

# HEAD SUSTAINABILITY NEWSLETTER

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## Head Group Releases 2023 Sustainability Report

"Making Human Beings Healthier and the Environment more Friendly" is our development vision, Head continues to promote the development of corporate business, but also imagine how to build a better, fairer and more sustainable future.

On April 26, Head Group released "2023 Annual Sustainability Report", which is the first sustainability report of company. The report based on the principles of objectivity, standardization, transparency and comprehensiveness, discloses in detail of the company's sustainable development practices and performance in 2023.

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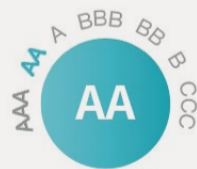
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 Sustainability Report 2023

## Head Received a "Silver" Rating from EcoVadis

Sustainability is an important part of Head's growth strategy. With outstanding performance, on May 17th, Head Gaoging Plant was awarded a "Silver" rating from EcoVadis, ranking in the top 15% globally.

In this assessment, Head excelled in the four dimensions of environment, labor and human rights, business ethics and sustainable procurement. This certification is an affirmation that Head is fulfilling its social responsibility and practicing sustainable development, and that the company's sustainability capabilities are at the leading level of the international industry.

As a global responsible enterprise, Head insists on promoting and fulfilling its commitment to sustainable development, increasing its investment in sustainable development, and creating greater value for society, customers, employees and partners.



## Head Group Receives "AA" Rating from Wind ESG!

According to the latest rating data from Wind ESG, Head Group has received an "AA" rating, with a composite score of 1/496 in the industry.

Wind ESG ratings are based on the core ESG content, in line with international standards and assessment frameworks, and based on the characteristics of China's corporate development and the current situation of the capital market, through a scientific and rigorous methodology, to predictively assess the substantial ESG risks of companies and their ability to operate sustainably. Wind ESG assigns a score range of AAA to CCC to a company, according to the ESG risks and opportunities in the industry to which it belongs, as well as its performance in relation to its peers. ESG ratings updated annually or in response to major events.



# Environmental Protection

## Energy Saving and Consumption Reduction

### Resource Recycling



MVR Steam Condensate Recovery

The steam condensate produced by MVR is recycled and reused to the production workshop after passing the test instead of being discharged directly, which effectively improves the recycling of resources.

**2 tons/day\***  
Steam savings of

### Resource Saving



TO Furnace Operation Process Optimization

Optimization of the operation flow, rational planning of the feed time of the waste gas and liquid of the TO furnace, reducing the intervals between the feed of the TO furnace, reducing the amount of natural gas, and effectively saving resources.

**5,000 m<sup>3</sup>/day\***  
Natural gas savings

### Factory Fresh Air System Renovation

In order to continue to promote energy saving and consumption reduction, Healsee started the renovation and upgrading of the fresh air system of the capsule production line. The renovation focuses on optimizing the temperature and humidity control of the production workshop, and since it has been put into operation, the cooling and heating load of the air conditioner has been greatly reduced, effectively saving electricity and steam resources.



Fresh Air System Retrofit

**200,000 kwh/month\***  
Electricity saving of

**300 tons/month\***  
Steam saving

\*Data source: Internal calculation of the company

# Governance

## Enhanced Compliance and Risk Control

Head attaches importance to compliant operation and organized 6 internal audits in the second quarter, covering many key aspects such as fund raising, external guarantee, sales and asset management. This ensured the accuracy and transparency of the company's financial reporting and strengthened the company's risk control capability through systematic risk assessment and management, helped to enhance the company's governance structure and operational efficiency.



# Social Responsibility

## Organize Talent Development Programs to Promote Staff Growth

Head attaches importance to talents and actively promotes talent development programs. The program covers multi-dimensional training such as leadership development, engineering and technical personnel development, first-line management development, and skilled worker development, ensuring that all employees can grow in all stages of their career. Head also advocates learning and sharing mechanism to enhance the competitiveness of the enterprise through internal training and experience exchange.

### Leadership Development Program

On May 10th, Healsee launched the Leadership Forum 2024, this time with the topics "Teamwork & Culture of Responsibility" and "From Good to Great". A total of 24 participants from the Healsee management team and engineers attended.



Healsee Leadership Forum

### Engineers Club

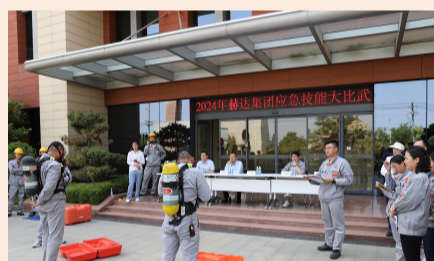
Engineers were able to share their knowledge, experience and best practices in the Engineers' Club, thus facilitating the exchange of technical and innovative ideas. As of June, the Engineers' Club has organized 2 thematic events with a total of 50 engineers and technicians participating.



Engineers Share Practical Experience

## Safety Month Activities

June was the 35th "Work Safety Month" of the Head. We carried out a series of activities such as thematic publicity, education and training, safety experience sharing, safety drill, which effectively enhanced the safety awareness of the staff and ensured the continuous stability of production safety.



Safety Drill



Thematic Publicity

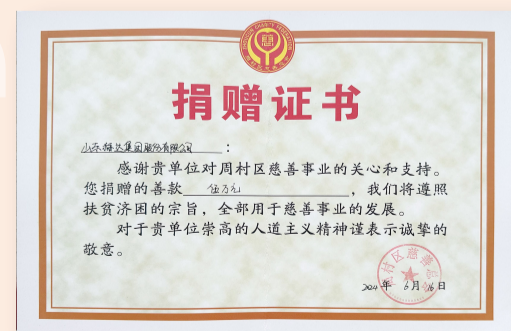
## World Earth Day — Low Carbon Travel Activity

April 22nd is World Earth Day. Head organized a low-carbon travel activity. Employees were encouraged to travel green, walk to work, and make personal contributions to carbon emission reduction. This activity enhances team cohesion and conveys the ecological civilization concept of respecting nature.



## Devotion to Public Welfare

Head adhere to the practice of "Care People Development and Advance Prosperity of Society" mission, June 16, the company donated 50,000 Yuan to the Zhoucun District Charity Federation, used to support the development of local charities.



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

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