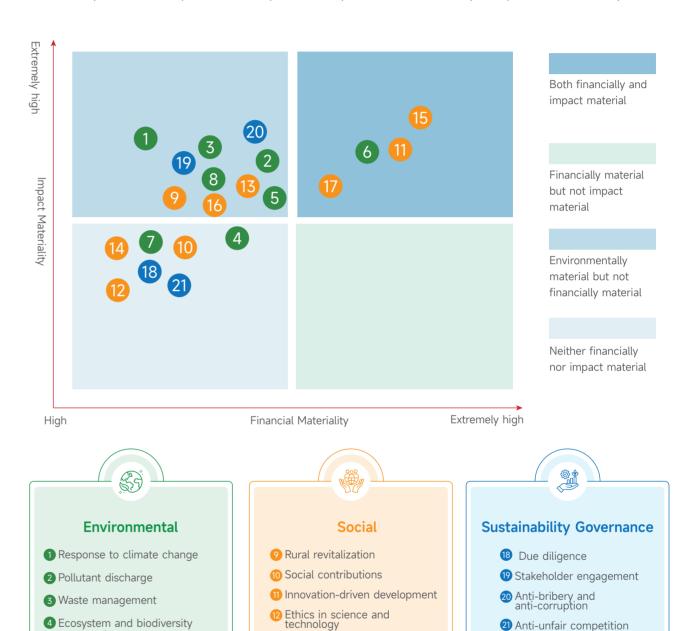
7 Water resources utilization

preservation

8 Circular economy

6 Energy use

Conduct analysis of material topics based on "impact materiality" and "financial materiality", and produce the materiality matrix.



Note: 1. "Irrelevant" refers to topics that are neither financially material nor impact material; 2. "Double materiality" refers to topics that are both financially and impact material; 3. The exchange guidelines specify that "Ecosystem and Biodiversity Protection" is only applicable to specific entities. This topic is currently not relevant to the Company.

13 Supply chain security

14 Equal treatment of SMEs

16 Data security and privacy protection

17 Employees

15 Product and service safety and

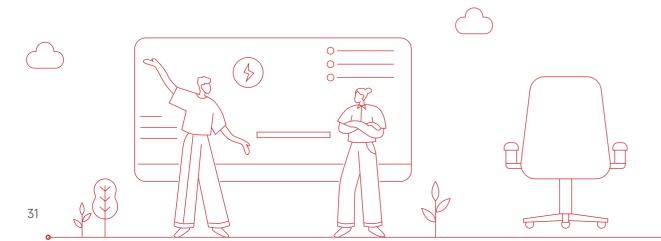
Special Feature Leverage Cross-border Third-party Logistics Strengths to Usher in the Comprehensive Globalization Era

Cross-border Third-Party Logistics:A Strategic Lever in the Era of Full-Scale Globalization

In recent years, a series of supportive policies have been introduced to accelerate the development of cross-border e-commerce and cross-border third-party logistics. In November 2024, the General Administration of Customs issued the Announcement on Further Promoting the Development of Cross-border E-commerce Exports, which included measures such as eliminating the filing requirement for enterprises operating cross-border warehouses, streamlining export documentation procedures, expanding pilot programs for "inspection-before-loading" of consolidated export goods, and promoting a cross-border return supervision model across customs regions. Earlier, in June 2024, nine ministries including the Ministry of Commerce jointly issued the Opinions on Expanding Cross-border E-commerce Exports and Advancing Overseas Warehouse Development, which emphasized the coordinated development of cross-border e-commerce and cross-border warehouses as emerging foreign trade infrastructure. The policy aims to promote high-quality growth of cross-border warehouse networks, optimize global warehouse deployment, and support the international expansion of Chinese enterprises.

Driven by the evolution from product export to brand export, the rise of new social commerce models—represented by platforms like TikTok, SHEIN, and Temu—has further catalyzed the growth of cross-border e-commerce. According to the General Administration of Customs, China's cross-border e-commerce import and export volume reached RMB 2.63 trillion in 2024, a year-on-year increase of 10.8%. The sector continues to unleash its potential in "selling globally," with export growth in cross-border e-commerce significantly outpacing overall foreign trade growth—highlighting the sector's strong momentum and growth prospects.

Cross-border third-party logistics serve as critical offshore infrastructure for cross-border e-commerce. By localizing logistics services such as fulfillment and returns, they enable faster delivery times, enhance product reliability and safety, and ensure a stable user experience. This helps export-oriented enterprises improve logistics efficiency and reduce transportation costs. Moreover, Cross-border third-party logistics help e-commerce businesses expand their market reach and boost competitiveness. As a foundational component of the cross-border e-commerce ecosystem, Cross-border third-party logistics are playing an increasingly vital role in driving foreign trade growth and enabling high-quality development.



Lecangs in 2024: Expansion and Global Footprint

The year 2024 marked a pivotal stage in Lecangs global warehouse expansion. By the end of 2023, the Company operated 12 self-operated cross-border warehouses worldwide, totaling 289,600 square meters. This footprint expanded significantly to 21 self-operated cross-border warehouses by the end of 2024, covering a total of 662,100 square meters—representing a year-on-year increase of 128.63% in operating space.



Lecangs' Cross-border Warehouse Footprints

Note: Minor discrepancies in area figures are due to rounding.

In terms of geographic distribution, the United States remains Lecangs core market for cross-border warehousing. The Company continued to enhance localized service capabilities and consolidate its leadership position in the mid-to-large-sized product segment. Both the number and size of warehouses in the U.S. East and West coasts grew substantially, enabling a more rational multi-warehouse layout. This effectively shortens the final-mile delivery distance for customers, improving logistics efficiency while reducing costs.

At the same time, Lecangs kept pace with its clients' international expansion by launching new cross-border warehouses in the United Kingdom, Germany, and Canada, with a combined area of over 60,000 square meters. This marks a significant step forward in building global logistics and fulfillment capabilities. As shipping volumes in these markets continue to grow, the Company expects to gradually enhance its competitive edge in final-mile pricing and first-leg ocean freight services in these countries.

Advancing Smart Warehousing to Build **Long-Term Competitive Moats**

In 2021, Lecangs identified smart warehousing as a core strategic initiative to establish long-term competitive advantages in its global logistics network. The Company assembled a warehouse automation team of over 100 specialists and has since leveraged both in-house R&D capabilities and external technology partnerships to drive continuous innovation. Through upgrades in warehouse management, distribution operations, information system integration, and equipment lifecycle management, Lecangs has significantly enhanced the operational efficiency of its cross-border warehouses, ensuring seamless coordination across product flow, logistics, and data systems.



Key Performance

During the reporting period, Lecangs's cross-border warehouses processed over 150,000 SKUs-80%of which were medium to large items. The global handling capacity reached 20 million parcels annually, with

peak daily shipments of 150,000 items. Notably, 99.9% of orders were dispatched within 24 hours,

inventory and sorting accuracy reached 99.9%, and the package damage rate remained as low as 0.01%. These indicators place Lecangs's logistics performance among the best in the industry for both efficiency and reliability.

Goods-to-Person AGV Robots for Medium and Large Items

Designed specifically for bulky and heavy products, these autonomous mobile robots offer increased load capacity and are fully aligned with Lecangs warehouse workflows. By dramatically reducing picker travel distance, they improve both efficiency and accuracy, boosting overall warehouse productivity.



Goods-to-Person AGV Robots for Medium and Large Items

Robotic Arm Labeling and Palletizing Line

To address the labor-intensive and low-efficiency challenges of labeling ultra-thin items, Lecangs deployed an automated robotic line that performs depalletizing, labeling, verification, and repalletizing. This solution improves both operational efficiency and standardization and has been granted a utility model patent.



Robotic Arm Labeling and Palletizing Line

Mobile DWS System for Large-Format Goods

To overcome the difficulties of handling and scanning large items, Lecangs introduced a mobile dimensioning, weighing, and scanning (DWS) system powered by vision technology. This system automatically captures product data and uploads it to ERP and WMS platforms, reducing labor demand by up to six workers per line.



Mobile DWS System for Large-Format Goods

Automated Sorting Line

To address capacity constraints in last-mile hubs for large parcel sorting, Lecangs implemented a system combining vision recognition and flexible conveyor technologies. This enables fully automated sorting of oversized and overweight goods. streamlining outbound verification and order fulfillment, and improving overall warehouse throughput.



Automated Sorting Line

Warehouse Output Digital Transformation of Warehouse Operations

Lecangs self-developed Transportation Management System (TMS) enables end-to-end logistics visibility, optimized last-mile delivery coordination, and seamless carrier integration. The BMS platform supports automated financial reconciliation. In addition, the Company has deployed industry-leading "digital twin" technology to further enhance warehouse management and simulation capabilities.

Three Core Modules: Global Digital Alliance Warehouse Service Platform (GDAWS), Smart Logistics Shipping Management Platform (LSM), Smart Warehouse Execution & Control Platforms (WES, WCS)



Smart Decision-Making Information Platform

Strategic Warehouse Distribution to Reduce Last-Mile Costs

Lecangs has been recognized as one of FedEx's Global Top 100 customers for two consecutive years, benefiting from favorable courier pricing. Leveraging its high shipment volume and robust data infrastructure, the Company conducts granular analysis of regional order distribution across the U.S. by product category. This enables cross-border sellers to optimize warehouse placement based on big data insights, thereby enhancing delivery speed and reducing logistics costs.

Reducing delivery distances is the most effective way to minimize last-mile costs for products of similar weight. Historical data show that when an item is shipped across more than five shipping zones, both cost and delivery time increase significantly.

Under a distributed warehousing model, cross-border merchants can reference Lecangs's regional order heatmaps to strategically position inventory across multiple warehouse locations. This allows parcels to be dispatched from the facility closest to the customer, reducing the number of zones crossed, lowering shipping fees, and shortening delivery times.



During the 2024 Black Friday and Cyber Monday peak sales period, over 2 million items were shipped from Lecangs's global cross-border warehouses, a 138% year-on-year increase, with an average daily outbound volume of 100,000 orders. Amid peak season volume surges, Lecangs's automation and digitalization advantages were evident—minimizing reliance on manual operations, improving precision, and ensuring stable logistics performance.

Looking ahead, Lecangs will continue advancing its smart warehousing capabilities. With the deployment of intelligent systems including latent AGVs, unmanned forklifts, tote AGVs, visual depalletizing systems, and conveyor sorting lines, full-warehouse automation levels will be significantly elevated.

Building Self-owned Cross-border Warehouses to Forge a Unique Competitive Edge

In October 2024, Lecangs commenced construction of its first self-owned cross-border warehouse—the Ellabell Warehouse—in Georgia, USA. With a planned floor area of approximately 93,000 square meters and a construction cost of USD 78 million, the facility is expected to become operational by the end of 2025. In April 2025, construction began on the Company's second warehouse—Apple Valley Warehouse—with a planned area of 112,000 square meters and a construction budget of USD 97 million, targeted for completion in the first half of 2026. By 2027, Lecangs aims to complete three wholly owned cross-border warehouses, totaling approximately 323,000 square meters. Over the next 5 to 10 years, the Company plans to expand its cross-border warehouse footprint to 1.5 million square meters, leveraging land reserves acquired earlier at favorable prices.



Rendering of Ellabell Warehouse

Compared with leased facilities, self-owned warehouses significantly reduce long-term operating costs, offering a rare and strategic advantage that strengthens Loctek's competitive positioning. Internal calculations show that the ownership cost of self-built warehouses is only one-third to one-half of comparable leased warehouses. Increasing the proportion of self-owned facilities allows Lecangs to lock in long-term warehousing costs, mitigate rental price volatility, and reduce overall property expenses.

Throughout its development journey, Loctek has remained committed to long-termism as a core business philosophy. The Company's decision to adopt an asset-heavy model for overseas warehousing reflects its strategic determination to deepen its presence in cross-border logistics. From transitioning from small facilities to large-scale operations, to purchasing land, constructing warehouses, and continuously investing in smart warehousing technologies, Lecangs has sacrificed short-term gains to lay a solid foundation for sustainable growth.

Entering 2025, cross-border e-commerce faces mounting headwinds—from renewed tariff pressures and volatile ocean freight rates to intensifying competition. As logistics become an increasingly critical component of global brand expansion, sellers are demanding faster delivery times and lower logistics costs. Following a sector-wide wave of warehouse expansion in 2024, cross-border warehousing providers must now pivot toward cost optimization and operational efficiency to adapt to the next phase of industry evolution. Lecangs firmly believes that the key to long-term viability lies in continual internal improvement and a strong focus on meeting core customer needs.

Awards and Accolades







Provincial-Level cross-border Warehouse

Fuzhou Cross-border E-commerce

GOFA Most Popular Brand







Outstanding Cross-border Brand

Service Excellence Award

Emerging Market Innovator Award



Industry Leadership



Top 10 cross-border Warehouse Operator



Top 10 Global Expansion Leaders



Top 10 cross-border Warehouse Operator



Integrity and Compliance: Strengthening Sustainable Governance

Company Actions

- Corporate governance
- Compliance & risk control
- Investor relations management
- Business ethics and anti-corruption
- Information security and privacy protection

SDGs





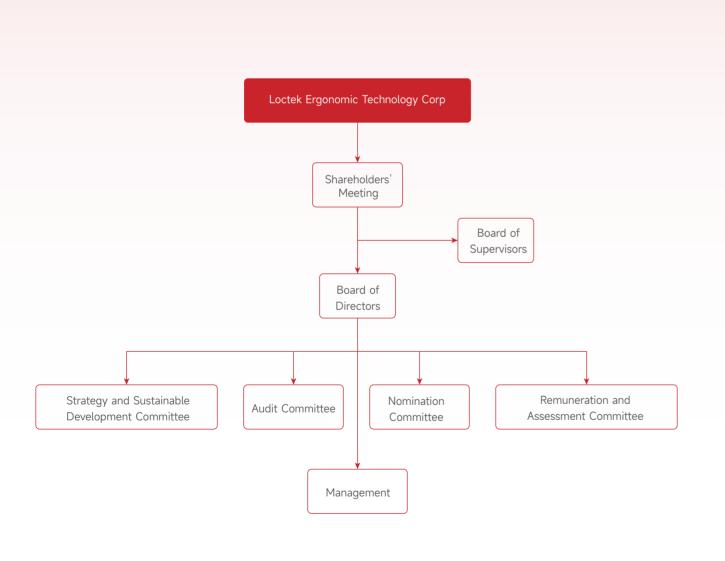






Corporate Governance ¹

Loctek adheres strictly to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies and other relevant regulations. The Company continuously enhances its governance framework, which is structured around a "three meetings and one management" model comprising the Shareholders' Meeting, the Board of Directors, the Board of Supervisors, and Executive Management. This system ensures clear segregation of responsibilities, sound operational procedures, and effective checks and balances among governing bodies. In addition, Loctek has strengthened information disclosure and improved investor relations management to further enhance transparency and regulatory compliance.



Loctek Governance Structure

Shareholders' Meeting

As the Company's highest decision-making authority, the Shareholders' Meeting includes all equity holders. Its convening, proposal, and voting procedures strictly comply with the Company Law, the Articles of Association and the Rules of Procedure for Shareholders' Meetings. Equal treatment of all shareholders is ensured, and both in-person and online voting options are provided to facilitate participation. All procedures related to the convening, proposal submission, conducting, voting and resolution of the shareholders' meeting are witnessed on-site by retained legal counsel, who also issue a legally compliant legal opinion certifying compliance with applicable regulations. During the reporting period, there were no incidents of minority shareholder rights being compromised.



During the reporting period, the Company held four shareholders' meetings, at which $18\,$ proposals were deliberated and adopted.

Board of Directors

In accordance with applicable laws, regulations, and regulatory guidelines, the Company has established a Board of Directors as its core decision-making body. The Company has formulated the Rules of Procedure for the Board of Directors and the Work Rules of Independent Directors to standardize deliberation processes, clarify decision-making procedures, and enhance the Board's ability to operate with transparency, professionalism, and efficiency.

The Company remains committed to promoting board diversity. As of the reporting period, the Board consists of nine directors, including three independent directors and four female directors, in full compliance with relevant regulatory requirements. In nominating and electing directors, the Company takes into account candidates' professional background, academic qualifications, credentials, work experience, and concurrent positions. By appointing individuals with diverse perspectives and professional expertise, the Company strengthens its governance capabilities, enhances adaptability and innovation, and improves the quality and effectiveness of strategic decision-making.



During the reporting period, the Company held 12 meetings of the Board of Directors, at which 54 proposals were deliberated and adopted.

Independent directors comprised 33.33% of the Board; female directors accounted for 44.44%



Board Committees

To support informed and professional decision-making, the Board has established four specialized committees: the Strategy and Sustainable Development Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Evaluation Committee. These committees are responsible for conducting in-depth reviews of key matters within their respective areas and for making recommendations to the Board. Each committee operates in accordance with defined terms of reference and fulfills its duties in line with best practices in corporate governance.

	Meetings Held	Independent Director Representation	Chaired by Independent Director
Strategy and Sustainable Development Committee	1	66.7%	No
Audit Committee	5	66.7%	Yes
Nomination Committee	1	66.7%	No
Remuneration and Assessment Committee	3	66.7%	No

Board of Supervisors

The Board of Supervisors serves as the Company's internal oversight body. As of the reporting period, the Board of Supervisors comprises three members, including one employee representative and two female supervisors, with women making up 66.7% of the board. All meetings of the Board of Supervisors are convened in accordance with the Articles of Association and the Rules of Procedure for the Board of Supervisors. Supervisors attend or observe shareholder meetings and board meetings as required, performing their oversight duties diligently. The Board of Supervisors oversees the legality and compliance of major business decisions, the Company's financial condition, and the performance of directors and senior executives. These oversight functions are critical to safeguarding the interests of shareholders, employees and other stakeholders.



During the reporting period,

the Company held meetings of the Board of

Supervisors, at which 5 proposals were deliberated



Senior Management

Senior management is responsible for overseeing day-to-day operations and implementing strategic decisions approved by the Board of Directors. The executive team provides regular updates to the Board and ensures the effective execution of delegated responsibilities. The Board periodically reviews the performance and responsibilities of senior management to maintain operational efficiency and strategic alignment.



As of the end of the reporting period

The Company had $\overline{\mathbf{7}}$ senior executives, including $\mathbf{2}$ women.



Director, Supervisor and Senior Officer **Compensation Management**

The Board has established a Remuneration and Evaluation Committee with independent authority to develop and oversee the implementation of remuneration and performance evaluation policies for directors and senior executives. The committee formulates fair and transparent compensation structures and conducts performance assessments aligned with the Company's strategic objectives. Independent directors are compensated in accordance with contractual agreements. Supervisors are remunerated in line with the Company's internal remuneration policies. Director compensation policies emphasize transparency and accountability. Senior management remuneration follows an annual salary system and incorporates ESG performance indicators as part of the overall evaluation framework.

Compliance and Risk Control '

Internal Control System

The Company adheres to the Basic Standards for Enterprise Internal Control, China's Internal Auditing Standards and other applicable laws and regulations. To this end, we have established a comprehensive internal control framework underpinned by policies such as the Internal Audit Implementation Procedures and Financial Management Policy. These measures are designed to ensure legal and regulatory compliance, strengthen corporate governance, enhance risk mitigation capabilities, and improve the effectiveness and efficiency of internal controls. Clear lines of authority and accountability are also defined to support consistent and rigorous policy enforcement. Our internal control framework is centered on the overarching goal of "safeguarding corporate operations". It integrates three core functions: Internal Control, Internal Audit, and Legal & Compliance. Leveraging six strategic pillars—Risk Identification, Control Optimization, Internal Auditing, Digitalized Review Processes, Legal Oversight, and Anti-Fraud Mechanisms—we work toward achieving four key control objectives: ensuring compliant and lawful operations, safeguarding corporate assets, guaranteeing the accuracy and reliability of financial reporting, and enhancing operational efficiency and effectiveness.

Operational Compliance

The Company is committed to building a comprehensive compliance management framework that spans all business units, functions, and processes. We continue to refine our internal mechanisms and foster a strong culture of compliance across the organization. Anchored in our core priorities of reform, growth, and operations, the Company promotes organization-wide participation—from the Board of Directors and senior management to functional departments and front-line business units-advancing compliance system development in a holistic and multi-tiered manner.



The Company carried out a total of 83 internal control and audit projects, including 40

internal control audits, 3 special compliance reviews, and 40 expense audits. In addition,

9 anti-fraud investigations were conducted.



| Strengthening Compliance Leadership

A risk and internal control management team, jointly formed by the Board's Audit Committee and the Internal Audit Department, oversees and evaluates the effectiveness of internal controls to ensure the integrity, compliance, and viability of the system in supporting the Company's operational goals.

| Conducting Internal Control Reviews

Audit initiatives focused on key elements such as internal environment, risk assessment, control activities, information and communication, and internal monitoring. These efforts follow a full-cycle process—planning, execution, reporting, and follow-up—to form a closed-loop internal control review mechanism.





| Cultivating a Culture of Compliance

The Company continues to integrate domestic and international legal resources to provide professional support for day-to-day operations and new business ventures. Legal awareness training was conducted to deepen understanding of compliance requirements and internal control procedures, fostering a culture of integrity and accountability.





Risk Management

To ensure stable and sustainable operations, the Company has implemented a three-lines-of-defense risk control model and revised its Operational Risk Identification, Assessment and Control Procedures. The Company continues to enhance mechanisms for risk identification, evaluation, mitigation, monitoring, and continuous improvement. An annual major risk assessment is conducted to review the previous year's risk management outcomes and guide improvements in key areas. Efforts include refining internal policies aligned with strategic planning and addressing execution gaps. The Company also invests in risk management training to elevate employees' risk awareness and strengthen their ability to prevent and manage potential threats.



War Tax Management

The Company continues to strengthen its financial governance framework through the development and implementation of the Financial Management Policy. We have enhanced financial controls, fully rolled out a company-wide budgeting system covering all business areas, departments, and staff. Initiatives include: Optimizing asset utilization to boost operational efficiency; Strengthening centralized cash management for efficient resource allocation and fund security; Conducting systematic tax policy research, outreach, and data reporting to improve the effectiveness of tax management. Through the integrated management of budgeting, asset allocation, cash flow, and taxation, the Company has established a robust financial foundation to support high-quality development.



Key Performance

Total tax payments for the reporting period amounted to RMB 196,831,500



Related Party Transactions

To ensure that all related-party transactions are conducted legally, fairly, and reasonably, the Company strictly adheres to applicable laws and regulations, including the Guidelines No. 7 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies—Transactions and Related-Party Transactions. Based on these regulations and actual business needs, the Company has formulated a Related-Party Transactions Management Policy, which clearly defines pricing principles, approval procedures, and disclosure requirements to protect the legitimate interests of both the Company and its shareholders.



Legal Awareness and Compliance Training

The Company places a strong emphasis on cultivating a culture of compliance. Compliance training is integrated into the overall employee development plan, with senior executives leading by example in participating in regular compliance education. The Company also organizes targeted compliance training sessions for employees to raise awareness and reinforce internal controls.



During the reporting period

The Company held 12 legal and compliance training sessions across a range of topics and

audiences, with a total training duration of 25 hours.



Strengthening Business Compliance and Enhancing Compliance Capabilities

In October, the overseas branding department, in collaboration with the Risk Control Center, hosted a special training session on key EU regulations. The session provided a comprehensive overview of the European regulatory framework and implementation requirements. Emphasis was placed on building a culture of continuous learning and maintaining up-to-date awareness of regulatory developments related to international operations—helping teams enhance their professional capabilities in navigating legal risks in cross-border business.



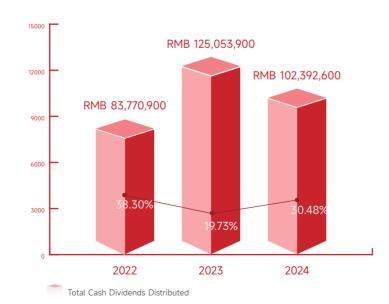


"Guiding Compliance for Global Expansion" — Highlights from the Special Training Session

Investor Relations Management ¹

Returns to Shareholders

Loctek remains firmly committed to delivering long-term value to shareholders and has made shareholder returns a core tenet of its corporate governance strategy. The Company strictly adheres to the profit distribution commitments outlined in its Articles of Association. To enhance the transparency and predictability of returns, Loctek has introduced the Three-Year Dividend Distribution Plan (2024–2026), which outlines a forward-looking framework for shareholder remuneration. This plan quantifies target payout ratios and clarifies implementation pathways, reflecting the Company's dedication to equitable value sharing and reinforcing investor confidence.



→ % As % of Net Profit Attributable to Shareholders of the Listed Company in Consolidated Financial Statements

Note: 2024 figures are based on estimates approved by the Board of Directors.

Information Disclosure

Loctek upholds the principles of fairness, transparency, and equal access in its information disclosure practices. The Company proactively discloses material information that could significantly impact shareholder decision-making. In line with this, it has established a comprehensive Information Disclosure Management Policy that clearly defines both statutory and non-statutory disclosure requirements. These measures ensure that disclosures are truthful, accurate, timely, complete, and impartial—enabling all shareholders to access consistent and reliable information regarding the Company's operations and performance.

During the reporting period

Loctek released 4 periodic reports and 201 interim reports. The Company has earned an "A" rating for information disclosure for two consecutive years and has not been subject to any regulatory penalties or disciplinary actions related to disclosure compliance.

Investor Engagement

Loctek places strong emphasis on two-way communication with both existing and potential investors. The Company has adopted a formal Investor Relations Management Policy and responds to inquiries promptly through multiple channels, including SZSE Interaction Platform, email, and dedicated investor hotlines. An Investor Relations section on the corporate website (www.loctek.com) provides easy access to key materials such as governance updates, financial reports, announcements, and contact details. To deepen investor understanding and foster trust, Loctek regularly organizes investor engagement activities including earnings briefings, investor open days, and on-site research visits. These efforts help strengthen relationships with the capital markets and reinforce a corporate culture rooted in transparency, accountability, and value creation.



During the reporting period: 96 online investor surveys; 183 in-person investor visits; over 1,250

investor inquiries addressed via telephone; 95 interactions via the SZSE Interaction Platform with a 100%response rate.

LOCTEK乐歌

Business ethics and ¹ **Anti-Corruption**

Ethical Standards and Governance Framework

Loctek maintains a zero-tolerance policy toward corruption and unethical conduct. The Company complies with all relevant anti-corruption regulations within its operating jurisdictions, including the United Nations Convention against Corruption and the Anti-Unfair Competition Law of the People's Republic of China. Internal policies such as the Employee Code of Anti-Commercial Bribery and business conduct standards are in place to ensure ethical behavior across all levels of the organization. A robust anti-fraud framework has been established, with internal audits actively monitoring for signs of misconduct. The Company also conducts regular legal and compliance training to promote ethical awareness and mitigate risk.



100% of employees signed the Employee Integrity Agreement

Anti-Corruption Awareness and Training

To foster a culture of integrity and strengthen compliance awareness, Loctek regularly delivers training and awareness programs on business ethics and anti-corruption. These sessions guide employees in aligning their behavior with the Company's ethical standards and regulatory obligations.



During the reporting period

The Company conducted 17 anti-corruption and integrity training sessions, engaging 776 employees.

New Employee Anti-Fraud Orientation



In September, Loctek held its 32nd anti-fraud training for new employees. The session covered topics including types and causes of fraud, real-world case studies of occupational crime, risk management techniques, and the Company's whistleblower incentive program. The Risk Control Director provided an in-depth explanation of offenses such as embezzlement and commercial bribery, emphasizing the importance of prevention and fostering a corporate culture of integrity.



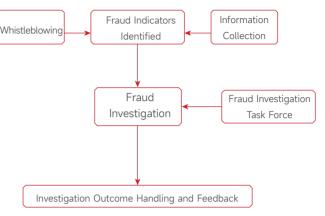
Risk Control Director presenting core training content

Whistleblower Protection

Loctek upholds the principles of "no tolerance, no opportunity, and no desire for misconduct." and has established a Whistleblower Reward Policy to encourage integrity and transparency. A dedicated department has been assigned to handle reports of fraud and corruption. Multiple convenient and confidential reporting channels are available, including warning signage, telephone hotlines, anonymous mailboxes, and designated email addresses. The Company strictly follows confidentiality and recusal protocols in handling all whistleblower reports to ensure that both the identity of the whistleblower and the content of the report are fully protected.

Loctek accepts both anonymous and signed reports in any format. Once a report is verified, the Company initiates an investigation and provides a cash reward if the report is substantiated. If the report is found to be untrue, the whistleblower is notified. Malicious or fraudulent reporting will result in legal liability for the reporting party.

Whistleblower Case Handling Procedure



Whistleblower Protection Measures and Reporting Channels

- No individual is permitted to disclose the whistleblower's identity to the subject of the report or any unrelated party.
- Investigative content, methods, and direction must not be shared with unrelated personnel or the subjects under investigation.
- · Any breach of confidentiality will result in disciplinary action.

Confidentiality

Safety Protection

 Retaliation against whistleblowers or related witnesses is strictly prohibited. Depending on the severity of the retaliation, consequences may include dismissal, termination of employment contracts, or referral to judicial authorities.

- Email: haitao.wang@loctek.com; 1ianjie@loctek.com
- Tel.: 13685818299: 0574-56809494
- WeChat ID: LGlianjie
- Mailing Address: Risk Control Center, No. 436, Xueshi Road, Shounan Subdistrict, Yinzhou District, Ningbo City, Zhejiang Province, China

Reporting Channels





Anti-Monopoly and Anti-unfair Competition

Loctek integrates anti-monopoly compliance into its ESG governance framework. Comprehensive mechanisms and response plans against unfair competition have been developed and are jointly executed by the Legal Affairs Department and the Patent Team. A full-cycle management system—comprising prevention, control, and optimization—has been established: prevention: A tiered and categorized compliance training system ensures accurate dissemination of legal and compliance requirements across all business units; control: A compliance "firewall" enables early detection and mitigation of competitive risks; optimization: The Company actively participates in policy discussions and industry standard-setting to help foster a healthy and competitive market environment.

Information Security and ¹ **Privacy Protection**

Information Security System

Loctek has developed policies such as the Information Security Incident Management Policy and Network Risk Management Policy to form a comprehensive information security system covering hardware, data, systems, and customer information. These safeguards ensure business continuity, enhance cybersecurity throughout operations, and protect the data privacy of all stakeholders. No incidents of customer privacy breaches or data loss occurred during the reporting period.



Data Protection Measures



During the reporting period, the Company invested RMB 1.963 million in information safety initiatives.





Information Risk Management

Potential risks related to data security and privacy are identified and assessed. Countermeasures are implemented based on risk levels. and the effectiveness of security controls is regularly evaluated.

A cross-border data compliance assessment project has been launched to review major business systems and ensure cross-border data operations remain compliant with relevant regulations.



Equipment Security

Equipment and cabling are routinely inspected and maintained, with obsolete systems retired in a timely manner. Access control and surveillance are enforced in critical data areas to prevent unauthorized entry. Data centers are kept clean and orderly to ensure safety, and backup facilities are in place to respond to emergencies.



Cybersecurity Protection

Network security risks are continuously assessed across areas such as access controls, security mechanisms, services, and segmentation. Based on the scale, impact, and likelihood of threats, risk priorities are set. Technical safequards such as data encryption, identity authentication, digital signatures, firewalls, and vulnerability detection tools are employed to strengthen defenses.



Emergency Response

The Company has established and implemented both the Information Classification and Security Level Management Policy and the Security Incident Response and Emergency Management Policy. Confidential information is classified into three levels: "Top Secret", "Confidential" and "Restricted". A three-tiered emergency response mechanism—comprising headquarters, regional offices and departments—has been put in place to ensure coordinated handling of information security incidents. Cybersecurity and classified protection requirements are fully integrated into our network and information security framework. The Company strictly adheres to confidentiality agreements and customer data protection protocols to ensure robust, full-lifecycle information security management.

A dedicated emergency response team has been formed within the Information Technology Department. Drawing on risk assessments and redundancy planning for core systems and infrastructure, the team has developed contingency plans to mitigate threats such as ransomware, malware and network outages. To ensure preparedness, the Company conducts one to two emergency response drills annually. All identified deficiencies are addressed through corrective actions until targeted outcomes are achieved.



Employee Training

To cultivate a strong culture of information security, the Company implements a comprehensive, multi-tiered training system to enhance employee awareness and competency. Regular training sessions are conducted on key topics such as personal data protection, data security, password hygiene, and email and website safety. These sessions incorporate real-life case studies and knowledge assessments, helping to embed security best practices across the organization. During the reporting period, the Company conducted one dedicated training session on information security and privacy protection, engaging 56 employees.



Green and Low-Carbon Development for Environmental Sustainability

Company Actions

- Environmental management
- Resource efficiency
- Green operations
- Response to climate change

SDGs













Environmental Management

Environmental Governance

Loctek is committed to the environmental policy of "protecting the environment, preventing pollution, conserving energy and pursuing continuous improvement". The Company has developed a suite of internal policies—including the Environmental Protection Management Policy, Environmental Management Manual and Environmental Procedures—that govern various aspects of environmental management such as risk assessment, preventive measures, awareness programs, and emissions control. These policies ensure that environmental governance is deeply embedded in day-to-day operations. A clear environmental accountability structure is in place, with the General Manager designated as the primary person responsible for environmental performance. During the reporting period, the Company maintained effective operations under its ISO 14001-certified Environmental Management System.



The Company invested RMB **4,443,300** in environmental protection during the reporting period.

Environmental Awareness and Training

Recognizing that employees play a vital role in environmental stewardship, Loctek has implemented the Environmental Training Management Policy. The Company regularly organizes training sessions featuring experts in environmental protection, workplace safety, and fire prevention, as well as lectures on emergency response. Other initiatives—such as displaying environmental slogans and establishing informational bulletin boards—help foster a culture of environmental responsibility.

In 2024, the Company's Binhai Factory hosted an environmental training program combining in-depth instruction with hands-on activities. The program enhanced employee understanding of ecological issues, boosted environmental accountability, and strengthened operational capabilities in sustainable practices. These efforts contribute to Loctek's vision of becoming a model eco-friendly enterprise and promoting harmonious coexistence between people and nature



Environmental protection training activities conducted in 2024

Strategy Environmental Strategy

As part of its operational strategy, the Company proactively identifies potential environmental risks and opportunities. By leveraging scientific methodologies and advanced technologies, Loctek systematically analyzes environmental factors that could impact its business. This risk-based approach enables the Company to implement targeted measures to mitigate threats and capitalize on opportunities, thereby laying a solid foundation for long-term sustainable growth.

Risk Type	Description	Likelihood	Impact Period	Financial Impact	Responses
Air Emissions	Emissions from production processes could exceed regulatory limits if control systems malfunction or are inadequate.	Low	Short- term	Production ocosts	Regularly monitor emissions, conduct routine maintenance of treatment systems, and ensure full compliance.
Regulatory Compliance	Increasingly stringent environmental regulations may result in penalties or operational disruption if not followed.	Very Low	Short- term	Non-operating expenses	Maintain an environmental management system, clarify roles and responsibilities, and conduct regular audits.

Opportunity Type	Description & Responses	Likelihood	Impact Period	Financial Impact
Market Opportunity	Growing consumer demand for eco-friendly products presents an opportunity to develop and promote sustainable, recyclable, and energy-efficient offerings.	Medium	Medium- and long-term	Operating revenue 🕇

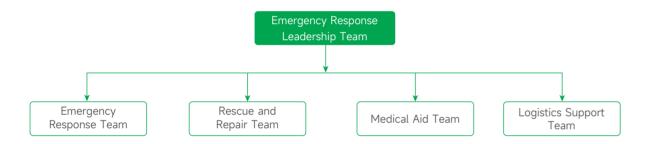


Environmental Risk Management

To effectively mitigate environmental risks, the Company has implemented the Environmental Factors Evaluation and Key Environmental Risk List, which comprehensively identifies and evaluates the environmental risks encountered throughout the production process. This approach aims to minimize and eliminate potential environmental hazards, enhancing the Company's overall risk management and control capabilities.

Emergency Response Management

The Company has established the Emergency Response Plan for Environmental Incidents, which addresses risks associated with storage, usage, and disposal processes, including explosions, fires, leaks, and abnormal emissions. The plan also covers incidents triggered by natural disasters. A real-time monitoring and early warning system has been implemented to proactively prevent environmental pollution incidents. During the reporting period, no environmental violations or pollution events were recorded.



Loctek Emergency Response Organizational Structure

In July, the Binhai Factory conducted an emergency drill focused on hazardous waste leakage. The exercise aimed to improve employees' emergency response and teamwork skills in the event of a hazardous waste spill, while enhancing environmental awareness and self-protection knowledge. The drill also aimed to familiarize employees with hazardous waste leak handling procedures.



Emergency Drill on Hazardous Waste Leakage

Hazard Identification and Remediation

The Company adheres strictly to environmental protection laws, regulations, and industry standards, conducting comprehensive inspections for potential environmental hazards. Detailed checks are performed on key processes such as air emissions, wastewater, noise, and solid waste management to identify and address potential environmental risks. The inspections ensure that no areas are overlooked, laying a strong foundation for the Company's long-term sustainability.



During the reporting period, the Company conducted 10 environmental hazard inspections, achieving a

100% rectification rate.

Environmental Metrics and Targets

The Company is committed to resource conservation and environmental protection, utilizing clean energy, improving resource recycling, and promoting cleaner production methods. These efforts aim to reduce pollutant emissions at the source, prevent environmental accidents, and contribute to building a green, harmonious, and sustainable development environment.

2024 Progress 2025 Plan **Target** • Implement necessary environmental Continue simultaneous environmental protection infrastructure and control inspections, enhance environmental measures in compliance with laws and protection investments, and upgrade standards. Increase environmental supervision infrastructure. and enforcement: • Strengthen the governance framework Achieve compliance with wastewater, dust, from top executives to environmental and noise emission standards, and ensure officers by implementing tiered efficient use of resources and energy; accountability at all levels, ensuring no severe environmental pollution incidents • Ensure proper disposal of solid waste in compliance with legal standards; • Zero major environmental pollution incidents.



Pollutant Discharge Management

The Company prioritizes pollutant discharge management as a core component of its commitment to green development and fulfilling social responsibility. By using low-VOC (volatile organic compound) emission eco-friendly coatings, innovating production processes, recycling waste materials, and enhancing water recycling, the Company significantly reduces pollutant generation, achieving cleaner production.

Wastewater Management

The Company has developed a *Wastewater Management Policy*, which standardizes wastewater treatment and discharge processes. Qualified third-party organizations are regularly engaged to monitor wastewater quality, ensuring compliance with discharge standards. During the reporting period, all wastewater discharges met regulatory requirements.

Type of Wastewater	Monitoring Process	Disposal Method
Pickling, silanization wastewater, and initial rainwater	Annual sampling and testing	Advanced integrated wastewater treatment technology is used for effective treatment of production wastewater. Some treated wastewater is recycled for reuse, improving water resource efficiency. Remaining wastewater is safely directed to the municipal sewage system for further treatment at the wastewater treatment plant, ensuring compliance with water quality standards before discharge.
Domestic sewage		Wastewater from the cafeteria undergoes preliminary oil separation, then joins other domestic wastewater for treatment in a septic tank. It is subsequently directed to the municipal sewage system for centralized treatment at the wastewater treatment plant to meet discharge standards.



During the reporting period

Total Wastewater Discharges

42,939tons

Wastewater Discharge Intensity

7.57 tons/RMB 1 million (revenue)



Air Emissions Management

The Company has established an *Air Emissions Management Policy*, implementing measures such as the installation of oil fume purifiers and enhancing routine equipment maintenance to strengthen air quality management. The policy addresses the key pollutants generated during operations, including welding fumes, polishing dust, powder coating emissions, curing gases (including those from natural gas combustion), kitchen oil smoke, particulate matter, non-methane hydrocarbons, nitrogen oxides, sulfur dioxide, smoke opacity, alkali mist, and hydrochloric acid. All air emissions are captured and treated via a water-spraying system before being discharged through a 15-meter-high exhaust stack. Kitchen oil smoke is treated by the oil fume purifier and is discharged via a stack that extends higher than the building's rooftop. During the reporting period, all air emissions met regulatory requirements.

Air Emissions Reduction Measures

Source Control

- Select equipment, raw materials, and fuels that produce minimal or low levels of air pollutants;
- Replace acidic powder coating agents with alkaline alternatives to reduce acidic emissions;
- Minimize the use of gas-shielded welding by implementing alternative techniques such as spot welding and laser welding, thus reducing air emissions;
- Shorten raw material supply cycles to reduce rusting and product defect rates, thereby reducing the need for pickling processes and limiting emissions.

- In areas where odors may arise, departments implement effective protective measures, ensuring proper ventilation and requiring operators to strictly adhere to operational protocols;
- In dust and smoke-generating areas, responsible departments implement dust control
 measures, and operators are provided with protective equipment to minimize dust and
 smoke generation and dispersion.

Process Control

© During the reporting period

Air emissions

1,707tons

Waste Gas Emission Intensity

0.301 tons/RMB 1 million (revenue)





Waste Management

The Company adheres to the principle of "prevention first, integrated prevention and control" in environmental protection, as well as the "3 In-Parallels" rule (environmental protection facilities must be designed, constructed and commissioned in parallel with the main work). The Company has developed an *Environmental Waste Management System, Hazardous Waste Management Policy* and *Hazardous Waste Pollution Control Responsibility System,* which clearly define the procedures for waste generation, collection, storage, and disposal to ensure compliance with national laws and regulations.

In partnership with Zhejiang Province's solid waste disposal platform, the Company has advanced the construction of a digital hazardous waste warehouse. Each bag of solid waste is assigned a unique QR code, enabling real-time tracking and data management through the Zhejiang Province Solid Waste Management System, thereby greatly enhancing the precision of waste management practices.

General Waste

Major Waste Products

Waste wood boards, wood chips, waste fabric, waste wire, waste metal scraps, waste plastic, etc.

Disposal Measures

Recyclable materials are collected for reuse or sale.

Non-recyclable materials are collected by sanitation departments for disposal.

Hazardous Waste

Major Waste Products

Hazardous sludge, furnace slag, laboratory waste containers, waste paint buckets, waste glue blocks

Disposal Measures

Hazardous waste is stored in a separate, compliant temporary storage area with dedicated management.

Transferred to a qualified third-party organization for professional treatment, with treatment records retained.

During the reporting period

Total General Waste Emissions

312.15_{tons}

General Waste Emissions Intensity

0.055 tons/RMB 1 million (revenue)

Total Hazardous Waste Disposed

230.2tons

Hazardous Waste Emissions Intensity

0.041 tons/RMB 1 million (revenue)

Total Hazardous Waste Generated

230.2_{tons}

Noise Emissions Management

The primary sources of noise within the Company include air compressors, punch presses, and other similar equipment. To manage noise levels, the Company has implemented a *Noise Control Procedure*, which outlines the requirements and principles for noise control. During the equipment selection process, the Company prioritizes the use of environmentally friendly, low-noise screw compressors to reduce noise generation. Regular maintenance of noise-reducing silencers and vibration dampers is conducted to further minimize noise. Additionally, the Company commissions local government environmental protection agencies to perform annual noise monitoring to ensure compliance with national industrial noise emission standards at the factory boundary. During the reporting period, the Company's noise emissions were fully compliant with regulatory limits.





Resource Efficiency



Energy Management

Governance

Loctek upholds the principles of "energy efficiency first, sustainability at the core, innovation-driven, and coordinated management". The Company has implemented a series of internal policies, including the Energy Management Policy and Energy and Resource Control Procedures, which establish clear energy management goals. Monthly energy consumption tracking is conducted, with regular inspections and occasional random checks to ensure compliance. The approval, transfer, and daily management of energy resources are rigorously regulated to maintain efficiency and sustainability.

Strategy

The Company proactively identifies and thoroughly evaluates energy-related risks, carefully pinpointing potential vulnerabilities. Based on these assessments, a range of targeted strategies and measures are employed to ensure robust and efficient energy management.

Risk Type	Description	Likelihood	Impact Period	Financial Impact	Responses
Energy Price	Fluctuating prices for energy sources (e.g., electricity, natural gas) could lead to increased production costs, impacting profit margins.	Low	Short- and medium- term	Operating costs	Diversify the energy mix by incorporating renewable sources such as solar and wind power to reduce dependency on conventional energy.
Energy Efficiency	Low energy efficiency could result in wasted energy, raising production costs. Inefficiency may also exacerbate environmental impacts, misaligning with the goals of green production and sustainability.	Low	Medium- term	Operating of costs	Replace outdated, high-energy-consuming equipment with energy-efficient models. Implement regular maintenance to optimize performance and reduce energy waste.



Opportunity Type	Description & Responses	Likelihood	Impact Period	Financial Impact
Energy Transition	 Green production has become a central focus of corporate strategy. The Company is transitioning to a more sustainable energy structure, increasing the use of renewable energy. New energy vehicles are prioritized over traditional internal combustion engine vehicles to reduce carbon emissions. 	Medium	Medium- and long-term	Operating revenue

Energy Risk Management

The Company employs a comprehensive, systematic approach to energy risk management that spans identification, assessment, and management. This process ensures a thorough understanding and effective control of energy risks, promoting the safe, efficient use of energy and providing a strong foundation for stable, long-term growth.



Identification

Energy risks are identified through detailed data collection and analysis, laying the groundwork for subsequent evaluation and management actions.



Assessment

Scientific tools and methodologies are used to quantify and evaluate identified energy risks. These risks are then prioritized, and tailored risk management strategies are developed.



Mitigation

Based on the results of risk assessments, specific risk management measures are implemented. A robust energy risk management system is in place, with clearly defined responsibilities across departments to ensure consistent and effective management practices.



Energy Metrics and Targets

In line with production schedules and operational data, the Company sets energy consumption quotas and target plans. These goals are further broken down at the team and individual levels to ensure clear accountability. To reinforce management and ensure standardization, an energy consumption evaluation system has been implemented, allowing for ongoing monitoring of compliance and progress in energy conservation and emissions reduction.

Metric	Unit	2024
Total Energy Consumption	tce	5,138.50
Energy consumption intensity	tce/ RMB 1 million (revenue)	0.91
Total direct energy consumption	tce	1,684.49
Including: Natural Gas	10,000 cubic meters	111.51
Gasoline	tons	80.95
Diesel	tons	56.48
Liquefied Petroleum Gas	tons	353.752
Total indirect energy consumption	tce	3,454.01
Total purchased electricity	kWh	23,169,809
Renewable Electricity Purchased	kWh	3,500,000
Photovoltaic power generation	kWh	1,335,074.8

Note: The renewable electricity purchased is sourced from wind power.



Energy Conservation and Emission Reduction Measures

The Company has implemented the *Energy Conservation and Emission Reduction Management Policy*, which aims to optimize the use of resources such as water, electricity, coal, and oil products. The Company is committed to reducing energy consumption and enhancing energy efficiency through various initiatives, including optimizing equipment configurations, improving production processes, and upgrading workflows. During the reporting period, the Company successfully underwent the 2024 voluntary clean production audit.



I-REC International Renewable Energy Certificate

Energy Conservation Measures

Energy Mix Adjustment



The Company has strategically adjusted its energy consumption mix by purchasing green electricity and reducing reliance on non-renewable resources.

Additionally, the Company has optimized its industrial structure and production layout, successfully relocating its die-casting operations to the Vietnam facility and eliminating several outdated, high-energy-consuming machines.

Equipment Upgrades



A total of 30 injection molding machines were retrofitted with infrared heating technology, incorporating energy-efficient heating tiles around the heating tubes. These tiles offer rapid heating with a thermal efficiency exceeding 95%, using radiant heat to target specific areas, resulting in an annual electricity savings of 170,000 kWh and a reduction in CO₂ emissions by 150 tons.

Technological Innovation and Improvements



In the spray coating process, the Company redesigned and upgraded the ovens, reducing the oven height from 1.4 meters to 1.2 meters and incorporating adjustable oven sections based on the size of the workpieces. This modification reduces oven volume, thereby minimizing energy losses.

Process Enhancements



The Company has fully transitioned to laser welding, replacing CO_2 gas shielded welding. Laser welding not only offers higher production efficiency and energy savings but also reduces the consumption of CO_2 gas and welding wire compared to traditional methods.

Green Transportation



The Company has adopted Automated Guided Vehicles (AGVs) and electric forklifts for material handling, gradually phasing out diesel-powered forklifts. This shift contributes to significant reductions in diesel consumption and CO_2 emissions.



Digital Energy Management Platform

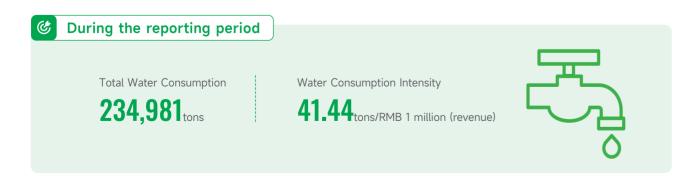
The Company has implemented a digital energy management system to continuously monitor and record energy consumption in real-time, covering electricity, water, gas, and other energy sources. Through comprehensive data collection and analysis, the system supports refined energy management practices and informs the development of energy-saving strategies, enabling the Company to optimize its energy usage.

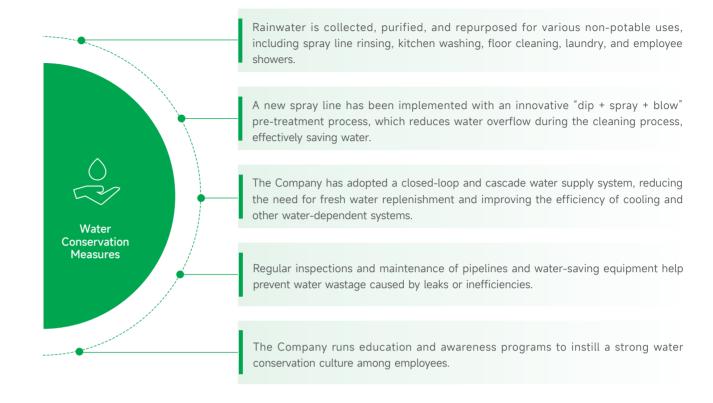


Digital Energy Management System

Water Resource Management

The Company has introduced the Water Usage and Heat Management System, designed to regulate employee water consumption, promote water conservation awareness, and reduce water wastage at the source. This initiative supports the sustainable use of water resources and has earned the Company recognition as a Water-Efficient Enterprise by both Zhejiang Province and Ningbo City.





Materials Management

The primary raw materials used in production include raw and auxiliary materials, along with packaging materials. Raw materials consist of cold-rolled steel, plastic powders, hydrochloric acid, degreasing agents, neutralizers, silane agents, activators, liquid oxygen, welding wire, etc. Packaging materials primarily include plastics and wood.

To effectively manage material usage, the Company has developed a materials issuance and usage system tailored to actual needs. By enhancing process management and controlling material consumption throughout production, the Company minimizes waste and reduces production costs, while driving overall efficiency improvements.



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Hazardous Substance Management

The Company has developed a Hazardous Substance Control Procedure, ensuring that all raw materials and products entering the supply chain comply with RoHS standards. This helps ensure that products are both environmentally friendly and safe for human health, reinforcing the Company's commitment to green development. Furthermore, the Company actively participates in the formulation of national standards, including GBT 27410-2007-2021 Guidelines for Chemical Hazard Characterization and Exposure Assessment of Consumer Products, helping to drive industry-wide efforts to reduce the use of hazardous substances.

Green operations ⁷

Green Design

In alignment with the national "dual carbon" objectives, the Company has developed a diverse range of environmentally sustainable products. Additionally, it has undertaken comprehensive carbon footprint assessments to gain an in-depth understanding of its products' carbon emissions throughout their entire lifecycle. This initiative supports the design teams in adopting low-carbon design principles, optimizing production processes, and reducing greenhouse gas emissions, thereby contributing to environmental preservation. The Company's products have been awarded the "China Environmental Labeling Product Certification". During the reporting period, the use of bamboo tabletops in Loctek's products helped reduce deforestation by over 15,040 cubic meters of wood.



China Environmental Labeling **Product Certification**



& Key Performance

During the reporting period, the Company produced **3.4485** million green products, with total bamboo product purchases exceeding RMB 15,877,600. Green products accounted for 100% of the product portfolio, sales volume, and sales revenue.



Green Manufacturing

Loctek is committed to promoting sustainable manufacturing practices, striving to reduce energy consumption and emissions, and pursuing a pathway of green, ecological, and environmentally responsible development. The Company has built an ecological factory incorporating rooftop solar panels, wastewater recycling systems and green landscaping that promotes biodiversity. For its outstanding contributions to environmental protection, the Company has been honored with the "National Green Factory" certification.



National Green Factory Certification

Photovoltaic Power Generation

Photovoltaic power generation represents an efficient path for the Company's low-carbon transformation. By utilizing rooftop spaces to establish a "rooftop solar power station", the Company actively adopts clean, low-carbon energy sources to minimize energy consumption and carbon emissions. This initiative plays a key role in optimizing the energy structure and contributing to a green, low-carbon, and sustainable future. During the reporting period, the Company generated 1,335,074.8 kWh of electricity from photovoltaic systems, thereby reducing CO₂ emissions by 1,096.10 tons.



Photovoltaic Power Generation at the Ningbo Binhai Factory

Wastewater Fish Farming

The Company emphasizes the integration of sustainable development with green production practices. By introducing a biochemical treatment system and efficient microbial degradation technology, it ensures the proper treatment of harmful substances in wastewater. The treated effluent, meeting the required standards for water quality and suspended solids, is then upgraded to a quality suitable for fish farming, enhancing resource circulation.



Wastewater Fish Farming System



Ecological Vegetable Garden

In response to the call for circular economy and green development, the Company has established a 50-square-meter ecological vegetable garden. Using treated domestic wastewater as a nutrient source, the Company employs water-sprinkling irrigation and wastewater reuse techniques to promote resource recycling while supporting healthy crop growth. The garden currently yields a variety of vegetables, including green onions, water spinach, red amaranth, green amaranth, malabar spinach, cherry tomatoes, cucumbers, watermelons, and chili peppers.





Ecological Vegetable Garden at the Guangxi Factory

Green Office

supplies to reduce waste.

The Company is committed to implementing sustainable office practices by embedding green strategies into daily operations. It fosters a culture of energy efficiency and carbon reduction awareness among employees, collectively working towards creating a harmonious environment where people and nature coexist.

promoting indoor plant care, advocating for water and electricity conservation, and installing energy-efficient, smart sensors.

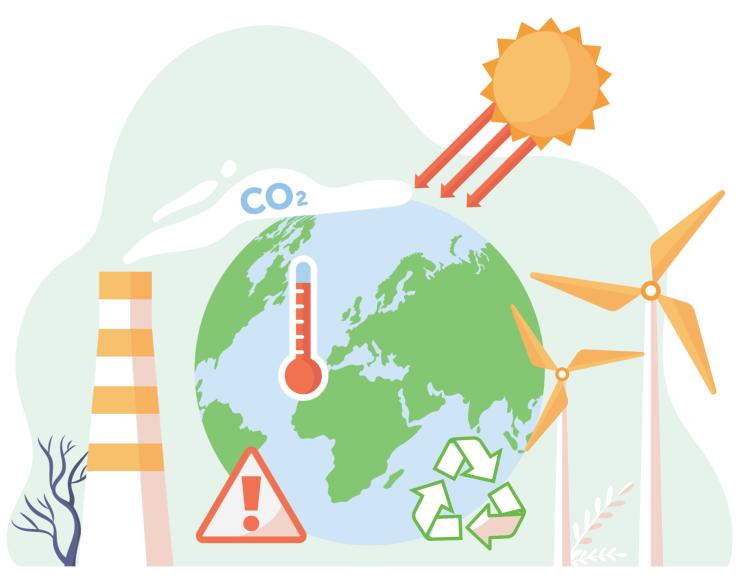


Response to Climate Change

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Governance

Loctek is proactively addressing the challenges posed by climate change, in accordance with the framework and guidelines set out by the Task Force on Climate-related Financial Disclosures (TCFD). The Company assesses its current status, formulates strategies, manages risks, and evaluates the effectiveness of its mitigation measures to ensure long-term sustainability. The Board of Directors, in collaboration with relevant departments, conducts thorough research on the impacts of climate change, drives climate governance initiatives, and seeks to reduce greenhouse gas emissions and enhance energy efficiency through scientific planning and ongoing innovation.





Strategy

The Company adopts a pragmatic and forward-looking approach to climate change, actively identifying risks and potential opportunities related to its operations. Based on this understanding, we have initiated comprehensive climate risk assessments and, guided by their outcomes, implemented a series of targeted and impactful strategies aimed at mitigating adverse effects. These efforts are designed to ensure the Company's resilience and sustainable development in the face of increasingly complex and dynamic environmental conditions.

Risk ¹	Туре	Description	Likelihood	Impact Magnitude	Impact Period	Priority	Affected Value Chain Segments	Financial Impact	Responses
Acute Risk	Typhoons	Extreme weather events such as typhoons and torrential rain may disrupt raw material supply chains or delay product deliveries, affecting operations and customer relationships.	Low		Short- and	Low	Upstream, Operations,	Operating •	 Develop and implement detailed emergency response plans to reduce losses from natural disasters. Prioritize employee health and safety by issuing extreme weather alerts and enabling flexible work and production arrangements.
RISK	Heavy Rainfall		LOW	Low	medium-term		Downstream	revenue	Ensure supply chain continuity through contingency plans addressing weather-induced disruptions.
	Water Scarcity	Limited access to water resources could hinder production processes and reduce operational efficiency.	Low	Medium	Medium- and long-term	Medium	Upstream, Operations, Downstream	Operating costs	 Enhance water resource management during production through the adoption of water-saving technologies and equipment to reduce waste.
Chronic Risk	Rise of Sea Level	Rising sea levels may affect the normal operations of certain subsidiaries, potentially incurring relocation costs.	Low	High	Medium-term	Low	Upstream, Operations, Downstream	Operating 1 costs Non-operating expense	Incorporate climate risk into site selection for new operational facilities.
	Public Health Emerge ncies	Large-scale public health emergencies could disrupt production.	Low	Medium	Short-term	Low	Operations	Operating of costs	Develop internal emergency response plans for major public health incidents and maintain essential medical supplies.
Policy Regulato	1	Increasingly stringent environmental regulations may place restrictions on production, transportation, and sales.	Low	Low	Medium-term	Low	Operations	Operating of costs	 Establish and enhance environmental management systems with clear responsibilities and standard operating procedures to ensure compliance with evolving regulations.
Technology Risk		Insufficient investment in low-carbon technologies may result in a lag behind market expectations.	Low	Low	Short-term	Low	Operations	Operating revenue	 Conduct in-depth market research on energy-saving and carbon-reduction technologies; develop R&D strategies to ensure adequate investment and reduce the technology gap with industry peers.



Risk Type	Description	Likelihood	Impact Magnitude	Impact Period	Priority	Affected Value Chain Segments	Financial Impact	Responses
Market Risk	consumers increasingly favor eco-friendly materials and products, failure to adapt product lines may lead to decreased sales and loss of market share.	Low	Medium to High	Medium-term	High	Operations, Downstream	Operating revenue	 Increase the share of green product offerings; explore new business areas and markets to reduce dependence on single-industry revenue streams.
Reputational Risk	Poor performance in addressing climate change may lead to negative public perception and damage corporate reputation.	Low	Low	Short- and medium-term	Low	Operations	Operating ocosts	 Disclose information on carbon emissions, mitigation measures, and outcomes through ESG reports. Maintain proactive communication with stakeholders to build trust and long-term support.

Opportunity Type	Description	Likelihood	Impact Magnitude	Impact Period	Priority	Affected Value Chain Segments	Financial Impact	Responses
Technological opportunity	Adoption of eco-friendly raw materials helps reduce the product's carbon footprint.	Medium	High	Long-term	High	Operations	Operating revenue	 Use premium bamboo materials to enhance product sustainability and consumer appeal. Align branding with environmental values and promote product sustainability through advertising, social media and PR initiatives.
Market Opportunity	Growing climate awareness is prompting stricter supplier standards. With stronger climate governance than some peers, the Company is well-positioned to capture increased market share.	Medium	High	Medium- and long-term	High	Operations	Operating revenue Operating costs	 Continue strengthening green operations, eco-design, sustainable manufacturing, packaging, and logistics to enhance competitive advantage.
Resource Optimization	Improve the efficiency of natural resource use, reduce reliance on fossil fuels, increase the proportion of clean energy, and alleviate environmental pressure.	Medium	Medium -term	Medium-term	Low	Operations	Operating costs Operating revenue	 Promote resource efficiency through initiatives focusing on energy savings, material efficiency, and performance improvement. Leverage digital platforms for refined operational management and support customers and suppliers in achieving higher resource utilization across the industry.





Climate Risk Management

The Company has established a systematic climate risk management process encompassing identification, assessment, and mitigation. This process enables the Company to proactively address both the challenges and opportunities brought by climate change, ensuring steady progress toward climate resilience and laying a solid foundation for sustainable development.



Identification

We conduct a comprehensive review of all operational processes to pinpoint critical areas that may be affected by climate change. This ensures both thoroughness and precision in risk identification.



Assessment

Using scientifically grounded methods, we assess the identified climate-related risks, quantify their potential impacts, and categorize them by severity. These insights serve as a foundation for developing targeted and effective risk mitigation strategies.



Mitigation

Based on the assessment outcomes, we implement tailored response measures, such as enhancing internal controls and strengthening emergency response mechanisms, to ensure that climate risks are effectively managed and mitigated.



Climate Metrics and Targets

With a deep understanding of its operational characteristics and long-term sustainability ambitions, the Company has set clear climate-related goals—particularly in reducing greenhouse gas emissions and improving energy efficiency. These goals are supported by innovations in technology and optimization of business models, aimed at achieving a win-win for both economic growth and environmental protection

Target

By 2030, the Company will promote energy structure optimization and increase the share of renewable energy through measures such as establishing green factories.

By 2050, the Company aims to achieve net-zero emissions across its own operations and value chain.

2024 Progress

Renewable electricity purchased (wind power):

3,500,000 kWh;

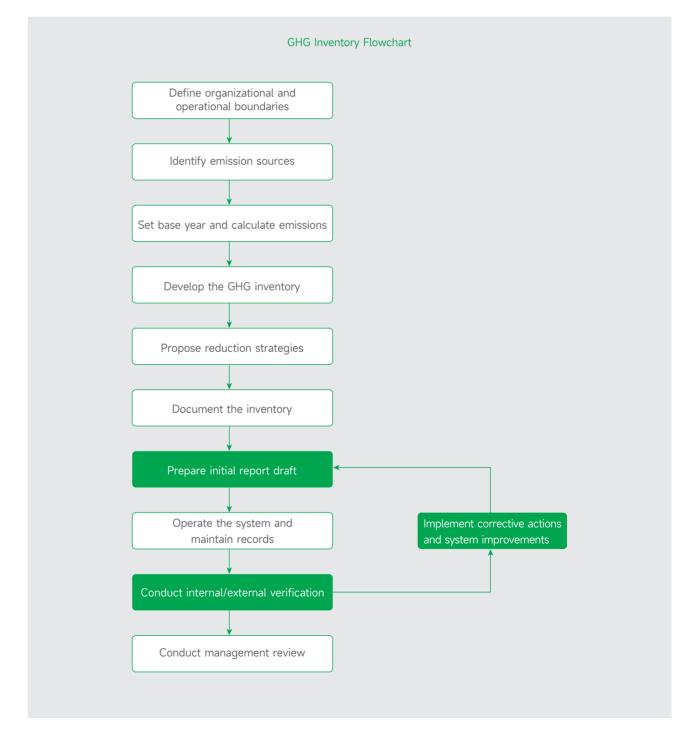
Solar power generated: 1,335,074.8 kWh

GHG emissions reduced: **3,969.60** tCO₂e

Note: The renewable electricity purchased is sourced from wind power.

Walter Carbon Emissions Management

The Company has formulated a Greenhouse Gas (GHG) Control Procedure and established a dedicated GHG Inventory and Voluntary Reduction Task Force. The task force is chaired by the Head of the Safety Committee, who oversees daily operations, while the Environmental Manager serves as Executive Secretary, responsible for planning and coordinating all GHG-related initiatives. Using a standardized tool—Activity Data Quality Management Table—the Company systematically collects, manages, quantifies, and inventories its GHG emissions to ensure that decarbonization efforts are carried out effectively and consistently.





Metric	Unit	2024
Total GHG Emissions (Scope 1 + 2)	tCO₂e	16,312.84
GHG emissions intensity (Scope 1 + 2)	tCO₂e/ RMB 1 million (revenue)	2.88
Direct GHG emissions (Scope 1)	tCO₂e	3,879.92
INdirect GHG emissions (Scope 2)	tCO₂e	12,432.92

FlexiSpot Limited Conducts Carbon Footprint Assessment



In alignment with its commitment to green and sustainable development, FlexiSpot Limited engaged a qualified and independent third-party agency to perform a comprehensive carbon footprint assessment in accordance with market standards. Based on precise measurement, FlexiSpot's total carbon footprint was calculated at 15.3 tCO₂e. Building on these findings, the Company has set a 5% carbon reduction target, aiming to achieve this through the adoption of cleaner production technologies and the continuous optimization of operational processes.



R&D Quality: Driving Sustainable Development Through Innovation

Company Actions

- R&D system development
- Technological innovation
- Intellectual property protection
- Product quality assurance
- Quality service
- Sustainable supply chain

SDGs









R&D System Development

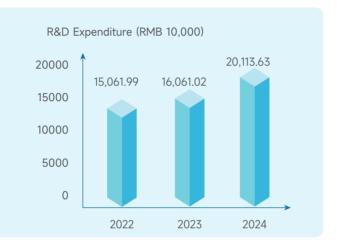
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R&D Governance

With the vision of "becoming a future-ready enterprise that serves society through technology and innovation", Loctek has established a scientific and standardized R&D innovation framework. We have developed key internal systems including the *Project Management Policy, Design Management Procedures, Product Certification Process* and *New Product Pilot Run and Launch Procedures*, which enable end-to-end control over the development process. This integrated system ensures standardized, compliant product development and facilitates the seamless transition from R&D to mass production. Our development cycle follows a closed-loop process of Needs Identification – Innovative R&D – Compliance Certification – Mass Production, continuously enhancing our technological competitiveness.

We remain committed to maintaining a high level of R&D investment to support sustained innovation. During the reporting period, total R&D expenditure reached RMB **201,136,300**,

representing **3.55**% of total revenue.



Innovation Incentives

Key Performance

To spark innovation and encourage employee engagement, we have implemented a comprehensive incentive system, including the *Project Development Incentive Policy.* Our dual-track "Innovation + Growth" model features both short-term rewards—such as project bonuses, patent incentives, quarterly performance bonuses, and annual awards—and long-term incentives like equity plans and housing support schemes. These mechanisms foster a strong innovation culture and provide long-term development pathways for R&D talent.



Outstanding Project Teams Honored at the 2024 Annual Awards Ceremony

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During the reporting period

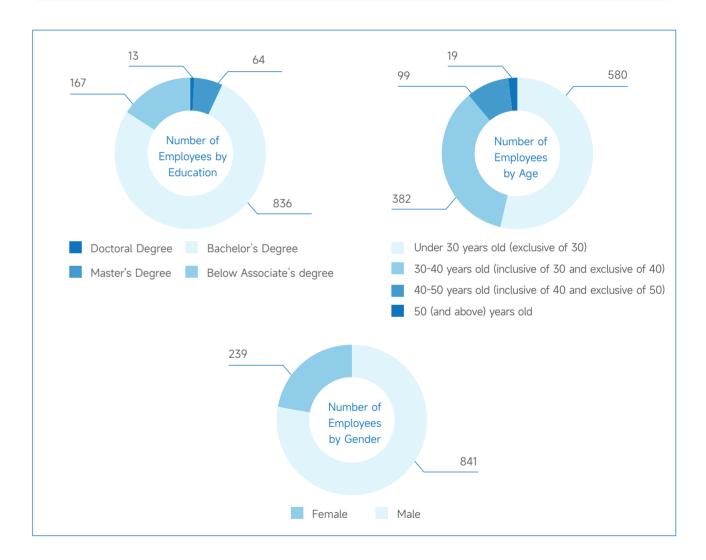
we distributed R&D-related bonuses totaling RMB 27,573,500, recognized 234 employees, promoted 64 team members, and granted equity or stock options to 39 individuals.

R&D Team

Guided by our focus on "Intelligent, Integrated and Green" technologies, we have assembled a multidisciplinary R&D team with deep expertise in mechatronic systems, embedded software and hardware, and IoT architecture design.

As of the end of the reporting period

Loctek employed 1,080 R&D professionals—26.28% of our total workforce—with 84.35% holding a bachelor's degree or higher.



Ethics in Science and Technology

We strictly adhere to ethical standards in science and technology during our innovation efforts in high-performance computing, artificial intelligence and big data. We uphold scientific integrity, prioritize human-centered values, and guard against misuse of technology. No violations of technology ethics or penalties by regulatory bodies were reported during the reporting period.



R&D Strategy

Guided by our core principles of "Innovation as the soul, Quality as the foundation, and Talent as the driver", Loctek has established a world-class innovation center focused on linear motion and Al-interaction technologies for the smart home sector. Our goal is to lead the market through cutting-edge solutions, deliver high-quality products and services, and continuously advance through the development of a highly skilled workforce.

Risk Type	Description	Likelihood	Impact Period	Financial Impact	Responses
Technology Risk	Insufficient feasibility assessment of R&D projects may lead to high costs, fraud, or project failure.	Low	Short- and medium -term	Operating costs	 R&D Department reviews project proposals and supporting documentation; Approval through project review meetings; Budget control by project managers.
IP Risk	Failure to file patents in time or IP infringements may result in product delisting.	Low	Short- term	Operating costs Operating revenue	 Require patent filings to be reviewed by IP Department; Assign dedicated personnel to proactively assess and mitigate IP risks.

Opportunity Type	Description	Likelihood	Impact Period	Financial Impact	Responses
Market opportunity	Growing demand for healthier lifestyles and improved office environments creates strong market potential in our core areas: linear motion, smart home, and ergonomic workspaces.	Medium	Medium- and long-term	Operating revenue	Proactively seek cross-industry collaborations to co-develop new technologies and products through resource sharing and synergy.

R&D Risk Management

To support the healthy development of research and innovation, the Company continues to refine a dual-prevention mechanism based on risk classification and hazard identification. Following a structured risk management process, we conduct in-depth identification and assessment of R&D risks and implement targeted mitigation measures.





R&D Metrics and Targets

The Company regards R&D as a core strategic pillar. Based on thorough market research and technical analysis, we have formulated a comprehensive long-term innovation roadmap. This roadmap is translated into clear, actionable annual goals, enabling effective tracking of R&D progress and ongoing refinement of innovation strategies.

Target

• Achieve leading industry benchmarks in product efficiency and power density;

• Rank among the top in the number of authorized patents.

2024 Progress

- Initiated 77 new R&D projects in 2024, accelerating product iteration and supporting market expansion.
- Filed 57 new invention patents in 2024.

Talent

Resources

Technology

- Expand the R&D talent pool:
- Increase the proportion of top-tier industry experts;
- Enhance campus recruitment efforts, with a focus on graduates from Double First-Class universities and postgraduate programs.
- Significantly increased human capital investment in 2024: R&D personnel grew to 1,080, marking a 42.86% year-on-year increase and laying a solid foundation for future projects.

• Build an innovation and research platform;

- Strengthen industry-university-research collaboration;
- Expand research infrastructure and tools, including laboratory equipment and software systems.

- Established a "1 Institute + 2 Stations + 5 Centers" innovation platform.
- Collaborated with top institutions including Zhejiang University, Ningbo University, Xi'an Jiaotong University, University of Nottingham Ningbo China, Xidian University (Hangzhou Institute of Technology), Hangzhou Dianzi University, and the Ningbo Research Institute of Northwestern Polytechnical University, jointly launching multiple R&D initiatives.

Product and Technology Innovation

R&D and Innovation Platforms

The Company has built a multi-tiered R&D structure to enable cross-functional collaboration, ensuring comprehensive and efficient innovation efforts. Drawing on our deep scientific expertise, we have established a range of nationally and provincially recognized innovation platforms, including: National Enterprise Technology Center, National Industrial Design Center, National Postdoctoral Research Workstation, China Light Industry Engineering Technology Research Center, Provincial Key Enterprise Research Institute, Provincial Enterprise Technology Center, Provincial Postdoctoral Innovation Workstation. Provincial High-tech Enterprise R&D Center. These platforms have earned widespread recognition from government, industry, and the market, facilitating the integration of research and production and driving continuous technological advancement.



As of the end of the reporting period, the

Company held 5 certified National High-tech

Enterprises and Postdoctoral Research Workstation.

R&D Recognitions





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Industry-University-Research Collaboration

The Company has partnered with local governments and leading academic institutions to establish the Loctek Robotics Research Institute (the "Institute"). The Institute is dedicated to joint technological innovation and accelerating R&D breakthroughs. Adopting a collaborative model of "professor-led, engineer-executed, and graduate student-supported" research, the Institute brings together top talent from Ningbo-based universities, including professors, PhDs, full-time engineers, postdoctoral researchers, and professional master's students. Its research is primarily focused on artificial intelligence, intelligent manufacturing, and other cutting-edge fields.

The Institute actively promotes the commercialization of research outcomes, gradually advancing industrialization. In 2024, the Institute successfully concluded its sixth Innovation Challenge project under the China Innovation and Entrepreneurship Competition: R&D and Industrialization of Core Components for an Ergonomic Intelligent Health Office System. In parallel, it has deepened collaboration with academic institutions on pre-research and key technology breakthroughs, continuously strengthening the Company's technological innovation capabilities.

Partner Institution

Northwestern Polytechnical University, Ningbo Institute

Zhejiang University, Hangzhou Dianzi University

University of Nottingham Ningbo, Ningbo University, Xidian University Hangzhou Institute of Technology

Ningbo University, Xi'an Jiaotong University

Collaborative Project

Acoustic Performance Enhancement of Silent Pods

Development and Industrialization of a Sensorless, Brushless Dual-Motor Position-Synchronized Servo System

Integrated Driver-Control Chip
Development for Smart Appliances and
Smart Home Systems

Multi-SKU Intelligent Loading/Unloading Cabinet System for Cross-border Warehousing

Loctek and Zhejiang University Launch Joint Cross-border R&D Center

In July, in response to global technology trends and aligned with national and regional socioeconomic development strategies, Loctek partnered with Zhejiang University's School of Software Technology to establish the Joint Cross-border Intelligent R&D Center. This strategic alliance leverages complementary strengths to support Ningbo's foreign trade expansion and enhance global competitiveness.

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Signing Ceremony of the Zhejiang University – Loctek Joint Cross-border Intelligent R&D Center

Loctek and the School of Information Science and Engineering at Ningbo University Formalize University-Enterprise Partnership

In October, Loctek entered into a university-enterprise cooperation agreement with the School of Information Science and Engineering at Ningbo University. This initiative aims to deepen the integration of industry and education, jointly cultivating high-caliber, innovative, and practice-oriented talent through collaborative teaching programs.



Signing Ceremony of the University-Enterprise Partnership between Loctek and the School of Information Science and Engineering at Ningbo University

Innovation and R&D Achievements

Guided by a strategy of technology-driven, innovation-led, and efficiency-oriented growth, the Company continues to invest in R&D through its experienced and capable team. In 2024, the Company launched 77 R&D projects across manufacturing, logistics, warehousing, and intelligent lifting technologies, of which 48 were completed and 29 remain in progress. Manufacturing-focused projects addressed technical challenges in production and operations, improving production efficiency and optimizing operational management. Logistics and warehousing projects aimed to streamline operations and accelerate the development of cross-border warehousing capabilities. Smart lifting projects leveraged intelligent algorithms to automatically adjust desk and bed heights based on user parameters such as height, offering intelligent sit-stand solutions tailored to diverse usage

During the reporting period, the Company's smart logistics R&D initiatives were deployed in cross-border warehouses, significantly improving operational efficiency and reducing costs. In the smart home and health-oriented office furniture space, the Company received seven international product design awards, including the French FDA Design Award, German GDA Design Award, and the Canton Fair Design Innovation Award. New products launched include the T3X electric learning desk and the next-generation SQ1 and SQ2 smart beds.



IDPA Integrated Category Award



my best Height-Adjustable Desk



German GDA Design Award

2024

★ mybest

AWARD

最優秀賞

IDPA Furniture

French FDA Design Award



T3X Electric Study Desk



SQ2 Smart Bed from the New Electric Bed Series

Leading Industry Development

As a pioneer in the intelligent sit-stand furniture sector. Loctek is committed to advancing the application of intelligent lifting technologies in both ergonomic office and smart home environments. During the reporting period, the Company joined the National Technical Committee for Furniture Standardization as an observer and participated in drafting several national and industry standards. Two key standards—GB/T 43814-2024 General Technical Requirements for Smart Furniture and GB/T 44164-2024 General Principles for Quality Grading of Consumer Goods—were officially released during the year. In addition, the Company actively participated in discussions and reviews of four additional standards, including Smart Beds, Intelligent Grading and Labeling for Furniture, Mechanical Performance Testing for Furniture – Part 7: Stability of Tables, and Silent Pods for Office Furniture.



National Furniture Standards Review Meeting



As of the end of the reporting period

Loctek had led or participated in the development or revision of 11 national and industry standards, six of which have already been implemented.

Loctek Hosts the Inaugural "Loctek Cup" Cross-border E-commerce Entrepreneurship Competition



In September, Loctek, together with Ningbo Talent Training Co., Ltd., the Ningbo Cross-border E-commerce Association, and Amazon, co-organized the inaugural "Loctek Cup" Cross-border E-commerce Entrepreneurship Competition. Focused on promoting employment and supporting entrepreneurship, the competition aimed to identify and nurture emerging talent for Amazon platform operations, further contributing to the development of the cross-border e-commerce industry.





Intellectual Property Protection

The Company approaches intellectual property (IP) protection from a strategic business perspective, integrating it into core operations. It has established a comprehensive IP management system, supported by internal policies including the Intellectual Property Management Policy, IP Incentives and Penalties Policy, and Patent Management Policy. The system was first certified in 2015 and recertified in 2024, ensuring its continued effectiveness. To embed IP protection across the product lifecycle, the Company has established a dedicated IP department and integrated IP processes into its PLM (Product Lifecycle Management) system. This ensures that IP protection measures are implemented across every stage—from market research and product design to procurement, manufacturing, brand marketing, and market operations. During the reporting period, the Company obtained intellectual property management system certification.



Intellectual Property Management System Certificate

Loctek's Full-Lifecycle IP Management Framework

Business Activity	Market Research	Product Design & R&D	Procurement	Manufacturing	Brand Marketing	Market Operations
IP-Related Business Risk	Redundant R&D	Inadequate protection/ Product infringement	Component infringement	Equipment infringement	Improper use of promotional materials	Quality-related legal risks
IP Management Measures	Prior art searches/ Patent analysis	Patent landscape planning/ Design-around strategies	Risk assessments of material IP	Risk assessments of equipment IP	Compliance reviews	Resolution of IP-related quality issues



The Company held 1,281 valid patents, with 217 new patents granted in 2024 alone. This places the Company among the top 10 in patent holdings within the Ningbo region.

Domestic Intellectual Property Portfolio:

C	ategory	Total Patents Granted	Patents Granted in 2024
	Invention Patents	136	35
Patents	Utility Model Patents	530	50
	Design Patents	503	115
Traden	narks	828	55
Copyri	ghts	42	2
Softwa	re Copyrights	139	9
Publish	ned Papers	10	4

International Intellectual Property Portfolio:

Category	Total Patents Granted	Patents Granted in 2024
Overseas Patents	112	17
Overseas Trademarks	360	44

IP Protection Measures

The Company places a strong emphasis on developing a skilled IP workforce. It currently employs 12 full-time IP professionals, 11 of whom hold either patent attorney certifications or legal qualifications. To strengthen IP protection, the Company proactively files patent, trademark, and copyright applications, maintains detailed tracking systems for deadlines and approvals, and secures IP-related insurance coverage. Prior to filing and product launches, the Company conducts patent searches and market research. For critical projects, it commissions third-party search firms to further mitigate infringement risks. A multi-channel talent development strategy has been implemented to enhance theoretical and practical IP capabilities. This includes in-house and expert-led training, external certification programs, and mock trials.

To manage infringement risks, the Company has established an emergency response protocol for patent-related disputes. In the event of infringement litigation or similar issues, a cross-functional response team—comprising personnel from the IP, R&D, legal, and business departments—is promptly assembled to minimize potential losses.

© During the reporting period

The Company also regularly conducts internal IP awareness sessions to educate staff on policies and raise awareness around IP compliance and protection. During the reporting

period, the Company held **21**IP-related training sessions, totaling

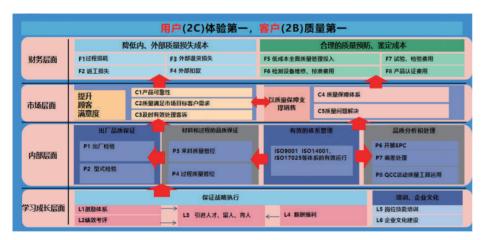
54 hours.



Product Quality Assurance

Product Quality and Service Governance

Loctek adheres to a quality policy of "pursuing excellence through continuous improvement" and has implemented internal management systems including the Quality Management Manual and Production Process Control Procedures. The Company has developed a "three-dimensional quality management model" that encompasses financial, market, internal, and learning-growth perspectives to ensure robust product quality oversight. This framework ensures that all products meet applicable standards, customer expectations, and regulatory requirements. During the reporting period, the Company successfully passed the ISO 9001 Quality Management System certification and obtained various international product certifications, including UL, ETL, CE and RoHS.





Three-Dimensional Quality Management Model

ISO 9001 Quality Management System Certificate

Quality Management Organizational Structure

The Company has established a clearly defined and efficiently coordinated quality management structure to ensure the stability and consistency of overall product quality. Each department appoints internal auditors for the quality management system, who are responsible for system development, process training and communication, and compliance oversight—thereby reinforcing the Company's commitment to quality excellence.



Quality Management Organizational Structure

Product Quality and Service Strategy

The Company is committed to a quality strategy grounded in the principles of "ensuring product and service excellence, meeting customer expectations, enhancing competitiveness, and driving sustainable growth". By leveraging advanced process control methodologies, we implement precise management across all operational stages. Regular internal reviews and continuous improvement practices are adopted to minimize risk, boost operational efficiency, and instill a company-wide culture of "quality starts with me". These efforts serve to elevate product and service standards across the board and position the Company as a leader in delivering superior quality within the industry.

Risk Type	Description	Likelihood	Impact Period	Financial Impact	Responses
Quality Risl	Substandard product quality may adversely impact consumer interests, leading to customer complaints, order cancellations, or contract terminations.	Low	Medium- and long-term	Operating revenue	 Enforce strict oversight and control of production processes to ensure adherence to quality standards; Continuously enhance product design based on customer feedback and market insights to improve functionality and durability.
Reputationa Risk	Declining customer satisfaction due to product quality issues, unmet service expectations, or delayed after-sales support may erode brand equity.	Low	Short- and medium- term	Operating revenue	Strengthen quality inspection and real-time monitoring to ensure compliance with internal standards; Enhance customization and personalization of products and services to better align with client needs.

Opportunity Type	Description & Responses	Likelihood	Impact Period	Financial Impact
Market Opportunity	The global smart home sector continues to expand, creating significant growth potential for our smart home product line. By capitalizing on increased market demand and investing in high-quality product development, the Company can meet evolving consumer expectations and capture greater market share.	Medium	Medium- and long-term	Operating revenue 🕇



Product Quality and Service Risk Management

The Company has issued the Quality Risk Management Technical Manual, a comprehensive framework that incorporates internal and external operating environments, stakeholder expectations, and strategic priorities. This manual guides the identification and evaluation of potential risks and opportunities, risk-level classification, mitigation planning, and the establishment of responsive monitoring systems. These mechanisms ensure timely risk reporting and enable agile adjustments to risk management strategies.



During the reporting period

The Company conducted 151 quality risk assessments and completed two internal quality audits.



Quality Risk Management

Key Measures

Identify operational risks (e.g., regulatory compliance, raw material volatility) through internal reviews, technical analysis, and expert consultation; Maintain a categorized risk register to inform follow-up



Evaluate the severity and urgency of risks to provide a data-driven basis for mitigation strategies and resource allocation.



Develop targeted mitigation plans, including quality system enhancements and process optimizations, to reduce the impact of identified risks on product quality.



Establish real-time quality monitoring through digital and intelligent systems to facilitate dynamic process adjustments;

Provide regular updates to senior management on risk trends, mitigation progress, and effectiveness, ensuring strategies remain aligned with evolving risk landscapes.

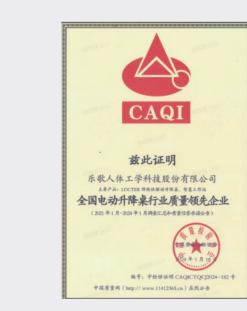
Product and Service Metrics and Targets

Guided by the quality policy of "pursuing excellence through continuous improvement", the Company has established clear quality management objectives to drive overall improvements in product and service standards.

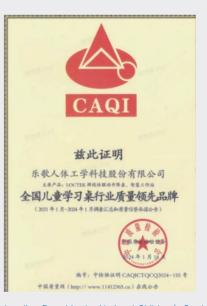
Targets	2024 Progress	2025 Progress
Finished product pass rate ≥ 99% Customer satisfaction ≥ 90 100% on-time resolution of customer complaints	Achieved	In progress

Quality Improvement Measures

Loctek places strong emphasis on customer needs and pursues comprehensive quality control through rigorous policies, meticulous management, and refined service standards—continuously advancing the level of quality management across the organization. The Company actively participates in various quality-related events and competitions organized by the China Academy for Quality and the China Quality Club, demonstrating a strong commitment to quality excellence. During the reporting period, Loctek was honored with multiple national and regional awards, including: National Trusted Brand for Product and Service Quality, National Benchmark Enterprise for Quality Integrity, National Quality Inspection Integrity Enterprise, Quality Leader in the National Smart Home Industry, Advanced Quality Management Organization of Zhejiang Province.







Leading Brand in the National Children's Study Desk Sector



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2024 Annual Quality Leaders Conference and the First Greater Bay Area Quality Excellence Exchange Forum

In November, the Company earned third prize in the 10th "Congmai Cup" Enterprise Improvement Case Competition, and participated in the 2024 Annual Quality Leaders Conference and the First Greater Bay Area Quality Excellence Exchange Forum, where it engaged in peer learning and shared best practices with quality professionals nationwide.



Loctek awarded the third prize in the 10th "Congmai Cup"

Enterprise Improvement Case Competition



2024 Annual Quality Leaders Conference and the First Greater Bay Area Quality Excellence Exchange Forum



CNAS National Laboratory Accreditation Certificate



Quality Management Measures

Full-Process Quality Management Framework

- Developed a Quality Management Policy Manual, 42 procedural documents, and 72 management workflows;
- Ensures compliance with over 160 international, national and industry standards; Provides a comprehensive set of 2,172 Standard Inspection Procedures (SIPs) for components, processes, and finished products to guide inspection personnel;
- Applies advanced digital quality management tools—including DOE, QFD, SPC, MSA, NUDD, and 8D—across the entire product lifecycle from design to manufacturing;
- Introduced the FMEA system with standardized protocols to support the digital transformation of quality data and analytics.

Quality Control Across the Supply Chain

- Follows the principle of "Check, Review, Improve, Approve, Implement", and established an *Incoming Inspection Control Procedure* to standardize supplier onboarding;
- Adopts inspection standards from Fortune 500 export clients and integrates them into internal quality benchmarks;
- Implements QR code-based product traceability, enabling component-level tracking and efficient after-sales response through a robust RMA system.

Product Quality Lifecycle Management

- Development Phase: Implements the *New Product Pilot Production Control Procedure*, incorporating analysis techniques focused on structure, functionality, failure modes, and risk to ensure design validation;
- Production Phase: Applies the "Production Process Control Procedure" to ensure operational consistency with timeline, cost, and quality benchmarks, while maintaining traceability through product identification;
- Inspection Phase: Follows the Finished Product Inspection Control Procedure to prevent the use or delivery of non-conforming products. The Company operates Asia's first GS- and UL-accredited witnessed laboratory, equipped with industry-leading instruments and certified by the CNAS (China National Accreditation Service). Its lab is capable of performing 117 types of tests, 53 of which are CNAS-accredited;
- Non-Conformance Control: Enforces a comprehensive *Non-Conforming Product Control Procedure*, which outlines protocols for identification, labeling, documentation, isolation, evaluation, and disposal of non-conforming items at all stages—from raw materials and semi-finished goods to final products and post-delivery handling.



Digital Factory Development

With the advent of Industry 4.0, digital transformation has become a critical strategy for manufacturing enterprises seeking to enhance their competitiveness. The Binhai Digital Factory Project is designed to deeply integrate advanced technologies—such as the Internet of Things (IoT) and big data—into core production processes, enabling intelligent, transparent, and highly efficient operations. Since the project's launch, the factory has seen notable improvements across order fulfillment, production efficiency, cost control, and quality management.

During the reporting period, the Company's Jiangshan manufacturing base leveraged 5G and industrial Internet technologies to drive smart and automated manufacturing. This initiative led to a significant uplift in both operational efficiency and product quality, earning the facility a place on the MIIT's "2024 5G Factory Directory".

Building a Culture of Quality

The Company maintains a strong commitment to quality—externally, through product excellence and customer service, and internally, through continuous quality training and awareness initiatives. Programs such as "Quality Month" and knowledge competitions have been rolled out to deliver targeted, specialized training to all employees involved in the quality management system. These initiatives ensure staff remain up to date on evolving regulatory standards while equipping them with the professional skills necessary to maintain the effectiveness of the quality system.





By the end of the reporting period, the Company had conducted 84 quality-related training sessions,

engaging a total of 1,448 participants, with training hours exceeding 3,350 in total



"Quality & Process Month" Excellence Campaign

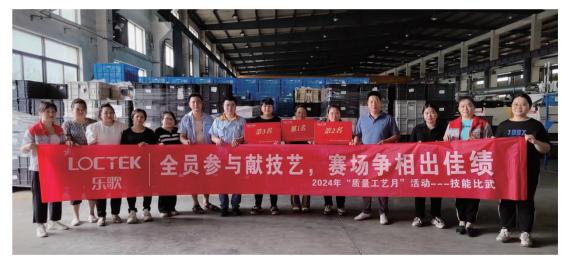
First, Cost Optimization, Efficiency Gains and Industry Benchmarking." Across all facilities, employees actively participated in initiatives to strengthen quality awareness, share best practices, conduct technical training, and participate in skills competitions. These efforts have fostered a culture of continuous improvement, encouraged process innovation, and laid the foundation for long-term, sustainable growth.





Employee signing ceremony at kick-off meeting

Best practice case study presentations



From August through October, the Company held its "Quality & Process Month" under the theme "Quality

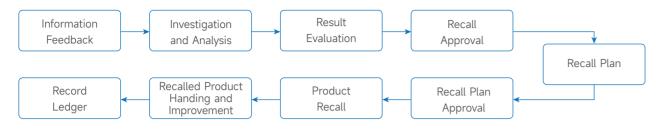
Team photo from skills competition

case

Product Recall Management

To uphold product quality standards and safeguard customer interests, the Company has implemented the Nonconforming Product Control Procedure and the Product Recall Management Procedure. These protocols ensure that any defective products are addressed promptly through corrective actions such as issuing safety notices, revising user instructions, returning, exchanging, repairing, or disposing of affected products. During the reporting period, there were no product recall incidents related to health or safety concerns.





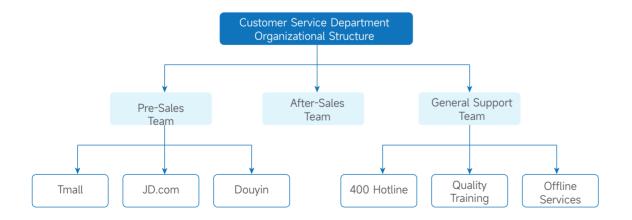
Product Recall Process

To further strengthen emergency response capabilities, particularly in managing potentially non-compliant products delivered to customers, the Company has enhanced its recall protocols. This includes robust traceability mechanisms—such as comprehensive purchase and sales records and product QR code tracking—to ensure full product traceability throughout the supply chain. During the reporting period, the Company conducted a simulated emergency drill to test its product recall response system.

Quality Service

W Customer Service Management

Upholding a "customer-first" philosophy, the Company has developed a series of internal policies, including the Customer Service Manual, Domestic Sales Service Department Management Policy, and Domestic Sales Service Standards. These documents clearly define the responsibilities of each role within the service department, covering the entire customer journey—from pre-sales to post-sales—to ensure prompt, accurate and effective service delivery. To strengthen distributor oversight, the Company has established a Distributor Management Policy and enters into formal agreements with partners. These measures aim to enhance customer service quality, build brand loyalty, and promote sustainable business development.

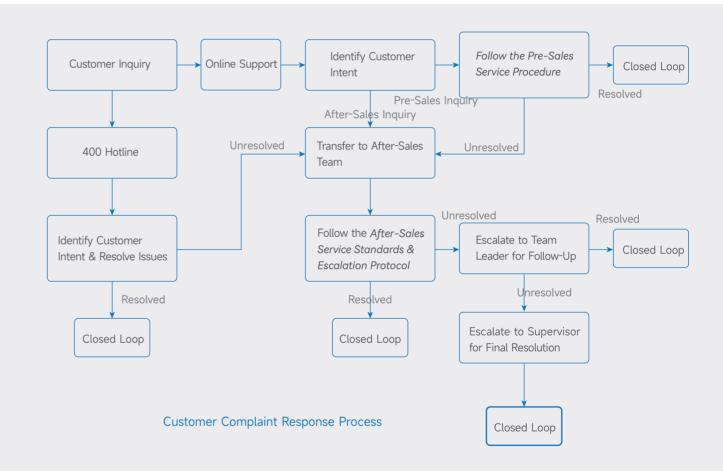


Customer Service Department Organizational Structure

Solution Enhancing Customer Service Capabilities

Handling Customer Complaints

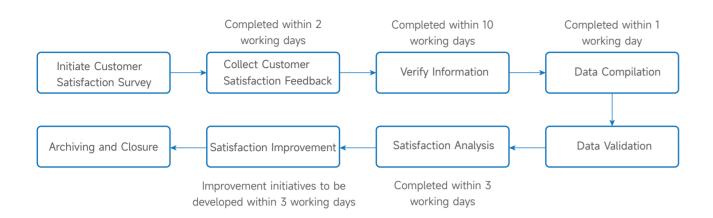
To ensure timely and effective resolution of customer issues, the Company has implemented a formal Customer Complaint Handling Procedure, offering multiple complaint channels—including a dedicated hotline, online submissions, and written or verbal feedback. All customer complaints must receive an initial response within 24 hours. A dedicated complaint resolution team is responsible for evaluating the severity of each case, conducting root cause analysis, and proposing corrective actions. The process ensures all complaints are addressed within 72 hours, with resolution updates provided to the relevant departments. During the reporting period, all complaints lodged by customers were resolved, achieving a 100% resolution rate.



Enhancing Customer Satisfaction

Loctek is committed to a "customer-centric" philosophy and has established a Customer Satisfaction Survey Management Procedure. The Company collects feedback through questionnaires, sales center interviews, and in-person visits, focusing on product quality, reliability, professionalism, service attitude, and response speed. Customer satisfaction surveys are distributed and collected annually, with results used to develop product-specific improvement plans and monitor complaint rates for new products to ensure a better customer experience post-market launch. During the reporting period, the Company achieved 94% online platform customer satisfaction and 100% on-time resolution of customer complaints, which were above the industry





Satisfaction Survey & Improvement Process

Targets	2024 Progress	2025 Progress
100% on-time resolution of customer complaints	100%	In progress
Online platform satisfaction (score out of 100)	94	In progress

Customer Service Training

The Company has built a dedicated customer service team and provides structured onboarding programs covering service techniques, communication protocols, and product knowledge. In-class quizzes and regular random audits are used to ensure learning retention. Quarterly training sessions are also conducted to strengthen frontline customer service and sales skills, with performance evaluations to track progress. In addition, the after-sales system has been upgraded to include proactive reminders and installation inquiries, delivering a more streamlined, one-stop service experience.



Responsible Marketing

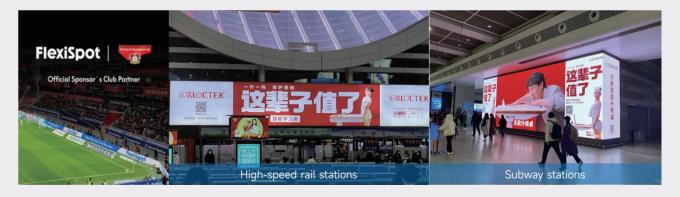
Loctek has adopted the Internal Compliance Guidelines for Marketing, which strictly prohibit false advertising and misleading consumer practices. Regular training is provided to promote responsible marketing behavior and uphold fair competition, supporting sustainable growth and long-term success. During the reporting period, the Company held 16 responsible marketing training sessions, engaging 200 participants and delivering 24 hours of training.

Product Marketing

In 2024, Loctek advanced multiple strategies, including product line expansion, cross-border e-commerce growth, international market development, and digital marketing. New offerings included a refreshed line of electric beds and high-value ergonomic desks for students. Domestically, the Company strengthened brand presence through a multi-channel strategy—sponsoring the CCTV program "The Pillars of China", and launching targeted advertising campaigns in train stations, airports, subways, highways and residential areas to reach business travelers and commuters. On social media, Chairman Xiang Lehung's personal IP, "Loctek Chairman Mr. Xiang's Talks", gained significant traction on Douyin, amassing over 3 million followers and more than 400 million video views, becoming a powerful bridge between the brand and younger consumers. Internationally, the Company focused on building a proprietary brand agency network in non-G7 countries while expanding offline retail teams in the U.S. The FlexiSpot brand also enhanced its global presence by sponsoring Bundesliga champions Bayer Leverkusen, laying a strong foundation for further international growth.

FlexiSpot sponsors Bayer Leverkusen (Bundesliga champions)

Outdoor ad placements: High-speed rail stations, airports and bus terminals





4supply Distribution Platform

To support small and medium-sized export businesses facing globalization challenges, Loctek launched its 4supply distribution platform (http://www.4supply.com). The platform offers U.S.-based inventory, dropshipping, and bulk purchasing services. It supports diverse transaction models, ensures safe, reliable connections between buyers and sellers, and uses a credit rating system to safeguard transaction integrity—empowering Chinese businesses to go global.



4supply Distribution Platform

Loctek Chairman Mr. Xiang's Talks



Driven by an ethos of altruism, Loctek Chairman Mr. Xiang Lehung shares entrepreneurial experiences, business insights, and cross-border e-commerce strategies through his Douyin channel "Loctek Chairman Mr. Xiang's Talks". By blending knowledge sharing with brand storytelling, the platform enhances corporate visibility and reputation. By the end of the reporting period, the account had gained over 3 million followers, published more than 900 videos, and was recognized among Ningbo's Top 20 Most Influential New Media Accounts on Douyin.



Sustainable Supply Chain

Supplier Governance

Loctek remains committed to the principles of sustainable development and has established a comprehensive ESG-focused supplier management framework through policies such as the Procurement Control Procedure and Supplier Management Procedure. The Company emphasizes end-to-end supply chain oversight—from supplier onboarding and selection to contract execution and performance evaluation—ensuring close coordination across the supply chain. By strictly managing supplier access and review processes, regularly updating the Approved Supplier List, and actively mitigating risks, Loctek is building a secure, resilient, and sustainable supply chain ecosystem.

Supplier Onboarding and Review

Loctek has implemented the Supplier Development Control Procedure, Supplier Admission Evaluation Standards and On-site Evaluation Scoring Form. The procurement department collaborates with quality assurance, R&D and engineering teams to conduct on-site evaluations of supplier samples, facilitating the integration of high-quality resources into the supply chain. For key materials, a dual-sourcing strategy is adopted to safeguard supply continuity. Suppliers are subject to both scheduled and ad hoc audits, with ongoing performance monitoring using standardized evaluation tools.



During the reporting period, Loctek onboarded 105 new suppliers. As of the end of the reporting period, the

Company had 662 suppliers in total—536 domestic and 126 international—with local suppliers

accounting for 43.96% of total procurement expenditure.

Metric	Unit	2024
Local Suppliers	1	291
Other Suppliers	/	371



Supplier Management

Loctek has developed a multi-dimensional supplier evaluation system encompassing quality, SQE (Supplier Quality Engineering), technical capability, and procurement metrics. Suppliers are assessed quarterly and categorized into four performance tiers: A, B, C and D. For high-performing A and B suppliers, the Company allocates a greater share of procurement orders. C and D suppliers are enrolled in tailored support programs. Suppliers failing to meet standards for three consecutive evaluation cycles are removed from the supply chain. During the reporting period, 25 non-compliant suppliers were disqualified.

Number of suppliers certified under a quality management system

478

Percentage of supplier performance criteria that include environmental and social factors (%)

100%

37

Number of suppliers certified under an occupational health and safety management system











Number of suppliers certified

under an environmental

management system

60%

276



Percentage of existing suppliers re-evaluated annually on environmental and social issues

100%

Supplier Strategy

Taking into account industry characteristics and operational realities, Loctek conducts in-depth analysis of the risks and opportunities inherent in supplier management. For key risks—such as supply chain disruptions or substandard procurement quality—the Company has developed and implemented targeted mitigation strategies. At the same time, it seeks to capture value-creation opportunities through continuous optimization of supplier practices, enhancing overall competitiveness.

	Risk Type	Description	Likelihood	Impact Period	Financial Impact	Responses
:	Supply Chain Disruption	Disruptions may delay delivery timelines, compromise product quality, impact customer satisfaction, and erode brand reputation and market position.	Low	Short-term	Operating revenue	Adopt multi-sourcing strategies and establish regionally diversified supply chains aligned with factory locations to ensure material supply stability and agility.
	Substandard Procurement Quality	Inferior materials may lead to frequent production line failures, increased quality control costs, reduced operational efficiency, and delayed deliveries.	Low	Short-term	Production costs Operating revenue	Implement a robust quality inspection system to rigorously vet materials before production, ensuring only those meeting internal standards are accepted.

Opportunity Type	Description & Responses	Likelihood	Impact Period	Financial Impact	Responses
Cost Optimization	Establishing long-term strategic partnerships with suppliers enables access to more favorable pricing, reducing raw material costs. Supply chain optimization also minimizes inventory pressure and waste, contributing to lower operating costs.	Medium	Medium -term	Production costs	Enter into long-term agreements with selected suppliers, clearly defining pricing terms, delivery schedules, quality standards, and after-sales support to ensure a stable and mutually beneficial relationship.



Supplier Management Metrics and Targets

The Company has established clear supply chain goals focused on process optimization and resource integration. Through detailed planning and disciplined execution, it ensures that all supply chain objectives are met on schedule.

Metric		Unit	Target Value	2024 Progress
Strategic Procurement Department Cost reduction %		1.5	2.94	
rate	OEM	%	1	1.5
OEM new product deliveries	5	10,000	1,000	1,091
On-time rate for procureme	nt sample deliveries	%	98	99.7
On-time rate for trial production material procurement		%	95	99.7
Procurement pass rate		%	98.8	99.08

Supplier Management Measures

Supplier ESG Management

When onboarding new suppliers, the Company conducts a comprehensive ESG assessment, including environmental management, labor practices and occupational health, and anti-corruption measures. Suppliers are also required to complete training and assessments on social responsibility standards, as well as applicable laws and regulations related to hazardous substances. These efforts aim to promote sustainable development across the industry.

Supplier Support

To enhance suppliers' overall capabilities, the Company regularly hosts a variety of support programs, including quality assurance training, supplier audits, and environmental and quality workshops. Through these initiatives, the Company fosters close, collaborative partnerships that drive innovation. During the reporting period, approximately 65 supplier support sessions were conducted.





During the reporting period, the company maintained partnerships with over 297 high-performing suppliers with more than five years of cooperation, indirectly supporting over 26,700 jobs.

Ethical Procurement

The Company is committed to fostering a fair, transparent, and ethical business environment that safeguards suppliers' legal rights and interests. All Supplier Cooperation Agreements include anti-bribery clauses that prohibit any form of commercial bribery, ensuring honest, transparent, and orderly procurement practices.





During the reporting period, the Company conducted integrity visits and interviews with more than 280 suppliers and responded to their integrity assurance letters. 100% suppliers signed the Supplier Integrity Agreement.



Empowering Employees and Fostering Inclusive Growth

Company Actions

- Diversity and inclusion
- Compensation and benefits
- Employees' rights protection
- Democratic governance
- Employee wellbeing
- Occupational health and safety
- Employees developmen

SDGs













Diversity and Inclusion ¹

Diversity and inclusion are integral to our culture and a key driver of our team's success. With a global footprint, Loctek brings together individuals from diverse backgrounds and perspectives. Our employees demonstrate determination and collaboration as they contribute to Loctek's international expansion.

By the end of the reporting period

By the end of the reporting period, the Company employed 1,161 staff in the United States, Vietnam, the Philippines

and other locations, with overseas employees accounting for 28.26% of the total workforce.

Growing Together with the Company and the Team

"In my three years at Lecangs cross-border warehouse division, I've witnessed the Company's transition from rough initial operations to a more systematic, orderly structure. I've personally grown from Senior Operations Manager to West Coast Regional Director. Here, I've gained valuable career opportunities while growing alongside my colleagues. Seeing Lecangs's rapid development reminds us that hard work and dedication are always rewarded. I'm excited to continue pushing boundaries and creating value with my team."



Jonathan Magana, West Coast Regional Director, U.S. Cross-border Warehouse

Eight Years at Loctek - Witnessing Transformational Growth

"Since the founding of Loctek Vietnam in 2016, we've experienced rapid growth—from a few dozen employees to more than 800 today. As both a witness and participant in the Company's journey, I've grown from a translator to an HR and Administration Manager.

Loctek places great emphasis on team culture, regularly organizing team-building events that enhance collaboration in a relaxed atmosphere. The benefits are generous—social insurance, housing funds, paid leave are all standard, and thoughtful holiday gifts add warmth. What's more, the Company actively gives back to the community, regularly donating supplies to welfare homes and nursing centers.

Working here has not only strengthened my professional skills, but also made me feel truly at home. I'm proud to be part of such a caring company and look forward to creating a better future together!"



Nguyễn Thi Thu Ngoc, HR & Admin Manager, Loctek Vietnam





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Employee Recruitment

Loctek adheres to the principles of open recruitment, fair competition, and job suitability. The Company has established comprehensive policies such as the *Recruitment Management Policy, Onboarding Management Policy* and *Internal Referral Incentive Program* to streamline the recruitment process, enhance talent selection, and ensure the effective allocation of human resources.

Campus Recruitment

Talent acquisition serves as a vital catalyst for organizational growth. Loctek places significant emphasis on providing career opportunities for university graduates, recognizing that campus recruitment aligns with both its talent strategy and corporate social responsibility. Through initiatives such as campus recruitment and school-enterprise partnerships, the Company attracts top talent from universities, addressing graduate employment challenges while continuously infusing the Company with high-quality candidates.

Since 2006, Loctek has been fostering school-enterprise partnerships, leveraging university talent as a core element of its competitive advantage. Over the years, Loctek has set up the Loctek Scholarship at institutions including Ningbo University, University of Nottingham Ningbo China, Ningbo Institute of Technology, and Zhejiang University Ningbo Institute of Technology. The Company has also formed collaborative agreements with seven universities to establish joint training frameworks, co-develop practical training bases, and engage in technological research with 13 academic institutions. Additionally, Loctek has partnered with Huade College to create specialized order-based classes, facilitating innovative talent development models. The Company also hosts regular Open Days to deepen collaboration with universities such as Dongbei University of Finance and Economics, fostering further partnerships.

Loctek-Huade Order-Based Class

case

In April, Loctek collaborated with Huade College of Harbin to launch an order-based class, enrolling 38 outstanding students from the institution.



Virtual Campus Recruitment - Online Briefing



In September, Loctek hosted a virtual recruitment session for the 2025 graduating class, providing an overview of the Company's business development and job functions through multi-platform live streaming. This event served to address queries and engage a wider pool of students, inviting them to learn about and join Loctek.



Corporate Open Days



In August, Loctek welcomed representatives from several universities, including Dongbei University of Finance and Economics, Xi'an Foreign Languages University, and Yunnan Vocational and Technical College of Mechanical and Electrical Engineering, to visit the Company. These visits offered students the opportunity to experience Loctek's core business and explore its working environment, enhancing their understanding of the Company and strengthening the ties between academia and industry.





Furthermore, the Company is committed to supporting marginalized groups and takes proactive steps to integrate individuals with disabilities into the workforce. Loctek has implemented specialized production lines for disabled employees and organized training programs with dedicated teams offering guidance. By fostering an inclusive and equitable work environment, the Company aims to provide all employees with opportunities for growth and contribution. During the reporting period, 9 disabled individuals joined the team.

To meet the demands of exploring new business avenues and models, Loctek has significantly bolstered its recruitment efforts. During the reporting period, the Company hired 2,978 employees through internal selection, external recruitment and campus hiring, earning accolades such as the Yinzhou District Talent Development Model Enterprise Award, Most Popular Employer Brand Among College Students, 2024 Excellence in Career Credit Employer Award, and Platinum Partnership with Ningbo Software Industry Association.





During the reporting period

Number of internal transfers 195

Percentage of internal transfers 4.75%

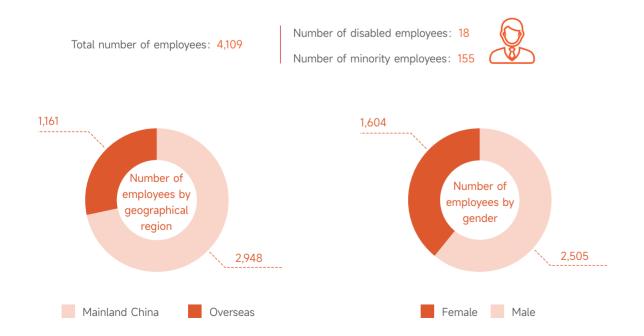


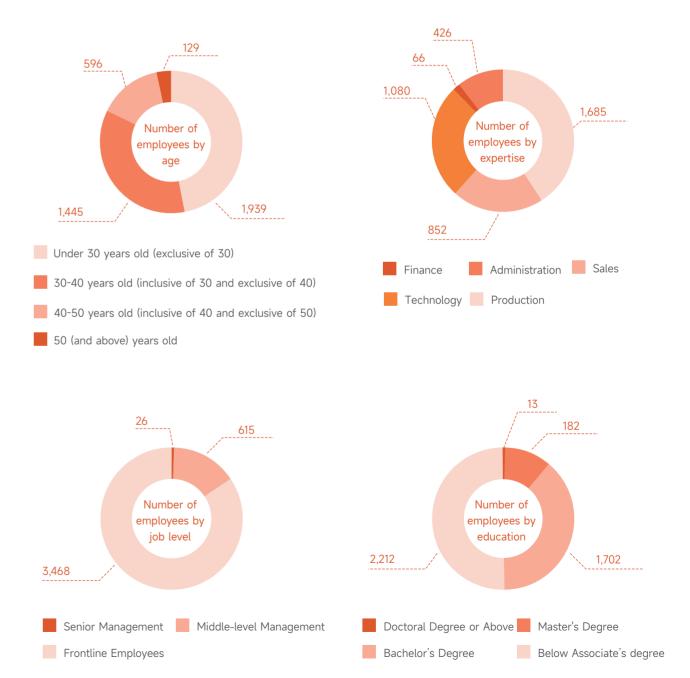
Job Mobility

Loctek has implemented clear internal policies, including the *Employee Transfer Management Policy, Exit Management Policy, Termination Procedures* and *Labor Dispute Management Measures*, to oversee the entire lifecycle of labor contracts. When employees leave, the HR department conducts exit interviews to capture valuable feedback and refine management practices. At the same time, efforts are made to address any negative emotions associated with the departure, promoting a positive and amicable transition. For labor disputes, department heads initially attempt to mediate the situation. If employees are dissatisfied with the mediation outcome, they may escalate the issue to HR, where the mediation committee will engage in further discussions. Loctek also remains open to the possibility of re-employing former employees who meet the Company's qualifications.

Employee Demographics

At Loctek, we are driven by a core commitment to perseverance and continuous improvement, fostering a dynamic and youthful workforce. We prioritize innovation, creativity, adaptability, a strong desire to learn, and an unwavering enthusiasm among our team. Additionally, we strive to cultivate a global outlook and cultural insight across all levels of the organization. Loctek is committed to providing a platform for employees to grow professionally, showcasing their talents, and sharing in the Company's success. Together, we are building a brighter and more promising future. As of the close of the reporting period, Loctek employs a total of 4,109 individuals.







Compensation and Benefits'



W Compensation and Benefits Management

Loctek adheres to a performance-driven approach to compensation, rooted in a job-based and capability-oriented framework. We have implemented a Compensation System Management Policy, which outlines the components of our compensation structure, including base salary, position salary, performance bonuses, commissions, project bonuses, profit-sharing, special awards, and allowances. We take local income levels into account, ensuring that compensation for entry-level employees significantly exceeds local minimum wage standards.

Loctek has also developed the Organizational Performance Management System and the Performance Evaluation Management System. These policies link performance evaluations to key areas such as bonus distribution, salary adjustments, employee promotions, and stock option allocations. Employees who have concerns about their compensation or performance evaluation can raise issues through the Company's internal audit system or by directly contacting the Human Resources department. Relevant departments will promptly address any concerns and communicate the outcomes to employees.



& Key Performance

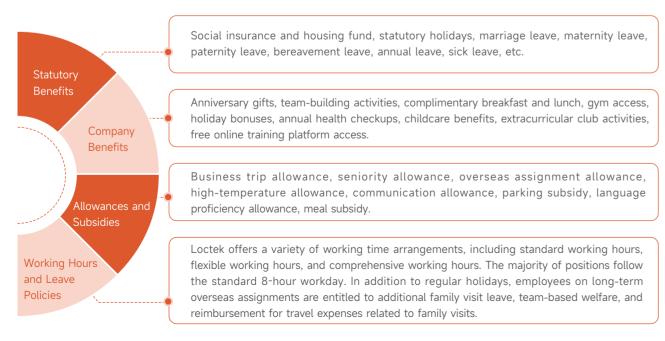
As of the end of 2024, the average monthly salary for entry-level employees in Ningbo

was **246**% higher than the local minimum wage, and in Guangxi, it exceeded the local



Benefits Package

Loctek is committed to ensuring the well-being of its employees through a comprehensive benefits system that includes health insurance, paid leave, professional training, and employee activities. This holistic approach not only safeguards employee rights but also fosters a positive and collaborative work environment. During the reporting period, we raised the base for our housing fund contributions and adopted a policy for full contributions, further enhancing our benefits package



Return-to-Work Subsidy

Each year during the Chinese New Year, Loctek hosts a "Kick-off Ceremony" at its headquarters and major production sites to encourage employees to return to work with renewed enthusiasm and optimism for the year ahead.

Kick-off Ceremony



In February, Loctek's Chairman, Mr. Xiang Lehung, along with the "God of Wealth," distributes red envelopes at various locations to wish all employees a prosperous start to the new year. This event not only celebrates the Company's achievements but also serves as a recognition and motivator for the hard work and dedication of all employees.







Employee Incentives

To enhance employee motivation and creativity, the Company has implemented a comprehensive suite of incentive mechanisms, including performance-based incentives, stock options, project-based rewards, sales commissions, overachievement bonuses, and annual performance recognitions. In addition, the Company has launched an employee equity incentive plan, enabling staff to share in the Company's growth and value creation, thereby strengthening cohesion and competitiveness while supporting long-term sustainable development. During the reporting period, the Company introduced a Special Benefits Incentive Plan for Strivers, awarding quarterly top-performing "S-grade" employees with exclusive benefits to foster a culture of dedication, perseverance, and excellence. A total of 1.627797 million shares of Class II Restricted Stock were granted to 150 eligible employees, helping to attract and retain key talent and high-potential professionals.

"Star of Labor" Awards Ceremony



In April, the Company hosted the 2024 Star of Labor awards ceremony under the theme "Boundless Potential in Youth, Dreams Rising with the Sun," recognizing recipients of the 2024 Star of Labor distinction as well as municipal and district-level Craftsperson Awards from 2023.



Incentives for "S-grade" Employees



In August, the Company arranged for second-quarter "S-grade" employees to attend a concert by Eason Chan. During the reporting period, 711 employees were named "S-grade" and received various incentives, including wellness gift packs, concert tickets, and international travel opportunities.





Employee Retention and Stability

The Company prioritizes employee retention and team stability by proactively identifying and addressing challenges employees may face in both work and life. At work, each new hire is assigned a mentor to facilitate integration and accelerate onboarding. Internal job postings and promotion opportunities offer employees clear paths for career development. In terms of life support, the Company provides one-year dormitory accommodation for new hires and interest-free housing loans for qualified employees with over one year of service. To maintain a positive work environment during staff departures, the Company offers farewell gifts and well-wishes to departing employees, helping to ease workplace tension and improve morale among existing team members.

Employees' Rights Protection

Loctek adheres to the Labor Law and Labor Contract Law of the People's Republic of China, and in its global operations, upholds the UN Global Compact, the UN Guiding Principles on Business and Human Rights (UNGPs), and the Universal Declaration of Human Rights. Internal policies such as the Labor Contract Management System and the Employee Handbook are in place to ensure full compliance with labor laws.



In 2024, both the Company's labor contract signing rate and

social insurance coverage rate reached 100%.



The Company is committed to safeguarding employees' fundamental rights and fostering an inclusive, respectful workplace. It has adopted policies such as the *Anti-Discrimination Procedures*, *Anti-Harassment and Anti-Abuse Procedures*, *Prohibition of Forced and Punitive Labor*, and *No Child or Underage Labor Policy*. These measures ensure fair employment practices, prohibit child and forced labor, prevent harassment and discrimination, and protect employees' rights to freedom of association, unionization, and collective bargaining. No incidents of discrimination, harassment, forced labor, or child labor occurred during the reporting period.

Safeguarding Overseas Employee Rights

Loctek's overseas subsidiaries are integral to its global operations and fully comply with local labor laws. For example, in the United States, the Company strictly adheres to the Fair Labor Standards Act (FLSA), Equal Employment Opportunity Commission (EEOC) Regulations, and the Family and Medical Leave Act (FMLA) to ensure fair, safe, and respectful treatment of employees. The Company guarantees that all wages meet or exceed federal and state minimum wage standards and complies rigorously with overtime pay requirements. It fosters a work environment free of discrimination and harassment, grounded in equal opportunity across hiring, promotion, compensation, and benefits. Employees are provided with adequate support, including access to paid leave for personal or family medical needs, enabling a healthy work-life balance. No cases of discrimination, harassment, unpaid overtime, forced labor, or denial of leave entitlements were reported during the reporting period.



As of the end of the reporting period:

Loctek operated 41 overseas subsidiaries across 12 countries; Overseas employees accounted for

approximately **28.25**% of the Company's total workforce; **100**% of employees received training related to diversity, equity, and inclusion (DEI).



Support for Female Employees

In line with the Employee Handbook and relevant labor laws, the Company safeguards the rights of female employees to prenatal check-up leave, maternity leave, and breastfeeding breaks. The company strictly prohibits any reduction in compensation, termination of employment, or dissolution of labor or employment contracts on the grounds of pregnancy, childbirth, or lactation.

To better support female employees, the Company has established dedicated nursing rooms at its headquarters and production sites, providing a private and comfortable space for nursing mothers. Emergency sanitary product vending machines have been installed in women's restrooms to meet urgent needs. Additionally, during afternoon tea breaks, specially prepared hot beverages are offered to female employees as a gesture of care and appreciation.



Female representation in the total workforce: 39.04%; female representation on the Board of Directors: 44.44%;

female representation in senior management: 28.57%; female representation in R&D roles: 22.13%

Overseas Sexual Harassment Prevention Training



In May, the Company organized training sessions for employees in California, USA, to participate in a state-mandated sexual harassment prevention course. A total of 20 employees completed the training and received certification.



Training Completion Certificate

International Women's Day Celebration: "A Life on Fire, Defined by Herself"



On March 8, to mark International Women's Day, the Company hosted a themed event titled "A Life on Fire, Defined by Herself," extending heartfelt greetings and sincere appreciation to all female employees. Thoughtfully prepared gifts were distributed, and employees came together to learn how to make balloon bouquets. The celebration fostered a vibrant and festive atmosphere, allowing participants to experience the warmth of the occasion and the Company's genuine commitment to employee well-being.







International Women's Day Celebration

Democratic Governance I

Employee Communication Channels

The Company fully supports employees' rights to freedom of association and collective bargaining. Labor unions have been established, and the Company continues to enhance a democratic governance framework centered around the union and employee representative congresses. Employees are encouraged to actively participate in corporate governance and decision-making processes. A diverse range of communication channels is available, including on-site suggestion boxes, the "Voice of Employees" program, and "Speak to the Boss" sessions. Employees may also share feedback via the Company's official WeChat account, OA system (Feishu platform) and a dedicated QR code.



During the reporting period, three employee representative meetings were held.



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Employee Complaints Mechanism

The Company has implemented the Employee Communication and Complaint Management Procedure and the Labor Dispute Resolution Policy to ensure that internal concerns can be raised through multiple channels, including verbal reports, written submissions, and roundtable discussions. Regardless of the nature of the complaint, the Human Resources Department is committed to fair, confidential, and timely resolution, with feedback provided within five working days. Constructive suggestions are forwarded to relevant departments, and employees who make valuable contributions may receive recognition or rewards.

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Employee Satisfaction

The Company conducts an annual employee satisfaction survey to gauge engagement and well-being across multiple dimensions, including workplace environment, job content, performance evaluation, professional development, and career advancement. The results help identify areas for improvement and support data-driven decision-making to enhance employee experience and retention.

Satisfaction Survey Process



Anonymous questionnaires. Report Content: Includes satisfaction trends, key areas of concern, proposed corrective actions, and progress on previously identified issues. Post-survey Actions: Results are shared promptly, and improvement plans are developed and monitored for areas with lower satisfaction scores.



Organizational culture, role clarity, career progression, learning and development opportunities, working conditions, compensation and benefits, performance management, occupational health and safety, leadership, and job suitability.



Covers five employee categories: management, R&D, production, finance, and administration.



During the reporting period, 2,750 employees participated in the satisfaction survey, with an overall

satisfaction rate of 96%.

Employee Wellbeing ¹

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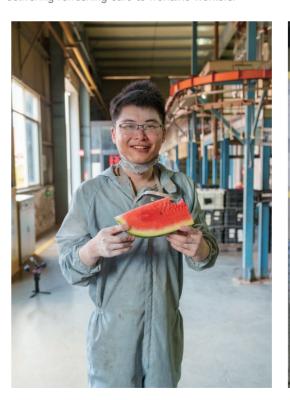
Employee Activities

Loctek consistently regards employee well-being as a cornerstone of its development. From accommodation and meals to health and recreation, the Company has built a comprehensive, multi-tiered employee care system. In addition to providing safe and comfortable dormitories and three nutritious meals daily at no cost, Loctek offers access to a range of fitness and leisure facilities—including gyms, table tennis rooms, and basketball courts. Regular sports events and fitness classes are held to enrich employees' leisure time and promote physical and mental wellness. To support employees stationed abroad, the Company runs a Family Connection Program, arranging regular visits from family members to help maintain strong family bonds. During the reporting period, Loctek continued its long-running "Little Migratory Birds" Summer Camp, now held annually for over a decade, reflecting its deep commitment to supporting employees' families and their children's development.

Loctek's Summer Cooling Campaign



To help employees stay cool during the summer, manufacturing sites launched a "Summer Cooling" campaign. Organized by the Company's labor union, daily supplies of watermelons, salty soda water, and heat-relief medicine were distributed. In workshops where air conditioning could not be installed due to technical constraints, ice blocks were used for physical cooling, improving the work environment and delivering refreshing care to frontline workers.





Summer Cooling Campaign

Core Team Hiking Events

During the reporting period, Loctek held three group hiking events with a total of 450 participants. These activities aimed to improve physical and mental health while also fostering team cohesion and a strong sense of belonging.



Core Team Hiking Events

Programmers' Day Celebration

In October, to celebrate Programmers' Day, the Company distributed custom-themed gifts to its developers and hosted fun interactive sessions featuring cosplayers. These lighthearted activities helped employees momentarily unwind and enjoy a playful break from their regular work routine.





Programmers' Day Celebration

First Loctek Badminton Tournament

case

In June, the Loctek Labor Union organized the first-ever badminton club tournament. The club now has nearly 300 members who regularly train together, share techniques, and prepare for matches. The tournament emphasized the spirit of "friendship first, competition second". Players demonstrated teamwork and determination in a series of intense and exciting matches.





Badminton Tournament

11th "Little Migratory Birds" Summer Camp



In August, Loctek launched its 11th "Little Migratory Birds" Summer Camp simultaneously in Jindong and Binhai. First initiated in 2014 to help employees balance work and parenting during the summer holidays, the program offers care and support for employees' children. Staff volunteers from various departments use their expertise to provide tutoring, cultivate hobbies, and support the children's development across multiple dimensions.





11th "Little Migratory Birds" Summer Camp

"Red Sun" Lunar New Year Gala

case

In February, the 2024 Red Sun Spring Festival Gala and 2023 Annual Employee Awards Ceremony were held in a festive atmosphere. The gala celebrated the Company's achievements over the past year and honored outstanding employees, enhancing the sense of belonging and pride among the workforce.



"Red Sun" Lunar New Year Gala

Employee Assistance Program

To support employees facing financial hardship or major illness—either themselves or their immediate family members—Loctek has implemented an Employee Assistance Program. The program provides financial aid and material support to help affected individuals through difficult times.



During the reporting period, two employees received assistance totaling RMB 34,000 in donations and relief supplies.

Fundraising for Employee Yang Zhenzhong from Binhai Factory



In November, Yang Zhenzhong, an employee at the Binhai manufacturing base, suffered a sudden serious illness at home. Facing high medical costs, his family was in urgent need of support. The Company responded immediately with a personal visit and coordinated a RMB 30,000 donation through the Yinzhou Charity Federation. An internal donation campaign was also launched, and employees across the Company quickly rallied to raise more than RMB 50,000. This collective act of compassion provided crucial support for Yang's ongoing treatment.



Employees at Loctek's Jiangshan Manufacturing Base Donating to Yang Zhenzhong

Occupational Health and Safety 1

© Occupational Health Management

Occupational Health and Safety Governance

The Company has implemented an *Occupational Disease Prevention and Control Policy*, under which the General Manager assumes overall responsibility for occupational health. This policy outlines clear requirements for hazard identification and communication, the "3 In-Parallels" rule in project safety and standardized operational procedures. The aim is to proactively prevent and control occupational hazards, protect employee health and safety, and support the Company's sustainable development. During the reporting period, the Company successfully obtained ISO 45001 certification for its Occupational Health and Safety Management System.



ISO 45001 Occupational Health and Safety Management System Certificate

	Metric	Unit	2024
	Number of work-related fatalities	1	0
Work-related Loss	Fatality rate from work injury	%	0
	Lost days due to work injury	Days	0

Protecting Employee Health and Wellbeing

Occupational Health Management Measures

Hazard Monitoring

The Company regularly commissions qualified third-party agencies to conduct systematic testing of workplace occupational hazards. Test results are disclosed to ensure transparency and accountability.

Occupational Health Screenings

Health checks are conducted in strict compliance with regulatory requirements at key employment stages—pre-employment, during employment, and upon exit. In 2024, the employee health check coverage rate reached 100%.

Occupational Disease Prevention Training

During Occupational Disease Prevention Week, the Company organized training sessions and assessments to enhance awareness and prevention capabilities. Hazard notification cards were also placed in work areas, detailing hazard types, potential consequences, and mitigation measures. In total, 366 employee participations were recorded during the reporting period.

Provision of PPE

In line with the *Personal Protective Equipment Standards by Job Role*, the Company distributes appropriate PPE—such as earplugs, safety boots, goggles, protective gloves, and safety shoes—to reduce the risk of occupational illnesses.

Mental Health Support

The Company actively promotes physical and mental wellbeing by funding and organizing recreational activities including basketball, karaoke, and book clubs.

Mental health education is promoted through awareness campaigns, workshops, and employee wellness events aimed at relieving work-related stress and supporting overall mental resilience.



Mental Health Seminar at Loctek



In July, the Company hosted a mental health seminar titled "Positive Mindset, Healthy Living". The session aimed to alleviate employee stress and emotional strain through professional guidance and interactive activities. The initiative helped foster a positive mindset, raise awareness of psychological wellbeing, strengthen team cohesion, and promote a culture of health and harmony across the organization.



Mental Health Seminar at Loctek

Employee Health Insurance Coverage

The Company remains committed to protecting employees' health through comprehensive healthcare initiatives. This includes continued enrollment in the Tianyi Yongning Insurance Plan, annual physical examinations, and health education seminars to support employee wellbeing.

Four Consecutive Years of "Tianyi Yongning" Insurance Enrollment



As part of its people-centric philosophy, the Company has maintained group enrollment in the Tianyi Yongning Plan for four consecutive years. In 2024, coverage was extended to 2,419 employees. By the end of the reporting period, six employees had received insurance payouts, effectively easing financial burdens related to healthcare.

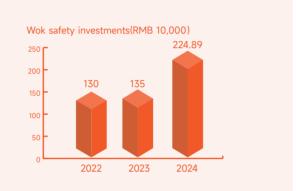
Work Safety Management

Loctek is committed to the principle of "safety first, prioritizing Prevention, and holistic control". The Company has established a comprehensive safety governance framework, guided by policies such as the EHS Policy and Work Safety Responsibility System. Oversight is led by the Safety Committee, which is responsible for ensuring accountability, managing safety risks, and advancing workplace safety initiatives. The Company has appointed 21 dedicated or part-time safety officers and engaged certified safety professionals, including Intermediate Registered Safety Engineers. All employees sign a Work Safety Responsibility Agreement, clearly defining individual safety responsibilities and reinforcing risk management efforts. These measures have enabled the Company to effectively prevent and mitigate potential incidents.

Key Performance

During the reporting period, the Company invested

RMB **2.249** million in safety improvement initiatives. All critical equipment and facilities are now equipped with safety interlock protection systems.



Work Safety Responsibility Agreement Signing Ceremony



To fully implement the safety management principle of "safety first, prioritizing Prevention, total participation and holistic control" and to reinforce chemical safety and standardized production procedures, the Company organized a formal signing ceremony for its annual Work Safety Responsibility Agreements.



Work Safety Responsibility Agreement Signing Ceremony

Enhancing Safety Training

To strengthen safety awareness and education, the Company formulated the 2024 EHS Annual Training Plan and actively organized a series of events under the national "Work Safety Month". Activities included themed campaigns and on-site safety competitions designed to raise employees' safety awareness and risk prevention capabilities, supporting the orderly advancement of the Company's safety management efforts.

Work Safety Month Activities



In June, Loctek Guangxi Factory launched a Work Safety Month campaign under the theme "Safety in Mind, Peace for Life". During the campaign, the EHS Department created promotional banners, which were prominently displayed at company headquarters, production workshops, and various facilities to create a strong safety culture. The initiative aimed to enhance employees' safety consciousness across the board and ensure the Company's safety performance remains stable and improving.



Work Safety Promotion Banners

"Ankang Cup" Fire Safety Competition



To strengthen the Company's safety defense line, a fire emergency skills competition was held as part of the "Ankang Cup". With full employee participation, the event combined training with competitive practice to build emergency response capabilities. The competition featured events such as "Rapid Fire Suppression", "Hose Connection" and "Simulated Rescue", testing employees' proficiency in using fire extinguishers, teamwork, and emergency response. These hands-on drills helped reinforce fire safety awareness, improve response speed to fire incidents, and lay a solid foundation for workplace safety.



6th Loctek "Ankang Cup" Fire Safety Competition Banner



Safety Education and Training

Metric	Unit	2024
Investment in safety training	RMB 10,000	77.76
Number of work safety training sessions	Sessions	72
Total training instances	Person-times	26,373
Total training hours	Hours	138
Safety training coverage	%	98

(F)	Work	Safety	Strategy
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The Company strictly complies with all applicable laws and regulations and actively identifies potential risks and opportunities related to workplace safety. For identified risks, targeted mitigation measures are put in place to ensure employee health and safety throughout the work process.

Risk Type	Description	Likelihood	Impact Period	Financial Impact	Responses
Occupational Disease Risk	Noise and vibrations from operating equipment may cause hearing damage or neurological issues; dust generated during cutting or grinding may lead to pneumoconiosis and other occupational diseases.	Low	Short-term	Non-operat ing † expenses	 Provide appropriate PPE (e.g., dust masks, earplugs); Regular maintenance of occupational health facilities and third-party testing with publicly disclosed results to ensure effectiveness and transparency.
Workplace Accident Risk	Equipment failure due to aging, poor maintenance, or operator error could lead to fires, explosions, or mechanical injuries.	Low	Short-term	Non-operat ing f expenses	Implement preventive maintenance routines including inspection, cleaning, lubrication, and tightening to ensure equipment remains in good condition.

Opportunity Type	Description	Likelihood	Impact Period	Financial Impact	Responses
Reputational Opportunity	Strong safety management demonstrates the Company's commitment to employee health and safety, improves operational efficiency, and enhances public trust and brand reputation.	Medium	Medium- and long-term	Operating costs	 Establish a dedicated safety oversight department; Conduct regular on-site safety inspections to proactively identify and rectify potential hazards.

Work Safety Risk Management

Risk Identification and Assessment

The Company remains committed to proactive hazard identification across both production and daily operations. A comprehensive risk register has been developed to identify potential hazards and implement corresponding control measures aimed at minimizing the occurrence of safety-related incidents.

Risk Assessment and Control Procedures



Hazard Identification

Each manufacturing site carries out systematic hazard identification activities, applying standardized methods to compile hazard registers across departments.





Risk Evaluation

Risk levels are determined by evaluating various operational conditions and timeframes using a scoring system. Based on the risk rating, each hazard is assessed for acceptability.



Risk Mitigation

High-risk hazards are prioritized for immediate corrective action. Lower-risk items are managed through procedural controls, targeted training, and routine inspections.

Monitoring and Oversight

The Company has established a robust suite of safety management systems, including the Work Safety Inspection System, Forklift Safety Management Policy, and Safe Operating Procedures for Piston-Type Air Compressors. These systems support a long-term framework for identifying and addressing potential safety hazards. Safety audits are conducted by the Health and Safety Department, which ensures accountability through enhanced oversight and a structured approach to risk identification and control. By embedding risk management into daily operations—including risk mapping, safety reviews, and real-time monitoring—the Company is able to detect hidden hazards early and implement timely corrective actions, thereby achieving root-cause risk control.

Sustainability Report 2024

LOCTEK乐歌



During the reporting period, the Company conducted over 90 safety inspections, identifying more than

1,900 issues, all of which were fully addressed—achieving a 100% hazard rectification rate.

To further enhance workplace safety, the Company also adopted the Stakeholder Safety Management Policy and the External Contractor Safety Management Agreement. These policies ensure that all external partners comply with the Company's safety standards, fostering a secure and collaborative working environment.



A total of 22 external personnel received safety training during the reporting period.

Emergency Response Management

The Company continues to strengthen its emergency response capabilities by implementing a comprehensive emergency management framework. Tailored contingency plans have been established for a range of scenarios, including: Work Safety Incidents, Heatstroke Prevention in Summer, Food Poisoning Response, Electric Shock Emergencies in Production Areas. These plans are complemented by regular emergency drills to ensure all employees are well-prepared and to reinforce a culture of safety throughout the organization.

Special Equipment Emergency Drill - Binhai Factory

In 2024, the Binhai Factory conducted an emergency drill focused on specialized equipment, with an emphasis on elevator safety. The exercise was designed to evaluate departmental response capabilities, strengthen elevator safety protocols, and enhance the factory's professional emergency response capacity—ensuring both personnel safety and equipment integrity under emergency conditions.





Special Equipment Emergency Drill

Digital Safety Management

To support continuous improvement in safety performance, the Company has established a dedicated task force to lead the development of a digital safety management platform. Focusing on two core pillars—training & education and hazard identification & remediation—the platform integrates: 6 primary modules, 25 secondary categories and 25 tertiary categories. The platform covers a broad range of operational scenarios. Through digital inspections, identified risks are assigned for remediation via a mobile app, enabling full closed-loop management and real-time progress tracking. This initiative significantly accelerates the adoption of intelligent safety solutions across the organization. As of the end of 2024, the Binhai Factory achieved a milestone of 1,011 consecutive days without a recordable safety incident (since March 26, 2022).

Work Safety Metrics and Targets

To avoid short-term decision-making that prioritizes productivity over safety, the Company has adopted a Five-Year Occupational Health and Safety Plan, which provides clear and measurable objectives across several areas, including safety culture development, hazard mitigation, and policy enhancement. This plan underpins the Company's long-term commitment to operational safety and continuous improvement.

Targets	2024 Progress
Minor injury rate below 3‰; major injury rate below 0.2‰; zero fatalities; 100% control over major hazards	Achieved
Traffic violations capped at 10%; zero traffic-related incidents	Achieved
All fire hazards eliminated; zero fire-related incidents	Achieved
All machinery equipped with effective safety guards; zero machinery-related incidents	Achieved

LOCTEK乐歌 Sustainability Report 2024

Employees Development ¹



Employee Training and Development Framework

Loctek places significant emphasis on the professional growth of its employees. We are committed to a fair, transparent, and open approach to talent management, embracing a global, innovative, and youthful perspective on talent development. By aligning employee growth with the Company's strategic objectives and individual career aspirations, we have established a robust training framework. Tailored development plans are crafted for each employee, and the training system is continuously refined to foster mutual growth for both the organization and its workforce.

In line with the Company's strategic goals and operational needs, we employ a tiered, competency-based training approach, leveraging a mix of online and offline formats, as well as external trainers. Specialized courses are offered to employees across different roles to enhance their professional capabilities. A comprehensive evaluation system is in place to assess training effectiveness, including satisfaction surveys, interviews with participants, and instructor feedback. Furthermore, post-training assessments and hands-on evaluations are conducted to measure the success of the programs.



During the reporting period

During the reporting period, employees participated in an average of 38 hours of management training, 35

hours of professional skills development, and 36 hours of leadership training, with the average annual training

hours per employee amounting to 33 hours.

New Employee Training

Training

New hires undergo a comprehensive onboarding program that covers key aspects such as company history, policies, skills, and product knowledge, ensuring a smooth and swift integration into the organization.

During the reporting period, we successfully organized the 29th New Employee Training series, enabling new staff members to familiarize themselves with the Company's history, organizational structure, management systems, and corporate culture. This initiative helps accelerate their integration into the team. A total of 17 training sessions were held, with 776 participants.



New Employee Training

Professional Skills Training

Professional We offer tailored training programs for employees in specialized roles across manufacturing, **Development** marketing, R&D, and other functions.

We invited technical experts with over 30 years of experience to deliver specialized EMC case study courses to 97 employees from the R&D Center and Robotics Research Institute, significantly enhancing the technical proficiency of our workforce.



EMC Training at R&D Center

Overseas Employee Training Initiatives

We also provide a range of training programs for our overseas employees. For example, at our U.S. warehouse, we regularly organize training sessions focusing on general knowledge, skill development, and safety protocols to strengthen the professional competencies of our international staff.



Overseas Employee Training

Management Skills Training

To cultivate future leaders, we offer mentorship programs, role-playing exercises, and practical management experiences. These initiatives are designed to build a strong leadership pipeline and ensure the long-term growth of the organization.

The Company conducted team leader training for the manufacturing center, focusing on enhancing leadership abilities and team management skills among supervisors.





Management Skills Training

Vocational Skills Certification Program

Employee Support

We actively encourage employees to pursue higher education and offer tuition Self-Development reimbursement for those who earn nationally recognized diplomas or degrees, including associate or bachelor's degrees. Additionally, we provide substantial support for employees seeking vocational skills training, offering diverse resources and opportunities to help them gain professional certifications.

In 2024, Loctek organized the E-commerce Specialist Vocational Skills Certification Exam, where 43 employees successfully passed and earned advanced e-commerce certificates. Moreover, the Company conducted internal assessments for industrial engineers and welders, with 24 individuals earning intermediate industrial engineering certifications and 49 individuals receiving advanced welding certifications.



Vocational Skills Certification Program

Beyond external training, Loctek has developed an internal trainer network, offering incentives to motivate and reward trainers. This initiative not only strengthens internal knowledge transfer but also fosters a culture of continuous learning.



During the reporting period

During the reporting period, 124 internal trainers were trained, including 24 senior trainers and 100 certified trainers.

Digital Learning Platform

To support digital talent development, we launched the "LeXueTang" platform, which integrates features such as online micro-courses, live sessions, instructor management, personalized learning paths, and online assessments. This platform offers employees a seamless and intelligent learning experience.

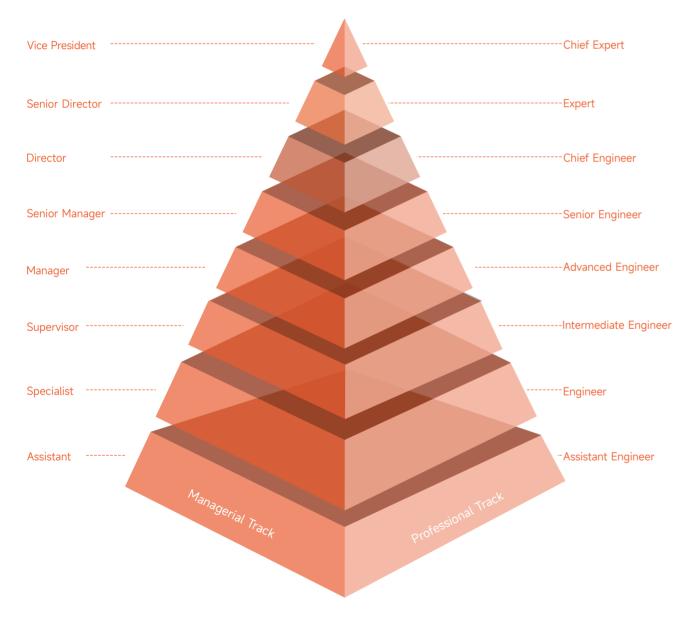
So far, LeXueTang is available to all employees, with 996 online courses offered, providing a systematic, efficient, and accessible learning environment.

Metric	Unit	2024
Total investment in employee training	RMB 10,000	153
Total training sessions	Sessions	360
Total training instances	Person-times	19,210
Employee training coverage	%	100
Total training hours	Hours	625



Weight Street Pathways

The Company has implemented the "Employee Promotion Management System" to create career development paths that align with both organizational needs and individual aspirations. By establishing dual-track promotion pathways for management and professional roles, we are empowering employees to realize their full potential. Over the past three years, internal promotions have flourished, with nearly half of our middle and senior management team being promoted from within. Moving forward, the Company aims to further refine career development pathways to attract more dynamic, innovative, and creative talent.



Dual Career Pathways

Employee stories

Huang Xiaohong joined Loctek in 2006, starting as an intern assistant in the International Marketing Division. Through a combination of pragmatic approach and continuous learning, she was promoted to a sales role three years later. In 2014, she was promoted to Deputy Manager of the International Marketing Department, later transitioning to the domestic marketing team where she became the top performer. She has repeatedly been entrusted with key responsibilities, including leading the U.S. market expansion in 2017, restructuring teams for business breakthroughs in 2018, and spearheading U.S. operations during the pandemic in 2021, achieving outstanding export growth. Her journey from an intern earning RMB 500 a month to a senior executive with an annual salary exceeding RMB 1 million exemplifies her exceptional growth and commitment. Huang now leads a team of over 100 people as the Director of International Marketing at the Lecangs .



Huang Xiaohong

Key Performance

As of the end of the reporting period, the Company has 3 employees with senior titles and 80 employees with intermediate titles.

Category	Total Number	Promotions Compared to Last Year	Percentage
Non-Operational	2,256	189	8.38%
Operational	1,853	55	2.97%
Total	4,109	244	5.94%

To support employees experiencing consistent performance challenges, the Company has developed the Striver Catch-up Project Implementation Management Measures. Human Resources works closely with departments and mentors to assess performance issues and offers various evaluation tools and potential job reassignments, helping employees return to their roles.



Promoting Business for Good through Public Welfare

Company Actions

- Public Welfare and Charity
- Educational Access
- Universal Participation in Charity
- Belt and Road Initiative Participation
- Local Community Development

SDGs













Sustainability Report 2024

Public Welfare and Charity

Adhering to the principle of "Business for Good," Loctek has established the Cultural Communication Center to integrate charitable endeavors with corporate culture. The Company oversees charity projects across its subsidiaries and has established the LeShan Charity Fund, with an initial investment of RMB 40 million to support educational scholarships, aid for disadvantaged groups, and other social causes. This fund ensures a sustainable allocation of financial and human resources toward charitable initiatives.

Loctek's impact in the charitable sector continues to grow. Chairman Xiang Lehung was honored as an "Entrepreneur with a Heart" by the China Charity Federation. In January 2024, Loctek's commitment to charitable work was recognized when its story, "Loctek: Committed to Doing Good through Business", was selected as one of the "Top 10 Charitable News (People)" in Yinzhou.

& Key Performance

During the reporting period, Loctek made charitable donations totaling RMB 2,192,700 and supported

23 charity and public welfare projects.

Loctek Sponsors the 2024 Ningbo Asian Badminton Championship

In April 2024, Loctek sponsored the Asian Badminton Championship held in Ningbo, providing over RMB 100,000 worth of smart height-adjustable desks and chairs. This sponsorship promoted the concept of healthy office practices through alternating sitting and standing, supporting the event and advocating for well-being in the workplace.



Loctek Sponsors the 2024 Badminton Asia Championships

FlexiSpot Partners with Wilderness International for Biodiversity Conservation

case

In 2024, FlexiSpot partnered with Wilderness International to protect tropical rainforests and wildlife. Through this initiative, FlexiSpot has permanently protected 875 square meters of pristine Amazon rainforest in Peru, home to rare species such as toucans, tamarins, and Brazil nut trees. The forest also absorbs and stores 52,500 kg of CO2, contributing to global carbon reduction efforts and promoting ecological balance. Through this project, FlexiSpot aims to make a meaningful contribution to environmental protection, urging other companies and individuals to prioritize sustainable development and biodiversity conservation to safeguard the planet's future.



Wildlife Protection Certificate

Educational Access

For many years, Loctek has consistently contributing in educational philanthropy, significantly promoting to the development of the education sector. Since 2006, Loctek has established scholarships at various institutions, including Ningbo University, Ningbo University of Technology, NingboTech University, University of Nottingham Ningbo China, and Maoshan Primary School.

Key Performance

As of the reporting period, the total value of donations, both financial and in-kind, has exceeded RMB 35 million,

benefiting more than **2,300** students.

Supporting Innovation and Entrepreneurship in Higher Education

In 2022, Loctek introduced the Loctek Innovation Scholarship, a program designed to foster innovation and entrepreneurship by providing additional internship opportunities and research guidance. This initiative aims to encourage university students' involvement in entrepreneurship, contributing to talent development at higher education institutions.

In 2024, over **400** students and teams from Ningbo University, NingboTech University, and University of Nottingham Ningbo China participated in research projects, with many students reporting significant benefits from the program.

Sustainability Report 2024

LOCTEK乐歌

Loctek Innovation and Entrepreneurship Fund at University of Nottingham Ningbo China

case

In 2024, approximately 260 students participated in research projects supported by the Loctek Innovation and Entrepreneurship Fund. 149 projects were selected for funding, and 53 students received awards. The diverse range of topics explored through these projects played a crucial role in nurturing students' creative thinking.



Award Ceremony Photo: University of Nottingham Ningbo China Loctek Innovation and Entrepreneurship Fund (2023-2024)

Loctek Innovation and Entrepreneurship Award Fund at Ningbo University



In May, Ningbo University hosted the 18th Loctek Innovation and Entrepreneurship Award Fund ceremony. The Loctek Scholarship, established by Loctek Chairman Xiang Lehung in 2006, and the Loctek Innovation Award Fund, founded in 2016, have become key pillars of the university's talent cultivation programs. In 2021, Loctek made a generous donation of RMB 10 million, and the scholarship has been awarded for 18 years, benefiting over 1,000 students and faculty.



Award Ceremony Photo: Ningbo University 2022-2023 Outstanding Student Recognition Ceremony Loctek Representative Awarding the Students

(F)

Educational Equity

Loctek has long been committed to promoting educational equity. Since 2013, the Company has implemented the Ya'an Pairing Support Program, which provides an annual subsidy of RMB 10,000 to each student until their university graduation. The first cohort of seven students has now graduated and entered the workforce. In 2022, the Ya'an Pairing Support Program (Phase II) was launched, benefiting seven students affected by the 9.5 Luding Earthquake.

In November 2022, Loctek established the "Excellence and Support" Scholarship Program at Maoshan Primary School in Jiangshan Town, Yinzhou District, Ningbo. This program was funded primarily through Loctek's Employee Charity Day, a company-wide fundraising initiative. As Loctek's first "Everyone's Charity" program, it reflects the Company's transition from corporate-led philanthropy to one that involves all employees.

Since its inception, the program has raised over RMB 178,000, awarding scholarships to 176 students and

providing paired support to **22** students. The success of this initiative inspired a local Taiwan resident to establish the Shen Scholarship, creating a heartwarming story of community involvement.

Ya'an Pairing Support Program (Phase II) - Sichuan Shijia County Scholarship Distribution

In January, company representatives visited students to engage in meaningful discussions about their academic and living conditions. During this visit, Loctek provided study supplies and extended New Year's greetings to the students.



Loctek Sichuan Shijia County Scholarship Distribution Ceremony (2024)

Maoshan Primary School "Excellence and Support" Scholarship Program

In February, Loctek presented certificates and gifts to the recipients of the Loctek Scholarship at Maoshan Primary School, encouraging students to strive for academic excellence and personal growth.



Maoshan Primary School "Loctek Scholarship" Award Ceremony (2024)

151

case

May "Happy Growth" Loctek & Maoshan Primary School Paired Support Public Welfare Activity

In May, the "Happy Growth" event was held, where students and Loctek employees participated in fun activities, fostering mutual understanding and strengthening community bonds.



May "Happy Growth" Loctek & Maoshan Primary School Paired Support Public Welfare Activity

December "Happy Growth" Loctek & Maoshan Primary School Paired Support Public Welfare Activity



In December, 20 employees from Loctek led 20 Maoshan Primary School students on a walking tour of Ningbo's Old Bund area. Under the guidance of professional educators, the students explored architectural art, enhancing their cultural awareness and aesthetic appreciation.



December "Happy Growth" Loctek & Maoshan Primary School Paired
Support Public Welfare Activity

"Future" Education Fund

In September 2024, the "Future" Education Fund was established by the Zhanqi Township People's Government in Yinzhou District, Ningbo. Loctek has contributed RMB 2 million to establish a fund, which will allocate RMB 100,000 annually to reward outstanding teachers, students, and those from disadvantaged families in five schools across Zhanqi Township and the Yinzhou Economic Development Zone. This initiative aims to support the continued development of education in the region and further the Company's commitment to social responsibility.

Universal Participation in Charity

Charity for All is a fundamental aspect of promoting shared prosperity, and Loctek is dedicated to fostering a distinctive philanthropic culture. In 2024, Loctek hosted its third "Charity One-Day Donation" event, where the Loctek volunteer team took part in large-scale volunteer service activities in Yinzhou District. The Company also organized fundraising efforts for employees facing sudden serious illnesses. Through internal communications, media outreach, and other channels, Loctek encouraged employees to engage with charity, cultivate a philanthropic mindset, and actively participate in charitable endeavors.

Loctek's "Charity One-Day Donation" Event



In June, Loctek organized the 2024 "Charity One-Day Donation" and charity sale event. Employees from Loctek's headquarters, as well as its offices in Binhai, Jiangshan, Vietnam, and Guangxi, enthusiastically responded to the call, generously donating funds to support charitable causes and furthering Loctek's contributions to educational philanthropy. During the charity sale, employees thoughtfully prepared a variety of gifts, with Chairman Xiang Lehung donating a collection of fine wine to support the event. All proceeds from the sale were donated to the Maoshan Primary School "Excellence and Support" Scholarship Program. This initiative allowed participants to express their care while receiving heartfelt gifts in return. On the first day of the event, a total of RMB 66,073 was raised, marking the third consecutive year that Loctek has hosted the "Charity One-Day Donation" event.







Loctek's "Charity One-Day Donation" Event



The Belt and Road Initiative Participation

In alignment with President Xi Jinping's vision for the Belt and Road Initiative, Loctek has actively embraced the principles outlined by the President. In 2016, the Company established a manufacturing base in Vietnam. By 2024, Loctek's Vietnam manufacturing base has continued its steady growth, generating significant employment opportunities, enhancing the local supply chain, raising living standards, and fostering cultural exchange and cooperation. Additionally, Loctek's customer service center in the Philippines remains focused on optimizing its operations, with a steady workforce of around 150 employees, providing high-quality, efficient service to global clients and strengthening the cooperation between China and the Philippines in the service sector.



Complimentary, Nutritious Employee Meals at Loctek's Vietnam Manufacturing Base



Local Community Development

As part of its international expansion, Loctek is committed to fulfilling its social responsibilities abroad. The Company actively respects and integrates into the local cultures of the regions where it operates, creating both economic and social value, while promoting mutual development. In 2020, Loctek donated protective suits to Kaiser Alameda Hospital in San Francisco, USA, and deepened its partnerships with local community organizations. This included donating ergonomic chairs to enhance the working conditions at the Variety Boys & Girls Club, a youth organization, and expanding its philanthropic efforts by connecting with additional community groups.

Supporting Children's Education and Development in Japan

case

In 2024, Loctek donated nine sets of study desks and chairs to the NPO-certified orphanage "Future Forest" in Japan. These eco-friendly desks and chairs significantly improved the children's learning environment, fostering better educational experiences and personal growth.



Group Photo of Japan's Ministry of Education, Culture, Sports, Science, and Technology's "Child-Centered Society" Initiative

Supporting Fire Safety Education in US Communities

case

In February, Loctek donated 10.000 USD to the Riverside Fire Department Charitable Fund in California, USA. The donation was earmarked for promoting fire safety education in local elementary and middle schools, raising awareness of fire hazards and enhancing the children's understanding of fire safety. Loctek recognizes the importance of community fire safety in protecting lives and property, particularly for vulnerable groups like children, who require essential fire safety knowledge and protection. This donation strengthened Loctek's connection with the local community and contributed to advancing fire safety education.



Riverside Fire Department Charitable Fund Representatives Visit

Loctek and Present a Certificate



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© Corporate Awards & Honors

Honor/Award	Presented By
National High-Tech Enterprise (Reassessment)	Ningbo Science and Technology Bureau
Fifth Batch of Manufacturing Industry Single Champion Demonstration Enterprise (Reassessment)	Ministry of Industry and Information Technology of the People's Republic of China, China Federation of Industrial Economics
Vice Chairman Unit, National Cross-Border E-Commerce Industry-Education Integration Consortium	National Cross-Border E-Commerce Industry-Education Integration Consortium
Top 10 Case Studies in Brand Building within the Yangtze River Delta	Yangtze River Delta Urban Economic Coordination Conference, Brand Building Subcommittee
MIIT's "5G Factory Directory"	MIIT
Zhejiang Famous Export Brand (2024–2026)	Zhejiang Provincial Department of Commerce
Zhejiang AAA-Level "Contract-Honoring and Creditworthy" Enterprise	Zhejiang Provincial Market Supervision Administration
2024 Zhejiang Provincial Public Cross-border Warehouse	Zhejiang Provincial Department of Commerce
Top 100 Fastest Growing Enterprises in Zhejiang Province (2024)	Zhejiang Enterprise Confederation, Zhejiang Entrepreneurs Association, Zhejiang Federation of Industrial Economics
Zhejiang Provincial Consumer Goods "Old for New" High-Quality Product List (First Batch)	Zhejiang Provincial Economic and Information Commission
2023 Zhejiang Voluntary Clean Production Audit Enterprises	Zhejiang Provincial Economic and Information Commission
Headquarters Enterprise of Zhejiang Province's Private Economy	Zhejiang Provincial Economic and Information Commission
2024 Zhejiang Local Private Multinational Corporations "Pioneering Enterprises"	Zhejiang Provincial Department of Commerce

Honor/Award	Presented By
2024 Provincial "Ten Thousand Talent Plan" Science and Technology Entrepreneurial Leadership Talent	Ningbo Science and Technology Bureau
2024 Second Batch of Zhejiang Technology-Focused SMEs and Ningbo Technology-Focused SMEs	Ningbo Science and Technology Bureau
2024 Ningbo Patent Innovation Competition - Excellent Patent Award	Ningbo Municipal Market Supervision Administration
2024 Ningbo Patent Innovation Competition - Industrial Design Silver Award	Ningbo Municipal Market Supervision Administration
13th Ningbo Brand Double Selection Activity- Golden Brand Award	2023 Ningbo Brand Double Selection Activity Organizing Committee
2024French Design Award-E7、E7Q	The International Award Association
German Design Award-XR5	Rat fur Formgebung
2024 Ningbo Quality Products Recommended Directory (3 Products)	Ningbo Economic and Information Technology Bureau
2024 Top 100 Manufacturing Enterprises in Ningbo	Ningbo Enterprise Federation, Ningbo Entrepreneurs Association, Ningbo Federation of Industrial Economics
2024 Top 100 Competitive Enterprises in Ningbo	Ningbo Enterprise Federation, Ningbo Entrepreneurs Association, Ningbo Federation of Industrial Economics
2023 Yinzhou District Skills Master Workshop	Yinzhou District Human Resources and Social Security Bureau
2023 Ningbo 'Major, Excellent and Strong' Manufacturing Enterprise	Ningbo Economic and Information Technology Bureau
Ningbo Green and Low-Carbon Technology, Equipment and Product Promotion Directory	Ningbo Development and Reform Commission
Ningbo "Two New" High-Quality Equipment and Consumer Goods List (8 Products)	Ningbo Economic and Information Technology Bureau



Feedback Form

Dear readers,	
Thank you for taking the time to read this report. We highly value your feedback and would welcome any comments or suggestions you may have. Your insights are instrumental in helping us continually enhance our ESG disclosures and improve our ESG management practices. We sincerely appreciate your contributions!	
1. How would you rate our overall performance in fulfilling ESG responsibilities?	6. How do you rate our efforts in employee responsibility?
□ Excellent □ Good □ Average □ Below Average □ Poor	□ Excellent □ Good □ Average □ Below Average □ Poor
2. How would you rate the overall quality of this report?	7. How would you rate our ESG performance?
□ Excellent □ Good □ Average □ Below Average □ Poor	□ Excellent □ Good □ Average □ Below Average □ Poor
3. How do you assess our efforts in stakeholder engagement?	8. Do you have any additional comments or suggestions regarding our ESG performance or this report?
□ Excellent □ Good □ Average □ Below Average □ Poor	теротс
4. How do you assess our our performance in terms of product responsibility?	
□ Excellent □ Good □ Average □ Below Average □ Poor	
5. How do you evaluate our performance in environmental management, safety and occupational health?	
□ Excellent □ Good □ Average □ Below Average □ Poor	
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