

# **Sieyuan Electric Co., Ltd.**

## **2022 Sustainability Report**

V 3

2023/06/19

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# 1. Report Guide

## 1.1. release cycle

This report is an annual report.

## 1.2. time limit

From January 1, 2022 to December 31, 2022 , due to the consideration of project continuity or major impact factors, some contents will be retroactively or backwardly extended .

## 1.3. reporting boundary

The content involved in this report is consistent with the business coverage area of Siyuan Electric Co., Ltd., including the company's corporate social responsibility concept, strategy and specific practice, as well as the company's operating status during the reporting period.

## 1.4. Preparation basis

This report refers to the "GRI Sustainability Reporting Standards" (GRI Standards) issued by the Global Sustainability Standards Board (GSSB), the Chinese Academy of Social Sciences "Chinese Corporate Social Responsibility Reporting Guidelines Basic Framework (CASS-ES G5.0)" and GB/ T36001-2015 "Guidelines for Compiling Social Responsibility Reports", in accordance with China Securities Regulatory Commission's "Guidelines for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 - Contents and Formats of Annual Reports (2021 Revision)", Shenzhen Securities Exchange Compiled according to relevant requirements such as the Guidelines for the Compilation of Social Responsibility of Listed Companies.

## 1.5. the data shows

The data quoted in this report are all from official documents and statistical data of the company. The data quoted in this report, unless otherwise stated, are all in metric system and the currency unit is RMB. In case of any inconsistency with the financial report, the financial report shall prevail.

## 1.6. Referencing

For the convenience of expression and reading, Siyuan Electric Co., Ltd. is referred to as "Siyuan Electric", "Siyuan", "Company" or "we" in the report (unless otherwise specified in the text).

## 1.7. report acquisition

This report is released in both printed and electronic versions. If you want to obtain the electronic version of the report, or if you have any questions or suggestions about the content of this report, please call or send us a letter.

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## 2. Manager's speech

Siyuan Electric has always been well aware that the development of the enterprise comes from the society, and it is the responsibility of the enterprise to repay the society. The company regards corporate social responsibility as the basic value concept of the company's development and growth, strengthens the company's sense of responsibility and mission to the society, integrates it with the company's development strategy, production management and corporate culture, and strives to achieve corporate development and employee growth, ecological environmental protection, Social harmony and harmony.

Build a harmonious enterprise internally. The company strictly abides by the "Labor Law", "Labor Contract Law" and relevant local laws and regulations to protect the legitimate rights and interests of employees. The company always adheres to the struggle-oriented principle, insists that human capital is the primary productive force, attaches great importance to the vital interests of employees, and establishes a harmonious labor relationship; advocates humanistic care and exerts the cohesion of excellent corporate culture; establishes a safety and environmental protection responsibility assessment system to effectively protect the occupational health of employees and safety; set up special funds to provide employees with house purchase loans, employee dormitories, and provide residence permit points and Shanghai settlement consulting services to help employees live and work in peace and contentment; continue to implement group critical illness insurance, and purchase personal accident insurance, traffic accident insurance, Employer liability insurance, etc., can effectively alleviate the life pressure brought by diseases and accidents to employees. The company insists that human capital is the primary productive force, and strives to enrich the spare time life of employees and create a good working atmosphere by organizing team building activities and continuing to carry out rich and colorful corporate cultural activities. Take an active role in paying attention to the difficulties of employees, especially when it comes to issues involving the immediate interests of employees, check the orientation, make the best use of the situation, and do our best in plan formulation and process supervision to ensure openness, fairness, and justice, and do good things well and do practical things.

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Fulfill social responsibilities externally. Over the years, the company has continued to carry out social welfare activities such as donations for education, voluntary blood donation, poverty alleviation, and employment of the disabled. In 2022, the company will continue to strengthen personnel training and industry-university-research cooperation with well-known institutions such as Tsinghua University, Shanghai Jiaotong University, Xi'an Jiaotong University, Huazhong University of Science and Technology, North China Electric Power University, Hunan University, Southwest Jiaotong University, and set up scholarships and teaching awards to promote the progress of scientific research in colleges and universities and the employment and success of college graduates. The labor union of the company actively responded to and participated in the voluntary blood donation and "Chuangquan" volunteer activities of the government and community organizations. Since 2015, led by the company's party committee, the United Labor Union has planned and organized the "Love·Run" public welfare activity. By 2022, it has been held for eight consecutive times, with 70% of employees participating, and the cumulative total mileage of public welfare has reached 122,256.8 kilometers. 3 times around the earth. Raised more than one million yuan and more than 12,000 books, provided donations to more than 2,000 impoverished children in remote mountainous areas such as Yunnan, Sichuan, Guizhou, Jiangxi, Qinghai, etc., by providing quilts, winter clothes, etc. to warm the children in winter, and donating schoolbags, books, learning materials, teaching aids, etc. to illuminate the future of children, build school playgrounds, basketball courts, libraries, and care for children's physical and mental health. It demonstrates the company's public welfare spirit, social care and humanitarian brilliance.

When the new crown pneumonia is raging around the world, the company's Sierra Leone project team donated living and epidemic prevention materials to the community residents of the three communities related to the 225kV Bumbuna substation site in Sierra Leone, Africa, and provided training on new crown pneumonia protection for those participating in the donation ceremony. The community tidied over the difficulties together, which strengthened the relationship between our Sierra Leone project in Africa and the community,

demonstrated the international responsibility of Chinese enterprises, and established a good international social image for the company.

The company carries out production and operation activities in strict accordance with the relevant requirements of laws and regulations, incorporates the "dual carbon" goal into the company's development trend planning, gradually implements full-process digital operation tools in the construction of new production bases, and gradually promotes product-level, equipment-level, factory level interconnection, making production, inventory data, equipment, personnel status, and energy conditions transparent and visible, and information exchange among various departments and levels. On the basis of improving management efficiency and energy efficiency, step by step towards green and intelligent manufacturing. . At the same time, the company actively uses new technologies, digitalization, informatization, lean, intelligent and other means to further optimize the early design and continue to optimize the later operation, and realize the "green factory" from the four dimensions of safety, efficiency, intelligence and greenness. The company adheres to the scientific development concept to plan the future of the enterprise in the long run, and is harmonious and co-prosperous with the environment. It incorporates the concepts and methods of circular economy into various links such as enterprise development and construction, production process, and product marketing, so as to realize energy saving, emission reduction, efficiency improvement and quality assurance. The cycle is sustainable, meeting the company's flexible expansion, rapid replication, and diversification of remote management.

The company adheres to the values of integrity and integrity, and vigorously strengthens the system construction of integrity, integrity and compliance. The company operates legally and compliantly, and takes creating prosperity for the society as a commitment to assume social responsibility. It is committed to economic development for a long time and actively rewards investors; Its own development affects and drives the revitalization of the local economy.

In the future, we will continue to adhere to the purpose and concept of fulfilling social responsibilities, actively practice corporate social responsibilities, continue to struggle, mo

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ve forward courageously, treat our customers and partners with integrity and integrity, and continuously improve the quality of products and services. Strive to maximize the comprehensive value of economy, society and environment!

Chairman: Dong Zengping



## 3.About Siyuan

### 3.1. Siyuan Overview



Siyuan Electric Co., Ltd. was established in December 1993. It was approved to be restructured into a joint stock limited company on December 28, 2000. It was listed on the Shenzhen Stock Exchange on August 5, 2004 ( stock code 002028 ). The company is headquartered at No. 3399 Huaning Road, Minhang District, Shanghai . As of December 31, 2022, the company's registered capital is 766.042782 million yuan, and the total number of issued shares is 769,926,532 shares.

Siyuan Electric is a well-known domestic listed company specializing in power technology research and development, equipment manufacturing, and engineering services. Since its listing, it has grown steadily at a compound growth rate of 25.8% every year. Won the honorary titles of National Key Torch Program High-tech Enterprise, China's Top Ten Energy Equipment Private Enterprises, and Shanghai Innovative Enterprise.

Siyuan Electric's industrial chain continues to expand. So far, the group has more than ten manufacturing entities, distributed in Shanghai, Rugao, Changzhou, Nanjing and other places. The products cover ultra-high voltage, high-voltage switchgear, transformers, relay protection and automation systems, wireless It is an intelligent manufacturing enterprise with modern scientific management concepts that attaches great importance to independent innovation and R&D investment, continues to build lean production and automated production lines, and specializes in power compensation devices, measurement and monitoring devices, power electronic equipment, and automotive electronics.

Siyuan Electric serves many industries such as electric power, new energy, metallurgy, rail transit, petrochemical, coal, port, data center, etc., and provided a self-developed 500

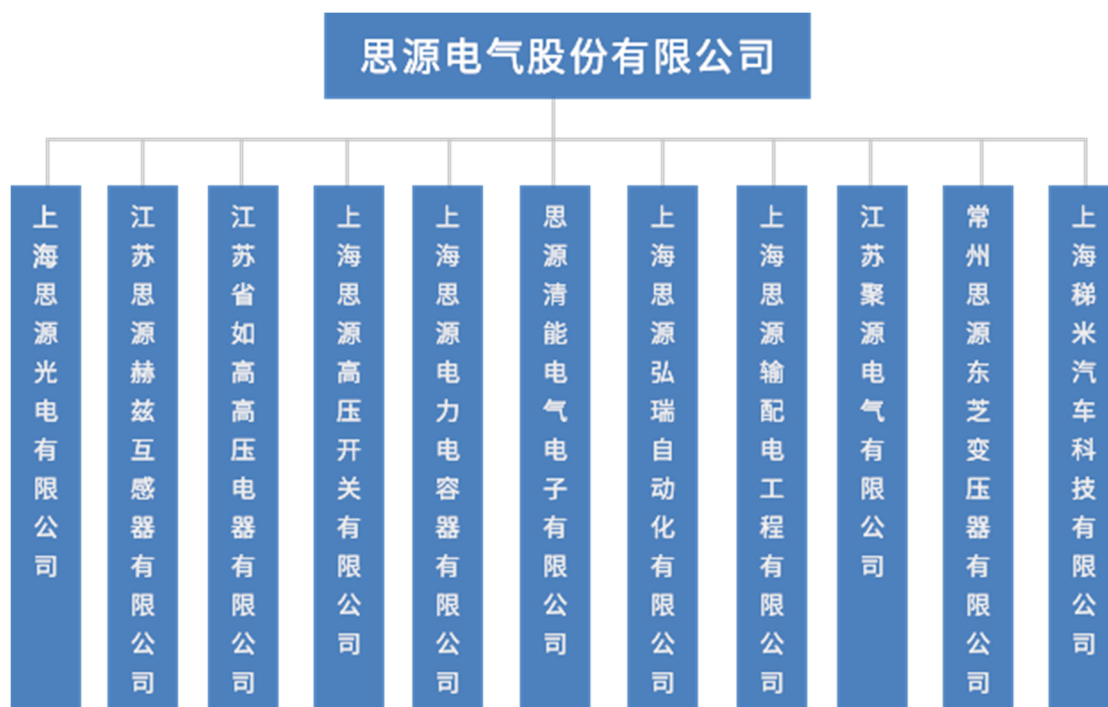
kV high-voltage DC circuit breaker for the national key project  $\pm 500$ kV Zhangbei Flexible DC Power Grid Test Demonstration Project Devices, Qinshan Nuclear Power Plant, Yunguang 800 kV UHV DC Transmission Project, Jindongnan - Nanyang - Jingmen 1000 kV UHV Expansion Project, PetroChina Xinjiang Dushanzi 10 million-ton Oil Refining Project, Railway Nanning Junction Station, Shanghai Maglev, Beijing Olympic Games, Major projects at home and abroad, such as the Brazil World Cup and the four-country networking project in West Africa, have provided high-quality products and reliable technical support.

In the tide of global energy transformation and power Internet construction, Siyuan Electric has accelerated the pace of globalization, and has successively obtained supplier qualifications from customers such as the European Power System, the National Grid of the United Kingdom, the National Grid of the Netherlands, the National Grid of Italy, the National Grid of Mexico, and the National Grid of India. recognized. Some of the more than 5,000 employees are engineers from Switzerland, Canada, Ukraine, Brazil, Mexico, Pakistan and other countries. They are located in more than 80 countries and regions around the world, responding quickly to customer needs and providing customers with solution design, production Manufacturing, installation and commissioning, operation and maintenance, EPC general contracting and other full-process localization services.

Siyuan Electric attaches great importance to the development and training of talents, providing employees with diverse development channels and a safe and healthy working environment. We pursue the common interests of customers, suppliers, communities and other related parties, and promote the harmonious and sustainable development of economy, environment and society. We insist on repaying the society with love, set up scholarships in many colleges and universities, donate to children in poverty-stricken areas at home and abroad, and actively participate in voluntary blood donation and community public welfare activities. Through various branches at home and abroad, make positive contributions to the welfare, education, charity and disaster relief of the local community. "Making electricity smarter and making life better!" is the common pursuit of every Siyuan employee.

During the reporting period, Siyuan Electric had no major changes in ownership, nature and supply chain.

### 3.2. Organization



### 3.3. Performance in 2022

In 2022, Siyuan Electric will continue to play the role of the party organization as a battle fortress, adhere to the customer-centered service concept, carry forward the spirit of group struggle, and take "making power transmission and distribution safer, more controllable, and more efficient" as the corporate mission, actively Open up the market, strengthen internal management, continuously optimize the process, and comprehensively improve product quality, service quality and quality management level, and have achieved gratifying results in order acquisition, new market breakthrough, new product development, operating income, and net profit.

During the reporting period, the company's new orders were 12.122 billion yuan (excluding tax), an increase of 16.91% compared with the same period of the previous year; the total operating income was 10.537 billion yuan, an increase of 21.18% compared with the same period of the previous year; The net profit of shareholders was 1.220 billion yuan, an increase of 1.90% compared with the same period of the previous year; the net cash flow from operating activities was 1.055 billion yuan, an increase of 175.12% compared with the same period of the previous year.

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During the reporting period, the company adhered to the business philosophy of "achieving customers and winning by quality", scientifically arranged production and front-line services, insisted on deepening and expanding the domestic market, consolidated and increased the market share of mainstream products in power grid customers, and actively developed power generation, track Transportation, petrochemical, metallurgy and other industry markets. The company vigorously participated in the construction of national green energy projects, participated in the  $\pm 800\text{kV}$  Baihetan-Jiangsu UHV DC project, Baijiang, Fujian and Guangdong UHV projects and successfully delivered them. The successful delivery and smooth operation of a series of projects has won the trust and good reputation of customers, further consolidating the company's product position and brand influence.

The company adheres to the overseas strategy for a long time and continues to invest in products and markets. In 2022, new orders in overseas markets will be 2.99 billion yuan, a year-on-year increase of 33%. Many products of the company are sold in Italy, Denmark, Greece, Uzbekistan, Mongolia, Vietnam, Malaysia, Bangladesh, Laos, Myanmar, Cambodia, Philippines, Saudi Arabia, Angola, Botswana, Malawi, Madagascar, Côte d'Ivoire, Chile, Argentina, Brazil, Breakthroughs have been achieved in markets in Bolivia and other countries. Many products of the company have passed the qualification certification of France, Britain, Spain, Portugal, Ukraine, Thailand, Malaysia, Egypt, United Arab Emirates, Australia and other countries.

In 2022, the company will achieve a total operating income of 10.537 billion yuan, an increase of 21.18% compared with the same period of the previous year. Among them, switches and related products account for the largest proportion of the company's revenue. This product will achieve operating income of 5.035 billion yuan in 2022, a year-on-year increase of 25.33%; coils and related products will achieve revenue of 2.231 billion yuan, a year-on-year increase of 26.07%; Compensation and related products realized revenue of 1.328 billion yuan, a year-on-year increase of 16.30%; smart equipment and related products realized revenue of 943 million yuan, a year-on-year increase of 6.57%; engineering general contracting realized revenue of 749 million yuan, a year-on-year increase of 11.03%. In terms of sales regions, domestic operating income was 8.672 billion yuan, a year-on-year increase of 18.42%, mainly due to a year-on-year increase of 32.35%

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in East China, 48.33% in Northwest China, and 31.50% in Southwest China. Operating income from overseas markets was 1.865 billion yuan, a year-on-year increase of 35.91%

Siyuan Electric's economic performance table for the past three years

	2022 _	2021	2020
<b>Operating income ( yuan )</b>	10,537,097,608.15	8,695,335,076.97	7,372,519,863.93
<b>Net profit attributable to shareholders of listed companies ( yuan )</b>	1,220,411,207.56	1,197,669,571.59	933,328,869.23
<b>Basic earnings per share ( yuan/share )</b>	1.59	1.57	1.23
<b>Total assets ( yuan )</b>	15,710,545,591.09	13,914,411,613.85	11,075,215,294.54
<b>Net assets attributable to shareholders of listed companies ( yuan )</b>	9,170,972,696.01	8,370,468,009.26	6,521,275,317.99

### 3.4. company culture

**Mission:** To make power transmission and distribution safer, more controllable and more efficient.

**Vision:** To provide first-class electrical equipment and services to global customers, to help customers use and maintain safely, reliably and efficiently electricity.

**Core values :** customer success      group struggle

Integrity      self-criticism

Open and enterprising      develop the future

### 3.5. Honors

Siyuan Electric has won major honors and awards in the past five years		
years	name	Awarding unit
2018	2018 Shanghai Top 100 Private Enterprises	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	Top 100 Private Manufacturing Enterprises in Shanghai in 2018	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2018 Shanghai Top 100 Manufacturing Enterprises	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2018 Shanghai Top 100 Emerging Industries	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	Shanghai Science and Technology Little Giant Enterprise	Shanghai Science and Technology Commission
	2016-2017 Shanghai Trustworthy Contract and Trustworthy Enterprise	Shanghai Contract Credit Promotion Association
	2016-2017 contract credit AAA rating certificate	Shanghai Contract Credit Promotion Association
2019	2019 Shanghai Top 100 Private Enterprises	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2019 Shanghai Top 100 Private Manufacturing Enterprises	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2019 Shanghai Top 100 Manufacturing Enterprises	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2019 Shanghai Top 100 Emerging Industries	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	Shanghai Private Enterprise Headquarters	Shanghai Municipal Commission of Commerce, Shanghai M

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		unicipal Development and Reform Commission, Shanghai M unicipal Commission of Economy and Information Technolo gy, Shanghai Federation of Industry and Commerce
	2019 Shanghai Top 100 Private Enterprises	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2019 Shanghai Top 100 Private Manufactu ring Enterprises	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2019 Shanghai Top 100 Manufacturing Ent erprises	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2019 Shanghai Top 100 Emerging Industrie s	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
2020	2018-2019 Shanghai Trustworthy Contract and Trustworthy Enterprise	Shanghai Contract Credit Promotion Association
	2018-2019 contract credit AAA rating certi ficate	Shanghai Contract Credit Promotion Association
	2018-2019 Shanghai Foreign Trade Indepen dent Brand Demonstration Enterprise	Shanghai Chamber of Commerce for Import and Export
	High-tech enterprise review	Shanghai Science and Technology Commission, Shanghai Fin ance Bureau, Shanghai State Taxation Bureau, Shanghai Lo cal Taxation Bureau
2021	2021 Shanghai Top 100 Private Enterprises	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2021 Top 100 Private Manufacturing Enter prises in Shanghai	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2021 Shanghai Top 100 Manufacturing Ent erprises	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2021 Shanghai Top 100 Emerging Industrie	Shanghai Enterprise Confederation, Shanghai Entrepreneurs

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	s	Association, Jiefang Daily
	Academician (Expert) Workstation of Minhang District	Minhang District Association for Science and Technology
2022	2022 Shanghai Top 100 Private Enterprises	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2022 Top 100 Private Manufacturing Enterprises in Shanghai	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2022 Shanghai Top 100 Manufacturing Enterprises	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2022 Shanghai Top 100 Emerging Industries	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Jiefang Daily
	2020-2021 Shanghai Trustworthy Contract and Trustworthy Enterprise	Shanghai Contract Credit Promotion Association
	2020-2021 Annual Contract Credit AAA Certificate	Shanghai Contract Credit Promotion Association
	National Enterprise Technology Center	National Development and Reform Commission, Ministry of Science and Technology, Ministry of Finance, General Administration of Customs, State Administration of Taxation
	Innovative Enterprise in Minhang District, Shanghai	Minhang District Economic Committee
2023	Specialized and new enterprise in Minhang District	Minhang District Economic Committee
	Specialized and special new enterprise in Shanghai	Shanghai Economic and Information Commission
	2020-2022 Shanghai Foreign Trade Independent Brand Demonstration Enterprise	Shanghai Chamber of Commerce for Import and Export
	High-tech enterprise review	Shanghai Science and Technology Commission, Shanghai Fin



		ance Bureau, Shanghai State Taxation Bureau, Shanghai Local Taxation Bureau
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## 3.6. Social Responsibility Management

### 3.6.1. EHS policy

Siyuan Electric promises to strictly abide by the laws and regulations related to safety, health and environmental protection in the country where it is located, and strive to meet the safety, health and environmental protection needs of customers, employees, and the communities where it operates. At the same time, we strive to reduce our own impact on the environment through pollution prevention and sustainable use of resources. We regard "sustainable development" as an important part of the company's strategic planning, and are always committed to the commitment to EHS. Safety, health and environment are an integral part of Siyuan Electric's daily work, and will be continuously improved.

### 3.6.2. Social Responsibility System

In order to effectively implement the concept of responsibility to each position, Siyuan Electric has established a complete social responsibility system. The company has set up a social responsibility management committee, with the chairman as the chairman and the full-time vice president as a member. The Social Responsibility Management Committee is the decision-making body for the company's social responsibility, responsible for researching and establishing corporate social responsibility strategies and policies, participating in the compilation of issues related to social responsibility reports, and dealing with external matters related to corporate social responsibility.

The company takes the fulfillment of corporate responsibility as an important mission, and actively promotes the company's culture, social responsibility concepts and practices through platforms such as new employee induction training and "Siyuanren", helping employees understand and participate. New employee induction training Watch promotional videos, conduct cultural concept training, and understand the company's social responsibility concepts and practices.

### 3.6.3. Stakeholder Communication

Siyuan Electric actively pays attention to the needs of stakeholders as a prerequisite for carrying out social responsibility actions. Through multiple communication mechanisms a

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and channels, Siyuan has conducted extensive and in-depth communication with stakeholders such as customers, suppliers, employees, governments, regulatory agencies, and communities. Siyuan focuses on fully communicating with stakeholders, listening to and responding to stakeholders' concerns. Appeals, understand the expectations and appeals of stakeholders for the enterprise, take the feedback of stakeholders seriously, and actively adopt constructive opinions and suggestions.

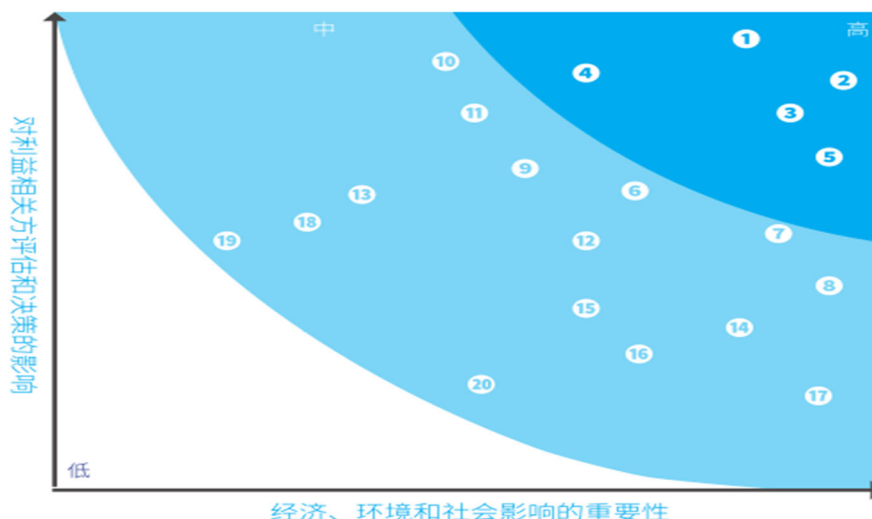
The following table lists the main communication topics and responses between Siyuan and different stakeholders:

Stakeholders	Expectations and appeals	communication response
client	Provide quality products and services Listen to customer opinions and suggestions Protect customer information security	Provide product information Visit client satisfaction survey
Regulatory Authority	sustainable profitability Standardized corporate governance	Improve the corporate governance system Regular disclosure of business information
supplier	Adhere to integrity management Drive supplier development fair Trade	Fair and transparent procurement principles and processes deep cooperation Integrity transaction
staff	Protect the legitimate rights and interests of employees Provide career development space for employees Caring for the physical and mental health of employees Inclusion and Diversity	Establish occupational health and safety management system Create employee development channels Balance employees' work and life Caring for employees
Community	Promote community economic development	employment support

	<p>Development</p> <p>Fully communicate with the community and coexist harmoniously</p> <p>Carry out multi-level and multi-directional cooperation</p> <p>Community Public Welfare</p>	<p>participate in community building charitable projects</p> <p>Community Volunteering Activities</p>
peers	<p>Technology Exchange</p> <p>Collaborative Innovation</p> <p>industry development</p>	<p>industry conference</p> <p>seminar</p> <p>Industry-university-research cooperation</p>
government	<p>Pay taxes in full according to law</p> <p>Leading technological innovation</p> <p>Promote social employment</p>	<p>active tax payment</p> <p>technological innovation</p> <p>provide jobs</p>

### 3.6.4. Identification and management of important issues

In order to effectively respond to the demands of all walks of life for Siyuan Electric and better fulfill its social responsibilities, Siyuan regularly carries out the identification and management of major social responsibility issues. By focusing on areas such as economic responsibility, employee responsibility, customer responsibility, environmental responsibility, partner responsibility, and public responsibility, and focusing on the two dimensions of "importance to stakeholders" and "importance to enterprise development", combined with the actual situation of each business segment, identify substantive responsibility issues, and clarify the main content of fulfilling social responsibilities. In 2022, the company carried out a survey on the substantive issues of the social responsibility report through internal and external questionnaire surveys. As an important reference for the preparation of the social responsibility report, the company selected according to the impact on the assessment and decision-making of stakeholders and the impact on the economy, environment and society. The 15 important issues are considered as major substantive issues in this year's CSR report.



**Highly important issues**

- ①Product quality ②Occupational safety ③Pollution prevention ④Employee rights
- ⑤Occupational health

**moderately important issues**

- ⑥Innovative R&D ⑦Information Security ⑧Business Ethics ⑨Employee Development
- ⑩Intellectual Property Rights ⑪Responsible Procurement ⑫Energy Saving ⑬Public

Welfare Activities

- ⑭Green Office ⑮Community Participation

## 4. Management Responsibility : Integrity and Compliance

Siyuan Electric advocates the operation of integrity and compliance, constantly improves the internal governance system, strengthens risk prevention and control, strictly prevents corruption and unfair competition, protects intellectual property rights, protects information security, and provides a solid guarantee for the sustainable development of the company. Operations drive partners to fulfill compliance responsibilities and create a healthy and honest operating environment.

### 4.1. governance structure

According to the "Company Law", "Securities Law" and other relevant laws, regulations and rules and regulations, Siyuan Electric has established organizational structures such as the general meeting of shareholders, the board of directors, the board of supervisors, an

d managers. The company's general meeting of shareholders, the board of directors, and the board of supervisors all operate independently; The governance structure has an organizational system independent of the controlling shareholder, and the company has an independent organizational structure and functional departments that meet the company's development needs.

#### **4.1.1. shareholders meeting**

The general meeting of shareholders is the highest authority of the company. The company strictly follows the provisions and requirements of the "Articles of Association" and the "Rules of Procedures for the General Meeting of Shareholders", standardizes the convening, holding and voting procedures of the general meeting of shareholders, and hires lawyers to attend and witness. Treat all shareholders equally, safeguard the legitimate rights and interests of the company and shareholders, ensure that small and medium shareholders can fully exercise their rights, and there is no situation that damages the interests of shareholders. The general meeting of shareholders has the highest decision-making power over the company's major business development issues. In June 2022, the company organized a general meeting of shareholders in strict accordance with the "Articles of Association" and "Rules of Procedures for the General Meeting of Shareholders", and reviewed and approved the "2021 Annual Work Report of the Board of Directors", "2021 Annual Report of the Board of Supervisors", "2021 Annual Financial Accounting Report", "2021 Annual Profit Distribution Plan", "2021 Annual Report" and other 8 reports and proposals.

#### **4.1.2. Board of Directors**

The board of directors is the company's decision-making body, responsible to the general meeting of shareholders, and reporting to the general meeting of shareholders. The directors of the company strictly follow the relevant provisions of the "Company Law", "Articles of Association", "Rules of Procedures of the Board of Directors" and other relevant regulations to perform their duties as directors and implement the resolutions of the general meeting of shareholders. The company currently has 7 directors, including 1 chairman and 1 vice chairman; there are 3 independent directors, accounting for more than one-third of all directors, and 2 of them are accounting professionals. The requirements of the Company's Independent Directors Rules. Independent directors can independently make judgments and express opinions, and protect the legitimate rights and interests of shareholders, es

pecially small and medium shareholders, with their own professional knowledge and rich work experience.

During the reporting period, all directors of the company performed their duties diligently and paid close attention to the company's standardized operation and production and operation. According to the company's actual situation, the company adopted all constructive opinions on the company's major governance and business decisions, and the board of directors made decisions. Relevant matters have been fully communicated and discussed to form a consensus to ensure scientific, timely and efficient decision-making, and to safeguard the legitimate rights and interests of the company and all shareholders.

The Board of Directors consists of the Audit Committee, Remuneration and Appraisal Committee, and Investment Decision-Making Committee. The special committees perform their duties in strict accordance with relevant regulations and are operating well.

#### 4.1.3. Supervisory board

The board of supervisors is the supervisory body of the company, responsible for the general meeting of shareholders, and holds meetings in strict accordance with the "Articles of Association" and "Rules of Procedures of the Board of Supervisors" and other relevant regulations. The company currently has 3 supervisors, including 1 employee representative supervisor, and the number and composition of personnel are in compliance with the requirements of relevant laws and regulations. The supervisors of the company can conscientiously perform their duties, supervise the decision-making procedures and resolutions of the board of directors, and the legal operation of the company, and effectively supervise the legality and compliance of the company's directors and senior managers in performing their duties.

## 4.2. Internal control system

Siyuan Electric has set up the audit and internal control department as a permanent organization for the daily supervision of the company's internal control. According to the internal audit system and the company's relevant management system, it conducts a routine comprehensive audit of some important subsidiaries every year, making audit supervision a normal practice. At the same time, internal control teams were established in each company to form a three-level internal control organization including the audit committee, the audit internal control department, and the internal control teams of each company. At t

At the beginning of each year, the audit and internal control department issues an annual internal control self-examination plan, and the internal control teams of each company carry out the implementation on a monthly basis, and carry out various routine and special audit activities as needed. On the basis of internal control evaluation, the Audit Committee and Audit and Internal Control Department review the establishment, optimization and implementation of the company's internal control system, and promptly put forward rectification suggestions for problems found and supervise the completion of rectification.

In 2022, the company will continue to carry out various internal control work in accordance with the "Basic Specifications for Enterprise Internal Control", "Supporting Guidelines for Enterprise Internal Control", "Siyuan Electric Internal Control Standard Manual" and national laws, regulations, rules and regulations, etc., to further standardize the company's operations. Effectively promoted the improvement of the company's overall internal control level.

### 4.3. Business ethics

Siyuan Electric is committed to complying with all applicable laws in the jurisdictions where it operates and conducts business when conducting business, and adopts a zero-tolerance attitude towards business-related violations of business ethics. The company formulates and implements the "Siyuan Electric Code of Conduct and Business Ethics" to standardize the business conduct and ethics of all employees of the company, create a fair, just and clean internal environment, and promote anti-corruption and anti-bribery work in commercial activities.

The company conducts anti-corruption training for management and employees from time to time, strengthens anti-corruption and anti-bribery awareness, creates a good atmosphere of sticking to the bottom line and practicing honestly, and requires management sequences and employees in other sensitive positions (such as involving procurement business) to sign contracts with the company "Integrity Performance Commitment Letter", strictly abide by the commitment.

The company has smooth channels for anti-corruption complaints and reports. Every employee can report to the company any violation of this code. The company keeps the information of the whistleblower confidential. Employees who violate the code of integrity will

be dealt with in accordance with the regulations. If they are suspected of committing a crime, they will be handed over to the judiciary authorities to process.

**Siyuan Electric's business ethics performance in 2022**

index	unit	2022
Total number of complaints reported	Second-rate	0
- Report from employees	Second-rate	0
- Reporting from suppliers and contractors	Second-rate	0
- Reporting by other stakeholders	Second-rate	0
Number of confirmed incidents of corruption	pieces	0

**4.4. Compliance operation**

Siyuan Electric has established a compliance organization with the chairman as the top person in charge. The company has established a compliance management committee to supervise the overall implementation of Siyuan Group's compliance management policies, and holds meetings every quarter.

At the beginning of each year, the compliance management department prepares a compliance review plan, selects key compliance risk areas in the plan, and conducts compliance review on relevant documents. Irregularly, timely and completely disclose anti-corruption, anti-bribery and other policies, actions and performance information.

The company incorporates compliance training into the training plan for all employees. The compliance management department formulates a compliance training plan at the beginning of each year or when new legal policies or institutional adjustments are made, especially for company executives, compliance teams, high-risk areas, and key positions. Arrange targeted and special compliance training. Publish work information and dynamics in the form of briefings and circulars, promote advanced experience, publicize internal control aware



ness, and promote the compliance communication and internal control level of the group company and its subsidiaries.

The company publicizes the company's integrity and compliance position and requirements to its partners, and actively carries out joint actions with advanced enterprises, industry organizations and professional institutions that have existing compliance systems, regularly exchanges experiences, assists each other to take actions together, and strives to create a fair and harmonious environment. Clean market environment.

#### 4.5. information security

Siyuan Electric adheres to the information security management policy of "prevention first, comprehensive prevention, system management, meeting customer needs, providing stable, reliable and safe high-quality services, and maintaining continuous improvement".

In order to ensure the confidentiality, integrity, and availability of information assets and provide customers with more assured services, Siyuan Electric has established an information security management system in accordance with ISO/IEC 27001:2013 to comprehensively protect the information security of customers and the company. By systematically identifying all information assets involved in the company's business operations and customer service processes, scientifically and effectively classifying them, determining their risks, taking appropriate measures to reduce risks, meeting legal and regulatory requirements, and continuously improving to ensure the security of information assets improves customer trust and maintains business continuity.

The company's information technology department implements centralized management of information system construction. Through the establishment and improvement of information system management systems and mechanisms, it implements effective management of IT operation and maintenance, general system security, system log review, system development and changes, and data backup. Regular inspections of each system ensure the normal operation of the information system and enhance the security and reliability of the information system.

The company stipulates in the contract signed with employees: it is prohibited to use business, accounts, finance, research and development, projects, trade secrets, business strategies, bidding information or any other potentially sensitive or confidential information related to Siyuan, Siyuan customers or business partners as Personal purposes, or disclose

such information to any individual or organization; prohibit disclosure to anyone other than Siyuan, information about business, customers or business partners learned in the course of business; not share or disclose information related to Siyuan, Siyuan, or Siyuan through social media business or any third party information related to the business.

During the reporting period, Siyuan Electric and its subsidiaries had no information security leakage incidents.

#### 4.6. fair play

Siyuan Electric supports open and fair competition, and is committed to complying with domestic and foreign laws and regulations against unfair competition, prohibits any agreement, decision or practice that disrupts competition, refuses to seek competitive advantages through immoral or illegal business practices, and strictly prohibits employees from Unfair means of gaining an unfair advantage. Siyuan Electric respects every competitor, and regards excellent competitors as the driving force for the company to innovate and change, advocates to win competitive advantages with excellent quality and service, and abandons immoral and illegal business practices.

The company uses various methods such as supplier evaluation, supplier selection and bidding to promote fair competition in the industry, continuously increase the transparency of the procurement and bidding process, and protect the common interests of the company and suppliers. The company regulates the company's publicity and advertising behavior in accordance with the law to ensure that there are no false or misleading statements in the advertisements of products or services, and meets the relevant requirements of the fair business and advertising laws.

The company conducts fair competition training for employees and adopts a zero-tolerance attitude towards unfair competition. The company monitors anti-unfair competition behaviors and protects whistleblowers by formulating reporting procedures, and actively creates a healthy and transparent business atmosphere and a good business competition environment. .

During the reporting period, the company had no legal proceedings related to unfair competition.

## 4.7. information disclosure

Siyuan Electric strictly complies with relevant regulations such as "Administrative Measures for Information Disclosure of Listed Companies", "Articles of Association", "Company Information Disclosure Management System", "Accountability System for Major Errors in Company Annual Report Information Disclosure", "Company Insider Information Reporting System" and other laws and regulations. , laws and regulations, fulfill the obligation of information disclosure. The company and information disclosure obligors coordinate investor relations in strict accordance with the "Guidelines for Listed Companies and Investor Relations" and "Guidelines for the Standardized Operation of Listed Companies on the Shenzhen Stock Exchange" to coordinate investor relations, receive visits from shareholders, answer investor inquiries, and ensure the authenticity of company information disclosure , accurate, complete, timely and open. And through the "Securities Times" and Juchao Information Network (<http://www.cninfo.com.cn>) disclosed company information in accordance with regulations.

The company has established a management system related to internal information transmission to standardize business operations such as production and operation information transmission, official document information transmission, financial information transmission, meeting information transmission, and management of internal information insiders, so as to ensure that the internal reporting system is compliant, complete, sound, and scientific. , to ensure a strict internal reporting process, strengthen the integration and sharing of internal reporting information, and ensure timely internal information transmission and smooth channels.

## 5.Partner responsibility: win-win cooperation

n

Siyuan Electric adheres to an inclusive, open, friendly and cooperative attitude, actively establishes a win-win cooperation model with relevant parties, continuously strengthens quality management, continuously optimizes customer service, improves supplier management, promotes industry development, and joins hands with all parties to create a sustainable industry. Chain, maintain a good business ecology.

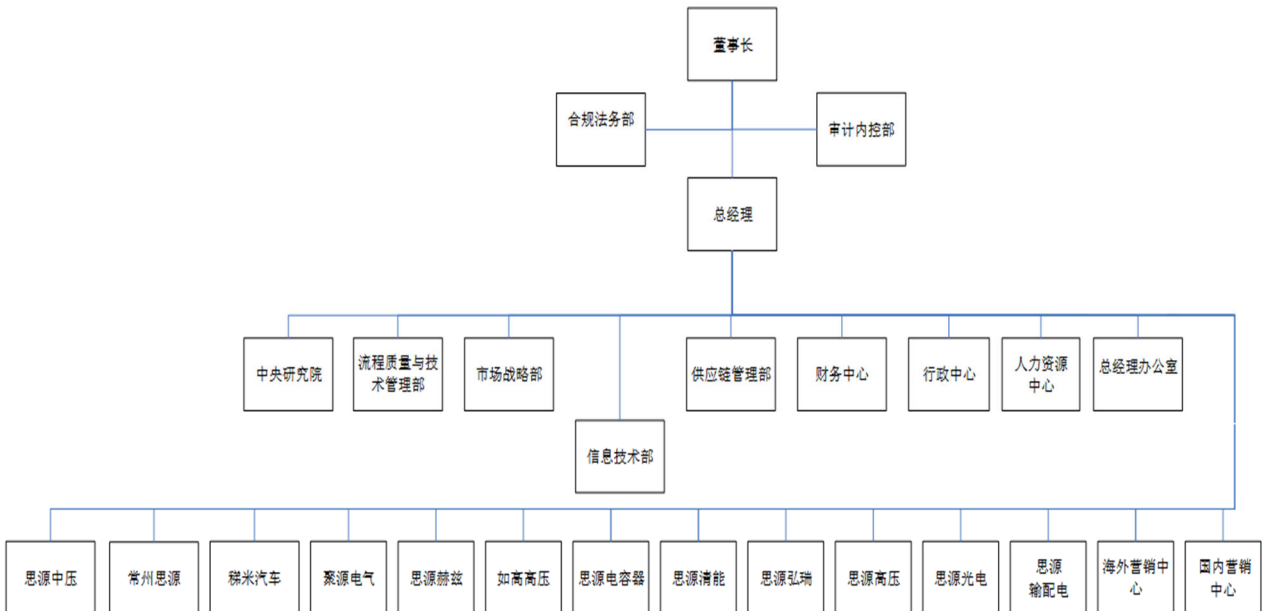
## 5.1. Quality and Safety

### 5.1.1. Quality Policy

In order to achieve the goal of customer satisfaction, to ensure that the requirements and expectations of customers are determined and transformed into the company's product and service requirements, Siyuan Electric believes that "quality leadership is our long-term competitive strategy for development. Through full participation and whole-process planning, control and continuous improvement, pursue the high quality of each activity, and meet customer needs with excellent products and services" as the quality policy.

### 5.1.2. quality system

Siyuan Electric has established a complete quality assurance system, and the headquarters passed the ISO9001:2015 quality management system certification in 2022, valid until December 6, 2025. The company is equipped with a complete organizational structure to ensure the operation of the quality system. The headquarters has set up a process quality and technology management department, and each production line has a process and quality management department.



All subsidiaries have also established corresponding quality assurance systems, actively using quality improvement tools such as total quality management tools, lean improvement, quality control circle QCC, employee proposal improvement, project management, etc., through full participation, whole process planning, control and continuous improvement, Purs

## Siyuan Electric Co., Ltd. 2022 Sustainability Report

Use the high quality of each activity, reward and punish clearly, take multiple measures simultaneously, and continuously improve product quality and project delivery quality.

serial number	Company Name	type of enterprise	certified	Certificate No.	Initial issue date	effective date	validity period
1	Siyuan Electric Co., Ltd.	manufacturing	yes	FM 662496	2016/12/7	2022/12/7	2025/12/6
2	Shanghai Siyuan High Voltage Switch Co., Ltd.	manufacturing	yes	FM 662501	2016/12/7	2022/12/7	2025/12/6
3	Jiangsu Rugao High Voltage Electric Co., Ltd.	manufacturing	yes	FM 660809	2016/10/10	2022/10/10	2025/10/9
4	Shanghai Siyuan Optoelectronics Co., Ltd.	manufacturing	yes	FM 731412	2020/9/15	2020/9/15	2023/9/14
5	Jiangsu Siyuan Hertz Transformer Co., Ltd.	manufacturing	yes	FM 661556	2016/11/7	2022/11/7	2025/11/6
6	Shanghai Siyuan Power Capacitor Co., Ltd.	manufacturing	yes	FM 660779	2016/11/1	2022/11/1	2025/10/31
7	Shanghai Siyuan Hongrui Auto	Production	yes	FM 661845	2016/11/2	2022/11/2	2025/11/1

	omation Co., Ltd.	tion					
8	Siyuan Qingneng Electric Electronics Co., Ltd.	Production	yes	FM 658933	2016/8/23	2022/8/23	2025/8/22
9	Changzhou Siyuan Toshiba Transformer Co., Ltd.	manufacturing	yes	U006620Q023 7R1M	2020/8/7	2020/8/7	2023/8/6
10	Jiangsu Siyuan Medium Voltage Switchgear Co., Ltd.	manufacturing	yes	21179Q10185R OM	2021/8/20	2021/8/20	2024/8/19
11	Shanghai Siyuan Power Transmission and Distribution Engineering Co., Ltd.	manufacturing	yes	0422Q10459R0 M-EC	2022/12/1	2022/12/1	2025/11/30
12	Jiangsu Juyuan Electric Co., Ltd.	manufacturing	yes	00120Q310614 R1M/3200	2017/12/6	2021/12/1	202301205
13	Crystalline Carbon Energy Electronic Technology Wuxi Co., Ltd.	Production	yes	1210051240T MS	2021/3/12	2021/3/12	2024/3/11

05 流程与质量

做好 QCC 活动的几点心得  
思源赫兹金盾圈《提高资料整理的工作效率》经验分享

2022 年赫兹 QCC 小组金盾圈开展的《提高资料整理的工作效率》活动，取得了思源赫兹公司 2021 年度 QCC 发表第一名和股份公司 2021 年度 QCC 评比大赛一等奖的优异成绩。这些得益于赫兹多年在 QCC 活动中的共同努力和经验积累，为了帮助更多的圈友做好 QCC，下面我以《提高资料整理的工作效率》QCC 为案例，给大家做一些经验分享。

一、选题结合实际、量力而行

QCC 活动的选题非常重要，一般应遵守两个原则：

1、“宜小不宜大、清晰而明了”

大课题往往内容复杂，需要达成的目标很多，涉及的领域和花费的资源往往也较多。起初我们金盾圈选择的课题是“提高检验工作效率”，但是刚开始就遇到了困难，发现不仅要分析来料、制程、出厂这 3 个阶段的检验过程，还涉及到人员技能熟练度、设备能力、检

否可度量？

比如本次金盾圈在选题时，对 3 个课题在本身问题（重要度）、顾客抱怨（客户感知度）、主管要求（管理要求）、参与度（涉及人员范围）、达成性（可改善程度）这几个维度做了评价打分（图 1），根据最终得分确定课题为：提高资料整理的工作效率。

项目	评价维度					排序
	本身问题	顾客抱怨	主管要求	参与度	达成性	
提高客户满意度提升售后服务的工作效率	5	3	5	5	3	28
提高设备维护人员的检修效率	5	1	5	3	3	17
提高现场物料流转的效率	3	3	3	3	1	18

图 1：课题选择评价表

改善的对象是资料整理的工作效率，我

2021 年度集团 QCC& 提案改善评比大赛顺利召开



何总为 QCC 项目一等奖获得者颁发证书与奖金

本报讯 QCC& 提案改善是一种既能给企业带来效益，又能激发基层员工的劳动热情和积极性的一项有意义的活动。董总对 QCC& 提案改善活动非常重视，强调它能激发基层员工的工作积极性，活跃组织气氛，营造“遍地英雄下夕烟”的人人奋发的职场。为了鼓励和表彰各小组/个人通过开展 QCC& 提案改善作出的贡

献，同时促进集团公司内的相互学习，股份公司流程质量与技术管理部于 2022 年 9 月 8 日组织举办了“集团公司 QCC& 提案改善评比大赛”；并邀请了股份公司供应链总监何剑波总及分子公司供应链总监或流程质量部部长作为评委。

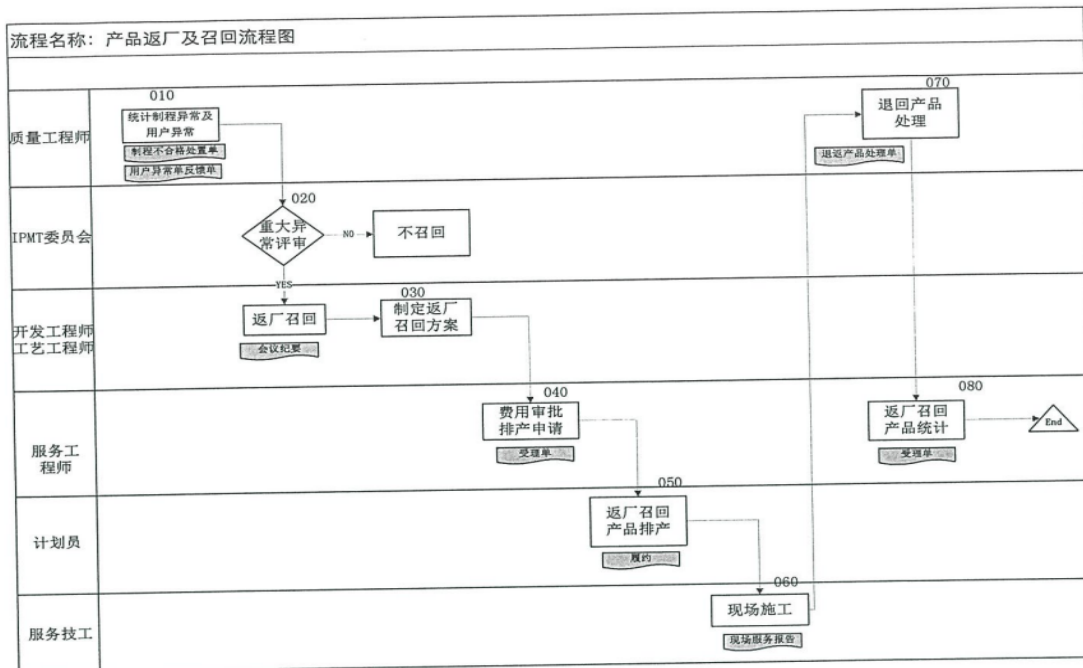
本次大赛 9 个产线共有 14 个 QCC 和 19 个提案改善参与了现场评比，课题有 CT 线圈质量改善、成套 SVG 装配效率提升、资料整理效率提升、变压器内部引线布置优化、黑色金属机加件包装改善等，小组成员在现场对改善活动的成果进行了分享，评委与分享者进行了交流、点评并提出了宝贵的改进建议。大赛最终评选出了 6 个优胜的 QCC 小组、2 个优秀提案改善组织、10 名提案改善个人，并为获奖小组/个人颁发了荣誉证书和现金奖励。现场气氛活跃，充分体现了全员群体奋斗、开放进取的价值观和持续改进的质量文化氛围。（完）

(Siyuan Electric organized the QCC & Proposal Improvement Appraisal Contest, and selected excellent QCC groups and proposal improvement groups)

### 5.1.3. Nonconforming product management

The company establishes a quality exception database to manage the review and rectification of unqualified parts, process exceptions, and client exceptions, and counts the effectiveness of rectification every month to promote the improvement of exceptions. The quality weekly and monthly meetings will be reviewed, and a priority reduction plan for non-conforming products will be formulated to improve product quality.

In response to product quality or safety issues, the company has established recall management methods, improved product return and recall processes, stipulated returned products and handling methods, defined roles and responsibilities, and ensured the orderly and efficient implementation of product recalls. In 2022, there will be no product recall cases.



### 5.2. innovation drive

Siyuan Electric has always paid attention to the continuous accumulation and investment of product technology and technical human capital, and has obtained a number of advanced or leading core technologies at home and abroad, making the company's products have the characteristics of leading technology, low cost and high quality compared with similar domestic products. It is at the leading level domestically. The company builds product t

technology based on the product company and builds professional technology based on the Academia Sinica. The technical capabilities have been continuously accumulated and improved, and the platform-based scale benefits are gradually reflected. While continuing to improve the competitiveness of existing products, the company is also increasing investment in forward-looking technologies, such as flexible direct current transmission, optoelectronic technology, new energy, energy storage, Internet of Things, automotive electronics, etc., to lay the foundation for the expansion of new businesses in the future .

The company continues to promote and improve the Siyuan integrated product development system, providing process and organizational guarantees for the rapid launch of technologically advanced, high-quality, and low-cost products. The company will invest 673 million yuan in research and development in 2022, an increase of 21.00% over the same period of the previous year. R&D investment accounted for 6.39% of operating income, which was the same as the same period last year.

#### Siyuan Electric's R&D investment in the past two years

	2022	2021	Variation ratio
R&D investment amount ( yuan )	673,124,776.73	556,296,819.13	21.00%
R&D investment as a percentage of revenue	6.39%	6.40%	-0.01%

In 2022, the company will continue to strengthen personnel training and industry-university-research cooperation with Tsinghua University, Shanghai Jiaotong University, Xi'an Jiaotong University, Huazhong University of Science and Technology, North China Electric Power University, Southwest Jiaotong University and other well-known institutions to promote scientific research progress and the employment and success of college graduates .

#### Siyuan Electric's research and development personnel

	2022	2021	Variation ratio
Number of R&D personnel ( person )	928	767	20.99%



)			
<b>Proportion of R&amp;D personnel</b>	13.88%	12.58%	1.30%
<b>Educational structure of R&amp;D personnel</b>			
<b>Undergraduate ( person )</b>	537	435	23.45%
<b>Master ( person )</b>	267	229	16.59%
<b>Doctor ( person )</b>	9	9	0%
<b>R&amp;D staff age composition</b>			
<b>Under 30 years old ( person )</b>	315	213	47.89%
<b>30~40 years old ( person )</b>	421	393	7.12%

As of the end of 2022, Siyuan Electric has a total of 765 authorized patents, including 283 invention patents, 472 utility model patents, and 10 design patents; there are 134 software copyrights in total. In 2022, Siyuan Electric was jointly recognized as a national enterprise technology center by the National Development and Reform Commission, the Ministry of Science and Technology, the Ministry of Finance, the General Administration of Customs, and the State Administration of Taxation; Siyuan Electric Co., Ltd. and Siyuan Qingneng Electric & Electronics Co., Ltd. are listed in the 2022 Shanghai Hardcore Technology Enterprises TOP100 list; Shanghai Qianmi Automobile Technology Co., Ltd. was successfully selected as a "specialized, special and new" enterprise (provincial) in Shanghai list.

### 5.3. customer service