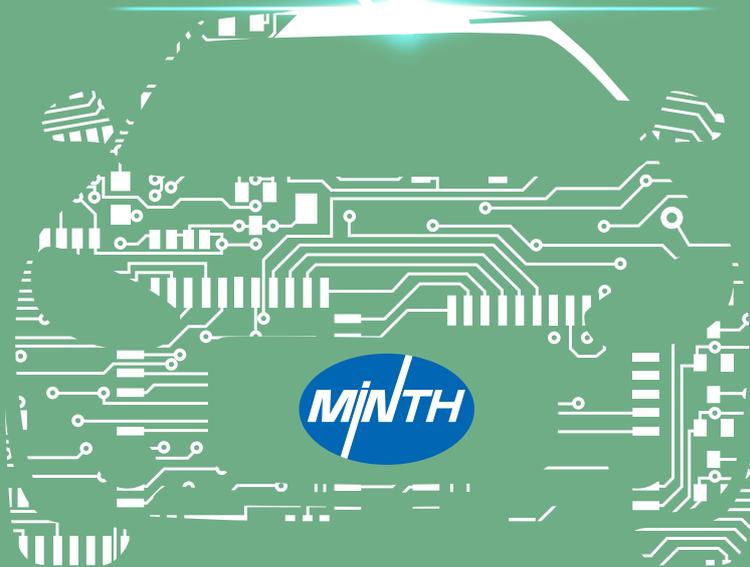


GLOBAL

2022
ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT

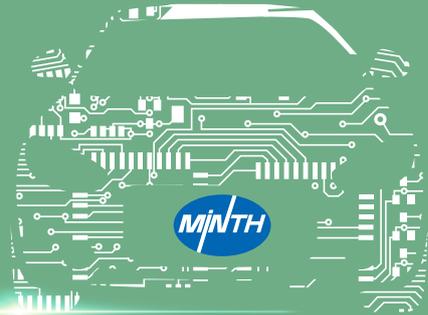


MINTH GROUP LIMITED
敏實集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 425

GLOCAL



CONTENTS

| | | | |
|-----------|---|-----------|---------------------------------------|
| 2 | ABOUT THIS REPORT | 39 | 4. LEAN INNOVATION |
| 3 | MESSAGE FROM THE MANAGEMENT | 39 | 4.1. Outstanding Quality |
| 4 | ABOUT MINTH | 44 | 4.2. R&D Innovation |
| 5 | KEY PERFORMANCE IN 2022 | 50 | 4.3. Digital Inclusion |
| 6 | UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS | 54 | 4.4. Customer Responsibility |
| 8 | 1. CORPORATE GOVERNANCE | 57 | 5. GREEN MANUFACTURE |
| 8 | 1.1. Corporate Governance | 57 | 5.1. Green Development |
| 13 | 1.2. ESG Management | 60 | 5.2. Climate Change |
| 14 | 1.3. Stakeholder Communication | 68 | 5.3. Resource Management |
| 17 | 2. TEAM DEVELOPMENT | 70 | 5.4. Emission Compliance |
| 17 | 2.1. People-Oriented | 75 | 6. SAFETY DEVELOPMENT |
| 21 | 2.2. Talent Growth | 75 | 6.1. Production Safety |
| 26 | 2.3. Culture Consensus | 78 | 6.2. Occupational Health |
| 31 | 3. WIN-WIN COOPERATION FOR A BETTER SOCIETY | 79 | APPENDIX 1 – ESG CONTENT INDEX |
| 31 | 3.1. Value Co-Creation | | |
| 34 | 3.2. Community Care | | |

ABOUT THIS REPORT

REPORTING SCOPE

This is the 7th Environmental, Social and Governance (hereinafter referred to as “ESG”) Report issued by Minth Group, which focuses on the disclosure of the Group’s practice and performance in environmental management, social responsibility, and corporate governance from 1 January 2022 to 31 December 2022 (hereinafter referred to, as the “Reporting Period”), to meet the expectations and requirements of its stakeholders. The ESG-related policies, statements, and data in this report cover the Group’s headquarters and its subsidiaries, and any inconsistency in the scope of the disclosure will be explained in the Report.

REPORT PREPARATION STANDARD

This report is compiled concerning the *Environmental, Social and Governance Reporting Guide* in Appendix 27 of the Listing Rules issued by the *Stock Exchange of Hong Kong Limited* (hereinafter referred to as “the Stock Exchange”) and United Nations Sustainable Development Goals (SDGs). The content of this report is determined in alignment with a set of systematic procedures, including identifying and prioritizing key stakeholders and material ESG issues, determining the boundaries of the ESG Report, collecting relevant materials and data, compiling the Report based on the data, and reviewing the information in the Report, etc.

RELATED ABBREVIATIONS

For the convenience of presentation and reading, “the Company” in this report refers to Minth Group Limited, the Company together with its subsidiaries is collectively referred to as “Minth Group”, “the Group” or “we”.

MATERIAL SOURCE AND RELIABILITY STATEMENT

The information and cases in this report are mainly collected from the Group’s statistical reports and relevant documents. The Group guarantees that this report is free from any false records or misleading statements, and thereby undertakes liabilities for the truthfulness, accuracy, and completeness of the Report.

CONFIRMATION AND APPROVAL

After confirmation by the Management, this Report was approved by the Board of Directors on 22 April 2023.

ACCESS AND FEEDBACK TO THE REPORT

This report is available in Traditional Chinese and English. In light of environmental protection, we recommend the electronic version, which can be found on the Group’s website or the Company’s “Financial Statements/ESG Information” on the website of the Stock Exchange. We highly value the voices of stakeholders and welcome readers to contact us through the following channels. Your opinions will help us further improve this report and enhance the Group’s overall ESG performance.

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MESSAGE FROM THE MANAGEMENT

The year 2022 presented both challenges and opportunities, with significant impacts on global sustainability and people's livelihoods. Despite these demanding external circumstances, Minth Group has proven to be a strong player in global sustainability and has shown resilience and momentum in overcoming hardships.

Each person carries the responsibility for the world's successes and failures. With a commitment to aligning with the global trend of sustainability and achieving development goals in poverty reduction, energy optimization, climate action, and land ecosystem preservation, Minth Group, a leading auto parts supplier worldwide, employs the ESG philosophy as a primary strategy to drive the future of the manufacturing industry towards energy conservation, net zero emissions, and intelligence. The Group strives to establish an industrial ecosystem that promotes intelligent manufacturing, green development, and humanistic care.

Corporate governance is of great importance to Minth Group, and the Group is committed to fulfilling its responsibilities in corporate governance, particularly in the current age of sustainable development. Minth Group aims to incorporate ESG concepts into its development strategies and has established the Sustainability Committee in 2022 to ensure compliant operation and sustainable growth. The Group has adopted sustainable operation as a strategic guideline for the future.

The automobile industry is currently undergoing a revolutionary transformation, with electrification being the norm. Energy conservation and carbon reduction have become defining trends in the manufacturing of electric vehicle parts. In pursuit of globalization, Minth Group has constructed the Factory of the Future and has maintained close communication with automotive OEMs. The Group has made significant efforts to keep up with the trends of electric, intelligent, and lightweight automobiles, thus enabling continuous innovation and revolution.

Minth Group is committed to developing in a green and sustainable manner, and has incorporated green philosophy throughout the entire business cycle. The Group has explored green design and green operation models and has developed an industry landscape with objectives focused on "Zero-Carbon R&D and Circular Economy." In addition, the Group has established an operational pathway towards "Digitalization, Green Energy, and Green Supply Chains". In 2022, three of Minth Group's factories were awarded national-level green manufacturing factory awards.

At Minth Group, we firmly believe that talent development is essential for our lasting prosperity. We are committed to implementing our development strategy through workforce development in the new era and upholding our "people-centric" talent philosophy. We continuously strive to enhance high-quality talent cultivation to create a diverse team and maintain a fair and healthy workplace that protects employees' rights and interests. Additionally, we place great value on humanistic care and stand together with every employee in collectively shaping the best tomorrow for Minth Group.

As a socially responsible enterprise, Minth Group always pays close attention to societal development and changes around the world. We prioritize the well-being of people and society while fulfilling our social responsibilities. We uphold the principle of "Bringing love together and paying it forward" and advocate the philosophy of "Creating Value for Society." We are grateful to society and aware of our social responsibilities, and we continue to invest and engage in social welfare initiatives. In the years ahead, we will stay true to our founding aspiration of "Delivering best practices in social welfare and charity," uniting to fill the path of public welfare with love and sunshine.

Minth Group has been a respected member of the industry since its inception, with a strong reputation for providing high-quality products and services that are highly regarded by customers and society. In 2022, we remained committed to innovation, entrepreneurship, and digitalization, continuously creating value for our customers and society. As we embark on the next phase of our journey, starting with our 30th anniversary, we will stay true to our original vision, embrace globalization, and seize opportunities to build a century lasting brand that will continue to thrive in the years to come.

Wei Ching Lien
Chairperson
Minth Group Limited

ABOUT MINTH

Minth Group is a globally recognized auto parts manufacturer, ranking among the top 100 in the world. We specialize in four product business units, namely plastic products, metal and trim products, battery housing, and aluminum products. Our position as the world's leading supplier of battery housing and the most comprehensive supplier of surface treatment is testament to our commitment to delivering high-quality products and services. Our vision of "creating beauty in motion with intelligence" guides us as we operate over 60 factories in China, Czech Republic, France, Germany, Mexico, Poland, Serbia, Thailand, the United Kingdom and the United States, constantly striving to meet the needs of global customers.



Beauty of Environment
Sincerely undertaking corporate social responsibilities to make the world a better place



Beauty of Employees
Aiming at employees' physical and mental health, we foster cohesion with care and build harmony with sincerity



Beauty of Products
Providing customers with high-quality and modular solutions with state-of-the-art manufacturing techniques



Beauty of Originality
Becoming customers' long-term strategic partner leveraging core technologies and concurrent design

Corporate Culture at Minth Group

Minth Group is committed to achieving its strategic objective of becoming one of the top 50 suppliers in the global auto parts industry and generating RMB35 billion in revenue by 2025. To realize this goal, we are committed to promoting a new concept of "Intelligent Manufacturing + Humanity," which involves creating an industrial ecosystem that showcases intelligent manufacturing, green development, and humanistic care. Our efforts are focused on setting new industry benchmarks and advancing the manufacturing economy.

KEY PERFORMANCE IN 2022

Key Performance in Responsibility Management



Establishment of Sustainability Committee

- 592** new patents authorized
- RMB1.172 billion** in research expenditure
- 100%** coverage of IATF 16949 Automotive Quality Management System
- 15.2%** suppliers accredited by ISO 14001 Environmental Management System Certification
- 9.3%** suppliers accredited by ISO 45001 Occupational Health and Safety Management System Certification

Key Performance in Environment



5% year-on-year reduction in energy consumption and carbon emission per RMB10,000 output respectively

- 86%** factories accredited by ISO 14001 Environmental Management System Certification
- 17 %** reduction in GHG emissions per RMB1,000 revenue compared to the previous year
- 13 %** reduction in non-hazardous waste disposal per RMB1,000 revenue compared to the previous year

Key Performance in Employment



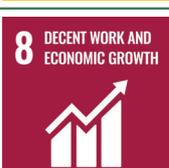
- 16,607** person-times training in total
- 83.2%** labor union coverage
- 0** work-related fatality

Key Performance in Community Care



- RMB3.734 million** invested in education and community support by Minth Foundation
- 160,000 hours** encouraging employees to participate in charity events, with a total of 160,000 hours' participation from our employees in charity sale, donation and community services on education activities in remote areas

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

| UNSDGs | Minh's Response |
|---|---|
|  <p>1 NO POVERTY</p> | <ul style="list-style-type: none"> Dedicated to poverty alleviation through education, we established “Pearl Student Relief Subsidy” to aid educators in remote areas. |
|  <p>3 GOOD HEALTH AND WELL-BEING</p> | <ul style="list-style-type: none"> Upholding public welfare philosophy of “Bringing Love Together and Paying It Forward”, we actively serve communities, making our contribution to people’s health and wellbeing. |
|  <p>4 QUALITY EDUCATION</p> | <ul style="list-style-type: none"> Staying committed to improving the quality of education in rural areas, we continue to promote balanced development of education. We focus on school infrastructure and support underprivileged students (including primary, secondary, high school, and college students). |
|  <p>5 GENDER EQUALITY</p> | <ul style="list-style-type: none"> We uphold principles of openness, fairness, and justice when it comes to hiring practices. We firmly reject any form of discrimination based on gender and do not provide differentiated treatment. An anti-discrimination hotline, a work equality office, and a dedicated working group are established to encourage employees to work together to create a healthy and inclusive work environment for all. We have 26.3% female staff in management team. |
|  <p>6 CLEAN WATER AND SANITATION</p> | <ul style="list-style-type: none"> Adhere to the concept of saving water, we are committed to cutting total water consumption by 3% per year. Leveraging measures such as using reclaimed water and wastewater, we plan to reduce water consumption by 20% over the 2020 baseline by 2030. |
|  <p>7 AFFORDABLE AND CLEAN ENERGY</p> | <ul style="list-style-type: none"> Vigorously developing green energy, the Group has built 70MW of photovoltaic installations in total. We use existing resources effectively to constantly enlarge the share of solar power generation. To date, solar energy power accounts for 15% of our power consumption, while green power accounts for 20% in total. |
|  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> | <ul style="list-style-type: none"> We attract diverse talents through localized and school-enterprise cooperation recruitment, which promotes local employment and drives economic growth. |
|  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> | <ul style="list-style-type: none"> We continue to push forward the R&D of innovative technologies, and actively deploy innovative products in lightweight, electrification, and intelligent driving, leading industry development. |

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

| UNSDGs | Minth's Response |
|---|--|
|  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> | <ul style="list-style-type: none"> We work to reduce waste gas emissions and continuously enhance air pollution prevention and control, ensuring a safe living environment for residents. As part of our efforts to minimize impacts on the urban environment, we continue to renovate highly polluting and emission-intensive processes and equipment and strive for 50% of A-level (qualified to adopt independently determined emission reduction in heavily polluted weather) factories. We have put in place a whole-process waste management system and committed to cutting 25% of hazardous waste over the 2019 baseline by 2030. |
|  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> | <ul style="list-style-type: none"> To explore sustainable production, we continue to promote the building of digital factories and integrated global IT architecture, fostering a digital ecosystem connecting suppliers, customers, and business partners. We actively develop a circular economy and target to use 50% recycled aluminium out of the total aluminium consumption by 2030. |
|  <p>13 CLIMATE ACTION</p> | <ul style="list-style-type: none"> We embed energy and carbon emission management into a group-level development strategy to de-risk climate change. Focusing on the carbon strategy of "carbon peaking by 2030 and carbon neutrality by 2050", we set a target of a 5% year-on-year reduction of energy consumption and carbon emission per RMB10,000 output respectively. |
|  <p>15 LIFE ON LAND</p> | <ul style="list-style-type: none"> 80% of the Group's factories have eliminated wastewater discharge and realized closed-loop water management, ensuring sustainable development of the freshwater ecosystem by no longer discharging wastewater to the external environment. The Group acts on its initiative to carry out soil and underground water monitoring and reporting. It has passed all the assessments, effectively containing biodiversity loss. |
|  <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> | <ul style="list-style-type: none"> Our legal affair functions to engage in compliance management worldwide, specifying honesty and ethical disciplines as well as breaches of all kinds. We promise that everyone is entitled to monitor and report management or staff for breaches of disciplines, regulations, or duties. We reject discriminative and differentiated treatment of any form and have put in place an anti-discrimination hotline. |
|  <p>17 PARTNERSHIPS FOR THE GOALS</p> | <ul style="list-style-type: none"> We extensively cooperate and exchange with enterprises, universities, and research institutions, and continuously expand partnerships with universities, scientific research institutions, and industry partners, thereby strengthening R&D and innovation hand in hand. As part of our efforts to promote value chain sustainability, we have established a sustainability risk identification and management workflow throughout the production and supply chains and put in place a digital supplier emission system. |

1. CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE

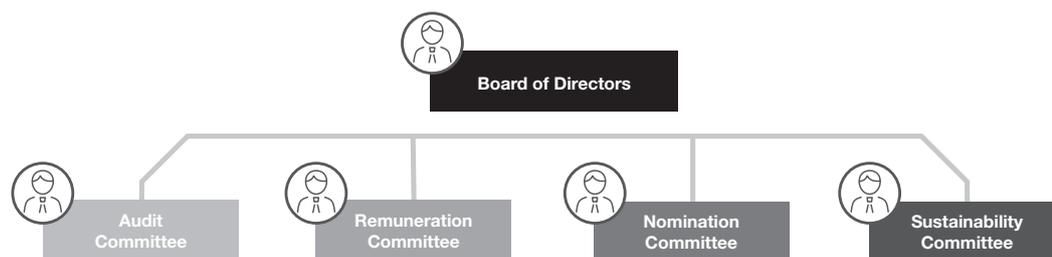
1.1. Corporate Governance

Minth Group places a strong emphasis on corporate governance and strives to enhance the management of the organization. The Company is dedicated to promoting diversity and professionalism among its Board of Directors, while ensuring that the management is transparent, efficient, and capable of driving sustainable development.

The corporate governance structure of Minth Group is continuously evolving, as the Company believes that strong and stable governance is crucial for the sustainable development of the business. The Board of Directors, which serves as the decision-making body of the Company, consists of three independent non-executive Directors, representing 50% of the Board. All Board members have extensive and varied backgrounds and experience in their respective industries. To ensure balanced perspectives, the Company is committed to regularly reviewing the composition of the Board from various angles, such as gender, age, cultural and educational background, and professional experience. As of now, female staff make up 44.4% of the leadership of our top management decision-making committee.

During the Reporting Period, the Company established the Sustainability Committee, which works alongside the Audit Committee, Remuneration Committee, and Nomination Committee, to carry out various functions under the Board of Directors. This ensures a top-down implementation of the Company's governance principles, leading to high operational compliance and sustainable business practices.

As at the end of the Reporting Period, the Board of Directors of Minth Group includes three executive Directors, namely Ms. Wei Ching Lien, Ms. Chin Chien Ya, and Mr. Ye Guo Qiang, as well as three independent non-executive Directors, namely Dr. Wang Ching, Mr. Wu Tak Lung, and Professor Chen Quan Shi.



Governance Structure of the Board of Minth Group

| Name of Director | Position | Gender | Age | Time to be | | | | |
|------------------|---|--------|-----|-----------------------|-----------------|----------------------|------------------------|--------------------------|
| | | | | appointed as Director | Audit Committee | Nomination Committee | Remuneration Committee | Sustainability Committee |
| Wei Ching Lien | Chairperson and Chief Executive Officer | Female | 66 | 2020 | N/A | N/A | N/A | Chairperson |
| Chin Chien Ya | Executive Director | Female | 34 | 2016 | N/A | N/A | N/A | Member |
| Ye Guo Qiang | Executive Director | Male | 43 | 2022 | N/A | N/A | N/A | Member |
| Wang Ching | Independent Non-executive Director | Male | 68 | 2005 | Member | Chairperson | Member | Member |
| Wu Tak Lung | Independent Non-executive Director | Male | 57 | 2020 | Chairperson | Member | Member | N/A |
| Chen Quan Shi | Independent Non-executive Director | Male | 77 | 2021 | Member | Member | Chairperson | Member |

Overview of the Company's Board and Committees at the end of the Reporting Period

Risk Management

Minth Group places great importance on complying with applicable laws and regulations, and continually enhances its management standards by promoting diversity and professionalism within its Board of Directors. The Group's objective is to ensure sustainable development through transparent and efficient management, which it accomplishes by adhering to Minth Group Internal Control and Risk Management Policy and Guidelines. The policy stipulates that each factory, business unit, and functional department should assess and identify risks. To manage these risks, the Audit and Supervision Department oversees risk management and tracking, and the Group has developed a robust risk management framework and established an audit and risk control model. To heighten risk awareness and refine internal control governance, the Group records and tracks risks, prepares control deficiency sheets, and issues risk alerts. Additionally, the Group publishes annual reports on internal control and risk management. Minth Group proactively identifies and manages both internal and external risks, engaging qualified third-party organizations for internal and external audits. In the process of corporate operations, the Company monitors its internal control system's performance to continually strengthen its governance system. To integrate risk management plans into its Group strategies, the Company aims to develop a risk management mechanism and prevention system that considers the needs of various stakeholders.

Business Ethics and Anti-Corruption

Minth Group is committed to upholding relevant laws and regulations related to compliance and bribery. To ensure compliance, the Company has established Minth Group Limited Code of Business Conduct and Ethics and Minth Group Anti-Bribery Management Manual. These documents provide clear guidelines on ethical standards and disciplinary violations, including managing conflicts of interest between personal and occupational relationships in a lawful and compliant manner.

Jiaying Minhui Automotive Parts Co., Ltd., a wholly-owned subsidiary of the Company, was awarded the ISO 37001 Anti-bribery Management System certification during the Reporting Period, demonstrating the Group's commitment to anti-bribery management and global recognition.

Minth Group has institutional policies to regulate business ethics, which were continuously implemented during the Reporting Period. As part of this effort, the Group conducted a special audit of business ethics for factories in several regions, including Chongqing, Zhejiang, and Jiangsu, and found no notable or material violations of business ethics. Additionally, the Group provided anti-corruption, anti-bribery, and anti-unfair competition training to all employees to enhance their awareness of business ethics and strengthen the Group's business ethics system.

Anti-Corruption Training for Employees

To further raise the anti-corruption awareness of employees, we organized the "Anti-Commercial Bribery Training" and the "Integrity Culture Training" for the team of the Mould Center during the Reporting Period, covering full-time and part-time employees as well as dispatched workers, with a coverage rate of 78%. The training aimed to have the employees informed of the current situation and trend of anti-corruption in the Group, as well as the consequences and implications of fraud to engage them in uncorrupted business.

Anti-Corruption Training for the Management

In order to prevent fraudulent incidents involving senior management within the Group, we conducted training sessions on how to effectively identify and prevent corruption for our senior executives, including Directors and senior management. The training introduced common corporate corruption issues and aimed to increase their awareness of anti-corruption measures and their ability to detect and prevent potential corrupt practices in a timely manner.

External Exchange and Training on Business Ethics

Minth Group actively engages in industry communication to promote horizontal development of its anti-corruption compliance work. In July 2022, the Group participated in an exchange meeting organized by the "Binjiang Association for the Promotion of Enterprises Compliance". This provided an opportunity for Minth to learn about anti-bribery system building and measures for improvement in various industries, further enhancing the Group's understanding of business ethics and allowing for continuous improvement of its business ethics system.

In October 2022, we attended an online training on the "Six Key Points in Procurement Frauds" to learn more about procurement risk points in different industries.

Additionally, Minh Group is committed to promoting integrity among its suppliers. To achieve this, we have established an integrated supplier management system using digital tools. We have also added the Supplier Code of Conduct for Social Responsibility of Minh Group on the self-service login page to promote supplier integrity policies and strengthen control over the introduction of and collaboration with suppliers. Moreover, we have signed integrity agreements with all qualified suppliers, achieving 100% coverage.

The Group values the importance of maintaining a culture of ethics and accountability and encourages all employees, partners, and stakeholders to report any potential violations of our business ethics policies. To ensure a safe and secure reporting environment, we have established multiple reporting channels, including the official website, email, and hotline. We have also implemented a Whistleblowing Management and Integrity Reward System that protects whistleblowers from retaliation and offers rewards for reporting misconduct. The Group is committed to upholding the rights and interests of whistleblowers and maintaining a transparent and responsible corporate culture.



Whistleblowing Channels of Minh Group

The Group has established a robust mechanism to protect whistleblowers and strictly prohibits any form of discrimination or retaliation against them. The Group is committed to maintaining strict confidentiality of all information related to whistleblowers, including their identity, reports, materials, evidence, and investigation processes.

All information related to the report is considered confidential, and shall not be disclosed to unrelated units or personnel (unless applicable laws require).

It is expressly prohibited for any form of retaliation or unfair treatment against a whistleblower for reporting, or any act that damages the rights and interests of the whistleblower or discriminates against the whistleblower.

Labour contracts of any employee who retaliates against the whistleblower will be terminated once verified; for any suppliers and other partners who retaliate against the whistleblower, cooperation will be permanently terminated once verified; those involved in crimes will be handed over to judicial authorities for legal responsibility.

The protection of whistleblowers is the premise when distributing rewards to whistleblowers. The confidentiality, security and personal willingness of whistleblowers will also be fully considered.

Protection Measures for Whistleblowers

Please refer to the “Corporate Governance Report” section of the Company’s Annual Report 2022 for more details of its corporate governance practices.

1.2. ESG Management

Minth Group recognizes the importance of managing ESG matters and has taken steps to enhance its ESG management. In the Reporting Period, the Group established the Sustainability Committee to advise the Board of Directors on sustainable development issues in ESG. Additionally, the Legal Department oversees compliance management globally, and an ESG Working Group was formed to implement ESG-related tasks and ensure effective multi-level management. The Group has made significant progress in ESG governance, and its Chairperson, Ms. Wei Ching Lien, was awarded the InnoESG Award — ESG Leadership Medal during the Reporting Period. These efforts aim to integrate ESG management into corporate governance and promote the daily implementation of ESG-related work plans.



ESG Governance Structure of Minth Group

The Group's ESG risk management and reporting system are overseen by the Board of Directors, which evaluates and establishes strategic ESG goals, and takes full responsibility for ESG and policy reporting. The Sustainability Committee coordinates and guides the ESG Working Group in their duties, such as monitoring the Group's ESG objectives and strategies, identifying significant ESG risks, reviewing ESG reports and policies, and providing recommendations to the Board. The ESG Working Group is responsible for executing specific ESG tasks, including preparing ESG reports, collecting and analyzing ESG data for accuracy and validity, and fulfilling other related responsibilities.

1.3. Stakeholder Communication

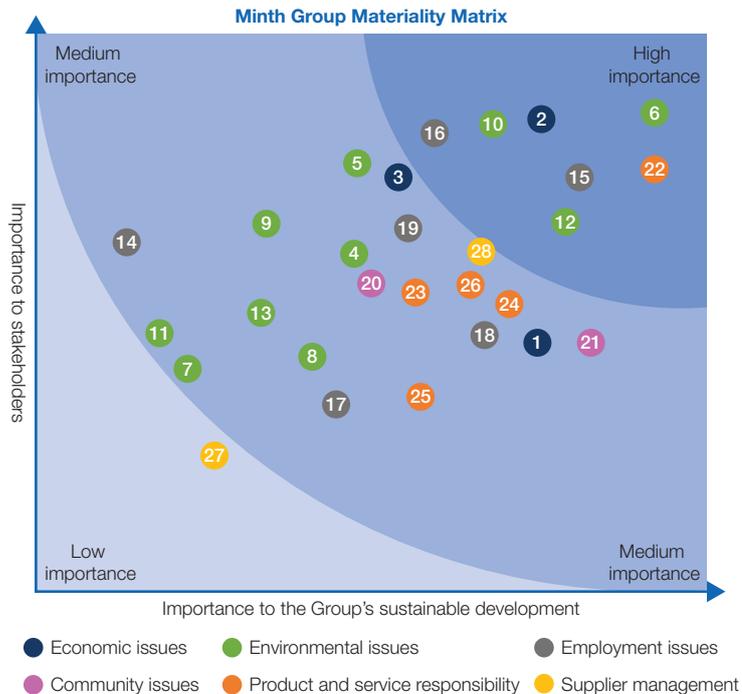
Minth Group recognizes the significance of stakeholders in its operations and is committed to ensuring their voices are heard. The Group engages in active communication with key stakeholders, including shareholders/investors, employees, suppliers, customers, the community, media, and regulatory bodies. The communication takes place through diverse channels such as online meetings, investor visits, investment forums, and results briefings. The Group values the feedback and suggestions of stakeholders and responds to them promptly. Through such engagement, Minth Group aims to build strong relationship with stakeholders and enhance trust and transparency in its operations.

| Stakeholders | Concerned issues | Channels for communication/ feedback | Frequency/times |
|------------------------------------|---|--|---------------------------|
| Shareholders/ Investors | Business performance ESG governance Legal and regulatory compliance | – General meeting of shareholders | – Scheduled |
| | | – Financial statements | – Scheduled |
| | | – Results briefing | – Scheduled |
| | | – Announcement | – Scheduled/Non-scheduled |
| | | – Roadshow | – Non-scheduled |
| | | – On-site visit/phone call/ written communication | – Non-scheduled |
| | | – Investment forums | – Non-scheduled |
| Employees | Compensation and benefits Occupational development Health and Safety | – Employee training | – Scheduled/Non-scheduled |
| | | – Employee meeting | – Scheduled/Non-scheduled |
| | | – Employee activities | – Scheduled/Non-scheduled |
| | | – Employee interview | – Non-scheduled |
| | | – Internal journal | – Scheduled |
| Suppliers | Supply chain management Product responsibility Anti-corruption | – On-site investigation | – Scheduled/Non-scheduled |
| | | – Supplier assessment | – Scheduled |
| | | – Communication on quality | – Non-scheduled |
| | | – Phone call/written communication | – Non-scheduled |
| | | – Suppliers conference | – Scheduled |
| Customers | Product responsibility R&D and innovation Information Confidentiality | – Customer hotline | – Non-scheduled |
| | | – Customer satisfaction survey | – Scheduled |
| | | – Customer meetings and visiting | – Scheduled/Non-scheduled |
| | | – Customer complaint settlement | – Non-scheduled |
| | | – E-mail | – Non-scheduled |
| Community | Green production Community investment Legal and regulatory compliance | – On-site investigation | – Non-scheduled |
| | | – Meeting | – Non-scheduled |
| | | – Charity services for communities | – Non-scheduled |
| | | – Co-construction of communities | – Non-scheduled |

| Stakeholders | Concerned issues | Channels for communication/ feedback | Frequency/times |
|--------------------------|------------------------|--------------------------------------|---------------------------|
| Media | Community investment | – News release/ announcement | – Scheduled/Non-scheduled |
| | Business performance | – Interview | – Scheduled/Non-scheduled |
| | Product innovation | – Results briefing | – Scheduled |
| Regulatory bodies | Regulatory compliance | – Monthly reports | – Scheduled |
| | Product responsibility | – News release/ announcement | – Scheduled/Non-scheduled |
| | Health and Safety | – Annual/interim reports | – Scheduled |
| | Green production | – ESG report | – Scheduled |
| | | – Regular communication | – Scheduled |

In addition to communication with stakeholders through various channels, Minh Group conducted ESG-themed exchanges with multiple institutional investors during the Reporting Period. These exchanges covered a range of topics related to ESG, such as ESG disclosure standards, board structure and diversity, climate and ecological protection, waste discharge, biodiversity, supply chain management, employees' code of conduct, and performance management and disclosure.

To further understand and address the concerns of stakeholders, we also conducted over 10 in-depth interviews and questionnaire surveys during the Reporting Period. Through this process, we identified 28 material issues, including 7 of high importance, 20 of medium importance, and 1 of low importance, and developed a materiality matrix to guide our ESG efforts. This approach ensures that we can effectively address the concerns of our stakeholders and continue to improve our ESG performance.



Economic issues

- 1 Business performance and economic achievement
- 2 **Corporate governance**
- 3 Concept of sustainable development

Community issues

- 20 Maintenance of relation with community and local government
- 21 Participating in charity and public service

Environmental issues

- 4 Energy consumption
- 5 Water use
- 6 **Pollutant emissions**
- 7 Impact of production activities on soil and groundwater
- 8 Greenhouse gas emissions
- 9 Generation and disposal of general solid waste
- 10 **Generation and disposal of hazardous waste**
- 11 Use of packaging materials
- 12 **Energy saving and emission reduction measures**
- 13 Measures to reduce noise during production

Product and service responsibility

- 22 **Ensuring the quality and safety of products and services**
- 23 Protecting customer privacy
- 24 Customer satisfaction and compliant handling
- 25 Product or service quality verification and recall
- 26 Innovation and R&D

Employment issues

- 14 Compensation and benefits
- 15 **Health and safety**
- 16 **Occupational development and training**
- 17 Employee diversity and equal opportunities
- 18 Human rights protection
- 19 Employee satisfaction

Supplier management

- 27 Supplier diversification and localization
- 28 Environmental and social risks in supply chains

2. TEAM DEVELOPMENT

2. TEAM DEVELOPMENT

Minth Group greatly values its employees and prioritizes their well-being. The Group continually improves its human resources management policies to provide clear career development paths and a range of welfare initiatives. This fosters a positive working atmosphere and a sense of belonging among employees, which contributes to the overall growth of the Company.

2.1. People-Oriented

We uphold the employment principle of openness, fairness, and equality. We follow standardized recruitment and employment procedures and prioritize clear communication with our employees to foster an equal, inclusive, and harmonious workplace.

Compliant Employment

Minth Group strictly adheres to the labor laws and regulations of the countries and regions in which we operate to ensure that our employment and recruitment practices are fair and in accordance with international standards such as the International Human Rights Law, the eight fundamental conventions of the International Labor Organization, and the United Nations Guiding Principles for Business and Human Rights. To achieve this, we have established a comprehensive internal management system.

The Group strictly complies with the laws and regulations related to the prevention of forced labor or the use of child labor and has revised the Minth Group Recruitment and Selection Policy and the Minth Group Recruitment Policy on Anti-Slavery and Human Trafficking Supplementary Provisions, strictly prohibiting child labor, underage workers, and forced labor. Through the centralized management of our Global Recruitment Sharing Center, we ensure rigorous implementation of these policies. During the Reporting Period, there is no instance of child labor or forced labor violations at Minth Group.

We are committed to protecting the labor rights and interests of our employees, providing them with the right to fair labor remuneration, rest and vacation time, labor safety and health protection, vocational skills training, access to social insurance and welfare, the right to file labor disputes and to seek legal recourse in cases of labor-related grievances. Our commitment to protecting labor rights extend to all employees across our organization, including dispatched workers.

TEAM DEVELOPMENT

Fair Recruitment

At Minth Group, we believe in fair competition and are committed to upholding the principles of openness, fairness, and impartiality in our global recruitment process. We follow an equal employment opportunity policy, which means that people of different nationalities, races, religious beliefs, ages, genders, and other backgrounds are given equal consideration in our recruitment process. We strive to create a transparent and inclusive recruitment process, where all candidates are welcome and discrimination or differential treatment is not tolerated. We actively recruit from special groups in different regions and are dedicated to building a corporate culture that values “love and happiness.”

To ensure that our workplace is free from discrimination and harassment, we have established an anti-discrimination and anti-harassment reporting hotline. We encourage our employees to work together to create a positive and supportive employment environment. Furthermore, during the Reporting Period, Minth GmbH established a work equality office and working group to handle complaints and ensure equality and inclusivity in the workplace. We are committed to providing a work environment that is fair, open, and inclusive for all our employees.

At Minth Group, we are dedicated to expanding our recruitment channels to attract the best talent. We achieve this by actively engaging in local recruitment and school-enterprise cooperation. We continually expand the reach of our recruitment information in the regions where we operate.

We work closely with local schools and universities to create more internship and employment opportunities for students. This initiative not only helps us identify and recruit talented individuals but also supports the development of society by providing valuable work experience for students. We believe that by creating more opportunities for local talent, we can contribute to the growth and development of the communities in which we operate.

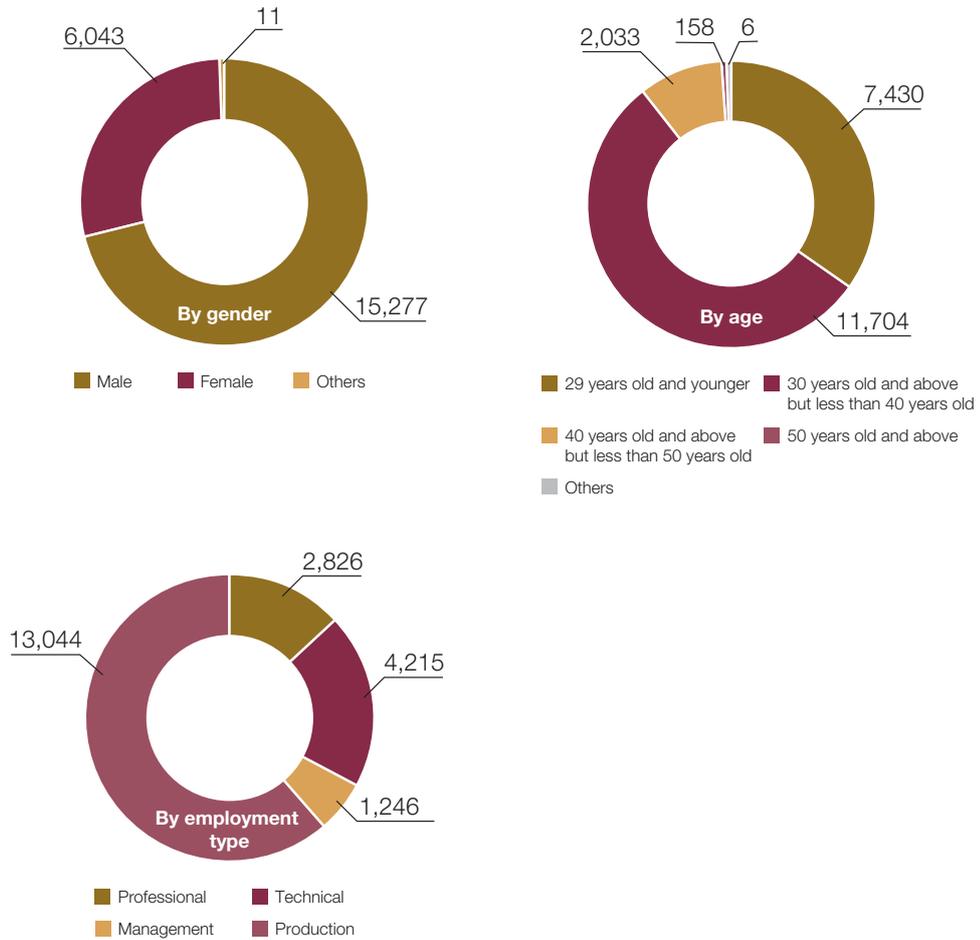
School-enterprise Cooperation between Minth Automotive Europe d.o.o and a Local School

On June 23, 2022, Minth Automotive Europe d.o.o hosted a site open day and a school-enterprise cooperation signing ceremony with the Technical School in Loznica of Serbia to provide internship and employment opportunities for local students, and offer scholarships and employment opportunities to outstanding students.



TEAM DEVELOPMENT

We are committed to keep improving gender equality in automotive industry. Our female staffs consist 28.3% of our workforce with the industry average being 19–23%. As of the end of the Reporting Period, the Group's total number of employees was 21,331. The distribution of employees' by function, gender, and age is as follows:

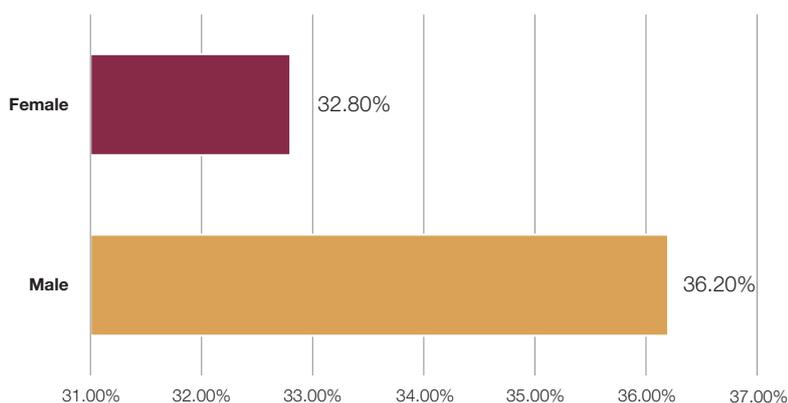


¹ In the category of "other" classified by gender and age, it refers to employees who do not wish to disclose their gender or age.

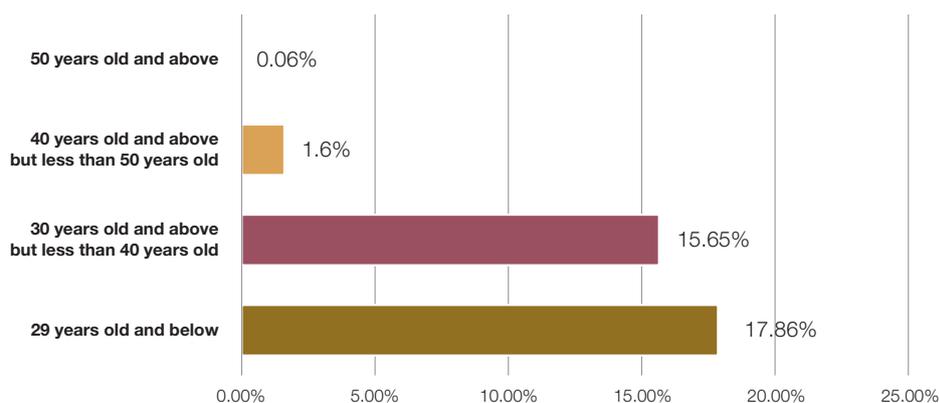
TEAM DEVELOPMENT

The employee turnover rate for Minh Group was 35.2% at the end of the Reporting Period. We are committed to creating a favorable working and living environment for our employees, motivating them to work, and reducing the turnover rate. Below is the employee turnover rate² by gender and age group.

Employee turnover rate by gender



Employee turnover rate by age groups



During the Reporting Period, the Group has received several accolades in recognition of our disciplined employee management, including Yonyou –Dayee Award for Exemplary Employer Brand Management in 2022 and Global Human Resource Management Award (Excellent Practice).

Employee Communication

At Minh Group, we recognize the importance of effective communication with our employees and have established efficient communication channels to facilitate timely and effective feedback on their demands. We respect our employees' right to form, join, and organize labor unions of their own choice and engage in collective bargaining. As of the end of the Reporting Period, our global union participation rate has reached an impressive 83.2%.

² The Group did not calculate the employee turnover rate by region.

We have implemented various communication channels to listen to our employees' voices and continuously improve their work experience.

Small Group In-depth Interviews

During the Reporting Period, Minth Group conducted 42 small group in-depth interviews with 259 employees to facilitate open communication and encourage employees to share their thoughts and suggestions. These interviews provided a platform for employees to voice their needs and helped the employees to improve their work-life balance, bringing corporate warmth to every employee and enhancing their sense of belonging to the Group.



All-Hands Meetings

Minth Group holds thematic morning meetings every Tuesday, Wednesday, and Thursday through global online meetings, attended by both the management and the staff of the Group. Minth Group All-hands Meetings provide an excellent opportunity for employees to communicate and exchange ideas while helping to enhance their participation in corporate management.



To continuously improve the sense of belonging among our employees, we conduct regular employee satisfaction surveys to gather feedback and suggest targeted improvement measures based on the results. During the Reporting Period, we distributed satisfaction surveys to employees and received responses from 4,778 participants, resulting in a satisfaction score of 3.98 (out of 5). In addition, our 2022 Group Engagement Survey score was 4.12, with an increase of 0.06 points as compared with the previous year. Based on the feedback received, we plan to improve the dining environment and commuting security for our employees.

2.2. Talent Growth

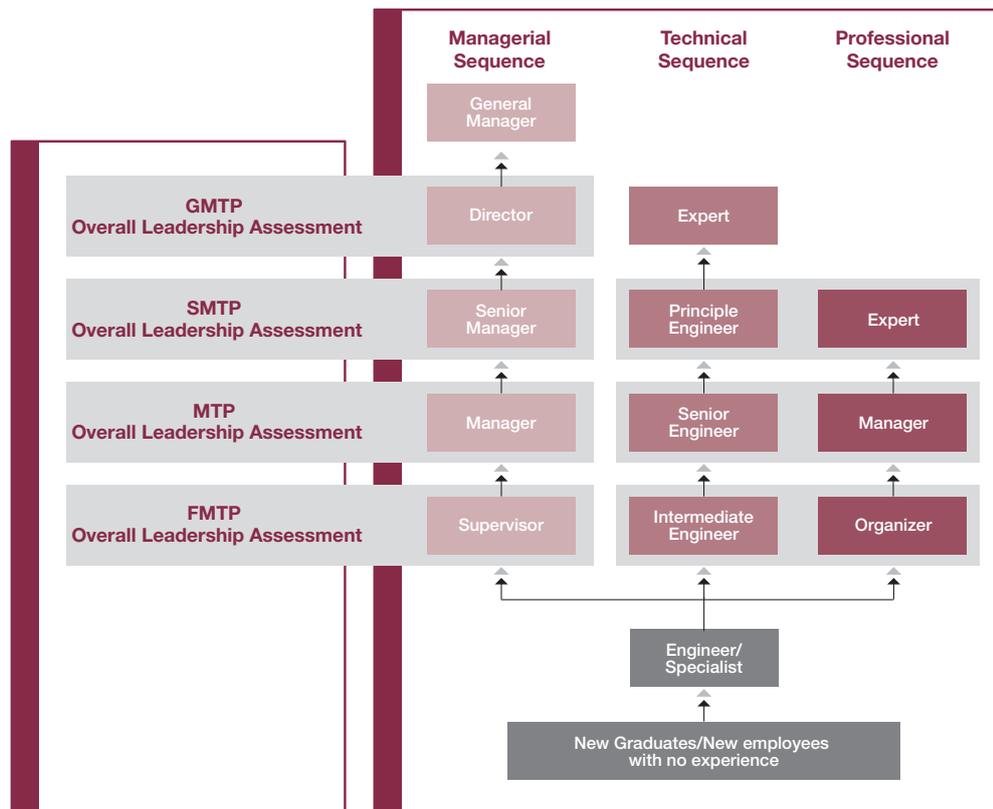
Minth Group places a high value on building and improving our employee growth and development system. We are committed to supporting our employees in realizing their full potential by providing a range of opportunities for career advancement and diversified employee training programs, as an effort to safeguard the development of our employees and create a strong talent pipeline.

Employee Promotion

Minh Group is committed to creating a comprehensive and clear career development path and talent development system. By constructing talent standards and digital platforms, we strive to boost employee growth and promote their value transformation and enhancement. The Group has developed the Minh Group Guidelines for Cadre Management and the Minh Group Guidelines for Professional and Technical Talent Management to effectively manage talents at different levels. For managerial talents, we conduct full life cycle leadership research and evaluation using tools such as the 360 online surveys, interviews, and comprehensive talent evaluations to form leadership reports, helping to promote the comprehensive capacity of managerial leaders. For professional and technical talents, we guide and motivate employees to enhance their abilities in four key areas: motivation, experience, performance, and knowledge and skills, by conducting talent evaluations through phased evidence reporting and multi-person assessments to strengthen our talent pool.

During the Reporting Period, Minh Group undertook a comprehensive review of our talent pool by reviewing over 1,300 employees, including middle-level and above executives, and core professional and technical leaders. This review facilitated us to fine-tune our management decisions and development plans for talents accordingly.

We also conducted a thorough review of our standards for different posts, which evaluated the standards of 573 positions across 11 professionals, technical, and managerial sequences, and 55 sub-sequences. Based on the review results, we established a comprehensive talent development system that includes the General Managers' Training Program (GMTP), the Senior Managers' Training Program (SMTP), the Managers' Training Program (MTP), and the Fundamental Managers' Program (FMTP) for different group of talents.



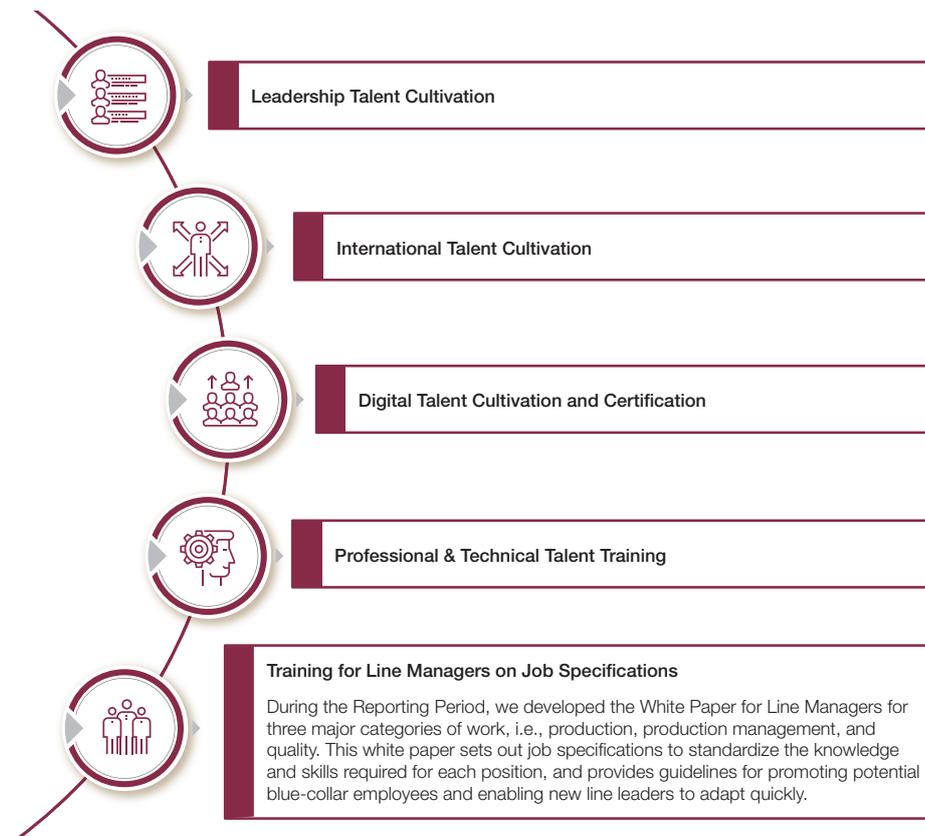
Talent Development System

While continuously improving our talent development system, we are also actively using digital platforms for fair and objective talent evaluation. During the Reporting Period, the Group established a talent development assessment system that features phased evidence reporting and multi-person participation and helps to improve employee competency and facilitate career advancement. With two modules of employment standards and talent development assessment, the system allows employees to benchmark their positions at any time and improve themselves based on the development assessment report and improvement suggestions.

In addition, the Group actively promotes performance and salary incentives, motivating our employees to realize their own worth. During the Reporting Period, we initiated a fresh round of performance management reform by utilizing our self-designed and developed performance management system to set and appraise our goals. We aim to establish a standardized performance management model on a global level in the future. We set performance targets for staff from different product lines, sequences, and functions, and offer 14 innovative incentive policies, including project incentives, mould innovation incentives, innovative technology incentives, and production technology breakthrough incentives, to inspire employees to create greater innovative value. Meanwhile, we have also the Share Award Scheme and the Share Option Schemes to recruit, retain, and motivate our key employees to contribute towards operational excellence, market and business development, product development, technology breakthroughs, management reforms, integrity and risk management, digital transformation, and the construction of Factory of the Future.

Employee Development

MintH Group remained committed to undertaking diversified talent cultivation initiatives, facilitating the implementation of the Group’s talent empowerment strategy. During the Reporting Period, we have been focusing on enhancing the leadership capacity, building a strong talent pool, deepening the professional skills of our management talents and technical experts, enhancing succession planning, and cultivating digital, international, and strategic talents.



TEAM DEVELOPMENT

In addition to our ongoing efforts to enhance our talent development system, we also worked to improve our training platform. During the Reporting Period, we launched Minth Academy 2.0, which enables closed-loop training management across all learning scenarios. Minth Academy 2.0 allows each business unit to establish multiple thematic classes tailored to their respective product lines, with visualized course content and learning data, motivating employees to engage in self-directed learning.

We also actively utilize external resources to nurture exceptional talents through partnerships with educational institutions. As of the end of the Reporting Period, we have signed school-enterprise partnership agreements with eight universities and colleges, aiming to cultivate talent with a focus on professional, technical, and managerial skills. We have also collaborated with local technical vocational schools to train outstanding students.

Collaboration with Kunshan Dengyun College of Science and Technology to launch Technical Classes for International Projects

To cultivate high-end skilled talents through joint education between schools and enterprises, and integrate professional knowledge learning with job skills, Minth Group has collaborated with Kunshan Dengyun College of Science and Technology to launch the “Dengyun and Minth Joint Cultivation Program – Special Class for Skilled Rising Stars”, as an effort to cultivate technical professionals with end-to-end skills through a school-enterprise education model. The technical specialized class follows a combined work-learning model, where students will practice according to actual job requirements during the three-year learning cycle. Upon graduation, they will have the opportunity to work abroad after passing a skill certification examination.

Minth Group’s Factory of the Future is committed to developing the industrial brain. In this regard, Minth Academy of Lighthouse Factory has been established to promote the development of the intelligent manufacturing ecosystem.

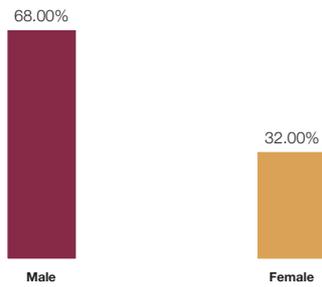
Establishment of Minth Academy of Lighthouse Factory

Minth Group has been actively working towards the establishment of Minth Academy of Lighthouse Factory with a focus on enhancing organizational and talent capacity in digital transformation. The Group aims to empower its talent pool for digital factory construction and sustainable development by leveraging the expertise of third-party consulting companies and the Minth Academy video courses.

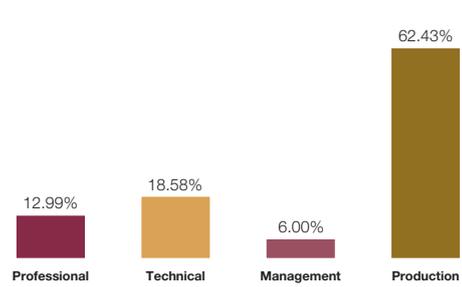
TEAM DEVELOPMENT

At the end of the Reporting Period, Minh Group had provided training to a total of 16,607 employees, which accounted for 78% of the total number of employees, and each employee averaged 2 hours of training. The following are the percentages of the total number of employees trained broken down by gender and category, as well as the total number of training hours per capita by gender and category:

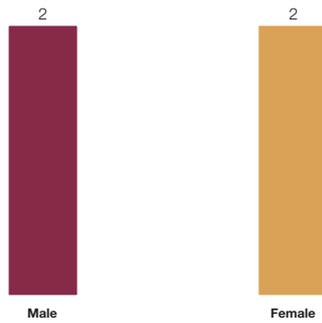
The percentage of employees trained by gender



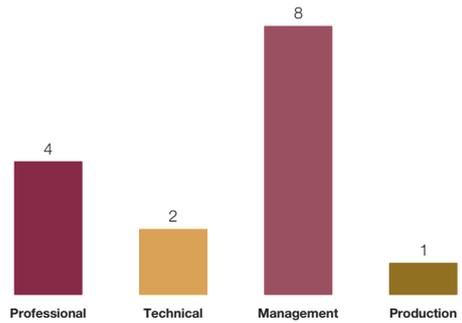
The percentage of employees trained by category



Average training hours per employee by gender



Average training hours per employee by category



2.3. Culture Consensus

Minth Group provides its employees with comprehensive care and protection, and regularly hosts a variety of leisure activities to foster a warm, harmonious, equitable, and compassionate work environment, aiming to continually enhance employee happiness and belonging in the workplace.

Employee Welfare

Staying committed to a culture of “love — demanding and caring”, Minth Group offers various welfare policies to its employees in areas such as the working environment, physical health, and childcare, aiming to provide warm and empowering programs to care for the employees, and promote their physical and mental well-being.

Workplace Benefits

- Minth Group has established canteens that offer quality and nutritious meals for employees. We also provide our employees with dormitories that come equipped with private bathrooms and balconies. Moreover, we offer different work uniforms based on the season. We also provide transportation or commuting subsidies, as well as fuel subsidies, depending on the situation in different areas.

Commercial Insurance

- Apart from the mandatory five types of insurances and housing fund, we offer additional commercial insurance for our employees, which includes coverage for the employee, their spouses, and children. Moreover, we also provide travel insurance to ensure that employees can receive assistance as needed.

Annual Medical Check-up

- During the Reporting Period, Minth Group provided annual medical checkups for over 10,000 employees, as well as online and offline checkup result interpretations and free health consultations. Health camps were also organized to promote healthy living habits among employees, with a focus on scientific eating habits.

Childcare Benefits

- Minth Group has established nursery schools in Jiaxing to provide high-quality pre-school education to the children of our employees. In addition, we offer winter and summer classes for employees' children in five areas, which provide a variety of hands-on programs and learning plans to help alleviate the stress of our employees.

Dispatched Employee Benefits

- Minth Group purchases insurance for all expatriate employees to ensure their personal safety, with a 100% coverage rate. In addition, we provide benefits to employees who have been expatriates for 6 months or more, including wages and air tickets.

Benefits for Ethnic Minority Employees

- The Group provides a variety of meals (including halal options), to meet the needs of employees from various ethnic backgrounds.

Benefits for Female Employees

- Female employees with children under one year of age are provided with at least one hour of breastfeeding time per day, adhering to regulations. In addition, in order to reduce the work pressure of working mothers during the breastfeeding period, the Group provides them with a maternity transition period by adjusting their job responsibilities and duties, so as to protect the rights and interests of female employees.

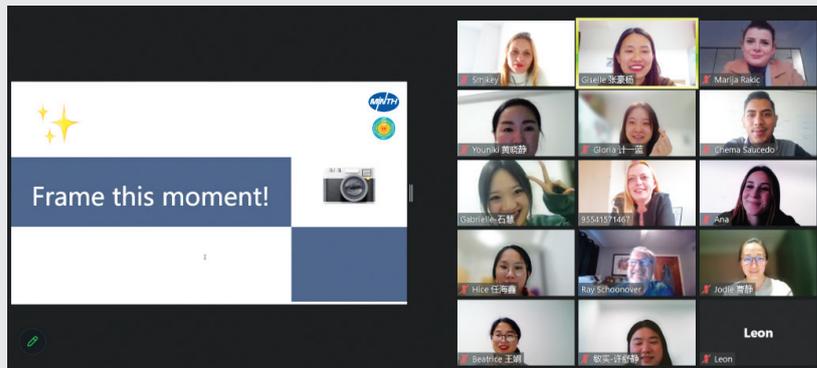
During the Reporting Period, Minth Group actively promoted Overall Wellness Workshops to provide interesting and practical boot camp activities for its employees. Furthermore, with the concept of "Intelligent Manufacturing + Humanistic Care", we are adding welfare facilities such as Senior Caring Centre and Children's Playground into our Factory of the Future, to relieve the stress of our employees.

Overall Wellness Workshops

During the Reporting Period, upholding the concept of overall wellness, Minth Group organized 88 overall wellness workshops for various organizations and talents, with over 1,570 employees participating. We offered a wide range of thematic courses to cater to the diverse needs of different groups of people, aiming to help employees realize their potential and adopt a holistic health lifestyle that promotes mindfulness and well-being, thus propelling them to become healthy, caring, valued, and influential individuals.



Overall Wellness Workshops



Online Overall Wellness Workshops

Childcare Facilities for Employees

Upholding the concept of “Intelligent Manufacturing + Humanistic Care”, Minth Group has established various facilities for employee childcare, such as the Senior Caring Centre, Children’s Playground, and Youth Woodworking Workshop in our Factory of the Future, offering a fun experience for employees’ children. We have also set up childcare classes during summer and winter vacations, as well as summer camps, to provide a solution for employees who may have difficulty finding childcare. Through this series of measures, we strive to give our employees hope in life and peace of mind, enabling them to balance work and family responsibilities.



Childcare classes during winter vacations



Youth Woodworking Workshop



Senior Caring Centre



Nursery



Children’s activities in Serbia

Employee Activities

Minth Group regularly organizes various festival activities and group activities to enrich the spare time of its employees and to enhance team cohesion while allowing them to relax physically and mentally.

Culture Consensus Camp

During the Reporting Period, Minth Group has organized 64 Culture Consensus Camps across the globe, with over 1,300 employees participating. With these camps, Minth Group aims to foster a deep understanding and appreciation of the corporate culture among its employees, strengthen team cohesion, and cultivate core values that are actively practiced by the employees.



Culture Consensus Camp in Rayong, Thailand



Culture Consensus Camp in Jiaxing, China



Culture Consensus Camp in Ilsenburg, Germany

International Women's Day Activities

On March 8, International Women's Day, Minth Group showed appreciation for the contributions of its female employees towards the corporate growth and family harmony. As a gesture of care, we prepared various benefits including soups, makeup classes, and holiday gifts for all female employees.



International Women's Day — Make-up Class



International Women's Day — Holiday Greetings

3. WIN-WIN COOPERATION FOR A BETTER SOCIETY

3. WIN-WIN COOPERATION FOR A BETTER SOCIETY

Minh Group places great importance on developing a sustainable supply chain and aims to enhance communication and collaboration with both upstream and downstream industry partners. We believe in promoting the growth of the value chain through mutually beneficial cooperation, which is key to our success.

In addition, we are committed to our social responsibilities and take an active role in supporting social welfare and charitable causes. As a responsible corporate citizen, we strive to give back to the communities where we operate and support initiatives aligned with our values. Our aim is to contribute to social development and help create a better future for all.

3.1. Value Co-Creation

We stick to rigorous control and selection when it comes to our supply chain. To achieve this, we have developed a comprehensive system for supply chain management that includes supplier management policies. By improving the quality of our suppliers, we aim to promote sustainable and healthy growth of our supply chain. We work closely with our suppliers to enhance their capabilities, ensuring that we move forward together towards success.

Supply Chain Management

Minh Group upholds the values of fairness, impartiality, and openness in our supplier management system, continuously improving it to establish a green supply chain that promotes sustainable value chain development and fosters mutually beneficial cooperation with our suppliers.

Supply Chain Management System

Minh Group follows the applicable laws and regulations in the places where we operate. We have also established a comprehensive supplier management system that includes the Minh Group Supplier Code of Conduct, the Supplier Information Management Guide, the Process Audit Management Guide, the Minh's Supplier Management Manual, and the Guidelines for Supplier Risk Management. These guidelines serve as references to ensure a standardized management of our suppliers, in compliance with our ethical and legal standards.

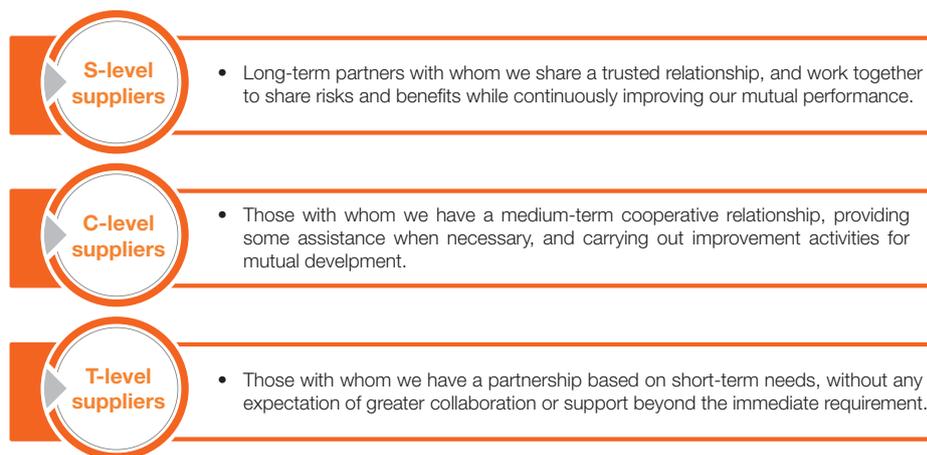


Minh Group has put in place a comprehensive supplier inspection, access, and evaluation process, underpinned by a life cycle management system, to ensure rigorous supplier management. During the inspection and access phase, we regularly assess suppliers based on their cost, quality, and service performance. Only those suppliers who meet our standards are selected to work with us, while those who fall short of our expectations are required to take corrective actions, which we monitor closely to ensure effectiveness. If a supplier still fails to meet our standards even after rectification, we will terminate the cooperation. In severe cases, we may even blacklist the supplier to prevent any future cooperation. Our stringent standards and continuous evaluation ensure that we work only with the most reliable and responsible suppliers.

WIN-WIN COOPERATION FOR A BETTER SOCIETY

In the Reporting Period, Minh Group made further improvements to its supplier management system by refining the supplier selection criteria and optimizing the key supplier identification process. We utilized multiple factors such as “supply market complexity,” “proportion of purchase amount by category,” and “supplier-dependency” to assess suppliers, and based on their grades of strategic importance of certain materials and supplier-dependency, we classified them into S, C, or T levels. We then implemented different management measures and methods for suppliers based on their classification results.

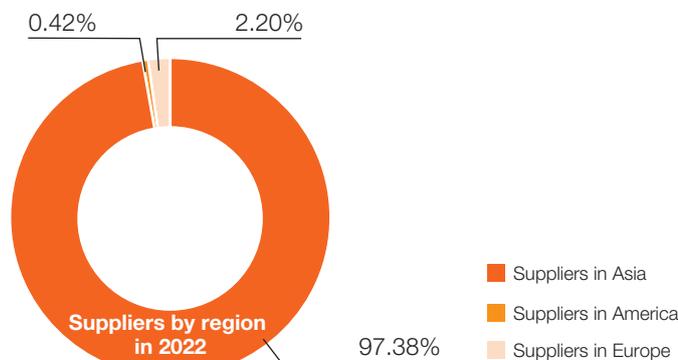
Furthermore, we ranked suppliers by weight, considering the three levels of classification and the sum of purchases, and identified the top 80% of suppliers as key suppliers. This allows us to focus our attention and resources on managing our most important suppliers to ensure the stability and sustainability of our supply chain.



Classified Management of Suppliers

In addition to improving our supplier management procedures, we have also implemented an integrated supplier procurement management system to streamline and centralize our supplier information management. This system allows us to oversee the entire process of supplier management, from the introduction of new suppliers to the assessment, audit, and online settlement processes. It also provides suppliers with the necessary tools to complete their full life cycle operations, including registration, eligibility examination, qualification, account freezing, blacklisting, and exiting. This has greatly enhanced our supplier management efficiency, making the process more streamlined and centralized.

At the end of the Reporting Period, 699 suppliers of Minh Group had obtained the ISO 14001 environmental management system certification, and 427 suppliers had acquired the ISO 45001 Occupational Health and Safety Management System Certification. The following graph displays the suppliers categorized by region:



Sustainable Supply Chain

Minth Group has implemented a supplier ESG risk identification and management process throughout the supplier access and assessment phases. We conduct a thorough risk assessment of potential suppliers, taking into account their ESG risks. Once suppliers are included in our supplier pool, we implement a multi-dimensional ESG factor assessment to further encourage them to enhance their sustainability.

| | |
|--|--|
|  <p>Before being included in our supplier pool</p> | <ul style="list-style-type: none"> • We conduct ESG risk assessments on potential suppliers, evaluating supply risk, quality risk, management risk, financial risk, and environmental, health and safety (EHS) risk of the supplier. • We require suppliers to conduct self-assessments and undergo on-site assessments by procurement-related personnel before any cooperation. If a supplier's risks do not meet our requirements, we ask them to make necessary rectifications and submit risk control measures. Only after they pass re-assessment can they be included in our supplier pool. • We require suppliers to provide ISO 14001 certificates for the Bill of Materials (BOM) category. |
|  <p>After being included in our supplier pool</p> | <ul style="list-style-type: none"> • We formulate supplier social responsibility assessment standards based on SA8000. We take a multi-dimensional approach to assess their quality management systems, fulfillment of corporate social responsibility, and EHS management during on-site assessments, and evaluate their environmental plans, employees' rights and interests, health and safety practices, business ethics, and other relevant factors. If suppliers fail in any aspect of the assessment, we require them to make necessary rectifications. • To promote our integrity policy to suppliers, we have added the display of the Minth Group's Suppliers' Code of Conduct on Social Responsibility in the supplier self-registration interface. |

During the Reporting Period, Minth Group introduced a digital system to track the carbon emissions of our suppliers, which helps us monitor and promote sustainability throughout our supply chain. This system allows suppliers to report their carbon emissions directly and provides us with monthly aggregated data. We also ask suppliers to disclose their carbon emissions during the quotation stage, helping us reduce carbon emissions at the upstream end of our supply chain. Through this initiative, we aim to encourage our suppliers to improve their sustainability practices and ensure a more sustainable and environmentally friendly supply chain.

Communication with Suppliers

To enhance the competencies and sustainability of our suppliers, we have undertaken several supplier communication initiatives, including organizing supplier conferences, providing advocacy training in terms of green development, and conducting on-site integrity training. These activities have facilitated effective communication with our suppliers, promoted the growth of our supply chain, reduced supply risks, and bolstered the sustainability capabilities of our suppliers.

Supplier Conferences

During the Reporting Period, we hosted the 2022 Annual Supplier Conference and invited outstanding suppliers from our supplier pool to attend. The conference provided a platform for communication and exchanges on topics such as supplier sustainability, green operations, corporate values, and charitable fund. We also actively engaged with suppliers on topics related to environmental protection and charitable causes, and emphasized Minth's requirements related to supply chain.

3.2. Community Care

Minth Group upholds the value of social responsibility and has a long-standing commitment to the community. We strive to promote community development and make practical contributions to society, with a focus on improving education and livelihoods. In the Reporting Period, Minth Foundation invested RMB3.734 million in various charitable initiatives, and our employees contributed 160,000 hours of their time towards community services.

Minth Foundation, by the end of the Reporting Period, had invested more than RMB40.297 million in charitable projects, which reflects our commitment to philanthropic affairs. We remain actively engaged in services and initiatives that improve the livelihoods of people. Additionally, during the Reporting Period, we were honored to receive Strategic Cooperation Donation Award from Zhejiang Xin Hua Education Foundation.

Starting in 2009, Minth Group has been committed to enhancing inclusive education, upgrading educational quality, and constructing vital facilities for schools situated in remote villages. Our initiatives include developing school infrastructure, supporting students in need at primary, junior, and senior high schools and universities, and sponsoring a special emergency aid fund for Pearl Students. Furthermore, we extend our support to educators in remote regions. All of these efforts reflect our dedication to poverty reduction through education.

Education Assistance for Yi Ethnic Children

Minth Group has established the Yi Ethnic Kids Class in Buer Town, Liangshan Yi Autonomous Prefecture, Sichuan Province to support local Yi Ethnic girls in completing their six-year primary school education by providing them with financial aid and basic necessities such as clothing, shoes, socks, bedding, and towels. The class also provides students with meals in the school cafeteria and designated life management teachers to ensure their daily needs are taken care of. Additionally, Minth Group launched the “Primary School for Yi Ethnic Students in the Mountains” public welfare project to provide students with basic learning materials, improve the learning environment of schools, and offer opportunities to broaden their horizons. The project also incentivizes and rewards outstanding teachers, organizes training sessions and visits for teachers, assists schools in overall management improvement, and promotes balanced development of urban and rural education.

Hope for Pearl Program

Minth Group has been supporting the “Hope for Pearl” program for many years. This program provides living expenses to underprivileged yet outstanding junior and senior high school students, enabling them to complete their studies. Through the “living subsidy + tuition fee waiver” approach, the project helps ease the financial burden of impoverished students and offers opportunities for academically strong students from financially struggling families to receive a fair and quality education. Minth Group also supports the teachers of the project schools by conducting return visits and exchanges, providing fuel subsidies for home visits to Pearl students, sending home visit gift packs to Pearl students’ families, and pairing Minth executives with Pearl students for care and encouragement. As of the end of the Reporting Period, Minth had established 64 Pearl Classes in 16 provinces and cities across China, benefitting 2,669 Pearl students.



Pearl Matching Donation Program

To promote the Pearls helps Pearls initiative, Minth Group actively supports charitable initiatives by Pearl students aiming at helping underprivileged children. By assisting Pearl students in setting up Pearl Ride & MINTN Pearl Class in Sichuan Qu County Middle School and 5 MINTN & Pearl Classes in Yunnan, Hubei, Gansu, Sichuan, and Guizhou Provinces in China, Minth Group is sharing the power of Pearl's philosophy of "Bringing Love Together and Paying It Forward" with more people.

College Student Sponsorship Program

During the Reporting Period, Minth Group implemented a scholarship program to support 100 Pearl Students annually with RMB4,000 per student for their first year of university education. The program aims to alleviate the financial burden on the families of deserving Pearl Students. In total, the program has sponsored 300 university students since its inception in 2020, with a cumulative contribution of RMB1.2 million.

Teacher Empowerment Program

During our visits to partner schools through the "Pearl for Hope" program, we noticed a lack of mental health resources in rural area. In 2020, Minth Group collaborated with the Xinhua Education Foundation to launch the "Mental Health" project, which aims to assist secondary school teachers in central and western regions to obtain psychological awareness, develop basic psychological knowledge, and improve their counselling skills. Our goal is to improve mental health care and education for teachers in Western China. We organized an educational study tour in Taiwan for 243 exceptional teachers, which promoted cross-strait educational and cultural exchanges and empowered rural teachers to enhance their teaching strategies and approaches. Additionally, we sponsored exceptional teachers from our partner schools to conduct activities such as the Pearl Student Cultivation Forum and Study Tour in the South-to-Yangtze River region, specifically in Jiaxing, Huzhou, and Shaoxing, benefiting over 1,500 exceptional teachers



WIN-WIN COOPERATION FOR A BETTER SOCIETY

Communities Sponsorship and Donations in Poland

Throughout the Reporting Period, Minth Group continued its commitment to supporting youth in the communities where it operates. In Poland, we sponsored a youth soccer club to encourage the growth of young athletes and foster the development of youth soccer in the region. We also provided



a donation of EUR10,000 to Szprotawa city to those who were undergoing cancer treatment, to assist with their medical care and offer support to their family during a challenging time. Across the globe, Minth employees are demonstrating their dedication to creating social value by helping those in need within their local communities.

Supporting War Refugees Through Donation and Employment Opportunities

Throughout the Reporting Period, Minth Group has been actively monitoring significant social trends and prioritizing support for vulnerable communities. In particular, Mignen CR s.r.o. has shown deep concern for refugees who have been forced to flee due to the ongoing Russian-Ukrainian conflict since February 2022, with special attention to the most vulnerable groups including women and children. To assist these refugees, the Company has donated both food and clothing and has also provided employment opportunities. At the end of the Reporting Period, we have hired more than 5 Ukrainian immigrants as our full time employees.

In the beginning of the war in March 2022, our employees at Minth GmbH recognized the critical situation in Ukraine and organized two private donations within the Company and in collaboration with our customer. The donation Minth GmbH had raised in total was EUR2,350 for aid delivery with durable food, drinking water, baby food and medicine, delivered by trucks to Kyiv and Charkiw respectively.



WIN-WIN COOPERATION FOR A BETTER SOCIETY

Collaborating with Local Health Center with Donation



Throughout the Reporting Period, Minth Automotive Europe d.o.o collaborated with the local Health Center in Loznica, Serbia for supporting local community.

Despite the difficult working situation of the local Health Center during the pandemic, the hospital re-opened on the request by our company to provide vaccination and other general health support. In order to show them support and gratefulness, Minth Automotive Europe d.o.o donated EUR5,000, creating mutual benefit for our employees and the society.

Collaborating with Local Government to Support Social Development

Throughout the Reporting Period, our offices in Aguascalientes worked with the state government, the System for the Comprehensive Development of the Family to support the development of area lacking resources. We participated in the program “Changing Lives” in which the government provide workshops to support the development of families in Bordo de Santa Elena and had made donation of USD2,500 and provided devices. We are dedicated to continue to create value for the local communities in hands with the government.



4. LEAN INNOVATION

4. LEAN INNOVATION

At Minth, we recognize the significance of quality assurance in achieving corporate sustainability, and we aim to enhance product management by implementing a comprehensive quality management mechanism and leveraging digital technology. Furthermore, we foster product research and development (R&D) and innovation by utilizing our advanced R&D technology to create cutting-edge products in lightweight, electrification, and intelligent driving fields. Our product management objectives are focused on reducing substandard quality costs and enhancing customer satisfaction, in accordance with our product philosophy of “Setting New Benchmarks for Industrial Development and Economic Growth”.

4.1. Outstanding Quality

Minth Group has a well-established quality management system and we strive to enhance it further by leveraging digital technologies and continuously improving our product review processes. Our goal is to create a culture of quality within the organization by implementing various initiatives and laying a solid foundation for product quality assurance.

Quality Control

The Group is fully committed to adhering to all quality control relevant laws and regulations, and strictly follows the IATF 16949 Automotive Quality Management System standard. In order to ensure quality control, the Group has established comprehensive quality management systems and policies, leveraging digital systematic approaches to improve management efficiency and continuously strengthening product quality control supervision.

Shaping a Quality Management System

At Minth, we abide by our quality guideline of “Do Things Right the First Time” and follow the quality strategy of “One Closed-Loop and One Complete Process”. To achieve this, we have established a comprehensive quality management workflow that covers supply, development, production, and after-sales. Through this system, we conduct rigorous supplier qualification screening and quality control, manage production risk, and review product quality during development and production. We also continuously track after-sales quality performance, ensuring effective product quality performance management.



Quality Management Workflow

The Group has created two quality management guides, the White Paper on New Product Quality Management and Quality in Mind and Action, which strengthen quality risk management in new product development through development workflow management and quality control measures, and continuously update measures to improve quality, taking into account market feedback regarding the delivered products, laying a foundation for product quality improvement.

To verify the effectiveness of the quality management system, the Group continues to follow IATF 16949 Automotive Quality Management System Certification. All factories that have been in mass production for over a year have achieved 100% coverage of IATF 16949 Certification. The Group actively cooperates with customer audits and has been reviewed and recognized by major customers worldwide.

Digital Quality Management

Fully embedding the digital transformation strategy into quality management workflow, we utilize diverse digital approaches to manage quality business workflow, enabling coordinated cross-functional quality management, and delivering excellent quality management with a workflow that is online, process-oriented, and transparent. In terms of quality management workflow, we have employed SAP (Systems Applications and Products in Data Processing) and MES (Manufacturing Execution System) for end-to-end quality management and tracing; QBOM (Quality Bill of Material) system for data transmission of quality inspection standards from development to mass production; and Lesson Learning system to accumulate and record quality knowledge and experience, thereby continuously improving quality management efficiency. During the Reporting Period, we have implemented a hierarchical electronic audit system and process audit system to enhance the digitalization of our quality audit process.

Hierarchical Electronic Audit System

improving audit efficiency

- Self-developed by the Group, this system provides PC and mobile audit, task reminder and distribution, KPI pool and reports, and optimizes the details of regions and personnel involved in hierarchical audit, thereby improving work efficiency.

Process Audit System

realizing coordination and multi-terminal audit

- The system enables auditor coordination and multi-device review on PC and mobile terminals; it sets up task reminder and distribution as well as reminder cancellation of problem tracking and verification for PDCA circulation, thus preventing problems from recurring.

To ensure the delivery of high-quality products, we also employ digital and automatic technologies during production to improve product inspection efficiency and enhance product quality management.

Product Quality Audit

We strive to continuously optimize our product quality inspection and review processes, and proactively identify product defects through both internal and external audits. To achieve our goal of zero-defect, we utilize Six Sigma Enterprise Quality Process Management Technology and Quality Control Cycle tools to enhance quality and reduce costs, ultimately cutting costs, enhancing efficiency and improving our corporate competitiveness. Furthermore, we also conduct all-dimensional monitoring and management for product quality including step-by-step audit, process audit and finished product audit.

We conduct regular internal audits on our product lines, focusing on the production process, product, and quality system. We also establish a standardized audit mechanism to promptly identify and rectify quality risks during production. Additionally, we actively engage in customer and third-party audits to verify our product quality. Through hierarchical process audits and product audits, we comprehensively and effectively monitor our quality control systems.



Improvement Measures for Defects

Raw Material Quality Control

To ensure timely delivery of products, we build inventory of our products and raw materials properly. We assign cross-functional staff to regularly check the inventory of raw materials, semi-finished products, and purchased components, and adjust production and inventory plans accordingly. By doing so, we can ensure the quality of our products from the very beginning. During the Reporting Period, we conducted CSR (Corporate Social Responsibility) audits on our tier-1 suppliers to ensure that they provide compliant materials. Similarly, we carried out strict quality control reviews on other non-tier-1 suppliers who are involved in key materials and parts across our value chains.

Product Recalls

Minth Group places a strong emphasis on the handling and management of defective products. We have established the Defective Product Management Procedures and Guidelines for the Management of Defective Parts to manage product recalls. During the Reporting Period, we developed the Recall Management Regulations for Defective Parts according to applicable laws. This regulation clearly outlines the recall management workflow of automotive products that have quality defects.

Moreover, we have established a defect analysis and reasoning team, consisting of experts, technical backbones from manufacturing factories, and quality personnel. This team is responsible for analyzing defective parts, identifying the causes of defects, and working with the quality, product manufacturing, and business functions to screen and verify defective products, develop a recall plan, and learn from the incident. By doing so, we ensure that defective products are handled in a prompt and efficient manner, while minimizing the impact on customers and stakeholders.



Management Workflow of Product Recalls

During the Reporting Period, the Group did not experience any product quality recalls.

Fostering a Quality Culture

In addition to continuously improving our quality management system and measures, we also prioritize enhancing quality awareness among our employees. We provide regular quality training activities and quality culture consensus workshops for each team to motivate everyone at Minth to prioritize quality control. These efforts aim to foster a quality-first corporate atmosphere and a solid culture of quality management.

Employee Quality Trainings

During the Reporting Period, Minth Group conducted professional training for its internal personnel, including procurement and supplier quality engineers, as part of its annual training scheme. The training mainly focused on the process application of the QRQC (Quick Response Quality Control) management guide and provisions regarding quality review. The purpose of the training was to continuously improve employees' skills in procurement management, quality management, and risk control, among other areas.

6 Sigma Program

Throughout the Reporting Period, Minth Group conducted a 6 Sigma program to enhance employees' project quality skills. The program lasted for 9 months and conducted over 200 hours of both online and offline classes. The participants learned to solve problems efficiently by utilizing quality tools and JMP statistical analysis software, incorporating their project experience. After completing the training, 8 members were awarded "Black Belts" and 12 members were awarded "Green Belts" to acknowledge their proficiency in 6 Sigma methodology.

Quality Culture Consensus Workshops

Minth Group places great emphasis on promoting quality culture among employees. To this end, we regularly organize Quality Culture Consensus Workshops where employees from different teams can experience and digest quality culture while familiarizing themselves with the code of conduct for product quality. In the Reporting Period, we conducted a total of 260 Quality Culture Consensus Workshops.

We also organize featured thematic quality month activities to raise quality awareness throughout the Group. These activities include Quality from Hearts, Enhanced Quality Guarantee, and Quality Knowledge Contest Red and Green Cards for Quality, and are now signature quality events in various subsidiaries of the Company, tailored to local features.

Special Activities to Control the Cost Rate of Substandard Quality

During the Reporting Period, we organized cost reduction and efficiency improvement workshops, where we appointed a director in chief for analyzed projects with high scrap rate, specified project leaders and targets, controlled cost rates arising from defective products, and carried out regular inspection, tracking and result presentation of special cases.

As part of our efforts to improve supplier quality, we offer support activities such as product review training for suppliers with poor ratings based on their performance evaluations conducted earlier in the year so as to help them identify and address their weaknesses.

Social Recognition

The Group was awarded several quality and service-related awards during the Reporting Period for its exceptional quality management and products, receiving widespread recognition from authoritative institutions and society.

| | |
|--|--|
| Geely: Best Assistance Award | Geely: Best Partner |
| Renault: Letter of Appreciation | Jaguar Land Rover: Safe Supply Award in 2022 |
| BMW: Letter of Appreciation | Volkswagen: Five-Star Problem-Solving Supplier |
| NIO: Supplier Guardian Award in 2022 | FAW Toyota: Special Contribution Award in 2022 |
| General Motors: Supplier of the Year Awards of the Overdrive Award | General Motor: Supplier Quality Excellence Award |
| Ford: Ford Q1 | Webasto: Cooperation and Development Award |

4.2. R&D Innovation

Mint Group always regards technological research and development and product innovation as crucial factors to its growth, consistently advancing the development of innovative technologies. By proactively developing innovative products in lightweight, electrification, and intelligent driving, we aim to address customers' demands with innovative products and solutions, leading the industry's advancement. In the Reporting Period, the Group's research expenditure totalled at RMB1.172 billion.

R&D Management

Mint Group places a strong emphasis on independent R&D to meet the increasing demand for innovative products and technology solutions from customers. The Company implements innovative research and development and globalization strategies to strengthen its core competitiveness in the global market for innovation, design and service. The Company's mission is to make automobiles lighter, prettier, and more intelligent. In addition, the Company plans to reinforce R&D and enhance high-performance green aluminum and polymer materials, while focusing on surface treatment for intelligent products and integrated mechatronics manufacturing and control technology.

Product R&D

- Integrated body and chassis structure: we comprehensively lay out the body and chassis structural parts based on battery housing, providing multi-material and systematic solutions.
- Exterior decorative products: moving beyond our global leadership in traditional decorative parts and trim products, we strive for comprehensive intelligent upgrade of exterior decoration system, and work to create systems of intelligent front module assembly, intelligent door assembly and intelligent tailgate assembly as well as core component solutions.

Technology R&D

- In terms of material R&D, while sustaining our leadership in high-performance aluminum and polymer materials, we are also committed to accomplishing the R&D, promotion and application of green aluminum for extrusion and die-casting processes, green polymer materials and bio-based materials.
- In terms of surface treatment, we prioritize breakthroughs in core technologies of intelligent surface treatment, such as optical coating, translucent paint and PVD.

Strategic Plan of Innovative Research and Development

Minth Group has established a comprehensive R&D management policy system that includes procedures for managing innovative R&D of product and technology, as well as incentive guides for encouraging innovation in product and technology. The aim is to ensure that R&D workflow is standardized, and the R&D management system is optimized to enhance the appropriateness, adequacy, and effectiveness of R&D system documents.

To further improve the R&D management policy system, we continue to optimize the R&D system of innovative products and technologies, improve management efficiency, and ensure R&D information security. During the Reporting Period, we regularly monitored the operation of the IRS (Integrated Resources System) innovative product and technology R&D system and performed quarterly internal audits on the efficacy of R&D project workflow execution. In addition, as part of our efforts to ensure R&D data security at Minth, we also installed data encryption software in computers across the Research and Development Center, conducting encryption management to all the documents and data within the scope of the center.

R&D Achievements

Minth Group aims to stay ahead of the curve in the automotive industry by consolidating its competitiveness through the development of diverse innovative technologies and products. The Group is focusing on ground-breaking products in the areas of lightweight, electrification, intelligence, and internet connectivity, which are considered to be the “four disruptive trends” in the industry. We aim to offer our partners innovative products in these areas.

Product and Technology Innovation

During the Reporting Period, the Group conducted R&D on 27 innovative product series related to product processes, materials, surface treatment, advanced tooling, and production lines. These included front and rear throughout lights, intelligent bumper beams with illumination function, intelligent driving system for doors, smart interior panels, front crash management systems, and subframes. The Group mastered 6 platform- or industry-leading technologies and 34 innovative technologies in total.

As one of the world's leading suppliers of auto exteriors body and chassis structural systems, as well as key electrical parts and components, the Group is committed to leveraging the opportunities created by the "four disruptive trends" to develop innovative products, such as battery housing, body and chassis systems, intelligent front and rear modules, and intelligent door systems, to enhance its competitiveness.

Lightweight Area:

- We continue to research and develop lightweight system solutions with high-performance aluminum and polymer materials and relevant application technologies.
- In terms of lightweight and green material innovation, we have mastered the core technologies of various new materials, such as high-performance structural aluminum, high-performance aluminum for anodizing, ultra-high elastic sealing materials and high-performance thermoplastic resins, achieving hundreds of invention patents related to material formulation and process.
- In terms of lightweight product solutions, we offer customers whole vehicle lightweight crash management systems and integrated chassis solutions, with products including battery housing, front/rear crash management systems, body longitudinal beams, rocker panels, subframes; and product solutions involve aluminum alloys, composite materials, high-strength alloys, etc.

Electrification Area:

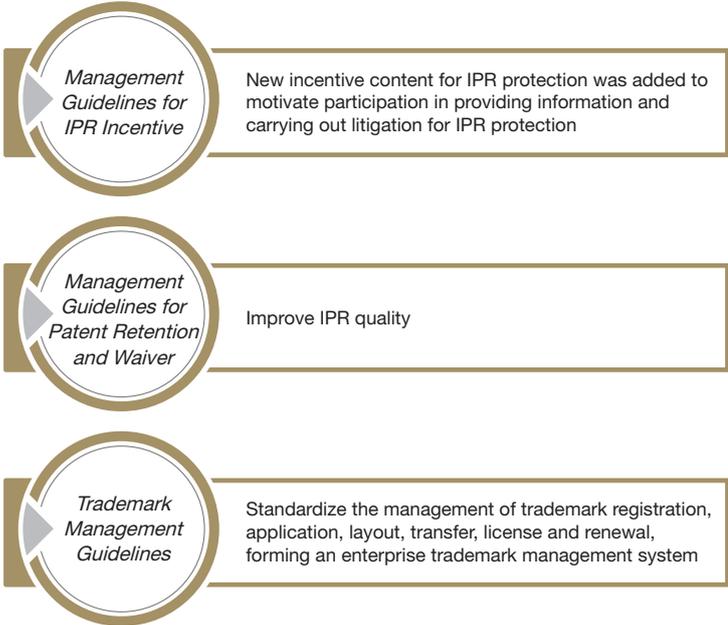
- As a world-leading provider of systematic solution provider for EV battery housing, Minth Group offers integrated solutions covering concept design, technical design, process design, industrial development and global manufacturing. We maintain long-terms cooperation with mainstream OEMs worldwide, and have factories across Europe, Asia and North America. We have multi-material and hybrid solutions such as steel, aluminum and composite materials, covering CTP/CTC solutions for BEV models and HEV models. At the same time, based on battery housing, we fully extend our products to integrated body and chassis system, and focus on various core autonomous driving related technologies, such as autonomous driving sensors, executors and surface technologies for intelligent products.

Intelligence Area:

- Focusing on intelligent upgrade of whole vehicle exterior decoration, we have formulated the Meet Series systematic solutions including three systems, i.e., Meet Spanel® intelligent front module solution, Meet Minst® smart tailgate solution, Meet ILIDS® smart door solution, which all have been awarded with orders by many automotive enterprises across the globe.

Intellectual Property Rights (IPR) Management

Placing tremendous importance on IPR achievement management, the Group continues to reinforce the IPR management system and enhance IPR protection and utilization capabilities.



Policy System of IPR Management

Jiaxing Minhui Automotive Parts Co., Ltd., a subsidiary of the Company, has been certified with the Intellectual Property Management System Certification, which ensures that the IPR management system followed by the Company in its production and operations is in compliance with the GB/T 29490-2013 Enterprise Intellectual Property Management Code.

During the Reporting Period, Minth Group continued to enhance its IPR policy system and established a full-lifecycle process management system for system patents to improve the efficiency, standardization, and security of patent application and management. Additionally, the search and analysis process of systematic patents and trademark registration and management process were optimized to create a more convenient IPR database management workflow and systematic management of all IPR types. The IPR function also developed an IPR protection strategy and protection scheme in collaboration with legal affairs, R&D, patent, business, and other functions to ensure the rights and interests of the Company's scientific achievements are safeguarded.

To protect innovation achievements, the Group continued to push forward the patent application and trademark registration, and constantly advanced our IPR landscaping. The detailed IPR-related data are shown as follows:

| During the Reporting Period, the Group had a total of: | As of the end of the Reporting Period, Minth Group had a total of: |
|--|---|
| <ul style="list-style-type: none"> 635 patents filed 592 patents authorized nearly 200 patents were searched and analysed | <ul style="list-style-type: none"> 4,000+ patents applied 2,000+ valid patents authorized 700+ patents searched and analysed 200+ trademarks registered |

To promote awareness of IPR protection and infringement risk prevention among our employees, we conduct both online and offline training sessions. Additionally, we regularly organize IPR contests and summit forums to enhance our employees' knowledge on IPR protection, and invite IPR experts to engage in high-level dialogues with our senior management to drive the implementation of our corporate IPR strategy. These initiatives enrich our employees' knowledge on IPR protection and help us safeguard our innovation achievements.

Industry-University-Research Cooperation and Exchange

We are committed to strengthening our R&D and innovation capabilities through active engagement in industry-university-research cooperation and exchange. To achieve this, we are constantly expanding our partnerships with universities, research institutions, and industry partners.

Colleges and Universities

- In terms of special research project cooperation, we have made breakthroughs in a joint research related to Radome in wind tunnels in partnership with the Nanjing University of Aeronautics and Astronautics.
- We conducted project cooperation with the Ningbo Institute of Materials Technology and Engineering of CAS (composite material housing cover), the Central Southern University (performance research on aluminum alloy materials) and Zhengzhou University (performance research and joint simulation analysis and application of injection molding product weld lines), etc.
- During the Reporting Period, we have advanced a total of 8 special research projects, and planned to conclude 4 projects.

Research Institutions

- In May 2022, we paid a visit to the Ningbo Innovation Center of Zhejiang University, where we had in-depth discussion and communication regarding wireless charging and the R&D of soft processing systems.
- In December 2022, we have started the 1st Innovation project with Imperial College London on a new battery case concept using multi-channel extrusion and air cooling. It can achieve excellent advantages of material savings and process optimization, bring great influence and competitiveness to Minth's future core product.

Industry Partners

- We made technical communication with OEMs and carried out several pre-conceptual designs. Our intelligent bumper assembly solution was awarded with the 2022 Gasgoo Awards.
- We conducted joint R&D and design with major customers, covering a number of products across anti-crash management system, electric side door opening system, aluminum alloy rocker panels and battery housing.
- As the only exterior decorative parts supplier invited to the BMW Interior Technology Exhibition in Munich, we conducted technical exchange with BMW regarding the two systematic products including intelligent exterior products and body and chassis structural parts.

External Cooperation on Innovative Research and Development

During the Reporting Period, Minh Group actively participated in the formulation of group, industry, and national standards, leveraging its strong R&D capabilities to drive industry development. The Group led or participated in the formulation of 6 group standards and 5 industry standards. In addition, the Group also conducted pre-research and formulation work for 5 national level standards, demonstrating its commitment to promoting standardization in the industry.

| | | |
|--------------------------|------------------------------|---|
| National Level Standards | co-formulated | Paints and Varnishes — Determination of Film Hardness by Pencil Test |
| | | Anodizing Coatings and Organic Polymer Coatings on Aluminum and its Alloys |
| | pre-researched | Door Strength of Passenger Vehicle |
| | | Performance Requirement and Testing Method for Head-Up-Display (HUD) System of Passenger Vehicle |
| | | Performance Requirement and Testing Method for Automotive Laser Radar |
| Industry Standards | led the formulation of | Performance Specifications for Automotive Front-end Illuminated Decoration Assembly |
| | | Technical Specifications for Plastic Covers of Automotive Illuminated Products |
| | a core member in formulating | Aluminum Alloy Strip for Sealing Strips |
| | | Fingerprint Resistant Coatings |
| | | Anti-Fog Coating |
| Group Standards | led the formulation of | Technical Conditions for PVD Coating for Automotive Exterior Decorative Parts |
| | | Alkali Resistance Testing Method for Anodizing Coatings of Automotive Aluminum and Aluminum Alloy |
| | co-formulated | Testing and Assessing Method for Accelerated Corrosion of Aluminum Alloy Chassis Parts |
| | | Testing Method for Filiform Corrosion of Aluminum Wheel Coating |
| | | Paint with Silver Plating Effect |
| | | Thermosetting Powder Coatings for Electrical Insulation |

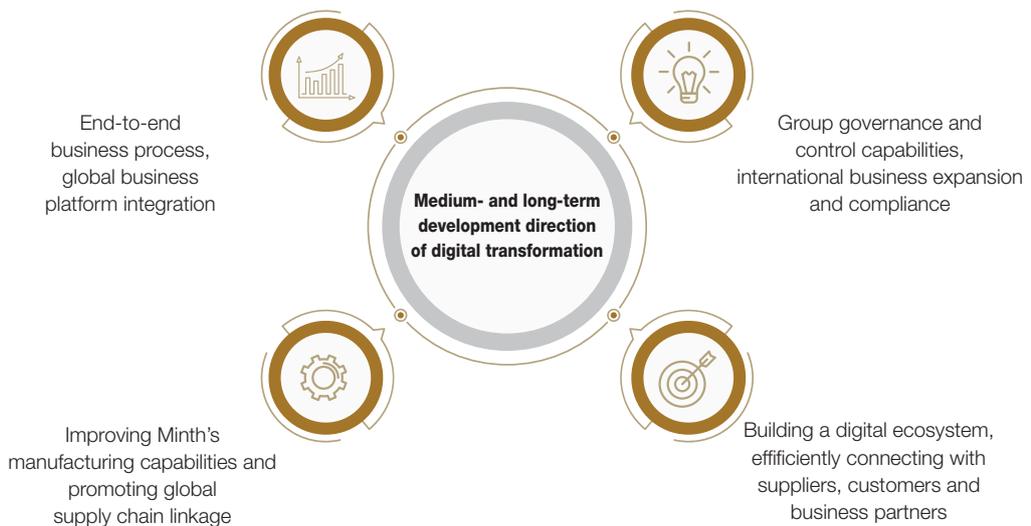
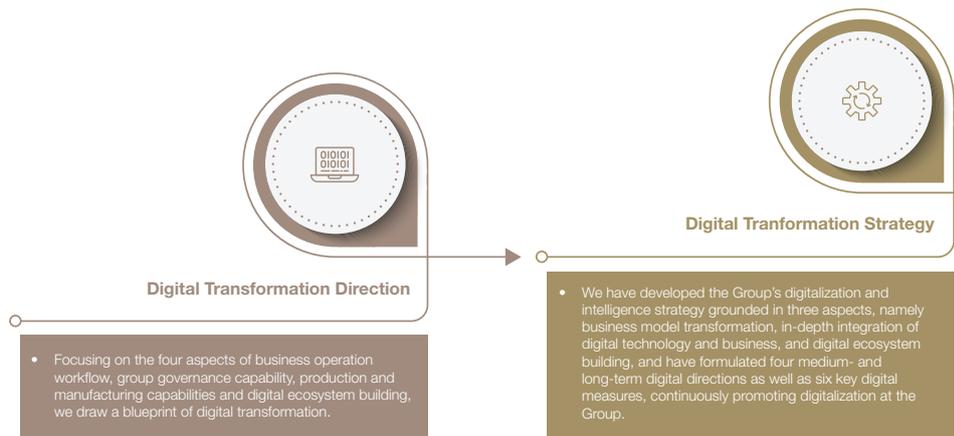
R&D Awards

During the Reporting Period, Minth Group was granted the following R&D awards and honors:

| | | |
|---|---|---|
| <p>As of the end of the Reporting Period, 3 enterprises under Minth Group have been accredited as National Intellectual Property Advantage Enterprises.</p> | <p>Our Meet ILIDS intelligent car door system solution won the Excellence Award of the 7th China Automotive Part Industry Award (CAPA).</p> | <p>Our patent “A kind of exterior sealing strip for cars” was recommended to the 24th WIPO-China Award for Chinese Outstanding Patented Invention by the Science and Technology Department of the Ministry of Industry and Information Technology of China.</p> |
|---|---|---|

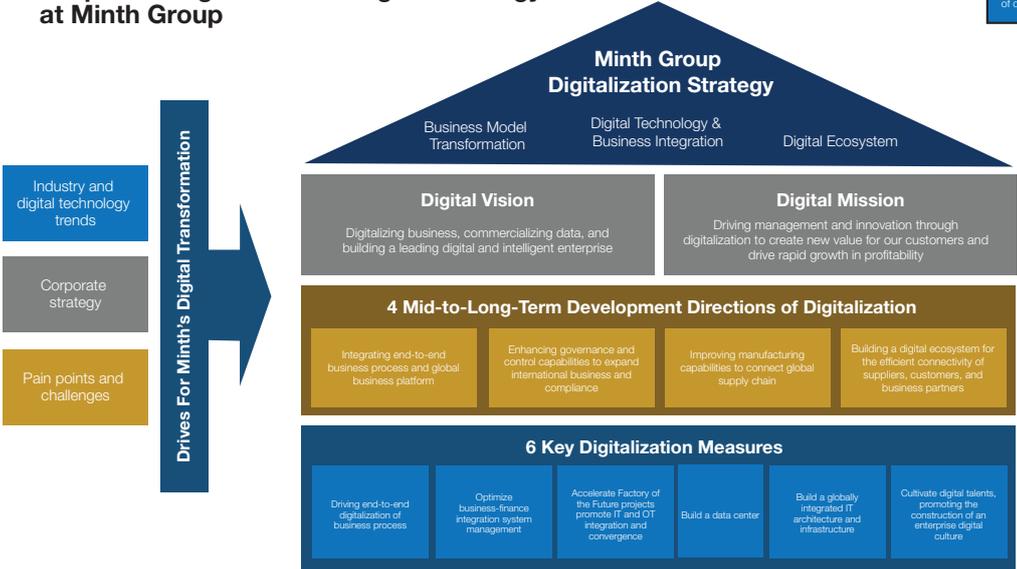
4.3. Digital Inclusion

At Minth Group, upholding the vision of building an industry-leading digital and intelligent enterprise, we continue to build the globally integrated IT structure and seek digitalization and commercialization between our business and data, striving to create a digital ecosystem connecting suppliers, customers, and business partners.

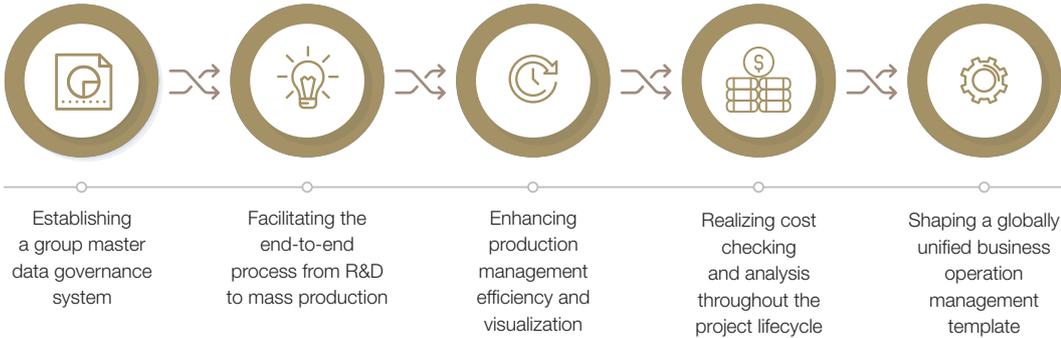


Corporate Digital and Intelligent Strategy at Minth Group

4 Strategic goals of digitalization



Throughout the Reporting Period, Minth Group remained dedicated to building a comprehensive, globally integrated digital infrastructure. In line with our overall objectives, we optimized our digital governance system to establish a fully integrated business operation management model. As a result of these efforts, we made significant strides in our digital transformation journey.



Objectives of the Globally Integrated Digital Structure

Intelligent Operations Center

Staying committed to promote the digital presentation of all factories, platform presentation of self-developed projects of the future, and 3D digital twin application, the Center enhances digital application in factories leveraging measures, such as applying digital renovated scenarios and immersive VR experience, in an effort to drive digital transformation.

Corporate-Level Operational Decision-Making Analysis Platform

We established a corporate-level digital platform, and divided integrated strategic objective into operational indicators, realizing two-way collaboration, facilitating effective feedback and monitoring across the Group's management and decision-making level, factory management and business execution, which enables immediate and effective management at all levels and further enhances our operational capabilities.

Sustainability Platform for Carbon Neutrality/Carbon Footprint

We have completed the initial construction of the carbon footprint calculation model, achieving visualized presentation of carbon emission data on big screens; a sustainable management system will be established subsequently, which will integrate sustainable operation applications and facilitate internal carbon data between suppliers and the Group, thereby optimizing the carbon footprint calculation model.

Robot Application

We utilize robots in operation scenarios, such as shipments and custom clearance process, to expand digitalization in operation. To date, relevant function design and scenario application development have been completed.

Minyun Technology

We founded Zhejiang Minyun Digital Technology Co., Ltd. to keep pushing forward digital management and innovation centering digital transformation structure service and digital transformation method empowerment, leading the digital transformation of the auto parts industry.

Highlighted Progress of Digital Transformation

The Group is committed to promoting digital transformation in its operations and manufacturing facilities. During the Reporting Period, the Group focused on the construction of digital factories, which included the implementation of digital facilities such as the digital operation center, digital twin, and intelligent operation center. These initiatives have helped to improve transparency in our factories and enabled us to gradually realize our goal of intelligent factory construction by promoting exemplary models.

Factory of the Future

Minth Group adheres to its core philosophy of “Intelligent Manufacturing + Humanity” in its “Factory of the Future” operations, where it integrates information technology with manufacturing processes to build intelligent factories. This is achieved by leveraging advanced technologies such as cloud computing, big data, artificial intelligence and the Internet to lead the manufacturing industry towards automation and intelligence.

During the Reporting Period, the “Factory of the Future” of Minth Group focused on automatic application and the development of intelligent technology. It continued to implement advanced technologies to build an efficient intelligent factory.

The infographic consists of four horizontal panels, each with a circular icon on the left and a text box on the right. The icons are: a central circle with a grey arrow pointing left for 'Centralized Material Supply System'; a circle with a grey arrow pointing left for 'Intelligent Sorting'; a circle with a grey arrow pointing left for 'Automatic Stereoscopic Warehouse'; and a circle with a grey arrow pointing left for 'Automatic Production Line'.

- Centralized Material Supply System**
 - Adopt automatic and unmanned underground logistics transportation to distribute raw materials from warehouse shelves to designated filling positions, and avoid mistakes arising from any possible absent-minded operations through code scanning comparison for raw materials. The materials are automatically sent to injection molding machine through pipelines.
- Intelligent Sorting**
 - Through an aerial conveyor system, AI algorithms and vision-guided robots are introduced at each station to inspect product contour and positioning accuracy, realizing unordered and accurate picking and placing with robots, thereby replacing manual work and improving production efficiency.
- Automatic Stereoscopic Warehouse**
 - Set up 1,320 storage bits to connect SAP/MES, and realize end-to-end unmanned automatic delivery through WMS (Warehouse Management System)/ WCS (Warehouse Control System), cutting semi-finished product inventory by 50%, and achieving product traceability through FIFO.
- Automatic Production Line**
 - Use 2D and 3D to accurately identify and locate products with various specifications and inaccurate incoming materials for vision-guided grabbing, enabling operations such as automatic grabbing, automatic assembly, automatic conveyors and automatic entry.

Automatic and Intelligent Measures at the “Factory of the Future”

4.4. Customer Responsibility

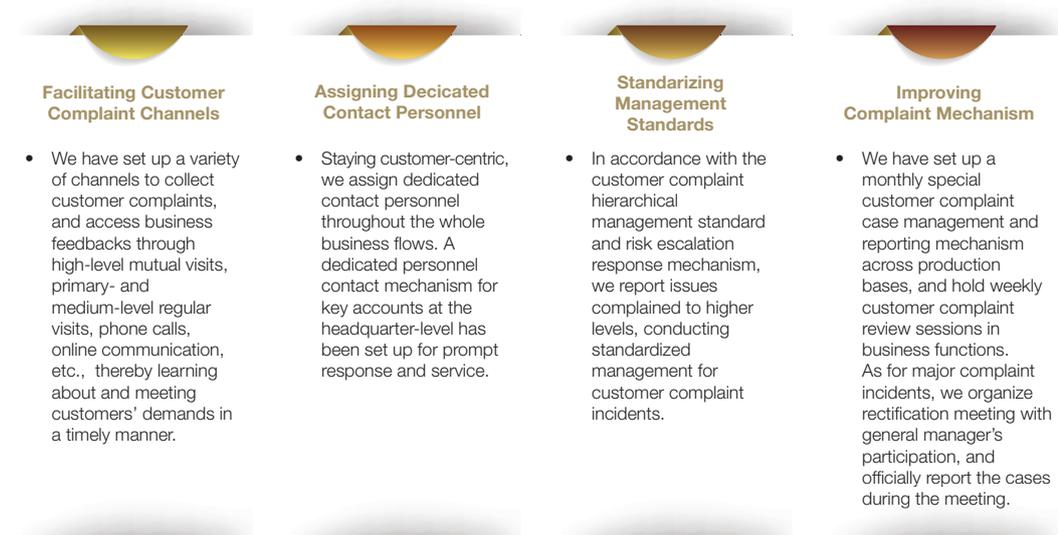
At Minh, we continue to optimize the customer service system and regularly track customers' feedback and demands, aspiring to continuously improve product and service quality as well as customer satisfaction.

Customer Communication

We have established multiple communication channels to effectively receive customer feedback and continuously optimize our complaint handling procedures. In addition, we regularly conduct customer satisfaction surveys to enhance our customer service and ensure customer needs are met.

Customer Complaint Handling

Throughout the Reporting Period, we made significant improvements to our customer complaint management system. This included updating the Management Guideline for Customer Complaints, categorizing product defects by hierarchy, standardizing the handling process for customer complaints, and closely monitoring the process and results to ensure that customer complaints are resolved in a timely and effective manner. To facilitate smooth and efficient customer communication, we also established a Customer Complaint Procedure, which ensures that complaints related to product quality and technical issues are quickly analyzed and rectified by relevant functions. Once the issue is resolved, we will issue an official problem-solving report to the customer for verification.



Measures to Optimize Customer Complaint Handling

During the Reporting Period, the Group received a total of 504 customer complaints, with 100% of complaints handled on time, and 100% of problems closed.



Customer Complaint Problem-Solving Workflow

Customer Satisfaction Management

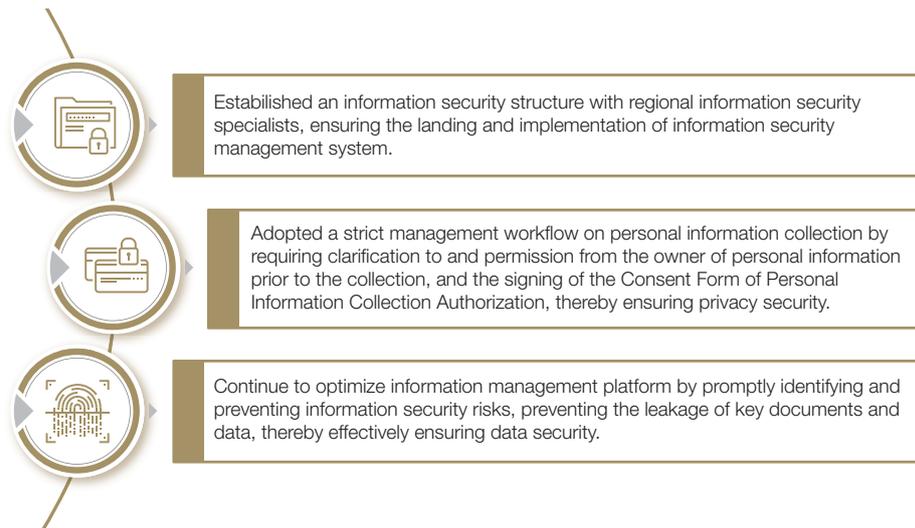
The Group has established a customer satisfaction survey system to collect feedback from a wide range of customers using convenient methods. During the Reporting Period, we used this system to conduct satisfaction surveys on quality, technology, logistics and procurement, and identified areas with low ratings for further improvements. A total of 289 valid satisfaction questionnaires were collected, with an average overall customer satisfaction rate of 4.8 out of 5 points.

To further prioritize customer satisfaction, we have incorporated customer satisfaction results into our factory’s annual performance assessment. This helps motivate our factories to actively track customer feedback and improve product quality accordingly.

Information Security and Privacy Protection

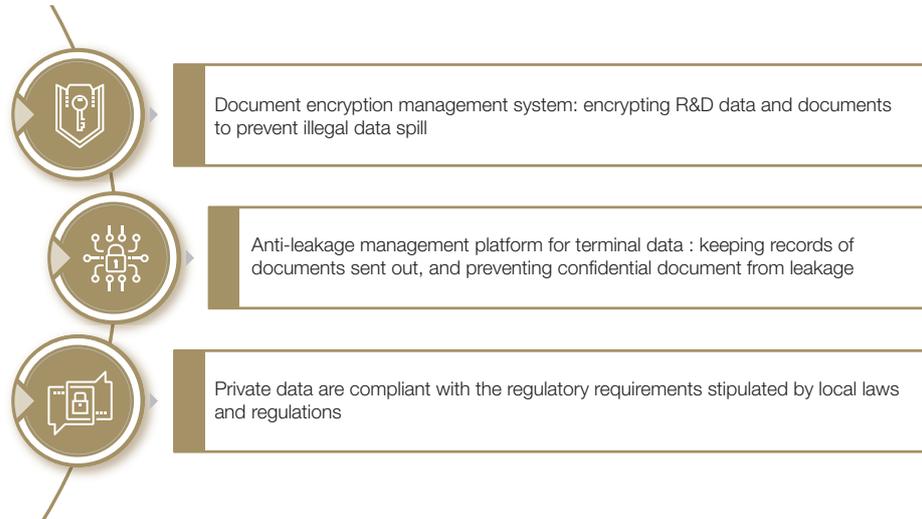
Minth Group is committed to ensuring the privacy and information security of its customers in compliance with global laws and regulations. To this end, we have implemented strict management measures across the Group and its subsidiaries. We utilize guiding documents such as the Guidelines on Internal Control and Risk Management, the Risk Assessment Matrix Table, and the Asset Identification and Risk Assessment to assess and control information security risks effectively, with the aim of minimizing the risks related to data leakage, loss, and damage.

We have also established various information security management procedures, such as the Personal Information Protection Management Procedures, Sample Management Procedures, Data Security Management Procedures, Information Security Requirements for Product Project Management, Information Security Awareness Training for R&D Center, and Project Information Security Management Procedures. These procedures help to standardize privacy and data security management within the Group.



Measures to Improve Information Security Management

To ensure information confidentiality and security, Minth Group has established a global information security operating system and a 24/7 global information security operation team. The team works closely with other functional teams to fully integrate itself into the business processes.



Information Confidentiality Measures at Minth Group

During the Reporting Period, Minth Group continued to prioritize information security and privacy protection. We obtained TISAX (Trusted Information Security Assessment Exchange) certification and completed TISAX AL2 and AL3 reviews across more than 10 sites. We also completed the TISAX AL3 assessment in 3 sites as scheduled during the Reporting Period.

To prioritize the protection of customer privacy, Minth Group has assigned dedicated personnel to manage and implement a system that ensures the confidentiality of customer data. We have established varying levels of access and approval rights for different customers' data and information within our business management system, with a strict emphasis on centralized storage and confidentiality of vital commercial information. This ensures the security of customer privacy and prevents unauthorized access to sensitive data.

The Group recognizes the importance of employee awareness in information security and privacy protection. Therefore, we conduct regular training on internal information security management to improve the management skills of our staff. We also conduct regular emergency drills to test the effectiveness of our data security management. During the Reporting Period, the Group did not experience any incidents of information leakage.

5. GREEN MANUFACTURE

5. GREEN MANUFACTURE

Minth Group is committed to sustainable development and has always prioritized zero-carbon practices. We are constantly working to strengthen our environmental management system to instill a culture of green sustainability. Through proactive identification of climate change risks, we aim to achieve energy savings and emission reductions. Our goal is to make the Factory of the Future the Group's first carbon-neutral factory by 2025, while integrating green manufacturing into all aspects of our production and operation. To achieve this, we have set up the goal of "net zero carbon R&D and circular economy" for our industrial layout planning and adopted an operational model centering around "digitalization, green energy, and green supply chain".

5.1. Green Development

Minth Group strives to maintain the "beauty of the environment" and upholds the concept of "green manufacturing for sustainable development" by continuously consolidating our environmental management system, establishing a comprehensive environmental management policy, strictly implementing various environmental management measures, applying more scientific and rational production methods, and promoting green operations in all aspects of office and production.

Environmental Compliance

Minth Group adheres to strict compliance with environmental laws and regulations in all locations where we operate. To ensure compliance, we conduct grid checklist reviews and continuously improve our internal system documents and management policies, including the EHS Management Manual, Red Line Management Standards, and the Guidelines on Green and Zero-Carbon Operations.

The Sustainability Committee, as the accountable body, integrates the principles of the environmental management system to improve the management processes and enhance the layered review standards for environmental management. Through these efforts, we continually promote the implementation of environmental management. The Committee also establishes annual environmental management performance targets for each subsidiary, and regularly monitors and reviews progress to ensure accountability and traceability.

To actively follow up on the global climate change response process and to assume responsibility for environmental management, Minth Group actively carries out environmental management system certification for our factories in different regions. In addition, the Group has received a total of RMB4,580,000 in national-level awards and RMB5,270,000 in local and municipal-level awards. As of the date of this report, the management system certifications and honors received by Minth Group are as follows:

| Management System Certification and Honors | Coverage |
|--|-----------------|
| ISO 14001 Environmental Management Systems Certification | 86% |
| ISO 50001 Energy Management Systems Certification | 33 subsidiaries |
| National Green Factory | 3 subsidiaries |
| National Green Supply Chain Management Enterprise | 2 subsidiaries |

Throughout the Reporting Period, Minth Group made further updates and enhancements to our environmental emergency response plan, and completed the necessary filing procedures to bolster our capacity to manage environmental protection emergencies and respond to various environmental pollution incidents in a timely and effective manner. In accordance with the requirements stipulated in such plan, we conducted emergency drills and training, clearly defined the responsibilities of different departments in managing environmental emergencies, and established standardized procedures for responding to various types of environmental pollution incidents.

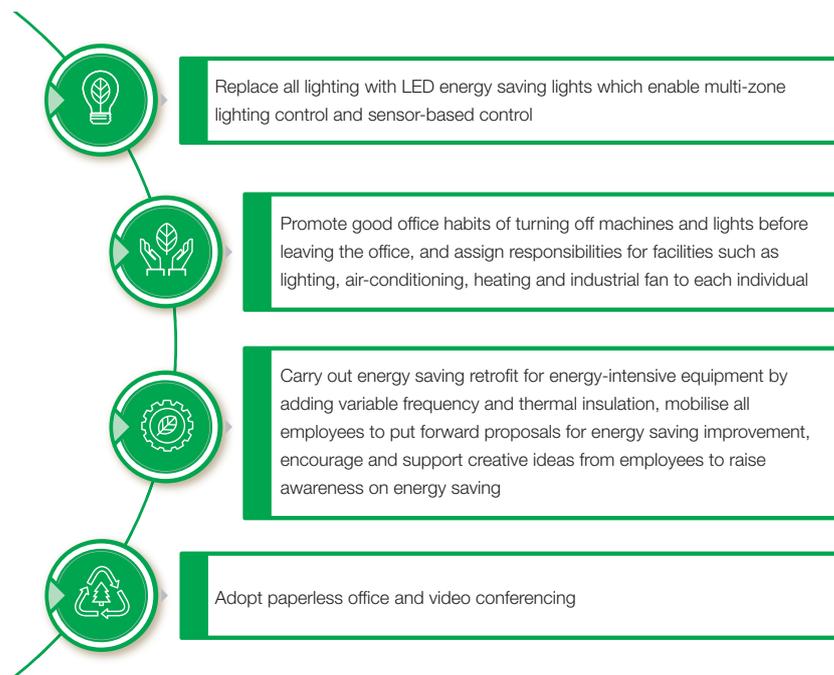


Shenyang Minneng Automotive Parts Co., Ltd., a subsidiary of the Company, organised 4 environmental drills during the Reporting Period

Qingyuan Minhui Automotive Parts Co., Ltd. carried out emergency drills in September and November 2022 and provided training and distributed learning materials to employees. As at the end of the Reporting Period, Minth Group had invested RMB18.4 million in environmental protection and no environmental protection penalties had been imposed.

Green Office

To enhance the environmental protection awareness of employees and support the sustainable development of Minth Group, we have formulated the *Green and Zero-Carbon Operation Guide*, and actively carried out energy-saving and consumption reduction initiatives to support green office practice.



Green Office Measures

In addition, we also pay attention to the ways of energy saving and consumption reduction, constantly exploring efficient ways to use energy and giving full consideration to creating a green environment in daily office operations.

Centralized Control of Electricity Use Permits at Hubei Minneng Automotive Parts Co., Ltd., a subsidiary of the Company

Hubei Minneng Automotive Parts Co., Ltd. has implemented centralized control of lighting and air conditioning permits and has carried out energy-saving retrofit of office areas by setting the lights to turn on at certain times and in certain areas and the alternate start of air conditioning in the office areas. The retrofit is expected to reduce electricity consumption by 25% for lighting and 16% for air-conditioning.

Clean Technology and Green Products

Minth Group is at the forefront of the automotive parts industry when it comes to green product development. The Group has consistently increased its investment in the research and development of clean technology materials, with a focus on battery housing, high-performance green aluminum materials, and polymer materials. Through these efforts, Minth has established a safe, green, and efficient production model, positioning itself as a leading enterprise with green production technology. As of the end of the Reporting Period, Minth's investment in clean technology had reached RMB50,596,200.

Battery Housing

With the continued electrification of the automobile industry, the business of battery housing, as a key product for electric vehicles, continues to grow. To further satisfy customers' needs, Minth Group has been actively promoting the research and development of battery housing by continuously optimizing design, process, and materials, developing various solutions to strengthen advantage in light-weighting, and providing support of green products for realizing the light-weighting, electric and intelligent transformation. Currently, with the continuous improvement of its global layout, Minth Group has grown into the world's largest suppliers of battery housing with factories covering China, Europe, and North America. In the meantime, the Group has also made efforts to reduce carbon footprint by leveraging its proximity to the local market.

In addition, the Group has further explored innovative materials for battery housing to promote the application of aluminum alloy and composite materials in the battery housing. The current battery housing solutions of Minth have seen further upgrade in insulation, heat control, and air tightness. Thus, the promotion of the aluminum alloy and composite materials in battery housing will help Minth Group achieve light-weighting products and maintain competitiveness.

During the Reporting Period, the revenue of battery housing at Minth Group reached RMB2.044 billion, representing an increase of 658% compared with the previous year.



Polymer Materials

Minth Group is actively promoting the development and application of green, low-volatile, and low-odor materials. We use polymer materials and recycled PCR and PIR materials as raw materials to enhance material performance through modification techniques. Currently, Minth Group's modified plastic production plants have completed the deployment of Eco OleCom® and Eco Lonitblend®, two series of renewable materials, by adding modified plastics and low-odor elastomeric materials into reclaimed materials.

Three types of materials under such series, namely ABS, PC+ABS and PP-modified materials, have successively passed performance verification tests of major OEMs for product use. We have also carried out in-depth joint technical research and development with several OEMs to evaluate the performance reliability of recycled plastics. Through cooperation with the China Automotive Technology & Research Center (CATARC), we have conducted a carbon footprint assessment of PC-ABS recycled materials, and the carbon emission ratio of the renewable materials developed by Minth Group has been reduced by over 25%.

Green Aluminium

Minth Group has continued to increase investment in the R&D and resources of green aluminum materials. We have established a high-end recycled aluminum manufacturing base for automobiles making full use of our strong R&D and production capacity of aluminum materials and recycling resources. By independently developing technical standards for adding scrap aluminum to make different grades of recycled aluminum alloys, the Group can sort and recycle scattered scrap aluminum according to prescribed categories, bringing aluminum scrap outside its life cycle back into the cycle, thus maximizing the utilization of recycled resources and optimizing energy use.

At present, Minth Group has completed the development of the ECO-ALUMIN® S series of green aluminum materials, which use 100% hydropower aluminum ingots and recycled scrap aluminum. We plan to achieve the target of carbon emission intensity of no more than 3.0kgCO₂/kg by 2025. This product contains a proprietary formula developed by Minth Group, boasting excellent performance in yield strength, elongation, static crushing property, temperature resistance, and corrosion resistance, and meeting customers' technical requirements.

5.2. Climate Change

Minth Group recognizes the urgent need to address the potential impact of global warming caused by climate change. As such, we have made a commitment to take on our environmental responsibilities by placing energy and carbon management at the forefront of our development strategy. We understand that carbon neutrality has become an inevitable trend for social and economic development, and we are dedicated to addressing climate risks and seizing opportunities to achieve sustainable development in the long run. To achieve this goal, we utilize the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to identify, analyze, manage, and disclose risks and opportunities associated with climate change.

Governance

The Board of Directors of Minth Group is accountable for supervising the development of a systematic process to identify climate change risks for the Group. The Sustainability Committee of the Group is in charge of supervising the consistent implementation of climate change risk identification, collaborating with different departments to take the required actions against recognized climate change risks, and regularly reporting and providing suggestions to the Board. The ESG Working Group is responsible for coordinating different divisions and executing relevant measures to tackle identified climate change risks.

Strategy

Minth Group is proactive in addressing climate risks. By referencing the TCFD framework and using the Representative Concentration Pathways RCP2.6 and RCP8.5 introduced by the Intergovernmental Panel on Climate Change (IPCC) of the United Nations in its Fifth Assessment Report as climate change risk analysis scenarios, Minth Group is committed to effectively identifying and assessing potential impacts of climate-related risks on its business performance under different scenarios.

| Type | Climate-Related Risks | | Impacts on Minth Group |
|----------------|-----------------------|---|--|
| Physical Risks | Acute | Floods | Heavy rainfall and floods may have an impact on production, operation and asset safety, logistics, and transportation at production sites, indirectly leading to supply chain disruptions or short-term price increases. |
| | | Typhoon | <p>Typhoons may affect production, operation, and asset safety at production sites, threaten the safety and health of personnel and restrict working hours and conditions, resulting in increased operating costs.</p> <p>The supply chain may be disrupted by typhoons, resulting in short-term cost increases and even product shortfalls and business interruptions, etc.</p> |
| | | Extreme heat | <p>Extremely hot weather can increase the incidence of drought, which increases the chance of fires.</p> <p>High temperatures can lead to increased employee illness</p> <p>Increased demand for cooling electricity due to persistent high temperatures, resulting in higher production costs</p> |
| | Chronic | Changes in precipitation patterns and variability in weather patterns | <p>Extreme weather events may affect the Group's assets and production capacity, as well as relationships with suppliers or customers.</p> <p>Unstable weather patterns may slow down shipments, restrict product deliveries and affect procurement and delivery.</p> |
| | | Rising sea levels | Sea level rise is causing seawater to invade production sites in China, Thailand and other coastal areas, and will cause further flooding. |
| | | Water shortage | Water shortage caused by climate change and weather pattern change makes it difficult to secure water resources for production, cleaning, painting, and domestic use, resulting in shutdown and increase in operating costs. |
| | | Rising mean temperatures | Frequent high temperatures lead to higher costs for production and supply chain transportation, as well as increased demand for cooling power in employee work environments. |

GREEN MANUFACTURE

| Type | | Climate-Related Risks | Impacts on Minth Group |
|------------------|------------------|---|---|
| Transition Risks | Policy and Legal | Exposure to litigation | Civil public interest lawsuits related to climate change are increasing year by year. |
| | | Mandates on and regulation of existing products and services | The current global regulation of CO ₂ emissions from vehicles has influenced the choice of strategies in technology and business directions, e.g., the EU Green Deal and the Action Plan for Reaching Carbon Dioxide Peak Before 2030 and others all propose to vigorously promote the development of new energy vehicles. |
| | | Increased pricing of GHG emissions | Although Minth Group has not yet been included in the carbon trading system, it may still be affected by the prices of fuel and energy, or the production costs of raw materials, which could indirectly affect its business. |
| | | Enhanced emissions-reporting obligations | The European Union, China and other places have put forward higher requirements for corporate emission reporting, and investors and capital markets are also increasingly concerned about the disclosure of corporate carbon emissions. |
| | Technology | The front-end cost of carbon emission technology transformation, development of renewable energy, energy saving and emission reduction technology | Excessive technology investment in zero- and low-emission vehicles can be substantial, resulting in higher costs in the short term and the risk of investment in new technologies. |
| | Market | Changing customer behavior | Customer requests related to carbon emission reduction, which if not met, result in reduced orders Reduced customer demand for traditional products |
| | | The increased cost of raw materials | The aluminum required in the production process is carbon intensive and the supply of zero-carbon alternatives is relatively scarce. The price of zero-carbon aluminum is likely to increase in the short and medium term, leading to higher production costs. |
| | Reputation | Shifts in consumer preferences | Consumers' pursuit of new energy products has increased the investment of OEMs in the research and development and production of new energy vehicles, which will also increase the indirect operating costs of Minth's transformation to new energy vehicle parts. |
| | | Increased stakeholder concern for negative feedback | If environmental performance is not adequately disclosed, customers may choose a peer group, resulting in a reduction in Minth Group's revenue |

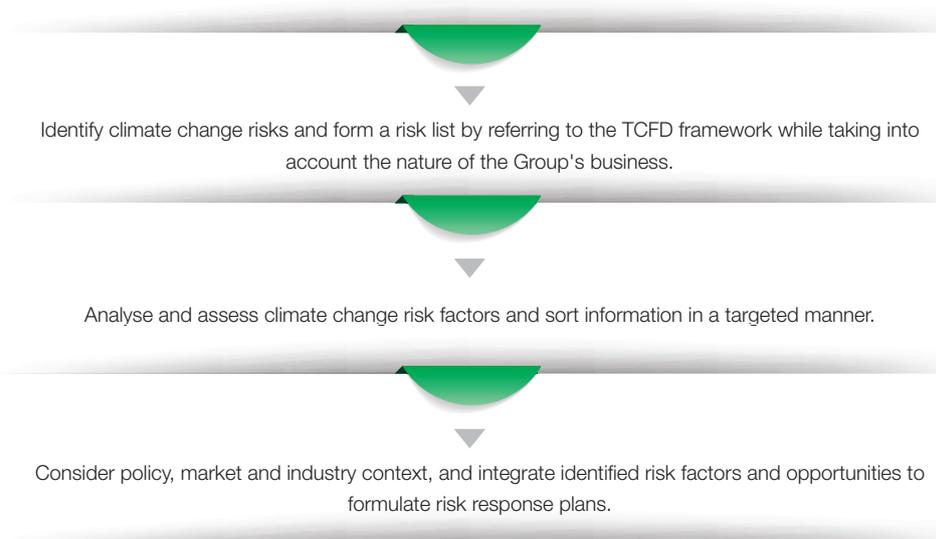
We also carry out analysis from four aspects of resource efficiency, energy source, markets, and products and services to identify opportunities for the Group’s operations as a result of climate change:

| Type | Climate-Related Opportunities | Impacts on Minth Group |
|----------------------------|---|--|
| Resource Efficiency | Use of recycling technology | By adopting a newly developed disposal technology to recycle raw materials from non-conforming products, Minth Group has reduced the consumption of raw materials and improved resource efficiency, thereby reducing operating costs and carbon emissions. |
| Energy Source | Participation in carbon trading market | The transport sector is being considered for inclusion in the carbon trading market in many places of the world, and a mechanism for linking the automotive sector to the carbon trading market will be explored. Companies with lower carbon emissions will be the preferred suppliers to customers in the automotive sector and may be eligible to sell surplus carbon credits. As a result, participation in the carbon market could reduce overall costs while generating increased revenue. |
| | Use of lower-emission sources of energy | To cope with future regulations, supply and price instability of traditional energy sources with high carbon emissions, Minth Group has reduced our energy consumption or energy intensity through production technology enhancement and equipment improvement to reduce the risk of future price increases of traditional energy sources, thereby reducing the production and operation costs of Minth Group. |
| | Use of new technologies | To cope with factors such as uncertainty of the conventional energy market in the future, Minth Group has been actively developing photovoltaic power generation projects through production technology enhancement and equipment improvement. |
| Markets | Access to new assets and locations needing insurance coverage | Innovative green financial products such as green bonds and sustainability-linked bonds can be issued for corporate environmental activities, including R&D of energy-saving and emission reduction technologies, development of “smart manufacturing” and zero-carbon product development. Through diversified financial asset management channels, we can expand financing options and reduce costs for green technology R&D and zero-carbon product development. |
| | Use of public-sector incentives | Various countries/regions are providing subsidies in response to the impact of climate change and will further enhance incentives related to energy saving and emission reduction technologies in the automotive industry. |

| Type | Climate-Related Opportunities | Impacts on Minth Group |
|-----------------------|--|---|
| Products and services | Shift in consumer preferences | In the future, more customers will opt for new mobility solutions. The market for low-emission, self-driving/ internet-connected vehicles, digitalization, and electrification has huge potential. |
| | R&D and innovation | More stringent and convergent global regulations on greenhouse gas emissions in the transport sector are driving a low-carbon and energy-efficient transformation of the automotive industry. Increasingly stringent regulatory requirements and consumer demand have driven the automotive industry towards electrification, with the global electric vehicle market developing rapidly. The boom in the development of new energy vehicles has led to an increase in demand for corresponding components, which has created growth opportunities for automotive OEMs. |
| | Ability to diversify business activities | Given the expanding global demand for zero-carbon products, Minth Group can apply its R&D achievements in carbon-reducing technologies to other extended areas of business activities. |

Risk Management

Minth Group has implemented a comprehensive climate change risk management framework. The Board of Directors oversees the coordination of risks and strategic responses to climate change, while the Sustainability Committee is responsible for assessing climate change risks and opportunities and formulating implementation plans and then reports to the Board. The ESG Working Group carries out specific measures related to climate change issues and conducts preliminary identification and sorting of possible risks using the TCFD framework to ensure that risk management efforts proceed smoothly.



Climate Change Risk Identification Process

Metrics and Targets

Focusing on the carbon strategy of “carbon peaking by 2030 and carbon neutrality by 2050”, Minth Group has set a target to reduce energy consumption and carbon emissions per RMB10,000 output value by 5% each year. During the Reporting Period, the targets were achieved as scheduled.

Minth Group has upheld the principle of green development while also proactively participating in actions to address climate change. We are committed to reducing the impact of climate change risks on the Group by attaching importance to carbon emissions management during the production and operation process.

Minth Group’s Carbon Neutrality Platform

We have developed a Carbon Neutrality Platform around our carbon neutrality target, focusing on the management of carbon emissions and making it part of our group strategies. Powered by digital technology, the system integrates the management of carbon emissions, carbon reduction, green supply chain, and carbon footprint with decision support, providing carbon data reporting and calculation, trending of emission intensity, carbon target project planning and footprint accounting, carbon data measurement of materials, energy, and transportation, etc.

Minth Group is actively pursuing green energy initiatives. The Group has constructed 70MW of photovoltaic power generation installations to maximize the use of existing resources, including factory roofs, car parks, and walls. The goal is to increase the proportion of solar energy in power consumption continuously. As of the end of the Reporting Period, the use of solar and green power accounted for 15% and 20% respectively of the total electricity generation, positioning the Group as one of the industry’s leaders.

Installation of Photovoltaic Power in the Group's Factories

In 2022, Jiangsu Hexing Automotive Technology Co., Ltd., a subsidiary of the Company, installed photovoltaic power generation equipment in factory No. 6 and at the new car park, with an installed capacity of 5.2 MW.

Shenyang Minneng Automotive Parts Co., Ltd. started phase I construction of photovoltaic power in its factory in 2022, which was put into commission in October. The annual green power proportion reached 3%.

In Jiaxing Minhua Automotive Parts Co., Ltd., a subsidiary of the Company, a total area of 60,000 square meters of solar panels was installed in Minhua's C1, C2, and C3 workshops and at the North Gate car park, with an installed capacity of 6MW. The electricity generated from solar panels is converted to 10KV high voltage electricity, with priority given to the factories and the surplus solar electricity exported to the national grid. The average monthly PV power generation during the Reporting Period reached 710,000 KWH.



The Heat Pump Solutions of Jiaxing Minhui Automotive Parts Co., Ltd.

After the technical transformation, Jiaxing Minhui Automotive Parts Co., Ltd. adopted a heat and cold pump system to replace the original chiller. Instead of using steam, the heat pump is expected to save 1,094.13 tonnes of standard coal.

During the Reporting Period, the Group's carbon emissions and energy consumption are shown in the table below:

| Greenhouse Gas Emissions | | | | |
|---|---------|-------------------|-------------------|--|
| Category | 2022 | 2021 ³ | 2020 ⁴ | Unit |
| Greenhouse gas emission scope 1 | 57,364 | 63,111 | 32,604 | Tonnes of CO ₂ equivalent |
| Greenhouse gas emission scope 2 | 363,632 | 345,265 | 322,397 | Tonnes of CO ₂ equivalent |
| Total greenhouse gas emission | 420,996 | 395,520 | 355,000 | Tonnes of CO ₂ equivalent |
| Greenhouse gas emission per RMB10,000 of output value | 0.24 | 0.28 | 0.28 | Tonnes of CO ₂ equivalent/ RMB10,000 |

| Energy Consumption | | | | |
|--|---------|-------------------|-------------------|--------------------------------|
| Category | 2022 | 2021 ⁵ | 2020 ⁶ | Unit |
| Purchased electricity | 65,543 | 58,010 | 48,636 | Ten thousand KWh |
| Photovoltaic electricity | 2,974 | 2,405 | / | Ten thousand KWh |
| Natural gas | 2,588 | 2,896 | 1,475 | Ten thousand N/m ³ |
| Diesel oil | 159 | 122 | 160 | Tonne |
| Gasoline | 70 | 129 | 97 | Tonne |
| Direct energy consumption ⁷ | 34,755 | 38,882 | 19,988 | Tonnes of standard coal |
| Indirect energy consumption ⁸ | 84,207 | 74,249 | 61,029 | Tonnes of standard coal |
| Comprehensive energy consumption | 118,962 | 113,131 | 81,017 | Tonnes of standard coal |
| Comprehensive energy consumption per RMB10,000 of output value | 68.74 | 81.28 | 64.99 | kg standard coal/ RMB10,000 |

³ The greenhouse gas emissions data for 2021 includes the subsidiaries in China region and subsidiaries outside of China that have entered the production stage, with the addition of data from multiple factories in the UK, Serbia, Czech Republic, and other locations compared to the previous year. The calculation of greenhouse gas emissions refers to several guidelines, such as the "Guidelines for the Calculation and Reporting of Greenhouse Gas Emissions from Other Industries" (trial), "Guidelines for the Calculation and Reporting of Greenhouse Gas Emissions from Power Generation Facilities," "Greenhouse Gas Reporting — Conversion Factors 2016," "2015 Guidelines for Defra/DECC's GHG Conversion Factors for Company Reporting," and "Emission Factors for Greenhouse Gas Inventories."

⁴ The greenhouse gas emissions data for 2020 includes the subsidiaries in China region and subsidiaries outside of China that have entered the production stage.

⁵ The energy consumption data for 2021 includes the subsidiaries in China region and subsidiaries outside of China that have entered the production stage, with the addition of data from multiple factories in the UK, Serbia, Czech Republic, and other locations compared to the previous year.

⁶ The energy consumption data for 2022 includes the subsidiaries in China region and subsidiaries outside of China that have entered the production stage, with the addition of data from multiple factories in the UK, Serbia, Czech Republic, and other locations compared to the previous year.

⁷ Direct energy consumption includes the consumption of natural gas, diesel, and gasoline. The calculation is based on GB/T 2589-2020 "General Rules for Energy Consumption Calculation."

⁸ Indirect energy consumption includes the consumption of purchased electricity and photovoltaic power. The calculation is based on GB/T 2589-2020 "General Rules for Energy Consumption Calculation."

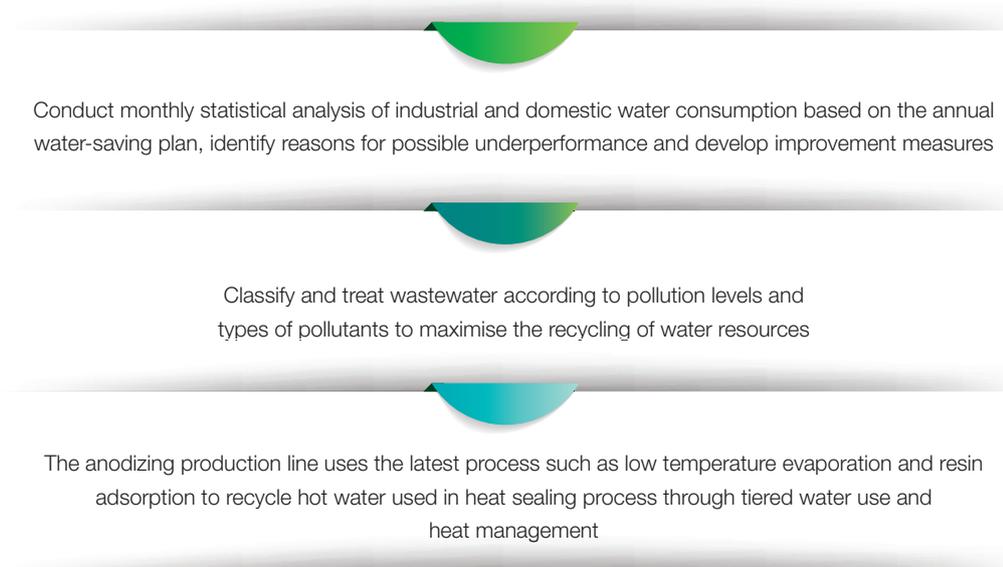
5.3. Resource Management

Minth Group upholds the concept of sustainable development and is committed to improving resource efficiency and reducing the consumption of water and packaging materials in our production and operation process.

Management of Water Resources

Minth Group adheres to the principles of water conservation and complies with relevant laws and regulations. The Group has developed Water Use Management Guidelines and aims to reduce total water consumption by 3% annually. By 2030, the Group plans to achieve a 20% reduction in water consumption compared to 2020, by implementing measures such as wastewater reuse and the use of reclaimed water.

The Group sources water from municipal water, which is used for domestic and industrial purposes. Our water management mechanism covers the entire process from water supply to water consumption and drainage, and provides timely statistics and tracking of water consumption, thereby improving the Group's water management level to achieve annual water-saving goals.



Measures to Achieve Water Resource Goals

| Consumption of Water Resource | | | | |
|---|-------------------|--------------------|--------------------|-----------------|
| Type | 2022 ⁹ | 2021 ¹⁰ | 2020 ¹¹ | Unit |
| New water consumption ¹² | 5,979,876 | 6,608,293 | 4,879,799 | Tonne |
| Water consumption per RMB10,000 of output value | 3.46 | 4.75 | 3.91 | Tonne/RMB10,000 |

Management of Packaging Materials

Following the requirement of developing green packaging for the automobile industry, Minth Groups strives to promote the use of reusable and recyclable containers for shipment and internal transfer to reduce the consumption of packaging materials.

▶

Packaging Design

Redesign packaging materials such as foam/blister trays to suit a wide range of product shapes, focus on optimising packaging boxes, refine product packaging designs and continually explore the use of recycled boxes or recyclable green packaging materials for intercontinental shipment to reduce consumption of disposable packaging materials

▶

Use of Packaging

Regularly compile statistics on the total amount of packaging materials consumed and the packaging materials consumed per unit of output, develop a packaging usage plan and establish a centralized packaging materials management mechanism to further improve efficiency in the use of packaging materials

▶

Reuse of Packaging Materials

The Group follows the requirement of developing green packaging for the automobile industry and strives to promote recycling in shipment and internal transfer to reduce the consumption of packaging materials

We utilize various packaging materials, including paper, plastic, wood and metal, during our production processes. We strive to optimize the use of these resources and materials throughout the entire lifecycle by implementing measures such as redesigning packaging materials, such as foam and blister trays, to better accommodate different product shapes and enable multiple uses. These efforts aim to reduce raw material waste and promote sustainable and green manufacturing practices.

⁹ The water consumption data for 2022 includes the subsidiaries in China region and subsidiaries outside of China that have entered the production stage.

¹⁰ The water consumption data for 2021 includes the subsidiaries in China region and subsidiaries outside of China that have entered the production stage, with the addition of data from multiple factories in the UK, Serbia, Czech Republic, and other locations compared to the previous year.

¹¹ The water consumption data for 2020 includes the subsidiaries in China region and subsidiaries outside of China that have entered the production stage.

¹² "New water" comes from the municipal water supply network and natural water bodies.

| Packaging Material Consumption | | | | |
|--|--------------------|--------------------|--------------------|--------------|
| Type | 2022 ¹³ | 2021 ¹⁴ | 2020 ¹⁵ | Unit |
| Packaging material consumption | 19,777 | 78,733 | 14,528 | Tonne |
| Packaging material consumption per RMB10,000 of output value | 11.43 | 56.56 | 11.65 | Kg/RMB10,000 |

5.4. Emission Compliance

Minth Group prioritizes the environmental impact of its business operations and strictly adheres to the laws and regulations in every location it operates. The Group maintains strict control over emissions management, continuously improves and optimizes waste, wastewater, and exhaust gas management practices, and conducts regular internal monitoring to ensure that all environmental monitoring indicators comply with emission requirements. Moving forward, the Group plans to continue promoting and implementing its management system for waste, wastewater, and exhaust gas, and intensify efforts to minimize the impact of production and operations on the environment. As of the end of the Reporting Period, there were no non-compliance incidents related to pollutant emissions.

Minth Group has implemented an environmental performance grading system to meet the requirements and standards of environmental policies. The system assesses all producing factories based on their processes, raw and auxiliary materials and emissions, in accordance with regulations. Four factories of the Group have already received grade A, which allows them to adopt autonomous emission reduction measures in heavily polluted weather. In the future, the Group will continue to promote energy saving and emission reduction under the provisions of environmental performance grading. Efforts will be made to improve high energy-consuming and high-emission processes and equipment, increase the proportion of grade A factories to 50%, and eliminate grade D factories.

Waste Management

Minth Group has established a systematic and standardized environmental management mechanism based on the ISO 14001 environmental management system. The Group strictly adheres to local laws and regulations for waste management. To ensure compliance, we classify waste generated during production and operation as either hazardous waste or general industrial waste. The Group also follows internal Waste Resource Management Guidelines and requires each production unit to establish solid waste emission targets to continuously reduce waste emissions per unit of output and improve the factories' ecological management.

¹³ The packaging material data for 2022 includes the subsidiaries in China region and subsidiaries outside of China that have entered the production stage.

¹⁴ The packaging material data for 2021 includes the subsidiaries in China region and subsidiaries outside of China that have entered the production stage, with the addition of data from multiple factories in the UK, Serbia, Czech Republic, and other locations compared to the previous year.

¹⁵ The packaging material data for 2020 includes the subsidiaries in China region and subsidiaries outside of China that have entered the production stage.

Hazardous Waste Management

Minth Group has implemented digital transformation to establish a comprehensive hazardous waste management system that monitors every stage from generation, transportation, storage, to disposal. This system enables open and transparent information about hazardous waste management. The Group has set a target to decrease the hazardous waste generated per RMB10,000 of output value by 25% by 2030 compared to 2019.

We are committed to reducing the amount of hazardous waste generated at the source. For example, we have further reduced the environmental risk of our operations by adjusting the use of hazardous raw materials, which enabled us to dispose of sludge generated after wastewater treatment as general solid waste instead of hazardous waste.



Measures to Reduce Hazardous Waste

Nickel Recycling Project at Chrome Plating Line

During the Reporting Period, Jiaying Minhui Automotive Parts Co., Ltd. launched a nickel recycling project at its chrome plating line, which recycles cleaning wastewater containing nickel generated from the chrome plating line by using ion exchange for adsorption and then conversion and desorption. The optimised process can recover approximately 60 tonnes of nickel sulfate each year, reducing the environmental impact of sewage treatment while reducing the generation of approximately 700 tonnes electroplating sludge each year.



Management of General Industrial Waste

Minh Group has established a comprehensive solid waste management system in each of its production bases, in compliance with the solid waste management regulations of the respective regions. The system includes a General Waste Management Process and other relevant procedures, aiming at ensuring the proper disposal of general industrial solid waste generated by the factories. The waste is handled in strict accordance with the Standard for Pollution on the Storage and Disposal Site for General Industrial Solid Wastes and other relevant standards. In cases where the factories do not have the capabilities or qualifications to dispose of the waste, it is transferred to treatment plants that meet the necessary requirements. 100% compliance rate was achieved in waste disposal.

The general industrial waste generated by the Group in the production process includes aluminium chips, stub bar, and scrap. By adjusting the alloy composition and conditional upon following performance requirements of different products, we have achieved 100% recycling while ensuring the performance of our products.

Minh Group is dedicated to building a circular economy by researching and developing recyclable aluminium materials, with the aim of recycling 50% of aluminium by 2030 and establishing a complete recycling industry chain for aluminium products. The Group achieves closed-loop recycling within the product life cycle by implementing efficient and systematic management, allowing the aluminium materials generated in the factories to be reused.

Recycled Aluminium from Battery Housing

Minh Group makes full use of the recyclable nature of aluminium to separate and manage the waste generated during the production of battery housing. The high-quality aluminium rod melting and casting production line in our factory is used to remelt the waste and the aluminium liquid containing recycled aluminium is cast into qualified aluminium rods using our self-developed recycled aluminium purification technology. After extrusion moulding and other processes afterwards, the aluminium rods are made into new battery housings.



| Amount of Solid Waste Disposal | | | | |
|---|--------------------|--------------------|--------------------|--------------|
| Type | 2022 ¹⁶ | 2021 ¹⁷ | 2020 ¹⁸ | Unit |
| Hazardous waste | 14,752 | 45,792 | 26,473 | Tonne |
| Hazardous waste per RMB10,000 of output value | 8.52 | 32.90 | 21.23 | Kg/RMB10,000 |
| Non-hazardous solid waste | 43,039 | 39,709 | 35,168 | Tonne |
| Non-hazardous solid waste per RMB10,000 of output value | 24.87 | 28.53 | 28.21 | Kg/RMB10,000 |

Management of Wastewater

MintH Group adheres to strict compliance with water pollution prevention and control laws and regulations in the countries and regions where we operates. The Group has also developed internal management systems, such as the Standardisation of the Treatment of Wastewater, Waste Gas and Solid Waste for electroplating wastewater, the Manual of the Treatment of Wastewater, Waste Gas and Solid Waste for coating wastewater, and the Standardisation of the Treatment of Polishing Dust. Additionally, the Group has established a water use balance system to comprehensively monitor wastewater discharge. The Group ensures its discharge points comply with national discharge standards and continuously monitors flow, temperature, pH, COD, ammonia nitrogen, and heavy metals indicators. The Company has set a target to reduce its wastewater discharge per RMB10,000 of output value by 25% by 2030 as compared with 2019, as part of its commitment to sustainable development.

The Group separates production wastewater and domestic sewage, diverting the wastewater into the municipal wastewater treatment network after pre-treatment to comply with the *Class III Standard of the Integrated Sewage Discharge Standard (GB8978-1996)* and the *Indirect Discharge Limits for Nitrogen and Phosphorus Pollutants in Industrial Wastewater (DB33/887-2013)* for ammonia nitrogen and total phosphorus. As of the end of the Reporting Period, 80% of the Group's factories achieved zero discharge of wastewater, thanks to microfiltration, ultrafiltration, and reverse osmosis processes that enable closed-loop water use management without the need for wastewater discharge.

¹⁶ The waste data for 2022 includes the subsidiaries of our group in China and subsidiaries outside of China that have entered the production stage.

¹⁷ The waste data for 2021 includes the subsidiaries of our group in China and subsidiaries outside of China that have entered the production stage, with the addition of data from multiple factories in the United Kingdom, Serbia, Czech Republic, and other locations compared to the previous year.

¹⁸ The waste data for 2020 includes the subsidiaries of our group in China and subsidiaries outside of China that have entered the production stage.

During the Reporting Period, Jiaxing Minsheng Automotive Parts Co., Ltd. and Jiaxing Minhui Automotive Parts Co., Ltd. successfully completed their self-monitoring reports on soil and groundwater for 2022, and all the assessment results showed satisfactory performance in terms of ecological protection and conservation.

| Wastewater Emissions | | | | |
|------------------------|--------------------|--------------------|--------------------|-------|
| Type | 2022 ¹⁹ | 2021 ²⁰ | 2020 ²¹ | Unit |
| Industrial wastewater | 2,643,649 | 2,888,940 | 2,795,419 | Tonne |
| Chemical oxygen demand | 277 | 331 | 3,567 | Tonne |
| Ammonia nitrogen | 25 | 240 | 499 | Tonne |
| Wastewater reuse | 232,911 | 438,860 | 443,213 | Tonne |

Management of Waste Gas

Minth Group has taken measures to comply with regulations on air pollution management by improving waste gas management and treatment processes. In order to prevent and control waste gas pollution, waste gas generated from processes such as friction welding, injection molding, coating, and natural gas combustion are collected and purified before being released at a height of no less than 15 meters.

Furthermore, Minth Group has invested in advanced equipment and facilities for the treatment of volatile organic compounds (VOCs), such as Regenerative Thermal Oxidation (RTO) and Thermal Nano-Vaporization (TNV), resulting in a significant reduction in total VOC emissions. An online monitoring system has been installed in all VOC emission outlets to monitor the concentration of emissions in real-time. The data is uploaded to the monitoring platform of the Environmental Protection Bureau, allowing for real-time monitoring and oversight by regulatory authorities and the wider community.

| Waste Gas Emissions | | | | |
|---------------------|--------------------|--------------------|--------------------|-------|
| Type | 2022 ²² | 2021 ²³ | 2020 ²⁴ | Unit |
| Nitrogen oxides | 53 | 15 | 31 | Tonne |
| Sulphur dioxide | 5.7 | 9.7 | 1.6 | Tonne |

¹⁹ The wastewater data for 2022 includes the subsidiaries of our group in China and subsidiaries outside of China that have entered the production stage.

²⁰ The wastewater data for 2021 includes the subsidiaries of our group in China and subsidiaries outside of China that have entered the production stage, with the addition of data from multiple factories in the United Kingdom, Serbia, Czech Republic, and other locations compared to the previous year.

²¹ The wastewater data for 2020 includes the subsidiaries of our group in China and subsidiaries outside of China that have entered the production stage.

²² The waste gas data for 2022 includes the subsidiaries of our group in China and subsidiaries outside of China that have entered the production stage.

²³ The waste gas data for 2021 includes the subsidiaries of our group in China and subsidiaries outside of China that have entered the production stage, with the addition of data from multiple factories in the United Kingdom, Serbia, Czech Republic, and other locations compared to the previous year.

²⁴ The waste gas data for 2020 includes the subsidiaries of our group in China and subsidiaries outside of China that have entered the production stage.

6. SAFETY DEVELOPMENT

6. SAFETY DEVELOPMENT

Minh Group is dedicated to ensuring safety in the workplace by prioritizing safety and prevention of dangers. We have established a comprehensive production safety platform and advanced occupational health and safety system to create a secure working environment for our employees. We implement targeted measures to achieve this goal.

6.1. Production Safety

The secure and sustainable corporate development is the top priority of Minh Group, where employee safety always comes first. We make full use of information technology to continually upgrade our safety management with an emphasis on occupational health in the production process, stepping up our efforts in creating a safe working environment.

Safety Management

Minh Group's safety management system is based on the principle of "focused management with full participation". The Company monitors six key areas, which include compliance management, equipment safety, investigation of hidden dangers, management of grid-based red lines, construction management, and work injury management. The system also includes early warning mechanisms to ensure that potential safety issues are identified and addressed promptly. This comprehensive approach helps to create a safe and secure working environment for all employees, while also promoting sustainable corporate development.

Compliance Management

Minh Group strictly adheres to relevant laws and standards on occupational health and safety in all locations where we operate. We have revised and improved our production safety accountability system, including performance assessment measures that define the safety accountability of each department, position, and employee. Additionally, we have revised 20 related systems, including the Management System for Safety Management Organizations and Personnel Appointment, the Safety Management System for Critical Installations and Key Sites, the Management System for Safety Inspections and Hidden Danger Investigations, the Performance Assessment System for Safety "Red and Yellow Cards," and the Safety Management System for Dangerous Operations.

We have set up a group-level environment, health, and safety (EHS) expert group responsible for planning, implementing and revising the Group's EHS systems and production safety standards, formulating key safety management documents for each high-risk process, engaging in EHS-related risk identification and evaluation, establishing the emergency response mechanism, and coordinating production safety management efforts across all the regions where we operate.

Equipment Safety

To secure safety for high-risk processes and related equipment, Minth Group has formulated the *Safety Management Guide for Aluminium Melting and Casting*, the *Safety Management Guide for Coating Lines*, and the *Safety Management Guide for Chrome-plating and Anodizing Lines*. The Group actively implements its safety management mechanism for key equipment, and formulates standardized supporting management systems for corresponding emergency management equipment with close supervision of their routine maintenance and repair.

Moreover, we have further improved the fire and emergency response and monitoring facilities for key equipment to ensure that major hazards are preventable and controllable, with expert teams invited for regular on-site inspections and verification.



Measures for Ensuring Equipment Safety

Grid-Based Red Line Management

Minth Group has implemented EHS red line management to ensure the safety, environment, and occupational health of its factories. The factory manager is held responsible for these aspects and a grid-based management checklist is established to identify and manage major EHS risks. The risk accountability is then delegated to mid-level managers for effective implementation. This approach aims to assign specific duties to individuals and prevent major fire and personal safety accidents.

During the Reporting Period, the factory conducted item-by-item inspections as per the Group's EHS Red Line — DDS Grid Checklist, and generated a factory-level grid checklist for each red line item for periodic maintenance and management to keep high-risk items under control.

Hidden Danger Investigation

The implementation of an intelligent EHS system has brought Minth Group's fire safety measures to a new level, significantly enhancing its safety management capabilities, empowering firefighting with information, improving incident decision-making, and strengthening emergency response. The system facilitates the timely detection and elimination of fire safety hazards in daily supervision, firefighting management, evacuation and escape, and safety assurance. It also allows competent authorities to be aware of and monitor the development of hidden hazards, thereby addressing the challenges brought by blocked information and poor communication in the past, and greatly improving fire safety management.

Minth Group has implemented a digital EHS management system that allows for the reporting, rectification, verification, and automatic tracking of EHS abnormalities and hazards. This system promotes a culture of self-management involving all employees and has greatly improved the efficiency of EHS management. The data collected through this system also enables effective analysis of key risks, facilitating prompt and targeted improvements.

“Bring In & Reach Out” Safety Activities

“Bring In & Reach Out” safety activities were carried out within Minth Group, in which expert lecturers from safety associations were invited into the Group to deliver thematic training on safety skill enhancement for corporate executives, and professionals were invited into the factory for safety exchanges.

Work Injury Management

We have established a preventive mechanism for safety practices, and conducted dedicated safety training within the Group. Meanwhile, accredited certification of ISO 45001 Occupational Health and Safety Systems, the international occupational health and safety management system, has been actively promoted to standardize the work injury management and adequately protect the safety of employees. As of the end of the Reporting Period, Minth Group's ISO 45001 certification coverage is 86%.

Special Training on Occupational Health and Safety

Various training sessions on occupational health and safety were carried out in our factories in 2022, aiming to raise safety awareness and enhance relevant skills of all the employees. These training mainly covered pressure operation safety, bending operation safety, fire safety, overhead crane operation safety, forklift and stacker operation safety, occupational health hazards and prevention, and lifeguard certification.



In 2022, Minth Group recorded a total of 16 work-related accidents, all being minor injuries with no work-related fatalities. Moreover, no work-related fatalities occurred in the past three years. The lost work-time due to work injuries was 496 hours.

6.2. Occupational Health

Minth Group strictly complies with laws, regulations, and rules relevant to occupational health in regions where it operates. We have continuously optimized the Risk Monitoring and Evaluation of Occupational Hazards, and revised the Education and Training Management System for Occupational Safety and Health, with occupational health and safety issues carried out in the three aspects of hazard notification, health supervision and labor protection.

Hazard Notification

Based on a comprehensive review of existing occupational hazards in each position, Minth Group has compiled a list of causes to these occupational hazards, which was immediately distributed to the employees concerned in these hazards. Meanwhile, regular inspections are conducted to prevent any occupational diseases during production and operation to the greatest extent. We invited experts for on-site training and promoted the knowledge of occupational health in morning meetings.

Health Monitoring

Minth Group has implemented a comprehensive occupational health check-up system, providing all eligible full-time employees with annual health check-ups. Expert doctors are invited to interpret various health indicators and advise on health improvement for employees. For those whose indicators show marked abnormalities, the Group provides follow-up until all their health indicators return to the normal level.

In addition, Minth Group actively collaborates with local governments to organize events aiming at raising occupational health awareness. These events include activities such as evacuation drills and knowledge quizzes. The Group also engages its partners, including service providers and suppliers, to promote a safe and healthy production environment. During the Reported Period, special training on occupational health for all employees was carried out together with the Red Cross Society of Dandong District of Shenyang City in China.

Labor Protection

At Minth Group, we have implemented a robust safety production management system that includes standardized management of employees' behavior throughout the entire production process. To ensure the occupational health and safety of our employees, we provide them with comprehensive personal protective equipment such as safety helmets, face shields, and protective shoes, and assign delegates to provide training on their proper use. With this, we aim to effectively protect our employees' occupational health and safety throughout their work.

APPENDIX 1 — ESG CONTENT INDEX

APPENDIX 1 — ESG CONTENT INDEX HKEX ESG Reporting Guide Content Index

| Indicator | Description | Chapter/Section |
|-----------------------------------|--|----------------------------|
| A. Environment | | |
| Aspect A1 Emissions | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | 5. GREEN MANUFACTURE |
| KPI A1.1 | The types of emissions and respective emissions data | 5.4 Emission Compliance |
| KPI A1.2 | 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) | 5.2 Climate Change |
| KPI A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | 5.4 Emission Compliance |
| KPI A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | 5.4 Emission Compliance |
| KPI A1.5 | Description of emissions target(s) set and steps taken to achieve them | 5.4 Emission Compliance |
| KPI A1.6 | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them | 5.4 Emission Compliance |
| Aspect A2 Use of Resources | | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc. | 5.3 Resource Management |
| KPI A2.1 | 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) | 5.3 Resource Management |
| KPI A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility) | 5.3 Resource Management |
| KPI A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them | 5.3 Resource Management |
| KPI A2.4 | 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 | 5.3 Resource Management |
| KPI A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced | 5.3 Resource Management |

APPENDIX 1 — ESG CONTENT INDEX

| Indicator | Description | Chapter/Section |
|--------------------|---|-------------------------|
| Aspect A3 | The Environment and Natural Resources | |
| General Disclosure | Policies on minimizing the issuer's significant impacts on the environment and natural resources. | 5.2 Climate Change |
| KPI A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them | 5.2 Climate Change |
| Aspect A4 | Climate Change | |
| General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | 5.2 Climate Change |
| KPI A4.1 | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them | 5.2 Climate Change |
| B. Social | | |
| Aspect B1 | Employment | |
| General Disclosure | Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | 2. TEAM DEVELOPMENT |
| KPI B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region | 2.1 People-Oriented |
| KPI B1.2 | Employee turnover rate by gender, age group and geographical region | 2.1 People-Oriented |
| Aspect B2 | Health and Safety | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | 6. SAFETY DEVELOPMENT |
| KPI B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year | 6.1 Production Safety |
| KPI B2.2 | Lost days due to work injury | 6.1 Production Safety |
| KPI B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored | 6.2 Occupational Health |

APPENDIX 1 — ESG CONTENT INDEX

| Indicator | Description | Chapter/Section |
|--------------------|---|-----------------------|
| Aspect B3 | Development and Training | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Training refers to vocational training. It may include internal and external courses paid by the employer. | 2.2 Talent Growth |
| KPI B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management) | 2.2 Talent Growth |
| KPI B3.2 | The average training hours completed per employee by gender and employee category | 2.2 Talent Growth |
| Aspect B4 | Labor Standards | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor. | 2.1 People-Oriented |
| KPI B4.1 | Description of measures to review employment practices to avoid child and forced labor | 2.1 People-Oriented |
| KPI B4.2 | Description of steps taken to eliminate such practices when discovered | 2.1 People-Oriented |
| Aspect B5 | Supply Chain Management | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | 3.1 Value Co-Creation |
| KPI B5.1 | Number of suppliers by geographical region | 3.1 Value Co-Creation |
| KPI B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored | 3.1 Value Co-Creation |
| KPI B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored | 3.1 Value Co-Creation |
| KPI B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored | 3.1 Value Co-Creation |

APPENDIX 1 — ESG CONTENT INDEX

| Indicator | Description | Chapter/Section |
|--------------------|---|--------------------------|
| Aspect B6 | Product Responsibility | |
| General Disclosure | Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | 4.1 Outstanding Quality |
| KPI B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons | 4.1 Outstanding Quality |
| KPI B6.2 | Number of products and service related complaints received and how they are dealt with | 4.1 Outstanding Quality |
| KPI B6.3 | Description of practices relating to observing and protecting intellectual property rights | 4.2 R&D Innovation |
| KPI B6.4 | Description of quality assurance process and recall procedures | 4.1 Outstanding Quality |
| KPI B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored | 4.2 R&D Innovation |
| Aspect B7 | Anti-corruption | |
| General Disclosure | Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | 1.1 Corporate Governance |
| KPI B7.1 | 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 | 1.1 Corporate Governance |
| KPI B7.2 | Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored | 1.1 Corporate Governance |
| KPI B7.3 | Description of anti-corruption training provided to directors and staff | 1.1 Corporate Governance |
| Aspect B8 | Community Investment | |
| General Disclosure | 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. | 3.2 Community Care |
| KPI B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport) | 3.2 Community Care |
| KPI B8.2 | Resources contributed (e.g. money or time) to the focus area | 3.2 Community Care |



MINTH GROUP LIMITED
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