

# QSTECH ESG 2024

Environmental, Social, and Governance Report

*Make It Easy!*



## About QSTECH

“Driven by technological innovation, QSTECH integrates green development into product design, providing users with high-value products and services while collaborating with partners to build a mutually beneficial ecosystem, fostering sustainable development for long-term corporate growth.”







# 01

## Innovation-driven Development

- Breaking New Ground for Steady Growth
  - Revenue: **¥566 million** ( 21.15% YoY growth )
  - Market Share: **33.7%** in China's domestic All-in-One product market
  - Industry Leadership: **LED All-in-One products leader for 6 consecutive years**

\*The data from 2019 to 2023 is sourced from the China LED Small Pitch & Micro Pitch Market Research Report (2019-2023) by Discien\*

\*The 2024 data is sourced from the China Small Pitch LED Market Research Report (2024) by AVC\*



# R&D Innovation

R&D System

Powered by technological innovation, we continuously explore cutting-edge industry technologies, establish effective product quality management systems, and deliver high-value products and services to drive long-term corporate growth.

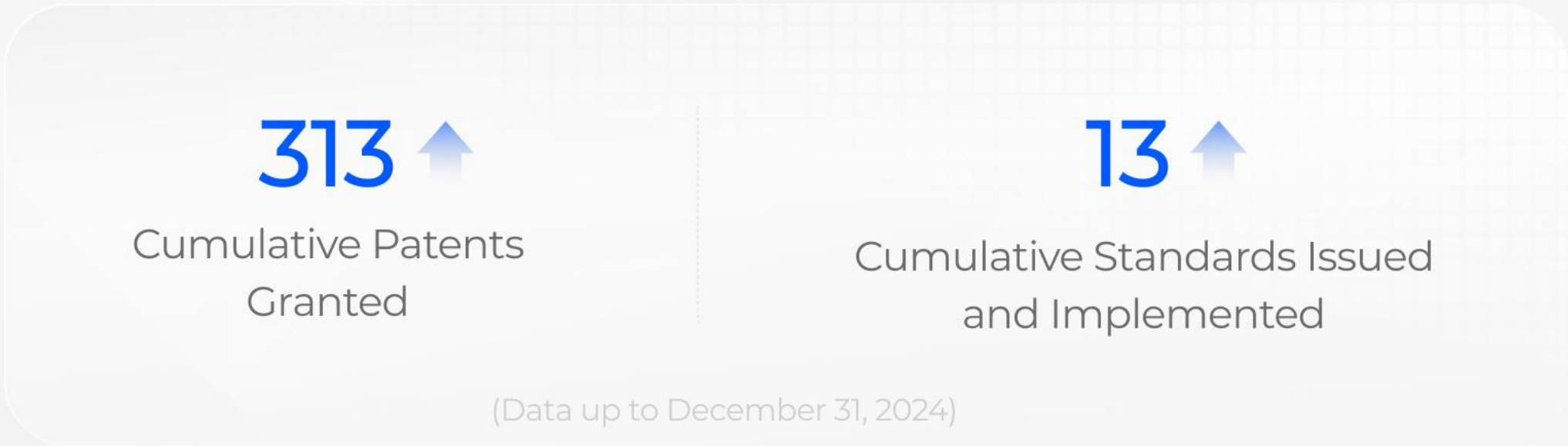
- Talent Density: 11.2%

with Master’s degrees
- R&D Workforce: 39.4%

of Employees dedicated to innovation

Innovation Achievements

We have accumulated 313 authorized patents, comprising 33 invention patents, 215 utility model patents, and 65 design patents. Additionally, we have established 13 LED industry implementation standards, including 4 national standards (GB) and 9 group standards (T/).

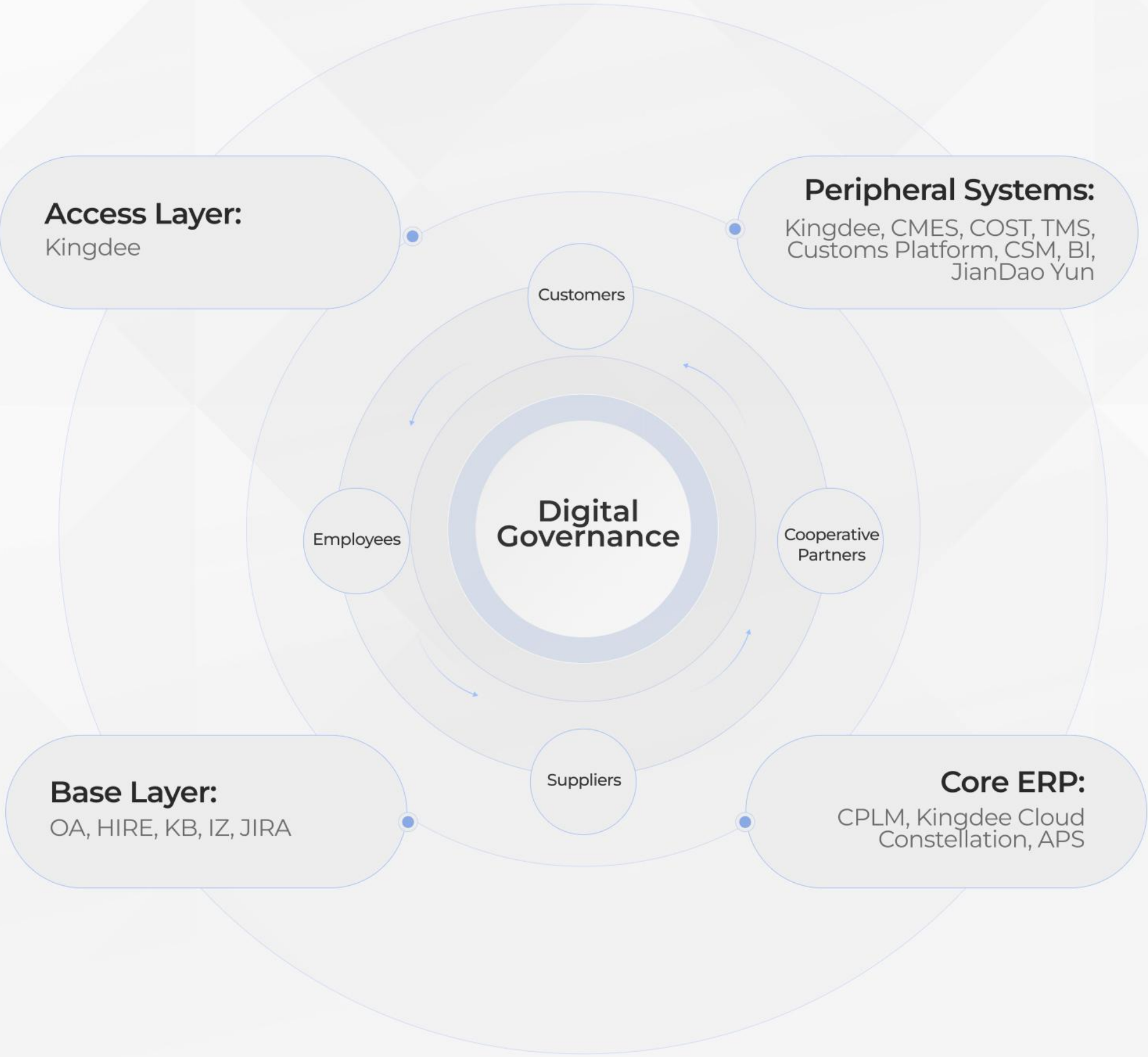


# R&D Innovation

- Digital Governance

We developed an end-to-end system encompassing data strategy, governance architecture, applications, security protocols, quality standards and life-cycle management, driving digital transformation initiatives and governance enchantments.

Operational Assets: 15+ data management tools&core systems, 256+ process optimizations implemented in 2024





# Product Innovation

## Design Standards

We have always integrated environmental protection and green development into product design and standardized technical documents.



GB 21520-2023 Display Energy Efficiency Limits & Grades





T/COEMA 105S-2021 Indoor LED All-in-One Technical Specifications





T/COEMA 301S-2017 LED Display Energy Efficiency Testing






T/COEMA 106S-2021 Indoor LED Cloud Panel P2.5/ P1.9 Technical Requirements




## Launching Innovative Products NEW


QSTECH product development has been continuously innovated and invested in. Based on customer needs, we constantly optimize the user experience. Our All-in-One LED display has led the industry for six consecutive years.




X Wall V3  
Indoor All-in-One  
LED Display




CX27 Series  
indoor fine-  
pitch LED




Home  
Theater  
LED cinema



E28 Series  
outdoor fine-  
pitch LED



D43 Series  
LED cinema



RT45 Series  
rental LED



# Quality Service

- LED Expert Service Network

We have implemented responsible marketing principles and established smooth customer communication channels.

172

customer service training sessions

covering 3000+ trainers

5-Star



Service Excellence Certification - Platinum Level

12-Star



After-sales Service Maturity Certification - Diamond Level

- Information Security and Privacy Protection

ISO 20000 ( IT Service Management )

ISO 27001 ( Information Security )





## 02

# Green Development

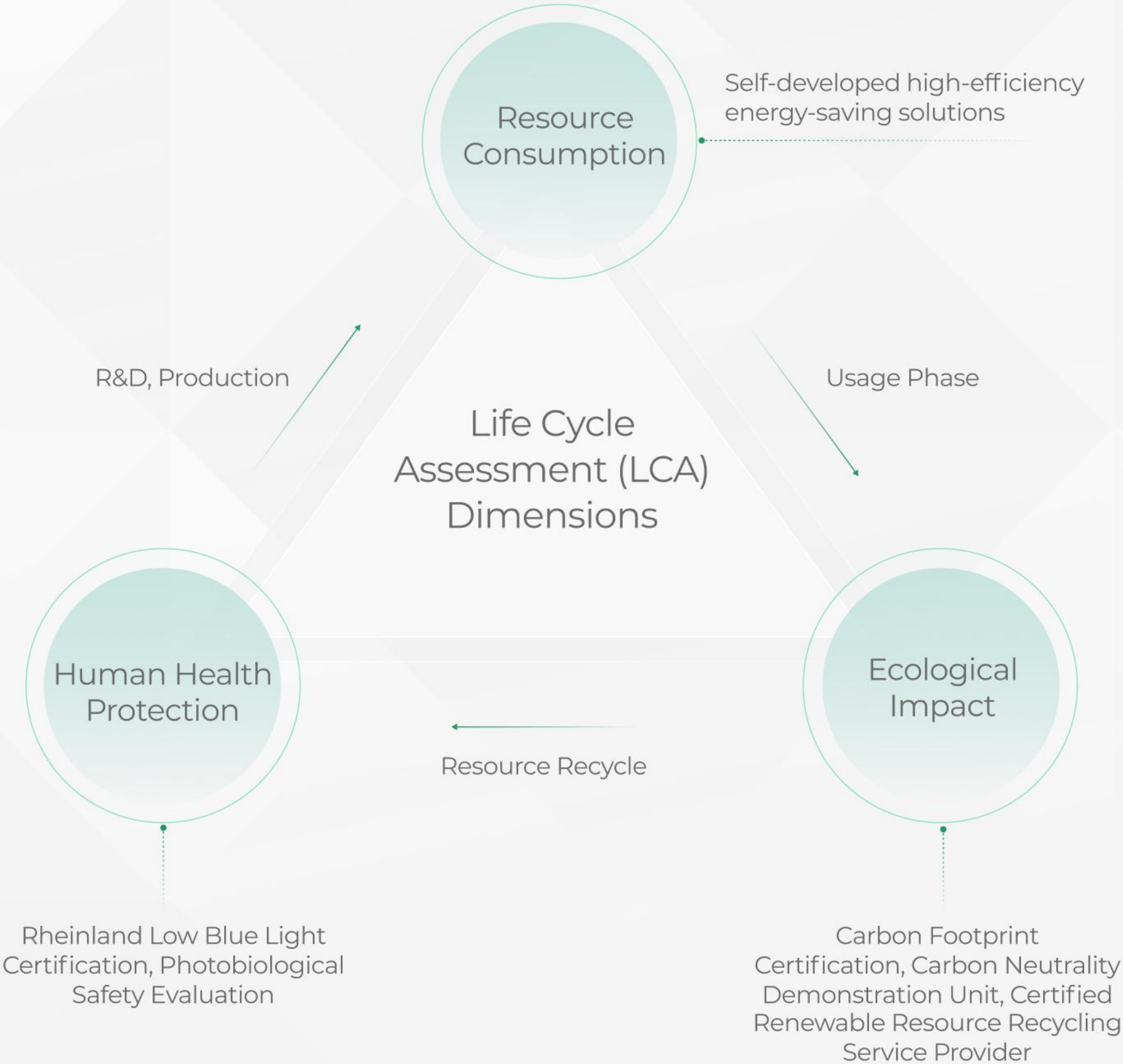
- In pursuing sustainable development, QSTECH integrates environmental responsibility into its entire value chain, leveraging technological innovation to drive green advancements in the display industry.



# Green Products

Life Cycle Assessment (LCA)  
Dimensions for Green Development

As a mission of our era, green development drives QSTECH to establish a product life cycle assessment framework under sustainable development principles. This initiative advances green manufacturing, achieving triple wins in economic value, health protection, and environmental stewardship.





# Green Products □ ■ □ □

## ■ Environmental Product Management Measures

### ■ Environmental Systems

Established comprehensive environmental protection systems

- Certified ISO 14001 Environmental Management System
- QC 080000 Hazardous Substance Process Management
- System ISO 50001 Energy Management System Certification

### ■ Product Certifications



EU RoHS/REACH Compliance



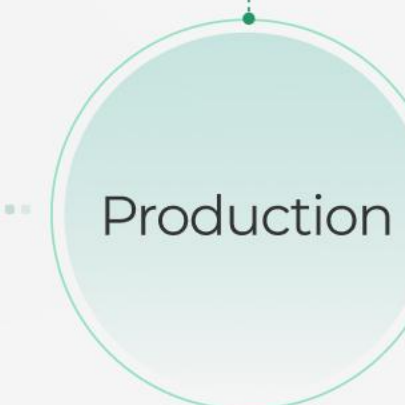
China RoHS Compliance



## ■ Environmental Product Control Methods

- Eco-Friendly Material Selection

- Green Production Line Control



- Green Supply Chain Procurement
- Quality & Environmental Agreements
  - Online Environmental System
  - Environmental Audits

- Standards Development & Compliance Monitoring
  - CGPM Green Product Management System
    - EFP-RoHS Management
  - Environmental Awareness & Training Programs



# Green Operations

- Taking QSTECH outdoor LED display series as an example:

With self-developed high-efficiency PFC power solutions, optimized LED forward voltage, and chip-level voltage division technology, QSTECH saved 4.918 million kWh of electricity in 2024.

Equivalent to Coal savings:

↓ 1,524.6 t

Natural gas savings:

↓ 910,000 m<sup>3</sup>

Water savings:

↓ 19,700 m<sup>3</sup>

Carbon offset equivalent to planting deciduous forests:

↑ 5,030.8 he

Environmental management expenditure:

over USD 50,000

Wastewater, exhaust gas, and waste disposal compliance rate:

100%

\*Data source: internal calculation. The comparison is made with outdoor products in the same application scenario, after the 2024 technological iteration versus the previous version.\*





## 03

# Corporate Social Responsibility

- QSTECH firmly believes that corporate development and social progress are intertwined. Committed to fulfilling its social responsibilities, the company actively engages in various initiatives.



# Employee Care

## Security, Diversity, and Inclusion

As of the end of 2024:

- 100% employment contract signing rate
- 100% social insurance coverage, 100% employee accident insurance coverage
- 30% female representation in management

- Total employee benefits expenditure in 2024: \$ 766,000

Trade Union Activities  
Expenditure:

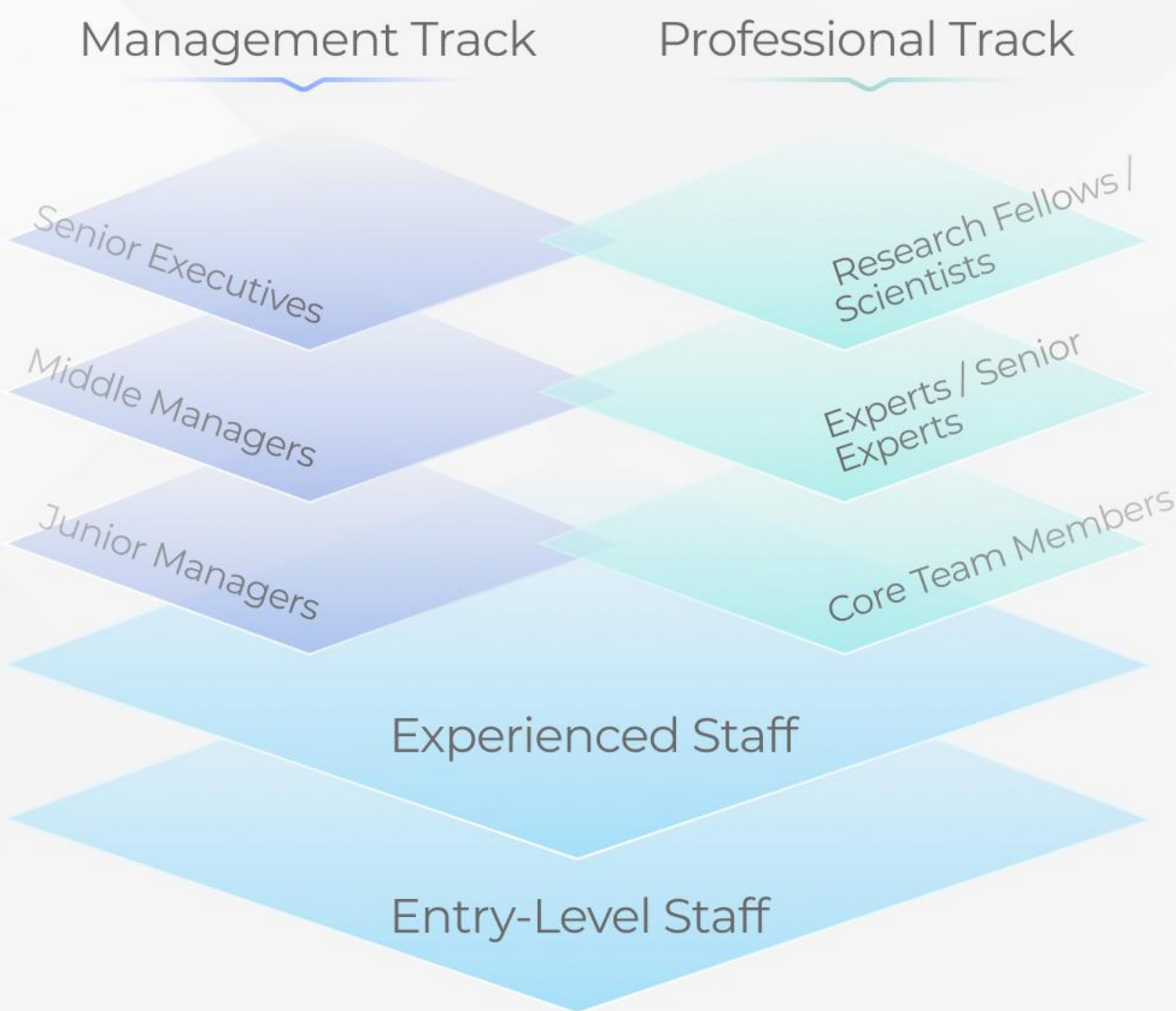
USD 59,200

Employee Welfare Activities  
Expenditure:

USD 71,700

## Training & Development

- Dual career paths: “Management” and “Professional” tracks
- 100% employee training coverage, 100% safety training coverage
- 168 professional training sessions for R&D positions





# Social Welfare

- QSTECH Northeast Team’s “Dream Home” Charity Initiative



- “Light Up the Stars and Walk Together” Charity Campaign

From January to March 2024, 132 QSTECH employees collectively completed 53.99 million steps, covering a total distance of 40,000 kilometers in the charity campaign. At the awards ceremony, QSTECH donated charity funds to the “Vitamin C Healthy Dinner Program” in the name of the second-place team.







## 04

# Legal Compliance

- QSTECH integrates compliance into its corporate DNA, upholds legal compliance as the cornerstone of sustainable development, ensuring every business operation adheres to domestic and international laws, regulations, and ethical standards.



# Responsible Supply Chain □ □ □ ■

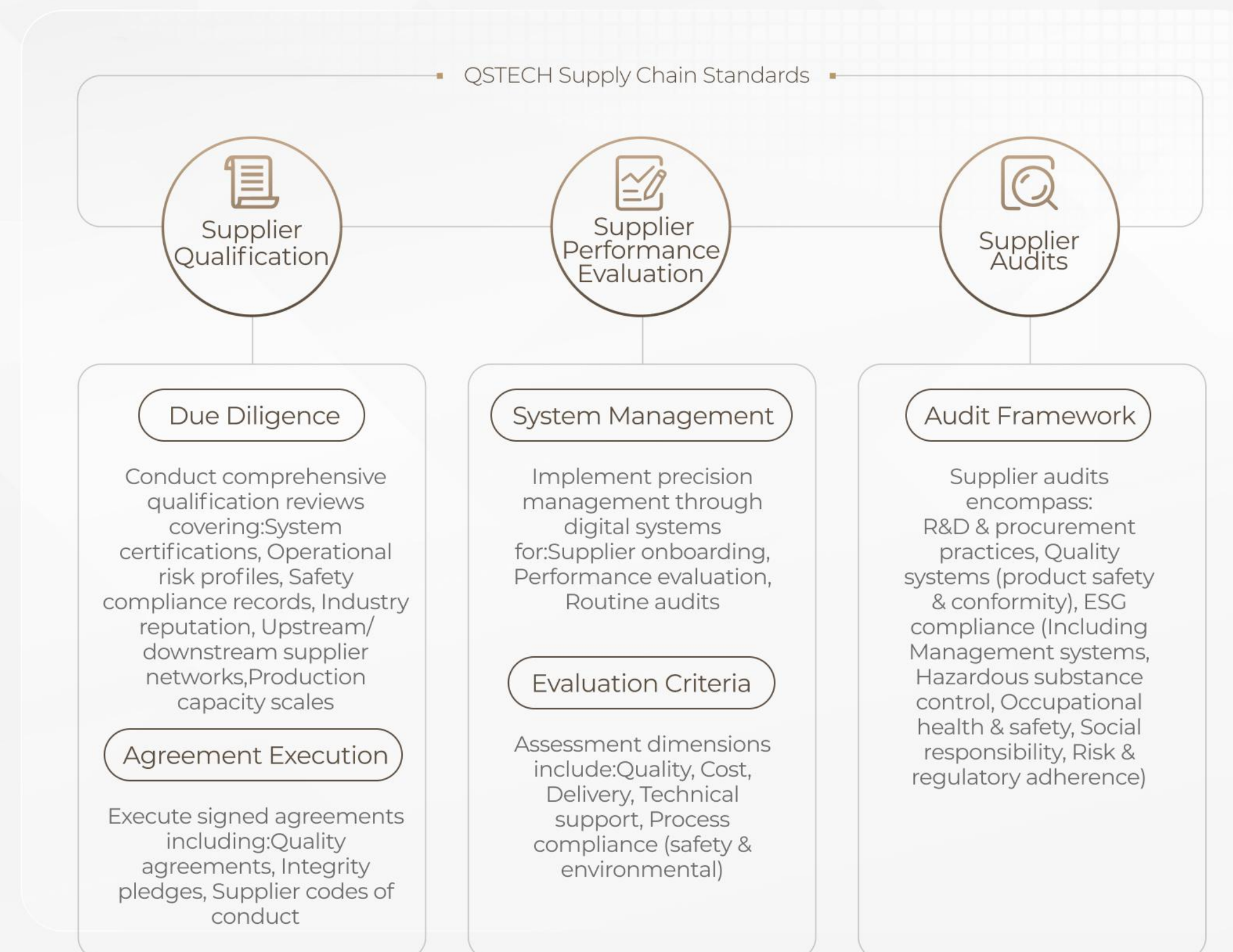
## Basic Supply Chain Requirements

- We have established the **Supplier Management Control Procedure**, setting baseline requirements including operations, personnel, equipment, design & development, cost, and quality management. We focus on end-to-end quality control, environmental systems (QMS/CP/ESH), and social responsibility management as key evaluation metrics.

## Enhanced Corporate Governance

- Developed **Supplier Code of Conduct** and **Supplier Social Responsibility Notice**
- Published and improved:
  - Supplier Onboarding Management Standard**
  - Supplier Audit Management Standard**
  - Supplier Performance Evaluation Standard**
  - Supplier Code of Conduct**
- We collaborate closely with suppliers to promote diversified, transparent procurement and build mutually beneficial partnerships for sustainable industry development.

## QSTECH Supply Chain Standards

















# Business Compliance

- Established the **Code of Business Ethics** to foster a fair and integrity-driven work environment
- Implemented a **“Three Lines of Defense”** risk control system to achieve compliance objectives
- **100%** employee coverage in integrity education and training; conducted 51 activities including integrity culture training, anti-fraud workshops, and clean governance site visits
- **100%** signing rate of Supplier Integrity Pledges; **zero integrity violation cases** among supply chain employees
- Awarded **“Grade A”** - the highest disclosure rating for 2022-2024

# Honors & Certifications

 <div>National Specialized "Little Giant" Enterprise <small>Ministry of Industry and Information Technology</small></div>	 <div>National High-Tech Enterprise <small>National High-Tech Enterprise Certification Management Leading Group</small></div>
 <div>Shaanxi Provincial Key Industrial Chain/Chain Leader Enterprises (New Display Sector) <small>Shaanxi Provincial Department of Industry and Information Technology</small></div>	 <div>Shaanxi's First Batch of Manufacturing /Nurturing Enterprise for Single Product Champion <small>Shaanxi Provincial Department of Industry and Information Technology</small></div>
 <div>2024 Top 10 LED All-in-One Machine Brands <small>DAV Digital Audio-Visual Engineering Network Digital Audio-Visual Engineering Magazine</small></div>	 <div>Provincial Pilot Enterprise for Improving Employee Life Quality <small>Shaanxi Provincial Federation of Trade Unions</small></div>
 <div>"Meritorious Enterprise Award" - 15th Anniversary of China's Commercial Display Industry* <small>Commercial Display Branch, China Electronics Industry Association</small></div>	 <div>2024 ESG 500 Strongest Listed Companies in China* <small>Securities Times</small></div>
 <div>2024 China's Top 500 Manufacturing Private Enterprises* <small>All-China Federation of Industry and Commerce</small></div>	 <div>2024 Top 500 Chinese Private Enterprises by Invention Patents* <small>All-China Federation of Industry and Commerce</small></div>
 <div>2024 Forbes China Global Expansion Leaders* <small>Forbes China</small></div>	 <div>National Commercial Display Industry Quality Leadership Enterprise* <small>China Quality Inspection Association</small></div>

\*Awards marked with an asterisk are earned by parent company CVTE [Stock: 002841], with data inclusive of QSTECH contributions.





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