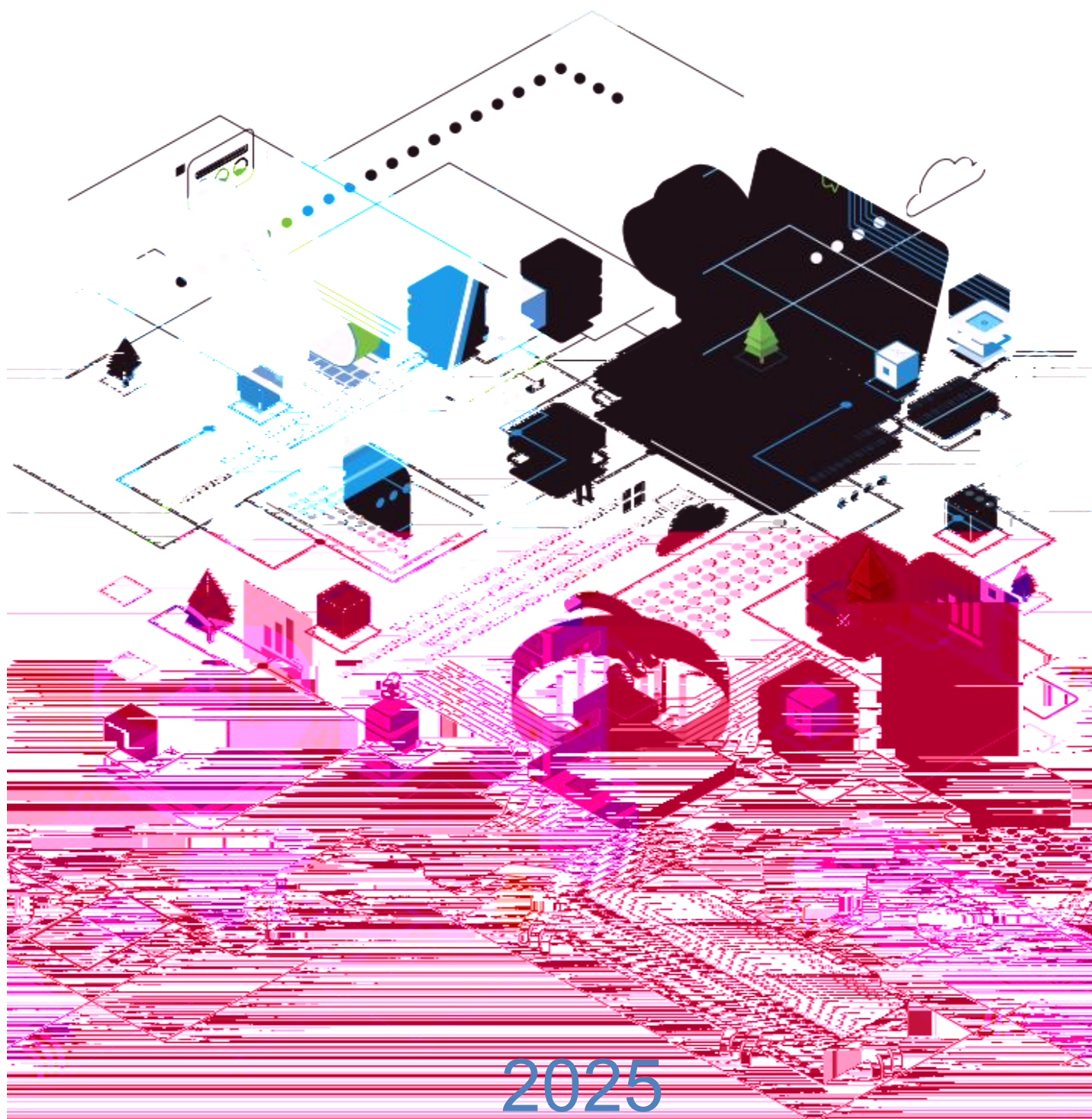




2025

Skyworth Digital Co., Ltd.

Environmental Social

and Governance ESG Report

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About this report

This report is Skyworth Digital Co., Ltd. 's (hereinafter referred to as "Skyworth Digital," "the Company," "the Corporation," or "we") first Environmental, Social, and Governance (ESG) report. It aims to integrate ESG and sustainable development principles into all aspects of corporate governance and business operations, while providing stakeholders with a comprehensive overview of the Company's ESG practices and related performance.

Report time range

This report is an annual report covering the period from January 1st, 2025, to December 31st, 2025. To enhance comparability and completeness, certain information has been appropriately expanded as needed.

Reliability assurance

The Company guarantees that this report contains no false records, misleading statements, or material omissions, and assumes individual and joint liability for the authenticity, accuracy, and completeness of its content.

Report organization scope

This report is primarily prepared by Skyworth Digital and covers its affiliated branches and controlled subsidiaries.

Reference materials for compilation

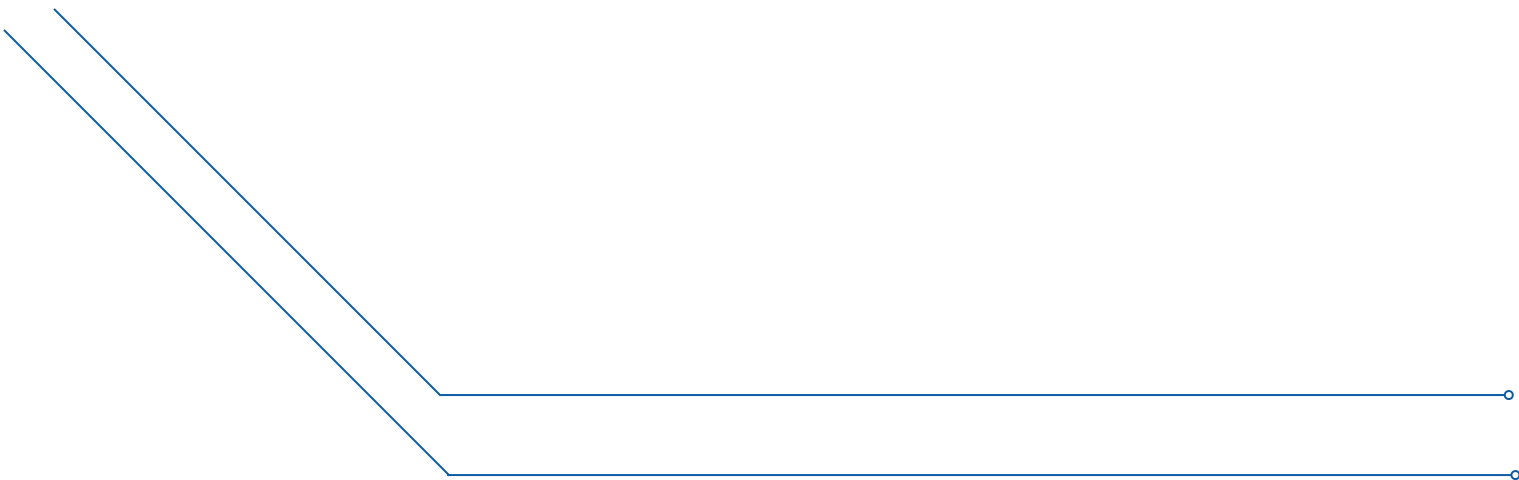
- "Shenzhen Stock Exchange Measures for Assessing the Information Disclosure Practices of Listed Companies"
- Shenzhen Stock Exchange Self-Regulatory Guidance for Listed Companies No.17 – Sustainable Development Reports (Trial)
- Shenzhen Stock Exchange Self-Regulatory Guidance for Listed Companies No.3 – Preparation of Sustainable Development Reports
- United Nations Sustainable Development Goals (SDGs)
- Global Sustainable Development Standards Board (GSSB)'s Sustainable Development Reporting Standards (GRI Standards)

Report data explanation

All data used in the report are derived from the company's official documents and statistical statistics.

Report access method

You can download the electronic version of this report from the company's official website, the Shenzhen Stock Exchange, or the Juchao Information Network. For further details, please email skydigital@skyworth.com or call (0755) 26010018



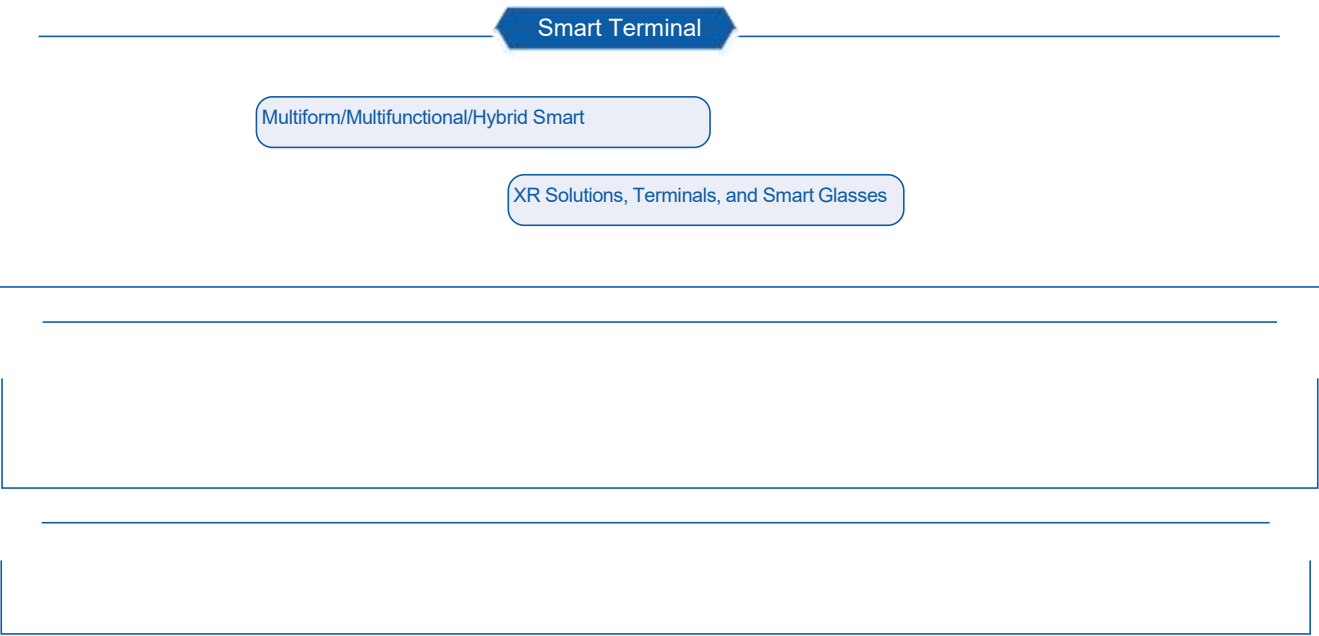
Step into Skyworth Digital

Company profile

The company is rooted in advancements across optical communications, digitalization, ultra-high-definition technology, virtual reality, artificial intelligence applications, and automotive in-vehicle displays, dedicated to providing global users with intelligent terminals, professional display solutions, and operational services. Leveraging telecommunications networks, broadcast networks, and the internet, the company collaborates with strategic partners—including domestic and international operators, content providers, and distributors—to build a digital, broadband, ultra-high-definition, interconnected, and intelligent ecosystem centered on the "platform + content + terminal + application" framework. With its profound technical expertise and sustained innovation, the company has received numerous accolades such as "National Manufacturing Single Champion Enterprise," "National Intellectual Property Demonstration Enterprise," "National Green Design Demonstration Enterprise for Industrial Products," and "National Green Factory." It has also led or participated in establishing multiple international, national, and industry standards, maintaining a leading position in both domestic and global markets.

Main business and the main products

The company's core business encompasses three major segments: smart terminals, professional displays, and operation services. Its primary operations fall under the research, development, and manufacturing sector for computers, communications, and other electronic equipment. By 2025, with the large-scale commercial deployment of 5G-A and forward-looking planning for 6G, next-generation information and communication technologies—including cloud computing, big data, and large-scale artificial intelligence models—are accelerating their integration and application. This will drive comprehensive upgrades to computing infrastructure, edge computing, and the "cloud-network-device" collaborative ecosystem, accelerate the iteration and real-world deployment of innovative smart terminals, and establish a robust foundation for digital intelligent living, industrial transformation, and technological innovation.



Global strategy

The company operates a smart terminal industrial base with a well-established management system, with overseas markets spanning Asia, Europe, Africa, North America, and South America. It serves global telecommunications and integrated service providers, committed to building a global business presence and enhancing competitiveness. Moving forward, the company will further deepen its "hardware + content" transformation, focusing on "home," "person," and "vehicle" scenarios, and collaborate with global partners to drive the innovative application of artificial intelligence technologies in smart homes, wearable devices, smart cockpits, and green energy, shaping a new vision of an intelligent, interconnected, and sustainable future.

Corporate culture

- The companey led a collaboration with Peking University, Tsinghua University Shenzhen International Graduate School, and other institutions to implement the National Key R&D Program "Virtual-Physical Collaborative Technology and System for Mobile Devices".
- Shenzhen Skyworth Digital Technology Co., Ltd. Baoan Factory has been awarded EcoVadis Rating Gold Medal.

- The company has been recognized as a National Enterprise Technology Center.
- The company has joined the SBTi Science-based Carbon Reduction Goals Initiative.
- The company has established a Green and Low-Carbon Management Committee.
- The Shenzhen Skyworth Digital Technology Co., Ltd Baoan Factory of has been awarded the EcoVadis Rating Silver Award.

- The SBTi target of Skyworth Digital 2030 2040 has been accredited by SBTi audit.
- The company established an ESG Committee and a working group.

Shenzhen Skyworth Digital Technology Co., Ltd. Baoan Factory has been awarded EcoVadis Rating Bronze Medal.

- The annual turnover has exceeded the 10 billion yuan mark for the first time.
- Obtained the SA8000 social responsibility certification from the internationally renowned certification body SGS
- Established a Corporate Social Responsibility Committee
- Signed a global strategic cooperation agreements with Google and Netflix ,ushering in a new era of leading the Android TV overseas.
- Successfully issued RMB 1.04 billion in convertible corporate bonds.

The company has been approved to establish the Shenzhen Enterprise Technology Center.

- Skyworth Digital has officially become a global strategic partner of Google and Netflix, serving as the sole set-top box brand under Google's Turnkey business model in China.
- The company has been approved to establish the Shenzhen Digital Television Reception System Energy Conservation Technology Engineering Research Center.

Awards and recognitions



China Listed Companies Association
2025 Listed Company Boards
Best Practice Case



China Listed Companies Association
2025 Listed Companies
Internal Control
Best Practice Case



Ministry of Industry and Information Technology
National-level demonstration enterprise for single-product manufacturing
Champion



Daily Financial News
2025 Listed Companies Reputation List
Best Board Award



China Listed Companies Association
2025 Listed Companies Boards
Outstanding Practice Award



Panorama Network Outstanding IR Company Investor Relations
Gold Award



China Listed Companies Association
2024 Annual Performance Briefing For Listed Companies
Best Practice



2025 Fiscal Year New Fortune magazine
Best Board Secretary



China Fund News
2025 China Listed Companies Yinghua Award
Best Board Secretary



The People's Government of Guangdong Province
Guangdong Science and Technology Progress Award
Second Prize



Chinese Institute Of Electronics Technology
Technology Invention
First Prize



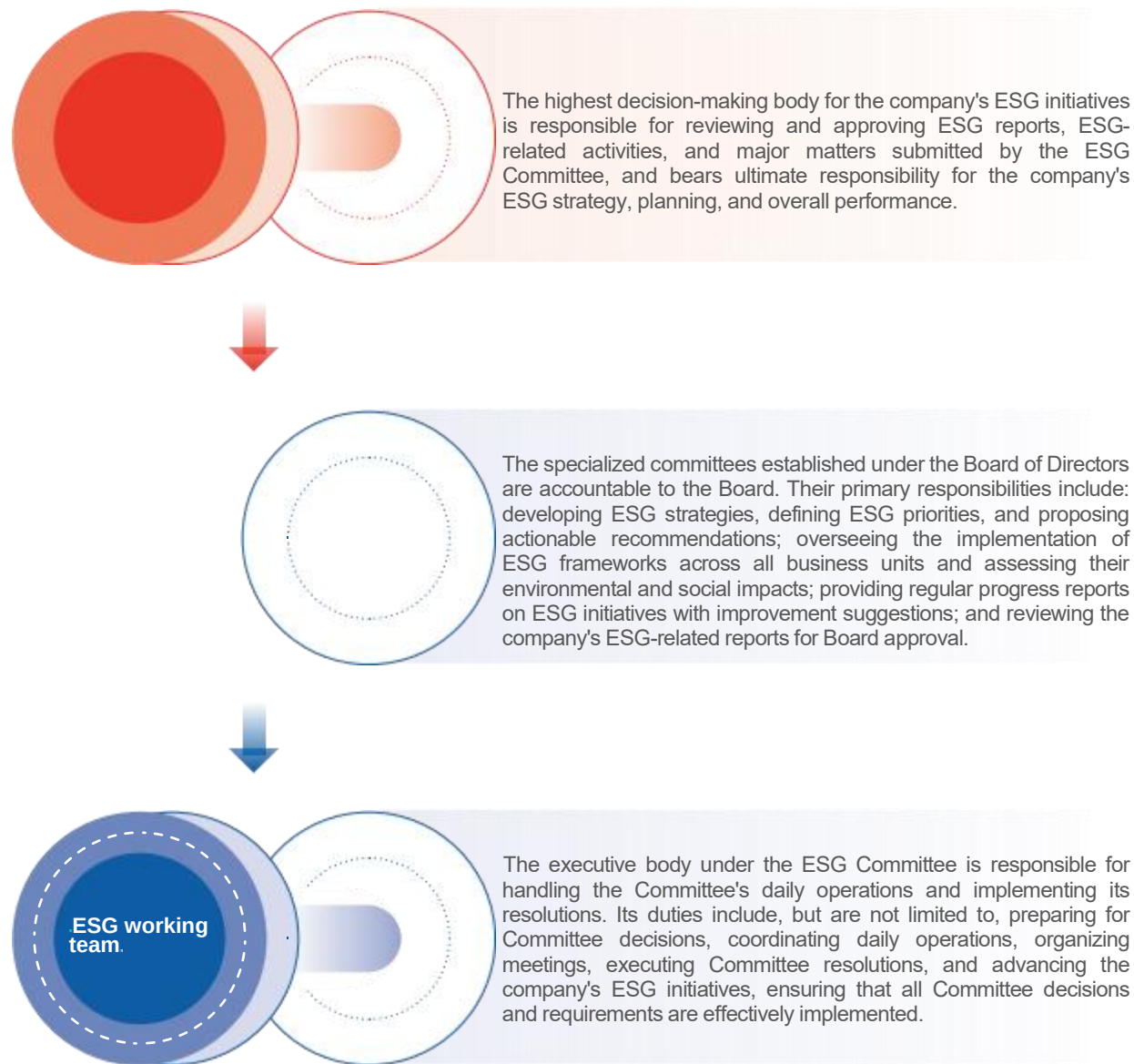
China Society of Image and Graphics
Science and Technology Progress Award
Second Prize



Baoan Factory
EcoVadis Rating
Gold Medal

ESG Management

The company has established the "Detailed Rules for the Operation of the Environment, Social and Governance (ESG) Committee" and the "Board of Directors 'ESG Working Procedures.'" ESG factors are fully integrated into all aspects of the company's strategy implementation, work planning, project execution, and daily operations, driving the achievement of its sustainable development goals through a pragmatic and efficient approach.

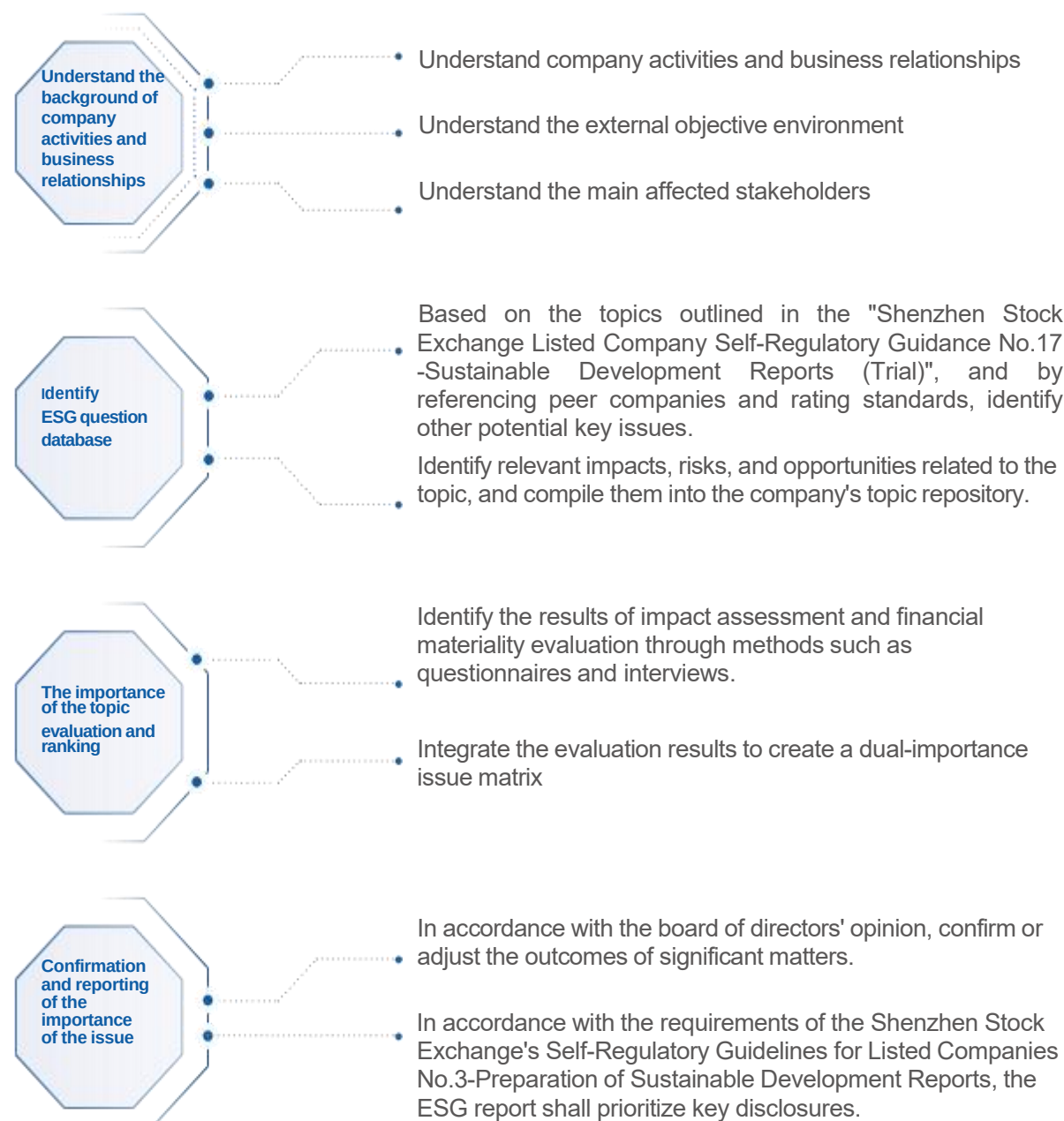


The company fully respects and safeguards the legitimate rights and interests of all stakeholders, actively engages in communication and dialogue with them, and strives to achieve coordination and balance among various stakeholders including the company and its shareholders, investors, customers and consumers, employees, suppliers and partners, communities and the public, as well as media and analysts. Adhering to the principles and mechanisms of compliance, fairness and transparency, equal rights and responsibilities, long-term mutual benefit, and regular communication, the company works collectively to promote its steady, sustainable, and healthy development.

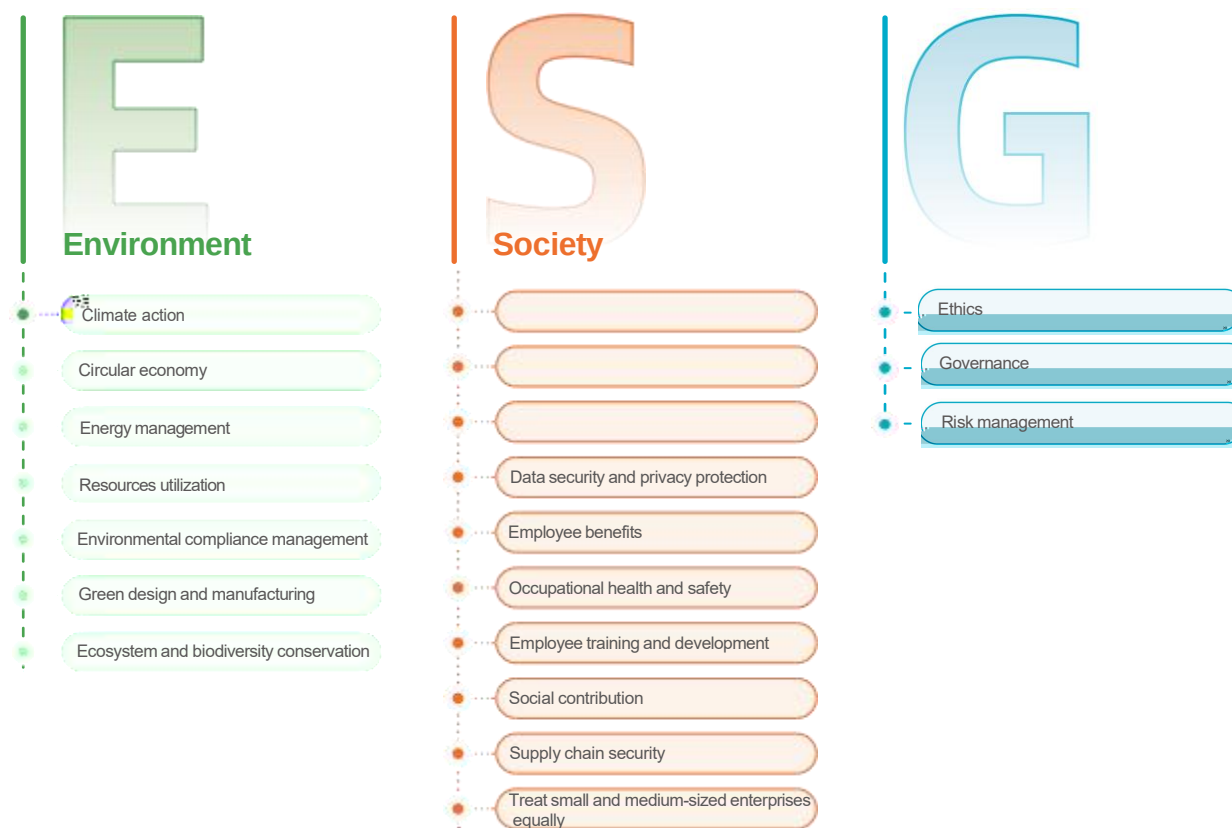
Stakeholder	Attention and Expectations	Communication Channels and Practices
 Government and regulatory agencies	National strategic response Compliance operations Risk management Business ethics	In response to national policies Compliance check Regular meetings for communication Improve governance standards
 Shareholders and Investors	Stable investment return Transparent information disclosure Protecting shareholders' rights and interests Strengthen communication	Disclose information in a timely manner Provide regular feedback on business operations Improve daily management Communication activities, investor hotline
 Customers and Consumers	Product quality and safety Customer service Technological innovation Responsible business and marketing Privacy protection	Customer complaints and handling channels Customer cooperation and exchange Technical symposium Customer satisfaction survey Customer information confidentiality
 staff	Protection of employee rights and interests Occupational health and safety Employee development and training Employee satisfaction Corporate cultural development	Employee representative congress, trade union, employee symposium, democratic communication Healthy work environment Employee development and training system The "Digital Tea Room" communication and feedback mechanism Employees participate in co-building and sharing.
 Suppliers and Partners	Sustainable supply chain Supplier empowerment Responsible procurement Supporting industry development	Supplier management and audit Supplier training and empowerment Public procurement information Standard formulation, industry conferences, exhibitions
 Community and the Public	Green Production Biodiversity and ecological conservation Social public welfare and charity	Green Factory Environmental protection activity Charitable donations, public welfare volunteer activities
 Media and Analysts	Information disclosure and communication Responsible business and marketing	Disclose information in a timely manner WeChat official account platform

Analysis of important issues

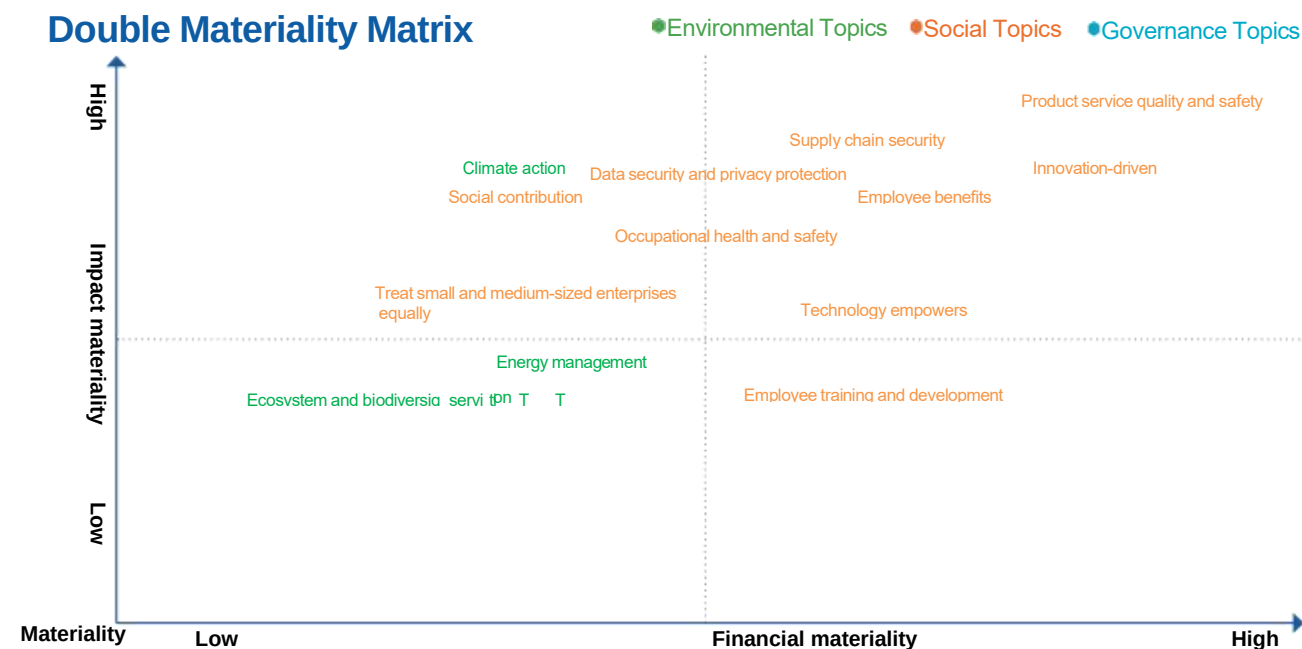
Key issues serve as the focal points for companies in implementing sustainable development management and ESG risk identification and assessment. To fully understand stakeholder priorities and better integrate their demands and expectations into its own sustainability practices, the company conducts identification and analysis of critical issues. Based on an in-depth analysis of its operations and business relationships, it establishes an ESG issue repository, solicits extensive feedback from stakeholders through surveys, and ranks the issues by importance. During the assessment, the company prioritizes risks that could significantly impact its operations, damage its reputation, or represent the highest stakeholder concerns. This prioritization enables the company to allocate resources effectively and develop mitigation strategies for major risks, thereby enhancing its ESG management capabilities.



Topic identification result



Double Materiality Matrix



01

Strengthening the Foundation

Data Governance Leading the Way

Skyworth Digital is committed to excellence in governance as its foundation, systematically establishing risk prevention and internal control frameworks, strictly adhering to compliance standards, and upholding ethics. We believe that the deep integration of governance, risk management, compliance, and ethics is essential for a company's sustainable growth. Through standardized management and a responsible approach, we safeguard our own development while protecting the trust of every partner.

Contribution to the UN SDGs



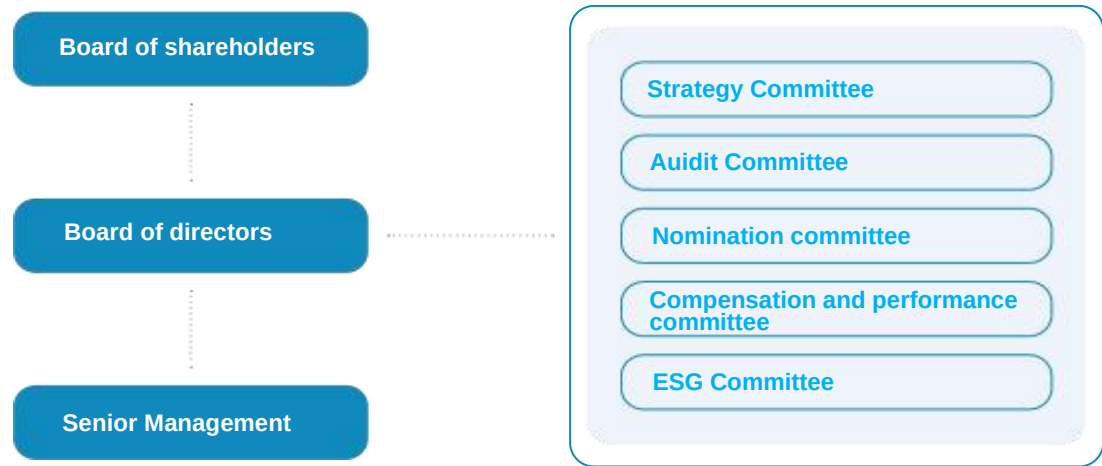
Strengthening governance

The company strictly complies with relevant laws and regulations such as the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China, continuously optimizes its governance structure and mechanisms, and has established a sound governance system characterized by clear responsibilities and coordinated operations. It has formed a professional and diversified board of directors to ensure that all decisions are made scientifically and in accordance with established standards, while emphasizing shareholder returns and transparent communication. This robust governance framework provides a solid foundation for the company's long-term sustainable development.

Improve the governance system

The company has established a governance structure comprising the "Shareholders 'Meeting—Board of Directors—Audit Committee—Senior Management." The Board of Directors has established five specialized committees: Strategy, Audit, Nomination, Compensation and Performance, and ESG. The Board of Directors and its specialized committees strictly fulfill their duties in accordance with the Company's Articles of Association, Rules of Procedure, and respective operational guidelines, providing opinions and recommendations on relevant matters, making informed decisions, and offering professional guidance on major corporate decisions. Each internal governance body has clearly defined responsibilities and works collaboratively to promote standardized development. During the reporting period, the Board of Directors and Shareholders 'Meeting reviewed and approved relevant proposals, systematically revising key regulations such as the Articles of Association, Shareholders' Meeting Rules, Board of Directors Rules of Procedure, and Implementation Rules for the Cumulative Voting System, thereby enhancing the standardization and efficiency of the governance framework.

As the supreme governing body of the company, the Shareholders 'Meeting legally conducts meeting convening, proceedings, and voting procedures. Its primary responsibilities include making major corporate decisions, overseeing corporate governance, safeguarding shareholders' right to attend meetings, providing adequate consultation channels, and ensuring transparent, fair, and impartial voting processes. Directors operate in compliance with applicable laws and regulations, attend scheduled meetings punctually, participate actively in training programs, engage in decision-making on significant corporate matters, and uphold principles of integrity while fulfilling their duties with loyalty and diligence. The General Manager and other senior executives have clearly defined responsibilities; they strictly adhere to laws, regulations, the Company's Articles of Association, the General Manager's Work Rules, and other established policies, exercising their authority under the Board's authorization to faithfully and diligently perform their duties and implement Board resolutions.



The board independence and diversity...

The company places high importance on board-level independence and revised the "Independent Directors' Work Regulations" in October 2025. It strictly adheres to the "Five Independences" principle, boasting an independent business framework and autonomous operational capabilities. Both the board of directors and internal departments function independently, ensuring standardized and independent corporate governance.

While emphasizing the independence of the board of directors, the company also places great importance on its diversity. The company believes that directors with diverse backgrounds enable the board to better oversee the company's management and operations, assess the risks and opportunities of its business model from multiple perspectives, and foster a culture of equality, inclusivity, and openness.

Board Members and Their Professional Backgrounds

Name	Age	Gender	Education	Position	Professional
Shi Chi	54	male	Doctor	Chairman	Communication and Information Systems
Lin Jing	41	male	Undergraduate	Non-independent director	electronic engineering
He Xuan	49	male	Master	Non-independent director, General Manager	Business administration
Zhang Zhi	57	male	Doctor	Non-independent director, Deputy General Manager, and Board Secretary	Accounting
Ying Yiming	50	male	Undergraduate	Non-independent director	Computer Accounting
Yao Beibei	38	male	Undergraduate	worker director	Microsystem electronics
Bai Hua	56	male	Doctor	independent director	Research on Auditing and Internal Control
Liu Hong	58	male	Doctor	independent director	Artificial Intelligence and Embodied Intelligence
Pen ning	49	male	Master	independent director	Law



Protect shareholder rights and interests

The company continuously strengthens standardized operations to ensure compliant corporate governance practices. It implements standardized management in aspects such as the convening, holding, and deliberation procedures of shareholders' meetings, safeguarding shareholders' rights to information, participation, proposal submission, and voting on major corporate matters, while ensuring equitable treatment for minority shareholders.

The company consistently prioritizes shareholder interests and adheres to a prudent profit distribution policy. While driving its own sustainable development, it delivers steady performance growth and stable cash dividends to create long-term, sustainable value returns for investors. It strives to balance shareholders' reasonable returns with its long-term development needs, committed to sharing operational achievements with shareholders and working together for mutual success.

Open and transparent communication

The company places high importance on investor relations management, consistently viewing transparent and standardized information disclosure as the cornerstone for building trust with investors, regulatory authorities, and stakeholders, and is committed to establishing a fair, efficient, and open communication mechanism.

Strict standards ensure information transparency

We strictly comply with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Information Disclosure Management System, the Investor Relations Management System, the Internal Information Reporting System, as well as the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange. Adhering to the principles of timely and fair information disclosure, we ensure that all disclosed information is true, accurate, and complete, presented in a concise, clear, and easily understandable manner. We eliminate any false records, misleading statements, or material omissions, thereby safeguarding investors' right to information with a strong sense of responsibility.

Multiple channels to deepen investor communication

The company maintains proactive, positive, and open communication with investors through the Board Secretariat as its primary channel, while strengthening its investor relations team and capabilities. Adhering to the principles of delivering authentic, accurate, and comprehensive information grounded in insights, resonance, and interaction, the company engages investors via multiple channels—including on-site research visits, investor hotlines, email exchanges, earnings briefings, the Interactive Platform, dedicated investor sections on its official website, and roadshows—to enhance investor understanding and confidence. In strict compliance with regulations, the company ensures fair and impartial information disclosure. During the reporting period, the Board revised its "Reception and Promotion Procedures" and implemented policies such as the "Insider Information Holder Registration System" and "External Information Reporting and Utilization Guidelines," ensuring no non-public material information was disclosed in violation of investor management protocols.

Sincere interaction and addressing investors' concerns

The company places high importance on communication with small and medium investors, responding to their inquiries promptly, objectively, and accurately through the Shenzhen Stock Exchange's Interactive Platform, addressing each question with due care. Dedicated personnel are assigned to handle investor inquiries, ensuring timely and effective communication. Additionally, an investor hotline has been established to patiently address inquiries and suggestions from callers. Following earnings disclosures, the company promptly issues press releases and updates its investor relations content on the official website, enabling investors to stay informed about the company's operational developments in real time and continuously fostering a fair and effective communication bridge with the capital market and the public.

Strengthen the risk defense line

The company has continuously enhanced its risk management and internal control systems, establishing regulatory documents such as the Internal Audit System and Risk Assessment and Control Procedures. During the reporting period, it revised the Risk Management System, External Guarantee Management System, Related Party Transactions Management Measures, and Fund Raising Use Management Measures, thereby establishing a comprehensive internal control framework that covers all functional departments and business processes, providing solid support for the company's stable operations and high-quality development.

Systematic risk management framework

Establish a comprehensive internal control system that covers all functional departments and business processes, clearly defining compliance responsibilities and operational mechanisms at each level to ensure risk management is integrated throughout the entire enterprise operations. Through continuous refinement of institutional frameworks, provide robust safeguards for risk identification, assessment, and response.

Comprehensive risk management across the entire process

The company has established a comprehensive closed-loop management mechanism covering the entire process of risk identification, assessment, response, and improvement. Through systematic risk identification and evaluation, critical risks are identified and targeted response strategies are formulated; a risk monitoring and feedback mechanism is implemented to promptly track risk changes and implement necessary improvement measures, ensuring that risks remain under control at all times.

Conduct regular internal audits

The company conducts regular internal audits to comprehensively examine and evaluate the effectiveness and compliance of its internal controls and risk management. The audit scope covers all business units, with specialized audits performed on high-risk areas or unusual operations. Guided by risk principles, the company develops an Annual Internal Audit Plan that specifies the audit scope, timeline, and methodology, which is implemented upon approval by the General Manager and the Audit Committee. Throughout the audit process, the company places great emphasis on the rectification phase by formulating actionable and verifiable corrective actions, thereby establishing a closed-loop risk management system that spans from problem identification to implementation of improvements, ensuring continuous optimization and sustainable operation of the risk control framework.

Skyworth Digital was awarded the 2025 China Listed Companies Internal Control Best Practice Case

Case study

In September 2025, Skyworth Digital was awarded the title of "Best Practice Case of Internal Control for Listed Companies" with high scores in an evaluation organized by the China Listed Companies Association, earning authoritative recognition for its governance and risk management capabilities. Zhang Zhi, the company's Board Secretary and Executive Vice President, shared insights on the deepened implementation of its internal control system during the exchange: Through organizational innovation, process reengineering, technological application, and capability optimization, the company systematically implemented accounts receivable internal controls, significantly enhancing operational efficiency and economic value. Meanwhile, the company elevated its internal control framework to a risk management culture, ensuring that risk awareness becomes a spontaneous action across all employees through the continuous implementation of policies, training, performance evaluations, and incentive mechanisms, thereby building robust "soft power" for sustainable corporate operations.



Operate in compliance with laws and regulations

The company has established a compliance organizational structure and operational mechanisms spanning all levels, ensuring that the compliance framework permeates all business areas—including R&D, supply chain, manufacturing, sales, and finance—to drive the enterprise's stable and high-quality development through lawful and compliant governance.

Focus on fostering a compliance culture

High priority is given to fostering a culture of compliance and integrity, recognizing it as the core cornerstone of sustainable development. Leaders lead by example, actively participating in promoting compliance culture and setting an exemplary role to ensure compliance principles are implemented throughout the organization from top to bottom. Through various initiatives such as educational campaigns, compliance knowledge contests, and case study sharing, employee compliance awareness is continuously strengthened, creating a strong atmosphere where "everyone emphasizes compliance and every task adheres to regulations."

Enhance the compliance capabilities of all employees

A comprehensive training system has been established, covering multiple dimensions including the organizational structure, business functions, professional skills, and relevant laws and regulations. For new employees, mandatory compliance training is conducted upon onboarding; for management and key personnel, the company provides specialized training sessions with mandatory completion assessments, after which they conduct training and implementation within their respective teams, ensuring full coverage of training content across the entire workforce. Regular compliance-specific training is offered to all employees to ensure they promptly grasp the latest compliance requirements and apply them in their daily work, thereby strengthening overall compliance awareness.

Ensure that compliance measures are effectively implemented

Integrate compliance performance into the performance evaluation system, reward employees with outstanding compliance records, and impose strict penalties for violations, thereby establishing a management mechanism that balances positive incentives with effective constraints. By linking compliance requirements to performance metrics, this approach effectively transforms compliance culture from a concept into actionable practices and ensures the implementation of policies yields tangible results.

Report Period

Number of specialized training sessions on relevant laws and regulations conducted

9 times



Adhere to ethics

The company consistently upholds the business creed of "honesty, integrity, legality, and compliance," positioning the cultivation of business ethics as the cornerstone of its development. By continuously refining its ISO 37001 bribery prevention management system and ISO 37001 compliance management system, it regularly optimizes its system policies and objectives, adheres to the ten principles of the United Nations Global Compact, strives to enhance organizational transparency, opposes unfair competition, ensures ethical, lawful, and compliant operations for both employees and the company, resolutely combats bribery and corruption, and fosters a clean and upright business environment.

Strengthen the defense line against corruption

To strengthen integrity management, the company has established multiple regulations, including the "Internal Audit System" and the "Anti-Fraud Management Measures," which clearly define the obligations and responsibilities of both the company and its employees in combating bribery and corruption. Additionally, the company has implemented comprehensive reporting channels and protection mechanisms, rewards individuals who make significant contributions to reporting misconduct, standardized anti-fraud investigation procedures, and enhanced its internal control supervision system. These measures effectively mitigate fraud risks and ensure the effectiveness of internal controls as well as the achievement of their objectives.

The company innovatively established a "Integrity Account" to encourage employees to voluntarily surrender cash, gifts, and other payments received in the course of their duties, which are verified, recorded, and archived by the Audit Department. Additionally, a formal employee gift registration and reporting system was implemented, incorporating a compliance review process to further enhance integrity management standards. Recognized for its outstanding performance in integrity and compliance, the company has obtained the Anti-Bribery Management System Certification, providing robust support for its sustainable development.

We will continue to intensify efforts to combat fraudulent activities. Upon detection of any such misconduct, strict accountability measures will be implemented, with severe cases referred to judicial authorities to demonstrate zero tolerance for corruption and serve as a deterrent. Employees who violate regulations will face rigorous disciplinary actions in accordance with laws and regulations; suppliers involved in bribery will be dealt with strictly under established protocols, have their cooperation qualifications revoked, and face legal liability depending on the severity of their offenses.



Promote positive cooperation

In commercial collaborations, the company adheres to principles of fairness and impartiality, strictly complies with relevant laws and regulations, enters into contracts on an equal footing with suppliers and customers, and incorporates "anti-commercial bribery clauses" into these contracts. The company signs documents such as the "Integrity Agreement" and the "Sustainable Procurement Charter" with suppliers, clearly defining the respective responsibilities and obligations for ethical cooperation. It implements a clean and trustworthy supplier management system, prioritizes social responsibilities including transparent working relationships, ethics, and anti-corruption efforts, and works jointly with suppliers to establish a clean, fair, and sustainable responsible supply chain.

Co-create a culture of integrity

To foster a clean and transparent business environment, the company places high importance on cultivating employees' integrity awareness. Through diverse approaches—including on-site training, online video courses, case studies, and onboarding programs—it conducts comprehensive anti-fraud and anti-corruption training for all staff. This initiative enables employees to thoroughly understand integrity and compliance policies, control measures, and standardized procedures, thereby continuously enhancing the company's integrity culture.

Meanwhile, the company has established a comprehensive reporting and feedback mechanism, ensuring that both internal and external personnel can report misconduct through various channels such as email and telephone. The company issued the "Notice on Rewarding Individuals Who Report Fraudulent Activities," strictly protects the confidentiality of whistleblowers' information, implements robust protective measures, resolutely prevents any form of retaliation, and provides a secure and reliable reporting environment for whistleblowers.



02 Smart Connectivity for Every Home

Creating New Life Style

Skyworth Digital adheres to innovation-driven development, strengthens its quality foundation, and serves global users with stable and reliable products. It continuously enhances customer service capabilities while strictly complying with international information security standards, providing robust safeguards for digital lifestyles.

We are committed to delivering reliable products and attentive services, enabling countless families, users of "third living spaces," and personal wearable device owners to enjoy a warmer, smarter lifestyle.



Contribution to the UN SDGs



Driven by innovation for development

The company has established a comprehensive innovation management system that integrates cutting-edge technology pre-research with product application development. By deeply integrating ultra-high-definition, optical communication, artificial intelligence, spatial computing, and IoT technologies, it continuously expands its business scope in smart terminals and professional displays. Through strengthening innovation capabilities and leveraging its global R&D network along with industry-academia-research collaboration platforms, the company cultivates a high-caliber research workforce, providing sustained innovation momentum for long-term technological leadership and sustainable development.

The company consistently prioritizes technological R&D and independent innovation as its strategic core, adhering to the business philosophy of "market orientation, technological innovation, continuous improvement, and cost-effectiveness and quality," and is committed to fostering deep integration between technology and the market.

The company established a Technical Center to explore cutting-edge technologies and advance technological innovation.

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On September 11, 2014, Shunworth Festival held a summit. The inaugural "Technology Open Day" was held with the theme of "Technology". With the core philosophy of "dialogue and applying new ideas," the event

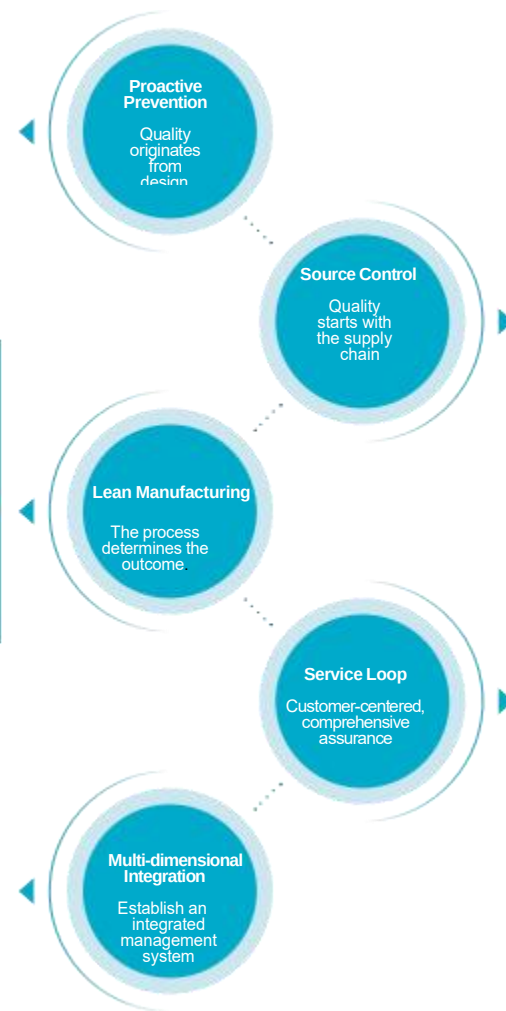




The R&D department has fully implemented the IPD and CMMI management systems, leveraging standardized phase controls and multi-level technical reviews to achieve proactive and source-based quality control. Simultaneously, it integrates design considerations for manufacturability, testability, and serviceability, eliminating design defects during the early R&D phase to establish a solid foundation for product inherent quality.

In the manufacturing process, we comprehensively implement the lean production model by establishing full-chain quality control checkpoints—including material inspection, first-piece inspection, process monitoring, station-by-station testing, and finished-product sampling—while continuously enhancing inspection capabilities and manufacturing process standards. Through standardized and refined process management, we solidify the foundation of product quality.

With the ISO 9001 Quality Management System at its core, the company has concurrently established multiple management systems covering environmental, occupational health and safety, information security, and energy management, earning the authoritative CMMI Level 5 certification. Through continuous empowerment via internal and external audit mechanisms, it facilitates the integration, collaboration, and dynamic iteration of these systems. This comprehensive, systematic approach strengthens the foundation of quality assurance and supports the enterprise's sustainable, green development.



Leveraging an integrated supply chain management system, comprehensive closed-loop control is implemented throughout the entire process of supplier onboarding, material certification, and performance management. Through rigorous quality planning and process monitoring, stable control is ensured across all stages—from pre-



In October 2025, Skyworth Digital held a quality work summary and Quality Month launch meeting, attended by the company's management and heads of various business units. Centered on the theme "Strive for First-Time Success, Strengthen Quality Foundations, and Move Toward an Excellent Future," the meeting unveiled a four-month Quality Month initiative encompassing thematic campaigns, knowledge contests, self-inspection and correction programs, and cross-departmental improvement projects. It outlined four key development priorities: system capabilities, execution efficiency, personnel competencies, and digital-intelligent capabilities, followed by a signing ceremony for key project authorizations and quality initiatives. Through company-wide participation and systematic implementation, Skyworth further solidified its quality management foundation and continuously enhanced product and service quality.

Improve service quality

Adhering to the service philosophy of "professionalism, efficiency, and mutual benefit," the company focuses on client needs by providing customized service solutions and high-value value-added services, while establishing a comprehensive service support system covering the entire product and service lifecycle.

Respond promptly to customer needs

With customer needs at the core, we establish specialized service teams for each project that encompass sales, pre-sales, product development, R&D, delivery, quality assurance, and after-sales support, ensuring comprehensive coverage throughout the entire project lifecycle from initiation to delivery. Through continuous market research and customer feedback mechanisms, we gain deep insights into clients' business requirements and proactively explore new products, applications, and use cases, ensuring our services consistently align with customer expectations.

Establish and improve a comprehensive service network

We integrate service resources by product category, establish a comprehensive service quality management system, and deliver end-to-end service solutions covering both front-end and back-end operations as well as hardware and software. Our professional, stable, and standardized after-sales service team responds swiftly to all customer needs and has established corresponding repair service protocols. With provincial service centers established in all 31 Chinese provinces, autonomous regions, and municipalities directly under the central government, along with operational presence in overseas markets including Europe, the Americas, South Africa, and India, we deliver globalized services ensuring customers enjoy efficient, standardized, and professional service experiences regardless of their location.

Enhance the customer satisfaction experience

We drive continuous improvement of our customer service system through multiple approaches: conducting regular market research and customer satisfaction surveys to accurately identify evolving needs; establishing agile development and production systems for rapid response to personalized requirements; strictly adhering to international quality standards to ensure compliance with regulatory and environmental requirements; and setting up dedicated after-sales channels to promptly address customer feedback. Additionally, through initiatives such as centralized supply chain procurement, raw material optimization, and domestic chip production, we continuously reduce product costs, delivering high-quality products and services with superior cost-effectiveness to our customers.

By 2025

Complaint Resolution Rate

100%

Completion rate of corrective actions for customer complaints

100%

Ensure information security

The company fully recognizes the importance of information assets and consistently regards data security and privacy protection as the cornerstone for earning customer trust. In compliance with laws and regulations such as the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and the Personal Information Protection Law of the People's Republic of China, and adhering to international management system standards including ISO 27001 Information Security and ISO 22301 Business Continuity, the company has established a rigorous and systematic information security and privacy protection framework, dedicated to fostering a secure and reliable digital environment.



Skyworth Data Protection and Privacy GDPR White Paper

During the reporting period

No customer privacy information leakage incidents occurred.

- At the management system level, the Board of Directors oversees information technology and information security operations. At the corporate level, the company has established the "Information Security Management System" and the "Network and Information Security Emergency Response Plan," continuously enhancing security measures across multiple dimensions—including organizational structure, regulatory frameworks, technical safeguards, privacy protection, security audits, training initiatives, and emergency response protocols—to comprehensively safeguard the company's systems, business data, and user personal information.
- At the technical protection level, the company implements measures such as encryption, access control, and security auditing to ensure the confidentiality and integrity of user data during transmission and storage. It conducts real-time monitoring and blocking of network threats and unauthorized access, and, in conjunction with antivirus software and endpoint security measures, enforces strict controls over data collection, storage, usage, and sharing, thereby establishing a comprehensive cybersecurity defense barrier.
- In terms of privacy protection, the company places high priority on data security and privacy safeguards, implementing standardized management for the collection, storage, and use of personal data to ensure lawful and secure data processing. Additionally, the company requires all employees to strictly adhere to confidentiality obligations, prohibiting the disclosure of customer information and personal data to any unauthorized third parties. Regular training on information security and confidentiality awareness is conducted to safeguard the privacy rights of every customer with a strong sense of responsibility.

For its overseas markets, the company strictly complies with the data protection laws and regulations of each host country, placing high priority on the privacy rights of international users. In accordance with international data protection frameworks such as the General Data Protection Regulation (GDPR), it has established privacy protection and data compliance management policies, creating a privacy mechanism aligned with global standards. The company clearly identifies data controllers and implements comprehensive oversight throughout the entire lifecycle of personal information—collection, use, storage, and sharing—to ensure lawful and transparent processing of user data. Additionally, it fully respects and safeguards overseas users' rights to access, correct, and delete their personal information, maintaining dedicated data protection contact channels to promptly address privacy concerns. The company is committed to providing global customers with a secure and trustworthy digital environment.

- At the application level of AI technology and data security, while AI enhances user experience, it also introduces responsibilities and challenges regarding data privacy, algorithm transparency, and ethical governance. The company has established an independent IT management team to rigorously assess the boundaries and risks of technology applications, advancing AI research and development with a responsible approach that adheres to the principles of legality, propriety, necessity, and integrity. In compliance with the ISO 27001 Information Management System Manual and national information and data security management requirements, the team routinely monitors and ensures the security and ethical compliance of corporate and customer information and data—including AI application security—and safeguards users' right to information and choice.

03 Green Forward Smart Future

Skyworth Digital has deeply integrated green and low-carbon principles into its core development strategy, actively responding to global climate initiatives and the Sustainable Development Goals while advancing its green and low-carbon transformation.

Our system identifies and manages climate-related risks in operations, establishes a standardized environmental management system, and focuses on green design throughout the entire product lifecycle. In daily operations, we comprehensively implement energy conservation, carbon reduction, and resource recycling, striving to build a resource-efficient and environmentally friendly green enterprise.

Contribution to the UN SDGs



Climate Action

Skyworth Digital attaches great importance to addressing climate change, comprehensively promoting green and low-carbon transformation, fully identifying and managing climate-related risks, implementing carbon reduction measures based on quantitative indicators and target systems, and fulfilling climate responsibility through pragmatic actions.

Governance

The company has established a top-down climate governance system to provide governance support for the orderly advancement of climate actions. The ESG Committee under the Board of Directors oversees and promotes the company's sustainable development in addressing climate change. As the core executive-level institution, the ESG Working Group systematically carries out climate change risk identification and management work, establishes and improves the climate governance system and risk management indicator system, comprehensively promotes energy management and carbon emission reduction efforts, and ensures the efficient implementation of climate governance objectives and measures.

Strategy

Climate change poses a significant challenge to the sustainable development of all humanity globally and is a key ESG issue. Therefore, Skyworth Digital has made addressing climate risks and transitioning to a green and low-carbon future one of its core development strategies. The company pays close attention to, values, and actively responds to climate-related policies in its operational locations. It adheres to the new development philosophy, embeds the concept of green development throughout the entire climate action process, systematically addresses climate challenges, fulfills its climate responsibilities, and contributes to global climate governance:

- 1 Coordinate efforts to enhance climate resilience and reduce carbon emissions, and promote the transition to low-carbon production and operation
- 2 Establish a green technology innovation system to support energy efficiency improvement and carbon reduction
- 3 Build a clean and low-carbon energy system, and promote green energy production and consumption
- 4 Strengthen resource conservation and recycling, reduce energy and material consumption, and greenhouse gas emissions

Impact, risk and opportunity management

The company has fully assessed the impacts of climate change on various aspects such as policy compliance, production operations, and market development. It has comprehensively integrated measures to address the impacts of climate change, risk management, and opportunity exploration into its medium- and long-term development plans and the entire production and operation process. The company systematically carries out full-cycle climate risk management, strengthening its climate resilience defense line, while deeply exploring development opportunities. It actively deploys in areas such as low-carbon technology innovation, clean energy application, and green product upgrades, promoting the deep integration of climate action and business development, achieving risk prevention and control, and sustainability collaborative promotion of continuous value creation.

Physical Risk

Risk type	Risk Description	Risk management measures	Financial impact
Acute risk			
Typhoon and severe convective weather	The company's production base, warehousing and logistics centers, and other assets are susceptible to damage from typhoons and severe convective weather, which can easily cause damage to factories and production equipment, loss of raw materials and finished products, and halt production in the factory area. At the same time, it impacts the stability of upstream and downstream supply chains, posing a risk of operational disruption	Establish an extreme weather early warning and full-cycle emergency management mechanism, and improve the climate resilience construction of the plant area and core assets	Asset repair and replacement costs, inventory obsolescence losses, revenue losses due to production suspension or reduction, compensation expenses for order breaches, and special costs for emergency response
Extreme heavy precipitation and flood disasters	Extreme heavy rainfall-induced waterlogging and floods are prone to cause damage to production plants, research and development centers, data centers, and storage facilities, resulting in the breakdown of power supply and communication systems, destruction of precision production equipment and core materials, leading to production interruptions and supply chain logistics disruptions	Carry out regular risk assessments and emergency response capacity building to mitigate the adverse impact of flood disasters on production and operations	replacement cost for damaged core equipment and assets, loss on inventory scrap, revenue loss due to production suspension or reduction, cost for core data recovery, and special investment for post-disaster resumption of production
Extreme high temperatures and heatwaves	Continuous extreme high temperatures are prone to cause a surge in temperature control loads in production workshops and data centers, leading to a decrease in the operational stability of precision production equipment and product yield. Regional power restrictions and outages can trigger production interruptions, affecting normal production and operational efficiency	Improve the emergency support system to comprehensively manage the operational risks brought by high temperature weather	Rising operational energy consumption costs, increased production costs due to decreased product yield, revenue losses caused by power restrictions and production halts, and increased equipment maintenance costs
Lightning and storm surge	Coastal areas are prone to frequent lightning strikes and storm surges. Lightning strikes can easily damage the power supply, communication systems, and precision electronic equipment in the factory area, leading to production interruptions. Storm surges can cause seawater inundation, which can easily damage factory facilities and stored materials, posing operational risks	Establish a linkage mechanism between meteorological early warning and emergency response, and carry out regular asset safety assessment and protection management	The repair cost of the power supply and communication system, the replacement cost of damaged precision equipment, the maintenance cost of factories and facilities, the loss of inventory due to scrapping, and the revenue loss caused by production suspension or reduction
Chronic risk			
Sea level rise	The company's coastal production base and industrial park have long been threatened by rising sea levels, exacerbating the risk of waterlogging. The salinization caused by seawater intrusion is prone to corrode factories, pipe networks, and equipment foundations, shortening the service life of assets and continuously amplifying the impact of various meteorological disasters	Initiate the formulation of medium- and long-term climate adaptability development plans, optimize production capacity and asset layout, and continuously enhance the company's long-term climate resilience	Capital expenditures for asset maintenance and renovation, upgrades to flood control and drainage systems, impairment losses due to shortened asset service life, and related investments in capacity layout adjustments
Water scarcity	Regional droughts and water resource shortages triggered by long-term climate change are prone to lead to reduced industrial water quotas, increased water costs, limited water use in core manufacturing processes, and hindered production capacity release. Meanwhile, geological changes caused by groundwater overexploitation are prone to damage factory buildings and equipment foundations	Optimize water management and multi-channel water resource guarantee mechanisms, promote the recycling and utilization of steam condensate water, and comprehensively manage and control operational risks arising from fluctuations in water resources	The continuous rise in water cost, capital expenditure for the construction of water conservation system, revenue loss due to capacity constraints, and the cost of repairing and reinforcing factories and facilities
Long-term temperature rise	The long-term average temperature rise has led to a continuous increase in energy consumption for company production, office operations, and data center operations; changes in the regional ecological environment have led to stricter ecological control, restricting the implementation of plant expansion and capacity upgrade projects; long-term temperature and humidity changes accelerate the aging and deterioration of production equipment and raw materials, increasing operating costs	Incorporate the impact of long-term climate change into the company's decision-making system throughout the entire investment and operation process, conduct regular ecological environment impact assessments, improve energy conservation and consumption reduction as well as ecological protection management mechanisms, and mitigate potential risks brought about by long-term climate change	The continuous increase in operational energy consumption costs, capital expenditures related to energy-saving renovations, rising costs of raw materials and equipment wear and tear, and potential losses due to production capacity expansion falling short of expectations

Transformation Risk

Risk Type	Risk Description	Risk Management Measures	Financial Impact
Policy Compliance	Environmental protection and green manufacturing policies at the operational site continue to tighten, while compliance standards and regulatory requirements for low-carbon transition keep escalating. The company faces risks of compliance adaptation challenges and delayed policy responsiveness during its transformation process.	Strictly adhere to the "General Guidelines for Green Factory Evaluation" and relevant "dual-carbon" policy requirements, implement the "Energy Conservation Law of the People's Republic of China" and environmental protection regulations applicable to overseas operations, and enhance environmental compliance and carbon management systems aligned with low-carbon transition objectives.	Increased investment in building a compliance transformation system; penalty losses resulting from delayed policy alignment; revenue losses due to production restrictions and shutdowns.
Low-carbon operation	During its transition to a low-carbon operational model, the company faces challenges and cost pressures in improving energy efficiency, managing greenhouse gas emissions, and implementing carbon reduction targets, with the risk that these transformation measures may fall short of expectations.	Promote the retrofitting of high-energy-consuming equipment, upgrading of production automation systems, and recycling of steam condensate; expand the adoption of renewable energy sources such as photovoltaics and implement comprehensive energy-saving renovations; establish an energy management system and conduct energy audits and energy efficiency diagnostics; advance the research, development, and market application of innovative low-carbon and zero-carbon technologies.	Increased capital expenditures for low-carbon transformation and upgrading, rising operational emission reduction costs, and higher investments in low-carbon technology R&D
Market competition	The industry's transition toward green and low-carbon practices is accelerating, with growing market demand for sustainable solutions. However, the company's transformation of its traditional production model and product portfolio has fallen short of expectations, exposing it to risks of weakened market competitiveness and shrinking market share.	Accelerate the development of green factories and green manufacturing systems, implement green design throughout the entire product lifecycle; introduce low-carbon new processes and equipment, and leverage green innovation to build core competitive advantages conducive to low-carbon transformation.	losses including investments in green products and process upgrades, revenue decline due to market transformation falling short of expectations, and loss of market share
Transformational Governance	The mechanism for advancing the company's low-carbon transition and climate governance remains incompletely established, with internal management risks including inadequate decomposition of transition objectives, unclear assignment of responsibilities, and ineffective implementation.	Establish a clearly defined work system for green development and low-carbon transition, and strengthen the assessment of transformation goal responsibilities; promote automated manufacturing and digital management to achieve refined energy management.	Investments in the establishment of the transformation management system, expenditures on training and publicity, and potential operational losses resulting from inadequate implementation of the transformation

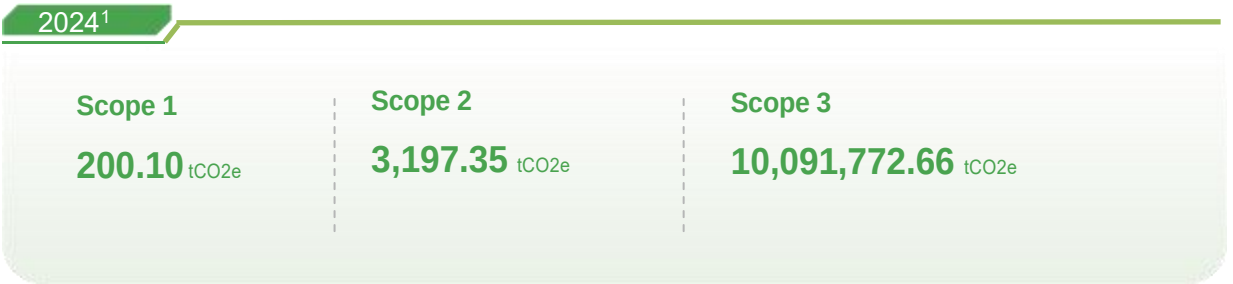
Climate Challenge

Opportunity Type	Opportunity Description	Opportunity Management Measures	Financial Impact
Policy Dividend	The policy framework for environmental protection and green manufacturing in the operational regions continues to be refined, with a clear orientation toward green and low-carbon transformation. Compliance-oriented enterprises qualify for policy incentives such as special subsidies, tax reductions, green credit facilities, and green bonds, while also gaining priority access to participating in industry standard-setting and demonstration project applications, thereby expanding opportunities for compliant development and policy benefits.	Strictly align with the "General Guidelines for Green Factory Evaluation" and relevant "Dual Carbon" policy requirements to enhance environmental compliance and a comprehensive carbon management system. Implement the "Energy Conservation Law of the People's Republic of China" and environmental protection laws and regulations in overseas operational locations, strengthen compliance reviews and information disclosure, accurately respond to policy directives, actively apply for green demonstration projects, and seek policy support.	Obtain special policy subsidies, tax reductions, and preferential interest rates for green financing; reduce compliance management and financing costs; avoid penalties and losses from non-compliance; and enhance the company's compliance credit rating.
Applications of Clean Energy	Under the Background of Climate Change: Ensuring Energy Supply and Promoting Clean Energy	Vigorously promote the application of renewable energy sources such as photovoltaics, and provide corresponding support.	Reducing the procurement costs of externally sourced energy is beneficial.
And energy security	The transformation is accelerating, with the maturity of clean energy technologies such as distributed photovoltaics and energy storage continuously improving. This provides a viable pathway for the company to optimize its energy structure, reduce dependence on fossil fuels, enhance energy self-sufficiency, and mitigate risks from energy price fluctuations.	Enhance energy self-reliance and controllability through integrated energy storage systems; establish a comprehensive energy management system, conduct energy audits and energy efficiency diagnostics, optimize energy dispatch and utilization models, and build a clean, low-carbon, safe, and efficient energy system.	Mitigate operational cost fluctuations caused by energy price volatility, reduce revenue losses resulting from power rationing and production shutdowns, and achieve long-term control over energy costs.
Low-carbon operation	Promotion of energy-saving and carbon-reduction technologies, as well as recycling models	Promote energy-saving renovations of high-energy-consuming equipment and implement automated production control systems.	Reduce energy, water resources, and raw materials consumption
Cost decreasing and benefit increasing	The application can effectively reduce energy, water, and raw material consumption in production and operational processes, lower carbon emission-related costs, improve resource utilization efficiency, optimize production workflows, and enhance operational stability and refined management capabilities.	System upgrade and steam condensate recovery and reuse; implementation of energy-saving and consumption-reduction renovations throughout the entire production process, promotion of water resource recycling and solid waste resource utilization models, and continuous improvement of operational energy efficiency.	Reduce operating costs, cut carbon emission-related expenses, improve production yield and operational efficiency, and achieve sustained long-term cost savings.
Green Products and Technological Innovation	Amid the global low-carbon transition, market demand for low-carbon and zero-carbon products as well as green technology solutions continues to grow. This provides the company with extensive opportunities to leverage its R&D strengths, drive innovation in low-carbon and zero-carbon technologies, build a robust portfolio of green products, and expand the commercial application scenarios of its technologies.	Promote the research, development, and market application of innovative low-carbon and zero-carbon technologies, and implement green design throughout the entire product lifecycle; introduce new low-carbon processes and equipment, accelerate the commercialization of green technology achievements, and establish a differentiated core competitiveness in green technologies and products.	Expand the revenue scale of green products, enhance the technological premium of products, broaden the incremental market for green technology commercialization, and strengthen the company's long-term profitability.

Indicators and Objectives

Carbon Emission Indicator

In compliance with the ISO 14064-1 international standard, the company has established a comprehensive greenhouse gas accounting and statistical system. This system quantifies Scope 1 direct emissions, Scope 2 indirect emissions from purchased electricity and heat, and Scope 3 indirect emissions across the entire value chain. A dual assurance mechanism combining internal audits and third-party verifications ensures the authenticity, accuracy, and traceability of greenhouse gas data. The company has progressively developed a climate performance reporting framework covering production, operations, and supply chains, regularly calculating key metrics such as total greenhouse gas emissions, scope-specific emissions, carbon intensity, energy consumption per unit of output value, and product carbon footprints, while continuously expanding its greenhouse gas inventory coverage. The company regularly discloses its greenhouse gas data through public channels including industry platforms.



Carbon Emission Target ²

The company actively participates in the CDP Carbon Disclosure Project and the SBTi Science-Based Targets initiative, establishing a quantifiable climate governance target framework. All targets are benchmarked against 2023, ensuring climate actions are measurable, verifiable, and accountable.

Target type	Specific Requirements	Actions and Measures
Mid-term goals (2030)	1 Scope: Reduce absolute emissions of greenhouse gases by 55% (1+2) 2 Scope 3 Reduce absolute greenhouse gas emissions by 55%	1 Fully promote the construction of rooftop distributed photovoltaic projects, gradually replacing fossil energy consumption in production and operation processes 2 Optimize the electricity load structure with supporting energy storage system 3 Promote energy-saving renovation of high-energy-consumption production equipment 4 Promote the recycling and reuse projects of condensed water and reclaimed water
long-term goal (2040)	1 Scope 1+2: Absolute emissions of greenhouse gases have decreased by 99.7% 2 Scope 3 Reduce absolute greenhouse gas emissions by 95%	5 Establish a full-process energy management system to reduce energy consumption and carbon emissions throughout the entire production and operation process 6 Integrate low-carbon emission reduction requirements into the entire procurement process and implement a responsible procurement system 7 Promote green design throughout the entire product lifecycle, and intensify the research and development of carbon management and carbon capture technology

¹ The scope of the 2024 carbon inventory includes the headquarters of Shenzhen Skyworth Digital Technology Co., Ltd. at Skyworth Building, its Baoan factory, its Wuhan branch, and its Beijing branch. The 2025 greenhouse gas inventory work is currently underway and will be disclosed through public channels upon completion.

² The scope of the carbon emission target encompasses the headquarters of Shenzhen Skyworth Digital Technology Co., Ltd. at Skyworth Building, its Bao'an factory, its Wuhan branch, and its Beijing branch.

Environmental Compliance Management

The company strictly adheres to its primary responsibility for ecological and environmental protection, fully implements the relevant environmental laws, regulations, standards, and guidelines applicable to its operational sites, and has established a comprehensive environmental management mechanism covering pollutant control, waste disposal, and emergency response, thereby effectively fulfilling its obligations in environmental compliance and green development.

Environmental Risk Identification and Control

The company integrates environmental compliance requirements throughout the entire production process, systematically conducting environmental impact assessments, full-cycle risk management, and identification of green development opportunities to ensure operational compliance. It systematically identifies four categories of environmental impacts—including wastewater, exhaust gases, solid waste, and noise—across the production chain, clearly defining the impact boundaries of critical processes such as hazardous chemical storage, hazardous waste interim storage, and welding operations, thereby providing a precise basis for compliance management. The company has established a closed-loop environmental risk management mechanism that implements tiered risk control and comprehensive preventive measures for major risks such as hazardous chemical leaks and failures in exhaust gas treatment facilities.

The company implements comprehensive measures including exhaust gas treatment, wastewater management, and standardized hazardous waste handling, while conducting regular training sessions and emergency drills. For identified management deficiencies, specialized rectification plans are formulated with clearly defined responsibilities and timelines to ensure overall environmental risks remain under control and comply with regulatory requirements such as environmental impact assessments and discharge permits.

Environmental Management System

The company strictly complies with environmental laws, regulations, and stakeholder requirements, establishing a clear environmental management organizational structure and accountability framework. Based on the EHS Management Manual as its foundational policy document, it has developed a systematic, standardized, and comprehensive environmental control system that covers the entire operational process, ensuring full compliance throughout production and business activities. The company has obtained ISO 14001:2015 Environmental Management System certification.



Skyworth Digital ISO 14001:2015
Environmental Management System

Emissions meet the prescribed pollutant standards

The company strictly complies with environmental protection laws and regulations, has established a comprehensive pollutant emission control mechanism, and formulated the "Wastewater Discharge Management System" and "Exhaust Gas Discharge Management System." These documents specify the classification, treatment, monitoring, supervision, and emergency response requirements for wastewater and exhaust gases, ensuring strict adherence to pollutant discharge standards and making every effort to mitigate environmental pollution risks.

The company implements a classified management system for domestic sewage and industrial wastewater. Domestic sewage is centrally treated at the industrial park's wastewater treatment plant, while industrial cleaning wastewater is systematically collected and transferred to qualified entities for disposal. The circulating water from air compressors is discharged into the municipal sewer system through compliant procedures, strictly adhering to the Level 1 standard of Phase II of Guangdong Province's "Water Pollutant Emission Limits" (DB44/26-2001). Regular wastewater monitoring is conducted by third-party institutions to ensure compliance with discharge requirements.

Waste Compliance Management

The company has established a comprehensive environmental risk prevention and control system as well as an emergency management framework for sudden environmental incidents, and has formulated and implemented the "Emergency Preparedness and Response Control Procedures" to fully mitigate various environmental and safety risks.

Emergency Response

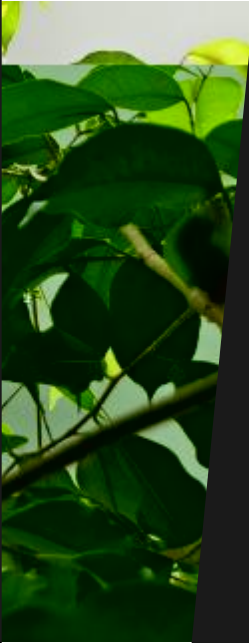
Environmental risk assessment

Provide emergency

Environmental emergency drill

Ensure adequate emergency supplies such as chemical protective suits, absorbent cotton, emergency containers, and eye wash stations are available; install corresponding emergency facilities including accident response ponds, rainwater-sewage switching valves, and leak-proof trays; and establish a coordinated liaison mechanism with environmental protection, emergency management, and fire departments.

Conduct regular environmental risk training for employees to continuously enhance emergency response and management capabilities. By 2025, the company will carry out two environmental emergency drills.





able to achieve sustainable development. It
protection practices, while
establishing a comprehensive
company's low-carbon, high-quality growth

Skyworth Digital established a corresponding energy management
organizational structure tailored to its operational realities, clearly
defining the responsibilities of each function.

The responsibilities and authorities of departments, production units
at all levels, and personnel in relevant management, execution, and
supervision roles are clearly defined, with the management
framework continuously optimized through management reviews.
The company facilitates internal communication via training
sessions and meetings to ensure that managers at all levels fully
understand their responsibilities, fulfill their energy management
duties in accordance with regulations, and ensure that all energy
management activities are conducted in a standardized and orderly
manner. The company has established comprehensive policy
documents such as the Energy Management Manual, the Energy
Performance Monitoring, Measurement and Analysis Control
Procedure, and the Energy Operation Control Procedure,
integrating energy management requirements throughout the entire
production and operational process.

Indicators, Objectives , and Actions

Skyworth Digital establishes, implements, and maintains a measurable energy
target and indicator system that covers all functional departments and energy-
consuming units, with clearly defined timelines for achieving these targets. At
the corporate level, indicators include energy savings and comprehensive
energy consumption per unit of output; energy-consuming departments set
indicators such as electricity and gas consumption per unit of output; while key
energy-consuming processes and equipment establish spjs



Skyworth Digital ISO
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Promoting the circular economy

Adhering to the circular development philosophy of reduction, reuse, and resource recovery, the company integrates green and low-carbon principles throughout the entire product lifecycle. It systematically advances circular economy practices through green design, resource recycling, waste management, and low-carbon operations, continuously improving resource utilization efficiency, minimizing environmental impacts from production and business activities, and establishing a green, efficient, and sustainable operational framework.

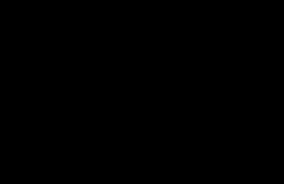
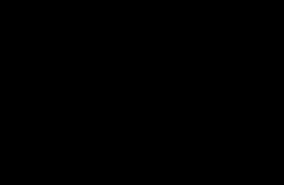
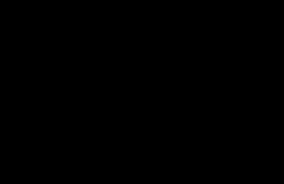
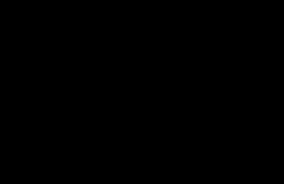
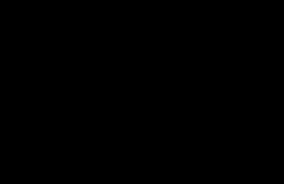
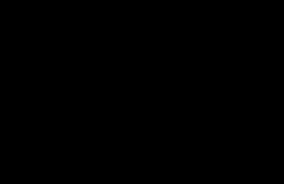
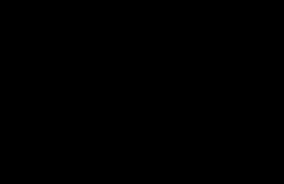
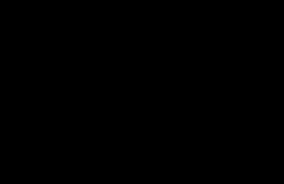
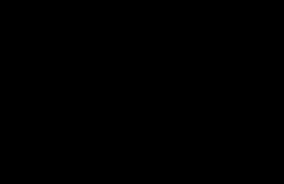
During the production process, priority is given to using environmentally certified and recycled materials, with a recycling system established for waste packaging materials to promote efficient resource circulation. By 2025, nearly 42 million recycled kraft paper color boxes and 14 million recycled corrugated paper outer boxes were used on a large scale, totaling 7,700 tons of recycled packaging materials, significantly reducing primary material consumption. By replacing conventional materials with circular alternatives, the environmental sustainability of packaging is enhanced while minimizing waste generation and enabling resource recovery, thereby supporting green production and environmental protection.

Establish a standardized product design and mold reuse mechanism to maximize the utilization of existing production resources and reduce resource consumption associated with new mold development; enhance production adaptability through standardized and family-oriented design, achieving efficient resource utilization and low-carbon production; utilize energy storage systems to balance peak and off-peak electricity demand and recycle surplus power, significantly improving energy recycling efficiency.

Independent backplane-compatible design for versatile applications, reducing energy consumption and carbon emissions

Skyworth Digital employs an independent backplane insert design, treating the backplane's shape and lines as separate inserts. This significantly enhances mold compatibility across various models and configurations, enabling "one mold for multiple uses" and effectively reducing the need for new mold development. In 2025, the company reduced its carbon footprint by 67%, resulting in a

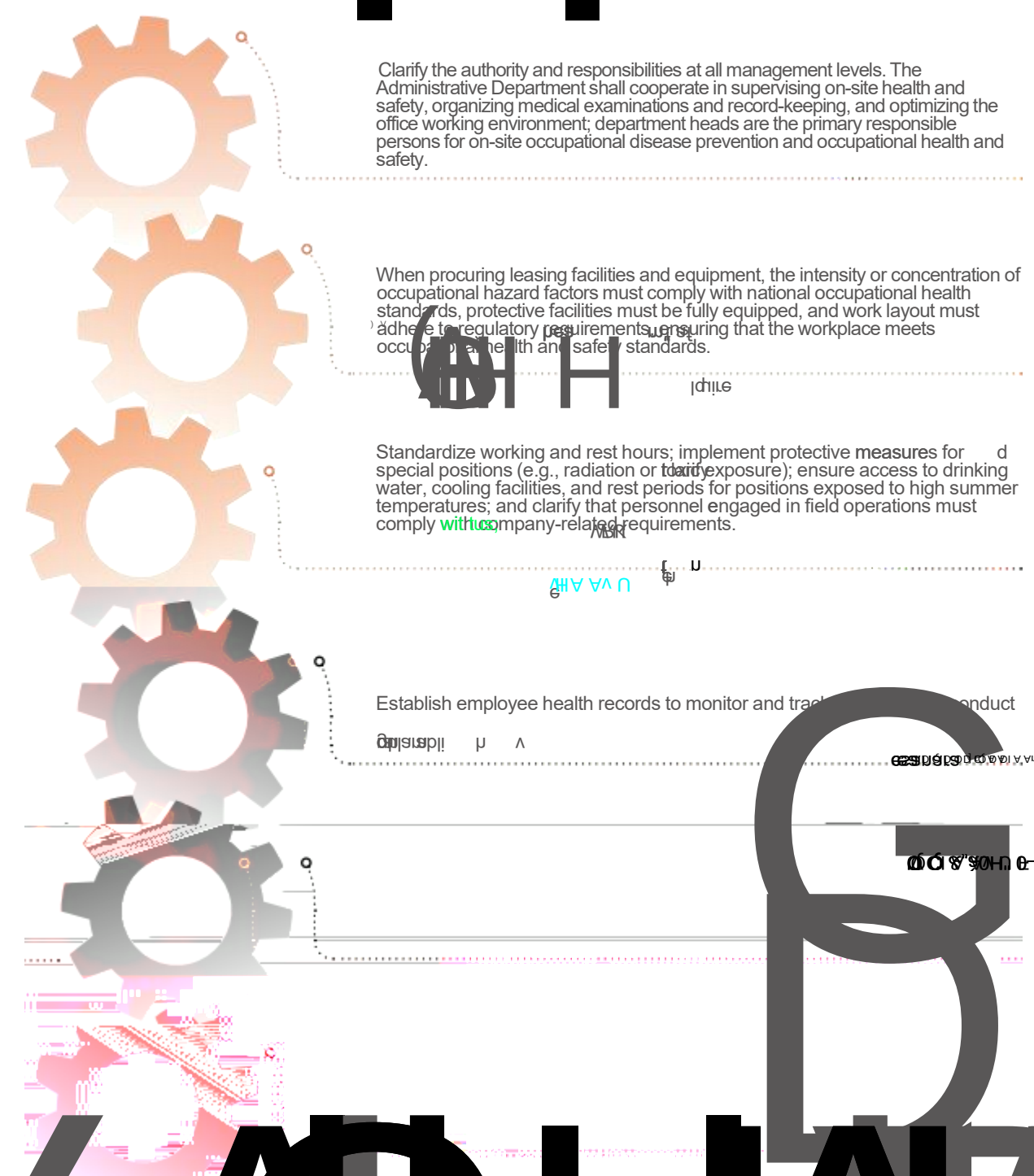




The company has established a comprehensive talent management system that covers talent identification, job qualifications, performance management, and compensation incentives. It integrates career development pathways for both technical and managerial staff, offering diverse career progression paths, expands employees' growth opportunities, and implements clear competency standards to continuously enhance staff professional competence.

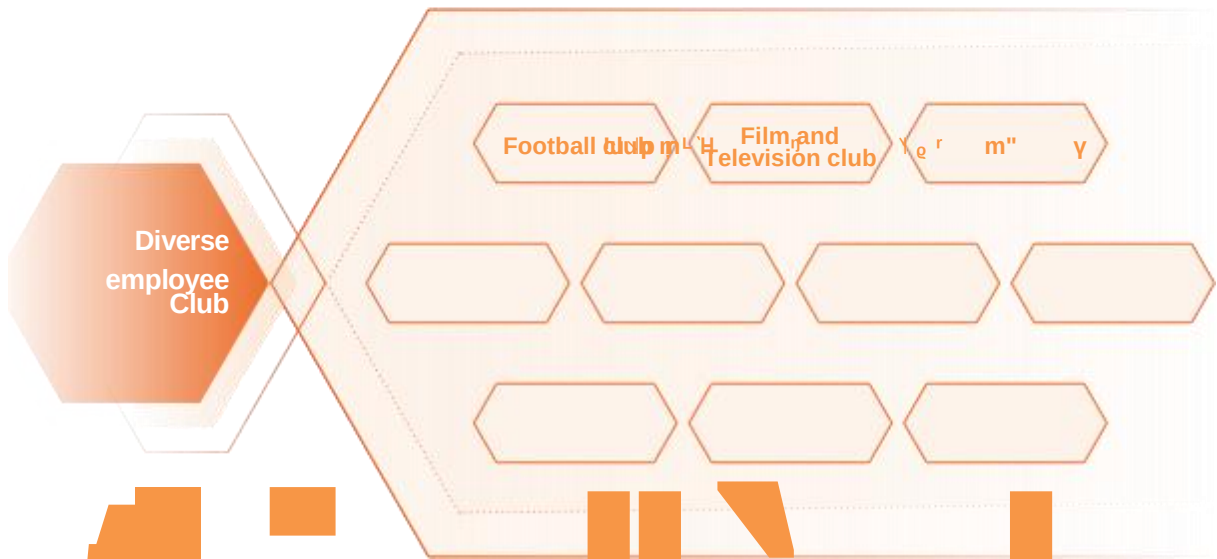
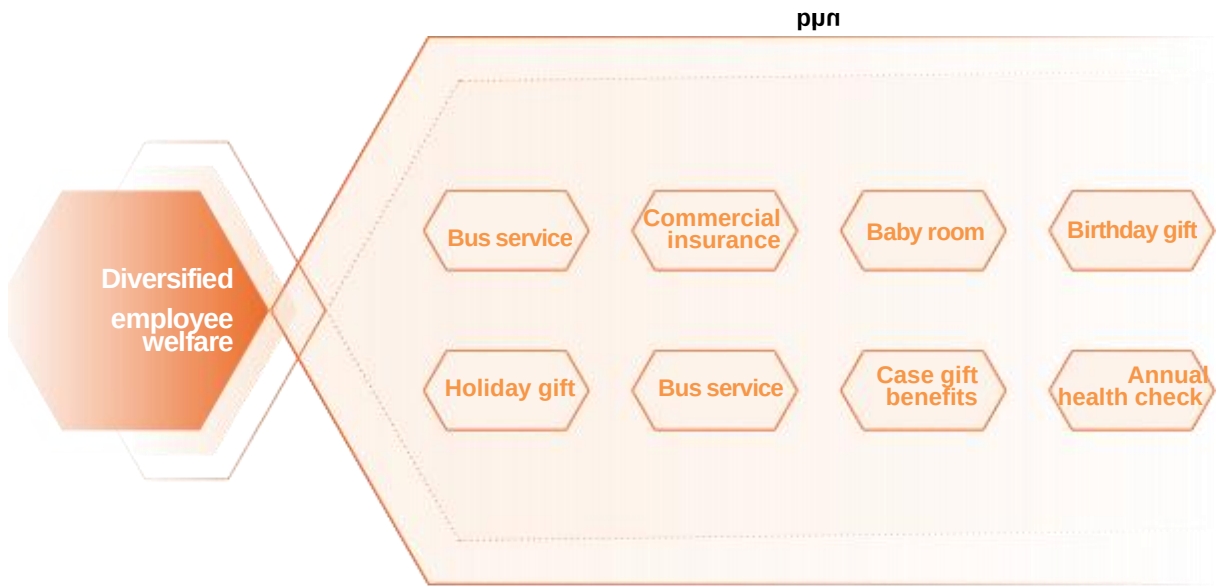
The Human Resources department conducts annual talent assessments to evaluate employees across multiple dimensions such as competencies, performance, and potential, thereby optimizing the talent structure, establishing a talent pipeline, and developing tailored development plans for outstanding employees. Additionally, the company has established a comprehensive internal competitive recruitment mechanism, offering diverse job opportunities to facilitate orderly employee mobility.

Fac a ca d c a



The company is committed to establishing a comprehensive employee welfare system to enhance employees' sense of belonging and well-being. Employee benefits cover various aspects including accommodation, transportation, and healthcare. The company building provides affordable dormitories that provides employees with nutritionally balanced and cost-effective meals. To address accommodation needs, the company offers diverse options such as dormitories, digital apartments, and talent housing, benefiting nearly 100 employees annually and effectively alleviating their concerns.

The company prioritizes balancing employees' work and personal lives by establishing various employee clubs such as basketball, badminton, and yoga, and regularly organizing diverse employee activities, especially during holidays. In 2025, the company launched an employee activity center, which has received unanimous praise from staff.



2025"Vibrant and Innovative,A Fun Sports Festival"



The 17th "Skyworth Digital Cup" Basketball Tournament



McLay Trail Hiking Activity



Inauguration of vitality recharge station



Lantern Festival Food Event

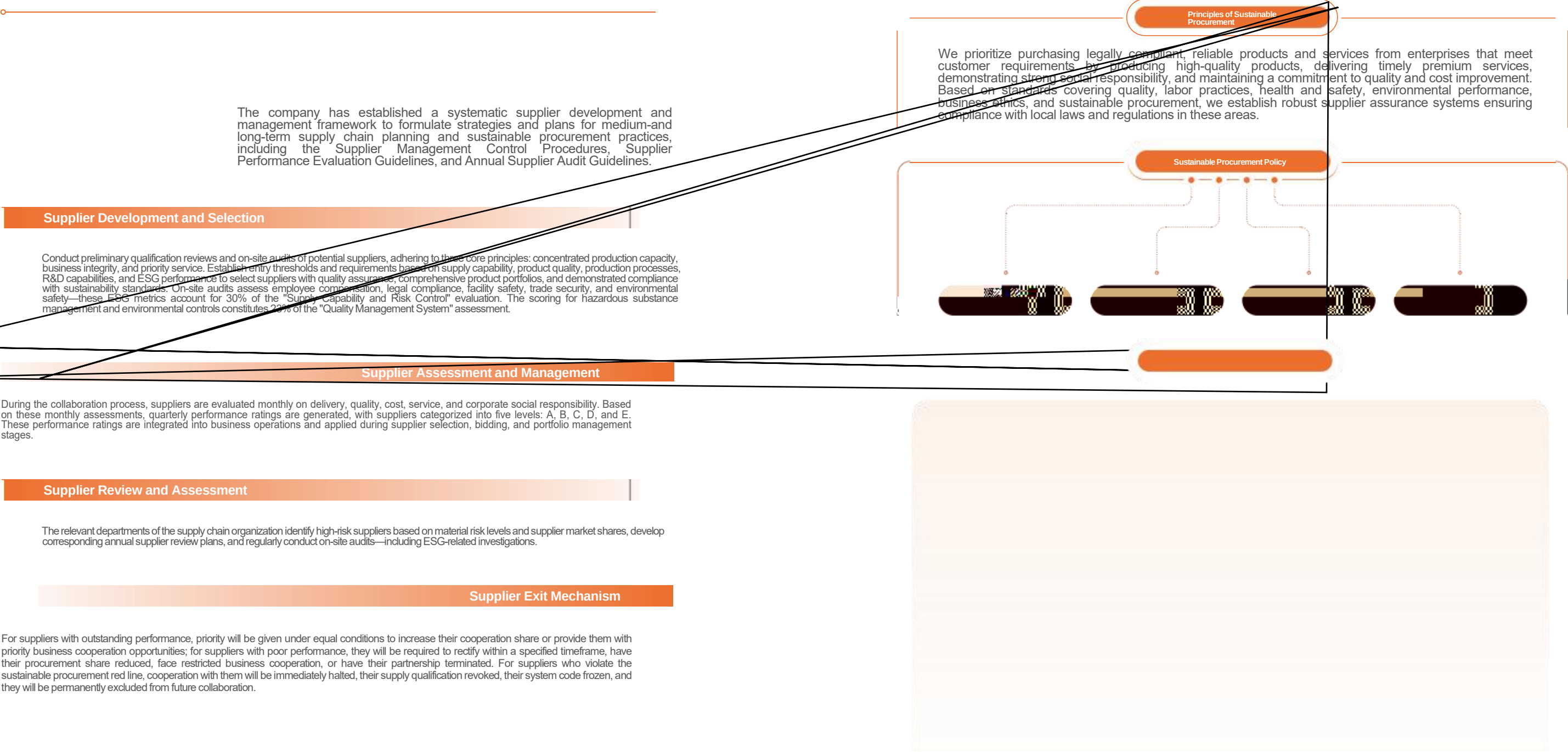


Spring Festival Activity
"Calligraphy Masters Write Spring Festival Couplets Live"

Responsible Supply Chain

The company is committed to establishing a stable and responsible supply chain system. It has implemented a stringent supplier management mechanism, prioritizes sustainable procurement practices, and integrates business ethics and environmental protection into daily oversight. Additionally, through continuous training and empowerment initiatives, the company collaborates with suppliers to build a secure and efficient supply chain ecosystem.

The company aims to establish cooperative relationships with suppliers based on fair trade, integrity, and mutual respect. To ensure the delivery of high-quality products from a value chain characterized by fairness and respect, the company develops solutions in compliance with fair commercial practices and labor laws, respects the environment and natural resources, and encourages suppliers to adopt the Sustainable Procurement Charter, with the goal of implementing this approach throughout the entire value chain.



Supplier CSR Management

The company uses the "Sustainable Procurement Charter" signed with suppliers as a framework to define the scope and behavioral standards for supplier CSR management. It encourages suppliers to make and actively fulfill commitments across multiple dimensions—including environmental protection, employee rights, privacy protection, ethics and anti-corruption, and business conduct—to mitigate supply chain social responsibility risks.

Dimension	The commitment required from the supplier
Environment	The supplier commits to complying with local environmental requirements and applicable regulations, conducts regular environmental impact assessments, and reduces various pollutants and environmental impacts through process controls. Prohibition of the use of radioactive substances; establishment of comprehensive industrial accident risk prevention and control procedures as well as emergency response protocols; and implementation of training and feedback programs related to environmental hygiene and safety to reduce the environmental impact of commercial practices.
Employee Benefits	Suppliers commit to not employing child labor, eliminating forced labor and human trafficking; complying with local laws and regulations; implementing reasonable working hours and rest systems; providing statutory holidays; safeguarding employees' freedom of association and collective bargaining rights; prohibiting discrimination, harassment, and corporal punishment in the workplace; ensuring equal pay for equal work; and establishing fair disciplinary practices and complaint resolution mechanisms.
Privacy and personal Data	The supplier undertakes to handle personal data lawfully and fairly, collecting and using it solely for clearly defined legal purposes, ensuring the data is accurate, appropriate, and updated promptly, protecting the data subjects' relevant rights, retaining the data only to the extent necessary, and implementing appropriate security measures to prevent risks such as data leakage or destruction.
Health and Safety	The supplier commits to providing clean, compliant, and safe sanitation facilities along with drinking water, standardizing relevant hygiene management practices, conducting regular risk analyses, hazard rectifications, and emergency drills, equipping employees with appropriate personal protective equipment, organizing hygiene and safety training programs with timely content updates, and continuously reducing accident rates to ensure employee safety.
Ethics and Anti-Corruption Commitment	The supplier undertakes to comply with the United Nations Universal Declaration of Human Rights and applicable laws and regulations at all levels, uphold high ethical standards, refrain from anti-competitive practices, support community development, prohibit all forms of corruption and bribery, comply with relevant sanctions and legislative requirements, combat money laundering and terrorist financing, and adhere to the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, which imposes various inquiry and disclosure requirements for the use of tin, tantalum, tungsten, and gold ("conflict minerals") and mandates the provision of all necessary disclosures throughout the supply chain.
Code of Business Conduct	The supplier undertakes to protect the confidential information and intellectual property rights of the products and components, shall use only its own brand logo, ensure compliance with these regulations at all production stages, require subcontractors to adhere to equivalent standards, monitor significant business changes, and guarantee that products meet agreed specifications and that new manufacturing sites comply with regulations.

Supplier CSR Red Line

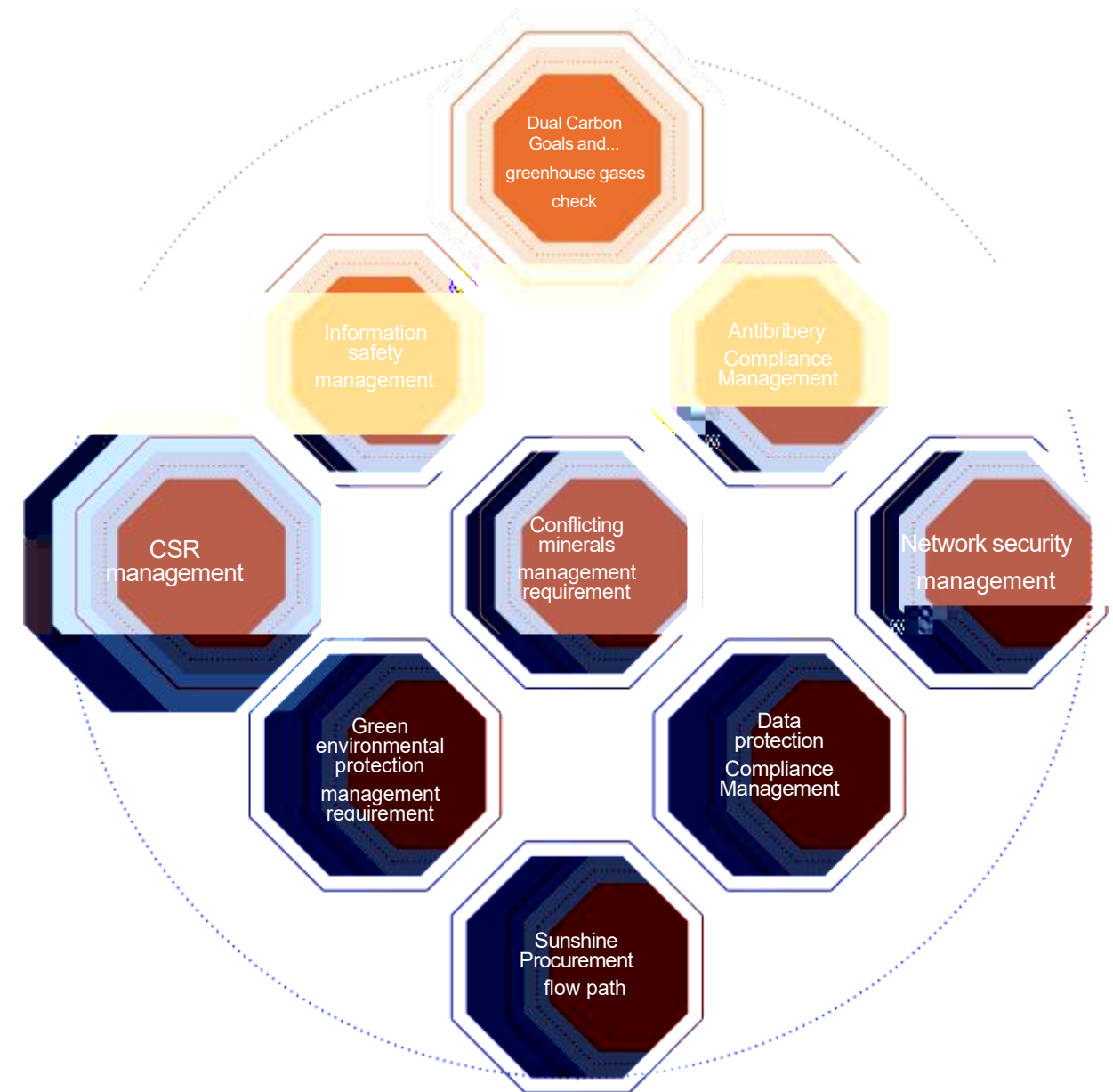
Establish CSR red-line requirements for supplier conduct (items 1–10 below). If a supplier is found to violate any red-line provision, cooperation with that supplier will be immediately terminated, its supply qualification revoked, its system access frozen, and future collaboration prohibited, aiming to encourage suppliers to enhance their social responsibility performance.

- | | | | | |
|--|--|--|---|--|
| 1
It is prohibited to illegally discharge toxic and harmful pollutants, including wastewater, waste gas, or waste residue. | 2
It is prohibited to use factories that have not passed fire safety inspections for production and manufacturing. | 3
The use of child labor in any form is prohibited. | 4
Prison labor or forced labor shall not be used. | 5
It is prohibited to delay paying employee wages. |
| 6
Prevent any major fire and explosion accidents. | 7
Ensure that working conditions do not seriously endanger life safety or health. | 8
Discrimination or harassment in the workplace is prohibited. | 9
Provide a safe and healthy working environment. | 10
Prohibit the occurrence of corruption and dishonesty. |

Supplier Training and Empowerment

Supplier empowerment serves as a crucial pathway to enhance supply chain resilience. Through training and knowledge dissemination, companies strengthen suppliers' problem-solving capabilities, foster sustainable supply chain development, and improve collaboration efficiency and transparency.

Supplier Sustainable Procurement Training Topic



Leading the industry ecosystem

Environmental and Governance (ESG) Report 2025

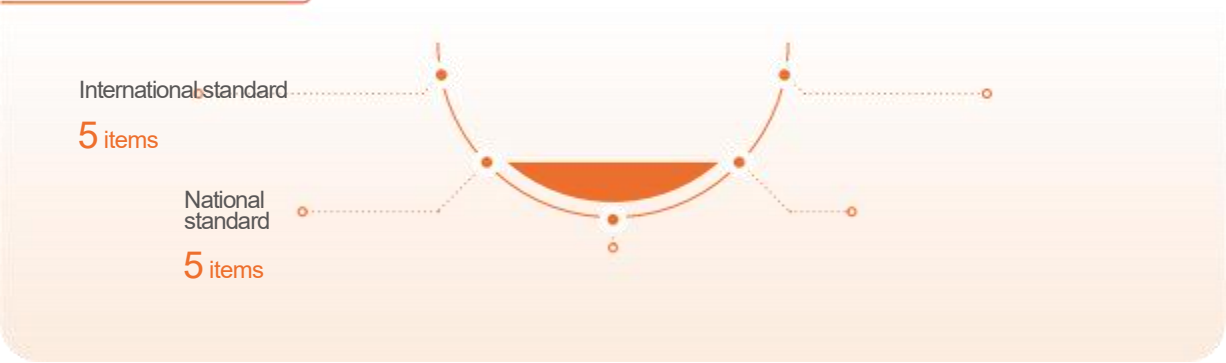
The company leads or actively participates in the formulation and revision of relevant domestic and international standards, collaborates with upstream and downstream partners as well as industry peers for joint innovation, and actively engages in technical exchange activities within the sector. By leveraging standards as a guide and fostering collaborative technological development, it drives the upgrading of the industrial ecosystem and contributes to the standardized, coordinated, and high-quality growth of the global digital audio-visual industry.

Standards and patents represent the strategic high ground in competition within the high-tech industry. Under the Technology Committee, the company has established a cross-departmental standardization working group, serving as the corporate standardization management body. Its primary responsibilities include researching laws, regulations, and standards; leading or participating in the formulation and revision of standards; developing standardization systems and frameworks; and conducting standardization training and talent cultivation.

The company transforms its technological expertise into industry-wide standards, driving the standardized and regulated development of the sector while enhancing its professional contributions and industry influence in the global digital audiovisual field.

The company led the development and publication of five ITU international standards.

As of December 31, 2025





The company actively fulfills its corporate social responsibility by organizing diverse charitable initiatives, focus on support, elderly care, and community engagement. Through concrete actions, it gives back to society while maintaining a positive energy.

...tongtai Xin 'an Senior Care Service of public welfare activity "Shi worth of respecting and caring for the aging and social performance, for the good coo

[illegible]

Figure 1

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Community Participation

Skyworth Digital's overseas operations span multiple countries and regions worldwide, including Europe, Southeast Asia, India, Africa, and the Middle East. Throughout its global expansion, the company consistently integrates community development into every stage of its international operations. In response to social challenges such as insufficient local employment opportunities in certain regions, gaps in livelihood protection for impoverished communities, cultural differences across countries and regions, and local compliance requirements, the company actively fulfills its corporate social responsibility by addressing the core livelihood needs of underprivileged communities abroad. Through diversified philanthropic initiatives focused on public welfare assistance, nutritional aid, and local integration, it continuously delivers tangible contributions to host communities, demonstrating the warmth and commitment of a China-based enterprise.

Donation of nutritious meals for children in impoverished communities across Africa Nurturing growth with compassion

Case Study

Skyblu, a digital subsidiary of Skyworth, has partnered with the local nonprofit Pink Room Foundation and Food For Love Africa to address the livelihood needs of vulnerable children and low-income families in impoverished African communities, continuously launching nutrition assistance initiatives. Centered on providing nutritionally balanced meals, the project has donated over one million nutritious hot meals and sandwiches to surrounding impoverished communities and schools, effectively alleviating malnutrition and food shortages among local children while offering warmth and care for their growth.



Deepened integration with the local South African community and received the B-BBEE Level 1 Contribution Provider certification

Case Study

Skyworth Digital's South African subsidiary actively advances localized governance and economic empowerment, with 49% ownership held by Black individuals and 24.50% by Black women. It has comprehensively implemented localized practices across management oversight, skills development, corporate and supplier development, and socio-economic development. Leveraging its compliant equity structure and robust localized empowerment initiatives, the company successfully passed the authoritative assessment and was recognized as a Level 1 Contributor under the B-BBEE program, serving as a significant hallmark of its deep integration into the South African market and fulfillment of its corporate social responsibility obligations.



Key Performance Indicator (KPI)

Environmental Performance⁶

Index	Unit	2025
Solid wastes	Total amount of general industrial solid waste generated	ton 1,517.04
	Total volume of general industrial solid waste recycled and reused	ton 1,517.04
	Total amount of hazardous waste generated	ton 6.896
	Volume of hazardous waste disposed	ton 6.896
	Total volume of hazardous waste recycling and reuse	ton 6.896
Energy management	Total energy consumption	kWh 6,969,385.63
	Energy density (Total energy consumption / Production value)	kWh / ¥10,000 23.96
	Gasoline	L 4,607.04
	Total direct energy consumption	kWh 40,264.63
	Purchased grid electricity	kWh 6,929,121
Water resources management	Total indirect energy consumption	kWh 6,929,121
	Total water consumption	m³ 22,198.40
	Water consumption density (Total water consumption / Production value)	m³ / ¥10,000 0.0763

⁶ The environmental performance statistics cover Shenzhen Skyworth Digital Technology Co., Ltd Baoan Factory.

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Index		Unite	2025
Employee Employment ⁷			
Total number of employees	Domestic	Person	3,885
	Overseas	Person	436
Gender	Male	%	72.92
	Female	%	27.08
Age	<=30	%	28.42
	31~50	%	68.43
	>50	%	3.15
Position	Middle and Senior Management	%	1.37
	Regular Employee	%	98.63
Education	Master's degree or higher	%	5.42
	undergraduate college	%	31.29
	Associate degree or below	%	63.3
Category	Production staff	%	57.46
	Sales staff	%	7.06
	Technician	%	27.15
	Financial staff	%	1.67
	Administrative staff	%	5.3
	other	%	1.37
Employee turnover rate		%	19.6
Number of new jobs created throughout the year		Person	1,616
The proportion of women among middle and senior management personnel		%	25.42
proportion of employees from ethnic minorities		%	6.73
Proportion of employees with disabilities		%	0.12
Labor contract signing rate ⁸		%	100
Staff training ⁹			
Total number of trained employees		Person.times	9,722
Percentage of trained employees relative to the total workforce		%	100
Total training hours for employees		hour	40,047
Average number of training hours per employee		hour	4.12
Amount invested in Employee Training		10,000	93.195

For employee employment indicators, unless otherwise specified, the statistical scope covers all company employees, including overseas subsidiaries, branches, and labor dispatch personnel.

The labor contract signing rate is calculated based on the company's formal employees.

⁹ The employee training statistics exclude overseas subsidiaries and branches.

Index		Unit	2025
Safety and Health			
Employee protection and benefits	10	Social Insurance Coverage Rate	% 100
		Employee health examination coverage rate	% 100
		Amount invested in Work-related Injury Insurance	1,342,331.99
		Coverage rate of workers compensation insurance personnel	% 100
		Business Accident Insurance Coverage Rate	% 100
Safety Training	11	Number of emergency safety drills	Times 2
		Number of participants in the safety and emergency drill	Person 2,662
		Number of safety training sessions	Times 307
		Number of participants in the safety training	Person.times 8,052
Supplier			
Total number of suppliers			618
Location		Domestic	551
		Overseas	67
Percentage of suppliers that have signed the Sustainable Procurement		%	100
Percentage of suppliers that have signed integrity and anti-bribery agreements		%	100
Service liability			
Customer Complaint Response Rate		%	100
Completion rate of corrective actions for customer complaints		%	100
Anti-corruption			
The director who attended the What			

Index		unit	2025
R&D Innovation			
Research and development Investment			483,036,491.65
Research and Development Investment as a Percentage of Operating Revenue		%	5.48
Number of R&D		Person	1,173
Proportion of R&D		%	27.15
Number of invention patent applications		pcs	93
Number of utility model patent applications		pcs	57
Number of granted invention patents	As of December 31,2025	pcs	767
	New addition for the year 2025	pcs	33
Number of utility model patents granted	As of December 31,2025	pcs	870
	New addition for the year 2025	pcs	24
Number of design patents granted for appearance	As of December 31,2025	pcs	942
	New addition for the year 2025	pcs	70
Number of software copyright licenses	As of December 31,2025	pcs	658
	New addition for the year 2025	pcs	53
Total cumulative number of authorized patents		pcs	

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Feedback Form

Dear reader,

Thank you for reading this report. To provide you with more valuable insights, continuously enhance our company's ESG performance and effectiveness, and strengthen our capacity to fulfill social responsibilities, we sincerely invite you to complete the form below and submit your feedback via email, mail, or by scanning the QR code. We look forward to your valuable input!

Our contact information,

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Tel: (86) 0755-26010018

E-mail skydigital@skyworth.com



Your evaluation of this report: (Please check the corresponding box)

1 Do you believe this report effectively highlights the company's various initiatives and significant impact in the ESG perspective?

☐ Very good ☐ Relatively good ☐ Average ☐ Not very good ☐ Very Bad

2 Do you consider the information disclosed in this report to be clear, accurate, and complete?

☐ Very good ☐ Relatively good ☐ Average ☐ Not very good ☐ Very Bad

3 Do you find the layout and style of this report easy to read?

☐ Very good ☐ Relatively good ☐ Average ☐ Not very good ☐ Very Bad

4 Which part of this report interests you the most?

5 What other information do you believe is missing from this report?

6 What suggestions do you have for our future ESG reports?

Thank you very much for reading and providing feedback!



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