

Sieyuan 思源电气

2024

Sustainable Development Report

Sieyuan Electric Co., Ltd.

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About the Report

This report is the 2024 Sustainable Development Report published by Sieyuan Electric Co., Ltd. (hereinafter referred to as "Sieyuan Electric", "Sieyuan", "the Company" or "we" for short), which aims to disclose to the public the actions and progress made by the Company in the spheres of environment, society and corporate governance.

Reporting Period

This is an annual report.
Time period:January 1, 2024 – December 31, 2024. For retrospective and forward-looking purposes, some information may extend beyond the above timeframe.
Organizational scope:This report covers Sieyuan Electric Co., Ltd. and its subsidiaries. Unless otherwise specified, the reporting organizational boundaries are consistent with those disclosed in Sieyuan Electric's annual report.
For the convenience of expression and reading, the following is an explanation of the designations for the entities involved in this report:

Category	Company Name	Main Operation Location	Business Nature	Abbreviation
Parent Company	Sieyuan Electric Co., Ltd.	Shanghai	Industrial Manufacturing	"Sieyuan Electric", "Sieyuan", "the Company" or "we"
Subsidiaries	Shanghai Sieyuan Power Capacitor Co., Ltd.	Shanghai	Industrial Manufacturing	"Sieyuan Capacitor"
	Shanghai Sieyuan Optoelectronics Co., Ltd.	Shanghai	Industrial Manufacturing	"Sieyuan Optoelectronics"
	Shanghai Yuanlong Software Co., Ltd.	Shanghai	Software Development	"Yuanlong Software"
	Jiangsu Sieyuan Hertz Transformer Co., Ltd.	Jiangsu	Industrial Manufacturing	"Sieyuan Hertz"
	Shanghai Sieyuan Transmission and Distribution Engineering Co., Ltd.	Shanghai	Engineering Services	"Transmission and Distribution"
	Shanghai Sieyuan High-Voltage Switch Co., Ltd.	Shanghai	Industrial Manufacturing	"Shanghai Sieyuan High-Voltage"
	Jiangsu Juyuan Electric Co., Ltd.	Jiangsu	Industrial Manufacturing	"Juyuan Electric"
	Shanghai Tongruixing Engineering Technology Co., Ltd.	Shanghai	Engineering Services	"Shanghai Tongruixing"
	Sieyuan Qingneng Electrical and Electronic Co., Ltd.	Shanghai	Industrial Manufacturing	"Sieyuan Qingneng"
	Jiangsu Zhiyuan Technology Co., Ltd.	Jiangsu	Software Development	"Zhiyuan Technology"
	Beijing Sieyuan Qingneng Electrical and Electronic Co., Ltd.	Beijing	Software Development	"Beijing Sieyuan Qingneng"
	Shanghai Rectifier Factory Co., Ltd.	Shanghai	Shanghai	"Rectifier"
	Shanghai Sihongrui Power Control Technology Co., Ltd.	Shanghai	Software Development	"Sihongrui Power"
	Beijing Jiahe Jikong Electrical Technology Co., Ltd.	Beijing	Industrial Manufacturing	"Jikong Electric"
	Shanghai Sieyuan Hongrui Automation Co., Ltd.	Shanghai	Industrial Manufacturing	"Sieyuan Hongrui"
	Shanghai Sishuang Automation Co., Ltd.	Shanghai	Industrial Manufacturing	"Sishuang Automation"
	Shanghai Sieyuan Energy Storage Technology Engineering Co., Ltd.	Shanghai	Industrial Manufacturing	"Sieyuan Energy Storage"
	Jiangsu Rugao High-Voltage Electrical Appliance Co., Ltd.	Jiangsu	Industrial Manufacturing	"Rugao High-Voltage"
	Jiangsu Rugao Power Transmission and Transformation Engineering Co., Ltd.	Jiangsu	Engineering Services	"Rugao Power Transmission and Transformation"
	Jiangsu Rugao Distribution Network Transmission and Distribution Equipment Co., Ltd.	Jiangsu	Industrial Manufacturing	"Rugao Distribution Network Transmission and Distribution"
	Shanghai Sieyuan Judian Electrical Technology Co., Ltd.	Shanghai	Industrial Manufacturing	"Sieyuan Judian"
	Changzhou Sieyuan Toshiba Transformer Co., Ltd.	Jiangsu	Industrial Manufacturing	"Sieyuan Toshiba"
	Shanghai Timi Automotive Technology Co., Ltd.		Industrial Manufacturing	"Timi Company"
	Jiangsu Sieyuan High-Voltage Switch Co., Ltd.	Jiangsu	Industrial Manufacturing	"Jiangsu Sieyuan High-Voltage"
	Jiangsu Sieyuan Special Transformer Co., Ltd.	Jiangsu	Industrial Manufacturing	"Sieyuan Special Transformer"
	Jiangsu Sieyuan Battery Technology Co., Ltd.	Jiangsu	Industrial Manufacturing	"Jiangsu Battery Company"
	Shanghai Sieyuan Battery Technology Co., Ltd.	Shanghai	Industrial Manufacturing	"Battery Company"
	Jiangsu Sieyuan Medium-Voltage Switch Co., Ltd.	Jiangsu	Industrial Manufacturing	"Sieyuan Medium-Voltage"
	Jiangsu Sieyuan Energy Technology Co., Ltd.	Jiangsu	Industrial Manufacturing	"Sieyuan Energy Technology"

Subsidiaries	Shanghai Sieyuan Low-Voltage Switch Co., Ltd.	Shanghai	Industrial Manufacturing	"Sieyuan Low-Voltage"
	Shanghai Sieyuan Wanneng Technology Co., Ltd.	Shanghai	Industrial Manufacturing	"Sieyuan Wanneng"
	Enjing Carbon Energy Electronics Technology Wuxi Co., Ltd.	Jiangsu	Industrial Manufacturing	"Enjing Carbon Energy"
	Enjing Carbon Energy Da'an Technology Wuxi Co., Ltd.	Jiangsu	Industrial Manufacturing	"Enjing Carbon Energy Da'an"
	Wuxi Enjing Lineng Technology Co., Ltd.	Jiangsu	Industrial Manufacturing	"Enjing Lineng"
	Wuxi Korain Electronics Technology Co., Ltd.	Jiangsu	Industrial Manufacturing	"Korain"
	Jiangsu Sieyuan New Energy Technology Co., Ltd.	Jiangsu	Industrial Manufacturing	"Sieyuan New Energy"
	Jiangsu Sieyuan Electric Power Technology Co., Ltd.	Jiangsu	Technology Services	"Sieyuan Electric Power Technology"
	Jiangsu Sieyuan Electric Power Engineering Technology Co., Ltd.	Jiangsu	Engineering Services	"Sieyuan Electric Power Engineering"
	Sieyuan Electric (Kenya) Co., Ltd	Kenya	Engineering Services	/
	Sieyuan Electric HK International Limited	Hong Kong	Goods Trade	/
	Sieyuan ElectricInternational DMCC	United Arab Emirates	Goods Trade	/
	Sieyuan Electric (Mexico) Co.,Ltd	Mexico	Goods Trade	/
	SECH AG	Switzerland	R&D Services	/
	Limited Liability Company Sieyuan Electric	Russia	Goods Trade	/
	SIEYUAN EQUIPAMENTOS ELETRICOS LTD	Brazil	Goods Trade	/
	Sieyuan Electric Egypt Co.,Ltd	Egypt	Engineering Services	/
	Sieyuan Electric (zambia) Company Limited	Zambia	Engineering Services	/
	Sieyuan T&D COTE D'IVOIRE	Côte d'Ivoire	Engineering Services	/
	SHSY Electric Power Corporation	Philippines	Engineering Services	/
	Joint Venture Sieyuan & Neie Limited	Sierra Leone	Engineering Services	/
	Sieyuan Electric (botswana) (proprietary) Limited	Botswana	Engineering Services	/
	Sieyuan Electric (nigeria) Company Limited	Nigeria	Engineering Services	/
	SIEYUAN ELECTRIC (SPAIN), SOCIEDAD LIMITADA	Spain	Goods Trade	/
	Sieyuan Electric Engineering FE LLC	Uzbekistan	Engineering Services	/
	Sieyuan Electric USA, LLC	USA	Goods Trade	/
	Sieyuan Electric (India) Pvt. Ltd	India	Goods Trade	/

Reference Standards

This report is prepared with reference to standards such as the United Nations Sustainable Development Goals (SDGs), the *Sustainable Development Report Standards* (GRI Standards 2021) issued by the Global Sustainability Standards Board (GSSB), and in compliance with relevant requirements of the *Shenzhen Stock Exchange Self-Regulation Guidelines for Listed Companies No. 17 - Sustainable Development Report (Trial)* and the *Shenzhen Stock Exchange Self-Regulation Guide for Listed Companies No. 3 - Compilation of Sustainable Development Reports*.

Data Sources

All data cited in this report are from the Company's official documents and statistical records. In case of any inconsistency with the annual report, the annual report shall prevail. All data cited in this report are in metric units for measurement and RMB for currency, unless otherwise specified. To comprehensively reflect the operational status of the Company's production lines and disclose more accurate and complete operational data to stakeholders, the data disclosure scope of the Company was expanded from 11 to 15 production lines in 2024.

Reliability Statement

The Company declares that this report contains no false records, misleading statements or material omissions, and is responsible for the truthfulness, accuracy and completeness of its contents.

Report Release

This report is released in electronic format. You may visit the Company's website (www.sieyuan.com) to read and download the e-version.

Feedback

If you have any questions about the content of this report or wish to obtain other relevant information, please contact us via the following channels:
Email: webmaster@sieyuan.com
Tel: 021-61610502

Chairman's Message

Against the backdrop of profound transformations in the global economic, environmental and social landscape, climate change has become increasingly severe, global energy transition is accelerating, and traditional energy is transitioning towards clean energy. As a leading enterprise in the electrical industry, we profoundly recognize that the transformation of the energy structure is not only an inevitable trend of social development, but also our responsibility and mission. At the same time, the complex and volatile international landscape, coupled with frequent natural disasters, has heightened the risks and challenges facing global supply chains. This requires us to maintain leadership in technological innovation while enhancing corporate resilience and adaptability. Against this backdrop, we will continue to drive green innovation, deeply implement our Environmental, Social and Governance (ESG) strategy, promote sustainable development, and contribute to the global energy transition and environmental protection.

ESG (Environmental, Social, and Governance) is not only a crucial guide for corporate sustainable development but also the core philosophy of Sieyuan Electric. We have always upheld the mission of "Smarter Power, Better Life", deeply integrating ESG concepts into every aspect of our corporate strategy and daily operations. From product research and development to production and manufacturing, from supply chain management to marketing, every decision and action fully considers environmental, social, and governance factors. We are committed to creating long-term value for stakeholders and contributing Sieyuan's strength to the sustainable development of the industry.

Technological Leadership: Smart Power Driving a Green Future

The Company has always adhered to innovation-driven development, seized the opportunities of new power system development, actively cultivated new productive forces, and expanded into international markets. By continuously enhancing innovation capabilities, improving mechanisms, inspiring innovative thinking, and fostering an innovative atmosphere, we promote the sustained improvement of core technologies and manufacturing strength. At the same time, we continuously optimize operational capabilities and make every effort to enhance core competitiveness to better meet customer needs and drive the development of a green future.

Over the past year, relying on its profound understanding of industry development trends and accurate grasp of its own advantages, Sieyuan Electric has focused on transmission and distribution as well as power distribution and utilization businesses, deeply explored energy storage applications, and made new breakthroughs in the field of automotive electronics and electricals. In addition, we are committed to constructing a new power system to achieve efficient energy management and optimal allocation, effectively reducing energy consumption and carbon emissions.

In the future, we will continue to increase R&D investment, which is crucial for maintaining technological leadership. We will attract and cultivate outstanding R&D talent, strengthen cooperation with domestic and foreign research institutions and universities, and improve the R&D system to empower the industry's low-carbon transformation through technological breakthroughs. We believe that through these efforts, we can inject new momentum into the sustainable development of the industry and promote the electrical industry's development towards a green, low-carbon, and intelligent direction.

Quantitative Achievements: Taking Responsibility to Build a Better Environment

Against the backdrop of global climate change response, the "dual carbon" goals have become an important task for governments and enterprises worldwide. Sieyuan Electric has actively responded to the national call, taking the "dual carbon" goals as guidance to set a quantifiable emission reduction pathway. In 2024, the Company achieved significant emission reduction results at the operational level. By introducing advanced energy-saving technologies and equipment and optimizing production processes, it significantly improved energy efficiency. Additionally, by increasing the application of clean energy, the Company gradually reduced its reliance on traditional fossil fuels.

At the same time, we have stepped up the use of clean energy. We constructed solar photovoltaic power generation sys-



tems in our factory premises, fully utilizing renewable energy to support production power needs, reducing dependence on traditional fossil fuels, and further promoting green development.

In terms of supply chain management, we actively promote the construction of a green supply chain. We have established long-term and stable cooperative relationships with suppliers. By providing technical support and training, we assist suppliers in improving their environmental management capabilities and reducing carbon emissions. We have also established a supplier evaluation mechanism, giving priority to suppliers with excellent environmental performance to drive the green transformation of the entire supply chain.

In addition, Sieyuan Electric has always adhered to the people-oriented development philosophy, placing great emphasis on employee well-being and rights protection. We provide comprehensive occupational health check-ups and training for employees, establish complete occupational health records, and strengthen monitoring and prevention of occupational hazards in the workplace. We have also established a sound employee training system, offering a wide range of training courses, including technical training, management training, safety training, etc. Through these initiatives, employees' professional skills and comprehensive qualities have been significantly improved.

2024 marks the 10th anniversary of Sieyuan's "Love-Run" public welfare campaign. Compared with the first event, the 10th "Love-Run" campaign saw a threefold increase in participation, with a cumulative total mileage of approximately 158,900 kilometers. The campaign has raised over 1.72 million RMB in donations for children in poverty-stricken areas.

The journey ahead is long, but we shall row vigorously with sails unfurled. We will continue to uphold the spirit of unremitting struggle and positive progress, deepen our advantages for high-quality development, and continuously enhance core competitiveness. With sincere dedication, we will repay the support of all sectors of society; with fearless resolve, we will write a new chapter in ESG. Hand in hand with stakeholders, we will inject new vitality into sustainable development!

On behalf of the Company's Board of Directors, I would like to extend our sincerest gratitude and highest respect to every employee who has worked hard at their post, every partner who has given us trust and support, and all sectors of society that have always cared about our growth! Taking this report as a new starting point, Sieyuan Electric will take this report as a new starting point, continue to explore the deep integration of ESG and business, and constantly innovate.

01

About Sieyuan



Company Overview

Sieyuan Electric Co., Ltd. was established in December 1993, restructured into a joint stock limited company by approval on December 28, 2000, and listed on Shenzhen Stock Exchange on August 5, 2004 (stock code 002028).

Sieyuan Electric is a well-known listed company in China, specializing in power technology research and development, equipment manufacturing, and engineering services. It has been honored as Key High-tech Enterprises of China Torch Program, China Top Ten Private Enterprises in Energy Equipment, High-Tech Enterprise, Shanghai Innovative Enterprise, etc.

As increasingly expansion of industrial chain, Sieyuan Electric has more than 10 manufacturing entities located in Shanghai, Rugao, Changzhou, Nanjing, etc. Its products include EHV and HV switchgear, transformers, relay protection and automation systems, reactive power compensation devices, measurement and monitoring devices, power electronic equipment, automotive electronics, etc. Nowadays, Sieyuan Electric has developed into an intelligent manufacturing enterprise that attaches great importance to independent innovation, investment in R&D, continual lean production, and automatic production line construction, and possesses modern scientific management concepts.

The services provided by Sieyuan Electric are engaged in power, new energy, metallurgy, rail transit, petrochemical, coal, port, data center, and other industries. For example, it provides self-developed 500 kV HVDC circuit breakers for the national key project ±500kV Zhangbei Flexible DC Power Grid Test Demonstration Project, and provided high-quality prod-

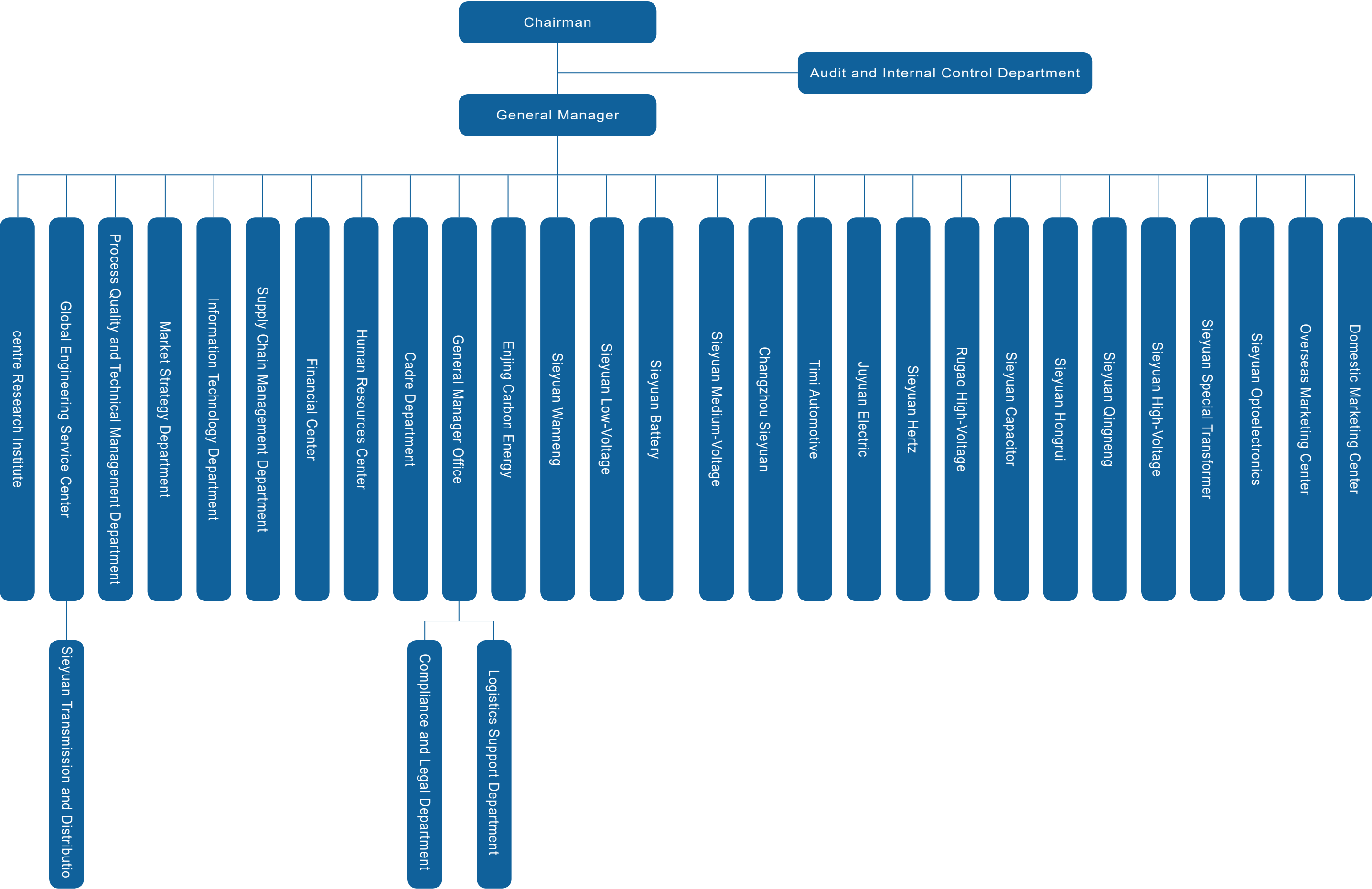
ucts and reliable technical support for major domestic and international projects such as Qinshan Nuclear Power Plant, Yunguang 800 kV UHV DC Transmission Project, Southeast Jindong - Nanyang - Jingmen 1000 kV UHV Expansion Project, CNPC Xinjiang Dushanzi 10-Million-Ton Oil Refining Project, Nanning Railway Hub Station, Shanghai Maglev, Beijing Olympic Games, Brazil World Cup, and CLSG Interconnection Redevelopment Project.

In the context of globalization, Sieyuan Electric has actively expanded its international market, with customers spread across more than 100 countries and regions worldwide. The company has provided professional services to globally renowned enterprises such as National Grid in the UK, ENEL in Italy, REE in Spain, CFE in Mexico, and ISA in Latin America.

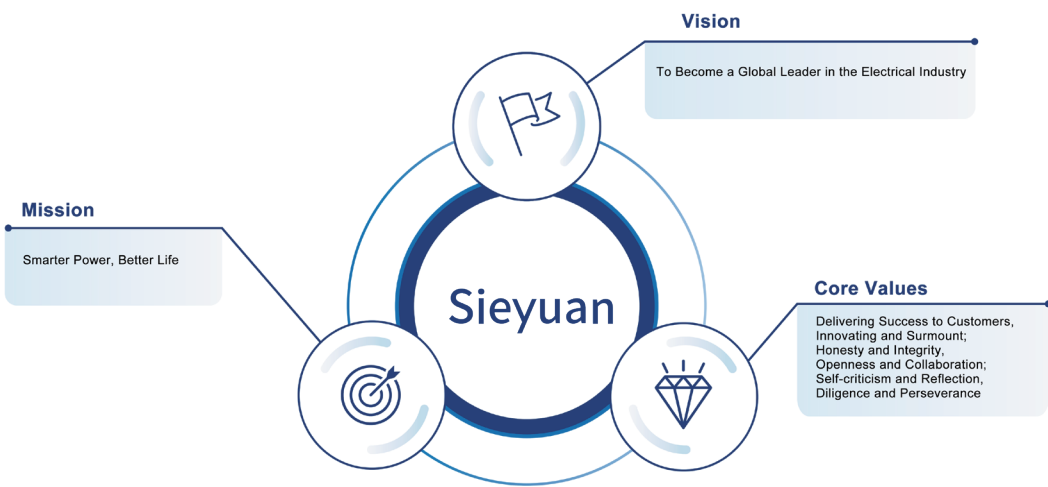
Sieyuan Electric emphasizes on the development and cultivation of talents, and provides employees with a diversity of development channels and a safe and healthy working environment. We pursue the common interests of customers, suppliers, communities and other stakeholders to promote the harmonious and sustainable development of economy, environment and society. We insist on giving back to the society with love, setting up scholarships in multiple universities, donating funds to help children in poverty-stricken areas at home and abroad, actively participating in voluntary blood donation and community welfare activities. Our domestic and overseas branches also make positive contributions to the welfare, education, charity, and disaster relief of local communities. "Smarter Power, Better Life" It is the common pursuit of every Sieyuan employee.



Organizational Structure



Sieyuan Culture



2024 Annual Honors

Entity	Honor Title	Awarding Unit	Honor Photo
Sieyuan Electric Co., Ltd.	2024 Shanghai List of "Top 100 Enterprises" in Brand Value of Specialized, Refined, Characteristic and Innovative Enterprises	Organizing Committee of China Brand Economy (Shanghai) Forum Shanghai Association of Corporate Culture and Brand Research	
	2024 Outstanding Supply Chain Partner	China Energy Engineering Corporation Limited	
	Top 100 Manufacturing Enterprises in Shanghai 2024	Shanghai Enterprises Confederation Shanghai Entrepreneurs Association Shanghai Federation of Economic Organizations Jiefang Daily Press	
	Top 100 Manufacturing Enterprises in Shanghai 2024	Shanghai Enterprises Confederation Shanghai Entrepreneurs Association Shanghai Federation of Economic Organizations Jiefang Daily Press	

Entity	Honor Title	Awarding Unit	Honor Photo
Sieyuan Electric Co., Ltd.	Shanghai Top 100 Enterprises	Shanghai Enterprises Federation Shanghai Entrepreneurs Association Shanghai Federation of Economic Organizations Jiefang Daily Press	
	2024 Shanghai Top 100 Enterprises in Emerging Industries	Shanghai Enterprises Federation Shanghai Entrepreneurs Association Shanghai Federation of Economic Organizations Jiefang Daily Press	
	Top 100 Shanghai Private Enterprises 2024	Shanghai Enterprises Federation Shanghai Entrepreneurs Association Shanghai Federation of Economic Organizations Jiefang Daily Press	
	Contract Credit Rating AAA Level	Shanghai Contract Credit Promotion Association	
Jiangsu Rugao High Voltage Electric Apparatus Co., Ltd.	National Science and Technology Progress Award	State Council	
	National Green Factory Enterprise	Energy Conservation and Comprehensive Utilization Department of the Ministry of Industry and Information Technology	
Shanghai Sieyuan Hongrui Automation Co., Ltd.	Headquarters of Private Enterprises	Shanghai Municipal Commission of Commerce Shanghai Municipal Development & Reform Commission Shanghai Municipal Commission of Economy and Informatization Shanghai Federation of Industry and Commerce	
	Top 100 High-Tech Achievement Transformation Projects in Shanghai for 2024	Shanghai Science and Technology Entrepreneurship Center	

Entity	Honor Title	Awarding Unit	Honor Photo
Shanghai Sieyuan High-Voltage Switchgear Co., Ltd.	Outstanding Contribution Award for the Performance and Delivery of Key Projects in 2023	Dongguan Power Supply Bureau of China Southern Power Grid	
	Enterprise of Green Supply Chain Management	Ministry of Industry and Information Technology	
	Science and Technology Progress Award	The People's Government of Yunnan Province	
Jiangsu Sieyuan Hertz Instrument Transformer Co., Ltd.	Excellent Supplier of the Year 2023	Henan Pinggao Electric Co., Ltd	
Sieyuan Qingneng Electrical and Electronics Co., Ltd.	Shanghai High-Tech Achievement Transformation Project	Shanghai Municipal Science and Technology Commission	
	Zhejiang Electric Power Science and Technology Award	Zhejiang Electric Power Science and Technology Award Office	
	Capability Maturity Level Certificate	CMMI5	
	Four-star supplier	China General Nuclear New Energy Holdings Co., Ltd	

Entity	Honor Title	Awarding Unit	Honor Photo
Shanghai Timi Automotive Technology Co., Ltd.	Shanghai Municipal Enterprise Technology Center	Shanghai Municipal Commission of Economy and Informatization	
	Shanghai High-Tech Achievement Transformation Project	Shanghai Municipal Commission of Science and Technology	
	Gold Medal at the China Shanghai International Invention and Innovation Exhibition	Shanghai Invention Association	
Jiangsu Sieyuan Special Transformer Co., Ltd.	Top 50 Leading Automotive Technology Enterprises in China	KPMG China	
	Changzhou Intelligent Manufacturing Workshop	Changzhou Municipal Bureau of Industry and Information Technology	
Shanghai Sieyuan Power Capacitor Co., Ltd.	Shanghai Green Factory	Shanghai Municipal Commission of Economy and Informatization	
	Second Prize for Scientific and Technological Progress	The People's Government of Hubei Province	

Entity	Honor Title	Awarding Unit	Honor Photo
Xijiang Carbon Energy Electronics Technology Wuxi Co., Ltd.	National-level Specialized, Sophisticated, Distinctive, and Innovative "Little Giant" Enterprises	Ministry of Industry and Information Technology	
Xijiang Carbon Energy Electronics Technology Wuxi Co., Ltd.	National-level Specialized, Sophisticated, Distinctive, and Innovative "Little Giant" Enterprises	Ministry of Industry and Information Technology	
Shanghai Sieyuan Optoelectronics Co., Ltd.	Integration of Informatization and Industrialization Management System Assessment Certificate (AA Level).	China Electricity Council Technology Service Center Co., Ltd	
	Photoelectric New Reactor High Rotation Certificate	Shanghai Municipal Science and Technology Commission	
	National-level Specialized, Sophisticated, Distinctive, and Innovative "Little Giant" Enterprises	Ministry of Industry and Information Technology	
Shanghai Sieyuan Power Transmission and Distribution Engineering Co., Ltd.	Outstanding Entrepreneur of Minhong District	The People's Government of Minhong District	

Economic Performance

Economic Performance in 2024 (Unit: CNY)

Operating Revenue

15,458,068,522.40

Operating profit

2,432,233,031.19

Total Profit

2,430,534,096.78

Net profit attributable to shareholders of the listed company

2,049,069,550.48

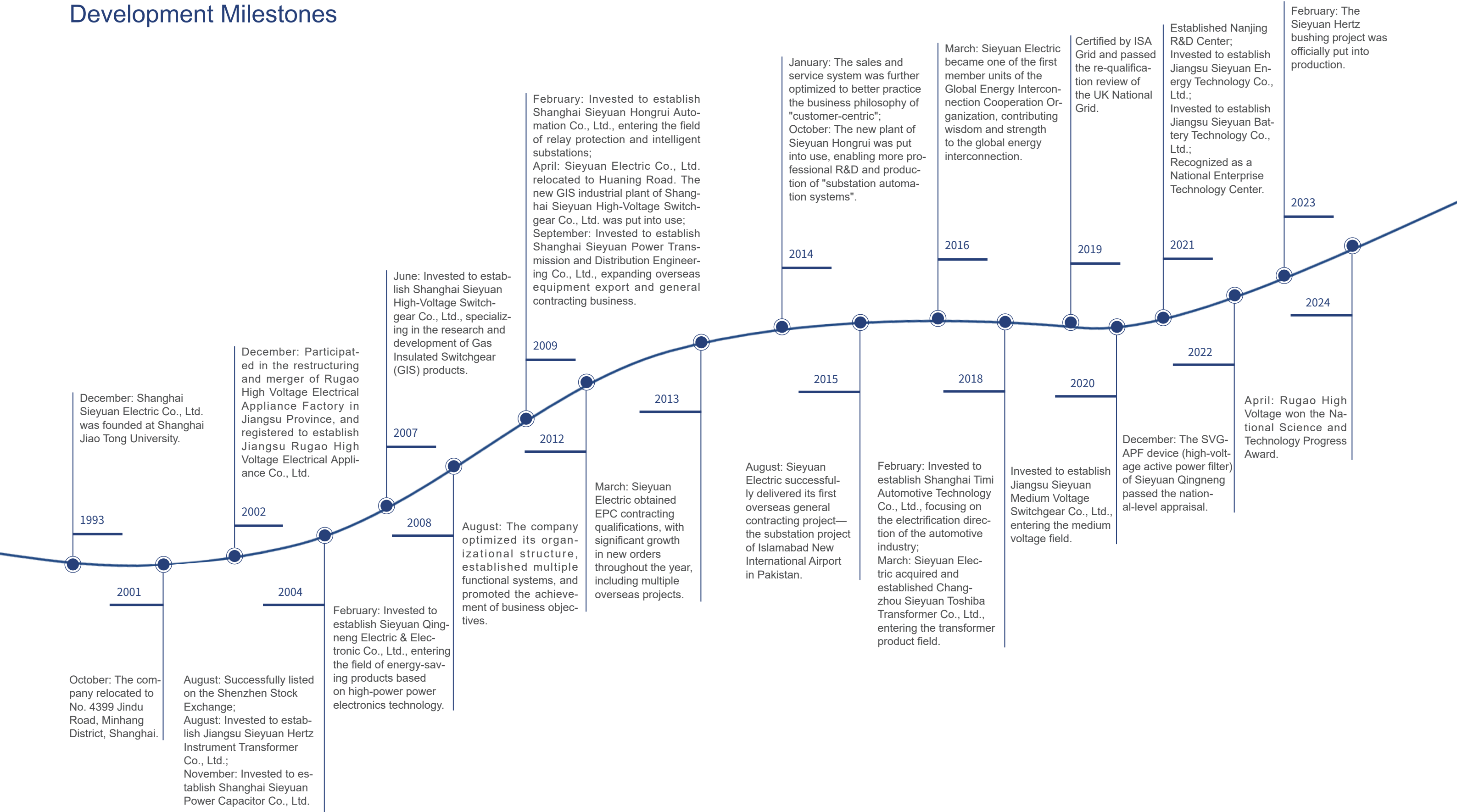
Net Profit

2,084,824,638.44

Earnings Per Share

2.64

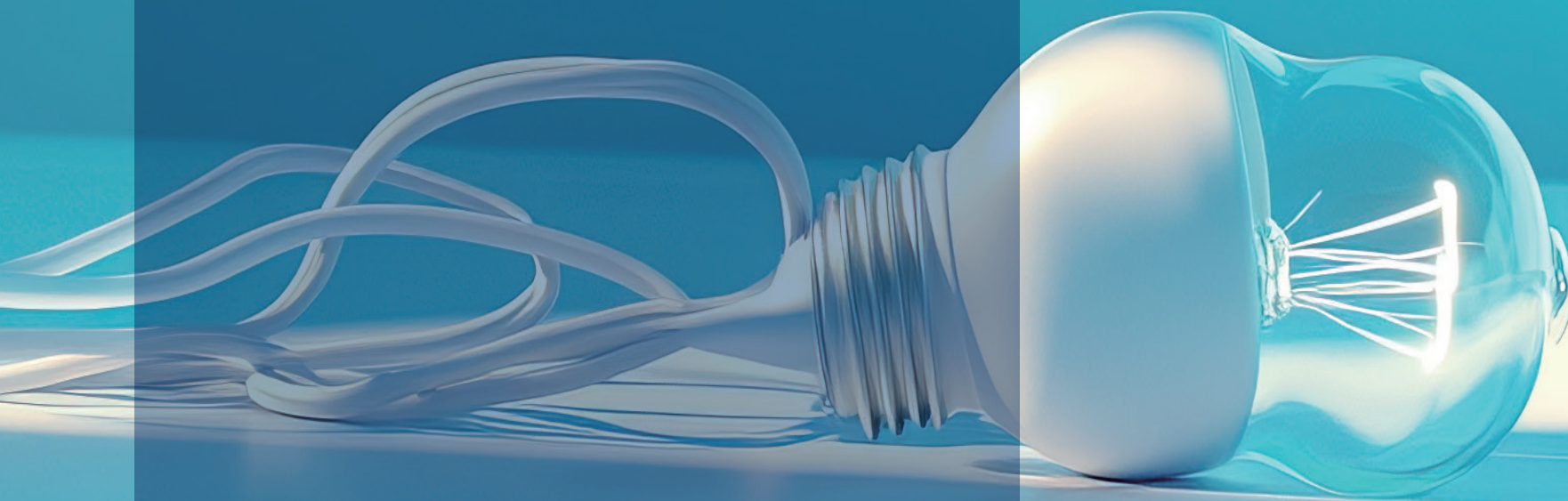
Development Milestones



02

Solidify the Foundations to Upgrade Governance Effectiveness

Scientific and standardized corporate governance serves as the cornerstone of enterprise development. Sieyuan Electric strictly adheres to laws, regulations and regulatory requirements. By strengthening internal risk control and promoting business ethics construction, the company is committed to building a law-abiding, compliant and efficient governance system.



Improvement of Corporate Governance

Sieyuan Electric takes the construction of internal governance system as the focus and aims to enhance corporate governance capabilities. It strictly complies with relevant laws and regulations such as the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, and *Corporate Governance Guidelines for Listed Companies*, establishes and improves modern enterprise management systems, enhances standardized operation levels, continuously optimizes the governance system, strengthens refined management, and safeguards the company's compliant operations.

Governance Structure

Sieyuan Electric has established a "three meetings and one management" governance structure composed of the general meeting of shareholders, the board of directors, the board of supervisors, and the management, forming a governance system with clear rights and responsibilities and standardized rationality. The general meeting of shareholders, the board of directors, the board of supervisors, and the management perform their respective duties and work together to promote the healthy and sustainable development of the company.



The convening of the "Three Meetings" in 2024



Internal Control Management

The Company has established a strict internal control management system, formulating core regulations such as the *Internal Audit System*, *Internal Control Standards Manual*, *Sieyuan Electric Internal Audit Processes and Methods*, *Sieyuan Electric Provisions on Departing Audit of Leading Cadres*, and *Whistleblowing Management Measures*. By integrating risk control standards and risk management content, the Company has implemented comprehensive and in-depth internal control management over its operations, effectively ensuring the legality and compliance of business processes, strictly controlling various risks, and further enhancing the transparency of internal control management.

Internal Control System

The Audit and Internal Control Department is a permanent body responsible for the daily supervision of the Company's internal control system. Under the direct leadership of the Audit Committee, the Department independently conducts internal audits and supervision. In accordance with the Internal Audit System and relevant management regulations, the Department conducts routine comprehensive audits of selected key subsidiaries on an annual basis to institutionalize audit supervision. Compliance and Internal Control Teams have been established in each subsidiary. The Department issues annual self-inspection plans at the beginning of each year, which the Teams implement on a monthly basis. Special audits and other activities are conducted as needed. The multi-level internal supervision system and the effective implementation of internal control measures have effectively mitigated significant risks.

In 2024, the Internal Audit and Control Department completed a total of 63 audit and investigation tasks. The company carried out routine audits and special audits in strict accordance with the annual plan, promptly identifying and addressing compliance risks. For issues identified in audits, rectification notices were swiftly issued with effective follow-ups to ensure full implementation of corrective measures. Meanwhile, the company continuously improved the compliance and internal control systems of its subsidiaries, further enhancing the overall compliance management level through regular internal control self-inspections and rectifications, ensuring continuous optimization of corporate compliance. In terms of fraud prevention, the company actively responded to all reports, ensuring each complaint underwent comprehensive and impartial investigation and handling, effectively strengthening the construction of compliance culture. The audit function gradually transitioned from "post-event auditing" to "concurrent auditing," enabling timely identification and control of potential risks within business processes.

In addition, the company has enhanced the professional capabilities and risk identification skills of internal control team members by optimizing cross-audit processes and strengthening internal control training. This has further improved the internal control systems and procedures, driving continuous optimization in the fields of compliance, risk control, and auditing. These efforts have provided strong guarantees for the company's stable operations and sustainable development.

Information Disclosure

During the reporting period, the Company strictly complied with the Regulations on Information Disclosure Management, Accountability System for Major Errors in Annual Report Information Disclosure, Filing System for Insiders of Confidential Information, Articles of Association, and other applicable laws and regulations to fulfill its information disclosure obligations. During the reporting period, the Company and its information disclosure obligors strictly adhered to the requirements of the Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 – Standardized Operations of Main Board Listed Companies in managing investor relations, receiving shareholder visits, and responding to investor inquiries. Such practices ensured that the Company's information disclosures were authentic, accurate, complete, timely, and transparent.

Investor Relations Management

Sieyuan Electric actively engages in investor relations management, establishing a two-way communication mechanism and platform between the Company and investors. In accordance with the Guidelines for Investor Relations Management of Listed Companies and other relevant laws and regulations, the Company has formulated the Investor Relations Management System, which clarifies the content, methods, organization, and responsibilities of investor relations management. Adhering to the principles of "full information disclosure, compliant disclosure, equal opportunities for investors, honesty and trustworthiness, efficiency and low cost, and interactive communication", the Company carries out investor relations management through multi-channel, multi-platform, and multi-method approaches to foster a timely and trustworthy communication relationship between the Company and investors.

The Company continuously optimizes investor communication forms, interacting with investors through channels such as the official website, telephone, fax, email, and the Shenzhen Stock Exchange Interactive Easy platform, as well as through general meetings of shareholders, reception of visits, and symposiums. These efforts enhance investors' understanding and recognition of the Company, thereby improving the governance level of the listed company and its overall value. Additionally, 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 promptly and accurately access the Company's operational dynamics.



2024 Key Performance Indicators

Investor exchange meetings and research receptions: 12 sessions

Investment institutions received: Over 200 firms

Integrity and Compliance Management

Compliance Management System

Sieyuan Electric has always adhered to a compliance-oriented business approach and continuously optimized its compliance system. The company has established a compliance organization with the Chairman as the highest responsible person and formed a Compliance Management Committee, which is responsible for supervising the overall implementation of compliance management policies and conducting risk assessments. Compliance inspectors monitor the compliance behaviors of each department in daily operations to ensure that every link meets relevant requirements. The company requires all employees to fulfill their compliance responsibilities in daily work, jointly promoting the achievement of the company's compliance goals. Through collaboration at all levels, the company ensures the efficient operation of compliance management, providing a solid guarantee for its compliant operations and further supporting its sustainable development and long-term stability.

The company has formulated and issued the *Sieyuan Code of Conduct*, ensuring that its global business complies with relevant laws and regulations. It requires all employees to strictly abide by compliance principles, maintaining the company's market competitiveness and reputation through honest and fair business practices.

Sieyuan Code of Conduct

No Fraudulent Activities

The company implements a zero-tolerance policy, strictly prohibiting any form of fraudulent activities.

No Money Laundering

The company strictly complies with anti-money laundering laws and regulations, requiring employees to understand clients' backgrounds, fund sources, and transaction purposes to ensure partners are legitimate and reputable.

No Corruption or Bribery

Adhering to a zero-tolerance policy against corruption and bribery, the company strictly prohibits any form of bribery in business dealings with governments, state-owned enterprises, or private enterprises.

Anti-Monopoly and Fair Competition

The company supports open and fair market competition, prohibiting any monopolistic practices, price manipulation, market division, or unfair competition behaviors.

No Insider Trading

The company strictly prohibits insider trading, requiring employees not to use non-public, material information that significantly impacts the company's stock price for stock transactions.

Protection of Company Assets

Employees are responsible for protecting the company's assets, including equipment, materials, and intellectual property rights.

Avoid Conflicts of Interest

Employees must not participate in or influence business decisions related to their personal interests, ensuring fairness and transparency in all decisions.

Protection of Trade Secrets and Confidential Information

Employees must safeguard trade secrets and other confidential information obtained in business operations, and shall not disclose such information to external parties without authorization.

Protection of Cybersecurity and Data Security

The company requires employees to strictly comply with cybersecurity and data management policies to prevent leakage and abuse of sensitive information.

Safeguarding Employee Rights

The company ensures a safe, healthy, and fair working environment, strictly abides by labor laws and regulations, and prohibits its child labor and forced labor.

Environmental Protection

The company attaches great importance to environmental protection, complies with environmental laws and regulations, implements green production, optimizes production processes and technologies, and reduces energy consumption and emissions.

Social Responsibility

The company actively fulfills social responsibility by giving back to society through public welfare activities, charitable donations, and supporting community development.

Clean and Honest Practices

Management of Clean and Honest Practices



The company has always abided by the *Sieyuan Code of Conduct* in its production and business operations, maintaining a zero-tolerance attitude toward corruption and commercial bribery. It attaches great importance to transparency, honesty, and trustworthiness in business interactions with partners, requiring partners to comply with relevant laws, regulations, and policies against commercial bribery and corruption, and striving to create a clean and trustworthy operational environment and sound cooperative relationships. The company mandates that employees in management positions and other sensitive roles (such as those involved in procurement) sign the Clean Performance Commitment Letter to resolutely prevent illegal and irregular acts such as corruption and bribery. During the reporting period, no business ethics violations occurred in Sieyuan Electric and its subsidiaries.

Construction of Clean Culture



Sieyuan Electric actively fosters a clean cultural atmosphere to enhance employees' consciousness of integrity in professional practices. The company regularly conducts systematic clean conduct training, covering professional ethics, laws and regulations, and corporate compliance policies, continuously strengthening employees' awareness and practical ability in upholding integrity. Through training, it helps employees deeply understand the necessity of clean behaviors, encourages them to adhere to integrity principles at work, eliminates any form of corruption and improper acts, ensures all business operations are carried out on the basis of honesty and fairness, enhances the company's social responsibility and transparency, and thus elevates the overall corporate image.

Information Security and Privacy Protection

Information Security Management



Sieyuan Electric continues to promote the construction of its Information Security Management System (ISMS). The company strictly complies with laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, *Data Security Law of the People's Republic of China*, *Personal Information Protection Law of the People's Republic of China*, and *Administrative Measures for Information Security Level Protection*, formulates a series of special information security management systems, and has established an Information Security Committee with the General Manager as the top responsible person to implement information security management and promote the implementation of information security measures. The Information Technology Department is responsible for the centralized management of information system construction. In accordance with the requirements of the *Information Security Management Manual*, it effectively manages IT operation and maintenance, general system security, system log auditing, system development and changes, data backup, etc. Through regular inspections of each system, it ensures the normal operation of information systems and enhances their security and reliability.

Privacy Protection



The company strictly complies with laws and regulations such as the *Consumer Rights Protection Law of the People's Republic of China*, strengthening system and network security through means such as intrusion detection, intrusion prevention, and application firewalls. This effectively protects customer information and privacy, safeguarding all rights and interests of customers. In addition, the company has established a management mechanism for the protection of employees' personal information and privacy, specifying the principles and security requirements for processing employees' personal information to earnestly protect employees' privacy and personal information security. During the reporting period, no information security incidents or privacy violations occurred in Sieyuan Electric and its subsidiaries.

Information Security Culture Construction



The company regards the construction of information security culture as an important cornerstone for its stable development. By establishing an information security communication and training mechanism covering all employees, which includes content related to information security, data security, and confidentiality requirements, it actively fosters a cultural atmosphere of "everyone attaches importance to and participates in" information security, continuously enhancing the company's comprehensive management competitiveness. The company regularly conducts information security emergency drills, simulating the entire process of handling information security incidents to comprehensively improve the comprehensive emergency response capabilities of employees in dealing with information security incidents.

Complaint and Reporting Mechanism

Sieyuan Electric encourages employees, business partners, and other relevant parties to actively report unethical behaviors that violate business ethics. The company has established a complaint and non-compliance reporting mechanism, including reporting, investigation, and accountability procedures, to strengthen compliance management safeguards, promote the deep integration of rule-of-law compliance construction and operational management, and effectively prevent compliance risks.

Reporting Channels

Telephone Hotline: 021-61610952

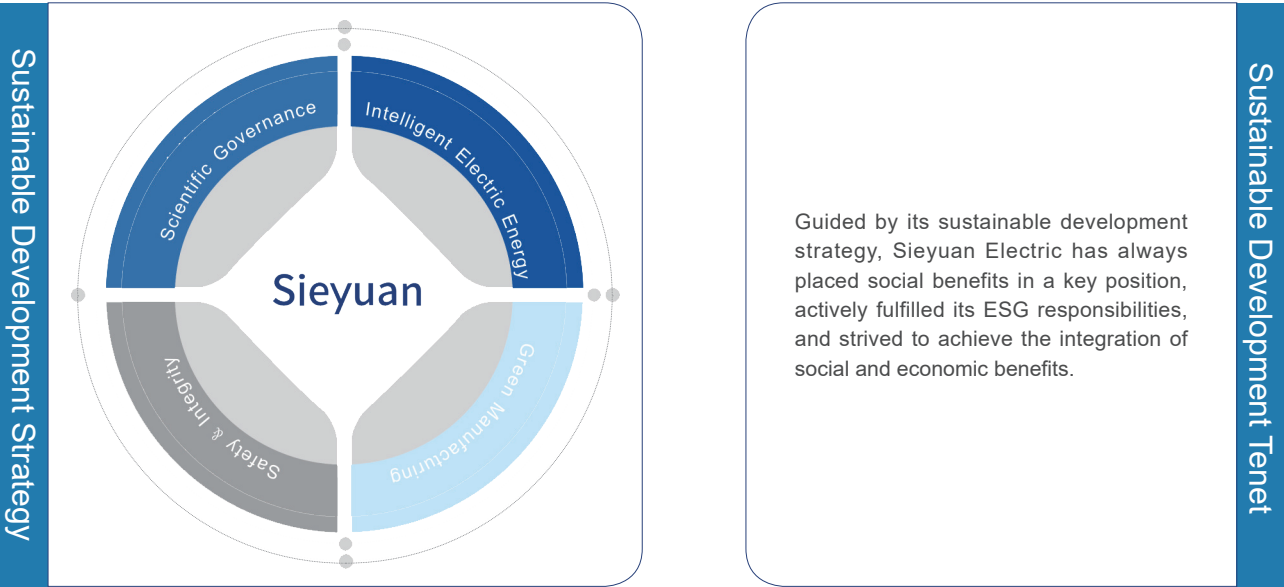
Email Address: hgfwb@sieyuan.com

Mailing/Visiting Address: Compliance and Legal Affairs Department, Sieyuan Electric Co., Ltd., No. 3399 Huaning Road, Minhang District, Shanghai 201108, P.R. China

The compliance management department of Sieyuan will take reports, consultations, or suggestions seriously in accordance with relevant compliance policies and procedures, and accept anonymous reports. The identity of the real name informant will be strictly kept confidential, and any form of retaliation against the informant will be absolutely prohibited to protect the rights and interests of the informant.

Sustainable Development Management

Sustainable Development Strategy and Policy



Sustainable Development Policy

E

We prioritize environmental management by using green raw materials, optimizing equipment and facilities, reducing pollution and waste, implementing green manufacturing, and monitoring carbon emission performance throughout the supply chain. These efforts aim to address climate change and reduce environmental burdens.

S

Ranging from labor rights, health and safety to community relations and social responsibility, we strive to ensure that our global operations comply with social ethics and responsibilities corresponding to local standards in the context of globalization.

G

Compliance with laws, corruption prevention, fair and transparent internal control systems, and timely and accurate information disclosure are our commitments. We balance risks and opportunities, focus on the needs and expectations of stakeholders, and actively seek cooperation for mutual benefit.

Sustainable Development Governance Structure

Sieyuan Electric believes that top-down sustainable development management is the key to achieving corporate sustainability, and is committed to integrating sustainable development concepts into all aspects of business operations. During the reporting period, the company continuously improved its governance structure of "decision-making level - management level - coordination level - implementation level," established a Sustainable Development Committee to provide overall supervision of sustainable development management, and regularly reported to the Board of Directors.



Sieyuan Electric continuously improves its ESG management system. During the reporting period, the company formulated the 'ESG Management System' to further standardize internal management, clarify the organizational structure, personnel responsibilities, and workflow of the Sustainable Development Committee, and ensure efficient communication and decision-making around ESG issues. The company formulates relevant policies and goals in the fields of environmental protection, social responsibility, and corporate governance, implements risk assessments and stakeholder communication, ensures coordinated operation of various departments, and conducts regular performance evaluations to promote the implementation and continuous improvement of sustainable development strategies.

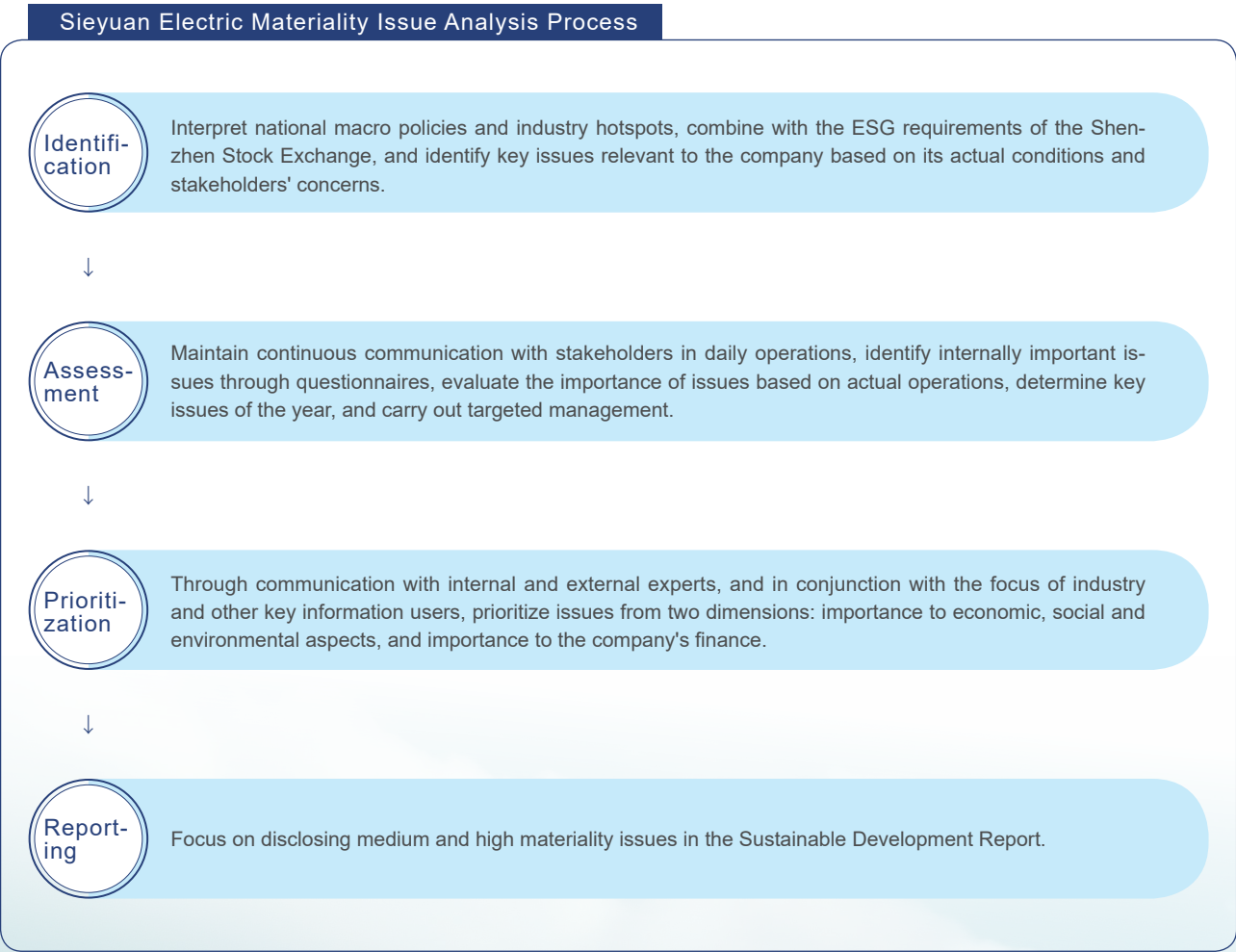
Stakeholder Engagement

Sieyuan Electric attaches great importance to communication and interaction with stakeholders, including government/regulatory authorities, investors/shareholders, customers, employees, suppliers and partners, media, communities, and the public. By establishing regular communication channels and diverse communication methods, the company maintains close contact and exchange with all stakeholders, timely understands their expectations and demands, accurately responds to stakeholders' concerns, and continuously improves its sustainable development management capabilities.

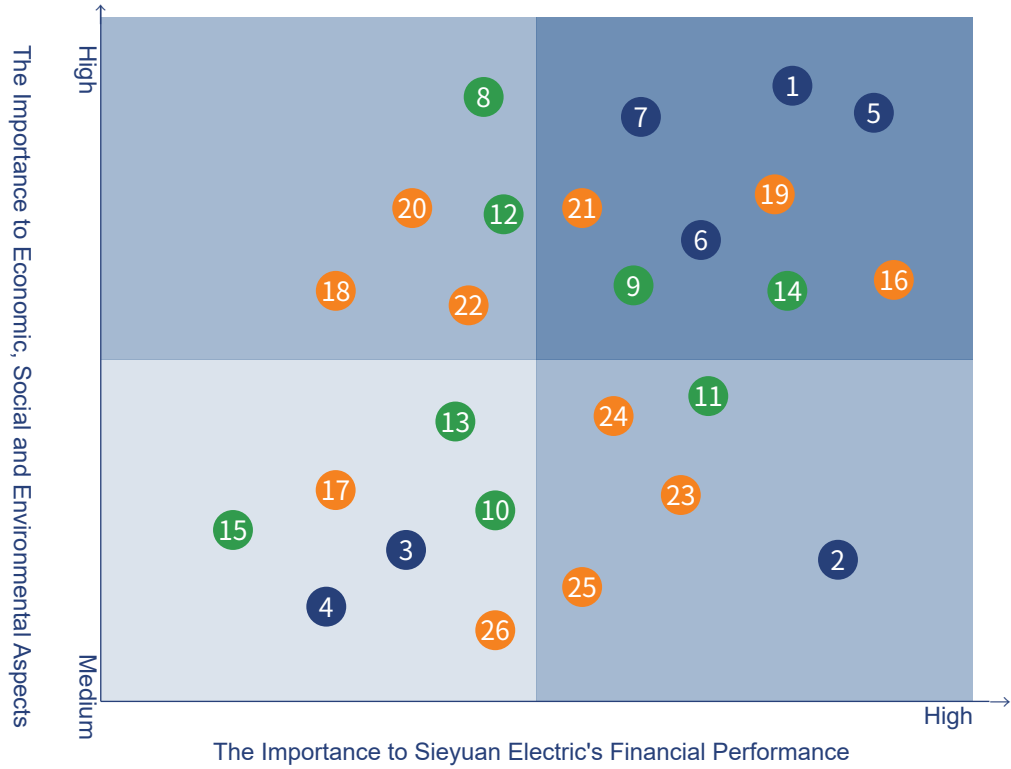
Stakeholders	Demands and Expectations	Communication and Response
 Government/Regulatory Authorities	<ul style="list-style-type: none">- Law-abiding and compliant operations- Implementation of national policies- Tax payment in accordance with the law- Green production- Employment promotion- Efficient resource utilization	<ul style="list-style-type: none">- Institutional inspections- Policy implementation- Regular corporate information disclosure- Actions to address climate change- Environmental monitoring- Implementation of energy-saving projects
 Shareholders/Investors	<ul style="list-style-type: none">- Stable returns creation- Efficient corporate governance	<ul style="list-style-type: none">- General meetings of shareholders- Regular corporate information disclosure- Communication channels such as corporate email
 Customers	<ul style="list-style-type: none">- Product quality management- Technological innovation- High-quality customer service- Integrity management- Customer privacy protection	<ul style="list-style-type: none">- Industry exhibitions- Customer satisfaction surveys- Customer complaint handling and follow-up- Customer privacy protection
 Employees	<ul style="list-style-type: none">- Protection of employee rights and interests- Talent attraction and retention- Diversity and equality- Occupational health and safety- Employee training and development	<ul style="list-style-type: none">- Employee physical examinations- Employee activities- Employee symposiums- Employee training- Employee feedback platforms- Employee engagement surveys
 Suppliers and Partners	<ul style="list-style-type: none">- Responsible procurement practice- Anti-corruption- Good faith performance- Industry development	<ul style="list-style-type: none">- Supplier training- Supplier reviews- Telephone communication- Irregular visits- Academic seminars- Industry exhibitions and training
 Media	<ul style="list-style-type: none">- Information transparency- Smooth communication	<ul style="list-style-type: none">- Company official website- Press releases- Attention to media feedback and suggestions- Establishment of good cooperative relationships
 Communities and the Public	<ul style="list-style-type: none">- Community contribution and participation- Environmental protection- Green production- Promotion of community development	<ul style="list-style-type: none">- Community co-construction and public welfare activities- Community publicity- Environmental impact assessment for new projects- Regular corporate information disclosure

Materiality Issue Analysis

To better respond to the demands and expectations of stakeholders, Sieyuan Electric regularly carries out the identification and analysis of materiality issues. In 2024, the company identified 26 materiality issues relevant to the company by integrating national macro policies, industry practices, and internal/external expert judgments, and ranked the importance of materiality issues to form a materiality issue list.

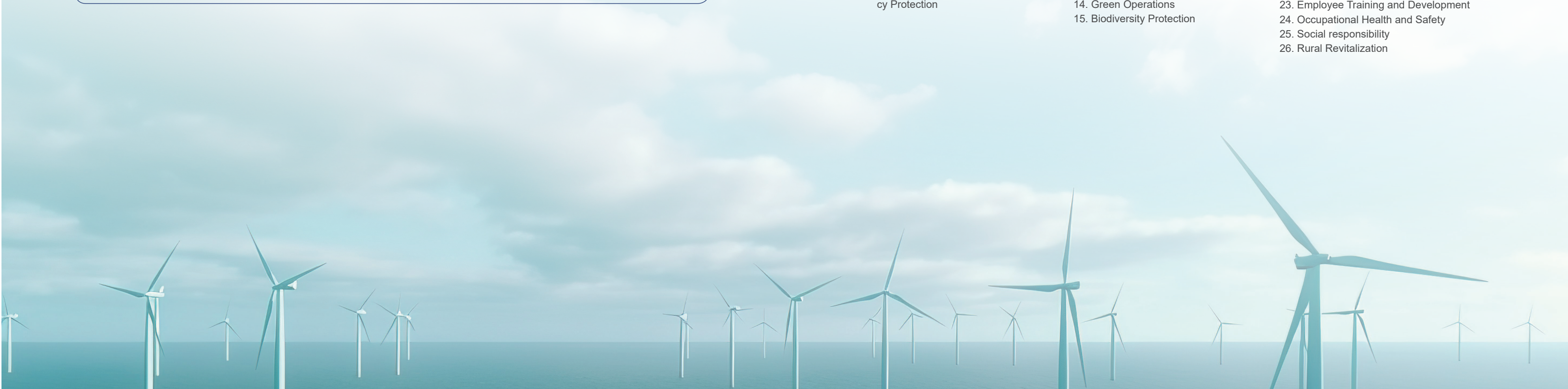


Sieyuan Electric 2024 Materiality Issue Matrix



Materiality Issue List

- Governance**
 - 1. Corporate Governance
 - 2. Internal Control Management
 - 3. Information Disclosure
 - 4. Investor Relations Management
 - 5. Compliance Operations
 - 6. Clean and Honest Practices
 - 7. Information Security and Privacy Protection
- Environment**
 - 8. Environmental Management
 - 9. Pollution Prevention and Control
 - 10. Water Resource Management
 - 11. Energy Management
 - 12. Climate Change Response
 - 13. Greenhouse Gas Emission Management
 - 14. Green Operations
 - 15. Biodiversity Protection
- Social**
 - 16. Innovation and Development
 - 17. Intellectual Property Protection
 - 18. Cooperative Win-Win
 - 19. Quality Management
 - 20. Customer Service
 - 21. Responsible Procurement
 - 22. Employee Rights and Care
 - 23. Employee Training and Development
 - 24. Occupational Health and Safety
 - 25. Social responsibility
 - 26. Rural Revitalization



03

Driven by Innovation to Co-write a New Chapter for the Industry

Sieyuan Electric always adheres to technology leadership and innovation driven development. The company relies on its own scientific research platform to establish a research and development management system, and launches products and services with technological advantages and quality assurance. At the same time, the company attaches great importance to communication with the industry and academia, actively participates in the formulation of industry standards, and leads the common progress of science and technology.



Innovative Development

Innovation System Construction

Sieyuan Electric adheres to an innovation-driven development strategy and has established a multi-tiered innovation system,including 5 municipal-level enterprise technology centers, 1 provincial-level engineering technology center, and 2 national-level testing center platforms.Through these innovation platforms,Sieyuan Electric promotes the advancement of technology research and development as well as testing capabilities,ensuring that its products and technologies consistently maintain a leading position in the industry.

Sieyuan Electric attaches great importance to the construction of its R&D team, striving to build a technical team with solid expertise, rich R&D experience, and strong innovation capabilities. The company accelerates the cultivation of high-quality talents by establishing a comprehensive talent introduction and cultivation mechanism, providing platforms for talent demonstration and learning growth, and persisting in practical training to enhance the scientific research capabilities of technical personnel. This enriches the company's technical talent pool and expedites the in-depth development of technology and the horizontal expansion of application fields. The company effectively manages special support funds for scientific research, formulates regulations for the management of special support funds for scientific research, and commends and rewards units and individuals who have made outstanding contributions in scientific and technological advancement activities.

Innovative Achievements

Sieyuan Electric has achieved significant accomplishments in the field of innovative research and development, becoming one of the few domestic enterprises with the capability to develop both primary and secondary power equipment, as well as the ability to integrate primary and secondary systems. In 2024, the company independently developed and designed the Static Synchronous Condenser (SSC), which is the first in China to adopt the "Dual-Star MMC + Centralized Supercapacitor" cluster management technology route. This project was successfully put into operation at the 110 kV Jiamu Station in the Ali region of Tibet, becoming the first key power supply project in Tibet in 2024, and received high praise from the State Grid Ali Power Supply Company.

In the field of arc interruption technology, Sieyuan Electric has achieved a breakthrough in adaptive control of the airflow field at the current zero point. In collaboration with domestic universities, it has established China's first gas arc plasma parameter database and developed high-performance simulation software for arc interruption. This technological achievement addresses the core challenges of enhancing thermal recovery and insulation recovery performance at the arc zero point for high-capacity


In the field of power quality, the H-bridge series 35kV direct-hanging SVG technology developed by Sieyuan Electric has reached the internationally leading level, making the company the only enterprise in the world that has mastered this technology. Additionally, the SHR5000 system launched by Sieyuan Electric, as a second-generation digital substation product, possesses stronger technological advantages compared to similar domestic products, further consolidating the company's technical leadership position in the field of smart substations.

Since obtaining EPC qualifications, Sieyuan Electric has successively gained qualifications from major national grid suppliers worldwide, enhancing its competitiveness with leading global power enterprises. The company adheres to an innovation-driven development strategy, actively expanding cutting-edge technologies such as flexible DC transmission and power storage, and is committed to maintaining its position among the top three in the international power transmission and distribution equipment sector. Additionally, it has established a technological leadership position in the fields of smart grids and emerging power technologies.

Intellectual Property Protection

Sieyuan Electric strictly adheres to 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, regulations, and management guidelines in the jurisdictions where it operates and conducts business. The company continuously strengthens its intellectual property management, ensuring the lawful protection of its own intellectual property while avoiding infringement on others' intellectual property rights. Sieyuan Electric regularly conducts training sessions related to intellectual property to enhance employees' awareness of intellectual property protection, and implements comprehensive measures to strengthen the protection of the company's intellectual property. In 2024, the company did not encounter any illegal or non-compliant incidents related to intellectual property protection.

Win-win cooperation



Industry Exchange

Sieyuan Electric actively participates in activities of various industry associations, sharing experiences with peers, discussing market trends, and continuously enhancing interaction and collaboration within the industry through technical exchanges and cooperation, jointly promoting industry development. The company contributes to the improvement of industry norms and standards by participating in the formulation of national and industry standards, facilitating the upgrading and innovation of industry technology, and making positive contributions to the overall development of the industry, driving technological progress and continuous innovation in the electrical industry.





Industry-University-Research Collaboration

Sieyuan Electric, while advancing its own technological innovation and promoting the development of its R&D team, also actively engages in multi-level and multi-faceted industry-university-research collaborations with scientific research institutions, higher education establishments, and renowned enterprises. By leveraging external R&D capabilities, the company continuously enhances its overall R&D proficiency. Sieyuan Electric has established cooperative relationships with domestic and international universities such as Tsinghua University, Shanghai Jiao Tong University, Xi'an Jiaotong University, and the University of Liverpool in the UK. These collaborations involve joint strategic research and development, providing robust external support for the company's innovation in new technologies and products, as well as the promotion and application of these advancements, thereby strengthening its independent innovation capabilities.

Strategic Cooperation

Entered into a strategic cooperation with China Railway Design Group Co., Ltd.



Technical Exchange

Host the 3rd Technical Seminar on Design Renovation and Green Intelligent Development of Urban Rail Transit Power Supply Systems to enhance our company's brand influence in the urban rail industry.



Host the 8th "China Railway, Sieyuan Companion" Technical Seminar to continuously enhance brand influence in the field of electrified railways.



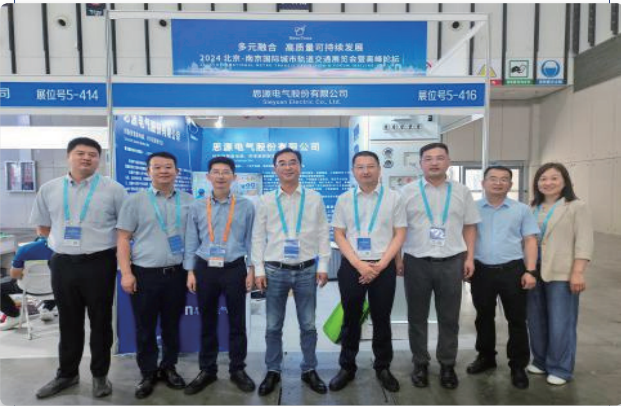
Speech on the Development Progress and Prospects of Environmentally Friendly Gas Interruption Technology at the High Voltage Electrical Equipment Technology Seminar and Xi'an Jiaotong University Silk Road Forum.

环保气体断路器开断技术研发进展

思源电气股份有限公司



Participate in the 2024 Beijing-Nanjing International Urban Rail Transit Summit Forum.



Participated in the 30th Annual Conference on Railway Electrification Design.



2024 Petrochemical Industry New Power System Technology Symposium.

2024石油化工行业新型电力系统技术专题研讨会

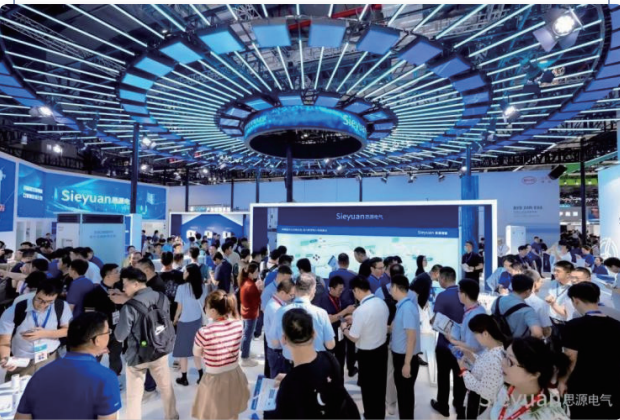


2024 Specialized Exchange Seminar on Online Monitoring and Fault Diagnosis Technology for Electrical Equipment.

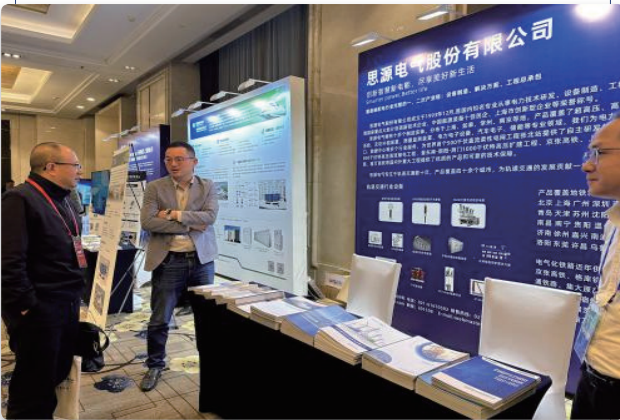


Industry Exhibition

Participate in the SNEC2024 17th International Solar Photovoltaic and Smart Energy (Shanghai) Conference and Exhibition.



Attend the 3rd Conference on Rail Energy and Power System Technology Development.



Strict Quality Control Management

Quality Management System

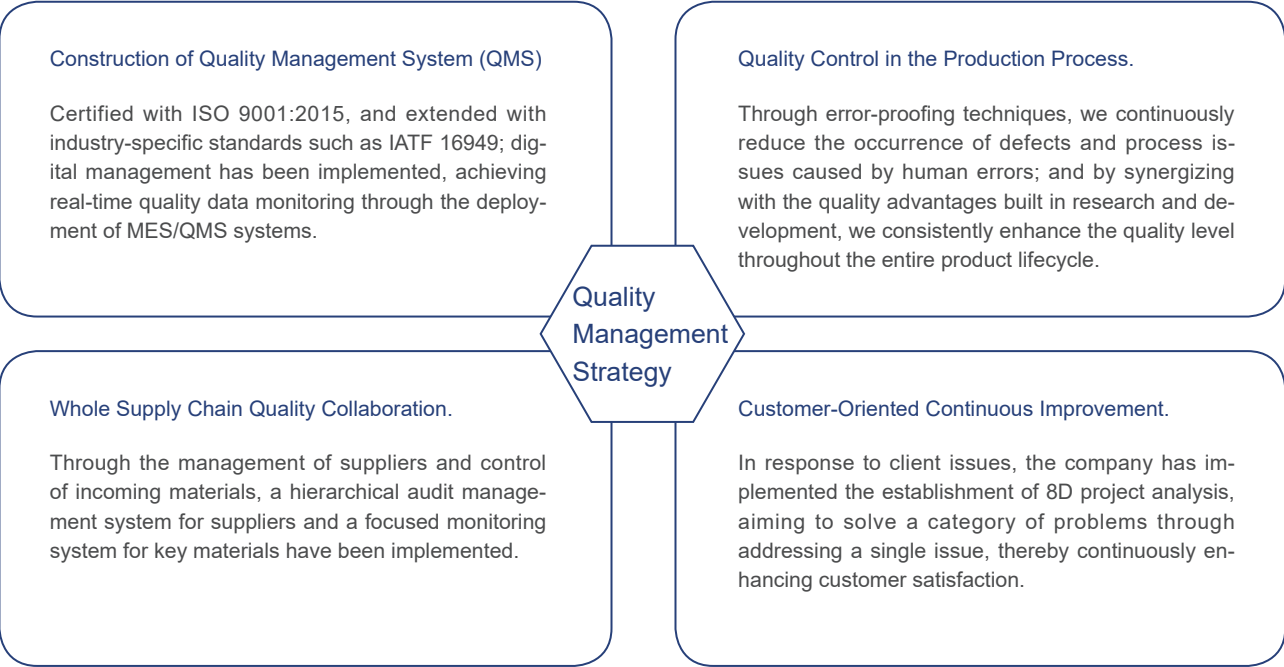
Quality is the guarantee for the survival and development of enterprises and the lifeline for market expansion. Sieyuan Electric strictly adheres to relevant national laws, regulations, and industry standards, establishing and continuously improving its quality management system. To accelerate the company's high-quality development towards green and low-carbon, digitalization, intelligence, energy efficiency, safety, and reliability, the company rigorously controls the quality management process and takes multiple measures to enhance the quality management level, thereby supporting corporate development and elevating the brand image. As of the end of the reporting period, the company has obtained ISO 9001:2015 Quality Management System certification, which remains valid.



ISO 9001 Certificate

Quality Management Measures

The company has implemented multifaceted initiatives, focusing on the construction of the Quality Management System (QMS), quality collaboration across the entire supply chain, quality control in the production process, and customer-oriented continuous improvement, to consistently enhance the effectiveness of quality management and control.



Quality Culture Development

The company is committed to fostering a rigorous, pragmatic, and excellence-driven quality management culture, encouraging employees to incorporate quality control awareness into their daily work processes.



Quality Promotion Lecture



Knowledge Competition



QCC & Proposal Improvement Contest

Optimize customer service

Customer Rights Protection

Fair trade

Sieyuan Electric adheres to the business philosophy of integrity as the foundation, strictly complies with relevant laws and regulations such as the "Advertising Law of the People's Republic of China" and the "Consumer Rights Protection Law of the People's Republic of China," and insists on conducting advertising and marketing activities based on the principles of truthfulness, objectivity, and accuracy. Sieyuan Electric does not publish misleading or false advertisements, fully respects consumers' right to know and their right to make independent choices, and strives to create a fair, transparent, and reassuring consumption environment for customers.

Customer Privacy Protection

The protection of customer privacy is a crucial aspect of safeguarding customer interests. The company has established a comprehensive customer information protection mechanism, incorporating customer information into the scope of corporate trade secret protection. A dedicated team is responsible for the collection, storage, updating, and access management of information, preventing customer information from being leaked or misused. The company continuously strengthens its cybersecurity and information security defenses, effectively ensuring the protection of customer rights and interests.

Customer Health and Safety Assurance

Sieyuan Electric actively practices a scientific and rigorous marketing approach, considering customer health and safety as one of the core customer rights, and integrates it into the entire lifecycle management of products and services to ensure comprehensive protection of customer health and safety.



Customer Communication

Sieyuan Electric has established a multi-channel customer feedback collection and processing mechanism to ensure transparent, timely, and accurate communication with customers. Based on customer feedback, the company identifies potential issues and formulates improvement measures, which are implemented in product design, production processes, and service procedures to enhance brand competitiveness and drive continuous business growth.



Responsible Sourcing

Sustainable Procurement Management

The company adheres to the principle of "cooperation for mutual benefit," working closely with suppliers and business partners to jointly advance sustainable development. To further implement sustainable development goals, the company has formulated a "Sustainable Procurement Policy," providing detailed operational guidelines to regulate and guide procurement practices. The company requires all suppliers to adhere to ethical procurement practices and ensure compliance with company standards in areas such as labor treatment, environmental protection, and anti-corruption. When signing procurement contracts with suppliers, the company incorporates relevant sustainable development clauses to ensure suppliers comply with environmental regulations, fulfill social responsibilities, and uphold ethical standards.

Supplier Risk Assessment

In accordance with the "Supplier Development and Management Process," the company requires suppliers to complete the "Supplier Corporate Social Responsibility Risk and Performance Due Diligence Record Form." It collects suppliers' compliance information through public channels such as government regulatory websites, enterprise credit information disclosure systems, and news media, including records of administrative penalties, environmental violations, and labor dispute litigation. The company employs a combination of qualitative and quantitative methods to assess suppliers' corporate social responsibility risks and compiles a "Procurement Evaluation Report." The report covers risk identification, the assessment process, risk levels, and subsequent management measures.

Supervision of Rectification and Follow-up

The company's procurement department is responsible for continuously following up on the rectification status and subsequent management measures of suppliers. Through a dynamic monitoring mechanism, the company ensures that suppliers comply with sustainable procurement requirements in areas such as environmental protection, labor rights, and business ethics.

Supplier Incentive Mechanism

To promote the improvement of suppliers' sustainable management capabilities, the company has established a supplier tiered management and incentive mechanism, offering different cooperation opportunities based on suppliers' ESG performance. Through the Green Supplier Priority Procurement Incentive Program, the company encourages suppliers to adopt environmentally friendly materials, reduce carbon emissions, optimize production management, and enhance the overall sustainability level of the supply chain.

Construction of a Clean Supply Chain

The company is committed to building a transparent, fair, and trustworthy supply chain system, requiring all suppliers to strictly adhere to the "Supplier Code of Conduct" to ensure that procurement activities are free from commercial bribery, unfair competition, and conflicts of interest. The company has established a supply chain whistleblowing mechanism to encourage internal employees and suppliers to report corrupt practices, and strictly protects whistleblowers to ensure the integrity of the supply chain. The company regularly conducts integrity training for procurement personnel to enhance employees' awareness of anti-bribery, anti-fraud, and fair competition, ensuring that all procurement activities comply with business ethics standards. During the reporting period, the company did not identify any supply chain corruption incidents.

Sustainable Supply Chain Training

The company regularly organizes its procurement team and relevant departments to participate in sustainable procurement training. The training content covers environmental protection, social responsibility, green procurement standards, and supply chain compliance management, ensuring that procurement activities comply with ESG requirements. Simultaneously, the company encourages and supports suppliers to participate in sustainable training, enhancing their compliance awareness and execution capabilities in environmental management, social responsibility, and labor rights. Through training and collaboration, the company assists supply chain partners in practicing sustainable development concepts during production and operations, jointly promoting green procurement practices, fulfilling social responsibilities, and achieving long-term sustainable growth.

During the reporting period

he coverage rate of sustainable procurement training for the company's procurement staff reached

100%

Responsible Mineral Management

Sieyuan Electric aims for "zero conflict mineral procurement and usage," advancing responsible mineral management by regularly monitoring and actively identifying procurement links associated with conflict minerals, and continuously tracking the attributes and origins of all mineral materials in the supply chain. The company has incorporated the requirement of "no use or sale of conflict minerals" into its "Supplier Code of Conduct," mandating all core suppliers to provide due diligence measures and results. Additionally, Sieyuan Electric has listed the involvement with conflict minerals as a critical management item in the new supplier admission and qualified supplier review processes.

In accordance with the Basic Catalog of Conflict Minerals, the company requires suppliers to provide the "Conflict Minerals Due Diligence Form" and actively tracks the sources of materials. Suppliers commit that the materials provided to Sieyuan Electric are not sourced from the Democratic Republic of the Congo and its surrounding countries and regions. Furthermore, there are no violations of labor rights in the mining process of related minerals, including but not limited to child labor, forced labor, and unsafe working conditions. The company has established channels for complaints regarding conflict minerals and other ESG management aspects of suppliers, ensuring timely reception of external feedback and follow-up actions. During the reporting period, the company did not use materials sourced from the Democratic Republic of the Congo and its surrounding countries and regions, and there were no instances involving the use of conflict minerals.

04

People-oriented, creating a happy workplace

Talent is the cornerstone for enterprises to achieve sustainable development. Sieyuan Electric regards its employees as its most valuable asset, consistently adhering to the "people-oriented" development philosophy. The company safeguards the fundamental rights and interests of its employees, creates an equal, inclusive, healthy, and safe workplace environment, continuously enhances employee satisfaction and happiness, and promotes the mutual growth of employees and the enterprise.



Employees' Rights and Benefits

Compliant Employment

Sieyuan Electric strictly adheres to the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other relevant laws and regulations. The company actively responds to international conventions such as the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, ensuring comprehensive protection of employees' legal rights. Sieyuan Electric legally signs labor contracts with employees, provides social insurance, and establishes a positive labor-management relationship. **In 2024, there were no instances of human rights violations such as discrimination, harassment, child labor, or forced labor.**

The company adheres to the principles of equality, fairness, and compliance in employment, respecting and appreciating the differences and unique talents of each employee, and collectively creating a gender-equal and inclusive work environment. We regard the employment of individuals with disabilities as a social responsibility, actively providing positions that match their physical conditions and work capabilities, and guiding them to integrate into the Sieyuan Electric family. We assist them in continuously improving themselves and realizing their own value.

We are committed to ensuring equal pay for equal work between male and female employees, prohibiting any form of gender-based discrimination in compensation, and guaranteeing that female employees enjoy equal rights and opportunities in the workplace as their male counterparts. We strictly enforce the *Special Regulations on Labor Protection for Female Employees*, which specify protective measures for female employees during special periods, including reduced workload, maternity leave, and nursing leave, thereby rigorously safeguarding the special rights and interests of female employees.

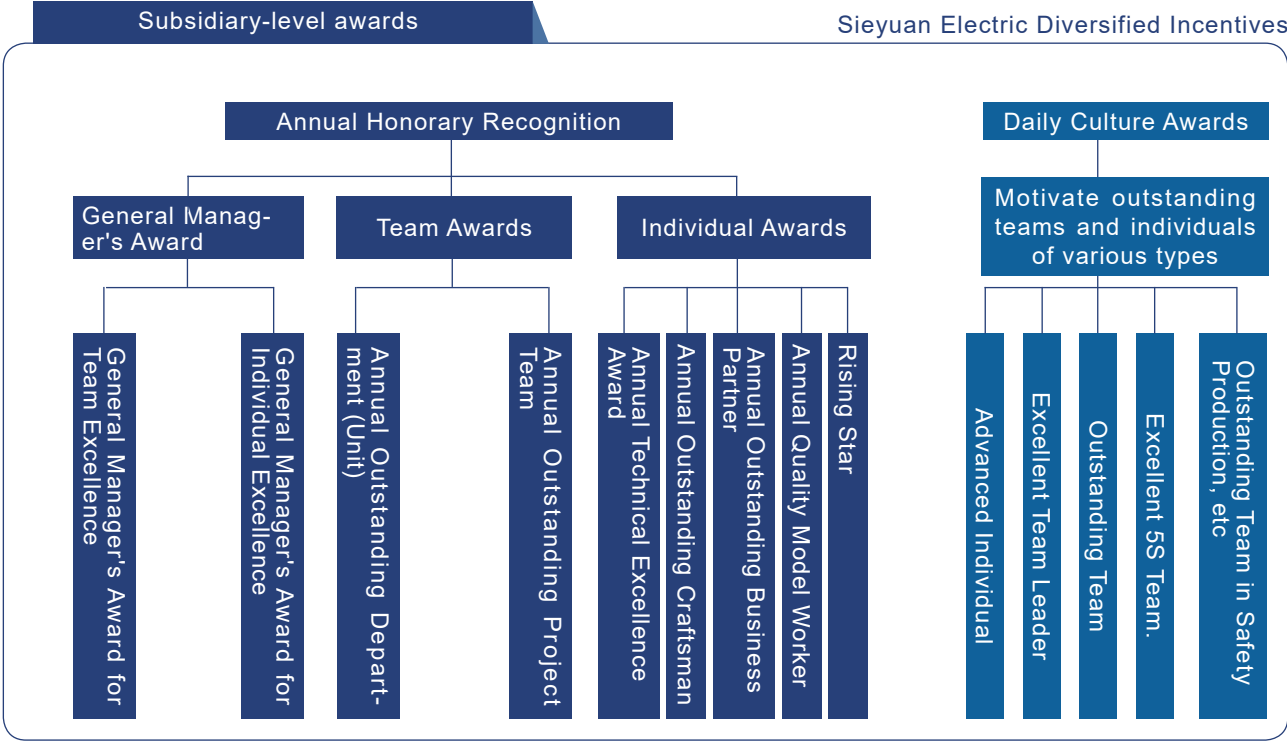
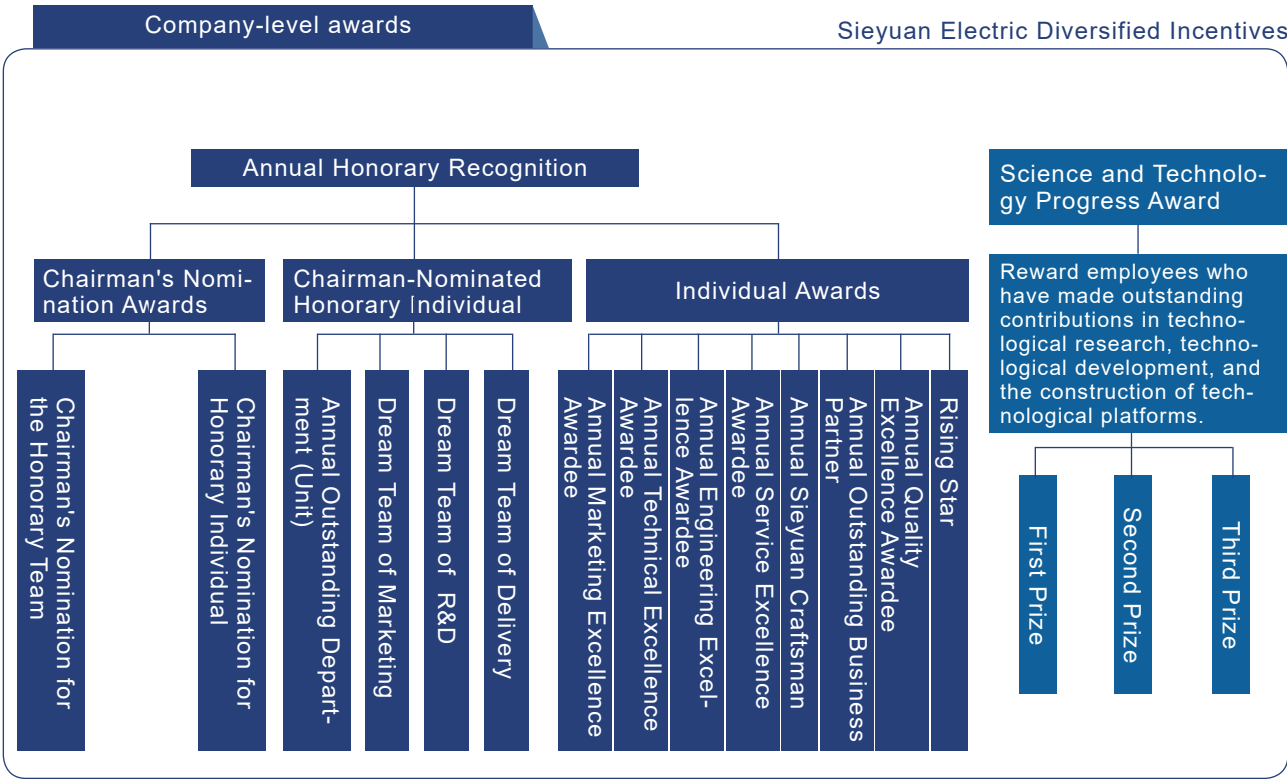


Sieyuan Electric Human Rights Commitment

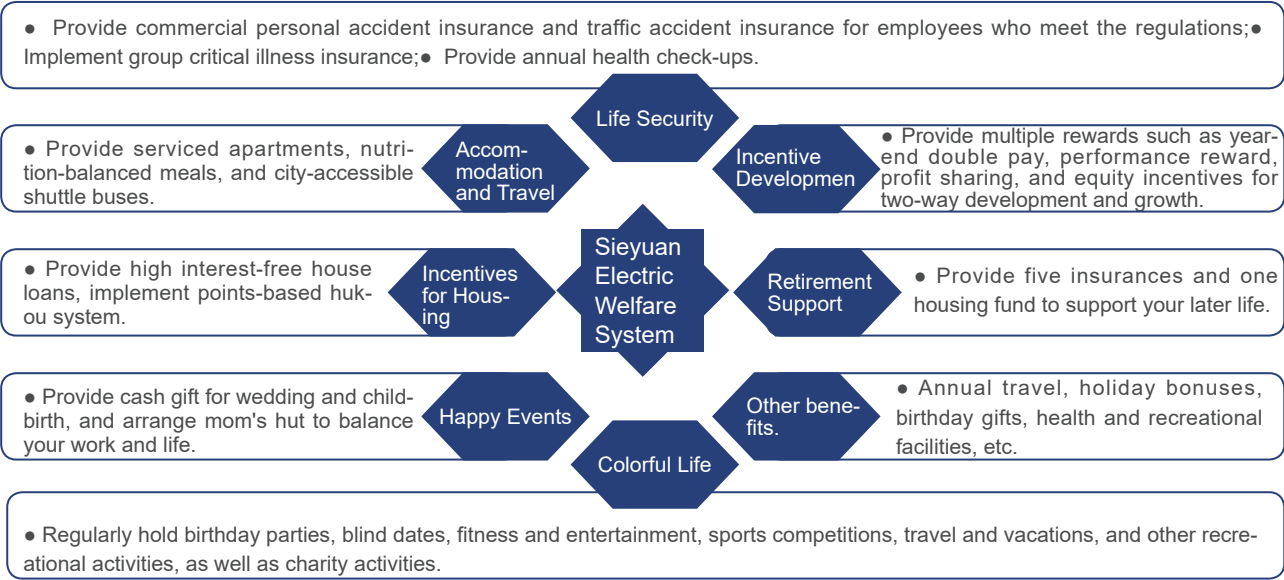
- Promote fair treatment, non-discrimination, and create equal employment opportunities
- Establish, maintain, and improve employee relationship management
- Comply with the employment and labor laws and regulations of the host country
- Protect workers, including vulnerable groups such as migrant workers, third-party workers, and workers in the upstream and downstream of the supply chain
- Promote safe and healthy working condition
- Prohibition of forced labor
- Prohibit the employment of individuals who are under 18 years of age, below the local minimum employment age, or below the compulsory school attendance age (whichever is the highest)
- Prohibition of slavery and human trafficking

Compensation and Benefits

Sieyuan Electric implements a compensation principle of "determining levels based on positions, setting salaries based on levels, matching people to positions, and adjusting salaries with position changes," establishing a compensation system suitable for the company's development needs and providing employees with competitive remuneration. The employee compensation structure consists of a base salary and a variable salary, with the variable salary linked to individual performance, thereby incentivizing employees' enthusiasm and creativity in their work. The company offers diversified rewards to employees, including rewards at the holding company level and subsidiary level, aiming to "attract talent, retain talent, and motivate talent".



The company has established a comprehensive and well-rounded employee benefits system, creating a superior working environment and living conditions for its employees. In addition to statutory benefits, we also provide health benefits, life security benefits, holiday benefits, and more, all aimed at enhancing employees' sense of happiness and belonging. At the same time, we regularly evaluate the implementation of the benefits system, collect feedback from employees, and make timely optimizations to ensure that employees fully enjoy the fruits of the company's development.





Tug of war competition



Sports Meet

Female Employee Care

Sieyuan Electric firmly believes that female employees play an irreplaceable role in the company's development and has implemented caring measures in every detail of daily work. The company provides pregnant meals and equips nursing rooms for female employees who are expecting, and organizes health science lectures and free medical consultations at their doorsteps, effectively meeting the practical needs of female employees and safeguarding their physical and mental health. Meanwhile, the company also holds a variety of activities for International Women's Day, guiding female employees to enhance their cultural cultivation and fully showcase their feminine elegance.



"March 8th Women's Day" event



Employee Care and Assistance

The company places great emphasis on employee care and support, fully demonstrating the spirit of unity and mutual assistance within the Sieyuan Electric family. We conduct the "Summer Cooling, High-Temperature Greetings" activity, visiting frontline employees who remain steadfast in their positions, and providing them with heatstroke prevention and cooling supplies. We have established a support and assistance mechanism for employees in difficulty, setting up a hardship fund to help employees overcome their troubles. We also hold farewell gatherings for retiring employees, acknowledging their contributions to the company, and offering them special greetings and blessings.



High-temperature consolation visit



Retired Employee Appreciation



Employee Growth

Talent cultivation

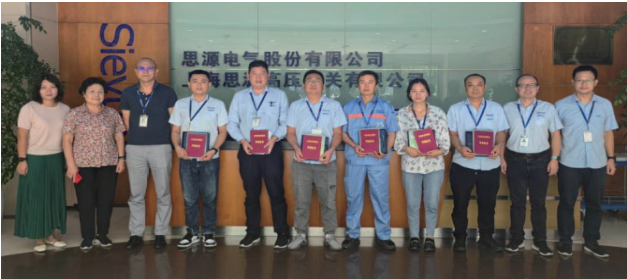
Sieyuan Electric, based on its strategic planning and employee development needs, formulates systematic, scientific, and comprehensive training programs. It adopts diversified training methods, including internal training, external trainers for in-house training, and external training assignments, as well as a combination of online and offline approaches. These programs provide all-around, multi-level training for employees in different positions and at various levels, continuously enhancing their competencies and comprehensive abilities, thereby achieving human capital appreciation.

Sieyuan Electric Training System		
Training Category	Training Content	Training Objective
Corporate Knowledge	Including the company's development history, organizational structure, corporate culture, core values, management system, and institutional processes	Assist employees in understanding the company, integrating into the company, and adapting to the work environment
Product Knowledge Category	Including industry overview, basic knowledge of power systems, product knowledge, etc	Help employees understand the industry in which the company operates and the company's main products
Professional Skills Category	Including professional categories such as Strategy & KT, R&D, Supply Chain, Sales, Customer Service, Engineering, Quality, Human Resources, Finance, IT, and Administration	Enhance employees' professional competence
Personal Efficacy Category	Including general office software (such as Office series software, Notes, etc.), communication skills, time management, professional mindset, and team collaboration	Assist employees in enhancing work efficiency and professionalism
Leadership and Management	Including role cognition, leadership, performance management, subordinate development, financial management, strategic management, planning management, and meeting management	Enhance the team management and business management capabilities of managers at all levels

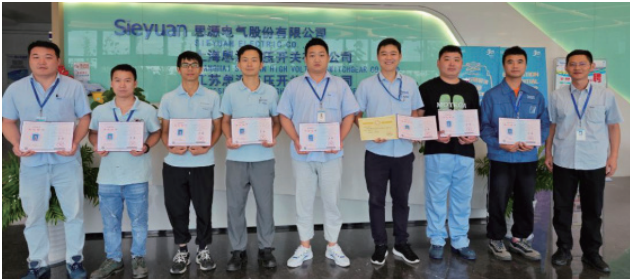


English training





Sieyuan Craftsman Class



Thematic Technical Lecture



Cadre Training Program



Internal Lecturer Certification



Case

Sieyuan Electric Improves the Onboarding Training System for New Socially Recruited Employees

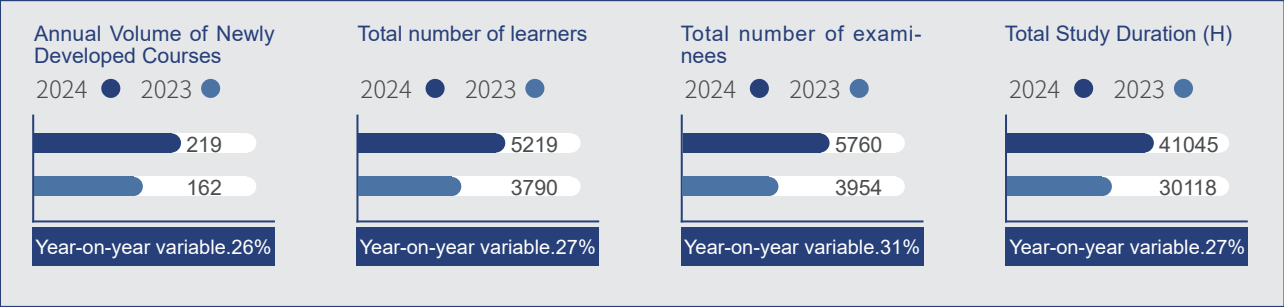
In 2024, in response to the actual conditions of new employees' workplaces and the company's development trends, we updated the training courseware, optimized the examination question bank, and invited instructors to re-record video courses. We also institutionalized the onboarding training for non-operational new employees recruited from the society (a total of 10 offline onboarding training sessions were conducted throughout the year), effectively covering all new employees and assisting them in quickly integrating and developing their talents



校招大学生在GIS车间学习、实操留念

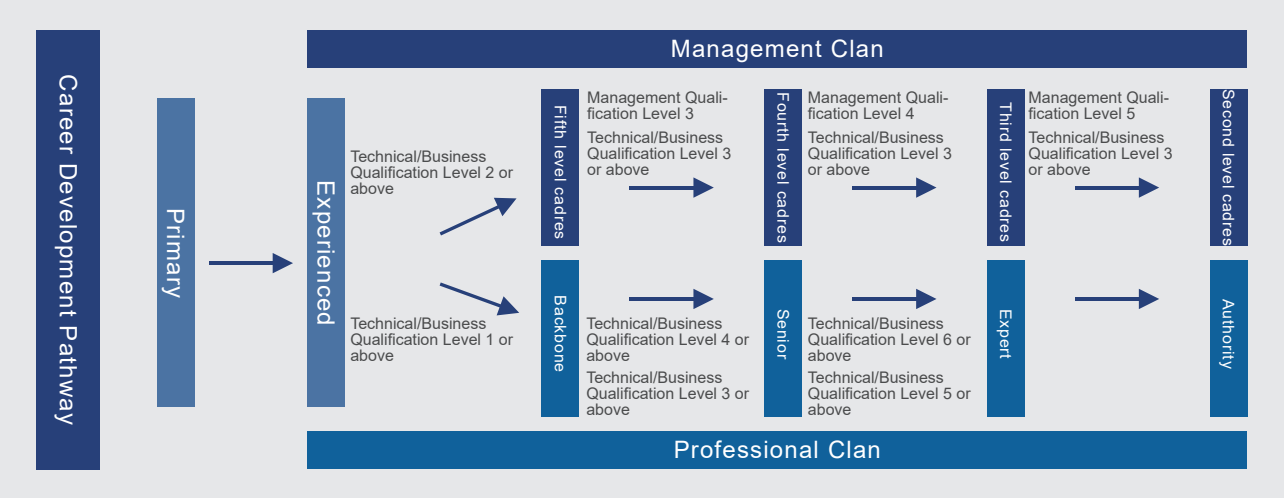
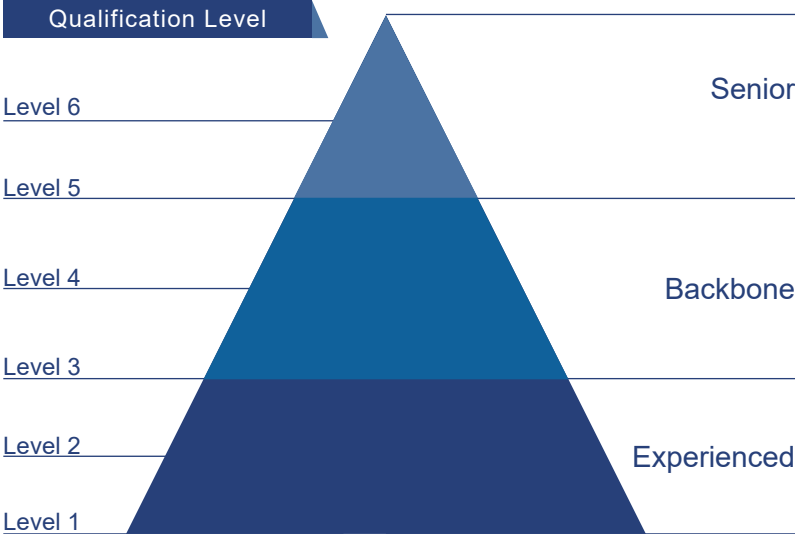


Performance of Sieyuan Electric's 2024 Training

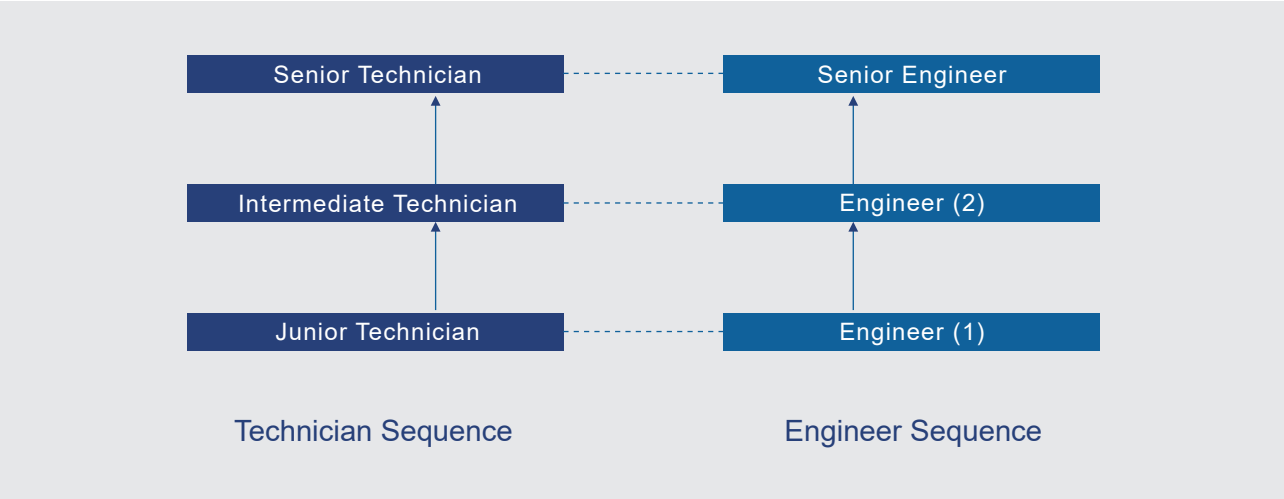


Employee Development

The company has established clear and scientific career development plans for its employees, continuously expanding career development opportunities and refining career development pathways. Adhering to the principle of gradual progression, the company has developed a dual-track development system that equally emphasizes both management and professional paths. We have implemented a self-driven, flexible qualification management mechanism, clearly defining qualification standards to motivate employees to continuously learn and strive for advancement. The company categorizes qualification levels into six grades (1-6). After achieving the third qualification level, employees can choose either the professional (technical/business) track or the management track based on the company's needs and their own interests. This approach enables long-term focus and continuous accumulation of core business capabilities, thereby building a team of experts.



Meanwhile, the company regards technicians as valuable assets, focusing on the development of the technician team and the enhancement of job skills, and vigorously cultivating the spirit of craftsmanship. The company actively guides frontline employees to delve into job technologies, opening up their career development paths through the evaluation and appointment of technicians. The benefits and treatment of the technician position sequence are consistent with those of the engineering technical staff.



Occupational Health and Safety

Occupational Health and Safety Management

The health and safety of our employees is our greatest responsibility. Sieyuan Electric adheres to the safety production policy of "Safety First, Prevention Foremost, Comprehensive Management," implements the main responsibility for safety production, constructs a comprehensive occupational health and safety management system, and strives to reduce occupational health and safety risks, creating a safe, healthy, and sanitary working environment for employees. During the reporting period, the company maintained the effectiveness of the ISO 45001 Occupational Health and Safety Management System.

The company and its subsidiaries have established safety committee organizations, with the chairman of the board and the principal responsible persons of the subsidiaries serving as the directors of the safety committees. The safety committees convene meetings at least once every quarter to analyze the current state of production safety, summarize the achievements of periodic work, study significant safety matters, and deploy key tasks for the next phase. The company resolutely implements the system of production safety responsibility for all employees, formulates the Safety Responsibility Statement, clarifies the safety requirements of each unit and the safety management responsibilities of the responsible persons, effectively eliminates regulatory blind spots, and forms a safety management responsibility network with dual responsibilities for each position, extending horizontally to all sides and vertically to the bottom.



ISO 45001 Certificate

Occupational Health

Sieyuan Electric strictly adheres to laws and regulations such as the *Occupational Disease Prevention and Control Law of the People's Republic of China* and the *Interim Provisions on the Supervision and Management of Occupational Health in Workplaces*. The company continuously improves its occupational health protection system, strengthens the management of occupational hazard prevention and control, enhances the level of occupational hazard prevention and control, and safeguards the health of workers during the labor process.

Occupational Disease Hazard Notification and Warning

When entering into employment contracts with employees, the company shall truthfully inform them of the occupational hazards and their consequences that may arise during the work process, as well as the protective measures and benefits related to occupational hazards, and shall specify these in the labor contract. The company shall set up notice boards in prominent locations to publicize the rules and regulations on occupational hazard prevention and control, operating procedures, emergency rescue measures for occupational hazard accidents, and the results of the detection and evaluation of occupational hazard factors in the workplace. Additionally, the company shall place warning signs and Chinese warning instructions in prominent positions at job positions where occupational hazards are present.

Occupational Health Examination

The company provides pre-employment, during-employment, and post-employment occupational health examinations for workers exposed to occupational hazards based on the categories and exposure levels of existing occupational hazards, and establishes occupational health surveillance records for employees. For employees found to have occupational contraindications or health impairments related to their work during the examinations, the company will transfer them from their original positions and handle the situation appropriately. For suspected cases of occupational diseases, the company will report to the local health authorities as required and arrange for occupational disease diagnosis or medical observation as instructed by the examination institution. In 2024, the company achieved a 100% coverage rate for occupational health examinations in positions with occupational hazards, and no cases of occupational diseases were identified.

Occupational Health and Safety Training

The company adopts a combined online and offline approach to organize occupational health education and training for employees in positions with occupational hazards and occupational health management personnel. This training aims to disseminate basic knowledge of occupational health laws and regulations, management systems, and operational procedures, and to help employees master the skills of correctly using and maintaining occupational hazard protection equipment and personal protective equipment. Simultaneously, the company extensively conducts occupational health promotion through bulletin boards, meetings, and posted slogans.

Case

Sieyuan Toshiba Conducts Occupational Health Training

To further enhance employees' self-protection awareness and capabilities, Sieyuan Toshiba conducted occupational health training in September 2024. The training covered the definition of occupational diseases, hazard factors and preventive measures, and the correct use of personal protective equipment. An oral examination was administered to ensure that employees truly mastered the protective skills, thereby reducing the risk of occupational diseases.

Workplace Safety

Sieyuan Electric firmly establishes the concept of safe development, regards production safety as an important part of its development strategy, and carries out activities such as risk control, hazard investigation, emergency drills, and safety training. It resolutely adheres to the bottom line and red line of production safety, prevents the occurrence of production safety accidents, and effectively safeguards the safety of employees' lives.

Dual Prevention Mechanism

The company has established and improved the operational model and mechanism for hierarchical control of safety risks and the management of hidden hazard investigations and rectifications. It is committed to placing safety risk control ahead of hidden hazards and the management of hidden hazard investigations and rectifications ahead of accidents, thereby achieving the construction of a dual prevention mechanism with full participation, comprehensive coverage of all positions, and seamless integration throughout the entire process.

The company continuously conducts hazard identification and risk assessment. It sets up job risk notification cards for positions with significant risks, clearly defining safety risk classification control measures and responsible personnel. This approach shifts the focus forward and downward, enhancing the ability and level of prevention and curbing production safety accidents. The company carries out comprehensive hazard investigation and rectification through daily inspections, special inspections, and seasonal inspections. For identified hazards and issues during inspections, the company clarifies rectification plans and responsible personnel, and supervises the rectification progress to achieve closed-loop management.

Improve emergency management

The company strictly adheres to laws and regulations such as the *Emergency Response Law of the People's Republic of China* and the *Management Measures for Emergency Plans for Production Safety Accidents*. It has developed emergency plans including comprehensive, specialized, and on-site response plans, establishing a robust emergency management system to ensure rapid, orderly, and accurate handling of various production safety accidents that may occur within the production area. We regularly conduct emergency drills and arrange for all employees to undergo emergency knowledge training, helping to enhance their emergency response capabilities and minimize the losses caused by sudden safety incidents.



Case

Sieyuan Toshiba Conducts Fire Evacuation Drill

On November 5, 2024, Sieyuan Toshiba conducted a preemptive scenario-based evacuation drill covering all employees, contractors, and visitors. The drill included personnel evacuation, injury rescue, and practical fire extinguishing operations. It not only tested the effectiveness and feasibility of the emergency plan but also enhanced the escape and initial firefighting capabilities of the personnel, accumulating valuable experience for handling similar emergencies in the future.



The firefighting team directs the fire suppression efforts



Workshop evacuation



Injury Rescue



Firefighting practical training

Safety Culture Development

Safety culture is an essential component of corporate culture development. Sieyuan Electric conducts safety education through diverse forms, fostering a strong safety culture atmosphere and enhancing the entire staff's emphasis on safety, thereby strengthening the safety defense line. The company utilizes platforms such as "Safety Production Month" and "Fire Safety Awareness Month" to organize activities like safety knowledge competitions and safety warning education, encouraging employees to deeply engage in safety culture construction, further solidifying the foundation of safety management.



Case

Sieyuan Capacitor Conducts Training on "Summer Heatstroke Prevention Knowledge"

On July 25, 2024, Sieyuan Capacitor conducted a company-wide training session on "Summer Heatstroke Prevention Knowledge," providing participants with a "timely rain" to help them scientifically tackle the challenges of high temperatures. The training covered the definition and symptoms of heatstroke, dietary restrictions after heatstroke, and precautions for heat prevention and cooling. It ensured that employees mastered the three critical aspects of "prevention, avoidance, and rescue," effectively safeguarding summer work safety.



Training Courseware



05

Low-carbon environmental protection, safeguarding green waters and lush mountains.

The ecological environment is the foundation for human survival and development. In alignment with the trend of sustainable development, Sieyuan Electric steadfastly pursues a green and low-carbon development path, actively responds to climate change, reduces the impact of production and operation on the natural environment, and is committed to building a resource-efficient and environmentally friendly enterprise, creating green value for society.



Environmental Compliance Management

Environmental Management System

Sieyuan Electric regards environmental compliance management as a crucial cornerstone of sustainable development. The company strictly adheres to various environmental protection laws and regulations, including the Environmental Protection Law of the People's Republic of China. It continuously improves its environmental management systems, enhances the organizational structure of environmental management, and establishes a scientific and comprehensive environmental management system. Environmental protection requirements are integrated into every aspect of production and operation, promoting the standardization of the company's environmental management. During the reporting period, the company maintained the effectiveness of its ISO 14001 environmental management system.



Environmental Risk Prevention and Control

The company adheres to the principle of "prevention first, combining prevention with emergency response." It regularly conducts the identification, assessment, and updating of environmental factors. When constructing new production projects, the company carries out environmental impact assessments to analyze whether they comply with national industrial policies and evaluate whether they can achieve compliance with emission standards, with the aim of protecting the environment.

To further strengthen environmental risk prevention and control, the company has formulated an emergency response plan for sudden environmental incidents, establishing a coordinated internal and external, and vertically linked emergency management mechanism for sudden environmental incidents. The company regularly conducts emergency drills for sudden environmental incidents, continuously enhancing the awareness of environmental risk prevention and the capability of emergency response among all employees through simulating real scenarios, achieving prevention before incidents, control during incidents, and post-incident handling. In 2024, the company did not experience any major sudden environmental incidents, nor did it encounter any violations or illegal activities in the environmental field.

Case

Sieyuan Medium-Voltage Organization Chemical Spill Emergency Drill

On June 28, 2024, Sieyuan Medium Voltage organized a chemical (alcohol) spill emergency drill in the form of a table-top exercise, which included on-site handling, command and rescue, coordination, and organization. This drill enhanced the organization's response capability and employees' emergency handling skills. After the drill, Sieyuan Medium Voltage evaluated the overall effectiveness, promptly identified existing issues, and formulated improvement measures to further refine the emergency plan, ensuring the effective operation of the emergency rescue mechanism.



Pollution prevention and control

Sieyuan Electric strictly complies with the laws and regulations of the jurisdictions where it operates, continuously improves its internal management systems and supporting procedural documents, and implements multiple measures for the management of pollutants and waste. The company ensures that pollutant emissions meet standards and that waste is disposed of in compliance with regulations, striving to minimize environmental impact and contribute to the realization of clean production and waste resource utilization.

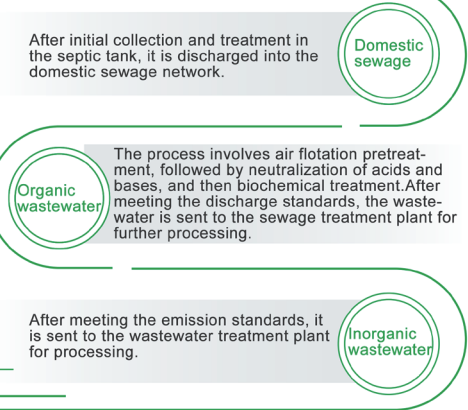
Wastewater Management

The company strictly adheres to laws and regulations such as the "Water Pollution Prevention and Control Law of the People's Republic of China," and has established wastewater discharge procedures. These procedures clarify the wastewater treatment process, reclaimed water reuse, and operational standards for various positions, providing support for wastewater management.



Sewage treatment equipment

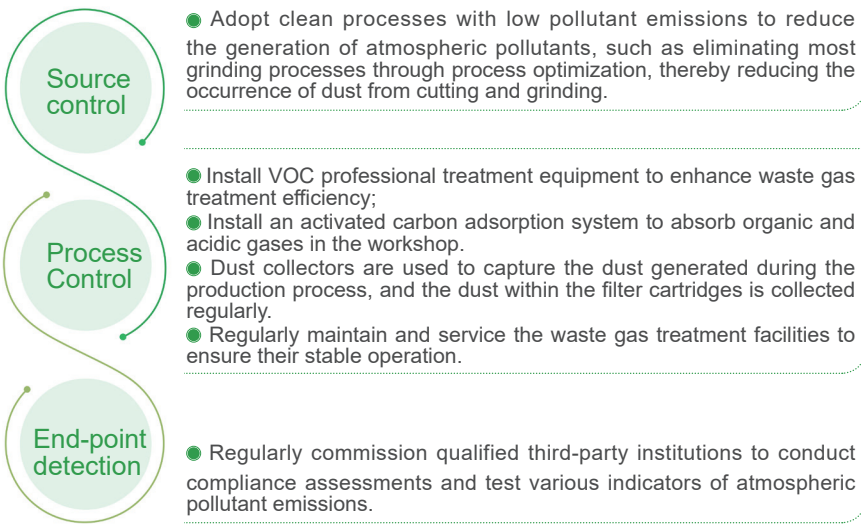
Wastewater management measures



The company has established a dual control mechanism of "self-inspection + external inspection" to regularly monitor wastewater discharge. We have built our own wastewater treatment system, equipped with online monitoring devices to track wastewater discharge in real time. Meanwhile, we periodically commission qualified third-party institutions to conduct wastewater testing, ensuring that the wastewater meets discharge standards. During the reporting period, the company did not experience any violations related to wastewater discharge.

Exhaust Gas Management

The company's atmospheric pollutant emissions are primarily organized emissions. The company has formulated the Waste Gas Management Regulations, starting from "source control, process control, and end-point detection," to ensure that the treatment effects meet national and local environmental protection requirements and reduce the negative impact on the surrounding air. Simultaneously, the EHS department regularly reviews the company's waste gas management to check whether the operational practices are consistent with emission control.



Exhaust Gas Treatment Device



VOC Treatment Unit

Waste Management

The company adheres to the principles of reduction, resource utilization, and harmless treatment, and has formulated the "General Industrial Solid Waste and Hazardous Waste Management System" to standardize the entire process management of waste from classification, collection, storage to transfer and compliant disposal, continuously improving the comprehensive utilization level of waste.

Waste Classification and Management Methods

General Waste

- After centralized collection and sorting, recyclable waste can be internally recycled or handed over to waste recycling companies for recovery, aiming to achieve resource utilization.

Hazardous waste

- Establish hazardous waste storage rooms, entrust qualified companies for transfer and disposal, and maintain accurate records to achieve the goal of harmless treatment.
- Develop emergency response plans for hazardous waste incidents to enhance emergency handling capabilities.



Hazardous Waste Storage Room

Noise Management

The company strictly adheres to the Law of the *People's Republic of China on the Prevention and Control of Environmental Noise Pollution* and rigorously implements noise management in accordance with the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB 12348-2008), ensuring that noise emissions meet the standards and minimizing the impact of noise on the surrounding environment.

The company adopts low-noise and low-vibration equipment and constructs sound insulation and noise reduction facilities in areas where noise emissions may exceed standards. For major noise-generating equipment, such as air compressors and high-power water pumps, they are arranged indoors and operated under conditions that meet process requirements, avoiding excessive load to reduce unnecessary noise generation. The company strengthens the lubrication and cleaning of rotating parts of the equipment. If abnormal operation of equipment is detected during production, backup equipment is promptly replaced to prevent harsh noise. Meanwhile, the company regularly contacts qualified units to monitor the noise at the plant boundaries, analyzes and compiles the monitoring results, and creates trend charts. In 2024, the noise levels at all plant boundaries of the company, both during the day and night, comply with the standards.

Resource utilization

Water Resources Management

Sieyuan Electric actively explores new water-saving technologies and management models, committed to the efficient utilization of water resources and continuously optimizing the structure of water resource utilization. The company places great emphasis on the recycling of water resources, actively constructing reclaimed water reuse projects, and utilizing treated reclaimed water for greening irrigation, equipment cleaning, etc., thereby reducing the demand for fresh water. The company promotes water-saving appliances and maintains related pipelines, joints, valves, faucets, etc., to avoid the phenomena of running, emitting, dripping, and leaking. Meanwhile, the company installs water control switches in various workshops to ensure that water is used only when needed, avoiding unnecessary consumption.



Water saving appliances

Energy Management

Effective energy management has become a crucial component of sustainable development. In accordance with laws and regulations such as the *Energy Conservation Law of the People's Republic of China* and the national standard *Energy Management Systems—Requirements with Guidance for Use* (GB/T 23331-2020), Sieyuan Electric and its subsidiaries continuously optimize their energy management systems, clarify energy assessment indicators and energy consumption evaluations, and regularly conduct energy efficiency measurement and assessments to promote refined management of energy utilization. During the reporting period, the subsidiary Sieyuan Toshiba maintained the effectiveness of its ISO 50001 energy management system.

The company and its subsidiaries conduct in-depth assessments of all aspects of production and operation, actively identify potential energy-saving opportunities, and implement a series of energy conservation projects. By promoting equipment energy efficiency, optimizing production processes, introducing renewable energy sources, and building smart energy systems, they enhance energy utilization efficiency, optimize the energy structure, and systematically reduce the energy consumption intensity throughout the entire production and operation cycle.

Promote equipment energy conservation.

- Choose to adopt new energy-saving products such as frequency conversion, for example, selecting motors with an energy efficiency class of no less than level 2, frequency conversion motors, and energy-saving lamps.
- In terms of the air conditioning system, advanced and environmentally friendly refrigerants meeting new standards are selected to reduce energy consumption.
- Phase out outdated air compressors and introduce first-level energy efficiency air compressors.
- Phase out old-style steam ovens and replace them with new-style steam ovens.
- Sieyuan Capacitor has newly purchased four steam generators to replace a single large boiler. The number of units in operation can be automatically controlled based on production demands, resulting in a 20% improvement in thermal efficiency compared to traditional boilers, and saving energy consumption such as natural gas and electricity.
- Replace street lights and office area lights with LED lights to reduce electricity consumption.

Optimize production processes.

- Sieyuan Toshiba Construction installed a steam condensate pipeline to utilize the residual heat from the condensate for heating the water tank temperature, thereby reducing natural gas consumption.
- Sieyuan Qingneng launches the SVG product complete set test heat exchanger waste heat discharge and utilization project: During the product complete set test, the water-air heat exchanger releases a large amount of heat. By setting fixed inlet and outlet water pipes on the walls inside and outside the test station, the heat exchanger is placed outdoors during summer tests and indoors during winter tests, minimizing the operation time of air conditioning and reducing energy consumption.
- Implement the air compressor heat recovery project to enhance energy utilization efficiency.



Introduce renewable energy.

- Installing solar photovoltaic panels on factory rooftops to introduce renewable energy and improve the energy structure;
- Procure green electricity to increase the proportion of green power.

Building a Smart Energy System.

- Through a visualized energy monitoring system, real-time monitoring of the energy consumption of key equipment is conducted, and the dynamic current of the equipment is analyzed to accurately identify abnormal energy usage points. This allows for the auditing of abnormal energy consumption, thereby reducing energy waste in equipment and maximizing the utilization of baseline electricity.



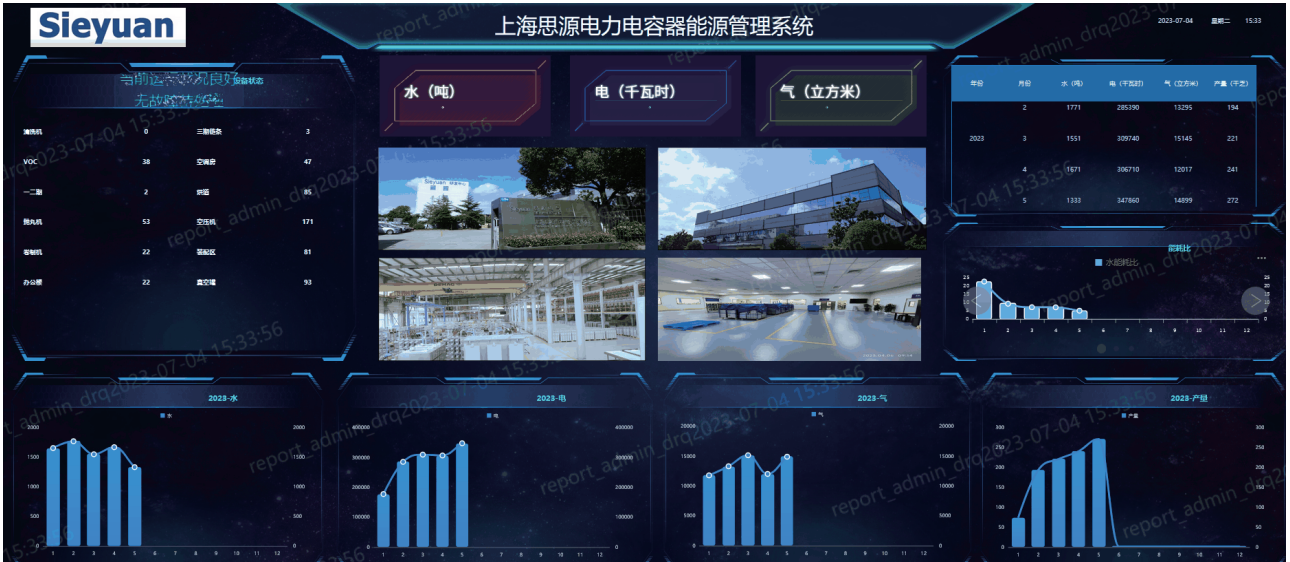
Energy-saving air compressor



Waste Heat Recovery Unit



Roof-mounted photovoltaic



Smart Energy System

Risk Management

Risk Category		Risk Description	Countermeasures
Physical risk	Short-term physical risks	The increase in extreme weather events, such as typhoons and floods, leads to disasters like power outages and inundation, resulting in safety production accidents or production suspensions.	Develop comprehensive emergency plans and response mechanisms, and conduct regular emergency drills.
	Long-term physical risk	Climate change leads to an increase in average temperatures, a rise in cooling demand, and an escalation in operational costs.	Introduce advanced refrigeration equipment and strengthen energy management.
Transition risk	Policy and legal risks	International and domestic climate change-related policies and regulations are becoming increasingly stringent, potentially leading to higher operational costs.	Monitor updates on international and domestic climate change-related policies and regulations, and promptly adjust business operations to ensure compliance.
	Technical risk	To reduce greenhouse gas emissions, it is necessary to introduce new technologies, which will increase operational costs in the short term.	Leverage our inherent strengths, actively optimize production processes, and advance emission reduction technologies.
	Market risk	Customers are inclined towards more environmentally friendly products, and failure to meet their requirements may result in the risk of customer attrition.	Consider carbon reduction thoroughly during the product design phase to provide more products that meet market expectations. Closely monitor customer needs and industry trends, and conduct in-depth analysis of market dynamics.
	Reputational Risk	Stakeholders place greater emphasis on the disclosure of a company's response to climate change-related situations. If the level of disclosure falls below the expectations of the stakeholders, the company may face reputational risks.	Enhance communication with stakeholders regarding climate information and promptly address their concerns. Disclose the company's actions and progress in addressing climate change annually in the sustainability report/ESG report.

Indicators and Objectives

Sieyuan Electric actively responds to the national "Carbon Peak" and "Carbon Neutrality" strategy and the global climate action initiative. By referencing standards such as ISO 14064, the company organizes and conducts activities for the identification and quantification of greenhouse gas emission sources, systematically advancing the management of greenhouse gas inventories. This provides a solid data foundation for formulating scientific and reasonable emission reduction strategies. Additionally, the company commissions professional third-party institutions to conduct carbon footprint verification of its products, establishing a carbon footprint verification model to clarify carbon emission data at each stage. This lays a good foundation for further reducing the product carbon footprint in the future.



Product Carbon Footprint Verification Statement

2024 Key Performance.

Direct GHGs emissions (Scope 1)
2499.978 tCO₂e

Indirect GHGs emissions (Scope 2)
48310.431 tCO₂e

Indirect GHGs emissions (Scope 3)
44723.62 tCO₂e

Addressing climate change

Governance and Strategy

Sieyuan Electric deeply recognizes the severe challenges posed by global warming and has integrated climate change response into its long-term development plans to mitigate and adapt to the potential impacts of climate change. The company has established an Environmental Protection and Energy Conservation and Carbon Reduction Group, which conducts comprehensive climate risk analyses in accordance with the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) and in conjunction with business operations, and formulates a series of response strategies to continuously enhance climate resilience. The company actively participates in the CDP questionnaire and achieved a B management level rating in 2024, indicating that we have established a management system and processes to address climate change.

Green Operations

Green Design

Sieyuan Electric has introduced the concept of green design, taking into full consideration various aspects such as raw material usage, energy consumption, and recycling processes during the product development and design stages. This approach continuously enhances the environmental performance of the products and strives to reduce their environmental impact.

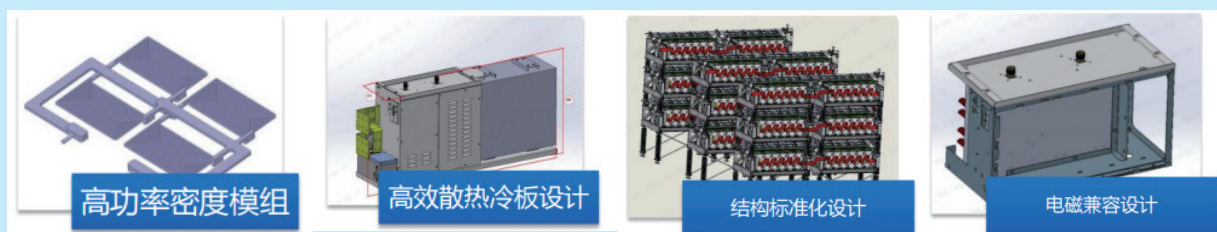


Case

Sieyuan Qingneng thoroughly implements the concept of green design

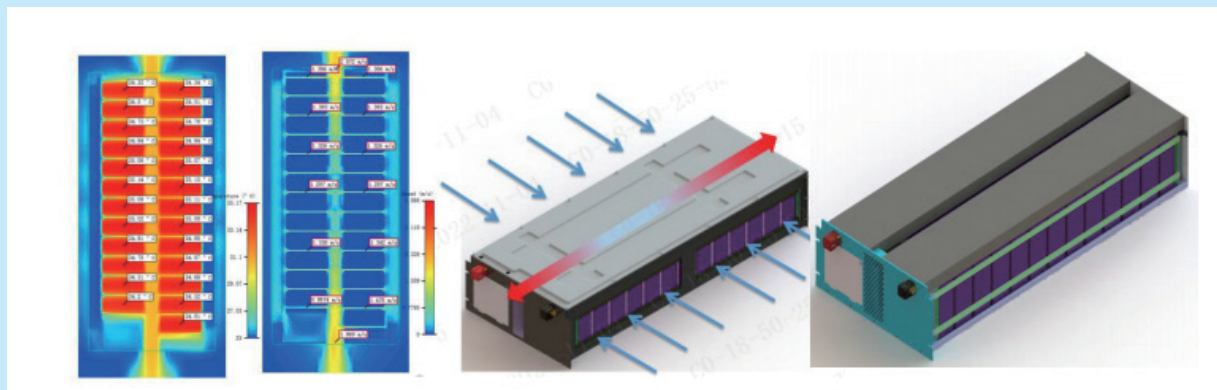
SVG products

Use environmentally friendly and recyclable materials, and introduce high-power density module design, efficient heat dissipation cold plate design, standardized structural design, and electromagnetic compatibility design. This approach not only saves costs but also reduces space waste and minimizes external radiation emissions, achieving the effect of eco-friendly design.



Energy storage products

Introducing an intelligent temperature control design, it adaptively adjusts the battery temperature to maintain it within the range of 10-25°C, reducing the power loss of the cooling system. It also automatically adjusts the cooling time based on user habits, utilizes natural heat dissipation, decreases the working time of the heating system, and further reduces power loss. Meanwhile, for the decommissioning and recycling of energy storage products, a portion is used for destructive testing of batteries, and the rest is fully recycled and disassembled for reuse.

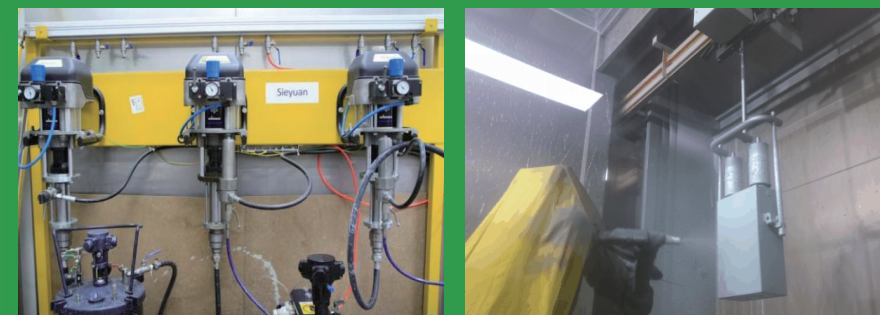


Ecological Design of Energy Storage Products

Green Production

Sieyuan Electric is vigorously advancing its green production initiatives, achieving clean and efficient manufacturing through continuous improvements in management and technology.

Sieyuan Capacitor has reduced the loss of raw materials through technical improvements, saving 31.7 tons of impregnating agent annually. The company has also pioneered an automatic proportioning and spraying system, which has decreased the number of paint applications from two coats to one, reducing paint usage by 35%.



Sieyuan Qingneng has introduced modular automated assembly equipment, which utilizes robots to grasp and transport materials, completing processes such as drive board welding and radiator cleaning. This not only enhances operational efficiency but also achieves a reduction in overall energy consumption, making it more environmentally friendly.

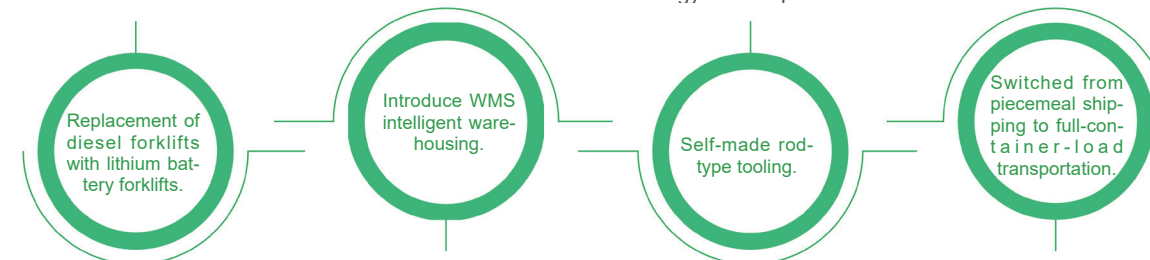
Green Logistics

The company employs advanced logistics technologies and management methods to achieve green, low-carbon, and efficient logistics activities, thereby reducing the negative environmental impact of these activities.

Green Logistics Initiatives

The forklift has been switched from diesel combustion to electric power, reducing exhaust emissions and carbon emissions.

Reduce forklift handling and lower forklift energy consumption.



Achieve electronic scanning for inventory storage, significantly saving paper usage.

Sign a waste packaging material recovery agreement with suppliers to establish a reverse logistics system, thereby reducing the use of packaging materials such as plastics and wood.



Lithium Battery Forklift



Self-made wire rod fixtures



Green Office

Sieyuan Electric has implemented the concept of green office into all aspects of its daily operations, creating a low-carbon and energy-efficient office environment. The company promotes paperless office practices and prioritizes the use of recycled or fast-growing wood products when purchasing printing paper. It procures new energy vehicles and installs electric vehicle charging stations in the factory area to encourage green travel. Transparent acrylic skylight strips are installed on the factory roofs to make full use of natural lighting. Lighting in public areas is managed through zoning, grouping, and timed dimming to reduce electricity consumption. Additionally, the company regularly conducts environmental protection training to foster a green culture, disseminate green concepts, and enhance employees' awareness of environmental protection and low-carbon practices.



Natural daylighting



Corridor sensor light



Timed Lighting



Zoned lighting



Environmental Management Training

Protect biodiversity

Biodiversity is the foundation for maintaining the balance and stability of ecosystems, as well as a condition for human survival. Sieyuan Electric adheres to the Convention on Biological Diversity and is committed to building a sustainable ecological circle. The company's operational sites and office locations are not situated within, near, or in ecologically sensitive areas of natural ecological conservation zones. No significant impacts on ecosystems and biodiversity have been identified from all business activities, products, and services. The company scientifically selects green plant species, including cedar, wintergreen euonymus, and osmanthus trees, according to different areas of the plant premises, providing habitats for organisms.



Plant area greening



06

Remain true to the original aspiration and fulfill the responsibility with commitment

Social responsibility is an essential component of sustainable corporate development. Sieyuan Electric adheres to sharing its developmental achievements with society, actively participates in various social responsibility activities, conveys warmth through practical actions, and contributes corporate strength to enhancing people's well-being and promoting social development.



Build a public welfare brand

Sieyuan Electric initiated the "Love · Run" public welfare activity in 2015, which has been continued for 10 years to date. The "Love · Run" public welfare activity has remained fresh and impactful, with a cumulative participation of over 32,500 employee instances, raising nearly 2 million yuan in charitable funds. These funds have been used to support 3,000 impoverished students and left-behind children in regions such as Sichuan, Jiangxi, Yunnan, Guizhou, Qinghai, and Guangxi, and to donate 12,000 books. The charitable funds raised in 2024 will be donated in 2025, continuing to improve the infrastructure of rural schools, contributing to "achieving future dreams," and demonstrating the spirit of public welfare and social responsibility.



"Love · Run" Public Welfare Activity.

Empowering Rural Revitalization

The company actively implements the national rural revitalization strategy and promotes agricultural modernization. In 2024, in response to the call of the Minhang District Government, the company launched an agricultural assistance initiative. By purchasing agricultural support materials, it helped Zepu County in Xinjiang address the practical issues of agricultural product sales and farmers' livelihoods, contributing to increased farmer incomes and agricultural development, and further strengthening the bond between the two regions.



Supporting educational endeavors

Education is a crucial factor in driving social progress and development. Sieyuan Electric has always been committed to education, leveraging its resources and strengths to promote the development of educational initiatives. The company has established the "Sieyuan Electric Scholarship" in several universities, aimed at cultivating more talents with innovative spirit and practical abilities, thereby contributing to the advancement and prosperity of society.



Case

The Award Ceremony for "Tsinghua Friends - Sieyuan Electric Scholarship" was Successfully Held

On the morning of December 19, 2024, the "Tsinghua Friends - Sieyuan Electric Scholarship" award ceremony was successfully held. Mr. Dong Zengping, Chairman of the company, presented the award certificates to the winning students and engaged in in-depth exchanges with them. Both parties will take this event as an opportunity to further strengthen their cooperation in scientific research, cultivate more high-quality talents in the field of electric power, and achieve mutually beneficial development.





Future Prospects

The journey towards sustainable development is long and challenging. In the future, we will continue to deepen our comprehensive practice of Environmental, Social, and Governance (ESG) in the process of constructing new power systems and innovating the electrical industry, making it the core mission of our company's development and committing ourselves fully to the goals of sustainable development.

In addressing climate change, we will unwaveringly enhance energy efficiency and vigorously expand the application of clean energy, thereby propelling the electrical industry towards a low-carbon and green transformation. Concurrently, we will actively participate in the construction of new power systems, leveraging the robust capabilities of smart grids and energy storage technologies to achieve efficient energy management. This will contribute to building a secure, reliable, green, and efficient energy system, adding the wisdom and strength of Sieyuan Electric to this endeavor.

From a societal perspective, we consistently maintain a strong sense of responsibility

towards the community and continue to increase our investment in public welfare initiatives. We firmly believe that education is the key to changing destinies. Therefore, through various means such as educational support and infrastructure development, we will spare no effort to enhance the educational standards and quality of life for children in impoverished regions, contributing a warm and steadfast force to the balanced development of society.

In addition, we will continue to strengthen the construction of our ESG governance system, further enhance the efficiency and level of decision-making and supervision, ensure transparency and compliance in every aspect of the supply chain, fully respect and effectively safeguard the legitimate rights and interests of employees, and demonstrate to all sectors of society Sieyuan Electric's social responsibility and mission as a listed company.

We firmly believe that technology is the key force driving sustainable development. In the future, we will fully leverage our technological advantages, driven by innovation, to make a smarter new power system a reality, thereby painting a magnificent new picture of harmonious coexistence between humans and nature.

Let us join hands and forge ahead courageously towards a brighter future!



Index of Indicators

GRI Indicator Index

Usage Instructions.		Sieyuan Electric Co., Ltd. reported the information referenced in this GRI Content Index in accordance with the GRI Standards for the period from January 1, 2024, to December 31, 2024.	
GRI 1 used		GRI 1: Foundation 2021	
GRI Standards		Disclosures	Corresponding Position
GRI2 General Disclosures 2021.	The organization and its reporting practices	2-1 Organizational details	Entering Sieyuan
		2-2 Entities included in the organization's sustainability reporting	About This Report
		2-3 Reporting period, frequency and contact point	About This Report
		2-4 Restatements of information	/
		2-5 External assurance	/
	Activities and workers	2-6 Activities, value chain and other business relationships	Entering Sieyuan
		2-7 Employees	People-oriented, creating a happy workplace
		2-8 Workers who are not employees	/
	Governance	2-9 Governance structure and composition	Improve corporate governance
		2-10 Nomination and selection of the highest governance body	Improve 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	Integrity and Compliance in Business Operations
		2-16 Communication of critical concerns	Stakeholder communication
		2-17 Collective knowledge of the highest governance body	Sustainable Development Management
	Strategic, policies, and practices	2-22 Statement on sustainable development strategy	Sustainable Development Management
		2-23 Policy commitments	Sustainable Development Management
		2-24 Embedding policy commitments	Sustainable Development Management
		2-25 Processes to remediate negative impacts	Integrity and Compliance in Business Operations
		2-26 Mechanisms for seeking advice and raising concerns	Integrity and Compliance in Business Operations
		2-27 Compliance with laws and regulations	For details, please refer to this report
	Stakeholder engagement	2-28 Membership associations	Win-Win Cooperation
		2-30 Collective bargaining agreements	Democratic Management
GRI 3: Material Topics 2021		3-1 Process to determine material topics	Analysis of Substantive Issues
		3-2 List of material topics	Analysis of Substantive Issues
		3-3 Management of material topics	Analysis of Substantive Issues
GRI 201: Economic Performance 2016		201-1 Direct economic value generated and distributed	Economic Performance

GRI Standards	Disclosures	Corresponding Position
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Integrity in Professional Practice
	205-2 Communication and training about anti-corruption policies and procedures	Integrity in Professional Practice
	205-3 Confirmed incidents of corruption and actions taken	Integrity in Professional Practice
GRI 302: Energy 2016	302-1 Energy consumption within the organization	ESG Performance
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Resources Management
	303-2 Management of water discharge-related impacts	Water Resources Management
	303-3 Water withdrawal	Water Resources Management
	303-4 Water discharge	Water Resources Management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emission	ESG Performance
	305-2 Energy indirect (Scope 2) GHG emissions	ESG Performance
	305-3 Other indirect (Scope 3) GHG emissions	ESG Performance
GRI 306: Waste 2020	306-1 Waste 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	ESG Performance
	306-4 Waste diverted from disposal	ESG Performance
	306-5 Waste directed to disposal	ESG Performance
GRI308: Supplier Environmental Assessment 2016.	308-1 New suppliers screened using environmental evaluation dimensions.	Responsible Sourcing
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Benefits
	401-3 Parental leave	Compensation and Benefits
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 injury	Occupational Health and Safety
	403-10 Work-related ill health	Occupational Health and Safety

GRI Standards	Disclosures	Corresponding Position
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	ESG Performance
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Improve corporate governance Employee Rights
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee Rights
GRI407: Freedom of Association and Collective Bargaining 2016.	407-1 Operational sites and suppliers where the right to freedom of association and collective bargaining may be at risk	Employee Rights
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Employee Rights
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forces or compulsory labor	Employee Rights
GRI414: Supplier Social Assessment 2016.	414-1 Responsibility for New Suppliers Screened Using Social Standards	Responsible Sourcing
	414-2 Negative Social Impacts in the Supply Chain and Actions Taken	Responsible Sourcing
GRI416: Customer Health and Safety 2016.	416-1 Assessment of Health and Safety Impacts of Product and Service Categories	Optimize customer service
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints involving infringement of customer privacy and loss of customer data.	ESG Performance

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Dimension	S/N	Topics	Corresponding Chapters
Environment	1	Addressing climate change	Addressing climate change.
	2	Pollutant emissions	Pollution Prevention and Control
	3	Waste disposal	Pollution Prevention and Control
	4	Ecosystem and Biodiversity Conservation	Protect biodiversity
	5	Environmental Compliance Management	Environmental Compliance Management
	6	Energy Utilization	Energy Management
	7	Water resource utilization	Water Resources Management
	8	Circular Economy	Pollution Prevention and Control Resource utilization Green Operations
Social	9	Rural revitalization	Empowering Rural Revitalization
	10	Social Contribution	Remain true to our original aspiration and fulfill our responsibilities with commitment
	11	Innovation-Driven	Innovative Development
	12	Ethics of Technology	/
	13	Supply Chain Security	Responsible Sourcing
	14	Treat small and medium-sized enterprises equally	Responsible Sourcing
	15	Product and Service Safety and Quality	Strict Quality Control Management
	16	Data Security and Customer Privacy Protection	Information Security and Privacy Protection Customer Rights Protection
	17	Employee	People-oriented, creating a happy workplace
Governance Related to Sustainable Development	18	Due diligence	Integrity and Compliance in Business Operations Responsible Sourcing
	19	Stakeholder Communication	Sustainable Development Management
	20	Anti-commercial bribery and anti-corruption	Integrity in Professional Practice
	21	Anti-Unfair Competition	Integrity and Compliance in Business Operations

SDGs Index

SDGs	Corresponding Section	Our Actions
	Employee Care and Assistance	<ul style="list-style-type: none">*We have launched the "Summer Cooling and High-Temperature Condolences" initiative to visit frontline employees who remain steadfast at their posts, providing them with heatstroke prevention and cooling supplies. We have established a support and assistance mechanism for employees in difficulty, setting up a consolation fund for them to address their worries and difficulties. Additionally, we have organized farewell gatherings for retiring employees to acknowledge their contributions to the company, offering them special condolences and blessings.* The "Love·Run" charity campaign has remained vibrant over the years, with over 32,500 employee participants. Nearly 2 million yuan has been raised, supporting around 3,000 underprivileged and left-behind children, and donating 12,000 books.*In 2024, in response to the call of the Minhang District Government, the company launched an agricultural assistance initiative. By purchasing agricultural support materials, it helped Zepu County in Xinjiang address the practical issues of agricultural product sales and farmers' livelihoods, contributing to increased farmer incomes and agricultural development, and further strengthening the bond between the two regions.
	Build a public welfare brand	
	Empowering Rural Revitalization	
	Compensation and Benefits	<ul style="list-style-type: none">*Sieyuan Electric implements a compensation principle of "position-based grading, grade-based salary, person-position matching, and position-salary adjustment," establishing a compensation system that aligns with the company's developmental needs and provides employees with competitive remuneration.* The company has established a comprehensive and well-rounded employee benefits system, creating a superior working environment and living conditions for its employees. Concurrently, we regularly assess the implementation of the benefits system, gather feedback from employees, and promptly optimize it, ensuring that employees fully enjoy the fruits of the company's development.*The company resolutely implements the comprehensive safety production responsibility system, formulates the "Safety Responsibility Agreement," clearly defines the safety requirements for each unit and the safety management responsibilities of the responsible persons, effectively eliminates regulatory blind spots, and forms a safety management responsibility network that features dual responsibilities for each position, horizontal coverage, and vertical depth.*The company establishes and improves the operational model and mechanism for hierarchical control of safety risks and the management of hidden hazard investigations and rectifications. It is committed to placing safety risk control ahead of hidden hazards and the investigation and rectification of hidden hazards ahead of accidents, thereby achieving the construction of a dual prevention mechanism with full participation, comprehensive coverage of all positions, and seamless integration throughout the entire process.*The company utilizes platforms such as "Work Safety Month" and "Fire Safety Awareness Month" to conduct activities like safety knowledge competitions and safety warning education, encouraging employees to deeply engage in the construction of a safety culture, thereby further solidifying the foundation of safety management.
	Occupational Health and Safety	
	Employee Growth	<ul style="list-style-type: none">*We adopt diversified training methods, including internal training, external in-house training, and outbound training, combined with online and offline approaches, to provide comprehensive and multi-level training for employees across different positions and levels. This continuously enhances employee quality and comprehensive capabilities, achieving human capital appreciation.*The company formulates clear and scientific career development plans for employees, continuously expanding career development opportunities and refining career development pathways. In accordance with the principle of gradual progress, the company has established a dual-track development system that equally emphasizes both management and professional lines.*Provide financial assistance to 3,000 impoverished students and left-behind children in Sichuan, Jiangxi, Yunnan, Guizhou, Qinghai, Guangxi, and other regions, and donate 12,000 books.*The company has established the "Sieyuan Electric Scholarship" in multiple universities to cultivate more talents with innovative spirit and practical abilities, contributing to the progress and prosperity of society.
	Build a public welfare brand	
	Supporting educational endeavors	

SDGs	Corresponding Section	Our Actions
	Compliant Employment	<ul style="list-style-type: none">*We are committed to ensuring equal pay for equal work between male and female employees, prohibiting any gender-based discrimination in compensation and benefits, and guaranteeing that female employees enjoy equal rights and opportunities in the workplace as their male counterparts.* We strictly implement the "Special Provisions on Labor Protection for Female Employees," clearly defining protective measures for female employees during special periods, including reducing workload, enjoying maternity leave, and nursing leave, strictly safeguarding the special rights and interests of female employees.*The company provides pregnant meals and equips nursing rooms for female employees who are expecting or have recently given birth. It also conducts on-site health education sessions and free medical consultation services tailored specifically for women, effectively addressing the practical needs of female employees and safeguarding their physical and mental well-being.
	Care for Female Employees	
	Water Resources Management	<ul style="list-style-type: none">*The company places great emphasis on the recycling and reuse of water resources, actively constructing reclaimed water reuse projects. The treated reclaimed water is utilized for purposes such as landscape irrigation and equipment cleaning, thereby reducing the demand for fresh water.*The company promotes water-saving appliances and maintains related pipelines, joints, valves, and faucets to prevent leakage and dripping. Additionally, the company installs water control switches in each workshop to ensure they are turned on only when needed, thereby avoiding unnecessary water consumption.
	Energy Management	<ul style="list-style-type: none">*Continuously optimize the energy management system, clarify energy assessment indicators and energy consumption evaluation, and regularly conduct energy efficiency measurement and assessment to promote refined management of energy utilization.* By advancing equipment energy efficiency, optimizing production processes, introducing renewable energy, and constructing smart energy systems, we can enhance energy utilization, optimize the energy structure, and systematically reduce the energy consumption intensity throughout the entire production and operation cycle.
	Compliant Employment	<ul style="list-style-type: none">*We resolutely oppose practices such as child labor, discrimination, harassment, and forced labor, and fully safeguard the legitimate rights and interests of all employees.*Continuously improve the democratic management system of union consultation, effectively safeguard employees' rights to be informed, to participate, to express, and to supervise.*The company conducts two engagement surveys annually. Through these engagement surveys, the company can gain insights into employees' genuine thoughts on the work environment, management atmosphere, career development, and other aspects. Based on the results of the gap analysis, the company formulates and implements improvement plans to continuously stimulate employees' potential, enhance team atmosphere, and improve work performance.
	Democratic Management	
	Innovative Development	<ul style="list-style-type: none">* Sieyuan Electric adheres to an innovation-driven development strategy and has established a multi-tiered innovation system, including 5 municipal-level enterprise technology centers, 1 provincial-level engineering technology center, and 2 national-level testing center platforms.*Sieyuan Electric has become one of the few domestic enterprises capable of developing both primary and secondary power equipment, as well as integrating primary and secondary systems.
	Compliant Employment	<ul style="list-style-type: none">*Sieyuan Electric legally signs labor contracts with employees, provides social insurance, and establishes a positive labor-management relationship.*In 2024, there were no instances of human rights violations such as discrimination, harassment, child labor, or forced labor.
	Strict Quality Control and Optimized Customer Service	<ul style="list-style-type: none">* Sieyuan Electric strictly complies with relevant national laws, regulations, and industry standards, advocates for all employees to establish the concept of "quality first," and establishes and continuously improves the quality management system in accordance with ISO 9001 standards.*The company has implemented multifaceted initiatives, focusing on strengthening product quality control, accelerating information transformation, standardizing and promoting audits, and cultivating quality management standards, to continuously enhance the effectiveness of quality control.*Sieyuan Electric actively practices a scientific and rigorous marketing approach, regards customer health and safety as one of the core customer rights, and integrates it into the entire lifecycle management of products and services, ensuring comprehensive protection of customer health and safety.

SDGs	Corresponding Section	Our Actions
	Addressing climate change	<p>*The company has established an Environmental Protection and Energy Conservation & Carbon Reduction Group.In accordance with the requirements of the Task Force on Climate-related Financial Disclosures (TCFD), and in conjunction with the company's business operations, it conducts a comprehensive analysis of climate risks and formulates a series of response strategies to continuously enhance climate resilience.</p> <p>*The company actively participates in the CDP questionnaire submission and achieved a Management Level B rating in 2024, demonstrating that we have established a management system and processes to address climate change.</p> <p>*Organize and conduct activities for the identification and quantification of greenhouse gas emission sources, systematically advance the management of greenhouse gas inventory, and provide solid data support for the formulation of scientific and reasonable emission reduction strategies.</p> <p>*The company has commissioned a professional third-party institution to conduct product carbon footprint verification, establish a product carbon footprint verification model, clarify carbon emission data at each stage, and lay a solid foundation for further reducing the product carbon footprint in the future.</p>
	Integrity and Compliance in Business Operations	<p>*The company has formulated and issued the "Sieyuan Compliance Code of Conduct" to ensure that its global operations comply with relevant laws and regulations. It requires all employees to strictly adhere to compliance principles, maintaining the company's market competitiveness and reputation through honest and fair business practices.</p>
	Sustainable Development Management	<p>*Sieyuan Electric, guided by its sustainable development strategy, consistently prioritizes social benefits, actively fulfills its ESG responsibilities, and strives to achieve a balance between social and economic benefits.</p>
	Sustainable Development Management	<p>*By establishing regular communication channels and diverse communication methods, we maintain close contact and exchange with various stakeholders,promptly understand their expectations and demands, accurately respond to their concerns, and continuously improve the company's sustainable development management level.</p>
	Responsible Sourcing	<p>*The company has formulated the "Sustainable Procurement Policy" to provide detailed operational guidelines for regulating and guiding procurement activities. The company requires all suppliers to adhere to ethical procurement practices and ensures that they comply with the company's standards in areas such as labor treatment, environmental protection, and anti-corruption.</p>
	Win-win cooperation	<p>*The company assists its supply chain partners in implementing sustainable development concepts during production and operations through training and collaboration,-jointly promoting green procurement practices, fulfilling social responsibilities, and achieving long-term sustainable growth.</p> <p>*Sieyuan Electric actively participates in the activities of various industry associations, sharing experiences with peers, discussing market trends, and continuously enhancing interaction and collaboration within the industry through technical exchanges and cooperation, jointly promoting industry development.</p>

ESG Performance

ESG Performance

Business Ethics Data				
Indicator	Unit	2024	2023	2022
Total number of business ethics training sessions	Time	8	8	-
Total Number of Participants in Business Ethics Training	Person-time	9,456	7,832	6,684
Average Training Hours per Person for Business Ethics	Hour	1	1	1
Coverage Rate of Business Ethics Training (All Employees)	%	100	100	100
Training Rate of Business Ethics - Senior Management Personnel	%	100	-	-
Training Rate of Business Ethics - Frontline Employees	%	100	-	-
Number of Confirmed Corruption Incidents	Case	0	0	0
Number of Confirmed Information Security Incidents	Case	0	0	0
Number of Confirmed Complaints Involving Invasion of Customer Privacy and Loss of Customer Data	Case	0	0	0

Statistics on Complaints and Reports				
Indicator	Unit	2024	2023	2022
Total Number of Complaints and Reports	Time	6	0	0
- Reports from Employees	Time	1	0	0
- Reports from Suppliers and Contractors	Time	5	0	0
- Reports from Other Stakeholders	Time	0	0	0

Sustainable Supply Chain Performance

Supplier and Contractor Data				
Indicator	Unit	2024	2023	2022
Total Number of Suppliers	Nos.	2,685	2,859	-
Number of Suppliers with Social Responsibility Questionnaires	Nos.	873	160	-
Number of Suppliers with Social Responsibility On-site Audits	Nos.	355	160	-
Number of Suppliers who have Signed Supplier Code of Conduct	Nos.	988	218	-
Number of Suppliers who have Signed Social Responsibility Framework Agreements	Nos.	875	156	-
Number of Important or Core Suppliers	Nos.	613	88	-
Number of Important Suppliers with Social Responsibility Questionnaires	Nos.	423	88	-
Number of Important Suppliers with Social Responsibility On-site Audits	Nos.	262	88	-
Number of Important Suppliers who have Signed Supplier Code of Conduct	Nos.	423	88	-
Number of Important Suppliers who have Signed Social Responsibility Framework Agreements	Nos.	409	88	-
Number of New Suppliers in the Current Year	Nos.	139	218	-
Number of New Suppliers with Social Responsibility Questionnaires	Nos.	98	180	-
Number of New Suppliers with Social Responsibility On-site Audits	Nos.	54	180	-
Number of New Suppliers who have Signed Supplier Code of Conduct	Nos.	112	218	-
Number of New Suppliers who have Signed Social Responsibility Framework Agreements	Nos.	94	218	-
Number of Potential Suppliers under Social Responsibility Assessment	Nos.	82	56	-
Proportion of Potential Suppliers under Social Responsibility Assessment	%	62	56	-
Proportion of Suppliers who have Received Social Responsibility Training	%	19	100	-
Procurement personnel data				
Indicator	Unit	2024	2023	2022
Number of Purchasers	人	145	98	82
Number of Purchasers Receiving Sustainable Procurement Training	人	124	98	82
Percentage of Purchasers Who Have Undergone Sustainable Procurement Training in All Regions	%	86	100	100

Environmental Performance

Environmental Management				
Indicator	Unit	2024	2023	2022
Environmental Protection Investment	10,000 Yuan	1,110.08	747	578
Proportion of Employees Who Have Received Environmental Theme Training	%	100	100	100

Energy consumption data				
Indicator	Unit	2024	2023	2022
Direct Energy (Scope 1)				
Natural Gas	Cubic Meter	1,751,091.43	849,510	1,278,264
Diesel Oil	Liter	25,825.8	27,693	19,826
Gasoline	Liter	10,000	7,854	6,889
Indirect Energy (Scope 2)				
Purchased Electricity	kWh	69,486,609	64,189,300	53,008,800
Renewable Energy (Photovoltaic Power Generation)	kWh	6,119,236	849,510	-
Purchased Steam	Ton	5,786	-	3,685
Comprehensive Energy Consumption				
Total Energy Consumption	GJ	343672.991	268457.440	242678.673
Total Renewable Energy Consumption	GJ	22,029.250	3,058.236	-
Percentage of Renewable Energy in Total Energy Consumption	%	6.41	1.14	-

Greenhouse gas emissions data				
Indicator	Unit	2024	2023	2022
Total GHGs Emissions	tCO ₂ e	41421.635	36370.011	31479.882
— Direct GHGs Emissions (Scope 1)	tCO ₂ e	3813.417	1926.033	2830.472
— Indirect GHGs Emissions (Scope 2)	tCO ₂ e	37608.219	34443.978	28649.410

Water data				
Indicator	Unit	2024	2023	2022
Total Water Consumption	Ton	366,256.268	270,200	220,877
Recycled Water Volume	Ton	7,671.2	86,472	98,760
Water Recycling Rate	%	18.47	32.0	44.7
Water Consumption per Unit Output Value	Ton Water /10,000 Yuan	0.112	0.215	0.21
Total Wastewater Discharge	Ton	354,008.8	8,683	24,690

Total amount of pollutant discharge in water				
Indicator	Unit	2024	2023	2022
COD	Ton	95.202	12.47	9.88
Ammonia Nitrogen	Ton	10.04	0.86	0.49
Suspended Solids (SS)	Ton	36.044	2.21	0.25
Total Phosphorus	Ton	5.983	0.37	-

Exhaust emission data				
Indicator	Unit	2024	2023	2022
Total Exhaust Gas Emissions	Ton	2.15	0.85	0.05
- Nitrogen Oxides (NOx)	Ton	0.502	0.63	-
- Particulate Matter (PM)	Ton	0.099	0.03	0.049
- Ammonia (NH ₃)	Ton	0	0.03	-
- Volatile Organic Compounds (VOCs)	Ton	1.436	0.09	-
- Non-Methane Total Hydrocarbons (NMTHC)	Ton	0.118	0.06	-

General Waste Data				
Indicator	Unit	2024	2023	2022
Total Generation of General Waste	Ton	2,952.234	537.97	416.10
Transfer and Disposal Volume of General Waste	Ton	2,997.224	537	416.10

Hazardous waste data				
Indicator	Unit	2024	2023	2022
Hazardous Waste Generation	Ton	910.1979	702.38	491.01
Hazardous Waste Transfer	Ton	864.882	702.38	491.01

Labor and Human Rights Performance

Labor data				
Indicator	Unit	2024	2023	2022
Number of New Employees	Person	3,352	2,424	1,808
Total Number of Employees	Person	9,456	7,832	6,684
Number of Disabled Employees	Person	21	21	19
Proportion of Disabled Employees	%	0.22	0.27	0.28
Number of Safety Committee Members	Person	31	27	17
Number of Employee Representatives	Person	6	7	6
Proportion of Employees Receiving Performance and Career Development Assessments	%	100	100	100

Gender structure				
Indicator	Unit	2024	2023	2022
Total Number of Female Employees	Person	2,201	1,877	1,616
Proportion of Female Employees in the Total Workforce	%	23.30	24.00	24.20
Number of Senior Executives (Excluding the Board of Directors)	Person	192	168	151
Number of Female Senior Executives	Person	66	55	51
Proportion of Female Senior Executives	%	34.40	32.70	33.80
Number of Board Members	Person	7	7	7
Number of Female Board Members	Person	0	-	-
Proportion of Female Board Members	%	0	-	-
Age structure				
Number of People Under 30 Years Old	Person	3,142	2,391	1,837
Number of People Aged 30 to 50 Years Old	Person	5,938	5,098	4,541
Number of People Aged 50 and Above	Person	376	343	306
Proportion of People Under 30 Years Old	%	33.20	30.50	27.50
Proportion of People Aged 30 to 50 Years Old	%	62.80	65.10	67.90
Proportion of People Aged 50 and Above	%	4.00	4.40	4.60
Educational Attainment Structure				
Doctors and Postdocs	Person	18	16	9
Proportion	%	0.20	0.20	0.10
Postgraduates	Person	846	595	447
Proportion	%	8.90	7.60	6.70
Undergraduates	Person	3,482	2,937	2,432
Proportion	%	36.80	37.50	36.40
Junior College Graduates	Person	1,882	1,597	1,334
Proportion	%	19.90	20.40	20.00

Employee Training Data				
Indicator	Unit	2024	2023	2022
Total Training Investment	10,000 Yuan	668.4	620.0	525.2
Number of Training Participants	Person-time	47,280.0	39,288.0	35,700.0
Number of Training Sessions	Time	1,671.0	1,316.0	1,371.0
Total Training Hours	Hour	121,176.0	98,220.0	76,840.0
Average Training Hours per Employee	Hour	12.8	12.5	11.5

Occupational Health and Safety Performance

Safety production data				
Indicator	Unit	2024	2023	2022
Work Safety Investment	10,000 Yuan	2,678.114	1,134	1,050
Work-related injury data				
Number of Near-miss Accidents	Case	16	15	10
Number of Lost-time Injury Incidents	Case	5	5	2
Number of Working Days Lost due to Work-related Injuries	Day	336	317	226
Number of Recordable Accidents	Case	5	18	12
Total Working Hours	Man-hour	18,912,000	15,664,000	13,368,000
Cumulative Number of Person-times of Safety Training for On-the-job Personnel	Person-time	44,531	-	-
Disease Physical Data				
Number of Occupational Disease Physical Examinations	Person	884	445	377
Number of Detected Occupational Diseases	Person	0	0	0
Number of Detected Occupational Contraindications	Person	0	-	-
Coverage Rate of Occupational Health Examinations (Hazardous Occupational Positions)	%	100	100	100

Sieyuan Electric Co., Ltd.

Email: webmaster@sieyuan.com

Tel: 021-61610502