

# **BOTON 2023 Environmental, Social and Governance Report**

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# Regarding This Report

## Regarding this Report

The scope of information disclosed in this report covers Wuxi Boton Technology Co., Ltd. and its subsidiaries included in the annual report, which is consistent with the scope of the consolidated financial statements of Boton Technology company.

## Reporting Scope

The scope of information disclosed in this report covers Wuxi Boton Technology Co., Ltd. and its subsidiaries included in the annual report, which is consistent with the scope of the consolidated financial statements of Boton Technology company.

## Time Period

This report is an annual report, covering the time period from January 1, 2023, to December 31, 2023. To enhance the comparability and forward-looking nature of this report, some content may appropriately refer back to previous years or include forward-looking descriptions.

## Compilation Basis

This report is compiled in accordance with the "Self-Regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange No. 17 - Sustainable Development Report (Trial)" (2024 Edition). The report also refers to the "Sustainability Reporting Standards" (2021 Edition) issued by the Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals (SDGs), and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

## Data Sources

The data quoted in this report is derived from the company's official documents, original ledgers, statistical reports, audit statements, and financial reports, and has been counted, summarized, and reviewed by relevant departments. If the relevant financial data does not match the company's annual report, the annual report shall prevail. Unless otherwise indicated, the currency used in this report are in RMB.

## Data Assurance

The data and text information in this report have been verified by Bureau Veritas and a verification statement has been issued accordingly.

## Report Approval and Access

This report has been fully approved and authorized for release by Boton's board of directors. The report is available in both Chinese and English, and the electronic version can be downloaded and viewed on the Sustainable Development section of the Shenzhen Stock Exchange and the company's official website. In case of any discrepancy in the understanding of the Chinese and English texts, the Chinese version shall prevail.

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# 01 Make a Better World In the Name of Boton



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# A Letter from Chairman



**Chairman of Boton**

**Bao Zhifang**

I am delighted to share with you Boton's first ESG report, marking the beginning of our journey towards sustainable development. This report not only embodies Boton's commitment to social responsibility and sustainable development, but also serves as a firm declaration of our path forward. Founded in 2000, Boton focuses on two core businesses: intelligent management services for the entire lifecycle of industrial bulk material transportation and overseas game publish. We are dedicated to creating diverse value for global clients.

While pursuing business success, Boton is committed to fostering a sustainable development philosophy of "people-oriented, respect for nature, continuous innovation, economic stability, and advancing social progress." This philosophy not only promotes internal teamwork and innovation but also influences and inspires the entire industry chain and society to move towards a greener, more sustainable future.

Since our listing in 2009, marking the beginning of rapid growth, we have further strengthened innovation, considering it as a key driver for sustainable development. Innovation has also been a crucial factor in Boton's differentiated development over the years. Centered around the concept of new productive forces emphasized by President Xi Jinping, we have intensified collaboration with global scientific research institutions and industry leaders, promoting an ecosystem of open innovation together. Through win-win cooperation, we accelerate the transformation of technological achievements, using technology as the foundation to drive the realization of sustainable development goals. Boton is also optimizing our supply chain management and product life-cycle through technological innovation, aiming to reduce our carbon footprint and promote the development of a green, low-carbon economy. We are contributing to the industry and society's transition towards a more low-carbon, efficient, and intelligent direction, leading and practicing the brand concept of "Technology delivers a better life"

In the field of industrial internet, Boton upholds the mission of "Making industrial bulk material handling greener." By providing intelligent transportation full-stack solutions, we assist industry clients in achieving the transition towards green and intelligent operations, thereby enhancing industry resource utilization and production efficiency. This directly contributes to creating a better and more environmentally friendly living environment for society. In the realm of mobile internet, our vision is to "Build the world's top game publish platform." We continuously promote global cultural exchange and deliver happiness and beauty through ongoing technological innovations such as artificial intelligence and virtual reality, providing diverse digital entertainment experiences. We bring high-quality entertainment products and Chinese digital culture to the world, fostering cultural understanding and respect while enhancing the happiness and enjoyment of global citizens' lives.

Boton leverages this interdisciplinary fusion of technology and innovation to create a better life. While maintaining business growth and maximizing value, we actively fulfill our social responsibilities, promoting the green transformation of industries and global cultural exchange. It is this unwavering pursuit and deep application of innovative technology that enables Boton to not only create value in business but also contribute to a better society, demonstrating our social responsibility and cultural mission in the context of globalization.

The world is currently facing a series of urgent sustainable development challenges, such as escalating climate change, dwindling natural resources, loss of biodiversity, and widening social inequality. We deeply recognize that practicing ESG (Environmental, Social, and Governance) principles is more important and urgent today than ever before. As global citizens, Boton stands at a new historical juncture, proposing an ESG strategy of "Robust Co-Trust, Growth Co-Advance, Green Co-Governance, Tech Co-Prosperity, Value Co-Creation, Community Co-Existence" fully embracing sustainable development.

Boton's ESG strategy is not only a driving force for the company's continuous advancement but also a concrete commitment to realizing our vision of sustainable development. It lays a solid foundation for our joint progress with global partners, industries, and society. Simultaneously, we integrate the ESG strategy into Boton's "greenization, intelligentization, globalization, and integration" business development strategy, with both mutually supporting each other. On one hand, the greenization strategy not only focuses on the environmental impact of products but also involves how to enhance green productivity through technological innovation. The intelligentization strategy improves efficiency and reduces waste through smart technology, supporting the achievement of sustainable development goals. The globalization and integration strategy emphasizes cross-border cooperation and resource integration to address global sustainable development challenges. On the other hand, Boton emphasizes its social responsibility and environmental performance in its business activities through the ESG strategy. This interconnected and mutually reinforcing system enables us to actively assume the responsibility of shaping a sustainable future while continuously advancing towards business success.

Over the past year, Boton has fully implemented its ESG strategy and formulated an ambitious three-year ESG action plan, which has already showed significant results.

**In terms of green development**, the focus has been on green intelligent transmission and the construction of green factories, driven by technological innovation. We have been researching and applying solutions involving green materials and technologies to reduce the environmental impact of production and operational activities. Continuously, we are building the capability to reduce carbon emissions throughout the product life-cycle and collaborating with the industry chain to promote green and low-carbon development in the industrial bulk material transportation sector. In 2023, carbon emissions at the operational level decreased by 19.8% compared to the base year of 2022, and carbon emission intensity decreased by 26.2% compared to the base year. Meanwhile, the proportion of our low-carbon sustainable materials application reached 20%, and the proportion of green electricity usage reached 26.2%.

**In terms of social responsibility**, we have collaborated with various stakeholders, empowered synergy, and focused on product and service quality, employee and community relations, working together to create value and prosperity. In 2023, we launched a large-scale quality improvement campaign internally, achieving comprehensive enhancements in product quality, service quality, work quality, and operational quality. Under this initiative, we were honored with a nomination for the Jiangsu Provincial Governor's Quality Award. We have optimized our employee care system and safeguarded employee rights and interests, continuously improving employee happiness and sense of belonging, and creating and maintaining a gender-equal, diverse, and inclusive workplace environment. In this environment, women have equal opportunities for development, fully express their opinions, and unleash their potential. In fact, female employees have added indispensable vibrancy to our team. We have innovated bottom-up communication channel projects, making activities such as "Boton Executive Expressway" and "Harmony Exchange Luncheon" a journey of communication with employees, where every voice is heard, and every idea is respected. We have established Boton Academy, the Zhidexia Fund, and an Employee Health Management Center, continuously striving for employee development and well-being. Thanks to these efforts, we achieved a score of 94.73 in the 2023 Employee Satisfaction Survey. In promoting community development, we established the Boton Global Community Charity Fund and completed 32 community charity activities throughout the year. It is worth mentioning that we have expanded our community development initiatives to the locations where Boton's overseas business operations are located. We have initiated cooperation with the Inuit Indigenous people in Canada, playing a role in promoting local economic development and providing the Indigenous people with more education, training, employment, and business opportunities. Through this collaboration, we are contributing to a better future for Indigenous people in terms of ecology and culture.

In terms of corporate governance, we have joined the United Nations Global Compact, committing to integrate its ten principles into our business decisions and take active measures to support the achievement of the United Nations Sustainable Development Goals. We have increased our disclosure of corporate information, promoted board independence and diversity, strengthened business ethics management, implemented compliance management systems, adhered to high standards of business conduct, established rigorous risk management systems, and employed multiple lines of defense to identify and rectify issues. Simultaneously, we have incorporated ESG management into our corporate governance framework, continuously improving Boton's ESG performance as an essential aspect for evaluating the effectiveness of corporate governance, and perpetually building trust within the company and society.

Finally, I would like to express our sincerest gratitude to all friends from various sectors who have supported Boton. It is your trust and support that have enabled Boton to steadily advance on this challenging path. Today, Boton is embarking on a new journey of innovation, committed to achieving a low carbon footprint throughout the product life-cycle, promoting efficient resource utilization, empowering the growth of employees and communities, creating diversified value for clients, enhancing transparency, and achieving global governance synergy. We firmly believe that every small positive step forward will eventually converge into a wave that drives progress for the Earth and humanity.

Let us look forward together, in the name of Boton, to bring more beauty to this world! Let us contribute the strength of Boton to the sustainable development of the world!

Bao Zhifang

Chairman of Boton

# About Boton

## About Us

Boton was founded in 2000, and since our listing in 2009, we have always adhered to the brand concept of "Technology delivers better life." We are committed to continuous innovation and development in the two major fields of industrial Internet and Mobile Internet, and have become an industry benchmark for cross-border innovation and value creation. In our industrial Internet business, we provide full-stack intelligent conveyance services and integrated solutions for industries such as mineral extraction, steel smelting, building materials, ports, and thermal power generation. We are driving our customers towards green and intelligent transformation. Additionally, in the field of mobile Internet, as a leading mobile game publish platform, our game publish covers over 150 countries and regions worldwide, serving over 200 million users cumulatively. We are dedicated to promoting global cultural exchange and diversification of digital entertainment, continuously iterating game experiences with the assistance of artificial intelligence and virtual reality technologies, bringing about a better life with high-quality entertainment experiences.

Through the deep integration and mutual empowerment of these two major business segments, Boton not only enriches the content and form of the mobile Internet business but also facilitates the intelligent upgrading of the industrial Internet business. This greatly optimizes and improves the operational efficiency of industry customers, demonstrating the powerful driving force of technological innovation in promoting cross-border integration for industrial upgrading. This cross-disciplinary technological integration and innovative application not only enable Boton to achieve complementary growth and maximize value in its own business but also create more value for customers and society, leading the industry in a new direction of development.

## What We Do

### Industrial Internet

In the field of industrial Internet, Boton is a pioneer and practitioner of "safe, green, efficient, and intelligent" conveyance of industrial bulk materials. Our mission is to "make industrial bulk materials handling greener," and we are committed to building carbon reduction capabilities throughout the product life-cycle, using technology and innovation to support global carbon neutrality strategies. Driven by the vision of "To be the world's leading intelligent conveyor service provider," we delve deeply into various aspects of intelligent conveyance solutions, including digital conveyor belts, smart hardware monitoring systems, clean production, integrated operation of smart mines, digital twinning technology, and turnkey conveyor system services. We are driving the digital revolution in conveyance systems. Leveraging Boton Intelligent Green Development Research Institute as a platform for technological innovation, we adhere to the principles of sustainable development, harness industry chain advantages, and empower partners to achieve breakthroughs and transformations in innovation.

- High-performance digital conveyor belt product life-cycle management services
- Integrated turnkey services for conveyor system integration
- Intelligent conveyance digital solutions

### Mobile Internet

We specialize in providing professional services for the global expansion of mobile gaming products. As one of the earliest mobile game publishers to venture overseas in China, we have accumulated rich experience in overseas game distribution. We have gradually formed our business core around four major markets: Hong Kong, Macau, Taiwan, Japan, South Korea, and Southeast Asia, supporting the exploration and expansion into other emerging markets globally. We have developed a presence in multiple overseas markets such as the Americas, Europe, and the Middle East, gradually establishing a global game distribution business. Throughout our global distribution practice, we have fostered long-standing and profound cooperative relationships with international companies such as Facebook, Google, Twitter, Line, and Kakao. We have published over 320 games and have served a cumulative total of 214.1283 million players worldwide (with an additional 19.7585 million new users in 2023).

Overseas game publishing / Global R & D and operations integration



### Industrial Internet



#### Mission

To make industrial bulk materials handling greener



#### Vision

To be the world's leading intelligent conveyor service provider



#### Values

Benevolence, Integrity, Cooperation, Sharing

### Mobile Internet



#### Mission

To spread the world's outstanding culture and digital civilization



#### Vision

To create the world's leading game publish platform

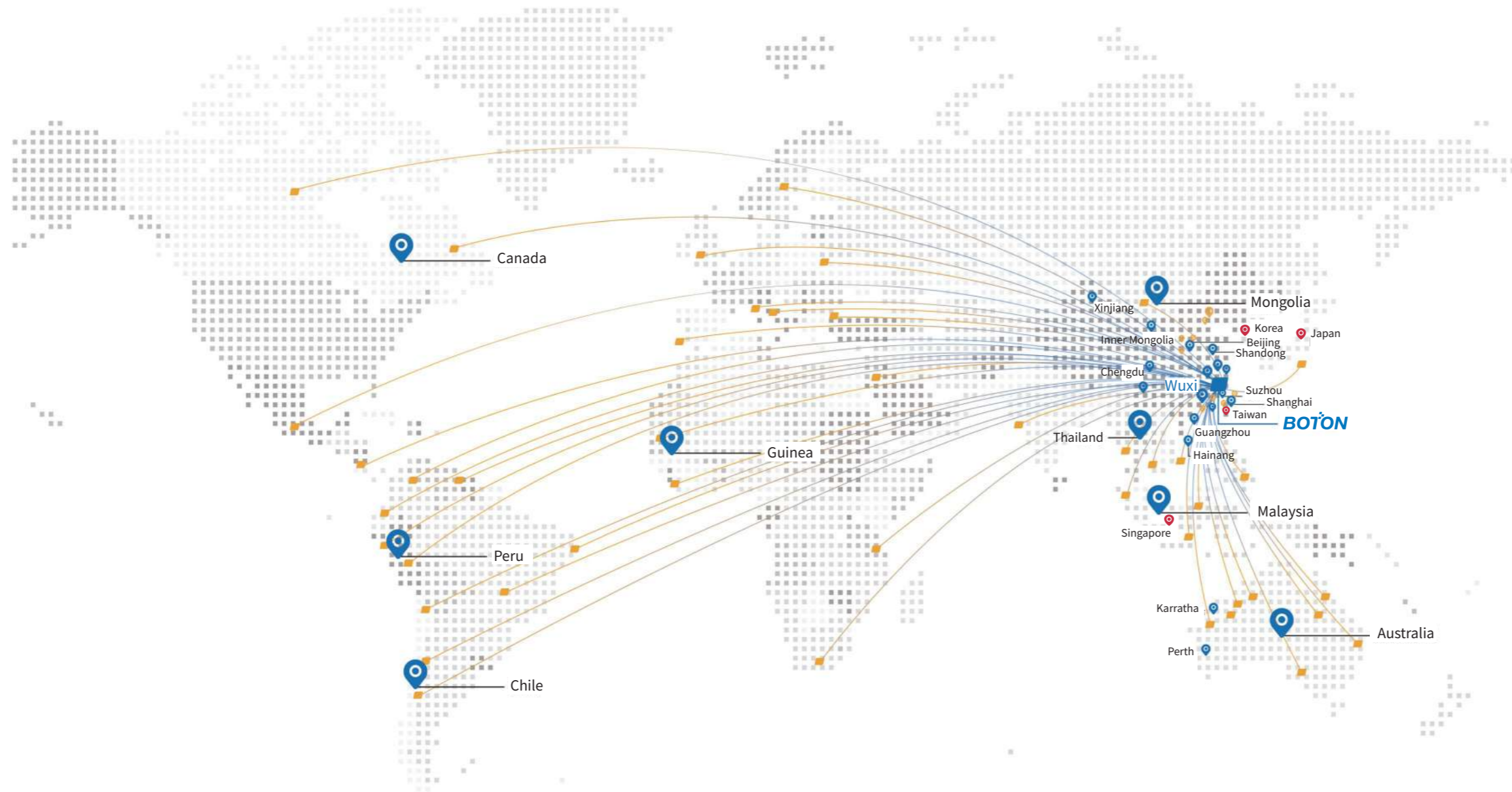


#### Values

Benevolence, Integrity, Cooperation, Sharing



# Global Business Layout



## Headquarter Wuxi, China

### R & D Center

Wuxi, China  
Guangzhou, China

### Global Service Network

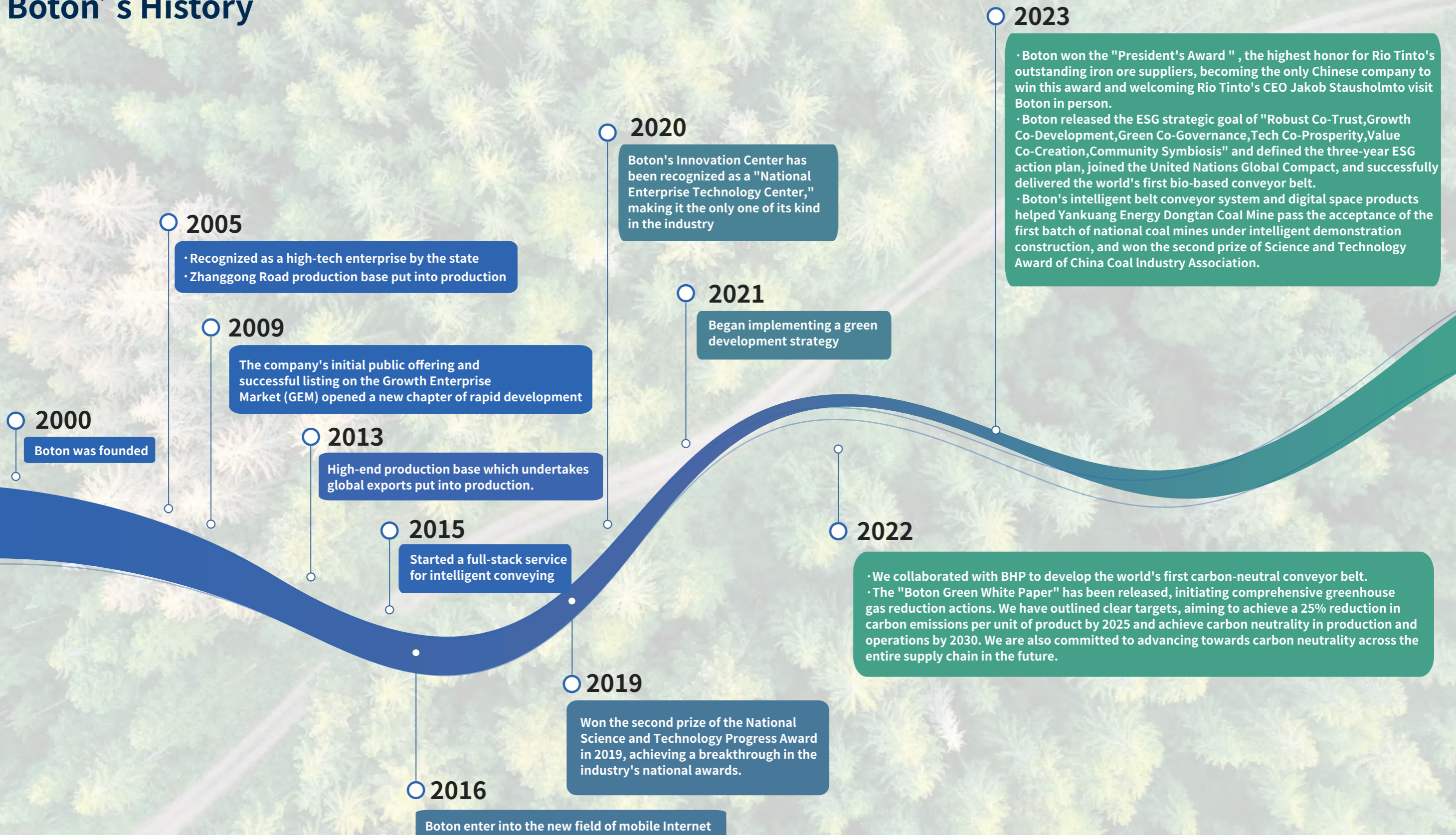
Domestic	Overseas
Jiangsu,	Australia,
Hubei,	Guinea,
Jiangxi,	Thailand,
Shandong,	Malaysia,
Inner Mongolia,	Canada,
Xinjiang,	Chile,
Shanxi,	Peru
Ningxia,	
Guangdong,	
Sichuan,	
Shaanxi	

### Global Production Base

Domestic	Overseas
Wuxi, Jiangsu,	Thailand (new)
Jining, Shandong	

■ Headquarter 
 ● Global Service network 
 ● Industrial internet 
 ● Mobile internet 
 ■ Business range

# Boton's History



# 2023 Rewards



The manufacturing base of Boton has been awarded as an Excellent Scene of National Intelligent Manufacturing, the Green Factory of Jiangsu Province, and the Industrial Internet Benchmark Factory of Jiangsu Province.

The key technology of intelligent control of belt conveyor system with digital twin and AI measurement and control has won the Second Prize of Science and Technology Award of China Coal Industry Association.

Nominated for the Jiangsu Provincial Governor's Quality Award.

One of the internationally renowned brands key cultivated and developed by the province.

Awarded the President's Award, the highest honor for outstanding suppliers from Rio Tinto.

Awarded the Innovation Cooperation Contribution Award by Shandong Energy Group.



The board secretary performance evaluation of the listed company received a 4A rating.

Recognized with Level B by Shenzhen Stock Exchange's information disclosure evaluation

Designated as an enterprise practice alliance unit of the Hong Kong and Macao Youth Innovation and Entrepreneurship Base.

Awarded the Labor Harmony and Relationship Award of Wuxi City.

Awarded the Wuxi Charity Award and recognized as the Most Charitable Enterprise with Love.

Wuxi Market Supervision Bureau Municipal Trade Secret Protection Demonstration Unit



Excellent performance in the ENJOY Offshore Card Game List.

Recognized as an Excellent Offshore Game Partner by Huawei.

Won the GTA2023 Best Offshore Game Enterprise Award.

Recognized as one of the Top Ten Asia-Pacific Game Distributors by the China Game Offshore Sail Award.

# 2023 ESG Insights



## Environmental 环境

## Social 社会

## Governance 公司治理

Launched the world's first bio-based conveyor belt and the world's first Φ600mm aramid core pipe conveyor belt.

Provided green conveyor belt products to the world's largest hydrogen steel plant, promoting the development of the green steel industry chain.

Group-wide carbon emissions decreased by

**19.8** %

Carbon emission intensity decreased by

**26.2** %

Green conveyor belts account for

**45** %

Low-carbon sustainable materials are utilized

**20** %

Electricity consumption is from green sources

**26.2** %

"Boton Supplier Code of Conduct"  
"Boton Supplier Integrity Agreement"

Signing rate **100** %

Sessions conducted for supplier ESG policy dissemination and training

**75** times

Total training hours

**52594.55** h

Extended community development efforts to overseas indigenous communities for the first time, aiding in the economic development and cultural preservation of local tribes

Customer satisfaction rating

**83.6**

Employee satisfaction rating

**94.73**

Collaborated with multiple parties to initiate low-carbon community projects.

Joined the United Nations Global Compact, contributing to the UN Sustainable Development Goals.

Recognized with

**Level B**

by Shenzhen Stock Exchange's information disclosure evaluation (consistently receiving B-level or higher ratings for 12 consecutive years, with three years at A-level)

Among board members the proportion of non-independent female directors is

**29** %

Independent female directors account for

**33** %



Coverage in business ethics training

**100** %

# 02 Sustainable Development Management

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## Boton ESG Governance Framework

To enhance the company's sustainability management, we have integrated Environmental, Social, and Governance (ESG) principles into the entire group's corporate governance framework and business operations management. By establishing and refining the ESG governance framework, we aim to ensure the long-term resilience of our business development and create more value for our stakeholders. We have established an ESG governance structure with the Board of Directors as the highest authority, divided into three levels: the Board of Directors, the Strategic and Sustainable Development Committee, and the ESG Working Group. Additionally, we have established a Climate Action Task Force to address the challenges posed by climate change.


<p><b>Governance</b></p> 	<p><b>Borad</b></p>	<p>We have developed an ESG governance framework to oversee and approve the company's ESG strategic planning, review and approve overall ESG action objectives, implementation plans, budgets, ESG risk assessments, and mitigation measures. Through regular monitoring and review, we ensure the effectiveness of ESG management.</p>
<p><b>Management</b></p> 	<p><b>Commission on Strategy and Sustainable Development</b></p>	<p>We focus on stakeholder communication, formulating the company's ESG development strategy, and ESG short, medium, and long-term action plans. We track the implementation of substantive issues, review the achievement of ESG goals, and evaluate sustainable development risks, opportunities, and response measures.</p>
<p><b>Executive</b></p> 	<p><b>ESG Working Groups</b></p> <hr/> <p><b>Climate Action Group</b></p>	<p>Responsible for the implementation of ESG action plans.</p> <p>We collaborate effectively with the ESG working group, focusing on the area of climate change. We analyze and identify climate change risks and opportunities, develop and implement strategies to address climate change within the company. We coordinate the planning of carbon neutrality management and the achievement of decarbonization goals at Boton. This includes the development and trading of carbon assets. We regularly monitor and evaluate the effectiveness of the company's climate change-related initiatives.</p>

## Board Independence and Diversity

A highly independent and diverse board of directors provides varied perspectives, promoting comprehensive decision-making, particularly in ESG governance, ensuring close alignment between company strategy and stakeholder needs. Independent directors leverage their professional expertise to offer insights on significant matters such as company strategy, operational management, and risk management during shareholder meetings and board sessions, fostering internal checks and balances within the board. This enhances the scientific and professional nature of board decisions. Diversity fosters innovative thinking and solutions, enhancing the company's competitiveness and adaptability in global markets.

When nominating and appointing board members, we fully consider factors such as gender, age, knowledge, skills, experience, and background. The Nomination and Governance Committee is responsible for assessing the independence of non-executive directors, setting goals for board independence and diversity, and regularly reviewing and monitoring the implementation of board diversity.

As of the report publication date, the company's board of directors consists of a total of 7 members, including 4 non-independent directors and 3 independent directors. Among them, 2 are female directors, accounting for **29%** of the board membership, and 1 female director is an independent director, representing **33%** of the independent director membership.



Boton Board Member Information			
Name	Sex	Title	Experience
Bao Zhifang	Male	Non-independent Directors	Industry experts
Tang Yu	Female	Non-independent Directors	Industry experts
Sun Yebin	Male	Non-independent Directors	Industry experts
Zhang Liqian	Male	Non-independent Directors& secretary	Industry & Finance experts
Ma Jianguo	Male	Independent Directors	Industry experts
Ji Zhicheng	Male	Independent Directors	Industry experts
Zhang Huifen	Female	Independent Directors	Industry & Finance experts

# Boton Sustainability Concept



## People-centered

Ensure that corporate decisions and activities take into account the interests and well-being of employees, supply chains, customers, and communities, promoting fairness and inclusivity.



## Respect Nature

Protect the environment and ecosystems, minimizing the negative impact on nature through the lowest resource consumption, energy consumption, and environmental footprint in corporate operations.



## Continuous Innovation

Continuously pursue new technologies, products, and solutions, adapting to market changes, empowering customers, and driving industry transformation.



## Economic Stability

Ensure the long-term sustainability of economic activities, including financial health, profitability, and risk management, to achieve sustainable profit growth. Strengthen partnerships, empower each other, and ensure the healthy and robust development of the entire ecosystem.



## Promoting Social Progress

Promote economic growth through corporate operations, while engaging in addressing the challenges facing society, contributing to the socio-economic and community development.

# Boton Sustainability Core Elements

In 2023, Boton integrated five core elements of sustainable development, namely "Business", "Open-mindedness", "Technology", "Opportunity", and "Network", into the company's new development strategy of "greenfication, intelligentization, globalization, and integration", along with its sustainable development strategy. This integration aims to continuously enhance governance and risk management capabilities by combining the sustainability of the company's business operations with other impacts (ESG). This approach demonstrates a forward-thinking and integrated business model that not only pursues economic benefits but also aims to promote a more open, interconnected, and sustainable business ecosystem.



# Boton ESG strategy



In 2023, Boton officially joined the United Nations Global Compact, committing to uphold the ten principles of the Global Compact and contribute to the achievement of the 17 United Nations Sustainable Development Goals. Based on domestic and international sustainable development standards and trends, combined with the macro background and Boton's new four strategy of "greenification, intelligentization, globalization, and integration", we have integrated Boton's sustainable development concept and core elements into our strategic direction. We have formulated the Boton ESG (Environmental, Social, and Governance) strategy, outlining six strategic areas, related objectives, and specific action plans to promote the normalization, institutionalization, systematization, and regularity of ESG work. This is aimed at addressing environmental and social challenges and building sustainable competitiveness embedded in the global value chain.

By integrating the ESG (Environmental, Social, and Governance) strategy into the four strategy of "greenification, intelligentization, globalization, and integration," Boton intertwines and reinforces these strategies in the pursuit of its vision. While striving for economic benefits, Boton is equally committed to achieving social value and ecological balance. It continuously drives both the company and society towards the path of sustainable development.

We focus on six major areas and execute decisions, management, and daily practices around established goals and commitments. Simultaneously, we use ESG governance as the cornerstone and the five core elements of Boton's sustainable development concept as drivers to build and improve the ESG institutional system. We continuously enhance collaboration mechanisms, strengthen ESG progress tracking and incentives, reinforce the effective implementation of ESG strategies, and cultivate Boton's distinctive ESG competitiveness. Together with all stakeholders, we stride towards a sustainable future.



① Green products refer to energy-saving belts with lightweight and low rolling resistance characteristics, which raw materials comply with legal requirements and the energy consumption in the production process is lower than the industry's limited value. These products include conveyor belts made of low-carbon sustainable materials, conveyor belts with carbon neutrality certification, anti-adhesion and tubular belts with environmental protection attributes, as well as ultra-wear-resistant and anti-cutting conveyor belts with long service life.

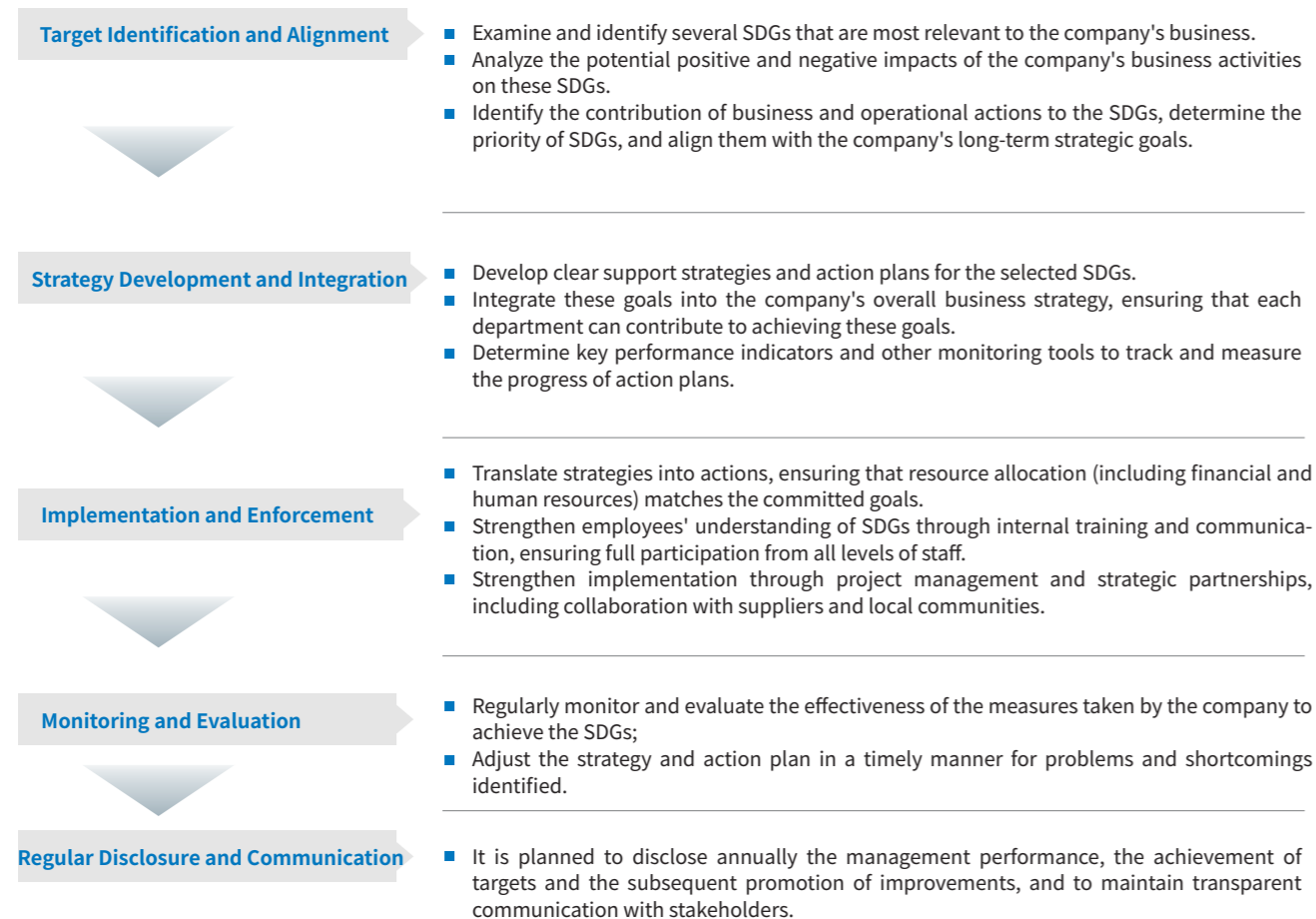
## Strategic Areas and Priorities

<p><b>Robust Co-Trust</b></p> <p><b>Strategic Topic</b></p> <ul style="list-style-type: none"> <li>Board Independence and Diversity</li> <li>Business ethics and anti-corruption</li> <li>Anti-Unfair Competition</li> <li>User privacy and data security</li> </ul> <p><b>Key Measures</b></p> <ul style="list-style-type: none"> <li>Strengthen the construction of internal culture of integrity and build the operation mechanism of integrity management;</li> <li>Strengthen compliance operation and risk management;</li> <li>Strengthen information security management and data and privacy protection</li> </ul>	<p><b>Growth Co-Development</b></p> <p><b>Strategic Topic</b></p> <ul style="list-style-type: none"> <li>Employee Care</li> <li>Occupational Health and Safety</li> <li>Employee Rights &amp; Benefits</li> <li>Employee Training and Development</li> <li>Diversity Equality Inclusion (DEI)</li> </ul> <p><b>Key Measures</b></p> <ul style="list-style-type: none"> <li>Improve the employee care system, and continuously enrich the content of care at all levels of demand;</li> <li>Ensure the investment in employee safety and rights protection;</li> <li>Build a talent training system that adapts to the transformation trend of the industry, and focus on cultivating diversified and internationalized talents;</li> <li>Integrate equal opportunity, non-discrimination and other diversified factors into the entire process of employee organization and culture construction and human resource management</li> </ul>	<p><b>Green Co-Governance</b></p> <p><b>Strategic Topic</b></p> <ul style="list-style-type: none"> <li>Tackling Climate Change</li> <li>Green Operations</li> <li>Energy Management</li> <li>Waste Management</li> </ul> <p><b>Key Measures</b></p> <ul style="list-style-type: none"> <li>Develop savings and circular production, and build the carbon reduction capacity throughout the product life-cycle.</li> <li>Continuously increase the proportion of clean energy usage.</li> <li>Continuously reduce production energy consumption through equipment upgrades, process optimization, energy management monitoring systems, etc.</li> <li>Establish a climate action group to organize the completion of the company's carbon inventory and verification work, and establish a platform for managing the carbon footprint of key products.</li> </ul>
<p><b>Tech Co-Prosperity</b></p> <p><b>Strategic Topic</b></p> <ul style="list-style-type: none"> <li>R &amp; D and Innovation</li> <li>Industry-University-Research Co-operation</li> <li>Green Products</li> </ul> <p><b>Key Measures</b></p> <ul style="list-style-type: none"> <li>Continuously increase the development of new materials and new technologies.</li> <li>Continuously enhance the competitive advantage of green products.</li> <li>Strengthen industry-university-research cooperation to generate innovative outcomes.</li> </ul>	<p><b>Value Co-Creation</b></p> <p><b>Strategic Topic</b></p> <ul style="list-style-type: none"> <li>Sustainable supply chain</li> <li>Quality Management</li> <li>Products &amp; Services</li> </ul> <p><b>Key Measures</b></p> <ul style="list-style-type: none"> <li>Implement ESG management and ESG audit on the supply chain side, and drive the value chain partners to jointly achieve sustainable development;</li> <li>Establish a global technical service centre to continuously improve service efficiency and service level;</li> <li>Assisting customers in the decarbonisation process</li> <li>Use digital technology to develop safe, stable, efficient and energy-saving products around market demand;</li> <li>Continue to build a good game ecosystem and user operation.</li> </ul>	<p><b>Community Symbiosis</b></p> <p><b>Strategic Topic</b></p> <ul style="list-style-type: none"> <li>Community service &amp; development</li> <li>Community Benefit</li> </ul> <p><b>Key Measures</b></p> <ul style="list-style-type: none"> <li>Continuously explore and innovate new models of social welfare, focusing on four major areas: quality education, ecological conservation, low-carbon communities, and poverty alleviation. Radiate community volunteer services and community development topics through Boton Global Charity Fund, Boton Zhide Education Fund, and other initiatives to empower philanthropic innovation.</li> </ul>

# Contribution to the UN Sustainable Development Goals

“ As Boton advances its global business expansion, it also pays attention to global sustainable development and actively conducts a comparative analysis of the United Nations Sustainable Development Goals (SDGs) with our corporate responsibilities. Considering Boton's business nature and recent focus areas, we have selected ten SDGs. These goals will be integrated into our operational strategy, with continuous disclosure of progress to actively contribute to the achievement of global sustainable development goals. ”

## SDGs Management Process



## Boton's Contribution to the SDGs in Action

### Target 3 Good Health and Well-being



·Through the ISO 45001 Occupational Health and Safety Management System, Boton promotes employee health and safety in the workplace. We have established an Employee Health Management Center to manage employee health records and regularly conduct various health clinics and seminars. We have developed an employee care system based on five needs: physiological, safety, social, esteem, and self-actualization. Additionally, we have established the Boton Zhidejia Fund to comprehensively promote the well-being of employees.

·In multiple communities, we have built health facilities for residents and organized health seminars and clinics in collaboration with hospitals. These efforts aim to support community members in improving their physical and mental health comprehensively.



### Target 4 Quality Education



·Boton Academy has been established to provide thousands of courses and training programs. We formulate comprehensive training and development plans for employees, encouraging lifelong learning. We offer the "Xingrui" and "Xingchen" training camps targeting different job levels to enhance skills, and we plan to launch the "Xingyi" training camp project in 2024.

·Boton Zhide Education Fund has been established to continuously support the improvement of education levels in various domestic colleges and universities. We do this through scholarships, charitable assistance, improving educational resources at schools, fostering teacher talent, and providing opportunities for graduates to engage in industry-academia-research projects.

·We have collaborated with multiple schools in the community to establish an Engineering Education Innovation Base, providing students with more opportunities to learn and practice in the company. We also conduct the "Future Classroom" public welfare program, bringing VR equipment and related virtual reality courses to community schools to inspire children's innovative awareness and interest in technology.



**Target 5 Gender Equality**



We implement gender-equal employment and promotion policies to provide women with comprehensive opportunities for career development. We set gender diversity goals for female employees, female managers, and company decision-makers. We safeguard the rights of female employees through the Women's Employee Protection System.



**Target 7 Affordable and Clean Energy**



We continue to increase the proportion of clean energy usage within the company. In 2023, we deployed 3.3MW of distributed photovoltaic projects and purchased 7,000,000 kWh of green electricity externally. The overall proportion of green electricity within the company reached 26.1%. Additionally, we have set a target to achieve 100% green electricity usage by 2030.



**Target 8 Decent Work and Economic Growth**



- We comply with international human rights laws and regulations, ensuring the effectiveness of employee rights and grievance channels. We provide employees with fair income and development opportunities, coupled with fair and just performance appraisal mechanisms. We establish short, medium, and long-term incentive plans to achieve mutual development between employees and the company.
- We build a responsible supply chain, ensuring that partners in the supply chain comply with labor rights and labor laws and regulations.
- The company provides a comprehensive solution for smart transportation that is safe, efficient, energy-saving, and stable. Through green products and digital means, we continuously improve the transportation efficiency of various mineral resources, reduce transportation costs and energy consumption, and facilitate the green and digital transformation of energy customers, thereby promoting economic growth.



**Target 9 Industrial Innovation and Infrastructure**



The Boton Intelligent Conveyor Industry Green Development Research Institute serves as an innovation hub, focusing on technological innovation and breakthroughs in advanced materials, green conveyor belts, intelligent transportation technology, special electronic flexible materials, and other areas. We establish and improve technical innovation facilities (such as the national CNAS laboratory), increase investment in technological innovation, engage in industry-university-research cooperation, and foster new industries, formats, and models to continuously drive industry development.

**Target 11 Sustainable Cities and Communities**



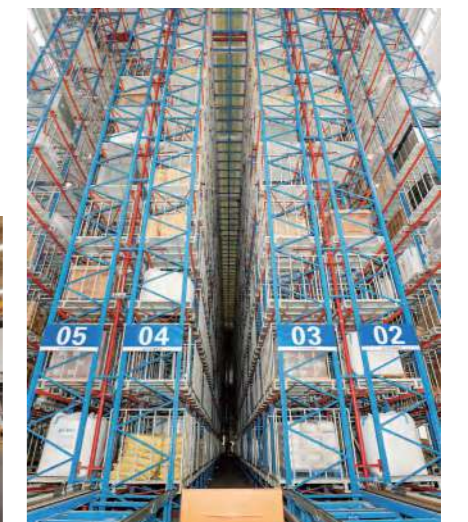
The company continuously contributes to the sustainable development of communities. We plan to establish a Community Sustainable Development Committee in 2024 through collaboration with local businesses and communities. This committee will provide support to the community in areas such as community services, green space ecology, waste management, community participation and education, energy efficiency management, and low-carbon community construction. We aim to continuously explore new paths for community sustainable development.

**Target 12 Responsible Consumption and Production**



We actively implement energy-saving and efficiency-improving measures in production and manufacturing to promote the green and efficient use of energy, continuously reduce the unit energy consumption of products, improve resource utilization efficiency, and reduce waste. We adopt preventive and reduction measures to minimize the generation of wastewater, waste gases, general industrial solid waste, and hazardous waste. We incorporate energy-saving and emission reduction technologies and circular economy principles in conveyor systems and smart mining operation solutions. We provide sustainable development training to suppliers, covering topics such as climate change, greenhouse gas emissions, and product carbon footprints, to promote the sustainable development of the industry chain.

We promote responsible consumer behavior in the mobile internet sector, especially measures to prevent Child from becoming addicted to games and provide guidance.



**Target 13** Climate Action



We have set a clear goal to achieve carbon neutrality in production and operations by 2030, actively addressing climate change. We have established a climate action task force and implemented a climate risk management mechanism. We have organized the completion of the company's carbon inventory and verification work and established a platform for managing the carbon footprint of key products. We continuously enhance the carbon reduction capacity throughout the product life-cycle, from green materials, green products, green manufacturing, green transportation to green recycling. We intensify energy management in manufacturing bases, continuously reducing the unit energy consumption of products through equipment upgrades, environmental protection renovations, process optimization, and energy management system supervision. We continue to increase the proportion of green electricity usage to help create a low-carbon new ecosystem.



**Target 16** Peace, Justice and Strong Institutions



We continuously strengthen the construction of the company's integrity system, establish systems related to business ethics and anti-corruption, and increase training efforts to practice transparent and honest governance. We appoint a Chief Information Officer to enhance information security management and data privacy protection. We promote a culture of compliance within the company.



**SUSTAINABLE DEVELOPMENT GOALS**



# Stakeholder Communication

Boton deeply understands the importance of stakeholders' opinions and participation in our ESG work. We always focus on and listen to the demands of internal and external stakeholders. We establish communication channels through various forms to collect and respond to stakeholders' expectations and demands regarding Boton.

Key Stakeholders	Stakeholder Representatives	Main Communication Channels	Concerns and Expectations
Government and regulatory bodies	Country of operation / local government Shenzhen Stock Exchange (SZSE)	Correspondence, working meetings Policy implementation Industry Research Information Disclosure	Corporate governance Compliance operations Economic performance Climate change response Safe production Industrial development Research and development innovation Environmental compliance Fair competition Circular economy Standards and policy formulation
Investor	Shareholders of the Company and potential investors	General Meeting of Shareholders Financial Reports and Announcements Investor presentations, roadshows, analyst meetings Phone calls, conferences, company visits	Investment Returns Corporate Governance Risk Management R&D Innovation
Client	Industrial Internet Segment and Mobile Internet Segment Clients	Customer Satisfaction Survey Customer Visits Customer Meeting New technology/new product conference Industry exhibitions, forums 400 service call Company website and social media interaction	Product quality Customer service Green product development and innovation Safe production Green management throughout the product life-cycle Climate change response Sustainable supply chain Defective product recall Privacy protection and data security Gaming experience and game quality
Employees	Executives, department heads, employee representatives	Employee Satisfaction Survey Employee Salon, Corporate Culture Activities Executive Direct Talk Employee Congress Employee Training Internal meetings, mailings	Career Development Health & Safety Rights Protection and Benefits Diversity and Equal Opportunity
Supplier	Core suppliers in raw materials	Procurement Activities Training and awareness Supplier Conference Supplier Code of Conduct Supplier Contracts Supplier Evaluation and Audit	Win-Win Co-operation Sustainable Supply Chain Supply Chain Empowerment Business Ethics and Anti-Corruption

Key Stakeholders	Stakeholder representatives	Main communication channels	Concerns and expectations
Public and community	NGOs, charities, social organizations, community governments	Social Welfare Projects Volunteer Activities Community Co-construction Exchanges and Visits Information Disclosure	Sustainable Community Development Charity and Volunteerism Environmental Protection Business Ethics and Compliance
Media	Mainstream media	Press Releases News Interviews Company website and social media interaction	Information transparency Compliance operations Community welfare Low-carbon transportation Privacy protection and data security

## Assessment of Substantive Issues

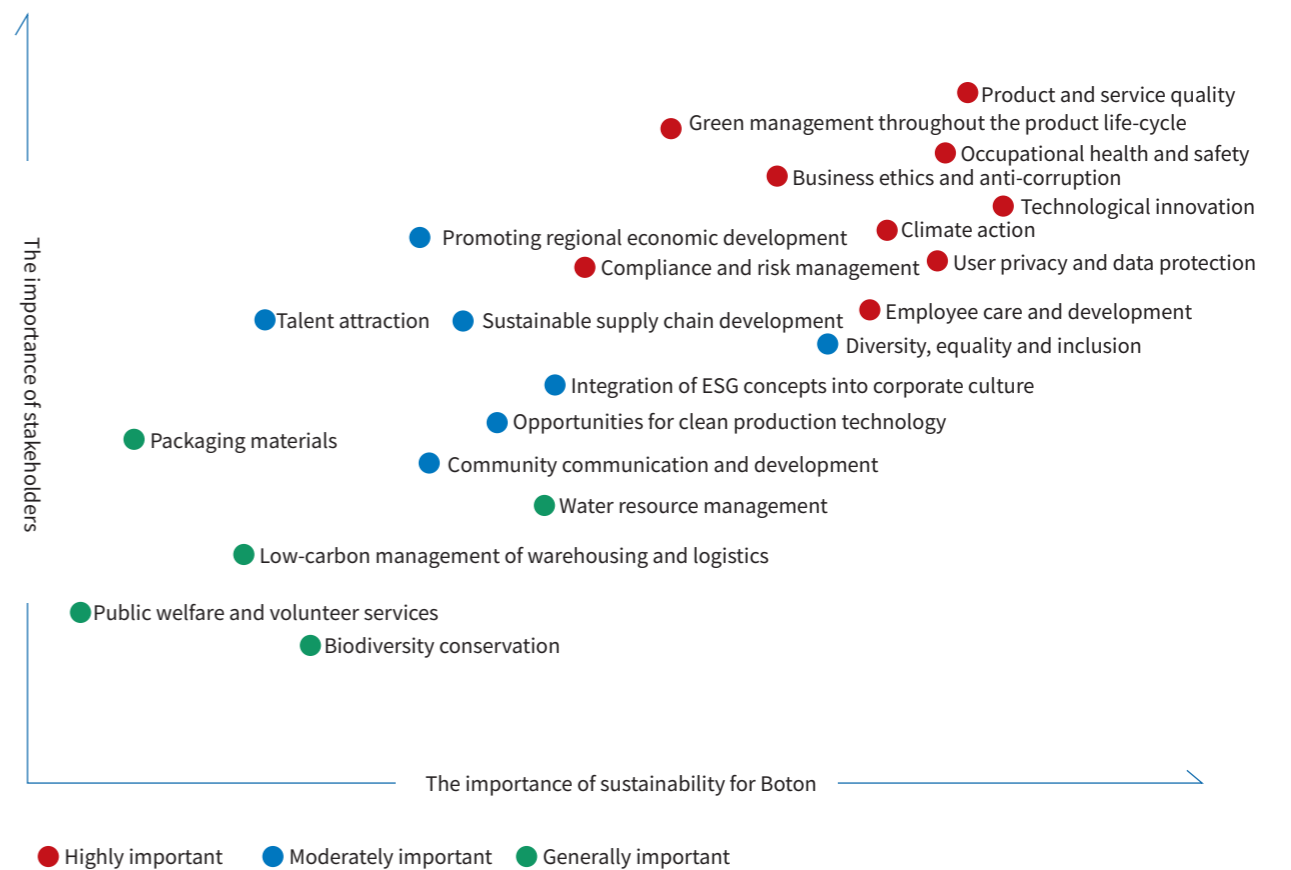
Substantive issues are the focal points and growth points for a company's sustainable development management. We identify, research, analyze, and review substantive issues through communication interviews with stakeholders, site visits, bench marking with peers, and ESG related standards and guidelines. The Strategic and Sustainable Development Committee ultimately reviews and approves these substantive issues.

**Identification:** Based on the Shenzhen Stock Exchange's "Self-regulatory Supervision Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 17 - Sustainable Development Reporting (Trial)" and ESG reporting standards and initiatives (such as GRI, SASB), as well as bench marking with peers, national policies, SDGs, ESG development trends, etc., identify the issues relevant to the company.

**Research:** Conduct in-depth interviews with stakeholders to understand their perspectives and suggestions, then summarize and consolidate the findings.

**Analysis:** Confirm substantive issues based on the company's development strategy, interview communication, external inquiries, and industry trends. Evaluate the importance of sustainability for Boton and the importance of stakeholders, then provide a substantive matrix based on the internal and external impact of the issues.

**Review:** Submit the ranked substantive issues and the substantive matrix of issues to the Sustainable Development Committee for approval.



# Policy System

Environmental Policy	
Aspects	Related sustainable development issues
Carbon inventory management system or carbon peaking & carbon neutrality goals management policy, waste management policy, emission policy for air/water pollutants, energy management policy, environmental protection policy, water conservation/water recycling policy, environmental compliance policy.	Climate change, solid waste management, air emissions, wastewater discharge, environmental compliance.

Social Policy	
Aspects	Related sustainable development issues
Product liability and advertising-related policies, customer service manual, "Quality Fund Management System," occupational health and safety-related policies, "Emergency Management Plan," "Supplier Code of Conduct," "Supplier Integrity and Clean Agreement." "Recruitment and Employment Management Regulations," "Boton Talent Development System Management Standards," "Special Protection System for Female Employees," "Anti-discrimination Management System," "Elimination of Workplace Harassment System," "Democratic Consultation Management System," "Employee Communication Management Measures," "Employee Care Management System," "Boton Zhide Charity Fund Management Measures," "Salary Structure Management Standards," "Employee Continuing Education Aid Management Standards," "Boton Zhide Volunteer Public Welfare Points Management Implementation Measures," "Boton Global Community Public Welfare Fund Management Measures," "Intellectual Property Management System."	Product quality and safety, customer service, employee training and development, employee rights, employee health and safety, employee benefits and compensation, diversity and inclusion, sustainable supply chain, community service and development, innovation and development.

Governance Policy	
Aspects	Related sustainable development issues
"Employee Code of Conduct," "Boton Self-Discipline Convention," "Whistleblowing Management System," "Data Management System," "User Privacy and Security Protection System," "IT Server Management System," "Tender Inquiry and Procurement Management Measures."	Business ethics and anti-corruption, user privacy and data protection, anti-unfair competition, compliance operation.

# Key strategies for sustainable development

	Our Risks	Our Opportunities	Our actions	
Robust Co-Trust	ESG Governance Risk Business Ethics Risk Compliance Risk Information Security Risk	ESG Strategy Risk Control System Management Innovation Building the cornerstone of trust	· Strengthen the construction of internal culture of integrity and build the operation mechanism of integrity management; · Strengthen compliance operation and risk management; · Strengthen information security management and data and privacy protection	
Growth Co-Development	Talent Loss Risk Employment Violation Risk Welfare/Equity Protection Risk Equal Opportunity Risk Occupational Health and Safety Risk	International Talent Team Building Human Capital Empowerment Employee Satisfaction Tools for Work Efficiency and Collaboration	· Improve the employee care system, and continuously enrich the content of care at all levels of demand; · Ensure the investment in employee safety and rights protection; · Build a talent training system that adapts to the transformation trend of the industry, and focus on cultivating diversified and internationalized talents; · Integrate equal opportunity, non-discrimination and other diversified factors into the entire process of employee organization and culture construction and human resource management	    
Green Co-Governance	Policy & Regulatory Risks Climate Change Risk Production Process Carbon Emission Risk Waste Management Risks Energy Management Risks	Green Products Smart Products Failed Product Recycling Clean Production	· Develop savings and circular production, and build the carbon reduction capacity throughout the product life-cycle. · Continuously increase the proportion of clean energy usage. · Continuously reduce production energy consumption through equipment upgrades, process optimization, energy management monitoring systems, etc. · Establish a climate action group to organize the completion of the company's carbon inventory and verification work, and establish a platform for managing the carbon footprint of key products.	  
Tech Co-Prosperity	Technology R&D Risks Intellectual Property Risk AI Impact Risk	Innovation Layout and Leadership Industry-University-Research Co-operation Bio-based Material Development Clean Product Technology Digital Product Revolution Industry Resources Integration	· Continuously increase the development of new materials and new technologies. · Continuously enhance the competitive advantage of green products. · Strengthen industry-university-research cooperation to generate innovative outcomes.	
Value Co-Creation	Product Quality Risks Customer Relationship Management Risk Product Carbon Footprint Risk Supply Chain Risks	Massive Mass Campaign Global Technical Service Centre Dual Carbon / Key Product Carbon Footprint Management Platform Supply Chain Enablement	· Implement ESG management and ESG audit on the supply chain side, and drive the value chain partners to jointly achieve sustainable development; · Establish a global technical service centre to continuously improve service efficiency and service level; · Assisting customers in the decarbonisation process · Use digital technology to develop safe, stable, efficient and energy-saving products around market demand; · Continue to build a good game ecosystem and user operation.	  
Community Symbiosis	Responsible corporate image risk Public expectation management risk Reputation risk Resource allocation risk	Enhancing Brand Social Value Building Sustainable Communities Rural Revitalization Public Welfare Innovation	· Continuously explore and innovate new models of social welfare, focusing on four major areas: quality education, ecological conservation, low-carbon communities, and poverty alleviation. Radiate community volunteer services and community development topics through Boton Global Charity Fund, Boton Zhide Education Fund, and other initiatives to empower philanthropic innovation.	    

03

# Robust Co-Trust Drives Sustainable Development

- P37 Deepen Governance
- P39 Risk Management
- P41 Compliance Operation
- P42 Business Ethics and Anti-corruption
- P44 User Privacy and Data Protection

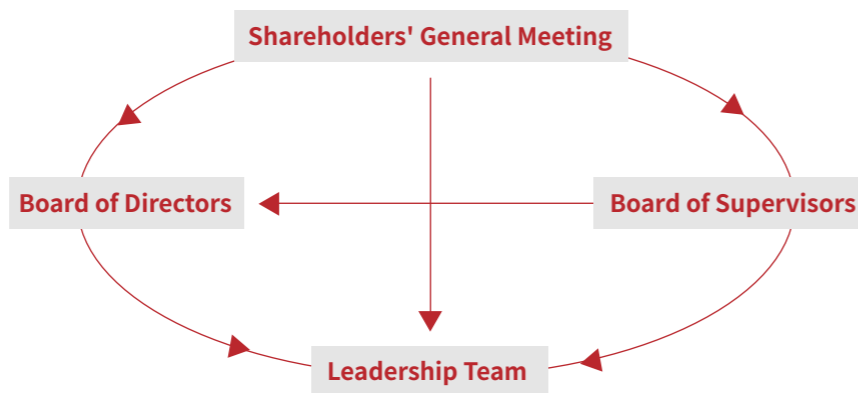
## Sustainable Development Commitments

- Implement and enforce a set of business ethics and code of conduct that align with international standards, with an annual training coverage rate of 100%, ensuring that the company maintains the highest ethical standards in its global business operations.
- Establish a compliance committee to continuously strengthen compliance and supervision system development, including internal controls, risk management, and compliance training, ensuring that the company's business activities comply with all applicable laws, regulations, and international standards.

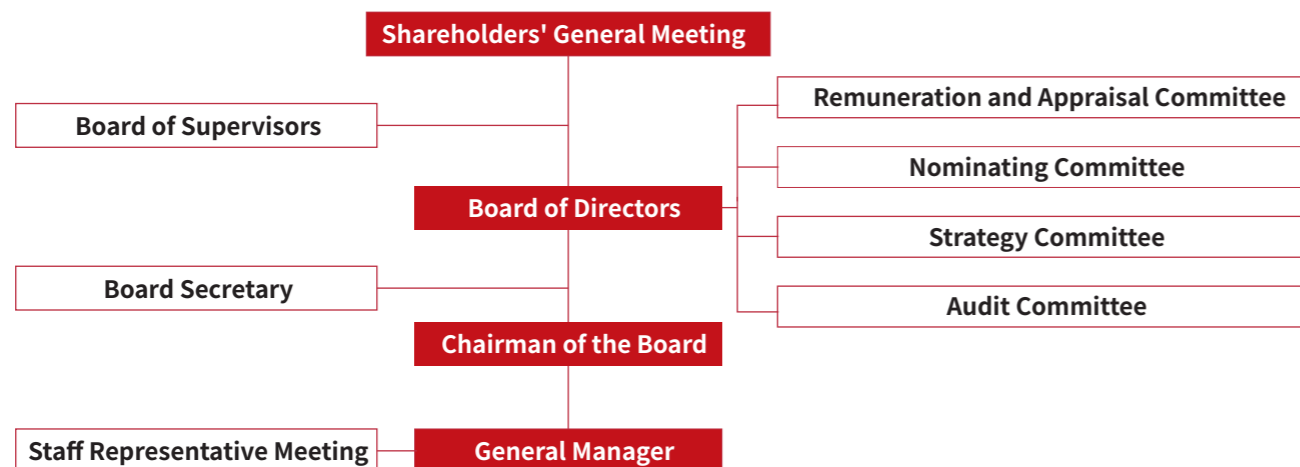
“ In today's ever-changing business environment, steadfast and compliant operations have laid a solid foundation for building a century Boton. By adhering to our commitment to deepening corporate governance, we have erected an efficient and transparent shield in our relentless journey toward compliance operations and risk control. We uphold business ethics, maintain fair competition, and foster a culture of integrity and fairness. In the realm of user privacy protection and data security, we employ cutting-edge technology and rigorous policies to safeguard the privacy of every user and the security of every piece of data, making trust a catalyst for business development. ”

## Deepen Governance

The company strictly complies with the requirements of laws and regulations such as the Company Law, Securities Law, Guidelines for Corporate Governance of Listed Companies, and Guidelines for Standardized Operation of Listed Companies on the Growth Enterprise Market. It has established a sound and effective corporate governance structure composed of the shareholders' general meeting, board of directors, board of supervisors, and management, forming a governance system with clear powers and responsibilities, standardized operations, and complete procedures for deliberation, decision-making, authorization, and execution among the power structure, decision-making body, supervisory body, and management. Through scientific division of labor, clear responsibilities, and effective checks and balances among the institutions, the company ensures the fairness and scientificity of corporate governance decisions.



### Governance Structure Chart



## The Three Meetings Were Held in FY2023

Meeting	Frequency	Reports
General shareholders' meeting	4	A total of 42 motions and reports were considered, reviewed, examined or heard.
Board meeting	8	
Supervisory Board meetings	6	

## Investor Relationship

As a publicly listed company, the company strictly adheres to the requirements of listing rules, laws, and regulations. It has established a comprehensive information disclosure system and investor relations management system, ensuring that relevant information about the company is disclosed to shareholders and investors in a timely, accurate, and complete manner, safeguarding the right to information of shareholders and other stakeholders.

### Annual External Disclosure Announcement

**125** pieces

No corrections, patches, or regulatory penalties in the disclosure of information through the year

The company designates the board secretary as the person in charge of investor relations management, organizing and implementing daily management tasks related to investor relations. Through various channels such as performance briefings, telephone communications, SZSE Interactive, and on-site research, the company strengthens communication with investors on an annual basis. In addition to these communication methods, the company adopts a two-way communication approach of "going out and inviting in," actively participating in brokerage-organized strategy meetings, roadshows and reverse roadshows, and attending special investor education activities. This approach facilitates smooth and effective communication between the company and investors, continuously reinforcing investors' confidence in the company's long-term investment prospects.

### Investor hotline

≥ **700** times

### Performance briefings

**5** times

### Institutional investor communications

≥ **500** times

### Roadshow communications

≥ **1000** people



# Risk Management

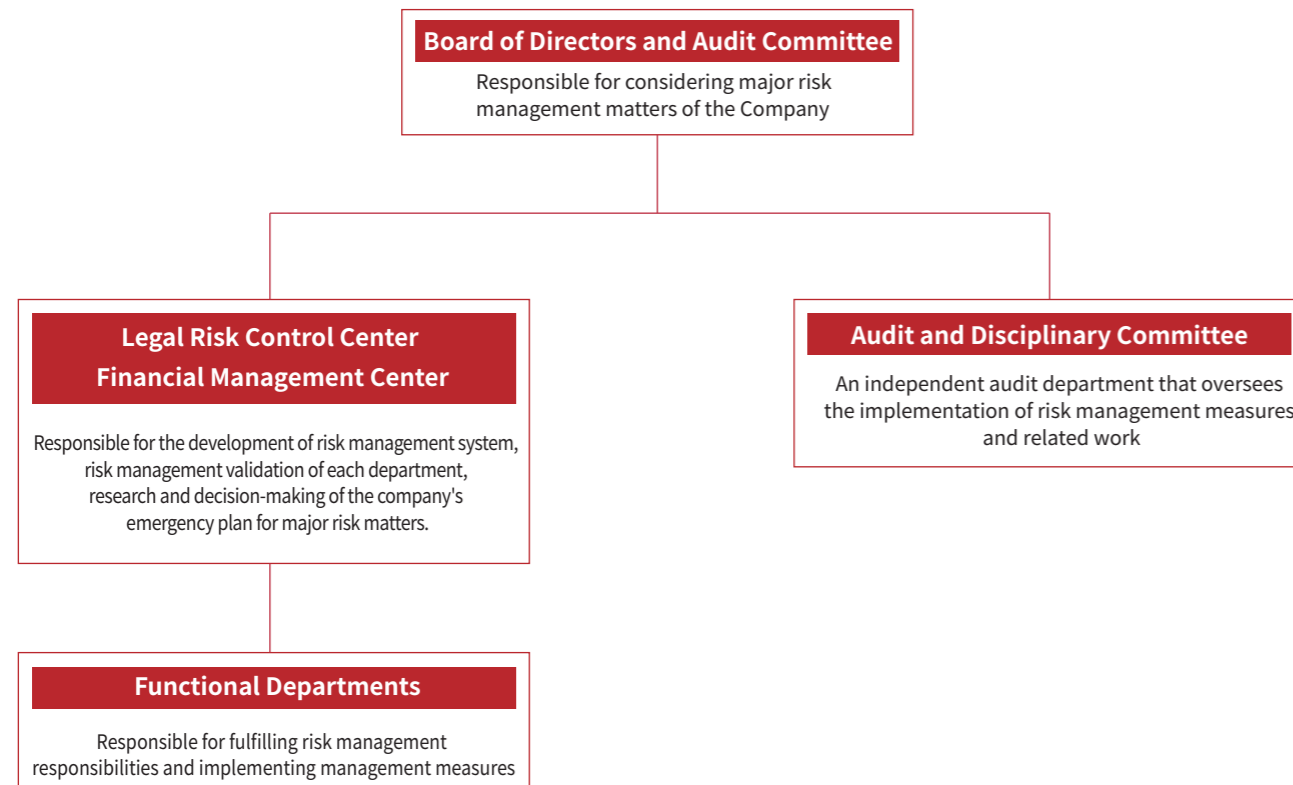
## Risk Management System

During the reporting period, the company placed significant emphasis on building its risk management framework and vigorously promoted the development of its internal control system. In accordance with the provisions of the Company Law, Securities Law, Basic Norms of Enterprise Internal Control, Evaluation Guidelines for Enterprise Internal Control, and other relevant regulations on internal control supervision, the company further updated and improved the Audit and Discipline Inspection System, and the Special Audit System for Boton. These efforts aim to promote legal and compliant operations, asset security, and the accuracy and completeness of financial reports and related information. These initiatives are intended to enhance operational efficiency and effectiveness, facilitating the realization of our development strategies.

The company's board of directors has established an audit committee, which is responsible for conducting special supervision over the company's significant economic activities and daily operations in accordance with the requirements of the board of directors. During the reporting period, the audit committee oversaw 10 audit projects and identified 78 risk points. The company's internal control system focused on high-risk areas, including corporate governance structure, financial management systems and financial reporting, procurement and supply management controls, sales management internal controls, production quality management controls, asset management controls, comprehensive budgeting, outbound investment management, and internal supervision and management controls. The internal control attestation report for 2023 indicated that the company's internal control design is sound and reasonable, internal control execution is effective, and there are no significant deficiencies.

The company has established the Legal Risk Control Center and the Audit and Supervision Discipline Committee, responsible for preventing and timely detecting errors and fraudulent behaviors in the execution of assigned duties. Additionally, the company has established internal control management systems in various dimensions such as financial control, procurement management, outbound investment, sales management, and production operation management. These systems play an active role in regulating operations, strengthening management, improving efficiency, preventing operational risks, and promoting long-term development.

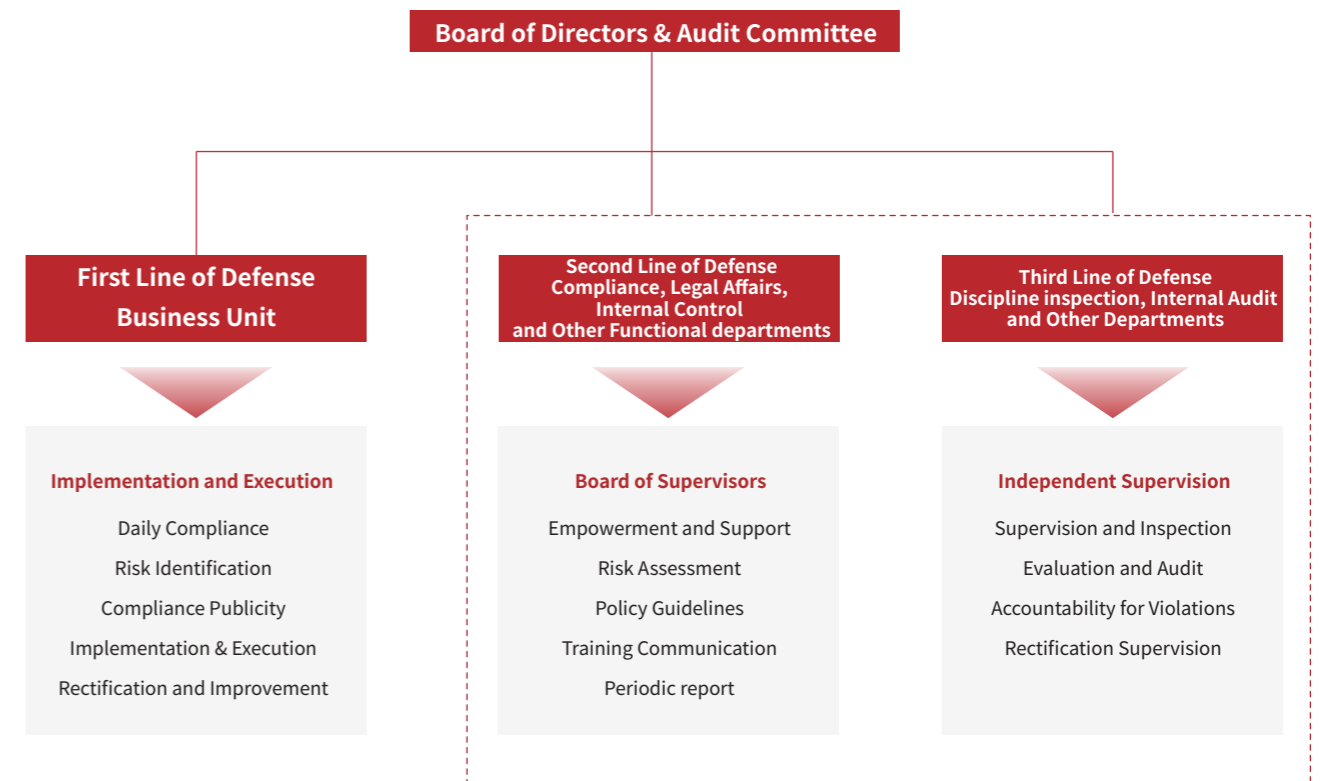
### Boton Risk Management Framework



## Risk Identification & Response

We attach great importance to risk management and internal control, forming a control ecology with three lines of defence. We effectively ensure the implementation of all risk management work in conjunction with the company's situation.

### Compliance Risk Management Control System



During the reporting period, faced with the complex and volatile international situation, we intensified our efforts to identify new risks. We found that geopolitical conflicts were driving up oil prices, which could lead to an increase in procurement and transportation costs for the synthetic rubber used in Boton rubber conveyor belts. To address this, the company's procurement department strengthened its timely tracking of synthetic rubber procurement market trends and fundamental research. It adopted a dynamic procurement strategy, adjusting procurement and inventory levels reasonably based on changes in price movements to keep total procurement volume and average procurement prices within a reasonable range.

## Compliance Operations

Ensuring robust compliance risk management is crucial to safeguarding the continuous and healthy development of the company. In response to compliance risks in business activities, we have promoted coordinated internal controls and forward-looking risk management, achieving closed-loop management of compliance risks from multiple aspects including organizational structure, system framework, legal protection of enterprises, and law-abiding operations.

### Organizational Structure Guarantee

The company has established several specialized committees at the group level, including the Audit and Discipline Inspection Committee, Information Security Committee, Tendering and Procurement Management Committee, Confidentiality Management Committee, and Quality Work Committee, which consist of key company leaders and professionals from relevant departments. These committees focus on overseeing and deploying work related to major business operations, tendering and procurement, information security, protection of trade secrets, and product quality, which are high-risk areas.

### System Framework Guarantee

The company has developed a series of specialized management measures, such as the Audit and Discipline Inspection System, Authorization Management System, Tendering and Procurement Management Measures, Data Management System, Trade Secret Protection Measures, Company Seal Management Measures, and Quality Assessment Management System. These measures establish a relatively comprehensive set of compliance and risk management systems.

### Legal Protection of Enterprises Guarantee

The company is designated as a knowledge property protection legal service point unit by the People's Procuratorate of Wuxi High-tech District (Xinwu District) and also as a municipal-level demonstration unit for the protection of trade secrets by the Market Supervision Bureau of Wuxi City. Through establishing working contact points with judicial and law enforcement agencies, the company can promptly and efficiently learn about laws, regulations, and compliance policies. It also invites experts from judicial agencies to conduct legal education and "legal check-ups" in the enterprise, continuously improving the legal knowledge and risk control capabilities of all employees.

### Compliance Operation

Through advancing organizational structures, system frameworks, and legal protections, the company implements multi-level risk control measures to institutionalize, systematize, and normalize risk management and compliance operations.

## Business Ethics and Anti-corruption

Adhering to business ethics is at the core of Boton's integrity culture. Guided by this principle, we have forged a solid foundation of values that emboldens us to say NO to corruption! We steadfastly reject unfair competition and remain committed to transparent and equitable business practices. With each step forward, we are guided by integrity, contributing to a fair and just economic environment. We have established a corporate governance system for business ethics composed of the board of directors, audit committee, and legal compliance center, with the board of directors responsible for overseeing and reviewing the construction of the company's integrity system.

### Integrity System Construction

#### Integrity System Establishment

**For Employees:** Core policies such as "Boton Employee Code of Conduct," "Boton Self-Discipline Covenant," "Report Management Policy," "Employee Handbook," "Confidentiality Policy," and others have been established.

**For Suppliers:** All collaborating suppliers are required to sign the Integrity Cooperation Agreement.

#### Integrity Culture Cultivation

**For Employees:** Conducted integrity education and training activities 10 times; achieved 100% coverage of integrity training for new employee orientation; during the reporting period, engaged Jiangsu Yuanju Law Firm as a consulting agency to conduct due diligence investigations on business ethics and anti-bribery within the company, conducting research interviews with company management and grassroots employees, online survey questionnaire completion, issuance of due diligence reports, and revision of policies, general legal education, and examination based on the due diligence findings.

**For Suppliers:** Conducted integrity culture education and training for over 80 suppliers.

#### Integrity Supervision Framework

Conducted annual audits on business ethics and anti-corruption across the group and its subsidiaries.  
 Conducted specialized audits targeting fraud risks as required.  
 Established cooperation with the Xinwu District People's Procuratorate of Wuxi City to seek professional support.

## Anti-Unfair Competition

The company strictly adheres to the provisions of the Civil Code, the Anti-Unfair Competition Law, the Tendering and Bidding Law, and other relevant laws and regulations. In key areas such as intellectual property protection, trade secret protection, and tendering and procurement, the company has formulated special management measures. These measures are implemented and controlled by specialized departments such as the Digital Information Management Center, the Green Development Research Institute of Intelligent Conveying Industry, the Legal Affairs and Risk Control Center, and the Tendering and Procurement Management Office. The company upholds its rights in accordance with the law and resolutely combats illegal activities such as pirated software, counterfeit trademarks, patent infringements, commercial espionage, and unauthorized procurement.

- Intellectual Property Protection: "Regulations on Software Genuine Management," "Intellectual Property Management Measures."
- Protection of Trade Secrets: "Management Measures for Trade Secret Protection," "Rules for Graded Protection of Trade Secret Information."
- Tendering and Procurement Management: "Management Measures for Tendering and Procurement," "Management Measures for Tendering and Quotation of Engineering Projects."

## Report Management



### Report Methods

TEL : 13906192070  
13861773597

MAIL : BaoZhifang@boton-tech.com  
ChuKaihong@boton-tech.com

ADDRESS: Office of the Chairman or Audit and Disciplinary Committee, Boton Science and Technology Building, No. 19 Zhanggong Road, Xinwu District, Wuxi City, Jiangsu Province, China.

The company has established comprehensive reporting channels, including reporting emails, reporting hot-lines, and reporting addresses. Employees, partners, and other stakeholders can also directly contact the Office of the Audit and Discipline Inspection Committee for complaints, inquiries, and communication. The reporting channels are published on the company's official website and disseminated to all employees through various means such as the company's internal OA portal.

During the reporting period, the company conducted special publicity campaigns on reporting to all departments at headquarters and subsidiary companies to further enhance employees' awareness of the company's reporting channels.

The company encourages employees, customers, suppliers, and members of the public to report suspected illegal and criminal activities, and has established a reporting reward fund to provide rewards to whistleblowers based on the nature of the reported events. The company may also provide penalty exemptions and maintain cooperation rights for proactive whistleblowing partners.

The company evaluates reported clues and initiates investigations for cases with clear evidence of violations. In accordance with the "Whistleblower Management System," the company standardizes whistleblower protection mechanisms to safeguard the legitimate rights and interests of whistleblowers. Measures such as minimizing the number of informed individuals and entrusting specific personnel with the custody of whistleblower materials are taken to protect whistleblowers' confidentiality.

Any retaliation against whistleblowers is strictly dealt with by the company. Cases involving suspected illegal activities are referred to judicial authorities for handling.

## User Privacy and Data Security

In today's digital age, user privacy and data security have become core elements of corporate social responsibility. In the mobile internet business sector, ensuring user privacy and data security is crucial for establishing long-term trust with users. Therefore, we continuously improve our security risk management system and are committed to actively fulfilling corporate responsibilities in the global digital economy through advanced technological means and rigorous management processes. With practical actions, we ensure that the information society in the digital age is healthier, more reliable, and safer.

### Privacy and Data Protection Policy

The company strictly adheres to national laws and regulations such as the Cyber security Law, Data Security Law, and Personal Information Protection Law. We have formulated and regularly updated a comprehensive "Network Privacy Policy" covering all business scopes, which outlines how we collect, use, and process user data to ensure that users have clear control over their personal information. Internally, we have established the "Game User Privacy and Security Protection System" and "Terms of Service" to protect user privacy and data from multiple perspectives, following internal norms such as "Operating System Security Control Audit" and "Database System Security Control Audit." Throughout the data life-cycle, we continuously mitigate data security risks through routine monitoring, patrols, and supervision checks.

### Internal Management

We have established an Information Technology Governance Committee to oversee data security and provide regular training to employees to enhance their awareness of privacy protection, ensuring that every employee understands and complies with relevant privacy protection regulations. Additionally, we have implemented a strict permission management system to ensure that only authorized personnel can access and process sensitive data, thereby reducing the risk of data leaks.

### Smart Risk Control

We implement intelligent risk control that covers both real-time and offline scenarios for user registration, login, and top up transactions on our platform. In real-time, we employ pre-set flow-limiting strategies, risk control rule interception mechanisms, and intelligent interception and blocking of massive requests from malicious traffic. In offline scenarios, we analyze key user life-cycle information against deviation values of normal users using big data analytics. Combined with machine learning models to analyze abnormal user groups, we accurately identify and block risky users.

## Data Security Technology Defense Measures



### Data Transmission

To effectively prevent attackers or eavesdroppers, both server-side and client-side interaction data are encrypted using high-security-level encryption algorithms (such as AES) for the raw data. This is further complemented by TLS/SSL encryption technology for an additional layer of protection during network transmission.



### Data Storage

Combining local data storage with off-site data backup strategies.



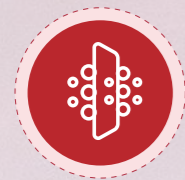
### Data Usage

Sensitive data must undergo desensitization and have access restricted by management permissions.



### Data Deletion

Data operations are recorded by an auditing system, and data is only allowed to be logically deleted. It can only be formally removed after approval through the auditing process.



### Data Security Risk Management

☑ Conducting risk assessments, establishing data breach contingency plans to ensure rapid response; conducting regular compliance reviews and updates, appointing a dedicated data protection officer to supervise the implementation and execution of data protection measures.

## Child Protection

We prioritize the healthy growth of Child and strictly adhere to the "Law of the People's Republic of China on the Protection of Child." Personal users are required to submit their real name, ID number, and contact information before entering the game and agreeing to the privacy policy. This information is then transmitted to the national anti-addiction real-name verification system for real-name registration and verification of identity matching. Based on the verification results, we decide whether to apply preventive measures against Child's addiction to the user.

## Measures and Guidance to Prevent Child from Indulging in Games

### Real-name Authentication

After registering or logging into an account in the game, if the account has not been authenticated, a prompt explaining the real-name authentication policy will appear. Users will then be required to undergo real-name authentication. After successful authentication, entry into the game will be determined based on the authentication result.

### Time Limitations for Minors

- Game services for childs are only provided from 20:00 to 21:00 on Fridays, Saturdays, Sundays, and legal holidays, with a daily limit of 1 hour.
- Children will receive a reminder during the last minute of gameplay, and the game will automatically exit on time.
- If a child attempts to log in during non-playable hours, a corresponding restriction prompt will appear, explaining the policy reasons for not being able to play, and the game will automatically exit upon confirmation.

### Top up Limitations for Children

- Under 8 years old: No game payment services are provided.
- Ages 8-16 (excluding 16 years old): The single top up amount must not exceed 50 RMB, and the cumulative monthly top up amount must not exceed 200 RMB.
- Ages 16-18 (excluding 18 years old): The single top up amount must not exceed 100 RMB, and the cumulative monthly top up amount must not exceed 400 RMB.

When a child's account triggers the above conditions, a corresponding top up restriction prompt will appear, explaining the policy reasons for not being able to continue top up.

# 04 Growth Co-Development Cultivating Diverse Development



- P50 Employee Care
- P52 Occupational Health and Safety
- P55 Employee Rights Protection
- P56 Employee training and Development
- P59 DEI Workplace Environment Construction

## Sustainable Development Commitment

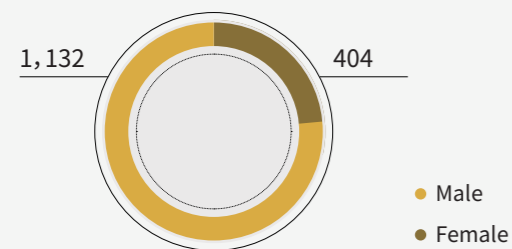
- By 2030, Female employees and female managers account for 35% and 32%, respectively.
- By 2030, Non-front line and front line employees receive annual training hours of 65H and 55H, respectively.
- By 2030, 28% of managerial positions are filled through internal promotions.
- By 2030, 90% of professionals in key positions related to intelligent manufacturing possess the required skills.
- Continuously promote the development of a diverse, equitable, and inclusive (DEI) workplace environment.



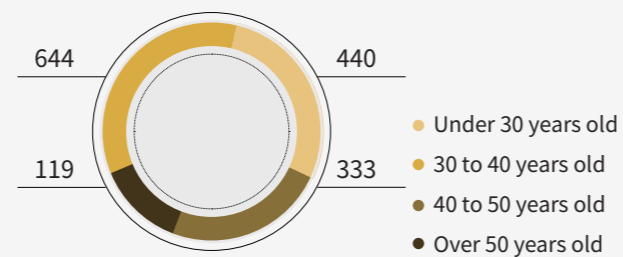
“ In paving the way for the future, the well-being and growth of employees are closely intertwined with the prosperity of the company. We actively promote employee care and health programs, ensuring that every employee can experience growth and advancement in their career through customized training and development projects. Furthermore, we are committed to creating a diverse, equitable, and inclusive work environment, as diversity and inclusivity are key to fostering innovation and promoting teamwork. We believe that only in an environment where everyone feels respected and valued can employees truly achieve comprehensive personal and professional development, thereby contributing to the company and society's greater value creation. It is for this reason that we achieved an employee satisfaction score of 94.73 during the reporting period. ”

### The Composition of the Company's Workforce

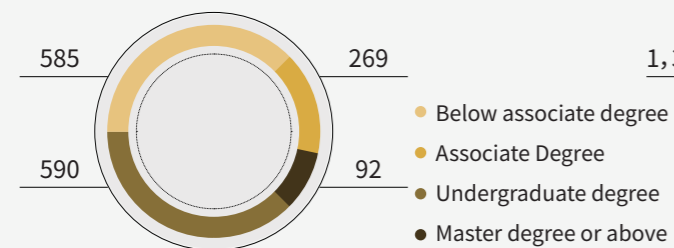
Number of employees by gender



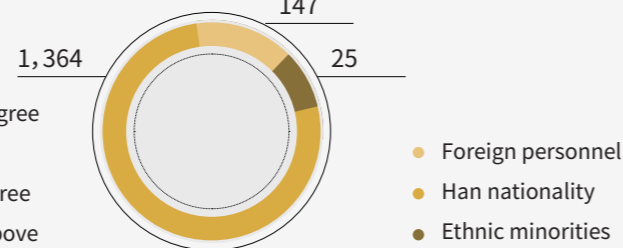
Number of employees by age



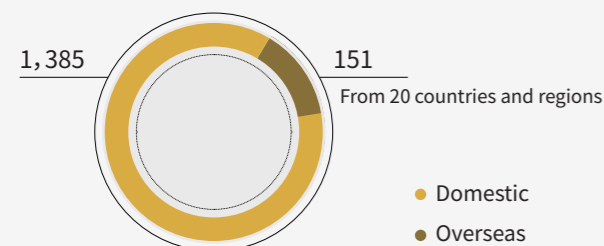
Number of employees by educational background



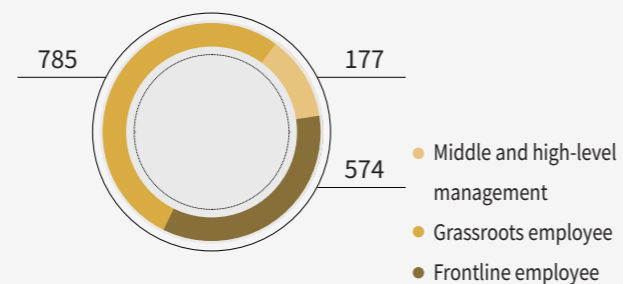
Number of employees by ethnicity



Number of employees by geography



Number of employees by type of employee



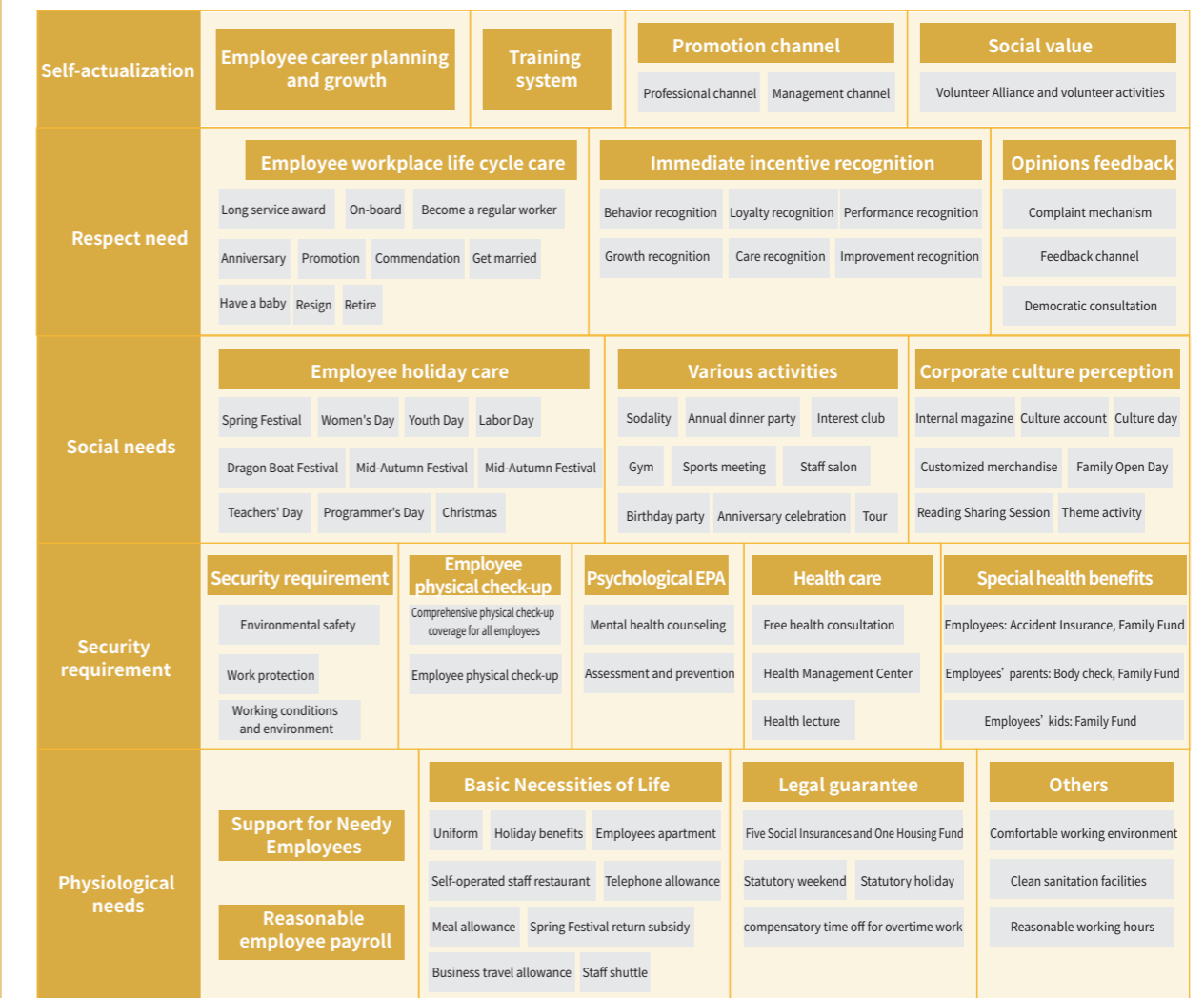
## Employee Care

Boton is committed to establishing a comprehensive employee care system, deepening it into a mechanism that not only meets employees' basic physiological and safety needs but also actively fosters a work environment that promotes social interaction, mutual respect, and personal growth and realization. By enhancing employees' sense of happiness and satisfaction comprehensively, we inject a continuous stream of vitality into the company's innovation and competitiveness.



Boton is committed to ensuring that every employee feels cared for and supported by the company! With 360-degree comprehensive care, from work to life, from health to development, Boton continuously enhances the employees' well-being index, only to add points to your happiness!

### Boton Employee Care System





### The Boton Zhidejia Fund

The Boton Zhidejia Fund was established in 2022, which deepens the comprehensive care for employees, aiming to provide care and assistance to employees at critical moments in their lives. The fund covers various aspects such as marriage, childbirth, child education, hospitalization, family emergencies, home visits and condolences, and assistance for employees in difficulty, effectively addressing key moments and various challenges employees may encounter in life. This greatly enhances employees' sense of happiness and satisfaction, embodying the company's culture and social responsibility. During the reporting period, the Boton Zhidejia Fund spent 184,243 yuan.



### The Boton Employee Health Management Center



The Boton Employee Health Management Center was established in 2023, an important project focusing on employee well-being. The Health Management Center provides comprehensive health support services, including guiding and cultivating healthy lifestyles, organizing regular employee physical examinations, arranging special health lectures and Q&A sessions, hosting various annual health and medical consultations, and providing personalized services from medical experts to employees with underlying diseases, such as health record management, disease and medication consultation, and medical services. These services better meet employees' needs for a healthy body and also meet the needs of families, ultimately achieving the coordinated and sustainable development of company benefits and humanistic care, personnel health, and family harmony.



## Work Health and Safety

We firmly believe that by establishing and maintaining a safe and healthy work environment, we can provide employees with a sense of security and belonging, thereby promoting work efficiency and teamwork. Boton continuously improves occupational health and safety standards to ensure the well-being of every employee. Our goal is not only to comply with regulations but also to foster a culture that values safety and health, ensuring the mutual growth and prosperity of our business and employees.

### Boton Occupational Health and Safety Management Policy

Safety accidents and occupational diseases are preventable. Our goal is zero safety accidents and occupational diseases. To achieve this, we pledge to:

- Comply with laws and regulations.
- Prioritize safety and health in business decision-making and daily management.
- Allocate unlimited resources to safety.
- Design and maintain safe equipment and facilities, and ensure proper operation.
- Control safety risks through comprehensive training and audits.
- Empower employees to speak up and make decisions regarding unsafe conditions and hazards they encounter.
- Track and implement improvement measures for identified risk areas.



## Safety Production Management

Boton strictly adheres to laws and regulations, including the Safety Production Law of the People's Republic of China, the Fire Control Law of the People's Republic of China, and the Law of the People's Republic of China on Prevention and Control of Occupational Diseases. We have established a comprehensive safety management system, guided by the national policy of "safety first, prevention-oriented, and comprehensive management" of safety production. We have formulated relevant rules and regulations for safety production and occupational health and coordinated all safety production and occupational health management work across the entire group through the EHS Committee. Boton incorporates safety responsibility assessment indicators into the annual performance evaluation of company leaders. As of the end of the reporting period, all existing production bases have obtained ISO 45001 Occupational Health and Safety Management System certification, and other bases under construction are actively involved in the construction of ISO 45001 Occupational Health and Safety Management System.



For suppliers and contractors, the company has established a supplier production safety management system and formulated procedures such as the "Contractor Safety and Environmental Management Program" and the "Contractor Safety and Environmental Agreement," clarifying safety management requirements from supplier selection, on-site training, construction process management to the end of the entire operation cycle. Through independent management by business demand departments, grid responsibility management by on-site responsible persons, and safety supervision management, the entry and operation safety of suppliers and contractors are strictly controlled. During the reporting period, the company conducted safety training for 172 construction contractors before entry.

## Safety Training

Boton has established a comprehensive occupational health and safety training system. New employees must undergo three levels of safety training at the company level, team level, and job level before starting work. Only after passing the assessment can they begin their duties. The training covers basic knowledge of safety production, work environment and hazards, methods of risk identification in safety production, risk control measures, and safety and occupational health issues related to job coordination. This effectively enhances employees' safety awareness. In addition, the company organizes monthly safety and occupational health training sessions and weekly safety topic discussions. During the reporting period, the company conducted themed activities such as Safety Month, Fire Prevention Month, safety exchange activities, and legal regulations on safety production.

### Safety Production Month activities

In June 2023, Boton organized Safety Production Month activities across all subsidiaries with the theme "Everyone Talks Safety, Everyone Knows Emergency Response." During the activity period, each company organized comprehensive safety activities for all employees, including online safety propaganda, offline safety training, extensive safety inspections, and emergency drills. These safety activities played a proactive role in strengthening employee safety awareness, enhancing their work skills, improving their ability to protect themselves safely, and effectively preventing safety accidents.



## Safety Culture Building

Boton actively cultivates a culture of safety production among all employees through measures such as linking safety performance with performance evaluations, providing safety education and training, promoting safety production culture, and encouraging the reporting of safety hazards. These efforts aim to strengthen the safety awareness and execution capabilities of all employees, promote safety production practices, and enhance overall safety prevention awareness among all staff members.

## Emergency Management for Safety in Production

In the face of unforeseen challenges, our safety production emergency management system plays a crucial role. This system, based on carefully designed contingency plans, efficient response mechanisms, and close collaboration among all staff, ensures the swift and effective protection of employees' safety and health in emergency situations while minimizing the impact on production and operations. We continuously improve the sensitivity and adaptability of this system through training, drills, and feedback loops to ensure that we can calmly respond and resume production in the face of any crisis, thereby safeguarding the company's steady development and the well-being of employees. During the reporting period, we conducted a total of 62 emergency drill activities.

## Occupational Health Protection

The company employs various measures to prevent occupational disease risks and ensure employees' occupational health. During the reporting period, no cases of occupational diseases were found.

### Occupational Health System Standardization

This includes manuals such as the "Environmental and Occupational Health and Safety Manual," "Program for Identifying Environmental Factors and Hazards, Risk Assessment, and Risk Control," "Occupational Disease Prevention Management Program," "Accident Management Regulations," and "Safety, Environmental Protection, and Occupational Health Education and Training Management Program."

### Occupational Health Monitoring

Annual monitoring of occupational hazard factors is conducted for positions with occupational hazards, and occupational disease hazard notification cards are posted on-site. Pre-employment, on-the-job, and exit health examinations are provided for employees exposed to occupational disease hazards, and employee occupational health monitoring records are established. The company provides personal protective equipment that complies with national standards to all employees in positions with occupational hazard exposure.

### Identification and Management of Occupational Disease Hazards

Employees in positions with occupational hazards must undergo pre-employment, on-the-job, and exit occupational health examinations. Employee occupational health records are established.

Pre-employment and on-the-job examination rates for positions with occupational hazards

**100%**

Annual monitoring pass rate for positions with occupational hazards

**100%**

Cases of occupational diseases and suspected occupational diseases

**0**

# Employee Rights & Benefits

## Adhering to labor regulations

Strictly comply with national relevant laws and regulations such as the Labor Law and the Labor Contract Law, ensure legal employment, and prohibit behaviors such as child labor, forced labor, harassment, bullying, and intimidation.

## Recruitment and dismissal

Adhere to the principle of "openness and fairness", treat all applicants equally, and introduce talents based on merit. In terms of dismissal, conduct the process according to the relevant laws and regulations of the operating location. ("Recruitment and Employment Management Regulations")

## Working hours and leave

Working hours and leave: Introduce new parental leave, single-child care leave, extended maternity leave, and paternity leave for male employees. Schedule shifts according to production needs, and employees need to apply in advance for extended working hours due to work needs. Regularly control working hours, timely manage and adjust employees' working hours to ensure their physical and mental health. ("Employee Handbook")

## Collective bargaining and freedom of association

The company establishes a labor union, convenes workers' congresses, implements a democratic negotiation system, publishes an employee handbook, and provides multiple channels for grievances to ensure employees' rights to collective bargaining and freedom of association. This establishes the employees' right to speak in the company's operations, allowing them to freely express their demands and participate in improving the working environment and welfare, thereby strengthening internal fairness and harmony. ("Democratic Consultation Management System")

## Appeal mechanism

Boton has established an employee complaint channel. When employees believe their personal rights are infringed upon, they can initiate an appeal application, which can be handled by departments such as the Legal Affairs Department, Labor Union, and Human Resources Department to safeguard their rights. ("Democratic Consultation Management System") ("Employee Communication Management Measures")

## Protection for female employees

Gender equality, measures against sexual harassment, support for pregnancy and maternity leave, and menstrual leave. ("Special Protection Management System for Female Employees")

## Communication channels

Executive Direct Line, Lunch Meeting, Workers' Congress, Employee Salon, HRBP, Leader's Email, CEO Reception Day. ("Employee Communication Management Measures")

## Anti-discrimination

No discrimination against any person based on gender, race, ethnicity, disability, age, religion, sexual orientation, or family status. ("Anti-discrimination Management System")

## Anti-sexual harassment

Clearly define sexual harassment behavior and establish a dedicated complaint and investigation mechanism. Any sexual harassment behavior will be strictly reviewed, and once confirmed, a zero-tolerance attitude will be adopted to ensure a safe and respectful working environment for all employees. Additionally, the company regularly conducts sexual harassment prevention education to enhance employees' self-protection awareness and promote a culture of mutual respect in the workplace. ("Workplace Sexual Harassment Elimination System")

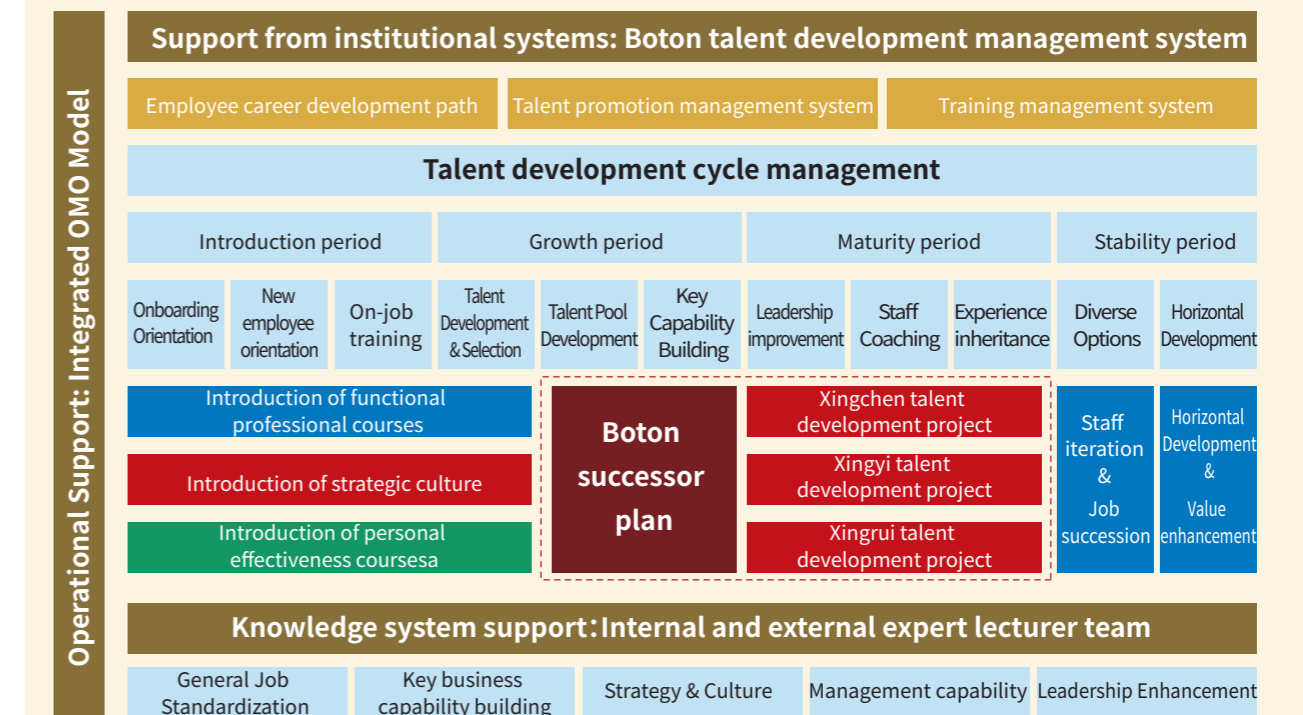
# Staff Training and Development

In the continuous advancement of our talent development strategy, Boton has consistently adhered to the establishment of a learning organization. We have built a talent development management system that covers all employees, with "selective recruitment," "learning and development," "promotion and turnover," and "incentive linkage" as execution standards. Through the establishment of a comprehensive training system and promotion channels, we ensure that everyone can find space for growth and a stage to realize their value here.

## Boton Talent Development Plan

Through the support and operation of the three major systems of the Boton talent development management system, the knowledge system of internal and external expert lecturer teams, and the operation system of the OMO model combining online and offline, we cover various stages of talent development: introduction, growth, maturity, and stability. We introduce a comprehensive range of course resources including professional skills courses, strategic culture courses, personal achievement courses, and Boton successor leadership courses.

### Boton talent development planning blueprint

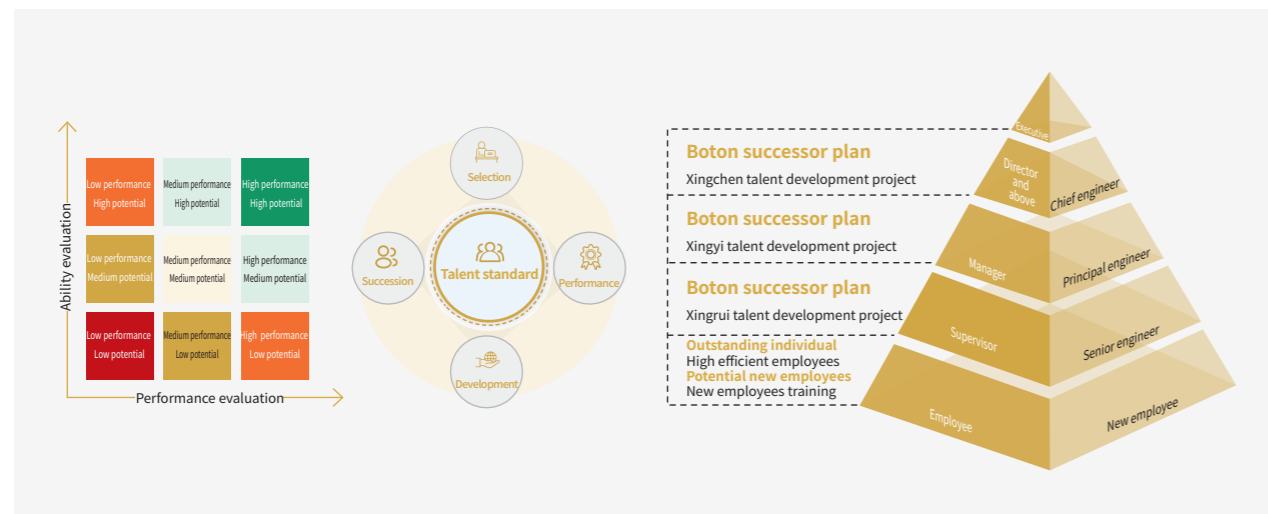


## Innovative Training System

### Boton Academy

To achieve the company's strategic development goals and promote the development of employee leadership, Boton has established the "Boton Academy." This academy provides targeted, planned, and systematic job training for employees at all levels, aiming to enhance their professional skills, career development capabilities, and leadership skills for management cadres. The Boton Academy currently offers over 1200 courses covering various aspects such as skills, management, professional ethics, technology, and leadership.

Relying on resources from domestic universities' experts and internal lecturers, the Boton Academy focuses on business administration, leadership development, forward-looking technology, theoretical and practical training. It emphasizes talent cultivation and organizational empowerment, continuously focusing on business value, and empowering organizational development around the company's strategy, mission, and vision. It serves as a driver of innovation within the enterprise.



### External Training Empowerment

To enhance the overall competence of employees and the management level at all levels, the company actively collaborates with external partners. Regularly, various experts and renowned trainers are invited to conduct professional skills and leadership management training sessions within the company. Through internal training programs, employees receive systematic and targeted vocational skills training.

Furthermore, to broaden the perspectives of employees and management cadres, the company collaborates with several renowned domestic universities such as Jiangnan University, Beijing University of Chemical Technology, Beijing University of Aeronautics and Astronautics, Qingdao University of Science and Technology, and the University of Warwick in the United Kingdom. Employees are periodically selected to participate in various high-level training programs, seminars, and study tours domestically and internationally. Additionally, the company collaborates with the School of Business at Jiangnan University to jointly conduct leadership enhancement programs for management cadres, nurturing various management talents suitable for the development of Boton.



### 2023 Boton Academy Performance

2023

Total training hours

**28022.1** hours

The average training hours per capita in the industrial internet section

IDL-57.8Hrs DL-43Hrs

Training courses

**333**

Carry out

277 training sessions

Total participants of the training

**17513** people

Cumulative training of new employees

798 people

Cumulative training of management cadres

**726** people

Grassroots management personnel 158 people

Middle and high-level management personnel 568 people

Boton Lecture Hall have been conducted

**9** sessions

Product technology Quality management

Grassroots management Vocational skills

Developed new courses throughout the year

**42** courses

General management Quality management Product knowledge

Safety awareness Technical management Industry trend

### Talent Development Graded Training Programme

According to the characteristics of different job levels and positions, the company has established the "Star Insight Training Camp" for supervisors, the "Star Wings Training Camp" for managers, and the "Star Universe Training Camp" for department heads and above. These camps are designed to provide precise training and empowerment tailored to the specific needs of each level.

Additionally, in accordance with the company's "Employee Continuing Education Assistance Management Regulations," we encourage employees to pursue further education, obtain various qualifications, and provide assistance to support their endeavors.



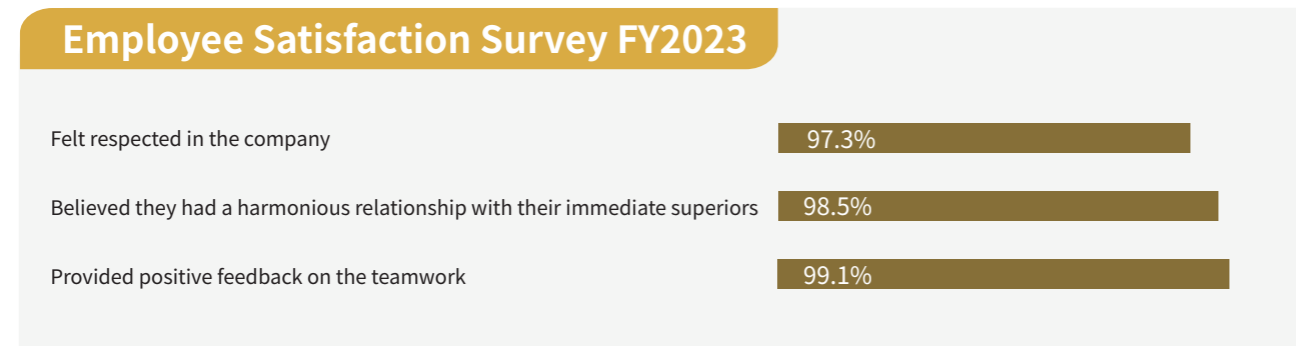
# Diverse, Equal and Inclusive (DEI) Workplace Environment Building

Diversity, equality, and inclusion are not only the core of our culture but also key drivers for fostering innovation and growth within the company. A DEI (Diversity, Equity, and Inclusion) work environment encourages the integration of diverse backgrounds and perspectives, thereby fostering innovation, enhancing teamwork, and providing fair development opportunities for all employees. Our diversity, equality, and inclusion strategy are reflected at various levels and processes within the company, from recruitment to promotion, from training to development, and from communication to decision-making.

**Our goal**

Ensure that every employee feels respected, empowered, and treated fairly.

We acknowledge the inherent value of individuals and believe that everyone possesses unique talents and potential. Therefore, we emphasize the importance of listening, communication, and empathy. We encourage mutual respect, understanding, and support among teams, breaking stereotypes and biases to create a more inclusive and open work environment.



Diversified employment		
	Result	%
The disabled	15	0.98%
Manager	177	11%
Female manager	46	26%
Foreign employee	147	10%

## Ethnic and Cultural Diversity

Boton's operations span across various global locations. In our recruitment process, we treat candidates from different ethnicities, skin colors, religious beliefs, and cultural values equally. By implementing targeted recruitment strategies and development plans, we ensure that our team reflects the diversity of the global communities we serve. We emphasize the value and potential of talents from different racial and ethnic backgrounds.



## Diversity in Talent Selection

Boton consistently attracts a global pool of talent from diverse backgrounds to build a diversified workforce. We take proactive measures to ensure diversity and inclusivity throughout the talent selection process, utilizing wide-ranging recruitment channels and unbiased assessment methods to attract and identify exceptional talents from various backgrounds, cultures, and experiences. Our selection criteria aim to recognize individuals with diverse backgrounds and perspectives, implementing inclusive recruitment strategies and training recruitment teams to identify implicit biases. We are committed to building a diverse talent pool because we believe that diversity is crucial for driving innovation and business success.



## Diversity in Communication Channels

To ensure that every employee's voice is heard and respected, we have established a series of bottom-up communication platforms, including the CEO's mailbox, employee representative meetings, employee salons, HRBP (Human Resources Business Partners), executive direct line, and warm communication luncheons. These channels not only provide an open and equal space for communication, allowing employees to freely express opinions, share experiences, and provide suggestions, but also facilitate direct dialogue between management and employees, deepening mutual understanding and trust.



## Cultural Diversity

To create a truly inclusive work environment, we provide regular cultural sensitivity and anti-bias training, encouraging employees to deepen their understanding and respect for different racial and ethnic backgrounds, and promote cross-cultural understanding and respect. We strive to foster a diverse, international cultural atmosphere for employees, regularly organizing experiences sharing and cross-cultural exchanges between overseas teams and Chinese teams in sales and technical services. We respect different regions, cultures, and customs, and provide care for ethnic minorities and employees both domestically and abroad.



## Fair Salary and Benefits

Building upon the basic principle of "equal pay for equal work," Boton's salary and benefits management takes a performance-oriented approach. It considers factors such as the scope of responsibility, level of difficulty, qualifications, and professional skills of employees' roles to establish a fair and reasonable salary and benefits system that effectively incentivizes employees. There is no differentiation based on gender, race, or ethnicity. The salary and benefits system is transparent and accessible to all employees, who can review it on the OA platform.

## Gender Equality

Our goal is to eliminate gender discrimination in the workplace and ensure gender equality in recruitment, promotion, training, and compensation decisions. We have established an evaluation system based on abilities and performance rather than gender-based assumptions and biases. We have implemented policies against sexual harassment and policies to protect female employees. These policies not only protect employees from gender-based inequalities and abuses but also further strengthen our commitment to and practice of gender equality.

## Equal Opportunity

Employee promotions at Boton are primarily based on performance output and value contribution. According to the organizational and staffing plans of each department and considering the specific competency of employees, customized career development paths are designed for employees. These paths include the direction of development and promotion plans for positions. Communication and dissemination with employees are conducted through the annual review and reflection of the "Job Description Handbook" to ensure that employees have a clear understanding of their future development direction and strive for it. All promotions follow the company's "Performance Management System" to ensure that promotion candidates meet the promotion criteria. The promotion process, performance evaluation, competency observation, and promotion announcements are carried out in a systematic manner.

## Fair Working Conditions

Boton strictly adheres to relevant national laws and regulations such as the "Labor Law" and the "Labor Contract Law." Internal management standards, including the "Employee Handbook," "Anti-Discrimination Management System," "Elimination of Workplace Sexual Harassment System," and "Special Protection Management System for Female Employees," have been established to ensure legal employment practices and safeguard the rights and interests of employees.

## Fair Working Environment

Boton has established an employee appeals channel and a democratic consultation system. When employees feel that their personal rights are being infringed upon, they can initiate an appeal application, which will be handled by various departments such as the legal department, the labor union, and the human resources department to safeguard their rights. We have established multiple bottom-up communication channels to ensure that every voice is heard and that every opinion receives timely feedback.

## Inclusivity for People with Disabilities

Boton actively recruits individuals from the disabled community, offering them suitable job opportunities and signing labor contracts with them, providing them with equal compensation and benefits as other non-disabled employees. During the reporting period, Boton employed 15 individuals with disabilities, accounting for 0.98% of the workforce. Boton takes proactive steps in supporting the integration of individuals with disabilities into the workforce, promoting social inclusivity and diversity. By inviting them to participate in Boton's planned activities and public welfare projects, we have successfully provided diverse employment opportunities for people with disabilities, while also raising awareness and attention to this special group.



### Executive Expressway: Unobstructed Communication Journey

Executive Expressway is our established efficient communication channel and a platform for idea exchange. Through quarterly online live broadcasts, it connects management and employees, facilitating real-time, interactive communication experiences. In these live sessions, employees can directly ask questions while leaders provide instant answers, fostering discussions on company development and personal growth. This innovative platform breaks down hierarchical barriers, ensuring every employee understands the company's direction and can freely express their opinions. Additionally, leaders use "Executive Expressway" to share company strategies, business developments and operational plans, demonstrating an open attitude and expressing full support for employee career development. Our goal is to enhance the transparency of company decisions through effective dialogue, strengthen employees' sense of participation & belonging and collectively drive the company forward.



### Harmony Exchange Luncheon: Listening, Communication and Mutual Improvement



At Boton, communication is not just an art, but also a commitment. The "Harmony Exchange Luncheon" is not just a monthly meal gathering, but also a manifestation of the construction of a diverse, equal, and open workplace culture. Each lunch takes place in Boton's restaurant. Here, representatives from different departments sit down with the company's chairman, bringing their viewpoints and perspectives to the table. It's a dialogue without hierarchy or distance, where every employee can freely express their views, offer constructive suggestions or discuss work-related concerns on this open platform. During these lunches, the chairman becomes not just a decision-maker but a listener and a responder, progressing and growing alongside every employee through communication and discussion. The essence of this project lies not just in the meal served but in the precious communication that fosters understanding, mutual respect and trust around the table. Every voice is heard, every idea is respected and every employee is equal here.

# 05 Green Co-Governance Towards a Zero-carbon Emission Future

P65 Responding to Climate Change  
P77 Green Production  
P85 Green Operation  
63

## Sustainable Development Commitment

- Achieve 25% reduction in carbon emissions per unit of product compared to 2022
- Achieve carbon neutrality in the process of production by 2023
- Achieve 100% green electricity usage by 2030
- The recovery and disposal rate of invalid products will reach 85% by 2030



“ As a leader in the field of modern industrial bulk material transportation, we adhere to the corporate mission of "making industrial bulk material conveying greener" who are committed to creating resource-saving, environmentally friendly and safe intelligent industrial bulk material conveying systems. Our goal is to maximize economic, social, and ecological benefits by improving energy efficiency, reducing emissions, and minimizing resource consumption. We are dedicated to reducing the environmental impact of operations from a holistic perspective of the product lifecycle, pursuing the concept of green development with the lowest resource consumption, lowest energy consumption and lowest environmental impact. We actively promote deep cooperation upstream and downstream in the industrial chain to build a green and intelligent transportation ecosystem together. ”

## Addressing Climate Change

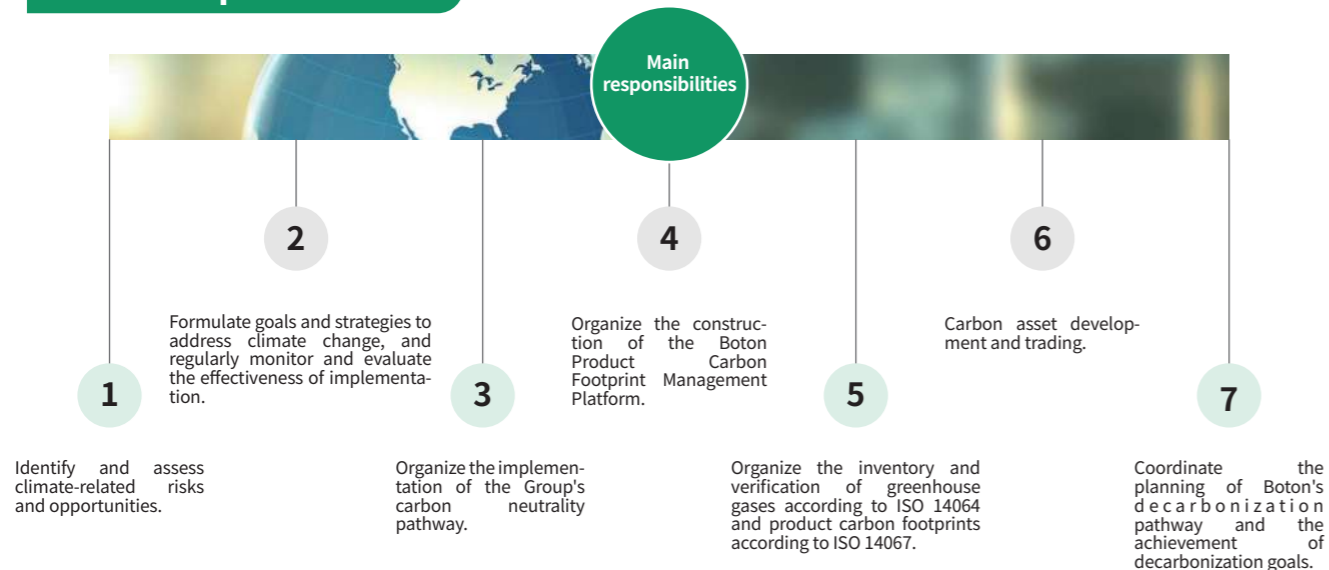
In this era, climate change is not just a global challenge but also an urgent responsibility we face as the industry leader. We recognize the risks and challenges posed by climate change as well as the transformation and innovation opportunities it presents. Instead of shying away from the challenge, we embrace it with innovation and collaboration, striving to be pioneers in green transformation and contribute to building a sustainable world.

At the same time, we pledge to align with the United Nations sustainable development goals and actively promote a combination of management and technological innovation. We will strive to optimize, upgrade product and equipment processes, reduce energy consumption per unit of product as well as comprehensively enhance energy efficiency. Additionally, we will progressively deploy distributed photovoltaic projects to increase the proportion of clean energy usage and reduce carbon emissions at the production & operational levels. Furthermore, we will collaborate with partners across the industry chain to promote a series of initiatives that have environmental impacts, including low-carbon sustainable materials, green intelligent transportation and the recycling of end-of-life products. Through this collaborative effort, we aim to collectively address the risks posed by climate change and mitigate the potential impacts associated with climate-related risks.

## Governance of Climate Risk

Under the leadership of the Strategic and Sustainable Development Committee, we have established a Climate Action Task Force led by the Green Development Research Institute as the responsible department to carry out the following main responsibilities

### Main Responsibilities



## PDCA Work Framework

### Planning

Identify climate-related risks and opportunities, assess their short, medium, and long-term impacts on the company's financial operations, integrate them into the company's overall strategic planning, and determine the resources required to achieve the corresponding climate-related indicators and targets.

### Checking

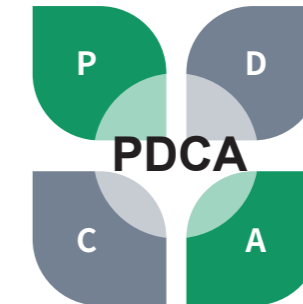
Monitor and evaluate the implementation process and results based on the planning, objectives, requirements, and planned activities. Generate outcomes (such as sustainable development reports) for internal and external communication, and disclose them regularly.

### Do

Execute the planned activities, including refining relevant regulations and systems, constructing necessary platforms, implementing risk control measures, and conducting training for relevant personnel.

### Action

Based on the monitoring and evaluation results, take necessary improvement measures to enhance management performance and effectiveness, and regularly report to the company's top management.



## Climate Risk Management

In light of the exacerbation of global climate change and related policy shifts, we have conducted an analysis based on our own circumstances. We are focusing on three main areas in addressing climate change: climate risk identification, risk impact and risk response. We are integrating the identification, assessment and management of climate risks into our strategic and risk management framework to effectively manage climate change-related opportunities and risks.



Based on the disclosure framework and standards of TCFD (Task Force on Climate-related Financial Disclosures) as well as the disclosure requirements stipulated in the Shenzhen Stock Exchange's Guidelines for Self-regulation of Listed Companies No. 17 - Sustainable Development Reports (Pilot)

**we have categorized climate-related risks into two major categories**



## Physical Risks

The physical risks have complex impacts on the production and operation processes such as the company's physical operations, supply chain integrity, and on-site services. Nowadays, with increasing extreme weather events, companies must include physical risks in their risk assessments to ensure adequate preparation to respond to risks and minimize financial, marketing, operational, reputational and other losses caused by physical risks to the company.

### Boton's main Operating Locations Include

#### Wuxi, Jiangsu Province

China where includes headquarters, R&D and manufacturing facilities. Situated in the hinterland of the Yangtze River Delta plain and the low-lying area along the Taihu Lake, Wuxi experiences a subtropical monsoon climate. Sales, service and production facilities are located in Shandong, Shanghai, Xinjiang, Inner Mongolia, Thailand, Australia and other regions. In terms of production capacity, climate change around the Wuxi area has a significant impact on the company's operations. The company's products and services are distributed across more than 60 countries and regions worldwide, including various environments such as urban, rural, coastal, mining, and high-altitude areas. The company's supply chain is mainly located in mainland China and Southeast Asia with complex impacts from climate change in different regions.

#### Guangzhou, Guangdong Province

China, falls under a subtropical monsoon climate. It encompasses the operations, R&D and market sales of the mobile internet business. Additionally, some sales and services are located in Taiwan, Singapore, South Korea, Japan and other regions. Considering the distribution of personnel, climate change in the vicinity of Guangzhou has a significant impact on the company's operations.

By integrating information from organizations such as the IPCC, CDP, domestic and international meteorological agencies, as well as collecting and evaluating local geographical and climatic data from operational sites, considering various climate scenarios and assessing potential physical risks relevant to company operations. These risks mainly include flooding, typhoons, heatwaves, extreme weather events and the frequency and severity of sea-level rise. These factors can impact various aspects of the company, including operations, labor and the supply chain.

**Timeframe: Short-term: 1-5 years; Medium-term: 5-10 years; Long-term: over 10 years**

#### Intensity of impact

- Determined by the level of climate risk impact and the likelihood of climate risk occurrence.
- Impact level considers financial losses, reputational damage, litigation or fines, loss of strategic partners, etc.
- Likelihood of occurrence considers the frequency of risk events.

## Floods, typhoons, high temperatures

Intensity of impact: Medium

<b>Region of influence</b>	<b>Wuxi, Jining, Guangzhou, Thailand</b>
<b>Timeframe</b>	<b>Medium- and long-term, long term</b>
<b>Impact on Boton</b>	<ol style="list-style-type: none"> <li>Operational impacts Supply chain and production disruptions, logistics and distribution difficulties Reduced productivity and increased equipment failure rates</li> <li>Financial impact Increased costs (energy, supply chain, insurance), decreased revenues</li> <li>Reputational impact Decreased customer trust, questions about social responsibility</li> <li>Employee Impact Employee commuting and personnel safety impacted: resulting in reduced productivity and potential injury to personnel;</li> </ol>
<b>Risk Response Strategy</b>	<ol style="list-style-type: none"> <li>Improvement of facilities against flooding (infrastructure project management department)                     <ol style="list-style-type: none"> <li>Enhancement of flood prevention measures to renovate production facilities, ensure that key equipment and important information are located on high ground or in locations not easily accessible to floodwaters, and install waterproof gates, etc.</li> <li>Optimization of the drainage system: Improve the drainage system within the base to ensure that water can be removed quickly in the event of heavy rainfall;</li> </ol> </li> <li>Energy Management Efficiency and Equipment Optimization (Operations Management Department)                     <ol style="list-style-type: none"> <li>Upgrading the cooling system of key production equipment and improving the ventilation environment in workshops.</li> <li>Adopt energy-saving production technologies and equipment to reduce energy consumption;</li> <li>Optimize the production plan and produce at lower temperatures or lower energy costs wherever possible;</li> </ol> </li> <li>Supply Chain and Logistics Flexibility (Purchasing Department, Warehousing and Logistics Department)                     <ol style="list-style-type: none"> <li>Supply chain diversification: Ensure diversification of raw material sources and reduce reliance on single-region suppliers to cope with supply disruptions due to flooding in a particular region;</li> <li>Logistics Pre-planning: Work with logistics partners to develop contingency plans to ensure that when a particular transport route is not feasible, it can be quickly switched to an alternative solution;</li> </ol> </li> <li>Emergency Preparedness and Response (Safety and Environmental Sector)                     <ol style="list-style-type: none"> <li>Establishment of disaster contingency plans: including early warning, employee evacuation, asset protection and other measures to ensure a quick and orderly response in the event of a flood/typhoon;</li> <li>Employee training: Regularly train employees on natural disaster emergency response, including self-protection, emergency evacuation, first aid, etc., and strengthen awareness and response training for employees to recognise symptoms of heat stroke and related illnesses</li> <li>Development of high-temperature operation guidelines: Provide employees with health and safety guidelines for high-temperature environments, including reasonable arrangements for work and rest time, and provision of sufficient drinking water;</li> </ol> </li> <li>Financial risk management (finance department)                     <ol style="list-style-type: none"> <li>Insurance coverage: Ensure that the company has adequate insurance coverage, including risks of property damage, business interruption, etc., in order to share the financial losses caused by disasters;</li> </ol> </li> <li>Information and Communication Technology (IT department)                     <ol style="list-style-type: none"> <li>Data backup and recovery system: Ensure that there is an efficient backup mechanism for key business data and systems, so that normal operations can be quickly resumed after a disaster;</li> <li>Remote working capability: establish a remote working system to ensure that employees can continue to perform critical tasks during a disaster even if they cannot reach their workplace.</li> </ol> </li> </ol>

Extreme weather		Intensity of impact: High
Region of influence	Global	
Timeframe	Medium- and long-term	
Impact on Boton	<ol style="list-style-type: none"> <li>Operational impacts Facility damage, supply chain disruption, logistics delays</li> <li>Financial Impacts Increased costs (restoration and insurance), loss of revenue</li> <li>Employee Safety and Health Impacts Commuting difficulties and increased risk of injury</li> <li>Reputational Impact Decreased customer trust, damage to public image</li> </ol>	
Risk Response Strategy	<ol style="list-style-type: none"> <li>Improvement of resilience (infrastructure project management department, equipment management department, IT department)                             <ol style="list-style-type: none"> <li>Enhance facility protection, backup critical data and systems</li> </ol> </li> <li>Optimizing the supply chain (procurement department)                             <ol style="list-style-type: none"> <li>Diversify suppliers: Ensure that raw materials can be obtained from suppliers in different geographical locations to reduce reliance on a single supply chain;</li> <li>Optimize inventory management: establish appropriate safety stocks to cope with supply chain disruptions;</li> </ol> </li> <li>Emergency Response Plan and Employee Training (Safety and Environmental Sector)                             <ol style="list-style-type: none"> <li>Develop emergency response plans: Develop detailed emergency response plans for different types of extreme weather events;</li> <li>Regular training: conduct regular safety and emergency response training for employees to ensure they know how to protect themselves and their colleagues during extreme weather events;</li> </ol> </li> <li>Financial risk management (finance department)                             <ol style="list-style-type: none"> <li>Purchase appropriate insurance: Ensure that the company has adequate insurance coverage to protect against the financial risks of extreme weather events;</li> <li>Establish a contingency fund: set up a special fund for responding to emergencies caused by extreme weather and repair costs;</li> </ol> </li> </ol>	

Sea-level rise		Intensity of impact: Low
Region of influence	Shanghai, Guangzhou, Thailand	
Timeframe	Long-term	
Impact on Boton	<ol style="list-style-type: none"> <li>Impact at operating locations Damage to facilities</li> <li>Supply chain and logistics impacts Potential flooding of existing harbours, supply chain reassessment</li> <li>Financial impacts Increased costs, possible changes in market dynamics</li> </ol>	
Risk Response Strategy	<ol style="list-style-type: none"> <li>Strengthening of existing facilities (capital project management sector)                             <ol style="list-style-type: none"> <li>Improvement of flood protection standards: for facilities located in potential risk areas, increase their ability to withstand sea level rise by reinforcing infrastructure, raising flood walls and other measures;</li> <li>Adaptive building design: Adoption of building design and construction techniques that can adapt to future sea level rise at operational sites located in low-lying areas;</li> </ol> </li> <li>Strategic Planning Adjustments (CSD)                             <ol style="list-style-type: none"> <li>Geographic location assessment: Conduct a geographic location risk assessment of new investments and expansion plans to avoid major investments in high-risk areas for sea level rise;</li> <li>Flexible supply chain design: build a more flexible and diversified supply chain to reduce reliance on a single transport route or supplier;</li> </ol> </li> <li>Emergency Preparedness and Recovery Plan (Safety and Environment Sector)                             <ol style="list-style-type: none"> <li>Developing emergency response plans</li> <li>Employee training and drills: Regularly train and drill employees on the impacts of sea level rise and emergency response;</li> </ol> </li> <li>Insurance and Financial Strategies (Finance Department)                             <ol style="list-style-type: none"> <li>Review insurance coverage: Ensure that the insurance plan covers potential risks arising from sea level rise;</li> <li>Risk diversification: Diversify potential market risks arising from sea level rise through diversified investment and market expansion;</li> </ol> </li> </ol>	



## Transition Risk

In this era of unprecedented global climate change, the transition to a low-carbon economy is no longer optional but a necessary choice for the survival and development of businesses. For Boton, this transition process is filled with both challenges and opportunities. The uncertainties of policies and laws, rapid technological evolution, dynamic changes in market demands, and the increasing pressure on reputation collectively pose a comprehensive test for the company's future development direction and strategic adjustments.

Policy/legal Risks			
Region of influence	Intensity of impact	Impact on Boton	Risk/opportunity response
Wuxi, Jining, Thailand	High	May face stricter environmental regulations and carbon emission requirements, with production and power restrictions, affecting production capacity and on-schedule delivery of orders	<ul style="list-style-type: none"> <li>Increase investment in R&amp;D to develop more environmentally friendly material handling solutions and green products, improve conveying efficiency and reduce energy consumption.</li> <li>Promote the construction of green smart factories</li> <li>Promote the construction of the company's carbon management platform, start organizational carbon inventory, product carbon footprint measurement and carbon neutral certification, and drive the green and low-carbon development of the value chain and the consumer sector.</li> </ul>
Wuxi, Jining, Thailand	Medium	The implementation of carbon emission policies for products in some regions may affect exports or increase taxes significantly	Increase the proportion of green power use, continue to build the carbon reduction capacity of the whole life cycle of the product, and the pressure to reduce carbon gradually needs to be transferred to the supply chain side, joining hands to reduce the carbon footprint of the product;
Guangzhou	High	Mobile internet business could be affected by stronger data protection and privacy laws, especially in the EU	Enhanced data protection measures to ensure that game products comply with data protection regulations in target markets

Technology Risks			
Region of influence	Intensity of impact	Impact on Boton	Risk/opportunity response
Wuxi, Jining, Thailand	Medium	Traditional production technologies face obsolescence as demand for low-carbon production rises	Continuously upgrading and improving production processes and equipment, and promoting equipment and process innovation
Wuxi, Jining, Thailand	Low	Market shift towards green and low-carbon products, phasing out of traditional product technologies	Promote product technology iteration and innovation
Guangzhou	Low	Mobile internet services need to continuously innovate to attract users while ensuring minimal energy consumption in game operations	Reduce the number of servers in use and give priority to working with data center providers that use green energy sources

Market Risks			
Region of influence	Intensity of impact	Impact on Boton	Risk/opportunity response
Wuxi, Jining, Thailand	High	Increase customer demand for low carbon, environmentally friendly products and solutions	Promote green and intelligent transport services and products
Wuxi, Jining, Thailand	High	Raw materials with high carbon emissions may be restricted in the future	Increase the process of research, development and promotion of green products
Guangzhou	Medium	Mobile Internet business market preferences may change at any time, and games need to be constantly updated to meet market demand	Enhance market research to promptly adjust game content, thereby increasing the attractiveness and user retention of the game.

Reputation Risk			
Region of influence	Intensity of impact	Impact on Boton	Risk/opportunity response
Wuxi, Jining, Thailand	High	Globally, companies' environmental practices are receiving increasing attention, and any environmentally irresponsible behavior may have a negative impact on the company's reputation.	Strengthen communication with stakeholders, actively demonstrate the Company's environmental protection efforts and achievements, establish and improve the corporate social responsibility system, and ensure that all business activities comply with social and environmental responsibility standards.

## Opportunities for Climate Change



In the face of the challenges posed by climate change, Boton has actively embraced transformation and established a new business model based on green and digital products in the field of intelligent conveyor services.

The increased demand for green intelligent conveyance in downstream markets has brought opportunities for technological innovation and market expansion, as well as the need for green management throughout the product lifecycle, thereby presenting new opportunities for emerging businesses such as intelligent conveyance and end-of-life recovery. Under the green strategy, new product and business models have led to sustained growth in company performance, actively contributing to addressing climate change.

In 2023, our green intelligent conveyance business experienced significant growth, with green product sales accounting for 45% of total sales, and sales of RFID digital conveyance belts and online monitoring products reaching 21.7%. Our energy-saving aramid fiber conveyor belts, ultra-low rolling resistance conveyor belts, and other green products have effectively reduced energy consumption by 10%-40% in practical applications, directly facilitating downstream customers' carbon emissions reduction efforts.

By introducing industry-leading low-carbon sustainable conveyor belt products with high bio-based content, we not only promoted the industrialization of upstream bio-based rubber, bio-based carbon black, bio-based nylon, and other low-carbon materials but also addressed the long-term environmental impacts of end-of-life products through our defective product recovery program. Through these innovative green and digital solutions, we not only provided customers with more energy-efficient and longer-lasting products but also set new benchmarks for the sustainable development of the entire industry.

## Targets and Performance on Climate-related Risks and Opportunities

### Carbon Emission

<b>Indicators</b>	Total GHG emissions (Scope 1,2,3) Carbon Emission Intensity (tCO <sub>2</sub> e/million yuan)
<b>Targets</b>	Carbon Neutral Target: Achieve carbon neutrality at the operational level (Scope 1 and 2) by 2030
<b>Progress</b>	In 2023, the operational carbon emissions were 47,431.07 tons, representing a 19.8% decrease compared to the base year of 2022 In 2023, the carbon emission intensity was 0.130 tCO <sub>2</sub> e per 10,000 yuan, representing a 26.2% decrease compared to the base year of 2022

### Green Material

<b>Indicators</b>	Proportion of green material applications (bio-based, recycled, low-carbon)
<b>Targets</b>	Proportion of green raw materials reaches 22% by 2025; 30% by 2030
<b>Progress</b>	The proportion of bio-based and other low-carbon sustainable green materials (natural rubber, bio-based elastomer rubber, bio-based silica, bio-based nylon polyester canvas, bio-based aromatic oil, etc.) applied reaches 20%

### Green Product

<b>Indicators</b>	Proportion of green products (energy-saving, environmentally friendly, low-carbon products)
<b>Targets</b>	More than 35% of sales of green products by 2023 and more than 50% by 2025
<b>Progress</b>	The proportion of green conveyor belt products (including energy-saving aramid belts, conveyor belts with ultra-low rolling resistance, high-bio-based low-carbon conveyor belts, carbon-neutral conveyor belts, environmentally friendly tubular belts, etc.) has reached 45%

### Green Intelligence Production

<b>Indicators</b>	Green Factory/Smart Factory Energy consumption per unit of product Green Power Ratio
<b>Targets</b>	25% reduction in energy consumption per unit of product in 2025, using 2022 as a baseline 50% of green electricity in 2025, 100% of green electricity in 2030
<b>Progress</b>	Newly deployed 3.3MW of distributed PV projects, with an overall green power share of 26.2% Energy consumption per unit of product in 2023 decreased by 10% from the base year Wuxi Manufacturing Base won the Green Factory of Jiangsu Province, the Excellent Scene of Intelligent Manufacturing at the national level, the Benchmark Factory of Industrial Internet of Jiangsu Province, and the Intelligent Manufacturing Workshop of Jiangsu Province.

### Recycling

<b>Indicators</b>	Used product recovery and disposal rate
<b>Targets</b>	40% recycling and disposal by 2025; 85% recycling and disposal by 2030
<b>Progress</b>	In Australia, construction is underway for a defective conveyor belt product recycling factory with a processing capacity of 20,000 tons per year. Additionally, Boton has initiated the global "Sunshine Road" program, aiming to assist local mines in Chile, which possess vast natural mineral reserves, in dealing with mountains of accumulated waste conveyor belts. These end-of-life conveyor belts are processed and repurposed for use in public roads after undergoing appropriate processing.

In the future, we will continue to advance the governance and management of climate change risks, enhance our risk management system, integrate the analysis of risk impacts on our business, continuously refine risk management indicators, adjust risk response strategies, and incorporate them into the long-term planning of our company's sustainable development.

## Company decarbonization targets and implementation pathways

The company aims to reduce the carbon emissions of Scope 3 by implementing various measures such as green supply chain management, application of low-carbon sustainable materials, design of energy-saving and low-carbon conveyor belt products, green intelligent conveyor services, and recycling of defective products. It aims to create a green intelligent conveyor ecosystem with the following key objectives:



### Decarbonization targets

## Achieve carbon neutrality in the process of production and 100% green electricity usage by 2030



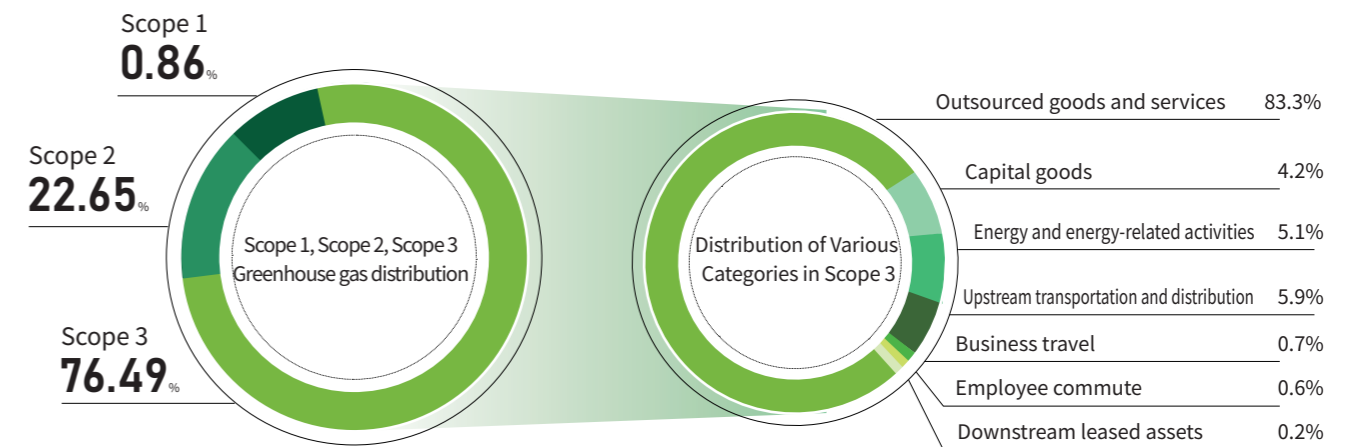
The main implementation pathways around the operational level carbon neutrality targets (Scope 1 and Scope 2) are as follows:

Implementation pathway	Key implementation initiatives	Milestones	Progress in 2023
<b>Green capacity-building</b>	Establish the management platforms of carbon emissions and product carbon footprint	Complete the platform construction by 2024	<p>☑ Completed the construction of the Group's product carbon footprint methodology model in accordance with ISO14067 and passed third-party validation.</p> <p>Completion of verification of the Group's carbon emissions for FY2022 (base year) in accordance with ISO14064.</p>
<b>Process optimization and energy efficiency management</b>	Promote green and intelligent manufacturing: continuously reduce energy consumption per unit of product production through production process optimization, energy use efficiency improvement, equipment energy-saving renovation, energy digital management and other initiatives.	Using 2022 as the baseline, a 10% reduction in energy consumption per unit of product produced will be achieved by 2023, a 19% reduction by 2024 and a 25% reduction by 2025.	<p>Invested 3.5 million yuan to complete 53 items of energy-saving transformation and intelligent upgrading of equipment and process.</p> <p>Carried out 38 innovative researches such as low-temperature short-time vulcanization, which significantly improve the production efficiency.</p> <p>Achieved digital management of energy, and implement energy data monitoring for all kinds of key energy-consuming equipment.</p> <p>Achieved a 10% reduction in energy consumption per unit of product production in 2023.</p>
<b>Renewable energy use</b>	Increase clean energy use: Enhance clean energy use through PV project deployment and green power trading.	<p>Completed the construction of distributed PV projects for factories in all regions.</p> <p>Clean energy use to reach 25 per cent by 2023, 35 per cent by 2024, 50 per cent by 2025 and 100 per cent by 2030.</p>	<p>In 2023, we've completed the construction of an additional 3.3MW distributed PV project in Hongshan base and a 270kW distributed PV project in the headquarter base, with a total installed PV capacity of 5.18MW.</p> <p>In co-operation with Eco-Bridge, 7 million degrees of green power were used through green certificate trading.</p> <p>In 2023, the Group's green power usage accounted for 26.2%.</p>
<b>Green Equity Development</b>	Promote the layout of carbon sink projects: Strengthen the layout of ecological carbon sink projects, and achieve carbon neutrality at the operational level by 2030 through a combination of carbon reduction and carbon sink trading.	—	Focus on ecological carbon sink projects, the company actively promotes cooperation with related parties. At present, the company has reached a strategic cooperation with Dongzhu Ecology.

Focused on Scope 3, Boton will unite with industry chain partners to advance the application of low-carbon sustainable materials, design energy-saving and low-carbon conveyor belt products, provide green intelligent conveyor services, and facilitate the recycling and reuse of defective products. These measures aim to reduce Scope 3 carbon emissions and create a green intelligent conveyor ecosystem.

## Greenhouse Gas Emission Verification Results

The company actively promotes carbon inventory and carbon footprint management platform construction, providing transparent and scientific verification procedures for low-carbon development. Since 2022, we have organized group-wide carbon inventory work, expanding the inventory boundary to include two business segments: industrial Internet and mobile Internet. The inventory has been verified by Bureau Veritas International Inspection Group. The carbon emissions data from 2022 was served as the baseline data. Adhering to the principle of "prioritize direct emission reduction over elimination, and elimination over offsetting," we provide strong support for the company to timely grasp carbon emissions data to address climate risks. Verified by a third-party organization, our carbon emissions results of 2023 are as shown in the graph:



### Carbon Reduction Performance

- The carbon emissions at operational level have decreased by **19.8%**
- The carbon emissions intensity has reduced by **26.2%**



# Green Production

Boton continuously enhances its environmental management system, consistently optimizing risk control during production processes, reducing energy consumption and waste emissions, and achieving environmental friendliness in production activities.

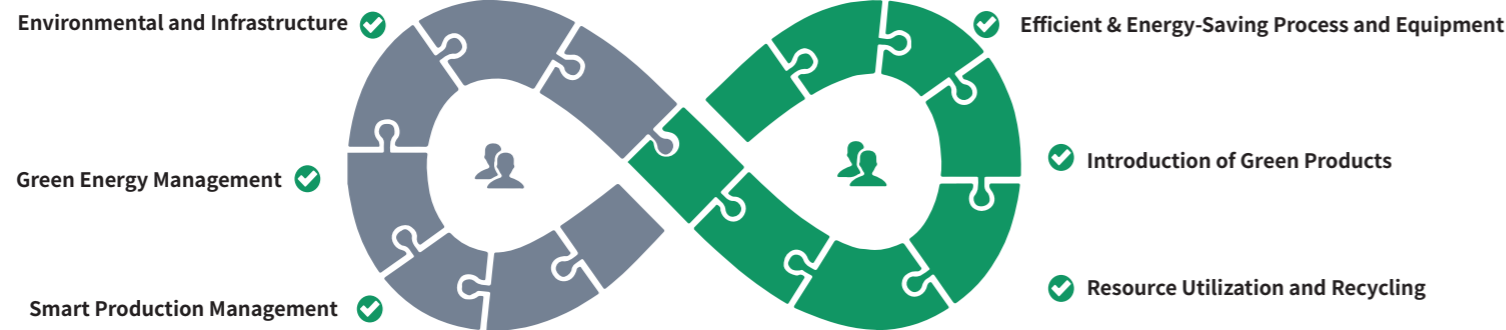
# Green Factory

Boton is committed to constructing sustainable green factories to minimize the negative environmental impact of production processes. Before the construction of manufacturing facilities, extensive assessments are conducted on aspects such as environmental protection, pollution prevention and control, water resource management, and biodiversity conservation. All of Boton's manufacturing facilities have obtained environmental impact assessment approvals from the local environmental protection departments, ensuring that construction and production activities are conducted in a legal and compliant manner.

Located in Wuxi, Boton's manufacturing base is situated in the Yangtze River Delta Taihu Lake Basin, which is a key ecological protection area in Jiangsu Province. To protect the water environment of Taihu Lake and the air quality of the Yangtze River Delta, the facility has implemented a series of advanced environmental protection technologies and management measures. These measures include, but are not limited to, energy conservation and emissions reduction, energy management, and waste emission management. These efforts have significantly improved production efficiency while substantially reducing environmental impact, achieving waste water and waste pollution emissions far below national standards. In 2023, the facility was recognized as a green factory in Jiangsu Province, and this green manufacturing practice has greatly enhanced the competitiveness of the company's products.



Wuxi manufacturing facilities green factory six directions:

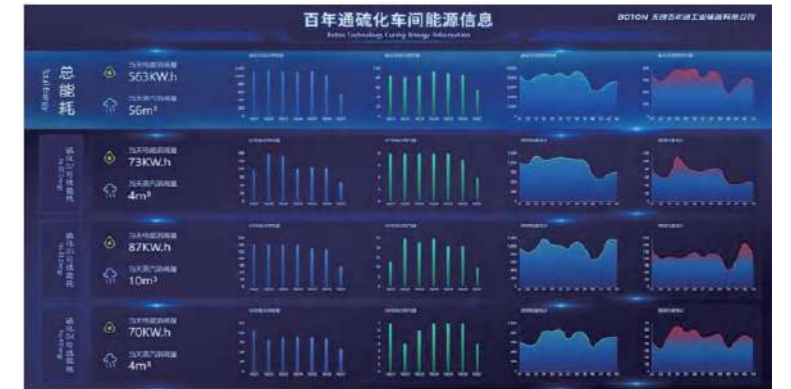


# Environmental and Infrastructure

We've upgraded our existing exhaust gas treatment facilities from low-temperature plasma to secondary activated carbon, improving the efficiency of organic waste gas treatment. We use advanced RTO environmental treatment equipment to reduce exhaust gas emissions. Our production equipment is industry-leading, including the first wide-width extrusion rolling production line, the largest and widest four-roll rolling line domestically, the widest and longest steel wire rope core vulcanization line domestically and internationally, the most advanced rolling coating equipment in the industry, the most advanced fully automatic small batch batching system in the industry, and the most advanced intelligent warehousing and logistics system in the industry. Additionally, we conduct annual upgrades to our production equipment to increase capacity, enhance product quality, and reduce employee workload.

# Green Energy Management

Our energy management system collects real-time data on energy usage and operational status of equipment in each workshop production line. Using data warehouses, we calculate daily energy consumption, Overall Equipment Effectiveness (OEE), and total energy consumption for each workshop. We then implement corresponding management measures to reduce energy consumption during the production process.



# Smart Production Management

We implement fully digitalized management throughout the entire manufacturing process and integrate with real-time systems related to intelligent manufacturing, achieving digitalized management across the entire production process. Currently, this includes data related to manufacturing workshops, production lines, equipment, warehouses, teams, energy, production, and process flows. Combined with 3D diagrams of equipment on each production line, we achieve digital representation of the entire production process, enabling real-time monitoring of workshop production status. We can promptly detect and respond to abnormal conditions through monitoring alarms and make corresponding command and dispatch decisions, achieving efficient management of the entire production process through intelligence and automation.



## Efficient and Energy-Saving Processes and Equipment

### Advanced Intelligent Manufacturing Equipment

We have introduced intelligent production equipment such as monthly tank storage systems, pneumatic automatic conveying systems, fully automatic batching systems, automatic logistics systems, and automatic tire flipping devices, achieving intelligent applications in the mixing workshop.

### Intelligent Logistics and Warehousing

We've implemented intelligent logistics throughout the entire production process from raw materials and semi-finished products to finished products. This includes fully automatic pneumatic conveying of carbon black, automatic conveyance of oils through pipelines and pumps, seamless transportation of raw materials, small materials, mixed rubber, rubber cloth, and rubber sheets to various production stations via AGVs, RGVs, conveyor lines, etc. The entire process is intelligently scheduled by the MES system, ensuring smooth and rational logistics coordination.

## Importing Green Products

In the production of conveyor belts, the majority of raw materials heavily rely on materials synthesized from fossil resources, resulting in high carbon emissions, which is highly unfavorable for the sustainable development of the conveyor belt industry. Therefore, Boton has been dedicated to the development and application of green, low-carbon rubber materials. Utilizing next-generation bio-based materials developed from renewable resources and incorporating them into rubber formulations enables the high-value utilization of biomass resources. This significantly alleviates the consumption pressure and dependence on petrochemical resources, leading to a notable reduction in carbon emissions.

## Resource Utilization and Recycling

We adopt various measures for resource recycling and reuse, including using steam waste heat for office heating and bathroom heating, utilizing waste oil and waste carbon black in the adjustment of new formulations, refining and reusing mixed rubber materials, and recycling qualified portions of defective conveyor belts. These measures in resource recycling and reuse enable the company to save over 2 million RMB annually.

# 2023

In 2023, our Wuxi manufacturing base was awarded qualifications such as "National Excellent Scene of Intelligent Manufacturing" and "Benchmark Factory of Industrial Internet in Jiangsu Province."

# 2022

In 2022, it was recognized as an intelligent factory in Jiangsu Province and passed the level three assessment of intelligent manufacturing capability maturity.

## Environmental Management System

Boton has achieved ISO 14001 environmental management system certification for 100% of its operational bases and conducts annual internal and external audits continuously. We strictly adhere to the laws and regulations of the People's Republic of China, including the Environmental Protection Law, the Environmental Impact Assessment Law, and the Measures for the Administration of Pollutant Discharge Permits. Prior to constructing new factories, we engage third-party professional organizations to prepare environmental impact assessment reports, obtain government approval for environmental impact assessments, and pass environmental protection acceptance inspections during trial production. We also obtain Pollutant Discharge Permits in accordance with the Measures for the Administration of Pollutant Discharge Permits.

According to the requirements of ISO 14001, we have developed systems and standards that include the Environmental Management Policy, Environmental and Occupational Health and Safety Manual, procedures for identifying environmental factors and hazards, risk assessment and risk control procedures, environmental pollution prevention and control management procedures, and environmental monitoring and measurement management procedures. These standards and procedures integrate environmental-friendly concepts into our corporate development strategies and practices green management.

To enhance our ability to respond to sudden environmental pollution incidents, we have formulated Emergency Management Plans for Sudden Environmental Emergencies, developed on-site emergency response plans, and regularly organized drills.

## Boton Environmental Management Policy

The company provides products and services that are green and healthy throughout their entire lifecycle, with the goal of achieving zero emissions and protecting the environment. To this end, we pledge to:

- 01** Comply with all applicable laws and regulations.
- 02** Establish and maintain an organization to implement all environmental management activities.
- 03** Train, share, and promote environmental protection concepts.
- 04** Establish feasible environmental objectives that are both technical and economically viable.
- 05** Develop technologies, products, and services that support green and sustainable development.
- 06** Protect the Earth's environment through actions such as process optimization, recycling, and carbon neutrality.

## Waste Gas Management

- In the mixing process, advanced zeolite rotary wheel + Regenerative Thermal Oxidizer (RTO) technology is utilized to treat organic waste gas, achieving a VOC removal rate of over 95%.
- In 2023, the company upgraded the waste gas treatment facilities for vulcanization, extrusion rolling, rubber cooling lines, and backup mixing. The previous low-temperature plasma + primary activated carbon treatment process was replaced with a secondary activated carbon treatment process, resulting in an increase in organic waste gas treatment efficiency of over 30%.

In accordance with the "Management Measures for Automatic Monitoring of Pollution Sources in Jiangsu Province (Trial Implementation)," six VOC online monitoring devices were installed at the Wuxi manufacturing base, and four were installed at the Shandong Novoton manufacturing base to monitor the concentrations of waste gas emissions in real-time 24 hours a day at major waste gas discharge points. Annual "Environmental Self-Monitoring Plans" were developed based on the requirements of the "Pollutant Discharge Permit" and strictly followed for environmental monitoring. The monitoring results show that the concentrations of waste gas emissions at all manufacturing bases are significantly lower than the national emission standards required.

### FY2023 Emission Results by Manufacturing Site

Production base	Emission outlet	Pollutant	Detection concentration (mg/m <sup>3</sup> )	Emission standard (mg/m <sup>3</sup> )
Wuxi Hongshan Base	1#	PM	3.8	12
	2#	NMTHC	2.98	10
		NOx	4.6	12
		SO2	未检出	200
		NMTHC	未检出	200
	3#	NMTHC	5.91	10
	4#	NMTHC	2.37	10
5#	NMTHC	8.13	10	
Wuxi Meiyu Base	1#	NMTHC	7.18	10
	2#	NMTHC	3.5	10
Shandong Novoton Base	1#	NMTHC	2.79	60
		PM	0.76	12
	2#	NMTHC	1.27	10
	3#	NMTHC	4.1	10
	4#	NMTHC	1.57	10
		PM	未检出	12

The non-methane total hydrocarbons have been converted into baseline emission concentrations according to the requirements of the "Emission Standards for Pollutants from Rubber Products Industry" (GB27632-2011).

## Waste Water Management

The company's waste water mainly consists of domestic waste water generated from restaurants, bathrooms, and toilets, as well as condensate from steam. Waste water is managed using a rainwater and sewage diversion mechanism, with treated waste water discharged into the municipal sewage network and rainwater entering the municipal storm water drainage network within the base. Waste water treatment adopts advanced MBR membrane bioreactor technology, resulting in pollutant concentrations well below the "Emission Standards for Pollutants from Rubber Products Industry." To ensure compliance with discharge standards, the waste water treatment station is managed by dedicated personnel on a daily basis. The company conducts annual monitoring of total discharge points for both rainwater and waste water to ensure compliance. Monitoring results show that all monitored indicators of waste water discharge from manufacturing bases are significantly below industry standards.

### 2023 monitoring results for total waste water outfalls at each manufacturing site

Pollutants	Wuxi Base 2023 Monitoring Values(mg/l) except PH	Shandong Base 2023 Monitoring Values(mg/l) except PH	Industry Emission Standards (mg/l) except PH
PH	7.2	7.1	6-9
CODcr	20	34	70
BOD5	3	8.3	20
Suspended solids	14	4	40
Total phosphorus	0.4	0.05	0.5
Total nitrogen	14	8.48	15
Ammonia	0.073	0.662	10
Petroleum	0.33	0.09	1



## Waste Management

The company strictly adheres to the principles of 3R (Reduce, Reuse, Recycle) in waste management. In accordance with the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes" and local environmental requirements, the company has developed a Pollution Prevention and Control Program. This program identifies, classifies, collects, stores, utilizes, transfers, and disposes of solid waste and hazardous waste that may be generated during the company's operations.

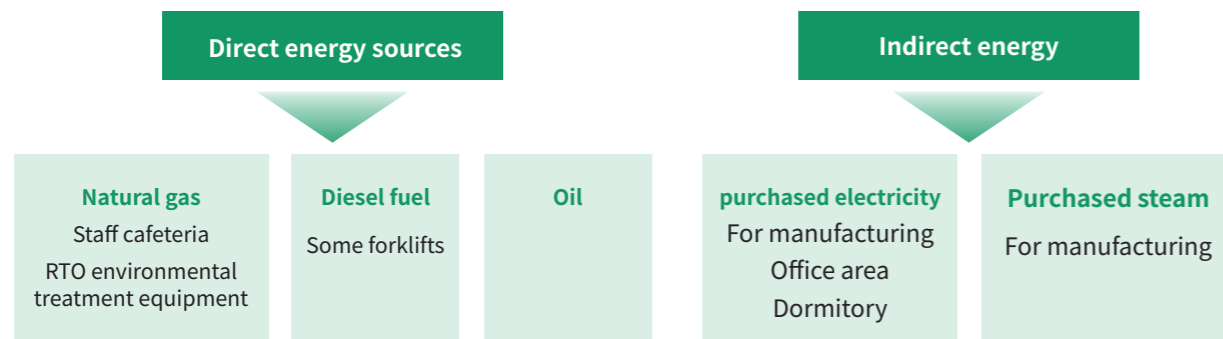
The company's waste mainly includes domestic waste, general industrial waste, and hazardous waste. All waste is sorted, collected, and stored according to classification requirements.

### Waste disposal by base in 2023

Type of waste	Source	Disposal methods	Wuxi base 2023 disposal capacity	Shandong base 2023 disposal capacity
Daily life rubbish	Cafeteria, offices, etc.	Centralized disposal after collection by the sanitation office	76tons	25.2tons
General industrial waste	Productions	Supplier recycle	1969 tons	7.3 tons
<b>Hazardous waste:</b> 1. Waste filter material (900-041-49) 2. Waste activated carbon (900-039-49) 3. Oil-containing rags(HW49-041-49) 4. Waste oil(291-001-08) 5. Waste Filter Cotton(900-041-49) 6. Waste lye (900-399-35) 7. Waste Sulphur Packing Bags (900-041-49) 8. Waste zeolite (HW49-900-041-49)	Exhaust gas treatment systems; Equipment repair, maintenance	Handling by qualified vendors	6.44 tons	8.481 tons

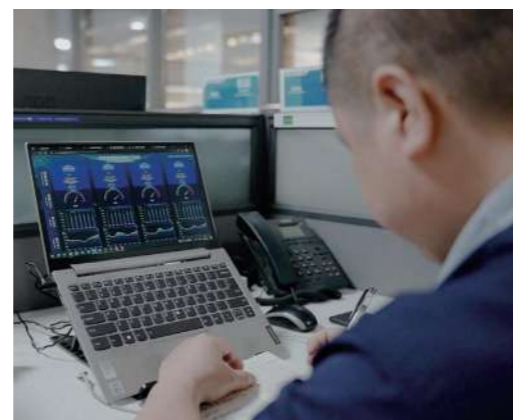
## Energy Management

### Major Energy Types and Usage Scenarios



Boton pays attention to the impact and dependence of production on the environment, and has established a perfect energy management system and continuously carries out energy saving and emission reduction activities. The manufacturing base has established a comprehensive energy management system in accordance with the ISO 50001:2018 standard. This includes the development of systems and procedures such as Energy Audit and Control Procedure, Energy Benchmarking Control Procedure, Energy Objectives, Indicators, and Management Plan Control Procedure, among others.

As of the end of the reporting period, the company has been operating steadily and has obtained ISO 50001:2018 certification. During the reporting period, the company established procedures for Energy Data Collection Control and Energy Measurement and Statistical Control. A three-level energy consumption monitoring information system (EnMS) has been established, which monitors energy consumption for each production and auxiliary equipment. Any abnormal energy consumption is automatically alerted, and corrective actions are taken immediately to identify and rectify the causes of anomalies.



### Key Energy Efficiency Projects and Achievements in FY2023

Photovoltaic power introduction project	Energy-saving retrofit of environmental protection equipment	Energy saving retrofit of the vulcanisation hydrophobic system	Energy-saving improvements in the refining process
Using the roof of the existing plant to lay distributed photovoltaic power generation modules, through the 400V grid connection, using 'self-generation and self-consumption, surplus power on-line' mode. In 2023, the new installed capacity will be 3.3MW, the average annual power generation will account for 13.07% of the production power consumption, and carbon emissions will be reduced by 2,053 tons.	Reduction in the number of adsorption fans by optimizing the piping route of the refining waste gas treatment facility, resulting in annual electricity savings of 3.28% and a reduction in carbon emissions of 615 tons	Annual steam savings of 11.5% and reduction of carbon emissions of 2,066 tons by replacing steam pipes with new steam traps and changing trap positions	By adjusting the mixing and blending rubber processing technology, the annual electricity consumption is saved by 1.8%, and carbon emissions are reduced by about 348 tons.
Reduce Carbon Emissions (tons) <b>2053</b>	Reduce Carbon Emissions (tons) <b>615</b>	Reduce Carbon Emissions (tons) <b>2066</b>	Reduce Carbon Emissions (tons) <b>348</b>

### Energy Consumption Data by Manufacturing Base In 2023

Energy type	Rate of consumption		Consumption intensity kwh/million yuan output value	
	Wuxi Base	Shandong Base	Wuxi Base	Shandong Base
Electricity (10,000 kWh)	3287.41	607.87	0.02017732	0.047036
Steam (tons)	52066	44063	0.319568393	0.340953
Natural gas (cubic meters)	122444	NA	0.75153137	NA

#### Wuxi manufacturing base

- Electricity per unit of product down **4.8%**
- Steam consumption per unit of product decreased by **19.8%**
- Carbon emissions per unit of product decreased by **26.7%**

#### Shandong Novoton manufacturing base

- Electricity per unit of product increased by **6.85%**, due to the production of unsaturated, reducing the apportionment of electricity losses and the use of heat transfer oil instead of steam vulcanization
- Steam consumption per unit of product increased by **15.31%**, due to the long steam line before the relocation of the old base, which resulted in high pipe loss.
- Carbon emissions per unit of product decreased by **7.95%**

## Green Culture

The company places low-carbon operations at its core and encourages green office practices, green living, and low-carbon production. By promoting energy-saving and low-carbon awareness and skills among all employees, the company establishes sustainable low-carbon production and operations.

During the reporting period, the company implemented usage controls for lighting, air conditioning, elevators, and other equipment in office and public areas. It replaced traditional lighting fixtures with energy-efficient ones and upgraded employee shuttle buses to new energy buses. The company also prioritized collaboration with cloud server providers with a high proportion of green electricity.

We encourage employees to engage in all energy-saving behaviors during daily office activities, promote online meetings, and reduce unnecessary business trips. Additionally, we initiated an internal second-hand goods trading market to promote reuse and extend the lifespan of goods. In 2023, the company launched energy-saving and carbon reduction campaigns for all employees, including signing energy-saving pledges, providing energy-saving and carbon reduction popular science training, organizing prize-winning quizzes, and collecting improvement suggestions to advocate for a green culture.

## Green Operation

Continuously build carbon reduction capacity throughout the product life cycle



## Green Materials

Jointly with upstream enterprises, promote the technological development and application of low-carbon sustainable materials such as natural rubber, bio-based rubber, bio-based silica, bio-based fibres and thermally cracked carbon black.

Brilliant Boton's target  
Proportion of  
Bio-based raw materials

2023  
**20%**

2025  
**22%**

2030  
**30%**

## Completion of Targets During the Reporting Period

- Achieved a **20%** proportion of low-carbon sustainable material applications for Boton.
- Established strategic partnerships with suppliers focusing on green, low-carbon sustainable raw materials. Signed cooperation agreements with companies such as Jiangsu Falsafe R&D Center Limited, Quercheng Silicon Chemical Co., Ltd., Shandong Jingbo Zhongju New Materials Co., Ltd., Beijing University of Chemical Technology, and Qingdao Heimao New Materials Research Institute Co., Ltd., concerning lightweight high-strength steel wire ropes, lower energy consumption carbon black masterbatch technology, bio-based silica, and bio-based rubber to promote the application of low-carbon sustainable new materials.
- Launched the world's first high-bio-based-content (72%) low-carbon sustainable conveyor belt and delivered it to customers for use.

## Green Products

Continuously innovating to promote the development and dissemination of low-carbon, energy-efficient, and environmentally friendly conveyor belt products. By offering customers products with longer lifespans, lower energy consumption, and lower carbon emissions, we aim to help global customers reduce their carbon footprint.

Brilliant Boton's Goals

Proportion of Green  
Product Sales

2023  
**35%**

2025  
**50%**

## Completion of Targets During the Reporting Period

- The company completed the development of several green products, including high-strength lightweight energy-saving aramid conveyor belts, ultra-low rolling resistance conveyor belts, ultra-wear-resistant long-life conveyor belts, pipe conveyor belts, high-bio-based-content conveyor belts, and carbon-neutral conveyor belts, and successfully promoted their market applications.
- The sales proportion of green products reached 45%. According to customer feedback, the high-strength lightweight energy-saving aramid conveyor belt and the ultra-low rolling resistance conveyor belt can achieve a 10%-40% reduction in energy consumption in material conveying processes in different scenarios, contributing to carbon emission reduction in downstream customer production.

## Green Manufacturing

Based on the use of environmental protection and clean energy in the production process, as well as efficient energy management, the company aims to reduce its environmental impact, lower energy consumption, and minimize waste generation. This is achieved through the adoption of advanced production equipment, continuous optimization of manufacturing technologies and processes, and the utilization of energy management systems.

### Goals

Achieve a yearly reduction of **5%** in VOCs and waste emissions from manufacturing bases.

Deploy **6 MW** of new photovoltaic projects at manufacturing bases by 2024 and achieve a **100%** proportion of green electricity usage by 2030.

### Completion of Targets During the Reporting Period

- Deployed 3.3 MW of new distributed photovoltaic projects at manufacturing bases, resulting in a total photovoltaic power generation of 4,683,794 kWh, accounting for 13.07% of the electricity used for production.
- Purchased 7,000,000 kWh of green electricity, resulting in an overall proportion of green electricity usage of 26.1% for the company.

Obtain recognition as a national-level green factory by 2024. Attain Level Four maturity in intelligent manufacturing at one factory by 2025 and receive recognition as a national-level intelligent manufacturing factory by 2026.

## Green Intelligent Conveyance

Focused on downstream material conveyance, providing green intelligent conveyance products and services to reduce energy consumption during conveyance, minimize product issues caused by anomalies, and enhance lifespan.

### Goals

To advance green intelligent conveyance, achieving a proportion of **17%** for RFID digitalized conveyor belts and online monitoring products by 2023, and reaching **23%** by 2025.

### Completion of Targets During the Reporting Period

- Completed the development and promotion of various intelligent monitoring systems and products, including RFID digitalized conveyor belts, longitudinal tear monitoring systems, and online joint monitoring systems. The proportion of such products reached 21.7%.
- Achieved breakthroughs in key technologies for intelligent control of belt conveyor systems using digital twins and AI measurement and control. On May 14, 2023, this technology was assessed by the China Coal Industry Association, which concluded that it reached the "international leading level."

## Product Recycling

Addressing the challenges of recycling and processing used conveyor belt products, the company actively promotes the development of technologies for recycling and reusing failed products.

### Goals

By 2025, achieve a recycling rate of **40%**; by 2030, achieve a recycling rate of **85%**.

### Completion of Targets During the Reporting Period

- Initiated the construction of a conveyor belt product recycling plant in Australia with a processing capacity of 20,000 tons per year. Currently, all related work is progressing effectively.
- Launched the Boton Global "Sunshine Road" program in Chile, a country with vast natural mineral reserves. This initiative aims to assist local mines in processing accumulated heaps of old conveyor belts. These belts having completed their lifecycle, are processed and then applied to public roads.

## Mobile Internet

In 2023, we achieved a reduction in the number of cloud servers by 408 compared to 2022, resulting in a decrease in energy consumption of 50,377 kWh for the entire year through the following three initiatives:

- Collaborated with business units to evaluate and retire some older games that met certain criteria.
- Collaborated with various developers to adjust game architecture, facilitating server migration or consolidation.
- Collaborated on internal technical architecture upgrades, such as containerization using Kubernetes (k8s).

Additionally, we applied green initiatives to the supply chain by prioritizing service providers committed to enhancing energy efficiency and increasing the proportion of green electricity. Partners such as Alibaba Cloud, Tencent Cloud, Amazon Web Services, and Google Cloud were chosen based on these criteria. Through this approach, we not only reduced the environmental impact of our business activities but also fostered the development of digital services towards a more sustainable direction.

### 固资报表

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06

# Tech Co-Prosperity Inspiring the Power of Prosperity



P91 Innovation Mechanisms  
P95 Industry-University-Research Cooperation  
P102 Innovation Achievements

## Sustainable Development Commitment

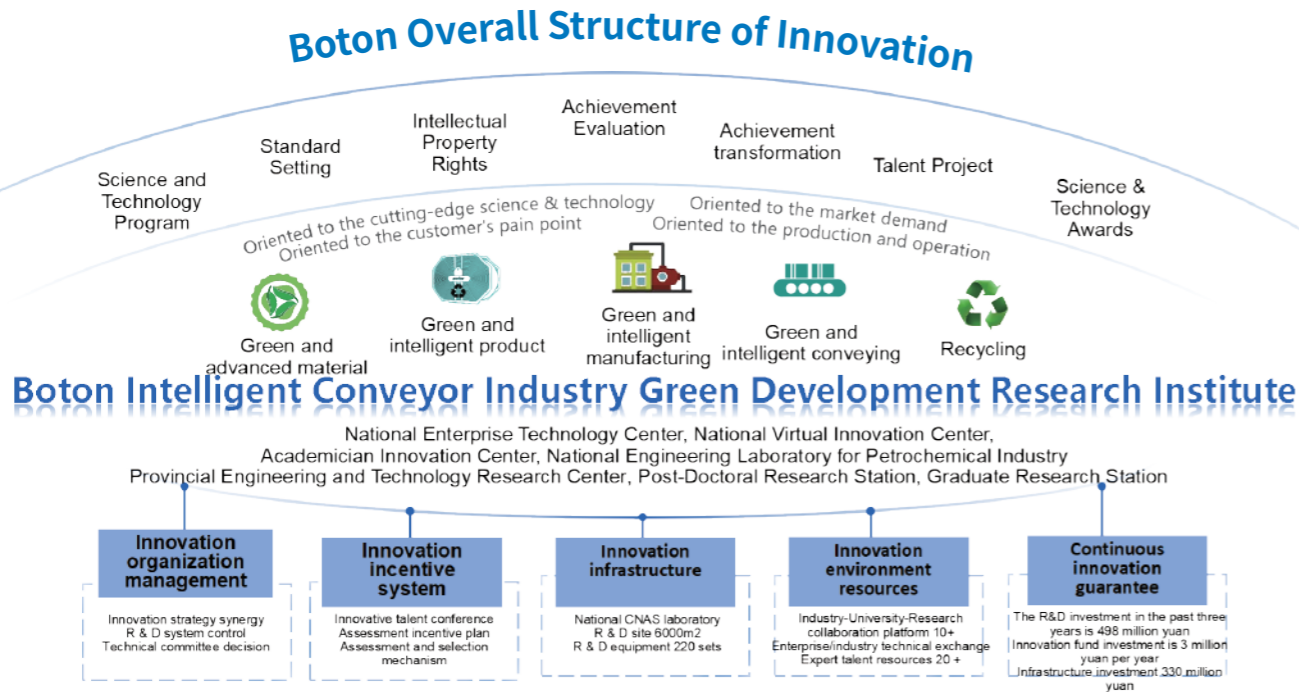
- Annual investment in innovation R&D is no less than 4% of the total annual revenue
- By 2025, we will increase the development of green products, RFID digital conveyor belts and online monitoring products, achieve a market share of 50% and 23% respectively
- By 2030, the proportion of bio-based raw materials in applications will reach 30%



“ Boton has always been a leading force in technological innovation. Through continuous technological innovation and investment in R&D, we continue to drive changes in technology and industry. By combining advanced technology with the goals of sustainable development, Boton is opening up a new path to promote economic growth and environmental protection at the same time, and creating greater prosperity and value for our customers and society with safe, efficient and green solutions and sustainable practices. ”

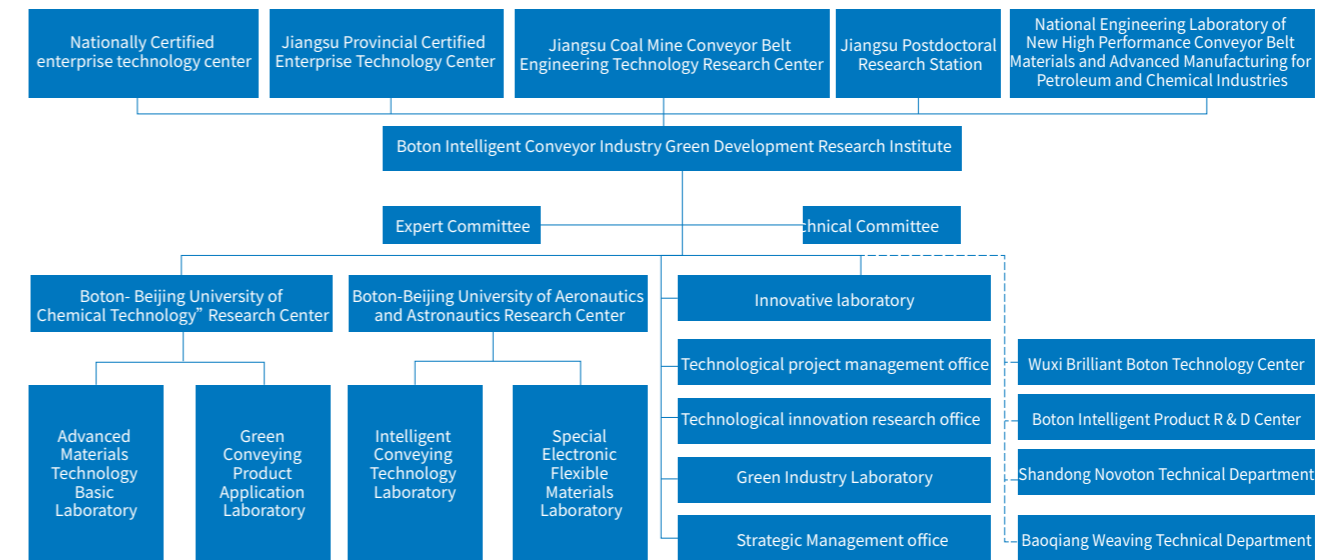
## Innovation Mechanisms

Under the guidance of the company's overall strategy and the key strategy of "innovation-driven differentiation", the company has built an overall innovation structure with Boton's characteristics in five aspects: "Innovation organization management, Innovation incentive system, Innovation infrastructure, Innovation environment resources, and Continuous innovation guarantee" with the innovation direction of "oriented to the cutting-edge science & technology, oriented to the market demand, oriented to the customer's pain point, and oriented to the production and operation.



## Innovation Organization Management

Based on the strategy of "Green and Intelligent", Boton has built an innovative organization " Boton Intelligent Conveyor Industry Green Development Research Institute " to carry out technological innovations and breakthroughs around advanced materials, green and intelligent manufacturing equipment and technology, green conveyor belts, intelligent conveying technology, recycling technology and so on, so as to push forward the achievement of the corporate mission of "making industrial bulk material conveying greener".



Boton Intelligent Conveyor Industry Green Development Research Institute (hereinafter referred to as the Research Institute) has set up two decision-making bodies, namely "the Expert Committee" and "the Technical Committee". Under these two committees, two Research Centers for Green Development of Intelligent Conveyor Industry were set up, namely "the Boton- Beijing University of Chemical Technology" Research Center and the Baotong-Beijing University of Aeronautics and Astronautics Research Center, as well as technical centers in various business areas, innovative laboratory, scientific and technological project management office, technological innovation research office and other technical research and scientific and technological management institutions.

In addition, the Research Institute has also undertaken a series of national and provincial scientific research platforms, including the "National Enterprise Technology Center" and the "Jiangsu Postdoctoral Scientific Research Station", providing strong organizational guarantees for the company's innovative development. We have established a comprehensive research and development control system, taking technological projects as the starting point and horizontally linking all departments in the company. The technological projects are strictly implemented in accordance with the process of project approval, mid-term inspection, and final acceptance. At each review point of the project, the Technical Committee subordinate to the Research Institute will conduct decision-making and evaluation.



## Innovation Incentive System

To encourage and ensure innovative activities, Boton has successively issued various assessment and management systems, including "Articles of Association of the Technical Committee", "Management System for Scientific and Technological Projects", "Management System for Scientific and Technological Project Funding", "Management System for Collection of Research and Development Expenses", "Management System for Intellectual Property Rights", "Employee Training System", "Incentive Measures for Continuing Education", "Reward Measures for Professional and Technical Titles", "Housing Allowance and Interest-free Loan for High-end Technical Talents", "Title Allowance for R&D Staff", "Management Measures for Industry-University-Research Cooperation", "Management Measures for Post-doctoral Research Workstations", "Employee Reward and Punishment System", etc. These measures guarantee the sustainable momentum of technological innovation and logistical support for talent cultivation within the company, laying a solid institutional foundation for the implementation of various innovative activities. In addition to encouraging innovation, Boton holds the "Innovation and Talent Conference" annually to recognize and reward projects publicly that have achieved excellent results and individuals with exceptional performance.



## Innovation Infrastructure

The technological innovation infrastructure includes a national-level enterprise technology center and a CNAS-accredited laboratory. R&D site covers an area of 6,000m<sup>2</sup>, boasting 220 sets of advanced equipment from Germany, Switzerland, the UK, Taiwan and other regions. Additionally, the company has independently designed and developed equipment such as the joint dynamic fatigue testing machine and the conveyor belt indentation resistance testing machine. The overall level of its experimental R&D equipment ranks first in the domestic rubber belt industry and has reached an internationally advanced level.



Key Testing Equipment for National CNAS Laboratory

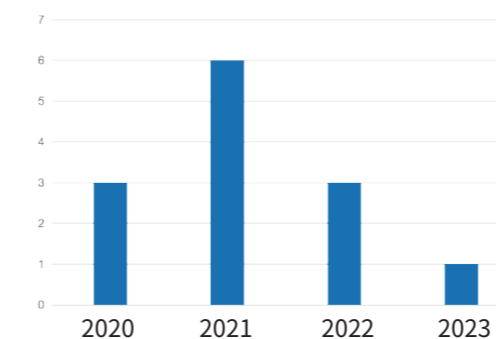
## Innovation Environment Resources

"A single tree cannot make a forest", innovation also requires coordinated development. Boton has established a good technical exchange platform with peers, upstream and downstream enterprises. Meanwhile we actively utilize "external wisdom" by forming an expert committee composed of external experts. Through regular meetings, the expert committee provides strategic guidance for the direction of the company's technological innovation. In addition, the company has actively established various industry-university-research cooperation projects, collaborating with renowned domestic universities such as Beijing University of Chemical Technology, Beijing University of Aeronautics and Astronautics, Beijing Institute of Technology, and Jiangnan University on a total of 34 projects. Among these, over 20 completed projects have successfully achieved transformation. In the process of industry-university-research cooperation, both parties leverage their respective strengths, actively undertake national key scientific and technological projects, accelerate the introduction and application of mature cutting-edge technology, solve common problems in the industry and issues in the company's new materials, new technologies, and new business models, break through technical bottlenecks and accelerate technological development.



(We hosted Academician Zhang and Professor Guo Baochun from South China University of Technology in early January 2023)

During the reporting period, Boton and its subsidiaries signed one industry-university-research cooperation project, namely the "Research on Electrical Energy Collection and Sensor Application Technology for Rubber Conveyor Belts during Service" project with Beijing University of Aeronautics and Astronautics. This project is related to the "Microscopic Change Detection Technology and Digital Sensor System for Materials at the Joint of Conveyor Belts" project established in 2022, both of which are exploratory series projects for the "Intelligentization of Conveyor Belt Body."



### Number of industry-university-research projects signed

- 2020** • 3项 (Beijing University of Chemical Technology)
- 2021** • 6项 (Beijing University of Chemical Technology)
- 2022** • 3项 (Beijing University of Aeronautics and Astronautics, Beijing Institute of Technology, Jiangnan University)
- 2023** • 1项 (Beijing University of Aeronautics and Astronautics)

## Continuous Innovation Guarantee

Boton ensures stable and continuous innovation through deepening R&D investment, setting up innovation funds and improving the innovation infrastructure. We continuously increase investment in R&D, especially in the research of new materials, new technologies, new products, and new processes, to bring the company technological leadership and product differentiation, and ensure continuous financial support for technological innovation and product research and development.

We have established an innovation fund of 3 million RMB annually to support and encourage an innovative culture and incentives. This fund not only provides financial security for innovative projects, but also motivates employees to participate in innovation, encourages creative thinking, and enables innovation to take root and grow within the company, promoting knowledge sharing and team collaboration.

Boton has invested 330 million RMB in innovative infrastructure, which includes not only physical spaces (such as laboratories, testing centers, etc.) but also software platforms (such as data analysis, project management tools, etc.). This has contributed to the establishment of an efficient and collaborative research and development environment, crucial for frequent iterations and high-quality R&D projects.

### R&D investment and its proportion of revenue from 2021 to 2023

	2023	2022	2021
R&D investment (RMB)	16,330.08	17,456.75	16,027.08
The proportion of R&D investment to revenue	4.47%	5.36%	5.81%



## Innovative Outcomes

Boton has been making continuous efforts and achieving results in five innovative dimensions, including advanced materials, green intelligent manufacturing equipment and technology, green conveyor belts, intelligent conveyor technology, and recycling technology.

### Advanced Materials

#### Main Content

R&D and application of Emerging Materials Featuring Green, Low-Carbon, Lightweight, and High-Performance

#### 2023 Innovation Progress/Achievements

- Increased the development and application of green, low-carbon, and environmentally friendly materials, achieving a 60% increase in the usage of low-carbon materials in conveyor belts compared to 2022.
- Successfully implemented the application of environmentally friendly materials such as bio-based rubber, pyrolysis carbon black, bio-based aromatic oil, and bio-based canvas in conveyor belts, and carried out serialized development work based on the performance grades of the conveyor belts.
- Continue to develop new bio-based/low-carbon environmental protection materials with suppliers and expand the application of these new materials.

## Green Intelligent Manufacturing Equipment and Technology

#### Main Content

Green and energy-efficient equipment process development, and development, optimization, and upgrade of intelligent manufacturing systems

#### 2023 Innovation Progress/Achievements

- Energy:** Through various measures such as energy system introduction, energy-saving equipment upgrades, optimization of production processes, and analysis and improvement of production efficiency, the unit energy consumption has been significantly reduced, with a 19.8% decrease in steam consumption per unit.
- Automation:** Several automated equipment has been launched or upgraded, including extrusion thickness measurement devices, vulcanization circular blade modifications, the establishment of a virtual Line 5, temperature control modifications for belt repair machines, voice broadcast systems, and anti-error measures for film model numbers. These improvements have been made to the production process in terms of safety, quality, efficiency, and cost.
- Systems:** The MES/WMS systems, ERP systems, and other related systems have undergone upgrades and improvements. Additionally, BI report management systems and energy management systems have been implemented, enhancing overall management levels and work efficiency.

## Green Conveyor Belts

#### Main Content

Development of low-carbon sustainable, low rolling resistance energy-saving, lightweight, and environmentally-friendly conveyor Belts

#### 2023 Innovation Progress/Achievements

Successfully implemented the development and application of three innovative products: the world's first Φ 600mm aramid core tubular conveyor belt, the world's first bio-based conveyor belt (with a bio-based material ratio of 72%), and the ultra-low rolling resistance conveyor belt (achieving approximately 40% more energy efficiency compared to the first-generation product).

## Intelligent Conveyor Technology

#### Main Content

Development and application of related technologies in smart online monitoring equipment and systems, clean production products and technologies, and construction of intelligent transportation scenarios.

#### 2023 Innovation Progress/Achievements

- The key technology of intelligent control for belt conveyor systems utilizing digital twin and AI measurement and control has been appraised by the China National Coal Association's Scientific and Technological Achievements Appraisal, concluding that the technology has reached an "internationally leading level" and won the second prize of the China National Coal Association's Science and Technology Award.
- The world's first "clean conveyor system" has officially been launched.
- The successful development and smooth operation of the X-ray non-destructive monitoring system for aramid belts have overcome the challenges of monitoring the belt core and joints of aramid belts.
- The self-developed low-temperature version of the longitudinal tear monitoring system can operate stably in temperatures of -50°C and has been successfully deployed in Canada, achieving timely alarm and shut down upon detecting conveyor belt tears.
- The self-developed "X-ray + thickness measurement" device has been successfully deployed in Peru, achieving long-term stable operation in high-altitude areas (above 4000 meters).
- The self-developed intelligent deviation correction system has been successfully deployed in Rizhao Port, achieving intelligent deviation correction for heavy-duty conveyor belts (with a capacity of over 9000 tons per hour) and demonstrating excellent results.
- The self-developed AI video monitoring system for pipe conveyors has been successfully implemented, providing real-time monitoring and timely alarms for faults such as pipe twisting and back wrapping, and has been successfully applied at customer sites.

## Recycling Technology

### Main Content

Recycling Technology and Reutilization of Defective Conveyor Belt Products

### 2023 Innovation Progress/Achievements

Layout failure conveyor belt product recovery plant construction while the current work is effectively pushed forward.

## Significant Technological Innovation Achievements

### Achievement 1 The World's First Bio-based Conveyor Belt (with a Bio-based Material Ratio of 72%)



In November 2023, Boton officially delivered the world's first bio-based conveyor belt to a customer. This high bio-based, low-carbon, and sustainable conveyor belt product was jointly developed by Boton and Beijing University of Chemical Technology, representing another significant achievement in their industry-university-research collaboration.

The bio-based conveyor belt uses a bio-based material ratio of up to 72%. The specific breakdown of the bio-based material ratio in each component is: rubber components (natural rubber, bio-based itaconate rubber) at 97%, canvas framework (bio-based nylon) at 22%, reinforcing materials (rice husk silica, pyrolysis carbon black) at 65%, and other additives (bio-based aromatic oil, bio-based resin) at 22%.

### Achievement 2 The world's first $\Phi$ 600mm aramid core tubular conveyor belt

Tubular conveyor belts are highly suitable for operating environments with strict requirements on environmental cleanliness and air quality, meeting the needs of green environmental policies and clean transportation. Boton has a leading tubular belt development team, achieving a 100% success rate in the first trial production of tubular belts.

On December 12, 2023, the company jointly held the delivery ceremony of the world's first  $\Phi$ 600mm aramid core tubular belt with Jiangsu Nantong Power Generation Co., Ltd., marking a milestone achievement in the transportation field for both companies. This tubular belt conveyor line has a horizontal conveying distance of 1,458 meters, a lifting height of 23.8 meters, a design belt speed of 5 meters per second, and a conveying capacity of 3,250 tons per hour. The innovative aramid core tubular conveyor belt addresses the stability issues of traditional tubular conveyor belts during operation, significantly improving transportation efficiency and reducing maintenance costs. The successful application of this line has also broken the situation where the tubular belt supply for Sutong Power Plant relied on imports, representing a significant breakthrough for Chinese manufacturing in the field of high-end equipment manufacturing.



### Achievement 3 The world's first "Clean Conveyor System" in the global industry has officially rolled off the production line



This is a highly representative series of clean production products from Boton, reflecting its commitment to the concept of green and intelligent new technology leadership. It has been implemented in the CITIC Jiangyin Xingcheng Special Steel project. Building on the traditional single cleaning method of conveyor belts, this system combines intelligent water flushing and clean water recycling treatment processes. Through a combination of multiple cleaning methods and control modes, it achieves stable and reliable deep intelligent cleaning of the conveyor belt surface, solving the common industry problem of conveyor belt carry-back. Furthermore, this product can further separate the cleaned materials and water through processes such as water residue separation, PH value adjustment, coagulation reaction, air flotation, and activated carbon adsorption. This allows the materials to be returned to the conveyor, the water to be purified and recycled, or to achieve first-class emission standards after water purification based on site needs. This significantly reduces the on-site cleaning workload for customers, leading to obvious reductions in staffing while increasing efficiency. It improves cleaning efficiency, saves resources, and is more environmentally friendly.

### Achievement 4 Self-developed game distribution platform

Based on the needs of the company's mobile internet game publishing business, we have innovatively developed a self-developed game distribution platform. This platform integrates multiple independent distribution platforms and significantly improves the efficiency and effectiveness of marketing promotion through end-to-end data integration and full-chain analysis. Meanwhile, the introduction of a material management system not only facilitates the market team to efficiently retrieve and manage materials but also ensures operational standardization and cross-regional uniformity through specific functional design.

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## Scientific and Technological Innovation Achievements

### Scientific and Technological Projects

During the reporting period, Boton and its subsidiaries, as the project hosts/participants, jointly carried out research on two national key research projects and one municipal-level scientific and technological project. Up to now, Boton and its subsidiaries have undertaken a total of 9 national, provincial, and municipal-level scientific and technological projects, including 3 national key research and development projects and 1 national "12th Five-Year" High-tech Research and Development Program (863 Program) project.

National key research and development project topic - Research on intelligent operation and maintenance technology for long-distance high-speed belt conveyor systems in large ports

The project was initiated in December 2022, focusing on the intelligent operation and maintenance needs of long-distance high-speed belt conveyor systems in large ports. It aims to address challenges such as the complex failure mechanisms and difficulty in ensuring the accuracy of fault detection, especially the high load of operation and maintenance systems in high-speed long-distance scenarios and the high demand for proactive and predictive maintenance. The project will study the coupling mechanism and evolution law of multi-faults in key components of belt conveyor systems; develop a multi-source image feature matching and fusion method to research precise multi-spectral visual recognition methods for multiple faults in conveyor belts; provide residual life prediction technology and predictive maintenance strategies for major components of belt conveyor systems; achieve comprehensive real-time dynamic detection, fault warning, and proactive safety prevention and control for port conveyor systems; and apply and validate the integrated technological achievements in major domestic bulk cargo ports.

The company is primarily responsible for the research and development of intelligent monitoring terminals and the establishment of an intelligent operation and maintenance system for this project. The expected technical indicators are as follows

- Develop 9 types of intelligent monitoring terminals, with an identification rate of no less than 95% for damages to main components such as idlers and conveyor belts under high-speed operation (6m/s) of long-distance (>5km) belt conveyor systems. Submit a test report issued by a qualified third-party testing agency
- Develop a set of visual and modular intelligent operation and maintenance system for belt conveyor equipment. Submit a test report issued by a qualified third-party testing agency, with a technology readiness level of 8
- Obtain one authorized invention patent

### Achievement Evaluation

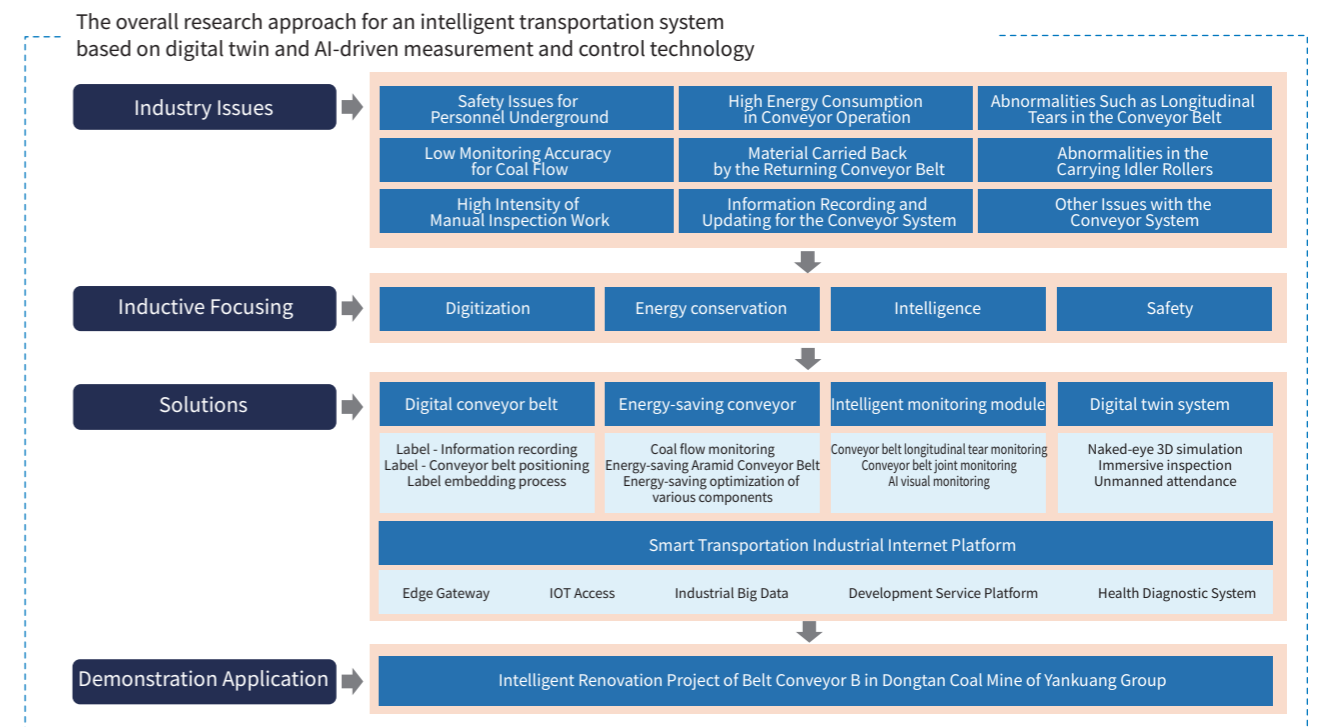
During the reporting period, the company completed the evaluation of one scientific and technological achievement with the evaluation conclusion being "internationally leading level". Up to now, the company has completed a total of 15 high-level scientific and technological achievement evaluations, among which one scientific and technological achievement has reached the "internationally leading level", and the remaining achievements have all reached the "internationally advanced level". The company was awarded the Second Prize of the 2019 National Science and Technology Progress Award for its "Key Technology and Engineering Application of High-performance Rubber Composite Materials" project, achieving a zero breakthrough in the industry's national award.

### Achievement Evaluation 1

#### Key Technology of Intelligent Control for Belt Conveyor Systems with Digital Twin and AI Measurement and Control

In response to various common failures in conveyor belts and conveyor systems, as well as issues such as low intelligence, poor monitoring accuracy, and safety risks caused by manual inspections in existing solutions, a smart conveyor system suitable for the coal mining industry has been constructed based on the overall layout of the conveyor system, utilizing digital twin, AI measurement and control technology, and collaboration with various monitoring devices. Focusing on the four dimensions of "digitization, energy saving, intelligence, and safety," the system has developed digital conveyor belts, conveyor energy-saving designs, various intelligent monitoring modules, an intelligent conveyor industrial internet platform, and a digital twin system based on naked-eye 3D technology.

This system has been successfully applied in Dongtan Coal Mine under Yankuang Group. On May 14, 2023, this scientific and technological achievement passed the evaluation organized by the China National Coal Association, with the conclusion that the scientific and technological achievement has reached "internationally leading level" and was awarded the Second Prize of the Science and Technology Award of the China National Coal Association.



### Achievement Evaluation 2

#### Development of a Monitoring System for Longitudinal Tears in Conveyor Belts

During the process of material transportation, longitudinal tears in conveyor belts are the most serious accidents, potentially leading to the scrapping of the entire conveyor belt and causing significant economic losses. Current mainstream solutions include embedding magnetic induction coils in the conveyor belt and installing various external longitudinal tear monitoring devices (such as mechanical, laser, and camera-based) to prevent longitudinal tears. However, these detection methods still have the potential for missed or incorrect judgments, which can severely impact normal production order.

Addressing the above issues, our company has innovatively developed a dual monitoring system integrating infrared thermal imaging and visible light. This device utilizes the inevitable temperature rise caused by longitudinal tears in the conveyor belt (the temperature at the tear site is significantly higher than normal) as the basis for detection. Coupled with a visible light lens, it can quickly determine whether a longitudinal tear has occurred in the conveyor belt and initiate a shutdown within a very short time. Combined with the RFID positioning device of the conveyor belt itself, it can also determine the location and approximate length of the longitudinal tear in the conveyor belt. On August 16, 2022, this research achievement passed the evaluation of scientific and technological achievements organized by the China Heavy Machinery Industry Association, and the evaluation conclusion was that this scientific and technological achievement reached the "internationally advanced level."

**Number of Scientific and Technological Achievement Evaluations in the Past Three Years**

- 2021** • 0 item
- 2022** • 1 item
- 2023** • 1 item

**Case**

During the reporting period, the low-temperature version of the longitudinal tear system installed at an open-pit mine in Canada by Boton Services precisely identified deep foreign object cuts on the surface of the conveyor belt. The system detected the abnormality within 0.1 seconds, issued an alarm, and initiated an interlocked shutdown. After the shutdown, personnel promptly confirmed and handled the issue, preventing a more serious accident. This system received high praise from the customer.

# Key Innovative Green Products

## 1 The World's First Carbon-Neutral Conveyor Belt



On July 7 2022, the world's first carbon-neutral conveyor belt jointly developed by Boton and the globally renowned mining resources company BHP Group (hereinafter referred to as "BHP") officially rolled off the production line at Boton's smart factory and has been put into operation at BHP's copper mine site in Chile. This product has obtained the world's first "PAS 2060 Carbon Neutrality Achievement Declaration Verification Certificate" for steel cord conveyor belt products issued by the globally authoritative and leading certification agency SGS.

Against the backdrop of the global dual-carbon strategy, environmental and climate change are closely related to national and social development, and no country or individual can remain unaffected. As an industry-leading full-stack service provider for green and intelligent transportation of industrial bulk materials, Boton has been actively exploring and implementing the green development transformation of the manufacturing industry, working closely with customers, suppliers, industry experts and etc.



## 2 Ultra-Low Rolling Resistance Conveyor Belt

So far, Boton has provided customers both domestically and internationally with a cumulative total of tens of thousands of meters of low rolling resistance conveyor belts, providing significant support in reducing production costs and energy consumption. On April 6, 2020, the company's ultra-low rolling resistance energy-saving conveyor belt product was successfully applied in the Guinea alumina mine of China Aluminum Corporation. With a total length of 48.6 kilometers, the design energy consumption was reduced by 42%, setting a record for "the longest single conveyor belt in Africa and the lowest energy consumption per ton in the world."

Through Boton's self-developed ultra-low rolling resistance formula technology, the belt strength was reduced from ST3500/4000 to ST2000/2500, and the cost of a single conveyor belt line could be reduced by over 2 million, significantly reducing procurement costs for end customers and achieving remarkable economic benefits. Thanks to the energy-saving design of the non-working surface covering rubber, energy saving and consumption reduction could reach over 15%, keeping later-stage operation and maintenance costs at a low level, and breaking through the bottleneck of project operation affected by the lack of local electricity in Guinea. Based on this, we have further developed second-generation and third-generation ultra-low rolling resistance products. The latest ultra-low rolling resistance product is even more energy-efficient, saving 40% more than the formula used in the Guinea project in 2020.

## Intellectual Property Rights

During the reporting period, Boton and its subsidiaries applied for a total of 38 patents, including 22 inventions (accounting for 57.8%), 8 utility models, and 6 designs. There were also 2 PCT patent applications, 6 software copyright applications, and 12 trademark applications, including 10 international trademark applications related to "carbon neutrality." In 2023, the company was granted 16 patents, including 4 inventions (accounting for 25%), 12 utility models, 6 software copyrights, and 1 trademark registration.

By the end of 2023, Boton and its subsidiaries had obtained a total of 185 patent authorizations, including 71 inventions (accounting for 38%), 110 utility models, and 4 designs. There are also 52 software copyrights.

	Patent Application Quantity	Patent Grant Quantity	Granted Invention Quantity
2021	30	31	5
2022	35	34	3
2023	40	16	6

## Standard Development and Revision

During the reporting period, Boton and its subsidiaries have completed the drafting of 10 standards, including 4 industry standards and 6 group standards. Additionally, the company has 12 various standards (including 4 ISO standards) currently in the drafting process.

Up to now, Boton and its subsidiaries have completed the drafting of 25 standards, including 6 national standards, 13 industry standards, and 6 group standards.

**Number of Standards Developed and Revised in the Past Three Years**

- 2021** • 2 items
- 2022** • 1 items
- 2023** • 10 items

### 3 Anti-Adhesion Conveyor Belt

The anti-adhesion conveyor belt product developed by Boton reduces the amount of powder, coal, molding sand, and other materials adhering to the surface of the conveyor belt, thus avoiding material loss and reducing environmental issues caused by dust flying.

A comparative test after the product was put into use at Customer S's site showed that the adhesion of materials on the belt surface was reduced by up to 50%, significantly improving the customer's production efficiency and material conservation.

### 4 High-Strength Aramid Core Conveyor Belt

As a leading company in technological innovation in the industry, Boton has been studying the application of aramid fibers in conveyor belt framework materials for a long time and has achieved a series of results. In 2017, the company's flame-retardant conveyor belt product with aramid fabric core for mining (DPP/S2500) was applied to Customer G's underground mining site and is still in operation. The cumulative coal throughput has reached 90 million tons. Compared with the previously used steel cord core conveyor system, it achieves energy savings of 16.8%, improves the overall transportation capacity at the customer's site, and directly saves approximately 1.9 million yuan in various expenses annually. This project was appraised by the China National Coal Industry Association in 2017. The long-distance, high-strength flame-retardant conveyor belt with aramid fabric core for mining has no precedent in the world, and the overall project has reached the international advanced level. In 2020, the company developed an ultra-high-strength aramid energy-saving conveyor belt (DPP/S4000), which was applied to the material transportation of a 25° steep inclined roadway in a large underground coal mine in Gansu. This project was the first to use a single-layer aramid core conveyor belt with a strength of 4000N/mm, exceeding the strength limit of 3500N/mm both domestically and internationally. The transportation capacity increased from 420t/h to 520t/h, representing an increase in transportation efficiency of 23.8%. The power consumption per ton of coal decreased by 21.9%, and the operating time was shortened by 2 hours under the condition of unchanged daily production capacity.

### 5 Conveyor Belt Longitudinal Tear Monitoring System

Boton has independently developed a system that can accurately identify longitudinal tears in conveyor belts. When a longitudinal tear accident occurs, the system can immediately issue an alarm and initiate an interlocked shutdown. The low-temperature version of the longitudinal tear monitoring system can operate at temperatures down to -50°C, with a working temperature range of -50°C to 60°C, making it suitable for use in extreme weather regions. In March 2023, a metallurgical steel plant in Hubei installed this system, which detected an abnormality in just 0.1 seconds. It identified abnormal wear on the conveyor belt caused by the impact of large volumes of material falling onto the protruding edges of the buffer bed. Upon detection, the system issued an alarm signal and initiated an interlocked shutdown. After the shutdown, personnel on site adjusted the position and controlled the material flow, ensuring safe production, preventing accidents, and reducing losses for the owner.

### 6 Aramid Belt X-ray Non-Destructive Monitoring System

This is a new product specifically developed by Boton to address the challenges of monitoring aramid conveyor belt splices and belt cores. It can promptly detect defects such as aramid conveyor belt splice pull-out, belt core fracture, and foreign object embedding. It automatically identifies and accurately determines the location of defects, featuring convenient installation, high detection sensitivity, high resolution, strong system real-time capabilities, and precise positioning. It can automatically output health diagnostic reports and initiate an interlocked shutdown upon detection of an alarm. This system has been successfully applied to the monitoring of the main inclined shaft aramid conveyor belt of Customer P, operating stably, achieving uninterrupted monitoring of the aramid belt with material load, and solving the challenges of monitoring the belt core, splices, and belt surface of the aramid belt, providing a strong guarantee for the safe production of users.



# 07 Value Co-Creation Building the Cornerstone of Trust



- P109 Sustainable Supply Chain Development
- P113 Product Quality and Safety
- P117 Continuously Create Diverse Value for Global Customers
- P125 Customer Service

## Sustainable Development Commitments

- By 2028, the ESG review coverage of the supply chain reaches 100%
- By 2030, the global technical service network will increase to 50 locations
- Continuously create diversified value for global customers, particularly in three areas: decarbonization, digital revolution, and full life-cycle services





In the business ecosystem, this is the core principle of BOTON working together with customers and supply chain partners. We firmly believe that through close cooperation, we can not only provide customers with value beyond expectations, but also promote a win-win situation throughout the entire supply chain, thereby jointly promoting the sustainable development of the entire industry chain. We focus on unlocking the potential of upstream and downstream ecosystems through innovative solutions and services, committed to creating greater value for every participant. True value creation comes from a deep understanding and satisfaction of the needs of customers and supply chain partners. Through deep cooperation and co creation culture, we enhance mutual trust and jointly win market honors.



## Product Lifecycle Quality Management



## Sustainable Supply Chain Construction

Building a healthy, stable, and efficient supply chain is the cornerstone for BOTON to achieve its long-term development and an important way to promote the achievement of the United Nations Sustainable Development Goals in the pursuit of sustainable development. Through responsible procurement practices, we continuously improve the ESG performance of the industrial chain, promoting the common prosperity of environmental development, social justice, and economic growth. This deep cooperation and continuous improvement not only create long-term value for the supply chain, but also lay a solid foundation for building a more just, green, and inclusive future society.

## Supply Chain Management System

Establishing an efficient, transparent, and sustainable supplier management system is the cornerstone of achieving responsible procurement. BOTON continues to improve its supply chain management system and has formulated systems such as the "Procurement Management System" and "Procurement Control Procedure", which clearly define the company's supplier admission and management processes, management nodes, screening standards, evaluation standards, performance evaluation rules, etc., to ensure closed-loop management of the entire supply chain process.

## Supplier Access and Evaluation

The supplier admission and evaluation mechanism is a key link in ensuring the sustainability of the supply chain. By establishing strict supplier admission standards and a continuous evaluation system, BOTON controls the quality and sustainability of the supply chain from the source. In the admission stage of suppliers, the procurement department conducts investigations and inspections on potential suppliers in terms of production capacity, product quality, compliance, environment, and other aspects.

For cooperating suppliers, BOTON implements a positive incentive policy mechanism for supplier process and results. The company collects supply data from suppliers on several dimensions such as quality, cost, supply guarantee, and technical support every month. Regular performance evaluations are conducted on suppliers, and the evaluation results are divided into four levels: A, B, C, and D. For D-level suppliers, we will urge them to rectify until all indicators meet the standards. After the rectification is completed, we will require the suppliers to undergo re-evaluation and achieve D-level or above indicators.

## Supplier ESG Management

Supplier ESG on-site audit work will be launched in 2024,

Achieve audit coverage by 2028 **100%**

BOTON conducts evaluations and investigations on suppliers in accordance with the relevant requirements of the BOTON Supplier Code of Conduct, including product quality, safety production, labor rights, employee care and development, business ethics, environment, and other aspects.

We require suppliers to sign the BOTON Supplier Code of Conduct, abide by laws and regulations, operate with integrity, while paying attention to labor and human rights, ensuring the occupational health and safety of employees, providing a safe working environment and equipment, and complying with relevant laws and regulations on occupational health and safety.

We have strict requirements for the business ethics performance of our suppliers, and have signed the "BOTON Supplier Integrity and Integrity Agreement" with all suppliers to ensure that they must comply with relevant laws and regulations on business ethics, and develop corresponding policies and procedures to assume integrity responsibilities.

BOTON will continue to promote corporate social responsibility and actively reduce the carbon footprint of its products, while also encouraging suppliers to increase investment in these areas. We prioritize cooperating with suppliers who have obtained ISO14001 and ISO45001 systems, and clearly encourage suppliers to consider environmental impacts in product design and production processes, implement continuous improvement plans to address these impacts, including replacing materials, reducing carbon emissions, and improving the treatment and control methods of waste that affects air, water, and soil. The raw materials or products provided by suppliers to BOTON must comply with the national standards and local regulations of the production and sales locations. In addition, we promise to prioritize the procurement of recyclable, low pollution, and low emission green and environmentally friendly materials. During the reporting period, under the influence of BOTON, 4 training and coaching suppliers obtained environmental system certification and occupational health system certification, and 4 training and coaching suppliers obtained product carbon footprint verification certification.



## Boton Supply Chain ESG Access

### Compliant operation

complying with laws and regulations, maintaining transparency and integrity

### Occupational health and safety

compliance with national safety regulations, safe working environment and equipment, safety training, occupational health and safety examinations

### Quality

Establish an effective quality management system, pass ISO 9001 quality system certification, audit product quality and issue relevant qualification reports, set quality objectives, and carry out continuous improvement activities

### Labor and Human Rights

Prohibition of Child Labor, Prohibition of Forced Labor, Prohibition of Discrimination, Prohibition of Harassment, Freedom of Association and Collective Bargaining, Ensuring Compensation, Benefits and Working Hours, Construction of Communication Channels and Appeal Mechanisms for Employees, Gender Equality



### Business ethics

anti-corruption and bribery, anti unfair competition, privacy protection and information security, respect and protection of intellectual property rights

### Environmental protection

compliance with local environmental regulations, assessment of the impact of production processes and products on the environment, reduction of three waste emissions, optimization of production processes and equipment, energy management, reduction of product carbon footprint, continuous development of lightweight materials and green raw materials

## Supplier Risk Assessment

Supplier risk assessment helps companies avoid potential risks during the supplier admission stage. During the supplier admission screening stage, BOTON not only evaluates suppliers based on factors such as their business capabilities and financial level, but also adopts a hierarchical management model to ensure effective identification and control of risks. We classify qualified suppliers into two categories: critical and non critical. Among them, key suppliers are those that may have an impact on the company's business, and their classification criteria include:

- Procurement cost
- The importance of business continuity for our company
- Potential impact on the safety and service performance of our company's products

## Supplier Empowerment and Development

BOTON strengthens the capabilities and sense of responsibility of suppliers through training and communication to support the overall sustainability of the supply chain. We regularly hold workshops and communication meetings to promote ESG related requirements and practices to suppliers, enhance their awareness of the importance of sustainable development. In addition to focusing on core suppliers and consolidating cooperation with industry-leading and excellent suppliers, BOTON also attaches great importance to improving the production level and product quality of small and medium-sized suppliers.

By implementing high-level visits, signing strategic agreements, jointly building research projects, jointly developing green new materials, holding technical and business communication meetings, and promoting quality control to suppliers, we establish open and transparent communication channels, encourage suppliers to share their challenges and successful cases, and help them grow and improve together. During the reporting period, we conducted 75 supplier communication, training, and ESG policy promotion activities.

This conference aims to achieve carbon neutrality in accordance with the guidance and requirements of the United Nations Environment Programme's Green Conference Guidelines and Actions.



In July 2023, BOTON held a **Supply Chain Sustainable Development Conference** with the theme of "Cohesive Innovation and Ecological Empowerment". We invited core suppliers to participate and jointly discuss important issues related to supply chain sustainable development. BOTON released a sustainable supply chain initiative at the conference site and invited various partners to participate. At the same time, the conference also held multiple strategic signing events for professional projects, carried out a series of sustainable development projects, and contributed wisdom and practice to sustainable development.



## Product Quality and Safety

Product quality and safety are the core of BOTON's business. Faced with a fierce market environment and growing customer expectations, it is seen as a key factor in shaping brand reputation, winning market share, and achieving sustainable growth for enterprises. Under the dual main business model of intelligent delivery and overseas game distribution, BOTON adopts indiscriminate high standard requirements for product quality and safety management. Whether it's intelligent delivery of full life cycle solutions or ever-changing game content, we always adhere to customer needs as the guide, and implement strict quality management for products throughout their entire life cycle to ensure that every product undergoes the strictest quality test before being delivered to customers.

## Quality Strategy and Quality Promotion Architecture

Based on the overall strategy of the company, BOTON has formulated a quality strategy of "pursuing high reliability and zero defects for excellent quality". In order to achieve the company's quality strategy, BOTON has developed its own quality management model through years of practice and summary: a full process control management model based on highly reliable data-driven zero defect. This quality management model is based on the classic PDCA model, emphasizing that all decisions are driven by highly reliable data.



To ensure the implementation of the company's quality strategy, the Quality Management Department has been authorized to serve as the driving force for comprehensive quality management, and a Quality Promotion Committee has been established to equip it with the ability to manage the entire process of quality from supply chain, new product development, production manufacturing, to customer feedback, promoting the comprehensive improvement of quality. On the other hand, a multi-dimensional data dashboard is used to drive various quality improvement activities. This "push" and "pull" ensures the efficient operation of the company's quality management work mode.

## Quality Management System

We have established a comprehensive quality management system and passed ISO9001 certification, which includes clear quality policies, objectives, responsibilities, and processes. The system covers the entire process from raw material procurement to product delivery, ensuring that each link meets the highest quality standards. On the basis of the ISO9001 system construction, we have successively introduced advanced management systems such as ISO14001 environmental system, ISO45001 occupational health management system, ISO10012 measurement system, CNAS laboratory accreditation system, ISO50001 energy management system, etc. Finally, we have systematically integrated them with the GB/Z 1958 excellent performance evaluation criteria to establish a complete quality management system for the company, ensuring that product quality and safety are fully guaranteed and sustainable development throughout the entire product life cycle.



## 2023 BOTON Quality Milestones

- Establishing a Quality Committee:** In order to assist in the achievement of the company's new four modernizations strategy goals, comprehensively improve the quality of the company's products, services, and operations, a Quality Committee has been established to launch a grand quality movement
- Establish a high-quality fund:** Establish a high-quality fund management system, clarify the requirements and reward and punishment mechanisms for high-quality management, and lay the foundation for the effective promotion of the high-quality movement. The first batch of injection of 800000 yuan from the Quality Fund will mainly reward outstanding departments and quality personnel who actively promote quality improvement, quality innovation, and even quality change
- Achievements of company level QCC research groups:** 32 company level QCC research groups have been established to continuously promote quality reform, of which 17 groups have achieved challenging goals and created quality and economic benefits for the company
- Achievements of zero defect prototype line:** Four zero defect prototype lines have been achieved, laying a solid foundation for the comprehensive implementation of subsequent high-quality production lines
- Winning the Nomination Award for Jiangsu Governor's Quality Award:** With the efforts of all colleagues, the company has been awarded the title of Nomination Award for Jiangsu Governor's Quality Award in 2023



## Quality Culture Construction

BOTON values the corporate quality culture and conducts quality awareness education for employees before, during, and after their employment, especially for frontline production and laboratory testing personnel, to ensure that their quality management knowledge and skills match the company's quality management requirements.

Comprehensively promoting the implementation of high-quality work is the top priority of BOTON's implementation of the new four modernizations strategy. Our confidence and support for globalization come from the quality of our products, services, work, and operations. Based on this, we have initiated a four self movement of "I learn, I change, I suggest, and I improve" internally to promote personal and organizational learning and growth, to support the transformation and upgrading of internal processes, and thus form a high-quality management culture of "customer orientation, continuous improvement, courage to change, and data speaking".



## Mobile Internet

Before representing game products, the company strictly controls product quality and sets a comprehensive product selection workflow.



## Continuously Creating Diversified Value for Customers

In this era guided by customer value creation, we can no longer rely on a single product or service model, but should start with how to comprehensively meet the ever-changing needs of customers and how to add more added value to services. BOTON, with its profound heritage and forward-looking vision, adheres to customer demand orientation. It is not only committed to providing high-quality products and services, but also provides customers with more accurate value propositions by deeply understanding customer needs, adopting innovative technologies, fast and professional services, and personalized solutions and value-added services. With "responsibility and efficient execution" as action guidance, it continues to create diversified value for global customers.

## Deeply Analyze Customer Difficulties and Pain Points

The industrial bulk material transportation system is an indispensable and important component in industrial production, playing a key role in industries such as mineral resources, steel smelting, cement building materials, ports and docks. However, although conveying systems are crucial for industrial production, there are still pain points and difficulties in practical applications, mainly including:

### Safety issues

The conveyor system may experience malfunctions during operation, such as belt tearing, deviation, and joint failure. If these issues are not detected and addressed in a timely manner, they may lead to equipment damage, production interruption, and even personal injury

### Efficiency issue

Traditional conveying systems often rely on manual monitoring and operation, which is not only inefficient but also prone to human errors. In addition, issues such as material blockage and conveyor belt slippage can also affect conveying efficiency

### Maintenance cost

The maintenance and repair of conveying systems usually require professional personnel, which not only increases labor costs, but also makes it difficult to predict and control maintenance costs due to the uncertainty of equipment failures

### Environmental impact

During the transportation process, there may be environmental pollution issues such as dust and noise, which can have an impact on the surrounding environment and the health of workers



### Energy consumption issue

Traditional conveying systems have high energy consumption, especially in long-distance and heavy load conveying scenarios, where energy consumption has become an issue that cannot be ignored

### Intelligence level

With the development of Industry 4.0 and intelligent manufacturing, traditional conveying systems have shortcomings in intelligence and automation, making it difficult to meet the modern industrial demand for efficient, intelligent, and flexible production

### System integration issue

The conveying system often needs to be integrated with other equipment and systems on the production line, but compatibility and integration difficulty between different devices may become limiting factors

## Diversified Value Creation

As a leading industrial bulk material transportation intelligent full stack service provider in the industry, BOTON adopts a new business model of green and digital products for intelligent transportation services, building a customer-centric ecosystem that continuously creates and provides diversified value

### Fully intervene in the key metal industry chain for global energy green transformation, and assist in global decarbonization



Steel smelting has always been one of the industries with the most concentrated carbon emissions, and is the main battlefield for industrial green development under the "dual carbon" goal. In response to the challenge of high carbon emissions in steel smelting, a technology using hydrogen for steel making has emerged: using hydrogen instead of carbon to reduce iron ore. BOTON has won the bid for the supply of conveyor belts to the world's largest hydrogen steel making plant, continuously supplying green conveyor belt products to multiple internationally renowned iron ore miners R and A customers, fully intervening from steel making raw materials to the steel making process, and supporting the entire low-carbon steel making industry chain.



Copper is a key metal for energy transformation and is considered the most important commodity in the decarbonization era, as it is used in various fields from electric vehicles to wind turbines and large-scale expansion of the power grid. BOTON maintains close cooperation with globally renowned copper mining companies such as B, W, and C clients, supplying high-performance conveyor belt products and intelligent monitoring systems, and fully intervening in the copper industry chain.



G customer's underground mining is currently operating the longest aramid conveyor belt in the world. The aramid belt is produced by BOTON and has a total length of 11200 meters. It has been in stable operation for 82 months and has a coal throughput of over 100 million tons. Since 2017, with the support of BOTON aramid conveyor belt, the overall operation of the project has been good, with significant cost reduction and energy saving effects. Various expenses have been saved by 1.9 million yuan annually, with an annual savings of about 849 tons of standard coal, and a total reduction of 21160 tons of carbon emissions throughout the entire life cycle.



## Improving Efficiency and Productivity



The stacker reclaimer line at the Australian port of Dampier adopts BOTON ultra wear-resistant steel wire rope core conveyor belt, which has excellent wear resistance of the covering rubber and advantages such as good tear resistance, impact resistance, and long service life, making it suitable for long-distance transportation. In the practice of this project, BOTON ultra wear-resistant conveyor belt has achieved for customers: a 50% increase in service life throughout the entire lifecycle, 25% reduction in belt purchase and inventory expenses, 33% reduction in safety risks during the joint process, and significant results in cost reduction and efficiency improvement.



Y customer's dark inclined shaft strong belt extension and renovation project replaced all the original ST3150 steel core flame-retardant conveyor belts with BOTON DPP4000 aramid flame-retardant conveyor belts. The number of conveyor belt joints was reduced from 16 to 7, effectively reducing the frequency of conveyor belt maintenance and labor intensity of employees.



The Guinea Bauxite Mine Project adopts the ultra-low rolling resistance conveyor belt technology independently developed by BOTON and certified by CDI in the United States. The application of this technology directly reduces the belt model from ST3500/4000 to ST2000/2500, not only greatly reducing procurement costs by more than 2 million yuan in structural design, but also achieving energy-saving and consumption reduction of over 15% through non working face covering adhesive design, which keeps the later operation and maintenance costs at a relatively low level. It breaks through the bottleneck of project operation caused by electricity shortage in Guinea and creates a record of "the longest conveyor belt in Africa, with the lowest energy consumption per ton in the world".



## Joint innovation and technological cooperation to promote the enhancement of global strategic partnerships



BOTON and internationally renowned mining enterprise R jointly designed, developed, and produced a conveyor belt testing platform. The platform achieved simulation of on-site working conditions and functional testing of jointly developed products, providing good simulation guidance for solving early conveyor belt damage problems on site in the next step.



BOTON and Sutong Power Plant Jointly Develop Domestic and World First  $\phi$  This 600mm aramid tubular belt conveyor system has a horizontal transportation distance of 1458m, a lifting height of 23.8m, a pipe diameter of 600mm, a designed belt speed of 5m/s, and a designed conveying capacity of 3250t/h. This innovative aramid tubular belt effectively solves the stability problem of traditional conveyor belts during operation, improves conveying efficiency, reduces maintenance costs, and meets the customer's needs for long-distance, high head, and low energy consumption conveying. In addition, both parties have jointly applied for two patents and are continuing to engage in scientific research cooperation in areas such as "application of provincial-level scientific and technological achievements for aramid pipe belts" and "application of industry standards for aramid pipe belts".



## Provide innovative and customized solutions to meet the personalized needs of customers and ensure their significant competitive advantage in the market field



At the site of unloading machine No. 6 at Fangcheng Port of Liugang, the unloading machine has a continuously moving discharge port and no front iron remover. The material often contains foreign objects, which poses a significant risk of tearing. Traditional longitudinal tearing monitoring devices cannot solve the problem of unstable discharge points. BOTON has redesigned the project and boldly proposed the technical solution of installing a "mobile conveyor belt longitudinal tear monitoring system", which is the first in the industry. Compared to traditional fixed tear recognition systems, BOTON Intelligent Mobile Longitudinal Tear Monitoring Equipment is installed on the unloader and can monitor conveyor belt tearing and wear in real-time as the unloader moves. When the system recognizes an abnormal situation, an alarm prompt is issued and a shutdown signal is issued, which can minimize the tearing loss.



## Promote digital transformation assist in the construction of customer digital ecosystems



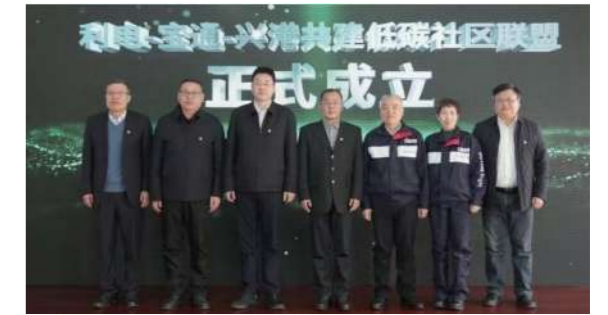
With the continuous advancement of industrial Internet, the demand for digital transformation of mining enterprises will further promote the process of intelligent material transportation and intelligent products to penetrate into downstream vertical applications. BOTON provides intelligent transportation solutions for the Dongtan Coal Mine of Yankuang Energy Group, including a highly integrated belt conveyor control system, full life cycle management of conveyor belts, intelligent monitoring of conveyor system protection, safety and clean production, as well as naked eye immersive mixed reality space digital scenes. These solutions greatly reduce management costs for mining enterprises, enhance their overall digital service capabilities, ultimately achieve stable and reliable safety production, improve overall transportation efficiency, and help Dongtan Coal Mine successfully pass the "National First Batch of Intelligent Demonstration Construction Coal Mines" acceptance. At the same time, BOTON has also won the second prize of the Science and Technology Award of the China Coal Industry Association in 2023 for this project.



## Products and services help spread customer culture and values



BOTON and Lidian Energy Group jointly build a low-carbon community alliance, focusing on the three dimensions of "establishing cooperative relationships among all parties in the alliance on the path of green growth, stimulating community interest and exploration in sustainable lifestyles and practices, and deepening the understanding of responsible corporate and community image". Through the construction of a transparent and open working mechanism, community participation and education, low-carbon living, energy conservation, greening and ecology, residential transportation, renewable energy, resource recycling and other community carbon reduction strategies, the implementation of low-carbon community construction is assisted. The Low Carbon Alliance has built a valuable platform for Li Dian and BOTON to better participate in environmental protection and fulfill social responsibilities.



BOTON has engaged in in-depth cooperation with Indigenous Canadians, working together to provide services to internationally renowned mining company R's clients in Canadian mining areas. The rights and development of indigenous peoples are a major ESG concern for mining enterprises. BOTON's move aligns with R customer's philosophy and helps R customers spread the concept of valuing community indigenous rights and development.



## Mobile Internet

Respect and trust users, actively build an open and inclusive interactive platform, allowing each user to have the opportunity to unleash their unique value and create and share success with the enterprise. From product research and development, operational strategies to customer service, we fully consider the needs and experiences of users, and work together to build a harmonious, healthy, and sustainable gaming ecosystem.

## User operation around the game ecosystem

In terms of game ecosystem operation, we continuously and regularly update game content based on the situation of different regions and types of products. In addition, we will also use our self-developed backend system to observe and analyze user behavior data, continuously optimize the game server environment, and carry out a series of operations such as server collaboration and cross server matching to ensure users have a continuous and high-quality gaming experience.

### Introducing a "user participation and co creation mechanism"

We encourage users to actively participate in the development and improvement process of the game, achieving value co creation. For example, setting up a user feedback channel allows users to directly provide feedback and suggestions to developers, and timely adopt and apply valuable feedback to product updates. At the same time, online and offline player meetings and face-to-face planning activities are also held, inviting users to deeply participate in the game design, planning, and decision-making process, jointly exploring and shaping the future development direction of the game.



We also create an "innovative cooperation model" by engaging in cross-border cooperation with other industries, such as jointly launching themed activities, customizing goods or services, etc., to transform users from mere consumers into participants and co creators, and share the value brought by commercial success.

### Establish a user incentive system

such as point redemption, honor authentication, virtual item rewards, etc., to stimulate user enthusiasm and creativity, so that users can not only enjoy the fun of gaming, but also contribute to the prosperity of the gaming community.

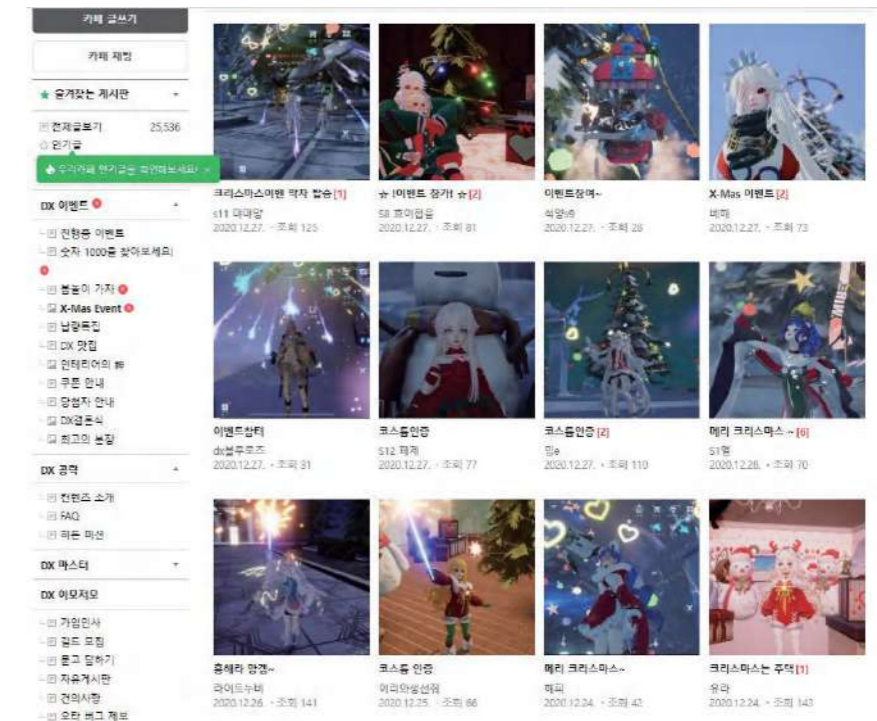


### Building localized user operation channels

In terms of continuous user operation, in addition to updating the content of the game itself, we have also established localized user operation channels according to the situation in various regions, such as game community operation, user operation platform, KOC user representative operation, etc. Through these operational channels, the official will conduct localized operations based on local conditions, such as organizing local festival events, game anniversary events, local hot topic discussion activities, etc., to better help the project improve user engagement.

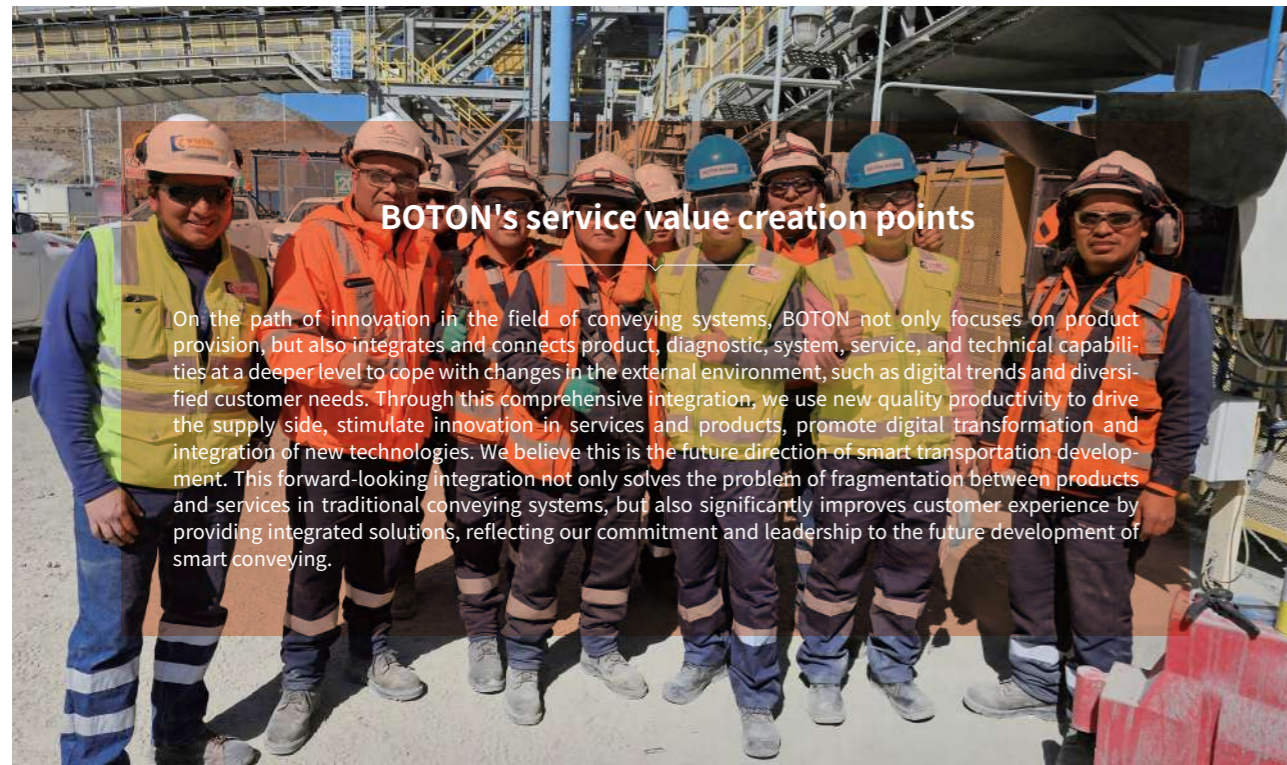
### Encourage community building and content creation

We encourage and support users to share their gaming experiences, strategies, and even create related illustrations, videos, and other derivative content in the gaming community, creating a good UGC atmosphere. Provide both material and spiritual rewards to outstanding creators, further enriching the cultural connotation of the game, enhancing brand influence, and promoting emotional connection and value co creation with users and the game.



## Customer Service

At BOTON, we are not only pioneers and practitioners of industrial bulk material transportation, but also guarantors of excellent service experience. We adhere to the core service philosophy of "professionalism, reliability, excellence, and efficiency", and are committed to creating service experiences that exceed expectations for global customers, achieving the commitment of customer first, quality first, and service first. BOTON has an independent and comprehensive customer service system, covering the entire product lifecycle services from early selection, installation and debugging, to later operation and maintenance. Our service network spans not only domestically but also across Australia, Southeast Asia, Europe, North America, South America, and Africa. Based on our business layout, we will continue to strengthen the construction and optimization of global service outlets to quickly respond to customer needs.



On the path of innovation in the field of conveying systems, BOTON not only focuses on product provision, but also integrates and connects product, diagnostic, system, service, and technical capabilities at a deeper level to cope with changes in the external environment, such as digital trends and diversified customer needs. Through this comprehensive integration, we use new quality productivity to drive the supply side, stimulate innovation in services and products, promote digital transformation and integration of new technologies. We believe this is the future direction of smart transportation development. This forward-looking integration not only solves the problem of fragmentation between products and services in traditional conveying systems, but also significantly improves customer experience by providing integrated solutions, reflecting our commitment and leadership to the future development of smart conveying.

## Technical Service System

BOTON has built a perfect technical service system in the industry, which consists of three departments: Technical Support Department, Customer Service Department and Engineering Service Department. The technical support department is responsible for product technical support, the customer service department is responsible for handling on-site issues such as product installation and use, as well as customer complaints, and the engineering service department provides product installation, modification, upgrading, and other work. The three departments have an orderly division of labor and work collaboratively, capable of independently providing a series of services such as conveyor design, conveyor belt installation, intelligent transformation, and conveyor line maintenance.

## BOTON Global Technical Service Center

### Main idea

BOTON Global Technology Service Center aims to put customer value at the core, and greatly enhance customer usage and service experience through efficient and professional technical services and solutions. Our aim is to ensure that customers enjoy high-quality service throughout the entire product lifecycle through a rapid response mechanism (goal: reply within 24 hours, arrive on-site within 48 hours) and professional technical support, thereby deepening customer satisfaction and loyalty.

### Goal

Our goal is to establish unified technical service standards, lead the world in new heights of conveyor belt technology services, and ensure that global customers can experience BOTON's consistent, efficient, and professional services no matter where they are. Through technological innovation and quality improvement, we continuously promote the development of conveyor belts and intelligent products, committed to becoming a new benchmark in the industry.

### Global

For the global market, BOTON Global Technology Service Center has laid out six key market regions: Australia, South America, North America, Europe, Africa, and Southeast Asia. Through strategic market positioning and technical personnel deployment, it provides distance advantages and fast service response. In addition, our professional team is proficient in the local language and business culture, ensuring resonance with customers on the same frequency.

### Service

The service content covers from technical documentation and on-site application support to the integration of digital transformation and emerging technologies, ensuring end-to-end technical guidance and support. Our goal is to become the preferred partner for conveyor system construction projects through continuous technological innovation and service optimization, while accelerating the development and deployment of next-generation conveyor system solutions.

## Service Highlights

### A high-level, high standard, and highly professional service team

We have a professional and efficient service team of up to 40 members, with a ratio of 0.9:1 between the service team and the marketing team. More than 60% of the personnel have been deeply involved in the conveyor belt industry for more than five years. One of them is not only a senior engineer, but also a member of the domestic belt transmission standard committee. In 2023, we have served a total of 226 clients, actively visited them 79 times, and conducted 76 technical exchanges with them.

### Higher and faster service response speed

In terms of service effectiveness and response speed, we have achieved a 4-hour response time for domestic customers and a 12 hour response time for overseas customers;

### A comprehensive after-sales and service network

In order to better serve customers, both domestic and international service points are located closest to the mining area for timely response to customer needs and fastest arrival at the site. At present, domestic service points cover 11 regions including Shandong, Inner Mongolia, Xinjiang, Shanxi, Ningxia, and overseas service points have covered Australia, Southeast Asia, Europe, North America, South America, and Africa;

### Provide value-added services to customers

A. Assist customers in product selection based on their on-site working conditions before sales, comprehensively considering safety, efficiency, cost, energy conservation, and other aspects, and provide customers with the best conveying solution;

B. During the production and manufacturing period of our products, we provide customers with the maximum and optimal cost convenience for dispatching production and supervision personnel;

C. Free skill training can be provided to customers after sales. With the expansion of BOTON's global business, we attach great importance to supporting and investing in customer training and technical services.

On the one hand, engineers from the Technical Service Center participate deeply in product development as service representatives, discussing on-site issues and customer pain points with the R&D team, and providing product and service assistance that meets the on-site needs and operations of the working conditions. On the other hand, it supports rapid closure of on-site issues and project delivery.

For the customer's operation and maintenance team, we can provide technical training on installation, jointing, debugging, use, maintenance, and bonding through various methods such as on-site training, visiting training, and live streaming, to help improve the ability of the customer's operation and maintenance team and continuously empower customers.

### Drive solutions for technological innovation

BOTON Global Technology Service Center not only focuses on traditional conveyor belt technology services, but also strives to promote digital transformation and integration of new technologies (such as AI, MR, IoT, green conveyor belts) to provide standardized global solutions that can meet specific regional needs. Through these efforts, we aim to promote mutual progress between BOTON and our customers.

## Mobile Internet

User service is the cornerstone of game operation, quickly solving user needs and improving user satisfaction is the primary task of operation

### User Services

#### For customer service personnel

- Selection of customer service personnel and establishment of mandatory screening standards
- A comprehensive customer service training system
- Tutor's one-on-one process teaching and business simulation

#### Regarding user experience

- Customized customer service time based on the daily habits of users in different regions
- Immediately respond to user's online problem needs

#### Regarding tool usage

- There is a fully built customer service system in the game, which can quickly locate problems and provide 24-hour online service
- Introducing AI analysis and response technology to solve basic types of problems more quickly
- Data-driven analysis of customer complaint levels and types, helping customer service personnel optimize projects and arrange work schedules reasonably

# 08 Community Symbiosis Achieving Value Highlands



- P132 Building High-quality Education Together
- P133 Ecological Conservation
- P133 Building a Low-Carbon Community Together
- P134 Help and Support The Poor
- P135 Community Volunteer Service and Community Development

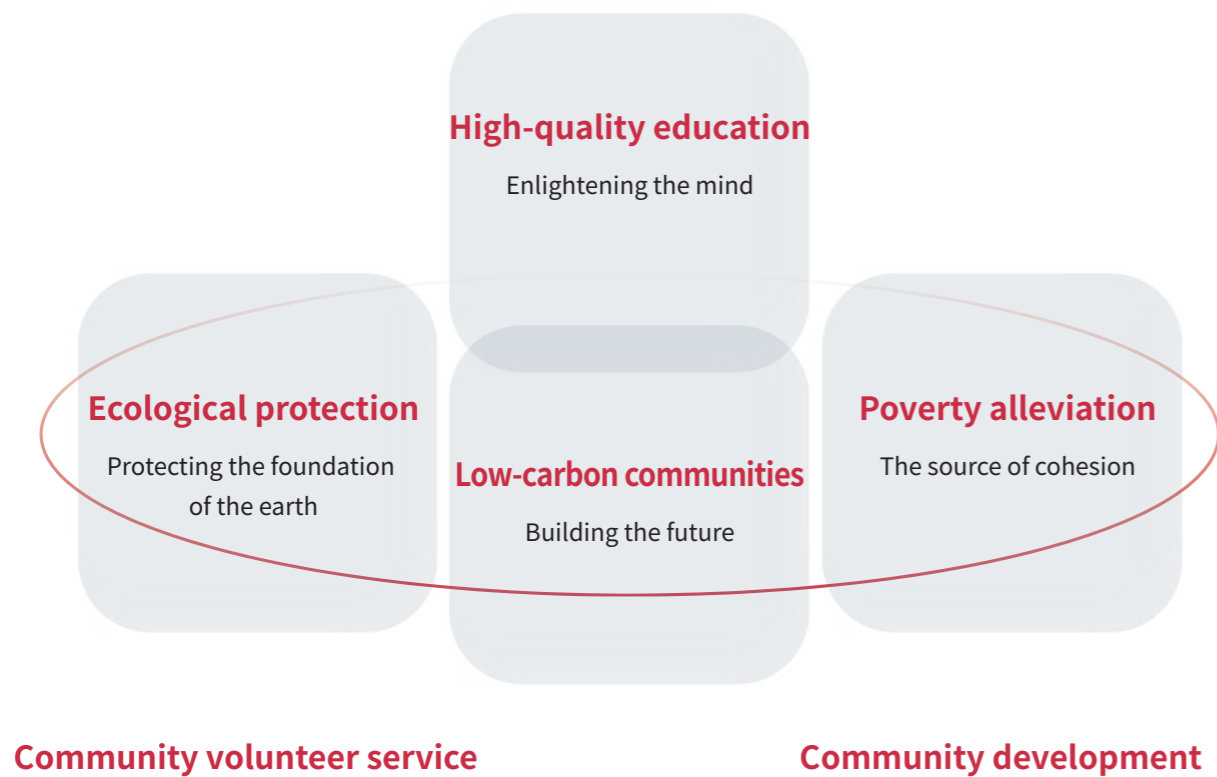
## Sustainable Development Commitment

- In 2030, volunteer service hours  $\geq$  10000 hours/year
- By 2030, the cumulative coverage of community sustainable development education (ESD) course training will exceed 10000 people
- Support sustainable development of communities and continue to deepen efforts in four areas: high-quality education, ecological protection, low-carbon communities, and poverty alleviation and assistance



“ In today's increasingly interconnected world, every good deed can stir up thousands of waves. We firmly believe that even the smallest acts of kindness can breed infinite love. BOTON adheres to the public welfare concept of "using small kindness to inspire great love", and has long focused on four major areas: high-quality education, ecological protection, low-carbon communities, and poverty alleviation and assistance. It radiates two public welfare issues: community volunteer service and community development. Through the BOTON Zhide Education Fund and the BOTON Global Community Public Welfare Fund, it empowers public welfare innovation, adheres to the four public welfare principles of "inspiring the heart of the mind", "protecting the foundation of the earth", "building the future path", and "consolidating the source of people's hearts", continuously explores sustainable public welfare models, and moves towards the sustainable development goal of "people, industry, and society" mutual integration and growth. ”

### Using Small Kindness to Inspire Great Love



## Jointly Building High-quality Education

**01** BOTON Zhide Education Fund has signed a scholarship agreement with relevant schools, injecting a total of 2 million yuan into the fund in 2023, for school scholarships, teaching project improvement support, teaching material upgrading, teacher talent training, etc., to promote the development of national education.

**02** The "Future Classroom" project has been launched at Xinwu Experimental Primary School in Wuxi City. By donating VR teaching equipment, customizing teaching content, and arranging engineers for on-site teaching in community schools, students' practical abilities and innovative awareness are improved. BOTON virtual reality products and technology are used to provide more diverse and high-quality learning resources for more young people, stimulating their exploration and interest in science.

**04** Provide teaching supplies and equipment to the nine-year compulsory education school in Dashibuyi Township, Xiuwen County, Guizhou, and donate 200000 yuan to improve the school's infrastructure construction, creating a better learning environment for local students.

**03** Collaborate with multiple primary schools in the local community to establish a national engineering education base, providing more learning and practical opportunities for primary school students. By inviting students to visit enterprises, investing in teaching resources, implementing mentorship programs, participating in the development of engineering education courses, and building a school enterprise communication platform, measures are taken to promote the sharing of educational resources and cultivate innovative thinking among students.

**05** BOTON Australia has established the Boton Community Sport Sponsorship in its local community to encourage youth sports and promote the spread of sportsmanship. In 2023, we sponsored two sports events related to teams in Australia, one of which is the women's basketball team under the age of 16, to support the development of women's sports.



## Ecological Protection

### Adopting giant panda Tongtong

Donate RMB  
**500000** yuan

Starting from April 22, 2022, in order to promote the sustainable development of the conservation of endangered and rare animals such as giant pandas, BOTON signed an adoption agreement with Chengdu Panda Breeding Research Base, successfully adopting the giant panda "Tongtong" through donations. In April 2023, BOTON Technology Chairman Bao Zhifang and his team went to Chengdu and donated RMB 500000 to continue providing funding for the conservation and breeding of endangered and rare animals such as giant pandas, and to assist in biodiversity conservation.



## Co-Building Low-carbon Communities

Cities are the core places for green and low-carbon practices, and communities, as the cells of cities, are important spatial carriers for practicing urban green concepts, playing a very important role in achieving the dual carbon strategy. In order to promote sustainable development in the community, BOTON initiated a joint low-carbon community alliance plan with Xinggong Community in Jiangyin Ligang Street and Jiangsu Lidian Energy Group. Starting from this, BOTON plans to focus on three dimensions: "establishing cooperative relationships among all parties in the alliance on the path of green growth, stimulating community interest and exploration in sustainable lifestyles and practices, and deepening responsible corporate and community image awareness." Through the construction of a transparent and open working mechanism, community participation and education, low-carbon living, energy conservation, greening and ecology, residential transportation, renewable energy, resource recycling, and other community carbon reduction strategies, BOTON will continue to work with local partners and communities in the location of business operations to support the construction of low-carbon communities.



## Poverty Alleviation and Assistance

BOTON actively promotes its own development while also fulfilling its social responsibilities, especially giving special attention and support to disadvantaged families in the community. For 15 consecutive years, through targeted assistance to 135 disadvantaged families, the company has not only provided them with necessary material and economic assistance, but also focused on empowering these families through education, skill training, and other means to help them achieve self-development and improve their quality of life. In 2023, the company assisted a total of 10 impoverished families and two elderly people living alone in the community, and supported two students from disadvantaged families to complete their studies.

We actively assist in rural revitalization by claiming 80 apple trees in Yichuan County, Yan'an, Shaanxi Province, helping fruit farmers increase their income and contributing to the construction of a civilized society.



## Community Volunteer Services

In 2023, we established the BOTON Zhide Volunteer Alliance, focusing on caring for the elderly, disabled, children, medical staff, community residents' health, environment, and spiritual civilization. We have completed a total of 619 volunteer service hours, and 33 employees have successfully participated in community blood donation, donating 11000 milliliters of blood.



On April 12, 2023, BOTON Zhide volunteers walked into the Meicun Street Disabled Persons Center and interacted with more than 20 disabled people. Together, they made bamboo paintings and accompanied them through a joyful and meaningful afternoon.



On September 26, 2023, BOTON Zhide volunteers specially invited Tongshan Dental and Fengshang Public Welfare Organizations to enter the three communities of Taibo. Through various forms of square services such as game interaction, life science popularization, love free clinics, and cardiopulmonary resuscitation, they brought joy and health to the community residents.



## Community Development

In terms of assisting community development, BOTON has jumped out of its original scope, from domestic to overseas, to the locations where our global business operations are located, and even joined forces with our clients to do so.

### Promoting the ecological development of Inuit Indigenous tribes in Canada

In May 2023, BOTON began cooperation with the Inuit indigenous people of Canada, which is another important step for BOTON to achieve sustainable development. Through cooperation, it can play a role in promoting the local economic development of indigenous tribes, bringing more education, training, employment, and business opportunities to the local indigenous people, helping to continue the development of indigenous ecology and culture in the process of human history, and creating a better future for human civilization. This event has given us great inspiration. BOTON's community service needs to extend to global business locations. Wherever our products are sold, the development of the community should be achieved.



### BOTON's "Sunshine Road" project

In the name of sunshine, let the warmth of community care shine like sunshine on the earth. This is the original intention of BOTON Chile Branch to turn ineffective conveyor belts into treasures and pave roads for slum communities, naming the project "Sunshine Road". In Chile, the world's largest copper ore producing area, replaced waste conveyor belts can be seen everywhere. Due to the lack of proper disposal methods and local laws prohibiting burial, mines urgently need a practical disposal plan to convert these industrial waste into materials beneficial to humanity.

BOTON is collaborating with local mining companies to build the world's first workshop for processing waste conveyor belts at the mining site. In the future, this workshop will turn expired conveyor belts into building materials that can be used to pave roads, and apply these materials to many places including mining sites and impoverished community settlements, giving this difficult to handle rubber product a "second life".



### Supporting income generation for people with disabilities in the community

BOTON has taken positive actions in supporting the integration of employment for disabled individuals in the community, promoting social inclusiveness and diversity development. Through a series of carefully planned activities and projects, BOTON has successfully provided diverse employment assistance opportunities for people with disabilities, while also making more people understand and pay attention to this special group.

In 2023, these activities include collaborating with community special education schools, encouraging and supporting children from special groups to create paintings, and spreading these paintings together with BOTON's gifts; Assist the Xinwu District Charity Association in converting the works of special education school children into products and realizing monetization through various channels and methods. Not only does it provide a platform for children in special education schools to showcase their talents, but it also brings them practical economic benefits; Successfully held the first BOTON Public Welfare Market Cultural Festival and the first Fun Sports Carnival. These activities not only attracted a large number of employees to participate, but also collaborated with Meicun Street Disabled Persons Home and Le Coffee Charity Cafe to jointly promote charity sales of love. The company's staff festivals and activities give priority to customizing festival Dim sum for the disabled workshop. Through these activities, BOTON provides more opportunities for the disabled to integrate into the society and realize their self-worth, promotes the harmonious development of the community, and also allows more people to understand and pay attention to the lives and needs of the disabled.





## Appendix 1: ESG Performance Table

Economic Performance		
Indicator Name	Unit	2023
Total assets	Ten thousand yuan	580,337.19
Operating income	Ten thousand yuan	365,540.32
Revenue growth rate	%	12.16
Net profit attributable to shareholders of listed companies	Ten thousand yuan	10,606.38
Net profit growth rate	%	126.79
Basic earnings per share	Yuan/share	0.2572

Environmental Performance			
Greenhouse Gas Emissions			
Indicator Name	Unit	2023	2022
<b>Total Emissions</b>			
Total greenhouse gas emissions	Tons of carbon dioxide equivalent	201721.83	199062.60
Scope 1 Emissions	Tons of carbon dioxide equivalent	1743.06	1216.34
Scope 2 Emissions	Tons of carbon dioxide equivalent	45688.01	57910.12
Scope 3 Emissions	Tons of carbon dioxide equivalent	154290.76	139936.14
19.8% reduction in total greenhouse gas emissions (S1+S2) at the operational level			
<b>Emission Intensity</b>			
Greenhouse gas emission intensity	Tons of carbon dioxide equivalent/10000 yuan	0.130	0.176
26.2% reduction in greenhouse gas emission intensity			
Waste Discharge			
Indicator Name	Unit	2023	
<b>Total Emissions</b>			
Non methane total hydrocarbons	kg	2879.673	
Nitrogen oxide	mg	Not detected	
Sulfur dioxide	mg/m <sup>3</sup>	Not detected	
<b>Wastewater Pollutants</b>			
CODcr	mg/l	54	
BOD5	mg/l	11.3	
Suspended solids	mg/l	16	
Total phosphorus	mg/l	0.45	
Total nitrogen	mg/l	22.48	

Ammonia nitrogen	mg/l	0.735	
Petroleum	mg/l	0.42	
<b>Harmless and Hazardous Waste</b>			
Household waste (including kitchen waste)	ton	101.2	
General industrial solid waste	ton	1976.3	
Hazardous waste	ton	14.921	
The amount of waste generated per unit product	m <sup>2</sup>	27.06	
Resource Utilization			
Indicator Name	Unit	2023	2022
<b>Direct Energy</b>			
Natural gas	m <sup>3</sup>	746584	487899
Gasoline	l	49508	40780.28
Diesel oil	l	39908.19	41570.23
Acetylene	kg	2715.50	1715
Propane	kg	330	1145.50
<b>Indirect Energy</b>			
Total Power	kWh	45006550	42397172
Outsourced electricity (excluding photovoltaic)	kWh	40213516	40621324.70
Photovoltaic power generation	kWh	4793034	1775847
Green certificate/green electricity	kWh	7000000	0
Total steam consumption	kWh	88116	114219.16
The proportion of green electricity usage	%	26.2%	4.2%
<b>Water Resource Utilization</b>			
Water consumption	ton	218169	213902
Water consumption per income unit tons per ten thousand RMB		0.0596	0.6693

Social Performance				
Employment				
Indicator Name	Categorization	Categorization	2023 (people)	Proportion (%)
Employee composition	Gender	Male	1132	74%
		Female	404	26%
	Age	Under 30 years old	440	28%
		30 to 40 years old	644	42%
		40 to 50 years old	333	22%
		Over 50 years old	119	7.8%
	Education	Below associate degree	585	38.46%
		Associate Degree	269	17%
		Undergraduate degree	590	38%
		Master degree or above	92	6.04%
	Nation	Han nationality	1364	88%
		Ethnic minorities	25	2%
		Foreign personnel	147	9%
	Region	Domestic	1385	89.5%
		Overseas	151	9.8%
	Employee type	Middle and high-level management	177	11%
		Grassroots employee	785	51%
		Frontline employee	574	38%
		R&D Technician	314	21%
Marketing Personnel		238	15%	
Employee Turnover Rate				
Active churn rate				19.68%
Passive churn rate				11.06%

Labor contract signing rate	100%
Social insurance coverage rate	100%
Employee satisfaction	94.73%

Healthy and Safety		
Indicator Name	Unit	2023

Industrial Injury		
Employee died due to work-related reasons	people	0
Number of employee work related injuries	case	6
Employee injury rate	%	0.39
Days of loss	day	99

Safety Training		
Venue	venue	333
Total duration	hour	11333.3
Number of people covered	person	6981
Weekly safety topic sharing	time	4
Emergency drills	venue	62
Contractor safety training	person	172

Occupational Health		
Pre employment, on-the job, and post employment physical examination rate	%	100
Annual inspection qualification rate of occupational hazard positions	%	100
Occupational diseases and suspected cases of occupational diseases	case	0

Safety Investment		
Safety hazards discovered throughout the year	Item	186
Rectification rate of safety hazards	%	100
Total investment in safety	Ten thousand yuan	880.02

### Employee Health Management Center

Health lectures and free clinics	times	8
Medical expert management of health records for employees with underlying diseases	%	100

### Employee Training

Indicator Name	Unit	2023
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#### Number of Trainees Covered

Middle and senior management personnel	people	124
Grassroots employees	people	505
Frontline employees	people	772

#### Total Training Duration

Middle and senior management personnel	hour	7028.7
Grassroots employees	hour	22609.05
Frontline employees	hour	22956.8

#### Annual per Capita Training Hours

Middle and senior management personnel	hour	45.2
Grassroots employees	hour	33.2
Frontline employees	hour	32.2

#### Total training Investment

Total annual training investment	Ten thousand yuan	110.01
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### Equality, Inclusion, and Diversity

Indicator Name	Unit	2023	Proportion
Disabled employees	people	15	0.98%
Number of managers	people	177	11%
Number of female managers	people	46	26%
Number of foreign employees	people	147	10%

Indicator Name	Unit	2023
Internal communication channel activities	times	8
Employee activities	times	53
Club activities	times	174

### R&D Investment

Indicator Name	Unit	2023
R&D investment	Ten thousand yuan	16330.08
The proportion of R&D investment to operating income	%	4.47

### Intellectual Property Protection

Indicator Name	Unit	2023
Applying for a patent	pcs	40
Authorized Patent	pcs	16

### Standard Revision

Indicator Name	Unit	2023
Number of standard revisions	item	10

### Supplier Management

Indicator Name	Unit	2023
Supplier Code of Conduct Signing Rate	%	100
Supplier Integrity and Integrity Agreement Signing Rate	%	100
Supplier ESG training and exchange	event	75

### Customer Service

Indicator Name	Unit	2023
Customer service satisfaction	point	83.6
Technical service patents	%	3


Community Public Welfare		
Indicator Name	Unit	2023
Total public welfare investment	Ten thousand yuan	224.94
Used for education	Ten thousand yuan	138.3
Used for ecological protection	Ten thousand yuan	50
Public welfare activities	site	32
Volunteer service	hour	619

Economic Performance		
Composition of the Board of Directors		
Indicator Name	Number of Board Members	Proportion (%)
Total number	7	100%
Non independent directors	4	57.14%
Independent director	3	42.86%
Female directors	2	29%
Female independent directors	1	33%






Coverage Rate of Business Ethics Training		
Indicator Name	Unit	2023
Directors, supervisors, senior	%	100
Management personnel	%	100
Staffsupplier	%	100

Information Disclosure and Investor Relations		
Indicator Name	Unit	2023
Disclosure Announcement	document	125
Performance briefing	time	5
Exchange with investment institutions	person	≥500
Roadshow communication	person	≥1000




## Appendix 2: ESG Reporting Guidelines Index

Empowering the World with the Name of BOTON				
Indicator Name	Shenzhen Stock Exchange ESG guidance	GRI	TCFD	SDGs
About this report		2-2;2-3		
About BOTON		2-1		
Sustainable Development Management				
Indicator Name	Shenzhen Stock Exchange ESG guidance	GRI	TCFD	SDGs
ESG Governance Architecture	Article 12	2-9;2-13;2-14	Governance- (b)	
Independence and diversification of the board of directors				
Sustainable development concept				
ESG strategy	Article 13, Article 17			
Stakeholder communication	Article 9			
Substantive issue assessment	Article 50	2-29;3-1;3-2;3-3		
Key strategies for sustainable development	Article 10, Article 12 (5), Article 13, Article 15, Article 19	2-22;2-23		
Chapter 1 Robust Co-trust Driving the Everlasting Development of the Foundation				
Indicator Name	Shenzhen Stock Exchange ESG guidance	GRI	TCFD	SDGs
Deepen governance	Article 12, Article 18	2-12	Administration- (b)	
Risk management			Risk management- (b)	
Compliance Operations		2-27		
Business ethics and anti corruption	Chapter 5, Section 2	205-2, 206-1		
User privacy and data security	Article 47			

### Chapter 2 Growth Co-Development Cultivate Diversified Development

Indicator Name	Shenzhen Stock Exchange ESG guidance	GRI	TCFD	SDGs
Employee care		401-2		
Occupational Health and Safety	Article 48, Article 49 (2)	403-1; 403-2; 403-3; 403-5; 403-6		 
Employee rights protection	Article 48	401-3; 406-1		 
Employee training and development	Article 49 (3)			
DEI Workplace Environment Construction	Article 49 (1)	405-1; 406-1		




### Chapter 3 Green Co-Governance Moving towards a Zero Carbon Future

Indicator Name	Shenzhen Stock Exchange ESG guidance	GRI	TCFD	SDGs
Addressing climate change	Article 11 (4), Article 14, Article 15, Article 18, Article 19, Article 21, Article 22, Article 24, Article 23, Article 27, Article 36	201-2; 305-1; 305-2; 305-3; 305-4; 305-5	Governance- (a) (b) ; Risk management (a) (b) (c) Strategy (a) (b) (c) Indicators and Goals (a) (b) (c)	  
Green production	Article 21, Article 29, Article 30, Article 31, Article 34, Article 35, Article 36 (3)	302-4; 306-3; 306-4; 306-5		
Green operations				


### Chapter 4 Technology Co-Prosperity Stimulating the Power of Prosperity

Indicator Name	Shenzhen Stock Exchange ESG guidance	GRI	TCFD	SDGs
Innovation mechanism	Article 41, Article 42			
Innovation achievements	Article 28, Article 42			
Key innovative green products	Article 21, Article 28			

### Chapter 5 Value Co-creation Finds the Cornerstone of Trust

Indicator Name	Shenzhen Stock Exchange ESG guidance	GRI	TCFD	SDGs
Sustainable supply chain construction	Article 44	414-1		
Product quality and safety	Article 46	416-1		
Continuously creating diversified value for global customers				
Customer service	Article 46			



## Chapter 6 Community Symbiosis Achieves Value Highlands

Indicator Name	Shenzhen Stock Exchange ESG guidance	GRI	TCFD	SDGs
Jointly building high quality education	Chapter 4, Section 1			
Ecological protection				
Co building low carbon communities				
Poverty alleviation and assistance				
Volunteer service and community development		413-1		

## Appendix

Indicator Name	Shenzhen Stock Exchange ESG guidance	GRI	TCFD	SDGs
ESG Key Performance Table	Article 27, Article 30, Article 31, Article 36, Article 39, Article 49	2-7;201-1;301-1;301-2;302-1;302-2;303-3; 303-4;303-5;305-1;305-2;305-3;305-4;305-5; 306-3;401-1;403-5;403-9;404-1;405-1		
Assurance report		2-5		
Greenhouse Gas Verification Statement				

# Appendix 3: Third Party Verification Statement

Bureau Veritas Certification

## INDEPENDENT ASSURANCE STATEMENT

**Introduction and objectives of work**

BUREAU VERITAS has been engaged by Wuxi BOTON Technology Co., Ltd. (hereafter referred as "BOTON") to conduct an independent assurance to its 2023 Environmental, Social and Governance Report (hereafter referred as "the Report") of BOTON. This assurance statement applies to the related information included within the scope of work described below. This information and its presentation in the report are the sole responsibility of the management of BOTON. Bureau Veritas was not involved in the drafting of the report. Our sole responsibility was to provide independent verification statements according to the accuracy and reliability of the disclosure of information on the basis of the collection, analysis and management process of the report.

**Scope of work**

Bureau Veritas verify the accuracy and reliability of the following:

- All environmental, social and governance related data/KPIs and information included in the report for the report period from January 1, 2023 to December 31, 2023
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Excluded from the scope of our work is any assurance of information relating to:
  - Activities outside the defined assurance period;
  - Positional statements (statements of beliefs, views, development and vision);
  - Much of the operating financial data in this report is taken from BOTON annual reporting and accounts, which is separately audited by an external auditor and therefore excluded from the scope of the Bureau Veritas assurance.

**Level of assurance**

- Reasonable

**Methodology**

As part of its independent assurance, Bureau Veritas undertook the following activities:



- Interviews with relevant personnel of BOTON;
- Review of documentary evidence produced by BOTON;
- Audit of sampled ESG performance data;
- Assessment of data and information systems for collection, aggregation, analysis and review.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external assurance of ESG reports, based on current best practice in independent assurance. For this assignment, we have used the verification rules and instructions IASE3000, AA1000, refer to Shenzhen Stock Exchange Listed Companies Self-Regulatory Guidelines No. 17 - Sustainable Development Report (Pilot) and evaluation of information of GRI standards principles i.e. Accuracy, Quantitative, Consistency, Completeness, Balance, Clarity, Comparability, Sustainability context, Timeliness and Verifiability.

**Conclusions**

- Based on onsite verification, the information and data in BOTON' 2023 ESG report are accurate and reliable, no systemic or substantiality mistake significant impact to the report.

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**Objectivity**

- The information and data disclosed in the ESG report are accurate and reliable. BOTON collect, organize the data and information about environmental, social and governance through data information system. During on-site verification, the evidence provided by BOTON is accurate, reliable and traceable.

**Materiality**

- The report is compiled based on Shenzhen Stock Exchange Listed Companies Self-Regulatory Guidelines No. 17 - Sustainable Development Report (Pilot) ; the global commission on sustainability standards (GSSB) GRI standards; and the Task Force on Climate-Related Financial Disclosures (TCFD). And the report had reasonably identified, disclosed the ESG issues and information involved in the company, it is materiality.

**Completeness**

- The report covers BOTON and its subsidiaries, it focuses on "Letter from Chairman" 、 "Sustainable Development Management" 、 "Robust Co-trust" 、 "Growth Co-Development" 、 "Green Co-Governance" 、 "Technology Co-Prosperity" 、 "Value Co-Creation" 、 "Community symbiosis" and also discloses the company's ESG governance, environmental responsibility and social responsibility which concern from stakeholders.

**Responsiveness**

- The report basically covers the concerns of stakeholders, fully identifies relevant risks, and objectively describes the measures taken by the company, the results achieved or to be achieved.

**Suitability**

- The report disclosed the value management activities and achievements of BOTON in environmental, social and governance, reflected the BOTON corporate culture, ESG management mechanism, business activities and service characteristics.

**Statement of independence, impartiality and competence**

The Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years history in providing independent assurance services.

No member of the verification team has a business relationship with BOTON, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

The Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.


Roger Hu  
Assurance Team Leader  
2024-4-10

Fanny Zou  
General manager, Certification, I&F China  
2024-4-24

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# Appendix 4: Greenhouse Verification Statement

Bureau Veritas Certification



## Greenhouse Gases Verification Statement

is awarded to

### WUXI BOTON TECHNOLOGY CO., LTD.

Bureau Veritas Certification (Beijing) Co., Ltd. (hereinafter referred to as BVC) was engaged to conduct an independent verification of the greenhouse gases (GHG) emissions reported by Wuxi Boton Technology CO., LTD. for the period stated below. This verification statement applies to the related information included within the scope of work described below. The determination of the GHG emissions is the sole responsibility of Wuxi Boton Technology CO., LTD. BVC's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze, and review the information.

**Boundaries covered by the verification:**

- Site name: Wuxi Boton Technology CO., LTD.
- Site address: No.19, Zhanggong Road, Xinwu District, Wuxi City, Jiangsu, China
- Reporting period covered: 01/01/2023 to 31/12/2023

**Organizational boundaries:** Activities and facilities of Wuxi Boton Technology CO., LTD. under operational or financial control approach

**Reporting boundaries:** Direct GHG emissions generated in Intelligent industrial bulk material handling and mobile internet and related management activities within the organizational boundaries, as well as significant indirect greenhouse gases emissions

**Emissions data verified under reporting boundaries:**

- Category 1: Direct GHG emissions: 1,743.06 tonnes of CO<sub>2</sub>e
- Category 2: Indirect GHG emissions from imported energy (Market-based) : 45,688.01 tonnes of CO<sub>2</sub>e
- Category 2: Indirect GHG emissions from imported energy (Location-based) : 49,680.11 tonnes of CO<sub>2</sub>e
- Category 3: Indirect GHG emissions from transportation: 11,042.42 tonnes of CO<sub>2</sub>e
- Category 4: Indirect GHG emissions from products used by organization: 142,898.25 tonnes of CO<sub>2</sub>e
- Category 5: Indirect GHG emissions associated with the use of products from the organization: 350.08 tonnes of CO<sub>2</sub>e
- Category 6: Indirect GHG emissions from other sources: Non-significant indirect GHG emissions, Unquantified
- Total quantified emissions(Market-based): 201,721.83 tonnes of CO<sub>2</sub>e
- Total quantified emissions(Location-based): 205,713.93 tonnes of CO<sub>2</sub>e

**Limitations and exclusions:** Excluding other non-significant indirect GHG emissions

**GHG reporting protocol against which verification was conducted:**

- ISO 14064-1:2018 Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738  
Further clarifications regarding the verification scope of this statement may be obtained by consulting the organization.  
To check this statement validity please call: +86 10 59683888

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**GHG verification protocol used to conduct the verification:**

- ISO 14064-3:2019 Greenhouse gases — Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

**Level of assurance and qualifications:**

- Reasonable

**GHG verification methodology:**

- Interviews with relevant personnel;
- Review of documentary evidence;
- Review of data and information systems and methodology for GHG emissions data collection, aggregation, analysis, and review of information used to determine GHG emissions;
- Sample verification of data to determine GHG emissions.

**Assurance opinion:**

Based on the verification process and findings, the GHG emission data in the GHG inventory report from Wuxi Boton Technology CO., LTD. is in conformance with ISO 14064-1:2018.

**Statement of independence, impartiality, and competence**

Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years' history in providing independent assurance services.

No member of the verification team has a business relationship with Wuxi Boton Technology CO., LTD. and its directors or managers beyond that required by this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

Lead verifier: Vistar Chang

Statement No.: EMI21601078

Version No.: 1

Verification date: 28/03/2024

Issue date: 17/04/2024



Signed on behalf of BVC (Beijing) Co., Ltd.

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738  
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