

Novah (Shanghai) Systems Co., Ltd.

2023 ESG Report

Report Directory

Preface

Report Description -----	03
Message from CEO-----	04

About Us

Who We Are -----	05
Global Business -----	06
Brand History -----	07
ESG Outlook -----	08
Our Progress -----	09
SDGs Index-----	10
ESG Governance -----	11
ESG Team’s Responsibilities -----	11
Identification of Key ESG Issues -----	12

Environment-Friendly, Healthy Office

Environmental Protection Policy -----	15
GHG -----	16
Energy Management -----	18
Water Management-----	18
Waste Emissions and Biodiversity -----	19
Ecological Action -----	20
Green Material Selection -----	21
Preferred Green Supply Chain -----	22
Green Packaging and Design-----	23
Green Exhibition Hall-----	23

Low-Carbon Strategy Products -----	24
Energy-Saving Technologies -----	24

Source Assurance, Mutual Progress and Win-Win Cooperation

Supplier Development Standards -----	27
Supplier Management System-----	27

People-Oriented, Building a Home Together

Employment System-----	30
Compensation, Performance and Benefits -----	31
Working Environment -----	32
Training and Career Development -----	32
Occupational Health and Safety -----	33
Social Contribution-----	33

Integrity Builds Business, Quality Wins Future

Governance Structure & Management Decision -----	36
Management Decision -----	36
Compliance and Business Ethics-----	38
Risk Control -----	38

Various ESG Indicators

Various ESG Indicators -----	40
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Report Description

This is ESG Report of Novah (Shanghai) System Technology Co., Ltd. (hereinafter referred to as "Novah" "the Company" or "We") for 2023. We actively disclose to the public the information regarding the production and manufacturing of green products, environmental protection measures, humanistic care and corporate governance to achieve sustainable development.

● Scope of Report

This report covers Novah's headquarters and all existing subsidiaries except the sales outlets.

This report is for the period from January 1, 2023, to December 31, 2023. Some figures relate to the data from 2020 to 2023.

● Report Basis

This report is primarily based on SDGs (Sustainable Development Goals), GRI ("Global Reporting Initiative") Sustainability Reporting Standards, CASS-CSR 4.0 by Chinese Academy of Social Sciences, with references to Ecovadis certification criteria.

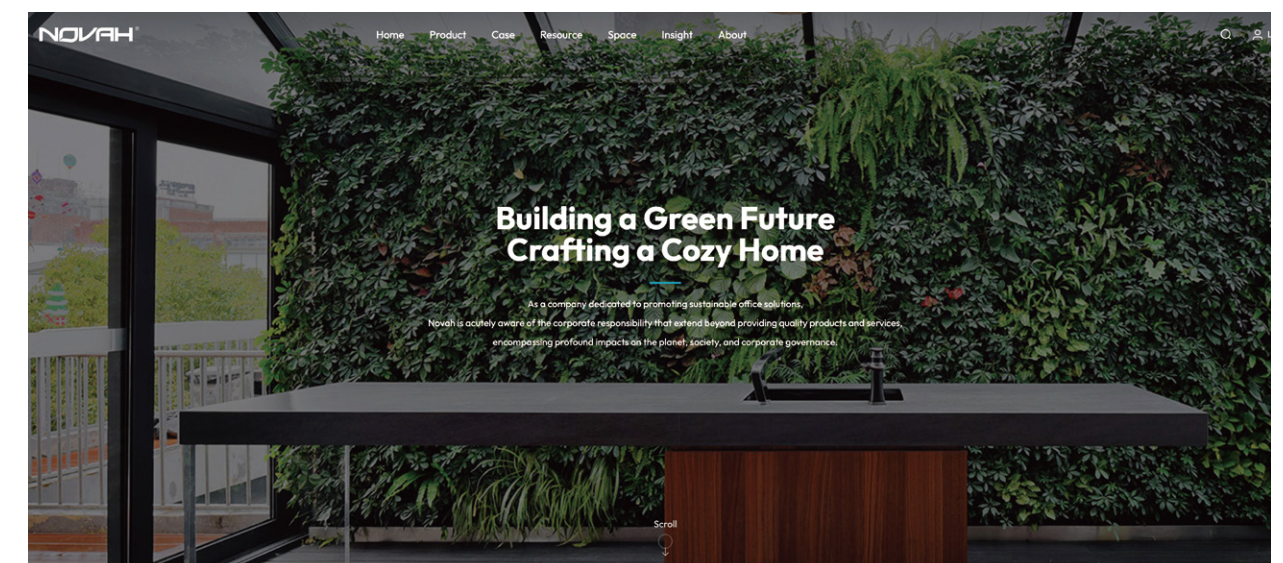
● Report Preparation Process

This report was drafted by Novah's Corporate Social Responsibility Committee, audited by a third party and approved by the BOD on February 26, 2024.

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● Report Access and Download Channels

This report is publicly available and transparent, and can be downloaded and read via the official website(<https://www.novah.cc/>) (About-ESG Mission and Actions).



PDF: ESG Report

Message from CEO

Since its establishment in 2003, Novah has gone through three stages of development from project-driven, to product and brand-driven to value-driven phase, and undergone iterations and upgrades regarding its mission, vision and values. Adhering to the mission of "Make Users Feel at Home and Enable Organizations to Achieve Greatness" and the values of "Customer-focused, Create Value for Customers", we strive for our vision of becoming a world-leading partner in commercial spaces.

Novah's products are more than functional furniture within commercial spaces. They also embody corporate culture, convey the concept of green environmental protection, serve as carriers of humanistic care, and reflect the development of modern technology.

In response to national call for green development, we optimize production process and utilize eco-friendly materials, effectively reducing energy consumption and waste emissions; Through product innovation, we have created flexible and diverse high-quality scenarios, enhancing space utilization. Our design concepts and spatial strategies of products consistently reflect our respect and protection of environment, hoping to provide customers with aesthetically pleasing, eco-friendly, and efficient commercial space solutions.

In the product design, Novah has integrated deep care for employee health. Our products like modular system furniture, folding tables and chairs and soundproof phone booths not only save space and improve office efficiency, but also focus on the physical well-being of employees. Meanwhile, we utilize IoT technology to integrate smart elements into furniture design, such as bookable and intelligent height-adjustable desks, smart lockers. These innovations enhance user experience and bring convenience to daily life. We always listen to our customers, take customer demands and value as guidance, and therefore update our products accordingly to ensure that every Novah product surpasses customers' expectations.

We deeply understand that business prosperity and employee's growth are closely linked to a sense of social responsibility. We are committed to creating a fair, open and vibrant working environment where every employee can showcase their talents in a safe and healthy setting, realizing personal value and career aspirations. Besides, we give back to society through university-industry cooperation, environmental protection activities and equal employment, with the aim to become an active promoter of community development.

The year 2023 marks an important milestone for Novah. In this year, we have continuously optimized our product lines to accommodate market demand, and integrated intelligent and green concepts, bringing new solutions for evolving office spaces. Most importantly, we established an overseas company, marking a key step in Novah's internationalization strategy and a strong testament to our progress towards becoming a "World-leading Partner in Commercial Spaces".

On the journey ahead, Novah will delve into the field of commercial spaces, deepen our brand's connotations, broaden market layout, strengthen exchanges and cooperation with global outstanding enterprises, and explore more eco-friendly and intelligent product solutions. We promise that we will always adhere to green environmental protection and sustainable development, contributing to building a green earth. We will also uphold ESG principles with innovation as our wings and customer as the focus, so as to constantly expand our global perspective. We believe that through relentless effort and collaboration, we can make the world a better place and Novah can be a bridge connecting people with nature and technology with life.

Vincent Fu

Novah (Shanghai) System Technology Co., Ltd.





About Us

Novah is a professional service organization specialized in providing high-quality office furniture and perfect commercial space for quality customers, and creating office environment. It has integrated automated R&D and manufacturing, sales management, operations & logistics and after-sales services as a whole. “**Delight People, Achieve Business**” is always our mission.

Novah is active in the global market. Headquartered in Shanghai, Novah China has established branches in Beijing, Nanjing, Shenzhen, ect., and set up showrooms and service institutions in major central cities, with sales network throughout the country, so as to provide convenient product experiences, professional office furniture solutions and comprehensive after-sales services for customers across China. Currently, Novah has set up its Asia-Pacific headquarters in Singapore to expand its global business footprint. “**To Be the World's Leading Commercial Space Partner**” is Novah's corporate vision.



Global Business

Network

Hong Kong, Macau, Taiwan, and APAC Business - Singapore Headquarters (Planning for 2024)

Tokyo	Seoul	Kuala Lumpur	Ho Chi Minh City
Bangalore	Bangkok	Jakarta	Manila
Taipei			

Mainland Business - Shanghai Headquarters

Shenzhen	Beijing	Nanjing	Guangzhou
Wuhan	Chengdu	Chongqing	Zhengzhou
Hangzhou	Ningbo	Suzhou	Changzhou

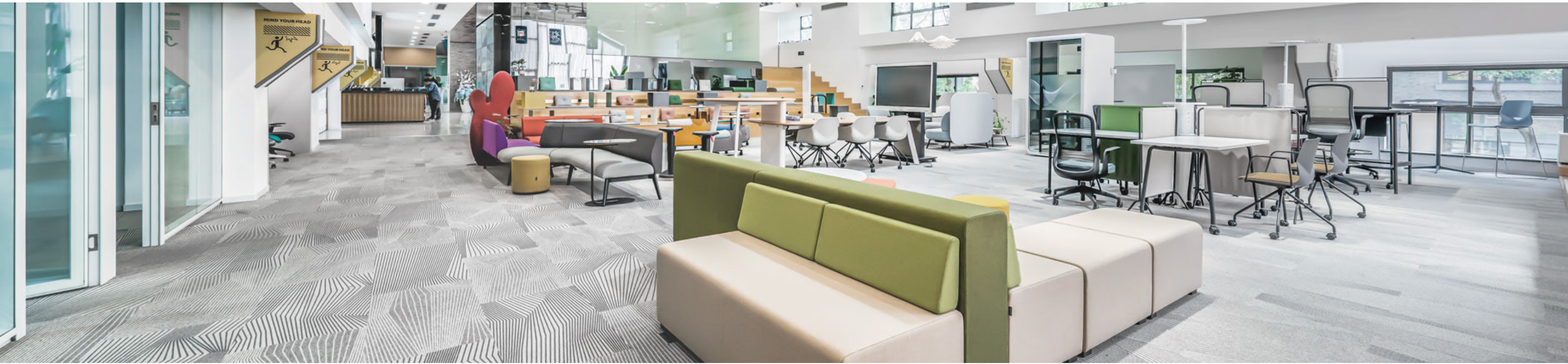
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Direct Branches

30+

Dealers





Brand History

2003

Company Established



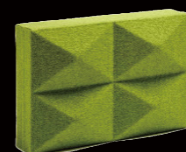
2013

NOVAH Innovation Lab
LEED GOLD



2015

Upgrade of Strategic
Cooperation with Corporate
Academic Platforms



2016

EDU Business Unit
Established

NOVAH[®] EDU

**2017
/
2019**

Full Solution Capability
for Workspace Strategy
Consulting Services



2020

Novah Creative Showroom
awarded WELL Gold
Certification under the
Health-Building Standard



**2022
/
2023**

Digital and Intelligent
Transformation Strategy
for Office Spaces
Establishment of ESG
Specialized Team



Build a Green Future and Create a Happy Home



We will constantly practice and spread the concept of green development, and implement high-standard control on all aspects including the company operation, product design, raw material purchase and production & manufacturing.



We are committed to creating a working environment where employees gain respect, support and motivation, and employees' personal growth and career development are encouraged.



We continuously improve our systems and promote training programs to establish legal, transparent, and ethical business environment. This will promote the company's sustainable development while safeguarding all stakeholders' rights and interests.

Our Progress

Oriented

Environment

Society

Governance

SDGs Index



SDGs Action

- Compared to 2022, total water consumption in 2023 decreased by 13.5%.
- Electricity consumption during the peak months (July-August) at Shanghai headquarters decreased by 20% year-over-year.
- Emission reductions of particulate matter, SO2 and NOx had a year-over-year increase of over 150%.
- Novah adopts sustainable supply chain management and has obtained FSC forest certification.
- Formaldehyde and waste inspection results achieved 100% compliance.
- Won the title “Chinese Demonstration Enterprise for Environmental Protection and Low Carbon”

- Factory boundary noise and occupational hazard substance inspection results achieved 100% compliance.
- Health examinations and business insurance coverage for full-time employees reached 100%.
- A cumulative total of 415 courses were offered by Novah University, with employee satisfaction exceeding 90%.
- Female employees represent over 50% of the workforce, with 26% of senior management positions and 29% of board members being female.
- In recent three years, four cross-functional committees have been established.
- In 2023, 222 individuals received production safety and occupational health training in the factory, achieving 100% coverage.

- During the reporting period, Novah held two shareholder meetings reviewing 18 proposals; eight board meetings reviewing 41 proposals; and six meetings of supervisory board reviewing 16 proposals.
- In 2023, 35 high-risk items were identified and effectively addressed, with an average IRP response time of just 3.4 hours.
- In 2023, the group organized seven large-scale integrity education and film viewing events, covering 100% of employees.
- Two anonymous letters of accusation were received via the company's email, and after rigorous investigation, no cases of corruption were confirmed in 2023.

SDGs Index

	No Poverty	P30 Employment System		Reduced Inequalities	P30 Employment System P36-38 Compliance and Business Ethics
	Zero Hunger	P30 Employment System		Sustainable cities and communities	P15 Environmental Policy P20 Environmental Actions P21-22 Green Material Selection P23 Green Exhibition Hall
	Good Health and Wellbeing	P31 Compensation, Performance, and Benefits P32 Workplace Environment P33 Occupational Health and Safety		Sustainable Consumption and Production	P24 Low-Carbon Strategy Products P24-25 Energy-Saving Technologies
	Quality Education	P32 Training and Career Development		Climate Action	P15 Environmental Policy P20 Environmental Actions
	Gender Equality	P30 Employment System P31 Compensation, Performance, and Benefits		Life Under Water	P15 Environmental Policy P21-22 Green Material Selection
	Clean Water and Sanitation	P18 Energy/Water Management		Life on Land	P15 Environmental Policy P21-22 Green Material Selection
	Affordable and Clean Energy	P16 GHG P18 Energy/Water Management		Institutions, good governance	P36 Governance Structure P36-38 Compliance and Business Ethics
	Decent Work and Economic Growth	P30 Employment System P31 Compensation, Performance, and Benefits P32 Workplace Environment		Partnerships for the goals	P22 Green Preferred Suppliers P27 Supplier Development and Management
	Industry, Innovation and Infrastructure	P24 Low-Carbon Strategy Products P24-25 Energy-Saving Technologies P36-38 Compliance and Business Ethics			

ESG Governance

Novah Established a Special ESG Team and Specialized Committee in 2022

Proactive Response to Trends

Considering Novah's key account strategy and global layout, responding to leading players' call, strengthening ESG thinking and implementing related ESG policies are a critical step.



Top-Down Driving Force

Strengthening ESG management framework at the organizational level so that these principles are integrated into the company's daily operations, strategic planning, and decision-making processes.



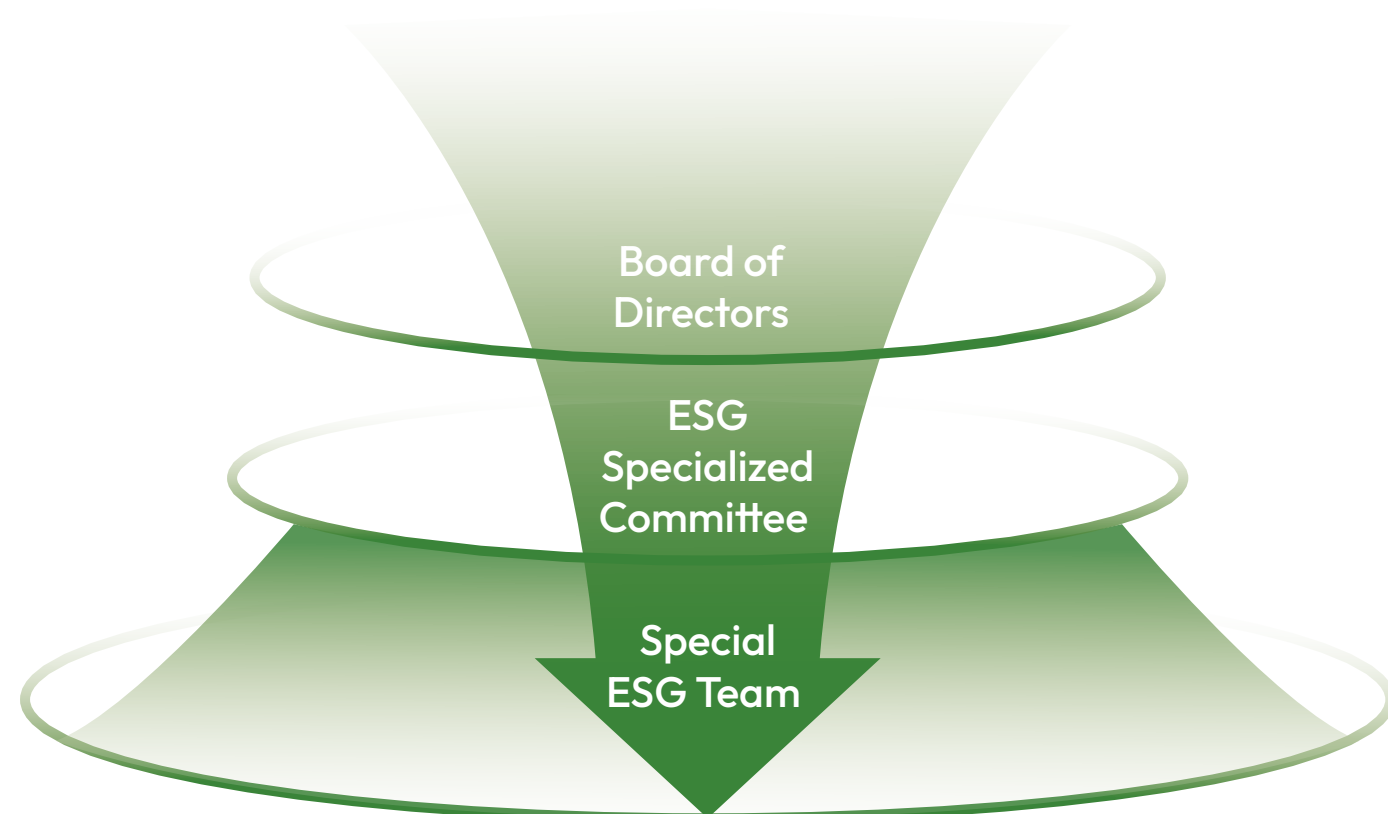
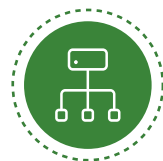
Strong Sense of Social Responsibility

Novah understands that the role of enterprises is no longer restricted to pursuing mere economic benefits in global economy. We shall take the lead and contribute to the society.



Sustainable Competitiveness

ESG special team works closely with the corporate product team, incorporating sustainability considerations from the inception of product inspiration and initial conceptualization.



ESG Team's Responsibilities



Environment Team

Multiple departments (including Factory Safety, Local Administration, Show-room Management, Product R&D, Market Strategy, Brand and Institutional Service Management Center) are involved.

- Energy-saving and emission-reduction measures
- Green eco-friendly procurement
- Low-carbon and energy-saving products
- Climate risk assessment
- Construction of green showrooms



Society Team

Multiple departments (including Administration, CSMC, Market Strategy, Brand and Institutional Service Management Center、Factory Safety, Finance, Legal Affairs, Public Relations) are involved.

- Ensure healthy and safe working environment
- Safeguard employee rights and benefits
- Formulate and oversee fair and transparent recruitment and promotion mechanisms
- Provide various training programs
- Participate in social welfare activities



Governance Team

Multiple departments (including Administration, CSMC, Market Strategy, Brand and Institutional Service Management Center、Factory Safety, Finance, Legal Affairs, Public Relations) are involved.

- Protect stakeholders' rights and interests
- Offer open and smooth communication channels for employees
- Strengthen risk control
- Ensure information security
- Guarantee openness and transparency

Identification of Key ESG Issues

Steps



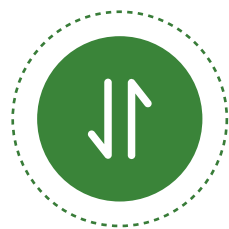
01 Establishing ESG Framework and Reference Standards :
Refer to internationally recognized ESG frameworks and standards, such as GRI and the SDGs, to provide structure and guidance for issue identification.



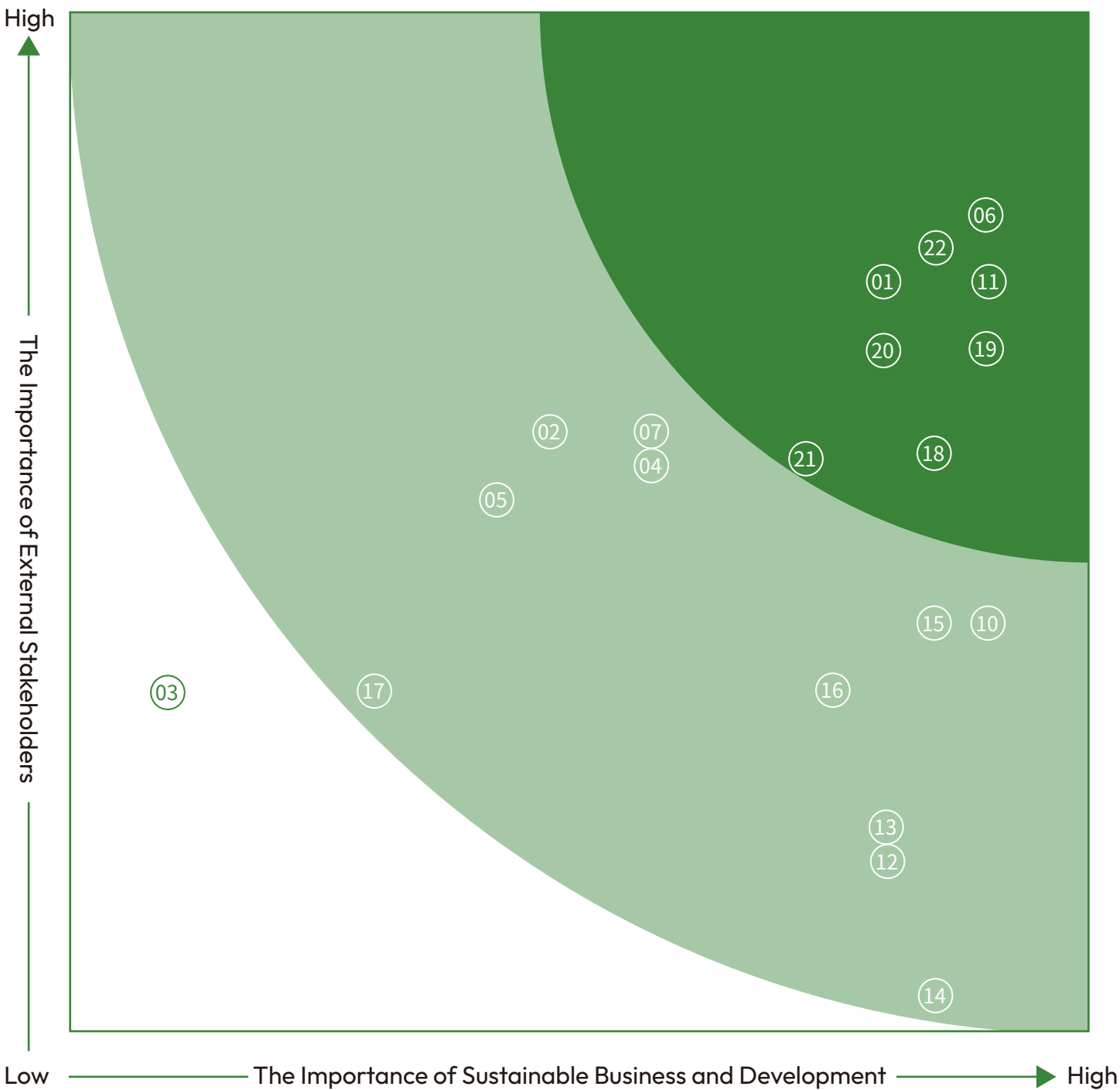
02 Internal Data Collection and Assessment :
Collect the company’s existing environmental, social and governance data, including historical emission records, employee satisfaction surveys, supply chain management status and corporate governance structures. Conduct initial self-assessment to learn about the company’s current situation, strengths, and potential areas for improvement across all ESG domains.



03 Stakeholder Engagement:
Actively seek for and listen to stakeholders’ opinions and expectations by means of questionnaires, interviews and workshops to identify what ESG issues they consider important.



04 Topic priority ranking :
Rank the identified topics in order of priority based on their potential impact, the company’s capabilities and resources, and the urgency of the response.



Environment

- 01.Low-Carbon Emissions Reduction
- 02.Water
- 03.Biodiversity
- 04.Air Pollution
- 05.Raw Materials and Waste
- 06.Green Products
- 07.Green Showroom
- 08.Environmental Actions
- 09.Green Procurement

Society

- 10.Occupational Health
- 11.Workplace Safety
- 12.Compensation and Benefits
- 13.Labor Relations
- 14.Career Development
- 15.Diversity, Equality, and Employee Hiring
- 16.Comfortable Workplace
- 17.Social Welfare

Governance

- 18.Governance Strategies and Corporate Vision
- 19.Anti-Commercial Bribery
- 20.Conflict of Interest
- 21.Anti-Fraud, Anti-Money Laundering, and Anti-Monopoly
- 22.Information Security

Environmental Protection

Novah strictly complies with various laws and regulations concerning ecological and environmental protection, including the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, and the Environmental Noise Pollution Prevention and Control Law of the People's Republic of China. In response to the concept of green and eco-friendly development, high standards are implemented for control over the company operations, product design, raw material procurement, and manufacturing processes.

Green Management of Showrooms/Office Buildings:
LEED and WELL dual Gold-certified showrooms/office buildings

Digital Monitoring of Showrooms/Office Buildings:
Real-time monitoring of air quality



Green Material Selection and Product Processes:
From the perspective of the source and design philosophy, environmental protection is considered as reference standard.

Green Production and Manufacturing:
Certified with multiple accreditations including China Environmental labeling products certification, Green Guard, CQC, and CCC

Green Supply Chain:
Give priority to suppliers of green and low-carbon production

Green After-sales and Energy Recycling:
Partnership with reliable recycled plastic suppliers



Organizational Carbon Management Platform:
Collaboration with Carbonebook™ to establish an organizational carbon management platform

Active Participation in Green Public Welfare Activities:
Annual participation in energy-saving activities such as Earth Hour, actively engaging in green public welfare initiatives.

01

Environment-Friendly, Healthy Office

1.1 Environmental Protection Policy

1.2 GHG

1.3 Energy Management

1.4 Water Management

1.5 Waste Emissions and Biodiversity

1.6 Ecological Action

1.7 Green Material Selection

1.8 Preferred Green Supply Chain

1.9 Green Packaging and Design

1.10 Green Exhibition Hall

1.13 Low-Carbon Strategy Products

1.12 Energy-Saving Technologies

1.1

Environmental Protection Policy

As a mid-to-high-end office furniture company in China, Novah is aware of various risks posed by climate change. Reducing energy consumption and greenhouse gas emissions has always been our key focus. In line with low carbon concept, Novah conducts its office and production activities responsibly. While lowering energy consumption through the production and supply of green furniture, we also try to minimize direct environmental impact of office and production activities.

Office/Showroom Premises Across the Entire Group

This system facilitates energy management and related energy-saving and emission-reduction efforts.



Real-Time Air Quality Monitoring

While promoting smart furniture, Novah also focuses on constructing digital and intelligent showrooms. In Shanghai headquarters (as a showroom), an integrated real-time air quality monitoring system is implemented. Both employees and visitors can quickly and accurately learn about the air conditions within the office space.



Encouraging Paperless Office Practices

In line with new national policies, Novah promotes the use of electronic invoices. We encourage employees to minimize or eliminate the use of paper documents, opting instead for electronic documents, digital signatures, and online collaboration tools for day-to-day operations.

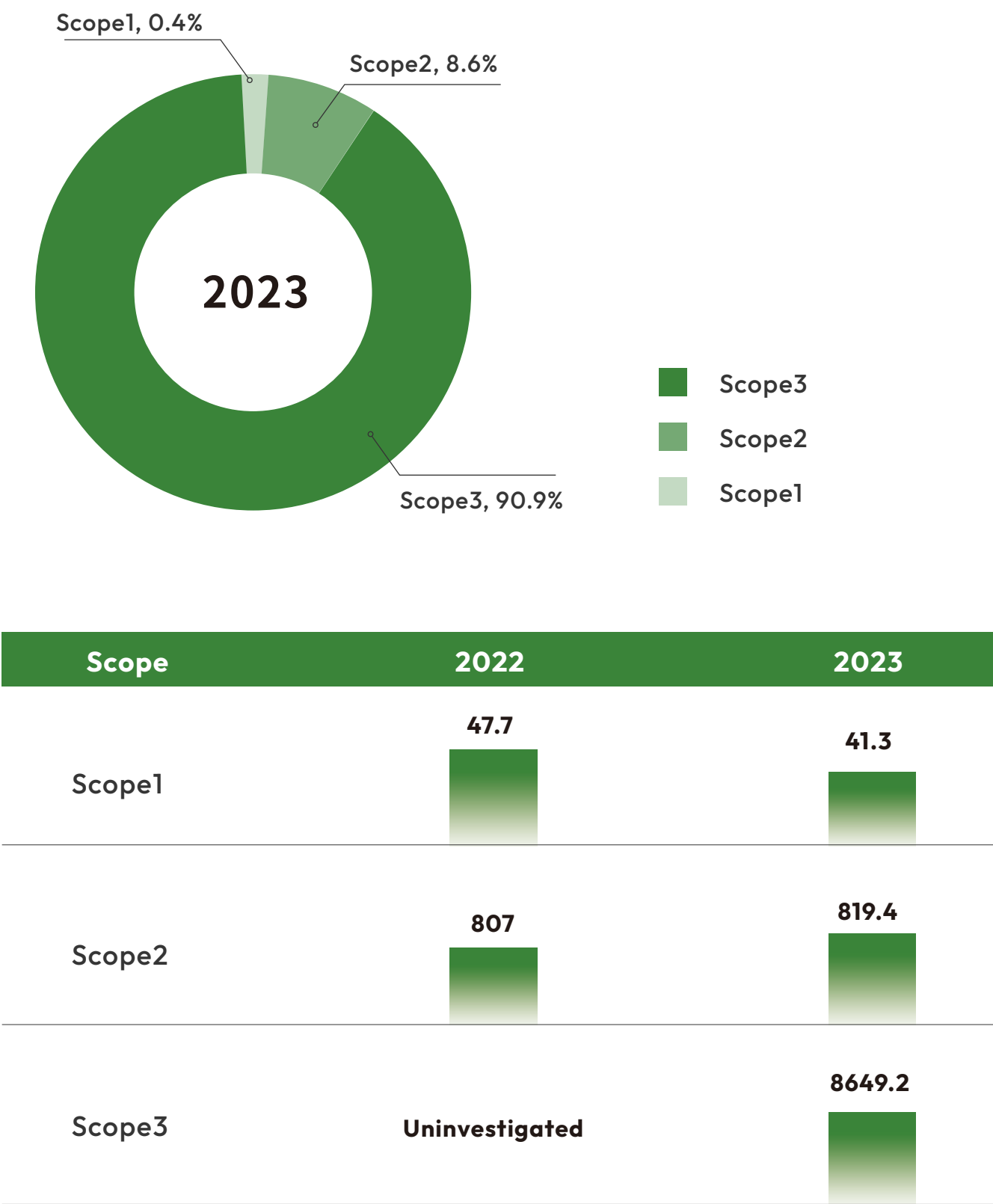


Comprehensive Environmental Protection Training Program

From factory workers to staff members, procurement personnel and suppliers, we ensure that environmental protection training covers every individual involved in the process. This enhances individual environmental awareness and effectively communicates the company's environmental philosophy and vision to all employees. Training covers topics such as Hazardous Material Safety, Waste Disposal and Classification, and Environmental and Energy Conservation Awareness. Multiple training sessions and relevant assessments are organized for new employees, with a training participation rate of over 90% for environmental-related training.

1.2

GHG



Indicator Measurement & Calculation Method

Novah collaborates with Carbonebook™ to establish a digital dashboard screen for managing group-level carbon data flows, enable the group to achieve business development goals.

Scope Explanation

- The content included in the disclosed scope for 2023 is as follows:
- Scope 1 Main Sources:
- Note: After inventory, our company does not engage in stationary combustion of fossil fuels or anaerobic wastewater treatment processes that result in CH4 emissions.
- 1.Combustion of fossil fuels in mobile sources (e.g., non-road engineering vehicles such as forklifts owned by the company, road transport vehicles such as cars and diesel trucks owned by the company)
- 2.Emissions from septic tanks
- Scope 2 Main Sources:
- 1.Purchased electricity - only grid electricity
- Scope 3 Main Sources:
- 1.Purchased goods and services
- 2.Upstream transportation

Explanation of Changes in Indicators

Due to the pandemic in April-June 2022, remote working was implemented for two and a half months, resulting in lower overall electricity consumption. Therefore, the Scope 2 data for the entire year of 2022 is lower than that of 2023.

1.2

GHG

Switching from Oil to Electricity
for Company Vehicles

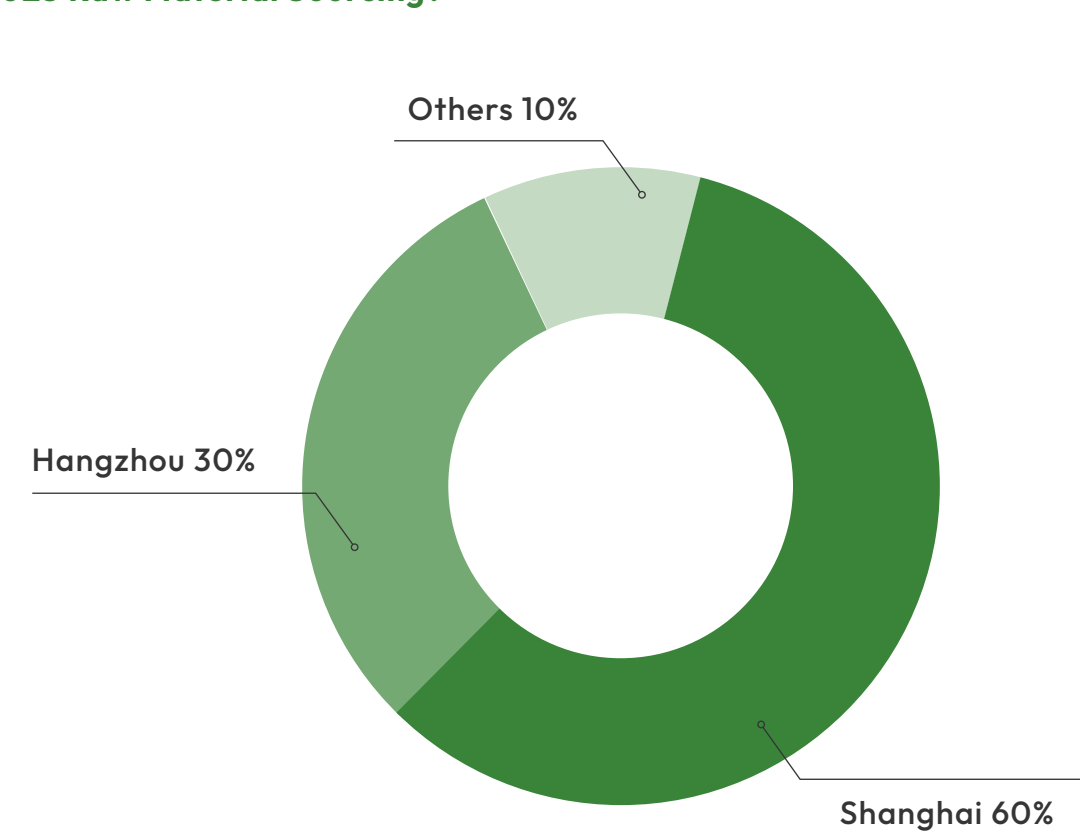
Since the end of 2022, the factory has fully initiated new energy electric forklifts, a move that has effectively reduced the demand for diesel fuel. Through this transition, operating costs are reduced, and greenhouse gas emissions have also significantly decreased, embodying the company's commitment to sustainable development and environmental protection.

In April 2023, the company further promoted its green transportation plan by replacing all business vehicles used for reception purposes at the Shanghai headquarters with electric vehicles. In this way, the company's environmental protection image is enhanced, and visiting clients and partners can enjoy cleaner, quieter and more efficient travel experience. Such changes would not only help reduce the overall carbon footprint, but are also an important milestone in the company's ongoing efforts to adopt clean energy solutions.

Reducing Transportation Distances

Giving priority to materials sourced from Jiangsu, Zhejiang and Shanghai reduces the carbon emissions associated with raw material transportation.

2023 Raw Material Sourcing:

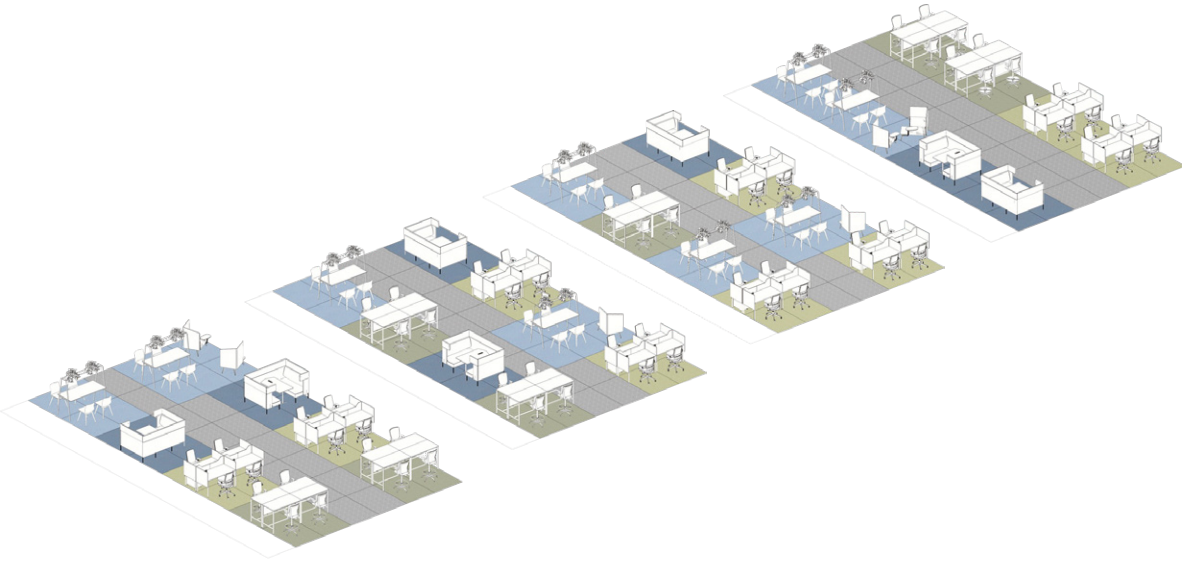


Widespread Application of Integrated
Power Furniture, Increasing Space Efficiency

When designing and planning office spaces and showrooms across different locations, our layout takes into account future changes in space requirements. We have reserved power points and equipped power outlets on various types of furniture, greatly enhancing the usability of the furniture. Employees can work in non-desk areas such as sofas and phone booths. Some employees are not assigned fixed workstations, allowing them to work nomadically across different office scenarios. It saves on rental space, reduces idle workstations and promotes business efficiency.

Modular Office Spaces,
Saving Renovation Resources and Costs

Office spaces are flexible and adaptable, facilitating iteration. We work hard to create sustainable office spaces, saving the costs and energy losses associated with re-planning the space.



Guided by the goal of low-carbon and environmental protection, Novah keeps exploring and working hard, winning the title **“China's Environmental Protection and Low-Carbon Demonstration Enterprise”**. This honor reflects Novah's strong sense of responsibility toward environmental protection in its operations. In the future, we will continue to transform towards green, lower-carbon and circular enterprise.

1.3

Energy Management

Electricity



Zoned Electricity Management

In Shanghai headquarters, zoned electricity management measures have been implemented. After 4:00 PM each day, the use of lighting systems is controlled based on the characteristics of different functional areas. Lights in some non-essential or less frequently used spaces will be turned off at scheduled times to reduce unnecessary energy consumption.



Smart Energy Management System

To further optimize energy usage, a smart energy management system has been set up in the office area. The system uses sensors and other intelligent devices to automatically detect the presence of people in the area. When no one is detected, the system automatically shuts off power, and it turns back on when someone is present. This effectively reduces electricity waste, and ensures that employee's working environment remains comfortable at all times.



Remote Power Control

To facilitate management and operation, this smart energy management system supports remote control via a smartphone application. Managers can easily turn on or off the power switches in designated areas via mobile phones, significantly improving energy usage efficiency. As a model representative of the group, Shanghai headquarters achieved significant breakthroughs in energy conservation in 2023, **with a 20% reduction in electricity consumption** during peak months (July-August) compared to the previous year.

1.4

Water Management

Water



Forming Special Team

In response to national call for water conservation, Novah proactively establishes a dedicated water-saving management team, responsible for formulating, implementing and overseeing water-saving policies and measures. As per the company's actual situation, practical short-term and long-term water-saving goals are set and integrated into the company's overall performance evaluation system.



Regular Audits

Regular audits of water usage are conducted, and water meters are installed to measure water consumption at various stages. This facilitates tracking and analysis of water efficiency.



Regular Training

Employees receive regular training on water-saving awareness and skills, enhancing all staff's the overall consciousness of water conservation. Compared to 2022, the total water consumption for the entire year of 2023 was reduced by 13.5%.

Water Consumption	Electricity Consumption (July-August)
↓13.5%	↓20%

1.5 (1) Waste Emissions



Process Optimization

Novah makes our efforts to optimize its production processes to reduce waste gas and wastewater. The factory has and maintains waste gas treatment facilities, such as activated carbon adsorption units and central vacuum systems, to ensure that emissions meet or exceed national standards.



Eco-friendly Materials

Novah selects suppliers who comply with environmental standards and have sustainable production practices, reducing air pollution sources throughout the supply chain. The company actively promotes the use of eco-friendly products and materials, and employs low VOC in both production and office environments to minimize the emission of harmful gases.



Separate Collection of Wastes

Waste residues are collected and sorted based on their nature: according to their physical and chemical properties, as well as potential hazards, such as recyclables, hazardous waste and general waste. Novah implements process improvements and recycling projects, reduces scrap through process enhancements and reuses scraps to create branded promotional gifts.



For wastewater, exhaust gases, and solid waste, Novah conducts regular annual inspections, with all test results reaching to compliance levels. Compared to 2022, the reduction in particulate matter, SO₂, and NO_x emissions in 2023 increased by **more than 150%** year-over-year.

1.5 (2) Biodiversity

Novah adopts sustainable supply chain management and has obtained **FSC (Forest Stewardship Council)** certification. From raw material sourcing to production, processing, and sales, all stages of the product lifecycle consistent with all stringent FSC standards. This ensures that wood and wood products come from well managed forests, which protects biodiversity, safeguards the rights of local communities and promotes sustainable use of forest resources.



1.6

Ecological Action

Annual "Earth Hour" Event

The company actively responds to global environmental initiatives by organizing an annual lights-off event. This is not just a simple ceremony of turning off the lights, but a profound ecological action combined with team building. Novah supports the "Earth Hour" campaign initiated by WWF and is committed to using fashionable design to create eco-friendly office furniture, ensuring that all products are green and eco-friendly. We provide an ideal working environment for customers while also contributing to a better environment.



Participation in the 2024 International Carbon Expo

As a premier event in the field of global carbon neutrality and green low-carbon technologies, the expo attracts enterprises, research institutions, and government representatives from around the world to discuss carbon reduction strategies, showcase the latest scientific and technological achievements, and promote international exchanges and cooperation. Our company is honored to participate in this grand event.



Regular Push of Environmental Knowledge on Official WeChat Account

In response to the national call for ecological civilization construction and environmental protection, Novah's official WeChat account has established an environmental column, regularly pushing a variety of environmental knowledge and information to followers. The aim is to enhance employees' environmental awareness and advocate for green office practices.



Recycling of Product Offcuts

Leather gifts are made from genuine leather offcuts used in the production of our furniture, embodying both environmental friendliness and a strong connection to the company. We convey this environmental philosophy to our employees and clients through these gifts.



1.7 (1)

Green Material Selection

Sustainable Material Application

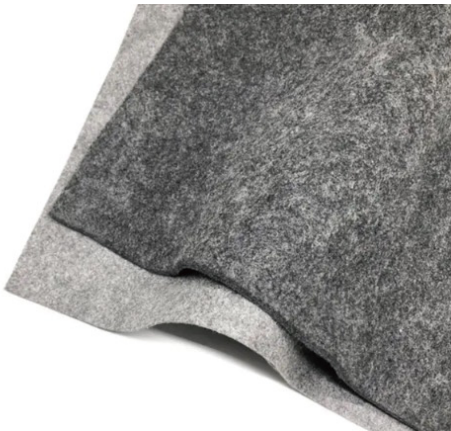
Percentage of Sustainable Materials in Products

Category	Proportion of Renewable Materials
Chairs	85%
Sofas	60%
Screens	80%
Phone Booths	85%



Engineering plastics, such as PP (polypropylene), PA (polyamide), and PA+GF (polyamide with glass fiber), are 100% recyclable. During the production of parts, 20% recycled materials are blended into the mix. All existing products are marked with a recycling symbol and production date to facilitate their reuse and recycling. The production process is also more environmentally friendly, using injection molding with energy-efficient servo motor-driven injection machines, resulting in minimal environmental impact. These materials are extensively used in our chairs and other products, all of which have achieved Green Guard certification.

PET felt is an eco-friendly, recyclable material made from recycled polyester fibers that are processed and compressed. It can be repeatedly recycled and is a durable, elastic material made from compressed fibers. The use of PET felt in our products, such as phone booths, constitutes about 25% of materials, demonstrating a commitment to environmental protection and making a tangible contribution to sustainability.



1.7 (2)

Green Material Selection

Conservation of Non-renewable Resources



Using **Particleboard** reduces dependence on natural wood, thereby lowering the pressure of deforestation and contributing to environmental protection and sustainability. Novah selects Particleboard made from sustainable raw materials, such as woods from sustainably managed forests or recycled wood, with a recycling rate of 20-30%, to minimize environmental impact. The production process for particleboard is relatively energy-efficient, and the wood used comes from sustainably managed forests. These forests are managed with practices that ensure a sustainable supply of wood while maintaining ecological functions and biodiversity.



Annual Usage of particleboard

≈ 1800m³



Savings in Finished Wood

≈ 450m³



Number of Trees Saved

≈ 600 Trees

Leather products, at the end of their service life, can decompose naturally and return to the nature, reducing long-term pollution. Leather goods are typically very durable and has long service life without needing frequent replacement, thus reducing resource consumption and waste generation. Compared to synthetic materials like artificial leather, the production of leather involves fewer chemicals, which results in less chemical waste and potential environmental pollution. Additionally, leather products generate low carbon finger-print compared to that of synthetic materials



1.7 (3)

Green Material Selection

Application of Eco-Friendly Materials

Novah's desk products use EO-grade panels with formaldehyde emissions less than 0.050 mg/m³, and volatile organic compounds (VOCs) such as toluene and xylene are kept below 20 µg/m³.



Formaldehyde Emissions
<0.050mg/m³



VOCs
<20µg/m³

For our executive product line, Duke, the leather used has formaldehyde, VOC, and heavy metal content all below 75 kg/m³, effectively reducing the impact of these products on human health.

These substances have potential hazards to both the environment and human health. By using low-toxicity materials, Novah's products are safer for consumers, reducing risks such as skin allergies and respiratory issues, which in turn enhances consumer trust and satisfaction. Low-formaldehyde and low-VOC materials also reduce the risk of workers being exposed to harmful substances during production, improving the work environment and promoting better health among employees.

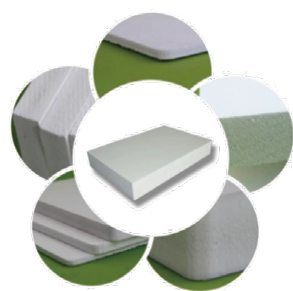
The fabrics used in our upholstered products have achieved environmental certifications such as LEED and WELL. Our supplier, Beluguppa, supports renewable energy production and sustainable socio-economic development in impoverished regions of India through wind farm projects, thereby reducing the environmental impact of wastes.

Most of Novah's height-adjustable desks are made with **PVC-free materials**.

Reducing Harmful Emissions: PVC (Polyvinyl Chloride) can release harmful substances like chlorine and dioxins during production and disposal, which pose potential risks to the environment and human health. Using PVC-free materials helps minimize the emission of these harmful substances, protecting the environment.

Improving Recyclability: PVC-free materials are generally easier to recycle and reuse, reducing the environmental impact of wastes. Many alternatives to PVC, such as polyethylene (PE), polypropylene (PP), and thermoplastic elastomers (TPE), are more environment-friendly in terms of processing and recycling.

All of our products undergo formaldehyde testing, with a 100% compliance rate.



1.8

Preferred Green Supply Chain

Novah strictly adheres to environmental protection laws and regulations. In response to the concept of green and eco-friendly development, the company adopts high standards for control of product design, raw material procurement and manufacturing processes.

We have obtained the highest domestic environmental qualification, the “Environment Ten Circles Certification” as well as the Environmental Guardian certification. This indicates that we meet international authoritative standards in environmental protection, and fully comply with the most stringent environmental requirements in China.

The company adheres to the safety policy of "people-oriented, safety first, prevention-focused and continuous improvement". For safety production qualifications, Novah has been certified as a Level Three Enterprise under the Safety Production Standardization. We have passed the audits by China Quality Certification Center (CQC) and China Compulsory Product Certification (3C Certification), and have received product quality certifications from these organizations. These recognitions are a testament to the high-quality standards and social responsibility commitments that our company upholds.

All major categories of finished furniture products (such as desks, chairs, cabinets and screens) and raw materials (such as chipboard, fiberboard, ABS edge banding, plywood, and multi-layer boards) have undergone SGS testing (environmental and physicochemical). The factory places great emphasis on environmental protection and is committed to achieving green, low-carbon, and recyclable production model. Novah regularly conducts tests and issues reports on noise, wastewater and emissions, which demonstrate our efforts and achievements in environmental protection.

We are dedicated to improving energy efficiency and implementing emission reduction measures, and we have developed carbon footprint reports for our core products.

Novah has always highly concerned about environmental protection. We have won the Green Supply Chain Certificate, which acknowledges our ongoing efforts and accomplishments in environmental conservation.



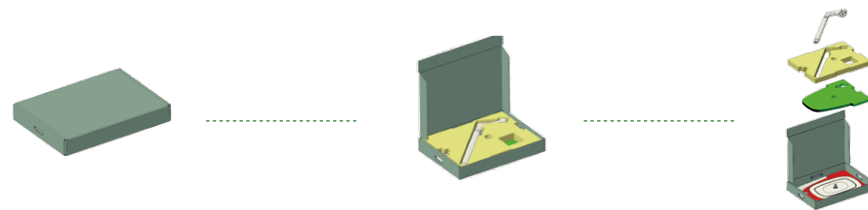
1.9

Green Packaging and Design

Green Packaging

In the field of product packaging design, pursuing perfect combination of efficiency, environmental friendliness and user experience is a major current trend. Novah adopts a minimal volume packaging strategy, such as for side tables, which represents an environmentally responsible approach, and effectively controls logistics costs. By using layered stacking and flat placement techniques, the use of packaging materials and the carbon footprint during transportation are reduced, ensuring product safety over long distances and avoiding unnecessary resource wastage due to space inefficiency. This meticulous packaging method encourages sustainable consumption, enhances brand image, and allows consumers to enjoy high-quality products while feeling the brand's commitment to environmental protection. As for the packaging design of sofas, Novah employs component-based packaging strategy. This significantly improves packaging efficiency, and facilitates end-users life. The single-direction opening design takes into account the convenience of actual user operation, ensuring that unpacking process is simple and fast, reducing potential accidental damages to the products. Furthermore, the packaging boxes are designed to be flattened for storage or recycling, making them more efficient in saving warehouse and transportation space in the return logistics chain, promoting reuse, and reducing the demand for new packaging materials, in line with the principles of a circular economy.

Flat-pack Illustration



Green Design

Novah offers a variety of folding, easy-to-store, and quick-assembly products that can be flexibly combined to create various office settings. Our philosophy is that by selecting the right products and arranging space rationally, one can save on office space and enhance its utilization.

The design of folding desks and chairs reduces the occupation of space, allowing for flexible adjustments to the office area, thereby decreasing the need for additional construction due to space constraints. Data shows that the use of folding furniture can significantly reduce the demand for office building space.

Considering that folding furniture occupies smaller space, it can be transported more efficiently, reducing the number of transport trips and fuel consumption. The stackability of the folding furniture series is twice that of conventional furniture. When folded, the distance between the desks is just 20mm, saving 50% of the space compared to regular desk storage.

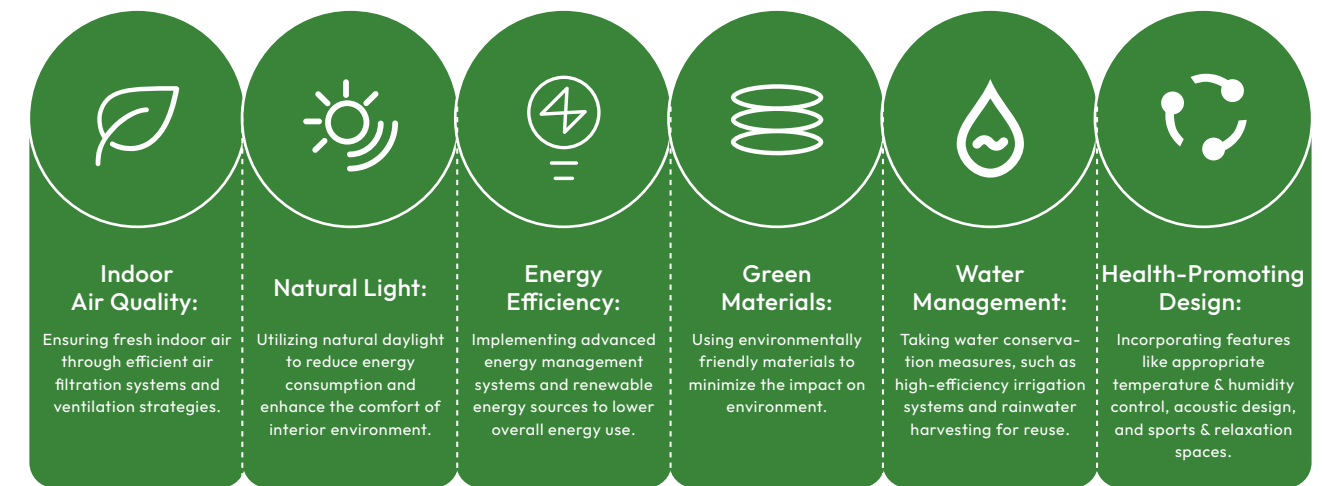
folding desks and chairs enable the office space to be easily transformed into meeting rooms, training areas, or rest zones, improving space utilization, catering to multiple usage needs, and enhancing the multifunctionality and adaptability of the working environment.



1.10

Green Exhibition Hall

Novah's headquarters showroom has achieved dual Gold certifications from LEED (Leadership in Energy and Environmental Design) and WELL, both of which are internationally recognized authoritative standards in the fields of green and healthy building design.



Through these measures, Novah's headquarters not only showcases the company's commitment to green and healthy living but also provides an efficient, eco-friendly, and healthy working and experience environment for employees and visitors.

Meanwhile, Novah is dedicated to the development of digital and intelligent showrooms:

Shanghai headquarters (which also serves as showroom) implements integrated real-time air quality monitoring system. Both staff and visitors can quickly and accurately understand the air conditions within the office space.

By deep collaboration with prestigious academic institutions and industry partners, such as Tongji University and China Speech Valley, Novah has developed a series of anechoic room products. The application of these products in acoustic performance demonstrates the company's technological strength in digitalization and intelligence.



1.11

Low-Carbon Strategy Products

“Build a Low-Carbon Future with Smart Strategy Technology”

Smart and Flexible Space Program

In the context of global operations, companies are constantly pursuing cost efficiency, and hope to enhance the adaptability and resilience of the spaces to accommodate changes. Novah's strategy team has formulated the latest low-carbon space strategies. Our approach combines smart products and flexible spaces to improve project efficiency, reduce costs, increase employee satisfaction, and promote environmental sustainability, thereby enhancing overall project outcomes.



Case: Shaping a Sustainable Future

Overseas Workplace Project for a Tech Company

Our space strategy department partnered with a technology company to create transformative office space. To meet the needs of 1,000 employees, we broke away from tradition by setting up only 700 workstations that integrate both intelligence and flexibility. Behind this innovative strategy is the deep integration of smart and flexible working concepts, as well as the clever use of modular, spliceable and demountable furniture.

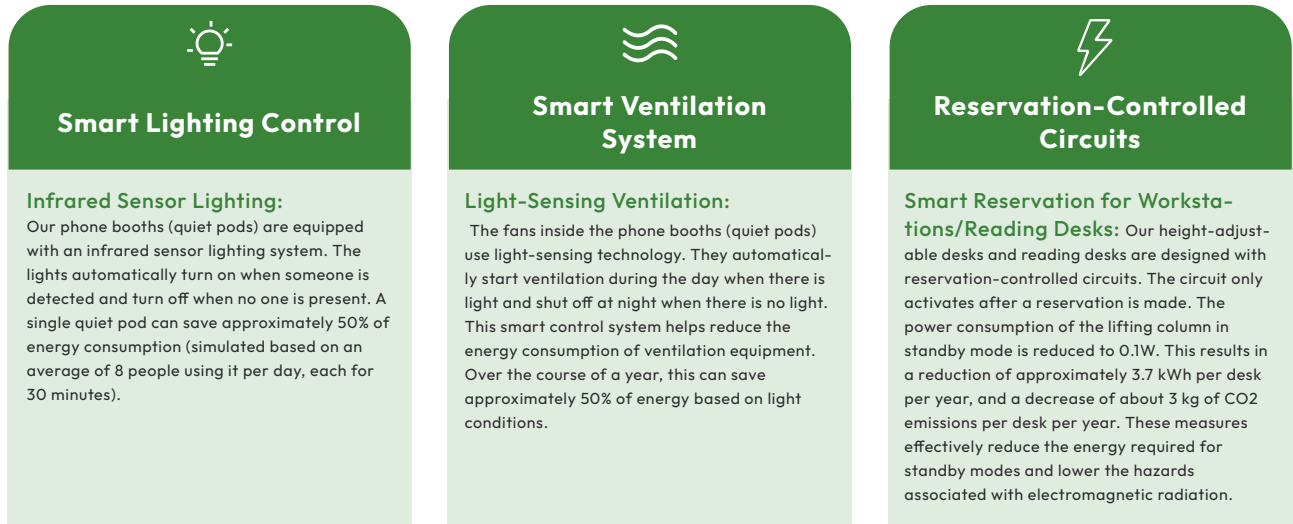
We introduced an advanced intelligent reservation system, allowing employees to easily book spaces that suit their individual or team collaboration needs based on actual work requirements, significantly improving space utilization. In addition, we provide modular furniture products that can be quickly reconfigured according to changes of office layout, reducing material waste associated with space adjustments and greatly enhancing the adaptability and scalability of the space. This ensures that office environment flexibly evolves alongside business development.

Through these initiatives, we not only maximize space usage but also significantly reduce consumption of building materials and energy in daily operations, perfectly embodying the green office concept of energy conservation and emissions reduction. This project becomes a model for enhancing employee satisfaction and work efficiency but also demonstrates how to achieve efficient and flexible office spaces while maintaining environmental responsibility, leading a new trend in future office space design.

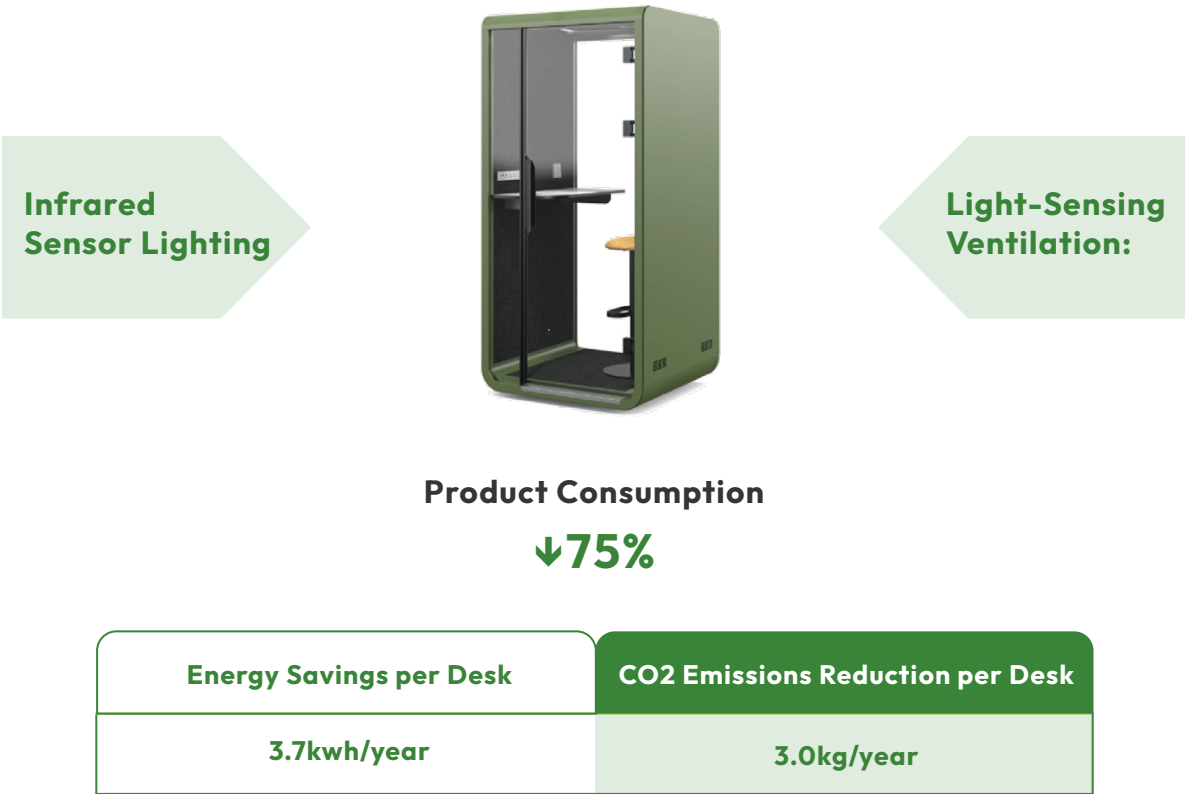
1.12 (1)

Energy-Saving Technologies

Novah works to reduce energy consumption and carbon emissions through innovative technologies and intelligent design, fulfilling its environmental responsibilities.



We continuously invest in research and development to optimize the energy-saving performance and environmental characteristics of our products. Regularly evaluating and improving our design and production processes ensures that we maintain a leading position in energy conservation and environmental protection.



1.12 (2)

Energy-Saving Technologies

Novah continues to make significant advancements in the field of smart office furniture. We deeply integrate Internet of Things (IoT), cloud computing and advanced encryption technologies to launch its latest line of smart lockers. The aim is to bring an unprecedented level of security and convenience to modern office environments, creating more efficient, intelligent, and user-friendly workspace for global clients.



·Smart Security Locking System

Users can easily unlock the lockers via a mobile app, facial recognition or fingerprint, greatly enhancing the security and convenience of item storage while reducing the hassle associated with traditional key management.



·Remote Control and Monitoring

Even when not in the office, users can remotely check the status of lockers and control the door's opening and closing through cloud platform, providing flexible solution for emergencies.



·Space Optimization and Management

Equipped with the smart lockers, the management system helps enterprises and individuals effectively manage storage space. By providing usage reports through data analysis, it optimizes resource allocation.



·Eco-Friendly and Energy-Saving Design

Adopting energy-saving materials and technologies, such as low-power electronic components and automatic sleep mode, the design is in line with Novah's commitment to green office solutions.



01.

Capacity vs. Occupancy
How many staff are in the office?

02.

Occupancy Rate
Who needs to use lockers more than others?

03.

Turnover Rate
What kind of policies are better?

04.

Workstation Space Usage
Which zone do staff prefer?

05.

Overcapacity
When is the peak time in the office?

06.

Employee Requirements
What are the needs of the employees?

02

Source Assurance, Mutual Progress and Win-Win Cooperation

2.1 Supplier Development Standards

2.2 Supplier Management System

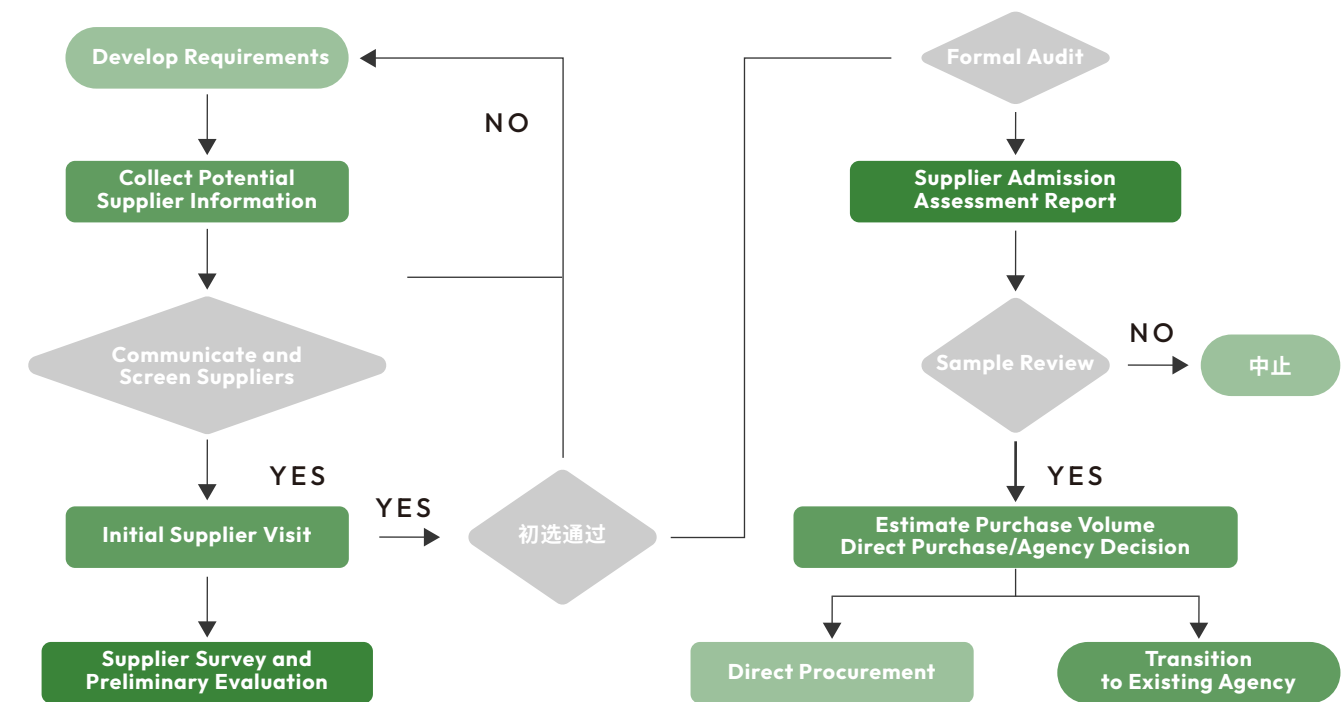
2.1

Supplier Development Standards

Based on business needs, market research is conducted to gather information on potential suppliers, including their qualifications, production capabilities and market reputation. An initial screening is performed according to predetermined criteria, such as industry experience, financial condition and quality certifications, to eliminate suppliers that do not meet basic requirements. For supplier selection, Novah adheres to the following principles:

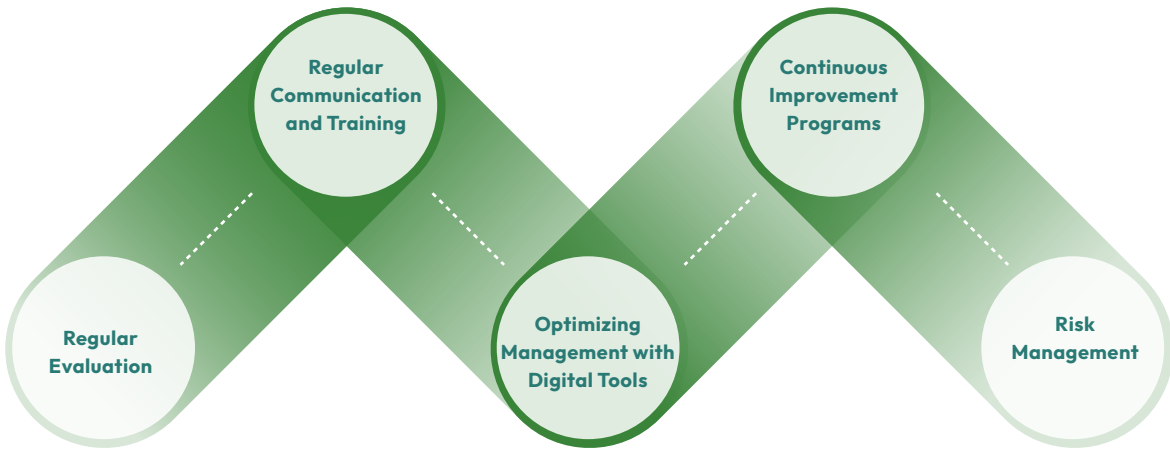
<div>01</div> <div>·Global Sourcing Perspective</div> <div>Find suppliers with higher cost-effectiveness, more advanced technology, or in regions with richer raw material resources in the whole world, rather than the local market.</div>	<div>02</div> <div>·Risk Diversification</div> <div>Effectively mitigate the risk of supply chain disruptions due to political instability, natural disasters, or economic fluctuations in a particular area through collaboration across regions.</div>
<div>03</div> <div>·Technology and Innovation</div> <div>Cooperate with suppliers from diverse technological backgrounds, including both established traditional suppliers and innovative ones skilled in new technologies and materials development.</div>	<div>04</div> <div>·Scale and Flexibility</div> <div>Combine the stable supply capacity of large suppliers with the flexibility and customization services of small suppliers to meet varying business needs.</div>
<div>05</div> <div>·Environmental Standards</div> <div>Prefer suppliers that comply with environmental standards, contributing to the construction of a green supply chain.</div>	<div>06</div> <div>·Diversity and Inclusion</div> <div>Promote supplier diversity, including support for women-owned and minority-operated businesses, to promote social inclusion within the supply chain.</div>

Process Flow:



2.2

Supplier Management System



- Regular Evaluation
 Establish a periodic supplier performance evaluation mechanism, and Key Performance Indicators (KPIs) are used to quantitatively assess supplier performance. Based on the evaluation results, reward or increase order volumes are given to suppliers with excellent performance, and warnings or corrective actions are taken for underperforming suppliers.
- Regular Communication and Training
 Regularly organize supplier conferences and training sessions to enhance mutual understanding, improve overall supply chain collaboration efficiency and quality level.
- Optimizing Management with Digital Tools
 Use Enterprise Resource Planning (ERP) and Supply Chain Management (SCM) systems to manage supplier information, track orders and monitor inventory. This increases management efficiency and transparency.
- Continuous Improvement Programs
 Encourage suppliers to participate in continuous improvement projects to jointly enhance product quality, reduce costs and optimize processes.
- Risk Management
 Novah has established a supplier risk management system to monitor supply chain risks, such as single-supplier dependency, geographic risks, and financial stability. Develop contingency plans to mitigate these risks.



(Supplier Communication and Learning Meeting)

Corporate Culture and Employee Care

Novah considers its employees as the key to the company's success and is committed to creating a working environment that respects, supports, and motivates them. We understand that our employees' well-being is crucial to the company's overall development. Therefore, we provide competitive compensation and benefits to ensure their financial security. Meanwhile, we implement comprehensive health and wellness programs to safeguard physical and mental health of our employees. We promote flexible work arrangements to support healthy work-life balance. Furthermore, we focus on personal growth and career development, and offer a wide range of training and development opportunities to foster continuous improvement and align with the company's strategic goals. Through these initiatives, Novah aims to be the ideal workplace in the eyes of employees, driving mutual growth for both the company and its workforce.

Caring for Employee Health

Creating green office environment, establish health management practices and care for employees' physical and mental health

Ensuring Employee Safety

Enforce rigorous safety protocols, perform regular training and formulate emergency response plans.

Protecting Employee Rights

We have established mature salary, performance and promotion mechanism, and pay various types of social insurance for all employees.

Listening to Employee Voices

We establish employee representative bodies and communication platforms, maintain transparency in information disclosure and conduct regular employee satisfaction surveys.

No Child Labor and Forced Labor

Clear policies are executed in recruitment and employment to prevent child labor and forced labor.

Diversity and Equality

We implement diversity and equal opportunity policies to enhance gender balance and foster an inclusive culture in the workplace.



03

People-Oriented, Building a Home Together

3.1 Employment System

3.2 Compensation, Performance and Benefits

3.3 Working Environment

3.4 Training and Career Development

3.5 Occupational Health and Safety

3.6 Social Contribution

3.1

Employment System

Novah profoundly realizes that employees are the core driving force behind the company's sustainable development. So, we take proactive measures in several key areas to ensure the well-being and career growth of our employees.

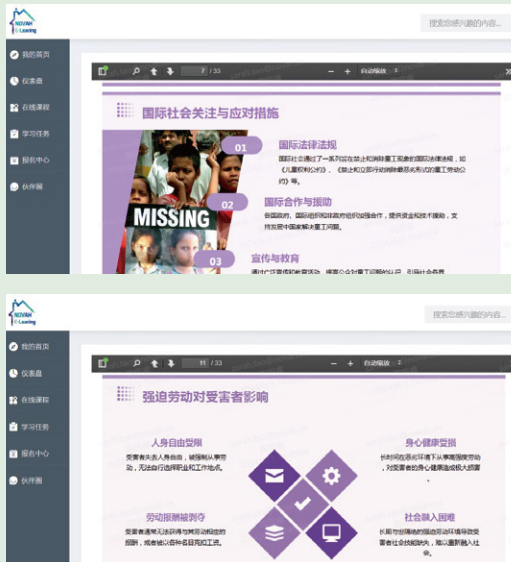
Compliance with Employment Laws

Novah strictly complies with relevant laws and regulations, including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Implementing Regulations of the Labor Contract Law of the People's Republic of China, and the Social Insurance Law of the People's Republic of China. We legally protect the legitimate rights and interests of our employees. We standardize the labor contract system and sign contracts with all employees, hoping to achieve reasonable employment and equal opportunities. By establishing fair recruitment processes and evaluation systems, we hope that every job applicant can showcase their talents in a non-discriminatory environment.



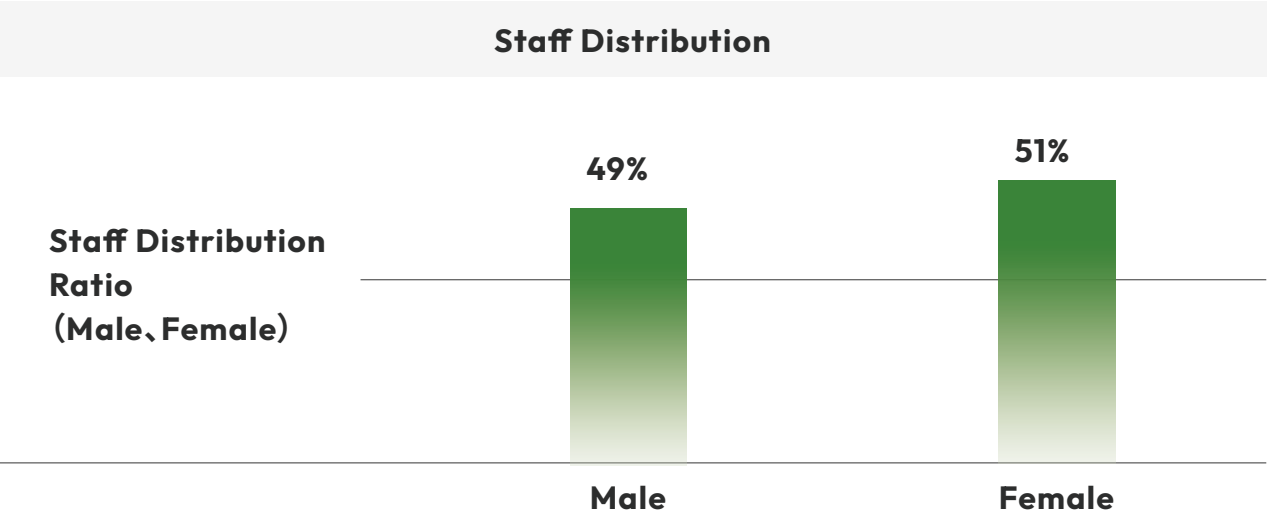
Equal Employment

Novah strictly abides by international labor laws, implements clear employment policies and prohibits child labor and forced labor. When establishing partnerships with suppliers, we ensure that they also comply with same laws and regulations, collectively safeguarding labor rights. Also, Novah provides training on anti-child labor and anti-forced labor awareness for all employees, enhancing the overall sense of corporate social responsibility. Through these measures, Novah is committed to building a legal, compliant, and responsible working environment.

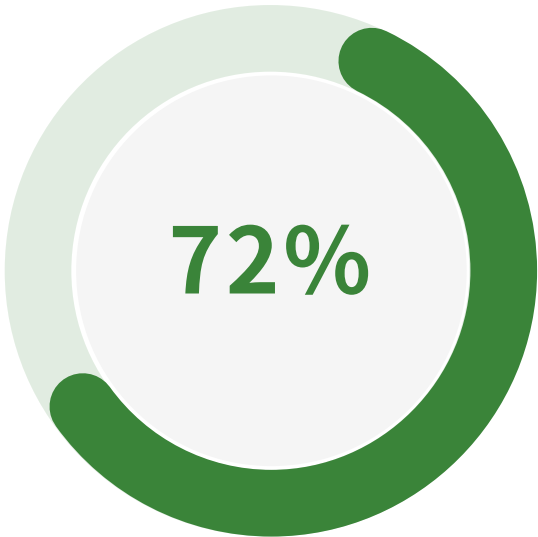


Diverse Employment

Novah aims to implement diversity and equal opportunity policies. We emphasize gender equality and strictly prohibit gender discrimination, ethnic discrimination, racial discrimination, religious discrimination, and physical discrimination in hiring, compensation, benefits, and promotion. This ensures that all employees can work and develop in an environment that is fair, respectful, and inclusive. The company also focuses on protecting labor rights within the supply chain, ensuring that every step from raw material procurement to product delivery meets international labor standards, and actively responds to SDG 5 (Gender Equality) principles.



The ratio (percentage) between the average total hourly wage for female employees and the average total hourly wage for male employees is



3.2

Compensation, Performance and Benefits

Compensation, Performance

At Novah, we try our utmost to provide fair and transparent compensation system and comprehensive employee benefits. During periods of marriage leave, bereavement leave, sick leave and paternity leave, the employee’s basic salary includes overtime pay but excludes additional benefits like year-end bonuses, transportation allowances, lunch subsidies, housing allowances, night shift fees and high-temperature allowances. Performance bonuses are based on quarterly performance evaluations, aimed at motivating employees to achieve their set goals.

Company Event

Novah organizes a variety of activities to enrich employees' lives and enhance team cohesion. We host large-scale events like gift exchanges and buffet dinners, inviting all employees to participate. During traditional festivals such as Mid-Autumn Festival and Dragon Boat Festival, the company distributes gifts and organizes celebratory activities. These events not only demonstrate the company's care but also make employees feel the warmth of a family. Each month, we also celebrate the birthdays of employees born in that month, ensuring they feel the blessings and care from the company. Novah aims to create a harmonious and joyful working environment where every employee can find a sense of belonging.



Employee Care:

On International Women's Day and Mother's Day, small gifts are provided to female employees, and on Children's Day, gifts are given to employees who have children.



Lifestyle Benefits:

Novah continuously offers discounts on various aspects of daily life, including cultural performances, car purchases, and electronics, and provides additional commercial supplementary insurance to protect employees' rights and interests.



Rationalization Suggestions:

To provide employees with a clear communication channel and encourage active feedback, we have established a comprehensive suggestion system. For suggestions and ideas that are adopted, the company will provide corresponding rewards that are rated according to their contribution to the company.



Immediate Incentives:

Novah encourages inter-departmental cooperation and support, and such behavior is recognized and rewarded. The aim is to promote mutual understanding and encouragement among colleagues, especially across departments, to foster a collaborative atmosphere, increase cohesion, and thereby enhance efficiency.



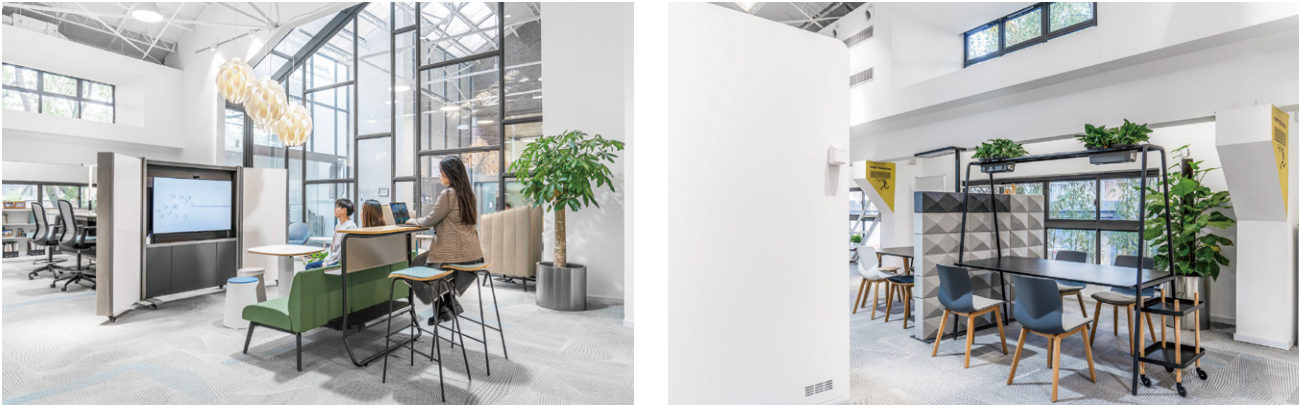
3.3

Working Environment

As a furniture manufacturer, Novah is dedicated to providing clients with eco-friendly and comfortable office space solutions. Our products reflect our commitment to environmental care and underscore our dedication to employee well-being.

Our design philosophy lies in reducing physical fatigue, enhancing work efficiency and boosting happiness among employees. Our office chairs are equipped with headrests and retractable footrests, which offer comfortable support for your neck and feet, allowing you to have full-body relaxation during breaks. Moreover, our chairs feature a soft, adjustable lumbar support that can be personalized according to every employee's height and sitting habits, protecting their lower back health. The height-adjustable desks allow employees to easily switch between standing and sitting posture, effectively mitigating the health risks associated with prolonged sitting, such as back pain and cervical spondylosis, while also promoting an inclusive work environment. The height adjustment range of 640mm to 1290mm accommodates the needs of different employees, fostering a diverse and inclusive workplace.

Our acoustic products, such as Nobius Silent Pods and Fabricks Soundproof Screens, utilize high-efficiency acoustic materials, which significantly reduce noise pollution in the office, and creates a quiet workspace that enhances the concentration and productivity. Through these innovative designs, Novah improves the comfort and health of office environment but also boosts employee satisfaction and productivity by reducing sick leave and incorporating reminders to alternate between sitting and standing. This, in turn, contributes to creating more value for society."



3.4

Training and Career Development

Talent Training

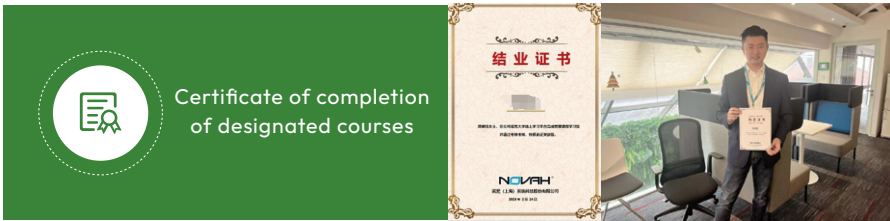
Novah commits itself to enhancing employees' professional skills and career competencies through the continuous expansion and optimization of training platforms. Since 2020, the number of online courses we offer has increased annually, from 150 in 2020 to 270 in 2021, 308 in 2022, and reaching 332 in 2023. As the course content becomes more diverse and training methods more innovative, employee satisfaction with training has significantly improved, exceeding 85% in 2021, rising to over 90% in 2022, and reaching above 92% in 2023. Additionally, the company provides comprehensive industry knowledge and job-specific skills training for new hires, ensuring they can quickly integrate into the team and reach their full potential.



Career Development

Novah conducts a regular human resources checking every year, evaluating and ranking employee performance based on the 721 principle. For the bottom 10% of employees in terms of performance, the company offers specialized training and coaching to help them improve their capabilities. For employee promotion, we have established clear promotion pathways and criteria, ensuring that each employee understands their development goals and the requirements needed. During annual evaluations, HR Business Partners (HRBPs) proactively communicate with employees to facilitate promotions for those who meet the criteria.

For key positions and projects, the company allocates a special training budget, providing more learning opportunities for top performers and project members, and creating a conducive learning environment. For specific roles, a mentorship policy is implemented, where guidance and support from experienced employees help new hires grow quickly, thereby enhancing overall team performance and achieving organizational goals. The company uses KPI-based performance management, analyzing the reasons for any gaps in performance metrics on a quarterly basis and proposing improvement plans.



Recognition of Long-Term Commitment

Novah celebrates the dedication and loyalty of employees by awarding custom-made Constancy Rings to those who have worked in the company for 5, 10, and 15 years. This tradition not only reflects the corporate culture but also demonstrates respect and acknowledgment of the value that employees bring to the organization.



3.5

Occupational Health and Safety



Occupational Health

Novah makes every effort to safeguard its employee's occupational health and safety. In accordance with national laws and regulations, we keep improving safety standards of workplace. We provide annual health check-ups for employees who may be exposed to occupational hazards and maintain occupational health records. Our comprehensive health management includes regular medical examinations, mental health support and emergency medical response, with particular attention to health monitoring of returning employees.

Additionally, Novah offers extra commercial insurance to all full-time employees, safeguarding their occupational health.

Novah continuously optimizes working environment by using eco-friendly materials, improving production processes and reducing exposure to harmful substances. We also encourage our employees to participate in safety and health promotion activities and continuously improve our management system through feedback mechanisms. In addition, Novah provides mental health counseling services, establishes Employee Assistance Programs (EAPs), and offers flexible work arrangements to support work-life balance for our employees.

Furthermore, the headquarters has applied for HSR (Health and Safety Rating) certification to ensure that all aspects of the office (e.g. hygiene, emergency preparedness, health service resources, and air and water quality management) meet the highest health and safety standards.

Novah is committed to enhancing employees' safety awareness and professional skills through education on the "Occupational Safety and Health Law", regular emergency drills and reinforcement of culture of safety. We provide comprehensive training covering fire prevention, disaster prevention and occupational health, so that employees can apply personal protective equipment (PPE) properly.

In terms of safety management, we promote 6S activities (Sort, Set in order, Shine, Standardize, Sustain, and Safety) to standardize equipment operation and chemical management, thereby controlling production safety risks. By institutionalizing production processes and passing down knowledge through a mentorship approach, we minimize the impact of personnel turnover on operations.

The company has developed comprehensive emergency response plans, covering fires, natural disasters and public health incidents, and regularly conducted drills to enhance employees' emergency response capabilities. These measures collectively create a safe and healthy working environment, laying a solid foundation for the company's sustainable development.

Regarding safety production, in 2023, the factory organized four major training sessions and over 20 group training sessions. Besides, online training was provided, with a 100% completion rate among factory employees, and all participants passed the relevant assessments.



Safety

Major Work-Related Injury Record: 0

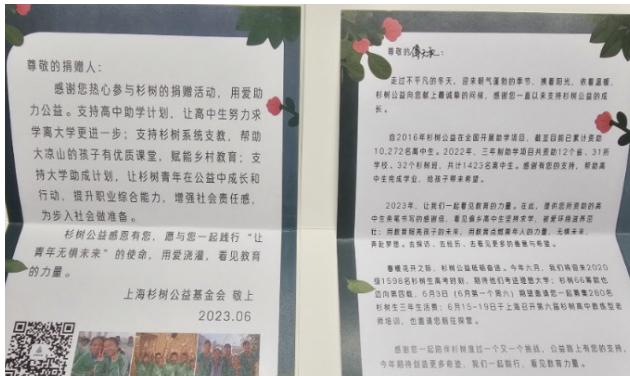
3.6

Social Contribution

Charities

After more than 20 years of development, Novah has accumulated a profound corporate culture and strong sense of social responsibility. Our philanthropic actions span across multiple areas including education, environmental protection, health and employment. In terms of educational support, we recognize that education is key to promote social progress and personal development. By donating educational facilities to schools in need, we improve the learning environment and inspire creativity and artistic interest among children, especially those with limited resources, by offering free design enlightenment courses.

President Fu Tiancheng has been passionate about charities, making long-term donations to the Cedar Highrise and personally engaging in work helping underprivileged children. Under his leadership, Novah's employees are influenced and actively participate in various charitable activities, making contribution to the society.



Conveying Spatial Concepts

In addition to high-quality products and professional pre-and after-sales services, Novah also boasts spatial planning capabilities and can provide clients with reasonable advice and assistance for creating spaces, transforming workplaces, and implementing systematic and modular management, all aimed at cost reduction and efficiency enhancement. Our strategies integrate diverse, sustainable, green, technological, integrated and human-centered philosophies, co-creating one green, efficient and people-oriented workplace after another with our clients, which has earned widespread acclaim for us. Companies such as Huawei, Alibaba, IBM, and SAIC have sent letters of thanks, recognizing the success of our collaborations.



Corporate Governance

Novah System Technology Co., Ltd. is committed to enhancing its governance level and perfecting internal management and control systems. Since its inception, the company has continuously optimized its governance system, and established a comprehensive business management system to safeguard the interests of the company and its shareholders. To us, governance is a long-term systematic project. We will constantly improve our governance structure, set up standardized operational mechanisms, and strengthen information disclosure to realize healthy and stable development of the enterprise.

Compliance Management:

We have established a scientific and robust management mechanism to ensure proper functioning of the company.



Business Ethics:

Novah strictly abides by business ethics and combats all forms of corruptions, bribery, and frauds.

Information Security Management:

Build a solid information security defense line.



04

Integrity Builds Business, Quality Wins Future

4.1 Governance Structure&Management Decision

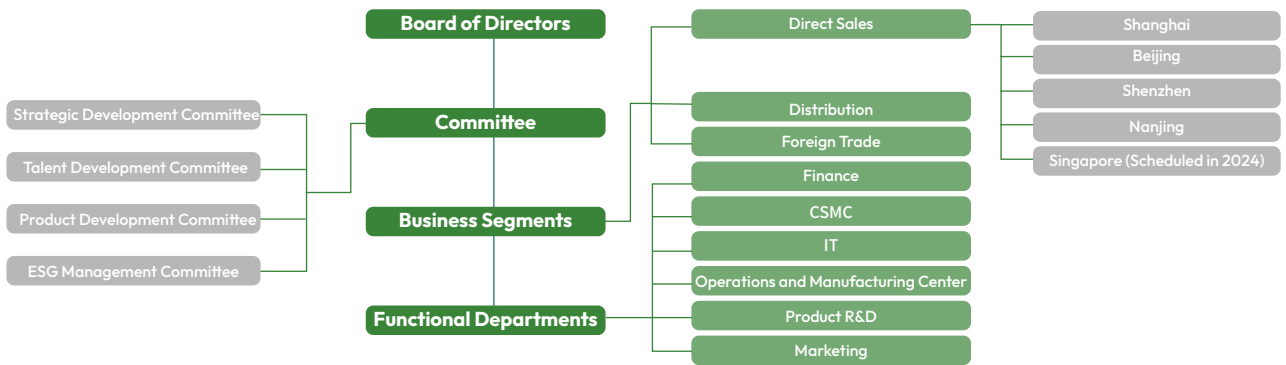
4.2 Compliance and Business Ethics

4.3 Risk Control

4.1

Governance Structure

The group insists on building a governance system featuring clear responsibilities, checks and balances and efficient operations. In accordance with the requirements of the Company Law of the People's Republic of China, the Civil Code of the People's Republic of China and other relevant laws and regulations, Novah devotes itself to improving its corporate governance structure, establishing and perfecting internal management and control systems, and continuously enhancing the level of corporate governance. Major decisions are made through collective research, reviewed and deliberated by the leadership team and specialized committees, ensuring scientific and rational decision-making. The chief executive - the President is responsible for planning the development direction, setting goals, and overseeing their implementation. The President also approves major decisions, organizational restructuring and important documents, and takes charge of the overall planning for new project development and future growth. We have established strict decision-making mechanisms and conducts regular self-assessments on the effectiveness of internal controls to avoid significant deficiencies in the decision-making mechanism. All aspects of production, operation, and management are covered.



Novah's shareholders' meeting enjoys the right to make decisions. It can exercise the power to decide on major matters such as the company's business policy, financing, investment, and profit distribution in accordance with laws, regulations, and Novah's Articles of Association.

In the decision-making process of major company affairs, the board of directors plays a crucial role. During the reporting period, Novah's board of directors is composed of five directors: Mr. Fu Tiancheng, Mr. Sun Junhai, Mr. Liu Zongzheng, Mr. Miao Jinfeng and Ms. Song Yingying.

The supervisory board, consisting of shareholder representatives and employee representatives, is made up of three people, and two-thirds of them are women. It is responsible for supervising corporate governance, major issues, financial conditions, and the legality and compliance of the performance of duties by the company's directors, managers, and other senior executives. This promotes the lawful and regulated operation of the company and safeguards the interests of the company, shareholders, and employees.

The management is responsible for Novah's production and operational management, implementing the resolutions of the shareholders' meeting and the board of directors, carrying out the company's annual business plans and investment programs, formulating specific rules and regulations, and exercising other powers granted by Novah's Articles of Association or the board of directors. During the reporting period, among the six senior executives, there was one female executive.

During the reporting period, Novah convened three shareholders' meetings, deliberating on 16 proposals; eight board meetings, deliberating on 35 proposals; and six supervisory board meetings, deliberating on 15 proposals. All meetings were held in compliance with the relevant regulatory requirements.



5 Board of Directors



3 Supervisors



6 Executives

4.2 (1)

Compliance and Business Ethics

Compliance

Novah System Technology Co., Ltd. is committed to establishing a comprehensive risk and compliance management system. The effectiveness of corporate governance is ensured by strict compliance with laws and regulations, as well as internal management systems such as the Articles of Association, Credit Risk Management System, Anti-Commercial Bribery Compliance System, Financial Management System and Legal Affairs Management System. Novah strengthens internal control and risk management by setting up internal control self-assessment working groups, which facilitates problem discovery and resolution, enhances business collaboration, and improves resilience against risks. Moreover, Novah integrates compliance requirements into business and management processes, formulates compliance management systems, and fosters a culture of integrity and compliance. Employees must comply with laws, regulations and company rules, accept compliance training, and proactively identify and prevent compliance risks.

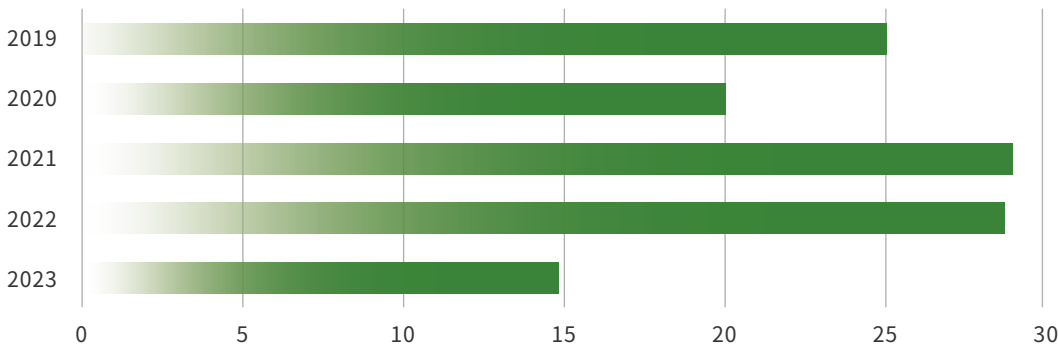
In terms of risk management, Novah applies a closed-loop management process from risk factor identification to risk management planning, risk response evaluation and risk monitoring operations, and thus risk events are effectively controlled. The company has also established a risk control defense line consisting of a monitoring panel and legal department. Through continuous empowerment of various business units, it strengthens the identification, assessment and management of compliance risks, along with ongoing supervision and improvement, thereby enhancing management level and risk prevention capabilities.

The company also has a dedicated legal department responsible for managing and handling intellectual property and legal affairs. It regularly inspects and supervises the enforcement of laws and regulations across departments, ensuring the legality and compliance of the company's operations. All these measures enable Novah to realize stable operations and sustainable development.

Intellectual Property

Adhering to the principle of "management institutionalization, system process and process digitalization", Novah is dedicated to building a comprehensive and systematic intellectual property (IP) management system, covering IP innovation, protection and utilization. We also focus on protecting intellectual property, preventing infringement and strengthening brand construction and maintenance through strict standardized management. The group continuously conducts IP rights protection actions to ensure lawful use of patents and trademarks, effectively avoiding risks, and maintaining the brand image, fostering a good atmosphere of honest business practices and IP protection.

As of December 2023, Novah has cumulatively applied for 159 valid Chinese patents, including 11 invention patents, 84 utility model patents and 64 design patents. The number and type of these patents are also an important reflection of Novah's potential market value. They show Novah's excellent performance and positive momentum in technological innovation, IP protection and enhancement of market competitiveness.



4.2 (2)

Compliance and Business Ethics

Intellectual Property

The company's product range covers all major categories within the industry, with a particular focus on products with technical difficulties and barriers, such as system workstations, ergonomic chairs, acoustic products and educational furniture. The company has achieved intellectual property protection for several groundbreaking innovative technologies. For example, the patent for the 'Soft Joint Passive Front Lumbar Support' in the Seda ergonomic chair series is an innovation that has changed the way users experience lumbar support; Such breakthrough innovations stem from the team's years of industry experience and insight, and understanding of technological trends.



(List of Some Patent Certificates)

We also actively participate in the development of industry technical standards. Since 2018, we have been involved in the formulation of various technical standards for office furniture systems, working alongside the Shanghai Furniture Association under the Ministry of Light Industry, with the aim to standardize the industry from the perspective of customer value and strategic thinking, thereby enhancing the overall technical level of the industry. Additionally, we have collaborated deeply with 'China Speech Valley' in setting the technical standards for a new category – the silent room, strategically regulating the market and establishing a technical barrier.

Technological Innovation

More and more Novah products are widely recognized internationally. We convey warmth through design and impress people with products. The Campers workstation system has won the A'Design Award. It creates a boundaryless system that connects dynamic, changing population, businesses, and spaces, allowing organizations to flexibly respond to future challenges.



(A'Design Award)

The Seda, independently developed by Novah, has won the iF Design Award, and been recognized by an international jury of renowned design experts for its unique and innovative design philosophy, ergonomic comfort, and excellent technical performance. R&D team develops this product for office workers to address the issue of prolonged sitting, providing comprehensive care for workers' head, back, waist, elbows, buttocks, and legs.



(IF Densign Award)

The company fully explores and effectively utilizes external resources, especially cross-industry technological resources, to add further innovation to core products. For the quiet room series, whose core performance relates to acoustic issues, we have leveraged deep collaborations with authoritative academic and industrial partners, such as Tongji University and China Speech Valley, to develop Nobius series. As the first brand that steps into this field in the domestic market, we have made new breakthroughs."



4.2 (3)


Compliance and Business Ethics

Business Ethics

Novah adheres to the principles of business ethics and integrity, and combats all forms of corruption, bribery and fraudulent conducts. Novah strictly complies with relevant laws, regulations and rules, including the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and the Interim Provisions on Prohibiting Commercial Bribery. The group has formulated and enforced Clean Business Management System and Rewards and Punishments Management System to improve measures against commercial bribery. Novah has set up an independent monitoring panel, which will continuously monitor internal corruption and promptly take preventive measures, deepening anti-corruption efforts within the company.

Our company rigorously implements anti-commercial bribery policies, and takes zero-tolerance attitude to any violations. During the reporting period, the number of confirmed cases of commercial bribery identified through reporting mechanisms and third-party audits is as follows:

Two anonymous letters of accusation were received via the company's email, and after rigorous investigation, no cases of corruption were confirmed in 2023.



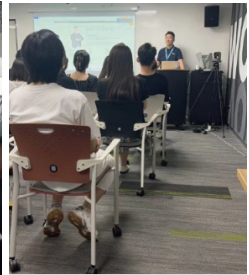

KPI	2020	2021	2022	2023
Number of Legal and Disciplinary Incidents	0	0	0	0
Number of Major Operational Violations	0	0	0	0
Labor Contract Fulfillment Rate (%)	100	100	100	100

Novah always upholds the core values of “Integrity-oriented, Honesty-based”, actively practices incorruptible culture and deeply integrates it into corporate spirit, organizational structure, rules and regulations, daily operations and employee codes of conduct, forming distinct characteristic of incorruptible culture.

Incorruptible culture

Novah is committed to building a culture of integrity within the company. We utilize online and offline methods to regularly organize promotional activities on integrity and self-discipline. Training content covers all aspects, including professional ethics, laws and regulations, risk prevention, and reporting mechanisms, aiming to cultivate employees' awareness of integrity and enhance their ability to identify and resist improper behaviors.

In 2023, the group organized multiple large-scale integrity education and film-viewing events, covering 100% of employees. Through innovative communication methods, such as integrity lectures and case study presentations, the concept of integrity was disseminated, guiding employees to build strong mental defenses against corruption.



Anti-Corruption Reporting Platform

Email: jb@novah.cn

Tel: 86-21-63932688

4.3

Risk Control

Information Security

Formulating Confidentiality Policies

Novah has prepared “Confidentiality Policy” to effectively protect important information related to the company's interests. These policies are prepared to create a set of comprehensive confidentiality management system, which will guarantee the security and confidentiality of sensitive information. Novah implements thorough and strict confidentiality measures, including file lifecycle management, strict approval and circulation control for classified documents, dedicated custody of confidential items, general confidentiality regulations (e.g. data encryption, internal material control and management of business documents), management of confidential meetings, employee confidentiality conduct guidelines, targeted confidentiality measures by administrative departments, emergency response to leaks, and full-process registration and destruction approval for classified documents, ensuring the effective protection of company secrets.

Assessing Information Security Risks

The group conducts regular information security risk assessments to identify potential internal and external threats, vulnerabilities and risk events that could impact the security of the company's information assets. Based on the assessment results, risk mitigation strategies are developed. In 2023, a comprehensive risk assessment was completed for all core business systems, identifying and effectively addressing 35 high-risk items.

The group has established a robust Incident Response Process (IRP). In the event of an information security incident, IRP will quickly activate emergency response mechanism to effectively control the situation and minimize losses. In 2023, the average IRP response time was just 3.4 hours.

97%
Information Security Training Completion Rate

100%
Information Security Due Diligence Completion Rate






5
Number of Internal Information Security Incidents

3.4
Average IRP Response Time

35
Number of High-Risk Items Effectively Addressed

Measures to Prevent Unauthorized Access or Disclosure of Third-Party Data

When sharing or transmitting data with third parties, our company takes multiple security measures to prevent unauthorized access or disclosure of data.

 Encrypted Transmission	· Sensitive data is encrypted using industry-recognized encryption algorithms to ensure its security during transmission.
 Access Control	· Strict controls are placed on third-party access to our systems or data, with only the minimum necessary permissions granted, which will be reviewed and updated regularly.
 User Management	· Access rights are promptly modified or revoked for users due to job changes, transfers, or dimission to guarantee data security.
 Data Masking	· Sensitive data is de-identified or anonymized without affecting business needs, thus mitigating the risk of data breaches.
 Contractual Obligations	· Conclude strict data protection agreements with third parties, clearly defining the purpose, scope, duration, and confidentiality obligations for data use, so as to ensure lawful and compliant use of data by third parties

05

Various ESG Indicators

※ The indicators on this page only include the Shanghai factory.

Environmental Indicators

Table 1: Carbon Emission Indicators

Scope	Source	Emission Sources	2022	2023
Scope1	Source1.2 Mobile Source Combustion	Fossil Fuel Combustion from Mobile Sources - Road Transport (Diesel)	6.0	5.5
	Source1.2 Mobile Source Combustion	Fossil Fuel Combustion from Mobile Sources - Gasoline	40.4	34.6
	Source1.4 Fugitive Emissions	Fugitive Emissions from Septic Tanks	1.4	1.2
	Total for Scope 1		47.7	41.3
Scope2	Source2.1 Purchased Electricity	Purchased Electricity - Grid Electricity	807.0	819.4
	Total for Scope 2		807.0	819.4
Scope3	Source3.1 Purchased Goods and Services	Sheet Materials	/	4336.8
	Source3.1 Purchased Goods and Services	Sheet Metal	/	2816.0
	Source3.1 Purchased Goods and Services	Aluminum Profiles	/	1137.6
	Source3.4 Upstream Transportation	Transportation Energy Consumption	/	58.8
	Total for Scope 3		Uninvestigated	8649.2

The content included in the disclosed scope for 2023 is as follows:

Scope 1 Main Sources:

Note: After inventory, our company does not engage in stationary combustion of fossil fuels or anaerobic wastewater treatment processes that result in CH4 emissions.

- 1.Combustion of fossil fuels in mobile sources (e.g., non-road engineering vehicles such as forklifts owned by the company, road transport vehicles such as cars and diesel trucks owned by the company)
- 2.Emissions from septic tanks

Scope 2 Main Sources:

- 1.Purchased electricity - only grid electricity

Scope 3 Main Sources:

- 1.Purchased goods and services
- 2.Upstream transportation

Table 2: Water Intake/Discharge Statistics and Analysis

Source of Water	Location	Water Intake Volume (Unit: Million Liters)
Municipal Water Supply	Factory Area	2.532
Surface Water	/	/
Groundwater	/	/

Receiving Water	Location	Water Intake Volume (Unit: Million Liters)
Municipal Water Supply	Factory Area	2
Surface Water	/	/
Groundwater	/	/

Table 3: Wastewater Quality at Factory Discharge

Local Effluent Standards	Integrated Effluent Standards DB31/199-2018 (Unit: mg/L)
BOD	19.5
COD	38
SS	52

Table 4: Wastewater Testing Results

Test Item	Test Result	Reference Limit
pH Value (Dimensionless)	7.4	6-9
CODs(mg/L)	70.7	500
Five-Day BODs(mg/L)	26.1	300
Ammonia Nitrogen (mg/L)	2.9	45
Suspended Solids (mg/L)	9	400

Sampling Methods: "Technical Specifications for Monitoring Exhaust Gas from Fixed Sources" HJ/T397-2007, "Methods for Determination of Particulate Matter and Sampling of Gaseous Pollutants in Exhaust Gas from Fixed Pollution Sources" GB/T16157-1996 and its amendments, "Guidelines for Monitoring Unorganized Emissions of Air Pollutants" HJ/T55-2000
Effluent Standards Reference: "Emission Standards for Atmospheric Pollutants in Furniture Manufacturing Industry" DB31/1059-2017, Table 2

※ The indicators on this page only include the Shanghai factory.

Table 5: Waste Indicators

Main Types of Waste	Disposal Site		Disposal Method		Output (Tons)	Percentage (%)
	On-site	Off-site	Recycling	Incineration (with Energy Recovery)		
Waste Wood Mixture		●	●		360.0	77.1
Waste Fabric		●	●		5.0	1.1
Waste Powder		●	●		36.0	7.7
General Waste		●		●	50.0	10.7
Waste Paper Mixture		●	●		12.0	2.6
Waste Aluminum		●	●		4.0	0.9

① Disposal Site: On-site (handled within the factory), Off-site (outsourced for handling).
② Disposal Methods: Reuse (reused for the same original purpose), Recycling (processed to make new materials), Incineration (with energy recovery), Incineration (without energy recovery), Landfill, Other.
③ Recycling Rate (%) = Total Amount Recycled / Total Amount of Waste * 100%.
④ The identification of hazardous industrial waste and general industrial waste is based on the "Waste Disposal Act" and the "Standards for Identifying Hazardous Industrial Waste" in our country.

Table 6: Organized Exhaust Gas Detection Results

Test Item			Test Results	Reference Limits
Moisture Content (%)			1.0	/
Flue Gas Temperature (℃)			20.2	/
Flue Gas Velocity (m/s)			13.45	/
Flue Gas Flow Rate (m³/h)			9505	/
Standard Dry Flow Rate (m³/h)			8808	/
Total Non-Methane Hydrocarbons (as Carbon)	Y201-21~Y201-23	Average Emission Concentration per Hour (mg/m³)	3.28	15
		Emission Rate (kg/h)	2.89×10 ⁻²	2.0

Unorganized Exhaust Gas Detection Results

Test Item		Test Results	Reference Limits
Average Total Non-Methane Hydrocarbons per Hour (as Carbon) (mg/m³)	Upwind Boundary1#	0.58	/
	Downwind Boundary2#	1.27	2
	Downwind Boundary3#	1.31	
	Downwind Boundary4#	1.31	
Total Suspended Particles (µg/m³)	Upwind Boundary1#	124	/
	Downwind Boundary2#	143	500
	Downwind Boundary3#	136	
	Downwind Boundary4#	145	

Sampling Method: "Technical Specifications for Monitoring Exhaust Gas from Fixed Sources" HJ/T397-2007, "Methods for Determination of Particulate Matter and Sampling of Gaseous Pollutants in Exhaust Gas from Fixed Pollution Sources" GB/T16157-1996 and its amendments,
Emission Standards Reference: "Emission Standards for Atmospheric Pollutants in Furniture Manufacturing Industry" DB31/1059-2017, Table 4

Table 8: Occupational Disease Hazard Factor - Chemical Factors Detection Results

Position	Occupational Hazard Factor Name	CSTEL (mg/m³)	PC-STEL (mg/m³)	CrwA (mg/m³)	PC-TWA (mg/m³)	CSTEL/PC-TWA	Individual Judgments
Edge Banding Machine	Vinyl Acetate	<1	15	0.44	10	/	Pass
Cold Press Machine	Vinyl Acetate	<1	15	0.44	10	/	Pass
Manual Cleaning	Benzene	<0.6	10	0.26	6	/	Pass
	Toluene	<1	100	0.44	50	/	Pass
	Xylene	<3	100	1.3	50	/	Pass
	Ethyl Acetate	<0.27	300	0.12	200	/	Pass
Spray Gluing	Ethyl Acetate	<0.27	300	0.12	200	/	Pass
	Methylene Chloride	<11	/	4.8	200	<1.0	Pass

Table 9: Occupational Disease Hazard Factor - Dust Detection Results

Position	Occupational Hazard Factor Name	Test Results (mg/m³)	CTWA (mg/m³)	PC-TWA (mg/m³)	CSTEL/PC-TWA	Individual Judgments
Drilling Machine	Wood Dust	0.32	0.28	3	<1.0	Pass
Milling Machine	Wood Dust	0.32	0.040	3	<1.0	Pass
Electronic Cutting Machine	Wood Dust	0.31	0.27	3	<1.0	Pass
CNC	Wood Dust	0.34	0.30	3	<1.0	Pass
Push Saw	Wood Dust	0.31	0.039	3	<1.0	Pass
Double-Headed Saw	Aluminum Alloy Dust	0.34	0.21	3	<1.0	Pass
Cutting Machine	Aluminum Alloy Dust	0.32	0.020	3	<1.0	Pass

Judgment Basis: GBZ2.1-2007 "Occupational Exposure Limits for Hazardous Factors in Workplaces - Part 1: Chemical Hazardous Factors" and GBZ2.2-2007 "Occupational Exposure Limits for Hazardous Factors in Workplaces - Part 2: Physical Factors"

※ The indicators on this page only include the Shanghai factory.

Table 10: Occupational Disease Hazard Factor - Noise Detection Results

Position	Occupational Hazard Factor Name	Detection Results (dB(A))			Individual Judgments
		Test Results	8h Equivalent Sound Level	Reference Limits	
Drilling Machine	Noise	84.5	84.0	85	Pass
Milling Machine	Noise	85.3	76.3	85	Pass
Edge Banding Machine	Noise	83.6	83.0	85	Pass
Electronic Cutting Machine	Noise	84.4	83.9	85	Pass
CNC	Noise	83.5	82.9	85	Pass
Push Saw	Noise	87.8	78.8	85	Pass
Double-Headed Saw	Noise	87.1	85.0	85	Pass
Cutting Machine	Noise	93.4	81.4	85	Pass
Punch Press	Noise	91.5	79.4	85	Pass

Judgment Basis: GBZ2.1-2007 "Occupational Exposure Limits for Hazardous Factors in Workplaces - Part 1: Chemical Hazardous Factors" and GBZ2.2-2007 "Occupational Exposure Limits for Hazardous Factors in Workplaces - Part 2: Physical Factors"

Table 11: Boundary Environmental Noise Detection Results

Detection Point	Main Noise Source	Wind Speed (m/s)	Result Leq (dB(A))	Reference Limits dB(A)
1m Outside Eastern Boundary	Production Noise	2.5	54	65
1m Outside Southern Boundary	Production Noise	2.6	51	65
1m Outside Western Boundary	Production Noise	2.6	51	65
1m Outside Northern Boundary	Production Noise	2.5	63	65

Sampling Method: "Environmental Noise Emission Standards for Industrial Enterprises" GB12348-2008, "Technical Specifications for Environmental Noise Monitoring - Correction of Measured Values" HJ706-2014 Emission Standards Reference: "Environmental Noise Emission Standards for Industrial Enterprises" GB12348-2008, Table 1, Class 3

Table 12: Formaldehyde Emission Test Results for Products

Test Item(mg/m³)	Test Results	Reference Limits	Individual Judgments
Standard Board	0.043	≤ 0.050	Pass
Fire-Resistant Board	0.023	≤ 0.50	Pass
Structural Bamboo Integrated Material	0.025	≤ 0.50	Pass
Decorative Plywood	0.019	≤ 0.50	Pass

Judgment Basis: GB/T39600-2021 "Grading of Formaldehyde Emission from Wood-Based Panels and Their Products"

Table 13: Production Quality Results

KPI	2020	2021	2022	2023
First-Time Inspection Pass Rate (%)	90	92	95	96
Production Plan Achievement Rate (%)	92	94	95	95
Unit Cost Achievement Rate (%)	95	97	98	98
Key Equipment Integrity Rate (%)	100	100	100	100
Output Value Achievement Rate (%)	95	90	80	85

Supplier Indicators

Table 1: Supplier Management Indicators

KPI	2020	2021	2022	2023
Supplier Code of Conduct Signing Rate (%)	100	100	100	100
Supplier ESG Qualification Coverage Rate (%)	20	35	42	53
Innovative Supplier Coverage Rate (%)	15	15	18	19
Procurement Business Ethics Course Training Rate (%)	100	100	100	100
Procurement Environmental-Related Course Training Rate (%)	50	55	80	100
Supplier Product Training Coverage Rate (%)	100	100	100	100
Supplier NEXT Training Coverage Rate (%)	46	50	77	92
Supplier ESG Training Coverage Rate (%)	20	32	69	100

Social Indicators

Table 1: Compensation and Benefits Indicators

KPI	2020	2021	2022	2023
Average Employee Compensation Growth Rate (%)	5	5	7	4
Employee Insurance Costs	398.29	1146.18	1223.24	1126.82
Employee Welfare Expenditure	246.88	352.79	231.6	187.96
Percentage of Regular Employees Earning Below Living Wage (%)	0	0	0	0

Table 2: Organizational Structure Indicators

KPI	2020	2021	2022	2023
Number of Positions (Simplified)	480	430	400	368
Number of Cross-Functional Committees	1	3	4	4
High-Level Industry Talent Introduced	3	5	6	6
Key Employee Turnover Rate (%)	10%	8%	5%	5%

Table 3: Employee Training Indicators

KPI	2020	2021	2022	2023
Total Number of Courses on Training Platform	150	270	308	415
Employee Training Satisfaction (%)	No Data Available	>85	>90	>85

Table 4: Key Course Completion Rate Indicators

Courses	Achievement Rate for Factory Employees	Achievement Rate for All Employees	Course Satisfaction
Human Rights Training 2 - Anti-Discrimination	100%	100%	4.9/5.0
Human Rights Training 2 - Diversity Awareness	100%	100%	4.9/5.0
Human Rights Training 1 - Anti-Child Labor	100%	100%	4.8/5.0
Human Rights Training 1 - Anti-Forced Labor	100%	100%	4.8/5.0
Common Occupational Health Hazards Training	89%	76%	4.8/5.0
Occupational Health Training	100%	87%	4.8/5.0
Workplace Safety Training	100%	81%	5.0/5.0
Hazmat Safety Training	100%	82%	4.7/5.0
Waste Disposal and Sorting Training	100%	85%	4.8/5.0
Environmental Conservation Awareness Training	97%	93%	5.0/5.0
Business Ethics Training	96%	97%	4.9/5.0
Information Security Awareness Training	99%	99%	4.9/5.0

Table 5: Infrastructure Resource Results

KPI	2020	2021	2022	2023
Infrastructure Integrity Rate (%)	100	100	100	100
Infrastructure Utilization Rate (%)	100	100	100	100
Number of Key Equipment (Units)	7	7	9	14
Investment in Equipment Renovation	232	259	32	36

Table 6: Gender Composition

KPI	2023
Number of Male Employees	143
Number of Female Employees	149
Gender Ratio (Male:Female)	96%
Average Total Hourly Wage of Female Employees as a Percentage of Male Employees	72%
Percentage of Female Executives	26%
Percentage of Female Board Members	29%

Table 7: Social Responsibility Compliance Results

KPI	2020	2021	2022	2023
Amount Invested in Public Welfare	¥3,4000	¥1,1300	¥1,0000	¥1,0000

Governance Indicators

Table 1: Results of Company Conduct Measurement Indicators

KPI	2020	2021	2022	2023
Number of Violations and Disciplinary Incidents	0	0	0	0
Number of Significant Operational Activities Non-compliance Events	0	0	0	0
Labor Contract Fulfillment Rate (%)	100	100	100	100
Recordable Major Work-related Injury Incidents	0	0	0	0

Table 2: New Patent Results

KPI	2020	2021	2022	2023
New Patents Added	20	28	27	14

