

# 2022

## Environmental, Social and Governance Report

HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO., LTD.



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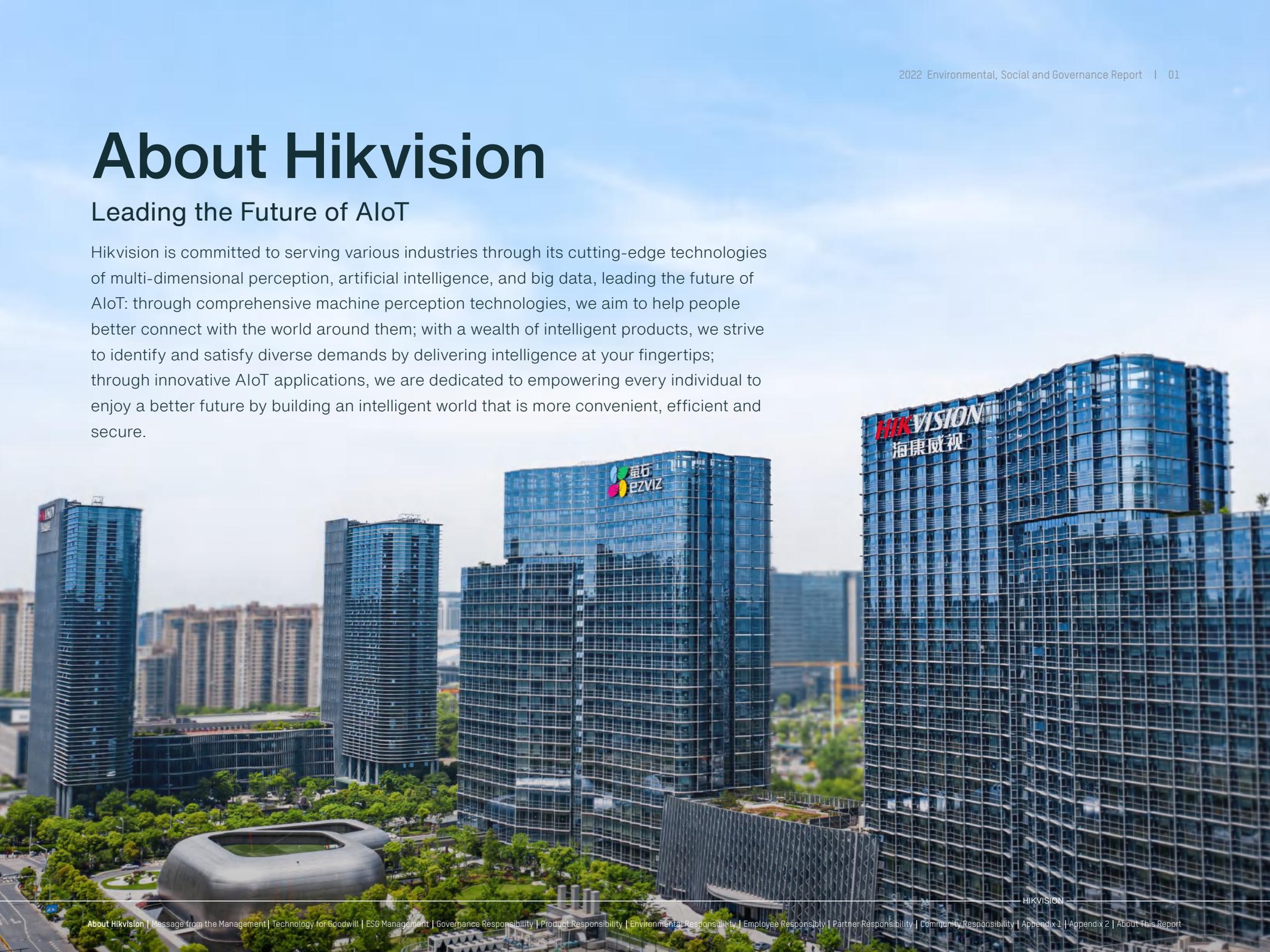
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# About Hikvision

## Leading the Future of AIoT

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



# Message from the Management



Chief Compliance Officer (COO), Hikvision  
Huang Fanghong

Milton Friedman, an American economist, proposed a notion in September 1970: "The Social Responsibility of Business is to Increase Profits". It has provided firms with an incentive – which is also a social responsibility – to boost profits while also sparking extensive discussions.

Today, when it comes to sustainable development, we naturally consider both increasing profits and producing social value. Profit is the cornerstone of a business, and without it, no business can survive. Sustainable development without the support of profits is like water without a source. However, making profits is far from enough.

Over the past two decades of commercial practices, Hikvision has integrated the simple principle of "no harm" into its business planning. Years ago, the topic about whether to launch the pinhole camera was brought up, but the idea was rejected by the Company owing to potential privacy concerns. Since then, we have never attempted to set foot in this segment. The bottom line of our business is to be "harmless" to social responsibility and ethnics, as well as to the environment and

mankind. On this premise, we wish to take a step further by achieving greater social value.

We have come to realize that social value is more than a halo floating over commercial interests. In fact, in the process of pursuing social value, commercial value will come along as well. The past few years have witnessed our continued efforts to innovate technologies and products in order to help maintain public safety, ensure safety and smooth traffic, and improve enterprises' operational efficiency... While delivering value to customers and society, we have also received commercial returns.

In the meantime, we are well aware that social value is not just a matter of right or wrong, and the determinants of social value in specific events are complicated. It hence necessitates constant reflection and examination of our operations, as well as insistence on doing the right thing and doing things right.

See far, go further.

April 2023

# Technology for Goodwill

Good Society Good Industry Good Habitat Good Planet

## Creating Social Value as an Enterprise

As a technology company dedicated to innovation, we have defined our corporate mission as "good perception, forward thinking". The "good" here means being good at something, which requires us to constantly improve technology and seek progress through long-term accumulation, that is, the craftsmanship of insisting on producing the best products; the "good" also refers to goodwill, which is to benefit society with science and technology, integrate social responsibility and sustainable development into our business operations, and cling to good deeds in the process of development. We pursue the advancement of ourselves and our partners, with the goal of attaining great social wellbeing, addressing social issues, and resolving problems for users.

Despite the changing times, our ambition for technological innovation and business exploration based on social value stays unchanged. We believe "being good at making technology" is important, but "making good technology" is also important. Now that our AIoT capabilities are applied in education, energy, agriculture, transportation, medical care, culture, water conservancy, environmental protection, social emergency response and other scenarios, these thousands of industries are where we are working down-to-earth. At the same time, we are pleased to observe that children living in poor and rural areas have access to more educational resources, visually impaired people feel safer crossing roads, crab farmers wear a bright smile during the harvest season, coal miners are better protected when working 300 meters underground, cultural relics with a

history of thousands of years enjoy more intelligent conservation, and convenient and orderly traffic is seen in more cities...

We agree that an enterprise's most pragmatic contribution to society is to do what it is good at: producing exceptional technological products and improving the operational efficiency of society as a whole. We also believe that injecting goodwill into products and allowing business to take root in the soil of goodwill is the only path towards sustainable development, as well as the due social responsibility of a corporate. Therefore, we are eager to partner with more like-minded people and gather more goodwill in science and technology, empowering a more sustainable and better future.



HIKVISION

# Good Society

As businesses are an integral part of society, technology firms are expected to play a greater role in creating a better life and greater wellbeing. With the development of AIoT and other technologies, Hikvision intends to provide more protection and assistance to disadvantaged groups. Through technological innovation, we tailor a variety of products and solutions for the elderly, the young, the disabled, and the sick, securing a smarter and more convenient environment where they can live a safe and happy life.



## Provision for the Elderly

Population aging is a defining global trend of our time. In its *World Social Report 2023*, the United Nations Department of Economic and Social Affairs stated that in order to achieve a sustainable future, the rights and wellbeing of older persons must be put as a priority. Therefore, we provide technical support for the elderly to enjoy their golden years. Nursing institutions are offered intelligent and convenient assistance to support their efficient service and the elderly who live at home are given more thoughtful attention and protection, so that more elderly people could enjoy a more secure life.

### Case

## Remote accompanying and health monitoring make the elderly safer at home

According to statistics by the National Health Commission, by the end of 2021 China's elderly population aged 60 and above reached 267 million, accounting for 18.9% of the total population, indicating the increasingly significant trend of population aging. As a result, more and more families are faced with the challenge of caring for the elderly. How to prevent potential safety hazards that may arise when the elderly live at home alone is a problem that we must address together.

Hangzhou EZVIZ Network Co., Ltd. (EZVIZ Network), a subsidiary of Hikvision, has launched a solution of "home-based care services for the elderly". IoT perception and intelligent algorithms are applied to detect old people's unusual activities such as falling down in a timely manner. When detecting abnormalities, the system will immediately notify family members, so as to better protect the elderly living alone with remote health monitoring technology. This solution is designed to make early warnings about the potential threats to the elderly commonly seen at home. In everyday life scenarios where the risk of falling is high, it can accurately detect any fall using multi-dimensional posture data. Long-term inactivity can be recognized as well. When it finds an older person has not moved for a long time, an alert message will be sent to the user. **Once any problem is detected, users will be notified by phone call within 30 seconds.** The system provides basic functions such as real-time video display, video recordings, and two-way chats. It can be used for remote nursing in living

room, bedroom and other common locations, allowing users to learn about the conditions of the elderly in a convenient and timely manner. At the same time, EZVIZ Network is also introducing third-party services such as online consultation and home delivery of medicines for the elderly. The service package includes two kinds of care services – "autonomous care" and "companion care". Through the combination of intelligent hardware + software platforms + third-party companions, we offer **7/24** elderly nursing services featuring whole-process care, full recordings, considerate emotional assistance, and all-round health management.



Service time:  
**7/24**

Timeliness of the alerting service:  
Smart notification by phone call  
**within 30 seconds**

## Care for the Young

The health and safety of teenagers - the hope of the future - is a major social concern. Given that drowning and road accidents are the leading causes of youth casualties, Hikvision continues to work extensively with stakeholders such as the government and schools to establish a multi-point safety protection network that encompasses risk point identification and monitoring, safety accident warning and reporting, and other functions to support the healthy growth of young people.

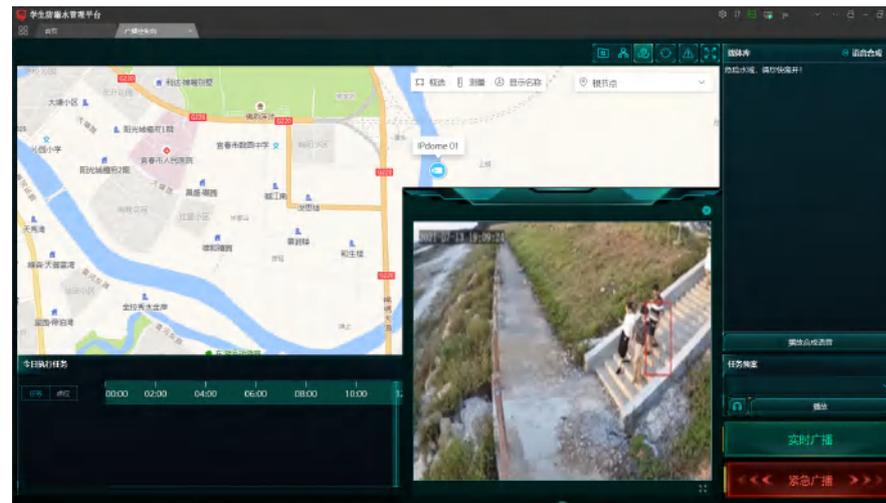
### Case

## Weaving a safety protection net that keeps students from drowning

According to incomplete statistics by the National Health Commission and the Ministry of Public Security, children account for more than half of the annual drowning deaths in China, making drowning a far more deadly threat than injuries caused by traffic accidents and falls. **To reduce drowning incidents, drowning prevention education, and river and embankment patrol become an important part of teachers' work during the summer vacation in many parts of the country.**

Starting from 2021, Yichun City in Jiangxi Province worked with Hikvision to build an intelligent anti-drowning supervision platform throughout the city, and implemented a risk identification and anti-drowning scheme at most of the dangerous waters. Through locally placed intelligent sensing equipment, the platform intelligently monitors the surrounding dangerous waters in real time, generates voice broadcasts on the spot to warn students to stay away from the dangerous waters, and at the same time sends alarm to the corresponding safety administrators in community and safety tutors in school. The anti-drowning network powered by this intelligent solution not only reduces the workload of teachers and community workers, but also improves the effect of anti-drowning efforts and ensures the safety of more children.

By the end of the reporting period, the platform had been applied in a number of counties in Yichun City, Jiangxi Province, including Wanzai, Yifeng, Fengxin, Jing'an, Tonggu, Zhangshu, and Fengcheng, covering more than **800** drowning prevention spots. The platform had persuaded people to leave the unsafe waters more than **100,000** times throughout the reporting period.



## Assistance for the Disabled

Barrier-free facilities demonstrate a city’s warmth and inclusiveness, and it is the collective obligation of society to establish a barrier-free community. Hikvision thus aims to establish a convenient, friendly, comfortable and intelligent living environment, with active attempts in barrier-free facility construction, information exchange, community services, and many other areas, helping people with disabilities participate in social life on an equal footing.

### Case Smart crosswalk makes it safer for "walkers in the dark" to cross roads

At least 2.2 billion people around the world are visually impaired or blind, according to the WHO’s World Report on Vision. In China, there are more than 17 million people with a visual impairment, which means there is one "walker in the dark" in every 80 people. This huge population needs a more convenient living environment.

In Nanning, Guangxi, Hikvision and the local traffic police have built a "smart crosswalk" system in the downtown area that serves the visually impaired. The system has built-in tactile paving in crosswalk and equipped with IoT sensors. When a visually impaired individual wearing a chip bracelet crosses the street, the devices at both ends of the crosswalk can accurately recognize him or her and activate the intelligent directing system. The phrase "Please let pedestrians cross the street first" will then appear on the LED display, with a warning light flashing and a voice prompt playing to remind passing vehicles to slow down and allow pedestrians the right of way. When persons with vision impairments cross the street at night, the early warning equipment at both ends of the crosswalk will additionally emit red light curtains to their legs, so that motorists can better identify the crossing pedestrians.

The system has allowed over 100 blind masseurs working in nearby massage parlors to enjoy the convenience brought by technology. Since then, they have been more intelligently guided and felt more secure when crossing busy streets. Moreover, it encourages local residents to be more respectful and understanding of the visually impaired.

“ The smart crossing system is the best gift for me and my colleagues on October 15th, the White Cane Safety Day.” ”



Scan the QR code for more information (in Chinese)



## Treatment for the Illness

Medical care is inextricably related to everyone’s life. Smarter hospitals provide a more comfortable and efficient medical environment, and thus better ensure the health of the public. Hikvision’s business mission is to improve the medical experience and the efficiency of medical professionals, which inspires it to continuously help propel the high-quality development of medical services through digital technology-based products and solutions.

### Case Establishing digital hospitals to let patients feel more at ease during medical treatment

In 2022 the total number of hospital visits reached 8.40 billion across China, with 250 million discharged patients, according to data from the National Bureau of Statistics. With such a vast number of medical demands, more efficient smart hospitals are required.

In Guangdong Province, Guangzhou Hospital of Integrated Traditional and West Medicine has teamed up with Hikvision on a digital transformation of outpatient clinics, inpatient wards, logistical management, command centers and other scenarios, benefiting patients and hospital staff with new changes that technology brings to medical services and experience.

Outpatient services are supported by intelligent access and security inspection equipment, allowing patients to enter the hospital in a quick and safe manner. Also, a pattern in patient visits is described using statistical analysis of outpatient visits, visit peaks, and retention volume to assist people flow optimization and dynamic management.

In inpatient wards, a patient may initiate a service request by pressing the alarm button in the bathroom or the bedside

display, and the request is sent straight to the screen at ward door/corridor, the nurse station management system/monitoring display, and the smart watches worn by nurses. This enables nurses to instantly receive the call and make a rapid response, no matter where they are. Intelligent infusion equipment is installed to monitor infusion drip speed in real time and to send a warning to the nurses on duty when it detects that the infusion speed is irregular or the infusion is about to end, in case a patient finds it hard to call a nurse once the infusion is finished. Through the digital screen at the nurse station, physicians and nurses may gain a thorough picture of the ward, the detailed staff scheduling, and the nursing emphasis of each patient. This improves medical services for inpatients, medical staff’s diagnosis and treatment, as well as ward administration.

**In 2022, Guangzhou Hospital of Integrated Traditional and West Medicine received over 1.255 million outpatient visits and 36,000 inpatient visits. With the application of more digital technologies, the hospital has continued to improve its management and operation, making medical work more efficient and patients more comfortable.**



# Good Industry

As a bright future depends on industrial prosperity, accelerating the industry's high-quality development is key component of the sustainable development strategy. Hikvision continues to boost the digital upgrade and transformation in the industry harnessing its AIoT technology, assisting organizations in ensuring comprehensive security and improving operational efficiency. With such efforts, we aspire for safer and more efficient production by providing a more comfortable working environment.

## Work Safety

"Safety is the top priority in the development of all industries". Hikvision continues to explore intelligent means to help enterprises lower safety risks, reduce work safety accidents, and guarantee work continuity through comprehensive perception of people, machines, objects, materials and the environment during the production process. Meanwhile, we use technology to help people stay away from hazardous working conditions by enhancing the production and working environment.

### Case Assuring work safety in mines through big data and AI technology

The mining sector is the cornerstone and pillar industry of China's national economy. However, miners are often exposed to varied hazards due to the complexity of the terrains, geological conditions and working environment.

Jinchuan Group boasts the world's third largest nickel-copper sulfide deposit, and serves as both China's largest and world's leading nickel and cobalt production base and platinum group metal refining center. Together with Hikvision, the group has built a comprehensive intelligent vision system that combines a work safety management platform with AI detection, intelligent inspection, and voice interaction to assure safety in production using the power of technology.

Wang Xiaogang, a senior engineer at Jinchuan Group, is in charge of protecting the safety of more than 10,000 workers. Detecting hidden dangers with his eyes and recording them in his notebook used to be his daily work. From the top to the bottom of every mine, he was overwhelmed by tough work, tension, and immense responsibility.

Thanks to technological advancements, Wang Xiaogang's 30-year inspection work began to change. AI-powered orbital robots and inspection robots are deployed to perform real-time detection, analysis and early warning in flotation and ball milling areas; AI detection is applied to conduct "health checks" on belts, cyclones, slurry pumps and other devices and at the same time eliminate staff's unsafe behaviors such as failure to wear a safety helmet. The data collected at the front end is also automatically uploaded to the production safety management platform, so that employees can learn about the on-site situation in front of the screen and enforce a closed-loop hazard management procedure that is tailored to specific scenarios, thereby reducing the chance of accidents.

“ If a small hole is not repaired in time, it will become too large to block off one day. This also applies to hazards. Now we can monitor production safety by simply watching the screen. Technology has moved inspection work from beneath the ground to above it, which improves our work efficiency and accuracy and also makes us feel more secure. ”

--Wang Xiaogang, senior engineer at Jinchuan Group





**Case** **24/7 intelligent inspection assistant spares security administrators from sweltering working conditions**

Burn-in rooms, an indispensable facility in many production bases, are used for high temperature testing of products to obtain aging parameters and indicators. The equipment in burn-in chambers is prone to abnormalities and potentially fire incidents due to prolonged exposure to high temperatures.

Mr. Jin, a safety administrator in an electronic equipment plant in Zhejiang, has to visit burn-in rooms every 3-4 hours on average to check for smoke, power failure, or excessive temperature. The temperature there is frequently higher than 50 degrees Celsius, with some locations reaching 70 degrees Celsius and above. In a large chamber with many products, you might need to stay for more than ten minutes. And after inspecting dozens of chambers, you will often sweat heavily. "The difficulty not only lies in the 'baking' experience. After we get off work at night, the burn-in rooms remain at high temperatures, which is likely to pose a threat." Mr. Jin said.

Hikvision's thermal imaging and temperature measuring system is therefore introduced to serve as an intelligent inspection "assistant" to Jin. In the production base where he works, 29 burn-in chambers are now supported by the environmental temperature measuring function. With an alert threshold set in advance, the system is "on duty" 24 hours a day to monitor the environment and send an early warning in the event of any deviation. Today, Jin is allowed to check the burn-in rooms remotely from the fire control center, thus spending more time inspecting other hazards.

The early warning also grants sufficient time for responsible staff to respond – an upgrade from passive defense to active warning. When the system detects an abnormal temperature, it promptly notifies the person in charge of the production line via the work ticket system. At the same time, a pop-up message is sent to the fire control center, where the security staff may remotely dispatch personnel and coordinate the response in real time. Finally, the event will be reported to the platform for archiving.

“ Since there are many products to be tested, our burn-in rooms are basically open all year round. The 24/7 inspection equipment is a great boost for the work efficiency and performance of our security staff. ”

--The person in charge of the electronic equipment factory explained

## Quality and Efficiency Improvement

With the arrival of the digital wave, digital and intelligent upgrade emerges as the inevitable way for enterprises to achieve high-quality development. Through technological innovation in conventional information management, Hikvision enables the effective management of key elements of production and operation, such as people, equipment, materials, and space, to help improve the efficiency of management and business operation, and inject new momentum into the sustained development of the industry.

### Case

## Supporting Zeekr to make cars with improved "intelligent manufacturing" capabilities

Zeekr, a new energy vehicle brand of Geely Group, sold 72,000 Zeekr 001 models in 2022 alone. Hangzhou HikRobot Technology Ltd. (HikRobot), a subsidiary of Hikvision, supplies automotive industry solutions to help Zeekr make cars with "intelligent manufacturing" capabilities.

Zeekr Intelligent Factory, covering an area of around 1,946mu, is an advanced manufacturing base that fully integrates intelligent and digital technologies. HikRobot has placed more than 300 AMRs in the factory's final assembly, welding and painting workshops to help enable visual inspection, goods-to-person delivery and selection for small items, unmanned delivery of large items and other functions. **This has improved productivity by over 20% and energy utilization by 15%.**

Taking the welding workshop as an example, HikRobot has connected the system software data to the upstream and downstream operational information flow. Any demand for materials from the storage area is directly sent to the driver of a picking forklift. After the driver completes picking as instructed by the system, the AMR intelligently determines the optimal delivery route and delivers the picked parts to the storage area, where its robot arm will perform accurate feeding. Finally, empty containers are returned to the connection point.

This procedure not only greatly improves the efficiency of material delivery, but also avoids errors and omissions and makes delivery more accurate. With the use of HikRobot's AMR, tractors are no longer needed in welding plants, which reduces the risk of safety accidents, and lights may also be turned off under precise control, leading to a significant drop in energy consumption.

In the automotive industry, HikRobot has helped a number of leading manufacturers such as **Geely Auto, FAW Toyota, FAW Jiefang, FAW-Volkswagen, BMW Brilliance, and Changan Automobile** to advance lean management and intelligent manufacturing. So far, we have achieved large-scale cluster operation of more than 900 robots at a single target site, building a new benchmark for smart logistics across the global automotive industry.

“Due to the huge workload and numerous types of large materials in welding workshops, the traditional delivery method is inefficient. Now our efficiency has substantially increased thanks to automated delivery. HikRobot's ongoing scenario-based application is projected to add significant value to the industry over time.”

--Hu Shuai, Director of ME Logistics and Planning Department of Geely Auto, said

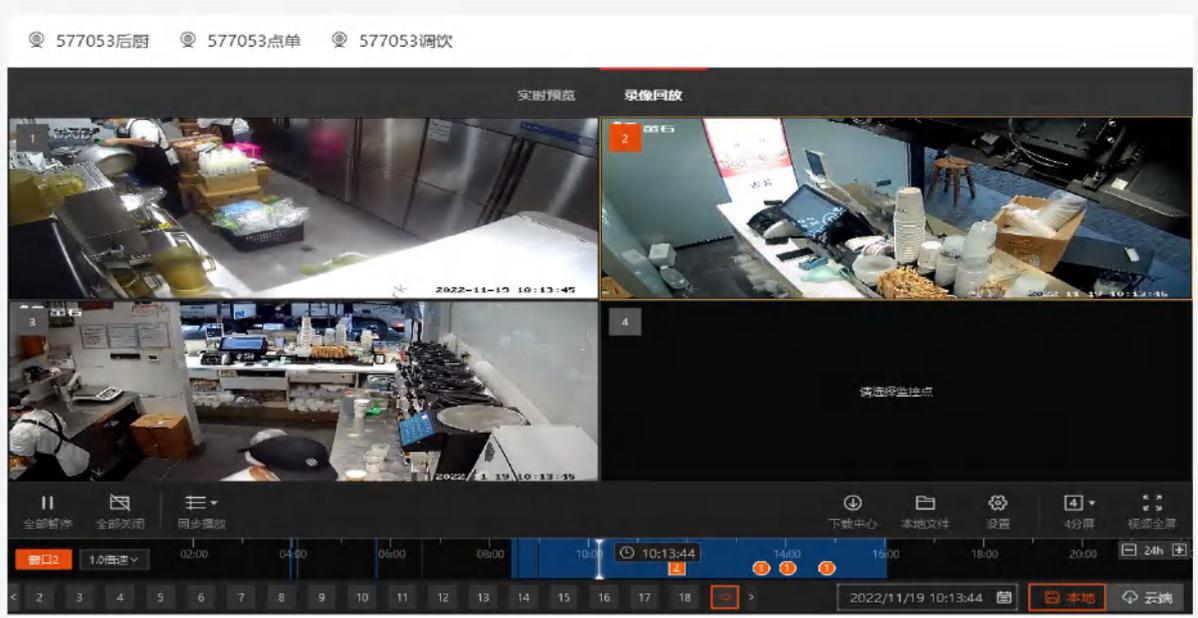
### Case Aiding Goodme’s standardized management through more efficient intelligent store inspection

From the opening of the first store in Taizhou, Zhejiang in 2010, to over 6,000 chain stores in 2021, Goodme has become a leading brand in the tea beverage industry. Apart from continuous product innovation, its success also depends on stringent quality assurance in each store.

Inspection is a critical task of the day-to-day management of chain stores. Traditionally, inspectors have to visit stores in person, which is inefficient. Even with remote inspections via video, they need to examine video recordings by repeatedly dragging the progress bar. Goodme has therefore employed a smart solution of Hik-Cloud. Based on the self-inspection items and operational data of stores and combined with Hikvision’s devices and capabilities, the solution allows for quick online checks of each store at specific times, such as store opening, order taking, beverage delivery, ingredient preparation, and beverage making, to ensure standardized services from stores and employees. The connection between online and offline operations allows Goodme to have efficient access to precious and transparent store inspection data. Thanks to such efficient and standardized management, **the single-store inspection efficiency has grown by 25%.**

“ Hik-Cloud enables the management and control of all key stages in the store operation process, and makes full use of the marking system to provide ‘video indexing’ for online inspections, so as to quickly locate the video to be checked, reducing the online inspection time of a single store by at least 30 minutes. ”

--Chen Kaichuang, Product Director at Goodme



# Good Habitat

According to the National Bureau of Statistics, China's urbanization rate reached 65.2% in 2022. In the future, the process of urbanization will continue and also embrace high-quality development. A livable, smart and resilient city is anticipated to stimulate people's sense of gain. At Hikvision, we continue to expand smart city applications and help enhance urban management and operational efficiency, making transportation more convenient, governance more specified, services more individualized, and the environment more livable.

# Smart City

According to the National Bureau of Statistics, China's urbanization rate reached 65.2% in 2022. In the future, the process of urbanization will continue and also embrace high-quality development. A livable, smart and resilient city is anticipated to stimulate people's sense of gain. At Hikvision, we continue to expand smart city applications and help enhance urban management and operational efficiency, making transportation more convenient, governance more specified, services more individualized, and the environment more livable.



## Case "Green technology" makes road traffic smoother and smarter

In Zhoushan, Haitian Avenue is the only urban road that connects the three heavily inhabited regions of Dinghai, Xincheng, and Putuo, which is the city's traffic "artery" for commuting and tourist vehicles. Each lane of the avenue sees between 800 and 1,200 cars per hour, indicating a high traffic density.

To improve the travel experience, Zhoushan traffic police and Hikvision have collaborated to develop a "green technology" - dynamic green-wave control. Powered by the innovative phase coordination technology, the solution is designed to adjust traffic lights in real time according to traffic flow, greatly improving the traffic capacity of urban roads. The dynamic green-wave belt of Haitian Avenue is 21 kilometers long and runs through 34 intersections. It spans a long distance and works in both directions.

Static green-wave control need to preset the time duration of green signal, which was more commonly used in the past. While dynamic green-wave control adjusts the lighting time of a green signal in real time to improve traffic efficiency. On the road, traffic flow in different directions is sensed in real time by radar assisted video systems and other devices, and the smart information control system, which acts as a "brain" at each intersection, calculates in seconds and adapts traffic lights to changes in the traffic flow at different times. With the automatically optimized time allocation function, traffic signals are made responsive to traffic flow.



Driving time on Haitian Avenue has been cut by 50% from 40-50 minutes to **20-30 minutes**.



During the off-peak period, a vehicle may come across **only 1 or 2 red lights** when driving through 34 intersections.

“ The green-wave belt drastically decreases the driving time over long distances. It provides an alternative to expressways for small and medium-sized cities in China, particularly those without an elevated expressway, helping extend the reach of cities. ”

-- Huang Xiaoling, an instructor at the Traffic Police Detachment Command Center of Zhoushan Public Security Bureau, noted.



Scan the QR code for more information (in Chinese)

**Case****Intelligent management of pipe networks ensures healthy urban operation**

The daily life of residents is sustained by urban pipe networks such as gas, water, bridges, heat, and electricity. These crisscrossed networks are often described as "a city's lifelines". According to statistics, the total length of lifelines in Chinese cities is about 3.1 million kilometers, which also keeps growing every year. How to monitor them in real time and detect faults in a timely manner has become a great challenge to their healthy operation.

Hikvision's "Integrated Application Platform for Urban Lifeline Industries" is designed to summarize data on urban infrastructure in real time and enable a closed-loop procedure of "sensing-monitoring-warning-handling-supervision". By integrating all connected sensors and images into an operation map of urban pipe networks, the platform may build a panoramic view of city operations, making urban management more intuitive and structured.

- **Ensuring safe gas use**

It monitors key areas in real time, and automatically sends an alert in the event of irregularities such as leakage, excessive concentration, and damage caused by construction, so as to avoid safety accidents and guarantee gas supply;

- **Supporting flood prevention**

It collects data and releases warning notices on water levels at waterlogging spots to assist with urban drainage and flood prevention, which protect passing pedestrians and vehicles;

- **Checking bridge health**

It sends real-time alerts of minor girder displacement, bridge rail damage, rebar exposure, and other hazards, which serves as a data support for ensuring bridge health;

- **Monitoring underground utility tunnels**

It helps ensure the normal supply of electricity, gas, and water through real-time monitoring of utility tunnels' structure, electrical equipment, fire protection facilities, and environmental status.



Scan the QR code  
for more information (in Chinese)

## Case Big data and AI technology builds up safety defense at Qiantang River

During the flood season, the Qiantang River’s water regime changes at a faster speed, which leads to a sharp increase in complicated conditions. Only by having timely access to water level, flow velocity, flow volume and other information can we effectively build a safety defense for the river. However, the traditional manual monitoring of hydrological data is time-consuming, labor-intensive, and less timely. Moreover, as images and videos cannot be saved, data verification is difficult.

Since the establishment of a joint laboratory by Zhejiang Provincial Hydrological Management Center and Hikvision in 2019, the two parties have developed a digital twin of the Zhijiang Hydrological Station to meet the requirements of digital twinning of river basins and hydrological modernization, supporting Zhijiang Hydrological Station’s upgrade to an information-based, intelligent and modern facility.

Remote monitoring equipment is applied to inspect the Qiantang River in real time 24 hours a day and transmit the data to the back-end, making hydrological inspections more efficient. And technologies such as video assisted water

level meters and back-end water level identification algorithms work to intelligently identify water levels and save on-site pictures to facilitate data verification.

The Overall Every Control and Clear (OEC) Management Application is connected to all hydrological data, which can automatically count and calculate, visually present data changes, help hydrologists to instantly see the value and time of the highest and lowest water levels of the day and compare deviations from historical data. The system also automatically calculates the difference between the primary and secondary monitoring equipment. When the discrepancy is too large or the data is missing, the staff is notified to make corrections.

When there is rainfall, the staff may check real-time data such as water level, flow rate, and rainfall volume by simply turning on the computer, while also viewing changes in supplies, inspection tasks, and other information. As a result, the Qiantang River is under increasingly intelligent protection.



“

These modern technological means have improved our examination methods, raised our work efficiency, and made hydrological management more orderly.

--According to Shao Jiajian, an engineer at the Zhijiang Hydrological Station



HIKVISION

## Digital Village

A village is a geographic complex with special natural, social, and economic properties. It offers functions associated with production, life, environment, and culture, and interacts with cities and towns for shared development. Together they constitute a primary space for human activities. Hikvision brings its AIoT technology to the fields, adding intelligence to the pleasant life in the countryside.

### Case

## Big data and AI technology enables one-click management of 150,000-square-meters greenhouses

Shaoxing City, Zhejiang Province is home to a number of superior fruit growing bases, and Zhuji Chunhe Ecological Garden is one of them. Breeding high-quality fruits in this huge orchard requires more meticulous and agile management. How to maintain the growing environment stable, adapt to the changing weather, and reduce farming mistakes... These concerns are gradually being addressed thanks to the introduction of digital technology.

Hikvision has assisted Chunhe Ecological Garden to build an intelligent production and operation management system. Based on AIoT equipment and a digital planting management platform, the system has enabled the digital transformation of agricultural production management:

- As videos, illuminance, soil temperature and humidity, air temperature and humidity and other growing information of premium fruits such as Summer Royal Black grapes may be viewed in real time on a mobile phone, farmers no longer need to check different instruments one by one every day to record data.
- The digital planting management platform displays not only basic information such as plant types and planting areas, but also the distribution and real-time status of facilities and equipment, as well as real-time images and sensor data throughout the planting process. Thanks to digital technology, excellent farming expertise can be accumulated.

AIoT technology is hoped to help improve the efficiency of agricultural production management and establish intelligent, high-quality and modern agricultural bases, inspiring neighboring farmers to embark on the journey of ecologically efficient agricultural development.



## Case Smart agricultural applications boost smart planting in Wuhan

Jiangxia District, located in the south of Wuhan, is surrounded by mountains and rivers and has an abundance of vegetation, which makes it a key agricultural area in the city. Hikvision has developed number of smart agricultural applications for Jiangxia to comprehensively improve the regulatory efficiency, services, and productivity of the local agricultural industry, allowing agriculture, which has always been "depending on the growing environment", to make agile changes in response to natural conditions.

IoT sensing devices, environmental index sensors and smart cameras are placed in the fields to monitor plant growth and environmental changes in real time 24 hours a day. Meanwhile, a pest monitoring and reporting system is equipped to transmit data back to the system. This allows plant protection officers and farmers to remotely check pests and crop growth in real time without going to the field, and take timely measures to reduce insect pests, improve crop quality, and maintain food output.

Furthermore, greenhouse planting may also be managed remotely, with a greenhouse climate warning mechanism and an automatic control system applied to make sure that the plants are in an appropriate growing environment. With the support of AIoT, farmers may view and control the underwater "climate" for aquatic products. And for livestock and poultry farming, the management efficiency of farms is boosted by intelligent environmental control, inspection and early warning, and an intelligent energy management system.

“ Hikvision’s technology has allowed us to more strictly control the quality of the agricultural products we grow. With labor better allocated, we farmers have greatly cut production costs and received higher returns. ”

--Mr. Li, a farmer in Jiangxia District

浮游生物  
10 µg/L

浮游生物  
10 µg/L

6mg/L

**Case** Breeding "digital hairy crabs" in Taihu Lake

River crab farming is a pillar of the fishery in Taihu Lake, as well as a major source of income for many farmers. The farmers used to raise crabs based on experience and deal with sudden environmental changes in passive ways.



Suzhou Laomao Agricultural Technology Co., Ltd. has introduced the digital fishery management platform jointly launched by Hikvision and Suzhou Jiean Information Technology Co., Ltd. Powered by technologies including AIoT and big data, the platform aims to support the healthy growth of hairy crabs. Using the platform, crab farmers can not only check basic information such as the breeding area and crab categories, but also view a wide range of real-time information, such as the pass rate and quality of water, as well as records and data on the environment, diseases, etc.

With the help of technology, crab farmers are better positioned to cope with extreme weather such as high temperatures. And as their breeding experience grows, the quality and size of Taihu hairy crabs have improved compared with prior years, earning more trust from consumers.

# Good Planet

A Chinese saying goes that "all things need a harmonious environment to grow, and must receive appropriate nourishment and care to thrive." Man and nature form up into a living community. Humans must respect nature, conform to it, protect it, and seek development opportunities amid the harmonious co-existence with it. By unleashing the power of AIoT, Hikvision continues to protect the nature, improve the environment, and advocate for green and low-carbon development, in a bid to foster the harmonious co-existence of man and nature.

## Environmental Protection

As humans share a planet with many other creatures, protecting them is protecting ourselves. Ecosystems such as forests, wetlands, and oceans contain ample natural resources and play a crucial role in maintaining biodiversity – the foundation for the stability and sustainability of ecosystems. We wish to protect diverse ecosystems using innovative technologies and help preserve nature via extensive exploratory and practical efforts.

### Case

### Protecting millions of migratory birds and their home in Dongtan, Shanghai

The Shanghai Chongming Dongtan Birds National Nature Reserve (Dongtan Reserve), situated at the estuary of the Yangtze River, is a key stop on the East Asian–Australasian Flyway. The wetland here provides an irreplaceable stopover and wintering location for nearly one million migratory birds every year, making it an important "post station" for migratory birds.

In order to better protect migratory birds in Dongtan, Hikvision has collaborated with One Planet Foundation to set up video sensing devices in the work area of the World Wide Fund for Nature (WWF). The equipment can assist patrols, engineers and other protection zone workers with bird watching and collect more complete data, granting a more scientific basis for the environmental protection work in Dongtan.

Today, more than 200 species of birds have been documented in WWF’s operating area, an increase of 50 species from when it first started working in the protection zone. Dongtan has also been visited by spoon-billed sandpipers, which have a breeding population of less than 500 around the world, as well as rare birds such as laughing gulls, Dalmatian pelicans, and Chinese crested terns.

“

Birds are so sensitive that they flee as soon as people approach. Because monitoring staff cannot always stay in the wild, it is difficult to record and observe bird behavior, especially reproduction, up close. Video equipment helps us collect more data, make better responses and improve our management

”

--An employee participating in a bird monitoring project in Dongtan

“

I’m delighted to see more and more birds living a better life in the area I manage – some having babies, some surviving the winter, and some passing by safely.

”

--An employee participating in a bird monitoring project in Dongtan



Scan the QR code for more information (in Chinese)

©WWF/刘洁芸

HIKVISION

### Case Accompanying the growth of the "loneliest" grape species in Beijing

Baihuashan grapevine (*Vitis baihuashanensis*) is a wild plant with a tiny population. The two extant wild specimens were discovered around Beijing in 1984 and 2016, earning the title of "the 'loneliest' grape in the world". According to the International Union for Conservation of Nature's Red List evaluation system, Baihuashan grape is classified as "critically endangered", which is more than 1,000 times more endangered than giant pandas in terms of quantity.

Since 2021, Hikvision has worked with the Songshan National Nature Reserve's management office on the cultivation and protection of the "second-generation seedlings" of Baihuashan grape. Video assisted perception equipment is used for real-time video monitoring and continued recording of the seedlings' growth. This gives the reserve staff real-time access to the growth of Baihuashan grape at all times, providing basic information to support its preservation and research.

“ The biosphere on the earth is a community of life. Unfortunately, some species have vanished from the planet before we know them, which makes existing species precious heritages having undergone hundreds of millions of years of evolution. Only by preserving rare wild plants can we maintain the stability of the life community. ”

--An employee at Songshan National Nature Reserve, Beijing



The leaves of Baihuashan grape are palmately divided or totally divided, which distinguishes it from other grape varieties



# Energy Saving and Carbon Reduction

China's new environmental protection policy is characterized by a focus on carbon reduction, the promotion of the comprehensive green transformation of economic and social development, and the improvement of ecological and environment quality through an upgrade from quantitative change to qualitative change. While pursuing its own low-carbon development, a business should continue to drive industrial energy conservation and emission reduction with technological innovation and scientific management. This not only benefits its sustainable development, but also helps create social value. Bearing such in mind, Hikvision has launched a platform named "Double Carbon Brain" to satisfy the demands of different users such as industrial parks and governments for energy consumption collection and carbon emission control, as part of its efforts to promote green and low-carbon development of society.

## Case Assisting Ningxia Guyuan Economic and Technological Development Zone with energy saving and carbon reduction

Hikvision launched the "Double Carbon Brain" platform in 2022 to support industrial parks and enterprises for "carbon data viewing, analyzing, managing and collecting", making carbon reduction more intuitive and controllable.

Thanks to the "Double Carbon Brain", the Administration Committee of Ningxia Guyuan Economic and Technological Development Zone now has access to the energy consumption data of **219 enterprises** in the park and can monitor all enterprises' energy consumption plans and send alerts in the case of excess consumption. This enables the campus to manage its total energy consumption and intensity and enhance its energy operation efficiency, thereby achieving energy conservation and carbon reduction goals.



### Carbon Management Application

It gathers real-time data on energy consumption, coupled with a closed loop of measurement-assessment-calibration-optimization

### Carbon Emission Traceability

It offers a traceability analysis of emission data of key industries such as rubber products, basic chemical raw material manufacturing, and synthetic material manufacturing

### Carbon Panorama

It provides a panoramic view of the carbon emission ratio, total carbon emission and emission intensity of the three industrial parks – New Material Park, Light Industry Park and Qingshuife Park

## Pollution Prevention and Control

Pollution prevention and control is a complex social topic today, due to the numerous ecological and environmental elements such as animals, plants, land, rivers, seas, and the atmosphere, as well as the widely distributed sources of pollutants and intricate pollution mechanisms. It is hence imperative to use scientific and technological means for more precise and effective pollution prevention and control. At Hikvision, scientific and technological innovation is leveraged to facilitate precise and scientific pollution control, with the goal of preserving our blue sky, clean water and pure land.

### Case

## Examining water quality through "a beam of light" within 20 seconds

In 2022, Hikvision released its upgraded hyperspectral water quality monitor:

- **Optimization of spectral lens' optical path:** To improve the spectral stability in complex working environments, thereby making monitoring data more stable;
- **Addition of tilt lens:** To greatly reduce the difficulty of on-site installation;
- **Upgrade of software extension functions:** To support the connection with external water quality sensor probes, so as to monitor other water quality parameters.



The water quality of a branch channel of the Yellow River Basin in North China used to be rated as below Class V due to the eutrophication caused by local discharge of aquaculture sewage. The conventional manual sampling procedure was subject to many environmental restrictions, which usually took more than 4 hours to generate monitoring results. Without real-time access to water quality data, it was difficult to trace the discharge sources. Moreover, chemical reagents are commonly used in traditional sampling methods, which may cause secondary contamination of the atmosphere, water, and soil.

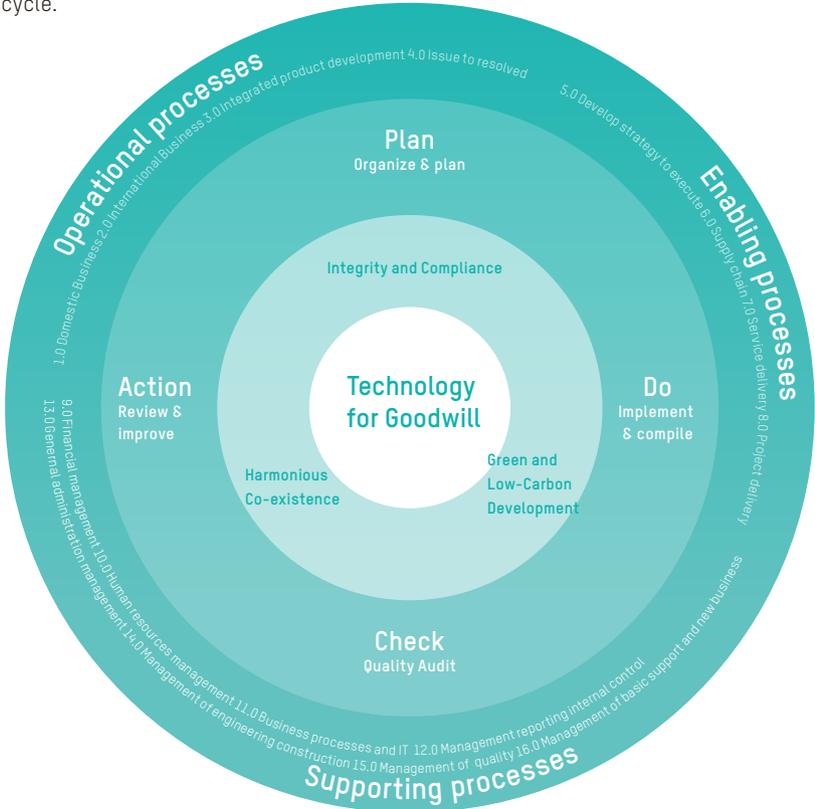
In 2022, 16 Hikvision hyperspectral water quality monitors were installed along the river. They are able to capture key water quality parameters such as chlorophyll, pH value, total nitrogen, total phosphorus, ammonia nitrogen, and suspended matters in **20 seconds**, independent of environmental factors such as temperature, humidity and lighting. Then water quality monitoring data from different spots is aggregated via the software platform to help local workers access water quality changes in real time and detect water pollution in time. This provides technical aid in tracking pollution sources and identifying unlawful sewage discharge - a huge help in pollution traceability and other river remediation activities.

# ESG Management



# ESG Management Philosophy and Framework

By integrating corporate social responsibility and sustainable development philosophy into our business, and driven by technological innovation, Hikvision is committed to becoming a well-respected global technology company. Based on the aforementioned ESG management philosophy, combining with the Company’s core competencies and the demands and expectations of different stakeholders, we have identified **Technology for Goodwill** as the core of the Company’s ESG development, alongside three focuses: **Integrity and Compliance, Green and Low-Carbon Development, and Harmonious Co-existence**. With the support of Hikvision’s various processes, a closed loop from information and report disclosure to upgrading and continuously improving ESG management has been formed based on the “Plan, Do, Check and Action” (PDCA) cycle.



Hikvision’s ESG Management Framework



Hikvision’s ESG Management Core and Focuses

## ESG Honors and Awards

During the reporting period, Hikvision won a number of awards, including:

- *The Most Socially Responsible Listed Company of 2022* hosted by *Stockstar.com*
- *The China ESG Golden Awards – 2022 Outstanding Social (E) Responsibility Award* hosted by *Sina Finance*
- *No.26 in the Top 100 Chinese Enterprises with Best Scientific Innovation 2022* hosted by *Southern Weekly*
- *The 2021-2022 Most Respected Enterprise in China* hosted by *The Economic Observer*
- *The 2021 Award for Most Investment Value* hosted by *China Securities Journal*
- *The Top 100 Most Valuable Chinese Main Board Listed Companies, the Top 100 Main Board Listed Companies with Best ESG Performance, and the Annual Outstanding Management Team of Chinese Listed Companies in the 16<sup>th</sup> China's Most Valuable Listed Company Selection* hosted by *Securities Times*.
- Huang Fanghong, the Company's board secretary, was honored the *2021 Golden Bull Award for Board Secretary* by *China Securities Journal*, and the *Outstanding Board Secretary of Chinese Listed Companies in the 16<sup>th</sup> China's Most Valuable Listed Company Selection* hosted by *Securities Times*.



No.26 in the Top 100 Chinese Enterprises with Best Scientific Innovation 2022 by Southern Weekly

Most Socially Responsible Listed Company of 2022 by Stockstar.com

2021-2022 Most Respected Enterprise in China

China ESG Golden Awards – 2022 Outstanding Social (E) Responsibility Award

# Stakeholder Engagement

The material issues have updated with reference to the industrial issues concerned by the GRI Standards, capital market rating agencies, and peer companies, and according to Hikvision's operational characteristics. Also, we have investigated the six types of stakeholders via interviews and questionnaires, updated their focuses, sorted through and optimized their communication and participation mechanism, so as to better respond to the demands and expectations of stakeholders.



Hikvision's Stakeholders

Stakeholder	Issue of concern	Way of communication	Response
Shareholders/ investors	Economic growth Sustainable operation R&D innovation	Regular report/interim announcement On-site research Telephone communication Email correspondence Performance briefing/roadshow	<ul style="list-style-type: none"> <li>Maintaining steady economic growth</li> <li>Adhering to the business philosophy of legal compliance and establishing a sound compliance ecosystem</li> <li>Continuing to expand the business and developing industry-leading products and solutions</li> </ul>
Government & regulators	Tax payment Addressing social issues R&D innovation Environmental protection	Regular report/interim announcement Letter Site inspection	<ul style="list-style-type: none"> <li>Operating in compliance with laws and regulations</li> <li>Launching innovative products and solutions with a focus on social development needs</li> <li>Promoting the Company's low-carbon transformation, continuing to improve the environmental attributes of products, and broadening the application scenarios of products and solutions in the field of environmental protection</li> </ul>
Customers	R&D innovation Product safety and quality Privacy and information security	Hotline Information feedback Satisfaction survey	<ul style="list-style-type: none"> <li>Empowering people's better life with a wider business scope</li> <li>Establishing a robust quality management and cybersecurity management system, and continuing to improve service quality</li> </ul>
Employees	Compensation and benefits Professional development Occupational health and safety Employee care	Health check-up Professional training Activities	<ul style="list-style-type: none"> <li>Providing competitive compensation and benefits</li> <li>Paying attention to the development demands of all employees, and providing diversified training resources and career opportunities</li> <li>Prioritizing employee health and safety, and ensuring proper health management and work safety</li> <li>Fostering a people-oriented corporate culture, encouraging employee communication, and providing employee care</li> </ul>
Partners	Honesty and trustworthiness Supply chain management Data security	Public tendering Site inspection Suppliers' meeting	<ul style="list-style-type: none"> <li>Pursuing the business philosophy of honesty and trustworthiness</li> <li>Incorporating the concept of sustainability in every stage of supply chain management, and working with suppliers to enhance sustainable development capabilities</li> <li>Supporting and applying internationally recognized cybersecurity standards and best practices, and comprehensively enhancing the Company's security defense</li> </ul>
Communities	Community communication Environmental protection	Activity Media coverage Interview and investigation	<ul style="list-style-type: none"> <li>Concerning about the community development, and engaging employees and a broader range of stakeholders in volunteering services</li> <li>Reducing the possible negative impact of the Company's operations on the environment, and applying technological innovation to address environmental issues</li> </ul>



## Case ESG Conference: An ESG communication platform with global influence

Hikvision held the Global ESG Conference in Geneva, Switzerland in September 2022 in order to have extensive exchanges with external stakeholders, learn from advanced experience in sustainability management and practice, and explore opportunities of cooperation on sustainable development.

Internal and external guests such as employees, customers, partners, and consultants were invited to the conference to have constructive discussions on key ESG issues and priorities such as business ethics, human rights compliance, corporate governance, and cybersecurity. In November 2022, the Company continued to hold two ESG conferences in Dubai and Tel Aviv, respectively, so that the "Hikvision's voice" will be heard by more people.

Hikvision looks forward to hosting more ESG conferences across countries and regions to show our efforts in fulfilling our responsibilities as a global corporate citizen. At the same time, the initiative is expected to serve as a platform for employees and partners to participate and work together, creating lasting value and improving social wellbeing.



# Identification of Material Issues

During the reporting period, we organized interviews or surveys with nearly 150 internal and external stakeholders to learn about and analyze our material ESG issues. Through this process, we have gained a thorough understanding of the expectations, suggestions and development needs of stakeholders for Hikvision and we have analyzed the material issues. All these efforts are expected to lay a foundation for us to improve the Company's ESG management and information disclosure.

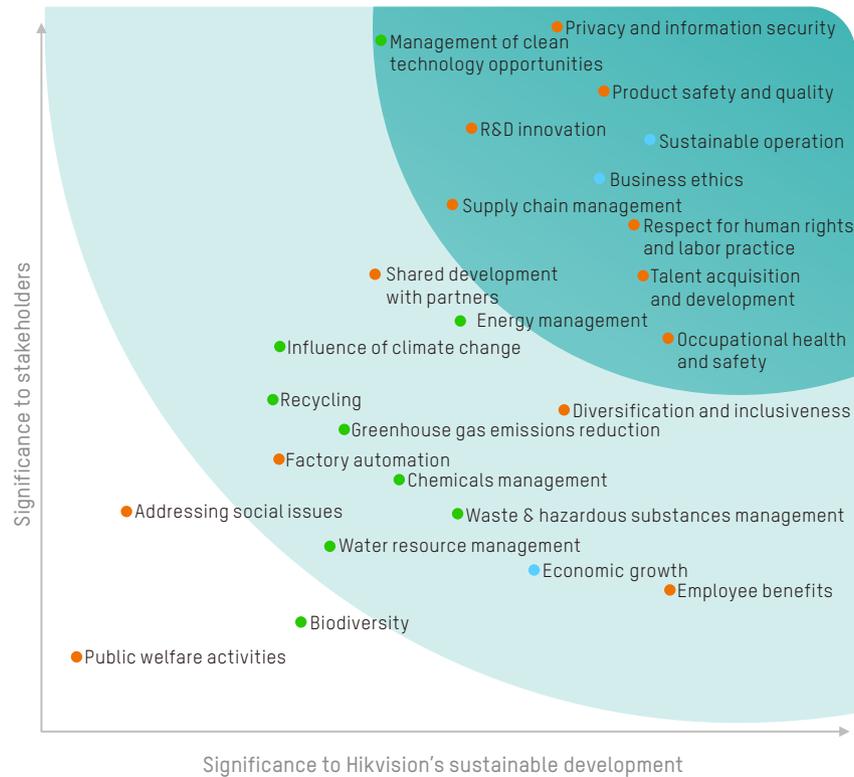


Materiality Assessment Process

**Stakeholder assessments of material issues in 2022 were as follows:**

In the category of "society", "occupational health and safety" was raised to high importance; while in the category of "environment", "energy management" was reduced to moderate importance, "biodiversity" to low importance, and "recycling" of medium importance was added.

Finally, 10 issues of high importance, 12 issues of moderate importance and 3 issues of low importance were identified. Among them, we will focus on the disclosure of highly important issues in the subsequent chapters of the Report.



Level of importance	Category	Issue
High importance	Governance	01 Business ethics
		02 Sustainable operation
	Society	03 Privacy and information security
		04 Product safety and quality
		05 R&D innovation
		06 Occupational health and safety
		07 Talent acquisition and development
		08 Respect for human rights and labor practice
		09 Supply chain management
		10 Management of clean technology opportunities
Environment	10 Management of clean technology opportunities	
Moderate importance	Governance	11 Economic growth
	Society	12 Factory automation
		13 Shared development with partners
		14 Employee benefits
		15 Diversification and inclusiveness
		16 Chemicals management
	Environment	17 Waste & hazardous substances management
		18 Energy management
		19 Water resource management
		20 Greenhouse gas emissions reduction
		21 Influence of climate change
		22 Recycling
23 Biodiversity		
Low importance	Environment	23 Biodiversity
	Society	24 Addressing social issues
		25 Public welfare activities

## Governance Responsibility

# Optimized Governance and Robust Operations

Honoring the business philosophy of "professionalism, honesty, and integrity", Hikvision has always regarded integrity and compliance as key pillars for business operations. We make compliance concepts, regulations and procedures an integral part of our global presence and management, hoping that every employee puts the "pursuit of rightness and compliance" into practice on a daily basis.

## Contribution to UN SDGs



## Key Performance

### Corporate Governance:

- 4 General Meetings of Shareholders were held to review 31 proposals; the Board of Directors convened 8 meetings to review 61 proposals; the Board of Supervisors convened 7 meetings to review 37 proposals; and the committees convened 13 meetings to review 31 proposals

### Compliance Ecosystem:

- A governance framework consisting of "three defenses" and "one ecosystem" was established to consolidate internal compliance governance
- The *Hikvision Whistleblowing Policy* was published to encourage reporting of any misconduct or potential compliance risk
- 99.54% of our staff had signed the *Employee Integrity Commitment*
- 43 compliance training sessions were delivered, with a total of 80 training hours, and 50,000 participants

### Business Continuity:

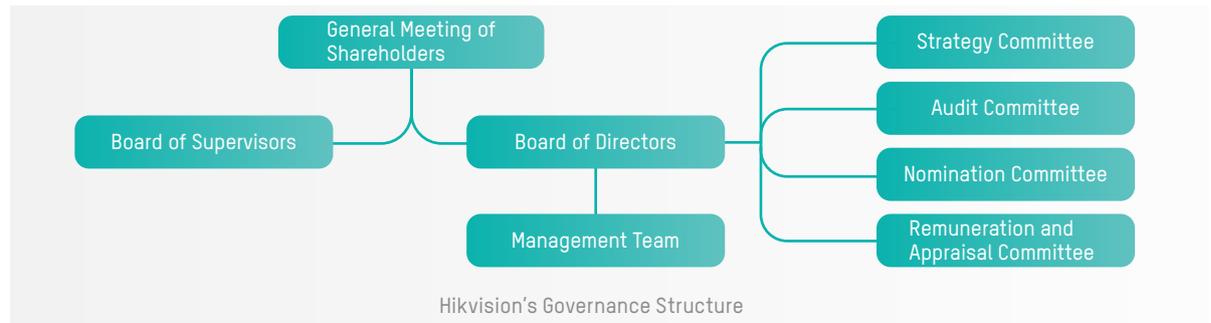
- Hikvision was granted the Business Continuity Management System Certification by China Quality Certification Center

# Steadily Advancing Corporate Governance

Hikvision strives for a healthy and sound corporate governance system. We have built a governance structure with well-defined authorities and responsibilities as required by national laws and regulations. The Board of Directors, comprised of members with diversified leadership, aims to push the Company to establish comprehensive internal management and control regulations, thereby enabling standardized company operations and improving corporate governance.

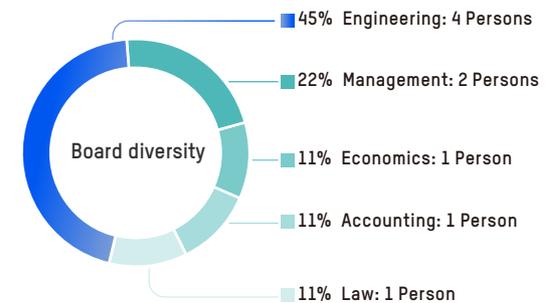
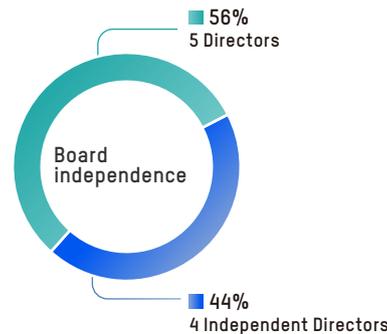
## Governance Structure

The Company builds its corporate governance structure under a modern enterprise system. The General Meeting of Shareholders is set with a Board of Directors and a Board of Supervisors. It is the duty of the Board of Directors to lead the decision-making surrounding operation and management, review and approve strategic goals, and supervise and inspect the Company's businesses, strategic decisions and performance. Subordinate to the Board of Directors are a Strategy Committee, an Audit Committee, a Nomination Committee, and a Remuneration and Appraisal Committee – all responsible for examining specialized issues in corporate governance operations.



## Board of Directors

Pursuant to the Articles of Association, the fifth Board of Directors is consisted of 9 directors, 4 of whom are independent directors. The term of office of the directors is three years, starting from the date of voting and approval by the General Meeting on March 5, 2021. The Company is convinced that a diversified structure is essential to improving corporate governance. Therefore, the present directors boost a wide range of professional backgrounds and expertise, including engineering, management, economics, accounting, and law.



# Establishing Compliance Ecosystem

Hikvision pursues honest, trustworthy, and compliant operation. Continued efforts are put to the establishment and improvement of our compliance system. We have established and are constantly improving the compliance organization structure and operating mechanism across management and business divisions. At the same time, the Company has built a multi-level rule framework that covers compliance policies/statements, industry-specific compliance governance specifications/codes, and compliance guidelines for all business units and segmented scenarios. Compliance culture-themed activities are organized on a regular basis to raise employees' compliance awareness and stimulate their compliance practices

## Strengthening Compliance System Construction

We have a Global Advisory Committee to provide the management with broader insights, independent expertise and suggestions. The committee members include authoritative experts in international policy and relations, corporate governance, cybersecurity, data protection, human rights governance and many other professions. Meanwhile, a Technical Ethics Committee is set up to put into practice the Company's understanding of "Technology for Goodwill". With due respect for cross-national or regional gaps around the world, it helps balance the different demands of stakeholders.

In addition, we have appointed compliance liaisons in our headquarters' functional departments, businesses and branch operations at home and abroad. By extending our compliance organization and capacity to all internal units, we seek to enhance our resistance to compliance risks and properly put compliance policies and measures in place.

During the reporting period, we continued to review and optimize the Company's compliance governance system, consolidate the compliance governance framework of "three defenses" and "one ecosystem". We are committed to integrating the awareness of "everyone is a compliance officer" into the daily business behavior of every employee and effectively building a compliance ecology for customers, users, suppliers, partners and other related parties.



"Three-defense" Structure

## Promoting Compliance Practices

While developing express and executable regulations and optimizing business procedures, Hikvision endeavors to make sure that its compliance guidelines are strictly followed across all dimensions such as business ethics, tax compliance, trade compliance, human rights governance, and responsible marketing. Our compliance management measures are subject to regular evaluation for improved efficiency and effectiveness.

### Whistleblower Protection Mechanism

Hikvision goes to great lengths to keep whistleblowers' personal information confidential and protect their legitimate rights and interests. The Company does not tolerate retaliation in any form, and will take all necessary information security measures to protect whistleblowers' personal information and information reported from disclosure and unauthorized access, alteration or destruction.

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

Hotline	0571-86611816
E-mail	jubao@hikvision.com

## ● Business Ethics

Hikvision attaches great importance to business ethics and anti-corruption work and has established the Integrity and Ethics Compliance Committee as the top-level organizational guarantee. We advocate the corporate core value of "integrity and pragmatism", and actively regulates employees' business and functional behaviors based on laws and regulations applicable to business operations, internal and external norms such as the *Hikvision Code of Ethics and Business Conduct* and the *Hikvision Global Anti-Bribery and Anti-Corruption Manual*, as well as high-standard business ethics requirements. We strengthens professional ethics and conduct training for employees, suppliers, and customers to create a clean and law-abiding business ecology with win-win cooperation.

We have established a regular assessment and audit monitoring mechanism for business ethics and corruption risks in our internal audit system to continuously promote the effectiveness and review the risk exposure of the implementation of our business ethics and anti-corruption-related policies, procedures, and codes of practice in our business units, departments, and other corporate operations. We also focus on and evaluate business ethics and corruption risk clues reported from complaint channels. We combine risk assessment and analysis results to drive internal control improvements and enhancements.

## ● Tax Compliance

We have developed a comprehensive set of tax management regulations, including the *Hikvision Tax Risk Management Policy*, the *Hikvision Group Guidelines for Transfer Pricing Policy Framework*, the *Tax Management Policy for Overseas Branches*, and the *Risk Management Regulations for Standing Overseas Business Organizations*. These documents have specified management objectives, organizational responsibilities and scope of work, risk identification and assessment, risk response and control, information communication, supervision and improvement, and many other aspects, requiring the Company to appropriately control tax risks, prevent tax violations, and fulfill tax obligations while avoiding potential legal penalties, financial loss, or reputational damage.

Hikvision adheres to the concept of fair and proper competition, participates in the market in a legally and ethically compliant manner, and has established a mechanism to review and update its anti-monopoly compliance policy regularly. During the reporting period, we examined the published anti-monopoly compliance guidelines and country-specific guidelines in light of the legislative, enforcement, and judicial practices of anti-monopoly laws and regulations, revised the *Hikvision Anti-Monopoly Compliance Guidelines* and the *U.S. Anti-Monopoly Compliance Guidelines*. And we have updated the *Anti-Monopoly Compliance Guide for Saudi Arabia* and the *Anti-Monopoly Compliance Guide for Colombia* to expand the coverage and depth of anti-monopoly compliance governance continuously.

In 2022, the Company published the *Hikvision Whistleblowing Policy* (in both Chinese and English) to encourage and support all stakeholders, including employees, customers, users and suppliers to report any misconduct of the Company, such as a suspected violation of laws, regulations or moral codes, or any potential compliance risk. Also, there are a number of whistleblowing channels available at Hikvision to ensure that the information reported is smoothly communicated and efficiently handled.

As part of its efforts to improve its local tax management system, the Company compiled the *Management of Tax Registration of Overseas Branches* and the *Tax Declaration Procedure and Operation Guide for Overseas Subsidiaries*, added the German and British rules in the *Tax Guidelines for Overseas Subsidiaries*, and updated the tax guidelines for several countries during the reporting period.

Hikvision has received Class A credit rating as a taxpayer for many years in a row, and has signed the *Tax Compliance Cooperation Agreement* with the Zhejiang Provincial Tax Bureau, demonstrating high recognition by regulatory authorities.

## ● Trade Compliance

Hikvision adheres to global operations, continues to improve the global trade compliance system, and complies with applicable laws and regulations on export control and economic sanctions in major countries, organizations and economies around the world, such as the UN, the EU, China, and the US, and effectively fulfilling its trade compliance responsibilities. During the reporting period, the Company further refined the country-specific compliance guidelines for trade compliance, formulated and issued the *Hikvision UK Export Controls Policy* and reviewed and optimized the trade compliance control initiatives and processes to enhance management completeness and maturity, taking into account the legislative and enforcement dynamics and practices of export control and economic sanctions.

During the reporting period, we were active in addressing the further sanctions and market access pressure from the US, by maintaining communication and dialogue with relevant government departments, mainstream media and all stakeholders to clear misunderstandings and eliminate doubts. Regarding the Federal Communications Commission's (FCC) ban on new product authorizations, we actively submit complaints and legislative opinions, and filed a petition for review with the U.S. Court of Appeals for the District of Columbia Circuit on February 13, 2023, seeking judicial relief to safeguard the Company's rights and interests. Furthermore, we have strengthened our capabilities of preventing supply chain risks, so as to be better positioned to continue operational resilience amid external uncertainties.

## ● Human Rights Governance

Throughout business operations, Hikvision honors the human rights as stipulated in the *Universal Declaration of Human Rights*, the *International Covenant on Civil and Political Rights*, the *International Covenant on Economic, Social and Cultural Rights*, and the *ILO Declaration on Fundamental Principles and Rights at Work*. At the same time, we refer to internationally recognized standards such as the *United Nations Guiding Principles on Business and Human Rights* and strive to integrate these provisions into our policies and work processes. Our top-level compliance policy, the *Hikvision Code of Ethics and Business Conduct*, includes "making equality without discrimination", "prohibiting human trafficking, child labor, and forced labor", and "respecting and protecting human rights" as fundamental principles. We also implement our corporate responsibility to protect human rights by creating a good working environment, building a responsible supply chain, and practicing technology for good. We are committed to continuously strengthening our ability to exercise due diligence and business judgment, avoiding actions that impede human rights through misuse of products and technologies, and constantly improving compliance with our business activities.

During the reporting period, we developed and released the *Statement on Combating Slavery and Human Trafficking*. At the same time, we held global ESG conferences to communicate and convey our human rights governance philosophy and practices to relevant institutions, organizations, customers, partners, employees, consultants, and other stakeholders, to discuss human rights governance challenges and solutions considering business enterprises, and to seek best practices in the industry continuously.

## ● Responsible Marketing

In marketing management, Hikvision abides by the *Advertising Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers*, and applicable laws and regulations of the jurisdictions where we operate. Internal regulations such as the *Sales Management Policy* and the *Ten Red Lines for Integrity Practices* are also available to regulate the behavior of marketers and dealers. This ensures the accuracy, truthfulness and legality of the information communicated, and protects the legitimate rights and interests of consumers. Throughout the reporting period, we have not been imposed with any regulatory punishment arising from marketing violations.

During the reporting period, we continued to expand our digital marketing matrix, and assured responsible and compliant marketing through stringent content, legal and cybersecurity censorship mechanisms. Alongside the constantly upgrading marketing strategies, pre-sales and sales teams were organized to receive management capability enhancement training and other specialized training.

### Promoting Compliance Culture

As a proponent of "pursuit of rightness and compliance", the Company strives to instill compliance awareness in every employee's daily work and practices, and considers it a long-term growth goal. During the reporting period, Hikvision held the Compliance Culture Month activity, and publicized information on anti-corruption, anti-bribery, fair competition, export control, data protection, intellectual property rights, and external communication through compliance training, compliance quizzes, compliance salons and other activities, fostering a compliance culture among all employees.

#### Compliance Salon

A compliance forum and a software compliance salon were held, where a number of external lawyers, scholars, and experts were invited to give keynote speeches. The activities attracted hundreds of participants.



#### Compliance Promotional Video

The compliance promotional video was filmed by department leaders and core employees, who shared their stories to encourage compliance actions.



#### Compliance Training and Quiz

The Company organized compliance training covering tailored and closer-to-business topics, such as code of business conduct, together with a compliance quiz, for global employees.



#### Compliance Booth

During the Compliance Culture Month, a compliance booth was set up to display compliance promotional materials and publicize compliance culture.



Hikvision's Compliance Culture Activities

# Ensuring Business Continuity

As a complex and ever-changing external environment usually poses a great deal of challenges to business operations, maintaining resilience during times of uncertainty is essential for an enterprise to grow steadily and retain a competitive edge in the market.

Hikvision adheres to the path of high-quality development in the face of uncertainty. With focus on quality stability, data security, and supply chain continuity, we work to prevent and reduce possible losses caused by operational risks for the purpose of business continuity. During the reporting period, Hikvision was certified by the Business Continuity Management System – a testament of its mature and reliable business management capabilities.



Hikvision's Business Continuity Management System Certification

## Quality Stability

We follow the product quality management guideline of "leading technology, quality first, customer satisfaction, continuous innovation" and run a sound quality management system. Ongoing efforts are spared to optimize the development of procedures, tools, methods and culture for quality management surrounding business and management objectives. Moreover, a closed-loop management mechanism spanning from standards formulation, staff empowerment, process improvement, evaluation improvement is enforced to ensure that both quality management regulations and actions are in place at Hikvision.

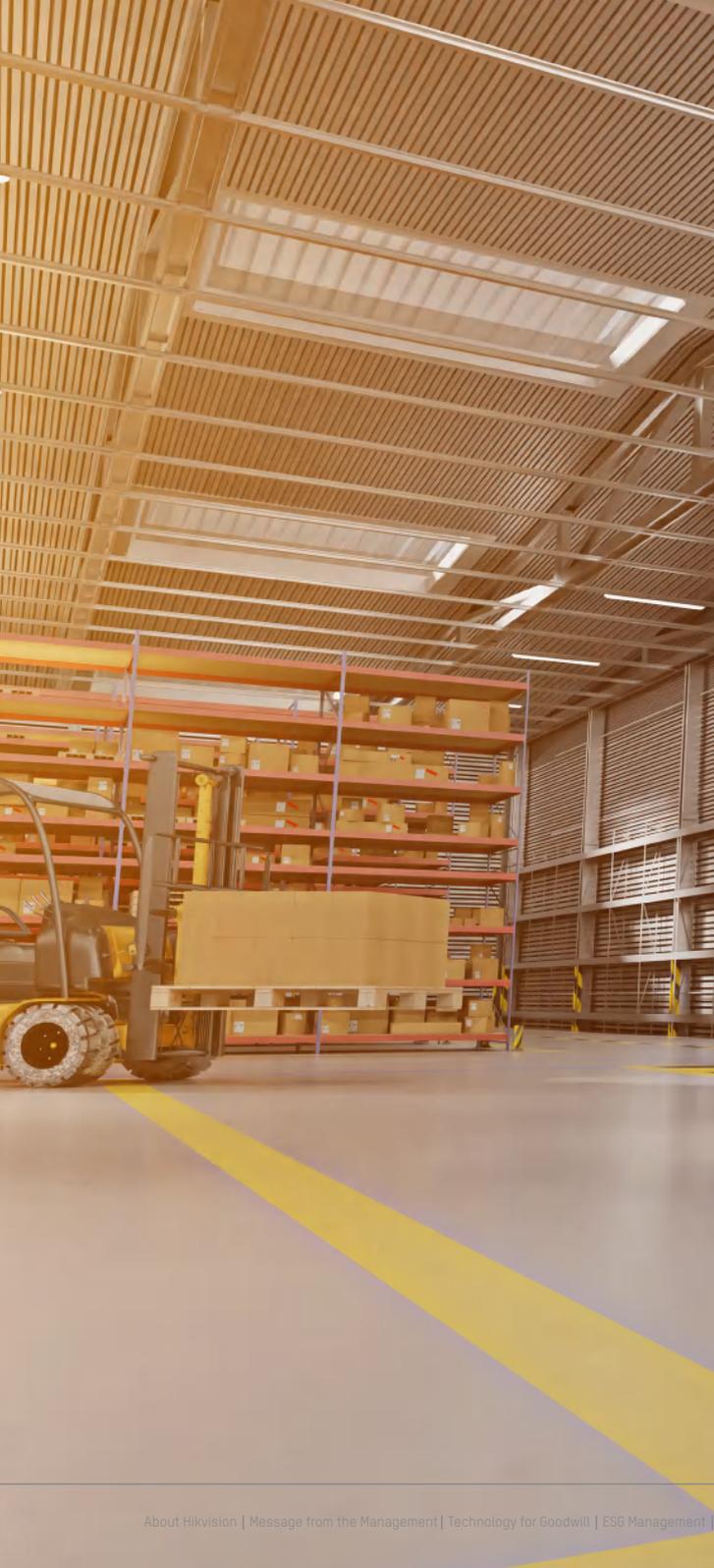
To address quality issues more efficiently, the Company launched a multi-dimensional quality management improvement project during the reporting period. We took control and optimization measures to effectively lower related indicators such as the annual defect rate, and the number of serious/very serious customer problems, and improve related indicators such as the on-time release rate of products.

## Data Security

The Company has developed a set of policies and standards for security management in strict compliance with applicable laws and regulations such as the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*. Industry standards, customers' security demands, third-party analysis, industry activities, peer experience and business-specific requirements have also been referred to when drafting these policies and standards. Coupled with a holistic professional cybersecurity organizational structure and solid technical means, a sophisticated cybersecurity management system has been established at Hikvision. Our cybersecurity management system has been certified by the ISO/IEC 27701:2019 Privacy Information Management System, the ISO/IEC 29151:2017 Code of Practice for Personally Identifiable Information Protection, and the ISO/IEC 27001:2013 Information Security Management System, among other certifications.

*Cybersecurity White Paper (Third Edition)*, built the Hikvision Security Maturity Model, and quantified the activities of product security R&D. At the same time, considering domestic and international legislation and law enforcement practices on data protection and personal information protection, we have formulated and issued personal data protection regimes based on South Africa, China mainland, Peru, and Morocco and continuously enriched and improved multi-level data protection policies and rules. In addition, considering changes in domestic personal information protection regulatory policies and practices, we actively conduct proactive compliance, timely adjust and optimize compliance standards and practice requirements for APP and other products and services to ensure compliance with national regulatory requirements.

During the reporting period, we updated the *Hikvision*



### Supply Chain Continuity

Hikvision has made moves to tackle uncontrollable factors in the supply chain. It increases the strategic reserve of key materials, promotes product normalization design, and strengthens the transparency of supply chain information. For suppliers, we provide financial service support, and coordinate with them on delivery schedules without compromising quality, laying a solid foundation for cooperation. Moreover, we attempt to seek more local suppliers and set up warehouses and factories near production bases to ensure timely supply across regions.

During the reporting period, the Company optimized local storage to allow for flexible distribution. About **70%** and **95%** of suppliers at Tonglu site and Chongqing site, respectively, are now localized, and the localization of overseas warehouses has also come to the implementation stage.

### Case Optimizing inventory in the supply chain

Market changes, alongside requirements for customization, fast delivery, high quality, and low cost, have brought huge challenges to Hikvision's supply chain. In response, the Company has formed a project team composed of specialists in R&D, business, planning, manufacturing, logistics, and procurement to optimize value flow and end-to-end procedures, and redesign the delivery plan to meet the requirements of lean production in the supply chain.

Hikvision enhanced inventory management of multi-variety and small-batch items over the reporting period. Through the optimization of supply chain procedures, the average delivery cycle was reduced by **50%**, and the delivery cycle of 50% of the orders was shortened to 3 days. While the demand for goods rose by more than 30%, the inventory area for multi-variety and small-batch products had zero growth, with the merchandise inventory dropping by **30%** year-on-year. All of these efforts helped to ensure the continuity of our supply chain.

## Product Responsibility

# Continuous Innovation and Quality Orientation

It is a key social responsibility of Hikvision as a corporate to provide innovative and premium products and services that match customer needs for the society. Sticking to continuous innovation and quality orientation, we deliver superior products and solutions, a reliable cybersecurity environment, and high-quality local services through innovative and leading perception technologies and intelligent applications, creating value for customers in better ways.

## Contribution to UN SDGs



## Key Performance

### Compliance Ecosystem:

- The Company's R&D investment was RMB 98.14 billion, accounting for 11.80% of the annual operating income
- We were granted 1,548 invention patents, 266 utility model patents, 380 design patents, 181 software copyrights, and 300 trademarks
- The Hikvision Innovation Principles was published

# Driving Technological Innovation

Dedicated to technological innovation in IoT perception, AI, and big data, Hikvision provides AIoT softwares and hardwares featuring Software-Hardware Fusion, Cloud-Edge Fusion, AIoT-Information Network Fusion and Big Data-AI Fusion, as well as solutions tailored to specific industrial scenarios and client demands. We enable technological advancement to serve social development and benefit more people by removing barriers between technology and application.



## Fruitful Innovation

Technological innovation is a driving force for Hikvision’s growth. Therefore, we persist in increasing R&D investment, expanding our R&D team, and transforming our R&D outcomes, which leads to constantly improving competitiveness in the industry. During the reporting period, our R&D investment increased by 18.94% year-on-year to RMB 98.14 billion, accounting for 11.80% of the annual operating income; and there were 27,951 R&D engineers, accounting for 47.96% of the Company’s total.

We are well aware of the close relationship between intellectual property and technological innovation: they coexist and promote each other. Therefore, protecting intellectual property equals protecting innovation. The Company follows the principle of "protecting our own intellectual property rights and respecting others’ intellectual property rights". To this end, it keeps improving its intellectual property protection system, strengthening the protection of intellectual property rights, and raising employees’ awareness of protecting intellectual property rights.

Invention patent	Number of patents granted in 2022	1,548	Software copyright	Number of software copyrights granted in 2022	181
	Total number of patents granted	3,787		Total number of software copyrights granted	1,709
	Number of patents under application	5,100+		Number of software copyrights under application	20+
Utility model patent	Number of patents granted in 2022	266	Trademark	Number of trademarks granted in 2022	300
	Total number of patents granted	1,410		Total number of trademarks granted	5,085
	Number of patents under application	130+		Number of trademarks under application	1,728
Design patent	Number of patents granted in 2022	380			
	Total number of patents granted	2,400			
	Number of patents under application	460+			

Note: 1.Data as of December 31, 2022.

2.Standards of the statistics of patent:

*Number of patents granted in 2022:* statistics are based on the number of official authorization notices received as of December 31, 2022.

*Number of patents under application:* statistics are based on the number of official acceptance notices received as of December 31, 2022.

*Total number of patents granted:* statistics are based on the total number of patents granted and remaining valid as of December 31, 2022.

3.Standards of the statistics of software copyright:

*Number of software copyrights granted in 2022:* statistics are based on the number of software copyright certificates received as of December 31, 2022.

*Number of software copyrights under application:* statistics are based on the number of applications that have been submitted to copyright center as of December 31, 2022.

*Total number of software copyrights granted:* statistics are based on the total number of software copyrights remaining valid as of December 31, 2022.

There are several channels such as hotline, email, and website available to report intellectual property infringements, so that all parties could work together to safeguard a healthy intellectual property protection environment.

Moreover, Hikvision continues to promote standardized industrial development. For example, Hikvision Research Institute has led or participated in the compilation of 15 national standards, 22 group standards, and 3 industry standards, consistently contributing Hikvision’s wisdom to the industry’s innovation ecosystem.

### Channels to Report Intellectual Property Infringements to Hikvision

Hotline	400 800 5998
Email	weiquan315@hikvision.com
Website	www.hikvision.com/weiquan315
Mailing address	Legal and Compliance Department, No. 518 WuLianWang Street, Binjiang District, Hangzhou 0571-88075998-63844

### Innovation Culture

Firmly believing that innovation should be incubated in a fertile cultural soil, we hope Hikvision's infinite potential could be unleashed by the innovation and exploration of all employees. During the reporting period, we launched a variety of innovation-themed promotions and activities, allowing employees to learn more about innovation concepts, tools and methods, and apply them in practice.

#### • Innovation Culture Promotions

Along with the publishing of the *Hikvision Innovation Principles*, the Company organized a number of events to foster a dynamic innovation atmosphere and enhance employees' innovation awareness, such as policy interpretation, as well as the release of themed computer wallpapers, innovation tips, cultural and creative characters and gifts, a theme song, and a series of innovation stories.



#### • Innovation Culture Activities

A campaign themed on "Endless Joy in Innovation" was launched at Hikvision. On the one hand, employees were organized to learn innovation tools, approaches and best practices to improve their innovation capacity; on the other hand, we presented the Innovation Demonstration Team, the 2nd TRIZ Innovation and Creativity Competition, the 4th Data Application Model Innovation Competition, the Innovation Clinic, and the Innovation Roundtable to encourage innovation at work.





Case

TRIZ Innovation and Creativity Competition: Bringing innovation ideas to life

TRIZ (Theory of Inventive Problem Solving) is an innovation methodology that aims at solving technical problems and boost organizations' innovation capabilities through a systematic approach. The TRIZ framework enables Hikvision to better explore innovative thinking, discover innovation patterns, produce more innovation methods, and finally accomplish technological or product innovation.

In 2022, Hikvision launched the 2nd TRIZ Innovation and Creativity Competition for all employees. Activities such as Innovation Café and TRIZ Workshop were held to pass on diverse knowledge and innovation solutions to our staff through accurate search, inspiring them to overcome technical difficulties and develop competitive products.

Our online and offline TRIZ courses benefited more than **3,000** employees throughout the reporting period

**150+ employees**

were certified as Innovation Engineer(L1) in Zhejiang

**30+**

TRIZ projects

**20+**

patents

**10+**

new products

Case

Data Application Model Innovation Competition: Creating an atmosphere for application innovation

For the fourth year in a row, the Company held the Data Application Model Innovation Competition to continuously stimulate innovation potential from within. The competition collected a total of 304 data application models designed for industries and fields such as public security, traffic police, transportation, and government affairs, engaging 40 secondary departments and 803 participants. Leveraging an open data capacity system, the competition aims to select data application models with outstanding performance in marketing and business development, and to help Hikvision develop one-stop capabilities from data model design, development and optimization to application and commercialization through practices.

# Assuring Product Quality

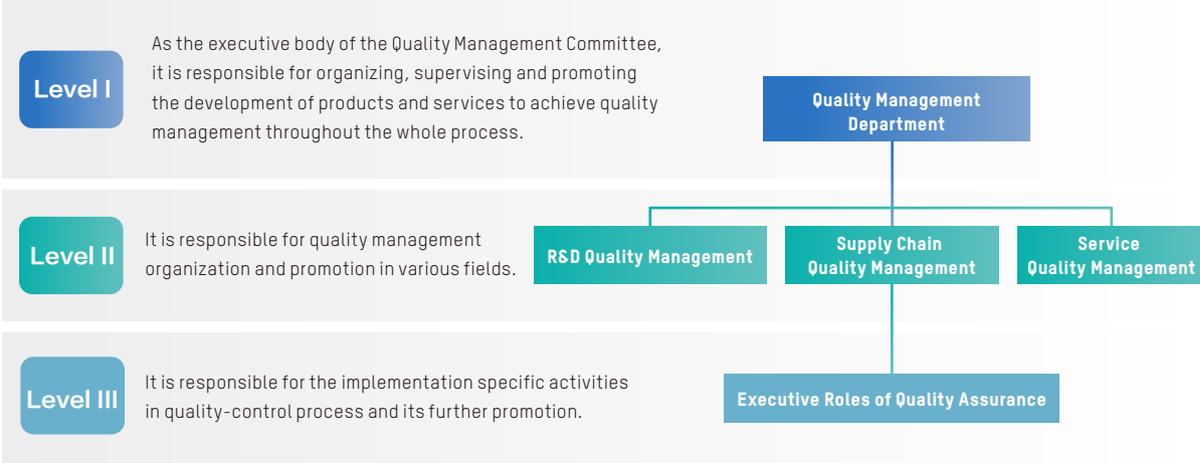
Quality is the cornerstone of an enterprise's development. Imprinted with the quality policy of "leading technology, quality first, customer satisfaction, continuous innovation", Hikvision is wholeheartedly devoted to product quality assurance. While improving its quality management system, it works continually to enhance all employees' quality awareness, in a bid to deliver reliable and premium products and services to customers.



Hikvision Quality Management Certification

## Optimizing Quality System

Hikvision's vast product system is built on a robust quality management system. The Company has established the Quality Management Committee, which is responsible for coordinating and supervising quality management at every level of management. Also, a quality management model of "one concept, two goals, three dimensions, and four measures" has been developed in line with the Company's actual operations, extending quality management to the entire operation processes. Our quality management approaches are timely adapted to different development stages and business scenarios in order to actively manage challenges at varied times.



### Enhancing Quality Culture

Quality culture development is a crucial pillar for the Company's high-quality development. We keep enhancing the quality culture of "Customer Success, Innovation Excellence", and improve employees' awareness and capabilities of assuring zero quality issues surrounding the work policy of "raising employees' awareness of quality responsibility and consolidating employees' quality-compliant habits". Quality training and cultural activities in diverse forms are organized for employees in different positions, so that they can have a better understanding of quality work.



On-site Quality Culture Promotion



Quality Culture Booth



Quality Culture Theme Song

# Delivering Quality Services

Service quality is an integral part of our product responsibilities. Hikvision has built a sound service supporting system centered on customer needs and experience to continuously improve services and guarantee a desirable customer service experience.

## Improving Service System

With the tenet of "to act as needed, meet customer needs, provide professional services, and maximize value", Hikvision stays true to its service mission – "to help customers succeed with professionalism, and create value with services".



Service System Overview

### Technical Support

- It refers to the aggregation of all technical support activities centered on enhancing product competitiveness and maturity.
- It is responsible for the serviceability and deliverability of products in IPD (Integrated Product Development) activities.

### Service Delivery

- It refers to the process of delivering services to customers as agreed in contracts.
- It is an integral part of LTC (Leads To Cash), with customer satisfaction as the core and payment collection as the goal.
- Contract types include *engineering project contract*, *service contract* and so on.

### Issue To Resolution

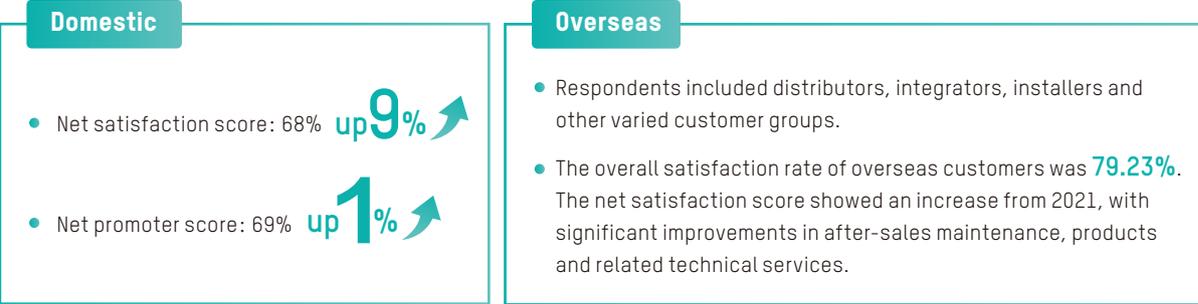
- It refers to the process from a customer's request for technical service to the fulfillment of such request.
- Technical service centers on customer satisfaction.
- Service methods and other details are subject to SLA (Service Level Agreement).

Three Core Service Sectors

### Upgrading Service Capabilities

Our diversified and customized services are built on comprehensive and unified service resources, a professional and efficient service team, a fast and thorough quality inspection management mechanism and flexible feedback channels. Furthermore, we have a Customer Satisfaction Survey Team that supervises the whole-process customer satisfaction management, conducts satisfaction surveys and optimizes satisfaction management approaches, so as to continuously upgrade our customer service capabilities.

Hikvision launches a customer satisfaction survey each year. Customer complaints are handled through a comprehensive mechanism, coupled with efforts made to optimize complaint-related indicators, improve the complaint handling and accountability mechanism, and organize team sharing of complaint cases on a regular basis. In addition, complaint specialists are responsible for the whole process from case assignment, handling, return visit and archiving, ensuring that customer requests are fully addressed.



Results of Hikvision’s 2022 Customer Satisfaction Survey



# Cybersecurity Propositions and Actions

Hikvision regards cybersecurity a mission of paramount importance. We continue improving our internal management mechanism and promoting cybersecurity culture, while establishing an industry cooperation ecosystem to enhance cybersecurity.

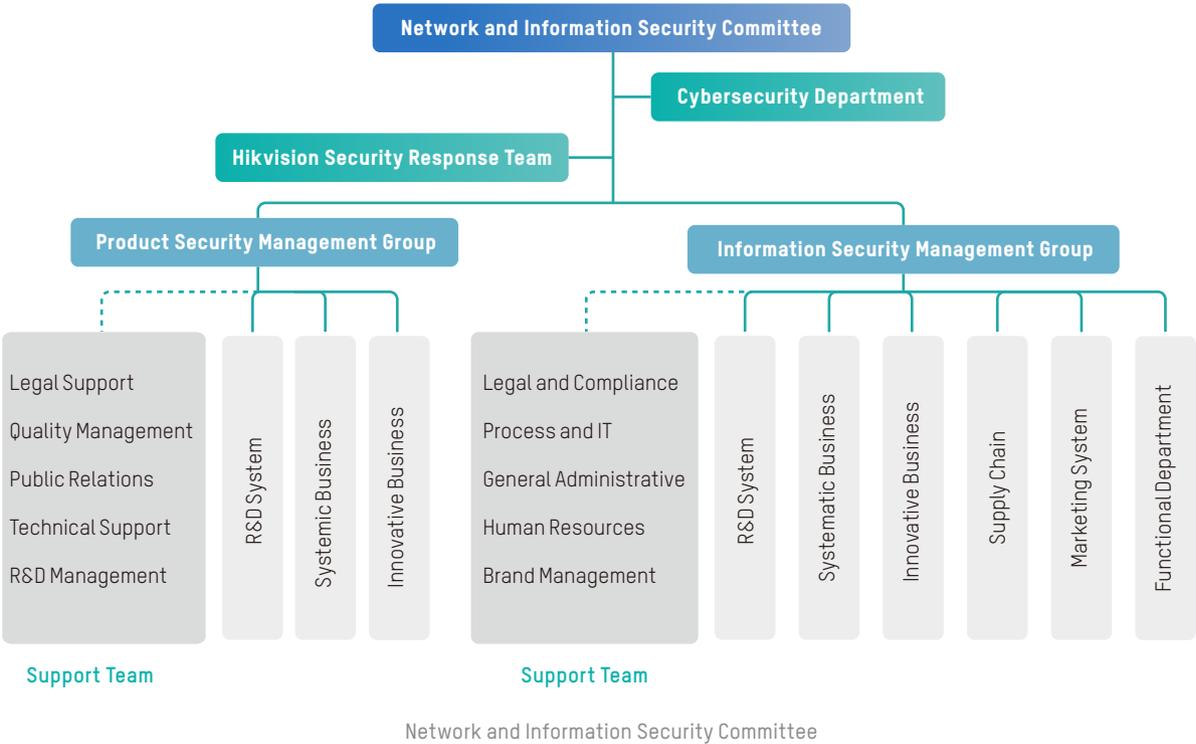


**Hikvision's Commitment to Cybersecurity**

- We will support and apply general, internationally recognized cybersecurity standards and the best practices.
- We will support research on enhancing cyber defenses.
- We will continue to improve and employ open and transparent approaches, allowing users to assess Hikvision's security capabilities.

## Strengthening Cybersecurity Management System

To cope with ever-changing cybersecurity challenges, the Company has set up specialized organizations such as the Security Response Center, the Network and Information Security Laboratory, the Product Security Committee, and the Cybersecurity Department since its establishment. We work hard to establish and improve a cybersecurity system centering on organization and process to comprehensively enhance the cybersecurity of our products and systems. Our Network and Information Security Committee, founded in March 2015, is responsible for integrating product security activities into R&D, supply chain, marketing and sales, engineering delivery and technical services, and delegating clearly-defined responsibilities to relevant organizations.



During the reporting period, the Company drafted or revised a number of regulatory documents such as the Data Security Management Procedure, the Threat and Vulnerability Management Regulations, the Information Security Management Manual, the Information Security Policy, and the Cybersecurity Management Regulations. Regarding management systems, Hikvision received the ISO/IEC 27701:2019 and ISO/IEC 29151:2017 system certifications from the British Standards Institution (BSI), an internationally authoritative standard R&D, certification and audit organization. It means our privacy information management system has gained professional recognition – a significant step forward in our cybersecurity management.

Meanwhile, Hikvision has also passed BSI's renewal audit for the ISO/IEC 27001:2013 Certification with its world-class information security management system. In addition, 13 of the Company's systems have been evaluated and approved for Classified Protection of Cybersecurity.

We have identified key positions for cybersecurity in each business segment, and clearly defined key positions for product security. We stress the standard cybersecurity code of conduct for employees in key positions, and regularly promote the signing of the Hikvision Terms of Information Security Management at Customer Site (also known as the Hikvision's Commitment to Information Security Responsibility at Customer Site) as part of our business routine in a planned way. At the same time, we pay attention to the improvement of cybersecurity knowledge and skills of employees in key positions, and motivate employees for active learning.



Hikvision's Cybersecurity Management System Certifications of Registration

### Raising Cybersecurity Awareness

We raise the cybersecurity awareness of all staff by educating them on cybersecurity knowledge and skills and creating a vibrant atmosphere that calls for joint efforts to build up cybersecurity defense. In this way, we aim to continuously improve the Company's cybersecurity capabilities.

#### Cybersecurity Training

- We've released 19 new cybersecurity video courses for employees, including 11 domestic courses and 8 international ones, all of which are now available on the online learning platform.
- Over 130 online and offline promotion training sessions were delivered to domestic and overseas staff throughout the year, including daily awareness enhancement training, safety publicity and training for specific job posts, annual training examination for all employees, and security attack and defense drills, covering 100% of our employees.

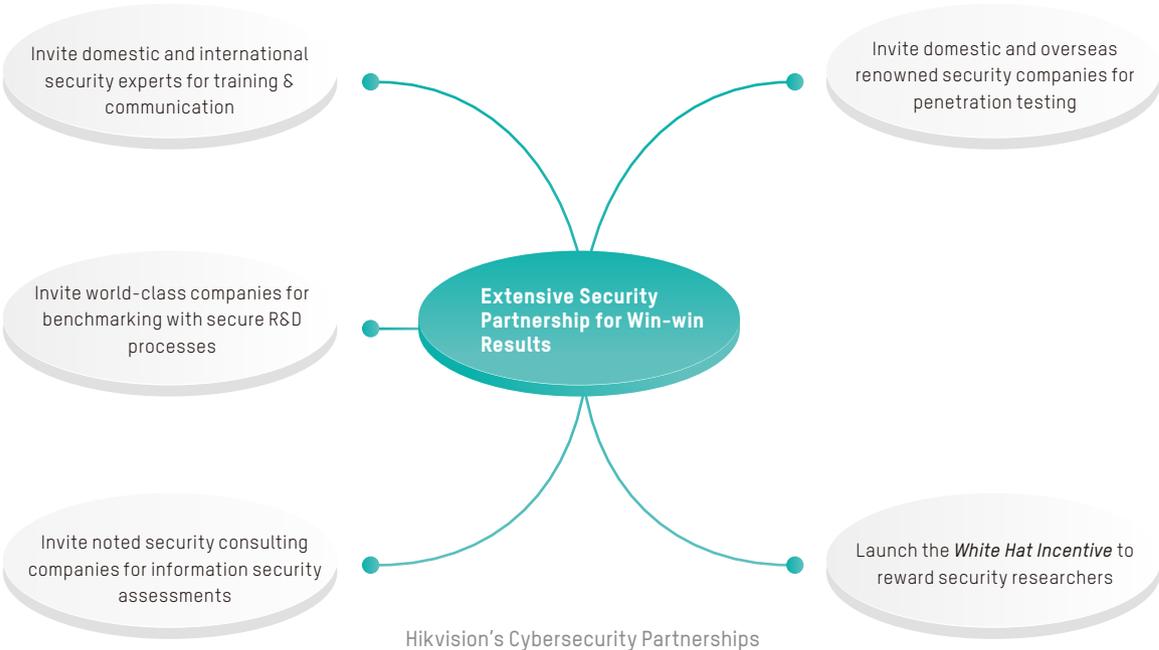
#### Cybersecurity Publicity Week

- Themed on "co-establishing data security and sharing secure data", the campaign featured an array of events such as cybersecurity conferences, the "Weidun Awards" selection, the "Qiangwang Cup" cybersecurity competence competition, cybersecurity contests, online cybersecurity lectures, cybersecurity tips, and information security presentations.
- These activities reached 12 operational sites in total, including the headquarters and remote R&D centers, production bases, and business centers.

Cybersecurity Culture Activities

### Building Cybersecurity Ecosystem

While ensuring the availability, reliability and security of its own network and information systems, Hikvision actively links all partners to build a harmonious cybersecurity ecosystem with openness and interconnected attitude and jointly defend against cybersecurity threats.



Hikvision's Cybersecurity Partnerships

## Environmental Responsibility

# Low-carbon Operations and Green Development

Green and low-carbon development has been incorporated by Hikvision into its ESG management. With adherence to the sustainability philosophy of green development, we continuously improve our environmental management system, encourage green manufacturing and operations, and take energy conservation and emission reduction measures. Meanwhile, we are devoted to the R&D and application of products and services powered by clean technology, as well as green culture, pursuing the coordinated and sustainable development of the Company, society and the environment.

### Contribution to UN SDGs



## Key Performance

### Environmental Management:

- The Company's carbon neutrality blueprint was completed
- Hikvision received the ISO 14064 Greenhouse Gas Accounting and Verification Certification

### Green Production:

- We made active use of clean energy, with 32,852 MWh of green electricity purchased and 4,508.3 MWh of power generated via photovoltaic units
- Wastewater, waste gas, solid waste, and chemicals were disposed and discharged/emitted with 100% compliance
- We launched a series of actions to de-plasticize, reduce, degrade, and recycle packaging materials

### Green Operations:

- Hikvision was awarded the 2022 Green and Low-carbon Factory in Zhejiang Province and the 2022 Green and Low-carbon Factory in Hangzhou City

### Low-carbon Products:

- We defined the four dimensions to promote the development of low-carbon product: product, design, material and device

### Environmental Actions:

- The Low Carbon and Energy Saving Handbook was published to encourage environmental actions

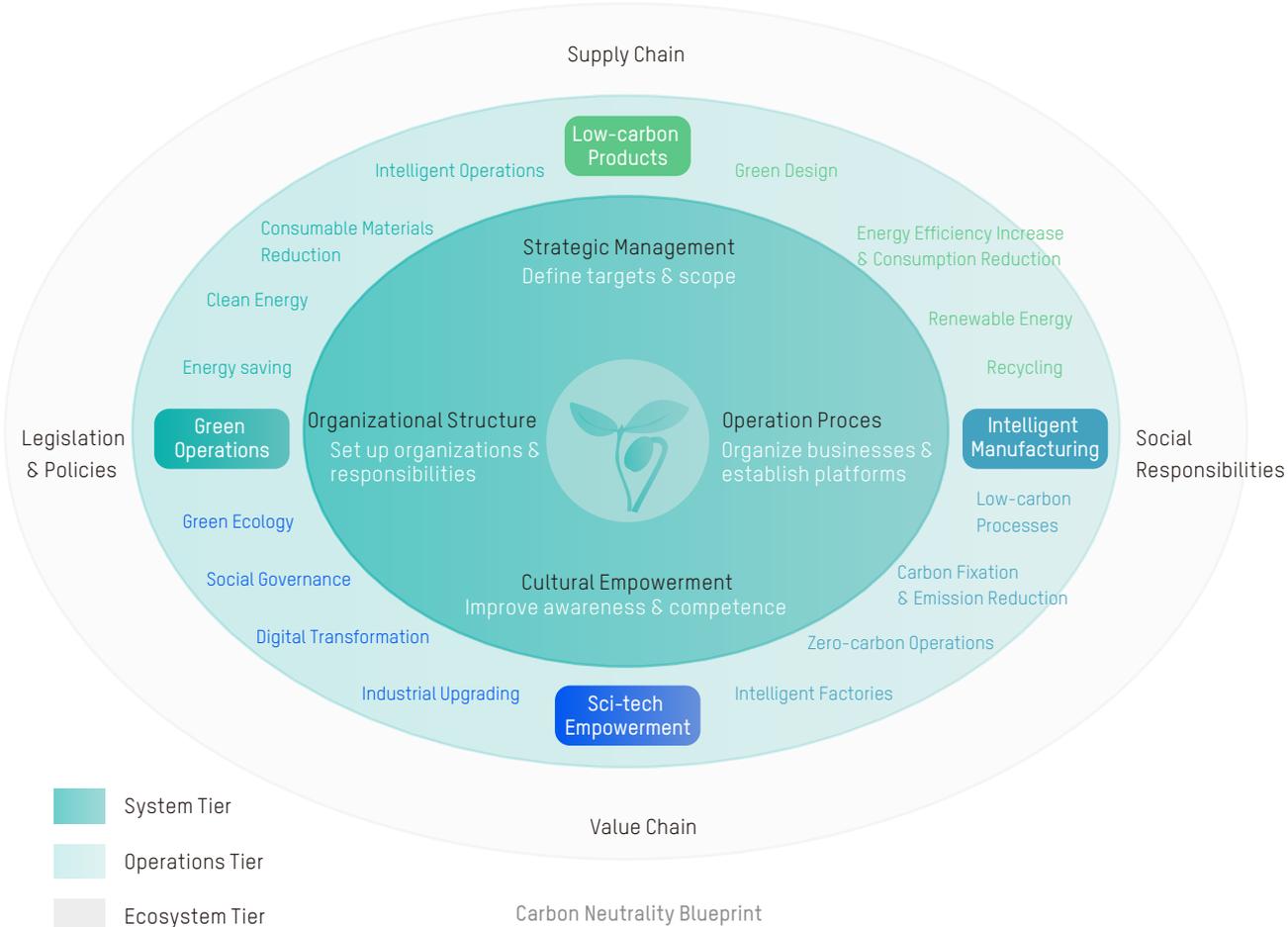
# Optimizing Environmental Management System

Hikvision observes the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on Prevention and Control of Air Pollution, the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, and other laws and regulations of the place where it operates. Meanwhile, internal management regulations are timely updated and adapted to our business operations. During the reporting period, new regulations and specifications were released, such as the Management Standards for Environmental Pollution Prevention and Control Facilities and the "Three Simultaneous" Management Standards for Construction, Renovation and Expansion Projects, intended to further improve the management procedure.

Actively engaged in environmental system establishment, we have been certified by the ISO 14001 Environmental Management System and the ISO 50001 Energy Management System. During the reporting period, we invited a third party to account and verify the Company's greenhouse gas emissions (scopes 1 and 2) in 2021, and obtained the ISO 14064 Greenhouse Gas Accounting and Verification Certification



Greenhouse Gas Accounting and Verification Certification



Hikvision established the Carbon Neutrality Commission in December 2021, aiming to improve the top-level design and drive the Company's carbon neutrality management through a top-down approach. During the reporting period, we went a step further by forming carbon neutrality operations working groups and specifying related operating mechanisms. The working groups made short-term and mid-term work plans for their respective business fields, and completed the Company's carbon neutrality blueprint. Under the blueprint, we will

implement new schemes and models of energy conservation, carbon reduction and green development primarily from such aspects as empowerment with technology, intelligent manufacturing, green operations and low-carbon products. While propelling its own green and low-carbon development, Hikvision aspires to empower the upstream and downstream of the industrial chain, and make due contributions to enable the entire society to work toward and realize China's "3060 dual carbon" target in an orderly manner.

# Promoting Green and Low-carbon Production

Hikvision is an upholder for green production. While producing high-efficiency and energy-saving products, it also tries to make the manufacturing process cleaner, by introducing clean energy, improving energy utilization, promoting water conservation and recycling, reducing pollution, regulating chemicals management and popularizing sustainable packaging. By doing so, we hope to mitigate the impact of our production and operation activities on the environment across the board, and build up an environmentally friendly production model.

## Energy Management

The energy used by Hikvision primarily includes gasoline, diesel, natural gas and purchased electricity. Our aim is to promote refined energy management, reduce energy use in the operation stage, and improve energy efficiency. To this end, the Company takes multiple energy-saving measures such as process improvement and equipment upgrades, and explores the possibilities of using renewable energy such as green electricity, photovoltaics, and energy storage to transform its energy mix.

During the reporting period, we compiled the *Annual Energy Consumption Report*. The document reviewed the Company's overall energy usage for the year, identified the primary energy uses, and defined the emphasis of energy conservation management based on current progress and requirements of management both with and outside the Company. Additionally, we tapped into the Company's energy conservation potential by launching equipment upgrades and technological transformation and introducing clean energy, in an effort to continually enhance Hikvision's energy use.



Annual Energy Consumption Report

## Clean Energy Application

The Company has been actively transforming its energy mix. We are gradually increasing the proportion of clean energy use through green electricity procurement, distributed PV power generation, and energy storage. During the reporting period, we purchased **32,852 MWh** of green electricity, and generated **4,508.3 MWh** of power using PV units.

### Green Electricity Purchase

From November to December 2022, our Tonglu site and Binjiang Phase I campus shifted to 100% green electricity, with green electricity consumption accounting for about 20% of the annual electricity consumption;

### PV Power Generation

- **Tonglu site:** Tonglu site has installed 9.118MW PV power generation units on plant roofs, which serves as a distributed PV power station. The expected yearly power output of 8 million kWh will be consumed by the site initially, with the remainder supplied to the national grid;

- **Chongqing site:** Chongqing site plans to install 5.38MW PV power generation units on the roof of each plant, with an annual power generation of about 3.6 million kWh and a service life of 25 years;

- **Wuhan site:** Wuhan site plans to construct 12MW PV power generation units, with an annual power generation of about 12 million kWh, which is expected to be 100% consumed by the site.

### Energy Storage

The Company is going to build a battery energy storage system adjacent to the 35KV substation at the Chongqing site. The project is divided into two phases, with a 5MW energy storage facility set up in each phase. The construction cycle of the first phase is expected to be 5 months, and the second phase will begin after the new plant is put into use.

## Clean Energy Introduction

● Efficient Computer Room Design

To address problems such as high energy consumption and low efficiency, we seek solutions for high-efficiency computer rooms, and enable lifecycle operation management through the application of high-efficiency equipment, adaptation of high-efficiency systems, as well as efficient and intelligent management. This allows us to increase comprehensive energy efficiency, boost efficient operations, save energy and reduce consumption.

**Case** High-efficiency computer room cooling solution, for the intelligent integration of the environment and energy efficiency

The Company has come up with a sophisticated, high-efficiency cooling solution for computer rooms through a lengthy procedure, including system optimization, equipment selection, energy efficiency calculation, control scheme design, implementation optimization, adaptation, tracking and optimization, and diagnosis by data monitoring experts. Computer rooms are cooled by a combination of fixed-frequency centrifuges and variable-frequency centrifuges, coupled with a data management platform, so that they can run with high energy efficiency, achieving the purpose of energy saving. By the end of the reporting period, the solution had been put into use at Hikvision Wuhan site and Binjiang site Phase IV.



## Water Resources Management

Municipal water, surface water and groundwater are major water resources used by Hikvision. To improve water use efficiency and have stronger management of water resources, we take active water conservation measures and continue to improve our water resources management system. During the reporting period, the Company established a leading group and a working group for water-saving management, together with a five-year water conservation plan. Water waste is reduced through balanced water testing, water use monitoring, water-saving transformation, and rainwater collection.

### Case

## Rainwater harvesting as a way of water recycling

Hikvision Binjiang Phase IV has set up a rainwater recovery system according to the *Design Guidelines for Rainwater Control and Utilization of Civil Buildings* and the *Implementation Plan for Recent Construction Areas for Sponge City in Binjiang District*, in a bid to control runoff pollution, alleviate waterlogging, while making rational use of rainwater, improving the water environment, and creating a multi-functional landscape. The system consists of two concrete storage tanks and a clear water tank, with an annual runoff control rate of **85.46%**, and a comprehensive runoff coefficient of **≤0.6**. The recovered rainwater is used for landscape pool replenishment, road cleaning, greenery watering, vehicle washing, and garbage room washing, which greatly lowers the demand for municipal water.



## Waste Management

Hikvision continuously regulates emission management in strict compliance with the applicable laws and regulations of different countries and places where it operates in order to reduce its impact on the environment and grow into an environment-friendly business. We work hard to reduce waste gas, wastewater, and solid waste while ensuring compliant treatment and disposal.

### • Wastewater Discharge and Waste Gas Emission Management

We manage waste gas emission and wastewater discharge as required by national policies. Our *List of Environmental Pollution Factors* has specified the primary pollutants at Hikvision – chemical oxygen demand (COD), ammonia nitrogen, total phosphorus, volatile organic compounds (VOCs), and solder fumes, which are subject to targeted treatment measures. We’ve also prepared a self-monitoring plan for environmental pollutants to ensure compliant wastewater discharge and waste gas emission.

**Waste water**

**Domestic wastewater:** It is discharged into a septic tank through sewage pipes on the campus, then the municipal sewage pipe network after undergoing L3 biochemical treatment and reaching discharge standards, and finally into rivers after a further treatment in an urban sewage treatment station;

**Wastewater from canteen kitchen:** It is discharged into a grease trap through sewage pipes on the campus after going through an oil-water separator, then into the municipal sewage pipe network together with domestic sewage after undergoing treatment and reaching discharge standards, and finally into rivers after a further treatment in an urban sewage treatment station.

**Waste Gas**

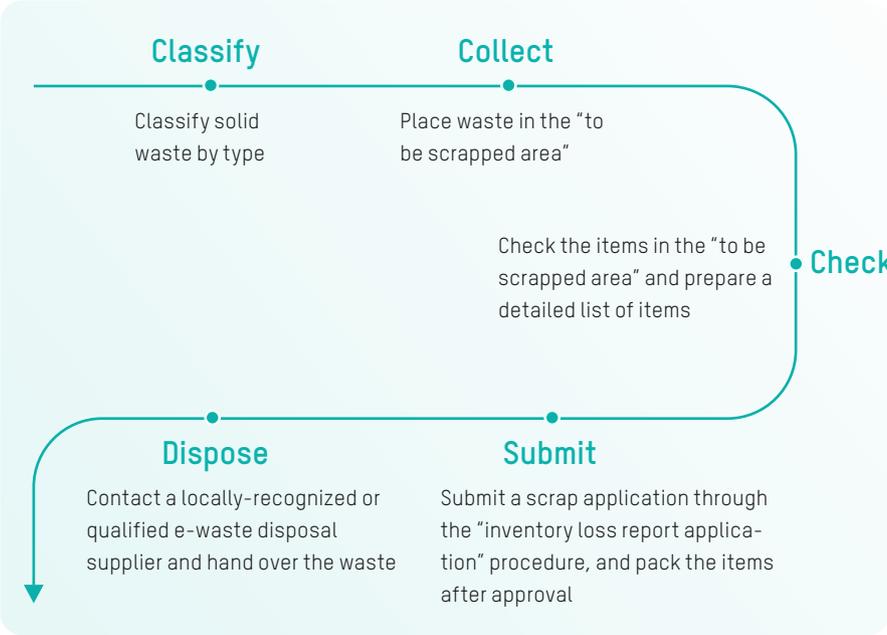
**Organic waste gas/solder fumes:** It is emitted after being treated by filter cotton and L2 activated carbon absorption and reaching emission standards;

**Dust:** It is discharged after being treated by equipment’s built-in dust collectors, filter cotton and L2 activated carbon adsorption and reaching emission standards.

Wastewater and Waste Gas Treatment Process

### • Waste Disposal Management

To manage the waste generated during production and operations in an all-round manner, the Company improved its waste management system by establishing a waste classification and disposal system during the reporting period. Waste is classified into general waste, hazardous waste, and industrial waste for separate disposal. The whole process is monitored and recorded to assure standard and traceable waste disposal.



Solid Waste Disposal Process

During the reporting period, the Company developed the *Hazardous Waste Management Regulations*, which includes specific requirements for the collection, transfer, storage and disposal of hazardous waste. It urges related departments to perform their hazardous waste supervision responsibilities and standardizes hazardous waste disposal procedures at Hikvision. Meanwhile, we established a digital management system to monitor hazardous waste in real time and ensure its legal and safe disposal.

# Green Packaging Management

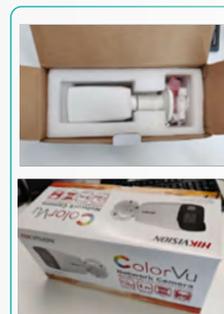
Hikvision advocates sustainable packaging to lessen the environmental impact of packaging materials. While ensuring that products are fully protected by packaging, we have taken measures to de-plasticize and reduce packaging materials, promote degradable materials, and increase packaging recycling efficiency,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

## De-plasticization

The cushioning and lining material for light and small products is changed from pearl cotton (EPE) to fiber, which is estimated to reduce the use of plastic by 27.9 tons.



Molded fiber in substitution of EPE  
Yearly plastic reduction of 1.1 tons



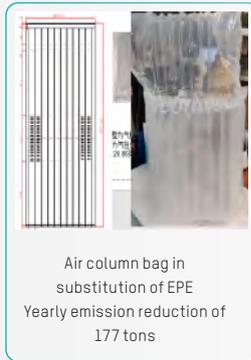
Paper board in substitution of EPE  
Yearly plastic reduction of 26.8 tons

## Reduction

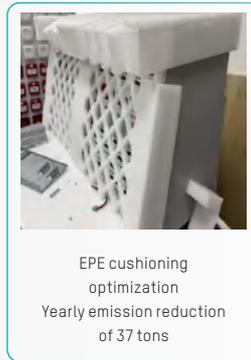
Packaging is reduced by cutting the use of plastic cushioning and replacing high-volume, high-quality plastic cushioning and lining with materials with low plastic content, which is expected to reduce carbon emissions by 767 tons per year.



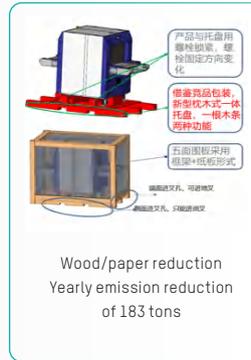
Paper-wood combination in substitution of pure wood  
Yearly emission reduction of 370 tons



Air column bag in substitution of EPE  
Yearly emission reduction of 177 tons



EPE cushioning optimization  
Yearly emission reduction of 37 tons



Wood/paper reduction  
Yearly emission reduction of 183 tons

## Recycling

Over 60 turnover pallets and turnover containers are added to improve the turnover efficiency of production lines and promote the recycling of packaging.

## Degradation

5 types of 100% degradable plastic bags are applied to mitigate white pollution.

### Sustainable Packaging Initiatives

# Advocating Green and Low-carbon Operations

Hikvision, as a player in the digital economy, endeavors to make sustainability concepts such as green and environmental protection, energy saving and emission reduction part of its day-to-day operations while empowering customer development using IoT technology. The Company encourages employees to save resources and live a low-carbon, eco-friendly life through green office and at the same time integrates sustainable operations into campus construction to build up a green and low-carbon workplace and achieve efficient, intelligent, and green operations.

## Green Office

Hikvision continues to optimize energy utilization in the R&D process and maximize the use of virtual machines in replacement of physical machines, thereby reducing energy consumption. In addition to the promotion of energy and water conservation concepts, we keep on promoting paperless office such as online meetings, e-materials, e-signatures, and online activities. With workflows simplified and standardized, we have also saved a great deal of paper.

### Case

## Upgrading the R&D Cloud to reduce servers' carbon footprint

In 2020, the Company started the construction of an R&D cloud platform environment, and has since then been upgrading the deployment of virtual machines in the actual production environment to container deployment. During the reporting period, we upgraded and optimized the R&D cloud by expanding and deploying more than 70 high-performance computing and supporting nodes, and completing three smooth upgrades of the platform software version. 65% of the virtual machines of storage area network (IP SAN) have been migrated to a distributed network file system (Ceph), with further replacement expected in the future.

By gathering more than 500 computing service nodes and providing 4,200 virtual machine resources, the R&D cloud platform is well-positioned to cut O&M costs, boost operating efficiency, and reduce the carbon footprint of physical servers. It is expected to cut electricity consumption by nearly **5,000 MWh** and carbon emissions by nearly **4,000 tons** per year.

### Case

## Building a business travel platform for low-carbon mobility

Hikvision has built an integrated business travel platform that provides services such as online booking, refund and change of mainstream means of transport, online hotel booking, and online vehicle booking, allowing employees to apply for business travel online and reimburse travel expenses in a paperless manner. By the end of the reporting period, the online use rate of each function was 95% for air tickets, 45% for train tickets, 35% for hotels, and 80% for car use. To encourage online railway ticket and hotel booking, we will broaden the train ticket booking scenarios and increase hotel resources online. It is hoped that this would improve energy efficiency and emission reductions while facilitating employees' business trips and assuring the transparency, compliance and finer management of travel data.

## Sustainable Campus

Hikvision is committed to building sustainable, intelligent office parks. To this end, we integrate sustainable development into the whole process of park construction, with a focus on low carbon, energy conservation, recycling, and climate change adaptation. In the meantime, we assume our social responsibilities to contribute to business growth and local economic development.

The concept of sustainable development is applied throughout the entire process of campus construction:

**Sponge City design:** We take into account the control of the total amount of stormwater runoff and the improvement of rainwater purification and comprehensive utilization when designing and building our parks. Sunken green spaces, rainwater collection pools and other facilities are set up for more effective utilization of water resources.

**Green materials:** We use healthy, green, and eco-friendly decoration materials. Artificial stones and prefabricated wall panel systems are selected to save natural resources whilst improving environmental and cost performance;

**Prefabricated buildings:** We favor the use of steel structures to reduce environmental pollution caused by waste and ensure 100% recyclable materials.

During the reporting period, the Company won the title of 2022 Green and Low-carbon Factory in Hangzhou, and was certified as the Green and Low-carbon Factory in Zhejiang in January 2023.



# Empowering Products with Green Technology

The development of green and low-carbon products continues at Hikvision. With clean technology, we pursue less impact of our products and services on the environment throughout their entire life cycle. During the reporting period, **more than 41,800 of our models** (including sub-models) earned China Environmental Labelling Product Certification, an increase of about 41.7% from 2021; and **about 30,300** (including sub-models) earned China Energy Conservation Product Certification, an increase of about 6% from 2021.

In the future, we will continue to invest more money and efforts in expanding the R&D of clean technology, and drive its iteration and optimization to benefit products, designs, components, and materials, thereby reducing carbon emissions.



China Environmental Labelling Product Certification (type I)



China Environmental Labelling Product Certification (type II)



China Energy Conservation Product Certification



CESI-PC-0D66 Certification

2022 年度产品认证 监督确认书

杭州海康威视数字技术股份有限公司

海康威视数字技术股份有限公司（以下简称“海康威视”）经国家认证认可监督管理委员会（以下简称“国家认监委”）批准，取得《中华人民共和国认证证书》，证书编号：CN17-0001-0001-0001，有效期至2023年12月31日。海康威视在有效期内，按照《认证证书》的要求，开展认证活动，并接受本中心监督。本中心对海康威视在有效期内，按照《认证证书》的要求，开展认证活动，并接受本中心监督。本中心对海康威视在有效期内，按照《认证证书》的要求，开展认证活动，并接受本中心监督。

产品名称	型号规格	认证标准	认证证书号
100 万像素网络摄像机	DS-2DE1A0100-0100	GB 21521-2008/GB 21522-2008	1801-1812-2008-0100
100 万像素网络摄像机	DS-2DE1A0100-0100	GB 21521-2008/GB 21522-2008	1801-1812-2008-0100
100 万像素网络摄像机	DS-2DE1A0100-0100	GB 21521-2008/GB 21522-2008	1801-1812-2008-0100
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100 万像素网络摄像机	DS-2DE1A0100-0100	GB 21521-2008/GB 21522-2008	1801-1812-2008-0100
100 万像素网络摄像机	DS-2DE1A0100-0100	GB 21521-2008/GB 21522-2008	1801-1812-2008-0100
100 万像素网络摄像机	DS-2DE1A0100-0100	GB 21521-2008/GB 21522-2008	1801-1812-2008-0100
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100 万像素网络摄像机	DS-2DE1A0100-0100	GB 21521-2008/GB 21522-2008	1801-1812-2008-0100

杭州海康威视数字技术股份有限公司  
2022 年 11 月 10 日



**Case** **Product: LED display with a cooling system, thin, lightweight and energy-saving**

Traditional LED displays are characterized by high energy consumption, heat generation, and thermal radiation, resulting in a high price, great costs, and a poor user experience. Against the backdrop of carbon neutrality, “energy saving” and “cooling” have emerged as new trends in the LED industry.

During the reporting period, the Company launched the LED Pro series powered by a cooling system. It is designed with a low power consumption circuit and uses flip-chip with a high light transmission rate to reduce nodes with loss and heat generation. Its power consumption is around 55% lower than that of conventional displays, which means more energy and power saved. At the same time, the cooling technology avoids a scorching touch and a comfortable watching experience by lowering the working temperature of displays.



**Case** **Design: Exploring product miniaturization through power supply module optimization**

Energy saving and efficiency enhancement ideas are thoroughly applied to the optimization of product design at Hikvision. Our network video recorders feature a streamlined and efficient overcurrent protection integrated circuit and encapsulation technology. Through the improvement of the power supply module, we have converted the external power supply box into a built-in interface board. As a result, the module’s size is reduced without compromising its performance.



**Case** **Component: High-efficiency power supply and architecture optimization help boost energy efficiency**

In active response to the national strategy of carbon neutrality, energy conservation and emission reduction, Hikvision continues upgrading and optimizing components in order to boost the energy efficiency of power supply.

- Frontend: We optimize the power supply technology architecture of our dome cameras by transforming the original AC power supply into DC power supply. This increases the overall energy efficiency by about 15%, saving 120 million kWh of electricity every year;
- Backend: Through ATX architecture optimization, power output is changed from multi-channel to single-channel, improving the energy efficiency of the whole device by around 10%. With the power supply efficiency upgraded to the Gold Medal Level, it is expected to save 375 million kWh of electricity every year.

**Case** **Material: Substituting plastic for steel to promote lightweight materials**

“Replacing steel with plastic” has emerged as a crucial approach to saving energy and reducing emissions. Hikvision recognizes the importance of lightweight materials and continues to promote the “replacing steel with plastic” project. For our camera goods, a heat conduction and two-shot molding solution is used, which replaces metal enclosures with plastic-clad aluminum one, aluminum supports with composite materials, and stainless steel ropes with super-strong polymer fibers. While continuously optimizing product performance, we take the initiative to practice energy saving and environmental protection, and enhance the green attributes of products.

# Taking Environmental Actions

Hikvision is committed to a harmonious environment that is green, environmentally friendly, low-carbon and energy-saving. Through energy saving and environmental protection initiatives, popularization of environmental protection concepts, and engagement in public welfare activities, Hikvision takes an active part in environmental actions and promotes green lifestyles among all employees. By enhancing employees' environmental awareness in every subtle way, we hope to join all forces to build up a low-carbon society and help China fulfill National Carbon Peaking and Carbon Neutrality Goals.

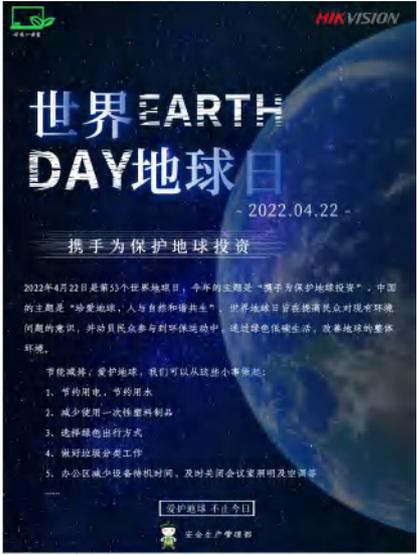
During the reporting period, we compiled and released the *Low Carbon and Energy Saving Handbook* to improve employees' low-carbon energy-conservation awareness in all aspects. It provides a systematic introduction to green life, green office, green production and green finance, as well as

suggestions for employees to develop low-carbon habits both at work and in life, so as to improve energy utilization and reduce the carbon emission intensity of the Company.

The Company is dedicated to establishing a sound energy saving and environmental protection publicity and education mechanism that regularly shares related policies, regulations, and knowledge through Hikvision's official forums, public mailboxes and other online education platforms. We held 12 environmental protection classes throughout the reporting period, covering themes such as waste battery disposal, wetland action, plastic pollution reduction, zero-waste campus and more. They were intended to encourage employees at all levels and positions to have appropriate energy conservation and environmental protection awareness and enhance the management of energy saving and environmental protection efforts.



Low Carbon and Energy Saving Handbook

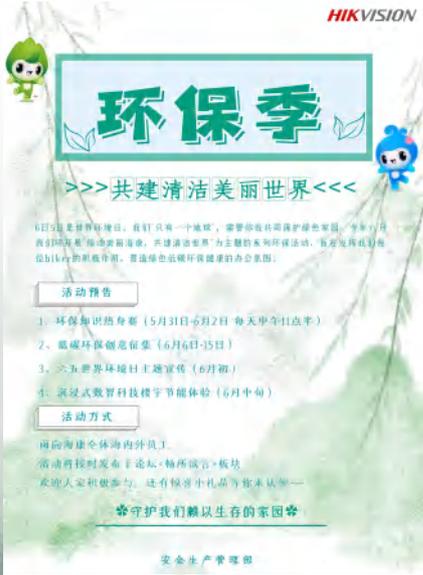
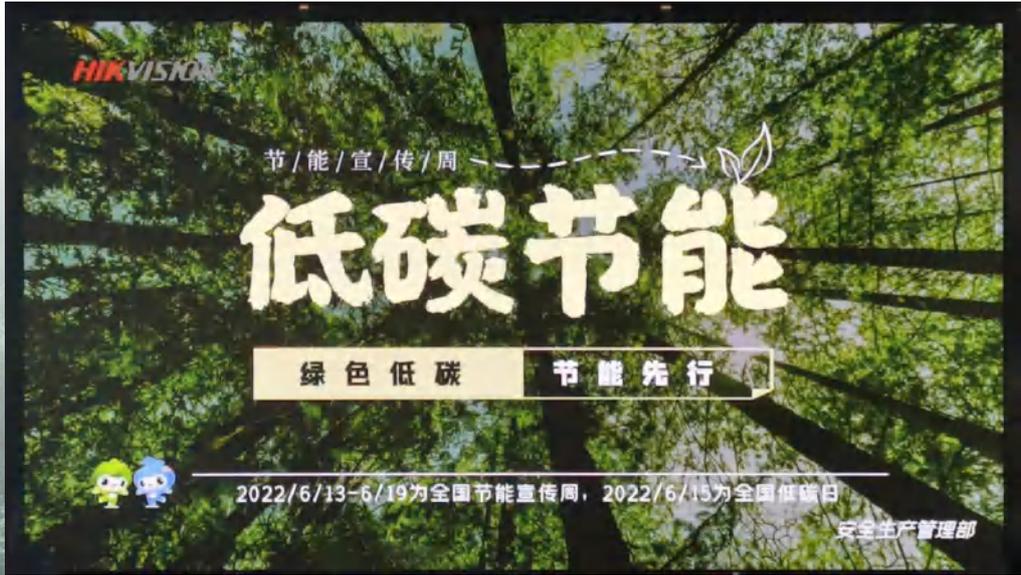


Environmental Protection Classes



# Case Energy Conservation and Environmental Protection Week, contributing to a green and low-carbon culture

We launched a seasonal campaign themed on "Building a Clean and Beautiful World Together" during the Energy Conservation and Environmental Protection Week in June 2022. The campaign included environmental protection knowledge contests, collection of low-carbon and environmental protection ideas, and an immersive experience of intelligent building technology. Also, banners and posters were posted across the Company to create a working atmosphere that encourages low-carbon, environmental protection and green office practices.



# Employee Responsibly

# Employee Care

# and Common Progress

Hikvision adheres to the core values of "people-oriented and common growth", and emphasizes the corporate culture of "respect and care for each individual". Therefore, we find it necessary to provide employees with industry-competitive compensation and benefits, establish a systematic and comprehensive training system, and safeguard their physical and mental health and safety. We aim to provide a diverse and inclusive workplace in which every employee enjoys equal opportunities for development amid harmony, fairness, and inclusivity.

## Contribution to UN SDGs



## Key Performance

### Diversity and Inclusion:

- 2,411 ethnic minority employees
- 17 disabled employees
- The coverage rate of collective contracts reached 100% at the Hangzhou headquarters

### Compensation and Benefits:

- In 2018, restricted stocks were vested for the second time, with a total of 33,142,730 shares granted to 5,533 eligible employees

### Shared Growth:

- A total of RMB 17.226 million was invested in employee training
- A total of 1,871,700 training hours was spent in employee training, an increase of 3.75% over last year; 91.3% of the employees participated in the training, with an average of 32.11 training hours per person

### Health and Safety:

- No occupational disease cases were found in the Company
- There were no fatalities caused by work-related injuries
- 52 occupational health and safety training sessions were delivered, with a total of 3,514 participants and 2,712 training hours

### Employee Care:

- 11 employee associations and over 500 hobby groups were established

## Hikvision's Employer Awards in 2022

Award	Awarded by
2022 Most In Award	LinkedIn
2022 Top 11 Employers	Zhaopin.com
2022 Star Employer - High Energy Growth Award	Liepin.com
2022 China Work Different of the Year	News.cn, 58.com, and Chinahr.com
2022 Chinese Employer with Top Employability - Attractive Brand	Nowcoder.com
2022 NFuture Awards - Employer Most Favored by Technological Professionals in Campus Recruitment	Ciwei.net
2022 Top Ten Popular Employer Brands with Young Power	Lagou.com
2022 China TOP Internet Employer - Top Employer in Digital Transformation	Graduate Employer Brand Alliance of Zhejiang University of Technology
2022 Most Popular Employer among Graduates	

# Respecting Diversity and Inclusion

Hikvision protects the rights and interests of employees in accordance with applicable laws and regulations, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Trade Union Law of the People's Republic of China*. Child labor and forced labor are prohibited at Hikvision, and employees' legitimate rights and interests in recruitment, promotion, compensation and benefits are under our comprehensive protection. As of the end of the reporting period, the coverage rate of collective contracts reached 100% at our headquarters in Hangzhou, and 77.70% of our employees had joined in domestic labor unions.

We strive to build an equal and inclusive work environment that fosters diversified cultures and opposes unfairness in any form. Employees are also encouraged to use communication platforms. All of these efforts are aimed at creating a peaceful and relaxing working atmosphere.

## Diversified Teams

Hikvision commits itself to a harmonious yet diverse workplace, where all employees are entitled to an equal development platform and distinct career paths. By doing so, we aim to enhance employees' sense of belonging and gain, and motivate them to collaborate and contribute to our long-term growth.

By the end of the reporting period, Hikvision had **58,284** employees, including 2,411 national minority employees and 17 employees with disabilities. 18.81% of Hikvision's employees have a master's or doctorate degree, **an increase of 18.90%** from 2021. The annual employee turnover rate was 13.3%.

In addition, we value female power and provide equal development opportunities for female employees. **30.77%** of the senior executives at Hikvision were female as of the end of the reporting period.



Employment Overview at Hikvision

### Human Rights Protection

Actively involved in the protection of human rights, Hikvision respects and protects all employees' rights to equal opportunities, freedom of association, and freedom of expression, as well as their personal privacy, at the levels of management, culture, and practice. Unfair treatment is not allowed in any form. We follow the laws and regulations of the countries where we do business, as well as the ILO Conventions and other internationally recognized guidelines. Our *Code of Business Conduct* has identified "respecting and protecting human rights" as a basic value of our business. Meanwhile, human rights protection is advanced within the organization to ensure that it works in every stage of our operations. Furthermore, we have set up a complaint and reporting channel to respond to and handle the concerns raised by employees in a timely manner.

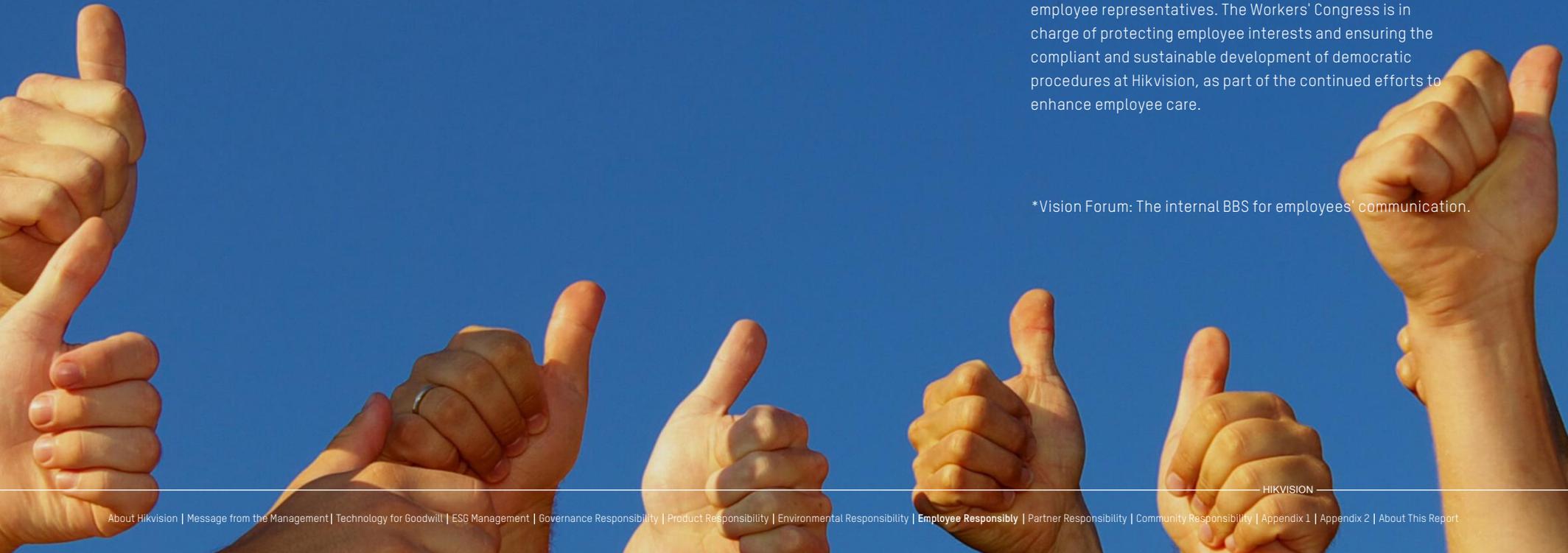
### Objection to Discrimination and Harassment Open Communication Culture

Hikvision opposes all forms of discrimination and adopts an attitude of equality and respect. The Company promises *in the Recruitment Management Regulations* and other policies to provide equal opportunities to all candidates, regardless of race, gender, sexual orientation, age, nationality, religion, marriage status, disability or military service. Our *Employee Handbook* also prohibits workplace discrimination or harassment based on race, color, religion, gender, age, nationality, heredity, disability or other factors irrelevant to the Company's lawful and legitimate interests. Complaint channels such as email, the Dabai Hotline, and the section "My Voice" on BBS are in place to safeguard the rights and interests of employees.

Smooth and effective communication serves as a basis for a company to work and grow together with its employees. Adhering to the principle of "respecting the voice of employees", Hikvision has established a number of platforms such as the Vision Forum\* , hotline/email consulting, and the Conversation with Managers to facilitate open communication and discover and respond to employee demands. During the reporting period, the Vision Forum received **over 3,900 pieces** of feedback, all of which were classified and assigned to corresponding departments for timely reply.

Moreover, the Company has organized the supplementing of employee representatives to the Worker's Congress in accordance with the *Hikvision Management Regulations on the Worker's Congress* and the *Implementation Rules for the Worker's Congress in Hangzhou*. Hikvision now has **2,268** employee representatives. The Workers' Congress is in charge of protecting employee interests and ensuring the compliant and sustainable development of democratic procedures at Hikvision, as part of the continued efforts to enhance employee care.

\*Vision Forum: The internal BBS for employees' communication.



# Safeguarding Employee Rights and Benefits

In keeping with the "people-oriented" approach, Hikvision has developed a fair remuneration policy. Apart from fairness within the organization, we regularly collect and analyze compensation data in the target market to ensure the rationality and industrial competitiveness of our salaries. An equity incentive mechanism is also enforced in the Company to provide further incentives to top performers.

With thorough care for employees' work experience and living quality, Hikvision has established a welfare system with four dimensions: allowances, wellness, enjoyable life, and talent incentives to enhance the sense of gain, belonging, and wellbeing of all staff.

During the reporting period, the Company upgraded the following benefits on the basis of the original welfare system:

<b>Allowances</b>	High-temperature subsidy / Phone allowance / Work meal allowance / Epidemic prevention subsidy
<b>Wellness</b>	Social insurance / Supplementary commercial insurance / Annual physical examination 1+X tailored scheme / Regular free clinics / Gym / Physiotherapy room / Employee assistance program (EAP)
<b>Enjoyable Life</b>	Clubs / Staff canteen / Café / Parking lot / Birthday benefits / Kindergarten and nursery / Housing loan scheme / Parental leave
<b>Talent Incentives</b>	Innovative business co-investment scheme / Share incentive plan / Year-end bonus / Golden Brick Award

Hikvision's Employee Welfare System

 <p><b>Supplementary commercial insurance &amp; annual physical examination 1+X tailored scheme</b></p> <p>The commercial insurance and physical examination 1+X scheme are upgraded and tailored to meet employees' individualized needs.</p>	 <p><b>Regular free clinics</b></p> <p>A number of on-site health care and large free clinic sessions are organized, allowing employees to see a doctor more conveniently and at a lower cost.</p>	 <p><b>Employee assistance program (EAP)</b></p> <p>Diversified psychological empowerment courses are provided for different groups of Hikvision employees around the world to help them improve mental health using psychological knowledge and skills. During the reporting period, the number of hotline consultations grew by <b>120.86%</b> year-on-year.</p>	 <p><b>Share incentive plan</b></p> <p>As authorized by the second Extraordinary General Meeting of Shareholders in 2018, the Company unlocked 33,142,730 restricted stocks and granted them to 5,533 employees. The shares involved came in circulation on the market on May 18, 2022</p>
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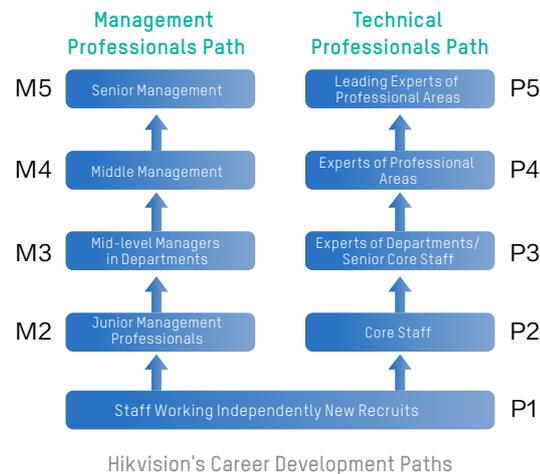
During the reporting period, 95% of male employees and 97% of female employees returned to work after taking parental leave (only those whose parental leave ended in 2022 are counted, excluding overseas employees).

# Growing Together with Employees

Hikvision marches forward side by side with its employees for common growth. In order to help staff unleash their potential and improve themselves, we provide two career development paths and a wide range of training and development plans, empowering employees in an all-round way.

## Diverse Promotion Channels

Insisting on the principle of "fair, impartial and merit-based employment", the Company has established internal promotion, job rotation and other mechanisms, ensuring technical professionals and management professionals have the same opportunities in position, salary and development, and give full play to their talents and advantages.



## Various Training Programs

For a better match between talent and job positions, Hikvision has launched training plans, signed internship base agreements with several schools to provide thousands of students with internship opportunities, and opened an employment counseling course named Hikvision Class in colleges and universities to teach students the necessary skills for working at Hikvision.

For the talent recruited, the Company also provides tailored training programs.



# Protecting Employees' Health and Safety

Hikvision always puts employees' occupational health and safety in the first place. We implement an occupational health and safety management system with a closed loop of "goal setting - execution - performance appraisal" and encourage all employees to improve the awareness and skills of occupational health and safety, as a means to safeguard their health and safety.

Occupational Health and Safety Assessment Indicators			
Occupational health		Safety	
Number of newly-confirmed occupational diseases	<b>0</b>	Number of serious injuries and above	<b>0</b>
Detection rate of occupational hazards	<b>100%</b>	Percentage of minor accidents that do not exceed the total number of employees	<b>1%</b>
Physical examination rate of employees in positions with occupational hazards	<b>100%</b>	Upper limit of fire accidents	<b>6</b>
		Correction rate of safety accidents	<b>100%</b>
Serviceability rate of facilities for protection against occupational hazards	<b>100%</b>	Rate of employment with certificates for special operations	<b>100%</b>
Use rate of personal protective equipment in positions with occupational hazards	<b>100%</b>	Coverage rate of safety education and training	<b>100%</b>
		Timely and effective response to the emergency events	

## Occupational Health

Hikvision strictly observes the *Labor Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Measures for the Administration of Occupational Health Examination* and other laws and regulations on occupational health. We have been certified by the ISO 45001 Occupational Health and Safety Management Systems. Third-party agencies are entrusted to detect all occupational disease hazards on a regular basis, and staff exposed to such

hazards are provided with protective supplies and required to receive periodic occupational health examinations. In 2022, the Company established a system for automatically identifying new and resigned employees in positions with occupational hazards and optimized the information collection process for occupational health examinations, enabling full-process monitoring and management of employee health. There were no cases of occupational diseases found at Hikvision throughout the reporting period.

### Work Safety

Hikvision assures work safety in accordance with applicable laws and regulations such as the *Law of the People's Republic of China on Work Safety* and the *Regulation on Work Related Injury Insurance*. A sound work safety management system is also established to comprehensively protect employees' life safety and the Company's property safety.

During the reporting period, the Company published the *Safety Inspection and Hazard Management Standards*. Hazard investigations are launched and corresponding improvements are made with a **100%** rectification rate based on the document. In the meantime, our Tonglu site has updated the list of hazards and put up notice boards that indicate the types, locations, risk levels, causes, and safe disposal measures of all major hazards, which serve as a work safety warning for employees. To guarantee the effectiveness of work safety assessment, we examine the environmental, health and safety management systems and work safety management of each site on a quarterly basis.

As of the end of the reporting period, there were 19 work-related injuries in the Company, with 95 working days lost due to work-related injuries, and no deaths caused by work-related injuries.

### Safety Awareness

To more thoroughly put occupational health and safety into practice, the Company has re-established a training system by collecting the needs of safety officers from departments and subsidiaries, and optimizing and developing tailored courses, covering topics such as safety management, basic fire protection knowledge, and hazard identification.

Occupational Health and Safety Training

52 training sessions on occupational health and safety	3,514 total participants	2,712 Total training hours	The <b>Hikvision First Aid Day</b> was set up in June 2022, with science popularization and training activities organized around the 19th day of each month
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During the reporting period, the Company held activities such as firefighting skills competitions, fire evacuation drills, and air defense drills to comprehensively improve employees' occupational health and safety awareness and capabilities, so that they could comply with regulations in everyday operations, and respond calmly in the event of an emergency.



Fire Evacuation Drill

# Nurturing a Vibrant Corporate Culture

Hikvision fosters employee cohesiveness and stimulates their creativity through an ideal corporate culture. In 2022, we launched a diversity of cultural activities and encouraged employees to form clubs and organizations to jointly develop a corporate culture of mutual trust, mutual support, and vivacity, and enhance employees' sense of belonging and wellbeing.



▲ Hikvision Talk Show



▲ Cultural Publication

## Varied Employee Activities

A number of events such as "Tree Hole" and "Hikvision Talk Show" were held for new employees to learn more about the Company and become part of the big family soon. For newcomers from campus recruitment, we produced and published the first internal book, *Picking Shells*\*. Divided into four chapters: development, growth, dreams, and life, the book presents cases and stories about the Company's history, employee growth, work-life balance, and other topics to promote Hikvision culture.



▲ Mid-Autumn Singing Festival



▼ Singles Event

▲ Trekking

During the reporting period, we also hosted an array of exciting activities such as "Happy Moments", "Mid-Autumn Singing Festival" and "Hello, Happiness" to make employees' daily life more splendid and create opportunities for them to make new friends.



\*Picking Shells: Collection of management notes from employees of Hikvision

**Case** Women's Day: Discovering beauty in different ways

In March 2022, the Company celebrated the Women's Day with a campaign themed on "appreciating every kind of beauty". The campaign included professional makeup lessons, a collection of diversified beauties, indoor bungee jumping, boxing courses and other activities, designed to help over 14,000 female employees find a pleasant lifestyle. Also, we invited 25 female managers to feature in the themed poster of "Twenty-Five Lines for Women", inspiring female employees to face up to challenges and establish ambitious goals. By promoting their attitude of never giving up, we wish to show the unique charm and courage of women.



### Dynamic Employee Associations

Various cultural and sports activities are a highlight at Hikvision, as employees are encouraged to form and participate in all kinds of clubs based on their hobbies. By the end of the reporting period, there were 11 employee associations in the Company. On Vision Forum, employees can spontaneously set up or join hobby groups, which has grown to over 500 so far.



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

Our chess, music, dancing, film & TV, and Hanfu\* clubs have added artistic and cultural vibes in the company

\*Hanfu: The traditional clothe of the Han dynasty in China

## Partner Responsibility

# Close Partnership and Shared Success

Honoring the strategy of "opening-up and mutual support", Hikvision works with its partners to create a harmonious and symbiotic technology ecosystem. On the one hand, we bear responsibility for a sustainable and responsible supply chain; on the other hand, we promote the exchange and sharing of technological achievements to accelerate our partners' growth.

### Contribution to UN SDGs



## Key Performance

### Responsible Supply:

- 100% of new suppliers were evaluated using environmental and social criteria
- The concept of green supply chain was proposed
- The response rate of suppliers participating in the conflict minerals management and control audit reached 97%

### Coordinated Industry Development:

- Hikvision established an open ecosystem to empower partners from technology, market, and growth, etc.
- The AI Open Platform passed the AI Development Platform Product Capabilities Level 4 evaluation organized by the China Academy of Information and Communications Technology

# Building a Responsible Supply Chain

Hikvision not only regulates its own supply chain management system to reduce social and environmental risks such as conflict minerals that the supply chain may face, but also urges suppliers to uphold their social responsibilities with high standards, engaging them to build a responsible supply chain ecosystem.

## Standard Supply Chain Management

Hikvision's suppliers are selected as per rigorous criteria and subject to regular audits, as a way to minimize supply chain risks and ensure sustainable production and operations. We consistently manage suppliers according to internal regulations such as the *Standards of Supplier Development and Selection Management*, the *Procurement Framework Agreement* and the *Supplier Corporate Social Responsibility Commitment*. In particular, our *Supplier Corporate Social Responsibility Commitment* explicitly forbids forced labor, slave labor, child labor and other misconducts, and requires suppliers to minimize potential harm to society, the environment and natural resources during the operation process, and to ensure a safe and healthy working environment for outsourced employees. The commitment also includes provisions on business ethics and conflict minerals, and avoids any supplier behavior that is not in compliance or infringes employee rights and interests.

### ● Supplier Access and Exit

Hikvision maintains stringent controls on supplier access and exit. In addition to basic conditions, we also take into consideration a supplier's potential impact on the environment and society and related actions it takes.

During the reporting period, **100%** of new suppliers were evaluated using environmental and social criteria. Among them, the suppliers with an additional third-party environmental and social certification accounted for **36%** and **18%**, respectively.

### ● Green Supply Chain

During the reporting period, the Company put forward the concept of green supply chain for the first time. It seeks to coordinate economic growth and environmental protection according to corporate strategies and supply chain development demands, enabling green, intelligent, convenient, and precise procurement, transportation, sales, and recycling. We implement green supply chain management to align materials and products with green development. A product lifecycle management system that covers supply, logistics, consumption, data and recycling is also established to boost Hikvision's sustainable development while providing consumers with safe, premium products and services.

### ● Supplier Assessment

Our *Management Regulation on Supplier Rating* has been formulated with reference to the ISO 14001 Environmental Management System, the ISO 45001 International Standard for Occupational Health and Safety (OHS) Management, and the SA8000 Social Accountability International Standard. Besides fundamental capabilities, we also assess suppliers' sustainable development from the perspectives of social responsibility and HSF (Hazardous Substance Free) according to quarterly and annual assessment plans. Upon evaluation, we reward, punish or end partnership with existing suppliers.

While requesting suppliers to sign the *Supplier Corporate Social Responsibility Commitment*, we help them strengthen their management capabilities in anti-corruption, business ethics, environmental protection and safety through training and assessment. On the other hand, risks are managed through supplier social responsibility risk assessments: low-risk suppliers may be exempted from signing the commitment by providing necessary certification or passing our evaluation; while for medium and high-risk suppliers, we will organize regular audits and compile social responsibility evaluation reports.

During the reporting period, the Company gave training courses and organized corresponding assessments on an irregular basis to improve suppliers' competencies. As of the conclusion of the reporting period, **100%** of suppliers had participated in training and assessments.

## Conflict Minerals Control

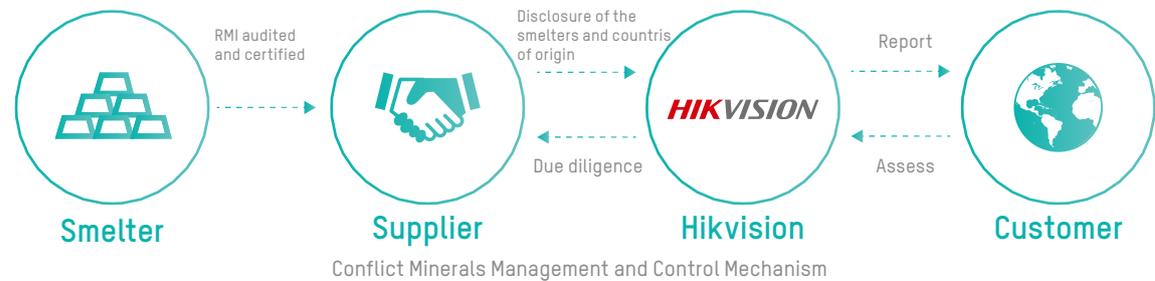
Hikvision has strict control over conflict minerals. Under the *Procurement Framework Agreement*, all suppliers are required to promise that what they provide to Hikvision are DRC Conflict-Free. We have established a conflict minerals management and control system for mineral resources and products, including tin, tungsten, tantalum, gold, and cobalt. Our Procurement Management Committee is responsible for risk monitoring and strategy development, and the Procurement Department and relevant functional departments are in charge of developing and implementing policies.

### • Training and Publicity

To regulate suppliers' behavior and operation, we deliver training on conflict minerals, launch routine mineral investigations on present mineral suppliers, and send conflict minerals questionnaires via the SRM (Supplier Relationship Management) platform. During the reporting period, the Company released the *Instructions for Filling the Conflict Minerals Reporting Template (CMRT)*, which is used to instruct suppliers on how to fill in the reporting forms for tin, titanium, tungsten and gold-bearing materials in compliance with the data exchange standards for responsible mineral sourcing. At the same time, Hikvision distributed the *Declaration of Metal Conflict-Free* to suppliers to thoroughly investigate the compliance and legality of sourcing along the supply chain. As of the end of the reporting period, nearly 1,000 suppliers had participated in our conflict minerals and metals review, with a response rate of **97%**.

### • Management and Control Mechanism

We have been investigating our supply chain to bolster our risk control capability of conflict minerals in accordance with five steps set forth in the Organization for Economic Co-operation and Development's *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. The five steps are: establishing strong company risk management systems, identifying and assessing risks in the supply chain, designing and implementing a strategy to respond to identified risks, carrying out a third-party audit of smelter/refiner's due diligence practices with reference to Responsible Minerals Initiative's (RMI) independent third-party verification system, and reporting annually on supply chain due diligence.



### • Emergency Response

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

- In case of any suppliers' violation due to the use of conflict minerals, we will check and isolate the products involved in the use of materials and submit a screening report to the material team or the Procurement Management Committee for risk assessment and final decision-making.
- ↓
- For suppliers involved in any violations, we will adopt the performance evaluation mechanism and take actions depending on their evaluation results (including but not limited to establishing a special team for guidance and correction, reducing orders, withholding new product launch and even terminating transactions).
- ↓
- In case of serious implications for the Company, the Company will reserve the right to further hold suppliers accountable under the Procurement Framework Agreement.

During the reporting period, the Company had no violations caused by conflict minerals.

# Driving Coordinated Industry Development

It is Hikvision's ambition to facilitate industry-wide development, governance and communication. As a technology company dedicated to innovation, we value technology sharing, support industrial exchanges, and pursue shared success with industry partners. We work hard to accelerate industrial and social advancement with cutting-edge technological achievements and to build a more efficient and secure intelligent world with innovative technologies, empowering every individual to enjoy a better future.

## Open Industry Ecosystem

Hikvision is committed to forming up an industrial innovation alliance as part of its "opening-up and mutual support" theory. Leveraging frontier technology, we would like to team up with all parties to develop solutions for the industry's intelligent upgrades and progress towards the intelligent world together with our partners.

We're interested in collaborating on technology, products, solutions, services and sales, and are able to empower partners at the technology, market and growth levels. Besides superior development and technical support services, industry developments and market information, we also offer training and certification to assist with partners' rapid growth and contribute to an industry environment filled with harmony and mutual support.



## Case Technology empowerment

Hikvision empowered an environmental group with algorithm technology. The partner was assisted to independently train basic recognition algorithms for different types of garbage, and customize algorithms for complicated environments. This allowed the partner to accurately and effectively identify litter, with a decreased error rate and cost.

While improving the efficiency of garbage sorting and recycling, Hikvision helped beautify the living environment and sustain the notion of sustainable development by reducing the discharge of incorrectly sorted garbage.

## Case Market empowerment

Hikvision helped customize an emergency response solution for the video platform technology of an information technology company. With knowledge models of various accident and disaster established in the emergency response industry, the partner enabled lifecycle emergency management. Meanwhile, we empowered the partner with our big data capabilities of the Big Data-AI Fusion Base, which allowed the two sides to work together and develop new applications in the emergency response sector via technological connectivity.

Our channel network and countrywide market resources were also made available to the partner, who achieved a nearly 150% performance increase as a result of cooperative market development and promotion, laying a solid foundation for the two sides to establish a harmonious and win-win industry ecosystem.

## Case Growth empowerment

Hikvision delivered to the engineers of a system company comprehensive training comprised of courses and cases consolidated from industry expertise. This aided the partner in developing adequate O&M and execution skills. Following the training, the engineers had a solid grasp of the software and hardware products involved in the courses.

This empowerment project allowed the partner to reduce training costs, improve staff productivity, and invest more resources in the R&D of self-developed products and solutions, thus speeding up its upgrade and transformation.

### Sharing in Industry Ecosystem

Openness and sharing have emerged as an opportunity for the harmonious development of the industry. Actively engaged in the establishment of shared platforms, Hikvision encourages data interaction, as well as the sharing of platform users and resources, with the goal to foster industry innovation.



AI Development Platform Product Capabilities Level 4 Certification

### Open Capability Sharing

To better open up and share capabilities, in 2020 the Hikvision Open Platform\* website went live, through which the Company opened resources on a Big Data-AI Fusion Base and a 5 aspects of capabilities – equipment, foundation, data, platform, and application. 4 development frameworks, 1,500+ open interfaces, 1,100+ common components, and a total of 278 software platform products including basic software, general software and industry software, were made available, giving birth to an industrial innovation alliance.

Comprehensive Open Capabilities				
Open Device Capabilities	Open Basic Capabilities	Open Platform Capabilities	Open Data Capabilities	Open Application Capabilities
3 Days - Realize an IoT access	3 Hours - Build a combined environment of big data components suitable for user scenarios 3 Days - Complete the interface of open protocols for pictures and videos	2 Hours - Train a new intelligent detection algorithm 2 Weeks - Complete 50 algorithm bindings for 5,000 common physical devices	3 Hours - Complete the entire process of accessing, standardizing and cataloging a class of data 1 Month - Completion of a project data warehouse covering 100 categories of data	1 Month - Develop a business application

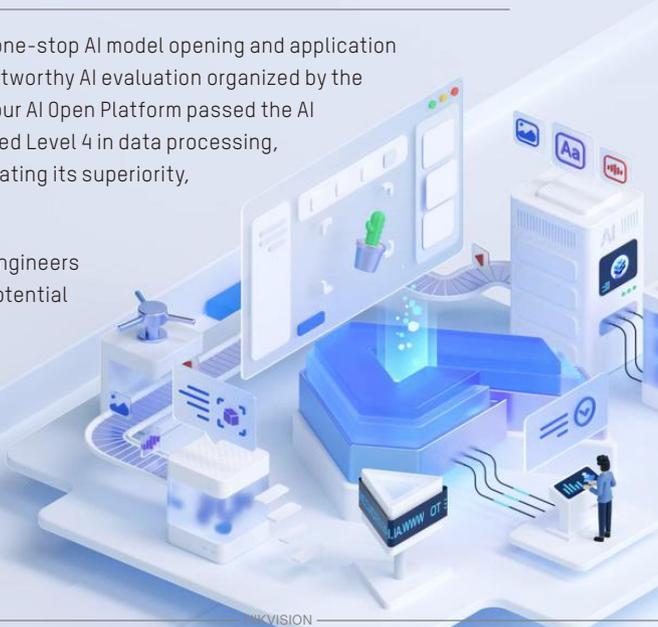
Moreover, Hikvision has produced online and offline training resources to provide development certification for ecosystem partners and accelerate the improvement of their technological capabilities. By the end of the reporting period, Hikvision's training and certification system offered 10 certification services and more than 300 online video courses covering AI and industry open platforms, reaching over 300 ecosystem customers and 650 partners.

### Case AI Open Platform

The AI Open Platform, as an integral part of Hikvision's open system, is a one-stop AI model opening and application platform designed for industry users and ecosystem partners. In the Trustworthy AI evaluation organized by the China Academy of Information and Communications Technology in 2022, our AI Open Platform passed the AI Development Platform Product Capabilities Level 4 evaluation, and reached Level 4 in data processing, model building, model-based reasoning, support and services, demonstrating its superiority, maturity, and security in the AI field.

During the reporting period, we organized AI Open Day training, in which engineers from the headquarters were invited to regularly give offline lectures to potential ecosystem customers in various cities who were interested in AI and had sufficient project management capabilities. During the training, the lecturers analyzed industry practices, helped clients design professional solutions and deploy implementation capabilities, and offered free cloud/edge tools to empower AI application scenarios.

\*Hikvision Open Platform: <https://open.hikvision.com/>



● **Support for Industry-university-research Cooperation**

In 2021, Hikvision and the China Computer Federation (CCF) jointly launched the CCF-Hikvision Bar-headed Goose Fund. The program aims to address the realistic issues and business needs in the industry, and to strengthen the partnership between the academic community and the R&D teams of enterprises. It is hoped to expand the academic influence of both parties and put research results into practice, thereby enhancing industry-university-research cooperation and providing development opportunities and platforms for outstanding young scholars at home and abroad.

During the reporting period, the CCF-Hikvision Bar-headed Goose Fund advanced under scientific and efficient management. So far, 11 projects have come to a successful conclusion, yielding dozens of papers and valuable outputs, alongside 3 academic reports and technological forums. Therefore, the program has become a driving force for university scholars and R&D professionals to contribute to industry-university-research integration.

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

\*DouYin: TikTok in China

● **Open Communication Platform**

Hikvision not only shares capabilities with its partners, but also provides a communication and sharing platform for developers, technophiles and the general public, where it spreads science and technology and shares associated achievements.

**Case V Club**

The V Club\* is a communication platform for machine vision developers and technophiles. Consisting of three sections: V Bulletin, Q&A, and V College, it helps enthusiasts and users quickly get started in the machine vision industry and learn about the latest industry news and technological developments through product/case introduction and industry experience sharing.

Also, the V Club offers certification services for machine vision engineers and ecosystem partners to enhance their technical capabilities and join forces to build a machine vision ecosystem. Up to now, over 80 online and offline training sessions have been delivered in Beijing, Wuhan, Hangzhou, Shenzhen and other cities, with a total of 925 junior, medium and senior certificates granted.

**Case Science & Technology Learning Station**

In order to popularize science and technology among the public and establish "a sci-tech society for all", in July 2022 Hikvision launched the Science & Technology Learning Station – the first sci-tech product introduction platform in the industry that is designed to serve a wider audience. It uses WeChat Channels, DouYin\* and other new media channels to introduce emerging technology to the public and inspire the industry to support China's Carbon Peaking and Carbon Neutrality Goals, protect the environment, and improve employees' working environment with technology, transforming sci-tech resources into beneficial outcomes that can be shared by the public.



Scan the QR code to follow Hikvision's WeChat Channel and explore the Science & Technology Learning Station

## Community Responsibility

# Public Welfare and Social Good

Perceiving all nature and understanding the planet. Harnessing the continuous development of AIoT technology, we help customers create a safer and more convenient social and living environment. Hikvision is committed to sharing its business success with the community. It launches innovative collaboration and public welfare initiatives to engage employees in public welfare and social services, inspiring them to lend a helping hand to individuals and organizations in need in every possible way.

## Contribution to UN SDGs



## Key Performance

### Hikvision STAR Program\* :

- Since its launch in 2020, the Hikvision STAR Program has reached partnership with 20 NGOs
- The 3<sup>rd</sup> Hikvision CSR Open Day was held in Bali and Hangzhou

### STAR Employee Program:

- Volunteered for left-behind children in mountainous areas, the elderly with no family, children of migrant workers, children with autism, children with cleft lip/palate, and outdoor workers exposed to high temperature

\*STAR Program: Sustainability through Technology, Actions for Responsibility

## Hikvision STAR Program

Hikvision calls for public welfare partners and technical partners from all over the world and works with them to explore innovations in four fields – **Biodiversity Monitoring and Protection, Environmental Monitoring and Protection, Digital Villages, and Cultural Heritage Protection** – with the purpose of creating a brighter future for people. Since we launched the Hikvision STAR Program in 2020, it has reached cooperation with 20 public welfare organizations. We held the Hikvision CSR Open Day for three consecutive years, presented the new journey, discovery and stories of the Hikvision STAR Program every year in different forms such as exhibitions, speeches, and interactive activities. The 2022 Hikvision CSR Open Day had two sessions at home and abroad.

The Chinese session was held in Hangzhou. Divided into three sections – People and People, People and Society, and People and Nature, the event showcased Hikvision's public welfare efforts and passed on the warm power of tech for a better world.

The international session took place in Bali, Indonesia. On the occasion, we presented the STAR Program's charity journey, discovery and stories during the reporting period, and our Indonesian partners shared a collaboration program with Hikvision to protect tropical rainforest biodiversity using AIoT technology.



Scan the QR code  
for more information



3<sup>rd</sup> Hikvision CSR Open Day - Hangzhou



3<sup>rd</sup> Hikvision CSR Open Day - Bali, Indonesia

## Case Protecting the culture and ecology of the Yangtze River spanning 6,000km

On October 31st 2022, the Yangtze River No. 11 Themed Post Office located in Shanghai Wusong Paotaiwan Wetland Park finished construction. This initiative has touched the hearts of numerous people since the completion of the first themed post office in Tanggula Town, Qinghai Province six years ago.

The two post offices sit at the source and end of the Yangtze River, respectively - one located on a plateau surrounded by snow-capped mountains and glaciers, and the other in a metropolis. It takes 40 hours of non-stop driving to travel between the two spots, but having the technical support of Hikvision, people can instantly see the creatures around the No. 1 post office even if stand at the No. 11 post office, despite a distance of about 6,000km and a height difference of 4,538m.

Seeing up close the living patterns of animals thousands of kilometers away in real time is a rare educational experience. Through real-time video streaming, children are allowed to chat with herders at the Yangtze River's headwaters as well as inhabitants near the estuary. With the help of technology, the Yangtze River Post Offices serve as bridge between the beginning and end of the Yangtze River, fulfilling the romantic vision of "protecting the Yangtze River together with all residents living along it".



Scan the QR code for more information (in Chinese)

### STAR Employee Program

During the reporting period, the Company drafted the Management Measures for Hikvision Employee Volunteering Activities based on the progress made to drive the healthy development of the STAR Employee Program. The document has stipulated the planning, review and organization of employee volunteering activities, volunteers' rights and obligations, and cost management, for the standardized and orderly organization of volunteer activities.

During the reporting period, Hikvision's STAR Employee Program joined forces with the Future Smile Charitable Foundation, Yiyou Public Welfare Service Center in Xiacheng District, Hangzhou, Jinxing Community in Banshan Sub-district, Hangzhou, Xingyuan Shouhu Public Welfare Service Center in Xiacheng District, Hangzhou, Xifan Library in Hangzhou and other non-profit organizations in different fields and delivered volunteer services to left-behind children in mountainous areas, the elderly with no family, children of migrant workers, children with autism, children with cleft lip/palate, and outdoor workers exposed to high temperature.



Volunteering Activities of STAR Employee Program

### Case Asian Games Football Dream

For some children living in mountainous areas, football is their "magic wand", which may allow them to walk out of the mountains and see a bigger world. As an official sponsor of the Asian Games Hangzhou, Hikvision joined the Asian Games Football Dream program during the reporting period, inspiring students from 10 mountainous schools to achieve their football dreams. Through the initiative, we intended to boost the development of youth football, and also support the Asian Games' charity endeavors in collaboration with the Asian Games Hangzhou Organizing Committee.

Looking ahead to 2023, Hikvision is prepared to join hands with employees and partners to shape a sustainable future.



Hikvision Joins the Asian Games Football Dream Program

## Appendix 1: KPI Tables

### Key Operating Performance

KPI	Unit	2020	2021	2022
Direct economic value	RMB 1,000,000	63,503.5	81,420.1	83,166.3
Cash dividend	RMB 1,000,000	7,474.7	8,489.9	6,554.8
Tax paid	RMB 1,000,000	4,901.9	6,447.3	5,947.0

### Key Environmental Performance

KPI	Unit	2020	2021	2022
<b>Energy use</b>				
Unleaded gasoline	Ton	513.8	606.1	282.4
Diesel	Ton	27.3	39.9	31.3
Natural gas	10,000 cubic meters	135.6	227.2	195.6
Purchased electricity	MWh	203,339.3	225,951.1	223,072.1
<b>Clean energy</b>				
Photovoltaic power	MWh	8,494.3	8,994.3	4,508.3
<b>Energy consumption</b>				
Total energy consumption	Ton of standard coal equivalent	27,433.4	31,480.0	30,253.2
Direct energy consumption	Ton of standard coal equivalent	2,443.0	3,710.6	2,837.6
Indirect energy consumption	Ton of standard coal equivalent	24,990.4	27,769.4	27,415.6
Energy consumption intensity	Ton of standard coal equivalent per million revenue (RMB)	0.43	0.39	0.36

KPI	Unit	2020	2021	2022
<b>Greenhouse gas emissions</b>				
Total emissions(Scope 1 + Scope 2)	Ton of carbon dioxide equivalent	146,550.5	157,621.0	159,454.1
Scope 1	Ton of carbon dioxide equivalent	4,471.8	6,857.0	5,153.9
Scope 2	Ton of carbon dioxide equivalent	142,078.7	150,764.0	154,300.2
Emission intensity	Ton of carbon dioxide equivalent per million revenue (RMB)	2.31	1.94	1.92
<b>Water resources</b>				
Total withdrawal	Ton	1,276,066.1	1,730,970.8	2,336,502.7
Municipal water	Ton	1,272,248.0	1,721,527.7	2,326,204.7
Underground water (overseas operations only)	Ton	3,816.1	9,443.0	10,298.0
Surface water (overseas operations only)	Ton	2	0.05	0.00
Total discharge	Ton	-	-	1,991,264.4
Total consumption	Ton	-	-	276,319.6
Water withdrawal intensity	Ton per million revenue (RMB)	17.82	21.26	28.09
<b>Packaging materials</b>				
Total use	Ton	39,667.5	54,950.4	43,857.4
Plastics	Ton	6,000.7	7,893.1	7,471.4
Cartons	Ton	31,571.4	38,477.4	33,164.0
Wood	Ton	1,982.7	2,916.4	3,035.3
Metal boxes	Ton	112.8	166.5	186.7
Packaging material use intensity	Ton per million revenue (RMB)	0.62	0.67	0.53

KPI	Unit	2020	2021	2022
<b>Recyclable waste</b>				
Plastics	Ton	3,764.2	3,865.5	3,295.3
Wood	Ton	1,506.6	1,342.3	1,271.7
Paper	Ton	10,053.0	10,093.6	9,432.7
Metal	Ton	2,629.7	2,226.8	2,640.7
Others (wiring harness, oiled paper, etc.)	Ton	32.7	601.2	1,067.9
Total	Ton	17,986.2	18,129.4	17,708.4
Intensity	Ton per million revenue (RMB)	0.28	0.22	0.21
<b>Non-recyclable waste</b>				
Kitchen waste	Ton	1,686.3	1,668.5	2,362.4
Office waste	Ton	3,215.5	2,083.1	3,141.3
General industrial waste	Ton	2,117.3	2,571.5	2,042.3
Total	Ton	7,019.1	6,323.1	7,546.0
Intensity	Ton per million revenue (RMB)	0.11	0.08	0.09
<b>Hazardous waste</b>				
Total waste	Ton	513.1	761.5	723.1
Waste intensity	Ton per million revenue (RMB)	0.008	0.009	0.009
<b>Exhaust emissions</b>				
NOx	Ton	-	-	0.33
SOx	Ton	-	-	0
PM	Ton	-	-	2.93

## Notes on Key Environmental Performance:

- The time scope of environmental data is from January 1st 2022 to December 31st 2022; the organizational scope of environmental data includes Hikvision's domestic research institutes, Binjiang Phase I, Phase II, Phase III and Phase IV (including Binjiang manufacturing base and office areas), Tonglu manufacturing base, Chongqing manufacturing base, India manufacturing base, Brazil manufacturing base, all domestic marketing centers (covering 31 provinces, autonomous regions and municipalities) and all international marketing centers overseas (covering 54 countries and regions); by use scope, environmental data is roughly divided into two categories: office operation and manufacturing.
- Intensity is calculated using the total amount in 2022 divided by the Company's revenue for the year, in millions of RMB.
- Direct Greenhouse gas emissions (Scope 1) are from the use of unleaded gasoline, diesel and natural gas. The calculation of Hikvision's domestic direct greenhouse gas emissions refers to the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions from Industrial Enterprises and Other Industries (Trial)* by the National Development and Reform Commission of the People's Republic of China; and the calculation of direct greenhouse gas emissions overseas refers to the WRI/WBCSD GHG Protocol.
- Indirect Greenhouse gas emissions (Scope 2) are from the use of purchased electricity. The calculation of Hikvision's domestic indirect greenhouse gas emissions refers to the *Average Carbon Dioxide Emission Factors of China Regional Power Grid 2012* by the National Development and Reform Commission of the People's Republic of China; and the calculation of indirect greenhouse gas emissions overseas refers to the EIB Project Carbon Footprint Methodologies.
- Total energy consumption is calculated in tons of standard coal, with reference to the *National Standard of the People's Republic of China GB/T 2589-2020 General Principles for Calculation of the Comprehensive Energy Consumption*.
- The data on total water discharge and total water consumption only cover domestic and overseas production bases and domestic research institutes.
- In 2022, the Company re-calculated the environmental data for 2020 and 2021, which results in changes in data compared with preceding reports.

## Key Social Performance

KPI	Unit	2020	2021	2022
<b>Employment</b>				
Number of employees worldwide	/	42,685	52,752	58,284
<b>Occupational health and safety</b>				
Coverage rate of safety education	%	100	100	100
Number of occupational diseases	/	0	0	0
Number of work-related fatalities	/	0	0	0
<b>Training and education</b>				
Total investment in employee training	RMB 10,000	621.97	1,781.19	1,722.60
Training hours per employee	hour/person	44.0	34.24	32.11
<b>Innovation and R&amp;D</b>				
Investment in R&D	RMB 1,000,000	6,379	8,252	9,814
Number of new patents	/	1,270	1,507	2,194
Number of new software copyrights	/	202	256	181
Number of new trademarks	/	169	337	300
<b>Supply chain management</b>				
New suppliers selected using environmental criteria	%	100	100	100
New suppliers selected using security criteria	%	-	100	100
Distributors' training	/	14,000+	120,240	82,991

## Appendix 2: GRI Content Index

Statement of use	Hikvision has reported the information cited in this GRI content index for the period from January 1st, 2022 to December 31st, 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Chapter Index	Page Number Index
<b>GRI 2: General Disclosures 2021</b>			
<b>The organization and its reporting practices</b>			
2-1	Coverage rate of safety education	About Hikvision	01
2-2	Entities included in the organization's sustainability reporting	About This Report	99
2-3	Reporting period, frequency and contact point	About This Report	99
2-4	Restatements of information	Key Environmental Performance	86-89
<b>Activities and workers</b>			
2-6	Activities, value chain and other business relationships	Driving Technological Innovation Building a Responsible Supply Chain Driving Coordinated Industry Development	42-44 77-78 79-81
2-7	Employees	Respecting Diversity and Inclusion Key Social Performance	67-68 90
<b>Governance</b>			
2-9	Governance structure and composition	Steadily Advancing Corporate Governance	34
2-10	Nomination and selection of the highest governance body	Steadily Advancing Corporate Governance	34
2-12	Role of the highest governance body in overseeing the management of impacts	Steadily Advancing Corporate Governance	34
2-13	Delegation of responsibility for managing impacts	Steadily Advancing Corporate Governance	34
2-14	Role of the highest governance body in sustainability reporting	About This Report	98

GRI Standard	Disclosure	Chapter Index	Page Number Index
<b>Strategy, policies and practices</b>			
2-22	Statement on sustainable development strategy	Message from the Management ESG Management Philosophy and Framework	02 27
2-23	Policy commitments	Steadily Advancing Corporate Governance Establishing Compliance Ecosystem Ensuring Business Continuity Respecting Diversity and Inclusion Building a Responsible Supply Chain	34 35-38 39-40 67-68 77-78
2-24	Embedding policy commitments	Steadily Advancing Corporate Governance Establishing Compliance Ecosystem Ensuring Business Continuity Respecting Diversity and Inclusion Building a Responsible Supply Chain	34 35-38 39-40 67-68 77-78
2-25	Processes to remediate negative impacts	Establishing Compliance Ecosystem	35-38
2-26	Mechanisms for seeking advice and raising concerns	Establishing Compliance Ecosystem	35-38
2-27	Compliance with laws and regulations	Hikvision had no significant non-compliance during the reporting period and did not result in fines or non-financial penalties.	
<b>Stakeholder engagement</b>			
2-29	Approach to stakeholder engagement	Stakeholder Engagement	29-30
2-30	Collective bargaining agreements	Respecting Diversity and Inclusion	67-68
<b>GRI 3: Material Topics 2021</b>			
3-1	Process to determine material topics	Identification of Material Issues	31-32
3-2	List of material topics	Identification of Material Issues	31-32

GRI Standard	Disclosure	Chapter Index	Page Number Index
<b>Economic</b>			
<b>GRI 201: Economic Performance 2016</b>			
3-3	Management of material topics	Optimized Governance and Robust Operations Safeguarding Employee Rights and Benefits	33-40 69
201-1	Direct economic value generated and distributed	Key Operating Performance	86
201-3	Defined benefit plan obligations and other retirement plans	Safeguarding Employee Rights and Benefits	69
<b>GRI 203: Indirect Economic Impacts 2016</b>			
3-3	Management of material topics	Technology for Goodwill, Creating Social Value as a Business Public Welfare and Social Good	03-25 82-85
203-1	Infrastructure investments and services supported	Technology for Goodwill, Creating Social Value as a Business Public Welfare and Social Good	03-25 82-85
203-2	Significant indirect economic impacts	Technology for Goodwill, Creating Social Value as a Business Public Welfare and Social Good	03-25 82-85
<b>GRI 204: Procurement Practices 2016</b>			
3-3	Management of material topics	Building a Responsible Supply Chain	77-78
<b>GRI 205: Anti-corruption 2016</b>			
3-3	Management of material topics	Establishing Compliance Ecosystem	35-38
205-2	Communication and training about anti-corruption policies and procedures	Establishing Compliance Ecosystem	35-38
<b>GRI 206: Anti-competitive Behavior 2016</b>			
3-3	Management of material topics	Establishing Compliance Ecosystem	35-38
<b>GRI 207: Tax 2019</b>			
3-3	Management of material topics	Establishing Compliance Ecosystem	35-38
207-1	Approach to tax	Establishing Compliance Ecosystem	35-38
207-2	Tax governance, control, and risk management	Establishing Compliance Ecosystem	35-38
207-4	Country-by-country reporting	Establishing Compliance Ecosystem	35-38

GRI Standard	Disclosure	Chapter Index	Page Number Index
<b>Environmental</b>			
<b>GRI 301: Materials 2016</b>			
3-3	Management of material topics	Optimizing Environmental Management System	53
301-1	Materials used by weight or volume	Key Environmental Performance	86-89
<b>GRI 302: Energy 2016</b>			
3-3	Management of material topics	Optimizing Environmental Management System	53
302-1	Energy consumption within the organization	Key Environmental Performance	86-89
302-3	Energy intensity	Key Environmental Performance	86-89
302-4	Reduction of energy consumption	Promoting Green and Low-carbon Production Advocating Green and Low-carbon Operations Empowering Products with Green Technology Taking Environmental Actions	54-58 59-60 61-62 63-64
302-5	Reductions in energy requirements of products and services	Empowering Products with Green Technology	61-62
<b>GRI 303: Water and Effluents 2018</b>			
3-3	Management of material topics	Promoting Green and Low-carbon Production Advocating Green and Low-carbon Operations	54-58 59-60
303-1	Interactions with water as a shared resource	Promoting Green and Low-carbon Production Advocating Green and Low-carbon Operations	54-58 59-60
303-2	Management of water discharge-related impacts	Promoting Green and Low-carbon Production Advocating Green and Low-carbon Operations	54-58 59-60
303-3	Water withdrawal	Key Environmental Performance	86-89
303-4	Water discharge	Key Environmental Performance	86-89
303-5	Water consumption	Key Environmental Performance	86-89

GRI Standard	Disclosure	Chapter Index	Page Number Index
<b>GRI 304: Biodiversity 2016</b>			
3-3	Management of material topics	Good Planet Public Welfare and Social Good	21-25 82-85
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# About This Report

## Overview

This Report offers comprehensive exposition into Hangzhou Hikvision Digital Technology Co., Ltd.'s (referred to as "Hikvision", "we" or the "Company") performance and management measures in environmental, social and governance (referred to as "ESG") matters in 2022, with particular focus on stakeholder concerns.

## Reporting Scope

This Report covers data and information about the Company from January 1, 2022 to December 31, 2022 (referred to as the "reporting period"). Of note some information references data dating back to 2021 or before, or looks forward into 2023. This Report covers Hikvision and its subsidiaries.

## Basis of Reporting

This Report is in accordance with the *GRI Sustainability Reporting Standards* issued by the Global Sustainability Standards Board (GSSB) (referred to as the "GRI Standards"), and the *Shenzhen Stock Exchange Social Responsibility Instructions* to Listed Companies.

Further, this Report is prepared in accordance with a set of established procedures, including key stakeholders identification, material ESG issues identification and ranking, reporting scope determination, data collection, report preparation and report review, etc.

## Data Source

The financial data included in this Report comes from the 2022 Annual Report, which has been independently audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP. Other information and data mainly come from the internal statistical reports or documents of the Company. The monetary amounts herein are denoted in RMB.

## Confirmation and Approval

After confirmation by the management, this Report was approved by the Board of Directors on April 13, 2023.

## Access and Feedback

This independent ESG Report is available in both Simplified Chinese and English. To view online or download, please visit [www.cninfo.com.cn](http://www.cninfo.com.cn) or <https://www.hikvision.com/en/about-us/sustainability/>.

We highly value stakeholder and reader feedback, as your suggestions and comments will help us further improve this Report and our ESG performance. Feel free to contact us, our contact information is below:

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See Far, Go Further

HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO., LTD.