

HEAD SUSTAINABILITY NEWSLETTER

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2024 Head Sustainable Development Goals

Environment

To promote continuously energy saving, consumption and emission reduction

To further invest in the new technologies and business transformation, and promote the utilization of renewable resources

Social Responsibility

Fulfilment of corporate social responsibility

To care people development and build harmonious employee relations

Governance

To enhance sustainable procurement for a green supply chain

To improve internal control and risk management systems to ensure efficient and compliant operations

Social Responsibility

Encourage Innovation and Promote the Common Growth of Enterprises and Employees

Head attaches importance to employee development and insists on building harmonious labor relations. In January 2024, we held an annual meeting and commend 25 outstanding employees in different positions, including sales, engineers and frontline production workers, and presented the Chairman's Special Award to encourage innovation among employees. We emphasized the importance of innovation and sustainable development and encouraged all employees to continue to work hard and create a more brilliant future with Head.



Organise Safety Education Activities and Focus on Occupational Health and Safety



We have always attached great importance to safety, and has done a lot of things to prevent and resolve all kinds of safety risks. At the beginning of the year, we meticulously planned the "first lesson of work" safety education activities, the activities adopted online and offline synchronous manner, aiming to deepen the staff's understanding of the importance of safety awareness.

Insisting on Employee Diversity and Caring for Female Employees

We adhere to diversity and opposes all discriminatory behaviors and others. We protect the rights and interests of female employees, and provide full support for them. On the International Women's Day, we organized an activity to care for female employees, allowing them to make DIY handicrafts, creating a meaningful, participatory and rewarding festive atmosphere.



Caring for Female Employees



Environmental Protection

We are committed to Energy Saving and Consumption Reduction



Biogas Recovery

Promoting Biogas Recovery and Enhancing Resource Recycling

We utilize the biogas generated during the wastewater treatment process as fuel for the hot air furnace, reducing the use of natural gas, effectively promoting resource recycling and mitigating the impact on the environment.

3,000 m³/day*
Natural gas savings

Equipment Modifications to Save Water

By optimizing the water circulation vacuum pump system, Head has reduced the amount of make-up water for the vacuum pumps, effectively saving water.

45 tons/day*
Reduction in pure water consumption



Water-saving Retrofits of Equipments

*Data source: Internal calculation of the company

Making the Environment Better

Head Arbor Day Activities

On 16th March, Head Group organized the Arbor Day activities, in which a group of more than 20 members of Head Volunteer Team went to plant trees in Head's Gaoqing factory.



Head Volunteer Team Participates in Arbor Day Activities

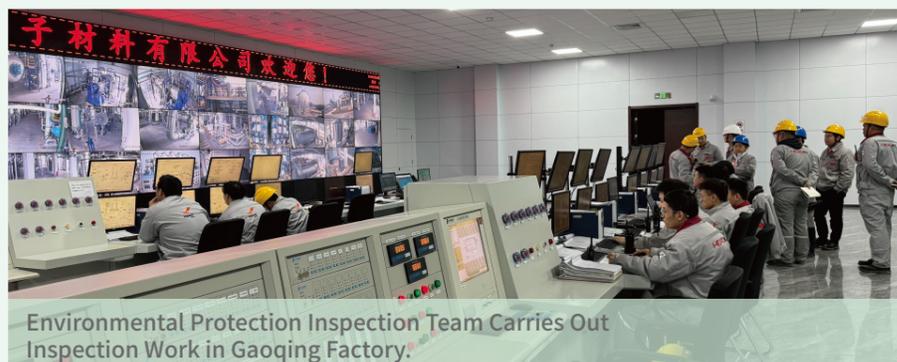
This activity reflects the teamwork spirit of Head people, makes the concept of green environmental protection more deeply rooted in people's hearts, and drives more people to join in the action of caring for the environment.



Set Up Environmental Protection Inspection Team

In order to continue to promote the Group's environmental protection work and safeguard the Company's sustainable development, we formally established the Group's Environmental Protection Inspection Team on 27 February, which was headed by the Group's CEO, Ms. Angela Bao.

The environmental protection inspection team will carry out internal environmental protection inspections on a regular basis to ensure that the company's environmental protection work can be efficiently implemented and supervised.



Environmental Protection Inspection Team Carries Out Inspection Work in Gaoqing Factory.

Governance



Carried Out Training on The Theme of Integrity and Self-discipline

Organized All Staff to Sign the 2024 Integrity Commitment Letter

We maintains a high standard of business ethics, eliminates corruption and all anti-business ethical behavior, and continues to improve the level of integrity management and integrity risk prevention and control.

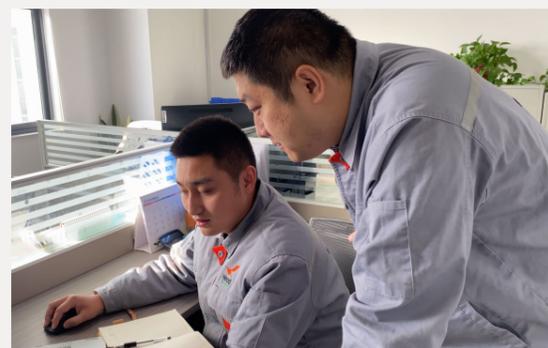
100%
Signing rate

Conducting External Audits of Listed Companies Ensuring Company Compliance

In the first quarter of 2024, we completed our 2023 external audit in accordance with the requirements of the listed companies to assess and ensure that the Company is following all control policies and procedures, effectively managing and controlling operational risks, and enhancing the overall governance of the Company.

Initiate Internal Audits to Guard Against Potential Risks

We conducted the 2024 internal audit for key business units. The first phase of the internal audit started with the sales department, where we conducted in-depth analyses of the implementation of sales processes and business ethics to identify potential risks and ensure that the company's sales are orderly and compliant.



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Thank you for reading Head Sustainability Quarterly News, your comments and suggestions are warmly welcome.

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