

2022

**Environmental,
Social and Governance
(ESG) Report**

Guangzhou Shiyuan
Electronic Technology Company Limited

Stock Code: 002841

About This Report

Report Introduction

This report is the fourth Environmental, Social and Governance (ESG) report issued by Shiyuan Electronic Technology Company Limited (“CVTE”, “the Company”, or “we”) (previous reports were named corporate social responsibility reports). Following the principles of objectivity, normativity, transparency and comprehensiveness, this report truly reflects in detail the Company’s management strategies, practices and performances in environmental, social and governance (hereinafter referred to as “ESG”) aspects and other spheres of ESG in 2022. The report aims to communicate effectively with all stakeholders and respond systematically to their expectations and demands.

Reporting Scope

This report is an annual report covering the results of the Company’s work on ESG during the period from January 1, 2022 to December 31, 2022 (hereinafter referred to as “during the reporting period”, “this year” or “2022”). In order to enhance the comparability of this report, some contents are extended to prior and subsequent years as appropriate.

The organizational scope of this report covers CVTE and its subsidiaries within the scope of consolidated statements.

Preparation Basis

Global Reporting Initiative (GRI) Standards issued by the Global Sustainability Standards Board (GSSB)

The United Nation’s 2030 Sustainable Development Goals (SDGs)

ISO 26000: Guidance on social responsibility (2010) issued by the International Standardization Organization

Guidance on social responsibility reporting (GB/T 36001-2015) issued by the China National Standard

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR4.0) issued by the Chinese Academy of Social Sciences.

Guiding Opinions on Better Fulfillment of Social Responsibilities by State-Owned Enterprises issued by the SASAC of the State Council’s

No. 1 Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange - Standardized Operation of the Main Board Listed Companies issued by the Shenzhen Stock Exchange

Date Sources

The data sources used in this report include public data from government departments, relevant internal statistical statements of CVTE, third-party documents and reports, etc.

Data Specification

The data and cases in this report are mainly derived from official documents and statistical reports of CVTE, and have been reviewed by relevant departments. Unless otherwise specified, all financial data in this report is stated in CNY.

Statement

This report has been reviewed and approved by the board of directors, and no deceptive contents, misleading statements or material omissions have been found in the content.

Report Access

You can download the Chinese and English versions of this report from the official website of CVTE (<http://www.cvte.com/>) and CNIINFO (<http://www.cninfo.com.cn/>). If you have any questions or suggestions about this report, please email us at shiyuan@cvte.com, or call us at +86-020-32210275.

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Foreword



Wang Yang,
Vice Chairman and CEO of
CVTE

The political and economic environment of the world has undergone great changes, which brings greater challenges to the global operation and development of enterprises. In 2022, CVTE's achievements could not have been achieved without the support and trust of our customers and the help of our suppliers, for which we are grateful. CVTE's development is inseparable from the efforts and dedication of every CVTE staff. In the face of rapid changes in the economic environment, we always have the courage to create value for customers. We are proud of having such a team. In 2023, we will continue to strive to create value for customers and users through technology and product innovation, while integrating sustainability management into the whole process of business management, constantly improving social and environmental benefits, and striving to create greater value for all parties. On behalf of CVTE's board of directors and staff, I would like to express my heartfelt thanks to all my colleagues from all walks of life who have always paid close attention to CVTE.

Scientific and technological innovation is the primary driving force for sustainability. As a technology enterprise, we adhere to the development orientation of "taking science and technology as the guide and innovation as the driving force". Through continuous technological upgrading and innovation, we promote product upgrading and iteration, and lead the healthy development of the industry. By the end of 2022,

the Company has accumulated more than 8,000 authorized patents, including more than 1,800 invention patents.

Although there are still many uncertainties in the future global environment, digitalization is the development direction and opportunity determined by the future society. CVTE has been dedicated to serving customers and industry users through its brand digital solutions such as seewo and MAXHUB for many years. Today, seewo has digitally upgraded 2.6 million classrooms and helped over 7 million teachers improve their digital teaching application capabilities; focusing on the field of intelligent collaboration, MAXHUB has served more than 80% of China's Top 500 enterprises and helped more than 500,000 conference rooms around the world achieve digital transformation.

Collaborative cooperation is an important way to achieve sustainability of enterprises. We actively practice a transparent, open and responsible supply chain cooperation, and take sustainable development as an important consideration in our procurement strategy. By signing integrity agreements with suppliers, we resist any form of commercial bribery and unfair competition; take environmental and social performance into the evaluation dimension of suppliers, urge and cooperate with partners to shoulder corporate social responsibility, and jointly build a green, healthy and sustainable supply chain ecology.

In terms of industrial cooperation, we further expand and deepen the cooperation among industry, education and research to help the in-depth development of the industry, actively participate in the formulation of industry norms, and are committed to realizing the coordinated development of the industrial chain. By the end of 2022, we have issued a total of 61 national, industry and group standards.

Green and low-carbon is the inevitable choice for sustainability of enterprises, and ecological and environmental protection has become a global consensus. We have always integrated the green and low-carbon concept into the enterprise value chain, actively responded to the call for ecological civilization, and earnestly fulfilled our responsibility for environmental protection. In 2022, we continued to improve the environmental management system, implemented a variety of energy-saving and emission reduction measures, and continued to improve the effectiveness of the Company's environmental management. In addition, with the rapid development of science and technology, and the continuous advancement of the national "dual carbon" goals, the question of how to better integrate scientific and technological innovation and environmental protection has stood out markedly and become an urgent question for CVTE to answer. To this end, we continue to study and apply control algorithms that prioritize energy efficiency, adopt lower-carbon and environmentally-friendly materials, develop products with lower power consumption, and explore opportunities for the utilization of clean technologies, striving to create responsible products that are both innovative and environmentally friendly.

As a responsible enterprise, we always adhere to the principles of sharing the development achievements, focusing on helping students and revitalizing education, and firmly promoting the development of rural revitalization and education informatization.

In 2022, we donated smart classrooms to universities in Nepal and Malaysia to facilitate the digital transformation of education in countries along the "Belt and Road" in collaboration with the IIOE (International Institute of Online Education); launched the "Thousands of Miles Classroom" project to provide support for the digital growth of teachers in remote areas in collaboration with the Xinhua News Agency; launched the "Care Program for Special Children" at the seewo Public Welfare Activity, contributing to further enhancing the balance and accessibility of educational resources; and launched the "'seewo Teachers' Digital Capability Enhancement Support Project" in collaboration with the Department of Teacher Work of the Ministry of Education, which plans to help students from 160 national key rural revitalization counties and 72 normal colleges and universities to improve their digital teaching capabilities within 3 years. By the end of 2022, the "seewo Public Welfare Activity" has donated 935 rural schools with a total investment of more than CNY 49 million, benefiting more than 45,000 teachers and 630,000 students.

Determined endeavor is required for heavy responsibilities on the shoulders, and make every effort with confidence. On the road of practicing sustainability, every day is a new starting point for us. 2023 is the first year to fully implement the spirit of the 20th National Congress of the Communist Party of China, with both opportunities and challenges. CVTE will walk with the times, join hands with all parties, adhere to technological innovation, and strive to bring more high-quality products and services to users, and take practical actions to promote the sustainable development of human society through vigorous and determined endeavor!

2022 ESG Highlights



Corporate Governance

24 material ESG issues were effectively identified and confirmed

No violation of business ethics occurred

No case of integrity issue of supply chain employees occurred

The signing rate of the supplier's Integrity Commitment was **100%**

The total duration of integrity education and training exceeded **1,600** hours

Passed the **ISO 27701** Privacy information security management system certification



Technological Innovation

R&D investment of CNY **1.281** billion, a year-on-year increase of **10.15%**

The number of new patent applications exceeded **1,900**, and the cumulative number of patents exceeded **8,000**, including over **1,800** invention patents

Accumulated more than **3,000** copyrights of computer software and works



Customer Services

Customer satisfaction: **99.8%**

Sales satisfaction: **NPS (Net Promoter Score)**

9.1

Handling rate of customer complaints: **100%**

1,262 advertising and marketing audits were conducted and no non-compliance was found

Obtained **4PS** contact center international standard management system certification

Employee Development

The overall coverage rate of trade unions was **77%**

Employee satisfaction: **4.52** points (5-point scale)

Employee training coverage rate: **100%**

The physical examination coverage rate was **100%**; every

year, CNY **60** million of special funds are invested in health enterprises to provide comprehensive health management services including in-depth physical examination for employees and their families

Female executives accounted for **38.9%**

Green Operation

By replacing **1,982** fluorescent lamps with LED tubes, the annual lighting electricity consumption was reduced by **50%** compared with traditional tubes, saving a total of **145,000** kWh of electricity

Social Responsibility

The “seewo Public Welfare Activity” has donated information-based teaching equipment to **935** schools, benefiting more than 45,000 teachers and 630,000 students, with a total investment of more than CNY **49** million

The Department of Teacher Work of the Ministry of Education and seewo jointly launched the “‘seewo Teachers’ Digital Capability Enhancement Support Project”, which plans to help students from **160** national key rural revitalization counties and **72** normal colleges and universities to improve their digital teaching capabilities within 3 years

Won the “Annual Case Award” of the 17th People’s Enterprise Social Responsibility Award

Won the Rural Education Practice Model Institution Award

About CVTE

Company Profile

CVTE, founded in 2005, is a provider of intelligent electronic products and solutions with display, interactive control and connectivity technologies as the core. It has always been committed to improving user experience through R&D design and product innovation, and continuously creating value for customers. Since its establishment, relying on hardware and software technology accumulation in audio and video technology, signal processing, power management, human-computer interaction, application development, system integration and other fields, the Company has carried out technology innovation and product development for multiple application scenarios, constantly enriched and extended the product structure, and gradually achieved a leading position in the market segment through product and resource integration capabilities. At present, the Company's products and integrated solutions have been widely used in the consumer electronics and commercial electronics field. Specifically, it can be divided into component business, education business, enterprise service business, overseas business, etc.



Component Business

The Company's component business focuses on the design of electronic products and supply chain services in the global consumer and commercial fields. The main products are LCD (Liquid Crystal Display) main control board, which has been the leading position in the global LCD TV main control board industry for many years.

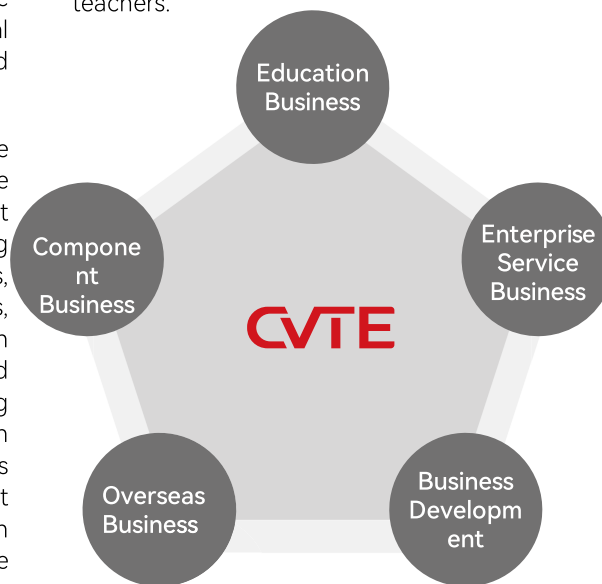
At the same time, the Company continues to explore new business development directions, such as providing variable frequency controllers, intelligent display modules, human-computer interaction solutions for household electrical products, helping domestic and foreign household appliance brands to further improve product differentiation and innovation capabilities, and enhance comprehensive competitiveness.

Education Business

seewo is positioned as a provider of educational digital application tools and services. Centering on "teachers, classrooms, teaching and students", seewo combines advanced technologies such as communication, big data, Internet of Things, artificial intelligence and cutting-edge theoretical research results in the field of education digitalization to provide users with professional educational information application tools and regular application training services. As the pioneer of interactive intelligent tablet category in China, seewo has held the market share of interactive intelligent tablet industry in China for 11 consecutive years (2012-2022), and its teaching applications cover 7 million teachers.

Enterprise Service Business

MAXHUB has always been committed to enhancing the efficiency of corporate meetings, office collaboration and digital operations to help enterprises with digital transformation. MAXHUB relies on office terminal products such as interactive intelligent conference tablet and audio and video conference terminal. Based on the application of smart collaboration platform, MAXHUB is equipped with application software such as conference management system and centralized control system to build a full-scene collaborative solution from meeting space, office space to public space, helping enterprises to reduce cost and improve efficiency. MAXHUB has ranked first in China's conference tablet market for 6 consecutive years, and over 80% of China's Top 500 enterprises choose MAXHUB to improve operation efficiency.



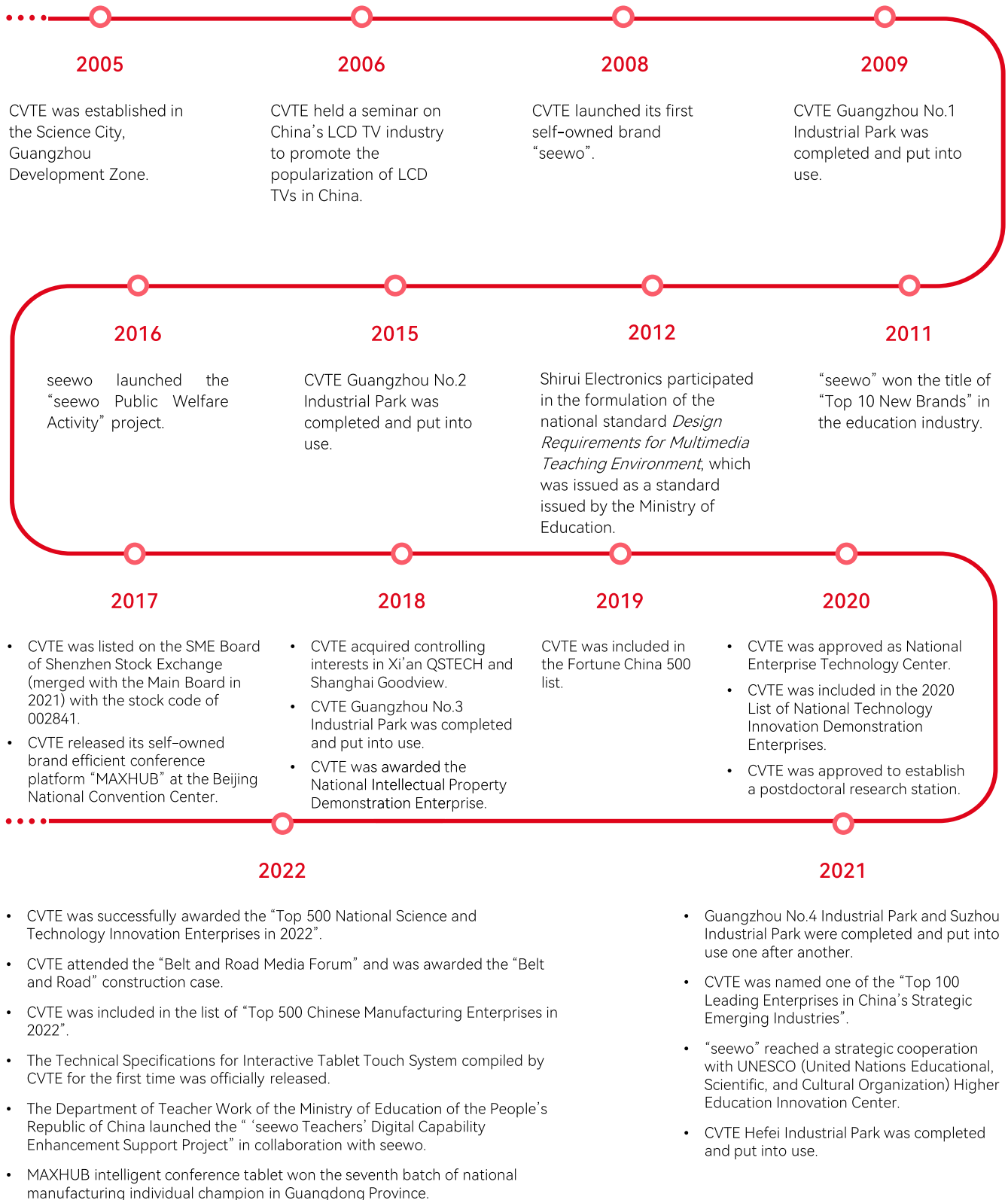
Overseas Business

The Company always adheres to "focusing on global leaders + LocalKing", takes customer satisfaction being the priority as the goal, and continues to deepen the diversification strategy of new business. By combining hardware, software, Internet of Things, artificial intelligence and other digital technologies, the Company accumulates experience and resources, upgrades product system, and improves user experience and value. In addition to the existing interactive intelligent tablets, the Company's overseas business also includes conference peripheral audio and video equipment, commercial display digital signage products, computing equipment and services.

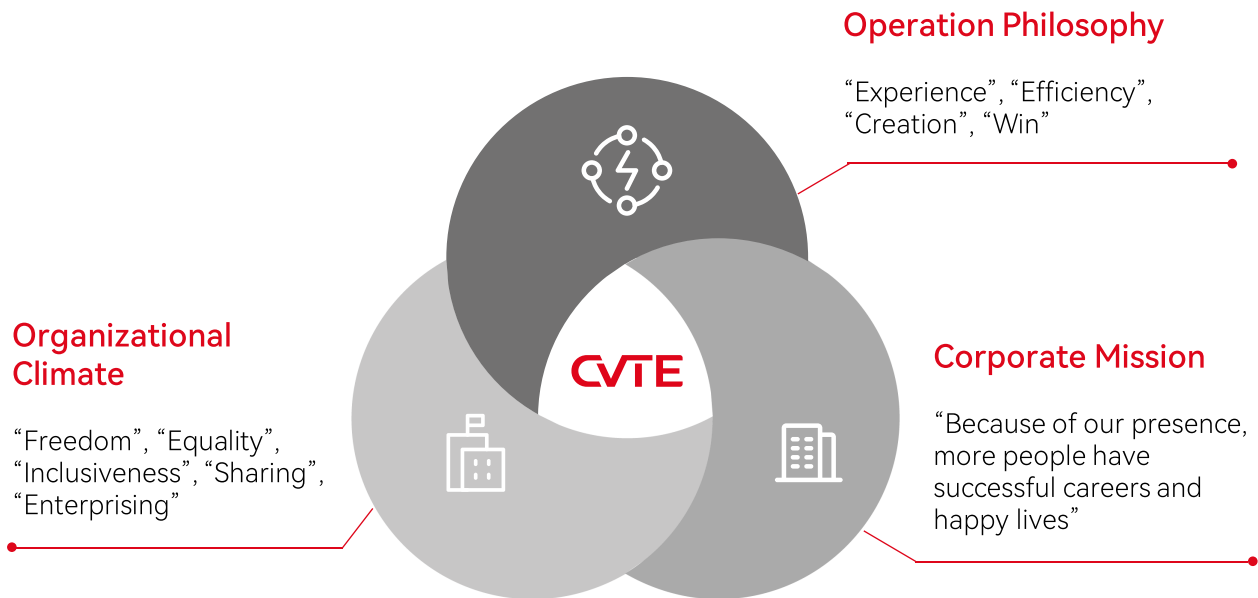
Business Development

We expand upstream and downstream and related business areas around the main business to seek new growth points for the Company's medium- and long-term development, including LED display business, computing equipment and services, power electronics, robotics, life science and other fields.

Development History



Corporate Culture



Awards and Recognitions



Honors 2022

Serial No.	Subject	Honorary title	Issuing authority
1		Top 500 Chinese Manufacturing Enterprises in 2022	China Enterprise Confederation, China Entrepreneurs Association
2		2022 China's Top 500 Listed Companies Brand Ranking List	Asiabrand, China-Asia Economic Development Association, etc.
3		China's Top 500 New Economy Enterprises in 2022	China Enterprises Evaluation Association
4	CVTE	2022 Hurun China Private Companies SDG Readiness 100	Hurun Research Institute
5		2022 Top 100 List of Chinese Enterprises' Scientific and Technological Innovation Competitiveness	China Center for Information Industry Development
6		Top 100 Chinese Private Enterprises in Scientific and Technological Innovations in 2022	CIWEEK
7		Top 100 Chinese Large Enterprises in Innovation in 2022	China Enterprise Confederation, China Entrepreneurs Association

Serial No.	Subject	Honorary title	Issuing authority
8		Intellectual Property Advantage Enterprise	Utilization Promotion Department of China National Intellectual Property Administration
9		China Patent Excellence Award	China National Intellectual Property Administration
10		500 Invention Patents of Private Enterprises in 2022	All-China Federation of Industry and Commerce
11		Top 500 Chinese Private Enterprises in Charity and Public Welfare in 2022	<i>Entrepreneur, Global Charity, etc</i>
12		Top 500 Guangdong Enterprises in 2022	Guangdong Provincial Federation of Enterprises
13	CVTE	2022 List of Top 100 Comprehensive Strength Enterprises in Electronic Information Manufacturing Industry in Guangdong Province	Guangdong Electronics and Information Industry Association
14		Top 100 Manufacturing Enterprises in Guangdong Province in 2022	Guangdong Provincial Federation of Enterprises
15		Top 100 Private Enterprises in Guangdong Province in 2022	Guangdong Provincial Federation of Enterprises
16		Top 100 Innovative Enterprises in Guangdong Province	Guangdong Provincial Federation of Enterprises
17		Social (S) Responsibility Excellent Enterprise	Organizing Committee of the Chinese Enterprise ESG "Golden Responsibility Award"
18		Guangzhou Staff Service Demonstration Site	Guangzhou Federation of Trade Unions
19		National Intellectual Property Demonstration Enterprise	China National Intellectual Property Administration
20		Enterprise Technology Center	Utilization Promotion Department of China National Intellectual Property Administration
21	Shirui Electronics ¹	Intellectual Property Advantage Enterprise	Department of Industry and Information Technology of Guangdong Province
22		List of Enterprises' Innovation Capacity in the Guangdong-Hong Kong-Macao Greater Bay Area - Innovation Achievement List	Federation of Shenzhen Industries, etc
23		"Annual Case Award" for People's Enterprise Social Responsibility	people.cn
24		Rural Education Practice Model Institution Award	Southern Weekly
25		Digital Emerging Talent Award	Nanfang Daily
26		Individual Champion Product Enterprise in the Manufacturing Industry	Department of Industry and Information Technology of Guangdong Province
27	Shizhen Information ²	Guangdong Provincial Intellectual Property Demonstration Enterprise	Guangdong IP Protection Association
28		The 19 th People's Ingenuity Award - Ingenuity Product Award	people.cn
29		Top 100 Quality Brands in Guangzhou in 2022 - TOP20 List of Emerging Technology Brands	Office of the Leading Group of Guangzhou Quality Strong City, Guangzhou Market Supervision and Administration Bureau
30	Shikun Electronics ³	High-tech Enterprises	Office of the Leading Group for the Identification and Administration of National High-tech Enterprises
31		Guangdong Provincial Intellectual Property Demonstration Enterprise	Guangdong IP Protection Association

¹ Shirui Electronics is a subsidiary of CVTE, its full name is Guangzhou Shirui Electronics Co., Ltd.

² Shizhen Information is a subsidiary of CVTE, its full name is Guangzhou Shizhen Information Technology Co., Ltd.






³ Shikun Electronics is a subsidiary of CVTE, its full name is Guangzhou Shikun Electronics Co., Ltd.

ESG Governance

Driven by the corporate mission of “because of our presence, more people have successful careers and happy lives”, CVTE establishes its own ESG governance system, correctly faces and overcomes the difficulties and challenges faced by the Company in the process of operation and development, and operates the Company’s business in a responsible way.

ESG Goals and Directions of Action

CVTE always pursues the harmony and unity of social responsibility and its own development, and guides the Company’s direction of action with ESG concept. As a responsible corporate citizen, we are committed to minimizing the negative impact of enterprises on the environment and society, and strive to expand and penetrate ESG requirements to the upstream and downstream of the industrial chain. At the same time, by comprehensively benchmarking the UN Sustainable Development Goals (SDGs) and taking into account the actual development situation of our own business, we seize the opportunities of sustainability in the new era, continue to make efforts in corporate governance, R&D and innovation, product quality, customer services, supply chain, employees, environment and social welfare, and actively respond to the concerns and expectations of internal and external stakeholders. The followings are our ESG goals and directions of action:

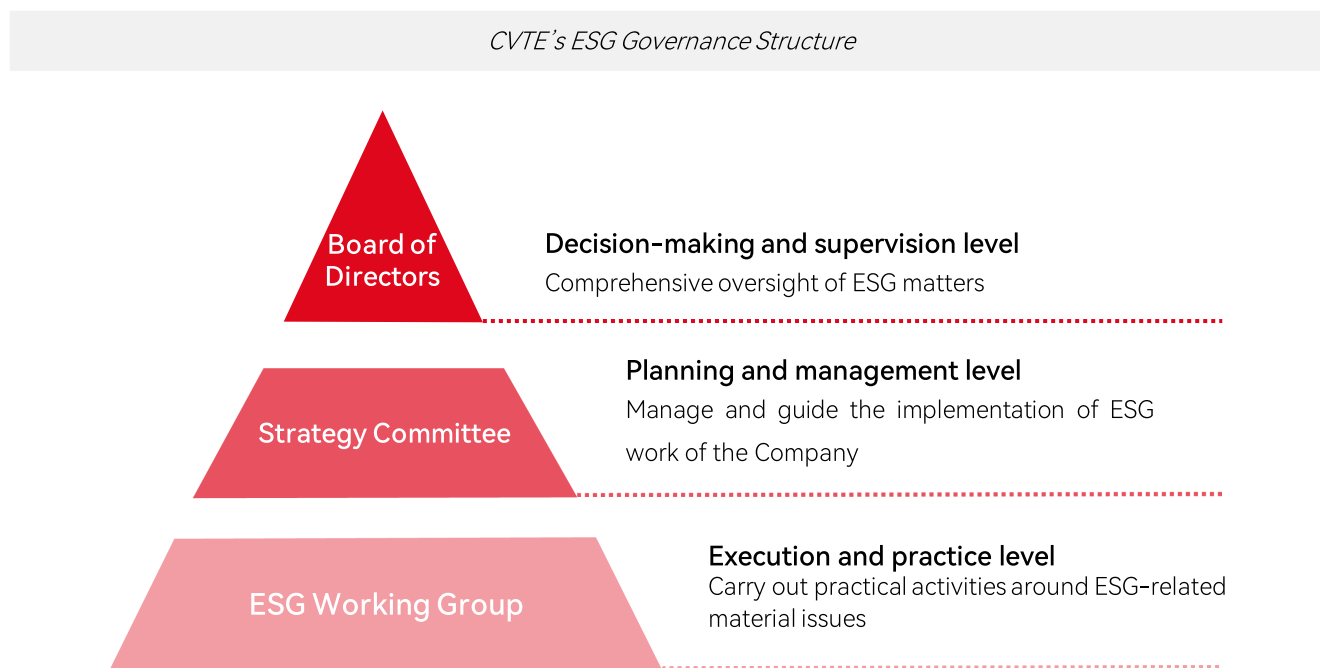
Major contributions to SDGs	Directions	Material issues involved	Actions
 	Sound corporate governance, abiding by business ethics	Corporate governance	<ul style="list-style-type: none"> Establish a sound corporate governance structure Maintain close communication with stakeholders
		Compliance and risk management	<ul style="list-style-type: none"> Establish “three lines of defense” for risk management Risk identification, assessment, response, reporting and monitoring Conduct internal control compliance training for all employees
		Business ethics	<ul style="list-style-type: none"> Improve the business ethics management system and form an effective supervision mechanism Open internal and external reporting channels to promote a culture of honesty and integrity
  	High-quality product services, leading technological innovation	R&D and innovation	<ul style="list-style-type: none"> Possess sound R&D infrastructure and equipment Continue to increase R&D investment in cutting-edge fields such as touch control, high-definition display, artificial intelligence and simulation technology Adopt an incentive system of innovation for R&D personnel
		Green products	<ul style="list-style-type: none"> Sustainability elements such as environmental friendliness and user health and safety are considered in product design Continue to explore the green and low-carbon design and production process of products, and constantly improve the environmental protection and health performance of products
		Opportunities in clean tech	<ul style="list-style-type: none"> Promote the application of clean technology in product R&D and design Continue to proactively explore opportunities in the clean energy market
		Intellectual property protection	<ul style="list-style-type: none"> Strengthen the normativity of intellectual property management Conduct intellectual property related knowledge training for business departments

Responsive SDGs	Our directions	Material issues involved	Our actions
		Product quality and safety	<ul style="list-style-type: none"> • Obtained the ISO 9001 Quality management system certification • Realize all-round quality normalization management of product design, procurement, production, and shipment • Digital empowerment R&D and testing of quality management systems • Improve the quality awareness of suppliers and employees
  	High-quality product services, leading technological innovation	Customer communication and services	<ul style="list-style-type: none"> • Formulate customer service standards and procedures to ensure service quality • Unimpeded customer communication mechanism, and establish a high-quality customer service team combining online + offline • Establish a rapid response mechanism to handle customer complaints in a fully closed loop • Conduct training and improvement of customer service personnel service capabilities
		Responsible marketing	<ul style="list-style-type: none"> • Establish internal systems to regulate marketing and advertising activities • Conduct responsible marketing audits • Conduct responsible marketing training
		Data and privacy security	<ul style="list-style-type: none"> • Improve information security and privacy protection management system • Obtained the ISO 27001 Information security management system certification, and ISO 27701 Privacy information security management system certification • Conduct regular internal audits on data and privacy security • Conduct information security training
   	Promoting responsible supply and cooperating for industry development	Sustainable supply chain	<ul style="list-style-type: none"> • Realize the integrated, standardized and refined management throughout the life cycle of suppliers • Incorporate environmental and social responsibility performance into the scope of supplier admission and regular performance evaluation • Conduct traceability investigation of secondary suppliers
		Controversial sourcing	<ul style="list-style-type: none"> • Continue to improve the management specifications of conflict minerals • Continue to strengthen the raw material traceability management mechanism
		Employee rights protection	<ul style="list-style-type: none"> • Respect the core conventions of the International Labor Organization (ILO), recognize the basic rights of citizens to freedom of association, and resolutely eliminate child labor and forced labor • Effectively protect the legal rights and interests of employees by establishing trade unions and signing special collective agreements
    	Caring for the growth of employees, and creating a happy workplace	Equality, inclusion and diversity	<ul style="list-style-type: none"> • Adhere to the principle of equal employment, and prohibit any form of discrimination • Provide a fair and just promotion mechanism • Establish a diverse, open and convenient democratic communication mechanism to smooth employee communication channels
		Talent attraction and retention	<ul style="list-style-type: none"> • Provide an incentive mechanism and diversified welfare guarantee covering all employees • Establish a sound system and mechanism for employee career development and promotion • Provide diversified and personalized training courses for all employees

Responsive SDGs	Our directions	Material issues involved	Our actions
    	<p>Caring for the growth of employees, and creating a happy workplace</p>	Occupational health and safety	<ul style="list-style-type: none"> • Set up an EHS management organization, implement the occupational health and safety management responsibilities • Strengthen the daily safety prevention and management of the operation site • Conduct occupational safety and health risk assessment to identify potential risk points and mitigate or avoid risks through corrective actions • Organize and conduct safety emergency drills to improve employees' emergency response capabilities and accident prevention capabilities
		Response to climate change	<ul style="list-style-type: none"> • Gradually conduct climate change risk identification and management with reference to the climate information disclosure recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD) • Formulate emergency plans and response procedures for extreme weather, and conduct emergency drills • Monitor greenhouse gas emissions, and implement energy conservation and emission reduction measures at the operational level
     	<p>Green-driven development, promoting low-carbon ecology</p>	<p>Energy management</p> <p>Water management</p> <p>Waste management</p> <p>Emission management</p>	<ul style="list-style-type: none"> • Advocate the awareness of green office, and implement measures such as saving electricity and water, paperless office, etc • Continue to improve the efficiency of water resource use and strengthen the daily management and maintenance of water use • Compliant disposal of various wastes • Compliant discharge of domestic sewage and industrial wastewater
		Chemical management	<ul style="list-style-type: none"> • Formulate hazardous substance management specifications, and clarify the list of restricted substances required by various laws and regulations and customer requirements • Obtained the QC080000 certification, EU RoHS, EU REACH, China RoHS and many other certifications of the hazardous substance process management system • Carry out inspection and evaluation on suppliers' chemical management according to the suppliers' implementation of hazardous substance management specification requirements • Continue to strive for the hazardous substance free (HSF) goal of products
   	<p>Engaging in public welfare and charity, and building a harmonious society together</p>	Community welfare	<ul style="list-style-type: none"> • Continue to increase public welfare investment in rural revitalization, children and youth education and other fields • Establish the "Vitamin C Volunteer Service Team", and organize employees to participate in volunteer activities

ESG Governance Structure

In order to continuously improve the management level of ESG, CVTE effectively promotes the participation of various functional departments in ESG and has established a three-level ESG governance structure. This structure has been approved by the Board of Directors in 2022.



Board of Directors

The Board of Directors of the Company is the ESG decision-making body, which makes decisions and supervises major ESG matters of the Company. The ESG management function of the Board of Directors includes guiding and approving the formulation and updating of the Company's ESG vision, strategic planning and objectives; reviewing and approving the ESG governance structure and important systems; reviewing and approving the Company's ESG report, as well as the material information disclosure of ESG governance; reviewing and approving major ESG matters and major risk response plans; and regular evaluation of ESG work results and effectiveness.

Strategy Committee

The Strategy Committee is the organization of daily ESG management of the Company. It assists the Board of Directors in reviewing major ESG matters, comprehensively manages and guides the Company's ESG, and regularly reports the progress and results of ESG to the Board of Directors. The Strategy Committee is responsible for formulating ESG-related strategies, policies and management objectives of the Company; reviewing the identification results of material ESG issues; reviewing the ESG report; supervising the implementation progress of various key ESG goals and performance; and assessing and managing the risks and opportunities associated with the Company's ESG.

ESG Working Group

The ESG Working Group is the executive body of the ESG. It carries out practical activities on material issues related to ESG and regularly reports to the Strategy Committee on the progress of various sustainable activities. The ESG Working Group is responsible for the development of the Company's ESG special work plan; coordinating the ESG goal formulation and work promotion of all functional units and business groups of the Company; urging all departments to achieve ESG performance and tracking the fulfillment of responsibilities; organizing the compilation of ESG reports; and ensuring that ESG risks are properly managed and implemented.

Stakeholder Participation

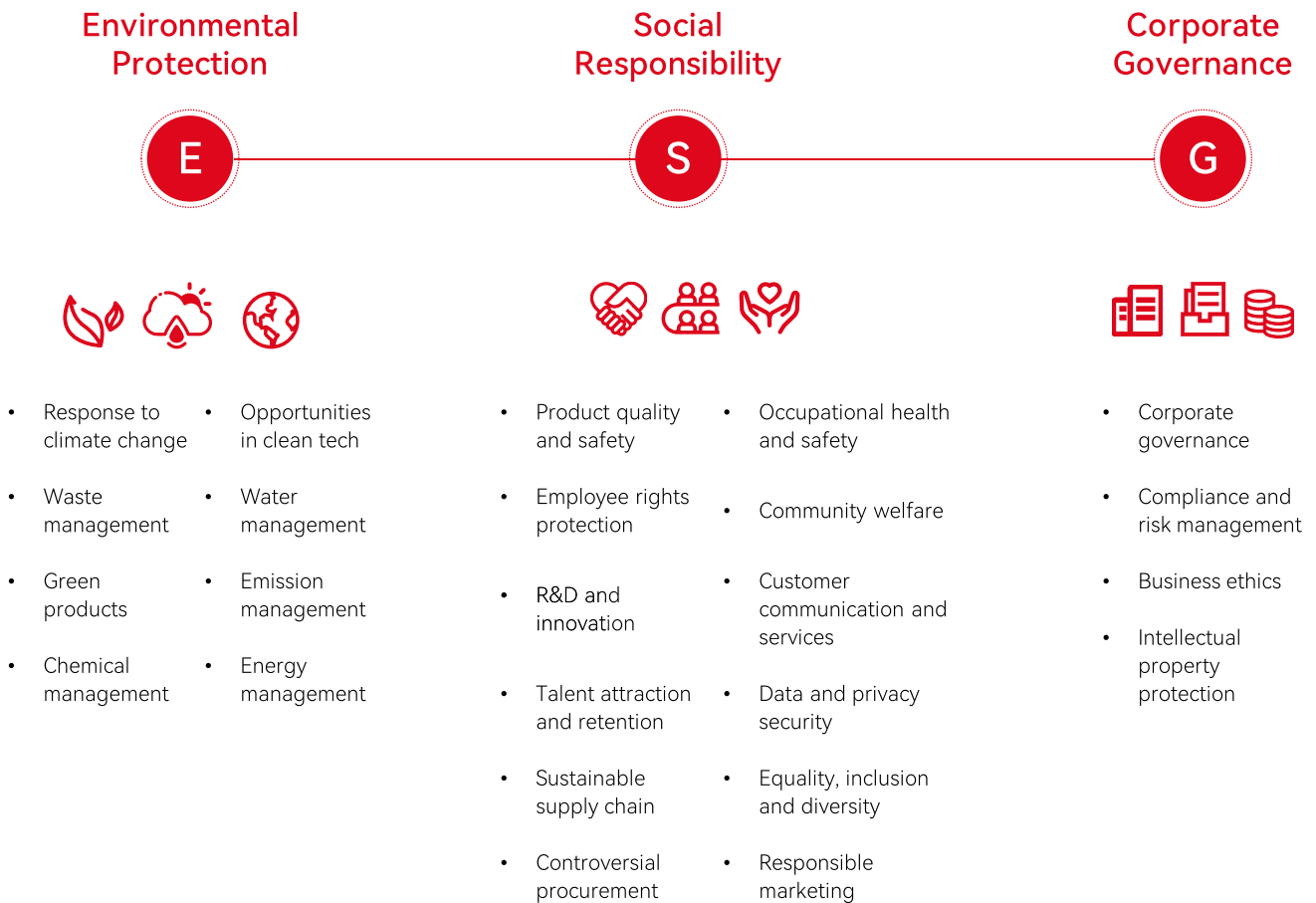
CVTE attaches great importance to the expectations and demands of stakeholders, fully considers the impact of its own operation and development on all parties, and achieves effective communication and in-depth understanding of the demands, opinions and suggestions of all parties through diversified communication mechanisms, so as to achieve the sustainability of the Company with high standards and high quality.

In 2022, the Company sorted out and responded to the expectations and demands of various stakeholders as follows:

Stakeholders	Communication channels	Expectations and demands	Our response
Shareholders and investors	<ul style="list-style-type: none"> Shareholders' meeting Company announcement Performance briefing Communication phone and email Site survey 	<ul style="list-style-type: none"> Risk management and control Return on investment Information disclosure Clean technology opportunities 	<ul style="list-style-type: none"> Improve corporate governance and investor relationship management Maintain sustainable profitability Improve information transparency Invest in clean technology
Government and regulatory authorities	<ul style="list-style-type: none"> Supervisory communication Policy consultation feedback Information disclosure Special meeting or report Official visit 	<ul style="list-style-type: none"> Observe law and discipline Compliant operation Climate change and energy conservation and emission reduction Promote employment and support local development 	<ul style="list-style-type: none"> Implement regulatory policies Strengthen compliance management Identify climate risks and promote low-carbon emission reduction through systems and initiatives Actively assume social responsibilities
Customers	<ul style="list-style-type: none"> Customer satisfaction survey Customer complaints and return visits Offline and online communication platform Customer privacy protection 	<ul style="list-style-type: none"> Product quality Innovative research and development Customer relations and services Customer rights and interests Environmentally-friendly products 	<ul style="list-style-type: none"> Strengthen all-round quality control Product iteration innovation Innovative service methods Strengthen data security and privacy protection Use harmless and environmentally-friendly materials and green production processes
Suppliers	<ul style="list-style-type: none"> Open tendering Daily communication with suppliers Supplier conference Supplier training and empowerment Supplier inspection and on-site audit 	<ul style="list-style-type: none"> Mutual support Integrity and cooperation Common progress Response to climate change and energy conservation and emission reduction 	<ul style="list-style-type: none"> Joint improvement Clean procurement Supplier empowerment Create a sustainable supply chain
Employees	<ul style="list-style-type: none"> Trade union activities Safety education and drills Employee training Employee satisfaction survey Employee associations and activities 	<ul style="list-style-type: none"> Equality, diversity and inclusion Healthy and safety Compensation and benefits Training and development Communication and care 	<ul style="list-style-type: none"> Provide equal employment and promotion opportunities and eliminate discrimination Provide a healthy and safe workplace and workplace atmosphere Provide market-competitive compensation and benefits Provide learning and smooth career development channels Democratic communication
Community and the public	<ul style="list-style-type: none"> Information disclosure Official website and social media platforms Volunteer activities Public welfare and charity foundation 	<ul style="list-style-type: none"> Promote local development Environmental protection Community public welfare 	<ul style="list-style-type: none"> Rural revitalization, empowering education informatization Participate in green public welfare Conduct public welfare activities, and encourage employees to participate in volunteer activities

Analysis and Identification of Material Issues

The purpose of the ESG report is to provide full disclosure of the ESG issues of most concern to stakeholders so that stakeholders can better understand the Company’s ESG performance during the reporting period. In 2022, by studying and analyzing domestic and foreign policies, industry policies and development trends, we reviewed and summarized the results of material issues in the Company’s 2021 Social Responsibility Report, and effectively identified and confirmed 24 material issues in the three categories of environmental (E), social (S) and governance (G) by referring to relevant ESG guidelines and combining industry dynamics. This year, the Company continued to promote the planning and implementation of these 24 important ESG areas, further improving the Company’s ESG management and practice level.



01

Sound Corporate Governance, Abiding by Business Ethics

CVTE continuously improves the corporate governance structure, improves the risk control compliance system, and creates a fair and clean working environment. CVTE is committed to continuously improving corporate governance to ensure that the Company is operated in the long-term interests of the Company and all shareholders.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



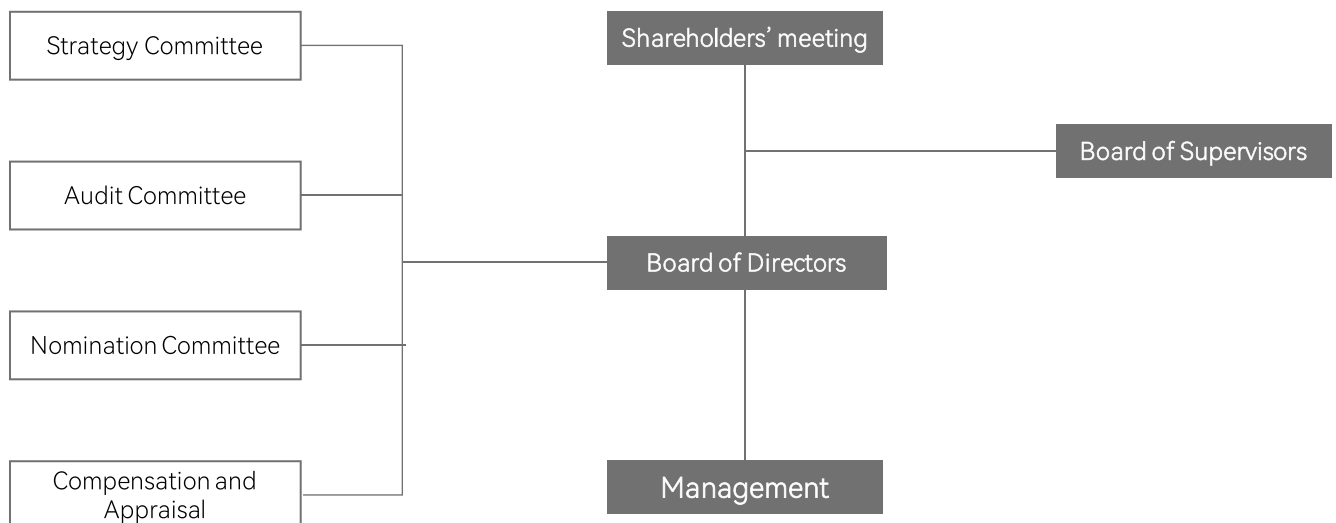
Strengthening Corporate Governance

CVTE strictly follows the requirements of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Governance Guidelines for Listed Companies* and the *Rules for Stock Listing of the Shenzhen Stock Exchange* and other laws and regulations for standardized operation, and in light of its own development, constantly improves the Articles of Association and related management system, optimizes the governance structure, enhances the governance level, and gives full play to the role of the shareholders' meeting, the Board of Directors, and the Board of Supervisors in major decision-making, operation management and supervision, so as to ensure the steady development of CVTE.

Governance Structure

CVTE establishes a corporate governance structure with the shareholders' meeting as the highest authority, the Board of Directors as the decision-making body, the Board of Supervisors as the supervisory body, and the management as the executive body, with clear rights and responsibilities, checks and balances, to ensure the Company's continuous and standardized operation. At the same time, the Board of Directors has four committees: Strategy, Audit, Nomination, Compensation and Appraisal. The committee is directly responsible to the Board of Directors and performs its functions in accordance with the articles of association and the authority of the Board of Directors.

During the reporting period, CVTE prepared to hold 3 shareholders' meetings, 13 meetings of the Board of Directors, 13 meetings of the Board of Supervisors, and a total of 16 meetings of various special committees.



Corporate Governance Structure



In 2022, the Company disclosed

195 documents including

periodic reports and interim announcements in designated media



All announcements of the Company are true, accurate, complete, timely and fair presentation of the Company's operating and development status, and the Company obtained the highest information disclosure rating of

A of company listed on the main board of Shenzhen Stock Exchange last year

Information Disclosure

CVTE, in strict accordance with the *Administrative Measures for Information Disclosure of Listed Companies*, the *Rules for Stock Listing of the Shenzhen Stock Exchange* and other relevant legal requirements, formulates and implements the *Information Disclosure Management System*, the *Internal Confidentiality System of Material Information*, the *Internal Reporting System of Material Information* and other systems to clarify the responsible person for information disclosure and standardize the behavior of information disclosure. Through the business platform designated by Shenzhen Stock Exchange and multiple channels such as *Securities Times*, *China Securities Journal*, *Securities Daily*, *Shanghai Securities News* and CNINFO, the Company discloses relevant information in a true, accurate, complete and timely manner to ensure that all shareholders have equal opportunities to obtain information, fully protect the interests of investors, promote the Company's sustainable development and improve the Company's operation level.

CVTE's information disclosure is under the unified leadership and management of the Board of Directors. The chairman of the board is the first person responsible for information disclosure, and the secretary of the board is responsible for the management of information disclosure affairs.

Relationship with investors

CVTE attaches great importance to maintaining good communication with investors and has set up an investor hotline (020-32210275) and an investor relations email (shiyuan@cvte.com) to receive investor inquiries, opinions and suggestions. In order to facilitate the majority of investors to quickly understand the Company's financial report and highlights during the annual report season, for four consecutive years, the Company has released the "Interpretation of the Annual Report in One Picture" immediately after the disclosure of the annual report, organized online performance briefings in a timely manner, and invited investors to participate in the "Introduction to Listed Companies Series" activities, etc.

During the reporting period, the management of the Company has communicated with more than 2,000 investors through various forms of activities such as site survey, online telephone meeting, strategy meeting exchange and interactive platform. At the same time, the Company has actively participated in the "2022 Collective Reception Day for Investors of Listed Companies Under the Jurisdiction of Guangdong Province" series of activities held by Guangdong Securities Regulatory Bureau and The Listed Companies Association of Guangdong, and presented the Company's operating situation, important trends and development strategy to investors in a real and accurate manner. According to third-party data statistics, 11 securities firms issued 35 CVTE research reports or review reports in 2022, with the main institutional rating being "buy".

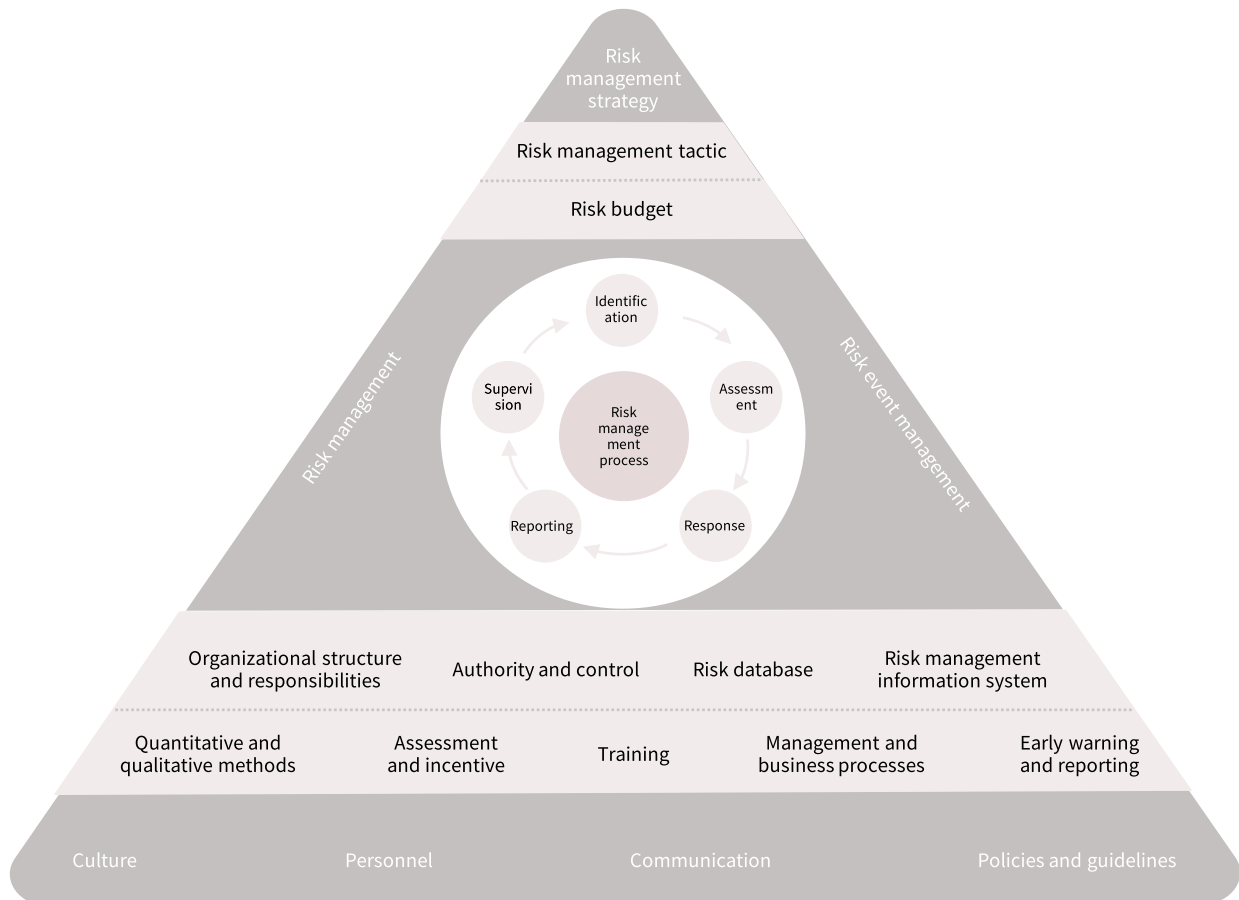
During the reporting period, the Company won a number of capital market awards such as "Excellent Practice of Listed Companies' 2021 Annual Report Performance Briefing", "p5w Financial Investor Relations Gold Award (IR Progress Award, Excellent IR Team)", "2021 Most Valuable Investment Award", "The 6th China Outstanding IR Best Investor Relations Project Award", etc.

Risk Control Compliance Management

CVTE is well aware of the importance of risk control compliance management for the Company's long-term stable development, is committed to building a comprehensive risk control compliance system, and regularly conducts compliance management and risk control compliance training.

Risk Control Compliance System

CVTE has established a company-wide risk control compliance system. We set up a first-level risk structure from five different dimensions of strategic risk, market risk, financial risk, operational risk and legal risk; carry out risk assessment on corporate governance risk, environmental protection risk, health and safety risk, climate change risk, human resources risk, intellectual property risk, confidentiality risk and other secondary risks; and identify and refine third-level risks and provide pre-event, in-process and post-event risk monitoring mechanisms for major third-level risks.



Risk Control Compliance System

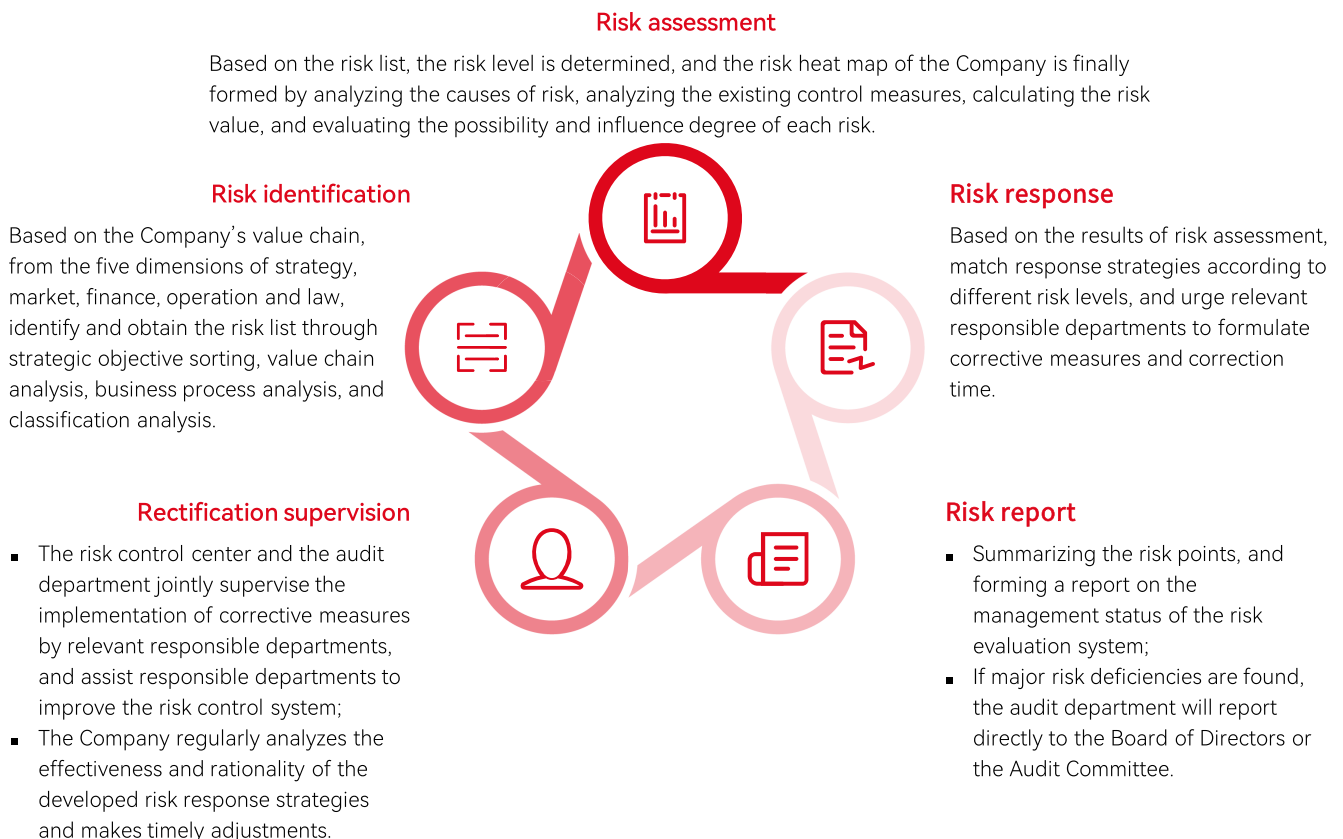
In combination with the comprehensive risk control compliance system, the Company has established three lines of defense for risk control management: The first line of defense consists of business groups to implement the risk control process and implement the risk control countermeasures; the second line of defense is the risk control center, which is responsible for promoting and supervising the effective implementation of the risk control process and risk control countermeasures; the third line of defense is the audit committee, which is responsible for the establishment of the risk control system, evaluating and improving the Company’s risk control and management benefits through a systematic method to ensure the Company’s steady and standardized operation.



“Three Lines of Defense” for Risk Control Management

Risk Control Compliance Management

In order to promote the standardized operation and healthy development of the Company as a whole, we identify, assess, respond to, report and supervise the internal and external risks of economy, environment, society and governance in the course of operation through the closed-loop mechanism of risk control management, so as to ensure the implementation of risk control compliance management in place.



Closed-loop Mechanism of Risk Control Management

At the same time, in order to prevent possible risks in daily operations, we regularly carry out risk control compliance system management from five aspects of job separation audit, subsidiary control, seal management, fund management and internal control evaluation.

Job separation audit

Cashiers are separated from the duties of auditing, keeping accounting archives, and registering claims and debts; the duties of the internal audit department and the finance department are separated; the official seal, financial seal, legal person seal and bank account operation are kept and performed by employees of different positions respectively; the kinship between the seal management personnel and the actual controller, director, supervisor and senior executive is separated.

Subsidiary control

According to the *Administrative Measures for Subsidiaries of Guangzhou Shiyuan Electronic Technology Company Limited* and other systems, management and supervision are carried out on the rights and obligations of shareholders of subsidiaries, operating policies and investment plans, and the replacement of key legal personnel such as directors, supervisors, and senior executives.

Seal management

The Company adopts the authorization and hierarchical approval system for its official seal, and formulates the *Seal Management System* to stipulate the approval and registration processes of the seal, and self-check and back up the use of the official seal of the listed company.

Fund management

By strengthening the review of fund account, approval and transfer of external funds, use of raised funds and idle funds and other aspects, the Company aims to minimize risks related to fund management.

Internal control evaluation

The Company classifies the internal control defects in financial reporting, including general defects, significant defects and major defects, and clarifies relevant definitions and classification standards. At the same time, according to the classification of internal control defects, adjustments and error corrections are made to ensure the effective implementation of internal control.

Emerging Risks

With the development of society and the progress of science and technology, the traditional risks are constantly evolving, and the previously unknown risks may cause serious negative impact or even disruptive impact on the operation of the Company. In 2022, the Company identified and assessed two important long-term (3 years and above) emerging risks that would have the greatest impact on the future business, and matched response measures based on the risks.

Emerging risk factors	Potential impact	Countermeasures
Emerging technology risk	Emerging technologies, such as artificial intelligence, brain-computer interface, biotechnology, geoengineering and quantum computing, may have negative impacts on individuals, companies and economies, either intentionally or unintentionally, and bring uncertainty to the future development and upgrading direction of the Company's products	<ul style="list-style-type: none"> Carry out R&D and innovation in technical fields such as touch control, simulation technology, artificial intelligence algorithm, etc., and constantly explore feasible paths that are more energy-saving, environmentally-friendly, and efficient In collaboration with the Ministry of Education, the Company supports 63 scientific research projects, covering blockchain, artificial intelligence, education and teaching research and other fields By combining digital technologies such as communication, big data, Internet of Things and artificial intelligence, the Company accumulates experience and resources, feeds back to upgrade product system, and improves user experience and presents value in terms of process and details
Climate change risk	The impact of climate change on production, water and energy resources directly affects the development of the whole economy and society. In the context of carbon neutrality in China, climate change also brings more uncertainties and unprecedented new challenges to the Company's operation and financial performance	<ul style="list-style-type: none"> Incorporating climate change risks into the risk control compliance system The Risk Control Center manages climate-related matters Identify climate change risks from the two dimensions of physical risk and transition risk, and match countermeasures. For more details, please refer to [the content of the "Response to Climate Change" section of this report]

Risk Control Compliance Training

CVTE organizes R&D, quality, marketing, supply chain and other departments to actively carry out risk control compliance training, so as to improve employees' awareness of risk control and avoid possible risk events in operation to the greatest extent.

In 2022, the Company conducted risk-related training for the management, including risk identification of personal safety, operation, intellectual property, legal affairs, fraud and other risks as well as corresponding control measures, in order to enable the management to make correct decisions in the face of risks, so as to further improve the Company's overall response capability.

Practicing Business Ethics

CVTE always adheres to the concept of integrity management, and regulates the business behaviors of employees, suppliers and other partners through system improvement, internal audit, unimpeded reporting channels, and construction of clean culture to create a fair, just, and clean business working environment.

Anti-corruption System

CVTE strictly abides by national laws and regulations, abides by the business ethics of honesty and trustworthiness, honesty and self-discipline, and adopts a zero-tolerance attitude towards corruption, fraud and other unethical behaviors. The Company strictly abides by the *Criminal Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other relevant laws and regulations in the place where it operates, has promulgated and implemented the *Integrity System*, the *Employee Handbook*, the *Specifications for Handling of Financial Receipts*, the *Employee Conflict of Interest Management System* and other systems, covering corruption and bribery, discrimination, information confidentiality, conflict of interest, reporting and other relevant regulations and codes of conduct, in order to strengthen the integrity management of the Company and comprehensively regulate the business behaviors of employees, supply chain partners and other partners.

In order to build a fair, just, clean and honest working environment, the Company has set up a discipline inspection and supervision team. The discipline inspection and supervision team has the authority to conduct independent investigation and management, supervise and inspect the implementation of anti-corruption, and regularly report the anti-corruption situation to the Board of Directors to ensure that the requirements of business ethics management are fully implemented within the Company. In daily operation, the discipline inspection and supervision team, together with the risk control center, legal affairs and audit departments, investigates and handles complaints and reports related to violations of business ethics according to laws and regulations and relevant internal rules and regulations. CVTE found no business ethics violations during the reporting period.

Business Ethics Audit

In order to check that the requirements of business ethics management are fully implemented, CVTE's audit department regularly checks and assesses the integrity, rationality and implementation effectiveness of business ethics and anti-corruption related systems of the Company's business groups, holding subsidiaries and participating companies with significant influence.

During the reporting period, the Company carried out conflict of interest declarations covering all employees, core customers and suppliers, and clarified the requirements of the Company's code of business conduct with all relevant parties. At the same time, the Company carried out business ethics related audit, involving all operations, including but not limited to procurement risk, warehousing logistics risk, sales risk, production management risk, quality risk, capital management risk, engineering project management, information system risk, intellectual property risk, contract management risk, etc.

Reporting Channels and Whistleblower Protection

CVTE has smoothed the reporting channels through various methods such as public reporting channels, internal employee mailboxes, and supplier daily collaboration platforms. At the same time, the Company clearly stipulates the general principle of whistleblower protection in the *Integrity System*, and strictly keeps confidential the personal information of whistleblowers and all whistleblower materials provided by whistleblowers; will treat those responsible for violating the confidentiality provisions strictly and severely, and investigate their criminal responsibilities if the violation constitutes a crime; and strictly investigates and punishes any person who retaliates against the informants, witnesses and investigators in any form, and those who are serious will be investigated for legal liability according to law.

The public reporting channels are as follows:

Reporting hotline: (020) 8615 4552

Reporting email: jicha@cvte.com

Mailing letter: CVTE Risk Control Center, No. 6, Yunpu 4th Road, Huangpu District, Guangzhou City (Received)



Construction of Clean Culture

CVTE adheres to the principle of “both punishment and prevention, focusing on prevention”, and regularly carries out anti-corruption training and clean culture education for all employees to achieve full coverage of anti-corruption education. In terms of integrity training, we disseminate knowledge of anti-corruption to our employees, stipulate that they must not solicit or accept bribes in any form, ensure that they are familiar with and master the Company’s business ethics and anti-bribery regulations, so as to regulate their behaviors and create a clean and honest working environment.

During the reporting period, the Company carried out a total of 17 integrity publicity training and education activities, covering 1,705 person-times, with a total duration of over 1,600 hours. At the same time, the Company regularly carries out supply chain integrity training every year to continuously improve employees’ awareness of integrity and awareness of relevant laws and regulations. During the reporting period, no case of integrity issue of supply chain employees occurred in the Company.



the Company carried out a total of **17** integrity publicity training and education activities,



covering **1,705** person-times,



with a total duration of over **1,600** hours.

Case

Visiting the anti-corruption education base

In June 2022, the Company organized outstanding employees of all business lines to visit the anti-corruption education base in Huangpu District, Guangzhou and Guangzhou Development Zone to learn the anti-corruption achievements and cases in Huangpu District and Guangzhou Development Zone. During the event, we further deepened employees' awareness of anti-corruption and improved their awareness of the zero-tolerance policy of corruption through the interpretation of the causes of corruption.



Organizing outstanding employees to visit the anti-corruption and integrity education base

Case

Carrying out honesty and self-discipline training for entry

In July 2022, the Company launched pre-entry honesty and self-discipline training for new employees. The training content covered the interpretation of concepts related to honesty and self-discipline, corruption crimes and legal provisions, and clarified the consequences of breaking the law in detail and clarified the Company's principles, discipline and moral requirements from multiple dimensions such as economy, future and family.



Training site for new employees on integrity and self-discipline

Supplier Anti-bribery Management

The Company attaches great importance to the integrity of its suppliers and continues to implement the sunshine procurement policy. All suppliers are required to sign the Integrity Commitment in their procurement contracts to ensure that they are aware of the Company's business ethics and anti-corruption policies and systems. At the same time, we set up a channel for all employees to complain and report improper interests of suppliers. In case of any violation of honesty, integrity or laws and regulations by the supplier, the employee shall report immediately, and the Company will pursue the responsibility according to the agreement.

02

High-quality Product Services, Leading Technological Innovation

CVTE pursues excellence in product quality, always regards product and technological innovation as the core competitiveness of the enterprise, and tirelessly integrates the ESG concept of green environmental protection and humanistic care into the product design and daily operation.

CVTE deeply understands and explores the potential needs of customers, continues to take technology and design as the starting point to promote product innovation, and promotes the innovative application of clean technology in product research and development; actively builds an effective quality management system, constantly creates responsible highlight products, and provides customers with more user-friendly, safe and environmentally-friendly high-quality products; continues to improve the channels of communication with customers, provides regular customer complaint service handling training for employees, and comprehensively improves our after-sales service quality; actively improve the Company's internal information security management system, and takes a variety of measures to protect customer information and effectively guarantee the information security of the Company and customers.



Innovation-driven Development

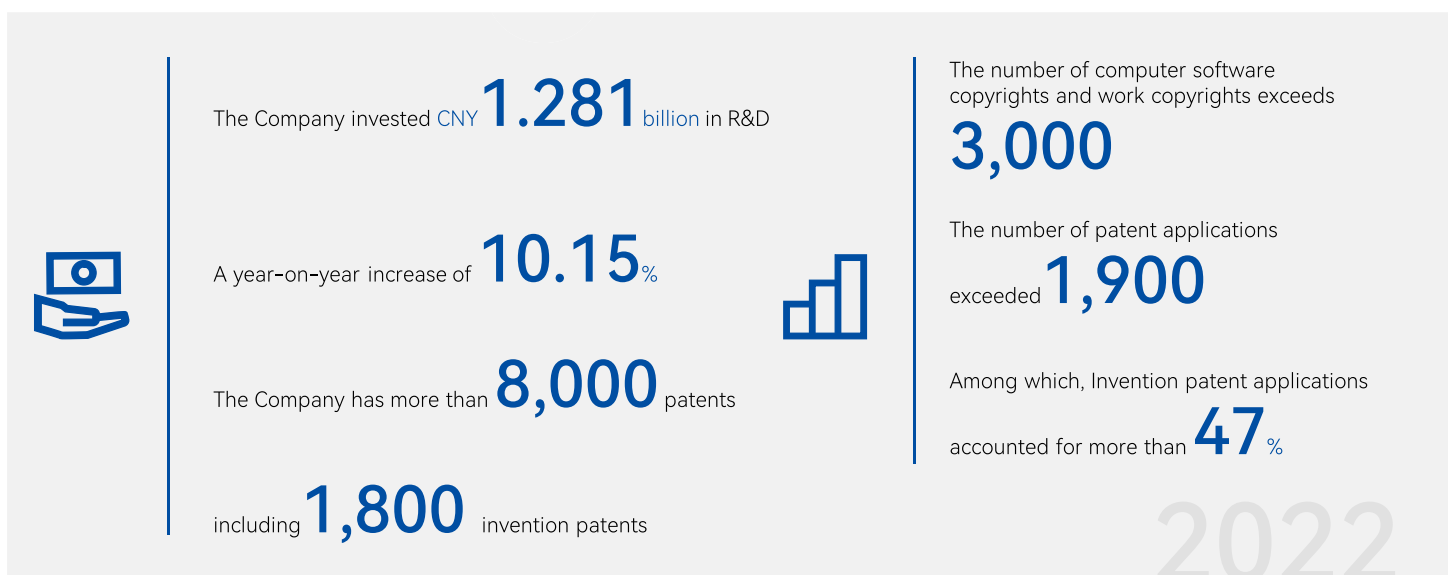
CVTE adheres to the development idea of “science and technology as the guide, innovation as the driving force”, and attaches great importance to technological innovation and R&D investment. Relying on the Company’s “three institutes and one station” innovation and scientific research capabilities, CVTE drives the Company to upgrade and iterate all kinds of products, actively explores new technological development direction, wholeheartedly creates responsible highlight products with both innovation and environmental protection for customers, and leads the technological innovation and development of the industry.

During the reporting period, the Company invested 1.281 billion yuan in R&D, a year-on-year increase of 10.15%. While encouraging innovation, the Company attaches great importance to the protection of innovation results and continuously improves the protection and management mechanism of intellectual property rights. As of December 31, 2022, the Company has more than 8,000 patents (including more than 1,800 invention patents), and more than 3,000 computer software copyrights and work copyrights. During the reporting period, the number of patent applications of the Company exceeded 1,900, among which invention patent applications accounted for more than 47%. Guangzhou Shirui is the national intellectual property demonstration enterprise assessed by the China National Intellectual Property Administration. Guangzhou MAXHUB and Guangzhou Shikun are the intellectual property demonstration enterprises in Guangdong Province.

Product Innovation and R&D

Technology and Product Innovation Projects

CVTE is committed to providing customers with the best quality products and promoting the high-quality development of the industry through the continuous implementation of technology and product innovation projects to enhance the Company’s innovation capabilities. In 2022, we continued to increase R&D and innovation investment in touch information enhancement, material performance improvement and other aspects, and continued to explore a more low-carbon, environmentally-friendly and efficient path. In the future, the Company will continue to increase the investment in clean technology to improve the environmental protection effect of products.



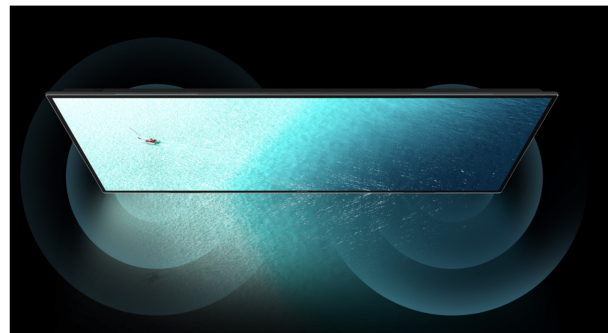
Enhanced interactive tablet contact technology to reduce product consumables and reduce carbon emissions

CVTE improves the touch signal intensity by optimizing the capacitive touch electrode of the interactive tablet, thereby reducing the amount of optical adhesive OCR by 40%, making the interactive tablet products easier to repair and recycle, while reducing consumables and carbon emissions.



55~86-inch series lightweight high-strength platform backplane

Based on the coupling design and process, this project achieves a 3-fold increase in backplane stiffness, a reduction of more than 20% in weight and an effective reduction in product material consumption through topology optimization, parametric joint design, data intelligent calibration and impact response feedback.



Paying attention to the health of school age users, and incorporating eye health considerations into product design

The seewo learning machine is a special learning terminal for children. A variety of eye protection technologies are integrated into the product design, including paper-like anti-glare process, optical full bonding, AI eye protection algorithm, hardware anti-blue light and other technologies, making the display screen more healthy and eye friendly. The seewo learning machine has passed the A-level evaluation of the first domestic medical-industrial vision health standard *Evaluation Method for Visual Health Impact of Tablets* led by the Zhongshan Ophthalmic Center of Sun Yat-sen University.



Optimizing product design to achieve lightweight products and reduce resource and energy consumption

The seewo smart blackboard (BF86ED) integrates the concept of product lightweight. By optimizing the thickness of the product frame and toughened glass, and reducing the amount of full bonding adhesive, the weight of the frame is reduced by about 5%, the weight of the toughened glass is reduced by 20%, and the weight of the adhesive is reduced by 34%, which promotes the saving of resources and energy in the production process.



Optimizing the low power consumption design of the overall unit to improve the optical energy efficiency of the product by 30%

The Company optimizes the product design of the overall unit. In this process, the high light efficiency LED and the high gain diaphragm are used in combination with the simulation technology to design the light bar solution with optimal brightness, which can increase the optical energy efficiency of the product by 30%, reduce the effect of light blocking and solve the problem of poor shading of diaphragm. At the same time, the optimized design solution makes the power consumption of the product save 1 kWh compared with the conventional product under the rated power condition for 8 hours.



Optimizing the LCD display system to improve the viewing effect of the viewer in the side view

Based on the research and analysis of the LCD display system, the Company adds a front-mounted viewing angle enhancement layer to the newly developed innovative products, and through the optical path design, the viewer at the side of the display product can get a clearer view with less color deviation.



At the same time, the Company continues to innovate in the fields of simulation technology, process, algorithm and other technologies to improve product performance and reduce the energy consumption of products throughout the life cycle.



Continue to deepen the research and development of simulation technology to optimize product heat dissipation and other performance

The digital means are used to study the characteristics of the power components of CPU cooling module and optimize the flow channel parameters, the air volume/air pressure is increased by more than 18%, the thermal resistance is reduced by 13%, and the energy consumption of heat dissipation is reduced.



Continuous optimization of the production process of the overall unit

The backplane spraying process is optimized to improve the UPH efficiency of the overall output of the spraying process. Under the same yield condition, the baking time of production is reduced, and the power consumption is reduced; in addition, by analyzing and verifying the historical production process data and terminal assembly data, the production process of the overall unit can be optimized to reduce the electricity consumption of the product and the carbon emission of the product throughout the life cycle.



Optimizing the AI model training platform to improve computing power and reduce power consumption

The general AI training platform project is carried out to reasonably plan the computing resources of the graphics processor unit (GPU) required for AI model training. This platform project can effectively improve the utilization of GPU resources, reduce the GPU resource usage by about 20~30% with the same amount of computing demand, and significantly reduce non-essential power consumption.

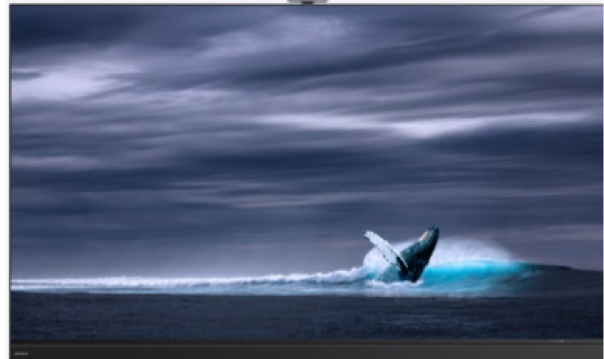
In 2022, CVTE continued to innovate products according to the needs of different groups of consumers. In the product design stage, it will fully evaluate the impact of products on the environment and users' health, improve the performance of health, safety, environmental protection, convenience and efficiency of products, and provide customers with a sense of quality use experience. At present, many products have won well-known awards, for example, the MAXHUB 360° panoramic camera, MS series video conferencing system, seewo AIO teacher computer and other products won the German Red Dot Design Award, and the QSTECH LED all-in-one machine won the "2022 Science and Technology Innovation Award - Product Award".

Case

The QSTECH “LED all-in-one machine” won the “2022 Science and Technology Innovation Award - Product Award”

In terms of materials, the QSTECH “LED all-in-one machine” innovatively introduces blending alloy to enhance the lightness and flexibility of the product, providing convenience for various scenarios; and at the same time uses dustproof and wear-resistant technology fabric process with high sound transmission, combined with 110mm ultra-narrow bottom frame design, and uses intelligent batteries to effectively reduce power consumption and carbon emissions of the product.

The product won the “2022 Science and Technology Innovation Award - Product Award” issued by China Video Industry Association, the only authoritative award recorded by the Ministry of Science and Technology in the field of audio and video.



Case

The MAXHUB 360° panoramic camera won the Red Dot Design Award

The MAXHUB 360° panoramic camera can meet the needs of cloud video conferencing in different scenarios. It perfectly solves the difficult problems of traditional video conferencing system, such as complicated installation, complicated setting, high professionalism, high cost, and unable to fully cover all meeting rooms, providing users with comfortable and smooth interactive experience. In 2022, this product won the German Red Dot Design Award.



Incentive System of Innovation

CVTE formulates and implements the Measures for Academic Awards to reward the collectives and individuals who make outstanding contributions to the promotion of technological progress and academic research, so as to fully mobilize the enthusiasm and creativity of researchers and promote the output of landmark achievements. The Measures for Academic Awards specifies the academic achievements, objects, conditions, standards and implementation rules to be rewarded; the evaluation and issuance of academic achievements awards are carried out in accordance with the principles of openness, fairness and justice. The awards are issued every six months to effectively stimulate the vitality of scientific research talents.

In 2022, the Company participated in a number of open-source projects of Apache Web server software, published a number of technical blog posts, and the Institute of Machine Vision under the Academia Sinica published a number of academic papers in the field of medical imaging.



Intellectual Property Management System Certification

Intellectual Property Protection

CVTE attaches great importance to intellectual property protection, strictly abides by the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and other relevant laws and regulations, formulates and implements a series of internal systems such as the *Intellectual Property Management Manual* and the *Administrative Measures for Intellectual Property*, defines the intellectual property management structure and daily management process, and improves the intellectual property management system. At the same time, the Company has passed the GB/T 29490-2013 Intellectual property management system certification, further strengthening the standardization of intellectual property management.



Measures taken by CVTE to protect intellectual property rights include but are not limited to:

Life cycle management system for online intellectual property



The life cycle management system for online intellectual property (including the patent management and control platform) purchases patent retrieval database, realizes the full cycle management of patent application, examination, authorization, maintenance and transformation by means of intellectual property information, and timely grasps the trends to constantly improve the quality and value of patents.

Implementing the *Patent Award System*



- Establish an incentive system for inventors, and reward inventors who have made outstanding contributions to patent application and authorization, the implementation of patented technology, and the transformation of patented achievements;
- Organize annual patent award selection and award activities, and reward and commend the personnel and groups that have made outstanding contributions to patent work.

Patent knowledge training



Conduct patent-related training for business groups, including professional training in patent writing, intellectual property management, intellectual property protection, overseas patent layout, etc.

Attaching importance to protecting intellectual property rights



For external plagiarism of CVTE, we will take the means of sending letters, applying for temporary injunction, suing and so on to protect our rights.



Patent Award Ceremony



Patent Training Activities

Ensuring Product Quality

The Company actively performs the responsibility of quality management, implements the quality management policy of “customer-centered, quality-oriented development, management for efficiency, process for quality”, continues to deepen the construction of quality management system, strictly standardize the quality control process and strengthen the publicity of quality and safety knowledge, effectively improves the quality management level of the Company, enhances the quality and safety awareness of employees and suppliers, and is committed to providing customers with zero-defect and high-quality products to achieve sustainable development with excellent quality.

Quality Management System

CVTE comprehensively implements refined quality management, and clearly standardizes the quality management process of important links such as product R&D, design, material and finished product procurement, production, inspection, outsourcing, and after-sales to achieve the best effect of quality management, by formulating a series of quality management-related systems such as the *Product Design and Development Control Procedures*, the *Production Equipment Control Procedures*, the *Internal Audit Control Procedures*, the *Product Outsourcing Control Procedures*, and the *Management Specifications for Quality Objectives*. In 2022, we set up a Compliance Technical Committee to strengthen the supervision of product compliance, set up a product life cycle compliance protection system covering multiple dimensions such as product access, design and development, and mass production consistency, and adhere to the problem-oriented and build a regular compliance random inspection mechanism linked by inspection and management, so as to further improve our regulatory effectiveness on product compliance.

During the reporting period, CVTE has obtained the ISO 9001 Quality management system certification.

The Company’s Jingce Laboratory has obtained a number of national and international laboratory qualifications, such as CNAS national laboratory qualification, CMA national inspection and testing agency qualification, CB laboratory certification (CBTL), A2LA American laboratory accreditation, and International Safe Transit Association (ISTA) certification. The Company has the ability to meet the requirements of third-party evaluation of safety and reliability testing of various electronic products.



ISO 9001 Quality Management System Certification



CNAS Laboratory Qualification Certificate



CMA Qualification Certificate



CB Laboratory Certification



A2LA American Laboratory Accreditation Certificate

ISTA Certification

Continuous Optimization of Quality Management System

CVTE continues to deepen the continuous improvement of the quality management system, combining three management methods of system certification, improvement activities, and information system support to comprehensively promote quality improvement. We actively participate in a number of system certifications of the International Standardization Organization (ISO) and the International Electrotechnical Commission (IEC), establish an effective mechanism for continuous improvement, and effectively evaluate the effectiveness of the quality management system through improvement activities such as quality improvement team (QC team), Quality Control Circle (QCC) and Six Sigma (6Sigma). At the same time, we establish the product life cycle management system, quality management system and other information systems to continuously improve the efficiency of quality management.



Improving quality management through digitization



Digitization of quality management processes

In 2022, we built a quality information system (QMS), covering multiple modules such as target platform, inspection implementation, traceability platform, audit and evaluation, so as to realize visualization and analyzability of the whole product process and make quality control more accurate and efficient.



Digitalization of quality testing

In 2022, we built the R&D quality management system and test quality management process, introduced “Integrated Product development (IPD) + Capability Maturity Model Integration (CMMI) + Agility” and “Six Sigma (6Sigma)” and other continuous improvement methods from the product concept stage, and simultaneously built a visual management platform of test quality and an automated cloud measurement platform, so as to realize visual, real-time and dynamic monitoring of quality management in the testing process. With the help of digital technology application, quality risks were brought forward and the initiative of quality management was effectively improved.

Whole Process Quality Control

CVTE uses advanced quality operation and quality research to implement a full range of quality assurance measures, covering R&D quality, supplier quality, product quality and other levels, to provide a strong guarantee for the whole process quality control. We set incoming quality control (IQC), input process quality control (IPQC), outgoing quality control (OQC) and ongoing reliability test (ORT) as routine inspection, so as to effectively realize the normal quality management of product R&D and design, raw material procurement, manufacturing, shipment and other all-round aspects.

“Two Management, Two Capabilities” of Product Quality Assurance



Quality management of processing plant

- Realize the process control of quality management through product inspection management, audit management, abnormal management and other management measures;
- Set up quality objectives, and revise the objectives and provide incentives according to the actual achievement of quality objectives, to ensure the effectiveness and feasibility of quality objectives.



Reliability management

- Build reliability test platform, failure analysis platform and reliability data platform to provide reliability guarantee for materials, design and manufacturing;
- Intercept the impact of material and process fluctuations on reliability through production reliability testing.



Testing capability

- There are many professional laboratories under the Jingce Laboratory, such as electromagnetic compatibility laboratory, chemical laboratory, OTA radio frequency laboratory, reliability laboratory, failure analysis laboratory, etc., which can complete various product quality testing such as communication quality testing, hardware performance testing, testing of restricted chemical substances in electronic products, etc.



Certification capability

- Ensure that products have obtained CCC certification (China Compulsory Certification), CB certification of International Electrotechnical Commission, CE certification of EU, and other product qualification certifications and marks, to ensure product compliance and safety.

Quality Improvement Talent Empowerment Training



Cover CVTE, suppliers and OEM staff

1,464 people



Hold **31** classes



Class hour **167** hours

Quality Awareness Publicity

CVTE attaches great importance to the construction of quality culture, strictly requires all suppliers to sign the *Quality Assurance* agreement, strengthens the quality management awareness of suppliers, and promotes the common growth with suppliers. At the same time, we carry out quality improvement talent empowerment training every year, covering Quality Control Circle (QCC), National Standard (GB), Ministry Standard (BB), Failure Mode and Effects Analysis (FMEA) and Design of Experiments (DOE), etc., and continue to improve the quality management level of CVTE and suppliers.



Excellent Customer Services

CVTE is committed to providing timely, effective and convenient services to its customers. We strengthen marketing management, and create a responsible business model; attach importance to after-sales communication with customers, diligently answer the after-sales questions raised by customers, understand the real needs of customers, and strive to make every customer satisfied; focus on the improvement of our service capabilities, enhance customer service personnel training, promote service innovation, and ensure to provide customers with high-quality after-sales services.

Responsible Marketing

CVTE establishes a responsible marketing management system. In terms of advertising, CVTE formulates the *Self-inspection Items for External Publicity* to clarify the relevant requirements for the accuracy and comprehensiveness of external publicity content, so as to ensure that there are no exaggerated, false and biased content in publicity and marketing.



The Self-inspection Items for External Publicity stipulates that:

- Advertisements shall not contain false information and must be true, accurate and clear;
- Advertisements shall not contain absolutist terms, such as national, world class, the highest level, etc.;
- The data used in the advertisement shall be accurate; the financial data or market data in the copy shall be explained with the time dimension, and the source of the data shall be noted if it is quoted;
- Do not make absolute guarantee of product effect, product effect varies from person to person;
- The description of the social phenomenon or the judgment of the market shall provide the basis, if it is quoted, the source shall be noted;
- If the image of another person is used in the advertisement, portrait authorization shall be obtained.

We also compile the responsible marketing self-audit table, which divides and deeply interprets the requirements and legal liabilities in the *Advertising Law of the People's Republic of China*, clarifies the legal requirements, legal liabilities and legal and regulatory basis, and gives cases of various illegal behaviors to fully explain the key points of legal compliance that should be paid attention to in the marketing, and effectively grasp the responsible marketing management. In addition, in order to realize the control of the whole process of pre-prevention, process monitoring and post-audit, and to prevent the occurrence of undesirable marketing promotion events, the legal department of the Company regularly carries out the review of sales and marketing activities. In 2022, the legal department conducted 1,262 reviews of advertising and marketing to all business groups and subsidiaries of the Company. No non-compliance was found.

In addition, we continue to carry out responsible marketing training to enhance the compliance marketing awareness of relevant employees. In 2022, we carried out the training of *Sharing of Advertisement Compliance Key Points* to help various business groups understand the compliance key points in the process of advertising, and organized personnel from the legal department and brand department to participate in the training on Advertising Law conducted by Huangpu District Joint Market Supervision and Administration Institute of Guangzhou, so as to understand the latest compliance requirements of the Advertising Law and timely improve the Company's internal system construction.

After-sales Services and Customer Satisfaction

CVTE continues to optimize the customer service and communication management mechanism, comprehensively strengthen the construction of service standards, and build a high-quality customer service team, so as to ensure timely response to customer feedback and improve customer satisfaction. We have obtained the national five-star “after-sales service certification” and twelve-star “after-sales service integrity certification” for many years, and obtained the “4PS contact center international standard management system” certification during the reporting period.



After-sales Service Certification



After-sales Service Integrity Certification



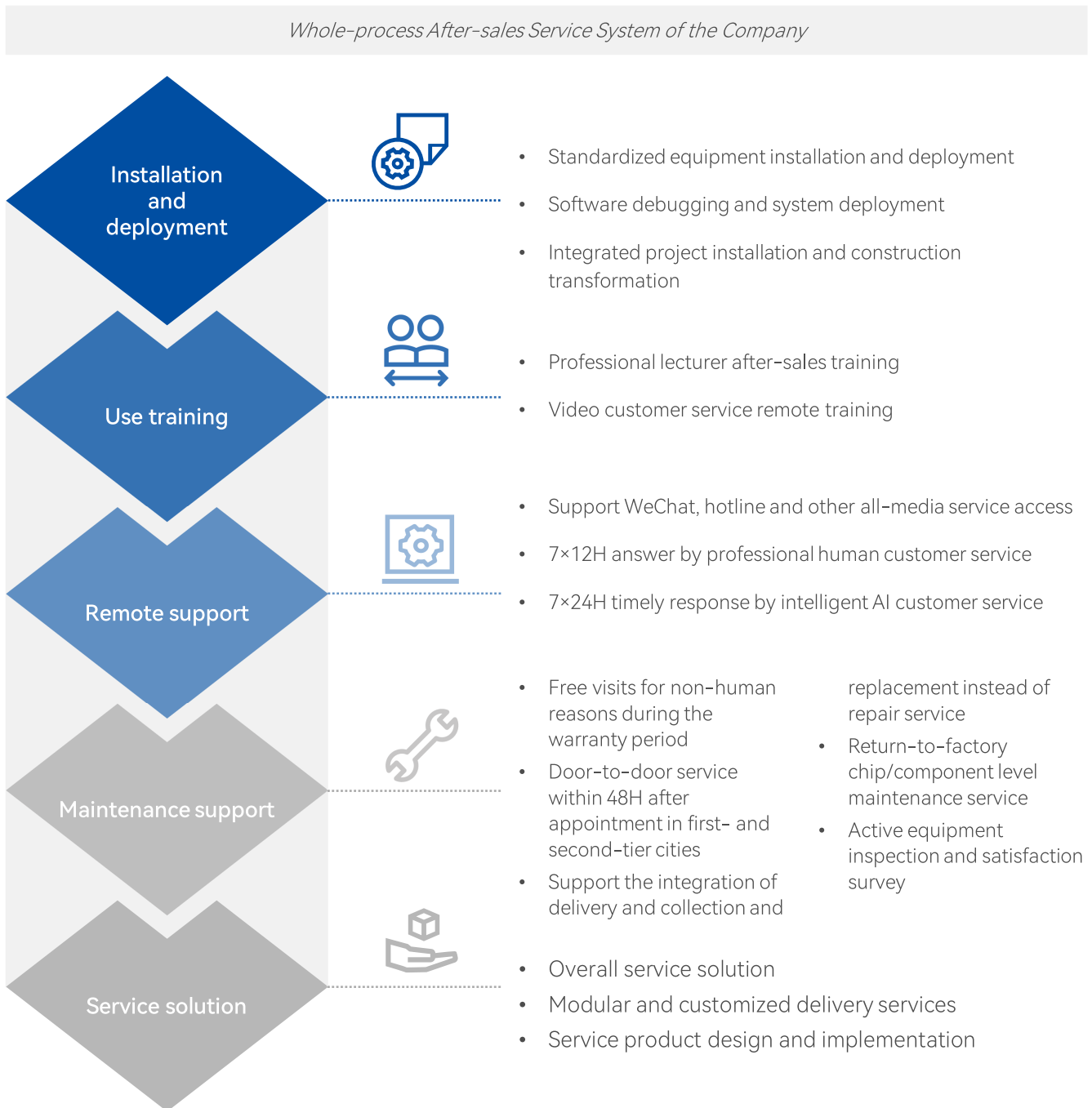
4PS Contact Center International Standard Management System Certification

Unimpeded Customer Communication Channels

We establish unimpeded customer communication channels and a diverse communication system. On the online side, customers can contact customer service personnel for feedback in a timely manner through various methods such as telephone, official account, official website and APP. On the offline side, we also set up a field application engineer (FAE) team of more than 60 people, aiming to provide customers with on-site product installation, maintenance, commissioning, basic use training and other services; collect the situation and problems of product use in the client side, feed back and promote research and development to improve; handle customer complaints or quality incidents on the market side, maintain the corresponding customer emotional relationship, and promote the implementation of value-added services.

Strengthening the Construction of After-sales Service Standards

CVTE provides customers with whole-process after-sales services, and develops the Service Policy Statement for each brand, aiming at clarifying service methods, standards and timeliness requirements under different service needs. We also formulate policies and systems such as *Business and Service Standards* and *Complaint Handling Rules and Standards* for the customer service contact center, standardize the after-sales handling rules, and set up a clear and effective issue escalation mechanism. In addition, in order to ensure the implementation of each requirement standard, we establish a monthly evaluation mechanism for customer service personnel, including the evaluation of customer satisfaction, door-to-door timeliness and one-time door-to-door accuracy, so as to effectively standardize after-sales services and provide comprehensive and powerful service guarantee for consumers.



Timely Response to Customer Feedback

In order to ensure that customers' service requests can be timely and effectively handled, we have formulated the complaint handling standard of "immediate response, solutions provided within 2H, and 100% closed-loop handling" to ensure timely response to customers' online consultation and acceptance services. We also develop permanent preventive measures afterwards to ensure that similar complaints do not happen again, establish complaint handling files in the system and track closed loop, analyze and summarize the complaints of various departments, and provide data support for improving the quality of products and services.

Case
Improving after-sales service through digitization

CVTE relies on its own digital innovation capabilities to improve after-sales services. The customer service management (CSM) system developed by CVTE subsidiary Guangzhou Shirong Information Technology Co., Ltd can complete the visual management of the whole process from customer information access to process work order, and connect with the finance department for accounting and payment. This CSM system had obtained the computer software copyright in 2019. This year, we further upgraded and iterated the customer service management (CSM) system, continuously enhanced the intelligent after-sales management, greatly improved the service efficiency and accuracy, and provided strong support for our high-quality customer services.



CSM Software Copyright Registration Certificate

Improving Customer Satisfaction

We attach importance to every customer feedback, take the actual needs of customers as the starting point, and rely on our strong innovation capabilities to continuously optimize customer experience and improve their satisfaction with products and services. To this end, we regularly carry out satisfaction survey, and increase dealer satisfaction survey on the basis of seat, work order and sales satisfaction survey. The survey dimension includes service personnel's technical capabilities, service attitude, logistics situation, door-to-door timeliness, etc. In 2022, our newly added dealer satisfaction survey achieved remarkable results, which further enhanced our understanding of consumers and market demands, and timely improved products and services, thereby improving customer satisfaction.

We have established a customer satisfaction model, analyzed, summarized and improved the feedback information and data collected, formulated targeted improvement plans for products and services, and regularly monitored the specific implementation, so as to dynamically adjust the improvement direction and strategy and ensure the improvement of customer satisfaction. In 2022, we implemented a series of optimization and improvement measures based on the analysis results:



Case

Increasing the number of sub-warehouses

In 2022, we increased the number of sub-warehouses to 31, and realized independent operation based on the provincial level, effectively improving the timeliness of spare parts supply and significantly shortening the logistics transportation time. At the same time, this move further gives play to the localization advantage of service resources, shortens the transportation distance of the overall unit back to the factory for maintenance, improves the efficiency of product maintenance, thereby reducing the after-sales service duration and improving customer satisfaction. As of December 31, 2022, the 24-hour satisfaction rate of spare parts on work order increased by 9% year-on-year, and the average saving time of a single logistics trip was as long as 1.7 days year-on-year.

Case

New version of the H5 system is online

In 2022, we further improved the quality and efficiency of customer services, upgraded the H5 system of the user liaison terminal, and added new functional modules according to business needs, further enhancing the convenience and efficiency of customer use. The new version of the H5 system has built-in robots that can help human answer customer questions and achieve automated responses, improving the efficiency of customer consultation services and enhancing customer satisfaction. As of December 31, 2022, the proportion of problems solved by robots in the education market was 40%.



Construction of After-sales Service Capability

CVTE is well aware that the improvement of the personal capabilities of customer service personnel is the key to high-quality customer services. Therefore, we have established a sound training mechanism and carried out a variety of training programs, including new customer service personnel training, team leader training and module expert empowerment training, so as to comprehensively strengthen the personal capabilities and professional quality of customer service personnel. In 2022, we carried out 41 training activities covering 426 people, aiming to empower customer service personnel to further enhance their professionalism, provide quality services to customers and create excellent service experience. In order to further improve the level of customer services and promote the skills exchange of customer service personnel, we carry out various competitions, so as to help customer service personnel to improve their capability levels through various kinds of pre-competition empowerment training and post-competition summary.

For FAE team, engineers need to complete online and offline learning courses, and pass the theoretical knowledge examination and practical operation examination to obtain star certification, and undertake different types of work orders according to the star level.

Information Security and Privacy Protection

CVTE attaches great importance to information security and the protection of user privacy data, fully respects and protects the legitimate rights and interests of users. We strictly abide by the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Data Outbound Security Assessment Measures* and other national information security-related laws and regulations, as well as overseas information security and privacy protection laws and regulations involved in business operations, develop a series of internal management specifications, constantly improve the information and privacy data management system and mechanism, and improve the security awareness of employees through systematic training, so as to ensure that our information security and privacy data protection are in place.

Information Security Management

CVTE establishes and continuously improves the information security management system, sets up the management representative and data protection officer, and establishes the information security department to ensure the implementation of information security management policy, so as to realize the effective operation of the Company's information security management system.

We formulate and implement the *Information Security Management Strategy*, aiming to establish a reasonable organizational structure for information security management and achieve effective implementation of security objectives. We compile the *Information Security Management Manual*, *Information Security Risk Assessment Control Procedures*, *Internal Audit Control Procedures* and other internal management normative documents to clarify information security management requirements, information security responsibility allocation and risk response measures, so as to standardize the information security management involved in the relevant business processes of each business department and ensure the orderly progress of information security management.

CVTE has obtained the ISO 27001 Information security management system certification for many years in a row. We strictly implement information security process management according to system standards, and take a series of measures in human resource security, asset management, physical and environmental security and access control, to further provide a strong guarantee for information security.

In addition, we constantly identify potential information security risks and update the control procedures in a timely manner. In 2022, we developed and implemented the *Personally Identifiable Information (PII) Control Procedures* to ensure that the purposes of personal information processing, use and utilization are consistent with the wishes of the subject of personal information, and to prevent processing, use and utilization beyond the purpose and scope.



Information Security Management Measures



Human resource security management

Prior to the official appointment of personnel, clarify the security responsibilities of new employees, contractual personnel and third parties that match their job roles to reduce the risk of unauthorized use and abuse of information assets.



Asset management

Establish an information assets accountability system, identify all information assets, establish asset list and use rules, and clearly define who is responsible for information assets and their responsibilities. Software assets are uniformly managed in the CMDB (configuration management database), and risk assessment, vulnerability scanning, and penetration testing are performed on assets on a regular basis.



Physical and environmental security

Delineate a physical security zone to prevent unauthorized physical access, damage, and interference with the workplace and information. Protect equipment from physical and environmental threats, and prevent information equipment from being lost, interfered with, destroyed, and harmed by environmental risks, so as to avoid the loss of information assets and the interruption of business activities.



Access control

Establish access control rules based on business requirements to control access to information, information processing facilities, and business processes based on business and security requirements. Establish procedures for the implementation of user access rules to ensure that only authorized users can access the system and prevent unauthorized access to the information system.

At the same time, we protect the Company's information security in terms of pre-prevention and post-response. In terms of pre-prevention, we conduct emergency drills for cybersecurity, and simulate 17 risk scenarios, including network interruption, core paralysis and key equipment downtime, so as to improve the information and data security management capabilities of all employees. In terms of post-response, we formulate and implement the *Information Security Incident Handling Process* to clarify incident classification standards as well as reporting and handling processes, so as to provide clear handling guidelines for information security incidents.

In addition, we strictly supervise and review the whole process of information management, and hold management review every year. The review involves the participation of the CEO and management representatives to evaluate the cybersecurity strategy and review the operational effects. During the year, it was reviewed and confirmed by the management that CVTE's information management was efficient and standardized; information related business was kept running under low risk; the established management system met the requirements of laws, regulations and relevant standards, and was fully in line with the Company's business development and environmental conditions.

Customer Privacy Protection

The Company regards privacy data protection as the top priority to protect customers' rights and interests, and formulates and continuously implements a series of privacy protection policies and systems, including the *Personal Information Protection Management Manual*, the *Personal Information Protection Impact Assessment Control Procedures*, the *Internal Audit Control Procedures for Personal Information Protection Management System*, the *Compliance Baseline*, and the *Personal Information Protection Baseline*. In 2022, the Company newly implemented the *Personally Identifiable Information (PII) Control Procedures* to ensure that the purposes of personal information processing, use and utilization are consistent with the wishes of the subject of personal information, and to prevent processing, use and utilization beyond the purpose and scope.

Our privacy policy covers all business products that involve personal information. We publicize the privacy policy to customers, and collect minimum customer information after customers have checked and agreed.

Summary of the main contents of CVTE's privacy policy

- 1 Clearly inform customers of the type, nature and use of information collected, allow customers to decide how to collect, use, retain and process private data, and specify how to realize user rights in the privacy policy.
- 2 Customers can directly modify their personal information and authorities in the product. In case that customers cannot directly modify their personal information and authorities in the product, reserve personal information protection email and unified customer service telephone number for customers' needs.
- 3 During data storage, personal privacy information will be protected by encryption, access control, usage approval and other measures according to the data classification control policy, and the information security level protection will be authenticated.
- 4 When personal information is collected and processed, it is deleted uniformly.
- 5 Any personal privacy information collected shall not be used for commercial purposes or disclosed to third parties at will.
- 6 In the case that information needs to be disclosed to a third party (such as government agencies and public entities), relevant management regulations shall be formulated for third-party disclosure, requiring personal information impact assessment in advance and personal information disclosure under the premise of not infringing on personal privacy and not violating relevant laws and regulations.
- 7 Sign confidentiality agreements with personnel and suppliers who have access to personal information.

To further ensure the efficient implementation of privacy security management, we have also set up a dedicated privacy protection working group responsible for leading, implementing and reviewing internal privacy policies and operations. In addition, for overseas markets, we hire professional overseas lawyers to provide compliance advice for overseas products, and set up overseas servers. We store overseas customer data in overseas regional servers permitted by law, in order to meet the regulatory requirements related to the security management of overseas private data.

In 2022, CVTE and its subsidiaries Shirui Electronics and MAXHUB all obtained the ISO 27701 Privacy information security management system certification. We have continuously optimized and strengthened information security and privacy protection management in accordance with system requirements.



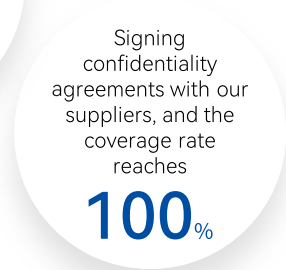
ISO 27701 System Certifications of CVTE, Shirui Electronics and MAXHUB

We further protect customers' privacy and information security by signing the Confidentiality Agreement with our employees and suppliers.


Confidentiality Agreement

Implement customer privacy management by signing the Confidentiality Agreement


- We sign confidentiality agreements with our employees, and the coverage rate reaches 100%.
- When it comes to important projects, we sign confidentiality agreements with members of the project team.
- When introducing suppliers, we sign confidentiality agreements with our suppliers, and the coverage rate reaches 100%.




In addition, in order to ensure the effective implementation of the Company's privacy policy, we also conduct an annual internal privacy policy compliance review at the stage of product design, launch and post-launch to confirm the compliance of the privacy policies of various business groups, departments and subsidiaries, and put forward scientific rectification suggestions based on the review results to continuously optimize the level of privacy protection. The specific review content of the Company's privacy policy is as follows:



In the design stage of product requirements, conduct compliance review for personal information processing, provide compliance suggestions, and formulate privacy policies according to the actual situation of products;



Conduct compliance tests before products are put on the shelf to check whether product functions, behaviors and protection of users' rights and interests meet the privacy policy requirements;



Conduct random inspections on products after launching to check whether they comply with privacy policy requirements and whether there are other compliance issues.

Compliance Review

In 2022, the Company conducted an internal compliance review on key products on a quarterly basis, with a total of 10 random inspections throughout the year, and no major non-compliance was found. In addition, more than 120 daily compliance reviews were carried out.



Carrying out more than **120** daily compliance reviews

Information Security and Privacy Protection Training

Through extensive information security and privacy protection training activities, we improve the compliance awareness of all CVTE staff and suppliers, and improve our information security and privacy protection management level in products and services.

In 2022, in terms of employee training, we carried out a total of 21 training courses such as *Security - Security Gift Package for R&D & Products*, *Security - Software System Security and Permission Design*, *Personal Information Identification and Processing Principles*, and *Personal Information Protection Requirements Needed for Products & R&D*, reaching about 1,650 people in total, aiming at helping business-side, product-side, R&D-side and business-side employees understand the personal information processing principles, compliance requirements and information protection requirements involved in their business scenarios.



Carrying out a total of **21** related training course



Covering **1,650** people in total

Case

Organizing and conducting training on the *Personal Information Protection Law*

On November 22, 2022, we invited external partner law firms to carry out internal sharing, taking stock of the status quo of data compliance supervision and the changes of law enforcement priorities in the 2022 APP notification, and interpreting several typical cases of personal information security compliance in the Guangdong Higher People's Court. This training aims to help employees understand the dynamic changes in supervision since the implementation of the Personal Information Protection Law, avoid the risk of notification or even removal of company products due to improper handling of personal information, further deepen employees' understanding of the *Personal Information Protection Law*, and deeply plant the awareness of privacy protection in every employee's heart.

At the same time, we carry out regular training on information security and personal privacy protection knowledge to suppliers to ensure that they understand the Company's relevant policies and systems, and further enhance the reliability and comprehensiveness of privacy protection management.



03

Promoting Responsible Supply Chain and Cooperating for Industry Development

CVTE actively builds mutually beneficial partnership with suppliers and is committed to achieving win-win cooperation. In 2022, we continued to work with our supplier partners to promote responsible supply, actively exchanged industry updates, strove to build a sustainable supply chain, and promoted the in-depth development of the industry.

8 DECENT WORK AND ECONOMIC GROWTH



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



17 PARTNERSHIPS FOR THE GOALS

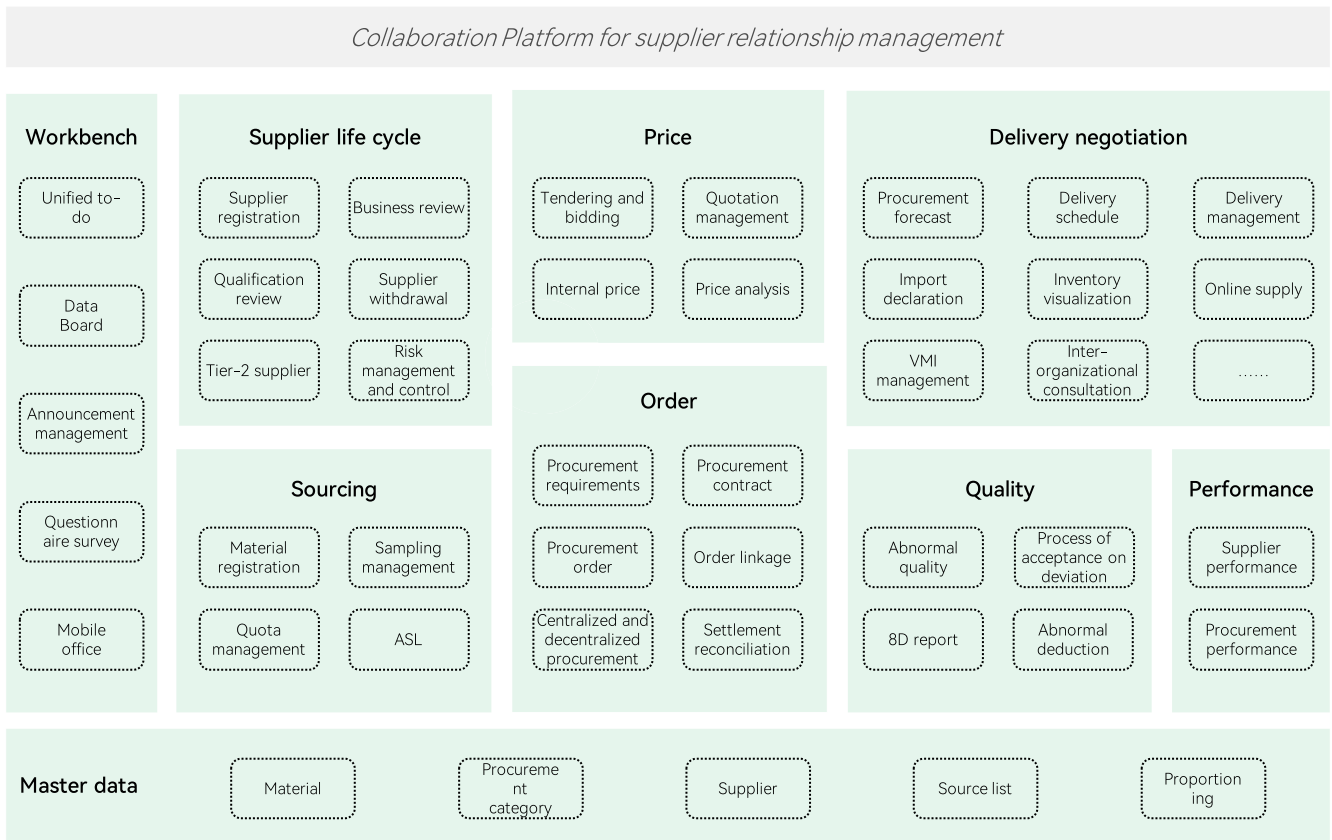


Creating a Sustainable Supply Chain

CVTE is committed to creating sustainable supply chains that are environmentally and socially responsible. In 2022, we continued to optimize the supplier management process, actively practiced responsible procurement, strengthened exchanges and cooperation with suppliers, constantly improved sustainable supply chain management, and worked with suppliers to achieve win-win development.

Supplier Management

CVTE formulates and implements internal supplier management systems and manuals such as the *Management Specifications for Supplier Introduction*, and the *Management Specifications for Supplier Performance Evaluation* to clearly guide and standardize supplier management. At the same time, with the help of the electronic management system of supplier relationship management (SRM), which is a collaboration platform of supply chain, we track the operation processing and process data of supplier introduction, performance evaluation, routine audit and supplier withdrawal, so as to realize the integrated, standardized and refined management of suppliers.



Supplier Introduction

In order to ensure that the products and services provided by suppliers meet CVTE and customer requirements, we conduct strict qualification review on suppliers in the admission stage. In 2022, we continued to strictly implement and optimize the supplier review dimension. In addition to system certification, business risk, safety requirements and other mandatory review items, we conducted a comprehensive review of the supplier's industry reputation, upstream resources, capacity scale and other reference items, and strictly checked the access of suppliers, so as to fully explore suppliers that meet the best needs of production, quality, delivery, service and cost.

Supplier Assessment

CVTE establishes supplier grading assessment system and incentive policy, provides input guidance for supplier motivation, guidance and elimination, and conducts monthly, quarterly and annual assessment of supplier quality performance, delivery performance, technical service performance and cost performance in multi-department interaction, so as to encourage and urge suppliers to continuously improve product quality as well as technical and service level.



Supplier Screening

In order to promote the stability and improvement of the supply chain, we conduct the audit of supplier quality, system, research and development, procurement and other indicators, and require suppliers with problems found to be re-audited when corrective measures have been taken according to the audit results. At the same time, we can veto the audit results with one vote for suppliers with major deficiencies in system, environmental protection, safety regulations, integrity and other indicators, so as to discover and eliminate potential risks in the supply chain as early as possible.



Responsible Procurement

CVTE is committed to an environmentally and socially responsible supply chain, requiring suppliers to strictly comply with our requirements for environmental protection, health and safety, business ethics, conflict minerals, etc. We formulate and issue the *Partner Environmental and Occupational Health and Safety Notification*, including environmental and social performance into the scope of supplier access and regular performance evaluation, and are committed to integrating them into the whole process of supply chain management. Through strict introduction management, qualification examination, on-site audit and other measures, we urge and cooperate with supplier partners to jointly undertake environmental and social responsibilities, and jointly create a green, healthy and sustainable supply chain ecology.



Supplier Environmental Risk Management

- Suppliers are required to strictly comply with environmental requirements, and ensure that raw materials and pollutants (waste water, waste gas, solid waste, noise, etc.) discharged from products provided by suppliers meet national and local standards;
- Encourage suppliers to prioritize non-polluting or low-polluting production processes and equipment and properly dispose of waste;
- For inflammable and explosive or toxic and harmful hazardous goods, suppliers are required to properly keep and take preventive measures to avoid environmental pollution caused by fire, explosion or leakage accidents;
- Suppliers are required to comply with the regulations on harmful substances in the *Green Procurement Procedure*, and ensure that the parts, components and materials provided by suppliers do not contain substances that have significant harm and impact on the ecology and environment, so as to reduce the impact of business operations on the ecological environment.



Supplier Social Risk Management

- Suppliers are required to abide by the relevant national regulations on production safety in on-site operations, and emphasize that special types of work must be certified and wear labor protection equipment, and high-altitude workers must use safety belts, etc.
- Urge suppliers to provide necessary environmental and occupational health and safety education to their employees, improve their safety awareness, and ensure that employees can properly use personal protective equipment.
- Sign the *Integrity Agreement* with suppliers, and resolutely resist any form of commercial bribery, commercial fraud and unfair competition.
- Suppliers are required to comply with the regulations on conflict minerals (tantalum, tungsten, tin, gold, and cobalt) in the *Management Specifications for Hazardous Substances*, and conduct secondary supplier traceability investigations to ensure the legitimacy of raw material sources and prevent any conflict minerals from being put into use.

Supplier Communication

CVTE actively builds a strategic cooperative relationship of co-creation, win-win and mutual trust with suppliers. By means of supplier conferences, supplier QBR meetings, supplier annual planning meetings, supplier field study tours and visits, participation in supplier anniversary celebrations and other forms, we actively build a supplier communication platform to efficiently convey procurement needs and promote the optimization and integration of resources on both sides, and work with suppliers to achieve mutual benefit and win-win results.



Case

“Introduction to CVTE” study tour and visit

In September 2022, CVTE invited representatives from nearly 30 suppliers to CVTE Suzhou Park for a field study tour and visit. During the visit, each supplier partner fully discussed and shared experience on how to scientifically formulate and effectively implement the annual business plan. This visit provided the suppliers with the opportunity to exchange learning and in-depth review, thereby effectively enhancing the mutual benefit and mutual trust of the cooperation relationship, while improving the supplier’s business planning capabilities.

Promoting Industrial Exchanges and Development

On the basis of close cooperation with supplier partners for mutual benefit and win-win results, CVTE actively joins hands with peer enterprises, industry associations and other parties to discuss industry norms and academic trends, in order to promote the in-depth development of the industry and timely grasp the development opportunities of the industry, thereby achieving multi-win and coordinated development of the industrial chain.

Formulating Industry Standards

CVTE is committed to promoting the development of the industry, always maintains good and effective communication with the industry, and carries out technical exchanges to jointly discuss the sustainable development of the industry. In addition, relying on the Company's technical capacity and resource accumulation in R&D, supply chain, sales, service and other aspects over the years, we organize and participate in the formulation of industry standards, contributing to the development of the industry.



1 newly released national standard

1 newly released industry standard

17 newly released group standards



A total of **7** national standards have been released

A total of **8** industry standards have been released

A total of **46** group standards have been released



Signature

Case

CVTE took the lead in compiling industry norms

In December 2022, initiated by the Public Information Display (PID) Branch of the China Video Industry Association and led by CVTE, the *Technical Specifications for Interactive Tablet Touch System* was officially released. The *Technical Specifications* is the first domestic specification document focusing on interactive tablet touch screen above 55 inches. It focuses more on the extended specification of touch modules and the impact of different touch technologies on display performance, and contributes CVTE wisdom to promote the unification of industry-wide term definitions, parameter indicators and test methods, and promote the benign and orderly development of the industry.



Release of the *Technical Specifications for Interactive Tablet Touch System*

Case

seewo took the lead in compiling national standards

In April 2022, the national standard *Digital textbook - Quality requirements and examination method of digital textbook for primary and secondary school* jointly led by the People's Education Press, seewo and Peking University Founder and approved by the National Standards Commission was officially released. In order to prevent and control myopia among teenagers, the new standard specifically stipulates in detail whether digital textbooks can be "read clearly" on personal learning terminal display devices and large classroom screens, which can effectively prevent and control myopia among teenagers.

Case

MAXHUB took the lead in compiling group standards

In July 2022, led by MAXHUB and approved by the China Video Industry Association, the compilation of the group standard "*Pacemaker*" *Standard Evaluation Requirements - Conference Tablet* officially began. The formulation of this standard is of great significance to the industry, which is conducive to further clarifying the direction of technology and quality upgrading of conference tablet products, so as to promote healthy market competition and high-quality development of the industry.

Case

seewo took the lead in compiling group standards

In November 2022, led by seewo and approved by the China Video Industry Association, the group standard *Quality Grading and "Pacemaker" Evaluation Requirements - Smart Education Blackboard* was officially released. This standard specifies the evaluation indicator system, evaluation method and grade division of the quality of smart education blackboards and enterprise standard level evaluation, providing a more scientific and accurate reference for the quality of smart blackboards and enterprise standard level evaluation used in the design and system integration of information teaching environment and multimedia audio-visual environment.



Smart Education Blackboard

Participating in Academic Exchange

In order to further promote the in-depth development of the industry and continue to maintain and steadily improve the core competitiveness of the Company, CVTE actively participates in academic exchange activities such as industry academic seminars and international forums, sincerely shares innovative scientific and technological achievements, and continuously tracks the cutting-edge academic achievements of the industry.

Case

seewo attended the World Conference on Higher Education

In May 2022, the UNESCO World Conference on Higher Education was held in Spain. As a partner of the International Institute of Online Education (IIOE) of the UNESCO Higher Education Innovation Center, at this roundtable forum, the president of seewo introduced seewo solutions under the global digital development of higher education to educational colleagues around the world in the form of video, and was committed to promoting the improvement of teachers' information-based teaching capabilities and helping the digital transformation of education.



World Conference on Higher Education

Case

MAXHUB joined hands with Provincial Association of Scientists and Entrepreneurs to empower digital transformation

In October 2022, Anhui Association of Scientists and Entrepreneurs was held in CVTE Hefei Industrial Park. MAXHUB, the Company's smart collaboration platform, as an online and offline solution manufacturer, was invited to attend the conference, and focused on introducing smart conference solutions that can cover the whole process before, during and after the conference, showing the efficient cooperation mode of the whole scene of the conference, and helping the digital transformation of the conference room.

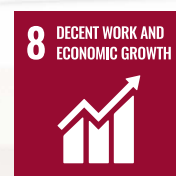


MAXHUB was invited to participate in the council of the Association of Scientists and Entrepreneurs

04

Caring for the Growth of Employees, and Creating a Happy Workplace

CVTE always regards employees as the important foundation stone and valuable wealth for the Company's stable and long-term development. We always adhere to the people-oriented concept, effectively protect the legitimate rights and interests of employees, attach great importance to the growth and development of employees, always pay attention to the physical and mental health of employees, and build a benign operation mode in which enterprise development and employee growth promote each other.



Safeguarding Employees' Rights and Interests

CVTE strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other laws and regulations, and formulates and implements the *Employee Handbook*, the *Human Resources Management System* and other internal systems to continuously standardize employment management, continuously optimize the compensation and benefits system, actively listen to the aspirations of employees, and effectively protect the legitimate rights and interests of employees in recruitment, promotion, compensation, benefits and other aspects.

Employee Recruitment

CVTE adheres to the concept of fair and just recruitment, continuously carries out recruitment activities focusing on campus recruitment, social recruitment and internal training and promotion, treats all candidates equally, widely attracts and selects the best talents, and constantly optimizes the personnel structure.

In the process of talent recruitment, CVTE strictly abides by laws and regulations such as the *Provisions on the Prohibition of Child Labor and International Labor Standard*, and formulates and implements internal management systems such as the *Leave Management System*. CVTE respects the core conventions of the International Labor Organization (ILO), recognizes the basic right of citizens to freedom of association, and protects the legitimate rights and interests of employees. The Company firmly puts an end to the employment of child labor and forced labor, and stipulates that the headquarters of the Company and its subsidiaries shall not sign labor contracts with minors under the age of 18. We effectively protect the legitimate rights and interests of employees by establishing trade unions and signing special collective agreements.



0 child labor

0 forced labor

0 labor dispute



10 trade unions have been established

The overall coverage of trade unions is 77%



3 special collective agreements, namely:

Special Collective Contract for Wages

Special Collective Contract for Technological Innovation of Employees

Special Collective Contract for the Protection of Female Workers' Rights and Interests

In addition, we always adhere to the principle of equal employment, create a diverse and inclusive working environment for employees, and put an end to any form of discrimination caused by gender, region, ethnicity, religion, age, nationality, physical condition, etc. We strictly abide by the *Constitution of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests* and the *Special Provisions on Labor Protection of Female Workers*, and provide women with fair and equitable employment and promotion opportunities. As of December 31, 2022, the Company's female employees accounted for 28.6%. We also pay attention to the representation of women in senior management, and the proportion of female senior executives at the vice president level and above is 38.9%.

As of December 31, 2022, the Company had 6,193 employees in total. And there were no collective strike in the past 3 years, demonstrating the employees' recognition of the Company's management and confidence in the future development.

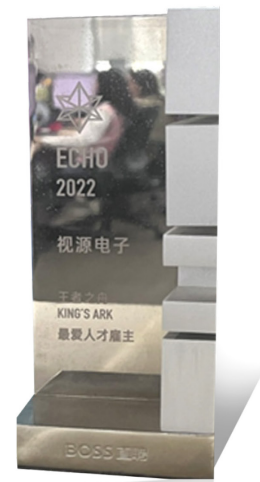
CVTE stands out for its outstanding hiring performance and has a strong track record. In 2022, we were successfully shortlisted for the Shixiseng's "2022 Favorite Employer List". At the same time, we were awarded the honorary titles of "Extraordinary Employer" and "Employer Who Loves Talents Most" by Liepin.com, "King's Ark" by BOSS Zhipin, "China Most Intellectual Spirited Employer" by Zhaopin.com, and "Excellent Employer of the Year" by Maimai.cn.



total employees **6,193**



female senior executives at the vice president level and above **38.9%**



2022 Employer Awards (Partially)

Remuneration and Benefits

In 2022, CVTE continued to optimize and implement the *Salary Management System*, the *Incentive System and Operational Measures for Incentive System* and other internal salary management systems and policies to provide employees with market-competitive compensation and incentive rewards, effectively protect the compensation and benefits of employees, fully mobilize the enthusiasm of employees, and achieve a co-creation and win-win situation with employees.

Sound Remuneration System

In line with the market practice, the Company determines employee salary based on employee capabilities, financial status and internal balance, covering basic salary, post salary, special salary, equity incentive, performance bonus, housing subsidy, length of service subsidy, etc.

Scientific Salary Adjustment Mechanism

The HR Operation Center organizes regular salary adjustment, conducts public appraisal and joint discussion according to market salary level and employee performance, and adjusts employee salary level appropriately.

Sound Long-term Incentive

During the reporting period, the Company launched the *2022 Restricted Stock Incentive Plan*, and has completed the first grant, in order to further establish and improve the Company's long-term incentive mechanism, attract and retain excellent talents, fully mobilize the work enthusiasm of the Company's core employees, and make all parties pay attention to the long-term development of the Company. At the same time, the Company improves the *Administrative Measures for Supporting Innovation and Entrepreneurship* and encourages qualified innovative businesses to implement employee shareholding, further stimulates the innovation motivation and entrepreneurial enthusiasm of employees, and promotes the synergy of interests between employees and start-up companies, so as to effectively promote the common development of the Company and employees. Since its listing, the Company has granted equity incentives to nearly 2,500 people.

In addition, CVTE provides a comprehensive welfare system for employees, and always pays attention to the happiness and satisfaction of all employees. In addition to the basic five social insurances and one housing fund, legal holidays, paid annual leave and other legal benefits, the Company also provides employees with physiological leave, psychological leave, parental leave and other additional holiday benefits; a series of health benefits such as health checkup, health subsidy, free dental cleaning, psychological consultation, etc.; cash benefits such as marriage and funeral subsidies, high temperature subsidies, travel subsidies, etc.; and free restaurants, shuttle service, apartment rental, etc. At the same time, the CVTE trade union also provides employees with well-established welfare facilities such as early childhood center, staff library, gym, cinema and rehabilitation therapy room, which fully enhance the sense of belonging and work happiness of employees.

Case

Early childhood center of the CVTE trade union

The CVTE trade union sets up an early childhood center, supported by the Montessori's education concept, to carry out special courses such as basketball, creative art, and music for children to promote the all-round development of children. As of December 31, 2022, the early childhood center of the CVTE trade union has opened a total of 21 classes for children aged 3-6 years old and 2 classes for children aged 0-3 years old, with 488 children in the kindergarten, providing early education services for the children of more than 2,000 CVTE staff families, reducing the burden of childcare for employees, making employees happy to raise children and work at ease. During the reporting period, the early childhood center was awarded the title of "Guangzhou 2022 Caring Nursery Center".



Early Childhood Center of the CVTE Trade Union

Case

CVTE Health · Health Management Center

CVTE has introduced top medical experts and medical equipment to establish a health management center, built a green medical channel, and invested about CNY 60 million of special funds for health enterprises every year to provide employees and their families with full-cycle and comprehensive health management services, including in-depth physical examination. At the same time, according to the physical examination results, CVTE Health carries out targeted 365+ post-examination management and other health promotion activities to provide employees with the most appropriate health solutions and the best quality medical benefits. In 2022, the "CVTE health management model" was successfully selected as a featured case of national health enterprise construction.



CVTE Health · Health Management Center

Case

Staff library of the CVTE trade union

The CVTE trade union and Huangpu District Library jointly built “CVTE · Library”, which has been completed and operated in four parks in Guangzhou. The library has a collection of about 20,000 books, involving literature, art, science and technology, advanced ideas and other categories for the employees to borrow, and to provide employees with the service of borrowing returning books from public libraries in Guangzhou. In 2022, the staff library of the CVTE trade union was awarded the honor of “Guangzhou Staff Library”.



Staff Library of the CVTE Trade Union

Equal Communication

We strictly abide by the Employee handbook and other internal management systems, establish a diverse, open and convenient democratic communication mechanism, actively listen to the voices of employees and fully respect their opinions. In 2022, we continued to clarify and guide the two-way and equal communication between the Company and employees from the two dimensions of system and channel.

At the system level, we clearly emphasize through the *Employee Handbook* that employees have the right to put forward suggestions and opinions on company management, welfare protection and other aspects to any level of managers and trade unions. At the channel level, the CVTE trade union sets up formal communication channels and processes such as “trade union mailbox” app for employees to fully express their suggestions on the development of the Company and submit opinions and feedback at any time. In 2022, we received 132 pieces of feedback, with a favorable rate of 100%.

At the same time, the CVTE trade union actively organized face-to-face activities such as seminars, chairman reception days, and employee representative meetings, regularly carried out employee satisfaction surveys to understand the demands of employees in time and fully listen to the voices of employees, and carried out democratic management activities. In 2022, the Company’s employee satisfaction survey results were 4.52 points (out of 5), maintaining an upward trend.



The employee satisfaction survey result was

4.52 (out of 5)

An employee favorable rate of

100%

Employee Training and Development

CVTE attaches great importance to the capability improvement and career development of all employees. The Company continues to strictly abide by the *CVTE Rank System* and other internal talent training and promotion systems, and constantly updates and improves according to the Company's business needs and individual needs of employees, so as to provide employees with a comprehensive and scientific training system and promotion mechanism, and continue to help employees grow into talents.

Career Development Channel

CVTE provides dual promotion channels for employees. According to the work expertise and career development intention of employees, the Company provides the management talents and professional talents different promotion channels, so as to ensure the growth and development of employees.

Management Channel

The Company has established a comprehensive management talent development system. After the managers pass the initial selection and participate in management training, they enter the talent reserve period. The managers in the reserve period can be appointed in priority when there is a vacancy of management positions, and they need to undergo probation guidance and assessment. After passing the assessment, they can become incumbent managers. At the same time, we set up performance report assessment and on-the-job training for managers during their tenure, and carry out reasonable promotion and adjustment of rank.

Professional Channel

The Company implements and optimizes the *CVTE Rank System*, and clarifies the operation process and key points of the rank system. At the same time, the Company has a standing rank management committee, and sets up a special rank certification team in each rank certification period to carry out rank certification according to the set standards.

Education and Training

CVTE continuously optimizes the employee education and training mechanism to continuously empower all employees. In 2022, we continued to provide personalized and diversified training types such as grade training, general training and professional training for different employee groups to promote the adaptation and growth of all employees on the career development path. At the same time, we have a job rotation and transfer mechanism, which combines the professional strengths and interests of employees to provide job rotation opportunities in different professional fields and job properties, so as to fully tap and stimulate their own potential. In addition, we implement “growth incentive” measures for all employees, and continue to implement internal policies such as the *Application Process for Foreign Training at Public Expenses/Introduction of Foreign Training* to encourage employees to further their studies and improve their academic qualifications (such as pursuing for MBA, EMBA, etc.), and provide foreign training at public expenses and other opportunities for qualified employees. This year, the total training duration of the Company’s employees was more than 270,000 hours, with an average learning duration of 45 hours, and the training coverage rate was 100%.



Case

Geek¹ technology training

From June to December 2022, CVTE carried out Geek technology training for technical employees. The training was carried out online and offline simultaneously, covering more than 80% of the Company’s technical employees. Through technical knowledge sharing lectures, technical symposia and other forms, we provide Geek technology explanation and training for employees, fully mobilize the enthusiasm of employees to learn technology, and effectively improve the technical application level of employees.



Poster for Geek Training in 2022

Case

Senior executive training

During the reporting period, CVTE organized special management training for the senior executive team. This training covered 13 chapters such as ESG sustainable development, globalization, innovators, macro environment, and change, covering more than 40 senior executives such as the Company’s president, chairman, shareholders, and so on. The training lasted for 156 hours. This training effectively deepened the understanding of the Company’s senior executive team in various professional fields, strengthened their keen insight into the market environment, and further improved the management capabilities and decision-making capabilities of senior executives.

¹Geek generally refers to people who create new business models, cutting-edge technologies and fashion trends in the Internet era.

Employee Health and Care

CVTE always attaches importance to humanistic care, provides stable and high-level protection for the physical and mental health of employees, and is committed to creating a harmonious and joyous working environment and atmosphere.

Employee Health and Safety

CVTE strictly abides by the *Law of the People's Republic of China on Work Safety and the Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other relevant laws and regulations, and formulates and implements a number of safety management specifications such as the *CVTE Engineering Safety Management System*, the *Rules on Safety Management of Hazardous Chemicals*, the *Safety Management Specifications for Electricity Use*, the *Safety Management Specifications for Confined Space Operations*, etc.

During the reporting period, the CVTE trade union representatives signed a Collective Contract covering all employees with CVTE on working hours, rest and vacation, labor safety and hygiene and other matters to ensure the occupational health and safety of employees. At the same time, each CVTE construction park and each construction organization signed the *Construction Safety Production Responsibility Letter*, aiming to implement the responsibility chain and comprehensively protect the occupational health and safety of employees.

Employee Health and Safety Management

We improve the occupational health and safety management of employees, implement the occupational health and safety responsibilities, and ensure the healthy, stable, harmonious and orderly development of the Company. We establish the organizational structure of employee health and safety management, and build the safety concept of "full participation, continuous improvement, and safety first" by means of the construction and promotion of the three elements of "people, objects, and management". We continue to carry out the investigation of hidden dangers related to health and safety, and constantly improve our own safety management system. At the same time, the Company plans to complete *the ISO 45001 Occupational Health and Safety System Certification* in 2023.

Occupational Health and Safety Risk Assessment and Emergency Plan

During the reporting period, we identified the hazardous and harmful factors in the production park, carried out accident risk analysis and accident risk assessment, and issued the *Registration Form for Filing of Emergency Plans for Production Safety Accidents in Production and Business Institutions* according to the requirements of the *Law of the People's Republic of China on Work Safety* and other relevant laws and regulations.

In view of the risk factors in the production park, we used qualitative and quantitative methods to evaluate the risk level, and prioritized the rectification plans according to the risk score and risk degree.

Risk Classification Standard Table

Risk score (D)	Risk degree
≥320	Extremely dangerous, cannot continue to operate
≥160 ~ 320	Highly dangerous and requires immediate rectification
≥70 ~ 160	Significantly dangerous and requires rectification
≥20 ~ 70	Potentially dangerous, attention is required
< 20	Slightly dangerous, which is acceptable

At the same time, according to the requirements of the relevant laws and regulations such as the *Administrative Measures for Emergency Plans for Production Safety Accidents and Guidelines for enterprises to develop emergency response plan or work place accidents* (GB/T 29639-2020), we investigate emergency resources from the three aspects of “human, finance, and material”, and issue the *Emergency Plan for Production Safety Accidents* and the *Investigation Report on Emergency Resources for Production Safety Accidents*. Among which, the *Emergency Plan for Production Safety Accidents* specifies the organizational structure and responsibilities, emergency response procedures, on-site disposal plans and emergency safeguard measures, and stipulates that the Board of Directors is the primary responsible person, and the human resources department, the trade union office, the risk control center and other six departments are the emergency plan implementation departments.

Occupational Health and Safety Accident Investigation Procedures

According to the *Law of the People’s Republic of China on Work Safety*, the *Regulations on Reporting, the Investigation and Handling of Production Safety Accidents*, the *Information Reporting and Disposal Measures for Production Safety Accidents* and other relevant laws and regulations, CVTE formulates the *Accident Reporting, Investigation and Handling Procedures* to establish a complete investigation procedure for occupational health and safety accidents. We assess the severity of accidents at the work site, and according to the evaluation results and accident cause analysis, formulate the corresponding rectification measures, and issue the accident report. At the same time, we require all accidents to be reported to the accident system within 2 hours after the occurrence of the accident. In case of death accidents and first-class fire accidents, it is necessary to report to the public security bureau, the subdistrict and the regional emergency management department immediately.

Occupational Health and Safety Training and Emergency Drills

The Company regularly organizes safety-themed training for all employees, and in 2022, the coverage of safety training reached 100%. During the reporting period, we organized a total of 12 safety trainings of various types such as new employee safety training, management safety awareness training, natural gas use safety training, construction safety training, driving safety, electrical safety, fire safety training, etc., with a total of over 1,400 trainees and a total duration of over 2,000 hours.

At the same time, in order to enhance employees’ awareness of occupational health and safety risk prevention and control, the Company formulates emergency plans and corresponding management measures such as the *Emergency Preparedness and Response Procedures* and the *Typhoon Emergency Response Management System*. During the reporting period, the Company carried out a total of 14 emergency drills such as elevator trap emergency drill, typhoon and rainstorm emergency drill, chemical leakage emergency drill, accidental injury emergency drill, and fire drill, with a total of 958 trainees and a total duration of over 900 hours.

Case

Elevator trap emergency drill

In March 2022, the Company carried out the elevator trap emergency drill to improve the employees' awareness of elevator safety prevention, strengthen the prevention and emergency response capabilities of elevator safety accidents, and ensure the life safety of office personnel in the park.



Engineers opening the elevator door



Rescuing trapped people

Case

Typhoon and rainstorm emergency drill

In March 2022, the Company carried out the typhoon and rainstorm emergency drill for all employees to enhance the emergency response and organizational cooperative disposal capabilities of the Company's park to deal with emergencies during the flood season, ensure the personal safety of employees and the safety of company property, and verify the integrity of flood control facilities and equipment. Through this drill, the flood prevention and rescue capabilities of all employees have been improved.



Waterproof baffles and sandbags were laid at the flood entrance on site

Case

Fire safety emergency drill

In 2022, the Company actively organized a number of fire evacuation drills in multiple parks. The drill content includes the effectiveness of fire alarm system, personnel evacuation, fire fighting practice, personnel rescue and other procedures, aiming to cultivate the employees' skills in dealing with fire emergencies, enhance their self-rescue capabilities in emergency situations, and avoid casualties and property losses caused by fire accidents.



Personnel Evacuation Drill



Teaching of Fire Extinguisher Use



Cardiopulmonary Resuscitation



Rescue of Trapped Persons

Employee Care and Activities

Employee Activities

The Company advocates work-life balance, establishes CVTE community federation, which is responsible for organizing and holding various community activities, and is committed to strengthening the physical quality training of employees, broadening their horizons, and enriching their spare time.

As of December 31, 2022, the Company operated 13 associations with more than 2,000 participating employees. This year, the Company carried out a total of 56 special activities such as technology day, Livehouse, sports league, and music reading club, as well as nearly 2,000 daily community activities.



Employee Care

The Company firmly believes that employees are the cornerstone of enterprise success, and thus the Company carries out various employee care activities to build a loving and belonging workplace environment for employees with practical actions:

Care for female employees

The trade union of the Company has built a parking space, a specialized lounge, a lactation room, and a restaurant for pregnant employees, and we also carries out health knowledge sharing and online early education for female employees, and provide early childhood education and care for female employees. Among which, the specialized lounge for female employees was awarded the 5A honor of Guangdong Province.

Assistance for employees in need

The trade union of the Company launched the *Administrative Measures for Assistance and Relief of Difficulties*. During the reporting period, a total of 91 hospitalized employees were provided with care subsidies and 24 families in need were helped.

Care for physical health

Necessary drugs, oximeters, and iron supplements were distributed to all employees, and free rehabilitation examinations and rehabilitation gift packages were provided to employees who recovered from 2019-nCoV infection. At the same time, each park builds rehabilitation therapy rooms, and provides free rehabilitation assessment and some treatment projects for employees.

Care for mental health

Psychological consultation rooms were built and upgraded in each park, and online and offline psychological knowledge popularization and various types of psychological activities were carried out. During the reporting period, a total of 656 employees, 50 employees' spouses, 20 employees' relatives, and 14 clients participated in psychological counseling services, with a total of 740 person-times and a consultation duration of 748.3 hours.

Emergency rescue team

In March 2022, CVTE established the CVTE Trade Union · Vitamin C Volunteer Service Team to carry out activities such as nucleic acid collection, computer maintenance and safety inspection. The Vitamin C Volunteer Service Team has a first-aid team, and invited the Red Cross Society of China Guangzhou Branch to conduct training and assessment for its employees. As of December 31, 2022, CVTE had 170 employees with certificates to further improve the emergency rescue system of CVTE.



The specialized lounge for female employees was awarded the **5A** honor

A total of **91** hospitalized employees were provided with care subsidies

A total of **24** families in need were helped

Psychological counseling services were provided to **740** person-times



Health Checkup for Employees



Iron Supplement Distribution After Recovery from 2019-nCoV



Mental Health Counseling

05

Green-driven Development, Promoting Low-carbon Ecology

CVTE actively responds to the call for ecological civilization, and earnestly fulfills its responsibility for environmental protection. During the reporting period, we continued to integrate the concept of green and low carbon into all aspects of production and operation, continuously optimized the construction of environmental management system, and actively explored the path of green intelligent factory to steadily improve green and environmental protection performance. At the same time, we actively practice green and low-carbon operation, and continue to strengthen chemical management. We are committed to building a low-carbon, environmentally-friendly, clean and intelligent CVTE, and contributing CVTE's strength to China's realization of the objectives of "carbon peaking and carbon neutrality".



Response to Climate Change

Climate change caused by greenhouse gas emissions is one of the major challenges facing the world today. With the 27th Conference of the Parties to the *United Nations Framework Convention on Climate Change*, and the formulation of a series of medium- and long-term objectives and plans to deal with global climate change such as “carbon peaking and carbon neutrality” in China, the Company actively identifies and manages climate change risks, carries out greenhouse gas accounting in Category 1 and Category 2 of greenhouse gas, and implements diversified energy conservation and emission reduction measures to promote the Company to the road of low-carbon sustainable development.

The Company attaches great importance to climate change risk governance, continues to raise the concern of climate change related issues, clearly incorporates climate change risks into the Company’s risk control compliance system, and identifies, evaluates, responds to, reports and supervises climate change risks. The risk control center reports relevant work to the Board of Directors to minimize the impact of climate change on the Company’s business and strengthen the Company’s overall capabilities to resist climate change. For more details, please refer to [the content of the “Risk Compliance Management” section of this report].

The Company actively responds to the concerns of stakeholders in dealing with climate change, refers to the *TCFD Recommendations* issued by the Task Force on Climate-Related Financial Disclosure (TCFD), identifies the climate change issues that may have a significant impact on the Company from the two dimensions of entity risk and transition risk by combining the Company’s business, strategy and industry characteristics, and matches the identified risks with countermeasures.

Risk factor	Potential impact	Impact period	Countermeasures
Physical risks			
Acute risk	The CVTE headquarters office area and several industrial parks are located in Guangdong Province in the coastal region of South China, which is susceptible to extreme weather such as typhoons and heavy rainfall every summer. This may threaten the safety of employees, affect the normal supply of electricity and water, and damage company assets.	Short-term	We have emergency plans for production safety accidents, including special emergency plans for extreme weather such as wind and flood prevention.
Chronic risk	The increase in average temperatures caused by long-term climate change will increase the need for cooling to protect equipment from overheating and for daily office cooling, leading to higher electricity costs. Higher temperatures also lead to more people being exposed to heat-related health risks, which will have a direct impact on labor productivity. In addition, rising sea levels caused by rising temperatures may also affect the stability of production operations and supply chains.	Long-term	We will track changing climate conditions, conduct regular climate change risk assessments, and integrate climate change risks into risk management and strategic planning.

Risk factor	Potential impact	Impact period	Countermeasures
Transition risks			
Policy and legal risks	The laws and regulations issued by the government to limit carbon emissions, as well as the improvement of the regulatory requirements for the carbon footprint of the product life cycle, may make the Company face more stringent supervision in terms of carbon emissions and product process.	Long-term	Keep up with the latest laws, regulations and standards in the regions where they operate, continuously improve the carbon emission management system and system, reduce product energy consumption and life-cycle carbon emissions through technological innovation, and actively promote energy conservation and emission reduction measures.
Technical risk	The investment of low-carbon technology and the replacement and iteration of existing equipment will increase the operating costs.	Mid-term	Actively understand the market demands, actively invest in and develop clean technologies, and prioritize the use of environmentally-friendly raw materials.
Market risk	As requirements and demand for cleaner technologies increase at the same time, existing products may no longer meet customers' future needs, resulting in reduced sales.	Mid-term	Actively understand the market demands, actively invest in and develop clean technologies, and prioritize the use of environmentally-friendly raw materials.
Reputational risk	Investors and the public have increased demand for companies to address climate change. Failure to respond may have a negative impact on the Company's performance in the capital market and public perception, resulting in damage to the Company's reputation and affecting the rating results.	Mid- and long-term	Strictly comply with relevant standards for information disclosure, actively carry out stakeholder communication, promote multi-party cooperation, and improve the Company's reputation.

The Company aims to “continuously reduce carbon emissions”. During the reporting period, we collected the greenhouse gas emissions of a total of eight industrial parks, including Guangzhou No. 1 Industrial Park, No. 2 Industrial Park, No. 3 Industrial Park, No. 4 Industrial Park, No. 5 Industrial Park, Hefei Industrial Park, Suzhou Industrial Park and Xi'an Industrial Park, in Category 1 and Category 2 to enhance the disclosure of environment-related data. For more details, please refer to [the content of the “Key Performance Indicators” section of this report].

Green Operation

CVTE has always advocated the concept of resource conservation and environmentally-friendly, continuously strengthened the management of energy and water resources, strictly controlled waste and sewage discharge, actively created a green office environment, and protected the lucid waters and lush mountains with every action.

Energy Management and Carbon Emission

Adhering to the concept of “improving energy efficiency and rational use of renewable resources”, the Company regularly counts and analyzes energy consumption, formulates annual energy control indicators and energy consumption reduction targets, and actively implements energy-saving management measures.

In terms of energy conservation and emission reduction management, the Company actively practices green office and low-carbon environmental protection, and adopts a variety of energy-saving technologies and measures to reduce the negative impact on the environment:

Office area:



- By replacing 1,982 fluorescent lamps with LED tubes, the annual lighting electricity consumption has been reduced by 50% compared with traditional tubes, saving a total of 145,000 kWh of electricity;
- Centralized control is added to the air conditioner, a timing switch is set, and daily inspections are carried out;
- Elevators are managed for energy conservation, and some elevators are closed at night to reduce power consumption;
- 177 new energy charging piles are set up in the park to encourage green and low-carbon travel;
- Promote the use of public transportation and encourage carpooling and shuttles;
- Paste posters on energy conservation and emission reduction to enhance employees' awareness of energy conservation.



Water Management

CVTE attaches great importance to the rational use of water in production and daily operations, and formulates and implements internal policies and systems related to water conservation, such as the *Water Conservation Management Regulations*, the *Water Conservation Management Post Responsibility System*, the *Water Conservation Target Responsibility System and Assessment System*, and the *Regulations on the Management of Water Rewards and Punishments*, according to the *Opinions of the State Council on Implementing the Strictest Water Resource Management System*, the *Notification of Guangzhou Water Authority on Further Promoting the Construction of Water-saving Enterprises (Institutions)*, the *Administrative Measures for Urban Planned Water Use in Guangzhou City*, and other relevant laws and regulations.

The Company conducts comparative analysis on the water consumption of the park every month, and timely discovers and deals with abnormal water consumption issues. The Company's water source is mainly from the municipal water supply, and there is no difficulty in obtaining water.

At present, the water-saving measures adopted by the Company and the effects achieved are as follows:

Water-saving project content	Water-saving amount (cubic meters/day)
Reduce the water pressure of all wash basin faucets by 50%	5
Wastewater collection of direct drinking water for fire water replenishment	2
Ice fresh running water thawing is changed to natural thawing at low temperature in advance	6
Train employees to save water, require them to turn off water immediately after use, and achieve "5 switches-off" (water, lights, gas, doors and windows) when leaving	3
The frequency of water change in the swimming pool is changed from once a week to once every two weeks	24
The virescence sprinkling is changed from once a day to once every three days	30

Emission Management

Waste Management

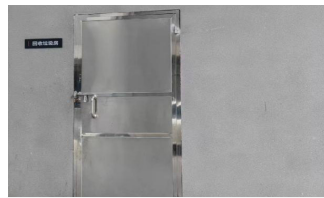
The Company formulates and implements the Waste Management System according to the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution*, the *National Catalogue of Hazardous Wastes*, the *Standard for Pollution Control of Hazardous Waste Storage* and other relevant laws and regulations. This system regulates the collection, storage, transfer and disposal of waste, emergency management, etc. For industrial hazardous waste, the Company employs a third-party institution with a hazardous waste management license to dispose of it; recyclable solid waste is handed over to waste recycling companies for recycling; and other household waste is regularly collected and transported by the sanitation department.



Waste Sorting Area



Kitchen Waste Storage Area



Recyclable Waste Storage Area



Separate Area for Hazardous Waste Storage

In addition, in 2022, the Company launched the recycling business of commercial display equipment, IT equipment and other electronic products, and provided the whole chain recycling solution from equipment testing, disassembly, transportation to scrapping. During the reporting period, the Company carried out electronic product recycling business for schools in 25 provinces across the country, actively responded to the green and circular economy concept with practical actions, and established a green industrial chain.

Sewage Discharge Management

The sewage generated by the Company mainly comes from domestic sewage and industrial wastewater generated by the construction of the park. On the basis of obtaining the urban sewage discharge permit, our domestic sewage is directly discharged into the municipal sewage pipe network, and the industrial wastewater is treated according to the pollutant discharge standards and discharged into the nearby sewage treatment plant.



Permit for Urban Sewage to be Discharged into the Drainage Pipe Network

Green Intelligent Factory

The intelligent manufacturing base of interactive intelligent display and control products (“No. 5 Industrial Park”) under construction of CVTE has fully considered green and environmental protection factors in the planning, design and construction processes. Through the use of building information modeling (BIM) tools for modeling, the adoption of environmentally-friendly construction technology, environmentally-friendly materials, green construction and other measures, the park will be built into a high-tech oriented environmentally-friendly park. In addition, we plan to introduce a variety of digital systems in the No. 5 Industrial Park, strive to build a digital platform for the whole process of order receiving, production, shipping and storage, constantly improve the overall operation efficiency of the No. 5 Industrial Park, and take the road of innovative and sustainable development.



Rendering of the Overall Effect of the No. 5 Industrial Park

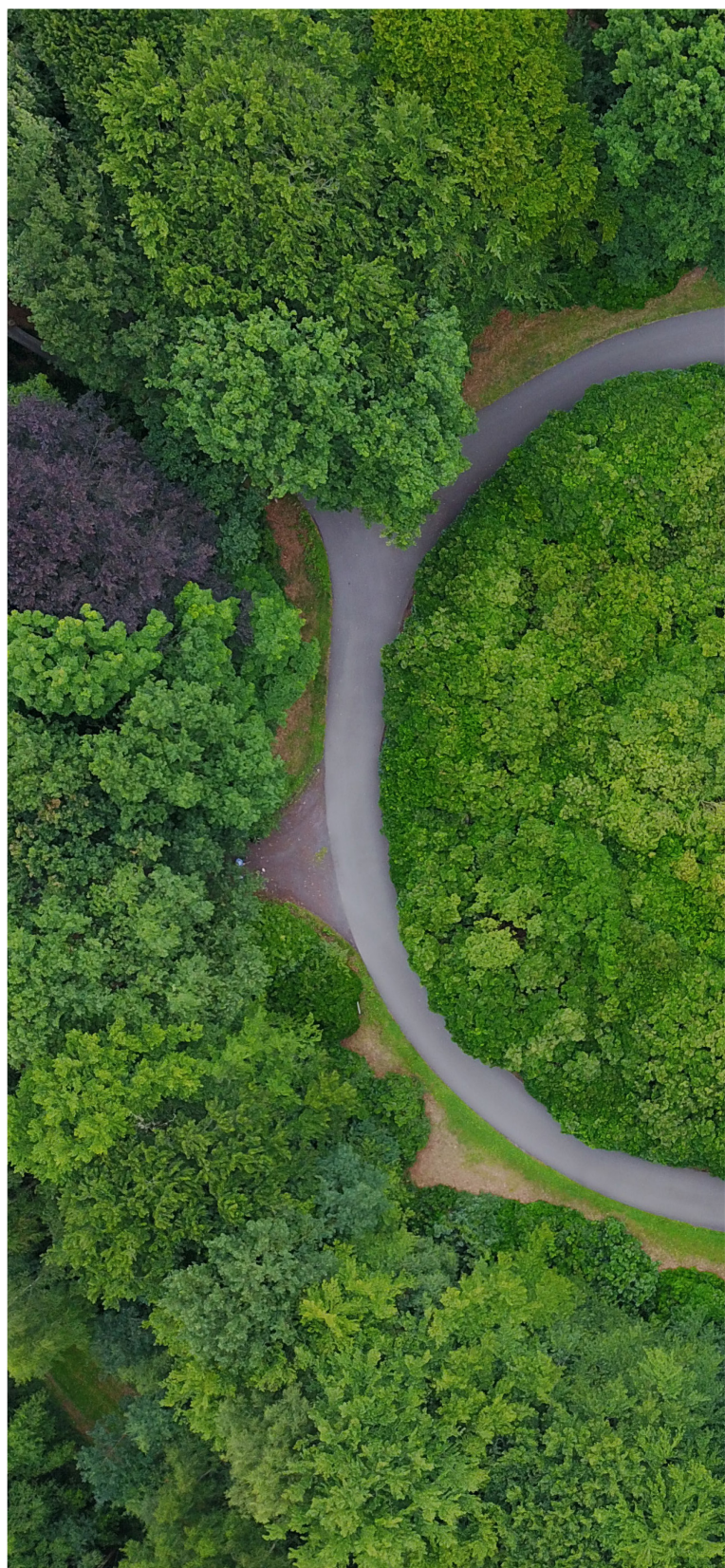
Green Construction

In the engineering design and construction process of the No. 5 Industrial Park, CVTE adopts the green design plan, uses energy-saving materials and energy-saving processes under the premise of ensuring quality and safety, and requires suppliers to implement green construction measures to achieve energy saving, land saving, water saving, material saving and environmental protection (“four savings and one environmental protection”).

Green Design

We actively explore green design and use BIM tools in the No. 5 Industrial Park project to simulate the real information of the building (such as drainage system, HVAC system, etc.) for all mechanical and electrical and process pipelines of the project through BIM tools, so as to effectively improve the efficiency and quality of the project and realize the effect of energy conservation and emission reduction. The design results of the project are as follows:

- The project design adopts centralized hot water supply system and centralized solar energy system preheating equipment, which can save energy and reduce carbon emissions.
- Solar photovoltaic panels with power of 54 kWp are installed on the podium roof of the project. It is calculated that the annual power generation of the photovoltaic system of the project is about 51,851 kWh, and the carbon emission is reduced by 41.70 tCO₂e¹.
- The project adopts frequency conversion of cooling water pumps, high-efficiency cooling tower, primary and secondary variable flow cold water system, high-efficiency variable-frequency chilled water host, heat recovery ice machine, high-efficiency fan, external air-conditioning box and other equipment to improve the efficiency of resources and energy.
- The project fully uses LED lamps to improve energy efficiency.



¹It is calculated based on the *2019 Baseline Emission Factors for Regional Power Grids in China for Emission Reduction Projects*.

Green Process

In the construction of the No. 5 Industrial Park, CVTE has adopted green processes such as prefabricated construction to improve the environmental protection effect and operation efficiency, and meet the assembly rate requirements of prefabricated concrete buildings in Guangzhou. The prefabricated building has the characteristics of environmental protection, safety, full dry operation, and rapid assembly, which can effectively improve the quality and efficiency of the project, and greatly reduce the secondary pollution caused by traditional construction.

In addition, the Company requires contractors to use environmentally-friendly materials such as prefabricated laminated panels and lightweight concrete ALC panels to further reduce noise during construction, improve the effectiveness of building insulation, and optimize the building's green and environmental protection performance.



Prefabricated Laminated Panel



Lightweight Concrete ALC Panel

Green Construction

CVTE strives to practice green and environmental protection measures in the construction process of the No. 5 Industrial Park. During the construction of the No. 5 Industrial Park, the contractor is required to pay attention to the energy utilization efficiency in the construction process, strive to maximize the saving of resources and reduce environmental pollution, and implement green construction measures:

Dust control	Waste disposal	Recycling water	Noise reduction treatment
<ul style="list-style-type: none"> Implement the closed management of the construction site, and set up sprinkler system in the site; Promote the dust monitoring system and dust removal system at the project site. 	<p>Unified collection and centralized treatment of construction waste to avoid secondary pollution during construction.</p>	<p>The rain and sewage diversion drainage system is designed to realize secondary circulation after filtration. The treated water source can be used for washing vehicles and roads, and irrigation of plants, achieving the dual utility of dust reduction and water saving.</p>	<ul style="list-style-type: none"> Noise reduction treatment for construction site and equipment; The construction site management and supervision system shall be established to strictly control the construction operation time, and the noise shall not exceed the environmental noise standard.





Digital Empowerment

CVTE attaches great importance to the combination of digitalization and production and operation. By introducing a series of digital systems and platforms, CVTE is committed to building the No. 5 Industrial Park into an advanced and fully digital operation factory pilot with multi-system integration, which will serve as a demonstration for other industrial parks in the future. At the same time, we build a factory data indicator system, including implementation indicators such as abnormal alarms at the field level, production indicators such as energy reports at the operation level, management indicators such as quality, capacity and cost at the operation level, and key operating indicators at the strategic level, to further improve the global digital management of the No. 5 Industrial Park.

Main platforms for digital construction planning of the No. 5 Industrial Park



After the implementation of the digital planning of the No. 5 Industrial Park, it can realize the full digital operation of the factory, full automatic storage and processing of data, intelligent production and intelligent warehousing and logistics, etc. The specific effects include, but are not limited to:

 <p>Digital operation</p>	<p>Comprehensively build the digital operation platform of the No. 5 Industrial Park, connect the order process, realize production collaboration, solve the problems of complicated order process and low collaborative efficiency of business system, reduce cost and increase efficiency.</p>	 <p>Automation of data storage and processing</p>	<p>It can automatically store and process all relevant data including manufacturing execution system, warehousing and logistics system and quality management system, etc., to solve the problem of lack of systematicness and integrity of data, and set up a control tower (to store energy consumption data), to achieve accurate cost control, energy saving and consumption reduction.</p>
 <p>Intelligent production</p>	<p>Through the linkage of equipment and system and platform interconnection of the No. 5 Industrial Park, the production line scheduling is driven by data, and the production data is pulled through to realize intelligent production.</p>	 <p>Intelligent warehousing and logistics</p>	<p>Through the intelligent storage, intelligent scheduling, intelligent logistics and workshop distribution of the system and platform of the No. 5 Industrial Park, intelligent warehousing and logistics can be finally realized.</p>

Chemical Management

CVTE attaches great importance to chemical management, actively participates in authoritative standard certification, assists in issuing industry standards, and establishes the Company's chemical management norms and systems. At the same time, chemical management requirements for suppliers shall be strengthened to ensure that harmful chemicals are strictly controlled.

Chemical Management System

CVTE strictly abides by the laws and regulations of China and the European Union such as the *Regulations on Registration, Evaluation, Authorization and Restriction of Chemicals* (REACH Regulations), the *Regulations on Persistent Organic Pollutants (POPs) (EU) 2019/1021*, the *EU Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment* (RoHS Directive), and the *EU Directive on Waste Electrical and Electronic Equipment (WEEE)*, as well as the customer's specification requirements for restricted chemical substances, constantly updates and revises internal systems such as the *Management Specifications for Hazardous Substances*, to clarify various regulations and directives and the list of substances restricted by customer requirements, and to improve the management and control of the product chemicals in the whole process of design, material procurement, manufacturing and shipment. As of December 31, 2022, CVTE stipulated a total of 64 restricted substances in products, 18 restricted substances in packaging materials, 14 declared substances and 223 substances of very high concern (SVHC) in the *Management Specifications for Hazardous Substances*. We continue to benchmark the environmental protection requirements of various countries, and dynamically update the Company's list of restricted substances and their limit values.



64 restricted substances in products



18 restricted substances in packaging materials



223 substances of very high concern



14 declared substances



11 companies have obtained various certifications

Chemical Management of Suppliers

In order to urge suppliers to implement effective chemical management, CVTE formulates and implements the *Green Procurement Procedure*, clearly requires production materials to be purchased from environmentally-friendly suppliers or factories, and stipulates that the purchased parts (materials, parts and components, etc.) must meet the related requirements of harmful chemicals; also requires all suppliers to sign the *Quality Assurance* and the *Hazardous Substance Management* agreements, and appoints environmental engineers to inspect and evaluate chemical management of suppliers to ensure the effectiveness of chemical management of CVTE products in the whole chain process of procurement, production, sales and delivery.

CVTE's main requirements for the control of harmful chemical substances to suppliers (including processing plants and suppliers of outsourced overall units) are as follows:

Establish a management system for hazardous

A comprehensive management system for hazardous substances shall be established according to the requirements of IECQ QC080000:2017, including but not limited to POPs Regulations, China's RoHS Directive, EU RoHS2.0, WEEE, REACH Regulations, etc.

Environmental protection review in the device introduction stage

Establish an environmental protection review mechanism for the introduction of new parts and material changes to ensure that incoming materials from suppliers meet environmental protection requirements.

HSF-related requirements

- IQC incoming materials shall be confirmed by HSF mark;
- HSF-related training must be provided to all employees at least once a year, and the content includes RoHS2.0, REACH, etc.
- Internal audit, management review, and objectives must have HSF-related projects.

Establish a list of qualified suppliers

- A list of qualified upstream suppliers shall be established, and HSF related agreements shall be signed with upstream suppliers to clearly implement the control standards of hazardous substances and environmental labeling requirements of incoming materials.
- The introduction audit of upstream suppliers must include HSF-related audit items, and regularly conduct HSF audit on qualified high-risk suppliers.

Establish testing plans for incoming materials and finished products

- Establish the material HSF risk assessment form;
- Must have the ability to test the 4 types of o-phthalic substances DEHP, BBP, DBP, and DIBP high-risk materials;
- Test the RoHS 2.0 project at least once a year on the materials that make up the product.

In addition, CVTE puts forward different requirements for the management of harmful chemical substances to suppliers in the development and mass production stage, and requires suppliers to develop treatment mechanisms for the issue of excessive harmful chemical substances, so as to ensure the quality and safety of materials and finished products.



Development stage

- Suppliers are required to sign written documents such as the *Quality Assurance Agreement* and the *Environmental Management Material Guarantee*,
- Suppliers are required to provide a third-party *Hazardous Substance Test Report*,
- Suppliers are required to provide the material composition table or material safety data sheet (MSDS) of the parts to explain the chemical composition of the constituent materials and additives in the parts.



Mass production stage

- Suppliers shall confirm and guarantee that the parts supplied in mass production are exactly the same as those admitted in the development stage;
- Any change in production conditions of mass produced products shall be applied for in advance in accordance with the provisions of the *Quality Assurance Agreement*,
- Suppliers shall update the third-party test report (e.g., RoHS report) once a year during the continuous supply of materials.



Stage where hazardous substances exceed the standard

- Analyze the cause of exceeding the standard and trace the investigation information of the influence scope (e.g., production quantity, shipment batch number, etc.);
- Take appropriate improvement measures and preventive measures, and provide the rectification report;
- The supplier shall test each batch of hazardous substances for the parts exceeding the standard and provide the *Hazardous Substance Test Report*.



06

Engaging in Public Welfare and Charity, and Building a Harmonious Society Together



CVTE always bears in mind its social responsibility and mission, actively contributing to the sustainable development of society. In 2022, we continued to support rural education informatization and contribute to society to the best of our ability, demonstrating our corporate responsibility with practical actions and contributing CVTE's value to building a harmonious society.



Rural Revitalization, Boosting Education Development

CVTE actively responds to the national call of “improving the level of education informatization infrastructure construction and constructing a high-quality education support system”. Relying on its technical advantages and development direction, CVTE effectively empowers rural education informatization and promotes the balanced development of education by donating information-based teaching equipment and conducting teacher training in educational informatization.

seewo Public Welfare Activity

Donated information-based teaching equipment to
935 schools

Benefited **45,000+** teachers

Benefited **630,000+** students

With total investment of CNY **49** million

Since the official launch of the “seewo Public Welfare Activity” in 2016, seewo has consistently adhered to the two-line support mode of “material donation + teacher training”, actively donating information-based teaching equipment, and extensively conducting specialized training in information-based teaching capabilities for rural teachers, so as to build an information-based teaching environment for rural schools and promote balanced development between urban and rural education.

- In terms of material donation to rural schools, in 2022, the “seewo Public Welfare Activity” donated remote recording classrooms and other teaching equipment to 11 rural schools and teaching centers with poor teaching facilities in order to supplement their hardware facilities and software resources in “Express Classroom”, “Master Classroom” and “Elite School Online Classroom” (the “Three Classrooms”), thereby continuously supporting the informatization of rural education.
- seewo also conducts comprehensive training in information-based teaching capabilities for all teachers in the 11 donated schools, focusing on solving problems and difficulties encountered in the process of online teaching, online research and operational practices, so as to improve teachers’ basic capabilities in the application of the “Three Classrooms” and promote the construction of high-quality teacher teams in rural areas.

- seewo actively promotes pairing assistance relationships between rural schools and urban demonstration schools, and offers characteristic courses such as distance music and morning classes for rural schools, constantly improving the quality of education in rural schools.
- seewo improves the quality of teaching and research by various means, such as participating in the construction of the intelligent research and training room of the county-level teacher development center, supporting the regular advanced study and training of teachers, supporting the leadership improvement of principals and the application of teaching assistants, so as to continuously promote the balanced development of education.

On November 15, 2022, the Teacher Department of the Ministry of Education of the People's Republic of China, in collaboration with seewo, initiated the “seewo Teachers' Digital Capability Enhancement Support Program”, which was expected to help students from 160 national key rural revitalization counties and 72 normal colleges and universities to improve their digital teaching capabilities within 3 years.

seewo expects to help

160

national key rural
revitalization
counties



seewo's Awards:



On January 13, 2022, seewo won three awards at the China Public Welfare Festival: “2021 Responsible Brand Award”, “2021 Public Welfare Project Award”, and “2021 Public Welfare Image Award”.



On December 24, 2022, seewo won the “Annual Case Award” of the 17th People's Enterprise Social Responsibility Awards.

Other Honors:



In February 2022, both *Improving Student Learning Effectiveness Through Precise Teaching* and *Smart Kindergarten Health Management and Safety Inspection Solutions* cases of seewo Yi Classroom and Preschool Education were selected as UNICEF typical cases.



On November 29, 2022, seewo won the “Rural Education Practice Model Institution Award” at the Southern Weekly's Dream Builders Public Welfare Conference

Case

“Thousand Miles Classroom” program in Guangdong and Guizhou

In 2022, in order to support the development of rural education in Shiqian County, Tongren City, Guizhou Province, seewo cooperated with Xinhua News Agency to build 13 smart classrooms and 2 remote recording and broadcasting classrooms, and provide professional training to improve the local educational environment. seewo’s information-based teaching equipment, tools, and resources have greatly changed the way of rural education, significantly improving the teaching environment and quality. At the same time, seewo has made every effort to promote the pairing assistance relationships between local rural schools in Shiqian County and Dongguan demonstration schools, docking high-quality educational resources to support the development of rural education in Shiqian County.



Utilization of seewo equipment in schools in Shiqian County



Poster of the seewo Public Welfare Activity

Case

Seewo Public Welfare Activity · Care Program for Special Children

In June 2022, the “seewo Public Welfare Activity” officially launched the “Care Program for Special Children” to support the education of special children. Based on this plan, the “seewo Public Welfare Activity” donated remote recording and broadcasting classrooms and smart classrooms for Zhai School in Liwan District of Guangzhou City and Special Education School in Huishui County, Qiannan Prefecture, Guizhou Province. In addition, Seewo promoted a one-to-one “remote classroom” between the two schools to transmit high-quality urban special education resources to rural special education schools, improve the level of rural special education, and further enhance the equal accessibility of educational resources.



Children with autism playing games on the seewo large screen at the Zhai School in Liwan District

Case

More than 130,000 teachers have joined the “seewo Xingtan Project” to support the digital development of rural education

The “seewo Xingtan Project” focuses on improving the information-based teaching skills of teachers in remote areas. As of December 31, 2022, more than 130,000 teachers had joined the project. Under this plan, we have set up the “2.0 Master Studio for Improving Teachers’ Information Technology Application Capabilities” in Huanjiang Maonan Autonomous County. We have held 65 information technology-themed lectures and 18 specialized sharing sessions. About 6,000 teachers, including more than 2,800 ethnic minority teachers, have actively participated in these events. In 2022, five members of the studio were awarded as outstanding students of “Information Technology Application Capabilities Improvement Project 2.0” of primary and secondary school teachers in Guangxi Zhuang Autonomous Region, accounting for a quarter of the outstanding students in the region, effectively promoting the local education informatization from integrated application to innovative development.



Training Activity to Improve the Quality of Teachers in Huanjiang Maonan Autonomous County

Case

“Dual-Teacher Collaborative Classroom” helps improve information-based teaching capabilities of normal university students

In 2022, the School of Information Technology in Education of South China Normal University, together with seewo Senior Teaching Research Consultant, initiated the “Dual-Teacher Collaborative Classroom” project, which paired normal students from South China Normal University with Yangmei Primary School in Ganzhou City, Tianxin Mingde Primary School in Ganzhou City, and Siyuan Experimental School in Xingguo County, Ganzhou City, for distance teaching and learning through online collaboration. Through the seewo cloud screen, normal university students could observe remote students in real-time, collaborate with remote assistant teachers to enliven the classroom atmosphere, and improve the teaching quality of rural schools. After class, normal university students could use the recording and broadcasting function of the seewo cloud screen to review the teaching process, conduct self-evaluation, and improve their teaching capabilities..



Normal students from South China Normal University give lectures to students of Siyuan Experimental School in Xingguo County, Jiangxi Province

Giving Back to the Community and Sharing the Power of Love

CVTE is actively engaged in social welfare and tries its best to spread the love and kindness of CVTE. In 2022, we continued to improve CVTE's public welfare brand building, further expanded the volunteer service team, and gradually conducted overseas public welfare activities to contribute our efforts to building a harmonious society.

Volunteer Activities

CVTE takes volunteers as the carrier to transmit love to society through actions, integrating internal resources and collaborating to deepen and solidify volunteer activities. We firmly undertake corporate social responsibility. Our outpatient department not only provides nucleic acid testing and vaccination services for employees, family members, and external customers, but also provides nucleic acid testing services for the community within its capacity to alleviate the pressure of nucleic acid sampling in the community. As of December 31, 2022, more than 1,200 employees had been registered in the CVTE Trade Union · Vitamin C Volunteer Service Team, serving a total of 255,000 employees and social nucleic acid collections. This year, the CVTE Trade Union · Vitamin C Volunteer Service Team project was awarded the 2022 Guangzhou Staff Service Demonstration Project.



Certificate of the Guangzhou Staff Service Demonstration Project

CVTE continued to organize voluntary blood donation activities, with

275 people participating

total blood donation of **55,000** milliliters

2022

CVTE had organized a total of **14** blood donation activities

3,022 employees had participated in blood donation activities

total blood donation of **705,500** milliliters

As of the end of 2022

Case

CVTE carried out blood donation activities

CVTE continues to carry out blood donation activities. In July 2022, under the organization of the CVTE trade union, a total of 275 people, including members of the CVTE Party Committee, Vitamin C volunteers and employees of the CVTE trade union, participated in the blood donation activity.



CVTE employees at the blood donation activity



Group Photo of the CVTE Trade Union · Vitamin C Volunteer Service Team

Case

CVTE: Because of our presence, more people can live in peace and happiness

In April 2022, medical workers in Huangpu District of Guangzhou were required to conduct nucleic acid sampling. To support community nucleic acid collection, CVTE dispatched 104 medical staff and volunteers to complete the nucleic acid collection of 22,838 people.



CVTE Outgoing Medical Staff and Volunteers

Overseas Public Welfare

In order to facilitate the construction of the “Belt and Road”, CVTE has fully utilized its resource advantages to carry out public welfare donations in many overseas countries, continuously assisting the development of international public welfare undertakings.

Case

seewo and IIOE donated smart classrooms to universities in Nepal and Malaysia

Seewo has partnered with the UNESCO Higher Education Innovation Center (Shenzhen, China) to launch a pilot project of “Micro-Certificate Professional Development for Digital Teachers in Colleges and Universities” to build smart classrooms to assist the digital transformation of universities in Nepal and Malaysia. In 2022, Seewo donated a smart classroom to Universiti Putra Malaysia and provided classroom hardware and software tools to enhance the digital teaching capabilities of the faculty of Universiti Putra Malaysia, used it as a training ground to support innovative practices of blended teaching, and shared rich teaching experience with global universities to promote the digital transformation of global universities. At the same time, the smart classroom donated by seewo crossed Mount Everest and landed on the main campus of Tribhuvan University, surrounded by snow-capped mountains, bringing new technologies and teaching modes to the faculty and students of this Nepalese university.



Zhang Yue, Product Director of seewo Higher Vocational Education, delivered a speech in the peer review session of international experts

Appendix

Key Performance Indicator Table

Social Key Performance Indicators

Category	Indicator	Unit	2022	2021	2020
Employee hiring and development	Total number of active employees	Person	6,193	5,427	4,779
	Labor contract signing rate	%	100	100	100
	Social insurance coverage rate	%	100	100	100
	Proportion of female managers	%	38.9	24	32
	Physical examination coverage rate	%	100	100	100
	Training coverage rate	%	100	62.94	67.38
	Number of R&D personnel	Person	2,645	2,374	2,112
Intellectual property	Number of patent applications	Patent	1,900	2,010	1,130
Customer services	Customer satisfaction	%	99.8	99.9	99.66
Employee health and safety	Employee health and safety investment	CNY 10,000	4,090	4,195	2,761
	Safety production investment	CNY 10,000	375	300	400

Note: The caliber of safety training times has been adjusted. The data in 2020 are only for the company platform, while the data in 2021 are the overall data covering all business departments. The statistical caliber of the data in 2022 is consistent with that in 2021.

Environmental Key Performance Indicators

Indicator	Unit	2022
Total power consumption	kWh	27,428,804.32
Total water consumption	Ton	407,845.84
Total greenhouse gas emissions (Scope 1 and 2)	CO ₂ equivalent (in tons)	16,144.28
Direct greenhouse gas emissions (Scope 1)	CO ₂ equivalent (in tons)	208.14
Indirect greenhouse gas emissions (Scope 2)	CO ₂ equivalent (in tons)	15,936.14
Total amount of hazardous wastes discharged	Ton	0.18
Total amount of non-hazardous wastes discharged	Ton	260.11

Note: The scope of environmental data in this report covers a total of eight CVTE industrial parks, including Guangzhou No. 1 Industrial Park, No. 2 Industrial Park, No. 3 Industrial Park, No. 4 Industrial Park, No. 5 Industrial Park, Hefei Industrial Park, Xi'an Industrial Park and Suzhou Industrial Park.

Due to the nature of the business, the main air emissions of the Company are greenhouse gas emissions, of which the direct greenhouse gas emissions (Scope 1) come from fossil energy, and the indirect greenhouse gas emissions (Scope 2) come from purchased electricity.

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Reader Feedback Form

Dear readers,

Hello!

Thank you very much for taking time out of your busy schedule to read the 2022 Environmental, Social and Governance (ESG) Report of Guangzhou Shiyuan Electronic Technology Company Limited.

We look forward to further detailing CVTE's ESG vision and performance to you and other stakeholders in the future. To this end, we sincerely invite you to fill in the feedback form, and tell us your valuable comments on the Company's ESG performance and report, so as to help us further improve our ESG management capabilities.

1. Which of the following stakeholders do you belong to:

- Shareholders and investors Government and regulatory authorities
 Customers Suppliers Employees Community and public
 ESG practitioners Peer companies Others

2. What is your overall evaluation of this report:

- Very good Good Fair Poor Bad

3. What do you think of the quality of ESG information disclosed in this report:

- Very good Good Fair Poor Bad

4. What do you think of the structure of this report:

- Very good Good Fair Poor Bad

5. If you have any comments and suggestions on CVTE's ESG work and this report, please feel free to submit them here:

If you choose to send us feedback by email or mail, please include your contact information. At the same time, we guarantee not to disclose your personal information to any third party:

Your contact information:

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