

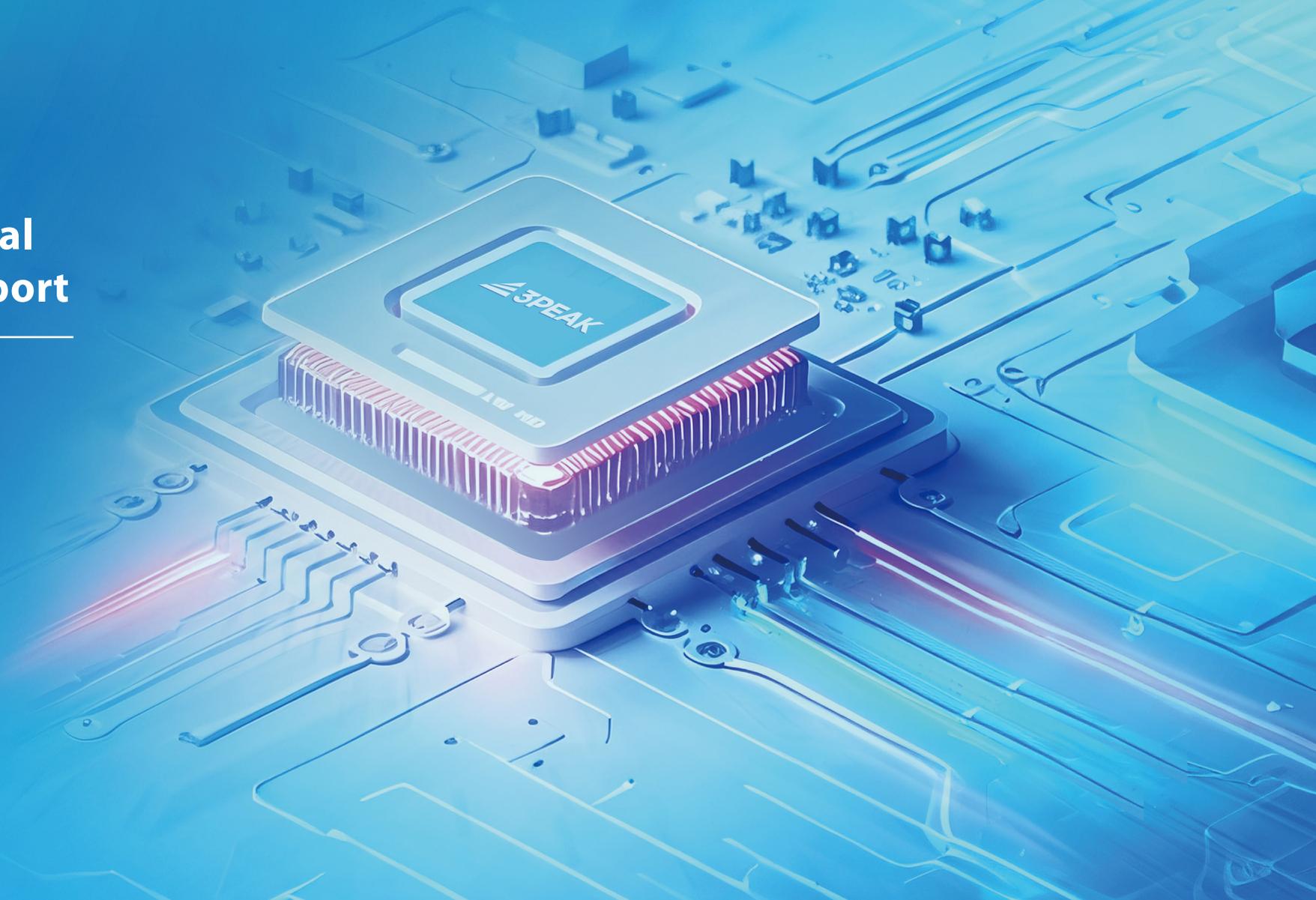


2024

Environmental, Social and Governance Report

3PEAK INCORPORATED

Stock Code: 688536.SH



Contents



About This Report	1	Letter from Chairman	2	▶ Improving Governance for Steady and Sustainable Development		▶ Striving for Excellence through an Innovation-Driven Path		▶ Lean Management and Quality First	
About 3PEAK	3	ESG Governance	11						
About Us	3	ESG Management Philosophy	11	Corporate Governance	18	Innovation and R&D	30	Governance	42
Corporate Culture	6	ESG Governance Structure	12	Risk Control	22	Clean Tech Opportunity	34	Strategy	42
Milestones	7	Stakeholder Communication	13	Compliance Management	24	Intellectual Property	36	Impact, Risk, and Opportunity Management	43
Development Strategies and Layout	8	Due Diligence	14	Business Ethics	26	Information Security	38	Metrics and Targets	48
		Double Materiality Assessment	15						
				▶ Promoting Co-Creation and Sharing to Empower the Industry		▶ Green Development and Low-Carbon Operation		▶ People-Oriented for a Better Future	
				Customer Satisfaction	50	Environment Management	62	Governance	71
				Supplier Management	54	Energy Saving and Emission Reduction	63	Strategy	71
				Conflict Minerals Management	57	Hazardous Substance Management	65	Impact, Risk, and Opportunity Management	72
Future Outlook	79	Glossary of Terms	80	Industry Development	58	Addressing Climate Change	67	Metrics and Targets	78
				Public Welfare	60				
Index of Indicators	82	Reader's Feedback	83						

About This Report

This is the 4th Environmental, Social and Governance (ESG) Report issued by 3PEAK INCORPORATED (Stock code: 688536.SH) to provide our stakeholders with comprehensive information on the Company's ESG practices and related performance.

Reporting Period

This Report is an annual report for the period from 1 January to 31 December 2024 (hereinafter referred to as "the Reporting Period"). To enhance the readability of the Report, some contents or data related to the previous or subsequent year are referred to in this Report.

Abbreviations

For the convenience of description and reading, 3PEAK INCORPORATED and its subsidiaries are referred to as "3PEAK", "the Company", or "we".

Reporting Scope

This Report is based on 3PEAK, and the scope of this Report is consistent with the scope of the Company's Annual Report unless otherwise noted.

Reporting Principles

This Report has been prepared in accordance with the Guidelines for Self-Regulatory Supervision of Listed Companies No. 14 - Sustainability Report (Trial) and the Guidelines for Self-Regulatory Supervision of Listed Companies on the Science and Technology Innovation Board No. 13 - Preparation of Sustainability Report issued by the Shanghai Stock Exchange, and also made reference to the GRI Sustainability Reporting Standards of the Global Reporting Initiative (GRI), the United Nations 2030 Agenda for Sustainable Development Goals (UN SDGs), and the MSCI ESG Ratings Methodology.

Information Source

The qualitative and quantitative information used in this Report is derived from 3PEAK's public information, internal documents, and relevant statistics. Some quantitative data could not be obtained due to difficulties in acquisition, so estimated data has been included in the statistics. Unless otherwise stated, the currencies involved in the Report are measured in RMB.

Access to the Report

This Report was published in both Chinese and English. In case of any ambiguity in understanding reports in different languages, the Chinese report shall prevail. This Report can be read online or downloaded from the official website of the Shanghai Stock Exchange (www.sse.com.cn) and the official website of 3PEAK (www.3peak.com).

Letter from Chairman

In 2024, as the global technology industry rapidly evolved, the integrated circuit sector ushered in a profound transformation under the pressures from both supply chain challenges and innovation-driven technologies. This year, 3PEAK forged ahead amid challenges and opportunities. Adhering to the values of “Integrity, Responsibility, Cooperation, Innovation, and Growth”, we remained focused on our area of expertise, accelerated the development of new products, and expedited the expansion into diverse markets. We also continued to improve our service capabilities and ensure that high-end product testing becomes more self-supporting and controllable. During our steady business growth, we have continually refined our responsibility mechanism for Environment, Social, and Governance (ESG) practices, embedded ESG principles into every aspect of the Company’s development, and consistently explored new avenues for ESG development. In terms of ESG governance, we have established a due diligence mechanism and conducted a double materiality assessment, providing a guiding direction for the management practices of the Company’s major issues.

Driven by innovation, we relentlessly pursue excellence. We are committed to achieving our mission of “providing advanced, innovative, and fully competitive analog and mixed signal products and solutions”, while integrating the principles of independent development and innovation throughout our entire product development process. During the Reporting Period, we successfully launched several high-performance, high-quality products. Meanwhile, we have made environmental protection a key consideration in the development of innovative products. We have focused closely on technological demands of emerging sectors, such as new energy vehicles and photovoltaic energy storage, increasing our R&D

investments in these areas. Through these efforts, we aim to provide customers with more competitive solutions and empower the global energy transition.

With a focus on lean management, we prioritize quality above all else. Upholding the principle of “quality first”, we follow the quality policy of “providing customers with cost-effective, defect-free products and error-free performance”. In particular, we continually enhance our quality management system, drive ongoing product quality improvements through whole-process quality control, and consistently deliver high-quality products and services to our customers. In addition, we work actively to meet the stringent quality standards required by the automotive industry. During the Reporting Period, we obtained the IATF 16949 Automotive Quality Management System compliance certification, which has provided a solid foundation for our expansion into the automotive electronics market.

By advocating for co-creation and sharing, we empower the industry through cooperation. To foster a healthy, safe, and responsible supply chain ecosystem, we work to improve our supplier management standards and remain focused on monitoring suppliers’ ESG performance. We have set medium- and long-term conflict-free mineral goals for suppliers, and continuously enhance their sustainability through supplier incentives and empowerment. This approach promotes the sustainable development of the supply chain. Additionally, we actively engage in industry events in China and globally, including participating in the development of industry standards. We remain dedicated to nurturing specialized talent in the integrated circuits field and promoting university-industry collaborations to support the industry development.

Pursuing green development, we strive to promote low-carbon operations. In the era of “carbon peak and neutrality targets”, we make environmental responsibility a key aspect of corporate sustainable development. We actively seize green development opportunities, strengthen environmental management, and continuously explore new technologies and methods to drive green development. In 2024, 3PEAK obtained ISO 14001:2015 environmental management system certification and established an environmental management framework. The Company actively reduced waste emissions, strictly controlled hazardous substances, and addressed climate change to support sustainable operations and development.

With a people-oriented approach, we embrace a better future. Always guided by the core principle of putting people first, we increase efforts to protect employee rights, strengthen talent retention and attraction measures, and foster an equal, diverse, inclusive, and safe platform for employee development. With a well-established qualification system, training mechanism, and development path, we are dedicated to helping every employee grow and thrive at 3PEAK. We also organize a variety of clubs and wellness initiatives to enable our employees to enjoy a happy life while staying engaged at work.

Guided by intelligent technology, we navigate the sea of the silicon industry, charting new pathways toward the future. At 3PEAK, we will remain closely attuned to customer needs and technological trends. Driven by innovation, we will embrace our responsibility to address global technological and environmental challenges, contributing to the national goals of “carbon peak and neutrality targets” and the green development of the industry.

About 3PEAK

About Us >>

Founded in 2012, 3PEAK is engaged in the R&D and sales of analog and mixed signal integrated circuit (IC) products. We persist in developing high-performance, high-quality, and high-reliability IC products, including signal chain analog chips, power management analog chips, and mixed-signal chips, to provide customers with comprehensive solutions. Some of our products have reached an advanced level of performance, especially in the field of signal chain analog chips, where most of our core products already meet international standards in terms of overall performance. With leading R&D strength, reliable product quality, and excellent customer service, we have brought our analog chip products into the supply chains of many well-known customers. These products are widely used in many fields such as information communication, industrial, new energy, auto industry, medical and health, and consumer goods. On September 21, 2020, 3PEAK was successfully listed on the STAR Market of the Shanghai Stock Exchange,

stock code 688536.SH.

We mainly offer signal chain analog chips and power management analog chips, including operational amplifiers, comparators, audio/video amplifiers, analog switches, interface, data converters, isolators, voltage references, LDOs, DC/DC, power monitors, motor drivers, and battery management systems.

In the future, we will keep abreast of customer needs and technology trends, leveraging advantages in technology research and development as well as customer resources to continuously expand new technological and product layouts. We are dedicated to becoming a provider who offers innovative and fully competitive analog and mixed signal products and solutions, further consolidating our leading position and enhancing the company's overall competitiveness.



Certification



National Specialized, Refined, Differential, and Innovative "Little Giant" Firm



Jiangsu Provincial Enterprise Engineering Technology Research Center



National Intellectual Property Advantageous Enterprise



Jiangsu Provincial Enterprise Technology Center



High-Tech Enterprise



Jiangsu Province Service-oriented Manufacturing Demonstration Enterprise



Economic Performance in 2024

Total assets RMB 6,201 million

Revenue RMB 1,220 million



Industry Honors



2024 Typical Cases of Automotive Chip Innovation Achievements
China Science and Technology Information



2024 China Automotive Chip Innovation Achievements
China Association of Automobile Manufacturers



Intelligent Driving Technology Innovation Award
Yanzhi Auto



2024 Hard Tech Industry Excellence Award
Evia Think Tank



2024 Annual Product Leap Award
Elexcon



2024 Most Innovative STAR Market Listed Company
STAR Market Daily



Best Innovative Practice
2024 Listed Company Annual Investor Relations Data Ranking released by Shenzhen Comein Technology Co., Ltd.



Recognitions from Partners



Excellent Supplier



Best Delivery Award



Best Delivery Support Award



Excellent Quality Award



Most Promising Award



Best Service Award



Excellent Supplier



Outstanding Partner



Best Supplier

Corporate Culture >>



Vision

To become a globally respected analog and mixed signal solution leader in the semiconductor industry



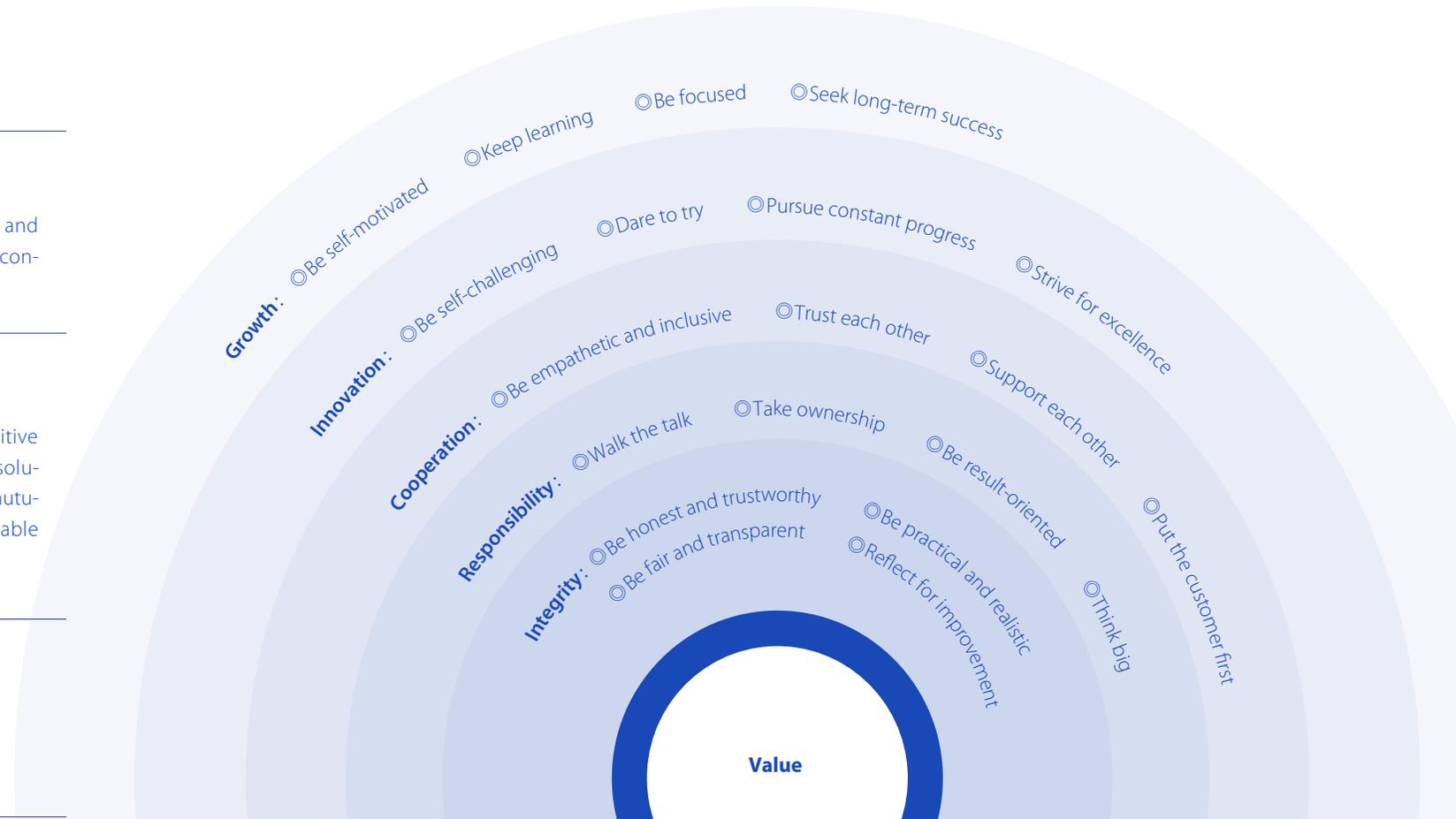
Mission

To provide innovative and fully competitive analog and mixed signal products and solutions, to establish fair, trustworthy, and mutually beneficial collaborations, and to enable global intelligent manufacturing



Value

Integrity, Responsibility, Cooperation, Innovation, Growth



Milestones

2015 Year

- Launched the first interface series
- Launched the first linear regulator series

2016 Year

- Obtained the High-Tech Enterprise Certification

2020 Year

- Listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange
- Achieved breakthroughs in the high-voltage isolation technology and the high-voltage and high-current switching voltage converter technology

2021 Year

- Launched high-precision digital-to-analog converters, CAN interface chips, and instrumentation amplifiers

2023 Year

- Expanded the global presence by setting up sales and support offices in America, Germany, Japan, and Korea
- The self-built Automotive-Grade Test Plant in Suzhou was put into operation
- Raised RMB 1.801 billion through the issuance of shares
- Launched the first automotive-grade CAN transceivers supporting the selective wake-up frame in China
- Launched the automotive-grade ultra-low static power high voltage LDO-TPL8031Q

2012 Year

- 3PEAK was founded
- Launched the first linear series
- Obtained the Integrated Circuit Design Enterprise Certification from the Ministry of Industry and Information Technology

2014 Year

- Launched the first data converter series

2018 Year

- Launched the first power monitor series

2019 Year

- Launched the first linear power management series
- Introduced logarithmic amplifiers

2022 Year

- Started to sell automotive-grade analog chips in bulk
- Launched the 3ppm/°C ultra-high stability voltage reference
- Launched high-precision analog-to-digital converters

2024 Year

- Acquisition of Shenzhen iCM Microelectronics Co., Ltd.
- Mass production of various automotive-grade DC-DC converters
- Mass production of BMS AFE and automotive audio sensor bus products

Development Strategies and Layout

Development Strategies

The Company is committed to developing a platform-based chip design company specializing in analog and mixed-signal technologies. We consistently focus on the research and development (R&D) of high-performance, high-quality and highly reliable signal chain chips, power management chips, and hybrid mixed signal chips. Our goal is to provide a wide range of competitive products and solutions for clients in industrial, automotive, communications, consumer markets and other areas.

Signal chain products: Keeping pace with global cutting-edge standards

- Strengthen capabilities and emphasize advantages
- Narrow the gap with international peer enterprises

Power management products: Point-targeted breakthrough

- Consolidate the foundation and drive point-targeted breakthroughs
- Establish a comprehensive portfolio of analog chip products

Hybrid mixed signal products: Synergistic development

- Develop and expand a diverse range of high-integration mixed-signal products
- Achieve synergy across product lines, offering comprehensive solutions to clients

Fundamental technology development: Focus on research and development

- Increase investment in the development of automotive-grade, isolation, and other fundamental IPs and technologies
- Perform prospective research on process and devices, packaging design, automated testing, and other processes

Global R&D and sales network

- Vigorously attract global talents and drive R&D globalization
- Establish a global technology service and sales network to better serve more clients worldwide

Investment and mergers & acquisitions: Advance a platform-based strategy

- Seek partners with technical and product synergies, as well as shared values
- Advance the platform-based business model with a firm commitment

Manufacturing testing: Enhance upstream and downstream collaboration, autonomous COT (Customer Owned Technology) process and testing

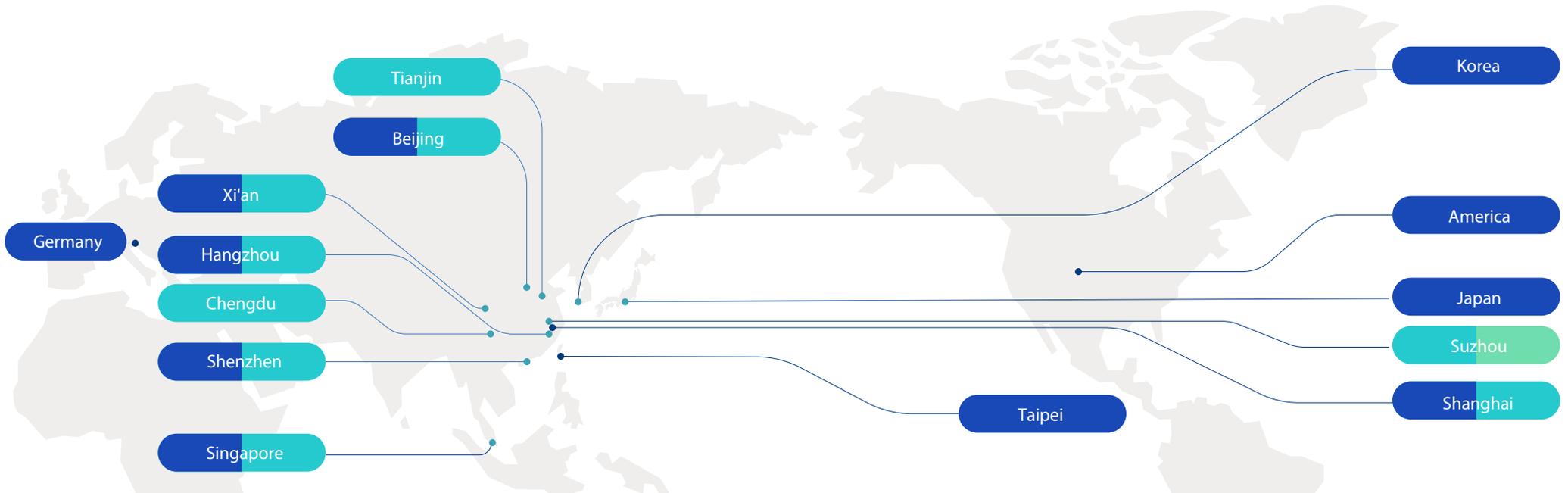
- Enhance the independent testing capabilities of high-end products and strengthen the COT wafer process capabilities
- Maintain high standards of quality, and keep improving the quality and performance of products
- Conduct comprehensive and deep collaboration with supply chain partners to establish a supply chain ecosystem featuring domestic and international circulations

Building R&D and Sales Networks

Worldwide sales and support

Technical innovation by global talent pool

High quality test plant for automotive products



- ▶ Main Sales Offices
- ▶ R&D Sites
- ▶ Testing Plant

R&D and innovation are essential for 3PEAK's steady and rapid development. The Company is generous in R&D investment and has established 9 R&D centers in Shanghai (Zhangjiang, Lingang, and Caohejing), Suzhou, Chengdu, Beijing, Tianjin, Hangzhou, Xi'an, Shenzhen, and Singapore respectively, to perform forward-looking product development and technology planning for new products.

▶ R&D sites

Shanghai
Suzhou
Chengdu
Beijing
Tianjin

▶ Sales offices

Domestic sales offices		Overseas sales offices	
Beijing	Hangzhou	Korea	Germany
Shanghai	Shenzhen	Japan	Singapore
Xi'an	Taipei	America	

Product Matrix

Signal Chains

Universal Operational Amplifier	Hall Signal Conditioning AFE	Temperature Sensor	High-Speed Low Jitter Clock
High-Speed OPA	Precision SAR ADC	CAN Transceiver	LVDS Transceiver
Current-Sensing Amplifier	High-Speed ADC	RS232 Transceiver	High-Voltage Switch
High-Speed DAC	Analog Switch	Comparator	Multi-Channel RF Power Amplifier Control AFE
Precision Amplifier	Resistance Network	Isolated Data Converter	Clock Buffer
Low-Noise OPA	Precision SD ADC	RS485 Transceiver	High-Speed Bus
High Common-Mode Voltage Difference Amplifier	Precision DAC	I2C Interface Extension/Level Switching	Logarithmic Amplifier
Digital Isolator	Video Filter	Power Detection AFE	Isolation Interface

Power Management

Buck Converter	Isolated Driver	Electricity Meter	Boost Converter
Power Reset Monitor/ Watchdog	AD-DC/ Buck-Boost Converter	Hot Swap Controller	Voltage Reference
Ideal Diode	System Monitor	Isolated Power Supply	Power Switch
Low Dropout Linear Regulator	Battery Monitoring System AFE	Boost-Buck Converter	Multi-Channel Power Management PMIC
Ethernet Power Supply	Electronic Fuse	Power Up and Down Sequence Control	Battery Protector
Motor Driver	Battery Charger	Gate Driver	MOSFET

ESG Governance

Adhering to the ESG management philosophy, 3PEAK continuously improves its unique ESG governance framework and effective management mechanisms, and actively integrates sustainable development into all aspects of our operational practices. We enhance communication and engagement with internal and external stakeholders through diverse mechanisms, to fully respond to their expectations and demands. We also continuously improve our ESG governance capabilities to drive high-quality, sustainable development.

ESG Management Philosophy >>

As a leading enterprise in the field of IC designer, 3PEAK fully integrates ESG concepts into all aspects of company operations, forming an ESG management philosophy centered on R&D and innovation, continuously improving corporate governance, environmental and social operational practices in three dimensions, constantly stimulating the Company's sustainable development momentum, and creating long-term value for stakeholders.

3PEAK's ESG Management Philosophy



ESG Governance Structure

A well-established ESG governance framework is crucial for safeguarding a company's ESG efforts. 3PEAK has developed a three-tier ESG governance framework, comprising "decision-execution-implementation" bodies. And we continuously refine this structure. As part of these efforts, the Strategy Committee under the Board of Directors has been upgraded to the Strategy and Sustainable Development Committee. In line with this, the Working Rules for the Board of Directors' Strategy and Sustainable Development Committee have been developed. These rules outline responsibilities of the committee, including sustainable development management strategy planning, topic assessment, supervision, and stakeholder communication. This ensures the effective implementation of sustainable development-related matters and progressively enhances the Company's ESG governance.



The Board of Directors, as the highest decision-making body of ESG work, is responsible for formulating the Company's ESG strategic policy, deliberating and deciding major ESG issues, and regularly supervising and checking the progress of ESG related matters to ensure that ESG matters are implemented in accordance with the Company's strategy.

Conduct research on the strategic planning for sustainable development management, provide recommendations on the Company's sustainable development principles, strategies, objectives, policies, and management practices, identify and assess the relevant impacts, risks, and opportunities associated with sustainability issues, monitor the implementation of sustainability-related initiatives, urge the Company to enhance communication with various stakeholders on critical sustainability matters, and review the Company's annual ESG report and other disclosures related to sustainable development.

The Company's R&D, operation, quality, sales, marketing, legal affairs, IT, human resources, internal audit and other departments are the execution bodies of ESG work and in charge of the implementation of each specific ESG work. The Board Office is responsible for promoting ESG concepts within and outside the Company, and implementing ESG policies and measures within the Company.

Stakeholder Communication

Effective stakeholder communication is a crucial basis for our goal management and the creation of shared value. 3PEAK actively engages with stakeholders and continuously improves our communication mechanisms. Through diversified and regular communication and exchanges, we timely understand the expectations and requirements of various stakeholders such as government and regulatory, investors, industry and university, customers, suppliers, employees, community and public, and actively respond to them, continuously creating long-term value for stakeholders through practical and effective actions.

Stakeholders	 Government and Regulatory	 Investors	 Industry and University	 Customers	 Suppliers	 Employees	 Community and Public
Expectations and requirements	<ul style="list-style-type: none"> • Legal compliance • Promote employment 	<ul style="list-style-type: none"> • Protect investors' rights and interests • Improve corporate governance • Enhanced information disclosure • Strengthen investor communication 	<ul style="list-style-type: none"> • Industry-university-research cooperation • Industry personnel training • Industry exchange 	<ul style="list-style-type: none"> • Business ethics and anti-fraud • R&D innovation • Intellectual property protection • Product quality management • Customer responsibility • Responsible marketing 	<ul style="list-style-type: none"> • Supply chain management • Supply chain sustainable development • Lean management • Conflict minerals management • Business ethics and anti-fraud 	<ul style="list-style-type: none"> • Equality, inclusion and diversity • Employment Management • Compensation and benefits • Training and career development • Humanistic care • Occupational health and safety 	<ul style="list-style-type: none"> • Community development • Green operations
Communication mechanism	<ul style="list-style-type: none"> • Institutional inspection • Daily regulatory communication • Policy implementation • Information disclosure 	<ul style="list-style-type: none"> • Hotline and email inquiries • Investor exchange meetings • SSE E-interactive communication • Disclosure of interim announcements and periodic reports • General meeting of shareholders • Official Website's Investor Relations Section 	<ul style="list-style-type: none"> • Participate in industry conferences/seminars • Promote industry-university-research cooperation 	<ul style="list-style-type: none"> • Customer research and visits • Technical support and technical seminars • Customer service hotline • Customer satisfaction survey • Product launch event 	<ul style="list-style-type: none"> • Supplier audit • Supplier communication • Supplier training 	<ul style="list-style-type: none"> • Daily communication with employees • Staff meeting and annual meeting • Employee satisfaction survey and opinion collection • Regular staff training • Employee welfare and team building activities 	<ul style="list-style-type: none"> • Charitable activity • Company's Official Website • WeChat Official Account

Due Diligence >>

Conducting due diligence is crucial for a company to identify, prevent, mitigate, and address its own actual and potential negative impacts and risks. In 2024, 3PEAK established a due diligence mechanism in accordance with the Shanghai Stock Exchange's Listed Company Self-Regulatory Guideline No. 14 - Sustainable Development Report (Trial) requirements. In this way, we have incorporated due diligence into the enterprise risk management system and proactively identified negative impacts or risks related to sustainable development. We have established a company-wide notification mechanism, planning to conduct an annual risk assessment of sustainable development. Based on the assessment results, we will organize relevant departments to conduct due diligence on significant potential risks or events, formulate targeted management measures, and promptly track the investigation results and give feedback.

During the Reporting Period, 3PEAK did not experience any significant sustainable development risk events. Based on internal evaluation and research, we found that the importance of the supply chain to corporate development is increasingly apparent. Sustainability risks related to the supply chain involve supply chain disruptions, supplier labor rights, supplier's employee health and safety, supplier environmental pollution, supply chain greenhouse gas emissions, the management of conflict minerals, and other issues. Therefore, we actively enhance our business continuity management (BCM) and conduct social responsibility (CSR) investigations for suppliers. For detailed information, please refer to the sections <Improving Governance for Steady and Sustainable Development - Risk Control> and <Promoting Co-Creation and Sharing to Empower the Industry - Supplier Management>.



Double Materiality Assessment >>

In 2024, 3PEAK conducted our first double materiality assessment in accordance with the Shanghai Stock Exchange’s Listed Company Self-Regulatory Guideline No. 14 - Sustainable Development Report (Trial) (the “Guideline”). Based on the material topic assessment in previous years, the Company introduced a financial materiality assessment. By considering the perspectives of stakeholders, including internal senior management and external experts, we conducted a comprehensive analysis from dual perspectives, evaluating the impact of relevant topics on the economy, environment, society, and the Company’s financial condition.

Step 01

Knowing the Company’s situation

- Analyze the realities faced in the Company’s operations and management
- Analyze the external environment impacting the Company, including sustainability challenges, sustainability trends in the industry, and the Company’s upstream and downstream value chain, etc.
- Identify key stakeholders

Step 02

Preliminary screening of topics

- Based on the 21 topics given in the Guideline and with reference to standards such as GRI and UN SDGs, we have established a list of sustainable development topics to identify their impacts, risks, and opportunities

Step 03

Conducting a double materiality assessment

- Assessment of impact materiality: Identify the potential or actual positive or negative impacts of various topics on the external environment, society, and the economy and determine the topics that hold impact materiality
- Assessment of financial materiality: By analyzing impact, dependency, and other factors, and considering the judgment of senior management and experts, identify and assess the risks and opportunities under relevant topics and determine their financial materiality

Step 04

Assessment result confirming and reporting

- Integrate the results of impact and financial materiality assessments to form a double materiality assessment matrix
- Disclose relevant content in accordance with the requirements of the Guideline

In 2024, the results of the double materiality assessment by 3PEAK are shown in the following chart.



➤ Impacts, Risks, and Opportunities of Topics Holding Double Materiality

Topics holding double materiality	Impact materiality		Financial materiality		Impacted time	Chapter related to management and action
	Positive	Negative	Risk	Opportunity		
Innovation-driven	Increasing investment in the research and development of high-performance, highly-reliable, and green products helps enhance product competitiveness, meet customer demands for low-power, high-efficiency products, and improve customer satisfaction.	Insufficient R&D investments can lead to innovation outcomes that fall short of expectations, weakening the Company's competitiveness and causing us to miss market opportunities.	Insufficient innovation and R&D or technology leaks will expose the Company to the risks of technological lag and obsolescence, and diminished customer credibility, which in turn may lead to a decline in market share, and a reduction in revenue and profit.	Seizing opportunities in clean technology R&D will enhance the environmental attribute of products and strengthen market competitiveness.	Long-term	Striving for Excellence through an Innovation-Driven Path
Supply chain security	Enhance daily management, supervision, and ESG management for suppliers to improve their sustainability capabilities.	Failure to identify supplier delivery and ESG risks promptly and provide necessary support for improvement could lead to a decline in supplier competitiveness.	Ineffective supply chain management may result in delivery disruptions or delays, causing customer attrition, reputation damage, and a decrease in revenue.	Building close cooperation with supply chain partners is essential to enhance supply chain resilience and ensure stable delivery.	Short-term Mid-term Long-term	Promoting Co-Creation and Sharing to Empower the Industry
Product and service safety and quality	Comprehensive product quality management can ensure product stability and reliability, compliance with customer requirements and industry standards, and boost customer loyalty.	Neglecting product quality can result in defective products entering the market, which may cause safety incidents, affect customer reputation, and result in financial losses.	Product quality defects may result in recalls, erode customer trust in the Company's product quality, and cause customer attrition and economic losses.	Long-term product quality management can build customer trust, increase customer loyalty, improve market competitiveness, and expand market share.	Short-term Mid-term Long-term	Lean Management and Quality First
Data security and customer privacy protection	A comprehensive data security and privacy protection mechanism can reduce system service interruption and privacy leaks, ensuring the security of both the Company and customer information.	Poor management may lead to data security issues and customer privacy leaks, which could cause financial losses to clients and damage their personal rights.	Service interruptions, and data and privacy leaks can result in customer attrition or legal actions, which in turn may lead to reputation damage, a loss of market share and declined revenue.	Comply with domestic and international data security policies and regulations, strengthen data security and privacy protection, and enhance customer trust to secure more order opportunities.	Short-term Mid-term Long-term	Striving for Excellence through an Innovation-Driven Path
Employees	Emphasize talent cultivation and development and provide employees with continuous training and career advancement opportunities to strengthen their skills and help alleviate social employment pressures.	Failure to offer fair equity protection and healthy, safe working environment can harm employees' physical and mental health and their economic well-being.	Inability to safeguard labor rights and experiencing frequent safety incidents can lead to talent loss, failure to attract and retain talent, which may result in lower productivity, higher operational costs, and reduced revenue.	Attract top talents and optimize the talent structure by offering competitive compensation and growth opportunities, to boost competitiveness, drive innovation, and support long-term development.	Short-term Mid-term Long-term	People-Oriented for a Better Future

Improving Governance for Steady and Sustainable Development

3PEAK is committed to establishing a transparent, standardized, and efficient governance framework, enabling the Company to effectively address challenges to achieve long-term, sustainable development while striving for excellence. By continuously improving governance mechanisms, strengthening internal oversight, and enhancing decision-making efficiency, we not only create value for our shareholders but also bring positive impacts to our employees, customers, partners, and society.

Corporate Governance 

Risk Control 

Compliance Management 

Business Ethics 



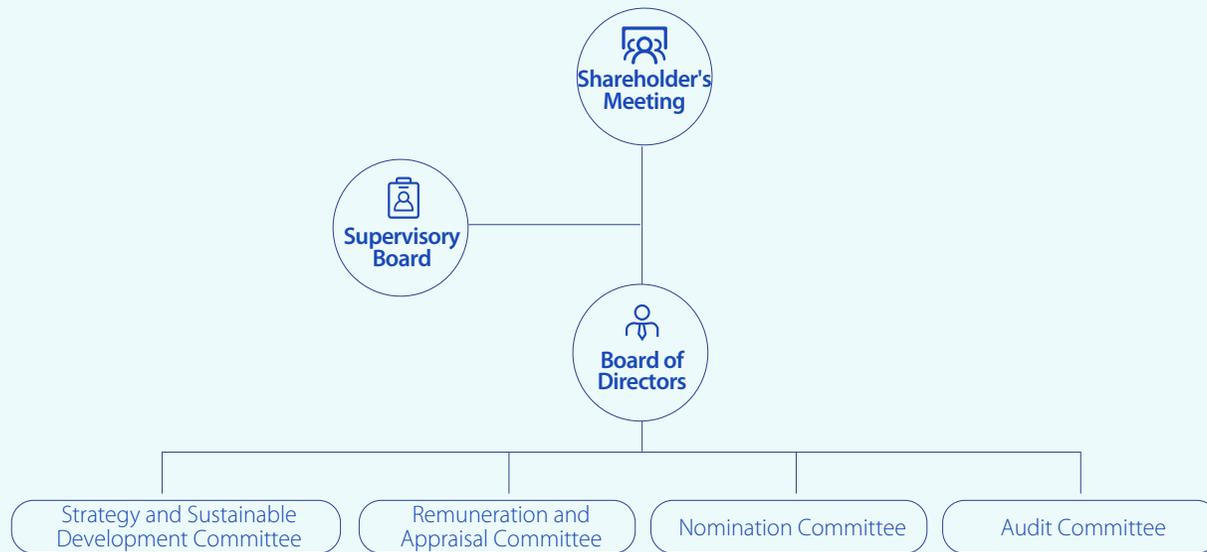
Contribution to UN SDGs

Corporate Governance

3PEAK strictly adheres to the requirements of laws and regulations such as the Company Law, the Securities Law, the Shanghai Stock Exchange (SSE) STAR Market Stock Listing Rules, and the Self-regulatory Guidelines No.1 for STAR Market Listed Companies of SSE - Standardized Operation, to establish a comprehensive governance structure and system. We maintain compliance, standardize corporate operations, enhance corporate value, and seek win-win outcomes in promoting sustainable development strategies.

Governance Structure >>

To safeguard the legitimate rights and interests of the Company, shareholders, and creditors and to regulate our organization and actions, we have established and improved the Articles of Association, the Rules of Procedure of the Board of Directors, the Rules of Procedure of the Board of Supervisors, the Rules of Procedure of the General Meeting of Shareholders, the Working Rules for Independent Directors, and other rules. These rules define the responsibilities and authorities, rules of procedures, and working methods of our departments and bodies at all levels as well as ensuring the separation of decision-making, executive, and supervisory functions. Since our public listing, we have established the corporate governance structure consisting of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and management, as well as rule-based and scientifically based operating and decision-making mechanisms to guide our high-quality and sustainable development.



Shareholders' Meeting



3PEAK strictly follows the laws, regulations, normative documents, and the Articles of Association as well as the Rules of Procedure of the General Meeting of Shareholders to regulate the convening, holding, proposing, and voting procedures of the shareholders' meetings. During the Reporting Period, 3PEAK held a total of 5 shareholders' meetings, reviewing and passing resolutions including the Proposal on the Company's Plan to Issue Convertible Bonds, Pay Cash for Asset Acquisition, and Raise Supporting Funds. We always fully respect and safeguard the legitimate rights and interests of all shareholders, treat small and medium shareholders equally, and have not had any incidents that harm the rights and interests of small and medium shareholders.

Board of Directors



3PEAK adheres to scientific decision-making, strictly selects directors according to the conditions and procedures stipulated in the Articles of Association, ensuring the selection is transparent, fair, and independent. Our Board of Directors consists of 9 members, including 3 Independent Directors and 1 female Director. Our Directors fulfill their duties diligently by carefully reviewing and approving proposals, safeguarding the legitimate rights and interests of the Company and shareholders, especially minority shareholders. Independent Directors strictly comply with the Working Rules for Independent Directors, have a duty of loyalty and diligence to the Company and all shareholders, diligently perform their duties, play a role in decision-making, oversight, and professional consulting in the Board of Directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders. During the Reporting Period, the Company established the Working Rules for Independent Directors Special Sessions, further clarifying the role and responsibilities of Independent Directors and optimizing their performance methods.

The Board of Directors operates in accordance with the provisions and requirements of the Company Law and the Articles of Association in terms of convening methods, procedures, voting methods, and resolution content. The Board of Directors has four special committees: the Audit Committee, the Remuneration and Appraisal Committee, the Strategy and Sustainable Development Committee, and the Nomination Committee. They assist the Board of Directors in fulfilling its decision-making and monitoring functions and play an important role in promoting the standardized operation and healthy development of the Company.

During the Reporting Period, 3PEAK held a total of 12 meetings of the Board of Directors, discussing important matters such as the Proposal on the Company's Plan to Repurchase Shares via Centralized Bidding Transactions, the Proposal on the Company's Plan to Issue Convertible Bonds, Pay Cash to Acquire Assets, and Raise Funds, and the Proposal on Granting Restricted Shares to Incentive Targets.

Supervisory Board



The Supervisory Board of 3PEAK strictly follows the election procedures stipulated in the Company Law and the Articles of Association to elect supervisors, and establishes rules for supervisory meetings to clarify the decision-making and voting procedures, ensuring the efficiency and scientific decision-making of the Supervisory Board. Under the leadership of the Shareholders' Meeting and with the support and cooperation of the Board of Directors and senior management, the Supervisory Board actively carries out its work with the aim of safeguarding the legitimate rights and interests of the Company and all shareholders. It legally oversees the Company's operations, financial conditions, related-party transactions, and the performance of senior management duties. During the Reporting Period, 3PEAK held a total of 11 meetings of the Supervisory Board, reviewing proposals such as the Proposal on the Special Report on the Placement and Actual Utilization of Funded Amounts for the First Half of 2024 and the Proposal on Reappointing the Company's Financial and Internal Control Audit Firm for the Year 2024.

In 2024, 3PEAK proactively learned new regulatory policies and promptly updated our internal governance standards to align with the latest governance requirements. We revised the Management Policy on the Company's Shares Held by Directors, Supervisors and Senior Management and Changes Thereof. Additionally, we continuously improved our internal control system to ensure compliance, enhance corporate governance capabilities and standards, and promote the Company's high-quality development. Furthermore, to strengthen the compliance awareness of directors, supervisors, and senior management, the Company requires them to actively participate in regulatory training conducted by the China Securities Regulatory Commission, Stock Exchanges, and Association of Listed Companies on information disclosure and corporate governance, focusing on improving their performance capabilities.



2024

- 5 General Meetings of Shareholders
- 12 meetings of the Board of Directors
- 11 meetings of the Board of Supervisors
- 7 meetings of the Audit Committee
- 2 meetings of the Remuneration and Appraisal Committee
- 3 meetings of the Strategy and Sustainable Development Committee
- 1 meeting of the Nomination Committee



Information Disclosure

3PEAK recognizes the pivotal role of transparent information disclosure in refining corporate governance and advancing sustainable development. To ensure that all shareholders, particularly small and medium shareholders, have equal rights to be informed and participate in significant company matters, 3PEAK strictly complies with legal regulations such as the Administrative Measures for the Disclosure of Information of Listed Companies and the Shanghai Stock Exchange STAR Market Stock Listing Rules. In line with the Company's actual situation, we have established and implemented the Information Disclosure Management System and the Major Information Internal Reporting System, actively fulfilling our obligations to disclose information in a manner that is truthful, accurate, complete, and timely. We are also committed to enhancing the readability and intuitiveness of our information disclosure, attempting to present and introduce the Company's operational status in diversified and easy-to-understand formats.

To guard against insider trading, the Company strictly adheres to legal regulations such as the System for the Registration of Insiders of Listed Companies and has formulated the Insider Information Registration and Management System. We actively implement the management of various insider information related to the Company's operations and finance, as well as the registration of insiders, to strengthen the control of internal information flow.



2024

- Disclosed **273** documents
- Received an A grade in the evaluation of information disclosure work for listed companies (2023-2024)

Investor Relations

3PEAK is committed to building an open and transparent communication channel. We have established the Investor Relations Management System to standardize the conduct of investor communication activities and daily interactions. 3PEAK engages in multi-dimensional exchanges and interactions with investors, communicating with them on significant matters such as operational performance through various means including performance briefings, investor meetings, shareholders' meetings, investor hotline (+86 021-58886086), email (3peak@3peak.com), and SSE E-interaction, patiently addressing the concerns of investors.

In 2024, 3PEAK launched an Investor Protection section on our official website, introducing content such as investor protection advocacy and investor returns, to further enhance communication with investors. To provide investors with a deeper understanding of our operations, we invited some institutional investors and brokerage analysts to attend our new product launch event. This allowed them to get an up-close understanding of the technical details and market application prospects of the new products, thereby enhancing investor confidence in the Company's growth prospects.



Investor hotline
+86 021-58886086



Email
3peak@3peak.com

To elevate the quality of the listed company and increase investor returns, 3PEAK developed the annual Action Plan for Quality Improvement, Efficiency Enhancement, and Return Focus in 2024. This plan clearly outlines our annual action plans and specific measures from multiple dimensions, including development strategies, management of raised funds, focusing on investment returns, standardization of corporate operations, and improvement of information disclosure quality. Through these efforts, 3PEAK aims to fulfill responsibilities and obligations as a listed company, boost investor confidence, and establish a good reputation in the capital market.

The Company places importance on providing reasonable investment returns to investors and has formulated the Three-Year (2024-2026) Shareholder Dividend Return Plan to ensure the continuity and stability of the profit distribution policy, enhance the sense of gain among investors, and safeguard the legitimate rights and interests of shareholders.



In 2024

Conducted **4** performance presentations for small and medium investors

Organized **3** major investor meetings, attended by **894** investors

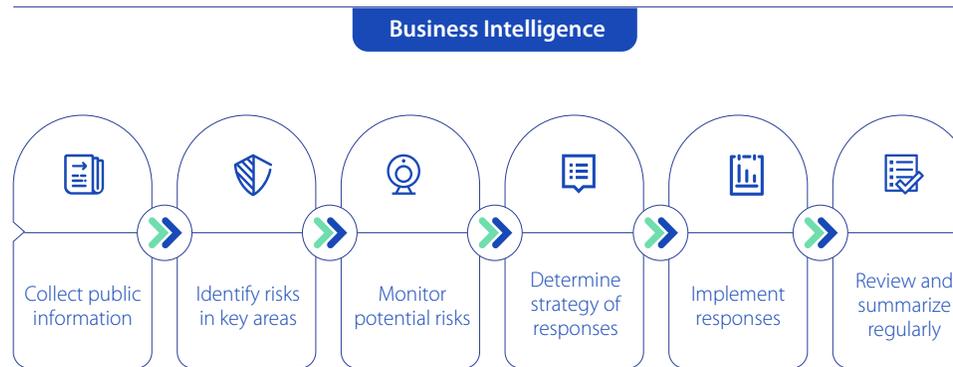
Answered **75** investor questions on SSE E-interactive

Paid a cumulative dividend (including taxes) of RMB **90,985,100** since the listing

Hosted **50** institutional investor research sessions, with **227** participants

Risk Control

3PEAK is committed to ensuring the steady development of the company through comprehensive risk management strategies. The Company conducts in-depth risk analysis annually from the perspectives of the external environment, internal operations, and business aspects. The complexity and variability of the external environment demand that the Company has keen market insight and the ability to respond swiftly. To this end, 3PEAK has established a Business Intelligence decision-making mechanism to collect, sort through, analyze, and timely identify significant risk areas, and formulate corresponding preventive measures. In terms of internal operations, 3PEAK has built a "three lines of defense" risk control system to ensure that risks are effectively managed at different levels. In addition, 3PEAK has also passed the Business Continuity Management (BCM) system certification, focusing on the guidelines, by developing detailed emergency plans and recovery plans to ensure that in the face of unexpected events, the company can quickly resume key operations, safeguarding the continuity and stability of business.



Three Lines of Defense >>

3PEAK actively engages in risk identification and management efforts, and based on its actual situation, has established a "three lines of defense" framework for risk management: The business units serve as the first line of defense in risk management; the risk management department acts as the second line of defense; and the internal audit department functions as the third line of defense. This forms a system of internal control and risk prevention that checks and balances each other's components, effectively identifying, measuring, and controlling various risks the Company faces.



BCM Risk Management >>

To ensure continuous business operations and enhance risk prevention and control capabilities, 3PEAK, in accordance with the BCM Guidelines of "Improve internal management, implement effective risk controls, ensure stable operations, meet the requirements of customers, and protect the interests of all stakeholders", has established the Business Impact Analysis and Risk Control Procedure and has obtained the ISO 22301:2019 Business Continuity Management System Certification. 3PEAK has established a process system that covers business impact analysis, risk assessment, business continuity strategies, business continuity plans, and drills across all functional departments of the Company, ensuring that in the face of various emergencies, the Company can respond swiftly and restore key operations. During the Reporting Period, we introduced a new business continuity plan to address operational disruptions caused by accidental chemical spillage and established an emergency response plan for chemical leaks.

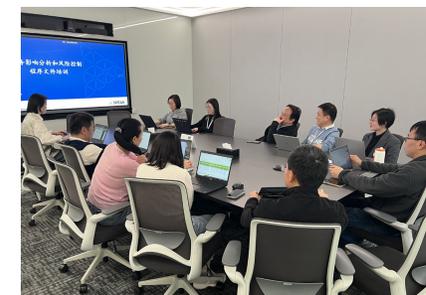
The Company regularly conducts risk identification, analysis, and response efforts annually, with a particular focus on potential risks that could lead to critical business interruptions, such as significant quality issues, natural disasters, fire safety incidents, public health emergencies, supply chain disruptions, information system outages, and the cessation of supply for R&D design software. During the Reporting Period, 3PEAK formulated management measures tailored to the identified business continuity risks for each respective department. We also held seven BCM drills and conducted internal training on business continuity management (BCM) annually to enhance the ability to respond to business continuity risks, and effectively reduce the impact of emergencies on the Company's operations and strengthen business resilience.

BCM Guidelines

- Improve internal management
- Implement effective risk controls
- Ensure stable operations
- Meet the requirements of customers
- Protect the interests of all stakeholders



ISO 22301:2019 BCM Management System Certification



BCM Training

Compliance Management

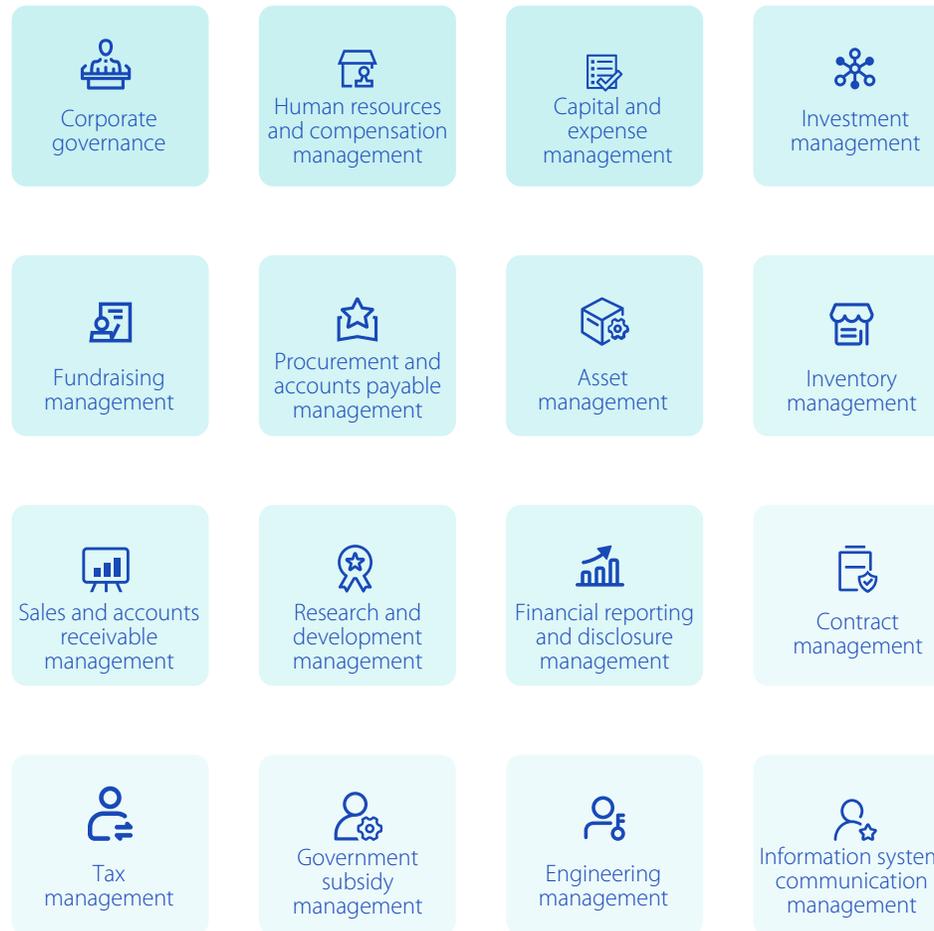
Compliance management is the cornerstone of an enterprise’s sound operations and sustainable development. At 3PEAK, we improve our internal control mechanism to ensure operational transparency and compliance, effectively mitigating risks. Furthermore, for trade compliance, we strictly adhere to domestic and international laws and regulations to ensure that our business activities remain legal and compliant on a global scale.

Internal Control >>

3PEAK strictly manages the internal control processes of its business operations. In accordance with the Basic Standards for Enterprise Internal Control and its supporting guidelines, we continuously improve a series of internal control system documentation. During the Reporting Period, 3PEAK clearly defined the responsibilities of each department in the internal control processes, aligning them with the latest organizational structure. This ensured that new changes in business procedures met internal control management requirements. The Company adhered to these control procedures in all activities to mitigate potential risks.

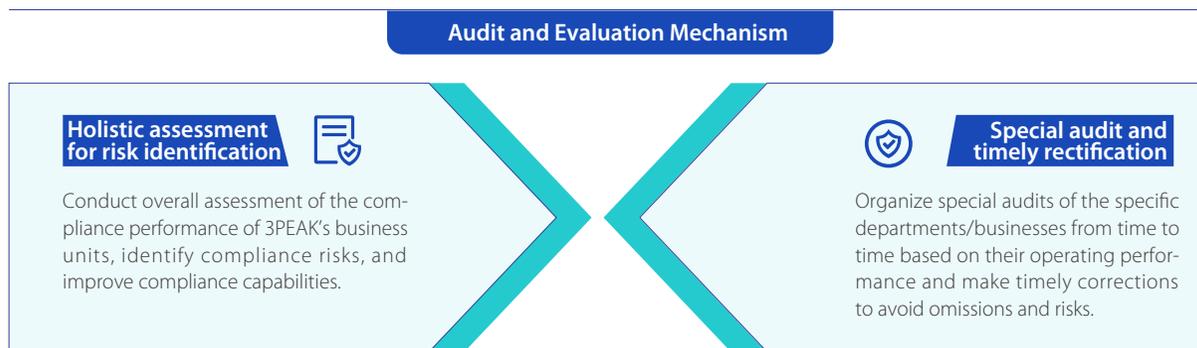
In addition, the Company organizes regular internal and external control, audit tests, and reviews every year. This includes conducting management from various aspects such as corporate governance, human resource management, fund management, investment management, financing management, and procurement management. By integrating the basic norms of internal control with the actual operational situation, the Company produces an internal control evaluation report, while an internal control audit report is issued by an external audit institution. These measures ensure legal and compliant operations, asset security, authenticity, and completeness of financial reports and related information, thereby enhancing operational efficiency and effectiveness and facilitating the realization of strategic development goals.

Internal Control System



Trade Compliance

3PEAK strictly adheres to the international export control and sanctions laws and regulations applicable in China and the countries and regions where it operates. We have established and continuously improved the Export Control and Sanctions Compliance Management System, setting up a comprehensive review and evaluation mechanism. The General Manager leads overall, while the Compliance Management Working Group is responsible for specific organization, leadership, and coordination. The Legal Department is in charge of daily compliance management work, and other relevant business departments fulfill their compliance obligations and responsibilities as stipulated by the system and guidelines. Through our compliance management systems and mechanisms, we further clarify specific trade compliance requirements and standardize compliance execution measures to adapt to external macro-environment changes and reduce operational risks.



In 2024, 3PEAK further enhanced and upgraded the existing OA trade compliance management process. These improvements include strengthening trade compliance assessments during the project approval phase, enabling online access to information regarding product control status, and prohibiting the sale of products that have not undergone compliance evaluation. Our goal is to achieve more precise compliance management at key business links, thereby improving the efficiency and effectiveness of our compliance processes.

During the Reporting Period, we conducted monthly trade compliance work summaries and responded promptly to inquiries and investigations from partners regarding trade compliance, ensuring that the Company's trade activities always comply with relevant laws and regulations. In addition, we carried out regular training on export control and provided special training for newly promoted managers, sales managers, and other key personnel to enhance their awareness of export control compliance and their ability to conduct business in compliance.



Business Ethics

3PEAK upholds high ethical standards, strictly adheres to local laws and regulations in countries where we conduct business activities, and requires all employees to understand and adhere to business ethics at work. The Company has established a Business Ethics Committee consisting of representatives from the Audit Department, the Finance Department, the Human Resources Department, and the Legal Department. The Business Ethics Committee is responsible for formulating policies and procedures on business ethics, supervising the implementation of these policies and procedures, analyzing, investigating, and handling our business ethics-related issues and disputes. It also holds regular meetings to review our major business ethics matters.

Anti-Fraud and Anti-Corruption >>

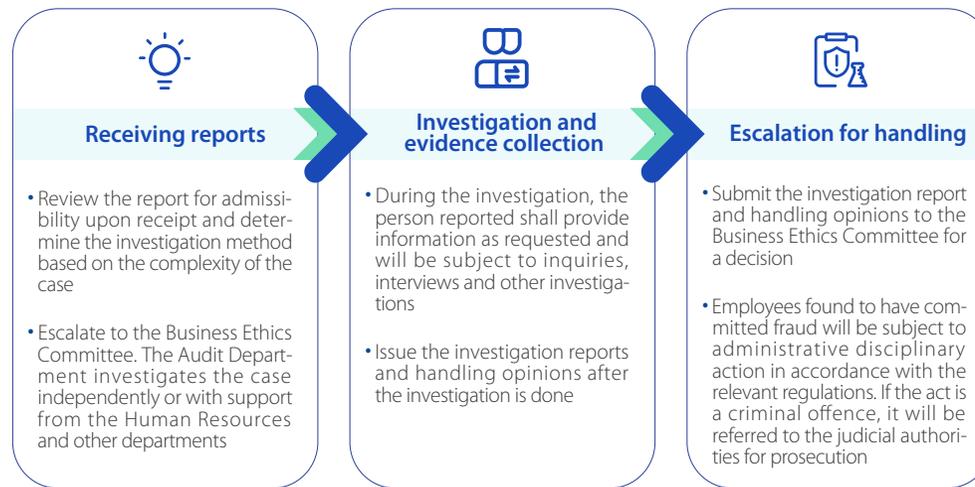
To guard against the risks of commercial bribery, corruption, and fraud, we have formulated the Code of Ethical Business Conduct, which details principles of adhering to business ethics, avoiding conflicts of interest, anti-corruption and anti-bribery practices, and the handling of gifts and hospitality, etc. All employees are required to strictly comply with these in their daily work and business activities. At the same time, we have extended our code of business ethics for our partners by establishing the code of ethical business to our partners and have formulated the Code of Conduct for Suppliers' Social Responsibility and the Supplier Code of Integrity, setting specific requirements for the ethical behavior of all our suppliers. To eliminate commercial bribery, the Company requires suppliers to sign integrity agreements to foster a transparent and fair cooperative environment.

Whistleblowing Mechanism



We actively strengthen the institutional construction at the level of anti-fraud and anti-corruption by establishing the Anti-Fraud and Whistleblowing Policy. The Audit Department is designated as the permanent body responsible for organizing and implementing anti-fraud practices within the Company. While the Company is committed to eradicating the acceptance of bribes or kickbacks, bribery, insider trading, abuse of power, and similar behaviors, it also encourages internal and external stakeholders to report non-compliant behaviors. We have set up a public anti-fraud reporting email (audit@3peak.com) open to all stakeholders and continuously improve the whistleblowing process to ensure fairness and impartiality in handling reported matters.

Whistleblowing and Handling Procedures



Whistleblower Protection



To safeguard the rights of whistleblowers, we have added a whistleblower protection mechanism to the Anti-Fraud and Whistleblowing Policy. The Company fully protects the legal rights and interests of whistleblowers (including both real-name and anonymous reports). We maintain strict confidentiality of the whistleblower's personal information, details, and the content of the report at every stage, including receipt, registration, storage, and investigation. Employees who violate confidentiality rules will be dealt with sternly. For real-name reports, the Company has a special "Whistleblower Protection List" managed exclusively by the Audit Department. Without approval or authorization from the Business Ethics Committee, no other units, departments, or individuals have the right to know the information. Moreover, the Company strictly prohibits any form of retaliation or framing against whistleblowers and witnesses. In case of violations, the Company will handle them seriously according to regulations and, if criminal, will hand them over to the relevant judicial authorities for legal action. During the Reporting Period, the Company has not experienced any litigation cases caused by corruption.

Integrity Culture Building



On the basis of continuously improving systems and processes, the Company actively enhances employees' awareness of business ethics and promotes a culture of integrity. We regularly conduct anti-fraud training for all employees through online learning platforms and offline training sessions. During the Reporting Period, we carried out a comprehensive anti-fraud training with a 100% employee coverage rate, introducing employees to the code of business ethics, the concept of fraud, the dangers of fraud, anti-fraud and reporting mechanisms, analysis of serious fraud (suspected illegal acts), and related case studies, effectively raising the awareness of anti-fraud among all staff. We also continue to strengthen the performance requirements and training communication for board members in terms of anti-fraud, actively organizing directors to participate in internal anti-fraud training, and arranging independent directors to attend a special course on "Key Points and Recommendations for Independent Directors of Listed Companies in Anti-Fraud Duty" to enhance the awareness of anti-fraud for all.



3PEAK's 2024 Anti-Commercial Bribery and Anti-Corruption Training Coverage



In addition, our Internal Control Department regularly conducts internal control assessments of the internal control system processes annually. The assessment content also includes business ethics and anti-fraud risks. Through risk identification, setting control objectives, and control activities, we continuously improve the internal control system to ensure that the Company's operations and decision-making processes comply with regulatory requirements and business ethics standards.



Anti-Fraud Training



Anti-Unfair Competition >>

To regulate the Company's market competition practices, 3PEAK strictly adheres to the requirements of the Anti-unfair Competition Law of the People's Republic of China, the Anti-monopoly Law of the People's Republic of China, and other laws and regulations. We have established an anti-monopoly and anti-unfair competition management mechanism led by the General Manager, overseen and audited by the Legal Department, and implemented by each business department. Meanwhile, to further maintain market order and support its healthy development, we have formulated the Management Policy on Anti-monopoly and Anti-unfair Competition. This policy outlines internal guidelines to prevent anti-monopoly actions, such as prohibiting monopoly agreements, the abuse of market dominance, and certain operator concentration. It also prohibits unfair competition practices, including acts of confusion, corrupt transactions, false advertising, trade secret violations, and damage to corporate reputation. In addition, the Company has established a complaint and reporting mechanism for violations of anti-monopoly and anti-unfair competition regulations. We also have established disciplinary measures for policy breaches and an employee education and training program. During the Reporting Period, 3PEAK did not encounter any litigation or administrative penalties arising from unfair competition practices.

>> 3PEAK's Anti-Unfair Competition Measures

Aspects	Measures
Promoting fair competition	3PEAK has established an anti-monopoly and anti-unfair competition mechanism that explicitly prohibits unfair competition practices including monopoly agreements, abuse of market dominance, acts of confusion, and false advertising. We also have developed a complaint and reporting mechanism to protect the rights of whistleblowers and conducted employee training.
Protecting trade secrets	3PEAK has developed the Trade Secret Management Policy, which explicitly prohibits the infringement of trade secrets. Meanwhile, we require all employees to sign confidentiality agreements and enhance their awareness and ability to protect trade secrets through regular training. In 2024, the coverage rate of trade secret training reached 100%.
Responsible marketing	3PEAK explicitly requires that false advertising is prohibited. We require all product claims to be completely truthful, with no misleading representations regarding product performance, functionality, quality, sales data, user feedback or awards. All marketing materials to be released must undergo an internal review to ensure compliance with regulatory requirements. 3PEAK also requires that all distributors should strictly comply with applicable laws and regulations in their advertising and promotional activities and conduct responsible marketing practices based on the principles of good faith and fair competition.

Striving for Excellence through an Innovation-Driven Path

R&D and innovation are the key drivers for enterprises to maintain core competitiveness and achieve sustainable development. Upholding the philosophy of independent development and innovation, 3PEAK embeds the innovation concept into our core enterprise culture to drive continuous breakthroughs in technologies and products. Furthermore, 3PEAK actively addresses information security challenges and strives to establish a comprehensive information security management system, providing robust protection for customers, partners, and internal operations.

- Innovation and R&D 
- Clean Tech Opportunity 
- Intellectual Property 
- Information Security 



Contribution to UN SDGs

Innovation and R&D

R&D and innovation are the key to driving corporate advancement and strengthening our competitive edge. We consistently leverage technological R&D to empower development, delivering greater value to our clients through innovative products and leading new advancements in intelligent decision-making.

Governance

3PEAK adopts the business model of Fabless, with chip product development at the heart of our operations. Strictly adhering to both domestic and international laws and regulations, we have developed a comprehensive business process management system, and a series of processes have been developed to enhance the standardization and management efficiency of R&D work, including the Product Demand Management Process, the Product Definition Management Process, the IC Development Procedure, the Project Management Process, and the Project Risk Management Process. We place great emphasis on R&D and innovation. To this end, we have established a project approval review committee, which comprises of the Chairman/General Manager, leaders of the R&D project, and department heads from Marketing, Sales, Operations, Quality and other departments. The committee conducts commercial and technical evaluations to ensure the success rate and efficiency of product R&D. In the course of business advancement, 3PEAK closely monitors the dynamic changes in customer demand and technological development, continuously exploring new technological fields and product directions. We constantly optimize and expand our business strategy to deliver more competitive solutions to customers, driving our sustained growth and high-quality development.

Strategy

3PEAK is committed to achieving the R&D goal of “providing advanced, innovative, and fully competitive analog and mixed signal products and solutions”, strictly adheres to the code of scientific integrity and professional ethics, and upholds the concept of independent development and innovation throughout the product research and development process. Amid fierce market competition, rapid product iteration and upgrade, and demands for green production in the semiconductor industry, we focus on a product development strategy of high-performance, high-quality, and high-reliability. We enhance the capability of our R&D and technical team, accurately allocate resources, improve the efficiency of R&D, and establish an effective and closed-loop business system to maintain our technological leadership.

R&D Risk Analysis

Major risks	Risk description	Potential financial impact	Measures
Lag in technological R&D	Failure to keep pace with evolving market demands and key new technologies may weaken the product competitiveness of the Company and hinder our ability to meet market and customer needs	Inefficient R&D investment Revenue decline	<ul style="list-style-type: none"> Establish a comprehensive R&D process system and continuously increase R&D investment Place emphasis on attracting and cultivating R&D talent, and encourage employees to actively engage in innovation activities through patent incentives
Technology leakage	Due to the limitations in technical secret protection measures, the mobility of technical personnel, and other uncontrollable factors, there is a risk of core technology leakage, which may result in damage to our reputation, customer trust, and impact on market share	Revenue decline	<ul style="list-style-type: none"> Establish a sound trade secret management system and formulate relevant policies Require all employees to sign confidentiality agreements Enhance the awareness of trade secret protection among all employees <p>For more details, please refer to “Improving Governance for Steady and Sustainable Development - Business Ethics”.</p>

Impact, Risk, and Opportunity Management >>

3PEAK places great emphasis on risk management in the R&D innovation process. We integrate risk management into the entire product development process, and strengthen R&D talent development to improve the efficiency of technological breakthroughs and enhance R&D innovation capabilities.

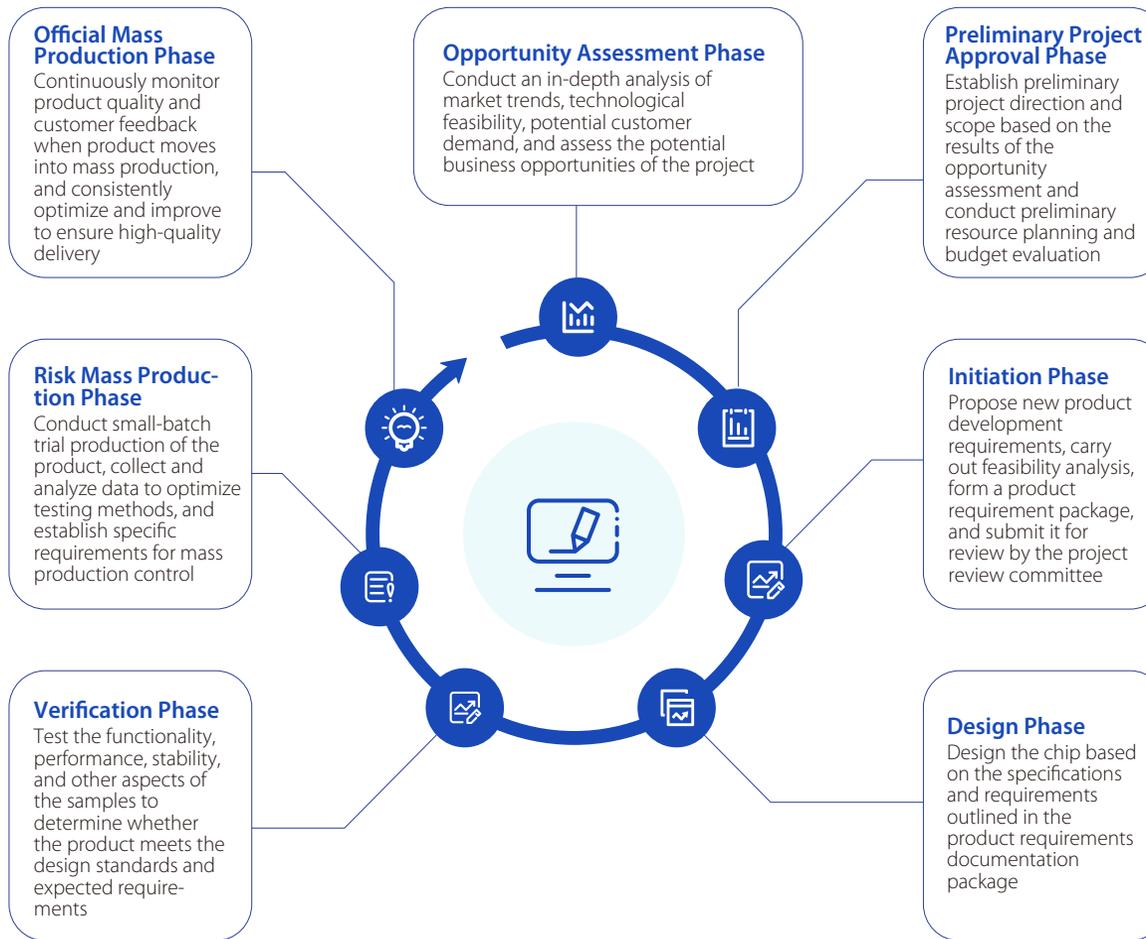
R&D Process Optimization



To continuously enhance R&D efficiency, innovation capabilities, and product quality and reliability, we place great emphasis on the management and control of the product development process. Throughout the entire R&D process, all departments within the Company work closely together to ensure that product development projects are advanced efficiently and with high quality.



3PEAK Product Development Process



Cultivation of the R&D Team



3PEAK places great emphasis on attracting and nurturing R&D talent, forming a team with high levels of education and extensive experience. Based on a comprehensive R&D training mechanism, we ensure that our R&D personnel possess strong independent innovation capabilities, enabling them to quickly and continuously respond to the evolving innovation needs of our customers.

To continuously stimulate and support our employees' enthusiasm for innovation, we have established the Patent Incentive Scheme, setting clear performance indicators for product innovation to encourage staff to actively engage in innovative activities, making innovation a powerful force driving the Company's development. Each year, we regularly recognize teams and individuals who have made outstanding contributions to increasing the quantity and quality of our Company's patents. During the Reporting Period, 3PEAK selected 2 individuals as the Annual Best Inventors, awarded 1 Most Valuable Patent, and granted patent bonuses to over 140 people.

Metrics and Targets >>

3PEAK has established a clear overall R&D objective, and defined specific targets across three aspects: R&D investment and resource optimization, product upgrade, and technological achievement transformation, to ensure the sustained competitiveness in technological innovation.

>> 3PEAK's R&D Innovation Objectives

R&D Objective: To provide advanced, innovative, and fully competitive analog and mixed signal product solutions	
Aspects	Content
R&D investment and resource optimization	R&D investment should not be less than 30% of operating income Focus on supporting the R&D of high-performance, high-reliability, and environmentally friendly products
Product upgrade	Promote technological upgrades of existing products to enhance performance, optimize costs, and reduce power consumption while actively exploring applications of new technologies
Technological achievement transformation	Improve the efficiency of technological achievement transformation to form an effective and closed-loop business system

➤ Performance Indicators for R&D

Indicator		Unit	2024
R&D investment		RMB 10,000	57,705.71
Proportion of R&D investment in operating revenue		%	47.32%
Number of R&D personnel		Person	518
Proportion of R&D personnel in total employee count		%	62.41%
Number of R&D personnel by age group	Under 30 years old	Person	244
	30-39 years old	Person	201
	40-49 years old	Person	67
	50-59 years old	Person	6
Number of R&D personnel by educational level	Doctor degree	Person	21
	Master degree	Person	292
	Bachelor degree	Person	186
	Associate degree or below	Person	19
Average training hours per R&D personnel		Hours	135.72



Outstanding Technological Innovation Product Award



The Most Valuable Patent Award



R&D Achievements

During the Reporting Period, 3PEAK achieved these major breakthroughs and advances in R&D:

- High-speed analog switches can achieve a high-speed signal switching rate of up to 16Gbps
- High-speed operational amplifiers with an ultra-high bandwidth of 8GHz and a slew rate of 3,000V/μs
- LIN SBC products feature multiple protection characteristics, including over-voltage protection from -45V to +45V, over-temperature shutdown, under-voltage, and short-circuit to ground protection, and the IEC ESD electrostatic protection level reaches ±15kV
- The high-reliability, long-distance in-vehicle lossless audio bus chip, Automotive Sensor Network (ASN) transceiver, has become a highly competitive audio transmission solution in the market, facilitating domestic substitution of products in this field
- Voltage reference chip with ultra-low temperature drift coefficient (1.5ppm/°C) and ultra-high initial accuracy (±0.05%), along with long-term stability of less than 10ppm/1,000h, ensures stable output accuracy during prolonged operation, achieving internationally advanced performance standards
- The quiescent power consumption of the synchronous buck conversion technology using ISO-Buck technology is only 70μA, achieving support for a wide input voltage range of 4.5V~36V, and excellent ripple suppression capability
- A highly integrated, active clamp flyback PoE PD single-chip solution compliant with IEEE 802.3af standards is designed for isolated PoE applications under 13W, offering a new option for low-cost and compact PoE PD designs
- Launch of automotive-grade high-side power switches with integrated MOS power FETs and charge pumps for intelligent control of resistive, inductive, and capacitive loads
- Release of precision resistor arrays with a maximum deviation of only ±0.005% across the full temperature range (-40°C to 125°C), and a typical temperature coefficient of 0.1ppm/°C
- Multi-cell battery protection ICs feature breakthroughs in voltage withstand limits, enhanced detection accuracy between cells, a built-in charging-without-discharge module, and balanced dual-cell protection. These improvements enable superior performance in time-sharing sampling and detection modules for high-cell-count products, achieving inter-cell voltage error margins under ±3mV. Single-cell battery protection ICs have undergone significant technological upgrades, including verified programmable end-product parameters for protection settings. The mass adoption of low-voltage, low-temperature-rise Charge Pump technology further strengthens the competitive edge of single-cell solutions

Clean Tech Opportunity

As sustainable development becomes a societal consensus, the demand for green products in the market continues to rise. 3PEAK always makes environmental sustainability a key factor in our product innovation. We keenly identify business opportunities driven by clean technologies, and strategically expand our presence in related fields. We annually invest in R&D and innovation within clean technology sectors, focusing on high-performance, high-reliability, and green products. We also strengthen collaboration with partners in the development of green products to consistently deliver efficient and eco-friendly solutions to the market.

By the end of the Reporting Period, the Company had 63 valid patents related to clean technologies (aimed at reducing energy consumption, conserving raw material use, and extending product lifespan). Among these, there were 24 patents related to reducing energy consumption, 27 patents related to conserving raw material use, and 12 patents related to extending product lifespan.

Application of 3PEAK Clean Tech Products



Clean energy industry

Photovoltaic Inverter + Energy Storage System



New energy vehicle industry

Drive and Control Systems for NEVs



Battery industry

Battery Production Equipment



Environmental protection industry

VOC Environmental Monitoring



Case Developing low-cost, high-efficiency ASN products

In 2024, 3PEAK officially launched an innovative product—the ASN automotive sensor network transceiver. Specifically designed for in-vehicle audio transmission applications, this product not only enables bidirectional data transmission between the in-vehicle head unit and external power amplifiers but also facilitates the interconnection between the digital signal processor (DSP) and sensor networks comprising microphones and accelerometers. This offers an advanced transmission solution for in-vehicle microphone pickup, active noise cancellation, and road noise reduction. ASN achieves long-distance 32-channel audio, control signal, and power over coaxial (PoC) transmission through cost-effective unshielded twisted pair (UTP). This approach significantly streamlines layout and wiring design, reduces the quantity of wire harnesses, and ultimately lowers costs.

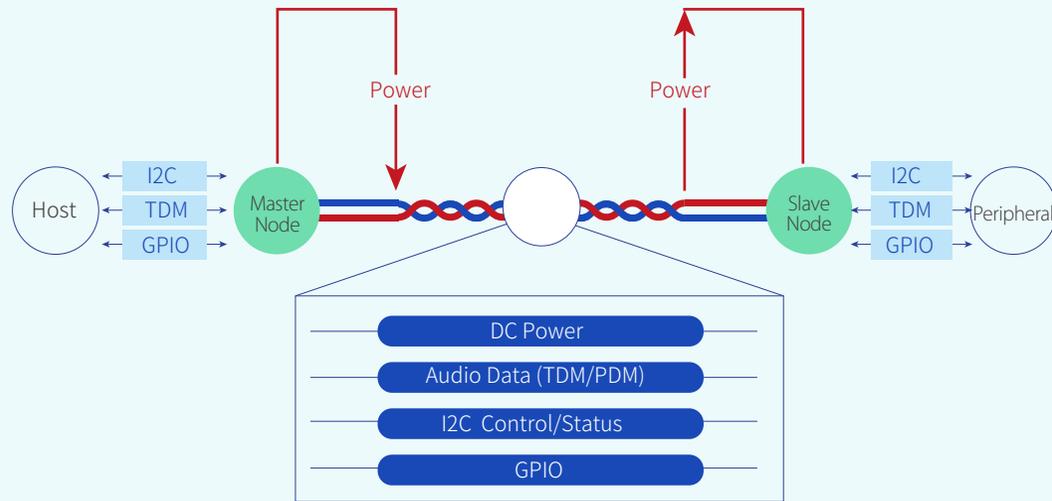


Diagram of ASN Bus Transmission Content

Case Developing small and low-energy consumption products to reduce environmental impact

With years of accumulated expertise, iCM, a subsidiary of 3PEAK, continues to introduce protection chips covering all lithium battery application scenarios, providing customers with compact and low-power solutions while catering to diverse electronic application requirements. To meet customer demands for package size, iCM, continuously develops small-sized lithium battery management chips that align with end-user needs through interface optimization design and development of manufacturing processes, increases the number of chips that can be manufactured per wafer, and reduces circuit board area to lower power consumption and overall system cost. In addition, iCM, launched a full range of low-power products, the CM112X series featuring a two-in-one single-chip design with ultra-small packaging for shipping mode, and the CM13XX series of ultra-high-precision protection ICs with balancing function, all of which effectively enhance the battery life of lithium battery modules and reduce power consumption. In addition, iCM, enhances R&D efforts in various power management chips such as ACDC, synchronous rectification, and LDO. Focusing on low power consumption, iCM, aims to meet demand for diverse power management application while delivering cost-effective and energy-saving solutions.



Intellectual Property

3PEAK places great emphasis on the protection of intellectual property rights, covering various fields such as patents, trademarks, and copyrights. We are committed to standardizing intellectual property management activities in all aspects of business operations, strengthening the acquisition, maintenance, utilization, and protection of intellectual property rights to enhance the efficiency and level of intellectual property management.

Intellectual Property Protection Management System

To regulate patent management and promote corporate technological innovation and the formation of independent intellectual property rights, we strictly comply with the relevant provisions of laws and regulations such as the Patent Law of the People's Republic of China and the Implementation Regulations of the Patent Law of the People's Republic of China. We continuously improve the Intellectual Property Manual and corresponding procedural documents, strengthening intellectual property risk management and dispute resolution procedures. At the same time, we have established a comprehensive intellectual property management system and passed the annual audit of the GB/T 29490-2023 intellectual property management system certification, ensuring professionalism and standardization in intellectual property management.



GB/T 29490-2023

Intellectual Property Management System Certification

3PEAK fully utilizes external patent databases and combines them with our actual situation to build an efficient and business-needs-adapted intellectual property process management system. We have established risk control procedures, such as the Intellectual Property Risk Management and Dispute Resolution Control Procedure and conduct investigations into the possibility of infringements. Through these measures, we have effectively improved the efficiency and accuracy of patent information retrieval, enabling timely identification of market opportunities and technical risks. This year, 3PEAK implemented overseas patent review rules, focusing on strengthening the evaluation and management strategy of overseas intellectual property. Furthermore, we adopted a series of patent management measures to accurately identify and mitigate potential patent risks.

Patent Risk Management Measures



Procurement Stage

- Prior to procurement activities, we collect intellectual property information related to the products to be purchased, to avoid procuring infringing products
- We clearly define the ownership of intellectual property rights, the scope of licensed use, and the accountability for infringement in the Procurement Contract



R&D Stage

- At the project approval stage, we search for and analyze the intellectual property information involved in this project, conduct an intellectual property risk assessment, and use the assessment results and prevention plans as the basis for project initiation and overall budgeting
- We track and monitor intellectual property in research and development activities, promptly adjust research and development strategies and content to avoid or reduce the risk of intellectual property infringement



Sales Stage

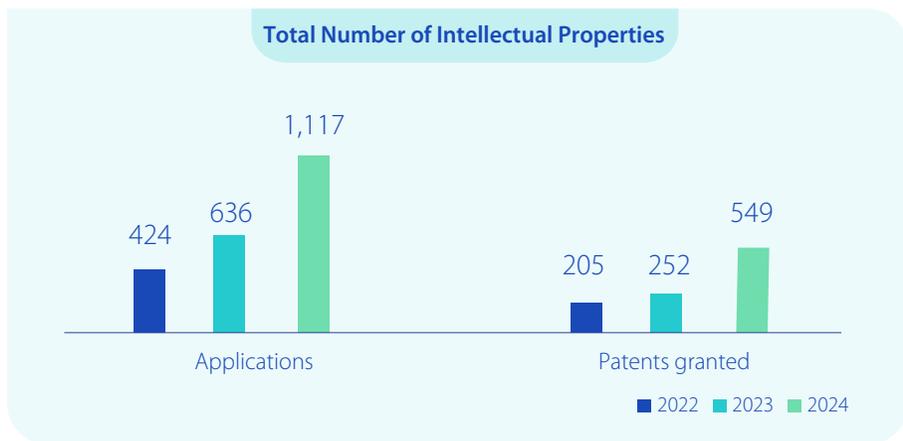
- We investigate the intellectual property risks of export products, assess and identify the patent risks of key technological points in overseas regions, and conduct intellectual property risk analysis and mitigation for the identified risk technology points

To enhance employees' awareness of intellectual property and ability of patent mining, we regularly conduct intellectual property promotion and training. In 2024, the intellectual property micro-course series, covering sections such as Introduction to Patent Examination Procedures and Territoriality of Patents, was available to all employees. We also conducted training on Patent Litigation Case Sharing for all employees to raise their awareness of intellectual property rights. Additionally, we conducted six patent training sessions for the R&D personnel of each product line, providing strong support and solid assurance for corporate innovation.

Additionally, we monitor the utilization of our intellectual property rights in real-time. The Company strictly pursues legal responsibilities for any actions that infringe upon 3PEAK's trademark rights or sell products impersonating the Company's distributors without authorization. We are committed to firmly protecting 3PEAK's legal rights. During the Reporting Period, we were not involved in any patent infringement litigation.

Patent Achievements >>

With its exceptional technical strength and continuous innovation capabilities, 3PEAK has been honored with numerous accolades, including the 2024 China Automotive Chip Innovation Achievement and the Intelligent Driving Technology Innovation Award. As of December 31, 2024, 3PEAK had accumulated a total of 744 patent applications, 276 integrated circuit layout designs, and 97 trademarks, with 248 patents, 239 integrated circuit layout designs, and 62 trademarks granted.



>> List of Intellectual Properties Obtained in 2024

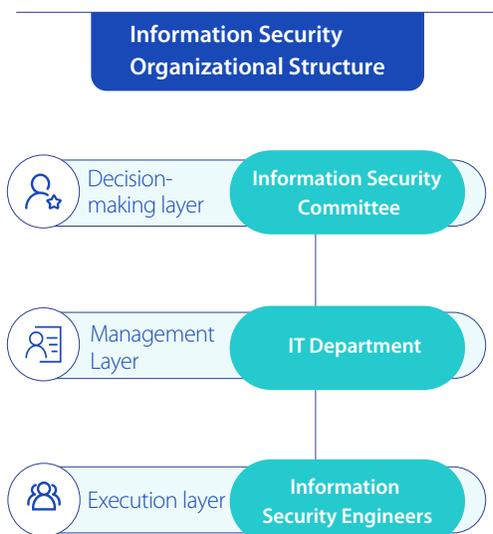
Category	New additions during the Reporting Period		Cumulative number as the end of 2024	
	Number of applications	Number of granted	Number of applications	Number of granted
Domestic patents	127	25	573	147
Domestic utility model patent	24	12	131	99
PCT	13	0	40	2
IC layout design	35	39	276	239
Trademarks	1	8	97	62
Total	200	84	1,117	549

Information Security

In this digital era, 3PEAK recognizes the critical importance of safeguarding corporate and customer data privacy. Therefore, we attach great importance to information security and privacy protection, rigorously safeguarding the baseline of information security by improving management structures and system measures.

Governance

3PEAK is firmly committed to safeguarding the Company's information security and system performance. We have established an information security and privacy protection organizational structure composed of an Information Security Committee, IT Department, and Information Security Engineers. We have formulated a series of internal management systems, including the Information Security Management System and the Computer File Security Management System, to manage infrastructure, networks, servers, software systems, and various terminal devices, ensuring the overall security of the information system. During the Reporting Period, we expanded the classification of information and the content of confidential information in the Information Security Management System to further improve information security management.



Strategy

3PEAK fully recognizes the core value of information security and customer privacy protection to the enterprise. We place a high priority on information security and customer privacy protection. We continuously enhance the security of our information systems, and build a multi-layered defense system to prevent information and customer privacy leakage. We also focus on raising information security awareness among all employees and promoting the development of information technology to continually improve corporate security and privacy standards, ensuring that they stay aligned with evolving industry trends and customer needs.

Information Security Risk Analysis

Major risks	Risk description	Potential financial impact	Measures
Disruption of information system services	The service disruption caused by server hardware issues, network equipment failures, and deliberate human damage	Operating costs increase	<ul style="list-style-type: none"> Strengthen cyber system security management Advance information technology development and information security awareness training Implement server hardware redundancy and perform regular data backups
Leakage of information and customer privacy	Leakage of the Company's information or customer privacy due to malicious intrusions, improper permission configurations, and other factors, which may expose the Company to legal litigation and reputation damage	Operating costs increase Revenue decline	<ul style="list-style-type: none"> Strengthen physical isolation of information Enhance awareness of information security protection Establish a security protection system and strengthen monitoring in restricted access areas Control the transmission and usage of sensitive documents

Impact, Risk, and Opportunity Management >>

3PEAK has developed security management measures across four key dimensions including physical and environmental security, cyber and information security, file and data security, and user behavior security, and initiated a monthly security reporting mechanism to implement targeted improvement initiatives, optimize strategies, and enhance employee security awareness.

3PEAK's Information Security Management Strategy



Physical and environmental security

- Achieve physical isolation using the network access system and the intranet system, enabling isolation between the Company and the outside world, between our R&D departments and non-R&D departments, and between different projects within the R&D departments



Cyber and information security

- Maintain a terminal USB port lockout and access whitelist to prevent access to unauthorized USB devices and terminals
- Implement access control to tightly control remote access and access rights
- Upgrade for firewall with focus on URL database identification, intrusion prevention, and anti-virus capabilities



File and data security

- Regularly scan all files downloaded to detect and remove possible malware, viruses or other potential threats
- Monitor printed files and use special logos or watermarks to trace the sender and receiver of files
- Adopt redundant configuration of server hardware and perform data backup at regular intervals

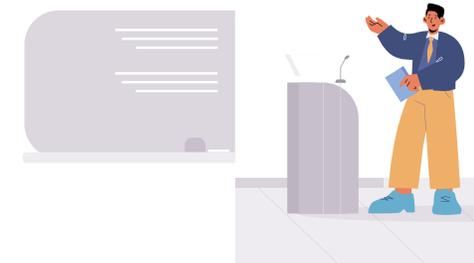


User behavior security

- Establish a 24/7 security system that covers the entire site, and monitor visitors and employees in sensitive areas when they take pictures with their mobile phones
- Implement access control and strictly manage employee access and visitor registration
- Monitor the data transmission conducted by employees to the outside world

To continuously improve the level of information security management, we conduct regular annual information security risk assessments, deeply analyzing potential risk sources such as server hardware failures, network equipment malfunctions, and issues with network operators. During the Reporting Period, 3PEAK included access control systems in the information security risk assessment framework and conducted risk assessments for system interruptions caused by factors such as viruses, malware attacks, human malicious damage, power maintenance, failures, and natural disasters. Additionally, 3PEAK performed a risk drill on the single-point failure of physical servers.

In case of information leakage, we will promptly take remedial measures and report to the direct supervisor and the Legal Department, which will coordinate the relevant departments to handle the issue. We have also established an accountability mechanism, and according to the severity of the information leakage incident, impose corresponding penalties on the responsible individuals, such as verbal warnings, written warnings, termination of the labor contract, and legal accountability, to maintain the Company's information security.



Information Security Awareness



To strengthen employees' understanding and response capabilities regarding information security, we provide training courses on information security and IT systems through our internal learning platform, 3PEAK Academy. We organize company-wide information security training and assessments, requiring new employees to attend offline courses and online assessments to ensure they develop a good sense of information security maintenance.

Information System Development



3PEAK, guided by business needs, actively invests resources to upgrade and optimize software and hardware information systems based on existing systems. To achieve continuous improvement, we conduct IT satisfaction surveys annually to understand employees' opinions and suggestions on the operation of the IT system from dimensions such as software, hardware, systems, operations and maintenance. In 2024, the IT system survey received 274 suggestions from employees, and improvement plans were formulated based on these suggestions. By specifically enhancing system performance and stability, we have achieved an overall upgrade in information construction in the three key areas of system construction, management optimization, and infrastructure, laying a solid foundation for the in-depth application of information technology in the Company's business.

Metrics and Targets >>

During the Reporting Period, to continuously strengthen the protection of customer data privacy, 3PEAK integrated customer privacy protection into the overall information security architecture, establishing a comprehensive and systematic privacy protection policy and framework. We have established information security and customer privacy protection management objectives, and regularly monitor the achievement of these objectives to ensure the effectiveness of information security management efforts. Looking ahead, we will continuously enhance our technical defense capabilities to address the increasingly complex challenges of information security.

Indicator	Annual target	2024
Data security incidents	0	0
Customer data breach incidents	0	0
Employee information security training coverage rate	100%	100%
IT system employee satisfaction	85%	89.74%



Lean Management and Quality First



Adhering to the concept of quality-first, 3PEAK has established a whole-process quality control system to continuously improve product quality. By empowering our employees and implementing lean management, we strengthen quality awareness, optimize production processes, and enhance resource utilization efficiency. These efforts lay a solid foundation for operational excellence and a competitive edge in the market.

- Governance ▶
- Strategy ▶
- Impact, Risk, and Opportunity Management ▶
- Metrics and Targets ▶



Contribution to UN SDGs

Governance

Under our Operation and Quality Center, we have established the Quality and Engineering Department, Quality Management System Department, Suzhou Test Plant, and Supply Chain Management Department. These departments collaborate to ensure the effective implementation of quality management systems and processes, achieving whole-process quality control from R&D to after-sales service. Based on ISO 9001:2015 Quality Management Systems, we have developed internal policy documents such as the IC Development Procedure, Product Certification Control Procedure, etc. During the Reporting Period, we introduced new quality-related procedures and policy documents, including the Quality Issue and Traceability Management Procedure. This procedure clearly defines the evaluation methods for classifying the severity of quality issues throughout our product R&D, sales, and service processes, and outlines the traceability and handling requirements for each level of quality issue. These measures aim to drive continuous improvement in product quality and enhance customer satisfaction. We have obtained the ISO 9001:2015 Quality Management Systems Certification and the ISO 17025:2017 Laboratory Accreditation Certificate, standardizing our quality workflow.



In terms of automotive-grade product quality management, we have optimized policy documents such as the Nonconforming Product Control Procedure, Engineering Change Control Procedure, ZVEI PCN Control Procedure, Quality Issue and Traceability Management Procedure, NTF Procedure and the New Product SAFE LAUNCH Procedure, further enhancing the comprehensiveness of the quality management system for automotive-grade products.

Strategy

Against the backdrop of intensifying business competition, increasingly stringent requirements for product and service quality from customers have always been one of major challenges for enterprises. Upholding the quality policy of “providing customers with cost-effective, defect-free products and error-free performances”, we continually refine our internal quality management systems. We have established a whole-process quality control system to ensure customer satisfaction through high-standard quality management. By closely monitoring the evolving demands for higher-quality products and services, we consistently enhance our quality control capabilities and strive to improve both product quality and performance.

Quality Risk Analysis

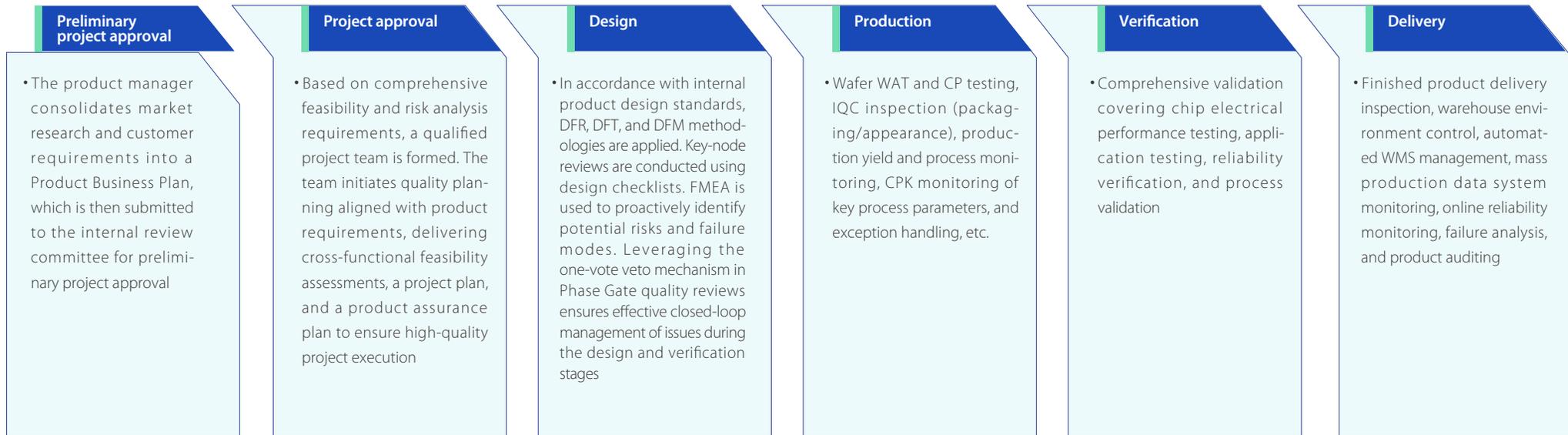
Major risks	Risk description	Potential financial impact	Measures
Product design quality below standards	If the quality management system is out of control and batches of products fail to meet design quality standards, the Company will face product recalls and customer complaints	Recall costs increase Revenue decline	<ul style="list-style-type: none"> Strengthen the management and maintenance of the quality system Strictly adhere to whole-process quality management and control, drive continuous internal improvements, empower quality, and implement lean management
Supplier delivery quality is substandard	If the quality of products delivered by suppliers fails to meet Company's standards, it may lead to product quality and safety issues, potentially resulting in regulatory penalties, reputational damage, and loss of market share	Recall costs increase Revenue decline	<ul style="list-style-type: none"> Strengthen supplier quality empowerment and management by conducting regular audits and on-site inspections

Impact, Risk, and Opportunity Management



We strictly adhere to the requirements of the ISO 9001 Quality Management System and the IATF 16949 Automotive Quality Management System and have established a comprehensive quality control system that aligns with the characteristics of the Company. From the initial project proposal and approval to design, production, verification, and delivery, every step is managed with high standards and strict requirements. We conduct in-depth analyses of potential quality risks. Through initiatives focused on continuous improvement, quality empowerment, and lean management, we strive to achieve excellent product performance and ensure customer satisfaction.

3PEAK's Whole-process Quality Management and Control



Case | Automotive-grade product quality management

Based on our well-established internal automotive quality management system, product development process system, and leading product design verification capabilities, we have developed a functional safety standard development process that encompasses the entire product lifecycle, including functional safety management, system development, hardware development, support processes, and safety analysis. In 2024, during the initial phase of mass production launch for our automotive-grade new products (the SAFE LAUNCH phase), we enhanced control measures in areas such as wafer, packaging, testing, and reliability by tightening yield thresholds, increasing inspection and monitoring frequencies, expanding inspection items, and reinforcing reliability testing. These efforts aim to improve the quality and reliability assurance of mass production.

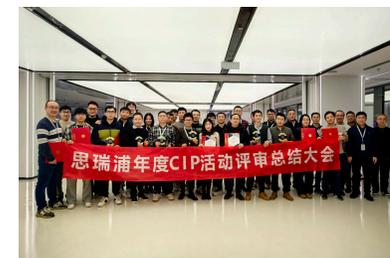
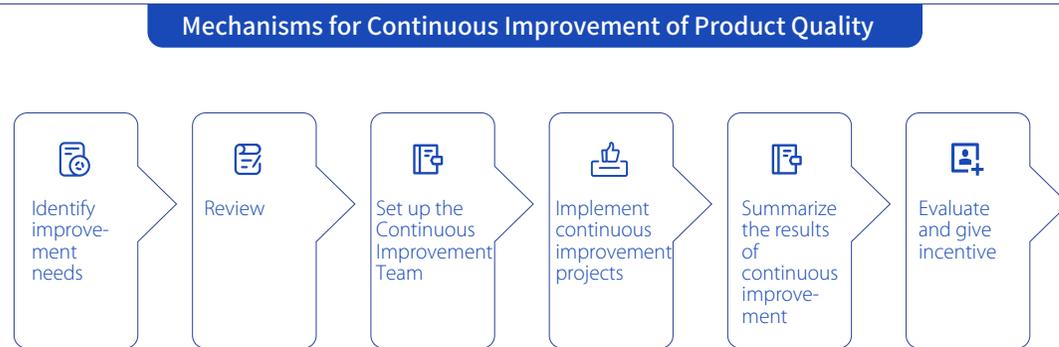
This year, we obtained IATF 16949 Automotive Quality Management System compliance certification. Based on the standards of this system, along with advanced quality planning and the "Zero Defect" principle, we continuously improve and optimize quality management processes related to product development. Through early risk identification, control, and management of factors affecting product quality, we proactively prevent issues and further enhance overall product quality and reliability.



IATF 16949
Automotive Quality Management System Compliance Certification

Continuous Improvement >>

We have established a Continuous Improvement Team led by senior management, as well as a Continuous Improvement Expert Group. At the same time, we adhere to quality management system standards and have formulated the Continuous Improvement Process. Additionally, we actively foster a quality-driven culture that emphasizes continuous improvement, encouraging the participation of all employees. Continuous improvement initiatives are broadly implemented across several key areas, including product design optimization, process efficiency enhancement, and refinement of manufacturing processes.



3PEAK's CIP Activity Review Wrap-up Meeting in 2024

The Company organizes a variety of quality culture activities, encompassing continuous improvement initiatives and quality awareness training. Every year, continuous improvement activities follow a comprehensive process, including project registration, meticulous planning, implementation, effectiveness verification, results presentation, and final evaluation. In 2024, we successfully implemented 16 Continuous Improvement Projects, which achieved significant results in optimizing product design, reducing costs, and enhancing efficiency.

Case | Improve the full-station utilization rate of multi-site testing solutions

In collaboration with an outsourced factory, we completed a 12-month project aimed at improving the full-station utilization rate of multi-site testing solutions. Through a series of steps, including current-state investigation, target setting, cause analysis, proposal, and validation of improvement plans, the joint team successfully increased the utilization rate beyond the target value. This project significantly enhanced the quality and efficiency of test delivery, reduced testing costs, and effectively saved energy consumption, achieving a dual improvement in both quality and operational performance.

Quality Empowerment

3PEAK improves supplier quality management standards, and enhances risk identification and monitoring, ensuring stable and high-quality delivery across the supply chain. Additionally, we focus on improving the quality awareness and skills of all employees by providing comprehensive training, laying a solid foundation for continuous improvement and operational excellence.

Supplier Quality Management

We have established a series of quality control specifications for wafer and packaging test suppliers, such as the Supplier Management and Control Procedure, the Supplier Audit Procedure, and the Supplier Scoring Specification, which cover wafer and packaging testing factories. Through systematic risk identification, strict regulatory audits, and continuous improvement measures, we ensure that our quality requirements for suppliers cover all stages from selection, audit to daily management and performance assessment, guaranteeing the stability and high quality of the supply chain.



Supplier Quality Management Initiatives



Risk identification

- Proactively identify common supplier issues and potential supplier risks in different dimensions, processes, and factories through the quarterly One Point Lesson(OPL) sharing
- Require suppliers to sign the Quality Assurance Agreement



Monitoring and audit

- Resident engineers conduct key process walkthroughs, perform sampling inspection on key quality data and follow up on serious anomalies as required to help suppliers improve their capacities
- Carry out regular self-assessment audits and on-site audits, as well as annual evaluations of suppliers, to spur them to continually improve the quality of their deliveries



Continuous improvement

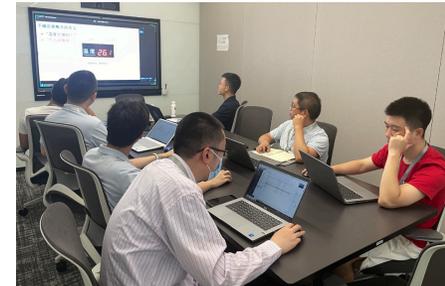
- Encourage suppliers to strengthen their weak points through the annual CIP project and the quality issue CIP project
- Coordinate the output standards of all factories based on our different process standards for wafers and intermediate and packaging tests; and empower factories failing to meet the requirements through meetings, field instruction, and specific guidance

Rising of Employee Quality Awareness



We place great emphasis on enhancing quality awareness and skills of all employees. Through a rolling training program, we ensure 100% participation and completion of courses related to quality culture and awareness by all staff. These training sessions not only deepen employees' understanding of quality management but also lay a solid foundation for the Company's continuous improvement and operational excellence.

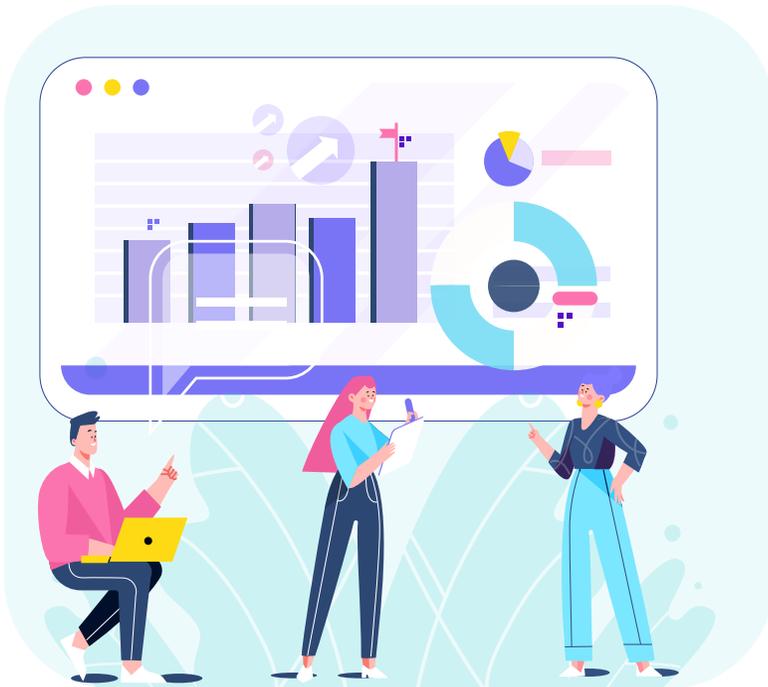
In addition, we have organized several specialized training sessions, including 8D problem solving, FA analysis, VDA tools, APQP+CP, and EHS management systems. All participants successfully passed exams and obtained the corresponding certificates, further enhancing their professional capabilities. New employee training also thoroughly covers the Company's quality objectives and policies, ensuring every new member quickly aligns with and contributes to our quality management system.



System-related Trainings

Lean Management >>

We actively implement lean management principles. Our efforts include continuously optimizing production processes, refining product design, and strengthening warehouse and logistics management. By enhancing overall efficiency, we ensure excellent product quality while promoting efficient resource allocation and strengthening market competitive advantage.



Lean Management Measures



Manufacturing engineering

- **Clarify responsibility of positions:** Manage the manufacturing engineering in a professional manner, and divide the manufacturing process into three modules: wafer engineering, packaging engineering and testing engineering
- **Optimize manufacturing process:** Improve product quality and reduce rework through data analysis and optimization of related parameters and manufacturing processes



Product engineering

- **Modularize management:** Manage different product lines in a modularized manner, sort out factors affecting product performance and mass production yield, and solve problems in the introduction of new products
- **Optimize customer complaint analysis:** Conduct timely data interpretation and modular orientation analysis for product problems, and provide solutions



Warehouse management

- **Implement 5S management:** Manage the warehouse site according to the 5 requirements of “Seiri, Seiton, Seiso, Seiketsu, Shitsuke”, standardizing the warehouse operation and management
- **Introduce digital management:** Implement the warehouse management system (WMS), automatically verifying product information by scanning QR codes, reducing human errors and preventing omissions or incorrect shipments
- **Optimize sample warehouse and e-commerce warehouse management:** The system automatically locks expired products and provides replenishment reminders to ensure timely inventory adjustments; after optimizing the export customs declaration process, efficiency has increased by 30%
- **Enhance label printing:** Enhance the traceability of label printing and achieve automated printing of customized labels
- **Develop consignment model:** Develop an automatic warehouse transfer function to streamline the consignment process

Metrics and Targets

3PEAK emphasizes product quality management by setting annual quality objectives and monitoring their achievement to ensure that quality meets customer requirements. In 2024, the Company did not experience any major safety or quality incidents related to products and services, and all annual quality targets were achieved.

Indicator	Annual target	2024
Product qualification rate	≥97.9%	Achieved
Continuous improvement projects	12	Achieved
Failure rate of automotive products	≤1ppm	Achieved



Other highlights of performance

- The amount involved in major safety or quality incidents related to products and services **0** RMB
- Quality training sessions conducted **53** times
- Coverage of quality training for employees **100** %

3PEAK's isolation products (industrial and automotive) can be supplied with a full range of safety certificates: VDE, TÜV, UL, CSA, CQC, and CB, compliant with safety regulations for exports to key international markets such as North America and Europe.





Promoting Co-Creation and Sharing to Empower the Industry >

Adhering to the concept of sustainable development, 3PEAK enhances customer satisfaction through high-quality services, builds a green supply chain with rigorous standards, and fosters industry advancement through active communication. We actively contribute to society, striving to attain harmonious coexistence between the enterprise and society and ultimately culminating in mutual benefits for all stakeholders.

- Customer Satisfaction ▶
- Supplier Management ▶
- Conflict Minerals Management ▶
- Industry Development ▶
- Public Welfare ▶



Contribution to UN SDGs

Customer Satisfaction

3PEAK is committed to optimizing customer relationship management, enhancing the customer experience, and driving sustainable business growth. We ensure the timely handling of customer feedback through satisfaction surveys and a rapid response mechanism. Guided by a responsible marketing philosophy, we maintain compliance across all marketing activities. We also strengthen distributor management to improve collaboration efficiency and standardization, laying a solid foundation for the Company's long-term development.

Customer Service >>

During the Reporting Period, we revised our internal policies such as the Customer Satisfaction Control Procedure, Customer Complaint Handling Procedure, Order Management Procedure and the Return and Replacement Management Procedure. In particular, we introduced requirements and evaluation standards for automotive customer satisfaction surveys, refined the analysis levels of customer complaints, and clarified the escalation management process for customer complaints. Additionally, we have established an efficient and rational order management process, covering all stages from order placement, review, changes, shipment, to payment collection, ensuring strict implementation both internally and externally. These measures aim to achieve sales targets while enhancing customer satisfaction and optimizing internal and external coordination.

Measures for Enhancing Customer Satisfaction



Prompt response

On-site support: Organize FAE to provide on-site technical support to solve product and technical problems of customers in a timely manner

Technical exchange: Communicate with customers on the application of products and technology optimization at a deep level, and understand customers' requirements and feedback on quality, to dynamically adjust and update the Company's priorities on product optimization



Customized services

Customized solution: For customers' needs of product and the application, the Company offers customized or semi-customized products and solutions, which are verified in advance for feasibility



Product promotion

Multichannel promotion: Display the Company's products and technologies through the official website, WeChat official account, product brochures and other ways to strengthen customer understanding of products and brand recognition



In 2024, we set customer satisfactions-related goals, such as customer satisfaction and complaint closure rates, all of which were successfully met.

Indicator	2024 annual target	Achievement status of 2024
Non-automotive customer satisfaction	90%	92.6%
Automotive customer satisfaction	90%	97.82%
Customer complaint closure rate	100%	100%

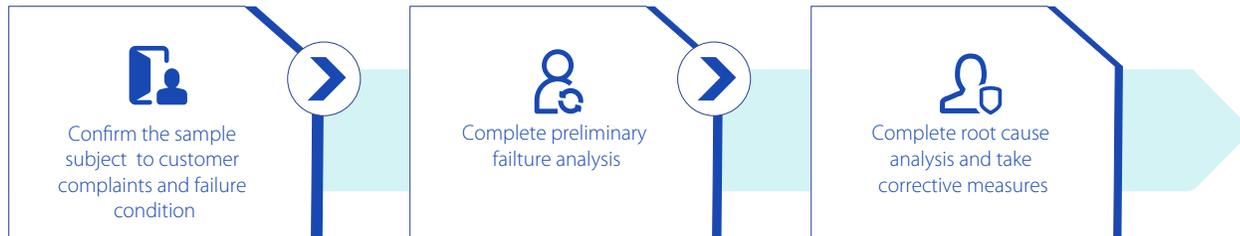
We regularly conduct the customer satisfaction survey, which covers eight aspects, such as price, quality, delivery, communication, technical support, new product development, etc. For issues involved in customer dissatisfaction identified in the survey, we compiled feedback internally and forwarded it to the Quality and Engineering Department for follow-up. The relevant departments analyzed the issues and proposed corrective actions until the issues were resolved.

Customer Satisfaction Survey Process

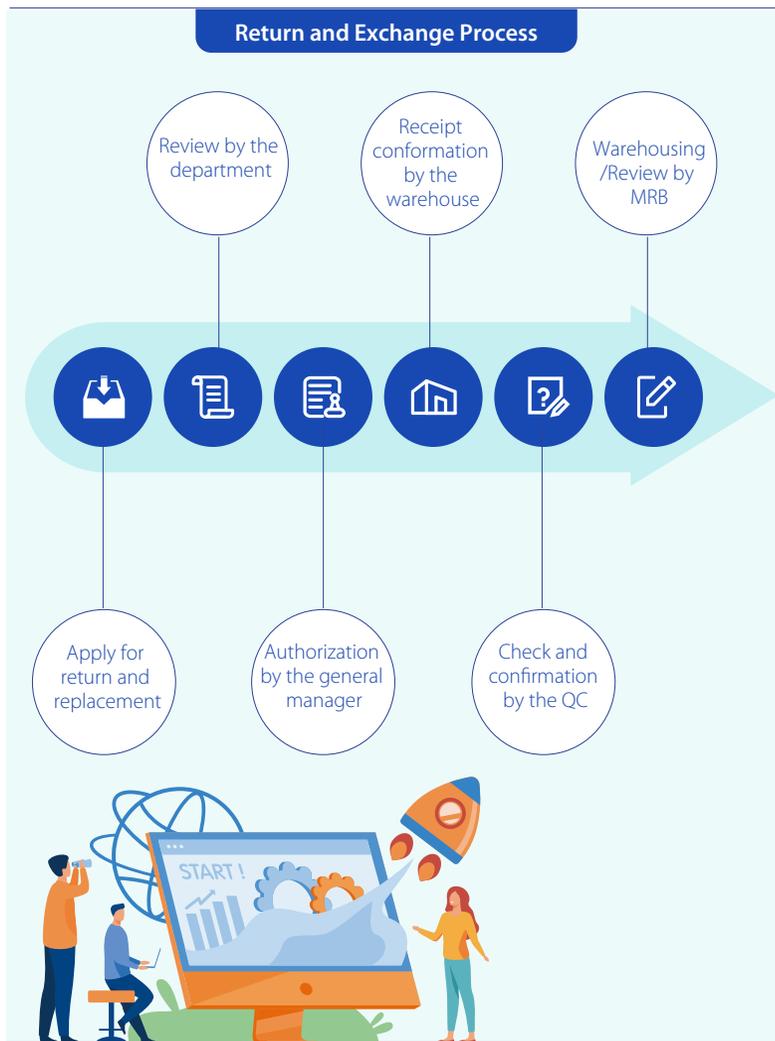


The Company places a high emphasis on the voice of the customer and actively listens to customer feedback. Therefore, we have established a customer complaint response team consisting of FAE, CQE, sales, and other personnel, and we handle customers' complaints promptly. Our Customer Complaint Handling Procedure specifies that the CQE (Customer Quality Engineer) must confirm the complaint sample and failure phenomenon within one working day, complete a preliminary failure analysis within 1-2 working days, identify the root cause and propose corrective measures within 5 working days, and provide an 8D report as required by the customer. Urgent customer complaints are required to be resolved within 5 working days, whereas the average resolution time for general customer complaints stands at 8 working days.

Customer Complaint Process



We have clearly defined the product recall process and corrective actions in our procedural documents, including the Nonconforming Product Control Procedure, the Corrective and Preventive Action Control Procedure, the Return and Replacement Management Procedure, and the Failure Analysis Management Control Procedure. For recalls of mass-produced products, a recall letter will be issued by the Quality and Engineering Department, and the recalled products will be analyzed for causes. Corresponding corrective measures will also be formulated and tracked for verification.



Distributor Management



To strengthen collaboration between the Company and its distributors and ensure effective oversight, we have developed and improved internal procedural documents such as the Distributor Management Work Guidelines and the New CRM System Operation Manual. These documents outline the content of distributor management, provide guidance for executing distributor management tasks, and standardize management practices to establish norms for distributor management. Additionally, to better adapt to the globalization of our business, the Company has conducted a comprehensive upgrade and optimization of the CRM system, along with a series of measures aimed at continuously enhancing the management capabilities of our distributors.

➤ 3PEAK’s Distributor Management Measures



Daily management

Enhance communication: The Company strengthens daily communication with its distributors, analyze the market prospects and the market expansion feasibility for target customers in advance, discusses ways of cooperation on a regular basis

Follow-up feedback: Follow up the feedback of product use in a continuous manner and investigate the potential problems of the product and promotion in a timely manner, and assist in solving problems

Elimination mechanism: Our annual distributor assessment focuses on several aspects, including sales, market expansion, stocking-up, and customer complaints. Distributors who do not meet the assessment criteria are regularly eliminated from our network

Monthly meetings: Through both online and offline sessions, we engage in discussions with distributors regarding project progress, sample shipments, and customer needs to ensure effective follow-up on critical issues



Distributor empowerment

Incentive mechanisms: Reward and motivate top performing distributors

Distributor training: We organized a series of training sessions for distributors, covering product overviews, target applications, failure analysis data collection, and case sharing. Additionally, we published distributor bulletins to enhance their capabilities



In 2024

- Organized 10 distributor training sessions, with 3,204 participants

We continuously strengthen the management of agreements related to distributors, including the review and signing processes for important documents such as the Sunshine Agreement and the Export Control and Sanctions Compliance Commitment Letter. Additionally, we conduct comprehensive compliance screenings for all customers reported by distributors within the system to effectively mitigate potential risks. During the Reporting Period, the signing rate of the Sunshine Agreement among domestic distributors was 100%.

Case

3PEAK held annual distributor conference

On March 26, 2024, we held our annual distributor conference in Suzhou Industrial Park, bringing together distributor partners from China. The event featured a rich agenda, including updates on the Company's latest developments, market analysis, and strategic insights from the marketing team, product updates in simulation and automotive electronics, and case studies showcasing product applications across various scenarios. Outstanding distributors were also recognized for their exceptional performance. This conference not only strengthened the collaboration between 3PEAK and our distributor network, but also laid a solid foundation for joint market expansion and continued product innovation, paving the way for even closer and more successful collaboration ahead.



Annual Distributor Conference



Supplier Management

Collaborative partnerships with suppliers are a key component of 3PEAK’s sustainable development. We place great emphasis on supplier management and always pursue mutual value creation through joint efforts with our suppliers.

Governance >>

3PEAK views supply chain security and sustainable supply chain management as critical elements for our long-term sustainable development. We strive to establish a fair, transparent, and efficient supplier management system, ensuring meticulous handling of supplier management activities. The Supply Chain Management Department, under the Company’s Operations and Quality Center, collaborates with the Quality and Engineering Department to manage suppliers. We have developed internal policies such as the Supplier Management and Control Procedure, Supplier Audit Procedure, Requirements on the Supplier, Supplier Scoring Specification, and Code of Conduct for Suppliers’ Social Responsibility. During the Reporting Period, we updated the New Supplier Selection and Evaluation Procedures to standardize the supplier selection and evaluation process.

Strategy >>

To ensure the security and stability of our supply chain, 3PEAK closely monitors changes in international laws and regulations. We actively foster deeper collaboration across the supply chain, and build a dual-cycle supply chain system that integrates both domestic and international resources to ensure safe, efficient operations, thereby achieving mutually beneficial outcomes.

>> Supply Chain Risk Analysis

Major risks	Risk description	Potential financial impact	Measures
Unstable supplier deliveries	Delivery disruptions or delays may occur due to factors such as single-source suppliers or non-compliance in supplier selection requirements	Revenue decline	<ul style="list-style-type: none"> Strengthen the daily management and auditing of suppliers, diversify the supplier base, and simultaneously establish backup plans for wafer fabrication and packaging and testing plants to mitigate supply disruption risks and ensure delivery stability Enhance supplier training and empowerment to motivate supplier development
Non-compliant supplier ESG management	Improper management by suppliers in ESG areas such as labor rights, environmental protection, and business ethics may lead to regulatory penalties or lawsuits, impacting the Company’s reputation and delivery	Procurement costs increase	<ul style="list-style-type: none"> Enhance supplier ESG/CSR audits to build a responsible supply chain

Impact, Risk, and Opportunity Management >>

3PEAK integrates supply chain risk into daily supplier management by enhancing supplier ESG management, and implementing incentive and empowerment strategies for suppliers, to ensure the security and stability of the supply chain.

Supplier Daily Management



3PEAK recognizes that a stable and efficient supplier system serves as a critical catalyst for the Company's sustained growth and a key determinant in bolstering market competitiveness. Consequently, it is regarded as an essential component of the Company's strategic framework. To this end, the Company prioritizes key areas such as wafer fabrication, packaging and testing, delivery, and lead times, implementing robust management measures at the onboarding stage, throughout daily operations, and during supplier audits. Efforts are made to build a secure and resilient supply chain network. Additionally, we actively source and deeply explore high-quality supplier resources to ensure supplier diversification. We also develop backup plans for wafer fabrication and packaging, and testing plants to effectively mitigate supply risks, thereby enhancing the overall stability and resilience of the supply system.

3PEAK's Supplier Management Strategy



Onboarding stage

- We conduct in-depth reviews and assessments from various dimensions, such as cost, delivery, service, reliability, product quality, technical capabilities, and social responsibility management, to select the suppliers that meet the requirements.

Daily management

- Hold regular quality review meetings to address issues such as quality deviations, production yield, material mix-ups, and PCN (Product Change Notification) changes, with a continuous focus on driving supplier quality improvement

Supplier audits

- Conduct annual audits covering quality system audits, process audits, and social responsibility management audits
- Conduct quarterly qualification assessments based on quality, engineering, delivery time, and price, and implement tiered management of suppliers according to their scoring levels.

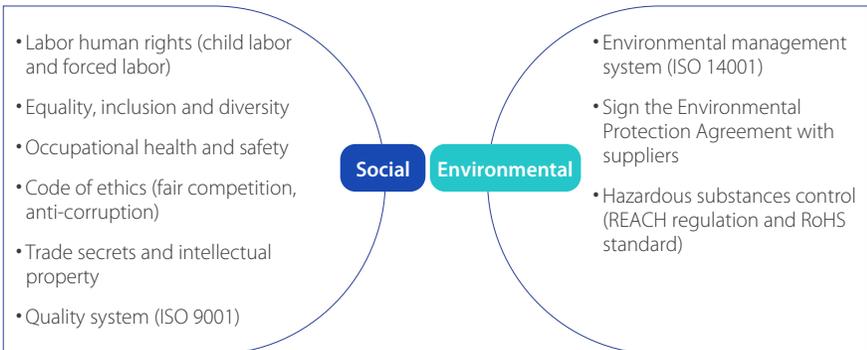
Supplier ESG Management



To foster a healthy, safe, and responsible supply chain ecosystem, we continue to prioritize the ESG performance of suppliers and enhance their sustainability capabilities through supplier incentives and empowerment, thereby contributing to the sustainability of the supply chain.

3PEAK is committed to partnering with suppliers known for their reliable quality and strong reputations, ensuring that the products, materials, equipment, and services they provide meet quality, environmental protection, and safety and health requirements. We have formulated the Code of Conduct for Suppliers' Social Responsibility to collaborate with suppliers in fostering healthy industry development. Every year, we regularly assess supplier performance based on the Supplier Performance Assessment Form and the annual supplier audit plan to ensure they consistently meet the Company's high standards. When introducing new suppliers, we conduct a Corporate Social Responsibility (CSR) survey covering management systems, environmental protection (e.g., greenhouse gas emissions), health and safety, labor rights, and ethical standards (e.g., conflict minerals). Additionally, to further support energy conservation and emissions reduction across the supply chain, and to help lower carbon intensity, we have developed an Environmental, Health, and Safety (EHS) Questionnaire. This is used annually to assess suppliers' performance in EHS, greenhouse gas emissions, and ESG-related areas.

Key Points for 3PEAK's Supplier ESG Assessment



Supplier Incentives

In 2024, we launched various supplier awards such as the Best Service Award, Best Supplier Quality Award, Best Supplier Support Award, and Best Supplier in Failure Analysis to recognize partners who have demonstrated outstanding performance in quality, service, and support. By strengthening collaboration with suppliers, we jointly drive supply chain optimization and sustainable development.



Supplier Award Ceremony

Supplier Empowerment

We implement tailored management measures based on the performance of each supplier. For high-performing suppliers, we facilitate mutual learning and improvement by organizing experience-sharing sessions. For suppliers with potential risks, we send reminder emails and offer necessary technical support to help drive improvements. For those requiring further development, our Supplier Quality Engineer (SQE) takes the lead in coordinating relevant departments to provide targeted guidance. This may take the form of regular meetings, on-site exchanges, or the formation of joint task forces, all aimed at ensuring continuous improvement among suppliers and their alignment with the Company's requirements.

Metrics and Targets >>

3PEAK continues to enhance supplier management by setting annual audit completion targets and carrying out supplier audits as planned. In 2024, we had 74 production suppliers, and we were audited in accordance with our annual supplier audit plan, achieving a 100% completion rate.

Indicator	Annual target	2024
Supplier audit plan completion rate	100%	100%

Another highlight of the performance

The proportion of local suppliers **91.89%** (suppliers from Hong Kong, Macao and Taiwan included)

Conflict Minerals Management

Adhering to the concept of responsible supply chain management, 3PEAK is committed to ensuring that the minerals used in products do not involve conflict minerals. 3PEAK adopts the business model of Fabless (IC design enterprise of fabless semiconductor Company), under which the Company can focus on R&D design and sales of analog chips and mixed-signal chips, and outsource the manufacturing to relevant suppliers. This model allows us to focus our resources on our core business while actively fulfilling supply chain responsibilities, ensuring that our production processes align with ethical and social standards.

We strictly adhere to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, committing not to engage in any activities that would finance conflict. We also comply with relevant United Nations sanctions resolutions, and, where applicable, the domestic laws that enforce them. Additionally, we have established the 3PEAK Conflict Minerals Management Policy and made the Declaration of Conflict-Free Minerals to our customers, pledging not to use conflict minerals. These efforts are made to ensure that we do not directly or indirectly purchase products or materials in which conflict minerals have been used.

In supplier selection, we require 100% compliance with the conflict-free minerals requirements outlined in our Supplier Management and Control Procedure. Suppliers are required to complete the Conflict Minerals Reporting Template (such as CMRT/EMRT) issued by the Responsible Minerals Initiative (RMI), disclosing the source and custody chain of conflict minerals to ensure that the minerals used in products are sourced responsibly. In 2024, all of 3PEAK's production suppliers completed their conflict minerals declarations, with no non-compliance found in smelters. 100% of the raw materials used in the Company's delivered products come from RMI-certified qualified smelters.

Furthermore, the Company conducts periodic conflict minerals investigations on suppliers to ensure their continued compliance with conflict-free mineral requirements. The latest Conflict Minerals Reporting Template is promptly distributed to all production suppliers. The Company continuously monitors and assesses the sources of mineral raw materials used by suppliers to ensure that none of the supplied raw materials involve conflict minerals.



During the Reporting Period,
we established conflict-free mineral supplier goals:

Mid-term goals (2030):

1. Collaborate proactively with upstream and downstream suppliers, requiring them to complete Conflict Minerals Reporting Templates (such as CMRT/EMRT) issued by the RMI, achieving a 100% response rate to eliminate potential conflict mineral risks.
2. Expand the scope of investigations to include minerals sourced from conflict-affected and high-risk regions (e.g., copper, graphite [natural], lithium, nickel).
3. Encourage all eligible suppliers to sign the Commitment Letter on the Non-use of Conflict Minerals.

Long-term goals (2060):

1. Establish and refine a conflict-free minerals management system in alignment with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
2. Strengthen collaboration with upstream suppliers, smelters, refiners, and other stakeholders to raise awareness and strengthen due diligence capabilities regarding conflict-free minerals.
3. Based on risk levels associated with the origins, actively promote upstream smelters and refiners to obtain independent third-party certification, such as the Responsible Minerals Assurance Process (RMAP).

Industry Development

3PEAK actively participates in industry exchanges by taking part in domestic and international industry events, promoting the brand image and strengthening the global presence. We also actively engage in standard-setting efforts to advance the development of automotive chip standard systems. Additionally, we foster university-enterprise cooperation by initiating joint research projects with universities and organizing hands-on learning activities. These efforts aim to cultivate innovative, application-oriented talent and support the long-term growth of the industry.

Promote Industry Exchange >>

3PEAK consistently engages with enthusiasm and a proactive attitude in industry activities. Through diverse formats such as exhibitions, forums, and seminars, the Company showcases its innovative breakthroughs in the fields of simulation and mixed-signal products, as well as comprehensive solutions for terminal applications in communications, industrial, automotive, and new energy sectors. This approach continuously strengthens the Company's professional and reliable brand image, enhances brand value, and expands its brand and market influence.



The 5th Global Automotive Electronics Summit 2024



The Workshop on IC Advances in China (ICAC) 2024



The 4th Yanzhi Automotive Annual Conference



The 18th Beijing International Automotive Exhibition

Case 3PEAK's impressive appearance at Electronica 2024 in Munich, Germany

In November 2024, 3PEAK made a significant appearance at the Electronica 2024 exhibition held in Munich, Germany. Through impressive displays of its flagship products and comprehensive technical solutions in the field of simulation and mixed-signal products, 3PEAK engaged in in-depth discussions with numerous leading global clients and partners, further expanding its influence and collaboration opportunities in the global market.



3PEAK's Showcase at Electronica 2024 in Munich, Germany

Case | 3PEAK participates in the 5th Domestic Semiconductor Application Technology Conference

On June 29, 2024, 3PEAK was invited to the 5th Domestic Semiconductor Application Technology Conference. Under the theme "3PEAK's High-Efficiency New Energy Solutions: Empowering a Green Future", we delivered a keynote speech, sharing insights into industrial strategy and commitment to sustainable development, highlighting how our high-performance products are driving progress towards a zero-carbon future.



3PEAK Participates in the 5th Domestic Semiconductor Application Technology Conference

As a member of the National Technical Committee of Auto Standardization, the China Society of Automotive Engineers, and the China Power Supply Society, 3PEAK actively participates in the development of industry standards, contributing to the advancement of the industry. During the Reporting Period, we officially joined the China Association of Automobile Manufacturers and became a member of the Automotive Chip Committee. We actively participated in drafting four group standards on Automotive-grade Chip Reliability and Functional Safety Grading Testing Requirements. In addition, as a member of the Shenzhen Semiconductor Association, iCM, a subsidiary of 3PEAK, actively participates in the formulation of industry standards, contributing to the advancement of the industry.

Furthermore, to advance the establishment of China's automotive chip standard system, 3PEAK, as a member of the drafting groups for both the Technical Requirements and Test Methods for Automotive Local Interconnect Network (LIN) Transceiver Chips and the Technical Requirements and Test Methods for Automotive Controller Area Network (CAN) Transceiver Chips, is involved in the formulation of relevant standards. In 2024, the Company took an active role in the development of the Technical Requirements and Test Methods for In-vehicle Wired High-Speed Media Transmission 100 Mbps Time-Division Duplex System organized by the National Technical Committee of Auto Standardization, further highlighting our technical strength and influence in the industry.

Promote Collaboration between Industry, Academia, and Research

3PEAK is actively promoting the deep integration of academic strengths from universities with the talent advantages of enterprises, advancing industry-academia collaboration and the cultivation of talent in the integrated circuit field. The Company has launched the 3PEAK University Program, which aims to co-develop research projects with universities and precisely align with the demand for applied innovative talent. Focus on the training of innovative talents in the industry, guided by the needs of the industry, we set up the 3PEAK Scholarship, incentivizing outstanding students to actively pursue excellence in the academic field helps to cultivate high-quality reserve talent for the integrated circuit industry, injecting momentum into the sustainable innovation and development of the industry.

At the same time, we donated to Tsinghua University's "Department of Electronics Engineering Characteristic Training Project" to help with the construction and development of the Department of Electronics Engineering from Tsinghua University, and jointly train more high-quality talents in the industry. In terms of cooperation with universities, we have cooperated with 6 universities, including Tsinghua University, Fudan University and Zhejiang University. During the Reporting Period, 3PEAK donated a total of RMB 560,000.



3PEAK Donated to Tsinghua University's "Department of Electronics Engineering Characteristic Training Project"

Case | “Exploring the World of Chips in Youth” industry-academia-research practices

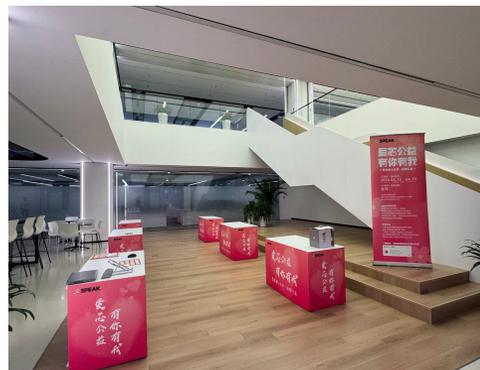
In 2024, 3PEAK, in collaboration with Fudan University and several other universities, launched an industry-academia-research practice themed “Exploring the World of Chips in Youth”. The event featured activities such as corporate open days, test plant experiences, expert technical lectures, and face-to-face interactions. These activities broadened the perspectives of young students and deepened their understanding of the comprehensive industrial processes within the chip industry. This program not only expanded their perspectives and enhanced their knowledge but also served as a significant practice of industry-academia-research collaboration, offering valuable guidance and inspiration for their academic pursuits and career planning.



“Exploring the World of Chips in Youth” Industry-academia-research Practices

Public Welfare

3PEAK actively embraces social responsibilities by proactively participating in public welfare initiatives, delivering warmth to society through concrete actions. In 2024, we organized the “Together for Charity in the Chip Industry” charity sale, encouraging employees to donate idle household items for an internal auction. This initiative not only gave new value to unused resources but also demonstrated our commitment to social responsibility. To hold the event, we organized “Charity Sale Weeks” and set up Sale Corners in offices nationwide, providing opportunities for year-round participation. A total of 94 transactions were completed during this event, raising RMB 2,852.30 in donations. All auction proceeds were donated to public welfare projects, bringing care and hope to vulnerable groups. Looking ahead, we will remain committed to upholding the spirit of public welfare, actively contributing to society, and striving to foster a more harmonious and prosperous community.



Charity Corner



Charity Sale



Green Development and Low-Carbon Operation >

The green and low-carbon development has become a prevailing consensus and an urgent demand for global development. Against the backdrop of the carbon peak and neutrality, 3PEAK adheres to long-termism. We strengthen environmental management, strictly control hazardous substances, and actively respond to climate change to seize new opportunities for green development and enable the green transition for society at large.

- Environment Management ▶
- Energy Saving and Emission Reduction ▶
- Hazardous Substance Management ▶
- Addressing Climate Change ▶



Contribution to UN SDGs

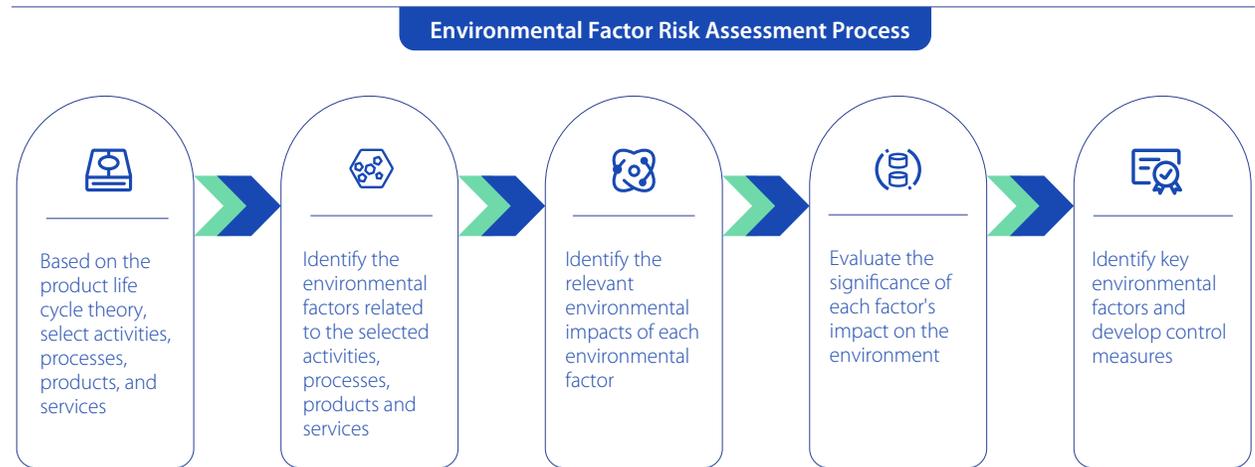
Environment Management

3PEAK adheres to the concept of green and low-carbon operation, integrating environmental management into daily operation. During the Reporting Period, 3PEAK obtained ISO 14001:2015 Environmental Management System Certification. We also established an EHS management framework with "CEO/General Manager as the first person in charge, management representatives, employee representatives, and EHS responsible persons jointly participating in management, and various departments working together". Besides, we formulated several EHS-related institutional documents, including the EHS Management Manual, EHS Compliance Obligation Management Procedures, and EHS Operational Environment Control Procedures. These efforts provide guidance and standards for the Company's environmental management work.



To ensure environmental compliance, we have established environmental objectives in line with the ISO 14001:2015 Environmental Management System requirements and our own actual situation, covering compliant disposal of hazardous waste, zero occurrence of environmental pollution accidents, and control of power consumption per unit of production capacity. We regularly monitor the achievement of these objectives. In 2024, we achieved all our environmental objectives, and 3PEAK did not receive any penalties from regulators for environmental incidents or pollutant emissions.

We focus on environmental risk prevention. To this end, we have developed the Environmental Factor Identification and Evaluation Procedure to conduct a whole life cycle analysis of environmental risk factors, formulating corresponding management measures based on the identified environmental risks. During the Reporting Period, we identified the environmental risk of chemical leaks. In response to this risk, we took proactive measures, such as establishing a dedicated receiving area and equipping fire-fighting equipment. Additionally, we have formulated the Emergency Response Plan for Environmental Incidents to address various potential emergency environmental events.



Energy Saving and Emission Reduction

Advocating for the concept of low-carbon development, 3PEAK continuously explores and practices new methods and paths for energy saving and emission reduction. We are committed to achieving a win-win situation for both economic and environmental benefits, contributing to green and sustainable development for the whole society.

Energy and Water Resources Management

3PEAK strictly complies with the Energy Conservation Law of the People’s Republic of China and the Water Law of the People’s Republic of China, among other laws and regulations. Accordingly, we have formulated the Guidelines for the Use of New Offices to regulate the use of energy and water resources. We have implemented a series of measures such as installing energy-saving and emission reduction equipment, promoting green office, and enhancing environmental awareness to reduce energy and water resource usage to create a simple and moderate, civilized, healthy, and environmentally friendly atmosphere while striving to achieve coordinated and sustainable development of people, resources, and the environment.

Energy Conservation and Emission Reduction Measures

Energy-saving equipment

- Use energy-saving appliances with Class-I energy efficiency; install intelligent lighting with LED lights; and adopt intelligent group control program for the refrigeration system
- Use FMCS system to complete the intelligent optimization of energy management and energy efficiency monitoring
- Optimize air conditioning operation modes based on seasonal variations

Green office

- Promote a paperless office
- Install handwritable electronic screens in conference rooms
- Implement classed garbage collection
- Conduct daily after-hours inspections and turn off all air conditioning and lighting
- Install low-consumption equipment to replace water bottles

Awareness improvement

- Post water and paper saving tips in restrooms and other areas to raise employees’ awareness of saving



In 2024

- The Suzhou Test Plant of 3PEAK saved a total of **23,424** kWh of electricity, reducing GHG emissions by 12.57 tCO₂e

➤ In 2024, the utilization of water resources and energy by 3PEAK is shown in the table below:

Indicator	Unit	2024
Water consumption ¹	tonne	28,656.84
Water use intensity	tonne/million RMB in revenue	23.49
Electricity consumption ²	kWh	9,176,830.03
Energy consumption	tons of standard coal	1,127.83
Energy use intensity	tons of standard coal/million RMB in revenue	0.92

Note:

1. The water consumption is estimated and calculated based on the per capita water use of Suzhou Test Plant.
2. Electricity consumption, excluding the offices in Shanghai and Chengdu, Suzhou Test Plant, and ICM, is estimated and calculated internally by the Company for other operational sites.

Pollutant and Waste Management >>

3PEAK strictly complies with national and local environmental protection laws and regulations to ensure effective control of pollution related to domestic wastewater, waste, and noise during operations.

Pollutants	Disposal methods
Domestic waste	A contract with the property management company of the lessor was signed for regular waste removal and disposal, which was undertaken by the local sanitation station for harmless treatment
General industrial solid waste	Suzhou Test Plant set up a temporary storage site for general industrial solid waste and signed a disposal contract with a licensed management and disposal unit for regular removal and harmless disposal
Hazardous waste	Suzhou Test Plant set up a temporary storage site for hazardous waste and signed a disposal contract with a qualified disposal unit for processing
Domestic wastewater	Domestic sewage discharged from the Suzhou Test Plant complies with the Integrated Wastewater Discharge Standard (GB 8978-1996) and the Water Quality Standards for Sewage Discharged into Urban Sewers (GB/T 31962-2015), and is treated through the municipal sewage network
Noise	Suzhou Test Plant took effective measures such as prioritizing low-noise equipment, implementing foundation vibration reduction, and performing sound insulation in the plant, with annual regular inspections to ensure compliance with emission standards



>> The waste generation of 3PEAK in 2024 is shown in the table below:

Indicator	Unit	2024
Total waste generation	kg	7,502.44
Hazardous waste	kg	1,001.44
General industrial solid waste	kg	3,201.00
Recyclable waste	kg	3,300.00
Hazardous waste density	kg/million RMB in revenue	0.82
General industrial solid waste density	kg/million RMB in revenue	2.62

Note: The Company adopts the business model of Fabless (fabless semiconductor company model), focusing on the R&D, design, and sales of chips. The wafer manufacturing, packaging, testing, and other production processes are outsourced to wafer fabrication and packaging/testing companies. Therefore, we are not involved in the discharge of industrial wastewater or exhaust gases.

Resource Recycling >>

3PEAK advocates a win-win situation for both economic and environmental benefits, continuously promoting the practice of the circular economy. We focus on the recycling of packaging materials. We reuse the empty box fillers, moisture-proof bags, wafer cassettes and trays returned from suppliers to promote resource recycling. During the Reporting Period, we reused over 600 wafer cassettes and encouraged suppliers to recycle more than 1,000 wafer cassettes, with a 70% recycling rate for trays. In addition, to avoid excessive packaging, we customize cartons according to product size, minimizing resource waste to the greatest extent.

Hazardous Substance Management

As a responsible enterprise, 3PEAK attaches great importance to the green requirements of raw materials, always adheres to the guideline of “complying with environmental regulations, controlling hazardous substances, and producing green products”, controls hazardous substances at the source. We have published conformity declarations, such as ROHS Compliance Declaration and Declaration of REACH on our official website, publicly commit to all sectors that our products do not contain any hazardous substances beyond the limits specified by the RoHS. Moreover, we strictly refrain from using high-risk chemicals regulated by the REACH directive.

Every year, we establish and track hazardous substance control objectives to ensure compliance with hazardous substance management. Our goals and performance of hazardous substance control during the Reporting Period are as follows:

Indicator	Annual target	Achievement status of 2024
Frequency of abnormal occurrence of hazardous substances in raw materials	0	Achieved
The timely rate of hazardous substances test reports	98%	Achieved
Number of complaints about hazardous substances from customers	0	Achieved

Hazardous Substance Process Control

3PEAK strictly complies with the Restriction of Hazardous Substances (RoHS), the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), Persistent Organic Pollutants (POPs), and other domestic and international regulations and customers' requirements. At the same time, based on the requirements of the IECQ QC080000 Hazardous Substance Process Management System, we have succeeded in carrying out whole-process hazardous substance management from procurement to supplier management, incoming material inspection, process control, and abnormal handling.

3PEAK continues to stay updated on the updates of laws and regulations regarding hazardous substances and customers' requirements for hazardous substances, promptly identifying raw materials that are susceptible to hazardous substances and key items that need to be audited. We have formulated the Environmental Hazardous Substances Management Procedure, which sets out the test items and limits of hazardous substances in products or materials by level based on the requirements of the corresponding directives. We confirm the content of hazardous substances in products or materials through valid third-party test reports. During the Reporting Period, we updated our list of prohibited substances in accordance with the latest laws and regulations, adding controlled substances such as those specified in the ELV, POPs, REACH, and SVHC. This ensured that the chemicals used in our products or materials meet the relevant requirements of RoHS and REACH. Additionally, iCM has formulated the Management Regulations of Toxic and Hazardous Substance. The document provides guidelines on aspects such as requirements for suppliers/outsourced manufacturers regarding hazardous substances, customer requirement responses, monitoring of toxic and hazardous substances, and change management.

Every year, we receive customer surveys and audits on hazardous substances, complete internal audits and outsourced factory audits on a scheduled basis, and continuously optimize management in response to audit findings.

Laws and regulations/customer requirements process control

Collect, identify and review laws, regulations and customer requirements, and provide timely feedback to customers or update document lists based on the results of the review.

Disposal of non-conforming products

Disposal of nonconforming products due to excess of hazardous substance standards. We conduct cause analysis of scrap and verify the effectiveness of corrective and preventive measures.

Quality control

Before mass production, we collect and confirm the material composition lists, RoHS and halogen-free testing reports, and REACH testing reports or statements of the finished product.



Incoming materials process control

Before new materials are put into the warehouse, we need to collect its harmful substances test report, MSDS report, etc., and confirm that the material meets the environmental requirements. After approval, they will enter into the qualified environmentally friendly materials warehouse.

Materials monitoring

The Quality and Engineering Department regularly monitors the compliance of hazardous substances in materials, and systematically controls the validity of third-party test reports and SDS (early warning, overdue withholding).

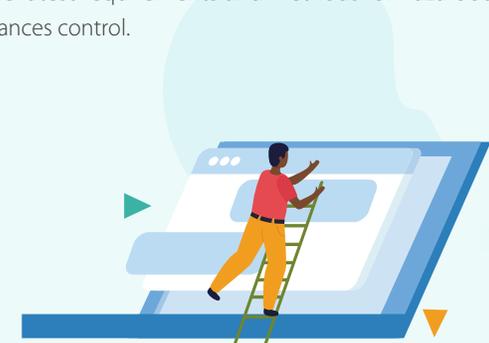
Supply chain process management

We give priority to QC080000 Certified Manufacturer. Suppliers' hazardous substance management systems are evaluated according to the annual supplier audit program. Investigate suppliers when laws and regulations are updated.

Training on Hazardous Substance Process Management



3PEAK regularly conducts professional training every year to enhance professional knowledge and management capabilities of relevant staff on hazardous substances. Meanwhile, we assist relevant staff to pass the qualification of IECQ QC 080000:2017 Hazardous Substance Process Management System Internal Auditor, strengthening the capacity building of the internal team's compliance audit for hazardous substances. In 2024, we conducted hazardous substance control training for sales, FAE, CQE, and other relevant personnel, which covered knowledge of related laws and regulations on hazardous substances, hazardous substance management procedures, and customer requirements for hazardous substance management, conveying the latest requirements and methods for hazardous substances control.

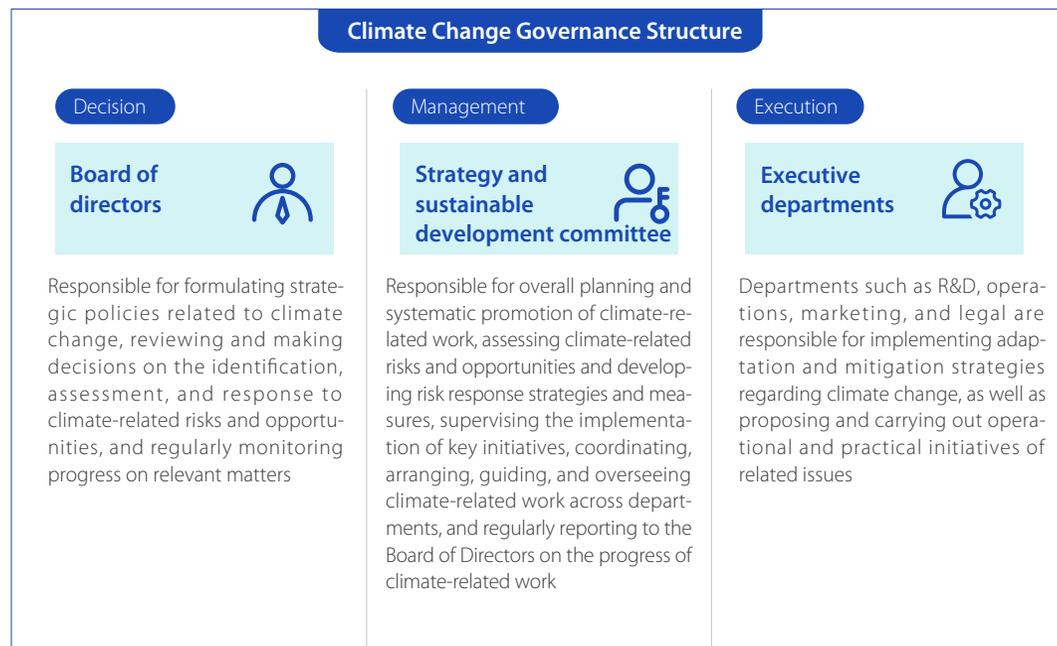


Addressing Climate Change

In recent years, climate change has emerged as a significant challenge confronting human society. As its impacts persist, there is a growing social consensus on the need for businesses to implement climate policies and actions. 3PEAK recognizes the importance of climate-related risks and opportunities to the Company's business operations. We are actively exploring action plans to address climate change, such as energy saving and emission reduction, and the R&D of green products, to mitigate and adapt to its effects. Moreover, we are proactively engaging in climate governance to enhance our ability to adapt to climate change and business resilience in the future.

Governance >>

3PEAK continuously improves the internal management system to effectively enhance climate change governance. We have integrated the governance of climate-related issues into the Company's top-down sustainability governance structure, ensuring that our management continuously fulfills their responsibilities in addressing climate change. This effort has guaranteed that climate-related issues are managed and supervised in a scientific and systematic manner, enhancing our capacity and resilience in responding to climate change.



Strategy >>

We identify climate change risks and opportunities based on our actual business operations to understand their impact on the Company's business operations. In addition, we have formulated response strategies based on the identified risks and integrated climate solutions into our daily operations to enhance the Company's climate resilience.



Risk/ opportunity types	Physical risks		Transition risks				Opportunities		
	Acute risk	Chronic risk	Policies and regulations risk	Market risk	Technology risk	Reputation risk	Products and services	Market	Resilience
Risk/ opportunity description	Our operational sites located in coastal areas such as Shanghai, Suzhou, and Shenzhen may be affected by typhoons and rising sea levels. Climate-related emergencies may disrupt supplier production or logistics, affecting product delivery	Rising average temperatures have led the Company to consume more energy to regulate the temperature of its operational sites	With stricter government regulations on energy use and greenhouse gas emissions, core customers may be affected by the latest laws and policies, requiring us to reduce carbon emissions during operations. This could result in the need to invest additional resources in energy-saving and emission-reduction upgrades	Market demand for low-carbon and green products is steadily increasing. If the Company fails to launch more products that meet these requirements, it may be unable to satisfy customer needs, posing a risk of reduced orders and customer loss	The demand for low-power chips in the new energy sector is surging. If the Company fails to achieve timely technological breakthroughs and launch products that meet energy efficiency standards, it may lose market share to competitors	Investors and stakeholders are paying increasing attention to our actions on climate change. Failure to take proactive measures in addressing climate change could result in a loss of stakeholder trust and damage to the Company's reputation	As market demand for environmentally friendly products increases, developing more products that are green and environmentally friendly will help gain greater customer recognition and trust, thereby strengthening the Company's brand image and market competitiveness	With the rapid development of the new energy industry, the Company can leverage its accumulated technological expertise to expand into industry markets such as photovoltaics, energy storage, and new energy vehicles, thereby increasing its market share	While continuously enhancing its ability to manage risks related to climate change, the Company can encourage suppliers to take climate-related action, thereby strengthening the resilience of the supply chain
Time frame	Short-term Mid-term Long-term	Long-term	Mid-term Long-term	Mid-term Long-term	Mid-term Long-term	Mid-term Long-term	Mid-term Long-term	Mid-term Long-term	Long-term
Potential financial impact	Operating costs increase Revenue decline	Operating costs increase	Operating costs increase	Revenue decline	Revenue decline	Revenue decline	Revenue increases	Revenue increases	Operating costs decline
Counter- measures	<ul style="list-style-type: none"> Closely monitor weather forecasts and develop emergency response plans for extreme weather to enable rapid reaction 	<ul style="list-style-type: none"> Conduct regular performance monitoring of existing equipment Opt for low-energy-consumption equipment for new projects 	<ul style="list-style-type: none"> Monitor the impact of new policies and regulations on core customers and proactively track greenhouse gas emissions to promptly respond to their requirements related to green and low-carbon initiatives 	<ul style="list-style-type: none"> Actively seek to understand customer requirements for green and environmentally friendly products, and enhance low-power, high-performance design in product R&D 	<ul style="list-style-type: none"> Increase investment in the R&D of efficient, energy-saving, and low-carbon technologies, and enhance the capability to develop low-power-consumption, high-performance clean technology products 	<ul style="list-style-type: none"> Implement energy-saving and emission-reduction initiatives to lower energy consumption Enhance communication with stakeholders and actively disclose our climate response measures 	<ul style="list-style-type: none"> Gain insights into customer demand trends and focus on the R&D of low-power and high-performance chip products Strengthen the industry-university-research cooperation to promote the application of new technologies in green and environmentally friendly products 	<ul style="list-style-type: none"> Actively monitor changing trends and customer demands in both domestic and international new energy markets, and strengthen market research and analysis 	<ul style="list-style-type: none"> Continuously implement energy-saving and emission-reduction initiatives and promote green office and green operations Promote the practice of low-carbon principles throughout the supply chain and encourage suppliers to take measures to address climate change

Impact, Risk, and Opportunity Management >>

3PEAK recognizes that climate-related risks and opportunities will become a key component of the Company's risk. We are working to establish a climate-related risk management mechanism while planning to incorporate climate risk assessments into our business continuity risk management processes. This includes regularly identifying and evaluating climate-related risks and opportunities that may impact business operations, and developing appropriate response measures. We have initially identified climate-related physical risks, transition risks, and climate-related opportunities. To optimize resource allocation, we actively assess the identified climate change risks and develop effective management measures to ensure that these risks remain within a manageable range.

3PEAK's Climate Risk and Opportunity Management Process



Climate change risk and opportunity identification

- Identify appropriate climate risks and opportunities in accordance with the requirements of the Guidelines issued by the Shanghai Stock Exchange, taking into account the external environment, industry conditions, and the actual situation of 3PEAK



Climate change and opportunity impact analysis

- Analyze the potential impact of the identified climate risks and opportunities on the Company's business operations



Climate change risk and opportunity management

- Assess the current management conditions and applicability of significant climate risks and opportunities, and make appropriate strategic adjustments

Metrics and Targets >>

3PEAK is committed to addressing climate change through responsible and green practices, aiming to minimize the environmental impact of its business activities. We are considering setting medium- and long-term climate goals to reduce energy consumption and greenhouse gas emissions, contributing to the national targets of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060. In addition, we are actively reviewing our greenhouse gas emissions and working to enhance overall energy management, laying a solid foundation for the Company's future goal-setting.

Indicator	Unit	2024
GHG emission (Scope 1) ¹	tCO ₂ e	150.65
GHG emission (Scope 2) ²	tCO ₂ e	4,919.27
Total GHG emissions	tCO ₂ e	5,069.92
GHG emission density	tCO ₂ e/million RMB in revenue	4.16

Note:

- GHG emission (Scope 1) is derived from the fugitive emissions of air conditioning refrigerants at operational sites and fire extinguishers owned by the Suzhou Test Plant. In particular, refrigerant emissions from air conditioning at other operational sites are based on estimated data, except for the Shanghai Office, Chengdu Office, Suzhou Test Plant, and iCM.
- GHG emission (Scope 2) is derived from the greenhouse gas emissions generated by consumption of outsourced power. In particular, greenhouse gas emissions at other operational sites are based on estimated data, except for the Shanghai Office, Chengdu Office, Suzhou Test Plant, and iCM. The CO₂ emission factor for the operational sites in China is based on the national average grid emission factor published in the Announcement on the Release of 2022 Electricity CO₂ Emission Factor by the Ministry of Ecology and Environment. The CO₂ emission factor for the operational sites outside China is sourced from the grid emission factors of the International Energy Agency (IEA). (Calculation formula: greenhouse gas emissions = electricity consumption x average grid emission factor)

Case | Strengthen employee travel carbon emission management through cooperation with Fenbeitong and Didi

3PEAK not only focuses on greenhouse gas emissions from our own operations but also places importance on the management of GHG emission (Scope 3). In 2024, we enhanced the monitoring and management of employee travel carbon emissions, aiming to reduce the carbon footprint of business travel and commit to energy saving and emission reduction. We use Fenbeitong, an all-in-one corporate business travel platform, to carry out unified management of employee travel, enabling the carbon emissions from employee travels to be tracked and monitored. In 2024, our carbon emissions from vehicle, train, and air travel through Fenbeitong were approximately 39,257 kg, 62,754 kg, and 608,241 kg, respectively. In terms of vehicle travel emissions, electric vehicle travel reduced carbon emissions by 23,197 kg compared to gasoline vehicle travel. Moreover, we encourage employees to use new energy vehicles for commuting. In 2024, we reduced carbon dioxide emissions by approximately 44,571 kg through the use of the Didi Enterprise Solutions ride-hailing platform.

People-Oriented for a Better Future



Talent is the driving force behind a company's growth. Adhering to the corporate culture values of "Integrity, Responsibility, Cooperation, Innovation, and Growth" and the "people-oriented" philosophy, 3PEAK builds an equitable, diverse, and inclusive career development platform for employees, with an aim to cultivate a high-caliber talent pipeline.

Governance ▶

Strategy ▶

Impact, Risk, and Opportunity Management ▶

Metrics and Targets ▶



Contribution to UN SDGs



Governance

3PEAK recognizes talent as the most valuable asset for corporate development. In strict compliance with the requirements of the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China and other laws and regulations, 3PEAK has formulated rules and policies such as the Employee Handbook, the Administrative Measures for Recruitment Management, the Remuneration and Benefit Management Policy, the Administrative Measures for Cross-Level Communication, the Management Norms for Team Building Activities, the Performance Management Policy, the Instructor Management Standards, the Management Norms for Fire Safety, the Management Norms for Equipment Safety Acceptance, and the PPE Management Standards. These rules and policies cover aspects related to employee recruitment, compensation and benefits, communication, team building, training and development, performance appraisal, and occupational health, all aimed at fostering an atmosphere where they can enjoy work and life. The Human Resources Department, the EHS Department, and the CEO’s Office of the Company jointly manage employee issues, and implement matters related to the protection of employee rights and interests, talent advancement and training, as well as occupational health and safety.

Strategy

Upholding the “people-oriented” philosophy, 3PEAK firmly believes that every employee is its long-term business partner. In response to the ever-evolving talent marketplace, the Company has developed a robust employee strategy focused on cultivating a high-caliber talent pipeline. In terms of employee rights and interests, we vigorously introduce top global talent, while safeguarding workers’ rights and interests, enhancing employee satisfaction, and fostering an atmosphere where they can enjoy work and life. In terms of employee development, we have refined our talent growth mechanisms to invigorate our workforce and empower both professional advancement and technical skill enhancement. In terms of employee health and safety, we reinforce occupational health and safety management to create a secure and healthy workplace.

Employee risk analysis

Major risks	Risk description	Potential financial impact	Measures
Failure to guarantee labor rights and interests	Any employment practices involving child labor, forced labor, discriminatory acts, or workplace harassment during business operations shall result in legal lawsuits and reputation harm to the Company	Operating costs increase	<ul style="list-style-type: none"> • Improve employment policies to safeguard employee rights and interests • Comply with labor standards, and strictly prohibit the use of child labor, forced labor, and gender discrimination • Provide a diverse, inclusive, and equitable working environment
Loss of talent	Given the intensified industry competition resulting from external market shifts, the Company may face the risk of losing key talent and recruiting personnel who do not meet job requirements	Operating costs increase	<ul style="list-style-type: none"> • Expand recruitment channels and proactively build a talent pool for key positions • Regularly conduct company-wide job competency assessments and talent inventory reviews to identify high-potential employees • Increase investment in employee compensation and benefits to provide competitive compensation package and development opportunities for employees
Frequent occurrence of occupational health and safety incidents	During operations, if improper handling, inadequate safety management, and similar issues lead to work-related diseases or frequent occurrence of safety incidents, it may have a certain impact on employees’ health	Operating costs increase	<ul style="list-style-type: none"> • Arrange regular occupational physical examinations and provide personal protective equipment for employees • Conduct periodic safety supervision, hazard detection, and fire drills • Establish an EHS management body to facilitate systematic management of occupational health efforts

Impact, Risk, and Opportunity Management

Employee Rights and Interests >>

We expect every employee to gain a sense of belonging, respect, and value in 3PEAK. Benchmarking against outstanding domestic and international enterprises, the Company continuously synthesizes industry experience. We strengthen the protection of employee rights and interests, enhance talent retention and attraction measures, and offer employees with a diverse, inclusive, fair, and supportive working environment.

Equality, Diversity, and Inclusiveness



We are committed to ensuring equal employment and career advancement opportunities for all employees, without discrimination based on age, religion, nationality, marital status, race, skin color, or ethnicity. Meanwhile, we give considerable weight to the protection of the legitimate rights and interests of female employees, and assure them fair and equitable employment and advancement opportunities. In addition to maternity leave, prenatal check-up leave, and parental leave in accordance with the law, we provide extra care for female employees, including maternity insurance, baby care rooms, and benefits on Women's Day. In addition, we actively respond to the government's call and cooperate with local disability associations to provide employment opportunities for people with disabilities.

Compliance with Labor Standards



3PEAK puts much emphasis on the protection of labor rights and interests, strictly prohibits the use of child labor, forced labor, and gender discrimination. All employees meet the minimum working age requirements stipulated by national laws and regulations and execute labor contracts with all employees. We maintain a zero-tolerance policy against forced labor of any kind. We firmly prohibit forced labor. When employees believe that their personal freedom rights have been violated, they have the right to appeal to their immediate superiors, up to the chairman or the compliance department. During the Reporting Period, there were no instances of child labor, forced labor, or gender discrimination in 3PEAK.

Diversity in Recruitment



3PEAK adheres to diversified recruitment and attracts outstanding talents through various channels such as social recruitment, campus recruitment, and school enterprise cooperation, making efforts to enhance the employer brand image, so as to build a more robust talent pool. Every year, the Company formulates a talent recruitment plan aligned with product development needs and the business unit's performance projections. In 2024, we expanded our campus recruitment to 11 universities across 10 cities, and totally gave 14 campus recruitment presentations.



Visit and Exchange at the School of Microelectronics of Fudan University



Career Planning Seminar at the University of Science and Technology of China



Semiconductor Committee of Tsinghua Alumni Association in Shanghai - 3PEAK 2024 New Talent Welcome Day

Remuneration and Benefits



The Company is dedicated to continually optimizing the employee compensation and benefits framework, raising employee satisfaction, and increasing their sense of happiness and belonging. 3PEAK links employee compensation to their performance and continually improves the compensation system and long-term incentive mechanism. We conduct annual remuneration surveys and analysis to effectively motivate employees through scientific, fair, and reasonable remuneration mechanism. Employees receive variable pay, including annual performance bonuses, sales bonuses, and mid- to long-term incentives, in addition to the fixed pay. Meanwhile, we implement the employee stock ownership plan and equity incentive plan, rewarding employees with outstanding performance accordingly.

We provide all employees with statutory social security that meets the requirements of the operating region, and additionally offer diversified benefits such as supplementary commercial health insurance, traffic accident insurance, meal allowance, communication allowance, talent apartments, 24-hour gym, birthday gifts, and long-term service incentives. In 2024, we developed the Administrative Measures for Employee Housing Loan to provide interest-free housing loan to eligible employees. This initiative helps address employees' financial challenges in home purchasing and supports their pursuit of stable living and career development.

We guarantee employees the freedom to choose their careers and reasonable working hours, implement a people-centric working hours management system, two-day weekends, and statutory holidays in accordance with local regulations. We guarantee employees' rights to annual leave, sick leave, maternity leave, marriage leave, bereavement leave, parental leave, and other leave in accordance with the law, and provide qualified employees with additional benefits such as supplementary annual leave, supplementary paid sick leave, and long-term service leave.

We regularly conduct a variety of employee activities to enrich their lives. For example, we organize employee engagement activities, covering more than 20 clubs such as basketball, football, badminton, running, and yoga, and conduct a variety of welfare activities, including holiday greetings, family days, afternoon tea, and health seminars. These activities are designed to help employees work with dedication and live happily.



Since the listing in 2020

- the Company has launched the restricted share incentive scheme **3** times
- benefited a total of **680** person-times
- with a total of **4,420,357** shares of restricted shares, accounting for **3.33%** of the total share capital (number of shares as of December 31, 2024)



Team Building



Club Activity

Family Day

Employee Communication



We have established diverse, equal, and open employee communication and complaint mechanisms. Under the mechanisms, employees can communicate with the Company through multiple channels, such as work e-mail, public complaints from employees, and online office platforms. Additionally, in line with the Administrative Measures for Cross-Level Communication, we also encourage employees to present suggestions on the Company's operation and management or their personal expectations and demands to their superiors at higher levels or members of the Company's senior management. We believe this can facilitate better development for both employees and the Company.

Furthermore, the Company regularly conducts satisfaction surveys covering aspects such as administrative management, annual medical check-ups, commercial insurance, and IT systems. Based on employee feedback and suggestions, we make targeted optimization and improvements to boost employee satisfaction.



In 2024

- Administrative management satisfaction score **88.46** out of 100
- Annual medical check-ups satisfaction score **89.5** out of 100
- Commercial insurance satisfaction score **4.47** out of 5
- IT system satisfaction score **89.74** out of 100

Employee Development

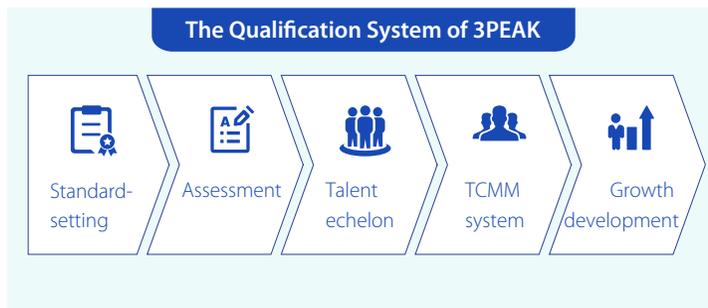


The Company continuously improves the qualification system based on job position requirements, constantly refines the talent structure, and provides employees with a broad career development platform. By enhancing employees' comprehensive quality and professional skills through diversified professional training, we strive to enable the joint growth of employees and the Company.

Qualification System



3PEAK has established a qualification system and conducts regular staff job matching and talent inventory every year to identify high-potential talents and build a talent pool, providing the effective basis for talent selection, utilization, training, retention, and evaluation. In 2024, we fully iterated and upgraded our employee qualification system, making the competence-based qualifications more complete and ensuring more comprehensive coverage of the same sequence of job levels. Meanwhile, we actively promote the application of the upgraded qualification system throughout the entire lifecycle of talent development, covering aspects such as campus recruitment, social recruitment, and talent cultivation. We also adopt IDP (Individual Development Plan) to facilitate the tracking and empowerment of high-potential talent, thereby supporting employee advancement.



Performance Feedback

To ensure fair and impartial performance appraisal, we have established a smooth and upward feedback channel for employees. This channel enables employees to report their disagreement, if any, over the performance appraisal results to the department and HRBP. During the Reporting Period, our employee performance appraisal covers 100% of employees.

Employee Training

We have established a training system encompassing training sessions on general ability, leadership, and professional competence. Every year, we develop an employee training plan to offer a wide variety of online and offline training courses for employees. In 2024, we further elevated the professionalism of our training management by adopting a hybrid model of in-house development and external sourcing. And we delivered high-quality training programs to enhance employees' competency levels and capabilities.

To cultivate a learning-oriented organization and promote internal knowledge sharing, 3PEAK has continuously refined our internal trainer system and launched the first internal trainer competition to fuel the growth of our instructor crew. In addition, our online training platform, 3PEAK Academy, offers a wealth of training resources to support employees in self-directed learning and growth. In 2024, 3PEAK Academy continued to develop a substantial number of high-quality internal courses, thus increasing the proportion of internal courses from 28% to 43%.

3PEAK's Training System

General ability training

- General ability training for all employees, especially newcomers such as fresh graduates, covering rules and regulations, professionalism, and vocational skills, helping employees quickly understand and recognize the Company's values and corporate culture, and improving the overall quality of employees
- In 2024, 3PEAK upgraded the new employee program by offering a diverse range of workplace training, such as ice-breaking team building, professional etiquette, and sandbox communication exercises, to enhance employees' training experience

Leadership training

- Targeted leadership training programs for newly promoted managers, middle managers, senior managers and employees with great potential to empower managers and outstanding employees
- In 2024, 3PEAK collaborated with DDI, a globally renowned leadership training organization, to launch the "Chip Career Voyage" Leadership Program, which empowered 40 newly appointed managers and high-potential talents

Professional competence training

- Professional competency training for business departments such as R&D, sales, operations, and quality, covering areas such as professional technology, finance, human resources, supply chain, and strategy
- In 2024, 3PEAK upgraded and expanded the professional courses offerings. For instance, we established the FAE training system, and launched 53 course series encompassing 33 professional examinations to empower the sales team in deepening their business expertise. We collaborated with the renowned institution TÜV Rheinland to conduct automotive standardization training courses covering seven key departments and reaching over 370 employees



The NCG "Chip Career Embarkation" Training Camp



The "Chip Career Voyage" Leadership Training Camp



Professional Competency Training



Training Program for Internal Trainers

We support employees to participate in education enhancement courses that meet their own needs, and encourage managers to pursue degrees and courses such as Master of Business Administration to improve their management abilities. We encourage all employees to obtain relevant professional qualification certificates based on job requirements and enhance their professional skills. In addition, every year we collaborate with renowned external training organizations to help employees understand the latest development trends and master cutting-edge technologies. In 2024, we cooperated with renowned external organizations such as DDI and TÜV Rheinland to offer high-quality courses covering multiple dimensions, including leadership and quality systems. These efforts aimed to enhance employees' professional knowledge and capabilities.

Health and Safety >>

Every year, we proactively implement measures in three key areas, including occupational disease prevention, laboratory safety, and fire safety, to ensure the health and safety of employees in the workplace.

Occupational hazard prevention	Laboratory safety	Fire safety
<ul style="list-style-type: none"> • Arrange regular occupational physical examinations for employees exposed to occupational disease hazards • For positions exposed to occupational hazards, we provide the employees with noise-cancelling headphones, earmuffs and other protective equipment • Increase work breaks or intervals, use low-noise equipment, and adopt effective protection facilities 	<ul style="list-style-type: none"> • Formulate the Laboratory Management and Control Procedures, and Laboratory Affairs and Safety Management Procedures, refine laboratory safety management matters and clarify safety precautions for the use of laboratory instruments and equipment • Regularly conduct 5S inspections, safety supervision, and hazard investigation, and promptly report and handle laboratory hazard issues • Standardize the entry and exit requirements for laboratory personnel, unify anti-static clothing, and wear protective equipment 	<ul style="list-style-type: none"> • Special equipment administrators are required to be certified • Review fire drill programs annually and hold regular all-hands fire drills • Conduct fire safety training targeting all employees to enhance their safety awareness and build up their capabilities of emergency response to fire

In 2024, 3PEAK obtained ISO 45001:2018 Occupational Health and Safety Management System Certification, established an EHS organizational structure, the General Manager has appointed a safety officer and a full-time safety administrator to promote the development of various occupational health work.



ISO 45001:2018
Occupational Health and Safety Management System Certification

In addition, we prioritize the physical and mental health of our employees. Specifically, we provide annual medical check-ups, first aid kits, and common medicines for all employees, so that they can properly deal with emergencies. During the Reporting Period, we provided first aid training to EHS engineers and administrative specialists and obtained corresponding qualification certificates. The Company also regularly conducts health and safety awareness publicity and emergency drills for employees, including office health seminars, explanations of personal injury cases, and accident emergency response and handling training. These measures aim to enhance employees' emergency handling capabilities and comprehensively safeguard their physical and mental health.



Office Health Seminar



Fire Drill

Metrics and Targets

We are committed to fostering a fair, respectful, and fulfilling working environment for our employees. To this end, we have established annual goals and metrics across three key domains, including employee rights and interests, employee growth, and health and safety, and diligently monitor their achievement every year.

Indicator		Annual target	2024
Employee rights and interests	Employment contract signing rate	100%	100%
	Coverage rate of personnel required to pay social insurance	100%	100%
Employee growth	Training program completion rate	≥90%	Achieved
Health and safety	Number of occupational disease cases	0	0
	Fire incident	0	0
	Accidents involving severe injury or worse	0	0
	Work-related injuries	0	0
	Completion rate of the three-level safety education and training for new employees	100%	100%



Employee Performance Metrics

Indicator		Unit	2024
Total number of employees		person	830
Number of employees by gender	Male	person	566
	Female	person	264
Number of employees by age	Under 30 years old	person	326
	30-39 years old	person	351
	40-49 years old	person	133
	50-59 years old	person	17
	Over 60 years old	person	3
Number of employees by education background	Doctor degree	person	22
	Master degree	person	369
	Bachelor degree	person	339
	Associate degree or below	person	100
Number of employees by position	Management staff	person	179
	Technical staff	person	518
	Sales staff	person	133
Number of employee trainings		times	387
Employee training expenditure amount		RMB 10,000	243.76
Employee training coverage rate		%	100%
Total training hours		hours	89,071
Average training hours		hours	107.31

Indicator		Unit	2024
Training hours by training category	Online training	hours	31,262
	Offline training	hours	57,809
Training hours by gender	Male	hours	62,309
	Female	hours	26,762
Amount invested in work-related injury insurance		RMB 10,000	72.03
Work-related injury insurance coverage rate		%	100%



Other highlights of performance

- As of the end of the Reporting Period
- female managers above middle level **25%**
- female in senior management **25%**
- 3PEAK Academy offered over **3,400** courses
- With a platform login rate of **100%**
- and an employee learning rate of **99%**

Future Outlook

Every little helps a mickle. Through continuous efforts and accumulation, 3PEAK has achieved significant success in ESG practices. Adhering to the principle of sustainable development, we continuously optimize environmental governance, strengthen social responsibility, and refine corporate governance structure. In this way, we play our part to build a green, harmonious, and sustainable future.

In terms of environmental initiatives, 3PEAK will actively respond to the national carbon peak and neutrality targets. We will continue to implement energy-saving and emission-reduction measures, optimize energy management, and reduce greenhouse gas emissions. We will further improve the green supply chain system and assure that suppliers comply with environmental standards, thus jointly promoting the green development of the semiconductor industry. In addition, we will make ongoing efforts to advance the R&D and application of new clean technologies and green products to meet customers' demands for environmental performance and practice the concept of low-carbon operation.

In terms of social responsibility, 3PEAK will continue to uphold the corporate culture values of "Integrity, Responsibility, Cooperation, Innovation, and Growth" and better address the concerns of stakeholders such as employees, suppliers, and customers. We will actively engage in industry exchanges and collaborations to continuously enhance the Company's competitive edge. Meanwhile, we will prioritize employee care and well-being, support their career growth and development, and cultivate a workplace that is harmonious, healthy, caring, and secure.

In terms of sustainable governance, 3PEAK will continue to optimize the governance structure, strengthen internal control and risk management mechanisms, thereby ensuring the Company's stable and efficient operations. We will commit to enhancing the transparency of information disclosure and strengthening communication and collaboration with stakeholders. This will enable collective efforts to address the challenges posed by global technological innovation and market changes.

Looking ahead, 3PEAK will deeply integrate environmental protection, social responsibility, and corporate governance through relentless exploration and innovation, to form a uniquely characteristic 3PEAK sustainable development model. By doing so, we aim to lead the industry towards a greener, more harmonious, and sustainable future, thus making a positive contribution to the global sustainable development cause.

Glossary of Terms

For the convenience of expression and reading, the title in this Report refers to the following:

Abbreviation	Paraphrase
3PEAK, The Company, we	3PEAK INCORPORATED and its subsidiaries
iCM	Shenzhen iCM Microelectronics Co., Ltd., a subsidiary of 3PEAK
Signal chain	The path of the signal from input to output in a system, from the collection, amplification, transmission, processing of the signal to the generation and execution of the corresponding power device
Amplifier	A device that amplifies the voltage or power of an input signal
Convertor	A device that converts an analog or digital signal to a digital or analog signal
Comparator	A circuit that compares an analog voltage signal to a reference voltage
AFE	Analog Front End
APQP	Advanced Product Quality Planning
ASN	Automotive Sensor Network
BCM	Business Continuity Management
CAN	Controller Area Network
CIP	Continuous Improvement Process
CPK	Complex Process Capability
CP test	Chip Probing test
CQE	Customer Quality Engineer
CRM	Customer Relationship Management
ELV	End-of-Life Vehicle
FAE	Field Application Engineer
FMCS	Facility Management and Control System

Abbreviation	Paraphrase
FMEA	Failure Mode and Effects Analysis
IQC	Incoming Quality Control
LDO	Low Dropout Regulator
LED	Light-Emitting Diode
MRB	Material Review Board
MSDS	Material Safety Data Sheet
OA	Office Automation
PCT	Patent Cooperation Treaty
POPs	Persistent Organic Pollutants
REACH	Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals
RMI	Responsible Minerals Initiative
RoHS	Restriction of Hazardous Substances
SDS	Safety Data Sheet
SVHC	Substances of Very High Concern
TCMM	Training Capability Maturity Model
USB	Universal Serial Bus
VDE	Verband Deutscher Elektrotechniker
WAT	Wafer Acceptance Test
WMS	Warehouse Management System
EHS	Environment, Health, Safety. It is the integration of ISO 14001 environmental management system and ISO 45001 occupational health and safety management system, aiming to help enterprises or organizations effectively manage risks related to environment, employees' health and safety during operations.

Index of Indicators

Topic dimension	Topics	2024
Environment	Addressing Climate Change	Green Development and Low-Carbon Operation - Addressing Climate Change
	Pollutant Emissions	Green Development and Low-Carbon Operation - Energy Saving and Emission Reduction
	Waste Management	Green Development and Low-Carbon Operation - Energy Saving and Emission Reduction
	Ecosystem and Biodiversity Conservation	Not applicable, the Company's production and operation activities do not have significant negative impacts on ecosystems and biodiversity
	Environmental Compliance Management	Green Development and Low-Carbon Operation - Environmental Management
	Energy Utilization	Green Development and Low-Carbon Operation - Energy Saving and Emission Reduction
	Water Resource Utilization	Green Development and Low-Carbon Operation - Energy Saving and Emission Reduction
	Circular Economy	Green Development and Low-Carbon Operation - Energy Saving and Emission Reduction
Social	Rural Revitalization	Not applicable, the Company's various operation points have not carried out the rural revitalization action
	Social Contribution	Promoting Co-Creation and Sharing to Empower the Industry - Public Welfare
	Innovation-Driven	Striving for Excellence through an Innovation-Driven Path - R&D and Innovation
	Technological Ethics	Not applicable, the Company does not belong to ethically sensitive industries such as life sciences or artificial intelligence
	Supply Chain Security	Promoting Co-Creation and Sharing to Empower the Industry - Supplier Management
	Equal Treatment of Small and Medium-Sized Enterprises (SMEs)	Not applicable. As of the end of the Reporting Period, the Company's accounts payable (including notes payable) amounted to RMB 147.14 million, which did not exceed RMB 30 billion or 50% of the total assets for the year.
	Product and Service Safety and Quality	Lean Management and Quality First Promoting Co-Creation and Sharing to Empower the Industry - Customer Satisfaction
	Data Security and Customer Privacy Protection	Striving for Excellence through an Innovation - Driven Path - Information Security
Governance issues related to sustainable development	Employees	People - Oriented for a Better Future
	Due Diligence	ESG Governance - Due Diligence
	Stakeholder Communication	ESG Governance - Stakeholder Communication
	Anti-Commercial Bribery and Anti-Corruption	Improving Governance for Steady and Sustainable Development - Business Ethics
	Anti-Unfair Competition	Improving Governance for Steady and Sustainable Development - Business Ethics

Reader's Feedback

Dear readers,

We sincerely appreciate your time out of your busy schedule to read this Report, which is the 4th Environmental, Social and Governance Report published by 3PEAK. In order to fulfill the communication of this Report and effectively advance the ESG management and practices of 3PEAK, we sincerely invite you to fill in the feedback form to help us make continuous improvement.

1. What is your overall assessment of the 3PEAK ESG Report?

Excellent Good Average Poor Very Poor

2. How do you think this Report reflects 3PEAK's significant environmental, social, and governance impacts?

Excellent Good Average Poor Very Poor

3. What do you think of 3PEAK's performance in stakeholder communication?

Excellent Good Average Poor Very Poor

4. How do you think this Report performs in terms of the authenticity, accuracy, and effectiveness of information and data disclosure?

Excellent Good Average Poor Very Poor

5. Do you think the overall framework, content design, and format of this Report are easy to read?

Excellent Good Average Poor Very Poor

6. What is your overall impression of this Report from all aspects?

Excellent Good Average Poor Very Poor

7. Which part of the Report are you most interested in?

8. What are your comments or suggestions for 3PEAK ESG Reports in the future?

