

2024

Environmental, Social and Governance Report



About the Report

Reporting Scope

This report is the first Environmental, Social and Governance (ESG) Report (hereinafter referred to as "this Report") released by Positec Technology (China) Co., Ltd. (hereinafter referred to as "Positec", "the Group" or "we").

This Report covers the period from January 1, 2024 to December 31, 2024 (hereinafter referred to as the "reporting period"). To enhance the comparability and completeness of information, some contents appropriately extend to previous years or through 2025. The content of this Report covers Positec Technology (China) Co., Ltd. and its affiliated companies.

Preparation Basis

This Report has been prepared in accordance with the *Global Reporting Initiative (GRI) Sustainability Reporting Standards* issued by the Global Sustainability Standards Board (GSSB) (hereinafter referred to as "GRI"), and developed through a set of established processes. These processes include: identifying key stakeholders, determining and prioritizing material ESG topics, defining the report boundary, collecting relevant reporting information, compiling this Report, and conducting reviews of the disclosed information.

Information Description

This Report primarily sources information from Positec's statistical data and relevant documentation. Unless otherwise specified, all monetary amounts in this Report are denominated in Renminbi (RMB) as the reporting currency. Positec affirms that this Report contains no false records or misleading statements, and assumes full responsibility for the truthfulness, accuracy, and completeness of its content.

Report Access

This Report is published in both Chinese and English versions. In case of any discrepancies between the two versions, the Chinese version shall prevail. For online browsing or downloading of this Report, please visit: <http://www.positecgroup.com.cn/>.

Feedback

We attach great importance to the suggestions and opinions of stakeholders and welcome and encourage readers to provide feedback to us through relevant contact channels. Your suggestions and opinions will help us further improve this Report and enhance our ESG performance.

Contact: sustainability@positecgroup.com

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Message from Our Management

“ We don't just talk about social responsibility, we live it. ”

Profit is the foundation of a business, but not the source of greatness. Only by taking responsibility for protecting humanity and the planet does a company truly fulfill its mission.

Designing safer products, empowering every employee, deeply engaging in community development, and accelerating low-carbon initiatives—these actions collectively form our core vision: to build a truly sustainable and excellent company.

Innovation-driven, Tool Revolution

Since its establishment in 1994, Positec Group has consistently adhered to the corporate mission of "Commit to Continuous Innovation, Lead Tool Revolution, Improve Human Lives, Drive Social Progress". Guided by our vision to "Create a World-class Tool Brand" and our brand philosophy "Our Mission, Zero Emission™", we provide global consumers with safer, greener, more convenient, and smarter products.

In the past several years, Positec has successfully transformed from trading and OEM (Original Equipment Manufacturer) operations to developing proprietary brands, achieving leapfrog development from traditional tools to electrified and robotic tools. We have implemented a global intellectual property strategy. Recognized for our exceptional expertise in this field, we consistently rank among the top performers on provincial and national lists, and have won multiple domestic and international design awards.

Despite the large fuel-powered tool market, we have long recognized that electric tools not only offer consumers a more convenient and efficient user experience, but also align better with the environmental trend of pursuing a healthier lifestyle. To further reduce the environmental impact of battery, we developed Power Share™ technology enabling cross-product battery compatibility, significantly reducing battery consumption and lowering consumer costs.

Responding to growing market demand for automated and robotic tools, we launched boundary-free robotic lawn mower utilizing visual and neural network algorithms and network RTK (Real-Time Kinematic) technology, delivering low-noise, zero-pollution, and zero-emission maintenance solutions for lawns of all sizes. In commercial landscaping, our Kress brand achieved breakthrough progress with the world's first 8-minute fast-charge battery technology offering 10x more recharge cycles than conventional batteries, accelerating the industry's revolution from high-pollution fuel tools to clean energy alternatives.





Green Operations, Eco-friendly Commitment

We steadfastly implement environmental management principles of efficiency, conservation, and circularity. At the design stage, we balance functionality with eco-friendliness to ensure environmental sustainability from source. In production, we deploy advanced equipment and processes with enhanced monitoring to drive energy conservation and emission reduction. For packaging, we adopt biodegradable materials while reducing size/weight and promoting reusable solutions. Globally, we implement green supply chain management to optimize logistics and reduce transportation costs/energy consumption.

Furthermore, we advocate green office on a global scale, introduce various green facilities and equipment, and create a green office environment. We recognize that green operations not only fulfill corporate responsibility but form the foundation for sustainable development.

These efforts earned us platinum certification under WWF's Low Carbon Manufacturing Program (LCMP) and multiple authoritative recognitions for safety, health, and environmental management systems.

Responsible Actions, Shared Future

To consolidate sustainability achievements and clarify future directions, we launched our Sustainable Development Strategy Framework in 2024, translating commitments into pathways integrated with corporate strategy to balance economic, social, and environmental benefits.

In the area of internal control and risk management, we have established a comprehensive management system and early-warning mechanisms to ensure the proactive identification and effective mitigation of potential risks. We prioritize employees' career development and well-being by providing diversified training resources and promotion opportunities, facilitating the comprehensive enhancement of professional competencies, skills, physical and mental health. In field of public welfare, anchored by initiatives such as poverty alleviation and material donations, we continuously advance educational development, livelihood improvements, and environmental protection.

In confronting volatile external environments and global challenges such as climate change, we will uphold sustainable development principles to drive green transformation and innovation within the tool industry, reduce environmental impact, optimize user experiences, and advance industrial upgrading. We commit to periodically publishing ESG reports to present our objectives, actions and achievements at each stage.

Positec aspires to collaborate with global partners and society to co-create a better, sustainable future!

Positec Technology (China) Co., Ltd.
Founder & CEO: Gao, Don Zhendong

About Positec

Established in 1994, Positec is a high-tech enterprise committed to tool electrification and roboticization, owning internationally recognized premium brands. The Group has more than ten overseas subsidiaries, three major R&D centers in Italy, Suzhou, and Shanghai, as well as four manufacturing bases in Suzhou, Zhangjiagang, Kunshan, and Vietnam. Ranked among global leaders in power tool manufacturing, Positec stands as a pioneer in robotic lawn mowers and a leading provider of new energy solutions effectively replacing traditional fuel-powered commercial landscaping equipment.

Positec's product portfolio spans multiple categories, including smart lawn mowing robots, commercial landscaping tools, professional power tools, household power tools, and garden tools. The company owns premium proprietary brands such as Worx and Kress, with products sold in nearly 70 countries and regions worldwide. Among them, Worx is one of the brands with a high market positioning in the global DIY market. It has been included in the Kantar BrandZ™ China's Top 50 Globalizing Brands for four consecutive years, ranking among the top brands in the home and gardening category, demonstrating outstanding international influence and brand value. The brand has also received numerous authoritative awards both domestically and internationally, including CCTV China's Brand of the Year, BEST BUYS, Selbst ist der Mann, and The Reader Award, earning widespread recognition from consumers and the industry.

Positec steadfastly upholds its eco-conscious brand positioning, deeply understanding consumer needs at their core. Through technological and product innovation, we provide global users with green, environmentally friendly, and robotic products and services. The Worx

robotic lawn mower integrates multiple proprietary Positec technologies, truly achieving low-noise, zero-pollution, and zero-emission lawn care. According to the latest GfK report*, Worx robotic lawn mowers hold the No.1 position in global omnichannel market share. In 2022, Positec officially launched the Kress commercial garden product series. With innovative energy solutions, this range not only addresses core pain points in the existing power tool industry but also provides professional users with superior alternatives that comprehensively surpass fuel-powered equipment in both performance and ROI.

Positec maintains sustained investment in R&D, holding over 8,100 global patents with invention patents exceeding 50%. We consistently rank top in Jiangsu Province Intellectual Property Office's annual Top 100 list. Actively participating in industry and international standard-setting across service robotics, EMC, and power tools, we have garnered multiple accolades including Red Dot Award, IDEA Gold Award, iF Design Award, China Design Gold Award, and China Red Star Design Gold Award. Recognitions include National Industrial Design Center, Provincial Engineering Technology Research Center, Suzhou Advanced Technology Research Institute, and Jiangsu High-value Patent Cultivation Demonstration Center.

Positec remains committed to its brand positioning of green environmental protection, deeply understands consumers' core needs, and provides green, eco-friendly, and intelligent products and services to global users through technological and product innovation.

Mission

- ◆ Commit to Continuous Innovation
- ◆ Lead Tool Revolution
- ◆ Improve Human Lives
- ◆ Drive Social Progress



Vision

- ◆ Create a World-class Tool Brand



Corporate Spirit

- ◆ Team Collaboration
- ◆ Striving for Excellence



Core Values

- ◆ We Pursue Perfection

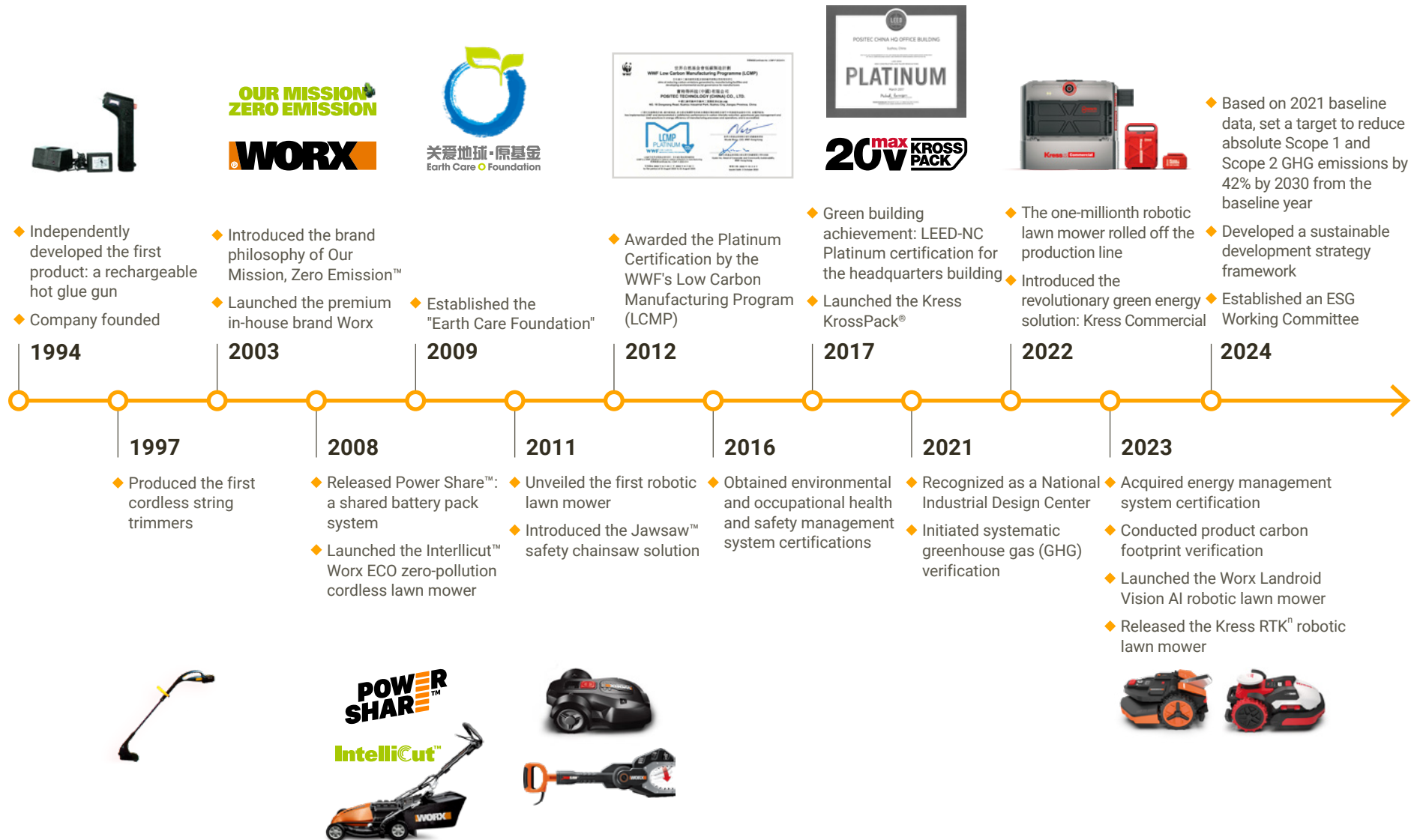


Brand Philosophy

- ◆ Our Mission, Zero Emission™



With the brand philosophy of Our Mission, Zero Emission™, Positec adheres to a premium brand positioning and green product strategy, deeply integrating environmentally friendly practices into its development framework, and is committed to driving the world toward a better future.



Sustainability Management

Positec integrates sustainability into its strategy and operations, steadfastly fulfilling its corporate citizenship responsibilities, contributing to society through tangible actions, and striving to realize greater corporate value.



Sustainability Strategic Goal: To Become the Industry Benchmark in Sustainability			
Strategic Direction	Innovation-driven, Tool Revolution Improve Human Lives, Drive Social Progress	Green Operations, Eco-friendly Commitment Implement Low Carbon Operations, Address Climate Change	Responsible Actions, Shared Future Build a Responsible Value Chain, Promote Sustainable Development of the Industry
Action Focus	◆ Innovation and Development ◆ Circular Economy ◆ Product Quality & Service ◆ Responsible Marketing	◆ Combat Climate Change ◆ Resource and Emissions Management	◆ Corporate Governance ◆ Business Ethics ◆ Data Security and Privacy Protection ◆ Sustainable Supply Chain ◆ Employee Rights and Benefits ◆ Talent Attraction, Retention & Development ◆ Occupational Health & Safety ◆ Community Participation

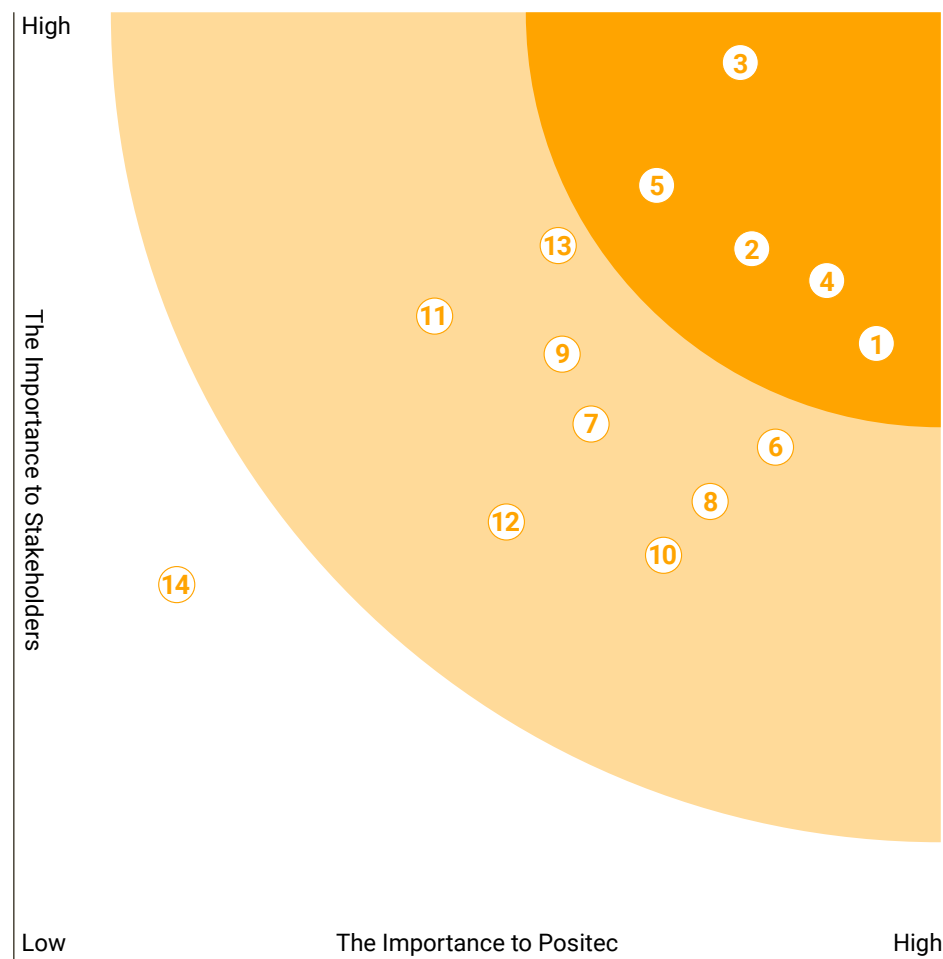
Communication with Stakeholders

We have established a regular communication mechanism with our stakeholders. Through regular dialogues and feedback channels, we understand and respond to the demands and expectations of various stakeholders in a timely and effective manner and incorporate these key messages into the strategic planning and operational decisions of the enterprise, to ensure the realization of sustainable development goals.

Stakeholders	Primary Concerns/ Expectations	Responses	Communication Channels
Government and Regulatory Agencies	◆ Comply with the law ◆ Promote employment ◆ Technological innovation	◆ Strengthen compliance management ◆ Create and secure employment ◆ Continuously promote technological innovation and product development	◆ Government and regulatory document requirements ◆ Working session exchanges ◆ Information material submission ◆ Research visits and communication
Customers and Consumers	◆ High quality products ◆ Reliable services ◆ Rational publicity ◆ Communication and feedback ◆ Privacy protection	◆ Create high quality and innovative products ◆ Optimize full-flow service solutions ◆ Responsible marketing ◆ Open communication and feedback channels ◆ Ensure data security and privacy protection	◆ Customer service channel ◆ Satisfaction survey ◆ Service recall
Partners, Suppliers or Distributors	◆ Integrity in contract performance ◆ Sunshine procurement ◆ Jointly promoting industry development	◆ Create a sustainable supply chain ◆ Empower the development of distributors ◆ Contribute industry experience	◆ Supplier assessment ◆ Distributor training ◆ Industry exchange
Employees	◆ Equal compliance employment ◆ Promotion and development opportunities ◆ Health and safety ◆ Employee communication ◆ Employee care	◆ Lawful and compliant employment ◆ Build a diverse and inclusive workplace environment ◆ Career development pathways ◆ Occupational health and safety assurance system ◆ Establish employee communication channels ◆ Establish employee care and welfare systems	◆ Employee communication meetings ◆ Satisfaction surveys ◆ Employee activities
Environment	◆ Carry out green operations ◆ Practice green production ◆ Green products and services	◆ Advocate green office ◆ Build green factories ◆ Environmentally friendly products and service solutions	◆ Green product and services ◆ Green and low carbon activity
Community	◆ Social welfare activities ◆ Employee voluntary service	◆ Focus on community development needs ◆ Launch employee volunteering programs	◆ Public welfare and voluntary service activities

Materiality Assessment

During the reporting period, we carried out the identification, assessment and ranking of materiality issues based on regulatory requirements, capital market concerns, peer practices, stakeholders' concerns and the Group's actual operations.



Positec Materiality Matrix

Level of Importance	Category	2024 Material Topics	
High Importance Topics	Governance	1	Corporate Governance
	Social	2	Innovation and Development
		3	Product Quality and Service
		4	Occupational Health and Safety
	Environmental	5	Combat Climate Change
Moderate Importance Topics	Governance	6	Business Ethics
	Social	7	Employee Rights and Benefits
		8	Talent Attraction
		9	Sustainable Supply Chain
		10	Data Security and Privacy Protection
		11	Responsible Marketing
	Environmental	12	Resource and Emissions Management
		13	Circular Economy
General Importance Topics	Social	14	Community Participation

Positec Material Topics

Robust Governance: Laying the Foundation for Development

Positec consistently upholds integrity and compliance as fundamental principles of its operations. We integrate compliance concepts, systems, and processes into our global business and management framework, strictly adhere to data security and privacy protection requirements, and foster a sustainable supply chain ecosystem. Through a sound governance system, we demonstrate the solid foundation of our Group, advancing closer to our vision of "Create a World-class Tool Brand".

Highlight Initiatives

Strengthen Corporate Governance

- A comprehensive corporate governance framework has been established, forming a complete system for deliberation, decision-making, authorization, and execution that features clear rights and responsibilities, standardized operations, mutual coordination, and checks and balances

Data Security and Privacy Protection

- A clear organizational structure and audit mechanism for information security have been established
- In 2024, the passing rate for information security training assessments exceeded 90%

Sustainable Supply Chain

- Strict control is exercised over the entire supplier life-cycle from qualification to elimination/exit
- Collaborate with suppliers to jointly improve sustainable management capabilities



1.1 Strengthen Corporate Governance

Positec strictly complies with all applicable laws and regulations, including those governing corporate governance, antitrust, anti-money laundering, export control, etc., and proactively fulfills its corresponding legal responsibilities and obligations.

The Group has established a comprehensive corporate governance framework, which has formed a complete governance system for deliberation, decision-making, authorization, and execution, featuring clear rights and responsibilities, standardized operations, mutual coordination, and checks and balances.

We have established and continuously improved a clean governance mechanism within the Group, covering detailed governance policies, business ethics training, whistleblower protection systems, etc., to create a clean and friendly governance atmosphere.

We adopt a zero-tolerance approach to all forms of business ethics violations and have formulated the *Reporting Management System* to standardize the responsibilities of reporting management personnel, reporting requirements, channels, and handling procedures. The system strictly prohibits retaliation against whistleblowers, witnesses, or investigators, mandates strict confidentiality of whistleblower information and related materials, and imposes severe penalties for any form of retaliation.

In the future, we also plan to conduct relevant employee training to establish a clean and efficient workplace order.

Policy	Content Summary
Employee Handbook	◆ Prohibit any form of bribery. ◆ Require everyone involved in business to abide by the highest ethical standards and applicable anti-bribery laws. ◆ Integrity and transparency are of utmost importance to us. We adopt a zero-tolerance attitude towards any form of corruption by employees and third parties.
Integrity Management System	◆ Clarify specific instructions regarding business hospitality, gifts, etc. ◆ Specify the requirement that "integrity agreements" must be signed for external procurement business. ◆ Define the supervision, reward, and punishment mechanisms. Identify the administrative department as the responsible department for integrity implementation and inspection. Require audit participation in integrity investigations and arrange annual special inspections for integrity management work.

New Employee Training

Target / Newly hired employees

Content / Rules and regulations related to integrity governance

Frequency / Based on the frequency of new employee onboarding

Regular Specialized Training

Target / All employees

Content / Sharing of the latest laws and regulations, best practice cases in the industry or within the Group

Frequency / Once a year

Targeted Training

Target / Procurement, Finance, Sales staff

Content / Awareness of business related risk prevention

Frequency / Once a year

Assessment Method / Test

1.2 Data Security and Privacy Protection

Positec upholds the management philosophy of "core business as the focus, data security as the foundation", strictly complying with national and industry laws and regulations including the *Data Security Law of the People's Republic of China*, *Cybersecurity Law of the People's Republic of China*, *Personal Information Protection Law of the People's Republic of China*, and *Security Protection Regulations for Critical Information Infrastructure*, thereby consolidating our information security management system.

The Group has established a clear information security organizational structure and audit mechanism, conducted regular data security and cybersecurity audits, and incorporating audit results into departmental performance evaluations. Meanwhile, the Group has set up public reporting channels, rewards departments, and individuals with outstanding performance in information security, and strictly holds accountable departments and personnel with existing issues or those causing security risks, to strengthen the security awareness of all employees and continuously improve the information security governance system.

Overall Policy	All employees of the group participate, focusing on core business; emphasizing both management and technology to strictly prevent security violations.		
Basic Principles	Establish an effective information security organizational framework to promote the implementation of various information security tasks.		
Leadership Decision Making Level	Composed of the group president, vice-presidents, and relevant heads of business departments, serving as the highest decision-making level for information security, responsible for information security decision-making, and the determination and approval of policies/principles/plans/systems.		
Management and Supervision Level	Responsible for the implementation of information security policies, and the decision-making, inspection, and supervision of information security issues.		
Implementation and Execution Level			
Information Security Specialists of Each Business Department	Information Security Technology Team	All Employees	
◆ Communicate various information security work requirements, cooperate with the promotion, report security incidents and handle them. ◆ Conduct regular information security audits.	◆ Ensure the effective operation and continuous optimization of the information security system. ◆ Ensure the effective implementation of relevant technical solutions and troubleshooting. ◆ Conduct regular training and publicity to create an information security culture.	◆ Comply with information security management requirements, fulfill information security responsibilities of their positions, properly use and protect information assets. ◆ Report information security incidents or potential hazards in a timely manner and participate in safety education and training.	

Information Security Management Structure



Operational Plan Development

- ◆ **Goal Setting** / Set annual goals and clarify the key points of information security operations.
- ◆ **Technical Testing** / Verify the security of the system and the effectiveness of protection measures through technical means such as vulnerability scanning and penetration testing.
- ◆ **Regular Auditing** / Clearly assign the problems found in the audit to the responsible departments and persons, formulate rectification plans, and have the relevant departments track and inspect the implementation of problem rectification to ensure closed-loop handling of problems.



Routine Security Incident Handling

- ◆ **Recording** / All problems found in the audit need to be properly recorded.
- ◆ **Investigation** / Relevant responsible departments need to confirm the problems within the specified time and formulate preliminary rectification plans.
- ◆ **Execution** / The responsible departments carry out rectification according to the plan, and the information security team provides technical support and resource assistance.
- ◆ **Closed-loop** / The audit team verifies the completion of rectification, confirms that the problems have been effectively solved, and files them.
- ◆ **Improvement** / Conduct cause analysis for major problems, propose improvement measures, and incorporate them into the optimization of the company's information security system and processes.



Emergency Handling

- ◆ **Emergency Response** / If major security risks and vulnerabilities are found in the audit, immediately activate the emergency response mechanism and take temporary control measures.
- ◆ **Special Meetings** / Hold special meetings to assess the risk impact and develop quick solutions.
- ◆ **Post-incident Review** / After the problem is solved, review the entire process of incident handling to improve subsequent preventive measures.

Main Steps of Information Security Auditing

We also conduct periodic risk assessments on data security and privacy protection across all operational stages to identify potential risks and implement timely countermeasures. Taking the new product development phase as an example, Positec performs risk assessments during data collection, storage, transportation, processing, analysis, deletion, and retention. We formulate mitigation measures and technical improvement plans to minimize risks such as image collection without user consent, illegal data sources, accidental collection of sensitive data, data breaches, unauthorized access, and data tampering or theft during transmission.

In 2024, the Group also conducted multiple information security and confidentiality awareness training sessions for all employees and the information security team, as well as information security training for new employees. The results of the training were evaluated.



The passing rate for information security training assessments exceeded

90%

1.3 Sustainable Supply Chain

Positec integrates sustainability assessments into procurement strategies and supplier management, establishing a sustainable supply chain management system. We promote knowledge sharing of technological achievements to accelerate partner growth.

The Group has implemented internal policies including *Supplier On-site Evaluation Standards*, *Supplier Assessment Guidelines*, and *Supplier Performance Evaluation Guidelines*, enforcing strict controls throughout the supplier life-cycle from onboarding to elimination/exit. In 2024, we refined supply chain management strategies by analyzing competitor dynamics and market trends, developing category-specific procurement plans.

Through advanced market research—including target sector identification, policy trend monitoring, technical intelligence systems, and industry collaboration—we mapped technology and cost trajectories for core procurement categories such as LiDAR, monocular and binocular cameras, providing foundational insights for product innovation and purchasing decisions.

Supplier Onboarding

- ◆ Conduct onboarding assessments of suppliers from four dimensions: quality capability, technical capability, business capability, and trade security control capability.
- ◆ Suppliers should meet multiple basic requirements, such as "conducting internal control management in accordance with trade security standards, complying with relevant laws and regulations, operating with integrity, and assuming potential legal liabilities or risk losses arising therefrom".
- ◆ Suppliers that fail the on-site audit will be given a three-month improvement period.

Supplier Performance Evaluation and Audit

- ◆ Conduct monthly scoring of supplier performance from three dimensions: supplier quality, cost, and delivery cycle.
- ◆ In case of major changes in suppliers (new product categories, new/changed sites, etc.) or major non-compliance issues (market customer complaints, etc.), on-site audits will be carried out if such situations occur three times in a row. Non-compliant items will be terminated within one month.
- ◆ In terms of material supplier management, we focus on risk analysis and supplier replacement decisions from the dimensions of delivery satisfaction, quality stability, and cost competitiveness.

Supplier Development and Empowerment

- ◆ Conduct communication and training with suppliers around sustainable themes such as the *Environmental and Occupational Health Notification* and *Green Factory Construction*.

Supplier Management Procedures

Empower Supplier Sustainability

Through supplier evaluations and daily communications, we actively identify development needs and collaborate with suppliers to address challenges, enhancing sustainable management capabilities.

In supplier sustainability management, Positec is establishing a supplier sustainability assessment mechanism. This mechanism will comprehensively evaluate suppliers across ESG dimensions, including carbon emissions, energy efficiency, employee working conditions and welfare, supply chain transparency, and traceability. Quantitative scoring will be implemented to institutionalize optimized processes for supplier qualification, evaluation, and exit management.

Regarding transportation solutions, we assist suppliers in achieving environmentally friendly operations without compromising economic efficiency. On one front, Positec provides transportation management system support and related training to help suppliers optimize vehicle scheduling, maximize utilization rates, improve operational efficiency, and reduce logistics costs. On another front, we encourage suppliers to adopt new energy vehicles to minimize carbon emissions during transportation.

Innovative Products: Leading the Tool Revolution

We are fully aware of how crucial consumer-centric innovation and strategic planning are. Positec conducts a thorough examination of societal development patterns and the basic needs of consumers to position innovation as the primary driver of business development. We provide exceptional user experiences in a variety of fields by utilizing cutting-edge technologies and creative products.

Highlight Initiatives

Cultivate the Gene of Innovation

- Implement the Integrated Product Development (IPD) system
- Improve the construction of expert teams
- Formulate patent incentive mechanisms
- Regularize intellectual property management and awareness training
- Take into account the environmental friendly attributes of products throughout the entire product life cycle, promote green design, and optimize human-machine collaboration

Craft Outstanding Quality

- In 2024, a total of 1,112 person-times of employees in the Group participated in lean production proposals
- There were 15 annual lean management optimization proposals
- Construct a quality management system that covers the entire life cycle of product design, raw material procurement, manufacturing, and after-sales service, and deepen the construction of quality culture

Responsible Marketing

- Ensure that marketing content is true and compliant, and fully demonstrate the sustainable competitiveness of Positec's products and services



2.1 Cultivate the Gene of Innovation

Positec is committed to developing cutting-edge product and service solutions spanning professional tools, household appliances, landscaping tools, service robotics, and smart home systems. We strive to propel the industrial transformation from "Made in China" to "Created in China", while accelerating the global transition toward electrification and robotic evolution in the tool sector.

2.1.1 Energize Innovation

Positec has implemented the IPD system within the Group, emphasizing the market demand as the driving force of product development, and relies on the matrix and cross-departmental team structure to identify the product development decision points and technical review points in the whole process from the concept, proposal, detailed design, product validation, process development and validation, production validation and release to form an efficient product development mode. The Group identifies product development decision-making and technical review points in the entire process of conceptualization, proposal, detailed design, product validation, process development and verification, production validation and release, forming an efficient product development model. In addition, the Group standardizes the whole process operation around serialization, platformization, generalization and standardization to ensure the high-quality delivery of core categories.

In terms of innovation team building, we have subdivided product experts, product platform experts, product technology platform experts, discipline technology experts, etc., formulated expert standards, conducted expert inventory, clarified the management process of talent introduction, cultivation, incentivization, elimination, succession, etc., and perfected the construction of specialist echelon. Meanwhile, the Group has set up an independent intellectual property department to promote the integration of patent processes into the business process system.

In terms of constructing the innovation incentive mechanism, the Group has formulated documents such as the *Patent Incentive System* and established a well-implemented Innovation Proposal Mechanism in the R&D Center. R&D employees receive the "Innovation Proposal Incentive" once their proposals are approved. Additionally, the Group annually offers the "Patent Innovation Incentive", conducts regular product and technology innovation evaluations, and sets up awards and innovation funds for innovative practices recognized at international or national levels. These measures continuously energize teams' innovation momentum.

In constructing an innovation culture, Positec provides employees with regular academic exchanges, exhibitions, technical training session, visits and other opportunities to enhance exchange and communication within the industry. We also carry out multi-channel dissemination for innovative people and deeds, so the innovation culture is deeply rooted in people's hearts.

宝时得科技(中国)有限公司工业设计中心

国家级工业设计中心
(2022-2025)

中华人民共和国工业和信息化部
二〇二一年



Areas Covered

- ◆ Multiple stages including patent application, grant, product implementation, rights protection, and operation.



Target of Incentive

- ◆ Innovation implementation team.

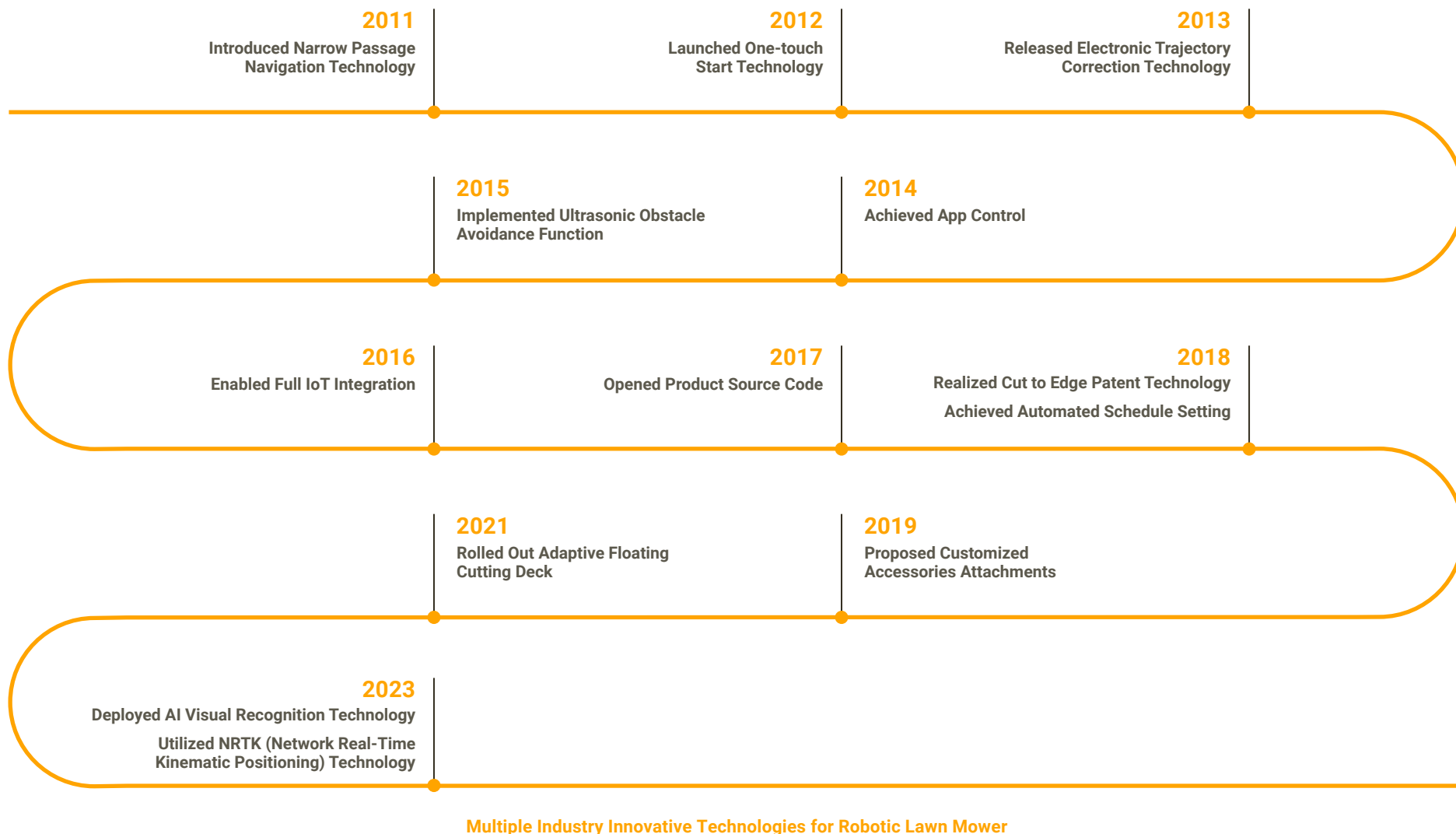


Laddering of Incentive

- ◆ Adopt a laddering incentive approach for patent implementation and licensing and grade patents according to the Group's patent value assessment method.
- ◆ For core patents, increase the incentive.

Patent Incentive Mechanism

Taking the innovative development of Positec's robotic lawn mowers as an example, this product series is equipped with industry-leading innovative technologies and components such as artificial intelligence visual recognition technology, enabling efficient path planning, precise identification and avoidance of obstacles, and adaptation to complex and changing outdoor environments. It can achieve round-the-clock unattended intelligent maintenance solutions without manual intervention. These technological advantages have made Positec robotic lawn mowers stand out in the market and lead the development direction of household lawn care equipment.



Regarding intellectual property protection, we have established a comprehensive patent process management system, covering all types and complete cycles of intellectual property management and running through the Group's IPD system. Regarding the modules of patent acquisition, risk management, transformation and application, and patent intelligence, Positec has established a total of 73 relevant management standards and process documents. Among them, in the patent intelligence module, we have formulated the *Patent Insight Analysis Activity Instruction Document* to focus on the collection of patent information on cutting-edge technologies and user needs and regularly publish the *Patent Bulletin* every month to ensure that the corresponding R&D personnel can understand the R&D dynamics in the industry in a timely and sufficient manner and improve the R&D efficiency. We also promote the construction of intellectual property IT platforms to enhance the efficiency and flexibility of patent search and asset management. Intellectual property-themed training is one of Positec's routine training programs every year, which is mainly for the employees of product, packaging and marketing positions in each business division, and the contents include two parts: trademark and patent rights protection.

 Invention Patent	Granted within the year (item)	120
	Cumulative validity (item)	1,336
	Under application (item)	807

 Utility Model Patent	Granted within the year (item)	52
	Cumulative validity (item)	1,311
	Under application (item)	70

 Design Patent	Granted within the year (item)	60
	Cumulative validity (item)	488
	Under application (item)	77

Note / Patent Statistics Criteria

1. Granted within the year / Calculated based on official authorization documents received by December 31, 2024.
2. Cumulative validity / Refers to patents remaining valid as of December 31, 2024.
3. Under application / Calculated based on official acceptance notices received by December 31, 2024.



2.1.2 Promote Green Design

Throughout the entire product life-cycle, we place significant emphasis on the environmental attributes of our products, always upholding our brand philosophy of Our Mission, Zero Emission™. While ensuring that products meet required functions, service life, and quality standards, we strive to maximize the green benefits of the product.

Electric Drive and Energy Efficiency Enhancement

Compared with power tools, traditional fuel-powered tools have the disadvantages of environmental pollution, lower energy efficiency, higher noise and vibration, restricted application scenarios, and higher maintenance and usage costs. Positec has long laid out the development direction of "oil to electricity" and built a diversified power tool matrix from the perspective of environmental protection, user experience and economic saving.

Develop the Power Share™ Shared Battery Pack

In garden maintenance scenarios, users require multiple tools to complete tasks such as mowing, pruning, and cleaning—such as string trimmers, hedge trimmers, chainsaws, leaf blowers, pressure washers, and lawn mowers. Different operation requirements demand varying power and battery voltage specifications for tools. The Power Share™ platform delivers flexible power solutions through stackable power supply from compatible battery packs. Compared to other market competitors, the Power Share™ platform not only offers greater flexibility but also reduces the number of battery packs needed, thereby minimizing repetitive manufacturing and waste generation for a more environmentally friendly and efficient approach.

This battery pack can not only serve as a power source for tools but also supply energy to other devices. Meanwhile, it supports cyclic charging, which can significantly reduce the use of disposable batteries. In terms of improving energy efficiency and extending battery service life, it is equipped with an intelligent battery management system and uses innovative high-efficiency heat dissipation materials. These features enhance charging and discharging efficiency, reduce energy waste, and significantly prolong the usage time and overall lifespan of the battery pack.

Backed by the Power Share™ Shared Battery Pack, the Worx product line can better provide users with eco-friendly, portable, and low-noise garden maintenance support.



Lightweight Design

Lightweight design offers greater product competitiveness in aspects such as enhancing performance and user experience, improving material and structural efficiency, boosting heat dissipation and durability, and reducing transportation energy consumption.

Lightweight High-strength Carbon Fiber

- ◆ Replace the aluminum alloy fuselage and tubes of products like hedge trimmers, string trimmers, and pole chainsaws with carbon fiber material. While ensuring structural strength, along with insulation, wear resistance, shock resistance, and corrosion resistance, it reduces the overall machine weight, cuts transportation energy consumption, and enhances user experience.

Honeycomb Weight-reducing Shell

- ◆ Utilize a honeycomb structure to decrease the plastic usage of the battery pack shell by 5%-10%.

Semi-wrapped Bracket

- ◆ Employ a semi-wrapped bracket to reduce the plastic usage of the cell bracket by 20%-50%.

Material-saving Design

- ◆ Synchronous reluctance motor technology saves the use of rare metal materials.

Contribute to the Circular Economy

Positec is actively exploring effective ways to contribute to the circular economy by using a wide range of environmentally friendly material in product design, production, packaging, and transportation.

Application of PCR materials

- ◆ PCR (Post-Consumer Recycled) materials, which are made by recycling and reusing post-consumer waste, are applied to battery pack products. Taking PA6GF30, a material commonly used in power tools as an example, the use of 35% PCR material can reduce carbon emissions by 40% compared to new materials.

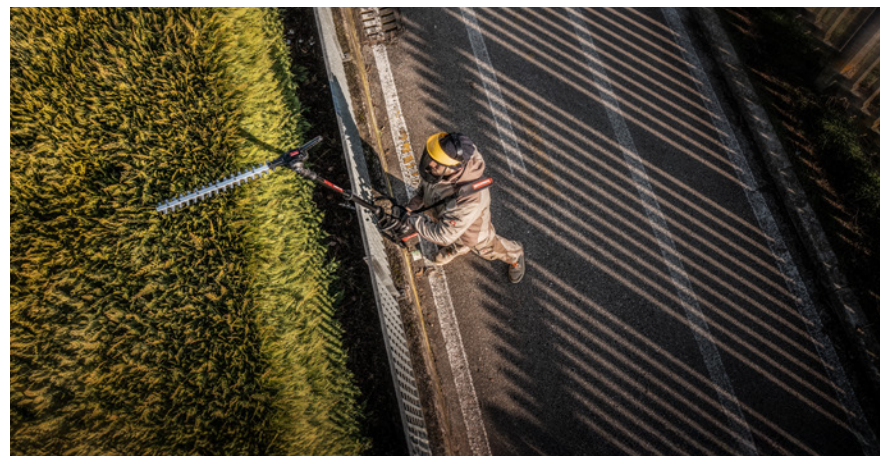
Raw Material Acquisition

Positec strictly complies with national and international standards, including those for quality, safety, and environmental protection, to protect consumer rights and brand reputation. The Group has established the *Hazardous Substance Control Activity Documentation*, which effectively identifies and manages hazardous substances throughout all processes—from raw material procurement, production, product inspection, to packaging and transportation.

Positec signs environmental procurement agreements with suppliers, requiring them to provide hazardous substance test reports. Based on material risk levels, raw material inspection standards are set to ensure restricted substances (e.g., lead, cadmium, mercury, hexavalent chromium, etc.) in raw materials are below limit values. We prioritize renewable, recyclable, or low carbon footprint materials. Additionally, we reduce excessive packaging and use degradable or recyclable packaging materials where feasible.

Enhance Maintainability and Durability

Positec implements serialized, platformized, standardized, and generalized design for components across product categories, achieving high universality of parts. We also integrate serviceability requirements and maintainability test tasks into the project management system. To extend product lifespan, we use long-life battery cells and widely adopt brushless motors, among other measures.



2.1.3 Optimize Human-machine Collaboration

Perfect power tool products not only need to possess excellent practical performance, but also must combine multidimensional ergonomic design. Under the guidance of this philosophy, Positec is committed to providing efficient and reliable technical solutions, while comprehensively considering user health, safety, and overall experience.

Worx Landroid Vision Robotic Lawn Mower: Redefining Sustainable Home Garden Tools

Positec's Worx Landroid Vision Robotic Lawn Mower is an innovative product that integrates leading technology with sustainable development principles. It is committed to delivering safe, efficient, and eco-friendly garden management solutions for users, serving as a paradigm for modern smart home ecosystems and green living.

Equipped with an automotive-grade processing chip and embedded with AI visual recognition and intelligent neural network algorithms, this product revolutionizes the operational logic of traditional robotic lawn mower, which have relied on boundary wires and collision sensors for navigation and obstacle avoidance. Through deep learning from tens of millions of image databases, it adapts to garden lawns under different regional conditions, seasons, and weather, while continuously undergoing self-learning and self-upgrading.

The product adopts a pure electric drive design, while its low-noise design effectively reduces acoustic pollution in the environment. Its advanced neural network processes information and makes decisions at a rate of every 0.05 seconds, with excellent obstacle avoidance capabilities that provide additional safety safeguards for pets, wildlife, and users.



Efficient and Robotic

We take "Robotic" as one of the main directions of our product layout. We are committed to enriching the intelligent attributes of our products, such as personalized settings, troubleshooting and early warning, intelligent protection, and precise control, to bring users a more convenient and efficient experience.

Robotic RTK Mission Product Innovation: Advanced Human-machine Interaction Design

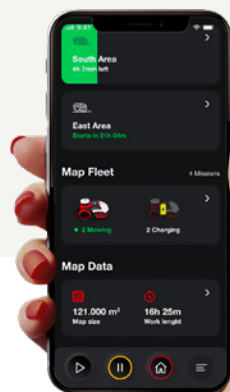
We apply advanced human-machine interaction design in our robotic lawn mowers to improve product accuracy, convenience and maintenance efficiency.

In terms of App interaction:

- ◆ **Innovations in map construction and visualization** / Efficient real-time map construction is realized, and the generated real-time high-precision lawn map can be directly synchronized to the App.
- ◆ **Customized map editing function** / Support map editing and marking function so that users can add or delete the mower's working area, forbidden area, and pathways through the virtual map interface.
- ◆ **Remote Command and Task Management** / Users can directly issue task commands according to their needs, realizing remote ordering and ending of tasks.
- ◆ **Remote personalized settings** / Users can set some parameters for the mower on demand, including cutting height, mowing angle, driving speed, and rain mode, supporting fine mowing in specific areas.
- ◆ **Operation Logs and Maintenance Record View** / Provides comprehensive operation logs and maintenance progress, enabling users to monitor mowing progress and lawn care status at any time.

In terms of display-side interaction:

- ◆ **After-sales fault pre-diagnostic function** / integrated fault pre-diagnostic system, which can display error codes and prompt messages to assist after-sales technicians in completing the initial fault troubleshooting, enhance the efficiency of after-sales maintenance, and further reduce the frequency and duration of the user to return to the maintenance point.



Product Intelligence Management: Kress IOT System

Kress IOT System provides highly integrated intelligent control functions, bringing users a safe and efficient experience.

Device Management

- ◆ Via the App, easily connect to devices to achieve real-time location tracking and status monitoring, support remote control, and enable OTA (Over-The-Air updates).
- ◆ Provides charging management, usage data analysis and power management functions.

Anti-theft Alarm

- ◆ Set an alert range and automatically send an alert if the device goes outside the designated area.
- ◆ Secures tools even after a short stay or return.

Highly Integrated

- ◆ Batteries, tools, and chargers are interconnected to provide various functions such as diagnostics, anti-theft, fleet management, and more.
- ◆ Have required information at a glance for more efficient operation.

Client Management

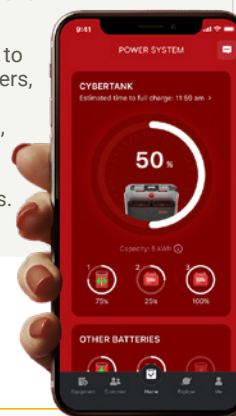
- ◆ Conveniently organize and manage customer information and record service content and progress.

Team Management

- ◆ Monitor and assign work to team members, set permissions, and enable remote assignments.

Fleet Management

- ◆ Real-time tracking of equipment location and usage status to keep track of operations.
- ◆ Centralized management of all equipment, making it easy to view and scheduling.



We always prioritize the safety of users during product use. By fully identifying high-risk scenarios in the process of product utilization, we targetedly enhance the safety guarantees of the product. Additionally, we reduce users' fatigue from prolonged use through methods such as reducing noise and vibration, and applying lightweight design, thus providing users with an all-round high-quality experience.

Health and Safety

Chain Saw Safety Protection on Tree

- ◆ Designed for landscaping and municipal tasks: Its lightweight body and compact structure significantly reduce the physical strain of high-altitude operations, enhancing control comfort.
- ◆ Safety features: Includes inertia braking, a chain catcher, and a brake status indicator, ensuring safe and efficient operation.



Brushless Electric Hammer Safety Protection

- ◆ The application of gyroscope technology in rotary hammers helps prevent accidental injuries to the users due to sudden high torque or ejection caused by foreign objects during use.



Noise Reduction

Silent Hydraulic Screwdriver

- ◆ While ensuring work efficiency, it significantly reduces noise and alleviates occupational injuries.



Quiet Leaf Blower

- ◆ Optimized airflow path and added soundproof cotton to achieve a maximum noise reduction of 14 dB while increasing blowing power by 50%.



Vibration Reduction

Hedge Trimmer Vibration Reduction

- ◆ Force analysis and vibration spectrum analysis were performed, achieving a vibration reduction of 38% through the optimization of parts fit and damping vibration reduction.



Optimize Experience

Optimize Backpack Battery Carrying Experience

- ◆ From the perspectives of comfort, ergonomic adaptability, and usability, we optimized the carrying experience of backpack-mounted batteries to reduce user fatigue and injury.



2.2 Craft Outstanding Quality

Positec takes "Pursuit of Perfection" as the core value of its corporate culture and inherits the artisan spirit of striving for excellence. We establish professional teams worldwide, introduce advanced equipment, innovate the lean production mode, build a complete quality management system, continue to iterate the quality of products, realize continuous improvement and innovation, and build a first-class brand oriented by customer value.

2.2.1 Deepen Lean Management

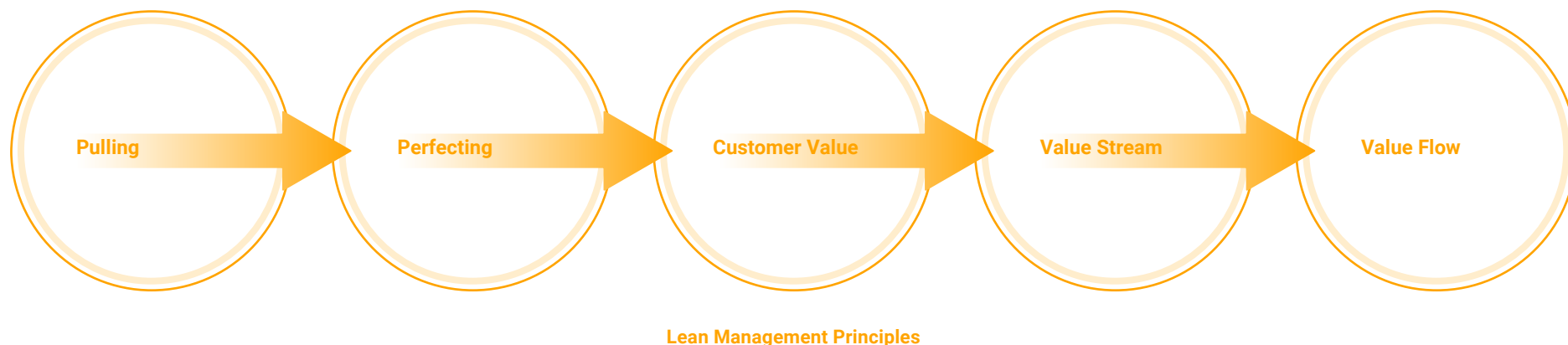
Positec integrates lean management into the enterprise's production, management, and culture, aiming to enhance efficiency and quality through continuous improvement and elimination of waste to provide reliable products and services for global users.

The Group built a lean production knowledge asset library to form replicable and widely disseminated lean management experience. We have also built an online learning platform for our employees and introduced external learning resources to enhance their professional skills, digital capabilities and innovative thinking and empower them to develop their lean production capabilities.

In terms of waste elimination, Positec focuses on and is committed to eliminating wastes such as overprocessing, defects and rework, and overproduction. In the process of part production, the traditional cold runner injection molding process generates a large amount of runner waste, and the cold runner injection molding cycle is relatively long, resulting in lower production efficiency and energy efficiency. To optimize relevant links, Positec introduces a hot runner system, which, while precisely controlling temperature, improving product quality, and shortening the molding cycle, reduces the waste of raw materials and energy.

For the waste of compressed gas by pneumatic measuring instruments in the metalworking workshop during use, the factory installs an induction control box on the pneumatic measuring instruments to intelligently control the gas valve, effectively saving compressed air and thereby reducing the additional energy consumption required for generating compressed air.

In improving efficiency, the factory actively identifies intelligent opportunities in production processes such as operations, handling, and palletizing, innovatively applying intelligent equipment like automatic oil pipe heaters and palletizers to replace basic repetitive manual labor. This not only enhances production efficiency but also provides greater safeguards for employees' health and safety.



◆ **1,112** person-times of employees participated in lean production proposals in 2024 ◆ **15** excellent cases were evaluated annually

2.2.2 Strengthen Quality System

Centering on user needs, Positec integrates technological innovation with lean manufacturing to establish a quality management system covering the full life-cycle of products—from design, raw material procurement, and manufacturing to after-sales service. The Group has developed a robust quality management organizational structure, formulated systematic quality management documents, and strictly monitored product quality at every stage. Since 2002, the Group has continuously maintained ISO 9001 quality management system certification, demonstrating its long-term commitment to quality management.

We deeply understand that the origins of quality lie in design. Upholding a user-centric design philosophy, the Group's R&D team conducts in-depth market research at the early stages of product design, precisely translating customer needs such as lightweight construction, low noise, and long battery life into product design standards. The IPD system ensures high efficiency and quality stability in product development, while rigorous reliability validation before market launch lays a solid foundation for exceptional quality.

In raw material procurement, we adhere to the supplier management philosophy of "collaborative development and strategic alliance", implementing tiered certification and dynamic evaluation for global suppliers. For critical components, we even adopt "Zero Defect" admission criteria to ensure product quality at the source. In manufacturing, intelligent manufacturing upgrades—such as introducing automated production lines and advanced equipment—enable real-time monitoring of production data and anomaly alerts, ensuring precision and control at every process step. In after-sales service, with customer satisfaction as the core objective, we have established a global maintenance and quality assurance service network, along with an efficient quality feedback system. By accessing and collecting customer needs through multi-channel feedback, we form a virtuous cycle of "Receipt-Processing-Feedback-Optimization", continuously enhancing customer satisfaction.

At Positec we have the independent testing center (PCTC) that is the domestic leading inspection, verification, and testing service center for power tools. PCTC is recognized as the industry benchmark in quality and integrity. PCTC can provide one-stop inspection, certification, and testing assurance, comprehensively covering power tools, robotic products, garden tools, home appliances, batteries, e-waste, and energy efficiency. In compliance with laboratory accreditation criteria, PCTC has established a robust quality management system. Our technical capabilities are accredited by renowned industry organizations, including the China National Accreditation Service for Conformity Assessment (CNAS), SGS, ITS, DEKRA, and BV.

To continuously optimize quality management, the Group sets clear annual quality objectives and monitors key indicators such as new product system quality scores, incoming material pass rates, first-pass yield, return rates, and customer satisfaction to ensure quality stability.

We are committed to "Pursuit of Perfection" and "Zero Defect". To ensure product safety and reliability, we have established a robust *Product Recall Process*, which continuously enhances the quality management system through rigorous risk assessments, efficient recall execution, and systematic improvement feedback loops.



Positec Has Obtained the ISO 9001 Quality Management System Certification



Positec Has Obtained the Laboratory Accreditation Certificate from China National Accreditation Service for Conformity Assessment (CNAS)

2.2.3 Rooted in Culture of High Quality

Positec has established a quality policy of "Quality First, User First, Prevention Oriented, Pursuit of Perfection", emphasizing that quality is the foundation of the enterprise and the cornerstone of its development.



Quality First

All leaders, departments, and personnel must prioritize quality in their work, ensuring production progress, on-time delivery, and economic benefits while maintaining quality standards.



User First

All employees are required to take full responsibility for users, subsequent processes, and follow-up work, ensuring no quality issues are left unresolved and delivering products and services that satisfy users.



Prevention Oriented

During product production, quality is controlled with a "Serious Attitude, Strict Requirements, and Rigorous Methods", resolving issues at their infancy.



Pursuit of Perfection

With a meticulous attitude towards work, continuously improve product quality and strive for zero defects.

Positec Quality Policy

To further reinforce the quality culture of "standards + execution" and elevate personnel quality awareness, the Group initiates Quality Month activities. Through systematic measures—including cross-departmental process standardization reviews, mutual inspections of operational norms, and evaluations of execution effectiveness—the Group advances the quality management system. Departments demonstrating excellence in process optimization and standard implementation are recognized and incentivized.

In quality training, Positec provides customized programs for new hires, production staff, inspectors, and quality management personnel. Factories across regions also jointly organize activities like quality general knowledge quizzes and skill competitions, which have boosted employees' quality awareness and deepened their product knowledge understanding.

2.3 Responsible Marketing

Positec establishes responsible marketing strategies, strictly complies with the laws and regulations applicable to the locations in which it operates and builds a standardized marketing database to ensure that marketing messages are clearly and accurately communicated in different promotional scenarios while guaranteeing the authenticity and legitimacy of the messages.

In addressing the communication requirements of our business, we prioritize market understanding and insight, defining campaign objectives and strategies, and establishing processes for plan development, execution, review, and improvement. We implement hierarchical management and control for marketing activities, continuously refining them through real-time market feedback and public opinion monitoring. The Group also delivers responsible marketing training to employees and distributors, equipping them with a comprehensive understanding of market trends, brand competitiveness, and product strengths.

In specific product promotion scenarios, we fully integrate our quality philosophy and product sustainability features into our communications, ensuring that Positec's sustainable development philosophy and practices resonate deeply with our audience.



Environmental Stewardship: Advancing Low Carbon Operations

We systematically mitigate environmental impacts across the full product life-cycle—from R&D, manufacturing, and logistics through usage and end-of-life recovery. Anchored in our eco-centric brand positioning, we strategically invest in green technology innovation while cultivating organizational environmental stewardship. These initiatives transform sustainability practices into operational imperatives, fostering cross-stakeholder alignment on ecological responsibility.

Highlight Initiatives

Environmental Governance

- Strengthen environmental management organizational structure and obtain a series of certifications including ISO 14001 Environmental Management System and ISO 50001 Energy Management System

Address Climate Change

- Based on 2021 baseline data, plan to reduce absolute greenhouse gas emissions in Scope 1 and Scope 2 by 42% compared to the baseline year by 2030
- During the reporting period, the Group's absolute greenhouse gas emissions in Scope 1 and Scope 2 decreased by 15% compared to the baseline year
- In 2024, Positec Suzhou factory was recognized as a "Green Factory in Jiangsu Province"
- Positec's Suzhou headquarters has obtained LEED-NC Platinum Certification and 3-Star Green Building Certification

Resource and Emission Management

- Adhere to the management principles of efficiency, conservation, and circularity, maximize resource utilization efficiency, and systematically promote pollutant reduction and harmless treatment

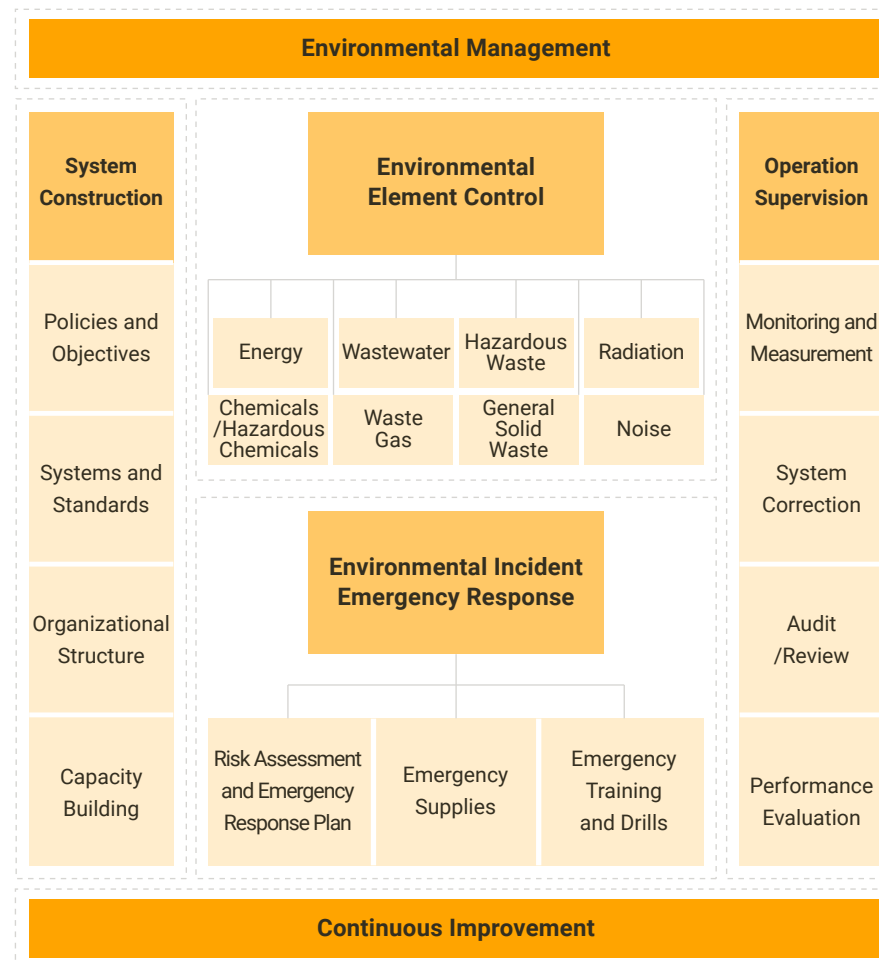


3.1 Environmental Governance

Positec strictly complies with environmental protection regulations such as the *Environmental Protection Law of the People's Republic of China*, *Energy Conservation Law of the People's Republic of China*, and *Water Pollution Prevention and Control Law of the People's Republic of China*. The Group has formulated an environmental management manual, established an environmental management system, defined clear environmental management objectives, implemented an environmental protection accountability system, and directly linked environmental safety performance to employee performance management to achieve a management closed-loop.



Positec Has Obtained the ISO 14001 Environmental Management System Certification and ISO 50001 Energy Management System Certification



Environmental Management System Framework

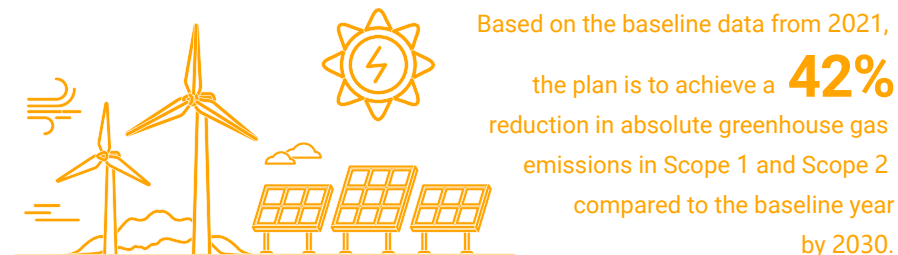
3.2 Address Climate Change

Positec actively responds to the global call to address climate change, integrating climate action as a core pillar of its ESG strategy. It undertakes proactive initiatives across operations management and the full product life-cycle, enhancing its resilience to climate change risks while contributing to global climate governance.

3.2.1 Decarbonization Strategy

To systematically advance its low carbon development strategy, Positec has established a comprehensive carbon management framework. Since 2021, the Group has formally formulated management standards including the Greenhouse Gas Management System and Product Carbon Footprint Management System, established a dedicated carbon management department, and systematically conducted group-wide carbon inventory work. It has also obtained ISO 14064 certification, comprehensively capturing carbon emission data across the value chain while continuously enhancing its carbon data management capabilities.

Based on the baseline data from 2021, the Group has defined its carbon reduction trajectory: aiming to cut absolute greenhouse gas emissions in Scope 1 and Scope 2 by 42% from the baseline by 2030. Driven by a dual mechanism of an energy-saving management system and key emission reduction projects, it has already achieved phased results—with total emissions in Scope 1 and Scope 2 15% lower than the baseline year.



As a forerunner in low carbon manufacturing, the Group has participated in the World Wide Fund for Nature (WWF) Low Carbon Manufacturing Program (LCMP) since 2012, implementing special improvements in carbon accounting system optimization, greenhouse gas emission reduction practices, and energy efficiency enhancement, and has been awarded the LCMP's highest-level Platinum Certification three times.

In product eco-design, the Group implements a life-cycle environmental management philosophy and has established a product carbon footprint management system based on the ISO 14067 standard. In 2023, the Group completed the full life-cycle carbon footprint certification for string trimmers in the garden tool category. In 2024, the Group further conducted carbon footprint calculations for angle grinders in its electric tool product line and obtained the Carbon Footprint Green Leaf Label, a market-recognized green pass. This certification not only strengthens the products' green competitiveness but also demonstrates Positec's commitment and action in addressing climate change, as well as its dedication to sustainable development.

Through three dimensions of institutional safeguards, process control, and technological innovation, Positec systematically advances its sustainable development strategy of "Operational Carbon Reduction - Product Carbon Reduction - Value Chain Collaboration", continuously improving its environmental performance.

3.2.2 Green Manufacturing and Operations

Positec strives to minimize environmental impact while ensuring product excellence, achieving a win-win balance between economic and environmental benefits.



In 2024, Positec Suzhou Factory Was Recognized as a "Green Factory in Jiangsu Province"

Reducing Emissions with Paint-free Materials

Traditional injection molding requires secondary spray painting for aesthetic purposes, a multi-step process generating significant VOCs. Positec optimized product designs and molds to adopt paint-free materials, integrating pigments directly into raw materials. This innovation eliminates post-molding painting, reduces energy consumption and emissions, and enhances product quality and durability.

Production Phase

Energy Conservation and Consumption Reduction

- ◆ Upgrading injection molding machine heating systems, optimizing oil pump control systems, and phasing out high-energy-consuming equipment, thereby enhancing production efficiency while reducing energy usage.

Hazardous Chemical Management

- ◆ Formulating regulations such as the Hazardous Chemical Management Regulations to clarify control responsibilities for hazardous chemicals, and specify protocols for transportation, handling, usage, and emergency response.

Waste Management

- ◆ Conducting projects such as recycling and reuse of aluminum scrap from edge trimming, crushing and recycling plastic parts, to achieve the recycling and reuse of waste materials.

Packaging Phase

Positec commits to minimizing plastic packaging where feasible, prioritizing renewable and recyclable plastics when unavoidable. To achieve this goal, we are successively launching a series of plastic-free packaging projects.



Packaging Form Changes

- ◆ Replace blister packs with paper boxes



Elimination of Plastic-containing Materials

- ◆ Eliminate packing straps
- ◆ Eliminate instruction manual bags



Substitution of Plastic-containing Materials

- ◆ Honeycomb board replaces EPE plastic as inner lining
- ◆ Replace plastic-containing materials with degradable materials

Positec's Plastic Free Packaging Strategies

Comprehensive Implementation of Plastic-free Packaging Initiative

Since July 2023, Positec has innovatively launched a plastic-free packaging initiative, advancing its green packaging transformation through packaging format changes, material substitution, and structural optimization. Taking its own brand Worx as an example, the initiative replaces traditional plastic fillings with paper packaging trays and fiber bags for inner packaging, and swaps plastic blister packaging with cardboard boxes for outer packaging, achieving complete plastic elimination in product packaging.

Positec's plastic-free packaging initiative was fully implemented across all product business units by January 2024. According to statistics from Positec's Suzhou, Kunshan, Zhangjiagang, and Vietnam factories, as well as external partner facilities (data from January to December 2024), the initiative reduced carbon emissions by 63.73 metric tons of CO₂ equivalent (tCO₂e) across the product life-cycle—from production to waste disposal.

Transportation Phase



Transportation Packaging

- ◆ Optimize the packaging of 47 products to improve the loading rate and container utilization rate, and reduce the amount of packaging used per order.
- ◆ Re-evaluate product packaging design to reduce packaging material usage.
- ◆ Promote the use of recyclable packaging boxes and cooperate with suppliers to implement a packaging box recycling program.



Transportation Modes

- ◆ On the basis of traditional road transportation, expand combined transportation methods such as rail-truck intermodal transport, sea-rail intermodal transport, and sea-river intermodal transport to further reduce transportation costs and minimize environmental impact.
- ◆ Reduce transshipment and loading/unloading steps to improve transportation efficiency.



To continuously improve and strengthen the monitoring of wooden products, Positec conducts FSC (Forest Stewardship Council) Chain of Custody (CoC) certification in accordance with the FSC-STD-40-004 chain of custody certification standard. The Group commits to: sustainable utilization of forestry resources to reduce waste; protecting the environment for social welfare. Currently, the Group has established FSC related monitoring mechanisms. We will also work closely with suppliers to ensure that raw materials and Positec products comply with FSC standards.

Warehousing Phase

- ◆ Implement local procurement for some raw materials to reduce the number of short-haul transportation trips.
- ◆ Turn off all lighting in the warehouse during non-operational hours, and install automatic-start lighting timers in other areas.
- ◆ Replace traditional lighting with LED lighting in all areas of the warehouse.
- ◆ Optimize the warehouse layout and redesign storage methods to reduce manual handling.



3.2.3 Green Infrastructure & Office Operations

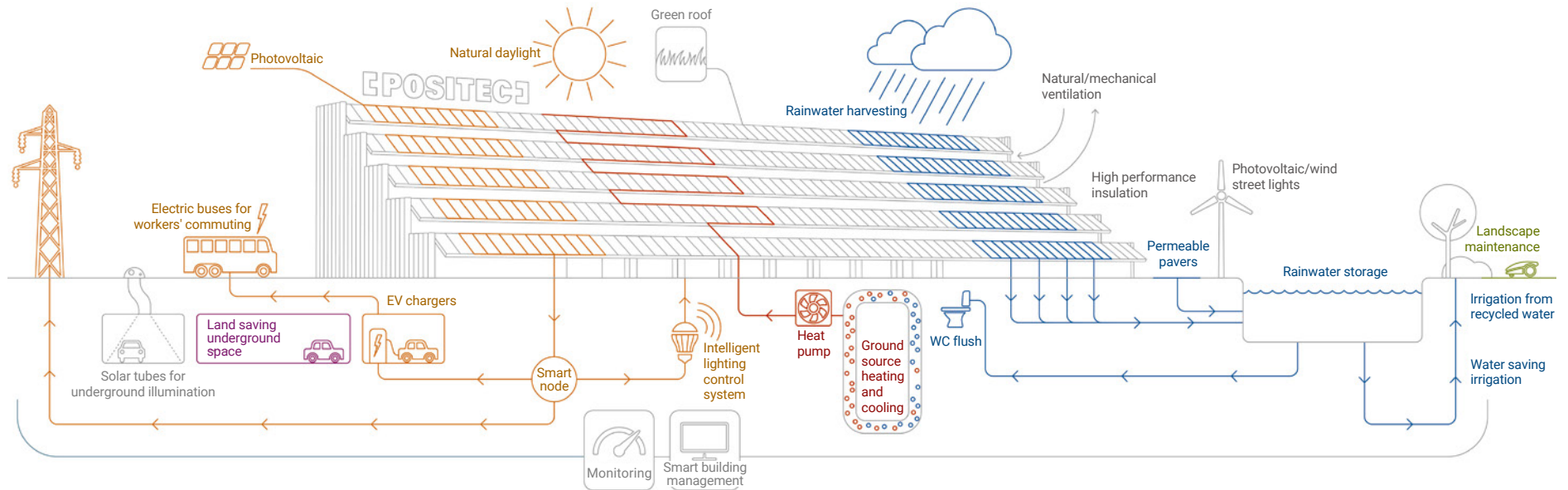
With ecological friendliness at its core, Positec systematically plans the construction of green campuses. By integrating solar photovoltaic (PV) power systems, applying intelligent building management platforms, and installing rainwater recycling systems, the Group establishes a clean energy supply and resource circular utilization system, creating a low carbon ecosystem with deep integration of production, office, and living spaces.

Green Park

- ◆ **Solar PV** / 3,500m² panels at Suzhou headquarters generate 430,000 kWh annually. Suzhou factory will add 40,000m² panels in 2025, projected to yield 4-5 million kWh yearly.
- ◆ **Wind-solar Hybrid Solar Streetlamps** / Powered by wind and solar energy.
- ◆ **Light Induction Technology** / The underground garage is equipped with daylight lighting devices to guide natural light into the garage during the day.
- ◆ **Green Roof** / Comprehensive roof greening effectively improves the thermal insulation effect of the roof, reduces the energy consumption of top-floor rooms, and mitigates the urban heat island effect.
- ◆ **Building Insulation** / Strengthen the envelope structure and select insulating glass to achieve building energy conservation.
- ◆ **Intelligent Lighting Control System** / Lighting in public areas such as corridors, stairwells, and foyers is controlled by a centralized lighting control system according to the space usage mode and specific natural lighting conditions.



Positec Suzhou Headquarter Holds Leed-NC Platinum and China Green Building 3-Star Certifications



Positec actively cultivates a green culture with the participation of all employees. In terms of paperless office work, the Group promotes digital transformation, relies on an intelligent office platform to realize online approval and online meetings, and establishes an internal cloud disk system to promote efficient information sharing. In addition, we optimize the commuting plan and guide employees to travel green.

Paperless Office

- ◆ Promote electronic document management, establish an internal cloud disk system, and realize paperless circulation of daily office documents.
- ◆ Encourage double-sided printing for informal documents.
- ◆ Promote the use of online meeting software in daily meetings and replace traditional paper materials with electronic meeting materials.
- ◆ After implementing green office initiatives, paper consumption has decreased by approximately 30%.



Coffee Grounds Recycling and Reuse Activities

Green Commuting

- ◆ Replace most gasoline-powered vehicles in the company fleet with new energy vehicles.
- ◆ Collaborate with new energy vehicle rental companies to provide shuttle bus services and optimize commuting routes simultaneously.
- ◆ Encourage employees to use green transportation for travel.



Install Electric Vehicle (EV) Charging Piles in the Factory

3.3 Resource & Emission Management

Positec adheres to the principles of efficiency, conservation, and circularity in resource management. We have established a comprehensive management system and implemented specialized documents such as the Energy Management Regulations. For emissions control, we strictly comply with national pollutant discharge standards while systematically advancing pollution reduction and safe treatment through internal control standards and optimized processing technologies.



3.3.1 Water Resource Management

Positec has developed practical water conservation measures to ensure rational and efficient utilization. A rainwater harvesting system collects runoff from rooftops and grounds, which is treated and repurposed for landscape irrigation, restroom facilities, and vehicle washing. Outdoor landscaping incorporates grass pavers and vegetation to reduce surface runoff and replenish groundwater. Permeable surfaces account for 62.74% of the Group headquarters' total outdoor area.

3.3.2 Pollution Prevention

For waste gas, wastewater, waste, and noise generated during operations, The Group has formulated the *Environmental Pollution Management Procedure* to ensure compliant treatment aligned with regulatory standards. Continuous monitoring is conducted to drive pollutant reduction.

Waste Gas

Main Management System: *Atmospheric Pollution Prevention and Control Management System*

Main Categories: ♦ Waste Gas from Production Process ♦ Dust and Waste Gas from Infrastructure Construction ♦ Vehicle Exhaust ♦ Canteen Oil Fume

Wastewater

Main Management System: *Water Pollution Prevention and Control Management System*

Main Categories: ♦ Domestic Sewage ♦ Industrial Wastewater

Waste

Main Management System: *Solid Waste Management System, Hazardous Waste Management System*

Main Categories: ♦ Hazardous Waste ♦ General Waste ♦ Domestic Waste ♦ Kitchen Waste ♦ Construction Waste

Noise

Main Management System: *Noise Pollution Prevention and Control Management System*

Main Categories: ♦ Equipment Mechanical Noise ♦ Gas Dynamic Noise

Main Pollution Management Procedures

Efficiency Improvement and Waste Reduction, Recycling of Waste Liquid

Positec continuously deepens process innovation and implements a special emission reduction solution for the cutting fluid waste issue in the metalworking workshop. Through multiple rounds of process innovation and technical upgrades, an efficient filtration and purification system is introduced to realize the recycling of cutting fluid. This technology not only improves production efficiency by 10% but also reduces the annual generation of cutting fluid waste by 26% year-on-year, significantly enhancing the green production level and resource utilization efficiency.

Shared Responsibility: Creating a Better Future Together

Positec has always regarded talents as the first competitiveness of enterprise development, adhering to the human resource management concept of "valuing talents, cultivating talents, and putting people first", and providing our employees with space for growth, development and display of their talents. At the same time, we actively fulfill our responsibilities as a corporate citizen and contribute to the society in various ways.

Highlight Initiatives

Employee Rights and Benefits

- Union membership coverage: 100%
- 2024 employee satisfaction score: 90.9
- Consecutively awarded "AAAAA-level Credit Unit for Labor Security in Suzhou" for three years (2021-2023)
- Consecutively named "Greater Suzhou Best Employer" for two years

Empower Employee Development

- 2024: A total of 556 offline training sessions and 75 online training sessions conducted; Training satisfaction rate: 95.4%; Training investment: RMB 240,000

Safeguard Health and Safety

- 2024: Lost-time injury frequency rate per million work hours: 0.4; Hidden hazard closure rate: 100%; Number of serious accidents or fire incidents: 0; Emergency drill completion rate: 100%

Engage in Social Welfare

- From 2017 to 2024, nearly 1,000 person-times of employees participated in blood donation
- Supporting public welfare initiatives such as "World Earth Day"

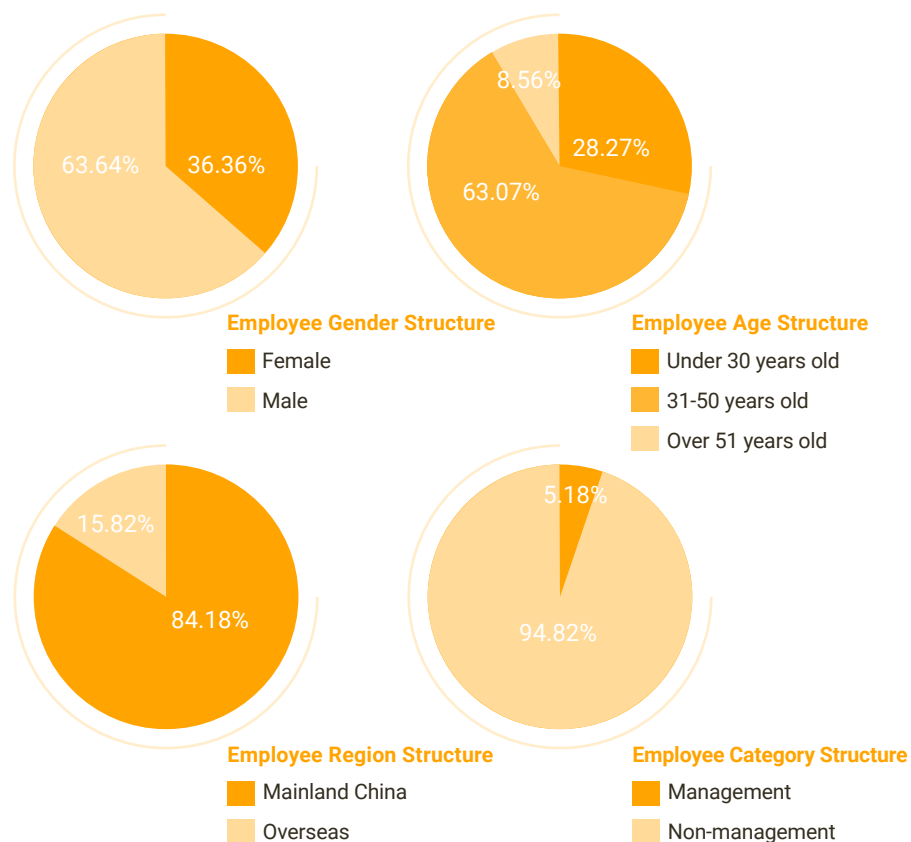


4.1 Employee Rights and Benefits

4.1.1 Employee Rights Protection

Positec strictly abides by the laws and regulations applicable to the locations where it operates and fully protects the legitimate rights and interests of its employees. We respect the basic human rights and equal opportunities of our employees and do not discriminate against them on the basis of gender, religious beliefs or other factors in all aspects of recruitment, appointment, training and promotion, and we are determined to eliminate the use of child labor and forced labor.

In 2024, the Group standardized and managed a number of elements such as labor compensation (including allowances and subsidies), working hours, rest and vacation (including paid annual leave), insurance and welfare, vocational training, labor safety and health, and protection against occupational hazards, etc., through the renewal of collective contracts and other means.



Recruitment and Termination

- ◆ Adhere to the principle of "openness, fairness, and impartiality", treating all applicants equally and introducing talent based on merit.
- ◆ Conduct termination procedures in compliance with the laws and regulations applicable to the operating location.

Compensation and Incentives

- ◆ Scientific job level system: By evaluating the value of professional positions, a job level system centered on responsibilities and contributions is established. It is regularly adjusted in line with strategic development dynamics to ensure internal fairness in compensation distribution.
- ◆ Competitive Compensation Structure: Based on job value, employee capabilities, performance outcomes, and market compensation data, the compensation structure is differentiated to enhance market competitiveness in talent attraction and retention.

Employee Communication

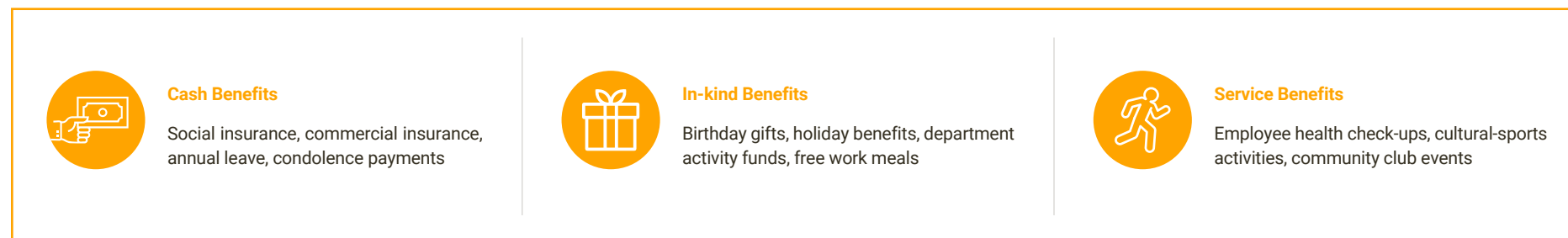
We have built an effective communication mechanism and diversified appeal channels to ensure employees can smoothly express their opinions and suggestions.

- ◆ Labor Union: Serving as a bridge for communication between the company and employees, with a 100% union membership coverage rate.
- ◆ Communication Platform: Launch a KM (Knowledge Management) platform to encourage employees to initiate discussions, share personal experiences, or feedback work challenges.
- ◆ Annual Employee Satisfaction Survey: Conduct an annual anonymous electronic questionnaire-based satisfaction survey covering five dimensions: operational management, brand image, corporate culture, social responsibility, and personal development. Action plans are formulated for issues identified in the survey. In 2024, the survey coverage rate reached 54%, and the employee satisfaction score was 90.9.

4.1.2 Employee Benefits and Care

We always regard employees as our most valuable asset, committed to creating a work environment of warmth, security, growth, equality, and inclusion, fully safeguarding the rights and interests of every employee—especially minority groups—and continuously enhancing their happiness and sense of belonging.

Positec has established a robust employee benefit system covering social insurance, commercial insurance, health check-ups, care for female employees, support for employees in need, care for expatriate employees, and cultural-sports activities, with a focus on physical and mental well-being. We also launched an online welfare platform, "Fuli Club" (Welfare and Incentive Platform), designed to provide diversified and personalized benefits while creating an atmosphere of instant recognition. Employees can receive praise from supervisors and colleagues here and express gratitude to others.



Employee Benefit Highlights

Commercial Insurance

Positec's family insurance plan features customized packages, full family coverage, and comprehensive protection (including medical, critical illness, and accident coverage). Based on the default plan, employees can use flexible welfare credits to upgrade insurance plans for themselves and their families, flexibly adjusting coverage levels or adding new protection items.

Health Check-ups

The Group provides comprehensive medical examination packages for employees, with optional upgrade items to meet individual needs. We also offer family member packages (covering ages 18-80), extending considerate health care to employees' loved ones.

Care for Female Employees

Positec attaches great importance to gender equality, providing warm support for female employees during pregnancy, childbirth, and breastfeeding periods, including maternity rooms, "Love Mommy Cabins", and special healthy meals for expectant mothers.

Support for Employees in Need

Since 2014, Positec has established the "Positec Cares Foundation" to provide emergency assistance and humanistic care for employees and their families facing sudden hardships. Regular visits and support activities are organized to ensure care is delivered practically.

Care for Expatriate Employees

To help overseas-assigned employees quickly adapt to new environments and achieve the goal of "secure assignment, happy life", the Group provides:

- ◆ Allowances: Expatriate allowances and dependent relocation subsidies to cover cost-of-living differences, ensuring seamless alignment with domestic living standards.
- ◆ Home Leave Support: Paid home leave with round-trip travel expenses covered.
- ◆ Settling-in Assistance: One-time relocation subsidies for purchasing essential household items.

Cultural & Sports Activities

To foster a culture of "Teamwork, Perseverance, and Excellence" and strengthen team cohesion, Positec organizes diverse cultural events such as photography competitions, starlight parties, and knowledge quizzes. We support employee-led clubs (football, basketball, badminton, yoga, etc.), hosting over 400 annual activities with cumulative participation exceeding 4,000 person-times of employees. The Group has also built gyms and sports facilities to encourage work-life balance and wellness.



Employer Honors

The Group was consecutively awarded "AAAAA-level Credit Unit for Labor Security in Suzhou" for three years from 2021 to 2023 and stood out among hundreds of enterprises to be named "Greater Suzhou Best Employer" for two consecutive years.



4.2 Empower Employee Development

We are committed to building a comprehensive talent system to ensure that the Group can not only attract the best talent in the industry but also provide them with ample opportunities for growth and a supportive work environment. This enables employees to achieve their career goals while growing together with the Group.

4.2.1 Talent Pipeline Construction

Positec defines core organizational capabilities and talent needs, dynamically adjusts key position settings and responsibilities, and establishes a closed-loop mechanism through talent pipeline construction to ensure the achievement of strategic objectives.

In 2024, to align with the Group's strategic transformation, Positec built a three-in-one talent pipeline comprising commercial talent, management talent, and expert talent, articulating the development philosophy that "talent is selected". By applying AI tools to accelerate the optimization of talent standards, the Group achieved precision talent selection. For expert talent development, we identified needs for product specialists, product platform specialists, product technology platform specialists, and disciplinary technology specialists, established specialist criteria, conducted talent inventory, and defined plans for expert recruitment, cultivation, and appointment.

Meanwhile, we have established internal and external talent pools to promote cross-functional talent mobility. Leveraging our superior employer brand value and talent development platforms, we have successfully attracted outstanding professionals from the artificial intelligence field, strengthening human capital to support sustained business growth and creating an open talent ecosystem with internal-external collaboration and complementary strengths.

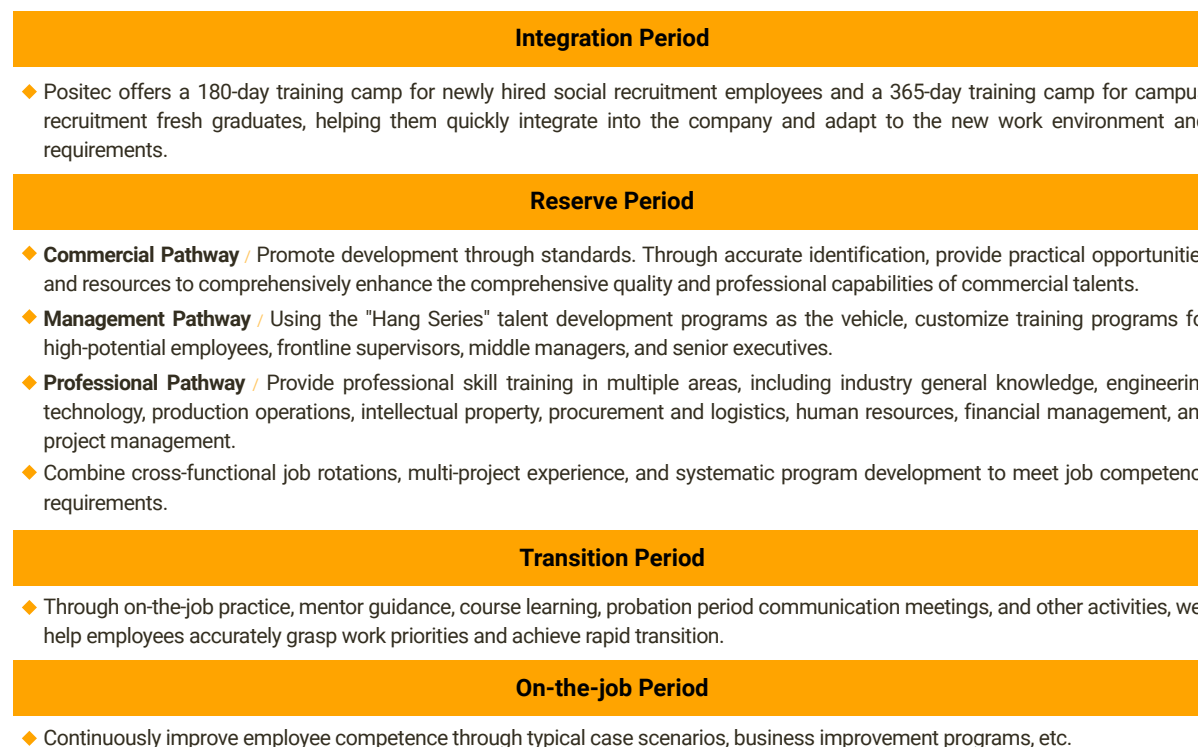


4.2.2 Employee Training System

Positec has established a training system based on the employee growth cycle, relying on online and offline learning resources, and combining the "7-2-1" talent cultivation rule to promote the comprehensive development of talent.



Positec's "7-2-1" Talent Development Principles



In 2024, the Group's training results were remarkable,

Offline trainings

556

A training satisfaction rate of

95.4%

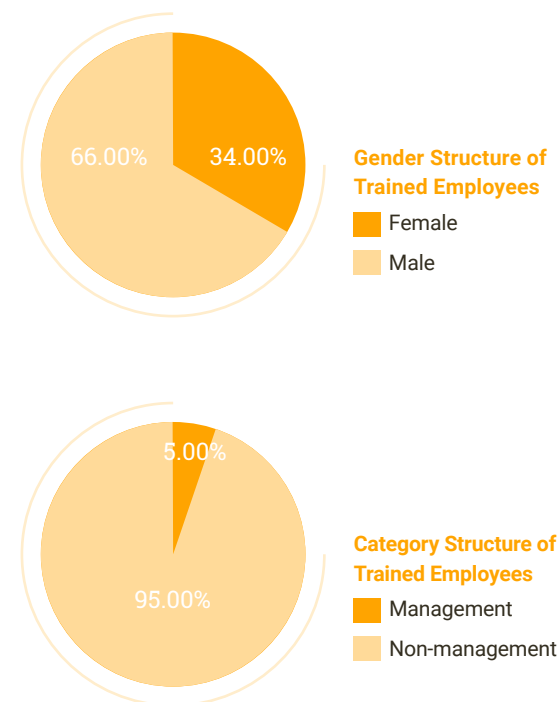
Online trainings

75

An investment of

240,000

RMB in training

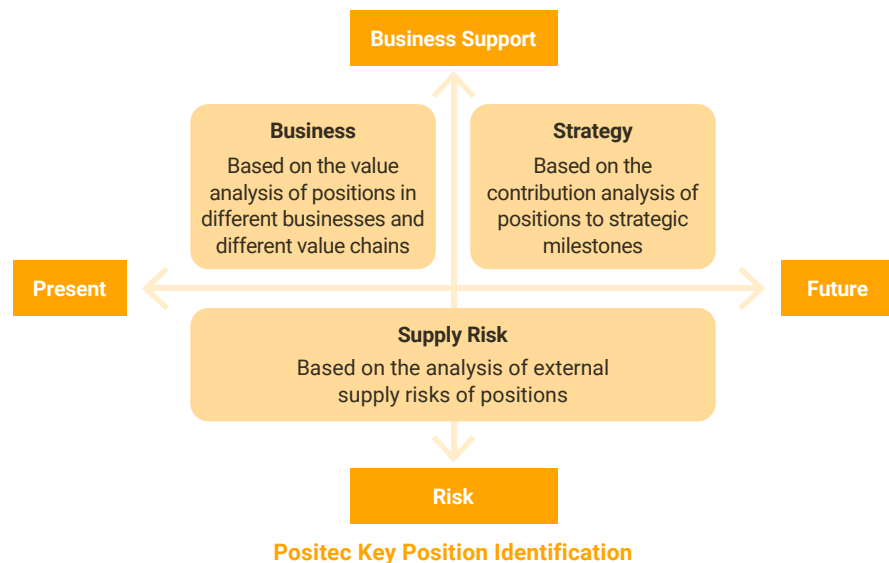


4.2.3 Fair & Objective Evaluation with Differentiated Incentives

Positec adheres to the principles of openness, fairness, and impartiality in promotions, continuously optimizing the process to support employees' autonomous career path choices and ensure that outstanding talent is identified and nurtured for long-term development. The Group has established the Individual Performance Management System, conducting quarterly and annual performance reviews with 360° democratic evaluations tailored to different employee levels.

Performance Management 	Aligning top-down from organizational BSC (Balanced Scorecard) to individual PBC (Personal Business Commitment), we create a closed-loop accountability system linking "Strategy-Organization-Individual". This approach clarifies performance requirements and critical success paths, enabling scientific and rational employee evaluation and management.	360° Democratic Evaluation 	By systematically collecting evaluations from multiple personnel who have close working relationships with the evaluated individual, this approach comprehensively and multi-dimensionally understands employees' work behaviors and performance, effectively ensuring the comprehensiveness and objectivity of employee evaluations, and strongly supporting accurate personnel deployment decisions.	Motivation 	Upholding the core philosophy of "shared responsibility and mutual benefits," we have established a compensation mechanism that links company performance, organizational performance, and individual performance. This approach strengthens comprehensive evaluations of business outcomes and individual contributions while implementing flexible incentive strategies. It fully stimulates employees' vitality in value creation, driving collaborative development and mutual success between employees and Positec.
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Positec identifies critical roles by integrating core strategies, business models, internal and external supply risks. We assess employee competency through performance metrics, role fulfillment, and 360° evaluations to deliver tailored incentives that align with individual contributions.



Additionally, the Group conducts an annual employee excellence evaluation and recognition program, establishing various individual, team, and special awards to motivate outstanding employees and teams. This initiative aims to enhance team cohesion and foster a positive, upward-driven organizational culture.

Award Types	Main Award Settings
 Individual Awards	- Mentor Award - Newcomer Award - Positec Person Award - Outstanding Manager Award - Honorary Positec Person - Lifetime Positec Person
 Team Awards	- Project Team Award - Outstanding Department Award
 Special Awards	- Carbon Neutrality Contribution Award - AI Application Award - Outstanding/Excellent VE Project Award - Outstanding/Excellent Marketing Innovation Award - Outstanding/Excellent Technology and Product Innovation Award - Outstanding/Excellent Management Innovation Award - Special Contribution Award

4.3 Safeguard Health and Safety

Occupational health and safety are not only related to the life, health, and family happiness of every employee, but also an important cornerstone for the sound operation and sustainable development of the enterprise.

4.3.1 Enhance Management Systems

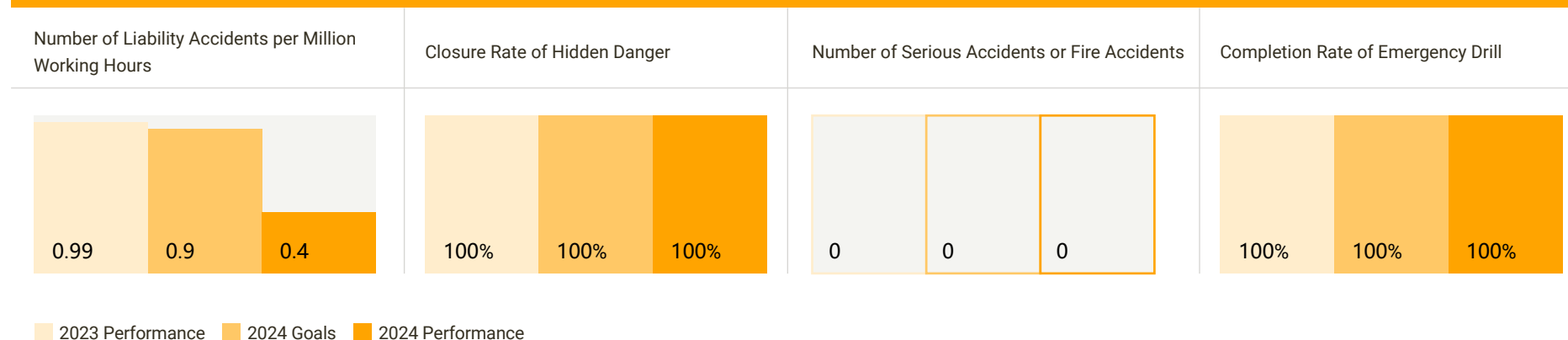
Positec builds and operates a production safety responsibility system and establishes a Safe Production Committee with a director and deputy director, as well as several branches such as safety management, equipment and facility safety, hazardous chemical safety, fire safety, transportation safety, occupational health safety, emergency management, construction project safety, and safety management of related parties, with specific departments or groups under each branch. The main duties of the Safe Production Committee include formulating policies and systems, carrying out safety supervision and inspection, organizing safety education and training, being responsible for accident investigation and treatment, managing safety target plans, coordinating and communicating, as well as emergency management and response, etc., so as to safeguard safe production in an all-round way.

During the reporting period, Positec successfully passed the re-certification review of the ISO 45001 Occupational Health and Safety Management System and the Second level Work Safety Standardization Certificate, and continuously improved the safety management level.



Positec Has Obtained the ISO 45001 Occupational Health and Safety Management System Certification

EHS (Environment, Health, and Safety) Management Indicators



4.3.2 Risk Recognition and Prevention

We are actively exploring and innovating in the field of safety production, embracing the wave of intelligence, and opening a new chapter of safety production management with intelligent risk identification and prevention and control.

Positec has introduced a dual prevention mechanism management platform for risk classification and control and hidden danger investigation and treatment, which can carry out risk identification, hidden danger investigation and treatment and full-process risk control. In addition, the platform also covers accident management, emergency management, certificate management and other functions. The application of this intelligent platform provides a powerful database guarantee for the Group's safety management and helps to improve the efficiency, quality and precision of occupational health and safety management.

In addition, the Group launched a digital monitoring platform. The platform can realize 7*24 hours automatic risk alarm, use big data analysis to dynamically assess the safety situation, visualization, real-time, whole process dynamic control, multi-dimensional warning real-time push, to help managers more accurately grasp the operating status of each unit of fire facilities.

With the help of the above platform, Positec carried out EHS risk identification and management, and adopted the direct judgment method and conditional hazard analysis method to assess and classify risks. A total of 824 risk points were identified, including 89 equipment and facilities, 158 sites and 577 work activities, 2,877 hazard sources were identified, and 13,619 direct control measures were formulated. 824 risk points were updated in 2024, with an update rate of 100% and a risk review rate of 100%.

In 2024, in accordance with risk assessments, we carried out specialized renovations and upgrades of environmental protection and fire safety facilities and equipment, including upgrading fire safety systems in the final assembly building, and replacing and renewing dust removal facilities and exhaust gas treatment equipment.

4.3.3 Enhance Awareness and Capacity

During the reporting period, Positec organized a total of 69 EHS thematic training sessions for all employees, including equipment technical staff, special operators, and special equipment operators, as well as external related parties, covering a total of 16,210 person-times of employees and a total of 16,524 hours. In addition to compliance requirements, the Group also provided safety skills and emergency rescue training, safety awareness training, holiday-themed training and culture building training.



4.4 Engage in Social Welfare

Adhering to the concept of "Taking from the society, Giving back to the society", Positec, while pursuing outstanding business achievements, actively pays attention to the needs and challenges of social development, and shows its corporate commitment and sentiments with practical actions.

"Blood Connects, Love Unites" Blood Donation Campaign

Since 2017, Positec has carried out public welfare blood donation activities for 7 consecutive years, organizing nearly 1,000 person-times of employees to participate in blood donation, with a cumulative total of more than 280,000ml. 199 employees participated in the September 2024 blood donation activity, with a total amount of 56,900ml of blood donated. Positec's employees have contributed to the betterment of the society with their practical actions.

"Light Up Wishes, Build a Loving Home" Community Program

Through various channels such as community announcements, WeChat groups, and telephone visits, Xietang Street of Suzhou Industrial Park extensively solicited various needs of special groups such as families in difficulty, widows and orphans, and people with disabilities in the community. Positec employees actively joined the community volunteer service team and formed targeted support with the community residents, providing door-to-door condolences, material donations and other practical care to enhance the residents' sense of well-being, so that warmth can be transmitted among the communities.

"World Earth Day" Environmental Protection Activity

Positec organizes employee volunteers to actively support the preparation of the annual "World Earth Day" environmental protection theme activities of Xietang Street, Suzhou Industrial Park. Through a series of activities such as environmental knowledge lectures, garbage sorting promotion and practice, and environmental cleanup campaigns, Positec helps the community further expand the influence of environmental theme activities while enhancing employees' awareness of environmental actions and their sense of environmental responsibility.



Appendix 1 / Environmental Performance Data

Indicator Name		Unit	2024	2023	2022
Energy Consumption					
Renewable Energy	Solar Energy	MWh	371.66	365.56	396.56
Non-renewable Energy	Gasoline	Ton	37.95	39.25	30.34
	Diesel	Ton	13.80	13.71	14.67
	Natural Gas	Cubic Meter	147,527	295,184	243,099
	Electricity	MWh	22,557.81	21,981.81	20,081.63
Total Energy Consumption		MWh	25,156.38	25,620.33	23,176.61
Greenhouse Gas Emissions					
Scope 1		tCO ₂ e	488.22	909.82	724.42
Scope 2		tCO ₂ e	12,104.52	12,536.22	11,452.55
Total Greenhouse Gas Emissions		tCO ₂ e	12,592.74	13,446.05	12,176.97
Water Consumption					
Municipal Water		Ton	178,404	190,027	153,651
Rainwater Recycling		Ton	8,100.02	8,277.12	9,215.56
Wastewater Emissions					
Total Wastewater Emissions		Ton	151,643	161,523	130,603
Waste Generation					
Total Non-hazardous Waste		Ton	1,717.27	1,728.94	1,916.56
Total Hazardous Waste		Ton	158.63	160.39	112.14
Waste Recycling					
Total Waste Recycling		Ton	1,660.74	1,642.71	1,764.67
Waste Recycling Rate		%	88.53	86.95	86.99
Waste Disposal - Non-hazardous Waste					
Recycling		Ton	1,572.91	1,579.34	1,735.76
Incinerating		Ton	144.36	149.60	180.80
Waste Disposal - Hazardous Waste					
Recycling		Ton	87.83	63.37	28.91
Incinerating		Ton	31.22	38.45	39.06
Other Treatments		Ton	39.58	58.57	44.17
Exhaust Emissions					
Total Exhaust Emissions		Ton	2.56	4.62	1.68

Environmental Performance Data Description:

- 1/ The statistical scope of environmental performance data covers Baoshide Suzhou Headquarters, Suzhou factory, Zhangjiagang factory and Kunshan factory. The data sources are relevant invoices, production records and reports in various business systems.
- 2/ The calculation of energy consumption refers to the National Standard of the People's Republic of China *General Principles for Comprehensive Energy Consumption Calculation (GB/T2589 - 2020)*.
- 3/ Direct greenhouse gas emissions (Scope 1) come from the use of natural gas, butane, gasoline, diesel, refrigerants, rust removers and wastewater treatment. Indirect greenhouse gas emissions (Scope 2) come from the use of purchased electricity.
- 4/ Greenhouse gas emissions are calculated with reference to the *2006 IPCC Guidelines for National Greenhouse Gas Inventories*, and in accordance with *General Principles for Comprehensive Energy Consumption Calculation (GB/T 2589 - 2020)*, *Standard for Calculation of Building Carbon Emissions (GB/T 51366 - 2019)*, *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Enterprises in Other Industrial Sectors (Trial)*, *Notice on Doing a Good Job in the Management of Greenhouse Gas Emission Reporting of Power Industry Enterprises from 2023 to 2025*, CPCD (China Products Carbon Footprint Factors Database), UK Government conversion factors for company reporting of greenhouse gas emissions (2023), *China Product Life Cycle Greenhouse Gas Emission Factor Set (2022)*, etc. Among them, the power carbon dioxide emission factor uses the 2022 national average power carbon dioxide emission factor in the *Announcement on the Release of 2022 Power Carbon Dioxide Emission Factors* by the Ministry of Ecology and Environment and the National Bureau of Statistics. After selecting the emission factors, the calculated values are converted into CO₂e (carbon dioxide equivalent values) in tons according to the global warming potential (GWP) of various greenhouse gases. The GWP data in the calculation process are from the IPCC Sixth Assessment Report.
- 5/ The greenhouse gas emissions in 2024 are reduced compared with previous years, mainly because: fine energy management and control are carried out through temperature control and the addition of controllers to eliminate unnecessary energy consumption; production plans are optimized and production orders are integrated to improve energy utilization efficiency; high-energy-consuming equipment is replaced and process control indicators are improved to improve energy utilization efficiency; rust removers without greenhouse gas emissions are used to reduce direct emissions.
- 6/ The statistics of non-hazardous waste mainly include: scrap metal, used equipment, waste cardboard, domestic waste, etc.
- 7/ The statistics of hazardous waste mainly include: waste oil, waste packaging containers, waste paint, aluminum ash, etc.
- 8/ The statistics of waste gas mainly include: non-methane total hydrocarbons, toluene, xylene, styrene, particulate matter, sulfur dioxide, nitrogen oxides, etc. The emission data are calculated according to the annual monitoring report.

Appendix 2 / Social Performance Data

Indicator Name		Unit	2024	2023	2022
Total Number and Structure of Employees	Total Employees	Person	5,234	5,125	4,810
	Gender	Male	3,331	3,282	2,983
		Female	1,903	1,843	1,827
	Age	Under 30 Years Old	1,485	1,614	1,467
		31-50 Years Old	3,301	3,207	3,081
		Over 51 Years Old	448	304	262
	Region	Mainland China	4,406	4,262	3,877
		Overseas	828	863	933
	Category	Management	271	290	302
		Non-management	4,963	4,835	4,508
Total Number and Structure of New Employees	Total New Employees	Person	3,679	3,640	3,053
	Gender	Male	2,379	2,228	1,936
		Female	1,300	1,412	1,117
	Age	Under 30 Years Old	1,827	1,788	1,489
		31-50 Years Old	1,784	1,791	1,494
		Over 51 Years Old	68	61	70
	Region	Mainland China	3,378	3,282	2,705
		Overseas	301	358	348
	Category	Management	14	28	39
		Non-management	3,665	3,612	3,014

Social Performance Data Description

- 1/ The turnover rate of a certain category of employees = (Number of employees leaving a certain category during the reporting period / (Number of employees leaving a certain category during the reporting period + End-of-period number of a certain category of employees)) × 100%.
- 2/ The turnover rate of employees "under 30 years old" and "non-management" is relatively high, mainly affected by industry characteristics (high mobility in project-based systems) and the exploration needs in the initial stage of their careers.

Indicator Name		Unit	2024	2023	2022
Employee Training Status	Total Investment in Employee Training	Ten Thousand Yuan	24	98	53
	Percentage of Employees Receiving Regular Performance and Career Development Appraisals	%	100	100	100
	Hour of Training Per Capita	Hours/Person	5.50	5.00	5.00
	Gender	Male	66	69	64
		Female	34	31	36
	Age	Under 30 Years Old	39	43	42
		31-50 Years Old	58	56	56
		Over 51 Years Old	3	1	2
	Region	Mainland China	99	99	99
		Overseas	1	1	1
	Category	Management	5	6	6
		Non-management	95	94	94
Total Employee Turnover and Structure	Employee Turnover Rate	%	40.23	37.32	40.89
	Gender	Male	40.80	34.83	39.00
		Female	39.20	41.32	43.78
	Age	Under 30 Years Old	50.91	47.31	50.90
		31-50 Years Old	35.67	32.71	36.26
		Over 51 Years Old	25.46	12.64	16.83
	Region	Mainland China	41.97	40.42	45.39
		Overseas	28.87	15.64	10.12
	Category	Management	13.69	7.94	10.39
		Non-management	41.22	38.50	42.21

Appendix 3 / GRI Standards Index

Usage Instruction	Positec has reported the information for the period from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards
GRI Used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Chapter	Page
GRI 2: General Disclosures 2021			
The organization and its reporting practices			
2-1	Organizational details	About Positec	
2-2	Entities included in the organization's sustainability reporting	About the Report	
2-3	Reporting period, frequency and contact point	About the Report	
2-4	Restatements of information	This report is Positec's first ESG report, with no restatement of information	
Activities and workers			
2-6	Activities, value chain and other business relationships	About Positec Sustainable Supply Chain	
2-7	Employees	Employee Rights and Benefits Social Performance Data	
Governance			
2-14	Role of the highest governance body in sustainability reporting	About the Report	
2-16	Communication of critical concerns	Communication with Stakeholders	
2-17	Collective knowledge of the highest governance body	Sustainability Management Strengthen Corporate Governance	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Message from Our Management Sustainability Management	
2-23	Policy commitments	Strengthen Corporate Governance Employee Rights and Benefits	
2-24	Embedding policy commitments	Strengthen Corporate Governance Employee Rights and Benefits	

GRI Standard	Disclosure	Chapter	Page
2-25	Processes to remediate negative impacts	Strengthen Corporate Governance Employee Rights and Benefits	
2-26	Mechanisms for seeking advice and raising concerns	Strengthen Corporate Governance	
2-27	Compliance with laws and regulations	No material violations occurred during the reporting period, nor did they result in fines or non-financial penalties	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Communication with Stakeholders	
2-30	Collective bargaining agreements	Employee Rights and Benefits	
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Materiality Assessment	
3-2	List of material topics	Materiality Assessment	
Economics			
GRI 201: Economic Performance 2016			
3-3	Management of material topics	Address Climate Change Employee Rights and Benefits	
201-2	Financial implications and other risks and opportunities due to climate change	Address Climate Change	
201-3	Defined benefit plan obligations and other retirement plans	Employee Rights and Benefits	
GRI 203: Indirect Economic Impacts 2016			
3-3	Management of material topics	Sustainable Supply Chain Engage in Social Welfare	
203-1	Infrastructure investments and services supported	Sustainable Supply Chain Engage in Social Welfare	
203-2	Significant indirect economic impacts	Sustainable Supply Chain Engage in Social Welfare	

GRI Standard	Disclosure	Chapter	Page
GRI 204: Procurement Practices 2016			
3-3	Management of material topics	Sustainable Supply Chain	
GRI 205: Anti-corruption 2016			
3-3	Management of material topics	Strengthen Corporate Governance	
205-2	Communication and training about anti-corruption policies and procedures	Strengthen Corporate Governance	
Environment			
GRI 301: Materials 2016			
3-3	Management of material topics	Cultivate the Gene of Innovation	
GRI 302: Energy 2016			
3-3	Management of material topics	Address Climate Change	
302-1	Energy consumption within the organization	Environmental Performance Data	
302-5	Reductions in energy requirements of products and services	Cultivate the Gene of Innovation Craft Outstanding Quality	
GRI 303: Water and Effluents 2016			
3-3	Management of material topics	Resource & Emission Management	
303-1	Interactions with water as a shared resource	Resource & Emission Management	
303-2	Management of water discharge-related impacts	Resource & Emission Management	
303-3	Water withdrawal	Environmental Performance Data	
303-4	Water discharge	Environmental Performance Data	
GRI 304: Biodiversity 2016			
3-3	Management of material topics	Cultivate the Gene of Innovation	
304-2	Significant impacts of activities, products and services on biodiversity	Cultivate the Gene of Innovation	
GRI 305: Emissions 2016			
3-3	Management of material topics	Address Climate Change	
305-1	Direct (Scope 1) GHG emissions	Environmental Performance Data	
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Performance Data	
305-5	Reduction of GHG emissions	Address Climate Change	

GRI Standard	Disclosure	Chapter	Page
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Performance Data	
GRI 306: Waste 2020			
3-3	Management of material topics	Resource & Emission Management	
306-1	Waste generation and significant waste-related impacts	Resource & Emission Management	
306-2	Management of significant waste-related impacts	Resource & Emission Management	
306-3	Waste generated	Environmental Performance Data	
306-4	Waste diverted from disposal	Environmental Performance Data	
306-5	Waste directed to disposal	Environmental Performance Data	
GRI 308: Supplier Environmental Assessment 2016			
3-3	Management of material topics	Sustainable Supply Chain	
308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain	
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain	
Social			
GRI 401: Employment 2016			
3-3	Management of material topics	Employee Rights and Benefits	
401-1	New employee hires and employee turnover	Social Performance Data	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights and Benefits	
GRI 403: Occupational Health and Safety 2018			
3-3	Management of material topics	Safeguard Health and Safety	
403-1	Occupational health and safety management system	Safeguard Health and Safety	
403-2	Hazard identification, risk assessment, and incident investigation	Safeguard Health and Safety	
403-3	Occupational health services	Safeguard Health and Safety	

GRI Standard	Disclosure	Chapter	Page
403-4	Worker participation, consultation, and communication on occupational health and safety	Safeguard Health and Safety	
403-5	Worker training on occupational health and safety	Safeguard Health and Safety	
403-6	Promotion of worker health	Safeguard Health and Safety	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safeguard Health and Safety	
403-8	Workers covered by an occupational health and safety management system	Safeguard Health and Safety	
403-9	Work-related injuries	Safeguard Health and Safety	
403-10	Work-related ill health	Safeguard Health and Safety	
GRI 404: Training and Education 2016			
3-3	Management of material topics	Empower Employee Development	
404-1	Average hours of training per year per employee	Social Performance Data	
404-2	Programs for upgrading employee skills and transition assistance programs	Empower Employee Development	
404-3	Percentage of employees receiving regular performance and career development reviews	Social Performance Data	
GRI 405: Diversity and Equal Opportunity 2016			
3-3	Management of material topics	Employee Rights and Benefits	
405-1	Diversity of governance bodies and employees	Employee Rights and Benefits Social Performance Data	
GRI 406: Non-discrimination 2016			
3-3	Management of material topics	Employee Rights and Benefits	
406-1	Incidents of discrimination and corrective actions taken	Employee Rights and Benefits	
GRI 407: Freedom of Association and Collective Bargaining 2016			
3-3	Management of material topics	Employee Rights and Benefits	
GRI 408: Child Labor 2016			
3-3	Management of material topics	Employee Rights and Benefits	

GRI Standard	Disclosure	Chapter	Page
GRI 409: Forced or Compulsory Labor 2016			
3-3	Management of material topics	Employee Rights and Benefits	
GRI 413: Local Communities 2016			
3-3	Management of material topics	Engage in Social Welfare	
413-1	Operations with local community engagement, impact assessments, and development programs	Engage in Social Welfare	
GRI 414: Supplier Social Assessment 2016			
3-3	Management of material topics	Sustainable Supply Chain	
414-1	New suppliers that were screened using social criteria	Sustainable Supply Chain	
414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain	
GRI 416: Customer Health and Safety 2016			
3-3	Management of material topics	Cultivate the Gene of Innovation Craft Outstanding Quality	
416-1	Assessment of the health and safety impacts of product and service categories	Cultivate the Gene of Innovation Craft Outstanding Quality	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No such incidents arose throughout the reporting period	
GRI 417: Marketing and Labeling 2016			
3-3	Management of material topics	Responsible Marketing	
417-1	Requirements for product and service information and labeling	Responsible Marketing	
417-2	Incidents of non-compliance concerning product and service information and labeling	No such incidents arose throughout the reporting period	
417-3	Incidents of non-compliance concerning marketing communications	No such incidents arose throughout the reporting period	
GRI 418: Customer Privacy 2016			
3-3	Management of material topics	Data Security and Privacy Protection	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No such incidents arose throughout the reporting period	



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