

2023

Environmental, Social and Governance Report

HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO., LTD.



About Hikvision-Leading the Future of AIoT

Message from the Management

ESG Management

ESG Management Philosophy and Framework	05
Material Topics	06
Stakeholder Engagement	07
Honors and Awards	09

Tech for Good

Tech For Homeland	13
Tech For Environment	17
Tech For Industry	21
Tech For Community	26

01 Governance Responsibility

Strengthening Corporate Governance	34
Strengthening Risk Management	36
Building Compliance Ecosystem	38
Adhering to Business Ethics	42
Respecting and Protecting Human Rights	44

02 Product Responsibility

Promoting Technological Innovation	48
Guaranteeing Product Quality	51
Delivering Quality Services	54
Network and Information Security	57

03 Environmental Responsibility

Green Management	64
Green Products	67
Green Production	71
Green Operation	75
Green Action	77

04 Employee Responsibility

Gathering Diverse Talents	80
Safeguarding Employee Rights	83
Protecting Employee Health and Safety	86
Empowering Employee Growth	88
Enhancing Employee Care	90

05 Partner Responsibility

Responsible Supply Chains	96
Contributing to Industry Ecosystem	99

06 Community Responsibility

Hikvision STAR Program	106
Contributing to Community Development	109

Appendix 1: KPI Tables

Appendix 2: GRI Content Index -- "Refer to GRI Standard"

About This Report

Reader Feedback

About Hikvision

Leading the Future of AIoT

Hikvision is committed to serving various industries through its cutting-edge technologies of multi-dimensional perception, artificial intelligence, and big data, leading the future of AIoT: through comprehensive machine perception technologies, we aim to help people better connect with the world around them; with a wealth of intelligent products, we strive to identify and satisfy diverse demands by delivering intelligence at your fingertips; through innovative AIoT applications, we are dedicated to empowering every individual to enjoy a better future by building an intelligent world that is more convenient, efficient and secure.



Message from the Management



Chief Compliance Officer
(CCO), Hikvision
Huang Fanghong

An excellent company responds to the needs of society continuously and effectively, so that the company can create value for the society and sustain its vitality.

In 2023, Hikvision completed the initial stage of the transformation on AIoT strategy and actively promoted digital transformation businesses with the aim of creating value for our customers in quality, efficiency, and cost-effectiveness. To fulfill our commitment to public welfare, we launched various initiatives. For instance, we leveraged intelligent technologies to assist farmers in Sichuan with apple cultivation; implemented digital intelligence solutions to safeguard the heritage of Dunhuang; conducted virtual classes for children in remote mountainous areas; aided management officials in Lanzhou City in developing intelligent urban environmental sanitation systems; and contributed to the protection of endangered wildlife. Both customer satisfaction and our business successes align closely with our vision for a better world, as we dedicated ourselves to fostering a shared development with our customers and society at large.

Practicing the ethos of "Tech for Good", adhering to "pragmatism", and exploring "Green" transformation, Hikvision leverages our products to deliver the value of sustainable development. Through digitalization, we empower urban management, boost vitality in rural areas, establish intelligent natural reserves, mitigate natural disasters with technological insights, and propel the digital transformation of industries with intelligent logistics. These ongoing innovations underscore the Company's value and exemplify our proactive response to the evolving needs of societal development. We firmly believe that together with the momentum of digital transformation and technological advancements, we will attain stable and sustainable growth.

Perception for goodwill leads to the extension of knowledge. Shared ideals contribute to a sustainable future.

April 2024

ESG Management

ESG Management Philosophy and Framework

Material Topics

Stakeholder Engagement

Honors and Awards

ESG Management Philosophy and Framework

Hikvision, as a responsible corporate citizen, upholds the ESG management philosophy of "integrating corporate social responsibility and sustainable development philosophy into business, and becoming an innovation-driven, well-respected global technology company". Our ESG management framework, with the ethos of "Tech for Good" as its core, is geared towards fostering Tech for Homeland, Tech for Environment, Tech for Industry, and Tech for Community, based on the guiding principles of integrity, compliance, green and low-carbon development, and harmonious coexistence. With six major responsibilities serving as our lens and various organizational processes to support, this model serves as a catalyst for the mutual enhancement of ESG disclosure and ESG management, thus shaping a closed-loop of continuous ESG improvement.

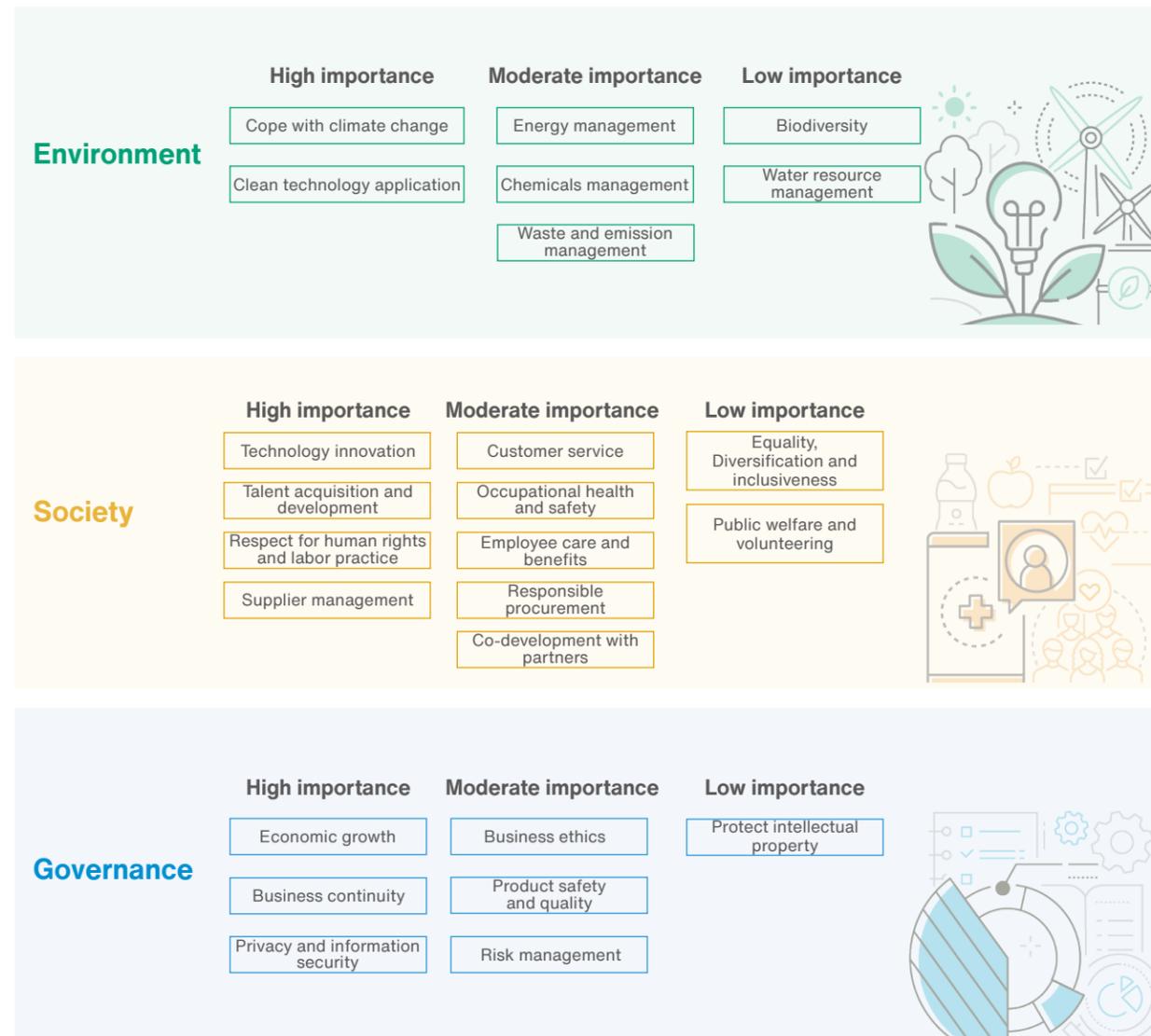
On January 29, 2024, Hikvision officially joined the United Nations Global Compact (UNGC), affirming our dedication to upholding the Ten Principles rooted in UN conventions. These principles encompass fundamental aspects such as human rights, labor, environment, and anti-corruption endeavors. Our commitment in this aspect will also contribute to the realization of the 17 United Nations Sustainable Development Goals (SDGs).



Material Topics

In response to domestic and international policy mandates, ESG related standards, and pertinent industrial concerns of capital market rating agencies and peer companies, we updated our topic library based on the key issues highlighted by Sustainability Accounting Standards Board (SASB) Standards, our business attributes and operational dynamics.

Following the material topics identification process guided by Global Reporting Initiative (GRI), we adopted a dual materiality approach, taking into consideration both the "significance to Hikvision's sustainable development" and the "influence on stakeholder decisions". We conducted interviews and surveys with nearly 150 internal and external stakeholders. The comprehensive approach allowed us to gain a thorough understanding of their expectations, suggestions, and needs of developments concerning Hikvision. Subsequently, we meticulously analyzed the material topics identified and will offer key disclosure and response through this report to effectively address the needs and expectations of our stakeholders.



Stakeholder Engagement

Based on the materiality matrix, the Company actively responds to the expectations and demands of stakeholders, such as the government, regulators, shareholders, and customers. By sorting out and analyzing the concerns of stakeholders, we take concrete actions as our response.

Stakeholder	Topic of concern	Way of communication	Response
Shareholders/ investors	Economic growth Compliance Operations Risk management Sustainable development capability	Regular report/interim announcement Field research Telephone communication Email correspondence Performance briefing/roadshow	Maintaining steady economic growth
			Adhering to the business philosophy of legal compliance and establishing risk management system and compliance ecosystem Offering industry-leading products and solutions with a strong business ecosystem
Government & regulators	Fulfilling tax obligations Addressing social issues Product safety and quality Environmental protection Maintaining corporate value growth momentum	Regular report/interim announcement Letter Field research Government communication meetings	Fulfilling tax obligations
			Leveraging "Tech for Good" to provide solutions and satisfy social needs Focusing on the clean technology application of Hikvision's products and promoting the low-carbon transition of the Company
Customers	Innovation and R&D Product safety and quality Privacy and information security	Hotline Information feedback Satisfaction survey	Adopting a mature quality management system to ensure product safety and quality
			Establishing solid network security management structure to provide customers with stable, reliable, secure and trustworthy products and services
Employees	Rights protection Talent attraction and retention Professional development Occupational health and safety	Communication meetings Employee survey Hotline and email	Establishing an equal and inclusive working environment, and providing comprehensive development channels and opportunities
			Attracting diversified talents
			Providing employees with safe workplace and health protection Continuously improving employee wellbeing corporate culture
Suppliers and partners	Responsible procurement Supply chain management Data security	Assessment and scoring Field research Suppliers' meeting Supplier empowerment training	Pursuing the business philosophy of integrity and trustworthiness
			Integrating the sustainability philosophy throughout the entire supplier management process, and guiding suppliers to strengthen ESG management
			Promoting conflict mineral management with high standards and strict requirements Proactively building diverse communication and learning channels, gathering upstream and downstream partners, and empowering the supply chain
Communities	Community participation Charity Environmental protection	Community activity Media coverage Interview and research	Making technology warmer through its support for public welfare, encouraging employees to volunteer and engage in charity
			Promoting the concept of green office and reducing potential negative impact of business operations on the environment
Peers/NGOs /industry organizations	Product and service quality Driving industry development Social responsibility	Participating in industry forums and conferences Engaging in industry research and standard formulation Joining international organizations	Joining international organizations to jointly promote sustainable development Sharing cutting-edge technologies, information, and platforms, and collaborating with a wider range of industry partners for common progress

|Case|

ESG conferences held across the globe

In 2023, Hikvision hosted global ESG conferences in Sydney of Australia, Auckland of New Zealand, and Hangzhou of China. These conferences provided a platform for discussions on a wide array of ESG topics, including human rights, compliance, and climate change. We actively promoted our ESG management philosophy of "Tech for Good" and underscored the positive impact of ESG initiatives on the Company's sustainable development. In the future, we will promote sustainable development with concrete actions, call for joint solutions to social problems, assume social responsibility, and strive to achieve the goal of creating lasting value and improving social well-being.



International ESG conference

Honors and Awards

Subject	Issued by	Awards and honors
Development Quality		
	The Communist Party of China (CPC) Central Committee, the State Council	Awarded the title of "National Excellent Engineering Team"
	State Administration for Market Regulation	Entered the list of winners of the "Fifth China Quality Award"
	People's Government of Zhejiang Province	Honored with "the 1st Place of the Zhejiang Science and Technology Progress Award"
	Securities Times	Selected as "the 17th Outstanding Intelligent Enterprises of Listed Companies" in China
	E-works	Selected as the "Top 100 Benchmark Smart Factories in China"
The Company	China Enterprise Evaluation Association, China Academy of Information and Communications Technology	Ranked the 27th of "Top 500 List of Digital Economy Enterprises in China"
	China Enterprise Evaluation Association	Ranked the 13th of "Top 500 New Economy Enterprises for 2022 in China"
	China Association for Quality Inspection	Honored with the title of "Exemplary Enterprise with National Product and Service Quality Integrity"
	China Information Technology Industry Federation	Honored with the title of "Top 100 Electronic Information Competitiveness Enterprises in 2023" in China
	China Software Industry Association	Honored with the "2023 Excellent Software Product Certificate" in China
Corporate Governance		
	China Association for Public Companies	Selected as one of "the Best Case of Corporate Governance in 2023"
	Trade Unions of Zhejiang Province	Honored with the "May Day Labor Award of Zhejiang Province"
The Company	Wind	Honored with the "2022 Listed Company Market Value Ranking Prize -Top 50 of the Most Popular Listed Companies selected by Institutional investors"
	Wind	Honored with the "2022 Listed Company Market Value Ranking Prize -Top 5 of the technology hardware and equipment industry"
Chairman	Securities Times	Honored with the "17th Annual Leading Figure of Chinese Listed Companies" Award
Board Secretary	Securities Times	Honored with the "Outstanding Board Secretary of Chinese Listed Companies" Award
The Company	Comein Finance	Honored with the "Best Institutional Investor Relations (IR) Team of 2023" Award
Responsibility Practice		
	General Administration of Sport of China, China Disabled Persons' Federation, Zhejiang Provincial Committee of CPC, and People's Government of Zhejiang Province	Honored with the "Advanced Collective of Hangzhou Asian Games, Asian Paralympic Games"
The Company	People's Daily Online	Honored with the "Rural Vitalization Award" at the 18th People's Enterprise Social Responsibility Competition
	Economic Observer	Selected as the "2023 ESG Pioneer 50" of Listed Companies in China
	China Business Network	Honored with the "Exemplary CSR Award" in the 2023 China Corporate Social Responsibility Competition
	JRJ.com	Selected as an outstanding case of ESG practice in the "Golden Intelligence Competition"
Brand Value		
	People's Daily Online	Honored with the "People's Ingenuity Brand Award" at the 20th People's Enterprise Social Responsibility Awards
	Stock Star	Honored with the "Best Brand Award for 2023"
The Company	National Business Daily	Selected in the "Top 100 Brand Value List of Chinese Listed Companies for 2023"
	China Association for Brand Building and Promotion	Honored with the title of "Brand Value Leader"
	China Association for Quality Inspection	Honored with the "National Product and Service Quality Integrity Brand"

"The significance of technological progress lies in its ability to propel social development, and it is only enterprises imbued with a sense of social responsibility can achieve sounder and more sustainable progress. Throughout the years, Hikvision has remained steadfastly in steering its business development guided by the pursuit of social value. By adhering to sustainable business practices, Hikvision ensures the continuity of its social responsibilities while fostering a virtuous cycle of growth. As a result, its brand influence continues to expand, enabling a broader audience to recognize the value and significance of technological progress."

—Organizing Committee of China Corporate Social Responsibility Roll
by China Business News



TECH FOR GOOD

At Hikvision, we recognize technology as the primary driver of productivity and "good perception, forward thinking" as mission. We abide by laws, regulations, and social norms, start from the "goodwill", aiming to leverage technology well, and to "develop technology for good".

The "goodwill" not only shows our self-assurance built on independent innovation, but also manifests as a voluntary choice amidst competition.

As pioneers, leaders, and drivers in our field, we leverage our position to offer users inclusive technological products, services, and solutions that are open and shared.

We view the "goodwill" as a crucial link between social and environmental sustainability and our own business development, integrating it into every facet of our operations to enhance social well-being on a broader scale.

Tech for Homeland

Tech for Environment

Tech for Industry

Tech for Community

TECH FOR HOMELAND

Building a beautiful homeland is a common vision for humanity. At Hikvision, we contribute to the development of vibrant cities and prospering rural areas, striving to build modern, livable, and intelligent habitats. We infuse technology with a sense of warmth and compassion to meet the people's growing needs for a better life, so as to truly benefit the people with intelligence.

Empowering Urban Governance

We empower intelligent and IT-based applications across diverse domains and scenarios within urban settings, extending the benefits of technology to every corner of a city. Through a closed-loop business process encompassing "sensing, monitoring, warning, handling, and supervision," we foster innovative approaches and modes to urban management, while optimizing the management of smart cities to make it more visualized, standardized, intelligent, and precise.

| Case | Digital empowerment accelerates the development of livable Lanzhou with smart technologies

Lanzhou, with its ancient charm and rich urban heritage, owes its splendor to the dedicated stewardship of city administrators. In 2023, Hikvision partnered with the Lanzhou City Management Committee to establish the "Service Platform for Urban Operation and Management - Smart Sanitation System." Leveraging AIoT products and technologies, we advanced intelligent sanitation management in Lanzhou, bolstering the efficiency and quality of road cleaning, waste sorting, public toilet management, and other related tasks. This collaborative effort significantly contributed to the development of a more aesthetically pleasing and livable Lanzhou. The project was awarded as an "Excellent Case for the Digital Transformation of Sanitation in China in 2023" by the Division of Smart Environmental Sanitation of the China Association of Urban Environmental Sanitation.



Waste Sorting Supervision Platform

Hikvision harnesses AIoT technology to ensure fire safety with the Smart Fire Management Platform in the Dukezong Ancient Town, renowned for its wooden architecture. Additionally, in Changsha City's Langli Hydrological Station, Hikvision establishes a digital twin platform to survive the flood season safely every year, and lead the high-quality development of smart cities across various regions through digital innovations.



Scan the QR code to learn more

Building Digital Village

We leverage IoT sensing, big data, and artificial intelligence to offer comprehensive solutions tailored for digital villages, focusing on five aspects such as industrial development, ecological preservation, governance enhancement, service improvement, and cultural enrichment. These solutions are designed to address the production and living requirements of rural areas, encompassing infrastructure upgrades, industrial rejuvenation, innovative business models, rural governance improvements, information accessibility, and better ecological and livable environment. Our efforts will help bridge the urban-rural digital divide and foster equilibrium between urban and rural resources, thereby fostering strong agriculture, a beautiful countryside and well-off farmers.

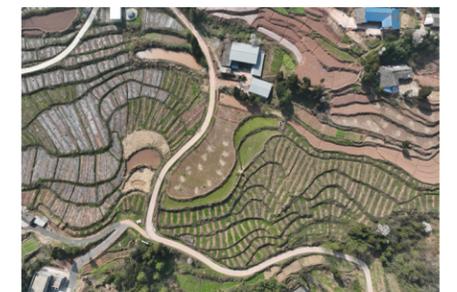
| Case | Intelligent and digital technologies enable a good harvest of apples

In Fangshan Village, Sichuan Province, agricultural challenges such as abandoned land for many years, unpredictable weather, and severe pest infestations have hindered apple cultivation. In March 2023, Hikvision installed agricultural IoT video perception devices, IoT insecticidal lamps, and an agricultural management platform at the Sichuan Youth Science and Technology Farm to gather real-time environmental data, monitor plant diseases and insect pests, and facilitate precise fertilization and pesticide application. The "smart farming" practices has enabled more scientific and efficient apple cultivation, providing robust support for the farm to ensure bountiful harvests and enabling villagers to increase their income.



The smile on villager's faces

"The expertise of the experts is like a timely rain that nourishes the flower buds during apple blossom, and so is Hikvision's equipment." —Cai Qingsong, Head of the Youth Science and Technology Farm



Scan the QR code to learn more

Hikvision's AIoT equipment has played a pivotal role in preserving a favorable environment and enhancing safety measures in villages across Zhoukou. Notably, at Xiaoduzhuang Village, Tianjin, we have implemented a remote communication system to assist elderly individuals living alone at home, ensuring their peace of mind. Our AIoT equipment also fosters intelligent primary-level governance in more regions, helps build a beautiful and ecological environment, and bolsters the development of local agriculture and the overall well-being of villagers.

Protecting Historical Relics

We actively participated in the field of cultural heritage preservation, with a dedicated focus on addressing the needs of different scenarios. Through the development of a comprehensive, multi-level, and multi-dimensional security system tailored to various scenarios, we have successfully integrated technology with culture. Leveraging AIoT technology, we have fortified the protection of world heritage sites, thereby fostering inheritance of culture.

| Case |

"Smart Guardians" safeguard the splendor of Dunhuang

Dunhuang, as a symbol of Chinese civilization, possesses precious grotto heritage. Due to its remote location, fragile surrounding environment, and human interference, the Dunhuang Grottoes are faced with complex safety challenges. In partnership with the Dunhuang Academy, Hikvision created and applied a grotto security protection system in 2023. This system incorporates risk management across all facets, safeguarding the caves, ancient structures, visitors, and staff, thus preserving the cultural splendor of the desert.



AIoT equipment guards Dunhuang day and night

Hikvision's AIoT equipments are employed in various cultural heritage sites. For example, at the Leshan Giant Buddha, they enable 24-hour monitoring of water levels. At Mount Tai, thermal imaging and intelligent recognition technologies are utilized for automatically inspecting the scenic area and checking fire risks. At the Sanxingdui archaeological site, products such as laser radar are employed for monitoring various forms of intrusion and damage. These are just a few examples of how Hikvision utilizes technology to safeguard the inheritance of human civilization.



Scan the QR code to learn more

TECH FOR ENVIRONMENT

Humanity and nature are a shared community of life. Enterprises play a crucial role in fostering the harmonious coexistence of humans and nature and thus bear the responsibility of Nature Positive. Hikvision harnesses technology as a potent tool to address environmental challenges and pioneers a new intelligent ecological protection model through "Visual Integration, Monitoring and Management Linkage." With industry-leading concepts and technologies, Hikvision accelerates the transition from human-centered to data-centered ecological environment governance, thereby facilitating high-level ecological environment protection and enhancing modern ecological governance capabilities. Our aim is to cultivate a friendly relationship between technology and nature, where they mutually reinforce and advance in the pursuit of nature conservation.

Biodiversity Protection

Guided by the principle of "Tech for a Better World", we are dedicated to actively produce the right products, platforms, algorithms, and more. Through ongoing intelligent monitoring and regulation, we have implemented mechanisms for collaborative prevention, control, and governance. By integrating protection and comprehensive governance, we enable ourselves to safeguard biodiversity.

| Case | The "circle of life" in Sumatra protected by the strength of technology

Sumatra, Indonesia, is one of the most biodiverse regions on Earth. Yet, persistent human activities pose substantial threats to various species, endangering their survival. In collaboration with PT Alam Bukit Tigapuluh, a sustainable forest development organization, and the Indonesian branch of the World Wide Fund for Nature (WWF), Hikvision installed video perception devices in Sumatra. These devices are tasked with continuous monitoring of endangered species, such as the Sumatran elephant, supporting biodiversity conservation initiatives.



Sumatran elephant

"Observing wildlife in low-light conditions within tropical rainforests is extremely challenging. However, Hikvision's innovative technology has brought positive changes to our work, enabling us to capture clear and vibrant images and enhancing our efficiency."

— **Muhammad Rizki Qosyim, representative of PT Alam Bukit Tigapuluh**

Hikvision utilizes technology to monitor the habitat and behaviors of plants and animals in natural reserves together with many partners. We monitor six nature reserves in South Africa and Kenya, and protect wildlife such as black rhinoceros, white rhinoceros, and lions. In Sichuan, we find wild giant pandas. In Longqishan National Nature Reserve in Fujian, we observe and protect black bears, yellow-bellied horned pheasants, and white pheasants. These concerted efforts have laid the groundwork for biodiversity research and conservation, offering hope for the preservation of the world's rich tapestry of life.



Scan the QR code to learn more

Environment Protection

We are committed to implementing comprehensive and systematic measures to tackle ecological and environmental damage at its source. Our efforts are center around regulating the entire process of air, water, soil, and solid waste management. By doing so, we actively contribute to a beautiful China characterized by clear sky, lush greenery, and clean water, and help to promote the sustainable development of people and nature.

| Case | Intelligent supervision of integrated management platform protects Anji's water source

Anji County in Zhejiang Province relies heavily on its water resources, and shoulders the responsibility of safeguarding this invaluable asset. To this end, Hikvision leverages a suite of advanced technologies including high-spectral water quality monitors, radar flowmeters, AR eagle-eye systems, electronic fences, underwater cameras, and other devices to establish a digital supervision platform for water sources. This platform facilitates intelligent management of water pollution across 12 administrative villages within the water source area, ensuring continuous monitoring, early warning systems, source control, and biodiversity protection measures. Through the implementation of the "One Network" collaborative protection and management system, the project effectively prevents contamination of drinking water and safeguards the clarity and purity of the water source.



The application scenario of the "One Network" for the collaborative protection of drinking water sources in Anji County

Hikvision has deployed intelligent detecting devices in the Huangqi Sea Nature Reserve to monitor various environmental factors such as water quality, wind speed, and rainfall in real time. These devices provide new insights for environmental assessment and governance based on those scientific data. Additionally, Hikvision has expanded the use of intelligent technologies to air pollution prevention and control efforts in Shaanxi. The tridimensional monitoring network unlocks more potentials of pollution control through the innovative application of technology and safeguards a better Earth.

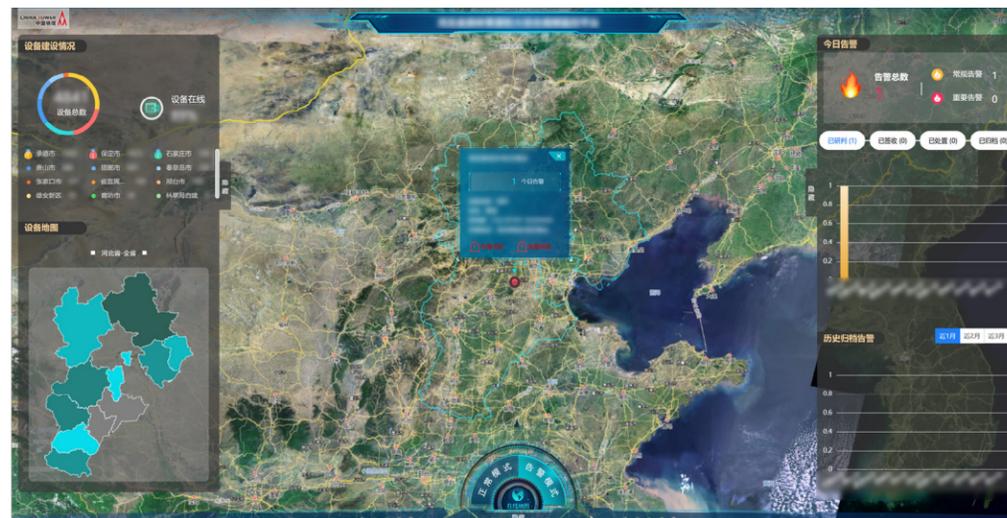
Natural Disaster Prevention

We focus on natural disasters such as floods, landslides, collapses, mudslides, and forest fires, leveraging intelligent monitoring and early warning technologies to mitigate risks effectively. By making disasters "visible," we enhance disaster prevention and response capabilities, thereby minimizing environmental damage, human casualties, and property losses caused by natural disasters.

|Case|

"Forest Lookout" patrols 43,000 football field-sized areas in 15 minutes, creating a solid "fire prevention net"

With a forest coverage rate of 35.3% and comprehensive vegetation coverage of grasslands reaching 73% in Hebei Province, forest rangers and grassland patrol officers suffered inefficiency due to the influence of factors such as terrain, topography, and climate. In collaboration with its partners, Hikvision has developed a forest and grassland fire monitoring system to address these challenges. This system establishes a high-frequency, real-time, and wide-ranging three-dimensional monitoring network for fire prevention. Within just 15 minutes, it can monitor forest areas ranging from 28 to 314 square kilometers, equivalent to patrolling over 43,000 football fields at the fastest speed. This significantly enhances the efficiency of intelligent patrols. Additionally, the system features fire point detection, automatic alarms, fire prevention operations, and fire statistics, providing technical support for effective fire prevention efforts and establishing a sustainable protection mechanism for forest and grassland resources, thereby safeguarding the magnificent landscapes of forests and grasslands.



Fire Alert System of Hebei Province

Hikvision has developed robust intelligent warning systems and deployed them in various locations, such as Hunan and Sichuan, for monitoring and early warning of mountain torrent disasters. These systems have been applied to the prevention and control work of disasters such as mountain torrents, floods, and drought across multiple regions. Leveraging advanced technologies, Hikvision plays a crucial role in disaster prevention and mitigation.



Scan the QR code to learn more

TECH FOR INDUSTRY

Technological innovation, as a new engine of industrial development. We use IoT sensing, Artificial Intelligence, and Big Data technologies to comprehensively promote the transformation and upgrading of social production, life, and governance. Driving industrial innovation via technological advancements, we spearhead the digital transformation and upgrading of different sectors, whilst ensuring enterprise-wide security and fostering new growth drivers. By doing so, we help speed up country's high-quality economic and social development.



Empowering Digital Operation

It is not only a requirement of the times, but also a huge industrial opportunity, that we could help domestic and global enterprises improve quality, reduce costs, increase efficiency, and then achieve sustainable and high-quality development. We come up with AIoT solutions with great efforts, which supports companies in improving management quality and efficiency, boosting core competitiveness, and unleashing greater productivity in digital intelligence.

| Case |

Empowering tea culture products with technology

On September 17, 2023, Jingmai Mountain became the first World Cultural Landscape Heritage site with tea as its theme. Tea Horse Ancient Cellar, the world's first intelligent tea cellar with a capacity of ten-thousands of tons, carries the mission of the great revival of tea culture.

In 2023, HikRobot collaborated with Tea Horse Ancient Cellar to develop a smart cellar solution incorporating intelligent storage management systems and a variety of robots. This comprehensive solution revolutionized the logistics process of Pu'er tea, encompassing receiving, storing, distributing, returning, and replenishing operations within Pu'er tea cellars. By enabling automated operations, this solution greatly enhanced the flexibility of tea storage and minimized the impact of human factors on the flavor of Pu'er tea.

Tea Horse Ancient Cellar and HikRobot empowers world heritage resources with technology to ensure that every piece of Pu'er tea enjoys a safer, smarter, and more convenient storage space, rejuvenating the Pu'er tea industry ecosystem.

"With the assistance of the HikRobot team, we have achieved remarkable success in projects involving intelligent transformation and upgrading. The entire process of tea going in and out of the Cellar is now seamlessly operated by robots, effectively minimizing the impact of human factors on the aging of Pu'er tea. As a result, the utilization rate of our facility has surged by 30%, leading to reduced cargo stacking and the creation of a more orderly working environment. With the support of Jingmai Mountain World Heritage and the cutting-edge intelligent warehousing equipment provided by HikRobot, I am confident that Tea Horse Ancient Cellar will redefine Pu'er tea storage."

—Chen Min, Tea Horse Ancient Cellar Representative



Scan the QR code to learn more



Digital Control Center of Huaxin Cement

| Case |

AIoT empowers digital transformation of Huaxin Cement

Huaxin Cement is the "cradle" and "century-old store" of China's cement industry, serving as a beacon for the digital transformation of the Chinese building materials sector. This remarkable achievement is intricately linked to its collaboration with Hikvision.

In 2023, Hikvision successfully implemented high-precision volume measurement radar at Huaxin Cement. This radar system is designed to scan and measure the quantity of clinker and aggregates in real-time within the warehouses. As a result, it has notably enhanced measurement efficiency and accuracy of the staff, thereby supporting the lean production at Huaxin Cement. The measurement data seamlessly integrates into Huaxin Cement's digital control center, providing data support for process optimizations and strategic decision-making. This enables Huaxin Cement to respond to market changes with greater agility and flexibility.



Digital Control Center of Huaxin Cement

"Under the framework of strategic cooperation, I believe there is ample room for further collaboration between us. Hikvision is committed to continuing its support to, help Huaxin enhance our intelligent capabilities, and charting a new course for the building materials industry through intelligent construction and digital transformation."

—Tang Jun, CIO and CDO of Huaxin Cement



Scan the QR code to learn more

Hikvision has been engaging in exploring automation, digital facilities and systems applicable to factory production. At INTCO Medical's glove manufacturing base, our automated and digital visual inspection systems proved to be highly effective in identifying defects during the production process. Likewise, at Shouguang Power Plant, we have employed a diverse array of technological solutions to achieve digital upgrades, thereby enhancing production efficiency and ensuring work safety. Additionally, in collaboration with Qianjiang Refrigeration Group, Hikvision developed an equipment management system, resulting in improved overall equipment efficiency (OEE) and optimized overall production capacity. Leveraging our technologies, Hikvision empowers companies to reach new heights in product quality, output, and production efficiency, thereby facilitating their digital transformation.

Assisting Safety Management

We provide integrated solutions for various scenarios including work safety and campus management, assisting enterprises in establishing robust work safety management systems, and improving their safety management, prevention, and control capabilities across all facets of operations.



| Case | "New assistant" empowers safe operation and maintenance of over 180 hectares photovoltaic power station

Photovoltaic power generation is an important approach for harnessing renewable energy and mitigating carbon emissions. It plays a pivotal role in sustainable development and combating climate change. However, the operation and maintenance of large-scale photovoltaic power stations often pose challenges. The Qutang Photovoltaic Power Station covers an area of 184.4 hectares, with approximately 400,000 photovoltaic modules. It generates 200 GWh of green electricity annually, saving 62,200 tons of standard coal and thus reducing approximately 150,000 tons of carbon dioxide emissions. In the past, it usually took staff two full days to complete a round of inspections at the power station.

In 2023, Hikvision collaborated with the Qutang Photovoltaic Power Station and developed an integrated management platform for the operation and inspection of photovoltaic power systems. Leveraging AIoT devices equipped at high locations of power station, photovoltaic modules and in the hands of maintenance personnel, we empowered efficient inspection and reporting process with technology. The remote inspections and safety checks of photovoltaic equipment were efficiently conducted, significantly reducing the risk of fires. What previously required two full days to complete can now be accomplished in just four hours. Utilizing "multi-dimensional perception + intelligent analysis" technology, Hikvision protects the safe and reliable operation of the photovoltaic power station.



AIoT devices safeguard the photovoltaic power station

"With this 'assistant', we feel much more reassured. It helps us with fire detection, inspection positioning, and automatic patrols, making our maintenance work more timely and efficient."

— Maintenance Personnel of Qutang Photovoltaic Power Station

Hikvision is promoting the application of AIoT methodologies across various industries, spanning work safety, fire safety, and logistical security. For instance, we have collaborated with China National Building Materials Group to establish visual control platforms for 285 factories. Additionally, we have implemented a "one center, three platforms" safety management system for Sichuan Gulin Langjiu Distillery, and developed a comprehensive smart campus solution for Zijin Mining. Furthermore, we have facilitated intelligent risk control for the safety of Shaanxi Yanchang Petroleum Group. Through digital means, Hikvision enables safety management of large-scale plant areas to be visible, knowable and controllable, so as to ensure the safe and stable development of the enterprise.



Scan the QR code to learn more

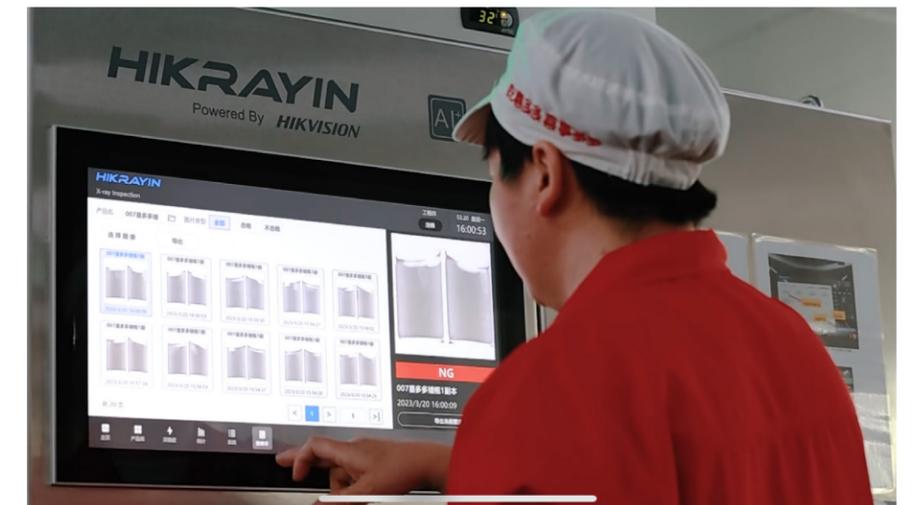
Contributing to Quality and Efficiency Improvement

We utilize a variety of digital technologies bolster support emerging small and micro enterprises in quality control, facilitating standardized and regulated operational management. By ensuring product quality while reducing operational costs, we bolster product competitiveness.

| Case | "Tech inspector" makes quality inspection effortless

Xiduoduo Group specializes in canned food processing and boasts a sound quality system and intelligent production lines. Nonetheless, with a staggering daily output of up to 600,000 cans, traditional inspection methods face challenges in accurately and efficiently detecting foreign objects within the cans.

In 2023, Hikimaging collaborated with Xiduoduo Group to deploy an X-ray intelligent foreign object defect detection system equipped with special food intelligent technology within their canned food production facility. This "tech inspector" possesses X-ray vision capabilities, enabling it to easily identify and automatically remove foreign objects present in raw materials and defective packaged cans. With the ability to inspect 650 cans in just one minute, this technology serves as a formidable defense line for food safety.



X-ray Intelligent Foreign Object Defect Detection System

Hikvision leverages AIoT solutions to support various industries in achieving standardized management and streamlined operations. Within the catering industry, while eradicating hygiene hazards and safeguarding food safety, we also ensure standardized store operations and maintain consistent product flavors. Moreover, in the retail sector, we facilitate inventory management to enhance operational efficiency. Across diverse industries, we use technology to help enterprises improve quality and efficiency.



Scan the QR code to learn more

TECH FOR COMMUNITY

Enterprises are an integral part of the society, and it is our duty to give back. Hikvision regards technology as the source and primary force for social development, providing care and support to vulnerable groups. Furthermore, we actively engage in international events and strive to enhance living conditions and environments on all fronts, creating a better future.

Showing Concern for Vulnerable Groups

We offer special care for special groups such as the elderly, children, and patients, allowing them to share the benefits of differentiated and humanized cutting-edge technologies. We contribute to a friendly and inclusive digital society that caters to individuals of all ages, focusing on meeting the life, health, and daily needs of the vulnerable, thereby bridging the digital divide.

More Reassuring Elderly Care

We focus on smart elderly care applications across various scenarios, such as safety protection, caregiving services, health services, and emotional care. Our solutions are tailored to accommodate home-based care, community-based care, and institutional care. Through intelligent elderly care services, we embrace the challenges of population ageing and empower elderly individuals to fully enjoy the convenience afforded by technological progress.

| Case |

Digital empowerment enables an all-in-one smart elderly care community service

Jingxin Jiayuan Nursing Community in Fuqing integrates five key concepts of elderly care including ecological, home-based, healthy, cultural, and smart care. It caters to retired and the middle-class individuals in the surrounding counties and cities of Fuzhou. Hikvision collaborated with Jingxin Jiayuan Nursing Community to implement technological measures such as health monitoring and bed alarming using intelligent devices. This, combined with the third-party elderly care operation platform, online and offline, enables real-time monitoring of the health and safety of elderly residents in the community, creating a warm and technologically advanced elderly care community. With these technological endeavors, we empower elderly individuals to enjoy a healthy and fulfilling life in their later years.



News report of the Jingxin Jiayuan



More Equitable Education

We have donated online teaching equipment to primary and secondary schools in remote regions, aiding in online classes and infusing vitality into educational practices. By transcending the limitations of time and space, we advocate for the collaborative creation and sharing of high-quality educational resources, fostering equality and balanced development in education. Through technology, we help children fly high towards their aspirations.

| Case | "Synchronous Classroom" opens a window for students in the Qinling mountains

In mountainous regions situated 120 kilometers away from Xi'an city, lies Sanchahe Town School, a nine-year educational institution. The school has a total of over 200 students, and most of them are left-behind children.

In March 2023, Hikvision and its partners launched the "Synchronous Classroom" initiative at Sanchahe Town School as part of the Chunya Aid Program. This groundbreaking endeavor bridged teachers from Xi'an city and students in the mountainous region through online platforms, bringing their first interactive class across geographical boundaries. Together, they embarked on a handicraft lesson, crafting vibrant lavender bouquets to welcome the spring season. Since then, the school has further collaborated with relevant organizations to develop a comprehensive curriculum plan. These initiatives granted students access to urban educational resources and a diverse range of courses through the power of technology.



The first interactive handicraft courses



Scan the QR code to learn more

More Reliable Medical Care

We leverage technology to address healthcare needs, collaborating with medical institutions to develop innovative products and organizing training sessions, forums and other activities. Our initiatives are designed to enhance the expertise of medical professionals, improve the usability and safety of medical equipment, and significantly improve treatment efficacy.

| Case | Intelligent algorithm enables zero foreign objects in Surgery

The problem of retained foreign objects such as surgical gauze have caused concerns among medical professionals and patients. The traditional method to prevent gauze retention involves manually counting surgical items. However, due to complex environment in operating room and the difficulty in identifying gauze, manual counting often encounters numerous challenges.

Hikimaging collaborated with experts from a leading hospital in Beijing to develop AI-based automatic identification of residual gauze using deep learning techniques. This advanced AI assistant enables medical personnel to accurately identify the quantity of gauze used during surgery, thereby reducing the risk of gauze retention.



Safeguarding the 19th Asian Games

Hikvision is the official sponsor of AIoT and big data services for the 19th Asian Games and the 4th Asian Para Games. Upholding the "intelligence" concept of the Hangzhou Asian Games, Hikvision developed innovative integrated command platforms, intelligent security screening systems, digital supervision platforms for event venues, and traffic command and dispatch platforms. These cutting-edge applications leverage IoT perception, artificial intelligence, and big data technologies to ensure "panoramic visibility, risk anticipation, efficient command, and agile response" throughout the entire event. Hikvision's contributions significantly enhance the experience of the "Smart Asian Games" and contribute to the magnificent and diverse sports event.

Intelligence Makes Event Management More Efficient

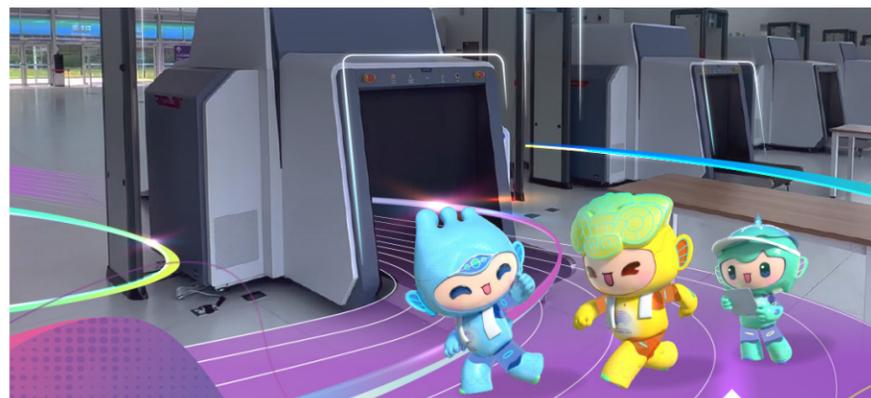
Hikvision undertook the construction of the Hangzhou Asian Games Command Center (MOC), functioning as the operation command system's "intelligent brain". Equipped with intelligent early warning, multidimensional dispatching, efficient command capabilities and other functions, the MOC facilitates round-the-clock monitoring of the six host cities of the Asian Games, ensuring a successful event.



MOC Integrated Command Platform

Intelligence Makes Event Safer

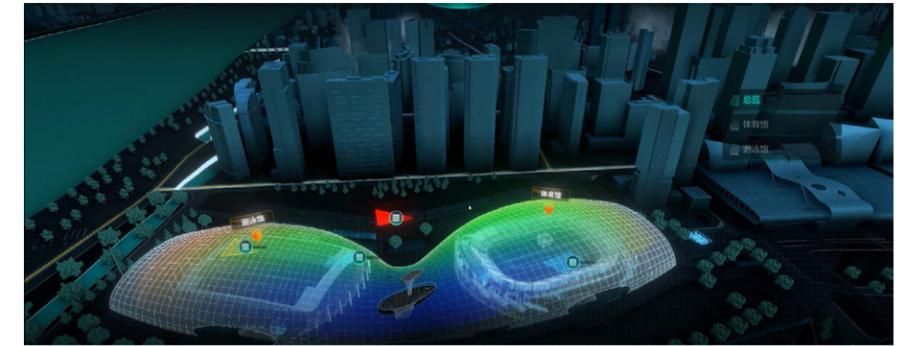
Hikimaging's intelligent security screening system, featuring advanced security scanners, smart security doors, liquid safety detectors, and re-inspection unpacking tables, facilitates the passage of over 100,000 individuals, boosting traffic efficiency. This system effectively tackled the challenges of an influx of visitors in over 30 venues, including the Asian Games Village and the Main Media Center (MMC).



Intelligent security screening equipment of Hikimaging

Intelligence Makes Venues Smarter

Through the implementation of the Smart Venue Digital Supervision Platform across three venues for the Asian Games, real-time tracking of venue operations becomes possible. This platform addresses management complexities arising from large areas, diverse functionalities, and intricate equipment, thereby significantly boosting venue management efficiency.



Smart Venue Digital Supervision Platform



Intelligence Makes Transportation More Efficient

We have developed the Hangzhou Asian Games Traffic Command and Dispatch Platform (Large Screen) and integrate it with the Vehicle Dispatch Center (Medium Screen) and driver mobile devices (Small Screen). The "large, medium, and small" screens share information, eliminating information gaps between command personnel, vehicle personnel, and drivers. This coordinated approach enables the efficient dispatch of over 3,000 Asian Games service support vehicles, catering to the transportation needs of over 30,000 individuals and facilitating more than 35,000 trips. Any issues that service vehicles encounter can be solved within 3-5 minutes, exemplifying a model of intelligent transportation management for the Asian Games that is "capable of handling thousands of people, coordinating thousands of vehicles, and dispatching within seconds".

Eight employees from Hikvision participated in the torch relay of the Hangzhou Asian Games, taking place over a period of 13 days

Governance Responsibility

Hikvision acknowledges the critical role of robust corporate governance in driving sustainable value. The Company continues to optimize the governance structure. We have established a sound system for compliance management and risk control. We uphold stringent governance standards to guide the corporate and employee behavior while fostering an awareness of compliance management. Additionally, we proactively help build and maintain a fair and transparent market environment. Through evidence-based decision-making, standardized management practices, ethical operations, and long-term development, we strive to generate sustainable value for all stakeholders.

2023 Key performance

Corporate Governance:

1 General Meeting of Shareholders was held to review 14 proposals; the Board of Directors convened 4 meetings to review 29 proposals; the Board of Supervisors convened 3 meetings to review 14 proposals; the Special Committees of the Board of Directors convened 13 meetings to review 29 proposals

2023 Best Practice Cases of Corporate Governance by the China Association of Public Companies

Compliance Ecosystem:

52 offline compliance training sessions were delivered, with a total of 98 training hours

Online compliance training attendance reached 50,000+ times

Business Ethics:

99.82% of our staff had signed the *Employee Integrity Commitment*

Safeguarding Human Rights:

We have released the *Hikvision Global Human Rights Policy*, reaffirming our steadfast commitment to upholding and safeguarding human rights. This initiative underscores our unwavering dedication to ingraining the principles of human rights deeply in our corporate culture

Contributing to UN SDGs



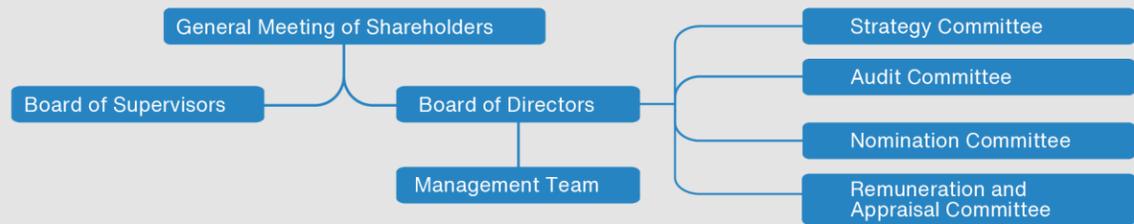
Strengthening Corporate Governance

Hikvision is committed to establishing a robust governance system, and constructing a governance framework with clearly defined roles and responsibilities. We prioritize the independence and diversity of our board of directors, empowering them to effectively oversee and make strategic decisions. We aim to ensure the stable operation of the Company while enhancing our corporate governance.

• Governance Structure

The Company strictly follows the applicable laws and regulations such as *the Company Law, the Securities Law*, as well as the rules and normative documents of the regulatory authorities. In light of the circumstances, we have established a robust "three boards and one team" corporate governance structure comprising the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and Management Team. This structure is comprehensive, independent, and standardized, with clearly defined rights and responsibilities, efficient coordination, effective checks and balances, and standardized operation.

The General Meeting of Shareholders comprises both the Board of Directors and the Board of Supervisors. It is the duty of the Board of Directors to lead the decision-making surrounding operation and management, review and approve strategic goals. Under the Board of Directors, we have established specialized committees including the Strategy Committee, Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee to review specific operational matters. The Board of Supervisors plays a supervisory role in the Company's standardized governance.



Corporate governance structure

Strategy committee

It is mainly responsible for researching and making recommendations on the Company's long-term development strategy and major investment decisions.

Nomination committee

It is mainly responsible for researching, reviewing and making recommendations on the candidates, selection criteria and procedures of the Company's directors, senior management and other personnel.

Audit committee

It is mainly responsible for the communication, supervision and verification of the Company's internal and external audits, and exercises the function of supervising and inspecting the management's operation, the formulation and implementation of the internal control system on behalf of the board of directors.

Remuneration and appraisal committee

It is mainly responsible for formulating and evaluating the assessment standards of the Company's directors, senior managers and other personnel, and is responsible for formulating and reviewing the remuneration policies and plans of the Company's directors, senior managers and other personnel.

The main responsibilities of the Special Committees of the Board of Directors

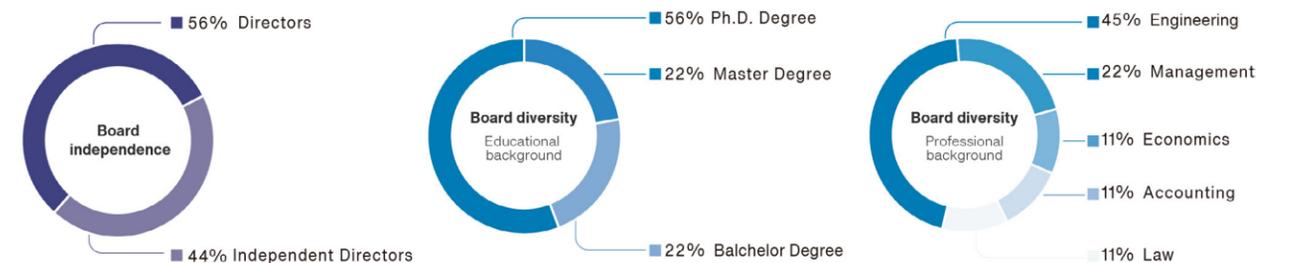
• Board of Directors

Composition of the board of directors

Pursuant to the Articles of Association, the fifth Board of Directors consists of nine directors, four of whom are independent directors, and the term is three years. All directors are obligated to prioritize the interests of the Company and shareholders, carrying out their duties with honesty, loyalty, diligence, professionalism, and due diligence, thereby preserving the legitimate rights and interests of the Company and all shareholders.

Independence and diversity

The Company firmly believes that the independence and diversity of the Board of Directors is essential to protect the rights and interests of shareholders and maintain the stable development of the Company. Directors are selected based on diversified criteria, encompassing gender, age, knowledge, professional skill, experience, and cultural and educational background, among others. This approach ensures that the board members can effectively address the needs of different businesses within a diversified and effective governance structure. The current Board of Directors is characterized by diversity, with members possessing professional backgrounds and expertise in engineering, management, economics, accounting, law, and other relevant fields.



Strengthening Risk Management

Hikvision continues to improve internal risk control system. Leveraging the triple-layer mechanism for risk management, the Company systematically identifies, analyzes, and monitors risks across its operation and value chain. This approach aims to bolster risk management and control capabilities, effectively ensuring the successful implementation of risk management work.

• Risk Management Mechanism

In addition to issuing the *Internal Control Manual*, *Crisis Management Manual*, *Management Measures for Compliance Risk Events*, *Internal Audit Regulations*, and other applicable rules, the Company has designated specific departments for risk management and internal control management. Furthermore, we have implemented a triple-layer mechanism that covers management before, during, and after an incident, encompassing operational management, risk management, auditing, and supervision. Based on specific circumstances, we have refined our departments, regulations, processes, and operational protocols and enhanced systematic management to ensure the effective implementation of risk management.



Triple-layer risk management

The Company has formed a sound response mechanism in various aspects such as identification and judgment of early warning information and handling of crisis events. We have adopted a hierarchical and categorized approach for risk response strategies. Additionally, we have translated the norms for risk management into specific indicators tailored to each business unit, as well as standardized and automated daily risk management through the digital system. For example, we have devised tax risk indicators for each business segment, implemented comprehensive online management and approval processes for critical internal and external tax inspection matters, and continuously enhanced our monitoring of tax risks. These efforts have led to the reduction of tax-related risks, decreased management costs, enhanced management and control capabilities, and improved communication efficiency.

• Risk Identification and Response

In strict compliance with national laws and regulations, policy documents, applicable local regulations and corporate management measures, the Company regularly conducts comprehensive and thorough assessments to identify risks that could significantly influence its operations and value chain. In addition, the Company devises robust prevention and response strategies to effectively mitigate these risks.

Risk category		Risk description	Response strategies
Strategic risks		Uncertainties that result in overall losses affecting the realization of corporate development objectives, resources, external environment, competitiveness, and market performance	<ul style="list-style-type: none"> Formulating the strategic plan of the Company, improving the strategic risk management ability, seeking and evaluating high-quality investment opportunities based on the Company's strategic direction and market demands Dynamically monitoring changes in the external macro environment and policy trends facing the Company, examining the opportunities and risks brought about by these changes in a prudent manner, actively and promptly responding to them Focusing on iteration and innovation of technology and products to develop leading core proprietary technologies, and continuously enhancing product competitiveness
Market risks	Risk of changes in market demand	With the rapid changes in market demand and business models, application scenarios tend to be more fragmented and customized. As a result, products and solutions that lack market competitiveness will face greater market risks	<ul style="list-style-type: none"> Actively tracking the latest technological developments at home and abroad, and innovating and developing products and services that meet the needs of users through continuous investigation and research of the market and customers Conducting meticulous market research, understanding the market development trends and directions, and accordingly developing new products Strengthening the exchange of market information, timely reporting existing problems in the market, and actively formulating countermeasures to avoid business risk
Risks of supply chain continuity	Risk of supply chain disruption	The risk that all or part of the business is disrupted due to natural disasters, man-made accidents, system failures, supply chain disruptions and other events	<ul style="list-style-type: none"> Setting up a supply chain continuity working group headed by the Company's executive vice president to lead the decision-making and work execution regarding strategic material reserves Conducting digital transformation of the supply chain based on the information platform, improving the end-to-end delivery flexibility of the supply chain, and forming a rapid response system for multi-variety and small-batch products Building multiple bases and logistics centers to ensure delivery and improve the resilience of the supply chain
	ESG risk for supply chain	ESG issues such as environment, business ethics, labor rights, health and safety in the supply chain affect the stability of the production cycle, product compliance and safety, resulting in negative public opinion, unpredictable economic losses and impact on brand	<ul style="list-style-type: none"> Demanding suppliers to comply with Hikvision's <i>Supplier Code of Ethics and Business Conduct</i> and the <i>Supplier Integrity Agreement</i> Optimizing the supply management, and promoting visualized stock management among first-tier suppliers, and the control of key raw materials for some second-tier suppliers
Legal and compliance risks	Compliance risk	The risk of legal liability, regulatory penalties, financial losses or reputational damage caused by non-compliant business operations or practices by the Company or its staff and salespersons	<ul style="list-style-type: none"> Issuing the <i>Hikvision Management Measures for Compliance Risk Events</i>, establishing a sound organizational structure and sound rules, processes and operational requirements for compliance risk event management, improving the ability to prevent, respond to and deal with compliance risk events, and timely and properly resolving such risks
	Risk of integrity and ethical compliance	The risk of employees or their associates using their influence or positions to accept bribes, or embezzle company assets for personal gain through deception, concealment, collusion, and other means, resulting in damage to the Company's interests; or the risk of damaging the Company's image and reputation by bribing third parties	<ul style="list-style-type: none"> Establishing an Integrity and Ethics Compliance Committee as a top-level organization to ensure that the principles of business ethics are adhered to various business activities of the Company Formulating the <i>Hikvision Code of Ethics and Business Conduct</i>, the <i>Code of Business Conduct for Employees</i>, <i>Hikvision Global Anti-Bribery and Anti-Corruption Manual</i> and other relevant administrative policies of business ethics to regulate employee behavior, eradicating bribery and corruption
Financial risks	Tax risk	The risk of legal sanctions, financial loss or reputational damage due to failure to properly and effectively comply with tax laws and regulations in tax-related activities	<ul style="list-style-type: none"> Formulating and improving the <i>Hikvision Tax Risk Management Policy</i> Establishing a comprehensive tax risk management mechanism covering tax risk identification, assessment, response and control, information reporting, supervision and improvement
	Risk of related party transactions	The risk arising from inaccurate identification of related parties, unreasonable pricing of related party transactions, and disruptions in related party transactions during the process	<ul style="list-style-type: none"> Following the review procedures for related party transactions and strictly implementing the rules of abstention voting for related transactions Focusing on fairness and necessity in related party transactions. Ensuring timely, thorough, complete, and accurate disclosure of related party transactions
Operational risks	Quality risk	Quality risks caused by insufficient production technology, poor product design, and lax control of the production process	<ul style="list-style-type: none"> Establishing systematic quality risk management procedures and manuals, covering the complete project life cycle Relying on three digital risk management platforms of risk management, production problem reporting, and active notification of delivery problems to form a closed-loop risk management system
	Data security risk	Risks including but not limited to data leakage, data tampering, data abuse, illegal transmission, illegal access, and abnormal traffic caused by data acquisition through means such as testing, assessment, information collection, authorization monitoring	<ul style="list-style-type: none"> Using a unified, integrated security infrastructure across the entire video IoT application ecosystem Establishing a professional security team to provide support for all products, including but not limited to providing security audits and testing for in-development and released products, providing security training, and actively monitoring emergent security issues and threats
	Production risk	The risk of accidents such as fire and explosion due to the use and storage of hazardous chemicals for production process	<ul style="list-style-type: none"> Issuing the <i>Safety Inspection and Hazard Management Standards</i>, and carrying out investigations into various potential hazards and making targeted rectifications Putting in place fire prevention and fire-fighting equipment, establishing an internal learning website dedicated to workplace safety, and strengthening personnel training to raise the staff's awareness of safety
	Occupational health risk	The risk of chemicals, auxiliary materials, energy and noise required for business operations may be harmful to the health of frontline workers	<ul style="list-style-type: none"> Administratively, clarifying the multi-level responsibilities between the functional departments and the construction site management, and defining the job responsibilities for occupational disease prevention position Strengthening the education to construction workers on hazards from occupational disease, organizing regular training, improving their understanding of occupational disease hazards, and teaching them the methods to prevent occupational diseases
	Environmental pollution risk	The risk of polluting the surrounding environment and affecting the lives of nearby residents due to the use of chemical and auxiliary materials needed for business operation, and the noise, and industrial wastewater and waste gas generated in the process	<ul style="list-style-type: none"> Following regulations to properly store the raw materials necessary for business operation, and properly disposing of the production noise and the wastewater and waste gas generated in the production process

Parts of Hikvision's risk identification and response strategies

Building Compliance Ecosystem

Hikvision consistently adhered to the business philosophy of honesty, trustworthiness, legality and compliance, continuously enhancing its compliance framework. Through system refinement, management improvement, and standardized operation, we guide and standardize the business behavior of all employees to ensure the long-term and steady development of the Company.

• Improving Compliance System

The Company has established a robust compliance framework, led by the Board of Directors and composed of the Chief Compliance Officer, the Legal and Compliance Department, and the Compliance Working Group. Each entity has clearly defined roles and responsibilities, ensuring standardized operations. The Advisory Committee provides independent and global perspectives to the management team, comprising experts in corporate governance, cybersecurity, data protection, and human rights protection. The Technical Ethics Committee implements the Company's "Tech for Good" initiative, evaluates ethical risks associated with technology research and application, and advises business decision-making. Emphasizing respect for global diversity, the Committee balances stakeholder demands across different regions.

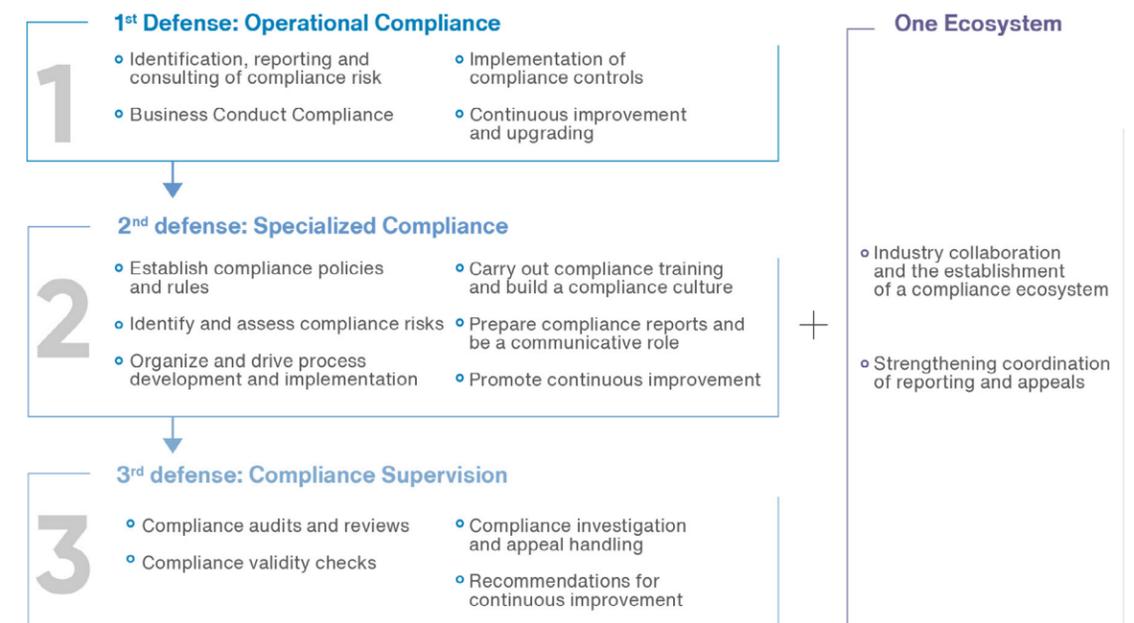
The Company also appoints compliance liaison officers in all functional departments, business units and branches at home and abroad to scale the compliance organization and its capabilities to all internal units. This initiative aims to enhance the Company's ability to ensure the effective implementation of compliance policies and measures.



The Company continues to enrich the hierarchical and classified compliance policy and rule system, establishes and improves the top-level framework based on the *Hikvision Code of Ethics and Business Conduct*, and covers *special systems*, country guidelines and scenario-based operation manuals in specialized fields such as anti-corruption and anti-bribery, fair competition, trade compliance, data protection, and human rights governance to provide a comprehensive and detailed regulatory foundation for the Company's compliance construction. The Company conduct regular evaluations of the effectiveness of our compliance policies and regulations, dynamically reviewing and optimizing them in response to changes in the external environment such as laws, regulations, and industry practices, so as to ensure the applicability and advancement of our compliance framework.



The Company adheres to the construction and continuous improvement of the compliance implementation framework of "Three Defenses, One Ecosystem", advocates the action concept of "Everyone is a Compliance Officer" and "Unity of Knowledge and Action, and Makes Compliance a Habit", clarifies that all business units, departments and employees are responsible for the first defense of compliance, and requires every employee to integrate compliance into daily business behavior. At the same time, the company is also committed to building a compliance ecosystem for customers, suppliers, partners, and other relevant parties to promote industrial synergy and steady development.



• Advancing Compliance Practices

The Company continues to invest in strengthening the internal implementation of compliance policies and rules. We elevate the level of informatization and digitalization in compliance management and keep bolstering the organizational resilience of compliance management through the establishment and optimization of management systems, processes, and operational guidance.

The Company actively carries out engagements about compliance culture, communicates the Company's compliance governance concepts and practices with stakeholders, and continuously seeks the best compliance practices in the industry. During the reporting period, the Company officially launched a compliance webpage (<https://www.hikvision.com/en/about-us/compliance/>) on its official website. This webpage discloses the Company's code of ethics, compliance values and beliefs, as well as relevant policies. The Company will continue to enhance communication and engagement with stakeholders, draw on advanced compliance experiences and concepts, continuously improve the compliance governance system, and lay a solid foundation for the sustainable development of Company.

Trade Compliance

Committed to fulfilling its trade compliance responsibilities, the Company continues to refine its global trade compliance system to align with relevant laws and regulations concerning export control and economic sanctions imposed by international organizations, countries, and regions such as the United Nations, China, the United States, and the European Union.

During the reporting period, the Company actively tracked and interpreted key rules of global trade compliance and promptly incorporated them into its internal compliance requirements and control plans. It consistently optimized trade compliance control processes and system management tools, enhancing the Company's capacity to integrate trade compliance into various aspects of its operations such as procurement, R&D, sales, delivery, and service. This comprehensive approach aims to achieve end-to-end trade compliance management and supervision.

Tax Compliance

The Company has developed a comprehensive set of tax management regulations such as the *Hikvision Group Guidelines for Transfer Pricing Policy Framework*, *the Tax Management Policy for Overseas Branches*, and *the Risk Management Regulations for Standing Overseas Business Organizations*. These documents outline management objectives, organizational responsibilities, scope of work, information communication, supervision, and improvement measures, requiring the Company to conduct tax-related activities in compliance with laws and regulations and actively disclose tax information. Additionally, the Company has implemented a tax management platform that leverages information technology for tax risk management and compliance. This initiative has enhanced tax control processes and measures while improving the accuracy and efficiency of tax compliance. Hikvision tax management platform has received the *Registration Certificate of Computer Software Copyright*.

Hikvision has been rated as Grade A in tax credit rating for many years. During the reporting period, the Company applied the *Guidelines for Overseas Subsidiaries* to its operation in 10 more countries, and updated and revised tax regulatory guidance and reporting documents for various countries. These efforts aim to enhance the global tax compliance system. Additionally, the Company has introduced over 20 new training topics and case studies, covering a range of subjects such as the introduction of "Pillar 2", country-specific tax-related rules, and other cutting-edge practical expertise.



Scan the QR code to learn more about the Company's philosophy and policies of compliance



Tax management platform software copyright certificate

• Promoting Compliance Culture

The Company adheres to the compliance value concept of "practicing integrity and compliance, achieving stable and sustainable development", and advocates the action awareness of "unity of knowledge and action, making compliance a habit". Emphasizing the importance of implementation and consistency, the Company actively fosters a robust compliance culture through annual compliance training, campaigns and examinations, and hold special events for Compliance Culture Month from November to December every year. These initiatives aim to enhance the compliance awareness and practical skills of all employees through activities such as compliance story collection, compliance salons, and compliance culture events.

Executives' voice

Ms. Huang Fanghong, Senior Vice President and Chief Compliance Officer of the Company, kicked off the 2023 Compliance Culture Month with an employee letter. In the letter, Ms. Huang wrote, "We firmly believe that we are on a brilliant path of achieving scientific and technological progress to benefit mankind. Science and "Tech for Good" is our Northern Star."

Mr. Xu Peng, Senior Vice President of the Company, emphasized that compliance development is a systematic endeavor requiring top-level design, ongoing reinforcement of compliance expertise, and enhancement of compliance management mechanisms. He called on all employees to embrace change, adopt a long-term approach, and hold the belief that compliance creates value.

Compliance salon

The management team, engineers, and lawyers engaged in discussions on cutting-edge topics to broaden global perspectives and deepen understanding of compliance. During the salon, the Company presented the 2023 "Compliance Pioneer Award," encouraging employees to adopt new compliance standard with an open mind, actively participate in the integration of compliance into business management, thus implementing in earnest the compliance management.



The Company's senior vice president delivering speeches on Compliance Salon

Compliance forum

By collecting compliance stories and hosting engaging compliance activities, employees are encouraged to interact and share their experiences. This facilitates a deeper understanding of how to integrate compliance knowledge into work practices and effectively promotes compliance awareness and compliance standards throughout the organization.



Staff Compliance Sharing

Compliance training and exams

A series of targeted, dept-specific, scenario-specific compliance training for global employees and new employee compliance orientation were carried out. Compliance examinations for all employees are implemented, to actively promote the enthusiasm for compliance culture learning.

By the end of 2023

The company conducted a total of **52** on-site compliance training sessions

Total on-site training time **98** hours

Online compliance training attendance reached **50,000+** times

Adhering to Business Ethics

Hikvision is committed to implementing the core values of "acting with honesty and integrity", continuously improving policies and standardized operations, and conducting training and promotional activities to promote business ethics and cultural development. Furthermore, the Company establishes supervision mechanisms and corresponding investigation and handling procedures to guide and regulate the behaviors of employees, management team, and partners. These measures serve as a foundation for the Company's long-term stability and development.

• Business Ethics Management System

Recognizing the significance of business ethics, the Company places a strong emphasis on honesty and integrity, enhancing its organizational structure for business ethics. It has established the Integrity and Ethics Compliance Committee as a top-level body to ensure adherence to ethical principles across various business activities, fostering goodwill and promoting business partnerships. In line with this commitment, the Company strictly complies with relevant domestic and international laws and regulations such as anti-corruption, anti-bribery, anti-unfair competition, and anti-monopoly. Furthermore, the Company establishes and improves fundamental rules on ethics and business conduct, including the *Hikvision Code of Ethics and Business Conduct*, *Code of Business Conduct for Employee*, the *Hikvision Global Anti-Bribery and Anti-Corruption Manual* and *Hikvision Code of Global Anti-Monopoly Compliance*, which are applicable to the Company's employees and third parties with whom the Company has business relations. These practices regulate the behavior of the Company's directors, managers and all employees, eliminate bribery and corruption, protect fair competition, and formulate conflict of interest policies to strengthen management and strive to build a sustainable business environment.

The Company maintains a "zero-tolerance" stance against corruption and continuously enhances the systematization and applicability of its institutional documents. During the reporting period, the Company updated the *Hikvision Code of Ethics and Business Conduct*, the *Code of Business Conduct for Employees*, and the *Hikvision Global Anti-Bribery and Anti-Corruption Manual*.

• Fair Competition

The Company adheres to the principle of fair competition, and abides by laws and regulations for anti-monopoly and anti-unfair competition, establishes a mechanism to regularly review and update anti-monopoly compliance policies, continuously strengthens anti-monopoly compliance awareness training for employees, actively maintains a fair market competition environment, and promotes healthy economic development. The Company updated region-specific guidelines for China's mainland, South Africa, South Korea and Canada. In addition, the Company complied and issued the *Guidelines on Frequently Asked Questions on Antitrust Compliance* to provide more specific and easy-to-understand guidance for employees. During the reporting period, the Company did not have any anti-monopoly related legal proceedings or investigations.

The Company consistently upholds its commitment to fostering a fair marketing environment for every consumer and safeguarding their legitimate rights and interests. It strictly adheres to applicable laws and regulations governing advertising and labeling in the jurisdictions where it operates, including the *Advertising Law* and the *Law of Protection of Consumer Rights and Interests*. Internal regulations such as the *Sales Management Policy* and *Ten Red Lines for Integrity Practice* are in place to regulate the conduct of marketers and distributors. These measures ensure that information communicated is accurate, truthful, and legal, and that sales and marketing practices adhere to laws, regulations, social norms, and moral standards. The Company conducted training sessions on business, market management, and compliance management for the marketing team, enhancing the compliance mindset and compliance management skills of relevant personnel. During the reporting period, the Company did not incur any violations in terms of marketing communications.

• Managing Supervision and Reporting

The Company has established a sound anti-fraud reporting and complaint mechanism, formulated the *Whistleblowing Policy, Reporting and Complaint Management Measures*, set up reporting channels such as reporting mailboxes, mailing addresses, and reporting hotline, and encouraged internal employees, partners, and other stakeholders in reporting and lodging complaints regarding violations. The Company established and improved the internal audit system, analyzes and evaluates business ethics and corruption risks, focuses on important businesses or departments that may breed fraud in the annual audit plan every year, and always maintains attention to corruption and bribery and other violations of laws and regulations in all audit activities, and strengthens the supervision of system construction, process establishment and implementation in the management and operation. For example, in the procurement process, the Company strictly audits whether the access and exit management of suppliers, procurement procedures, and price are compliant. Meanwhile, the Company has established a standard protection mechanism for whistleblowers, strictly maintaining the confidentiality of whistleblower information and prohibiting retaliation against whistleblowers. This ensures that employees and entities who report internal violations, fraud, and behaviors damaging the Company's reputation are safeguarded by the Company.

Whistleblower Protection Mechanism

The Company is committed to safeguarding the personal information and other legitimate rights and interests of whistleblowers, maintaining a zero-tolerance policy towards any form of retaliation. We undertake all necessary information security measures to protect whistleblowers' personal information and reported content from leaking and unauthorized access, alteration, or destruction.

Whistleblowing Hotline and E-mail for Potential Bribery or Corruption Behaviors

Hotline: 0571-86611816

E-mail: jubao@hikvision.com

• Business Ethics Training

The Company continues its efforts in promoting and implementing integrity, with a focus on strengthening publicity and training initiatives. This included conducting on-site integrity education and training sessions, which covered various high-risk positions and departments. During the reporting period, the Company updated training courses to incorporate the content according to the *Code of Ethics and Business Conduct*, ensuring the participation of all employees (including contractors and interns) in these training sessions and tests. Additionally, integrity reminders are sent to all employees during important holidays such as the Dragon Boat Festival, Mid-Autumn Festival, and National Day. On the annual "12.9 International Anti-Corruption Day", the Company conducted integrity-themed educational activities such as Q&A sessions and interactive games both online and offline. These initiatives aimed to help employee further establish the value of integrity and pragmatism.



12.9 International Anti-Corruption Day

Respecting and Protecting Human Rights

As a global corporate citizen, Hikvision fully respects and protects human rights, and optimizes its human rights governance policies and commitments. The Company encourages employees to deepen the understanding of connection between the concept of human rights and corporate operation that includes technological research, product design and development, marketing and sales. This approach ensures that the respect and protection of human rights are integrated into business decisions and operations.

• Protecting Human Rights

The Company respects the human rights stipulated in the *Universal Declaration of Human Rights*, the *International Covenant on Civil and Political Rights*, the *International Covenant on Economic, Social and Cultural Rights*, and the *International Labor Organization Declaration on Fundamental Principles and Rights at Work*. At the same time, we draw guidance from frameworks such as the *United Nations Guiding Principles on Business and Human Rights*, and the *OECD (Organization for Economic Co-operation and Development) Guidelines for Multinational Enterprises*, to formulate and optimize human rights governance policies and commitments.

During the reporting period, the Company issued the *Hikvision Global Human Rights Policy* to ensure that all its directors, supervisors, senior management team, and employees treat others and conduct business activities with integrity, respect, and fairness, clearly articulating its dedication to ensuring that everyone within the Company and throughout the value chain is respected.



For "product and business management", the Company employs an approach of "automation plus manual" for compliance due diligence procedures. This involves internal risk assessment, third-party audits, stakeholder communication, risk reporting, and other measures to assess human rights risks. At the same time, the Company communicates its commitment and concept of "respect for human rights" to suppliers, customers, and end-users through contracts, commitments, and product usage proposals, etc. The Company maintains continued cooperation with external consultants, and keeps reviewing and optimizing its human rights compliance system.

Additionally, the Company has established a reporting mechanism for potential risks in its released *Whistleblowing Policy*. This ensures that incidents with potential negative impacts on human rights are addressed in an objective and efficient way. If deemed necessary, appropriate remedial actions will be taken to mitigate or eliminate existing impacts.

• International Exchanges and Cooperation

The Company proactively keep in touch with many human rights organizations around the world, with the aim of exploring and adopting emerging expectations and advanced practices of human rights in a timely manner. For instance, in November 2023, the Company participated in the 12th United Nations Forum on Business and Human Rights in Geneva, Switzerland, as part of our efforts in improving corporate compliance of human rights in business practices.

The Company pledged its commitment to the future of human rights at the United Nations "75 Pledges" campaign. It has implemented innovative and forward-looking programs across three strategic areas including employee management, product and business management, and supply chain management.

Hikvision Commits:

In recognition of the 75th Anniversary of the Universal Declaration of Human Right, Hangzhou Hikvision Digital Technology Co., Ltd. ("we"), as a responsible business entity, pledges that we will strive to ensure that our policies, procedures, and operations are consistent with UNGPs to respect and protect fundamental human rights and will seek to ensure that everyone in our value chain is treated with dignity and respect.

Embracing the concept of "Tech for Good," the Company remains dedicated to responsible and sustainable business practices. This commitment was further underscored by its approved participation in the UNGC in January 2024.

• Conveying the Concept of Human Rights

During the reporting period, the Company organized activities such as themed exhibitions and signing events across the offices of China, Singapore, the United Kingdom, and the Netherlands, marking the official launch of the *Hikvision Global Human Rights Policy* while commemorating the 75th anniversary of the *Universal Declaration of Human Rights*. Through cross-regional activities, the Company aims to enhance understanding and recognition of the importance of human rights among its employees worldwide, while fostering a cross-cultural and inclusive working environment. Furthermore, the Company actively promotes corporate values that prioritize the respect for human rights in a global scale. We encourage offices in different countries and regions to play an active role in upholding human rights, thereby creating a unified global business entity committed to the highest standards of human rights.



Signing activity for "Commemoration of the 75th Anniversary of the Universal declaration of Human Rights" at our domestic and overseas offices

Product Responsibility

Hikvision, firmly rooted in technological innovation, deeply insights into the needs of our customers, and remains unwavering in our commitment to quality. We are dedicated to providing high-quality products, solutions, and localized services and nurturing a reliable cybersecurity environment. Leveraging science and technology, we empower our customers to thrive in both professional endeavors and everyday lives.

Key Performance in 2023

Technological Innovation:

Our R&D investment reached RMB 11.393 billion, up 16.08% year on year, accounting for 12.75% of the annual operating income

We were granted 1,884 invention patents, 336 utility model patents, 462 design patents, 166 software copyrights, and 54 trademarks

We led the compilation of 1 national standard and participated in the compilation of 17 national standards, 15 group standards, and 3 international standards

Product Quality:

We were honored by the China Association for Quality Inspection as:

the 2023 National Quality and Integrity Model Enterprise

the 2020-2023 National Quality Leading Enterprise in Security Industry

the 2020-2023 Stable and Qualified Products in National Quality Inspection

the 2023 National Quality and Integrity Demonstration Enterprise in Products and Services

High-quality Services:

We were certified with Level 1 Conformity (in the Operation and Maintenance Sector) under Information Technology Service Standards (ITSS)

Information Security:

We received the ISO 38505 governance of data certification for the first time

We held 85 training sessions on cybersecurity, covering 100% of our employees

Contribution to UN SDGs



Promoting Technological Innovation

Innovation serves as the boundless motive force for Hikvision's sustainable development. We harness the limitless potential for technological advancement by continually investing in professional R&D team, promoting intellectual property protection, fostering a culture of innovation, and actively engaging in industry collaborations, together with other initiatives.

● Increasing Innovation Investment

Hikvision is committed to increasing investment in research and development (R&D). We have established a global network of R&D centers with Hangzhou as the central hub, extending to Beijing, Shanghai, Wuhan, Xi'an, Chengdu, Chongqing, Shijiazhuang, Montreal (Canada), London (the UK), and Dubai (UAE).

We encourage our employees to explore frontier technologies, striving to cultivate a team distinguished by its extensive experience and exceptional expertise. This team is responsible for developing and implementing innovative technologies, including but not limited to the Internet of Things, AI, Big Data, and Large Scale Model. During the reporting period, our post-doctoral research center welcomed a dozen researchers, several of whom successfully completed their tenure. Additionally, our employees published over 20 papers at top conferences in computer vision and artificial intelligence, such as CVPR, ECCV, AAAI*.

During the reporting period

R&D investment

RMB11.39 billion

YoY growth

16.08%

Accounting for

12.75% of the total revenue

Number of R&D staff

28,479

Accounting for

48.65% of the total employees

● Leading Industrial Innovation

Through active cooperation with research institutions, industry associations, and leading enterprises, as well as extensive involvement in the development of industry standards, Hikvision plays a pivotal role in driving industrial transformation. The Hikvision Research Institute maintains robust exchange and cooperation with standard-setting bodies, such as the National Technical Committee 28 on Information Technology of Standardization Administration of China as well as its Artificial Intelligence Sub-committee (SC42) and Biometric Features Recognition Sub-committee (SC37), and the International Artificial Intelligence Industry Alliance (AIIA). We make in-depth efforts in promoting the standardization of video encoding and decoding, Large Scale Model, Trustworthy AI and other key areas.

During the reporting period, the Company was recognized as an Outstanding Member for 2023 by the Big Data Technical Standards Promotion Committee of the China Communications Standards Association (CCSA/TC601). We have taken the lead in the development of one national standard and actively contributed to the development of 3 international standards, 17 national standards and 15 group standards.

● Protecting Intellectual Property

Hikvision places significant emphasis on safeguarding the intellectual property rights of our innovative achievements while respecting the lawful rights and interests of third-party intellectual property owners. In strict adherence to the *Patent Law*, the *Trademark Law*, and other relevant laws and regulations, we have issued various policies, such as the *Trademark Use System* to govern our internal trademark registration and usage procedures.

During the reporting period, the Company completed both the second-phase optimization and launch of the trademark database management system, offering comprehensive support for various business scenarios related to trademark management and usage.

* IEEE Conference on Computer Vision and Pattern Recognition (CVPR), European Conference on Computer Vision (ECCV), and Association for the Advancement of Artificial Intelligence (AAAI)

Invention patent	Number of patents granted in 2023	1,884
	Total number of patents granted	5,759
	Number of patents under application	4,800+
Utility model patent	Number of patents granted in 2023	336
	Total number of patents granted	1,679
	Number of patents under application	230+
Design patent	Number of patents granted in 2023	462
	Total number of patents granted	2,761
	Number of patents under application	530+
Software copyright	Number of patents granted in 2023	166
	Total number of patents granted	1,907
	Number of patents under application	20+
Trademark	Number of patents granted in 2023	54
	Total number of patents granted	2,363
	Number of patents under application	517
Notes:		
<ul style="list-style-type: none"> ● Data as of December 31, 2023. ● Statistics scope of our patents: <ul style="list-style-type: none"> Number of patents granted in 2023: Based on the number of officially authorized documents received as of December 31, 2023. Number of patents under application: Based on the number of official acceptance notices received as of December 31, 2023. Total number of patents granted: Valid patents as of December 31, 2023. ● Statistics scope of our software copyright: <ul style="list-style-type: none"> Number of software copyrights granted in 2023: Based on the number of software copyright certificates received as of December 31, 2023. Number of software copyrights under application: Based on the number of applications submitted to the copyright center as of December 31, 2023. Total number of software copyrights granted: Valid software copyrights as of December 31, 2023. 		

Additionally, Hikvision boosts awareness of intellectual property protection among employees through training and various other activities. We provide multiple channels, including hotlines, email, and our website, for reporting intellectual property infringements, and ensure a smooth feedback mechanism.

During the reporting period, the Company filed 10 intellectual property infringement complaints, with 8 resolved.

Channels to Report Intellectual Property Infringements to Hikvision

Hotline: 400 800 5998

Email: weiqian315@hikvision.com

Website: www.hikvision.com/weiqian315

Mailing Address: Legal and Compliance Department, No. 518 WuLianWang Street, Binjiang District, Hangzhou, 0571-88075998-63844



The First TRIZ Innovation Forum Concluded with a Complete Success

• Nurturing a Culture of Innovation

Hikvision regularly organizes diverse innovation activities with the goal of fostering a culture of creativity and excellence. We recognize teams and individuals who demonstrate outstanding performance and make significant contributions to innovation and quality. During the reporting period, the Company organized the 3rd TRIZ (Theory of Inventive Problem Solving) Innovation and Creativity Competition for all employees, as well as the "Streamlining Cases of Invention Principles" activity.

During the report period

2,000 persons empowered by online and offline TRIZ courses

138

Employees were certified by Zhejiang provincial level-I innovative engineering training

19

TRIZ projects

11

Patents

5

New products

| Case |

The First TRIZ Innovation Forum: Sharing innovation experience to stimulate innovation vitality

In August 2023, we sponsored the First TRIZ (Theory of Inventive Problem Solving) Innovation Forum. This event showcased the application of scientific methods to innovation, highlighting the theoretical and practical benefits of TRIZ in enhancing the innovative capabilities of individuals and organizations. The forum attracted approximately 500 participants, both virtually and in person. Notably, the project "R&D of the New Generation Underwater Camera" participated in the 2023 China Innovation Methods Competition and was awarded the Third Prize in Zhejiang Province.



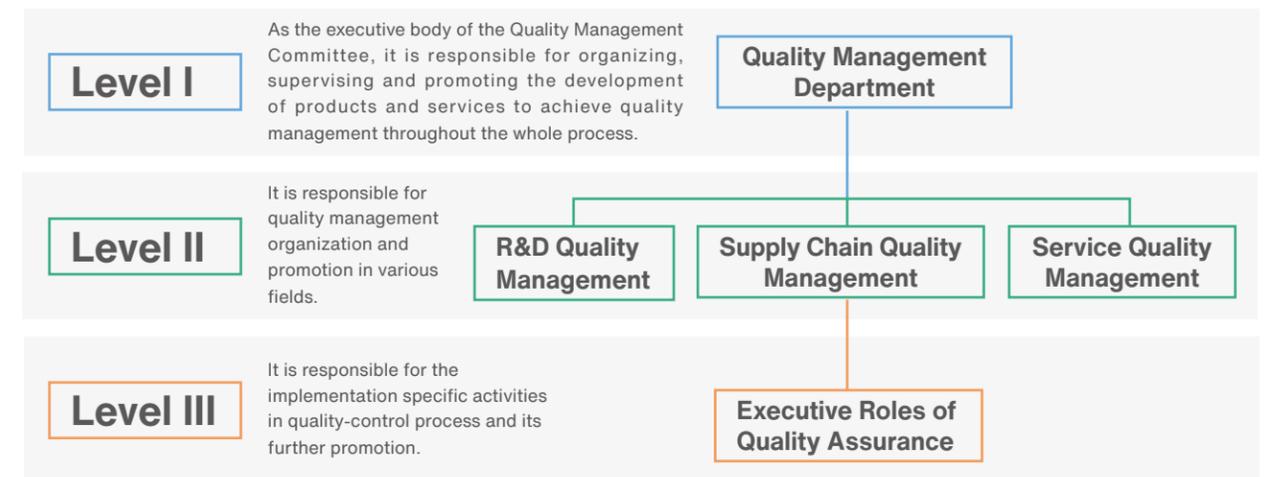
First TRIZ Innovation Forum

Guaranteeing Product Quality

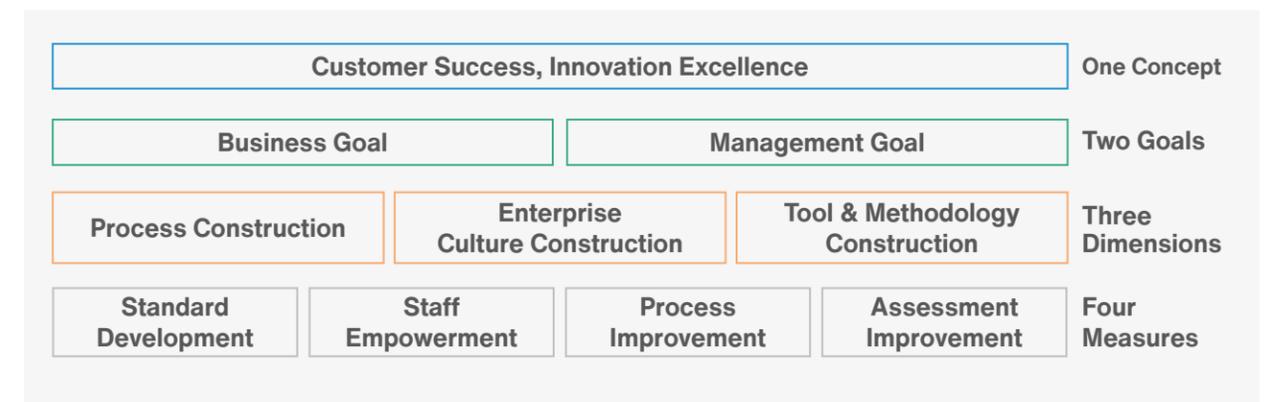
Upholding the quality policy of "leading technology, quality first, customer satisfaction, continuous innovation", Hikvision continuously refines its quality management system. We have built a strict quality control mechanism, covering the entire process from raw material acquisition to production, packaging, and shipping. At the same time, we intensify our efforts on the quality training for front-line employees, providing fundamental support to quality management.

• Optimizing Quality Management

Hikvision has established the Quality Management Committee, which is responsible for coordinating and overseeing quality management across all levels of the organization. Additionally, we have developed a corresponding quality management structure and model that aligns with the Company's operational requirements. This framework clearly outlines the management responsibility at every level, extending quality management throughout the production and operation process. Our quality management approaches are timely adapted to tackle challenges in different development stages. Furthermore, the Company has obtained certification for the ISO 9001 Quality Management System, highlighting our commitment to high standards in product quality.

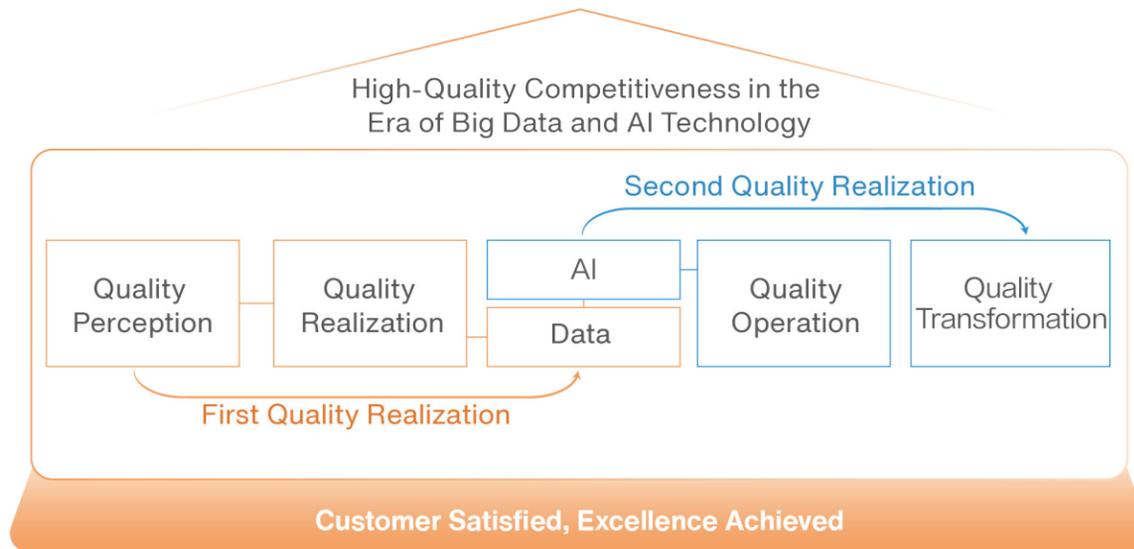


Quality Management Structure



Quality Management Model

Meanwhile, the Company integrates its technical expertise into quality management practices. By applying digital technology in quality management through a perspective of digital transformation, we explore the synergy of personnel, digitization, intelligence, and machinery. Empowering our quality management with digital technology, we strive to drive advancements in quality on all fronts.



Hikvision's Digital and Intelligent Quality Management Model

● Fostering High-quality Culture

Aligning with the work policy of “raising employees’ awareness of quality responsibility and fostering employees’ quality-compliant habits”, Hikvision offers targeted quality management training and various quality culture activities for employees from different positions. We thus enable our staff to acquire knowledge and skills in quality management to meet our development objectives.

During the reporting period, the Company carried out three series of cultural promotion activities theme on high-quality development: “Adherence to the Red Line”, “Thorough Business Review”, and “Proactive Innovation”.



Quality Culture Promotion

- **Quality perception:** Based on comprehensive perception, we attend to the needs of customers and stakeholders with a focus on high quality, efficiency, and overall experience.

- **Quality realization:** By delving into quality scenarios with digital technology, we drive the digital and intelligent transformation of core values to redefine quality business through virtual-real interactions.

- **Quality data:** We have established a comprehensive data management system to ensure effective conversion among data, information, knowledge, and quality, allowing for data sharing on demand.

- **Quality AI:** As AI becomes integrated into business operations, technical product innovation, and customer experience, we are transitioning towards AI-driven strategic operations.

- **Quality operation:** By leveraging digital operation platforms and facilities, we are reshaping management perceptions and exploring the synergy of personnel, digitization, intelligence, and machinery.

- **Quality transformation:** Through strategy-driven integrated transformation, our efforts in enhancing both management and business practices can result in comprehensive upgrade in quality across all aspects of our operations.



Keep to Red Lines

The Company officially released the *Hikvision Quality Red Line Management Policy*, publicized and implemented it for all employees, and a total of 22,000+ employees passed the red-line learning and evaluation. Simultaneously self-inspection, self-correction and special audit activities were carried out.



Review

The Company has launched a review tool method course, with a total of 20k+ clicks on publicity activities, with 1000+ people participating in learning courses. Besides we have launched 19 offline open classes/special trainings. The company has also carried out project review that can help instructor training, especially for project managers, with 40+ project managers practicing 50+ project reviews and 94+ project lessons learned.



Innovation

The company actively uses TRIZ tools to empower 2,000 employees throughout the year, and has launched 5 issues of TRIZ innovation case stories to create an innovative atmosphere.

Delivering Quality Services

Rooted in our core values of “customer-friendly, value-centric, integrity-based, excellence-oriented development”, Hikvision champions a service philosophy of “professional service, customer first”. We prioritize understanding and addressing customer concerns promptly with our professional services, continuously generating value for customers.

• Improving Service System

With a focus on meeting customer needs and elevating satisfaction, Hikvision has crafted a comprehensive, one-stop integrated service system to provide high-quality products, services, and solutions. The Company has built a three-tiered service system encompassing a wide array of services, including services of standard product service, installation and debugging, project delivery, operation and maintenance, on-site support, and more. With localized service resources deployed worldwide, diversified and refined business needs of customers can be well satisfied.



During the reporting period, the Company passed the annual supervisory review by the China Quality Certification Center and was certified by the ISO 20000 Information Technology Service Management System, Level 1 Conformity (in Operation and Maintenance Sector) by Information Technology Service Standards (ITSS), the CTEAS* 7-star Certification of after-sale service system perfection degree certification evaluation system, and CTEAS 12-star Certification of after-sale service system perfection degree certification evaluation system for continuous and effective service capability.

* CTEAS: It is a professional standard system to evaluate the perfection of the after-sales service system of the enterprise in accordance with the CTEAS100, CTEAS1001-2017 after-sales service system perfection certification and evaluation specifications, and the relevant standards of the national standard GB/T27922-2011 commodity after-sales service evaluation system

During the reporting period, the Company enriched new outreach channels, such as the partner portal, the customer service official account, and the WeChat mini program. Furthermore, to enhance knowledge

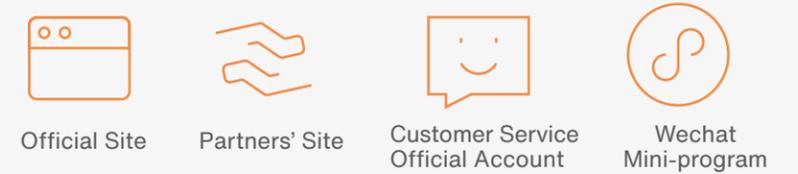
we accumulated over
5,000 relevant documents

improved and launched over
30 customer service tools

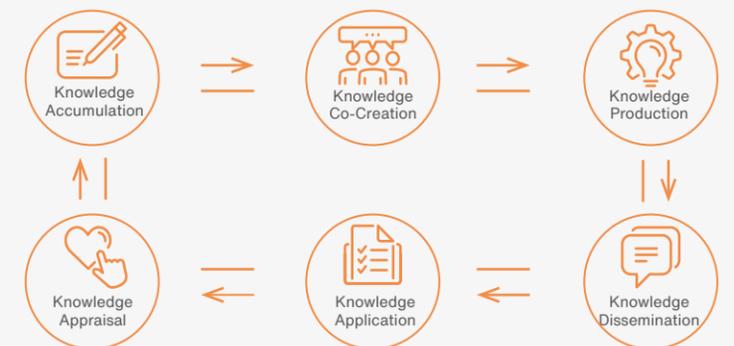
• Upgrading Service Capabilities

Hikvision upgrades its customer service capabilities by expanding channels and refining content across three dimensions: outreach, tools, and knowledge. We have developed reach platforms such as our official website, which features a comprehensive knowledge system. Additionally, we have introduced useful service tools to enrich our service hub.

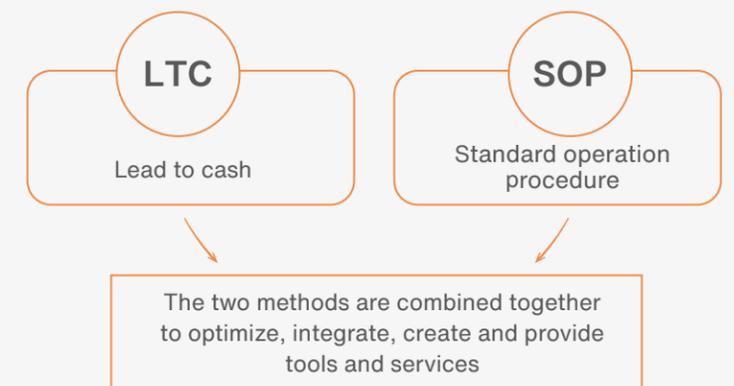
Channels Platforms



Knowledge Structure



Tool Service



Hikvision's Service Tool and Content

• **Elevating Service Satisfaction**

Hikvision conducts regular customer satisfaction surveys and maintains a robust mechanism for collecting, categorizing, and addressing customer feedback digitally. Annually, we monitor customer satisfaction and investigate the root causes of recurring issues, and formulate improvement plans accordingly. On this basis, we conclude solutions and experiences that significantly improve customer satisfaction and promote them through sharing sessions and other channels.



Multiple ways to improve the user experience

During the reporting period, the Company conducted a customer satisfaction survey to calculate Net Promoter Score (NPS). The results showed:

the NPS of domestic non-distribution customers reached **70%**

compared with a year earlier, up **1%**

the NPS of distribution customers reached **78%**



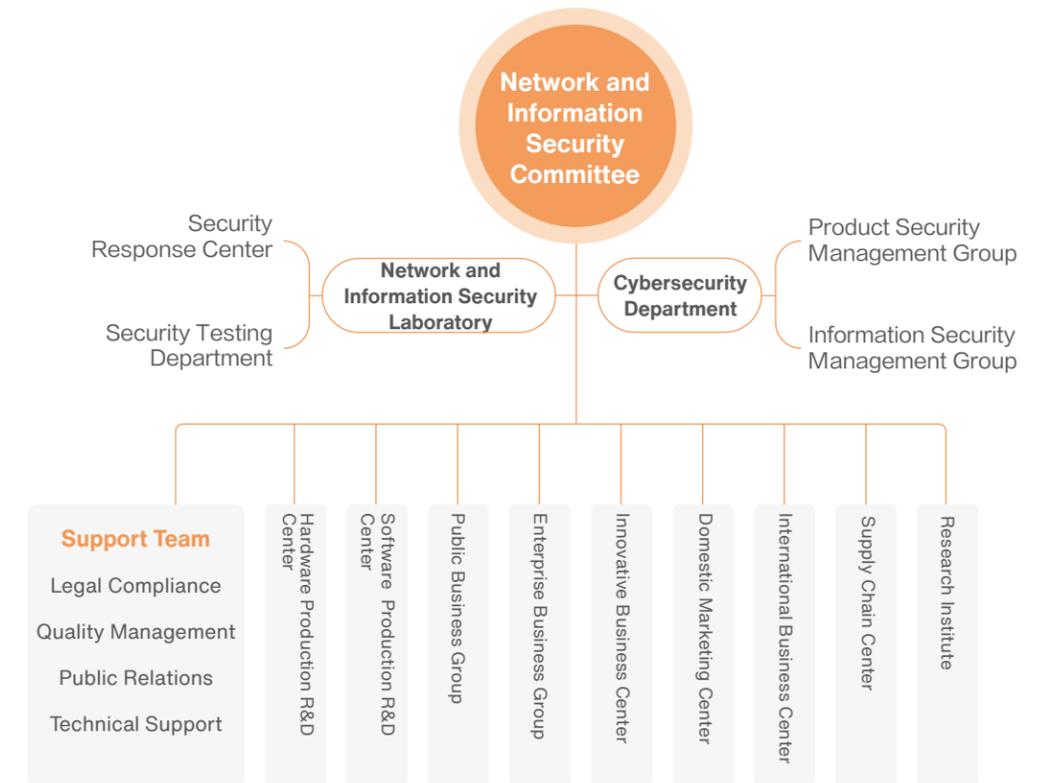
* Net Promoter Score (NPS) = (number of recommenders/total sample) × 100% - (number of detractors/total sample) × 100%

Network and Information Security

Hikvision firmly believes that network and information security is not only the industry baseline but also the primary prerequisite for delivering secure and superior user experience. With a robust cybersecurity management structure in place, the Company consistently enhances the process management capability of emergency responses and integrates cybersecurity awareness into our corporate culture. Committed to offering customers stable, reliable, safe, and trustworthy products and services, we collaborate with partners to foster a secure network and information ecosystem.

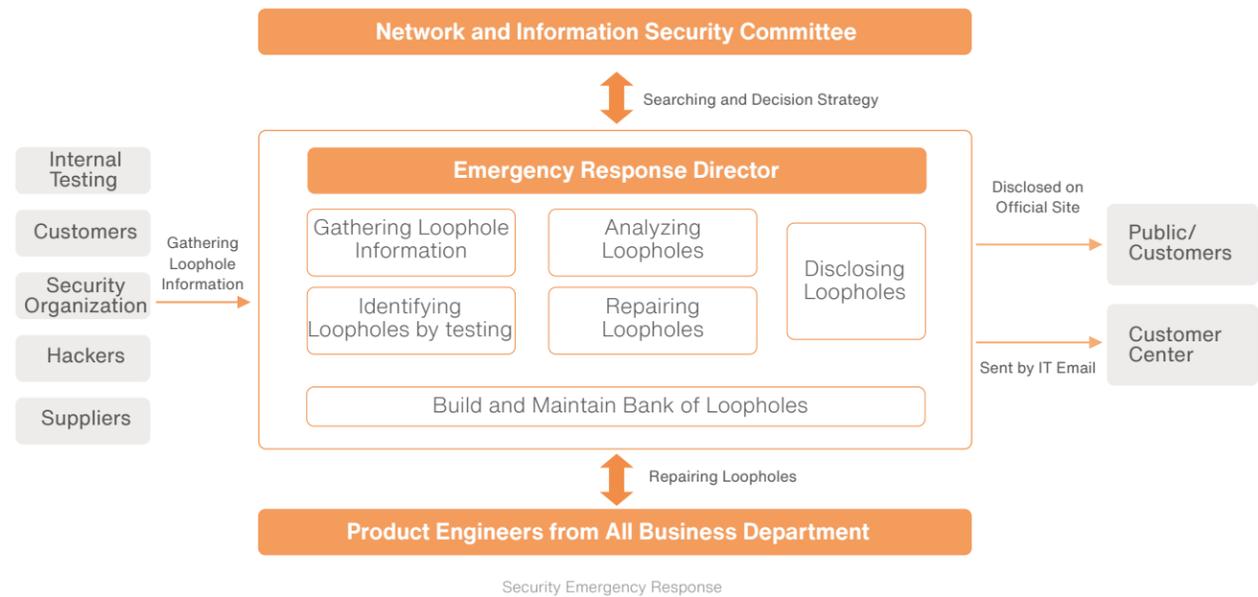
• **Improving Cybersecurity Management System**

Hikvision has always been at the forefront of the industry in maintaining network security. The Company has established the Network and Information Security Committee as the highest governing body within its security organizational structure. Chaired by the Company's President, the committee appoints the Cybersecurity Department, a standing specialized organization, to oversee strategic planning, policy formulation, and decision-making regarding significant conflicts or relevant issues.



Security Organizational Structure

During the reporting period, the Company introduced policies including the *Management Standards for Information Security Exchange*, the *Management Procedures for Information Security Risk Assessment*, and the *Implementing Standards for Information System Risk Assessment*. We also established a mechanism for communication and coordination between information security and external organizations. Additionally, the newly released *Management Procedures for Threats and Vulnerabilities* not only emphasize our focus on managing threat intelligence and vulnerabilities, but also expand the scope of information security management. These adjustments have transformed information security management from static incident responses to ongoing surveillance and management of security issues. This has resulted in the establishment of a more dynamic and comprehensive approach to information security management, aiming to address evolving security threats and challenges. Moreover, the Company received the ISO/IEC 27001:2022 *Information Security Management System* and ISO/IEC 29151:2017 *Personal Data Privacy Protection Management System* certifications from the British Standards Institution (BSI). Our information security management system has been ranking atop internationally.



The Company has updated and published *Cybersecurity White Paper* and *Product Security White Paper*, introducing our explorations and practices in the field of cybersecurity. This enables stakeholders to understand our security capabilities from an open and transparent perspective.



Hikvision released the 2023 edition of *Cybersecurity White Paper* and *Product Security White Paper*

Honors and Awards

We received the **Reliable Digital Plant Golden Award in the inaugural DTAA (Digital Trust Assurance Award)** from BSI

3 series of camera products were certified by the **Common Criteria for Information Technology Security Evaluation (EAL3+)**

4 camera products were certified by the **Cybersecurity Labelling Scheme (Level 4)**

Key security defense technology for IoT intelligent terminal and its large-scale application was awarded **the first prize of Zhejiang Provincial Science and Technology Award**



• Raising Cybersecurity Awareness

Hikvision offers a diverse range of information security training and activities for the entire workforce and staff from specific positions, such as daily awareness training, targeted and specialized security training, annual training examinations for all, phishing drills, and security attack-defense drills.

During the reporting period, the Company introduced 25 cybersecurity courses for employees at home and abroad, covering topics such as the *Privacy Protection in Data Lifecycle*, the *APP Privacy Compliance*, and the *Information Asset Transmission and Protection*. We also organized 85 cybersecurity publicity and training sessions, covering 100% of our employees.

During the reporting period

organized

85 cybersecurity publicity and training sessions

covering

100% of our employees

| Case | Cybersecurity publicity week

In 2023, the Company organized the Cybersecurity Publicity Week across the headquarters remote R&D centers, production bases, and business centers. Through activities including “Steering Clear of the Red Line”, “Firewall Challenge”, “Security Awareness Check”, “Phishing Drill”, “Password Strength Quiz”, “Information Security Training Lecture”, and “Information Security Examination”, we bolstered the security awareness across our workforce.



2023 Cybersecurity Publicity Week

• Advancing Data Privacy Protection

The Company complies with the *Data Security Law*, the *Administrative Measures for Data Security in the Field of Industry and Information Technology (Trial)*, among other laws and regulations. We formulate and publish a *Data Lifecycle Security Management System*, and improve our data grading and classification efforts, as well as the compliance management process for collecting and utilizing personal information through our domestic apps.

Moreover, abiding by the latest ISO/IEC 27001:2022 *Information Security Management System Standards* and integrating the framework requirements of ISO 38505 *Data Governance Security Management System*, the Company has made significant updates and adjustments to our information security and privacy management system. To address key areas of focus, we have introduced policies such as the *Hikvision Singapore Personal Data Protection Policy* and the *EU Electronic Privacy Compliance Operation Guide* to further refine our system of policies.

During the reporting period, the Company obtained the ISO/IEC 27701:2019 *Privacy Information Management System* and the ISO 38505-1:2017 *Data Governance System* certifications. Adhering to the *Measures for the Security Assessment of Outbound Data Transfer*, we applied for a security assessment for outbound data transfer from the Office of the Central Cyberspace Affairs Commission and became one of the first companies in Zhejiang to successfully complete this assessment. During the reporting period, the Company's app strictly complied with relevant regulations in terms of compliance with the collection and use of personal information, and was not notified by the Cyberspace Administration of China and the Ministry of Industry and Information Technology, nor was it subject to law enforcement or investigation by overseas regulatory authorities due to personal information protection issues.

Honors and Awards

Infovision Foresight SpaceT, our platform for perceptual fusion and empowerment, received the **Golden Caudron Award at the 19th China Public Security Expo**

Received the **Best AI Security Vendor of the Year Award** from Tadawul

Received the **AI Security Innovator of the Year Award** from ITP Media Group



Environmental Responsibility

Amidst the escalating challenges of climate change on a global scale, Hikvision remains steadfast in its commitment to green development. We continuously enhance our environmental management system, leveraging clean technology opportunities to progressively minimize the environmental footprint of our manufacturing and operations. By contributing our strength to achieving the carbon peak and carbon neutrality goals, we champion harmony with nature.

Key Performance in 2023

Green Management:

We formulated the *Management Procedures for Greenhouse Gas Emissions*

Green Products:

We conducted carbon footprint certifications for a series of products, such as network cameras, smart identity recognition terminals, LCDs, and LEDs

Green Production:

We embraced clean energy, with 12,533.7 MWh of power generated via photovoltaics

We applied a solid waste management system, and wastewater, waste gas, solid waste, and chemicals were disposed of and discharged/emitted with 100% compliance

Our Chongqing production base won the title of "National Green Plant", "Chongqing Environmental Protection Honest Enterprise", and "Chongqing Demonstration Plant of Digital and Green Transition"

Contribution to UN SDGs



Green Management

According to the UN Intergovernmental Panel on Climate Change (IPCC), climate change is a grave and mounting threat to our wellbeing and a healthy planet. Hikvision is fully aligned with the climate goals outlined in the *Paris Agreement* and China's carbon peak and carbon neutrality goals. Our commitment to addressing climate change begins with the establishment of the Carbon Neutrality Committee. With a focus on reducing carbon emissions throughout the product lifecycle, we are intensifying our efforts through technological empowerment, intelligent manufacturing, green operations, and low-carbon products. We are transitioning from management to practical application, and maximize our contribution to mitigating the global impacts of climate change.

Organizational Structure

The Company promotes carbon neutrality management from top to bottom based on a sound carbon management structure. Under the leadership of the Board of the Company, our management team and the Carbon Neutrality Committee jointly formulate carbon management strategies, goals and policies, and take "safe and efficient AIoT applications for connecting the whole chain of green and low-carbon development" as the Company's green mission.

The Carbon Neutrality Operation Working Group is responsible for the development of the carbon management system, the Operation Management Functional Group takes charge of basic operational support such as laws and policies, capacity building, etc., and the four business groups (green operation, low-carbon products, intelligent manufacturing, and technology empowerment) are responsible for specific work planning and implementation. They also promote the Company's energy conservation and carbon reduction through internal publicity, newsletter, carbon footprint certification of products, and encouragement for low-carbon innovation, etc. Additionally, the Company goes deep into the business scenarios of various industries to empower upstream and downstream customers with AIoT business solutions and innovative low-carbon applications, striving to boost the shared efforts on carbon reduction within the industry, and achieve continuous business improvement.

Honors and Awards



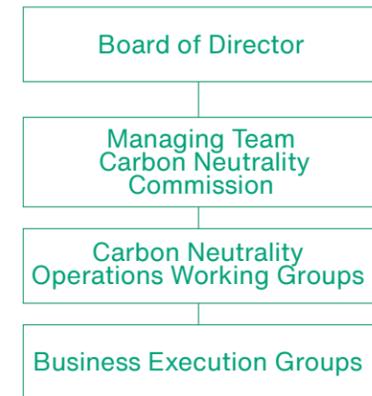
We were certified by the ISO 14064 greenhouse gas accounting and verification



We were honored as the "2023 Carbon Neutrality Pioneer Enterprise." The Board Secretary, Chief Compliance Officer (COO), Huang Fanghong, received the honorary title of "2023 Carbon Neutrality Chief Climate Officer" from the 21st Century Business Herald



We received the "2023 Carbon Neutrality Digital Pioneer Award" from syobserve.com



Organizational Structure of Carbon Management

Policy Support

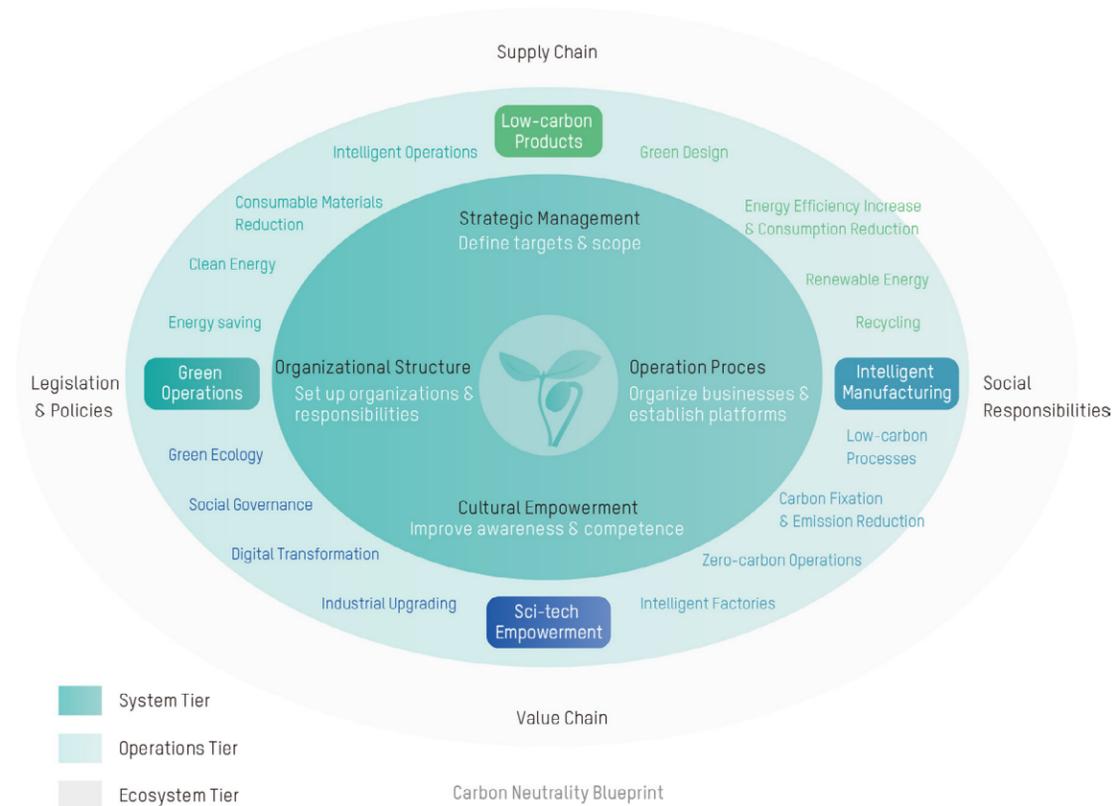
In 2023, the Company formulated and introduced the *Management Procedure for Greenhouse Gas Emissions*. This initiative aims to strengthen the management of GHG emissions, exercise control over the total amount of carbon emissions, reduce carbon intensity, and promote green and low-carbon operations.

"Hikvision remains steadfast in its commitment to green development. It advocates for green production and operations, actively pursues energy-saving and emission-reduction initiatives, and prioritizes the R&D and application of clean technology products and services. Through these efforts, the company strives to achieve sustainability in harmony with the society and environment."

—Carbon Neutral Research Group of the 21st Century Economic Academy

Integration into Business

Hikvision has laid out a carbon neutrality blueprint. Through this framework, we implement innovative schemes and models aimed at energy conservation and carbon reduction. These initiatives encompass technology empowerment, intelligent manufacturing, green operations, and the development of low-carbon products. By bringing together the carbon reduction path of operation, product and manufacturing departments, we promote a green value chain and supply chain with technology.



To ensure effective climate management, Hikvision conducts GHG inventory assessments. During the reporting period, the Company completed an external audit for ISO 14064 carbon inventory, examining our GHG emissions at the headquarters Phase II, and Tonglu Plant Phase I and Phase II in 2022. In August, we were certified by the ISO 14064 Greenhouse Gas Accounting and Verification.



Green Products

Minimizing the environmental impact throughout our product lifecycle is a pivotal step in carbon reduction. At Hikvision, we integrate green principles into every aspect of our product research and development, design, packaging and utilization, alongside conducting carbon footprint inventories and certifications. In 2023, the Company conducted carbon footprint certifications for products such as Network Camera, Smart Identity Recognition Terminal, LCD, and LED. By analyzing carbon footprints and energy consumption across their lifecycle, we provide targeted insights and support our supply chain in reducing GHG emissions.

Honors and Awards



We were honored with the "2023 Five-Star Green Supply Chain Evaluation for Disk Storage"



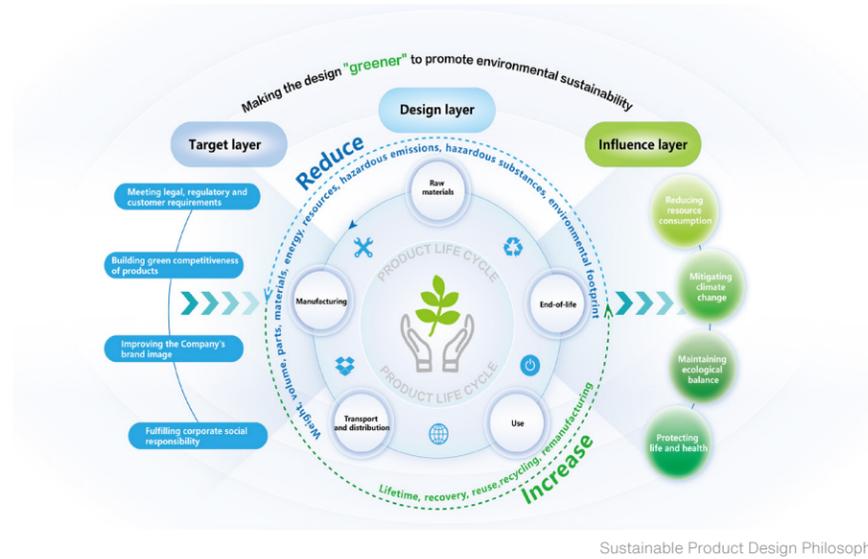
We were honored with the "2023 Five-Star Green Supply Chain Evaluation for Security Camera"



Hikrobot received the title of "Excellent Digital Intelligence Service Provider for 2023 LOG Low Carbon Supply Chain Logistics" by Logclub.com

• Design and R&D of Low-carbon Products

By integrating automation, modular design, and recycling practices into our product R&D processes, we prioritize the creation of eco-friendly products right from the start of their lifecycle. We refine our product lineup to focus on options that offer high added value, produce fewer emissions and consume less energy. This ensures that our product design, quality, functionality, and production align with green product standards.



| Case |

Hikrobot produces lighter and less energy-consuming AGV products

Hikrobot embraces lightweight and integration design concepts in developing AGV products. We have transitioned from traditional welded frames to aluminum alloy castings and from metal shells to plastic shells shaped by molds, significantly reducing weight while maintaining overall strength.

Additionally, the integration of motors and gearboxes has minimized both wiring usage and body size, resulting in a more compact layout. Taking AGV as an example, the load ratio of the first generation of AGV is 1:1.25 (self-weight 400kg, load 500kg). In the fourth generation, we achieved a load ratio of 1:6.67 (weight 180kg, load 1200kg).



The first generation of HikRobot's AGV



The forth generation of HikRobot's AGV

• Clean Technology Application

The Company proactively employs clean technologies across the product lifecycle. Utilizing miniaturized, low-power, high-efficiency components and lightweight, recyclable materials, we prioritize eco-friendly solutions to minimize the environmental impact of our products and services during their use. Looking ahead, we are committed to investing more capital and human resources in clean technology to broaden its application and enhance its iterations across all aspects of our operations, ultimately leading to a reduction in carbon emissions.

47,050 models
(including sub-models)

were certified
by China Environmental Labelling

↑ up 12.6% from 2022



24,800 models
(including sub-models)

were certified
by Energy Conservation Certification

↑ up 14.9% from 2022



| Case |

EZVIZ Vacuum Cleaners certified by the US UL2809 with ocean-recycled materials

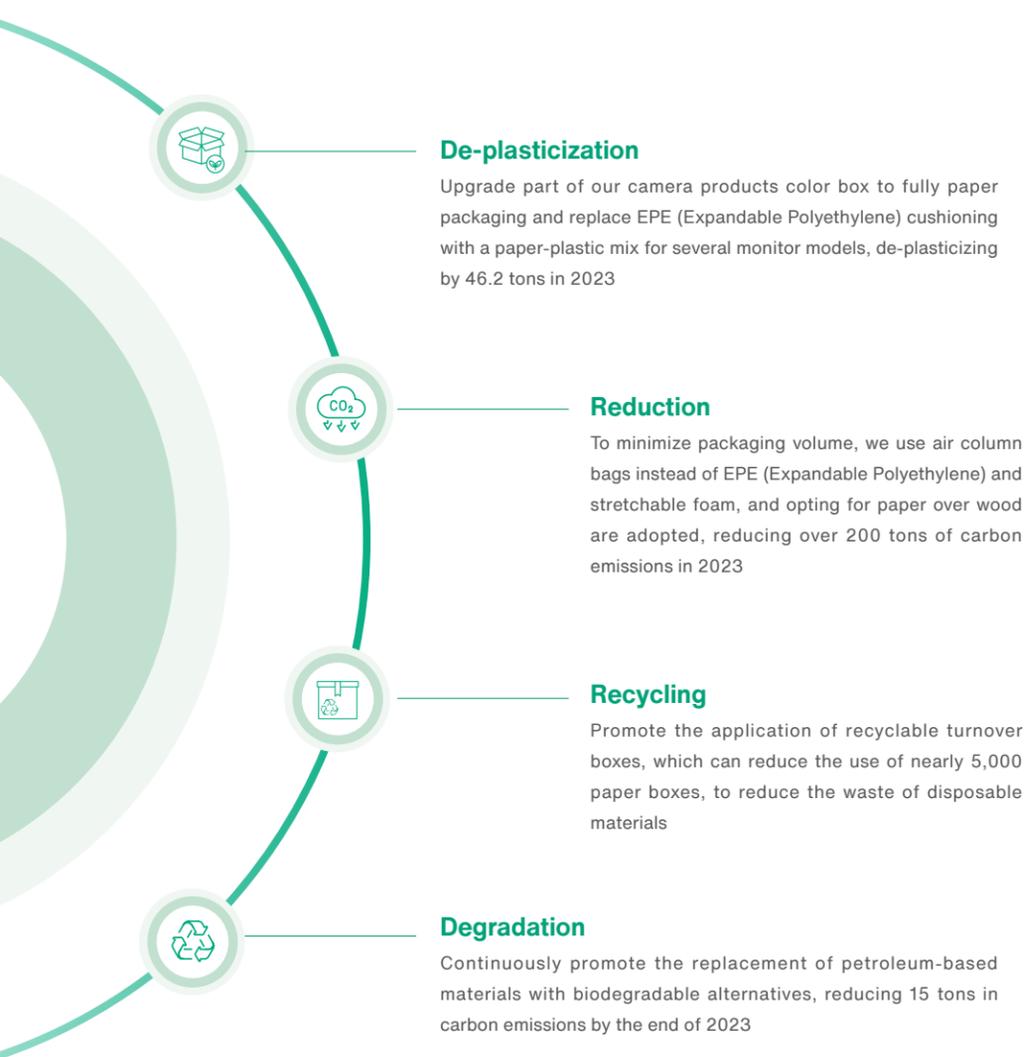
According to a report by the UN Environment Programme (UNEP), approximately 11 million tons of plastic waste flow annually into oceans, killing over 1 million sea birds and 100,000 sea mammals. In an effort to address ocean plastic waste recycling alongside our users, the EZVIZ RC3, RE4, and RE5 series utilize spray-free, eco-friendly materials containing 85% ocean-recycled content. These products have been certified by the US UL2809 Recycled Content Validation. By incorporating these eco-friendly materials, which are equivalent to repurposing 16 plastic bottles per vacuum cleaner, we contribute to marine environmental protection.



EZVIZ Vacuum Cleaners and US UL2809 certification

• Green Packaging

Hikvision is pioneering green packaging innovations to lessen the environmental impact of packaging materials. While ensuring that products are fully protected by packaging, we have taken measures to de-plasticize and reduce packaging materials, promote degradable materials, and increase packaging recycling efficiency, minimizing the use of packaging materials.



De-plasticization

Upgrade part of our camera products color box to fully paper packaging and replace EPE (Expandable Polyethylene) cushioning with a paper-plastic mix for several monitor models, de-plasticizing by 46.2 tons in 2023

Reduction

To minimize packaging volume, we use air column bags instead of EPE (Expandable Polyethylene) and stretchable foam, and opting for paper over wood are adopted, reducing over 200 tons of carbon emissions in 2023

Recycling

Promote the application of recyclable turnover boxes, which can reduce the use of nearly 5,000 paper boxes, to reduce the waste of disposable materials

Degradation

Continuously promote the replacement of petroleum-based materials with biodegradable alternatives, reducing 15 tons in carbon emissions by the end of 2023

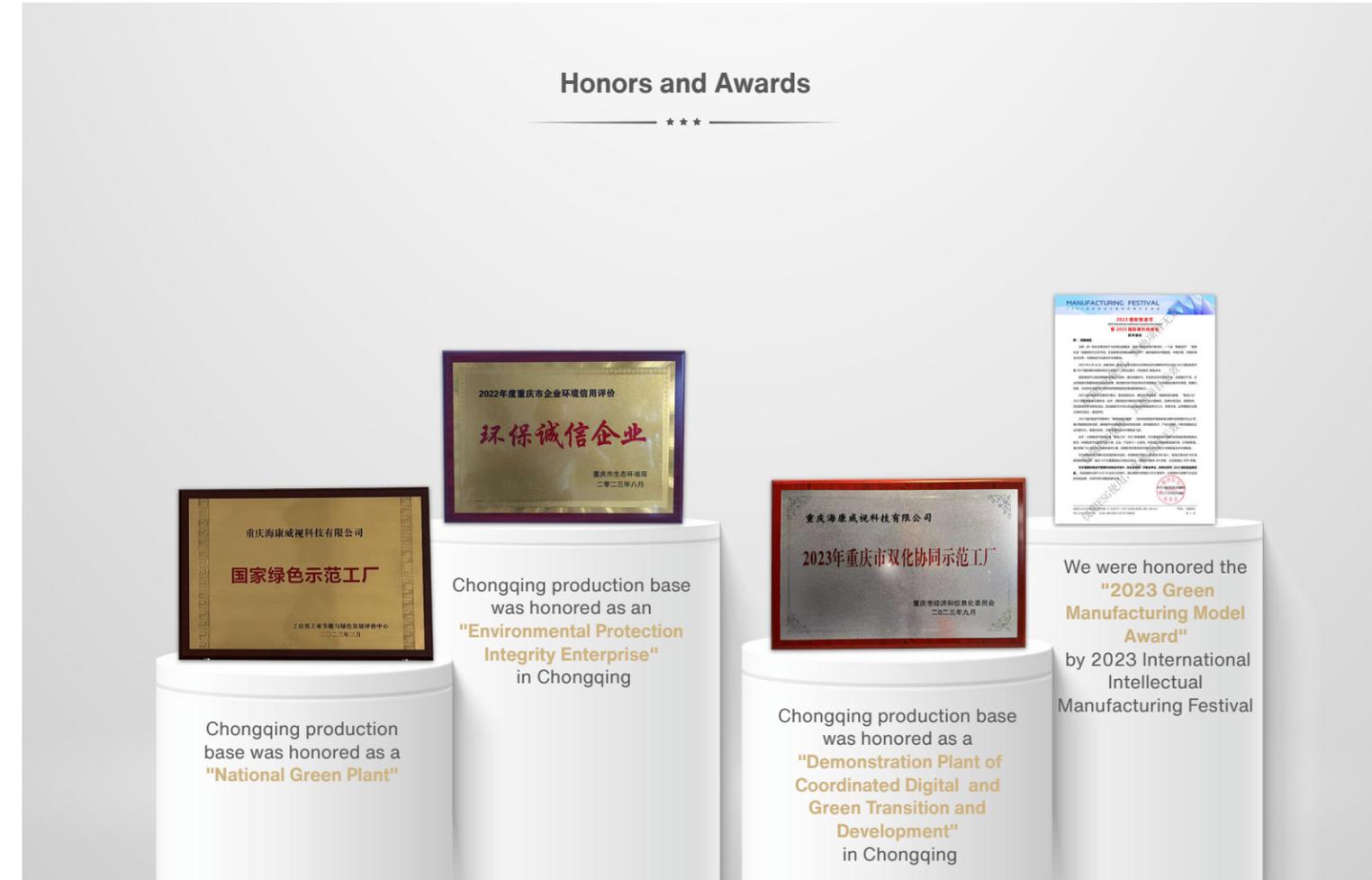
Sustainable Packaging Initiatives

Green Production

Hikvision pays attention to the environmental impact of our business operations and manufacturing processes. In alignment with this commitment, we work to build an eco-friendly production model. Specifically, we make the whole production process clean, incorporate clean energy sources, optimize energy utilization, champion water conservation and recycling initiatives, minimize waste emissions, and enforce rigorous chemical management practices. These efforts facilitate the shared progress of production operations and environmental protection.

The Company conducts regular environmental risk assessments across all business activities to identify potential risks and impacts, and define clear environmental responsibilities and authorities for all business departments. Additionally, we have updated and released the *Change Management System for Environmental and Occupational Health and Safety (EHS)* and the *Procedures for EHS Change Management*. These documents specify the steps in the change process, including identifying hazards, environmental factors and simultaneous approval of EHS, thereby refining our green management process.

Honors and Awards



Chongqing production base was honored as a "National Green Plant"

Chongqing production base was honored as an "Environmental Protection Integrity Enterprise" in Chongqing

Chongqing production base was honored as a "Demonstration Plant of Coordinated Digital and Green Transition and Development" in Chongqing

We were honored the "2023 Green Manufacturing Model Award" by 2023 International Intellectual Manufacturing Festival

• Optimizing Resource Usage

Hikvision embraces the principle of minimizing resource consumption throughout all stages of operations. From equipment procurement to energy usage and the retirement and replacement of equipment, we promote the delicacy management of energy utilization.



Source Control

To curb the procurement of high-energy-consuming equipment, we have developed the *Access Requirements for Key Energy-Consuming Equipment*, mandating the procurement of more efficient and energy-saving equipment. In 2023, the Tonglu site Phase III introduced an air compressor heat water recovery system. This process ensures the optimal utilization of thermal energy while minimizing resource consumption.



Process Management

We have developed management policies and processes for the use of electricity, water, and natural gas, such as the *Management Specifications for Energy-saving and Consumption Reduction*, the *Control Process for Energy Targets and Indicators*, and the *Management Process for Energy Consumption Issues*. By analyzing the energy consumption goals at the corporate level, departmental level, and key area level on a monthly basis. We have also developed a digital workflow to address instances of energy overconsumption and waste interface to rectify energy overconsumption and waste, forming a robust PDCA cycle.



Elimination Mechanism

We have developed the *Management Specifications for Compliant Energy Consumption in Equipment*, guiding us to conduct annual checks and replace non-compliant equipment. In 2023, we eliminated a bending machine driven an obsolete electric motor.

Full-process Energy Management

While prioritizing energy savings and reducing consumption, the Company promotes the procurement of green electricity and accelerates the development of distributed photovoltaic and energy storage facilities, thereby accelerating energy transition.

Photovoltaic (PV) power

Priority is given to PV power generation in new industrial parks. During the reporting period, the Chongqing production base installed a **4.43 MW DC PV** project, generating around **2,492.7 MWh**, the Tonglu production base's Phase I and Phase II installed the **9.118 MW PV** power facility, generating around **10,041.0 MWh**, and the Tonglu production base's Phase III and Phase IV is set to install around **27,000** square meters of PV capacity.

| Case |

Highly efficient refrigerating station projects are fully implemented



In 2022, we selected some sites to build highly efficient refrigerating stations to realize the intelligent improvement of energy efficiency, gaining remarkable achievements in energy conservation. In 2023, we introduced high-efficiency refrigerating stations in eight new projects, including the Zhengzhou production base and EZVIZ Network. These stations feature an all-variable frequency design, resulting in a remarkable 20% improvement in energy efficiency. Particularly noteworthy are the implementations at the Wuhan production base and Chongqing Phase III, where we employed direct-connected pump technology to reduce hydraulic resistance in water networks, resulting in a 10% reduction in energy consumption for transmission and distribution. Additionally, at the Hangzhou EZVIZ Network, Zhengzhou production base, and Nanchang production base, we adopted an "N+1" configuration of large and small units, combining centrifugal and screw machines to ensure efficient and stable operation across a wide range of loads.

Moreover, following a third-party energy efficiency evaluation, the Company's High-efficiency Refrigerating Station Project at Jiangling Road Phase IV in Hangzhou was honored with the 2023 Blue Sky Cup Excellent Engineering Award by the *Journal of HV&AC*.

Water resources management

The Company continues to refine its water resource management system by developing the *Water Conservation Management Standards*. The leading group and the working group for water-saving management have devised a comprehensive five-year plan for water conservation. Through initiatives such as balanced water testing, water use monitoring, water-saving transformation, and rainwater collection, we aim to minimize water waste and optimize the efficiency of water resource utilization.

01

In Binjiang Phase II and Phase III, reclaimed water from direct drinking water is used for basement floor cleaning.

02

Binjiang Phase IV has introduced a grade-I water-saving certified cooling tower and equipped an intelligent atomization system for air conditioning in the test room.

03

Tonglu Phase III and Nanjing Hikvision Technology Park project are both outfitted with water-saving and overflow-prevention equipment. Water meters are installed in all water use areas. A rainwater reuse system is also in place to collect, treat, and repurpose rainwater for irrigation and surface cleaning.

Water Conservation Initiatives

• Reducing Waste Discharge

Hikvision rigorously follows the *Law on the Prevention and Control of Water Pollution*, the *Law on Prevention and Control of Air Pollution*, the *Law on Prevention and Control of Environmental Pollution by Solid Waste*, and other laws and regulations of the places where we operate. We maintain strict oversight of emissions management and strive to minimize waste gas, wastewater, and solid waste while ensuring compliant treatment and disposal processes.

Wastewater Discharge and Waste Gas Emission Management

The Company has developed the *List of Environmental Pollution Factors* and the *Management Standards for Environmental Pollution Prevention and Control Facilities*, detailing the main pollutants and corresponding targeted treatment measures.



Wastewater

Domestic wastewater: It is discharged into a septic tank through campus sewage pipes. Subsequently, it undergoes L3 biochemical treatment to meet discharge standards before entering the municipal sewage pipe network. Finally, after additional treatment at an urban sewage treatment station, it is released into rivers.

Wastewater from canteen kitchen: It is discharged into a grease trap via campus sewage pipes, where it passes through an oil-water separator. Following treatment to meet discharge standards, it is discharged with domestic sewage and enters the municipal sewage pipe network. Finally, it undergoes further treatment at an urban sewage treatment station before being discharged into rivers.



Waste Gas

Organic waste gas: Laboratory facilities for waste gas collection and purification are installed to ensure that all waste gases generated from experiments involving volatile chemical substances can be collected and disposed.

Dust: Emergency ventilation and waste gas and dust purification facilities are installed.

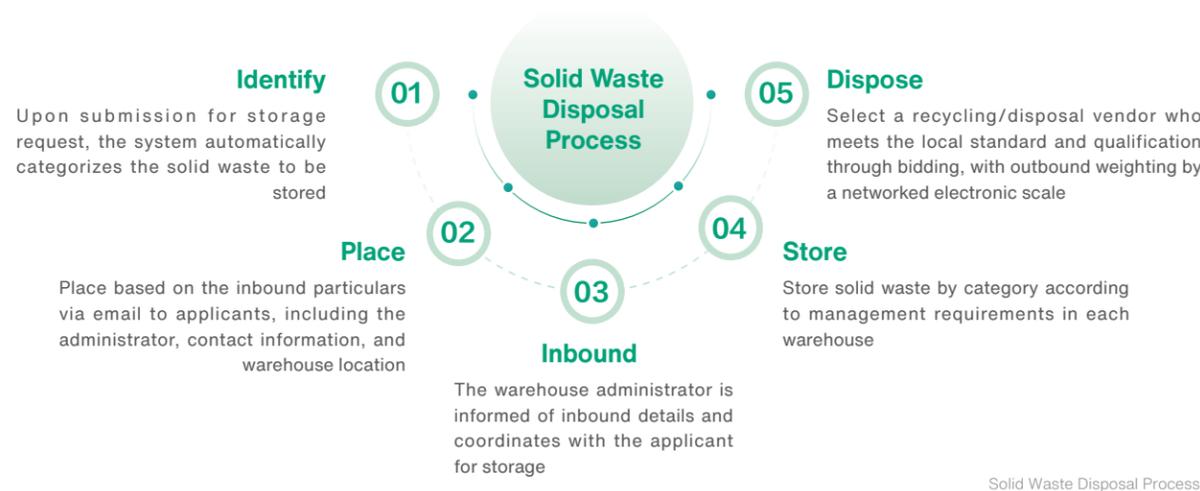
Fume exhaust: Following treatment with a high-voltage electrostatic purifier up to the standard, emissions are safely vented through a designated flue to the rooftop.

Wastewater Discharge and Waste Gas Emission Disposal Process

Solid Waste Discharge Management

The Company has introduced several waste management specifications, including the *Classification Standard for General Industrial Solid Waste* and the *Management Specification for the Safe Use of Lithium Batteries*. These policies aim to standardize and track waste disposal practices, ensuring that various types of waste batteries are disposed of in a uniform manner. Additionally, we have launched a solid waste management system, increasing the comprehensive utilization rates of various materials, and improving the efficiency of disposing of recyclable solid wastes.

For hazardous waste, the Company updated and released the *Management Specification for Hazardous Waste* in accordance with national standards and technical specifications. This document delineates the criteria for collecting, transferring, storing, and disposing of hazardous waste. It ensures that all departments fulfill their supervisory responsibilities concerning hazardous waste, thereby standardizing disposal procedures throughout Hikvision. Additionally, we have implemented a digital management system to monitor hazardous waste in real-time, ensuring its legal and safe disposal.



• Chemicals Management

Hikvision maintains a cautious stance on the use of hazardous chemicals in production process. Adhering to a policy of “avoiding the use of banned chemicals and minimizing the use of hazardous chemicals”, we have issued the *Measures for the Safety Management of Hazardous Chemicals*. We assess the hazardous property of incoming chemicals and establish protective measures throughout the entire process, encompassing collection, storage, and handling. While ensuring compliance with product quality standards, we prioritize the implementation of eco-friendly chemical processes and actively pursue alternatives to harmful substances, thereby preserving the environmentally friendly characteristics of our products.

During the reporting period, the Company updated the *Standards for Environmentally Restricted Substances Control*. We incorporated new requirements, including the US Toxic Substances Control Act (TSCA), Japan’s Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, the EU’s Ozone-Depleting Substances (ODS), Fluorinated Greenhouse Gases Regulations, REACH Annex XVII, and the China Environmental Labelling I standard, into our list of restricted substances. This ensures that all materials we utilize adhere to both national and international environmental regulations, as well as policies governing chemicals registration, evaluation, authorization, and restriction.

| Case | Hikimaging replaces traditional acid pickling with physical polishing

We actively explore ways to reduce the use of chemicals in the production process. Traditionally, acid pickling is applied to polish products, while Hikimaging has developed a magnetic polishing technology replacing the former technology in order to use less chemicals. As a result, the annual consumption of acidic cleaning solutions in production is reduced from 4 tons to 0.6 tons, giving some perspective on reducing dangerous chemicals in other production lines.

Green Operation

Hikvision integrates sustainability philosophy of environmental protection, energy conservation and emission reduction into campus construction and daily operations. Through initiatives like promoting green office practices, we create green, low-carbon workspaces to strive for efficient, intelligent, and environmentally friendly operations.

• Sustainable Campus

Hikvision incorporating green principles into campus building. From design and planning to construction and the selection of decoration materials, Hikvision prioritizes achieving low-carbon, energy-saving, and recycling outcomes. In 2023, our Nanjing R&D building construction project earned Green Building One Star Standard.

Building design and planning: We prioritize energy and water efficiency, and air quality enhancements in design and planning stage. We utilize Building Information Modeling (BIM) technology in construction to optimize resource utilization.

Prefabricated buildings: We promote the adoption of steel structures and prefabricated materials for the buildings in the new campuses to reduce environmental pollution from wastes and ensure the materials 100% recycling.

Artificial materials: We follow the principle of “healthy, green, and eco-friendly” to choose decoration materials. Artificial materials such as artificial stones and prefabricated wall panel systems are used to avoid exploitation and deforestation whilst balancing environmental and economic benefits.

During the reporting period

Reduce environmental pollution from wastes and ensure the materials

100% recycling

• Green Office

Hikvision enhances energy efficiency in office operations by promoting energy and water conservation. We advocate for green R&D, green office, and green travel, working to cultivate a green, low-carbon office environment.

Green R&D: We keep improving energy utilization in the R&D process and try our best to use virtual machines rather than the physical machines, thus minimizing energy consumption.

Green campus: We have formulated the *Management Procedures for Equipment and Facilities Switches in Campuses*. These procedures outline the operation schedule and management for equipment and facilities, integrating group, time, light, sound, and motion controls of our smart buildings according to low-carbon and energy-saving requirements.

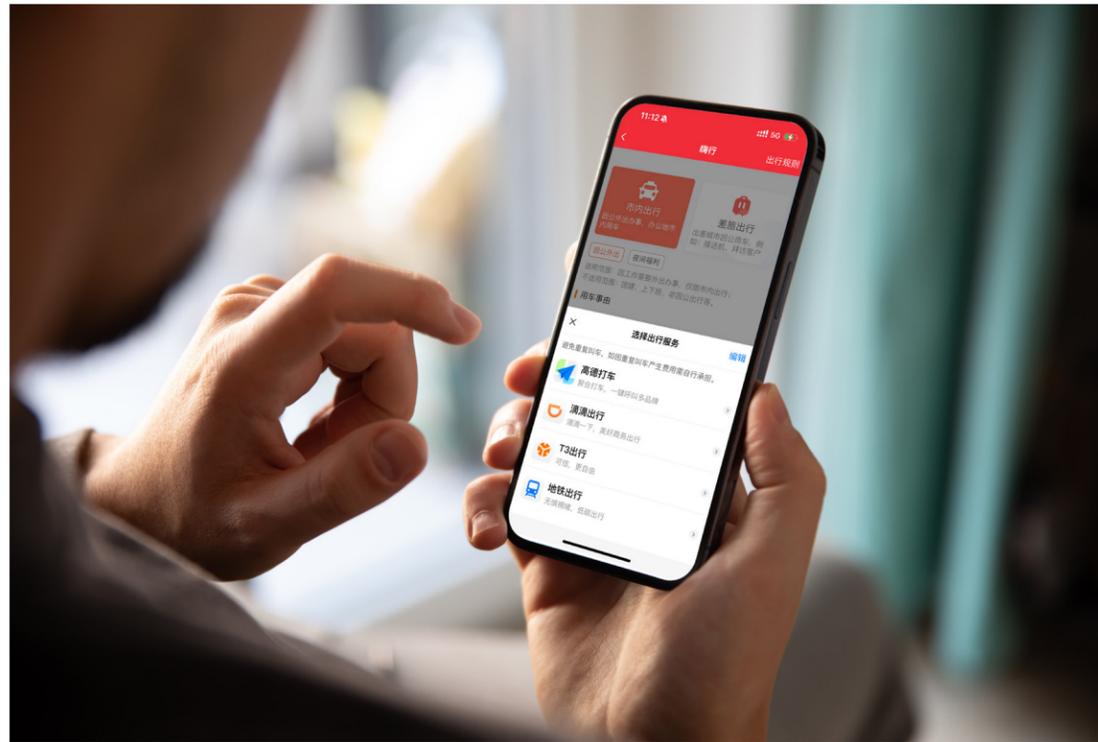
Green office: We constantly promote a paperless office environment through initiatives such as online meetings, electronic materials, e-chops and e-signatures. These efforts not only simplify and standardize processes but also significantly reduce paper consumption.

Green travel: We provide shuttle buses within our campuses and integrate public transportation options into our employee travel platform, thereby substantially decreasing private transportation usage.

| Case |

Public transport integrated into Hikvision's employee travel platform

Following its introduction in 2022, the integrated business travel platform, Hitrips, which digitizes travel expenses and eliminates paper-based reimbursements, expanded its offerings in 2023 with a subway travel module. We encourage environmentally friendly commuting among our employees by linking Hiklink with Alipay's subway travel code. Annually, business travel mileage on Hitrips exceeds 260 million kilometers. Opting for subway travel year-round enables us to reduce GHG emissions by approximately 367 tons.



The subway travel function on the Company's business travel integration platform "Hitrips".

Green Action

Hikvision encourages all employees to embrace a low-carbon lifestyle. We raise energy-saving and environmental awareness through effective publicity initiatives. Utilizing online platforms such as the official forum, public email, and MOA official account, we disseminate relevant policies, regulations, and knowledge. Various environmental activities are also launched to promote green lifestyle.

| Case |

Hikvision launches green tree adoption activity for four consecutive years

On March 12, 2023, Hikvision and the Urban Management Bureau of Binjiang District, Hangzhou, jointly launched the Green Tree Adoption Project along Binjiang's riverside scenic belt for the fourth consecutive year. We signed an adoption agreement for cherry trees and engaged in year-round routine management and inspection activities to protect biodiversity with practical actions.



Environmental Protection Lecture



Energy Conservation Week Banner

Employee Responsibility

Hikvision regards our employees as the most valuable assets, adheres to the core values of "people-oriented and shared growth", and emphasizes the corporate culture of "respect and care for each individual", widely attracting abundant and diverse talent. The Company provides a platform for employees to display their talents, supports them to unleash their potential, and assist them in realizing their self-worth, thereby enabling them grow together with the Company.



Key performance in 2023

Talent Acquisition:

58,544 employees in total

Diversity and Inclusion:

2,421 ethnic minority employees

21 employees with disabilities

Protection of Rights:

The coverage rate of collective contracts reached 100% at the Hangzhou headquarters

Shared Growth:

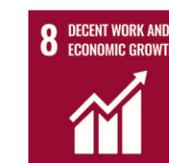
A total of RMB 15.08 million was invested in employee training

A total of 1,534,482 training hours was spent in employee training, with an average of 26.2 training hours per employee

Health and Safety:

No occupational disease cases were found in the Company

Contribution to UN SDGs



Gathering Diverse Talents

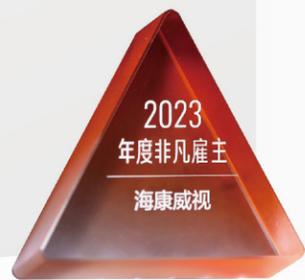
Hikvision is committed to building a diverse and inclusive talent team to better serve customers and society. We attract talents with an equal, open, and inclusive approach and based on a recruitment policy that is fair, transparent, and inclusive. Apart from engagement in university-enterprise partnerships, we improve the interviewing skills of our staff to underpin a fair recruitment process. Through these efforts, we increase our attractiveness to talents and bring together diverse talent in a stable and ongoing manner.



2023 China Top 20 Employers
by Zhaopin.com



2023 Global Talent Magnet Employer
by LinkedIn

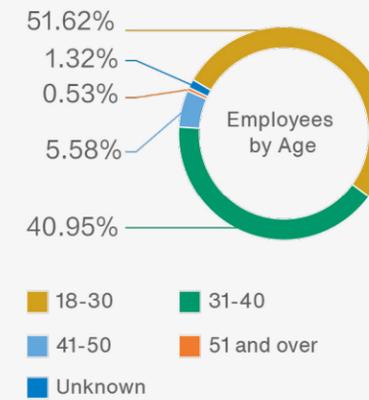


2023 Extraordinary Employer Award
by Liepin.com

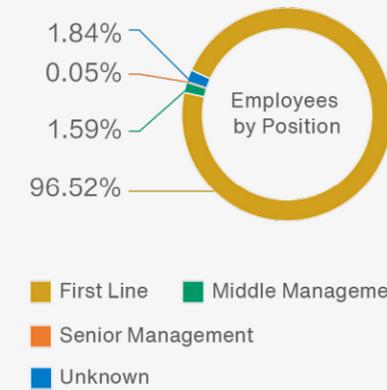
• Providing Equal Opportunity

Hikvision adheres to an equal, open and inclusive attitude to attract talents, and strictly abides by the *Labor Law*, *Labor Contract Law*, *Trade Union Law* and other international and domestic employment-related laws and regulations. Our recruitment policy is founded on principles of equality and openness, prohibiting any form of discrimination based on factors such as race, gender, sexual orientation, age, nationality, religion, marital status, disability, or military service status.

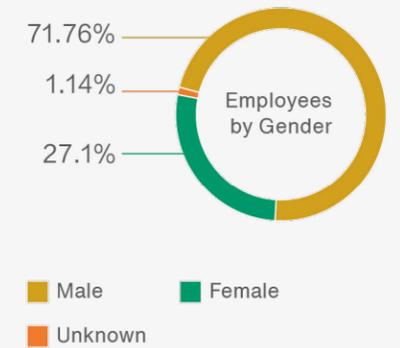
During the reporting period, no cases of child labor were reported within the Company.



Unknown position:
We respect the privacy of our employees, and employees can choose not to disclose their ages in the questionnaire



Unknown position:
Some employees come from overseas subsidiaries that are not use the same position structure



Unknown gender:
We respect the privacy of our employees, and employees can choose not to disclose their genders in the questionnaire

• **Attracting Diverse Talent**

We have established three-dimensional and diversified recruitment channels to attract exceptional talents. Technical experts, interviewers, and alumni are arranged to impart essential job skills to university students, effectively eliminating a significant barrier in attracting talents from universities. Concurrently, we organize several training programs to enhance the capabilities of our interviewers aimed at enabling interviewers to select talent in a standardized and scientific manner, while also demonstrating our objective, professional, and approachable demeanor in talent attraction.

During the reporting period, Hikvision actively engaged in the Employment and Education Project organized by the Ministry of Education

Successfully completed

119 projects

Involving

94 colleges and universities

Organized

147 university-enterprise "Open Day" events

| **Case |**

Hikvision offers special courses on embedded systems and builds a university-enterprise talent supply chain

In 2023, Hikvision collaborated with the Hangzhou Dianzi University to build specialized courses on embedded development. The objective was to impress the students with the charm of embedded software development and introduce students to the world of embedded development engineering. The course involved 27 experts embedded software lecturers and 54 students from the University. Over the span of two months, through coursework and projects, we have nurtured a cohort of outstanding students equipped with both theoretical knowledge and practical skills. This initiative also established a talent training and exchange channel between the Company and the University.



Group photo of the completion of the special course class jointly built by Hikvision and Hangzhou Dianzi University

Safeguarding Employee Rights

Upholding a "people-oriented" approach and complying with labor-related laws and regulations, Hikvision has formulated the *Handbook of Social Responsibility* in accordance with SA8000 Standard, in order to safeguard employee rights. The Company has implemented a fair and competitive remuneration policy and established various platforms to actively listen to employees' voices and protect their rights and interests.

• **Equality and Inclusion**

Hikvision is dedicated to cultivating a harmonious and diverse workplace where the legal rights of all employees are safeguarded. We uphold and respect employees' rights to equal opportunities, freedom of association, freedom of expression, and personal privacy across all levels of management, culture, and practice. Unfair treatment in any form, child labor or force labor is strictly prohibited. We adhere to the laws and regulations of the countries in which we operate, as well as the International Labor Organization (ILO) Conventions and other internationally recognized guidelines. *Hikvision Code of Ethics and Business Conduct* underscores "respecting and protecting human rights" as a fundamental principle of our business. Additionally, we proactively promote human rights protection within the organization, ensuring its integration at every stage of our operations. Furthermore, we have established a complaint and reporting channel to promptly address and resolve any concerns from employees.

Hikvision opposes all forms of discrimination and upholds an ethos of equality and respect. The Company is committed to providing equal opportunities to all candidates, as outlined in our *Recruitment Management Regulations* and other policies. Our *Employee Handbook* explicitly prohibits workplace discrimination or harassment based on factors such as race, color, religion, gender, age, nationality, heredity, disability, or any other irrelevant factors to the Company's lawful and legitimate interests. We have established complaint channels, including email, the "Dabai Hotline", and the "My Voice" section on BBS, to ensure the protection of employees' rights and interests. During the Reporting Period, we updated the *Hikvision Code of Ethics and Business Conduct*, incorporating anti-harassment provisions and updating our hotline services.



During the reporting period

percentage of employees had joined domestic labor unions

97.42%

coverage rate of collective contracts

100%

percentage of female executives

13.79%

number of ethnic minority employees

2,421

number of employees with disability

21

• **Incentive Compensation**

To fully unleash the creativity of our employees, the Company has established a fair, equitable, and competitive compensation system. We prioritize a performance-based compensation structure, where all employee's total compensation comprises basic salary, performance bonuses, and year-end bonuses. These bonuses are tied to both the Company's economic performance and individual achievements. Moreover, we offer medium- and long-term incentives such as equity incentive plan and innovative business co-investment scheme for employees. These initiatives aim to ignite their entrepreneurial spirit, foster innovation. By creating a platform for employees to embark on entrepreneurial endeavors together, we promote a culture which both the risks and rewards of development are shared to support long-term sustainable corporate development.

The Company has launched 5 restricted stock incentive plans

number of employees were granted under the restricted stock plan in 2021

9,738

accounting for approximately **18.5%** of the total number of employees at the end of 2021

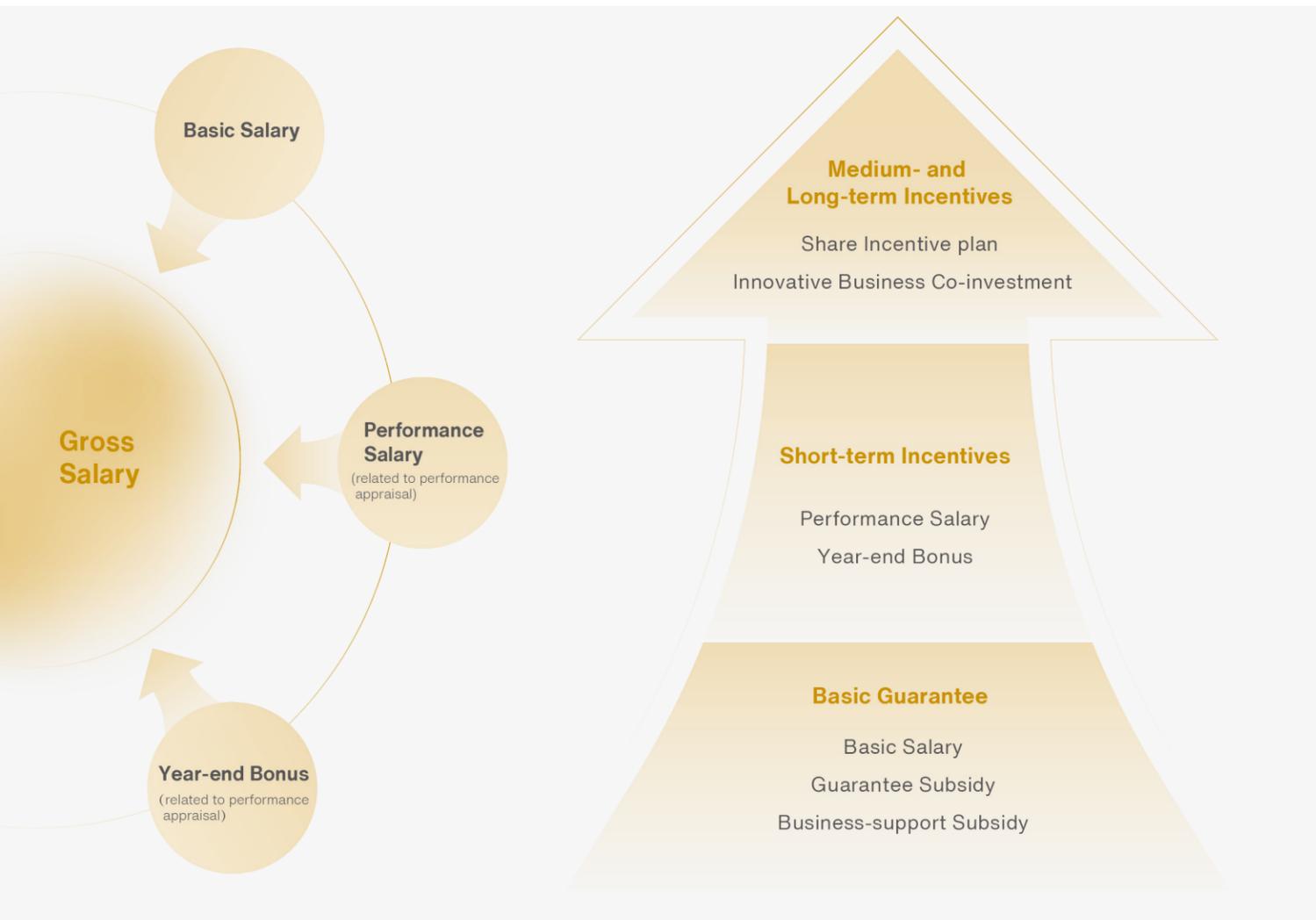
| **Case** |

• **Enhancing Employee Communication**

Adhering to the principle of "respecting the every voice of employees," Hikvision has established various platforms, including the Vision Forum, hotline/email consulting, and a series of activities such as the Dialogue with Managers, to foster open communication and identify/respond to employee needs. In 2023, the Workers' Congress played a pivotal role in safeguarding employee interests and promoting compliant democratic processes within Hikvision, as part of our ongoing commitment to enhancing employee welfare.

Dialogue series activities

In 2023, the Company regularly organized the "Conversation with Managers" and "Face to Face with Senior Managers" sessions, inviting managers from business divisions to have direct communication with employees. These dialogue series activities provided an open platform for all employees, facilitating the exchange of ideas and enhancing the communications. Through sharing experiences and dialogues, it served as an effective communication channel for the teams.



Hikvision's Compensation Structure



Protecting Employee Health and Safety

Hikvision continues to invest resources to strengthen safety management, build an occupational health and safety management system, comprehensively standardize employee occupational health examinations, create a safe workplace, promote safety awareness among all employees, and strive to enable every employee to work in a healthy and safe environment.

• Focus on Occupational Health

The Company strictly abides by laws and regulations on occupational health such as the *Labor Law*, the *Law on the Prevention and Control of Occupational Diseases*, the *Measures for the Administration of Occupational Health Examination*, and regularly entrusts third-party institutions to detect all occupational disease hazards. Employees exposed to such hazards are provided with protective gear and required to undergo periodic occupational health examinations. Meanwhile, we developed a data platform to monitor the occupational health examination process and related data, recording pre-employment, on-the-job, and post-employment occupational health examination information of employees. This enables comprehensive monitoring and management of employee health throughout the entire process. During the reporting period, Hikvision reported zero cases of occupational diseases and obtained certification under the ISO 45001 Occupational Health and Safety Management Systems.

In addition, the Company places significant emphasis on the daily health of employees by engaging a top catering enterprise in China to manage the staff canteen. We provide space with high-quality equipment to catering suppliers, ensuring the provision of a balanced diet. Our offerings include healthy light meals, steamed vegetables with reduced oil and salt, and other kinds of nutritious options. We oversee food procurement and conduct inspections of kitchen utensils and ingredients to guarantee food safety, with inspection results public to all.

• Ensure Work Safety

Hikvision prioritizes employee safety in production and adheres to relevant laws and regulations, including the *Law on Work Safety* and the *Regulation on Work-Related Injury Insurance*. We have implemented a robust work safety management system to comprehensively protect employees' safety. During the reporting period, the Company introduced the *Safety Inspection and Hazard Management Standards*, conducted comprehensive hazard screening to identify potential safety risks, and implemented targeted measures for management and control with a 100% rectification rate.

Standardized Management

- Hikvision has formulated the Regulations on the *Safety Management of Hazardous Operation*. These regulations outline processes, requirements, and technical measures for managing hazardous operations, aiming to ensure safety, stability and effectiveness throughout the entire process

Risk Management and Control

- Hikvision has established a work safety management platform to comprehensively carry out hierarchical risk control and hidden dangers investigation in an information-based, streamlined and intelligent manner

Objective Assessment

- Hikvision has established EHS targets and formulated the *Standards for Assessing Work Safety*. The Company has implemented a system of accountability for work safety across the board and standardized work safety management in departments and subsidiaries

Safety Risk Identification and Management

In the meantime, the Company strives to build a safe workplace, such as, we equip Automated External Defibrillators (AEDs) in several locations such as the front desk, gyms, gates of the campus and other places to enable prompt rescue operations in emergencies.



• Cultivate Safety Awareness

The Company strives to create a safe atmosphere, collects the needs of safety officers of various departments and subsidiaries, optimizes and tailors vocational safety courses based on these insights, and develops an internal learning website dedicated to work safety. This platform covers a wide range of topics such as work safety, occupational health, food safety, and fire safety. Additionally, we collaborate with external professional institutions, such as introducing the Red Cross first responder training and certification program. This initiative aims to enhance employees' ability to respond to emergencies, instill a culture of safety, and improve overall awareness and proficiency in occupational health and safety. As of the end of 2023, the number of Red Cross first responders within the Company exceeded 600.



Red Cross First Responder Training and Certification

Empowering Employee Growth

Hikvision recognizes talents as essential for achieving technological innovation and maintaining a competitive edge in the industry. The Company has established a systematic talents management mechanism with streamlined promotion channels and formulated comprehensive talent training and development plans. These initiatives empower employees in all aspects and facilitate their growth alongside the Company.

• Smoothing Promotion Channels

Committed to the principle of "Fair, Impartial, and Merit-based Employment", the Company provides diversified career development paths for employees. We have established a qualification system and introduced a new online IT system for qualification in 2023 to assist employees in accurately identifying their development orientation within the Company. 89% of employees can find their promotion path in 102 sub-channels of 41 channels in 5 categories, namely, R&D, marketing, professions, supply chain and supply chain technical support & professional services. This promotion guidance enables employees to continue achieving high performance.



In terms of the management team, the Company put forward the Hikvision leadership model - LIGHT model* in 2023, providing video courses on interpreting the model to all managers, with more than 6,000 online learners. Subsequently, the Company gradually organized live sessions in primary and secondary departments both domestically and internationally to deepen managers' understanding. Building upon the LIGHT model, the Company updated the standards of leadership identification and valuation. We implemented standardized measures to enhance the identification and development of managers' abilities, contributing to improved overall leadership capabilities of the Company. Additionally, the Company implemented a tenure system for management personnel and developed tools such as cadre archives, democratic interviews, and post-tenure evaluations to facilitate the orderly rotation of management personnel.

video courses on interpreting LIGHT model

online learners
6,000+

* LIGHT model includes five dimensions: Large-hearted, Inspire members, Get results, Highly insightful and adapt.

| Case | A broad platform for employees to display talents: General Manager of the Hetian branch, from a warehouse keeper to the GM

Hikvision provides diversified career development paths for our employees, hoping that all employees can make their own way towards success.

The current General Manager of the Hetian branch, who joined the Xinjiang Business Center in 2010, began his career as a warehouse keeper before being promoted to a pre-sales engineer. He continuously developed his skills in sales. Since 2018, He has held the position of General Manager of the Hetian branch, reaching a new pinnacle in his career. Hikvision has consistently prioritized creating expansive opportunities for our employees and has dedicated efforts to cultivate their comprehensive qualities and professional abilities, providing steadfast support for their growth.

• Building a Comprehensive Talent Training System

During the period

RMB 15.08 million was invested in employee training

1,534,482 training hours was spent in employee training

The Company recognizes that employee training is a vital method for enhancing the value of human resources. Building upon the "ADDIE*" model, the Company has developed various policies including the *Hikvision Training Management Policy*, *Hikvision Course Management Policy*, and *Hikvision Internal Trainer Management Policy*. These policies form the foundation of a talent training system, comprising a course system, internal trainer system, and operational management system, aimed at enhancing employees' professional and general capabilities. Synchronously, we have established the "Hi-Learning" online platform to facilitate and empower individual growth through specialized courses and practical knowledge.

Meanwhile, the Company focused on identifying typical cases and teaching methods based on best practices, supplementing our regular training programs. We immersed ourselves in real business scenarios and meticulously compiled a total of 61 internal case studies from the Company, including initiatives such as the "Business Capacity Enhancement Project for General Managers in Branches" and the "Practical Project in Industrial Campus." Through in-depth discussions and practical exercises, participants can enhance their business acumen and capabilities swiftly and effectively.



* ADDIE includes Analysis, Design, Development, Implementation, and Evaluation

Enhancing Employee Care

Hikvision prioritizes the well-being of every employee and strives to be a dependable source of support and a close partner. We have established a comprehensive employee welfare system and regularly organize diverse cultural, sports, and club activities to foster a vibrant corporate culture. We encourage employees to find joy in their work and continuously enhance their sense of fulfillment, well-being, and belonging.

• Improving Employee Benefits

The Company places great importance on employees' overall work and life experience, ensuring equal benefits for all staff members. We have implemented a comprehensive welfare system comprising four dimensions: allowances, wellness initiatives, enjoyable life, and talent incentives. This system is designed to enhance the sense of fulfillment, belonging, and well-being among all employees. The company pays 5 insurances and 1 housing fund for all employees (endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident fund), and 100 % of employees are covered by those benefits. Interest-free housing loans will be provided to employees in China who have served continuously for more than 2 years (inclusive) and meet the application conditions. Furthermore, we provide various support facilities within the park, including nursing rooms, health care stations, and kindergartens, with the aim of continually improving the overall employee experience.



Allowances

High-temperature subsidy
Phone allowance
Work meal allowance



Wellness

Social insurance, Supplementary commercial insurance, Annual physical examination 1+X tailored scheme, Regular free clinics, Gym, Physiotherapy room, Employee assistance program (EAP)



Enjoyable Life

Clubs, Staff canteen, Café, Parking lot, Birthday benefits, Kindergarten and nursery, Housing loan scheme, Parental leave



Talent Incentives

Innovative business co-investment scheme, Share incentive plan, Year-end bonus, Golden Brick Award

| Case |

Hikvision builds a health service station in the Company to provide "one-stop" health services to employees

In 2023, to address the medical needs of employees, the Company collaborated with the Binjiang District Health Bureau of Hangzhou City and the Xixing Community Healthcare Center to establish the first health service station in the corporate campus in Zhejiang Province. This initiative, known as the Hikvision Health Station, aligned with the policy of establishing a "hierarchical medical system" and involved renovating an existing Company building. The Company provided the venue and constructed internal facilities, while the Xixing Community Healthcare Center was responsible for operating the station. The station was equipped with high-quality facilities tailored to the Company's requirements, offering comprehensive "one-stop" health services including family doctor services, medical records management, health education, and referral service appointments. By providing employees with more convenience and access to healthcare services, the station enhances their overall sense of wellbeing and happiness.



In addition, the Company has developed an attendance management and leave management regulation in accordance with the laws and regulations of the countries in which it operates, with specific circumstances in consideration. These systems standardize working hours and ensure that employees receive adequate rest. During the reporting period, there is no need for a doctor's certificate for two-day or shorter sick leave, reflecting the Company's commitment to prioritizing employee health and well-being.

Organizing Recreational Activities

The Company enriches employees' lives by actively organizing various recreational activities and encourage employees to start or join interests clubs. Through collaborative efforts, we cultivate a relaxed and joyful corporate culture characterized by mutual trust and support, thereby enhancing employees' sense of belonging and happiness.



Corporate Culture Project "Stories of Hikers"



Our chess, music, dancing, film & TV, and Hanfu clubs have added artistic vibes to the company

We have basketball, football, volleyball, badminton, table tennis, and swimming clubs and organize internal and external contests from time to time to attract sports lovers and enhance employees' physical health



A Series of Activities in Women's Day

Partner Responsibility

Honoring the strategy of "opening-up and mutual support", Hikvision maintains a sound collaborative relationship with our partners. We foster a heightened sense of responsibility among our partners and encourage active engagement in social responsibility initiatives. Together, we pursue mutual development and play a leading role in our respective fields. Leveraging our technological advantages, we support suppliers and industry partners in accessing superior resources, enhancing capabilities, promoting sustainability, and generating opportunities for shared growth.



Key performance in 2023

Responsible Supply Chain:

100% of new suppliers were evaluated using environmental and social criteria

There were no major environmental and social impact events from suppliers

Conflict minerals due diligence covered 100% of new suppliers and the response rate reached 100%

Attendance of supplier training is more than 12,785 times and attendance of distributor training is more than 293,309 times

Contributing to Industry Ecosystem:

Published 8 papers and over 20 standards with colleges and universities

Contribution to UN SDGs



Responsible Supply Chains

Applying the sustainability philosophy across the entire supplier management process, Hikvision comprehensively evaluates, identifies, and manages suppliers' performance in ESG issues including conflict minerals, business ethics, safety, environmental protection, and labor practices. We standardize suppliers' social responsibility behavior to mitigate their negative impacts on society and the environment. Simultaneously, we assist industry partners in achieving multi-dimensional sound development through utilization of cutting-edge technology, with the goal of establishing a responsible supply chain.

• Enhancing Supplier Management

The Company has formulated and implemented regulations such as the *Standards of Supplier Development and Selection Management*, and the *Procurement Framework Agreement*, to continuously enhance supplier management. We adhere to transparent procurement. All suppliers are required to strictly comply with the *Supplier Code of Ethics and Business Conduct*, and *Supplier Corporate Social Responsibility Commitment* and sign the *Supplier Integrity Agreement*. These documents extend Hikvision's compliance activities to the supply chain.

Our Supplier Corporate Social Responsibility Commitment specifies regulations pertaining to business ethics and labor rights. In terms of business ethics, the Company requires suppliers to operate with integrity, and prohibits any form of bribery and corruption. Upstream suppliers are informed of the Responsible Business Alliance Code of Conduct and are required to act in accordance with it. The Company makes efforts to identify and verify risks in suppliers and imposes punishments on suppliers involved in bribery and corruption cases. The punishments include but not limited to imposing a penalty, putting on a blacklist and putting an end to cooperation. As for employee interests, the Company prohibits suppliers from forced labor, slave labor, and child labor, mandates the respect for employees' rights, including outsourced employees, to a safe and healthy workplace. These measures aim to prevent any supplier behavior that violates employee rights or fails to comply with regulations. Meanwhile, the Company supports localized procurement and endeavors to establish partnerships based on mutually beneficial cooperation.

Supplier access

The Company assesses suppliers' certifications, including ISO 45001 Occupational Health and Safety Management Systems, ISO 14001 Environmental Management System, and ISO 27001 Information Security Management System. We prioritize suppliers that demonstrate a commitment to environmental conservation, social responsibility, human rights, and sustainable development, according to relevant qualifications.

Supplier assessment

The Company makes quarterly and annual assessment plans in accordance with its *Management Regulation on Supplier Rating*. These assessments cover various aspects including quality, cost, technology, delivery, Hazardous substances free, and social responsibility on a quarterly basis, and environmental, health, and safety aspects annually. Suppliers are categorized into four grades including Grade A, Grade B, Grade C, and Grade D, with each grade subject to different management approaches. We offer coaching to suppliers with lower grades to address their issues until they are rectified.

Supplier exit

The Company will eliminate suppliers with significant issues in quality, delivery, and environment, or social irregularities.

During the reporting period

Supplier Corporate Social Responsibility Commitment signing rate

100%

number of suppliers with major environmental and social impact events

0

signing rate of Supplier Integrity Agreement in procurement businesses

95.45%

the proportion of spending on local suppliers

22%

• Managing Conflict Minerals

The Company places significant emphasis on conflict minerals. Our Procurement Management Committee is tasked with strategy development and risk monitoring in this regard. We require all suppliers to sign the *Procurement Framework Agreement* to ensure that the materials they provide to Hikvision are DRC Conflict-Free. During the reporting period, a new statement of materials was developed for our internal traceability management, including tracking the brand and the place of origin of second-tier suppliers of raw materials, and managing and saving related information.

Conflict minerals management and control system

In accordance with the *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* formulated by the Organization for Economic Co-operation and Development (OECD), the Company has established a conflict minerals management and control system for mineral resources and products, including tantalum, tin, gold and tungsten. This system consists of five key steps including establishment of company risk management systems, identification and assessment of risks within the supply chain, implementation of strategies to address identified risks, third-party assessments and audits of smelter or refiner in the supply chain with reference to the Responsible Minerals Initiative's (RMI) independent third-party verification system, annual report on supplier due diligence process and results. We systematically conduct due diligence on conflict minerals across our supply chain. During the reporting period, we had no violations caused by conflict minerals. We also passed the assurance of enterprises requested by the RMI, such as Shenzhen JWIPC Co., LTD, and COMPUMAX COMPUTER S.A.S., an Argentina enterprise, and gained their recognition.



During the reporting period

the coverage of conflict minerals due diligence on new suppliers was

100%

the response rate reached

100%



Enhancing management

The Company distributes *Conflict Minerals Questionnaires*, *Instructions for Filling the Conflict Minerals Reporting Template (CMRT)*, and the *Declaration of Metal Conflict-Free* to mineral suppliers through the SRM (Supplier Relationship Management) platform. We provide detailed guidance to suppliers on completing the reporting forms and conduct thorough investigations into the compliance and legality of materials within the supply chain. Additionally, we offer training sessions on conflict minerals for suppliers to enhance their understanding of responsible procurement practices, enabling them to better manage issues related to conflict minerals and minimize the potential for materials sourced from conflict-affected areas.

Emergency response mechanism

A well-established emergency mechanism for conflict minerals management is in place in the Company to deal with possible emergencies.



• Empowering Supply Chains

The Company is committed to fostering a mutually beneficial supply chain. Leveraging the prominent position in the industry, the Company establishes channels for diverse exchanges and learning, facilitating collaboration among upstream and downstream partners. Through precise empowerment initiatives spanning various dimensions such as quality, products, technologies, and marketing, we aim to optimize the entire supply chain, invigorate the industry, and generate greater value. During the reporting period, the Company empowered suppliers through various channels including the supplier training platform, Hikvision SMBG E-commerce, Supplier Conference, workshops, and Digital Marketing Forum.



In October 2023, Hikvision held the Digital Marketing Forum themed "Internet towards Digital and Intelligent Future", sharing the trend and cases of digital marketing

Contributing to Industry Ecosystem

Hikvision collaborates with industry partners by sharing cutting-edge technologies, diverse information and platforms. We actively engage with a broader network of industry partners to harness the collective strength of the industry. By energizing our ecosystem partners and fostering complementary advantages, we strive to cultivate a fair, symbiotic, and win-win industry ecosystem. Through these efforts, we help enhance industry resilience and drive shared progress within the sector.

• Open Cooperation

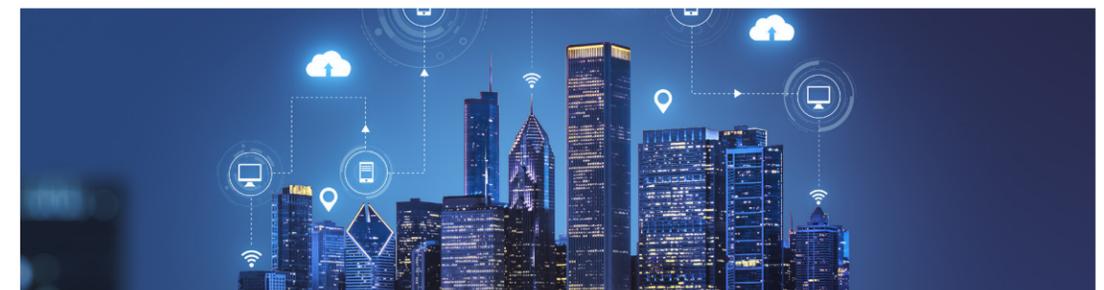
The Company upholds the "customer-centered" philosophy, and adheres to an innovation-driven development strategy. We prioritize technology empowerment and enhance resource support our partners in their research and efforts in technology, products, solutions, services, and sales. This approach aims to foster industrial collaboration, facilitating mutual benefit and creating a win-win situation for all stakeholders.



Open cooperation on all fronts

| Case | Products empower intelligent management in the corporate campus

Hikvision cooperated with a partner in Shandong and provided various technologies to this partner, including video perception, video AI, integrated security, and componential development. We assisted it in swiftly establishing a basic software framework tailored to its unique business needs and characteristics, leading to the development of a customized campus management system. Through this cooperative empowerment initiative, Hikvision not only enhanced the safety and reliability of the partner's software products but also improved its product development capabilities and delivery efficiency. In 2023 alone, the Company supported the implementation of over 20 projects for this partner, resulting in higher efficiency and reliability of operation and safety management within the campus.



• Support for Industry-University-Research Cooperation

The Company continues to expand its collaborations with top universities, colleges, and research institutes, establishing an industry-university-research cooperation system characterized by mutual support and development. Through this partnership, universities and enterprises collaborate closely, resulting in mutual benefits. The joint efforts allow us to conduct research projects, launch major national and local projects, and hold contests, thus improving the practicality and efficiency of university and professional talent. In addition, we organize various activities, such as technology salons, cutting-edge summit information sharing, and lectures, to strengthen technical exchanges and sharing.

At present, Hikvision works closely with more than 10 top universities at home and abroad, including Peking University, and Zhejiang University, among others. We have built several joint laboratories, and launched 57 various research projects. During the Reporting Period, the Company published 8 papers and over 20 standards with colleges and universities, realizing industry-university-research cooperative innovation on all fronts, and transforming theoretical innovations into actual productivity.

|Case| Hikvision-Beihang University: Joint laboratory of intelligent sensing and computing

Hikvision built the Joint Laboratory of Intelligent Sensing and Computing with the Beihang University for cooperation on areas including multimodal intelligent sensing and big data analysis. In a joint effort, 6 joint research topics were launched and more than 10 academic papers were published. The Company and the University shared the second prize of National Science and Technology Progress Award and jointly built a national innovation platform for integration of artificial intelligence, industry and education.



Honors and Awards in 2023

The project "Application of Large-Scale Video Intelligent Processing Technology Featuring Coordination Between Feature Stream and Model Stream in City Transportation" was awarded the **first prize in the Science and Technology Award from the Chinese Institute of Electronics**

The project "Key Technologies for Path-level Collaborative Management and Control and Continuous Precision Perception of Space and Time of Vehicles on Urban Roads" was awarded the **first prize in the Science and Technology Invention Award from the China Intelligent Transportation Systems Association**

The project "Research and Application of Key Technologies for Monitoring, Assessing, and Collaborative Management of Traffic Flow in Traffic Accidents" was awarded the **first prize in the Science and Technology Award from the China Communications and Transportation Association**



In 2023, the first Qizhi Cup Machine Vision Design Competition garnered significant attention, attracting participation from over 300 research teams representing more than 160 universities and colleges nationwide. These participants brought forth innovative applications and technological breakthroughs for our Vision Master algorithm platform

• Industry Exchange

By organizing various activities such as seminars, salons, cutting-edge information sharing, and lectures, the Company provides more communication channels for the industry. We facilitate the exchange of cutting-edge insights and exemplary experience concerning technologies, products, management, and other relevant areas, fostering a conducive industry atmosphere marked by mutual learning and improvement. Continuously broadening our horizons, we enhance our understanding and sensitivity to industry dynamics, empowering ourselves to better adapt and respond to future challenges. During the reporting period, the Company carried out several lectures on HRI, in which teachers and scholars from domestic top universities were invited for technology exchanges and sharing.

| Case | V Club 2.0 goes online

The V Club developed by Hikvision is a communication platform for machine vision developers and technophiles. Our goal is to offer one-stop services to customers, including access to resources and tools, engineer certification, technical support, knowledge sharing, practical applications, and competitions.

In November 2023, the upgraded version of V Club - V Club 2.0 went online. Within V Club 2.0, the V Forum serves as a platform for machine vision and mobile robot experts to convene and tackle technical challenges, fostering scientific and technological advancement. Additionally, V College features a series of instructional videos, including "Words from Leading Figures" and "Technology Lectures", which offer insights into the underlying technologies of products and provide guidance on their usage, thereby reducing entry barriers for the products. This feature has facilitated greater awareness and understanding of cutting-edge technologies among a broader audience.



During the reporting period

V Club boasted registered customers

27,000

recorded page visits

345 million

an average page views per day

840

• Industrial Education

Together with its ecosystem partners, Hikvision works to pave the way for digital transformation. Continuous efforts have been devoted to empowering ecosystem partners, providing professional knowledge, industry trends, and market information. Through the Hikvision SMBG E-commerce APP and various new media platforms, as well as thematic activities such as short video and live streaming, the Company released more than one thousand pieces of materials, helped partners conduct nearly 8,000 sessions of live streaming, and posted over 10-thousand short videos. We help customers to realize digital transformation through our joint exploration for an online business mode.

| Case | Amazing camera

In order to help deepen application of intelligent IoT, we launch an official account named as "Amazing Camera", educating the public about video perception ability in various industries. With the help of new media platforms such as Weixin Channels, and Douyin, "Amazing Camera" is characterized by short videos about cameras, featuring cutting-edge technology, innovative and interesting interpretation, and practical cases. The column introduces emerging video perception technology to the public, inspires various industries to use video perception to protect environment, and helps enterprises to reduce emission and enhance efficiency, and improve working environment, thus contributing to the application of scientific and technological advances and stimulating customer interest in technology products.



Scan the QR code to learn more



Amazing camera account

At the same time, Hikvision complies related knowledge and its experience into courses and cases, and provides training on professional skills and certification services to its ecosystem partners through online and offline training channels, in order to help partners to have a good grasp of operation, maintenance, implementation of various software and hardware products. This initiative enables partners to reduce training cost, increase employee productivity and ability.

During the reporting period, the Company introduced 11 certification channels covering 9 main production lines for partners pursuing digital transformation of small and medium-sized enterprises. A total of 156 certification class were opened, and more than 2,300 ecosystem partners were well trained, over 1,800 of which were successfully certified.

*HRI: Hikvision Research Institute

*V Club: <https://www.v-club.com/home>

Community Responsibility

A thriving community plays a pivotal role in fostering the sustainable operation of a company. The Hikvision STAR Program leverages technology to advance the implementation of non-profit initiatives across multiple regions and diverse sectors. Concurrently, we incentivize our employees to engage in charity cause as volunteers, embodying our commitment to giving back to the community and demonstrating our social responsibilities.

Key performance in 2023

Hikvision STAR Program:

Since its first launch in 2020, the STAR Program has established partnerships with 25 NGOs. These partnerships have facilitated projects spanning 21 cities across 10 provinces in China, as well as several regions overseas

Contributing to Community Development:

By donating equipment and funds, and providing technological training courses, we help the development of communities at home and abroad

Employees actively engage in volunteer services, with about 500 employees participating in various volunteer activities, collectively dedicating over 20,000 service hours

Contribution to UN SDGs



Hikvision STAR Program

Hikvision harnesses technology to serve the public welfare, making technology warmer. We have launched the Hikvision STAR Program for four consecutive years, and released the *Guide on STAR Program for Social Good 2023*. This initiative globally solicits and selects NGO partners and technology collaborators, and evaluate project compliance, feasibility, and sustainability. Through the provision of technical proposals and industry-leading innovative technologies and products, we collaborate with partners on projects such as biodiversity monitoring and protection, environmental monitoring and preservation, digital rural development, and cultural heritage and preservation. Together, we promote the advancement of public welfare initiatives.



Scan the QR code for more information about Hikvision STAR Program

|Case|

Opening a new window to nature and meeting wonderful creatures

In the UK, Kate MacRae, a passionate nature enthusiast, utilizes various imaging equipment from Hikvision to capture crisp images of wildlife in her garden and the surrounding areas. She posted photos and livestreamed on her social media account "WildlifeKate", revealing the beauty of creatures and captivating scenery. Through her efforts, she opens up a new avenue for people to connect with nature, inspiring more individuals to explore the natural world. As a result, an increasing number of people are drawn to nature and actively participate in conservation efforts.



Owls captured by Kate MacRae

"Hikvision's video equipment is a fantastic assistant to me, helping me better present magical moments of wildlife."

—Kate MacRae



Scan the QR code to learn more



|Case|

Saving coral, saving beautiful underwater world

The coral reef, often referred to as the rainforests of the sea, serves as a vital component of marine ecosystems. Daya Bay, one of the largest bays in Guangzhou Province, features a diverse array of corals along its meandering coastline stretching 11 kilometers. However, environmental changes and human activities have led to a significant decline in coral coverage within Daya Bay. In 1961, coral coverage stood at 76.4%, but by 1991, it had plummeted to just 20%.



Coral photographed

In August 2023, Hikvision collaborated with its partners to monitor the growth and changes of corals in the sea area of Daya Bay in Shenzhen. Additionally, the Company contributed to coral protection and education activities by providing scientific data and introducing the significance of coral reef preservation to the public through the collection of neighboring biodiversity data. These concerted efforts help minimize damage to the waters of the Daya Bay and facilitate the natural recovery of coral reefs.

|Case|

Protecting biodiversity in Africa with video technology

Africa is famous for its wide variety and abundance of wild animals, most of which are found in South Africa and Kenya. In 2023, Hikvision initiated a wildlife monitoring project in collaboration with Africam. As part of this project, we installed video monitoring systems in reserves and national parks across South Africa and Kenya. These systems enable real-time monitoring and reporting on the status of wild animals such as black rhinoceroses, white rhinoceroses, lions, and other rare animals. Through stringent measures to prohibit poaching and trespassing, we actively support Africam and NGOs in their efforts to safeguard the ecological environment and preserve biodiversity in Africa.



Wildlife captured



Scan the QR code to learn more

Hikvision remains committed to actively engaging in public welfare initiatives through the application of technology. We provide support by supplying AIoT technology and products, as well as relevant empowerment training to non-profit institutions. By leveraging our technology, knowledge, and experience, we extend assistance to individuals and organizations in need, thereby fostering a better future.

In biodiversity monitoring and protection, Hikvision has amassed considerable experience in safeguarding various species of wildlife such as the bar-headed goose, pandas, river dolphins, rhinoceroses, and pangolins. We contribute to the prosperity and preservation of these species. In environmental monitoring and protection, we collaborate with partners to conduct research on climate change and monitor water quality. This includes monitoring glacial lakes in Mount Everest and drinking water sources in the upstream areas of the Huangpu River, ultimately contributing to environmental enhancement. In digital countryside development, Hikvision delves into rural areas to assist residents in increasing their income and enhancing rural education. This initiative facilitates balanced urban-rural development. In cultural inheritance and protection, Hikvision is committed to preserving centuries-old buildings and cultural treasures, such as the Tan Mansion in Lishui City and the Longmen Grottoes. These endeavors contribute to the continuation and promotion of human civilization with a history spanning thousands of years.

Contributing to Community Development

Hikvision's overseas institutions focus on and contribute to local development. We support the development of communities in many countries such as Cambodia and Morocco through organizing activities to popularize knowledge of safety precautions and self-protection, raising the security awareness of local residents.



In 2023, Hikvision donated meeting boards, advertising machines, laptops and other equipment, to upgrade the surveillance systems of AFESIP Cambodia and ensure internal operational security

During the reporting period

number of employees participating in volunteer services

500+

collectively dedicating service hours

20,000+

In addition, the Company's employees actively engage in volunteer services. In 2023, in collaboration with non-profit institutions such as public service centers, charity foundations, and Charity Angel in Zhejiang Province, we organized a series of initiatives to offer both financial and emotional support to marginalized groups, including left-behind children in mountainous regions, elderly individuals without family, firefighters, and frontline construction workers.

February

Care for exceptional children with autism on weekend



March

Care for left-behind children in Kaihua County



April

Activities themed on the Word Book Day



September

Asian Games related charity bazaar



July

An activity themed "Welcome the Asian Games, Bring Coolness to the People in Searing Temperatures"



June

Visiting firefighters



October

Visiting empty nesters on the Double Ninth Festival



November

The fourth donation activity in Da'ao Primary School



December

Organizing relief support for Gansu following the 6.2-magnitude earthquake



Employee volunteer activities in 2023

Appendix 1: KPI Tables

Key Operating Performance

KPI	Unit	2021	2022	2023
Direct economic value	RMB 1,000,000	81,420.1	83,166.3	89,339.9
Cash dividend	RMB 1,000,000	8,489.9	6,554.8	8,397.5
Tax paid	RMB 1,000,000	6,447.3	5,947.0	6,494.6

Key Environmental Performance

KPI	Unit	2021	2022	2023
Energy Use				
Unleaded gasoline	Ton	606.1	282.4	463.7
Diesel	Ton	39.9	31.3	35.0
Natural gas	10,000 cubic meters	227.2	195.6	247.2
Purchased electricity	MWh	225,951.1	223,072.1	283,433.1
Including: Photovoltaic power	MWh	8,994.3	4,508.3	12,533.7
Energy Consumption				
Total energy consumption	Ton of standard coal equivalent	31,480.0	30,253.2	36,193.3
Direct energy consumption	Ton of standard coal equivalent	3,710.6	2,837.6	3,452.8
Indirect energy consumption	Ton of standard coal equivalent	27,769.4	27,415.6	32,740.5
Energy consumption intensity	Ton per million revenue (RMB)	0.39	0.36	0.41
Greenhouse Gas Emissions				
Total emissions (Scope 1 + Scope 2)	Ton of carbon dioxide equivalent	157,621.0	159,454.1	157,687.7
Scope 1	Ton of carbon dioxide equivalent	6,857.0	5,153.9	6,838.9
Scope 2	Ton of carbon dioxide equivalent	150,764.0	154,300.2	150,848.8
Emission intensity	Ton of carbon dioxide equivalent per million revenue (RMB)	1.94	1.92	1.77
Water Resources				
Total withdrawal	Ton	1,730,970.8	2,336,502.7	2,598,300.3
Municipal water	Ton	1,721,527.7	2,326,204.7	2,584,328.7
Underground water	Ton	9,443.0	10,298.0	13,969.2
Surface water (overseas operations only)	Ton	0.05	0	2.4
Total discharge	Ton	-	1,991,264.4	2,253,223.0
Total consumption	Ton	-	276,319.6	345,077.3
Water withdrawal intensity	Ton per million revenue (RMB)	21.26	28.09	29.08

Packaging Materials				
Total use	Ton	54,950.4	43,857.4	51,236.7
Plastics	Ton	7,893.1	7,471.4	8,762.2
Cartons	Ton	38,477.4	33,164.0	37,413.9
Wood	Ton	2,916.4	3,035.3	4,865.1
Metal boxes	Ton	166.5	186.7	195.5
Packaging material use intensity	Ton per million revenue (RMB)	0.67	0.53	0.57
Recyclable Waste				
Total	Ton	18,129.4	17,708.4	18,021.4
Plastics	Ton	3,865.5	3,295.3	2,901.9
Wood	Ton	1,342.3	1,271.7	1,251.4
Paper	Ton	10,093.6	9,432.7	9,474.9
Metal	Ton	2,226.8	2,640.7	2,424.9
Others (wiring harness, oiled paper, etc.)	Ton	601.2	1,067.9	1,968.4
Recyclable waste intensity	Ton per million revenue (RMB)	0.22	0.21	0.20
Non-Recyclable Waste				
Total	Ton	6,323.1	7,546.0	7,527.0
Kitchen waste	Ton	1,668.5	2,362.4	2,492.9
Office waste	Ton	2,083.1	3,141.3	2,661.8
General industrial waste	Ton	2,571.5	2,042.3	2,372.2
Non-recyclable waste intensity	Ton per million revenue (RMB)	0.08	0.09	0.08
Hazardous Waste				
Total	Ton	761.5	723.1	884.2
Hazardous Waste Intensity	Ton per million revenue (RMB)	0.009	0.009	0.01
Exhaust Emissions				
NOx	Ton	-	0.33	0.1
SOx	Ton	-	0	0.001
PM	Ton	-	2.93	7.35

Notes on Key Environmental Performance:

- The time scope of environmental data is from January 1st 2023 to December 31st 2023; the organizational scope of environmental data includes Hikvision's domestic research institutes, Binjiang Phase I, Phase II, Phase III and Phase IV (including Binjiang manufacturing base and office areas), Tonglu manufacturing base, Chongqing manufacturing base, India manufacturing base, Brazil manufacturing base, all domestic marketing centers (covering 32 provinces, autonomous regions and municipalities) and all international marketing centers overseas (covering 61 countries and regions); by use scope, environmental data is roughly divided into two categories: office operation and manufacturing.
- Intensity is calculated using the total amount in 2023 divided by the Company's revenue for the year, in millions of RMB.
- Direct Greenhouse gas emissions (Scope 1) are from the use of unleaded gasoline, diesel and natural gas. The calculation of Hikvision's Scope 1 emissions refers to the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions from Industrial Enterprises and Other Industries (Trial)* and the *Guidelines for the Preparation of Provincial Greenhouse Gas Inventories (Trial)* by the National Development and Reform Commission of the People's Republic of China; and the calculation of Scope 1 emissions overseas refers to the *EIB Project Carbon Footprint Methodologies*.
- Indirect Greenhouse gas emissions (Scope 2) are from the use of purchased electricity (Non-renewable energy power part). The calculation of Hikvision's Scope 2 emissions in 2023 is sourced from the *Notice on the Management of Greenhouse Gas Emission Reporting of Enterprises in the Power Generation Industry from 2023 to 2025* released by the Ministry of Ecology and Environment of the People's Republic of China, and domestic Scope 2 emissions in 2021 and 2022 are calculated based on the *2012 Average CO₂ Emission Factors of China's Regional Power Grids*; and the calculation of Scope 2 emissions overseas refers to the *EIB Project Carbon Footprint Methodologies*.
- Total energy consumption is calculated in tons of standard coal, with reference to the *National Standard of the People's Republic of China GB/T 2589-2020 General Principles for Calculation of the Comprehensive Energy Consumption*.

Key Social Performance

KPI	Unit	2021	2022	2023
Employment				
Number of employees worldwide	/	52,752	58,284	58,544
Occupational Health and Safety				
Coverage rate of safety education	%	100	100	100
Number of occupational diseases	/	0	0	0
Training and Education				
Total investment in employee training	RMB 10,000	1,781.2	1,722.6	1,508.0
Training hours per employee	hour/person	34.2	32.1	26.2
Innovation and R&D				
Investment in R&D	RMB 1,000,000	8,252	9,814	11,393
Number of new patents	/	1,507	2,194	1,884
Number of new software copyrights	/	256	181	166
Number of new trademarks	/	337	300	54
Supply Chain Management				
New suppliers selected using environmental criteria	%	100	100	100
New suppliers selected using security criteria	%	100	100	100
Distributors' training	attendance	120,240 (number of distributors)	82,991 (number of distributors)	293,309

Appendix 2: GRI Content Index-- "Refer to GRI Standard"

Statement of use	Hikvision has reported the information cited in this GRI content index for the period from January 1st, 2023 to December 31st, 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Chapter Index	Page Number
GRI 2: General Disclosures 2021			
The organization and its reporting practices			
2-1	Coverage rate of safety education	About Hikvision	02
2-2	Entities included in the organization's sustainability reporting	About This Report	120
2-3	Reporting period, frequency and contact point	About This Report	120
2-4	Restatements of information	KPI Tables	111-113
Activities and workers			
2-6	Activities, value chain and other business relationships	Stakeholder Engagement	07
		Responsible Supply Chains	96-98
		Contributing to Industry Ecosystem	99-103
2-7	Employees	Safeguarding Employee Rights	83-85
		Key Social Performance	113
Governance			
2-9	Governance structure and composition	Strengthening Corporate Governance	34-35
2-10	Nomination and selection of the highest governance body	Strengthening Corporate Governance	34-35
2-12	Role of the highest governance body in overseeing the management of impacts	Strengthening Corporate Governance	34-35
2-13	Delegation of responsibility for managing impacts	Strengthening Corporate Governance	34-35
2-14	Role of the highest governance body in sustainability reporting	About This Report	120
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Message from the Management	03
		ESG Management Philosophy and Framework	05
2-23	Policy commitments	Strengthening Corporate Governance	34-35
		Building Compliance Ecosystem	38-41
		Strengthening Risk Management	36-37
		Safeguarding Employee Rights	83-85
		Responsible Supply Chains	96-98

2-24	Embedding policy commitments	Strengthening Corporate Governance	34-35
		Building Compliance Ecosystem	38-41
		Strengthening Risk Management	36-37
		Safeguarding Employee Rights	83-85
		Responsible Supply Chains	96-98
2-25	Processes to remediate negative impacts	Respecting and Protecting Human Rights	44-45
2-26	Mechanisms for seeking advice and raising concerns	Building Compliance Ecosystem	38-41
2-27	Compliance with laws and regulations	Hikvision had no significant non-compliance during the reporting period and did not result in fines or non-financial penalties.	
2-28	Membership associations	ESG Management	05
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	Stakeholder Engagement	07
2-30	Collective bargaining agreements	Safeguarding Employee Rights	83-85
GRI 3: 2021 Material Topics 2021			
3-1	Process to determine material topics	Material Topics	06
3-2	List of material topics	Material Topics	06
Economy			
GRI 201: Economic Performance 2016			
3-3	Management of material topics	Building Compliance Ecosystem	38-41
201-1	Direct economic value generated and distributed	Key Operating Performance	111
201-3	Defined benefit plan obligations and other retirement plans	Enhancing Employee Care	90-93
201-4	Financial assistance received from government	Key Operating Performance	111
GRI 203: Indirect Economic Impacts 2016			
3-3	Management of material topics	Tech for Good	12-31
		Community Responsibility	104-110
203-1	Infrastructure investments and services supported	Tech for Good	12-31
		Community Responsibility	104-110
203-2	Significant indirect economic impacts	Tech for Good	12-31
		Community Responsibility	104-110
GRI 204: Procurement Practices 2016			
3-3	Management of material topics	Responsible Supply Chains	96-98
204-1	Proportion of spending on local suppliers	Responsible Supply Chains	96-98
GRI 205: Anti-corruption 2016			
3-3	Management of material topics	Adhering to business ethics	42-43

205-1	Operations assessed for risks related to corruption	Adhering to Business Ethics	42-43
205-2	Communication and training about anti-corruption policies and procedures	Adhering to Business Ethics	42-43

GRI 206: Anti-competitive Behavior 2016

3-3	Management of material topics	Adhering to Business Ethics	42-43
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Adhering to Business Ethics	42-43

GRI 207: Tax 2019

3-3	Management of material topics	Building Compliance Ecosystem	38-41
207-1	Approach to tax	Building Compliance Ecosystem	38-41
207-2	Tax governance, control, and risk management	Building Compliance Ecosystem	38-41
207-3	Stakeholder engagement and management of concerns related to tax	Stakeholder Engagement	7
		Building Compliance Ecosystem	38-41
207-4	Country-by-country reporting	Building Compliance Ecosystem	38-41

Environment

GRI 301: Materials 2016

3-3	Management of material topics	Green Products	67-70
301-1	Materials used by weight or volume	Key Environmental Performance	111-112

GRI 302: Energy 2016

3-3	Management of material topics	Green Production	71-74
302-1	Energy consumption within the organization	Key Environmental Performance	111-112
302-3	Energy intensity	Key Environmental Performance	111-112
302-4	Reduction of energy consumption	Green Production	71-74
		Green Operation	75-76
302-5	Reductions in energy requirements of products and services	Green Products	67-70

GRI 303: Water and Effluents 2018

3-3	Management of material topics	Green Production	71-74
		Green Operation	75-76
303-1	Interactions with water as a shared resource	Green Production	71-74
		Green Operation	75-76
303-2	Management of water discharge-related impacts	Green Production	71-74
		Green Operation	75-76
303-3	Water withdrawal	Key Environmental Performance	111-112
303-4	Water discharge	Key Environmental Performance	111-112

303-5	Water consumption	Key Environmental Performance	111-112
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GRI 304: Biodiversity 2016

3-3	Management of material topics	Tech for Environment	17-20
		Community Responsibility	104-110
304-2	Significant impacts of activities, products and services on biodiversity	Tech for Environment	17-20
		Community Responsibility	104-110

GRI 305: Emissions 2016

3-3	Management of material topics	Green Management	64-66
305-1	Direct (Scope 1) GHG emissions	Key Environmental Performance	111-112
305-2	Energy indirect (Scope 2) GHG emissions	Key Environmental Performance	111-112
305-4	GHG emissions intensity	Key Environmental Performance	111-112
305-5	Reduction of GHG emissions	Green Production	71-74
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Key Environmental Performance	111-112

GRI 306: Effluents and Waste 2020

3-3	Management of material topics	Green Production	71-74
306-1	Waste generation and significant waste-related impacts	Green Production	71-74
306-2	Management of significant waste-related impacts	Green Production	71-74
306-3	Waste generated	Key Environmental Performance	111-112
306-5	Waste directed to disposal	Key Environmental Performance	111-112

GRI 308: Supplier Environmental Assessment 2016

3-3	Management of material topics	Responsible Supply Chains	96-98
308-1	New suppliers that were screened using environmental criteria	Key Social Performance	113
308-2	Negative environmental impacts in the supply chain and actions taken	Key Social Performance	113

Society

GRI 401: Employment 2016

3-3	Management of material topics	Safeguarding Employee Rights	83-85
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Enhancing Employee Care	90-93
401-3	Parental leave	Enhancing Employee Care	90-93

GRI 402: Labor/Management Relations 2016

3-3	Management of material topics	Safeguarding Employee Rights	83-85
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GRI 403: Occupational health and safety 2018

3-3	Management of material topics	Protecting Employee Health and Safety	86-87
403-1	Occupational health and safety management system	Protecting Employee Health and Safety	86-87
403-2	Hazard identification, risk assessment, and incident investigation	Protecting Employee Health and Safety	86-87
403-3	Occupational health services	Protecting Employee Health and Safety	86-87
403-4	Worker participation, consultation, and communication on occupational health and safety	Protecting Employee Health and Safety	86-87
403-5	Worker training on occupational	Protecting Employee Health and Safety	86-87
403-6	Promotion of worker health	Protecting Employee Health and Safety	86-87
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Protecting Employee Health and Safety	86-87
403-8	Workers covered by an occupational health and safety management system	Protecting Employee Health and Safety	86-87
403-9	Work-related injuries	Protecting Employee Health and Safety Key Social Performance	86-87 113
403-10	Work-related ill health	Protecting Employee Health and Safety Key Social Performance	86-87 113

GRI 404: Training and Education 2016

3-3	Management of material topics	Empowering Employee Growth	88-89
404-1	Average hours of training per year per employee	Empowering Employee Growth Key Social Performance	88-89 113
404-2	Programs for upgrading employee skills and transition assistance programs	Empowering Employee Growth	88-89
404-3	Percentage of employees receiving regular performance and career development reviews	Empowering Employee Growth	88-89

GRI 405: Diversity and Equal Opportunity 2016

3-3	Management of material topics	Strengthening Corporate Governance Safeguarding Employee Rights	34-35 83-85
405-1	Diversity of governance bodies and employees	Strengthening Corporate Governance Safeguarding Employee Rights	34-35 83-85

GRI 406: Non-discrimination 2016

3-3	Management of material topics	Safeguarding Employee Rights	83-85
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GRI 407: Freedom of Association and Collective Bargaining 2016

3-3	Management of material topics	Safeguarding Employee Rights	83-85
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GRI 408: Child Labor 2016

3-3	Management of material topics	Safeguarding Employee Rights	83-85
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GRI 409: Forced or Compulsory Labor 2016

3-3	Management of material topics	Safeguarding Employee Rights	83-85
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GRI 413: Local Communities 2016

3-3	Management of material topics	Tech for Good Community Responsibility	12-31 104-110
413-1	Operations with local community engagement, impact assessments, and development programs	Tech for Good Community Responsibility	12-31 104-110

GRI 414: Supplier Social Assessment 2016

3-3	Management of material topics	Responsible Supply Chains	96-98
414-1	New suppliers that were screened using social criteria	Responsible Supply Chains Key Social Performance	96-98 113
414-2	Negative social impacts in the supply chain and actions taken	Responsible Supply Chains	96-98

GRI 416: Customer Health and Safety 2016

3-3	Management of material topics	Delivering Quality Services Guaranteeing Product Quality Network and Information Security	51-53 54-56 57-59
416-1	Assessment of the health and safety impacts of product and service categories	Delivering Quality Services Guaranteeing Product Quality Network and Information Security	51-53 54-56 57-59

416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There is no violations involving the health and safety impact of Hikvision's products and services during the reporting period.	
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GRI 417: Marketing and Labeling 2016

3-3	Management of material topics	Building Compliance Ecosystem	38-41
417-1	Requirements for product and service information and labeling	Building Compliance Ecosystem	38-41
417-2	Incidents of non-compliance concerning product and service information and labeling	Building Compliance Ecosystem	38-41
417-3	Incidents of non-compliance concerning marketing communications	Building Compliance Ecosystem	38-41

GRI 418: Customer Privacy 2016

3-3	Management of material topics	Network and Information Security	57-59
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About This Report

Overview

This Report offers comprehensive exposition into Hangzhou Hikvision Digital Technology Co., Ltd.'s (referred to as "Hikvision", "we" or the "Company") performance and management measures in economy, environmental, social and governance (referred to as "ESG") matters in 2023, with particular focus on stakeholder concerns.

In accordance with the provisions of the *Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 1 - Business Handling*, the Company, as a sample stock of the "SZSE 100 Index", discloses the Company's fulfillment of social responsibilities in this report.

Reporting Scope

This Report covers data and information about the Company from January 1, 2023 to December 31, 2023 (referred to as the "reporting period"). Of note some information references data dating back to 2022 or before, or looks forward into 2024. This Report covers Hikvision and its subsidiaries. "EZVIZ" refers to Hangzhou EZVIZ Network Co., Ltd., and in context, also refers to its business. "Hikrobot" refers to Hangzhou Hikrobot Co., Ltd., and in context, its business. "HikImaging" refers to Hangzhou Hikimaging Technology Co., Ltd., which, in context, also refers to its business. "HikRaying" refers to Hangzhou Rayin Technology Ltd., and in context, also refers to its business.

Reporting Cycle

Our ESG report is released in each fiscal year. This Report is the 6th Environment, Social and Governance (ESG) report released by the Company since 2018.

Basis of Reporting

This Report is prepared with reference to the *GRI Sustainability Reporting Standards* issued by the Global Sustainability Standards Board (GSSB) (referred to as the "GRI Standards"), the *Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 1 - Business Handling*, and the *United Nations Sustainable Development Goals (SDGs)*.

Reporting Principles

Materiality: Following the procedure of identifying material topics stipulated by

the *GRI Standards*, we identify ESG factors concerned by internal and external stakeholders based on our communication and surveys with them and then determine material topics for disclosure.

Quantitation: This Report discloses quantitative targets and performance data of environmental and social indicators. All indicators have specified statistics scopes and calculation methods. Performance data for three consecutive years are disclosed under partial indicators.

Balance: The Report provides an unbiased picture of the Company's performance and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

Consistency: The Report follows the statistics disclosure methodology adopted in the previous annual report. Changes will be indicated in this report, if any.

Data Source

The financial data included in this Report comes from the 2023 Annual Report, which has been independently audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP. Other information and data mainly come from the official documents, internal statistical reports or documents of the Company. The monetary amounts herein are denoted in RMB.

Report Preparation Process

This Report is prepared in according to the following procedures, namely, the analysis of ESG standards at home and abroad, the bench marking of ESG reports released by peer companies, the collection of report data, the investigation and interview of report preparation, the materiality analysis, the review and approval of business departments and the Board of Directors, the release and review of the report, etc., to ensure that the report information is objective, standardized, honest and transparent.

After confirmation by the management, this Report was approved by the Board of Directors on April 18, 2024.

Access and Feedback

This independent ESG Report is available in both Simplified Chinese and English. To view online or download, please visit <https://www.hikvision.com/cn/>

Reader Feedback

Dear Readers,

Thanks for reading Hikvision 2023 Environmental, Social and Governance Report. We value and look forward to hearing your feedback on Hikvision's ESG efforts and this report. Your opinions and suggestions are an important basis for us to continuously improve the level of ESG information disclosure and promote corporate ESG management and practice. You can fill out the form below and send us your feedback by post, email or fax, we welcome and thank you for your comments!

Your advice of this report

1.Is the structure of the report reasonable?

Excellent Good Average Poor Very Poor

2.Can the report help you to understand the company's ESG philosophy and practical characteristics?

Excellent Good Average Poor Very Poor

3.Are the content and format design of this report readable?

Yes No

4.What is your overall evaluation of the report?

Excellent Good Average Poor Very Poor

Which topics are you most concerned about? (Multiple choices allowed)

ESG Management Tech for Good Governance Responsibility Product Responsibility Environmental Responsibility Employee Responsibility Partner Responsibility Community Responsibility Other

How well is the information you are concerned about disclosed in the relevant topics?

Very comprehensive Quite comprehensive Partially covered Covered minimally Not covered

What do you think is the most satisfying aspect in this report?

What's your advice for our future ESG reports?

Feedback in the following ways:

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See Far, Go Further

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HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO., LTD.