



INTRON TECHNOLOGY  
HOLDINGS LIMITED  
英恒科技控股有限公司

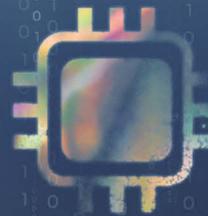
(incorporated in the Cayman Islands with limited liability)

Stock Code : 1760



2023

Environmental, Social and  
Governance Report



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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2023

## 1. ABOUT THIS REPORT

Intron Technology Holdings Limited (hereinafter referred to as “**Company**”) and its subsidiaries (“**Intron Technology**”, “**Group**”, “**we**” or “**us**”) are pleased to present our Environmental, Social and Governance (“**ESG**”) Report (“**ESG Report**” or “**Report**”). We are committed to sustainable development and building strong relationships with all stakeholders, aiming to strengthen relationships with stakeholders and integrate sustainability into business decisions for long-term value creation.

### 1.1 Reporting Standard

This Report is prepared in accordance with the “Mandatory Disclosure Requirements” provisions and “Comply or Explain” provisions of Environmental, Social and Governance Reporting Guide (“**Guide**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), and prepared based on four reporting principles, namely: materiality, quantitative, balance and consistency. Readers can review the final chapter of the ESG Report – “Appendix 2: Index to the ESG Reporting Guide of Stock Exchange” for quick referencing.

Materiality:	The Report discloses the process and guide for the Group’s communication with stakeholders and identification of materiality issues. The board (“ <b>Board</b> ”) of directors (“ <b>Directors</b> ”) have confirmed the applicability of the materiality assessment this “Year”.
Quantitative:	The Report contains standards, methods, assumptions and/or calculation tools used, and source of conversion factors used for the emission/energy consumption (where applicable), all of which are explained in the definition of the Report.
Balance:	The Report provides an unbiased picture of the Company’s performance. The Report avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.
Consistency:	The Report uses a consistent statistical method with the previous year for disclosing the data. Changes (if any) are clearly explained in the Report.

## 1.2 Reporting Scope

This report primarily reports on the performance of the Group in sustainable development from 1 January 2023 to 31 December 2023 (“**Reporting Period**” or “**Year**”).

The Group focuses on electrification and intelligence of automotive, and centers around strategic and research fields such as new energy and intelligent driving which account for approximately 55% of the Group’s total revenue during the Reporting Period. According to our business segments, the chosen 4 out of 15 offices (i.e. Shanghai, Beijing, Guangzhou and Hong Kong) are the major operating bases of the Group’s businesses. The environmental key performance indicators (“**KPIs**”) cover the offices in Shanghai, Guangzhou, Beijing, and Hong Kong. The scope of social KPIs covers the entire Group.

New Energy:	Core solutions related to electric vehicles and hydrogen fuel-cell vehicles, including solutions related to core electric powertrain control systems and thermal management system;
Body Control:	Electronic solutions for body control systems;
Safety:	Solutions related to safety systems;
Powertrain:	Solutions related to powertrain systems;
Automated & Connected Vehicles:	Advanced Driver-assistance System/Automated Driving System (ADAS/AD), core solutions related to intelligent driving and connected automotive;
Cloud Server:	Electronic solutions related to power management of data centers/cloud servers;
Rendering of Services & Others:	R&D services and others.

The reporting boundary is determined according to the corresponding materiality of each business segment to our business and operations and its impact on sustainable development.

## 1.3 Reporting Language

This Report is published in two languages, including Traditional Chinese and English versions. In case of discrepancies between them, the English version shall prevail.

#### 1.4 Approval and Confirmation

This Report has already been reviewed and approved by the Board on 20 March 2024.

#### 1.5 Report Availability

This Report is published in electronic format on the Company's website ([www.intron-tech.com](http://www.intron-tech.com)) as well as the HKEx news of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

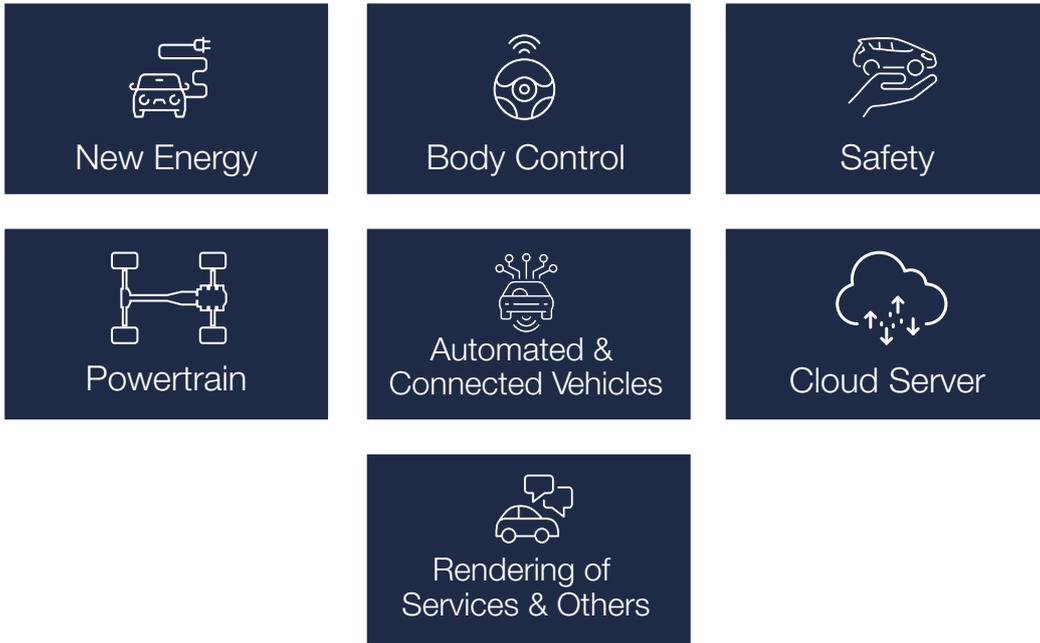
#### 1.6 Contact Us

We attach great importance to your views or suggestions on this Report. Please contact us via email ([ir@intron-tech.com](mailto:ir@intron-tech.com)).

## 2. ABOUT THE GROUP

Intron Technology focuses on solution provision and technical development services for the automotive electronics application market. Based on many years of research and development (“**R&D**”) accumulation and rich service experience, Intron Technology has established a comprehensive portfolio of product solutions covering the main categories of automotive electronic components (body control, safety and powertrain), as well as new energy vehicles, including battery management systems (BMS), vehicle control units (VCU) and motor control units (MCU) as the three core technologies. Intron Technology's constantly innovative service model enables it to continue leading industry development.

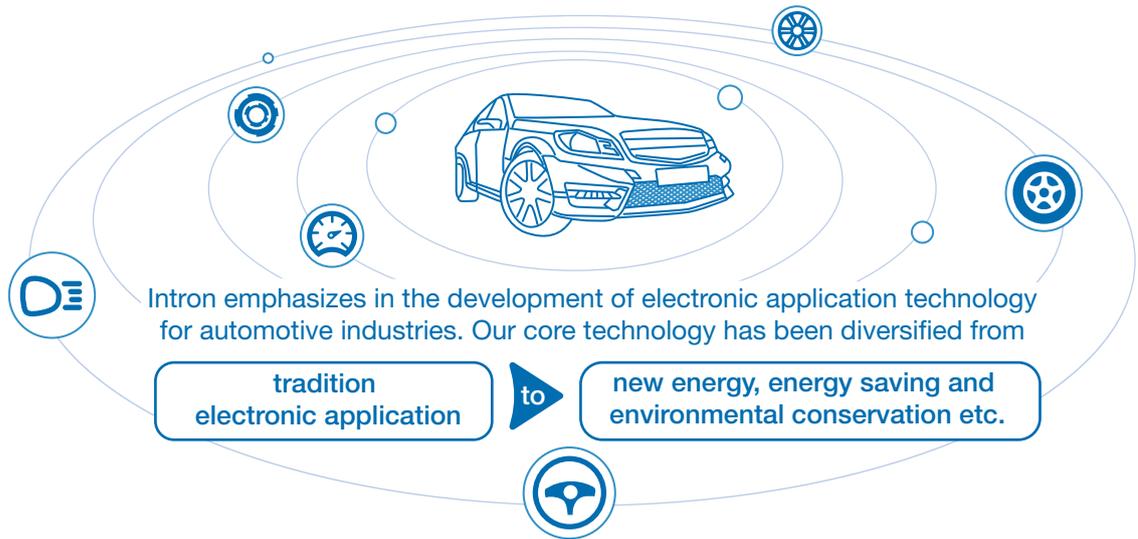
In 2023, competition in the China automotive market intensified, and the supply chain of automotive OEMs accelerated transformation, bringing more opportunities for Intron Technology, allowing the Group to lead the industry with its excellent R&D capabilities, advanced semiconductor application technologies and industrialization capabilities. The new energy segment continued to be the main driver of revenue and profit growth of the Group, promoting business performance above industry level.



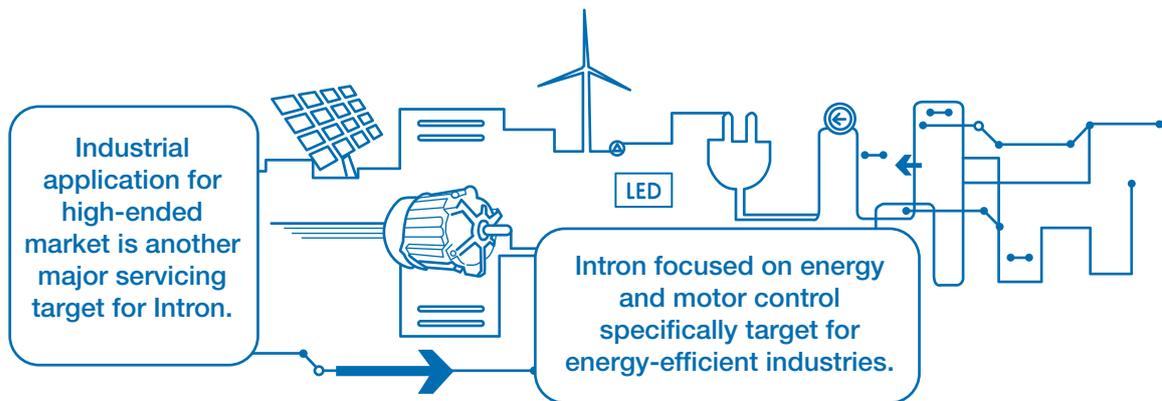
### Business Strategy

#### Goals and Directions

China has released the national goal of “reaching peak carbon emissions by 2030 and achieving carbon neutrality by 2060”. With the continuous increase in the localization rate of the overall automobile market and the gradual growth of penetration rate in the new energy vehicle market, the Group expects the outlook of the China automotive market to remain positive. New energy and intelligent driving networks will continue to be the focus of the Group’s development. In the context of national support for electric vehicles and the global focus on environmental protection, intelligentization has also accelerated sales of new energy vehicles, which is expected to further promote the overall business performance of the Group.



Going forward, the Group will continue to pursue growth in its automotive electronics solutions business with a focus on electrification, intelligence, and connectivity. The Group is also committed to actively engage in R&D to achieve sustainable growth. Ultimately, our goal is to deliver long-term shareholder value by meeting evolving customer needs through technological innovation. We strive to maintain robust financial performance and returns for our shareholders (“**Shareholders**”) over the long run.



## 2023 Highlights

Intron Technology Wins “Listed Enterprises 2023” Award from Bloomberg Businessweek/Chinese for the First Time



This award selects outstanding enterprises based on performance, investor relations, corporate social responsibility, sustainable development, corporate governance, innovation and transformation, business strategy and risk management through Bloomberg’s data analysis system and the judging panel. This winning of the reward proves that the Group has always been committed to improving the levels of corporate governance and investor relations, upholding the spirit of striving for perfection, and its excellent performance in social responsibility, sustainable development, and innovation has been well recognized.

Intron Technology won the “Innovative Economy Enterprise - Outstanding Award” at the Standard Chartered Corporate Achievement Awards 2023



This honor fully affirms the Group’s strong new energy vehicle R&D capabilities and industrialization capabilities, as well as its R&D-focus, asset-light operating model. It also demonstrates the Group’s leadership in the field of automotive electronics.

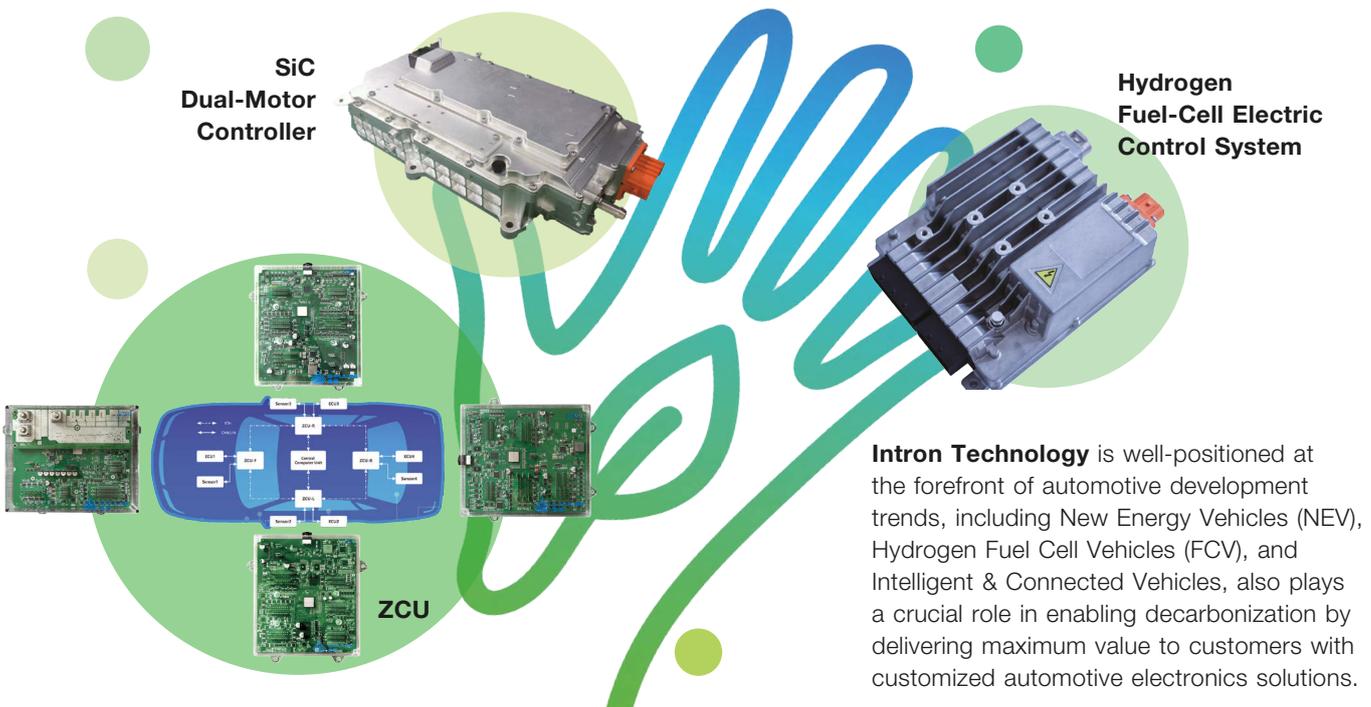
We are committed to continuous innovation and iteration in the direction of R&D platformization and product modularization. As of the Reporting Period, we have 485 valid patents. Among them, there are 201 utility model patents, 43 invention patents, and 216 software copyrights. The Group obtained 268 patents and 33 additional registered patents during the Reporting Period.

Intron Technology provides customers and the market with a variety of scalable, ultra-intelligent and versatile green technology products and technical solutions, such as: fuel cell integrated controllers, fuel cell engine controllers, fuel cell power control units, high-speed turbo compressor controllers, etc., and have been supplied in batches to many leading customers in the industry, accelerating the commercialization process of the clean energy industry in transportation, power generation, energy storage and other fields.

### 3. SUSTAINABLE DEVELOPMENT STRATEGY

Intron Technology place great importance on ESG factors integration with business approach. During the Reporting Period, we worked diligently to balance pursuing growth with our environmental and social responsibilities.

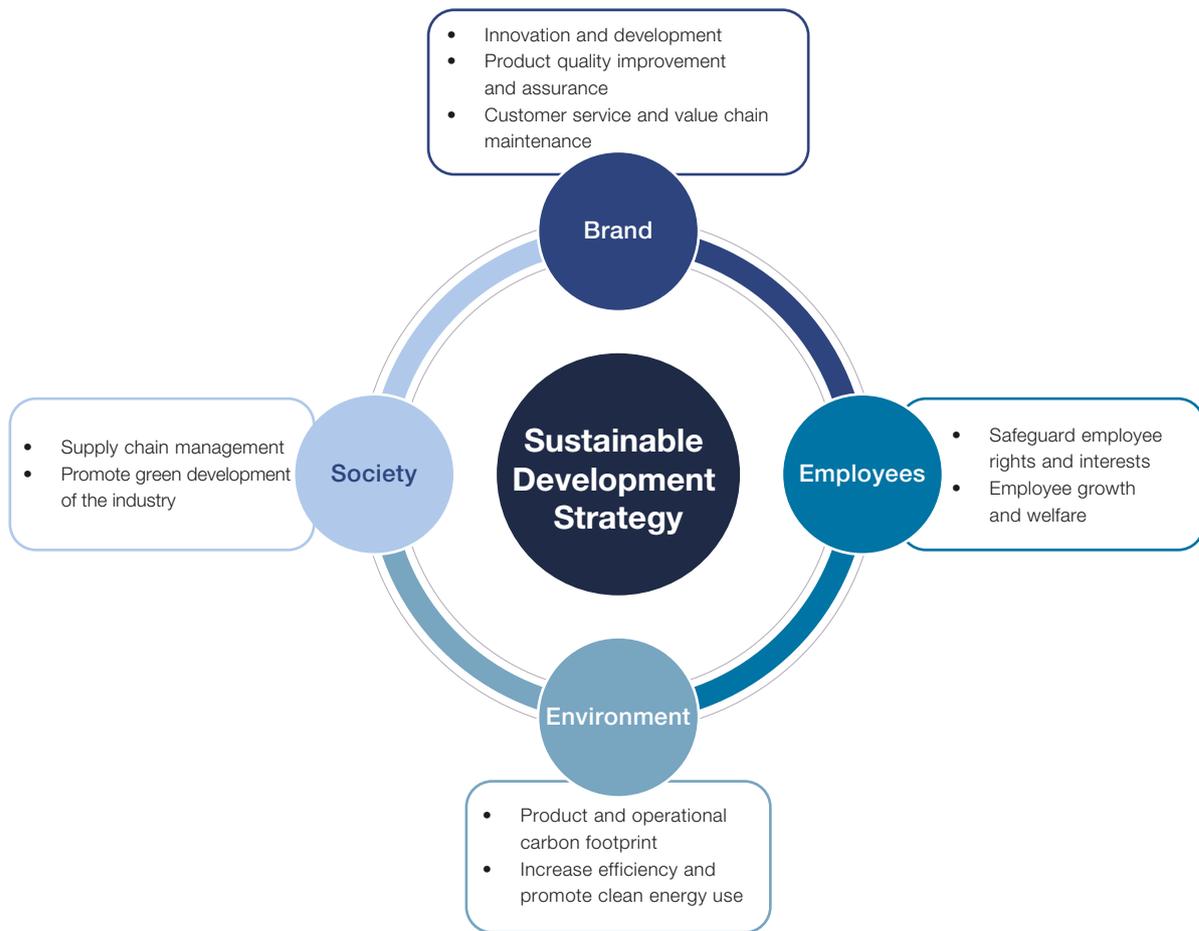
On the environmental front, the Group is expanding its operations in new energy, energy efficiency, and emissions reduction business lines. We focus on technology innovation and R&D, committed to bringing carbon handprint and reducing carbon footprint to the industry. This supports China’s decarbonization efforts while positioning Intron Technology for long-term opportunities.



**Intron Technology** is well-positioned at the forefront of automotive development trends, including New Energy Vehicles (NEV), Hydrogen Fuel Cell Vehicles (FCV), and Intelligent & Connected Vehicles, also plays a crucial role in enabling decarbonization by delivering maximum value to customers with customized automotive electronics solutions.

Regarding social aspects, we focused on creating values among stakeholders. Strong engagement with our employees, suppliers and clients aids collaboration and strengthens our capacity for innovation. Through strategic partnerships across our value chain, we aim to deliver the highest quality service and exceed customer expectations.

By operating sustainably, we safeguard the well-being of all stakeholders now and in the future. Intron Technology is committed to diligent ESG stewardship as we continue empowering clean mobility worldwide. Open communication and cooperation with stakeholders will remain central to our progress in this important area.



**Sustainable Development Strategy of Intron Technology**

### 3.1 Board Statement

The Group fully recognizes the important role of the Board of Directors in driving the Group's sustainable development, and is firmly committed to integrating ESG concepts into daily operation and management. We have established a robust ESG governance structure to drive strong sustainability performance.

The Board is fully accountable for overseeing the Group's ESG management approach and strategy and monitoring materiality assessment, ESG-related risks and opportunities analysis. As the highest decision-making body, the Board of Directors assumes the responsibilities of formulating ESG strategic directions and oversight. The Board has overall responsibility for the Group's ESG strategy and reporting, and reviews and examines the progress of ESG practices on an annual basis.

The Board of Directors has approved the establishment of a dedicated ESG Committee accountable for overseeing and advancing material ESG-related issues and an ESG working group assists the Board in evaluating, prioritizing and managing material ESG-related issues (including risks to our business), as well as assisting the Board in reviewing progress made against ESG-related goals and targets.

This year, we reviewed the progress made towards our environmental targets. Going forward, we will continue to track the progress of various targets to support the company's long-term sustainable development strategy.

### 3.2 ESG Management

The Group understands that strong ESG governance is vital for sustainable business success. We have newly established an ESG Committee during the Reporting Period, which is responsible for assisting the Board in overseeing the development in ESG of the Group and providing guidance in the implementation of related measures, in order to promote the Group's ESG practices. The chairman of the Committee has been appointed by the Board.

At the same time, our ESG working group oversees organizing the implementation of ESG matters and cooperating with various departments of the Group to implement ESG-related practices. We have built a multi-level management structure to further integrate ESG management into corporate governance and effectively ensure the daily implementation of ESG-related work plans.



### ESG Management Structure

#### Board:

- Taking full responsibility for the ESG strategies and disclosure
- Guiding the ESG working group, carry out various ESG tasks and understand relevant regulations
- Overseeing the Group's ESG management approach and strategy
- Determining and approving the Group's ESG management policies, strategies, plans, objectives and annual work, including identifying, evaluating, managing and responding to major ESG issues, targets, risks and opportunities

#### ESG Committee:

- Reviewing the assessment of risks and opportunities in the Group's ESG, and making recommendations to the Board for approval
- Monitoring the implementation of the ESG strategy, and coordinating internal and external resources to advance related works
- Overseeing the process used to identify, evaluate and manage material ESG-related issues (including risks to the Group's businesses)

**ESG Working Group:**

- Overseeing ESG-related policies including material assessment to ensure in compliance with laws and regulations
- Monitoring about the progress of ESG works and ESG target progress

**Departments:**

- Implementing ESG-related policies
- Assisting to collecting data and information in relation to the ESG Report

With clear direction and accountability from the Board, ESG Committee, ESG Working Group and Departments, we aim to strengthen our governance and management of ESG-related issues.

**3.3 ESG Risk Management**

The Board holds ultimate responsibility for overseeing the management of ESG-related risks within the Group. (1) Identification – identifying ESG-related risks, including climate-related risks and ESG risks across our supply chain, with the assistance of the ESG working group. (2) Evaluation – evaluating the potential impacts and likelihood of the identified key ESG-related risks. (3) Prioritization – prioritizing key ESG risks by assessing their risk levels based on both their potential impact and likelihood. (4) Management – implementing corresponding risk mitigation to manage the identified ESG risks.

**3.4 Stakeholder Engagement**

The Group recognizes the importance of stakeholder engagement to inform our business approach and strategy. By understanding diverse perspectives, we can enhance operations and future performance. To facilitate open dialogue, we maintain multiple channels for stakeholders to provide feedback. We demonstrate our commitment to accountability and transparency as we advance sustainability performance.

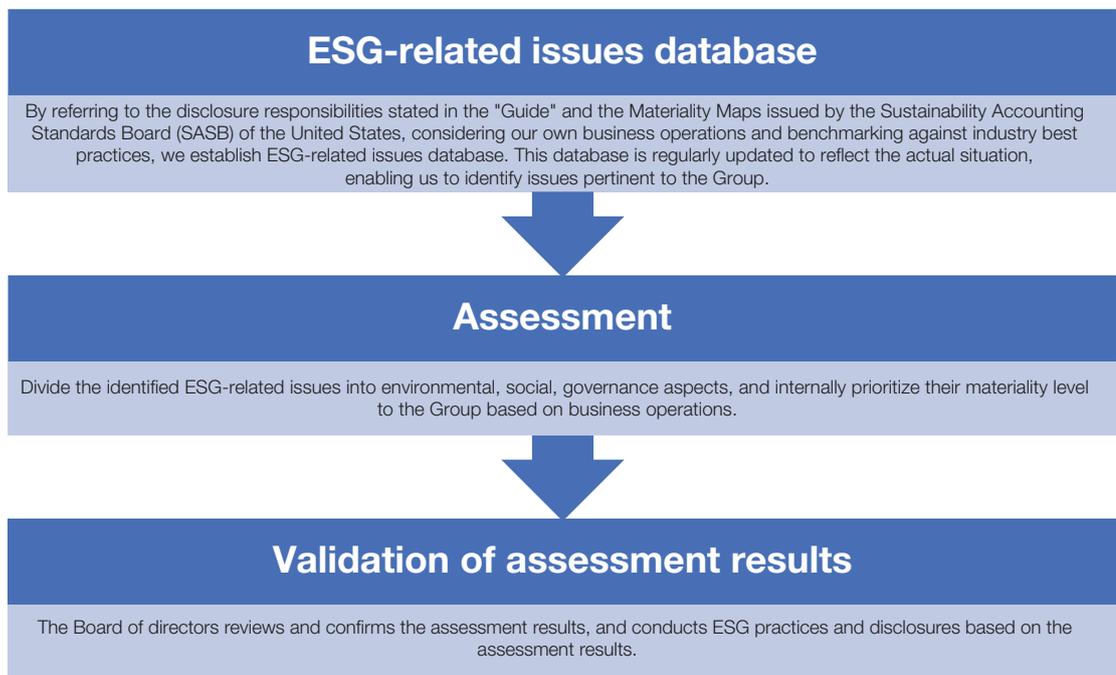
The following table includes a list of our related stakeholders and our corresponding means of communication.

Stakeholders	Communication Channels
Consumers	<ul style="list-style-type: none"> <li>• Site visits</li> <li>• Visits by customer relationship managers</li> <li>• Phone calls and email</li> </ul>

Stakeholders	Communication Channels
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Surveys to collect employees' views</li> <li>• Channels for employees to express opinions (such as forms, suggestion boxes)</li> <li>• Work performance appraisal</li> <li>• Volunteer activities</li> <li>• Conference meetings</li> <li>• Discussion on work performance review</li> <li>• Review of business operations</li> <li>• Seminars/workshops</li> <li>• Publications (e.g. staff newsletters)</li> <li>• Internal employee network</li> <li>• Corporate WeChat public account</li> <li>• Staff meeting for communication</li> </ul>
<b>Shareholders/Investors</b>	<ul style="list-style-type: none"> <li>• Annual general meetings and other meetings</li> <li>• Interim reports and annual reports</li> <li>• Corporate communications (e.g. letters to Shareholders, circulars and notices of meetings)</li> <li>• Results announcements</li> <li>• Company visits</li> <li>• Investor meeting</li> <li>• Senior management meetings</li> <li>• Meeting discussions</li> <li>• Media interviews, social media releases of latest news</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Supplier management procedures</li> <li>• Meetings</li> <li>• Suppliers/contractors' appraisal system</li> <li>• Site visits</li> </ul>
<b>Business partners/Industry peers</b>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Visits</li> <li>• Talks/Discussion Forum</li> <li>• Reports</li> </ul>
<b>Mass Media</b>	<ul style="list-style-type: none"> <li>• Press releases</li> <li>• Interviews with senior management</li> <li>• Press conferences</li> <li>• Media events</li> <li>• Social media releases of latest news</li> <li>• Results announcements</li> </ul>
<b>Regulatory authorities</b>	<ul style="list-style-type: none"> <li>• Compliance reports</li> </ul>
<b>Community/Non-Governmental organization</b>	<ul style="list-style-type: none"> <li>• Volunteering and community activities</li> <li>• Donation</li> </ul>

### 3.5 Materiality Assessment

We conduct materiality assessments to identify the ESG issues most important to our business and stakeholders. The Group reviewed the materiality of ESG-related issues on the Group and its stakeholders. We have identified ESG-related material issues and prioritizes the identified issues to reflect the needs of our stakeholders for the Year:



This Year, the Group identified a total of 31 ESG-related material issues, including 15 issues of high materiality, 11 issues of moderate materiality and 5 issues of general materiality. In this report, diverse disclosure was made for these issues. They were also considered importantly in formulating ESG policies and strategies. This Year, Intron Technology confirmed that the Board is involved in identifying ESG important issues and the Board have confirmed the materiality assessment results.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2023

<b>High materiality issues</b>	<b>Moderate materiality issues</b>	<b>General materiality issues</b>
Economic performance	Health and safety of products and services	Promotion and product/service labelling
Market competitiveness	Anti-fraud and anti-corruption	Prevention of child labour and forced labour
Compliance with laws and regulations	Whistle-blowing mechanism	Water consumption and efficiency
Responsible procurement	Complaint hand	Community investment and involvement
Quality control	Protection of intellectual property rights	Waste management
Technology development and application	Employee diversity, nondiscrimination, and equal opportunity	
Protection of customers' privacy	Training and development of employees	
Employment rights	Qualifications and professional conduct of employees	
Labour relations	Use of materials	
Occupational health and safety	Environmental awareness of employees	
Energy consumption and efficiency	Attention to community	
Talent attraction and retention		
Compensation and benefits		
Supply chain environmental and social risks		
Supply chain management		

## 4. COMPLIANCE OPERATION

During the Year, we actively participated in important sector events and conferences. This provided a platform to share knowledge, discuss industry trends, and strengthen partnerships across our ecosystem. Meanwhile, safeguarding business integrity remains a priority. We uphold stringent policies and protocols with regards to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. We were not aware of any material non-compliance of relevant laws and regulations during the Reporting Period.

### 4.1 Intellectual Property Rights

Independent innovation is the foundation of our progress and development. We pay attention to intellectual property rights, attach importance to independent output, and protect R&D and innovation results. Improving the level of intellectual property management of enterprises is an important guarantee for enhancing independent innovative capabilities. We strictly comply with the laws and regulations related to intellectual property, such as the Patent Law of the People's Republic of China ("PRC") (《中華人民共和國專利法》) and the Copyright Law of the PRC (《中華人民共和國著作權法》), to ensure that our patents and trademark rights are not violated, and hence to protect the competitive edge and reputation of the Group.

The Group has formulated the "Intellectual Property Risk Avoidance Plan" (《知識產權風險規避方案》) in order to prevent and protect the intellectual property rights of the Group, and at the same time prevent the infringement of intellectual property rights of others, reduce intellectual property disputes, and reduce intellectual property risks. The Plan focuses on the IP review of products before they are put on the market, including patent search, trademark search, market monitoring, and review of laws and regulations. When promoting products, the Department of Public Affairs shall review the promotional slogans or advertisements of the products, and shall not use false information or exaggerate, and ensure the slogans and advertising words comply with the relevant laws and regulations on advertising terms.

We have formulated our intellectual property management policies, objectives and systems through the "Intellectual Property Management Manual" (《知識產權管理手冊》). We set 3-5 years of intellectual property goals in the Manual, including improving the intellectual property management system, improving employees' awareness of intellectual property protection and enthusiasm for creation, sitting until zero leakage of intellectual property rights and patent implementation conversion rate goals, etc.

"Intellectual Property Management System and Approval Documents" (《知識產權管理制度即批准檔》) clarified the Intellectual Property application process, IP management responsibilities and IP awards for strengthen the management of intellectual property rights and encourage invention and creativity.

The Group obtained 267 patents and 32 additional registered patents during the Reporting Period.

## 4.2 Information Protection

The Group places great importance on protecting the information and data of all relevant stakeholders. With robust information security protocols, we aim to safely gather, store, transmit and make appropriate use of confidential data throughout our business activities and interactions. As such we strictly adhere to the Privacy Law of the PRC (《中華人民共和國個人信息保護法》), the Implementation Measures of the Privacy Law of the PRC (《中華人民共和國個人信息保護法實施細則》), the Cyber Security Law of the PRC to protect the personal information of customers (《中華人民共和國網絡安全法》), and the Personal Data (Privacy) Ordinance (《個人資料(私穩)條例》).

During the Reporting Period, the Group was not aware of receiving any material complaint of a violation of customer privacy, the discovery of leakage, theft or loss of customer information.

We have implemented robust measures to safeguard sensitive documents and data. Strict confidentiality protocols prohibit employees from disclosing trade secrets or other proprietary information without authorization. Information security policies like the “Rules for Administration of IT Information Security” (《IT信息安全管理規範》) and the “Rules for Administration of IT System Operation and Maintenance” (《IT系統運維管理規範》) govern appropriate use of systems and data. Technical controls such as firewalls, anti-virus software and encryption help prevent cyber threats and unauthorized access across our infrastructure.

Customer personal information receives special protection as well. Collection is limited to what is necessary for defined business purposes. Privacy statements provide transparency on handling practices. By maintaining strong security disciplines and oversight, we aim to manage risks proactively. Ongoing enhancements to our policies and security posture reflect the latest developments and assurance of robust safeguards for sensitive information in our care.

Regarding business information disclosure, we rigorously adhere to the Advertising Law of the PRC (《中華人民共和國廣告法》) and govern the content of advertisements. We are committed to responsible and ethical advertising practices. All promotional materials undergo rigorous checking to ensure information shared with the public is complete, truthful and accurate.

Intron Technology have been awarded ISO/SAE 21434 certification to signify that we have established a complete product development and management system that complies with international network security standards in the development, testing and validation of intelligent connected automotive technology, and aiming to provide more secure and reliable products and services for customers in mass production.



**ISO/SAE 21434 Certification**

### 4.3 Ethical Business Practices

The Group recognizes ethical conduct and integrity as the cornerstone of sustainable growth. We strive to maintain a culture of fairness, impartiality, transparency and collaboration across our business activities. We comply fully with the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), the Law of the PRC on Anti-Money Laundering (《中華人民共和國反洗錢法》), the Criminal Law of the PRC (《中華人民共和國刑法》), the Supervision Law of the PRC (《中華人民共和國監察法》), and the Prevention of Bribery Ordinance of Hong Kong (《防止賄賂條例》).

Zero tolerance is taken for any acts of bribery, corruption, fraud or money laundering. Strict anti-corruption protocols provide guidance to employees and business partners on acceptable behaviors according to the law. Employees and third parties are trained to identify and promptly report suspicious activities through confidential mechanisms. All allegations are thoroughly investigated according to due process, with appropriate actions taken in response. We regulate the business activities of business partners by signing an “Integrity Contract” (《廉潔合同》) to prevent the occurrence of illegal and disciplinary incidents in business dealings.

During the Reporting Period, we are not aware of any material non-compliance with laws and regulations that have a significant impact on the issuer in relation to bribery, extortion, fraud, and money laundering, nor is the Group aware of any concluded legal cases involving corruption brought against the Group or its employees.

We have established the “Fraud Policy Statement” (《反舞弊政策》) and the “Employee Handbook” (《員工手冊》) to prevent, identify, and address embezzlement, theft, and other irregularities. All employees are expected to make objective decisions that serve the best interests of the Company above any personal interests. Our conflict-of-interest policy prohibits behaviors such as accepting improper personal benefits, misusing corporate assets and resources for personal gain, as well as aiding others to profit improperly.

During the Reporting Period, the Group provided comprehensive anti-corruption training for directors and all levels of employees. We have provided a two-hour anti-corruption training session for all directors. Participants learned to identify common corruption risks and properly handle potential issues according to our anti-corruption policy and reporting procedures. With regular training and open dialogue, we continuously strengthen our primary line of defense against corruption and wrongdoing to uphold high standards of business probity.

In addition, the “Whistleblower Policy and Procedures” (《舉報程序》) has been established to oversee the treatment of complaints for all corruption-related issues (e.g., corruption during procurement). We maintain multiple secure channels where employees and business partners can raise concerns regarding corruption, fraud or other unethical behavior confidentially and without fear of retaliation. The Group does not tolerate negative treatment of staff who refuse corruption, including bribery, or cooperation with improper requests. We believe principled decision making is key to building trust and legitimate, lasting partnerships. Through consistent demonstration and reinforcement of our ethical standards, the Group aims to contribute to positive industry norms and benefit all stakeholders in the long run.

#### 4.4 Commitment to Quality

The Group is firmly committed to providing exceptional customer experience. We adopt a client-centric mindset across all operations with a focus on continuously improving the quality, safety and reliability of our products and services. We adhere to the Law of the PRC on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) to ensure that consumer rights and interests must be safeguarded throughout the sales process in our operations.

By prioritizing customer satisfaction at every step, from design to after-sales support, we aim to nurture strong, trusting relationships that support mutual growth. Customers can share their comments, questions, concerns or compliments through various channels. We have established the “Customer Complaint Management Procedure” (《顧客抱怨管理程序》) and “Customer Satisfaction Control Procedure” (《顧客滿意控制程序》) to maximize meeting customer needs and requirements. In the “Customer Complaint Management Procedure”, we have clarified the customer complaint management process, and the quality management department or quality department is responsible for receiving and verifying customer complaint information, and if it is confirmed that the problem belongs to the Group, it will be registered in the “Customer Complaint List” (《顧客抱怨清單》) and the details will be indicated. After confirming the complaint information, the quality engineer will feedback the customer complaint information to the relevant departments in a timely manner, conduct preliminary cause analysis, and use the quality tool (8D) to formulate measures. When customers complaint involves products, corresponding control measures should be taken to ensure the effectiveness of the breakpoint, and there will be no more nonconforming products of the same type flowing to the client. After the issue is managed, the Product Quality Engineer will update the status of the issue in the “Customer Complaint List” (《顧客抱怨清單》). Trends in feedback are regularly reported to management and relevant departments to facilitate continuous enhancements.

The “Customer Satisfaction Control Procedure” also formulates the management process for customer satisfaction. We use the “Customer Satisfaction Questionnaire” to collect statistics on customer satisfaction with product or service performance, and conduct customer satisfaction trends based on different sales categories such as major customers, general customers, and major new customers, to better optimize our services and products.

During the Reporting Period, the Group received no major complaints<sup>1</sup> about its products or services, so as to year 2022 and 2021. Customers’ positive recognition of our offerings and the manner in which we support them are also priorities. Feedback will continue guiding enhancements for meeting and exceeding customer’s evolving expectations.

<sup>1</sup> Major customer complaints: involving compliance with laws and regulations, product functional safety/network security, customer-controlled shipments, batch quality issues, and events leading to OEM line shutdowns; not limited to serious customer complaints caused by the above issues.

#### 4.5 Ensuring High Product Standards

Customer needs are the driving force behind our business operations strategy. We are committed to continuously improving and optimizing the quality of our products and bringing customers solutions and high-quality services. We leverage technology and industry expertise to develop innovative and customizable solutions meeting diverse requirements. We strictly comply with quality-related laws and regulations including but not limited to the Product Quality Law of the PRC (《中華人民共和國產品質量法》).

We have developed robust processes to responsibly handle any product issues that could require recall or corrective action. The Group has established “Quality Manual” (《質量手冊》) to build a quality management system that meets the requirements of IATF16949:2016 standards and caters to our actual quality management needs. Our quality management department is responsible for the establishment, implementation, maintenance and continuous improvement of the product quality management specifications and standards. At the same time, the department is responsible for supervising and auditing product quality on behalf of users. When a product is found to be defective, the department has the right to order to stop production and stop shipping. Our quality department plays a crucial role in ensuring quality standards by conducting quality risk reviews, monitoring project quality status and risks throughout the production line. They are also responsible for planning product inspection and testing, as well as implementing early-stage and late-stage quality controls.

We strengthen quality management and risk control by standardizing the capabilities of the Group’s internal auditors on quality management system, manufacturing process and product. Their capabilities are required to include but not limited to: clarifying the applicable requirements related to audit scope in ISO9001 and IATF16949 and the automotive review process including risk-based thinking. In addition, we have formulated the “Quality System Audit Implementation Rules” (《質量體系審核實施規範》), “Product Audit Implementation Rules” (《產品審核實施規範》), “Inspection Operation Guidelines” (《檢驗操作準則》) and “Early Production Containment Management Regulations” (《早期生產遏制管理規定》), to control and manage products and quality.

This year, we have also formulated annual quality objectives, including on-time delivery rate, customer satisfaction, user failure rate, customer complaints, first-pass yield of products, etc. These metrics clearly guide our quality assurance work and allow for quantitative management.

Our 4<sup>th</sup> Battery Management System (“BMS”) product met manufacturer design process requirements of Automotive Safety Integrity Level (ASIL) C. These are intended to achieve sufficient integrity against systematic errors of design by the manufacturer. The item designed with this product obtained ISO 26262: 2018 certification.



**Certificate of ISO 26262:2018 & Systematic Capability: ASIL C Capable**

During the operation process, we have identified potential risks and types of opportunities according to the “Risk and Opportunity Control Procedure” (《風險和機遇控制程序》), mainly in five aspects: quality, environment, operation, market, and finance.

**Key Category**

- Direct quality risks** Risks such as product recalls, returns, repairs, complaints and rework caused by product audit findings/quality problems.
- Operation risks** Including raw materials, employees, equipment, supply and sales chain, technology, management, products, laws, patents and property rights.

In response to the identified risks, we proactively devise response plans through comprehensive risk assessments and effectively manage them through risk reduction, acceptance, and avoidance strategies. The System Management Department assumes the responsibility of collecting information on risk and opportunity analysis and response measures on a quarterly basis. This includes the identification of risks, assessment of their impact, formulation of response strategies, and evaluation of the outcomes of implemented risk response measures. These details are then subjected to rigorous analysis and consolidation, culminating in the submission of the “Risk and Opportunity Assessment Form” (《風險和機遇評估表》).

**4.6 Supply Chain Management**

The Group maintains a robust supplier selection process grounded in strategic collaboration and mutual benefit. We include environmental and social considerations in our risk assessment process to identify and monitor risks throughout the supply chain. Our “Control Procedures of Supplier Management” (《供應商管理控制程序》) and “Control Procedures of Procurement” (《採購控制程序》) standardize evaluation processes, criteria and expectations for materials suppliers.

Selected suppliers undergo strict audits and ongoing performance monitoring to confirm compliance with our standards as well as contractual and regulatory requirements. This ensures purchased materials and components satisfactorily meet production and product specifications.

Suppliers are expected to submit supporting papers in accordance with the “Supplier Information Submission Matrix” (《供應商資料提交矩陣表》), as outlined in the rules, we conduct ongoing evaluations of our suppliers through the procurement department.

Performance management helps determine the likelihood of continued partnerships. The procurement department regularly evaluates suppliers on quality, services, technologies, and costs, rating them based on monthly or yearly scores. If a supplier’s products, services, pricing, or lead times are unsatisfactory, additional follow-up, monitoring, and a request for a prompt rectification plan will be conducted. The results of the review could influence future collaboration opportunities.

Environmental and social factors are also core considerations in our procurement decisions. We prioritize suppliers demonstrating strong environmental stewardship through their products and services. Efforts include favoring local sourcing to reduce transport emissions, selecting goods with energy efficiency certifications, minimizing packaging waste, and offering recycled or renewable options when feasible. Regarding social responsibility, we evaluate whether the company provides a lawful, safe, and equal working environment, whether its employee welfare system is reasonable, and whether any unethical business practices exist. We supervise and ensure the integrity of our cooperating suppliers through the implementation of the “Integrity Contract” (《廉潔合同》). This contract explicitly prohibits dishonest behavior, including instances where suppliers lower product quality levels, fail to meet after-sales service standards, pass off subpar products, and cause severe quality incidents, substantial economic losses, safety incidents, or adverse social impacts to Intron Technology. By thoroughly evaluating new and existing procurement partners on Environmental, Social and Governance (ESG) performance, we aim to progressively strengthen the positive impacts of our extended operations.

We strictly abide by the laws and regulations on hazardous substances: GB/T 30512-2014 “Requirements for Prohibited Substances in Automobiles” (GB/T 30512-2014 《汽車禁用物質要求》). For products that need to be exported to EU countries, we additionally comply with the requirements of the latest “EU RoHS 2.0 Directive” (《歐盟RoHS 2.0指令》) and the latest “EU ELV Directive” (《歐盟ELV指令》). We have formulated the “Measures for the Management of Hazardous Substances” (《有害物質管理辦法》) to ensure that the products or materials delivered by suppliers to us comply with laws, regulations, directives and customer requirements related to the reduction of environmentally hazardous substances. We require suppliers to meet hazardous substance standards and agree with them in the form of a quality agreement or purchase agreement. All hazardous substance test reports provided by suppliers must be reports issued by a third-party laboratory with testing capabilities recognized by CANAS. If the customer has special requirements, a report issued by a third party approved by the customer can be used.

Throughout the Reporting Period, the Group relies on its suppliers for the provision of parts and components, Electronic Manufacturing Services, structural components, and tools. The Group partnered with 379 (321 in Mainland China and 58 from other locations including Hong Kong, Macau and Taiwan) significant suppliers. 100% suppliers being implemented by our Supplier Management Regulations.

## 5. EMPLOYEES WELL-BEING

Our employees represent our most valuable asset. The Group is dedicated to cultivating a diverse, equitable, and engaged workforce. We actively promote work-life integration and uphold a supportive, respectful culture that fosters a sense of safety, inclusivity, and empowerment. We strive to create an environment where individuals can effectively balance their responsibilities and pursue their goals. We strictly adhere to the applicable employment laws and regulations, including the Labour Law of the PRC (《中華人民共和國勞動法》), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), the Law of the PRC on the Protection of Minors (《中華人民共和國未成年人保護法》), the Provisions on the Prohibition of Using Child Labor of the PRC (《中華人民共和國禁止使用童工規定》), and the Employment Ordinance (《僱傭條例》) of Hong Kong for operations in PRC and Hong Kong.

The Group has established comprehensive employment policies and management systems to ensure equitable, lawful and ethical practices across all aspects of the employee lifecycle. The Group has developed internal policies, such as the “Employee Handbook” (《員工手冊》), “Administrative Regulations on Employee Recruitment” (《員工招聘錄用管理規定》), “Administrative Regulations of Turnover Employees” (《員工離職管理規定》), and “Management Regulations on Employee Appraisals” (《員工考核管理規定》).

During the Reporting Period, the Group is not aware of any material non-compliance with the applicable laws and regulations that have a significant impact on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination other benefits and welfare.

During the Reporting Period, the data relating to the Group’s workforce are as follows:

Details of workforce	Unit	2021	2022	2023
Total employees	No. of people	1,084	1,359	1,539
<b>By Gender</b>				
Male employees	No. of people	737	951	1,086
Female employees	No. of people	347	408	453
<b>By Employment Type</b>				
Contracted employees <sup>2</sup>	No. of people	32	29	39
Junior employees	No. of people	912	1,110	1,215
Intermediate management employees	No. of people	110	190	255
Senior management employees	No. of people	30	30	30
<b>By Age Group</b>				
Under 30	No. of people	255	374	442
30-50	No. of people	790	938	1,042
Above 50	No. of people	39	47	55
<b>By Geographical Location</b>				
Employees from Mainland China	No. of people	1,058	1,327	1,507
Employees from other locations (including Hong Kong, Macau and Taiwan)	No. of people	26	32	32

<sup>2</sup> Contracted employees: Employees who sign a part-time employment contract or trainee contract with the Group.

## 5.1 Employment Practices

The Group is firmly committed to the principles of equal opportunity, diversity and inclusion in all our talent acquisition processes. All recruitment is grounded in competence-based selection of the best candidates qualified for the role. Evaluations are conducted in a fair, unbiased manner based on criteria such as knowledge, expertise, competencies and cultural fit. There is no discrimination or unfavourable treatment due to gender, age, family status, ethnicity, disability, religion or any other attribute unrelated to successful job performance.

Our recruitment standards and practices are regularly reviewed to ensure ongoing compliance with labor laws while reflecting our core value of celebrating human differences to foster an equitable and respectful workplace for all.

We strictly adhere to all applicable labour laws prohibiting exploitative practices. Candidates must produce valid identification demonstrating legal working age. No forms of child labour or forced, bonded or involuntary prison labour are tolerated. Work-life integration is strongly encouraged through competitive benefits including vacation time. Any breach of our ethical recruitment standards will result in immediate termination to uphold our zero-tolerance policy. We are committed to empowering employees through fair, lawful and respectful employment from onboarding through career development and growth opportunities.

During the Reporting Period, the Group was not aware of any material violation of the laws and regulations relating to child or forced labour prevention that significantly impacted the Group's operation.

## 5.2 Employee Rights

We are committed to maintaining a fair and equitable compensation program that attracts and retains top talent. Salary bands are set according to roles, qualifications, market pay levels and individual performance evaluations.

We have established the "Employee Performance Appraisal Management Regulations" (《員工考核管理規定》). All employees participate annually in our performance development process. In structured discussions, managers provide quantitative and qualitative feedback to recognize achievements and set future objectives based on organizational goals and competency models. Employees have opportunities to record self-evaluations and give feedback to leaders as well. This two-way dialogue helps identify strengths, areas for development and alignment on expectations for the year ahead.

Guided by our "Administrative Regulations on Selection and Promotion of Supervisors" (《主管選拔、晉升管理規定》), we provide equal opportunities for employees to take on roles of greater responsibility based on competencies, qualifications and exemplary performance over time. Selections are grounded in objective evaluations of each candidate's skills, accomplishments, learning agility and cultural fit for the position. By upholding fairness and transparency, we aim to place the most qualified leaders who can inspire excellence, champion our values and propel innovation into critical management functions.

To ensure smooth transitions, our “Administrative Rules of Turnover Employees” (《員工離職管理規定》) outline professional departure procedures including required notice periods, responsible information handovers and status updates upon exit. We carefully track key performance metrics like internal mobility, resignations, retention rates and turnover. When resignations are submitted, our human resources team conducts respectful exit interviews to understand individual circumstances and gather confidential feedback on how we can continue strengthening the employee experience. Valuable insights from departing colleagues help inform organizational development efforts.

During the Reporting Period, the employee turnover rates are set out below:

<b>Employee turnover rate<sup>3</sup></b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total turnover rate	14.1%	11.4%	8.0%
<b>By Gender</b>			
Male employees	9.9%	8.2%	5.7%
Female employees	4.1%	3.2%	2.3%
<b>By Age Group</b>			
Below 30	4.2%	2.3%	2.4%
30-50	9.6%	9.0%	5.1%
Above 50	0.3%	0.1%	0.5%
<b>By Geographical Location</b>			
Employees from Mainland China	13.8%	11.1%	7.5%
Employees from other locations (including Hong Kong, Macau, and Taiwan)	0.3%	0.3%	0.5%

### 5.3 Employee Wellness

Promoting well-being is vital to supporting our people and business success. We provide extensive benefits going beyond legal requirements, including paid time off for vacation, parental care, illnesses, family needs and more. Contributions are made toward social insurance, retirement funds and housing subsidies where applicable.

Discretionary bonuses and performance-linked incentives also motivate excellence while allowing employees to share directly in organizational achievements through profit-sharing and equity participation where eligible. By fostering a culture prizing work-life integration and rewards for dedication, we believe our people can sustain long-term engagement and productivity.

<sup>3</sup> Calculation method: The number of employees lost ÷ the number of employees at the end of the Year x 100% (part-time employees/trainees and employees who left during the probation period are not included).

## 5.4 Employee Growth

As the Group deeply understands the importance of nurturing professional talent, we utilize available internal experts and hire external experts to provide training courses aimed at improving employees' skills and working abilities.

During the Reporting Period, the Group organized targeted internal and external training on various topics. New employees are paired with senior or experienced mentors who assist them in smoothly acclimating to their new roles and workplace. In addition, the Group encourages employees to participate in external training for work-relevant professional qualifications or licenses in order to promote professional quality and expertise among our workforces. We provide training subsidies to eligible employees for recognized programs and courses.

Going forward, we seek to expand our educational opportunities with a focus on continuous learning, career development, and nurturing the full potential of our talent. Ongoing skills growth, mentorship, and investing in our people remain central to the Group's priorities. We also keep regular communication with employees through appraisals and discussions, which enable the Group to comprehend the employees' work performance and career goals. This helps optimize training course material and enhances employee performance.

During the Reporting Period, the Group organized various types of training, the contents of which centre on the scopes related to professional skills, administrative management, production safety and product quality to help employees improve their values.



During the Reporting Period, all employees were trained. The following table summarizes the average training hours completed:<sup>4</sup>

Percentage of Employees Trained <sup>5</sup>	Unit	2021	2022	2023
<b>By Gender</b>				
Male employees	%	100	100	100
Female employees	%	100	100	100
<b>By Employee Category</b>				
Contracted employees	%	100	100	100
Junior employees	%	100	100	100
Intermediate management employee	%	100	100	100
Senior management employee	%	100	100	100

Average training hours per employee <sup>6</sup>	Unit	2021	2022	2023
<b>By Gender</b>				
Male employee	Hour	88.0	89.0	89.0
Female employee	Hour	60.0	60.8	61.0
<b>By Employee Category</b>				
Contracted employee <sup>1</sup>	Hour	24.4	26.0	25.9
Junior employee	Hour	87.6	90.0	92.0
Intermediate management employee	Hour	37.1	42.0	42.0
Senior management employee	Hour	18.0	27.1	26.8

<sup>4</sup> The calculations of training data have included the relevant training data on those who left in the Group's core businesses, to present an accurate reflection of the training resources invested by the Group.

<sup>5</sup> Calculation method: The number of employees in the specified category, who took part in training divided by the number of employees in the specified category × 100%.

<sup>6</sup> Calculation method: Total number of training hours for employees in the specified category ÷ number of employees in the specified category.

## 5.5 Employee Health and Safety

The health, safety and well-being of our people is our top priority. We are fully committed to cultivating a culture of care, safety awareness and risk prevention in all operations. Comprehensive measures uphold strict safety standards and mitigate hazards through engineering and administrative controls, personal protective equipment requirements, emergency preparedness protocols and ongoing training.

We comply with the relevant laws and regulations such as the Law of the PRC on the Prevention and Treatment of Occupational Diseases (《中華人民共和國職業病防治法》) and the Hong Kong Ordinance on Occupational Safety and Health (《職業安全及健康條例》).

As an R&D organization, the well-being of our people is critical to our operations and success. Robust health and safety management systems have been implemented across our R&D facilities. These includes rigorous protocols for hazard controls, incident prevention, emergency response, waste handling and regulatory compliance. Regular safety inspections and audits ensure standards are met or exceeded. Comprehensive training further develops safety awareness and empower employees to immediately address risks.

Our employees' health and well-being are of core importance to our enterprise. We hope our employees can achieve a balance between work and life. To this end, we frequently organize various team-building activities such as sports events and celebrations to promote a sense of belonging and camaraderie, while also supporting employees' physical and mental health.



During the Reporting Period, the Group is not aware of any material violations or irregularities involving health and safety issues. Throughout the preceding three years (including the Reporting Period), there have been no fatal work-related accidents within the Group. During the Reporting Period, no days are missed owing to work-related injuries.

<b>Work health and safety</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Work-related injuries	0 days	0 days	0 days
Work-related accidents	0	0	0

## 6. GREEN DEVELOPMENT

As an advocate for sustainability, Intron Technology is committed to minimising our environmental impact while developing innovative technologies to support global decarbonisation efforts. We carefully design our operations, products and services with resource efficiency and greenhouse gas reduction in mind. Strict compliance with all applicable environmental regulations and standards is mandatory. During the Reporting Period, we have complied with relevant laws and regulations such as the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Prevention and Control of Water Pollution of the PRC (《中華人民共和國水污染防治法》), the Prevention and Control of Environmental Pollution by Solid Waste of the PRC (《中華人民共和國固體廢物污染環境防治法》), the Energy Conservation Law (《中華人民共和國節約能源法》), the Air Pollution Control Ordinance (《空氣污染管制條例》), the Water Pollution Ordinance (《水污染管制條例》), and the Waste Disposal Ordinance (《廢物處置條例》) and so on.

During the Reporting Period, the Group did not note any material non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharge into water and land, and the generation and disposal of hazardous and non-hazardous waste.

In 2021, the Group has set directional environmental targets to review its environmental performance in a better way. The table below shows the Group's targets with the corresponding progress.

Environmental aspect	Target	FY2023 Progress
Energy use efficiency	We will review and optimize the energy-saving measures based on FY2021 to maintain or gradually reduce the energy consumption as disclosed in the Report.	increase
Water use efficiency	We will review and optimize the water-saving measures based on FY2021 to maintain or gradually reduce the water consumption as disclosed in the Report.	maintain
Waste reduction	We will review and optimize the waste reduction measures based on FY2021 to maintain or gradually reduce the waste generation as disclosed in the Report.	increase
Greenhouse gas emission	We will review and optimize the GHG reduction measures based on FY2021 to maintain or gradually reduce the GHG emissions as disclosed in the Report.	increase

We are committed to energy efficiency and emissions reduction. We are making progress on some of the goals we have set. Compared to the last Reporting Period, Intron Technology experienced business activities suspension in early 2022 during the COVID-19 outbreak. Going forward, we will continue to monitor the progress of our targets while Intron Technology's business is resuming, and we are committed to implement targeted measures.

## 6.1 Energy Saving

As a company that supports the sustainable and green development of the automotive industry, we pay attention to energy use and are committed to improving our energy performance. Electricity consumption represents a major portion of Intron Technology's environmental footprint. Key performance indicators such as annual electricity usage are carefully tracked across all facilities to develop a comprehensive understanding of energy demands and baselines.

The following are the energy usage details for the reporting boundaries:

	Unit	2021	2022	2023
Total energy consumption <sup>7</sup>	kWh	2,207,333.50	2,615,428.10	3,027,695.30
Energy consumption intensity (per floor area)	kWh/m <sup>2</sup>	109.39	119.08	126.93
<b>Direct energy consumption</b>				
Fuel consumption of vehicles (gasoline)	kWh	211,655.6	163,663.9	308,500.3
<b>Indirect energy consumption</b>				
Total purchased electricity consumption	kWh	1,995,677.90	2,451,764.20	2,719,195.00
Purchased electricity consumption intensity (per floor area)	kWh/m <sup>2</sup>	98.90	111.63	114.00

During the Reporting Period, the energy consumption within the reporting boundaries was 3,027,695.30 kWh, and the energy consumption intensity (per floor area) was 126.93 kWh/m<sup>2</sup>. It experienced an increase of 6.59% energy consumption per square meter of floor area compared with last financial year mainly due to business activities were suspended in early 2022 during the COVID-19 outbreak.

We implement a variety of measures to lower energy usage in office spaces:

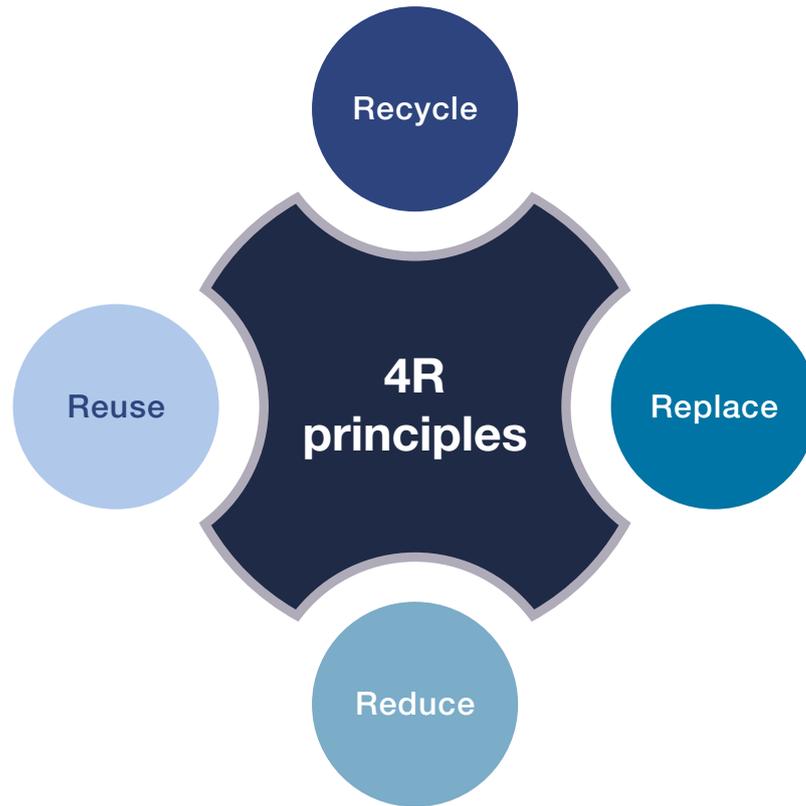
- Procurement favors equipment certified as highly energy efficient to qualify for energy efficiency labels/standards.
- Lighting zones allow selective control through area-specific switches to avoid over-illumination.
- An "Energy Off" policy empowers all staff to power down lights and equipment fully such as IT devices and HVAC systems during periods of non-use.
- Preventative maintenance like regular cleaning keeps appliances performing optimally to maximize efficiency over time.
- Climate control presets target ambient indoor temperatures no lower than 25.5 degrees Celsius for cooling needs to reduce AC loads.

Additional initiatives under consideration include occupancy-sensing controls and upgrades to building automation systems. Staff education reinforces conservation as a daily habit through tips sessions. We work to continuously strengthen energy management across operations.

<sup>7</sup> Totals may not be the exact sum of numbers shown here due to rounding. The data has been adjusted to reflect actual situation.

## 6.2 Waste Management

As a responsible organization, we recognize the significant environmental impacts of improper waste disposal. Our waste management approach prioritizes reduction, reuse and recycling over landfilling. Guided by the 4R framework – reduce, reuse, recycle and replace – we have implemented various strategies.



All hazardous materials are carefully sorted and sent to licensed facilities for environmentally-sound disposal according to regulations. Non-hazardous trash is centrally collected by the building management for proper handling. Employees are educated on sustainability best practices like reusing stationery, minimizing single-use items and classifying different recyclable materials correctly to maximize diversion from landfills.

The waste generated details of the reporting boundaries during operation are stated below:

	Unit	2021	2022	2023
Total non-hazardous waste produced <sup>8</sup>	tonnes	14.60	13.51	21.23
Total non-hazardous waste intensity (per floor area)	kg/m <sup>2</sup>	0.72	0.62	0.89
Total hazardous waste produced <sup>8</sup>	tonnes	/	0.003	0.006
Total hazardous waste produced intensity (per floor area)	kg/m <sup>2</sup>	/	0.00014	0.00023

During the Reporting Period, the Group generated 21.23 tonnes of non-hazardous garbage at an intensity of 0.89 kg per floor area. We generated 0.006 tonnes of hazardous waste at an intensity of 0.00023 kg per floor area. Among this, 0.001 tonnes of batteries and 0.005 tonnes of toner cartridges/ink boxes are generated, which were recycled for further treatment by a recycling company. It experienced an increase of 43.55% non-hazardous waste per floor area compared to last financial year which had experienced business activities suspension in early 2022 during the COVID-19 outbreak.

We are dedicated to minimizing our paper footprint through sustainable practices. Digitalization reduces printing where possible through shared electronic files and collaboration tools. Blank pages on documents are eliminated, and double-sided printing is the default. Used paper is collected for internal reuse or recycling. Sustainable alternatives also replace conventional papers.

<sup>8</sup> Totals may not be the exact sum of numbers shown here due to rounding.

While some paper use remains essential, we strive to continuously shrink our paper consumption and its impacts through innovations, engagement and exemplifying sustainable operations.

	Unit	2021	2022	2023
Total paper consumption <sup>9</sup>	tonnes	3.44	2.36	2.46
Paper consumption intensity (per floor area)	kg/m <sup>2</sup>	0.17	0.11	0.10

During the Reporting Period, the Group consumed 2.46 tonnes of paper in total, with an intensity of 0.10 kg of paper per floor area. It experienced a decrease of 9.09% paper consumption per floor area compared to last financial year because of better environmental consciousness among employees.

### 6.3 Water Saving

We recognize the importance of conserving water, a vital shared resource. Water supplied to our facilities comes from sustainable municipal sources without supply risks. To minimize consumption, the building management office closely tracks usage.

Employees also play an active role through initiatives like:

- Installation of water-efficient fixtures and automatic sensors in restrooms
- Detection and timely repairs of any leaks
- Raising awareness on efficient habits like minimizing water used for cleaning
- Landscaping with drought-resistant plants to conserve outdoor water needs

We continue seeking new ways to reduce consumption through technical upgrades, engagement campaigns and benchmarking usage against comparable workplaces.

<sup>9</sup> Totals may not be the exact sum of numbers shown here due to rounding.

During the Reporting Period, the Group did not encounter any difficulties in sourcing water that was fit for purpose. The water consumption details of the reporting boundaries are stated below:

	Unit	2021	2022	2023
Total water consumption <sup>10</sup>	tonnes	5,437.00	5,035.00	5,091.00
Total water consumption intensity (per floor area)	tonnes/m <sup>2</sup>	0.27	0.23	0.21

During the Reporting Period, the Group consumed 5,091.00 tonnes of water, with an intensity of 0.21 tonnes per floor area. The water consumption per floor area was decreased by 8.70% as compared with last financial year. We will continue to pay attention to the water usage and saving, maintain or gradually reduce the water consumption as disclosed in the Report.

#### 6.4 Emissions Management

As an organization, we generate some greenhouse gas (GHG) emissions through activities like employee commuting and business travel. To responsibly manage our impacts, we have implemented a emissions management program. Efficiency measures detailed in our energy section also help alleviate GHG production.

Our strategies include:

- Tracking fleet fuel consumption and kilometers traveled to benchmark performance over time
- Strict maintenance schedules keep all company vehicles well-tuned to minimize harmful exhaust
- An anti-idling policy during delays and eco-driving techniques optimize efficiency
- Route optimization tools help reduce excess travel when planning trips
- Public transit incentives encourage low-carbon commuting where viable

<sup>10</sup> Totals may not be the exact sum of numbers shown here due to rounding.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2023

During the Reporting Period, we continued to conduct the investigation into GHG within the Reporting boundaries in accordance with the Greenhouse Gas protocol developed by the World Resources Institute and the World Business Council for Sustainable Development and the ISO 14064-1 of the International Organization for Standardization. The summary of GHG emissions is as follows:

	Unit	2021	2022	2023
<b>GHG emissions<sup>11</sup></b>				
Direct GHG emissions (Scope 1) <sup>12</sup>	tonnes of CO <sub>2</sub> equivalent (CO <sub>2</sub> e)	62.85	48.83	91.31
Indirect GHG emissions (Scope 2) <sup>13</sup>	tonnes of CO <sub>2</sub> e	1,218.18	1,422.62	1,553.58
Total GHG emissions (Scope 1 and 2)	tonnes of CO <sub>2</sub> e	1,281.03	1,471.45	1,644.89
Total GHG emission intensity (per floor area)	tonnes of CO <sub>2</sub> e/m <sup>2</sup>	0.06	0.07	0.07

During the Reporting Period, the Group produced 1,644.89 tonnes of CO<sub>2</sub>e in total and the intensity was 0.07 tonnes of CO<sub>2</sub>e per floor area. The GHG emission intensity (per floor area) is maintained compared to last financial year. We will continue to pay attention to greenhouse gas emissions and limit greenhouse gas emissions during operations to effectively control them.

The type of emissions and data generated by our vehicles are as below:

	Unit	2021	2022	2023
Nitrogen oxides (NOx)	Kg	145.31	109.09	174.93
Sulfur oxide (SOx)	Kg	0.34	0.27	0.50
Particulate matter (PM)	kg	13.92	10.45	16.76

<sup>11</sup> There may be a slight discrepancy between the sum of individual items and the total as shown in the table owing to rounding.

<sup>12</sup> Scope 1: Direct GHG emissions from sources that are owned and controlled by the Group.

<sup>13</sup> Scope 2: GHG emissions indirectly result from the electricity, heating and cooling or steam acquired by the Group.

## 6.5 Tackling to Climate Change

As the impacts of climate change intensify, we are committed to taking responsible climate action. We closely monitor developments including evolving policies, regulations and decarbonization targets set by the governments of where we operate. Comprehensive risk assessment processes assess how severe climate events or long-term shifts may disrupt our operations or supply chains. This year, we obtained the following potential risk results through climate change risk assessment.

Climate-related risks and potential impacts:

Type	Climate-related Risks	Potential Impacts	Risk Management and Countermeasures
Physical risks	Acute Chronic	The Group faces risks from increasing severe weather events (such as hurricanes, torrential rain, flooding) and long-term climate changes (e.g. sea level rise, heat waves). More frequent or intense natural disasters can potentially impact our operations and financial performance. Specifically, facility damage from disasters may result in higher maintenance costs. Project delays caused by disruptive events could reduce production capacity.	To build resilience, we will strengthen disaster preparedness through measures such as employee training programs for evacuation and emergency response. We will also explore modified work arrangements and upgrades to equipment and facilities that improve our ability to withstand climate-related disruptions.

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Type	Climate-related Risks	Potential Impacts	Risk Management and Countermeasures
Transition risks	Policy and legal	Non-compliance with evolving rules and standards, or failure to meet stakeholder needs, could potentially damage our reputation, reduce our customer base, and weaken our competitive position over time.	We are committed to ongoing monitoring and understanding of climate-related legislative and policy developments in all jurisdictions where we operate. We will conduct regular assessments of our climate impact and defences. Where needed, we will make appropriate business adjustments and investments to strengthen alignment with emissions reduction targets and environmental stewardship priorities relating to climate change.
	Technology	Technological innovation will lead to increased research and development investment and expenditure in clean energy, new energy, emission reduction technologies, and other fields for the company, potentially resulting in an increase in the number of researchers and rising personnel hiring costs for clean technology and equipment.	The Group adheres to market leadership through technology and will continue to increase investment in scientific research and development in response to market demands. This includes being the first in the domestic market to complete the development and verification of air compressor controllers, and officially achieving mass production and delivery. We are also providing two heavyweight controller models to leading domestic companies in the hydrogen fuel cell system industry (a cleaner energy source compared to electric vehicles).

Type	Climate-related Risks	Potential Impacts	Risk Management and Countermeasures
	Market	The development and utilization of emerging technologies may increase operating costs and reduce the competitiveness of the group.	Research and development has always been the foundation for the continuous growth of Intron Technology's business. We focus on investing in the field of autonomous driving and connected networks, as well as developing third-generation semiconductor products. We are fully committed to the development of electrification and intelligentization, aiming to support the automotive industry's growth with advanced technology and excellent services.

## 7. COMMUNITY INVOLVEMENT

As a responsible corporate citizen, we recognize our role in building a just society and protecting vulnerable groups. Beyond business operations, we actively support charitable causes by directly engaging with and financially supporting initiatives that uplift communities. We encourage our employees to voluntarily spend time on efforts addressing pressing social and environmental issues.

During the Reporting Period, the Group donated RMB500,000 to the university in Shanghai to support the development of school's education. Intron Technology cares about education, and cares even more about the development of students majoring in corresponding fields of Intron Technology. Therefore, we are making this donation to the Institute of Materials Science and Engineering at Shanghai Jiao Tong University. This donation will fund the following at the school:

- Establishing scholarships
- Supporting students participating in science and technology innovation competitions
- Innovation and entrepreneurship practices
- Supporting students publishing outstanding theses

By activating our network and resources, we aim to create shared value with integrity. It is our hope that small acts of goodwill can make communities more equitable and sustainable for all.

## APPENDIX 1: SUSTAINABILITY DATA STATEMENT

Indicators <sup>14</sup>	Unit	2022	2023
<b>Environmental Performance<sup>15</sup></b>			
<b>Air emissions<sup>16</sup></b>			
Nitrogen oxides (NO <sub>x</sub> )	kg	109.09	174.93
Sulfur oxides (SO <sub>x</sub> )	kg	0.27	0.50
Particulate matter (PM)	kg	10.45	16.76
<b>GHG emissions</b>			
Direct GHG emissions (Scope 1)	tonnes of CO <sub>2</sub> e	48.83	91.31
Indirect GHG emissions (Scope 2)	tonnes of CO <sub>2</sub> e	1,422.62	1,553.58
Total GHG emissions (Scope 1 and 2)	tonnes of CO <sub>2</sub> e	1,471.45	1,644.88
Total GHG emissions intensity (per floor area)	tonnes of CO <sub>2</sub> e/m <sup>2</sup>	0.07	0.07
<b>Energy consumption</b>			
Total energy consumption <sup>14</sup>	kWh	2,615,428.10	3,027,695.30
Total Energy consumption intensity (per floor area)	kWh/m <sup>2</sup>	119.08	126.93
<b>Direct energy consumption</b>			
Fuel consumption of vehicles (gasoline)	kWh	163,663.9	308,500.3
<b>Indirect energy consumption</b>			
Total purchased electricity consumption	kWh	2,451,764.20	2,719,195.00
Purchased electricity consumption intensity (per floor area)	kWh/m <sup>2</sup>	111.63	114.00
<b>Water consumption</b>			
Total water consumption	tonnes	5,035.00	5,091.00
Total water consumption intensity (per floor area)	tonnes/m <sup>2</sup>	0.23	0.21
<b>Waste generation</b>			
Paper consumption <sup>17</sup>	tonnes	2.36	2.46
Total Paper consumption intensity (per floor area) <sup>18</sup>	kg/ m <sup>2</sup>	0.11	0.10
Total non-hazardous waste produced	tonnes	13.51	21.23
Total non-hazardous waste intensity (per floor area) <sup>19</sup>	kg/m <sup>2</sup>	0.62	0.89
Batteries <sup>20</sup>	kg	0.15	0.10
Toner cartridges/Ink boxes	kg	3.15	5.40
Total hazardous waste produced	tonnes	0.003	0.006
Total hazardous waste intensity (per floor area) <sup>21</sup>	kg/m <sup>2</sup>	0.00014	0.00023

<sup>14</sup> Totals may not be the exact sum of numbers shown here due to rounding. The data has been adjusted to reflect actual situation.

<sup>15</sup> The boundary of environmental KPIs includes the offices located in Shanghai, Guangzhou, Beijing, and Hong Kong.

<sup>16</sup> The type of emissions and respective emissions data are calculated from vehicles. We refer to "How to Prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" from the Stock Exchange to calculate the Group's air pollutant emissions.

<sup>17</sup> Paper consumption units have been updated for the current year from kg to tonnes in alignment with Appendix C2.

<sup>18</sup> Paper consumption intensity units have been updated for the current year. For consistency with the other environmental KPIs presented, we use floor area for the waste intensity figures instead of employee.

<sup>19</sup> Total disposed of non-hazardous waste intensity units have been updated for the current year. For consistency with the other environmental KPIs presented, we use floor area for the waste intensity figures instead of employee.

<sup>20</sup> Disposed hazardous waste units have been updated for the current year from items to tonnes in alignment with Appendix C2.

<sup>21</sup> Total disposed of hazardous waste intensity units have been updated for the current year. For consistency with the other environmental KPIs presented, we use floor area for the waste intensity figures instead of employee.

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Indicators	Unit	2022	2023
<b>Social Performance<sup>22</sup></b>			
Total employees	No. of people	1,359	1,539
<b>By Gender</b>			
Male employees	No. of people	951	1,086
Female employees	No. of people	408	453
<b>By Employment Type</b>			
Contracted employees <sup>23</sup>	No. of people	29	39
Junior employees	No. of people	1,110	1,215
Intermediate management employees	No. of people	190	255
Senior management employees	No. of people	30	30
<b>By Age Group</b>			
Under 30	No. of people	374	442
30-50	No. of people	938	1,042
Above 50	No. of people	47	55
<b>By Geographical Location</b>			
Employees from Mainland China	No. of people	1,327	1,507
Employees from other locations (including Hong Kong, Macau and Taiwan)	No. of people	32	32
<b>Employee Turnover Rate<sup>24</sup></b>			
Total turnover rate	%	11.4	8.0
<b>By Gender</b>			
Male employees	%	8.2	5.8
Female employees	%	3.2	2.3
<b>By Age Group</b>			
Under 30	%	2.3	2.4
30-50	%	9.0	5.2
Above 50	%	0.1	0.5

<sup>22</sup> The boundary of collecting social KPIs covers the Group.

<sup>23</sup> Contracted employees: Employees who sign a part-time employee contract or trainee contract with the Group

<sup>24</sup> Calculation method: the number of employees lost divided by the number of employees at the end of the Year×100% (part-time employees/trainees and employees who left during the probation period are not included).

Indicators	Unit	2022	2023
<b>By Geographical Location</b>			
Employees from Mainland China	%	11.1	7.5
Employees from other locations (including Hong Kong, Macau and Taiwan)	%	0.3	0.6
<b>Development and Training</b>			
<b>Percentage of Employees Trained<sup>25</sup></b>			
<b>By Gender</b>			
Male employees	%	100.0	100.0
Female employees	%	100.0	100.0
<b>By Employee Category</b>			
Contracted employees	%	100.0	100.0
Junior employees	%	100.0	100.0
Intermediate management employees	%	100.0	100.0
Senior management employees	%	100.0	100.0
<b>The Average Training Hours Completed Per Employee<sup>26</sup></b>			
<b>By Gender</b>			
Male employee	hour	89.0	89.0
Female employee	hour	60.8	61.0
<b>By Employee Category</b>			
Contracted employee	hour	26.0	25.9
Junior employee	hour	90.0	92.0
Intermediate management employee	hour	42.0	42.0
Senior management employee	hour	27.1	26.8

<sup>25</sup> Calculation method: the number of employees in the specified category, who took part in training divided by the number of employees in the specified category×100%.

<sup>26</sup> Calculation method: the total number of training hours for employees in the specified category divided by the number of employees in the specified category.

## APPENDIX 2: INDEX TO THE ESG REPORTING GUIDE OF STOCK EXCHANGE

Indicator	Related Chapter
<b>A. Environmental</b>	
A1 Emissions	6 Green Development
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
A1.1	The types of emissions and respective emissions data. Appendix 1: Sustainability Data Statement
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). 6 Green Development 6.4 Emissions Management Appendix 1: Sustainability Data Statement
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 6 Green Development 6.2 Waste Management Appendix 1: Sustainability Data Statement
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 6 Green Development 6.2 Waste Management Appendix 1: Sustainability Data Statement
A1.5	Description of emissions target(s) set and steps taken to achieve them. 6 Green Development 6.4 Emissions Management
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps are taken to achieve them. 6 Green Development 6.2 Waste Management

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Indicator			Related Chapter
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6 Green Development 6.1 Energy Saving 6.3 Water Saving
	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).	6 Green Development 6.1 Energy Saving Appendix 1: Sustainability Data Statement
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6 Green Development 6.3 Water Saving Appendix 1: Sustainability Data Statement
	A2.3	Description of energy use efficiency target(s) set and steps are taken to achieve them.	6 Green Development 6.1 Energy Saving
	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.	6 Green Development 6.3 Water Dealing
	A2.5	The total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to Intron Technology as we do not involve packaging materials
A3 The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	6 Green Development
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6 Green Development
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.	6 Green Development 6.5 Tackling to Climate Change
	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.	6 Green Development 6.5 Tackling to Climate Change

Indicator		Related Chapter
<b>B. Social</b>		
B1 Employment	General Disclosure	Information on the policies and 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.
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.
	B1.2	Employee turnover rate by gender, age group and geographical region.
B2 Health and Safety	General Disclosure	Information on the policies and 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.
	B2.1	Number and rate of work-related fatalities that occurred in each of the past three years including the reporting year.
	B2.2	Lost days due to work injury.
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).
	B3.2	The average training hours completed per employee by gender and employee category.

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Indicator			Related Chapter
B4 Labour Standards	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5 Employees Well-being 5.1 Employment Practices
	B4.1	Description of measures to review employment practices to avoid the child and forced labour.	5 Employees Well-being 5.1 Employment Practices
	B4.2	Description of steps taken to eliminate such practices when discovered.	5 Employees Well-being 5.1 Employment Practices
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	4 Compliance Operation 4.6 Supply Chain Management
	B5.1	The number of suppliers by geographical region.	4 Compliance Operation 4.6 Supply Chain Management
	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.	4 Compliance Operation 4.6 Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4 Compliance Operation 4.6 Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4 Compliance Operation 4.6 Supply Chain Management
B6 Product Responsibility	General Disclosure	Information on the policies and 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 Compliance Operation
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable as the Group is not engaged in sales of product
	B6.2	The number of products and service-related complaints received and how they are dealt with.	4 Compliance Operation 4.4 Commitment to Quality
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	4 Compliance Operation 4.1 Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	4 Compliance Operation 4.4 Commitment to Quality 4.5 Ensuring High Product Standards
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	4 Compliance Operation 4.2 Information Protection

Indicator		Related Chapter
B7 Anti-corruption	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.
	B7.1	The 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.
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.
	B7.3	Description of anti-corruption training provided to directors and staff.
B8 Community Investment	General Disclosure	Policies on community engagement to understand the needs of communities where the issuer operates and to ensure its activities take into consideration the communities' interests.
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).
	B8.2	Resources contributed (e.g. money or time) to the focus area.

