

2024

Environmental, Social and Governance Report

Hangzhou GreatStar Industrial Co., Ltd.

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About This Report

This Report is the second ESG report issued by Hangzhou GreatStar Industrial Co., Ltd. (hereinafter referred to as “GreatStar”, the “Company” or “we”). This reporting systematically presents the Company’s performance and achievements in fulfilling its economic, environmental and social responsibilities, as well as promoting and implementing the corporate governance in 2024. We expect to improve communication and build consensus with our stakeholders, and promote the sustainable development of the Company through releasing sustainability reports.

Reporting period

This Report covers the period from January 1, 2024, to December 31, 2024, which is moderately extended backwards or forwards, as the case may be, to enhance the comparability and foreseeability of disclosures.

Reporting boundaries

This Report discloses the information of Hangzhou GreatStar Industrial Co., Ltd. and its subsidiaries in fulfilling their economic, environmental and social responsibilities, as well as promoting and implementing the corporate governance. All typical cases presented herein are from the Company and its subsidiaries.

Sources of data and information

The information disclosed herein is sourced from the official internal documents, statistical reports and annual reports of GreatStar. The data disclosed herein are extracted or derived from the raw data of the Company’s business operation, the data disclosed by government agencies, annual financial data, internal statistical reports, third-party questionnaire surveys, third-party evaluation interviews, etc. The financial data in this Report are presented in Chinese Yuan (CNY). In case of any inconsistencies with the financial reports, the financial reports shall prevail.

Designations

For short	Full name
Lianhe Electrical	Hangzhou Lianhe Electrical Equipment Manufacturing Co., Ltd.
GreatStar Tools	Hangzhou GreatStar Tools Co., Ltd.

Basis of preparation

Guidelines No. 17 for Self-regulation of Listed Companies — Sustainability Report (Trial) released by Shenzhen Stock Exchange (hereinafter referred to as the “SZSE Guidelines”)

Guidelines No. 3 for Self-regulation of Listed Companies — Preparation of Sustainability Report released by Shenzhen Stock Exchange

UN Sustainable Development Goals (SDGs)

GRI Sustainability Reporting Standards (GRI Standards) released by the Global Reporting Initiative (GRI)

Guidelines on Sustainability Reporting for Chinese Enterprises (CASS-ESG 6.0)

GB/T 36001-2015 Guidance on Social Responsibility Reporting released by the Standardization Administration of the P.R.C.

ISO 26000: Guidance on Social Responsibility released by the International Organization for Standardization (ISO)

Assurance of report reliability

The Company guarantees that the data and information disclosed in this Report are true, accurate and complete, without any false records, misleading statements or significant omissions, and is responsible for the authenticity, completeness and accuracy of such data and information.

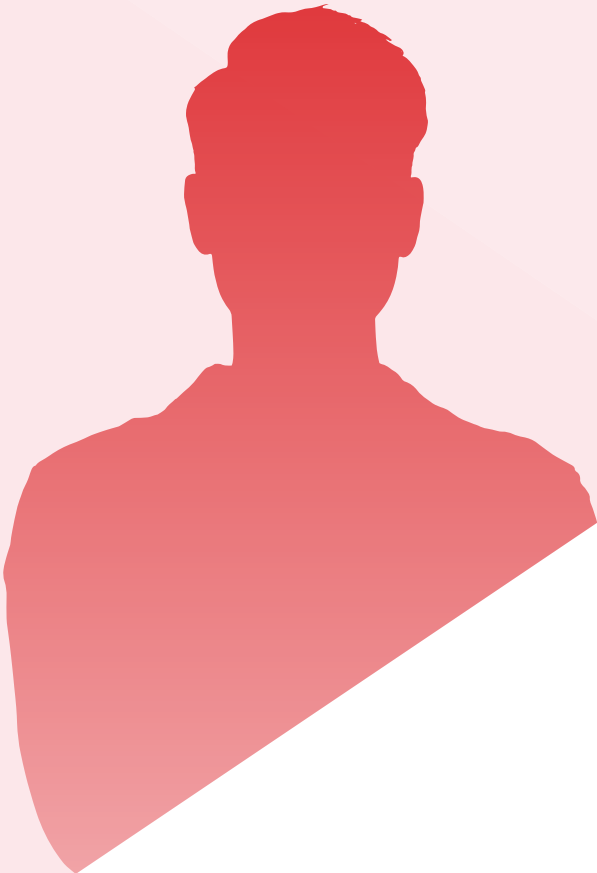
Public availability

You may access or download this Report available in electronic format at the official website of Shenzhen Stock Exchange (www.szse.cn) or the Company’s official website (www.greatstartools.com).

Special Notice

This report is available in both Chinese and English. In case of any discrepancy between the two versions, the Chinese version shall prevail.





Message from the Chairman

GreatStar forged ahead and harvested a lot throughout the year 2024. This year, we firmly pursued the full implementation of ESG concepts, and demonstrated our sense of responsibility and mission through practical actions. Looking back on the past, GreatStar, with its persistent pursuit of quality and unrelenting exploration of innovation, overcame difficulties all the way to become a world-leading tool manufacturer and supplier. The success of GreatStar was inseparable from the hard work of every employee, the trust and support of every customer, the close cooperation of every supplier, and even more from the stable development of society and the generous gifts from the natural environment. Therefore, we insisted on integrating ESG concepts into corporate development and committed ourselves to achieving harmonious coexistence with the economy, environment and society.

In terms of corporate governance, we always regarded compliance management as the cornerstone of sustainable development for enterprises, kept on improving the corporate governance structure, and formed a scientific and effective division of responsibilities based on a reasonable checks and balances mechanism. We attached great importance to the investor relations management, offered diverse communication channels for investors, and effectively protected their interests. At the same time, we continued to optimize our internal control system, strengthen risk management mechanisms, and prevent commercial bribery, to ensure the full compliance of our business operation.

With regard to environmental protection, we actively put the concept of green development into practice, and built a comprehensive ecological management system from energy utilization, water resource management to sewage treatment. We vigorously promoted energy conservation and emission reduction, optimized energy structure and improved energy utilization efficiency; strengthened the recycling of water resources and reduced wastewater discharge; and strictly regulated the sewage treatment process to ensure the compliance of discharge with all applicable standards. At the same time, we actively responded to the "dual-carbon strategy" of China, set scientific carbon targets, made greenhouse gas inventory, and strived to reduce the impact of corporate operations on the environment. We believe that living in harmony with nature is the only way for an enterprise to achieve long-term development.

As for the economic development, we continued to focus on our main business of tools, and constantly expanded our business boundaries based on endogenous growth and external acquisitions to enhance our competitiveness. We increased our R&D investment and promoted product innovation and upgrading to meet the increasingly diverse needs of global customers; optimized supply chain management to ensure stable and efficient product supply; and actively expanded market channels while enhancing brand influence, so as to lay a solid foundation for the long-term development of the Company. In 2024, we have won multiple honors, including the "Zhejiang-based Flagship Private Multinational Enterprise of the Year 2024" and "2024 Top 500 High-tech Enterprises in Innovation Capabilities in Zhejiang Province". These remarkable achievements are inseparable from the support and assistance of every stakeholder.

On the subject of social responsibility, we always adhered to the principle of putting people first, caring for employees and giving back to society. We offered our employees with fair employment opportunities, a complete compensation and benefits system, and broad career development opportunities, striving to create a safe, inclusive and dynamic workplace; actively organized training activities for employees, to enhance their professional skills and comprehensive qualities in favor of their personal growth and success; and paid attention to employee health and safety, and established a sound occupational health and safety management system, to ensure the work and property safety of employees. At the same time, we actively participated in social benefit undertakings to make contribution to the harmony and progress of our society.

Looking ahead, we will uphold all ESG principles as always, continuously optimize the organizational structure for corporate governance, and enhance the efficiency of business operation and management; pay attention to natural environment protection and adhere to green operation and development; increase investment in technological research and development to promote innovation of products in the industry; and strengthen the fulfillment of social responsibility, care for employees and give back to society. We believe that GreatStar will make a greater leap on the journey of ESG, create greater value for stakeholders and make greater contributions to the sustainable development of our society.


The Chairman of Hangzhou GreatStar Industrial Co., Ltd.

About Us


Company Profile

Founded in 1993, Hangzhou GreatStar Industrial Co., Ltd. ("GreatStar") has evolved into a world-leading tool manufacturer. The Company was listed on the Shenzhen Stock Exchange in July 2010 (SZSE: 002444). GreatStar owns a number of globally-recognized long-established tool brands, including ARROW, PONY JORGENSEN, Goldblatt, BeA, Shop-Vac and SK, covering various hand tools, electric tools, pneumatic fastening tools, laser measuring tools, laser radar, tool cabinets, industrial storage cabinets, industrial vacuum cleaners, etc. The Company has great R&D and design capabilities based on 5 major R&D centers around the globe and has been recognized as a National-Level Intellectual Property Demonstration Enterprise and a National-Level Industrial Design Center in China. At the same time, we have set up marketing and distribution channels around the world, directly serving large-scale chain supermarkets of building materials, hardware, general goods and auto parts, as well as various industrial consumers. The Company has established partnership with many professional tool brands and relies on domestic and foreign e-commerce platforms to directly offer high-quality full-range products to end users worldwide.


Corporate Culture




Our Mission:
To lead the technological progress of tools and become a model innovator in the industry



Our Vision:
To build a long-standing enterprise with time-honored brands



Our Values:
God is in the detail



Our Philosophy:
Put Customer First, Keep Improving, Rely on Team Collaboration, Focus on Innovation and Pursue Mutual Benefit

Corporate Culture of GreatStar

Development Strategy

Focus on main business

Rely on large supermarkets and self-operated channels in Europe and America, concentrate on the core tools business, continuously dispose of non-core assets to recover funds, and strengthen investment in our main business lines, while expand our business of non-hand tools, including power tools and outdoor products, through outward mergers and acquisitions.

Promote innovation of products

Accelerate the development and upgrading of existing products to offer our customers with more convenience in their work and life, while develop new products that adapt to the supply chain and sales channels, and rely on the global supply chain network and engineering advantages, to take the lead in promoting the division of labor in the industry, consolidate our leading position, and take over the industries relocated from European and American during this era of innovation economy.


Carry on with brand building

Inherit and upgrade existing internationally renowned tool brands, cultivate emerging e-commerce tool brands, and improve the self-owned service system in European and American, while leverage our advantages in durable consumer goods to formulate a long-term brand development plan and steadily enhance brand value.


Grow business worldwide

Overcome the challenges from reverse globalization, increase the investment in business internationalization, select high-quality overseas targets for industrial mergers and acquisitions, strengthen international resource acquisition and market development, and accelerate the transition towards the worldwide business operation.


Development Strategy of GreatStar




Hand tools




Power tools




Laser measuring tools



Storage cabinets



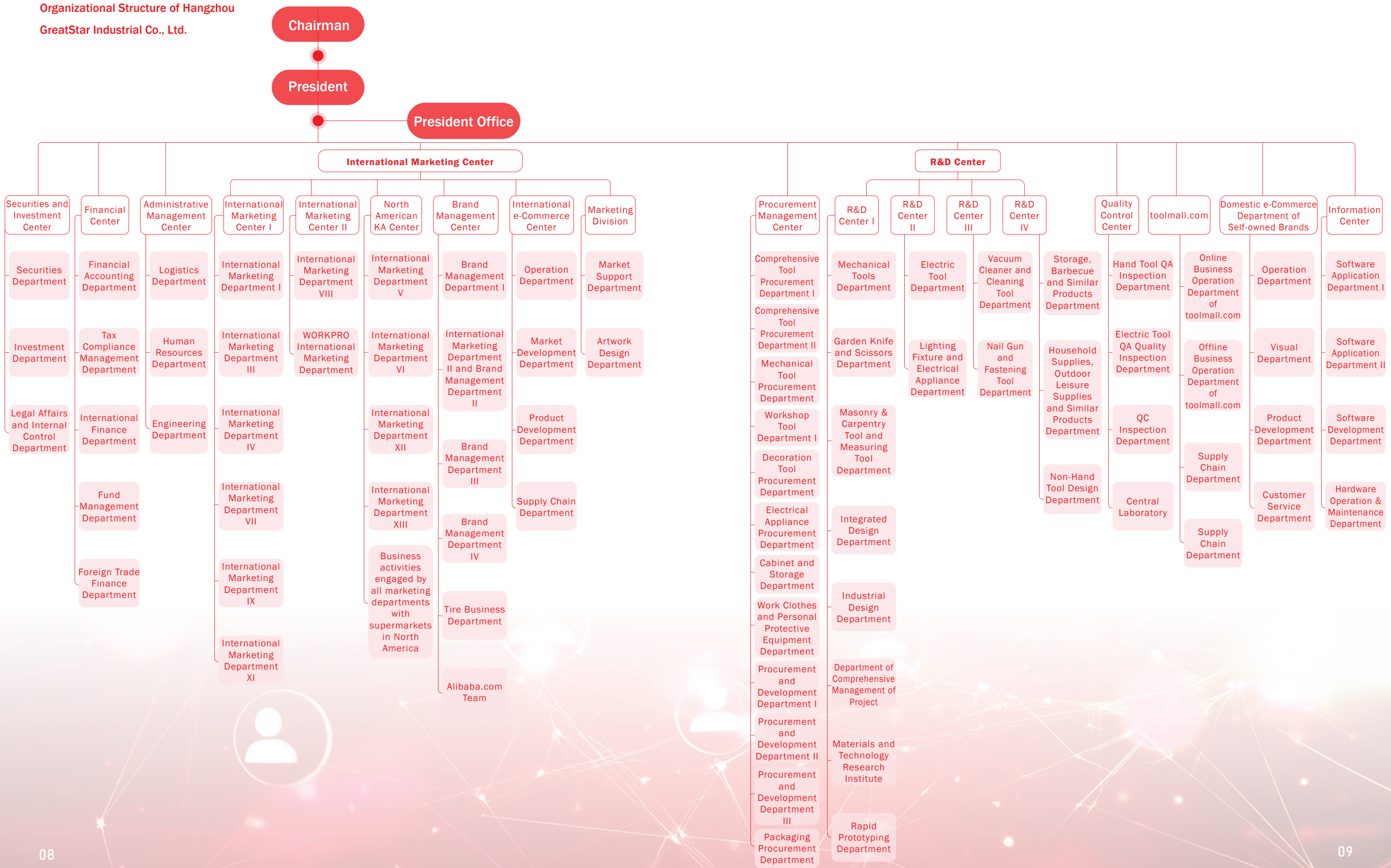
Professional vacuum cleaning devices



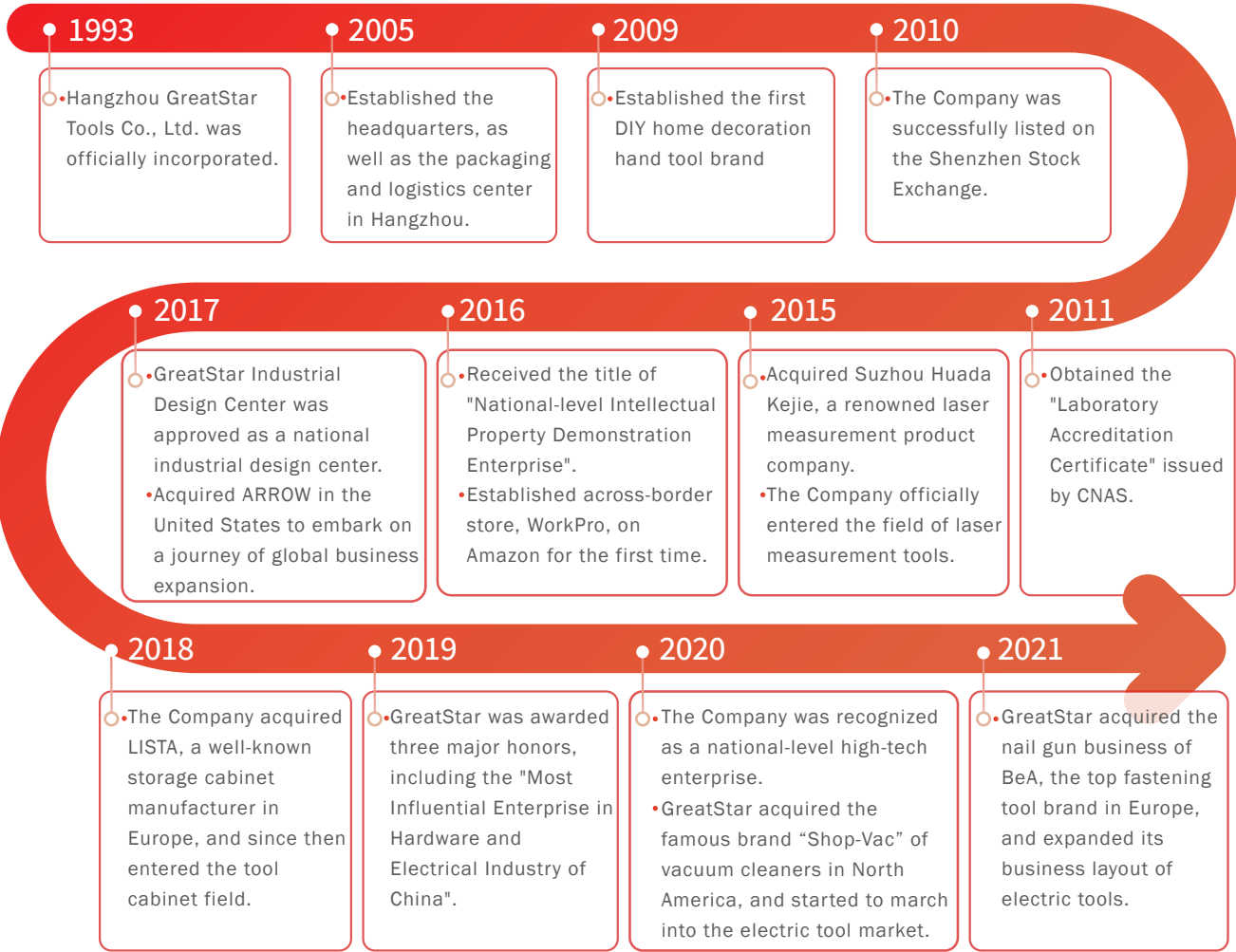
Personal protective equipment

Main products of GreatStar

Organizational Structure of Hangzhou
GreatStar Industrial Co., Ltd.



History



Honors and Awards Earned in 2024

Exemplary Standardization Enterprise in Hardware Industry of China in 2024



Zhejiang-based Flagship Private Multinational Enterprise of the Year 2024



Listed in 2024 Top 500 High-tech Enterprises in Innovation Capabilities in Zhejiang Province, ranked 77th



Key Enterprise of Digital Service Trade in Hangzhou in 2024



2023 High-quality Development Award, for Zhejiang GreatStar Tools Co., Ltd.



2024 Headquarters Economy Model Enterprise in Hangzhou



GreatStar won the title of "Zhejiang 2024 Leading Enterprise in Service Industry"



ESG Management

As one of the leading enterprises in the tool industry, GreatStar adhered as always to its original intention, devoted great efforts in expanding its core business of tools, and constantly improved its professional and technological capabilities to contribute to the progress of the industry. In promoting the high-quality development of business operation, the Company actively fulfilled its social responsibilities and demonstrated its accountability in creating social value. As for the implementation of corporate governance, we actively built a reasonable governance framework for fully integrating the corporate governance into our strategic planning, risk management and daily operation activities. In the field of environment protection, we actively carried out research and development of various industry-leading energy conservation and environment protection technologies, and effectively fulfilled our corporate responsibilities under the “carbon peaking and carbon neutrality goals”. In terms of social responsibility, the Company actively responded to national policies and calls, leveraged its professional advantages to support cultural inheritance, deeply integrated serving society with business development, and collaborated with all stakeholders to promote sustainable development, to continuously drive the progress of the society and industry.

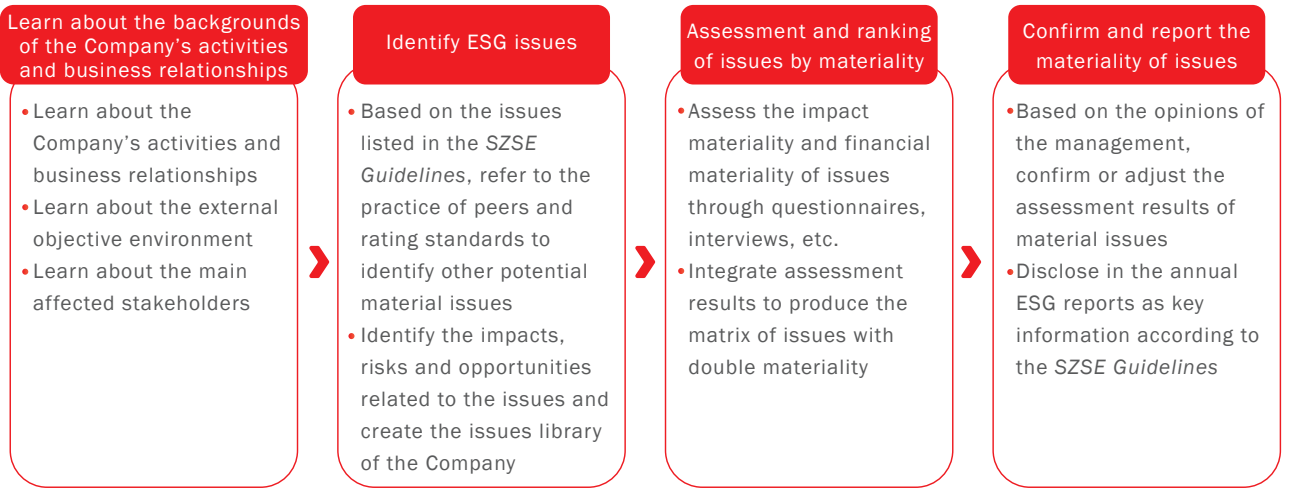
Communication with stakeholders

GreatStar attached great importance to the communication and exchange with all internal and external stakeholders of the Company, deeply understood the demands and expectations of various stakeholders by actively establishing a regular communication mechanism, and made timely adjustments according to the results of communication, so as to gain the trust and support of all stakeholders and promote the continuous improvement of ESG management work.

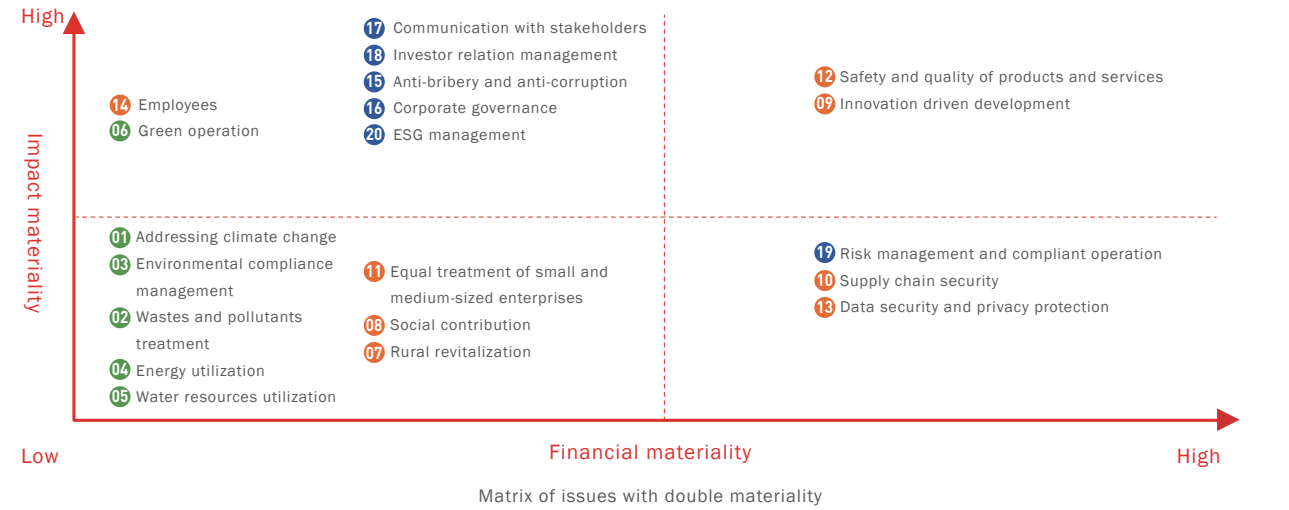
Stakeholders	Expectations and Demands	Communication and Responses
Shareholders and senior management	Economic performance Corporate governance Compliance risk control Protecting shareholder rights and interests	General meetings of shareholders Performance briefings Financial reports Announcements
Government and regulatory agencies	Employment promotion Responses to national policies Environmental management Compliance with laws and regulations	Regular communication and reporting Investigations and surveys by professional institutions Implementation of government policies Fulfilling social responsibilities
Partners and suppliers	Innovation and R&D Mutual Benefit and Win-Win Cooperation Responsible supply chain management Fair and impartial procurement Business ethics	Compliance with Contractual Obligations Industry Conference Strategic Cooperation Supplier training Advocating for a green supply chain
Employees	Employee rights and benefits Employee development and training Occupational health and safety	Strengthening democratic management Employee activities Employee training Optimizing compensation and benefits plans
Customers	Innovation and R&D Product and Service Quality Assurance Customer Privacy and Data Security	Strict Quality Management Product Safety Inspection Increase R&D Investment Enhance Customer Service System Customer Satisfaction Survey
Community, the public, media, etc.	Environmental protection Community benefit activities Investor relation management Transparent operation and information disclosure Strengthening communication and exchange	Regular information disclosure Community service voluntary activities Social benefit programs Promoting green production and green office Establishing the GreatStar Foundation

Analysis of issues with double materiality

In order to gain a deeper and more accurate understanding of the expectations and demands of all stakeholders and enhance the professional level, pertinence and materiality of the Report, the Company carried out benchmarking with peers and invited its stakeholders to participate in expert group discussions to select issues with “impact materiality” and “financial materiality” to the Company’s environmental, social and governance activities, and to disclose them in the Report as material information, setting the direction and laying a foundation for building the Company’s sustainable development system.



Flow chart of issue materiality analysis



Environmental	Social	Governance
<ul style="list-style-type: none">01 Addressing climate change02 Wastes and pollutants treatment03 Environmental compliance management04 Energy utilization05 Water resources utilization06 Green operation	<ul style="list-style-type: none">07 Rural revitalization08 Social contribution09 Innovation driven development10 Supply chain security11 Equal treatment of small and medium-sized enterprises12 Safety and quality of products and services13 Data security and privacy protection14 Employees	<ul style="list-style-type: none">15 Anti-bribery and anti-corruption16 Corporate governance17 Communication with stakeholders18 Investor relation management19 Risk management and compliant operation20 ESG management

01 Compliant Governance

Taking the Lead in Promoting Corporate Governance Based on Refined Compliance Management

Our Principles

GreatStar regarded compliant governance as a cornerstone of enterprise for achieving sustainable development at all times. We kept on improving the corporate governance structure to ensure the transparency and efficiency of decision making, while improving the management of investor relations and actively responding to investor concerns to build long-term trust and relationships. In terms of compliance risk control and anti-corruption, we established a systematic risk management mechanism to ensure the full compliance of business operation with all applicable laws, regulations and ethical standards.

Our Actions

- Corporate Governance
- Investor Relations Management
- Compliance Risk Control and Responsible Business

SDGs Addressed



Corporate Governance

GreatStar insisted on the standardization of corporate governance, and abided by the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, and the *Guidelines on Corporate Governance of Listed Companies* released by the China Securities Regulatory Commission and other applicable rules and regulations, to continuously improve its institutional framework of corporate governance. The Company established an organization structure for corporate governance composed of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors and the Management, and defined a corresponding tiered decision-making mechanism, under which each tier performs its own duties within the scope of its responsibilities and authorities, forming a scientific and efficient division of duties upon effective checks and balances.

General Meeting of Shareholders

The General Meeting of Shareholders is the highest decision-making organ of GreatStar, exercising the decision-making power on significant matters according to the applicable laws and regulations. The Company held the General Meetings of Shareholders in full accordance with the provisions of the *Company Law of the People’s Republic of China*, as well as the *Articles of Association* and the *Rules of Procedure for the General Meeting of Shareholders* of the Company. We also applied equal treatment of all shareholders, especially minority shareholders, protected their rights to know, participate and vote on significant matters, and provided sufficient supports for them to exercise their legitimate rights.

Key Performance

In 2024, the Company held 5 General Meetings of Shareholders, at which a total of 24 proposals were discussed and approved.

Board of Directors

GreatStar carried out its management work in accordance with the *Company Law of the People’s Republic of China*, and the *Shenzhen Stock Exchange Guidelines on the Standardized Operation of Listed Companies*, as well as the *Articles of Association*, the *Working Rules for Independent Directors*, the *Rules of Procedure for the Board of Directors*, and strictly implemented the resolutions of the General Meetings of Shareholders. The Board of Directors had its Audit Committee, Nomination Committee, Remuneration and Assessment Committee, and Strategy and Development Committee to provide important advice for the corporate actions and ensure the efficient operation of the governance structure. All directors carried out their work in accordance with all applicable laws and regulations, attended the meetings of the Board of Directors and the General Meetings of Shareholders, performed their duties and obligations diligently and responsibly, and actively participated in relevant training and learning activities, familiarized themselves with relevant laws and regulations, and improved their own capabilities to perform their respective duties.

Key Performance

In 2024, the Company’s Board of Directors had a total of 9 members, including 6 female directors, accounting for 66.67%; and 3 independent directors, accounting for 33.33%.

The Company held 7 meetings of the Board of Directors, with an average attendance rate of 100%; and convened 4 meetings of Audit Committee, 2 meetings of Nomination Committee, and 1 meeting of Remuneration and Assessment Committee.

Board of Supervisors

As the core supervisory body in the corporate governance system, the Board of Supervisors fulfilled its duties in full accordance with the *Rules of Procedure for the Board of Supervisors* and other applicable rules and regulations. By holding regular meetings of the Board of Supervisors, sitting in on meetings of the Board of Directors, attending the General Meetings of Shareholders and other ways, the Board of Supervisors comprehensively supervised the significant matters, related party transactions, financial conditions, and the performance of directors and senior managers, and put forward professional opinions and suggestions on related matters. The members of the Board of Supervisors were elected in full accordance with all applicable laws and regulations, including the Company’s *Articles of Association*, and effectively fulfilled their supervisory duties to safeguard the interests of the Company, as well as the legitimate rights and interests of all shareholders.

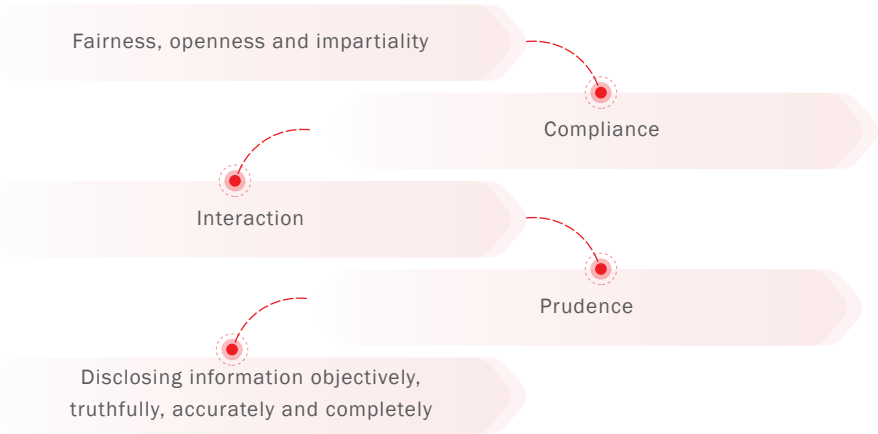
Key Performance

In 2024, the Company held 4 meetings of the Board of Supervisors.



Investor Relations Management

GreatStar always attached great importance to investor relations management and formulated the *Investor Relations Management Rules* to promote the standardized development of investor relations. We provided diverse communication channels for investors and maintained communication with them by answering their phone calls, answering their questions on the investor interaction platform of Shenzhen Stock Exchange (irm.cninfo.com.cn), conducting online performance briefings, and other means. The Company strengthened the communication, improved the quality of information disclosure, and took other measures to enable the investors to better understand and recognize the Company’s values and strategies, and continuously improve the Company’s credibility, core competitiveness and sustainable development capabilities.



Basic principles for investor relations management

Case

The 2023 Annual Online Performance Briefing was held to enhance the trust of the capital market in the Company

In April 2024, GreatStar introduced its operation results in 2023 to investors in detail through the Online Performance Briefing, and made responses to the main concerns, such as product innovation and measures to address fluctuations in raw material prices. This activity further enhanced the transparency of communication between the Company and investors, effectively boosting the confidence of investors in the Company's development potential.



GreatStar 2023 Annual Online Performance Briefing

Key Performance

In 2024, the Company organized and held **1** Online Performance Briefing; and answered **39** investor questions at irm.cninfo.com.cn and **329** investor phone calls;

The Company had **NOT** been penalized for violating information disclosure regulations throughout the year.

Information disclosure

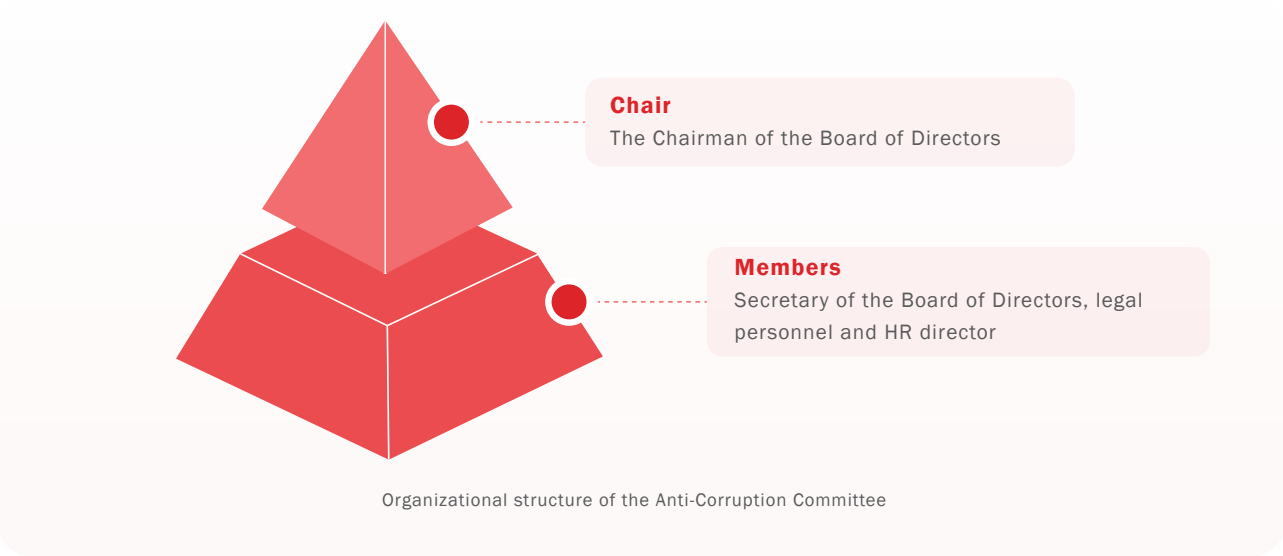
GreatStar established and kept on improving its information disclosure management framework in strict accordance with all applicable regulatory requirements, such as *the Rules Governing the Listing of Shares on Shenzhen Stock Exchange*. The Company formulated and strictly implemented its *Information Disclosure Management Rules* and continuously optimized the information disclosure mechanism. We continuously improved the quality of information disclosure, to ensure that the disclosed information was true, accurate, complete, concise, clear, and easy to understand, without any false records, misleading statements or significant omissions, and to enable investors and other stakeholders to timely access important information of the Company. At the same time, the Company also formulated *the Insiders Registration Management Rules*, strengthened the registration management of the persons knowing the Company's inside information, standardized the confidentiality process, maintained market fairness, and effectively protected the legitimate rights and interests of the Company and investors.


Key Performance

In 2024, the Company prepared and released **4** regular reports and made **58** interim announcements.


Compliance Risk Control and Responsible Business

In 2024, GreatStar carried on optimizing its internal control system and strengthened its risk management mechanism. The Audit Committee of the Board of Directors performed its duties according to applicable laws and regulations, guided the Audit Department to focus on reviewing the Company's internal control, financial conditions and use of raised funds, and implemented effective supervision. The Company established an anti-corruption committee led by the Chairman to further strengthen the anti-corruption work; established a special department responsible for audit and supervision, which regularly organized comprehensive audits and self-inspections of internal control systems for various business departments and subsidiaries in accordance with *the Internal Audit Rules* and *the Departure Audit Rules*, with the purposes of improving management, standardizing operations, and enhancing quality and efficiency. In addition, the Company conducted specialized training on legal risks in various business areas, covering *the Anti-Unfair Competition Law of the People's Republic of China* and other important relevant knowledge, effectively enhancing the compliance awareness of employees and providing strong supports for preventing operational risks.





The Company signed *the Code of Conduct on Anti-Corruption and Integrity* with employees contacting with suppliers during procurement, administration and other activities, to enhance their awareness of integrity and self-discipline.



The Company signed a *Letter of Commitment on Jointly Combating Corruption and Upholding Integrity* with all suppliers.

Building a corruption-free business environment with suppliers

The Company keeps 100% information reported confidential, only allows the recipient to know such information, and never discloses the informer or whistleblower's information to any third party.

- 01 Training on anti-unfair competition in China and foreign countries
- 02 Training on legal and criminal risks of crimes committed by executives in violation of their duties
- 03 Prevention against legal and criminal risks in procurement and sales activities
- 04 Vietnamese Criminal Law on crimes committed by executives of non-SOE business entities in violation of their duties

Key training programs

Key Performance

In 2024, **no** corruption incident occurred in the Company.

The Company organized **4** anti-bribery and anti-corruption training sessions, covering **all** directors, managers and employees.

All employees had signed the letter of commitment on integrity.

All suppliers had signed the letter of commitment on anti-bribery.

No unfair competition lawsuit was filed against the Company.

Tax management

GreatStar attached great importance to tax compliance management, set up a special Tax Compliance Management Department, cultivated professional tax management talents, and cooperated with financial and business personnel, to ensure the effective execution of the Company's tax compliance management work. The Company established special management rules for tax compliance management, tax risk management and control, and others and kept on improving the tax management system to improve the Company's tax compliance and ensure the legal, compliant, sustainable and healthy operation. At the same time, the Company continued to optimize the communication with tax authorities, dynamically tracked changes in tax policies, and systematically collected, analyzed and applied tax exemption policies. GreatStar also conducted in-depth research on the tax regulations and bilateral tax agreements of the invested countries/regions for cross-border investment business. Furthermore, the Company carried out regular identification and mitigation of tax risks, to effectively reduce tax risks, ensure a more accurate understanding and application of tax policies, and reduce tax examinations and overdue tax payments.

Key Performance

The Company had maintained the **Grade A** Tax Credit Qualification for several consecutive years, reflecting its high capability in tax compliance management.

02 Environmental Management

Jointly Creating an Ecological Future by Taking Initiative in Implementing Green Actions

Our Principles

GreatStar built an end-to-end ecological management system with green transformation as the core driving force under the strategic framework of sustainable development. In terms of energy and resources management, the Company continued to optimize energy utilization efficiency and implement water-saving rules to improve the water resource recycling efficiency. The Company implemented pollutant and waste classification control to achieve 100% professional treatment and control in full compliance with the industry standards. In response to climate change, the Company set scientific carbon reduction targets and completed greenhouse gas inventory, promoted green operation models from all aspects, adopted circular economy solutions to reduce resources consumption, and fulfilled emission reduction commitments through low-carbon transformation of the supply chain and the low-carbon actions of employees. Based on multi-dimensional green practice, GreatStar continued to improve its environmental governance capabilities and to play a leading role in creating a sustainable future for the industry.

Our Actions

- Environmental Compliance Management
- Energy Utilization
- Water Resources Utilization
- Pollutants and Waste Treatment
- Addressing Climate Change
- Green Operation

SDGs Addressed



Environmental Compliance Management

In 2024, GreatStar carried out regular internal quality management system and environmental management system audits according to the annual environmental objectives, indicators and management schemes, and kept on optimizing management efficiency. To enhance the environmental awareness and strengthen the fulfillment of environmental responsibilities, the Company established an emergency management system against sudden environmental incidents, signed the *Letter of Commitment on Environmental Protection*, and required suppliers to sign the *Environmental Safety and Protection Agreement for Suppliers*, to implement various environmental protection measures and promote the green development. At the same time, GreatStar Tools, a subsidiary of GreatStar, passed the cleaner production certification and issued an audit report, fully demonstrating the Company's active practice and significant achievements in the field of cleaner production.



Environmental management approach



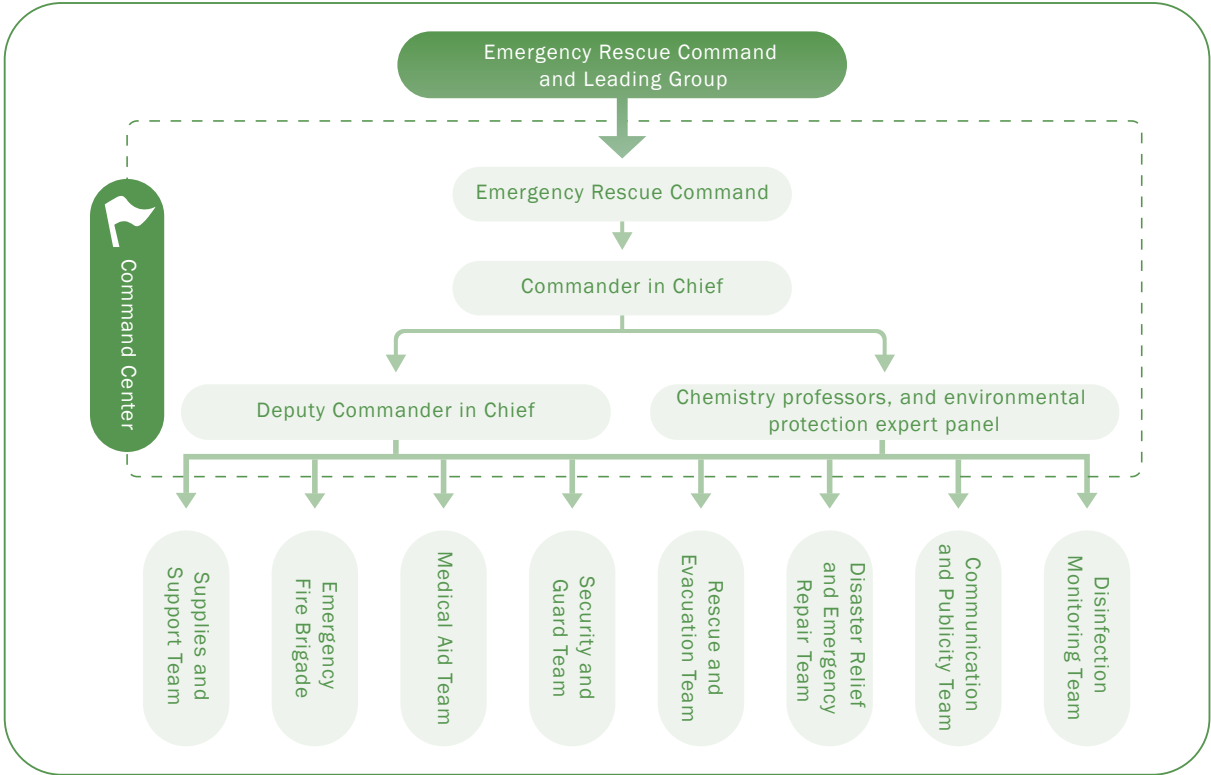
Create a world-class enterprise based on optimized environmental protection and green development



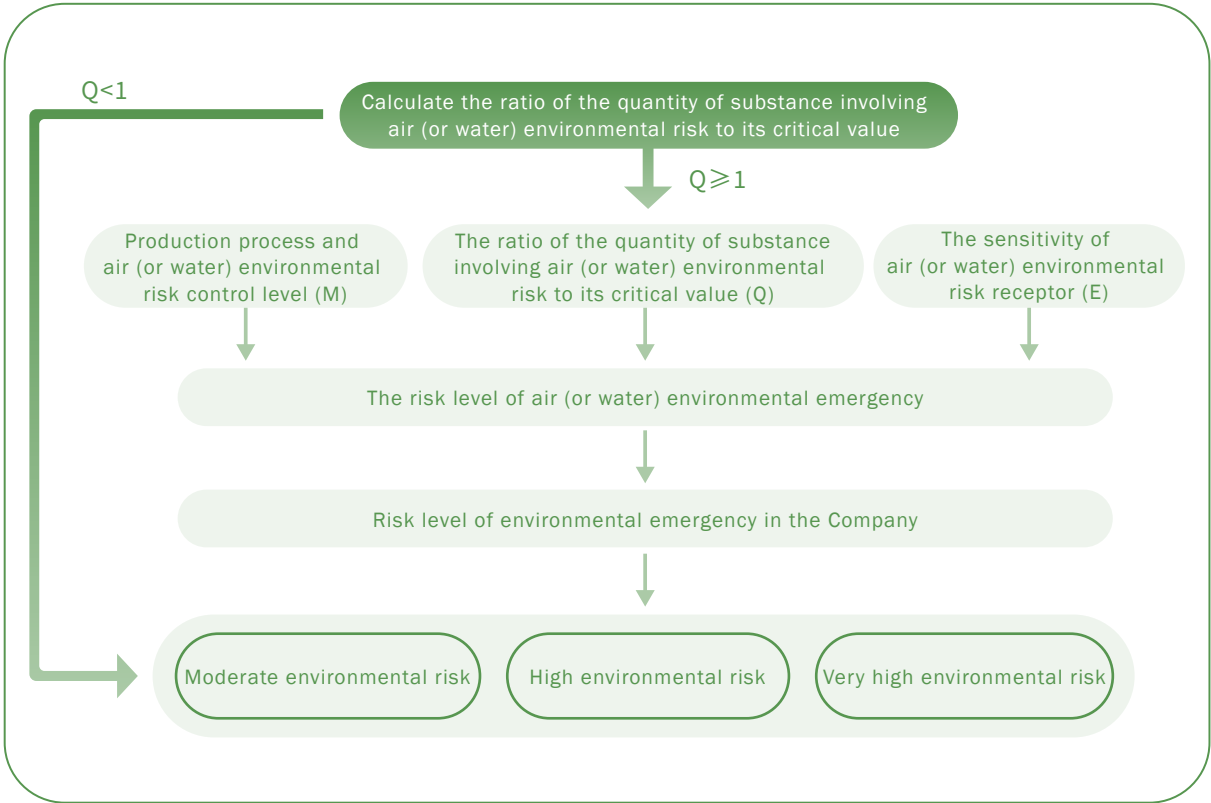
GreatStar and Zhejiang GreatStar Tools passed the Certification of Environmental Management System




GreatStar passed the FSC Forest Management Certification



Organizational structure of GreatStar Tools for environmental emergency rescue




Environmental emergency risk assessment process of GreatStar Tools



Air pollution

- Including air pollution caused by failure of waste gas treatment facility, chemical leakage, fire or explosion, which is dealt with by taking respective countermeasures, such as emergency repair, leaking stoppage, evacuation and firefighting.




Water pollution

- Including chemical leaks, abnormalities in sewage treatment plants, and burst of sewage collection pipelines, which are dealt with by taking respective countermeasures, such as notification, shutdown and emergency repair.



Hazardous waste pollution

- Take response actions divided into three levels based on the degree of danger, for dealing with fire, leakage, nonconforming storage and other pollutions.



Soil pollution

- Deal with by taking preventive measures (providing facilities and improving internal rules) and emergency response actions (controlling leaks and treating polluted soil).

Environmental Pollution Emergency Response Plan of GreatStar Tools



Case

Organized training on hazardous waste management to consolidate the foundation of environmental protection

In December 2024, GreatStar Tools organized a training session on hazardous waste management, covering a total of 17 employees. The training focused on the accountability for hazardous waste management in the workshop and the requirements for collection and storage in the workshop. After training, the trainees further mastered the hazardous waste disposal process. The training session not only enhanced the professional knowledge and skills of employees in hazardous waste management, but also helped the company standardize hazardous waste treatment in daily production and reduce environmental pollution risks. It also enhanced the environmental awareness of employees, and helped the company in improving its compliance and efficiency in environmental protection, achieving the sustainable development, and establishing a good environmental image.

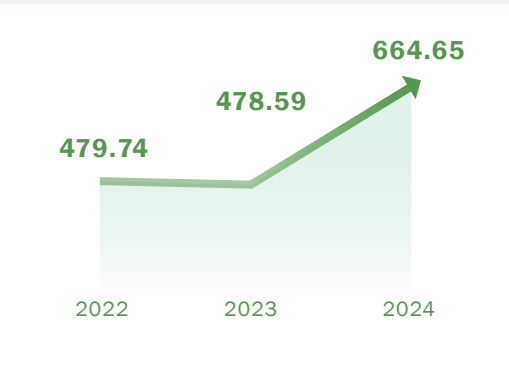


Training on hazardous waste management

Key Performance

In 2024, the Company ranked the 1st in the city and the 1st in the equipment manufacturing industry in the 12th round of comprehensive evaluation of industrial enterprises and rated as Grade A in the comprehensive evaluation.

In 2024, the Company's investment in environmental protection was CNY 6.65 million.



Year	Investment (CNY 10,000)
2022	479.74
2023	478.59
2024	664.65

The investment of the Company in environmental protection during the past three years (Unit: CNY 10,000)

Energy Utilization

GreatStar actively responded to the national energy development strategy and regarded energy conservation and efficient use as an important obligation at all times. The Company took standardized energy management as the starting point and established an energy management system integrating the clean production, energy conservation, emission reduction, and pollution prevention. The Company vigorously promoted the development and application of new energy by applying strict control on the sources, paid attention to energy-saving technology innovation, gradually built an ecological circular economy system, and made every effort to build a green and efficient enterprise.

Energy management approach

Compliance with laws and regulations, energy conservation & consumption reduction, total employee involvement, and green production

2024 energy management goal

In 2024, the electricity consumption is to be decreased by 5% compared to 2023.

To further enhance its capability of energy management, the Company worked hard to build an energy management system, formulated energy policies and objectives, integrated existing standard operating procedure (SOP) documents of energy management system, and developed a series of new SOP documents based on the characteristics of energy management. At present, the Company's energy management SOPs have been fully implemented in compliance with the requirements of GB/T23331-2020/ISO50001:2018 *Energy Management Systems*, providing solid process management supports for the Company's sustainable development.



Energy conservation and consumption reduction

Energy-saving replacement of equipment

The Company introduced the high-efficiency energy-saving motors, variable frequency speed regulation technology, and other advanced products and technologies, to replace the motors used in the workshop for reducing the energy consumption of these motors during operation. The Company also carried out regular maintenance and service to ensure that the motors were always in their best working conditions, further improving energy utilization efficiency.



Renewable energy utilization

In 2023, the Company successfully built a distributed photovoltaic power station on the roof of the factory building, which generates up to 3,390MWh of power annually, accounting for more than 30% of the Company's total electricity consumption. This project significantly reduces the dependence on non-renewable energy and effectively reduces the Company's production costs. At the same time, the Company actively promoted the application of new energy forklifts and vehicles in its logistics handling and transportation processes, in order to comprehensively reduce the Company's overall carbon emissions during the transportation and make contributions to achieving more environment-friendly and sustainable development goals. In the future, the Company will increase the proportion of independently developed photovoltaic projects or further increase the use of renewable energy, as the case may be, so as to continuously improve its green energy strategy.



Solar photovoltaic arrays deployed in the factory area



New energy forklift

Lighting system upgrade

The Company upgraded the lighting system of the factory buildings by introducing high-efficiency and energy-saving lighting fixtures, such as LED lights and energy-saving fluorescent lamps, to replace the existing high-energy consumption lighting fixtures. The brightness is automatically adjusted according to the actual lighting conditions, reducing lighting energy consumption. At the same time, the Company adopted a graded design for the lighting system based on the lighting needs of different workshop areas, using different light sources and control systems to achieve intelligent management of lighting system by areas and grades for saving more energy. For example, the brightness of lighting fixtures is automatically adjusted according to the workshop light intensity.

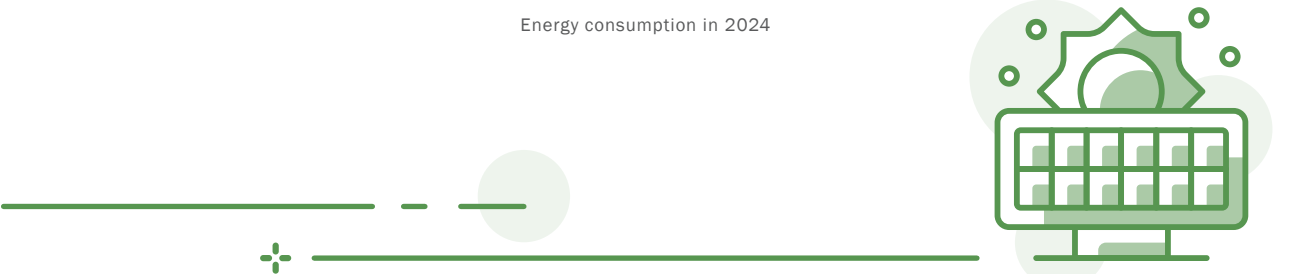
Strengthening the management of electricity usage

The Company strengthened electricity consumption management through a series of measures to ensure that power is cut off promptly when people leave the equipment without affecting normal production. Specific measures include: formulating detailed electricity use management rules and clarifying the electricity use responsibilities of each position; strengthening energy conservation training for employees; enhancing employees' awareness of energy conservation and emission reduction; regularly conducting electricity use inspections of the office spaces; and identifying and correcting improper behaviors at any time.



Indicators	Units	2024
Comprehensive energy consumption	Tons of coal equivalent (TCE)	765,980.20
Energy consumption intensity	TCE/CNY 10,000 of operating revenue	0.52
Direct energy consumption	TCE	3,311.26
Including: gasoline	L	37,009.82
Including: diesel	L	261,301.44
Including: natural gas	10,000 cubic meters	221.03
Indirect energy consumption	TCE	762,668.94
Including: electricity	MWh	6,200,211.40
Including: steam	TCE	309
Including: heat	TCE	353.96
Total amount of purchased electricity	MWh	6,196,485.30
Total self-generated electricity consumption	MWh	3,726.10
Clean energy consumption	MWh	5,024.08
Including: solar energy	MWh	5,024.08
Proportion of clean energy consumption	%	0.08

Energy consumption in 2024



Water Resources Utilization

GreatStar formulated the *Water Conservation Management Rules*, set up a leading group for water conservation work, and built a complete set of water conservation management system covering goal setting, process control and effect evaluation. Through regular self-evaluation of water conservation, the Company conducted in-depth analysis of water use efficiency, the application of water-saving technologies, and the effectiveness of management measures, to continuously optimize water resource utilization efficiency. In 2024, GreatStar vigorously promoted water-saving technology transformation and management innovation, actively implemented equipment upgrades, process optimization and other measures, and strived to create a green development model for efficient utilization of water resources.



Water conservation management system

2024 water resources management goal



In 2024, the annual water consumption is to be reduced by 5% compared to 2023.



Key water-saving measures of the Company in 2024

Indicators	Units	2024
Total water consumption	Tons	875,028.51
Water resources utilization intensity	Tons/CNY 10,000 of operating revenue	0.59

Water resources utilization in 2024

Pollutants and Waste Treatment

With regard to waste treatment, GreatStar actively fulfilled its social responsibility and attached great importance to the impact of production process on the environment. The Company formulated the “Three Waste” Management Rules in accordance with 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-related Pollution, the Law of the People’s Republic of China on the Prevention and Control of Water Pollution* and other applicable laws and regulations, for clarifying the end-to-end norms from the sources of pollution to the final treatment, so as to strengthen effective management of waste water, waste gas and solid waste (the “three waste”), ensure proper treatment of various pollutants, and comprehensively safeguard environmental safety and employee health.



Pollutant Discharge Permit

Waste water

The waste water generated during the production processes of the Company mainly came from cleaning, grinding machine tool water cooling, polishing spray and domestic sewage. The clean water was separated from the sewage in the Company's factory area, and the rainwater was also separated from the sewage. The waste water from grinding machine tool water cooling was recycled and not discharged outside the factory area. The waste water from cleaning was discharged into the Company's comprehensive sewage station for treatment, after pre-treatment in the sedimentation tank in the workshop. Domestic sewage was pre-treated in oil separators and septic tanks, then discharged into the municipal sewage network, and finally treated by Haining Yancang Sewage Treatment Plant to meet the applicable standards before being discharged to the natural waters.

Items	Goals and indicators	Approaches
Water pollution control	Goal: To meet the sewage discharge standards Indicator: GB8978-1996 Integrated Wastewater Discharge Standard	1. Collect grinding and cleaning waste water uniformly, discharge it into the sewage station for unified treatment to meet the applicable standards, and then discharge it into the municipal sewage network; 2. Recycle the grinding machine tool cooling water; and for the waste water generated accidentally, pipe it to the wastewater treatment system for treatment to meet the applicable standards, and then discharge it to the municipal sewage network; 3. Use environment-friendly floor cleaning solution to ensure that the water quality meets the discharge standards after floor cleaning; 4. Engage qualified environmental monitoring departments to conduct water quality monitoring each year.

The water pollution management goals, indicators and approaches of the Company in 2024

Indicators	Units	2024
Total waste water discharge	10,000 cubic meters	23.17
Including: total amount of industrial waste water	10,000 cubic meters	14.99
Including: total amount of domestic wastewater	10,000 cubic meters	8.18
Chemical oxygen demand (COD)	Tons	7.90
Biochemical oxygen demand (BOD)	Tons	1.23
Ammonia nitrogen (NH3-N)	Tons	0.98
Total nitrogen (TN)	Tons	1.11
Total phosphorus (TP)	Tons	0.08
Suspended solids in waste water	kg	4,976.00

Water pollutant emissions in 2024

Waste gas

The waste gas generated during the Company’s production process mainly came from welding, polishing, shot blasting, oiling, ink printing, quenching, and cold heading. In 2024, the Company adopted the method of source replacement in accordance with local environmental protection policies, to replace oil-based paints for coating and oiling lines with water-based paints, reducing the use of toxic and harmful substances and significantly reducing the emission of air pollutants.

Items	Goals and indicators	Approaches
Air pollution control	To meet 100% applicable waste gas emission standards	<div>1. Collect the waste gas from the ink printing by using a gas collection hood, and then discharge it at a high altitude, followed by regular testing;</div> <div>2. Absorb the waste gas, which is in a small amount, from the painting and oiling lines with activated carbon, and then treat it properly, followed by regular testing;</div> <div>3. Collect the waste gas from the polishing line by using a gas collection hood, treat it by a cyclone and water spray dust removal system, and then discharge it at a high altitude, followed by regular testing;</div> <div>4. Collect the waste gas from the shot blasting line by using the sealed equipment enclosure, remove the dust in it by using bag filters, and then discharge it at high altitude, followed by regular testing;</div> <div>5. Dispose canteen oil fume regularly, and strengthen management to ensure reasonable discharge;</div> <div>6. Directly burn the waste gas from the mesh belt furnace quenching, collect and discharge it at high altitude; collect the waste gas from tempering by using a gas hood, treat it with a high-voltage electrostatic oil removal device, and then discharge it at high altitude, followed by regular testing.</div>

Indicators	Units	2024
Total waste gas emissions	10,000 cubic meters	4,023.04
Volatile organic compounds (VOCs) emissions	kg	128.02
Particulate matter (PM) emissions	kg	1,275.21

Air pollutant emissions in 2024



Waste gas treatment facility

Solid waste

Scraps and solid waste generated during the Company’s production process were collected and disposed of by qualified agencies for recycling and reuse. Scrapped products were uniformly sold to local collectors for reclamation, with a recycling rate of up to 100%.

To dispose of hazardous solid waste and chemicals, the Company formulated a series of internal rules, such as *the Hazardous Solid Waste Management Rules* and *the Hazardous Chemicals Management Rules*, to impose strict requirements on hazardous solid waste and chemicals from storage to accident handling, and establish a rigorous management system. At the same time, the Company arranged independent storage areas to eliminate the risks caused by the hazardous waste and chemicals to the workshops, and engaged qualified third-party agencies to dispose of them, to ensure the proper disposal of solid waste and practice the concept of green development.

Items	Goals and indicators	Approaches
Disposal of hazardous solid waste	Goal: To dispose in compliance with environmental protection requirements, and reduce environmental risks. Indicators: 100% of hazardous solid waste is stored by right classification and sent to qualified agencies for being disposed of properly.	1. Eliminate and replace damaged containers and labels; 2. Engage qualified waste disposal agencies to dispose, with proper record; 3. Maintain and repair the hazardous waste storage room as required to prevent leak or pollution.
Chemical spillage /leakage	Goal: To strengthen the management of chemical spillages, and minimize the occurrence of spillage accidents. Indicator: Ensure zero chemical spillage accident.	1. Organize propaganda and education to enhance the safety awareness of employees; 2. Assign responsible persons to inspect and isolate ordinary materials daily, and strengthen theft and spillage prevention measures; 3. Check that fire extinguishers and fire sand are in good conditions and ready for use at any time; 4. Update the list of chemicals and post MSDSs on the corresponding work sites; 5. Organize emergency drills for chemical spillage/leakage.

The solid waste management goals, indicators and approaches of the Company in 2024

Indicators	Units	2024
Total amount of waste generated	Tons	2,729.33
Including: total amount of hazardous waste	Tons	2,675.68
Including: Total amount of harmless waste	Tons	53.65
Density of hazardous waste	Tons/CNY 1 million of operating revenue	0.1808
Density of harmless waste	Tons/CNY 1 million of operating revenue	0.0036
Total amount of recycled /reclaimed waste	Tons	818.00
Waste recycling rate	%	29.97

Waste discharge in 2024



Hazardous solid waste warehouse

Case

Recycling of waste materials in injection molding workshop to promote waste reduction

The Company's injection molding workshop actively implemented the concept of green production and achieved significant results in waste reduction. The workshop collected the rejected materials, scrapped materials and defective products of injection molding machine in a centralized manner, and crushed and reclaimed them to achieve resources recycling. Thereby, the Company reduced its annual plastic waste emissions by approximately 120 tons, which not only improved the utilization rate of plastic materials and decreased production costs, but also reduced the environmental pollution caused by waste, effectively promoting the Company's sustainable development. This achievement reflects the Company's accountability in environmental protection and provides a reference for waste reduction in the industry to promote the entire industry evolving towards green and sustainable development.

Noise pollution

The noise pollution generated during the production processes of the Company mainly came from the mechanical noise generated by the operation of various mechanical equipment during the production processes. The Company selected low-noise equipment to reduce noise from the source, arranged equipment reasonably, and did a good job in workshop sound insulation. For high noise equipment, soundproof covers, noise reduction and shock absorption accessories were installed to control the noise level from all aspects and create a good working environment.

Items	Goals and indicators	Approaches
Noise pollution control	Goal: To meet noise emission standards; Indicator: The Class II standards of GB12348-90 Standards of Noise at Boundary of Industrial Enterprises.	1. Engage qualified testing agencies every year to conduct noise testing at the factory boundary. 2. Attach warning signs in high noise areas near the grinding machines and lathes, and require on-site operators to wear earplugs while working.

2024 noise pollution management goals, indicators and approaches of the Company

Addressing Climate Change

GreatStar set its green and low-carbon development path from a strategic perspective and built a full-chain carbon management system. The Company established a leading group responsible for the management of green and low-carbon factory, formulated the Carbon Emission Management Rules, and set implementation goals for building the green and low-carbon factory in the period from 2023 to 2028. At the same time, the subsidiary GreatStar Tools made an inventory of greenhouse gases (GHG) in accordance with the standard ISO14064-1, for systematically counting the greenhouse gas emissions in Scopes 1, 2 and 3, and producing the GHG Inventory Report to provide data support for scientifically formulating emission reduction strategies. In addition, the Company continued to enhance the transparency of carbon management through Carbon Disclosure Project (CDP) disclosure, Science Based Targets Initiative (SBTi) target setting and other measures, and implemented the “dual-carbon commitments” with practical actions, adding impetus to the sustainable development of the industry.

Building of green factory

GreatStar met the general and basic requirements stipulated in the Notification on Issuing the Evaluation Guidelines for the Building of Green & Low-Carbon Industrial Parks and Green & Low-Carbon Factories (2024 Edition) issued by the Zhejiang Provincial Economy and Information Technology Department, and gained a comprehensive evaluation score of 95+8.4 points. To some extent, the Company led the green development of its industry in Zhejiang Province and even the whole country, and achieved the corporate green development well.

Indicator	Unit	2023	2025	2028
Total energy consumption per unit of product (equivalent)	TCE/10,000 products	0.0661	0.063	0.059

GreatStar's green and low-carbon factory construction goals from 2023 to 2028

GreatStar Tools GHG emissions reduction goal

The GHG emissions of Scope 1 and Scope 2 per unit of output value in 2024 are reduced by 1% compared to 2023.

Categories		Facilities/Activities	
Scope 1 Direct GHG emissions	Energy (E)	Heat treatment	Methanol combustion
		Canteen	Natural gas combustion
	Transport (T)	Business purpose vehicle	Gasoline combustion
		Forklift truck	Diesel combustion
	Fugitive (F)	Domestic sewage	Fugitive emission of methane
		Industrial sewage	Fugitive emission of methane
Scope 2 Indirect GHG emissions from imported energy	Energy (E)	Production and office activities	Electricity
Scope 3 Indirect GHG emissions from other sources	Transport (T)	Purchase of raw materials	Combustion of gasoline and diesel
		Shipment of finished products	Gasoline and diesel combustion/electricity
		Vehicles for commuting of employees	Gasoline combustion

Activities of GreatStar Tools within the scopes and identification of GHG emission sources

Facilities/Activities	Emission sources	Possible types of GHG emissions					
		CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆
Heat treatment, canteen	Natural gascombustion	√	√	√			
Business purpose vehicles	Gasoline combustion	√	√	√			
Motor vehicles	Diesel combustion	√	√	√			
Domestic sewage	Fugitive emissionof methane		√				
Industrial sewage	Fugitive emissionof methane		√				
Production and office activities	Electricity	√	√	√			
Purchase of raw materials	Combustion of gasoline and diesel	√	√	√			
Shipment of finished products	Combustion of gasoline and diesel	√	√	√			
Vehicles for commuting of employees	Gasoline combustion	√	√	√			

GHG emission sources and types within the boundary of GreatStar Tools

Supply chain carbon reduction

The Company extended the carbon reduction to the entire life cycle of the supply chain, prioritized low-carbon raw materials based on supplier evaluation, collaborated with key suppliers to optimize the procurement processes, and completed the carbon emission investigation of high carbon emission supplier groups in 2024. At the same time, the Company enhanced the low-carbon awareness of employees through thematic training, online courses and other means, and advocated green mobility, to reduce the Company’s overall carbon emissions in the transportation aspect.

Key Performance

In 2024, the Company carried out product carbon footprint accounting and verification, and published the corresponding report on its official website. According to the accounting results, the product carbon footprint of GreatStar Tools in 2023 was 1,945.52 tCO2e.



The Carbon Footprint Report published by the Company on its website

Green Operation

GreatStar adapted to the trend of green development, and implemented all-round green operation and resources recycling measures from multiple key areas, such as office work, packages and production. The Company called for paperless office, expanded the use of energy-saving equipment, and reduced energy consumption; adopted environment-friendly and biodegradable materials in the packaging process to reduce packaging waste; and introduced advanced technologies to optimize the process flows and improve resources utilization. By virtue of these measures, the Company effectively reduced the resources consumption and environmental impact, facilitating the sustainable development of the industry.

Reuse of discarded resources

- Wooden pallet repair and reuse: The repair and reuse of discarded wooden pallets in the factory area is expected to save about 10 tons of new wooden pallets per year, reducing the logging of wood, and decreasing the energy consumption and environmental pollution caused by the production of new wooden pallets.
- Waste material disposal in injection molding workshop: The injection molding workshop crushed and reused the rejected materials, scrapped materials, and defective products of the injection molding machine, reducing the annual discharge of waste plastics by about 120 tons, improving the efficiency of plastic material use, and reducing the impact of plastic waste on the environment.

Optimization of office resources

As for the office work, the Company actively promoted double-sided printing and paperless office, as well as digitalization of some office work. Benefiting from these measures, the Company reduced the use of paper, decreased the consumption of forest resources, and accordingly reduced the energy consumption and environmental pollution caused by paper production, to improve office efficiency, and achieve efficient utilization and greening of office resources.

Upgrading and recycling of packaging materials

- Material replacement and plastic reduction: The product blister packs were changed from PVC to PET, which is easier to recycle and reuse, reducing the pollution of plastic waste to the environment and improving the environmental performance of packaging materials.
- Reuse of packaging materials: By reusing packaging materials, such as paper tubes, cardboard boxes and plastic bags, during the production process, the usage of plastic blister packs is reduced by 15% compared to 2023. This not only saved costs, but also reduced resources consumption and the generation of packaging waste.
- Adopting a new type of turnover boxes: Calcium plastic turnover boxes were adopted to replace some traditional corrugated paper turnover boxes to improve the reuse rate of packaging materials. It is expected to reduce the waste of corrugated cardboard boxes by about 1 ton per year, reducing dependence on paper resources and the amount of packaging waste generated.

Green operation promoting sustainable development

Green operation measures

03 Common Progress

Jointly Promoting the Industry Development Based on Continuous Improvement

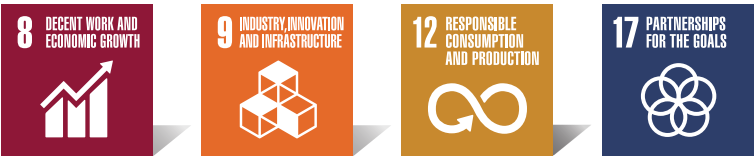
Our Principles

GreatStar understands that innovation is the core engine for the prosperity of the industry, industry-wide cooperation is a key strategy to expand boundaries and achieve win-win results, product quality is crucial for an enterprise to keep a foothold on the market, supply chain security is critical to ensure stable operation, and data security is essential for an enterprise to adapt to the disruptive digital transformation. Therefore, to keep pace of the development of industry, the Company deeply integrated these five understandings to build a sustainable, efficient and high-quality industry ecosystem, in order to achieve the permanent development of the enterprise and jointly drive the progress of the industry.

Our Actions

- Innovation-Driven Growth
- Industry Cooperation
- Product Quality
- Supply Chain Security
- Data Security

SDGs Addressed



Innovation-Driven Growth

GreatStar developed the R&D Innovation Incentive Plan, to fully stimulate the innovation potential of the R&D team, provide a strong incentive support for making achievements in innovation, and ensure that each innovator could realize the organic integration of his own value and the corporate value on the platform provided by the Company. At the same time, in order to ensure the efficient advancement and high-quality delivery of new product development projects, the Company established a set of New Product Development Project Management and Assessment Rules, to apply strict control on the entire process from project planning and execution to implementation and ensure the achievement of project goals with a scientific assessment mechanism, laying a solid foundation for the continuous optimization and upgrading of the Company's product matrix. In the aspect of intellectual property management, the Company established a complete set of intellectual property management system to ensure all-round and multi-level protection of its innovative achievements, laying a solid foundation for its long-term development.



Focus on the research and development of materials and technological processes, and settle down to improving the durability and service life of products to meet the market's demands for high-quality products.



Actively respond to environmental trends, promote the phase-out of plastics and fluorine, reduce the impact on the environment, and put the concept of green development into practice.

The research and development directions of the Company in recent years

Main Honors



The Company was listed in the 2024 Top 500 High-tech Enterprises in Innovation Capabilities in Zhejiang Province



The Company was listed in the 2024 Top 500 Private Enterprises in R&D Investment in China and the Top 500 Private Enterprises in Patents for Invention in China

Designations of Standards	Titles of Standards	Roles
QB/T 2208-2024	Electrician's knives	Chief drafter
QB/T 2443-2024	Steel measuring tapes	Participating in drafting

Participation of the Company in the preparation of standards in 2024

Key Performance

In 2024, the Company was granted with 306 new patents and possessed a total of 4,066 patents, including 859 patents for invention.



The Company's Certification for Intellectual Property Management System

Case

Hosted the kick-off meeting of a high-value patents incubation program of Zhejiang Province, to promote the innovation and development of industrial technologies

In August 2024, GreatStar hosted the kick-off meeting of Zhejiang Province's High-Value Patents Incubation Program for "Micro-Damping Large-Torque Precision Intelligent Screwdrivers". The Company introduced the program implementation plan from multiple dimensions, such as program significance, innovation direction, implementation approaches and expected results, and comprehensively demonstrated the strategic layout of GreatStar in high-value patents incubation programs. This event laid a solid foundation for the technological upgrade and market expansion of intelligent screwdrivers, and also set a benchmark for the incubation of high-value patents in the industry, promoting the innovative development of related industries and enhancing the intellectual property protection awareness.



GreatStar hosted the kick-off meeting of high-value patents incubation program

Case Organized training sessions on patent protection to enhance the ability of employees to judge patent infringements

In December 2024, GreatStar organized training sessions with the theme of “Judgment of Appearance Design Patent Infringement”. By explaining the definition, protection scope and infringement determination of appearance design patents in China, the infringement determination of appearance design patents in the USA, and design around, the Company helped employees gain a deeper understanding of the legal framework for appearance design patent infringements, improve their ability to analyze and solve actual patent infringement problems, and strengthen patent infringement judgments in commercial and GUI appearance design.

Case Actively carried out university-enterprise cooperation to accelerate the incubation of innovative projects

GreatStar and the universities in Zhejiang Province worked together to carry out in-depth cooperation on the development of innovative products, and planned to establish a joint research and development center. Through university-enterprise cooperation, the Company can fully utilize the scientific research resources and cutting-edge technologies of universities to accelerate the incubation and implementation of innovative projects. At the same time, such cooperation also helps to form an innovation ecosystem that integrates industry, universities and research institutions, providing the stable driving force for the Company's continuous innovation.



GreatStar cooperated with the universities in Zhejiang Province in developing projects

Industry Cooperation

In 2024, GreatStar made remarkable achievements in industry exchanges and cooperation, and demonstrated its strong strength and innovative capabilities in the tool industry by participating in international well-known exhibitions, such as the National Hardware Show in the USA, the Expo Nacional Ferretera (National Hardware Expo in Mexico), the Eisenwarenmesse (International Hardware Fair Cologne in Germany) and the China Import and Export Fair (“Canton Fair”). At these exhibitions, the Company attracted the attention of numerous international buyers and big customers, had in-depth exchanges and cooperation negotiations with them, and reached multiple cooperation consensuses. The Company's senior management personally participated in these events, further consolidating the cooperative relationships. The Company won wide praise and trust from customers with its excellent product quality and technological innovation capabilities. The Company actively participated in industry exchanges and cooperation to enhance its international influence, while making effective contributions to promoting the sustainable development of the global tool industry.

Case Made a brilliant appearance at the 2024 International Hardware Fair Cologne to expand international influence

In March 2024, the Eisenwarenmesse (International Hardware Fair Cologne) was opened in Germany, and GreatStar made a wonderful appearance as the world's leading hand tool manufacturer and vendor. The Company showcased a strong lineup of its own brands, such as Shop-Vac, SK, SwissTech, and WorkPro. The newly released ratchet wrench, DuraTech forged scissors series and other new products attracted a lot of attention. During the three-day exhibition, the number of visitors to the booth exceeded a thousand, and the intended order turnover exceeded tens of millions of dollars. The Company relies on its globally deployed manufacturing capabilities and strong self-owned brands to provide high-quality products and services to customers in over 180 countries and regions. In the future, GreatStar will continuously expand its global business footprint, enhance the influence of its brands, and promote high-quality growth of the Company.



GreatStar appeared at the 2024 EISENWARENMESSE

Case Showed up at the Mexico National Hardware Expo to expand the Latin American market

In September 2024, the Expo Nacional Ferretera (Mexico National Hardware Expo), the largest professional hardware exhibition in Latin America, was grandly opened. GreatStar showed up at the exhibition with many of its world-famous self-owned brands. The products showcased by the Company fully responded to the needs of different customers in Latin America, integrated the latest technological research and development achievements, had novel and beautiful appearance based on rich technological contents, and won unanimous praise. The Company will take this exhibition as an opportunity to devote more efforts in sizing the Latin American market, and continue to uphold its philosophy of “Customer First, Continuous Improvement, Team Collaboration, Innovation and Mutual Benefit” to pursue independent innovation. Through this exhibition, the Company not only demonstrated its diverse and high-quality products, but also established connections with numerous potential customers, and expanded its influence in the Latin American market.



GreatStar showed up at the 2024 Expo Nacional Ferretera

Case

Participated in the 136th Canton Fair to showcase industry-leading strength

In October 2024, the 136th Canton Fair (“China Import and Export Fair”) was held in Guangzhou. GreatStar adopted a fully open booth design focusing on brand display, and invited key customers in advance to show the international brand image and competitiveness from all aspects. The products under the brands of WORKPRO, SK, SwissTech, Scruffs, etc. attracted the attention of numerous international buyers. The booth also attracted many Fortune 500 clients, such as Kingfisher and Wal-Mart, to visit and discuss future cooperation. Through this event, GreatStar showcased diverse and high-quality products, and accelerated the implementation of its strategic business layout in overseas markets, to offer excellent services to global customers, and continuously promote the international business development of the Company.



GreatStar participated in the 136th Canton Fair

Case

Appeared at the National Hardware Show in the USA

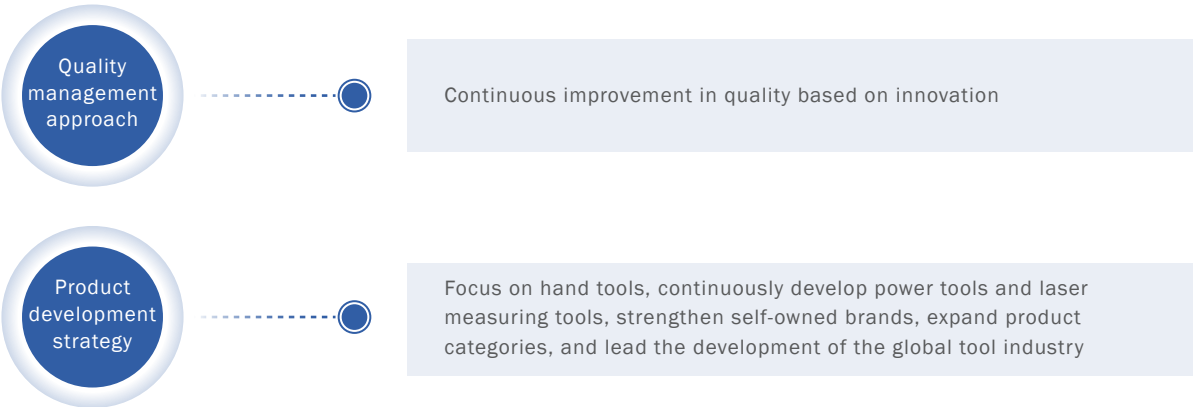
In March 2024, GreatStar made a brilliant appearance at the National Hardware Show in the USA, and created a stir with many of its self-owned brands. The Company launched multiple advanced hand tool products with innovative design and cutting-edge technologies, winning extensive attention and high praise from global buyers. Many international customers came to the booth especially to have in-depth discussions with the Company on product optimization and service upgrades, and reached a broad consensus. By taking part in this Show, the Company demonstrated its strong influence and competitiveness in the global tool industry, laying a solid foundation for expanding its international market share and consolidating its position in the industry.



GreatStar appeared at the 2024 National Hardware Show in the USA

Product Quality

Quality is the lifeline of an enterprise, and quality management is an everlasting task. GreatStar adhered to the goal of passing the certification of the authoritative quality management system, constantly optimized the internal procedures, strengthened quality control abilities, and consolidated the foundation for continuously improving product quality. The Company also adhered to the customer-centric strategy, to win wide recognition and long-term trust from customers by continuously improving product performance and service experience. At the same time, GreatStar published 40 issues of the Internal Journal of Quality for 10 consecutive years, enabling employees to get full insight into quality risks through theoretical learning and case analysis, ensure the safety and quality of products and services, and fulfill their responsibilities to customers through practical actions.



GreatStar’s quality management approach and product development strategy



GreatStar's Certification of Quality Management System



GreatStar's quality management process

Honors and awards	Given by Customers	Dates	Images of honors and awards
Supply Chain Innovation Award	Kingfisher	May 2024	
Vendor Partner of the Year	Lowe's	November 2024	
Partner of the Year 2024	The Home Depot Canada	November 2024	
Innovative Vendor Brand of the Year 2024	Amazon	December 2024	

Honors and awards given by customers to GreatStar in 2024

Key Performance

In 2024, the Company organized **17** training sessions on quality;

the Company made responses to **100%** feedback from customers;
Received **zero** complaint from customer;
Successfully offered more than **10,000** times of after-sales services.

Case

Organized a Quality Inspection Skills Competition to enhance the capabilities of quality control

In 2024, GreatStar organized a Quality Inspection Skills Competition, participated in by 23 employees. A quiz was set to examine their theoretical knowledge on quality management systems, industry standards and specifications, as well as various testing technology principles; and a hands-on operation contest was set to test their practical abilities in sampling, testing and recording data during product inspection. By combining theories with practice, the Company promoted the effective execution of quality control, so as to maintain the high quality of products and enable the Company to move forward steadily in fierce market competition.



The Quality Inspection Skills Competition

Case

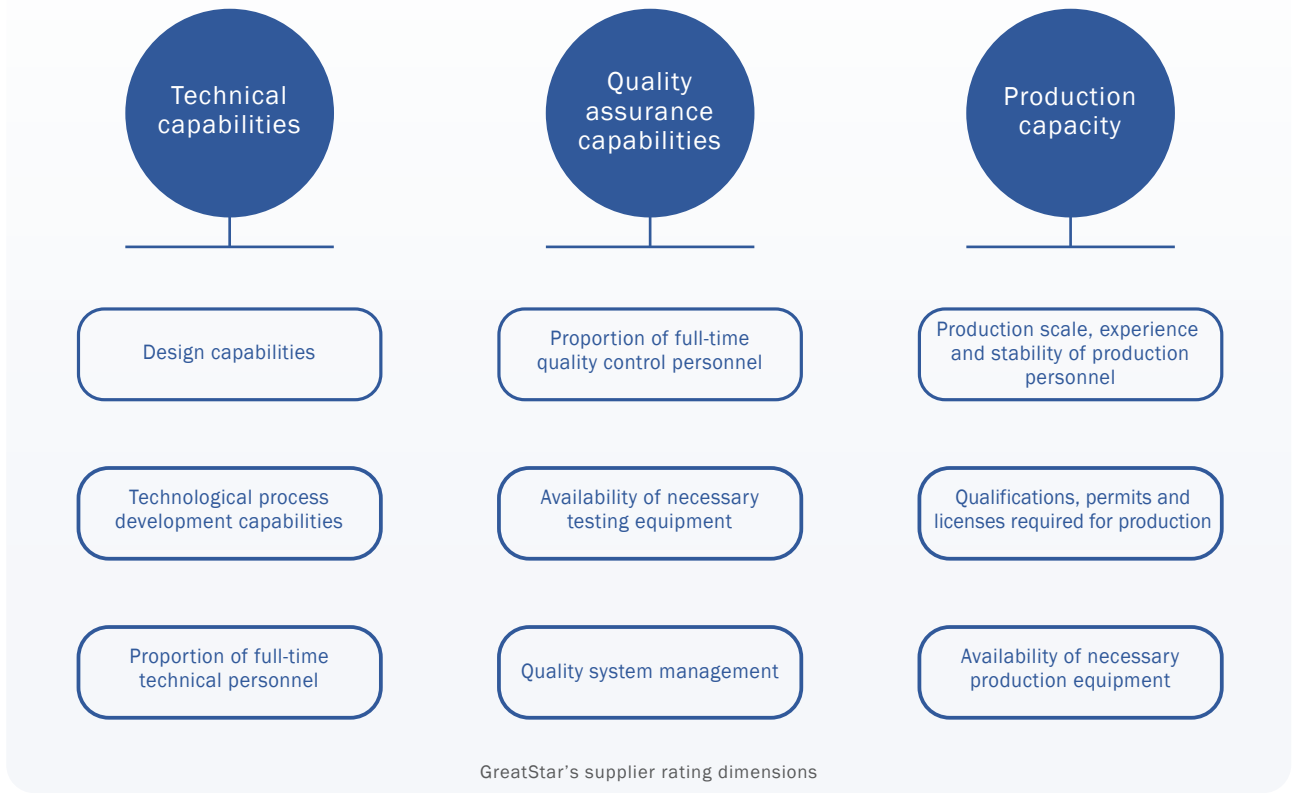
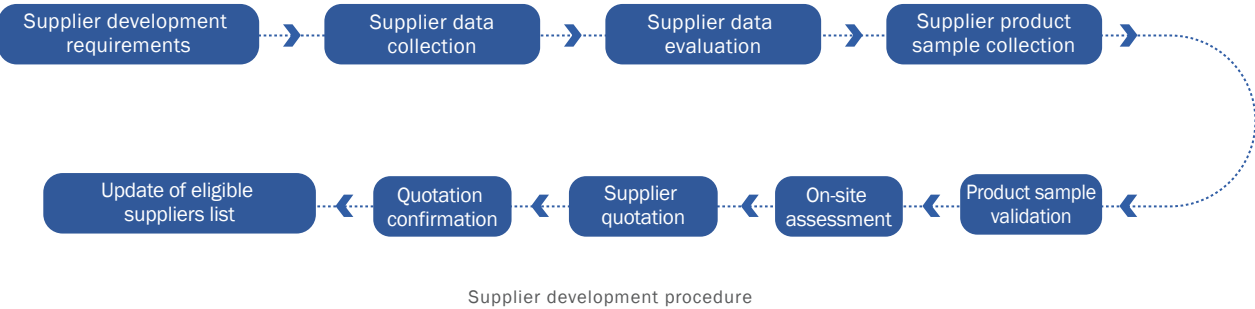
Laid a solid foundation for delivering high-quality products and services depending on internal audits under the quality management system

In 2024, GreatStar conducted an internal audit on the quality management system to verify the effectiveness, adequacy, suitability and operability of the Company's quality management system. Through such internal audits, the Company can accurately identify potential defects and vulnerabilities in the implementation of management system, adjust and optimize them in a timely manner, ensure smoothness and efficiency of management processes, improve the abilities for compliance and standardization management of quality control, reduce risks caused by management vulnerabilities, and lay a solid foundation for delivering high-quality products and services.



Supply Chain Security

To ensure the resilience and reliability of the supply chain, GreatStar committed itself to building a scientific, efficient and sustainable supplier management system. The Company established a supplier development procedure for controlling the quality of the supply chain from the source, to ensure that all partners align with the Company's philosophy and standards in terms of sustainable development. The Company conducted supplier eligibility examinations on their product quality, engagement in environmental protection and fulfillment of corporate social responsibilities, and signed letters of commitment on integrity with suppliers against their non-compliant actions. At the same time, the Company established a supplier relationship management and procurement collaboration platform, and operated it for all subsidiaries, to achieve the full-process management of supplier development and reduce supply chain risks.



Key Performance

In 2024, the Company signed the letters of commitment on integrity with **100%** new suppliers.



Case

Offered online training for suppliers to improve the stability of their products

In 2024, GreatStar offered an online training course for suppliers on rust (corrosion) and protection of metal materials, standard operation procedures (SOPs), QC case studies, etc. This training course enhanced the professional capabilities of suppliers in material protection, production processes and quality control, helping to reduce losses, optimize production, and improve first pass yields, thereby ensuring that they provide high-quality and stable products to the Company. At the same time, the training course also consolidated the partnership between the Company and suppliers, laying a solid foundation for long-term stable development of both parties.



Data Security

GreatStar built a solid defense line for data security through all-round and multi-level strategic deployment, strictly implemented a series of internal rules for network information security management, actively implemented data security measures, actively identified vulnerabilities, responded to risks in a timely manner, and protected data security with practical actions. The Company regularly organized information security training for enhancing the security awareness of employees, in order to encourage the total involvement and total accountability, jointly build a data security defense line, and ensure the integrity, confidentiality and availability of data.

Data classification, grading and governance	<ul style="list-style-type: none">Classify and grade data according to the Company's data security regulations;Regularly review the compliance of data processing and storage in all business lines.
Security strategy formulation and implementation	<ul style="list-style-type: none">Participate in the development and optimization of data protection strategies, including access control and encryption measures;Promote training and awareness raising activities related to data security.
Risk monitoring and emergency response	<ul style="list-style-type: none">Monitor data access behaviors and network traffic, and promptly handle any abnormalities found;Participate in emergency response to data breaches and security incidents, and thereafter review the incidents to make improvements.
Information security compliance management and audit	<ul style="list-style-type: none">Ensure the Company's compliance with all applicable laws and regulations of data security;Participate in internal and external audits to evaluate the effectiveness of data security work.
Technical support and innovation	<ul style="list-style-type: none">Assist the development team in conducting data security testing before the launch of new products or systems;Introduce advanced data protection technologies and tools.

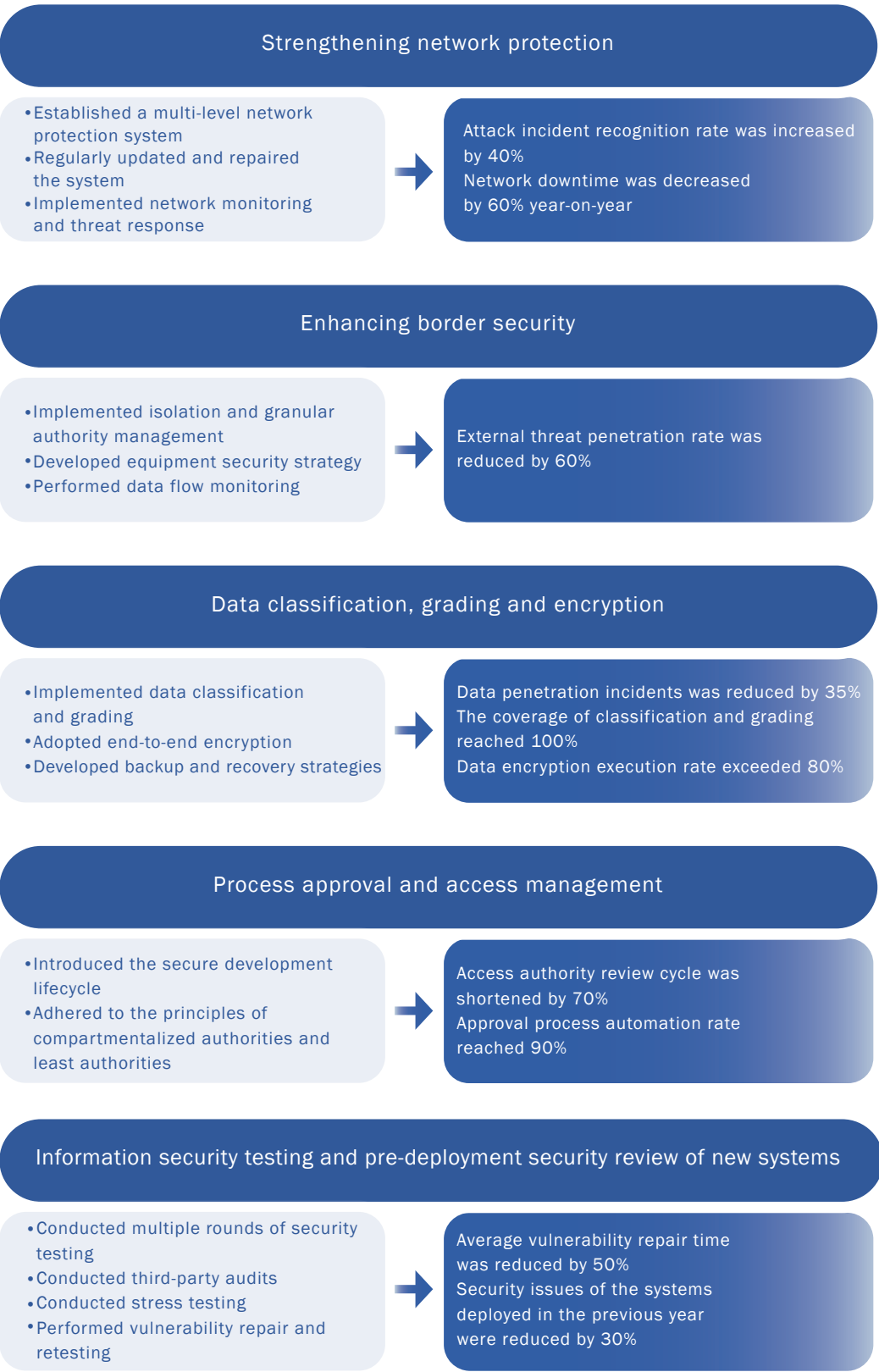
Main duties of GreatStar's data security team



GreatStar's network information security management system

<ul style="list-style-type: none">Organize 3-5 large-scale special actions on information security every year, covering all employees of the Company
<ul style="list-style-type: none">Organize more than 2 monthly small-scale security actions or special inspections
<ul style="list-style-type: none">Conduct a data breach prevention and inspection every quarter, focusing on checking the outgoing transmission and sharing of sensitive data
<ul style="list-style-type: none">Conduct an authority checking activity every six months to disable or cancel redundant or abnormal data access authorities
<ul style="list-style-type: none">Organize 2 simulated attack drills each year to simulate scenarios of data leakage or network attacks
<ul style="list-style-type: none">Conduct two cross-departmental joint reviews each year to examine the data protection measures of core business lines

GreatStar's data security risk management actions



Data security protection measures taken by GreatStar in 2024



Case

Organized network information security training to reduce the Company's information security risks

In June 2024, GreatStar organized a training session on network information security control, with a total of 15 participants. The topics of this training session include the information security regulations, how to achieve information security, how to control peripheral devices of network, and data security maintenance. Through this training session, the Company further improved the understanding of employees in information security regulations and their abilities in implementing such regulations, enhanced the professional competence of the management team in data protection, equipment management and other aspects, and reduced the corporate information security risks, to maintain the security of the Company's core data assets.



04 Social Development

Putting People First and Contributing to Social Benefits

Our Principles

GreatStar always adheres to the concept of “people first”. We created a safe, inclusive and inspiring workplace for our employees based on our employment equity policies, diverse career development channels and complete health and safety management system. At the same time, GreatStar actively fulfilled its corporate social responsibilities, deeply participated in the rural revitalization, and continued to invest in the field of social benefits, demonstrating its care and accountability to the society. These efforts not only enhanced the senses of belonging and happiness of all employees, but also contributed to the sustainable development of society.

Our Actions

- Employee Rights and Interests
- Training and Personal Development
- Health and Safety
- Contributing to Social Benefits

SDGs Addressed

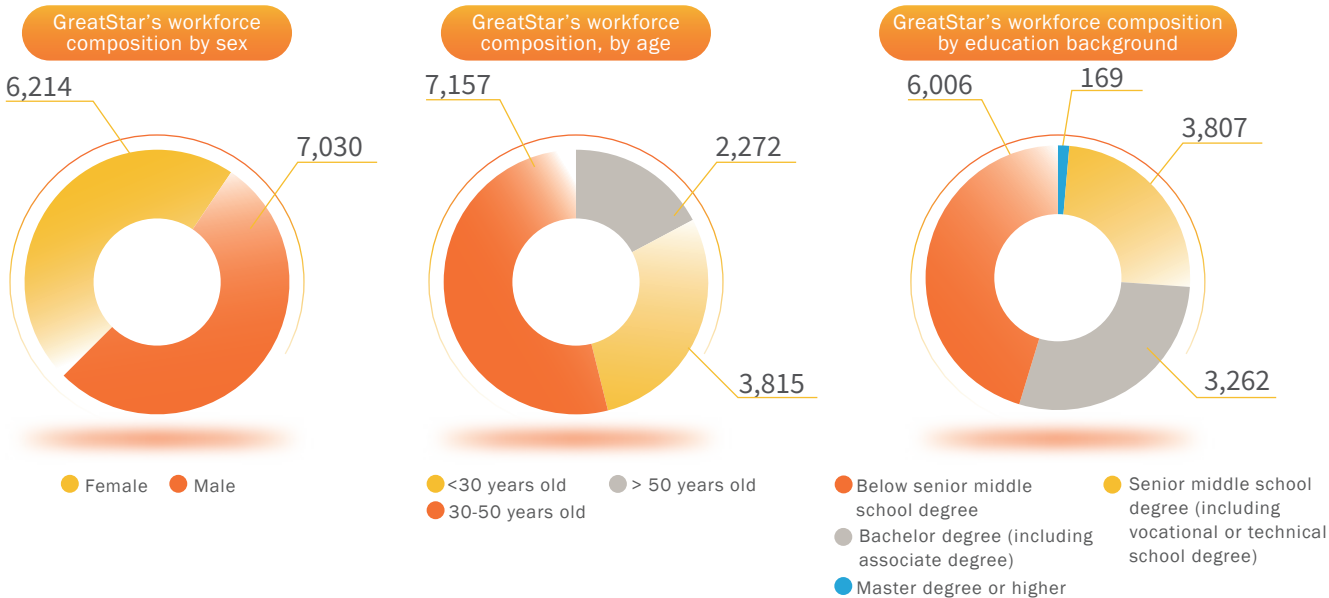


Employee Rights and Interests

GreatStar regarded talents as the most valuable asset of the Company and the core driving force of its sustainable development all times. The Company abided by labor laws and regulations, and built a fair and just employment environment. We established a complete salary and benefits system, implemented a set of scientific performance management rules, and stimulated the potentials of employees through diversified incentive mechanisms. The Company safeguarded the rights and interests of employees from all aspects and strived for growing together with employees.

Employee recruitment

GreatStar strictly observed the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other applicable laws, regulations and policies, adhered to the principle of market-oriented selection and employment, and standardized human resources management. The Company firmly prohibited the employment of child labor and forced labor, opposed any form of discrimination, and committed itself to maintaining fair, just and legal employment relationships. The Company continued to optimize its employee recruitment and management processes, developed the *Recruitment Management Measures* for this purpose, and stipulated clear and standardized procedures for employee recruitment and related work processes in the *Employee Handbook*. The employee recruitment and selection work of the Company was coordinated by the Human Resources Department with the heads of various departments.



Case Launched the campus recruitment program to assist new employees in their career development

In September 2024, GreatStar launched the 2025 Global Rising Sun Fresh Graduate Recruitment Program, aiming at recruiting from well-known universities across China. The newly recruited fresh graduates were expected to learn based on job rotation in various main business departments and core technology centers, receive one-on-one guidance from director-level mentors, and receive systematic training under the "553 Talent Plan" and "Stars & Moon Plan" of GreatStar. This Program not only pooled elite versatile talents with high professional skills for the Company, but also offered employees with a broad career development platform and structured growth path, helping them achieve personal value and career dreams.

Key Performance

In 2024,
the total number of employees in the Company was **13,244**,
The employee turnover rate was **11.55%**.

The Company had **not** experienced any confirmed incidents of discrimination, forced labor, or child labor.

Salary and benefits

GreatStar established a complete set of salary and benefits system to fully protect the legitimate rights and interests of employees and play an incentive role. The Company established a set of overtime approval rules, fully paying overtime wages to ensure that the employees were reasonably rewarded for their hard work. At the same time, the Company attached great importance to the employee benefits, continuously improved benefits policies, created a diversified benefits system, and cared for the lives of employees in all aspects.



Statutory benefits

- Social insurance, public holidays, sick leave, marriage leave, maternity leave, annual leave, etc.

Employee care

- Lactation room, employee bookstore, coffee bar, multi-functional audiovisual area, fitness and leisure area, tea break lounge, employee dormitory, outdoor team building, cultural festival, etc.

Employee benefits

Case Organized outdoor team building activity to soothe employees' body and mind and enhance friendship

In 2024, GreatStar organized employees from all departments to participate in outdoor team building activity in Tonglu, Qiandao Lake and other places. During the activity, employees participated in various games, such as hiking, flying disc and fishing, enjoying the local natural scenery and delicacies, relaxing their body and mind while enhancing the friendship between colleagues. This activity not only enriched the leisure life of employees and alleviated their work pressure, but also enhanced team cohesion and sense of belonging.



GreatStar's outdoor team building activity

Case Held a Culture Day event to improve the team cohesion and showcase the energy of employees

In December 2024, the Company held the GreatStar Culture Day event, including tug of war, fun games, table tennis contest and other activities. This event not only enriched the leisure life of employees, but also enhanced the cohesion in the Company and the sense of belonging of employees, showcasing their spirituality characterized in unity, hard work and positivity.



The Culture Day event held by GreatStar

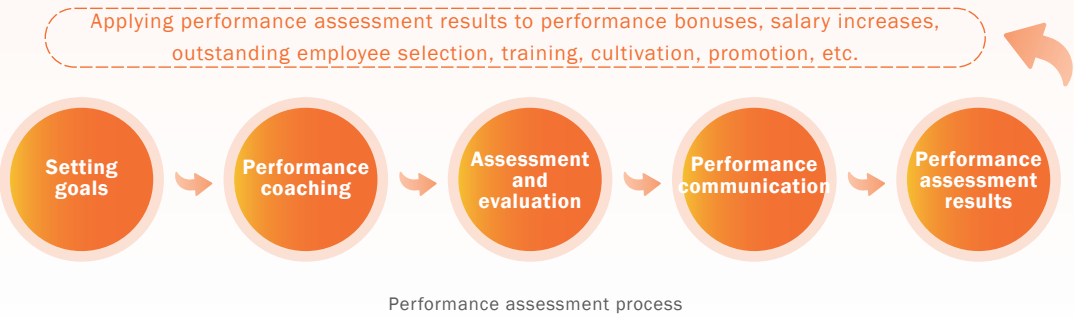
Key Performance

In 2024, the social insurance was purchased for 100% employees of the Company.



Performance incentives

GreatStar strictly followed the Performance Assessment Management Rules to carry out performance assessments for all employees, ensuring the fairness, justice and transparency of assessment process. The Company carried out comprehensive assessments on employee performance based on management needs, business development strategies, job duties and work abilities. The evaluation results were used as an important input for the performance-based salary assessment, job adjustments, and bestowal of honors/awards. At the same time, the Company established an employee incentive mechanism, giving corresponding praises, recognitions, commendations, honors, rewards, etc. to the outstanding teams or individuals, as the case may be.



Case

Arranged the teams having made breakthroughs in performance to travel overseas as a reward, motivating employees to continuously improve

In October 2024, GreatStar spent CNY 3 million to reward several departments with outstanding international sales performance to travel to Switzerland, France and Kenya. The Company also offered special benefits for two departments to take their families on overseas trips based on their performance contribution. By continuously optimizing the incentive mechanism, the Company has enabled hardworking individuals to achieve their goals and further stimulated their enthusiasm for work.



GreatStar rewarded outstanding employees with overseas trips

Democratic management

- The internal rules and regulations related to the basic rights and interests of employees formulated or modified by the Company in accordance with the applicable laws and regulations must be approved by the labor union, two-thirds of the employee representatives, or two-thirds of the employees covered by the rules and regulations, and must be publicly announced or notified of before they come into effect.
- If the internal rules and regulations formulated or modified by the Company in accordance with the applicable laws and regulations are implemented without the approval of the labor union or employees through public announcement or notification, any employees may raise written objections to the General Office within three workdays after the implementation. If more than one-fifth of the employees raise written objections, the rules and regulations must be discussed and agreed upon by the labor union or employees before they come into effect.



Employee suggestion box

Training and Personal Development

GreatStar established a talents training and pooling mechanism based on its sustainable development strategy. In terms of talent cultivation, we adhere to the principle of “relying on internal training with introduction as a supplement”. The Company formulated the Training Management Measures and established the GreatStar Academy in 2019, creating a professional team of internal trainers to provide equal learning and development opportunities for every employee. At the same time, GreatStar established a talent development model that combines “361 Comprehensive Performance Management” with P (Professional) and M (Management) career development channels. The Company implemented the talent training programs centered on the “Star Program, Moon Program, Eagle Program, Integration Program and Rising Sun Program”, focusing on promoting reserve cadres training, leadership enhancement, business skills improvement, team building, and fresh graduate cultivation, in order to build a backbone talent pool methodically.

Elite Eagle Training Camp

To enhance the business management abilities of frontline employees

Common Growth Training Camp

To enhance the professional skills of the HR team

Full Moon Training Camp

To empower middle and senior managers

Key training programs in 2024

1

Star Program

This is a reserve cadres training program offered by GreatStar for those who aspire to grow into professional managers and above. Polaris, Sirius and Venus Subprograms are respectively set up for the president, director and manager levels.

2

Moon Program

This is a training program set up by GreatStar exclusively for the enhancement of the leadership of in-service management cadres. It includes the full moon, crescent moon and new moon subprograms for the continuous empowerment of management cadres in strategic planning and leadership.

3

Eagle Program

This is a training program specially established by GreatStar to improve the professional ability of business backbone talents. It involves training in professional knowledge, professional skills, professionalism and other aspects, and includes the young eagle, elite eagle and golden eagle subprograms.

4

Integration Program

This consists of a series of training sessions specially offered by GreatStar for new employees to integrate into the team, including the integration projects and fusing subprograms.

5

Rising Sun Program

This is a training program set up by GreatStar for high-level talents and excellent management trainees at home and abroad.

GreatStar's key programs for cultivating talents

Case GreatStar organized centralized HR training to help employees enhance their professional abilities

In April 2024, the Company launched the “GreatStar HR Growth and Co-Creation Training Camp” program. The trainees systematically studied many professional courses, such as the Three Pillars for Human Resources Management and New Thinking in Talent Management, covering the core concepts and cutting-edge methods of human resources management. This special training camp provides HR personnel with systematic educations and practical opportunities, effectively enhancing their professional and managerial abilities, helping employees achieve advancement on their career development path, and adding new impetus to the Company’s talent team.



GreatStar organized centralized HR training

Case GreatStar offered group training for middle and senior managers to enhance their leadership

In May 2024, the Company organized the “Full Moon Training Camp” for empowering middle and senior managers. The core course of this training is the IBPS Training Workshop, which adopts diversified methods, such as interactive teaching, case analysis, and situational simulation, allowing participants to master advanced management concepts and practical tools in a relaxing atmosphere. Through this training, the leadership, business thinking and systematic thinking abilities of middle and senior managers were significantly improved, providing a better platform for the career development of employees and bringing new vitality to the Company’s sustainable and healthy development.



GreatStar organized group training for middle and senior managers

Key Performance

In 2024, the Company organized a total of 205 employee training sessions, and invested CNY 885.12 for this purpose throughout the year.

The training of the Company covered 5,418 employees.

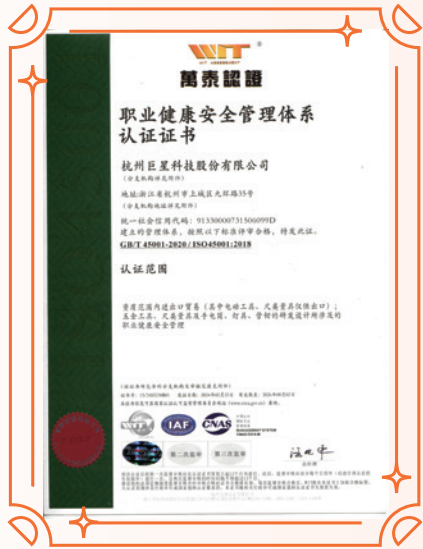
The total training duration of employees was 12,246 hours.

Specifically, the total training duration of female employees was 4,898 hours, the total training duration of male employees was 7,348 hours, and the total training duration of senior managers was 1,320 hours.



Health and Safety

GreatStar adhered to the principle of “putting prevention first and adopting integrated measures to ensure work safety”, and improved the occupational health and safety management system in accordance with overall requirements of “deepening, implementation, standardization and long-term effect”. The Company successfully passed the ISO 45001 certification, and established a work safety committee to coordinate the overall work safety management. At the same time, the Company formulated the *Work Safety Inspection Rules*, the *Occupational Disease Prevention Management Rules*, the *Women Workers and Minors Protection Management Rules*, the *Emergency Rescue Management Rules*, the *Work Safety Accident Emergency Response Plan* and other internal rules and regulations to strengthen the organization and leadership, clarify the division of responsibilities, and ensure the adequate breakdown and implementation of related tasks. Furthermore, the Company continuously optimized the management system and strictly implemented the applicable standards, to provide strong support for maintaining the safety of all employees and properties.



Certification of ISO45001 "Occupational health and safety management systems"

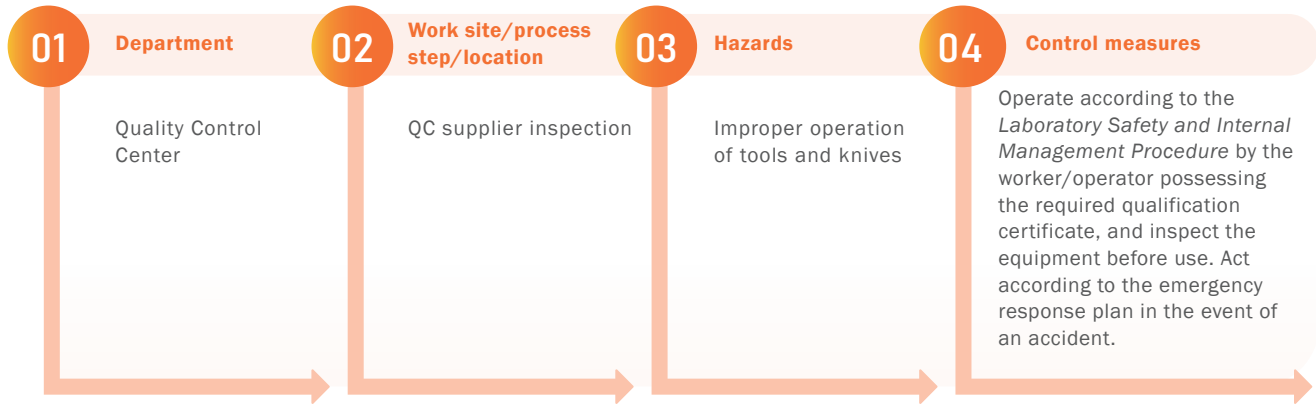
Fulfilling progress of work safety targets for 2024

GreatStar formulated and broke down its work safety targets to each responsible department at the beginning of 2024, established a regular tracking mechanism, and incorporated the fulfillment of such targets into the performance assessment of each department. All work safety targets set for the year had been achieved.

Zero major fire liability accident	√	Zero acute poisoning accident	√
Zero major traffic liability accident	√	Annual injury rate is lower than 3%	√
Zero major equipment liability accident	√	100% operators engaging in special work possess the required qualification certificates	√
Zero major fire liability accident	√	100% employees are covered by the three-level safety education	√
Zero major injury accident	√	100% participants of safety education and training pass the corresponding assessments/exams	√
Zero major environmental pollution accident	√	More than 98% hidden dangers are eliminated	√
Zero incidence rate of occupational diseases	√	The Company’s standardization of three-level work safety pass the review	√

Risk identification

Accurately identifying major hazards and their potential risks is a key prerequisite for preventing accidents and ensuring the safety and health of employees. GreatStar regularly carried out identification of hazards in the Company as a whole and each department, and made a list of identified hazards to set out the hazards existing in various places and activities and their impact on occupational health and safety. The Company assessed the risks based on the likelihood of accidents, the frequency of worker/operator exposure to hazards, and the potential consequences of accidents. Finally, the Company developed corresponding control measures to prevent hazards from causing harm to employees.

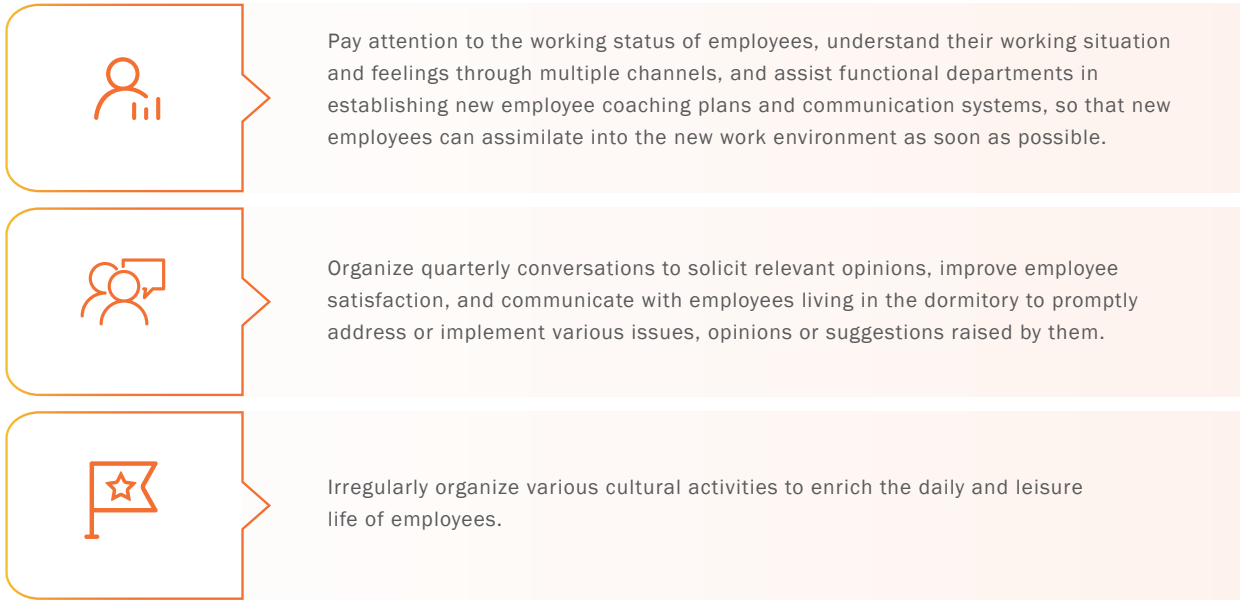
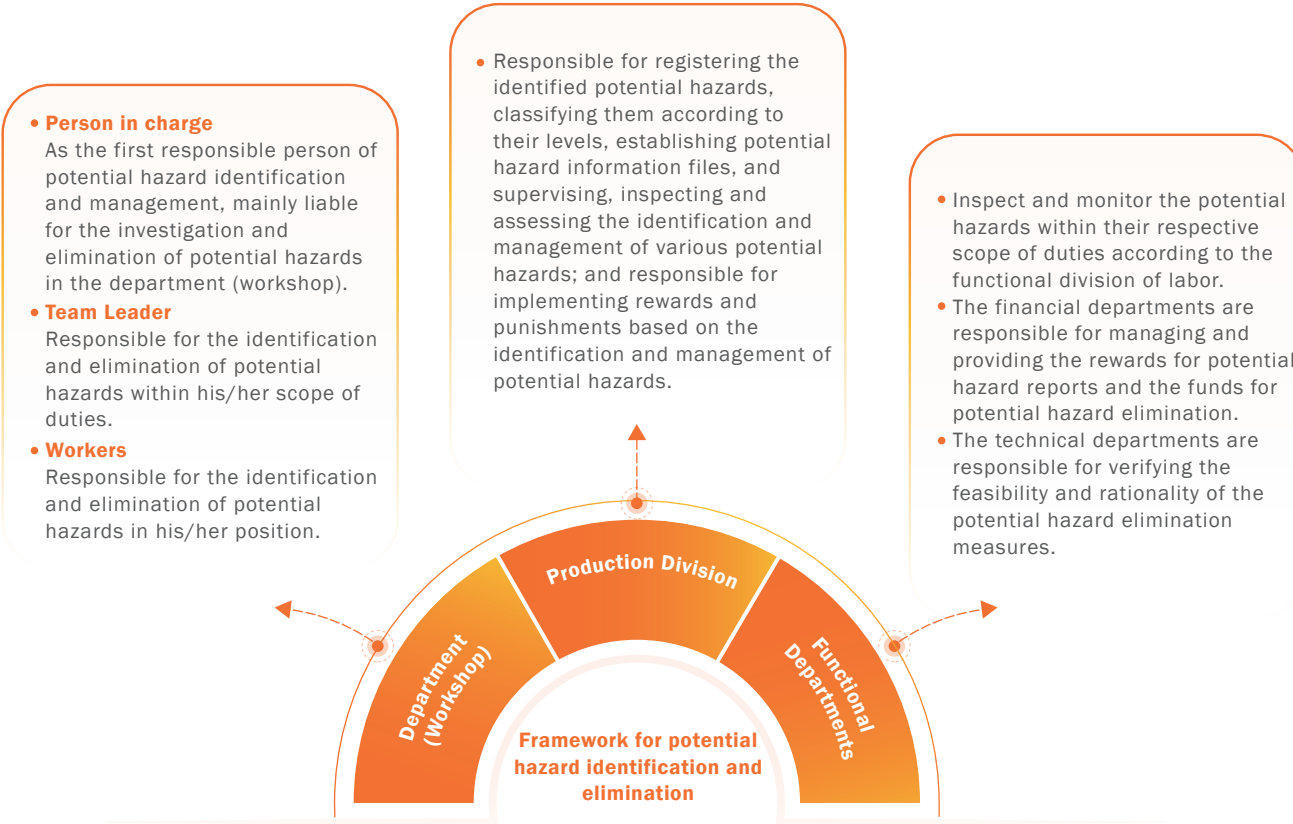


Example of hazard identification



Main occupational health and work safety management measures

GreatStar attached great importance to the work safety emergency management, and formulated the Work Safety Emergency Response Plan according to the requirements stipulated in the *Work Safety Emergency Response Regulations*, the *Rules for Managing Work Safety Emergency Response Plans*, GB/T29639-2020 *Guidelines for enterprises to develop emergency response plan for work place accidents* and other applicable standards, established a complete organizational structure for emergency response, and organized regular drills to continuously improve the ability of accident prevention and emergency rescue.



Management measures for mental health of employees

Case Organized a fire drill to enhance fire emergency response capabilities

In May 2024, Hangzhou Lianhe Electrical Equipment Manufacturing Co., Ltd., a subsidiary of GreatStar, organized a fire drill covering the canteen, dormitory, factory premises and other key areas, and over 600 employees participated in the hands-on firefighting operation. This drill strengthened employees' awareness of fire safety and self-rescue ability, laying a solid foundation for the Company to build a strong fire safety defense line.



The fire drill organized by Lianhe Electrical

Key Performance

In 2024, the Company invested a total of CNY 8.8675 million in work safety, organized 17 safety drills, and offered training on occupational health and work safety up to 1,835 hours in total, with each employee receiving 1 hour of training on average.

No work-related death occurred. The work-related injury insurance premium paid of employees was CNY 3.4091million.

The incidence rate of occupational diseases of employees was 0%.



Contributing to Social Benefits

In 2024, GreatStar actively participated in public benefits activities, and made contributions to the development of public education undertakings by offering scholarships and free donations. The Company made an educational donation to the Jiuzhi Community Development Foundation in Shangcheng District of Hangzhou City. The accumulated amount of the “Qiu Quanlin Scholarship” offered by the Company has exceeded CNY 3.2 million, which is used to reward outstanding students at Wuling Middle School. In addition, the Company established the “GreatStar Foundation” to provide financial assistance to employees in need. These measures reflected the Company’s care about the society and intention to promote the development of education and community.

Case Donated CNY 200,000 for supporting the development of Jiubao Education Institution

In January 2024, GreatStar donated CNY 200,000 to the Jiuzhi Community Development Foundation in Shangcheng District of Hangzhou City for supporting the development of Jiubao Education Institution. This donation reflected the Company’s determination to actively fulfill its social responsibility and support the development of community education. The Company insists on giving back to the society, closely combining enterprise development with social progress, and promoting education equity and quality improvement.



Educational Donation Certificate of GreatStar (CNY 200,000)

Case Wuling Middle School held the 7th “Qiu Quanlin Scholarship” Awarding Ceremony

In October 2024, Wuling Middle School held the 7th “Qiu Quanlin Scholarship” Awarding Ceremony. During this year, a total of 56 outstanding students received the Scholarship, and the cumulative amount awarded had exceeded CNY 3.2 million. The Scholarship was set up by Mr. Qiu Jianping, Chairman of GreatStar, to award outstanding students of Wuling Middle School. Chairman Qiu Jianping has always been enthusiastic about social benefit undertakings, and donated over CNY 16 million for the development of public education, including the Qiu Quanlin Science & Technology Building at Wuling Middle School, the Qiu Quanlin Scholarship, and the Hangzhou Jianlan Middle School Education Development Fund. The awarding ceremony not only commended outstanding students, but also reflected the constant support of GreatStar for promoting education undertakings, with a purpose of cultivating more outstanding talents for the society.

Key Performance

Economic

Indicators		Units	2024
Economic	Operating revenue	CNY 10,000	1,479,545.33
	Total assets	CNY 10,000	2,310,463.94
	Basic earnings per share	CNY/share	1.9286

Environmental

Indicators		Units	2024
Waste water	Total amount of waste water discharged	10,000 cubic meters	23.17
Waste gas	Total waste gas emitted	10,000 cubic meters	4,023.04
Solid waste	Total amount of waste generated	Tons	2,729.33
	Total amount of hazardous waste	Tons	2,675.68
	Total amount of harmless waste	Tons	53.65
	Total amount of recycled/reclaimed waste	Tons	818.00
	Waste recycling rate	%	29.97
Energy	Comprehensive energy consumption	Tons of coal equivalent (TCE)	765,980.20
	Energy consumption intensity	TCE/CNY 10,000 of operating revenue	0.52
	Direct energy consumption	TCE	3,311.26
	Indirect energy consumption	TCE	762,668.94
	Total amount of purchased electricity	MWh	6,196,485.30
	Total self-generated electricity consumption	MWh	3,726.10
	Clean energy consumption	MWh	5,024.08
Water resources	Total water consumption	Tons	875,028.51
	Water resources utilization intensity	Tons/CNY 10,000 of operating revenue	0.59
Environmental investment	Investment in environment protection	CNY 10,000	664.65

Social

Indicators		Units	2024
R&D input	R&D personnel	Persons	1,100
	R&D investment	CNY 10,000	36,615.89
	Number of patents newly granted	/	306
Employees	Total number of employees	/	13,244
	Total hours of employee training	/	9,820
	Investment in employee training	CNY 10,000	885.12
	Total hours of training on occupational health and work safety	/	1,835
	Total investment in work safety	CNY 10,000	886.75
	Incidence rate of occupational diseases	%	0
Supplier	Singing rate of integrity commitment letter	%	100
Data security	Number of data security training sessions	/	1



Benchmarking Indicators

Sections in this Report	Guidelines No. 17 for Self-regulation of Listed Companies – Sustainability Report (Trial) released by Shenzhen Stock Exchange	GRI Sustainability Reporting Standards (GRI Standards)
About This Report		2-2、2-3
Message from the Chairman		2-22
About Us		2-1、2-2、2-6
ESG Management	Article 53	2-29、3-1、3-2
Compliant Governance – Taking the Lead in Promoting Corporate Governance Based on Refined Compliance Management		
Corporate Governance		2-9、2-10、2-20、405-1
Investor Relations Management		
Compliance Risk Control and Responsible Business	Article 55, and Article 56	2-26、205-2、205-3、 207-1、207-2、207-3
Environmental Management – Jointly Creating an Ecological Future by Taking Initiative in Implementing Green Actions		
Environmental Compliance Management	Article 33	
Energy Utilization	Article 35	302-1、302-3、302-4
Water Resources Utilization	Article 36	303-1、303-5
Pollutants and Waste Treatment	Article 30, and Article 31	303-2、303-4、306-1、 306-2、306-3、306-5
Addressing Climate Change	Article 24, Article 26, and Article 27	201-2、305-1、 305-2、305-5
Green Operation	Article 37	301-1、301-2、301-3

Sections in this Report	Guidelines No. 17 for Self-regulation of Listed Companies – Sustainability Report (Trial) released by Shenzhen Stock Exchange	GRI Sustainability Reporting Standards (GRI Standards)
Common Progress – Jointly Promoting the Industry Development Based on Continuous Improvement		
Innovation-Driven Growth	Article 42	
Industry Cooperation		
Product Quality	Article 47	418-1
Supply Chain Security	Article 45	308-1
Data Security	Article 48	
Social Development – Putting People First and Contributing to Social Benefits		
Employee Rights and Interests	Article 50	2-7、401-1、401-2、 405-1、406-1
Training and Personal Development	Article 50	404-1、404-2
Health and Safety	Article 50	403-1、403-2、403-4、 403-5、403-7、403-9、 403-10
Contributing to Social Benefits	Article 40	203-1
Conclusion		
Key Performance		201-1
Benchmarking Indicators		
Reader's Feedback		

Reader’s feedback

Dear readers,

Thank you for taking the time to read this 2024 *Environmental, Social and Governance Report of Hangzhou GreatStar Industrial Co., Ltd.* We sincerely look forward to your opinions and suggestions, with the purpose to provide you and other stakeholders with more valuable information and effectively promote the Company's abilities and capabilities in ESG management.

Choice Questions (Please put a tick "√" in the appropriate box)

1. What is your overall impression on this Report?

☐Very good☐Good☐Average☐Poor☐Very poor

2. What do you think about this Report in the responses to the concerns of stakeholders and the corresponding disclosures?

☐Very good☐Good☐Average☐Poor☐Very poor

3. What do you think about the efforts made by GreatStar in dealing with the environmental issues?

☐Very good☐Good☐Average☐Poor☐Very poor

4. What do you think about the efforts made by GreatStar in dealing with the social issues?

☐Very good☐Good☐Average☐Poor☐Very poor

5. What do you think about the efforts made by GreatStar in dealing with the governance issues?

☐Very good☐Good☐Average☐Poor☐Very poor

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

☐Very good☐Good☐Average☐Poor☐Very poor

7. Do you think that this Report has good readability in terms of content arrangement and layout design?

☐Yes☐No

Open Questions

What comments and suggestions do you have for the ESG work of GreatStar?



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