

Sieyuan

**2025** Sustainable  
Development Report  
Sieyuan Electric Co., Ltd.



# Contents

## Previous Article

---

- 03 About the Report
- 04 Message from the Chairman
- About Sieyuan**
- 05 Company Overview
- 05 Corporate Culture
- 06 Honors and Qualifications in 2025
- 08 Development Milestones
- Sustainable Development Management**
- 10 Sustainable Development Strategic Policies
- 10 Sustainable Development Governance Structure
- 11 Sustainable Development Goals
- 13 Communication with Stakeholders
- 14 Material Topics Assessment

## Appendix

---

- 63 Fulfilling Social Responsibility
- 66 Future Outlook
- 67 ESG Performance Overview
- 76 Content Index
- 81 Assurance Statement
- 82 Feedback

## 01

---

### Compliance First, Strengthened Governance

- 16 Corporate Governance
- 17 Protection of Investors' Rights and Interests
- 18 Compliance and Risk Management
- 20 Business Ethics Development
- 22 Appeals and Reporting

## 02

---

### Innovation-led, Quality Service

- 24 R&D and Innovation Drive
- 28 Product Responsibility Assurance
- 31 Customer Service Improvement
- 32 Information Security and Privacy Protection
- 33 Sustainable Procurement

## 03

---

### Green Operations, Ecological Protection

- 38 Environmental Compliance Management
- 40 Pollution Prevention and Control
- 42 Resource Management
- 44 Climate Change Response
- 48 Green Operations
- 50 Biodiversity Conservation

## 04

---

### People-Oriented, Rights and Interests Protection

- 52 Employee Rights and Interests
- 54 Compensation, Benefits and Care
- 56 Employee Communication
- 57 Talent Development
- 59 Occupational Health and Safety



## About the Report

The Report represents the 2025 Sustainable Development Report issued by Sieyuan Electric Co., Ltd. (hereinafter referred to as “Sieyuan Electric”, “Sieyuan”, “the Group”, “the Company” or “We”) to disclose the Company’s initiatives and achievements in the field of environmental, social and corporate governance to the public.

## Report Approval

This Report has been reviewed and approved at the 27th session of the 8th Board of Directors of Sieyuan Electric.

## Scope of the Report

The Report is released on an annual basis.

**Reporting Period:** The Report covers our activities undertaken from January 1, 2025, to December 31, 2025. For retrospective and prospective purposes, some information may exceed the above time range.

**Organization Scope:** The Report is primarily about Sieyuan Electric Co., Ltd. and its affiliated subsidiaries. Unless otherwise stated, the organization scope of the Report are consistent with the annual report of Sieyuan Electric.

## Designations

For ease of expression and readability, designations are provided herein for the entities referred to in this Report:

Category	Company Name	Location of Operation	Nature of Business	Abbreviation
Parent Company	Sieyuan Electric Co., Ltd.	Shanghai	Manufacturing	“Sieyuan Electric”, “Sieyuan”, “the Group”, “the Company” or “We”
Subsidiaries	Shanghai Sieyuan Power Capacitor Co., Ltd.	Shanghai	Manufacturing	“Sieyuan Power Capacitor”
	Shanghai Sieyuan Optoelectronics Co., Ltd.	Shanghai	Manufacturing	“Sieyuan Optoelectronics”
	Jiangsu Sieyuan Hertz Instrument Transformer Co., Ltd.	Jiangsu	Manufacturing	“Sieyuan Hertz”
	Shanghai Sieyuan High Voltage Switchgear Co., Ltd.	Shanghai	Manufacturing	“Shanghai Sieyuan High Voltage”
	Jiangsu Juyuan Electric Co., Ltd.	Jiangsu	Manufacturing	“Juyuan Electric”
	Sieyuan Qingneng Electric and Electronics Co., Ltd.	Shanghai	Manufacturing	“Sieyuan Qingneng”
	Shanghai Sihongrui Power Control Technology Co., Ltd.	Shanghai	Software Development	“Sihongrui”
	Shanghai Sieyuan Hongrui Automation Co., Ltd.	Shanghai	Manufacturing	“Sieyuan Hongrui”
	Jiangsu Rugao High Voltage Electrical Appliance Co., Ltd.	Jiangsu	Manufacturing	“Rugao High Voltage”
	Changzhou Sieyuan Toshiba Transformer Co., Ltd.	Jiangsu	Manufacturing	“Sieyuan Toshiba”
	Jiangsu Sieyuan Medium Voltage Switchgear Co., Ltd.	Jiangsu	Manufacturing	“Sieyuan Medium Voltage”
	Jiangsu Sieyuan Energy Technology Co., Ltd.	Jiangsu	Manufacturing	“Sieyuan Energy Technology”
	Shanghai Sieyuan Low Voltage Switchgear Co., Ltd.	Shanghai	Manufacturing	“Sieyuan Low Voltage”
Shanghai Sieyuan Watten Technology Co., Ltd.	Shanghai	Manufacturing	“Sieyuan Watten”	
GMCC Electronic Technology Wuxi Co., Ltd.	Jiangsu	Manufacturing	“GMCC”	

## Reference Standards

This Report complies with the requirements of the Sustainability Accounting Standards Board (SASB), and refers to the *Sustainable Development Report Standards* (GRI Standards 2021) issued by the Global Sustainability Standards Board (GSSB), the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, the *Self-Regulatory Guidance No. 3 for Companies Listed on Shenzhen Stock Exchange—Preparation of Sustainability Report (Revised in January 2026)*, *International Financial Reporting Standards Sustainability Disclosure Standards 1—General Requirements for Sustainability-Related Financial Information Disclosures* (IFRS S1) and *International Financial Reporting Standards Sustainability Disclosure Standards 2—Climate-related Disclosures* (IFRS S2) issued by the International Sustainability Standards Board (ISSB), as well as the United Nations Sustainable Development Goals (UN SDGs).

## Data Specification

All data presented in this Report are derived from the Company’s official documents and statistical records. In case of any inconsistency with the annual report, the annual report shall prevail. Unless otherwise stated, the data in the Report are measured in metric system and the currency is denominated in Renminbi (RMB).

## External Assurance

The Company has engaged Hangzhou Hande Quality Certification Service Co., Ltd., the core operating entity of Germany’s TÜV NORD Group in China, to conduct external assurance on the content of this Report. Details of the assurance scope, methodology and conclusions are set forth in the *Assurance Statement*. The Company will continue to improve its data governance and internal control systems, and enhance the reliability and comparability of information disclosure.

## Reliability Statement

The Company declares that this Report contains no false records, misleading statements or material omissions, and shall be responsible for the authenticity, accuracy and completeness of its content.

## Report Release

This Report is published in both Chinese and English electronic versions. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail. You may log on to the Shenzhen Stock Exchange Designated Information Disclosure Website or the Company’s website ([www.sieyuan.com](http://www.sieyuan.com)) to read and download the electronic report.

## Feedback

If you have any questions regarding the content of this Report or want to obtain other relevant information, please contact us through the following channels:

Email: [ESG@sieyuan.com](mailto:ESG@sieyuan.com)

Tel.: +86 21 6161 0502

## Message from the Chairman

Driven by policy support, market forces and technological innovation, China's "dual carbon" goals are being steadily implemented. Over the past two years, we have conducted in-depth exchanges with leading enterprises across various industries. Despite their different sectors and stages of development, these enterprises, like Sieyuan Electric, are actively exploring green and low-carbon transformation. We have jointly recognized that low-carbon transformation requires collaborative efforts across the industrial chain to build a solid green ecosystem.



董增平 | 思源电气董事长

Over the past two years, the Company has continuously promoted the implementation of energy-saving and digital products and solutions, implemented a series of carbon reduction projects, and built a number of green factories. At present, we own 7 national-level green factories, and our major production bases have successively obtained certifications such as ISO 50001 Energy Management System, EPD Environmental Product Declaration, CFP Product Carbon Footprint Analysis and LCA Life Cycle Assessment. Energy utilization efficiency has been continuously improved through measures including equipment energy saving, process optimization, introduction of renewable energy and construction of smart energy systems. The self-consumption rate of on-site distributed photovoltaic projects has reached 90%, with an annual carbon reduction of approximately 7,551.52 tonnes of carbon dioxide equivalent.

In building a sustainable supply chain, we promote end-to-end green management and require strategic suppliers<sup>1</sup> to reduce carbon emissions by 10% year by year. In production, the utilization rate of clean and renewable energy has reached 21.82%. In delivery, we continue to promote green transportation to lower logistics carbon emissions. These achievements would not have been possible without the joint efforts of our partners.

In practice, we have recognized the importance of the deep integration and development of digitalization and low-carbon transformation. Digitalization provides strong support for carbon reduction across the entire industrial chain, while low-carbon initiatives also open up new application scenarios for digital technologies. Driven by rising demand for power infrastructure and the deepening application of new technologies such as artificial intelligence, this process is continuously accelerating.

There are many such cases. The release of the 2025 ESG Report aims to share Sieyuan Electric's practices and reflections on sustainable development, and we hope it will provide a useful reference for peers and partners.

Corporate development cannot be separated from social support. We continue to fulfill our social responsibilities and give back to society actively. We have carried out industry-university-research cooperation and targeted talent training with Tsinghua University, Shanghai Jiao Tong University, Xi'an Jiaotong University, Huazhong University of Science and Technology, Southeast University, North China Electric Power University, Northeast Electric Power University, Southwest Jiaotong University and other universities. We have supported more than 3,500 underprivileged students and left-behind children in central and western regions. We launched the "Love·Run" public welfare campaign, which has attracted over 30,000 employees to participate and raised more than 2 million yuan in donations.

The Company also attaches great importance to employee growth, providing development platforms and training resources to foster a high-quality team that drives sustainable corporate development.

Based on the new development stage, Sieyuan Electric will continue to rely on the local industrial chain and global resources, driven by digitalization and low-carbon transformation, to support high-quality economic development. We will seize opportunities and work with all stakeholders to jointly advance green transition and stride toward a sustainable future.

<sup>1</sup>Refers to core suppliers that have established long-term and stable cooperative relations with Sieyuan Electric and are willing to grow together with the Company. Such suppliers are usually industry leaders in technical capabilities, product quality, delivery assurance and production efficiency, with a sound track record of cooperation. On the basis of existing contractual cooperation, they also demonstrate a positive willingness to further deepen synergy and expand cooperative relations.

# About Sieyuan

## Company Overview

Since its founding more than 30 years ago, the Company has been focusing on the power transmission and distribution industry. Guided by its new mission of “Smarter Power, Better Life,” the Company relies on R&D bases in Shanghai, Beijing, Nanjing, Xi’an, Shenzhen and Switzerland, as well as industrial bases in Shanghai, Nantong, Changzhou and Wuxi. With years of market expansion and brand building, the Company has become one of the well-known brands in the global power transmission and distribution sector. The Company attaches great importance to continuous investment and accumulation in human capital, market management, product R&D, quality management, lean supply chain development and other areas, laying a solid foundation for its future growth. From a single-product supplier at inception, the Company has evolved into a full-industry-chain solution provider covering six core business lines of switchgear, transformers, protection and automation, power electronics, energy storage systems and components, and engineering, procurement and construction (EPC). It is capable of providing primary equipment, secondary equipment, energy storage and power quality treatment equipment, as well as EPC services for power systems. Sieyuan Electric attaches great importance to technological innovation and R&D investment, continuously launching new products with independent intellectual

property rights to provide customers with diversified solutions covering power generation, transmission, transformation, distribution, utilization and energy storage. These solutions have not only improved the efficiency and reliability of power systems, but also delivered remarkable economic and social benefits to customers.

In recent years, the Company has successfully participated in a number of major national-level projects, providing professional technical support and services to industries including electric power, new energy, metallurgy, rail transit, petrochemicals, coal, ports and data centers.

Against the backdrop of globalization, Sieyuan Electric has actively expanded into the international market, adhered to the sustainable development concept, and strived to promote the application and popularization of green energy. The Company actively participates in international exchanges and cooperation, continuously enhances its internationalization level and competitiveness, and contributes to the achievement of “dual carbon” goals.

## Corporate Culture



**Mission** | Smarter Power,  
Better Life.



**Vision** | To Become a Global Leader  
in the Electrical Industry.



**Core Values** | Delivering Success to Customers, Innovating and Surmount;  
Honesty and Integrity, Openness and Collaboration;  
Self-criticism and Reflection, Diligence and Perseverance.



## Honors and Qualifications in 2025

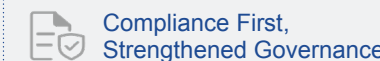
Entity	Honor Name	Granting Unit
Sieyuan Electric	Joined the United Nations Global Compact	UNGC
	Commitment Badge	EcoVadis
	CDP B	CDP
	BNEF Global Tier 1 Energy Storage Manufacturer	BloombergNEF (BNEF)
	Outstanding Supplier	EGAT
	First Batch of Key Enterprises in Advanced Energy Equipment and Green & Low-Carbon Development in Minhang District	Minhang District Commission of Economy and Information Technology
	Energy Conservation Pioneer Enterprise	Carbon Pathfinder Alliance of Xinzhuang Industrial Zone
	Outstanding Unit in Work Safety	Administrative Committee of Shanghai Xinzhuang Industrial Zone, Work Safety Committee of Shanghai Xinzhuang Industrial Zone
	Top 100 New Energy ESG Enterprises Globally	Asia Pacific New Energy Industry Association
	2025 Shanghai Top 100 Growing Enterprises (41st)	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2025 Shanghai Top 100 Private Manufacturing Enterprises (13th)	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2025 Shanghai Top 100 Manufacturing Enterprises (33rd)	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2025 Shanghai Top 100 Emerging Industry Enterprises (28th)	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
Sieyuan Hongrui	Mechanical Industry Science and Technology Award – Key Technologies and Application of Large-Capacity High-Voltage Direct-Coupled Battery Energy Storage Equipment	China Machinery Industry Federation, Chinese Mechanical Engineering Society
	Excellent Delivery Evaluation	UAE
	National-level Green Factory	General Office of the Ministry of Industry and Information Technology
	High-tech Enterprise Certificate	Shanghai Municipal Science and Technology Commission, Shanghai Municipal Finance Bureau, Shanghai Taxation Bureau, State Taxation Administration
	Shanghai Specialized, Characteristic, Innovative and Novel Small and Medium-sized Enterprise	Shanghai Municipal Commission of Economy and Information Technology
	Green Supply Chain (Four-Star)	Shanghai Municipal Commission of Economy and Information Technology
	Vice Chairman Unit of the Relay Protection and Automation Equipment Branch of China Electrical Equipment Industrial Association	Relay Protection and Automation Equipment Branch of China Electrical Equipment Industrial Association
	Shanghai Specialized, Characteristic, Innovative and Novel Small and Medium-sized Enterprise	Shanghai Municipal Commission of Economy and Information Technology
	Innovative Small and Medium-sized Enterprise	Shanghai Municipal Commission of Economy and Information Technology
	Minhang District Enterprise Technology Center	Minhang District Economic Commission
Sieyuan Power Capacitor	Specialized, Characteristic, Innovative and Novel “Little Giant” Enterprise	Shanghai Municipal Commission of Industry and Information Technology
	2025 Shanghai Advanced Smart Factory	Shanghai Municipal Commission of Economy and Information Technology
	2025 First Prize of Science and Technology Progress of China Electrotechnical Society	China Electrotechnical Society
Shanghai Sieyuan High Voltage	Municipal Enterprise Technology Center (Passed Re-evaluation )	Shanghai Municipal Commission of Economy and Information Technology
Rugao High Voltage	National-level Green Factory	Ministry of Industry and Information Technology



About Sieyuan



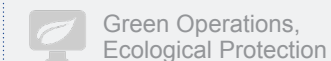
Sustainable Development Management



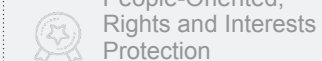
Compliance First, Strengthened Governance



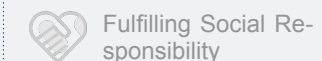
Innovation-led, Quality Service



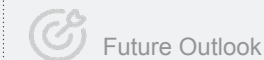
Green Operations, Ecological Protection



People-Oriented, Rights and Interests Protection



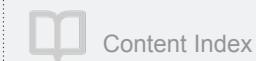
Fulfilling Social Responsibility



Future Outlook



ESG Performance Overview



Content Index

Entity	Honor Name	Granting Unit
Sieyuan Qingneng	National-level Green Factory	General Office of the Ministry of Industry and Information Technology
	National-level Specialized, Characteristic, Innovative and Novel "Little Giant" Enterprise	Ministry of Industry and Information Technology
	Hebei Provincial Scientific and Technological Achievement Certificate (Grid-Forming Wideband Station-Level Impedance Reshaping Equipment Based on MMC + Supercapacitor)	Department of Science and Technology of Hebei Province
	Green Supply Chain (Four-Star)	Shanghai Municipal Commission of Economy and Information Technology
	SSCHigh-Tech Achievement Transformation Project – Static Synchronous Compensator (SSC)	Shanghai Municipal Science and Technology Commission
	2025 First Prize of Power Construction Science and Technology Progress Award(Key Technologies for Demonstration Construction of New Digital Smart Grid Based on 750kV Power Transmission and Transformation Project)	China Electric Power Association
GMCC	Provincial Enterprise Technology Center	Department of Industry and Information Technology of Jiangsu Province
	Jiangsu Specialized, Characteristic, Innovative and Novel Small and Medium-sized Enterprise (Passed Re-examination)	Department of Industry and Information Technology of Jiangsu Province
Juyuan Electric	CERTIFICATE OF AUTHORIZATION	American Society of Mechanical Engineers
Sieyuan Optoelectronics	Green Factory	Ministry of Industry and Information Technology of the People's Republic of China
	Shanghai Center for Enterprise Technology	Shanghai Municipal Commission of Economy and Information Technology, etc.
	High-Tech Achievement Transformation Project (No.: 202505569)	Shanghai Municipal Science and Technology Commission
	High-Tech Achievement Transformation Project (No.: 202506743)	Shanghai Municipal Science and Technology Commission
	Green Supply Chain Management Enterprise	Shanghai Municipal Commission of Economy and Information Technology
	2025 Specialized Fund for Promoting High-Quality Industrial Development of Shanghai (Manufacturing Intelligent Development – Smart Factory Capability Improvement)	Shanghai Municipal Commission of Economy and Information Technology
	Green Supply Chain (Four-Star)	Shanghai Municipal Commission of Economy and Information Technology
	Third Prize of Electric Power Science and Technology Progress Award	Chinese Society for Electrical Engineering
Sieyuan Hertz	Jiangsu Advanced Intelligent Manufacturing Factory	Department of Industry and Information Technology of Jiangsu Province
	2024 Second Batch of Jiangsu Five-Star Cloud-Based Enterprises	Department of Industry and Information Technology of Jiangsu Province
	Jiangsu Specialized, Characteristic, Innovative and Novel Small and Medium-sized Enterprise	Department of Industry and Information Technology of Jiangsu Province
	2025 Nantong First (Set) Major Equipment and Key Component – EGC-252 Clean Air Current Transformer	Nantong Bureau of Industry and Information Technology
Sieyuan Toshiba	Jiangsu Advanced Smart Factory	Bureau of Industry and Information Technology of Changzhou
	CNAS Laboratory	China National Accreditation Service for Conformity Assessment
	Selected in the National Energy Conservation and Carbon Reduction Technologies & Equipment for Industry and Information Technology	Ministry of Industry and Information Technology
Sieyuan Special Transformer	Changzhou Smart Factory	Bureau of Industry and Information Technology of Changzhou

# Development Milestones

## 1993

Shanghai Siyuan Electric Co., Ltd. was founded in Shanghai Jiao Tong University.

## 2002

Restructured Rugao High Voltage Electric Appliance Factory of Jiangsu Province and established Jiangsu Rugao High Voltage Electric Appliance Co., Ltd.

## 2004

Successfully listed on the Shenzhen Stock Exchange (Stock Code: 002028);

Invested and established Shanghai Sieyuan Power Capacitor Co., Ltd. and Jiangsu Sieyuan Hertz Instrument Transformer Co., Ltd.

## 2007

Invested and established Shanghai Sieyuan High Voltage Switchgear Co., Ltd.;

The Shanghai Municipal Science and Technology Commission approved the establishment of the Shanghai High Voltage Electrical Engineering Technology Research Center, with Sieyuan Electric as the supporting entity.

## 2008

Invested and established Sieyuan Qingneng Electric & Electronics Co., Ltd.;

The Ministry of Human Resources and Social Security of the People's Republic of China approved the establishment of a Postdoctoral Research Station.

## 2009

Invested in and established Shanghai Sieyuan Hongrui Automation Co., Ltd.;

Founded Shanghai Sieyuan Power Transmission and Distribution Engineering Co., Ltd.

## 2013

Obtained qualification for overseas project contracting, representing a historic breakthrough for accelerating Sieyuan Electric's overseas business expansion and participation in international market competition.

## 2018

Invested in and established Shanghai Timimotor Technology Co., Ltd., focusing on electrification in the automotive industry.

Acquired and established Changzhou Sieyuan Toshiba Transformer Co., Ltd., entering the transformer product sector.

## 2020

Invested in and established Jiangsu Sieyuan Medium Voltage Switchgear Co., Ltd., marking the Company's entry into the medium-voltage field.

## 2021

Invested in the establishment of Nanjing R&D Center;

Invested in and established Jiangsu Sieyuan Energy Technology Co., Ltd.;

Invested in and established Jiangsu Sieyuan Battery Technology Co., Ltd.;

Recognized as a National Enterprise Technology Center.

## 2022

Invested in and established Shanghai Sieyuan Low Voltage Switchgear Co., Ltd., entering the low-voltage field;

Invested in and established Shanghai Sieyuan Watten Technology Co., Ltd.

## 2023

Acquired GMCC Electronic Technology Wuxi Co., Ltd.;

Established the Global Engineering Service Center.

## 2025

The Shareholders' Meeting approved the launch of an IPO on the Hong Kong Stock Exchange.



# Sustainable Development Management

Guided by the national “dual carbon” strategy and high-quality development policies, the Company integrates the sustainable development concept into its operation and management, and systematically improves its ESG governance effectiveness by continuously improving its ESG management system framework. Meanwhile, it has established a multi-dimensional communication platform for stakeholders to accurately identify and respond to their core demands, fostering a collaborative development pattern featuring co-creation of value, sharing of risks and sharing of achievements.

- 11 Sustainable Development Strategic Policies
- 11 Sustainable Development Governance Structure
- 12 Sustainable Development Goals
- 14 Communication with Stakeholders
- 15 Material Topics Assessment

# Sustainable Development Strategic Policies

## Sustainable Development Strategy

Intelligent Electric Power, Green Manufacturing, Safety and Integrity, Scientific Governance

## Sustainable Development Policies

### E

We attach importance to environmental management. By adopting green raw materials, optimizing equipment and facilities, reducing pollutant discharge and waste generation, implementing green manufacturing, and supervising the carbon emission performance of upstream and downstream partners, we strive to respond to climate change and reduce environmental burdens.

### S

Covering labor and human rights, occupational health and safety, community relations and social responsibility. Against the backdrop of globalization, we endeavor to ensure that our operations worldwide comply with social ethics and responsibilities in line with local standards.

### G

We are committed to abiding by laws and regulations, preventing corruption, upholding fair and transparent internal control systems, and ensuring timely and accurate information disclosure. We balance risks and opportunities, address the needs and expectations of stakeholders, and actively pursue win-win cooperation.

## Sustainable Development Theme

Guided by its sustainable development strategy, Sieyuan Electric always prioritize social benefits as a key consideration, actively fulfills its ESG responsibilities, and strives to achieve the integration of social and economic benefits.

# Sustainable Development Governance Structure

With the Chairman as the leading core, the Company has established a well-structured ESG governance framework with clear levels and responsibilities: The chairman is responsible for providing overall guidance on key ESG-related matters of the Company. The Sustainability Committee (ESG Committee) undertakes management functions, while the Sustainability Office (ESG Team) acts as the coordinating body for detailed implementation. Each branch and subsidiary of the Company has correspondingly established a subcommittee of the Sustainability Committee, which refines and implements the Group’s ESG policies and objectives according to its own business characteristics. This forms a management system of “Group coordination — Department collaboration — Grassroots implementation”, ensuring the effective transmission and execution of sustainable development governance requirements across the entire Group.



At the strategic planning level, guided by the “Sustainable Development Strategic Policies”, the Sustainability Committee formulates short-term, medium-term and long-term development plans to set the direction for the Company’s sustainable development. In terms of institutional support, a “1+N” ESG institutional framework has been established. With the *Sieyuan Electric ESG Management System* as the core, a series of specialized systems have been formulated covering risk management, performance assessment, communication with stakeholders and other areas, providing comprehensive support for the advancement of the ESG system.

During the reporting period, the Company convened 1 meeting of the Sustainability Committee to review and study work arrangements related to sustainable development, and continuously promoted the implementation of environmental, social and governance-related initiatives.

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook


ESG Performance Overview


Content Index


# Sustainable Development Goals

The Company has set quantitative management objectives centered on key ESG topics, systematically aligning with the UN Sustainable Development Goals (SDGs), and has integrated ESG performance into a measurable and assessable indicator system. By continuously tracking the achievement of targets and dynamically optimizing management measures, the Company promotes the effective implementation of its sustainable development strategy.


Chapter Objectives	Key Targets	Unit	Target Performance	2025 Performance	SDGs Alignment
Compliance First, Strengthened Governance	Annual training coverage rate on anti-corruption, anti-unfair competition and anti-fraud	%	100	100	 
	Annual audit number on anti-corruption, anti-unfair competition and anti-fraud	Time	≥4	4	
	Annual handling rate of complaints on corruption and unfair competition	%	100	100	
	Serious criminal violations	Case	0	0	
	Major incident involving embezzlement, corruption, misappropriation and theft of Company assets	Case	0	0	
	Conflicts of interest	Case	0	0	
	Money laundering violations	Case	0	0	
	Lawsuits filed for monopoly or illegal competition	Case	0	0	
Innovation-led, Quality Assurance	Number of green and low-carbon products developed	Type	≥1	2	
	Achieve 60% of packaging materials to be recyclable, renewable or biodegradable by 2026	%	60	90	
	Training rate on quality management awareness for employees	%	100	100	
	Annual information security training coverage rate	%	100	100	
	Annual number of internal information security audits	Time	≥2	2	
	Major information security incidents (accidents)	Case	0	0	
	Handling rate of complaints on information security and privacy breaches	%	100	100	
	Number of safety accidents caused by products to consumers	Case	0	0	
	Verified customer injury incidents such as product fire	Case	0	0	
	Annual response rate of social responsibility questionnaires from new and key suppliers	%	100	100	
	Annual on-site audit rate of social responsibility for target suppliers	%	100	100	
	Annual signing rate of the <i>Supplier Code of Conduct</i> by target suppliers	%	100	100	
	Proportion of suppliers that have signed framework agreements including social responsibility clauses	%	100	100	
	Proportion of audited/assessed suppliers participating in improvement actions or capacity building	%	100	100	
	Annual training coverage rate of Sustainable Procurement Policy for procurement engineers	%	100	100	
	Annual information feedback rate on environmental accidents, safety accidents and fire control for key suppliers	%	100	100	


 About Sieyuan


 Sustainable Development Management

 Compliance First, Strengthened Governance

 Innovation-led, Quality Service


 Green Operations, Ecological Protection














 People-Oriented, Rights and Interests Protection

 Fulfilling Social Responsibility

 Future Outlook

 ESG Performance Overview

 Content Index

Chapter Objectives	Key Targets	Unit	Target Performance	2025 Performance	SDGs Alignment
Green Operations, Ecological Protection	Water resources-related training	Time	≥1	1	
	Energy management-related training	Time	≥1	1	
	Environmental protection theme training coverage rate for all employees	%	100	100	 
	Training coverage rate on energy conservation awareness for employees	%	100	100	 
	Training coverage rate on water conservation awareness for employees	%	100	100	
	Environmental pollution and chemical leakage accidents	Case	0	0	 
	Compliance rate of waste gas, wastewater and noise emission	%	100	100	
	Controllable rate of safety performance between products and users	%	100	100	
People-Oriented, Rights and Interests Protection	Annual forced labor incidents	Case	0	0	
	Annual misuse of child labor incidents	Case	0	0	
	Annual confirmed discrimination and harassment incidents	Case	0	0	
	Annual closing rate of employee complaints and feedback	%	100	100	 
	Compliance rate of internal penalties	%	100	100	
	Annual collective bargaining coverage rate	%	90	94.16	 
	Annual social insurance coverage rate	%	100	100	
	Standard and timely payment rate of wages	%	100	100	 
	Proportion of employees receiving performance appraisal	%	100	100	
	Proportion of employees receiving career development evaluation	%	100	100	
	Employee satisfaction	%	≥85	90	
	Annual work-related fatalities	Case	0	0	
	Annual work-related injuries of Grade 6 and above	Case	0	0	
	Annual confirmed occupational diseases	Person	0	0	
	Annual employee health and safety training coverage rate	%	100	100	

## Communication with Stakeholders

The Company has established a regular communication mechanism to understand and track the expectations and demands of various stakeholders. Through targeted communication channels including interviews, business cooperation, on-site inspections, roadshows and other means, the Company continuously conducted communication and response, enhances stakeholders' understanding and recognition of the Company, and integrates stakeholders' opinions into its sustainable development decision-making and management.

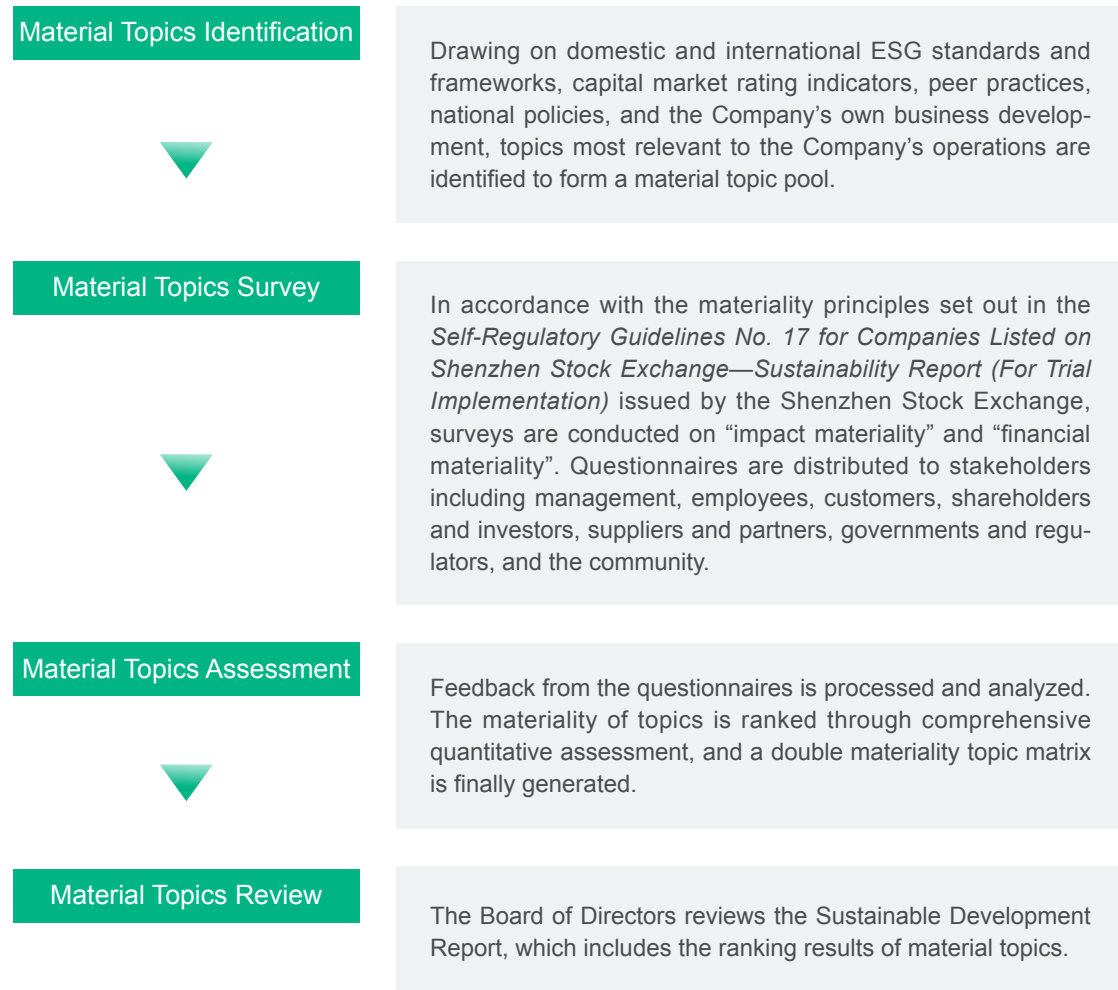


Stakeholder Type	Concerns	Response Methods
Shareholders and Investors	Risk management Business ethics and compliance Communication and transparency Investor relations and shareholders' rights and interests, etc.	Shareholders' meetings Investor number and roadshows Conference calls and emails Information disclosure Company official website, etc.
Governments and Regulatory Authorities	Corporate governance, Tax security Intellectual property rights protection Information security, Innovation and R&D Climate change response, Environmental protection Energy management, etc.	Accepting supervision Irregular reporting Tax payment in accordance with law Participation in relevant meetings Visits and inspections, etc.
Customers	Product quality and safety Customer relationship management Customer privacy protection Green products, etc.	Online communication platforms Customer hot-lines, Regular customer audits Customer satisfaction surveys Technical seminars, etc.
Employees	Talent attraction and retention Protection of employee rights and interests Employee equality, inclusion and diversity Employee development Occupational health and safety, etc.	Employee forums Employee satisfaction surveys Employee activities, Employee training Employee development paths Employee complaints and appeals, etc.
Suppliers	Sustainable supply chain Information security Business ethics Joint ESG development, etc.	Daily communication with suppliers Public bidding and transparent procurement Supplier management and audits Supplier training and empowerment, etc.
Research Institutions, Industry Associations and Peers	Technical cooperation Information security Industry collaboration	Industry-university-research cooperation Industry and association activities Strategic cooperation, etc.
Media	Information transparency Smooth communication	Corporate official website Information disclosure Attention to media feedback and suggestions Establishment of sound cooperative relations
Community and Public	Community contribution and participation Environmental protection Green production Promotion of community development	Community co-construction and public welfare activities Community publicity Environmental impact assessment of new projects Information disclosure

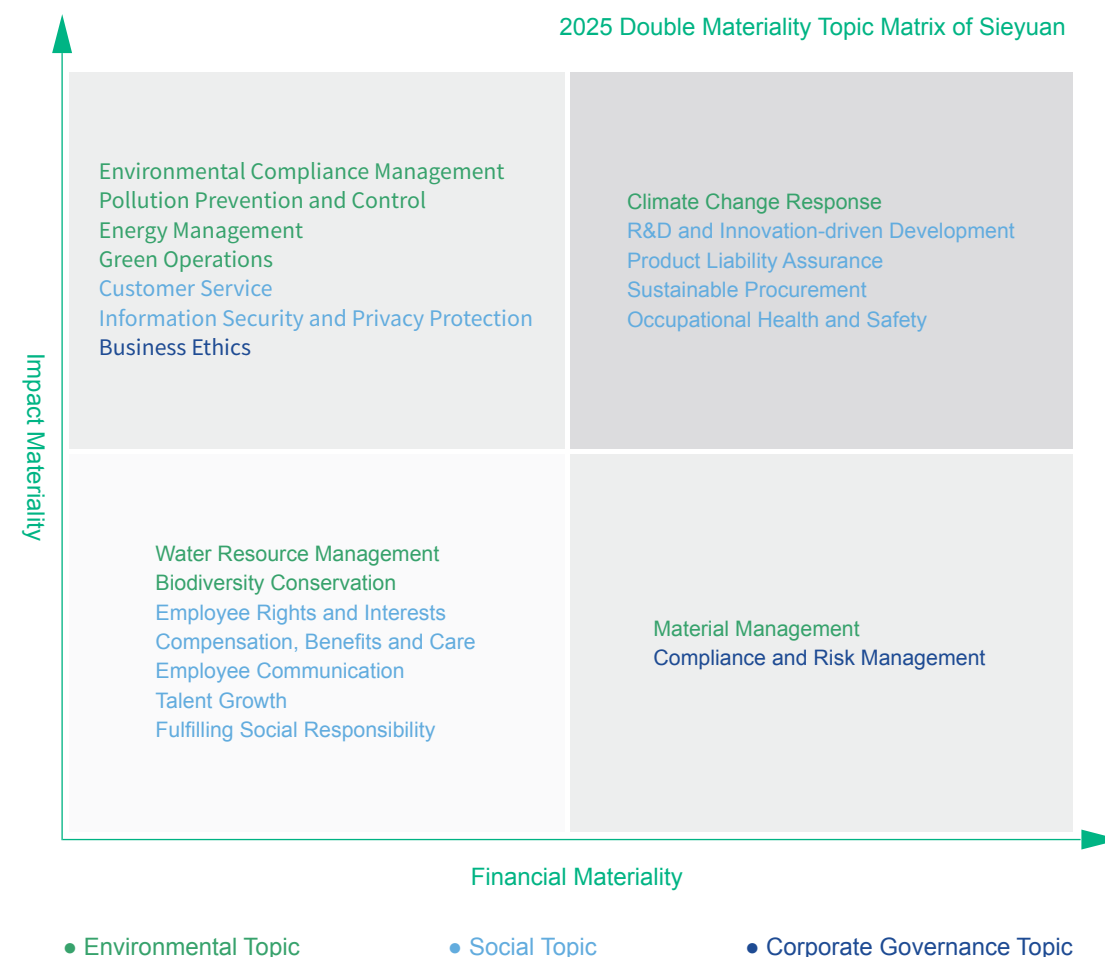
## Material Topics Assessment

The implementation of material topics assessment and management serves as an important foundation for the Company to systematically carry out ESG strategic planning, promptly identify and control risks, and seize development opportunities. As the external business environment changes and the Company's business continues to grow, the Company continuously identifies the actual and potential impacts of its operating activities on the economy, environment and society, and conducts a double materiality assessment of ESG topics. It integrates the financial materiality of each ESG topic as well as the materiality of its environmental, social and economic impacts into the overall evaluation and consideration. To more accurately identify the core concerns of internal and external stakeholders and provide decision support for the Company's ESG strategic planning and sustainable development management, the Company has established a regular working mechanism. Relying on diversified methods such as internal and external expert assessments and questionnaire surveys, it conducts ESG topic materiality assessments in accordance with the following procedures.

### Topics Materiality Assessment Process



To continuously strengthen the capability to prevent and control ESG-related risks, the Company's Sustainability Committee has established a regular tracking mechanism to periodically assess the management effectiveness and implementation progress of key ESG topics. Meanwhile, for the critical topics identified through the double materiality assessment, the Company discloses relevant management measures and practices in this Report in accordance with standards such as the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, following the four-pillar framework of "Governance-Strategy-Management of Impacts, Risks and Opportunities-Metrics and Targets".



# 01

## Compliance First, Strengthened Governance

Sieyuan

The Company actively responds to the national policy calls of “managing enterprises in accordance with the law” and “operating with integrity”, and has always regarded compliant operation as the foundation and lifeline of corporate survival and development. In line with the strategic requirements for the modernization of the national governance system and governance capacity, the Company systematically promotes the improvement of management efficiency from four core dimensions of optimizing the internal governance structure, strengthening compliance and risk control, improving the business ethics system, and upgrading data security and privacy protection.

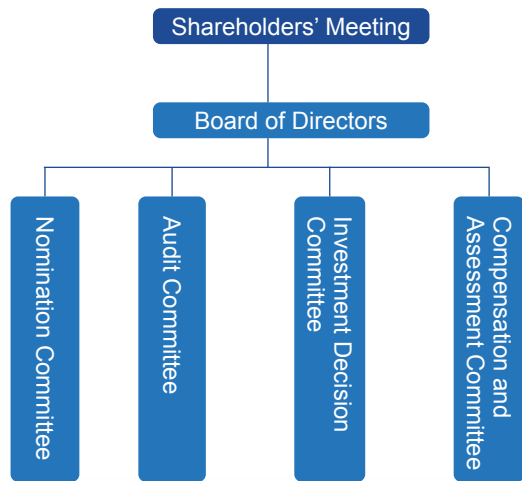
Corresponding UN Sustainable Development Goals (UN SDGs) for this Chapter



- 17 Corporate Governance
- 18 Protection of Investors' Rights and Interests
- 19 Compliance and Risk Management
- 21 Business Ethics Development
- 23 Appeals and Reporting

# Corporate Governance

The Company has established a governance system with clear powers and responsibilities and standardized operations. It continuously optimizes its governance mechanisms and decision-making processes, promotes efficient collaborative performance of duties among various governance roles, and ensures that the Company's strategic and operational decisions are scientific, transparent and efficient.



Siyuan Electric Governance Structure Chart



## Corporate Governance Structure

In strict accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Guidelines for Corporate Governance of Listed Companies* and other laws, regulations and regulatory rules, the Company continuously improves its corporate governance, establishes and perfects its internal control system, and steadily elevates the level of standardized operation based on its actual conditions.

**Shareholders' Meeting**

The Company's Shareholders' Meeting comprises all shareholders. As the Company's organ of authority, the shareholders' meeting shall exercise its functions and powers within the scope stipulated by the *Company Law* and the articles of association of the Company. The Company strictly convenes and holds Shareholders' Meetings in accordance with laws and regulations, as well as the *Articles of Association and Rules of Procedure for the Shareholders' Meeting*, standardizes proposal and voting procedures, and actively protects the legitimate rights and interests of shareholders.

**Board of Directors**

The Board of Directors is elected by the Shareholders' Meeting. Entrusted by the Shareholders' Meeting, it is responsible for the operation and management of the Company's corporate property, serves as the business decision-making center of the Company, and is accountable to the Shareholders' Meeting. The Company strictly regulates the deliberation and decision-making procedures of the Board in accordance with the *Articles of Association, Rules of Procedure for the Board of Directors, Independent Directors Work Rules* and other systems, urging Directors to earnestly perform their duties and improving the fairness and scientificity of decision-making.

To strengthen professional decision-making support and oversight functions, the Board has established special committees including the Nomination Committee, Audit Committee, Investment Decision Committee, and Compensation and Assessment Committee. These committees conduct professional reviews and provide recommendations on audit supervision, investment management, and compensation and performance, ensuring the efficiency and compliance of the Board's decisions.

The Company currently has 7 directors, including 1 Chairman and 1 Vice Chairman. Among them, 3 are independent directors, accounting for more than one-third of all directors. One independent director is an accounting professional, which complies with the requirements of the *Measures for the Administration of Independent Directors of Listed Companies* issued by the China Securities Regulatory Commission.

### 2025 Meeting Statistics

2 Shareholders' Meetings were convened  
 21 proposals were reviewed

10 Board meetings were convened  
 44 proposals and reports were reviewed, examined, scrutinized, or heard

The Board of Directors established the following committees:

- the Audit Committee held 7 meetings
- the Investment Decision Committee held 1 meetings
- the Compensation and Evaluation Committee held 2 meetings
- and the Sustainability Committee held 1 meetings

During the reporting period, the Company established a new Nomination Committee, which has not yet convened any meetings.

## Board Structure and Independence

In the process of appointing members of the Board of Directors, the Company bases itself on its development strategy and governance requirements, and comprehensively evaluates candidates against multi-dimensional factors such as their industry expertise, cultural perspective, educational background and practical management experience. The Company focuses on recruiting talents from diverse professional fields to support its scientific decision-making and standardized operation.

Regarding the independence of the Board, the Company strictly complies with the *Measures for the Administration of Independent Directors of Listed Companies* and establishes a special meeting mechanism for independent directors to support them in performing their duties. When the Board reviews on major matters, it fully listens to the valuable suggestions of independent directors on industry development and risk prevention and control. In daily operations, it maintains communication with independent directors through meetings, emails, WeChat and other channels to facilitate their better guidance for the Company.

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

## Protection of Investors' Rights and Interests

The Company is committed to ensuring the transparency and accessibility of information required for investment decisions. By improving communication mechanisms, standardizing information disclosure and maintaining continuous cash dividends, it realizes effective interaction and value sharing with investors, and continuously creates long-term and stable value returns for them.



### Investor Communication

The Company continuously optimizes the forms of investor communication. It interacts with investors through channels such as the Company's official website, telephone, fax, and email, as well as the [irm.cninfo.com.cn](http://irm.cninfo.com.cn), and via methods including shareholders' meetings, receiving visits, and symposiums, to enhance investors' understanding and recognition of the Company, thereby improving the corporate governance level and overall enterprise value of the listed company. In addition, the Company has set up an Investor Relations Column on its official website to broaden communication channels, providing a more convenient platform for investors to obtain timely and accurate information on the Company's operational developments.

**2025**

Number of investor exchange meetings and investor research receptions:  
**8**

Number of investment institutions received:  
**Over 200**

The Company attaches great importance to communication with the capital market and continuously strengthens investor relations management through earnings briefings and other forms. During the reporting period, the Company actively participated in the "2025 Shanghai Listed Companies Collective Investor Reception Day & Interim Results Briefing". Directors and senior management of the Company communicated with investors via online interactive sessions on issues of concern, including the Company's performance, corporate governance, development strategy and operating conditions. This has further enhanced sound interaction with investors and improved the timeliness and transparency of information communication.

### Standardized Information Disclosure

The Company attaches great importance to information disclosure and has formulated a series of systems based on its actual conditions, including the *Information Disclosure Management System*, *Management System for External Information Submission and Use*, and *Accountability System for Major Errors in Annual Report Information Disclosure*. It has established a sound information disclosure management system, which clearly stipulates the basic principles, content standards, management processes and procedural requirements for information disclosure, providing a guarantee for high-quality information disclosure.

The Company has always adhered to the principles of authenticity, accuracy, completeness and timeliness in information disclosure, taking "zero errors" as the fundamental goal of information disclosure work. In compliance with the requirement of "concise and easy to understand", striving to make the disclosure content valuable and understandable, objectively and accurately conveying corporate information to investors, and continuously enhancing corporate transparency.

During the reporting period, the Company and its information disclosure obligors strictly coordinated investor relations in accordance with the *Guidelines for Investor Relations Management of Listed Companies*, received visits from shareholders and actively responded to investor inquiries. Securities Times and CNINFO (<http://www.cninfo.com.cn>) are the designated newspaper and website for the Company's information disclosure.

# Compliance and Risk Management

Adhering to the principle of “prevention first, combining prevention and control”, the Company has established a multi-level compliance system and a three-line-of-defense risk management mechanism. It identifies, assesses, responds to and monitors key compliance and operational risks, forming a closed-loop management featuring “manageable systems, controllable processes, accountable responsibilities and verifiable results”, laying a solid foundation for the Company’s steady operation and sustainable development.

## Compliance Management

### Overall Compliance Management Framework

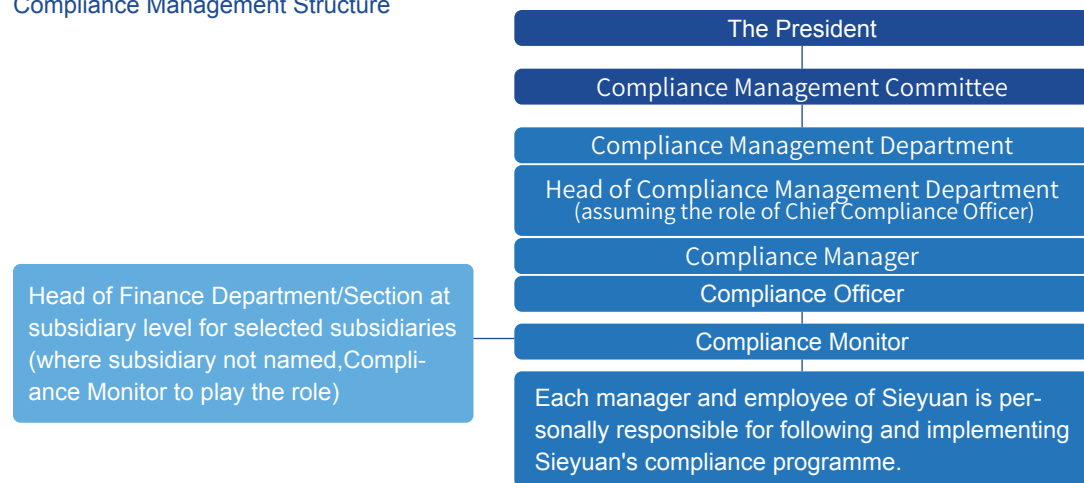
The Company continues to strengthen its comprehensive compliance management framework. Guided by compliance risk prevention and control and based on its institutional system, it has built a multi-level compliance management system covering the Group and domestic and overseas subsidiaries. The Company incorporates key topics such as ESG requirements, responsible procurement, anti-corruption, anti-bribery, and anti-fraud into its regulatory system, continuously improves institutional documents, optimizes its organizational structure, develops a professional compliance talent team, and steadily advances relevant work on SA 8000 international social responsibility standard certification, so as to achieve full compliance coverage in key business areas and provide more reliable cooperation guarantees for stakeholders.

Under the leadership of the *Sieyuan Compliance Code of Conduct*, the Company has issued and implemented a series of supporting institutional documents, including the *Sieyuan Anti-Corruption and Anti-Bribery Guidelines*, *Sieyuan Anti-Fraud Guidelines*, *Measures for the Compliance Management of Sieyuan Business Partners*, *Measures for Complaint Management*, *Guidelines for Internal Investigation of Sieyuan Compliance Issues*, and *Measures for the Integrity and Compliance Management of Human Resources*. These have formed a compliance management system covering employee conduct, business processes, third-party cooperation, and supervision and accountability.

### Compliance Management Organizational Structure

The Company has established a multi-level compliance management organizational system covering the Group and domestic and overseas subsidiaries, forming a five-level structure of “overall coordination by the Chairman, decision-making and supervision by committees, professional management by the compliance department, territorial implementation by compliance supervisors, and observance by all employees”.

#### Compliance Management Structure



### Compliance Risk Assessment and Review

The Company has established a regular compliance risk assessment mechanism. The compliance management department conducts compliance risk assessments every two years (or whenever deemed necessary by the Company). Based on the Company’s business scale, business sectors, countries of operation and other characteristics, the assessment combines document review and personnel interviews, covering key departments at the Group and/or key subsidiaries. In response to identified compliance risk exposures, the Company formulates rectification and improvement plans, and continuously enhances system effectiveness by revising and updating written compliance policies, optimizing organization and staffing, improving mechanisms and processes, and strengthening training and promotion.

The Company has established an annual compliance review and reporting mechanism. The compliance management department formulates an annual compliance review plan each year, focusing on key compliance risk areas. Compliance supervisors submit quarterly compliance review reports to the compliance management department for review in accordance with the plan. The compliance management department prepares an annual compliance report each year, including the progress and findings of review work, and submits it to the Compliance Management Committee for review.

### Compliance Culture Development

The Company incorporates compliance training into its Company-wide training program. The compliance management department formulates the annual training plan at the beginning of each year, as well as when key laws and regulations or corporate policies are issued or updated, and when there are major adjustments to the organizational structure, and organizes and implements the training jointly with the human resources and other departments. Training focuses on high-frequency business scenarios and key risk points, covering compliance clause checks, supply chain and business partner compliance, bidding and tendering compliance, gift, entertainment and travel compliance, identification of typical anti-fraud scenarios, reporting and consultation, among other topics. Through signing Company-wide compliance commitments, compliance training and education, and compliance performance assessment, the Company implements the requirements of “knowing rules, abiding by rules, and applying rules” to positions and processes. It encourages employees to proactively identify risks and seek timely compliance advice in key links such as “decision-making, contract signing, payment, reimbursement and delivery”, continuously improving compliance awareness and organizational execution.



Online Training of Compliance Systems



Compliance Onboarding Training for New Graduates Recruited via Campus Recruitment

## Risk Management

The Company thoroughly practices the risk management philosophy of “prevention first, combining prevention and control”. By establishing a well-structured three-line-of-defense mechanism with clear roles and responsibilities, the Company effectively prevents various risks and safeguards its steady operation and sustainable development.

**First line of defense:** Front-line business departments are responsible for daily risk identification, process control and rectification implementation

**Second line of defense:** Functional departments such as risk control and compliance conduct professional risk identification, assessment, monitoring and institutionalized management and control, providing standards, processes and tool support

**Third line of defense:** The internal audit department independently inspects and evaluates the effectiveness of risk management and internal control systems, and promotes continuous improvement

To ensure risk management is conducted in accordance with rules and based on evidence, the Company defines responsible entities, management and control processes and decision-making mechanisms for each link in accordance with institutional documents including the *Internal Control Standard Manual*, *Internal Audit System* and *Internal Audit Procedures and Methods*. The Company has established risk classification standards covering strategic risks, market risks, financial risks, operational risks, legal and compliance risks and other dimensions, realizing accurate risk identification and hierarchical response. Through specialized audits in key risk areas and standardized risk report frequency and transmission mechanisms, the Company continuously improves its overall risk resistance and operational resilience.

## Risk Management Process

The Company has established a scientific and complete risk management process, implementing all-round closed-loop management of risks in accordance with the steps of risk identification, risk assessment, risk response and risk monitoring.

Risk Management Process	
Risk Identification	A variety of methods such as interviews, data flow analysis and case studies are adopted to comprehensively identify internal and external risk factors.
Risk Assessment	Qualitative and quantitative analyses are conducted annually on identified risks to comprehensively assess their likelihood and impact.
Risk Response	Differentiated response strategies are formulated based on assessment results, including risk avoidance, mitigation, sharing and acceptance.
Risk Monitoring	A risk monitoring indicator system is established for regular monitoring and assessment, and response strategies are adjusted in a timely manner.

The Company conducts a comprehensive risk assessment every year, with an integrated assessment based on two dimensions of risk severity and deficiency level.

### In 2025

the Audit and Internal Control Department completed a total of **74** audits

including **31** routine audits and **35** specialized audits **8** investigation reports on whistleblowing matters

### During the reporting period

the Company did not experience any risk events involving major or material deficiencies.

For identified material risks, the Company exercises systematic management and control from four dimensions of “assessment, control, strategy and capability”.

#### In terms of risk assessment

An annual risk inventory and key risk ledger are established. Combined with changes in internal and external environments, major projects and key operational data, risks are graded and prioritized through expert judgment and data analysis, with clear definition of responsible departments, key control points and closed-loop rectification requirements;

#### In terms of risk control

A multi-dimensional monitoring indicator system covering finance, operations, marketing and other areas is constructed. Quarterly analysis is performed to form an early warning list, enabling early detection and early disposal of potential risks;

#### In terms of response strategies

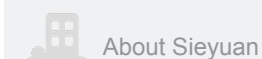
Differentiated plans are formulated for risks of different types and levels. For high-risk businesses, strategies such as risk avoidance or strengthened approval and monitoring are adopted. For controllable risks, risk exposure is reduced through process optimization, authorization management, contract terms and payment control.

#### In terms of capability building

Diverse risk management training is delivered, and industry experts and internal lecturers are invited to analyze risks and opportunities in hot topics, continuously improving the organization’s risk identification and response capabilities.

## Internal Control Audit

The Audit and Internal Control Department is the permanent body responsible for the daily supervision of internal control. Under the direct leadership of the Audit Committee, it independently conducts internal audits and inspections. In accordance with the internal audit system and relevant management systems, the Company carries out routine audits of key departments, important subsidiaries and affiliated entities every year to promote the normalization of audit supervision. Meanwhile, the Company has set up compliance and internal control teams in all business units. At the beginning of each year, the Audit and Internal Control Department convened a internal control conference, and developed an annual self-inspection plan, which is implemented monthly by each team. Specialized audits and inspections may also be launched based on risk conditions. Through the continuous operation of a multi-level internal supervision system and internal control mechanisms, the Company effectively prevents various major risks, drives management improvement and ensures stable operation.



About Sieyuan



Sustainable Development Management



Compliance First, Strengthened Governance



Innovation-led, Quality Service



Green Operations, Ecological Protection



People-Oriented, Rights and Interests Protection



Fulfilling Social Responsibility



Future Outlook



ESG Performance Overview



Content Index

## Business Ethics Development

Establishing an integrity-oriented corporate culture and upholding fair and impartial business values are the foundation for the steady development of an enterprise. The Company strictly abides by the laws and regulations of China and the countries or regions where it operates overseas, and firmly prohibits bribery, extortion, and fraud and any other illegal activities. It integrates integrity construction into its governance system. By improving the institutional system, strengthening education and training, and perfecting supervision mechanisms, the Company continuously enhances the awareness of integrity among all employees, and promotes compliant operation and reputation building.

### Business Ethics Norm

The Company has formulated and issued the *Code of Business Conduct and Ethics*, which clarifies the bottom line of business ethics and behavioral requirements for the Company's global operations. All employees are required to sign the *Employee Compliance Commitment Letter upon onboarding*, undertaking to abide by the Company's business ethics and compliance management requirements. The Company promotes the implementation of business ethics standards through institutional promotion, specialized training, compliance consultation and whistleblower handling. Any violation of business ethics and compliance requirements will be subject to accountability in accordance with relevant regulations. Serious violations will result in corresponding liabilities in accordance with applicable laws and regulations.

### Anti-Fraud

The Company adopts a "zero-tolerance" policy toward fraud. Employees and business partners are prohibited from engaging in any form of fraud when acting on behalf of the Company or as part of a consortium with the Company, with strict controls over high-risk scenarios such as bidding and project delivery.



To combat fraud in business activities, Sieyuan implements anti-fraud management around three objectives of "prevention, detection and disposition":

<b>Prevention</b>	Reduce the probability of fraud through institutional and process design;
<b>Detection</b>	Improve the ability to identify fraud through reviews, verifications and abnormal signal recognition;
<b>Disposition</b>	Conduct investigations into suspected fraud and implement rectification measures for confirmed cases to prevent recurrence.

The Company explicitly prohibits the submission of false or misleading information in bidding, fictitious or exaggerated performance records, forgery or alteration of certification documents, concealment of required disclosures, and misrepresentation of personnel, equipment or work scope. During project implementation, false billing, forged invoices, inflated working hours, use of substandard materials, and impersonation by external personnel as Company employees are strictly forbidden. The Company requires complete and accurate written records to be retained for relevant processes and key activities to ensure traceability and verifiability.

### Anti-Unfair Competition

The Company adheres to the principle of fair competition and strictly complies with applicable laws, regulations and regulatory requirements on anti-unfair competition, bidding and tendering. It takes "truthful disclosure, honest transactions, compliant marketing and refusal to collude" as its bottom line for business operations. The Company focuses on highly sensitive areas such as bidding and tendering, market development, publicity and promotion, pricing and contract terms, to prevent unfair competition risks including false advertising, commercial defamation, infringement of trade secrets, improper interest transfer and collusive bidding. In bidding and tendering management, the Company emphasizes that bidding documents shall be true, accurate and complete. Forgery or alteration of performance records, letters of guarantee, authorizations, test reports and other documents is strictly prohibited; concealment of required disclosures is forbidden; and false representations regarding project personnel, equipment, subcontracting proportions and other information are not allowed. Through mechanisms such as key node review, compliance clause checks and process record-keeping, the Company ensures that bidding activities are conducted in accordance with laws and regulations, and are traceable and verifiable.

## Anti-Commercial Bribery and Anti-Corruption

Anti-commercial bribery and anti-corruption constitute the core of the Company's business ethics and compliance governance. The Company upholds globally consistent standards and a "zero-tolerance" principle, focusing on preventing corruption and bribery risks in links such as official dealings, agency and third-party cooperation, gifts, entertainment and travel, donations and sponsorships, as well as payments and reimbursements, to avoid direct or indirect bribery and circumvention of regulatory requirements in any form.

### Integrity Governance

#### Institutional System Development

In accordance with the specialized regulation *Sieyuan Anti-Corruption and Anti-Bribery Guidelines*, the Company embeds prohibitive requirements, permissible boundaries, approval procedures, record-keeping and accountability mechanisms into business processes and management systems. The effective implementation of the system is jointly guaranteed by supervision from the Compliance Management Committee, overall coordination by the compliance management department, territorial implementation by compliance supervisors and independent oversight by the audit department.

At the institutional level, interest transfers in cash or cash equivalents (gift cards/shopping cards/vouchers, etc.) are explicitly prohibited. Luxury gifts and extravagant entertainment are forbidden; splitting expenses to evade approval is not allowed; concealing the nature of expenditures through off-book accounts, small coffers or false disbursements is prohibited; and no political contributions may be made in the name of the Company.

At the process level, prior approval and process traceability are strengthened, requiring that invoices, vouchers and accounting records are true, accurate and complete. Expenses for gifts, entertainment and other items that exceed the prescribed threshold must be applied for and approved in the system in advance. External travel expenses shall comply with contractual agreements or Company standards. Reimbursement for relatives of external personnel or accompanying persons unrelated to business purposes is prohibited, and direct payment of daily allowances to external personnel without contractual basis is forbidden. A dual-review mechanism is implemented in reimbursement of "authenticity review by business departments + compliance review of invoices by the finance department", ensuring full traceability and verifiability.

Anti-Corruption Management for Business Partners and Third Parties

The Company extends anti-corruption requirements to the management of business partners and third parties. Through risk-based due diligence, contractual compliance clauses, reasonableness reviews of commissions/service fees, verification of payment routes and payee entities, the Company prevents risks of “disguised bribery through agents, consultants, subcontractors and channel partners”. For high-risk countries/regions, high-risk business scenarios or abnormal payment arrangements, enhanced compliance reviews and elevated approval are applied, with specialized investigations conducted when necessary.

Risk Identification and Response

The Company integrates anti-commercial bribery and integrity compliance requirements into the entire process of business operations, carrying out identification, assessment and hierarchical management and control for high-risk scenarios. Through a management mechanism featuring prior approval and red-line restrictions, in-process monitoring and abnormal early warning, as well as post-event spot checks and closed-loop rectification, the Company reduces compliance and reputational risks and maintains a fair and competitive business environment.

Risk Scenario	Key Risk Points	Corresponding Measures
Interaction with public officials / personnel of state-owned enterprise clients	Risk of being deemed improper influence or interest transfer	Strictly identify the identity of “public officials”; impose stringent approval and record-keeping for gifts/entertainment/travel involving public officials; in principle, no courtesies that may trigger conflicts of interest shall be arranged during sensitive periods
Gifts and entertainment beyond reasonable standards	Luxury consumption, disguised rebates	Explicitly prohibit cash and cash equivalents, luxury gifts and extravagant entertainment; prior application and approval are required when thresholds are reached; high-frequency entertainment for the same party within a short period shall trigger attention and compliance review
Expense splitting to avoid approval	Concealing over-limit single amounts through multiple small payments	Prohibit expense splitting; approvers shall review the frequency and cumulative amount for the same party within a short period; verify consistency between applications and actual expenses during reimbursement
Arrangement of external travel expenses	Disguised interest transfer, travel with relatives at Company expense	Provision/reimbursement shall only be made based on contractual agreements or Company standards; reimbursement for relatives of external personnel is prohibited; payment of daily allowances to external personnel without contractual basis is forbidden; entertainment during business trips shall also be subject to gift and entertainment policies and approval
Requests for “commissions” or “consulting fees” from agents/third parties	Indirect bribery through third parties	Conduct due diligence for third-party access; include anti-corruption and audit cooperation clauses in contracts; verify authenticity of services and reasonableness of consideration; implement enhanced review for abnormal payment arrangements

Risk Scenario	Key Risk Points	Corresponding Measures
Sensitive sources of donation/sponsorship requests	Bribery concealed as donations or sponsorships	Prior compliance approval and signed agreements are mandatory; cash payments, payments to individuals and payments to unqualified organizations are prohibited; finance shall review approvals and invoices before payment; donations shall be public in principle
Cash withdrawal and cash payment	Difficult to trace cash, prone to corruption	Strictly control the scope of external cash payments; record and keep vouchers for each transaction; written report in advance and review shall be conducted for amounts exceeding specified thresholds
Abnormalities in payment and reimbursement	Fake invoices, fictitious transactions, off-book accounts	Formal invoices/slips shall be attached to reimbursements; dual review of business authenticity and invoice authenticity shall be implemented; false expenditures and off-book accounts are strictly prohibited; abnormal documents shall trigger specialized verification
Key links in bidding and tendering	Collusive bidding, falsified materials	Strengthen truthful disclosure of bidding documents and review at key nodes; conduct compliance clause checks and process record-keeping; implement pre-compliance review and sampling verification for high-risk projects

Integrity Awareness Training

The Company regards anti-corruption and anti-bribery as the focus of business ethics training, and conducts tiered and categorized publicity and education on topics including boundaries of gifts, entertainment and travel, rules for interaction with public officials, third-party risks and due diligence, compliance of donations and sponsorships, prohibition of facilitation payments, identification of abnormal payments, reporting and consultation. It encourages employees to proactively identify and report risks in key links such as “decision-making, contract signing, payment, reimbursement and delivery”, and enhances their ability to recognize risks including disguised interest transfer, improper payments and approval circumvention.



Required Knowledge of the New Compliance System for Subsidiaries

## Appeals and Reporting

To enhance the transparency and effectiveness of the Company's integrity and compliance management, Sieyuan Electric has established a sound reporting and appeal mechanism, encouraging employees and other stakeholders to report and appeal against acts that violate laws and regulations, harm the interests of the Company, or contravene professional ethics.

In accordance with the *Measures for Complaint Management* and other regulations, the Company clarifies the scope of acceptance, handling principles, investigation procedures and feedback mechanisms for reports and appeals, ensuring that matters are handled in accordance with laws and regulations, fairly and impartially, and in a traceable manner. Verified violations will result in corresponding accountability in accordance with applicable laws and regulations. The Company will also improve relevant systems and rectify processes based on actual conditions, forming a closed loop of continuous improvement.

### Reporting Channels

The Company provides diverse and accessible reporting and appeal channels, supporting both signed and anonymous submissions, and encourages the provision of objective and truthful clues and evidence.

Telephone Acceptance: Compliance and Legal Department: 021-61610952; Audit and Internal Control Department: 021-61610845

Email Acceptance: Compliance and Legal Department: hgfbw@sieyuan.com;

Audit and Internal Control Department: sj@sieyuan.com

Mailing/Visiting Address: Compliance and Legal Department/Audit and Internal Control Department, Sieyuan Electric Co., Ltd., No. 3399 Huanning Road, Minhang District, Shanghai (Postal Code: 201108).

### Appeal Handling Process

The Company implements standardized process management for reporting and appeal matters to ensure transparent procedures, clear nodes and traceable results.

#### Information Receipt

Upon receiving a report information, the report acceptance department shall, contact the reporter via the original channel within 3 working days, in principle to confirm receipt and verify the content and relevant details (except for anonymous reports where contact is not possible).

#### Investigation and Verification

Prompt investigation and verification will be organized after acceptance, and the results will be fed back to the reporter through appropriate means.

#### Result Feedback

In principle, the Company will complete the investigation and provide feedback on the handling result within 60 days from the date of acceptance. For complex cases, the period may be appropriately extended upon approval, and the reporter will be informed that the investigation is ongoing before the expiration date. The extended period generally shall not exceed 30 days.

#### Closed-loop Rectification

For verified problems, the Company will impose accountability in accordance with laws, regulations and Company policies. Meanwhile, in view of management weaknesses exposed by cases, the Company will promote system improvement and process rectification to form a closed-loop improvement.

### Whistleblower Protection

The Company adheres to the principle of "confidentiality first and zero tolerance for retaliation" for whistleblower protection. The identity and content of reports are kept strictly confidential, with information scope controlled on a need-to-know basis to ensure the legitimate rights and interests of whistleblowers are not infringed. No entity or individual may retaliate, discriminate against or take reprisals against whistleblowers under any pretext. Those who engage in malicious defamation, deliberate framing or provide false materials causing adverse impacts will also be held legally and administratively responsible, so as to safeguard the seriousness and impartiality of the reporting mechanism.

# 02

## Innovation-led, Quality Service

Guided by the principle of “innovation-led, quality-oriented, and value-added services”, the Company integrates technological innovation, product quality, customer service, information security and sustainable supply chain into its operation and management system. It continuously enhances product competitiveness and solution capabilities for new-type power systems and digital energy scenarios, providing customers with safer, more reliable and more efficient equipment and services.

Corresponding UN Sustainable Development Goals (UN SDGs) for this Chapter



- 25 R&D and Innovation Drive
- 29 Product Responsibility Assurance
- 32 Customer Service Improvement
- 33 Information Security and Privacy Protection
- 34 Sustainable Procurement

## R&D and Innovation Drive

In response to industry trends including the construction of new-type power systems, high-penetration integration of renewable energy and accelerated terminal electrification, the Company continuously improves the safety, controllability and efficiency of power transmission and distribution through technological innovation. It incorporates innovation capacity building and sustainable development requirements into corporate governance and operational decisions in parallel. With long-term focus on the power transmission and distribution sector, the Company advances key technological breakthroughs and product iterations in primary equipment, secondary equipment, power electronics and related fields. Through a platform-based and systematic R&D management mechanism, it provides sustained support for enhancing core competitiveness, implementing green transformation and achieving high-quality growth.

### Governance

#### Innovation System Development and Operating Mechanism

The Company adheres to a process-oriented, standardized and traceable R&D management philosophy. It has established a management mechanism covering the entire R&D life cycle, integrating key links including demand identification, scheme design, R&D verification, result delivery and continuous improvement, so as to continuously enhance the standardization and collaboration efficiency of R&D activities.

#### R&D System Structure

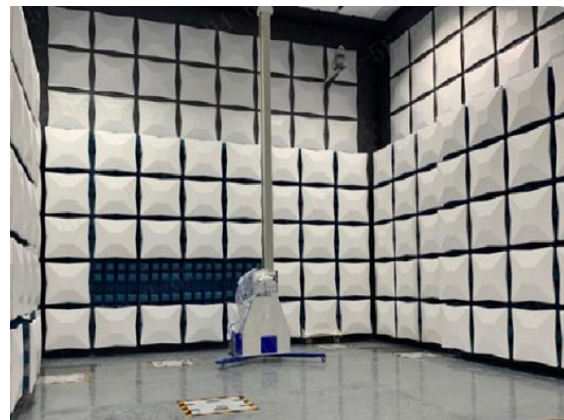
The Company continuously optimizes its R&D organization structure, promoting the appropriate separation and asynchronous advancement of product development and technological pre-research. This enhances its cutting-edge technology reserve capacity while further shortening the R&D cycle and improving the consistency of R&D quality.

#### Research Platform and R&D Resource Development

The Company continuously improves its multi-level innovation platform system, establishing innovation carriers such as municipal-level enterprise technology centers, provincial-level engineering technology centers and national-level testing platforms, to promote the aggregation of innovation resources and transformation of achievements. Focusing on building R&D verification capabilities, the Company has continuously invested in establishing testing capabilities covering electrical, mechanical, thermal, electronic, environmental reliability and electromagnetic compatibility fields, providing fundamental guarantees for R&D quality and efficiency.



Super-computing Center



Electromagnetic Compatibility Laboratory



Environmental Reliability Laboratory



Electrical Performance Laboratory

### Strategies

#### Innovation Development Strategy

Focused on innovation and sustainable development, the Company is committed to developing advanced electrical equipment and solutions that meet market demands. It emphasizes quality, efficiency and environmental protection, while continuously pushing the boundaries of technological progress.

#### Key Innovation Development Directions

Adhering to an innovation-driven development strategy, the Company aligns with the development needs of smart grids and digital energy, focusing on high-voltage electrical engineering technology, power quality technology and smart grid technology. It has formed an innovation path of “platform-based R&D + scenario-based solutions”.

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

### Deployment of Key R&D Projects

Major R&D Project Name	Project Purpose	Project Progress	Intended Target	Expected Impact on the Company's Future Development
1100kV GIS Product Development Project	To support continuous improvement in the State Grid UHV market	Planning phase	Product launch in 2027	Further expand market scale in the State Grid UHV sector and drive growth in other markets
145/252kV GIS Product Development Based on Eco-Friendly Gas Interruption	To support the global market demand for eco-friendly switchgear	Concept phase	Product launch in 2027	Keep pace with environmental development trends and build up corresponding product reserves
TYD1000 High-Altitude and Earthquake-Resistant Version Product Development Project	To enter the UHV high-altitude sector and complete high-altitude and high-seismic product versions	Product released	Achieve mass production and delivery	Enhance the Company's brand image in the UHV field and foster new profit growth points
±800kV Converter Transformer Valve-Side Bushing New Product Development Project	To address the bottleneck of converter transformer valve-side bushings for State Grid in the field of UHV DC bushings	Product released	Achieve mass production	Enhance the Company's brand image in the DC UHV field and foster new profit growth points

### Innovation Achievements Enhancement

The Company focuses on key core technical fields such as power transmission and transformation, power distribution and utilization, energy storage and power electronics, while continuously advancing the transformation of technological achievements. In 2025, the Company added 109 invention patents and granted 56 invention patents, further consolidating its intellectual property layout and technical barriers, and enhancing its comprehensive competitiveness and sustainable innovation capability in both domestic and international markets.

### Standard Participation and Industry Ecosystem Co-construction

Leveraging long-term technological accumulation and engineering practice, the Company actively participates in industry standardization and ecosystem co-construction. It continuously uses standards to guide product R&D, project delivery and quality control, promote the standardized application and large-scale promotion of key technologies, facilitate industrial technological upgrading and innovation, make positive contributions to the overall development of the industry, and drive technological progress and sustainable innovation in the electrical industry.

The Company continues to strengthen the development of its scientific and technological innovation system and the cultivation of innovation entities. In 2023, Jiangsu Rugao High Voltage Electric Appliance Co., Ltd. received the National Science and Technology Progress Award. By the end of the reporting period, entities including the Shanghai Sieyuan High Voltage, Sieyuan Power Capacitor, Sieyuan Optoelectronic, Sieyuan Qingneng, Sihongrui, Timimotor, Sieyuan Low Voltage, Rugao High Voltage, Sieyuan Hertz, Sieyuan Toshiba, GMCC and Sieyuan Medium Voltage had been recognized as high-tech enterprises, further consolidating the foundation for the Company's technological innovation and coordinated industrial development.

### In-Depth Industry-University-Research Cooperation

The Company actively promotes in-depth industry-university-research integration and collaborative innovation, and continuously improves cooperation mechanisms focusing on key core technology breakthroughs, cutting-edge technology pre-research and talent cultivation. It maintains long-term and stable cooperation with Xi'an Jiaotong University, Huazhong University of Science and Technology, Shanghai Jiao Tong University, Zhejiang University and other domestic universities, and expands joint research with domestic and foreign institutions such as the University of Liverpool in the UK. Focusing on new-type power systems, power transmission and distribution equipment, power electronics and energy storage, the Company promotes the transformation of scientific research achievements into product development, engineering applications and industrialization. Meanwhile, through co-building research platforms, establishing postdoctoral research stations, and regularly inviting academicians and experts to exchange and lecture, the Company keeps abreast of industrial technology trends, broadens R&D horizons, and continuously enhances technological innovation capabilities and industrial contributions.



Inauguration of Sieyuan Electric – Xi'an Jiaotong University Advanced Electrical Equipment and Technology Research Center & Scholarship Donation Ceremony

From 2023 to 2025

the Company participated in the formulation and revision of a total of **154** (published and valid) standards

including **28** national standards **19** industrial standards and **107** enterprise standards

In 2025

Among them **77** standards were published with the Company's participation

including **15** new national standards **10** industrial standards and **52** enterprise standards

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

Industry Impact

In the process of participating in industry events and cooperation, the Company integrates customer needs, operational feedback and product iteration. It promotes the collaborative upgrading of the upstream and downstream industrial chain in terms of safety, reliability, low-carbon efficiency and intelligence, continuously improves the adaptability of technical solutions to application scenarios, and facilitates the high-quality development of the industry.

**Sieyuan Electric Participated in 2025 SNEC International Solar Photovoltaic and Smart Energy Exhibition**

In June 2025, Sieyuan Electric attended the SNEC Exhibition and showcased its phased technological achievements and application concepts focusing on energy storage system safety and reliability, power conversion and grid connection, microgrid control and distributed energy access, as well as power distribution and utilization equipment upgrading. Through on-site exchanges and matchmaking, the Company promoted the application, promotion and scenario verification of solutions related to energy storage and new energy grid connection, and integrated industry feedback into subsequent product optimization and solution improvement to enhance solution adaptability and engineering delivery feasibility.

**Sieyuan Electric Debuted at 2025 International Digital Energy Exhibition**

In September 2025, the Company participated in the International Digital Energy Exhibition (IDEE2025) in Shenzhen. Focusing on the construction of new-type power systems, smart energy management, green energy storage and DC systems, it exhibited achievements such as main power transmission and transformation equipment, modular substations, microgrid systems, energy-sensing devices, and core components for energy storage and terminal power distribution. Through scenario-based presentation and industry exchanges, the Company strengthened its integrated solution capability of “Equipment + System + Application Scenarios” in the digital energy era, aligned technical routes with application demands, and supported the practical implementation of the industry’s green and digital transformation.

Impacts, Risks and Opportunities Management

Adhering to the mission of “Smarter Power, Better Life”, the Company has built an innovation system featuring the coordination of systems, talents and ecosystems. It stimulates innovation vitality through dynamic incentive mechanisms, and relies on patent navigation to provide early warning and prevent technical risks. With independent innovation, the Company has broken through international technological barriers and built a full life cycle patent management platform, providing core support for seizing opportunities in the “dual carbon” transition.

Opportunities and Risks Identification and Response

Topic	Risks	Opportunities	Potential Impacts	Management and Response Measures
Industry and Market	Accelerated pace of policy and market changes; rising customer requirements for delivery cycles and reliability; intensified international competition and rapid technological iteration	Construction of new power systems, high penetration of new energy integration, demand growth in power quality governance and flexible regulation, driving opportunities in smart grid equipment, energy storage, DC systems and other fields	Increased pressure on R&D investment and product iteration; elevated delivery uncertainty; fluctuations in market share and customer satisfaction	Build platform-based/ modular capabilities; cross-product collaboration and standardized design; integrate key objectives and measures into annual R&D deployment and performance management
Green and Low-Carbon	Uncertain technical routes and long transformation cycles; insufficient verification of new technologies under complex working conditions hindering promotion	Accelerated implementation of eco-friendly equipment, energy conservation & consumption reduction, and digital empowerment, forming differentiated competitiveness in green technologies and solutions	Increased costs of R&D failure and opportunity loss; affected product promotion and commercialization progress	Technical planning, peer review and key solution demonstration; specialized project tackling and milestone reviews; testing under key working conditions and closed-loop problem summary

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

Topic	Risks	Opportunities	Potential Impacts	Management and Response Measures
Quality and Reliability	Quality fluctuations caused by insufficient verification or inadequate consistency control in complex environments (high altitude, strong electromagnetic interference, extreme temperature and humidity, etc.)	Rising customer demand for high reliability, long service life and adaptability to complex scenarios, facilitating recognition in high-end markets and brand enhancement	Risks in project delivery and increased after-sales costs; damage to reputation and customer trust	Strengthen R&D quality planning and design verification; conduct key tests including environmental reliability and EMC; closed-loop management of test data and continuous improvement
Intellectual Property Rights and Compliance	Litigation/reputational/operational risks arising from patent infringement, leakage of technical secrets, and inadequate compliance management	Strengthened patent layout and operation to build technical barriers, enhance negotiating capacity in international markets and long-term competitive advantages	Legal costs and risk of business disruption; weakened competitiveness due to core technology leakage	Patent navigation and early warning; infringement risk investigation and monitoring; technical secret management; intellectual property rights training and publicity
Data and Information Security	Leakage and compliance risks due to improper data distribution, sharing and access control	R&D data governance and application of simulation/test data to improve R&D efficiency and decision-making quality	Leakage of core R&D information; compliance penalties and reputational risks; disrupted R&D continuity	Data classification and categorization; controlled access; approval and traceability for external distribution; permission control and compliance review

### Management Mechanism and Capacity Support

#### Innovative Institutional System

The Company continuously optimizes its scientific and technological innovation institutional system. It has formulated complete procedures and standards for the full life cycle management of product R&D, including the introduction of scientific and technological projects, transformation of R&D achievements, incentives for R&D investment, and intellectual property rights protection, which are implemented in an orderly manner. These norms cover the whole-process management of R&D projects, as well as the evaluation, transformation, application and reward of scientific research achievements, so as to continuously improve the standardization and effectiveness of R&D management.

#### Talent Echelon Construction

Focusing on business segments including switchgear, coil products, automation, power electronics, energy storage and its components, and EPC, as well as key technology R&D directions, the Company has continuously promoted the development of its talent echelon, adhered to the principle of "both introduction and cultivation", and steadily improved the training mechanism for R&D and technical personnel. The Company continuously builds a "learning-oriented team", continuously enhanced the stability and innovation vitality of the R&D team.

**By the end of the reporting period, the Company had 4,781 R&D personnel and maintained cooperation with more than 10 universities.**

#### Intellectual Property Rights Management

The Company complies with the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and other relevant laws and regulations. It has formulated and implemented policies including the *Patent Management Procedure*, and the *Patent Risk Management Specification*, continuously strengthening its intellectual property rights management capabilities. The Company has established standardized procedures for patent and technical secret management, and carries out regular patent navigation and infringement risk screening to reduce the risks of infringement and information leakage. Meanwhile, it enhances the compliance awareness and protection capabilities of R&D personnel through intellectual property rights training and publicity, promoting the high-level operation of the intellectual property rights management system. **In 2025, there were no violations of laws or regulations related to intellectual property rights protection.**

### Metrics and Targets

In line with its development strategy and business needs, the Company has established a mechanism for formulating and assessing annual R&D targets, which are decomposed to R&D organizations and key projects.

#### R&D Investment

##### Target

Adhering to innovation-driven development, the Company will continue to increase R&D investment to advance key technological breakthroughs, product iteration and upgrading, and forward-looking technology reserves, so as to continuously strengthen independent innovation capabilities and market competitiveness.

##### 2025 Performance

In 2025, Sieyuan Electric's R&D investment amounted to 1,300,401,224.78 (RMB).

#### Patent Achievements

##### Target

The Company will continue to strengthen the creation, application and protection of intellectual property rights, carry out patent layout and achievement transformation around key core technologies, and promote the accumulation of innovative outcomes.

##### 2025 Performance

2025 Performance: As of the end of the reporting period, the Company owned 1,033 valid patents, including 376 invention patents, 622 utility model patents and 35 design patents. It also held 199 software copyrights.

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

# Product Responsibility Assurance

The Company has always regarded product quality as the lifeline of corporate development. It strictly abides by the *Product Quality Law of the People's Republic of China* and other applicable laws, regulations and industry standards, continuously improves product safety, reliability and consistency, and safeguards customers' safety and legitimate rights and interests. Taking systematic management as a focus, the Company has established and continuously improved a quality management and control mechanism covering the entire product life cycle. Quality requirements are integrated into key processes including demand identification, R&D and design, supply chain management and control, production and delivery, after-sales service, emergency response and continuous improvement. Supported by institutional documentation systems, process control methods and digital tools, the Company ensures that products and services stably meet customer and compliance requirements.

## Governance

### Quality Management Structure and Responsibilities

The Company continuously promotes the coordinated implementation of quality policies, objectives and business strategies. It has established and operates an integrated management system covering quality, environment and occupational health and safety, and has formulated and implemented the *Quality, Environment and Occupational Health and Safety Management Manual*. The manual clarifies the system scope, process responsibility allocation, departmental duties and operational control requirements, reflecting the Company's long-term commitment to systematic governance and continuous improvement.

### Quality Management System

The Company strictly complies with relevant national laws, regulations and industry standards, and has established and continuously improved its quality management system. To accelerate the Company's high-quality development toward green and low-carbon transformation, digitalization, intelligence, high efficiency, energy conservation, safety and reliability, it strictly controls quality management processes and adopts a package of measures to enhance quality management capabilities, supporting corporate development and brand enhancement. The Company continues to improve its quality management system and maintain its effective operation, ensuring the validity of its ISO 9001: 2015 Quality Management System.



ISO 9001 Certificate

### Product and Service Full Life Cycle Management Process

The Company regards the health and safety of customers as a key customer right and interest, systematically integrates it into the full life cycle management of products and services, forming a management chain covering source management and control, process management and control, delivery assurance and continuous improvement, so as to continuously enhance the safety, reliability and quality assurance of its products and services.

## Strategies

### Quality Management Strategy

The Company adheres to the quality policy of "quality leadership constitutes a long-term competitive strategy", pursues high quality in every activity through full employee participation, whole-process planning, control and continuous improvement, and meets customer requirements with outstanding products and services.

### Quality Culture Development

Through its post competency management, training management and awareness improvement mechanisms, the Company ensures that personnel whose work affects product conformity possess the required qualifications and capabilities. It strengthens quality awareness among all employees through publicity and education, training, communication and performance mechanisms. The Company promotes the quality culture development, embedding the work requirements of "compliance, rigor, traceability and verifiability" into daily management and operational practices, thereby fostering inherent motivation for continuous improvement.



2025 Quality Month Publicity Posters





Quality Themed Lectures


## Impacts, Risks and Opportunities Management

The Company identifies key influencing factors, risks and opportunities related to product quality and customer rights and interests throughout the product life cycle, and implements controls and improvements through systematic processes.


Topic	Risks	Opportunities	Potential Impacts	Management and Respond Measures
Compliance and Standard Conformance	Delayed tracking of regulatory and standard updates, or inadequate identification of applicability, may lead to non-conformity of products or services	Timely response to regulatory and standard changes helps improve product compliance and market access, and strengthens trust from customers and regulators	May trigger compliance risks, customer complaints, restricted market access, and adversely affect corporate reputation	Continuously track internal and external changes through management reviews
Design and Development Quality	Incomplete design inputs, inadequate control over design changes, and insufficient verification and confirmation may result in development quality defects	Improving product development quality and efficiency enhances product reliability, adaptability and market competitiveness	May cause unstable product performance, reduced customer satisfaction, and even increased rework and quality costs	Strictly implement the product development process
Supply Chain Quality Fluctuation	Unstable supplier capabilities, non-conforming key materials, and uncontrolled outsourcing processes may affect product consistency and supply stability	Continuous optimization of supply chain management helps improve stability of key materials and supplier collaboration, ensuring delivery quality	May lead to product quality fluctuations, delivery delays, customer complaints and increased operational risks	Strengthen supplier quality management
Process Consistency and Traceability	Insufficient identification and traceability, missing process records, and invalid measurement traceability may weaken the effectiveness of process management and control	Strengthening process control and traceability helps improve quality management transparency and efficiency of problem tracing	May make quality issues difficult to identify and trace in a timely manner, impairing product reliability and customer trust	Enhance process quality management
Delivery and Customer Rights and Interests	Insufficient demand communication, delayed response to complaints, and incomplete closed-loop problem resolution may harm customer experience and rights and interest	Optimizing customer communication and service response mechanisms helps improve customer satisfaction and brand loyalty	May lead to customer complaints, damaged cooperative relations and declining brand reputation	Implement management of non-conformities and corrective actions
Emergency and Abnormal Incidents	Improper handling of potential emergencies may cause adverse consequences in quality, safety or environmental aspects	Improving emergency management capabilities helps enhance corporate resilience and reduce the impact of unexpected incidents on operations	May affect the continuity of production and operations, and cause negative impacts on customers, employees and the environment	Establish an emergency response process and conduct regular risk assessments and emergency drills.
Effectiveness of Continuous Improvement	Ineffective corrective actions, recurring problems and insufficient improvement evidence may weaken the effectiveness of system operation	Effective operation of the continuous improvement mechanism helps enhance the maturity of the management system and overall operational performance	May lead to repeated occurrence of similar problems, increased management costs and hindered quality improvement	Promote continuous improvement and retain improvement evidence

 About Sieyuan


 Sustainable Development Management


 Compliance First, Strengthened Governance

 Innovation-led, Quality Service

 Green Operations, Ecological Protection

 People-Oriented, Rights and Interests Protection

 Fulfilling Social Responsibility

 Future Outlook

 ESG Performance Overview

 Content Index

## Product Quality and Safety

The Company continues to improve its quality and safety management mechanism by focusing on key areas including quality management system development, supply chain quality collaboration, production process quality control, closed-loop resolution of customer issues, and management of external health and safety feedback. It constantly enhances the effectiveness of quality management and control to ensure stable product quality and safe use, and effectively safeguards the legitimate rights and interests of consumers and customers.

## Quality Improvement Enhancement

To enhance the reliability and delivery stability of key products, the Company has continuously carried out targeted quality improvement initiatives. By comprehensively applying various quality management tools and improvement mechanisms, it has steadily elevated product quality and quality management and control capabilities in the production process, striving to meet customer demands and strengthen market competitiveness.

## End-of-Life Product Management

The Company integrates green design principles into the entire product life cycle. In R&D, procurement, production, operation and maintenance, decommissioning, as well as scrapping and recycling, the Company systematically considers ease of disassembly, resource recyclability, and controllability of environmental risks at the end of product life, and continuously improves the end-of-life product management mechanism. By promoting modular design, enhancing classified management of parts and components, and controlling hazardous substances at the source, the Company continuously improves disassembly efficiency, resource recycling rate and environmental compliance after product scrapping, reduces environmental impacts at the end of the product life cycle, and advances green manufacturing and the development of circular economy.

## Promote Modular Design and Refined Disassembly to Improve Disassembly and Recycling Efficiency

### Modular Design

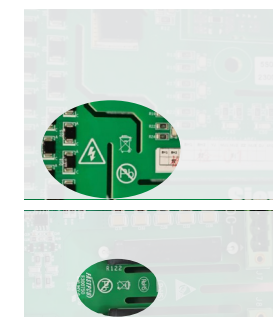
In the products design stage, the Company fully considers disassembly and recycling requirements after equipment scrapping. Adopting a modular and standardized design approach, the equipment is divided into multiple independent functional modules. Each module has clear functional boundaries and unified interface standards, which not only facilitates fault location, disassembly, maintenance and module replacement during operation, but also enables modular disassembly and separation at the end of product life, realizing classified recycling and resource utilization of components with different materials and functions.

### Refined Disassembly

The Company further refines core functional units into individual components that can be independently assembled and disassembled. This design enables accurate identification, independent disassembly and maintenance of faulty parts without replacing the entire module, thereby reducing maintenance costs and material consumption. After product scrapping, relevant components can be further disassembled by unit, while waste parts are treated by material type, further improving the recycling efficiency.

## Establish an Electronic Component Identification and Classification System to Facilitate Efficient Recycling Management

For products electronic components, the Company has established a unified mechanism for marking, numbering and classified management. In the production stage, the Company applies exclusive numbering rules by component category and marks key information including component name, specification, model and production batch, ensuring clear identifiability and traceability of electronic components. In the assembly stage, similar electronic components are centrally arranged and installed in zones with classified labels, providing convenience for subsequent disassembly and recycling. After products are scrapped, disassembly personnel can quickly identify and collect various electronic components by category based on component markings, reducing mixed assembly and mixed disassembly, and improving disassembly efficiency and recycling rate of electronic parts.



Product Identification Example

## Strengthen Hazardous Substances Management and Control at the Source to Reduce End-of-Life Environmental Risks

To mitigate adverse environmental impacts during product disassembly and disposal at the end of life, the Company continuously enhances the management of hazardous substances in electronic components and actively promotes compliance with RoHS requirements.

### Procurement Stage

The Company has established a supplier compliance evaluation mechanism, requiring suppliers to provide valid compliance test reports for various electronic components, with a focus on verifying whether the content of restricted and high-concern substances such as lead and mercury meets standards, so as to prevent non-compliant materials from entering the production system at the source.

### Process Management and Control

The Company reviews and archives test reports, and conducts regular supplier compliance audits to promote supply chain collaboration in reducing the use of hazardous substances. Through full-process control, the Company continuously lowers environmental risks from disassembly and disposal at the end of the product life cycle and improves the green compliance level of products.

## Metrics and Targets

The Company has established an annual quality objective and assessment mechanism in line with its strategic planning and operational priorities, continuously improved its key quality metric system, and linked quality performance with management improvement and resource allocation to promote the continuous enhancement of quality capabilities.

### 2025 Quality Management Targets and Achievement Status

Targets	2025 Achievement Status
The Company's factory inspection pass rate of products reached 100% in 2025	Achieved
The pass rate of external audits reached 100% in 2025	Achieved
The employee coverage rate of quality-related training reached 100% in 2025	Achieved

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

# Customer Service Improvement

Sieyuan Electric adheres to a customer value-oriented approach and integrates the protection of customer rights and interests and service quality management into corporate governance and daily operation and management. Supported by systems, processes and resource allocation, the Company has established a full-life-cycle customer service system covering pre-sales—in-sales—after-sales stages. The Company improves response efficiency through standardized service processes, enhances delivery and service experience via closed-loop problem resolution and continuous improvement mechanisms, and promotes a steady increase in customer satisfaction.



## Customer Service System

Upholding the core value of “Delivering Success to Customers”, Sieyuan Electric is committed to establishing mutually beneficial and win-win long-term partnerships with customers. The Company continuously improves its customer management system, covering key matters such as customer communication, demand confirmation, delivery coordination, complaint handling, service follow-up and satisfaction surveys. In line with project delivery and product commissioning requirements, the Company strictly implements full process management including pre-sales preparation, on-site acceptance, installation guidance and post-commissioning services, forming an executable and traceable customer service system.



## Customer Satisfaction Management

The Company proactively tracks changes in customer needs and has conducted annual customer satisfaction surveys for many consecutive years to drive continuous improvement. Focusing on challenges in product quality, cost and efficiency, the Company leverages the synergies between technology, quality and production to carry out targeted process improvements and quality breakthroughs, delivering value-added services to customers.

Through diverse communication channels including on-site customer visits, telephone follow-ups, 24-hour customer service hot-lines, customer satisfaction surveys, and technical exchanges and training, the Company has established a customer satisfaction evaluation system. This system collects customer feedback and suggestions, gains in-depth insights into customer needs and pain points, continuously optimizes product and service quality, implements integrated management and control over the entire performance process, and provides professional services to customers.

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

# Information Security and Privacy Protection

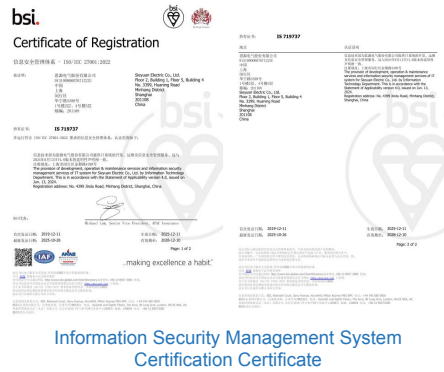
Against the strategic backdrop that China attaches great importance to the secure development of the digital economy and emphasizes data as a key factor of production, the Company strictly abides by national laws and regulations, establishes a comprehensive information security management system, systematically enhances security capabilities and security culture development, fully safeguards the security of business operations and data assets, and lays a solid foundation for digital transformation.

## Information Security Governance

### System Development

The Company strictly complies with the *Cybersecurity Law of the People's Republic of China*, 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. With reference to the ISO/IEC 27001 information security management standard, the Company has formulated and issued a series of cybersecurity and information security systems, including the *Information Security Management Manual*, *Information Security Risk Assessment Management Procedure*, *Business Continuity Management Procedure*, and *Sensitive Data Management Measures*, so as to comprehensively improve the Company's cybersecurity and information security management capabilities. By the end of 2025, Sieyuan Electric has maintained the validity of its ISO 27001: 2022 Information Security Management System certification.

The Company has established an information security management architecture and set up an Information Security Management Committee as the governing body for the Company's information security system. It is responsible for coordinating and advancing the overall information security system development of the Company, continuously improving the information security work mechanism, and providing organizational guarantee for the safe operation of all business activities of the Company.



## Strategic Planning

### Overall Objectives

Achieve “prevent data leakage, resist external cyber intrusions, and ensure business continuity”, so as to effectively support the normal operation of the Company's business.

### Information Security Management Strategies

#### Prevent data leakage

Protect the security of the Company's organizational process assets (including trade secrets, R&D drawings, technical documents, R&D source codes, customer information, intellectual property rights, etc.), prevent them from being stolen by competitors or leaked due to intentional or unintentional acts of employees.

#### Resist external cyber intrusions

Guard against internal and external illegal access, hacker attacks, email fraud, ransomware, sabotage and other acts, as the first line of defense for information security.

#### Ensure business continuity

Ensure efficient and stable operation of business systems under normal conditions (with sufficient server computing power, storage and bandwidth resources), and maintain operation and rapid recovery of critical businesses under threats.

## Privacy Protection Strategy

The Company strictly abides by the Consumer Rights Protection Law of the People's Republic of China and other laws and regulations, and continuously strengthens information security and privacy protection management. It has continuously improved system and network security protection capabilities through intrusion detection, intrusion prevention, application firewalls and other measures. The Company has established a management mechanism for the protection of employees' personal information and privacy, stipulating the principles and security requirements to be followed in the processing of employees' personal information, so as to effectively protect employees' privacy and personal information security.

When processing, sharing and retaining confidential information/personal information relating to customers, employees and partners, the Company adheres to the principles of legality, compliance and necessity, strictly fulfills notification, authorization and other procedures in accordance with internal management requirements and applicable regulations, and conducts information processing activities in a standardized manner. When the purpose, scope of processing or sharing recipients change, the relevant parties shall be promptly notified and reauthorized. For external information sharing, the Company strictly implements approval procedures and contractual restrictions, clarifies the purpose, scope and duration of use, and requires third parties to adopt security measures as agreed and refrain from unauthorized use beyond the specified scope. **During the reporting period, Sieyuan Electric and its subsidiaries did not occur any information security incidents or privacy infringement incidents.**

## Information Security Protection

At the level of security assurance and daily maintenance, the Company comprehensively advances IT infrastructure and network security construction from four aspects of system establishment, leakage prevention, intrusion prevention, and business continuity guarantee. Through a systematic security protection system and professional technical support, the Company implements diversified information security protection measures to ensure the security and stability of IT infrastructure.

## Risk Identification and Response

The Company has established a normalized mechanism for information security risk identification and disposal, conducting rolling assessments and closed-loop governance around assets, threats, vulnerabilities and existing control measures to ensure risks are maintained within acceptable limits. Risk response adheres to the principle of “hierarchical management, accountability to individuals, verifiable measures, and traceable rectification”. Identified risks are addressed through mitigation, transfer, avoidance or acceptance, and specialized governance plans and re-evaluation verification are formulated for unacceptable risks.

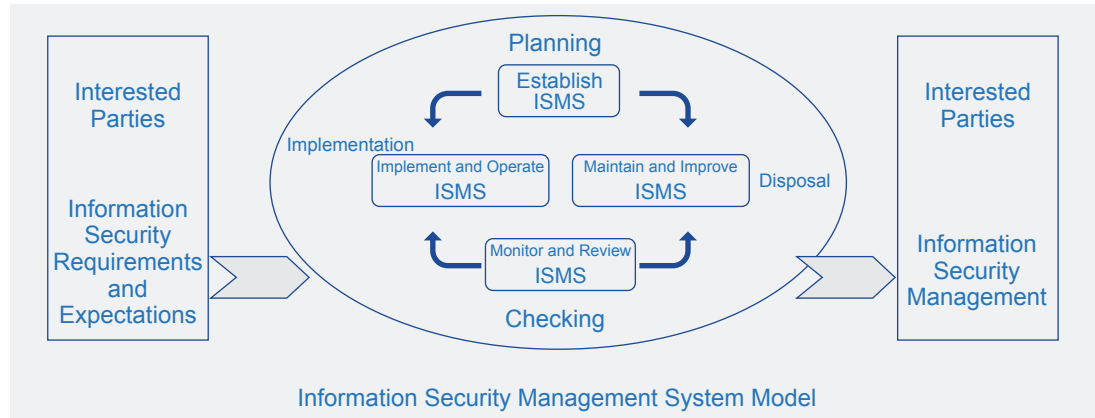
### Information Security Due Diligence for Third Parties

The Company conducts information security due diligence and access management for third-party partners, focusing on evaluating their security management systems, data protection capabilities, access control, vulnerability and incident response capabilities, etc., and implements hierarchical control based on business sensitivity. For third parties passing the assessment, the Company signs a data security and confidentiality commitment letter to clarify the purpose, scope, retention period and security responsibilities of data use, and requires rectification commitments and supporting materials when necessary. During the cooperation period, the Company conducts regular reviews or spot checks, and promotes rectification, restricts access or terminates cooperation with non-compliant third parties to reduce supply chain information security risks.

### Protection Capacity Building

The Company attaches great importance to security protection management and control, establishing a “Plan-Do-Check-Act” (PDCA) closed-loop management mechanism to comprehensively carry out security protection construction and further strengthen information security monitoring and protection capabilities in all business links of the Company.

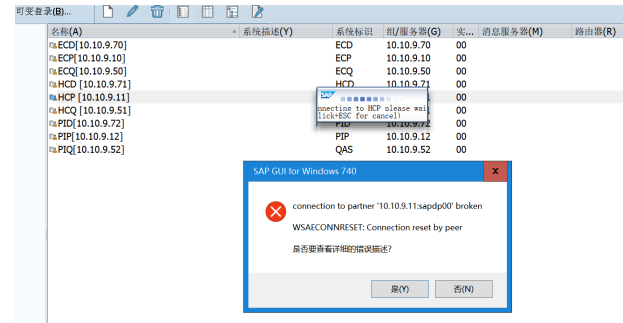
The Company has established a normalized internal audit/inspection mechanism to supervise the implementation of systems, effectiveness of technical controls, security configuration of key systems and log auditing, etc. When necessary, it combines external evaluations, certification surveillance audits or specialized assessments to continuously identify gaps and promote rectification, ensuring the long-term effective operation of the system.



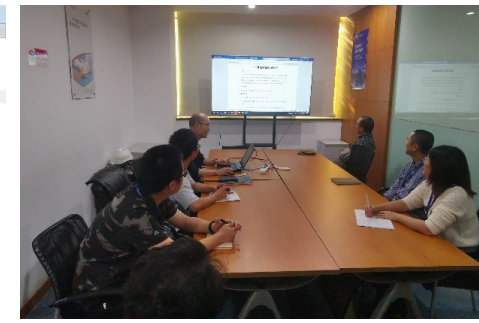
### Information Security Culture Development

The Company systematically promotes cybersecurity culture development, and continuously improves employees’ cybersecurity awareness and skills through diversified approaches such as science popularization, training course development, video learning and online examinations. It carries out hierarchical and categorized training based on job risks and business scenarios, with a focus on key topics including industrial control security, account authority and password management, email security and anti-phishing, data classification and sensitive data processing, remote office security, and terminal and mobile media management, so as to ensure that security knowledge is continuously updated and verifiable. By embedding security requirements into institutional processes, incorporating them into operation specifications and checklists for key positions, and supporting regular publicity and assessment mechanisms, the Company encourages employees to form sustainable security habits in daily work and reduces the risk of security incidents caused by human error.

The Company regularly conducts emergency drills for information security incidents. Combining tabletop exercises and practical drills, it organizes drills around typical scenarios such as ransomware infection, account theft and privilege abuse, data leakage caused by phishing emails, supply chain attacks, and abnormal interruption of core systems, so as to strengthen personnel’s information security emergency capabilities and improve the Company’s rapid response and recovery capabilities for cybersecurity incidents. In 2025, the Company carried out 1 information security attack and defense exercise, 4 information security vulnerability scans, and 9 modules of business continuity exercises for business continuity assurance.



Information Security Emergency Drill – System Failure Simulation



Information Security Awareness Training

## Sustainable Procurement

The sustainable development of the supply chain has become core to enterprises’ fulfillment of social responsibilities and enhancement of long-term competitiveness. The Company actively responds to national policy initiatives by improving its supply chain governance system, strengthening the full life-cycle dynamic management of suppliers, and jointly promoting integrity-based procurement, the green supply chain, and the development of a responsible mineral supply chain. It embeds compliance, quality, delivery, and ESG requirements into the entire process of procurement and supplier management, systematically improves suppliers’ ESG performance and supply chain resilience, and works with partners to build a sustainable supply chain ecosystem, injecting green momentum into the high-quality development of the industry.

### Governance

A sound supply chain governance system is fundamental to the healthy development of the supply chain. Adopting systematic thinking and standardized operation, the Company has established a complete supplier governance structure and a comprehensive management system, which not only helps improve supply chain operation efficiency and long-term resilience but also lays a solid internal foundation for jointly achieving sustainable development goals with suppliers.

### Procurement Management Responsibilities

To ensure that procurement decisions are compliant and transparent with clear boundaries of authority and responsibility, the Company has established a procurement management mechanism featuring multi-role collaboration and division of labor. It implements key links including demand initiation, supplier access, review and certification, performance evaluation, supervision and management, as well as continuous improvement, so as to continuously enhance the standardization and effectiveness of procurement management

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

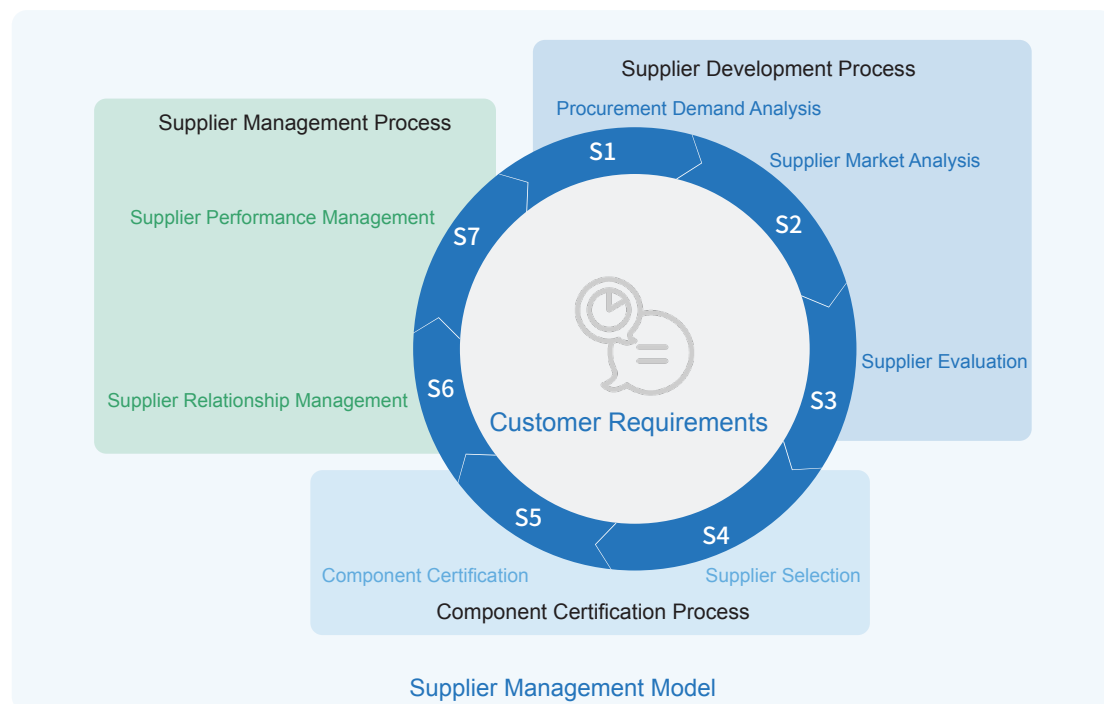
Future Outlook

ESG Performance Overview

Content Index

## Supplier Management

In accordance with internal documents such as the *Supplier Development and Management Process*, the Company carries out supplier management, and incorporates sustainable development requirements including EHS, labor and human rights, business ethics, environmental compliance, and responsible minerals into its supplier management system. This helps to achieve “defined access thresholds, process controls, traceable results, and closed-loop issue resolution” for suppliers, continuously improving the standardization, transparency and sustainability of supply chain management.



## Strategies

The Company adheres to the management strategy of “Sunshine Supply Chain, Green Supply Chain, and Responsible Mineral Supply Chain”, committed to building a sustainable supply chain ecosystem that is clean and transparent, low-carbon and environmentally friendly, and traceable in origin. It integrates compliance commitments, integrity education, green evaluation, and supplier empowerment into routine management. Through institutional constraints and collaborative improvement, the Company leverages its leading role in the industry to create long-term shared value for all stakeholders in the industrial chain, and drives the supply chain toward greater sustainability and resilience.

## Clean Supply Chain

The Company upholds the clean procurement principles of “compliance by law, transparent procurement, and zero tolerance”, and integrates requirements such as anti-commercial bribery, anti-illegal interest conveyance, and anti-fraud throughout key links including supplier selection, business negotiation, contract signing, and acceptance and settlement. Relying on supplier compliance management requirements, the Company conducts reviews on negative information of enterprises and legal persons, conflicts of interest, and sanction lists during the supplier evaluation stage, and promotes suppliers to sign clean commitments and compliance clauses, clarifying conflict of interest declaration, restrictions on gifts, cash and entertainment, compliance requirements for third-party agents, and mechanisms for

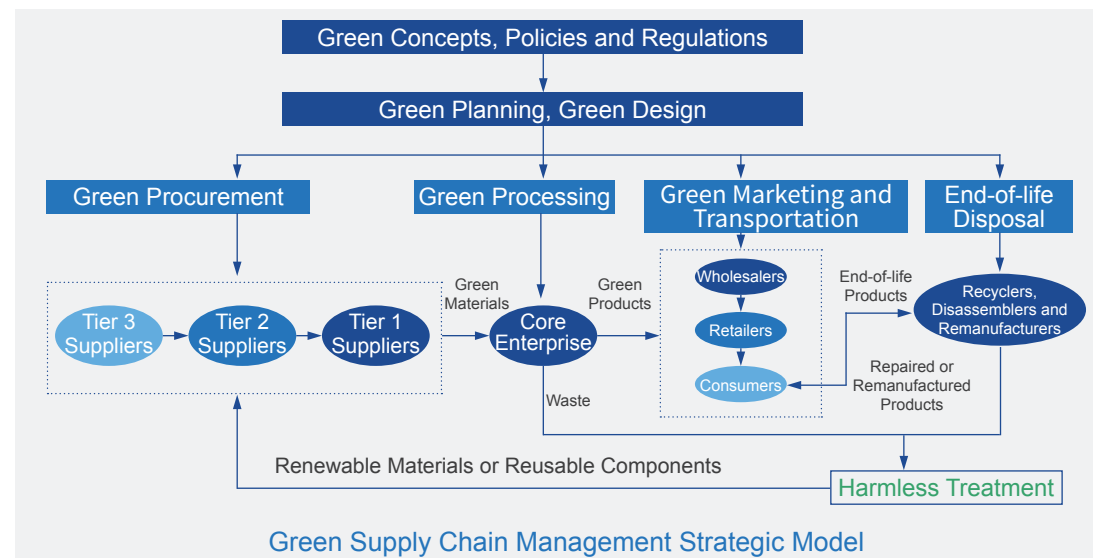
accountability for violations. For key positions and high-risk business scenarios, the Company strengthens segregation of duties and authorization and approval controls, improves the closed-loop system for complaint reporting and clue disposal, and continuously fosters a supply ecosystem of fair competition and honest cooperation.

## Green Supply Chain

### Green Supply Chain Management Strategic Planning

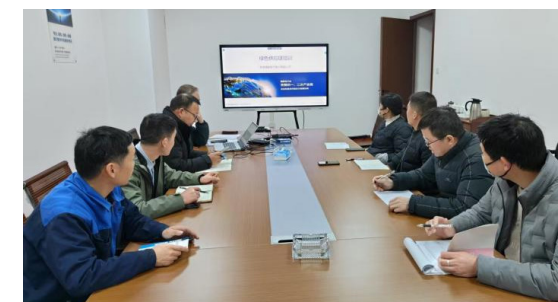
Guided by the goals of “carbon reduction, pollution reduction, consumption reduction, and efficiency improvement”, the Company continuously promotes green procurement and green collaboration throughout the entire life cycle of products and services. It incorporates green requirements into the supplier access and evaluation system, focusing on dimensions such as the green attributes of raw materials, energy and carbon management, pollutant discharge and waste management, packaging and transportation, and compliance qualifications, and prioritizes partners with mature environmental management capabilities, good low-carbon performance, and green certifications or improvement commitments.

At the same time, the Company encourages suppliers to carry out energy-saving transformations, clean energy substitution, and process optimization; promotes the substitution of green materials and the application of circular packaging; advocates green logistics and low-carbon distribution; and advances green improvements in a project-based manner among key product categories/key supplier groups, thereby enhancing the overall environmental performance and resource efficiency of the supply chain.



### Green Supply Chain Training

The Company regards supplier capacity building as a key lever for green transformation, and regularly conducts green supply chain training and experience exchange sessions covering topics such as green regulations and compliance requirements, environmental management system establishment, carbon emission accounting and mitigation pathways, standardized management of hazardous waste, green packaging and circular utilization, and green logistics practices.



Green Supply Chain Training

## Responsible Mineral Supply Chain

The Company attaches great importance to the compliance, environmental and human rights risks that may arise from mineral resource mining and smelting, and continuously improves the transparency and traceability of the mineral supply chain. It explicitly opposes the use of minerals sourced from armed conflicts, illegal mining or poor working conditions, and requires suppliers to conduct source identification and information disclosure for minerals such as gold (Au), tantalum (Ta), tin (Sn) and tungsten (W), and to sign conflict mineral-related commitments and due diligence documents. For identified potential risk clues (e.g., unknown origin, association with high-risk regions, lack of information disclosure, etc.), the Company will adopt graded response measures such as supplementary due diligence, supplier rectification, alternative procurement, and suspension/termination of cooperation to promote the implementation of responsible procurement practices.


## Impacts, Risks and Opportunities Management

In accordance with the *Supplier Development and Management Process*, the Company has established a full life-cycle supplier management model from access, evaluation to exit, improving the digitalization level and management efficiency of the entire procurement process, and providing guarantees for systematic control of supply chain ESG risks. The Company focuses on the potential impacts of the supply chain on environmental, social and governance, and integrates supply chain risks into the overall risk management framework for identification, assessment and disposal, realizing the long-term value of sustainable procurement through controllable risks, efficiency improvement and green value addition.


## Supply Chain Due Diligence

To embed ESG requirements throughout the entire supplier cooperation cycle, the Company has established a closed-loop due diligence system of “pre-event review —in-event monitoring—post-event review” around supplier access, performance management and exit mechanisms.


Stage	Objective	Key Review Contents	Management Approaches	Disposal & Closure
<b>Supplier Access</b>	To embed compliance and ESG requirements upfront and reduce access risks	Qualification compliance and operational stability; key compliance matters (anti-bribery, environmental protection, safety, labor and human rights, etc.); review of negative information/conflicts of interest when necessary	Access review and supplier evaluation (quality/supply chain/technology); embedding ESG clauses into contracts and codes of conduct	Non-compliance: Require supplementary materials/rectification within a time limit; Serious cases: Reject access
<b>Delivery &amp; Performance</b>	To dynamically identify anomalies and control process risks	Quality and delivery stability; compliance performance; environmental and safety performance; responsible minerals information disclosure and traceability	Dynamic evaluation and anomaly alerting via system platform; conducting specialized audits, on-site verifications or third-party assessments for key suppliers/high-risk areas	Issues identified: Issue rectification requirements and track the effectiveness of corrective actions
<b>Rectification/Exit</b>	To ensure issue closure and optimize supply chain structure	Verification of rectification effects; recurrence risks; basis for supplier grading adjustment	Closed-loop rectification management; linkage between performance evaluation and annual review	Depending on severity: Time-limited rectification, downgrading, suspension of cooperation or termination


 About Sieyuan


 Sustainable Development Management


 Compliance First, Strengthened Governance


 Innovation-led, Quality Service

 Green Operations, Ecological Protection

 People-Oriented, Rights and Interests Protection

 Fulfilling Social Responsibility

 Future Outlook

 ESG Performance Overview

 Content Index

## Supplier Risk Assessment

The Company has established a supplier risk assessment methodology, which comprehensively considers dimensions including regional and industry risks of suppliers, criticality of purchased categories, business dependency, historical performance, quality and delivery stability, as well as integrity and compliance, environmental and safety performance, labor and human rights, and responsible minerals information disclosure, to implement hierarchical and categorized management of suppliers.

Dimension	Main Risks	Main Opportunities	Key Assessment Factors	Management Measures
<b>Regional &amp; Industry Risks</b>	Regulatory & compliance risks in the region; supply constraints risks; and reputational risks	Enhanced resilience through diversified layout	Degree of risk exposure in the supplier's region/ industry	Increase review frequency for suppliers in high-risk regions/ industries; conduct specialized audits/in-depth due diligence when necessary
<b>Category Criticality &amp; Dependency</b>	Disruption of key components; delivery interruptions; cost fluctuations	Collaborative innovation, cost reduction and efficiency increase with key suppliers	Criticality of procurement categories; business dependency; substitutability	Implement more frequent supervision, stricter improvement requirements and reserve resource construction for key suppliers
<b>Performance Compliance</b>	Quality incidents; delivery fluctuation; after-sales risks	Stable delivery enhancing customer satisfaction and efficiency	Historical performance; quality and delivery stability	Standardized performance evaluation + closed-loop rectification; raise certification requirements when necessary
<b>Integrity &amp; Compliance</b>	Commercial bribery; conflicts of interest; unfair competition	Improved ecosystem quality via transparent procurement	Integrity commitments; conflicts of interest declarations; whistleblower clues	Strengthen segregation of posts and authorization approvals in high-risk scenarios; enhance early warning and clue closed-loop management
<b>Environment &amp; Safety</b>	Environmental violations; accidents risks; non-standard pollution and hazardous waste management	Green value addition through energy conservation, emission reduction and cleaner production	Climate change response & EHS compliance; system capabilities; risk incident records	Conduct specialized audits/on-site verifications for high-risk suppliers; promote rectification and capacity building
<b>Labor &amp; Human Rights</b>	Non-compliant employment; occupational health and safety risks; reputational risks	Improved supply chain social responsibility performance	Labor compliance; human rights and occupational health and safety management	Enhance supervision and rectification for high-risk suppliers; suspend/terminate when necessary
<b>Responsible Minerals</b>	Unidentified origin; lack of disclosure; conflict risks	International customer recognition through traceability	Disclosure of key minerals; due diligence and traceability capabilities	Insufficient information disclosure: Supplement due diligence and rectification; high risks: adopt alternative procurement/suspension/termination

## Indicators and Objectives

The Company has set annual key performance indicators and conducts continuous tracking around supplier access compliance, implementation of contract terms, supplier capacity building, and responsible minerals due diligence management, so as to promote the effective implementation of sustainable procurement requirements in the supply chain.

### 2025 Sustainable Procurement Management Objectives and Achievement Status



Objective



2025 Achievement Status

100% completion rate of new supplier assessment in 2025

Achieved

100% of suppliers signed integrity commitments/compliance clauses/relevant codes of conduct in 2025

Achieved

In 2025, more than 100 suppliers participated in the Company's green/ESG/compliance-related training, with a training coverage rate of 100%<sup>2</sup>

Achieved

In 2025, 100% coverage rate of conflict minerals commitments completed among relevant suppliers involving Au/Ta/Sn/W

Achieved

<sup>2</sup> Based on the number of suppliers participating in the annual audit/review in 2025.

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

# 03

## Green Operations, Ecological Protection

Sieyuan Electric deeply integrates green development into its entire production and operation chain, continuously improves its internal environmental management system, strictly controls pollutant emissions, effectively promotes green and low-carbon transformation, and works with all stakeholders to actively address environmental challenges, acting as a promoter and practitioner of the concept that “lucid waters and lush mountains are invaluable assets.”

Corresponding UN Sustainable Development Goals (UN SDGs) for this Chapter



- 39 Environmental Compliance Management
- 41 Pollution Prevention and Control
- 43 Resource Management
- 45 Climate Change Response
- 49 Green Operations
- 51 Biodiversity Conservation

# Environmental Compliance Management

## Environmental Management System

Sieyuan Electric strictly implements national and local environmental protection laws and regulations, continuously develops and upgrades its environmental management system, and strictly implements pollution prevention and control measures to prevent and mitigate the negative environmental impacts of production and operation activities. The Company vigorously promotes the development of an EHS information platform covering various EHS management scenarios such as EHS audit plans, EHS safety inspections, EHS document databases, education and training, and emergency drills, enabling real-time monitoring of environmental data and comprehensively improving EHS management efficiency. By the end of 2025, Sieyuan Electric maintained the validity of its ISO 14001: 2015 Environmental Management System.



EHS Information Management Platform



ISO 14001 Certificate

### EHS Policy

- ◆ We commit to strictly complying with applicable national laws and regulations concerning safety, health and environmental protection.
- ◆ We strive to meet the safety, health and environmental needs of our customers, employees and the communities in which we operate.
- ◆ We endeavor to reduce our environmental impact through pollution prevention and the sustainable use of resources.
- ◆ We regard “sustainable development” as an important part of the Company’s strategic planning and remain committed to our EHS obligations.
- ◆ Safety, health and the environment are integral to Sieyuan Electric’s daily operations and will be subject to continuous improvement.

To ensure the achievement of environmental management objectives and the effective implementation of environmental management measures, the Company has established an EHS Management Committee and built a clearly defined, coordinated and efficient environmental management structure. Meanwhile, we implement an environmental protection responsibility system that clarifies environmental duties from management to frontline employees, realizing “full participation, hierarchical accountability and whole-process control”.

## Environmental Risk Management and Control

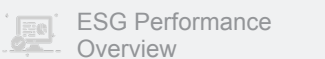
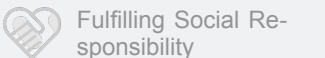
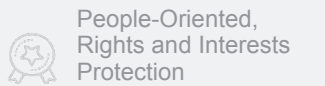
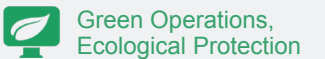
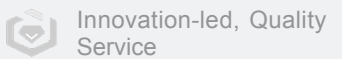
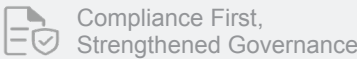
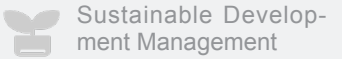
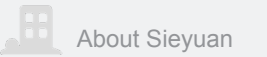
### Environmental Factor Identification

The Company has formulated assessment forms such as the *List of Environmental Aspect Identification and Risk Assessment* and the *Summary List of Significant Environmental Aspect Identification and Risk Assessment*, establishing an environmental factor identification and risk assessment mechanism covering tense, status, and environmental impacts. We regularly assess the effectiveness of control measures for significant environmental aspects, promptly identify gaps, optimize plans, and reduce environmental risks.

<b>Tense</b>	Past, Present, Future
<b>Status</b>	Normal, Abnormal, Emergency
<b>Environmental Impacts</b>	Wastewater, Waste Gas, Noise, Solid Waste, Soil, Energy, Others
<b>Assessment Factors</b>	Compliance level, Frequency of occurrence, Magnitude of impact, Scope of impact, Stakeholder attention, Level of capital investment

序号	场所	活动/工作/产品/服务	环境因素	环境影响	时态	状态	环境因素评价					是否重要环境因素	控制措施 (或需环境因素必填)							
							合规程度	发生频率	影响程度	相关方关注度	资金投入程度		累计得分	控制措施	责任人	计划完成时间	实际完成时间	验收人	验收结果	
1	办公区域	纸张使用	废纸的废弃	固体废物	现在	正常	2	3	1	2	1	1	10	否						
2	办公区域	水的使用	污水的排放	水体影响	现在	正常	1	2	2	3	1	1	10	否						
3	办公区域	电的使用	火灾的发生	能源的释放	将来	紧急	1	1	3	5	2	1	13	是						
4	办公区域	复印机的使用	废硒鼓的废弃	固体废物	现在	正常	2	2	1	2	1	1	9	是						
5	办公区域	办公文具使用	笔芯、美工刀等办公文具的废弃	固体废物	现在	正常	2	3	1	1	1	1	9	是						
6	办公区域	办公桌椅的使用	废桌椅的废弃	固体废物	将来	正常	2	2	1	1	1	1	8	是						
7	办公区域	电脑报废	电子废弃物	固体废物	现在	正常	1	1	1	2	1	1	7	是						
8	机房	机房活动	火灾的发生	能源的释放	将来	紧急	1	1	2	2	5	1	12	是						
9	机房	机房活动	机房废电池的废弃	废弃物	将来	正常	2	2	1	1	1	1	8	是						
10	机房	机房活动	UPS电源更换	废弃物	将来	正常	2	1	1	1	1	1	7	是						
11	机房	机房活动	UPS电源漏液	能量的释放	将来	正常	2	1	1	1	1	1	7	是						
12	研发中心实验室	各实验设备	火灾的发生	能源的释放	将来	紧急	1	1	2	3	3	1	11	是						
13	食堂	餐厨废弃物处理	餐厨食用油脂处理	废弃物	现在	正常	2	2	3	3	3	1	14	是						
14	食堂	餐厨废弃物处理	餐厨垃圾处理	废弃物	现在	正常	2	2	3	3	3	1	14	是						
15	食堂	废水排放	洗碗废水排放	水体	现在	正常	2	2	2	3	3	1	13	是						
16	食堂	废气排放	烹饪过程中油烟废气	废气	现在	正常	2	1	2	3	2	3	13	是						
17	研发中心实验室	各实验设备	净化水排放	净化水	现在	正常	2	2	2	1	2	2	11	是						
18	垃圾堆场	工业固废处置	危废堆入	危废	现在	正常	2	2	1	1	3	1	10	否						
19	办公区域	楼梯/电梯/设备保养	遗留的危险	危险	现在	正常	2	2	1	1	3	1	10	否						
20	办公区域及园区	楼梯/电梯/设备保养	堵塞和滴漏	危险	现在	正常	1	1	1	1	2	1	7	否	供应商选择、日常维护检查、使用时做好预防	行政科长	日常	日常	董亮	符合

List of Environmental Factor Identification and Risk Assessment



## Environmental Impact Assessment

The Company strictly complies with the *Environmental Impact Assessment Law of the People's Republic of China*, conducting analysis, prediction and assessment of potential environmental impacts from plans and construction projects, and verifying their alignment with industrial policies and relevant planning requirements. Through environmental impact assessment, we formulate strategies and measures to prevent or mitigate adverse environmental impacts, ensuring that pollutant emissions from completed projects meet discharge standards and achieve regional balance.

## Environmental Emergency Management

The Company and its production bases promote the construction and improvement of environmental emergency management systems to high standards. We have formulated the *Emergency Plan for Environmental Emergencies*, and in accordance with relevant regulations, stockpile environmental emergency equipment and supplies, and conduct training, publicity and emergency drills on the plan. This ensures that in the event of an environmental emergency, on-site environmental emergency response can be carried out quickly, orderly and efficiently to minimize environmental impact, personnel injuries and property losses.

**Shanghai Sieyuan High Voltage Conducted Emergency Drill for Hazardous Waste Accidents**

On July 13, 2025, to standardize environmental pollution emergency management, Shanghai Sieyuan High Voltage conducted an emergency drill for hazardous waste accidents. The drill simulated a scenario where a waste acetone collection barrel in the hazardous waste warehouse was damaged, causing acetone leakage. A series of organizational and operational activities were carried out, including incident detection, alarm notification, initial rescue, on-site investigation, emergency repair, and proper treatment of contaminated water, which enhanced the emergency response speed and collaborative operational capabilities for environmental pollution incidents.



## Environmental Protection Culture Development

To foster an environmental protection culture and enhance employees' environmental awareness, the Company conducts environmental management training tailored to operational needs, covering environmental laws and regulations, environmental management systems, basic environmental knowledge, and pollution prevention technologies, ensuring that personnel in relevant roles possess the required competencies. In addition, the Company widely promotes the importance of environmental protection through multiple channels, encouraging employees to actively practice environmental actions in daily life and work, and internalizing environmental concepts into their minds and externalizing them into actions.



Shanghai Sieyuan High Voltage Green Factory Training



Rugao High Voltage Green Factory Training



Sieyuan Qingneng Green Factory Training

## Environmental Information Disclosure and Compliance Management

Sieyuan Electric strictly conducts environmental information disclosure in accordance with applicable laws, regulations and regulatory requirements, promptly discloses information related to environmental management, and voluntarily accepts supervision from government authorities and the general public. During the reporting period, the Company and its subsidiaries Jiangsu Sieyuan High Voltage, Juyuan Electric and Sieyuan Power Capacitors, which are included in the list of enterprises required to disclose environmental information in accordance with the law, duly fulfilled their obligations of environmental information disclosure. In the meantime, the Company continued to advance environmental compliance work including pollutant discharge permitting, environmental monitoring, hazardous waste management, and emergency plan filing, so as to continuously improve the standardization of environmental management. No administrative penalties were imposed on the Company for environmental violations during the reporting period.

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

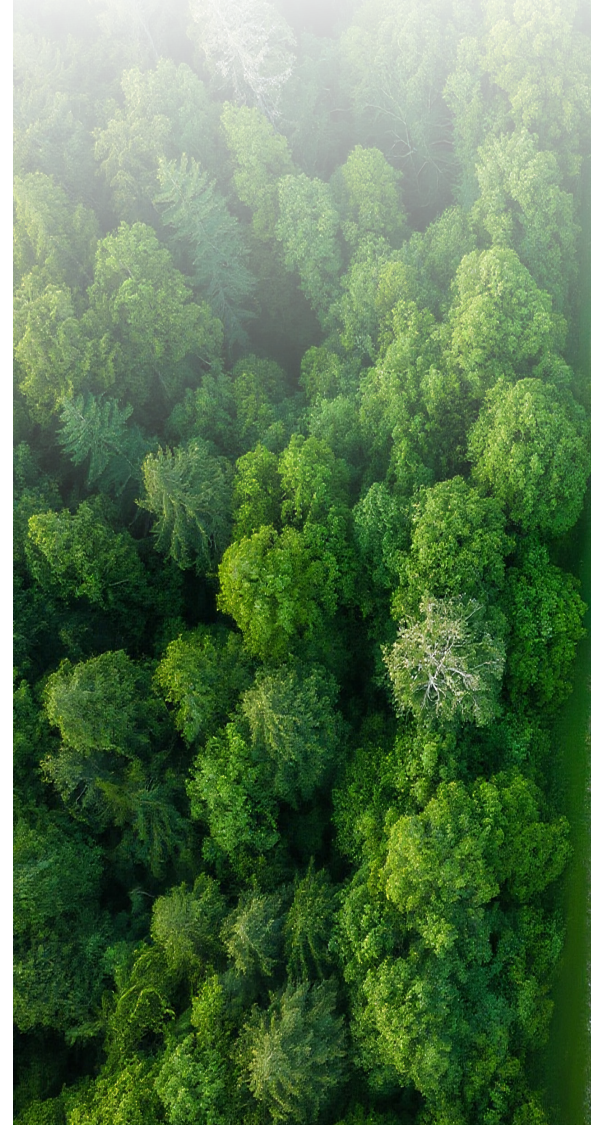
Future Outlook

ESG Performance Overview

Content Index

# Pollution Prevention and Control

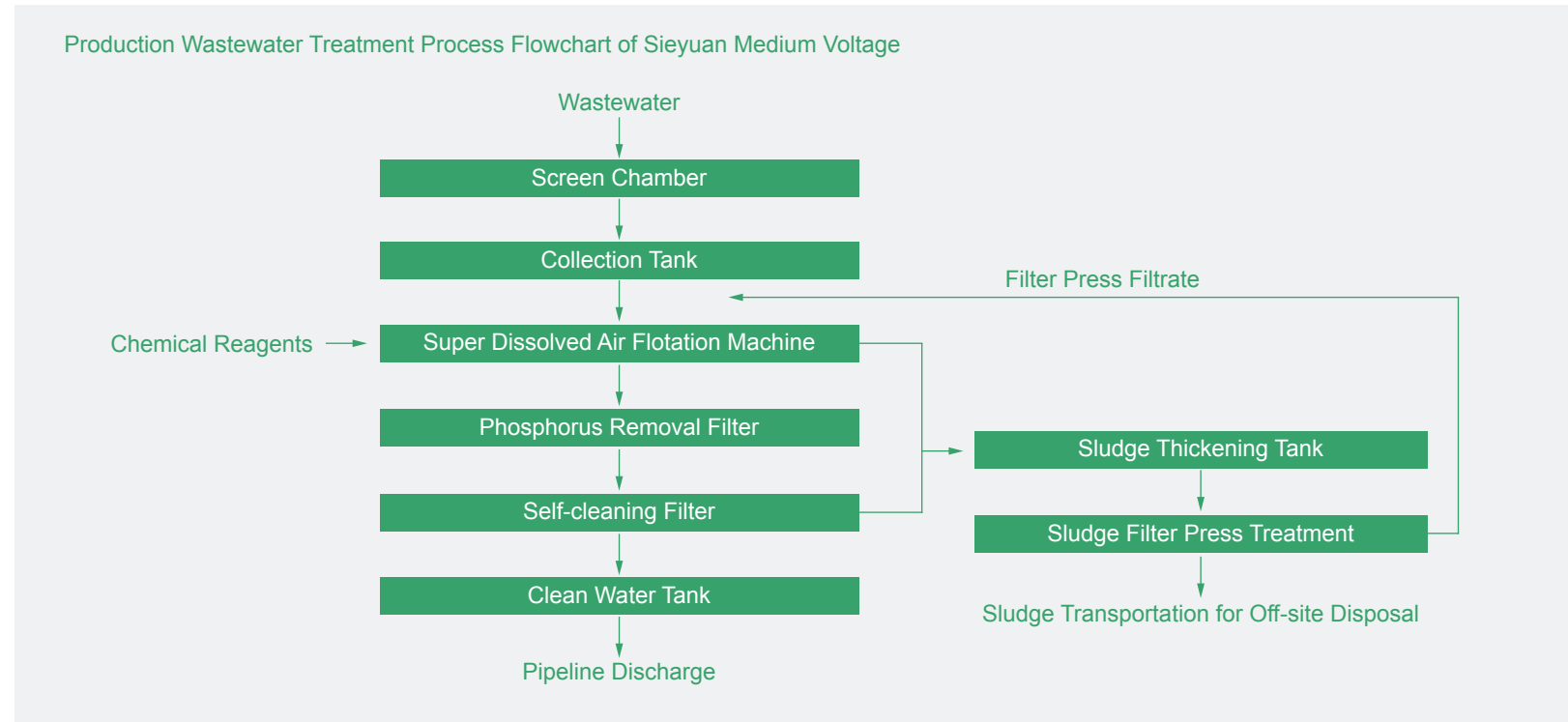
The Company strictly complies with relevant laws and standards on pollution prevention and control, including the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*. It regards pollution prevention and control as a core task of environmental management, formulates and implements a waste management system to ensure that wastewater, waste gas and noise meet discharge standards, and that wastes are disposed of in compliance with regulations.



## Wastewater Treatment

The Company carries out standardized wastewater treatment, establishing a multi-type wastewater treatment system covering industrial wastewater, domestic sewage, cleaning wastewater and initial rainwater. Through advanced wastewater treatment technologies and refined management measures, it ensures full compliance of wastewater discharge. Meanwhile, the Company has established a dual wastewater control mechanism of “self-inspection + external inspection” to timely identify risks such as operational defects of wastewater treatment facilities and abnormal water quality, forming a traceable data chain for wastewater management.

For Sieyuan Medium Voltage, the wastewater generated is partially reused as make-up water for cooling systems and greening irrigation after treatment, which not only reduces pollutant emissions but also improves the efficiency of water resource utilization.



## Waste Gas Treatment

The Company has established a supporting waste gas management system, clarifying the treatment methods for various types of waste gas, and applies high-efficiency waste gas treatment equipment to ensure strict management and control over all links from waste gas generation and collection to discharge. The Company and its production bases regularly entrust qualified third-party institutions to test the waste gas discharge in the plant area, and evaluate the compliance of pollutant discharge based on the test results.

### Organized Waste Gas Prevention and Control Measures

Shanghai Sieyuan High Voltage is equipped with a VOC waste gas treatment station, which combines the advantages of pretreatment, adsorption technology and catalytic combustion technology. The waste gas first passes through a pretreatment device to remove paint mist and part of the VOCs; the pretreated VOCs waste gas then enters an activated carbon adsorption device, which absorbs most of the VOCs in the waste gas before being discharged up to standard.

The organized waste gas generation link at Sieyuan Toshiba is the exhaust from the steam boiler, with nitrogen oxides as the main air pollutant. The boiler uses natural gas as fuel and adopts low-nitrogen combustion technology, resulting in almost no soot or sulfur dioxide emissions, and a low concentration of nitrogen oxides.

At Sieyuan Qingneng, only the manual welding posts generate a small amount of waste gas during the entire process. The Company is equipped with waste gas collection devices such as gas collecting hoods and air ducts, and installs a waste gas purification treatment device at the discharge end to adsorb the waste gas and control its emission.

### Unorganized Waste Gas Prevention and Control Measures

Pollution Source	Pollutants	Prevention and Control Measures
Organic waste gas generated during vacuum casting resin impregnated paper and charging	Non-methane total hydrocarbons	Strengthen the sealing effect of vacuum casting process equipment to reduce unorganized emissions of organic waste gas.
Fume generated from welding processes	Particulate matter	Adopt smoke-free/low-smoke welding processes, and equip each welding machine with a mobile fume collection and filtration processor; Standardize welding operations to improve fume capture efficiency and reduce unorganized particulate emissions.
Odor generated from domestic sewage treatment facilities	Ammonia, Hydrogen sulfide	Improve the sealing of tank bodies, enhance surrounding greening, and regularly remove sediments to reduce odor emissions.

### Waste Treatment

The Company's wastes include general wastes, hazardous wastes and domestic wastes. It has established a sound waste management system, which strictly regulates the collection, classification, storage and transportation of all types of wastes at the institutional level, ensuring that the whole-process management of wastes complies with local and national regulatory requirements. Starting from waste generation and disposal, the Company improves waste disposal efficiency and is committed to promoting waste reduction, resource utilization and harmless treatment.

### Sieyuan Electric Waste Management Initiatives

Waste Category	Waste Sources	Disposal Methods
General Wastes	Waste paper, waste wood boards, waste foam, waste metal, waste pallets, etc.	Entrust qualified third-party companies for regular recycling to realize resource utilization.
Hazardous Wastes	Waste activated carbon, waste engine oil, waste cutting fluid, waste filter oil paper, etc.	Strictly classify in accordance with the <i>List of National Hazardous Wastes</i> , and uniformly transport to the hazardous waste warehouse for standardized management; Establish a complete record-keeping mechanism for hazardous waste collection and transfer to ensure full traceability of the disposal process; Regularly entrust professionally qualified third parties for disposal.



Hazardous Waste Warehouse (Sieyuan Toshiba)



Hazardous Waste Warehouse (Shanghai Sieyuan High Voltage)

### Shanghai Sieyuan High Voltage Adopted Multiple Measures to Reduce Waste Generation

Shanghai Sieyuan High Voltage installs air robots for painting and adopting high-pressure air-mixed spraying + electrostatic adsorption technology, the paint utilization rate has been increased by 30%, and hazardous waste such as paint residue has been reduced by 30%. A solvent recovery device is adopted to achieve 100% recycling of n-propyl bromide generated from solvent cleaning, thus minimizing the generation of hazardous waste.



Solvent Recovery Device

### Noise Treatment

The main noise sources of the Company include air compressors, vacuum pumps, fans and other equipment. In light of the characteristics of noise sources, low-noise equipment is prioritized during the equipment procurement phase to reduce noise at the source. At the same time, equipment maintenance is strengthened to ensure sound operation and avoid high noise caused by abnormal operation. For individual high-noise equipment in workshops, comprehensive control measures such as sound insulation, vibration damping and noise elimination are adopted. In addition, greening is enhanced in the factory area to form green noise reduction belts.

The Company regularly entrusts qualified institutions to conduct factory noise monitoring. During the reporting period, all monitoring results met national standards and regulatory requirements.

# Resource Management

## Water Resource Management

Sieyuan Electric strictly abides by the *Water Law of the People's Republic of China* and other laws and regulations, actively responds to the national call for water conservation, and strives to build a water-saving enterprise. The Company has formulated specific management systems for water conservation, appointed full-time water-saving management personnel, and adopted water-saving appliances to effectively manage water resources. The Company regularly conducts statistical analysis on water resource-related data, identifies key water-saving links and carries out targeted improvements.

Sieyuan Toshiba has built a sewage treatment station to treat wastewater for reuse in production, landscape water, greening and road washing. According to calculations, the annual wastewater reuse volume is 8,598 tons, with a wastewater reuse rate of 30.86%. Rugao High Voltage installed solenoid valve control at the inlet of the water-cooled air conditioner circulating water system to reduce water consumption, saving about 10,000 RMB in water costs per year.

## Energy Management

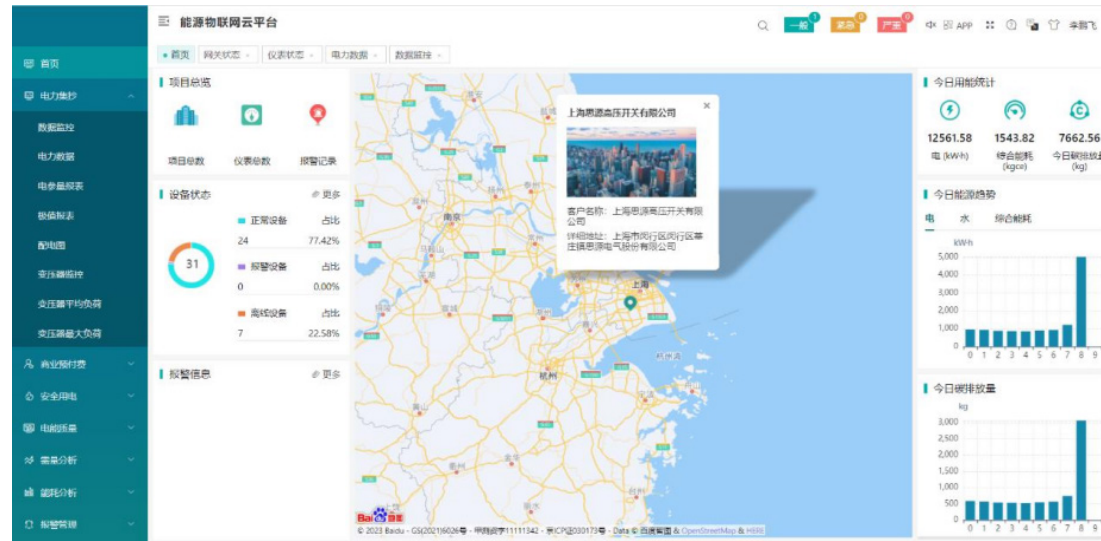
### Energy Management System

In accordance with the standard *Energy Management Systems—Requirements with Guidance for Use (GB/T 23331-2020/ISO 50001:2018)*, Sieyuan Electric has established a comprehensive energy management system, set up an energy management leading body, and assigned full-time energy management personnel. The Company has refined various energy management systems, and all production units and functional departments earnestly perform their duties to ensure the effective operation of the energy management system and the full achievement of energy management objectives. By the end of 2025, Sieyuan Electric maintained the validity of the ISO 50001:2018 Energy Management System.

The Company and its production bases have built an intelligent energy management platform for real-time monitoring and control of energy usage. Through regular data collection, the Company analyzes and improves energy management to promote continuous improvement of energy performance.



ISO 50001 Certificate



Intelligent Energy Management Platform

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

## Energy Structure Improvement

Sieyuan Electric and its subsidiaries have steadily promoted the improvement of energy structure and reduced dependence on fossil fuels by developing distributed photovoltaic systems, purchasing green electricity, and other means. The Company has constructed distributed photovoltaic projects at multiple production bases and installed solar street lamps to continuously increase the consumption of renewable energy. Meanwhile, it procures green electricity to raise the proportion of green power in overall energy use.



Distributed PV

Solar Street Lamps



Green Power Certificates

## Energy Conservation and Consumption Reduction Projects

The Company regularly analyzes its own energy consumption, fully taps energy-saving potential, and implements a series of energy conservation and consumption reduction projects to improve energy efficiency and advance the green and low-carbon transformation.

**Sieyuan Electric** | LED Lamp Replacement for Metal Halide Lamp Energy Saving Project: Low-power LED lamps are used to replace high-power metal halide lamps, saving 50,500 kWh of electricity annually.

**Sieyuan Toshiba** | Implemented a steam condensate energy recovery scheme, directly recovering part of the heat from cooled steam condensate for hot water heating to reduce natural gas consumption.

**Rugao High Voltage** | Upgraded the GW4A production line by adopting variable frequency motors and other equipment to accurately match load demand and avoid unnecessary energy loss.

**Sieyuan Power Capacitor** | Renovated large-scale boiler equipment into 4 steam generators, which can be turned on or off according to production demand to achieve optimal economic operation and improve energy efficiency. Compared with traditional boilers with thermal efficiency generally ranging from 78% to 90%, the thermal efficiency of steam generators can approach 100% under specific working conditions, effectively reducing no-load and low-load operation losses and further improving the economic efficiency of system operation.



Steam Generator

**Shanghai Sieyuan High Voltage** | Introduced a 75kW permanent magnet variable frequency screw air compressor, equipped with a waste heat recovery system connected to the bathing water pipeline in the toilet of the insulation workshop to make full use of waste heat.

**Sieyuan Hertz** | Phased out Class 3 energy efficiency motors and replaced them with Class 2 and Class 1 energy efficiency motors.

**Sieyuan Qingneng** | Carried out the Waste Heat Utilization Project of Complete Product Test Heat Exchangers: Renovated the test station with standard heat exchangers and fixed inlet and outlet water pipelines on the interior and exterior walls. The heat exchangers are placed outdoors during summer tests and indoors during winter tests to minimize air conditioner running time and reduce energy consumption.

According to calculations: Daily energy saving in summer is  $8 \times 8\text{kW} \times 24\text{h} \times 0.5 = 768 \text{ kWh}$ ; Daily energy saving in winter is  $8 \times 8\text{kW} \times 24\text{h} \times 1 = 1,536 \text{ kWh}$ .



Waste Heat Recovery Machine

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

## Energy Conservation Awareness Enhancement

The Company carries out a variety of energy conservation and emission reduction education activities, including posting slogans and conducting specialized training, to inform employees of energy management policies, popularize energy conservation and emission reduction knowledge, strengthen the energy conservation concept of all employees, and integrate energy-saving behaviors into daily work and life. In 2025, Sieyuan Qingneng carried out training on “energy performance parameter identification”, “formulation of energy benchmarks, objectives and energy indicators”, “identification of energy performance improvement opportunities and preparation of measure plans”, etc., to cultivate an internal energy management team and promote the optimization of the energy management system.



Energy Conservation Publicity Slogans

## Material Management

The Company practices a circular economy model, using sustainable and recyclable materials to replace traditional non-renewable materials, so as to reduce resource consumption and environmental footprint. The Company has replaced disposable wooden pallets with recyclable plastic pallets to reduce the consumption of forest resources.



Reusable Pallet

Rugao High Voltage promotes resource conservation and recycling based on material characteristics. Key materials such as insulating ceramics are managed in strict accordance with product performance and quality requirements, while recyclable packaging, turnover and auxiliary materials are prioritized in other applicable scenarios. Sieyuan Power Capacitors has signed recycling agreements with third-party institutions for copper scrap and insulating oil, ensuring standardized recovery and resource-based treatment of scraps and wastes generated in the production process, so as to promote resource recycling; a new painting process is adopted, using air-mix spraying and electrostatic spraying processes for fully automatic spraying, with automatic proportioning and supply of paint and curing agent, so as to save paint consumption.



Automatic Proportioning and Paint Supply System



Automatic Spraying Robot

Juyuan Electric has introduced nesting software to optimize the cutting process of aluminum plates and aluminum pipes, reducing the generation of material scraps and improving the utilization rate of raw materials. At the same time, Juyuan Electric improved the smelting process in 2025. By adding an online degassing device, the return scrap can be directly degassed online to complete refining after smelting, reducing the use of slagging and furnace cleaning agents to further improve resource utilization efficiency in the production process.

## Climate Change Response

### Governance

Against the global trend of climate change response, enterprises are facing challenges where climate risks and opportunities coexist. Sieyuan Electric integrates climate change response into ESG governance, establishes a top-down management system, and systematically promotes climate change governance work.

### Climate Change Response Governance Structure

Decision-Making Level	<p><b>Chairman</b></p> <hr/> <p>Responsible for formulating the Company’s overall climate governance strategy, policies, objectives and relevant major matters.</p>
Management Level	<p><b>Sustainability Committee (ESG Committee)</b></p> <hr/> <p>Responsible for tracking climate change risks and opportunities, and overseeing climate change response initiatives of the Company and its subsidiaries.</p>
Coordination Level	<p><b>Environmental Protection, Energy Conservation and Carbon Reduction Team (E)</b></p> <hr/> <p>Coordinates the implementation of climate change response activities, applies for resource support from the decision-making and management levels, and ensures adequate conditions for the implementation level to advance relevant work.</p>
Implementation Level	<p><b>Subcommittees of the Sustainability Committee (established by each subsidiary in accordance with the organizational structure)</b></p> <hr/> <p>Formulates climate change response objectives, plans, rules and regulations as well as performance indicators for manufacturing subsidiaries based on Sieyuan Electric’s strategic goals and business reality; Steadily promotes energy conservation and emission reduction practices, and conducts greenhouse gas inventory and product carbon footprint verification;</p> <p>Cooperates with the Sustainability Committee in the emission reduction performance audit and closed-loop management of subsidiaries.</p>

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

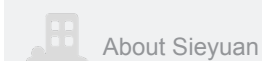
Content Index

## Strategies

The Company refers to the *International Financial Reporting Standards (IFRS) No. 2—Climate-related Disclosures*, adopts a scenario analysis method to identify and analyze the challenges and opportunities brought by climate factors, and clarifies the direction and strategy for addressing climate change based on the analysis results.

When assessing climate adaptability, the Company fully considers major uncertain factors such as the occurrence probability, impact intensity and duration of extreme weather events, as well as the evolution of climate-related policies and regulations, changes in regulatory requirements and adjustments in market trends, so as to continuously enhance the Company's resilience and adaptability in responding to climate change.

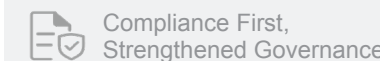
Type	Category	Description	Potential Financial Impact	Impact Period	Impact Level	Response Measures
Physical Risks	Acute Physical Risks	<ul style="list-style-type: none"> <li>The increased frequency of extreme weather events such as typhoons and heavy rainfall may cause damage to the Company's assets, affect business continuity, and lead to safety production accidents.</li> </ul>	Increased operating costs	Short to medium term	Medium	<ul style="list-style-type: none"> <li>Formulate and update emergency plans in a timely manner, and continuously improve the emergency response mechanism;</li> <li>Conduct regular emergency drills to improve the speed and handling capacity of emergency response.</li> </ul>
	Chronic Physical Risks	<ul style="list-style-type: none"> <li>Rising average temperatures affect the Company's normal operations and cause economic losses;</li> <li>Rising sea levels pose a relocation risk to some production bases.</li> </ul>				Long term
Transition Risks	Policy/Legal Risks	<ul style="list-style-type: none"> <li>Stricter policies and regulations to address climate change have been introduced at home and abroad, such as the EU Carbon Border Adjustment Mechanism (CBAM), which increases compliance costs.</li> </ul>	Increased operating costs	Short term	Medium	<ul style="list-style-type: none"> <li>Pay close attention to domestic and foreign laws and regulations on climate change, and improve carbon-related management mechanisms.</li> </ul>
	Market Risks	<ul style="list-style-type: none"> <li>Customers are increasingly preferring eco-friendly products, and their requirements for the low-carbon attributes of products are constantly rising.</li> </ul>	Decreased operating income	Medium to long term	Medium	<ul style="list-style-type: none"> <li>Consider the environmental impact of the entire product life cycle in the design stage and expand the supply of green products;</li> <li>Practice a circular economy model, use sustainable and recyclable materials to replace traditional non-renewable materials;</li> <li>Conduct product carbon footprint verification.</li> </ul>
	Technology Risks	<ul style="list-style-type: none"> <li>The Company needs to continuously increase investment in green and low-carbon technologies to maintain competitive advantages;</li> <li>The introduction of new technologies and equipment will incur additional costs.</li> </ul>	Increased operating costs	Medium to long term	High	<ul style="list-style-type: none"> <li>Strengthen investment in energy-saving technological transformation and tap energy-saving potential to reduce carbon emissions in the production process;</li> <li>Build an intelligent energy management platform to monitor and control energy use in real time, and analyze and improve energy management by regularly collecting relevant data;</li> <li>Actively carry out industry cooperation and work with partners to promote the R&amp;D and application of low-carbon technologies.</li> </ul>
	Reputational Risks	<ul style="list-style-type: none"> <li>Stakeholders are paying increasing attention to the Company's performance in addressing climate change; failure to meet their expectations will damage the Company's reputation.</li> </ul>	Decreased operating income	Short to medium term	Low	<ul style="list-style-type: none"> <li>Strictly disclose information related to climate change in accordance with the requirements of the government and stock exchanges;</li> <li>Respond to the expectations of stakeholders by regularly releasing sustainable development reports;</li> <li>Establish smooth communication channels with stakeholders and conduct regular dialogues and exchanges.</li> </ul>
Opportunities	Renewable Energy	<ul style="list-style-type: none"> <li>The introduction of green energy policies has improved the accessibility of renewable energy and made it possible for its price to gradually decrease.</li> </ul>	Reduced operating costs	Medium to long term	Medium	<ul style="list-style-type: none"> <li>Actively introduce photovoltaic power generation and expand the use of renewable energy.</li> </ul>
	Emerging Markets	<ul style="list-style-type: none"> <li>Improving the supply of green and low-carbon products can effectively enhance competitiveness and bring new market opportunities for the Company.</li> </ul>	Increased operating income	Medium to long term	High	<ul style="list-style-type: none"> <li>Pay attention to market changes and meet the market demand for low-carbon products.</li> </ul>
	Resilience and Adaptability	<ul style="list-style-type: none"> <li>Proactively taking climate action helps improve the Company's resilience and adaptability.</li> </ul>	Reduced operating costs, increased operating income	Long term	High	<ul style="list-style-type: none"> <li>Regularly review the Company's climate performance, and make efforts in renewable energy, technological innovation, and emerging markets from the perspective of the entire value chain life cycle to continuously improve climate resilience and seize opportunities brought by climate change.</li> </ul>



About Sieyuan



Sustainable Development Management



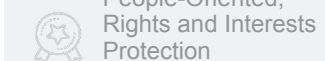
Compliance First, Strengthened Governance



Innovation-led, Quality Service



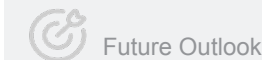
Green Operations, Ecological Protection



People-Oriented, Rights and Interests Protection



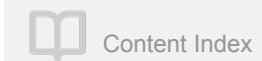
Fulfilling Social Responsibility



Future Outlook



ESG Performance Overview



Content Index

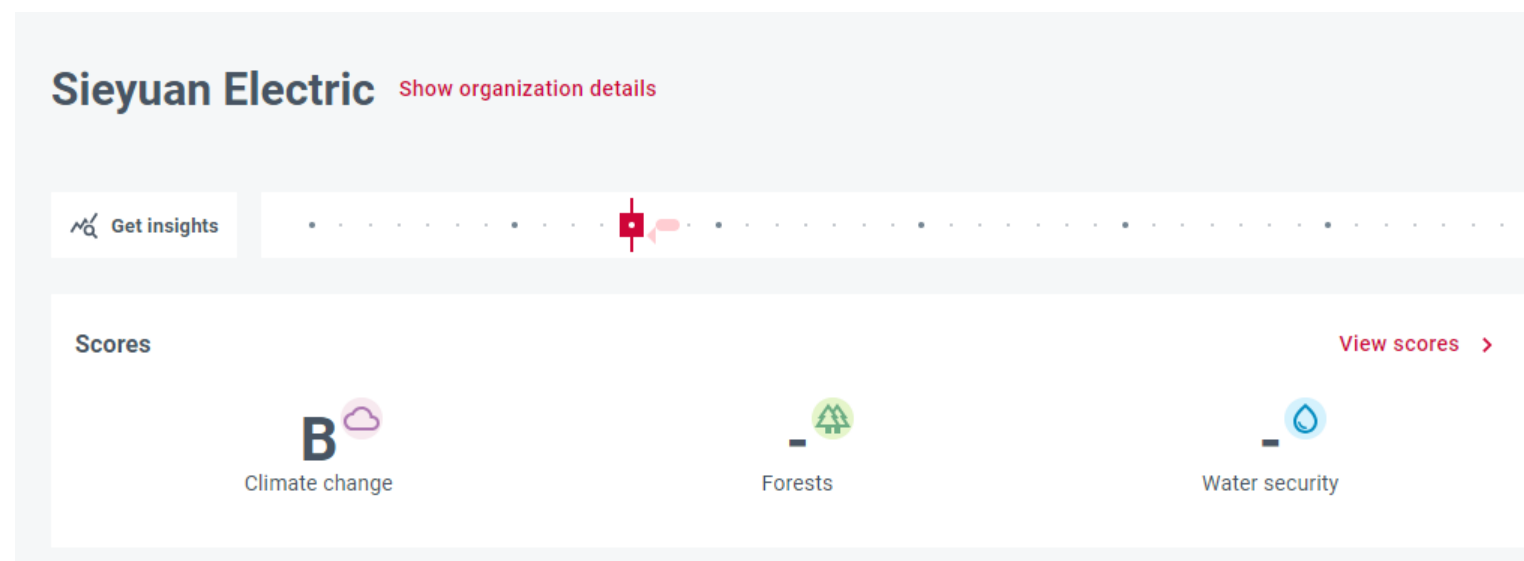
## Impacts, Risks and Opportunities Management

The Company regularly reviews climate change risks and opportunities. Through active collaboration with internal and external stakeholders, it minimizes the impact of major climate change risks and seizes the opportunities as much as possible. We have formulated standardized processes for the identification, assessment and management of climate risks and opportunities. In accordance with changes in the Company's internal and external environment, its own business plans, etc., we continuously track, assess and update the list of climate change risks and opportunities, and constantly improve the management of climate risks and opportunities.

<p><b>Identify and Develop a Risk and Opportunity Inventory</b></p> <p>In accordance with standards including the <i>Self-Regulatory Guidance No. 3 for Companies Listed on Shenzhen Stock Exchange—Preparation of Sustainability Report (Revised in January 2026)</i>, and by fully considering the Company's business and value chain, industry benchmarks, as well as outcomes of stakeholder engagement, the Company screens and identifies climate-related risks and opportunities, and develops a list of climate change-related risks and opportunities.</p>	<p><b>Qualitative Assessment and Prioritization</b></p> <p>Risks and opportunities are prioritized from the perspectives of likelihood and impact, with factors such as policy factors, social impacts, business continuity and strategic implementation incorporated into the qualitative assessment.</p>	<p><b>Quantitative Assessment of Climate Risks and Opportunities</b></p> <p>Through internal discussions and analyses, the Company assesses the financial and non-financial impacts associated with climate risks under specific scenarios. Meanwhile, it evaluates climate opportunities within its operations that may affect the Company's business and the external environment in the short, medium and long term.</p>	<p><b>Formulate Response Strategies</b></p> <p>Based on the qualitative and quantitative assessment results of the above climate-related risks and opportunities, the Company formulates and adopts differentiated response strategies, which are integrated into the overall corporate business plan to enhance the Company's resilience to climate change.</p>	<p><b>Tracking and Monitoring</b></p> <p>Regularly review key climate risk indicators, and conduct continuous tracking and monitoring of climate change risks and opportunities.</p>
---	--	---	--	--

## Indicators and Objectives

To respond to the national "carbon peaking" and "carbon neutrality" goals and the global call for greenhouse gas emission reduction, the Company has formulated the *Sieyuan Electric Carbon Peaking and Carbon Neutrality Construction Plan*. It actively carries out zero-carbon factory establishment, continuously improves the carbon management system, and regularly monitors and discloses greenhouse gas emissions. With its outstanding performance in addressing climate change, Sieyuan Electric has been awarded a "Grade B" rating in the CDP Climate Change Questionnaire.



CDP Result: Grade B (Management Level)

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

## Management Practices

Sieyuan Electric and its subsidiaries closely integrate industry characteristics, their own development conditions, and professional opinions from internal and external parties, focusing on energy conservation and emission reduction<sup>3</sup>, low-carbon products, and zero-carbon factory construction to systematically promote carbon reduction practices and enhance green competitiveness, achieving a win-win situation between economic benefits and environmental benefits.

### Shanghai Sieyuan High Voltage Reduces SF<sub>6</sub> Gas Usage

SF<sub>6</sub> gas is widely used in high-voltage, extra-high-voltage and ultra-high-voltage fields due to its excellent insulation and arc-extinguishing performance. However, its global warming potential (GWP) is 23,500 times that of CO<sub>2</sub>, making it a powerful greenhouse gas with extremely high warming potential. After scientific and technological research, Shanghai Sieyuan High Voltage has launched the ZF28A-126/T3150-40 type SF<sub>6</sub>/N<sub>2</sub> mixed gas GIS earthing switch, which adopts a mixture of 30% SF<sub>6</sub> and 70% N<sub>2</sub>. This significantly reduces SF<sub>6</sub> gas usage and greatly improves the environmental friendliness of electrical equipment.

Meanwhile, Shanghai Sieyuan High Voltage has strengthened the R&D of “fluorine-free GIS products using vacuum arc-extinguishing circuit breakers”. Such products use dry compressed gas consisting of 20% O<sub>2</sub> and 80% N<sub>2</sub> as the insulating medium, completely replacing the use of SF<sub>6</sub> gas.



High-voltage switch products using mixed gas



Clean high-voltage switch products using compressed air as the insulating medium

### Sieyuan Toshiba Launches Zero-Carbon Factory Construction

Sieyuan Toshiba regards low-carbon and sustainable development as a key part of enhancing its core competitiveness. On the basis of being recognized as a Changzhou Green Factory, the Company has set up a zero-carbon factory management team and formulated a medium and long-term plan for zero-carbon factory construction. Aiming to build a low-energy consumption, ultra-high energy efficiency factory and a near-zero carbon factory, it continuously explores new energy-saving and low-carbon technologies, new processes and new energy sources to tap potential for energy conservation and carbon reduction.

#### Projects Related to Zero-Carbon Factory Construction

- Adopt advanced production equipment and carry out automation transformation;
  - Use energy-saving light sources such as LEDs;
  - Strengthen the management of office lighting fixtures;
  - Implement variable frequency transformation on air compressors;
  - Install timer switches at the upper end of the main power supply for electric forklift chargers;
  - Establish an intelligent information management system for energy and carbon;
  - Entrust a third party to conduct greenhouse gas inventory and verification, as well as product carbon footprint calculation;
  - Actively utilize renewable energy;
- Apply for near-zero carbon factory certification in 2025 in accordance with the Changzhou Near-Zero Carbon Factory Evaluation Index System.*

## Greenhouse Gas Inventory

The Company strictly complies with international standards such as ISO 14064-1 and the GHG Protocol greenhouse gas accounting system to conduct greenhouse gas inventory, identify and count major emission sources, and provide data basis and decision-making support for the scientific formulation of carbon reduction plans. We will continue to take greenhouse gas inventory as the support, practice green design, promote green production, and work with supply chain partners to promote greenhouse gas emission reduction.

We conduct product carbon footprint accounting in accordance with standards such as ISO 14067, systematically identify and quantify energy consumption and direct and indirect greenhouse gas emissions in key links. Based on the accounting results, the Company analyzes and evaluates the key links of product carbon emissions, continuously improves emission reduction strategies, and promotes the green and low-carbon transformation of products.



Product Carbon Footprint Verification Statement

During the reporting period, the Company's greenhouse gas emission data is calculated in accordance with the ISO 14064-1 standard and consolidated on the basis of the Operational Control Approach. The entities included in the consolidation scope are the Company and its relevant production and operation units. Greenhouse gas emissions are uniformly converted and disclosed as Carbon Dioxide Equivalent (tCO<sub>2</sub>e).

#### 2025 Greenhouse Gas Performance<sup>4</sup>

Direct GHG Emissions (Scope 1) **4,584.82** tCO<sub>2</sub>e

Indirect GHG Emissions (Scope 2) **68,915.62** tCO<sub>2</sub>e

<sup>3</sup> See details in the “Energy Management” chapter. <sup>4</sup> The 2025 Scope 1 and Scope 2 emission data are calculated based on the Company's energy consumption activity data, and Scope 3 emissions have not yet been accounted for and are therefore not disclosed for the time being.

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

# Green Operations

## Green Products

Sieyuan Electric integrates environmental factors into product design, considering the environmental impact of the entire product life cycle during the design phase, and minimizes the product's impact on the environment through design improvements. In terms of the application of green materials, the Company continuously pays attention to environmental protection requirements such as the RoHS standard and REACH regulations, constantly optimizes the selection of product raw materials and components, and gives priority to promoting the application of materials and processes with less environmental impact. Through material substitution, process improvement and other methods, on the basis of meeting product performance and quality requirements, the Company continuously reduces the potential impact of products on the environment and human health.

### Sieyuan Toshiba

Formulate the green design and development task book, plan, input list, review report, verification report of products, as well as confirm materials and production processes with little environmental impact;

**Ester transformers:** Use natural esters (vegetable insulating oil) or synthetic esters as insulating and cooling media, which have biodegradability, and complete relevant procedural documents such as biodegradability reports; while ensuring product quality and future use effect, prioritize the selection of green materials and production processes with little environmental impact.

### Sieyuan Hertz

Establish a test center to provide equipment guarantee for testing the environmental performance of products and a test foundation for the production of green products.

### Sieyuan Qingneng

**Energy storage products:** Adopt an intelligent temperature control strategy, which can adaptively adjust the battery temperature according to different external ambient temperatures, ensure that the battery standby temperature fluctuates within the range of 10-25 °C , and reduce the power loss of the refrigeration system; in addition, it can automatically adjust the battery cooling time according to the user's usage habits such as charging and discharging frequency and interval, maximize the use of external ambient temperature for natural heat dissipation, and reduce the working time of the heating system as well as its power loss.

**SVG products:** Adopt a compact module design, with compact coupling of various parts in the module to reduce space waste; fully consider energy-saving design, and the product efficiency is ahead of the industry average level.

### Shanghai Sieyuan High Voltage

**EcoGreen ZF28A-145(Z) type gas-insulated metal-enclosed switchgear:** Apply fluorine-free and carbon-free clean air as the insulating medium, truly achieving zero carbon emissions.

### Sieyuan Power Capacitor

**Environmentally Friendly Power Capacitors:** Use rapidly degradable synthetic ester insulating oil to balance electrical performance and environmental protection requirements. Optimize welding techniques to reduce solder consumption. Improve structural design to minimize losses and noise, extending service life.

Based on international standards such as ISO 14040, Rugao High Voltage conducts product life cycle assessment. By quantifying the resource consumption and environmental impacts of products throughout their entire life cycle, from raw material acquisition, production, distribution, transportation, and use to disposal, it identifies high-energy-consumption and high-emission links in the product's full life cycle, clarifies improvement directions, enhances the environmental performance of products, and reduces the environmental footprint of products.



Environmental Product Declaration (EPD)

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

## Green Production

The Company focuses on energy conservation, consumption reduction, pollution reduction, and efficiency improvement, and is committed to building a sustainable production model to achieve green production processes. The Company continuously promotes the automation, informatization, and intelligence of production lines, and carries out projects such as "lead-free welding process" and "conversion of oil-based paint to water-based paint in the coating production line" to promote the green transformation of production and manufacturing.

The insulating oil used by Sieyuan Toshiba is refined from vegetable oil, which is biodegradable and has environmental protection properties such as non-toxicity, non-volatility, and no water pollution risk; SiEyuan Optoelectronics continuously promotes process optimization, replacing the materials of high-energy-consuming treatment processes such as pickling and phosphating with spray molding process materials in related products, further improving the safety and environmental protection of the product production process.

Sieyuan Medium Voltage has built an intelligent green manufacturing system, equipped with advanced intelligent equipment such as automatic batching equipment, fully automatic robots, and automated production lines. The numerical control rate of manufacturing equipment reaches more than 92%, which effectively realizes the information interconnection and integration between key technical equipment such as high-grade CNC machine tools and industrial robots, intelligent sensing and control equipment, intelligent detection and assembly equipment, and intelligent logistics and warehousing equipment, highlighting the integrated advantages of "intelligence + green".



Automated Test Station



Automated Welding Robot

In addition, the Company insists on using packaging materials that are harmless to the ecological environment and have recyclable properties. It also actively responds to the expectations of customers and stakeholders, and carries out recycling for packaging in different usage scenarios. For example, the packaging boxes and bags used for warehousing material circulation are reused within the factory.



Recyclable Packaging Boxes/Packaging Bags

## Green Logistics

Against the backdrop of the national "dual carbon" goals, the Company has established a sound green logistics mechanism. It adopts a transportation mode of direct delivery from factories to project sites to reduce vehicle transshipment and intermediate logistics links, and ensures full-load operation of each vehicle as much as possible to improve transportation efficiency. The Company selects the most economical and environmentally friendly transportation routes based on the characteristics of goods and routes, and gives full play to the advantages of each transportation mode through multi-modal transport. In addition, the Company actively uses new energy vehicles to reduce pollutant emissions.



Unmanned Forklifts and AGV Logistics Systems



Intelligent Three-dimensional Warehouses and Logistics Management Systems

## Green Buildings

In the design of new buildings, the Company has planned intelligent power distribution and intelligent building solutions, including thermal insulation/fire-resistant wall materials, green electrical appliances, and water-saving lighting fixtures to achieve resource conservation.

Buildings of Rugao High Voltage are designed as energy-efficient structures, making full use of natural ventilation and daylighting to save energy and reduce consumption. New energy-efficient wall materials, lightweight and high-performance thermal insulation materials, as well as thermal insulation doors and windows are adopted. The thermal insulation indicators comply with the provisions of the *Design Standard for Energy Efficiency of Public Buildings* and the design standard for energy efficiency of civil buildings.

## Green Office

The Company implements the concept of green office in all aspects of daily operations, establishes a sound green office mechanism, encourages every employee to participate, creates a favorable atmosphere of Company-wide green office, and is committed to building a green office environment.

### Electricity Use

- ◆ Energy-consuming equipment complies with national energy conservation policies, and high-efficiency, low-consumption equipment is selected
- ◆ Turn off lights when leaving rooms to develop the habit of switching off lights upon departure
- ◆ Standardize air conditioning management, including operation and temperature settings

### Water Consumption

- ◆ Strengthen inspection of water distribution pipelines to prevent running, overflowing, dripping and leaking
- ◆ Improve the reuse rate of water resources
- ◆ Turn off taps in a timely manner after use and check that they are properly closed


### Other Resource Management

- ◆ Plan reasonable routes before vehicle departure to reduce fuel consumption
- ◆ Strengthen the management of equipment and facilities to prevent oil leakage and seepage
- ◆ Promote double-sided printing and recycle waste paper
- ◆ Adopt information-based systems for online management to reduce the use of paper documents and improve work efficiency


## Biodiversity Conservation

Biodiversity is the foundation for human survival and development. Sieyuan Electric strictly abides by international conventions and action plans including the United Nations *Convention on Biological Diversity* and *China's Biodiversity Conservation Strategy and Action Plan (2023–2030)*. The Company commits to minimizing the impacts of its operations on nature and organisms, and continuously promotes a development model of harmonious coexistence between humans and nature.

None of the Company's operating sites are located within or near nature ecological protection areas or ecologically sensitive areas. No significant impacts of its business activities, products and services on ecosystems and biodiversity have been identified. The Company strictly implements the national "Three Lines and One List" regulatory system. Prior to the implementation of new, renovation or expansion projects, it assesses the potential impacts of project construction on biodiversity and strictly implements biodiversity protection policies.


 About Sieyuan

 Sustainable Development Management


 Compliance First, Strengthened Governance


 Innovation-led, Quality Service

 Green Operations, Ecological Protection

 People-Oriented, Rights and Interests Protection

 Fulfilling Social Responsibility

 Future Outlook

 ESG Performance Overview

 Content Index

# 04

## People-Oriented, Rights and Interests Protection

Sieyuan Electric regards human capital as the core driving force for the sustainable development of the enterprise. The Company respects and protects the personal rights and interests of employees, and strives to build an equal and inclusive work culture as well as a safe and healthy working environment. We continuously improve and iterate the internal talent management system, provide employees with diversified development opportunities and platforms to demonstrate their capabilities, and promote employees' career growth and personal development.

Corresponding UN Sustainable Development Goals (UN SDGs) for this Chapter



- 53 Employee Rights and Interests
- 55 Compensation, Benefits and Care
- 57 Employee Communication
- 58 Talent Development
- 60 Occupational Health and Safety

# Employee Rights and Interests

## Compliant Employment

Sieyuan Electric adheres to the concept of compliant employment and actively implements the principle of equality and fairness in employment. The Company prohibits any form of infringement on workers' human rights and protects employees' rights and interests in all aspects. It focuses on key areas including employee recruitment, prohibition of child labor, prohibition of forced labor, anti-discrimination, anti-harassment, freedom of association and collective bargaining, as well as compliance with working hours and overtime regulations, to deepen the practice of social responsibility and ensure full legal compliance in all aspects of employment.

**In 2025, no human rights violations such as discrimination, harassment, child labor, or forced labor occurred within the Company.**

Topic	Content
<b>Employee Recruitment</b>	<ul style="list-style-type: none"> <li>In accordance with operational and development needs, employees are recruited through multiple channels including internal training, selection, deployment, employee referrals, and open social recruitment, adhering to the principles of "openness, equality, competition, merit-based selection and market orientation". Discriminatory treatment based on race, religion, gender, region or other grounds is prohibited.</li> </ul>
<b>Prohibition of Child Labor</b>	<ul style="list-style-type: none"> <li>The Company strictly prohibits the use of child labor and firmly opposes any such practice. Employee identification documents are rigorously verified during both recruitment and onboarding to prevent accidental employment of child labor.</li> <li>Once child labour misuse is identified, immediately activate remedial mechanisms and report to relevant authorities.</li> </ul>
<b>Prohibition of Forced Labor</b>	<ul style="list-style-type: none"> <li>All forms of forced labor are prohibited, including but not limited to body searches, bonded labor (including debt bondage), indentured labor, and involuntary or exploitative prison labor.</li> <li>Employees are guaranteed the freedom to resign; no employee identification documents shall be withheld.</li> </ul>
<b>Anti-Discrimination</b>	<ul style="list-style-type: none"> <li>No discrimination based on race, social caste, nationality, religion, physical disability, gender, sexual orientation, trade union membership, political affiliation, age or other grounds shall be practiced or supported in matters relating to hiring, compensation, training opportunities, promotion, termination or retirement.</li> <li>No discriminatory medical examinations shall be conducted on applicants or employees.</li> </ul>
<b>Anti-Harassment</b>	<ul style="list-style-type: none"> <li>Any coercive, abusive or exploitative sexual harassment, including gestures, language and physical contact, is prohibited.</li> <li>Every employee shall be respected; corporal punishment, mental or physical coercion, and verbal abuse shall not be practiced or supported.</li> </ul>
<b>Freedom of Association &amp; Collective Bargaining</b>	<ul style="list-style-type: none"> <li>Employees' rights to freedom of association and collective bargaining are guaranteed. Reports, suggestions and submissions from employees and worker representatives are respected. No retaliation, punishment or discrimination shall be imposed on employees or worker representatives for exercising their rights.</li> </ul>
<b>Working Hours and Overtime Compliance</b>	<ul style="list-style-type: none"> <li>A strict overtime approval system is implemented. Extended working hours arranged by a minister or higherlevel management and approved through formal procedures due to temporary major or urgent matters shall be recorded as overtime;</li> <li>The Company regulates overtime management, arranges compensatory leave for employees based on actual conditions or pays corresponding overtime wages in accordance with the law, effectively protecting employees' legitimate rights to rest, leave and compensation.</li> </ul>

## Equality and Inclusion

Sieyuan Electric fully recognizes the importance of diversity and integrates equality and inclusion into all aspects of human resource management. The Company is committed to creating a workplace that respects and appreciates differences, enabling every employee to realize personal value amid the steady development of the Company.

### Care for Persons with Disabilities

The Company prohibits discrimination and insult against persons with disabilities and guarantees their equal right to employment. When arranging work positions, the Company gives full consideration to the physical conditions of employees with disabilities, and equips them with corresponding skills and experience through education and training to help them realize their full potential. Meanwhile, the Company has established protection and accessibility facilities for persons with disabilities, including barrier-free access in multiple areas, to ensure that employees with disabilities receive full support and care at work.

In 2025

the Company employed a total of **21** persons with disabilities



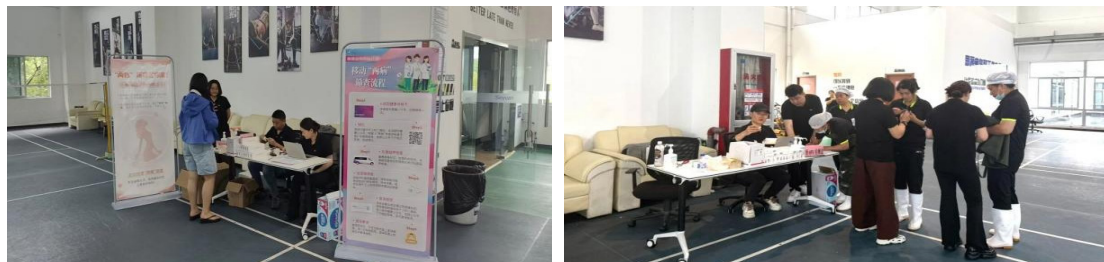
### Protection of Female Employees

The Company pays special attention to the health and rights protection of female employees to ensure they receive equal treatment and opportunities in the workplace. The Company prohibits the dismissal of female employees or unilateral termination of labor contracts on the grounds of marriage, pregnancy, maternity leave, breastfeeding, etc. It also complies with relevant provisions on the scope of work prohibited for female employees, so as to reduce and address the special difficulties faced by female employees at work due to their physiological characteristics.

The Company provides female employees with prenatal check-up leave, maternity leave, breastfeeding leave, parental leave and other entitlements, and has set up lactation rooms to offer further support. On June 9, 2025, the Company, jointly with the Shanghai Minhang District Federation of Trade Unions and the Shanghai Xinzhuang Industrial Zone Federation of Trade Unions, organized a specialized free screening event for female employees on “two major diseases” (breast diseases and cervical diseases). The activity helped female employees understand their health conditions in a timely manner, achieve early screening, early diagnosis and early treatment of the “two major diseases”, and raised their awareness of health protection.



Lactation Room



Screening for “Two Major Diseases” Among Female Employees

The Company carries out systematic and diverse care activities for female employees, striving to build a female-friendly cultural atmosphere. On March 7, 2025, on the occasion of the 115th International Women’s Day, to further enrich the festive experience of female employees, the Company held a themed activity entitled “A Date with Health· Beauty by Your Side—An Exclusive Feast for Sieyuan Goddesses on March 8”. The activity provided professional TCM health services for female employees, and offered cost-effective shopping options through an exclusive goddess market, enhancing their sense of happiness and belonging.



Women's Day Activities

## Human Rights Complaints

The Company attaches great importance to employees’ right to file complaints. If employees identify any human rights violations, they may report or file complaints with the Human Resources Department, labor union, and company leadership via DingTalk, email, or other channels. Meanwhile, suggestion boxes are placed in prominent locations, allowing employees to submit complaint materials at any time. The Company strictly protects the information of complainants, prohibits any form of retaliation, and promptly discloses investigation results and corrective measures to employees (normally within one week).



Complaint & Suggestion Box

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

# Compensation, Benefits and Care

## Compensation Management

Sieyuan Electric respects the labor contribution of every employee and upholds the principle of equal pay for equal work. The Company adopts a compensation system featuring grading by position, salary determination by grade, matching of personnel to positions, and salary adjustment with position changes. It implements a value distribution mechanism that links individual performance bonuses to the overall corporate performance, oriented toward individual and organizational performance, with preferential treatment for dedicated employees and outstanding contributors.

The Company rationally structures its internal income distribution system. Bonuses are issued based on a comprehensive assessment of current operating efficiency, organizational performance of various business units, departmental performance, and individual employee performance. Adhering to a performance-oriented principle, the Company encourages excellence, collective endeavor, and rewards high performers and diligent staff, motivating employees to achieve personal salary growth through continuous value creation and capability improvement.

## Welfare and Security

The Company is committed to building a comprehensive and diversified welfare system. On the basis of ensuring that employees enjoy statutory benefits such as social insurance and housing fund, the Company also provides exclusive corporate benefits covering health protection, living security, incentive benefits, as well as festival and cultural development benefits, so as to ensure that employees can enjoy a high quality of life outside of work.

### Welfare System

- Basic Living Security**
  - Provide hotel-style apartments, balanced nutritious meals, and shuttle buses covering the whole city.
- Housing & Settlement Support**
  - Provide interest-free home purchase loans to eligible employees;
  - Assist employees in applying for local residence permit points or household registration.
- Health Protection**
  - Provide commercial personal accident insurance, traffic accident insurance and employer liability insurance for eligible employees;
  - Implement group critical illness insurance;
  - Arrange annual physical examinations;
  - Provide high-temperature consolation.
- Incentives & Development**
  - Offer multiple rewards including year-end 13th-month salary, performance bonuses, profit sharing, equity incentives, etc.

- Colorful Employee Life**
  - Hold irregular activities such as birthday parties, matchmaking events, fitness and recreation programs, sports competitions, and group tours.
- Celebrations & Family Care**
  - Offer wedding gifts and maternity allowances; equipped with nursing rooms to balance work and life.
- Secure Retirement**
  - Provide five social insurances and one housing fund (basic pension insurance, basic medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing fund).
- Other Benefits**
  - Service anniversary celebrations, annual group tours, festival activities and allowances, birthday parties and gifts, health and entertainment facilities, etc.

### 叮~您有一份年度体检提醒, 请查收!

小思 Sieyuan人事共享平台 2025年5月9日 15:45 上海



### 思源|2025年度体检全套餐攻略~

小思 Sieyuan人事共享平台 2025年5月9日 13:27 上海



Employee Physical Examination Notice

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index



High-Temperature Consolation



Service Anniversary Celebration



Dragon Boat Festival Activity



Mid-Autumn Festival Activity



Christmas Activity



Birthday Party

## Employee Care

### Work-Life Balance

The Company is committed to building a harmonious working environment and actively organizes a variety of employee activities to enrich employees' spare time and help them achieve a better work-life balance. In 2025, focusing on employees' spiritual civilization, daily life, physical and mental health, the Company held a series of activities including fun sports meets, basketball matches, spring outings and employee social events. These activities helped relieve work pressure, foster a positive, united and friendly corporate culture, and encouraged employees to devote themselves to work and life with greater enthusiasm and morale.



Fun Sports Meets



Employee Spring Outings



Basketball Matches



Employee Social Events

### Employee Health Mutual Assistance

Upholding the fine tradition of solidarity, friendship and mutual assistance, the Company established the Employee Health Mutual Aid Association in 2012 to provide support for active employees in difficulty suffering from critical illnesses. The Company engages external insurance companies for professional operation. Employees may voluntarily choose to participate in the group critical illness insurance based on their own needs, and may also purchase such insurance for their spouses and children. In the event of a critical illness, employees, their spouses and children may enjoy corresponding benefits in accordance with the insurance policy. By the end of 2025, the total payout of critical illness insurance claims had exceeded RMB 19.66 million, covering 93 claims.

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

## Employee Communication

Sieyuan Electric has established a smooth two-way communication mechanism. Through diverse communication channels, the Company accurately identifies employee needs and provides customized support. Meanwhile, regular communication serves as a basis for management optimization, effectively conveys core values via communication platforms, and strengthens organizational identity and sense of belonging.

- ◆ Distribute business information through multiple channels  
The Company disseminates recent operation and management information through multiple channels, including the official website, board announcements, email notifications, meeting minutes, *Sieyuan* Newspaper, corporate bulletin boards, and WeChat Official Accounts.
- ◆ Collect employee feedback through multiple channels  
It collects employee opinions and suggestions via various means, such as the General Manager's Mailbox, General Manager's Luncheon, rationalization proposal campaigns, employee seminars, employee engagement surveys, and staff forums.
- ◆ Enhance employee interaction through multiple channels  
Communication and interaction with employees are strengthened through WeChat Official Accounts, departmental trips, festival care programs, youth social gatherings, and other activities.



## Trade Union Management

The Company has established a trade union in accordance with the law, which actively performs the four core functions of participation, safeguarding, construction and education. It plays an important role in democratic consultation, rights and interests protection, cultural development and staff education. The trade union signs collective contracts (including specialized collective contracts on wages and specialized contracts on the rights and interests of female employees) with the employer regarding key matters such as labor compensation, working hours, rest and leave, labor safety and health, insurance and welfare, staff training, and special protection for female employees and underage employees, so as to foster a sound and harmonious employment environment. We regularly conduct employee representative meetings of the trade union to discuss issues in employees' daily work and life, and provide timely and accurate feedback on corporate policies to employees, so as to enhance their trust and attachment to the Company and build and maintain a sound bridge of communication between the Company and its employees.

## Employee Forums

The Company has formulated an employee interview plan and conducts regular face-to-face communication with employees, encouraging open and candid exchanges between employees and the Company. We fully listen to the voices of employees, pay close attention to their needs, and adopt their rational suggestions. For issues raised by employees, we actively seek solutions and optimization measures to ensure that "every matter is responded to and every case is resolved". In the future, we will gradually introduce online real-time communication tools to improve a matrix communication platform integrating online and offline channels, so as to maximize the accessibility and effectiveness of feedback channels, comprehensively enhance employees' sense of participation, and foster an "open, transparent, understanding and harmonious" working atmosphere.



New Employee Onboarding Forum

## Engagement Survey

The Company conducts employee engagement surveys twice a year to gather information on whether employees obtain necessary resources and support at work, whether their personal development is valued, and the working atmosphere of teams. Based on the survey results, we formulate and implement improvement plans, continuously enhance employees' comprehensive competence, and create a working environment suitable for employee development and growth.

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

# Talent Development

Sieyuan Electric has built a platform for employees to realize their value and pursue career development, established a diversified talent training system, provided personalized training, fostered a sound environment for talent development, and developed a multi-level talent echelon to achieve coordinated development of the Company and its employees.



## Talent Cultivation

### Cultivation System

The Company advocates that the appreciation of human capital takes precedence over the appreciation of financial capital. It has formulated the *Training Management Measures*, and established a sound employee training system by offering a variety of training courses and programs based on job requirements and work needs.

We conduct top-down training needs surveys every year, analyze core competency gaps in line with the corporate strategy and key departmental tasks, and develop targeted training plans. By combining internal training, external on-site training, external training programs, as well as online and offline learning modes, the Company meets multi-level needs ranging from department level, subsidiary level, system level to corporate level, maximizing the value of training and talent resources.

Category	Training Content	Training Purpose
New Employee Onboarding Training	Provides newly recruited employees with courses on corporate history, corporate culture, management regulations, EHS, processes and quality systems, etc.	Helps new employees adapt to and integrate into the Company as soon as possible.
Specialized Training for University Recruits	Designs dedicated training and development programs for university graduates recruited through campus hiring.	Helps graduates smoothly transition from campus to workplace and grow rapidly in their positions.
Specialized Technical Training	Conducts in-depth cooperation with many first-class renowned universities, selects employees to pursue and study for Master of Engineering degrees, and offers specialized technical training courses.	Improves employees' professional technical capabilities.
Professional Skills Training	Provides in-service employees with professional training covering production operations, R&D technology, marketing, finance, information technology, administration, human resources and other functions.	Enhances the knowledge and skills related to employees' professional competence.
Competency Improvement Training	Provides in-service employees with courses on office software operation, professional mindset, time management, communication skills, teamwork, efficient working methods, etc.	Improves work performance and professional literacy.
Specialized Training for Reserve Cadres	Develops dedicated selection and development programs for reserve cadres.	Prepares reserve cadres for future promotion.
Leadership and Management Training	Provides leadership and management capability improvement training for management cadres at all levels.	Enhances organizational atmosphere and team work performance.

**The Company Launched Specialized Training on Project Management Program PMP**

The Company officially launched a specialized training on PMP in 2025. Focusing on practical job requirements, the program adopted an innovative hybrid mode of “on-site teaching + online live streaming”. It was carried out in three batches across Shanghai, Rugao and Changzhou, covering nearly 400 employees.

The PMP training covered professional knowledge including project management fundamentals, the 12 principles of project management, and 8 performance domains. Combined with a large number of practical cases and best practices, the training aimed to effectively improve participants’ professional project management skills, optimize end-to-end project execution efficiency, and further strengthen the overall capability of the Company’s project management team. It provides solid talent support to meet the Company’s rapid business development needs and ensure high-quality project delivery.



**Internal Lecturer Development**

The Company has formulated the *Management Measures for Internal Lecturers* and actively cultivated a team of internal lecturers. It encourages internal lecturers to develop and deliver internal courses based on business needs and job qualification standards, so as to promote the accumulation, sharing and dissemination of internal knowledge. The Company defines the types of internal lecturers and basic qualification requirements, establishes a lecturer grading and certification mechanism, and builds a closed-loop ecosystem for knowledge management. Every year, the Company selects outstanding internal lecturers in accordance with a specified ratio and grants them both honorary incentives and material rewards. Outstanding internal lecturers are also given priority access to relevant external training opportunities.

**Campus Recruit Development**

The Company has established strategic cooperative relationships with renowned universities to specifically introduce outstanding graduates, promoting the organic integration of the university education chain and the Company’s talent chain. It designs dedicated training programs for campus recruits, focusing on improving their communication and collaboration skills, execution capabilities and learning abilities. A “mentor-mentee” program is also implemented to provide professional guidance for campus recruits, so as to systematically develop young talents with strategic vision, leadership potential and innovative capabilities.



Mentor-Mentee Forum

**Management Cadre Development**

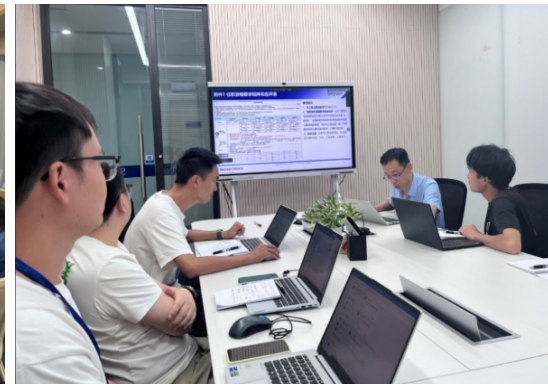
In line with the stage of business development, the Company has launched online Cadre Startup Training Program to improve management personnel’s leadership effectiveness, decision-making capacity and team management capabilities.

**Talent Development**

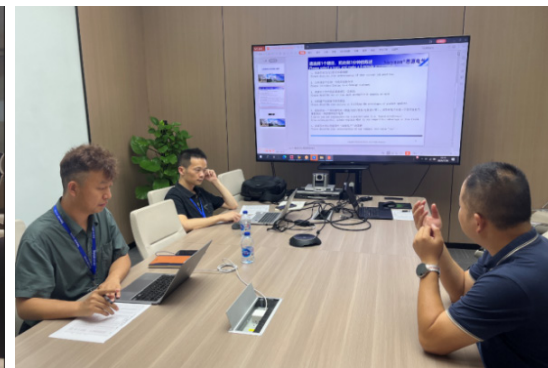
**Professional/Management Career Development Paths**

Sieyuan Electric adheres to a mechanism of internal talent cultivation and selection, and has established dual career paths that emphasize both management and professional tracks. Through rigorous performance appraisals and professional competency assessments, the Company guides and encourages employees to choose suitable development directions based on their qualifications, career aspirations and other factors.

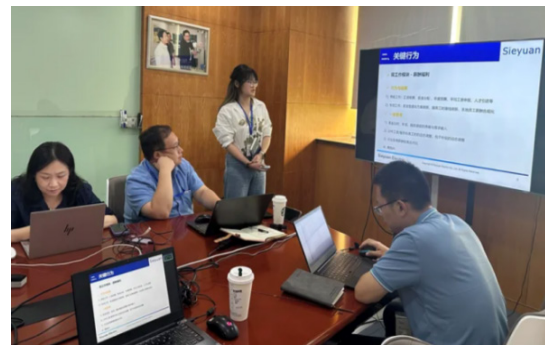
To standardize the selection and cultivation of employees in the professional/management tracks, the Company has established a self-driven, upwardly and downwardly mobile qualification management mechanism, and designed a comprehensive set of job qualification level standards. The certification of job qualification levels drives employees to pursue lifelong learning and continuous improvement.



Publicity of Job Qualification Standards



Job Qualification Examinations and Assessments



Job Qualification Defense and Certification

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

## Technician Career Development Path

Technicians are valuable assets of Sieyuan Electric. The Company vigorously advocates the spirit of craftsmanship, and establishes a technician career development path through technician evaluation and appointment. This mechanism motivates front-line employees to engage actively in their work, guides them to delve into job-specific technologies, and continuously enhance their professional skills.



Theoretical Exam for Front-line Employees' Skill Assessment



Presentation & Defense for Front-line Employees' Skill Evaluation



Practical Operation Exam for Front-line Employees' Skill Evaluation

## Shanghai Sieyuan High Voltage Annual Skills Competition

Shanghai Sieyuan High Voltage successfully held its annual Skills Competition in Workshops 15 and 16 in April and May 2025. Through a combination of theoretical and practical assessments, the event comprehensively evaluated participants' professional skills, fostered a strong learning atmosphere of "striving, learning, catching up and surpassing", and accurately identified on-site technical experts. This provides a solid basis for the workshop's technical talent echelon development and follow-up targeted training.



### Assessment Contents

- Theoretical Assessment** Process standards, equipment operation theories, abnormal handling methods, etc.
- Practical Assessment** Operational standardization, completion quality, troubleshooting, efficiency challenges, safety protection, etc.

## Performance Appraisal and Management

The Company has established a scientific, standardized, fair and impartial employee performance management system to effectively evaluate and manage employees' job performance and performance results. This promotes the implementation of the Company's strategic objectives and builds a high-performance organization.

## Occupational Health and Safety

### Governance

Sieyuan Electric firmly adheres to the safe production principle of "Safety First, Prevention Foremost, Comprehensive Governance". The Company strictly complies with laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and the *Emergency Response Law of the People's Republic of China*. It has formulated internal policy documents including the *Quality, Environment, Occupational Health and Safety Management Manual*, established an EHS Management Committee<sup>5</sup>, and built a sound occupational health and safety management system to prevent occupational diseases and safety accidents, and safeguard employees' health and safety rights and interests. In 2025, the Company revised various EHS management systems, standardized and deepened EHS inspection and audit work, and organized cross-regional mutual inspections among production lines to improve the quality and effectiveness of inspections and audits, and accelerate the upgrading of integrated EHS management.

As of the end of 2025, the Company maintained the effectiveness of its ISO 45001 Occupational Health and Safety Management System.

### Strategies

Based on its industrial characteristics and actual conditions, Sieyuan Electric conducts in-depth identification of potential risks and opportunities in the fields of occupational health and safe production, and formulates scientific and reasonable response strategies/measures. This aims to prevent and control occupational health and safety risks to the greatest extent, seize relevant opportunities, and provide full protection for the health and safety of employees.



ISO 45001 Certificate

<sup>5</sup>See the "Environmental Compliance Management" Chapter

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

Type	Category	Description	Response Strategies/Measures
Risk	Physical Risk	Mechanical injuries, object strikes, electric shocks, etc., which are likely to cause casualties, equipment damage and disrupt production continuity.	<ul style="list-style-type: none"> <li>Set clear warning signs;</li> <li>Provide employees with personal protective equipment (PPE);</li> <li>Conduct regular equipment maintenance and safety inspections.</li> </ul>
	Chemical Risk	Occupational diseases caused by chemicals, or poisoning and explosion accidents.	<ul style="list-style-type: none"> <li>Establish a sound chemical management system.</li> </ul>
	Management Risk	Inadequate safety management systems, insufficient employee training and lack of emergency plans lead to ineffective risk control.	<ul style="list-style-type: none"> <li>Improve the safe production responsibility system and occupational health management system to clarify the responsibilities of each post;</li> <li>Carry out regular safety training and emergency drills to enhance employees' risk awareness and self-rescue capabilities;</li> <li>Establish a hidden danger investigation and management mechanism, and conduct regular risk assessments.</li> </ul>
	Compliance Risk	Failure to meet regulatory requirements (e.g., failure to implement occupational disease protection, failure to declare safety assessments) may result in penalties such as fines and production suspension for rectification.	<ul style="list-style-type: none"> <li>Track the latest safe production and occupational health laws, regulations and standards to ensure compliance of systems and processes;</li> <li>Take the initiative to cooperate with supervision and inspection by government authorities.</li> </ul>
Opportunity	Efficiency Opportunity	A sound safety management system can reduce accident rates and equipment failure rates, minimize downtime losses, and improve production efficiency and product quality stability.	<ul style="list-style-type: none"> <li>Introduce an information management platform to realize real-time risk early warning;</li> <li>Formulate reasonable occupational health and safe production objectives.</li> </ul>
	Talent Opportunity	Emphasizing occupational health and safe production can enhance employees' sense of security and loyalty.	<ul style="list-style-type: none"> <li>Provide employees with occupational health protection and safety skills training;</li> <li>Recognize individuals and units with outstanding performance in the field of occupational health and safe production.</li> </ul>
	Reputation Opportunity	Good safety and occupational health management is an important reflection of corporate social responsibility, which can enhance brand credibility.	<ul style="list-style-type: none"> <li>Disclose occupational health and safe production performance data in the sustainability report;</li> <li>Publicize safety management achievements and accept social supervision.</li> </ul>

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

## Impacts, Risks and Opportunities Management

The Company has made solid and effective progress in establishing a dual prevention mechanism for hierarchical safety risk control and hidden danger investigation and management. It has formulated scientific methods for hazard identification and risk assessment, conducted comprehensive safety risk identification, and performed qualitative or quantitative analysis and evaluation on the likelihood of accidents caused by risks and the severity of their consequences, so as to determine risk levels. Corresponding safety risk control measures have been formulated item by item, with clear accountability for risk management and control. Meanwhile, through routine inspections, specialized inspections, seasonal inspections and other means, the Company has established a long-term mechanism for hidden danger investigation and management that covers all dimensions related to production and operation, including the environment, personnel operations, and equipment and facilities. This has formed a multi-level, all-round protection network to eliminate potential workplace safety accidents at the source.

In 2025, the Company further integrated the 5S management philosophy into EHS management, and realized platform-based closed-loop management and control for all 5S sites. Fire safety inspections, EAM equipment inspections, calibration of various appliances and other work are managed in an integrated manner on the platform.



EHS Specialized Inspections



Information Management Platform

## Metrics and Targets

Sieyuan Electric firmly upholds the core theme of safe production and development, adhering to the goal of “0 major casualties and 0 occupational diseases”. The Company strives to achieve this goal by strengthening the prevention and control of occupational hazards, safety emergency management, safety culture development, and chemical safety management.

### Prevention and Control of Occupational Hazards

Sieyuan Electric strictly implements the “three simultaneous” system to ensure that occupational disease protection facilities for construction projects are designed, constructed, and put into production and use at the same time as the main projects. The Company prioritizes the adoption of new technologies, processes, equipment and materials that are conducive to protecting employees’ health, in an effort to prevent, control and eliminate potential occupational disease hazards arising from construction projects.

Every year, the Company entrusts qualified occupational health technical service institutions to conduct comprehensive testing of occupational disease hazards in production sites, including noise, high temperature and toxic substances, so as to identify the types and names of hazards, as well as the corresponding exposed posts and employee lists. The Company also provides employees with necessary health training and personal protective equipment that meets the requirements for occupational disease prevention and control, continuously improving the management of occupational disease hazard prevention and control. In addition, the Company provides pre-job, on-job and post-employment occupational health examinations for employees engaged in or exposed to occupational disease hazards, and establishes employee health records. Employees found to have occupational contraindications or occupation-related health damages during physical examinations are promptly transferred to other positions.

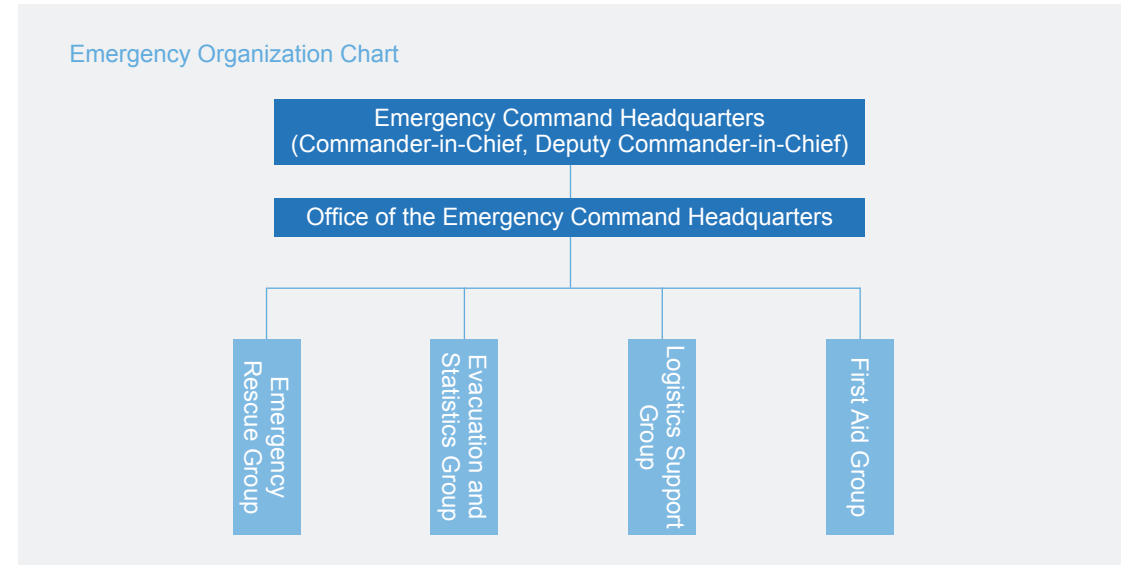
The Company strictly fulfills its obligations of notification and warning regarding occupational disease hazards to ensure that employees understand the hazards in their working environment and take corresponding preventive measures. This enables employees to prevent occupational diseases in advance, reduce the risk of illness, and protect their own health.

Notification via Occupational Hazard Notification Letter	Sign an occupational hazard notification letter with employees, truthfully informing them of potential occupational hazards in the workplace, their consequences, and corresponding protective measures.
Notification via Public Notice Board	Set up public notice boards to mainly disclose existing occupational hazard factors and related posts, health hazards, testing results, and emergency rescue measures.
Notification of Occupational Health Examination Results	Truthfully inform employees of their occupational health examination results.
Warning	Install warning signs at prominent positions in posts involving noise, high temperature, toxic substances and other hazards.

### Safety Emergency Management

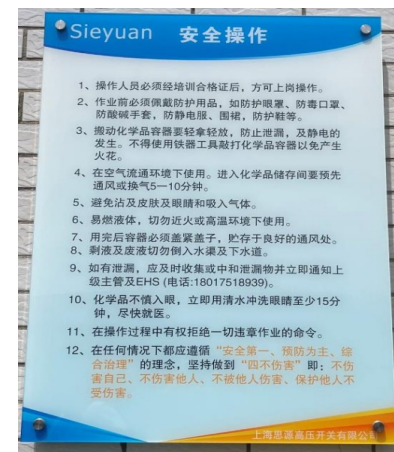
Sieyuan Electric and its subsidiaries have formulated the *Production Safety Accident Emergency Plan*, which includes a comprehensive emergency plan, specialized emergency plans, and on-site disposal

plans. The plan clarifies the organizational structure, responsibilities and response procedures of emergency management, and is supported by adequate emergency rescue supplies and funding, ensuring that emergency rescue and response can be carried out quickly, effectively and in an orderly manner in the event of a sudden safety accident. The Company strengthens the development of emergency rescue capabilities and conducts regular emergency plan drills to help employees master emergency response procedures proficiently, as well as to verify the scientificity and operability of the plans.



### Safety Culture Development

Safety culture development is an important part of safe production management. The Company installs warning signs such as safety operation boards and hazard notification boards in the workplace, and has established a safety education and training system. It carries out safety publicity and education through multiple channels and forms, enabling employees to fully understand and master the Company’s safety management rules and regulations as well as professional safety technical knowledge, and continuously promotes the in-depth development of safety culture.



Safety Operation Sign



Safety Responsibility Sign, Hazard Notification Sign

In 2025, the Company focused on carrying out specialized EHS training, covering topics including the effective implementation of EHS change management, control of key nodes in EHS project management, hierarchical risk management and control and its implementation, alignment of the annual EHS plan with business strategy, and improvement of EHS instructor capabilities. It also organized safety management personnel to participate in certification training, further enhancing the level of safe production management and strengthening the line of defense for safe production.



### Sieyuan Electric Held "Safe Production Month" Activities

June 2025 marked the 24th National Safe Production Month. With the core objectives of "strengthening responsibilities, controlling risks, and eliminating hidden dangers" and the theme of "consolidating safety responsibilities, strictly controlling extrusion risks, and strengthening the production defense line", Sieyuan Electric launched a series of "Safe Production Month" activities.

#### "Safe Production Month" Activity

Company-wide Warning Education and Skills Enhancement	<ul style="list-style-type: none"> <li>Conducted <b>316</b> specialized warning education sessions, training <b>38,150</b> person-times;</li> <li>Risk visualization warning: 270 promotional banners and posters posted, and more than 5,000 warning signs of various types;</li> </ul>
Full-Process Hidden Danger Investigation and Closed-Loop Management	<ul style="list-style-type: none"> <li>Launched the "Snap a Safety Hazard" campaign to identify potential risks in all aspects;</li> <li>Carried out the "Hazard-Free Workstation" voluntary improvement initiative, receiving more than <b>300</b> improvement proposals;</li> </ul>
Practical Emergency Capability Improvement	<ul style="list-style-type: none"> <li>Held <b>52</b> emergency drills of various types, with over <b>8,000</b> participants;</li> <li>Further supplemented emergency supplies.</li> </ul>
Full-Chain Responsibility Consolidation and Assessment	<ul style="list-style-type: none"> <li>Leading team members of each subsidiary/unit took charge of 1-2 high-risk workshops each, and conducted <b>35</b> comprehensive inspections;</li> <li>Reviewed the signing of <i>Safe Production Responsibility Letters</i> and strengthened the communication of safety responsibilities.</li> </ul>



Safety Warning Education



Safety Promotion Banners and Posters



Emergency Drill



Snap a Safety Hazard

### Chemical Safety Management

Sieyuan Electric and its subsidiaries have established chemical management procedures to ensure safe management of chemicals in all links including procurement, transportation, storage, use and disposal, so as to avoid harm to personnel and damage to the environment. The Company regularly conducts chemical safety management training to ensure that relevant personnel master national and industrial chemical management regulations and professional skills, so as to prevent chemical safety accidents caused by illegal operations. Meanwhile, the Company has established a chemical emergency response mechanism and regularly carries out emergency drills for chemical accidents to enhance employees' emergency response capabilities.



Hazardous Chemical Safety Training Materials

### 2025 Occupational Health and Safety Performance

Safe production investment: **3,946.82** million yuan

Safety training coverage rate **100** %

Occupational health examination coverage rate **100** %

Number of detected occupational disease cases **0**

About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index

# Fulfilling Social Responsibility

As a responsible enterprise, Sieyuan Electric explores the creation of sustainable social value, actively participates in public welfare causes, demonstrates its corporate responsibility through concrete actions, and injects continuous momentum into building a better society.

Corresponding UN Sustainable Development Goals (UN SDGs) for this Chapter



## Strengthening the Public Welfare Brand

Remaining true to our original aspiration for 11 years and acting for love over the past 11 years! On November 8, 2025, the 11th "Love · Run" public welfare activity of Sieyuan Electric, themed "Originate from Love, Run for Public Welfare to Build the Future", was a complete success! Sieyuan Electric takes the initiative to fulfill its social responsibilities and continuously strengthens its "Love · Run" public welfare brand. The Company converts employees' running mileage into corresponding charitable funds, which are used to solve practical study and living difficulties for children in poverty-stricken areas and vulnerable groups, and encourages more people to pay attention to rural education and disadvantaged children. By the 11th "Love · Run" public welfare activity, the cumulative participation reached 37,153 person-times, with a total running distance of 178,939.73 kilometers and charitable funds raised exceeding 2 million yuan, conveying positive public welfare energy.



## Promoting Education Development

Sieyuan Electric has always regarded supporting the development of education as an important part of fulfilling its social responsibilities. Leveraging its own advantageous resources, the Company has been carrying out educational public welfare programs for many years, covering scholarship programs for universities as well as education assistance for rural and poverty-stricken areas.

Responding to the national call of "developing the country through science and technology", the Company has established the "Sieyuan Electric Scholarship" at a number of universities. The scholarship encourages students majoring in electrical engineering and related fields to pursue in-depth studies and scale new heights in academics. The Company also builds a bridge for university-enterprise industry-university-research integration and fosters reserve talents for the electrical industry.

The Company pays close attention to education development in poverty-stricken areas. In June 2025, the Sieyuan Public Welfare Team visited No. 2 Primary School of Tongle Miao Township, Sanjiang County, Guangxi Zhuang Autonomous Region ("Tongle No.2 Primary School" for short). The Company provided 1,112 brand-new schoolbags for students and donated 20 interactive smart teaching all-in-one machines. Integrating high-definition touch screens, multimedia teaching systems, wireless screen projection and real-time interaction, these devices replaced the traditional "blackboard + chalk" model, realized multimedia and visualized teaching, and further narrowed the gap in educational resources between urban and rural areas.



About Sieyuan

Sustainable Development Management

Compliance First, Strengthened Governance

Innovation-led, Quality Service

Green Operations, Ecological Protection

People-Oriented, Rights and Interests Protection

Fulfilling Social Responsibility

Future Outlook

ESG Performance Overview

Content Index



Siyuan Electric Invited Teachers and Students of Tongle No.2 Primary School to Visit Shanghai

In October 2025, Siyuan Electric invited teachers and students from Tongle No.2 Primary School to visit Shanghai, including Dequ Cultural and Creative Park, the Aerospace Town, the Artificial Intelligence Research Institute, and the Robot R&D and Manufacturing Factory. The visit allowed children to experience cutting-edge science and technology in person. Electrical knowledge was explained through vivid metaphors and simple, easy-to-understand language, helping students appreciate the charm and value of science, stimulating their interest in learning science, and supporting the cultivation of their innovative spirit.



# Future Outlook

Against the backdrop of profound global energy structure adjustment and industrial chain restructuring, the Company will take serving the national “dual carbon” goals and the construction of a new power system as its strategic coordinates. It will further transform sustainable development from conceptual vision into governance systems, business decision-making, and organizational capacity-building, forming a long-term development closed loop supported by strategic guidance, technological breakthroughs, lean operations, and collaborative responsibility governance.

The Company will continue to improve its ESG governance structure and risk management system, strengthen its capabilities in compliant operation, information security, and data governance, enhance the identification of material topics, indicator caliber management, and the quality of information disclosure, and respond to regulatory trends and stakeholder expectations with higher standards.

The Company will continue to define growth quality through scientific and technological innovation, focus on key technologies for power equipment and the iteration of scenario-based solutions, integrate green design, reliability, and safety requirements throughout the entire chain of R&D, manufacturing, delivery, and operation and maintenance, and continuously improve the environmental performance and customer value of products across their full life cycle. This will provide higher-level support for energy transition, end-use electrification, and enhanced grid resilience.

The Company will take green operations as a core path to enhance operational resilience. With digitalization and lean management as key enablers, it will systematically promote energy efficiency improvement, clean energy substitution, resource recycling, and pollutant reduction and control. It will shift from scattered improvements to institutionalized, indexed, and auditable continuous enhancement, achieving synergies among carbon reduction, cost reduction, quality improvement, and efficiency enhancement.


The Company will further deepen responsible supply chain governance by embedding compliance, environmental, and social requirements into supplier qualification and product certification, and extending them through performance evaluation, capability development, and closed-loop rectification. It will drive upstream and downstream partners to jointly improve transparency, resilience, and sustainable competitiveness, building a more resilient value community.


The Company will place greater emphasis on co-creation and shared value with employees, customers, communities, and partners. From a long-term perspective, it will promote the synchronized progress of technological advancement, green transformation, and social value creation, and steadily advance toward a new stage of high-quality, sustainable, and future-oriented global development.


# ESG Performance Overview

## Governance Performance


Indicator	Unit	2025	2024	2023
<b>Economic Performance</b>				
Operating Income	CNY	21,539,031,405.33	15,458,068,522.40	12,460,028,391.72
Net Profit Attributable to Shareholders of the Listed Company	CNY	3,150,142,665.04	2,049,069,550.48	1,559,170,409.63
Net Cash Flow Generated from Operating Activities	CNY	2,234,278,513.24	2,462,472,228.64	2,272,114,969.14
Basic Earnings Per Share	CNY/Share	4.04	2.64	2.02
Total Assets at Year-End	CNY	29,839,923,865.41	23,473,702,058.27	18,733,339,007.00
Net Assets Attributable to Shareholders of the Listed Company	CNY	15,493,244,005.21	12,379,549,868.31	10,384,238,941.48
<b>Business Ethics</b>				
Total Number of Business Ethics Training Sessions	Time	11	8	8
Total Attendance of Business Ethics Training	Person-Times	10,800	9,456	7,832
Average Training Hours Per Employee on Business Ethics	Hour	2	1	1
Business Ethics Training Coverage Rate (All Employees)	%	100	100	100
Business Ethics Training – Senior Management Coverage Rate	%	100	100	100
Business Ethics Training – Front-line Employees Coverage Rate	%	100	100	100
Number of Business Ethics Risk Assessments Conducted	Time	4	1	0
Number of Internal Audits on Business Ethics	Time	4	4	4
Percentage of All Workplaces/Departments Covered by Business Ethics Risk Assessment	%	100	100	0
Percentage of All Workplaces/Departments Covered by Business Ethics Internal Audit	%	100	100	0
Total Monetary Losses from Legal Proceedings Related to Bribery or Corruption	CNY 10,000	0	0	0
Total Monetary Losses from Legal Proceedings Related to Unfair Competition Regulations	CNY 10,000	0	0	0
<b>Anti-Corruption and Anti-Bribery</b>				
Number of Confirmed Major Corruption Incidents	Case	0	0	0
Number of Anti-Corruption And Anti-Bribery Awareness Training Sessions	Time	3	3	3
Total Number of Directors Covered by Anti-Commercial Bribery and Anti-Corruption Training	Person	3	3	3
Percentage of Directors Covered by Anti-Commercial Bribery and Anti-Corruption Training	%	42.86	42.86	42.86
Total Number of Management Personnel Covered by Anti-Commercial Bribery and Anti-Corruption Training	Person	483	423	370
Percentage of Management Personnel Covered by Anti-Commercial Bribery and Anti-Corruption Training	%	100	100	100
Total Number of Employees Covered by Anti-Commercial Bribery and Anti-Corruption Training	Person	10,644	9456	7832


 About Sieyuan


 Sustainable Development Management

 Compliance First, Strengthened Governance

 Innovation-led, Quality Service


 Green Operations, Ecological Protection

 People-Oriented, Rights and Interests Protection

 Fulfilling Social Responsibility

 Future Outlook


 ESG Performance Overview

 Content Index


Indicator	Unit	2025	2024	2023
Percentage of Employees Covered by Anti-Commercial Bribery and Anti-Corruption Training	%	100	100	100
Number of Anti-Corruption and Anti-Bribery Risk Assessments Conducted	Time	4	1	0
Number of Internal Audits on Anti-Corruption and Anti-Bribery	Time	4	4	4
Percentage of All Workplaces/Departments Covered by Anti-Corruption and Anti-Bribery Risk Assessment	%	100	100	0
Percentage of All Workplaces/Departments Covered by Anti-Corruption and Anti-Bribery Internal Audit	%	100	100	100
Percentage of Trading Partners That Have Undergone Anti-Corruption and Anti-Bribery Due Diligence	%	100	100	100
<b>Statistics of Complaint and Report Cases</b>				
Total Number of Complaints And Reports	Time	8	3	5
Reports from Employees	Time	7	0	4
Reports from Suppliers And Contractors	Time	1	3	1
Reports from Other Stakeholders	Time	0	0	0


## Environmental Performance


Indicator	Unit	2025	2024	2023	
<b>Environmental Compliance</b>					
Total Environmental Protection Investment	CNY 10,000	1,056.85	1,110.08	747.00	
Percentage of Employees Trained on Specific Environmental Topics	%	100	100	100	
Number of Environmental Risk Assessments Conducted	Time	2	1	1	
Percentage of Operating Sites Undergoing Specific Environmental Risk Assessments	%	100	100	100	
Number of Operating Sites Certified with ISO 14001 Environmental Management System	Number	16	16	16	
Coverage Rate of Operating Sites Certified with ISO 14001 Environmental Management System	%	84	84	84	
Percentage of Collected Waste Electrical and Electronic Equipment (WEEE) in Total Electrical and Electronic Equipment (EEE) Placed on the Market	%	100	100	100	
Accidental Environmental Pollution Incidents (such as Spills, Leakages)	Case	0	0	0	
Amount of Major Administrative Penalties Imposed by Ecological Environment and Other Relevant Authorities for Environmental Incidents During the Reporting Period	CNY 10,000	0	0	0	
<b>Pollutants</b>					
Waste Gas Emission	Total Emission of Waste Gas Pollutants	Ton	2.65	2.15	0.85
	Nitrogen Oxides	Ton	1.90	0.50	0.63
	Particulate Matter (PM)	Ton	2.06	0.10	0.03
	Ammonia	Ton	0	0	0.03
	Volatile Organic Compounds (VOCs)	Ton	1.91	1.44	0.09
	Non-Methane Total Hydrocarbons	Ton	0.54	0.12	0.06


 About Sieyuan


 Sustainable Development Management

 Compliance First, Strengthened Governance


 Innovation-led, Quality Service


 Green Operations, Ecological Protection

 People-Oriented, Rights and Interests Protection

 Fulfilling Social Responsibility

 Future Outlook

 ESG Performance Overview


 Content Index

Indicator		Unit	2025	2024	2023
<b>Pollutants</b>					
Waste Water Discharge	Total Volume of Waste Water Discharged	m <sup>3</sup>	451,451.56	364,974.79	268,945.30
	Total Volume of Industrial Waste Water Discharged	m <sup>3</sup>	17,738.00	5,042.80	4,537.80
	Total Volume of Domestic Waste Water Discharged	m <sup>3</sup>	433,713.56	359,931.99	264,407.50
	Total Emission of Waste Water Pollutants	Ton	199.23	178.04	127.40
	COD	Ton	160.59	132.42	90.76
	Ammonia Nitrogen	Ton	14.96	12.78	10.83
	Suspended Solids	Ton	2.28	5.98	0.37
	Total Nitrogen	Ton	19.43	16.12	11.85
	Total Phosphorus	Ton	1.96	10.74	13.60
<b>Waste</b>					
Total Waste		Ton	5,299.00	1,150.60	1,123.50
Waste Intensity Per Unit Revenue		Ton/CNY One Million	0.25	0.07	0.09
Safe Disposal Rate of Industrial Solid Waste and Hazardous Waste		%	100	100	100
Non-Hazardous Waste	Total Non-Hazardous Waste Generated	Ton	4,254.25	2,952.23	537.97
	Non-Hazardous Waste Transferred for Disposal	Ton	4,263.14	2,997.22	537.00
	Non-Hazardous Waste Intensity Per Unit Revenue	Ton/CNY One Million	0.20	0.19	0.04
Hazardous Waste	Total Hazardous Waste Generated	Ton	1,214.76	910.20	702.38
	Hazardous Waste Transferred for Disposal	Ton	1,253.65	864.88	702.38
	Compliant Disposal Rate of Hazardous Waste	%	100	100	100
	Hazardous Waste Spilled	Ton	0	0	0
	Amount of Spilled Waste Recovered	Ton	0	0	0
Hazardous Waste Intensity Per Unit Revenue		Ton/CNY One Million	0.06	0.06	0.06
<b>Circular Economy</b>					
Total Packaging Material Consumption		Ton	21,351	17,434	17,571
Renewable Packaging Material Consumption		Ton	18,498	16,859	16,985
Proportion of Renewable Packaging Material Consumption to Total Packaging Material Consumption		%	86.64	96.70	96.66
Waste Recycling Volume		Ton	1,847.57	1,274.15	976.43
Renewable Energy Consumption (Photovoltaic Power Generation)		MWh	14,232.04	8,736.67	302.23
Proportion of Photovoltaic Power Consumption to Total Electricity Consumption		%	11.20	12.76	0.47
<b>Greenhouse Gases<sup>6</sup></b>					
Total GHGs Emissions		tCO <sub>2</sub> e	73,500.44	127,496.31	70,772.79
Direct GHGs Emissions (Scope 1) <sup>7</sup>		tCO <sub>2</sub> e	4,584.82	4,838.34	1,926.03
Energy Indirect GHGs Emissions (Scope 2, Location-Based) <sup>8</sup>		tCO <sub>2</sub> e	68,915.62	54,219.94	34,443.98


<sup>6</sup> Greenhouse Gas Emission Data Quality Control: Greenhouse gas emission data for 2023 are internal inventory data of the Company. Third-party institutions were entrusted to conduct greenhouse gas verification in 2024. As of the present time, no greenhouse gas verification has been carried out in 2025. The 2025 Scope 1 and Scope 2 emission data are calculated based on the Company's energy consumption activity data, while Scope 3 has not yet been accounted for and will not be disclosed temporarily.


<sup>7</sup> Scope 1 greenhouse gas emissions mainly originate from the combustion of coal and natural gas by stationary sources, as well as diesel and gasoline by mobile sources during production and operation. For fossil fuel and fugitive emission factors, the values recommended in the IPCC Guidelines for National Greenhouse Gas Inventories are adopted on a priority basis.


<sup>8</sup> Location-based Scope 2 greenhouse gas emissions refer to: Indirect greenhouse gas emissions generated from the consumption of purchased electricity and purchased steam by the Company. For 2025, the calculation factor for purchased electricity emissions adopts the latest national grid average carbon dioxide emission factor of 0.5306 tCO<sub>2</sub>/MWh jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics. For 2024 and 2023, the national grid average carbon dioxide emission factor of 0.5366 tCO<sub>2</sub>/MWh jointly issued by the same authorities is applied. The carbon emission factor for purchased steam is 0.11 tCO<sub>2</sub>/GJ, selected from the *Guidelines for Accounting and Reporting of Corporate Greenhouse Gas Emissions (Trial)* issued by the National Development and Reform Commission (NDRC).


 About Sieyuan


 Sustainable Development Management

 Compliance First, Strengthened Governance


 Innovation-led, Quality Service

 Green Operations, Ecological Protection

 People-Oriented, Rights and Interests Protection

 Fulfilling Social Responsibility

 Future Outlook

 ESG Performance Overview


 Content Index

Indicator		Unit	2025	2024	2023
Energy Indirect GHGs Emissions (Scope 3) <sup>9</sup>		tCO <sub>2</sub> e	/	68,438.03	34,402.78
GHG Emission Intensity Per Unit Revenue (Scope 1 & 2)		tCO <sub>2</sub> e/CNY One Million	3.41	3.82	2.92
<b>Energy</b>					
Total Comprehensive Energy Consumption		GJ	604,341.39	353,946.87	266,487.23
Comprehensive Energy Consumption Intensity Per Unit Revenue		GJ/CNY One Million	28.10	22.90	21.39
Direct Energy	Natural Gas	m <sup>3</sup>	2,071,652.76	1,751,091.43	849,510.00
	Diesel	Liter	40,455.33	25,825.80	27,693.00
	Gasoline	Liter	0	10,000	7,854
Indirect Energy	Purchased Electricity	MWh	127,084.20	69,486.61	64,189.30
	Purchased Steam	Ton	26,703.70	5,786.00	-
Clean Energy	Photovoltaic Power Generation	MWh	14,232.04	8,736.67	302.23
	Natural Gas	m <sup>3</sup>	2,071,652.76	1,751,091.43	849,510.00
	Total Clean Energy Consumption	MWh	36,635.24	27,673.26	9,488.97
	Proportion of Natural Gas in Total Clean Energy	%	61.15	68.43	96.81
	Proportion of Photovoltaic Power in Total Clean Energy	%	38.85	31.57	3.19
<b>Water Resources</b>					
Total Water Intake		Ton	458,901.18	366,256.27	270,200.00
Water Intake Intensity Per Unit Revenue		Ton/CNY One Million	21.31	23.69	21.69
Total Water Consumption		Ton	7,449.62	1,281.48	1,254.70
Water Consumption Intensity Per Unit Revenue		Ton/CNY One Million	0.35	0.08	0.10
Recycled Water Usage		Ton	16,484.05	7,671.20	8,647.20
Water Recycling Rate		%	3.47	2.05	3.10


## Social Performance


Indicator		Unit	2025	2024	2023
<b>Innovation and R&amp;D</b>					
R&D Investment Amount		CNY	1,300,401,224.78	1,110,019,938.40	916,820,528.19
Proportion of R&D Investment in Main Business Revenue		%	6.04	7.18	7.36
Number of R&D Personnel		Person	4,781	4,458	3,646
Proportion of R&D Personnel in Total Employees		%	43.44	47.14	46.55
Number of Invention Patents Applied in Main Business		Item	376	327	338
Number of Invention Patent Applications Filed During the Reporting Period		Item	109	168	123


<sup>9</sup> Scope 3 greenhouse gas emissions refer to: Other indirect greenhouse gas emissions related to the Company's business activities but occurring upstream and downstream of the Company's value chain. They typically include, but are not limited to: Upstream (supply chain side): purchased goods and services, fixed assets, fuel and energy-related activities (excluding Scope 1/2), upstream transportation and distribution, waste disposal from operations, business travel, employee commuting, upstream leased assets, etc. Downstream (customer/use side): downstream transportation and distribution, processing of sold products, use of sold products, end-of-life disposal of sold products, downstream leased assets, franchising, investments, etc. In 2023 and 2024, the Company's Scope 3 accounting categories cover greenhouse gas emissions from upstream transportation and distribution, business travel, employee commuting, and downstream transportation and distribution.


 About Sieyuan


 Sustainable Development Management

 Compliance First, Strengthened Governance

 Innovation-led, Quality Service

 Green Operations, Ecological Protection

 People-Oriented, Rights and Interests Protection


 Fulfilling Social Responsibility


 Future Outlook


 ESG Performance Overview


 Content Index


Indicator	Unit	2025	2024	2023
Number of Invention Patents Granted During the Reporting Period	Item	56	43	33
Number of Valid Patents as of the End of the Reporting Period	Item	1,033	897	839
<b>Product Responsibility</b>				
Number of Operating Sites Certified with Quality Management System	Number	16	16	16
Coverage Rate of Operating Sites Certified with Quality Management System	%	84	84	84
Number of Product Recalls Due to Quality, Safety and Health Issues	Time	0	0	0
Total Number of Recalled Products	Unit	0	0	0
Proportion of Product Recalls Due to Quality, Safety and Health Issues	%	0	0	0
Amount of Losses from Major Safety and Quality Liability Accidents Related to Products and Services During the Reporting Period	CNY 10,000	0	0	0
Total Monetary Losses from Legal Proceedings Related to Product Safety	CNY 10,000	0	0	0
<b>Product Life Cycle Management</b>				
Percentage of Products Containing IEC 62474 Declarable Substances by Revenue	%	11	11	11
Percentage of Products Meeting Energy Efficiency Certification Standards (by Product Revenue)	%	18	16	12
Revenue from Renewable Energy-Related Products and Energy Efficiency-Related Products	CNY 10,000	162,963.15	210,418.76	481,803.10
<b>Information Security and Privacy Protection</b>				
Number of Information Security Training Sessions	Time	5	5	4
Coverage Rate of Employees in Information Security Training	%	100	100	100
Number of Information Security Risk Assessments Conducted	Time	2	2	2
Number of Information Security Internal Audits	Time	2	2	2
Percentage of All Workplaces/Departments Covered by Information Security Risk Assessments	%	100	100	100
Percentage of All Workplaces/Departments Covered by Information Security Internal Audits	%	100	100	100
Percentage of Trading Partners That Have Undergone Information Security Due Diligence	%	100	100	100
Number of Certifications Obtained for Data Security Management System (DSMM Certification) and Information Security Management System (ISO 27001 Certification)	Number	1	1	1
Number of Major Data Security Incidents	Case	0	0	0
Amount Involved in Data Security Incidents	CNY 10,000	0	0	0
Customer Privacy Breach Incidents	Case	0	0	0
Amount Involved in Customer Privacy Breach Incidents	Time	0	0	0
Sensitive Data Encryption Coverage Rate	%	100	100	100
Access Control Mechanism Coverage Rate	%	100	100	100


 About Sieyuan


 Sustainable Development Management

 Compliance First, Strengthened Governance

 Innovation-led, Quality Service


 Green Operations, Ecological Protection

 People-Oriented, Rights and Interests Protection


 Fulfilling Social Responsibility


 Future Outlook


 ESG Performance Overview


 Content Index


Indicator		Unit	2024	2023	2023
<b>Sustainable Procurement</b>					
Supplier and Contractor Data	Total Number of Suppliers	Number	1,272	2,685	2,859
	Percentage of Suppliers That Have Undergone Social Responsibility Questionnaires	%	100	100	100
	Percentage of Suppliers That Have Undergone On-site Social Responsibility Audits	%	100	100	100
	Percentage of Suppliers That Have Signed the Supplier Code of Conduct	%	100	100	100
	Percentage of Suppliers That Have Signed Social Responsibility Framework Agreements	%	100	100	100
	Number of Key or Core Suppliers	Number	223	613	88
	Percentage of Key Suppliers That Have Undergone Social Responsibility Questionnaires	%	100	100	100
	Percentage of Key Suppliers That Have Undergone On-site Social Responsibility Audits	%	100	100	100
	Percentage of Key Suppliers That Have Signed the Supplier Code of Conduct	%	100	100	100
	Percentage of Key Suppliers That Have Signed Social Responsibility Framework Agreements	%	100	100	100
	Number of New Suppliers in the Year	Number	49	139	218
	Percentage of New Suppliers That Have Undergone Social Responsibility Questionnaires	%	100	100	100
	Percentage of New Suppliers That Have Undergone On-site Social Responsibility Audits	%	100	100	100
	Percentage of New Suppliers That Have Signed the Supplier Code of Conduct	%	100	100	100
	Percentage of New Suppliers That Have Signed Social Responsibility Framework Agreements	%	100	100	100
Purchasers Data	Number of Purchasers	Person	107	145	98
	Number of Purchasers Trained in Sustainable Procurement	Person	107	124	98
	Percentage of Purchasers Trained in Sustainable Procurement Across All Regions	%	100	86	100
Equal Treatment of SMEs	Balance of Accounts Payable (including Notes Payable) at the End of Reporting Period	CNY 10,000	815,318.02	648,530.76	496,716.38
	Amount of Overdue Unpaid Payments at the End of Reporting Period	CNY 10,000	0	0	0
	Proportion of Accounts Payable (including Notes Payable) Balance to Total Assets at the End of Reporting Period	%	27.32	27.63	26.52
	Amount of Overdue Unpaid Payments to SMEs at the End of Reporting Period	CNY 10,000	0	0	0
<b>Labor Management</b>					
Number of New Employees	Person	3,654	3,352	2,424	
Total Number of Employees	Person	11,007	9,456	7,832	
Social Insurance Coverage Rate	%	100	100	100	
Collective Agreement Coverage Rate	%	100	100	100	
Number of Human Rights Protection Training Sessions	Time	1	1	0	
Coverage Rate of Employees in Human Rights Protection Training	%	100	100	0	
Number of Human Rights Risk Assessments Conducted	Time	1	1	1	


 About Sieyuan


 Sustainable Development Management

 Compliance First, Strengthened Governance

 Innovation-led, Quality Service


 Green Operations, Ecological Protection

 People-Oriented, Rights and Interests Protection


 Fulfilling Social Responsibility


 Future Outlook


 ESG Performance Overview


 Content Index


Indicator		Unit	2024	2023	2023
Number of Human Rights Internal Audits		Time	1	1	1
Number of Confirmed Child Labor and Forced Labor Incidents		Case	0	0	0
Number of Confirmed Discrimination and Harassment Incidents		Case	0	0	0
Care for Vulnerable Groups	Total Number of Disabled Employees	Person	21	21	21
	Proportion of Disabled Employees	%	0.19	0.22	0.27
Gender Structure	Total Number of Male Employees	Person	8,506	7,255	5,955
	Total Number of Female Employees	Person	2,501	2,201	1,877
	Number of Core Senior Managers	Person	207	192	168
	Number of Core Female Senior Managers	Person	66	66	55
	Number of Board Members	Person	7	7	7
	Number of Female Directors	Person	0	0	0
	Proportion of Male Employees in Total Workforce	%	77.28	76.72	76.03
	Proportion of Female Employees in Total Workforce	%	22.72	23.30	24.00
	Proportion of Core Female Managers	%	31.88	34.40	32.70
	Proportion of Female Directors	%	0	0	0
Age Structure	Number of Employees Under 30 Years Old	Person	3,823	3,142	2,391
	Number of Employees Between 30 and 50 Years Old	Person	6,756	5,938	5,098
	Number of Employees Over 50 Years Old	Person	428	376	343
	Proportion of Employees Under 30 Years Old	%	34.73	33.20	30.50
	Proportion of Employees Between 30 and 50 Years Old	%	61.38	62.80	65.10
	Proportion of Employees Over 50 Years Old	%	3.89	4.00	4.40
Education Background Structure	Number of Employees with Doctorate & Postdoctoral Degrees	Person	22	18	16
	Proportion of Employees with Doctorate & Postdoctoral Degrees	%	0.20	0.20	0.20
	Number of Employees with Master's Degree	Person	1,005	846	595
	Proportion of Employees with Master's Degree	%	9.13	8.90	7.60
	Number of Employees with Bachelor's Degree	Person	4,161	3,482	2,937
	Proportion of Employees with Bachelor's Degree	%	37.80	36.80	37.50
	Number of Employees with Associate Degree	Person	2,172	1,882	1,597
	Proportion of Employees with Associate Degree	%	19.73	19.90	20.40


 About Sieyuan


 Sustainable Development Management

 Compliance First, Strengthened Governance

 Innovation-led, Quality Service


 Green Operations, Ecological Protection


 People-Oriented, Rights and Interests Protection


 Fulfilling Social Responsibility


 Future Outlook

 ESG Performance Overview


 Content Index


 About Sieyuan


 Sustainable Development Management


 Compliance First, Strengthened Governance

 Innovation-led, Quality Service


 Green Operations, Ecological Protection

 People-Oriented, Rights and Interests Protection

 Fulfilling Social Responsibility

 Future Outlook

 ESG Performance Overview

 Content Index

Indicator	Unit	2025	2024	2023
<b>Employee Training</b>				
Total Training Investment	CNY 10,000	920.85	668.40	620.00
Number of Training Participants	Person-Times	66,042	47,280	39,288
Number of Training Sessions	Times	2,630	1,671	1,316
Total Training Hours	Hour	197,250	121,176	98,220
Average Training Hours per Employee <sup>10</sup>	Hour	17.92	12.80	12.50
Number of Employees Under Performance Appraisal	Person	11,007	9,456	7,832
Percentage of Employees Under Performance Appraisal	%	100	100	100
Number of Employees Under Career Development Assessment	Person	11,007	9,456	7,832
Percentage of Employees Under Career Development Assessment	%	100	100	100
<b>Occupational Health and Safety</b>				
Number of Safety Committee Members <sup>11</sup>	Person	316	310	275
Proportion of Safety Committee Members in Total Employees	%	2.87	3.28	2.51
Workplace Safety Investment	CNY 10,000	3,946.82	2,678.11	1,134.00
Number of Workplace Safety Training Sessions	Times	2,745	150	130
Workplace Safety Training Expenditure	CNY 10,000	244.04	17.00	15.00
Occupational Health and Safety Training Coverage Rate for Employees	%	100	100	100
Cumulative Number of Employee Safety Training Participants	Person-Times	98,653	44,531	43,282
Average Safety Training Hours per Employee	Hour	47.92	35.12	35.03
Number of Health and Safety Risk Assessments	Times	1	1	1
Percentage of Operating Sites Conducting Employee Health and Safety Risk Assessments	%	100	100	100
Number of Operating Sites Certified with Occupational Health and Safety Management System	Number	16	16	16
Percentage of Operating Sites with ISO 45001 Occupational Health and Safety Management System Certification	%	84	84	84
<b>Work-Related Injury and Safe Production Liability Insurance</b>				
Amount of Employee Work-Related Injury Insurance Investment	CNY 10,000	746.19	463.47	418.73
Amount of Employee Personal Accident Insurance Investment	CNY 10,000	93.54	64.74	54.36
Traffic Accident Insurance <sup>12</sup>	CNY 10,000	5.61	5.30	4.47


<sup>10</sup> Employee training-related indicators shall be separately calculated and disclosed by training category. Among them, the "average regular training hours per employee" shall only include regular training and exclude safety training; safety training shall be separately calculated and disclosed as a specialized item under occupational health and safety.


<sup>11</sup> The statistical scope for the number of safety committee members includes members of the Group Safety Production Committee and its branch committees in subsidiary companies.


<sup>12</sup> Traffic Accident Insurance: Covered personnel include employees who frequently work off-site or on business trips (such as sales staff and customer service personnel), as well as cadres at level 3 or above.


Indicator	Unit	2025	2024	2023	2023
Employer's Liability Insurance <sup>13</sup>	CNY 10,000	15.04	10.21	6.76	
Employee Work-Related Injury Insurance Coverage Rate	%	100	100	100	
Employee Personal Accident Insurance Coverage Rate	%	100	100	100	
Traffic Accident Insurance Coverage Rate	%	100	100	100	
Employer's Liability Insurance Coverage Rate	%	100	100	100	
<b>Work-Related Injury Data</b>					
Total Working Hours	Hour	19,360,000	18,912,000	15,664,000	
Number of Lost-Time Injury Incidents	Case	7	5	5	
Number of Work Days Lost Due to Work-Related Injuries	Day	368	336	317	
Number of Work-Related Fatalities Caused By Safety Incidents	Person	0	0	0	
<b>Occupational Disease Data</b>					
Number of Employees Receiving Basic Physical Examinations	Person	11,007	9,456	7,832	
Basic Physical Examination Coverage Rate for Employees	%	100	100	100	
Number of Employees Receiving Occupational Disease Examinations	Person	1,576	884	445	
Number of Detected Occupational Disease Cases	Person	0	0	0	
Number of Detected Occupational Contraindications	Person	0	0	0	
Occupational Health Examination Coverage Rate (for Occupational Hazard Positions)	%	100	100	100	
<b>Public Welfare</b>					
Social Contribution	Amount of Charitable Donations	CNY 10,000	34.76	31.40	29.26
	Number of Volunteer Participation	Person-Times	4,617	4,318	4,003
	Total Volunteer Service Hours	Hour	6,925.50	6,477.00	6,004.00
	Average Volunteer Service Hours per Employee	Hour	1.5	1.5	1.5
Rural Revitalization	Investment in Rural Revitalization	CNY 10,000	10	10	15


<sup>13</sup> Employer's Liability Insurance: Covered personnel are individuals aged 16 and above, mainly including interns who have newly joined the Company but have not yet contributed to social insurance (registered in the SAP system), newly recruited employees who have not yet contributed to social insurance (such as re-employed retirees), and other special personnel not covered by social insurance.


 About Sieyuan


 Sustainable Development Management


 Compliance First, Strengthened Governance

 Innovation-led, Quality Service


 Green Operations, Ecological Protection

 People-Oriented, Rights and Interests Protection

 Fulfilling Social Responsibility

 Future Outlook

 ESG Performance Overview

 Content Index

# Content Index


## GRI Content Index

**Statement of Use** Sieyuan Electric Co., Ltd. has reported the information cited in this GRI content index for the period from January 1, 2025, to December 31, 2025 with reference to the GRI Standards.


**GRI 1 Used** GRI 1: Foundation 2021


GRI Standard	Disclosure	Chapters	
GRI 2 General Disclosures 2021	The organization and its reporting practices	2-1 Organizational details	About Sieyuan
		2-2 Entities included in the organization's sustainability reporting	About the Report
		2-3 Reporting period, frequency and contact point	About the Report
		2-4 Information Restate	/
		2-5 External Assurance	External Assurance
	Activities and workers	2-6 Activities, value chain and other business relationships	About Sieyuan
		2-7 Employees	People-Orientd, Rights and Interests Protection
	Governance	2-9 Governance structure and composition	Corporate Governance
		2-10 Nomination and selection of the highest governance body	Corporate Governance
		2-12 Role of the highest governance body in overseeing the management of impacts	Sustainable Development Management
		2-13 Delegation of responsibility for managing impacts	Sustainable Development Management
		2-14 Role of the highest governance body in sustainability reporting	Sustainable Development Management
		2-15 Conflicts of interest	Business Ethics Development
		2-16 Communication of critical concerns	Communication with Stakeholders
		2-17 Collective knowledge of the highest governance body	Sustainable Development Management
		2-22 Statement on sustainable development strategy	Sustainable Development Management
		2-23 Policy commitments	Sustainable Development Management
	Strategy, policies, and practices	2-24 Embedding policy commitments	Sustainable Development Management
		2-25 Processes to remediate negative impacts	Compliance First, Strengthened Governance
		2-26 Mechanisms for seeking advice and raising concerns	Compliance First, Strengthened Governance
		2-27 Compliance with laws and regulations	See This Report for Details
		2-28 Membership associations	R&D and Innovation Drive
	Stakeholder Engagement	2-29 Approach to stakeholder engagement	Communication with Stakeholders
		2-30 Collective bargaining agreements	Employee Communication


GRI Standard	Disclosure	Chapters
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics Evaluation
	3-2 List of material topics	Material Topics Evaluation
	3-3 Management of material topics	Material Topics Evaluation
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Governance Performance
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Commercial Bribery and Anti-Corruption
	205-2 Communication and training about anti-corruption policies and procedures	Anti-Commercial Bribery and Anti-Corruption
	205-3 Confirmed incidents of corruption and actions taken	Anti-Commercial Bribery and Anti-Corruption
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Performance
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Resource Management
	303-2 Management of water discharge-related impacts	Water Resource Management
	303-3 Water withdrawal	Water Resource Management
	303-4 Water discharge	Water Resource Management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Performance
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Performance
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Performance
GRI 306: Waste 2020	306-1 Water generation and significant waste-related impacts	Pollution Prevention and Control
	306-2 Management of significant waste-related impacts	Pollution Prevention and Control
	306-3 Waste generated	Environmental Performance
	306-4 Waste diverted from disposal	Environmental Performance
	306-5 Waste directed to disposal	Environmental Performance
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Procurement
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation, Benefits and Care
	401-3 Parental leave	Compensation, Benefits and Care


 About Sieyuan


 Sustainable Development Management

 Compliance First, Strengthened Governance


 Innovation-led, Quality Service


 Green Operations, Ecological Protection

 People-Oriented, Rights and Interests Protection

 Fulfilling Social Responsibility

 Future Outlook


 ESG Performance Overview

 Content Index


GRI Standard	Disclosure	Chapters
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3 Occupational health services	Occupational Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Occupational Health and Safety
	403-6 Promotion of worker health	Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9 Work-related injuries	Occupational Health and Safety
	403-10 Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Social Performance
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance, Employee Rights and Interests
Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee Rights and Interests
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operation and supply chain points with significant risk related to freedom of association and collective bargaining	Employee Rights and Interests
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Employee Rights and Interests
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Rights and Interests
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Procurement
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Procurement
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Customer Service Improvement
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social Performance

### Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange Content Index


Dimension	S/N	Topics	Chapters
Environmental	1	Climate Change Response	Climate Change Response
	2	Pollutant Release	Pollution Prevention and Control
	3	Waste Treatment	Pollution Prevention and Control
	4	Ecosystem and Biodiversity Conservation	Biodiversity Conservation
	5	Environmental Compliance Management	Environmental Compliance Management
	6	Energy Utilization	Energy Management
	7	Water Resource Utilization	Water Resource Management
	8	Circular Economy	Resource Management Green Operations
Social	9	Rural Revitalization	Fulfilling Social Responsibility
	10	Social Contribution	Fulfilling Social Responsibility
	11	Innovation-driven Development	R&D and Innovation Drive
	12	Science and Technology Ethics	N/A
	13	Supply Chain Security	Sustainable Procurement
	14	Equal Treatment to Small and Medium-sized Enterprises	Social Performance
	15	Safety and Quality of Product and Service	Product Liability Assurance Customer Service Improvement
	16	Data Security and Customer Privacy Protection	Information Security and Privacy Protection
	17	Employees	People-Orientd, Rights and Interests Protection
Governance Related to Sustainable Development	18	Due Diligence	Business Ethics Development Sustainable Procurement
	19	Communication with Stakeholders	Communication with Stakeholders
	20	Anti-Commercial Bribery and Anti-Corruption	Anti-Commercial Bribery and Anti-Corruption
	21	Anti-Unfair Competition	Anti-Unfair Competition


 About Sieyuan

 Sustainable Development Management


 Compliance First, Strengthened Governance


 Innovation-led, Quality Service

 Green Operations, Ecological Protection

 People-Oriented, Rights and Interests Protection

 Fulfilling Social Responsibility

 Future Outlook

 ESG Performance Overview

 Content Index


## SASB Content Index

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Unit of Measure	Code	Chapter
Energy Management	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-EE-130a.1	Environmental Performance
Hazardous Waste Management	(1) Amount of hazardous waste generated, (2) percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	RT-EE-150a.1	Environmental Performance
	(1) Number and aggregate quantity of reportable spills, (2) quantity recovered	Quantitative	Number, Kilogrammes (kg)	RT-EE-150a.2	Environmental Performance
Product Safety	(1) Number of recalls issued, (2) total units recalled	Quantitative	Time/Number	RT-EE-250a.1	Social Performance
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	Currency	RT-EE-250a.2	Social Performance
Product Life Cycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage by revenue (%)	RT-EE-410a.1	Social Performance
	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Quantitative	Percentage by revenue (%)	RT-EE-410a.2	Social Performance
	Revenue from renewable energy-related and energy efficiency-related products	Quantitative	Currency	RT-EE-410a.3	Social Performance
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-EE-440a.1	Sustainable Procurement
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behaviour	Discussion and Analysis	n/a	RT-EE-510a.1	Business Ethics Development
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	Currency	RT-EE-510a.2	Governance Performance
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	Quantitative	Currency	RT-EE-510a.3	Governance Performance

Table 2. Activity Metrics


Activity Metric	Category	Unit of Measure	Code	Chapter
Number of units produced by product category	Quantitative	Number	RT-EE-000.A	Social Performance
Number of employees	Quantitative	Number	RT-EE-000.B	Social Performance


 About Sieyuan


 Sustainable Development Management


 Compliance First, Strengthened Governance

 Innovation-led, Quality Service

 Green Operations, Ecological Protection

 People-Oriented, Rights and Interests Protection

 Fulfilling Social Responsibility

 Future Outlook

 ESG Performance Overview

 Content Index

# Assurance Statement



Assurance statement No. CN-2025004-CSR-03

## Assurance Statement

TUVNORD (Hangzhou) Co., Ltd. (hereinafter referred to as "TNH2") was engaged by Siewuan Electric Co., Ltd. (hereinafter referred to as "Siewuan Electric" or "the Company") to conduct an independent third-party assurance of Siewuan Electric's 2025 Sustainability Report (abbreviated as "Report").

Siewuan Electric is responsible for collecting, analyzing, summarizing, and disclosing the information mentioned in the Report. TNH2 carried out this work (Report Assurance) within the scope of authority recognized in the agreement with Siewuan Electric. Siewuan Electric is the designated user of this statement.

This statement is based on Siewuan Electric's 2025 Sustainability Report, and Siewuan Electric is responsible for the integrity and authenticity of the information and data in the Report.

### User of Assurance Statement

This Assurance Statement is provided to all stakeholders of Siewuan Electric.

### Assurance Scope

- Key sustainability performance-related information disclosed in the report for the fiscal year 2025;
- Assurance location: No. 8829, Huangpu Road, Minhang District, Shanghai;
- Exclude the management processes, such as collection, analysis, and assurance of the data and information included in the report.

The on-site assurance was conducted from March 10<sup>th</sup> to March 20<sup>th</sup>, 2025.

### Assurance Limitations

- The financial data in this report is derived from the company's Annual Report, which have been independently audited by another third party. This assurance does not include re-auditing the data;
- This report assurance was conducted in accordance with the ISAS 3000 criteria and the sampling survey method, and sampling verification and validation were essential to some original data sources in both financial and non-financial data.

### Assurance Method

The assurance process includes the following activities:

- Evaluate the documentary information provided by Siewuan Electric;
- View Siewuan Electric internal system platform;
- Interview the management staff of relevant departments of Siewuan Electric and the person who collating report information;
- Check the public information released on relevant websites and by the media, and verify the relevant data and information in the report through sampling.

### Assurance Guidelines

- The GRI Sustainability Reporting Standards (GRI Standards 2021) requirements for sustainability reports in terms of accuracy, balance, clarity, comparability, timeliness, and verifiability;
- Self-Regulatory Guidelines No. 17 for Companies Listed on Shanghai Stock Exchange—Sustainability Report (For Trial Implementation);
- Sustainability Accounting Standards Board (SASB) Standards;
- United Nations Sustainable Development Goals (UN SDGs);
- TNH2 Report Assurance Implementation Rules 80 - P - A015 Rev.00.

### Assurance Standard and Level

International Auditing and Assurance Standards Board (IAASB) "International Sustainability Assurance Standard No. 3000 - General Requirements for Sustainability Assurance Practices" (ISSA 3000) assurance level: Limited assurance.

### Assurance Conclusion

The 2025 Sustainability Report prepared by Siewuan Electric objectively reflects the company's progress and performance in environmental, social, and governance aspects during the 2025 fiscal year. The data presented in the report is reliable and objective, and TNH2 found no systematic or



Assurance statement No. CN-2025004-CSR-03

### material errors.

- **Accuracy:** Through sampling verification, it was found that the cases and data disclosed in the report are basically objective and accurate.
- **Balance:** The report discloses data such as the total number of complaints and reports, as well as incidents of lost working hours and injuries, demonstrating a certain degree of balance.
- **Clarity:** The report uses various forms such as images, charts, and text boxes to make the information easy to understand, but the calculated data is clearly defined in the statistical scope in the form of notes and cites the data sources, resulting in good clarity.
- **Comparability:** The report presents key performance indicators in the environmental, social, and governance areas from 2023 to 2025 in the form of an "ESG Performance Overview," including figures such as year-end total assets, total wastewater discharge, comprehensive energy consumption, and other stable indicators, demonstrating good comparability.
- **Timeliness:** The report discloses sustainable development performance for the year 2025, demonstrating a certain degree of timeliness.
- **Verifiability:** The Sustainability Clerk (SSA team) of Siewuan Electric is responsible for collecting, recording, organizing, and archiving the information and processes used in the compilation of the report. The sampled data during the verification process can all be traced back to their sources, which ensured the clarity and materiality of the information to a certain extent.

### Suggestions for Improvement

Through the assurance and evaluation activities, we have put forward relevant suggestions for improvement regarding Siewuan Electric's practices and management in sustainable development, all of which have been listed in the "Assurance Report" and submitted to Siewuan Electric's management for their reference in continuous improvement.

### Special Statement

Excluded in this assurance statement:

- Activities other than information disclosure;
- Statements regarding the standpoint, viewpoint, belief, goals, future development directions, and commitments of Siewuan Electric.

### Statement of Independence and Competence

TUVNORD is a world-leading certification body with branches in more than 100 countries around the world. It provides inspection, testing and verification services, including management system and product certification, audits and training in the aspects of quality, environment, society and compliance, assurance of environmental, social responsibility and sustainability records.

As TUVNORD's independent member organization in China, TNH2 ensures that there is no conflict of interest with Siewuan Electric, its branches, or its stakeholders in carrying out the assurance process for the sustainability report. The assurance team is composed of experts with extensive experience and professional technical competence, conducting the assurance activities in accordance with TNH2's internal procedure documents and global compliance policy requirements. All information in this report was provided by Siewuan Electric and TNH2 did not participate in the report preparation process.

### Signature

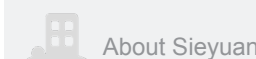
On Behalf of TUVNORD (Hangzhou) Co., Ltd.

Jack Yang

Sustainable Development Authorized Signatory/Executive Director and  
CEO of TUVNORD Greater China

Date: April 10<sup>th</sup>, 2025 (Shanghai)

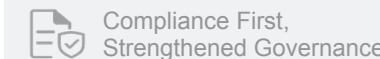
Note: In case of conflict between the Chinese and English versions of this statement, please refer to the Chinese version.



About Siewuan



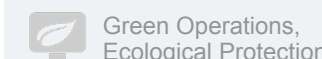
Sustainable Development Management



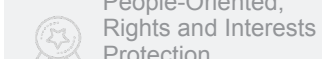
Compliance First, Strengthened Governance



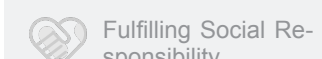
Innovation-led, Quality Service



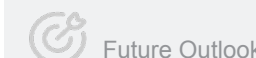
Green Operations, Ecological Protection



People-Oriented, Rights and Interests Protection



Fulfilling Social Responsibility



Future Outlook



ESG Performance Overview



Content Index

## Feedback

Dear Reader:

Hello! Thank you very much for taking the time to read the 2025 Sustainable Development Report of Sieyuan Electric Co., Ltd. To continuously improve the management of our ESG Report and enhance our performance and accountability, we sincerely hope to improve the Report quality based on your reading experience and feedback, so as to better meet the expectations of our stakeholders. To this end, we have prepared a feedback form. We would appreciate your evaluation and valuable comments of this Report, which will help us make ongoing improvements.

Selective Questions (Please tick “√” in the corresponding box)

1. Do you think this Report comprehensively and accurately reflects the Company's material impacts on the economy, society, and the environment?

Excellent       Good       Moderate       Poor       Very Poor

2. Do you think the information, indicators and data disclosed in this Report are clear, accurate and complete?

Excellent       Good       Moderate       Poor       Very Poor

3. Do you think the identification of stakeholders and the analysis of their relationship with Sieyuan Electric are accurate and reasonable?

Excellent       Good       Moderate       Poor       Very Poor

4. Do you think the overall framework, content design and layout of this Report are convenient to read?

Excellent       Good       Moderate       Poor       Very Poor

5. What is your overall impression of this Report based on all aspects?

Excellent       Good       Moderate       Poor       Very Poor

Open-ended Questions:

Which chapter of the Report interests you most?

What aspects of this Report do you find most satisfactory?

What information do you think is not covered in the Report?

What suggestions do you have for our future ESG reports?

You may send us your valuable comments through the following channels:

---

Tel.: 021-61610502

Mail: ESG@sieyuan.com

Address: No. 3399 Huaning Road, Minhang District, Shanghai

**Sieyuan**