

Shenzhen Sinexcel Electric Co., Ltd.

2024 Environmental, Social and  
Governance Report

April 2025

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## 1. Message from the Chairman

In 2024, global temperatures surpassed the critical threshold of 1.5°C above pre-industrial levels for the first time, marking it the hottest year on record. The increasing frequency of extreme weather events is causing catastrophic impacts on human societies. Amidst the complexities of international climate governance and geopolitical fluctuations, China remains resolute in advancing the "Dual Carbon"(Carbon Peak and Carbon Neutrality) strategy, actively addressing the global climate crisis. As a steadfast and powerful driver of the new energy transition, Sinexcel adheres to the principles of long-termism, leveraging technological innovation and digital intelligence to activate new quality productive forces, and tirelessly striving to "enhance energy efficiency and achieve energy freedom". In 2024, we continued to uphold our sustainable development philosophy, forging the core competitiveness to navigate business cycles and lead transformation in times of uncertainty.

**Reinforcing Governance Capabilities.** With 17 years of growth and accumulation, Sinexcel has embarked on a fresh brand revitalization and upgrade, transitioning towards becoming a smart energy solutions provider that integrates both software and hardware. We are steadfastly advancing our globalization strategy, gradually establishing a "sourced globally and oriented towards the world" supply chain system. Guided by the corporate culture and rooted in robust corporate governance, we rigorously implement and execute our corporate strategy, progressively achieving digital, refined, collaborative, and standardized operational management. During the reporting period, with the dedicated efforts of all Sinexcel employees, we were honored with the "2024 ESG Exemplary Enterprise Award" and the "2024 CaifuCaixin Zhiyuan Award – Pioneer in Social Responsibility", among others.

**Enhancing Product Competitiveness.** Sinexcel remains steadfast in the original vision, anchored in the three pillars of "electricity, energy, and technology", building a diversified development landscape encompassing new energy charging, storage, inspection, and industrial power solutions. With a strong focus on research and innovation, we launched several groundbreaking products during the reporting period. In the charging and swapping segment, we introduced the Tianji MW-level Ultra-Fast Charging Solution, fostering a high-quality MW-level Ultra-Fast Charging ecosystem, enabling "fast charging when needed, cost savings through

innovation". In the energy storage segment, we unveiled the world's first modular 2.5MW energy storage converter, boasting an efficiency of up to 99%, adaptable to various scenarios' requirements. In the power quality segment, we continuously upgraded the APF, SVG, and UPS series products, effectively addressing the power quality management needs driven by the stable operation of AI-powered computing centers. We delivered 4,091,356.26 kW of smart grid industry products, a 35.06% YoY increase, and 11,485,138.20 kW of new energy industry products, a 56.96% YoY increase. These achievements have significantly contributed to the green transition across industries. The technical expertise and outstanding product performance earned us prestigious accolades, including the "Guangdong Science and Technology Progress Award", "Global Top 500 New Energy Enterprises", and "S&P Global Top 10 Energy Storage Inverter Suppliers".

**Safeguarding Ecological Capabilities.** In product design, we adhere to green design principles, deeply integrating environmental protection principles throughout the product lifecycle, including raw material acquisition, manufacturing, packaging, transportation, usage and maintenance. In production operations, we actively respond to national guidelines for "Zero-Carbon Parks" and "Zero-Carbon Factories", exploring smart energy-carbon station solutions, and building first-class green factories and green supply chains as levers for low-carbon production. By setting energy intensity and carbon emission intensity targets, we implement energy-saving and carbon reduction actions to promote the low-carbon transformation. Additionally, we standardize the management of waste water, waste gas, and solid waste to minimize the environmental impact of our operations.

**Fostering Harmony and Collaboration.** We embrace a people-oriented philosophy with "talent-driven innovation" at the core, constructing a comprehensive talent management system encompassing "attraction, utilization, development, and retention", aiming to create an organization of talent abundance. We foster a diverse and inclusive organizational atmosphere, offering competitive compensation and benefits, optimizing performance feedback channels, empowering performance goal setting and review discussions, clarifying employee growth paths, and caring for employees' occupational health and safety, enhancing their sense of belonging and team cohesion. Moreover, with an open mindset, we collaborate with industry partners to drive innovation across the industrial chain and empower the new energy ecosystem. We also adhere to

the principle of "Originating from Society and Contributing to Society", actively engaging in public welfare and igniting the path of responsibility with sparks of collective action.

Holding Fast to Our Original Aspirations, Marching Forward Relentlessly. The green journey is like the quest for enlightenment, filled with unknowns and challenges. However, we remain unwavering and forge ahead fearlessly, anchoring our responsibilities in scientific carbon reduction, reshaping value through technological innovation, collaborating with global partners, to drive industry transformation, and contribute to the global transition towards a net-zero emissions energy system!

**Shenzhen Sinexcel Electric Co., Ltd.**

**Xing Fang, Chairman**

## 2. About Sinexcel

### 2.1 Company Overview

Shenzhen Sinexcel Electric Co., Ltd. was established in 2007 and headquartered in Shenzhen, China. Since its establishment, the Company has been engaged in the application of power electronics technology in power supplies for industrial applications and new energy sector, providing efficient and safe electrical energy security for high-end manufacturing, data centers, energy, and rail transportation industries. The Company also provides core equipment and comprehensive solutions for energy storage micro-grid systems, charging and swapping operations, consumer and vehicle battery manufacturing companies in the new energy sector.

Sinexcel is recognized as a "Dual High and Dual Soft" Certifications (National/Shenzhen High-Tech Enterprise, Software Enterprise/Product Certifications), a National "Specialized, Sophisticated, and Innovation-Driven" SME Leader, and a Leading Private Enterprise in Shenzhen's Nanshan District. Sinexcel actively contributes to sustainability and innovation by participating in China's National Innovation Fund and Shenzhen Science and Technology R&D Programs. It has been awarded accreditations such as the Guangdong Provincial Industrial Design Center, Guangdong Science and Technology Progress Award, and Shenzhen Enterprise Technology Center, while also receiving honors including the 17<sup>th</sup> Top 50 Most Valuable GEM-Listed Companies, Global Top 500 New Energy Enterprises, S&P Global Top 10 Energy Storage Inverter Suppliers, and the 2024 ESG Excellence Award, underscoring its commitment to technological advancement, clean energy solutions, and exemplary ESG practices.



#### Vision

To be a world-class power electronics technical company



#### Mission

Improving the energy efficiency, achieving energy freedom, and supporting hardworking individuals



#### Value

Customer first, results-driven  
Self-motivated, extremely professional  
Simple and sincere, grow together



#### Ten Business Management Principles

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Long-term oriented</li> <li>• High-quality development</li> <li>• Customer value-centered</li> <li>• Offering competitive products</li> <li>• Talent development</li> </ul> | <ul style="list-style-type: none"> <li>• Building a harmonized organization</li> <li>• Scientific decision-making</li> <li>• Integrated collaboration</li> <li>• Continuous improvement</li> <li>• Embracing changes</li> </ul> |
|--|---|

Corporate Culture

**Development Strategies:**

- Transitioning from hardware-centric operations to an integrated smart energy solutions provider.
- Evolving from a domestic-focused manufacturer to a globalized enterprise.
- Shifting from serving small-to-medium clients to becoming a trusted partner for global industry leaders.
- Accelerating digital transformation – moving beyond IT infrastructure to establish industry benchmarks in AI-driven energy management and digital twin technologies.
- Transitioning from talent shortage to leadership-centric organizational excellence.

**2.2 Services and Solutions**

Sinexcel adheres to a "customer-centric" service philosophy, driving sustainable value across diversified industries including power quality optimization, energy storage microgrids, EV charging/swapping services, and battery formation and testing. As a global leader in power quality solutions, Sinexcel optimizes energy efficiency through smart power management. As a modular energy storage system pioneer, Sinexcel empowers customers with energy freedom. As a top-tier charging module and system developer, Sinexcel simplifies EV infrastructure with tailored solutions. Additionally, Sinexcel provides cutting-edge battery testing and production line solutions, empowering clients to establish world-class battery testing laboratories and intelligent manufacturing lines and driving high-quality industry development.

| <b>Business Sector</b>                     | <b>Business Segment</b> | <b>Industry Status</b>                                  | <b>Development</b>   |
|--|-------------------------|---|--|
| Power Supplies for Industrial Applications | Power quality           | top-tier global market presence in active power filters | 17 years of expertise in deploying 20,000+ power quality improvement projects across 50+ countries and regions |
|  | Industrial power supply | Synergizing with its power quality solutions            | Pioneering digital innovation in power supply technologies   |

|            |   |   |  |
|------------|---|---|--|
|            |   |   | for laser processing, industrial intelligent equipment, semiconductor processing equipment   |
| New Energy | Charging and swapping services          | Recognized with nearly a hundred honors, including Top Ten Influential Brands in China's Charging and Swapping Industry, Core Module Brand, and Outstanding Brand in Ultra-Fast Charging Technology | Deploying 100,000+ charging systems and 800,000+ modules across 200+ cities, empowering thousands of operators with scalable clean energy infrastructure |
|            | Energy storage and micro-grid solutions | Ranked among S&P Top 10 World Energy Storage Inverter Suppliers (2024)  | The solutions are operational in 60+ countries worldwide, with cumulative energy storage capacity exceeding 12GW   |
|            | Battery testing and formation           | A domestic industry leader  | Delivering more than 300,000 battery testing channels and over 1.2GW total power output across 10 regions in three continents                            |

| Revenue Breakdown by Segment               |                               |                    |
|--|-------------------------------|--------------------|
| Business Sector                            | Revenue in 2024 (RMB million) | Revenue Proportion |
| Power supplies for industrial applications | 603                           | 19.86%             |



|   |       |        |
|---|-------|--------|
| New energy storage inverter equipment   | 857   | 28.23% |
| EV charging equipment                   | 1,216 | 40.04% |
| Battery formation and testing equipment | 296   | 9.75%  |
| Others                                  | 64    | 2.12%  |

### 2.3 Business Presence

Sinexcel is headquartered in Shenzhen and has established a manufacturing center in Huizhou, R&D Centers in Xi'an, as well as an operation center in East China. The Company has subsidiaries across Hong Kong, the United States, Germany, Australia, Singapore, Korea and others. Sinexcel's products span over 60 countries and regions worldwide. The products, certified by authoritative bodies such as CEPRI, MIIT, CQC, IEEE, ETL, TUV, SAA, and UL, serve over 60 countries. As we embark on the future, Sinexcel will integrate international resources and local advantages, relentlessly expanding international market presence, and steadfastly forging ahead with the global strategic presence.

| Global Presence of Sinexcel        |  |
|------------------------------------|--|
| <b>Headquarter</b>                 | Shenzhen, China  |
| <b>R&amp;D Centers</b>             | Xi'an, China   |
| <b>East China Operation Center</b> | Suzhou, China  |
| <b>Manufacturing Center</b>        | Huizhou, China   |
| <b>Overseas Companies</b>          | Sinexcel Inc. (US Sinexcel), Southern California, USA                |
|                                    | SINEXCEL PTE. LTD. (Singapore Sinexcel), Singapore                   |
|                                    | SINEXCEL PTY. LTD. (Australian Sinexcel), New South Wales, Australia |
|                                    | Sinexcel (Deutschland) GmbH (German Sinexcel), Düsseldorf, Germany   |
|                                    | Korea Sinexcel Co., LTD (Korean Sinexcel), Seoul                     |


### 3. Recap of 2024



#### 3.1 Key Highlights in 2024

| Indicator   | Unit        | 2024          |
|---|-------------|---------------|
| <b>Economic Performance</b>   |             |               |
| Revenue   | RMB million | 3,036         |
| YoY growth  | %           | 14.53         |
| Net profit attributable to shareholders of the parent company                       | RMB million | 429           |
| YoY growth  | %           | 6.49          |
| Net cash flow from operating activities   | RMB million | 364           |
| Basic earnings per share  | RMB/share   | 1.38          |
| YoY growth  | %           | 6.08          |
| <b>Environment Performance</b>  |             |               |
| Reuse rate of water resources during production process                             | %           | 100           |
| Recovery rate of general solid waste  | %           | 100           |
| Coverage rate of environmental protection training for manufacturing base employees | %           | 100           |
| Number of environmental protection trainings  | Number      | 16            |
| <b>Social Performance</b>   |             |               |
| R&D investment  | RMB million | 257           |
| Number of patents held  | Number      | 212           |
| Smart grid industry products  | kW          | 4,091,356.26  |
| New energy industry products  | kW          | 11,485,138.20 |
| Customer satisfaction rate  | %           | 90            |
| Employee satisfaction rate  | %           | 85            |

|                                      |          |        |
|--------------------------------------|----------|--------|
| Total training hours for employees   | Hour (s) | 20,210 |
| Average training hours for employees | Hour (s) | 8.56   |

### 3.2 Key Events in 2024

| No. | Events   |
|-----|--|
| 1   | <p><b>Ranked among the "Global Top 500 New Energy Enterprises"</b></p> <p>Sinexcel was ranked among the "Global Top 500 New Energy Enterprises" – a benchmark authority in renewable energy development, published annually for fourteen consecutive years since 2011 by China's National Energy Administration. This ranking evaluates companies' revenue, profitability, and R&amp;D investment, measuring the comprehensive strength of large-scale global renewable energy enterprises, including the scale of development and sustainable growth capabilities. Sinexcel's successful inclusion demonstrates its prominent position and profound influence in the global renewable energy sector.</p>  |
| 2   | <p><b>Awarded the "Guangdong Province Science and Technology Progress Award"</b></p> <p>The Guangdong Province Science and Technology Progress Award is an honorary award established by the People's Government of Guangdong Province to recognize organizations that have made significant contributions and achieved remarkable results in solving key common technical problems within the industry. Sinexcel's receipt of this award signifies a high degree of recognition for its technological innovation and breakthroughs in voltage governance technologies.</p>  |

|   |   |
|---|---|
|   |  <p>广东省科技进步奖<br/>证书</p> <p>为表彰 2023 年度广东省科技进步奖获得者，特颁发此证书。</p> <p>项目名称: 高端产业电压暂降综合治理关键技术、系列装备及应用</p> <p>奖励等级: 二等奖</p> <p>获奖者: 深圳市盛弘电气股份有限公司</p> <p>粤府证【2024】2895 号<br/>项目编号: J04-2-04-D05</p>  |
| 3 | <p><b>Awarded the Title of "2024 Guangdong Provincial Manufacturing Individual Champion Enterprise"</b></p> <p>The Guangdong Department of Industry and Information Technology has released the public announcement of the "List of 2024 Guangdong Provincial Manufacturing Individual Champion Enterprises". Sinexcel has been selected and awarded the title of "2024 Guangdong Provincial Manufacturing Individual Champion Enterprise" for its exceptional innovation in "DC Charging Equipment for Electric Vehicles". Manufacturing individual champion enterprises refer to those that have long focused on specific segments of the manufacturing industry, possess good innovation foundations and strong technological innovation capabilities, have production technologies or processes that reach international or domestic leading levels, and have a single product market share that ranks among the top globally or nationally. The success represents a high degree of recognition from the industry for its technological innovation, process capabilities, and market position.</p>  <p>授予:</p> <p>深圳市盛弘电气股份有限公司</p> <p>“电动汽车直流充电设备”</p> <p><b>广东省省级制造业单项冠军企业</b></p> <p>广东省工业和信息化厅<br/>二〇二四年七月</p> |
| 4 | <p><b>Named among "Top 10 World Energy Storage Inverter Suppliers" by S&amp;P Global</b></p>  |

**Commodity**

Sinexcel has been named one of the top 10 global energy storage inverter suppliers in 2024, by S&P Global Commodity Insights, a renowned provider of independent research and market analysis. This prestigious recognition underscores Sinexcel's exceptional product performance in the field of energy storage inverters and its significant influence in the global market.

**Signed a strategic energy partnership with Shenhuitong**

In 2024, Shenhuitong and Sinexcel held a signing ceremony to establish an energy partnership. Building on mutual benefits and complementary strengths, the two parties will deepen their collaboration in the renewable energy sector, focusing on the integration and application of innovative technologies such as solar-storage integration and megawatt-level ultra-fast charging technology, aiming to develop diversified energy-efficient transportation demonstration projects, contributing to Nanshan District's vision of becoming a global leader in carbon emissions peaking and achieving carbon neutrality. This partnership accelerates Shenzhen's comprehensive implementation of its dual-carbon strategy.



6

**Spotlighted at Intersolar Europe 2024**

At Intersolar Europe 2024 in Munich, Germany, Sinexcel showcased its full range of charging and energy storage solutions, capturing global attention with its robust product portfolio and cutting-edge technologies. During the event, Sinexcel unveiled its new global logo, "SINEXCEL," symbolizing a refreshed brand identity and commitment to innovation. Against the backdrop of accelerating global carbon neutrality efforts, Sinexcel demonstrated how its advanced technological solutions are driving progress toward China's dual-carbon goals, reinforcing its role as a key enabler of sustainable energy transitions worldwide.

**3.3 Key Qualifications and Honors**

- Key Qualifications**

| Qualifications  | Authorized by  |
|---|--|
| National High-Tech Enterprise   | Ministry of Science and Technology, Ministry of Finance, State Taxation Administration |
| National 'Specialized, Refined, Distinctive, and Innovative' SME Champion         | Ministry of Industry and Information Technology  |
| Guangdong Excellent "Specialized and New" Enterprise                              | Department of Industry and Information Technology of Guangdong Province                |
| Guangdong Industrial Design Center  | Department of Industry and Information Technology of Guangdong Province                |
| Guangdong Sinexcel New Energy Power Battery Testing and Charging Pile Engineering | Department of Science and Technology of Guangdong Province                             |

|  |   |
|--|---|
| Technology Research Center   |   |
| Shenzhen New Energy Vehicle Intelligent Ultra-Fast Charging Technology Engineering Research Center | Development and Reform Commission of Shenzhen Municipality          |
| Shenzhen Enterprise Technology Center  | Shenzhen Municipal Commission of Economy and Information Technology |
| Industrial Design Center of Shenzhen Sinexcel Electric Co., Ltd.                                   | Industry and Information Technology Bureau of Shenzhen Municipal    |
| Nanshan District Headquarters Enterprise   | Shenzhen Nanshan District of Industry and Information Technology    |
| Nanshan District Private Leading Enterprise (in the Field of Power Quality)                        | Shenzhen Nanshan District Economic Promotion Bureau                 |

● **Annual Honors**

**Enterprise Value Awards**

| Honors   | Awarded by  |
|--|---|
| Top 500 Global New Energy Enterprises  | China Energy News, China Institute of Energy Economics Research         |
| S&P Top 10 World Energy Storage Inverter Suppliers                           | S&P Global Commodity Insights   |
| 2024 Guangdong Provincial Manufacturing Individual Champion Enterprise       | Department of Industry and Information Technology of Guangdong Province |
| Second Prize of the Guangdong Province Science and Technology Progress Award | People's Government of Guangdong Province                               |
| 2024 ESG Exemplary Enterprise Award  | The 3 <sup>rd</sup> International Green Zero Carbon Festival            |
| 2024 CaifuCaixin Zhiyuan Award – Pioneer in Social Responsibility            | CaifuCaixin Society   |
| 2023 Top 10 Enterprises in Added Value of Specialized, Sophisticated SMEs    | People's Government of Nanshan District, Shenzhen Municipality          |



**Brand Influence Category**

| <b>Honors</b>  | <b>Awarded by</b>  |
|--|--|
| Top 10 Charging Equipment Brands of the Year   | International Energy Network, National Energy Research Institute                 |
| Top 10 Charging Station Core Component Brands of the Year  | International Energy Network, National Energy Research Institute                 |
| Ranked 4 <sup>th</sup> in Top 10 China Energy Storage PCS Providers by Shipment in 2023          | CNESA  |
| Sinexcel's SEC1000 CE-compliant DC Charging Station Product Receives VDE-MessEV Certification    | VDE (Verband der Elektrotechnik Elektronik Informationstechnik e.V.)             |
| Pioneer Award in Power Quality   | International Harmonics and Power Quality Organizing Committee                   |
| 2024 Most Influential Enterprise Award in the China's Energy Storage Industry                    | Organizing Committee of China International Energy Storage Conference            |
| 2024 Top 10 Liquid-Cooled Supercharger Stations Brands in China's Charging and Swapping Industry | Top 10 Brands Evaluation Event in China's Charging and Swapping Industry in 2024 |
| "Solar Cup" Award for Outstanding PCS Supplier in China's Energy Storage Industry                | Solarbe Carbon Storage Network   |
| "Polaris Cup" Award - Influential PCS Supplier in Energy Storage                                 | North Star Energy Storage Network  |
| 2023 "JUNENG Cup" Award for Outstanding Energy Storage Enterprise                                | Energy Storage Industry 2023 Review and 2024 Outlook Conference                  |
| 2024 Battery Swapping Technology   | China International Battery Swapping Industry Conference                         |
| Green Power Supply Chain Excellence Supplier   | Saier Media  |
| Zhao Qinghe, General Manager of Sinexcel's   | 2024 China EV Charging and Swapping  |



|  |  |
|--|--|
| Charging and Swapping Product Line, Honored as "2024 Top 10 Outstanding Young Leaders in China's Charging and Swapping Industry" | Industry Top 10 Brands Selection Event |
|--|--|

## 4. Topic: Spearheading the Journey to Energy Freedom

In 2024, Sinexcel emerged as a global leader in the MW-level Ultra-Fast Charging era, deepening its international presence through technological innovation and strategic partnerships. With unwavering determination and resilience, we have worked alongside global partners to overcome barriers, drive industry transformation, and advance toward a future of energy freedom.

### 4.1 Establishing an Urban-Rural Integrated Green Energy Ultra-Fast Charging Network

Sinexcel has pioneered MW-level Ultra-Fast Charging solutions, significantly enhancing charging efficiency and service coverage while accelerating the adoption and upgrading of renewable energy infrastructure. Sinexcel is actively promoting the penetration of new energy in rural areas by deploying rural charging stations and advocating charging solutions tailored for rural scenarios. These efforts facilitate the green energy transition in rural regions, fostering an urban-rural integrated green energy ultra-fast charging network.

#### 4.1.1 Leading the MW-level Ultra-Fast Charging Era

As the adoption of 800V ultra-fast charging vehicles continues to rise, existing charging stations face challenges such as limited simultaneous charging capacity, insufficient shared power, and high investment costs. Recognizing these industry trends, Sinexcel launched the Tianji MW-level Ultra-Fast Charging Solution during the reporting period. This innovative solution fosters a high-quality ecosystem for ultra-fast charging, enabling "fast charging when needed, cost savings through innovation", and driving the transition to sustainable transportation.



Sinexcel's Tianji MW-level Ultra-Fast Charging Solution

## Innovative Advantages of Sinexcel's Tianji MW-level Ultra-Fast Charging Solution

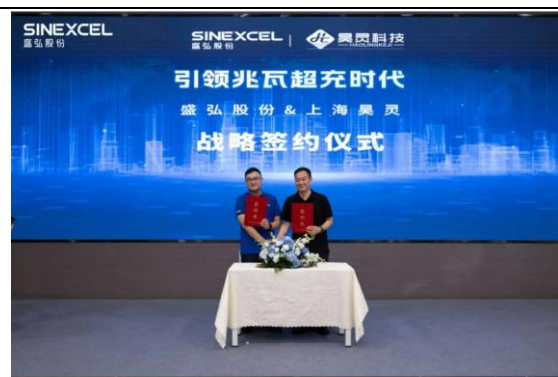
| Innovative Features             | Innovative Advantages   |
|---------------------------------|---|
| Fast Charging When Needed       | The Sinexcel Tianji 1,440 kW ultra-fast charging system enables flexible megawatt-level power distribution with a "one station, one stack, universal sharing" design, allowing multiple vehicles to charge simultaneously. It supports both 800A liquid-cooled and 400A air-cooled terminals, delivering a "100 km in 1 minute" experience. Compared to traditional solutions, charging efficiency is improved by 30%, and station turnover rate is increased by 30%, effectively addressing slow charging and long queues. |
| Cost Savings Through Innovation | This charging stack system adopts a design compatible with five-core aluminum cables, reducing material costs by up to 80%. Power loss is reduced by 1%, and the module's intelligent sleep mode achieves zero standby power consumption.   |

|                    |  |
|--------------------|--|
|                    | <p>The 800A dual-gun liquid-cooled terminal reduces costs by 30% while increasing current capacity, lowering the overall station investment cost by 10%.</p> <p>Compared to traditional solutions, the 800A dual-gun liquid-cooled ultra-fast charging terminal employs a one-charger dual-gun design, reducing costs by 30% while increasing current capacity, lowering the overall station investment cost by 10%.</p> |
| Seamless Evolution | <p>The system is designed with advanced foresight, supporting upgrades from fast-charging terminals to air-cooled or liquid-cooled ultra-fast charging terminals, further enhancing the charging experience. Additionally, it integrates PV-storage and V2G technologies, enabling a smooth transition to smart energy-carbon solutions and ensuring the sustainable development of charging stations.</p>               |

#### 4.1.2 Partnering to Build a MW-level Ultra-Fast Charging Ecosystem

Sinexcel always maintains committed to open collaboration. During the reporting period, we joined forces with industry stakeholders to host a series of MW-level Ultra-Fast Charging ecosystem events in Suzhou, Shenzhen, Beijing, and Haikou. Together, we launched the "MW-level Ultra-Fast Charging Ecosystem Initiative" and signed strategic cooperation agreements with leading partners across sectors, creating a vital engine for high-quality productive forces and driving the development of advanced ultra-fast charging infrastructure.

|   |   |
|---|---|
|  |   |
| MW-level Ultra-Fast Charging Ecosystem Initiative                                   | <p>Sinexcel and Chery Green Energy Strategic Partnership</p> <p>Agreement Signing</p> |



Sinexcel and Shanghai Haoling Strategic Partnership

Agreement Signing



## Sinexcel and Suzhou Jiaotou Xineng Strategic Partnership Agreement Signing

As of the end of the reporting period, Sinexcel's Tianji MW-level Ultra-Fast Charging Solutions have been deployed in 61 cities across China, with 121 charging stations and 2,325 charging guns installed. This not only provides EV users with convenient and efficient charging services but also significantly accelerates the adoption of new energy vehicles and supports sustainable development. Moving forward, Sinexcel will continue to expand its MW-level Ultra-Fast Charging network, actively exploring partnerships with local governments, automakers, and energy companies to jointly advance the construction of a nationwide supercharging network, contributing to green mobility and smart transportation.




## MW-level Ultra-Fast Charging Network

### Key Projects of Sinexcel Tianji's MW-level Ultra-Fast Charging Solution During the Reporting Period

| Project Case | Project Significance | Project Site |
|--------------|----------------------|--------------|
|--------------|----------------------|--------------|

|  |  |  |
|--|--|--|
| Chedian New Energy and Sinexcel: Co-building First MW-level Ultra-Fast Charging Station in Foshan                              | The station is equipped with 800A dual-gun liquid-cooled ultra-fast charging, supporting a maximum current of 1,600A, delivering an unparalleled experience of "100 km range in 1 minute" for EV owners.   |    |
| Xiaoju Charging & Wanxiang New Energy & Sinexcel: Co-building the First MW-level Ultra-Fast Charging Station in Guangzhou      | Located in an area with dense traffic flow, the station can simultaneously serve 48 EVs, offering fast and user-friendly charging, accelerating the city's transformation into a hub for ultra-fast charging.  |    |
| Xiaoju Charging & Hao Han New Energy & Sinexcel: Collaborate to Build the First MW-level Ultra-Fast Charging Station in Hainan | The station integrates both air-cooled ultra-fast chargers and fast chargers, providing a "Fast Charging When Needed" experience to EV owners, vigorously advancing the construction of Hainan as an island of ultra-fast charging.                          |  |
| Xiaoju Charging & Chidian New Energy & Sinexcel: Collaborate to Build the First Megawatt Charging Station for Buses in Sichuan | Leveraging the resource advantages of the bus group, the station introduces Sinexcel's Tianji MW-level Ultra-Fast Charging solution and Xiaoju Charging's digital platform to provide convenient, efficient, and intelligent charging services for buses and |  |




|  |  |  |
|--|--|--|
|  | citizens, accelerating the electrification of public transportation.   |  |
| Xiaoju Charging & Juwei Energy & Sinexcel: Collaborate to Build the First MW-level Ultra-Fast Charging Station in Liaoning | Designed to operate in extreme temperatures ranging from -40°C to 65°C, the station ensures reliable charging services for EV owners in high-cold regions, supporting year-round green mobility. |  |

#### 4.1.3 Promoting Continuously the Expansion of NEVs in Rural Areas

During the reporting period, Sinexcel launched the Yao Guang 7kW\*2 dual-gun intelligent AC charger solution, continuously refining the comprehensive smart charging and battery swapping solutions for rural areas. By collaborating with regional partners, we have jointly built rural charging and swapping infrastructure, achieving full coverage of high-quality charging networks and bridging the last mile for new energy vehicle adoption in rural areas.

Selected Projects of Sinexcel's Rural Charging Stations During the Reporting Period

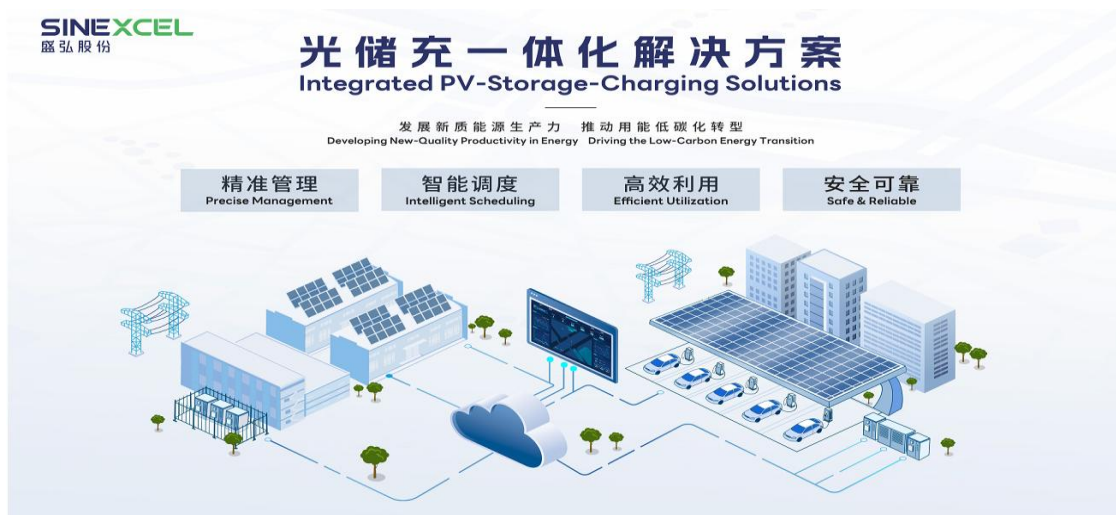
| Project Case   | Project Significance  | Project Site   |
|--|---|--|
| Wuhan Urban Construction Investment & Sinexcel: Co-building Wuhan NEVs Penetration in Rural Areas Initiative - Qingshan District & Economic Development Zone Charging Stations | Through close collaboration, the first phase of 60 rural charging stations was successfully completed, covering 32 administrative villages in Qingshan District and 28 in Wuhan Economic Development Zone, empowering green mobility through energy infrastructure. |  |

|  |   |  |
|--|---|--|
| <p>Anhui Changfeng Public Transport &amp; Sinexcel: Co-building Anhui NEVs Penetration in Rural Areas Initiative - Changfeng County Charging Station</p> | <p>Through in-depth collaboration, 30 charging stations have been successfully deployed in Changfeng County, accelerating the adoption of NEVs in rural areas and providing high-quality charging services for local residents, upgrading rural transportation.</p> |    |
| <p>Anhui Province Energy&amp; Sinexcel: Co-building Anhui NEVs Penetration in Rural Areas Initiative - Lu'an Charging Station</p>                        | <p>The charging station utilizes Sinexcel's flexible shared charging stack, offering 22 fast-charging spots to create an exceptional charging experience for rural ride-hailing drivers, empowering a new ecosystem for rural mobility.</p>                         |   |
| <p>Anhui Taihu Bus &amp; Sinexcel: Co-building Anhui NEVs Penetration in Rural Areas Initiative - Taihu Bus Charging Station</p>                         | <p>With 44 fast-charging spots, the station meets urban bus charging needs while supporting the rural new energy strategy, providing reliable infrastructure for the electrification of public transport.</p>   |  |
| <p>Xurilanjing &amp; Sinexcel: Co-building Tibet NEVs Penetration in Rural Areas Initiative - Mangcuohu No.1 Hotel Charging</p>                          | <p>Equipped with both fast and slow charging capabilities, the charging station serves local EV owners. Despite the average altitude of 4,000 meters, the</p>   |  |

|         |  |  |
|---------|--|--|
| Station | station ensures stable green energy supply 24/7 through intelligent modules and even heat dissipation, supporting the widespread adoption of green energy. |  |
|---------|--|--|

#### 4.2 Developing Smart Energy and Carbon Management Solutions for Parks

Driven by the dual forces of the new energy revolution and digitalization, smart energy utilization, efficient energy conservation, and effective carbon reduction have become essential trends for sustainable development. Improving energy efficiency, operational performance, and creating new business models are critical pathways for corporate green transformation. During the reporting period, Sinexcel partnered with Schneider Electric to explore smart energy-carbon solutions for industrial parks and commercial complexes, advancing the development of smart energy management technologies. On June 13, 2024, at the SNEC 2024 exhibition, Sinexcel officially unveiled its "PV-Storage-Charging-Discharging" smart energy-carbon station solution, empowering industries to achieve intelligent energy utilization.





Innovative Advantages of Sinexcel's "PV-Storage-Charging-Discharging" Smart Energy and Carbon Station

Solution

| Innovative Features   | Innovative Advantages  |
|---|--|
| Deep Integration of PV-Storage-Charging-Discharging         | The innovative Tianji architecture integrates PV, storage, charging, and discharging modules into a unified system, addressing challenges such as low energy conversion efficiency and DC busbar short-circuit protection. Through the unified design of charging, V2G, and PV-storage-charging-discharging modules, it enables a seamless transition from standalone charging to an integrated "PV-storage-charging-discharging" solution.  |
| Zero Power Consumption, Zero Grid Connection, Zero Overload | <ul style="list-style-type: none"><li>Industry-first built-in AC contactor modularization and intelligent dormancy technology, the module internally incorporates embedded AC contactors, achieving zero power consumption in standby mode.</li><li>The smart energy and carbon management platform is capable of predicting energy storage, photovoltaic, and charging loads, and real-time resource scheduling is conducted in accordance with load changes. This enables photovoltaic power stations to generate and consume their own power, and energy storage systems to store and utilize their own energy, without feeding power back to the grid, achieving zero grid connection and improving energy utilization rate by at least 20.1%.</li><li>The globally pioneering Tianji architecture enables microsecond-level precise energy management, achieving "zero" overload and ensuring the safe operation of equipment and circuits.</li></ul> |

Case Study: "PV + EV Charging" Dual Integration | JA Solar Teams Up with Sinexcel to Create a Low-Carbon Demonstration Park

During the reporting period, Dongtai JA Solar Technology Co., Ltd., a leading enterprise in the photovoltaic industry, collaborated with Sinexcel to develop Phase I of a 40.8MW distributed photovoltaic project integrated with EV charger in a digitalized low-carbon park. The project is located in Dongtai City, known as a "strong industrial city" in Jiangsu Province. Upon completion, the project is expected to generate over 40 million kWh of electricity annually, reducing carbon dioxide emissions by 40,000 tons per year, thereby continuously contributing to global green and sustainable development. Sinexcel adopted an integrated "PV + EV Charging" energy synergy model in this project, ingeniously utilizing the clean energy from the distributed photovoltaic power generation system installed on the parking sheds within the park to support the provision of 41 smart charging facilities. This integration of PV energy access with EV charging has facilitated the "one-stop" application, effectively promoting the local consumption of green electricity and the low-carbon development of the park.



### 4.3 Rooted in China, Expanding Globally

Sinexcel remains steadfast in its global expansion strategy, rooted in China while reaching out to the world. During the reporting period, the inauguration of its German subsidiary marked a significant milestone in its strategic presence in the European market. Through global deployment, Sinexcel not only better serves international customers but also promotes the global adoption of Chinese new energy technologies and solutions, contributing Chinese expertise and innovation to global energy structure optimization and carbon neutrality goals.



German Office Opening Ceremony

Sinexcel is committed to delivering smart charging experiences worldwide, collaborating with overseas partners to explore innovative energy solutions and achieve energy freedom. With charging stations deployed in over 50 countries and cities, Sinexcel serves 56 million EV owners globally, with 1 in 7 users choosing Sinexcel charging solutions. During the reporting period, Sinexcel participated in exhibitions across 14 cities, accelerating the high-quality development of the global charging and swapping industry. With over 6,000 flagship stations worldwide, Sinexcel serves more than 10 million EVs annually, reducing carbon emissions by 400,000 tons, equivalent to planting 16 million trees. Additionally, the Company continues to innovate in technology and product quality, ensuring compliance with international market requirements and enhancing global competitiveness.



Strategic Partnership with FastCharge.me–North America EV Charging Station



Collaboration with Windrose – Pioneering Megawatt Charging for Heavy-Duty Trucks



Partnership with MagicPower to Establish South Africa's First Off-Grid EV Charging Station



Collaboration with EVPower – Advancing Green Transportation in Malaysia

### Case Study: Sinexcel's European Standard Integrated and Split Charging Systems Receive German Eichrecht Certification

On December 11, 2024, Sinexcel successfully passed the VDE audit for charging pile manufacturing and quality assurance systems, obtaining the Module D Certification under the German Eichrecht. This achievement, combined with the Module B Certification for product design, ensures full compliance with Germany's stringent standards. This signifies that Sinexcel's EV charger products can legally enter the German market and be utilized in public operating stations throughout Germany. As the first non-European charging equipment manufacturer to receive VDE certification under the German Eichrecht, Sinexcel has taken a solid step forward in its internationalization journey, enabling its charging solutions to enter the German market and serve public charging stations.



## 5. Steady Operations, Consolidating Governance

### ● Our Philosophy

Sinexcel consistently integrates the concept of sustainable development into its strategy planning and daily operations, actively implementing ESG practices to build a solid foundation for the steady growth and contribute to societal sustainability. We regard compliance as the cornerstone of corporate development, strictly adhering to laws and regulations while continuously optimizing our governance structure to safeguard investors' rights and interests. Upholding the highest standards of business ethics, we foster a culture of integrity and transparency, ensuring fair and ethical corporate behavior. Additionally, we advance digital transformation and establish a robust information security management system to ensure safe, stable, and efficient production and operations.

### ● Our Actions

- Strengthening ESG Management
- Reinforcing Corporate Governance
- Upholding Business Ethics
- Advancing Digital Transformation
- Ensuring Information Security

### ● Contributing to the UN SDGs



### 5.1 Strengthening ESG Governance

Sinexcel attaches great importance to ESG governance, adopting a top-down approach to systematically advancing the implementation of ESG principles through annual evaluations and associated mechanisms. It maintains open communication channels with stakeholders, deeply understands their core concerns and incorporates vital stakeholder concerns into its strategic planning, ensuring alignment with corporate development goals and enhancing the proactivity and sustainability of ESG governance.

### 5.1.1 ESG Governance Structure

Sinexcel established a top-down ESG governance framework to plan the ESG strategies as a whole and ensure the efficient implementation of ESG management measures, further promoting sustainable development. The framework is structured with the Board of Directors positioned as the highest decision-making authority, the ESG Committee serving as the leading and discussion body, and the ESG Working Group on Implementation acting as the execution body. The Board sets ESG strategic goals and reviews major ESG-related matters. The Chairman chairs the ESG Committee, overseeing its operations, while key department heads serve as committee members, conducting research, analysis, and evaluations to propose ESG goals and plans. The committee regularly reports to the Board, provides feedback on ESG challenges, and submits the annual ESG report for approval and disclosure. The ESG Working Group handles daily operations and implements committee resolutions, including meeting preparations, ESG task execution, and report compilation.



ESG Governance Structure of Sinexcel

We consistently refine and enhance the ESG governance structure, fostering the seamless integration of ESG initiatives into the daily management and operational workflows across all departments. ESG performance metrics are incorporated into executive compensation, with regular reviews of ESG progress.

#### Incorporating ESG Indicators into Executive Compensation

In 2024, ESG-related metrics were included in the performance evaluations of senior



executives and departments. Each executive is responsible for assessing their respective departments, translating ESG strategies into key performance indicators (KPIs) for implementation.

We conduct monthly and quarterly reviews of critical ESG metrics to ensure annual KPIs are met, including safety metrics (e.g., accident frequency, recordable injury rate), environmental metrics (e.g., energy consumption per capita, energy intensity per unit of output), talent metrics (e.g., key position recruitment rate, employee turnover rate), and quality & service metrics (e.g., on-time delivery rate, customer satisfaction rate). ESG metrics account for 5%-30% of performance evaluations, with a minimum of 30% for each department.

#### Feasibility Assessment for Sustainability Certifications

Sinexcel will leverage the acquisition of relevant certifications as a cornerstone of its ESG management strategy. By establishing state-of-the-art green factories and laboratories, it aims to build core competencies that drive continuous improvement in ESG performance. Key certifications targeted include the Green Factory Certification (issued by the Ministry of Industry and Information Technology, MIIT), National CNAS Laboratory Accreditation, and Green Supply Chain Management Certification (MIIT), among others.



2024 CaifuCaixin Zhiyuan Award–Pioneer in Social  
Responsibility



2024 ESG Exemplary Enterprise Award

#### 5.1.2 Stakeholder Engagement

| Stakeholder | Topics of Interest Related to | 2024 Engagement and Actions (Partial) |
|-------------|-------------------------------|---------------------------------------|
|-------------|-------------------------------|---------------------------------------|

| Groups       | ESG  |   |
|--------------|--|---|
| Shareholders | <ul style="list-style-type: none"> <li>Corporate governance</li> <li>Business ethics</li> <li>Environmental management</li> </ul>  | <ul style="list-style-type: none"> <li>Shareholder meetings and earning briefings</li> <li>Regular operational and financial information disclosure</li> <li>Regular and daily communication with investors</li> <li>Strengthening risk control system</li> <li>Gender and background diversity in the Board of Directors</li> </ul>  |
| Customers    | <ul style="list-style-type: none"> <li>High-quality products and services</li> <li>Information security and privacy protection</li> <li>R&amp;D and innovation</li> <li>Digital transformation</li> <li>Green and low-carbon products</li> <li>Emission and waste management</li> <li>Resource utilization and circular economy</li> </ul> | <ul style="list-style-type: none"> <li>Improving quality management system and safety management system</li> <li>Enhancing information security and privacy protection measures</li> <li>Responding promptly to customer needs and improving action plans</li> <li>Customer training and technical support</li> <li>Long-term partnership</li> <li>Continuously advancing R&amp;D innovation and digital transformation</li> <li>Promoting eco-design throughout the product lifecycle</li> </ul> |
| Employees    | <ul style="list-style-type: none"> <li>Intellectual property protection</li> <li>Talent management and development</li> <li>Occupational health and</li> </ul>   | <ul style="list-style-type: none"> <li>Establishing an intellectual property database</li> <li>Refining talent development mechanisms</li> <li>Strengthening occupational health</li> </ul>   |

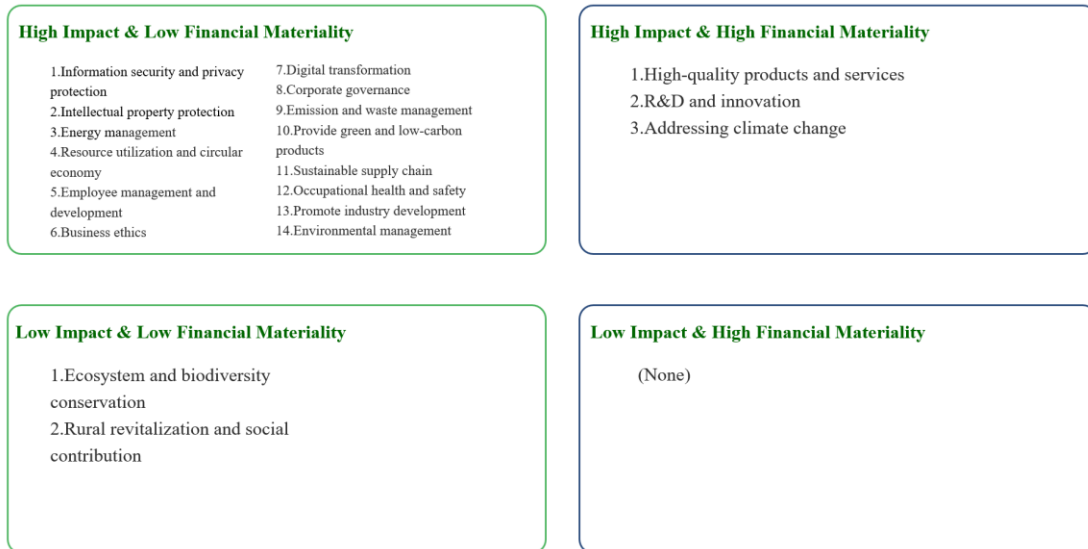


|                           |  |   |
|---------------------------|--|---|
|                           | safety   | <p>and safety management</p> <ul style="list-style-type: none"> <li>Organizing festival care and cultural and sports activities</li> </ul>  |
| Government and Regulators | <ul style="list-style-type: none"> <li>Business ethics</li> <li>Corporate governance</li> <li>Addressing climate change</li> <li>Environmental management</li> <li>Ecosystem and biodiversity conservation</li> <li>Energy management</li> <li>Rural revitalization and social contribution</li> </ul> | <ul style="list-style-type: none"> <li>Strictly complying with local laws and regulations</li> <li>Strengthening anti-fraud management and improving whistleblowing mechanisms</li> <li>Operating with integrity and paying taxes in accordance with the law</li> <li>Implementing lean energy management to achieve sustainable development</li> <li>Strengthening the recycling of resources and using eco-friendly materials</li> <li>Supporting rural charging and swapping infrastructure development</li> </ul> |
| Suppliers                 | <ul style="list-style-type: none"> <li>Sustainable supply chain</li> </ul>   | <ul style="list-style-type: none"> <li>Establishing fair and transparent procurement principles and processes</li> <li>Signing the <i>Sunshine Procurement Agreement</i> and the <i>Integrity Cooperation Agreement</i> with the suppliers</li> <li>Conducting regular communication and training with suppliers</li> </ul>   |
| Community                 | <ul style="list-style-type: none"> <li>Rural revitalization and social contribution</li> </ul>   | <ul style="list-style-type: none"> <li>Supporting community development through the Sinexcel Public Welfare Fund</li> </ul>   |

|          |  |  |
|----------|--|--|
|          |  | <ul style="list-style-type: none"> <li>Implementing localized employment</li> </ul>  |
| Partners | <ul style="list-style-type: none"> <li>Promote industry development</li> </ul> | <ul style="list-style-type: none"> <li>Participating in industry standard compilation</li> <li>Attending industry summits and forums</li> <li>Joining industry-related associations</li> <li>Establishing strategic partnership</li> </ul> |

### 5.1.3 Analysis of Topics with "Dual Materiality"




Drawing upon corporate strategy, industry trends, and insights garnered from both internal and external stakeholders as well as rating agencies, Sinexcel identified the material issues that are financially important to the Company and have significant impact on stakeholders through surveys and expert consultations. Sinexcel establishes tailored management objectives and strategies, provides comprehensive responses in the report to address them in detail, and remains steadfast in advancing sustainable development.







Dual Materiality Matrix



### 5.1.4 Contributing to the UN SDGs

| SDGs | Responsible Action of Sinexcel   | Chapter Reference         |
|------|--|---------------------------|
|      | <ul style="list-style-type: none"> <li>Formulated the <i>Management Procedure</i></li> </ul> | People-oriented, Building |

|   |  |  |
|---|--|--|
|    | <p><i>for the Prohibition of Child Labor and the Remedial Procedure for Child Labor and Forced Labor</i>, ensuring zero tolerance for child labor and forced labor</p> <ul style="list-style-type: none"> <li>• Obtained the ISO 45001 Occupational Health and Safety Management System certification and ensured the system's seamless and effective functioning</li> <li>• Achieved 100% physical examination coverage rate for employees in occupational disease risk positions</li> <li>• Provided 100% occupational health and safety training coverage for production bases employees</li> </ul> | Harmony  |
|  | <ul style="list-style-type: none"> <li>• Established a three-pillar training system covering functional, professional skills, and leadership training.</li> <li>• Delivered a total of 20,210 training hours, with an average of 8.56 hours per employee</li> </ul>  | People-oriented, Building Harmony  |
|  | <ul style="list-style-type: none"> <li>• Promoted gender diversity on the Board of Directors, with women accounting for 37.50% of board members</li> <li>• Women employees represent 28.30% of the workforce</li> <li>• Female employees accounting for 18% of senior management</li> </ul>  | Steady Operations, Consolidating Governance<br>People-oriented, Building Harmony |

|   |  |  |
|---|--|--|
|    | <ul style="list-style-type: none"> <li>Set annual water intensity targets at production bases</li> <li>Achieved 100% recycling of cooling water used in production processes</li> </ul>  | <p>Practicing Low Carbon and Protecting the Ecosystem</p>  |
|    | <ul style="list-style-type: none"> <li>Installed PV facilities on rooftops and parking canopies at production bases</li> </ul>   | <p>Practicing Low Carbon and Protecting the Ecosystem</p>  |
|    | <ul style="list-style-type: none"> <li>Established a diversified compensation and benefits system and a fair career development framework</li> <li>Implemented long-term incentives for senior management and key employees</li> <li>Conducted monthly, quarterly, and annual performance evaluations for all employees</li> </ul>   | <p>People-oriented, Building Harmony</p>   |
|  | <ul style="list-style-type: none"> <li>Embraced an innovative management model of "Product Line + Support Platform", with R&amp;D investment accounting for about 9% of revenue over the past three years</li> <li>Launched the Tianji Megawatt Supercharge Solution, accelerating the construction of a nationwide megawatt supercharging network</li> <li>Enhanced rural smart charging and battery swapping solutions</li> <li>Partnered with Schneider Electric to develop smart energy-carbon park solutions</li> </ul> | <p>Topic: Spearheading the Journey to Energy Freedom<br/>Excellence in Delivery, Enhancing Product Competitiveness</p> |

|   |  |   |
|---|--|---|
|   | <ul style="list-style-type: none"> <li>Promoted the global adoption of new energy technologies and solutions</li> </ul>  |   |
|    | <ul style="list-style-type: none"> <li>Supported rural new energy initiatives by building charging and swapping infrastructure</li> <li>Collaborated with MagicPower to establish South Africa's first off-grid EV charging station</li> <li>Ensured equal employment and zero tolerance for discrimination</li> <li>Funded projects for child protection and education, contributing to public welfare</li> </ul> | <p>Topic: Spearheading the Journey to Energy Freedom</p> <p>People-oriented, Building Harmony</p> |
|  | <ul style="list-style-type: none"> <li>Maintained ISO9001 Quality Management System certification</li> <li>Ensured quality across the product lifecycle (design, production, delivery) and encouraged employee participation in quality improvement</li> <li>Achieved IECQ QC080000: 2017 hazardous substance process management system certification</li> </ul>   | <p>Excellence in Delivery, Enhancing Product Competitiveness</p>                                  |
|  | <ul style="list-style-type: none"> <li>Established an Energy &amp; Carbon Emissions Management Leadership and Working Group to oversee energy and carbon audits</li> <li>The headquarters, Sinexcel Huizhou, and Sinexcel Suzhou have set annual targets to reduce energy intensity and</li> </ul>   | <p>Practicing Low Carbon and Protecting the Ecosystem</p>   |

|   |   |  |
|---|---|--|
|   | <p>carbon emission intensity by 2% annually, setting 2024 as the baseline year.</p> <ul style="list-style-type: none"> <li>Promoted green product design to reduce lifecycle carbon emissions.</li> <li>Reduced production energy consumption through clean energy use and technical upgrades.</li> </ul>   |  |
|   | <ul style="list-style-type: none"> <li>Upheld business ethics by formulating business ethics management system documents, requiring new employees to sign an <i>Employee Commitment Letter</i> and partners to an <i>Integrity Cooperation Agreement</i></li> <li>Established anti-fraud investigation procedures, accountability mechanisms, and whistleblower protection</li> </ul> | Steady Operations,<br>Consolidating Governance               |
|  | <ul style="list-style-type: none"> <li>Built a sustainable supply chain by managing suppliers across the product lifecycle.</li> <li>Participated in industry associations and events, fostering partnerships with industry peers</li> </ul>  | Excellence in Delivery,<br>Enhancing Product Competitiveness |

## 5.2 Reinforcing Corporate Governance

Sinexcel continuously refines its corporate governance system, strictly adhering to relevant laws, regulations, and departmental rules, while optimizing governance documents to enhance operational standards. We actively leverage the roles of independent directors and minority

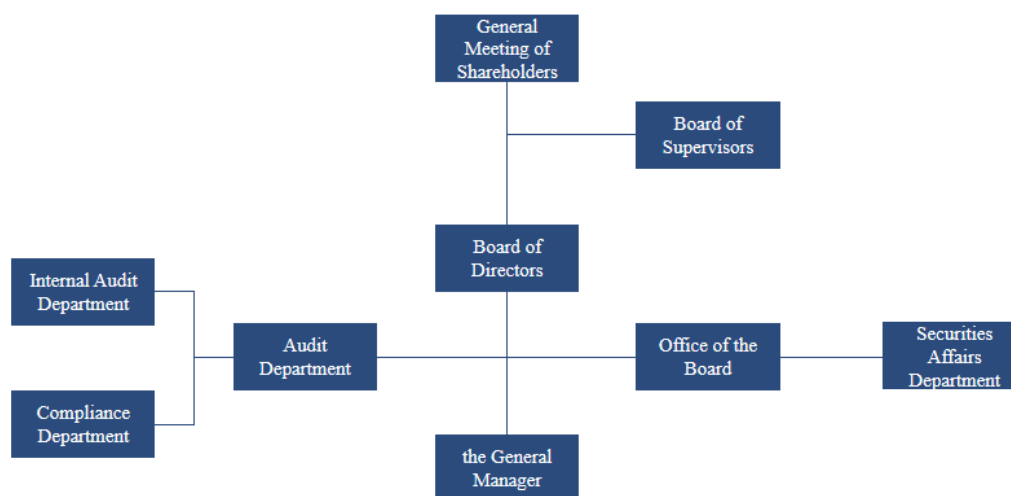
shareholders to ensure robust governance. In terms of internal control and risk prevention, Sinexcel strengthens institutional development, refines the risk management system, and improves decision-making and operational management capabilities. By enhancing internal control mechanisms and optimizing management processes, we further solidify governance foundations and drive high-quality development.

### 5.2.1 Board Structure and Governance

During the reporting period, the General Meeting of Shareholders, Board of Directors, and Board of Supervisors, and management strictly adhered to the *Articles of Association* and the respective rules of procedure, fulfilling their duties effectively.

The Board of Directors consists of 8 directors, including 3 independent directors and 1 external non-independent director. We actively promote board diversity, with 3 female directors, accounting for 37.50%. All directors possess strong professional expertise and educational backgrounds in energy, accounting, law, and management, ensuring scientific decision-making.

The Board has established four specialized committees, namely Strategy Committee, Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee. Except for the Strategy Committee, chaired by the Chairman, the other committees are chaired by independent directors, with independent directors comprising two-thirds of each committee's membership. Each committee operates independently in accordance with the *Articles of Association*, free from interference by other departments or individuals.





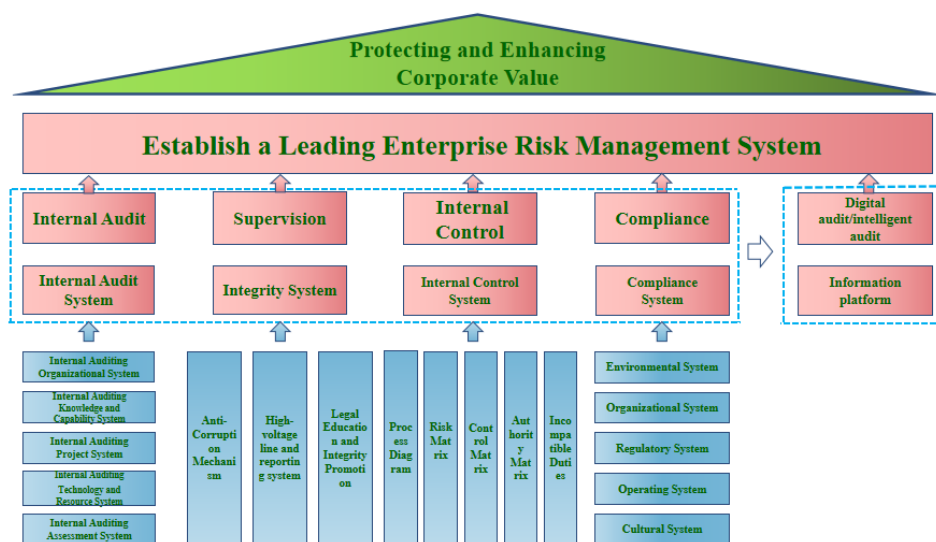
## Governance Structure of Sinexcel

**Key Performance: During the reporting period**

- Held 2 General Meetings of Shareholders
- Held 9 Board Meetings
- Female Directors (%) 37.50
- Held 9 Supervisory Board Meetings
- Conducted 1 professional training session for directors

**5.2.2 Risk Prevention and Control**

A robust risk control system is essential for stable operations. We prioritized risk control, further refining the system during the reporting period. The system integrates internal audit, internal control, and integrity and compliance frameworks, supported by digital audit and information platforms, providing a solid foundation for achieving strategic goals and enhancing organizational capabilities.



Risk Management System Structure

**Risk Management Implementation Plan:**

- Streamlined business processes to create process lists and business maps
- Identified and assessed business risks, designed key control measures for major risks, and

conducted continuous evaluations to form a risk list

- Regularly evaluated operational risks and produced risk assessment reports
- Addressed issues identified in risk assessment reports, producing rectification and follow-up reports
- Established risk warning indicators for quantifiable risks, implementing dynamic monitoring and intelligent early warning systems to create a risk warning indicator list



Risk Management Implementation Plan of Sinexcel

### ● Improving Internal Control System

**Optimize business processes.** We streamlined processes and proposed optimization strategies through benchmarking, formulating and refining relevant regulations, and defining departmental management boundaries through control matrix tables.

**Enhance internal control capabilities.** During the reporting period, we conducted two internal control training sessions in Suzhou and Huizhou bases to enhance internal risk prevention awareness and capabilities.



2024 Internal Control Training

**Routine audit projects.** We integrated all departments and business cycles into the audit scope, ensuring routine audits and set audit frequencies based on business importance and risk levels, maintaining consistency annually.

**Key Performance: During the reporting period**

- Completed 4 routine audits and 8 special audits, covering procurement, sales, production, warehousing and other businesses
- Resolved 30 tracked rectification items in the ledger
- Resolved 60 daily rectification follow-up items outside the ledger

**● Fostering a Compliance Culture**

Sinexcel emphasizes a compliance culture, conducting various training sessions (e.g., procurement, sales contract compliance, export controls, and sanctions), leveraging internal lecturers and external legal counsel. By doing so, employees are empowered to precisely comprehend and adhere to relevant laws and regulations, effectively mitigating risks stemming from non-compliance. During the reporting period, approximately 680 employees participated in the compliance training sessions.

|  |   |
|--|---|
|   |   |
| Export Control and Sanction Training   | Complex Litigation Case Handling Training   |
|  |  |
| Procurement and Sales Contract Compliance Training                                 | Legal Practices for Labor Contract Termination Training                             |

### 5.2.3 Investor Relations Management

Sinexcel always safeguards investor rights through smooth communication with investors, standardized information disclosure and sharing business achievements with investors via continuous dividends. Sinexcel has devised and disclosed a comprehensive action plan focused on "achieving dual enhancements in quality and returns" to boost investor confidence.

#### ● Investor Communication

To better respect and protect the rights and interests of investors, Sinexcel formulated the *Investor Relations Management Guideline* in accordance with relevant laws and regulations, the *Articles of Association* and normative documents, which clarifies the principles, objectives, content, scope, and methods of investor relations management.

**Smooth Communication with investors.** We provided multiple communication channels, with the Securities Department specifically responsible for managing investor relations. During the reporting period, we provided an on-site and online voting platform for the General Meeting of Shareholders to ensure that minority investors exercise shareholder rights and participate in the decision-making process. We also held earnings briefings, timely disclosed investor-related announcements, timely responded to investor inquiries via hotlines (0755-88999771) and Shenzhen Stock Exchange Interactive Platform and arranged on-site visits to address investors' queries. In addition, we established an investor relations column on the official website, updating the stock prices and announcements in a timely manner, establishing a good capital market image.

**Sharing developmental accomplishments with investors.** Sinexcel has devised the *Three-Year Shareholder Dividend Return Plan (2023-2025)*, distributing a total of RMB 258 million in cash dividends for 2023-2024, accounting for 30.97% of net profits. While ensuring normal operations, we are committed to delivering long-term returns to shareholders, aligning with current operating status and business expansion objectives, and sharing the business outcomes with investors.

**Key Performance: During the reporting period**

- Investor exchange and research visits: 7
- Number of replies on Interactive Platform: 130

● **Information Disclosure**

Sinexcel complies strictly with laws, regulatory guidelines, and pertinent rules including the *Information Disclosure Management System* and the *Investor Relations Management System* to ensure the truthful, accurate, timely, fair, and comprehensive disclosure of information. Designated platforms include CNINFO and major securities newspapers (China Securities Journal, Securities Times, Securities Daily, Shanghai Securities News) We also proactively disclose voluntary information that could significantly influence the decision-making processes of shareholders and other stakeholders, to maintain transparent communication with the capital market. During the reporting period, we disclosed 123 announcements.

#### 5.2.4 Tax Management

The personnel responsible for tax management consist of tax supervisors and tax accountants. The tax policies are implemented in accordance with the tax policies of each operating location to ensure compliant management. During the reporting period, the tax risks mainly originated from risky invoices, the risk of under-reporting minor local taxes, and VAT issues. The invoice issues mainly stemmed from risky invoices provided by suppliers. In response, we have significantly strengthened supplier management. The selection of suppliers is subject to rigorous company-wide evaluations. To address the risk of under-reporting minor taxes, tax personnel regularly review materials on the official websites of local tax bureaus for learning purposes and timely communication. Regarding VAT issues, Sinexcel has informed suppliers to directly issue ordinary invoices for non-deductible input VAT items, such as employee shuttle bus fees. For items where input VAT should be transferred out, all have been processed in line with regulations. All goods that are required to be treated as sales have been accounted for as such, and the corresponding VAT has been paid.

#### 5.3 Upholding Business Ethics

Sinexcel formulated a series of business ethics-related documents to regulate employees' business ethics, including the *Regulations on Anti Unfair Competition Management*, *Responsible Marketing Management Guidelines*, *Code of Conduct*, *Eight Red Lines of Sinexcel*, and the *Anti-fraud Management Standards* in accordance with the *United Nations Convention against Corruption*, the *Law of the People's Republic of China on Anti Unfair Competition*, *Anti-fraud Management Standards* and other laws and regulations. Employees are required to sign the *Employee Commitment Letter* to define the commercial ethics behavior expected of employees. Sinexcel signed the *Integrity Cooperation Agreement* and the *Sunshine Procurement Agreement* with all partners and conducted irregular visits to suppliers, with the aim of eradicating commercial bribery and upholding the principles of self-discipline and integrity. Additionally, Sinexcel has launched an integrity initiative both internally and externally, ensuring that both new and existing employees participate in business ethics policy training, to foster a culture of integrity. During the reporting period, there were no corruption-related litigation cases, nor were there any litigation cases or major administrative penalty incidents caused by unfair competition behaviors.

**Anti-corruption Principles**

- Zero Tolerance: Zero tolerance for any form of corruption
- Accountability: Any individual involved in corruption will be dealt with severely
- Collective anti-corruption efforts and supervision: Whenever a case is detected, it will be promptly addressed. The case details along with the real names of the implicated individuals will be publicly disclosed, leaving no room for anyone to escape accountability.

**5.3.1 Anti-fraud Management System**

Sinexcel established *Anti-fraud Management Standards*, led by the Board, to foster a company-wide anti-fraud culture and strengthen internal controls. The management should bear responsibility for the occurrence of fraudulent behavior and be the primary contact for anti-fraud work, responsible for establishing rigorous and effective control measures for business operation and taking appropriate remedial actions in the event of fraud. The Audit Department oversees anti-fraud efforts, specifically organizing and implementing anti-fraud work. Audit personnel must comply with the *Code of Professional Ethics for Internal Auditors*.

In addition, Sinexcel has designated a Business Ethics Officer to comprehensively drive forward business ethics initiatives. This officer is responsible for ensuring the legality and compliance of all business operations, actively communicating and promoting business ethics policies. The officer effectively maintains and enhances the business ethics management system. Moreover, the officer serves as a resource for employees, providing clear answers to their queries regarding the content and requirements of business ethics work.

**5.3.2 Employee Integrity and Self-discipline**

Employees are required to adhere to the *Eight Red Lines of Sinexcel*, with severe penalties (warning, dismissal etc.) for violations. Employees are required to sign the *Employee Commitment Letter* to promise to perform their duties honestly during their employment. Any external companies involved will also be blacklisted by Sinexcel and will never cooperate again. If there is any suspected illegal or criminal behavior, it will also be handed over to public security and judicial authorities for legal prosecution.

**"Eight Red Lines" of Sinexcel:**



- Fraud and deception
- Utilizing authority to seek personal benefits
- Leakage/theft of company secrets
- Soliciting and accepting bribes
- Related party transactions that harm Sinexcel's interests or engaging in commercial competition with Sinexcel
- Irregular investment, taking part-time jobs with Sinexcel's suppliers, customers, partners, etc.
- Unauthorized dealings with external partners and malicious collusion
- Other illegal or unethical conduct, obstructing supervision, or covering up illegal and disciplinary behaviors

Sinexcel attaches great importance to the construction of an integrity culture. Ahead of important festivals, including the Spring Festival, Dragon Boat Festival, Mid-Autumn Festival, and National Day, Sinexcel disseminates integrity initiatives, urging employees to conscientiously adhere to the *Employee Code of Conduct* and the *Employee Commitment Letter*, while strictly enforcing the *Eight Red Lines of Sinexcel*. Integrity training has been institutionalized, with new hires now undergoing an induction program that includes integrity training. Furthermore, Sinexcel conducted tailored integrity training sessions for key and sensitive positions, as well as mid-level and senior managers, delving into relevant laws and regulations, the Eight Red Lines of Sinexcel, fraud causes and preventive measures, reporting channels, reward and punishment systems, and the four fundamental principles for employees. A total of 108 employees participated in these offline training sessions.

**Key Performance: During the reporting period**

- Integrity training: Conducted 3 sessions in Shenzhen, Suzhou, and Huizhou
- Average training hours per employee regarding anti-commercial bribery and anti-corruption: 3.5 hours



On-site Integrity Training

### 5.3.3 Integrity and Self-discipline of Partners

Sinexcel has signed the *Integrity Cooperation Agreement* and the *Sunshine Procurement Agreement* with all partners, aiming to eradicate commercial bribery, safeguard normal business collaboration from its detrimental effects, and mutually bind the employees to uphold integrity and self-discipline. The agreement signing rate has reached 100%, and suppliers are visited irregularly to ensure integrity and self-discipline. Moreover, Sinexcel has disseminated integrity initiatives among the partners, emphasizing that no partner is permitted to offer any form of gift to employees. In the event of any violation detected, it can be promptly reported to the Group Audit Department for necessary actions and feedback. In addition, to avoid conflicts of interest, Sinexcel has established a comprehensive reporting mechanism, launching the *Sunshine Workplace Reporting Process* through the OA system, which covers investments/related party declarations, gift/cash gift registration and submission, among other things.

**Key Performance: During the reporting period**

- Visited and investigated external partners: 10



Partner Integrity Initiative

### 5.3.4 Anti-fraud Prevention

Sinexcel has established a reporting mechanism and anti-fraud reporting platform, a reward and protection system for whistle-blowers, and established fraud investigation procedures and an accountability mechanism. In addition, Sinexcel collects fraud cases to educate employees to enhance their awareness of integrity.

| 01 | Define Key Areas of Focus               | Identify priority areas for anti-fraud work   |
|----|---|---|
| 02 | Establish Reporting Platform            | Establish reporting hotline, reporting email and improve reporting channels                                 |
| 03 | Establish Reward and Protection System  | Establish reward and protection system for whistleblowers   |
| 04 | Establish Investigation Procedure       | Establish investigation procedures for corruption, implement appropriate remedial management measures       |
| 05 | Implement Control Activities            | Conduct fraud risk analysis, design and implement effective control activities for identified fraud risks   |
| 06 | Conduct Education and Awareness Program | Collect fraud cases for dissemination and education, and provide training on anti-fraud and legal knowledge |

Anti-fraud Management

#### ● Whistle-blower Protection

We encourage reporting of misconduct, offering rewards for verified cases that save company losses. We support both anonymous and real-name reporting. For real-name reporting, regardless of whether an investigation is launched, the Audit Department will provide feedback to the whistle-blowers on whether to file the case and the investigation results. Whistleblowers are protected, with strict confidentiality measures and no tolerance for retaliation, or taking

confrontational measures against employees involved in the investigation. Those who violate regulations by disclosing whistle-blowers' information or taking retaliatory actions against whistle-blowers will be subject to penalties such as warnings, dismissal from their positions, and termination of their employment contracts. Those who violate the law will be handed over to the judicial authorities for prosecution.

Employees and all stakeholders who have direct or indirect business relations with Sinexcel who comes across or suspects any unlawful activity shall inform the Company via phone calls, emails letters, face-to-face meetings, and other means.

#### Reporting Channels:

- Hotline: 0755-86517200 (direct to the Audit Department, no extension number)
- Email: shenjibu@sinexcel.cn
- WeChat Official Account: Integrity Sinexcel
- Mailing address: Audit Department, 5<sup>th</sup> Floor, Building 6, Zone 2, Baiwangxin High tech Industrial Park, No. 1002 Songbai Road, Nanshan District, Shenzhen
- Postal Code: 518000



Integrity Sinexcel WeChat Official Account

#### ● Accountability

|                     |  |
|---------------------|--|
| Direct Perpetrators | <ul style="list-style-type: none"> <li>➤ Administrative penalties: severe warning, public reprimand, demerit recording, demotion, fine, dismissal</li> </ul> |
|---------------------|--|

|   |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>➤ Civil liability: bearing civil compensation responsibility</li> <li>➤ Criminal prosecution: transferred to the judicial authorities for handling</li> </ul> |
| Supervisors who fail to promptly detect and stop fraudulent incidents that occur due to negligence or oversight | <ul style="list-style-type: none"> <li>➤ Administrative penalties: warning, public reprimand, demotion, fine</li> </ul>  |
| Accomplices who connive at or cover up fraudulent conduct by others   | <ul style="list-style-type: none"> <li>➤ Administrative penalties: warning, public reprimand, demotion, fine</li> </ul>  |

## 5.4 Advancing Digital Transformation

Digitization is an inevitable trend for enterprise development. Sinexcel continuously promotes the upgrading of the main support system and accelerates the digital construction in a hierarchical and step-by-step manner. Driven by both "business + IT", the integration and collaboration of the organization can be achieved, accelerating the digital transformation. During the reporting period, Sinexcel established a digital foundation that aligned with the 4A architecture.

### Working principles:

- Clear objectives, driven by senior leadership
- Strategic guidance, business-driven initiatives
- Organizational and talent support
- Mechanism and technology support

### 5.4.1 Key Digital Transformation Initiatives

#### ● Talent Support

To foster a high-caliber, expert technical talent pool, during the reporting period, we not only adopted a dual-pronged approach, externally recruiting talented individuals across various levels and disciplines, but also reshaped the organization and culture of the IT department. Through a new model of strengthening the middle-level strength, empowering veteran employees, and training new employees, we evaluated and tapped into the potential of both new and veteran

employees and rotated them to key projects. Through practical training and skill enhancement, we have forged a core team that is both highly collaborative and capable of tackling difficult challenges.

- **Technology Support**

In accordance with the business requirements and prevailing technological advancements, we consistently integrate new technologies and tools that cater to the unique needs. This integration and subsequent application process involves meticulous technology selection, systematic design, and comprehensive development efforts, all aimed at ensuring seamless operational efficiency. Additionally, we maintain a robust mechanism for updates and upgrades to sustain the effectiveness and relevance of these technologies and tools. During the reporting period, we introduced the ITSM system to initially implement a standard ITIL-based operation and maintenance system, significantly enhancing standardized management and efficiency within the IT department.

- **System Platform Optimization**

In terms of system application, we adopt a unified approach to planning, construction, and management, aiming to build an integrated application platform. We integrate various systems including the ERP system for resource planning management, the MES system (including the WMS system) for production execution, the central database bus system, the data platform system, the product management PMS system, the production process management SDMS system, the testing platform ATE, the terminal scanning system, the customer relationship management CRM system, and the OA system. We connect all links of R&D design, production management, procurement and supply, warehousing management, after-sales service and other full chains to truly achieve a high degree of unity of logistics, capital flow, and information flow. During the reporting period, we optimized, upgraded, and promoted the ERP system of the subsidiaries, conducted research by collecting requirements from various departments, and developed the system, further enhancing the level of intelligent management.

- **Data Governance Enhancement**

In terms of system data, we prioritize data governance as the core, achieving digitalization, standardization, and centralized management of business objects. Through data sharing and data analysis of interconnected systems using data platforms, equipment is connected on-line, and key

data such as production data, warehousing data, and equipment utilization rates are collected and analyzed in real-time through means such as production dashboards, station scanning, and intelligent sensors. As a result, we achieve the goal of digitization, precision, collaboration, and service of R&D design, testing analysis, production manufacturing, and operation management.

**Key Performance: During the reporting period**

- Digital investment: Accounting for approximately 3.50% of the net profit attributable to the shareholders of the listed company.

## 5.5 Ensuring Information Security

While achieving effective results in digital construction, Sinexcel has established a comprehensive information security management system to ensure safe, stable, and efficient operations.

### 5.5.1 Information Security Management System

To ensure comprehensive management of the information security, Sinexcel has devised a comprehensive set of information security management systems encompassing the entire organization and established an Information Security Committee-led structure to oversee the information security practices, safeguarding the informatization and digitalization endeavors. Sinexcel, Xi'an Sinexcel, and two primary production bases, namely Huizhou Sinexcel and Suzhou Sinexcel, have successfully achieved ISO/IEC 27001:2022 Information Security Management System certification. In addition, to maintain the efficiency of the information security management system, we conduct internal audits, management reviews, and external audits annually. During the reporting period, Sinexcel did not experience any serious information security incidents.

**Information Security Management Structure:**

- **Information Security Management Committee.** As the supreme decision-making authority for information security, it oversees the approval of policies, systems, and plans related to information security. It directs and orchestrates the establishment of the information security system while spearheading efforts in information system classification protection.
- **Executive Team.** The team is responsible for establishing, maintaining and updating the



information security management systems and procedures. They bridge communication gaps and drive the adoption of these systems and processes across departments, ensuring seamless and efficient operation. They monitor the execution of information security measures, detect any deviations or anomalies, and guarantee adherence to standards. Furthermore, they present periodic progress reports to the Information Security Management Committee and organize training sessions to elevate staff's awareness of information security.

- **Business Departments.** They conduct annual evaluations of department-specific information security risks, pinpointing information security management vulnerabilities within their domains, and devising pertinent management strategies. They adhere to the information security management mandates and enact diverse risk mitigation measures. Additionally, they collaborate in facilitating both internal and external audits of the information security system.



#### ISO 27001 Information Security Management System Certification

### 5.5.2 Information Security Initiatives

Sinexcel has implemented a series of management initiatives for network security, data security, and application system security, effectively safeguarding the security of information

assets and preventing data breaches. Sinexcel has established the *Business Continuity Management Program*, with the General Office taking charge of overall coordination. The Information Security Department is responsible for formulating and revising the management program, coordinating and promoting the business continuity management activities, and promptly restoring interrupted business activities. According to the *Information Security Incident Classification and Emergency Response Management Procedure*, responsibilities and procedures for handling information security incidents are clarified to minimize losses caused by such incidents. Additionally, we set 7 annual information security goals and developed corresponding implementation plans, all of which were achieved during the reporting period.

To enhance the information security awareness and capabilities of all employees, during the reporting period, we conducted 4 online and offline information security training sessions, which included company-wide information security training, fresh graduate induction training, personal information and data privacy security training and network security training. These initiatives help employees effectively address information security risks and build a robust information security barrier.

**Network Security:**

- Introduced MSS security services, transiting from passive defense to active detection and response, conducted internal information security risk analysis, and improved the handling of high-risk vulnerabilities.
- Passed the Cybervadis Cybersecurity Assessment
- Deployed a private cloud platform in core business areas, establishing a centralized management platform to consolidate hyper-converged resources across locations, achieving local backup and remote disaster recovery for high availability, stability, and reliability of business systems
- Conducted emergency drills for network attacks
- Conducted company-wide network security training and awareness campaigns

**Data Security:**

- Established an effective data backup system
- Developed and implemented a Cloud Desktop solution incorporating technical measures such as access control and file encryption to prevent data breaches

- Established a data classification management mechanism, applying differentiated protection strategies
- Implemented a data monitoring and auditing mechanism

**Application System Security:**

- Utilized private cloud for disaster recovery backup of business system servers
- Conducted disaster recovery drills for business systems
- Strengthen data encryption protection for application systems
- Establish an application system security management mechanism to standardize and restrict system usage
- Conducted comprehensive monitoring and management of application systems to promptly detect potential issues and implement corresponding response measures

**6 Excellence in Delivery, Enhancing Product Competitiveness****● Our Philosophy**

With a dedication to craftsmanship, we deliver green, diversified, and high-quality products and services, integrating "energy + diverse industries" to empower society's low-carbon transition.

Sinexcel remains committed to its mission of "enhancing energy efficiency and achieving energy freedom," focusing on its core business and continuously advancing the application of electronic power technology in power supplies for industrial applications and the burgeoning new energy area. We endeavor to refine product quality management throughout the supply chain, bolster service competencies, increase R&D innovation to foster new productive forces. With a dedication to craftsmanship, we deliver green, diversified, and premium products and services, integrating "energy + diverse industries" to empower society's low-carbon transition.

**● Our Actions**

- Superior Quality Management
- R&D and Innovation
- Intellectual Property Protection
- Premium Customer Service
- Building a Sustainable Supply Chain
- Empowering Industry Development

- **Contributing to the UN SDGs**



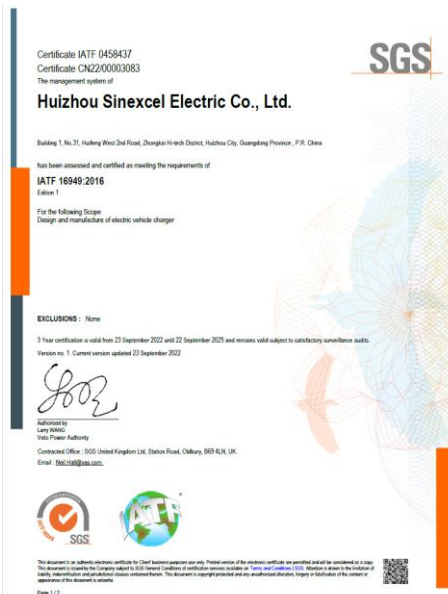
## **6.1 Superior Quality Management**

Sinexcel adheres to the principle of "Customer-centric and Full Participation in Quality Control", implementing a robust quality management system rooted in the philosophy of "achieving perfection on the first try and embracing a zero-defect mindset". Sinexcel relentlessly pursues continuous improvement and excellence, ensuring comprehensive product quality and safety standards, and is dedicated to delivering exceptional services and tailored solutions that exceed customer expectations.

### **6.1.1 Quality Management System**

- **Governance**

Sinexcel has established a quality management system centered around the Group's Quality Department, with supply chain quality management systems set up in each production base. This system includes functional departments such as incoming material quality management, supplier quality management, product quality management, and system management. During the reporting period, we updated 17 quality management-related documents to further refine our quality management system. As of the end of the reporting period, six subsidiaries have obtained ISO9001 Quality Management System certification. We conduct annual internal audits, management reviews, and external audits to maintain certification validity for Sinexcel, Huizhou Sinexcel, Sinexcel New Energy, Sinexcel Power, Sinexcel Aisuna, and Suzhou Sinexcel. Additionally, the main production base, Huizhou Sinexcel, maintains effective operation of the IATF 16949:2016 Automotive Quality Management System certification.



### Quality Management System Certification

#### Key Performance: As of the End of the Reporting Period

- Number of subsidiaries with ISO 9001 certification: 6

#### ● Strategy

We ensure and enhance product quality throughout the entire process of product design, production, and delivery, encourage full participation of all employees in quality improvement efforts, and assess and motivate the achievement of quality metrics across all production stages.

#### ● Impact, Risk, and Opportunity Management

We have established and updated the *Risk and Opportunity Control Procedures*, setting up and improving a robust quality risk management process that covers all departments and business lines. Annually, we identify and assess quality-related risks and opportunities based on internal and external environmental changes. Tailored risk control measures are implemented according to risk levels, and the effectiveness of these measures is evaluated through internal audits and management reviews to determine if further actions are needed, thereby enhancing the risk resilience.

#### Quality Management - Key Risks, Opportunities, and Management Measures

| Risk Area                | Risks and Opportunities   | Measures  |
|--------------------------|---|---|
| Raw Material Procurement | <ul style="list-style-type: none"> <li>Risks: Unstable raw material market, supply shortages, cost</li> </ul> | <ul style="list-style-type: none"> <li>Procurement Department formulates plans in advance,</li> </ul> |

|                    |   |   |
|--------------------|---|---|
|                    | <p>increases, price fluctuations, quality risks; materials not meeting HSPM hazardous substance requirements.</p> <ul style="list-style-type: none"> <li>• Opportunities: Streamlining material channels and specifications to improve supply efficiency.</li> </ul>  | <p>conducts regular supplier evaluations, and develops and establishes alternative raw material procurement channels to ensure high-quality raw materials supply.</p> <ul style="list-style-type: none"> <li>• Production Department arranges timely testing of new supplier materials to ensure prompt availability.</li> </ul>  |
| Product Production | <ul style="list-style-type: none"> <li>• Risks: Small batch sizes and high product variety impact production efficiency and stability; unclear labeling of HSPM non-conforming products leading to unintended use; delayed corrective actions for HSPM non-conforming products may result in the continuous production of nonconforming products.</li> <li>• Opportunities: Small batch production enables quick responses to non-assembly line tasks, meeting special customer requirements; improving production management to increase yield and profitability.</li> </ul> | <ul style="list-style-type: none"> <li>• Production Department enhances production planning to maximize efficiency.</li> <li>• Strengthen process management and control to improve first-pass success yields.</li> <li>• Ensures timely labeling of HSPM non-conforming products to prevent unintended use.</li> <li>• Analyzes root causes and implements corrective actions for HSPM non-conforming products to prevent recurrence.</li> </ul> |

|                  |   |  |
|------------------|---|--|
| Product Delivery | <ul style="list-style-type: none"> <li>Risks: Delayed delivery; delivered products not meeting customer requirements.</li> <li>Opportunities: Delivering high-quality products on time to enhance customer satisfaction.</li> </ul> | <ul style="list-style-type: none"> <li>Production planning control.</li> <li>Quality control during production.</li> <li>Finished product quality inspection.</li> <li>Pre-shipment quality inspection.</li> </ul> |
|------------------|---|--|

### ● Metrics and Targets

Sinexcel sets annual quality management metrics and targets, monitoring their achievement.

During the reporting period, all quality targets were met.

#### 2024 Annual Quality Management Metrics and Targets:

- Incoming material quality pass rate: 99%
- First-pass yield of modules: 98%
- Major quality and safety incidents: 0

### 6.1.2 Steadfast Commitment to Product Quality Enhancement

Quality serves as the cornerstone of business operations. We adhere to quality and regulatory requirements, respond swiftly, continuously improve, and strive for excellence. From product design to production and delivery, we enhance product quality throughout its lifecycle. Sinexcel embraces the "STOP" principle, where meticulous adherence to regulations and processes serves as the fundamental requirement for every employee.

#### Product Quality Lifecycle Management

| Management Phase                     | Management Measures  |
|--------------------------------------|--|
| R&D and Design Quality Management    | The R&D Quality Department controls new product development processes, identifies hazardous substance regulations, and ensures all engineering changes are accompanied by material test reports submitted in the system. |
| Incoming Material Quality Management | Conducts strict incoming material inspections, notifies suppliers for rework if non-conforming, and trains suppliers on OQC processes and  |



|   |   |
|---|---|
|   | standards. Sets incoming material quality pass rate targets, conducts regular supplier reviews, and handles abnormal materials according to the <i>Material Return Process</i> .  |
| Production and Manufacturing Process Quality Management | Controls product quality according to the <i>Production Process Control Procedure</i> and <i>Non-Conforming Product Control Procedure</i> , labels non-conforming hazardous materials, and inspects finished products based on the <i>Final Inspection Procedure</i> . Focuses on the Top 5 priorities to eliminate low-level errors and conducts Gemba Walk inspections to identify defects and follow up on rectification measures. |
| After-Sales Quality Management                          | Sets first-time unboxing defect rate targets. The customer service and quality departments strictly follow after-sales service regulations, promptly recall non-conforming products, and replace them with qualified ones.  |
| Quality System Management                               | Optimizes system processes and improves quality system procedures. Completes annual internal quality audits and customer quality audits.  |

To align with the development strategy, meet customer demands for product quality, delivery, and customization, and enhance production efficiency, safety, and resource utilization, we strengthened the DCI (Department Continuous Improvement) mechanism during the reporting period. We fostered a culture of continuous improvement with full employee participation, focusing on Lean Six Sigma projects within the supply chain to establish a lean manufacturing base.

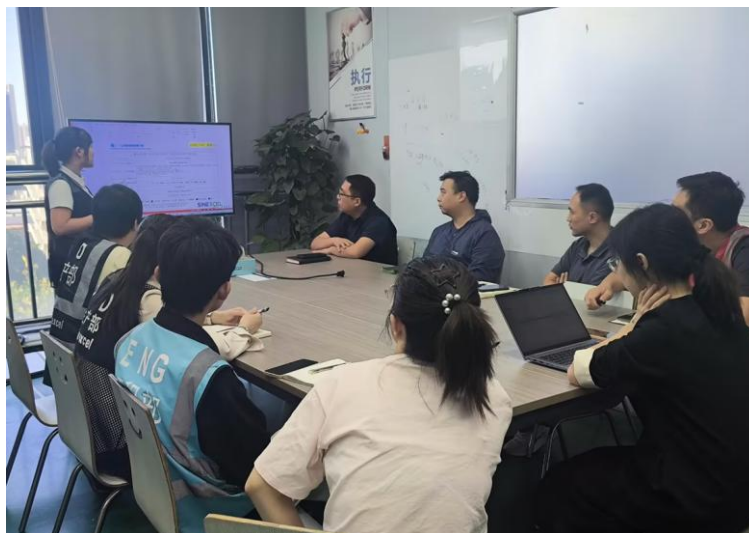
#### Lean Six Sigma Projects:

- Promote on-site production improvements (weekly factory evaluations with rewards for outstanding cases)
- Promote visual management
- Achieve JIT (Just In Time) material supply from suppliers
- Gradually introduce JIT methods between warehouses and production

- Organize monthly lean production project report meetings
- Organize cross-departmental teams to address product defects at each process stage
- Conduct manufacturability assessments during new product development

#### Case Study: Charger Module Assembly Efficiency Improvement Project

To address the high market demand for charger products and the potential for efficiency improvements, Huizhou Sinexcel launched a project to enhance charger module assembly efficiency during the reporting period. The team identified seven types of waste (transportation, inventory, motion, waiting, overproduction, defects, and non-value-added processes) and improved workflows, assembly quality, and worker safety. The team conducted capability assessments and provided on-site training to address skill gaps. After analyzing 26 waste points, the team implemented targeted solutions, achieving an 11% increase in production efficiency, a 69% reduction in errors, and a 16.12% improvement in workstation balance.



Project Improvement Meeting

#### Case Study: Sinexcel Tops on "Xiaoju Charging Pile Quality Ranking" for Two Consecutive Months (September and October)

Sinexcel has fostered a profound six-year collaboration with Xiaoju Charging since 2019. During the reporting period, we jointly launched the "100 Cities, 1,000 Stations Ultra-Fast Charging Plan", contributing to the establishment of a high-quality charging infrastructure system and effectively catalyzing the scientific development of the charging network. As one of Xiaoju

Charging's core partners, Sinexcel has excelled in multiple dimensions, including product quality, operation and maintenance quality, and operation and maintenance efficiency. With an impressive charging abnormality rate as low as 1.57%, Sinexcel topped the "Xiaoju Charging Pile Quality Ranking" for two consecutive months (September and October).

### Key Performance: During the reporting period

- Completed 790 DCI improvement projects

### 6.1.3 Hazardous Substances Control

Sinexcel has established a hazardous substances management system, which is led by the general manager and set strict standards for the control of hazardous substances in finished products, components, parts, raw materials, packaging materials, and auxiliary materials used in the production process to ensure the products' health and safety. Hazardous substance management requirements have been incorporated into the new employee training. During the reporting period, we revised the *Hazardous Substance Control Procedure* and achieved IECQ QC080000:2017 certification in May 2024.



IECQ QC080000: 2017 Hazardous Substance Process Management System Certification

### Hazardous Substances Control Management

| Control Phase          | Control Measures   |
|------------------------|--|
| Design and Development | The requirement of hazardous substances control is implemented throughout the new production design development process to ensure that |

|                            |   |
|----------------------------|---|
|                            | the front-end design meets the requirements of hazardous substances control.  |
| Raw Materials              | Suppliers are required to sign <i>Declaration of Absence of Hazardous Substances</i> and all materials must comply with the requirements of the <i>Hazardous Substance Management Standard</i> and provide third-party test reports ( e.g., RoHS, REACH) valid for one year. Materials must be labeled with RoHS tags. Any changes in material composition require suppliers to submit updated documentation under the PCN Change Agreement. Non-compliant suppliers are added to the <i>HSF Risk Supplier List</i> . |
| Production Process         | Controls production tools and equipment to prevent contamination. Raw materials, semi-finished goods and finished goods are properly labelled and segregated to prevent contamination.  |
| Finished Product Inventory | Standardizes finished goods management to prevent contamination during storage.   |

## 6.2 Focusing on R&D and Innovation

Developing superior products is a top priority. Sinexcel continuously innovates based on technological advancements, market insights, and customer value, delivering high-quality, cutting-edge, and green products.

### 6.2.1 Innovation Management System

With R&D bases in Shenzhen and Xi'an, Sinexcel adopted a "Product Line + Support Platform" innovation model. The R&D Center includes R&D platforms, product line R&D teams, new demand research groups, and new technology pre-research groups. The R&D Center collaborates with product lines to devise strategic plans, while R&D platforms provide resources for process design, component management, project management, quality management, pilot production, technical certification, and documentation, among others. New demand and technology groups regularly collect customer needs and industry trends to drive innovation. During the reporting period, Sinexcel further optimized departmental structures and workflows to enhance R&D quality and efficiency. Recognized for our R&D capabilities, we have been named a National High-Tech Enterprise, Guangdong Provincial Engineering Technology Research Center,

Shenzhen New Energy Vehicle Intelligent Ultra-Fast Charging Technology Engineering Research Center, Shenzhen Enterprise Technology Center, Shenzhen Industrial Design Center, and National "Specialized, Sophisticated, and Innovation-Driven" SME Leader.

Increasing R&D investment and the cultivation of R&D talents serve as the wellspring of Sinexcel's innovative development. In the past three years, R&D investment and the number of R&D personnel have been increasing year by year. The proportion of R&D investment has remained at around 9% annually. During the reporting period, the R&D investment reached RMB 257 million, a YoY increase of 11.14%. The R&D team expanded to 699 employees, reflecting 8.37% YoY growth.

**Key Performance: During the reporting period**

- R&D expense: RMB 257 million
- The proportion of R&D expenses in revenue: 8.46%
- Number of R&D personnel: 699
- Proportion of R&D personnel: 28.14%

**● R&D Process**

Sinexcel has established a 5-stage and 4-supporting processes to ensure efficient implementation of R&D work. The implementation of the *R&D New Project Initiation and Startup Process* standardized the initiation management of new R&D projects, harmonized departmental standards, and established a streamlined, institutionalized, and standardized operational framework. Furthermore, the IPD process architecture underwent a bottom-up enhancement, ultimately initiating a process system spanning from product conception to market launch.

- 5 major R&D stages: concept stage, planning stage, development stage, pilot stage, and mass production stage
- 4 major supporting processes: concept decision review, plan decision review, transition to pilot review, and transition to mass production review

**● Green Design**

Sinexcel adheres to the principle of ecological design, seamlessly integrating environmental

protection across every stage of the products' life-cycle, encompassing raw material sourcing, production and manufacturing, packaging and transportation, usage and maintenance. We also explore low-carbon product development, conducting lifecycle carbon footprint assessments to identify high-emission stages and implement carbon reduction measures.

## Green Design Initiatives

| Product Life-cycle           | Green Design Initiatives  |
|------------------------------|---|
| Raw Material Procurement     | <ul style="list-style-type: none"><li>• <b>Adoption of eco-friendly materials:</b> We prioritize recyclable, biodegradable materials; electronic components are RoHS-certified; uses aluminum-zinc coated plates for easy recycling; employs lead-free, halogen-free PCB materials.</li></ul>   |
| Production and Manufacturing | <ul style="list-style-type: none"><li>• <b>Reducing Material Usage:</b> On the basis of ensuring product functionality, we optimize the design to determine the best routing and cable length of the product, reducing cable materials and the number of prototype iterations, thereby reducing material usage and scrapping.</li><li>• <b>Optimizing Production Processes:</b> We utilize advanced production techniques for PCBA board manufacturing like SMT, reducing material loss by 20% and energy consumption by 15%.</li></ul> |
| Packaging and Transportation | <ul style="list-style-type: none"><li>• <b>Green Packaging:</b> We replace wooden crates with recyclable cardboard and plastic foam with paper pallets to reduce waste of resources caused by product packaging. During the reporting period, we developed the <i>Green Packaging Initiative</i>, obtained certification for the green packaging management system, and ensured adherence to the GB/T37422-2019 <i>Green Packaging Evaluation Methods and Criteria</i>.</li></ul>   |
| Product Usage                | <ul style="list-style-type: none"><li>• <b>Reducing Power Consumption:</b> We continuously improve energy efficiency of products and reduce carbon emissions. For example, pioneering the technology of built-in AC contactor modules to achieve zero power consumption during standby mode, and through</li></ul>  |

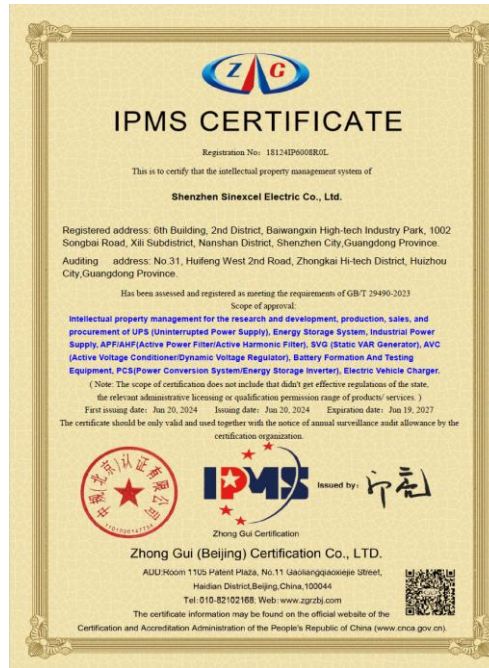
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|  | <p>intelligent efficiency optimization, real-time monitoring and adjustment of power consumption, etc. The charging system adopts intelligent temperature control technology to precisely regulate fan speed, accommodating diverse cooling demands under various operating conditions. Technical enhancements have boosted the filter compensation rate from 95% to above 97%, while reducing self-consumption by 1-2%. The energy storage converters feature a liquid-cooled heat dissipation design, effectively dissipating heat and minimizing energy loss due to excessive temperatures. Each battery cluster is individually managed, enabling detailed and precise management according to the status of each cluster.</p> <ul style="list-style-type: none"><li>• <b>Lowering noise:</b> We optimize product design and reduce noise impact during use. Innovative technologies such as the combined noise-canceling louver technology are utilized to shield and attenuate sound energy within the charging cabinet. Silicon carbide devices are employed to reduce the overall loss of the module, while the internal duct structure of the filter has been optimized, enabling the use of low-noise fans to decrease the noise level during the operation of the active filter. The energy storage inverter incorporates noise reduction components to decrease vibration noise during operation.</li><li>• <b>Minimizing Environmental Pollution:</b> The integration of EMI design into the modules results in a substantial reduction of electromagnetic radiation emitted during operation. This contributes to decreasing the overall level of electromagnetic pollution and improving electromagnetic environmental quality. Additionally, it effectively minimizes the extra power consumption and heat generation caused by EMI interference with other electronic equipment.</li></ul> |
|--|---|



|                         |   |
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|                         | <ul style="list-style-type: none"> <li>• <b>Extending product lifespan:</b> When designing and developing battery swapping and charging products, Sinexcel takes into account the use of various extreme weather conditions in advance and has made effective and reliable protection and safety designs accordingly. This ensures the products are resistant to high salt spray, dust, sandstorms, extreme cold, high temperatures, rain, and wind, thereby extending the service life. Additionally, Sinexcel adopts normalized system and module designs to facilitate future product expansions. Sinexcel has successfully installed nearly 500 sets of "Long-Life Charger", achieving an average operation time of approximately 9 years.</li> </ul> |
| <b>Product Disposal</b> | <ul style="list-style-type: none"> <li>• <b>Simplifying Recycling Design:</b> The product is designed with an easily disassembled structure to facilitate the sorting and recycling of different materials after disposal.</li> <li>• <b>Establishing Recycling Channels:</b> We collaborate with professional recycling enterprises and establish recycling channels, providing detailed recycling guidelines and technical support to ensure that discarded products can be effectively recycled and reused.</li> </ul>   |

### 6.2.2 Intellectual Property Protection

Sinexcel continues to promote the establishment and improvement of intellectual property management systems, classify and manage intellectual property rights, pre-research key technologies based on product planning guidelines, increase patent technology output, and build a technology moat. The parent company obtained the GB/T 29490-2023 intellectual property management system certification during the reporting period.

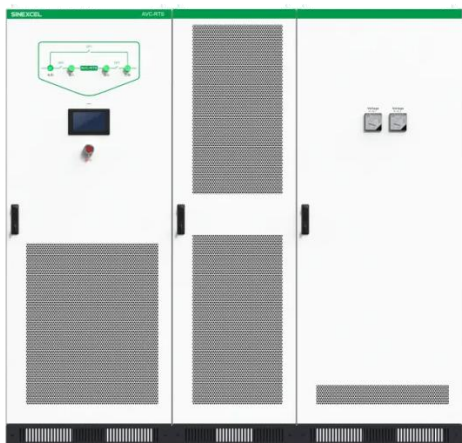


Certificate of Intellectual Property Compliance Management System Certification

### 6.2.3 Innovation Achievements

Sinexcel takes self-developed and competitive products as the leading goal. During the reporting period, Sinexcel focused on introducing a series of significant products centering on power supplies for industrial applications, new energy power swapping equipment, electric vehicle chargers, and battery formation and testing technologies, thereby contributing a robust momentum to the ongoing energy transition. During the reporting period, the project titled "Key Technologies, Equipment Series, and Applications for Comprehensive Management of Voltage Sags in High-end Industries" won the Second Prize of Guangdong Province Science and Technology Award. Additionally, with the outstanding innovation of its "DC Charging Equipment for Electric Vehicles," Sinexcel was recognized as "2024 Guangdong Provincial Manufacturing Individual Champion Enterprise", representing a high degree of industry recognition for the technological innovation, process capabilities, and market position.


| Product Image | Product Characteristics |
|---------------|-------------------------|
|---------------|-------------------------|



### **AVC-RTS-P-300K-208V Real-time Control Dynamic Voltage Regulator**

The all-new second-generation AVC model reinforces the robustness of power quality for diverse industrial production, ensuring the security of operational processes

- **High Reliability:** With a voltage compensation range of 0-130%, it responds to voltage fluctuations in just 2ms and recharges in as little as 3 seconds (rapid recharging of energy storage components for seamless power supply). The 1+1 redundant control module supports hot-swapping, enabling online spare part replacement and zero production downtime.
- **Convenience:** The modular design simplifies the assembly, commissioning, and maintenance of the equipment. The incorporation of power electronic power conversion technology not only amplifies the response speed but also minimizes the overall footprint of the equipment, offering ease of transportation and installation for customers.
- **Intelligence:** Equipped with a human-machine interface, it provides customizable options to streamline and enhance operational convenience and intelligence. It also supports centralized

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|  | <p>remote monitoring, facilitating efficient operational management and maintenance.</p> <p>➤ Eco-friendliness: Boasting an operating efficiency exceeding 99.4% (higher than the industry benchmark of 99%), this product stands out in the field for its exceptional operational efficiency. By combining high efficiency with low energy consumption, it significantly reduces both electricity and cooling costs. The usage of supercapacitors ensures trouble-free operation for 10 years.</p>   |
|  | <p><b>PWS1-2500KLT-H Energy Storage Inverter</b></p> <p>In response to the trend of scaling up energy storage stations on the source and grid sides, the world's first modular 2.5MW energy storage inverter was launched.</p> <p>➤ Flexibility: It flexibly adapts to a wide DC-side voltage range from 600V to 1,500V and various AC-side voltage configurations such as 400V, 630V, and 690V, meeting the connection needs of diverse scenarios. The product is equipped with functions such as VSG (Virtual Synchronous Generator), PQ (Active and Reactive Power Control), VF (Voltage and Frequency Control), and Black Start, and GFM (Grid-Forming Mode). It not only actively supports the grid but also flexibly participates in power market services, providing precise and rapid</p> |

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|  | <p>responses to peak shaving, frequency regulation, AGC (Automatic Generation Control), AVC (Automatic Voltage Control), and other dispatches, thereby contributing to the safe and stable operation of the grid.</p> <p>➤ Compatibility: Building on Sinexcel Energy Storage's pioneering multi-branch DC-side technology, it is compatible with single/six-branch access methods and features dynamic SOC balancing among clusters, significantly enhancing battery system utilization. The PCS is compatible with various Ah-rated battery cells, including high-capacity cells such as 280-320Ah, 560+Ah, 628Ah, and 1,130Ah, catering to diverse application scenarios lasting 8 hours, 4 hours, 2 hours, and 1 hour.</p> <p>➤ Reliability and Efficiency: With an overall machine efficiency of up to 99% and a system uptime rate of 99%, it ensures continuous and stable system operation. Furthermore, the product is equipped with six-network communication, achieving a response speed of <math>\leq 10\text{ms}</math>.</p> <p>➤ Environmental Adaptability: Adopting a unique weatherproof and snow-resistant structural design, it enhances the durability and stability of the equipment, enabling stable operation in extreme environments</p> |
|--|--|

such as high winds, dust storms, and heavy snowfall.

**Key Performance: During the reporting period**

- Held 212 patents
- Held 72 software copyrights
- Filed 8 new patent applications
- Obtained 30 new patent authorizations

**Case Study: Sinexcel Collaborates with Top Industry-Academia-Research Partners to Achieve Breakthroughs in Grid-Forming Energy Storage Technology Innovation**

On October 15, 2024, the project titled "Research on Key Technologies and Equipment for Grid-Forming Energy Storage Inverters", initiated by Shenzhen Power Supply Bureau and funded by Guangdong Province's Key R&D Program in 2023, officially commenced. Sinexcel closely collaborates with multiple "Double First-Class" universities and research institutions, as well as key enterprises both within and outside the province. The research focused on five major aspects, including topology structure, algorithms and control, components and systems, standards and evaluation, and configuration and demonstration. As a leader in modular energy storage systems, Sinexcel strives to work with its partners to create a new generation of grid-forming energy storage inverters that are internationally leading, thereby driving technological advancements in the industry. It is expected that after the implementation of the project, technological breakthroughs in 2 areas at the international highest level will be achieved, 2 domestic-blank technologies will be filled, 4 industry constraints will be broken through, and 12 first-created technologies will be formed.



### **Case Study: Sinexcel Energy Storage Empowers North American Grid Energy Storage Construction, Initiating a New Chapter in Overseas Modular High-Voltage Energy Storage**

During the reporting period, Sinexcel successfully contributed to the smooth grid connection of a 114MW/228MWh grid-side project in Texas, USA. This project provides frequency regulation and peak shaving services to the local grid, enhancing its stability and flexibility. For this project, Sinexcel provided an 114MW AC-side modular energy storage system solution, utilizing 76 PWS1-1725KTL-H-NA energy storage inverters. These products have obtained multiple authoritative US certifications including UL1741, IEEE1547, UL1741SB, and CSAC22.2, which ensures high standards and quality. The PCS response time is less than 20ms, meeting the local grid's rapid response requirements. Additionally, Sinexcel Energy Storage possesses professional PSCAD and PSSE simulation capabilities, enabling precise grid simulation and analysis. The Company has also successfully passed the VSG grid-forming algorithm tests, further refining the design and operation of the energy storage system.

## **6.3 Premium Customer Service**

Sinexcel adheres to the principle of "Customer Value-Centered Principle" throughout its service process, focusing on customer needs and pain points, continuously pursuing valuable innovations, and providing customers with exceptional products and services.

### **6.3.1 Customer Service Management**

The customer service center, which oversees customer service for various businesses and regions, forms a comprehensive customer service system, adhering to and implementing the



customer service philosophy. Sinexcel has formulated standards such as *Customer Service Procedure*, *After Sales Dispatch Management Guidance*, *After Sales Service Process*, *Customer Satisfaction Measurement Procedure*, and *Customer Complaints and Handling Process* to standardize the entire customer service process. Additionally, Sinexcel protects customer privacy by signing *Confidentiality Agreements* with them. During the reporting period, Sinexcel updated regulations such as the *After-Sales Spare Parts Handling Procedures and Management Measures* and the *Customer Service After-Sales Maintenance and Fee Regulations* to further improve the institutional system. Through the *Probation Period Management System* and the *Daily Management Requirements for Customer Service Personnel*, we standardized the entry requirements and daily self-management of customer service personnel to ensure that their qualities meet the standards. Regular training in management, safety, after-sales service, and technology, such as product usage and common fault analysis, is provided to customer service personnel, and performance evaluations are conducted to enhance service quality. Meanwhile, we establish an agent operation and maintenance network to further cover remote and non-resident cities, thereby improving the nationwide service network.

#### ● Customer Service Philosophy and Strategy

- "Customer Value-centered Principle" throughout its service process, providing them with competitive products and services.
- Being close to customers, focusing on customer needs and pain points, continuously pursuing valuable innovations.
- Concentrating advantageous resources to establish close, comprehensive, and three-dimensional organizational customer relationships with strategic customers.

#### ● Full Process Management of Customer Service

- **Pre-sales and Sales Process:**
  - We communicate with customers via phone, internet, face-to-face meetings, etc., to address potential issues.
  - For product-related technical questions from customers, our technical staff will communicate with customers and resolve the issues on site if necessary.

- We will provide explanations to customers for issues that cannot be resolved at the moment.
- **After-sales:**
- **Comprehensive Service Network.** Professional service personnel in more than 30 regions nationwide, providing quick responses within one hour and 24/7 hours tracking responses to promptly handle customer service needs. Additionally, we have warehouses and maintenance centers overseas to promptly respond to overseas customer demands.
- **Installation and Debugging Support.** For products that require on-site installation support, we arrange on-site installation and debugging support personnel in accordance with the *After Sales Dispatch Management Guidance*.
- **Trouble Shooting.** When a product malfunctions during operation on site, we will take measures such as replacing parts and modules and arranging personnel to repair on site based on the severity, to help customers resolve the problem promptly.
- **Customer Complaint Handling.** Customers can submit complaints through the customer service hotline, WeChat, or ShouHouBao(after-sales service platform). We categorize customer complaints based on severity and promptly address them in accordance with the *Customer Complaints and Handling Process*.

### 6.3.2 Enhancing Customer Satisfaction

Sinexcel conducts customer satisfaction surveys every six months. During the reporting period, we carried out customer satisfaction surveys for each business line from dimensions such as product quality, delivery rate, service capability, technology, information confidentiality, product environmental protection and safety, etc. We analyzed the reasons for customer dissatisfaction and followed up on improvement measures to solve problems quickly and efficiently and continuously improve customer satisfaction. The overall customer satisfaction rate reached 90%, achieving the annual target.



#### Key Performance: During the reporting period

- Provided products for the smart grid industry with a capacity of 4,091,356.26 kW, a YoY increase of 35.06%. Provided products for the new energy industry with a capacity of 11,485,138.20 kW, a YoY increase of 56.96%.

- Customer satisfaction: 90%
- Number of customer complaints received: 140
- Number of customer complaints resolved: 137
- Customer complaint handling rate: 97.86%
- Number of products recalled: 0

### ● Voices of Customer

Every piece of positive feedback from our customers serves as motivation for us to continue striving forward and inspires us to never stop pursuing excellence. During the reporting period, we launched an interactive event for the "Safety Production Month" focused on power quality under the theme of *New Energy and Carbon Vision*. In addition, we invited customers to share their stories about Sinexcel's power quality solutions and gained insights into their voices through exclusive interviews with key accounts, continuously strive to deliver greater value to our customers.

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|  <p>胡豆博士<br/>富阳移动传输动力技术专家</p> <p>应该就相当于是我整个机房的心脏</p> |  <p>同行者</p> <p>下期<br/>专访小桔充电<br/>超充时代到来<br/>如何携手打造超快充电体验</p> <p>吕鹏飞<br/>小桔充电</p> <p>李晓俊<br/>盛弘股份</p> |
| <p>Exclusive Interview with China Mobile Customer for</p> <p>"Data Center PQ"</p>   | <p>Exclusive Interview with Xiaoju Charging Customer for</p> <p>"Trends in Ultra-Fast Charging"</p>  |

### 6.3.3 Green Power Across Industries

Sinexcel is committed to serving as a steward of high-quality electrical energy, facilitating various industries transition from "access to electricity" to "efficient electricity utilization", and from ensuring operational stability to safety and stability, and further to intelligent operation and maintenance, thereby safeguarding energy freedom. During the reporting period, we launched the "Spark Plan" and initiated a power quality partner recruitment campaign, aiming to unite forces from all sides to jointly address power quality issues across industries, helping customers create a green, efficient, and stable production environment.

| Empowerment Scenarios   | Challenges  | Customer Case Studies  |
|---|---|--|
| Ensuring Data Center and Intelligent Computing Center Operational Reliability | The large-scale implementation of AI applications is driving further upgrades in the construction of intelligent computing centers. However, the complexity of power supply systems is also increasing, presenting two core challenges: current quality pollution and voltage supply continuity. There is an urgent need to adopt more intelligent and smart operation and maintenance power management models to address these issues. | Addressing Harmonic Pollution in Data Centers for NTT DATA, a Telecom Giant in Japan: Applied Sinexcel's APF dynamic harmonic compensation technology and optimized the power layout based on NTT's data center conditions, resolving harmonic issues at the source. |
| Empowering Lean Production in Energy-Intensive Mining                         | During the ore extraction process, high-power equipment such as crushers and ball mills are utilized. To ensure uninterrupted operations, these devices require a stable and high-quality power supply.   | Supporting Zijin Mining's Safe Production in Salt Lake Lithium Extraction: Sinexcel configured 5,100 kvar SVG and 10,200 A APF for the project, ensuring safe operation of the power distribution system and lean production.  |
| Building a Safety Shield for the Semiconductor Industry                       | The precision equipment used in semiconductor manufacturing has extremely high requirements for power supply voltage quality. Even millisecond-level voltage fluctuations   | Addressing Voltage Challenges for Wuhan Tianma Microelectronics: By applying the Sinexcel AVC-RTS system, real-time monitoring of grid   |

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|  | can cause equipment shutdowns, disrupting production and resulting in significant economic losses.   | voltage fluctuations is achieved with millisecond-level response speed. It can maintain voltage sag and swell mitigation within 0~130% for up to 3 seconds, effectively preventing power quality risks.  |
| Empowering Speed and Safety in the Rail Transit Industry | With the continuous expansion and complication of the railway transportation network, ensuring the stability and reliability of power supply has become crucial for safeguarding the safe and efficient operation of railway transportation. | Supporting the Safe Operation of Chengdu Subway: Sinexcel supplied a total of 11,700A APF to the client, precisely addressing harmonic issues and preventing potential parallel resonance in the system circuit that could lead to burnout, thus ensuring the normal operation of the subway system. |

#### 6.4 Collaboration for Mutual Success

Sinexcel adheres to the principle of long-term oriented, remains open, and actively collaborates with partners to jointly build and share long-term value, focusing on green development, achieving complementary advantages, and striving for mutual success.

##### 6.4.1 Establishing a Sustainable Supply Chain

Sinexcel attaches great importance to a resilient supply chain and has developed a systematic and comprehensive system and procedures including *Supplier Management Process*, and *Qualified Supplier Performance Management Process* around supplier admission, cooperation, process evaluation and removal. This ensures that suppliers continuously meet the requirements for quality, delivery schedule, environmental protection, and social responsibility, ensuring efficient and stable operation of the supply chain. Meanwhile, it is crucial to identify potential risks in the supply chain, establish a diversification strategy for suppliers, accelerate the

localization of global supply chains, strengthen supplier collaboration, establish risk monitoring mechanisms, enhance supplier risk management, and formulate annual procurement plans in advance to ensure the safety and stability of the supply chain.

During the reporting period, Sinexcel streamlined procurement processes by revising and updating documents such as the *Procurement Agreement*, *Supplier Management Process*, *Procurement Bidding Process*, *Supplier Performance Evaluation Form*, *Supplier Audit and Evaluation Report*, *Performance Management Process for Qualified Suppliers*, and the *Quality Assurance and Accountability Traceability Agreement*, further standardizing supplier change processes, qualification requirements, and audit evaluation requirements. Additionally, our outstanding performance in the power quality field earned us the "Green Power Supply Chain Quality Supplier" award at the 2024 Energy and Equipment Industry Chain Deep Integration Event.

#### **Full Life-cycle Management of Raw Material Suppliers:**

**Before admission:** Suppliers complete the *Supplier Introduction Approval Form* and *Supplier Qualification Survey Form*, providing business licenses, bank information, agency certificate/distribution certificate, list of key production and inspection equipment, product reliability test report, production process flowchart, quality management flowchart, and IATF16949 automotive quality system liaison letters.

**Admission process:** Suppliers sign the *Sunshine Agreement*, *Supplier Instructions*, *Procurement Agreement*, *Quality Assurance and Responsibility Traceability Agreement*, *Confidentiality Agreement*, *Declaration of Absence of Hazardous Substances*, (Sheet Metal, PCBA) *Agreement*, *Process Modification Notification Agreement*, *Supplier Code of Conduct*, *Supplier Social Responsibility Commitment Letter* and *Declaration of Free of Conflict Minerals*. New raw material suppliers undergo on-site audits and must submit improvement reports for non-compliant items within two weeks.

**Process Evaluation:** We conduct quarterly performance assessments on suppliers with a focus on product quality, delivery time, environmental protection, and social responsibility. Suppliers with quarterly comprehensive assessment scores below 70 for three consecutive times may face termination of cooperation. Annual supplier ratings of "A" increase procurement volumes, while "C" suppliers for similar materials receive reduced orders, and "D" suppliers are

suspended. Key raw material suppliers and those with unstable quality undergo annual on-site audits, with environmental and social responsibility performance contributing 10.67% to the final audit score.

**Exit:** Suppliers may face elimination for reasons such as three severe quality incidents, three consecutive delivery delays, two failed on-site audits, three failed quarterly performance evaluations, poor reputation, or unfair trade practices.

**Key Performance:** As of the end of the reporting period

- The total number of suppliers: 1,021

**Key Performance: During the reporting period**

- New suppliers added: 334
- Percentage of new raw material suppliers screened using environmental criteria: 100%
- Percentage of new raw material suppliers screened using social criteria: 100%
- Raw Material Suppliers Undergoing On-Site Audits: 49, 100% completed annual on-site audit tasks

#### 6.4.2 Promoting Industry Development

Sinexcel actively participates in industry associations and industry exchange activities and establishes cooperative relationships with industry partners. During the reporting period, Sinexcel participated in 27 domestic and international exhibitions and 7 industry conferences/forums, contributing to industry development and promoting the research and application of advanced technologies. During the reporting period, Sinexcel served as the first supervisory unit of the Shenzhen Association of New Energy Storage Industry, offering recommendations for the high-quality development of Shenzhen's energy storage industry.

##### ● Industry Associations Joined by Sinexcel (Partial)

| Association Name  | Title                   |
|---|-------------------------|
| China Power Supply Society                                      | Executive Director Unit |
| China Energy Research Association - Carbon Neutrality Committee | Executive Director Unit |
| China Energy Storage Industry Alliance                          | Deputy Chairman Unit    |



|   |                      |
|---|----------------------|
| China Battery Industry Association Energy Storage Battery Branch                      | Vice President Unit  |
| Energy Storage Leaders Alliance   | Deputy Chairman Unit |
| Guangdong Charging Facilities Association   | Vice President Unit  |
| China Association of Automobile Manufacturers   | Director Unit        |
| Zhongguancun Energy Storage Industry Alliance   | Director Member      |
| Pearl River Delta Bay Area Intelligent Connected New Energy Vehicle Industry Alliance | Director Unit        |
| Jiangsu Energy Storage Association  | Director Unit        |
| Tangshan Logistics Industry Association   | Director Unit        |
| Shenzhen New Energy Storage Industry Association                                      | Supervisor Unit      |
| Asian Power Quality Alliance  | Member               |
| Power Quality Committee of China Power Supply Society                                 | Member               |
| China Energy Storage Network  | Member               |
| CEC (China Electricity Council)   | Member               |
| Guangdong Static Transportation Association   | Member               |
| Shenzhen New Energy Vehicle Industry Association                                      | Member               |
| Shenzhen New Energy Vehicle Operation Enterprise Association                          | Member               |
| Shenzhen Battery Industry Association   | Member               |
| Shenzhen Small and Medium-sized Enterprises Promotion Association                     | Member               |
| Shenzhen Power Supply Technology Society  | Member               |

● Standards Co-Authored During the Reporting Period

| Standard Category | Standard Name  | Standard Code    |
|-------------------|--|------------------|
| Group Standard    | Green and Low-Carbon Product Evaluation - Integrated Energy Management System for Solar Storage and Charging | T/SGIPA 028-2024 |

|                |   |                  |
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| Group Standard | Technical Requirements for Evaluating Green and Low-carbon Enterprises              | T/SGIPA 027-2024 |
| Group Standard | Technical Specification for Grid-forming Electrochemical Energy Storage Systems     | T/SPSTS 035-2024 |
| Group Standard | Technical Specification for Integrated PV-Storage-Charging Solutions                | T/DCB 009-2024   |
| Group Standard | Technical Guidelines for Black Start of Grid-forming Electrochemical Energy Storage | T/SPSTS 036-2024 |

● **Strategic Partnerships Established During the Reporting Period**

| Strategic Partners   | Collaboration Project                               | Promoting Industry Development  |
|--|---|---|
| Wuhan Spinco Electric Equipment Co., Ltd., Canghai Qingzhou (Jiangsu) Technology Co., Ltd., Wuhan Zhennan Technology Co., Ltd., and Shanghai Linmang Automation Technology Co., Ltd. | Sinexcel "Spark Plan"                               | Uniting forces to jointly address power quality issues.   |
| Xiaoju Charging  | 100 Cities, 1,000 Stations Ultra-Fast Charging Plan | Building a high-quality charging infrastructure system and efficiently promoting the scientific acceleration of the charging network                                |
| Schneider Electric   | Smart Energy and Carbon Solutions                   | Providing customers with comprehensive smart energy and carbon management solutions for intelligent energy use, lean energy saving, and effective carbon reduction. |

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| Suzhou Jiaotou Xineng,<br>Chery Green Energy,<br>Shanghai Haoling                                 | MW-level Ultra-Fast<br>Charging Ecosystem<br>Collaboration                        | Accelerate the construction of a<br>high-quality megawatt-level<br>ultra-fast charging infrastructure<br>system to effectively promote the<br>development of the NEV industry.   |
| Shenhuitong   | Energy Cooperation  | Focusing on the integration and<br>application of innovative energy<br>technologies such as solar storage<br>and megawatt supercharging, jointly<br>creating diversified transportation<br>energy-saving demonstration<br>projects.  |
| Chedian New Energy  | Comprehensive<br>Megawatt-Level<br>Ultra-Fast Charging<br>Collaboration           | Injecting new momentum into the<br>high-quality development of the new<br>energy vehicle industry in the<br>Greater Bay Area.  |
| Windrose  | Long-Distance<br>Heavy-Duty Truck<br>Megawatt Charging Test                       | Successfully verifying 800V<br>high-voltage fast charging,<br>effectively addressing carbon<br>emission challenges in the<br>transportation industry, promoting<br>the popularization of heavy-duty<br>electric trucks, and contributing to<br>global carbon neutrality goals. |
| MagicPower (Shanghai<br>Maizike Technology), Zero<br>Carbon Charge, Greencore<br>Energy Solutions | Co-building South Africa's<br>First Off-Grid Electric<br>Vehicle Charging Station | Not only promoting the upgrade of<br>local energy infrastructure in South<br>Africa but also making positive<br>contributions to global sustainable<br>development goals.  |

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| FastCharge.me | Successfully launched the first North American EV charging station project under the strategic partnership | Promoting the construction of EV charging infrastructure in the United States and enhancing the convenience and popularity of electric mobility. |
|---------------|--|--|

● **Industry Engagements during the Reporting Period (partial)**

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|---|--|
| On March 28 <sup>th</sup> , the 3 <sup>rd</sup> Generation Semiconductor Materials Technology and Market Seminar was held in Suzhou with great ceremony. Sinexcel, with years of engineering application experience in the semiconductor industry, showcased its continuously iterated products that fully meet the power quality requirements of the semiconductor sector. We collaborated with numerous innovators to jointly write a new chapter for the semiconductor industry.   |   |
| On May 22 <sup>nd</sup> , CPSE (2024) Shanghai International Charger and Battery Swapping Station Exhibition was held at the Shanghai Automobile Exhibition Center. During this exhibition, the Solar Storage Charging and Battery Swap Industry Alliance was officially established. As a member, Sinexcel joined industry partners in signing the <i>Initiative for High-Quality Development of China's Charging and Swapping Industry</i> . The alliance adheres to high-quality development principles, promoting the coordinated |  |

development of new energy vehicles and the charging/battery swap industry, and is committed to building a high-quality charging and battery swap service network.

On July 24<sup>th</sup>, the 3<sup>rd</sup> International Green Zero-Carbon Festival and 2024 ESG Leadership Summit, themed "On the Path to Carbon Neutrality", was held in Beijing. Sinexcel was awarded the "2024 ESG Exemplary Enterprise Award" for its outstanding performance in environmental, social, and governance (ESG) aspects. Li Xiaojun, Brand Director of Sinexcel, was invited to attend and delivered a keynote speech titled "Intelligent Energy Use, Winning the Future with Carbon Reduction", sharing Sinexcel's green development practices.



From August 8<sup>th</sup> to 9<sup>th</sup>, the 8<sup>th</sup> National Academic Conference on Power Quality and the Forum on the Development of the Power Quality Industry was held in Qufu City, Shandong Province. At this academic conference, two professional papers by Sinexcel on power quality, titled *Research on the Application of Silicon Carbide Semiconductor Switches in Power Quality Devices* and *Harmonic Solutions for Ship Systems*, attracted numerous scholars and



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| industry representatives for discussions. Both papers were included as academic exchange materials.  |  |
| In September, the 9 <sup>th</sup> Western Forum on Energy Storage and the Xinjiang Energy Storage Science and Technology Innovation System Development Seminar were successfully held in Urumqi, Xinjiang. Liu Bei, General Manager of Sinexcel's Energy Storage Microgrid Product Line, delivered a keynote speech titled "Achieving Energy Freedom and Enhancing the Safety of New Energy Storage Systems", offering forward-looking insights on energy storage technology trends and providing recommendations for the continuous advancement of the energy storage industry. |  |

## 7 Practicing Low Carbon and Protecting the Ecosystem

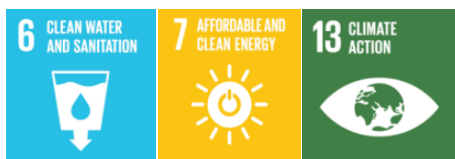
### ● Our Philosophy

Sinexcel adheres to the national strategic goals of "carbon neutrality and carbon peaking" and is committed to fully integrating the concept of green development into the overall business and management processes. By actively applying innovative green technologies, Sinexcel continues to increase investments in key areas such as environmental management, low-carbon initiatives, energy management, resource conservation, and pollution prevention. This drives energy transformation and empowers green development, aiming to achieve the long-term sustainable development goals.

### ● Our Actions

- Improving Environmental Management
- Addressing Climate Change
- Resource Conservation

- Reducing Environmental Impact
- **Contributing to the UN SDGs**



### 7.1 Improving Environmental Management

Sinexcel adheres to the environmental policy of "complying with environmental regulations, preventing environmental pollution, conserving resources and energy, and fostering a culture of environmental care among all employees". Sinexcel strictly abides by national laws and regulations such as the *Environmental Protection Law*, the *Energy Conservation Law*, alongside overseas local environmental regulations, and has thoroughly embedded the principles of sustainable green and low-carbon development within the production and operations. Sinexcel follows the regulations of the ISO 14001 Environmental Management System and, in conjunction with the actual situation of the enterprise, establishes a series of procedural documents, including the *Control Procedures for Identification, Evaluation, and Update of Environmental Factors* and the *Environmental, Occupational Health and Safety Operational Control Procedures*. We have formed an environmental management team, consisting of the Safety Committee Director, EHS Engineers, Safety Committee members, and Safety Personnel, with continuous efforts towards optimization and enhancement.

Sinexcel conducts an annual update of risks and opportunities, identifying and assessing risks that encompass the environmental management process, updating the environmental factor identification form, and formulating improvement measures. During the reporting period, Sinexcel updated a total of 8 procedure documents, regularly updated the list of environmental protection laws and regulations, conducted identification requirements and conformity evaluations, and experienced no environmental accidents. By formulating scientific and reasonable environmental management objectives, indicators, and management plans, we continuously optimize the environmental management system, regularly conduct environmental protection training, and strengthen employees' environmental awareness and management capabilities to achieve overall environmental management performance.



**Key Performance: As of the end of the reporting period**

- Number of companies certified with ISO 14001 Environmental Management System: 5
- Environmental protection investment: RMB 481,300
- Number of environmental protection training sessions: 16
- Coverage rate of environmental training at production bases: 100%

**7.2 Addressing Climate Change**

Sinexcel deeply recognizes the profound impact of climate change and is committed to identifying and mitigating climate change risks, advocating for energy conservation and emission reduction initiatives, continuously reducing greenhouse gas emissions, exploring eco-friendly product designs, and fostering high-quality development in the new energy industry. Through these endeavors, Sinexcel strives to contribute to the dual carbon goals.

**7.2.1 Climate Change Governance**

Pursuing the "carbon peaking and carbon neutrality" objectives, Sinexcel proactively strengthens management of carbon emissions and energy, rigorously adhering to national laws and regulations like the *Cleaner Production Promotion Law* and the *Energy Conservation Law* and formulated a series of systems including the *Procedure for Energy Resource Control*, the *Procedure for Equipment and Facility Configuration and Control*, and the *Equipment Inspection Plan After Natural Disasters*. During the reporting period, Sinexcel formed a leadership and working group for the energy and carbon emission management system, responsible for implementing the energy and carbon emission verification management system. Sinexcel has also completed the formulation of greenhouse gas management procedures such as the *Energy and GHG Management Manual*, *Verification Control Procedure for Greenhouse Gas Emissions and Removals*, and *Greenhouse Gas Inventory Baseline Year Management Procedure*.

**7.2.2 Strategies for Addressing Climate Change**

| Main Risk Categories | Potential Climate Change Impacts on Sinexcel   | Response Strategies  |
|----------------------|--|--|
| Physical Risks       | Global climate change exacerbates extreme weather phenomena, posing risks to operational stability, facility safety, and commuting safety. | <ul style="list-style-type: none"> <li>• Develop emergency operational plans, install flood prevention measures, prevent rainwater backflow, and establish lightning protection facilities.</li> <li>• Optimize product design to enhance the climate adaptability.</li> <li>• Strengthen the flexibility and</li> </ul> |

|                       |   |  |
|-----------------------|---|--|
|                       |   | resilience of supply chain and conduct predictive analysis of potential future disruptions.  |
| Transition Risks      | <b>Market demand shifts:</b> With the advancement of the "carbon peaking and carbon neutrality" goals and the increasing calls for climate action grow, market demands are expected to change, imposing stricter standards and expectations on our products and solutions.          | <ul style="list-style-type: none"> <li>• Use renewable energy and promote energy efficiency.</li> <li>• Implement eco-design and explore green products to reduce the environmental footprint.</li> </ul>  |
|                       | <b>Supply chain risks:</b> We may face dependence on scarce or limited resources, with supply chains potentially affected by climate change, such as energy supply instability or raw material constraints.   |  |
| Climate Opportunities | <b>Emerging market demand:</b> As low-carbon development and sustainability become increasingly important, Sinexcel is able to provide innovative and comprehensive solutions targeting emerging market segments such as clean energy and new EVs, in order to meet market demands. | <ul style="list-style-type: none"> <li>• Leverage the R&amp;D capabilities and technical advantages in intelligent power equipment to continuously enrich and improve green product lines, providing innovative solutions for low-carbon transformation across industries and reducing carbon emissions across the value chain.</li> </ul> |
|                       | <b>Technology innovation-driven:</b> Facing the challenges of climate change, technological innovation is crucial. Sinexcel will promote breakthroughs in sustainable development through R&D investments and strategic partnerships to seize market opportunities.                 |  |

During the reporting period, Sinexcel conducted an effectiveness review of emergency response measures, evaluating management procedures for public utility (water, gas, and power) outages to ensure the emergency plan system aligns with company operations.

### 7.2.3 Risk and Opportunity Management

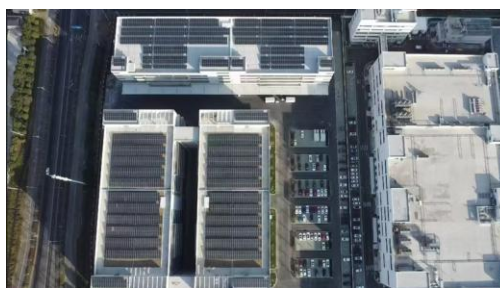
The headquarters, Sinexcel Huizhou, and Sinexcel Suzhou have obtained ISO 50001 and ISO 14064 certifications and completed the organizational carbon audit for the year 2024. To further strengthen the management of risks and opportunities related to climate change, during the reporting period, Sinexcel also conducted energy reviews and energy consumption monitoring. By identifying major energy uses, factors influencing energy use, and opportunities for energy improvement, we formulated implementation plans for energy management, improved energy performance, reduced greenhouse gas emissions, and promoted Sinexcel's transition to green and low-carbon operations. As of now, 3 subsidiaries have obtained ISO 50001 Energy Management System certification.

#### ● Clean Energy Usage

The energy used in the operations mainly includes purchased electricity, liquefied petroleum gas, gasoline, diesel, natural gas, etc. To gradually reduce the dependence on fossil fuels, Sinexcel proactively embraced clean energy initiatives by capitalizing on the limited rooftop space of the office buildings, and carports to install PV power generation systems. The installed PV capacity of Sinexcel Suzhou has reached 1,282.25 kW, with an estimated annual electricity generation of 1,347,600 kWh. Additionally, Sinexcel Huizhou has also commenced PV installation activities during the reporting period.



Sinexcel Huizhou Rooftop PV



Sinexcel Suzhou Rooftop PV

#### ● Energy-Saving through Technological Upgrades

In production and operations, we follow the "PDCA" cycle as the principle for energy consumption management, continuously reducing energy intensity. During the reporting period, by

reorganizing warehouse, workshop, and office areas, we reduced the use of 29 air conditioners and optimized lighting fixtures and controls to lower energy consumption.

#### 7.2.4 Indicators and Objectives

- Dual Carbon Goals

The headquarters, Sinexcel Huizhou, and Sinexcel Suzhou have set annual targets to reduce energy intensity and carbon emission intensity by 2% annually, setting 2024 as the baseline year.

- 2024 Dual Carbon Indicators

| Organization     | Level/Process/Product |         | Energy Management Indicator                         | Unit            | Number |
|------------------|-----------------------|---------|---|-----------------|--------|
| Headquarters     | Company               |         | Comprehensive Energy Consumption per Unit of Output | kgce/RMB 10,000 | 7.548  |
|                  |                       |         | Energy Consumption per Capita                       | tce/capita·year | 0.375  |
| Sinexcel Huizhou | Company (Production)  |         | Comprehensive Energy Consumption per Unit of Output | kgce/RMB 10,000 | 5.293  |
|                  | Company               | Module  | Comprehensive Energy Consumption per Unit of Output | kgce/unit       | 3.133  |
|                  |                       | Cabinet | Comprehensive Energy                                | kgce/unit       | 2.366  |

|                    |                      |  |  |                 |       |
|--------------------|----------------------|--|--|-----------------|-------|
|                    |                      |  | Consumption per<br>Unit of Output                            |                 |       |
| Sinexcel<br>Suzhou | Company (Production) |  | Comprehensive<br>Energy<br>Consumption per<br>Unit of Output | kgce/RMB 10,000 | 7.614 |
|                    |                      |  | Comprehensive<br>Energy<br>Consumption per<br>Unit of Output | kgce/unit       | 7.674 |

| Organization        | Level/Process/Product |         | Greenhouse Gas<br>Emission Reduction<br>Management Indicator | Unit                      | Number    |
|---------------------|-----------------------|---------|--|---------------------------|-----------|
| Headquarters        | Company               |         | Total Greenhouse Gas<br>Emissions                            | tCO <sub>2</sub> e/year   | 1,654.411 |
| Sinexcel<br>Huizhou | Company               |         | Total Greenhouse Gas<br>Emissions                            | tCO <sub>2</sub> e/year   | 4,034.746 |
|                     | Workshop              | Module  | Greenhouse Gas<br>Emissions per Unit of<br>Product           | CO <sub>2</sub> kgce/unit | 7.16      |
|                     |                       | Cabinet | Greenhouse Gas<br>Emissions per Unit of<br>Product           | CO <sub>2</sub> kgce/unit | 4.41      |
| Sinexcel<br>Suzhou  | Company               |         | Total Greenhouse Gas<br>Emissions                            | tCO <sub>2</sub> e/year   | 3,367.370 |
|                     | Workshop              |         | Greenhouse Gas<br>Emissions per Unit of<br>Product           | CO <sub>2</sub> kgce/unit | 364.11    |

### 7.3 Resource Conservation

Sinexcel strictly adheres to environmental regulations and actively advocates the concept of resource conservation. Sinexcel is committed to achieving both economic benefits and environmental protection through measures such as optimizing the use of raw materials, packaging materials and water resources.

#### 7.3.1 Conservation of Raw Materials

We insist on using raw materials with minimal environmental impact to reduce the environmental footprint of the products. In raw material procurement, we prioritize the use of materials containing recycled content, such as PCR materials, and require suppliers to provide LCA reports and UL2809 certifications to demonstrate the environmental friendliness of the materials. During the production process, environmentally friendly galvanized steel plate materials are utilized to achieve recycling and reusability. Surplus materials such as cables are reused, and PCBA board production employs advanced manufacturing processes, including automated production lines and Surface Mount Technology (SMT), reducing raw material loss by approximately 20%. We prioritize repairs for faulty PCBA boards, discarding them only when they cannot be repaired.

In terms of packaging materials, in accordance with the basic requirements for green packaging products stipulated in GB/T37422, we commit to using green packaging materials such as wooden boxes and corrugated cardboard boxes for packaging during production, manufacturing, use, and recycling. We have formulated the *Green Packaging Plan* to implement green packaging for products and promote suppliers to recycle pallets, plastic boxes, and reusable containers to reduce resource consumption.

#### 7.3.2 Water Resource Conservation

Sinexcel adheres strictly to laws and regulations and is dedicated to promoting the sustainable utilization of water resources, setting annual water intensity targets in manufacturing base. During the reporting period, these targets were successfully achieved. In the production and operational process, we exclusively rely on municipal water to guarantee the safety and risk-free nature of the water sources. In our processes, 100% of the cooling water is recycled. To further minimize water waste, we installed additional water meters and conducted regular inspections of

the water systems and pipelines. Furthermore, we embraced clean production methodologies and abstained from developing processes that could potentially generate wastewater discharge. Sinexcel actively responds to the concept of sponge cities, improving urban water circulation systems through a series of innovative measures. During the reporting period, tap water used for simulated rainy day tests was continuously recycled and reused.

#### 7.4 Reducing Environmental Impact

Sinexcel strictly adheres to national laws and regulations such as the *Water Pollution Prevention and Control Law*, the *Air Pollution Prevention and Control Law*, and the *Solid Waste Pollution Prevention and Control Law*. The Company has formulated strict management systems, such as the *Hazardous Waste Management System* and the *Control Procedures for Noise, Wastewater, and Hazardous Wastes*. Additionally, in accordance with the requirements of the *Environmental, Occupational Health, and Safety Monitoring and Measurement Control Procedures*, we conduct regular inspections and supervision of waste gas, noise, and boundary noise within the factory annually to achieve compliant disposal and control and reduce the environmental damage and impact caused by waste, waste gas, wastewater, and noise generated during operations.



Noise Reduction Renovation of Air Compressor Station

| Measures for Treating the Wastes |   |
|----------------------------------|---|
| Waste Water                      | <ul style="list-style-type: none"> <li>● Discharge Type: domestic wastewater</li> </ul> <p>Treatment: After undergoing pre-treatment in a reinforced concrete septic tank and grease trap facility, it is connected to the municipal pipeline and</p> |

|                     |   |
|---------------------|---|
|                     | sent to a sewage treatment plant for processing.  |
| Waste Gas           | <ul style="list-style-type: none"> <li>● Discharge Type: tin and its compounds, particulate matter, and oil fume</li> </ul> <p>Treatment: Exhaust gases are collected through a gas-collecting hood, processed through two sets of filter cotton and a secondary activated carbon adsorption unit, and finally discharged through a 30-meter-high exhaust stack (P1) in compliance with standards. Oil fume is treated with electrostatic oil removal before discharge.</p> |
| General Solid Waste | <ul style="list-style-type: none"> <li>● Discharge Type: cardboard boxes, iron, aluminum, copper, stainless steel, scrap cabinets, scrap empty PCB boards, scrap cables, scrap gun wires, etc.</li> </ul> <p>Treatment: Adopting recycling measures, the general solid waste recycling rate reached 100% in 2024.</p>   |
| Hazardous Waste     | <ul style="list-style-type: none"> <li>● Discharge Type: discarded electronic components, discarded PCBA boards</li> </ul> <p>Treatment: Hazardous waste is recycled and treated by certified hazardous waste disposal companies complying with national standards.</p>   |

## 8 People-oriented, Building Harmony

### ● Our Philosophy

Sinexcel adheres steadfastly to the core principles of "fostering a superior organization" and "nurturing talents". As a responsible employer, we respect employees, create an equal and fair working environment, establish a robust talent development system, build safe and healthy workplaces, and enhance employee satisfaction and sense of belonging. Additionally, we actively fulfill social responsibilities, promote public welfare activities, and care for social well-being.

### ● Our Actions

- Employee Rights and Interests Protection
- Empowering Employees Growth
- Protecting Health and Safety
- Thoughtful Employee Care
- Contributing to Community Development

### ● Contributing to the UN SDGs





## 8.1 Employee Rights and Interests Protection

Sinexcel adheres to the principles of fairness, justice, and transparency, embraces equal employment opportunities, maintains open communication channels with employees, and establishes a salary and welfare system of "equal pay for equal work" and a career development system of fair competition. We strive to create a harmonious and diverse work environment, fully protecting the legitimate rights and interests of employees.

### 8.1.1 Employee Employment

Sinexcel strictly abides by the laws and regulations such as the *Labor Law*, the *Labor Contract Law*, the *Law of the People's Republic of China on the Protection of Minors*, and formulates a number of management systems, including the *Human Resources Control Procedure*, to continuously improve the human resources management system. During the reporting period, Sinexcel completed the update and revision of more than ten policies and regulations.

**Non-discrimination.** The *Recruitment Management System* explicitly outlines the adherence to the principles of openness, equity, competition, and merit in the recruitment process, ensuring equal opportunities for every candidate. Within the bounds of legality, Sinexcel deeply respects the religious freedom of employees and eradicates any discrimination rooted in race, nationality, age, gender, disability, or any other factors, fostering an environment where diverse talents can thrive and contribute to a multicultural and inclusive workplace.

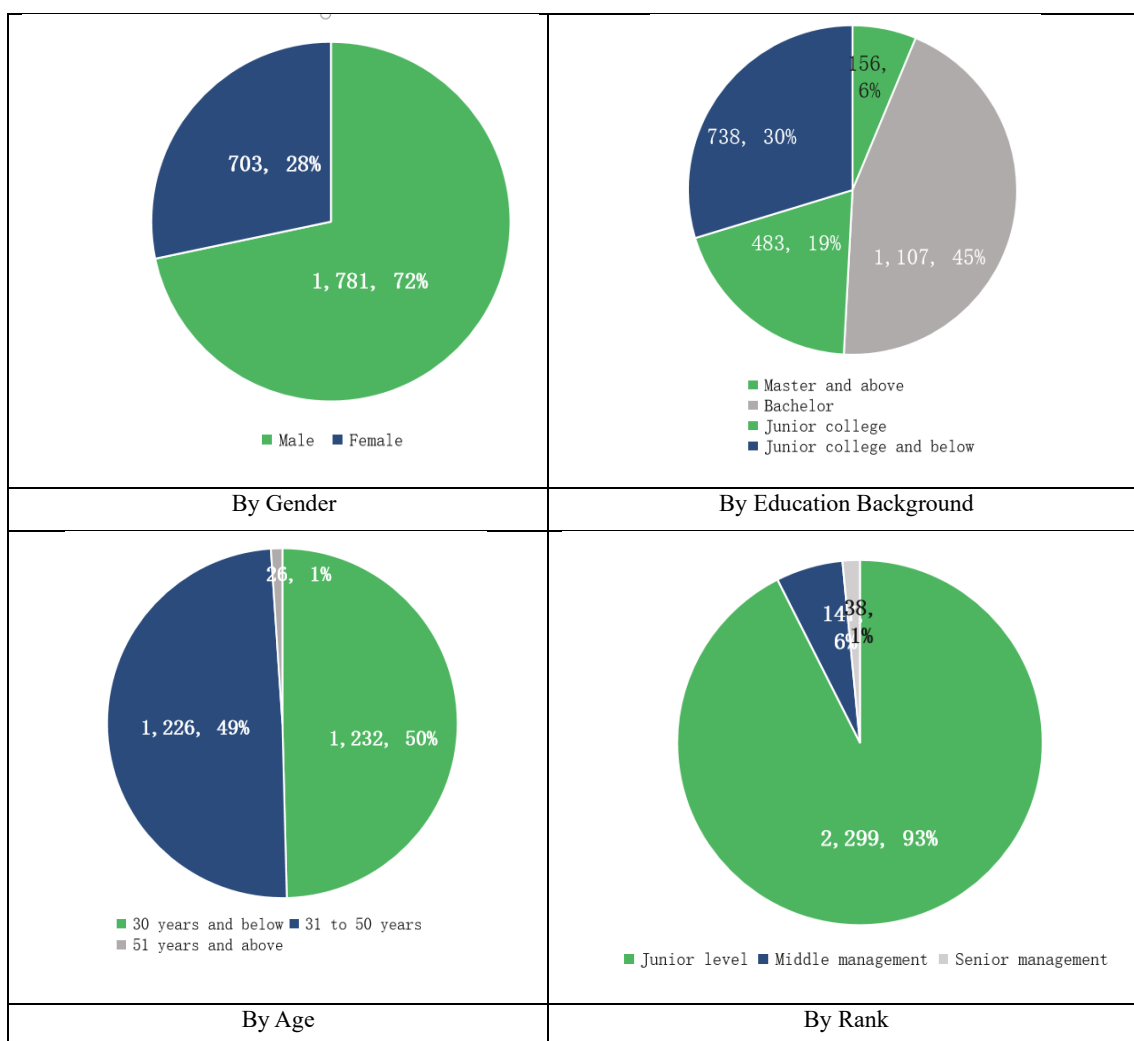
**Free of child labor and forced labor.** We have formulated the *Management Procedure for the Prohibition of Child Labor* and the *Remedial Procedure for Child Labor and Forced Labor*, are completely free of child labor and forced labor. We enhance the efficiency of matching job positions with talents by building multicultural recruitment channels, such as campus recruitment, social recruitment, and internal employee referrals. During the recruitment process, we verify identification documents to ensure that we do not employ any individuals who are under the legal age for employment. If child labor is inadvertently employed, they shall be immediately returned to their place of origin, with all associated costs covered. If the child needs to attend school and faces financial difficulties, we will pay tuition fees according to local standards until the age of 16 to ensure they can continue compulsory education. We do not encourage overtime work. If overtime is necessary due to work requirements, approval must be obtained, and compensatory time off or overtime pay will be prioritized. We also provide sufficient training for recruitment

staff to prevent the occurrence of child labor and forced labor.

In addition, to create an inclusive, equal, and friendly work environment, we have formulated the *Employee Code of Conduct*, which, along with the *Business Ethics Policy*, clearly informs employees that involuntary forced overtime, harassment, sexual harassment, discrimination, and other inappropriate behaviors are included in the scope of complaints. Employees are required to sign a statement acknowledging their understanding of these policies. Employees who violate these regulations will face appropriate disciplinary actions, ensuring solid support for all employees.

#### Key Performance: During the reporting period

- Total number of employees: 2,484
- Number of ethnic minority employees: 161
- Proportion of female employees: 28.30%



### 8.1.2 Democratic Management

Effective communication is a pivotal factor in maintaining a thriving work team environment and ensuring the efficient functioning of the team. We continuously safeguard employees' legitimate rights, including the right to know, participate, and supervise, encouraging all employees to put forward reasonable suggestions or opinions, fully participate in corporate democratic management, and contribute to Sinexcel's development. We regularly hold employee representative meetings to understand employee demands and promptly take corresponding measures to address them.

During the reporting period, we revised the *Employee Complaint and Feedback Handling Procedures* and the *Employee Grievance and Resolution Control Procedures*. Employees can submit opinions through suggestion boxes, reporting to union members, directly to management, or via compliance hotlines. Designated personnel handle all proposals, ensuring confidentiality for those who request it. Employees whose proposals are adopted, implemented, or addressed are rewarded. For complaints, we determine a solution within one week of receiving the complaint and respond to the employee orally or in writing. If the employee is not satisfied with the response, a mediation committee composed of employee representatives and company representatives will be organized to mediate.

- **Employee Satisfaction**

To accurately gauge employees' views and satisfaction and to formulate targeted improvement measures, we conduct an annual anonymous satisfaction survey for all employees. During the reporting period, we focused on dimensions such as job content and career development, work environment and team collaboration, compensation and benefits, and company culture and values. The survey results indicated that approximately 80% of employees are satisfied or relatively satisfied with their current jobs, finding their work challenging and rewarding.

|   |
|---|
| <b>Key Performance: During the reporting period</b> |
|---|

|  |
|--|
| ➤ Employee comprehensive satisfaction: 85% |
|--|

### 8.1.3 Compensation and Benefits

To effectively safeguard employees' compensation and benefits, ensuring a comprehensive coverage of employee welfare, we have established comprehensive systems including the *Compensation Management System* and the *Subsidiary Company Subsidy System*, and constructed a diversified framework for employee compensation and benefits. We adhere to the principle of equal pay for equal work and the 3P1M (Position, Person Capability, Performance, Market) compensation management philosophy. We have introduced professional job evaluation systems and other compensation management tools to continuously improve and optimize a position-based, performance-oriented, and competency-driven diversified compensation system, implementing the market-linked pay philosophy of "position-based grading, grade-based pay, person-position matching, and position-change pay adjustment".

In terms of performance management, we follow the *Employee Performance Management System* and other relevant regulations, conducting regular monthly, quarterly, and annual performance evaluations for all employees. Employees who disagree with the evaluation results can file an appeal with the HR Department within 3 working days of receiving the results. By ensuring internal fairness and achieving competitive external fairness, we motivate employees to maximize their personal value in their respective roles. During the reporting period, we further optimized performance evaluations, producing the *Individual Performance Optimization Plan*, clarifying evaluation indicators, and adding project-based evaluations and performance review mechanisms such as performance coaching and performance interviews, achieving breakthroughs in overall performance evaluation completion rates, performance commitment rates, and performance interview rates.

Furthermore, we have implemented long-term incentives for senior management and core employees, motivating them to prioritize decision-making with Sinexcel's long-term development objectives. As of the end of the reporting period, the vesting conditions for the second period of the 2022 Restricted Stock Incentive Plan and the first vesting period of the reserved restricted stock awards have been fulfilled, completing the registration of vested shares for 225 employees.

#### Support Center Salary Structure



Basic Salary + Job Allowance + Subsidies +  
Performance Bonus + Year-end Bonus

#### R&D Center Salary Structure



Basic Salary + Job Allowance + Subsidies + Year-end  
Bonus

#### Sales Center Salary Structure



Basic Salary + Job Allowance + Subsidies +  
Sales Commission

#### Manufacturing Center Salary Structure



Basic Salary + Job Allowance + Subsidies +  
Overtime Payment + Performance Bonus + Year-end  
Bonus

### Compensation Structure

#### ● Employee Welfare

- Statutory paid leaves: New Year's Day, Spring Festival, Women's Day, Qingming Festival, Labor Day, Mid-Autumn Festival, National Day, etc.
- Other paid leaves: Annual leave, wedding leave, sick leave, bereavement leave, maternity leave
- Social insurance and housing fund: "Mandatory Social Insurance and Housing Provident Fund", supplementary commercial insurance
- Special benefits: Free shuttle bus, employee dormitory, health check-ups, team building activities, wedding/childbirth gifts, holiday gifts, birthday celebrations
- Employee allowance: Housing allowance, high-temperature allowance, night snack

allowance, telephone allowance, injury and illness allowance, travel allowance, etc.

## 8.2 Empowering Employees Growth

Talent is Sinexcel's core asset. Sinexcel has established systems such as the *Career Progression Plan* and *Career Progression Pathways and Promotion Management Guidelines* to regulate employee career management. During the reporting period, we updated the employee qualification system, initiated talent reserve training plans through talent assessments, and continuously improved the employee training and development system to enhance overall business capabilities and strengthen employees' ability to fulfill their responsibilities.

### 8.2.1 Career Development

#### ● Career Progression

Based on the characteristics of Sinexcel, we have classified positions in five pathways namely management, R&D, technical, support, and operational. Considering employees' diverse development aspirations, employees can advance within their job category or cross categories. In promotion evaluations, we conduct 360-degree assessments based on basic qualifications, professional skills, work contributions, and behavioral performance. The HR Department reviews the eligibility of promotions and publicly announces approved promotions in layers, ensuring a standardized, fair, and just promotion process. During the reporting period, we strengthened the promotion of the job level system, improved the alignment and consensus across different positions within the same management level, and further optimized the qualification requirements for R&D and sales positions.

#### **Management Career Path:**

- Supervisor -> Manager-> Director-> BU General Manager-> Deputy General Manager-> General Manager

#### **R&D and Technical Career Path:**

- Professional: Junior-> Intermediate-> Senior-> Specialist-> Expert-> Chief
- Management: Junior-> Intermediate ->Senior -> Supervisor/Manager-> Manager/Director

#### **Support and Operational Career Path:**

- Professional: Assistant-> Junior-> Intermediate-> Senior-> Specialist
- Management: Assistant-> Junior-> Intermediate-> Senior-> Supervisor-> Manager

#### ● Talent Reserve

Sinexcel focuses on talent cultivation and introduction, building a diversified and multi-level talent pool covering technical, management, and other fields. We have fully digitized the recruitment process and established a talent pool, expanding recruitment channels beyond campus

and social recruitment to introduce strategic talent.

To ensure sufficient reserve talent and strengthen the reserve cadre team, we have developed the *Reserve Cadre Selection and Management Standards*, adhering to the principle of "integrating morality and talent, with morality first". We evaluate cadres globally based on performance and potential. Through talent assessments, we identify and position internal key personnel, promptly filling core positions through internal and external recruitment, and mapping out the cadre and reserve talent landscape to address competency gaps. During the reporting period, we completed the "Four Reviews and One Provision" for 189 current cadres, evaluating performance, capabilities, potential, stability, strengths and weaknesses, and providing development suggestions, while following up on the implementation of growth plans.

#### Case Study: Hongyi Plan

The Hongyi Plan is a continuous campus recruitment training initiative launched in 2021. The program includes pre-employment online meetings and learning, post-employment training and team building, in-department mentoring and practical training, and the Weekly R&D Course for new R&D employees, offering weekly professional R&D courses and conducting assessments. During the probation period, the program includes two stage assessments, one discussion session, and a formal probation review meeting, providing timely feedback and rapid growth for new hires. During the reporting period, the Hongyi Plan 2024 has benefited 145 individuals.

### 8.2.2 Talent Cultivation

Supported by internal trainers and external resources, the training plans aim to create a "talent-rich" environment at Sinexcel. We continue to strengthen employee training, striving to build a high-quality and high-standard employee education and training system, and comprehensively safeguarding employee career development. Sinexcel has established a three-pillar training system consisting of functional training, leadership training, and professional training, with targeted training programs for cadres at different levels. Supported by internal trainers and external resources, the training plans aim to foster a talent abundance at Sinexcel.

Three-Pillar Training System

| Pillar           | Functional Training   | Professional Training  | Leadership Training   |
|------------------|---|--|---|
| Position         | Cultivation of employees' basic skills and competence                                   | Improvement of employees' professional knowledge and skills in their respective fields | Cultivation of the core management cadres to build a talent echelon         |
| Training Project | <ul style="list-style-type: none"> <li>Hongyi Plan</li> <li>Sinexcel Lecture</li> </ul> | <ul style="list-style-type: none"> <li>Specialized marketing talent</li> </ul>         | <ul style="list-style-type: none"> <li>Junior level: Hongqi Plan</li> </ul> |

|                         |  |   |  |
|-------------------------|--|---|--|
|                         | Series   | development program   | <ul style="list-style-type: none"> <li>• Middle level: Hongyuan Plan</li> <li>• Senior level: "Ture Executive" Series</li> </ul> |
|                         |  | <ul style="list-style-type: none"> <li>• Weekly R&amp;D Course</li> <li>• Product manager training camp</li> </ul>                                  |  |
| <b>Training Content</b> | <ul style="list-style-type: none"> <li>• Company culture, rules and regulations, business processes, etc.</li> <li>• General training courses, such as software operation, legal education, corporate culture, etc.</li> </ul> | Targeted professional training courses based on job requirements, such as technology R&D, marketing, product management, financial management, etc. | Team management, decision analysis, strategic planning, etc.   |
| <b>Training Method</b>  | Internal online/offline courses  | Industry expert lectures, internal experience sharing, etc.   | Case studies, group collaboration, external training, etc.   |

**Key Performance: During the reporting period**

- Total training hours for employees: 20,210 hours
- Average training hours per employee: 8.56 hours
- Number of employees receiving leadership training: 208, total training hours: 2,830
- Number of employees receiving functional training: 1,738, total training hours: 11,780
- Number of employees receiving professional training: 414, total training hours: 5,600

- **Leadership Training**

**Senior executives:** Centered on executive team co-creation learning sessions, supplemented by open courses and external study tours, the program focuses on cultivating the core executive team and building a "true executive" team, guiding the Sinexcel executive team to continuous growth. The courses are designed around the competency requirements for "true executives" and the expectations of the General Manager for the executive team and Sinexcel. A total of 3 executive team co-creation sessions were organized, covering 51 participants in 2024.

**Middle Management:** Divided into "conceptual" and "practical" aspects.

**Practical:** The Hongyuan Plan, a mid-level management training initiative since 2021, focuses on introducing and practicing work methodologies and tools to help participants quickly improve management skills and team efficiency. During the reporting period, after multiple rounds of reporting and adjustments, the 2024 program was transformed into the "Global Talent Development - English Proficiency Training and Battle Camp", covering 31 participants for the year.

**Conceptual:** Four rounds of *Advancing to True Executives* training were conducted for product line/department heads and core mid-level managers, including teams from charging and swapping, energy storage microgrids, power quality, new energy of Sinexcel, guiding mid-level managers to set goals and focus on team building and feedback.

**Junior level:** The Hongqi Plan, implemented since 2023, focuses on helping junior cadres transition from high performers to managers, with a core focus on inputting specific tools and methodologies.



Executive Collaborative Session

### 8.3 Protecting Health and Safety

Sinexcel rigorously abides by laws and regulations such as *the Safety Production Law* and *Occupational Disease Precaution and Treatment Law*, adheres to the concept of safety development, continuously improves the health and safety management system, and protects the production safety and physical and mental health of employees. We have formulated a multi-level safety management system, including the *Occupational Health and Safety Objectives Control Procedure* among others. To date, the parent company Sinexcel, along with its major production



bases Sinexcel Huizhou, Sinexcel Power, Sinexcel Suzhou and Sinexcel New Energy have obtained and maintained effective ISO 45001 Occupational Health and Safety Management System Certifications.

#### Occupational Health and Safety Policy:

- People-oriented and safety first, continuous improvement and prevention, compliance with legal and regulatory requirements, full participation in harmonious development

#### Key Performance: As of Now

- Number of companies certified with ISO 45001 Occupational Health and Safety Management System: 5



ISO 45001 Occupational Health and Safety Management System Certification

### 8.3.1 Safety Management

In accordance with national and industry-specific laws and regulations related to occupational health and safety, Sinexcel has formulated institutional documents such as the *Quality, Environment, Occupational Health, and Safety Management Manual*, established scientifically rational occupational health and safety management objectives, and continually improved the occupational health and safety management system. Sinexcel has established an EHS organizational structure, led by the EHS Director and composed of committee members and safety officers, ensuring the effective operation of the occupational health and safety management system through clear responsibilities and specific implementation steps.

We regularly update hazard information, assess occupational hazard factors in the workplace, and formulate corresponding hierarchical control measures to safeguard employees' health and safety. Regular safety inspections are conducted on company equipment, the use of personal protective equipment, and occupational health hazards to promptly identify and eliminate potential risks. Pre-employment, on-the-job, and post-employment health check-ups are ensured for positions with occupational hazards.



#### Key Performance: During the reporting period

- Health check-up coverage rate for employees in occupational hazard positions: 100%
- Coverage rate of work-related injury insurance and work safety liability insurance for personnel in occupational disease risk positions: 100%
- Coverage rate of occupational health and safety training at production bases: 100%

### 8.3.2 Safety Education and Training

Through safety education and training, emergency drills, and other means, we improve the safety awareness and competence of all employees, ensuring they understand and strictly comply with relevant work safety regulations, safeguarding the safety of employees and steady of production and operation. We conduct an in-depth analysis of the occupational health and safety risks of personnel in various positions and implement staff training at different levels and stages. We implement a "three-level safety education" system for new employees and promote a safety education plan for all employees to create a good atmosphere for safe production.

Sinexcel continuously improves the emergency management mechanism, strengthens the construction of emergency rescue capabilities, and records safety emergency drills. Sinexcel regularly organizes emergency drills to improve the employees' ability to respond to emergencies. Sinexcel formulated the *Emergency Plan for Production Safety Accidents* for our main production base and established a sound emergency response system with clear responsibilities for members of the emergency response team, and established a "warning information release" process for 10 types of accidents, including fire explosions, mechanical injuries, container explosions, falls from heights, and vehicle accidents. We have taken primary preventive measures and established an early warning mechanism to minimize the impact and damage of accidents. During the reporting period, Sinexcel revised the *Emergency Plan and Disaster Recovery Control Procedure* and

organized diverse activities such as training on hazardous work management, Gamba Walk safety inspections, fire drills for all employees, fire drills for key areas, and emergency drills.

|   |  |
|---|--|
|  |  |
| Fire Drill  | Electric Shock and Electrical Fire Drill   |
|  |  |
| Chemical Spill Emergency Drill  | Hazardous Operation Management Training  |

#### 8.4 Thoughtful Employee Care

Sinexcel prioritizes humanistic care and strives to enhance the workplace happiness and satisfaction of every employee. We have established the *Recreational Activities Management Measures* to actively build interactive platforms and focus on employee activity development, ensuring a balance between work and life, providing a relaxed and enjoyable atmosphere for employees to unwind, thereby reinforcing their workplace happiness and sense of belonging.

|   |  |
|---|--|
|  |  |
| Dragon Boat Festival Gifts  | New Year Red Packets   |

|   |  |
|---|--|
|    |    |
| Women's Day Event   |  |
|   |    |
| Birthday Party& Halloween Party   | Corporate Culture Learning   |
|  |  |
| Basketball Match  |  |

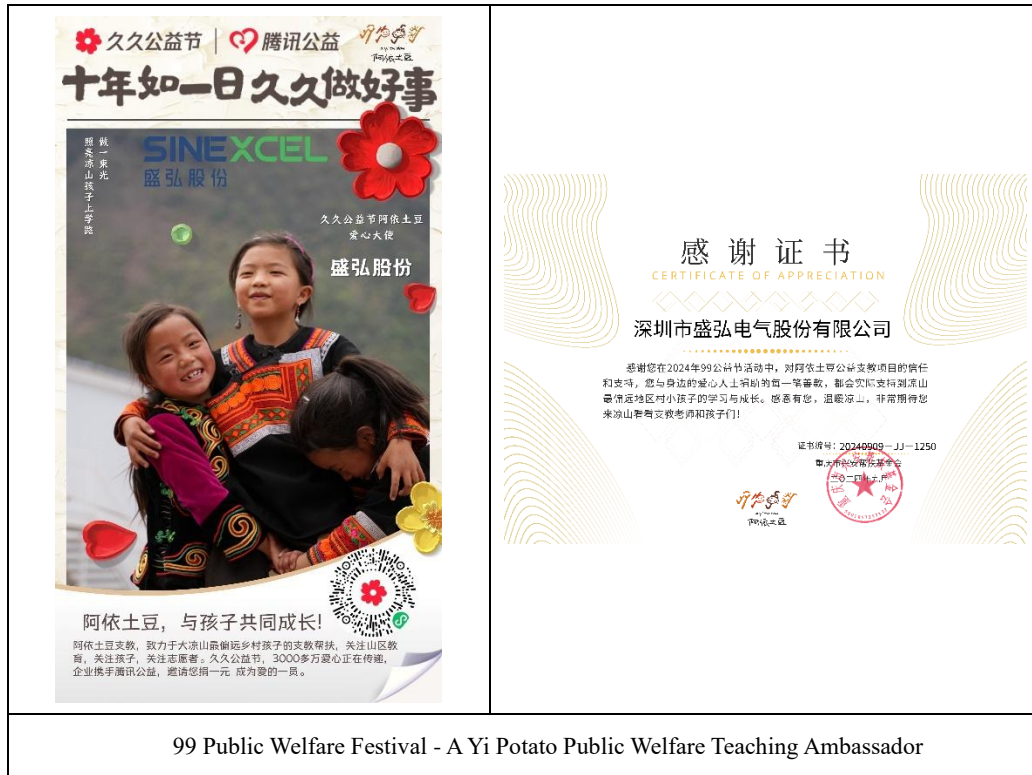
## 8.5 Contributing to Community Development

Sinexcel always adheres to the concept of "Originating from Society and Contributing to Society" and provides financial support for projects related to the protection of minors, technological innovation, and education through the Shenzhen Charity Association·Sinexcel Electric Public Welfare Fund, actively practicing public welfare.

### Public Welfare Projects: During the reporting period

- Donated RMB 200,000 for post-disaster reconstruction after the "12.18" Qinghai earthquake
- Donated RMB 140,000 to the "Light Up the School Path for Liangshan Children" project
- Donated RMB 200,000 for flood relief in Meizhou





99 Public Welfare Festival - A Yi Potato Public Welfare Teaching Ambassador

## 9 Appendices

### 9.1 About the Report

This report is the third Environmental, Social, and Governance (ESG) report released by Shenzhen Sinexcel Electric Co., Ltd. This report strictly adheres to the core principles of objectivity, standardization, transparency, and comprehensiveness, with a dedicated focus on presenting stakeholders with a clear overview of Sinexcel's endeavors, practices, and accomplishments in the aspects of environmental, social, and corporate governance.

- **Reporting Period**

The reporting period is from January 1, 2024, to December 31, 2024, with some content moderately extending to the previous and subsequent years.

- **Reporting Scope**

The information disclosed in this report encompasses Shenzhen Sinexcel Electric Co., Ltd. and its subsidiaries. Unless otherwise noted, it aligns with the scope outlined in the annual consolidated financial statement of Sinexcel (stock code: 300693.SZ).

- **Compiling Basis of the Report**

China Enterprise Reform and Development Society and Chinese Academy of Social Sciences *The General Framework of China Enterprise Sustainability Reporting Guidelines* (CASS-ESG 6.0)

*Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*

International Organization for Standardization *ISO 26000: Guidelines for Social Responsibility* (2010)

2030 UN Sustainable Development Goals (SDGs)

- **Data Source**

The data used in the report are retrieved from official documents, statistical reports or public information.

- **Reliability Assurance**

The Company guarantees that there are no false records, misleading statements, or material omissions in the content of this report. If there are any discrepancies between the relevant data and

the 2024 annual report, the data in the annual report shall prevail.

- **Names and Designations**

For the convenience of expression and reading, "Shenzhen Sinexcel Electric Co., Ltd.", is hereinafter referred to as "Sinexcel Co., Ltd.", "Sinexcel", "the Company" or "We" in this report. The abbreviations used in the report have the same meaning as those defined in the 2024 annual report.

- **Access to Report**

This report is available in both print and electronic formats. The e-copy can be accessed and downloaded from the official website of Sinexcel ([www.sinexcel.com](http://www.sinexcel.com)) or the Shenzhen Stock Exchange website ([www.szse.cn](http://www.szse.cn)). Please do not hesitate to email us: [stock@sinexcel.com](mailto:stock@sinexcel.com) or call us at 0755-88999771 to request a paper version of the report.

- **Feedback and Suggestions**

If you have any questions or suggestions about this report, please scan the below QR code or provide feedback to us via the details provided above. Thank you.



## 9.2 Key Performance Table

| Indicator Category   | Economic Performance Indicators                               | Unit        | 2024  | 2023  | 2022  |
|----------------------|---|-------------|-------|-------|-------|
| Income Statement     | Revenue   | RMB million | 3,036 | 2,651 | 1,503 |
|                      | YoY growth  | %           | 14.53 | 76.37 | 47.16 |
|                      | Net profit attributable to shareholders of the parent company | RMB million | 429   | 403   | 224   |
|                      | YoY growth  | %           | 6.49  | 80.20 | 97.04 |
| Balance Statement    | Total assets  | RMB million | 3,671 | 3,348 | 2,261 |
|                      | Equity attributable to shareholders of the listed company     | RMB million | 1,818 | 1,452 | 1,062 |
| Cash Flow Statement  | Net cash flow from operating activities                       | RMB million | 364   | 439   | 202   |
| Key Ratios           | ROE   | %           | 26.39 | 31.80 | 23.52 |
|                      | ROA   | %           | 12.09 | 14.30 | 11.86 |
|                      | Net profit margin   | %           | 13.98 | 15.13 | 14.87 |
| Per Share Indicators | Basic earnings per share                                      | RMB         | 1.38  | 1.30  | 0.73  |

Note: For other financial data of Sinexcel, please refer to the *Sinexcel 2024 Annual Report*.

| Indicator Category | Governance Performance Indicators | Unit   | 2024 | 2023 | 2022 |
|--------------------|-----------------------------------|--------|------|------|------|
| Board Structure    | General meeting of shareholders   | Number | 2    | 4    | 5    |



|  |   |          |       |       |       |
|--|---|----------|-------|-------|-------|
| <b>and<br/>Governance</b>                    | Board meetings  | Number   | 9     | 10    | 9     |
|  | Supervisory meetings  | Number   | 9     | 10    | 8     |
|  | Proportion of female directors  | %        | 37.50 | 37.50 | 37.50 |
| <b>Business<br/>Ethics</b>                   | Average training hours for employees who have received anti-commercial bribery and anti-corruption training | Hour (s) | 3.5   | 1     | 0     |
|  | Number of management-level employees covered by anti-commercial bribery and anti-corruption training*       | Number   | 52    | —     | 0     |
|  | Number of employees covered by anti-commercial bribery and anti-corruption training*                        | Number   | 108   | 400   | 0     |
| <b>Investor<br/>Relations<br/>Management</b> | Investor on-site communication, strategy meetings, telephone meetings                                       | Number   | 7     | 11    | 11    |

Note: The statistics for indicators marked with "\*" above only include offline training participants in 2024.

| Indicator<br>Category | Environmental<br>Performance<br>Indicators | Unit | 2024 | 2023 | 2022 |
|-----------------------|--|------|------|------|------|
|-----------------------|--|------|------|------|------|

|  |   |                    |           |           |          |
|--|---|--------------------|-----------|-----------|----------|
| <b>Environmental Management*</b>           | Environmental protection investment                                 | RMB '000           | 481.30    | 428.70    | 421.60   |
| <b>Environmental Protection Training *</b> | Number of environmental protection training                         | Number             | 16        | 40        | 27       |
|  | Coverage rate of environmental protection training                  | %                  | 100       | 100       | 100      |
|  | Average duration of environmental protection training for employees | Hour (s)           | 5.51      | 1.20      | 0.50     |
| <b>Energy Management</b>                   | Liquefied petroleum gas usage                                       | kg                 | 16,552.48 | 26,400    | 8,000    |
|  | Natural gas usage   | m <sup>3</sup>     | 7,781.00  | —         | —        |
|  | Diesel usage  | Liter(s)           | 9,749.34  | 988.25    | 615.31   |
|  | Gasoline usage  | Liter(s)           | 10,253.43 | 990.08    | 0        |
|  | Purchased electricity   | MWh                | 17,216.11 | 11,740.16 | 6,352.68 |
| <b>Addressing Climate Change</b>           | Scope 1 greenhouse gas emissions                                    | tCO <sub>2</sub> e | 404.11    | 86.70     | 26.47    |
|  | Stationary source emissions   | tCO <sub>2</sub> e | 68.93     | —         | —        |
|  | Mobile source emissions   | tCO <sub>2</sub> e | 50.54     | —         | —        |

|                        |  |                    |          |           |           |
|------------------------|--|--------------------|----------|-----------|-----------|
|                        | Fugitive emissions                                 | tCO <sub>2</sub> e | 284.64   | ——        | ——        |
|                        | Scope 2 greenhouse gas emissions                   | tCO <sub>2</sub> e | 9,396.03 | 6,536.92  | 3,537.17  |
|                        | Total greenhouse gas emissions (Scope 1 + Scope 2) | tCO <sub>2</sub> e | 9,800.14 | 6,623.62  | 3,563.65  |
| <b>Water Resources</b> | Municipal water consumption                        | m <sup>3</sup>     | 41,681   | 43,445.39 | 27,129.23 |
|                        | Rainwater harvesting usage                         | m <sup>3</sup>     | 100      | ——        | ——        |
|                        | Total water consumption                            | m <sup>3</sup>     | 41,781   | 43,445.39 | 27,129.23 |
| <b>Solid Waste*</b>    | Total waste  | Ton                | 1,108.44 | 274.96    | 66.93     |
|                        | Total non-hazardous waste                          | Ton                | 1,090.61 | 274.87    | 66.81     |
|                        | Total recycled and utilized non-hazardous waste    | Ton                | 1,090.61 | 274.87    | 66.81     |
|                        | Total hazardous waste                              | Ton                | 14.47    | 0.09      | 0.12      |
|                        | Total recycled and utilized hazardous waste        | Ton                | 10.57    | 0.08      | 0.12      |
|                        | Total other hazardous waste                        | Ton                | 0.06     | 0.01      | 0         |

Notes:

1.The statistical caliber of the indicators marked with "\*" above refers to the data of Sinexcel Huizhou and Sinexcel Suzhou. The statistical caliber of other environmental performance indicators is within the scope of

operation and control of Sinexcel, excluding overseas registered wholly owned subsidiaries/grandchild companies. Since Sinexcel Suzhou officially commenced production in July 2024, the data for 2022 and 2023 does not include Sinexcel Suzhou.

2.The increase in the Company's diesel and gasoline consumption data for 2024 stems from the expanded statistical coverage of fuel usage by official fleet vehicles.

3.Greenhouse gas emission data calculations refer to ISO 14064-1: 2018. The electricity emission factor adopts the 2021 electricity carbon dioxide emission factor released by the Ministry of Ecology and Environment and the National Bureau of Statistics on April 12, 2024. The fuel calorific values are based on the 2023 National Energy Statistical Yearbook and IPCC 2006.

4.The Scope 1 greenhouse gas emissions calculations for 2022 and 2023 do not include fugitive emissions. The fugitive emission sources include refrigerants (R-134a, R404a, R32, R23) from air conditioning systems, constant temperature and humidity machines, and mobile combustion sources, as well as fire extinguishing equipment (heptafluoropropane, CO<sub>2</sub>), septic tanks (CH<sub>4</sub>), and ultra-high voltage gas-insulated switches (SF<sub>6</sub>).

| Indicator Category | Social Performance Indicators                         | Unit        | 2024  | 2023  | 2022  |
|--------------------|---|-------------|-------|-------|-------|
| R&D and Innovation | R&D expenses  | RMB million | 257   | 231   | 148   |
|                    | R&D expenses as a percentage of revenue               | %           | 8.46  | 8.71  | 9.84  |
|                    | R&D personnel   | Number      | 699   | 645   | 389   |
|                    | Percentage of R&D personnel to total employees        | %           | 28.14 | 25.85 | 23.09 |
|                    | Number of patents held                                | Number      | 212   | 179   | 161   |
|                    | Number of trademark and text registration rights held | Number      | 30    | 8     | 13    |
|                    | Number of software copyrights held                    | Number      | 72    | 53    | 53    |
|                    | Number of new patent applications                     | Number      | 8     | 44    | 15    |

|  |   |        |    |    |    |
|--|---|--------|----|----|----|
|  | Number of new software copyright applications | Number | 2  | 1  | 1  |
|  | Number of new authorized patents              | Number | 30 | 25 | 14 |
|  | Number of newly obtained software copyrights  | Number | 2  | 1  | 1  |

| Indicator Category  | Social Performance Indicators  | Unit   | 2024  | 2023  | 2022 |
|---------------------|--|--------|-------|-------|------|
| Customer Services   | Customer satisfaction  | %      | 90    | 90.80 | 90   |
|                     | Number of Product Recall Incidents   | Number | 0     | 0     | 0    |
|                     | Number of products recalled due to safety and health issues                    | Number | 0     | 0     | 0    |
|                     | Customer complaint handling rate   | %      | 97.86 | 100   | 100  |
| Supplier Management | Total number of suppliers  | Number | 1,021 | 1,340 | —    |
|                     | Percentage of suppliers signed the Code of Conduct                             | %      | 24.70 | —     | —    |
|                     | Percentage of suppliers with environmental and labor requirements in contracts | %      | 23.60 | —     | —    |
|                     | Number of suppliers with social impact assessments conducted                   | Number | 49    | 34    | —    |
|                     | Number of suppliers with environmental impact assessments conducted            | Number | 49    | 34    | —    |
|                     | Raw material suppliers subject to on-site audits                               | Number | 49    | 34    | —    |

|                            |   |                      |        |       |       |       |
|----------------------------|---|----------------------|--------|-------|-------|-------|
|                            | Number of suppliers identified with actual and potential significant negative social impacts        |                      | Number | 0     | 0     | —     |
|                            | Number of suppliers identified with actual and potential significant negative environmental impacts |                      | Number | 0     | 0     | —     |
|                            | Number of new suppliers   |                      | Number | 334   | 513   | —     |
|                            | Percentage of new suppliers screened using environmental standards                                  |                      | %      | 100   | —     | —     |
|                            | Percentage of suppliers screened using social standards   |                      | %      | 100   | —     | —     |
|                            | Number of locally suppliers   |                      | Number | 714   | —     | —     |
|                            | Percentage of procurement staff receiving sustainable procurement training                          |                      | %      | 50    | —     | —     |
| <b>Employee Employment</b> | Total number of employees   |                      | Number | 2,484 | 2,495 | 1,685 |
|                            | By gender   | Male                 | Number | 1,781 | 1,805 | 1,230 |
|                            |   | Female               | Number | 703   | 690   | 455   |
|                            | By employee type  | Full-time employees  | Number | 2,484 | 2,495 | 1,576 |
|                            |   | Dispatched Employees | Number | 0     | 0     | 77    |
|                            |   | Others               | Number | 0     | 0     | 32    |
|                            | By education background   | Master and above     | Number | 156   | 107   | 77    |
|                            |   | Bachelor             | Number | 1,107 | 1,063 | 629   |
|                            |   | Junior college       | Number | 483   | 519   | 384   |
|                            |   | Junior college and   | Number | 738   | 806   | 595   |

|                    |   |  |        |       |       |       |
|--------------------|---|--|--------|-------|-------|-------|
|                    |   | below  |        |       |       |       |
|                    | By age  | 51 years old and above                                   | Number | 26    | 33    | 15    |
|                    |   | 31 to 50 years old                                       | Number | 1,226 | 1282  | 779   |
|                    |   | 30 years old and below                                   | Number | 1,232 | 1,180 | 891   |
|                    | By employee category                          | Junior level   | Number | 2,299 | 2,338 | 1,521 |
|                    |   | Middle management  | Number | 147   | 140   | 156   |
|                    |   | Senior management  | Number | 38    | 17    | 8     |
|                    |   | Proportion of female employees in senior management      | %      | 18    | —     | —     |
|                    | Diversity                                     | Minority employees                                       | Number | 161   | 364   | 103   |
|                    | Employee satisfaction                         |  | %      | 85    | 88.5  | 89    |
|                    | CEO to employee average salary ratio          |  | %      | 1,024 | 976   | 776   |
| Career Development | Number of employees participating in training |  | Number | 2,360 | 2,359 | 1,236 |
|                    | Number of employee trainings                  |  | Number | 289   | —     | —     |
|                    | By employee type                              | Number of non-management staff participating in training | Number | 2,112 | 2,163 | 1,101 |
|                    |   | Number of junior managers participating in training      | Number | 98    | 119   | 60    |
|                    |   | Number of middle managers participating in training      | Number | 103   | 47    | 45    |

|                          |  |  |          |        |        |        |
|--------------------------|--|--|----------|--------|--------|--------|
|                          |  | Number of senior managers participating in training        | Number   | 47     | 30     | 30     |
|                          | By training category                                     | Number of employees participating in leadership training   | Number   | 208    | 196    | —      |
|                          |  | Number of employees participating in functional training   | Number   | 1,738  | 1,843  | —      |
|                          |  | Number of employees participating in professional training | Number   | 414    | 320    | —      |
|                          | Total duration of training                               |  | Hour (s) | 20,210 | 26,367 | 12,399 |
|                          | Average duration for training                            |  | Hour (s) | 8.56   | 11.18  | 10     |
|                          | By training category                                     | Total duration of leadership training                      | Hour (s) | 2,830  | 9,051  | —      |
|                          |  | Total duration of functional training                      | Hour (s) | 11,780 | 9,328  | —      |
|                          |  | Total duration of professional training                    | Hour (s) | 5,600  | 7,988  | —      |
|                          |  |  |          |        |        |        |
| <b>Safety Management</b> | Recordable work-related accidents rate                   |  | —        | 0.27   | 0.31   | 0.83   |
|                          | Number of employee fatalities due to work-related causes |  | Number   | 0      | 0      | 0      |
|                          | Days of work lost due to injury                          |  | Day (s)  | 68     | 158    | 19     |
|                          | Number of employees diagnosed with occupational diseases |  | Number   | 0      | —      | —      |



|  |   |          |        |        |        |
|--|---|----------|--------|--------|--------|
|  | Injured employees   | Number   | 5      | 14     | 11     |
|  | Work-related incidents  | Number   | 5      | 14     | 11     |
|  | Investment in employee occupational health and safety   | RMB '000 | 244.30 | 124.80 | 151.20 |
|  | Coverage rate of physical examination for employees in occupational disease risk positions  | %        | 100    | 100    | 100    |
|  | Coverage rate of work-related injury insurance and safety production liability insurance for personnel in occupational disease risk positions | %        | 100    | 100    | 100    |
|  | Coverage rate of occupational health and safety training  | %        | 100    | 100    | 100    |

Notes:

1. Due to adjustments in the statistical criteria for the number of suppliers in 2024, the data for 2023 has been retroactively adjusted.
2. The safety management indicators are from the manufacturing bases, namely Sinexcel Huizhou and Sinexcel Suzhou during the reporting period. Since Sinexcel Suzhou officially commenced production in July 2024, the data for 2022 and 2023 does not include Sinexcel Suzhou.
3. Recordable rate of work-related accidents = (Number of work-related accidents / Total employee working hours) × 200,000.

### 9.3 Indicators Index

#### 9.3.1 GRI Standards Index

|  |  |   |  |
|--|--|---|--|
| <b>Statement of Use</b>                | Sinexcel has reported the information cited in this GRI Content Index for the period January 1, 2024 to December 31, 2024 with reference to the GRI Standards. |   |  |
| <b>GRI 1 Used</b>                      | GRI 1: Foundation 2021   |   |  |
| <b>GRI Standard</b>                    | <b>Disclosure Item</b>   |   | <b>Chapters and Sections</b>                     |
| <b>GRI 2: General Disclosures 2021</b> | 2-1  | Organizational details  | Company Overview                                 |
|  | 2-2  | Entities included in the organization's sustainability reporting            | About the Report                                 |
|  | 2-3  | Reporting period, frequency and contact point                               | About the Report                                 |
|  | 2-6  | Activities, value chain and other business relationships                    | Services and Solutions<br>Business Presence      |
|  | 2-7  | Employees   | Key Performance Table                            |
|  | 2-9  | Governance structure and composition  | Reinforcing Board<br>Structure and<br>Governance |
|  | 2-10   | Nomination and selection of the highest governance body                     | Reinforcing Board<br>Structure and<br>Governance |
|  | 2-12   | Role of the highest governance body in overseeing the management of impacts | Strengthening ESG<br>Governance                  |
|  | 2-13   | Delegation of responsibility for managing impacts                           | Strengthening ESG<br>Governance                  |

|   |       |  |   |
|---|-------|--|---|
|   | 2-14  | Role of the highest governance body in sustainability reporting                | Strengthening ESG Governance              |
|   | 2-16  | Communication of critical concerns   | Strengthening ESG Governance              |
|   | 2-18  | Evaluation of the performance of the highest governance body                   | Strengthening ESG Governance              |
|   | 2-21  | Annual total compensation ratio  | Key Performance Table                     |
|   | 2-22  | Statement on sustainable development strategy                                  | Message from the Chairman                 |
|   | 2-26  | Mechanisms for seeking advice and raising concerns                             | Strengthening ESG Governance              |
|   | 2-28  | Membership associations  | Collaboration for Mutual Success          |
|   | 2-29  | Approach to stakeholder engagement   | Strengthening ESG Governance              |
| <b>GRI 3: Material Topics 2021</b>        | 3-1   | Process to determine material topics   | Strengthening ESG Governance              |
|   | 3-2   | List of material topics  | Strengthening ESG Governance              |
|   | 3-3   | Management of material topics  | Strengthening ESG Governance              |
| <b>GRI 201: Economic Performance 2016</b> | 201-1 | Direct economic value generated and distributed                                | Key Performance Table                     |
|   | 201-2 | Financial implications and other risks and opportunities due to climate change | Addressing Climate Change                 |
| <b>GRI 203: Indirect Economic Impacts</b> | 203-1 | Infrastructure investments and services supported                              | Topic: Spearheading the Journey to Energy |

|  |       |  |   |
|--|-------|--|---|
| <b>2016</b>                              |       |  | Freedom   |
| <b>GRI 205: Anti-corruption 2016</b>     | 205-2 | Communication and training about anti-corruption policies and procedures | Upholding Business Ethics                                   |
| <b>GRI 302: Energy 2016</b>              | 302-1 | Energy consumption within the organization                               | Key Performance Table                                       |
|  | 302-3 | Energy intensity   | Key Performance Table                                       |
|  | 302-4 | Reduction of energy consumption  | Addressing Climate Change                                   |
|  | 302-5 | Reductions in energy requirements of products and services               | Focusing on R&D and Innovation<br>Addressing Climate Change |
| <b>GRI 303: Water and Effluents 2018</b> | 303-1 | Interactions with water as a shared resource                             | Resource Conservation                                       |
|  | 303-2 | Management of water discharge-related impacts                            | Reducing Environmental Impact                               |
|  | 303-3 | Water withdrawal   | Resource Conservation                                       |
| <b>GRI 305: Emissions 2016</b>           | 305-1 | Direct (Scope 1) GHG emissions   | Addressing Climate Change<br>Key Performance Table          |
|  | 305-2 | Energy indirect (Scope 2) GHG emissions                                  | Addressing Climate Change<br>Key Performance Table          |
| <b>GRI 306: Waste 2020</b>               | 306-1 | Waste generation and significant waste-related impacts                   | Reducing Environmental Impact                               |
|  | 306-2 | Management of significant waste-related impacts                          | Reducing Environmental Impact                               |
|  | 306-3 | Waste generated  | Key Performance Table                                       |

|  |       |   |                               |
|--|-------|---|-------------------------------|
|  | 306-4 | Waste diverted from disposal  | Key Performance Table         |
|  | 306-5 | Waste directed to disposal  | Key Performance Table         |
| <b>GRI 308: Supplier Environmental Assessment 2016</b> | 308-2 | Negative environmental impacts in the supply chain and actions taken  | Key Performance Table         |
| <b>GRI 401: Employment 2016</b>                        | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees            | Safeguarding Employee Welfare |
| <b>GRI 403: Occupational Health and Safety 2018</b>    | 403-1 | Occupational health and safety management system  | Protecting Health and Safety  |
|  | 403-2 | Hazard identification, risk assessment, and incident investigation  | Protecting Health and Safety  |
|  | 403-3 | Occupational health services  | Protecting Health and Safety  |
|  | 403-5 | Worker training on occupational health and safety   | Protecting Health and Safety  |
|  | 403-6 | Promotion of worker health  | Protecting Health and Safety  |
|  | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Protecting Health and Safety  |
|  | 403-8 | Workers covered by an occupational health and safety management system  | Protecting Health and Safety  |
|  | 403-9 | Work-related injuries   | Key Performance Table         |
| <b>GRI 404: Training</b>                               | 404-1 | Average hours of training per year  | Key Performance Table         |

|   |       |  |  |
|---|-------|--|--|
| and Education 2016                            |       | per employee   |  |
|   | 404-2 | Programs for upgrading employee skills and transition assistance programs                    | Empowering Employees Growth              |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees   | Key Performance Table                    |
| GRI 406: Non-discrimination 2016              | 406-1 | Incidents of discrimination and corrective actions taken                                     | Employee Rights and Interests Protection |
| GRI 414: Supplier Social Assessment 2016      | 414-2 | Negative social impacts in the supply chain and actions taken                                | Key Performance Table                    |
| GRI 416: Customer Health and Safety 2016      | 416-1 | Assessment of the health and safety impacts of product and service categories                | Superior Quality Management              |
| GRI 418: Customer Privacy 2016                | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Ensuring Information Security            |

**9.3.2 Index Table of Topics in *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)***

| Dimension   | Topic               | Clause         | Chapters and Sections                              |
|-------------|---------------------|----------------|--|
| Environment | Climate response    | Articles 21-28 | Addressing Climate Change<br>Key Performance Table |
|             | Pollutant discharge | Article 30     | Reducing Environmental                             |

|           |                                       |            |   |
|-----------|---------------------------------------|------------|---|
|           |                                       |            | Impact  |
|           | Waste disposal                        | Article 31 | Reducing Environmental Impact   |
|           | Ecosystem and biodiversity protection | Article 32 | Topics with Neither Financial nor Impact Importance, Temporary Nondisclosure    |
|           | Environmental compliance management   | Article 33 | Improving Environmental Management  |
|           | Energy utilization                    | Article 35 | Addressing Climate Change<br>Key Performance Table                              |
|           | Water resources utilization           | Article 36 | Resource Conservation<br>Key Performance Table                                  |
|           | Circular economy                      | Article 37 | Resource Conservation<br>Reducing Environmental Impact                          |
| Community | Rural revitalization                  | Article 39 | Establishing an Urban-Rural Integrated Green Energy Ultra-Fast Charging Network |
|           | Social contributions                  | Article 40 | Contributing to Community Development   |
|           | Innovation                            | Article 42 | Focusing on R&D and Innovation  |
|           | Ethics of science and technology      | Article 43 | Not Involved  |

|                                   |   |            |   |
|-----------------------------------|---|------------|---|
|                                   | Supply chain security                       | Article 45 | Collaboration for Mutual Success                        |
|                                   | Equal treatment of SMEs                     | Article 46 | Not Involved  |
|                                   | Product and service safety and quality      | Article 47 | Superior Quality Management<br>Premium Customer Service |
|                                   | Data security and customer privacy          | Article 48 | Ensuring Information Security                           |
|                                   | Employees                                   | Article 50 | People-oriented, Building Harmony                       |
| Sustainability-related governance | Due diligence                               | Article 52 | Collaboration for Mutual Success                        |
|                                   | Stakeholder engagement                      | Article 53 | Strengthening ESG Governance                            |
|                                   | Anti-commercial bribery and anti-corruption | Article 55 | Upholding Business Ethics                               |
|                                   | Fair competition                            | Article 56 | Upholding Business Ethics                               |