

SKYWORTH

2023

Corporate Social Responsibility Report



SHENZHEN SKYWORTH DIGITAL TECHNOLOGY CO., LTD Bao'an FACTORY

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Speech from General Manager

2023, for Shenzhen Skyworth Digital Technology Co., Ltd. Bao'an factory, was a year full of honors and achievements. In this year, factory management, together with all loyal and dedicated employees, overcame numerous challenges, ensured timely delivery of customers' orders and achieved significant results in various aspects. We adhered to the mindset of new quality productivity, continuously promoted the transformation, improvement, and innovation of production factors, optimized operations in digitalization, informatization, intelligentization. Through scientific, standardized and systematic methods, operational efficiency was improved a lot to reduce the impact on environment, occupational health & safety, labor, human rights, business ethics, information security, sustainable procurement, and the community, which created a more comfortable working environment for our employees.

In parallel, Skyworth Digital Bao'an factory kept making vital progress in corporate social responsibility. As a result, we had been awarded EcoVadis silver medal in April 2023. Operationally, we had successfully implemented systems such as ISO 14001, ISO 45001, ISO 27001, ISO 20400, and obtained certifications from third-party authoritative organizations. Each function had actively implemented the policy and governance with conducting extensive trainings and communications, which deeply ingrained the principles of world-class manufacturing in everyone's mind.

To enlarge social influence, Our factory joined United Nations Global Compact (UNGC) and International Electronics Manufacturing Initiative (IPC), we committed to respect and practice the 10 principles of UNGC and reported sustainable development progress to UNGC annually.

Furthermore, through collaboration with IPC,

we had introduced more advanced management methods, technologies, and standards to promote sustainable development of environmental protection. Sustainability development group was founded and actively organized various public welfare activities, with focus on environment, occupational health & safety, labor & human rights, business ethics, information security, sustainable procurement, community engagement, and sustainable development. In 2023, the sustainability development group organized public welfare activities such as waste sorting, removal of white plastic waste, and green and low-carbon travel initiative, which received enthusiastic response and recognition from the communities. In future, we will continue to carry out such activities, coexist with the community, and jointly promote sustainable development at higher level.

Looking ahead to 2024, we will continue to uphold the principles of innovation, responsibility, and sustainability, enhance our own strength and social influence to create a better future.



李建俊

GM, Manufacturing Operations

Regarding this report

This report was the 2023 Annual Corporate Social Responsibility Report released by Shenzhen Skyworth Digital Technology Co., Ltd. Bao'an factory. It was compiled with reference to the GRI Sustainability Reporting Standards and aimed to disclose the company's policies, actions, performance, and continuous improvement plans on key issues of corporate social responsibility, including governance, labor & human rights, occupational health & safety, environment, business ethics, sustainable procurement, and new quality productivity.

Appellation description

For convenience of expression, in general, the terms "Skyworth Digital Bao'an factory," "the company," or "we" used in this report refer to Shenzhen Skyworth Digital Technology Co., Ltd. Bao'an factory. Specific circumstances will be specified separately.

Report time frame

This report covered the period from 1st January 2023 to 31st December 2023.

Report scope and boundaries

Scope of this report covered all business activities with Shenzhen Skyworth Digital Technology Co., Ltd. Bao'an factory as the main body, and physical boundary was the location of our factory.

Report data statement

The data and cases used in this report were derived from official company documents, statistical reports or public documents.

Reliability statements and Assurance

Skyworth Digital Bao'an factory is responsible for the authenticity, accuracy, and completeness of the content. We had also invited TÜV Rheinland Technology (Shanghai) Co., Ltd. to conduct an independent audit in accordance with the AccountAbility AA1000 Assurance Standard. The independent audit statement can be found in Chapter 12 of this report.

How to get the report

This report is available at:

<https://skyworthdigital.com/responsibility.html>

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About Skyworth Digital Bao'an Factory

Company Profile

Skyworth Digital Bao'an factory was established on November 14, 2006. General manager is Mr. Li Jiantong. Its unified social credit code is 914403007954331085. It is located at Floors 2-5, Comprehensive Building, Skyworth Industrial Park, Tangtou Industrial Zone, Shiyan Street, Bao'an District, Shenzhen City. Business scope includes production and operation of digital video broadcasting systems (DVB) series set-top boxes, access network communication equipments, and high-definition interactive multimedia audiovisual terminal products.



Skyworth Digital Bao'an factory has a united and constantly surpassing core team. It adheres to the work style of "rigorous, practical, unity, and innovation" to provide users with high-quality products and services. While strengthening technological innovation, it also continuously enhances management innovation by introducing modern management concepts and implementing scientific, standardized, and systematic management.

With advanced manufacturing systems, strict quality control, and comprehensive after-sales service, Skyworth Digital Bao'an factory is bringing its intelligent products into thousands of families, creating a digital network world with audiovisual services as the bond for every family, and bringing new entertainment ways to each end user.

VISION

Provide global users with a comprehensive system of home entertainment solutions and services



MISSION

Bring new entertainment to every family

TALENT CONCEPT

Improvement depends on study.
Promotion depends on performance



Values



Intelligent manufacturing



Management policy

Joy and happiness
Amoeba system management
5S+SMART Management

Management policy

Joy and happiness
Amoeba system management
5S+SMART Management

Suggestion System

Up to the general manager
down to the front-line employees
All staff participate in the improvement
Realize the "living factory"

5S

SLIM
SIMPLE
SMART
STANDARD
SYSTEM



Improvement Project

Develop and enhance the ability of managers and employees to solve problems and improve innovation

SMART

SWEET
MANAGEMENT
AGILITY
RESPONSIBILITY
TRAIN

1 Company governance and win-win development strategy

1.1 Sustainable corporate social responsibility strategy

In accordance with domestic and international situations global sustainable development trend, the needs of various stakeholders, and business policies and goals, Skyworth Digital Bao'an factory has established a sustainable development team to promote the company to continue to deepen scientific, standardized and systematic thinking, and build a sustainable corporate social responsibility management system with labor and human rights, occupational health and safety, environment, business ethics, sustainable procurement and new quality productivity as the core based on the ISO standard system. It has set the goal of sustainable corporate social responsibility - focusing on the concerns of stakeholders, emphasizing the role of leaders, following PDCA, using process methods, using risk thinking management, encouraging full participation, and helping the company to achieve steady and long-term success.

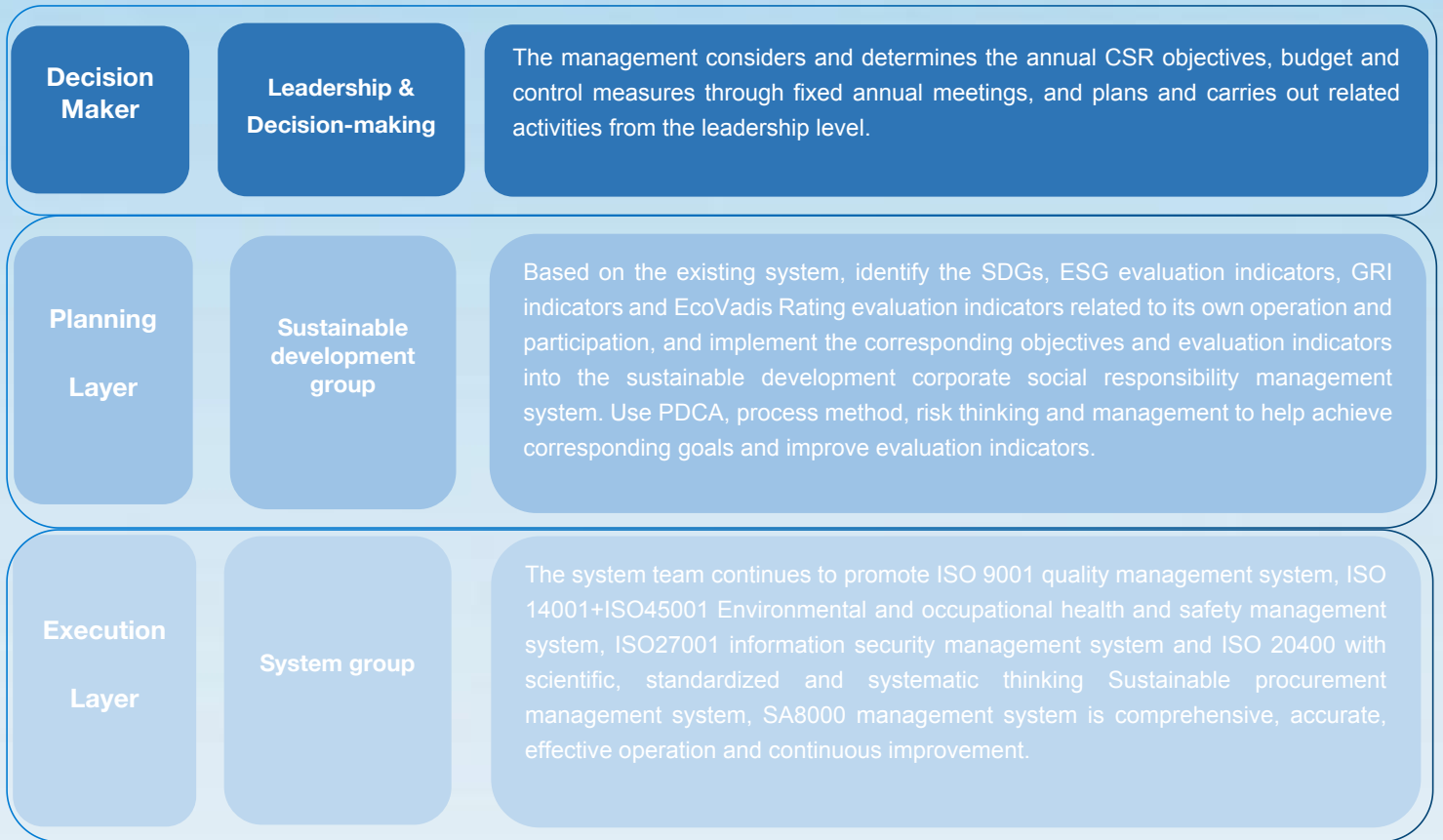


1.2 Actively participate in the UNGC United Nations Global Compact for sustainable development

The employees of Skyworth Digital Bao'an factory actively participate in the sustainable development actions of the United Nations Global Compact (UNGC), identify the SDGs associated with their own operations and participation, and implement them into the sustainable development corporate social responsibility management system.

经营和参与关联 SDGs					
上游供应链	下游供应链	经营活动	产品	员工	社会参与
1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17	3, 7, 9, 11, 13, 14, 15, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17

1.3 Corporate social responsibility management framework



Skyworth Digital Bao'an factory has established a corporate social responsibility management structure composed of the general manager, system representatives and sustainability team to analyze, plan, make decisions, implement, and make improvements according to the needs of various stakeholders. Sustainable development team reviews the annual development strategic and goals through a combination of regular meetings and temporary meetings, formulates target control plans and outputs performance reports.

1.4 Corporate social responsibility management system policy, key objectives and progress

Corporate Social Responsibility Management System	Policy	Key objectives	2023 Progress
Labor and human rights	People-oriented	Child labor is prohibited	Complied
	Joy and happiness	Fraud prevention training coverage: 100%	Complied
	Comply with laws and regulations	Maternity leave implementation rate: 100%	Complied
	Operate with integrity	Holiday benefit payment rate: 100%	Complied
	Participate and negotiate for continuous improvement.	Spring Festival return to hometown and visit relatives welfare rate: 100%	Complied
Occupational	Law-abiding	Prevent fires, avoid environmental pollution and property damage, zero fire case throughout the year.	Complied

Health and safety	people-oriented Prevention first Prevention and treatment combined Full participation Continuous improvement	Manage and control noise emission and reduce noise pollution: noise meets the Class II standard of GB12348-90, ≤ 60 dB during the day and $50 \text{ dB} \leq$ at night.	Complied
		Eliminate the failure to detect the disease in time. Occupational disease physical examination coverage: 100% (year).	Complied
		Eliminate incapacity and fatalities: 0 times (year).	Complied
		Elimination of general accidents and mechanical injuries: 0 times (per month).	Complied
Environment	Law-abiding People-oriented; Prevention first, prevention and treatment combined Full participation Continuous improvement.	All kinds of hazardous wastes are treated according to the requirements of laws and regulations to reduce the impact on the environment: 100% of all kinds of hazardous wastes are disposed of in accordance with the requirements of laws and regulations.	Complied
		Management and control of pollution of surface water by domestic sewage: The production wastewater is treated and discharged up to the standard (in line with the first-class standard of the second period in DB44/26-2001)	Complied
		Manage and control the emission of various types of waste gases and reduce air pollution: production waste gas emissions meet the standards (DB44/27-2001 second period secondary standard).	Complied
Business ethics	Strictly abide by the requirements of laws and regulations Put an end to any form of bribery and bribery, and create good conditions for the healthy development of the company	No bribery in violation of laws and regulations.	0
Information security	Strengthen awareness and standardize behavior	Zero incident of trade secret information leakage.	complied
	Data confidentiality and information integrity	Number of information security incident ≤ 1 per year.	0
	Safety first, prevention first Service excellence	Number of customer complaints about information security ≤ 0 .	0
	Continuous improvement.	Completion rate of the training program $\geq 95\%$ /month.	100%
		Important information: Device loss ≤ 1 time/year	0
Sustainable sourcing	Comply with business ethics Promote environmental protection, socially responsibility	Suppliers sign the "Social Responsibility Commitment": 100%	complied
		Suppliers have passed on-site audits of labor, health and safety, environment, and business ethics: 100%	complied

	Conduct procurement legally	On-time payment rate of supplier accounts: 100%	complied
		Due diligence compliance rate: 100%	complied
		ROHS compliance rate of environmentally friendly materials: 100%	complied
New quality productivity	Continue to promote innovation and quality improvement with scientific, standardized and systematic thinking Apply visualization and digital technology to improve production efficiency Promote intelligent automatic production line technology.	New Skills Training Coverage: 100%	complied
		All employees participated in the proposal (micro-innovation) improvement activities, participation rate: 75%	80.1%
		Automated production line percentage: >=20%	25%

1.5 Influence from all stakeholders

Skyworth Digital Bao'an factory deeply understands that various stakeholders play a vital role in sustainable development, and through the combing of upstream and downstream partners and operations, six major stakeholders have been identified: government and regulators, suppliers, customers, employees, communities, partners and media. We are grateful for the exchanges and collisions of thoughts from every stakeholder, and look forward to in-depth, comprehensive and sincere communication with each stakeholder to gain a deeper understanding of their concerns and take proactive actions. Stakeholders can

contact us through the contact details below, and dedicated staff will follow up on the comments & feedback, communicate and share the handling progress with stakeholders on a regular basis.

Contact window: YANG Yongzhou

Address: 5th Floor, Skyworth Science and Technology Park Complex, Shiyan Street, Bao'an District, Shenzhen, Guangdong Province

Zip code: 518000

Tel: 13423990852

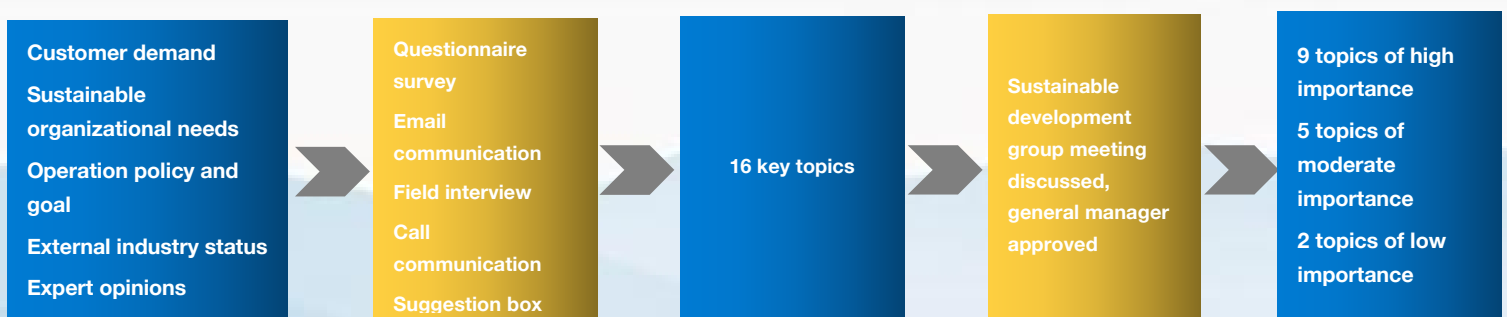
Stakeholders	Main topics of interest	Communication channels
1 Government and Regulatory Agencies	Labor & Human Rights/Occupational Health & Safety/Environment/Business Ethics/Information Security/Sustainable Procurement/New Productivity	Accept supervision/regular disclosure/irregular reporting/participate in relevant meetings
2 Suppliers	Sustainable Procurement/Quality Management/Business Ethics/Occupational Health and Safety/Environment/Information Security	Public Bidding / Supply Chain Supplier Management / Supplier Inspection and Audit / Supplier Semi-annual Training and Exchange Conference / Corporate Social Responsibility Questionnaire
3 Customer	Labor & Human Rights/Occupational Health & Safety/Environment/Business Ethics/Information Security/Sustainable Procurement/New Productivity/Green Products/Business Continuity	Customer Public Bidding/Customer Communication Meeting/Satisfaction Survey/Customer Visit/Customer Questionnaire
4 Employees	Labor & Human Rights/Occupational Health & Safety/Environment/Business Ethics/Information Security/Green Products	Union/Training/Employee Complaints & Grievances/Satisfaction Surveys
5 Community	Labor & Human Rights/Occupational Health & Safety/Environment/Business Ethics/Information Security/Sustainable Procurement/New Productivity/Green Products/Business Continuity	WeChat public account/communication hotline/public welfare activities
6 Partners & Media	Labor and Human Rights/Occupational Health and Safety Environment/Business Ethics/New Productivity Green Products/Business Continuity	WeChat public account/communication hotline/on-site activities

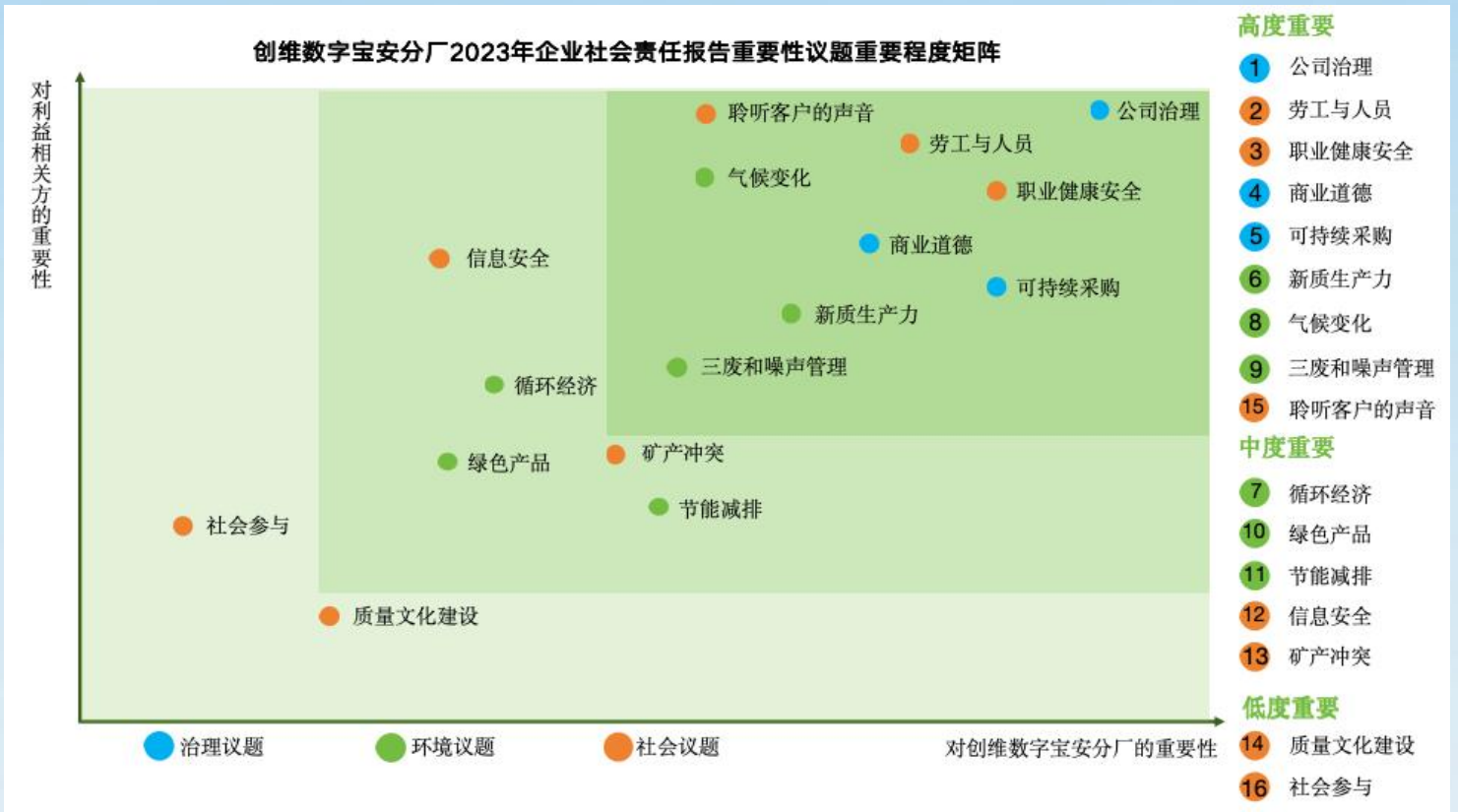
1.6 Analysis of key topics

In accordance with the GRI standards and the international corporate social responsibility evaluation system, Skyworth Digital Bao'an factory carried out identification of key topics, by various channels such as supplier survey questionnaires, community public welfare activities, demand interviews, and reference to third-party expert opinions to understand the

expectations of stakeholders, finally identified 16 key topics, including 9 with high importance, 5 with medium importance, and 2 with low importance. A matrix of importance to Skyworth Bao'an factory and stakeholders had been mapped and approved by the Sustainable Development Group.

Key topics identification process





◆ The impact of key topics on business and engagement

ESG Topic category	16 important topics	Importance evaluation	GRI Issues	Upstream supply chain	Downstream supply chains	Business activities	Products	Employee	Social participation	Responded Chapter
Corporate Governance	Corporate Governance	High	GRI 2-9 Regulatory Structure and Composition 2-10 Nomination and selection of the highest governing body Chair of the GRI 2-11 Supreme Governance Body GRI 2-12 The oversight role of the highest governing body in terms of managing impact GRI 2-13 is a delegation of responsibility to manage impacts GRI 2-14 The Role of the Highest Governance Body in Sustainability Reporting GRI 2-15 Conflicts of Interest GRI 2-16 Communication on Key Issues GRI 2-17 Common Knowledge of the Highest Governance Bodies GRI 2-18 Performance Assessment of the Highest Governance Body	V	V	V	V	V	V	1 Corporate Governance Layout of win-win development strategy 1.1 Sustainable development of corporate social responsibility strategy 1.2 Actively participate in the UNGC United Nations Global Compact Sustainable Development Goals action 1.3 Corporate social responsibility management structure 1.4 Corporate social responsibility management system policy, key objectives and progress 15 Influence by various stakeholders 16 Analysis of material issues 17 Internal control and risk management

Social issues	Labor and human rights	High	GRI 201: Economic performance 2016 GRI 202: Market performance 2016 GRI 203: indirect economic impacts 2016 GRI 401: Hire 2016 GRI 402: Industrial relations (2016) GRI 404: Training & education 2016 GRI 406: Anti-discrimination (2016) GRI 408: Child labour (2016) GRI 409: Forced or compulsory labor (2016)	v		v		v		2. Join hands to grow create a harmonious and happy workplace 2.1 Human rights and labor management policies 2.2 Talent acquisition and retention 2.3 Talent empowerment and training 2.4 Create a harmonious workplace ecology 2.5 Employee protection and care
Social issues	Occupational health and safety	High	GRI 403: Occupational health and safety 2018			v	v	v		3 People-oriented, protect Safe, Health and Environment 3.1 Policy and Objectives 3.2 Fire Safety 3.3 Work-related Injury Management 3.4 Occupational Hazard Management 3.5 Hazard Factor Detection 3.6 Employee health check
Corporate governance	Business ethics	High	GRI 205: Anti-rot 2016 GRI 206: Anti-competitive 2016 GRI 207: taxation 2019 GRI 418: customer privacy 2016	v	v	v	v	v	v	5 Honesty and Honesty Create a Model of Business Ethics 5.1 Anti-Corruption and Anti-Commercial Bribery 5.2 Information Security
Social issues	Sustainable sourcing	High	GRI 308: Supplier environmental assessment 2016 GRI 407: Freedom of association and collective bargaining 2016 GRI 414: Supplier Social Assessment 2016	v	v	v	v	v		6 Green Supply: Open up an era of continuous procurement 6.1 Supply chain management system 6.2 Responsible supply chain 6.3 Skyworth Digital Bao'an factory sets clear CSR bottom lines for its suppliers 6.4 Supplier training
Social issues	New quality productivity	High	GRI 416: customer health & safety 2016 GRI 417: Marketing & identity 2016	v	v	v	v	v		4.6 Green products 7 Excellent quality Accumulate new quality production force 7.2 Product quality and customer service
Environment	Climatic change	High	GRI 201: Economic performance 2016 GRI 305: emission 2016	v	v	v	v	v	v	4.2 Addressing climate change Climate risk and opportunity management
Environment	Three wastes and noise management	High	GRI 303: Water and sewage 2018 GRI 413: Local communities 2016 GRI 306: castoff 2020			v		v	v	4 Environmental governance: Leading the new era of low-carbon digital terminals 4.1 Environmental management system architecture 4.5 Pollution and environmental impact management

Social issues	Listen to your customers	High	GRI 302: energy 2016 GRI 416: Customer health safety 2016 GRI 417: Marketing & identity 2016	v	v	v	v		4.6 Green products 7 Excellent quality Accumulate new quality production force 7.2 Product quality and customer service
Environment	Circular economy	Medium	GRI 301: material 2016	v		v	v	v	8 Circular economy Build a green development engine
Environment	Green products	Medium	GRI 302: energy 2016 GRI 416: customer health & safety 2016 GRI 417: Marketing & identity 2016	v	v	v	v	v	4.6 Green products 7 Excellent quality, accumulation of new quality production force 7.2 Product quality and customer service
Environment	Energy saving and emission reduction	Medium	GRI 305: emission 2016			v	v		4.7 Energy conservation and emission reduction
Social issues	Information security	Medium	GRI 418: customer privacy 2016		v	v		v	5 SynTao Sincerity Forge a model of business ethics 5.2 Information security
Social issues	Conflict Minerals Management	Medium	2-22 Statement on the sustainability strategy 2-27 Compliance with laws and regulations	v	v	v	v		6 Green supply inaugurates a new era in sustainable procurement 6.2 Responsible supply chain conflict mineral management
Social issues	Quality culture construction	Low	GRI 416: Customer Health & Safety 2016 GRI 417: Marketing & Identity 2016	v		v	v	v	7 Excellent quality accumulation of new quality production force 7.2 Product quality and customer service 7.2.5 quality culture construction
Social issues	Social participation	Low	GRI 413: Local communities 2016	v		v		v	9 Fulfill responsibility and build a bridge of public welfare and love 9.1 Supplier sustainable development training conference 9.2 Corporate social responsibility public welfare activities

1.7 Internal control and risk management

The company strictly abides by the Company Law of the People's Republic of China, the Basic Standards for Enterprise Internal Control and the relevant internal control supervision requirements, and has formulated an internal control system covering all functional departments and links in combination with the actual situation of the company, in order to improve operational efficiency, financial transparency, protect the rights and interests of stakeholders, finally achieve robust governance and sustainable development. During the reporting period, work was carried out in the following four aspects:

<p>1) Closed-loop management of risk identification, assessment, response and improvement: Through comprehensive risk identification and assessment, the company has identified key risks and formulated corresponding strategies and actions. At the same time, mechanism has established to track and assess changes in risks in a timely manner. Necessary measures will be taken to reduce risks.</p>	
	<p>2) Training: The company pays attention to the risk awareness and ability training of employees, to improve employees' understanding and response ability of risk management by carrying out special training courses and educational activities on "risk management and internal control", so that they can actively participate in risk management.</p>
<p>3) Crisis response: The company has established a robust crisis management mechanism, including crisis management foundation, formulation of crisis response plans, and the implementation of simulation drills, etc., to respond to emergencies and crisis situations, and ensure the company's stable operation and interest protection.</p>	
	<p>4) Regular audit: The company conducts an internal audit at least once a year to check and evaluate the effectiveness and compliance of internal control and risk management, corrective plans will be required for the findings of the audit.</p>

Through risk identification and assessment, the company has identified four key risk areas that need to be focused on, including: strategic risks, operational risks, compliance risks, and production safety risks. In order to manage these risks in a more specific and detailed way, 14 specific risk items from aspects of rules, system and measures has been formulated.

Risk Category	Risks	Strategies
Strategic Risk	Corporate governance risk	Continuously improve company's mechanism of decision-making, supervision and incentive , standardize production and operation strategy to optimize the governance structure.
	Market risk	Diversify operations and market layout, reduce the dependence on a single market or type of product, flexibly adjust product and market strategy according to market demand and competition, improve the adaptability and competitiveness of enterprises.
Operational Risk	Technical risk	Increase financial support for new technology research and development, introduce and cultivate new technology development talents, create a corporate culture that encourages innovation and technological breakthroughs to stimulate the innovation potential of employees.
	Product quality risk	Continuously improve quality management system, promote intelligent and digital tools, implement product quality and safety, environmental protection control and reliability management. Externally, drive quality improvement of suppliers, finally achieve excellent product quality and customer satisfaction.
	Human resource risk	Provide a good working environment, establish a positive incentive mechanism, create a good team culture, open two-way communication channels, improve employee satisfaction and loyalty, reduce employee turnover.
	Environmental and sustainability risk	Cascade clear sustainability goals in the whole company and sign the 1.5°C Science Based Targets commitment. Identify and assess risks related to sustainable development, formulate short, medium and long-term carbon emission reduction goals and action plans, regularly track and evaluate sustainability performance KPIs and make timely adjustment when necessary.
Compliance Risk	Legal compliance risk	By regularly identifying and evaluating the company's applicable laws and regulations on a quarterly basis, the company can better understand and comply with the relevant requirements and avoid potential legal risks and losses.
	Business ethics Hazard risk	Under leadership of general manager, business conduct compliance management is implemented. Signing of "Integrity Agreement" and internal audit are conducted at least once a year to ensure key position employees comply with business ethics, laws and regulations.
	Information security and data privacy protection	Continuously improve information security management system, establish a set of data privacy policies. Conduct an internal review at least once a year to assess the effectiveness of information security and data privacy policies, and make adjustments as needed. Keep security measures up to date to adapt to the changing external environment.
Production safety Risk	Occupational health and safety risks	Continuously improve occupational health and safety management system, identify and evaluate occupational health hazards in production process, implement occupational health examinations before, during and after work, conduct environmental and safety inspections at least once a month and evaluate the effectiveness of measures, and adjust as needed.
	Environmental pollution risk	Continuously improve environmental management system, identify and evaluate the environmental impact in production process, implement the discharge of three wastes up to standard and the compliant transfer and treatment of hazardous waste, conduct environmental and safety inspections at least once a month to evaluate the effectiveness of measures.
	Electrical safety risk	Comply with the company's applicable electrical safety laws, regulations and standards, ensure design, installation and maintenance of electrical equipments meet relevant requirements. Establish strict safety operation procedures, clarify the authority and responsibility of electrical work, install appropriate electrical protection devices, ensure the normal operation of these devices, conduct regular testing and calibration, and regularly outsource electrical fire protection testing once a year. Provide necessary safety trainings to employees engaged in electrical work, including knowledge of the correct usage of electrical equipment, compliance with safe operating procedures, identification of electrical hazards, etc.

	Fire risk	Conduct a comprehensive assessment to identify potential risks. Take effective fire prevention measures, such as regularly inspecting electrical equipment, cleaning up flammable materials, keeping fire exits clear, and equipping fire extinguishing devices. Ensure proper operation of firefighting equipment and facilities, carry out regular maintenance and testing. Organize all employees to participate in fire drills every year and provide necessary fire safety training for employees.
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At same time, the company issued the "Laws and Regulations and Other Requirements Management Procedures", "Business Ethics Management Procedures", "Human Resources Management Procedures", "Information Security Management Procedures", "Environmental and Occupational Health and Safety Operation Control Procedures", "Employee Health Management System" for key risk areas. Through closed-loop measures, risk prevention and control capabilities were further enhanced.

1.8 2023 Honors & Social Recognition

On April 24, 2023, Skyworth Digital Bao'an factory successfully passed the EcoVadis assessment (an authoritative organization for global supply chain and corporate sustainability assessment), and was awarded the Silver Medal for Sustainable Development. On July 24 of the same year, Skyworth Digital Company and Bao'an factory disclosed carbon emission data to the global climate questionnaire for 1st time on CDP website platform, and obtained rating **B**. In 2023, the average rating of companies submitting climate change questionnaires in both the world and Asia were "C", highlighting Skyworth Digital and Bao'an's leading initiatives in the field of green and sustainable development. Besides, in 2023, Shenzhen Skyworth Digital Bao'an factory officially joined the United Nations Global Compact (UNGC). Parent company Shenzhen Skyworth Digital Technology Co., Ltd. and Skyworth Digital Bao'an factory signed letter of commitment to the Science Based Targets initiative (SBTi) net zero emissions, committed to promoting global sustainable development.

➤ EcoVadis silver medal

SHENZHEN SKYWORTH DIGITAL TECHNOLOGY CO LTD BAOAN FACTORY

深圳 - China | [Manufacture of consumer electronics](#)


Company size: M ⓘ ⚠ | Assessment scope: Entity ⓘ

Overall score


➤ 59/100

Percentile ⓘ

75th



➤ Signed the SBTi Net Zero Emissions Commitment Letter



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[How it works](#) [Set a target](#) [Target dashboard](#) [Sector guidance](#) [Resources](#) [Net-Zero](#) 🔍

Shenzhen Skyworth Digital Technology Co., Ltd
China, Asia

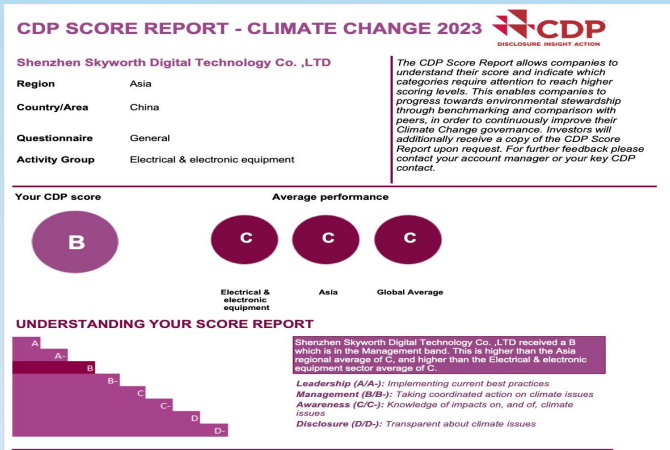
Organization type: Company
Sector: Technology Hardware and Equipment
Company temperature alignment: -
Business Ambition for 1.5°C commitment: ❌

COMMITTED
COMMITTED

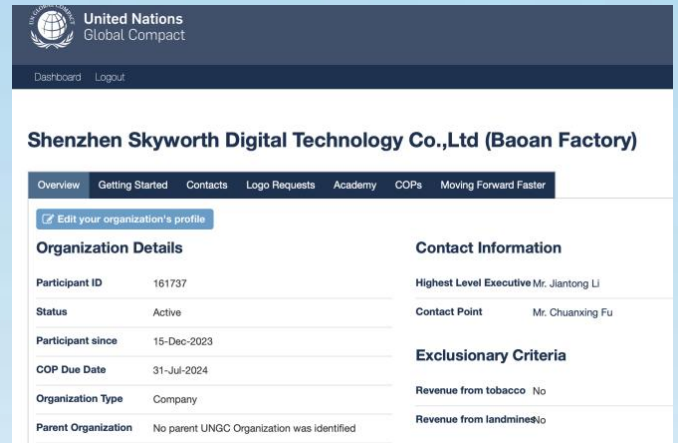
Company
View less ^

DOWNLOAD ALL DATA +

➤ CDP rating



➤ Join the united nations global compact (UNGC)



1.9 Management system certification

In 2023, Skyworth Digital Bao'an factory continued to promote the management system certification and continuously improved the corporate governance level. It had successively passed SA8000:2014 social responsibility management system certification, TL 9000-H R6.3/R5.7&ISO9001:2015 quality management system certification, ISO50001:2018 energy management system certification, ISO14001:2015 environmental management system certification, ISO45001:2018 occupational health and safety management system certification, ISO/IEC27001:2022 information security management system certification, ISO37001: 2016 Anti-bribery Management System Certification, ISO20400: 2017 Sustainable Procurement Declaration of Conformity Certification.

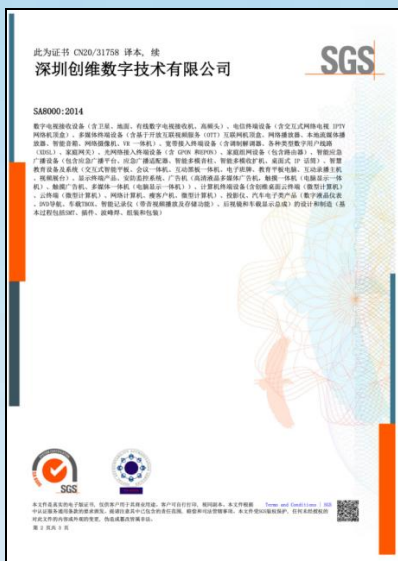
In 2023, Skyworth Digital Bao'an factory conducted an organization-wide carbon verification for year 2022, carried out carbon neutrality for Scope 1 and Scope 2, and obtained the ISO 14064-1:2018 greenhouse gas verification certificate and PAS2060:2014 carbon neutrality certificate issued by TÜV Rheinland.

In April 2024, the organization-wide carbon emissions have been audited and verified by TUV Rheinland, and obtained the ISO 14064-1:2018 greenhouse gas verification certificate issued by TUV Rheinland for year 2023. At the same time, the company has also achieved carbon neutrality for Scope 1 and Scope 2 carbon emissions, and has obtained the PAS2060:2014 carbon neutrality certificate released by TUV Rheinland, certificates listed in below table and images.

➤ Company management system certifications



SA8000-1



SA8000-2



SA8000-3



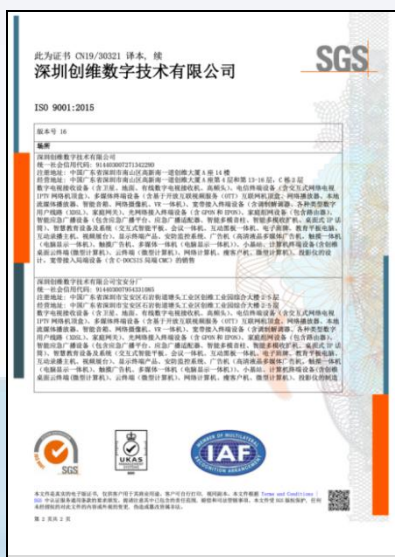
TL9000-1



TL9000-2



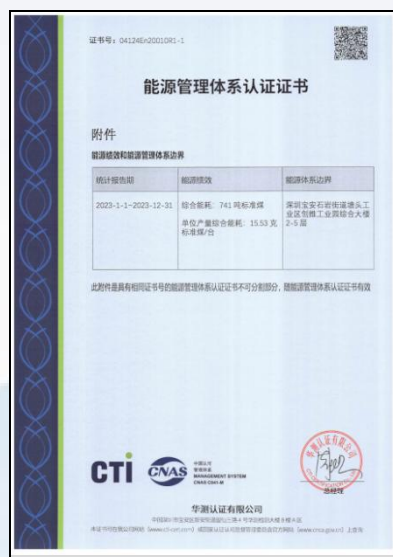
ISO9000-1



ISO9000-2



ISO50001-1



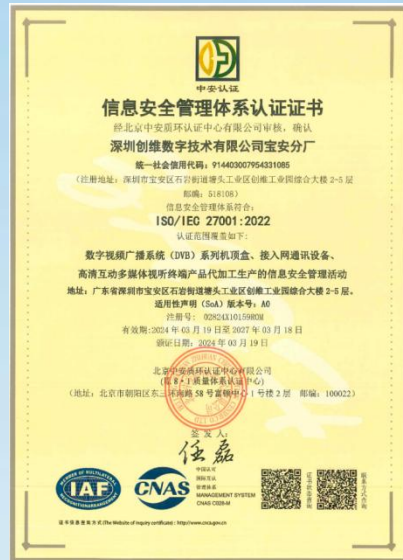
ISO50001-2



ISO14001



ISO45001



ISO27001



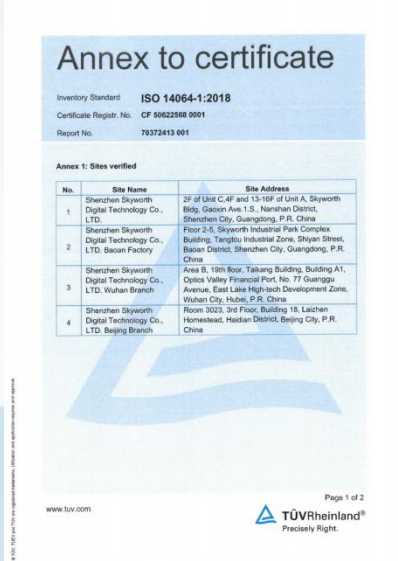
ISO37001



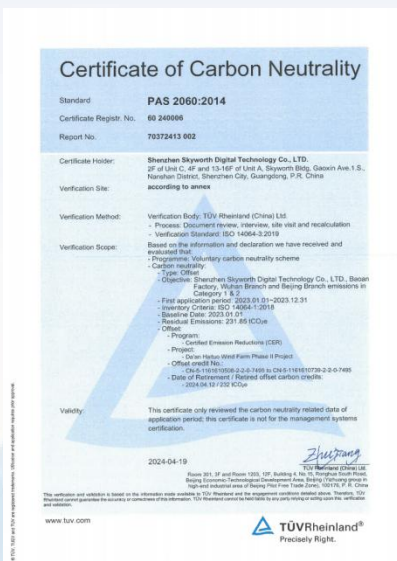
ISO20400



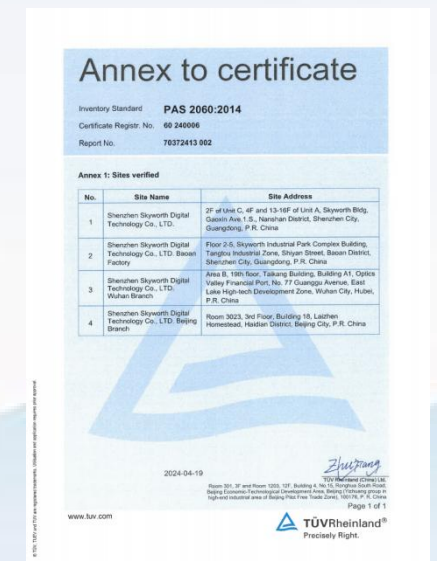
ISO14064-1



ISO14064-2



PAS 2060-1



PAS 2060-2

Certificate

Inventory Standard **ISO 14064-1:2018**
 Certificate Registr. No. **CF 50622568 0001**
 Report No. **70372413 001**

Certificate Holder: **Shenzhen Skyworth Digital Technology Co., LTD.**
 2F of Unit C, 4F and 13-16F of Unit A, Skyworth Bldg, Gaoxin Ave. 1.S.,
 Nanshan District, Shenzhen City, Guangdong, P.R. China
 according to annex

Verification Site:

Verification Method: Verification Body TÜV Rheinland (China) Ltd.
 - Process: Document review, interview, site visit and recalculation
 - Verification Standard: ISO 14064-3:2019

Verification Scope: Based on the information we have received and evaluated that:
 - Programme: Voluntary GHG scheme
 - Organizational Boundary: Operational Control
 - Level of Assurance: Reasonable
 - Materiality: 5%
 - Detail warming potential (GWP): IPCC 2021
 - Base year: 2023 (2023.01.01-2023.12.31)
 - Inventory year: 2023 (2023.01.01-2023.12.31)
 - The total carbon emission is 8373870.20 tonnes CO₂ equivalent (tCO₂e)
 - Category 1 Direct emission is 231.85 tCO₂e
 - Category 2 Indirect imported energy emission is 3917.20 tCO₂e
 - Category 3 Indirect transportation emission is 1624.69 tCO₂e
 - Category 4 Indirect products used by organization emission is 879384.81 tCO₂e
 - Category 5 Indirect associated with the use of products from the organization emission is 752711.65 tCO₂e
 - Category 6 Indirect other sources emission is not quantified
 Data and information
 - Historical in nature: Category 1 / 2
 - Historical in nature with scenario model: Category 3 / 4 / 5
 - Purchased: Renewable energy 0 MWh
 - The inventory uses Chinese Regional Grid Average Emission Factor of 2022 from «Nube» on the management of greenhouse gas emission reporting of enterprises in power generation industry from 2023 to 2025.


Validity: This certificate only reviewed the emissions data of inventory year, this certificate is not for the management systems certification.

2024-04-11

Room 301, 3F and Room 1003, 10F, Building 4, No. 15, Honggang South Road, Beijing Economic-Technological Development Area, Beijing (China) group in high-end industrial area of Beijing Free Trade Zone, 100176, P.R. China

This verification and validation is based on the information made available to TÜV Rheinland and the engagement conditions detailed above. Therefore, TÜV Rheinland cannot guarantee the accuracy or completeness of the information. TÜV Rheinland cannot be held liable for any injury or damage caused by the verification and validation.

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ISO14064-1 (2024 年)

Annex to certificate

Inventory Standard **ISO 14064-1:2018**
 Certificate Registr. No. **CF 50622568 0001**
 Report No. **70372413 001**

Annex 1: Sites verified


No.	Site Name	Site Address
1	Shenzhen Skyworth Digital Technology Co., LTD.	2F of Unit C, 4F and 13-16F of Unit A, Skyworth Bldg, Gaoxin Ave. 1.S., Nanshan District, Shenzhen City, Guangdong, P.R. China
2	Shenzhen Skyworth Digital Technology Co., LTD. Baoan Factory	Floor 2-5, Skyworth Industrial Park Complex Building, Tangjia Industrial Zone, Shiyen Street, Baoan District, Shenzhen City, Guangdong, P.R. China
3	Shenzhen Skyworth Digital Technology Co., LTD. Wuhan Branch	Area B, 19th floor, Taikang Building, Building A1, Optics Valley Financial Port, No. 77 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei, P.R. China
4	Shenzhen Skyworth Digital Technology Co., LTD. Beijing Branch	Room 3023, 3rd Floor, Building 18, Laishan Homestead, Haidian District, Beijing City, P.R. China

2024-04-11

Room 301, 3F and Room 1003, 10F, Building 4, No. 15, Honggang South Road, Beijing Economic-Technological Development Area, Beijing (China) group in high-end industrial area of Beijing Free Trade Zone, 100176, P.R. China

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ISO14064-3 (2024 年)

Annex to certificate

Inventory Standard **ISO 14064-1:2018**
 Certificate Registr. No. **CF 50622568 0001**
 Report No. **70372413 001**

Annex 2: Respective site GHG emission


No.	Site Name	Direct Emission (tCO ₂ e)	Energy Indirect Emission (tCO ₂ e)	Other Indirect Emission (tCO ₂ e)	Total (tCO ₂ e)
1	Shenzhen Skyworth Digital Technology Co., LTD.	75.04	284.15	938.46	1297.65
2	Shenzhen Skyworth Digital Technology Co., LTD. Baoan Factory	149.56	3396.01	836853.32	8372198.99
3	Shenzhen Skyworth Digital Technology Co., LTD. Wuhan Branch	5.11	192.28	118.40	315.79
4	Shenzhen Skyworth Digital Technology Co., LTD. Beijing Branch	2.04	44.76	10.97	57.77

2024-04-11

Room 301, 3F and Room 1003, 10F, Building 4, No. 15, Honggang South Road, Beijing Economic-Technological Development Area, Beijing (China) group in high-end industrial area of Beijing Free Trade Zone, 100176, P.R. China

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ISO14064-3 (2024 年)

Certificate of Carbon Neutrality

Standard **PAS 2060:2014**
 Certificate Registr. No. **60 240006**
 Report No. **70372413 002**

Certificate Holder: **Shenzhen Skyworth Digital Technology Co., LTD.**
 2F of Unit C, 4F and 13-16F of Unit A, Skyworth Bldg, Gaoxin Ave. 1.S.,
 Nanshan District, Shenzhen City, Guangdong, P.R. China
 according to annex

Verification Site:

Verification Method: Verification Body TÜV Rheinland (China) Ltd.
 - Process: Document review, interview, site visit and recalculation
 - Verification Standard: ISO 14064-3:2019

Verification Scope: Based on the information and declaration we have received and evaluated that:
 - Programme: Voluntary carbon neutrality scheme
 - Carbon neutrality:
 - Type: Offset
 - Objective: Shenzhen Skyworth Digital Technology Co., LTD., Baoan Factory, Wuhan Branch and Beijing Branch emissions in Category 1 & 2
 - First application period: 2023.01.01-2023.12.31
 - Inventory Criteria: ISO 14064-1:2018
 - Baseline Date: 2023.01.01
 - Residual Emissions: 231.85 tCO₂e
 - Offset:
 - Program: Certified Emission Reductions (CER)
 - Project: Ewin Hubus Wind Farm Phase II Project
 - Offset credit No.: CH-C-116165268-2-2-0-7495 to CH-C-116167039-2-2-0-7495
 - Date of Retirement / Retired offset carbon credits: 2023.04.19 232 tCO₂e


Validity: This certificate only reviewed the carbon neutrality related data of application period; this certificate is not for the management systems certification.

2024-04-19

Room 301, 3F and Room 1003, 10F, Building 4, No. 15, Honggang South Road, Beijing Economic-Technological Development Area, Beijing (China) group in high-end industrial area of Beijing Free Trade Zone, 100176, P.R. China

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PAS 2060-1 (2024 年)

Annex to certificate

Inventory Standard **PAS 2060:2014**
 Certificate Registr. No. **60 240006**
 Report No. **70372413 002**

Annex 1: Sites verified


No.	Site Name	Site Address
1	Shenzhen Skyworth Digital Technology Co., LTD.	2F of Unit C, 4F and 13-16F of Unit A, Skyworth Bldg, Gaoxin Ave. 1.S., Nanshan District, Shenzhen City, Guangdong, P.R. China
2	Shenzhen Skyworth Digital Technology Co., LTD. Baoan Factory	Floor 2-5, Skyworth Industrial Park Complex Building, Tangjia Industrial Zone, Shiyen Street, Baoan District, Shenzhen City, Guangdong, P.R. China
3	Shenzhen Skyworth Digital Technology Co., LTD. Wuhan Branch	Area B, 19th floor, Taikang Building, Building A1, Optics Valley Financial Port, No. 77 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei, P.R. China
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2024-04-19

Room 301, 3F and Room 1003, 10F, Building 4, No. 15, Honggang South Road, Beijing Economic-Technological Development Area, Beijing (China) group in high-end industrial area of Beijing Free Trade Zone, 100176, P.R. China

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PAS 2060-2 (2024 年)



2 Join hands to grow create a harmonious and happy workplace



HRM -Yang Yongzhou

In the context of globalization, companies need to show a high sense of responsibility in labor and human rights management. It mainly includes: compliance with laws and regulations to ensure business activities comply with national and international labor standards. For personnel training, establish a comprehensive training system, improve staff skills and professional quality. For harmonious workplace ecology, create an open and inclusive culture, pay attention to employees' mental health. For employee care, provide a competitive salary and welfare system to meet the diverse needs of employees. Through these measures, enterprises can achieve labor-management harmony, enhance their social image and promote sustainable development.

2.1 Human rights and Labour management policies

We are committed to following various international Labour conventions and initiatives, including: The UNGC Ten Principles of the United Nations Global Compact, the Universal Declaration of Human Rights, the Core Conventions of the International Labour Organization, the United Nations Guiding Principles on Business and Human Rights, the Responsible Business Alliance Code of Conduct, the Global Sullivan Principles, the Standard of Ethical Responsibility in Society (SA 8000), Abide by the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China and other laws and regulations. The concept of labor human rights issues is deeply rooted in the management of Skyworth Digital Bao'an factory, we respect and protect the legitimate rights and interests of workers, and put an end to all violations of human rights.

In order to further improve the management level of human rights, the company has formulated the

Employee Handbook, the Recruitment Management Code and other labor rights protection systems to regulate work behavior, prevent forced labor, child labor and other illegal acts, oppose discrimination and harassment, protect employees' reasonable working hours and payment, respect employees' rights of free association and collective negotiation, and provide an inclusive and diverse work environment for employees.

In order to ensure the implementation of company's labor management system, we have linked the public security system, the employee ID card management system, and the face recognition system to ensure that there is no child labor and no criminal record.

At the end of the reporting period, we did not find any violations of freedom of association, collective bargaining rights, forced labor, illegal slavery, child labor, underage labor, or discrimination in our operations.



Forced Labor	No human trafficking or employment of any form of slavery (including modern slave Labour), forced Labour, bonded Labour, indentured Labour or prison Labour shall be permitted.
Prohibition of child labor	In the recruitment stage, manually check the identity card and verify the age of employees; The personnel and public security network system sets up a control module, and when the ID number of the applicant is entered, the system will automatically warn that the applicant has not reached the legal age.
Working hours	All work should be done voluntarily by workers. If employees need to work overtime temporarily due to work relations, they should go through the overtime application process stipulated in the Employee Manual and be submitted to the relevant management of the superior for approval and confirmation.
Overtime compensation	In accordance with the requirements for overtime pay/overtime allowance set out in the Employee Manual, the employee's extended working hours beyond normal working hours shall be considered as overtime and shall be paid in accordance with the statutory requirements.
Freedom of association	To ensure that workers exercise their right to organize in an environment free from violence, pressure, intimidation and intimidation, and to provide the facilities that may be appropriate for the formation of trade unions or other forms of employee organization so that they can carry out their duties promptly and effectively.
Anti-discrimination	Fair and equitable to all employees, Employment, job assignment, pay, benefits, and training are not based on race, age, gender, sexual orientation, race, geographic area, disability, religion, political status, union membership, military status, national origin, marital status, pregnancy, medical condition, social class, physical characteristics (height, weight, vision, place of birth), etc Any discrimination in opportunities, promotion, punishment, dismissal or retirement.

2.2 Talent acquisition and retention

Skyworth Digital Bao 'an factory constantly improves talent management system, enriches talent reserve, builds a clear career development and promotion process for employees, formulates fair, open salary management standard, sets up a scientific performance appraisal system, provides employees with abundant benefits, enables employees to share development results with company, stimulates their potential and work enthusiasm, and improve the competitiveness of enterprises in all aspects.

Talent Recruitment

The company firmly believes that only with a high-quality talent team, it can continue to innovate. In 2023, the company strengthened the introduction of software and algorithm talents. Recruitment team had rich talent resources channels and keen industry insight, they established long-term good cooperative relations with key universities in Changsha, Wuhan, Shenzhen, Xi 'an, Nanjing, Chengdu, Harbin, and had introduced a large number of fresh graduates from colleges and universities every year. At same time, based on the needs of overseas core business development, an overseas recruitment talent system has been established to consolidate the foundation of talents.



The company actively implements the strategy of talent management, pays attention to the objective needs and career development expectations of employees at different stages, and provides talent guarantee for the company to maintain its competitive advantage in the market.

Salary Level

The company has committed to ensuring the competitiveness of employee salaries in the external market and rationality of the company. The company strictly implements the rules and regulations of Shenzhen Human Resources and Social Security Bureau, and all employees are paid in accordance with the minimum wage standard requirements stipulated by Shenzhen Human Resources and Social Security Bureau. It creates an atmosphere where employees feel valued. According to the core concepts of "individual incentive is based on responsibility and performance contribution, organizational incentive is based on business development and acquisition and sharing", the company constantly improves the incentive mechanism in combination with needs and objectives of employees and organizations at different stages, and provides employees with industry-competitive payments and benefits.



Assessment and Motivation

In order to effectively match the needs of the company's business development and introduction of external talents, reflect the principles of justice and fairness, the company has formulated a standardized salary management system and built an incentive and reward system that inclines resources to those who struggle and perform well, so as to promote the long-term development of outstanding employees. Among them, the core principle is to comply with policy: "Level by job, pay by level, person and job matching, easy job low payment". The company actively promotes medium and long-term incentive plans for employees. According to different situations, implement job value sharing plan for core employees, key employees and other talents to maintain the stability and cohesion of talents. During the reporting period, under the challenges of the



complex economic environment, the company still adhered to the annual salary review and salary adjustment work to further reserve talents and support the sustainable and healthy development of company.

Promotion System

Skyworth Digital Bao'an factory has formulated a clear career development path for all employees, and continues to improve the promotion process and policies. It has set up a transparent promotion process with four principles below to ensure employees enjoy equal, transparent, fair and reasonable promotion rights.

- ▶ Pay equal attention to performance and morality
- ▶ The principle of promotion and demotion
- ▶ Combination of promotion by level and promotion by level
- ▶ Combination of vertical promotion and horizontal promotion



2.3 Talent empowerment and training

Talent is the cornerstone of high-quality development of companies, the company attaches great importance to employee development and training, focusing on management, key echelon talents, new employees (including fresh college students), and providing a diversified training system to help every employee grow and develop their abilities. To create high-quality, high creativity, high cohesion of the work team. At the beginning of each year, HR department collects training requests and formulates annual training plans based on business development needs. Different level programs help different echelon talents.

For management, target is to improve their knowledge vision, management awareness and skills.

For new employees, a "new cloud" program is set up to help them quickly understand and integrate into company

For fresh college graduates, there are "sailing training camp", which includes company's business system, functional departments, production practice, group construction and development by combination of classroom, activities and practice, aiming to improve the company's talent competitiveness.



Focus on employee development and training system

We build and implement a comprehensive talent training system for all employees, covering corporate culture, EHS, human rights and diversity training, information security, business ethics. This training system runs through every stage of employee growth in the company. In order to enrich the courses, besides offline coaching, an online learning platform called "Joy" is created so employees can freely choose the courses depending on their interest.

Training item	People to be trained	Training content
Induction training	New employees	Company profile, rules and regulations, quality requirements, environmental /EHS/ Social responsibility basics, Human rights and diversity, Business ethics, information security, Occupational Health and Safety.
On-job-training	Employees	Job knowledge, product knowledge, quality knowledge, EHS, corporate code of Conduct, business ethics, social responsibility knowledge, information security and various special training programs.
Onboard Training	New employees	Company culture, company organizational structure & department overview and responsibility, product knowledge, job knowledge
Job-transfer training	Job-transfer employees	New job knowledge, and participate in the annual training plan for new positions required training courses, qualification before on job
New skill development	Technician, Engineer	Tools, product/process knowledge, time management, project management, etc (training request collected)

Cases | Quality tools Training

In order to strengthen professional tools, Skyworth Digital Bao'an factory carried out special training on tools. From June to July 2023, totally 6 professional tool courses was held for 2 months, focusing on company's products and case analysis as examples, showing how to use different tools to quickly analyze and solve problems, improving work efficiency and work ability.



Internal trainers certification

In order to provide employees with more professional knowledge explanation and teaching, enrich quality of course and create a good atmosphere for sharing, communication and learning, we have launched "internal lecturer" program since 2010, setting up training, certification, and awarding. Certified

instructors had successfully given courses internally, feedback was quite good from after-course evaluation.

✓ As of the end of the reporting period, Skyworth Digital Bao'an factory has trained a total of 55 internal instructors

Internal Trainer Project Procedure



Case | Internal trainer Project

In October 2023, Skyworth Digital Bao'an factory invited professional lecturers from Shenzhen trade unions to Skyworth. During the class, the teachers introduced the requirements for lecturers in detail, including positioning of lecturers, lecturer ability model, and lecturer literacy. This training mainly includes "How to become a qualified Internal Trainer", "Course Design and Production", "Classroom presentation and field control skills", which strengthened the students' curriculum development foundation through theoretical and practical operations, and focused on training of students' teaching skills, presentation of courses, communication and expression skills.



2.4 Create a harmonious workplace environment

Skyworth Digital Bao'an factory is committed to building a harmonious workplace and a good relationship between company and its employees. We set up quite a few communication channels for employees to feedback their real demands, take care of their concerns, update to them on a regular basis. At the same time, we organize various forms of employee activities to enrich employee welfare and happiness feeling in company.

Employee Communications

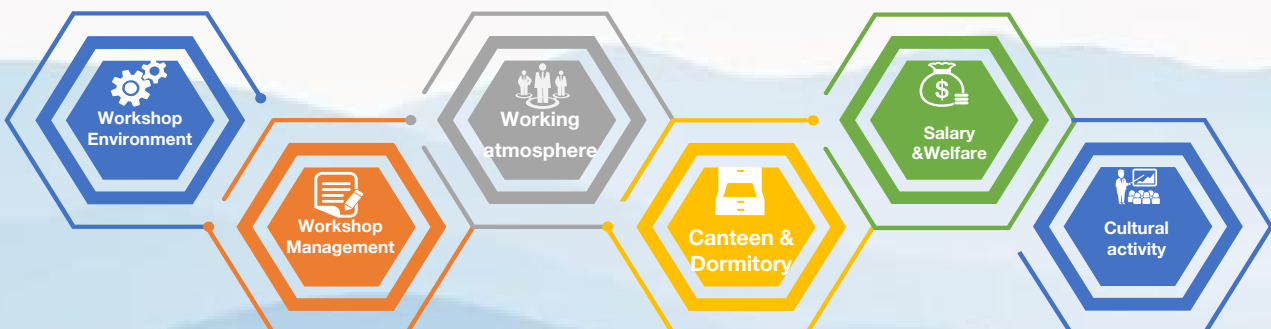
Skyworth Digital Bao'an factory strictly abide by the requirements of laws and regulations, fully respect and safeguard the legal rights of all employees, including equal negotiation and collective agreement. We have established a trade union organization, and employees have the right to freely choose whether to join or not.

Create a harmonious workplace environment

Caring for people is an important part of our value co-creation and achievement sharing chain. We attach importance to the feeling of employees, implement honor system, hold employee activities to convey care for them.

Communication Channels

We have set up a variety of communication channels and platforms for employees, such as suggestion box channel in the company's public account, suggestion box in each corridor to collect employees' voices. We attach importance to employees' workplace experience and expectations, and regard employee satisfaction as the "barometer" of enterprise happiness index and enterprise management. For this reason, the company regularly organizes face-to-face interviews between senior executives of various departments and employees every year, requiring senior executives to go to the front line to understand the real demands of employees and enhance enterprise cohesion. The 2023 employee interview covers opinions on six modules: workshop environment, workshop management, working atmosphere, restaurant and dormitory, salary and welfare, and cultural activities, and uses the interview results to guide and HR department to make future work improvement plans. All departments will carry out employee interviews on a regular basis, continuously collect employee opinions and improve daily management.



2.5 Employee protection and care

Employee Protection

The company respects and protects legal rights and interests of employees, respects labor, knowledge and creating value. It constantly improves the relevant system of employment and welfare security, implements the labor contract system for all employees, establishes standardized labor relations, and clarifies the rights and interests of employees and the obligations to be fulfilled. Also, the company strictly implements the relevant provisions of the state social insurance and pays "five insurance and one fund".

In accordance with the relevant regulations of the labor department, handle the labor contract, social insurance for all employees so employees can get timely help and compensation in the case of pension, illness, work-related injury, unemployment, maternity and other circumstances, and ensure that employees enjoy national statutory holidays, including annual leave, maternity leave, sick leave, marriage leave etc. 100% social insurance coverage by 2023. Purchase accident insurance coverage of 100%. In 2023, employees and their families will be provided with serious illness insurance, and employees' premiums will be shared by individuals and the company, and the company will subsidize 40% to 60%, effectively implementing the care for employees.

The company attaches great importance to safety production work, after years of efforts, it has built a solid safety net. The company adheres to the policy of "safety first, prevention first and comprehensive management", pays close attention to the construction of safety management system. In recent years, the company has made obvious improvements in safety management organization structure, professional personnel configuration, mechanism and process. It is becoming more and more robust. No major safety accidents occurred in 2023, and safe production work ensured the "bottom line and red line".

The company implements democratic management, sets up trade union organizations, and regularly holds the congress of trade union members and the congress of employees, which effectively protects the legal rights and interests of employees.

Employee Care

The company pays attention to physical and mental health of employees, creates a good working environment, respects employees, encourages employees to actively participate in company's operation, maintains good information communication channels, and enhances employees' sense of mission and value of work. Also, the company continues to innovate the form of democratic management, so employees can understand relevant information through more channels, and can instantly interact with feedback. When the company formulates relevant rules and regulations on attendance assessment, performance assessment, employee rewards and punishments, wage payment, social insurance, welfare benefits, labor contracts, production safety, etc., it will publicize them through offline meetings, office systems or written forms, and solicit the opinions of trade unions and employee representatives. At same time, the company is committed to building a diversified welfare system with characteristics. When birthday, marriage, birth of child and other important life nodes, they will receive gifts from company. The Spring Festival, March 8th Women's Day, Dragon Boat Festival, Mid-Autumn Festival and other important festivals company will prepare welfare for employees. Provide care and protection for female employees during pregnancy, perinatal period and lactation period. Free physical examination for all employees, accommodation and commuting shuttle bus are provided. Carry out practical health knowledge training: how to



protect against COVID-19, emergency rescue, common drug allocation and other health knowledge. Seek happiness for employees in all aspects, improve employees' welfare satisfaction, and enhance cohesion. In order to cultivate the diversified interests of employees and create a healthy working and living atmosphere, the company has set up more than ten staff clubs according to the interests of employees, including dance, table tennis, English, reading, painting and calligraphy, singing, basketball, football, running, mountaineering, badminton, tennis, swimming and happy family associations. It has greatly enriched the leisure cultural life of employees and enhanced cohesion, unity and cooperation. The manufacturing industrial park is equipped with basketball court, football field, badminton hall, library, staff activity center, etc., which provides employees multiple places for sports, learning and entertainment.



Case | Badminton

In September 2023, in order to enrich the spare time life of employees and enhance their physical fitness, Skyworth Digital Bao 'an factory held an annual badminton competition, encouraging employees to actively participate and strive to obtain good results with trophies and bonuses.



Employee welfare

Skyworth Digital Bao 'an factory adheres to the people-oriented development concept and attaches great importance to employees' requirements for work and satisfaction. For this reason, we have set up an employee welfare system, provided employees with diversified care facilities and activities, and continuously improved employee satisfaction. We provide all employees with statutory benefits and paid holidays. On top of this, we also provide the following benefits to enhance employee happiness and sense of identity.

- 

Education

In cooperation with the local government, the park has set up an enterprise kindergarten to ensure the local needs of employees' children, and provides shuttle buses for picking up and dropping off school and after-school care services.
- 

Help window

Set up an exclusive administrative communication window to answer staff questions on food, clothing, housing and transportation, communicate and interact with employees, and launch intelligent reply questions and answers and manual reply services.
- 

Birthday

On the day of the employee's birthday, the employee's direct supervisor and the employee themselves will receive the email and customized birthday blessing message push, and be invited to attend the birthday party.
- 

Canteen

A number of different types of canteens are set up in the factory to provide special food for employees with different cultural backgrounds.
- 

Dormitory

Employees can choose whether to stay in the company according to their actual needs. If they choose to stay outside, they will be provided with a certain accommodation subsidy according to internal regulations.
- 

Culture building

The park provides library reading rooms for all staff to borrow, and regularly organizes diverse cultural group activities such as movie watching for all staff to participate in. In addition, we provide our employees with a variety of traditional holiday gifts such as moon cakes and New Year gifts.
- 

Workplace

Committed to creating a warm and relaxed working atmosphere, to provide a bright and clean office environment.
- 

Insurance

The company provides business trip care for employees assigned to other workplaces, pays attention to the personal safety of business trip personnel, and purchases comprehensive business trip accident insurance for them.



Case | Employee Birthday Party

In May 2023, Skyworth Digital Bao'an factory held a collective birthday party, prepared exquisite gifts, rich snacks and delicious birthday cakes for employees attending the party. Let employees have a relax after work, also increase their sense of belonging, enhance understanding between them. The company will also organize some team building activities from time to time, so employees can combine work and rest, and relieve work pressure.



3 People-oriented protecting safe and healthy environment



Security officer Lu Shuming

The development of company cannot be separated from employees. Adhering to the people-oriented idea, the company is committed to providing employees with a safe, healthy and harmonious working environment. We will follow health and safety principles: regular health education activities, organize fire drills regularly to ensure employees understand emergency procedures, establish a sound management system for work-related injuries and provide medical assistance and rehabilitation services, conduct risk assessment, take preventive measures and provide protective equipment, provide regular physical examination service for employees. We will continue to improve health and safety management system, and jointly contribute to the sustainable development of company.

3.1 Policy Objectives

The company is committed to maintaining and improving the occupational health and safety of its employees and creating a safe, healthy and efficient working environment. In order to achieve this goal, the company has formulated the following policies:

- 1) Provide a safe, healthy and comfortable working environment to prevent occupational diseases and injuries.
- 2) Comply with all applicable laws, regulations and standards to ensure the occupational health and safety of employees.
- 3) Provide employees with the necessary training and education to fully understand and comply with safety procedures and procedures.
- 4) Encourage employee participation and cooperation in developing and improving occupational health and safety measures.
- 5) Identify and address potential occupational health and safety risks in a timely manner through monitoring and risk assessment.
- 6) Continuously improve the occupational health and safety management system to ensure its effectiveness and adaptability.



3.2 Fire Safety

Through improving fire safety management, setting fire safety responsibility persons and managers at all levels, comprehensively consolidating the organizational foundation of fire safety management, we implement a hierarchical risk control system and increase daily inspections in high-risk areas. Designate special persons to be responsible for key fire prevention areas and clarify control responsibilities.

Establish and improve the compulsory fire brigade of all departments, carry out fire emergency drills by department, and improve the ability of on-site disposal of initial fires in workshops.

In 2023, Skyworth Digital Bao'an factory organized emergency response drills such as fire evacuation, forklift charging fire accident simulation, dormitory fire evacuation and escape, with full participation, improving all employees' safety awareness and self-rescue and mutual rescue skills, and ensuring the safety of employees' lives and company property. Numbers of all kinds of fire safety accidents are zero.



3.3 Industrial Accident Management

In 2023, no major industrial accidents in the whole year. A total of 5 minor industrial accidents occurred, including collision injury and crush injury. Total number of lost working time was 6 days, and accident rate of lost working hours was 2.72%, serious accident rate of lost working hours was 0.0032%. After occurrence of minor injuries, employees were taken care of timely, and our security team arranged on-job training to other employees to avoid similar injuries. At same time, increase warning signs, protective measures in workshop as reminders, with these actions, we expected in year 2024 there are less and less industrial accidents.



3.4 Occupational hazard management

The company strictly abides by the Law of the People's Republic of China on Production Safety, the Labor Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Measures for the Administration of Occupational Health Inspection and other national and local laws and regulations on occupational health, and has passed the ISO 45001 occupational health management system. Every year, a third-party agency is regularly commissioned to test all occupational-disease-hazard positions, conduct composition analysis of the hazardous chemicals used, phase out and replace hazardous substances with high-risk. We provide related personnel with labor protection supplies and regularly organize pre-job, in-job and post-job occupational health check. The company has not found or reported any occupational disease cases yet.



3.5 Hazard factor detection

Every year, we will find a third-party testing agency that meets the qualification of occupational health hazard factors to carry out regular testing and evaluation in each region, and carry out testing and analysis on each job post and hazardous chemicals used. By 2023, all positions meet the requirements of occupational health operations after testing. Every year, according to the test report, the identified occupational health posts are included in the key control list, and labor protection supplies will be issued for protection.



3.6 Employee health check

In order to ensure the good physical condition of employees, Skyworth Digital Bao'an factory regularly organizes occupational health check before, during and after work every year. At same time, according to the physical examination needs of different employees, we cooperate deeply with the physical examination institutions of third-party companies to provide employees with more flexible physical examination options.



4 Environmental governance leads new times of low-carbon digital terminal



System Manager
Xiao Shaojun

With continuous progress of science and technology and rapid development of society, digital terminals have become an indispensable part in our daily life. However, it brings environmental problems at same time: manufacturing, usage and disposal of digital terminals will create carbon emissions and electronic waste, which has a serious impact on the environment.

Therefore, we urgently need to lead the new low-carbon era of digital terminals. Firstly, we should strengthen R&D of products and promote green design by using more environmental-friendly materials and processes. Secondly, we should encourage users to adopt low-carbon use and promote an energy-saving and emission-reduction lifestyle. Finally, we also need to establish a robust recycling and treatment system to effectively deal with digital terminal waste and realize the recycling of resources.

4.1 Environmental management system structure

With the mission of "bringing a new entertainment lifestyle to every family", Skyworth Digital Bao'an factory builds an environmental management system and framework from the company itself, strictly promotes environmental compliance management, strives to reduce the negative impact of production and business activities on the environment, focuses on the innovation highlights of ecological and environmental protection products, and shows that they meet the requirements of ecological and environmental protection standards. Achieve environmental friendliness and sustainable development of enterprises.

Skyworth Digital Bao'an factory adheres to the principle of "abiding by the law, people-oriented, prevention first and monitoring combined, full participation, continuous improvement" environmental and occupational health and safety management policy, constantly improve the environmental management system and maintain the effective operations. The company has established the "Environmental Management Manual", the prevention, control, supervision and monitoring throughout operation activities. With prevention as the core, control as the means, through supervision and monitoring constantly find problems, fully understand the importance of environmental protection, prevention of pollution advocate environmental protection, and create a green environment. It has successfully passed ISO14001:2015 environmental management system certification, ISO50001:2018 energy management system certification.



Production design, operation energy-saving, environmental concept and clean energy four strategies are the main environmental programs:

- Production design strategy is to simplify overall production system, such as: optimizing process flow, improving utilization rate of molds, and considering usage of recycled materials to reduce resource consumption.
- Operation energy-saving strategy, the company will make unremitting efforts to promote environmental protection culture, deepen environmental protection values. For example, the company encourages electronic processing of documents instead of printing to reduce paper waste.
- Environmental concept strategy, the goal is to implement green measures into the company's supply chain from product design to delivery of finished products.
- The clean energy strategy encourages companies to transition from traditional energy to the usage of clean and renewable energy to achieve sustainable production.



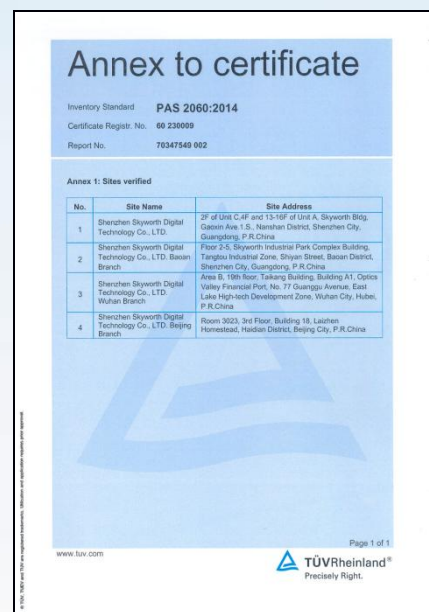
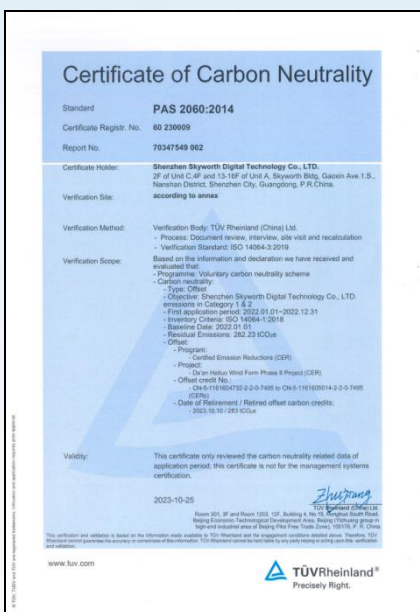
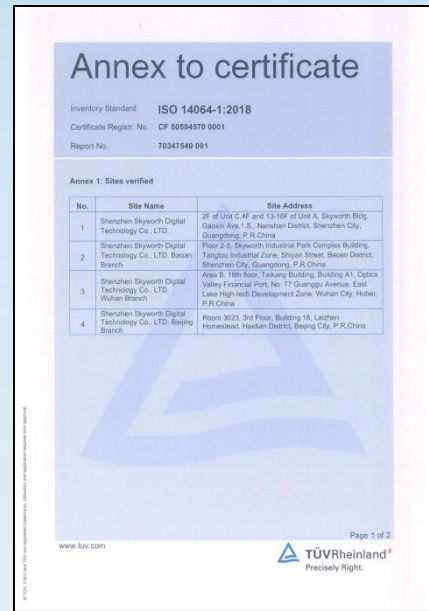
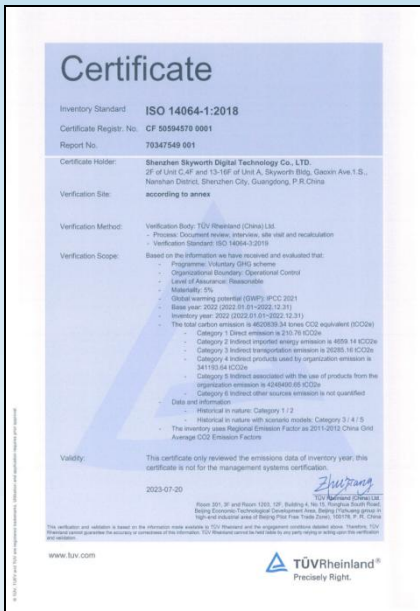
4.2 Dealing with climate change



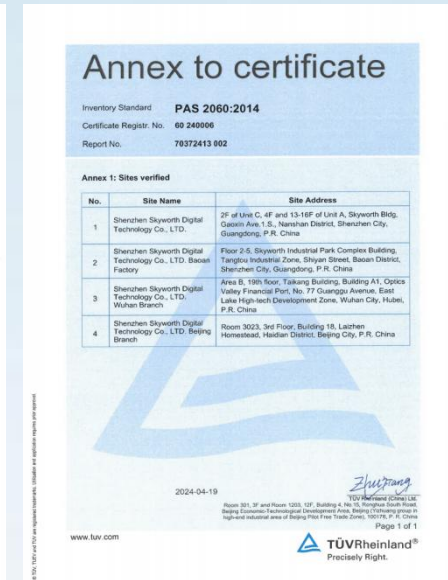
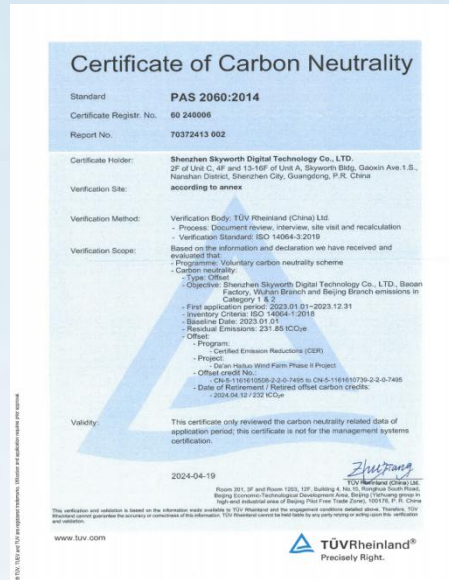
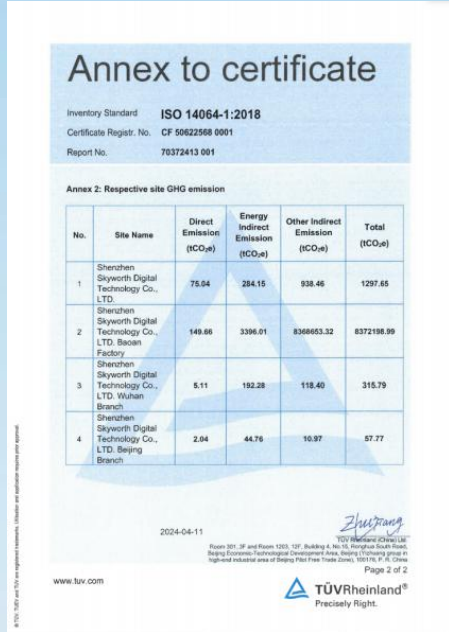
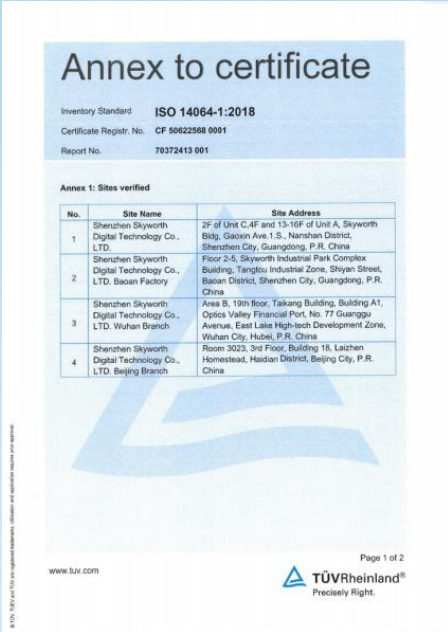
In recent years, climate change has led to frequent extreme weather, posing potential risks to global social and economic development, and threatening business operations and development security. With the release and continuous promotion of the "double carbon" goal, in the face of the risks and opportunities that climate change will

bring to enterprises, Skyworth Digital Bao 'an factory carries out the identification, analysis and management of climate change-related risks and opportunities.

In 2023, Skyworth Digital Bao 'an factory conducted organization-wide carbon verification for year 2022, carbon neutral for Scope 1 and Scope 2, and obtained the ISO 14064-1:2018 greenhouse gas verification certificate and PAS2060:2014 carbon neutral certificate issued by TUV Rheinland.



In 2024, Skyworth Digital Bao 'an factory conducted organization-wide carbon verification for year 2023, carbon neutral for Scope 1 and Scope 2, and obtained the ISO 14064-1:2018 greenhouse gas verification certificate and PAS2060:2014 carbon neutral certificate issued by TUV Rheinland.



➤ **Climate change action**

The company integrates climate change into corporate strategy, systematically identifies and actively responds to climate risks and opportunities that may affect business operations, comprehensively carries out innovative climate actions, and adheres to zero-carbon management across the value chain.

➤ **Climate risks and opportunities management**

The company attaches great importance to climate change response, establishes and continuously improves the climate governance structure. It's committed to integrating climate governance and actively identifying climate risks and opportunities, and developing strategies and actions to address climate change.

Governance

- Establish a carbon neutral management working group led by the general manager and with participation of heads of each department to comprehensively coordinate and promote climate change-related affairs to ensure that all affairs are implemented in accordance with the strategy and plan.
- The HR department under Skyworth Digital Bao'an factory is responsible for reviewing the sustainable development including climate change-related matters, internal and external stakeholder communications, importance assessment, risk identification, goal and strategy formulation, etc., to ensure the sustainable development and implementation of climate change strategy.

Strategy

- Identify applicable climate risks and opportunities based on the classification of climate risks and opportunities by TCFD(Working Group on Climate-Related Financial Disclosures) and the business segments of Skyworth Digital Bao'an factory.
- Based on the identified results, relevant policies are sorted out to understand the importance of climate risks and opportunities in the macro environment and their future development trends.
- Use qualitative climate scenario analysis to assess the risks and opportunities associated with climate change and its impact on company's business, strategy and financial planning.

Risk Management

- Management, general manager and heads of each department, will identify, filter and evaluate the climate risks that Skyworth Bao'an factory is facing or will be potentially facing and formulate action plans at beginning of every year
- Categorizes climate risks according to its probability of occurrence and severity of impact, and responds to those with high importance and urgency with top priority.

Indicators and Objectives

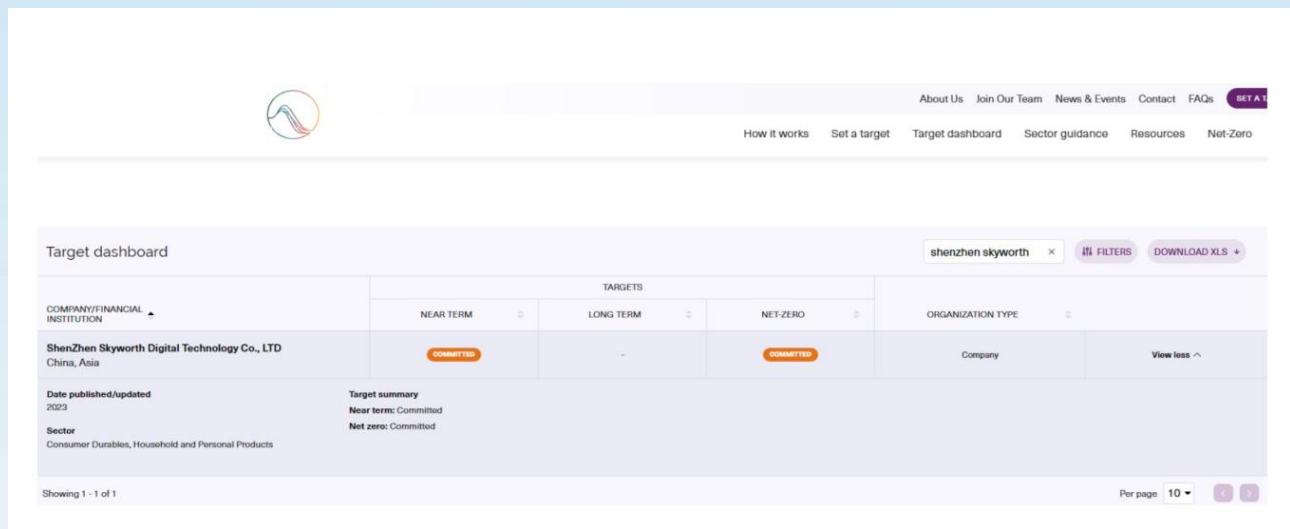
- Aims to complete carbon reduction targets in line with the SBTi (Scientific Carbon Target Initiative) 1.5°C path by 2025, and commits to carbon neutrality by 2040.
- Set clean energy transition target, aiming to achieve 50% clean energy usage by 2030.

4.3 Climate Action and Progress

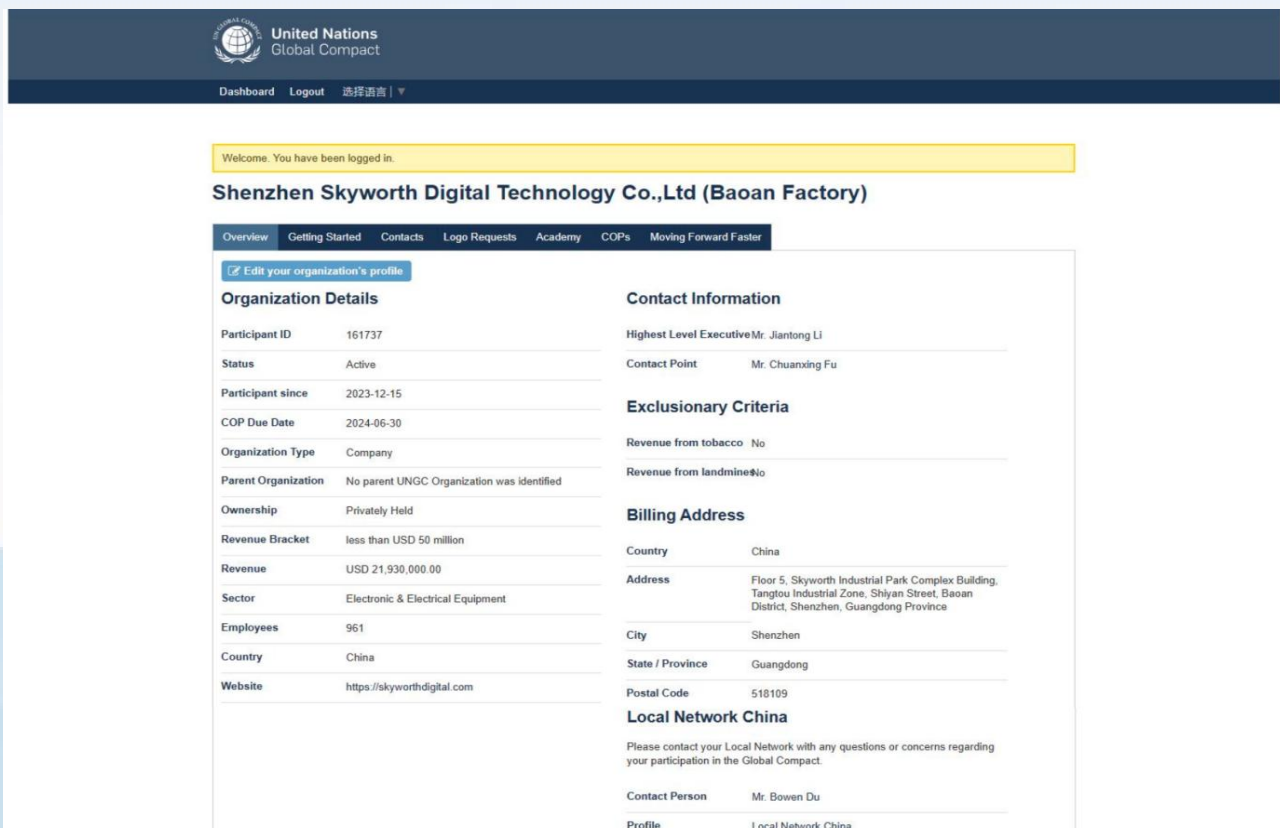
Skyworth Digital Bao'an factory continues to pay attention to greenhouse gas (GHG) emissions generated by operation activities, actively sets and commits to a series of goals: Forming a zero-carbon emission factory.

In 2023, Shenzhen Skyworth Digital Bao 'an factory officially joined the **United Nations Global Compact Organization (UNGC)**, parent company Shenzhen Skyworth Digital Technology Co., Ltd. and Skyworth Digital Bao 'an factory signed the **Scientific Carbon Target Initiative (SBTi)** Net Zero emission commitment letter, **CDP** climate questionnaire filling and disclosure, showing the determination to continuously improve in climate. Calculate carbon emission value of specific products through life cycle such as raw materials, production, transportation and continue to carry out actions in "low-carbon operation and energy efficiency improvement" and "renewable energy development and usage", strive to promote global sustainable development.

➤ **Sign SBTi Net Zero emission commitment Letter**



➤ **Join the United Nations Global Compact (UNGC)**



➤ CDP Disclosure

On July 24, 2023, Skyworth Digital Company and Bao'an factory disclosed carbon emission data to the global climate questionnaire on the CDP website platform for 1st time, and obtained **Grade B** result. The average rating of companies submitting climate change questionnaires globally and in Asia in 2023 were "C", which demonstrated the leading green and sustainable initiatives of Skyworth Digital and its Bao'an factory.

CDP SCORE REPORT - CLIMATE CHANGE 2023

DISCLOSURE INSIGHT ACTION

Shenzhen Skyworth Digital Technology Co., LTD

Region	Asia
Country/Area	China
Questionnaire	General
Activity Group	Electrical & electronic equipment

The CDP Score Report allows companies to understand their score and indicate which categories require attention to reach higher scoring levels. This enables companies to progress towards environmental stewardship through benchmarking and comparison with peers, in order to continuously improve their Climate Change governance. Investors will additionally receive a copy of the CDP Score Report upon request. For further feedback please contact your account manager or your key CDP contact.

Your CDP score

B

Average performance

C

C

C

Electrical & electronic equipment
Asia
Global Average

UNDERSTANDING YOUR SCORE REPORT

Shenzhen Skyworth Digital Technology Co., LTD received a B which is in the Management band. This is higher than the Asia regional average of C, and higher than the Electrical & electronic equipment sector average of C.

Leadership (A/A-): Implementing current best practices
Management (B/B-): Taking coordinated action on climate issues
Awareness (C/C-): Knowledge of impacts on, and of, climate issues
Disclosure (D/D-): Transparent about climate issues

➤ 2023 Overview of key environmental performance

<p style="color: #00a651; font-weight: bold;">Scope 1 GHG emission</p> <p style="font-size: 1.2em; color: #00a651; font-weight: bold;">149.66 tCO₂e</p>	<p style="color: #00a651; font-weight: bold;">Scope 2 GHG emission</p> <p style="font-size: 1.2em; color: #00a651; font-weight: bold;">3396.01 tCO₂e</p>	<p style="color: #00a651; font-weight: bold;">Scope 3 GHG emission</p> <p style="font-size: 1.2em; color: #00a651; font-weight: bold;">8368653.32tCO₂e</p>	<p style="color: #00a651; font-weight: bold;">Waste recycle rate</p> <p style="font-size: 1.2em; color: #00a651; font-weight: bold;">99.29%</p>
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4.4 Efficient management and utilization of resources

Skyworth Digital Bao 'an factory has always insisted on seeking business development while reducing the consumption of natural resources, avoiding the irreversible impact on the environment and natural resources, and investing eco-friendly resources to contribute to environmental protection. Skyworth Digital Bao'an factory has implemented the following measures to enhance usage efficiency of natural resources:

- The exhaust system of air compressors is controlled by the frequency converter, and the exhaust operating frequency is defined according to the numbers of air compressors on to achieve energy saving.
- Eliminate air compressors with high energy consumption and low efficiency to reduce energy consumption.
- The condensate water of the central air conditioner is recycled and reused. The condensate water is sent to the cooling water inlet pipe of the central air conditioner through filtration and pressurization, so as to realize the condensate recycling and utilization, reduce the cooling water temperature and reduce the cooling tower water heat dissipation.
- Before the import of thermal effect equipment, it is required that the equipments meet the latest national efficiency standards. In 2023, the company's LED energy-saving lamp coverage rate is 100%.
- The motors used in the newly purchased and existing large and medium equipment guarantee at least second-level performance, and achieve the energy efficiency of the equipment from project introduction phase.



100% coverage of workshop LED lights

4.5 Control of pollutants and environmental impacts

Skyworth Digital Bao 'an factory strictly follows the requirements of national policies, efficiently manages and protects natural resources, and reduces the impact of the company's operations on the environment and ecology. The company has developed a series of system documents, such as "Environmental factors Identification and evaluation Management Procedures" and "Waste Management System", to clarify the governance principles for pollutants and environmental impacts. In parallel, HR department regularly conducts compliance monitoring to further manage and prevent pollutants and waste generated in the process of production and operation.

➤ Waste water Management

Skyworth Digital Bao 'an factory pays close attention to waste water and commits to reducing the negative impact on the environment. At present, most of the company's wastewater is life wastewater. In addition to the cleaning wastewater in the production process, it needs to be centrally collected and uniformly handed over to the external hazardous waste treatment company for transfer and disposal in accordance with the hazardous waste management requirements. All life wastewater is uniformly treated by the park sewage treatment station and integrated into the municipal pipe network. Life wastewater testing is carried out every year according to the requirements and its result is, compliance to to the standard.

The company's sewage discharge fully complies with the "People's Republic of China Water Pollution Prevention and Control Law", "Water quality standards for sewage discharge into urban sewers", "Environmental Protection Law of the People's Republic of China" (CJ3082-1999), "Comprehensive sewage discharge Standards" (GB8978-1996) and other indicators.

√ During the reporting period, no water pollution accidents occurred, and no penalties or complaints were reported.

➤ Waste Gas management

Skyworth Digital Bao 'an factory actively implements the "Waste Gas Emission Management System" to achieve the overall pollution prevention goal. The waste gas mainly comes from the industrial waste gas in production process. After the purification treatment of industrial waste gas by activated carbon adsorption and other facilities, it is discharged at high altitude through the exhaust pipe. All the waste gas meets the Comprehensive emission standard of Air Pollutants.

➤ Noise management

Skyworth Digital Bao'an factory has formulated the company's "Noise Emission Management System" to take measures against noise in production process to reduce the impact of noise on employees and the surrounding environment. The main noise sources include air conditioning units, air compressors and other power equipment operating noise. The noise is controlled by equipment updating, process improvement, and noise isolation. According to the monitoring results of factory boundary noise, it is in line with the "Industrial enterprise factory boundary environmental noise emission standard".

➤ Waste Management

Skyworth Digital Bao 'an factory is committed to environmental friendliness and reducing waste generation in operation process. The company strictly abides by relevant national laws and regulations, formulates waste management policies including the "Waste Management System", and classifies all kinds of waste materials for collection and temporary storage, which are divided into general waste and hazardous waste. In waste management, it always follows the principle of "reduction, reuse and resource utilization", and implements the organic combination of waste resource recycling and corporate social responsibility. General waste is uniformly contracted to professional recyclers for recycling and treatment, and hazardous waste is handed over to units with hazardous waste treatment qualifications registered in the Environmental Protection Bureau for compliance treatment. Strict implementation of hazardous waste management measures for waste electronic products, in accordance with the requirements of laws and regulations to have qualified hazardous waste partners for legal and compliant disposal, and strive to maximize the recycling of resources.

Up to now, Skyworth Digital Bao 'an factory has no incidents of non-compliance with hazardous waste disposal leading to administrative penalties.

4.6 Green products

Skyworth Digital Bao'an factory is committed to providing environment-friendly products, and by incorporating the concept of green environmental protection into the whole life cycle of products, it realizes environmental protection management from product design to waste disposal, reduces the negative impact on the environment, and makes positive contributions to sustainable development.

Environmentally friendly material selection

We choose to use environmentally friendly materials including: renewable, non-toxic and recycled materials to reduce resource consumption and environmental pollution. We strive to avoid the use of hazardous substances and ensure that our products comply with relevant environmental standards and certification requirements.

➤ Compliance with RoHS directive threshold requirements

The company ensures that all manufactured products comply with the threshold requirements of the EU RoHS regulations. The raw materials and process auxiliaries used in the production meet the threshold requirements for toxic and harmful substances stipulated by the EU RoHS regulations. This is done to minimize the environmental impact of the products throughout their lifecycle and to contribute to sustainability



➤ Comply with EU environmental regulations

The company has consistently been committed to complying with relevant EU environmental regulations and providing sustainable solutions for our products. We recognize the importance of environmental protection for both businesses and society, and thus, we actively take measures to ensure our products comply with EU environmental regulations. This includes, but is not limited to, compliance with regulations such as RoHS 2.0, REACH, PoPs, WEEE, package directives, and battery directives.



We strive to ensure that our products are free from harmful substances and verify their compliance through compliance certification reports. We partner with reputable third-party laboratories such as SGS to ensure that our products' testing and assessments meet the requirements of EU regulations. We will continue to make efforts, enhance our products' environmental performance and sustainability to provide customers with more environmentally friendly and sustainable products and solutions

➤ Import of FSC materials

In 2023, Skyworth Bao'an factory achieved successful mass production with importing FSC-certified cardboard boxes, inner cards, and manuals at 1st time. Up to now, products of multiple Telecom operators have utilized these FSC-certified cardboard boxes, inner cards, and manuals.

Energy efficiency and energy-saving design


We prioritize the energy efficiency of our products by optimizing designs and employing high-efficiency energy technologies to reduce energy consumption. For instance, by selecting low-power processors, memory, and other components, as well as implementing efficient power management techniques, we can decrease the overall energy consumption of set-top boxes in the field.



Software optimization also plays a significant role in reducing energy consumption. Optimizing application code, minimizing resource usage, and background operations effectively lower energy consumption of set-top boxes. For example, adjusting brightness, back-lighting, and other display settings can reduce screen power consumption. Additionally, we introduce energy-saving modes that automatically transition the set-top box into low-power standby mode when inactive. For instance, disabling wireless networks, bluetooth, and other features to achieve energy savings.

The company ensures all products sold to the European Union comply with the EU ERP requirements, which stipulates the standby power consumption (excluding products with digital displays) must be less than 0.5W. This requirement is crucial for energy efficiency and helps reduce energy consumption of products in standby mode. In the future, products from Skyworth Bao'an factory and sold to the EU will gradually approach the requirement of standby power consumption less than 0.3W. This signifies the company's proactive plans and actions towards further reducing the energy consumption throughout the product lifecycle and achieving carbon reduction goals.

By reducing standby power consumption of products, we can effectively decrease their energy consumption during use. This aligns with global requirements for sustainable development and carbon emission reduction.



2023 Standby Power

- <0.5W (Without digital tube)
- <1.0W (With digital tube)



2023 Standby Power

- <0.3W (Without digital tube)
- <0.5W (With digital tube)

Extend product life

We are committed to designing durable products to extend their lifetime. This is achieved by using high-quality materials, providing options for repairing and upgradeability. For example, through refurbishment and OTA upgrades, we enhance device functionality and extend product lifetime. We aim to reduce waste generation and encourage long-term product use by users.

Product health and safety identification

The company strictly adheres to the regulations and standards of electrical and electronic product safety, ensuring timely updates to product certifications to ensure compliance with the latest safety requirements. We are committed to ensuring that all products meet relevant regulations and standards to safeguard user safety and rights. In 2023, all company products underwent certification according to the requirements of their sales regions, ensuring that they passed laboratory testing and evaluation and obtained corresponding certificates, including CCC (China Compulsory Certification), UL (United States Safety Certification), or CE (European Conformity). Additionally, we label products with the appropriate certification marks to enable consumers and regulatory agencies to identify compliant products.

[√ In 2023, there were no reports of product safety complaints or violations throughout the year.](#)

Circular economy and recycling

Starting from 2020, we have been actively promoting the concept of the circular economy by gradually introducing PCR environmental-friendly recycled plastic particles, accounting for over 85% of the proportion, for use in plastic structural components that constitute over 20% of total product weight. This initiative aims to reduce the use of plastic particles that

Environmental certification for green products

The company actively participates in industry organizations and social activities related to green products to promote their development and popularization. Additionally, the company has obtained the National Green Factory Evaluation and Guangdong

are less biodegradable in the natural environment, making it a significant step towards promoting the circular economy. By recycling and reusing discarded plastic, we reduce the demand for new plastic, thereby lowering resource consumption and minimizing the negative environmental impact.

Furthermore, since 2021, we have successfully mass-produced compostable PLA packaging bags to reduce the use of non-biodegradable plastic bags. This is another commendable initiative that promotes the sustainable development of plastic packaging and reduces its negative environmental impact.

By using PCR and compostable materials, Skyworth Bao'an factory has taken a big step in plastic-free in manufacturing process while also lowering plastic waste emissions and environmental harm. This contributes to advancing the development of the circular economy, achieving efficient resource utilization, and ensuring environmental sustainability.

Now, more and more customers are requesting the green material applying in their products, indicating market demand and recognition. Skyworth Bao'an factory will continue to make achievement in sustainable development and make greater contributions to environmental protection.

Environmental awareness training and awareness-raising

We provide environmental awareness training to our employees to enhance their understanding of environmental protection and increase their sense of responsibility. Additionally, we conduct promotional and educational activities to communicate the value and importance of green products to consumers. For example, we offer guidance and recommendations to users on energy-efficient use of set-top boxes, such as using power switches properly and avoiding prolonged standby mode, to enhance their energy-saving awareness.

Carbon Label Certificate issued by Guangdong Low Carbon Development Promotion Association, demonstrating significant achievements in environmental management and low-carbon development. The National Green Factory Evaluation recognizes the company's environmental management system and environmental performance, verifying

effective measures in resource utilization, waste management, and energy consumption. Guangdong Carbon Label Certificate acknowledges the company's low-carbon emission practices, confirming its positive

contribution to reducing greenhouse gas emissions and addressing climate change. These recognition are important affirmations of company's efforts in environmental protection and low-carbon development.



绿色工厂公示名单

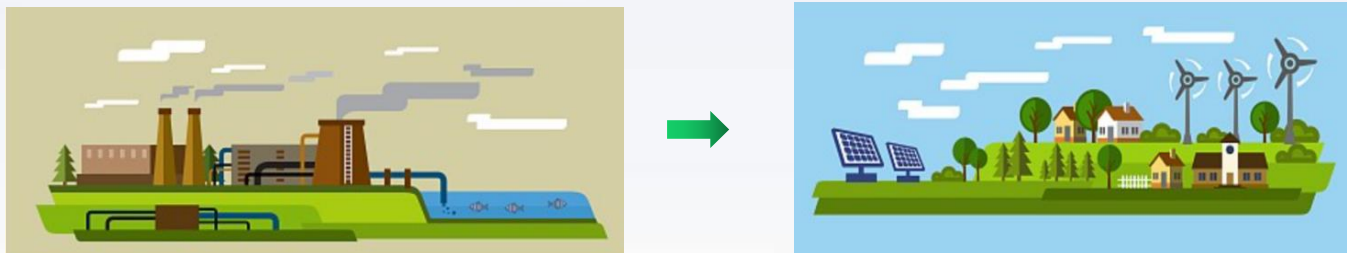
序号	地区	工厂名称	第三方评价机构名称
1471	深圳	深圳创维数字技术有限公司	中认英泰检测技术有限公司



Note:
The office location of Skyworth Digital Technology Co., Ltd. (headquarters) is on the 14th floor, Block A, Skyworth Building, No. 1 Gaoxin South 1st Road, Nanshan District, Shenzhen. The production address of its subsidiary, Shenzhen Skyworth Digital Technology Co., Ltd. Bao'an Factory (manufacturing base), is located at Floors 2-5, Comprehensive Building, Skyworth Industrial Park, Tangtou Industrial Zone, Shiyuan Street, Bao'an District, Shenzhen.

The production address audited for the 2023 Green Factory Evaluation is located at Floors 2-5, Comprehensive Building, Skyworth Industrial Park, Tangtou Industrial Zone, Shiyuan Street, Bao'an District, Shenzhen. This site belongs to the subsidiary Shenzhen Skyworth Digital Technology Co., Ltd. Bao'an Factory (manufacturing base) under the headquarters.

Through these measures, we are committed to launching more green products to meet consumer demand in environmental protection and make a positive contribution to sustainable development. We will continue to focus on environmental technology and innovation, improving our design and manufacturing processes to achieve higher levels of environmental goals.



4.7 Energy saving and emission reduction

According to the company's energy-saving and emission reduction plan for year 2023, Skyworth Bao'an factory has implemented a series of measures to reduce energy consumption, achieve energy-saving and emission reduction goals.

Implementation of energy conservation and environmental protection measures in 2023.

➤ Reduce energy-intensive equipment

In 2023, outdated high-energy-consuming equipment was updated and replaced to significantly reduce energy consumption. The following high-energy-consuming production equipment has been scrapped:

Equipment Name	Model	Purchase Date	Energy Efficiency Grade	Power	Efficiency
Hitachi Air Compressor	OSP-37M5AI	2010/10/26	Level 2	37KW	70%
50HP Screw Air Compressor	LGB-6/8	2013/4/12	Level 3	37KW	60%

➤ Water conservation management

In 2023, measures were taken to optimize the central air conditioning to conserve water. The total water consumption decreased from 8636 tons in 2022 to 8351 tons in 2023, representing reduction of 285 tons water. This is a significant achievement, it encourages us to move forward and achieve more success.

Optimization Project	Environmental Protection Optimization Management Measures	Estimated Effects	Actual Achievements
Central air conditioning saves water	1. Central air conditioning cooling towers are controlled by water pipes. 2. Optimization of cleaning methods, changed from using high-pressure water for cleaning to using high-pressure water guns, significantly reducing water usage and improving cleaning effectiveness. 3. The cooling capacity of central air conditioning is adjusted to operate in air supply mode with external circulation during spring and winter, and numbers of compressors of central air conditioning are adjusted based on indoor temperature during summer and autumn.	↓ 112.2 ton	↓ 285 ton

Energy-saving and Environmental Protection Optimization Plan for the Year 2024

To achieve energy-saving and carbon emission reduction for year 2024, following measures have been taken.

Area	Optimization Point	Optimization Plan	Time
Office Area	Office Computers	Shut down when leaving, turn off the screen.	March 2024
	Split Air Conditioning	Air conditioning cannot be turned on if the indoor temperature is below 25°C.	March 2024
		Air conditioning timing control, automatic shutdown at 11:30, 17:30, and no operation at night	April 2024
	Lighting	Renovate lighting control in the fifth-floor office area by department	March 2024
Public Area	Water Dispenser	Customize one water dispenser on the east and west sides of the second floor of the building.	March 2024
		Customize one water dispenser on the east and west sides of the third floor of the building.	March 2024
	Lighting	Ensure that over 85% of the lighting in public areas is sensor-controlled.	March 2024
		Retrofit lighting control in the inspection area on the second floor.	April 2024
Laboratory	Office Computer	Shut down when leaving, turn off the screen.	March 2023
	Underutilization of Constant Temperature and Humidity Chambers	Aim to satisfy experiments with 85% or more of the capacity simultaneously, avoiding wastage of electricity due to aging tests with one or two machines.	March 2024
		Regular cleaning and maintenance of heating systems, ensuring that the heating effect remains in optimal condition.	April 2024
	Split Air Conditioning	Air conditioning cannot be turned on if the indoor temperature is below 25°C.	March 2024
	Lighting	Implement separate control for lighting in the fifth-floor laboratory; lighting in areas without placed products will be turned off.	April 2024
	Aging Room	Improve insulation to prevent heat loss due to insufficient insulation in door seams, walls, and ducts, thereby saving electricity.	April 2024
SMT	Office Computer	Shut down when leaving, turn off the screen.	March 2024
	Central Air Conditioning	When the outdoor temperature is below 22°C, only two compressors will run.	January 2024

		When the outdoor temperature is below 18°C, the central air conditioning will only operate in fan mode.	January 2024
		Install automatic condensate water recovery device on the central air conditioning system, recycling condensate water to the cooling water pipe to save water and reduce cooling water temperature.	March 2024
		During temporary overtime when the production line is short by 20% of the total, the central air conditioning system can only operate in fan mode.	January 2024
	Lighting	Lighting control will be independently segregated according to production line units (all lighting will be turned on when some production lines are in operation or during temporary work shifts).	May 2024
	Office Computer	Shut down when leaving, turn off the screen.	March 2024
	Central Air Conditioning	When the outdoor temperature is below 24°C, only two compressors of the central air conditioning system will run.	January 2024
		When the outdoor temperature is below 20°C, the central air conditioning system will only operate in fan mode.	January 2024
		Install automatic condensate water recovery device on the central air conditioning system, recycling condensate water to the cooling water pipe to save water and reduce cooling water temperature.	January 2024
		During temporary overtime when the production line is short by 20% of the total, the central air conditioning system can only operate in fan mode.	January 2024
		When the production line is short by 5% of the total, the central air conditioning system cannot be turned on.	January 2024
	Production Equipment	After the night shift, the heating system of the wave soldering furnace shall be shut down until 4:00 a.m. the next day to avoid continuous heating waste of the furnace after shutdown.	January 2024
	Auxiliary Production Equipment Idle Standby Waste	Auxiliary production equipment shall be quickly switched off after work, failure to comply will result in electricity wastage.	March 2024
		Standby auxiliary production equipment due to differences with production models will result in electricity wastage.	March 2024
DIP Workshop	Lighting	Lighting control will be independently segregated and controlled in sections according to production line units, avoiding the issue of all lights being turned on during temporary overtime or when the front and back sections of the same production line have different working hours.	March 2024
Security	Office	Shut down when leaving, turn off the screen.	March 2024

Workshop	Computers		
	Central Air Conditioning	Only run two compressors when outdoor temperature is below 24°C.	January 2024
		Run in fan mode only when outdoor temperature is below 20°C.	January 2024
		Install automatic condensate recovery device to recycle condensate to cooling water pipes to save water and reduce cooling water temperature	March 2024
		When temporary overtime results in less than 20% of the entire production line, the central air conditioning can only run in fan mode.	January 2024
		When temporary overtime results in less than 5% of the entire production line, the central air conditioning cannot be turned on.	January 2024
	Production Equipment	Installation of variable frequency drive segmented beat control system for belt lines, Balance production and reduce wastage of electricity caused by uneven beats during high-speed production.	April 2024
	Auxiliary Production Equipment Standby Waste	Quickly switch off equipment after work to avoid wasting electricity if the equipment is not shut down as required.	March 2024
		Standby waste occurs when there are differences between the equipment used and the production models, causing idle equipment to remain in standby mode, wasting electricity.	March 2024
	Lighting	Separate and control lighting based on production line segments, eliminating the problem of all lighting being turned on due to inconsistencies in working hours between front and back segments of the same production line, and during temporary overtime.	April 2024
BOB Workshop	Office Computer	Shut down at the end of the workday, and turn off the screen when not in use.	March 2024
	Central Air Conditioning	When the outdoor temperature is below 24°C, only two compressors of the central air conditioning system will run.	January 2024
		When the outdoor temperature is below 20°C, the central air conditioning system will only operate in fan mode.	January 2024
		Install automatic condensate water recovery device on the central air conditioning system, recycling condensate water to the cooling water pipe to save water and reduce cooling water temperature.	April 2024
		During temporary overtime when the production line is short by 20% of the total, the central air conditioning system can only operate in fan mode.	January 2024

		When the production line is short by 5% of the total, the central air conditioning system cannot be turned on.	January 2024
	Production Equipment	Install a variable frequency segmented beat control system for belt conveyors to balance production and reduce wasted electricity due to uneven beats during high-speed production.	April 2024
	Auxiliary Production Equipment	Auxiliary production equipment shall be quickly switched off after work, failure to comply will result in electricity wastage.	March 2024
	Standby waste	Standby auxiliary production equipment due to differences with production models will result in electricity wastage.	March 2024
	Lighting	Lighting control will be independently segregated and controlled in sections according to production line units, avoiding the issue of all lights being turned on simultaneously on the same production line during different shifts or temporary overtime.	April 2024
Lean Workshop	Office Computer	Shut down at the end of the workday, and turn off the screen when not in use.	March 2024
	Central Air Conditioning	When the indoor temperature exceeds 28°C, the central air conditioning system operates in cooling mode with three compressors.	January 2024
		When the indoor temperature is below 25°C, the central air conditioning system only operates in fan mode.	January 2024
		When the indoor temperature is below 22°C, the central air conditioning system cannot be turned on.	January 2024
		Install automatic condensate water recovery device on the central air conditioning system, recycling condensate water to the cooling water pipe to save water and reduce cooling water temperature.	March 2024
		During temporary overtime when the production line is short by 30% of the total, the central air conditioning system cannot be turned on.	January 2024
	Production Equipment	Use automated testing equipment based on production scheduling to avoid prolonged standby and wasted electricity.	Ongoing
		Install variable frequency segmented beat control system for belt conveyors to balance production and reduce wasted electricity due to uneven beats during high-speed production.	March 2024
	Auxiliary Production Equipment	Auxiliary production equipment shall be quickly switched off after work, failure to comply will result in electricity wastage.	March 2024
		Standby auxiliary production equipment due to differences with production models will result in electricity wastage.	March 2024

Energy-saving renovation investment and expected return table

Area	Investment (CNY)	Annual Expected Returns (CNY)
Office Area	772	12,232
Public Area	372	18,176
Laboratory	250	474
SMT	3,620	76,986
DIP	1,040	50,105
Security Workshop	10,080	48,862
BOB Workshop	10,440	47,605
Lean Workshop	10,520	63,404
Total Costs	37,094	317,844



5 Business integrity builds the epitome of business ethics



Head of Audit Li Yadong

Our company is committed to upholding high standards of business ethics, with specific guidelines including:

Anti-corruption: Prohibiting bribery and corrupt behavior, ensuring fair and transparent transactions;

Integrity and cooperation: Advocating for fair competition; prohibiting fraud and unfair competition, establishing trust relationships;

Information security: Taking measures to protect customer and company data, prevent leakage; respect privacy, not abuse personal information, safeguard privacy rights.

5.1 Anti-corruption and anti-business bribery

The company consistently adheres to the principles of honesty, integrity, and compliance with laws and regulations, and continuously improve compliance system to strengthen a clean business environment and firmly oppose bribery and corruption, aiming to cultivate a culture of integrity. It firmly implements the policies and regulations, such as the "Internal Audit Management Measures," "Anti-Fraud Management Measures," and "Integrity Standards." These documents clearly define the obligations and responsibilities for employees in anti-bribery and anti-corruption. Additionally, reporting channels have been set up to protect whistleblowers internally and externally. With these measures, we standardize the procedures for investigating and handling fraud, improve internal control supervision, and timely prevent the risk of internal control measures becoming ineffective due to fraud.



The company has established a "clean account," encouraging employees to voluntarily hand in cash, gifts, or other benefits that they may have inadvertently received during work interactions to the "clean account." These funds are registered and recorded by the company's audit department after verification, which aims to enhance the company's integrity culture.

The company strictly adheres to business ethics, upholds principles of fair and equitable transactions and respects cooperation partners. In accordance with the requirements of the Civil Code of the People's Republic of China, the company signs contracts with suppliers, customers, and others on an equal basis. "Anti-business bribery clauses" are included in these contracts, fostering a favorable business environment conducive to honest and ethical cooperation. ISO 37001 certification was successfully obtained related to anti-bribery management systems



5.2 Information security

Skyworth Digital Bao'an factory places a high priority on information security and compliance. Information security is identified as one of the long-term goals for company's development and a crucial aspect of business competitiveness. Our factory is committed to establishing a secure and trustworthy corporate image that aligns with our market position. We aspire to lead the smart manufacturing industry in information security, ensuring that our security and compliance management capabilities in a leading position of the industry. Currently, the company has implemented following information security management framework.



6 Green supply inaugurates a new era in sustainable procurement



SCM Manager – Li Xiangfei,

The goal of sustainable procurement is to achieve balance among environmental protection, social responsibility, and economic benefits in procurement process. The relationship with suppliers goes beyond a simple upstream and downstream connection. It is a strategic partnership aiming at mutual development and achieving win-win situation. With the advancement of society, companies need to collaborate closely with suppliers in areas such as sustainability, green initiatives, low carbon practices, and corporate social responsibility. Together, we learn and progress, so we can provide customers with enhanced added values and social benefits.

6.1 Supply chain management system

Skyworth Digital Bao'an factory has established a comprehensive supplier management system and developed a series of management regulations and procedures, including "Supplier Management Control Procedure," "Supplier Performance Assessment Management Rules," and "Supplier Annual Audit Rules." These regulations and procedures manage supplier CSR from five aspects: introduction approval, risk assessment, classification management, supervision audit, and elimination, encouraging suppliers to pay more attention to social responsibility. This promotes sustainable development of the entire supply chain, helps us establish a good corporate image, reduces supply chain risks, and contributes to sustainable procurement.



CSR Survey QR code



6.2 Responsible supply chain

Skyworth Digital Bao'an factory has established "Sustainable Procurement Management Manual" and "Sustainable Procurement Charter," which reflect the company's social responsibility in supplier management. These documents outline the rules that suppliers should adhere to, covering the following aspects:

- **Integrity and Compliance:** Suppliers are required to abide by laws and regulations in their business activities, uphold the principle of honesty and integrity, and integrate integrity and compliance into all corporate activities.
- **Human Rights:** Suppliers are required to respect and protect human rights, and refrain from engaging in any form of human rights violations.
- **Labor Standards:** Suppliers are required to provide fair, reasonable, and safe working conditions, including wages, working hours, occupational safety, and prohibit the use of child labor and forced labor.
- **Health and Safety:** Suppliers are required to provide a safe and healthy working environment, ensuring the physical and mental well-being of employees.
- **Environmental Protection:** Suppliers are required to implement environmental measures during the production process, including product environmental protection and reducing greenhouse gas emissions.
- **Prohibited Business Practices:** Suppliers are explicitly prohibited from engaging in unethical business practices such as bribery, corruption, fraud, etc.
- **Responsible Attitude:** When procuring minerals, suppliers are required to adopt a responsible attitude and comply with relevant international guidelines and standards.

By establishing these documents, Skyworth Digital Bao'an factory has clarified its requirements in sustainable procurement and encouraged suppliers to share social responsibilities, thereby promoting sustainable development.



6.3 Skyworth Digital Bao'an factory sets clear CSR bottom lines for its suppliers

1. Prohibition of illegal discharge of toxic and harmful pollutants, including wastewater, exhaust gas, or waste residue.
2. Prohibition of using production facilities that have not been approved by fire inspection.
3. Prohibition of any form of child labor.
4. Prohibition of the use of prison labor or forced labor.
5. Prohibition of wage arrears for employees.
6. Prevention of any major fire or explosion accidents.
7. Ensuring that working conditions do not pose serious threats to life safety or health.
8. Prohibition of discrimination or harassment in the workplace.
9. Providing a safe and healthy work environment.
10. Prohibition of corruption and dishonesty incidents.



If a supplier is found to breach any of the above red lines, Skyworth Digital Bao'an factory will immediately halt the supplier's production, revoke its qualification for supply, freeze the supplier's system code, and never cooperate with it again in accordance with the requirements of the "Sustainable Procurement Charter".

[√ During the 2023 Corporate Social Responsibility \(CSR\) risk analysis investigation or on-site audit, no instances were found where suppliers breached the company's sustainable procurement red lines.](#)

6.4 Supplier Training

Skyworth Digital Bao'an Factory is committed to assisting suppliers in identifying and empowering them to address issues. For example, through training and promoting relevant knowledge and skills, we aim to promote the sustainable development of the supply chain and enhance communication efficiency and transparency in the cooperation process.

Training on "Dual Carbon" Requirements:

We conducted offline training on "Supplier Carbon Emissions Verification" for more than 80 suppliers and over 110 individuals, aiming to help suppliers understand the requirements of "dual carbon" and acquire relevant knowledge and skills.

➤ Implementation of EcoVadis Rating System:

We organized training activities for 50 +suppliers and 80+ attendees, aiming to explain and promote the EcoVadis Rating System policy. This initiative helps suppliers conduct their work according to scientific procedures, thereby driving the sustainable development in the entire supply chain.

➤ Supplier Sustainability Training Conference:

In 2023, we organized a Supplier Sustainability Training Conference, inviting professional third-party coaching institutions to conduct offline lectures.

[√ In 2023, a total of 2 training sessions were held, with over 80 suppliers and more than 110 participants in attendance.](#)



供应商可持续采购培训主题



7 Excellence in quality, accumulating new productivity



Quality Director
Huang Zhiming

The cultivation of new productivity is a vital strategic direction for our company in the new era, and it's the key to continuously enhance our core competitiveness and achieve sustainable development. We deeply understand that innovation in technology, intelligent manufacturing, and efficient operations are crucial for boosting productivity and improving quality.

Over the past year, we had made remarkable progress. Through the practice of intelligent manufacturing, we had successfully increased production efficiency, reduced production costs, and ensured the stability and improvement of product quality. However, we also recognized development of new productivity is a long-term and arduous process. In the future, we will persist in prioritizing quality, leveraging innovation as driving force, and continuously advancing intelligent manufacturing. We aim to enhance production efficiency, reduce costs, and improve quality, thereby provide our customers with superior products and services.

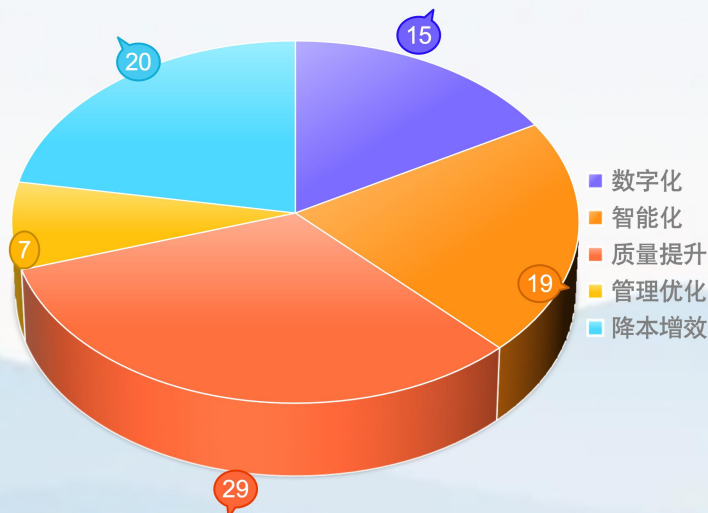
The innovation department of factory practices new quality production by managing the entire lifecycle of innovative projects, assisting the general manager in effectively controlling the implementation of strategic business, and conducting comprehensive operational management of innovation projects from top to bottom. With smart manufacturing, it integrates technology, data, and intelligence to make the production process more efficient, precise, and sustainable.

The establishment of a talent reserve and training mechanism promotes the development of new quality production forces, cultivating innovative, improvement-oriented, and business-minded talents to ensure the company's leading position in the industry.

Each module of the company continuously promotes improvement and innovation every year, focusing on six new quality production forces: research and development investment, digitalization of information technology, intelligence, productivity upgrading, low-carbon concepts, and green environmental protection. This aims to increase per capita output value and reduce production costs, and enhance the global competitiveness of the products.

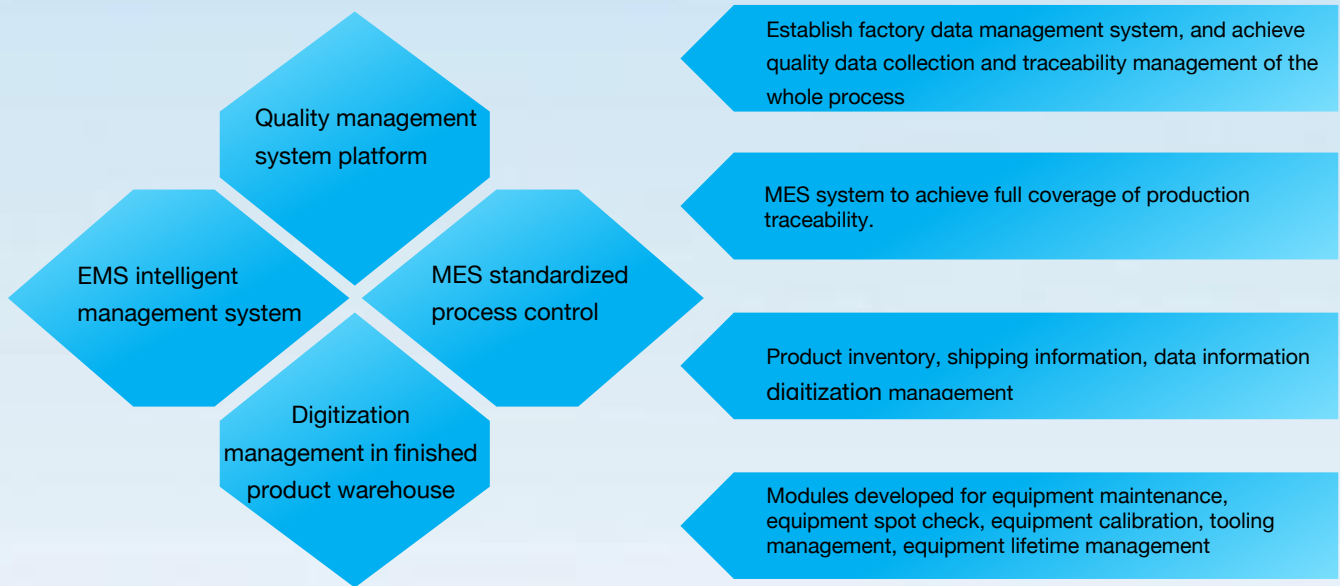
[√ In 2023, 77 innovation projects were concluded, resulting in an annual financial benefit of approximately 30.568 million yuan.](#)

2023年改善项目类别及数量



7.1 Intelligent Manufacturing, Ingenuity Development

Skyworth Digital Bao'an factory is committed to building a digital management platform to achieve visualization, intelligence, and digitization of production process. This initiative aims to enhance production efficiency, product quality, and safety management standards, provide strong support for sustainable development of the enterprise.



Digital Platform Construction



Reduce waste generation.

The factory has implemented measures to reduce its negative impact on the environment, including reducing energy consumption and minimizing waste generation

- Standardization of PCB V-CUT design for board subpanels, reducing the scrap rate from 0.53% to 0.08%.
- Promotion of the HP46H model with edgeless technology, laying the foundation for future standardization of edgeless technology in SMT trial production.

Innovation and technological applications

The factory actively introduces new technologies and innovative methods, develops automated equipment for production, enhances production efficiency and product quality, and advances towards the goal of unmanned factories.

- Building AOI (Automated Optical Inspection) detection equipment for white goods products.
- Building an online belt screw machine to automate screw locking instead of manual locking.
- Developing an automatic boxing machine to replace manual boxing, achieving automatic stacking of color box packaging and automatic scanning and printing of sealing boxes.
- Developing a Bluetooth robotic arm automatic testing station for PCBA (Printed Circuit Board Assembly) downloading to replace manual labor.



Talent Reserve for New Quality Production

In 2023, the factory established a talent recruitment evaluation system and optimized the factory's university student training system, creating a dynamic and creative talent reserve model. This has provided a continuous stream of new talent for the sustainable development of the enterprise.

- The talent recruitment evaluation system saw an increase in the initial pass rate from 28% to 37.5% and the final pass rate from 50% to 66.7%.
- Skyworth Digital Bao'an Factory implemented the Amoeba Management System, allowing small groups to operate independently, with everyone acting as a manager. This model aims to cultivate more entrepreneurial talent in society. In 2023, there were a total of 70 Amoeba Management groups, including 50 profit-oriented groups and 20 expense-oriented groups. Outstanding Amoeba leaders and members were incentivized accordingly.





➤ The operating results and growth sharing of each Amoeba



➤ Monthly incentives



➤ Quarterly Incentives



➤ Annual incentives

7.2 Product Quality and Customer Service

Excellent products and services are the cornerstone of our company's foundation. In our factory, we adhere to the quality policy of "market orientation, technological innovation, continuous improvement, and excellence in quality". We uphold rigorous quality management standards and promote an intelligent quality management model throughout our operations. We encourage all employees to embody the craftsmanship spirit of being "Skyworth Digital" people, striving for excellence with meticulous attention to detail. By dedicating ourselves to quality and professionalism, we consistently deliver high-quality products that are safe and reliable for our customers.

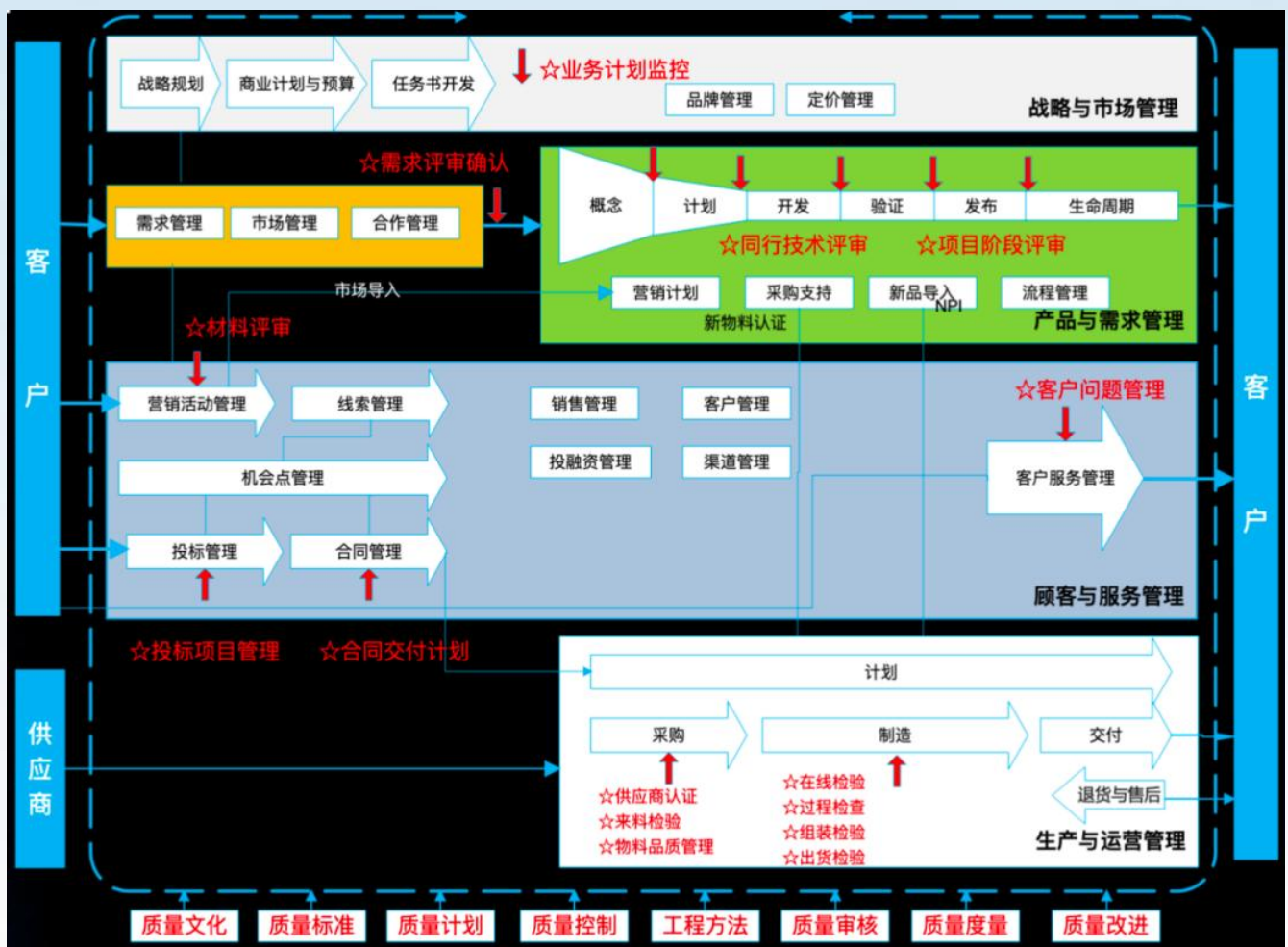
Quality Management System

We adhere to the "Product Quality Law of the People's Republic of China" and relevant laws and regulations in the areas of operation and shipment. It has established a series of systems and procedures such as the "Quality Management System" and the "Implementation Measures for Product Quality and Safety Management" to control risks related to quality and safety. At the same time, strict product quality standards are applied to ensure the effective implementation of quality control measures at every stages of the products

Our company has obtained TL 9000-H R6.3/R5.7 & ISO9001:2015 quality management system certification, demonstrating systematic and standardized management in product quality assurance. This certification also provides a solid foundation for the company's continuous improvement and development, ensuring that its products and services meet expectations, satisfy the needs of domestic & international customers, and gain market trust.



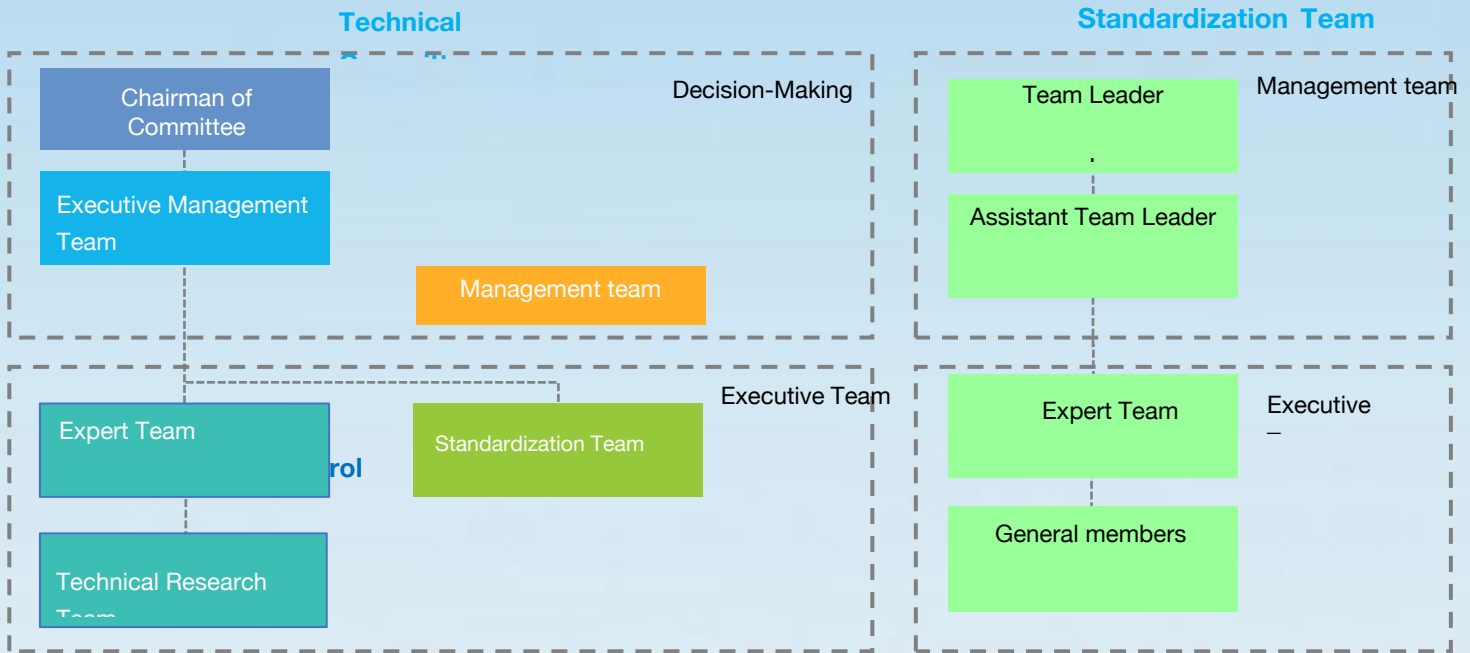
The company has constructed an end-to-end comprehensive quality management system from four aspects: strategic and market management, product and demand management, customer and service management, and production and operation management.



Enterprise standard management system

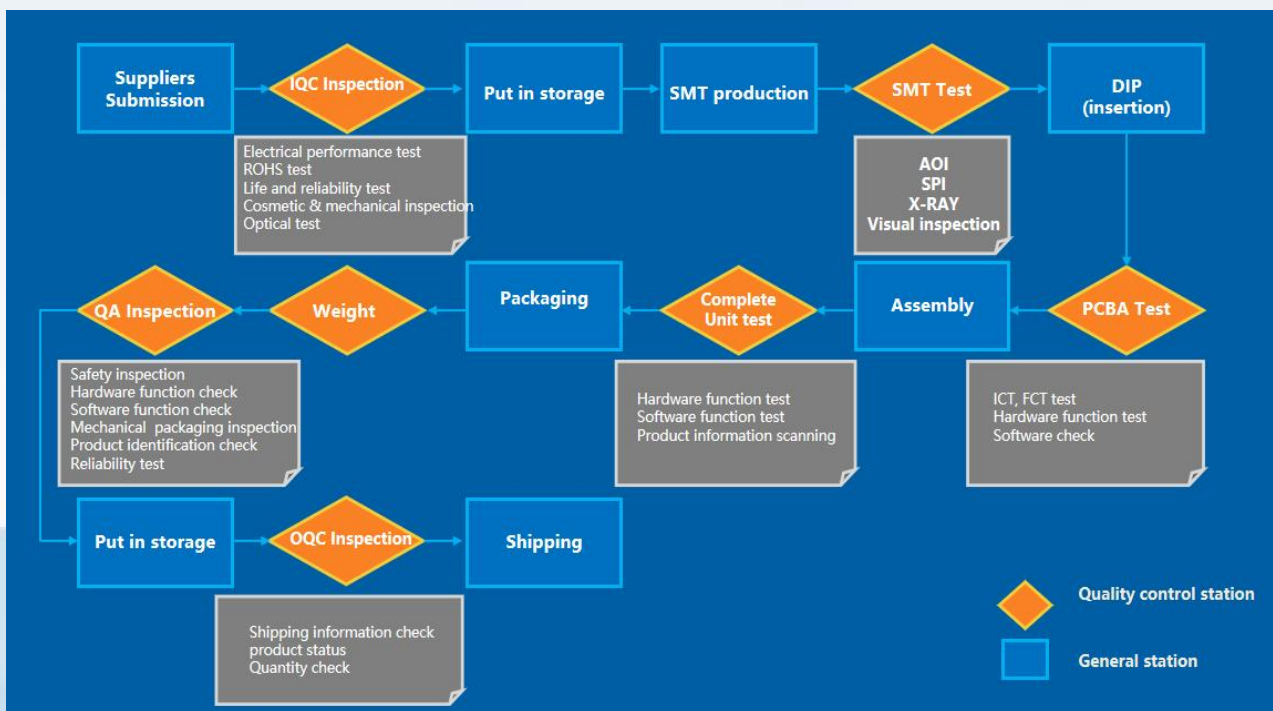
The company has established a Technical Committee responsible for determining the overall direction of the company's technological development, promoting the continuous development of core foundational technologies, facilitating the assessment, selection, and implementation of key core new technologies, and establishing the highest technical sharing, communication, and discussion platform within the company. The Joint Management Team currently consists of 4 members, the Joint Management Team consists of 9 members, and there is an expert team within the industry with

32 members, covering various modules/domains, comprising internal experts appointed after regular qualification assessments.



The company adopts an intelligent quality management model by utilizing automated production and inspection, significantly enhancing the efficiency and accuracy of product manufacturing quality control. Automated production reduces manual operations, thereby improving overall production efficiency and reducing errors caused by human factors, leading to higher product yield rates. Additionally, automation provides abundant data and information for analysis and identify opportunities for continuous improvement.

➤ Manufacturing quality control process



➤ Fully automated production and inspection



1. Automatic insertion machine



2. AOI inspection before soldering



3. Automatic waving soldering



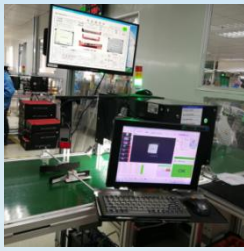
4. AOI inspection after soldering



5. Automatic screwing & labeling



6. Robotic arm + automatic testing



7. Automatic visual inspection



8. Automatic folding of cartons



9. Automatic weighing

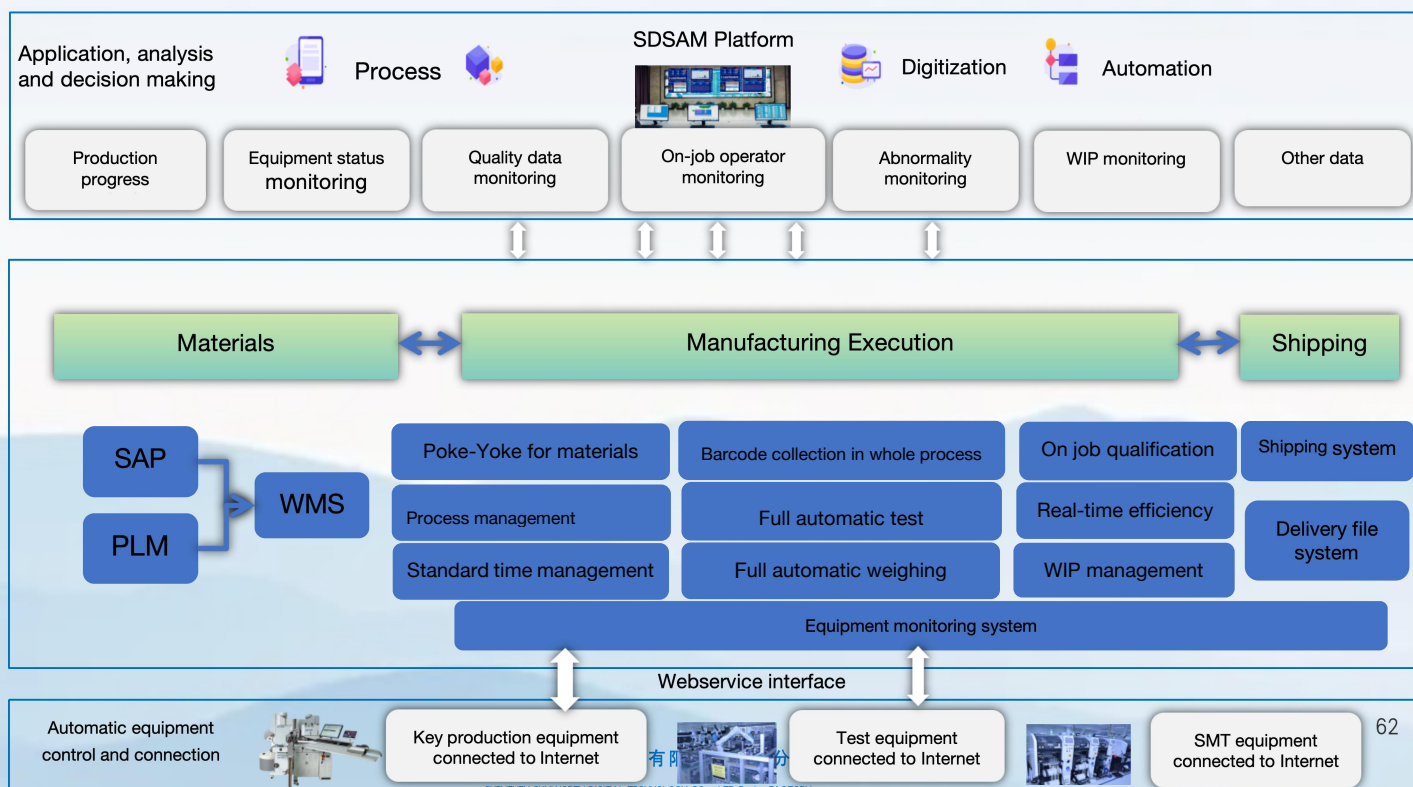


10. Automatic carton packing

√ The fully automated production line reduces 70% manual operations compared to traditional production lines, resulting in a 280% increase in output per worker.

➤ Digital Quality Management System

Skyworth Digital Bao'an Factory has made significant progress in digital quality construction. Currently, it has established the QMS quality management system and relies on the company's MES, WMS, SAP, PLM, and other system platforms to realize the construction of a comprehensive quality management operation platform. Through the digital quality management system, product quality can be better monitored and managed, thereby improving production efficiency and quality levels. Information management, personnel, machinery, materials, methods, and environment are all covered, and data from SAP, WMS, MES, and other systems are interconnected.



➤ **Product Safety Management**

In the stage of material incoming inspection, our factory has established "Safety Regulation Material Inspection Specification" and "Safety Consistency Check Inspection System". Through IQC inspection and testing process, it enhances the controllability and stability of materials, and compliance with quality, safety and reliability standards.



Dielectric Withstand Tester



Lightning Surge Generator



EMC Testing Laboratory



Finished Product Wide Voltage Impulse Test

➤ **Product Environmental Control**

Skyworth Digital Bao'an factory has taken a series of measures in product environmental control to more effectively manage the environmental performance of its products. By controlling and managing the environmental performance of incoming materials from the source, the factory has established close cooperation with suppliers, requiring them to provide raw materials that meet environmental and RoHS 2.0 standards (annual testing report in the 3rd party lab is mandatory). Internally, the factory has invested a RoHS 2.0 testing lab, completing upgrade from RoHS 1.0 control to RoHS 2.0 control with more precise and bigger control scope of hazardous substances.



➤ **Finished product reliability test**

To meet the requirements of customers and product characteristics, the company has established finished-product reliability test environments. Our labs are divided into new product lab and mass production lab, covering various testing capabilities such as mechanical reliability, environmental reliability, wireless performance, and transportation simulation tests (vibration & drop).



High Temperature Aging Test



Constant Temperature and Humidity Test



High-Low Temperature Test



Thermal Shock Test



Drop test

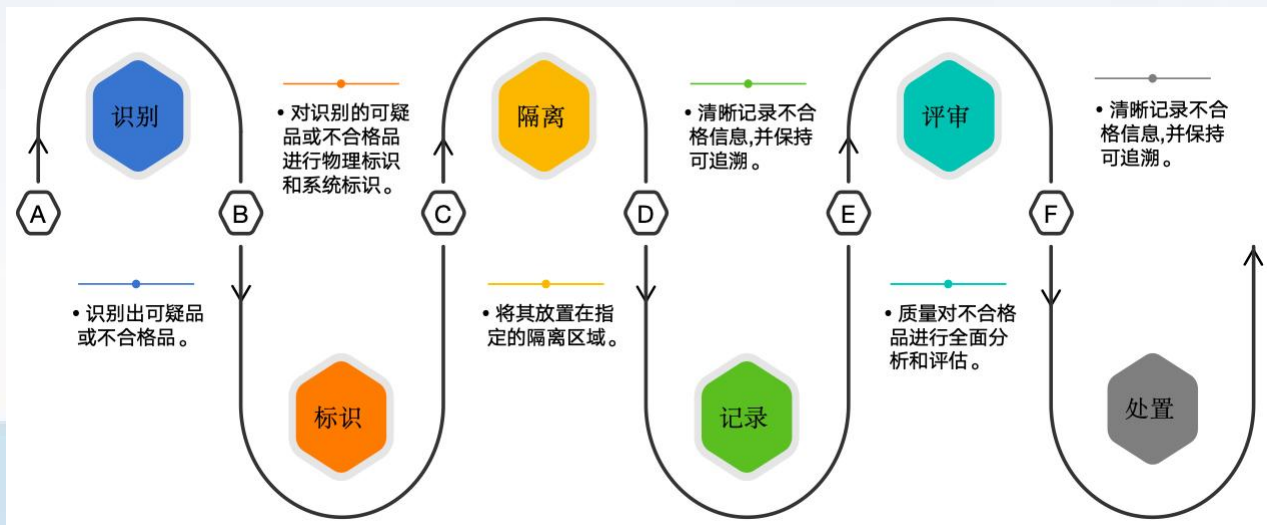


Vibration test

➤ **Non-conforming product management**

Strict management of non-conforming products ensures product quality at Skyworth Digital Bao'an factory. The establishment of "Non-Conforming Product Control Procedure" regulates the disposal process for non-conforming products, delineating the responsibilities of each department in handling such issues. This control procedure applies to all finished products, work-in-progress items, and incoming components. Through this control procedure, the company effectively manages various types of non-conforming products, preventing them from affecting product quality.

➤ **Non-conforming product handling process**



Supplier product quality management

Supplier quality management is a focal point of attention for Skyworth Digital Bao'an factory in conducting supplier risk control. The company has established "Supplier Management System" to cover supplier selection, supplier qualification, supplier management, and improvement of supplier quality performance. This is a systematic approach aimed at ensuring the selection and management of suppliers meet the company's policies.

➤ Supplier Management System

Supplier Development Strategy

Core materials: Main supplier + Back-up supplier
Material localization

New Supplier Management

Strict and standardized audit
Introduction standardization

Supplier Coaching

Systematic supplier coaching mechanism
Key material process standardization coaching
Professional supplier coaching team



Supplier Capability Improvement

New technology, new process exploration
Process standardization production
Automation and informatization for customized component

Supplier Performance Monitoring

Monitor supplier performance in real time
Disqualify suppliers with bad performance

Supplier Service

Inventory turnover ratio
Planning stability
Material standardization

➤ **Supplier quality control ability improvement**



The award recognizes individuals with outstanding abilities and achievements in the field of quality management. These personnel had excelled in quality control, quality improvement and assurance.

Quality technology project award	Excellent quality craftsman	Excellent quality person
<ul style="list-style-type: none"> • This award recognized teams or individuals who have achieved significant results in continuous improvement projects. • These projects may include projects on quality improvement, defect prevention, process optimization etc. 	<ul style="list-style-type: none"> • This award recognized individuals with outstanding skills and experience in the field of quality • These personnel had excelled in quality control, quality improvement and assurance 	<ul style="list-style-type: none"> • This award recognized individuals with outstanding abilities and achievements in the field of quality • These personnel had excelled in quality control, quality improvement and assurance

Quality Culture Construction

The company's approach to quality culture construction, primarily based on rewards, is highly proactive and effective. Recognizing teams and individuals who demonstrate outstanding performance in quality improvement encourages active participation in quality management among employees, enhancing their sense of responsibility and initiative. Here are some common quality awards in the company: These awards are designed through internal selection and expert review. Additionally, the achievements of the winners are publicized and shared to inspire other employees to strive for similar recognition. The company primarily adopts a reward-based approach to recognize and encourage teams and individuals who demonstrate exceptional abilities or achievements in quality improvement and assurance as part of its quality culture construction.



The teams and individuals who have won the Quality Technology Award.

On the other hand, the company also conducts proposal improvement work, providing a channel for front-line employees to offer rational suggestions. Front-line employees are the ones directly involved in execution. They have the most real feeling of whether the products are good and whether the production processes run smoothly. Through this collaborative approach, employee engagement in quality improvement is enhanced, contributing to the company's humanized management practices.

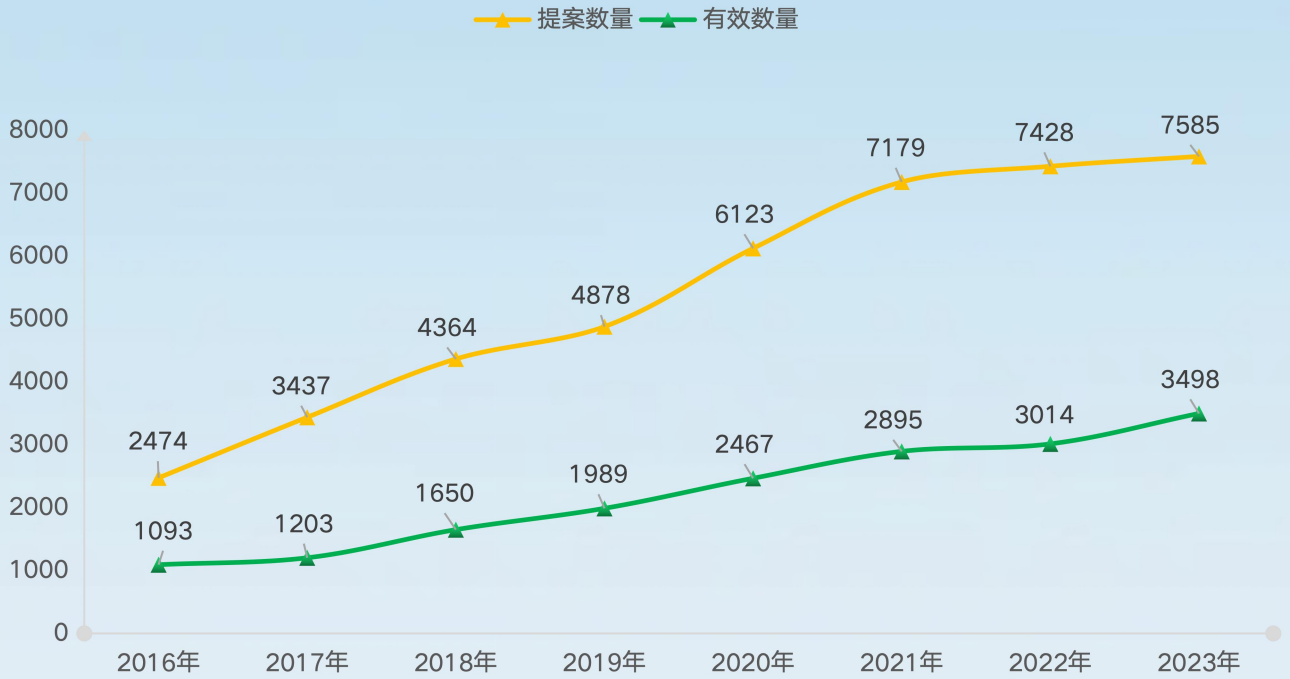
1) Participation Rate in Proposal Improvement in 2023 (as a percentage of total workforce): **80.1%**.

提案改善参与率年度趋势图



2) Number of Proposals in 2023: 7585, Number of Valid Proposals: 3498, representing a 16% increase compared to year 202..

提案改善提交数量和有效数量年度趋势图



3) Distribution of Employee Proposal Improvement Levels and Incentives to Enhance Employee Achievement and Happiness.

Award Level	Golden Award	Silver Award	Bronze Award	A Class	B Class	C Class	D Class
Qty	1	1	1	31	62	19	3386



➤ The collective and individual winners of the proposal award

➤ **Quality Month Event**

The Skyworth Digital Bao'an factory continues to conduct internal quality month improvement activities every year from August to November, aiming to establish a culture of quality improvement and enhance factory quality level. Through the quality month improvement activities each year, the factory can focus on addressing quality issues and encourage all employees to participate in the process of quality improvement. Concentrated training helps employees to focus more on thinking and implementing quality improvement measures, thereby improving the overall quality level of the factory.

In the quality month improvement activities, we take various methods to promote the culture of quality improvement. For example, organizing training sessions and seminars to share best practices and success cases, inspiring employees' learning and innovation awareness. At same time, we establish reward mechanisms to encourage employees to propose improvement suggestions and implement effective quality improvement measures. Technically, we establish quality improvement projects led by professional six sigma black belt / green belt.



Case | Promotion of Quality Month Activities

Activity Promotion Scope:

1. Promotion boards at various staircases in Skyworth Digital Bao'an Factory.
2. Activity launch banners in meeting rooms.
3. Quality slogan banners in workshop areas (SMT, Lean Production Department).



Case Study | Implementation Process of Training on Quality Tools and Awareness for All Staff

Quality Month activities focus on training quality tools and methods of problem solving, along with reinforcing quality awareness.

Employees have incorporated these quality methods and tools into their work and practice, resulting in increased efficiency and reduced costs.



Case Study | Self-inspection and Self-correction Activities Implementation



SMT



Lean Production



Engineering Dept.



Quality Dept.



Equipment Dept.



Warehouse Dept.



HR Dept.



Automation Develop Dept.

Data Summary:

- In 2023, all relevant departments participated in the self-inspection and self-correction activities during the quality month, holding regular meetings internally for review.
- The lean production department, due to internal re-planning of activities, started later and is currently ongoing with the activities.

Case Study | Quality Knowledge Competition



质量知识竞赛		在线答题	现场比赛					总成绩		
序号	队伍名称	线上平均分	个人必答题1	个人必答题2	个人必答题3	团队必答题1	抢答题	现场分	总分	排名
1	星梦队	94.67	5	10	5	25	10	55	66.9	5
2	精益求精质量改进队	93.33	5	10	10	30	10	65	73.5	3
3	工程队	94.50	5	10	10	30	50	105	101.85	1
4	仓储部1队	90.33	5	10	10	25		50	62.1	6
5	仓储部2队	78.00	10	10	5	30	25	80	79.4	2
6	SMT	97.00	10	10	5	30	5	60	71.1	4

Offline Competition Rules

Question Types: Divided into three parts: Individual Mandatory Questions (30 points), Team Mandatory Questions (30 points), and Buzzer Questions (180 points).

Case Study | Quality Month-QCC Activity



Quality Control Circle (QCC) Project Presentation

- Project to Reduce Defect Rate of Washing Machine Product Springs:**
 - Optimize the front-end pins of the spring material body.
 - Optimize the PCB spring material pad structure.
 - Modify the material packaging method, changing from manual pasting to machine pasting to eliminate manual pasting operations.
- Project to Reduce Defects in Projection Product Collision:**
 - Control the line's cycle time, reduce the conveyor belt speed, and establish a standard conveyor speed table.
 - Increase the height of the fixture travel to facilitate the staff in retrieving the board.
 - Improve the PCBA placement method, allowing only one board per slot in the tray.
- Project to Improve the CKD Shipment Inspection Pass Rate:**
 - Develop a small program for label accounting to prevent errors in manual input of end numbers leading to defective labels.
 - Establish additional rechecking inspection positions to reduce problems caused by packaging.
 - Establish measures to prevent mistakes in history records and provide targeted education for packaging personnel.

➤ Quality skill training

Through training, the factory has cultivated a culture of quality that involves all employees in continuous improvement. Each employee is aware of their importance in quality management and actively participates in the process of quality improvement, thereby collectively promoting the enhancement and development of the factory's quality.



For newly hired employees, they undergo a series of training courses, including quality awareness education. This training helps them understand the company's quality standards and requirements, grasp the correct work methods and processes, and clarify their responsibilities and roles in quality management.

Through such education, new employees can quickly adapt to the work environment and develop a strong quality awareness.

Furthermore, continuous education is key to cultivating and enhancing employees' quality awareness. The company regularly organizes quality training and learning activities, including sharing of cases, lectures, seminars, and other forms, to continuously update employees' knowledge and skills, enhance their understanding of quality, and actively engage them in quality improvement projects. Through practice and experience accumulation, employees' quality awareness and capabilities are enhanced.



Listening carefully to the voice of the customer

The company adheres to the service philosophy of "customer-centricity" and has formulated customer relationship management procedures such as the "Product Contract Review Control Procedure," "Customer Satisfaction Monitoring Procedure," and "Customer Complaint Handling Control Procedure" to enhance the efficiency of responding to customer needs. Meanwhile, the company actively promotes digitalization and intelligent customer management models to better meet customer demands. To achieve this, the company has established a customer demand management system to gather long-term customer requirements and integrate data and information from various departments for traceable data sources.

The company conducts regular satisfaction surveys of domestic and overseas customers every year to understand their evaluations of the company's products and services. Based on the survey results, the company compiles a list of common issues and initiates targeted improvements. After collecting feedback from customers, the company promptly provides responses and presents solutions or improvement plans within the requested timeframe, ensuring that customer concerns receive timely attention and enhancing their trust and satisfaction with the company.

To sustain improvement, the company incorporates specific improvement measures into the next round of satisfaction surveys for confirmation. It evaluates the effectiveness of these measures and promptly adjusts and optimizes them to continuously enhance customer satisfaction and the quality of products and services. Additionally, the company conducts annual customer visit activities to engage in face-to-face communication with customers. During these visits, feedback on product and service issues is collected directly from customers. This direct communication approach allows for a deeper understanding of customer needs and concerns, providing valuable insights for the company to improve its products and services.

➤ Customer Satisfaction Survey

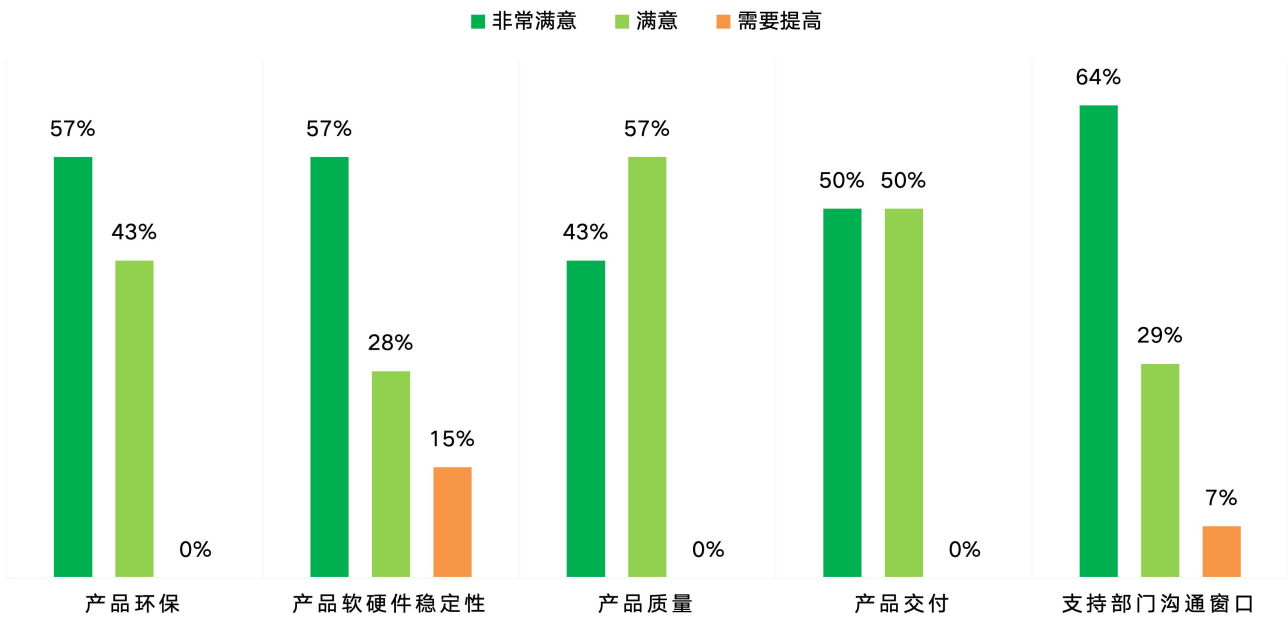
In 2023, we made continuous efforts to provide high-quality products and services to meet our customers' needs and expectations. Through customer feedback, we were able to understand our strengths and areas for improvement.

Firstly, we are pleased to learn that customers expressed satisfaction with the environmental friendliness, product quality, and delivery efficiency of our products. This indicates that we have achieved certain accomplishments in environmental awareness, quality control, and delivery efficiency. We will continue to focus on the research and application of environmentally friendly technologies to ensure that our products meet environmental standards and customer expectations. Additionally, we will continue to strengthen our quality management system to ensure product stability and reliability. Regarding product delivery, we will further optimize supply chain management and logistics distribution to improve delivery efficiency and on-time delivery.

However, we also noted that 15% of customers expressed a need for improvement in product software and hardware stability. We value this feedback and will carefully analyze the issues and take effective measures for improvement. We will enhance quality control in the product design and development process to improve the stability and reliability of software and hardware. Additionally, we will strengthen the training and skill development of our after-sales service team to better address any issues customers encounter during product use.

Furthermore, 7% of customers expressed a need for improvement in communication services. We apologize for any shortcomings and will take this feedback seriously. We will strengthen internal communication and collaboration to ensure timely and accurate responses to customer needs and issues. We will also enhance communication channels with customers, providing more convenient ways to communicate to better understand and meet their needs.

2023年客户满意度调查



Customer Factory Visits

Skyworth Digital Bao'an factory attaches great importance to systematic process control and quality management, and it is committed to providing high-quality products and services. During customer visit in 2023, customers highly praised systematic process control, automation and quality management in factory. This recognition and encouragement serve as motivation for us to continue improving. We will strive to enhance our process control and quality management capabilities to provide customers with better products and services.

Case Study | Customer Visit to Skyworth Digital Bao'an Factory

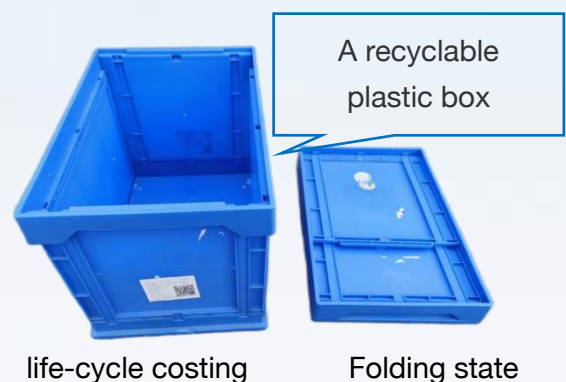


8 Circular economy to build an engine for green development

Skyworth digital Bao'an factory is committed to environmental protection. The company relying on the ISO 14001 environmental management system, ISO 20400 sustainable procurement management system, UNGC UN global contract ten principles, SDGs and EcoVadis Rating platform established the Skyworth Digital Bao'an factory corporate social responsibility sustainable development management system. In order to minimize the impact on the environment, finally achieve environmental-friendly circular economy model as the goal and achieve sustainable business activities.

Skyworth Digital Bao'an factory classifies, collects, and processes various types of waste materials generated from business activities according to the waste management procedure. General waste is uniformly contracted to professional recyclers for recycling and treatment, achieving the recycling and reuse of paper, metal, and plastic general waste. After the compliant temporary storage of hazardous waste, it shall be regularly handed over to compliant units with hazardous waste treatment qualifications registered with the Environmental Protection Bureau for disposal.

For transportation packaging for structural parts, reusable packaging is implemented to reduce the use of traditional paper cartoon boxes. So far, in the five main structural suppliers, one main suppliers achieved 100% use reusable packaging way to delivery structure. The remaining four main structural suppliers is still in the scheme evaluation, the future Skyworth Digital Bao'an factory will continue to promote reusable packaging with supplier partners, in order to better implement the concept of circular economy and goals.



9 Fulfilling responsibilities and building a bridge of public welfare & love

9.1 Supplier Sustainability Training Conference

The sustainable development and management of suppliers is very important for the survival and development of an enterprise. Sustainable development is not a great goal that a company can achieve alone, but must cooperate with the upstream and downstream partners of the supply chain. So we hold a supplier sustainability conference every year, with in-depth study and discussion on key topics such as carbon emission reduction management, green design and manufacturing and corporate social responsibility.



9.2 Corporate social responsibility public welfare activities

- 2023 Shiyan Lake Greenway Garbage Sorting Activity, Clearing White Garbage, Advocating Low Carbon Green Travel, Setting Sail for Love

With the global climate warming and environmental pollution problem becoming increasingly serious, low-carbon and green development has become a global consensus. As a global top set-top box manufacturer, we actively respond to the call of the country and society to adhere to low-carbon and green travel. Actively participate in social garbage classification activities to build a green home. On March 3, 2023, Skyworth Digital Bao'an factory organized employees to participate in a team running activity. After the activity, they collected and classified garbage from the community park. Reduce environmental pollution caused by garbage, cultivate environmental awareness among employees, improve urban environment, and promote ecological civilization construction.



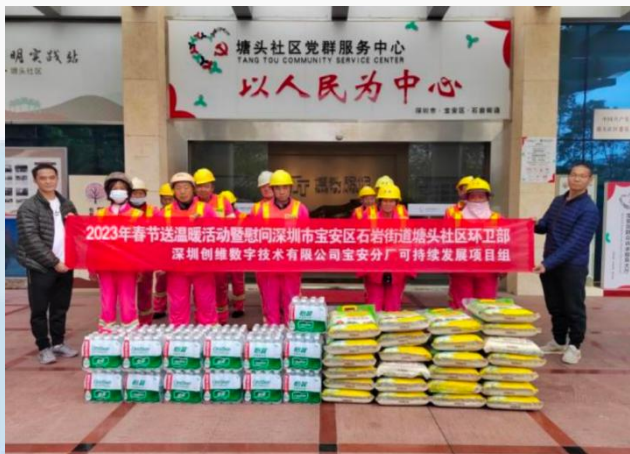
Case | Skyworth Digital Bao'an factory carry out environmental protection activities



Community sanitation workers condolence activities

In order to enhance the connection between enterprises and the community, showing the purpose of putting the people at the center, express the care and support for the community sanitation workers, , on December 20,2023, Skyworth Digital Bao'an factory carried out a comfort activity with the theme of "sending warmth" and "welcoming the New Year". We sent rice, oil, water and other comfort products to the workers of Tangtou Community Sanitation Department, express our wishes to all sanitation workers for a peaceful and happy Spring Festival. In the future, the company will continue to carry out love activities, and care for the bottom workers in the community every half a year, to promote the harmonious development of the enterprise and the community.

Case | Skyworth Digital Bao'an factory carries out condolence activities



10 CSR Key Data

Items	2021,	2022,	2023,	Remarks
Environment				
Hazardous waste shall be handled by qualified institutions and the use of hazardous substances	6.69	10.6806	10.6771	ton
Greenhouse gas emission reduction	-	-	Scope 1:149.66 Scope 2:3396.01 Scope 3:8368653.32	tCO2e
Total amount of water	27612.8	27654	28127.6	m ³
Ethyl alcohol	6192	6032	7680	L
GW606 Agent	540	700	780	L
Cleaning agent	1140	1200	1240	L
Total electricity consumption	5693394.8	5679172.8	5954784	kWh
Amount of PLA environmental protection materials used	0	0	4312.74	KG
Amount of FSC material used	0	0	13515.36	KG
Compliant with RoHS 2.0	100%	100%	100%	
EU product complies with REACH	100%	100%	100%	
Gasoline	6,127.50	5,342.75	4,789.92	L
Waste recycling volume (paper)	566.29	610.71	800.42	ton
Waste recycling volume (metal)	9.29	13.35	16.13	ton
Waste recycling volume (plastic)	24.91	191.27	485.67	ton
Other recycling volume	281.98	287.70	192.30	ton
Total weight of raw material procurement	-	-	3.63	10k tons
Average training duration	-	-	114.7	hour
Number of maternity leave	6	22	22	
Number of wedding leave	2	3	4	
Labor and Human Rights Policy Objectives-Career (Recruitment, Training, Job Transfer)				
Total number of employees	827	837	841	people
Full-time male	598	593	619	people
Full-time female	229	244	222	people

Percentage of female employees in the entire organization	27.69%	29.16%	26.40%	
Total number of senior executives	38	43	32	people
Number of men of senior executives	30	37	27	people
Number of women of senior executives	8	6	5	people
The percentage of women in the entire organization	21.06%	13.96%	15.63%	
Total number of ethnic minority employees	40	49	70	human being
The proportion of ethnic minority employees	4.84%	5.86%	8.32%	
Labor and Human Rights Policy Objective-Health and Safety				
Psychological events	0	0	0	event
Minor work-related injury events	0	0	5	event
Work-related injury incident	2	0	2	event
Serious work-related injury	0	0	0	event
Work injury days	15	0	14	sky
Overall number of people	827	837	841	human being
Total working hours	1720160	1774440	1840000	hour
Accident rate of Lost working hours	1.16	0	3.80	(total number of lost hours accidents) (1,000,000 / total working hours)
Serious accident rate of lost working hours	0.0087	0	0.0076	(days lost due to injury) (1,000 / total work hours)
Occupational hazard event of chemical exposure	-	-	0	event
Occupational hazard event of noise exposure	-	-	0	event
Slip, trip, fall event	-	-	0	event
Transport accident event	-	-	0	event
Number of work-related deaths	-	-	0	human being
Health and safety training coverage rate	100%	100%	100%	

Business ethics performance				
Corruption Event	0	0	0	event
Conflict of interest Event	0	0	0	event
Bad competition events	0	0	0	event
Fraud phenomenon	0	0	0	event
Money laundering behavior	0	0	0	event
Information security events	0	0	0	event
Appeal, complaint handling timely rate	100%	100%	100%	
Business ethics complaint incident	0	0	0	event
Business ethics knowledge training coverage rate	100%	100%	100%	
The Company's internal business ethics audit timely rate	100%	100%	100%	
Timely rate of internal business ethics hazard assessment	100%	100%	100%	
Total number of suppliers	489	471	562	individual
Number of suppliers in Guangdong Province	296	275	328	individual
Number of suppliers outside Guangdong Province	193	196	234	individual
The Supplier must sign the Supplier Sustainable Procurement Charter percentage	100%	100%	100%	
Supplier signed PSV%	100%	100%	100%	
Supplier signed integrity agreement percentage	100%	100%	100%	
Suppliers participate in the sustainable procurement knowledge training, and the training coverage rate	0	25%	50%	
Percentage of suppliers participating in corporate social Responsibility (CSR) assessments (such as questionnaire)	0	10%	25%	
Percentage of target suppliers who have undergone corporate social responsibility (CSR) site audit	0	10%	25%	
Percentage of ISO 9001 was done for all vendors	70%	80%	85%	
Percentage of ISO 14001 was done for	65%	68%	70%	

all vendors				
Supplier has RoHS 1.0 test capability and percentage of equipment	39%	45%	50%	
Supplier has RoHS 2.0 test capability and percentage of equipment	6%	6%	8%	

Remarks:

1. Psychological event statistics and judgment criteria:

- 1) Internal communication records of all department leaders and team leaders;
- 2) Monthly records of the trade union, safety committee and system team;
- 3) Record of report and complaint suggestion box.

2. Statistics and judgment criteria for minor work-related accidents:

An injury event that does not constitute the condition of industrial injury or occupational disease accident.

3. Statistics and judgment conditions of work-related accidents:

Compliance with the grade 10 work-related injury or occupational disease accident.

4. Statistics and judgment conditions of serious work-related accidents:

Equal to level nine work-related injury or occupational disease accident;

Or more serious than a grade nine work-related injury or occupational disease accident.

11 GRI metric

Instructions for use	Shenzhen Skyworth Digital Bao'an factory will prepare the report with reference to GRI standards from January 1,2023 to December 31,2023.	
The GRI 1 used	GRI 1: Base 2021	
GRI standard	Disclosure items	Location
GRI 2: General disclosure 2021	2-1 Organizational details	About Skyworth Digital Bao'an Factory
	2-2 Entities included in organizational sustainability reports	Regarding this report
	2-3 Reporting period, reporting frequency, and contact person	Regarding this report
	2-4 Information statement	management system 10 CSR Key Data
	2-5 External Verification	12 TUV Rheinland Verification report
	2-6 Activities, value chains, and other business relationships	About Skyworth Digital Bao'an Factory 1.5 Influence from all stakeholders
	2-7 Employees	10 CSR Key Data
	2-8 Workers outside of employees	10 CSR Key Data
	2-9 Governance architecture and composition	1.3 Corporate social responsibility management framework
	2-10 Nomination and selection of the Supreme governance Agency	1.3 Corporate social responsibility management framework
	2-11 Chairman of Supreme governance Agency	1.3 Corporate social responsibility management framework
	2-12 Supervisory role of the top governing agency in terms of regulatory impact	1.3 Corporate social responsibility management framework
	2-13 Authorization of Responsibility for Managing Impact	1.3 Corporate social responsibility management framework
	2-14 Role of the Supreme governance Agency in sustainability reporting	1.3 Corporate social responsibility management framework

	2-15 Conflict of interests	1.3 Corporate social responsibility management framework
	2-16 Communication of the key issues	1.3 Corporate social responsibility management framework
	2-17 Consensus of the supreme governing agency	1.3 Corporate social responsibility management framework
	2-18 Performance evaluation of the Supreme governance Agency	1.3 Corporate social responsibility management framework
	2-19 Compensation policy	1.3 Corporate social responsibility management framework
	2-20 Procedures for determining compensation	1.3 Corporate social responsibility management framework 2 Grow hand in hand to create a harmonious and happy workplace 2.1 Human rights and Labour management policies 2.2 Talent acquisition and retention
	2-21 Total compensation ratio for the year	NA
	2-22 The Statement on the Strategy for Sustainable Development	1.2 Actively participate in the UNGC United Nations Global Compact for sustainable development
	2-23 Policy commitments	1.4 Corporate social responsibility management system policy, key objectives and progress
	2-24 Integration of policy commitments	1.4 Corporate social responsibility management system policy, key objectives and progress
	2-25 Procedures to remedy the negative effects	1.5 Influence from all stakeholders
	2-26 Mechanisms for seeking advice and raising concerns	1.5 Influence from all stakeholders
	2-27 Compliance with laws and regulations	1.7 Internal control and risk management
	2-28 Membership of the Association	1.8 2023 Honors & Social Recognition
	2-29 Methods of stakeholder engagement	1.5 Influence from all stakeholders 1.6 Analysis of key topics

	2-30 Collective bargaining agreement	2.4 Create a harmonious workplace environment
GRI 3: Substantive issue 2021	3-1 The process of determining the substantive issues	1.6 Analysis of key topics
	3-2 Substantive issues list	1.6 Analysis of key topics
	3-3 Management of the substantive issues	1.3 Corporate social responsibility management framework 1.6 Analysis of key topics 10 CSR Key Data
GRI 201: Economic performance in 2016	201-1 The economic value directly generated and distributed	4.2 Dealing with climate change 10 CSR Key Data
	201-2 Financial impacts, other risks, and opportunities brought about by climate change	4.2 Dealing with climate change 10 CSR Key Data
	201-3 Fixed benefit plan obligations and other retirement plans	2.5 Employee protection and care
GRI 202: Market performance in 2016	202-1 The ratio of the gender-specific standard starting wage and the local minimum wage	2.5 Employee protection and care
GRI 203: Indirect economic impact in 2016	203-1 Infrastructure investment and supporting services	2.5 Employee protection and care
	203-2 Significant indirect economic impact	2.5 Employee protection and care
GRI 205: Anti-corruption, 2016	205-1 Operations point where corruption risk assessment has been conducted	5 Business integrity builds the epitome of business ethics
	205-2 Communication and training of anti-corruption policies and procedures	5 Business integrity builds the epitome of business ethics 5.1 Anti-corruption and anti-commercial bribery
	205-3 Confirmed corruption incidents and actions taken	5 Business integrity builds the epitome of business ethics 5.1 Anti-corruption and anti-commercial bribery 10 CSR Key Data
GRI 206: Anti-competitive behavior, 2016	206-1 Legal action against anticompetitive behavior, antitrust, and antitrust practices	5 Business integrity builds the epitome of business ethics 5.1 Anti-corruption and anti-commercial bribery
GRI 207: Tax revenue in 2019	207-1 Tax policy	5 Business integrity builds the epitome of business ethics

		5.1 Anti-corruption and anti-commercial bribery
	207-2 Tax governance, control, and risk management	5 Business integrity builds the epitome of business ethics 5.1 Anti-corruption and anti-commercial bribery
	207-3 Stakeholder involvement and management of tax-related issues	5 Business integrity builds the epitome of business ethics 5.1 Anti-corruption and anti-commercial bribery 10 CSR Key Data
	207-4 Country Report	On this report
GRI 301: Material 2016	301-1 Weight or volume of the material used	10 CSR Key Data
	301-2 Recycled materials used	8 Circular economy to build an engine for green development
	301-3 Recycled products and their packaging materials	10 CSR Key Data
GRI 302: Energy 2016	302-1 Energy consumption within the organization	10 CSR Key Data
	302-2 Energy consumption outside of the organization	10 CSR Key Data
	302-3 Energy intensity	10 CSR Key Data
	302-4 Reduce energy consumption	10 CSR Key Data
	302-5 The decrease in energy demand for products and services	4.6 Green products
GRI 303: Water resources and sewage 2018	303-1 The mutual influence between organization and water as shared resources	10 CSR Key Data
	303-2 Management and drainage related impacts	4.5 Control of pollutants and environmental impacts
	303-3 Water intake	4.5 Control of pollutants and environmental impacts
	303-4 Drainage	4.5 Control of pollutants and environmental impacts
	303-5 Water consumption	4.5 Control of pollutants and environmental impacts
GRI 305: Emission 2016	305-1 Direct (range 1) greenhouse gas emissions	10 CSR Key Data

	305-2 Energy indirect (range 2) greenhouse gas emissions	10 CSR Key Data
	305-3 Other indirect (range 3) greenhouse gas emissions	10 CSR Key Data
	305-4 greenhouse gas emission intensity	10 CSR Key Data
	305-5 Greenhouse gas emission reduction	10 CSR Key Data
	305-6 Emissions of ozone-depleting substances (ODS)	10 CSR Key Data
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other major gas emissions	10 CSR Key Data
GRI 306: Waste product 2020	306-1 Waste generation and waste-related significant impacts	4 Environmental governance leads the new times of low-carbon digital terminals 4.1 Environmental management system structure 4.5 Control of pollutants and environmental impacts
	306-2 Management of significant impacts related to waste	4 Environmental governance leads the new times of low-carbon digital terminals 4.1 Environmental management system structure 4.5 Control of pollutants and environmental impacts
	306-3 Waste generated	10 CSR Key Data
	306-4 Waste transferred from the disposal	10 CSR Key Data
	306-5 Waste entering the disposal	10 CSR Key Data
GRI 308: Supplier Environmental Assessment 2016	308-1 New vendors screened using the environmental evaluation mechanism	6.Green supply inaugurates a new era i n sustainable procurement 6.1 Supply chain management system 6.2 Responsible supply chain 6.3 Skyworth Digital Bao'an factory sets clear CSR bottom lines for its suppliers 6.4 Supplier training

	308-2 Negative environmental impacts in the supply chain and the actions taken	6.Green supply inaugurates a new era in sustainable procurement 6.1 Supply chain management system 6.2 Responsible supply chain 6.3 Skyworth Digital Bao'an factory sets clear CSR bottom lines for its suppliers 6.4 Supplier training
GRI 401: Hire in 2016	401-1 Benefits provided to full-time employees (excluding temporary or part-time employees)	2 Grow hand in hand to create a harmonious and happy workplace 2.5 Employee protection and care
	401-2 Parenting leave	2 Grow hand in hand to create a harmonious and happy workplace 2.5 Employee protection and care
GRI 402: Labor Relations (2016)	402-1 Minimum notification period for operational changes	2 Grow hand in hand to create a harmonious and happy workplace 2.5 Employee protection and care
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	3.People-oriented, protect safe and healthy environment
	403-2 Hazard identification, risk assessment, and accident investigation	3.People-oriented, protect safe and healthy environment 3.1 Policy Objectives 3.2 Fire Safety 3.3 Industrial Accident Management 3.4 Occupational hazard management 3.5 Hazard factor detection 3.6 Employee health check
	403-3 Occupational health services	3.People-oriented, protect safe and healthy environment 3.1 Policy Objectives 3.2 Fire Safety 3.3 Industrial Accident Management 3.4 Occupational hazard management 3.5 Hazard factor detection 3.6 Employee health check
	403-4 Occupational health and safety affairs: worker participation, consultation and communication	3.People-oriented, protect safe and healthy environment 3.1 Policy Objectives 3.2 Fire Safety 3.3 Industrial Accident Management 3.4 Occupational hazard management 3.5 Hazard factor detection

		3.6 Employee health check
403-5 Worker occupational health and safety training		3.People-oriented, protect safe and healthy environment 3.1 Policy Objectives 3.2 Fire Safety 3.3 Industrial Accident Management 3.4 Occupational hazard management 3.5 Hazard factor detection 3.6 Employee health check
403 – 6 Promoting the health of workers		3.People-oriented, protect safe and healthy environment 3.1 Policy Objectives 3.2 Fire Safety 3.3 Industrial Accident Management 3.4 Occupational hazard management 3.5 Hazard factor detection 3.6 Employee health check
403-7 Prevent and mitigate occupational health and safety impacts directly related to business relationships		3.People-oriented, protect safe and healthy environment 3.1 Policy Objectives 3.2 Fire Safety 3.3 Industrial Accident Management 3.4 Occupational hazard management 3.5 Hazard factor detection 3.6 Employee health check
403-8 Workers covered by the occupational health and safety management system		3.People-oriented, protect safe and healthy environment 3.1 Policy Objectives 3.2 Fire Safety 3.3 Industrial Accident Management 3.4 Occupational hazard management 3.5 Hazard factor detection 3.6 Employee health check
403-9 Work-related Injury		3.3 Industrial Accident Management 10 CSR Key Data

	403-10 Work-related health issues	3. People-oriented, protect safe and healthy environment 3.1 Policy Objectives 3.2 Fire Safety 3.3 Industrial Accident Management 3.4 Occupational hazard management 3.5 Hazard factor detection 3.6 Employee health check
GRI 404: Training and Education, 2016	404-1 Average hours of training per employee per year	10 CSR Key Data
	404-2 Employee skills upgrading programs and transition assistance programs	2 Grow hand in hand to create a harmonious and happy workplace 2.3 Talent empowerment and training
	404-3 Percentage of employees receiving regular performance and career development reviews	10 CSR Key Data
GRI 405: Diversity and Equal Opportunity 2016	405-1 The diversity of governance institutions and employees	10 CSR Key Data
	405-2 The ratio of basic wages and remuneration for men and women	2 Grow hand in hand to create a harmonious and happy workplace 2.2 Talent acquisition and retention
GRI 406: Anti-discrimination (2016)	406-1 Events of discrimination and corrective action taken	2 Grow hand in hand to create a harmonious and happy workplace 2.1 Human rights and Labour management policies
GRI 407: Freedom of Association and collective Negotiation 2016	407-1 Operating points and suppliers that may face risks in terms of freedom of association and collective bargaining rights	6. Green supply inaugurates a new era in sustainable procurement On this report
GRI 408: Child Labor (2016)	408-1 Operations and suppliers with significant risks of child labor incidents	2 Grow hand in hand to create a harmonious and happy workplace 2.1 Human rights and Labour management policies
GRI 409: Forced or forced labor (2016)	409-1 Operating points and suppliers with significant risk of forced labor events	2 Grow hand in hand to create a harmonious and happy workplace 2.1 Human rights and Labour management policies
GRI 413: Local community 2016	413-1 Operations points with local community engagement, impact assessment, and development programs	On this report 9.2 Corporate social responsibility public welfare activities

	413-2 Operating points with an actual or potentially significant negative impact on the local community	On this report 4.5 Control of pollutants and environmental impacts
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers screened using social criteria	6.Green supply inaugurates a new era i n sustainable procurement 6.1 Supply chain management system
	414-2 Negative social impacts in supply chains and actions taken	6.Green supply inaugurates a new era i n sustainable procurement 6.1 Supply chain management system
GRI 416: Customer health and Safety 2016	416-1 To assess the health and safety impact of the product and service categories	4.6 Green products
	416-2 Violations involving the health and safety impact of products and services	4.6 Green products
GRI 417: Marketing and Logo 2016	417-1 Requirements for information and identification of products and services	4.6 Green products 7.Excellence in quality, accumulating n ew productivity 7.2 Product Quality and Customer Service
	417-2 Violations involving the information and identification of products and services	4.6 Green products 7.Excellence in quality, accumulating n ew productivity 7.2 Product quality and customer service
	417-3 Violations involving marketing communications	1.8 2023 Honors & Social Recognition
GRI 418: Customer privacy 2016	418-1 Confirmed complaints involving violations of customer privacy and loss of customer information	5 Business integrity builds the epitome of business ethics 5.2 Information security 10 CSR Key Data

12 TÜV Rheinland Verification report

Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., member of TÜV Rheinland Group, Germany (hereinafter “TÜV Rheinland”, “We”) has been entrusted by the management of Shenzhen Skyworth Digital Technology Co., Ltd. Bao'an Factory (hereinafter “Skyworth Digital Bao'an Factory”, “the Company”) to conduct independent assurance of its 2023 Corporate Social Responsibility (CSR) Report (hereinafter “the Report”). All contractual contents for this assurance engagement rest entirely within the responsibility of Skyworth Digital Bao'an Factory. Our task was to give a fair and adequate judgment on the Report. The intended users of this assurance statement are stakeholders who have relevance to Skyworth Digital Bao'an Factory's overall Social Responsibility Performance and impacts of its business activities during year 2023 (1 January 2023 ~ 31 December 2023). TÜV Rheinland is a global service provider of Corporate Social Responsibility (CSR) & Sustainability Services in over 65 countries, having qualified professionals in the field of Corporate Sustainability Assurance, Environment, Social and Stakeholder Engagement. We have maintained complete impartiality and independence during the assurance engagement, and we were not involved in the preparation of the Report contents.

Assurance Standard

TÜV Rheinland undertook the assurance work in accordance with the AA1000 Assurance Standard v3 (AA1000AS v3)

Moderate level of assurance.

Scope & Type of Assurance

Our assurance engagement was carried out in accordance with the AA1000AS v3, Type 1, Moderate level on Skyworth Digital Bao'an Factory's social responsibility performance information and data disclosed in the Report. The following assurance criteria were used in performing the assurance work:

- By reference to GRI Sustainability Reporting Standards (GRI Standards)
- Adherence to the AA1000 AccountAbility Principles of *Inclusivity, Materiality, Responsiveness, and Impact*.

Assurance Methodology

Our assurance activities included:

- Reviewing the company's management practices and processes to evaluate the Social Responsibility management system, including CSR policy, corporate governance, risk management, and key performance.
- Conducting interviews with company management and managers responsible for gathering and analyzing information on social responsibility performance.
- Reviewing and examining social responsibility management practices and performance information and data to test the accuracy of such information and data based on a sample basis and applied analytical procedures.
- Reporting assurance observations to management to provide an opportunity for the company to take corrective actions before the assurance process is completed.
- Collecting documentary evidence and assessing management representations to support adherence to the AccountAbility Principles.

Limitations

TÜV Rheinland performed the assurance based on the scope of defined engagement agreement, and on a moderate level assurance under the AA1000AS for engagement. Information and performance data subject to assurance is limited to the contents of the Report.

The company has limited knowledge and understanding of the analysis of material issues and stated that it would make some disclosure adjustments or changes to the content of such information and CSR issues. This change on the disclosure is not within the scope of the assurance.

Our assurance work did not cover financial report and its financial data, and other information not related to social responsibility.

Conclusions

Based on our methodology and activities performed within the scope of this assurance, we can reach a conclusion that no

instances or information came to our attention that would be to the contrary of the statement made as below:

- Skyworth Digital Bao'an Factory CSR report (2023) and its contents, to some extent, adhere to the AA1000 AccountAbility Principles. For a summary and evidence of such adherence, please see the following contents of *Inclusivity, Materiality, Responsiveness and Impact*.
- The CSR-related information and performance indicators disclosed in this report have been evaluated. TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision on Skyworth Digital Bao'an Factory based on this Assurance Statement.

Adherence to the AA1000 AccountAbility Principles

Inclusivity

According to disclosures in the report, the key stakeholders of Skyworth Digital Bao'an Factory include government and regulator, customers, employees, suppliers, communities, and cooperative partners and medias. We recommend that Skyworth Digital Bao'an Factory should establish a process for stakeholder identification, engagement and evaluation of performance and outcomes to better understand the CSR-related priority issues and information needs of these stakeholders and define the methods of two-way communication with them.

Materiality

According to the disclosure in the report, Skyworth Digital Bao'an Factory disclosed that important CSR issues include

corporate governance, labor and human rights, occupational health and safety, business ethics, and sustainable procurement. We recommend that Skyworth Digital Bao'an Factory should accurately understand and establish a process for analyzing and determining material issues and define appropriate methodology and criteria to understand and prioritize relevant issues by considering industry characteristics and stakeholders' concerns.

Responsiveness

Skyworth Digital Bao'an Factory exchanged views and expectations with key stakeholders on corporate social responsibility.

These include government communications, customer meetings, employee training, supplier audits and training, and complaint channels.

This report discloses data on key performance indicators (KPIs) covering greenhouse gas emissions, energy consumption, waste, employee management, health and safety, supply chain management, and business ethics.

Impact

Skyworth Digital Bao'an Factory pays great attention to the introduction of ISO management system in its own operations, covering environment, occupational health and safety, information security, sustainable procurement, and anti-corruption, etc., and also integrates risk-based thinking into the building up of the above systems. Supporting evidence shows that the company has focused on supply chain risks in the industry and implemented control measures in 2023. We recommend that the company should effectively conduct a CSR impact assessment on its operations, communicate with stakeholders about the impact and material topics, and set up relevant CSR strategies and measures to manage the identified impacts.



Pan Min

Corporate Sustainability Services Technology Manager

Rhine Technology (Shanghai) Co., Ltd

Shanghai, China, April 10, 2024



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13 The customer satisfaction questionnaire

Feedback form

Dear readers, Hello!

Thank you for reading this report. We sincerely look forward to your evaluation of this report and valuable feedback, so that we can continuously improve our corporate social responsibility work and enhance our ability and level of fulfilling corporate social responsibility work!

Selective problem: (please choose the "√") in the corresponding position

1. Your overall impression of the report is that:

Very good Good Generally Worse Very bad

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Very high High Generally Low Very low

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Very reasonable Reasonable General Poor Very poor

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Very good Good Generally Worse Very bad

Open questions:

Please give your valuable comments and suggestions on this report:

You can send the feedback to:

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