



# 2024

Environmental, Social  
and Governance Report

**Haitian International Holdings Limited**

(Incorporated in the Cayman Islands With Limited Liability)  
Stock Code: 1882



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# About the Report

Haitian International Holdings Limited hereby publishes the Environmental, Social and Governance (ESG) Report (hereinafter the “Report”) for the year 2024 to inform stakeholders of the Group’s performance regarding environmental, society and governance.

## Reporting Scope

Unless otherwise specified, the Report covers the performance of Haitian International Holdings Limited and its subsidiaries (collectively referred to as “Haitian International”, “the Group” or “we”) during the period from 1 January 2024 to 31 December 2024 (“the Reporting Period”). To ensure the integrity of the Report, description in some parts of the Report goes beyond the above scope.

## Reporting Standards and Principles

This Report has been prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (《環境、社會及管治報告指引》) (the “ESG Reporting Guide”) set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). For information on governance, it is recommended to read in conjunction with the *Corporate Governance Report* (《企業管治報告》) in the annual report of the Group published on 22nd April 2025. The ESG Report is prepared in accordance with the following reporting principles:

- **Materiality:** In preparation of this Report, the Group has identified main stakeholders and determined material ESG issues based on stakeholder engagement and materiality assessment.
- **Quantitative:** The key performance indicators (“KPIs”) in the environmental and social aspects are disclosed on a quantitative basis, accompanied by a narrative to explain their purposes and impacts in the Report. Comparative data on KPIs from previous years are also provided in the Report.
- **Balance:** The Report follows the balance principle to objectively present the Group’s ESG performance.
- **Consistency:** Unless otherwise specified, the statistical approaches for relevant disclosures in the Report are consistent with those in the 2023 *Environmental, Social and Governance Report* (《環境、社會及管治報告》), and will remain unchanged in subsequent years.

## Data Source

The data cited in this Report include the business data and annual financial data from the Group’s actual operations, as well as the data derived from relevant internal statistical reports, administrative documents and other reports. Unless otherwise specified, all currencies in the Report refer to RMB. If there is any inconsistency with the financial report, the financial report shall prevail.

## Report Availability

The Report is published in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail. The electronic version of the Report is available for viewing or download on the HKEXnews website (<http://www.hkexnews.hk>) and the website of the Group (<http://haitianinter.com/>).

# Chairman's Statements

The year 2024 was a year of challenges and opportunities. On one hand, the slow recovery of the global economy, along with the ongoing acceleration of geopolitical conflicts, has led to increased uncertainty in the international trade environment, thereby posing a challenge to the sustainability and balance of global economic growth. On the other hand, new opportunities for development are gradually emerging. The transformation and upgrading of traditional industries have driven strong demand for efficient and environmentally friendly machinery and equipment. The national support for intelligent manufacturing and green manufacturing has also brought broader development prospects for the injection molding machine industry. In the face of the complex and volatile external environment, Haitian International adheres to the corporate mission of "Communication, Innovation, Efficiency". We have long been committed to the practice of sustainable development, integrating ESG concepts into key aspects such as operation management, product innovation and manufacturing, sales and customer service, and community engagement, with the aim of creating long-term benefits for our stakeholders, including shareholders, customers, employees, and partners, etc.

We continuously improve our ESG governance. We have established and continuously enhanced our ESG governance structure to clarify the duties and responsibilities of management at all levels. The Board of Directors of the Group assumes full responsibility for ESG-related matters, ESG risk assessment and reporting, and leads and oversees the effective implementation of the Group's ESG strategy in a top-down manner. The Board of Directors participates in the assessment and prioritisation of material ESG issues and regularly reviews their potential impact on the Group and its stakeholders. In addition, the Board of Directors regularly reviews and evaluates the progress toward the targets set for key ESG topics related to business operations, such as energy conservation and waste management. We incorporate the achievement of ESG-related targets into the performance appraisal of responsible persons to ensure that ESG concepts are fully integrated into operational decision-making. With the ongoing optimisation of the ESG system and practical accomplishments, Haitian International has received a BBB rating in the MSCI ESG rating for two consecutive years.

We actively fulfil our corporate environmental governance responsibilities. Guided by the strategy of "carbon peak in 2030 and carbon neutrality in 2060", we have been committed to the concept of green development, steadily advancing the Group's green transformation. We continuously phase out high-energy-consuming and highly polluting facilities, and have formulated a "Zero-Waste Group" implementation plan, dedicated to reducing waste generation at the source and enhancing the recycling rate of resources. In addition, we have launched the construction of a "Smart Energy and Environmental Management Platform", which leverages digital technologies to optimise energy management and enables real-time monitoring and precise control of energy consumption. On the product side, Haitian International continuously refines and upgrades its clean technologies. The electric pre-plasticising technology applied in the MAV and JUV series has effectively reduced energy consumption and improved overall efficiency. The JUV series adopts an integrated polyurethane reaction and injection molding process in the production of new energy vehicle interior components, enabling simultaneous injection molding and coating. This not only enhances production efficiency and yield rate but also helps prevent environmental pollution. Haitian International is committed to providing customers with diversified solutions such as digital production, material lightweighting, and recyclable materials, leading the value chain upstream and downstream toward a greener and cleaner future.

We value our collaboration with employees, partners, and customers. Regarding our employees, we adhere to the principle of "people-oriented" management. We establish an incentive mechanism based on capability, performance and dedication, offer a competitive remuneration and benefits system, and set up a variety of online and offline training programmes to cultivate outstanding talents. Regarding our partners, we ensure cooperation with high-quality suppliers who focus on environmental and social responsibilities through a sound supplier admission and assessment mechanism, thereby promoting continuous improvement of suppliers and mutual development. Regarding our customers, we always adhere to the "customer-oriented" principle, enhance our product quality control system, and continuously upgrade and optimise our customer service mechanism to ensure the delivery of high-quality products. Moreover, we actively fulfil our social responsibilities by participating in various public welfare and charitable activities, delivering love and good deeds in the fields of poverty alleviation, education, medical care and other social welfare, and continuously giving back to the society.

## Chairman's Statements

Haitian International has achieved positive results in sustainable development through the continuous improvement of its governance system and the deepening of sustainability-related governance measures. In the future, we will continue to provide our customers with technologically innovative, high-quality and environmentally-friendly products, and create long-term value for the Group as well as actively fulfill the social responsibilities. Finally, on behalf of the Board of Haitian International, I would like to express my sincere gratitude to all stakeholders, partners and friends who have long concerned about and supported the development of the Group!

# I. About Haitian International

## 1. Company Profile

Founded in 1966, Haitian International Holdings Limited is specialised in the research, development, production and sales of plastic injection moulding machines (PIMM) that are precise, highly-efficient, energy-saving and environment-friendly. The Group has long focused on strengthening the enterprise through technology, and continuously carries out technological innovation and product optimisation. With a nationally-recognised enterprise technology centre and a postdoctoral work station, we provide products in every field of the plastics processing industry, under the brand of “Zhafir”, “Haitian”, etc., which are widely applied in various industries including automobile, household appliance, consumer goods, electronics and medical devices. Our products are sold to customers over more than 130 countries and regions, winning a variety of honours, including “Famous Chinese Brand”, “Major Chinese Brand for Export Sales” and “State Science and Technology Advancement Award”. The Group actively provides high quality services to customers all over the world.

## 2. Awards and Recognitions in 2024

Entities Rewarded	Title/Award	Awarded by
Haitian Group	Outstanding Contribution Leading Enterprise	CPC Beilun District Committee of Ningbo, People’s Government of Ningbo Beilun District, CPC Ningbo Economic and Technological Development Zone Working Committee, Ningbo Economic and Technological Development Zone Management Committee
Haitian International Holdings Limited	MSCI ESG Rating scored BBB	MSCI
Haitian International Holdings Limited	2023 Machinery Industry Innovation and Development Outstanding Leading Enterprise Award	Editorial Committee of China Machinery Industry Yearbook
Haitian Plastics Machinery Group Co., Ltd.	Zhejiang’s Top 100 Enterprises in 2024	Zhejiang Enterprise Confederation, Zhejiang Entrepreneur Association, Zhejiang Industry Economy Federation
Haitian Plastics Machinery Group Co., Ltd.	Zhejiang’s Top 100 Fastest Growing Enterprises in 2024	Zhejiang Enterprise Confederation, Zhejiang Entrepreneur Association, Zhejiang Industry Economy Federation
Haitian Plastics Machinery Group Co., Ltd.	Zhejiang’s Top 100 Manufacturing Enterprises in 2024	Zhejiang Enterprise Confederation, Zhejiang Entrepreneur Association, Zhejiang Industry Economy Federation
Haitian Plastics Machinery Group Co., Ltd.	Ningbo’s Top 100 Enterprises with Comprehensive Strength in 2024	Ningbo Enterprise Confederation, Ningbo Entrepreneur Association, Ningbo Industrial Economy Federation
Haitian Plastics Machinery Group Co., Ltd.	Ningbo’s Top 100 Enterprises in Manufacturing Industry in 2024	Ningbo Enterprise Confederation, Ningbo Entrepreneur Association, Ningbo Industrial Economy Federation

# I. About Haitian International



MSCI  
ESG RATINGS

CCC B BB **BBB** A AA AAA

BBB



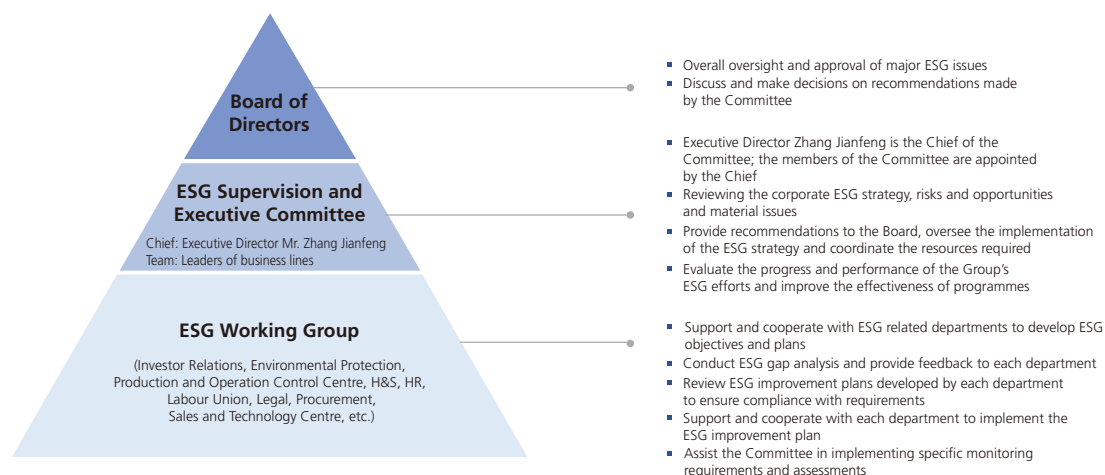
## II. Sophisticated Governance

### Progress in 2024

- Business ethics training covering 100% of directors and employees.
- Conducted 17 internal audits covering 100% of China operating bases.
- Litigation cases on business corruption and bribery incidents: 0.
- Information and privacy breaches: 0.

### 1. ESG Governance Structure

In compliance with relevant requirements of the Stock Exchange, Haitian International responds positively to the expectations of internal and external stakeholders (e.g., customers, investors and employees), and establishes a top-down three-tier ESG governance structure.



ESG Governance Structure



## II. Sophisticated Governance

### 2. Stakeholder Communication

The Group adheres to sustainable operation, maintains close communication with stakeholders, understands and actively responds to their concerns and expectations, striving to realise mutual benefits for the enterprise and stakeholders. Our stakeholders include governments and regulatory agencies, investors and shareholders, customers, suppliers, employees, and community residents. The main issues of stakeholders' concerns and the communication channels are listed in the table below:

Stakeholders	Issues of Concern	Communication Channels
<b>Governments and regulatory agencies</b>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Tax payment in accordance with law</li> <li>• Production safety</li> <li>• Clean production</li> </ul>	<ul style="list-style-type: none"> <li>• Regular and interim announcements</li> <li>• Supervision and inspection</li> <li>• Communication with regulatory agencies</li> </ul>
<b>Investors and shareholders</b>	<ul style="list-style-type: none"> <li>• Return on investment</li> <li>• Compliant operation</li> <li>• Information disclosure</li> <li>• Risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Regular and interim announcements</li> <li>• Shareholders' general meeting and other shareholders' meeting</li> <li>• Activities promoting investor relations</li> <li>• Investor due diligence and visits</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Product quality and safety</li> <li>• Quality service</li> </ul>	<ul style="list-style-type: none"> <li>• Daily communication</li> <li>• Business visit</li> <li>• Conference and exhibition</li> <li>• Sales team</li> <li>• Customer satisfaction survey</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Supplier management</li> </ul>	<ul style="list-style-type: none"> <li>• Contract fulfillment</li> <li>• Daily communication</li> <li>• Business visit</li> <li>• On-site due diligence</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Protection of labour rights and interests</li> <li>• Remuneration and benefits</li> <li>• Development and training</li> <li>• Occupational health and safety</li> <li>• Humanistic care</li> </ul>	<ul style="list-style-type: none"> <li>• Employee training</li> <li>• Employee performance appraisal</li> <li>• Employee mailbox</li> <li>• Labour union</li> </ul>
<b>Community residents</b>	<ul style="list-style-type: none"> <li>• Environmental protection</li> <li>• Community involvement</li> <li>• Promotion of local employment</li> </ul>	<ul style="list-style-type: none"> <li>• Community activities</li> <li>• Charitable contribution</li> <li>• Local recruitment</li> </ul>

## II. Sophisticated Governance

### 3. Materiality Assessment

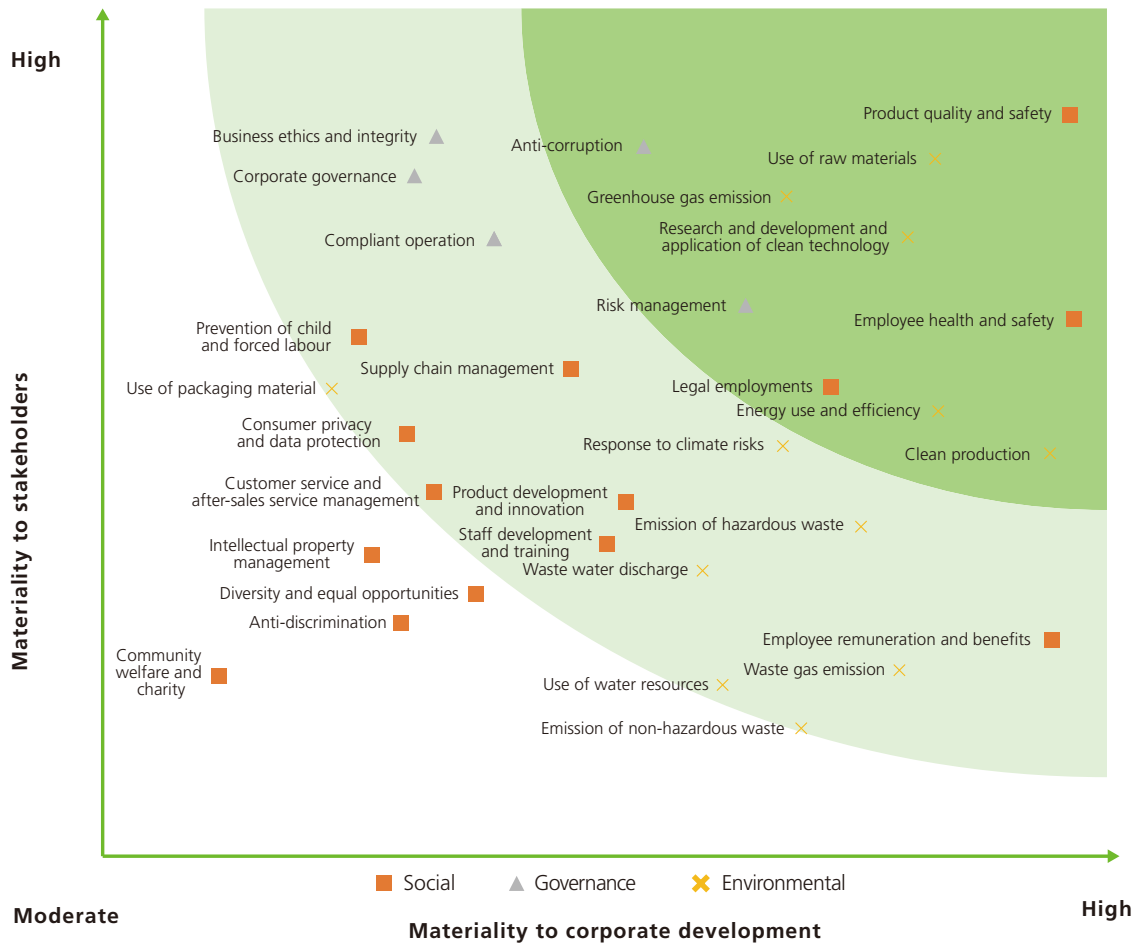
To assess material ESG issues related to the Group's business operation, and understand and respond to expectations of stakeholders on the Group's ESG work, we have conducted the materiality assessment through the following steps:

- **Identification of issues:** According to the requirements in the *ESG Reporting Guide*, as well as ESG issues of concern in the capital markets and industry trends, we have sorted out 31 ESG issues, including 12 issues related to environment, 14 to society and 5 to governance.
- **Survey and evaluation:** We identified important internal and external stakeholders of the Group and invited them to evaluate the materiality of the issues through interview and online questionnaire, so as to seek their opinions and suggestions.
- **Confirmation of results:** We analysed the retrieved questionnaires, and then ranked the issues by materiality based on their materiality to corporate development and to stakeholders. By also considering advice from our management and experts, we formulated the ESG materiality matrix.

In 2024, the Group discussed the results of the materiality assessment. Considering that there were no significant changes in our business and operating environment, the Group decided to adopt the results of the materiality assessment in FY2022. Please see the exhibit below for details. This Report will refer to the results of the materiality assessment, and focus on responding to material ESG issues of medium and high importance.



## II. Sophisticated Governance



ESG Materiality Matrix of Haitian International

## II. Sophisticated Governance

### 4. Business Ethics

Haitian International attaches great importance to business ethics management and strictly follows the laws and regulations related to anti-corruption and business ethics, such as the *Anti-Unfair Competition Law of the People's Republic of China* (《中華人民共和國反不正當競爭法》), the *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》) and the *Interim Provisions on Banning Commercial Bribery* (《關於禁止商業賄賂行為的暫行規定》). On this basis, we have set up a series of regulations to standardise the Group's management mechanism in anti-corruption, anti-bribery, reporting process, whistleblower protection, conflicts of interest, fair trade, and internal control and audit, including the *Social Responsibility System* (《社會責任制度》), the *Statement of Compliance with Provisions on Anti-Money Laundering* (《遵守反洗錢規定的聲明》), the *Code of Professional Ethics for Employees* (《員工道德準則》), the *Employee Conflict of Interest Management System* (《員工利益衝突管理制度》), the *Anti-Bribery Policy of Haitian Plastic Machinery Group* (《海天塑機集團反賄賂方針》), the *Anti-Fraud Policy of Haitian Plastic Machinery Group* (《海天塑機集團反欺詐方針》). In addition, all directors, employees, suppliers and partners are required to implement various anti-corruption measures in accordance with relevant policies, so as to jointly build a business environment of integrity and compliance.

- **Regulatory Mechanisms**

The Group strictly implements audit work, which is led and supervised by the Board of Directors, mainly dealing with complex and major audit projects involving finance, infrastructure and engineering technology. Meanwhile, we have set up an independent Internal Control Department to audit and supervise financial revenue and expenditure and other economic activities. The Internal Control Department reviews business segments in accordance with relevant policies, and evaluates and improves the effectiveness of risk management, control and corporate governance processes. In addition, it conducts ad-hoc projects and investigations as requested by the Management or the Board of Directors. All business operations are reviewed by the Internal Control Department at least once every three years.

For internal management, we regularly assess the risks related to corruption in the Group's operations and arrange risk management work in a reasonable manner. The Internal Control Department conducts annual internal audits of all domestic operating bases, as well as annual internal audits of operating bases in four different countries overseas, ensuring coverage of all overseas operating bases every two years. The scope of audit includes, but is not limited to, whether the site complies with the Group's code of business ethics, policies, and procedures. In 2024, Haitian International conducted a total of 17 internal audit activities. While enhancing the internal audit system of the Internal Control Department, the Group also engages third-party organisations to conduct external audit activities to prevent and promptly identify any bribery and corruption risks. We adopt a zero-tolerance policy on all violations against business ethics, including but not limited to illegal activities such as commercial bribery, embezzlement, fraud, extortion and money laundering in our operation. Any employee involved in such activities will have their employment terminated immediately and relevant acts will be reported to the relevant authorities. In addition, the Group has established strict internal approval procedures for sensitive transactions that may give rise to ethical risks, such as gift giving and business travel, to further promote internal compliance governance.

In terms of external cooperation, the Group requires suppliers to sign the *Supplier Integrity Letter* (《供方廉政承諾書》), which specifies the business ethical standards that suppliers should comply with during the term of cooperation. In this way, we try to continuously strengthen the integrity culture among suppliers and enhance their ability to fulfil responsibilities. We will immediately terminate the business relationship with any supplier that breaches such integrity clauses. To deepen supplier integrity co-governance, we have developed relevant clauses in the supply agreement, including prohibiting suppliers from engaging in any form of commercial bribery in their business dealings with the Group, and requiring suppliers to establish anti-corruption rules and regulations and take corresponding measures to regulate their employees' business behaviours.

## II. Sophisticated Governance

- **Reporting on Corruption**

The Group has established various complaint and reporting channels. Once a violation is detected, a whistleblower can directly contact the supervisor, manager or department head of relevant service to report it in a timely manner. If the matter reported involves the aforesaid personnel, the whistleblower may also choose to report directly to the Internal Control Department. The whistleblower channels set up by the Internal Control Department include telephone reporting channel (0574-86188652), email reporting channel (htlz@mail.haitian.com) and letter reporting channel. In addition, the Group also provides a reporting channel – external independent legal counsel, to whom whistleblowers can report violations via hotline (0574-87193704) or email (lihua.xu@dentons.cn). During the Reporting Period, the Group was not involved in any litigation concerning commercial corruption and bribery.

Upon receiving a report, the Internal Control Department will launch a compliance investigation with relevant responsible departments to confirm the authenticity of the reported matter. Once confirmed, the Internal Control Department will issue an investigation report and put forward handling suggestions. Then, the reported misconduct will be handled by the relevant responsible departments and the Human Resources Department according to the results of the investigation report and relevant regulations of the Group. The results and execution will be reported across the Group by the Internal Control Department or the Human Resources Department. If the investigation reveals that the report is false or malicious, the Group will take disciplinary actions against the whistleblower, including dismissal of the employee. During the Reporting Period, the Group received a total of three whistleblowing emails, all of which have been thoroughly investigated and closed.

- **Whistleblower Protection**

The Group keeps the information of the whistleblower and the contents of the report strictly confidential. To fully respect whistleblowers' willingness, a whistleblower can choose to report in real name or anonymously, and we promise that cases received in both ways will be treated equally. For real-name reporting, the identity of the whistleblower and the information that could be used to identify the whistleblower would be disclosed to assist with the investigation only with the written consent of the whistleblower and as permitted by law. For the reported content, the Group strictly restricts access to relevant information and de-identifies the information when necessary. The external report recipient will comply with the attorney's obligation of confidentiality stipulated in the *Criminal Procedure Law* (《刑事訴訟法》) and the *Lawyers Law* (《律師法》) to ensure the confidentiality for both the contents of the report and the identity of the whistleblower.

In no event will the Group tolerate any retaliation against whistleblowers with good intentions or persons involved in the relevant investigation. Whistleblowers who believe they are ill-treated for whistleblowing can immediately report to the Internal Control Department. The Internal Control Department will adopt various approaches to protect whistleblowers' safety and interests, including but not limited to investigating retaliation, monitoring and regulating other employees' behaviours, allowing the whistleblower to change the workplace, giving disciplinary sanctions against retaliators, notifying relevant law enforcement agencies in serious cases, and providing legal support for whistleblowers.

## II. Sophisticated Governance

- **Culture of Integrity**

The Group endeavours to create a clean and compliant culture, and provides regular integrity education and training for employees and directors every year, to ensure that all staff fully understand the integrity requirements of laws and regulations, and deeply learn the specific provisions and rules, thus spreading and building a culture of integrity. During the Reporting Period, we organised anti-corruption training via online courses. The training covered topics such as anti-corruption, anti-bribery and anti-unfair competition, and provided detailed analyses of corruption cases to help employees deepen their awareness of integrity. We also posted training materials on the Haitian information platform for employees to access and study online in a timely manner. During the Reporting Period, all employees (including part-time employees) completed training on anti-corruption and business ethics, and all directors completed the training regarding anti-corruption and business ethics and signed the declaration on the code of business ethics.



## II. Sophisticated Governance

### 5. Business Information Security

Haitian International regards safeguarding the information security and privacy of the Group and our customers as one of the fundamental business principles. The Group strictly abides by the laws and regulations regarding data security and personal information, and has developed the *Information Security Management System* (《信息安全管理制度》) and other policies to continuously improve relevant systems. Besides, we have also obtained the certification of Multi-level Protection of Information Security (Level 2) assessed by the Ministry of Public Security. While observing the *Sinosure Confidentiality Agreement* (《中信保保密協議》) in trade, we also have strict confidentiality clauses in our *Agency Agreement* (《代理協議》), promising not to disclose any information to third parties without permission. During the Reporting Period, there was no information or privacy leakage incident.

The Group regularly assesses information security-related risks in its operations and conducts risk management work comprehensively from three aspects: governance, technology, and operations. At the governance level, we have formulated the *Information Security Baseline Requirements for Suppliers* (《供應商信息安全基綫要求》) to specify the information security requirements that third parties such as service providers, contractors, suppliers, and partners should comply with. Haitian International also requires third-party companies to conduct annual assessments on whether they comply with Haitian Group's information security requirements and to sign corresponding commitment letters. In addition, we have established the *Information Security Vulnerability Reporting System* (《信息安全漏洞舉報制度》) for internal employees, partners, users, and any individuals or organisations that may come into contact with our information systems. This system is designed to facilitate the timely discovery and rectification of vulnerabilities, enhance system security, and promote the development of a secure ecosystem. The Group receives vulnerability reports through third-party platforms, emails, and other channels, and requires prompt handling to ensure closed-loop management.

At the technical level, we set up a firewall between the server area and the office area to monitor abnormal interactions between office computers and servers. Besides, we also install an access system and desktop management system to prohibit unauthenticated computers from accessing the corporate network. For external access, we have designed a VPN system and enabled two-factor authentication with password and SMS verification codes to further enhance security verification management. For personnel at certain posts who have access to important information, their use of external devices, such as USB, and their rights to transfer data will be restricted to some extent.

At the operational level, we back up the data on the servers on a daily basis, select certain systems for data recovery drills every year, and conduct risk assessments and vulnerability scanning on information systems at regular intervals. Employees can access the Central Apparatus Room (CAR) upon authorisation and detailed registration; some areas can only be entered when accompanied by administrators. The training on Information Security Policies (ISP) has also been incorporated into our employee training programmes. During the Reporting Period, we organised online and offline training sessions on information security to comprehensively enhance employees' awareness of information security, and reduce the risk of human-induced information leaks at the source.

# III. Responsible Operation

Progress in 2024
<ul style="list-style-type: none"> <li>Product recalls: 0.</li> <li>Suppliers terminated due to quality and safety issues: 0.</li> <li>Obtained 74 patent authorisations, 14 software copyrights, completed 5 trademarks registration.</li> </ul>

Haitian International is committed to upholding the concept of comprehensive quality control, which takes product quality as the core and full employee participation as the foundation, in order to ensure that customers can enjoy our high-quality products at the best costs. The quality of products and services is under stable control through the lifecycle quality control over the design, procurement, manufacture, sales of products and relevant services. During the Reporting Period, in matters regarding health and safety, advertising and labelling of products and services, the Group did not violate any laws or regulations of the PRC and jurisdictions involving overseas operations.

## 1. Product Quality and Safety

- Quality Management Mechanism

In strict compliance with the *Product Quality Law of the People's Republic of China* (《中華人民共和國產品質量法》) and relevant laws and regulations, the Group has established a comprehensive system for product quality control and obtained ISO 9001 certification. We assign the chief quality officer to be in charge of product quality inspection and product recall procedure, and arrange special quality control & sales service personnel to follow up on the processes of product design, process testing, parts procurement, processing and assembly, product shipment, finished product testing, and installation and commissioning, so as to ensure that product quality management is effectively implemented.





### III. Responsible Operation



Quality Management System Certification Certificate

We have formulated the *Inspection and Test Control Procedure* (《檢驗和試驗控制程序》), assigning professional inspectors who have been approved by the Quality Control Centre to monitor and measure product attributes at all stages from raw material procurement, metal processing to finished product shipment, and keep strict records for the related information, to ensure that product manufacturing and delivery meet specifications and requirements. For any exception found in the quality inspection of raw materials, semi-finished products or finished products, we will designate relevant personnel to determine whether the product is qualified in strict accordance with the *Nonconforming Product Control Procedure* (《不合格输出的控制程序》). If the product is determined as unqualified, we will identify the problematic status according to the *Control Procedure for Product Identification and Traceability* (《標識和可追溯性控制程序》), zoning for separate analysis with detailed records for further tracking. During the Reporting Period, the Group experienced no product recall.

### III. Responsible Operation

- **Fostering a Quality Culture**

High-standard production cannot be achieved without professional talents, so we provide regular training courses thereon for relevant employees to help them acquire knowledge about product performance, quality control, product application, service FAQ, etc. We share outstanding technical cases and motivate outstanding engineers and engineering teams through incentive measures and ensure that professional technicians keep abreast of the latest technology and knowledge, so as to create quality culture within the Group.



*Application Engineers Training*

- **Quality Management Actions**

During the Reporting Period, the Group implemented a number of measures to strengthen internal quality management. First, we achieved full coverage of quality assessment, setting quality targets for relevant departments such as product lines, plants, technical departments, and PMC, including new machine qualification rate, in-warranty qualification rate, and supplier review qualification rate, and these targets were formally incorporated into departmental performance contracts. Secondly, the Quality Management Department launched a “Quality Process Inspection” to conduct a comprehensive check on key elements in the manufacturing process, such as personnel capability, equipment and tooling management, process execution, the stability of measurement system, and the reliability of purchased components, to help each plant identify and improve related quality issues. In addition, we established a set of procedures for handling after-sales quality issues, conducting detailed and itemised analysis and rectification of quality issues fed back from after-sales, and formalised these procedures in the Quality Management System (QMS). Finally, we implemented strict pilot testing, small-batch trial production, and application tracking and verification process for the addition and replacement of purchased components, as well as for modifications to existing products, ensuring that mass application is permitted only after these steps have been completed.

## 2. Quality Service

On the basis of continuous supplying of high quality products, the Group continues to improve customer services, and is committed to enhancing customer satisfaction constantly. We have a sound communication and cooperation mechanism with our customers. Through telephone, email, online video conference, offline visits, invitations to negotiation, exhibitions and other online and offline communication mechanisms, we understand customers’ expectations on the Group and our products, and solve the problems that customers may encounter when using the products, to ensure the quality and safety of the products sold as well as the services provided. The Group coordinated and integrated internal resources, and set up offices for key domestic/overseas customers. With such offices, we are capable of offering global customers business support and after-sales services in a timely and rapid manner, thereby effectively improving customer satisfaction.

### III. Responsible Operation

- Responsible Advocacy

The Group's product promotion channels mainly include online and offline exhibitions, seminars, official websites and WeChat official account. We strictly abide by the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》) and other laws and regulations of the place of operation, and have established marketing, advertising and sales-related policies such as the *Incentive Measures for Distributor Marketing Activities* (《銷售商市場推廣活動鼓勵辦法》), as well as a mechanism responsible for reviewing and supervising marketing materials, which clearly stipulates that the relevant contents and methods in distributors' marketing activities must comply with internal corporate policies and be reviewed and approved by authorised personnel, and that marketing activities containing exaggerated, deceptive and false contents are strictly prohibited.

At this year's marketing conference, we conducted comprehensive training and assessment for representatives of major distributors. In terms of product promotion, we required strict adherence to compliance guidelines to ensure that information is presented truthfully and accurately, eliminating any misleading content and upholding honest marketing practices. For brand communication, we required strict adherence to the principle of consistency, ensuring that published content aligns with the Group's strategic guidelines to establish a trustworthy brand image.



Annual Marketing Conference



In addition, we actively participate in overseas exhibitions, accurately conveying information on product technology, performance, and strategy to our customers, and are committed to providing them with higher quality products and services.



Exhibition in Jakarta, Indonesia



Exhibition in Turkey

### III. Responsible Operation



*VietnamPlas Exhibition*



*PLASTPOL Exhibition in Poland*



*FAKUMA Exhibition in Germany*

To help customers correctly use and operate products, we also provide technical training services for them, and assign professional technicians to customer companies to explain product functions and impart maintenance knowledge.



*Specialised Training in the Indonesian Subsidiary*



*UAE Overseas Agent Training*



### III. Responsible Operation

- Customer Complaint Handling Process

We have developed a sound after-sales and complaint-handling process along with the *Domestic After-sales Service Management Rules* (《國內售後服務管理規範》) and the *Overseas After-sales Service Management Rules* (《國外售後服務管理規範》). If customers are not satisfied with our products or services, they can give feedback or make complaints through our official complaint hotline or our online service platform. We continue to refine the customer complaint handling process and the allocation of related responsibilities, striving to provide customers with a better service experience.

Process	Responsible person	Handling instructions
Assignment of Problems	Head of Product Management Department	Manually assign problems that cannot be assigned automatically (wrong machine number)
Quality Management Department Analysis	Head of Quality Management Department in each plant	Preliminary analysis of after-sales feedback
Responsible Department Analysis	Person in charge of design issues, person in charge of issues with outsourced components, etc	Design issues, plasticizing issues, issues with outsourced components, etc., are subject to secondary analysis by the Technical Department, Plasticisation plant, Supply Chain Quality Control Section, and others
Responsible Department Analytical Review	Head of Quality Management Department in each plant	Review the analysis from the responsible department, and the analysis can be returned if not approved
Quality Control of Products Section Review	Head of Domestic/Foreign Trade Quality Management Department	Review whether the fault handling is correct, whether the fault level is accurate, whether the rectification measures are effective, and whether the quality penalties are properly implemented
Product Management Department Review	Head of Product Management Department	Review whether the entire process is carried out in accordance with the management requirements of the Quality Control Center
Rectification Confirmation	Head of Quality Management Department in each plant	Confirm whether the rectification measures for the identified faults have been properly executed



### III. Responsible Operation

The staff at the local office will cooperate with distributors, maintenance personnel and relevant service personnel to go to the customer's location to deal with the issues, and record related treatment process by completing the *Customer Complaint Form* (《客戶投訴處理表》). The Group will also arrange specialists to conduct follow-up investigations to make sure that the problems raised by customers are effectively resolved. During the Reporting Period, the Group received a total of one product-related complaint, which has been closed-loop processed.

- **Customer Recognition**

Our superior quality of products and services has been widely recognised by many customers in various industries. We have established strategic partnerships with leading companies in the electronics, automotive interiors and other industries. During the Reporting Period, we also won a number of partner awards, and these honours have inspired us to continue to improve and work with our partners to forge a culture of excellence and quality.



*Strategic Cooperation Agreement with TCL*



*Core Supplier Award from Bull Group*



*Strategic Partner Award from Ningbo Huaxiang*



*Asia Pacific Technology Innovation Award from Yanfeng Interiors*

### III. Responsible Operation

- Deepening Cooperative Communication

Haitian International always adheres to the concept of open cooperation, actively engaging in in-depth communication with industry partners to continuously enhance product quality and deliver superior product experiences to customers. During the Reporting Period, the second Injection Molding Technology Conference, hosted by Haitian Plastics Machinery Group, was held in the Ninghai district. The conference attracted over 250 professionals from the injection molding sector, aiming to create a platform for the sharing of technology and resources to promote the innovative development of the injection molding industry in Ninghai and its surrounding regions.



*The Second Injection Molding Technology Conference*

In addition, the 2024 Haitian Plastics Machinery Group Sanitary Ware Industry Seminar was successfully held in Xiamen. The seminar attracted more than a hundred customers and partners from the sanitary ware industry in the surrounding regions to jointly explore the latest technological applications, market trends, and development prospects of injection molding machines in the sanitary ware industry. By further strengthening communication with industry customers, we are committed to providing customers with higher quality products and services.



*Sanitary Ware Industry Seminar*

### 3. Supply Chain Management

A stable and sustainable supply chain is the basis for the Group to provide high quality products and services for our customers. We have not only formulated relevant management systems, including the *New Supplier Entry Rules* (《新供應商准入規則》) and the *Supplier Evaluation and Assessment Methods* (《供應商評估考核辦法》), but also defined the responsibilities of internal procurement staff, in an effort to reduce and actively manage supply chain risks. During the Reporting Period, 100% of procurement staff completed sustainable procurement training. For processes outsourced to third party contractors which involve potential pollution to the environment, we request the contractors to obtain relevant license from the environmental protection bureau of the local government to ensure they are qualified to perform the relevant work. In 2024, there were 8 suppliers newly granted access upon assessment, and no suppliers were removed from the supplier list due to poor product quality or safety issues.

### III. Responsible Operation

We have actively expressed our requirements and expectations for environmental protection and social responsibility to our suppliers and other partners, to promote the sustainable development of value chain together. We investigate suppliers' management system certifications at the entry stage, and prioritise suppliers that have obtained international authoritative system certifications such as ISO 9001, ISO 14001 and ISO 45001.

We request supplier partners to sign standard supplier agreements and abide by the *Supplier Administrative Rules for Safety, Environmental Protection and Social Responsibility* (《供應商安全環保與社會責任管理規則》), the *Haitian Group Supplier Safety and Environmental Protection Management Measures* (《海天集團供應商安全環保管理辦法》), the *Notice Regarding Haitian Group Supplier Safety and Environmental Protection Management System* (《海天集團供應商安全環保管理制度告知書》) and the *Haitian Group Plastic Machinery Supplier Social Responsibility Guidelines* (《海天塑機供應商社會責任準則》). Furthermore, we share the industry best practices with them in an endeavour to jointly achieve green development. We require our supplier partners to sign the *Haitian Group Supplier Social Responsibility Commitment Letter* (《海天集團供應商社會責任承諾書》), which specifies detailed requirements on labour rights, child labour, forced labour, health and safety, environmental protection, business ethics and management systems, etc. In addition, we have also formulated the *Supplier Social Responsibility Assessment Form* (《供應商社會責任評估表》), according to which we conduct annual reviews of suppliers' compliance with environmental regulations and safety responsibilities, as well as their fulfilment of social responsibilities. The results will be taken into account in the annual assessment of suppliers. For outsourced construction suppliers, we will sign the *Safety Agreement for Commissioned (Outsourced) Construction* (《委外(外協)施工作業安全協議書》) with them to ensure their compliance of regulations on environmental protection, production safety and production site traffic, etc. Based on the agreement, the suppliers must perform adequate analysis for works with safety hazards and provide sufficient protections accordingly, so as to ensure the safety of production environment and project implementation.

At the same time, we actively empower our suppliers through on-site training visits. During the Reporting Period, we dispatched professional teams to provide full-process guidance for multiple suppliers, covering every aspect from production capacity planning to assembly line process upgrades. This approach comprehensively helps suppliers improve production capabilities, boost efficiency, promote green production and efficient resource utilisation, moving together towards sustainable development.

Number of suppliers*	FY 2024
Suppliers having passed ISO 14001 environmental management system certification	36
Suppliers having passed ISO 45001 occupational health and safety management system certification	28
Suppliers having passed ISO 9001 quality management system certification	77
Suppliers having passed ISO 27001 information security management system certification	2
Suppliers having signed the <i>Supplier Integrity Letter</i> (《供方廉政承諾書》)	164
Suppliers having signed the <i>Supplier Safety and Environmental Protection Commitment Letter</i> (《供應商安全環保承諾書》)	166
Suppliers having signed the <i>Haitian Group Supplier Social Responsibility Commitment Letter</i> (《海天集團供應商社會責任承諾書》)	166

\* Supply chain management data includes production and procurement suppliers of Ningbo plant, Wuxi plant and South China plant (some under construction), excluding administrative procurement suppliers and overseas suppliers.



### III. Responsible Operation

#### 4. Intellectual Property Protection

The Group strictly abides by the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》), the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》) and relevant laws and regulations, and establishes a number of systems and procedures to standardise intellectual property protection (IPP), such as the *Control Procedures for Intellectual Property Risk Management and Disputes Resolution* (《知識產權風險管理與爭議處理控制程序》), the *Intellectual Property Management Manual* (《知識產權管理工作手冊》), the *Control Procedures for Intellectual Property in Research and Development* (《研發活動知識產權控制程序》), the *Control Procedures for Intellectual Property in Production* (《生產活動知識產權控制程序》), the *Control Procedures for Intellectual Property in Procurement* (《採購活動知識產權控制程序》), the *Control Procedures for Intellectual Property in Sales* (《銷售活動知識產權控制程序》), the *Control Procedures for Intellectual Property in Human Resources* (《人力資源知識產權控制程序》) and the *Control Procedures for Intellectual Property in Financial Operation* (《財務活動知識產權控制程序》). In addition, we emphasise on the cultivation of intellectual property protection culture, and regularly conduct intellectual property training for R&D personnel, which empowers R&D personnel to take the initiative to write high-quality and high-value patents, and thus continuously enhance the Group's innovation competitiveness. During the Reporting Period, we conducted 6 intellectual property trainings with the participation of 1,703 employees.



Intellectual Property Training

We are qualified for GB/T 29490 with Certification of Enterprise Intellectual Property Management. We have built a professional team responsible for patent application and maintenance, and have registered our trademarks in over 90 countries to protect our interest in local businesses. Meanwhile, we have engaged third-party professional organisations to regularly supervise and inspect the certification scope, operation status, fulfilment of relevant targets and key indicators, etc. of our intellectual property management system. Also, we carry out re-certification every three years. During the Reporting Period, we were granted 74 patents, 14 software copyrights and 5 registered trademarks.



GB/T 29490 Certification

## IV. Green Production

### Progress in 2024

- Carbon emissions per RMB10,000 revenue decreased by 8.6% from 2023 and 22.1% from 2021.
- Total hazardous waste decreased by 2.2% from 2023 and 17.7% from 2021.
- Revenue from automation, digitalisation and clean technology products to account for 79.0% of the Group's total revenue in FY2024.
- The Tongtu Road Plant's rooftop PV system generated 22,417.4 MWh of electricity in 2024, representing 31% of its annual electricity consumption.
- The first phase of the South China Plant's PV project has been completed, with a total installed capacity of 6,200 kW, and the total power generation in 2024 reached 966.3 MWh.

Haitian International undertakes the responsibility for environmental governance, builds an efficient environmental management system, promotes innovation in clean technologies, implements energy conservation and emission reduction measures on all fronts. Besides, we actively respond to the challenges presented by climate change and ecological environment crisis, adhere to the concept of green development, and become a contributor and leader in green production.<sup>1</sup>

### 1. Implementation of Green Management

- **Environmental Management System**

The Group abides by the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國大氣污染防治法》), the *Water Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國水污染防治法》), the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Waste* (《中華人民共和國固體廢物污染環境防治法》), the *Law of the People's Republic of China on Energy Conservation* (《中華人民共和國節約能源法》) and relevant laws and regulations. The Board of Directors serves as the responsible entity for environmental management strategy and performance and the Group has developed a series of systems and procedures internally, such as the *Control Procedures for Identification and Evaluation of Environmental Factors* (《環境因素識別與評價控制程序》), the *Operational Planning and Control Procedures for Environmental Processes* (《環境過程運行策劃和控制程序》), the *Provisions on Graded Responsibility for Handling Accidents Concerning Safety and Environmental Protection* (《安全環保事故分級當責處理規定》), the *Control Procedures for Waste Water Discharge* (《污水排放控制程序》), the *Control Procedures for Waste Gas Emission* (《廢氣排放控制程序》), the *Management Procedures for Solid Waste* (《固體廢物排放管理程序》), the *Control Procedures for Energy Management* (《能源管理控制程序》), the *Control Procedures for Noise Discharge* (《噪聲排放控制程序》), and the *Greenhouse Gas Management and Control Scheme* (《溫室氣體管控方案》) and has reviewed and updated them regularly. The Group conducted comprehensive environmental risk assessments for all workplaces, with each plant preparing a corresponding environmental risk assessment report and submitting it to the environmental protection authority for record-keeping. The Group's energy management system has been certified with ISO 50001 and environmental management system has been certified with ISO 14001 and has passed annual reviews by a third-party professional organisation since it was certified.

<sup>1</sup> Unless otherwise stated, the contents set out in Section 1, 3, 4 and 5 of this Chapter are applicable to the Group's plants in Ningbo.

# IV. Green Production



ISO 5001 Certificate



ISO 14001 Certificate

- Environmental Performance Assessment

The Environmental Protection Department of the Group is responsible for identifying and evaluating environmental factors, supervising the environmental performance of all plants and functional departments, setting environmental targets and assessing the achievement of the targets of each department, organising training on environmental protection and providing relevant technical support. Each plant and functional department is equipped with dedicated safety and environmental protection personnel, responsible for checking the department's environmental performance and promoting the rectification of non-conforming items. In daily operation, all departments should ensure the normal operation of environmental protection facilities in their daily operations and keep operation records, regularly check, maintain and promptly repair relevant equipment.

## IV. Green Production

In addition to internal audits and assessments, the Group also engages third-party independent organisations to conduct annual environmental monitoring and environmental risk assessments of all locations of operations. Meanwhile, the Group has taken out green insurance, and the insurance company commissions third-party environmental consulting agencies to conduct environmental hazard inspections at each plant twice a year; annual compliance audits are also conducted for all locations of operations, with reference to the ISO 14001 Environmental Management System and relevant laws, regulations and standards, covering factors including waste gas, waste water, toxic substances, waste emissions and noise. During the Reporting Period, the Group did not violate any environmental laws and regulations or receive any penalties from regulatory authorities.

- **Environmental Protection Culture Cultivation**

The Group's efforts in fulfilling environmental responsibilities have received widespread recognition from external parties. During the Reporting Period, the Group was honoured with awards and titles such as National Green Factory, Water-Saving Enterprise in Zhejiang Province, the first batch of key "Zero-Waste Group" enterprises in Zhejiang Province, and the first batch of "Quiet Factories" in Ningbo. These recognitions position the Group as a new benchmark for sustainable development in the high-end equipment manufacturing industry.

We highly value the cultivation of an environmental protection culture and actively respond to the call for "Zero-Waste City" put forward by the Zhejiang Provincial Government. We also conduct environmental protection publicity campaigns in each operation area and arrange employee training on a regular basis. The training content includes popularising environmental laws and regulations, introducing the Group's environmental management system, and organising practical training to enable employees to acquire necessary environmental knowledge and skills. During the Reporting Period, we organised 3 offline training sessions on energy management, with a total duration of around 10 hours. Meanwhile, we provide our staff with online training videos on "spray painting exhaust gas treatment" via Haitian University's E-learning platform. 126 staff members working in key environmental protection positions such as wastewater treatment, exhaust gas treatment, and solid waste treatment have all completed relevant environmental training this year, achieving a training coverage rate of 100%.

In addition, we organise regular environmental protection exchanges to actively communicate with environmental authorities and other enterprises to keep abreast of the latest environmental regulatory requirements and industry trends. We strengthen green supply chain management and promote legal and compliant operations of both upstream and downstream enterprises in supply chains. Besides, we actively organise volunteers to carry out activities such as community environmental protection campaigns and environmental cleaning activities. During the Reporting Period, the Group participated in regular communication and training sessions with external enterprises and environmental regulatory authorities, totaling approximately 160 hours.



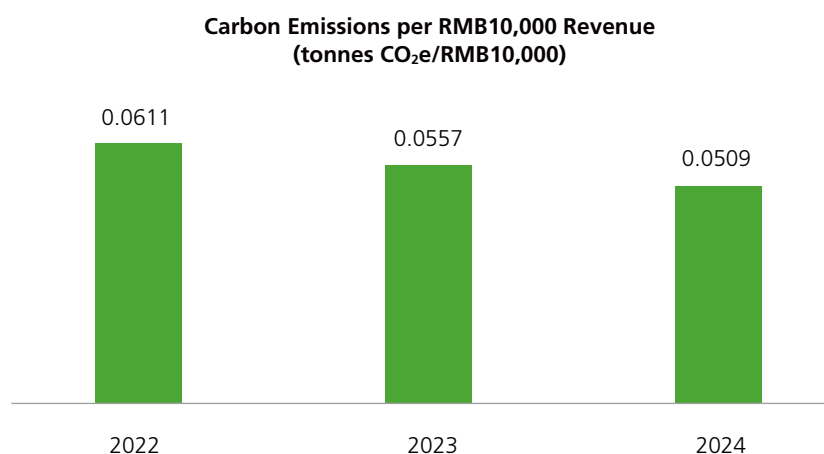
## IV. Green Production

- **Environmental Target**

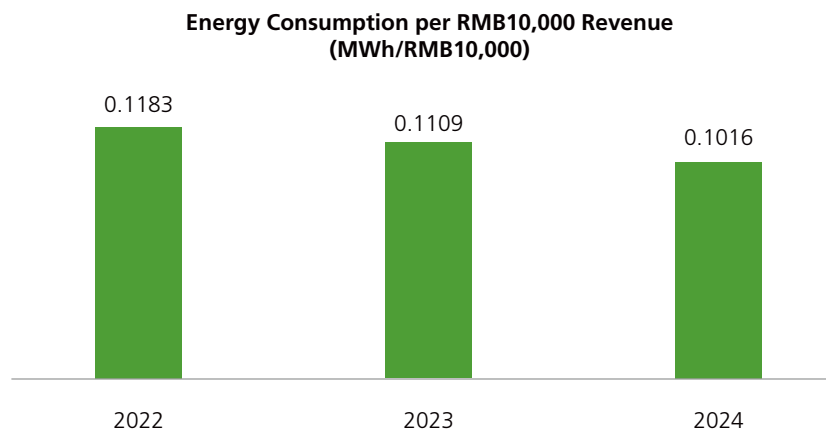
The Group has set 2025 environmental targets\* centred around carbon emissions, energy consumption and hazardous waste emissions. During the Reporting Period, the Group actively advanced the construction planning of its photovoltaic (PV) projects and made efforts to reduce solid waste generation at source. On a strategic planning level, we plan to conduct carbon footprint assessments for typical products and certain regions and start planning the digital transformation of the “carbon peak in 2030 and carbon neutrality in 2060” initiatives, promoting the migration of data management to an online model to achieve efficient retrieval and export comparison of carbon emissions data. In the future, the Group is committed to fully rolling out this system to all plants, ensuring the completion of organisation-level carbon inventories across all plants, as well as the carbon footprint verification of all products. We will continue to control our environmental impact and strive to maintain carbon emissions, energy consumption and hazardous waste emissions at current levels, while improving economic performance, in order to meet our 2025 targets.

Target in 2025	Progress in 2024
A decrease of 7.5% in carbon emissions per RMB10,000 revenue on the basis of 2021	A decrease of 22.1% in carbon emissions per RMB10,000 revenue on the basis of 2021
A decrease of 7.5% in energy consumption per RMB10,000 revenue on the basis of 2021	A decrease of 5.0% in energy consumption per RMB10,000 revenue on the basis of 2021
A decrease of 7.5% in total hazardous wastes on the basis of 2021	A decrease of 17.7% in total hazardous wastes on the basis of 2021

\* The fiscal year 2021 is regarded as the base year. The above-mentioned environmental targets cover the Group's plants in Ningbo, and exclude the Wuxi Plant, South China Plant (partly under construction), and overseas plants.



## IV. Green Production



The achievement of the above-mentioned environmental targets is planned to be linked with the performance assessment of departments and persons in charge. Meanwhile, any negative incidents related to environmental pollution will affect the annual variable compensation of the persons in charge. We reward entities, departments/teams and individuals that have succeeded in the effective improvement of energy conservation, emission reduction and pollution prevention, while penalising those that fail to satisfy the environmental protection requirements.

## IV. Green Production

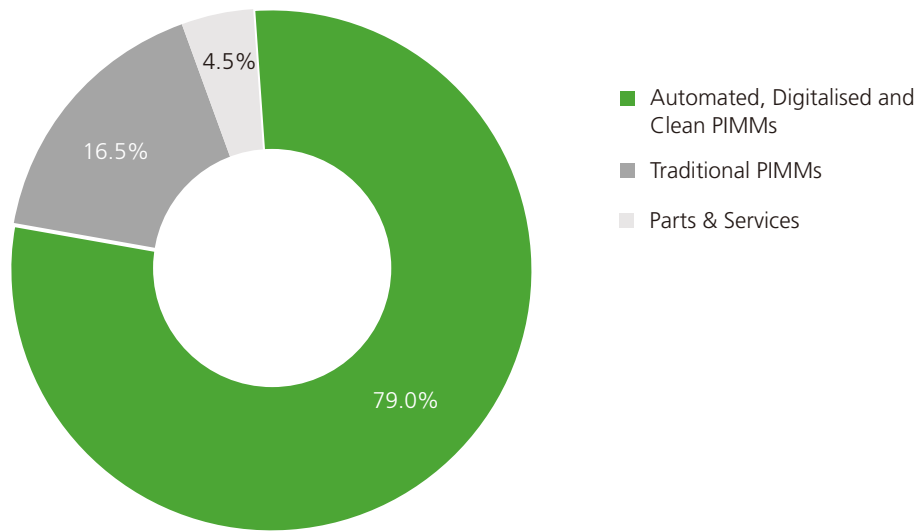
### 2. Clean Technology Innovation

In response to the national strategy of “carbon peak in 2030 and carbon neutrality in 2060”, as well as to meet the growing demand for environmentally friendly products from our customers, we have set clean technology as one of our core product strategies. During the Reporting Period, we actively participated in the development of national industry standards and took the lead in drafting the standard document *Greenhouse Gas – Quantification Methods and Requirements for Product Carbon Footprint of Rubber and Plastic Machinery* (《溫室氣體產品碳足跡量化方法與要求橡膠塑料機械》), organised by the Technical Committee for National Standardisation of Rubber and Plastic Machinery. This initiative aims to promote the green and low-carbon transformation of the industry.

In recent years, with the rapid popularisation of electric vehicles (EVs), the application of the Group’s products in the EV industry has become the key driver of business growth. Haitian International regards the EV industry and the clean and low-carbon transformation in traditional automobile manufacturing industry as a core strategic opportunity. Therefore, we actively provide solutions for automated production, lightweight material, recyclable material and battery logistics to accelerate the application of technological achievements in the NEV industry chain, and make constant efforts to empower the industry’s sustainable transformation and upgrading.

During the Reporting Period, our JU, MA, VE, ZE, JE, and HA series plastic injection moulding machines (PIMMs) passed the national energy-saving index testing, and were selected again as the “Key Energy-Saving Products for Promotion in Ningbo”. The Group’s full range of PIMMs has fully integrated with automation, digitalisation, and clean technologies since the third-generation models. Through multiple innovations in hardware and software, we have helped customers achieve energy savings, automated production and meet their digital management needs. In 2024, the revenue from automated, digitalised, and clean products accounted for 79.0% of the Group’s total revenue.

## IV. Green Production



*Percentage of sales by product type in 2024<sup>2</sup>*

Haitian International will continue to increase investment in automated, digital and clean technologies, ensuring that appropriate funds are invested annually in technological innovations for product automation, and energy conservation and consumption reduction. Meanwhile, we keep a close eye on the trend of technology across the value chain to ensure that our technologies are aligned with market needs and have competitiveness. Through continuous investment and innovation, we will lead the industry in providing superior automation and cleaning solutions to our customers.

<sup>2</sup> Automated, digitalised and clean PIMM products refer to Haitian International's full range of third-generation (G3) and later PIMM products; traditional PIMM products refer to pre-G3 PIMM products.



## IV. Green Production

### **Case: Refine the fifth-generation clean technology, and upgrade the energy-saving, intelligent injection moulding equipment**

Haitian International is committed to providing customers with advanced intelligent green solutions to meet the needs of sustainable development in various industries. In recent years, the Group gradually introduced the fifth generation (G5) models, which are more energy-efficient and intelligent, in various markets. All G5 series are equipped with the “Go Factory 2.0” digital management software and open integration functions, which can enable a significant improvement in production efficiency and resource utilisation. During the Reporting Period, we developed intelligent mold opening and closing technology, which enhances the precision of molded products while improving production efficiency. In addition, the development of intelligent material storage technology has enabled refined control over the material storage process. This not only ensures product quality but also achieves multiple benefits, including energy saving, emission reduction, and equipment maintenance. The continuous empowerment of intelligent technology ensures that the G5 models can fully meet customers’ one-stop demand for automated and digitalised production.

In addition, we continued to implement energy-saving technical upgrades for our injection molding machines. During the Reporting Period, we standardised electric pre-plasticising technology across our MAV and JUV series products. Compared to traditional oil motor pre-plasticising technology, this upgrade has significantly improved overall efficiency while further reducing total energy consumption. We also standardised the use of detachable aerogel insulation devices for injection molding machine barrels, thereby achieving further reductions in heating energy consumption. Furthermore, through the application of hydraulic simulation technology, we significantly reduced the size of hydraulic oil tanks. This innovation not only decreased raw material usage but also reduced hydraulic oil consumption by 20%. Compared with the equivalent G3 models, the G5 models can reduce the overall operating energy consumption by 20-40%.

In the field of EV interior component production, our JUV series employs integrated polyurethane reaction and injection molding technology to manufacture instrument panels, door panels, and other products. This breakthrough enables simultaneous part molding and surface coating, enhancing both production efficiency and product quality while reducing energy consumption. Notably, this integrated approach eliminates the investment in traditional spray painting production lines, effectively avoiding potential environmental pollution issues associated with surface coating processes.

In the face of the environmental challenges posed by plastic pollution, it has become more and more urgent to accelerate the application of biodegradable and recyclable materials, and the MA series of high-speed injection moulding machines are capable of producing products that comply with the international biodegradable packaging material standards of EN13432/ASTM D6400. For example, the PLA material, which has a biodegradation rate of more than 90%, is utilised in the production of high rigidity, strong toughness, heat-resistant food containers, plates, trays, cups, etc. The G5 ZE series of electric injection moulding machines can utilise the recycled plastics of ABS and PP, which are widely utilised in the consumer electronics industry, achieving clean recycling and renewal of plastic products and empowering the development of the circular economy.

We will persist in iterating and upgrading our core technology platform to create a new intelligent manufacturing business integrating injection moulding equipment, moulding and application technologies, and one-stop solutions, to provide customers with the ultimate experience, create professional and efficient value, and promote sustainable development.



*JU series two-plate injection moulding machine*



*MA series high speed injection moulding machine*



*ZE series electric injection moulding machine*

## IV. Green Production

The Group has proactively developed clean-technology products, with select models from the MA series, JU series, and VE series of injection molding machines having obtained the Product Carbon Label Evaluation Certificate as well as the Low-Carbon Product Supplier Certificate.



Product Carbon Label Evaluation Certificate



Low-Carbon Product Supplier Certificate

## 3. Strict Control over Discharge and Emissions

- Waste Discharge

The Group strictly abides by the laws and regulations on waste discharge management, the *Procedures for the Control over Solid Waste Discharge* (《固体废物排放控制程序》), and the *Management Requirements for Environmental Protection against Solid Waste* (《固体废物环保管理要求》) to achieve effective control over the collection and disposal of solid waste. We have clearly defined the specific classifications of waste in the *HTSJ Environmental Procedure 03: Injection Molding Machine Environmental Work Processes* (《HTSJ環-文03塑機環保相關工作辦事流程》) and have implemented an appropriate waste management flowchart to control and improve waste handling, ensuring compliant emissions. Among our wastes, hazardous wastes mainly include sludges, waste emulsified mixture, paint residues, waste mineral oil, oily wastes, waste oil barrels, waste hydrochloric acid, waste carbon-based catalysts and waste filters, which will be handled by qualified contractors for harmless disposal. Waste materials such as used paint buckets, sludges, and waste oil are repurposed after being entrusted for disposal. During the Reporting Period, 616 tonnes of hazardous waste were recycled and reused. Additionally, we installed emulsified mixture regeneration and reuse equipment, which has improved the efficiency of emulsified mixture usage and reduced the generation of waste emulsified mixture. Non-hazardous wastes include packaging materials, metal scraps and other general industrial solid waste, among which, recyclable solid waste will be handled by waste recyclers with professional qualification, and other domestic garbage will be regularly handled by the sanitation department.

## IV. Green Production

We closely follow the call of “Zero-Waste City” put forward by the Zhejiang Provincial Government and endeavour to make each of our plants a “Zero-Waste Plant”. We encourage all plants and functional departments to reduce the waste generation at source, actively explore solutions for waste recycling, and formulate plans for waste reduction, recycling and harmless disposal. The Group promoted the installation of hazardous waste intelligent management terminals and the application of “Zhejiang Solid Waste Code” hazardous waste labels in all plants to implement closed-loop supervision of the entire process of hazardous waste, including inbound weighing, joint reporting, and ledger management, thus achieving digital reform in hazardous waste management.

At the same time, the Group has formulated an implementation plan for a “Zero-Waste Group”, promoting source reduction and substitution. We have conducted specialised research on solid waste aimed at reducing its volume and enhancing its resource utilisation. Through this, we have identified solid waste reduction and resource utilisation opportunities that are scalable and feasible, gradually decreasing the solid waste generation. We are also actively promoting the adoption of water-based paint substitution processes at the source, emulsified mixture regeneration and reuse, and other manufacturing technologies and material recycling techniques that reduce solid waste generation and minimize the hazards of hazardous waste. These efforts aim to reduce solid waste generation at its source. Additionally, we have established a solid waste classification management list for each plant, strengthening source classification, sorting, and measurement storage capabilities. This promotes internal recycling and external resource utilisation of solid waste, further reducing its generation and disposal volumes.

- **Waste Gas Emissions**

In strict accordance with the laws and regulations on air pollution in the regions where we operate, we have formulated the *Procedures for the Control over Waste Gas Emissions* (《廢氣排放控制程序》), ensuring that the waste gas is qualified for emission standard after pollutants are treated by treatment facilities with process of capture and purification. We routinely monitor the levels of various exhaust gases generated during our operations, including particulate matter (PM), nitrogen oxides (NO<sub>x</sub>), sulfur dioxide (SO<sub>2</sub>), and volatile organic compounds (VOCs), and implement the following treatment measures:

Category	Measures
<b>Volatile Organic Compounds (VOCs) from painting</b>	We use filters or hydro-spin to filter overspray, with filters replaced and paint residue removed from waste water containing overspray at regular intervals. In addition, we use carbon-based catalyst tanks to adsorb the filtered waste gases to meet the emission standard, and then emit them through an exhaust funnel with specified height. Saturated carbon-based catalyst will be desorbed at regular intervals, and pollutants desorbed will be discharged upon catalytic combustion.
<b>Nitrogen oxides and particulate matters (PMs) from natural gas combustion</b>	We use low-nitrogen combustors and collect the combustion exhaust for high-altitude emission, satisfying the emission standard.
<b>Dust from powdering process</b>	We adopt two-layer treatment through cyclone precipitator and bag precipitator for standardised emission.
<b>PMs from polishing and shot blasting</b>	We collect PMs through suspended hoods, and then treat them through cyclone precipitator and bag precipitator or Venturi scrubbers for standardised emission.
<b>Chromic acid mist from electroplating</b>	We use acid mist inhibitors to reduce the generation of chromic acid mist at source, and collect the mist produced through indraft for treatment with mesh chromic acid mist purifiers and pure water spraying. The treated waste gases are emitted through a 25m exhaust funnel.

## IV. Green Production

During the Reporting Period, we upgraded the spray painting exhaust gas treatment process at the Jiangtongao project from adsorption + catalytic combustion to a zeolite rotor + RTO (Regenerative Thermal Oxidizer) system. The zeolite rotor + RTO process involves the adsorption of high-volume, low-concentration VOCs gases onto the surface of the adsorption material, followed by high-temperature desorption to separate the VOCs from the material and thermally decompose them. This method is a preferred solution for treating high-volume, low-concentration organic exhaust gases. Additionally, at our Jiangnan Road Plant, we actively promoted the upgrade of green logistics equipment by replacing three diesel forklifts with electric forklifts, effectively reducing forklift exhaust emissions and further improving the environmental quality of the production site.

- **Waste Water Discharge**

We have formulated the *Procedures for the Control over Waste Water Discharge* (《污水排放控制程序》) and built an in-plant waste water treatment station to treat the following production waste water by category: waste water from hydro-spin for paint overspray removing, waste water from the phosphating process, waste water from pre-treatment of the powdering process, waste water from site cleaning, as well as waste water from the electroplating process. The treatment station is equipped with an online monitoring system for waste water discharge, responsible for monitoring the quantity of waste water discharge, pH, chemical oxygen demand, the concentration of ammonia nitrogen, and others in real time. To ensure the stable operation of the wastewater treatment station, selected waste water treatment stations within the Group have been entrusted a professional third-party organisation for operation and maintenance management. Waste water is discharged into the municipal waste water network after meeting the discharge standard, and quality of the waste water discharge is also tested by a third-party professional organisation, which provides a detailed inspection report. Domestic waste water from business activities is also discharged in compliance.



Rooftop Treatment Tank of the Waste Water Treatment Station



Waste Water Treatment and Reuse Control System



Waste Water Treatment in Action



Data Monitoring

## IV. Green Production

### 4. Energy Management

We have formulated the *Procedures for Energy Management and Control* (《能源管理控制程序》) to systematically achieve targets in energy conservation and consumption reduction. Our direct energy use mainly includes natural gas used by the drying process after painting and powdering as well as the canteen stoves, and gasoline and diesel used by vehicles. Our indirect energy use mainly includes purchased electricity and steam used in our plants and offices.

The Plastics Machinery Management Centre of the Group (“Plastics Machinery Centre”) is responsible for the statistics and analysis of energy consumption, and for the formulation of annual energy control indicators and energy reduction targets. The Environmental Protection Department is responsible for regularly supervising, inspecting and assessing the energy consumption of all functional departments and plants. Each department is responsible for energy control and management in production, and for collecting energy consumption data and reporting to the Plastics Machinery Centre as required, and achieving energy assessment criteria. To achieve the purpose of energy saving, each equipment management department deploys personnel to inspect and maintain equipment regularly so that the equipment stays in optimum condition. Additionally, production is scheduled reasonably to reduce the operation of equipment under no load or appropriately shut down the equipment for rest.

- **Energy Saving Measures**

The Group has initiated the construction of a “Smart Energy and Environmental Management Platform”, with the installation of intelligent remote water and electricity meters and the completion of the data platform expected by May 2025. This platform collects real-time data via smart meters to enable the metering, analysis, and scheduling of electricity, water, gas, and steam across all facilities. It facilitates the timely identification and resolution of abnormal energy consumption, uncovers energy-saving opportunities, enhances the accuracy of energy consumption statistics, and drives improvements in energy management through refined controls, quota allocation, performance evaluation, and benchmarking.

We actively advanced equipment upgrades and retrofits. At Plant No. 2 in the valve plate workshop of the Jiangnan Road Plant, two vertical assembly lines underwent optimisation. Each line was reconfigured from a setup of four horizontal machining centers to a combination of three vertical machining centers and one horizontal machining center. This retrofit reduced total power consumption per line by 47 kW, projected to save 158,000 kWh of electricity annually. Additionally, the Group phased out high-energy-consuming equipment, replacing two Grade 3 energy-efficient air compressors at the Jiangnan Road Plant with Grade 1 models. This upgrade significantly improved energy utilisation efficiency and minimised energy waste.



## IV. Green Production

- Renewable Energy Usage

The Group established PV power generation projects in the Tongtu Road Plant and the South China Plant respectively in 2022. Among them, the total installed capacity of the Tongtu Road Plant was 22,698 kW, with an installed area of 140,600 m<sup>2</sup>. During the Reporting Period, the total amount of electricity generated by the power plants amounted to 22,417.4 MWh, of which 18,531.5 MWh were consumed by the Tongtu Road Plant, accounting for 31% of its total annual electricity consumption. The first phase of the PV project at the South China Plant, with a total installed capacity of 6,200 kW, covers an installation area of 29,100 m<sup>2</sup> and has been in use since November 2024. In November, the electricity generation was 444,700 kWh, with 74% used for self-consumption; in December, the electricity generation was 521,600 kWh, with 73% used for self-consumption. The Group plans to further expand the PV installation area and increase the proportion of renewable energy usage in 2025.



*Tongtu Road Plant PV Project*



*South China Plant PV Project*

## IV. Green Production

### 5. Water Management

We highlight the rational use of water resources in production and daily operations. The water we use comes from municipal water supply, which is mainly used for surface treatment of parts in production, including painting, powdering, cleaning, and for domestic water in offices and dormitories. The Group did not experience any difficulties in securing appropriate water supplies.

We will carefully consider water conservation and water pollution prevention when formulating a plan for the production process, give priority to mature and water-saving technology and environment-friendly products, and reasonably plan the best pipeline network for water supply based on production demands. We install precise water meters at each water consumption point to control the water consumption in real time. All plants and functional departments regularly inspect water consumption equipment and water supply systems to ensure normal operation.

During the Reporting Period, the Group conducted comprehensive water balance tests for the Dagang Plant, Haitian Road Plant (including the headquarters building), Jiangnan Road Plant, Structural Components Plant, and Tongtu Road Plant, and engaged a professional third-party organisation to issue a detailed water balance report, in an effort to achieve efficient water resource utilisation. Meanwhile, we renovated and replaced some of the underground water supply pipelines in the headquarters area. After the renovation, the monthly water leakage was reduced by approximately 15,000 tonnes.

Meanwhile, we actively carry out water-saving publicity campaigns for employees and encourage all departments to take measures to enhance water recycling and reuse of reclaimed water. In the Haitian Road plant, we reuse the steam condensate in the water pool of Haitian Village Fifth dormitory for hot water supply in the dormitory. In the Dagang production base, the phosphating automatic production line collects the steam condensate generated by indirect steam heating and reuses it in the hot water tank, fully utilising the residual heat and effectively reducing the consumption of fresh water resources. In addition, our waste water treatment station is equipped with the reclaimed water reuse facility. In 2024, the amount of condensed reuse water was 5,800 tonnes.

## IV. Green Production

### 6. Climate Change

Climate change has become one of major challenges for the development of human society. The Group has established a greenhouse gases (GHG) Control Leading Group, with the President of the Group as the leader, the key department heads as the deputy leaders. The GHG Control Leading Group is responsible for implementing laws, regulations, guidelines, policies and standards relating to GHG emissions at the national and local levels, organising the formulation of corporate GHG control plan, deploying and coordinating GHG control initiatives, and reviewing the fulfilment of relevant performance target. We actively identify risks and opportunities related to climate change and develop actions to address the identified risks.

Risk type	Potential impacts	Our responses
<b>Physical risk</b>	<ul style="list-style-type: none"> <li>• Extreme weather, such as rainstorms, typhoons and floods, are becoming more frequent and more unpredictable, which will threaten the safety of employees, disrupt the normal supply of electricity and water, damage business assets, and interrupt the continuity of the supply chain.</li> <li>• In the long term, global warming will put more requirements on both cooling the equipment to prevent overheating and cooling the working environment, which in turn will lead to higher electricity costs. Higher temperatures will expose employees to heat-related health risk, which will directly affect the labour productivity.</li> </ul>	<ul style="list-style-type: none"> <li>• We have prepared contingency plans for emergencies, including special contingency plans for extreme weather such as typhoons, rainstorms and floods.</li> <li>• We will track changing weather and modify our operation procedures as appropriate to incorporate climate risk into our risk management and strategic planning.</li> </ul>
<b>Transition risk</b>	<ul style="list-style-type: none"> <li>• The laws and regulations on limiting carbon emissions and carbon tax policies may lead to an increase in upstream raw material prices, indirectly causing a rise in procurement costs.</li> <li>• More stringent product energy efficiency standards will increase R&amp;D expenditures.</li> <li>• Both market demands and requirements for clean technology rise, and existing products may no longer meet customer needs, leading to a reduction in sales.</li> <li>• Investors and the public put forward higher requirements for us in active response to climate change, and any omission may have a negative impact on our performance in the capital markets and on our public image.</li> <li>• As various regions gradually introduce strengthened climate information disclosure guidelines, the Group will need to increase related investments to meet compliance requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• We timely understand the latest laws, regulations and standards in the regions where we operate, and continuously improve our environmental management systems to ensure the implementation and follow-up supervision of relevant energy-saving and emission-reducing measures.</li> <li>• We proactively explore market needs, improving product lifecycle environmental impact assessments and certifications, actively invest in and develop clean technology, and prioritise the purchase of environment-friendly raw materials.</li> <li>• We disclose information in strict accordance with relevant standards, and actively communicate with stakeholders to promote multi-cooperation and enhance our reputation.</li> </ul>





# V. Employees' Rights and Interests

Progress in 2024
<ul style="list-style-type: none"><li>Employee training rate reached 100%, with an average training duration of 15 hours per employee.</li><li>Work-related fatalities: 0 cases; Workdays lost due to work-related injuries: 0 days.</li><li>Performance-based variable compensation covers 100% employees.</li></ul>

Adhering to the management philosophy of “people-oriented”, Haitian International is committed to creating an equal, diversified workplace, establishing multi-dimensional career development channels for employees, and safeguarding employees’ occupational health and safety. Under “institutionalised human-centric management”, we provide competitive compensation and benefits, and sincerely care for our employees, striving to create a better future jointly with our employees.

## 1. Legal Employment

In strict accordance with the *Labour Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labour Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》) and other relevant laws and regulations, we have formulated the *Employee Manual* (《員工手冊》), the *Regulations of Haitian Group on the Management of Attendance and Leave* (《海天集團考勤休假管理制度》) and other rules and regulations. By specifying management measures on employee benefits, career development, employee training, production safety, occupational health, etc., such policies are developed to protect the legitimate rights and interests of employees in a comprehensive manner. During the Reporting Period, we were honoured with the title of Outstanding Contribution Unit in Employment for the 2024 Graduates of Zhejiang Province.

Furthermore, the Group promises to fully respect human rights. In addition to distinctly defining the management regulations on anti-discrimination, anti-harassment and prohibition on forced labour in the *Employee Manual* (《員工手冊》), we have formulated institutional regulations on safeguarding human rights, such as the *Child Labour Rescue Process* (《童工拯救程序》), the *Statement of Haitian International on Human Rights Policy* (《海天國際人權政策聲明》) and the *Social Responsibility Management Manual* (《社會責任管理手冊》). We prohibit any form of child labour, forced labour and human trafficking in accordance with the law. During the Reporting Period, the Group had no illegal employment of child labour or forced labour.

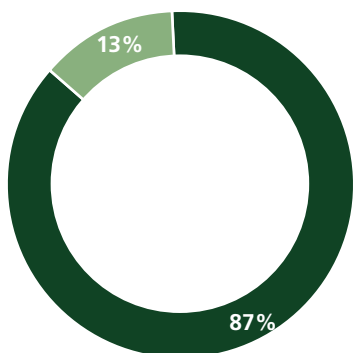
Meanwhile, we are dedicated to providing an equal and fair working environment, establishing harmonious communication mechanisms, creating channels for employee feedback, respecting basic human rights, and prohibiting any form of harassment, abuse, and behavior that disrespects human dignity. In terms of recruitment, compensation, benefits, training, promotion, dismissal, etc., we are committed to following the principle of fairness and equality. We are determined to eliminate discrimination in race, nationality, religion, disability, gender, age, educational background, etc. During the Reporting Period, we conducted anti-harassment and anti-discrimination training for all employees.

We attach great importance to labor-capital cooperation, and advocate the freedom of association and the collective bargaining right of employees. The labour union signed a collective contract with the Chairman of the Group on behalf of the whole staff, and the collective contract covers clauses on employee health and safety, working conditions, wages, working hours, employee benefits, and career management to safeguard the basic rights and interests of every employee.

As of 31st December 2024, the total workforce of the Group was 8,074, of which 879 are female employees, with an employee turnover rate of 8.86%. During the Reporting Period, the Group was not subject to any legal procedures due to the violation of labour practices.

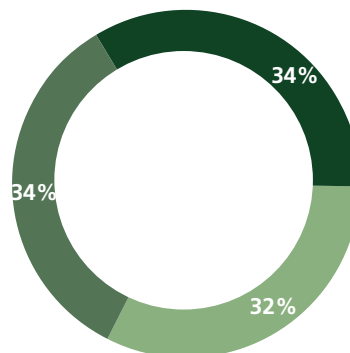
## V. Employees' Rights and Interests

Total workforce by geographical region



■ Domestic employees    ■ Overseas employees

Total workforce by age



■ Under 30 years old  
■ Between 30 and 40 years old  
■ Above 40 years old

### 2. Remuneration and Benefits

Sticking to the principle of “fairness and timely adjustment”, and in accordance with the regulations such as the *Statement of Haitian International on Human Rights Policy* (《海天國際人權政策聲明》) and the *Social Responsibility Management Manual* (《社會責任管理手冊》), we are committed to the reasonable arrangement of the work-rest cycle for employees, and the provision of competitive salaries and benefits. Therefore, we offer competitive salaries to attract and retain employees internally, while collecting industry compensation data in the labour market externally, to establish a fair, reasonable, and competitive compensation system.

We have established an employee stock ownership plan, covering the mid-level and senior management and core technicians to motivate and retain high-quality talents and core employees, and achieve a win-win situation in terms of employee accomplishments and corporate development.

We have developed a democratic and fair performance assessment system, and the variable compensation linked to performance is contained in all employees' remuneration. Based on the performance assessment plans, the Group calculates and distributes variable compensation and year-end bonuses to all employees every year to fully motivate employees' working enthusiasm. We also establish an appreciation sharing bonus, distributing the net profit appreciation from the growth of the Group's business performance to organisations and positions that have made a significant contribution.

## V. Employees' Rights and Interests

Employees	Variable compensation
Frontline employees	Calculate the monthly performance bonus based on the monthly performance level and the number of working shifts; the year-end bonus is subject to a 20%-150% variance based on the Group's year-end bonus.
Non-front-line and managerial staff	Calculate based on the salary of each position level and monthly performance level index; the year-end bonus is subject to a 20%-150% variance based on the Group's year-end bonus.
Board of Directors and senior management	Link to individual performance, the Group's performance and profitability, as well as value-added contribution to the Group, with due regard to factors including workload, responsibilities, the complexity of work, and the Group's purposes and objectives.

In terms of employee benefits, we offer a wide range of non-compensation benefits to all employees in accordance with the laws and regulations. All employees are entitled to statutory holidays, and statutory benefits, such as five social insurance and housing provident fund (including endowment insurance and pension). In addition, we provide additional benefits to our employees, such as paid annual leave, working meals, working uniforms, shuttle buses, dormitories for single employees, affordable housing, public rental housing, monthly sanitation fee, financial aids from the labour union, and regular health check-ups. We will present gifts and benefits to our employees during traditional holidays, especially to those who stay on their posts during the holidays.

Furthermore, we are committed to making our employees live and work in peace and contentment. Since 1998, we have been building talent apartments and public rental housing, with the aim to relieve the house-buying pressure of young employees. Talent apartments and public rental housing not only solve the housing problem of our employees, but also reduce their living costs and hence improve their living quality.

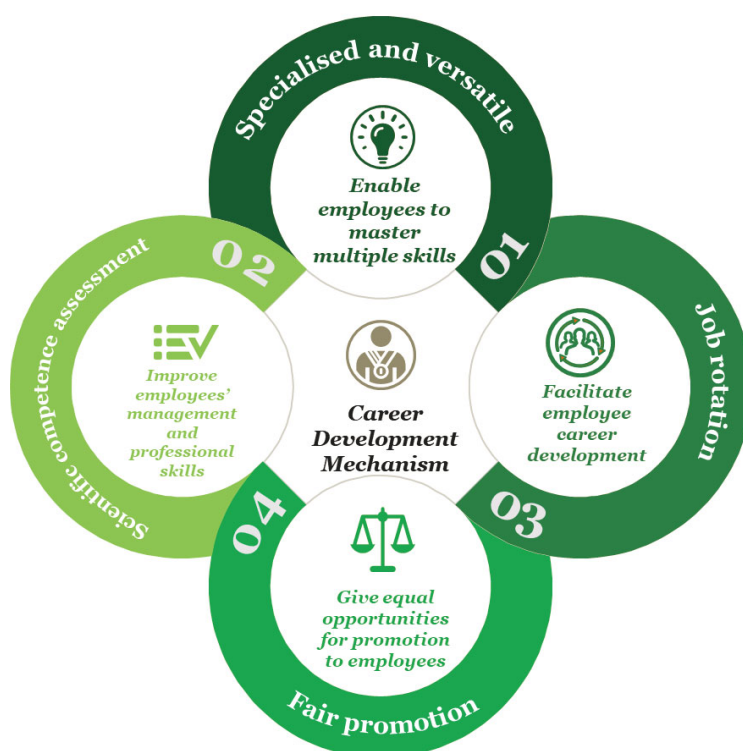


*Construction of Haitian Youth Apartment*

## V. Employees' Rights and Interests

### 3. Development and Training

To achieve the goal of mutual growth and development of employees and the Group, we have formulated a series of talent development and training management policies to provide policy guarantees for the improvement of talent management. Such policies include the *Employee Career Management Policy of Haitian Group* (《海天集團關於員工職業生涯管理政策》), the *Education and Training Management Manual of Haitian Group* (《海天集團教育訓練管理手冊》), the *Academic Education Management Policy of Haitian Group* (《海天集團學歷教育管理政策》) and the *Qualification Level Promotion and Demotion Management Measures* (《任職資格等級晉升與降等管理辦法》). Meanwhile, we have established a scientific career development mechanism from 4 dimensions, namely employee skill training, job rotation development, competency assessment and fair promotion, striving to build a highly competitive talent team.



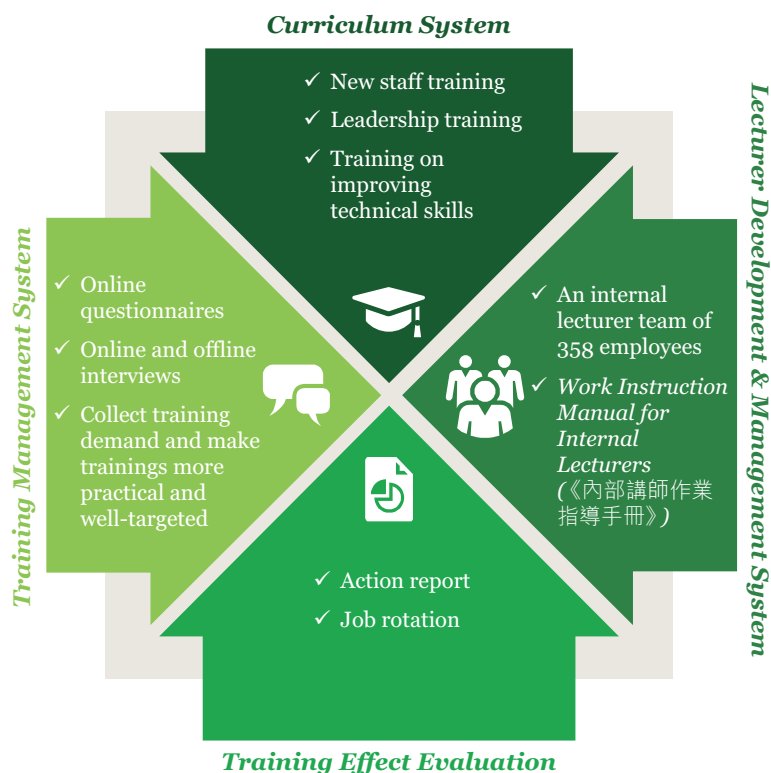
Haitian International Career Development Mechanism

The Group, based on the job responsibilities of each post, has established a career development system with IT, PMC, finance, technology, production, after-sales, administration, application, marketing, manufacturing technology and quality control as the core, providing a balanced and sustainable career development path and platform for our employees in different posts.

In terms of career development, we provide four promotion channels, namely, technology, specialisation, operation and administration, to meet the multidimensional development demands of each employee. Through annual contribution and performance, and the employee review committee, a comprehensive review system is in place to provide Haitian employees with a platform to advance their careers and display their individual talents and worth. We have also formulated the *Special Projects for Talent Cultivation through Job Rotation* (《人才輪崗培養規劃專案》) to encourage and support our employees to involve in internal job rotation and transfer for development in line with the corporate development demands and the individual development path.

## V. Employees' Rights and Interests

We have developed a sound employee training system in accordance with the *Employee Manual* (《員工手冊》) to fully secure and support employee development. We provide fair promotion opportunities for every employee who is willing and able to take on responsibilities, and help each employee achieve development and improvement in both management and professional skills. Our four major training systems are as follows:



Haitian International Four Major Training Systems

- Curriculum system: The Group has established a comprehensive curriculum system for its employees, which encompasses three core areas: new staff training, leadership training, and training on improving technical skills.
- Lecturer development & management system: To align with the strategic objectives of the Group, we have formed an internal lecturer team of 358 employees across various departments and functional areas within the Group. Moreover, we vigorously develop and manage our internal lecturer team in accordance with the *Work Instruction Manuals for Internal Lecturers* (《內部講師作業指導手冊》).
- Training management system: At the beginning of each year, the Group gathers, collects and analyses the annual training demands of employees through various methods, including online questionnaires and interviews to make trainings more practical and well-targeted, thereby empowering its business.
- Training effectiveness evaluation: We adhere to the philosophy of training management that all training should be accompanied by an evaluation. We employ action reports and job rotation as the primary means to assess the effectiveness of training, directing and promoting the implementation of training results.

## V. Employees' Rights and Interests

We provide employees with a variety of training and learning channels, including the E-learning platform, lecturer trainings within the Group, mentor-ship programmes, internal training sessions with external lecturers, and external open classes. In addition, we have established a training mechanism including numerous programmes to cultivate talents at different levels, such as the Spring Buds Programme, the Eyas Programme, the Eagle Programme, the Flying Programme, and the Pilot Programme. On an annual basis, we carry out all-round and systematic training on thought and leadership, etc. for these talents, and conduct team building at regular intervals to meet the demands for improving employee skills and promoting corporate development. Meanwhile, the Group implemented a credit hour system, which stimulates the learning enthusiasm of employees. In addition, the Group further promotes the Group's knowledge succession and knowledge management among all employees, activates the organisation's internal driving force, empowers employees to foster their own growth and builds a learning organisation with Haitian characteristics. During the Reporting Period, we conducted a total of 1,451 internal training sessions and 83 training sessions with external lecturers, covering 100% of employees (including part-time employees). The courses covered six categories: General Knowledge, Self-Development, Quality Control and Work Safety, Supply Chain, Professional and Technical Skills, and Management Skills.

We place great emphasis on the development of employees' professional skills and are focused on their growth needs. During the Reporting Period, in order to help employees learn new skills and enhance their overall ability and competitiveness, the Group organised a number of specialised skill training sessions, with a total of 136 people trained. As of the end of the Reporting Period, 57 people had obtained the qualification certificate for industrial robot operators, 12 people had obtained the qualification certificate for industrial robot maintenance and repair personnel, 3 people had obtained the senior fitter certificate, and 9 people had obtained the fitter technician certificate. At the same time, the Group has implemented a grading evaluation system for front-line highly skilled personnel. By combining theoretical and practical assessments, a recognition mechanism for highly skilled personnel covering 24 types of jobs and 15 levels within the Group has been established. During the Reporting Period, more than 3,400 people completed the assessment.

To meet employees' career development and personal growth needs, and to help them with self-management, self-improvement, and self-evolution to adapt to the Group's strategic transformation and the demand for talents in intelligent manufacturing, we have introduced the *Haitian Group Academic Education Management Policy* (《海天集團學歷教育管理政策》) to all employees. In cooperation with third-party organisations, we encourage employees to pursue further academic studies and provide tuition subsidies or basic salary adjustments for employees who meet the policy requirements. In 2024, a total of 157 employees benefited from the policy and completed their academic upgrading.

## V. Employees' Rights and Interests

### Case: "Cultivating high emotional intelligence leadership in the workplace: speech and eloquence" programme

To comprehensively enhance the capabilities of senior management in speech and eloquence, and to help them express their views more confidently and fluently in business activities, internal meetings, and external communications, thereby improving communication skills and leadership charm, the Group has organised the "Cultivating high emotional intelligence leadership in the workplace: speech and eloquence" programme. A total of 30 senior management members participated in this programme, which lasted 7 hours and combined theoretical lectures with practical exercises. During the practical exercise session, the senior managers practiced public speaking in simulated scenarios, and the instructors provided targeted guidance and feedback based on each participant's performance, helping them to promptly identify and resolve issues, and effectively enhance key abilities such as communication, adaptability, and influence. This lays a solid foundation for the long-term development of talents.



### Case: "Effective delegation and optimal motivation management" programme

This programme is designed to help middle and senior managers of the Group gain a deep understanding of the core concepts, significance, and the connection between effective delegation and optimal motivation management. It also aims to elevate their management awareness and enable them to master the processes and methods of effective delegation proficiently. To this end, we arranged a two-day training session with external instructors. The training combines theoretical instruction with case analysis, and through group discussions and case sharing, it stimulates thinking and cultivates the ability to analyse and solve problems. This training is divided into two sessions, with 50 participants in each session.





## V. Employees' Rights and Interests

### Case: E-learning platform

In 2024, the Group's E-learning platform has 5,000 activated accounts, with 4,815 accounts engaging in learning activities, achieving an online learning rate of 96%. The platform offered a total of 163 projects with a total of 1,646 courses, comprising 944 external courses and 702 internal courses. Furthermore, the Group actively conducted a series of activities on the platform, including the micro-lecture incentive programme, which encourages employees to co-create knowledge and has cumulatively developed nearly 230 courses, to build a learning-oriented organisation, energise the creative potential of all employees, and continuously enhance and improve the knowledge system of the platform.



## 4. Health and Safety

With the occupational health and safety of employees as our top priority, we have kept strict compliance with the *Work Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》), the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》) and other laws and regulations, and have formulated and adopted the *Procedures for Work Safety Management and Control* (《安全生產管理控制程序》), the *Procedures for Occupational Safety and Health Management* (《職業健康管理程序》), the *Procedures for Hazard Identification, Risk Evaluation and Risk Control Measures* (《危險源辨識、風險評價和控制措施確定程序》), the *Management Procedures for Hazardous Chemicals* (《危險化學品管理程序》), the *Control Procedures for Emergency Preparedness and Response* (《應急準備和響應控制程序》) and other safety management related policies in accordance with relevant laws and regulations. In addition, keeping in mind the "all-staff, whole-process, all-round and all-day" safety management principle, we have spared no effort to protect the health and safety of employees on all fronts.

The Group's occupational health and safety management system has obtained the ISO 45001 certification and is regularly audited and monitored by professional third-party organisations.



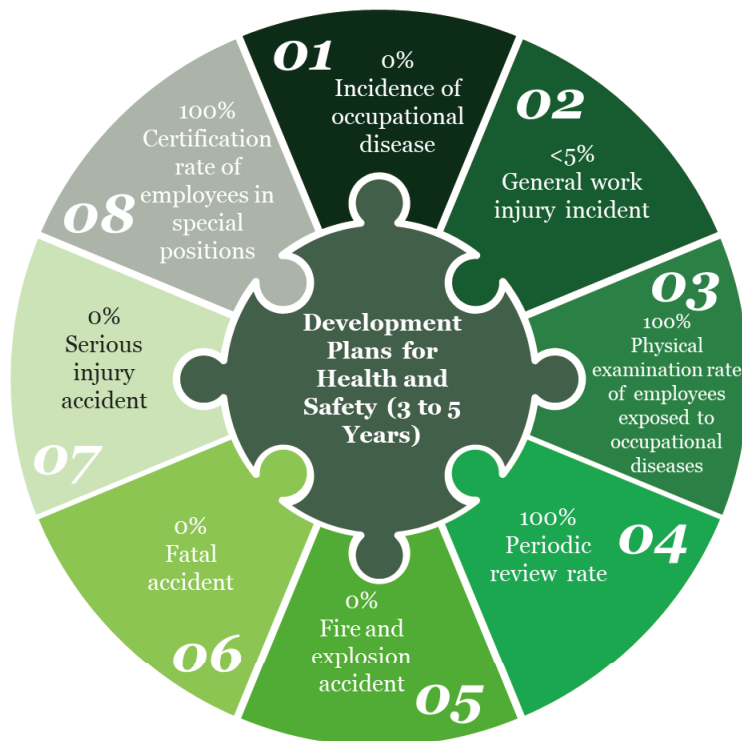


## V. Employees' Rights and Interests



Haitian International Occupational Health and Safety Management System Certification Certificate (ISO 45001)

Meanwhile, we have drawn up medium and long-term development plans for health and safety and set corresponding quantitative objectives and assessment indicators to navigate our development direction in occupational health and safety on a scientific basis.



Development Plans for Health and Safety of Haitian International (3 to 5 Years)

## V. Employees' Rights and Interests

The Group has established a safety production management organisational structure. All levels of management and employees need to clearly understand their own safety responsibilities and strictly fulfil their safety duties in accordance with the relevant safety production systems. During the Reporting Period, we established a Safety Technology Committee, which has six professional groups to safeguard the Group's safety management work. Among them, the Safety Planning Group is responsible for formulating overall safety management plans and programmes; the Regulatory Standards Group promptly sorts out new policies and standards, and converts them into internal management requirements; the Risk Control Group is in charge of risk investigation work. This year, a total of 12 special risk investigations were carried out, and 119 risks were identified, all of which have been rectified in a closed-loop manner or have had rectification plans formulated; the Safety Education Group is responsible for conducting various safety training activities periodically. This year, more than 40 first-aid training sessions were held; the Project Safety Evaluation Group is responsible for the annual and all plants safety assessment work, including chemical safety assessment, preliminary safety assessment of new equipment and facilities, and safety risk assessment of outsourced construction, and other risks; the Safety Culture Group is responsible for promoting safety culture, and through the "Haitian Safety" internal education platform, it releases content such as the "Four Understands and Three Masters" education of fire safety, case studies of typical rule violations and accidents, and holiday safety precautions.

We practice the principles of "safety first, prevention beforehand, comprehensive management" and "safety management going hand in hand with production management". In order to enhance our ability of accident prevention and pre-control, and avoid work-related accidents, we have formulated the *Management System for "Five Principles of Simultaneity" in Production Safety* (《安全生產「五同時」管理制度》). In other words, efforts to plan, arrange, inspect, conclude and evaluate production are also needed for safety in the same way, at the same time. In addition, we have adopted 6S management principles on all fronts so as to effectively manage production factors in production areas such as people, machinery, materials, methods and environment. Additionally, by posting signs and labels, implementing a dual-person, dual-lock management system, installing surveillance equipment, and installing emergency devices, we have enhanced employees' ability to safely handle toxic and hazardous substances. During the Reporting Period, the Group continued to invest significantly in health and safety, strengthening safety team deployment and development. We currently have 9 nationally certified safety engineers, 194 certified full-time or part-time safety management personnel, 522 certified Red Cross rescuers, and 6 volunteer firefighters. At the end of the Reporting Period, 3,021 employees had completed Red Cross first-aid training.

In addition, for third-party contractors, we sign safety agreements with them and conduct regular inspections covering safety, occupational health, and security. Concurrently, the hazard identification and elimination management system is continuously refined to enhance the Group's health and safety governance standards. During the Reporting Period, there were no lost days due to work injury, and the number of work-related fatalities was also zero.

We conduct regular fire safety emergency drills for all employees in accordance with the *Fire Safety Management Procedure* (《消防安全管理程序》), the *Hazardous Chemical Management Procedure* (《危險化學品管理程序》) and other policies, and have set up the fire emergency headquarters and related subordinate groups, including the evacuation group, firefighting group, rescue group, guarding group and supply group, to realise a rational division of labour in emergency response actions in the case of accidents. Specifically, the headquarter is responsible for leading and coordinating each group, the evacuation group for personnel evacuation, the firefighting group for controlling the spread of the fire, the rescue group for providing emergency aid to the injured, the guarding group for preventing the accident area from outsiders entering, and the supply group for logistical support. Additionally, after each emergency drill, the leading group will evaluate the results and put forward improvement plans for problems.

## V. Employees' Rights and Interests

### Case: Haitian Group Headquarters Building emergency drill

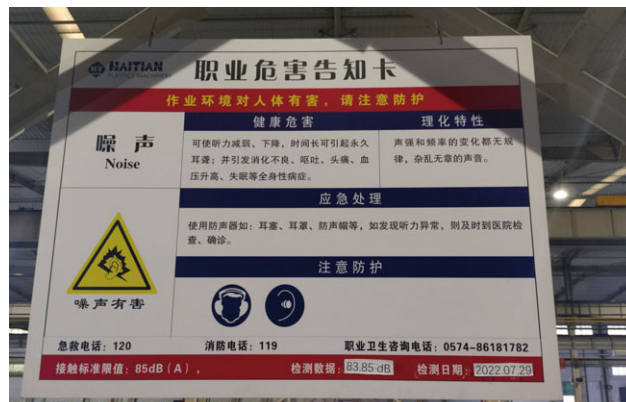
In June 2024, the Group organised an annual emergency drill at its headquarters building. The drill simulated scenarios such as fire alarms, smoke, trapped personnel, and first aid, enabling employees to become thoroughly familiar with the various situations they would face in a real fire emergency, and enhancing their emergency escape capabilities. On-site firefighting was also carried out to train employees to proficiently master the use of fire extinguishers. Finally, professional instructors from the Beilun District Fire Rescue Brigade conducted a training session on "Fire Safety in High-rise Buildings" for the employees, allowing them to understand various fire prevention knowledge and escape skills.



We follow the *Procedure for Monitoring, Measuring, Evaluating and Controlling Environmental and Occupational Health and Safety Performance* (《環境職業健康安全績效監視測量評價控制程序》), the *Procedure for Planning and Controlling the Operation of Occupational Health and Safety Processes* (《職業健康安全過程運行策劃和控制程序》), the *Management System for Labour Protection Equipment* (《勞動防護用品管理制度》) and other systems or policies, and arrange annual health check-ups for all employees, achieving a 100% coverage rate. Also, we organise regular occupational health check-ups for employees frequently exposed to a hazardous environment. In addition, the *Occupational Hazard Notification* (《職業危害告知卡》) has been posted in each workshop to remind employees exposed to occupational hazard factors to keep compliance with the *Code of Occupational Diseases Prevention* (《職業病防護法》). According to the protection requirements for different positions, we provide employees with protective articles that are in line with the safety protection requirements on a regular basis, such as helmets, goggles, masks, ear protectors, protective gloves, protective footwear and protection suits, and supervise the correct wearing of protection articles. Employees who do not wear labour protection articles properly as required will be disciplined and educated.

## V. Employees' Rights and Interests

We regularly conduct boundary noise level testing and have installed sound-insulating walls in areas where noise is generated, effectively controlling noise pollution. Meanwhile, we strengthen natural ventilation to reduce the harm caused by workshop odors to employees' health. In addition, we rationally planned the surrounding lanes and increased traffic signs, so as to reduce air pollution caused by traffic congestion and, to the greatest extent, reduce the adverse impact of the working environment on employees' health. During the Reporting Period, there was no occupational disease reported in the Group.



Occupational Hazard Notification

In addition, all workplaces of the Group are regularly reviewed by professional occupational health detection institutions to strengthen external supervision. These professional institutions detect the occupational hazard factors in our workplace (e.g. workshops), check the set-up and operation of occupational disease prevention devices and the supply of personal occupational disease prevention articles. Accordingly, they will issue an evaluation report and propose suggestions for rectification and continuous improvement. In terms of internal management, we have also established occupational health and safety representatives to safeguard the occupational health and safety of all employees.



Detection Report on Occupational Hazard Factors

## V. Employees' Rights and Interests

Safety training is of great importance to a safe working environment and employees' occupational health. Therefore, we organise health and safety training in a planned way to explain our corporate policies to employees and improve their awareness of occupational health and safety. During the Reporting Period, we carried out safety training following the Group's "Safety College Plan", with 5,000 people trained. The training covers regular training, occupational health and hygiene training, fire safety training and transportation safety training designated with different focuses according to the production process and actual situation, followed by assessments. We also stipulate that employees engaged in special operation shall receive special safety training before setting out to work.

### Case: The third micro-lecture competition on safety and environmental protection

In July 2024, to implement the principles of the annual Safety and Environmental Protection Month, elevate safety and environmental protection management standards across the Group, and strengthen the development of a professional internal training team, Haitian University, the Group's Security Department, and the Group's Environmental Protection Department jointly organised the third micro-lecture competition on safety and environmental protection. Thirteen participants from various sectors of the Group integrated their professional expertise, practical methodologies, and managerial insights to illustrate the critical role of safety and environmental protection through engaging lectures. All award-winning competitors were appointed as internal safety and environmental protection instructors, laying a robust foundation for advancing the Group's safety and environmental training and education efforts.



Furthermore, beyond ensuring the occupational health and safety of employees, we also focus continually on the mental health of employees. By offering psychological support and counselling services, we assist employees in managing stress, anxiety, and other emotional health concerns.



## V. Employees' Rights and Interests

### Case: Employee well-being and care online lecture series

In October 2024, the Haitian Group labour union and its Charity Foundation launched the "Happy Workplace, Union with love" employee well-being and care online lecture series. Starting from October 21, live-streamed marriage relationship series lectures were held every Monday evening, delivered by national-level senior psychological counselors. Additionally, face-to-face individual counseling sessions were offered every Wednesday afternoon to guide employees in adopting a healthy mindset toward balancing personal and professional life. During the reporting period, the Haitian Psychological Support Volunteer Team expanded to include 9 professional counselors and 10 volunteers. Notably, the psychological counseling services transitioned from being administrative-driven to department-initiated requests, with proactive counseling sessions now integrated into routine employee communication.



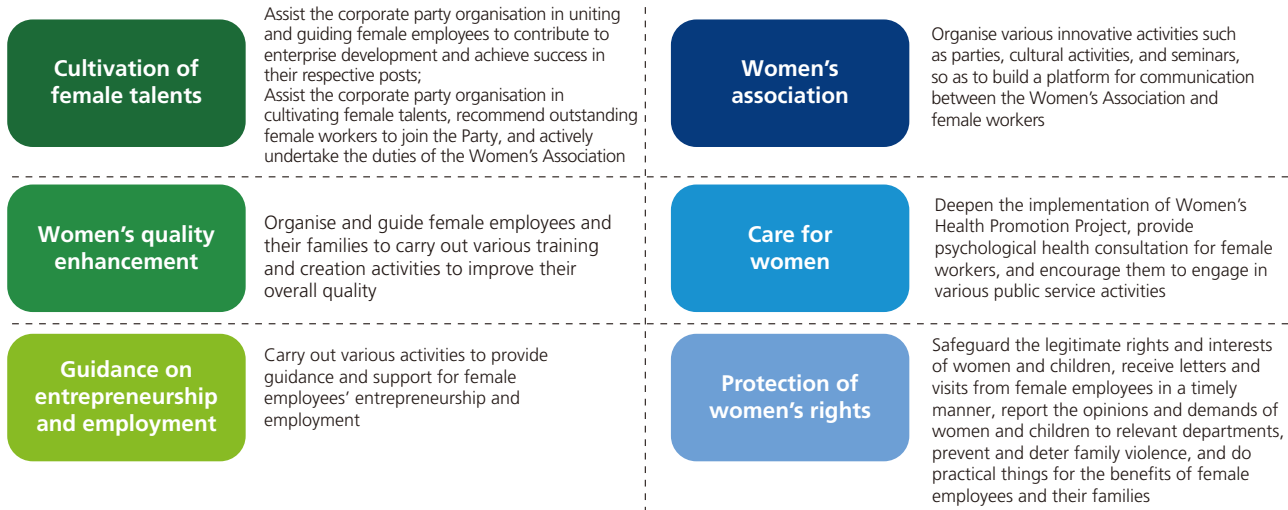
## 5. Staff Care

We maintain smooth communication and close contact with our employees. We have established various communication channels according to the *Employee Complaint Management System* (《員工申訴管理制度》) to help employees solve practical difficulties in a timely manner. Currently, the "Staff Voice" system has been implemented in the Group's labour union and extended to sub-labour unions. We have also set up a "Voice Group" to give full play to the role of the labour union group and further improve the mechanism for expressing and coordinating the interests of employees. In the "Staff Voice" office, employees may talk about and express their demands, discuss issues on labour relations, discuss psychological needs and offer good suggestions for the Group's development. In the future, the labour union of the Group will promote the inspection and evaluation of "Staff Voice", taking the evaluation results as the basis for the assessment of labour unions at all levels and the evaluation of managements, to further enhance the ability of primary-level labour unions to maintain and develop harmonious labour relations. Due to the sound operation of the labour union, Haitian Plastics Machinery Group was accredited as the Five-Star Harmonious Enterprise in Ningbo in 2024.

In addition, we conduct annually employee satisfaction surveys to collect and understand employees' satisfaction levels and demands in terms of the Group's management and system, working environment and atmosphere as well as remuneration and benefits, and find out the reasons for dissatisfaction and take timely rectification measures. In 2024, our employee satisfaction rate was 98%, showing an improvement compared to the previous year.

## V. Employees' Rights and Interests

The Group is committed to protecting the rights and interests of female employees. To this end, we set up a women's association at the Group level to earnestly perform our duties of organising, guiding, serving, and safeguarding the legitimate rights and interests of female employees.



*"Six Responsibilities" of the Women's Association under Haitian International*

### Case: 2024 employee representative conference

The Group holds an employee representative conference annually to listen to employees' opinions and suggestions. To further deepen the democratic management mechanism, safeguard employees' legitimate rights and interests, and advance the implementation of the union's "I Do Practical Things for Employees" initiative, the Haitian Group's labour union organised its sub-unions to convene the 2024 employee representative conference. During the conferences, sub-unions conducted discussions on employee welfare issues such as personnel compensation and performance management, and collected employee feedback on the union's 2025 work plan, fostering a stronger sense of ownership and engagement among employees.



## V. Employees' Rights and Interests

### Case: Deliver warmth to senior and distressed families

In 2024, the Haitian Group labour union's mutual aid association enrolled 6,609 employees in its insurance program. This year, the association actively supported 24 employees facing hardships, distributing RMB1.2 million in financial aid. Over its decade-long operation, the association has brought care and hope to 163 families in need, with cumulative support totaling RMB8.835 million. Additionally, the union purchased Yongning Insurance for Ningbo-based employees, providing them with an additional layer of solid protection.

### Case: Exclusive events for female employees on International Women's Day

To celebrate International Women's Day, the Group planned a series of special activities for female employees. On the event day, at the new headquarters cafeteria, we provided flowers to all female employees and held a floral arrangement workshop. Additionally, from March 16 to 17, we arranged a two-day trip to Shaoxing for 185 female employees, aiming to enrich their cultural and spiritual lives.





## VI. Public Welfare

### Progress in 2024

- In 2024, the total public welfare expenditure exceeded RMB10 million.
- The Haitian Volunteer Groups grew to over 2,000 members.
- In 2024, more than 100 public welfare projects were carried out.

The Group is committed to creating a beautiful and harmonious social environment. To this end, we make use of our advantages and resources to actively devote ourselves to public welfare and charitable undertakings, and integrate the culture of great love, which features thanking and giving back to society, into our corporate culture. In 2013, the Group, adhering to the social responsibility concept of "benefit the people and contribute to the world", established the Zhejiang Haitian Charity Foundation. The foundation organises donations and public welfare projects every year to support disadvantaged groups such as employees in difficulty, people in need, uneducated children, widows, orphans, and people with illnesses and disabilities. In doing so, we hope to pursue the culture of caring for the world and practising benevolence and good deeds. Zhejiang Haitian Charity Foundation was rated as a "4A" Chinese social organisation by Zhejiang Civil Affairs Bureau for its fruitful achievements in practising social responsibility.



*Zhejiang Haitian Charity Foundation was Rated as an AAAA Social Organisation*

Adhering to the spirit of humanistic care, we are concerned about the well-being of special groups and bring hope and change to those in need through our efforts. Over the past ten years, we, upholding the goal of creating value for the people, the society and the country, have made positive contributions to poverty alleviation, education support, medical assistance, public welfare and other fields.

## VI. Public Welfare

- Promoting Youth Education

**Case: Endeavour scholarships for colleges and universities**

During the Reporting Period, we cooperated with Zhejiang University of Technology, Ningbo University, Hangzhou Dianzi University and other 23 colleges in and outside Zhejiang Province to provide scholarships, innovation and research funds, and assistance for academic exchange programmes for students from poor families with good academic performance and well-rounded development. This scholarship was established to help underprivileged students realise their dreams of pursuing higher education and promote equity in education. In 2024, we invested RMB2.01 million in “Endeavour Scholarships for Colleges and Universities”, benefiting hundreds of students.



## VI. Public Welfare

- Assisting People in Need

### Case: Pairing assistance for rural revitalisation

We actively responded to the national rural revitalisation policy. In accordance with the aid application rules of the foundation, we distributed bailout money to families in need reported by the Yaqian, Shanxia and Qianjin Village Committees of Xiaogang Street. During the Reporting Period, we donated RMB220,000 to Yaqian Village, RMB100,000 to Shanxia Village, and RMB100,000 to Qianjin Village, respectively, helping a total of 335 rural families in distress.

### Case: Help for people in difficulty

Upholding the spirit of poverty alleviation and benevolence, we responded to the urgent needs of the public, solved their difficulties, and took practical actions to help families in difficulty due to disasters, accidents, or serious illnesses. During the Reporting Period, the Group helped 11 such families in difficulty, with an investment of RMB5,245,000.

In addition, we visited 11 registered difficult families and delivered 2 bags of rice, 2 cartons of milk, RMB2,000-worthy shopping cards and a pair of couplets to each family to convey the Group's concern. We also paid continuous attention to the well-being of retired employees. During the Reporting Period, we assisted 120 households of retired employees in difficulty, with a total expenditure of RMB1,777,200, being committed to improving the quality of life of retired employees with difficulties and ensuring their living standards in their later years.

### Case: Assistance for teenagers and impoverished women with cancer in Xiaogang Street

We are continuously concerned about the living conditions of children from special families and impoverished women with cancer. For a long time, we have collaborated with the Women's Association at Xiaogang Street to provide such children and women with care and support, alleviate their burden and improve their living conditions. During the Reporting Period, we invested RMB100,000 to bring forth positive energy, love and warmth to children from special families, while helping poor women suffering from malignant gynaecological tumours receive better treatment, with a total of 40 children and women benefiting from the funding.



## VI. Public Welfare

- **Staff Volunteer Activities**

### Case: Haitian volunteer groups

Since the establishment of the Haitian Charity Foundation in 2013, we have formed Haitian volunteer groups to provide public service from time to time to residents in the surrounding communities at weekends. The services include repairing bicycles and electric vehicles, sharpening kitchen knives and scissors, applying cell phone screen protectors, repairing household appliances, providing networking and support, donating books, medical care, little reading camp, counselling, old clothes donation, and book exchange, benefiting nearly 1,000 people. During the Reporting Period, 9 volunteer groups organised charitable activities, with 92 charity volunteers participating. The total expenditure for this year amounted to RMB92,200.



### Case: Visit to Xiaogang Welfare Institute

Against the background of an ageing population, we have paid sustained attention to the social issue of elderly people not having enough companionship or care. Therefore, we organised volunteers to visit Xiaogang Street Welfare Institute on the Double Ninth Festival, brought holiday gifts for the elderly and gave them haircuts, intending to promote the traditional virtue of respecting the elderly.





## VI. Public Welfare

- Upholding the Tradition of Charitable Activities

**Case: Haitian Charity Day**

On April 27 and September 28, 2024, we hosted the 16th and 17th Haitian Charity Day at Haitian Park. The events provided diverse charitable services, such as photographing, hairdressing, measuring blood pressure and blood glucose, repairing household appliances, donating clothes, shoes and books, providing networking and support, making handmade reusable bags and promoting waste sorting and recycling knowledge, serving more than 1,000 people in total, with an expenditure of RMB25,000.



# ESG Reporting Guide Index

Topic	Disclosures	Location in report
<b>A. Environmental</b>		
<b>Aspect A1</b>	<b>Emissions</b>	
<b>General Disclosure</b>	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	Green Production – Implementation of Green Management, Strict Control over Discharge and Emissions
<b>A1.1</b>	The types of emissions and respective emissions data	Green Production – Strict Control over Discharge and Emissions, ESG Performance Data
<b>A1.2</b>	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Green Production – Energy Management, ESG Performance Data
<b>A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Green Production – Strict Control over Discharge and Emissions, ESG Performance Data
<b>A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Green Production – Strict Control over Discharge and Emissions, ESG Performance Data
<b>A1.5</b>	Description of emission target(s) set and steps taken to achieve them	Green Production – Implementation of Green Management
<b>A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets(s) set and steps taken to achieve them	Green Production – Strict Control over Discharge and Emissions



## ESG Reporting Guide Index

Topic	Disclosures	Location in report
<b>Aspect A2</b>	<b>Use of Resources</b>	
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials	Green Production – Implementation of Green Management, Energy Management, Water Management
<b>A2.1</b>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Green Production – Energy Management, ESG Performance Data
<b>A2.2</b>	Total water consumption and intensity (e.g. per unit of production volume, per facility)	Green Production – Water Management, ESG Performance Data
<b>A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them	Green Production – Implementation of Green Management
<b>A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Green Production – Implementation of Green Management
<b>A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable, because the Group's main business is not resource intensive for packaging materials
<b>Aspect A3</b>	<b>Environment and Natural Resources</b>	
<b>General Disclosure</b>	Policies on minimising the issuer's significant impacts on the environment and natural resources	Green Production – Implementation of Green Management
<b>A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Not applicable, because the Group's activities have no significant impact on the environment
<b>Aspect A4</b>	<b>Climate Change</b>	
<b>General Disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	Green Production – Implementation of Green Management
<b>A4.1</b>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Green Production – Climate Change



## ESG Reporting Guide Index

Topic	Disclosures	Location in report
<b>B. Social</b>		
<b>Aspect B1</b>	<b>Employment</b>	
<b>General Disclosure</b>	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	Employees' Rights and Interests – Legal Employment/Remuneration and Benefits
<b>B1.1</b>	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	ESG Performance Data
<b>B1.2</b>	Employee turnover rate by gender, age group and geographical region	ESG Performance Data
<b>Aspect B2</b>	<b>Health and Safety</b>	
<b>General Disclosure</b>	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	Employees' Rights and Interests – Health and Safety
<b>B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Employees' Rights and Interests – Health and Safety, ESG Performance Data
<b>B2.2</b>	Lost days due to work injury	Employees' Rights and Interests – ESG Performance Data
<b>B2.3</b>	Description of occupational health and safety measures adopted and how they are implemented and monitored	Employees' Rights and Interests – Health and Safety



## ESG Reporting Guide Index

Topic	Disclosures	Location in report
<b>Aspect B3</b>	<b>Development and Training</b>	
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Employees' Rights and Interests – Development and Training
<b>B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	ESG Performance Data
<b>B3.2</b>	The average training hours completed per employee by gender and employee category	ESG Performance Data
<b>Aspect B4</b>	<b>Labour Standards</b>	
<b>General Disclosure</b>	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> relating to preventing child and forced labour.	Employees' Rights and Interests – Legal Employment
<b>B4.1</b>	Description of measures to review employment practices to avoid child and forced labour	Employees' Rights and Interests – Legal Employment
<b>B4.2</b>	Description of steps taken to eliminate such practices when discovered	Employees' Rights and Interests – Legal Employment
<b>Aspect B5</b>	<b>Supply Chain Management</b>	
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain	Responsible Operation – Supply Chain Management
<b>B5.1</b>	Number of suppliers by geographical region	ESG Performance Data
<b>B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Responsible Operation – Supply Chain Management, ESG Performance Data
<b>B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Responsible Operation – Supply Chain Management
<b>B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Responsible Operation – Supply Chain Management

## ESG Reporting Guide Index

Topic	Disclosures	Location in report
<b>Aspect B6</b>	<b>Product Responsibility</b>	
<b>General Disclosure</b>	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	Responsible Operation
<b>B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Responsible Operation – Product Quality and Safety
<b>B6.2</b>	Number of products and services related complaints received and how they are dealt with	Responsible Operation – Quality Service
<b>B6.3</b>	Description of practices relating to observing and protecting intellectual property rights	Responsible Operation – Intellectual Property Protection
<b>B6.4</b>	Description of quality assurance process and recall procedures	Responsible Operation – Product Quality and Safety
<b>B6.5</b>	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Sophisticated Governance – Business Information Security
<b>Aspect B7</b>	<b>Anti-corruption</b>	
<b>General Disclosure</b>	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> <p>relating to bribery, extortion, fraud and money laundering.</p>	Sophisticated Governance – Business Ethics
<b>B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases	Sophisticated Governance – Business Ethics
<b>B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Sophisticated Governance – Business Ethics
<b>B7.3</b>	Description of anti-corruption training provided to directors and staff	Sophisticated Governance – Business Ethics
<b>Aspect B8</b>	<b>Community Investment</b>	
<b>General Disclosure</b>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests	Public Welfare
<b>B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Public Welfare
<b>B8.2</b>	Resources contributed (e.g. money or time) to the focus area	Public Welfare



# ESG Performance Data

## Environment

Emissions <sup>1</sup>	Unit	FY 2024
Direct greenhouse gas emissions <sup>2</sup>	tCO <sub>2</sub> e	3,678.80
Indirect greenhouse gas emissions <sup>2</sup>	tCO <sub>2</sub> e	78,341.35
Total greenhouse gas emissions <sup>2</sup>	tCO <sub>2</sub> e	82,020.15
Greenhouse gas emission intensity <sup>2</sup>	tCO <sub>2</sub> e/RMB10,000 revenue	0.0509
NO <sub>x</sub>	kg	709.27
SO <sub>x</sub>	kg	140.61
PMs	kg	2,206.65
VOC/Non-methane hydrocarbon	kg	24,417.03
Others (chromic acid mist) <sup>3</sup>	kg	0.00
Waste water	Tonne	81,416.00
Waste water intensity	Tonne/RMB10,000 revenue	0.05
Waste mineral oil	Tonne	133.44
Waste emulsified mixture	Tonne	266.10
Waste carbon-based catalyst	Tonne	22.06
Waste filter	Tonne	14.83
Paint residue	Tonne	183.03
Waste oil barrel	Tonne	64.84
Sludge	Tonne	418.03
Oily wastes	Tonne	134.80
Waste hydrochloric acid	Tonne	58.20
Others	Tonne	35.16
Total hazardous wastes	Tonne	1,330.49
Hazardous waste intensity	Tonne/RMB10,000 revenue	0.0008
Total non-hazardous wastes	Tonne	29,467.47
Non-hazardous waste intensity	Tonne/RMB10,000 revenue	0.0183

## ESG Performance Data

Use of Resources <sup>1</sup>	Unit	FY 2024
Gasoline	Tonne	146.76
Natural gas <sup>4</sup>	Cubic metre	721,244.00
Liquefied petroleum gas (LPG) <sup>4</sup>	Tonne	0.00
Diesel	Tonne	545.90
Total direct energy consumption	MWh	16,023.17
Purchased electricity	MWh	119,425.43
Steam	Tonne	36,980.89
Total indirect energy consumption	MWh	147,859.99
Total energy consumption	MWh	163,883.16
Energy consumption intensity	MWh/RMB10,000 revenue	0.1016
Total water consumption	Tonne	385,994.00
Water consumption intensity	Tonne/RMB10,000 revenue	0.2393

## Society

Employment	Unit	FY 2024
Total workforce	Person	8,074
Male employees	Person	7,195
Female employees	Person	879
Full-time employees	Person	7,811
Part-time employees	Person	263
Under 30 years old	Person	2,767
30 to 40 years old	Person	2,534
Over 40 years old	Person	2,773
Mainland China	Person	7,062
Overseas	Person	1,012
Percentage of female executives	%	8.20
Total workforce from ethnic minorities and/or disadvantaged groups	%	1.11
Ethnic minorities and/or disadvantaged group members in senior management	%	0.33
Total working hours of all employees	Hour	16,212,592



## ESG Performance Data

Turnover rate	Unit	FY 2024
Male employees	Person	619
Female employees	Person	96
Employees under 30 years old	Person	384
Employees between 30 to 40 years old	Person	178
Employees over 40 years old	Person	153
Mainland China	Person	501
Overseas	Person	214
Total turnover rate	%	8.86
Male employees	%	8.60
Female employees	%	10.92
Employees under 30 years old	%	13.88
Employees between 30 to 40 years old	%	7.02
Employees over 40 years old	%	5.52
Mainland China	%	7.09
Overseas	%	21.15

Health and Safety	Unit	FY 2024
Number of work-related fatalities <sup>5</sup>	Person	0
Rate of work-related fatalities	%	0
Lost working days	Day	0

Proportion of trainees by employee category	Unit	FY 2024
Total number of trainees	Person	8,074
Senior management	Person	41
Middle management	Person	259
Junior employees	Person	7,774
Male trainees	Person	7,195
Female trainees	Person	879
Senior management	%	1
Middle management	%	3
Junior employees	%	96
Male trainees	%	89
Female trainees	%	11

## ESG Performance Data

Average training hours by employee category	Unit	FY 2024
Senior management	Hour	24
Middle management	Hour	54
Junior employees	Hour	13
Male employees	Hour	15
Female employees	Hour	15

Supply Chain Management <sup>6</sup>	Unit	FY 2024
China	/	217
Other countries	/	5
New suppliers under access assessment in the current year	/	8
Suppliers eliminated due to product quality and safety issues	/	0
Suppliers having passed ISO 14001 environmental management system certification	/	36
Suppliers having passed ISO 45001 occupational health and safety management system certification	/	28
Suppliers having passed ISO 9001 quality management system certification	/	77
Suppliers having passed ISO 27001 information security management system certification	/	2
Suppliers signing the Letter of Commitment to Integrity	/	164
Suppliers signing the Management Measures for Safety and Environmental Protection	/	166
Suppliers signing the Code of Social Responsibility	/	166

Note 1: Data only covers the plants in Ningbo, excluding the Wuxi Plant, South China Plant (partly under construction), and overseas plants; the intensity is calculated by the output per RMB10,000 revenue.

Note 2: GHG emissions are mainly from the use of gasoline, natural gas and diesel during production (Scope 1), and from the purchased electricity and steam (Scope 2). GHG emissions are presented as CO<sub>2</sub> equivalent (CO<sub>2</sub>e), with the calculation method and conversion factors in line with the Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Other Industrial Enterprises (《工業其他行業企業溫室氣體排放核算方法與報告指南》) issued by the National Development and Reform Commission and the Announcement on the Release of 2022 Power Carbon Dioxide Emission Factors. (《關於發佈2022年電力二氧化碳排放因子的公告》) issued by the Ministry of Ecology and Environment.

Note 3: During the Reporting Period, the emission concentration of chromic acid mist was lower than the detection limit of the testing unit (0.005 mg/m<sup>3</sup>), therefore no chromic acid mist emissions were detected.

Note 4: During the Reporting Period, the Dagang Plant of the Group switched its heating source from liquefied petroleum gas to natural gas, resulting in an increase in natural gas consumption and a corresponding decrease in liquefied petroleum gas usage.

Note 5: The Group had 1 work-related fatality in 2022, resulting in 1 fatality (accounting for 0.014% of the total workforce), which is detailed in the 2022 ESG report; there were no work-related fatalities in 2023 or 2024.

Note 6: Data on supply chain management covers production procurement suppliers for the plants in Ningbo, Wuxi Plant and South China Plant (partly under construction), excluding administrative procurement suppliers.



# Feedback from Readers

Dear readers:

Thank you for reading our 2024 *Environmental, Social and Governance Report* (《2024年環境、社會及管治報告》). In order to provide stakeholders with valuable information and improve our ability and performance in the fulfilment of social responsibility, we are sincerely expecting your valuable opinions and suggestions.

You can fill in the feedback form and return it to us in the following ways:

Address: No. 1688 Haitian Road, Xiaogang, Beilun District, Ningbo City, Zhejiang Province

Tel (Mainland China): 86-574-86182786

Tel (Hong Kong): 852-24282999

Postcode: 315801

Email: wangjihui@mail.haitian.com; yxj0199@mail.haitian.com

1. Your overall rating for the Group's Environmental, Social and Governance Report:

Outstanding       Satisfactory       Unsatisfactory       Poor

2. Your rating for the Group's fulfilment of economic, social and environmental responsibility:

Economic Responsibility	<input type="checkbox"/> Outstanding	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Unsatisfactory	<input type="checkbox"/> Poor
Social Responsibility	<input type="checkbox"/> Outstanding	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Unsatisfactory	<input type="checkbox"/> Poor
Environmental Responsibility	<input type="checkbox"/> Outstanding	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Unsatisfactory	<input type="checkbox"/> Poor

3. How the Report reflects the impact of the Group's ESG responsibility practice on the economy, society and environment?

Very good       Good       Fair       Poor       Very poor

4. What do you think about the clarity, accuracy and completeness of the information and data disclosed in the Report?

Clarity	<input type="checkbox"/> Outstanding	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Unsatisfactory	<input type="checkbox"/> Poor
Accuracy	<input type="checkbox"/> Outstanding	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Unsatisfactory	<input type="checkbox"/> Poor
Completeness	<input type="checkbox"/> Outstanding	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Unsatisfactory	<input type="checkbox"/> Poor

5. Are the content structure and layout design convenient for you to read?

Yes       Fair       No

6. Other opinions or suggestions about the Group's ESG work and the Report:

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