SINEXCEL 盛弘股份

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2025

Environmental, Social and Governance (ESG) Report

Shenzhen Sinexcel Electric Co., Ltd

CONTENTS

About This Report

This report is the fourth Environmental, Social, and Governance (ESG) report released by Shenzhen Sinexcel Electric Co., Ltd. Adhering to the principles of objectivity, standardization, transparency, and comprehensiveness, this report is dedicated to demonstrating to stakeholders the efforts, practices, and achievements of SINEXCEL in the fields of environment, society, and corporate governance.

Reporting Scope

The scope of information disclosed in this report covers Shenzhen Sinexcel Electric Co., Ltd. and its subsidiaries. Unless otherwise specified, the scope is consistent with that of the consolidated financial statements in the annual report of SINEXCEL (Stock Code: 300693.SZ). For the data coverage of this report, please refer to the notes in the ESG Key Performance Indicators (KPI) Table.

Reporting Period

This is an annual report covering the period from January 1, 2025, to December 31, 2025. Some content may extend to prior or subsequent years as appropriate.

Basis of Preparation

This report is prepared in accordance with the Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 - Sustainability Report (Trial) and with reference to the Chinese Corporate Sustainability Disclosure Standards - Basic Standards (Trial) and the Chinese Corporate Sustainability Disclosure Standards No. 1 - Climate (Trial) issued by the Ministry of Finance of the People's Republic of China.

The preparation process of this report also referred to the GRI Sustainability Reporting Standards (2021 Edition) (referred to as "GRI Standards") issued by the Global Sustainability Standards Board (GSSB), the United Nations Sustainable Development Goals (SDGs), and the material topics focused on by mainstream domestic and international ESG ratings.

Abbreviations

For ease of presentation and reading, "Shenzhen Sinexcel Electric Co., Ltd." may be referred to as "SINEXCEL," "the Company," or "we" in this report. The abbreviations used in this report have the same meaning as those defined in the 2025 Annual Report.

Data Notes

The textual information and quantitative data disclosed in this report are derived from the Company's original operational records or annual report. In case of any discrepancies between relevant financial data and the Company's annual report, the annual report shall prevail. Financial data in the report are denominated in Renminbi (RMB).

Report Access

This report is available in both Chinese and English. In case of any inconsistency between the two versions, the Chinese version shall prevail. The electronic version of the report can be downloaded from the Company's website (www.sinexcel.com) and the Shenzhen Stock Exchange website (www.szse.cn). Hard copies of the report are available via email (stock@sinexcel.com) or by calling (0755-8899771).

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SINEXCEL 盛弘股份

Chairman's Statement

In 2025, the global energy transition is advancing from being "vision-driven" toward a new stage of "structural reshaping." As a proactive facilitator of the energy revolution, SINEXCEL continuously explores ways to dismantle geographical, technical, and cost barriers to energy through technological innovation. Consequently, we have defined our "Energy for All" sustainable development strategy, dedicated to making clean and reliable energy accessible to diverse industries and global communities.

Strengthening the Foundation of Development through Rigorous Compliance.

We have consistently viewed high governance standards as the bedrock of the Company's enduring growth. By benchmarking against global best practices, we continue to refine our corporate governance structure, establishing a modern enterprise system characterized by clear responsibilities, coordinated operations, and effective checks and balances. We are committed to deeply embedding ESG principles into our top-level design. During the reporting period, the Board of Directors officially renamed its Strategy Committee as the Strategy and Sustainable Development Committee. Through institutional improvements, we have integrated ESG considerations into the entire decision-making process, ensuring that all resource allocation serves long-term value and our vision for inclusivity. Furthermore, by reinforcing internal controls and risk management, we effectively protect the legitimate rights and interests of shareholders—particularly minority investors—driving high-quality corporate development through standardized operations.

Achieving energy freedom through product excellence.

At SINEXCEL, we view "Energy for All" not merely as a vision, but as a rigorous industrial practice. In the face of opportunities and challenges presented by the global energy transition, we firmly believe that only by transforming cutting-edge technological innovations into reliable commercial applications can we truly build a green and resilient energy ecosystem. During the reporting period, driven by the dual engines of "Technology + Ecosystem" we have consistently pushed the boundaries of energy efficiency. We successfully mass-produced Silicon Carbide (SiC) high-efficiency power electronic modules, significantly reducing operational losses in data centers and precision manufacturing. The launched Tianji Megawatt-level Supercharging System, utilizing the pioneering "Fully Flexible Power Pool" technology, achieved a recharging efficiency of '100 kilometers in one minute' and successfully connected a 1,600-kilometer Green Power Journey. In the energy storage sector, we actively support microgrid stability through grid-forming technology. While our cumulative global shipments exceeded 17 GW, we have deeply participated in industry technical innovation and standard-setting, driving the transformation of Industry-University-Research resources into genuine green productivity.

Driving a low-carbon future with clean energy.

Faced with the challenges of climate change, SINEXCEL proactively embeds the concepts of climate resilience and circular economy into every link of our production and operations chain. On the internal operational front, we continuously optimize our greenhouse gas (GHG) accounting system and conduct a comprehensive review of emissions across our operations and value chain (upstream and downstream). Through initiatives such as building self-owned photovoltaic (PV) systems, we are progressively reducing operational emissions. Simultaneously, we are deeply implementing product Life Cycle Assessment (LCA) management, introducing circular economy principles at the design stage. Through green procurement and lean manufacturing, we steadily reduce energy and resource consumption of our products, striving for the harmonious coexistence of business activities and the natural environment.

Making energy value accessible to all.

Energy should not be an island. We continue to implement the "Energy for All" strategic action. From microgrids for community hospitals in Malawi, Africa, to modular energy storage in unelectrified villages in Southeast Asia, SINEXCEL has been working to bridge the energy gap. Internally, we are equally committed to building a diverse and equitable workplace environment. During the reporting period, the employee training coverage rate reached 100%, and the occupational health and safety accident rate was zero. We firmly believe that only a compassionate enterprise can drive the entire value chain toward true sustainable growth.

Looking ahead, we will continue to advance cutting-edge power electronics technology, converting complex algorithms into lower-cost, higher-efficiency standardized products to resolve bottlenecks in renewable energy integration. While deepening our presence in the Chinese market, we will fully align with global standards and shorten the deployment cycle of energy infrastructure through localized value chain coupling. Facing global climate change challenges, we will remain committed to promoting synergistic carbon reduction across the product life cycle: not only empowering customers' green transformation with clean energy products and continuously optimizing our own operational energy efficiency, but also extending sustainable concepts from the inside out to the upstream of the industrial chain. SINEXCEL is willing to pursue proactive technological advancement and work with global partners to make green energy truly accessible.

Shenzhen Sinexcel Electric Co., Ltd.

Chairman:

Featured Topic: Connecting the Megawatt Green Power Journey

Reshaping the Green Logistics Ecosystem of Trunk Lines through Ultra-Fast Charging.

SINEXCEL is committed to transforming power electronics technology into a substantial link between a green future and a better life, anchoring a global vision of "Energy for All". We enhance the efficiency of clean power acquisition and deeply alleviate charging anxiety by building a low-carbon transport logistics network.

Breaking the Bottleneck of Heavy-duty Freight Decarbonization

The key challenge for the green transition of long-haul logistics lies in the ultra-high recharging efficiency required by heavy-duty trucks. Due to the inherent characteristics of heavy loads, long distances, and high-frequency operations, traditional charging solutions often lead to low commercial turnover efficiency due to long charging durations, making it difficult to form a business closed-loop. To address this challenge, SINEXCEL focuses the R&D on megawatt-level charging architecture and flexible power resource scheduling. We aim to eliminate efficiency barriers in the decarbonization process of heavy freight by building high-power energy replenishment networks with high certainty.

Connecting Megawatt-level Cross-regional Green Power Journey

Together with multiple strategic partners, we have jointly developed the world's first Steel Artery across Shanxi, Henan, Hebei, and Tianjin — a 1,600 km green electricity journey. This milestone project represents a substantial leap for high-power charging networks from point demonstrations to cross-regional linear coverage.
During the construction, the following key technical layouts were implemented:

- **large-scale deployment of the Tianji Ultra 1.6 MW Megawatt Supercharging Solution**

This solution integrates a maximum 1.44 MW flexible shared power pool and pioneers the 'one station, one stack, one sharing' dynamic allocation model. Relying on millisecond-level algorithm scheduling, the system can align with the State of Charge (SoC) of different trucks in the station in real-time, ensuring optimal power flow.

- **promotion of 800A liquid-cooled supercharging terminals**

By equipping 800A liquid-cooled dual-connector, we achieve the ultra-fast experience of 100km range in one minute, ensuring heavy trucks can charge and go on long-haul routes, effectively removing the charging duration bottleneck.

- **Third, integration of Wind-Solar-Storage-Charging-Swapping**

Utilizing self-developed Power Conversion Systems (PCS) and local controllers, we deeply integrate PV power, energy storage systems, and megawatt supercharging, ensuring every kilowatt-hour in the Green Power Journey is highly clean and stable.

Setting a Benchmark for Green Transport in Heavy Industry

By connecting the Megawatt Green Power Journey along key trunk lines, single-vehicle charging downtime is reduced by over 70%, significantly improving the asset utilization of logistics fleets. According to preliminary estimates, the annual charging volume of the megawatt supercharging stations along the journey is expected to exceed 20 million kWh. This massive green energy turnover capacity can directly save more than 15 million RMB in operating costs for the transport sector annually, significantly reducing the carbon emissions intensity of heavy-duty logistics. This practice not only establishes a replicable and quantifiable benchmark for green transport in the heavy industry sector but also accelerates the deep decarbonization process of the global transportation system while ensuring the robust operation of energy replenishment networks for people's livelihoods.

01

About SINEXCEL

the Innovative Power Driving Energy Transformation

- Company Profile
- Core Business
- Global Operations
- Annual Value Footprint

1.1 Company Profile

Shenzhen Sinexcel Electric Co., Ltd. (Stock Code: 300693.SZ) was founded in 2007 and is headquartered in Shenzhen, China. The Company has deeply driven the core application of power electronics conversion technology in industrial supporting power supplies and the new energy sector, providing efficient and safe energy security for industries such as high-end manufacturing, data centers, energy infrastructure, and rail transit. Meanwhile, the Company is committed to building an "Energy for All" ecosystem, providing leading core equipment and life-cycle solutions for energy storage micro-grids, EV charging and swapping operations, and battery manufacturing enterprises.

Technical Leadership and Industrial Accumulation

As a national-level "Little Giant" Enterprise (Specialized, Sophisticated, Unique & Cutting-edge) and a "Double High-tech (High-Tech Enterprise & High-Tech Product) and Double Software (Software Enterprise & Software Product) " certified enterprise, SINEXCEL adheres to innovation-driven development. It possesses research platforms such as the Guangdong Provincial Industrial Design Center and the Shenzhen Enterprise Technology Center, and has participated in multiple national and local scientific research projects. Relying on continuous R&D investment and a professional technical team, the Company continuously overcomes core technologies such as grid-forming energy storage and flexible power distribution, transforming complex power electronics technology into stable and reliable green productivity.

Global Vision and Brand Value

With profound global operational capabilities and excellent product performance, the Company has become an important force driving global energy transformation. As of the reporting period, the Company's cumulative global shipments of energy storage PCS grew significantly, and it has consistently been shortlisted in the supply chains of multiple world-leading energy giants in the charging service sector.

Responsibility Practice and Value Symbiosis

While pursuing commercial value, we actively fulfill our commitment to sustainable development. SINEXCEL adopts a proactive stance, driving "Energy for All" through technological innovation, and is committed to achieving synergistic growth of economic and social benefits. We persist in moving forward side-by-side with global partners, making green energy truly accessible on the journey of "industrial empowerment and value symbiosis."

1.2 Core Business

SINEXCEL focuses on power electronic conversion technology as our core. Through long-term industry cultivation, we have established business sectors including Power Quality, EV Charging, Energy Storage & Microgrid, Battery Formation & Testing, and AIDC Critical Power. The Company drives systemic improvements in energy flow efficiency through technological innovation, committed to building a green, resilient, and accessible energy future.

Five Pillars Supporting "Energy for All"

Power Quality and Industrial Supporting Power Products
Safeguarding Industrial Energy Quality

The Company is committed to providing comprehensive power quality solutions. Our core product lines include Active Power Filters (APF), Static Var Generators (SVG), and Silicon Carbide (SiC) high-efficiency power electronic modules. Relying on precision control algorithms, the Company can accurately identify and mitigate pain points such as harmonics, reactive power, and voltage fluctuations in the power grid, providing high-reliability power assurance for high-end manufacturing fields such as semiconductors, automotive manufacturing, and data centers. Through systematic management of "Power System Sub-health," the Company improves customers' production yields and equipment operational stability, making high-quality electrical energy a solid foundation for the steady operation of all industries, thereby practicing energy efficiency and universal access.

Energy Storage & Microgrid System Core Equipment and Solutions
Empowering Renewable Energy Integration

Addressing the challenges of randomness and volatility in the construction of new power systems, SINEXCEL provides system solutions centered on Power Conversion Systems (PCS). Leveraging Grid-Forming technology, the Company enables energy storage systems to actively support grid frequency and voltage. It pioneered a multi-branch architecture to achieve refined management of battery clusters, significantly enhancing the system's life-cycle returns. Currently, the Company's energy storage solutions have been implemented in over 60 countries and regions. Through deep application on the generation, grid, and user sides, we are resolving bottlenecks in clean energy integration. Whether in large-scale power stations or remote microgrid scenarios, we ensure stable access and equitable distribution of clean power. By breaking geographical and economic boundaries, we allow clean power to benefit more people.

Electric Vehicle Charging/Swapping Equipment and Services
Driving the Popularization of Green Mobility

In the field of EV charging, the Company adheres to the technical path of "Fully Flexible Power Scheduling," providing complete solutions covering DC chargers, AC chargers, and Vehicle-to-Grid (V2G) equipment. During the reporting period, the Company launched the "Tianji" series megawatt-level supercharging system, which achieves demand-based power distribution through flexible power pool technology, significantly shortening replenishment time. From urban commercial outlets to long-distance "Green Power Journey," SINEXCEL products have passed certifications from international energy giants like BP and rigorous overseas market access standards. By improving the utilization and adaptability of charging infrastructure, we are committed to building a wider and more efficient charging network, making green travel not only an eco-friendly choice but an accessible and convenient service.

Battery Formation & Testing

Assisting the Energy Value Closed-Loop

The Company extends power electronic technology to the upstream of the lithium battery industry chain, providing high-precision testing solutions for battery production, research institutions, and OEMs. By simulating various extreme operating conditions throughout the battery lifecycle, the Company helps customers verify battery consistency and safety. Simultaneously, relying on energy feedback technology, we significantly reduce energy consumption during the testing phase and extend our business reach to battery second-life utilization and recycling testing. This segment not only improves the manufacturing quality of core new energy components but also safeguards the energy value closed-loop from a resource circularity perspective, providing underlying technical support for a sustainable "Energy for All" ecosystem.

AIDC Critical Power

Safeguarding the Entire Intelligent Computing Power Supply Chain

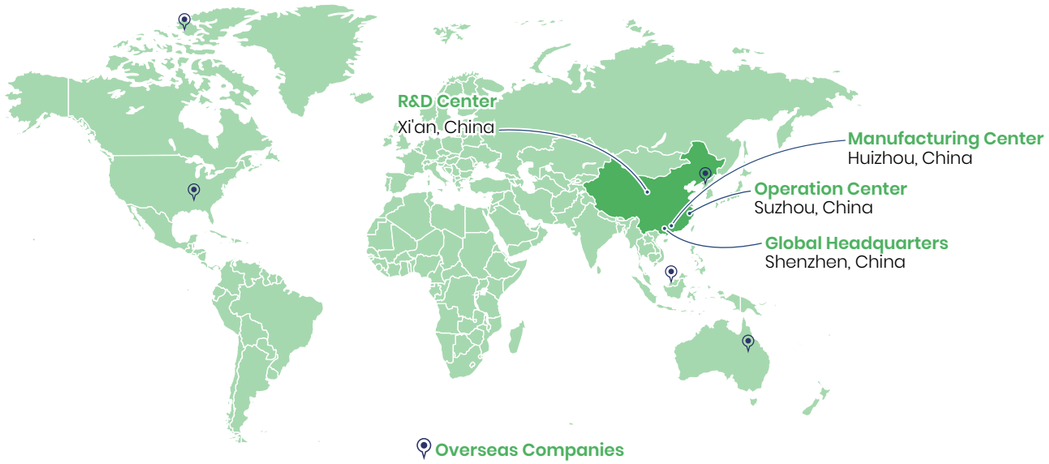
As an AIDC critical power solution provider, SINEXCEL is committed to providing critical power equipment assurance from the grid to the server for AIDC. Based on 18 years of accumulated experience in power quality and energy storage technology, the Company has launched products covering medium-voltage backup power, power quality management, high-voltage direct current (HVDC), and server-level power voltage regulation equipment. To date, SINEXCEL has delivered 700+ data center power quality management projects globally, deeply serving top international cloud providers and operators, empowering intelligent computing centers with high-quality power supply through modular, high-density, and intelligent critical power solutions.

Honors & Qualifications

1.3 Global Operations

SINEXCEL is rooted in China with a global perspective. We have established a domestic collaborative network, with our Shenzhen headquarters as the strategic hub, the Huizhou (Guangdong province) manufacturing center as the green delivery base, the Xi'an R&D center as the highland for technological innovation, and the East China operation center (Suzhou, Jiangsu province) as the regional service hub.

Meanwhile, in response to the urgent demand for global energy transition, we have established wholly owned subsidiaries in countries such as the United States, Germany, Australia, Singapore, and South Korea, and assembled localized sales and technical service teams, achieving an efficient closed-loop of "global technology + local service." Multiple products have successively obtained certifications and passed testing from various international authoritative certification bodies such as ETL, TUV, CE, SAA, and UL, meeting both domestic and international product standards. Our products have successfully served over 60 countries and regions worldwide, achieving rapid response and precise delivery to global customer needs, becoming a "green showcase" for China's power electronics technology on the global stage.



Overseas Companies

- Sinexcel Inc, Southern California, USA
- SINEXCEL Pte. LTD., Singapore
- SINEXCEL Pty. LTD., New South Wales, Australia
- Sinexcel (Deutschland) GmbH, Düsseldorf, Germany
- Korea Sinexcel Co., LTD, Seoul, South Korea

Countries with Business Coverage

China, Belgium, Canada, Turkey, Singapore, United States, Australia, Poland, India, Thailand, New Zealand, Japan, United Kingdom, Germany, Peru, Latvia, Switzerland, Sweden, Slovenia, South Korea, Spain, Italy, Ecuador, Malaysia, Colombia, Vietnam, South Africa, United Arab Emirates, France, Israel, Netherlands, Czech Republic, Norway, Hong Kong, Philippines, Bulgaria, Chile, Palestine, Hungary, Croatia, Mexico, Indonesia, Denmark, Lebanon, Argentina, Qatar, Tunisia, Iraq, Sierra Leone, Austria, Georgia, Uzbekistan, Yemen, Estonia, Mali, Brazil, Taiwan, China, Finland, Romania, Sri Lanka, Azerbaijan, Nepal, Haiti, Ukraine, Venezuela, Greece, Pakistan, Serbia, Nigeria, Slovakia, Panama, Bangladesh, Cyprus, Portugal, New Caledonia, Saudi Arabia, Cambodia, Jordan, Kenya

1.4 Annual Value Footprint

Economic Contribution

Metric	Change from 2024
Revenue RMB **3.463** billion	**14.05%** increase
Equity attributable to shareholders of the listed Company RMB **2.168** billion	**19.27%** increase
Basic earnings per share (EPS) RMB **1.53**	**10.42%** increase

Social Contribution

Metric	Change from 2024
Number of patents held **247**	**52** newly authorized patents
Number of software copyrights held **95**	**32** newly obtained software copyrights
Number of product recall incidents **0**	Maintained **zero** recalls for consecutive years
Customer complaint handling rate **100%**	**2.19%** increase
Percentage of suppliers who signed the Supplier Code of Conduct (SCoC) **94.7%**	**283.4%** increase

Environmental Contribution

Metric	Change from 2024
Photovoltaic (PV) electricity consumption **1,927** MWh	Renewable electricity accounts for **9.15%**
Total Greenhouse Gas (GHG) emissions (Scope 1, 2, 3) **598,148** tCO_2e	**Scope 3** included in GHG accounting for the first time
GHG emission intensity (Scope 1, 2) per unit of revenue **3.00** tCO_2e/million	**6.48%** decrease
Total waste **501.5** metric tons	**54.75%** decrease

Annual Events

2025-04
- Ranked first in EESA's global third-party string energy storage PCS shipments among Chinese enterprises.
- Released the "Energy for All" ESG Strategic Initiative.
- Jointly developed the world's first low-altitude logistics station utilizing grid-forming energy storage, which was officially inaugurated.
- The first megawatt-level charging system for overseas markets, the 1.28 MW EU-standard distributed charger series, received EU CE certification.
- SINEXCEL Smart Energy Lab was officially established.

2025-05
- Deployment of megawatt-level ultra-fast charging stations for heavy-duty trucks exceeded 300 units.

2025-06
- Two standards developed as a core drafting unit—T/SPSTS 035—2024 "Technical Specifications for Grid-forming Electrochemical Energy Storage Systems" and T/SPSTS 036—2024 "Technical Guidelines for Black Start of Grid-forming Electrochemical Energy Storage"—were published.
- Supported German youth at the RoboCup Junior event in Italy.
- Deeply involved in the formulation of technical standards for grid-forming energy storage, promoting standardized industry development.

2025-07
- A flagship energy storage project in Central America was officially put into operation.
- Awarded the certification for "Global No.1 in Megawatt Ultra-fast Charging Sales" by Zhongjin Qixin.
- Extensive deployment of mining megawatt-level ultra-fast charging stations exceeded 100 units.

2025-08
- The full range of EV charging products was among the first to pass the China Compulsory Certification (CCC Certification).

2025-09
- Partnered with SMTC to initiate a new chapter in localized manufacturing of EV chargers in the United States.
- Released a 2.5 MW ultra-fast charging solution, leading the era of megawatt-level charging for heavy-duty trucks.

2025-11
- Partnered with Contemporary Amperex Energy Service (CAES) to launch a demonstration station for integrated charging and battery swapping in Chongqing.
- Received the 2025 China Ultra-Fast and Megawatt Charging Competitive Strategy Leadership Recognition from Frost & Sullivan.

2025-12
- The first 1.5 MW/3 MWh energy storage project in Ukraine was successfully connected to the grid, supporting energy transition in Eastern Europe.
- The first 2 MW/8 MWh utility-scale energy storage project was successfully delivered.
- Partnered with Schneider Electric and Phoenix Contact to implement green initiatives.
- Awarded the First Prize of the 2025 Science and Technology Progress Award by the China Electrotechnical Society.
- Won two "Oscar" level awards in the HR industry, with endogenous talent strategies empowering global development.

Annual Honors

Events/ Projects	Awards
4th China New Energy Heavy-duty Truck Industry Conference	Best Ultra-fast Charging Technology Award for Heavy-duty Trucks
15th China Xinjiang International Mining & Equipment Exhibition	Innovative Brand for Mining Charging and Swapping Digital-Intelligent Supply Chain Development
National Energy Net · 10th New Energy Industry Annual Conference & 2nd Charging and Swapping Industry Conference	Top 10 Brands of Ultra-fast Chargers
National Energy Net · 10th New Energy Industry Annual Conference & 2nd Charging and Swapping Industry Conference	Outstanding Heavy-duty Truck Ultra-fast Charger Supplier
2025 Advanced Battery Industry Cluster Forum	Navigating Growth Award
2025 Xiaoju Charging Partner Conference	Annual Ecosystem Partner
Zhongjin Qixin Certification	No.1 in Global Sales of Megawatt Ultra-Fast Chargers
EV Resources | 2025 Green Heavy-duty Truck	Most Influential Annual Brand in Heavy-duty Truck Ultra-fast Charging
Guangxi LiuGong Machinery Co., Ltd.	2025 Outstanding Service Award
Frost & Sullivan	2025 China Ultra-Fast and Megawatt Charging Competitive Strategy Leadership
Energy Storage Leader Alliance (EESA)	Top 100 Brands of China Energy Storage
Polaris Energy Storage Net	Influential Energy Storage PCS Supplier
2025 Gaogong Energy Storage Industry Summit	2025 Energy Storage Industry TOP 50
Solar & Energy Storage Future MALAYSIA 2025	Excellence in Power Conversion Technology Award
Energy Storage Expert Aurora Award	2024 Energy Storage Influential Product Award
SNEC ES+ 11th (2025) International Energy Storage and Battery Technology and Equipment (Shanghai) Conference & Exhibition	Technical Excellence Award
CNNES - Golden Storage Award	Leading Enterprise in Energy Storage PCS
Gaogong Golden Globe Awards	Top 10 Technologies of the Year - VSG Technology
High-efficiency Testing and Improvement Technology for Voltage Sag Immunity of Power Supply and Consumption Equipment	China Machinery Industry Science and Technology Award - Science and Technology Progress Award (Third Prize)
China Electrotechnical Society	China Electrotechnical Society Science and Technology Award - Science and Technology Progress Award (First Prize)
Brandon Hall Group Excellence Awards	Excellence in Action · Diversity, Equity and Inclusion · Bronze
Brandon Hall Group Excellence Awards	EXCELLENCE IN ACTION · Promotion and Succession · Silver
China Energy News / China Institute of Energy Economics	2025 Top 500 Global New Energy Enterprises
Energy Storage News Awards	Diversity and Inclusion Nomination

02

Sustainability Strategy

Drawing a Long-term Development Blueprint

- Sustainability Governance
- Strategic Objectives and Vision
- Materiality Topic Assessment and Management
- Stakeholder Engagement

2.1 Sustainability Governance

To ensure the efficient implementation of the sustainability strategy, SINEXCEL has established a sustainability governance system aligned with our business development and the "Energy for All" strategy. This system features a three-tier governance structure comprising the Board's decision-making, the ESG Committee's coordination, and executive functions by various departments, covering all material topics disclosed in this report.

During the reporting period, to further refine top-level decision-making, the Company strictly followed the Company Law of the People's Republic of China, the Guidelines for Corporate Governance of Listed Companies, and the Articles of Association. We extended the functions of the original Strategy Committee of the Board and formally established the "Strategy and Sustainability Committee of the Board." Through this top-level restructuring at the institutional level, we have fully integrated key ESG topics into the Board's decision-making scope, building a logical closed-loop from strategic planning to execution, and solidifying the governance foundation for the steady advancement of the " Energy for All" strategy.

Governance Structure

The Company ensures the deep integration of ESG philosophy into long-term business value through top-level design. The Strategy and Sustainability Committee of the Board exercises ultimate oversight and decision-making authority over major ESG risks and opportunities. The General Manager's Office serves as the management hub, leading the identification of material topics, constructing the ESG risk management system, translating strategic visions into specific performance indicators, and optimizing cross-departmental resource allocation through our administrative coordination. The execution layer, through cross-functional task forces, ensures that ESG action plans are solidly implemented at the business front lines, establishing standardized data collection and internal control feedback mechanisms to achieve full-process closed-loop governance from strategy formulation to performance verification.

Decision-making

Strategy and Sustainability Committee of the Board

Chairperson: Chairman;
Members: Directors (including Independent Directors)
Attendees: General Manager, Secretary of the Board

Ultimate Decision-making: Approve the Company's " Energy for All" ESG strategy, medium-to-long-term goals, and major risk response plans.
Oversight and Review: Exercise oversight over major ESG risks such as climate change and supply chain ethics; regularly review ESG targets attainment reports submitted by management.
Final Determination: Finalize "Double Materiality" assessment results to ensure strategy focuses on topics with significant impact on enterprise value.
Disclosure Approval: Review and approve the annual ESG report, taking responsibility for the authenticity and compliance of environmental and social responsibility information.

Management

Sustainability Management Committee

Leading Department: General Manager's Office
Chairperson: General Manager
Members: Heads of first-tier functional departments and business units

Targets Setting: Propose key ESG performance targets based on strategic planning and submit them to the Board for approval.
Material Topic Management: Lead the identification of material topics and "Double Materiality" assessments; regularly conduct specific risk identification for climate and compliance.
Resource Allocation: Coordinate human, financial, and technical resources to resolve cross-departmental collaboration difficulties.
System Construction: Build the Company's ESG indicator system and data reporting processes; maintain the ESG risk assessment system.
Stakeholder Management: Establish an ESG stakeholder management system to regularly collect and respond to the ESG demands of investors, customers, and other core stakeholders.
Performance Tracking: Establish an ESG targets tracking mechanism, dynamically monitor indicator progress, and report to the decision-making level.

Execution

ESG Task Forces

Members: Key personnel from EHS, HR, R&D, Procurement, Audit, Legal, and other business departments

Action Implementation: Execute specific ESG projects (e.g., energy-carbon platform construction, supplier ESG assessment, dual-channel employee development).
Information Reporting: Collect, calculate, and report front-line business data to ensure traceability and cooperate with internal audits.
Front-line Risk Identification: Identify ESG risks in business operations and establish early warning mechanisms to ensure continuous improvement in on-site compliance.
Compliance Culture Building: Promote business ethics and compliance requirements within respective functional areas to enhance ESG awareness among all employees.

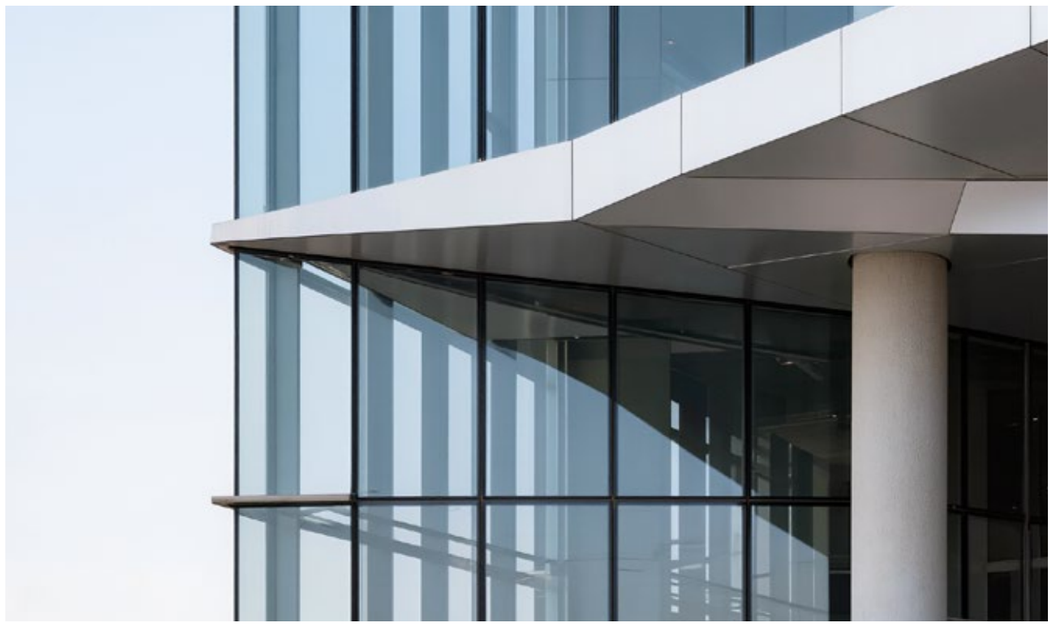
Integrating ESG Indicators into Senior Management Remuneration Assessment

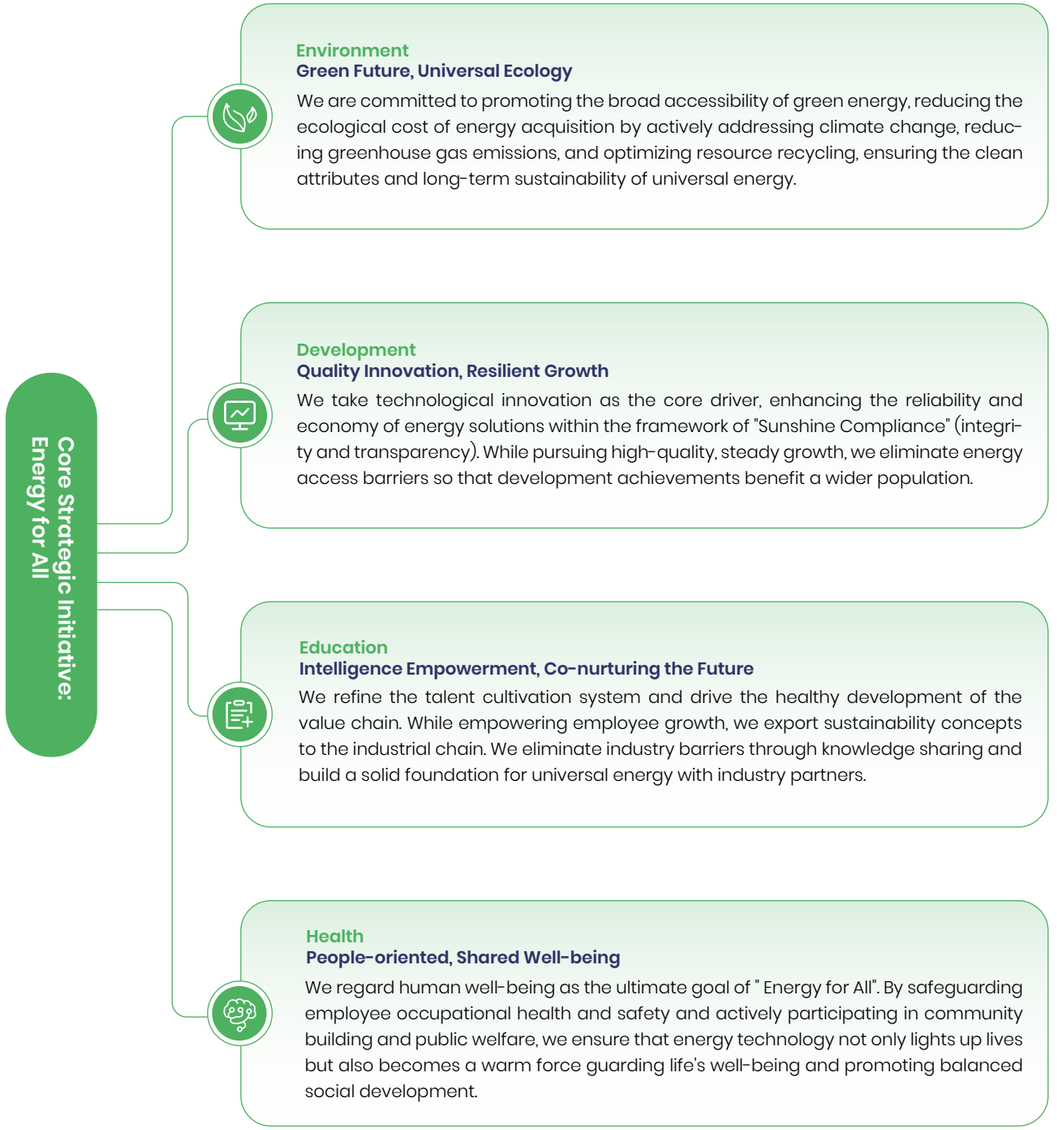
The Company is gradually incorporating core ESG indicators into the senior management remuneration assessment system. This evaluation matrix is deeply benchmarked against the "Energy for All" strategy, covering material topics such as production safety (e.g., accident rates and work-related injury rates), environmental performance (e.g., comprehensive energy consumption per unit of output/product), talent development (e.g., key position recruitment and employee promotion), and operational quality (e.g., on-time delivery rate and service satisfaction). Meanwhile, the Company takes the protection of trade secrets, integrity, self-discipline, and the fulfillment of anti-corruption commitments as important evaluation dimensions at the governance level. Through dynamic monitoring via monthly and quarterly performance reviews, the Company strives to achieve an organic link between management incentive structures and sustainability targets, continuously enhancing the organization's governance resilience against non-financial risks.

2.2 Strategic Objectives and Vision

In 2025, facing the profound changes of the global energy transition, SINEXCEL officially established "Energy for All" as our core sustainability strategy initiative. We firmly believe that power electronics technology is the bridge connecting the digital world and the energy world. Our mission is not only to provide efficient power equipment but also to lower the threshold for clean energy use through technological innovation, making green energy more accessible, resilient, and efficient, benefiting more regions and people worldwide.

"Energy for All" is not just a long-term initiative but also our action plan for practicing ESG responsibilities. Joining hands with global partners, we use technological innovation and system solutions as engines to continuously empower the four key areas of Education, Environment, Development, and Health, helping to build a more inclusive and sustainable world and empowering energy freedom.





SINEXCEL deeply understands the urgency of the UN 2030 Agenda for Sustainable Development. We have deeply coupled the 17 Sustainable Development Goals (SDGs) with our "Energy for All" strategy and found specific action points within the four dimensions of Environment, Development, Education, and Health. Together with partners, we contribute to the achievement of SDGs, striving to ensure every individual enjoys development opportunities brought by clean energy equally.

SINEXCEL Sustainability Strategic Targets

SDG	Dimension	Covered ESG Topics	Strategic Targets
	Environment	Climate Change Energy Management Circular Economy Pollutants and Waste Water Resources	• Formulate a carbon neutrality roadmap, expand the revenue scale of green energy equipment (charging/storage), and drive low-carbon transition across the value chain. • Continuously optimize the energy structure and improve energy efficiency. • Increase resource recycling and cooperate with the supply chain to promote product ecological design, increasing the use of renewable materials in products and packaging. • Establish water risk management mechanisms, implement clean production, and ensure compliant pollutant discharge with continuous reduction. • Hazardous waste compliance disposal rate: 100%. • Environmental pollution accidents: 0.
	Development	R&D Innovation Product Quality and Safety Lean Management and Digital Transformation Customer Service Corporate Governance and Business Ethics	• Maintain high R&D investment intensity focusing on green energy technology to drive industry innovation. • Adhere to the "Quality First, Safety Foremost" policy and continuously refine the product lifecycle quality management system. • Promote the integration of lean production and digitalization to build an efficient and transparent operation system. • Build a customer-centric communication mechanism, continuously enhancing customer experience and satisfaction, with 100% closure of immediate responses to customer complaints. • Foster a culture of integrity and compliance, with 100% coverage of employee compliance/integrity/business ethics training.
	Education	Ecological Synergy Employee Training and Career Development Supply Chain Management Community Participation and Social Welfare	• Commit to supporting employee career development with sufficient training, maintaining 100% employee training coverage. • Use ESG requirements such as environmental compliance and labor rights as supplier entry constraints, aiming for a 100% signing rate of the Supplier Code of Conduct by 2026. • Deepen "Industry-University-Research" collaboration and industrial ecosystem synergy to promote key technology achievement transformation and industry standard co-construction.
	Health	Employee Rights and Well-being Occupational Health and Safety Equal Employment Avoidance of Child/Forced Labor Community Participation and Social Welfare	• 100% labor contract signing rate and social security coverage. • All employee wages above the local living wage standard • 100% occupational health and safety training coverage. • 0 work-related fatalities and major production safety accidents • Practice a culture of diversity and inclusion, committing to equal pay for equal work and eliminating workplace discrimination • Strictly abide by international human rights conventions, implementing "zero tolerance" for child and forced labor, with 0 incidents of child labor, forced labor, or abuse of disciplinary measures.

2.3 Materiality Topic Assessment and Management

Materiality Assessment Principles

SINEXCEL strictly follows the requirements of the Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 - Sustainability Report (Trial) (hereinafter "SZSE Guidelines No. 17") and the IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information (hereinafter "IFRS S1"). We adopt the "Double Materiality" principle for systematic assessment. We focus not only on the impact of topics on corporate business value and financial performance but also deeply examine the impact of corporate activities on the external ecosystem and social systems.

Materiality Topics Identification Process

The Company has established a normalized dynamic management mechanism for material topics through a four-stage closed-loop management process to ensure that the sustainability strategy highly aligns with regulatory requirements, business reality, and stakeholder expectations.

Stage 1: Understanding Corporate Activities and Business Context Management

Based on core power electronics technologies, SINEXCEL deeply analyzes our operating characteristics, industry features, and development strategies. Combined with the backgrounds such as China's "Dual Carbon" (carbon peaking and carbon neutrality) goals and green manufacturing policies, we sort out the Company's core businesses and related ESG impacts in new energy and intelligent power electronics. Meanwhile, benchmarking against industry ESG trends, we identify risks and opportunities in environmental, social, and governance aspects to ensure comprehensive and targeted topic identification.

Stage 2: Establishing Topic Inventory

Based on a deep scan of the business context, the Company built a structured topic pool through internal induction and external benchmarking.

Multi-dimensional standard benchmarking: Benchmarked against SZSE Guidelines No. 17, referencing international mainstream frameworks including the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD).

Forming an initial Inventory: Preliminary screening of an initial topic inventory covering dimensions such as environment (e.g., climate change, energy management), social (e.g., product quality and safety, supply chain management), and governance (e.g., business ethics) to ensure no potential significant impact items are missed.

Stage 3: Assessment and Confirmation of Topic Materiality

The Company introduced the international mainstream "Double Materiality" assessment model to quantitatively evaluate and verify topics from two dimensions:

Impact Materiality Assessment: Evaluate the actual or potential impacts of SINEXCEL's business activities on the environment and society. During the reporting period, we conducted specialized surveys on material topics among 8 categories of key stakeholders, including regulatory bodies, domestic and overseas customers, suppliers, industry associations, investors, Company employees, partners, and communities/media, ensuring the multi-dimensionality and inclusiveness of context assessment. Following the assessment, 11 topics—including product quality and safety, supply chain management, climate change, anti-bribery and anti-corruption, occupational health and safety, energy management, employee training and development, employee rights, circular economy, fair competition and anti-monopoly, and R&D innovation—were identified as topics of high impact materiality.

Financial Materiality Assessment: Focusing on the impact of external ESG factors on the Company's financial value. An assessment team composed of Company management (including core departments such as strategy, finance, and risk management) analyzed the potential short- and long-term impacts of various topics on the Company's cash flow, financing costs, asset value, and competitive advantage. Following the analysis, 10 topics—including R&D innovation, lean management and digital transformation, product quality and safety, climate change, customer relationship, industrial cooperation and development, clean technology application, supply chain management, employee training and development, and energy management—were identified as topics of high financial materiality for the Company's development.

Stage 4: Disclosure of Materiality Topic Information

The assessment conclusions were finally submitted to the Strategy and Sustainability Committee of the Board for review to ensure high-materiality topics are highly synchronized with the Company's medium-to-long-term development strategy. The Company systematically presents the assessment results to ensure highly readable and transparent disclosure.
For identified major topics, the Company discloses management goals, policies, and Key Performance Indicators (KPIs) in detail in various chapters of the report, demonstrating how ESG risks are transformed into business innovation opportunities through specific cases, fully responding to capital market concerns.

Materiality Assessment Results

Environmental Topics
E-1 Climate Change
E-2 Clean Technology Application
E-3 Energy Management E-4 Circular Economy
E-5 Product Lifecycle Management
E-6 Resource (Raw Material) Consumption
E-7 Ecosystem and Biodiversity Conservation
E-8 Water Resources
E-9 Pollutants and Waste Management
E-10 Environmental Compliance
E-11 Chemical Management
E-12 Soil Pollution

Social Topics
S-1 Product Quality and Safety
S-2 R&D Innovation
S-3 Lean Management and Digital Transformation
S-4 Supply Chain Management
S-5 Customer Relations
S-6 Industrial Cooperation and Development
S-7 Employee Training and Development
S-8 Occupational Health and Safety
S-9 Employee Rights
S-10 Intellectual Property Protection
S-11 Data Security and Privacy Protection
S-12 Public Welfare and Community Development
S-13 Equal Employment and Diversity
S-14 Responsible Marketing
S-15 Child Labor/ Forced Labor

Governance Topics
G-1 Anti-bribery and Anti-corruption
G-2 Internal Control Compliance and Risk Management
G-3 Sustainability Governance
G-4 Fair Competition and Anti-monopoly
G-5 Corporate Governance Structure
G-6 Investor Protection

2.4 Stakeholder Engagement

Stakeholders	Key Concerns	Engagement Approaches
Shareholders	Steady Operation and Profitability Corporate Governance Business Ethics Internal Control and Risk Management Sustainability Governance Investor Protection	General Meetings Performance Briefings Regular Operational and Financial Disclosures Interactive Information Disclosure Platform (Hudongyi, irm.cninfo.com.cn), Investor Hotline
Customers	R&D Innovation Product Lifecycle Management Product Quality and Safety Service Satisfaction Data Privacy Intellectual Property Protection	Customer Satisfaction Surveys On-site Audits Customer Meetings Training and Technical Support
Employees	Occupational Health and Safety Rights and Welfare Training and Development Talent Retention Diversity and Inclusion	Internal Communication Platforms General Manager's Mailbox Holiday Care and Cultural & Sports Activities
Government & Regulators	Business Ethics Governance Structure Risk Management Climate Action Waste Management	Participation in Standard-setting Consultation Supervision and Assessments
Suppliers	Supply Chain Management Steady Cooperation Fair Competition Anti-bribery	Integrity Agreements & Supplier CSR Commitment Supply Chain Audits Regular Communication and Training
Community	Public Welfare and Local Community Development Environmental Compliance Energy Accessibility improvement	Charity Projects Volunteer Activities
Industrial Partners	Industrial Cooperation Industry Standards Formulation Clean Technology Application Intellectual Property (IP) Protection	Participation in Standard-setting Industry Summits and Forums Association Working Groups Industry-University-Research (IUR) Cooperation Projects
Media	Brand Influence Disclosure Authenticity Sustainability Governance Business Ethics	Public Opinion Monitoring Media Communications

03

Governance

Building a Solid Foundation for Development through Rigorous Compliance

- Corporate Governance
- Risk Management and Internal Control
- Business Ethics and Compliance
- Investor Rights and Interests Protection
- Data Security and Privacy Protection

3.1 Corporate Governance

SINEXCEL consistently adheres to the governance principle of "prevention first, control in advance", and has built a risk management foundation featuring the "trinity" of audit, internal control and compliance with the Board of Directors as the supreme decision-making body, forming a solid institutional barrier for the steady implementation of the Company's strategy.

Standardized and Efficient Governance Structure and Operation

The Company actively responds to the reform direction of modern corporate governance structure under the Company Law of the People's Republic of China (2024 Revision), and proactively optimizes governance tiers. By establishing a single-tier governance system with the General Meeting of Shareholders, Board of Directors and management as the core, the Company has deeply integrated decision-making power and professional supervision to ensure the soundness and authority of corporate governance.

General Meeting of Shareholders: As the Company's supreme authority organ, it is convened and held in strict accordance with legal procedures. Through a combination of on-site voting and online voting, it ensures that all shareholders (especially minority shareholders) enjoy equal rights to information and voting, and plays an effective role in supervising major decision-making.

Board of Directors: As the core of operational decision-making and strategic guidance, it fully coordinates the Company's sustainable development blueprint. The Company has set up an Audit Committee with substantive supervision functions under the Board of Directors, which has fully taken over and strengthened the functions of the former Board of Supervisors.

Management: Performs duties in strict accordance with the Articles of Association, effectively implements resolutions of the Board of Directors and General Meeting of Shareholders, exercises authorized powers prudently, and coordinates collaboratively to ensure efficient operation of the Company's production and business activities.

Board Diversity and Independence

The Company recognizes that a diverse Board structure is critical to sound decision-making and operational risk prevention. We actively implement a Board diversity policy and build a high-performance governance team across multiple dimensions including gender, professional background and industry experience.

Diverse and Inclusive Governance Structure

The Company always adheres to the talent selection principle of "prudence and pragmatism". We have established director selection criteria centered on professional background, industry experience and gender balance, and formulated a scientific Board diversity policy. As of the publication date of this report (April 2026), the Board of Directors consists of 9 directors[2], with diverse backgrounds covering industrial operation, legal compliance, financial management and other fields, including 3 female directors, accounting for 33.3%. Such diverse composition ensures complementary perspectives of the governance layer in the decision-making process, providing a solid data foundation and professional support for scientific decision-making on the Company's long-term strategy.

[2] Currently, the Company has a total of 9 directors, including one Employee Representative Director added in March 2026 (Guo Bin, male; for details, please refer to the "Announcement on the Election of Employee Representative Director" disclosed by the Company on March 19, 2026). As of December 31, 2025, the Board of Directors consisted of 8 members, with female directors accounting for 37.5%.

Complementary Professional Skill Matrix

All incumbent directors have solid professional competence, with backgrounds covering new energy technology, power electronics, financial accounting, legal compliance, corporate management and other key fields. This composite "technology + management + compliance" skill matrix ensures the Board makes forward-looking and professional strategic judgments in a complex market environment.

Independent and Objective Decision-making Mechanism

The Company has appointed 3 independent directors, accounting for 33.3%, meeting the statutory requirement of one-third. Independent directors are all industry experts or senior professionals, who can express independent and objective opinions when deliberating major matters, effectively safeguarding the overall interests of the Company and the legitimate rights and interests of minority shareholders, and avoiding the risk of control by major shareholders or insiders.

Composition of the SINEXCEL Board of Directors

Name	Position	Gender	Industry Experience	Operations Management	Finance	Legal
Fang Xing	Chairman, General Manager	Male	✓	✓		
Xiao Jin	Vice Chairman	Female		✓		
Yang Liu	Director, Deputy General Manager, CFO	Female		✓	✓	
Wei Xiaoliang	Director, Deputy General Manager	Male	✓	✓		
Li Han	Director	Male		✓		
Guo Bin	Director	Male	✓	✓		
Li Hongliang	Independent Director	Male		✓		
Chen Jinglin	Independent Director	Male		✓		✓
Yan Xiaohui	Independent Director	Female		✓	✓	

Note: Employee representative director Guo Bin was elected in March 2026; see the Announcement on the Election of Employee Representative Director disclosed on March 19, 2026.

Special Committees and Refined Management

The Board of Directors has four special committees as professional decision-making support bodies: Strategy and Sustainability, Audit, Nomination, and Remuneration and Assessment.

2025 Composition of the SINEXCEL Board Special Committees

Name	Position	Gender	Strategy and Sustainability Development	Audit	Nomination	Remuneration and Assessment
Fang Xing	Chairman, General Manager	Male	✓		✓	
Xiao Jin	Vice Chairman	Female				
Yang Liu	Director, Deputy General Manager, CFO	Female	✓			✓
Wei Xiaoliang	Director, Deputy General Manager	Male				
Li Han	Director	Male		✓		
Li Hongliang	Independent Director	Male	✓		✓	✓
Chen Jinglin	Independent Director	Male		✓	✓	
Yan Xiaohui	Independent Director	Female		✓		✓

Independence in Performance of Duties

Except for the Strategy Committee chaired by the Chairman, the Audit, Nomination and Remuneration and Assessment Committees are all chaired by independent directors (Convener), and independent directors account for two-thirds of the membership of the three committees, ensuring the independence and fairness of supervision and assessment functions free from improper interference by any department or individual of the Company.

Strengthening Refined Governance Functions

Each committee plays a key role in risk prevention, talent selection, remuneration incentives and other aspects in accordance with its rules of procedure, improving the refinement of governance. During the reporting period, the Strategy Committee was officially renamed the Strategy and Sustainability Committee, further strengthening the overall planning of ESG matters, regularly reviewing the Company's performance in green energy, low-carbon operation and social responsibility to align the Company's strategy with global sustainable development trends.

Strengthening Top-level Design to Anchor Long-term Value

To ensure the implementation of the sustainable development strategy through institutional means, in August 2025, the Company officially renamed the Board "Strategy Committee" to the "Strategy and Sustainability Committee", and issued the Working Rules of the Strategy and Sustainability Committee of the Board of Directors at the same time, clarifying the Committee's functions of supervising and advising on the Company's ESG strategy, major investment and financing activities and sustainable development goals. The restructuring has not only changed the name but also enhanced governance depth through functional reshaping.

Scientific decision-making procedures: A professional mechanism has been established where an investment review team conducts preliminary review and issues project approval opinions to ensure that every sustainable development investment is prudently evaluated.

Normalized supervision mechanism: The Committee is granted special inspection power over the implementation of ESG policies, forming a closed-loop accountability system from strategic planning to implementation inspection.

Collaborative professional expertise: Chaired by the Chairman with in-depth participation of independent directors, the Committee ensures the Company anchors long-term value from an objective and professional perspective amid the complex global energy transition.

Remuneration Decision-making Procedures

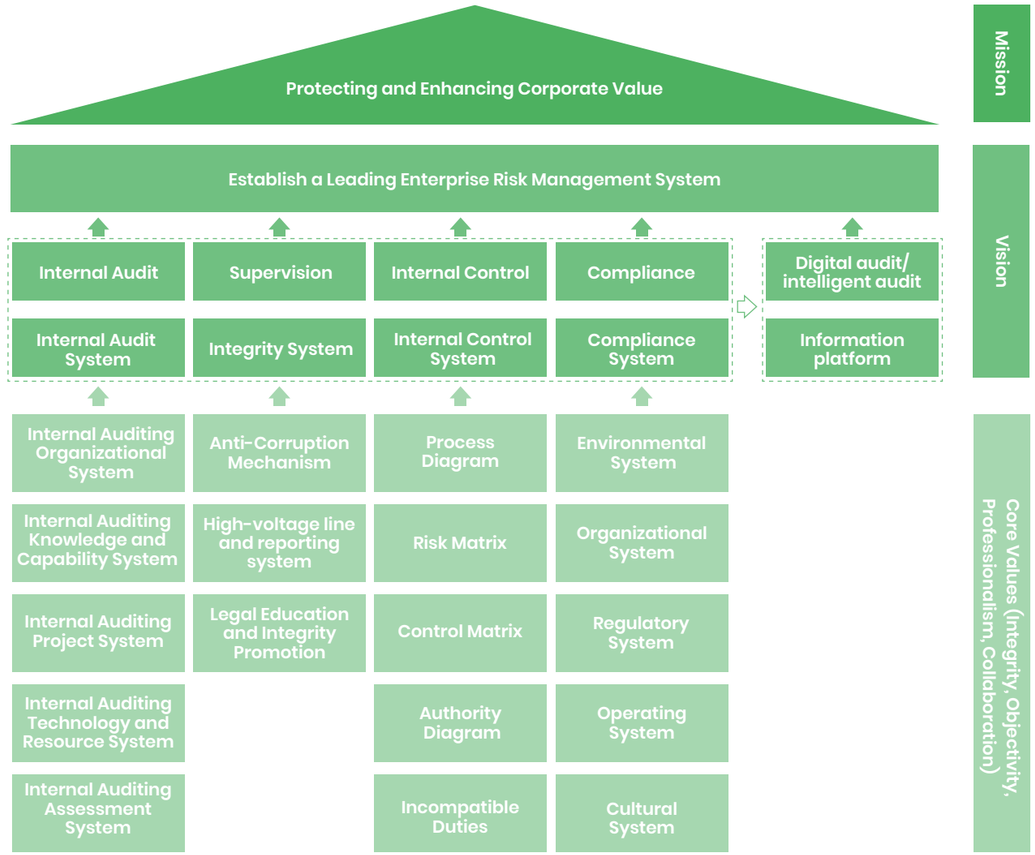
The Remuneration and Assessment Committee under the Board of Directors, composed mainly of independent directors, is responsible for formulating remuneration plans and assessment standards to ensure the independence and fairness of the remuneration system. Senior management of the Company performs duties earnestly in strict accordance with the Company Law, Articles of Association and other laws and regulations. Remuneration and assessment are based on the Company's economic benefits and work objectives, adopting a remuneration system combining basic annual salary and year-end performance assessment. Based on the Company's annual business plan and the responsibilities of senior management, the Remuneration and Assessment Committee of the Board of Directors conducts a comprehensive assessment of senior management's work ability, performance and goal completion to determine their annual remuneration.

3.2 Risk Management and Internal Control

The Company regards internal control as the lifeline of the enterprise. By thoroughly sorting out business logic and establishing a standardized control matrix, the Company embeds risk prevention measures accurately into the entire business cycle from procurement, production to sales, ensuring compliant achievement of business objectives and efficient allocation of resources to realize stable operation of the full business chain.

Sound Risk Governance Structure and System

Risk Management System Architecture



The Company optimizes top-level design to ensure the penetration and coordination of risk management within the organization. By integrating internal audit, integrity supervision, internal control and legal compliance resources, the Company has formed a risk governance organizational structure with clear responsibilities and shared resources. Through the construction of an information platform, the Company leverages digital audit and smart audit functions to transform risk management from "experience-driven" to "data-driven".

Implementation of Closed-loop Risk Management

The Company has established a standardized closed-loop risk management path to ensure timely detection, in-depth assessment and thorough elimination of potential risks through close connection of all links.

Risk Management Implementation Plan

Process Review and Risk Identification:

Based on business logic, the Company comprehensively maps business processes and sorts out process lists. By scanning each business node one by one, the Company accurately captures key risk points and forms a dynamically updated risk inventory, and deploys key control measures in advance for identified major risks to achieve full risk coverage from points to areas.

Regular Assessment and Continuous Remediation

Relying on a normalized risk monitoring mechanism, the Company regularly compiles and issues Risk Assessment Reports for hierarchical management of potential threats. For identified issues, the Company carries out strict remediation and monitors remediation effectiveness through remediation reports and follow-up reports to ensure that every potential risk is substantially controlled in closed-loop management and strengthen management effectiveness.

Intelligent Monitoring and Early Warning

The Company actively promotes the digital transformation of risk management and establishes a list of risk early warning indicators for quantifiable risk factors. Resources are concentrated on high-risk business modules such as procurement and sales, and systematic intelligent monitoring is adopted to implement dynamic risk monitoring and real-time early warning, thus improving the proactivity of risk prevention and realizing a shift from "post-incident remedy" to "pre-incident prevention and in-process intervention".

Internal Control System Upgrade and Capacity Building

Internal control is the cornerstone of steady operation. In 2025, the Company focused on five dimensions—internal control environment, rules and regulations, business processes, human resources, and information systems—to continuously optimize the internal control planning framework, ensuring standardization and transparency of business operations.

Optimizing Internal Control Environment

Adhering to integrity and ethical values, improving authorization and accountability mechanisms, and clarifying management boundaries. A compliance environment covering separation of incompatible duties, risk assessment, internal audit, and anti-fraud mechanisms provides institutional and cultural support.

Improving Rules and Regulations

Conducting special reviews of regulations. Invalid systems are abolished, missing ones are added, and applicable ones are revised to ensure management standards match business reality, driving continuous improvement of management systems.

Lean Business Processes

Borrowing international benchmark architectures for end-to-end process combing. By mapping business, cleaning lists, and eliminating non-value-added steps, core value chain processes are optimized. Key control points are embedded in business flows to improve organizational efficiency.

Coordinating Human Resources

Using Separation of Duties (SoD) as the core to prevent operational risks. Through internal training, departmental self-assessment, and follow-up rectification, key modules achieve effective separation and mutual supervision to prevent violations at the mechanism level.

Empowering Information Systems

Solidifying business processes through IT system permissions for "hard constraints." Various information systems ensure data authenticity, integrity, and traceability while reducing human interference.

2025 Performance

Audit Scope	Completed **8** routine audits and **11** special audits/investigations, covering procurement, sales, production, quality, and warehousing
Remediation Efforts	Completed **83** rectification items with regular follow-up in the ledger; resolved **25** daily follow-up items outside the ledger.

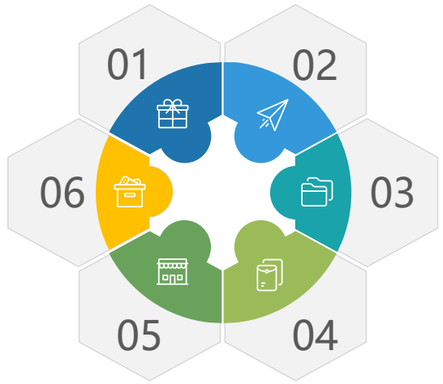
3.3 Business Ethics and Compliance

The Company regards business ethics as the core red line for enterprise development. SINEXCEL strictly abides by the United Nations Convention against Corruption (UNCAC), the Anti-Unfair Competition Law of the People's Republic of China and other laws and regulations. By building a normalized anti-fraud management mechanism covering "defining key areas, establishing reporting platforms, setting up reward and protection systems, formulating investigation procedures, conducting real-time control activities and carrying out publicity and education", the Company transforms top-level integrity policies into executable and traceable closed-loop management actions, and is committed to building a sunny, transparent and fair business defense system.

Define Key Areas of Focus
Identify priority areas for anti-fraud work

Provide anti-fraud and legal training
Collect fraud cases for dissemination and education, and provide training on anti-fraud and legal knowledge

Implement Control Activities
Conduct fraud risk analysis, design and implement effective control activities for identified fraud risks



Establish Reporting Platform
Establish reporting hotline, reporting email and improve reporting channels

Establish Reward and Protection System
Establish reward and protection system for whistleblowers

Establish Investigation Procedure
Establish investigation procedures for corruption, implement appropriate remedial management measures

During the reporting period, the Company had no corruption lawsuits, lawsuits related to unfair competition, or major administrative penalties due to unfair competition.

Improving Integrity Governance Architecture

The Company is committed to building a transparent, independent and efficient governance system. By establishing the independent status of the audit function and promoting functional collaboration, the Company conveys compliance will accurately from the top governance layer to business terminals. Through the construction of a collaborative supervision and penetrating implementation mechanism, the rigid implementation of governance requirements is ensured.

Improving Governance Pathways

The Company adheres to the principle of independent supervision and has established a governance structure with the Board of Directors as the supreme decision-making body and the Audit Department as the core execution unit. In accordance with the Anti-Fraud Management System, the Audit Department has a reporting line directly under the Board of Directors and independent investigation authority, ensuring that anti-fraud work is free from interference by business units and safeguarding the objectivity of supervision at the organizational structure level. By integrating the four functions of internal audit, supervision, compliance and internal control, the Company has formed a "four-in-one" collaborative supervision model, realizing full-chain coverage of business ethics risk from macro monitoring to micro investigation and handling through cross-functional collaboration.

Clarifying Institutional Red Lines

The Company issued the SINEXCEL Eight Red Lines v2.0 as the top-level execution criterion for compliance governance, which clearly defines 8 types of strictly prohibited professional red lines such as fraud and bribery, providing standardized and quantifiable execution basis for case judgment and disciplinary action. The Company fully implements the signing system of the Employee Anti-Corruption Commitment, deeply linking integrity and self-discipline obligations with the performance of labor contracts. By clarifying post compliance bottom lines, the Company has established an accurate disciplinary mechanism of "termination of employment upon touching red lines", realizing individualization and concretization of compliance responsibilities.

Strengthening Constraints through Technology Empowerment

The Company solidifies compliance requirements into system codes and implements process intervention through hard filtering of IT permissions. Automated interception logic is set in high-risk processes such as procurement and bidding to ensure that operations without compliance approval or triggering risk indicators cannot be technically executed, minimizing moral risks caused by human intervention.

AI-assisted Risk Control Efficiency Improvement

The Company's self-developed AI Contract Review Assistant, through deep integration with large model technologies, has realized automated scanning and accurate identification of key commercial clauses in contract texts. Based on the Company's internal risk control standards, the system has built algorithmic models to provide graded and real-time early warnings for high-risk clauses, assisting commercial and legal personnel in precisely identifying potential compliance risks.

Enhanced Management Efficiency: By transforming "manual experience-based judgment" into "AI-assisted standardized risk control", the Company has significantly shortened the contract review cycle while ensuring consistent risk control standards across regions.

Conducting Assessment and Review

During the reporting period, through internal audit and compliance supervision mechanisms, the Company systematically carried out anti-corruption risk assessment on all operating sites in China (including Shenzhen Headquarters, Xi'an R&D Center, Suzhou Operation Center and Huizhou Manufacturing Base). No major corruption risks were found in operating sites in China during the reporting period. The Company has taken assessment feedback as an important reference for optimizing governance efficiency, and continuously improved compliance early warning and internal control review mechanisms.

Improving Whistleblower Protection Mechanism

The Company encourages all employees and stakeholders to actively participate in supervision and is committed to building an open, transparent and rigorous whistleblowing and investigation system. In 2025, by improving the Whistleblowing Procedures and Whistleblower Protection Policy, the Company established a full-process closed-loop management mechanism from whistleblowing acceptance to accountability pursuit, ensuring an independent and controlled investigation process and fair handling of every compliance clue.

Whistleblowing and Investigation Closed-loop Process

Phase 1: Smooth Whistleblowing Channels

Diverse Channels: Telephone, email, letter, and WeChat official account.
Classified Acceptance: Real-name reports are given priority in acceptance with full-process feedback. Anonymous reports with clear clues and conclusive evidence will be accepted.

Phase 2: Independent Investigation and Audit

Independent Project Initiation: The Audit Department evaluates clues and formulates an investigation plan.
Evidence Collection and Verification: Auditors independently carry out evidence preservation and fact restoration.

Phase 3: Strict Accountability

Direct Responsible Persons: Triple constraints including administrative sanctions (e.g., demotion, fine, dismissal), civil liability pursuit (compensation for losses), and transfer for criminal liability.
Management and Supervision Responsibilities: For managers who are derelict in their duties and fail to detect fraud, as well as those who connive at or cover up fraud within their scope of responsibilities, the Company also imposes administrative sanctions including warning, demotion, and fine, to strengthen the governance responsibilities of managers at all levels.

Phase 4: Case Closure and Feedback

Result Feedback: Inform real-name whistleblowers of the handling conclusion.
Mechanism Incentives: Implement the reward policy for whistleblowers who help recover losses.
Identity Protection: Implement the highest-level encryption for the whistleblower's identity throughout the process.

Whistleblower Protection

The Company regards whistleblowers as solid partners in safeguarding the Company's interests, and has established a rigorous protection and reward system to strictly implement the principles of anonymous protection and non-discrimination for whistleblowers and prohibit any form of retaliation. Strict confidentiality management measures are adopted for the identity of whistleblowers and the content of reports. Whistleblowers may also report anonymously on the premise that the investigation can be carried out effectively (e.g., clear time, place and reliable evidence). For verified reports that successfully recover economic losses for the Company, the Company will grant appropriate material or non-material rewards to whistleblowers based on their contribution. The policy of combining protection and rewards has greatly eliminated worries of whistleblowers and enhanced the enthusiasm of stakeholders to participate in corporate governance.

Cultivating Compliance and Ethical Culture

The Company fully recognizes that a compliance culture serves as the soft power for ethical business development and the first line of defense against corruption risks. In 2025, adhering to the principle of "education first, prevention-oriented", the Company integrated rigid institutional constraints with flexible cultural guidance, deeply embedded compliance awareness into the entire career lifecycle of employees, and strived to build a fully participatory, open and transparent compliance atmosphere.

Strengthening Behavioral Red Lines

The Company has converted the core values of "Integrity, Objectivity, Professionalism, Cooperation" into codes of conduct by issuing and implementing the "Eight Red Lines' of SINEXCEL v2.0", which clearly defines eight categories of non-negotiable professional bottom lines.

the "Eight Red Lines" of SINEXCEL

They represent behavioral boundaries that must not be crossed by our employees. Any employee who violates these boundaries will be subject to serious disciplinary action in accordance with relevant provisions (including official notification, dismissal, etc.).External partners involved in violations will be blacklisted by the Company and permanently barred from future cooperation. Any suspected violation of laws or crimes shall be transferred to judicial authorities for legal liability.

① Fraud and deception

② Utilizing authority to seek personal benefits

③ Leakage/theft of Company secrets

④ Soliciting and accepting bribes

⑤ Related party transactions that harm SINEXCEL's interests or engaging in commercial competition with SINEXCEL

⑥ Irregular investment, taking part-time jobs with SINEXCEL's suppliers, customers, partners, etc.

⑦ Unauthorized dealings with external partners and malicious collusion

⑧ Other illegal or unethical conduct, obstructing supervision, or covering up illegal and disciplinary behaviors

In 2025, the Company promoted the signing of the "Employee Anti-Corruption and Integrity Commitment,". Employees were required to sign and confirm their adherence to core provisions, including compliance with national laws, performance of confidentiality obligations, and rejection of private transactions. This initiative has not only strengthened employees' awareness of integrity and self-discipline, but also established the Company's serious stance of zero tolerance for violations.

Routine Training

The Company is committed to transforming the compliance culture from "paper requirements" into "daily habits" among employees. Regular warning education is conducted for new employees onboarding, key position promotions, and around major holidays. Through ongoing legal publicity and warning education, the Company guides employees to maintain a high level of vigilance in external interactions.

In December 2025, the Company launched a special campaign titled "2025 Mandatory Training Series – Integrity Training". The training covered the dissemination of laws and regulations, interpretation of internal policies, and analysis of typical warning cases. A total of 704 management and frontline employees from core departments participated in and completed the special training, achieving 100% coverage of key positions and core business units.

2025 Performance

Average anti-corruption training hours per employee: **1** hour

Total number of management personnel covered by anti-corruption training: **74** persons

Percentage of management personnel receiving anti-corruption training: **41%**

Total number of frontline employees covered by anti-corruption training: **630** persons

Percentage of frontline employees receiving anti-corruption training: **25%**

Number of dedicated training sessions for personnel in high-risk areas: **1** session

Upholding Fair Market Order

SINEXCEL firmly believes that “integrity” is the foundation for an enterprise. We are committed to building an end-to-end business ethics defense line. The Company strictly abides by the Anti-Unfair Competition Law of the People's Republic of China and other laws and regulations, insists on participating in market competition with professional strength, and gradually extends compliance requirements from inside the Company to the value chain and the entire industry market, striving to build a transparent and healthy business ecosystem.

Upholding Sound Market Order

The Company adheres to the market concept of “ethical operation”, actively maintains and promotes fair competition order in the industry market through standardized market behaviors and open and transparent transaction mechanisms. The Company strictly implements the Provisions on Anti-Unfair Competition Management, draws behavioral red lines, explicitly prohibits acts such as commercial slander, infringement of trade secrets and confusion, advocates winning market respect through core technological innovation and high-quality services, and is committed to maintaining a fair and open industrial competition environment.

Protecting Trade Secrets

The Company regards trade secrets as core assets and the cornerstone of innovation, adheres to the protection principle of “source control and full-staff coverage” to ensure competitive advantages based on the independence of core technologies. The Audit Department issued the Announcement on Requiring All Employees to Strengthen the Protection of the Company's Trade Secrets, clearly including organizational structure, financial data, R&D achievements, technological processes and bid prices as protected confidential information, strictly prohibiting employees from disclosing sensitive information through USB flash drives, cloud disks or social media, and adopting a zero-tolerance attitude towards acts of disclosing or stealing confidential information. This has not only effectively prevented risks of unfair competition, but also established a compliance culture of respecting intellectual property rights and protecting operating achievements within the organization, providing a solid internal institutional guarantee for the Company's steady participation in market competition.

Building a Transparent and Compliant Value Chain

The Company actively plays a leading role in the value chain and extends business ethics standards to global suppliers and partners. All suppliers are required to sign the Clean Cooperation Agreement and Responsibility Letter, with a deterrent disciplinary mechanism: for any form of bribery or improper interest conveyance, the Company has the right to claim liquidated damages equal to 10% of historical transaction amount or 10 times the bribery amount, and even terminate all cooperation. In addition, the Company implements refined processes such as the Disclaimer for Procurement Personnel upon Resignation to proactively isolate potential compliance risks arising from job changes. Through a full range of restraint mechanisms, the Company improves the transparency and risk resistance capacity of the supply chain and ensures that business cooperation is always based on transparency and integrity.

Protecting the Rights and Interests of Small and Medium -sized Enterprises (SMEs)

The Company strictly implements the Regulations on Ensuring Payment of Arrears to Small and Medium-sized Enterprises, respects the legitimate rights and interests of SMEs, adheres to the principle of fairness in contract agreements and payment settlement, and refuses to set unfair transaction conditions by using market dominant position. No overdue payment to SMEs occurred during the reporting period. With practical actions, the Company is building a healthy, fair and sustainable industrial chain ecosystem.

Establishing ESG Due Diligence Mechanisms

SINEXCEL deeply recognizes that enterprise risk management cannot be limited within the enterprise. We take the initiative to extend risk control to the business ecosystem and commit to building a "full-chain" compliance moat. Through due diligence mechanisms, we identify and control ESG risks that may be transmitted through the supply chain to ensure stable operation of the Company in a complex external environment.

In accordance with the Supplier Code of Conduct and Supplier Social Responsibility Commitment, the Company has established rights and standards for penetrating management of partners. For identified potential risks, the Company adopts a pragmatic strategy of "focusing on key issues and extending level by level" and gradually implements substantive due diligence:

Defining Compliance Red Lines

Corruption and bribery, child labor and forced labor, and environmental violations are listed as the three core red lines in due diligence. All partners are required to meet SINEXCEL's compliance standards.

Establishing Access and Monitoring Mechanisms

A regular access and monitoring mechanism has been established, requiring suppliers to sign commitment letters and accept compliance reviews on their labor rights, business ethics and environmental management.

Promoting the Transmission of the Responsibility Chain

Focusing on the transmission effect of risks, explicit responsibility penetration provisions are set forth in the Supplier Code of Conduct, requiring tier-1 suppliers to "make reasonable efforts to ensure that their subcontractors also comply with this Code". Through the responsibility extension mechanism, we drive risk control requirements to penetrate deeper into the end of the supply chain, striving to reduce systemic risks across the entire industrial chain from the source.

Forming a Closed-loop Risk Management Process

We adhere to the principle of"identify and control". For compliance defects identified in due diligence, we reserve the right to take strong measures in accordance with contractual terms. For suppliers that cross the bottom line and fail to rectify, the Company reserves the right to suspend payment, suspend or even terminate cooperation.

During the reporting period, the Company conducted due diligence reviews on 46 core suppliers, and urged relevant suppliers to complete rectification of issues identified in the reviews. No material issues involving corruption and bribery, child labor and forced labor, or environmental violations were found.

3.4 Investor Rights and Interests Protection

The Company is committed to sharing the results of transparent and fair governance with our investors. We have built a multi-level and comprehensive investor relations management system, continuously expanding interaction channels with shareholders and potential investors. Through high-quality information disclosure and a consistent dividend mechanism, we effectively safeguard investors' right to know, participate, and benefit.

Multi-dimensional Communication and Protection of Minority Investors

Moving away from a passive response model, we have proactively established a multi-dimensional communication system comprising 'online + offline' and 'regular + daily' interactions. In addition to ensuring rapid response via the investor hotline (0755-88999771) and the SZSE Interactive Information Disclosure Platform (Hudongyi), we have set up an Investor Relations section on our official website. This section provides real-time synchronization of stock price dynamics and company announcements, ensuring the timeliness and fairness of information disclosure and eliminating information asymmetry.

Strengthening the Voice of Minority Investors

We pay special attention to the participation and supervision rights of minority shareholders, integrate the protection of the legitimate rights and interests of minority investors into the whole governance process, and effectively enhance investors' sense of gain. During the General Meeting of Shareholders, the "on-site voting + online voting" mechanism is strictly implemented, and votes of minority investors are counted separately to provide maximum convenience for minority shareholders to exercise their rights.

Deepening Two-way Value Communication

During the reporting period, senior management of the Company actively took the stage through performance briefings, investor research reception and other activities, not only responding to market concerns in a timely manner but also interpreting industry trends and company strategies in depth. We value every suggestion from investors and regard them as an important external think tank for optimizing corporate governance and improving operation quality.

Sharing Development Achievements with All Shareholders

SINEXCEL adheres to the shareholder return philosophy of "long-termism" and is committed to letting investors share the growth value of the enterprise.

Institutionalized Dividend Commitment

To provide stable market expectations, the Company has formulated and strictly implemented the Shareholder Return Plan for the Next Three Years (2023–2025). We promise to implement a continuous and stable profit distribution policy on the premise of ensuring the normal operation and long-term development of the Company.

Sharing the Achievement of Development

On the premise of ensuring normal operation, the Company combines current operation status and business development goals to bring long-term investment returns to shareholders. Total cash dividends of the Company during the reporting period amounted to RMB 156 million. Continuous dividend actions are not only strong evidence of the Company's financial stability but also a solid fulfillment of our commitment to 'Improving Quality and Efficiency and Valuing Returns'.

2025 Performance

Net profit attributable to shareholders of the parent Company	Basic earnings per share	Response rate of SZSE Investor Interaction Platform (Hudongyi)	Frequency of performance briefings
RMB 476 million	RMB 1.53/share	97.06%	2

3.5 Data Security and Privacy Protection

SINEXCEL deeply recognizes that data security and privacy protection are the core cornerstones for ensuring sustainable and stable business operation and maintaining long-term customer trust, and has always included them in the important construction scope of the enterprise, establishing an information security policy of "abiding by laws and regulations, realizing risk management, ensuring information security and enhancing customer satisfaction".

Information Security Governance

The Company integrates data security and privacy protection requirements into the entire business process, building a comprehensive protection system across multiple dimensions, including system construction, technical protection, personnel management, and process standardization. We strictly follow national and industry laws, regulations, and standards, actively preventing various security risks such as data leakage, abuse, and tampering. We effectively safeguard the legitimate data rights and interests of customers, the Company, and stakeholders. Through compliant and systematic management measures, we promote the deep integration of data security governance with corporate operational development, fulfilling our social responsibility and industry commitment as a technology enterprise.

Three-tier Collaborative Governance Structure

The Company has established a top-level governance structure characterized by Board oversight, coordination by the Information Security Management Committee, and linked implementation by the Standing Executive Group and business departments. The Committee, as the highest decision-making body, is responsible for policy approval and system planning; the Standing Executive Group is responsible for system maintenance and cross-departmental promotion; and business departments periodically conduct risk assessments to embed control measures into frontline business logic.

Full Compliance with International Standards

The Company adopts the ISO/IEC 27001:2022 Information Security Management System international standard as the guiding principle. The certification scope fully covers the Shenzhen headquarters and the three R&D and production centers in Huizhou, Suzhou, and Xi'an, ensuring that global business operations run steadily under unified security standards.

Audit-driven Continuous Improvement

The Company has established a rigorous "PDCA" improvement mechanism. In 2025, an annual audit covering all functional departments of the Group was conducted, spanning across all information assets including R&D code, supply chain management, and physical environments. No non-conformities were found during internal audits in Shenzhen, Huizhou, Suzhou, and Xi'an. Furthermore, the Company successfully passed the external third-party (DNV) audit, proving that the Company's information security management system is operating adequately and effectively, with international-level compliance and execution capabilities.

Risk Defense System

In response to information security risks and business continuity challenges faced by high-tech enterprises, the Company has built a "Cloud-Pipes-Endpoint" integrated defense-in-depth system to achieve systematic identification and blocking of threats.

"Cloud-Pipes-Endpoint" Integrated Defense System

Cloud Consolidating Data Security and Business Resilience Foundation

Based on Hyper-Converged Infrastructure (HCI), we have built a high-performance private cloud platform and fully promoted Virtual Desktop Infrastructure (VDI) technology to create an R&D environment where core data "does not leave the cloud." For source code and design drawings, we implement strict logical isolation strategies and dual-encryption mechanisms. Meanwhile, utilizing snapshot technology and High Availability (HA) cluster mechanisms, we provide off-site disaster recovery insurance for core business systems such as ERP and PLM, combined with regular data recovery drills to ensure the high availability of core systems under extreme circumstances.

Pipes Fortifying Cross-regional Secure Transmission pipelines

At the network transmission level, VLAN technology is used for strict regional isolation, and high-performance firewalls are deployed for real-time traffic scrubbing and threat blocking. To meet multi-location collaboration needs, we have built dedicated VPN channels based on SD-WAN and high-strength encryption (HTTPS/SSL). Through real-time monitoring and encrypted encapsulation of transmission pipes, we effectively eliminate security level gaps between different regions, ensuring that data flow across the entire value chain is secure and controllable.

Endpoint Achieving Refined Authority and Behavior Control

On the endpoint defense side, EDR (Endpoint Detection and Response) systems have been fully installed, moving threat identification forward to the employee's terminal. Relying on AD domain unified identity authentication, we implement identity verification and dynamic permission control, effectively curbing leakage risks caused by unauthorized personal device access or abuse of permissions.

Performance

The high-standard technical protection system provides solid support for SINEXCEL's global operations. The Company has successfully passed the CyberVadis cybersecurity rating. In 2025, the Company's core network and host systems achieved 24-hour uninterrupted operation, with a 100% achievement rate for network and application system availability targets. No production shutdowns or trade secret leaks caused by information security incidents occurred, effectively guaranteeing the continuous delivery commitment to global customers.

2025 Performance

Business Continuity Test Pass Rate	Security Policy Review Rate	Number of Security Incidents
100%	100%	0

Data Privacy and Compliance

The Company regards privacy protection as the ethical bottom line of the enterprise and wins the trust of global customers through stringent self-discipline standards.

Customer Privacy Protection

We are well aware that in the era of interconnected intelligence, data privacy protection is an ethical bottom line that enterprises must uphold. The Company strictly abides by the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China and other laws and regulations, and embeds data ethics principles of "Privacy by Design" and "Data Minimization" into the entire product R&D life cycle. Adhering to the principles of "lawfulness, fairness, and necessity," the Company translates privacy protection commitments into specific contractual terms and operational norms. We only collect data necessary for equipment maintenance and energy management under the premise of obtaining explicit customer authorization, avoiding risks of excessive collection of user privacy and data abuse. We always ensure that every technical application is built on the basis of respecting user rights, providing secure, transparent, and fair green energy digital guarantees for global customers.

2025 Performance

Number of customer privacy breach incidents during the reporting period: **0**

Cross-border Data Management

Based on our global business layout, SINEXCEL identifies cross-border data management as a core area of data governance. The Company adheres to the principle of "safety and compliance, prevention first," and builds a closed-loop management system of "standard alignment - measure implementation - risk prevention and control" through the deep integration of business management and product technology, strengthening management effectiveness and consolidating the foundation of data governance.

Regional Standard Alignment and Compliance Linking

The Company systematically identifies the legal frameworks of the business locations and establishes differentiated management models to ensure a compliant closed-loop governance logic:

Strict Control of Domestic Data Export	Strictly aligning with China's Data Security Law, Personal Information Protection Law, and Measures for Security Assessment of Data Exports, establishing and improving mechanisms for cross-border transmission filing, risk assessment, and hierarchical control.
Deep Alignment with EU GDPR (General Data Protection Regulation)	Adhering to the "minimum necessity" principle, aligning with core rules such as data subject rights protection and timely notification of data breaches.
Multi-regional Compliance Coverage	Establishing special compliance review mechanisms based on the U.S. DPF (Data Privacy Framework); relying on the ISO/IEC 27001 Information Security Management System and ISO/IEC 27701 Privacy Information Management System to implement a governance model that combines standardization and differentiation for overseas regions, strengthening compliance resilience.

Technology-driven and Full-process Control

The Company embeds compliance requirements into the entire process of product export and overseas business collaboration, consolidating the foundation of data governance:

Full-process Technical Protection	Embedding regional compliance requirements into the entire process of core product export and overseas business collaboration, and adopting technical measures such as encrypted transmission, hierarchical permission control, and full-life-cycle traceability for key data in cross-border transmission.
Localized Operations and Penetrative Management	Strengthening the standardized governance of overseas subsidiaries, including localized control of the Thailand base, to ensure smooth and orderly overseas business operations.

Joint Construction of a Digital Security Ecosystem

Beyond technical defense, SINEXCEL understands that "people" are the core variable in security governance. We are committed to building a security culture with full participation and a responsible supply chain ecosystem, achieving a systematic extension of security value.

Empowering Employees to Build the First Line of Defense

The Company regards employees as the first line of defense for data security. In 2025, through "Cybersecurity Week" and normalized online and offline linked training, we conducted high-frequency awareness promotion for all staff. By organizing practical anti-phishing email drills, special data privacy assessments, and position compliance training, we have pressed security responsibilities down to every specific position. During the reporting period, the coverage rate of information security training for all employees reached 100%, driving a security culture transformation from "passive compliance" to "conscious protection."

Extending Supply Chain Compliance Boundaries

We extend security management boundaries to suppliers to ensure that external partners maintain the same security level as the Company. During the supplier admission process, signing the Confidentiality Agreement and the RBA Commitment Letter is mandatory. For the access requirements of suppliers and partners, we implement a strict approval flow for the Third-Party Access to Confidential Data Application Form and real-time monitoring and auditing. By clarifying the data security responsibilities and obligations of third parties, we effectively prevent risks at vulnerable points in the ecosystem chain, strictly prevent the leakage of sensitive information, and jointly build a trustworthy digital supply system.

2025 Performance

Number of information security special training sessions	Information security training coverage rate
2	**100%**

04

Empowerment

Superior Products Empower Energy Freedom

- Innovation
- Industry Empowerment and Value Symbiosis
- Product Quality and Safety
- Digital and Intelligent Operation System
- Customer Response and Support

4.1 Innovation

SINEXCEL regards innovation as the core driving force to deliver on our "Energy for All" vision. By building a rigorous R&D governance system, maintaining strategic R&D investment, and deepening industry-university-research collaboration platforms, we continuously transform forward-looking technologies into green energy solutions with commercial certainty, meeting society's growing demand for highly reliable clean energy.

R&D Governance

The Company has established a market-oriented, technology-based matrix R&D management system. Through institutionalized process management, we ensure that innovation activities are not only forward-looking but also possess excellent manufacturability and compliance.

R&D Management System

Forward-looking Roadmap Planning

The Company has established a tiered progression mechanism, characterized by "commercializing one generation, developing one generation, and reserving one generation." Utilizing the "Five-View" Insight Model—which examines trends, competitors, customers, internal capabilities, and opportunities—we ensure that our technical reserves are precisely aligned with the demands of the global market.

Phased Process Control

In accordance with the Product Development Control Procedures, the Company rigorously divides R&D activities into six stages: concept, planning, development, pilot trial, mass production, and launch. By setting six technical review gates from TR1 to TR6, the Company ensures each R&D milestone undergoes thorough technical verification and cross-functional review, thereby mitigating systemic R&D risks at the source.

End-to-End Collaboration Mechanism

The Company implements "upfront integrated value chain design", introducing experts from procurement, manufacturing, customer service and other functions at the project initiation stage. Through cross-functional collaboration, quality management and cost control are integrated throughout the entire R&D lifecycle, while a closed-loop management path is established from in-depth market insight to project review and summary. This ensures the Company continuously strengthens our ability to respond to the diversified and scenario-based needs of global customers.

Information Security Support

Relying on the ISO 27001:2022 Information Security Management System, the Company executes the Software R&D Management Procedure to implement classification management for R&D code, design documents, and customer-sensitive data, providing a secure and compliant operating environment for technological innovation.

R&D Investment

By building a "trinity" investment system of financial support, talent empowerment, and platform enablement, the Company ensures that innovation resources are precisely transformed into a deterministic force driving the green energy transition.

Financial Support

SINEXCEL anchors the strategy on clean technology and has established a robust R&D funding support mechanism to ensure that R&D activities are not disturbed by short-term market fluctuations. The annual R&D investment scale is maintained at over RMB 200 million, with the R&D-to-revenue ratio consistently leading the industry. We adhere to the principle of "earmarked funds for specific purposes and precise investment," prioritizing R&D resources for clean technology fields such as new energy transportation and smart energy storage, and ensuring through special budget management that technical output directly contributes to the global low-carbon transition.

2025 Performance

- R&D Investment RMB **287** million
- R&D Investment as a Percentage of Annual Revenue **8%**

Talent Development

Talent is SINEXCEL's most valuable innovation asset. The Company is committed to building a high-density, high-quality R&D talent pipeline, achieving the value transition from "talent dividend" to "technology dividend." As of the end of 2025, the proportion of R&D personnel continued to maintain an industry-leading level. The team is composed of multi-disciplinary experts, establishing an R&D formation with senior industry technical experts as the core and professional talents as the backbone, providing sufficient intellectual strength for tackling industry challenges such as "megawatt ultra-fast chargers for heavy-duty trucks."

2025 Performance

- Number of R&D Personnel **700**
- R&D Personnel as a Percentage of Total Employees: **26%**

Platform Support

The Company has built two major R&D centers in Shenzhen and Xi'an, establishing an efficient innovation management mode of "Product Line + Support Platform" and constructing an agile R&D system responsive to the global market.

Matrix Organizational Structure

The Company has R&D centers in Shenzhen and Xi'an. Under these centers, there are R&D platforms, R&D teams for each product line, new demand research groups, and new technology pre-research groups. Through the R&D platform, we provide comprehensive resource support for each product line, including process design, component management, pilot production, and technical certification, achieving optimal resource allocation.

High-Level Innovation Carriers

The Company has built a reliability laboratory, an Electromagnetic Compatibility Laboratory, and an Electric Vehicle Intelligent Supercharging Technology Engineering Research Center that meet advanced international standards. Through high-precision simulation and extreme environment testing, we have significantly shortened the transformation cycle from "lab bench" to "production line."

Industry-University-Research Value Co-creation

The Company has deepened "university-industry linkage" with universities such as Sichuan University through joint laboratories and joint research projects. In 2025, both parties focused on joint research in high-efficiency active power filter (APF) algorithm optimization and microgrid control technology. By shortening the cycle from scientific research results to industrial application, we achieved value resonance of innovation resources on a larger scale.

With excellent R&D strength and innovation results, the Company has been successively awarded several authoritative certifications:

- State-level High-tech Enterprise
- National-level Specialized, Sophisticated, Distinctive and Innovative "Little Giant" Enterprise
- Guangdong Provincial Engineering Technology Research Center
- Shenzhen Enterprise Technology Center
- Shenzhen Industrial Design Center
- Shenzhen Green and Low-carbon Industry Enterprise

Innovation Achievements

SINEXCEL is committed to building a closed-loop system where "patent protection underpins technological leadership and technological application drives commercial value." Through high-quality intellectual property (IP) layout, we systematically transform R&D results into core products and solutions supporting global energy transition.

High-Quality Intellectual Property Accumulation

The Company adheres to an IP strategy that emphasizes both quantity and quality, establishing a lifecycle management mechanism from discovery and layout to protection. Through statutory protection of core technologies, we build a compliance defense for the enterprise in the global market.

In 2025, the Company filed 79 new patent applications. Relying on a key patent matrix, we ensured the originality and forward-looking nature of our technical solutions.

2025 Performance

Number of Patents Held: **247**	Number of Trademarks and Word Registrations Held: **30**	Number of Software Copyrights Held: **95**
Number of New Software Copyright Applications in the Year: **32**	Number of New Patent Applications in the Year: **79**	Number of New Authorized Patents in the Year: **52**
Number of New Software Copyrights Obtained in the Year: **32**		

From Technical Blueprints to Industrial Application

We focus not only on the quantity of patent output but also on the transformation efficiency of R&D results into actual productivity. Relying on a mature R&D process, the Company has successfully applied forward-looking patented technologies to multiple green industry scenarios.

Reshaping the Energy Efficiency Limits of Power Conversion

Silicon Carbide (SiC) Technology Application: By deploying SiC technology on a large scale across all product lines, we have achieved a step-change improvement in hardware conversion efficiency.

- **Efficiency Leap:** Successfully raised the conversion efficiency ceiling of some core products from the traditional 97% to 99%. Taking data centers as an example, this extreme efficiency improvement can directly reduce system heat dissipation requirements, triggering a chain reaction of energy saving for the entire station and significantly optimizing overall energy performance.
- **Large-scale Validation:** In 2025, shipments of SINEXCEL's self-developed 40kW/50kW/60kW SiC power modules of the same size exceeded 350,000 units. This large-scale market application marks the full maturity of high-efficiency conversion technology.

Challenging the Physical Limits of Vehicle Charging

Megawatt-level Architecture and Flexible Scheduling Algorithms: While focusing on algorithmic flexibility, we are committed to solving industry pain points in heavy vehicle charging duration through the implementation of megawatt (MW) architecture.

- **Megawatt-level Technology Implementation:** Based on core patents for high-power flexible power distribution, our self-developed 1.6MW/2.5MW megawatt-level ultra-fast charging solutions for heavy trucks have entered large-scale commercial application.
- **Asset Utilization Optimization:** Through the "One Station, One Stack, One Sharing" architecture design, the system can perform millisecond-level power distribution based on the real-time status of different terminals, increasing overall equipment utilization by 10%.

Driving the Intelligent Transformation of Energy Networks

Grid-forming Technology and Bidirectional Collaborative Control: Reshaping energy facilities from "single supply ends" to "smart interactive nodes." Through bidirectional power conversion and collaborative control technology, we endow energy networks with higher operational resilience.

- **Value Co-creation in Vehicle-to-Grid (V2G):** Successfully transformed self-developed "bidirectional energy exchange technology" into a mature V2G charging and discharging system. Through this system, electric vehicles are no longer just transportation tools but have become mobile energy storage units.
- **Energy Storage Conversion Efficiency Improvement:** The industry-first multi-branch architecture in the field of energy storage conversion pushed the system conversion efficiency to 98.5%. According to laboratory energy efficiency model calculations, this technology platform can help reduce greenhouse gas emissions by approximately 0.8 tCO_2e per megawatt-hour (MWh) of energy storage capacity during its theoretical operating cycle.

Highlight Focus: Tianji Ultra 2.5MW Supercharging System Leads a New Paradigm of "Instant Charging"

In the process of building a low-carbon transportation and logistics network, SINEXCEL continues to refresh the industry's energy efficiency ceiling through technological iterations. The Company's flagship product, the Tianji Ultra 2.5MW Flexible Shared Supercharging Stack, achieves fully flexible scheduling of power modules for any charging connector through the "One Station, One Stack, One Sharing" architecture.

Resource Conservation: The single-cabinet high-density design reduces the footprint by 27.8%, significantly lowering the land construction costs of charging stations.
Efficiency Improvement: Compared with traditional semi-flexible solutions, its utilization rate is increased by 10%, effectively reducing equipment no-load energy consumption.
Full-Scenario Adaptation: It is compatible with high-current protocols of all brands of heavy trucks. While ensuring "full charge in fifteen minutes," it provides more robust and efficient infrastructure support for the low-carbon transformation of the transportation industry.

These continuous breakthroughs and deep applications of underlying technologies not only provide solid support for the low-carbon transition of various industries but have also won high recognition from authoritative industry institutions.

Market Recognition

S&P Global: "Top 10 Global Energy Storage Inverter Suppliers"
China Energy News: "Top 500 Global New Energy Enterprises"
4th GGII Energy Storage Industry Summit: "2025 Energy Storage Industry TOP 50"
CICC Enterprise Credit: "Certification for the World's No.1 Sales of Megawatt Ultra-fast Chargers"
Guonengwang 10th New Energy Industry Annual Conference & 2nd Battery Swap Industry Conference: "Top 10 Ultra-fast Charger Brands", "Outstanding Heavy-duty Truck Ultra-fast Charger Supplier"
2025 Advanced Battery Industry Cluster Forum: "Leading Growth Award"

Technical Breakthroughs

21st International Conference on Harmonics and Quality of Power: "Pioneering Power Quality Innovation Award"
China Electrotechnical Society: "First Prize of the Science and Technology Progress Award"
China Machinery Industry Science and Technology Award: "Third Prize of the Science and Technology Progress Award"
5th China International Battery Swap Industry Conference: "2024 Battery Swap Technology Award"
4th China New Energy Heavy-duty Truck Industry Conference: "Best Technology Award for Heavy-duty Truck Ultra-fast Charging"
GGII Golden Globe Awards: "Top 10 Technologies of the Year – VSG Technology"

Intellectual Property Protection

Improving Management Systems

We are committed not only to technological breakthroughs but also to ensuring that every innovation result is transformed into a competitive advantage with legal protection by optimizing the IP management system, building compliance safeguards for steady global expansion. During the reporting period, the Company's parent Company successfully passed the GB/T 29490-2023 Enterprise Intellectual Property Compliance Management System Requirements certification, providing strong legal and technical protection for global business expansion. Our rigorous protection of innovation results not only effectively reduces IP litigation risks when entering overseas markets but also significantly enhances global customers' trust in SINEXCEL's technological originality, supporting the Company to continuously climb technical heights in the digital energy sector.

Strict Prevention and Control in All Stages of the R&D Lifecycle

We strictly implement the Product Development Process, assigning IP protection tasks step-by-step to every R&D milestone, achieving full-process control from source to terminal.

Concept and Feasibility Stage	At the beginning of product initiation, we conduct systematic IP risk assessments and searches. By detailed analysis of the global technical patent layout, we proactively avoid infringement risks at the design source, ensuring the technical route is both legal and forward-looking.
Planning and Design Stage	An efficient patent mining mechanism has been established, requiring the R&D team to complete technical disclosures during the refinement of technical solutions. Through the Intellectual Property Management Procedure, we standardize the application process for patents, trademarks, and software copyrights to ensure timely legal registration of core algorithms and original designs.
Validation and Pilot Production Stage	Before product launch, a final IP review is executed to confirm that all technical outputs have completed archival management. Through third-level execution documents such as the Software Copyright Registration Application Form, we precisely register core control software to ensure a complete protective barrier is built before the product enters the market.
Asset Maintenance and Confidentiality Stage	We use the Patent Application and Maintenance Ledger to dynamically track and manage existing IP assets and payments. Simultaneously, according to the Business Secret Management Procedure, we combine physical isolation with legal contracts to strictly protect non-public process formulas and core business information.

Cultural Empowerment: Embedding IP Awareness into the R&D Gene

At SINEXCEL, we believe that technological innovation requires not only R&D investment but also employees' respect and protection of intellectual assets. We position IP management as the core support system for R&D innovation and are committed to creating a corporate culture that is both open and prudent, ensuring every engineer has mature compliance awareness and asset protection capabilities while pursuing technical breakthroughs.

Establishing a Layered Training System	Popularizing compliance baselines for new employees and strengthening patent mining and global FTO risk analysis through practical exercises for core teams, effectively transforming technical creativity into assets with high-quality legal protection.
Strictly Guarding Core Secrets	Protecting core secrets such as source code and process formulas through non-disclosure agreements (NDAs) and data classification management.
Creating a Positive Atmosphere	Regularly carrying out thematic publicity and commending outstanding inventors to create a positive internal atmosphere of respecting originality and honesty, providing fertile cultural soil for the Company's high-quality innovation.

4.2 Industry Empowerment and Value Symbiosis

SINEXCEL is committed to applying energy efficiency technologies into a core driving force for the sustainable development of various industries. By connecting with the world's top scientific research resources and industry chain partners, we continuously overcome frontier technical bottlenecks, thereby driving the technological iteration and reshaping industrial models of the energy transition. We work together with like-minded global partners to build an intelligent, inclusive, and zero-carbon energy future.

Driving Low-Carbon and Digital Transformation.

SINEXCEL is dedicated to transforming power electronics technology into a substantial bond connecting a green future with a high-quality life, anchoring our global ESG strategy - "Energy for All". By constructing a low-carbon transportation and logistics network, we improve the access efficiency of clean power and substantially alleviate energy recharging anxiety. We continuously upgrade energy infrastructure, striving to close the 'energy access gap' across a broader dimension. We strongly support the digital industry and high-end manufacturing, building an extremely robust energy efficiency defense for the pulse of digital transformation. We continuously empower all industries through technological resilience and the warmth of innovation, to jointly build a sustainable future.

Constructing a Low-Carbon Transportation and Logistics Network

Transportation is one of the primary sources of global greenhouse gas emissions. SINEXCEL provides full-scenario charging and swapping solutions to build an all-round energy replenishment network covering "marine, road, and aviation," alleviating range anxiety in the global transportation decarbonization process. For logistics fleets, port transportation, and heavy-duty truck trunk lines, we provide high-power fast charging and core battery swapping equipment, significantly shortening the replenishment time of operational vehicles and improving the turnover efficiency of green logistics. From public charging stations to commercial complexes, our equipment extensively serves electric vehicle operation networks, supporting the "capillaries" of urban green travel.

Area	Key Challenges	SINEXCEL's Innovative Practices & Value Creation
Empowering Green Logistics	Traditional trunk logistics and heavy-duty trucks are limited by extremely low charging efficiency and excessively long replenishment cycles, making it difficult to achieve full-time green capacity replacement.	**Developing the Tianji Ultra 1.6MW/2.5MW Megawatt Supercharging System:** Leveraging megawatt-level flexible power allocation technology to achieve a charging efficiency of "100 kilometers in one minute," and further reducing the footprint of individual stations through high-density integration technology. This deeply empowers the green transition of heavy-duty trucks and logistics fleets.
	Under the emerging low-altitude economy, logistics drone hubs impose stringent requirements for instantaneous high-power pulse support from energy facilities and stability in extreme environments.	**Breakthrough in Grid-forming ESS Applied in Low-altitude Logistics Station:** Successfully deployed the world's first grid-forming energy storage system (ESS) project for a low-altitude logistics station. Utilizing active support technology to ensure energy security during the takeoff and landing phases of the drones, filling the technical gap in energy replenishment infrastructure for the low-altitude economy.
Improving Urban Charging Networks	Traditional urban charging terminals mostly operate in a unidirectional energy consumption mode and lack deep interaction with the power grid, exacerbating distribution-side load pressure during peak periods.	**Overcoming Key Nodal Technologies for V2G (Vehicle-to-Grid):** Researching and demonstrating leading V2G interaction modules. Through bidirectional energy flow technology, electric vehicles are transformed into "mobile energy storage units," achieving smart frequency regulation and load leveling during peak demand, thereby enhancing the operational resilience of the urban power grid.
	There is a severe shortage of fast-charging facilities in global urban core areas, and overseas markets have extremely high technical barriers for equipment metering compliance and safety access.	**Accelerating the Global Deployment of Urban Charging Networks:** Large-scale application of SEC360 distributed chargers in core cities such as Athens, Greece; officially became one of BP's first shortlisted Chinese charger suppliers, deeply participating in its global green replenishment infrastructure layout; multiple products passed stringent certifications such as the German Weights and Measures Act Module D and TÜV Rheinland CE, ensuring compliance and precision operations in high-standard overseas markets.

Upgrading Energy Infrastructure

Facing the volatility challenges of wind and solar power, SINEXCEL's energy storage & microgrid system has become a key "regulator" connecting renewable energy with stable power consumption. In centralized photovoltaic power plants and distributed energy scenarios, we effectively solve the problems of new energy grid connection and enhance the auxiliary service capabilities of the power system. In areas without electricity, islands, or remote regions with unstable grids, our microgrid systems provide independent and reliable power supply, lighting up the "last mile" of energy equity.

Area	Key Challenges	SINEXCEL's Innovative Practices & Value Creation
Construction of New Power Systems	Large-scale grid connection of distributed renewable energy generates frequency and voltage instability, seriously threatening power system safety, requiring industry standards with "active support" capabilities.	**Leading Grid-forming Energy Storage Technical Standards and Global Practices:** Leveraging successful practices in multiple large-scale projects, SINEXCEL deeply participated in the drafting of two industry standards for grid-forming technology, standardizing and leading the high-quality global development of the low-carbon power industry through "technical output."
	Large-scale electrochemical energy storage systems generally face technical bottlenecks such as large power conversion losses under conventional high-voltage levels and system life damage caused by inconsistency in battery strings connected in parallel.	**Launching the 1,725kW High-power Multi-branch PCS:** Pioneering a multi-branch architecture to achieve refined and independent management of battery clusters, significantly reducing parallel losses and increasing maximum conversion efficiency to 98.5%, providing a more robust and long-lasting energy efficiency foundation for new power systems.
	Different regions around the world are confronted with complex grid connection restrictions and environmental challenges, making it imperative for extra-large energy storage stations to improve integration efficiency and operational stability.	**Building global benchmark projects for Multi-scenario Energy Storage:**Deeply participated in the construction of China's 600MW/2400MWh ultra-large energy storage power station, enhancing system integration through the "Wind-Solar-Thermal-Storage-Transmission" integrated model; delivered the Matsusaka 2MW/8MWh benchmark project in Japan, using EMS to precisely resolve local grid restrictions; commissioned the Coopesantos wind farm energy storage system in Central America, ensuring stable generation of renewable energy in extreme geographical environments.
Ensuring Power Supply for Livelihoods	Remote and underdeveloped regions worldwide are still plagued by a severe "energy isolation", making an economical and stable clean energy guarantee system imperative for improving people's livelihoods and providing medical assistance.	**Implementing the "Energy for All" Global Strategic Action:** Launched Company's global ESG initiative, constructing a community hospital medical PV-storage microgrid in Malawi, Africa, to ensure 24-hour operation of emergency facilities; simultaneously deployed modular energy storage in non-electrified villages in Myanmar, Indonesia, and other countries, providing stable and clean power support for tens of thousands of off-grid villagers.

Supporting Digital Industries and High-end Manufacturing

In the wave of digitalization and intelligence, power quality is productivity. We provide reliable power protection for critical infrastructure and high-end manufacturing. In Internet Data Centers (IDC) and AI Computing Centers (AIDC), our power quality products ensure that storage and computing equipment are free from voltage fluctuation interference, guaranteeing the continuous operation of the digital economy foundation. From semiconductor chip manufacturing to automobile production, metallurgy, and chemical engineering, our industrial supporting power supplies solve power pollution problems under complex working conditions, ensuring the precise operation and yield rate of high-end equipment.

Area	Key Challenges	SINEXCEL's Innovative Practices & Value Creation
Safeguarding Digital Computing Power	The surge in AI computing power has caused the power supply density of AIDC to far exceed the capacity of traditional architectures, requiring maximum reduction of PUE values while ensuring high-reliability power supply.	**Optimizing High-efficiency Power Supply Architecture and Rapid O&M System for AIDC:** Launched integrated power supply/power modules and DC power supply architectures for AI computing centers, significantly reducing cascaded power conversion losses; adopted SiC plug-in dedicated design to achieve "2-minute rapid O&M," with a single system saving over 3.58 million kWh of electricity annually, significantly optimizing PUE indicators while ensuring business continuity.
	High-end manufacturing processes such as semiconductors and automobile manufacturing are extremely sensitive to power quality; instantaneous voltage fluctuations can cause massive asset losses and production stoppages.	**Mass-producing high-efficiency power electronics modules based on Silicon Carbide (SiC) and Strengthening the Industrial Power Reliability:** Took the lead in adopting SiC devices into power quality products, leveraging material advantages to enhance device voltage and temperature limits; built a power defense line through industrial-grade UPS, providing a robust power supply environment with nearly "zero failure" for precision production lines such as semiconductors and automobiles, ensuring the continuity of production processes.
Serving High-end Manufacturing	Power grid voltages vary globally with high certification and access barriers. Commercial and industrial energy storage systems are derated early in summer, reducing income from peak-valley price spreads. Microgrid regions suffer from unstable power supply. High-energy-consumption industrial parks have severe power harmonics, leading to non-operation of energy storage equipment.	**Sirius 135K Redefining C&I Energy Storage Standards:** SINEXCEL Sirius 135K builds systematic technical advantages around three dimensions: "Global-ready, scenario-ready, and Lifecycle-ready," effectively improving project returns and operational reliability. **Global-ready:** The product is compatible with voltage systems in Europe, North America, Australia, and other major regions, and has obtained authoritative certifications for mainstream global markets, enabling rapid deployment with a "one system for global use" capability. **Scenario-ready:** Through system-level electrical design and control architecture optimization, it comprehensively covers typical C&I energy storage application scenarios, providing highly reliable solutions. **Lifecycle-ready:** Driven by both technological and operational model innovation, system energy density is increased by 100%, space occupancy is reduced by 50%, and breaking capacity is increased 10 times, significantly reducing Total Cost of Ownership (TCO) and optimizing the long-term returns and investment payback of energy storage assets.

Building an Intelligent Energy Interconnected Ecosystem

SINEXCEL has always maintained that the development of an intelligent energy ecosystem is a systematic project that transcends organizational boundaries. We are committed to deep collaboration with world-leading research institutions, upstream and downstream industrial partners, and energy giants to break down siloed technologies, integrate industrial resources, and upgrade from single equipment supply to comprehensive ecological empowerment.

Ecological Logic Layer	Core Dimensions	Key Actions and Social Impact
Core Layer Strategic & Intellectual Leadership	Strategic Research & Standards Governance	**Established the SINEXCEL Smart Energy Lab** Using this platform, we precisely define high-value energy consumption scenarios for industries. By monitoring global energy trends, we provide users with high-value comprehensive smart energy solutions, driving the industry's transformation from pure equipment supply to intelligent services. **Deeply participated in the formulation of Grid-Forming Energy Storage technical standards** We promoted the release of two core standards, providing authoritative references for the full life cycle management of grid-forming energy storage. Technical standardization guided large-scale industry deployment and enhanced power system stability. **Led the release of the China's EV Charger Development White Paper** Through systematic analysis of the entire industrial chain, we filled gaps in in-depth industry research, providing critical guidance on technical pathways and market strategies for the construction of high-quality charging networks, supporting the healthy development of the industry. **Deepened industry-university-research collaboration with universities** We conducted joint research and talent cultivation with Sichuan University and other institutions, tackling key technologies for the high-quality development of power quality, and cultivating high-quality professionals for the construction of new power systems, transforming intellectual resources into green productivity. We established a customized on-the-job master and doctoral training system with Hunan Institute of Engineering. Through a dual-supervisor system, special scholarships, and a "dual-employment model for doctors", we cultivated high-end engineering talents in energy storage and power electronics, building core capabilities for industrial innovation.
Middle Layer Deep Value Chain Integration	Industrial Chain Collaboration & Global Co-creation	**Collaborated with industrial giants to advance strategic cooperation** By deepening strategic cooperation with leading enterprises in cell manufacturing and system integration (including EVE Energy, Great Power), we integrated technological innovation and business layout, accelerating the global large-scale application of energy storage technologies and supporting the green transformation of the new energy industry. **Partnered with top overseas energy enterprises to build a global energy storage blueprint** Leveraging our strengths in power electronics R&D and combining the localized strategies and grid-scale solution capabilities of overseas partners such as MSR Technologies (Czech Republic), we broke through traditional technical limitations and provided highly reliable competitive solutions for the global energy storage market.

Ecological Logic Layer	Core Dimensions	Key Actions and Social Impact
Outer Layer Full-Scenario Value Symbiosis	Scenario Breakthrough & Energy Inclusiveness	**Launched an urban-Scale Virtual Power Plant (VPP) ecosystem initiative** Together with Schneider Electric, PowerShare Technology and other partners, we addressed challenges including new energy consumption and new load impacts. Through scenario co-creation, we alleviated grid pressure and built an open and collaborative urban energy regulation network. **Promoted industry development** We deeply integrated into the industrial ecosystem, actively participated in industry associations and exchanges, addressed industrial pain points, explored solutions, broke information barriers and cooperation gaps, and fostered an open, inclusive and collaborative industrial environment.

In-Depth Industry-University-Research Collaboration to Break Through Key Grid-Forming Energy Storage Technologies

Strategic Orientation: Deep Participation in Provincial Key R&D Programs
In response to the construction of new power systems under the "Dual Carbon" goals, SINEXCEL actively participated in the 2023 Guangdong Provincial Key R&D Program - Key Technologies and Equipment for Grid-Forming Energy Storage Converters, led by Shenzhen Power Supply Bureau, targeting grid stability challenges caused by high penetration of renewable energy. We formed an innovation consortium with multiple "Double First-Class" universities and key industrial enterprises to tackle five core fields: topology, adaptive control, stability algorithms, etc. The project aims to develop a new generation of grid-forming inverters with world-leading performance, expecting to achieve 2 world-class technological breakthroughs and 12 technological firsts, systematically filling domestic industry gaps.

Technology-Driven: Building an Energy Efficiency Foundation with "Active Support" Capability
With annual R&D investment of nearly 10% of revenue and a professional team of over 600 members, SINEXCEL integrated modular design into grid-forming technology, achieving a qualitative shift from following the grid to forming the grid.
Our flagship PWS1-215M-H PCS supports Grid-Forming Mode (GFM), simulating generator characteristics to actively provide voltage support and inertia during system disturbances. Through deep integration of high-power, high-efficiency PCS and large-capacity cells above 300Ah, we improved frequency stability while significantly reducing full life cycle cost (LCOE).

Global Practice: Multi-Scenario Validation Empowering Green Power Ecosystem
SINEXCEL adheres to the principle of "R&D through practice", verifying industry-university-research achievements via global projects and achieving large-scale application. Our energy storage solutions cover power ratings from 30kW to 12.5MW, with over 5,000 projects in 60 countries and regions, and cumulative installed capacity exceeding 17 GW. During the reporting period, SINEXCEL successfully connected a 114MW/228MWh energy storage peak-shaving and frequency-regulation project in Texas, USA, marking that our grid-forming technology has been highly recognized by international markets for reliability in both strong and weak grid environments.

Industry Associations Joined by SINEXCEL (Partial)

Association Name	Role
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

4.3 Product Quality and Safety

SINEXCEL is deeply aware of the fundamental role of product reliability in power system safety and the energy transition. We adhere to a governance philosophy of being "customer-centric with all-employee participation in quality," upholding the principle of "built-in quality" and aiming for zero-defect quality. By constructing a quality management matrix covering the full life cycle, we ensure that every delivery meets international authoritative standards and rigorous industrial operating conditions, providing global customers with excellent products that withstand the test of time and multi-dimensional environments. During the reporting period, we maintained robust quality governance results, with no liability accidents related to product safety or quality.

Quality Governance System

SINEXCEL views quality governance as a process of dynamic optimization. We have formulated programmatic quality management documents, including the Quality, Environmental, and Occupational Health and Safety Management Manual and the IATF 16949 Automotive Quality Management Manual, driving continuous iteration and benchmarking of our management system through normalized risk anticipation.

Normalized Risk Assessment and Identification

Based on ISO 31000 Risk Management Guidelines, the Company has established internal and external quality risk scanning mechanisms. Addressing variables such as supply chain fluctuations, the introduction of new processes, and changes in global regulations, we conduct regular identification and assessment and formulate targeted preventive measures to eliminate quality hazards in their infancy.

Matrix Architecture for Execution

To ensure the effective implementation of risk response measures, the Company has built a matrix management architecture with the Group Quality Department as the strategic hub and quality departments at various bases performing collaborative execution. This architecture ensures that quality decisions can penetrate departmental barriers and achieve rapid transmission from the strategic level to the execution level.

Multi-dimensional System Certification and Standardization

Supported by strong risk control and architecture, the Company proactively benchmarks against global standards, achieving high compliance across multi-dimensional management systems:

Quality Management

Six companies have passed ISO 9001 Quality Management System certification (SINEXCEL, Huizhou SINEXCEL, SINEXCEL Renewable Energy, SINEXCEL Power, SINEXCEL Isuna, and Suzhou SINEXCEL).

Automotive Quality

The main production center, Huizhou SINEXCEL, maintains the effective operation of the IATF 16949:2016 automotive industry quality management system certification, meeting stringent automotive-grade quality requirements.

Environmental Compliance

Fully operating the IECQ QC080000 system to ensure that hazardous substances are controlled throughout the product life cycle.

High-Standard Certification Matrix Driving Global Mutual Recognition of Quality

SINEXCEL insists on using authoritative third-party certifications as an objective yardstick for product quality. In 2025, the Company achieved several milestone quality qualification breakthroughs in key domestic and overseas markets.

Domestic Quality Cultivation

During the reporting period, SINEXCEL became the first Company in the charger industry to achieve China Compulsory Certification (CCC) for the full range of AC chargers (7-14kW) and DC chargers (80-1600kW). Specifically, taking the lead in obtaining certification for megawatt-level charging stacks signifies that the Company stands at the forefront of the industry in terms of intrinsic safety, electromagnetic compatibility, and standardized production capacity, establishing an industry quality benchmark.

Access Qualifications for Global Mainstream Markets

In response to the extremely high requirements for measurement accuracy and grid adaptability in overseas markets, the Company has constructed a multi-dimensional qualification matrix to ensure the compliant and stable progress of the global layout. Building on the German Eichrecht Module B (Type Examination) certification for its European standard series, the Company continues to maintain the effective operation of the Module D (Production Quality Assurance) certification. Through dynamic maintenance of anti-tampering mechanisms and data encryption on production lines, we ensure that every device sold to Europe meets the world's most stringent legal metrology requirements. Meanwhile, the Power Conversion System (PCS) series continues to maintain the validity of German VDE 4120 (high voltage), 4110 (medium voltage), and 4105 (low voltage) grid connection certifications. Multiple energy storage and charging products successfully completed Spanish NTS grid connection certification and EU CE certification during the reporting period. SINEXCEL products are driving the global energy transition with high-compatibility quality performance.

As of now, SINEXCEL's modular energy storage solutions have obtained access certification in more than 40 countries and regions, with over 60 certified models. SINEXCEL energy storage microgrid products and solutions have been deployed in 60+ countries and regions across six continents, with a cumulative global installed energy storage capacity exceeding 17GW.

Full Life Cycle Control

We firmly believe that excellence in quality stems from controlled processes. SINEXCEL achieves an end-to-end quality closed-loop by implementing strict defensive measures at key nodes of "Design, Procurement, Manufacturing, and Delivery."

Design Phase

Risk Pre-positioning and Reliability Verification

Strictly implement the R&D Design Change Execution Process and the Reliability Laboratory Management Specifications, building an embedded supervision mechanism centered on the Design Quality Engineer (DQE). Fully introduce Design Failure Mode and Effects Analysis (DFMEA) tools and exercise "veto power" at key decision points such as pilot production and mass production transfers. Conduct "self-test + third-party" dual verification based on international standards. By simulating extreme environments, we ensure products possess high intrinsic safety, significantly reducing later maintenance costs caused by design defects.

Procurement Phase

Source Control and Collaborative Development

Extend quality standards to the upstream of the value chain. By establishing hierarchical access standards, mandatory signing of the Declaration of Non-Use of Hazardous Substances, and implementing rigorous Hazardous Substance Free (HSF) Protocols, we implement dynamic monitoring of material composition, processes, and place-of-origin changes. We have established a controlled HSF Risk Supplier List, achieving steady improvement in incoming material quality and ensuring global supply chain compliance and continuity.

Manufacturing Phase

Fine Control and Digital Traceability

Use PFMEA (Process Failure Mode and Effects Analysis) to identify process hazards in advance. Eliminate human factors and fluctuations through SOPs (Standard Operating Procedure) standardization, Poka-Yoke (error-proofing) techniques, and 100% final factory inspection. Relying on a digital manufacturing system, we achieve bidirectional traceability from material batches to finished product serial numbers, ensuring high transparency in the production process and precise positioning of risky batches.

Delivery Stage Phase

Delivery Empowerment and Safe Operation

Equip all products with detailed User Manuals and clear electrical safety labels. During the delivery phase, professional engineers provide standardized operation training to customers' maintenance personnel. Upgrade from "delivering products" to "delivering capabilities," ensuring products remain in a safe and controlled state throughout their life cycle and improving customers' overall asset operational efficiency.

Full Life Cycle Quality Advancement: Innovation in 6th-Generation Charging System Architecture

SINEXCEL integrates quality and safety throughout the product life cycle. As the first domestic manufacturer to integrate AC-side leakage protection in high-power DC charging systems, the Company fully promoted the sixth-generation system. architecture (TCU+CCU) in 2025, achieving deep benchmarking of quality control.

Design: Adopting a decoupled architecture of TCU (Tariff Control Unit) and CCU (Control Communication Unit). Through hardware-level logic simplification and multi-condition simulation testing, the reliability anticipation of products during the R&D stage is significantly improved.

Manufacturing: The system deeply integrates hardware-level leakage protection and multiple safety redundancies, extending quality protection from the software layer to the physical layer and strengthening the embedding of intrinsic safety in the manufacturing process.

Application: Modular design makes functional division clearer, greatly improving the efficiency of on-site operation and maintenance (O&M) and troubleshooting, effectively shortening the Mean Time to Repair (MTTR), and transforming delivery quality into operational assurance.

Product Recall and Emergency Response

Benefiting from the rigorous management system throughout the full life cycle, the Company's product recall incidents remained at zero in 2025. While maintaining high-standard quality performance, the Company always regards emergency decision-making and agile response as the bottom line of quality. Based on the Product Recall Management Process, we have established transparent and efficient emergency handling channels, promising to minimize the impact on customer operations in extreme cases.

Quick Decision and Response

Once potential batch quality risks are monitored, the emergency assessment procedure is immediately activated. R&D, customer service, and supply chain departments organize a risk assessment meeting to ensure risk level determination within 24 hours and formulate precise recall or on-site disposal plans.

Operation Continuity Assurance

While initiating a recall, priority is given to providing "return and exchange remedial measures" or allocating spare units to ensure no interruption to the customer's on-site business. For non-downtime hazards, on-site software upgrades or modular replacement solutions are prioritized to eliminate risks in a way that is "seamless" for the customer.

Standardized Disposal Closed-Loop

For products returned to the factory, we implement a strict closed-loop disposal process to ensure risks are zeroed out. The warehouse implements strict physical isolation and separate labeling for recalled products and establishes a special ledger to ensure every defective product is traceable.

4.4 Digital and Intelligent Operation System

SINEXCEL deeply understands that excellent R&D and design can only be converted into measurable customer value through a highly reliable manufacturing system. We adhere to the principle of "streamlining processes with lean management and solidifying achievements with digital technology", deeply integrating lean thinking and digital technology into the entire manufacturing chain. By building a stable, reliable and efficient agile manufacturing hub, we have achieved the transformation from "experience-driven" to "data-driven", ensuring that every product delivered to global customers possesses extreme consistency and lifecycle stability.

Lean Governance

The Company regards lean production as the core means to eliminate manufacturing fluctuations and improve production stability. We have introduced advanced global management systems to ensure that every link of the production process is stably controlled.

Senior Management Leadership

During the reporting period, the Company invited an external professional consultant team to provide systematic DBS (Danaher Business System) training for middle and senior managers. By introducing tools such as RCCM (Root Cause Assessment and Countermeasure Development) and PD/CVD/KPI (Policy Deployment, Core Value Driver and Key Performance Indicators), complex manufacturing management is decomposed into quantifiable and traceable standard actions, ensuring the systematic alignment of manufacturing strategies.

Standard Process Construction

We continuously promote the regular implementation of VSM (Value Stream Mapping) and SW (Standard Work) projects in all bases. By converting complex manufacturing logic into SOPs (Standardized Operating Procedures), we ensure a high degree of alignment in process execution across different manufacturing lines, laying a solid management foundation for high-quality manufacturing.

Professional Skill Guarantee

For core production centers such as Huizhou and Suzhou, we have implemented special reinforcement of five core tools: PPAP, APQP, MSA, PFMEA, and SPC, ensuring that frontline production personnel have the professional capabilities to implement strict manufacturing standards and achieve full-staff quality assurance.

Digital Intelligent Empowerment

Through the in-depth integration of digital systems and intelligent equipment, we have solidified the "quality will" into systematic "hard constraints", eliminated human errors through technical means, and ensured the extreme reliability of the entire product lifecycle.

Full-Chain Matrix to Ensure Compliance

The Company has built a full-chain digital hub with ERP (Enterprise Resource Planning System) as the core, linking PLM (Product Lifecycle Management System), SRM (Supplier Relationship Management System), MES (Manufacturing Execution System) and WMS (Warehouse Management System). Through customized secondary development of the MES system, rigid control over the execution process of ECN (Engineering Change Notice) is realized, ensuring that every technological improvement can be accurately issued to the production line, completely avoiding the risk of missed execution.

Digital Intelligent Hub Drives Decision-Making

The Company has built a data middle platform to realize interconnection and sharing, and real-time collects and analyzes data on production, warehousing and equipment utilization through equipment connection, station scanning and intelligent sensing. Relying on full-data integration, it drives R&D, testing, manufacturing and operations to deeply transform towards the goals of "digitalization, precision, collaboration and service orientation".

Iterative Upgrade of Precision Equipment

The Company continuously invests in advanced manufacturing equipment, replacing "human uncertainty" with "mechanical determinism" to achieve a comprehensive upgrade of manufacturing processes. In the field of physical error prevention applications, production bases have introduced an integrated system of "electric screwdrivers + foolproof tooling" to realize real-time monitoring and automatic verification of screw torque and quantity. In the field of high-precision process integration, the introduction of high-precision selective welding equipment has significantly improved the welding consistency of core power devices such as IGBTs.

Agile Operations

The synergistic effect of lean management and digitalization has ultimately transformed into an explosive increase in production efficiency and a significant reduction in delivery cycles, providing global customers with more competitive agile responses.

Delivery Capability Optimization

During the reporting period, through full-chain VSM optimization, the factory's production L/T (Lead Time) was shortened by approximately 24%. The efficient operation rhythm enables the Company to respond more agilely to market demands and ensure the time certainty of customers' project construction.

Per Capita Output Improvement

In the SW lean project carried out at the East China Operations Center (Suzhou), through the extreme optimization of processes, the per capita daily output of overseas 1725K cabinets increased by 53%; the per capita output of 215K modules increased by 48.5%. This fully reflects the significant effectiveness of lean manufacturing in releasing production potential.

Enhanced Supply Chain Resilience

The Company has deeply integrated the PLM (Product Lifecycle Management) and SRM (Supplier Relationship Management) systems to realize real-time demand docking and inventory collaboration with suppliers. This has greatly improved the Company's resilience in responding to global supply chain uncertainties.

4.5 Customer Response and Support

Globally Collaborative Response System

Relying on the "global response + local delivery" service network, SINEXCEL is committed to eliminating the limitations of geography and environment on energy services. Through deepening localized operations and reconstructing digital intelligent processes, we have opened up the "last mile" of service reach, built a modern service architecture of centralized acceptance, intelligent scheduling and visual tracking, and achieved a leapfrog improvement in service efficiency.

Expanding the Width and Breadth of the Service System

Global and Local Layout

Relying on overseas warehouses and maintenance centers, we have built a "global response + local delivery" service network. During the reporting period, the Company further deepened the localized layout in Europe, established a European headquarters in Germany and set up a local service team. This not only shortened the spare parts logistics radius, but also achieved "zero-time difference" response to European customers' needs, committing to "rapid response within 1 hour and 7*24-hour all-weather tracking".

Improve the "capillary" network of energy services

In view of the characteristics of new energy projects with wide geographical distribution and remote environments (such as deserts and mountains), we have set up more than 30 direct service stations in China and introduced an agent operation and maintenance network, effectively opening up the capillaries of energy services and ensuring that customers in remote areas enjoy the same quality of power guarantee services.

Guarantee Mechanisms

The essence of digital transformation is the evolution of "people" and "mechanisms". SINEXCEL is committed to building a high-performance digital intelligent talent team with dual capabilities of "business insight" and "technical tackling".

Construction of Digital Talent Ecosystem

The Company has reshaped the IT organizational culture, focusing on cultivating compound experts with both code development capabilities and manufacturing engineering thinking through a dual-drive model of "introducing external experts + empowering internal practical experience". Through job rotation training in key projects, it ensures that human resources realize value multiplication in the process of change.

Operation and Maintenance System and Digital Trust

The Company has introduced ITSM (IT Service Management System) and established an operation and maintenance system complying with international ITIL standards. Through standardized service processes and standardized change management, it ensures the "high availability" of the Company's large-scale digital system, providing stable support for the rapid development of business.

Digital Intelligent Upgrade of Service Efficiency

SINEXCEL is committed to maximizing service efficiency. During the reporting period, through institutional and digital means, we systematically reconstructed the service response system, breaking the previous point-to-point service model relying on a single engineer, and building a modern service architecture of "centralized acceptance, intelligent scheduling and visual tracking", ensuring that the response to customer needs is deterministic and time-sensitive.

Multi-Dimensional Feedback Channels

During the reporting period, the 400 Service and Management Mechanism was officially released and implemented, integrating and establishing a unified 400 customer contact center. This realized the centralized management and standardized acceptance of service requests from multiple channels, solved the problem of information fragmentation, and delivered a professional and unified brand image to customers.

Intensive Contact Center

For diverse service scenarios, the Company has established an integrated response mechanism covering telephone hotlines, mobile APPs, WeChat Work and social media platforms, ensuring that customer inquiries and demands are obtained and responded to in the first place.

Full-Chain Visual Process

Leveraging the "After-sales" digital platform, we have moved the entire process of work order circulation, spare parts allocation and service evaluation online. Customers can check the service progress in real time, and the background system realizes "second-level dispatching" of optimal resources through algorithms, significantly improving the efficiency of fault response and handling.

Full-Process Value Creation

We are committed to creating value for customers at every touchpoint. Through standardized management mechanisms and customized solutions, we improve customers' energy reliability and extend high-quality service standards to every end of the business.

Pre-Sales

Responsible Marketing and Commitments

We strictly follow the principles of business ethics and compliance, adhere to the bottom line of "truthfulness, accuracy and completeness" in product promotion and parameter disclosure (such as energy storage efficiency and charging speed), resolutely put an end to exaggerated publicity and misleading descriptions, and ensure that every investment decision of customers is based on real data.

In-Sales

Customization and Turnkey Projects

In response to the technical challenges of different customers, we provide engineering services from personalized design to full-line turnkey solutions. Whether it is to meet customized needs for specific scenarios or system integration in complex environments, SINEXCEL can provide high-standard solutions to help customers seize market opportunities.

After-Sales

Value Reconstruction of Existing Assets

In addition to conventional operation and maintenance, we actively solve industry challenges through technical means. In response to the early" dilemma of old charger", SINEXCEL launched a full-lifecycle renovation plan, upgrading old low-power facilities to ultra-fast charging facilities, intensively utilizing land resources, and effectively promoting the green upgrading of the industry.

Professionally Driven Quality Services

SINEXCEL deeply understands that excellent services stem from the accumulation of professional capabilities and the closed loop of quality mechanisms. By establishing a strict engineer classification certification system and empowerment training, we have laid a solid bottom line for safe production; at the same time, relying on data-driven closed-loop management of customer complaints, we convert every customer feedback into motivation for continuous optimization, and consolidate market trust with stable professional performance.

Safe and Professional Service Guarantee

SINEXCEL deeply understands that an excellent service experience stems from the accumulation of professional capabilities and the adherence to the bottom line of safety. We are committed to transcending the traditional after-sales boundary and building a two-way drive ecosystem of "endogenous capabilities" and "value sharing".

Strict Technical Certification

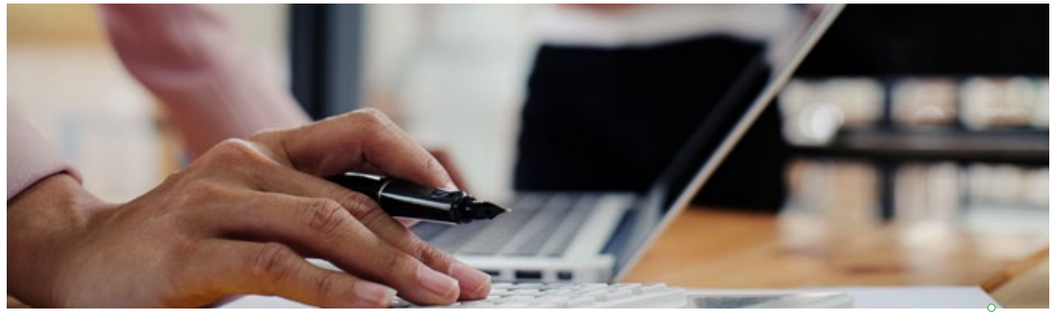
In 2025, the Company issued the Customer Service Center Engineer Rating Standards, establishing a strict technical certification system from junior to senior levels. We grade and manage engineers based on theoretical examinations, practical skills and comprehensive quality, ensuring the professional level and operational standards of the service team, and realizing the standardization of delivery quality.

Safety and Emergency Support

We incorporate "scientific rescue" into the necessary skills of engineers, requiring operators to master basic fire knowledge and first aid skills, ensuring that while ensuring the safe operation of energy facilities, they can effectively respond to on-site emergencies and protect personnel and environmental safety.

Capability Improvement

We regard the improvement of customer capabilities as part of the service. During the reporting period, the Company continued to carry out special empowerment training covering operating specifications, safe operations and maintenance skills for customers, effectively helping customers improve their independent operation and maintenance capabilities and safety levels, and realizing the leap from simple "equipment guarantee" to "capability Improvement".



Driving Continuous Improvement with Customer Experience

SINEXCEL regards customer feedback as the core benchmark for inspecting management effectiveness, and has established a data-driven quality closed-loop mechanism. Through quantitative monitoring and root cause analysis of the entire service process, we ensure that every customer demand can be converted into motivation for service improvement, and consolidate market trust with excellent service performance.

Full-Process Closed-Loop Management of Customer Complaints

In accordance with the "Customer Complaint Handling Process", we implement full-lifecycle management of customer complaints relying on digital systems, and strictly implement the logical closed loop of "problem acceptance - root cause analysis - measure implementation - effect verification". At the same time, through real-time progress tracking and cross-departmental resource coordination, we ensure that all customer complaints are fundamentally resolved within the specified time limit. During the reporting period, the Company's customer complaint handling rate reached 100%.

Service Standardization and Knowledge Iteration

The Company has established a regular service data analysis mechanism, which drives the continuous update and iteration of the "customer service knowledge database". By converting historical cases into standardized knowledge assets, we ensure the consistency and accuracy of technical answers by the global service team, effectively improving the quality of service responses.

Multi-Dimensional Performance Monitoring and Satisfaction Improvement

To continuously optimize the service experience, we have established a daily/weekly key performance indicator (KPI) monitoring system, closely monitoring data such as consultation volume, failure rate and work order completion time, and promptly identifying and handling abnormal fluctuations. We include work order completion quality and maintenance timeliness into quantitative performance appraisal, and take the initiative to conduct customer follow-up visits, converting efficient fault handling capabilities into long-term customer trust in the brand.

2025 Performance

Customer Complaint Handling Rate	Customer Satisfaction
100%	91%

05

Environment

Clean Energy Driving a Low-Carbon Future

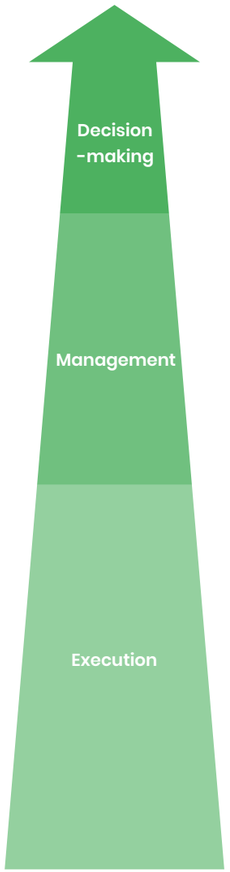
- Climate Action
- Environmental Management and Compliance
- Pollutant and Waste Management
- Energy Efficiency and Resource Optimization
- Life Cycle Environmental Footprint Management

5.1 Climate Action

SINEXCEL firmly believes that actively addressing climate change is an intrinsic driver for realizing our "Energy for All" strategic vision and enhancing long-term operational resilience. We actively align with the systemic frameworks of the Ministry of Finance's Sustainability Disclosure Standards for Enterprises No. 1 — Climate (Trial) and the IFRS Sustainability Disclosure Standard No. 2 — Climate-related Disclosures (IFRS S2). We conduct comprehensive analyses of the impacts of climate risks and opportunities on corporate financial value and the external ecological environment. We strive to objectively and pragmatically outline climate change challenges and response measures across four dimensions—governance, strategy, risk management, and metrics and targets—driving our business transition toward a low-carbon, robust, and sustainable direction.

Governance

SINEXCEL has constructed a climate governance system centered on the Board Strategy and Sustainable Development Committee to systematically advance climate change management from the top down.



The Board of Directors, as the highest decision-making body, is responsible for approving top-level climate strategies and listing "climate change" as a core supervisory issue. The Committee periodically reviews the impact of climate-related risks on the Company's medium- and long-term strategies and actively explores the possibility of incorporating climate Key Performance Indicators (KPIs) into executive compensation mechanisms, striving for the alignment of rights, responsibilities, and benefits.

The Company has established a normalized reporting mechanism. Management regularly reports to the Board on progress in addressing major climate risks such as the EU Carbon Border Adjustment Mechanism (CBAM) and extreme weather. Management is responsible for reviewing climate scenario analysis conclusions and optimizing business layout and resource allocation accordingly, ensuring that identification results of climate-related risks and opportunities effectively serve as a basis for operational decisions. Meanwhile, an execution task force led by the General Manager's Office and coordinated across EHS, supply chain, R&D, and other departments has been clarified to ensure climate risk management is integrated into daily operations.

Various business units (Power Quality, Energy Storage, EV Charger Solution, etc.) have embedded climate risk control into business processes, focusing on product carbon efficiency and zero-carbon factory construction to stimulate the internal drive for all employees to participate in low-carbon transition. Additionally, the Company regularly conducts climate-themed training to enhance employees' professional awareness of the TCFD framework and carbon management. Building on this, the Company systematically carries out annual greenhouse gas (GHG) inventory work to precisely identify emission hotspots and tap into carbon reduction potential. During the reporting period, the Company first launched a Scope 3 GHG inventory covering the entire value chain, deeply analyzing the value chain emission structure to provide data support for collaborative decarbonization and overall climate strategy optimization, continuously driving the dual enhancement of governance capabilities and action effectiveness.

Strategy: Resilient Growth and Green Opportunities

Referring to the requirements of the Task Force on Climate-related Financial Disclosures (TCFD), the Company has formulated a climate action plan covering the entire lifecycle of the industrial chain through systematic identification and assessment.

Risks	Factors	Impact Pathways	Financial Impact	Resilience Measures	Value Chain Impact	Timeline
Physical Risks (Acute)	Extreme weather (Typhoons/Rainstorms/Flooding)	**Asset damage:** Coastal sites in Huizhou/Shenzhen hit by strong typhoons, leading to facility damage or inventory flooding; **Delivery interruption:** Port closures or logistics blockages leading to delays in overseas long-cycle orders; **Supply chain disruption:** Key electronic component suppliers suspended due to disasters.	Increase in fixed asset impairment and inventory write-downs. Delayed revenue recognition due to delivery delays. Potential spikes in contract breach penalties and emergency logistics costs.	Establish Business Continuity Plans (BCP) and optimize multi-site capacity backup mechanisms. Upgrade flood prevention standards for warehouses and workshops, and optimize the layout for precision equipment storage. Establish safety stock levels for key materials during flood seasons. Improve coverage of All-Risks property insurance and business interruption insurance.	Upstream, Own Operations, Downstream	Short-term, Medium-term
Physical Risks (Chronic)	Sustained high temperatures (Average temperature rise)	**Operational burden:** Surge in HVAC loads at production centers, pushing up peak electricity demand; **Product stability:** Outdoor equipment may face heat dissipation challenges under extreme high temperatures, increasing failure rates.	Rise in operational electricity and cooling costs. Increase in after-sales maintenance and component replacement costs. Potential reputational impact due to poor product performance in extreme climates.	Continuously develop high-efficiency heat dissipation and wide-temperature-range adaptation technologies to enhance product weather ability. Introduce more stringent environmental reliability testing standards. Implement energy-saving retrofits in workshops.	Own Operations, Downstream	Medium-term, Long-term
Transition Risks (Policy and Legal)	Carbon pricing and carbon markets (Rising carbon prices)	**Energy cost pass-through:** Power suppliers may transfer carbon costs, leading to higher industrial electricity prices; **Raw material price hikes:** Upstream energy-intensive raw materials like metal structural parts increase prices due to carbon costs.	Increase in direct material costs and manufacturing expenses, squeezing gross margins.	Expand distributed PV installations in factory areas and optimize energy consumption structures. Use digital means to reduce energy consumption per unit of output value to hedge against energy price fluctuations. Monitor upstream material price changes and explore diversified procurement strategies.	Upstream, Own Operations	Short-term, Medium-term

Risks	Factors	Impact Pathways	Financial Impact	Resilience Measures	Value Chain Impact	Timeline
Transition Risks (Policy and Legal)	Trade barriers and compliance (CBAM/New EU Battery Regulation	**Compliance access:** Overseas markets like the EU have increasingly strict requirements for product carbon data disclosure; **Cost competitiveness:** Carbon tariff mechanisms may weaken the price advantage of high-carbon products.	Risk of access restrictions in core overseas markets if compliance lags. Increased expenses for Product Life Cycle Assessment (LCA) and digital system construction to meet compliance requirements.	Focus on carbon footprint verification technologies for core products and accumulate relevant data assets. Explore the establishment of product lifecycle data traceability capabilities to meet future compliance requirements. Integrate eco-design concepts (easy disassembly, recyclability) into the R&D stage.	Downstream, Upstream	Short-term, Medium-term
Transition Risks (Market/ Technology)	Low-carbon technology iteration (Efficiency competition)	**Shift in technical routes:** Market acceleration toward higher efficiency and integration; **Inventory depreciation:** Traditional low-efficiency products face market obsolescence risks.	Sustained high R&D investment required to maintain technical leadership. Inventory write-down risks for old technology products.	Firmly invest in R&D for high-efficiency power electronics to maintain competitive advantages. Adopt modular designs to enhance compatibility for technical iterations. Optimize the make-to-order model and strictly control the age of finished goods inventory.	Own Operations, Downstream	Medium-term
Transition Risks (Market/ Reputation)	Value chain decarbonization pressure (Customer ESG requirements)	**Supplier screening:** Major industry customers like state-owned energy enterprises and large overseas clients list "carbon performance" as a procurement threshold; **Green financing:** ESG ratings may affect the ease of obtaining green credit.	Potential loss of orders if unable to meet core customers' emission reduction requirements. Missed opportunities for preferential interest rates in green finance.	Formulate and disclose internal carbon reduction targets aligned with the Company's development stage. Continuously publish high-quality ESG reports and actively respond to customer demands for carbon data traceability. Gradually guide core suppliers to focus on carbon data management.	Upstream, Downstream, Own Operations	Short-term, Medium-term

Note:
1. To enhance the scientific and forward-looking nature of risk identification, the Company referred to climate scenario logic published by authoritative international agencies as a qualitative judgment benchmark. When assessing transition risks: We referred to the logic of the IEA NZE 2050 (Net Zero Emissions) scenario. Based on the assumption of stricter global carbon policies in this scenario, we identified "EU CBAM compliance" and "customer low-carbon thresholds" as key focus areas. When assessing physical risks: We referred to the risk trends of the IPCC RCP 8.5 (High Emissions) scenario. Based on the assumption of frequent extreme weather in this scenario, we focused on reviewing the defensive resilience of coastal production centers against natural disasters like typhoons and floods. Based on the scenario analysis above, the Company assesses that SINEXCEL's core products (such as high-efficiency PCS and chargers) possess significant strategic adaptability under the IEA NZE 2050 transition scenario; meanwhile, under the RCP 8.5 physical risk scenario, the Company demonstrates strong anti-interference resilience through existing emergency management systems. Additionally, the Company plans to explore the establishment of quantitative climate scenario analysis models as data accumulates.
2. Due to the complexity and long-term nature of climate risk transmission to financial statements, and the current data challenges in obtaining high-precision quantitative data, the Company mainly adopted qualitative analysis during this reporting period, following the "cost-benefit" principle and transitional relief spirits in the Sustainability Disclosure Standards for Enterprises No. 1 — Climate (Trial). This describes the potential impact mechanisms of climate risks on revenue, costs, and assets. The Company is actively conducting governance of climate-related financial data and plans to steadily transition from qualitative description to quantitative calculation as capacity building matures.

Deepening Value Chain Carbon Management and Actively Responding to New International Sustainable Trade Policy

Facing the urgency of global climate change and the strict requirements for Product Carbon Footprint (PCF) set by new international green trade policy such as the EU Carbon Border Adjustment Mechanism (CBAM) and the EU Battery Regulation, SINEXCEL deeply recognizes the strategic significance of building a green and transparent value chain. We are adopting a "step-by-step and dynamic optimization" strategy to proactively enhance carbon management capabilities across the entire lifecycle.

Launching Scope 3 Inventory to Identify Emission Hotspots: In 2025, the Company officially launched a special action for value chain (Scope 3) carbon inventory for the first time. This year, we mainly adopted the "emission factor method" combined with industry average data to conduct preliminary calculations for key links such as upstream procurement and logistics transportation. This initiative helped us successfully identify "GHG emission hotspots" in the value chain, laying a data foundation for subsequent precise value chain reduction strategies and the construction of data management systems.

Conducting Carbon Footprint Pilots: For key businesses exported to the EU, we have selected some core products to conduct Product Carbon Footprint (PCF) verification pilots. Through these pilots, we have initially established a carbon data integration process from raw material traceability to manufacturing and logistics, and established a cross-departmental carbon management collaboration mechanism internally. In the future, we will continue to conduct alignment and verification of GHG emission calculation boundaries and methodologies with the latest international standards and regulations.

We understand that fully meeting high-standard international carbon disclosure requirements is a long-term and continuously optimized process. In the future, SINEXCEL will continue to track the evolution of global climate regulations, striving to transition from "relying on secondary data" to "collecting supplier primary data." We will gradually establish supplier carbon management empowerment mechanisms, working with partners to improve the accuracy and traceability of value chain carbon data, and calmly addressing global green trade challenges with a more competitive low-carbon product system.

Opportunities	Factors	Impact Pathways	Financial Impact	Resilience and Strategic Measures	Value Chain Impact	Timeline
Products and Services/ Market	Acceleration of global electrification (Surge in EV/ESS demand)	**Market expansion:** Global energy transition directly drives demand for PV, storage, and charging equipment, which are SINEXCEL's core tracks; **Scenario integration:** Increased demand for emerging scenarios like integrated energy management and Vehicle-to-Grid/V2G.	Increase in sales volume and global market share of core business segments. Fixed manufacturing expenses diluted by economies of scale, improving gross margins.	Promote integrated energy solutions and increase value per customer. Accelerate the construction of localized sales and service networks in Europe, the US, and emerging markets, launching customized products that meet local standards.	Downstream	Short-term, Medium-term
Resource Efficiency	Digitalization and energy efficiency management	**Cost reduction and efficiency enhancement:** Use digital means for refined management of production energy consumption; **Energy recovery:** Use advanced manufacturing processes to reduce energy loss in production testing.	Decrease in energy consumption per unit of output value, directly reducing manufacturing expenses. Digitalized production scheduling improves inventory turnover.	Promote low-energy testing technologies and explore the feasibility of power recycling. Deepen the application of energy management systems for data-driven energy saving.	Own Operations	Short-term
Energy Source	Green power substitution	**Energy costs management via on-site PV system:** Self-generation and self-consumption of PV power hedges against industrial electricity price fluctuations; **Product premium capability:** Low-carbon attribute products have stronger bargaining power in specific markets.	Reduced expenditure on purchased electricity and avoidance of potential carbon tax costs. Green attributes enhance product added value.	Rely on Huizhou/Suzhou centers to build green low-carbon factory demonstration projects. Monitor green power/Green Electricity Certificate (GEC) trading policies to enhance energy structure cleanliness.	Own Operations, Downstream	Medium-term, Long-term
Resilience	Supply chain diversification	**Bypassing barriers:** Respond to trade restrictions in single markets through global layout; **Delivery resilience:** Flexibly allocate capacity to deal with geopolitical or climate disruptions.	Reduce risk of shutdowns caused by single supply chain interruptions. Optimize global logistics and supply chain cost structures.	Steadily advance the construction of overseas localized service networks and explore diversified capacity layouts. Implement "multi-source" procurement strategies for key strategic materials to ensure supply security.	Upstream, Downstream	Medium-term, Long-term
markets	Policy support and incentives (Subsidies/Tax incentives)	**Demand stimulus:** Subsidies for charging infrastructure and C&I energy storage in various countries directly stimulate terminal demand; **Corporate grants:** Obtain government special grants or tax incentives for high-tech and green manufacturing.	Increased cash flow, direct government grants or tax refunds. Policy subsidies shorten customers' ROI cycles, promoting sales conversion.	Establish a global policy monitoring mechanism to respond quickly to subsidy policy requirements in various countries.	Downstream, Own Operations	Medium-term

Silicon Carbide (SiC) Technology Empowers Low-Carbon Transition for Data Centers

Industry Challenges in Climate Change: Reconciling Computing Power Growth and Decarbonization Goals
With the exponential growth of AI and cloud computing, data centers, as computing infrastructure, are facing severe energy consumption challenges. Global operators must not only meet increasingly strict Power Usage Effectiveness (PUE) compliance requirements but also fulfill their own corporate net-zero commitments. In this context, traditional silicon-based power equipment has reached physical efficiency limits, making it difficult to meet next-generation high-density data center energy efficiency standards. The industry urgently needs to break this bottleneck through innovation in underlying material technology.

Technical Solution: Next-Generation Power Quality Management
SINEXCEL has introduced third-generation semiconductor material—Silicon Carbide (SiC)—into our power quality product line, launching high-efficiency Active Power Filters (APF) and Static Var Generators (SVG). This solution effectively addresses core data center challenges through two key technical advantages:

Breaking Efficiency Limits: Utilizing the low-loss characteristics of SiC devices, the operational efficiency has been successfully increased from the industry average of 97% to 99%, significantly reducing energy waste during power conversion.

Optimizing Space Efficiency: With higher power density and thermal stability, SiC models significantly reduce equipment volume and cooling requirements, effectively helping customers optimize precious White Space utilization in server rooms.

Taking a large data center model (50% load rate) configured with 140,000 KVA transformers as an example, SiC technology can help achieve:

Direct Efficiency Enhancement and Carbon Reduction: Thanks to the 2% efficiency leap, under 24-hour continuous operation, the SiC solution can reduce power loss by approximately 2.397 million kWh per year. This is equivalent to avoiding approximately 1,461 tons of CO_2e GHG emissions annually, strongly supporting customers' decarbonization targets.

Cooling Synergy and Investment Optimization: Reduced heat generation (approx. 456 kW thermal load reduction) directly relieves pressure on the cooling system. This allows operators to streamline HVAC configurations, with an estimated one-time equipment investment saving of 0.9 to 1.5 million RMB, and an additional 1.183 million kWh in cooling power savings annually, effectively lowering the overall PUE.

Lifecycle Cost Advantage: Combining direct electricity savings and cooling energy savings, the solution can reduce operating costs by approximately 2.15 million RMB per year. Furthermore, the high temperature resistance of SiC materials extends component life, reducing annual maintenance costs by 20%-30% and further enhancing infrastructure operational resilience.

Risk Management: Integration into Existing Risk Control System

The Company is gradually incorporating ESG-related topics, including climate change risks, into the overall risk management process. For different levels of climate risks and opportunities, we take management measures matched to their levels, focusing on high-level risks and opportunities and conducting corresponding financial impact analyses to deepen the Company's understanding of high-risk items and test and enhance climate resilience.

Identification and Assessment: The Company has established a four-step closed-loop process of "Identify-Assess-Analyze-Control" (see figure below). Climate risks are quantified and graded across two dimensions: "Probability of Occurrence" and "Impact Level."

Climate Risk and Opportunity Identification, Assessment, and Management Process

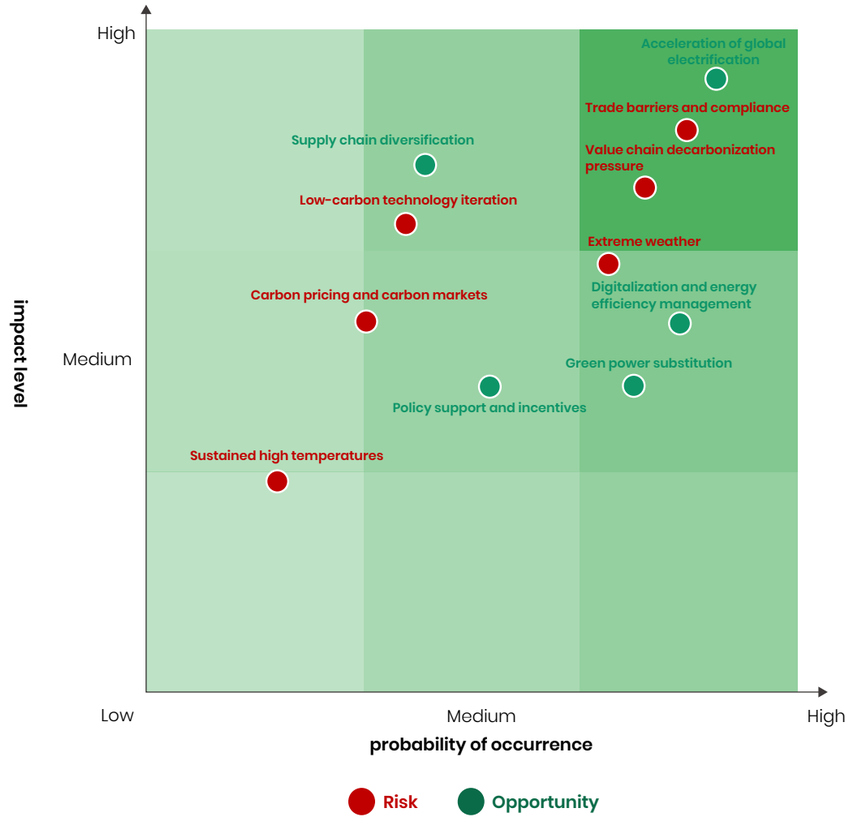
01 **Identify Climate Risks and Opportunities**
Referencing the TCFD framework, systematically identify policy, technology, market, and physical risks through departmental interviews, supply chain surveys, and expert seminars, identifying low-carbon transition opportunities combined with business lines like energy storage and EV charging.

02 **Assess Materiality of Climate Risks and Opportunities**
Adopt a double materiality matrix to quantify and rank identified climate risks and opportunities based on the dimensions of likelihood, impact level, and strategic relevance, defining priority management items.

03 **Conduct Scenario Analysis and Financial Impact Analysis for Material Climate Risks and Opportunities**
Assess potential business and financial impacts for key risks and opportunities, as well as the impact timing and scope.

04 **Formulate Control Measures for Material Climate Risks and Opportunities:**
Based on the financial impacts identified in the previous step, formulate response, mitigation, and adaptation measures, adjusting business strategies or matching appropriate resources.

Based on the identification results of climate risks and opportunities, the Company evaluates each across four dimensions: timeline, value chain impact, impact level, and probability of occurrence. According to questionnaire survey results, the Company classifies climate risks and opportunities into high, medium, and low levels and plots a Climate Risk and Opportunity Materiality Matrix.



Metrics and Targets: Data-Driven Decarbonization Action

Targets

We deeply recognize the profound impact of climate change on industry resilience and have established the climate action target: "Formulate a carbon neutrality roadmap, expand the revenue scale of green energy equipment (charging/storage), and drive low-carbon transition across the value chain."

At the same time, we are actively promoting the formulation of quantitative targets and carbon neutrality pathway with a prudent and pragmatic attitude, aiming to ensure the scientific feasibility of climate action goals through deep data analysis and multi-dimensional scenario simulation. During the reporting period, the Company completed our first GHG inventory covering the entire value chain and systemic identification of climate risks and opportunities, comprehensively grasping the GHG emission baseline and key climate risk exposures of our own operations and value chain.We commit to establishing scientific carbon reduction paths and quantifiable reduction targets based on a solid data foundation as soon as possible, and to building a normalized target tracking and performance review mechanism to regularly evaluate target progress and strategic implementation effects. We will use data to drive continuous optimization of climate action paths, ensuring climate commitments are solidly implemented with observable results.

Performance Indicators

GHG Emissions[1]	Unit	2025 Performance
Total Scope 1 GHG Emissions	tCO_2e	232.76
- Of which: Mobile Source Emissions[2]	tCO_2e	5.38
- Of which: Fugitive Emissions[3]	tCO_2e	227.38
Total Scope 2 GHG Emissions (Location-based)[4]	tCO_2e	10,148.69
Total Scope 2 GHG Emissions (Market-based)[4]	tCO_2e	11,659.70
Total Scope 1 & 2 GHG Emissions (Scope 2 Location-based)	tCO_2e	10,381.45
Total Scope 1 & 2 GHG Emissions (Scope 2 Market-based)	tCO_2e	11,892.47
GHG Emission Intensity (Scope 1 & 2, Scope 2 Location-based)	tCO_2e /Million RMB Revenue	3.00
GHG Emission Intensity (Scope 1 & 2, Scope 2 Market-based)	tCO_2e /Million RMB Revenue	3.43

Note:
1. The statistical scope of GHG emission indicators is within SINEXCEL's operational control, temporarily excluding overseas-registered wholly-owned subsidiaries/sub-subsidiaries. The total GHG emissions in 2025 increased compared to the previous year, mainly because the wholly-owned subsidiary Suzhou SINEXCEL officially went into production in July 2024, and this reporting period covers its full annual production and operation cycle. GHG emission data calculations strictly refer to the ISO 14064-1:2018 standard and the GHG Protocol Corporate Standard.
2. Mobile source emissions mainly come from diesel consumed by on-site diesel forklifts. Mobile source emissions significantly decreased in 2025, mainly due to Huizhou SINEXCEL fully replacing original fuel-powered official vehicles with pure electric vehicles, significantly cutting fossil fuel consumption.
3. Fugitive emissions systematically include refrigerant leakage (R-32, R-410a) from air conditioning and constant temperature/humidity equipment, CO_2 fire extinguishers, septic tanks (CH_4), and other fugitive sources.
4. The grid emission factors adopted for calculating "Location-based" and "Market-based" Scope 2 GHG emissions use the "2023 National Average Grid CO_2 Emission Factor" and "2023 National Average Grid CO_2 Emission Factor (Excluding non-fossil energy electricity from market-based transactions)" published in the Ministry of Ecology and Environment's Announcement (2025 No. 47).

In response to the encouraging guidance of the Climate Standards regarding value chain information disclosure, the Company actively explored identification and statistical methods for value chain emissions this year, completing the Scope 3 GHG data inventory for the first time. Based on the materiality principle and data availability, the Scope 3 emissions disclosed cover: Category 1 Purchased Goods and Services (Partial), Category 2 Purchased Capital Goods, Category 3 Fuel- and Energy-Related Activities, Category 4 Upstream Transportation and Distribution, Category 5 Waste Generated in Operations, Category 6 Business Travel, Category 7 Employee Commuting, Category 8 Upstream Leased Assets, Category 9 Downstream Transportation and Distribution, and Category 13 Downstream Leased Assets.

Addressing the common industry difficulty in obtaining value chain data, we are committed to improving data quality through value chain collaboration mechanisms, planning to improve value chain GHG emission information disclosure in stages and steps based on actual management capabilities.

GHG Emissions	Unit	2025 Performance
Total Scope 3 GHG Emissions[1]	tCO_2e	587,766.81
Category 1 Purchased Goods and services & Category 4 Upstream Transportation and Distribution	tCO_2e	562,389.64
Category 2 capital goods	tCO_2e	14,244.18
Category 3 Fuel- and Energy-Related Activities not included in scope 1 or scope 2	tCO_2e	469.99
Category 5 Waste Generated in Operations	tCO_2e	182.08
Category 6 Business Travel	tCO_2e	2,548.34
Category 7 Employee Commuting	tCO_2e	384.54
Category 8 Upstream Leased Assets	tCO_2e	16.74
Category 9 Downstream Transportation and Distribution	tCO_2e	6,388.89
Category 13 Downstream Leased Assets	tCO_2e	1,142.41

Note:
1. Scope 3 GHG inventory in this report does not yet cover the following categories. Not applicable categories: Processing of Sold Products (Category 10), Franchises (Category 14), Investments (Category 15), as the Company's business does not involve these scenarios. Categories currently lacking calculation conditions: (partial included) Purchased Goods and Services (Category 1), as a complete material statistics system has not yet been established, lacking key data like weights, compositions, and product BOM lists; Use of Sold Products (Category 11), as standardized product use-stage energy consumption logs have not been established; End-of-Life Treatment of Sold Products (Category 12), as the product recycling and reuse log system is still under construction. These categories will be gradually included in calculations as relevant systems mature.

5.2 Environmental Management and Compliance

In SINEXCEL, we define our environmental governance policy as "Green Manufacturing, Symbiotic Prosperity" regarding environmental compliance as the core bottom line of corporate operations. We strictly align with the Environmental Protection Law of the People's Republic of China and the ISO 14001 standard for environmental management systems, constructing a rigorous control system spanning from source evaluation to end-of-pipe monitoring. Through the implementation of a multi-dimensional supervision mechanism, we systematically identify and eliminate potential risks in the operational process, solemnly promising to minimize the footprint of production and operational activities to the greatest extent, ensuring "zero negative impact" on surrounding communities and ecosystems, and achieving the steady integration of corporate value with the regional environment.

During the reporting period, no environmental compliance penalties or major environmental incidents occurred.

Governance Structure and Policy

SINEXCEL profoundly understands that environmental management is the cornerstone of sustainable corporate development. We uphold the environmental policy of "complying with environmental regulations, preventing environmental pollution, conserving resources and energy, and involving all employees in protecting the environment." We strictly abide by the Environmental Protection Law and environmental regulations in the locations where we operate, establishing an environmental governance structure with clear rights and responsibilities. Each production center has established a dedicated EHS team and set up effective control procedures applicable to its own production and operational characteristics based on the site's features. These teams coordinate the setting of environmental targets, compliance evaluations, and daily monitoring to ensure that environmental strategic goals penetrate from the decision-making level to frontline employees.

Environmental Management and Multi-Dimensional Audit

To ensure the effectiveness and transparency of the environmental management system, SINEXCEL has implemented a supervision mechanism of "Internal Audit + External Audit + Customer Inspection," actively accepting verification from all parties. During the reporting period, no major environmental pollution accidents or administrative penalties due to environmental violations occurred.

Source Compliance and Construction Project Management

•We strictly implement the "Three Simultaneities" system (environmental protection facilities are designed, built and put into operation simultaneously with the main project) for environmental protection in construction projects. All new, renovation, and expansion projects complete environmental impact assessments (EIA) before commencement and successfully obtain EIA approvals from government authorities, ensuring environmental legality and compliance from the project's source.

Internal Audit

We have established a dynamic tracking mechanism for environmental laws and regulations. EHS teams at each site regularly identify and update the List of Environmental Laws, Regulations and Applicable Requirements and conduct regular comprehensive compliance evaluations based on this list to ensure that operational activities always meet the latest legal and regulatory requirements. On this basis, the Company organizes qualified teams annually to conduct internal environmental system audits and continuously improves through management reviews.

External Audit

We regularly commission third-party authoritative organizations to conduct compliance testing on the "Three Wastes" (wastewater, waste gas and solid waste) at each manufacturing center, ensuring that pollutant emissions and noise levels meet standards and stricter than national and local requirements. As of the end of the reporting period, the parent Company SINEXCEL and the main production entities, including Huizhou SINEXCEL, Suzhou SINEXCEL, SINEXCEL Renewable Energy, and SINEXCEL Power, have all passed the ISO 14001 environmental management system certification and maintained effective operation.

Customer Inspection

We actively cooperate with and welcome downstream clients to conduct on-site ESG and environmental audits. During the reporting period, the Company successfully passed on-site audits from domestic and overseas customers. While verifying environmental management compliance, this promoted the alignment of management standards with the requirements of world-class enterprises.

Chemical Safety and Environmental Risk Control

SINEXCEL attaches great importance to the safety management of chemicals involved in the production process. We have formulated and strictly implemented the Hazardous Chemicals Safety Management System, establishing a full life-cycle control mechanism from procurement, storage, and use to disposal to strictly prevent environmental risks caused by chemical leaks.

Source Compliance Control	We strictly implement the chemical admission system. Before procurement, supplier qualifications, Material Safety Data Sheets (MSDS), and safety labels ('one sheet and one label') must be reviewed to ensure that the introduced chemicals meet national environmental and safety standards. Strict acceptance procedures are implemented during warehousing to ensure complete packaging and clear labeling.
Standardized Storage	Dedicated chemical explosion-proof cabinets and storage warehouses are set up within the plant area, managed by dedicated personnel and stored by category. We strictly implement measures to 'prevent leakage, prevent loss, and prevent diffusion' in storage areas, equipping them with overflow-proof trays, leakage-adsorbing cotton, and explosion-proof electrical facilities, and implementing strict chemical compatibility isolation storage to cut off environmental pollution hazards at the physical level.
Onsite Safety and Personal Protection	Use areas are equipped with necessary exhaust, ventilation, anti-static, and fire-proof/explosion-proof measures. The Company has established strict personal protection standards, eliminating substance leakage through closed isolation operations and the provision of dedicated labor protection equipment to protect employee occupational health.
Capacity Building and Emergency Response	Personnel in positions involving the storage and use of chemicals must undergo targeted post training and pass the assessment before taking up their posts, ensuring they master standardized operating procedures and emergency response skills. At the same time, the Company regularly conducts special safety inspections to ensure that onsite operating procedures, warning signs, and fire-fighting equipment are maintained in an effective state.

Emergency Management for Sudden Environmental Incidents

We adhere to the principle of "prevention first, constant preparedness," establishing a procedural environmental factor identification and evaluation mechanism to regularly conduct scientific evaluation and graded control of potential environmental impacts in operational activities. Based on these evaluation results, we have established a complete emergency response mechanism for sudden environmental incidents.

Emergency Plans and Drills

Each production center has prepared an emergency plan system including comprehensive plans, special plans (the Special Emergency Plan for Hazardous Waste), and onsite disposal plans (the Onsite Disposal Plan for Hazardous Chemical Leakage Accidents), and completed government filing. We have established an emergency command system including professional functional groups such as onsite rescue, alert and evacuation, and medical aid for potential risk scenarios such as chemical leaks, accidental loss of hazardous waste, and secondary fire pollution. We have clarified graded response processes and disposal measures and regularly organize emergency drills for all employees.

Emergency Supplies and Response

Key areas of the plant have established emergency supply ledgers, equipped with sufficient emergency supplies (such as adsorbent cotton, anti-overflow dikes, eye washers, fire sand, etc.) and maintained them regularly. During the reporting period, the Company had no sudden environmental incidents, and the rapid response capability of the emergency command system was verified in previous drills, ensuring that potential environmental risks are controlled at the nascent stage.

Eco-friendly and Biodiversity Conservation

SINEXCEL strictly follows the principle of "ecology first" in site selection and operation. Although the Company's production and operations are mainly concentrated in well-planned industrial parks and do not involve nature reserves or ecological red line areas, we always pay attention to the potential impact of operations on the surrounding ecosystem. We strictly implement environmental impact assessments in new, renovation, and expansion projects, promising not to damage primary vegetation and habitats, and seeking harmonious coexistence between industrial production and natural ecology.

We promise to strictly abide by the United Nations Convention on Biological Diversity and the ecological protection red lines of the countries where we operate, while committing to reducing the potential indirect impact of the product's full life cycle on the ecosystem through green design and responsible value chain management.

Supply Chain Perspective: Focus on the Ecological Footprint of Raw Materials

We are keenly aware that the extraction and smelting of mineral resources such as copper, aluminum, and lithium required for power electronic equipment, if managed improperly, may cause damage to the biodiversity of the place of origin. Therefore, we extend our biodiversity protection perspective to the upstream value chain:

Responsible Mineral Management: We refer to the OECD guidelines to gradually strengthen due diligence on the upstream mineral supply chain. In addition to focusing on "conflict minerals," we have also begun to monitor whether mining activities involve the destruction of critical biological habitats or lead to serious deforestation, prioritizing suppliers with good environmental performance.

Material Reduction: By improving the energy density and integration efficiency of products, we reduce the consumption of metal resources per unit of power, reducing the pressure on natural resources from the source.

Operating Sites: Adhering to the Principle of Ecological Avoidance

The Company's main production centers and R&D centers are located in planned and mature high-tech industrial development zones or industrial parks. During the site selection and expansion process, we strictly implement environmental impact assessment (EIA) procedures to ensure:

Redline Avoidance: None of the operating sites involve national nature reserves, World Natural Heritage sites, wetland parks, or biodiversity-sensitive areas defined by the IUCN (International Union for Conservation of Nature).

Low-impact Operations: The greenery within the parks utilizes local native plants to reduce the risk of invasive species; through strict management of wastewater, waste gas, and solid waste (see the "Pollutant and Waste Management" section for details), we prevent production waste from polluting the surrounding soil and aquatic ecosystems.

Product Application: Empowering an Eco-friendly Energy Transition

As key infrastructure for the clean energy transition, our products carry an inherent mission to mitigate climate change. We also incorporate ecological considerations into product design, striving to reduce negative impacts on the natural environment through technological innovation:

Intensive Design: We achieve the intensive use of land resources by increasing product power density. High-voltage fast charging systems utilizing liquid cooling and modular stacking technology significantly save equipment installation footprints compared to traditional air-cooling solutions at the same power level. This optimizes customer site construction costs while reducing the pressure on land resource occupancy during project development.

Environmental Safety: We strictly benchmark against EU RoHS and REACH directives during the product design stage to restrict the use of hazardous substances from the source. This ensures that even when equipment operates in complex outdoor environments for the long term or is finally disposed of at the end of its life, the risk of hazardous substance leakage contaminating soil and groundwater is avoided.

5.3 Pollutant and Waste Management

SINEXCEL insists on restraining our operational behavior with a high-standard compliance system, strictly implementing standardized internal procedures such as the Regulations on Management of Three Wastes and Noise, the Solid Waste Management Control Procedure, and the Hazardous Waste Control Procedure, and implementing procedural classification and full-process monitoring for emissions. We adhere to both "source reduction and integrated governance," ensuring 100% compliant disposal of hazardous waste and achieving strict control of pollutants and noise. Relying on regular autonomous monitoring, we ensure that various emission indicators are consistently superior to national and industry standards, and we are committed to steadily improving environmental governance efficiency through continuous operational optimization and technical intervention.

Waste Gas and Noise Management

Waste Gas Treatment

Although the power electronics manufacturing process carried out by the Company belongs to the category of light industry with low environmental impact and very low waste gas generation, we always adhere to the governance principle that "no detail is too small for compliance." We strictly implement the Integrated Emission Standard of Air Pollutants and conduct refined governance of pollutant emissions. For small amounts of process waste gas generated during production, we adopt a full-link control mechanism of "source collection-efficient purification-regular monitoring" to ensure that waste gas treatment facilities are always in the best operating state and that all emission indicators are stably superior to national and local standards.

Welding Fumes

High-efficiency fume collection devices have been fully deployed at wave soldering, reflow soldering, and manual soldering stations. The collected exhaust gas is transported through dedicated pipelines to the purification system, where it undergoes multi-stage filtration before high-altitude discharge, ensuring dual compliance for both workshop air quality and external exhaust emissions.

Coating Exhaust Gas

Regarding the organic exhaust gas generated from the conformal coating process, we focus on identifying and controlling characteristic pollutants such as Non-Methane Hydrocarbons (NMHC) and benzene series. We have established supporting facilities, including smoke and dust filters and two-stage activated carbon adsorption towers, and regularly commission third-party testing agencies to conduct sampling and monitoring of exhaust stacks. Key indicators, such as particulate matter (PM), tin, and its compounds, are superior to national and local emission standards.

Pollutant	Suzhou Operation Center		Huizhou Manufacturing Center		Compliance of Emission Concentration & Rate
	Emission RateEmis	Emission RateEmissi	Emission RateEmissi	Emission RateEmissi	
Low-concentration particulate matter	$2.29*10^{-2}$ kg/h	1.1mg/m³	Below detection limit	<20 mg/m³	Compliant
Volatile Organic Compounds (NMHC)	0.231 kg/h	9.87mg/m³	Below detection limit	0.45 mg/m³	Compliant
Tin and its compounds	N/A	Not detected	N/A	Not detected	Compliant

Noise Management

Although the Company is not a high-noise-emitting enterprise, we still pay attention to the impact of production activities on the surrounding environment. We prioritize the use of low-noise equipment and take silencing measures such as vibration-damping bases and acoustic enclosures for power facilities such as air compressors and fans. Regular factory boundary noise monitoring results show that the Company's day and night noise emissions both meet the requirements of the Emission Standard for Industrial Enterprises Noise at Boundary.

Wastewater Management

Clean at Source

As a result of the Company's clean production process (mainly assembly and testing), SINEXCEL does not generate industrial wastewater containing toxic or hazardous substances during the manufacturing process. We avoid the risk of water pollution from the source and strive to be an environmentally friendly manufacturing enterprise.

Compliant Discharge

We strictly implement the "separation of rainwater and sewage" management system in parks and factory areas. We ensure that the rainwater network and sewage network operate independently and are not cross-connected to prevent sewage overflow from polluting surface runoff. The water pollutants generated by the Company are only domestic sewage from employees. We strictly abide by the water pollutant discharge limit requirements of the operating locations. Domestic sewage is discharged directly into the municipal sewage pipe network and finally transported to the urban sewage treatment plant for centralized harmless treatment, ensuring zero impact on the surrounding water environment.

Waste Management.

According to the principles of "reduction, resource recovery, and harmlessness," the Company has established a full-process closed-loop management mechanism covering waste generation, source classification, standardized storage, to final disposal, striving to minimize the environmental impact of waste.

Hazardous Waste

Life-cycle Compliance Control

The Company has established a systematic hazardous waste management mechanism, covering an end-to-end accountability system from source identification and inventory-based management to terminal disposal.

Classified Collection and Labeling Management: Hazardous waste generated during production and R&D must be collected in suitable containers, with MSDS (Material Safety Data Sheets) and labels attached or hung that match the material composition. All packaging must have accurate, clear, and complete hazardous waste labels, and a strict warehouse entry verification system is implemented.

Standardized Interim Storage Environment: Interim storage sites are equipped with rainproof roofs and seepage-proof floors, supplemented by leakage collection facilities and emergency pools. For hazardous wastes with different properties, physical segregation is implemented, and the mixing of incompatible substances is strictly prohibited.

Safety Access and Responsibility Disclosure: Hazardous waste interim storage areas are managed under lock and key, and unauthorized personnel are strictly prohibited from entering. Pollution prevention responsibility information is posted in prominent positions, clearly identifying generation links, hazardous characteristics, and destinations.

Disposal Vendor Access and Closed-loop Manifests: The Company strictly screens disposal units with corresponding qualifications and dynamically verifies the hazardous waste codes approved in their operation permits. An electronic transfer manifest system for hazardous waste is implemented to ensure that the storage time of hazardous waste in the warehouse generally does not exceed one year, achieving full traceability of the disposal process.

General Industrial Waste

Categorized Reduction and Standardized Disposal

The Company has established a system for the classified collection and ledger management of industrial waste to ensure that the flow of production waste and scrapped assets is clear and compliant.

Process Flow Control: For production waste (such as cathode and anode scraps, metal scraps), packaging materials, and scrapped fixed assets, classified collection and storage are implemented. Dumping solid waste into stormwater or wastewater pipe networks is strictly prohibited.

Resource Recovery Management: Waste materials with recycling value are incorporated into the Company's specialized recovery and treatment system, with dedicated personnel responsible for the daily maintenance and compliant disposal of storage sites.

Domestic Waste

Regular Removal and Environmental Management

The Company has established a domestic waste disposal ledger. Through standardized collection and regular removal mechanisms, it maintains the environment of the plant area and the operational efficiency of auxiliary facilities.

Dynamic Maintenance of Supporting Facilities: Grease traps, septic tanks, and plant stormwater pipes are regularly cleaned and dredged to ensure the effectiveness of pollutant treatment facilities.

Compliant Removal Requirements: Domestic waste is uniformly removed by municipal environmental sanitation agencies, and mixing domestic waste with industrial solid waste or hazardous waste is strictly prohibited.

2025 Performance

Total waste generated	501.5 metric tons
Of which: non-hazardous waste	477.5 metric tons
Of which: hazardous waste	24.0 metric tons
Non-hazardous waste treatment	
Non-hazardous waste diverted from disposal	477.5 metric tons
Of Which: Preparation for re-use	344.4 metric tons
Of Which: Recycling	131.3 metric tons
Of Which: Other recovery operations	1.8 metric tons
Non-hazardous waste sent to disposal	0 metric tons
Hazardous waste treatment	
Hazardous waste diverted from disposal	14.0 metric tons
Hazardous waste sent to disposal	10.0 metric tons
Of which: Incineration (without energy recovery)	10.0 metric tons

5.4 Energy Efficiency and Resource Optimization

SINEXCEL deeply recognizes that the efficient utilization of resources is a critical link in achieving sustainable production and operations. By formulating and strictly implementing the Energy Operation Control Procedure and the Water Resource Management Control Procedure, we are gradually improving resource monitoring and management measures. We use digital means to identify and reduce process losses and actively explore circular utilization models for materials. We strive to reduce resource occupancy per unit of output while achieving steady business growth, aiming for a balance between corporate value and environmental responsibility.

Resource Management Strategies and Goals

SINEXCEL adheres to the resource governance principle of "prudence and pragmatism," committing to maximizing resource utilization efficiency through systematic management and technological innovation.

Resource Management Strategy

The Company anchors our resource strategy on "Green Manufacturing and Efficient Circulation." By constructing a PDCA closed-loop management system, we promote cross-functional collaboration for the synergistic reduction of energy, water, and production materials, aiming to lower the environmental footprint per unit of output and build a low-carbon, robust operational foundation.

Staged Environmental Management Targets

Energy Utilization
Continuously optimize the energy structure, accelerate the substitution of clean energy, and commit to improving energy efficiency through energy-saving technical transformations.

Water Resource Management
Establish and improve water resource risk management mechanisms.

Resource Optimization and Circular Economy
Increase resource recycling and cooperate with the supply chain to promote product ecological design, increasing the use of renewable materials in products and packaging.

Data Empowerment Planning
Advance meticulous metering management of energy and water. By refining the hierarchical and zoned metering system and conducting historical energy baseline accounting, we aim to provide solid data support for setting more scientific and challenging quantitative emission reduction targets.

Energy Management

System-driven and Meticulous Management

We adhere to a "data-driven management" strategy and have constructed a standardized energy governance foundation.

Double System Certification	The Company's headquarters, together with its two manufacturing centers in Huizhou and Suzhou — three core operational entities — have fully implemented and obtained dual certifications for the ISO 50001 and ISO 14064-1. This enables mature and systematic energy and carbon management across the organization.
Meticulous Energy Management	We have established detailed electricity consumption ledgers and implemented a Monthly Electricity Analysis Report system to conduct monthly accounting and provide abnormal warnings for energy fluctuations.
Closed-loop Target Management	Based on the internal Environmental Targets, Indicators, and Programs Control Procedure, we have established a scientific management closed-loop from energy review and target setting to program implementation and performance monitoring, ensuring the effective landing of energy-saving and carbon-reduction targets.

Energy-saving Projects

We strictly follow the "PDCA (Plan-Do-Check-Act)" cycle principle in production and operations, continuously reducing energy consumption intensity through the dual-drive of technical transformation and management optimization. During the reporting period, we deepened our energy review work, accurately identified major energy-using links and improvement opportunities, formulated targeted optimization plans, and continuously monitored and optimized energy performance.

Process Consumption Reduction	**Energy Feedback Technology:** In the product aging test stage, we fully applied "energy feedback electronic load" technology. This technology inverts the electricity generated during testing and feeds it back directly to the plant's power grid, replacing the traditional resistor heating dissipation mode and achieving circular electricity utilization. **Smart Control of Wave Soldering:** Addressing the pain point of high energy consumption in wave soldering preheating at the Suzhou Operation Center, we implemented automatic timed start-stop improvements. By introducing precision timers to replace manual operation, we achieved precise switching for preheating before shifts and complete shutdown after shifts, eliminating standby energy consumption during non-production periods while meeting process requirements.
Efficient Equipment Application	**Efficiency Benchmarks:** In new projects and upgrades of existing facilities, the Company strictly follows green procurement red lines, prioritizing Level 1 energy-efficient transformers and Level 2 or higher energy-efficient air conditioning equipment. By raising the energy efficiency entry threshold for hardware, we have solidified the infrastructure foundation for energy saving and carbon reduction from the source.
Intelligent On-demand Regulation	**Reduce unnecessary energy waste:** We continue to tap into the energy-saving potential of public and auxiliary systems, implementing intelligent variable frequency control modifications based on condition monitoring. Through precise regulation of exhaust system operation strategies, the system can dynamically adjust rotation speeds based on real-time loads, effectively reducing redundant energy consumption while ensuring stable environmental temperatures.

2025 Performance

Diesel Consumption	1,830 Liters
Electricity Consumption	21,054 MWh
Of which: Purchased Electricity	19,127 MWh
Of which: On-site PV Electricity Consumption	1,927 MWh

Intelligent On-demand Ventilation Transformation for Aging Test Process

Aging testing is a critical high-energy-consuming process for ensuring product reliability. Previously, to ensure temperature stability, the aging room exhaust system used a traditional "24-hour fixed-frequency continuous operation," leading to significant invalid energy consumption during non-full load or low-temperature nighttime periods.

To solve this, we implemented intelligent energy-saving technical transformations based on condition monitoring. By integrating real-time temperature sensing and Variable Frequency Drive (VFD) technology, we upgraded the exhaust system to a dynamic "on-demand ventilation" mode. This not only improved temperature control precision but also achieved significant energy savings by eliminating invalid consumption. Data shows that under non-full load conditions, fan energy consumption was significantly reduced, representing a typical practice of meticulous low-carbon management in production processes.

Accelerating Clean Energy Substitution

To reduce reliance on fossil fuels, we actively tap into the space potential of plant areas to build on-site distributed PV electricity generators, continuously increasing the proportion of green electricity in operations.

PV Electricity Consumption
1,927 MWh

Renewable Electricity Proportion
9.15%

Suzhou Operation Center

The green factory concept was implemented at the beginning of the plant's design, incorporating rooftop PV installation into planning. Using a self-investment and self-construction model, the 10,000 m² rooftop PV project was completed. The project is now grid-connected with an installed capacity of 1,282.25 kW and an average annual power generation of approximately 1.55 million kWh, providing stable clean power. Estimated annual electricity cost savings: RMB 1.4 million.

Huizhou Manufacturing Center

SINEXCEL Huizhou is also actively promoting the installation and grid connection of PV facilities. In May 2025, the 790 kW rooftop PV project was completed and put into use, further expanding the Company's clean energy deployment.

Water Resource Management

Water Utilization and Risk Assessment

As a discrete manufacturing enterprise focusing on power electronic equipment, SINEXCEL's production processes mainly involve assembly, commissioning, and testing, making it a non-water-intensive industry.

Water Sources
- 100% of the Company's water comes from municipal supply; there is no groundwater extraction or direct intake from natural water bodies.

Water Quality Monitoring
- The Company conducts annual water quality testing to ensure no industrial wastewater is generated or discharged. Domestic wastewater discharges strictly comply with relevant laws and water source protection area requirements.

Water Consumption Structure
- Water is mainly used for employee domestic use. There are no high-water-consuming processes like industrial cleaning or cooling. Minimal water is used in IP protection rating verification (rainwater tests), for which a circular water system has been established to reuse collected and treated water.

Water Risks
- This year, we used the WRI Aqueduct Water Risk Atlas to quantitatively screen water risks at our Huizhou and Suzhou manufacturing centers, using "Baseline Water Stress" as the core indicator. The assessment shows that water risks will not significantly impact business continuity.

Huizhou Manufacturing Center	**Baseline Water Stress:** shows as "Low or Low-Medium (<20%)" level with sufficient supply and extremely low risk.
Suzhou Operation Center	**Baseline Water Stress:** shows as "Extremely High (>80%)" due to dense industrial activity and population in the Taihu Basin. **Response Strategies:** The Company's production processes focus primarily on assembly and testing, belonging to a non-water-intensive manufacturing model. Water is sourced from the municipal pipe network rather than direct abstraction from surface water, resulting in low sensitivity to fluctuations in regional natural water bodies. For the Suzhou Operation Center, the Company has set stringent water-saving targets. By strengthening internal water conservation and recycling practices, we minimize the occupation of regional water resources. **Conclusion:** Based on comprehensive assessment, despite external water pressure in the Suzhou region, the Company's low water-consumption operational characteristics and effective management measures ensure that water resource risks will not pose a material impact on business continuity.

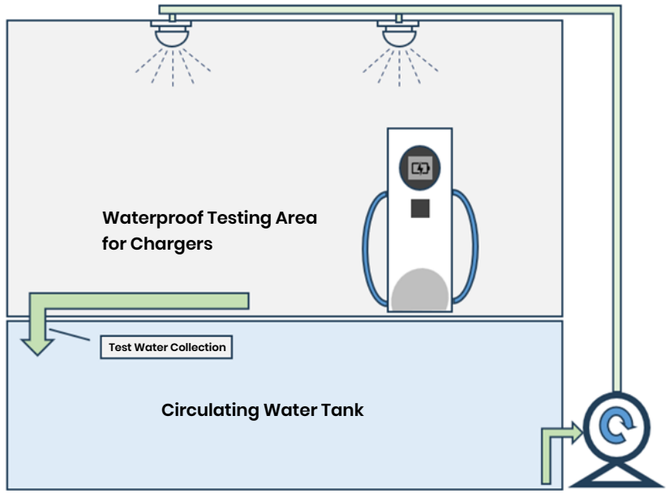
Water Utilization

While the Company is not a high water-consuming enterprise, we remain committed to implementing water-saving initiatives across every aspect of production, testing and daily operations, and strive to protect and cherish water resources through practical actions.

Closed-loop Water Circulation System for Waterproof Testing

Although the water withdrawal for production usage is relatively low, we have integrated the circular economy concept into product durability testing to achieve efficient water resource utilization.

For the IPX6 / IPX7 waterproof rating tests required for outdoor PCS and charging products, SINEXCEL has established a closed-loop water circulation system in line with the principles of resource conservation and recycled utilization. A full collection device for test water is installed under the testing area to gather spray water into a circulating water tank, where water is reused with the support of pumping equipment. While ensuring rigorous waterproof performance verification for products, this system greatly reduces water consumption during the testing process.



2025 Performance

Total Water Withdrawal	47,395 metric tons
Municipal Water Purchase	47,395 metric tons
Water Intensity	13.69 metric tons/million RMB revenue

Resource Optimization and Circular Economy

SINEXCEL actively responds to the circular economy concept, striving to decouple business growth from resource consumption. We adhere to the governance logic of "reduction at source, process lean, and end-of-life recycling."

Materials Reduction

We encourage employees to identify unnecessary losses through the Continuous Improvement Proposals (DCI) mechanism:

Source Process Substitution
Exploring technological improvements to eliminate the use of production auxiliary materials.

Meticulous Specification Control
Reducing redundant raw material consumption by optimizing the precision design of core components.

Process Route Optimization Enables Adhesive Tape-Free Operations

For processes of certain product models that originally required adhesive tape for shielding and protection, the Company has carried out lean improvement initiatives. By phasing out the traditional blind spraying method and redesigning process routes, we have successfully achieved adhesive tape-free operations. This practice directly cuts auxiliary material consumption while delivering a synergistic improvement in production efficiency.

Optimization of Screw Length for End Cable Connectors

The Company has fine-tuned the specifications of connector screws. By optimizing screw length and adjusting the fastening direction, the number of locking thread turns has been effectively reduced. This minor optimization saves approximately 93.9 production hours annually. It reduces redundant material specifications and markedly improves product assembly efficiency.

Exploring the Application of Recycled Material

In response to global demands, we are prudently exploring the application of recycled plastics and renewable metals in non-critical structural components to meet requirements from overseas markets like the EU.

Green Packaging Design

We strictly follow the "3R" (Reduce, Reuse, Recycle) principles. On the premise of ensuring transportation safety and product protection, we minimize the unit consumption of packaging materials.

Structural Reduction	By optimizing the packaging volume utilization rate of core products such as modular PCS, the Company reduces empty container transportation and substantially cuts resource consumption in logistics.
Environmentally Friendly Materials	We implement a plastic reduction strategy to gradually phase out non-degradable foamed materials such as EPS (expanded polystyrene). Priority is given to eco-friendly alternatives including high-strength corrugated board, honeycomb board and renewable wood, to build an inherently green packaging system.

Circular Logistics System

To reduce single-use packaging waste at the source, SINEXCEL vigorously promotes a circular carrier system across supply chain and in-plant logistics, advancing coordinated emission reduction throughout the value chain.

In-plant Closed-loop Circulation
Reusable plastic logistics containers have been fully rolled out to replace traditional cartons, now covering more than 90% of internal material turnover scenarios.

Supplier Collaborative Recycling
Through in-depth cooperation with key suppliers, standardized plastic turnover boxes and reusable blister trays are widely adopted for incoming materials, replacing single-use EPE foam packaging. This measure improves material turnover efficiency, significantly cuts waste generated from inbound deliveries, and establishes a closed-loop waste reduction system at the supply end.

Waste Recycling
For non-reusable single-use packaging materials, such as discarded cartons and damaged wooden pallets from purchased parts, a strict sorting and recycling mechanism has been implemented. 100% of such waste is handed over to qualified recyclers for professional treatment and upcycling as renewable resources. Dumping or mixing with domestic waste is strictly prohibited, ensuring full closed-loop material circulation.

5.5 Life Cycle Environmental Footprint Management

SINEXCEL deeply integrates environmental responsibility into the entire process of product R&D and design, and commits to minimizing product environmental footprints through technological innovation and architecture optimization. Referencing internationally recognized standards, the Company has built a full lifecycle management framework covering eco-design, low-carbon material selection and circular regeneration, striving to develop eco-friendly products that support comprehensive low-carbon transition.

Source: Eco-Design and Access Control

We establish a resource conservation orientation at the initial design stage, and reduce resource consumption through high integration and rigorous compliance management.

Stringent substance control	The Company has formulated an environmental review mechanism covering the upstream supply chain to ensure all components comply with international environmental directives including RoHS and REACH. Suppliers are required to sign a Hazardous Substance Non-Use Declaration during the admission phase, and valid environmental test reports must be provided for raw material warehousing.
Circular material exploration	In raw material selection, we prudently explore the application of recycled materials, actively respond to global market demands for product recyclability, and lower environmental footprints from the source.

Design: Ultra-High Energy Efficiency and Modularization

It is acknowledged that 80% of a product's lifecycle environmental impact is determined at the design stage. Taking ultra-high energy efficiency and easy maintenance as core principles, SINEXCEL maximizes resource utilization efficiency through architectural innovation.

Energy efficiency optimization and lightweight design	Supported by the application of Silicon Carbide (SiC) power devices, the overall equipment operating efficiency has been elevated to 99%, with a filtering efficiency of 97%. Adopting high power density design, the megawatt-level ultra-fast charging system reduces the land occupation per station by 27.8%, cutting manufacturing consumables while saving land resources.
Modular design & resource efficiency	Modular design is fully implemented to enable product miniaturization and facilitate easy disassembly and replacement of key components during maintenance. With independent board-level functional block design, the average replacement time of core modules is shortened to approximately 10 minutes. The easy-to-disassemble and easy-to-maintain design effectively extends equipment service life and avoids resource waste caused by premature scrappage.

Production: Low-Carbon Processes and Internal Energy Circulation

The green manufacturing philosophy is embedded into production processes to maximize the utilization value of every kilowatt-hour of electricity.

Low-carbon production & technological efficiency improvement	Regenerative aging test technology is fully applied to realize closed-loop energy recovery and reuse of power consumed in product testing. Leveraging on-site green energy infrastructure, the Company minimizes carbon premiums in production and improves overall energy efficiency.

Delivery: Responsible Green Operations

Environmental protection standards are embedded in every after-sales link, realizing the value upgrade from conventional installation & maintenance to low-carbon green operation and maintenance.

Compliant environmental disposal	A dedicated Environmental Protection chapter has been added to the newly revised After-Sales Service Procedures, which mandates the classified collection and compliant disposal of waste cables and electronic components generated during maintenance.
Safe operation guarantee	After-sales staff are required to master fire prevention and first-aid skills, with additional emergency rescue regulations formulated. This ensures stable facility operation and mitigates potential environmental risks arising from on-site work.

Application: Empowering Customers' Low-Carbon Transition

SINEXCEL commits to translating green technology R&D into quantifiable environmental value, empowering customers' decarbonization with high-efficiency products and driving the green transition of the entire industrial chain.

Stable clean energy supply

With rigorous testing, our PV, energy storage and charging equipment can operate stably in extreme climates such as high altitude, high humidity and high salt fog, ensuring the accessibility of green energy across diverse regions.

System-wide ultra-high energy efficiency

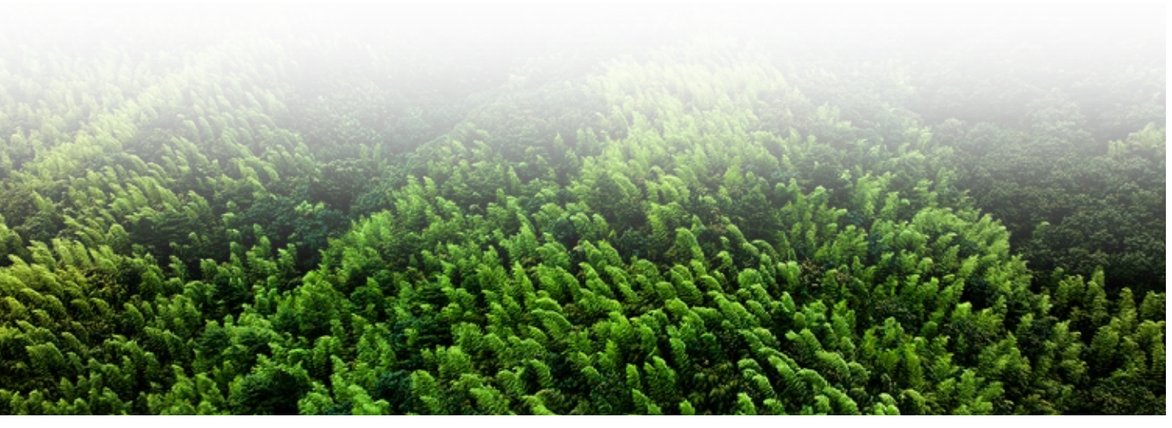
The systematic application of third-generation semiconductor SiC technology in core power quality equipment raises overall operating efficiency to 99%. Reduced equipment heat output further cuts the energy consumption of supporting cooling systems by 20%–30%, achieving systematic energy conservation.

Outstanding low-carbon operation benefits

Advanced energy dispatching algorithms greatly increase the integration ratio of renewable energy in energy storage systems. Simulation calculation shows that each MWh of energy storage application can reduce carbon dioxide emissions by approximately 0.8 tons. In the charging and battery swapping sector, the Tianji series ultra-fast charging stacks adopt a full flexible power pool design, boosting module utilization by 10%, optimizing energy replenishment efficiency and lowering no-load power consumption.

Controlled operational impact

Engineering optimization stabilizes equipment operating noise at around 65dB, and electromagnetic radiation indicators meet Class B standards. While delivering superior performance, our products maintain low interference to surrounding communities and ecosystems.



End-of-Life: Stock Renewal and Circular Layout

For the end stage of the product lifecycle, SINEXCEL adheres to the value continuation concept. With mature stock renewal solutions and forward-looking compliant technical reserves, the Company strives to complete the final link from green manufacturing to circular regeneration.

Outdated charger renewal initiative

Targeting the low-efficiency and high-fault operational challenges of outdated charging stations, the Company launched the outdated charger renewal project during the reporting period. Breaking brand restrictions, we conduct scientific evaluation based on equipment service life, power rating and operating conditions, and provide non-discriminatory recycling services with a residual value recovery ratio of up to 20%. Supporting services including free disassembly, transportation and eco-friendly disposal are also delivered. Replacing inefficient idle chargers with SINEXCEL's new high-efficiency smart equipment helps customers revitalize land and power resources, promotes the green upgrading of social stock assets through trade-in programs, and prevents secondary environmental pollution from waste equipment.

Digital traceability technology reserve

Closely following the legislative progress of battery passports, the Company has launched feasibility research on digital traceability technology for key components. We continuously track recycling policies in key global markets to build a end-of-life product compliant disposal system aligned with business development. By constructing a data model covering material composition, health status and maintenance records, we lay a technical foundation for transparent full-lifecycle product management. Pre-research on echelon utilization and material recycling pathways for retired batteries ensures precise alignment with upcoming regulatory requirements.

Challenges of Outdated Chargers

- **High Failure Rate**
  8–12 failures per month, resulting in downtime losses of RMB 20,000–30,000.
- **Low Power Output**
  120 kW rated power, leading to 20–30 minute queues during peak hours.
- **Challenging Residual Value Monetization**
  Residual value of only 8–10%, leading to asset write-downs of RMB 300,000–500,000.
- **No Eligibility for Government Subsidies**
  Outdated chargers are excluded from the official policy subsidy catalog.
- **Customer Churn**
  30% customer attrition due to complaints about long queues and slow charging speeds.

Chargers Trade-In Solving Core Challenges

Advantages of New Chargers

- **Reduced Failure Rate**
  80% annual reduction in failures, avoiding potential losses of RMB 300,000–400,000.
- **Higher Utilization Rate**
  10% increase in utilization rate; with 160 kW–320 kW output, peak-hour queues drop to 0–10 minutes.
- **Official Recycling & Asset Liquidation Support**
  Transparent residual value, enabling direct monetization and flexible asset disposal.
- **Subsidy Eligibility for New Chargers**
  In some regions, subsidy levels match those for new purchases, maximizing subsidy benefits.
- **Increased Customer Volume& Revenue**
  50% growth in foot traffic, driving incremental annual revenue of RMB 2,000,000–3,000,000.

06

Social

Delivering Energy Value to All

- Employment and Development
- Occupational Health and Safety
- Responsible Supply Chain Management
- Community Engagement and Public Welfare

6.1 Employment and Development

SINEXCEL firmly believes that the sustainable development of the Company cannot be achieved without the dedication of employees, collaboration with partners, and support from society. We are committed to building a highland for diverse and integrated talents, enabling every striver to grow with SINEXCEL.

Foundation of an Inclusive Workplace

SINEXCEL is committed to the "people-oriented" talent strategy, regarding a sound human rights management system as the cornerstone of the steady and long-term development of the Company. We strictly comply with core international labor standards including the Forced Labour Convention, 1930, and have formulated and implemented the Management and Control Procedure for Forced Labor, placing compliant employment as the top priority in operations. On this basis, we strive to build a diverse and equal employment ecosystem. By issuing strict anti-discrimination and anti-harassment policies, we ensure that every employee is treated fairly regardless of gender, race or background, and build a safe, dignified and humanistic development platform for all employees.

Equal Employment and Diversity

SINEXCEL strictly abides by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other laws and regulations, based on which the Company-level Recruitment Management System has been established to create a fair, just and open employment environment. During the reporting period, the Company recruited 754 employees through campus recruitment, social recruitment and other channels. During recruitment, the Company firmly opposes all forms of employment discrimination and ensures that every candidate and employee enjoys equal treatment in recruitment, employment, compensation, promotion and other procedures.

Adherence to fair and impartial recruitment principles

We uphold the basic principles of "open recruitment, fair competition and merit-based employment". In talent selection, we focus on candidates' professional competence, past performance and job matching, and commit not to provide unfair treatment due to non-professional factors such as gender, age, race, color, religious belief, or physical disability (provided that job performance is not affected). To ensure procedural fairness, the system clearly stipulates a strict "relative avoidance policy" to prevent conflicts of interest.

Standardized and rigorous employment procedures

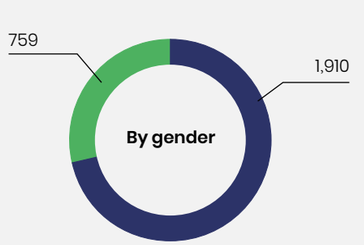
A standard process covering "demand analysis – description release – resume screening – interview evaluation – background investigation – employment approval" has been established. For key positions, a standardized background check mechanism is introduced to verify information authenticity on the premise of respecting privacy, ensuring scientific and rigorous employment decisions. During the reporting period, no confirmed employment discrimination or employment violation incidents occurred in the Company.

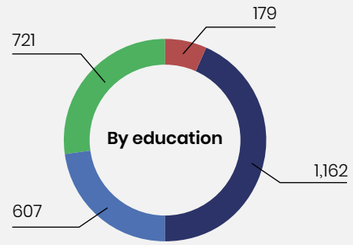
Diversified talent attraction channels

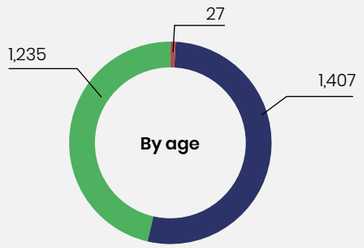
To attract talents with diverse backgrounds, we have built multi-dimensional recruitment channels, including global social recruitment, campus recruitment for innovative vitality, and internal competition for cross-departmental mobility, continuously activating the internal talent pool.

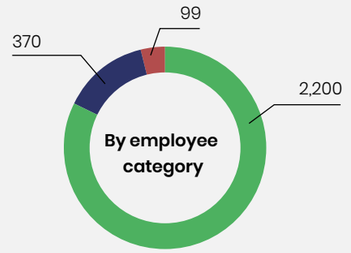
2025 Performance

Total number of employees (persons)*2,669









Percentage of females in senior management 18.98%

*Note: Total number of employees is counted based on labor contract employees. In addition, the Company has 230 dispatched employees and 70 employees of other employment types. The Company provides equal rights and development opportunities for employees of all employment types.

Strict Compliance Bottom Line for Employment

SINEXCEL regards human rights compliance as an operational red line. In accordance with the Management and Control Procedure for Child Labor, Juvenile Workers and Female Employees and the Management and Control Procedure for Forced Labor, we have built an all-round defense system from the source of recruitment to the end of the supply chain, and firmly uphold the bottom line of decent work. During the reporting period, no negative incidents involving child labor, forced labor or other violations of local employment regulations occurred.

Zero tolerance for child labor:

We adhere to open and transparent recruitment principles. In both recruitment and onboarding, strict identity verification and age checks are implemented to ensure all employed employees meet the legal age, eliminating child labor at the source. Meanwhile, a humanistic emergency response mechanism has been established. If child labor is found, the Company will immediately stop the minor's work and will not simply dismiss the minor. Instead, the local labor and social security department will be notified promptly, and proper resettlement and education re-entry plans will be formulated under government guidance to effectively protect the long-term rights and interests of minors.

Elimination of forced labor

We have established an employment relationship with employees based on "two-way choice, equality and voluntariness". Through standardized and transparent procedures, we ensure that employees do not need to pay any entry deposit or fees, creating a "zero-burden" onboarding experience. Meanwhile, we have built an open and inclusive campus ecosystem, fully respecting employees' autonomy in work and living spaces.

Extension of supply chain compliance

We extend social responsibility standards to the upper reaches of the value chain, and explicitly refuse to cooperate with units violating the principle of voluntary employment as subcontractors. The Company conducts regular compliance audits on suppliers. Once forced labor is found, the circuit breaker mechanism will be triggered immediately and cooperation will be terminated.

Fair and Equal Workplace Environment

We strictly align with international standards including the Convention on the Elimination of All Forms of Discrimination against Women, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, and are committed to building a workplace based on respect and dignity.

Promotion of equality and common development: The "equal pay for equal work" policy is strictly implemented to ensure that female employees enjoy equal compensation and career development opportunities. Statutory protection during menstrual, pregnancy, maternity and lactation periods is effectively implemented to safeguard the legitimate rights, interests, physical and mental health of female employees.
Inclusion of vulnerable groups: In accordance with the Convention on the Rights of Persons with Disabilities, necessary barrier-free support and equal employment opportunities are provided for special groups such as persons with disabilities.
Anti-harassment and professional dignity: The Measures for the Administration of Anti-Discrimination, Anti-Harassment and Anti-Abuse has been formulated and issued, with a "zero-tolerance" attitude towards any form of harassment and abuse. Through regular advocacy and training, we strive to create a mutually trusting and supportive team atmosphere and defend the professional dignity of every employee.
Closed-loop appeal protection: Independent appeal channels have been established, and all consultations and appeals are managed with "absolute confidentiality". The Company initiates verification procedures impartially and strictly enforces the "no retaliation" rule. Any intimidation or retaliation against complainants will be seriously dealt with to ensure that employees who speak up are effectively protected.

Employee Rights and Well-being

SINEXCEL advocates the talent philosophy of "co-creating value and sharing achievements", and is committed to building an organizational ecosystem that emphasizes both performance-driven and high care. We have established a scientific value distribution system to ensure that every contribution is fairly rewarded. Meanwhile, we attach great importance to democratic governance and comprehensive well-being. Through smooth dialogue mechanisms and diversified support systems, we protect employees' physical and mental health and professional dignity, enabling every SINEXCEL employee to create value continuously in a pleasant state.

Fair Compensation, Benefits & Rights Protection

On the basis of meeting compliance requirements, we continuously improve employees' economic well-being. While ensuring equal pay for equal work and protecting the basic rights of every employee, we ensure that compensation resources are accurately tilted to high contributors through scientific value evaluation, achieving the unity of internal fairness and external competitiveness.

Equal pay for equal work and employment equality

We actively implement inclusive employment policies. At manufacturing centers in Suzhou, Huizhou and other locations, dispatched personnel are managed under the "equal pay for equal work" standard as regular employees, and are ensured equal access to group resources such as holiday benefits, health examinations and skills training, eliminating employment discrimination.

Living wage and basic protection

The Company strictly implements and exceeds the statutory minimum wage standard. During the reporting period, all employees salaries were higher than the local minimum wage standard, and 99% of employees reached the living wage[1] benchmark. The coverage rate of social insurance and housing fund remained 100%, providing a stable economic safety net for employees.

Diversified compensation system

During the reporting period, the Company introduced professional job value evaluation tools and continuously optimized a dynamic compensation mechanism based on job value, performance contribution and capability improvement. Incentive resources are allocated to front-line staff, key positions, core employees and employees with outstanding contributions. On the basis of ensuring internal fairness, competitive external fairness is achieved to truly reflect employees' market value.

Working hours and overtime management

A strict working hour monitoring and intervention mechanism has been established to timely adjust departments with overtime work, and overtime compensation is paid in full in accordance with the law to effectively protect employees' right to rest and leave. For overtime arrangements due to business needs, the Company implements a management mechanism of "voluntary application and consensus through consultation". Employees are required to fill in the Overtime Application Form to confirm their willingness, ensuring all labor input is based on mutual consensus and statutory return.

[1] The living wage standard refers to the 2025 estimated living wage data for Dongguan (non-first-tier city in the Pearl River Delta), Shenzhen and Suzhou, China, released by the Global Living Wage Coalition (GLWC).

Democratic Communication Channels

To ensure that employees' voices are truly heard and translated into management improvement, the Company has built a multi-level appeal and feedback system with "physical + digital" dual-track parallel operation.

Privacy protection and anonymous appeal: In addition to regular reporting hotlines of the Human Resources Department and Audit Department, a "General Manager Mailbox" is set up in the area without monitoring coverage to protect the privacy of senders; "Suggestion Circle" and "Free Talk Circle" are launched on digital platforms to encourage employees to put forward constructive opinions anonymously.

Closed-loop processing mechanism: A rigorous appeal handling procedure has been established. The Company promises to promptly initiate investigation and verification procedures upon receiving an appeal, and timely inform the parties of the results through email or classified feedback mechanisms, forming a management closed loop of "listening – handling – feedback" to ensure that employees' reasonable demands are substantially resolved.

Satisfaction-driven improvement: During the reporting period, the Company conducted an annual satisfaction survey covering 100% of regular employees. In response to the pain points fed back from the survey, the Company required all departments to set up special improvement teams to continuously optimize management efficiency.

2025 Employee Satisfaction Score 76.3

Employee Care and Well-being

We deeply recognize that employees' health is the potential for the Company's sustainable development. Therefore, we actively implement a care plan covering physical health, psychological support and work-life balance.

Physical and mental health support

A regular health management mechanism has been established, organizing high-standard annual physical examinations for all employees, and carrying out special screenings for positions with occupational health risks.

Work-life balance

The Company has set up various cultural and sports clubs such as badminton and basketball, and regularly holds quarterly employee birthday parties, family open days and festival celebrations. While improving employees' physical fitness, team cohesion is enhanced, enabling employees to gain a sense of belonging and happiness amid intensive work.

Empowerment and Development System

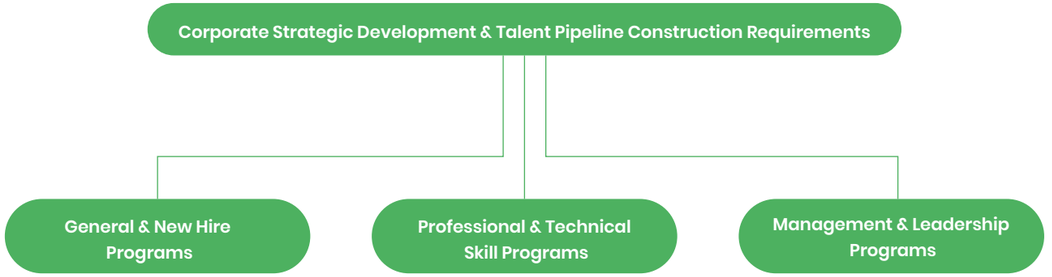
SINEXCEL adheres to the philosophy of "equal opportunities and full talent development", and is committed to enabling every employee to grow within the organization. We have built a career development channel covering all employees and a differentiated empowerment system, ensuring that training resources and assessment mechanisms benefit every striver, achieving full coverage from new employees to leading talents.

Full-Career Growth Support

Relying on SINEXCEL Academy, the Company has built a hierarchical training matrix that horizontally covers all business sequences and vertically runs through the entire career cycle, ensuring that employees at different levels and positions can access precisely matched training opportunities.

Multi-Dimensional Collaborative and Precise Training System

In line with the Company's strategic development and talent construction needs, SINEXCEL has established a three-dimensional all-staff training system characterized by diverse types, multiple initiators and strong pertinence. In terms of content, the system covers three major sections: "General & New Hire", "Professional & Technical Skill" and "Management & Leadership", realizing full-dimensional coverage of employees' capability stacks.



New Employee Onboarding: For new recruits from social and campus channels, a standardized dual-support model of "induction training + mentor system" is implemented. Through corporate culture integration and on-the-job skills coaching, new employees quickly adapt to the working environment and achieve a smooth transition from onboarding to competence.

Professional Development: For all employees in R&D, sales, supply chain and other functions, continuous professional skills training and external learning opportunities are provided. Customized skill certification is implemented for key positions to continuously consolidate the professional foundation of all employees.

Management Advancement: For middle and senior managers, the "Hongyuan Program" (4-month special training for middle-level cadres) and "Executive Advancement" series training are implemented. Through systematic leadership development, the overall management efficiency is improved.

In terms of organizational model, a collaborative mechanism of "HR platform empowerment + business-driven autonomy" is adopted. The Human Resources Department leads cross-departmental general and leadership training, and each business department independently launches practical professional skills training to ensure high training effectiveness. In terms of target positioning, we adhere to the principle of "differentiated empowerment and customized development", providing tailored learning programs for employees at different development stages and functional sequences, from new employee integration to senior strategy improvement, to consolidate organizational capability.

Organization Model

HR Platform Enablement + Business Unit Autonomous Drive

Led by the Human Resources Department: Cross-functional Core Competency & Leadership Development Modules

Initiated Autonomously by Business Units: Professional & Technical Skill Development Modules

Target Audience Segmentation

Tiered & Categorized Training, Precision Delivery

New Hire Onboarding & Integration	Frontline Employee Skill Enhancement	Middle Management Capability Strengthening	Senior Leadership Strategic Capability Advancement

2025 Performance

Annual training investment (RMB 10,000)	128.8
Employee training coverage (%)	100
Total employee training hours (hours)	18,613
By training category:	
Total hours of leadership training (hours)	2,306
Total hours of functional training (hours)	12,251
Total hours of professional competence training (hours)	4,056
Number of employee training (sessions)	303
By training category:	
Leadership training (sessions)	42
Functional training (sessions)	176
Professional training (sessions)	85
Average training hours per employee (hours/person)	7.81
By employee category:	
Average training hours for non-management (hours/person)	7.25
Average training hours for junior management (hours/person)	10.33
Average training hours for middle management (hours/person)	14.25
Average training hours for senior management (hours/person)	13.87
By gender:	
Average training hours for male employees (hours/person)	7.7
Average training hours for female employees (hours/person)	7.9

Unimpeded Career Development for All Employees

To break the career development ceiling, the Company has established a dual-channel growth path of "management + professional", and built a standardized qualification system for core sequences such as R&D and sales. We adhere to fair and impartial promotion principles, and the annual promotion window is open to all eligible employees. During the reporting period, the Company organized annual rank promotion reviews covering all sequences. Through rigorous defense and review procedures, a large number of outstanding talents from different positions achieved rank progression and value realization.

Full-Coverage Performance and Feedback Mechanism

At SINEXCEL, performance management is regarded not only as an evaluation tool but also as a "growth compass" to help every employee improve continuously.

Full-coverage Performance Appraisal	A regular all-staff performance management system has been established. Quarterly performance commitments are issued to all active employees, and quarterly performance tracking and evaluation are conducted to ensure clear evaluation standards for every work output.
Full-cycle Feedback and Coaching	"Performance interview" is set as a compulsory course for managers, requiring superiors to conduct in-depth communication with employees during the assessment cycle and feedback improvement suggestions. Meanwhile, combined with annual organizational efficiency review, the Company focuses on each employee's personal development plan. Through a benign closed loop of "evaluation – feedback – improvement", the Company drives the simultaneous improvement of all employees' performance and capabilities.

Talent Dynamic Optimization Driven by Global Vision

To support the Company's globalization strategy, we have broken organizational barriers and built a flexible internal mobility and dynamic evaluation mechanism. During the reporting period, the Company actively promoted cross-regional and cross-functional talent allocation, not only supporting employees to transfer internally based on willingness, but also launching a global talent deployment program. Outstanding regional and channel managers were selected to overseas markets to broaden their international vision in practice. Through quarterly performance commitment tracking and annual organizational efficiency review, dynamic matching between talent resources and business needs is realized to ensure continuous activation of the organization's endogenous impetus.

6.2 Occupational Health and Safety

SINEXCEL regards "safety development" as the cornerstone of our steady and long-term development. The Company abides by the Work Safety Law of the People's Republic of China and international labor standards, and has established an occupational health and safety (OHS) management system built on the ISO 45001 framework. Through the dual-prevention mechanism of "hierarchical risk control" and "hidden danger investigation and governance", the Company moves safety defenses forward and normalizes risk prevention. Meanwhile, SINEXCEL is committed to strengthening organizational resilience and empowering all employees with safety capabilities, building a reliable and caring safe working environment for every employee.

Occupational Health and Safety Management System

Adhering to the core concept of safety development, SINEXCEL complies with the Work Safety Law of the People's Republic of China and international labor standards. Taking ISO 45001 as the core framework and combining the operational characteristics of multi-base manufacturing, the Company strives to establish a compliant and sound occupational health and safety management system.

System Governance and Coverage

SINEXCEL implements a dual-governance structure featuring "refined local governance" and "cross-regional collaboration". Anchored by international standards, the Company builds a physical OHS management system tailored to the business attributes of each base. As of the end of the reporting period, five operating entities (SINEXCEL and its four major manufacturing entities: Huizhou SINEXCEL, SINEXCEL Power, Suzhou SINEXCEL, SINEXCEL Renewable Energy) maintain valid ISO 45001 certification, achieving 100% coverage of major operating entities. On this basis, the Company continuously improves top-level design at the group level, enhances cross-regional policy coordination, standard alignment and performance benchmarking, ensuring consistency and efficiency across business units.

Operation Mechanism and Resource Allocation

The Company achieves dynamic operation through procedural governance and dedicated resource allocation to ensure closed-loop risk control and continuous improvement.

Procedural Governance and Monitoring Closed Loop

Rigorous procedural documents are established to ensure effective system operation. In accordance with the Environmental and Occupational Health and Safety Monitoring and Measurement Control Procedure, all manufacturing centers maintain regular mechanisms to identify key performance indicators (KPIs), equipment operation status and workplace environmental factors, and conduct regular measurement and evaluation to ensure accurate implementation of risk control measures.

Compliance Evaluation and Continuous Improvement

Led by the on-site EHS professional team, at least one comprehensive legal compliance evaluation is conducted annually to dynamically track changes in laws and standards and verify compliance of management activities. The Company continuously drives iteration of the management system to ensure OHS practices always comply with national laws, regulations and industry standards.

Resource Investment

Sustained support is provided for resources required for work safety. The Company carries out intrinsic safety renovation of production facilities, upgrades of intelligent security systems and renewal of personal protective equipment (PPE), laying a solid material foundation for efficient system operation.

Stakeholder Management

The Company extends the concept of safety development to stakeholders and includes on-site contractors in the OHS management scope of all operating entities. In accordance with the standardized Contractor EHS Management Procedure, each base implements a full life-cycle closed-loop mechanism covering qualification access review, operation process control (agreement signing, factory entry training, on-site supervision) and performance-based withdrawal to control external operation risks.

Strict Access Review

In strict accordance with the Contractor EHS Management Procedure, a qualification review system is applied to contractors. Before cooperation, key reviews are conducted on work safety licenses, relevant qualification certificates and safety performance records of the past three years to ensure qualified partners.

Enhanced Operation Process Control

Before entering the factory, contractors must sign a safety management agreement to clarify bilateral safety responsibilities. Strict management is imposed on construction sites; contractors are required to deploy qualified safety managers, implement safety training, and strictly abide by the factory's safety regulations and operating procedures.

Performance Assessment and Withdrawal Mechanism

Dynamic assessment of contractors' EHS performance is conducted during and after project implementation. Assessment results are directly linked to subsequent cooperation eligibility; underperforming contractors are eliminated to drive continuous improvement of their safety management.

2025 Performance

Total Recordable Incident Rate*	0.16
Number of Employee Fatalities Due to Work-related Causes	0
Days of Work Lost Due to Injury	15
Number of Employees Diagnosed with Occupational Diseases	0
Number of Injured Employees	4
Number of Work-related Incidents	3
Number of Major Safety Accidents	0

*Note:
Total Recordable Incident Rate = (Number of recordable occupational incidents/ Total working hours of all employees)×200,000

Work Safety Risk and Hidden Danger Governance

SINEXCEL fully implements the dual-prevention mechanism of "hierarchical risk control" and "hidden danger investigation and governance", adopting a proactive risk management strategy to eliminate hidden dangers before they evolve into accidents.

Hierarchical Risk Control

Visual safety risk management: A four-color safety risk spatial distribution map (red, orange, yellow, blue) is applied for visual management. Typical risks including fire and explosion, mechanical injury, electric shock, vehicle injury and falling from height are classified and controlled, with key monitoring of high-risk areas.
Key factor control: Detailed ledgers are established for special equipment to dynamically manage serial numbers, models, registration codes, inspection validity periods and responsible departments, ensuring all special equipment operate safely within validity periods. Strict certification requirements are enforced for key positions such as forklift drivers and safety administrators, with early warning for expiring certificates to ensure valid operation qualifications.

Hidden Danger Investigation and Governance

Hidden danger identification and investigation: The Gemba Walk mechanism is introduced to organize management to conduct front-line safety inspections. During the reporting period, Huizhou and Suzhou factories carried out special inspections on hazardous operations, factory-wide fire hazard investigation and hazardous chemical warehouse inspections via comprehensive and special checks to identify potential hidden dangers in a timely manner. A hidden danger ledger is established to ensure closed-loop implementation of corrective measures and stable, controlled production operations.
Dynamic monitoring and early warning: In accordance with the Monitoring and Measurement Control Procedure, key performance parameters and operation control indicators are continuously monitored to detect abnormal trends and take corrective and preventive actions, realizing dynamic closed-loop management of safety risks.

Occupational Health and Workplace Environment Management

The Company deeply understands that employee health is a critical corporate asset. Based on the closed-loop logic of "source identification, process monitoring and terminal supervision", the Company is committed to controlling industrial hygiene risks in the workplace and eliminating occupational diseases.

Comprehensive identification: In accordance with the Environmental and Occupational Health and Safety Monitoring and Measurement Control Procedure, the Company establish a mechanism to fully identify various occupational hazard factors that may exist in operational activities, including but not limited to noise, dust, volatile chemicals, high-temperature radiation and other physical and chemical factors.

Dynamic update: The list of occupational hazard factors is updated in a timely manner along with process changes, introduction of new materials or commissioning of new equipment to ensure comprehensiveness and timeliness of risk identification.

Scientific monitoring: A detailed annual monitoring plan is formulated for identified occupational hazard factors, clarifying monitoring points, sampling objects, monitoring frequency and methods.

Professional evaluation: A qualified third-party institution is entrusted annually to conduct on-site testing and evaluation of exposure limits of occupational hazard factors in strict accordance with relevant national standards and specifications. Based on the Current Situation Evaluation Report on Occupational Hazards, the Company accurately assesses employees' occupational exposure levels and compliance status, verifying the effectiveness of control measures.

Full-cycle (pre-job, on-job & off-job) occupational health examination system: One-file health surveillance archives are established for each employee. During the reporting period, the physical examination coverage rate for employees in positions exposed to occupational hazards reached 100%, and no confirmed occupational disease cases occurred. Meanwhile, the Company provides a reliable health protection line for employees through dual coverage of work injury insurance and work safety liability insurance.

2025 Performance

Coverage rate of physical examination for employees in occupational disease risk positions (%)	100
Coverage rate of work-related injury insurance and safety production liability insurance for personnel in occupational disease risk positions (%)	100
Investment in employee occupational health and safety (RMB 10,000)	33

Proactive Upgrading of Production Auxiliaries to Continuously Optimize Workplace Environment Safety

SINEXCEL always adheres to the OHS strategy of "prevention first, continuous improvement". During the reporting period, the Company launched a special improvement plan to upgrade auxiliary chemicals used in production, further enhancing the safety and health standards of the workplace.

In response to flammability and volatilization risks of traditional industrial alcohol and cleaning agents, the Company fully introduced non-toxic, non-flammable new environmentally friendly cleaning agents. After rigorous process verification and full-line replacement, the upgrade achieved multi-dimensional improvements:

Higher intrinsic safety: The non-flammable property of new materials further reduces potential fire risks on site and improves the safety redundancy of overall safety management.

Friendlier workplace environment: The use of new materials significantly reduces on-site odors and volatiles, creating a more comfortable and healthy working environment for employees.

More significant benefits: The upgraded materials are more environmentally friendly and efficient, delivering better economy and sustainability in usage cost and waste liquid treatment.

Safety Emergency Management

Adhering to the principle of "safety first, prevention foremost", SINEXCEL regards emergency response and business continuity management under extreme conditions as a cornerstone of steady operation. The Company has built a group-wide emergency management system to enhance organizational resilience, ensuring rapid and effective response to emergencies to protect employees' lives and corporate property to the maximum extent.

Emergency Governance Structure

In accordance with the Emergency Plan and Disaster Recovery Control Procedure, the Company has established a top-down emergency command and decision-making system. Senior management bears ultimate responsibility for responding to major emergencies.

All major manufacturing centers have established a detailed Production Safety Accident Emergency Plan system, clarifying responsibilities of emergency team members and the early warning information release process. Professional division of labor ensures full-chain coverage from front-line disposal to rear support, realizing orderly coordination of emergency response.

Hierarchical Response Mechanism

Based on a comprehensive assessment of potential risks to business operations, the Company has established a scientific hierarchical early warning and response mechanism. Corresponding command levels and resource allocation strategies are matched for emergencies of different levels to ensure pertinence and effectiveness of emergency response actions.

Resource Support

The Company is committed to improving grassroots emergency practical capabilities. All major production and operation sites have set up part-time emergency rescue teams with professional training. Necessary emergency rescue equipment and supplies are allocated and regularly maintained as needed to ensure rapid response and effective disposal when critical.

Regular Drills and Continuous Improvement

The Company takes practical drills as an important way to test the effectiveness of the emergency system and enhance organizational resilience. Detailed special emergency plans and on-site disposal plans are formulated for specific risk scenarios such as fire and explosion, hazardous chemical leakage, mechanical injury and electric shock accidents.
During the reporting period, all operating entities carried out various special and comprehensive emergency drills on a regular basis based on their major risk scenarios. The operability of plans is verified through tabletop exercises and practical drills. The Company attaches great importance to review and evaluation after drills, continuously optimizes the plan system, improves the collaborative combat capability of emergency teams and self-rescue and mutual-rescue skills of all employees, forming a benign closed loop for emergency capability improvement.

Safety Culture Development

SINEXCEL firmly believes that high-level safety performance stems from improved safety awareness and capability of all employees. The Company takes safety training as the cornerstone of building safety defenses, adheres to the principle of "prevention first, education foremost", and strives to build a safety culture featuring continuous learning and full participation.

Institutionalized Safety Training System

To ensure standardized and regular safety education, the Company has formulated and strictly implemented the Safety Education and Training System. The system clarifies safety training responsibilities, content, hour requirements and assessment mechanisms for managers at all levels and ordinary employees, providing solid institutional support for building a full-coverage, multi-level safety training system. The Company adopts an "annual plan operation mode": at the beginning of each year, a detailed EHS annual training and education plan is formulated based on legal requirements, risk identification results and post skill needs, ensuring targeted, planned and step-by-step training implementation.

Hierarchical and Classified Precise Empowerment

Differentiated training courses are designed for employees at different levels and positions to achieve precise empowerment:

Three-level Safety Education for New Employees

The three-level safety education system (factory level, workshop level, team level) is strictly implemented. New employees must complete required safety training hours and pass assessment before taking posts, ensuring they fully understand potential risks and basic safety operating procedures before entering the workplace.

Regular Safety Education for All Employees

For on-the-job employees, regular training is conducted on updated laws and regulations, accident case warnings, occupational health protection, emergency escape skills and other general safety knowledge to continuously consolidate and improve safety awareness and self-protection capabilities of all staff.

Special Training for Key Positions

Targeted professional skill training is organized for high-risk operation fields. For key positions such as special equipment operators (forklift drivers, electricians), chemical administrators and first responders, systematic professional knowledge and practical skill training is provided to ensure they hold certificates and meet post safety requirements.

Safety Leadership Training for Management

The Company attaches importance to improving safety performance capabilities of managers at all levels, regularly organizing special training on work safety responsibility systems and risk management methodologies to strengthen the management's awareness of "business management must include safety management" and leadership.

To improve training effectiveness, the Company abandons a single preaching model and adopts diversified teaching methods combining online and offline, theory and practice:

Online Learning Platform

A digital learning platform is used to push safety micro-courses and video materials, allowing employees to study independently using fragmented time and improving training flexibility and coverage.

Offline Practical Drills

Combined with actual production, various practical drills and on-site teaching are actively carried out. Regular all-staff fire fighting drills, mechanical injury emergency disposal, electric shock first aid, hazardous chemical leakage disposal and other special drills are organized to help employees master key emergency skills in simulated practice.

Interactive Safety Activities

Through themed activities such as "Work Safety Month", safety knowledge competitions and safety hazard investigation contests, employees' enthusiasm for participating in safety management is stimulated, creating a strong safety culture atmosphere.

Full Coverage of Safety Training

During the reporting period, the Company continuously increased investment in safety training to ensure high-quality implementation of training plans. Through strict attendance and assessment mechanisms, training effectiveness is tracked and evaluated to ensure every employee truly masters necessary safety knowledge and skills. The Company achieved 100% full coverage of occupational health and safety training during the reporting period.

6.3 Responsible Supply Chain Management

SINEXCEL regards the supply chain as a critical asset safeguarding global business continuity and core competitiveness. The Company implements refined governance covering the full supplier lifecycle, takes the Supplier Code of Conduct as the contractual anchor, and embeds ESG compliance requirements into the entire value chain. We are committed not only to managing environmental and social risks but also to actively promoting low-carbon collaboration, jointly building a safe, responsible and sustainable supply ecosystem with partners.

Supply Chain Management Strategy

Adhering to the supply chain philosophy of "Responsible Sourcing & Resilient Partnership", SINEXCEL strives to build a compliant, green and stable supply ecosystem. The Company views the supply chain as the "Secondary Production System" for sustainable development and a solid backing for product quality and delivery capability, committed to transforming supply chain management from a traditional delivery relationship into an ecological force for collaborative value creation.

Strategic Guidelines: The Company integrates ESG principles into the entire procurement process. By formulating the Supplier Code of Conduct, we clearly require all partners to meet SINEXCEL's compliance standards in environmental protection, labor rights, business ethics and other aspects.

Management Objectives: The Company has set clear strategic objectives for supply chain sustainability, taking ESG requirements such as environmental compliance and labor rights as mandatory constraints for supplier access, and targeting "100% signing rate of the Supplier Code of Conduct by 2026". We hope to share opportunities with upstream and downstream partners and ensure a sustained and stable supply of high-quality green products through close collaboration.

Risk Identification Procedures: To ensure the healthy operation of the supply chain, SINEXCEL has established a proactive risk management mechanism to identify and resolve potential supply chain issues at an early stage. Based on material attributes and industry characteristics, the Company carefully reviews potential supply chain risks from three dimensions: "Business Ethics, Labor Rights and Environmental Compliance", and clearly defines these three red-line areas in the Supplier Code of Conduct, ensuring that all partners fully understand SINEXCEL's ESG standards at the beginning of cooperation.

Three Red-Line Areas for Suppliers

Business Ethics
Zero tolerance for corruption and bribery in any form

Labor Rights
Zero tolerance for child labor and forced labor; protection of freedom of association

Environmental Compliance
Minimization of pollution

2025 Performance

In 2025, the Company accelerated the signing of the Supplier Code of Conduct through institutional guidance and regular communication. During the reporting period, the coverage rate of supplier agreement signing rose sharply from 24.70% in 2024 to 94.70%.

Total Number of Suppliers
910

Percentage of Suppliers Who Signed the Supplier Code of Conduct
94.70%

Full Supplier Lifecycle Management

SINEXCEL has established a rigorous supplier management system. We strictly control supplier access and focus on helping suppliers continuously improve management capabilities through "promoting improvement via evaluation" during cooperation to ensure the competitiveness and sustainability of the supply chain.

Strict Screening & Access

ESG performance is regarded as a key indicator to measure partners' long-term development capability in the supplier introduction stage.

- **One-Vote Veto:** In addition to technology and cost, priority is given to partners with consistent values and sound management systems to ensure a healthy supply chain foundation from the source. Enterprises involved in corruption, bribery, child labor or serious environmental violations are subject to one-vote veto.
- **Commitment Signing:** As a precondition for access, new suppliers are required to sign the Supplier Social Responsibility Commitment Letter to establish a compliance contract.

Dynamic Performance Review & Empowerment

Quarterly/annual performance reviews are implemented. For key partners, the Company adopts transparent and practical methods for in-depth control:

- **Self-Assessment Questionnaire:** Suppliers are invited to complete the Social Responsibility Questionnaire for comprehensive evaluation from four dimensions: quality, delivery, cost and social responsibility, helping them conduct self-inspection and review their current ESG management status.
- **On-Site Audit:** Combined with annual quality visits, regular on-site audits are conducted to verify partners' actual performance in environmental investment, workshop safety and employment compliance. During the reporting period, the Company completed on-site audits of 46 core suppliers, focusing on environmental compliance and labor rights protection. Through communication and guidance, potential risks were resolved jointly to ensure continuous compliance with SINEXCEL's quality and standards.
- **Penetration Management:** The Company emphasizes extended responsibility in the supply chain, requiring tier-1 suppliers to commit to "using reasonable efforts to oblige their upstream suppliers to also comply with this Code", so as to improve compliance across the entire industrial chain.

Exit & Blacklist Mechanism

For underperforming or non-compliant suppliers, strict rectification procedures are implemented with guidance and effect tracking. For those violating compliance bottom lines with no intention to improve, the elimination and blacklist mechanism is firmly activated to maintain a healthy and dynamic supply chain ecosystem.

2025 Performance

Number of New Suppliers	Percentage of New Suppliers Screened Using Environmental Standards	Percentage of New Suppliers Screened Using Social Standards
230	100%	100%

Resilience and Empowerment

Low-Carbon Transformation and Traceability of the Supply Chain

Facing climate change challenges, SINEXCEL understands that comprehensive green transformation can only be achieved together with supply chain partners. Therefore, the Company actively formulates a supply chain carbon management strategy and is launching the "Green Supply Chain Collaboration Program" to gradually carry out life cycle assessment (LCA) and carbon footprint accounting for core products. In the future, we will open up the carbon data link of the upstream supply chain, collaborate with core suppliers to explore low-carbon material substitution and manufacturing process optimization, improve the transparency and traceability of supply chain carbon data, and provide cleaner and more environmentally friendly energy solutions for customers.

Localization Layout and Diversified Supply

To ensure more robust delivery security, the Company implements a pragmatic "localization priority" procurement strategy. Under equal conditions, priority is given to local procurement to shorten logistics distances. This not only improves response speed but also effectively reduces greenhouse gas emissions from transportation, achieving a win-win situation for economic and environmental benefits. In 2025, the Company continued to develop and cultivate high-quality local supply resources. During the reporting period, the Company procured from 491 local suppliers, accounting for 54% of the total supplier base. Meanwhile, to mitigate single-source risks, the Company implements a "dual-source or multi-source procurement guarantee mechanism" for key components and core materials, ensuring a continuous and stable supply chain amid external uncertainties.

Responsible Mineral Sourcing

SINEXCEL pays close attention to human rights and ethical issues in raw material extraction. Although the Company does not directly purchase mineral resources, we recognize the ethical responsibility behind every gram of raw materials. The Company highly focuses on the sources of key metals such as tin, tantalum, tungsten and gold (3TG) in raw materials including electronic components, and solemnly commits to avoiding the use of conflict minerals.
On this basis, the Company will gradually improve the traceability mechanism with reference to the OECD Due Diligence Guidance, and guide relevant suppliers to conduct smelter traceability surveys to jointly maintain the ethical standards of the supply chain.

6.4 Community Engagement and Public Welfare

Guided by the responsibility philosophy of "Rooted in Society, Giving Back to Society", SINEXCEL focuses on four core dimensions of responsibility: Education, Environment, Development and Health, and has built a four-in-one social value co-creation system. Driven by technological innovation and bonded by volunteerism, we are committed to bringing the warmth of energy to a wider group of people. Relying on the sustainable development vision of "Energy for All", the Company is translating our philosophy into tangible influence, empowering community development through multi-party collaboration, and shaping a more inclusive future.

Education: Empowering and Cultivating Innovation Talents

SINEXCEL deeply understands that education is a long-term engine driving energy transformation. We extend "Energy for All" to knowledge dissemination, and are committed to reserving innovative strength for a sustainable future by empowering diverse groups with energy literacy.

Industry-University-Research Collaboration to Unlock the Code of Power Quality

To address the talent gap in the construction of a new power system, SINEXCEL has deepened industry-university-research cooperation with Sichuan University and other institutions. In June 2025, the Company's expert team visited the campus of Sichuan University to deliver technical lectures, bringing engineering practice, policy evolution and new career paths such as Power Quality Administrator into the classroom. By opening internships for technical positions and joint training channels, we have narrowed the gap between theory and practice, and consolidated the professional talent foundation for the high-quality development of the industry.

Industry-Education Collaboration Empowers New Forms of Low-Altitude Economy and Drives Breakthroughs in Grid-Forming Energy Storage Technology

SINEXCEL is committed to promoting the transformation and application of cutting-edge power electronics technology in the livelihood service system through a dual-driven model of "education empowerment + technical practice". In April 2025, the Company joined hands with Harbin Institute of Technology (Shenzhen), Shenzhen Institute of Advanced Aeronautical Technology and other top universities and institutions to build the world's first low-altitude logistics station powered by grid-forming energy storage, creating a new paradigm of collaborative education among industry, university and research.

Jointly Building a High Ground for Scientific Research and Practice: Relying on the Key R&D Program of Guangdong Province, the Company provides real industrial application scenarios and cutting-edge experimental platforms for university teachers and students. By applying the "lithium + sodium" grid-forming energy storage system to the UAV logistics field, a substantial leap from theoretical models to milestone achievements has been realized.

Supporting the Cultivation of Interdisciplinary Talents: Through in-depth participation and joint research, the distance between the education sector and the industry has been shortened, cultivating and reserving a group of practical talents with interdisciplinary problem-solving capabilities for the low-altitude economy and energy storage industry.

Empowering Low-Carbon Urban Governance: With the launch of the unmanned logistics aircraft hub, we have explored low-carbon solutions to improve the efficiency of urban last-mile logistics, realizing the integration of technological value and green development.

Supporting International Science and Technology Competitions and Competing in the RoboCup Junior Championship

With a global vision, SINEXCEL actively responds to the STEM education initiative, has become a strategic partner of the Roberta Centre Hannover (Germany), and specially supports the i-bots team to prepare for the RoboCup Junior 2025 Championship.

In the R&D phase several months before the competition, SINEXCEL encouraged the team to conduct in-depth exploration in dynamic structure optimization, algorithm debugging and modular robot design. At the competition venue in Bari, Italy, the team funded by SINEXCEL stood out among more than 130 top teams from 12 European countries with precise mechanical collaboration and modular robot design. Through continuous investment in such high-level competitions, SINEXCEL is investing in the future by investing in youth, and injecting inexhaustible impetus into global energy transition and social progress.

Environment: Promoting Harmony Between Humanity and Nature

As a global leader in energy transformation, SINEXCEL is committed to extending the environmental protection concept from the product side to ecological protection in communities worldwide. We not only reduce greenhouse gas emissions through technological innovation, but also actively participate in local ecological restoration to protect the natural environment with concrete actions.

Fulfilling Ecological Commitments Through Global Joint Action

In October 2025, the Company launched the "Energy for All" Green Initiative. Spanning 7 countries, this campaign united 6 major partners including Schneider Electric, Phoenix Contact, Infineon, Tsinghua University, Sichuan University and the German I-bots Team, with over 80 participants. By carrying out green hiking and ecological clean-up activities in different countries, SINEXCEL has extended the influence of environmental public welfare from the headquarters to global branches.

Participants walked a total of more than 378,000 steps and collected 60 kg of garbage. It is estimated that this initiative reduced greenhouse gas emissions by approximately 52 kg CO_2e, equivalent to the CO_2 absorption of an adult tree in about 2.4 years, accumulating green energy through small actions.

Development: Empowering Regional Inclusivity and Rural Revitalization

SINEXCEL is committed to breaking geographical restrictions through technological means and extending advanced energy infrastructure to resource-scarce regions. We not only focus on energy access, but also pay attention to the driving role of energy in local livelihoods, and drive sustainable regional economic growth by improving the reliability of power supply.

Smart Energy Going to the Countryside to Support the Rural Revitalization

Guided by national policies to accelerate the construction of charging infrastructure and support rural revitalization, SINEXCEL has iteratively launched a "full-scenario smart charging and swapping solution" designed exclusively for rural scenarios.

In response to the characteristics of small capacity and scattered distribution of rural power grids, the Company has applied flexible power distribution technology to successfully launch integrated charging and swapping hubs at rural hubs in multiple provinces, and enhanced the energy supply network in high-altitude and alpine regions. By eliminating "range anxiety" in remote areas, we help the popularization of new energy vehicles in the sinking market, and drive the development of rural green economy through the modernization of infrastructure.

Illuminating Underdeveloped Regions and Providing Reliable Power Globally

Globally, SINEXCEL continues to focus on energy shortages in regions with weak infrastructure. In Myanmar, we have deployed advanced energy storage systems and microgrids for remote villages, providing 24-hour stable power to thousands of villagers. In Malawi, Africa, SINEXCEL provides reliable power support for local infrastructure. This replicable public welfare model transforms "energy value" into tangible "people's livelihood value", contributing a Chinese solution to global energy equity.

Health: Lighting Up Life Resilience with Technological Care

SINEXCEL always focuses on the well-being of vulnerable social groups, and helps build a more inclusive social support system by continuously investing in health public welfare. We not only focus on energy inclusivity, but also pay attention to the equality of life, and strive to alleviate challenges in the public health sector with concrete actions.

Lighting Hope for Rare Disease Families

Since 2023, SINEXCEL has joined hands with the Shenzhen Care Action Public Welfare Foundation and other institutions to continuously participate in the "Shimmer with Light" public welfare program for rare diseases. In response to the burdens faced by groups with hereditary neurodevelopmental rare diseases, we have set up a special public welfare fund to provide medical assistance, rehabilitation support and living subsidies.

At the same time, We leverage corporate influence to raise public awareness of rare diseases. It not only provides material support for beneficiaries, but also plants the seeds of care in the public mind, calling on more social forces to participate in building an accessible life protection network. This program makes the rare disease group feel the warmth of a technology enterprise, deeply interprets the strategic connotation of Energy for All, and enables "energy to benefit everyone".

Appendix »

- KPI Table and Disclosure Indexes

Appendix

KPI Table and Disclosure Indexes

Key Performance Indicators (KPI) Table

Economic Performance

Data Scope: Economic performance indicators are consistent with the scope of the Group's consolidated financial statements.

Topics	Indicators	Unit	2025	2024	2023
Income Statement	Revenue	RMB million	3,463	3,036	2,651
	Year-on-Year Growth in Operating Revenue	%	14.05	14.53	76.37
	Net Profit Attributable to Shareholders of the Parent Company	RMB million	476	429	403
	Year-on-Year Growth in Net Profit Attributable to Shareholders of the Parent Company	%	10.99	6.49	80.2
Balance Sheet	Total Assets	RMB million	4,167	3,671	3,348
	Equity Attributable to Shareholders of the Listed Company	RMB million	2,168	1,818	1,452
Cash Flow	Net Cash Flow from Operating Activities	RMB million	701	364	439
Key Ratios	Weighted Average Return on Net Assets	%	24.15	26.39	31.8
	Return on Total Assets	%	11.38	12.09	14.3
	Net Profit Margin on Sales	%	13.70	13.98	15.13
Per Share	Basic Earnings Per Share	RMB/s hare	1.53	1.38	1.3

Note: Other financial data of SINEXCEL is available in the 2025 Annual Report of SINEXCEL.

Governance Performance

Data Scope: Governance performance indicators are consistent with the scope of the Group's consolidated financial statements.

Topics	Indicators	Unit	2025	2024	2023
Board Structure	General meeting of Shareholders	times	3	2	4
Business Ethics	Number of Board Meetings	times	5	9	10
	Proportion of Female Directors[1]	%	37.5	37.5	37.5
	Average Anti-corruption Training Hours Per Employee	hours	1	3.5	1
	Total Number of Management Personnel Covered by Anti-corruption Training	number	74	52	
	Total Number of Frontline Employees Covered by Anti-corruption Training	number	630	108	400
	Total Number of Resolved Corruption Cases (Internal and External, Including Suppliers)[2]	cases	3		
	Number of Internal Corruption Cases Resolved[2]	cases	3	-	-
	Number of Employees Found Violating the Employee Integrity and Self-Discipline Management Rules[2]	number	3	-	-
	Total Confirmed Cases of Terminated or Non-Renewed Contracts with Business Partners Due to Corruption Violations	cases	0	-	-
	Total Monetary Losses from Legal Proceedings Related to Bribery or Corruption	RMB million	0	-	-
	Number of Lawsuits or Major Administrative Penalties Due to Unfair Competition	cases	0	-	-
Investor Relations Management	Investor On-site Communication, Strategy Meetings, Telephone Meetings	sessions	23	7	11

Notes:
1.The proportion of female directors in this table reflects the Board composition during the reporting period. As of the date of this report, the Company has 9 directors, including one newly appointed employee representative director (Guo Bin, male, elected in March 2026; for details, please refer to the Announcement on the Election of Employee Representative Director disclosed by the Company on March 19, 2026). Accordingly, the proportion of female directors on the Board is 33.3% as of the publication date of this report (April 2026).

2.All corruption-related cases in the reporting period are minor internal violations only, not involving external commercial bribery, improper benefit transfers, or criminal liability, and have no material adverse impact on the Company's operations or reputation.

Environmental Performance

Data Scope: Covers entities with material environmental impacts in the financial statements. In 2025, environmental data includes Shenzhen Headquarters, Huizhou Manufacturing Center, and Suzhou Operation Center.

As the Xi'an R&D Center was still in the final phase of construction and trial operation in 2025 and had not yet been fully put into formal operation, its relevant environmental data do not represent a complete annual cycle. Therefore, it is not included in the current reporting period's statistics. The Company plans to systematically include the Xi'an R&D Center in its environmental performance disclosure framework in future reporting periods once it is fully operational, so as to ensure the continuity, completeness, and credibility of the Company's environmental information disclosure.

Topics	Indicators	Unit	2025	2024	2023
Environmental Management	Environmental Protection Investment	RMB million	0.45	0.48	0.43
	Number of Environmental Protection Training	sessions	25	16	40
	Coverage Rate of Environmental Protection Training	%	100	100	100
	Average Duration of Environmental Protection Training for Employees	sessions	2.2	5.5	1.2
	Environmental Compliance Penalties	cases	0	-	-
	Unexpected Environmental Incidents	cases	0	-	-
	Hazardous Substance Leakage Incidents	cases	0	-	-

Topics	Indicators	Unit	2025	2024	2023
Energy Management[1]	Diesel Consumption	liters	1,830.04	9,749.34	988.25
	Gasoline Consumption[2]	liters	0.00	10,253.43	990.08
	Purchased Electricity[3]	MWh	19,126.81	17,216.11	11,740.16
	PV Electricity Consumption [4]	MWh	1,927.02	0.00	0.00
	Total Electricity Consumption[3]	MWh	21,053.83	17,216.11	11,740.16
	Renewable Electricity Share [4]	%	9.15	0.00	0.00
	PV Surplus Power to Grid [4]	MWh	108.09	0.00	0.00
	Total On-site PV Electricity Generation [4]	MWh	2,035.11	0.00	0.00
	Comprehensive Energy Consumption [5]	MWh	21,072.47	17,406.22	11,758.99
	Energy Consumption Intensity (Per Unit of Revenue)	MWh/ RMB million	6.08	5.73	4.44

Notes:

1.Data Restatement: Natural gas and liquefied petroleum gas (LPG) are consumed by the Company's outsourced canteen. In 2025, the Company refined the calculation boundaries for energy consumption and greenhouse gas emission indicators. In accordance with the operational control principle, energy consumption of the outsourced canteen previously included in the statistics has been excluded from the Company's own operational energy use. The corresponding greenhouse gas accounting boundary has been adjusted accordingly, reclassifying such emissions from Scope 1 to Scope 3, with prior-year data retroactively restated. As a result, natural gas and LPG consumption are no longer included in the Company's operational energy consumption statistics.

2.Gasoline consumption dropped to zero in 2025, as Huizhou Manufacturing Center fully implemented low-carbon office practices and replaced all original fuel-powered vehicles with electric vehicles, resulting in a significant reduction in mobile source emissions.

3.The increase in electricity consumption in 2025 was mainly attributable to the full production release of Suzhou Operation Center during the reporting period, covering its complete full-year operation cycle since its official launch in July 2024.

4.The Company's on-site photovoltaic power generation system was completed and put into operation in 2025, with generated electricity preferentially used for its own production and operation. During the year, the Company consumed 1,927 MWh of self-consumed green electricity, marking substantial progress in the Company's energy structure transformation.

5.Calculations are conducted in accordance with General Rules for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020).

Topics	Indicators	Unit	2025	2024	2023
Greenhouse Gas Emissions [1]	Scope 1 GHG Emissions[2]	tCO_2e	232.76	335.18	86.70
	Of Which: Mobile Source Emissions[3]	tCO_2e	5.38	50.54	-
	Of Which: Fugitive Emissions	tCO_2e	227.38	284.64	-
	Scope 2 GHG Emissions [4] (Location-based)	tCO_2e	10,148.69	9,396.03	6,536.92
	Total Scope 1 + 2 GHG Emissions (Location-based) [4]	tCO_2e	10,381.45	9,731.21	6,623.62
	Scope 1 + 2 GHG Emission Intensity [*] (Location-based)	tCO_2e/ RMB million	3.00	3.21	2.50
	Scope 3 GHG Emissions[5]	tCO_2e	587,766.81	-	-

Notes:

1.Total greenhouse gas (GHG) emissions in 2025 increased compared with the previous year, mainly because Suzhou Operation Center was officially put into operation in July 2024, and the current reporting period covers its full-year production and operation cycle. GHG emissions are calculated in strict accordance with ISO 14064-1:2018 Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, the GHG Protocol Corporate Accounting and Reporting Standard, and the General Principles for the Accounting and Reporting of Greenhouse Gas Emissions by Industrial Enterprises. The emission factors for fossil fuels and methane emissions from septic tanks are derived from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories; the calorific values of fossil fuels are sourced from General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020); and the global warming potential (GWP) values for GHGs and refrigerants are based on IPCC Sixth Assessment Report (AR6).

2.Data Restatements: In the Company's Scope 1 greenhouse gas (GHG) emissions, mobile source emissions mainly come from diesel consumed by diesel forklifts in the factory. Unorganized fugitive emissions have been systematically included, covering refrigerant fugitive emissions (R-32, R-410a) from refrigeration, air conditioning and constant temperature and humidity equipment, CO_2 fire extinguishers, and fugitive sources such as septic tanks (CH_4). The Company has no stationary source GHG emissions; the stationary source emissions originally included in Scope 1 were all from the combustion of natural gas and liquefied petroleum gas (LPG) by the outsourced canteen. In the current year, the GHG accounting boundary has been optimized and adjusted in accordance with the operational control principle: GHG emissions related to the outsourced canteen have been reclassified from Scope 1 to Scope 3, and historical annual GHG emission data have been retroactively adjusted.

3.Total mobile source emissions decreased significantly in 2025, mainly because the Huizhou Manufacturing Center fully replaced its original gasoline vehicles with electric vehicles, resulting in a substantial reduction in fossil fuel consumption.

4.GHG Scope 2 emissions from purchased electricity consumed within the operational boundary of the SINEXCEL. The grid emission factor adopted for the Scope 2 GHG emissions calculation in this performance table is the 2023 national average CO_2 emission factor for electricity, issued in the Announcement on Issuing the 2023 Power Sector Carbon Dioxide Emission Factors (Announcement No. 47 of 2025) by the Ministry of Ecology and Environment of the People's Republic of China. As of the end of the reporting period, the Company had not yet signed any agreements for the procurement of renewable electricity. Scope 2 emissions in prior years were calculated using only the location-based method. In the current year, the accounting methodology has been further refined, and market-based emissions have been calculated concurrently. For details, refer to the chapter "5.1 Climate Action" in this report. Going forward, the Company will formulate a coordinated plan and gradually implement renewable electricity procurement in accordance with our GHG emission reduction roadmap.

5.Scope 3 emissions generated from the following activities of the SINEXCEL: purchased goods and services, capital goods, fuel- and energy-related activities not included in Scope 1 or 2, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, upstream leased assets, downstream transportation and distribution, use of sold products, end-of-life treatment of sold products, and downstream leased assets. 2025 is the first year that the Company has fully conducted the accounting of Scope 3 GHG emissions, so there are no comparable historical data. For detailed breakdown data of Scope 3 emissions, refer to the chapter "5.1 Climate Action" in this report.

Topics	Indicators	Unit	2025	2024	2023
Water Resources	Municipal Water Withdrawal	m^3	47,395.00	41,681.00	43,445.39
	Rainwater Harvesting Usage	m^3	-	100.00[3]	-
	Total Water Withdrawal[2]	m^3	47,395.00	41,781.00	43,445.39
	Water Withdrawal Intensity (Per Unit of Revenue)	m^3/RMB million	13.69	13.76	16.39

Notes:

1. Water withdrawal increased in 2025 mainly because the Suzhou Operation Center was fully operational in the reporting period and was not included in 2024.

2. Nominal Restatement: The "water consumption" disclosed in previous reports represents the water supply obtained from the municipal pipeline network. Since the Company's water is primarily used for daily living and recycling test purposes with minimal actual consumption, and to further align with the disclosure requirements of GRI 303: Water and Effluents, the disclosure has been uniformly adjusted to "Total Water Withdrawal" in this report (corresponding to the "Total Water Consumption" in the Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 - Sustainability Report (Trial)). Historical data for 2023–2024 has been restated to ensure the comparability of annual data.

3. In 2024, the Company implemented tentative green practices to collect 100 metric tons of rainwater for certain projects.

Topics	Indicators	Unit	2025	2024	2023
Solid Waste	Total Waste	metric tons	501.52	1,108.44	274.96
	Waste Intensity (Per Unit of Revenue)	metric tons/ RMB million	0.14	0.37	0.10
	Total Non-Hazardous Waste	metric tons	477.53	1,090.61	274.87
	Total Recycled and Utilized Non-Hazardous Waste	metric tons	477.53	1,090.61	274.87
	Total Hazardous Waste	metric tons	23.98	14.47	0.09
	Total Recycled and Utilized Hazardous Waste	metric tons	14.01	10.57	0.08
	Total Hazardous Waste Sent for Disposal	metric tons	9.98	0.06	0.01

Social Performance

Data Scope: Social performance indicators cover the same scope as the Group's consolidated financial statements.

Topics	Indicators	Unit	2025	2024	2023
R&D and Innovation	R&D Expenses	RMB million	287	257	231
	R&D Expenses as a Percentage of Revenue	%	8	8	9
	R&D Personnel	number	700	699	645
	R&D Personnel as a Percentage of Total Employees	%	26	28	26
	Number of Patents Held	number	247	212	179
	Number of Trademarks and Text Registrations Rights Held	number	30	30	8
	Number of Software Copyrights Held	number	95	72	53
	Number of New Patent Applications	number	79	8	44
	Number of New Software Copyright Applications	number	32	2	1
	Number of New Authorized Patents	number	52	30	25
	Number of New Software Copyrights Obtained	number	32	2	1

Topics	Indicators	Unit	2025	2024	2023
Products Safety and Quality	Number of Major Product-Related Safety and Quality Liability Accidents	cases	0	-	-
	Amount of Losses from Major Product-Related Safety and Quality Liability Accidents	RMB million	0	-	-
	Number of Product Recalls Incidents	cases	0	0	0
	Number of Products Recalled Due to Safety and Health Issues	number	0	0	0
	Total Monetary Losses from Product Safety-Related Lawsuits	RMB million	0	-	
	Number of Violations Related to Product and Service Information and Labeling	cases	0	-	-
Customer Services	Customer Satisfaction	%	91	90	90.8
	Customer Complaint Handling Rate	%	100	97.86	100
Information Security and Data Privacy Protection	Number of Information Security Training Sessions	sessions	2	-	-
	Information Security Training Coverage	%	100	-	-
	Number of Data Security Incidents	cases	0	-	-
	Amount of Losses from Data Security Incidents	RMB million	0	-	-
	Number of Confirmed Customer Privacy Breach Incidents	cases	0	-	-
Supplier Management	Total Number of Suppliers	number	910	1021	1340
	Percentage of Suppliers Who Signed the Supplier Code of Conduct	%	94.7	24.7	-
	Percentage of Suppliers with Environmental and Requirements in Contracts	%	94.7	23.6	-
	Number of Suppliers with Social Impact Assessments Conducted	number	46	49	34
	Number of Suppliers with Environmental Impact Assessments Conducted	number	46	49	34
	Raw Material Suppliers Subject to On-site Audits	number	46	49	34
	Number of Suppliers Identified with Actual and Potential Significant Negative Social Impacts	number	0	0	0
	Number of Suppliers Identified with Actual and Potential Significant Negative Environmental Impacts	number	0	0	0
	Number of New Suppliers	number	230	334	513
	Percentage of New Suppliers Screened Using Environmental Standards	%	100	100	-
	Percentage of New Suppliers Screened Using Social Standards	%	100	100	-
	Number of Local Suppliers	number	491	714	-
	Number of Late Payment Events to SMEs	cases	0	-	-
Employee Employment	Total Number of Employees	number	2,669	2,484	2,495
	By Gender: Male	number	1,910	1,781	1,805
	By Gender: Female	number	759	703	690
	By Education Background: Master and Above	number	179	156	107
	By Education Background: Bachelor	number	1,162	1,107	1,063
	By Education Background: Junior College	number	607	483	519
	By Education Background: Below Junior College	number	721	738	806
	By Age: 51 Years Old and Above	number	27	26	33
	By Age: 31 to 50 Years Old	number	1,407	1,226	1282
	By Age: 30 Years Old and Below	number	1,235	1,232	1,180
	By Employee Category: Junior Level	number	2,200	2,299	2,338
	By Employee Category: Middle Management	number	370	147	140
	By Employee Category: Senior Management	number	99	38	17
	Percentage of Females in Senior Management	%	19	18	-

Topics	Indicators	Unit	2025	2024	2023
Employee Employment	Minority Employees	number	206	161	364
	Employee Satisfaction	%	76.3	85	88.5
	Social Insurance Coverage for Contract Employees	%	100	-	-
	Social Insurance Coverage for Dispatched Employees	%	100	-	-
	Number of New Hires	number	754	-	-
Career Development	Number of Employees Participating in Training	number	2,669	2,360	2,359
	Employee Training Coverage	%	100	95	95
	Number of Employee Trainings	sessions	303	289	-
	Of which: Leadership Training	sessions	42	-	-
	Of which: Functional Training	sessions	176	-	-
	Of which: Professional Training	sessions	85	-	-
	Average Training Hours per Employee	hours	7.81	8.56	11.18
	Total Employee Training Hours	hours	18,613	20,210	26,367
	Total Hours of Leadership Training	hours	2,306	2,830	9,051
	Total Hours of Functional Training	hours	12,251	11,780	9,328
	Total Hours of Professional Competency Training	hours	4,056	5,600	7,988
Occupational Health and Safety[1]	Total Recordable Incident Rate[2]	-	0.16	0.27	0.31
	Number of Employee Fatalities Due to Work-Related Causes	number	0	0	0
	Days of Work Lost Due to Injury	days	15	68	158
	Number of Employees Diagnosed with Occupational Diseases	number	0	0	-
	Injured Employees	number	4	5	14
	Work-Related Incidents	cases	3	5	14
	Number of Major Safety Accidents	cases	0	-	-
	Injured Employees Work-Related Incidents Number of Major Safety Accidents	RMB million	0.33	0.24	0.12
	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
Rural Revitalization and Social Welfare	Donations	RMB million	1.449	1.083	-

Notes:

1. Occupational health and safety indicators are based on data from SINEXCEL's manufacturing and production centers: Huizhou Manufacturing Center and Suzhou Operation Center during the reporting period. As Suzhou Operation Center was officially put into operation in July 2024, 2023 data do not include Suzhou Operation Center.

2. Total Recordable Incident Rate = (Number of occupational injuries/ Total working hours of all employees)×200,000

Disclosure Indexes

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

Dimension	No.	Topic	Clause	Chapters and Sections
Environment	Section 1 Climate Response	Climate response	Articles 21	5.1 Climate Action
			Articles 22	5.1 Climate Action
			Articles 23	5.1 Climate Action
			Articles 24	5.1 Climate Action KPI Table
			Articles 25	5.1 Climate Action
			Articles 26	5.1 Climate Action
			Articles 27	5.1 Climate Action
			Articles 28	4.2 Industry Empowerment and Value Symbiosis 5.1 Climate Action 5.5 Life Cycle Environmental Footprint Management
	Section 2 Pollution Control and Ecosystem Protection	Pollutant discharge	Articles 30	5.3 Pollutant and Waste Management
		Waste disposal	Articles 31	5.3 Pollutant and Waste Management KPI Table
		Ecosystem and biodiversity protection	Articles 32	5.2 Environmental Management and Compliance
		Environmental compliance management	Articles 33	5.2 Environmental Management and Compliance
	Section 3 Resource Utilization and Circular Economy	Energy utilization	Articles 35	5.4 Energy Efficiency and Resource Optimization KPI Table
		Water resources utilization	Articles 36	5.4 Energy Efficiency and Resource Optimization KPI Table
		Circular economy	Articles 37	5.4 Energy Efficiency and Resource Optimization
Community	Section 1 Rural Revitalization and Social Contributions	Rural revitalization	Articles 39	6.4 Community Engagement and Public Welfare
		Social contributions	Articles 40	6.4 Community Engagement and Public Welfare
	Section 2 Innovation-Driven Development and Ethics of Science and Technology	Innovation	Articles 42	4.1 Innovation
		Ethics of science and technology	Articles 43	3.5 Data Security and Privacy Protection
	Section 3 Suppliers and Customers	Supply chain security	Articles 45	3.3 Business Ethics and Compliance 6.3 Responsible Supply Chain Management
		Equal treatment of SMEs	Articles 46	3.3 Business Ethics and Compliance
		Product and service safety and quality	Articles 47	4.3 Product Quality and Safety 4.5 Customer Response and Support
		Data security and customer privacy	Articles 48	3.5 Data Security and Privacy Protection
	Section 4 Employees	Employees	Articles 50	6.1 Employment and Development 6.2 Occupational Health and Safety
Sustainability-related governance	Section 1 Sustainability-Related Governance Mechanism	Due diligence	Articles 52	3.3 Business Ethics and Compliance
		Stakeholder engagement	Articles 53	2.4 Stakeholder Engagement
	Section 2 Business Practices	Anti-commercial bribery and anti-corruption	Articles 55	3.3 Business Ethics and Compliance
		Fair competition	Articles 56	3.3 Business Ethics and Compliance

GRI content index

Statement of use	SINEXCEL has reported the information cited in this GRI content index for the period January 1, 2025 to December 31, 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	Chapters and Sections
GRI 2: General Disclosures 2021	2-1 Organizational details	1.1 Company Profile 1.2 Core Business 1.3 Global Operations
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	For details, refer to the notes and definitions in the KPI Table.
	2-6 Activities, value chain and other business relationships	1.2 Core Business 1.3 Global Operations 4.2 Industry Empowerment and Value Symbiosis 6.3 Responsible Supply Chain Management
	2-7 Employees	KPI Table
	2-9 Governance structure and composition	3.1 Corporate Governance
	2-10 Nomination and selection of the highest governance body	3.1 Corporate Governance
	2-11 Chair of the highest governance body	3.1 Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	2.1 Sustainability Governance
	2-13 Delegation of responsibility for managing impacts	2.1 Sustainability Governance
	2-14 Role of the highest governance body in sustainability reporting	2.1 Sustainability Governance
	2-16 Communication of critical concerns	2.1 Sustainability Governance
	2-19 Remuneration policies	3.1 Corporate Governance
	2-22 Statement on sustainable development strategy	2.2 Strategic Objectives and Vision
	2-23 Policy commitments	2.2 Strategic Objectives and Vision
	2-24 Embedding policy commitments	2.1 Sustainability Governance
	2-25 Processes to remediate negative impacts	2.4 Stakeholder Engagement 3.3 Business Ethics and Compliance 6.1 Employment and Development
	2-26 Mechanisms for seeking advice and raising concerns	2.4 Stakeholder Engagement 3.3 Business Ethics and Compliance 6.1 Employment and Development
	2-27 Compliance with laws and regulations	See relevant sections of the report
	2-28 Membership associations	4.2 Industry Empowerment and Value Symbiosis
	2-29 Approach to stakeholder engagement	2.4 Stakeholder Engagement
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2.3 Materiality Topic Assessment and Management
	3-2 List of material topics	2.3 Materiality Topic Assessment and Management
	3-3 Management of material topics	2.3 Materiality Topic Assessment and Management

GRI STANDARD	DISCLOSURE	Chapters and Sections
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	5.2 Environmental Management and Compliance
	101-2 Management of biodiversity impacts	5.2 Environmental Management and Compliance
	101-4 Identification of biodiversity impacts	5.2 Environmental Management and Compliance
GRI 102: Climate Change 2025	102-1 Transition plan for climate change mitigation	5.1 Climate Action
	102-2 Climate change adaptation plan	5.1 Climate Action
	102-4 GHG emissions reduction targets and progress	5.1 Climate Action
	102-5 Scope 1 GHG emissions	5.1 Climate Action KPI Table
	102-6 Scope 2 GHG emissions	5.1 Climate Action KPI Table
	102-7 Scope 3 GHG emissions	5.1 Climate Action KPI Table
	102-8 GHG emissions intensity	5.1 Climate Action KPI Table
GRI 103: Energy 2025	103-1 Energy policies and commitments	2.2 Strategic Objectives and Vision 5.4 Energy Efficiency and Resource Optimization
	103-2 Energy consumption and self-generation within the organization	4.4Energy Efficiency and Resource Optimization KPI Table
	103-4 Energy intensity	5.4 Energy Efficiency and Resource Optimization KPI Table
	103-5 Reduction in energy consumption	5.4 Energy Efficiency and Resource Optimization
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	KPI Table
	201-2 Financial implications and other risks and opportunities due to climate change	5.1 Climate Action
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	6.3 Responsible Supply Chain Management
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	3.3 Business Ethics and Compliance
	205-2 Communication and training about anti-corruption policies and procedures	3.3 Business Ethics and Compliance
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.3 Business Ethics and Compliance
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	5.4 Energy Efficiency and Resource Optimization
	303-2 Management of water discharge-related impacts	5.4 Energy Efficiency and Resource Optimization KPI Table
	303-3 Water withdrawal	5.4 Energy Efficiency and Resource Optimization KPI Table
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	5.3 Pollutant and Waste Management
	306-2 Management of significant waste-related impacts	5.3 Pollutant and Waste Management
	306-3 Waste generated	5.3 Pollutant and Waste Management KPI Table
	306-4 Waste diverted from disposal	5.3 Pollutant and Waste Management KPI Table
	306-5 Waste directed to disposal	5.3 Pollutant and Waste Management KPI Table

GRI STANDARD	DISCLOSURE	Chapters and Sections
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	6.3 Responsible Supply Chain Management KPI Table
	308-2 Negative environmental impacts in the supply chain and actions taken	6.3 Responsible Supply Chain Management
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	6.1 Employment and Development KPI Table
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.1 Employment and Development
	401-3 Parental leave	6.1 Employment and Development
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	6.2 Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	6.2 Occupational Health and Safety
	403-3 Occupational health services	6.2 Occupational Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	6.2 Occupational Health and Safety
	403-5 Worker training on occupational health and safety	6.2 Occupational Health and Safety
	403-6 Promotion of worker health	6.2 Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.2 Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	6.2 Occupational Health and Safety
	403-9 Work-related injuries	6.2 Occupational Health and Safety KPI Table
	403-10 Work-related ill health	6.2 Occupational Health and Safety
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	6.1 Employment and Development KPI Table
	404-2 Programs for upgrading employee skills and transition assistance programs	6.1 Employment and Development KPI Table
	404-3 Percentage of employees receiving regular performance and career development reviews	6.1 Employment and Development KPI Table
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	3.1 Corporate Governance 6.1 Employment and Development
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	6.1 Employment and Development
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	3.3 Business Ethics and Compliance 6.1 Employment and Development
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.3 Business Ethics and Compliance 6.1 Employment and Development
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	6.4 Community Engagement and Public Welfare
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	6.3 Responsible Supply Chain Management
	414-2 Negative social impacts in the supply chain and actions taken	6.3 Responsible Supply Chain Management
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	4.3 Product Quality and Safety
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	4.3 Product Quality and Safety
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	4.5 Customer Response and Support
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.5 Data Security and Privacy Protection