



10户中国家庭  
7户用公牛\*

# 2023 Goneo Group Co., Ltd.

## 2023 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



\*Data source: Shangpu Consulting Group; Over 70% of households in China either currently use or have used Bull products (electrical connections, wall switches and sockets, LED lighting, digital accessories, etc.); Survey completed in August 2023.

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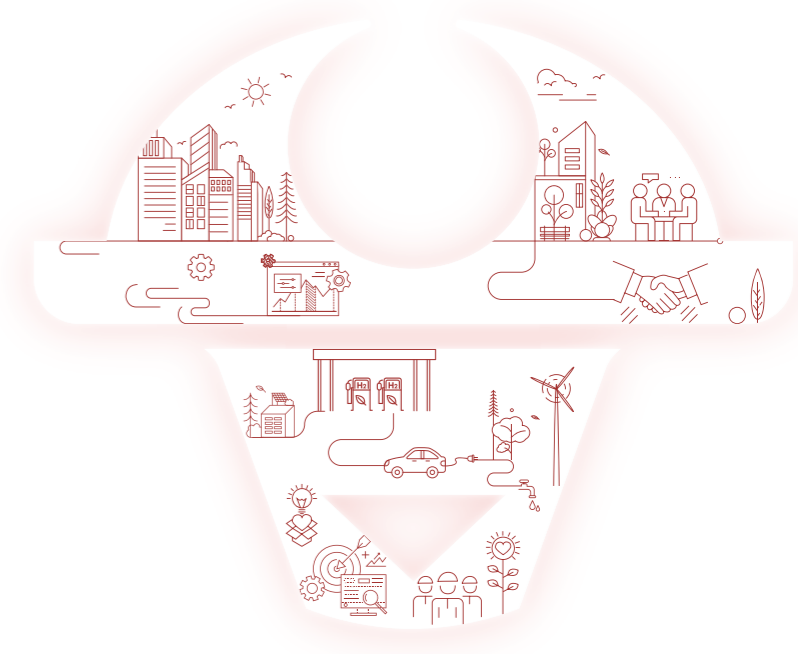
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# About the Report

## Description

Based on the principles of objectivity, standardization, transparency, and comprehensiveness, the *2023 Environmental, Social and Governance Report of Goneo Group Co.,Ltd.* discloses in details the Company's practices and performance in environmental, social, corporate governance (ESG) and other areas of responsibilities 2023.

## Time frame

From January 1 to December 31, 2023. To enhance the comparability and completeness of the Report, some content is appropriately retroactive to previous years, and subsequent events related to 2024 are added.

## Reporting scope

The organization scope of the Report is Goneo Group Co.,Ltd. and its subsidiaries. .

## Descriptions on references

For the convenience of expression and reading, "Goneo Group Co.,Ltd." is also referred to as "Goneo", "Company", "Enterprise" or "Group" in the Report.

## Descriptions on data

The data sources used in the Report include the original data on the Company's actual operation, annual financial data, internal statistical reports, administrative documents and reports, etc. The financial data in this Report is in RMB. In case of any inconsistency with the financial report, the financial report shall prevail.

## Compilation basis

*Sustainable Development Goals (SDGs) Corporate Action Guidelines* of the United Nations

*Sustainability Reporting Standards* from Global Sustainability Standards Board (GRI Standards)

*Guidelines for Compiling Corporate Social Responsibility Reports in China* from Chinese Academy of Social Sciences (CASS-CSR5.0)

*Guidelines for Compilation of Social Responsibility Reports* from China's National Standards (GB/T36001-2015)

*Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardized Operations*

## Report acquisition

The Report is released in electronic form. You can view and download it on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the Company's official website ([www.gongniu.cn](http://www.gongniu.cn))

## Message from the Board of Directors

In 2023, we embraced change and innovation amidst a complex economic landscape both at home and abroad. Thanks to our unwavering dedication, we achieved commendable results, with our operating revenue and profit soaring to record highs as we attained robust growth across economic cycles. During the year, we recorded operating revenue of RMB15.695 billion, up 11.46% year on year; and a net profit attributable to our shareholders of RMB3.87 billion, representing an increase of 21.37% from the year earlier. We further fortified our strengths in the electric connection business. Despite profound adjustments in the real estate sector, we still managed to secure rapid growth in the smart electrical lighting business. And, riding tailwinds, we achieved leapfrog development in the new energy business. As a result, the visibility and reputation of our brand—Goneo—have been further enhanced.

In 2023, we were committed to **innovation-driven** development. Based on customer needs, we unveiled a range of highly recognised new products, such as the Master Track Socket, the Butterfly Wing Ultra-thin Switch, the Bladeless Fan Lamp, the "Mini Power Cabin" Socket, the Safe Charging Point, and the Smart No-main-lamp Lighting. These inventions have elevated Goneo to new heights in terms of smart, high-end and trendy products. Throughout the year, the Company won more than ten Chinese and international design awards, including iF, Red Dot, IDEA, and Gmark.

In 2023, we vigorously promoted **channel reform** as well, converting existing store-in-stores into flagship stores carrying comprehensive Goneo products. This has elevated both the stature of our outlets and the image of Goneo as a provider of comprehensive products. Furthermore, we also introduced a new retail model to achieve collaborative growth between our online and offline channels.

In 2023, we drove comprehensive **brand upgrades**. We joined forces with globally acclaimed light designer Roger Narboni to launch "Murora", an industry-pioneering no-main-lamp lighting brand that has garnered widespread interest. Furthermore, we secured

the endorsement of international supermodel Liu Wen, who subsequently agreed to become the face of Goneo. We also collaborated with esteemed supercar designer Fabrizio Giugiaro in crafting our Master Track Socket. Through a range of branding and digital marketing activities, such as celebrity endorsements and KOL promotions, we have reinforced Goneo's image as a leading trendsetter in safe electrical products.

In 2023, we pursued excellence with determination, arranging our businesses, markets, and core capabilities from **a forward-looking perspective**. We also established our International Business Department, marking our comprehensive entry into the global market. Moreover, we founded our Process Optimisation and Digitalisation Centre and joined forces with Huawei Cloud to officially release Goneo's blueprint for digitalisation. Additionally, construction officially began on our smart lighting industrial base in the city of Huizhou in Guangdong Province. These arrangements have laid a solid foundation for the Company's long-term sustainable development.

In 2023, we also deepened our **environmental, social, and governance (ESG) practices**, vigorously promoting the utilisation of green energy and innovation in low-carbon products. We also advanced modern corporate governance in line with international standards. Meanwhile, we proactively fulfilled our social responsibilities, donating a cumulative total of RMB193 million in the year to various causes such as cultural education, healthcare, disaster relief, and poverty alleviation.

Looking ahead, we will remain committed to our three major strategies: a smart ecosystem, new energy, and internationalisation. These efforts are guided by our principles of "taking the long way with professionalism and devotion, and striving for No. 1". We will also forge ahead with determination towards our goal of RMB100 billion operating revenue, as well as our vision of "becoming a leader in the international civil electrical industry"

The Board of Directors of Goneo Group Co., Ltd.  
April 2024



# Company Profile

Founded in 1995, Goneo concentrates on the research, development, manufacturing, and marketing of civil electrical products. Over the past two decades, with adherence to the corporate vision of "becoming a leader in the international civil electrical industry", the Company shoulders the corporate mission of "providing customers with a safe and comfortable power use experience", and practices the development philosophy of "taking the long way with professionalism and devotion". The Company has always been driven by consumer needs with a focus on product quality. Starting from the subdivision of "sockets", it has continuously promoted functional, technological, and design innovation and developed a large number of new products which are popular among consumers. With an innovative spirit, the Company has utilized its comprehensive leading advantages in product R&D, marketing, supply chain, and branding to form three major business sectors consisting of electrical connections, smart lighting solutions, and new energy through years of development, thereby forming a long-term sustainable industrial layout in the field of civil electrical and lighting.

# Strategy

The Company, driven by the vision of "becoming a leader in the international civil electrical industry", is poised to seize the opportunities of our era. It will expedite the progress of intelligent ecosystems, harness new energy applications, and propel international business development. The goal is to cultivate strategic prowess propelled by "technology leading, customer centricity, data intelligence, and global breakthrough". Through this, the Company will consistently fortify its competitive edge across product excellence, marketing finesse, and operational capabilities, thus ensuring the delivery of superior and diversified electrical products and services to consumers.



# Culture

Goneo is committed to becoming a leader in the international civil electrical industry. With both intensive domestic efforts and global breakthrough, the Company focuses on civil electrical engineering with household scenarios as the core; by shouldering the corporate mission of "providing customers with a safe and comfortable power use experience", the Company uses intelligent technology to create a safe power use environment and a comfortable power use experience for customers. The Company adheres to the core values of "loyalty, integrity, professionalism and devotion". With honesty and trustworthiness, it aims to achieve harmonious and win-win results and cultivate its businesses with a revolutionary and innovative spirit.



# Glorious 2023

**The Goneo Charity Trust landed at Wuhan University Project**

On March 13, the opening ceremony of the project funded by Goneo Charity Trust took place at Wuhan University. The trust, with a total fund of RMB 200 million, is set to bolster Wuhan University's efforts in introducing high-level talents from both domestic and international domains, enhancing its teaching and research capabilities, as well as co-establishing the Institute for Goneo New Energy, Wuhan University. It's worth noting that the Charity Trust, the first of its kind in the Ningbo area to be registered at the district and county level, has been recognized as one of the Top Ten Charitable Events of "2023 · Touching Ningbo".



**Grand Unveiling Ceremony of Muguang's Signature Headless Lamps Brand Conference and First Flagship Store in China**

In March 2024, the grand unveiling ceremony of Muguang's Signature Headless Lamp Brand Conference and First Flagship Store in China took place at the Global Brand Lighting Center in Guzhen Town, Zhongshan City, known as the "Lamp City".




**Goneo reclaimed its position in China's Top 200 Most Valuable Brands**

On June 15, at the 20th World Brand Summit, the list of "China's Top 500 Most Valuable Brands of 2023" was revealed, propelling Goneo to a new pinnacle with a brand value of RMB 24,567,000,000, securing the 351st position and reaching new heights in brand value.




**Bladeless fan light won the Red Dot Design Award in Germany**

In April 2023, the innovative centrifugal bladeless fan light stood out among numerous product designs, clinching the prestigious Red Dot Design Award 2023 and later, in August, securing a position in the esteemed IDEA Awards in the United States.



**The Digitization Transformation Blueprint was unveiled by Goneo**

On August 9, the kickoff meeting for the digitization transformation blueprint project between Goneo and Huawei Cloud marked the comprehensive initiation of the Group's digital transformation.



**Goneo's track socket received the China Patent Award of Excellence**

In July 2023, Goneo's track socket, through technological innovation, received the China Patent Award of Excellence from the China National Intellectual Property Administration for breaking the traditional plug-and-socket electrical connection utilized in track systems.




**The Digitization Transformation Blueprint was unveiled by Goneo**

On August 9, the kickoff meeting for the digitization transformation blueprint project between Goneo and Huawei Cloud marked the comprehensive initiation of the Group's digital transformation.



**New Energy After-sales Service received "T V Rheinland Certification" from Germany**

On September 26, the after-sales service of Goneo's new energy AC charging pile installation was awarded the *Installation Service Provider Certificate for Electric Vehicle Charging Facilities* by T V Rheinland, the internationally acclaimed certification body.



**Goneo attained "Golden Bull" Award once again**

On October 25, the List of Golden Bull Securities Companies Award 2023 was released by the China Securities Journal, recognizing Goneo as the recipient of the Most Valuable Investment Price of the 25th Golden Bull Award for Listed Companies.



**The Company was recognized as one of the Top 100 Most Valuable Main Board Listed Companies**

On November 28, Goneo was honored as one of the top 100 most valuable main board listed companies during the 17th China's Listed Company Value Selection hosted by the Securities Times.

**Double Triumph of Goneo at China's Digital Service Annual Billboard**

Emerging from over 2,000 service brand samples nationwide, at the (8th) Annual Conference on the Development of China's Digital Service Industry 2023 on December 7, Goneo was distinguished with two major awards – the Top 100 China's Service Brand of the Year and the Annual Customer Word-of-Mouth Award – for its commitment to service excellence and customer satisfaction in user experience.



**Groundbreaking Ceremony was implemented for Smart Lighting R&D Manufacturing Project**

On the morning of December 28, Goneo held the groundbreaking ceremony for its smart lighting R&D manufacturing project in Zhongkai High-tech Zone, Huizhou.



**Launch of 4.0 Flagship Store Strategy**

On December 25, Goneo unveiled its Flagship Store Strategy 2024 in Cixi, announcing plans for the 4.0 flagship store design and new retail strategy, empowering consumers with a convenient, multi-category, one-stop shopping experience and providing comprehensive support to distribution partners.



# ESG Empowerment

## ESG Governance Structure

In a quest to refine the Company's ESG governance framework, elevate its ESG management standards, and propel sustainable and top-tier development, the establishment of the Environmental, Social, and Governance (ESG) Committee has been orchestrated in compliance with the *Company Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies in China*, the Articles of Association of Goneo Group Co.,Ltd., and pertinent regulations.



► Unveiling of Goneo's ESG Committee

With the Chairman at the helm, the ESG Committee has been poised to engage in timely discourse on ESG matters with the Board of Directors. Operating at the executive level, the Executive Office shoulders the responsibility for executing the practical facets of the ESG Committee's duties, working in close collaboration with relevant departments to facilitate and support ESG-related initiatives across the organization.

### Hierarchical Levels of the ESG Governance Structure

**ESG Committee**

### Main Duties and Responsibilities

Tasked with overseeing the effective implementation of environmental protection, social responsibility, and standardized governance within the Company, it steers the Company's environmental, social and governance progression. This includes, but is not limited to, researching and formulating strategic management plans of ESG, management frameworks, systems, and detailed implementation guidelines; identifying and supervising ESG-related risks and opportunities that profoundly impact the Company's operations, guiding the Company in taking fitting measures to navigate ESG risks and opportunities.

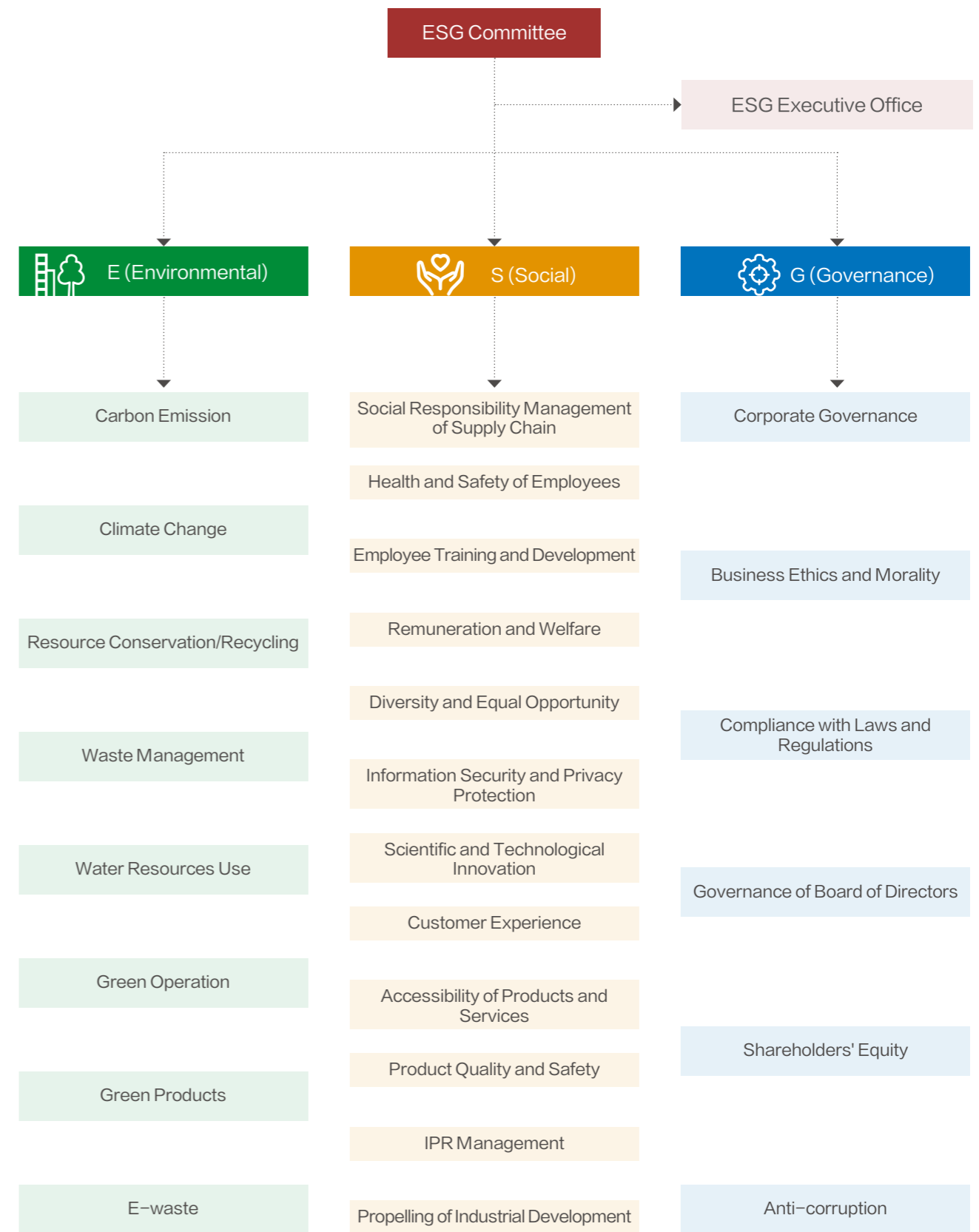
**ESG Executive Level**

Charged with the day-to-day affairs of the committee and the execution of its decisions, its duties include but are not limited to, preparatory work for committee resolutions, routine work coordination, meeting orchestration, and the realization of committee-related determinations – all falling within the remit of the Executive Office for the hands-on execution of responsibilities of the ESG Committee.

**Various Functional Departments of the Company**

These departments are responsible for internalizing and enacting resolutions of the ESG Committee and undertaking ESG initiatives to achieve or assist in achieving the department's ESG performance; routinely reporting the department's ESG endeavors to the ESG Committee while embracing the ESG Committee's oversight and guidance.

► Core Responsibilities at Each Hierarchical Level of the ESG Governance Structure



► Refined Organizational Structure Chart of the ESG Committee

# In response to the Sustainable Development Goals (SDGs) of the United Nations

● Carrying out social welfare and charity donations

● Carrying out social welfare and charity donations

● Improving the occupational health management system  
● Perfecting the safety production management system

● Providing all kinds of professional training

● Ensuring equal employment rights and eliminating gender discrimination

● Continuing efforts in the new energy field  
● Developing new energy products

● Improving the salary assessment system  
● Defining career development paths  
● Caring for both physical and mental health of employees

● Technological breakthroughs to enhance business capabilities  
● Completing the science and technology innovation system  
● Facilitating digital transformation to drive corporate change



● Perfecting the supplier management system  
● Perfecting the contractor management system  
● Spurring the healthy development of the industry

● Strengthening legal and compliant operation  
● Consolidating clean governance  
● Heightening risk identification and management

● Devoting greater effort to the management of the three wastes  
● Focusing on biodiversity protection

● Reinforcing efforts in sewage discharge management  
● Attaching importance to the protection of underwater biodiversity

● Improving energy management levels  
● Adhering to green, low-carbon development strategies  
● Developing low-carbon products  
● Greenhouse gas inventory and management

● Optimizing the environmental management system  
● Enhancing energy resource management levels  
● Perfecting comprehensive quality management systems

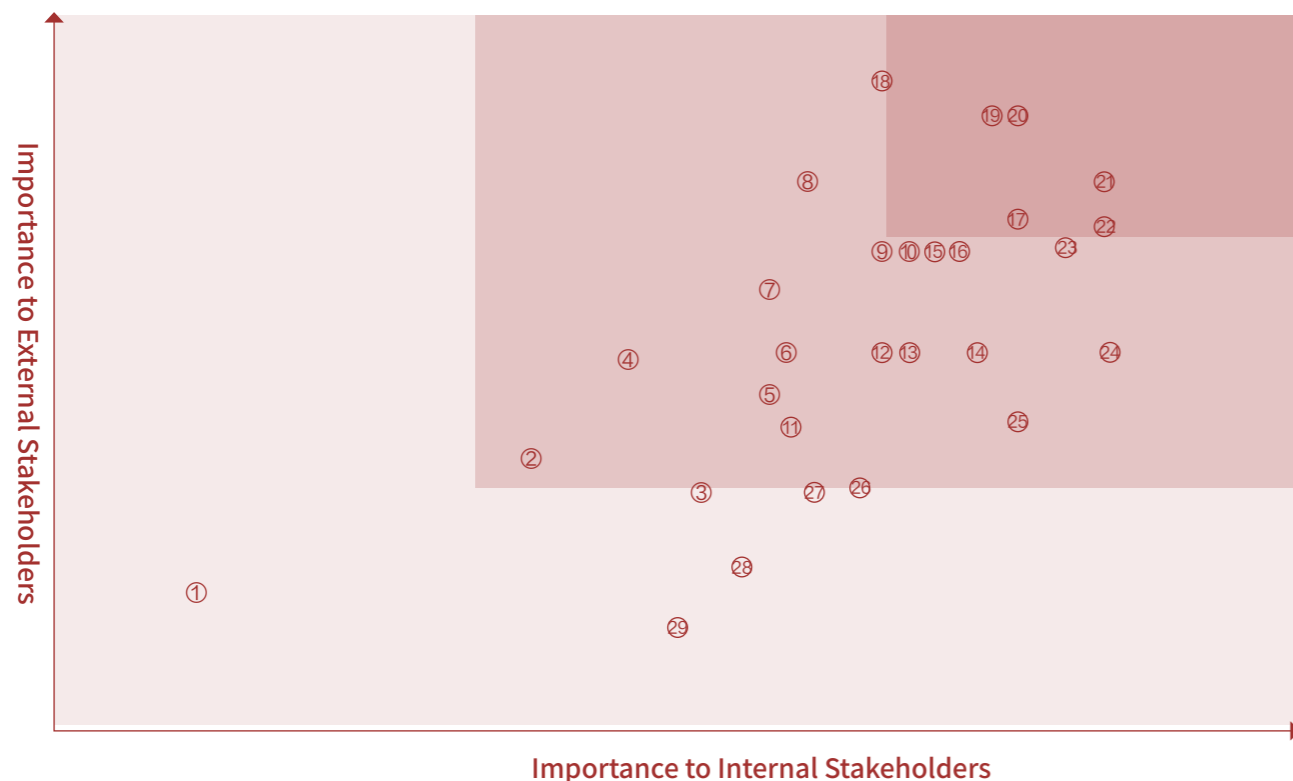
● Building urban "new infrastructure" – new energy charging piles

● Engaging in volunteer services  
● Valuing community communication and development  
● Supporting rural revitalization efforts



# Materiality Assessment

With reference to the Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards), the Company further screens ESG-related issues based on the focuses of stakeholders. According to the above-mentioned issue identification procedures, the Company and professional personnel jointly determine ESG issues with substantive materiality as the key content of company management and this report.



- |   |  |  |  |
|---|--|--|--|
| ① Biodiversity Protection                         | ⑨ Customer Relationships                 | ⑰ Protection of Intellectual Property Rights | ⑳ Protection of Employees' Rights and Interests    |
| ② Tackling Climate Change                         | ⑩ Perfection of Corporate Governance     | ⑱ Risk Management                            | ㉑ Practicing Social Responsibilities               |
| ③ Diversity and Equal Opportunity                 | ⑪ Responding to National Strategies      | ⑲ Adherence to Business Ethics               | ㉒ Employee Communication and Democratic Management |
| ④ Clean Technology Opportunities                  | ⑫ Energy Management                      | ⑳ Compliance with Laws and Regulations       | ㉓ Industry Communication and Development           |
| ⑤ Developing the Circular Economy                 | ⑬ Supply Chain Management                | ㉑ Waste and Hazardous Substance Management   | ㉔ Water Resource Management                        |
| ⑥ Employee Care                                   | ⑭ Occupational Training and Development  | ㉒ Green Products                             |  |
| ⑦ Transparent Disclosures                         | ⑮ ESG Strategies                         | ㉓ Product Quality and Safety                 |  |
| ⑧ Protection of Rights and Interests of Investors | ⑯ Accessibility of Products and Services | ㉔ Occupational Health and Safety             |  |

► Goneo's Analysis Matrix of Substantive Issues in 2023

# Stakeholder Communication

Goneo actively communicates with all kinds of stakeholders, collecting their requirements and expectations through multiple channels to achieve mutual development with them.

Main Stakeholders	Issues Concerned	Means and Channels of Communication
<p>Government Departments and Regulators</p>	<ul style="list-style-type: none"> <li>• Energy Management</li> <li>• Water Resource Management</li> <li>• Waste and Hazardous Substance Management</li> <li>• Compliance with Laws and Regulations</li> <li>• Protection of Intellectual Property Rights</li> <li>• Perfection of Corporate Governance</li> <li>• Adherence to Business Ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Inspections by Government and Regulators</li> <li>• Compliance Inspections and Checks</li> <li>• Regular Meetings with Local Government Representatives</li> <li>• Forums, Conferences, and Seminars</li> <li>• Routine Policy Implementation</li> </ul>
<p>Shareholders and Investors</p>	<ul style="list-style-type: none"> <li>• Tackling Climate Change</li> <li>• Clean Technology Opportunities</li> <li>• Product Quality and Safety</li> <li>• Transparent Disclosures</li> <li>• Risk Management</li> <li>• Protection of Rights and Interests of Investors</li> <li>• ESG Strategies</li> </ul>	<ul style="list-style-type: none"> <li>• General Meeting of Shareholders</li> <li>• Investor Communication Meetings</li> <li>• Online Performance Presentations</li> <li>• Shanghai Stock Exchange Interactive Q&amp;A</li> <li>• Investor Hotline</li> <li>• Company Survey</li> <li>• Telephone Consultations</li> <li>• Emails</li> <li>• Regular Reporting and Official Website Disclosure</li> </ul>
<p>Customers</p>	<ul style="list-style-type: none"> <li>• Green Products</li> <li>• Customer Relationships</li> <li>• Product Quality and Safety</li> <li>• Accessibility of Products and Services</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Satisfaction Surveys</li> <li>• Email and Daily Phone Communications</li> <li>• Customer Mailbox</li> <li>• Handling Customer Complaints</li> <li>• Customer Visits</li> </ul>
<p>Partners</p>	<ul style="list-style-type: none"> <li>• Industry Communication and Development</li> <li>• Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>• Selection and Evaluation</li> <li>• Procurement Processes</li> <li>• Performance Appraisal</li> <li>• Regular Communication with Business Partners (e.g., email, meetings)</li> </ul>
<p>Employees</p>	<ul style="list-style-type: none"> <li>• Green Office</li> <li>• Occupational Health and Safety</li> <li>• Occupational Training and Development</li> <li>• Protection of Employees' Rights and Interests</li> <li>• Employee Communication and Democratic Management</li> <li>• Employee Care</li> <li>• Diversity and Equal Opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Training and Onboarding</li> <li>• Emails and Suggestion Box</li> <li>• Regular Meetings</li> <li>• Employee Performance Assessment</li> <li>• Employee Activities</li> </ul>
<p>Society and the Public</p>	<ul style="list-style-type: none"> <li>• Developing the Circular Economy</li> <li>• Biodiversity Protection</li> <li>• Responding to National Strategies</li> <li>• Practicing Social Responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• Emails</li> <li>• Telephone Call</li> <li>• Company Announcements</li> <li>• Social Networking Platforms</li> <li>• Company Website</li> <li>• Social Media</li> <li>• Charitable Donations and Volunteering</li> <li>• Community Activities</li> </ul>

# Topic: Embarking on a New Journey, Fostering Innovation for Development



## New Achievement

In a bid to establish leading-edge R&D and innovation management capabilities, the Company meticulously scrutinized the pivotal core technologies underpinning each product line, gauged the advanced nature of their key technical indices, and consequently formulated pioneering technological goals. Its objective is to ensure that within three years, over 90% of the critical technologies become advanced within mature business segments, while more than 80% advance within newer business domains. Annually, the Company devises a comprehensive three-year technical blueprint, delineating foresight technologies, key innovations, and product-specific technologies. Furthermore, it has crafted a roadmap for technological evolution and a strategic path for attaining pre-eminent technology objectives. As of the end of the reporting period, the Company boasted a robust cohort of 1,581 R&D personnel. In 2023, the Company allocated over RMB 16 million towards incentivizing R&D projects and disbursed a special patent bonus worth RMB 1.37 million, effectively kindling the flames of inventive excellence.

### Case BULL Track Socket Became Another Masterpiece



In a quest to elevate the user's electrical experience, Goneo has unveiled the BULL Track Socket as the cornerstone of its intelligent electrical connectivity solution, integrating an array of proprietary patented technologies. Crafted by an internationally acclaimed supercar designer, the BULL Track Socket boasts a brand-new exterior exuding a minimalist linear aesthetic.



▶ BULL Track Socket

Featuring an intelligent digital display and a savvy protection chip, it delivers overload protection and automatic power cutoff. With the addition of APP and button controls, it empowers effortless power management. Boasting a robust load-bearing capacity of 8,000W, it facilitates the simultaneous operation of multiple high-power devices, providing users with a more convenient and intelligent electrical experience. As of the end of the reporting period, the "BULL Track Socket" has clinched 6 prestigious international and domestic accolades, including the IF Design Award, the German Design Award, and the 24th China Patent Award of Excellence. It has secured 2 invention patents, 10 utility model patents, and 14 design patents. Furthermore, it was acknowledged under the inaugural set of "Zhejiang Standards".

### Case Butterfly Winged Ultra-thin Switch Project



In its pursuit of delivering the paramount visual and safety experience in electrical usage, Goneo has ingeniously developed the Butterfly Winged Ultra-thin Switch. The Butterfly Winged I Ultra-thin Switch, graced with an original design by an Italian master, showcases a sleek style with an ultra-thin panel of 6.4mm, embodying a light and nimble demeanor. It sports a flush child protection door to avert accidental electric shock, a unique ultra-compact angle (2°) three-level transmission structure for agile and refined operation, and a robust metal fixing bracket ensuring stability and durability.



▶ Butterfly Winged I Ultra-thin Switch

As of the end of the reporting period, the "Butterfly Winged Ultra-thin Switch" had earned the DIA Excellent Work Award, IF Award, and AWARD 2023 Award, accruing a total of 9 invention patents and 5 utility model patents. Moreover, the provincial standardization pilot project, represented by the Butterfly Winged Ultra-thin Switch - Discrete Products (wall switches and sockets) Lean Intelligent Manufacturing Project - attained an outstanding rating during the acceptance review.

### Standard System Construction

Aligned with national standards development strategies, Goneo has actively showcased its leadership role in the industry, fervently engaging in standardization initiatives within the industry. While propelling technological innovation within the Company, it continuously champions the industry's journey towards methodical and high-quality development. Furthermore, through its internal development and contributions, it has not only advanced the industry but also actively collaborated with all kinds of industry associations and research institutions, extensively participating in the development of new technologies and projects, yielding positive economic and social outcomes.

#### Key Performance

During the reporting period, the company actively participated in the formulation of relevant industry standards

Participate in writing group standards	National standards	total
<b>3</b>	<b>10</b>	<b>13</b>

Standard Code	Standard Name	Standard Level
GB/T 22769-2023	Electric bathroom heater (Yuba)	National Level
GB/T 30845.1-2023	Plugs, socket outlets, and ship couplers for high-voltage shore connection systems (HVSC-Systems) - Part 1: General requirements	National Level
GB/T 7000.1-2023	Luminaires - Part 1: General requirements and tests	National Level
GB/T 7000.201-2023	Luminaires - Part 2-1: Particular requirements - Fixed general-purpose luminaires	National Level

▶ List of Some Standards Participated in by Goneo

# Topic: Embarking on a New Journey, Fostering Innovation for Development



## Protection of Intellectual Property Rights

As a China National Intellectual Property Model Enterprise and a vanguard for safeguarding trade secrets in Zhejiang Province, the Company holds the protection of intellectual property in the highest regard. The Company follows the principle of protecting its intellectual property rights without infringing on the rights of others. To this end, we have meticulously crafted and promulgated the Trademark Management System, the Copyright Management System, the Patent Management System, and the Trade Secret Management System. This concerted effort in establishing application procedures for trademark and copyright protection has allowed us to conduct meticulous risk assessments and tailored registrations, aligning precisely with our business imperatives. Concurrently, armed with administrative complaints and civil litigation, we ardently confronted third-party encroachments on intellectual property. In 2023, the Company spearheaded seven patent defense actions relating to an array of products including cube sockets, rotary multi-plug sockets, wall switches, storage box sockets, and charging piles, achieving an impeccable 100% success rate, resoundingly fortifying our market presence and compressively shielding our intellectual property rights.

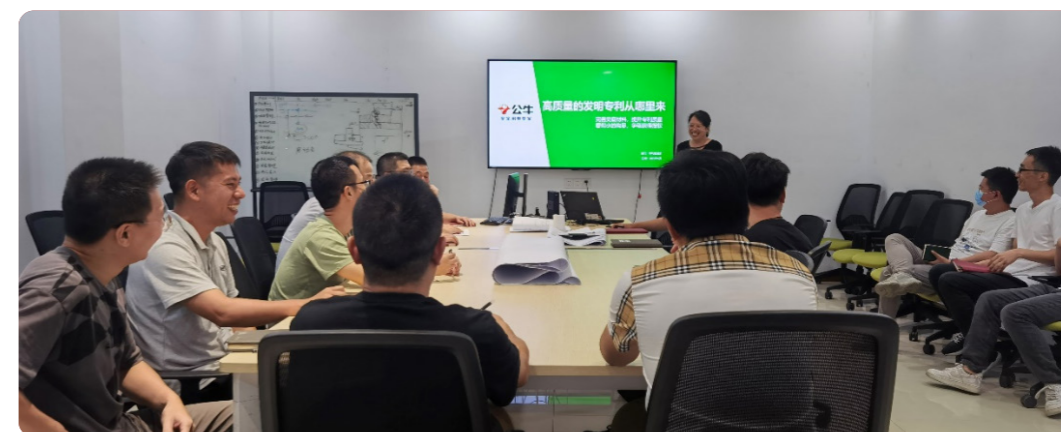


▶ Goneo was honored with the prestigious title of China National Intellectual Property Model Enterprise

## Case Orchestrating Intellectually Stimulating Training Sessions



During the reporting period, the Company orchestrated a total of seven training patents, covering diverse themes such as patent mining, the art of drafting technical disclosure documents, and strategies for mitigating patent infringement risks. Importantly, these sessions engaged research and development personnel across all product lines, significantly elevating the collective awareness of patents within the entire organization.



▶ Snapshot from Goneo's Captivating IP Training Session

## Key Performance

During the reporting period

Goneo secured an impressive total of	which included	utility model patents	design patents
<b>370</b> newly authorized patents	<b>50</b> inventions	<b>189</b>	<b>131</b>
it filed	comprising	utility model patents	design patents
<b>540</b> new patent applications	<b>148</b> inventions	<b>225</b>	<b>167</b>

As of the end of the reporting period


the company has accumulated valid authorized patents	included inventions	utility model patents	design patents
<b>2686</b>	<b>287</b>	<b>1448</b>	<b>951</b>

# Topic: Embarking on a New Journey, Fostering Innovation for Development



## New Path

Since 2021, Goneo has ventured into the realm of charging piles, spearheading its new energy initiative focused on charging guns, charging piles, and energy storage solutions for electric vehicles. This venture has been integral to the Company's strategic growth, marked by amplified research and development investments, the infusion of top-tier talents, and a concentrated dual impetus on "talents, vehicles, and piles", as well as "technology" fused with "market demand". This approach has not only sparked an ongoing stream of groundbreaking product developments but has also fostered a significant surge in overseas localization and domestic consumers/operators. In just two years, Goneo has not only diversified its product line extensively but has also sculpted an all-encompassing product ecosystem catering to varied power capacities and diverse charging scenarios. Consequently, the Company has garnered widespread acclaim from its partners, distributors, and users alike. In 2023, the tally of newly developed SKUs exceeded 90, marking a remarkable 30% surge from the figures recorded in 2022. The sales of new products soared beyond RMB 100 million, surpassing the new product sales target by an impressive 109%.

**Case** Triumph in Two Prestigious Awards! The Limelight Shines on Goneo's Charging Piles at the International Charging Piles and Battery Swap Station Exhibition 

During the Second Shanghai International Charging Piles and Battery Swap Station Exhibition (CPSE Exhibition) in June 2023, Goneo showcased several flagship products including integrated DC charging piles, AC charging piles, as well as charging and discharging guns, captivating significant attention at the event.

As a recognized and professional selection platform for charging and swapping brands in China, the results of the selection of the top ten brands in China's charging and swapping industry were unveiled during the exhibition. Goneo's charging piles clinched two renowned awards, lauding its exceptional performance with a remarkable "over threefold growth within a year", alongside the accolade recognizing the quality assurance resulting from its focus on safe electrical technology and streamlined production. These achievements crowned Goneo as the "CHINA CHARGING & BATTERY SWAPPING INDUSTRY TOP 10 INFLUENCE BRAND 2023" and bestowed upon it the "CHINA CHARGING & BATTERY SWAPPING INDUSTRY TOP 10 EXCELLENT QUALITY AWARD 2023".



► Goneo was invited to partake in the International Charging Piles and Battery Swap Station Exhibition and secured two distinguished industry awards

## New Layout

Goneo has been embarking fervently on the path to globalize its brand, exploring the intricate terrains of developed markets in Europe and America, alongside burgeoning opportunities in Southeast Asia. This strategic endeavor underscores a localized approach to research and development, entwined with marketing efforts aimed at crafting a distinct international brand through pioneering product innovation and channel development.

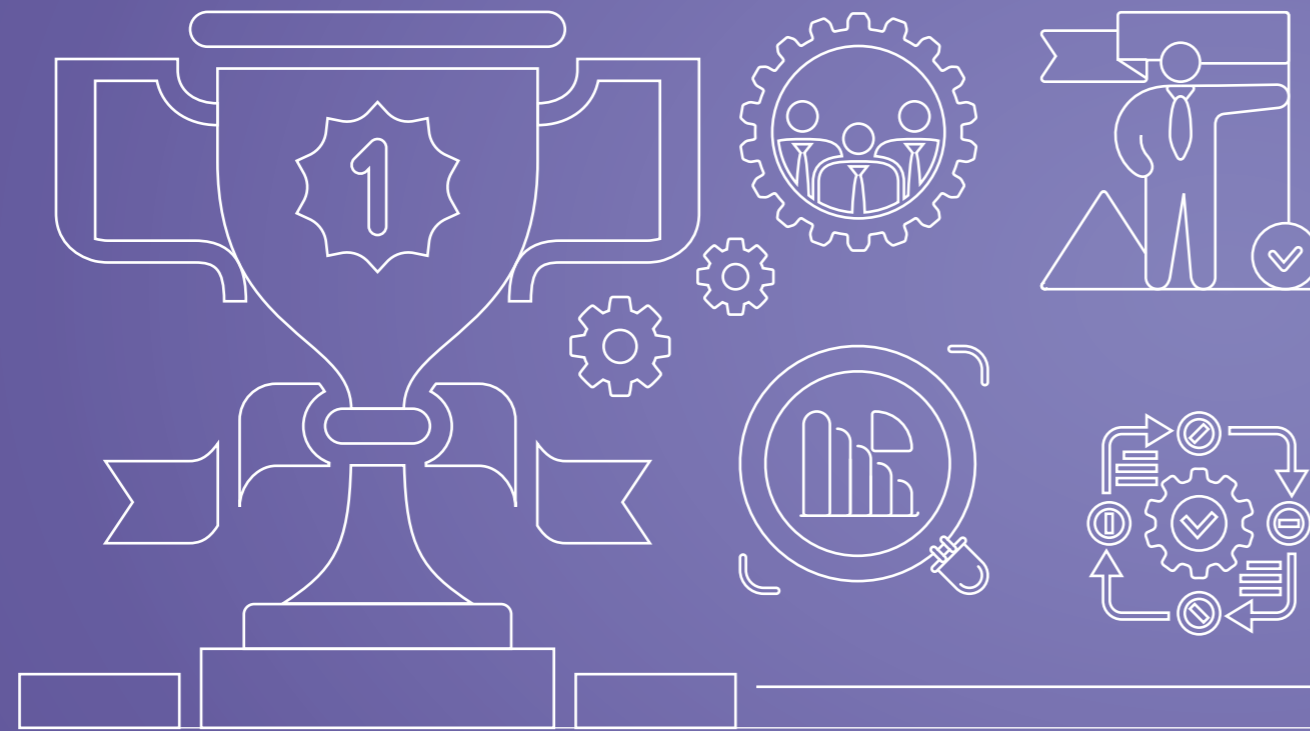
In the European market, the Company has astutely harnessed the burgeoning phase of new energy development, swiftly immersing into this domain with a keen focus on new energy charging and household energy storage businesses. When it comes to products, Goneo has honed its ability to pinpoint market demands, rapidly engineering an array of self-conceived and self-made energy storage products. This has been achieved through seamless integration into the supply chain, resulting in an unparalleled cost advantage. In terms of channels, Goneo has solidified its foundation through comprehensive early-stage market validation, laying the cornerstone with an installer channel while constructing an exceptional service system. This has culminated in differentiated competition within the burgeoning European new energy market. In the field of charging piles, overseas market research has been launched, enabling the early completion of product planning and supply chain deployment.

In emerging markets, the Company has been embracing the new phase of electrification in countries like Southeast Asia, utilizing core products such as electrical connections and lighting solutions to overcome the developmental constraints of Chinese brands in emerging markets. Simultaneously, the Company has taken the lead in recruiting distributors in emerging markets such as Southeast Asia, the Middle East, South America, and Russia – promptly expanding its operations overseas. Implementing a multi-category development strategy, the Company upholds the notion of product localization, crafting specialized products that resonate with each market. This includes finalizing overseas product planning and deployment, innovating localized market development methods, and upgrading domestic methodologies to suit overseas markets. The Company advocates for localized business operations by establishing overseas subsidiaries in various countries, thus effectively propelling the establishment of overseas business operations.

**Case** Overseas Market Expansion to Drive Globalization 

On September 18, the International Business Division of Goneo was officially established to accelerate its internationalization efforts and comprehensively venture into overseas markets. This division aims to integrate planning, research and development, supply chain management, and overseas marketing functions. Subsequently, the Company established an overseas entity in Dusseldorf, Germany, on September 27. The International Business Division will build on existing business foundations, fulfilling the layout and development of overseas markets, with a resolute commitment to establishing "GONEO" as a globally recognized brand.





## Consolidating the Cornerstone of Robust Development through Scientific Governance

Through the construction of a governance structure with clear rights and responsibilities and balanced coordination, Goneo continuously improves its governance system, strengthens internal control and risk management systems, and enhances compliance awareness. This ensures the legality and compliance of its operations, promotes the continuous optimization of its governance structure, and supports the scientific and high-quality development of the Company.

# SCIENTIFIC GOVERNANCE

### • SDGs



### • Our key issues

Company Governance

Compliance Control

Business Ethics

# Company Governance

At Goneo, we embrace a governance philosophy that champions standardization, efficiency, and transparency. Our governance structure revolves around the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the Senior Management, creating a mechanism with clear rights and responsibilities, fostering mutual coordination, and ensuring checks and balances. The Company places paramount importance on safeguarding the interests of all shareholders, especially small- and medium-sized investors. Through diverse communication channels, we strengthened information exchange with investors, guaranteeing their right to be well informed. Internally, through training programs, we cultivated compliance awareness and professional skills while enhancing the quality of information disclosure. This approach serves to protect the rights and interests of investors and drive continuous improvement and optimization of our governance structure.

## Improvement of the Governance System

Adhering rigorously to the laws and regulations such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies in China*, and the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, Goneo has established a governance framework encompassing the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the Senior Management. This framework incorporates mechanisms for coordination and checks and balances among the power, decision-making and supervisory departments, and the Management, ensuring clear delineation of authority, close cooperation, and efficient operation.

We have devised a "1+3+N" governance system matrix, consisting of the "Articles of Association + Rules of Procedures for the Three Boards + numerous special governance systems". During the reporting period, in line with new regulatory revisions from the China Securities Regulatory Commission, and Shanghai Stock Exchange, and operational considerations, we continuously updated and improved the Independent Director Working System, revised the rules of procedures for the Three Boards, and multiple systems such as the *Management System of Information Disclosure Affairs* and the *Internal Reporting System for Significant Information*. This move fully guarantees the standardized operation of the Three Boards and the Management and key internal control departments.

### The General Meeting of Shareholders

The General Meeting of Shareholders is the highest authority of the Company. The responsibilities of the General Meeting of Shareholders are clearly defined, with effective implementation of clear rules of procedure. The convening, opening, and proposal procedures of the General Meeting of Shareholders comply with relevant laws and regulations, as well as internal policies of the Company.

### Directors and the Board of Directors

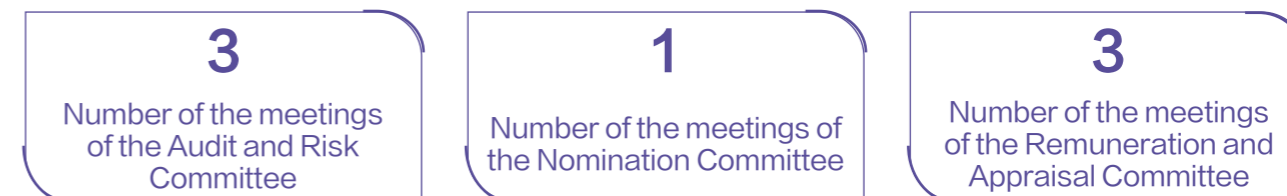
The Board of Directors is the highest decision-making body of the Company. Its responsibilities are clear, and all directors conscientiously and responsibly fulfill their duties. The convening and opening procedures of the Board of Directors comply with relevant laws, regulations, and institutional provisions.

In accordance with the Articles of Association, the list of non-independent directors is proposed by shareholders severally or jointly holding more than 3% of the total voting shares issued by the Company, and the list of independent director candidates is proposed by the Board of Directors, the Board of Supervisors, or shareholders severally or jointly holding more than 1% of the issued shares of the Company. The candidate list of directors undergoes qualification review by the Board of Directors (including the Nomination Committee). After the Board of Directors confirms the director candidates, they are submitted to the General Meeting of Shareholders for election through proposals.

Throughout their tenure, all directors have demonstrated diligence and responsibility, attending board meetings with a serious and conscientious attitude, being conversant with relevant laws and regulations, and fully exercising their rights, duties, and responsibilities as directors. Therefore, they have safeguarded the legitimate rights and interests of the Company and all shareholders.

Number of members of the Board of Directors		9
Disclosure by gender	Male director	7
	Female director	2
Disclosure by type	Independent director	3
	Non-independent director	6

The Board of Directors has established an Audit and Risk Committee, and set up strategy, nomination, remuneration and appraisal, and other special committees. These special committees are responsible to the Board of Directors and perform their duties under the authorization of the Articles of Association and the Board of Directors. Proposals shall be submitted to the Board of Directors for deliberation and resolution. Members of the special committees are all composed of directors, among whom the Audit and Risk Committee, the Nomination Committee, and the Remuneration and Appraisal Committee have independent directors accounting for the majority and serving as conveners. The convener of the Audit and Risk Committee is a professional accountant. The Board of Directors is responsible for formulating work procedures for these special committees and standardizing their operations.



### Supervisors and the Board of Supervisors

Its responsibilities are clear, and all supervisors conscientiously and responsibly fulfill their duties. The convening and opening procedures of the Board of Supervisors comply with relevant laws, regulations, and institutional provisions. Throughout their tenure, all members of the Board of Supervisors diligently fulfill their duties, actively participate in the meetings of the Board of Supervisors, and conscientiously carry out their responsibilities. With a sense of responsibility to the shareholders, they oversee the legality and compliance of the Company's finances, and the performance of the Company's directors and Senior Management, thereby safeguarding the legitimate rights and interests of the Company and all shareholders.



## Investor Relations

The Company fervently prioritizes the welfare of all shareholders, with a specific focus on safeguarding the rights of small- and medium-sized investors. To bolster communication channels between Goneo and its investors, ensuring investors' comprehension and alignment with the ethos of the Company, Goneo has strategically devised the Investor Relations Management System, intending to protect the investors' legitimate rights and interests, facilitate the establishment of a long-term, stable, and positive relationship between the Company and its investors, and further improve the corporate governance structure.

From a comprehensive communication standpoint, the Company embraces a versatile and multi-pronged approach to conducting investor relations activities. Leveraging platforms such as the official website, the Shanghai Stock Exchange website, the SSE E-Interactive Platform, as well as various new media outlets, telephone, fax, email, and other mediums, Goneo has established a robust means (such as the General Meeting of Shareholders, Investor Briefing, Roadshows, Analyst Meetings, and Reception for Visiting Research) of communication with investors regarding crucial events. This forms a constructive and interactive communication with the capital market, delivering the Company's value in a fair, open, objective, and transparent manner.

During the reporting period, the Company has proactively engaged in extensive and enlightening dialogues with small- and medium-sized investors. This has involved performance briefings, interactions via the SSE E-Interactive Platform, and facilitating hotline calls. Furthermore, the Company implemented online voting for the General Meeting of Shareholders. For significant matters such as equity distribution, related-party transactions, and the use of raised funds that impact the interests of small- and medium-sized investors, individual voting by shareholders owning less than 5% of shares was implemented and disclosed, ensuring the interests of all shareholders, particularly those of small- and medium-sized investors. In 2023, the Company facilitated a deeper understanding of itself among small- and medium-sized investors by engaging with investors, providing an investor hotline, conducting email correspondence, and offering free physical copies of annual reports and ESG reports to those in need.

**Key Performance**

During the reporting period, the company conducted investor interaction activities	inclusively involving approximately investors	resulting in nearly interactions through investor hotlines and emails.
<b>190+</b>	<b>2600</b>	<b>1000</b>

**Case** Goneo's Pursuit of Innovative Communication Modes



The Company has persistently pursued innovative communication methods to cater to investors' needs. Illustratively, during the reporting period, the Company hosted the 2022 Annual Conference and First Quarter Performance Briefing for 2023 at the SSE Roadshow Center, employing live broadcasts, video clips, and online textual interactions to facilitate extensive exchanges between the Management, and more than ten on-site representatives and numerous online participants. This event offered a vivid portrayal of the Company's operational status and provided a profound interpretation of its developmental strategies.



▶ 2022 Annual Conference and First Quarter Performance Briefing for 2023

**Case** Goneo's Pursuit of Innovative Communication Modes



During the reporting period, Goneo organized the Annual Interaction Day of Investors, inviting investors for on-site inspections and visits. Over a hundred investors partook in firsthand experiences of the Company's innovative products, production processes, and lean manufacturing capabilities. This occasion also enabled face-to-face discussions with the Management in terms of business development and future concepts, eliciting a highly positive response.



▶ The Annual Interaction Day of Investors

**Generous Shareholder Returns**

The Company prides itself on a consistent track record of delivering rewarding returns to shareholders, cementing a lasting bond between the Company and its investors. Since going public, the Company has consistently upheld high dividend payouts alongside steady performance growth. Notably, in the profit distribution plan for 2022, the Company raised cash dividends to RMB 33 per 10 shares. Considering the combined amount spent on share buybacks during that year, the cash dividends accounted for 68.96% of the net profits attributable to the shareholders of the listed company. Moreover, the Company extended a bonus of 4.8 shares from the capital reserve for every 10 shares held, while balancing the immediate and long-term interests of shareholders and taking into full consideration its current operational performance and future strategic development needs. It actively rewards investors, sharing in the Company's business achievements and development dividends.

**Engagement with Overseas Investors**

For international investors, the Company consistently publishes its annual and ESG reports in English, encompassing various dimensions such as production and operations, product innovation, corporate governance, sustainable development, employee rights and interests, and social welfare. These reports candidly and comprehensively divulge the Company's practices and performances pertaining to environmental responsibility, social contribution, and corporate governance.

**Compliant Information Disclosure Management**

Goneo steadfastly upholds rigorous standards in compliant information disclosure, unwaveringly abiding by the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*. It has meticulously formulated and consistently enhanced systems such as the *Management System of Information Disclosure Affairs* and the *Internal Reporting System for Significant Information*. Embracing the principles of trueness, accuracy, completeness, clarity, and accessibility – void of falsifications, misleading assertions, or significant omissions – the Company ensures that investors gain a comprehensive and multi-faceted understanding of its operational status and future trajectory. Concurrently, the Company has prepared the *Accountability System for Major Mistakes of Information Disclosure in the Annual Report*, guided by principles of fact-seeking, objectivity, error accountability, proportional fault and responsibility, and balance of rights and obligations, thereby effectively safeguarding the rights and interests of investors. The Company remains dedicated to elevating the quality of information disclosure, enabling all investors to equitably access Company data and safeguarding their rights to information.

**Key Performance**

During the reporting period, company announcements and non announcement online documents	including interim disclosure	and received accolades for information disclosure from the Shanghai Stock Exchange for two consecutive years.
<b>166</b>	<b>84</b>	<b>A-grade assessment</b>

Moreover, the Company actively engaged directors, supervisors, senior executives, and personnel of the Securities Department in all kinds of specialized training sessions hosted by entities such as the China Association for Public Companies, the Shanghai Stock Exchange, the China Securities Investor Services Center, the China Securities Regulatory Commission, and the China Capital Market Institute, enriching their professional knowledge in securities market laws, regulations, and investor relations management. Additionally, the Securities Department diligently collaborated with external experts, conducting regular training to further enhance compliance awareness and professional skills among personnel involved in investor relations.



▶ Training for Directors, Supervisors, Senior Executives, and Staff of the Securities Department

# Compliance Control

Goneo persists in establishing a robust internal control and risk management system, nurturing a culture of risk management. Through pervasive and comprehensive risk oversight involving all employees, it fortifies internal controls, enhances operational compliance, and augments capabilities for risk prevention and control in service of sustaining the Company's high-quality development. To this end, the Company continually refines its internal control system, perfects the risk management organizational structure, and systematically advocates for the identification and assessment of risks across various functional departments, centers, and business units, thereby fostering the stable growth of the Company.

## Internal Control Management System

To reasonably ensure the efficacy of business operations, the reliability of financial reports, and adherence to laws and regulations, the Company, in accordance with the *Basic Norms of Enterprise Internal Control* for listed companies and complementary guidelines, and the combination with its actual condition, has meticulously reviewed business processes, crafted a risk control matrix, delineated the full spectrum of internal control risk points, operational protocols, execution system standards, risk mitigation measures, specific job responsibilities, etc. The *Internal Control Manual* so produced serves as the cornerstone of the Company's internal control management system.

The Company has established an internal control manual, an internal control evaluation management process, and an internal control inspection mechanism, and standardized the operation of the internal control management system within the Company, its business units, business management centers, and functional management centers. Therefore, these efforts provide lucidity on the organization, content, responsibilities, requirements, and outcomes throughout the establishment, evaluation, and daily inspections of the internal control system.

## Improvement Mechanism of Internal Control Management

Goneo possesses a comprehensive mechanism for continuous enhancement of the internal control system. Through the formulation of regulations, the Company progressively expanded the purview of the internal control system, established incentives for its development, and implemented a three-tiered internal control evaluation method that encompasses self-assessment, testing, and evaluation. It further instituted a framework for cultivating "internal control specialists", unceasingly advancing the perpetual improvement and refinement of the internal control system.

### Assessment of Internal Control Management

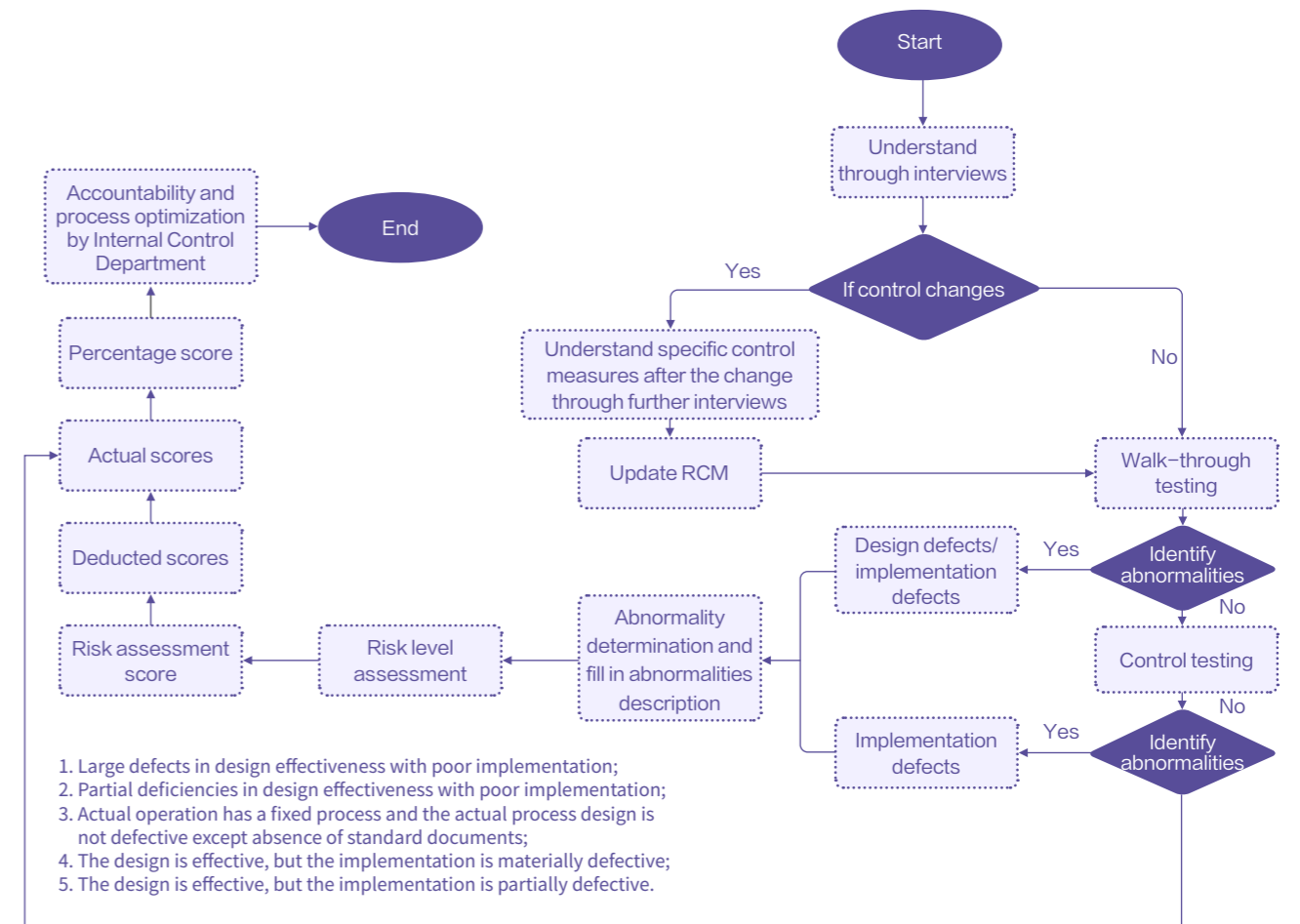
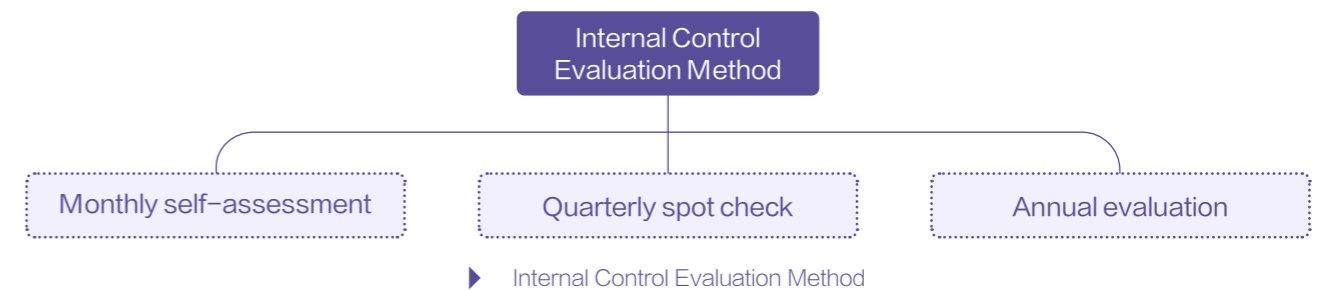
The Company has crafted the *Assessment Regulations for Internal Control Management*, establishing an evaluation group, standardizing internal control assessment rules, and designating business units, management platforms, and functional centers with established internal control systems as assessment units. Moreover, the Company has instituted incentives for the establishment of internal control systems. For those undergoing internal control assessment for the first time, each unit was rewarded based on the number of control cycles, progress in system establishment, and significance. They were meticulously evaluated across multiple dimensions such as cycle count, control points, timeliness, and quality.

### Key Performance

During the reporting period, the Company expanded the coverage of its internal control system. By 2023, a total of **22** internal control system units had been established. In the upcoming year of 2024, the Company plans to initiate internal control operations within the New Energy Business Division, B-end Business Division, Muguang Channel, and other departments, to achieve full coverage of the internal control system by 2025.

## Internal Control Evaluation Mechanism and Process

The Company has implemented the Assessment Regulations for Internal Control Performance, incorporating a comprehensive three-tiered mechanism that encompasses self-assessment, testing, and evaluation. All are aimed at continually enhancing the level of internal control management.



1. Large defects in design effectiveness with poor implementation;
2. Partial deficiencies in design effectiveness with poor implementation;
3. Actual operation has a fixed process and the actual process design is not defective except absence of standard documents;
4. The design is effective, but the implementation is materially defective;
5. The design is effective, but the implementation is partially defective.

Workflow Diagram of Internal Control Evaluation



### Development and Evaluation of "Internal Control Specialists"

The structured mechanism and evaluation process has been devised for nurturing "Internal Control Specialists". Members from business units and management platforms with established or developing internal control systems can voluntarily become "Internal Control Specialists". "Internal Control Specialists" are categorized into three levels, each requiring compliance with distinct certification standards in terms of evaluation. Rewards are granted based on the achieved evaluation level. The Company has rewarded certified "Internal Control Specialists" with corresponding incentives based on different levels.



### Evaluation and Sharing Mechanism for Outstanding Cases of Internal Control Improvement

To promote outstanding improvement cases and enrich internal learning and communication channels, the Company established the Evaluation and Sharing Mechanism for Outstanding Cases of Internal Control Improvement in 2023. During the reporting period, a total of 15 exceptional projects were acknowledged, with three remarkable improvement measures being replicated in other business units.

#### Case Learning from Excellence and Bringing Forth the New – A Memoir of the Sharing Event of Outstanding Internal Control Improvement Project

To facilitate communication, experience sharing, and recognizing outstanding projects, the Company hosted its inaugural event to recognize and share outstanding internal control improvement projects on August 28. Thirteen internal control units submitted significant improvement projects for consideration. Each project focused on identifying root issues, finding solutions, and developing digital pathways to address operational challenges, thereby providing crucial support for production and operations. From January to June 2023, various internal control teams spearheaded 176 significant improvements, with 61 enhancements facilitated through project-based initiatives.



▶ The Sharing Event of Internal Control Improvement Project

## Risk Management and Control Mechanism

Goneo places significant emphasis on establishing and continually improving its risk management mechanisms. It nurtures a robust risk management system, fosters a risk management culture, supports daily management and operational decisions, and elevates management standards, thereby ensuring reasonable assurance in achieving its strategic objectives. The Company has outlined the *Risk Management System*, detailing management principles and goals, and specifying processes for risk identification, handling, and response. Through comprehensive and Company-wide risk control, it leveraged internal control as a foundation to enhance compliance management, strengthen risk prevention and control capabilities, and serve as a safeguard for the high-quality development of the Company.

In an effort to effectively manage comprehensive risk, the Company systematically promoted risk identification and assessment across various functional departments, centers, and business units. To ensure stable development, the Company has instituted the *Joint Office Working Mechanism for Audit and Risk Management*, further refining its risk management organizational structure.

### Goneo's Risk Management Organization System



▶ Principles for Risk Management

### Risk Management Process



#### Key Performance

In 2023, there were instances of staff compliance training involving training. **1,440** **1,298.84**hours

## Business Ethics

Goneo upholds the values of integrity, equity, and responsibility in its business ethics. It maintains an unequivocal stance of zero tolerance against any form of unfair competition, particularly bribery and corruption. To ensure compliance with social responsibility standards, the Company has established a thorough institutional framework, and formed the Audit Supervision Committee. Concurrently, the Company strictly adheres to anti-monopoly laws, anti-unfair competition laws, and other pertinent laws and regulations, bolstering the construction of an anti-monopoly compliance system to foster fair competition and cultivate a harmonious operational environment.

## Integrity and Righteousness

Goneo consistently adopts an unequivocal stance of zero tolerance towards bribery, corruption, and other unfair practices. This is exemplified through a series of regulations such as the *Integrity Management Regulations of Goneo*, the *Guidelines for Handling Complaints via the Integrity Reporting Channel*, and the Accountability Management System. These regulations delineate employee conduct, managerial responsibilities, training mechanisms, investigation procedures. The Company has established an Audit and Supervision Committee, comprising leaders from the Audit and Supervision Center, the Financial Management Center, the Human Resources Center, the Operations Management Center, the Legal Affairs Department, and those from Goneo's labor union. In principle, the committee, whose members are the highest-level leaders of each center/department, is responsible for decision-making regarding significant case-related matters. In addition, the Company mandated that all employees and stakeholders sign the *Commitment of Post Integrity and the Agreement on Joint Efforts for Integrity Building*, guiding them in upholding ethical standards. Moreover, the Company actively promoted a culture of accountability by empowering employees to report any instances of bribery, unethical conduct, or behaviors contravening ethical standards that may compromise the Company's interests. Employees are encouraged to share leads, offer evidence, and aid in investigations. Staff members have the freedom to report incidents anonymously, confidentially, or publicly. To fortify this commitment, the Company has entrenched a robust whistleblower protection mechanism, ensuring the utmost confidentiality of the whistleblower's identity and information, thereby shielding their rights and interests from any potential repercussions.

#### Key Performance

Performance: In 2023, over **31,000** employees received integrity training, including integrity and accountability training, specialized training for new hires, and specific warning-related integrity training. The average duration of anti-corruption and anti-bribery training for employees was **2** hours per person. Furthermore, **6** directors underwent anti-corruption and anti-bribery training, with an average duration of **1** hour per director. The year 2023 also witnessed the publication of **34** integrity-related articles, reaching over **56,000** readers.

#### Case Signing of Goneo's Integrity Commitment



In 2023, the heads of various business divisions, procurement department, marketing department, and other primary departments signed the *Integrity Commitment* with the chairman, committing to "fulfill promises, self-regulate, and willingly accept monitoring from the Company and its employees".

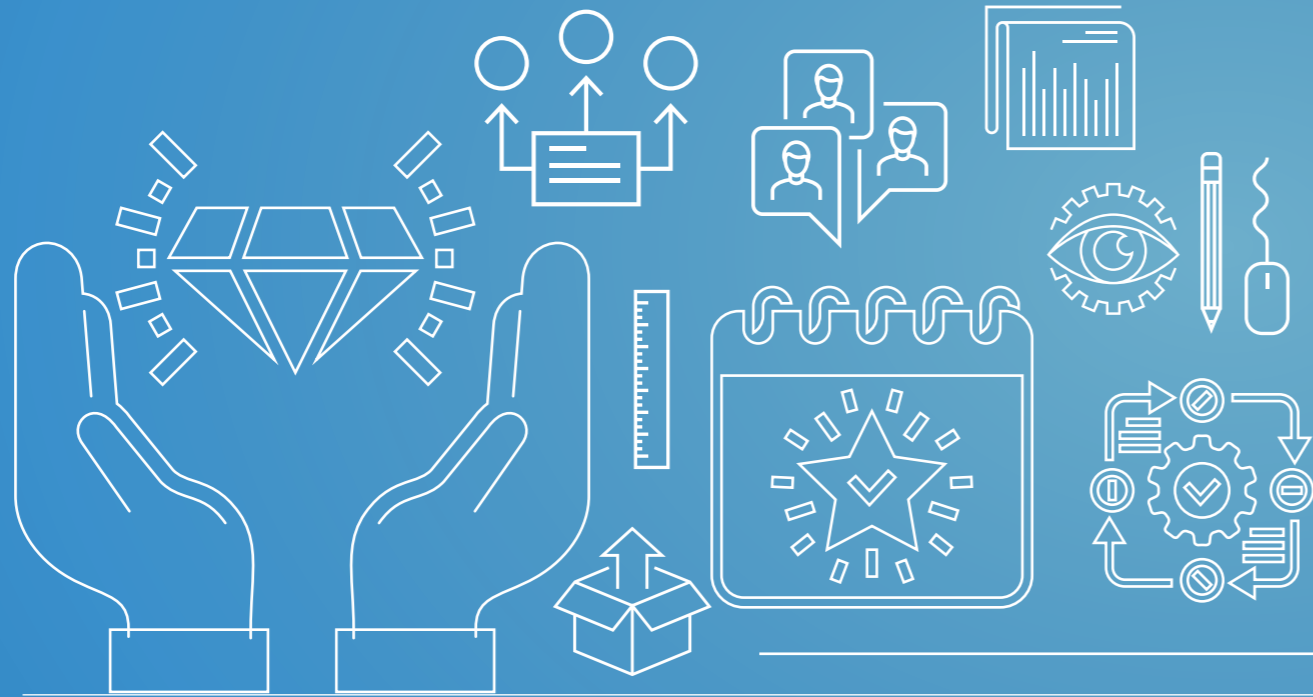
## Anti-monopoly

Goneo steadfastly abides by the provisions of the *Anti-monopoly Law of the People's Republic of China* and the *Law of the People's Republic of China for Countering Unfair Competition*, and other laws and regulations, continually fortifying the framework for anti-monopoly compliance to ensure that the Company's market activities are not only lawful but also ethical. A robust *Anti-monopoly Compliance Management System* has been established to actively cultivate a harmonious and organized operational environment. Concurrently, specific agreements in the form of the *Marketing Personnel Compliance Commitment* and the *Distributor Compliance Commitment* have been individually inked with marketing personnel and distributors, thereby safeguarding the seamless functioning of the anti-monopoly compliance structure and the practical execution of associated measures.

#### Key Performance

In 2023, employees received an average of per person to anti-monopoly and unfair competition matters.	A total of employees received specialized training on these subjects
<b>0.61</b> hours per person while distributors expended an average of per person in legal risk training	<b>1,144</b> employees encompassing approximately
<b>0.5</b> hours per person	<b>2,410</b> individuals





# Pursuing Excellence, Forging the Essence of Quality Craftsmanship

Goneo regards quality as its lifeblood, infusing meticulous attention into every product, rigorously overseeing the entire process from material selection to production, leaving no room for compromise at any stage. Tirelessly pursuing the creation of high-quality products stands as the linchpin of Goneo's ethos. Firmly believing that only through delivering high-quality products can consumers bask in a secure and comfortable electrical ambience, this dedication leads to an incessant enhancement in brand recognition, reputation, and contentment, thus fortifying Goneo's indomitable stature.

# STRIVE FOR EXCELLENCE

### • SDGs



### • Our key issues

- Company Governance
- Compliance Control
- Business Ethics

# Vigorous Quality Development

Quality serves as the bedrock for propelling a 100-billion-yuan enterprise, encapsulating the aspiration to create world-class Goneo quality. Goneo has fervently embraced this ethos by deeply ingraining a commitment to prioritizing quality, holistically enriching product standards, propelling brand advancement across all fronts, and zealously augmenting both quality and efficiency.

Goneo meticulously observes the *Product Quality Law of the People's Republic of China* and other pertinent laws and regulations. Through an unceasing refinement of management systems, cultivation of a quality culture, and comprehensive implementation of quality management, the Company ensures product quality and safety, catering to diverse customer requisites.

## Quality Management System

Quality epitomizes an enterprise's vitality. The Company actively orchestrates the establishment of quality goals and assessments for the Group, instills tangible product quality management standards, and erects a robust quality management system within Goneo. It oversees and evaluates the performance of various business units and functional departments in fulfilling their quality management obligations, nurturing a constructive culture of quality enhancement.

### Quality Policy:

- Every member of Goneo should forever recognize that quality is the reason for customers selecting Goneo and forms the bedrock of its survival and development;
- We believe that adhering to rules and processes and getting it right the first time, is the ultimate efficiency responsibility. By harnessing the collective potential of all our staff, we aim to build and perpetually enhance quality;
- We always strive to strike a balance between opportunities and risks from the customers' perspective, responding swiftly to their needs, thus achieving sustainable development.



Goneo places paramount emphasis on constructing the quality management system and has integrated third-party authoritative certification to bolster and refine its quality management system. As of the end of the reporting period, Goneo Group Co.,Ltd., Cixi Goneo Electric Co., Ltd., Goneo Group Co.,Ltd. Guyao Branch, Ningbo Banmen Electric Co., Ltd., Ningbo Goneo Low Voltage Electric Co., Ltd., Ningbo Goneo Electric Appliance Co., Ltd., Ningbo Goneo Optoelectronic Technology Co., Ltd., Ningbo Goneo Home Appliances Co., Ltd., and Ningbo Goneo Digital Technology Co., Ltd., have each obtained the GB/T19001-2016/ISO9001:2015 Quality Management System Certification.



ISO9001 Quality Management System Certification was awarded to Goneo and its subsidiaries

The Company has ventured deep into the realm of quality management, steering away from mere inspection control and embracing a proactive stance towards quality assurance. With a keen focus on pivotal transformational aspects such as mitigating new product quality risks, perpetually enhancing supplier quality, and vigilantly monitoring customer experience, Goneo is steadfast in its pursuit of elevating product quality.

In the domain of new product quality, Goneo strategically adopted a customer-centric approach, delving into the core of customer needs to craft products that embody high standards, superior specifications, and industrial-grade excellence. Meticulous adherence to risk control measures for new product quality spans the entire spectrum, encompassing product conceptualization, design development, prototype testing, and mass production, all geared towards safeguarding product quality.

Regarding supplier quality, Goneo has forged an adept team for supplier quality management, instilling comprehensive quality oversight in supplier selection, performance evaluation, and product introduction. Furthermore, the Goneo has initiated diverse programs aimed at aiding suppliers, including training in supplier PSP improvement tools and delivering guidance on supplier quality. In a bid for operational efficiency, Goneo has established a digitized workflow for mass production approval, thus achieving holistic process optimization and data-driven approval for both sample parts and mass production.

Dedicated to crafting a paramount customer experience, the Company has created a model for surveying and assessing satisfaction across all consumer touchpoints, including distributors and market landscapes. This meticulous approach ensures swift and proficient handling of every customer feedback, subsequently informing new product development to enable continuous refinement and enhancement, all in service of bolstering customer satisfaction.

## Improvement of Management Quality

Goneo has been engaged in fundamental research pertaining to material quality and houses an independent material research institute. Through pioneering technological research and rigorous application validation, Goneo endeavors to augment the stability, consistency, and applicability of material quality, thereby consistently advancing product reliability, durability, and sophistication. Simultaneously, its distinguished quality testing center showcases premier domestic testing capabilities, occupying a vast 12,189 square meter area hosting three nationally certified laboratories. It has garnered accolades from esteemed professional institutions such as "UL Witness Laboratory", "CNAS Laboratory", "CCC Site Laboratory", "WMT Accredited Laboratory", "DEKRA Cooperative Laboratory", "HCT Cooperative Laboratory", and "TUV Rheinland Authorized Laboratory". The Company has research assets exceeding RMB 39 million in cutting-edge software and hardware, along with a formidable arsenal of over 1,940 sets of testing equipment.

### 案例 Goneo Honored with Aviation Management System Certification (AMSC)



As the first China space affiliate in the civil electrical industry, Goneo has been awarded the AS9100D Aviation Management System Certification (AMSC) for its exceptional capabilities and rigorous approach. AS9100, developed based on the ISO 9001 quality system requirements, represents a globally recognized standard. The AS9100D certification, as the latest version of this standard, is considered an "entry permit" into the aerospace domain. This certification requires passing through numerous "checkpoints" such as risk management, key project management, and product safety. This achievement through AS9100D certification once again affirms that Goneo has achieved international advanced levels in management systems, product quality control, and other related aspects.



Goneo became the China Space Affiliate and was awarded the Aviation Management System Certification

## Product Safety Assurance

The Company commits to strictly adhere to a series of national laws and regulations pertinent to the production of electrical products. When necessary, it will obtain electrical production permits in accordance with the law and fully assume the responsibility of the legal entity as the first person responsible for product safety.

Moreover, based on the laws, standards, and implementation regulations related to electrical safety in China, Goneo continued to implement advanced quality methods and tools like QFD, SFMEA, APQP, PPAP, DFMEA, PFMEA, and CP across the entire Group and various business departments. It also introduced new internal fundamental resolution methods, significantly enhancing the effectiveness of quality management throughout the product lifecycle, and reducing the likelihood of quality issues occurring at later stages. Additionally, it collected information on electrical safety risk monitoring and market problem feedback, establishing a repository of failure cases and promptly providing feedback to the R&D end for closed-loop follow-up. This proactive approach aimed to prevent and resolve potential problems in product design, thus transforming post-event "remediating mistakes" into pre-emptive prevention, shifting from "post-event supervision" to "pre-event prevention", thereby avoiding electrical safety accidents.

With its stringent product safety management methods, Goneo has garnered numerous accolades in this field, being the first domestic electrical industry enterprise to obtain the China Great Wall certification. Subsequently, as its products became international, it has successively obtained 3C, UL, VDE, BIS, GS, Malaysia SIRIM, Indonesia SNI, Hong Kong HKSI, Singapore PSB, and customs AEO certifications. Particularly after the introduction of the new standards for socket products, Goneo once again became the first among its peers nationally to obtain the inaugural new standard 3C certificate, playing a pivotal role in standardizing operations within the industry. Internally, it integrated the product certification system with the integrated management system, leveraging unified management advantages.

### Case J05 Yuebian Series Clothes Dryer Received the Inaugural CQC certification

In April 2023, Goneo's intelligent clothes dryer series J05 received the inaugural CQC certification from the China Quality Certification Center. Focused on product quality and the personal and property safety of consumers, this certification signifies that Goneo's intelligent clothes dryer series J05 has passed strict quality testing, demonstrating high quality, safety, and innovation, offering consumers greater peace of mind during purchase and use.



J05 Yuebian Series Clothes Dryer received the CQC Certification

## Quality Culture Development

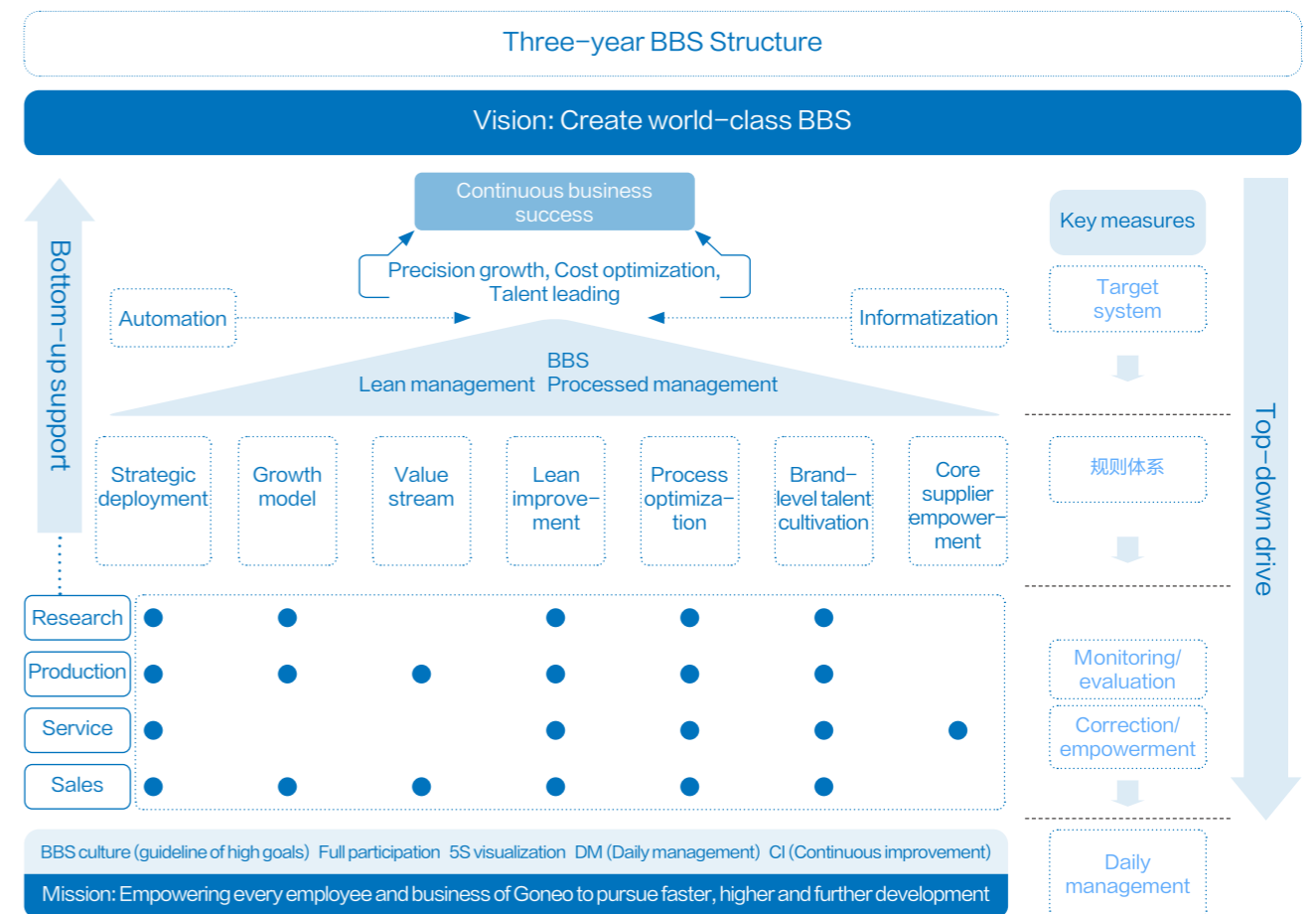
The Company emphasizes quality education and training of employees. On one hand, it intensified technical training to enhance the technical competence of practitioners, thus laying a solid foundation for improving product quality. On the other hand, it strengthened training for employees in legal regulations and integrity consciousness, particularly organizing regular sessions for staff to study laws and regulations such as the *Product Quality Law*, the *Standardization Law*, the *Metrology Law*, electrical production certification conditions, as well as all kinds of standards. This aimed to elevate the overall legal and integrity awareness of employees, ensuring that everyone in the Company comprehends, understands, and abides by relevant laws, regulations, and standard requirements throughout the actual production process.

### Case Goneo's Quality Training Activities



## Business Management System

Through continuous strengthening and development in recent years, Goneo's Business System (BBS) has gradually become an important operational system driving to improve its business quality.



Goneo's BBS System

In 2023, Goneo's BBS, guided by the principle of "accompanying business to deliver results", constructed a comprehensive value chain empowerment system based on strategic planning and deployment (PD). By elevating thinking and simplifying implementation, it bridged the business process, forming a closed loop. It comprehensively implanted the genes of BBS from point to surface, internally and externally, within the entire value chain of production, research, sales, and services, empowering each business for continuous success.

**In terms of innovating new dimensions for growth**

Focusing on new channels and new businesses, a toolset was embedded through the introduction and internalization of growth models (such as lean merchandise planning, BPD, 3P, lean marketing, and other tools), constructing a growth process to enable continuous business growth. In 2023, lean merchandise planning achieved full introduction and application across all businesses/channels, taking on the strategic growth objectives of each business development. Operationalizing the lean merchandise planning room led to the seamless coordination among products, marketing, and branding, ensuring the achievement of sales targets across various product platforms.

**Establishing lean benchmark factories**

In 2023, by introducing systematic methodological practices such as Sparrow Factory, the waste within the entire value chain from customer demand to fulfillment was significantly reduced. The concept of the "Sparrow Factory" embodies an exceptional and lean manufacturing hub that strives for complete customer satisfaction by seamlessly integrating every aspect of the value chain. This establishment unites the factory with its customers through a harmonious fusion of planning, design, physical logistics, information flow, and on-site material management – all meticulously woven together across five pivotal stages, culminating in an uninterrupted and seamless workflow. During the reporting period, the Company successfully piloted and established benchmark Sparrow Factory 1.0 for multiple businesses. This resulted in substantial improvements in supply chain safety, quality, delivery, inventory, labor efficiency, machine efficiency, space efficiency, and material efficiency, laying a solid foundation for Goneo's process and digital transformation.

**Dimension of talent development**

Leveraging Goneo's Leadership Model and BBS empowerment, Goneo formulated competency development plans for different managerial and technical talents at various levels, precisely nurturing various BBS-tiered talents suitable for Goneo's business development based on business needs. Furthermore, a BBS expert pool was formed, identifying expert talents within the Group who understand both business and tools, ensuring solid support for the Company's rapid and continuous development. In 2023, the Company organized over 400 sessions of improvement weeks for expert empowerment and trained 19 black-belt talents, 100 blue-belt talents, and 1,688 green-belt talents, effectively supporting various business initiatives and priorities.

# Protection of Customers' Rights and Interests

Upholding the customer service vision of "building a professional service system for undertaking Goneo's 100 billion businesses to be the top one service brand in the intelligent electric field", the Company, with a focus on undertaking the Group's 100 billion development strategy, adheres to high target requirements and establishes rules with internal driving force to promote the construction of a service system centered on dealers and distributors, to create the customer service concept of being a new model for high-quality industry service by providing Goneo consumers with timely, professional, and warm services.

# After-sales Service

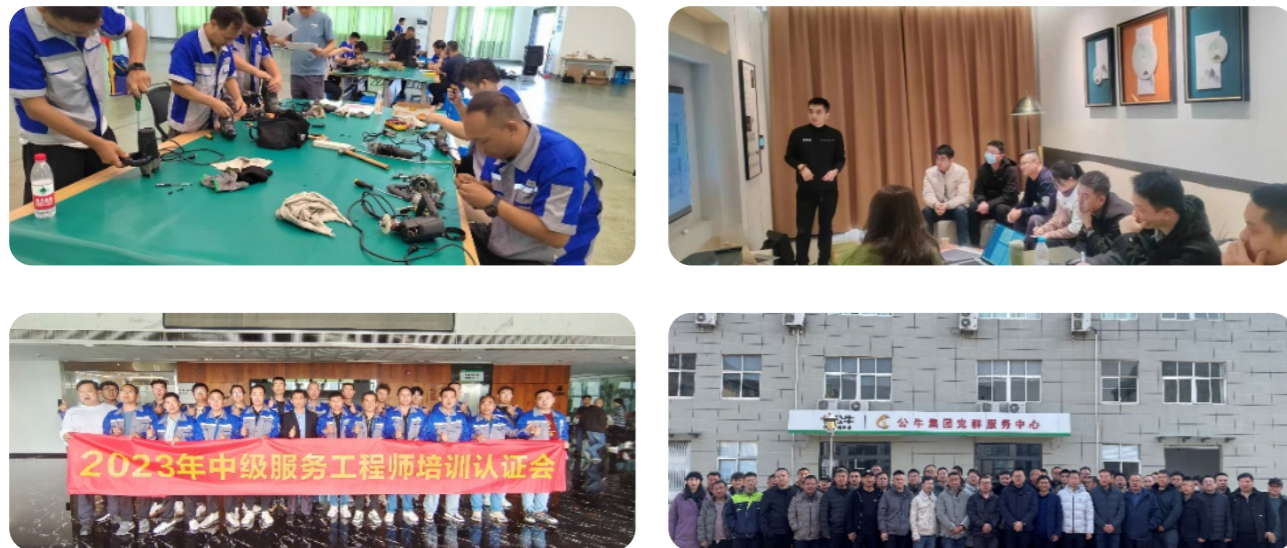
To promptly address the after-sales needs of consumers, the Company has established a national unified customer service hotline 400 reachable 24/7, staffed with dedicated representatives who promptly register and categorize consumer issues. Based on the types of consumer demands, the Company swiftly categorized and escalated them to the corresponding personnel for resolution. Subsequently, follow-up visits were conducted with consumers to confirm the final resolution, ensuring a closed-loop process for issue resolution. Additionally, the Customer Service Department regularly summarized and compiled consumer feedback issues into the *Voice of the Customer Report* that was presented to various business departments to drive continuous product and service enhancements.

Moreover, Goneo solemnly pledges that in the event of any quality issues with its products, the Company will, once an investigation conducted jointly by the Company and relevant departments confirms its liability, strictly adhere to corresponding laws and regulations such as the *Product Quality Law* and the *Law on the Protection of Consumer Rights*. Within the legal framework and pursuant to consumer preferences, Goneo will provide comprehensive three-guarantee services for its products, ensuring satisfactory after-sales support for consumers.

To enhance the quality of door-to-door services provided by service providers, Goneo developed the *Standards for Acceptance of Product Installation and After-sales Services*, specifying response times, operational standards, and completion timeframes. Goneo implemented round-the-clock daily supervision and management, and real-time service progress checking, and based on the assessment of service providers, established a dynamic service area adjustment mechanism to ensure continuous improvement of service advantages. These efforts resulted in a nearly 40% positive user feedback rate for e-commerce users in 2023, surpassing industry averages.



In terms of capacity building, Goneo has upgraded the capabilities of after-sales service network service outlets in terms of intelligent door locks, household appliances, intelligent headless lamps, new energy, electric tools, and other product categories, through various forms of training, certification, and competitions. This helped to achieve the annual addition of 1,849 certified network service outlets, including 637 star-rated service outlets, thus hastening the specialization transformation of the Company's after-sales service network.



▶ A Series of After-sales Service Personnel Training Activities Conducted by Goneo during the Reporting Period

## Customer Satisfaction Surveys

The Company fervently embraces a vision of customer service and an overarching development strategy, all centered on the ultimate goal of serving our cherished customers. By orchestrating meticulous customer satisfaction surveys, we endeavor to delve into the depths of customer needs and aspirations, collecting valuable feedback and insightful suggestions. This concerted effort allows us to promptly unearth areas for enhancement, thus elevating customer satisfaction, nurturing enduring patronage, and propelling the overall advancement of our business.

During the reporting period, the Company diligently conducted comprehensive customer satisfaction surveys, engaging both end users and distributors.

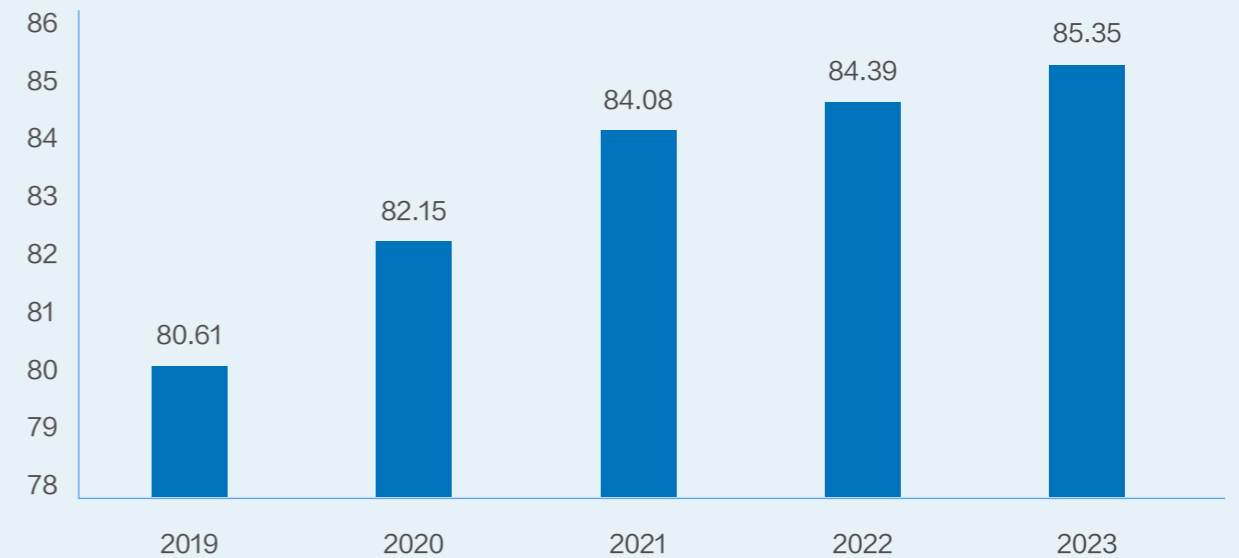
### User Side

With a refined focus on end users, Goneo sought to profoundly grasp the intricacies of user experiences with its products and services, fostering an environment for continuous enhancements in product quality and service delivery to consistently meet evolving user needs. Notably, the Company entrusted the esteemed Zhejiang Quality Association to perpetually execute a third-party evaluation of user satisfaction. It achieved the User Satisfaction Index of 90.36 in 2023, a 3.75 increase over 2022 (86.61), signifying sustained improvement in user experience with Goneo's products and services.

### Client Side

In terms of clients, the Company has explicitly outlined the responsibilities and processes for collecting and analyzing distributor satisfaction information and business process, fostering timely and effective closed-loop management of distributor issues. Goneo has formulated the *Customer Satisfaction Management Regulations*, delving into dimensions such as products, quality, orders, logistics, finance, after-sales, and marketing support to uncover factors impacting distributor satisfaction. Through continuous PDCA improvement, the distributor satisfaction index has seen a consistent increase over five years.

### Customer Satisfaction Index



▶ Goneo's Customer Satisfaction Index over the Past Five Years

## Digital Service Management

The Company persistently strengthens its digital service infrastructure. By managing Moments of Truth (MOT) for customers, it has achieved unified service standards across online and offline channels. From initiating service requests to automatic assignments, initial appointments, on-site check-ins, service completion, and feedback, the entire service process is visualized and shared, enhancing lean service operational efficiency.



▶ Visualized Management Process of Goneo's Services

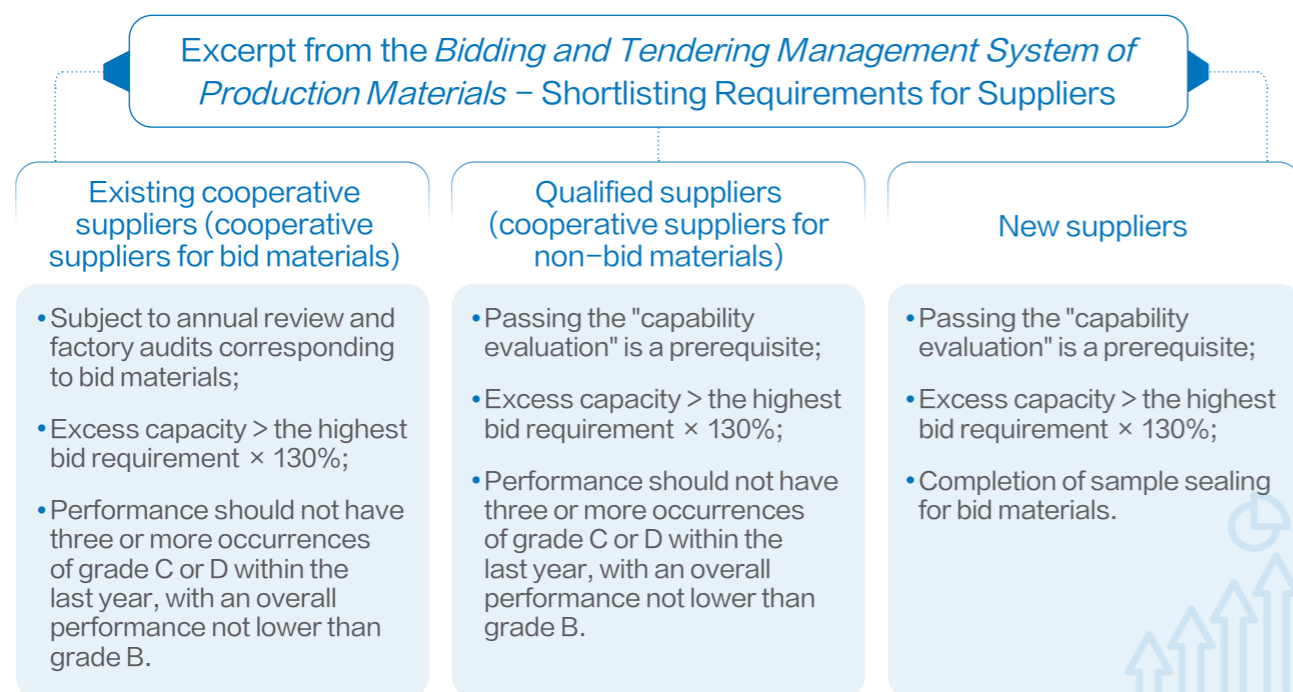
# Implementation of Responsible Procurement

In alignment with sustainable development goals, the Company emphasizes comprehensive consideration of environmental protection, social responsibility, and economic benefits in the procurement process. This ensures that products and services purchased meet expected quality and technical standards in both environmental and social aspects. The Company has established a robust supply chain management system, implemented supplier admission and review mechanisms, utilized information-based procurement management platforms and transparent procurement mechanisms, and embraced transparent, fair, and efficient procurement processes. Additionally, it emphasizes establishing partnerships with suppliers to jointly contribute to the construction of a green supply chain for long-term benefit to the Company and society.

## Supplier Management

The Company has always considered supply chain management as a key strategic approach toward achieving sustainable development goals. Goneo continuously enhances its supply chain management system, optimizing various aspects such as purchasing product quality, technical standards, supplier grading management, and procurement procedures based on existing systems including the *Management Procedure for Suppliers of Production Materials*, and the *Regulations on the Admission of Non-production Suppliers*. Furthermore, the Company diligently pursued multidimensional analysis of issues arising during the procurement process, maintaining its efforts in continuous improvement. Through standardized, meticulous, and continuous supplier management, the Company ensures that the procurement process meets environmental and social expectations, thereby enhancing enterprise efficiency, product quality, and core competitiveness.

During the reporting period, Goneo continually standardized supplier admission, annual reviews, re-evaluations, issue improvement, and compliance, and introduced 27 detailed regulations, further optimizing the system for supply chain management. For instance, in the procurement management of production materials, it introduced a bidding and tendering process on top of the existing joint factory audit mechanism, evaluating suppliers based on, and establishing the *Bidding and Tendering Management System of Production Materials*.

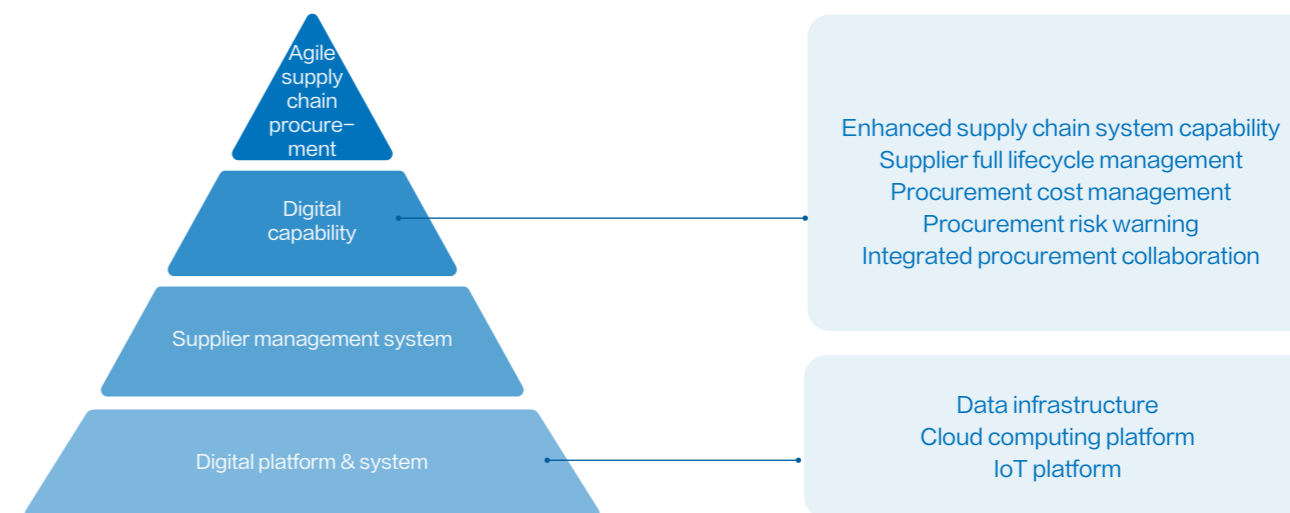


# Digital Empowerment

In the management of procurement information, the Company adopted the "1+2 Procurement Management Platform", comprising 1 digital procurement management cockpit and 2 procurement management systems (i.e., SRM system and MRO system). Based on differences in procurement volume, amount, repeatability, and supplier development processes, the SRM system is used for production materials, while the MRO system is applied for non-production materials. The digital procurement management cockpit interfaces with SRM and MRO systems to obtain foundational data and automatically generate trend analyses concerning quality, cost, leading time, and market conditions based on preset models. Through this platform, the whole process of internal and external procurement operations is connected, and the visualization management of end-to-end supply chain for procurement operations is achieved, providing reliable information support for management decisions.

During the reporting period, Goneo introduced essential digital capabilities across diverse areas to support key business initiatives aimed at achieving strategic objectives. This initiative outlined an enabling platform crucial for realizing the visionary "1+3+6+X" digital framework.

In the realm of procurement, Goneo harnessed a foundation anchored in data infrastructure, cloud computing platforms, and IoT frameworks to establish a robust supplier management system. This enhancement bolsters procurement's digital capabilities, enabling the implementation of an agile supply procurement strategy, ultimately achieving seamless connectivity throughout the entire value chain.



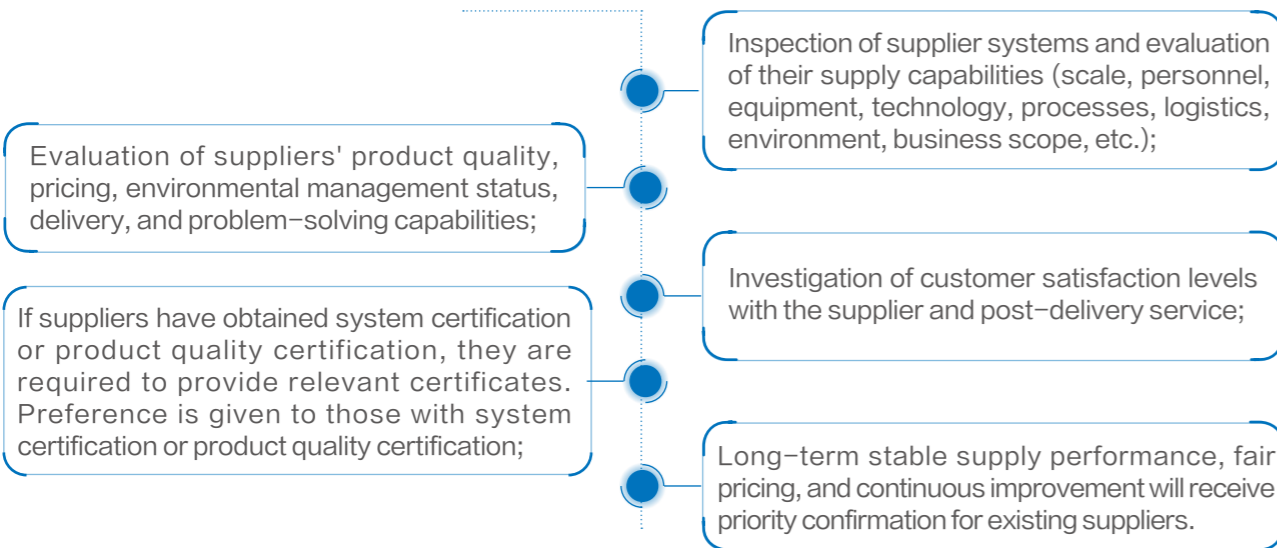
# Green Supply Chain Management

In response to China's sustainable development strategy requirements, Goneo has made environmental qualifications essential basic thresholds for supplier admission. The Company selected collaborative suppliers for projects involving energy consumption, such as equipment procurement, with a focus on future energy consumption considerations. Meanwhile, a specialized procurement team was established to manage waste and obsolete materials, highlighting the green and environmentally friendly supply chain as one of the central focuses of Goneo's supply chain development.

For new supplier admissions, the Company insisted that all cooperative suppliers must pass environmental assessments and fire safety checks while existing suppliers should undergo periodic verification. Suppliers lacking fire safety or environmental assessments are categorized as high-risk manufacturers and cease to be evaluated. Qualified suppliers should sign the *Safety and Environmental Management Agreement*, emphasizing occupational health and environmental protection.



### Principles for Selecting and Evaluating Non-production Suppliers



### Key Performance

<p>Total number of suppliers</p> <p><b>1,026</b></p> <p>Percentage of suppliers that have executed the <i>Supplier Code of Conduct</i></p> <p><b>100 %</b></p> <p>Percentage of suppliers that have signed agreements containing environmental and labor requirements clauses</p> <p><b>100 %</b></p>	<p>Number of suppliers that have undergone social impact assessments</p> <p><b>1,026</b></p> <p>Number of suppliers that have undergone environmental impact assessments</p> <p><b>1,026</b></p>	<p>Number of suppliers identified with actual or potential significant negative social impacts</p> <p><b>0</b></p> <p>Number of suppliers identified with actual or potential significant negative environmental impacts</p> <p><b>0</b></p>				
<p>By assessment type</p> <table border="1"> <tr> <td>Percentage of new suppliers screened using environmental standards</td> <td>Percentage of suppliers screened using social standards</td> </tr> <tr> <td><b>100 %</b></td> <td><b>100 %</b></td> </tr> </table>			Percentage of new suppliers screened using environmental standards	Percentage of suppliers screened using social standards	<b>100 %</b>	<b>100 %</b>
Percentage of new suppliers screened using environmental standards	Percentage of suppliers screened using social standards					
<b>100 %</b>	<b>100 %</b>					

## Transparent Procurement

To fortify fairness, equity, and efficiency in the procurement decision-making process, Goneo has erected a comprehensive transparent procurement management mechanism. This intricate structure encompasses two tiers of decision-making bodies (Group-level and Supply Chain-level procurement committees) that collaboratively review crucial project requirements and judiciously select suppliers. The implementation of procurement needs, supplier quotations, and pricing is systematically conducted to minimize human intervention while heightening overall procurement efficacy.

### Transparent Procurement



In addition, the Company regards the *Agreement on Joint Efforts for Integrity Building* as an integral appendix to its procurement agreements, obliging suppliers to sign and undergo integrity examinations. Violations of these agreements will result in a punitive breach of responsibilities, including compensating the Company for losses and termination of cooperation qualifications.

### Case Integrity Inspection against Suppliers of Goneo

From March to April 2023, Goneo undertook its annual supplier inspection to gain practical insights into the commercial and ethical conduct of its suppliers in collaboration with the Company, and seek advice from the suppliers. Combining on-site visits and telephonic communication, the inspection aimed to investigate any breaches in work procedures or corrupt behavior during their partnership with Goneo.

## Responsible Marketing

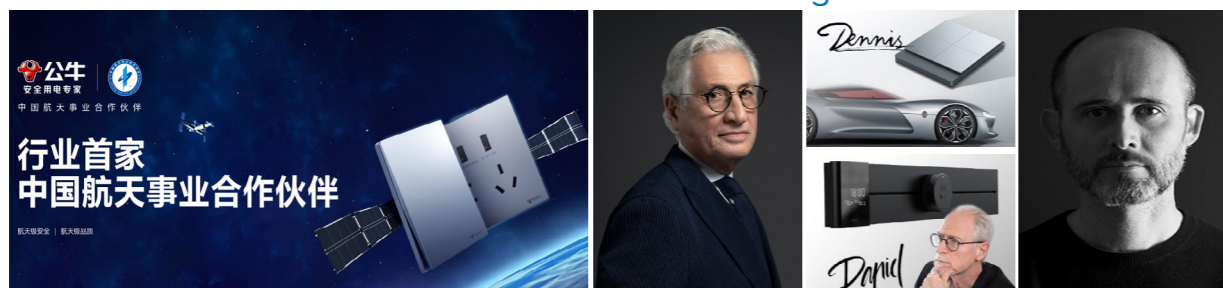
Goneo unwaveringly upholds its core values of "loyalty, integrity, professionalism, and devotion", along with its corporate vision of "becoming a leader in the international civil electrical industry". Advancing its sales channel system continually, the Company insists on compliant operations during marketing endeavors, adhering to commercial ethics while implementing various measures. The Company enforced behavioral norms for marketing personnel and distributors through the signing of compliance commitments and the *Agreement on Joint Efforts for Integrity Building*. Furthermore, it provided compliance and legal risk training to enhance their awareness and capabilities in fulfilling social responsibilities, thereby safeguarding the rights and interests of relevant stakeholders from harm.

# Brand Building and Marketing Strategies

Employing a multi-channel and multi-dimensional approach to brand building, Goneo consistently enhanced brand value and expanded its market share. Meanwhile, leveraging diverse marketing strategies tailored to different channels resonates with brand-building efforts, enabling the realization of Goneo's influence in niche markets, elevating its core competitiveness, and consequently driving sales and customer satisfaction.

## Innovative Brand Strategies of Goneo

### Strategic Partnership with High Potential, Co-creation with International Design Masters



China Aerospace teamed up with partners, endorsed as "Safety Electrical Expert"

International design masters personally join the effort to create new products for Bull

### Global Media High-density Exposure

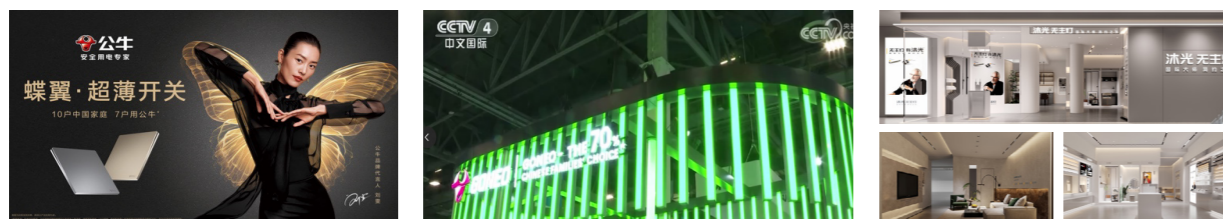


"Sea, Land, Air" media exposure matrix

Authoritative media coverage, explosive online discussion of popular products

Renowned platforms present brand marketing awards

### Brand Potential Upgrading and Extension



Upgrade to "high-end, fashionable"  
International fashion supermodel Liu Wen endorses

Upgrade to "technological, international"  
Bull showcases charging piles at the top international technology exhibition CES

Brand extension to "smart, healthy"  
MuGuang's brand-new brand creates a healthy light for the whole house

## Diverse Marketing Strategies for Goneo across Different Channels



- With a focused layout in the areas of government-subsidized housing and delicately decorated houses, and relying on high-quality products, Goneo has won bids for several key government-subsidized housing and talent apartment projects in Xiong'an New Area, Baoding, Tengzhou, Zhuhai, and Zhengzhou. Additionally, through impeccable service, it has gained the trust of well-known top 100 real estate enterprises in China. Goneo has established long-term and stable strategic partnerships with Poly Developments, Greenland Group, Yuexiu Property, Taikang Group, etc.



- Establishing online comprehensive dealer business policies, Goneo created a positive cycle and sustainable e-commerce ecosystem;
- Through online promotional support policies, distributors were helped to enhance store and product competitiveness, further improving their operational health;
- To safeguard the legitimate rights and interests of all partners, Goneo has established and reinforced online market management norms, clarifying operational and positive competitive mechanisms;



- Goneo utilized digital marketing methods to enhance its brand's online exposure and interaction, increasing brand awareness among consumers;
- Goneo actively promoted professional technical certifications to enhance consumer awareness with an industry benchmark positioning;
- Goneo unified product packaging, dimensions, and display images to enhance brand recognition.



- Guided by "open source, cost-saving, and risk prevention", the Company comprehensively introduced lean market operation tools;
- Targeting and providing key support to weak markets, Goneo improved the operational conditions of key markets and enhanced market operation capabilities;
- The Company established a professional engineering project operation team to provide professional engineering project solutions and create professional dedicated sales areas and engineering distributors;
- The Company had a product circulation service process from distributors to business end, business to end-users, and end-users to consumers.



- Goneo actively participated in various honorary evaluations to enhance the credibility of its brand;
- We tailored a series of effective marketing strategies and methodologies for different customer needs in the C-end and B-end markets;
- We increased investment while leveraging economies of scale and enhancing the visibility of Goneo charging piles in the residential and commercial markets;
- Concentrating on major customers, we signed strategic cooperation agreements or strategic supply agreements.



- Centering on distributors, salespersons, and stores, we helped them set goals, guiding their marketing methods, and finding sales breakthroughs at the same time;
- Using flagship store construction and the promotion of safe electrical solutions of household, Goneo developed tailored service methods and content based on customer types and demand characteristics to improve marketing efficiency and user loyalty;
- We optimized inventory structure and undertook slow-moving product replacement projects for new distributors to promote healthy market development.

Key Achievements:

Our digital platforms leveraged internet celebrities and influencers to promote and market products, establishing popular online retail hubs. This strategy not only facilitates product placement in stores, leading to increased sales but also generates over a thousand videos, resulting in a brand exposure of over 100 million times.

In August 2023, Goneo's maiden portable power source triumphantly secured the CCC certification in China. With China's further specification of the battery market, Goneo became one of the drafting units for national standards in mobile power and cellphone batteries.

During the reporting period, Goneo executed strategic cooperation agreements with several major clients including Longfor Group Holdings Limited, Yuexiu Property, Weixing Real Estate, China Railway Construction Real Estate Group Co., Ltd., Huawei Group, Chengdu Xingcheng-Renju Real Estate Investment Group, China Construction Fourth Engineering Division Corp. Ltd., China Construction Eighth Engineering Division Corp. Ltd., China Railway No.4 Engineering Group Co., Ltd., and China Railway 20th Bureau Group Corporation Limited.

In 2023, the Company executed a comprehensive packaging overhaul across seven key digital product categories, standardizing series dimensions and refining display imagery – a move that earned widespread acclaim across the market.



Key Honor



Case Innovative Marketing – Building Unique New Media Operations



In 2023, Goneo's digital channels pioneered an innovative marketing approach. We leveraged internet celebrities and influencers to promote and market products, establishing popular online retail hubs. This strategy not only facilitates product placement in stores, leading to increased sales but also generates over a thousand videos, resulting in a brand exposure of over 100 million times. We have ultimately achieved a win-win situation among the brand, distributors, and sales outlets!



Case Promoting Safe Electricity Use on Campus



In August 2023, the Company conducted safety electrical promotion activities at nearly a thousand universities nationwide, disseminating electrical safety knowledge among the younger demographic, and providing safe and reliable products for university freshmen lacking quality recognition experience. Through direct selling guidance to distributors and offering favorable prices and practical gifts to new college students, Goneo successfully imparted essential education on electrical safety practices to young individuals while bolstering Goneo's brand, fostering a safer electrical environment for countless students.



Promotion of Safe Electricity Use

**Case** Expanding Goneo's New Energy Operations to Thousands of Counties and Stores, Establishing Numerous Charging Stations



To enhance the influence of Goneo's charging piles in both C- and B-end markets, the Company initiated the "0-1 Pilot Project" in 2023, formulating a series of effective marketing strategies and methodologies.

For the C-end market, the Company has formulated the *Eight Promotion Sale Steps of Delivery* and the *One-stop Home Charging Pile Services*; for the B-end market, Goneo has introduced the *Methodology for Small- and Medium-sized B-end Government-Enterprise Projects*, and the *Turnkey Project Service*.

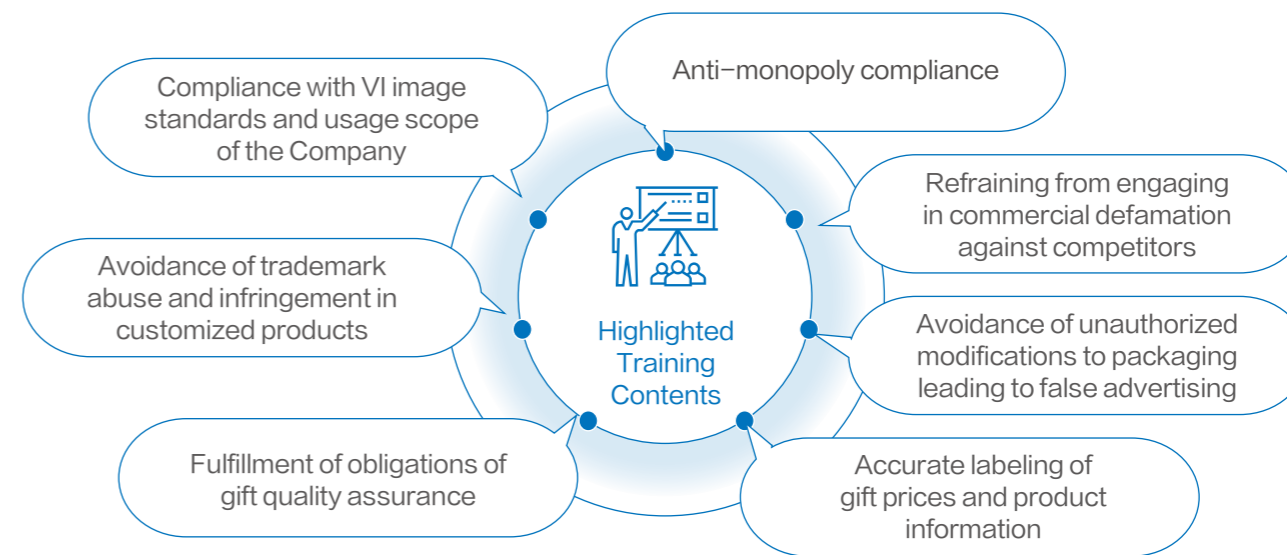
Within 2023, the strategic breakthrough of "Thousands of Counties & Stores and Numerous Charging Stations" was achieved. The consumer market achieved coverage in the top one thousand counties in China, successfully developing 17,000 consumer distribution points. The B-end market completed over 20,000 commercial charging piles and guns.



## Marketing Channels and Distributor Management

Goneo formulated corresponding marketing management methods for various marketing channels, enhancing marketing management effectiveness by constructing marketing compliance for channel lines and providing continuous training and supervision against potential marketing behaviors that may jeopardize stakeholders.

During the reporting period, the Company, using legal risks and cases, conducted multiple training of distributor marketing compliance building and legal risks, and warning education for hardware, digital, decoration, e-commerce, new energy, and Muguang channels involving approximately 2,410 participants.



Furthermore, the Company continuously advanced measures to execute a letter of commitment for compliance. The *Marketing Personnel Compliance Commitment* was executed by the human resources departments of various channels with marketing personnel, serving as one of the documents signed by new marketing personnel upon onboarding. Through the signing of a letter of commitment by marketing personnel, the normal operation of the anti-monopoly compliance system is ensured, along with the actual implementation of related measures and the responsible operation of marketing. The *Distributor Compliance Commitment* serves as a pivotal appendix to the distributor contract, mandating 100% participation from distributors. This commitment signifies their partnership with the Company in upholding compliance standards and fortifying marketing strategies.

## Distributor Capability Building and Empowerment

Goneo is steadfast in its dedication to nurturing enduring partnerships with distributors, employing comprehensive empowerment initiatives aimed at fostering mutual growth and success for all distributors involved. The Company has implemented multiple measures to strengthen the market competitiveness and business capabilities of distributors.

### Measures for Distributor Capability Building in the Decoration Channel

#### Capability Building Measures

**Lean Market Planning** 01

Centered around distributors, Goneo provided annual reviews and opportunity analyses, assisting distributors in actively seeking growth and innovation, and identifying growth points and marketing strategies in line with annual targets. In 2023, the Company intertwined lean market planning with Goneo Headquarters' product development (PD) capabilities, guiding distributors to not only recognize but seize burgeoning market opportunities. This holistic approach resulted in comprehensive coverage of lean market planning for distributors, empowering them to identify key business prospects and fostering unwavering confidence, thereby providing robust backing to meet and exceed performance targets for the year.

Value Selling

02

Focused on distributors and sales professionals, the Company uncovered the "black box" of market operations (launching new products), improving their market operational efficiency and effectiveness while streamlining the management of sellout channels. In 2023, the interior decoration channel significantly boosted its sales performance by implementing value-oriented improvement projects of value selling. This garnered high acknowledgment and appreciation from distributors, winning the prestigious BBS Innovative Growth Project Award of the Group in 2023.

Lean Retail

03

Centered around stores, improvements were made in terms of customer flow from outside the store, transactions inside the store, and increasing the average customer transaction value. All are aimed at helping stores enhance sales performance, which lays the foundation for creating millions of flagship stores. In 2023, through the lean retail project, dynamic sales of stores saw a significant year-on-year increase, nurturing 13 lean retail green-belt talents, and winning the BBS Innovative Growth Project Award of the Group for the first half of 2023.



Lean Market Planning & Lean Marketing in the Decoration Channel

Additionally, the Company conducted various distributor empowerment activities to drive the implementation of distributors' marketing strategies and foster growth. In 2023, Goneo employed digital tools to empower distributors' daily work, innovating AI store inspections, B-end business opportunity conversions, and electronic contract signings to improve efficiency and control risks. Through bank loans and subsidized support from the Company, a three-party financial policy was developed to relieve the financial pressure on distributors and operators, facilitating the efficient and timely implementation of strategic projects.

Case Empowerment for Distributors in the New Energy Channel



During the reporting period, Goneo's new energy channel used methods, tools, and funding to enhance the capabilities of distributors, aiding in achieving performance goals.



Case Empowerment for Distributors in the Hardware Channel



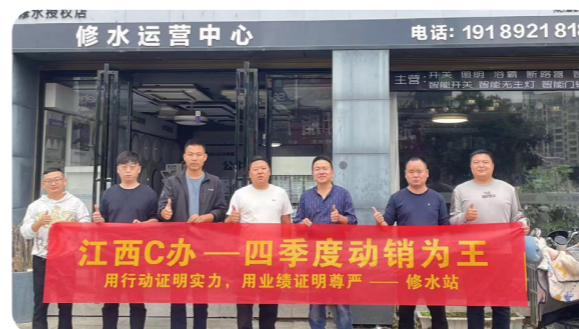
Amidst the rapidly changing market environment, to ensure the sustainable operation and development of distributors, Goneo's hardware channel embraced a win-win partnership and lean marketing. Guided by "open source, cost-saving, and risk prevention", the Company comprehensively introduced lean market operation tools to enhance distributor precision in site selection and sales capabilities.

Simultaneously, the Company tailored exclusive warehousing insurance plans for its distributors, with a view to enhancing their risk resilience. Professional labor risk training was provided to promote standardized and compliant management actions among distributor teams, ensuring their sound operation.



Case Empowering Distributors to Boost Dynamic Sales Performance in the Decoration Channel

In the fourth quarter of 2023, the Company launched a plan to empower distributors in the decoration channel. The supported distributors effectively enhanced operational efficiency, not only promoting channel sales but also ensuring the sustainable and healthy development of their business.





# SUSTAINABLE DEVELOPMENT

## Embracing Green Ecology, Illustrating the Tapestry of Sustainable Development

For an extended period, Goneo has championed the EHS policy of “abidance by laws and compliance with regulations, and fulfillment of social responsibilities; prevention of pollution, and creation of green factories; precedence to people, protection of employee health; regulation of behaviors, security of safe production”. This commitment has been marked by a continuous enhancement and perfection of its environmental management system. Goneo has proactively identified environmental risks, significantly bolstering emergency management capabilities. Moreover, diverse environmental protection training activities have been initiated to heighten employee awareness and engagement. Through efficient energy management strategies, Goneo has successfully curtailed its greenhouse gas emissions, taking active steps to combat climate change. Concurrently, efforts to optimize waste pollution management sought to minimize environmental impact. Furthermore, the promotion of a circular economy was actively encouraged to maximize resource utilization, thereby achieving a harmonious balance between the Company and green ecology, ultimately steering it onto the path of long-term sustainable development.

### • SDGs



### • Our key issues

- Exemplary Environmental Management
- Energy Resource Utilization
- Refinement in Pollution Control

# Exemplary Environmental Management

Goneo has established and continually improved the EHS management system, undergoing annual reviews and enhancements to environmental, occupational health, and safety-related regulations in compliance with legal requirements and its operational circumstances. In 2023, Goneo revised six EHS management systems, including the *Environment, Occupational Health and Safety Management Manual*, the *EHS Education and Training Procedure*, the *Equipment Safety Management System*, the *Hazardous Chemicals Management Regulations*, the *EHS Reward and Punishment Management System*, and the *EHS Incident Reporting, Investigation, and Management System*.



## Key Performance

During the reporting period, Goneo's environmental investment reached **RMB 5,993,400.**



# EHS Management Structure

To ensure the effective implementation of EHS responsibilities and strict enforcement of preventive measures and regulations, Goneo has set up the EHS Committee in accordance with the requirements of the *Law of the People's Republic of China on Production Safety*, as well as the EHS operating system of the Company and its actual needs of operation management. Meanwhile, the Company also defined relevant responsibilities to ensure the effective operation of the EHS system.

## EHS Management Structure and Corresponding Responsibilities

EHS Committee	EHS Committee Office	Other EHS-related Departments
The EHS Committee of the Company acts as the paramount governing and decision-making body for EHS operations, bearing the responsibility of providing comprehensive leadership, coordination, and guidance for the Goneo's EHS endeavors.	It undertakes the safety production responsibilities of the EHS Committee, organizes work according to the Committee's requirements; it even formulates relevant rules and regulations, and operational procedures, conducts safety production education and training, and supervises the effective implementation of safety production input.	These departments are responsible for internally implementing the work requirements of the EHS Committee and are subject to supervision and penalties from the Committee as well.

# EHS System Certification

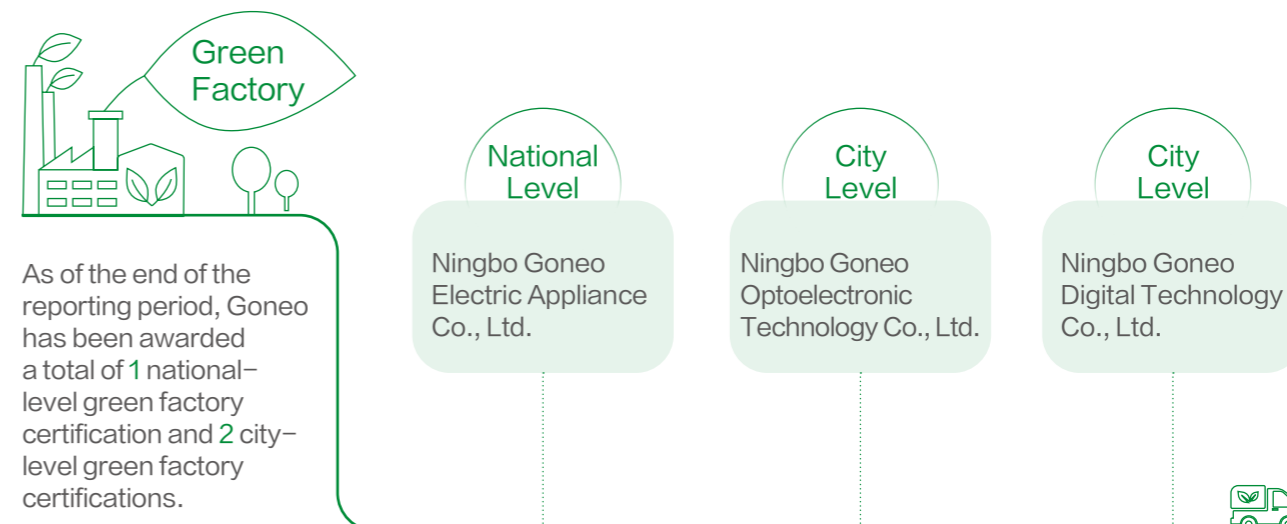
Goneo has consistently established and improved the environmental management system in line with the ISO 14001 standard, obtaining multiple national- and city-level green factory certifications.

## System Certification:

In 2023, several subsidiaries of Goneo, including Cixi Goneo Electric Co., Ltd., Ningbo Banmen Electric Co., Ltd., Ningbo Goneo Electric Appliance Co., Ltd., Ningbo Goneo Optoelectronic Technology Co., Ltd., Ningbo Goneo Digital Technology Co., Ltd., Ningbo Goneo Low Voltage Electric Co., Ltd., and Ningbo Goneo New Energy Technology Co., Ltd., all obtained ISO 14001 certification of environmental management system.



Environmental Management System Certification of Some Subsidiaries



## Environmental Risk

To effectively identify environmental risks and implement adequate risk control measures, Goneo has formulated management systems and procedures such as the *Procedures for Hazard Source Identification, Risk Assessment, and Risk Control Decisions*, the *Identification and Evaluation Procedures for Environmental Factors*, the *Safety Inspection (Hidden Danger Investigation) and Governance System*, and the *EHS Laws, Regulations and Other Requirements Management Provisions*. These efforts aim to standardize the periodic process of risk identification and normalize environmental risk control.

### Environmental Risk Identification and Management Procedure

#### 01 Identification of Environmental Factors

- **Environmental impact consists of seven kinds:** water pollution, air pollution, noise pollution, solid waste pollution, soil pollution, utilization of energy resources, and other environmental issues.
- **Three states:** under normal control, abnormal occurrences, and environmental impacts associated with emergencies.
- **Three tenses:** past (unresolved environmental issues), present (current pollution and environmental issues), and future (potential environmental factors due to planned activities).
- **Impact of stakeholders:** environmental impacts of the activities of relevant parties such as suppliers and contractors of the Company's products and services.

#### 02 Evaluation of Environmental Factors

- Evaluation criteria for **non-energy resource** environmental factors encompass frequency of occurrence, extent, and degree of impact, persistence, and severity of impact.
- Evaluation criteria for **energy resource** environmental factors involve consumption frequency, scale or quantity of consumption, and the control status of resources.

#### 03 Determination of Significant Environmental Factors

- Any of the following will be considered as a significant environmental factor:
- Environmental factors that have violated or are close to violating legal and standard requirements.
  - Environmental factors that are highly monitored or enforced by local governments.
  - Materials prohibited, restricted, or scheduled for replacement by government or legal mandate.
  - Both non-energy and energy resource-related environmental factors are considered significant if they achieve a specified score through comprehensive assessment.

#### 04 Control of Significant Environmental Factors

- Goneo developed procedural documents, operational instructions, and emergency plans tailored to different types and natures of significant environmental factors. Control is generally achieved through daily supervision, monitoring, and guidance.
- In addition to the methods above, significant environmental factors are controlled in accordance with the requirements of the management plan.
- Management of environmental impacts of stakeholders is implemented following regulations governing environmental impacts imposed by stakeholders.

#### 05 Updating of Environmental Factors

- Every year before setting target indicators, different departments and activities within the Group's functional departments and business units are subject to updates on environmental factors.
- When the following situations occur, relevant departments should promptly notify the Business Management Department and the Safety and Environmental Supervision Department of each business unit, which shall then organize relevant departments to promptly identify environmental factors and arrange for personnel to conduct updated evaluations.
  - Significant changes in laws, regulations, and other requirements applicable to Goneo;
  - Major changes in production processes having a severe environmental impact;
  - Reasonable complaints from stakeholders affecting environmental factors;
  - Omissions in the identification of environmental factors;
  - When new processes, materials, or equipment are being developed or used, requiring environmental factor identification and evaluation during the engineering trial period.

Meanwhile, Goneo continuously enhances its emergency response capabilities to environmental incidents, striving to elevate its risk resilience level. This involves developing the *EHS Incident Reporting, Investigation, and Management System*, the *Emergency Preparedness and Response Control Procedures*, the *ERT Organization Management Regulations*, and the *Drug Management Regulations*, for the purpose of comprehensively controlling accident reporting, investigation, response, and processing procedures, enhancing the speed of incident response of the Company, and minimizing the impact of environmental incidents.

### Case Emergency Leakage Drill of Oil Blending Plant



In May 2023, the decoration parts company (painting factory) of Goneo conducted an emergency leakage drill according to the *Emergency Handling Procedure for Chemical Leakage*. The drill aimed to familiarize on-site staff with emergency response procedures, clarify their respective responsibilities, cultivate mutual support and coordination in case of emergencies, and verify the adequacy and integrity of emergency response equipment. This drill was designated to improve the emergency response capabilities and crisis awareness of on-site personnel.

Subsequently, the Company identified and analyzed actual problems occurring during the emergency, continuously optimizing and enhancing its emergency management level.



▶ Emergency Drill Image



## Environmental Protection Training

Goneo places great emphasis on environmental protection training. Based on its EHS policy and system, the *EHS Education and Training Procedure* was formulated and aperiodically carried out throughout the year to enhance the environmental awareness and professional competence of its employees.

### Case World Environment Day – "Achieving a Harmonious and Sustainable Coexistence between Humans and Nature"



In June 2023, Goneo organized an Environmental Knowledge Contest on the World Environment Day. The activity aimed to thoroughly practice the spirit of President Xi Jinping's congratulatory message to the national main venue event for Environment Day on June 5, promote the study, publicity, and implementation of the spirit of the 20th National Congress of the Communist Party of China, and widely disseminate President Xi Jinping's ecological civilization ideology. It was also the activity that advocated engagement in the great practice of promoting the entire society's awareness of ecological environment protection and participating in the construction of a modern harmonious coexistence between humans and nature.

Through the Environmental Knowledge Contest, employees were encouraged to start from the details of life, understand Goneo's environmental situation, and contribute to the maintenance of environmental safety, thereby contributing to the construction of the ecological environment. The activity covered all employees of Goneo.

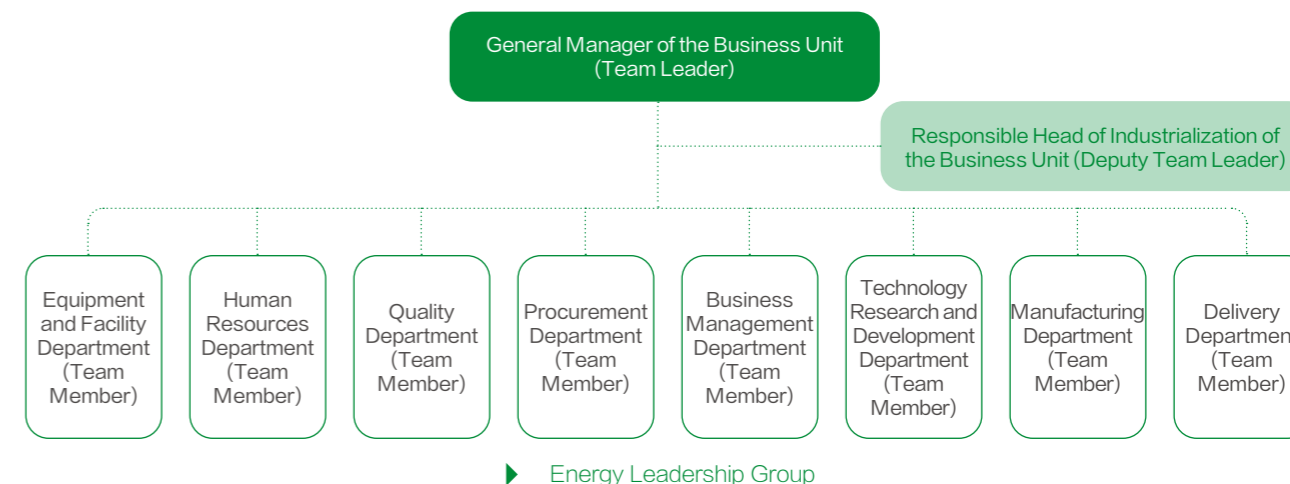
## Energy Resource Utilization

The use of energy resources is one of the essential driving forces for the development of human society. Goneo attaches great importance to the conservation and utilization of energy resources, continuously implementing energy-saving technological improvement projects in production and living, and actively advocating the significance of water and energy conservation. These aimed at effectively enhancing the awareness of all employees about resource conservation, reducing the Company's resource usage, and achieving sustainable development of Goneo and natural resources.

## Energy Management

In terms of resource management, Goneo has developed an Energy Management System based on relevant laws and regulations such as the *Energy Conservation Law of the People's Republic of China*, and the *Energy Conservation Regulations of Zhejiang Province*. This system encompasses the organizational structure for energy management, management requirements for electricity, water, and oil usage, energy measurement, and performance management. The energy consumption management system clearly defines the responsibilities of the Industrialization Department and the Finance Department of the business unit and regional management heads for implementation and auditing of energy consumption management.

According to the *Energy Management System*, the Company established an Energy Leadership Group and an Execution Group, clearly defining the responsibilities of each group and other functional departments regarding energy management. The Energy Leadership Group strives to prevent the "running, overflowing, dripping and leaking" of resources, as well as energy waste and unauthorized usage. It also focuses on conserving energy, reducing costs, increasing efficiency, safely and reasonably utilizing water and electricity resources, and ensuring the production and living of workshops. Additionally, the system stipulated specific assessment methods for energy management to effectively enhance the awareness of relevant personnel in energy conservation, improve the overall energy utilization efficiency, and prevent wasteful behaviors.



### Assessment Management of Energy Management



#### Incentives

In compliance with the regulations outlined in the system, departments that have completed energy-saving tasks, proposed energy-saving rationalization suggestions and demonstrated achievements in energy conservation will be required to report to the Energy Leadership Group. Subsequently, the Energy Leadership Group will assess and provide specific rewards.

#### Penalties

- For behaviors of energy waste, corresponding penalties are to be applied according to the severity of the behavior. Reference can be made to the *Accountability Management System* (Q/GN G013053-2020) in cases where energy waste occurrences remain unaddressed or the rectification is not evident within a specified period. In the event of identifying units with energy waste or unreasonable energy usage, the Execution Group will compile reports for submission to the Energy Leadership Group and internal notification to the Company. In severe cases, the Energy Leadership Group will decide on penalties accordingly.
- Any deficiencies in the energy management system, incomplete energy statistics ledger, or inadequate energy measurement records will result in a general unqualified assessment.
- Energy-using departments failing to adhere to the regulations will receive a general unqualified assessment related to the failure to analyze the corresponding energy utilization status.
- All departments within the Company must strictly adhere to the system and intensify energy-saving education among employees. All of them are actively encouraged to save a single unit of electricity, water, or oil. Appropriate penalties are to be applied for any instances of energy waste based on the severity of the behavior.

### Goneo's Energy Usage

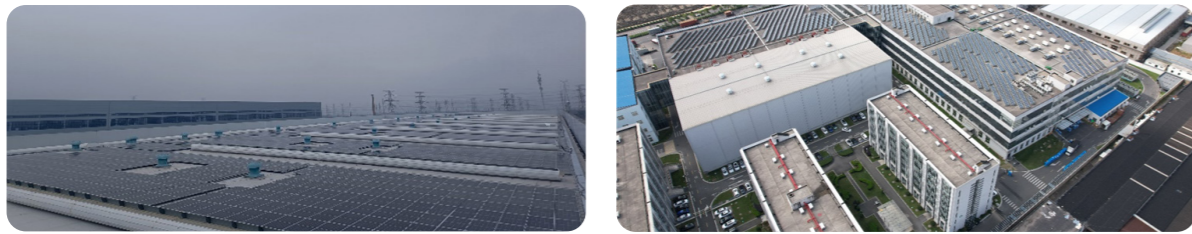
Disclosures	Unit	2021	2022	2023
Natural Gas	m <sup>3</sup>	41,604	143,240	168,854
Outsourced Power	kWh	17,716.84	17,101.68	20,440.42
Solar Energy	kWh	2,636,702	5,959,400	5,535,537

Case Goneo's Substantial Investment in Photovoltaic Power Generation Equipment



In 2023, Goneo repurposed idle factory rooftops to establish two distributed photovoltaic power stations with an installed gross capacity of 7.2MW. Projections indicate an annual electricity generation surpassing 8 million kWh, with over 98% intended for internal consumption and any surplus power being integrated into the grid.

During the period from January 2022 to June 2023, the cumulative electricity generation amounted to 1.6 million kwh.



▶ Goneo's Photovoltaic Power Stations

To address climate change and reduce greenhouse gas emissions, Goneo has been steadfast in advancing the research and development of low-carbon products. Furthermore, it has initiated a greenhouse gas inventory within some subsidiaries to comprehensively analyze emissions during production and operations, thereby supporting further efforts in emission reduction and carbon footprint reduction.

Case Green and Low-carbon Products



During the reporting period, Goneo actively focused on researching and innovating low-carbon products. Notably, the "Single-phase 32A AC Charging Pile" product underwent low-carbon product certification, with a third-party testing organization issuing a report for product carbon efficiency ratio accounting.



▶ Low-carbon Product Certification



▶ Report for Product Carbon Efficiency Ratio Accounting

Case Annual Carbon Inventory at Ningbo Goneo Precision Manufacturing Co., Ltd.



In August 2023, following an on-site audit by a third-party verification organization, the emission reporting and calculation methods for the year 2022 at Ningbo Goneo Precision Manufacturing Co., Ltd. were found to be compliant with the *Guidelines of Greenhouse Gas Emission Accounting and Reporting for Mechanical Equipment Manufacturers (Trial)*. The total greenhouse gas emissions for 2022 amounted to 63,231 tons. This report also provided recommendations for the Company's future accounting activities, aiming to enhance its capability to accurately conduct greenhouse gas inventories and effectively manage emission levels.



▶ Greenhouse Gas Emission Verification Report

## Water Resource Management

Regarding water resource management, Goneo took proactive steps to conserve water and increase employee awareness of water resource protection. Regular inspection and maintenance work were carried out to ensure efficient equipment operation and prevent damage and water leakage, reducing water usage and alleviating water resource pressure.

The EHS Leadership Group and the EHS Execution Group implemented relevant policies and regulations concerning water conservation.

Employees in various workshops actively engaged in water conservation actions, increasing their consciousness regarding water conservation and curbing the waste of continuous water flow.

Efforts were made to strengthen the management of wastewater discharge and enhance the recycling of cooling water, ensuring the rational utilization of water resources.

EHS took charge of the supervision and management of firefighting water across all bases.



Energy-using departments were responsible for the overall statistics, management and supervision of water usage, adhering strictly to relevant national regulations in this respect.

Comprehensive water conservation measures were carried out throughout all workshops and departments in the Company, with prompt repair actions taken in cases of damaged or leaking pipelines and public faucets.

In alignment with the directives of the Energy Leadership Group, regular inspection and maintenance of the Company's tap water pipelines and public faucets were conducted by the Execution Group to prevent "running, overflowing, dripping and leaking".

### Goneo's Water Usage

Disclosures	Unit	2021	2022	2023
Total Water Consumption (= Total Water Withdrawal - Total Discharge)	m <sup>3</sup>	671,984	779,742	948,414

### Case Technical Transformation of Water Conservation Project

In July 2023, Goneo embarked on a transformative journey by introducing a centralized water supply system for precision carving machines at its glass factory. This pioneering initiative aimed to revolutionize water resource utilization, significantly curbing fresh water consumption by an impressive 1,340 liters per minute.



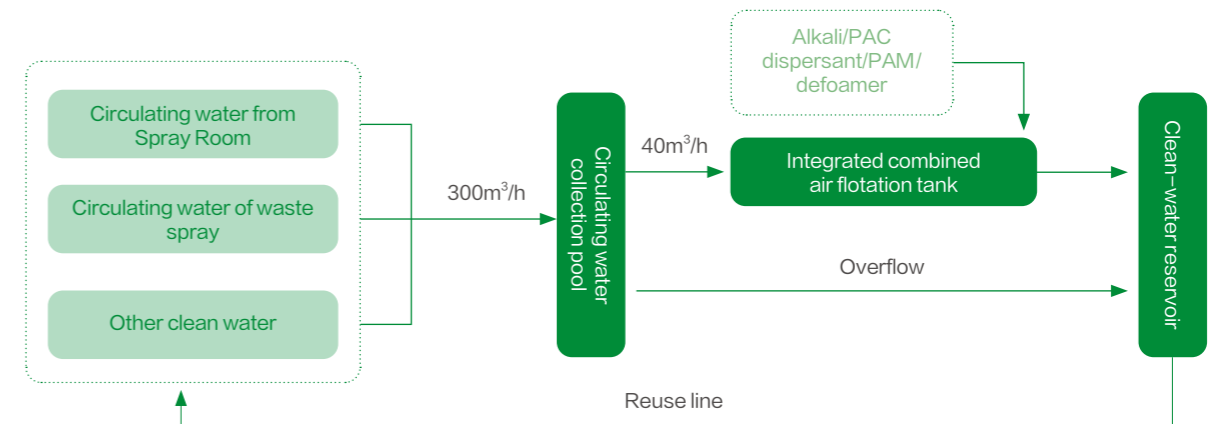
► A Glimpse of the Centralized Water Supply for Precision Carving Machines at the Second Branch of Goneo Electric

### Case Championing Water Recycling Techniques



At the spray booth of the coating plant of Goneo, a state-of-the-art water recycling methodology was in place. The original water, combined with PAC, PAM, or AB agents, underwent a meticulous coagulation process, resulting in the formation of floc sedimentation. Following this treatment, water treated with PAC journeyed into the flotation tank, where aeration masterfully orchestrates impeccable solid-liquid separation. The ensuing sediment and floating scum elegantly find their way into the sludge concentration tank, while the clarified liquid proceeds to subsequent oxidation processes.

This remarkable treatment process boasted a COD removal rate of 15% and an SS removal rate of 95%. The water underwent a breathtaking transformation from a murky black to a pristine, colorless, and transparent state, flawlessly meeting production requirements while dramatically reducing fresh water usage. The designed discharge volume impressively sits at a mere 1m<sup>3</sup>/h.



► Water Recycling Process Flow Diagram

## Refinement in Pollution Control

Goneo categorically manages various emissions generated during production and operations, including air pollutants, wastewater, general waste, and hazardous waste. Strict adherence to relevant national laws and regulations, along with the establishment of systems such as the *Regulations on the Management of Hazardous Waste and General Industrial Solid Waste* and the *Self-monitoring Management System for Pollution Sources*, ensuring compliance and standard emissions by taking corresponding measures.

Goneo identifies the types of pollutants produced in production and operational processes within it and its subsidiaries, monitoring and managing them according to corresponding emission standards. During the reporting period, the waste gas, wastewater, and other major pollutants of Goneo's licensed pollutant discharge departments were all up to standards in an organized manner.

### Goneo's Involvement with Three Wastes and Disposal Methods

Waste Types	Waste Gas	Wastewater	Hazardous Waste
Waste Category	<ul style="list-style-type: none"> <li>Acetate esters</li> <li>Benzene derivatives</li> <li>Non-methane total hydrocarbons</li> <li>Particular matter</li> <li>Nitric oxides</li> <li>Hydrogen sulfide</li> <li>Tin and its compounds</li> <li>Nitric oxides</li> <li>Sulfides</li> <li>Odor concentration</li> </ul>	<ul style="list-style-type: none"> <li>PH</li> <li>Color</li> <li>Odor and taste</li> <li>Visible matter</li> <li>Total bacterial count</li> <li>Total coliforms</li> <li>Turbidity</li> <li>Suspended solids</li> <li>Chemical oxygen demand</li> <li>BOD5</li> <li>Ammonia nitrogen</li> <li>Total phosphorus</li> <li>Total nitrogen</li> </ul>	<ul style="list-style-type: none"> <li>Physicochemical sludge of sewage treatment facilities</li> <li>Waste iron packing drums</li> <li>Filtration adsorbent waste</li> <li>Paint residue</li> <li>Mold cleaning solution (electrolyte)</li> <li>Waste packing drums</li> <li>Contaminated waste</li> <li>Waste mineral oil</li> <li>Waste ink cartridges, selenium drums, carbon ribbons</li> <li>Waste activated carbon</li> <li>Waste paint drums</li> <li>Waste cutting fluid</li> <li>Waste mold cleaning solution</li> </ul>
Methods of Disposal	Utilizing six types of waste gas treatment equipment, we selectively adsorbed and removed various pollutants from the waste gas.	Spray water treatment facilities were employed to subject the wastewater to processes such as air flotation, Fenton reaction, and biological methods.	The Company engaged a third-party accredited unit to discharge hazardous waste in an organized manner.

### Goneo's Discharge of Three Wastes

Disclosures	Unit	2023
Total wastewater discharge	m <sup>3</sup>	209,136
Chemical oxygen demand (COD)	mg/L	87
Biochemical oxygen demand (BOD5)	mg/L	33.4
Suspended solids	mg/L	11
Ammonia nitrogen	mg/L	10.2
Total phosphorus	mg/L	0.872
pH	-	6.9
<b>Total general solid waste</b>	<b>Ton</b>	<b>7,801</b>
<b>Total hazardous waste</b>	<b>Ton</b>	<b>747.1552</b>

In a committed effort to continually reduce waste and optimize resource usage, Goneo has embarked on a series of environmental enhancement initiatives aimed at significantly curbing waste emissions.

#### Case Zeolite Wheel Replacement for Substantial Natural Gas Reduction



In May 2023, Goneo rejuvenated the filtration segment of the coating plant's waste gas treatment facilities, effectively addressing the persistent challenge of elevated differential pressure during wheel regeneration, which led to heightened natural gas consumption within the RTO. As of the end of the reporting period, the Company successfully slashed natural gas expenses by RMB 234,200.



▶ Zeolite Wheel Replacement at the Electric Appliance Coating Workshop of Goneo

#### Case Oil-to-Water Conversion Project at Coating Workshops for Diminished Hazardous Waste Generation



Goneo launched a project in October 2023 to transition from oil-based paint to water-based paint in the coating plant, aiming to reduce operational and maintenance costs of existing waste gas treatment facilities and minimize the production and disposal volume of hazardous waste. This project anticipates achieving a 50% shift to water-based paint usage by the close of 2024.



▶ Oil-to-Water Conversion Project at the Electric Appliance Coating Workshop of Goneo



## Cultivating Unified Corporate Drive through Harmonious Development

Embracing a human-centric ethos, Goneo wholeheartedly respects and safeguards the fundamental rights and interests of every employee, prioritizing their growth and professional development, and nurturing their physical and mental well-being. Therefore, it provides diverse welfare, thereby fostering mutual advancement between employees and the Company. Meanwhile, the Group has actively shouldered social responsibility, and organized and participated in charitable undertakings to foster harmonious societal progress, cultivating a unified corporate drive to propel sustainable and high-quality enterprise development.

# HARMONIOUS DEVELOPMENT

### • SDGs



### • Our key issues

- Protection of Employees' Rights and Interests
- Occupational Health and Safety
- Focusing on Talent Development
- Providing Diverse Well-being
- Supporting Public Welfare and Charity

# Protection of Employees' Rights and Interests

Goneo diligently upholds fair and equal employment principles, legally safeguarding the legitimate rights and interests of employees, and providing an equitable and just workplace environment. Furthermore, it emphasizes salary and welfare assurances to ensure that employees receive fitting rewards, collectively forging a brighter future.

## Compliant and Equitable Employment Practices

Goneo observed strictly relevant national laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. It respected and protected human rights, and regulated employment procedures to effectively safeguard the legitimate rights and interests of its employees. Goneo rigorously developed the *Management Regulations on the Recruitment of Administration/Marketing Employees*, and the *Management Measures on Protection for Female and Underage Workers*. We entered into labor contracts with our employees pursuant to law. We firmly prohibited the employment and use of child labor, and resisted any forced labor, so as to provide equal employment opportunities for all candidates and employees. Goneo undertakes that it will never discriminate against candidates or employees as a result of gender, age, race, color, religion, nationality, disability, or retirement.

### Key Performance

During the reporting period, the Company hired <b>80</b> people with disabilities	and military veterans <b>29</b>	As of the end of the reporting period, the Company had a total of <b>13,746</b> employees
with female employees constituting <b>36.92</b> % of the workforce	The labor contract signing rate stood at <b>100</b> %	

Indicators	2022	2023
Total employees	12,351	13,746
Female employees	4,635	5,075
Minority employees	1,095	1,307
Disabled employees	33	80

### Employee Structure by Age in 2023

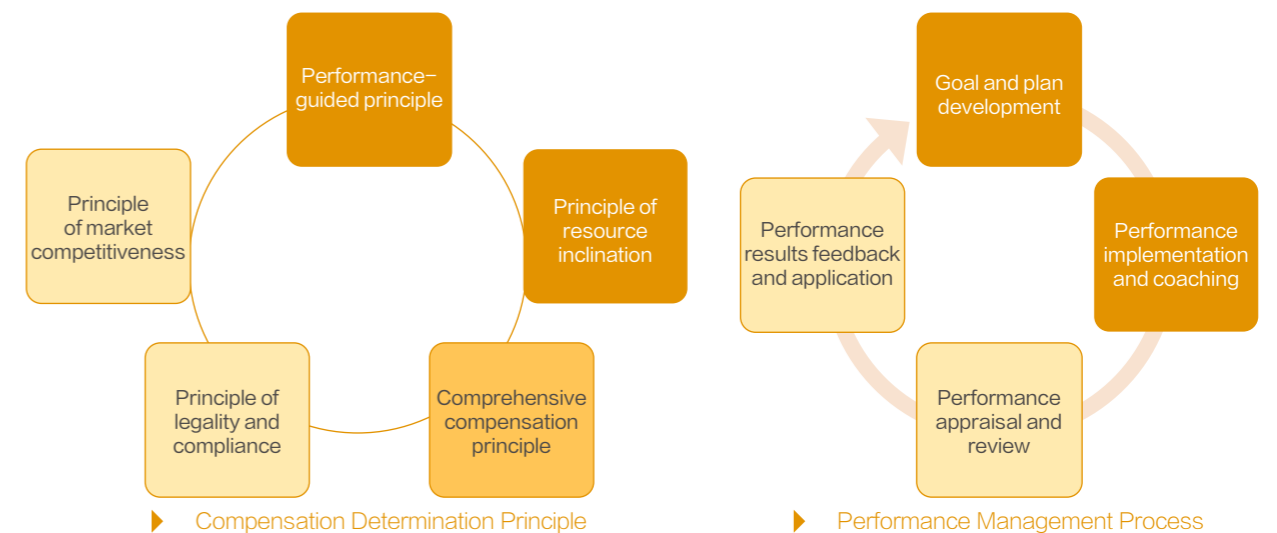
Age	Number of Employees (Person)
Aged 51 and above	273
Aged 41 to 50	2,064
Aged 31 to 40	5,890
Aged 30 and below	5,519

### Employee Structure by Education Background in 2023

Education Background	Number of Employees (Person)
Bachelor's degree and above	2,402
Junior college	2,252
Technical secondary school and below	9,092

## Employee Compensation and Incentives

Under the umbrella of legality and compliance, Goneo consistently hones its compensation and performance management system, factoring in industry market dynamics, actual business endeavors, and future growth strategies. In terms of determining salaries, Goneo adheres to the principles of "performance-guided, market-competitive, resource-inclined, legal and compliant, comprehensive, and guiding". Furthermore, it also aims at crafting a relatively equitable compensation framework for all employees while also carving out a broad space for incentive structures, thereby fully igniting employees' fervor and proactivity. Regarding performance assessment of employees, Goneo has refined and updated the *Employee Performance Management Regulations*, conducting advocacy on performance management systems and processes through the Group's Performance Management Committee, the Human Resources Center, and human resources departments of the business unit for routine performance assessment.



To fortify the enduring impact of incentives on core employees, the Company unveiled the *Restricted Stock Incentive Plan (Draft) of Goneo Group Co.,Ltd. for 2023* in April 2023. This plan targets core management personnel and key staff whose prior-year performance meets the criteria, totaling 750 individuals that were actually granted. The assessment period spans three fiscal years from 2023 to 2025, with an annual evaluation conducted each year. Moreover, the Company issued the *Measures for the Administration of Implementation Assessment of the Restricted Stock Incentive Plan of Goneo Group Co.,Ltd. for 2023* to further refine Goneo's corporate governance structure, and establish and improve incentive constraint mechanisms. This move ensures seamless implementation of the restricted stock incentive plan 2023 and maximizes the role of this incentive plan, thereby ensuring the fullest realization of its development strategy and operational objectives.

## Democratic Management

Goneo gathered employee opinions and suggestions through the Workers' Congress and daily work, assigning dedicated management personnel to respond promptly and follow up on addressing employee concerns. It even established extensive communication channels and actively listened to the voices of employees.

### Case Democratic Management Reached New Heights



In May 2023, Goneo organized the second session of the fifth Workers' Congress, where various work reports and management systems were deliberated and sanctioned, collective wage negotiations took place, and the *Collective Contract* and the *Collective Wage Agreement* were executed. A new organizational structure was elected as well, further advancing its democratic management to new heights.

To standardize democratic management and oversight mechanisms and encourage contributions and opinions of employees to the Company's development, Goneo leveraged platforms for employees to voice their concerns and conducted surveys on integrity satisfaction, which fully guarantee their rights to information, participation, expression, and supervision.



▶ Employee Feedback Platform




## Occupational Health and Safety

Holding fast to the EHS policy of "precedence to people, protection of employee health; regulation of behaviors, security of safe production", Goneo continues to fortify its occupational health management system, bolster emergency safety management, and enhance resilience to safety risks. It has also conducted diverse training activities, with a view to comprehensively elevating the management level and health and safety awareness of relevant personnel.

## Occupational Health and Safety Management System

Goneo has established and consistently refined its occupational health and safety management system, formulating numerous regulations for safety in production and occupational health. Each year, the Company conducts reviews and ongoing improvements in line with legal requirements and other regulations, considering its operational status. In 2023, Goneo revised various regulations such as the *Environment, Occupational Health and Safety Management Manual* and the *Equipment Safety Management System*.

### Occupational Health and Safety Management System of Goneo

Type	Document Name
 Safe Production	Equipment Safety Management Regulations
	Safety Management Regulations for Special Equipment
	Fire Safety Management Regulations
	Safety Management Regulations for Hazardous Operation
	Management Regulations on Lifting Ropes and Tools
	Electricity Safety Management Regulations
	Hazardous Chemicals Management Regulations
 Occupational Health	Regulations on Prevention and Control of Occupational Diseases
	Management Regulations on Occupational Health Protection Facilities
	Management Regulations on Labor Protection Articles
 Stakeholder Control	Safety Management Regulations on Stakeholders



System Certification:



▶ Goneo's ISO45001 Occupational Health and Safety Management System Certification (ISO45001)

## Safety Emergency Management

To comprehensively enhance safety emergency capabilities and effectively respond to safety accidents, Goneo has established the *Emergency Preparedness and Response Control Procedures* and the *ERT Organization Management Regulations*, as well as other emergency management systems.

### Safety Emergency Management Procedure of Goneo

These systems require that when an accident occurs, the on-site person in charge should quickly organize the department's ERT first-level response team according to the response procedure requirements, and assess the on-site situation:

If the ERT first-level organization effectively deals with the accident through emergency rescue and disposal

It is necessary to rapidly carry out emergency rescue work; according to their roles, all personnel are divided into rescue teams, support teams, evacuation teams, medical teams, etc.

If the ERT first-level organization cannot effectively deal with the accident through emergency rescue and disposal

It is necessary to report to the second-level ERT leaders at the base, who will issue the order to establish the second-level ERT response team, swiftly convene the members of the second-level ERT response team, and rush to the scene to carry out emergency rescue work. All personnel are divided into guidance teams, rescue teams, support teams, evacuation teams, medical teams, etc.

If the ERT second-level organization cannot effectively deal with the accident through emergency rescue and disposal

The second-level ERT leaders are responsible for contacting external rescue forces such as government departments.

## Key Performance

Goneo has a total of

**52** first-level ERT rescue organizations

with

**624** full-time and part-time rescue personnel, covering various workshops and teams of the entire Group

It also has

**5** second-level ERT rescue organizations

with

**120** full-time and part-time rescue personnel, covering the five major production bases of Goneo

The entire Group conducted

**382** emergency training and drills

including

**22** emergency drills of elevators and lifts

**36** fire evacuation drills

**30** personnel electric shock emergency drills

**84** fire emergency drills

**84** mechanical injury emergency drills

**20** scald emergency drills

**42** chemical leakage emergency drills

**12** vehicle accident emergency drills

**42** hazardous waste leakage emergency drills

**10** confined space emergency drills.



▶ Mechanical Injury Emergency Drill



▶ Emergency Drill for Poisoning in Confined Spaces







► Fire Evacuation Drill



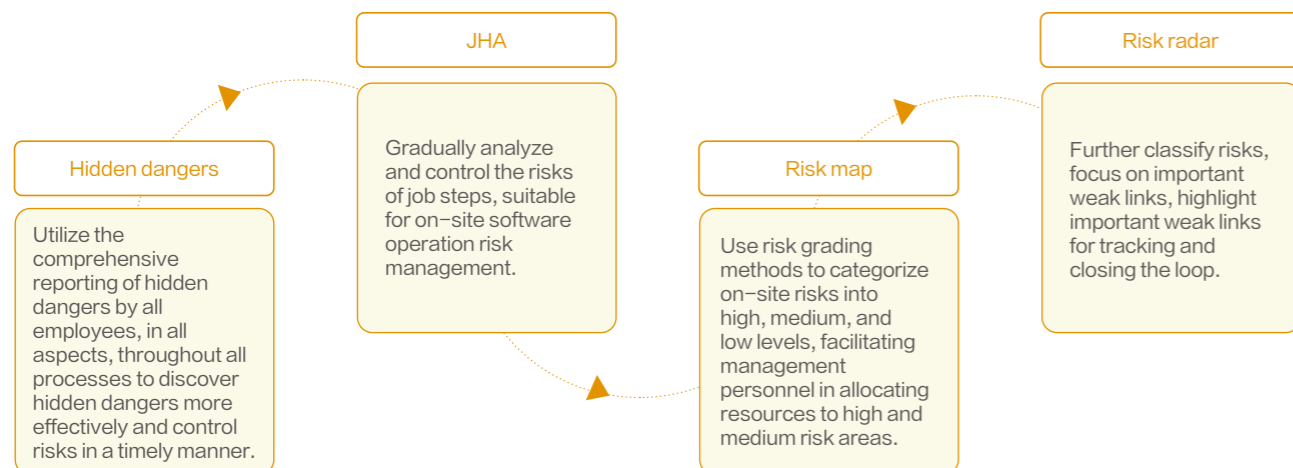
► On-site Safety Inspection

## Management and Control of Safety Risks

Based on the principle of "unified planning, hierarchical management and division of responsibility" and "safety must be ensured in production and business management, one who is in charge assumes responsibility", the Company formulated the *Safety Inspection (Hidden Danger Investigation) and Governance System*, which stipulates the items, contents, time, methods, rectification of hidden hazards, division of responsibilities and requirements for safety hazard inspection. The Company also formulated the *Procedures for Hazard Source Identification, Risk Assessment, and Risk Control Decisions* to identify the hazardous sources affecting occupational health and safety in the Company's activities, products, services, and operations, and evaluate risks. This is also designated to determine and timely update unacceptable and major hazardous sources and specify control measures to reduce risk levels as the basis for confirming its identification of hazardous sources, risk assessment, and control measures.

To further enhance Goneo's EHS risk control management and effectively identify the core values of each module and utilize them to form efficient management, Goneo, during the reporting period, optimized and improved the risk control management, linking the risk control management modules into a systematic management mode (four-level risk control) according to logical relationships, progressively managing and identifying its core values to establish an efficient model.

### EHS Four-level Risk Control System



## Key Performance

In 2023, the risk closure rate reached **99.42%**



## Health and Safety Training Activity

At Goneo, our enduring commitment to advancing our capacity for preventing and controlling occupational diseases and nurturing our employees' understanding of occupational health, effectively preventing occupational diseases and safeguarding the employees' occupational health and rights and interests has been exemplified through consistent health training initiatives. Through a diverse array of approaches such as lectures, case studies, and on-site simulations, the training is meticulously tailored to the specific roles and real-life situations of our employees. This ensures that the training is not only effective but also eminently practical.

### Case Mental Health Training



In September 2023, Goneo conducted a targeted psychological health training session for managerial staff and above. This session featured the expertise of Dr. Zhang Guiqing, a distinguished expert holding a special subsidy from the State Council, as well as a medical doctor and professor. The goal was to deepen employees' grasp of mental health, enhance their own coping mechanisms, and foster positive mental attributes. This session not only facilitated learning and exchange among employees but also empowered managers to better comprehend and address workplace and life pressures. Furthermore, it introduced new pathways for recognizing and supporting the emotional stress experienced by colleagues. Over 200 employees participated in this enriching training experience.

### Case "Excellence through Competition" – Firefighting Skills Showdown



In November 2023, aligning with the theme of the 32nd National Fire Prevention Month, "Prevention First, Life First", Goneo orchestrated a firefighting skills competition. The event encompassed challenges such as the "60-meter single hose reel two-person operation competition" and the "60-meter fire extinguisher individual operation competition". This initiative was aimed at continually fortifying the safety culture within Goneo, fostering an environment that prioritizes individual care, cherishes life, and underscores the importance of fire safety. A total of 70 individuals took part in this spirited firefighting skills competition.



► Firefighting Skills Competition

### Occupational Health and Safety Key Performance Indicators

Indicators	2021	2022	2023
Million Work Hours Injury Rate	0.933780	0.774304	0.793001
Health and Safety Investment (in ten thousand yuan)	838.524	762.333	765.200

## Focusing on Talent Development

At Goneo, we are steadfast in our pursuit of deepening human resource management, emphasizing talent retention and attraction, and fortifying our teaching faculty. We provide tailored training opportunities for diverse employee categories, empowering them to chart their personal growth trajectories and offering expansive spaces for their individual development.

### Employee Training

Goneo recognizes that outstanding talents serve as the driving force behind enterprise innovation and development. Consequently, it consistently refines its human resource management to provide an extensive array of training resources for a diverse workforce, all while bolstering the professional development of its teaching staff. During the reporting period, the Company steadfastly implemented the project training system pertaining to Goneo's spirit to comprehensively enhance the overall capacity of its employees, thereby activating their creativity in line with the expanse of high-quality corporate development.

By tailoring diverse learning paths and promotion steps from newly graduated entrants to outstanding potential managers, Goneo aims to cultivate a talented workforce characterized by diverse levels, outstanding qualities, and an indomitable spirit of innovation.

Goneo' Training System

Onboarding training for fresh graduates and Goneo Academy's graduates

**"Niu" Plan Project**

College Student Project

- Directed by Goneo University.

Capability enhancement training for outstanding/high-potential N-3 managers

**"Gang" Plan Project**

N-3 Development Project

- Goneo University is responsible for generic competency training;
- Each department and business unit is responsible for practice and professional skills training.

Capability enhancement training for outstanding/high-potential N-2 managers

**"Ben" Plan Project**

N-2 Development Project

- Goneo University is responsible for generic management competency training;
- Each department and business unit is responsible for practice and professional skills training.

Capability enhancement training for N-1 managers

**"Wu" Plan Project**

N-1 Project

- Goneo University is responsible for leadership training;
- Each department and business unit is responsible for practice and professional skills training.

► Goneo's Spirit-related Training System

Case



► Goneo's Training Camp 2023



► TTT Internal Lecturer Training Scene



► BPD Demonstration Class



► Continuing Education and Training for Mechanical and Electrical Professionals of Ningbo City in 2023

### Key Performance

Total number of employees undergoing training

**15,687** employees

Total investment in employee training

RMB **4,603,100**

Average duration of employee training

**2.4** hours

Total training hours for grassroots employees

**33,287** hours

Total training hours for mid-level management employees

**3,514** hours

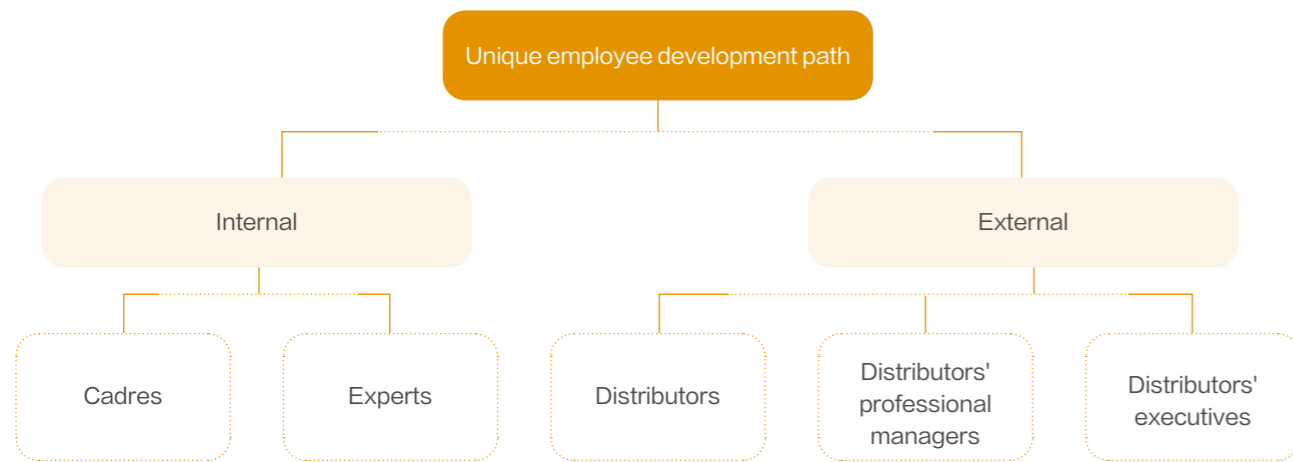
Total training hours for senior management employees

**847** hours

## Career Development and Promotion

Goneo has developed and rigorously enforced the *Management Regulations on the Recruitment of Administration Employees*, establishing a 19-level professional ranking system targeting management and profession to meet the strategic developmental needs for human resources and the career progression requirements of its employees. Offering vertical and horizontal promotional channels within both internal and external sequences, the Company received reliable talent support to fortify organizational capacity and foster mutual development between the Company and its employees.

In addition to internal career development pathways, Goneo extended opportunities for career growth to external distributors and suppliers.



► Goneo's Employee Development Pathway Diagram

## Internal Talent Echelon Construction

Goneo's talent echelon construction includes cadre teams and expert teams.

For cadre teams, a series of leadership development projects such as the "Niu Plan – Gang Plan – Ben Plan – Wu Plan" supported the construction of cadre teams at various levels from "Supervisor–Manager–Director–General Manager". Annually, based on talent inventory results, the Company identified high-potential reserves and enrolled them in corresponding leadership development programs.

Regarding expert teams, Goneo conducted capability assessments based on competency models in various job fields. It designed and implemented diverse professional development plans according to organizational development needs and individual career development plans.

Goneo organized an annual promotion and concurrently conducted internal competitive bidding for promotions based on actual position vacancies. Annual promotion assessment process:



### Promotion assessment process includes

Types of Conditions	Assessment Dimensions
Rejection Criteria	Values, discipline, seniority
Mandatory Criteria	Previous job level work experience and performance results
Adequate Criteria	Position proficiency requirements and position-specific experience
Reference Criteria	Management sequence: Goneo leadership Professional sequence: industry certifications, awards; national associate senior title BBS capability Job rotation willingness
Over-the-standard Criteria	Previous job level tenure, performance results, and outstanding contributions
Cross-level Criteria	Performance results, meeting basic and special consideration criteria, potential assessment, BBS capability, and project experience

### During the reporting period, the Company's landscape of employee promotion is as follows

Year	2022	2023
Number of promotions	432	468
Number of managerial staff promotions	28	62
Rate of position promotions	35.3%	38.2%
Rate of managerial position promotions	21.1%	46.7%

## External Career Development Pathway

Goneo established a distinctive value chain (suppliers, distributors, etc.) development pathway, offering internal outstanding talents opportunities to develop into distributors or professional managers. Additionally, there are opportunities for outstanding talents to join the core management team of suppliers, including roles in supplier management, on-site representative, and factory workshop management. As of the end of the reporting period, over 300 employees had made the transition into distributors or professional managers.

## Rotation and Shift Mechanism

Goneo has consistently championed the nurturing of employee growth through well-suited job rotations, establishing avenues for cross-business unit/inter-departmental exchanges. This approach not only aids in talent mobility but also invigorates the dynamism of our workforce.

### Staff Training

For frontline staff, Goneo fosters a diverse skill set, developing employees with multiple competencies through job rotations. This enhances their capabilities, enabling them to pursue work of significant value while fostering mutual understanding of work content among colleagues, ultimately promoting better collaboration.

### Professionals and Managers Training

Regarding professionals and managers, rotation engenders involvement in cross-functional work, broadening knowledge bases and comprehensively mastering operational capabilities within the Company and across departments. This strategic movement provides numerous opportunities to develop employees into versatile talents.

### Key Performance

During the reporting period, the Company facilitated the transfer of **336** talented individuals across business units.

## Encouraging Educational Advancement

Goneo introduced the *Mid-to-High-Level Manager Learning and Growth System* in 2014, advocating and supporting core personnel to participate in external MBA and EMBA programs. As of the end of the reporting period, Goneo sponsored over 10 senior executives to attend such programs, reimbursing 80% of expenses for general managers and above of the business units, and 50% for directors. Furthermore, Goneo actively supported employees' pursuit of educational advancement at varying levels, selecting and providing various educational paths and learning facilities for them.

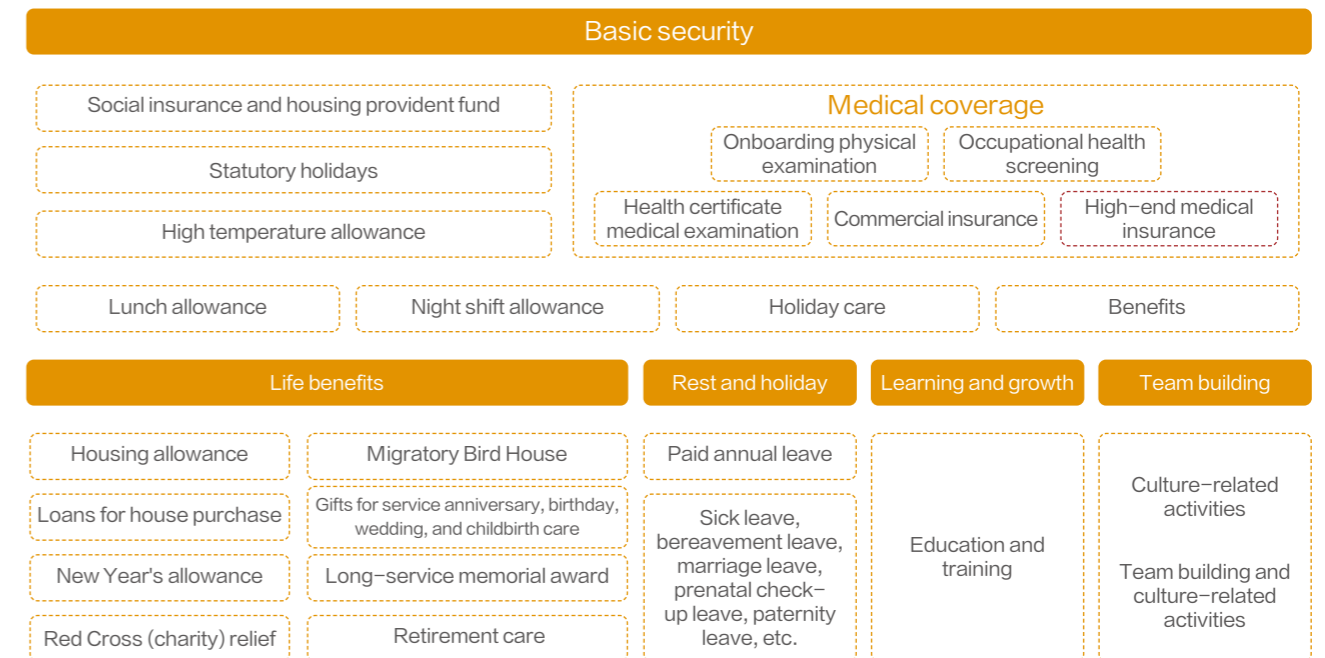
## Providing Diverse Well-being

Employees' happiness and a sense of belonging directly impact an enterprise's stability and long-term competitiveness. Guided by a people-oriented approach, Goneo places high value on humane care for its employees, offering diverse benefits to enhance overall employee satisfaction.

## Employee Compensation and Benefits

Benefit programs, selected based on internal development needs and employee requirements, span basic security, life benefits, rest and holiday, learning and growth, and cultural development.

### Goneo's Benefits



▶ Goneo's Benefits

During the reporting period, the Company diligently refined and unveiled the updated *Employee Benefits Management Regulations*. This involves enhancing regulations governing reimbursement standards for pre-employment medical examination expenses, lunch subsidies, housing allowances, transportation subsidies, and more, encompassing a total of 7 comprehensive modifications. In parallel, we also strengthened and released an updated version of the *Regulations on the Management of Social Insurance and Housing Fund of Employees*, which predominantly broadened guidelines related to work-related injury identification and reimbursements, maternity allowances or reimbursement of maternity medical expenses, high-end medical procedures, personnel audit, and expense reimbursements for social insurance and housing fund contributions in non-registered locations, alongside adjustments to other components, totaling 14 enhancements.

Additionally, the Company formulated the *Management Measures for the Red Cross (Charity) Relief of Employees Facing Difficulties*. This program allows employees facing difficulties to seek assistance from the Red Cross (Charity) Relief of the Company. After review, interviews, and research, the final amount of assistance was determined and provided to those in need.

Key Performance

During the reporting period, the average paid leave days per person were **6** with **402** employees taking childcare leave **96.94%** return rate after the leave

The employee turnover rate decreased by **14%** the Red Cross (Charity) Relief of the Company provided assistance totaling **RMB 332,800** to employees in need.

Employee Care Activities

Goneo integrated employee care into its corporate culture, fostering communication opportunities between the Company and employees through diverse activities to strengthen cohesion and create a harmonious working atmosphere.

Case Caring for Employees



► "Migratory Bird House" – Summer Care for Employees' Children



► Condolences for Employees Facing Difficulties in the Chinese New Year



► Condolences for Employees Staying in the Company during the Chinese New Year

Case Team Building Activities in 2023



Every year, Goneo organizes various activities such as trips, dinners, seminars, and birthday parties on a departmental basis. Trips lasting over two days qualify for one day of official leave (once a year). The implementation of team-building activities effectively enhances the coordination and cooperation abilities among the teams, playing a critical role in enhancing the overall combat effectiveness of the Company at various levels and throughout the organization.



► Lu Xun Native Place –Sightseeing



► Huangyao Ancient Town –Sightseeing



► Gupo Mountain –Sightseeing



► Indoor Team-building Activities for Employees

Case "Growing Towards the Sun" – The 9th Annual Goneo Culture Festival



To inherit the spirit of Goneo, showcase employee presence, enrich the business life of workers, and build a unique path for the Goneo Culture, the 9th Annual Goneo Culture Festival themed "Growing Towards the Sun" officially commenced in June 2023. By October, in addition to the opening ceremony, closing ceremony, "the Olympics of Goneo People", and talent shows, activities included Worker Skills Competitions, "Goneo Guinness", and Sky Outdoor Cinema. The total number of participants reached 12,000 with over 170,000 people showing interest, laying a solid foundation for the dissemination of Goneo Culture.



► Opening Ceremony of the Cultural Festival



► Closing Ceremony Performance of the Cultural Festival



► The Olympics of Goneo People



► Talent Show

Case Caring for Women Activity



During the reporting period, the Company organized an outdoor fitness walking activity and screenings for two types of cancers for female employees during International Women's Day, bringing warm wishes and greetings to female employees.



▶ Outdoor Fitness Walk Activity for Female Employees in March



▶ Cancer Screenings for Female Employees in March

Key Performance

During the reporting period, Goneo's team-building activities covered

**49,700** persons

with approved expenses exceeding

RMB **6** million.

During the reporting period, the Company hosted

**181** diverse-themed joyous meetings

diverse-themed joyous meetings

reaching **23,519** persons.

During the reporting period, the Company assisted employees facing difficulties. The Fragrant Meadow Mutual Aid Association assisted a total of

**155** people

with a total assistance amount of

RMB **623,200**.

## Supporting Public Welfare and Charity

Goneo actively shoulders social responsibilities and is committed to participating in public welfare undertakings. The Company has wholeheartedly embraced a spectrum of initiatives, including uplifting the elderly from poverty, bolstering education, extending medical aid, rural revitalization, and spearheading environmental conservation and low-carbon efforts. This multifaceted approach exemplifies its dedication to societal well-being, fostering mutual growth with local communities, reaping mutual rewards, and propelling collective prosperity.

### Partial Public Welfare and Charity Projects

Type	Philanthropic Endeavors	Amount		
<p>Poverty Alleviation and Aged Supporting</p>	<ul style="list-style-type: none"> <li>June 2023: Commencement of the Cixi · Charity Space Project</li> <li>August 2023: Donation to Cixi City Elderly Care Development Fund as the title sponsor (Round 2, Year 2)</li> <li>December 2023: Condolence for Guyaopu Village during the Chinese New Year 2024, providing care for the elderly aged above 70</li> <li>December 2023: Condolences for the widowed and elderly Yi people in Ninglang during the Chinese New Year</li> </ul>	<ul style="list-style-type: none"> <li>· RMB 5 million</li> <li>· RMB 500,000</li> <li>· RMB 849,000</li> <li>· RMB 10,000</li> </ul>		
	<p>Education Undertaking</p>	<ul style="list-style-type: none"> <li>February 2023: Student aid fund</li> <li>July 2023: Goneo Charity Trust (Wuhan University)</li> <li>July 2023: Longshan Town Education Fund</li> <li>August 2023: Initiation of a scholarship for the new energy class at the College of Science and Technology, Ningbo University</li> <li>September 2023: Student aid fund</li> <li>November 2023: Goneo Charity Trust (Wuhan University)</li> <li>December 2023: Goneo Education Fund under the Cixi Education System</li> <li>December 2023: Dongrun Public Welfare Foundation</li> <li>December 2023: Goneo Charity Trust (Wuhan University)</li> </ul>	<ul style="list-style-type: none"> <li>· RMB 13,100</li> <li>· RMB 50 million</li> <li>· RMB 5 million</li> <li>· RMB 1 million</li> <li>· RMB 13,100</li> <li>· RMB 50 million</li> <li>· RMB 3 million</li> <li>· RMB 4.3 million</li> <li>· RMB 50 million</li> </ul>	
		<p>Healthcare</p>	<ul style="list-style-type: none"> <li>January 2023: Condolences for medical staff involved in prevention and control efforts</li> <li>March 2023: AK Fund (Round 2, Year 5)</li> <li>March 2023: AK Fund (Round 2, Year 5)</li> <li>May 2023: Goneo Daycare Center</li> <li>September 2023: Health and Sanitation System Assurance for Residents of Guyaopu Village, Zhangqi Town</li> </ul>	<ul style="list-style-type: none"> <li>· RMB 1 million</li> <li>· RMB 3 million</li> <li>· RMB 2 million</li> <li>· RMB 300,000</li> <li>· RMB 1 million</li> </ul>
			<p>Rural Revitalization</p>	<ul style="list-style-type: none"> <li>August 2023, construction of Guyaopu Village</li> <li>December 2023, construction of Guyaopu Village</li> </ul>

Case Goneo Charity Trust Funds Wuhan University Project



In March 2023, the project that Goneo Charity Trust generously funded Wuhan University was held. During the reporting period, funded projects made remarkable strides in scientific research, laboratory construction, talent nurturing, and scholarship allocation. A total of RMB 320,000 was disbursed as "Goneo Scholarships", with a substantial investment of RMB 20 million in the Institute for Goneo New Energy, Wuhan University.



► Ceremony Scene of Goneo Charity Trust Funding Wuhan University Project

Case Signing a Strategic Cooperation Agreement with the Veteran Volunteer Service Team

In December 2023, Goneo inked a strategic cooperation agreement with the Veteran Volunteer Service Team. This social organization, affiliated with the early town's retired military service station, primarily comprises veterans. Through this partnership, Goneo aimed to bolster retired soldiers in their societal service endeavors, illuminating their dedication and contributions.



► Snapshot from the Signing Ceremony

Case Benchmark Learning Visit to Qian Haijun Navy Volunteer Service Center



On November 23, 2023, Goneo's Volunteer Club visited the Qian Haijun Navy Volunteer Service Center for benchmark learning. Inspired by Mr. Qian Haijun's selfless spirit of giving to others, the Club made a generous donation of RMB 500,000 toward the cultural project – "Warming Thousands of Home" – a movie about the deeds of Qian Haijun, a role model in the era of learning.



► Commemorative Photo in Front of the Qian Haijun Volunteer Service Center in Cixi City

Case Veteran Care Volunteer Activity



In July 2023, coinciding with the PLA Founding Day, the Lvheng Welfare's project team ("Accompanying with Care") orchestrated a visit for Vietnam War veterans from Guanhaiwei Town. Goneo provided transport for this activity and deployed five volunteers to actively participate throughout the activity. Veterans, welfare workers, and volunteers congregated at the Guanhaiwei Library, then journeyed to Dinghai in Zhoushan, embarking on a voyage to rekindle their historical memories. They bore witness to the heroism of the Nandong Memorial Truck and immersed themselves in the transformation of rural culture at the newly built Grand Theater. At the Nandong Art Valley, veterans renewed their oath to the Party, reflecting on their initial commitment. Finally, they reveled in the beauty of nature on the beach of Zhangzhou Bay and deepened their bonds of friendship. This outing not only reminisced about history but also cherished peaceful living, emphasizing the importance of remembering history, cherishing peace, collaborating, and striving for a better future.



► Veterans and Volunteers Posing for a Commemorative Photo

Case "Carrying Forward Lei Feng Spirit" and "Health Always with Us"



On June 10, 2023, Goneo orchestrated an outdoor volunteer activity titled "Carrying Forward Lei Feng Spirit" and "Health Always with Us". Forty-three volunteers diligently safeguarded the "green home" at Dongpaoshui-Kaolaoshan in Cixi City. Volunteers managed waste disposal from barbeque and bayberry festival events at Dongpaoshui-Kaolaoshan, ensuring proper waste sorting and disposal at the mountain's base.



► Scene of Garbage Clearance

# Index of Indicators

GRI Standards	Disclosures	Index of Chapters or Sections
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
2-1	Organizational details	About the Report
2-2	Entities included in the organization's sustainability reporting	About the Report
2-3	Reporting period, frequency, and contact point	About the Report
2-6	Activities, value chain, and other business relationships	Company Profile
2-9	Governance structure and composition	Company Governance
2-10	Nomination and selection of the highest governance body	Company Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Company Governance
2-13	Delegation of responsibility for managing impacts	Compliance Control
2-16	Communication of critical concerns	ESG Empowerment
2-27	Compliance with laws and regulations	Compliance Control
2-29	Approach to stakeholder engagement	ESG Empowerment
GRI 201: Economic Performance 2016		
201-3	Defined benefit plan obligations and other retirement plans	Protection of Employees' Rights and Interests
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Supporting Public Welfare and Charity
203-2	Significant indirect economic impacts	Implementation of Responsible Procurement
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics

GRI Standards	Disclosures	Index of Chapters or Sections
GRI 206: Unfair Competition		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Energy Resource Utilization
302-3	Energy intensity	Energy Resource Utilization
GRI 303: Water and Effluents 2018		
303-2	Management of water discharge-related impacts	Energy Resource Utilization
303-3	Water withdrawal	Energy Resource Utilization
303-4	Water discharge	Energy Resource Utilization
303-5	Water consumption	Energy Resource Utilization
303-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant gas emissions	Energy Resource Utilization
GRI 306: Waste 2020		
306-2	Management of significant waste-related impacts	Refinement in Pollution Control
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Supplier Management
GRI 401: Employment 2016		
401-2	Benefits provided to full-time employees	Providing Diverse Well-being
401-3	Parental leave	Providing Diverse Well-being
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety Management System Certification	Occupational Health and Safety



GRI Standards	Disclosures	Index of Chapters or Sections
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
403-3	Occupational health services	Occupational Health and Safety
403-4	Occupational health and safety: Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
403-5	Worker training on occupational health and safety	Occupational Health and Safety
403-6	Promotion of worker health	Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	Occupational Health and Safety
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Focusing on Talent Development
404-2	Programs for upgrading employee skills and transition assistance programs	Focusing on Talent Development
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Company Governance
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Supporting Public Welfare and Charity
GRI 414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	Implementation of Responsible Procurement
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Protection of Customers' Rights and Interests
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Responsible Marketing

## Readers' Feedback

Dear reader,

Thank you for taking the time to read the *2023 Environmental, Social and Governance (ESG) Report of Goneo Group Co.,Ltd.* amid your busy schedule. To continuously improve our report preparation and enhance the responsibility and level of Goneo Group Co.,Ltd., we sincerely invite you to provide valuable comments and suggestions on the Report to help us make continuous improvements.

1.For Goneo, your stakeholder category is

- Government  Customers  Employees  Partners  Environmental Organizations  
 Community and Public

2.What's your overall evaluation of the Report?

- Very Good  Good  Average  Poor  Very Poor

3.How do you rate the structural arrangement of the Report?

- Very Reasonable  Reasonable  Average  Unreasonable  Very Unreasonable

4.How do you rate the layout design of the Report?

- Very Reasonable  Reasonable  Average  Unreasonable  Very Unreasonable

5.How do you rate the readability of the Report?

- Very Reasonable  Reasonable  Average  Unreasonable  Very Unreasonable

6.Do you think the Report reflects the significant impacts of the Company on the economy, society, and the environment?

- Yes  Partially  I Don't Know

7.How do you rate the clarity, accuracy, and completeness of the information, data, and indicators disclosed in the Report?

- High  Moderately High  Moderate  Moderately Low  Low

8.How do you think the Company has performed in serving customers and protecting stakeholders' interests?

- Good  Average  Poor  I Don't Know

9.Do you have any further valuable comments or suggestions regarding the report preparation or responsibility practices?

Your contact information:

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