

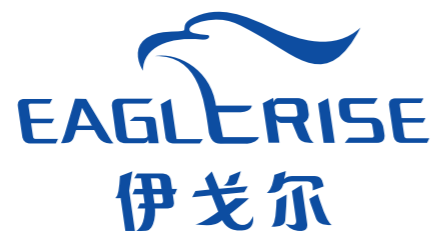


2023

**Eaglerise Electric & Electronic (China) Co., Ltd.
Sustainability Report**

& Environmental, Social and Governance (ESG) Report





About This Report

Eaglerise Electric & Electronic (China) Co., Ltd. (hereinafter referred to as "Eaglerise", the "Company", or "we") proactively discloses the Company's sustainability management and performance to stakeholders every year, with a view to boosting understanding, communication and cooperation with them and enhancing our corporate transparency.

Reporting Boundary

This report covers all significant entities over which Eaglerise has operational control. Unless otherwise stated, its reporting boundary is consistent with that of consolidated financial statements in our annual report. Descriptions and data herein cover the period from January 1, 2023 to December 31, 2023, with a small amount of information outside of this time frame included, too.

Basis for Compilation

This report with reference to the Global Reporting Initiative (GRI) Standards 2021 and related documents, including:

- The United Nations Sustainable Development Goals (UN SDGs);
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information;
- IFRS S2 Climate-related Disclosures; and
- Guidelines on Self-regulation by Companies Listed on the Shenzhen Stock Exchange No. 1 – Regulated Operation of Companies Listed on the Main Board.

Data Sources

All information and data disclosed herein comes from the official documents, statistics, and annual reports of Eaglerise and its subsidiaries, while financial information comes from Eaglerise's annual financial statements. All amounts in this report are presented in CNY.

Our Statement

This report has been deliberated by our Board of Directors, and Eaglerise is responsible for the authenticity, accuracy and completeness of its content.

Third-party Assurance

This report has been assured by independent third-party TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch. Please find the independent assurance statement produced by TÜV SÜD at Chapter 8.

Language Versions and How to Obtain

This report is published online in simplified Chinese and English. Should there be any discrepancies between the two versions, the simplified Chinese version shall prevail. You may view or download it on our website (<http://www.eaglerise.cn/>) or designated information disclosure website <http://www.cninfo.com.cn/>.

Stakeholder Feedback

For comments and suggestions regarding this report, please contact us at:

- Tel.: 86-0757-86256516 (ESG Management Department)
- Email: president_office@eaglerise.com



Scan the QR code to obtain the report

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01 Robust Governance and Responsible Citizenship

Responsible Citizenship



02 Low-carbon Development to Protect Lucid Waters and Lush Mountains

Protect Lucid Waters and Lush Mountains



03 Employment Protection for Shared Value Creation

for Shared Value Creation



Chairman's Message



The year 2023 was marked by global turbulence and a slowdown in trade. It also saw sustainable development increasingly intertwined with economic growth. Amidst unstable economic, international, and natural environments, various previously latent issues have emerged around the world, leading to a surge in conventional energy prices and more urgent, diversified global demands for energy. Eaglerise, upholding the principles of sustainable development, actively responded to China's goals to peak carbon emissions by 2030 and achieve carbon neutrality by 2060 to propel our own ESG agenda forward.

We continue our efforts to forge ahead, guided by the mission and vision of "focusing on the energy and communication industries, by applying power electronics technology, we aim to become a first-class tech-innovation enterprise that provides products, solutions, and services to the global market, and creates continuous growing value for our customers, employees, and society." By advancing our objectives in renewable energy solutions and smart, we contribute to global energy transformation.

In the midst of changing landscape, we stand united with all stakeholders, and rise to meet the challenges that lie ahead. Our

efforts have garnered much recognition from society. By concentrating on energy and information sectors and strengthening our sustainability efforts, we achieved significant milestones in 2023 in terms of financial performance, management systems, environmental protection, professional capabilities, employee empowerment, and manufacturing.

We kept improving corporate governance. We recognize that an adaptive corporate governance model is crucial for sustainable development. Accordingly, we have built a sound governance architecture, devised internal control mechanisms, and enhanced integrity management to ensure effective oversight and achievement of performance goals in all spheres, and to better identify and respond to major opportunities and challenges related to sustainable development. By harnessing collective wisdom from top to bottom, we unleashed the full potential of the Company, integrated environmental stewardship into our products, and leveraged digital technologies to achieve sustainable production. In the near future, each business unit will explore and define its ESG responsibilities and objectives in alignment with the Company's development trajectory.

We contributed to mitigating climate crisis. Through measures such as establishing environmental management system, creating dedicated task forces, regulating the use of environmentally friendly chemicals, offering carbon-related training, and optimizing our energy infrastructure, we actively drove energy conservation and emissions reduction within the Company. We exerted continued efforts to enhance professionalism in the industry, and harnessed sustained technological innovation to boost energy transformation, foster low-carbon regional development, and strive towards shared prosperity. We also maintained stringent standards in manufacturing and operations, infused green principles into our products, and implemented environmentally friendly practices to solidify our position as a trusted green enterprise built on technology and innovation.

We actively fulfilled our corporate social responsibilities. The growth of Eaglerise relies on the collective efforts of our diligent employees and recognition and support by various sectors of society. We abide by labor laws and regulations, establish comprehensive systems and regulations, and continually enhance our occupational health and safety management and welfare programs. We safeguard the well-being of our employees by elevating their quality of life and nurturing a diverse and supportive work environment. Furthermore, we give back to society based on our strengths. We create employment opportunities, contribute to rural revitalization, and allow all stakeholders to benefit from our progress.

We are acutely aware that sustainable development is an imperative that demands steadfast commitment. ESG is not merely a compass, but it embodies our unwavering belief and attitude towards continuous self-improvement. We are grateful for the support and encouragement we have received from all sectors of society, and we firmly believe that Eaglerise, with its inherent advantages, will shoulder its mission, embrace responsibility, build upon its existing achievements, and lead the charge towards a sustainable future by making meaningful contributions to the earth.

Xiao Juncheng

Chairman of Eaglerise

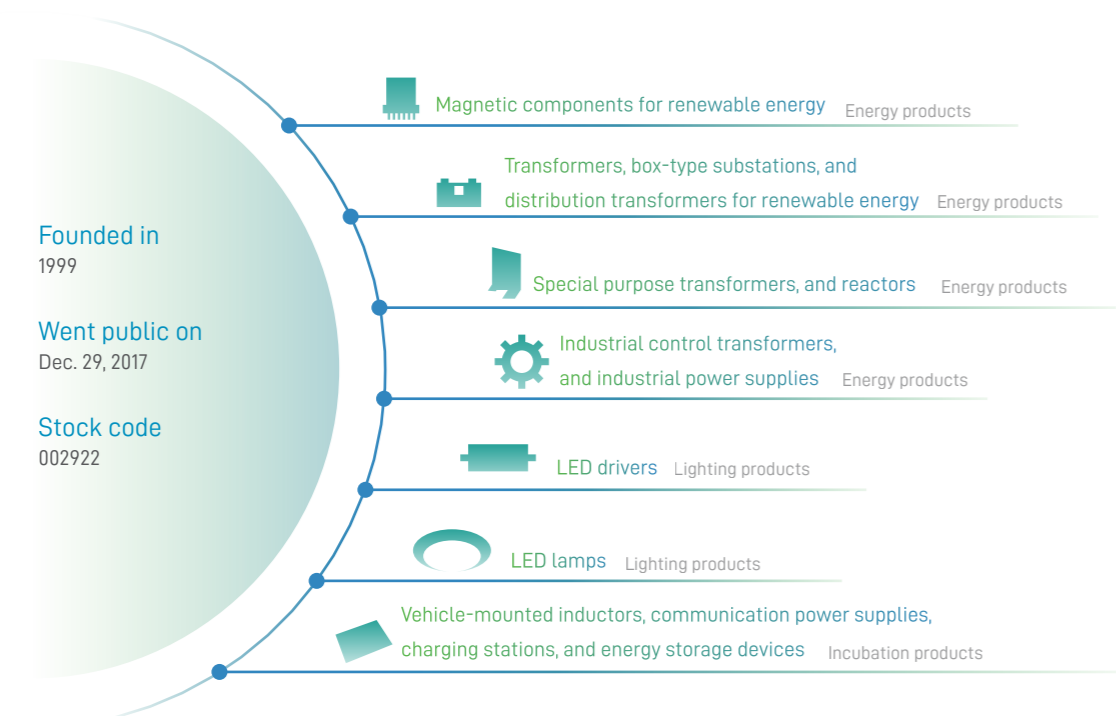
About Eaglerise

Company Overview

Eaglerise, founded in 1999, is headquartered in Foshan, China. We specialize in the energy and information industries, providing a range of products and solutions — from power electronics to communication systems — to global markets. We strive to become a leading innovative enterprise that creates continually increasing values for customers, employees, and society.

Over the past two decades, we have achieved significant milestones. In terms of manufacturing capabilities, we own five production bases worldwide, and gradually implement intelligent digital manufacturing to meet increasing market demands. Regarding product R&D, we run five R&D centers which constantly innovate in electric and electronic products in line with industry trends. As for marketing, we follow a market-oriented and customer-centric approach. With sales and after-sales service branches in China, the US, Japan, Singapore, and Malaysia, we nurture reciprocal partnerships with core customers across the globe.

On December 29, 2017, Eaglerise successfully went public, becoming an A-share listed company with a stock code of 002922. In 2018, we launched all-round digital transformation to optimize processes, and began to implement medium and long-term strategic plans in an organized manner. We place great importance on ESG planning and implementation, which serve as fundamental principles and action guidelines for our development, and enable us to effectively fulfill our mission and vision.



Our manufacturing bases



Shunde District, Foshan (Phase I)



Shunde District, Foshan (Phase II)



Ji'an, Jiangxi Province (Phase I)



Ji'an, Jiangxi Province (Phase II)



Negeri Selangor, Malaysia

Our R&D centers



Eaglerise Shunde R&D Center



Eaglerise Electronics R&D Center



Eaglerise Ji'an R&D Center

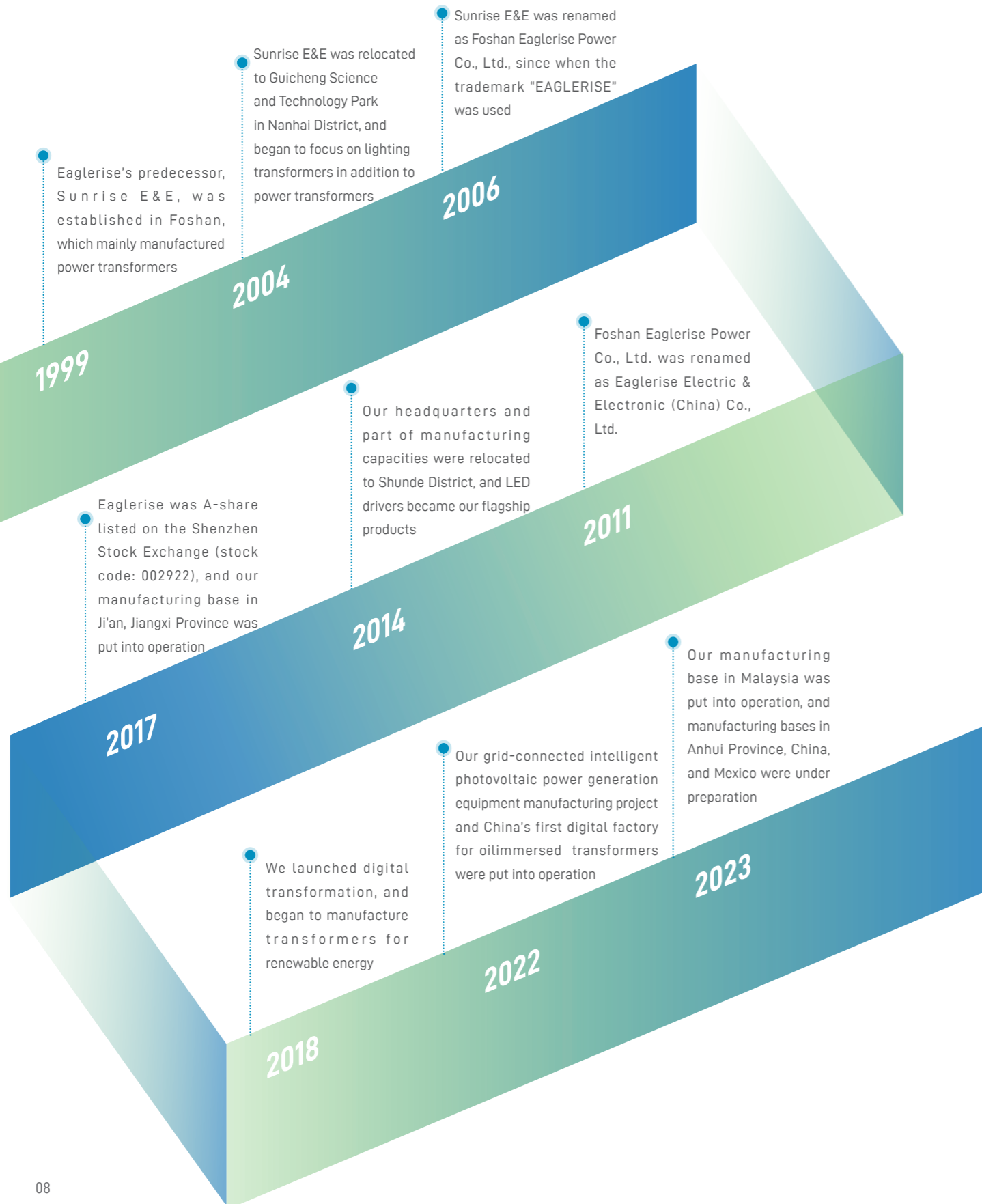


Eaglerise Shenzhen R&D Center



Eaglerise Shanghai R&D Center

Business Milestones



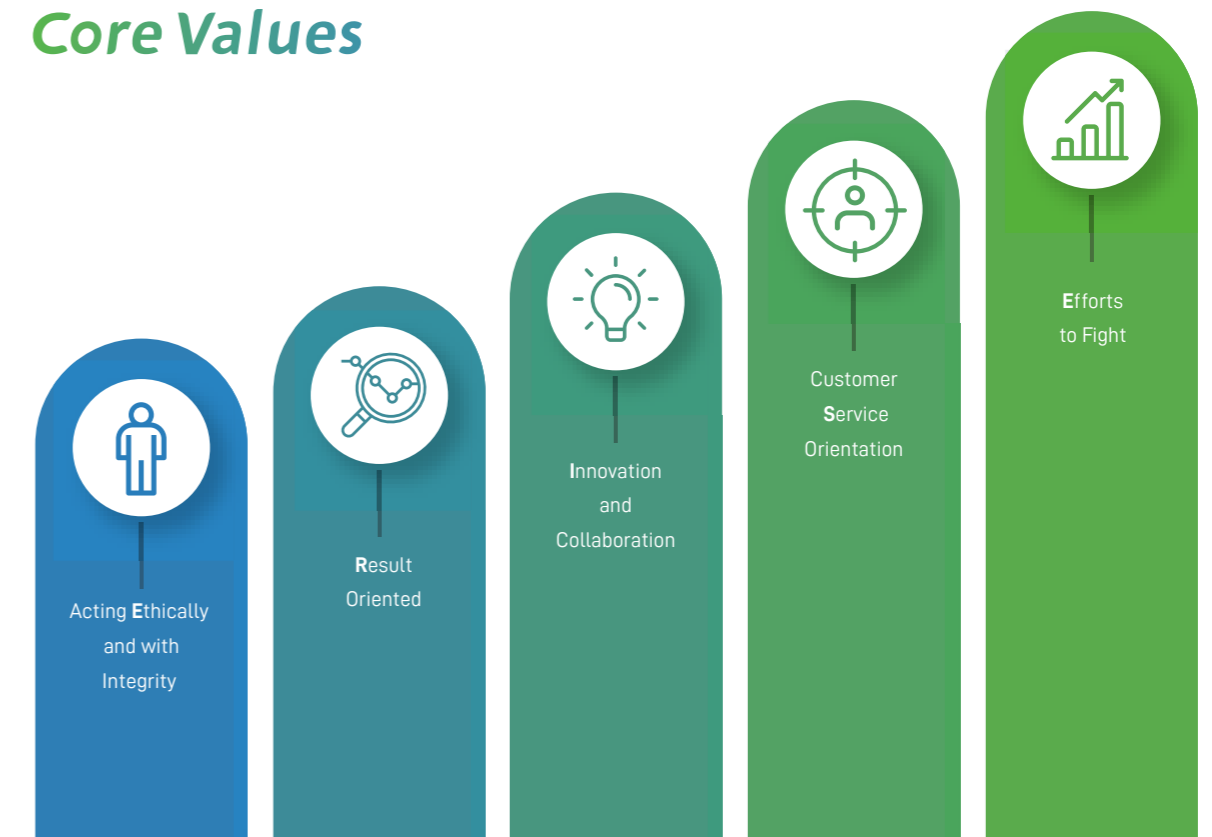
Mission and Vision

Focusing on the energy and communication industries, by applying power electronics technology, we aim to become a first-class tech-innovation enterprise that provides products, solutions, and services to the global market, and creates continuous growing value for our customers, employees, and society

Business Philosophy

<p>Steadfast operation</p> <p>Enhance operational stability, adhere to compliance in operations, and highlight risk control and long-term sustainable development</p>	<p>Digitally driven</p> <p>Actively adopt cutting-edge digital technologies and drive digitization to improve efficiency, enhance innovations, and increase competitiveness</p>
<p>Global reach</p> <p>Attach importance to globalization, and actively expand global markets to achieve transnational operations.</p>	<p>Process-based management</p> <p>Establish efficient business processes and management systems, improve operational efficiency and product quality through process improvements and standardization, and strive for a balance between growth and risks</p>

Core Values



EagleRISE value model

Honors and Awards

Manufacturing base	Honor/award winner	Honor/award	Obtained in	Presented by
Foshan	Eaglerise Electric & Electronic (China) Co., Ltd.	Green Design Platform for Intelligent High-frequency Power Supply	2018	China's Ministry of Industry and Information Technology
		Green Factory	2019	China's Ministry of Industry and Information Technology
		National Intellectual Property Advantage Enterprise	2022	China Intellectual Property Administration
		Foshan Hidden Champion Enterprise in Manufacturing	2020	Foshan Federation of Industry and Commerce, and Foshan General Chamber of Commerce
		Foshan Enterprise with Harmonious Labor Relations	2023	Foshan Municipal Human Resources and Social Security Bureau, Foshan Federation of Trade Unions, and Foshan Federation of Industry and Commerce
		Carbon Management Recognition Award	2023	Sungrow Power Supply Co., Ltd.
		ESG Best Practice Award	2023	Sungrow Power Supply Co., Ltd.
	Foshan Eaglerise Power Science & Technology (Shunde) Co., Ltd.	National Intellectual Property Advantage Enterprise	2023	China Intellectual Property Administration
		"Green + Smart Factory" Pilot on Project Management Standardization	2023	National Technical Committee 343 on Project Management of Standardization Administration of China
		Guangdong "Little Giant" Small and Medium Enterprise (that specialize in niche sectors, command a high market share and have strong innovative capacity and core technologies)	2023	Department of Industry and Information Technology of Guangdong Province
		Guangdong Technology Research Center for High-power Vertical Wound Inductor Engineering	2022	Department of Science and Technology of Guangdong Province
		Guangdong Famous High-tech Product "Oil Immersed Transformer"	2023	Guangdong Hi-tech Enterprise Association
		Guangdong Provincial Enterprise Technology Center	2023	Department of Industry and Information Technology of Guangdong Province
		Guangdong Manufacturing Individual Champion	2023	Department of Industry and Information Technology of Guangdong Province
		Carbon Management Recognition Award	2023	Sungrow Power Supply Co., Ltd.

Manufacturing base	Honor/award winner	Honor/award	Obtained in	Presented by
Foshan	Eaglerise Electronics (Foshan) Co., Ltd.	Guangdong Intellectual Property Demonstration Enterprise	2022	Guangdong Intellectual Property Protection Association
		Guangdong Brand with High-value Trademark	2023	Guangdong Trademark Association
	Eaglerise Intelligent Device Corporation Ltd.	Guangdong Innovative Small and Medium Enterprise	2023	Department of Industry and Information Technology of Guangdong Province
Ji'an	Eaglerise Electric & Electronic (Ji'an) Co., Ltd.	Jiangxi "Little Giant" Small and Medium Enterprise (that specialize in niche sectors, command a high market share and have strong innovative capacity and core technologies)	2022	Department of Industry and Information Technology of Jiangxi Province
		Jiangxi Professional "Little Giant" Enterprise	2023	Department of Industry and Information Technology of Jiangxi Province
		Jiangxi Demonstration Enterprise for Management Innovation	2023	Department of Industry and Information Technology of Jiangxi Province
		Jiangxi Manufacturing Pilot (Cultivation) Enterprise	2023	Office of Leadership Group for Building a Powerful Industrial Sector in Jiangxi Province
	Zero Waste Factory	2023	Office of Leadership Group for Creating a "Zero Waste" Ji'an City	
	Eaglerise Magnetolectric Technology (Ji'an) Co., Ltd.	Eaglerise Magneto 5G Digital Factory + Logo Analysis Smart Industrial Application	2022	Department of Industry and Information Technology of Jiangxi Province, and Organizing Committee of the 5th Bloom Cup 5G Application Competition Jiangxi Round





National High-tech Enterprise



National Intellectual Property Advantage Enterprise



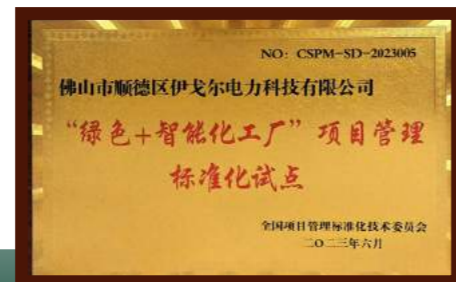
5G Digital Factory + Logo Analysis Smart Industrial Application



Jiangxi "Little Giant" Small and Medium Enterprise (that specialize in niche sectors, command a high market share and have strong innovative capacity and core technologies)



Foshan Hidden Champion Enterprise in Manufacturing



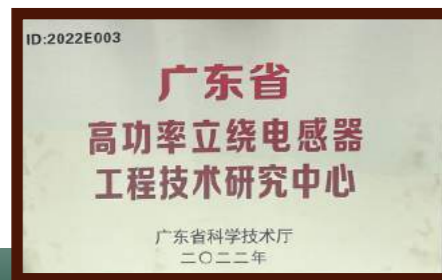
"Green + Smart Factory" Pilot on Project Management Standardization



Jiangxi Professional "Little Giant" Enterprise



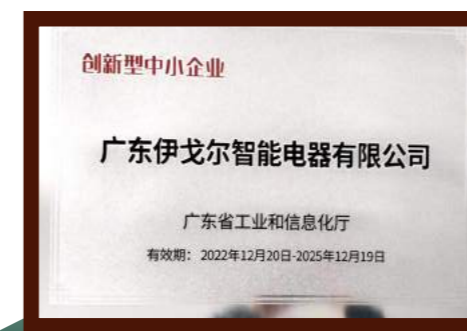
Jiangxi Demonstration Enterprise for Management Innovation



Guangdong Technology Research Center for High-power Vertical Wound Inductor Engineering



Foshan Enterprise with Harmonious Labor Relations



Guangdong Innovative Small and Medium Enterprise



Guangdong Intellectual Property Demonstration Enterprise

Sustainability Management

ESG Governance Structure

As sustainable development increasingly gains prominence globally, robust ESG governance has become a crucial factor for corporate competitiveness. Recognizing this importance, Eaglerise established an ESG Committee in 2023, and formulated the Rules of Procedure for the ESG Committee. These steps were taken to enhance our ESG practices and standardize our ESG management processes.



Values Created in 2023

UN SDGs addressed

Steadfast governance

Key performance indicators

- 2 independent directors, who make up 40% of total board members
- 100% coverage of Letter of Commitment to Integrity and Self-discipline among employees in China
- CNY 3.63 billion operating income
- CNY 201 million net profit attributable to shareholders after deducting non-recurring gains and losses

UN SDGs addressed

Low carbon development

Key performance indicators

- 3,2605 million kWh of cumulative solar power generation, which reduces CO₂ emissions by 1,858.48 tons
- 100% coverage of ISO14001:2015 certification in all our factories

UN SDGs addressed

Community building

Key performance indicators

- Total employees: 2,775
- Female representation: 43.75%
- 100% coverage of performance appraisals among regular employees
- 19.08 hours of training per ordinary employees on average

Stakeholder Engagement

Cooperation and support from stakeholders is an important part of our sustainable development. We attach great importance to stakeholder engagement, and have built multiple channels for this purpose. We communicate with stakeholders both regularly and irregularly to efficiently and fully understand their demands and expectations, and timely respond to the demands and expectations to enhance win-win mutual trust.

Stakeholder	Topics of concern	Engagement channels
Employees	Employee rights Employee training and development Occupational health and safety Human rights protection Equality, diversity and inclusion	Workers Congress Employee surveys Complaint hotline and emails
Customers	Product quality and safety Customer relationship management Technological innovation Product lifecycle management	Surveys Eaglerise's website and emails Customer visits
Shareholders and investors	Corporate governance Business ethics Compliance in operations	General Meeting of Shareholders Information disclosures Investor communication platforms Eaglerise's website and emails
Suppliers and other partners	Business ethics Sustainable supply chain	Supplier reviews and evaluations Surveys Supplier conferences Eaglerise's website and emails
Government and regulatory agencies	Compliance in operations Human rights protection	Meetings by securities regulators Information disclosures Surveys
Industry associations and companies in the same industry	Sustainable supply chain Technological innovation	Industry seminars Exhibitions and conventions Academic exchanges
Media	Compliance in operations Human rights protection	Surveys Eaglerise's website and emails Information disclosures New media platforms
Surrounding communities	Community relations	Surveys Information disclosures Eaglerise's website and emails
Environment	Product life-cycle management Climate action Energy management Waste management Water resources management Environmental compliance management	Monitoring and compliance measures Information disclosures

Analysis of Material Topics

Eaglerise exerts continued efforts to improve the identification and assessment of material sustainability topics. The identified material topics are discussed in stakeholder surveys, then analyzed based on survey results, deliberated by the management, and finally rated to form a materiality matrix. The analysis results provide an important reference for our future ESG management.

Identified material topics

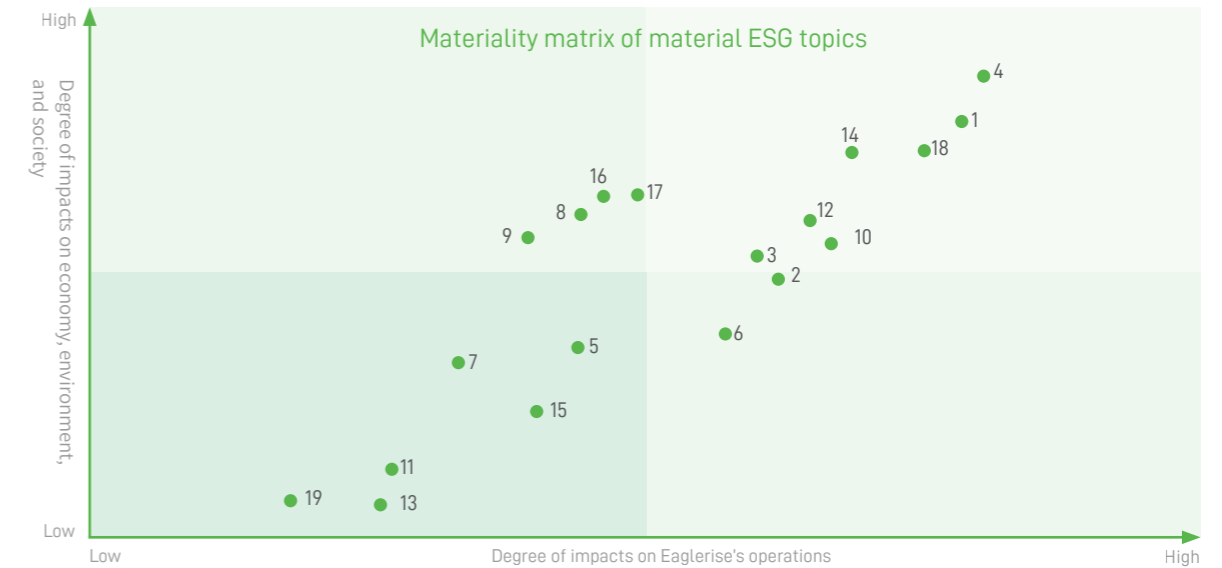
Benchmarking against international initiatives and standards, the requirements of investment and rating agencies, outstanding practices of enterprises in the same industry, and our own development goals, we identified 19 highly relevant topics, and invited various stakeholders and Eaglerise's governance bodies to attend surveys.

Analyzed material topics

We distributed survey questionnaires online to all our operating locations, and collected a total of 1,365 valid questionnaires.

Obtained materiality matrix

Based on scores given by stakeholders, we conducted cross-analysis on the degree of impacts of these material issues on Eaglerise's finance as well as the environment, society, corporate governance, and economy, and obtained a matrix of the materiality of these topics.



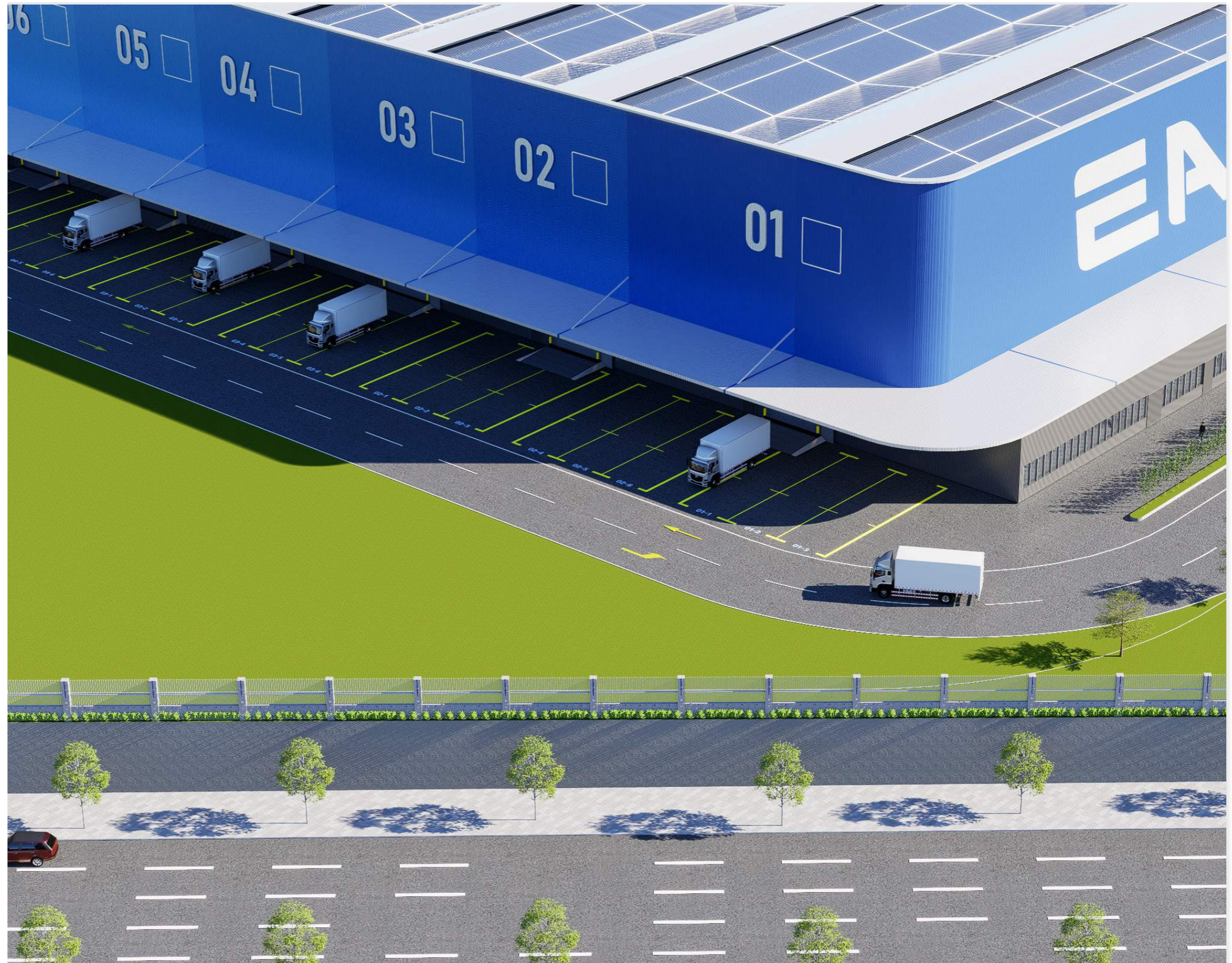
<p>Topics of high materiality</p> <ul style="list-style-type: none"> 4 Product quality and safety 1 Corporate governance 18 Sustainable supply chain 14 Employee rights and interests 12 Product lifecycle management 10 Energy management 	<p>Topics of medium materiality</p> <ul style="list-style-type: none"> 3 Business ethics 6 Technological innovation 2 Compliance in operations 17 Occupational health and safety 16 Employee training and development 8 Environmental compliance 7 Climate action 5 Customer relationship management 15 Equality, diversity and inclusion 9 Waste management 	<p>Topics of low materiality</p> <ul style="list-style-type: none"> 13 Human rights protection 19 Community relations 11 Water resources management
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01

Robust Governance and

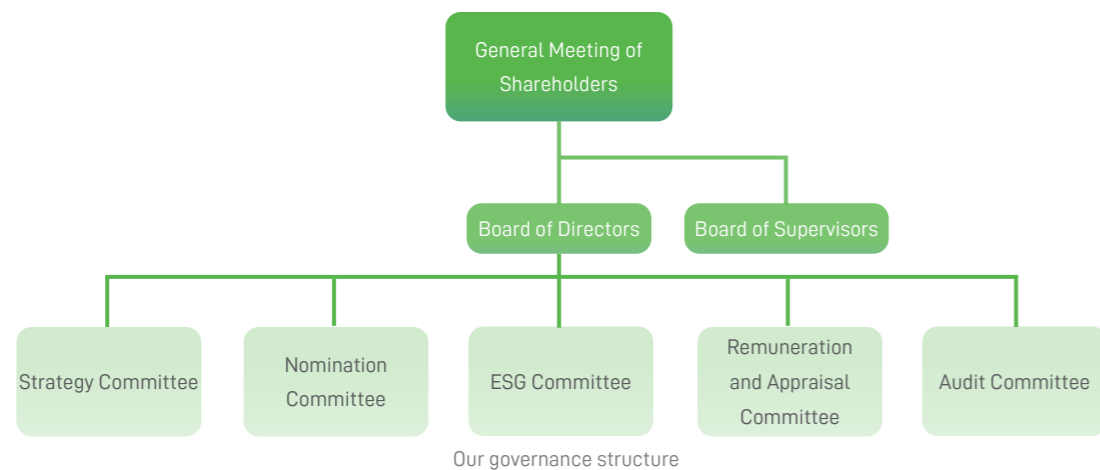
Responsible Citizenship

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Strengthened Corporate Governance

We strictly adhere to a range of legal and regulatory frameworks, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and several other key regulations relevant to listed companies including the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, and the Guidelines on Self-regulation by Companies Listed on the Shenzhen Stock Exchange No. 1 – Regulated Operation of Companies Listed on the Main Board (2023 Revision). Our governance structure is comprised of the General Meeting of Shareholders, the Board of Directors, and the Board of Supervisors. Upholding the principle of scientific decision-making, we clearly define rights and responsibilities at each level of governance. This ensures continual improvement of our governance practices and effective protection of the rights and interests of the Company and its shareholders.

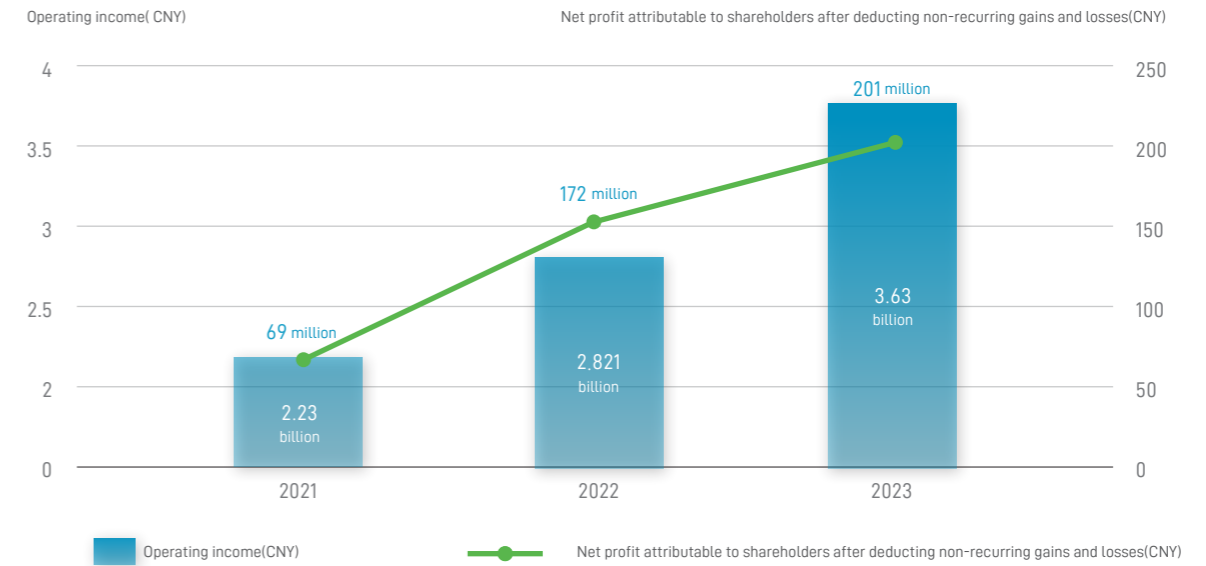


Key performance indicators

Board members: 5
 Independent directors: 2
 accounting for: 40%
 General meetings of shareholders: 4

Supervisors: 3
 accounting for: 33%
 Employee representative supervisor: 1
 Board meetings: 12
 Board of Supervisors meetings: 10 times

Item	2021	2022	2023
Operating income	CNY2.23 billion	CNY2.821 billion	CNY3.63 billion
Net profit attributable to shareholders after deducting non-recurring gains and losses	CNY69.00 million	CNY172.00 million	CNY201.00 million



Board Diversity

Our Board of Directors places a strong emphasis on diversity and continuously works to enhance the varied backgrounds and expertise of its members, aiming to improve its overall competency and governance effectiveness. There are currently 5 directors who have profound industry backgrounds or rich corporate management experience. Among them, 2 are independent directors expert in finance or law, who complement with board members in capabilities. The Board of Directors conscientiously implements resolutions passed at the General Meeting of Shareholders, and performs its duties and obligations diligently and responsibly to ensure the Company's sustained, healthy and stable development while promoting regulated operations and safeguarding the rights and interests of the Company and its shareholders. There are five specialized committees under the Board of Directors, i.e., Strategy Committee, Nomination Committee, Audit Committee, Remuneration and Assessment Committee, and ESG Committee, which assume clear powers and duties to regulate corporate governance and promote manufacturing and operations in a scientific and efficient manner.

Protection of Investors' Rights and Interests

During the reporting period, we strictly complied with related laws and regulations including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines on Self-regulation by Companies Listed on the Shenzhen Stock Exchange No. 1 – Regulated Operation of Companies Listed on the Main Board, and the Investor Relations Management System to ensure orderly and efficient investor relations management. Practical endeavors were made to protect investors' right to know and participate in major matters of the Company, safeguard the interests of small and medium investors, timely hold performance briefings after disclosing regular reports and more. Following the principles of "openness, justice, and fairness", we maintain effective communication with shareholders through performance briefings, investor hotline, on-site surveys, etc. The Board Secretary is in charge of investor relations management, responsible for coordinating investor relations, receiving shareholders during visits, answering investor inquiries, etc.

CNY
216 million of
 accumulative cash dividends distributed to shareholders

Additionally, we value investors' return on investment. While creating economic benefits by increasing R&D efforts and expanding manufacturing capacity, we create reasonable profit distribution policy and pay dividends to shareholders based on business performance to reward them. Since the company was listed on December 29, 2017 a total of CNY216 million of cash dividends has been distributed to shareholders.

Internal Control

Effective internal control safeguards steady development of the Company. By referring to our Articles of Association, relevant laws, regulations and normative documents such as the Audit Law of the People's Republic of China, the Basic Standards for Enterprise Internal Control, the Supporting Guidelines for Enterprise Internal Control, and the Guidelines on Self-regulation by Companies Listed on the Shenzhen Stock Exchange No. 1 – Regulated Operation of Companies Listed on the Main Board (2023 Revision), we have formulated institutional documents including the Internal Control Evaluation Manual and the Audit and Supervision Management System to improve our compliance system, help the Board of Directors manage operating risks, and ensure the effective operation of our internal control mechanisms.

case Key performance indicators

In response to supply chain risks, we launched a specialized audit to investigate risks in internal and external environment of the supply chain and our business links, find out the causes of the risks, and evaluate the operational effectiveness of our current risk identification and assessment mechanism. Through this audit, we identified risks in the supply chain, and produced a supply chain risk management audit report which includes recommendations on risks prevention and control to help the Company effectively manage supply chain risks.

Business Ethics

At Eaglerise, we uphold the highest standards of honesty and integrity, continuously improving our integrity management mechanisms and enhancing our anti-corruption capabilities. We enforce a zero-tolerance policy against all forms of corruption and fraud. Our "Letter of Commitment to Integrity and Self-Discipline" clearly stipulates the codes of conduct for both suppliers and employees, reinforcing our commitment to ethical practices.

We joined China Enterprise Anti-Fraud Alliance in 2022, collaborating with social resources to reject suppliers who have violated laws and disciplines, given commercial bribes, or sought benefits through other improper means and thus have been exited by the alliance to jointly building a clean business environment. During the reporting period, we attended the alliance's 2023 Private Exchange among Integrity and Innovation Famous Enterprises, and shared our anti-fraud experience with other members.

We carry out anti-corruption publicity among all employees. A number of events are held to urge employees to celebrate holidays with integrity, strengthen the building of a culture of integrity, and create an honest and law-abiding working atmosphere. For sensitive procurement personnel, training on integrity code of conduct which covers integrity and self-discipline requirements is given to eliminate corruption during procurement. During the reporting period, we held 3 anti-corruption activities and training sessions as well as 1 anti-corruption training session specially for procurement personnel.

case Organized anti-corruption knowledge activity

In September 2023, we held "Cool Breeze under Bright Moon, Integrity during the Mid-Autumn Festival" knowledge competition. Through employee registration and integrity knowledge quiz questions, we promoted integrity among all employees, and encouraged them to contribute to the Company's integrity culture, thus maintaining a clean and honest workplace.



Key performance indicators

Coverage of Letter of Commitment to Integrity and Self-Discipline among employees in China: **100%**

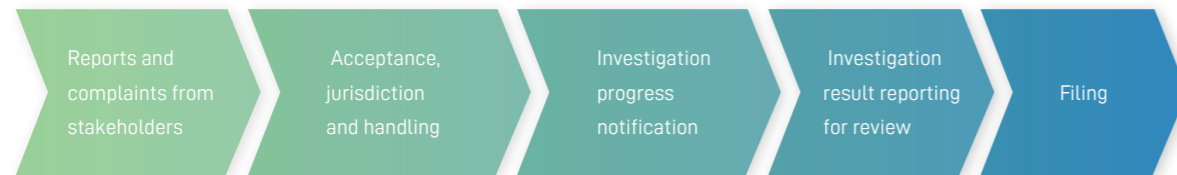
Coverage of corruption risk assessment among our operating locations: **80%**

Coverage of anti-corruption training for high-risk positions: **100%**

Number of confirmed prosecutions for corruption and anti-competitive conduct: **0**

Our Report and Complaint Management System clarifies the procedures and channels for handling reports and complaints, and stipulates that reports and complaints shall be kept strictly confidential. It is strictly prohibited to disclose the personal information of reporters and complainants to avoid adverse consequences for them.

Reporting and Complaint Handling Process:



Reporting Channels:

Email: shenjibu@eaglerise.com;

Tel: 0757-8252 3553, 0757-8625 9710

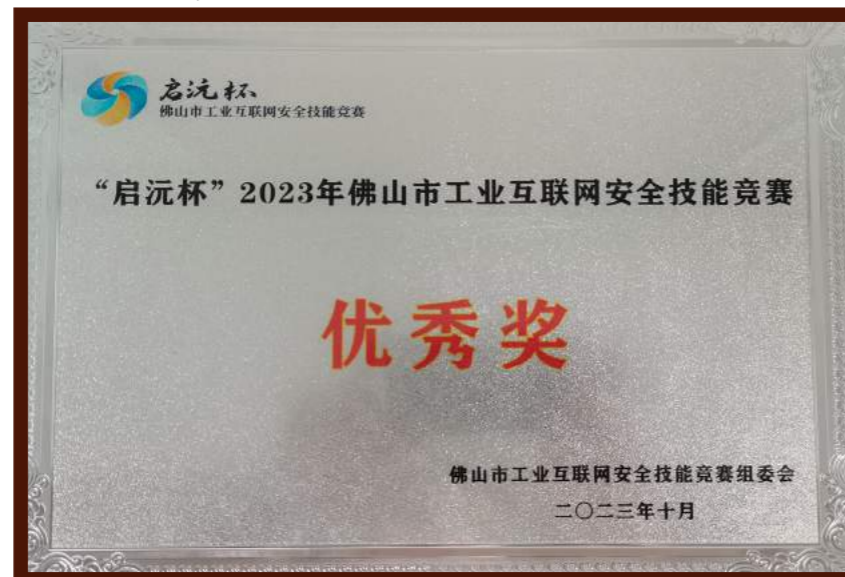
Address: Audit and Supervision Department, Eaglerise Electric & Electronic (China) Co., Ltd., No. 4 Huanzhen East Road, Beijiao Town, Shunde District, Foshan, Guangdong Province, China (zip code: 528311)

WeChat account: YGE-sjfwzx

Information Security

While empowering business growth with digital technologies, Eaglerise places a high priority on information security. Targeted management mechanisms such as Information Security Management Regulations and Network Behavior Management Regulations are in place to ensure information stability and safety and regulate employees' online behaviors. Additionally, we employ document encryption and utilize a cybersecurity awareness platform to protect against viruses and reduce the risk of information leakage.

In October 2023, we participated in Qiyuan Cup 2023 Foshan Industrial Internet Security Skills Competition jointly sponsored by Foshan Internet Information Office, Foshan Industry and Information Technology Bureau, etc. Based on our understanding and application of new technologies such as 5G and artificial intelligence as well as relevant laws and policies, we won Excellence Award in the competition, which is a recognition of our information security-related technical capabilities.



Won Excellence Award at Qiyuan Cup 2023 Foshan Industrial Internet Security Skills Competition

Customer Empowerment

Innovation and R&D

Eaglerise focuses on power electronics, and delivers products, integrated solutions, and services to customers based on their demands. As of the end of the reporting period, our research and development team had 428 members who fell into 14 software and hardware development groups and specialized management groups. All our products are fully certified, and therefore can satisfy the standards of multiple countries.

We are dedicated to developing products with independent intellectual property rights. Efforts are made to continually enhance our intellectual property protection system. Intellectual Property Management Regulations is executed to safeguard our intellectual property achievements and uphold brand reputation. We also actively encourage employees to engage in inventive activities and pursue technological innovations. Our R&D expenses for 2023 amounted to CNY185.73 million, and we owned a total of 267 patents as of the end of the reporting period, including 19 invention patents, 238 utility model patents, and 10 design patents.

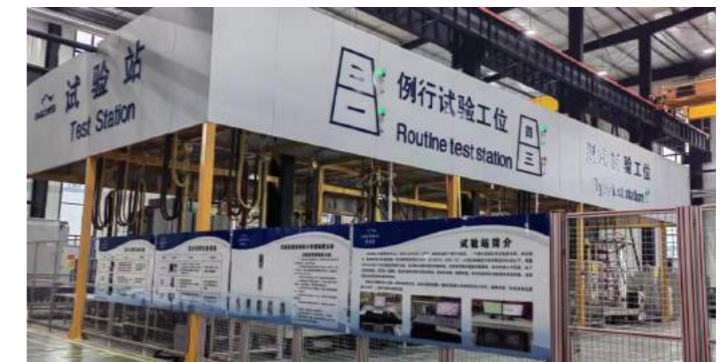
With outstanding technological R&D capabilities, Eaglerise has garnered esteemed recognition and accolades, including "National High-tech Enterprise" from the Ministry of Science and Technology, and "National Intellectual Property Advantage Enterprise", "National Intellectual Property Demonstration Enterprise", "National Patent Excellence Award", and "Guangdong Enterprise Technology Center" from China National Intellectual Property Administration. Additionally, Eaglerise has participated in the Ministry of Industry and Information Technology's green manufacturing system integration project with its "High-frequency Intelligent Power Supply Green Design Platform", and been recognized as "Guangdong Enterprise Technology Center" and "Guangdong Engineering Research Center for High Power Toroidal Inductors".



Put into use step-up transformer test station

The test station of Eaglerise Magnetolectric Technology (Ji'an) Co., Ltd. spans an area of about 500 m², whose total investment is CNY10 million. It comprises 4 routine test areas, 1 type test area, test operation rooms, 1 oil analysis laboratory, and 1 shielded room. Satisfying standards including GB1094, IEC60076, IEEE C57, and UL, it is equipped to perform all routine tests, select type tests, and some special tests for transformers with voltage levels up to 35kV and capacities up to 10,000kVA. The state-of-the-art test station boasts a high degree of intelligence and advanced comprehensive performance. It realizes one-time wiring and can automatically complete all routine testing, with high testing efficiency and accurate data. Features like automatic qualification determination, test report generation, and data storage are available.

From initial investment planning to the installation of basic equipment and configuration of test instruments, Eaglerise remains committed to improving enterprise quality and upholds unwavering responsibility towards customers.



Product Innovation Case

Adopted low carbon and environmentally friendly vegetable oils for transformers

Compared with traditional mineral insulating oils, vegetable oils have lower fire risk, can extend transformer lifespan, and help reduce carbon emissions. It is estimated that a 220kV vegetable oil transformer can reduce carbon emissions by about 121 tons over its entire lifecycle, which ensures the safe operation of transformers while achieving low carbon and environmental goals. In 2022, our Strategic Development Center proposed to replace mineral oil used in power transformers with high-performance, low-carbon environmentally friendly vegetable oils, and formed a dedicated project team to design and produce vegetable oil transformers. In the future, we will continue to uphold technological innovation, promote the wide application of vegetable oils in existing and new transformers below 220kV, and drive the green transformation and development of the transformer industry.



Product Innovation Case

Introduced highly efficient and reliable phase-shifting transformers for Panama Power solution

Panama Power solution integrates 10kVac distribution, isolation transformers, modular rectifiers, output distribution, etc. Using phase-shifting transformers instead of frequency transformers, it optimizes integration from 10kVac to 240V dc throughout the power supply chain. This solution features high efficiency, high reliability, high power density, high power capacity, and convenient maintenance. Compared with power supply solutions adopted by traditional data center, it reduces space occupied by 50%, equipment and engineering construction costs by 40%, and achieves a power module efficiency of up to 98.5%. It has a simple and reliable architecture, with separate battery installation. The system capacity can be flexibly configured based on actual needs.



Product Innovation Case

Introduced highly efficient and energy saving photovoltaic step-up transformers

Eaglerise launched a 8800kVA photovoltaic step-up transformer which features high efficiency and energy conservation. With a Tier-2 energy efficiency, it can be used in high-temperature environments. It reduces eddy current losses through simultaneous electromagnetic simulation and fluid simulation as well as electrical shielding, and reduces temperature rise through directional oil flow. Due to these improvements, the transformer has a smaller size, and thus can be installed in narrower environments and support more usage scenarios.



Product Innovation Case

Launched containerized substation to improve power efficiency and reduce costs

Our 9MW containerized substation equipped with currently the most advanced string inverter offers higher energy efficiency and cost savings in terms of manufacturing, transportation, construction, operation and maintenance. It saves CNY0.005 to CNY0.01 per watt of manufacturing costs, which is equivalent to saving CNY45,000 to CNY90,000 per unit. In terms of transportation costs, it reduces transportation expenses by 23% compared with a 7MW containerized substation. It also saves CNY0.01 to CNY0.02 per watt of construction costs, which is equivalent to saving CNY90,000 to CNY180,000 per unit. Additionally, it reduces operation and maintenance costs by 20%, and achieves a 7% reduction in No load loss and a 13% reduction in Load loss, thereby improving energy efficiency.



Product Innovation Case

Launched digital power supply to increase power efficiency

We also introduced gallium nitride-based DALI dimmable digital power supply which boasts enhanced energy efficiency. With a typical efficiency of 90% and a high power factor (PF) value of 0.95, this product consumes less than 0.3W in standby mode. It has digital communication capabilities. Equipped with a dedicated digital driver chip, it enables smooth dimming without noticeable steps with a precision of 0.01%, and achieves exceptional load regulation and linear adjustment rates. Moreover, it requires fewer raw materials, bringing in a 30% reduction in design volume and adaptability to narrower installation environments, which expands its application scenarios. The product also complies with DALI protocols 251, 252, and 253, allowing for the storage and reporting of energy and power consumption data, as well as conducting lamp data maintenance and various diagnostics.

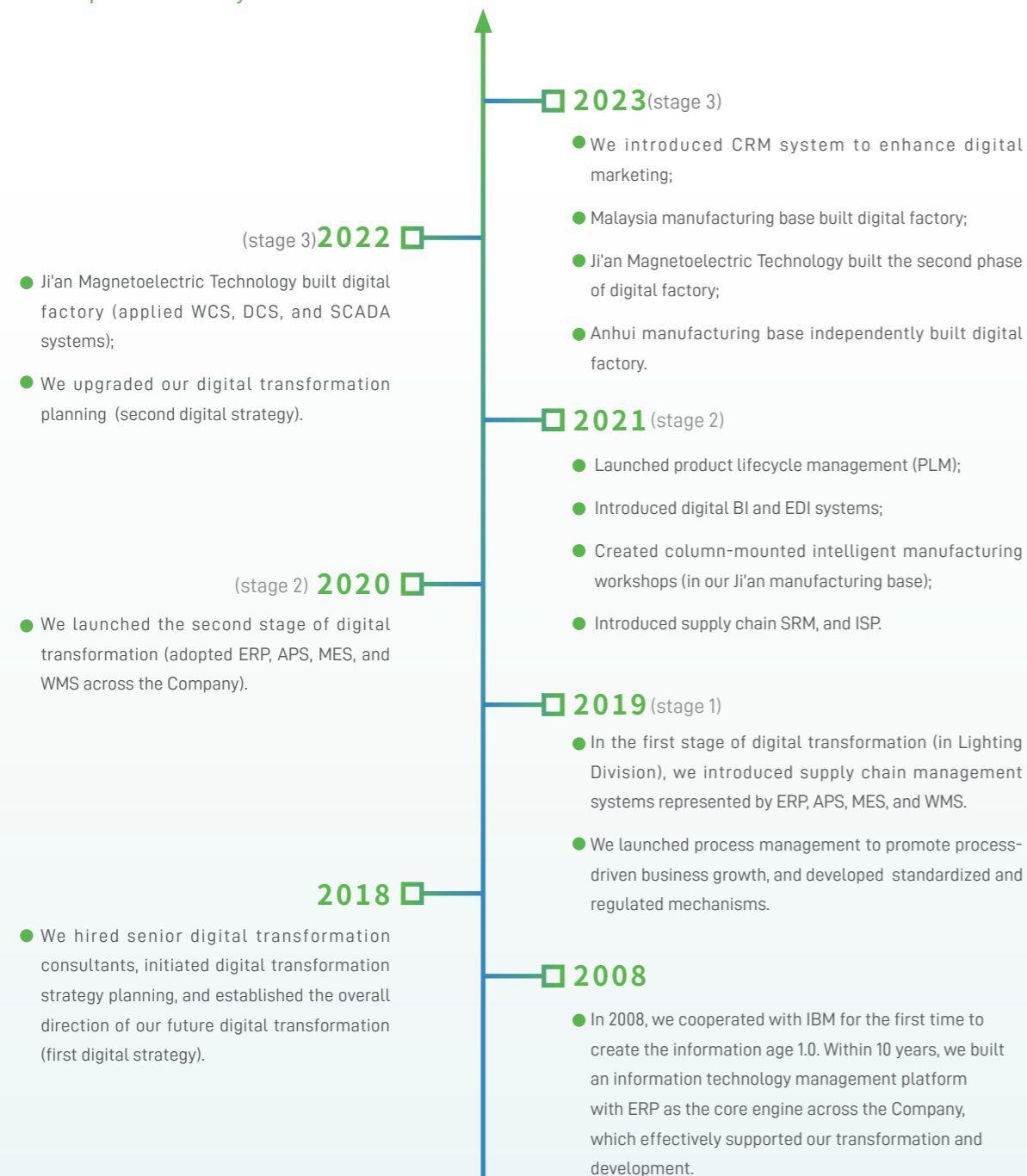


We also prioritize environmental considerations in product development. In the realm of energy products, we have implemented more eco-friendly innovative approaches. By utilizing state-of-the-art automated linear winding equipment, we have achieved higher power density than conventional toroidal inductors. This has resulted in reduced usage of magnetic cores and copper wires, which effectively minimizes material consumption and lowers overall energy demand. Furthermore, we adopt a magnetic integrated inductor solution, consolidating multiple inverters into one three-phase inverter inductor. This approach has proven to be instrumental in reducing the amount of casing and potting materials required, as opposed to traditional separate inductor solutions.

Digital Transformation

Our digital transformation, guided by strategic vision, represents a long-term integration of business and IT. Over the course of 6 years, we underwent 2 digital strategy plans and 3 digital transformation stages. Our endeavor encompassed not only a transformation in business ideologies, organization, and processes, but also strategic utilization of cutting-edge information technologies such as cloud computing, big data, the Internet of Things (IoT), and artificial intelligence (AI) to achieve "digital operations and operationalization of digitality" to propel our overall business growth.

Eaglerise's information technology development history



Planning for digital transformation

Digital strategy: In 2018, we initiated the Company's digital strategy plan, which provides a clear direction for our digital transformation. In 2022, we upgraded our the plan, embarking on a data-driven approach to fuel our digital transformation journey.

Stages of our digital transformation

Stage 1: introduced digital systems, and piloted operation digitization

Digital management: By integrating ERP, APS, MES, and WMS systems, we have digitized end-to-end information flows spanning processes from order to collection, procurement to payment, R&D to manufacturing, manufacturing to cost, demand to delivery, and vouchers to reports.

Stage 2: performed process-driven business transformation, launched digital promotion, and built digital factories

Process management: We embrace "process-driven" management as delineated in our corporate system and standard operating principles. Through effective implementation of a process management system, we have enhanced our process management maturity, and gradually established a customer-centric process-oriented organizational structure. Additionally, the launch of our process specification management system has laid a solid foundation for the Company's digital transformation journey.

Digital R&D: By incorporating RS, CREO, and PLM systems, we have achieved product lifecycle management, and heightened design efficiency and quality.

Digital supply chain: By implementing SRM and ISP systems, we have boosted online procurement collaboration, and regulated end-to-end management for supplier relationships, demand management, RFQ processes, quotation management, procurement execution, delivery coordination, and financial management. And our procurement operations have undergone a meticulous digital transformation.

Digital manufacturing: Eaglerise is dedicated to building pioneering digital factories. We keep optimizing our business operations and develop sophisticated information systems to seamlessly integrate industrialization, informatization, and automation. Through the integration of WCS, DCS, and SCADA systems with advanced automation equipment like AGV, PAD, and RFID, we have achieved remarkable automation in both manufacturing and logistics.

Stage 3: data-driven business transformation, and international factory expansion

Digital marketing: We have built an integrated smart digital marketing management information platform (CRM system) which enables end-to-end marketing information flow covering market to lead (MTL), lead to cash (LTC), and management of the customer relationship (MCR).

International factory expansion: We have established a factory in Malaysia, which marks Eaglerise's first overseas manufacturing facility.

Digital R&D: By integrating electromagnetic simulation and fluid simulation systems, we have empowered comprehensive finite element analysis that encompasses product structure, fluid dynamics, electric fields, magnetic fields, and more. This capability ensures product performance reliability, and drives efficiency improvements in our R&D processes.

IT infrastructure development: We run a robust cybersecurity situational awareness platform which enables us to gain real-time insights into our network environment, monitor network operations, and forecast future network trends.

Quality Assurance

At Eaglerise, we prioritize product quality management, and strictly adhere to domestic and international laws and regulations related to quality. We are fully committed to meeting the requirements of international management standards, and strive to ensure consistent delivery of high-quality and safe products across our business processes. As of the reporting period, we have successfully obtained ISO 9001:2015 quality management system certification, IECQ QC080000:2017 hazardous substance process management system certification, and ISO/IATF 16949:2016 automotive industry quality system certification.



Key performance indicators

Number of product recalls due to quality issues: Number of violations of product health and safety-related regulations and warnings received: 0

Our commitment to quality management is embedded in every stage of product lifecycle, including R&D, raw material procurement, manufacturing, storage, and transportation. Each division takes full ownership of product development and manufacturing, and establishes specialized capabilities to ensure high-quality outcomes. We set annual quality management goals, assign responsibilities to relevant departments, and report on goal achievement at monthly quality meetings to drive continuous improvements in product quality.



Product R&D

During the development of new products at Eaglerise, we meticulously evaluate the feasibility of their functionality, performance, parameters, and structure.

During product trials, we conduct comprehensive product confirmation tests, reliability trials, and application assessments.



Raw material procurement

Incoming materials undergo rigorous sampling inspections to ensure that purchased raw and auxiliary materials meet our stringent quality requirements. In the event of non-conforming incoming materials, we promptly isolate and mark them, and trigger internal reviews. We collaborate with suppliers to facilitate ongoing improvements, and hold them accountable for any non-conforming items.

Quality inspection: Adhering to Sampling Regulations, we conduct inspections on each individual item to ensure no omissions occur.

Environmental inspection: We review third-party testing reports provided by suppliers, and send samples to RoHS laboratories for testing according to environmental requirements.



Manufacturing

Process inspection: We verify testing equipment and conduct initial inspections, self-inspections, mutual inspections among production workers, process inspections, as well as specialized inspections for key positions and projects.

Finished product inspection: Based on finished product inspection instructions, we conduct sampling or full inspections before products are placed into storage.

Non-conforming product management: Non-conforming semi-finished products and finished products must be isolated, disposed of, and marked within specified time. We also conduct root cause analysis, develop corrective and preventive measures, and follow up on improvement results.



Storage

At Eaglerise, we rigorously adhere to regulated processes for both incoming and outgoing finished products to ensure the preservation of product quality during storage.



Transportation

In adherence to Cargo Safety Management Regulations, we maintain the integrity and safety of goods throughout transportation process.



After-sales

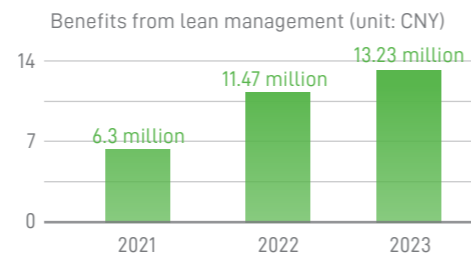
We prioritize prompt and effective resolution of product complaints and returns, and promptly address feedback and other customer requirements.

We relentlessly pursue lean production, and leverage years of extensive manufacturing experience to refine production processes and manufacturing techniques and improve product quality. Each division formulates tailored theoretical and operational training plans to empower employees with enhanced knowledge and business acumen. During the reporting period, we delivered a total of 488 quality-related training sessions.



Continued with lean improvement

Starting from 2021, Eaglerise has actively implemented lean management principles in accordance with our strategic plan, aiming to transition from lean efficiency to lean quality, and achieve the ultimate goal of becoming a benchmark enterprise for exceptional operations and elevating our manufacturing influence. Since the launch of lean management, significant benefits have been realized, as presented in the following graph:



Launched Quality Month events

To foster a stronger quality consciousness, and emphasize accountability for each product, Energy Business Division (II) organized Quality Month events centered around "Today's Quality, Tomorrow's Market".

Consumer Electronics Division also launched Quality Month activities spanning from September to December. The activities focused on building a culture of quality, delivering comprehensive quality training, and facilitating specialized skill competitions. The aim was to holistically enhance employees' product quality capabilities across dimensions such as awareness, knowledge, and skills.



Customer Service

In our commitment to providing targeted and tailored services to customers, we actively collect feedback and opinions from them. Each year, we establish customer satisfaction goals and conduct regular assessments following the guidelines outlined in Customer Satisfaction Survey Method. In 2023, we conducted an annual customer satisfaction survey, and achieved a 100% response rate from our core and key customers. Survey results demonstrated that all business divisions met or exceeded customer satisfaction levels.

We attentively listen to and promptly address customer grievances. Complaint Management Measures are implemented to ensure timely, accurate, and effective handling of customer complaints. Upon receiving a complaint, we thoroughly analyze the root causes, require relevant departments to create corrective and preventive measures, and strive to prevent the recurrence of similar issues.

Customer Complaint Analysis and Handling Process:



Time frame of supplementary resolution:

Domestic: We aim to have an on-site presence within 1 working day for customers within the same province and within 3 working days for customers outside the province.

International: We strive to engage a third party on-site within 5 working days.

Requirement for customer response time:

Domestic customers can expect a response within 3 working days.
International customers can expect a response within 5 working days.

We also place utmost importance on safeguarding customer privacy. When establishing collaborative partnerships, we enter into confidentiality agreements with our customers, pledging to never disclose any customer-provided or related information. Throughout the reporting period, we did not receive any complaints associated with breaches of customer privacy.

Responsible Marketing

To ensure our customers' right to accurate product information, we execute detailed guidelines on product labeling. Our aim is to provide truthful, precise, and compliant content on product labels, avoiding any misleading claims or deceptive practices that may misguide our customers and consumers. Throughout the reporting period, all our product labels were fully compliant, and there were no violations of regulations related to product information.

Industry Empowerment

Furthermore, we actively participate in professional exhibitions across the globe to stay connected with our customers and stay up-to-date with their evolving needs. In 2023, we participated in a total of 14 exhibitions, held in the Chinese Mainland, Hong Kong SAR, the United States, Russia, Germany, Japan, Brazil, and Australia which focused on energy, photovoltaics, lighting, and other related industries.

No.	Exhibition	Held in
1	PV EXPO 2023 (Spring)	March 15-17, 2023
2	The 81st China Educational Equipment Exhibition in 2023	April 21-23, 2023
3	2023 China (Shenzhen) Lighting industry chain Technology Innovation Exhibition	May 16-18, 2023
4	Expo Electrica Solar 2023	June 7-9, 2023
5	Guangzhou International Lighting Exhibition (GILE) 2023	June 9-12, 2023

No.	Exhibition	Held in
6	Intersolar Europe 2023	June 14-16, 2023
7	Philreca Annual General Membership Meeting	August 9-11, 2023
8	InterSolar South America 2023	August 29-31, 2023
9	Solar Power International 2023	September 11-14, 2023
10	Interlight Moscow 2023	September 18-21, 2023
11	All-Energy Australia 2023	October 25-26, 2023
12	Hong Kong International Lighting Fair (Autumn Edition) 2023	October 27-30, 2023
13	International (Shanghai) Solar Photovoltaic Conference and Exhibition (SNEC 2023)	October 31-November 2, 2023
14	PV EXPO 2023 (Winter)	November 15-17, 2023

Supply Chain Management

Sustainable Procurement

At Eaglerise, we take our social responsibility seriously and extend our ESG requirements to our suppliers. Our Supplier Guide outlines our expectations for our partners in terms of social responsibility, environmental protection, production safety, and ethical conduct. Any breach of these commitments by our partners will result in revocation of their supply qualifications, inclusion in Eaglerise's supplier blacklist, and termination of all collaborations.

Supplier Code of Conduct and Requirements

Social responsibility

Compliance: Adhere to all local laws, regulations, and applicable requirements in the countries and regions where we operate.

Prohibition of child labor: Comply with local laws and regulations to prevent the use of child labor and forced labor.

Remuneration: Ensure fair and timely payment of wages in accordance with relevant legal requirements and provide employee benefits for all.

Prohibition of forced labor: Employ workers voluntarily, do not use prison labor or slave labor, and refrain from inflicting physical harm or engaging in any form of forced labor.

Non-discrimination: Foster a workplace that is free from discrimination based on race, age, gender, social status, political beliefs, religion, marital status, sexual orientation, disability, pregnancy, or any other factors irrelevant to work ability.

Environmental protection

Dedicated to minimizing our environmental footprint, we require proper management of wastewater, emissions, noise, hazardous waste, and other byproducts generated during the operational processes of our products in line with national laws, regulations, and our internal requirements.

Conflict minerals

We undertake not to source conflict minerals, including tin, gold, tantalum, tungsten, and cobalt, from the Democratic Republic of Congo and its neighboring countries/regions where armed groups violating human rights control local mining operations.

Chemical safety

We strictly adhere to control requirements outlined in Chemical Safety Management Regulations during the procurement, transportation, handling, storage, usage, and disposal of chemicals.

Integrity and ethical conduct

We conduct business activities with fairness, transparency, integrity, and honesty. We demonstrate trustworthiness, adhere to ethical standards, and strictly prohibit any form of bribery towards our employees or stakeholders.

Conflict Minerals

Our manufacturing and operations involve minerals such as tin, gold, tantalum, tungsten, and diamonds. We do not directly procure mineral raw materials, and we require our suppliers to refrain from using conflict minerals. We ensure zero use of conflict minerals sourced from the Democratic Republic of Congo and its neighboring countries/regions where armed groups violating human rights control mining operations during the reporting period.

Local Procurement

We actively support local procurement for specific materials to promote local economic development while reducing logistics transportation, energy consumption, and pollution emissions. This approach contributes to environmental protection. During the reporting period, approximately 32% of our procurement budget was dedicated to local suppliers.

In this report, local refers to Guangdong Province and Jiangxi Province.

02 Low-carbon Development to

Protect Lucid Waters and Lush Mountains

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During the reporting period, our total greenhouse gas emissions amounted to 17,860.91 metric tons of CO₂ equivalent, with Scope 1 and Scope 2 emissions as detailed in the table below:

Category	Unit	2023	Percentage
Scope 1	tCO ₂ e	2,023.39	11.33%
Scope 2	tCO ₂ e	15,837.52	88.67%
GHG emission intensity (Scope 1 & Scope 2)	tCO ₂ e/CNY10,000 revenue	0.0492	-

Note: The above figures represent the carbon emissions inventory of our 20 companies.

Meanwhile, Eaglerise remains vigilant towards the risks and opportunities presented by climate change. We are in the process of formulating effective and feasible management guidelines and mechanisms to continually improve our carbon emissions disclosure practices. We firmly believe that climate change is intricately linked to the future of businesses, and thus we are wholeheartedly committed to addressing this global issue. Although specific targets (KPIs) for carbon reduction, peaking, and neutrality have not yet been developed, relevant policies are being developed and expected to be officially released next year. We will persist in our endeavors to drive energy conservation, reduce emissions, foster green manufacturing, dedicating ourselves to sustainable development, and contribute our part to a greener future for our planet.

Advances in Pollution Control and Natural Resources Conservation

Eaglerise wholeheartedly embraces the principles of sustainable development, and actively engages in environmental protection and resource conservation endeavors. We strictly adhere to laws and regulations such as the Law of the People's Republic of China on Energy Conservation to ensure that energy-saving and emission-reduction measures are consistently prioritized in our business operations. To minimize our environmental impacts, we advocate for green office practices, and have implemented initiatives such as upgrading to a private cloud system.

During the reporting period, our energy consumption data are as follows:

Energy type	Unit	2023
Gasoline	Liters (L)	32240
	Tonne of coal equivalent (TCE)	47
Diesel	L	22891
	TCE	33.31
Natural gas	Cubic meters (m ³)	673970
	TCE	895
Solar energy	Kilowatt-hours (kWh)	3260483
	TCE	401
Electricity consumption	kWh	27609074
	TCE	3391

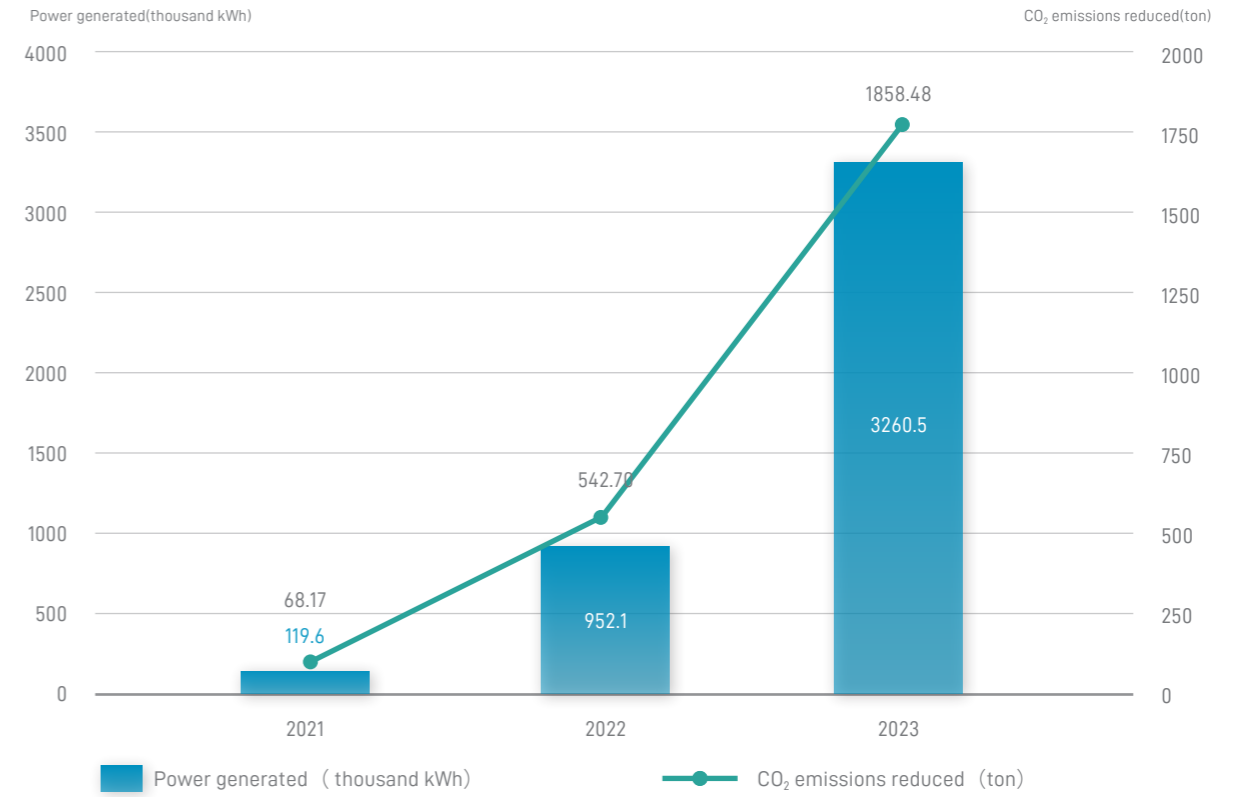
Energy type	Unit	2023
Total energy consumption	TCE	4768
Energy intensity	TCE/CNY10,000 revenue	0.0131

Note: The lower heating value of one kilogram of coal equivalent is considered as 29,307.6 kJ.

Optimizing Energy Structure

Eaglerise has made remarkable progress in promoting clean energy transition and boosting sustainable development. Clean energy plays a vital role in achieving carbon neutrality and optimizing energy structure, and makes invaluable contributions to social harmony and steady economic growth. We place great emphasis on reducing external electricity purchases as a key part of our decarbonization efforts. To this end, we exert continued efforts to promote photovoltaic projects, striving to optimize our energy structure and curtail greenhouse gas emissions. Photovoltaic power generation, renowned for its remarkable environmental friendliness, significantly mitigates adverse environmental impacts associated with conventional energy sources. In July 2022, we commissioned a large solar power generation facility with a capacity of 8.90 MW. In 2022 and 2023, our photovoltaic power generation amounted to 952,100 kWh and 3,260,483 kWh, respectively, which reduces carbon emissions by 542.70 metric tons and 1,858.48 metric tons.

Our photovoltaic power generation and CO₂ emissions reduction in the past three years



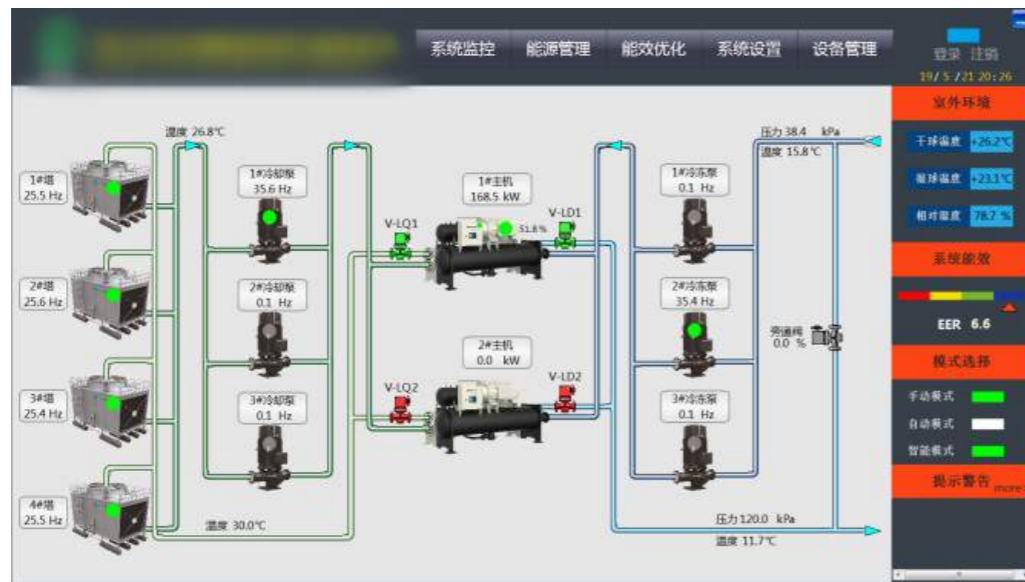
Note: Electricity consumption excludes green electricity. The heating value of one ton of standard coal equivalent is considered as 29,307.6 kJ.

Note: Data disclosed in this report encompass a total of five companies within the organizational boundary, namely Eaglerise, Eaglerise Shunde, Ji'an Eaglerise, Eaglerise Magnetolectric Technology, and Eaglerise Malaysia.

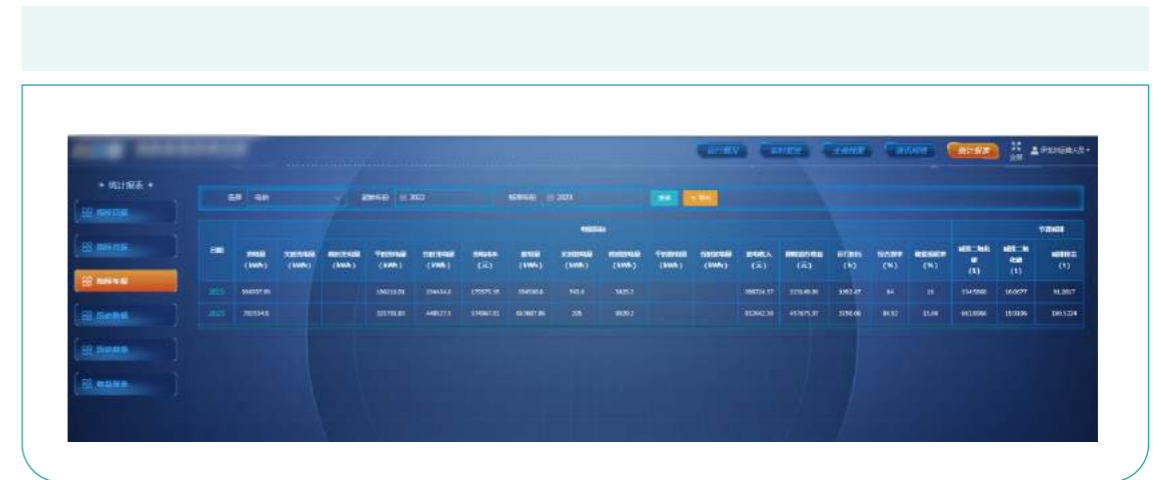
case Green manufacturing: high-efficiency data center system for air conditioning units

We integrate green manufacturing into our operations, having significantly reduced energy consumption and operating costs by adopting a state-of-the-art high-efficiency data center system for air conditioning units and energy-saving energy storage cabinets.

The high-efficiency data center system incorporates cutting-edge PLC technology from Germany and WinCC industrial monitoring software. This system enables intelligent interlock control of variable-frequency pumps, main units, and related electric valves. It automatically adjusts equipment load and operation based on actual demand, thus effectively enhancing energy utilization efficiency. The system helped us save CNY308,000 of electricity expenses in 2023, which marked a remarkable reduction of 39.63% and proved its outstanding energy conservation effectiveness.



Furthermore, we have adopted an energy storage cabinet-based scheme to optimize energy usage by leveraging price differentials and charging-discharging strategies. By installing 1.451 MW energy storage cabinets and performing charging and discharging based on electricity price variations during different time periods, we achieved savings of CNY223,149 in 2022 and CNY457,675 in 2023. This initiative not only underscores our commitment to energy conservation and emissions reduction, but also delivers substantial economic benefits to the Company. By combining technology and strategic approaches, we jointly contribute to a green and low-carbon manufacturing paradigm.



case Green reform: cloud migration

On the basis of meticulous planning, we have upgraded conventional physical servers with advanced private cloud technology, which exemplifies our forward-thinking development vision. This transformation has not only significantly enhanced our operational efficiency, but also established a solid foundation for our sustainable growth.

In the past, we relied heavily on up to 40 physical servers, which consumed an astonishing amount of electricity and operated with subpar efficiency. Ineffective energy utilization constituted a significant portion of operating costs. This not only burdened us economically, but also contradicted the principles of sustainable development. Presently, our private cloud solution comprises merely 20 high-performance physical servers, but they bring about an approximately 50% reduction in annual power consumption. Encouragingly, despite reduced number of physical servers, the number of running systems has surged to around 70, with computing power soaring by an impressive 200%. This achievement not only brings substantial economic gains for us, but also reflects our unwavering commitment to environmental preservation.

Reduce power consumption by about **50%**

Increase the number of running systems to about **70**

Boost computing power by an impressive **200%**

From energy-intensive traditional servers to efficient and energy-saving private cloud services, this transformation represents more than a pursuit of technological innovation. It is a resolute manifestation of our dedication to building a green earth and attaining sustainable development objectives. This remarkable leap into the cloud not only signifies our technological advancement, but also embodies our unwavering choice and pledge to tread the path of sustainable development.

Material Circularity

Eaglerise maintains rigorous control over material circularity. We manage materials by way of inbound records that encompass departments for electrical transformers, high-frequency devices, specialty transformers, industrial control, consumer electronics, lighting, automotive, etc. The percentage of recycled input materials and their packaging materials is shown below:

Disclosure	2023
Percentage of recycled input materials used in manufacturing primary products and services	2.27%
Percentage of recycled products and their packaging materials for each product category	4.06%

Percentage of recycled input materials used in the manufacturing of products and services = Weight of actually used recycled materials (such as second-hand materials) / Total weight of inbound materials

Percentage of recycled products and their packaging materials for each product category = Weight of renewable packaging materials, such as paper products, wooden boxes, and pallets / Total weight of shipments

Waste Management

Environmental impact is a crucial consideration when it comes to waste management. We have taken a range of proactive and effective measures to ensure a balance between environmental protection and business operations. To better fulfill our environmental responsibilities, we strictly adhere to China's laws and regulations including the Environmental Protection Law, the Law on the Prevention and Control of Water Pollution, and the Law on the Prevention and Control of Air Pollution, to ensure that our operations are conducted in a legal and compliant manner.

At Eaglerise, we have established a Waste Ledger to realize effective waste management throughout our operations. To efficiently control pollutants, we continually optimize our management systems such as the Measures for Controlling Pollution from Industrial Wastewater, Waste gas and Solid Waste and the Waste Management Regulations. In the fiscal year 2023, our EHS team conducted 19 inspections as scheduled in our annual environmental monitoring plan. All results were in compliance with corresponding standards on exhaust gases, boundary noise, fumes, wastewater, and drinking water within factory premises. EHS Department under our Administrative Division engaged qualified third-party testing agencies to conduct assessments on waste gas, wastewater, and noise emissions. All of our operating locations operated in accordance with local requirements, ensuring regulatory compliance and no environmental violations or major leakage incidents.

Waste ²	2023
Total waste (ton)	1,733.86
Hazardous waste (ton)	93.91
Non-hazardous waste (ton)	1,639.95

Solid Waste

General industrial solid waste generated by us primarily consists of valuable metals and paper scraps, which are handed over to waste recycling organizations for proper recycling.

Note: Hazardous waste is incinerated, while non-hazardous waste is sorted and valuable materials in it are recycled.

Hazardous Waste



Managing hazardous waste is considered a critically important task at Eaglerise. Throughout our manufacturing processes, we unavoidably generate various forms of hazardous waste, including waste mineral oil, waste activated carbon, waste packaging drums, waste batteries, waste organic resins, and waste wiping cloths. Recognizing the potential threats these wastes pose to the environment and ecology, we consistently prioritize management of them.

To ensure proper handling of hazardous waste and prevent any form of environmental contamination, we strictly comply with GB 18597-2023 Standard for Pollution Control on Hazardous Waste Storage. Our Waste Management Regulations also provides detailed guidance on waste classification, treatment, and transfer. These ensure that each step of our operations is in full compliance with regulatory standards and best practices. We also require all operating locations to strictly adhere to the guidelines set forth by EHS Department, thus ensuring proper waste classification and collection, and safe transportation to designated facilities for disposal. We have successfully obtained the IECQ QC080000:2017 certification for our hazardous substance process management system. This certification not only demonstrates our expertise in managing hazardous substances, but also serves as a robust assurance of our ongoing commitment to environmental protection and sustainable development.

Water Resource Management

Water is the lifeblood of the earth's ecological sustainability and a crucial element for maintaining a stable environment. We fully recognize the vital importance of scientific water resource management in fully achieving sustainable development goals. As such, we have consistently strove to use water efficiently and enhance the effectiveness of water resource planning and management. Our water supply primarily relies on municipal water system, and water is used for electrical appliance manufacturing, cleaning, and daily living.

	2023
Water consumption (ton)	291,949.80
Water intensity (tons per CNY10,000 of revenue)	0.8043

Eaglerise places significant emphasis on addressing both industrial wastewater and domestic sewage as major sources of water pollution. Concerning industrial wastewater, stringent measures are taken to ensure proper treatment. At our Ji'an manufacturing base, production wastewater undergoes treatment using integrated equipment (MBR) to meet the Class I standards outlined in GB8978-1996 Integrated wastewater discharge standard, thereby enabling compliant discharge. In our Foshan manufacturing base, oil-cleaning wastewater is reused internally, which eliminates the need for external discharge.

Regarding domestic sewage, our Ji'an manufacturing base complies with Class III standards stipulated in the GB8978-1996 Integrated wastewater discharge standard, as well as stricter requirements set by Xinyuan Sewage Treatment Plant in Ji'an. Similarly, at our Foshan manufacturing base, domestic wastewater undergoes treatment in septic tanks before being discharged to Beijiao Sewage Treatment Plant. We uphold high standards and stringent requirements for wastewater discharge, thus contributing our part in safeguarding the environment.

Note²: Data disclosed in this report encompass a total of five companies within the organizational boundary, namely Eaglerise, Eaglerise Shunde, Ji'an Eaglerise, Eaglerise Magnetolectric Technology, and Eaglerise Malaysia.

03

Employment Protection

for Shared Value Creation

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Strict Adherence to Labor Standards

We comply with laws and regulations such as the Labor Law of the People's Republic of China. Upholding diversity and equal opportunities, we treat candidates and employees of different races, genders, ages, family backgrounds, ethnic cultures, and religious beliefs fairly. Social Responsibility Management Regulations is executed to resolutely resist employment discrimination, forced labor, harassment, abuse and child labor in any form, and to resolutely protect employees' rights to rest and vacation. During the reporting period, no incidents of child labor, forced labor, discrimination or harassment was reported within Eaglerise.

Prohibition of child labor

We clearly prohibit the employment of child labor and adopt remedial measures for wrongfully employed child labor.



Anti-discrimination, harassment and abuse

Any form of discrimination, harassment, or abuse is not allowed.



Prohibition of forced labor

We undertake not to use or support any form of forced labor.

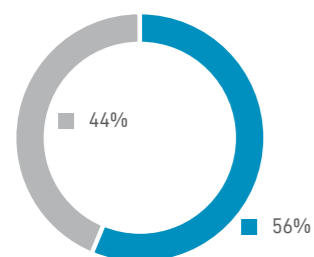


Number of employees

2,775

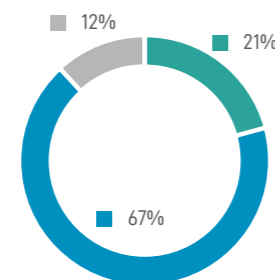
Our management systems including Recruitment and Employment Regulations are devised based on the principles of respect and equality. We provide employment and career development opportunities for people of different genders, ages, nationalities, and educational backgrounds, aiming to create a diversified team. At the end of the reporting period, we had a total of 2,775 employees, of which 43.75% were female. And 13.48% of senior managers were female³.

Employee diversity by gender



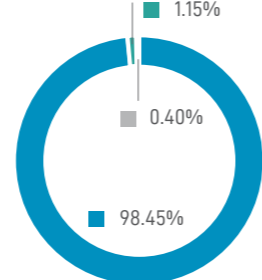
■ Female employees
■ Male employees

Employee diversity by age



■ Aged between 30 and 50
■ Aged <30
■ Aged >50

Employee diversity by ethnic group



■ Han employees
■ Ethnic minority employees
■ Foreign employees

³Senior managers include directors and higher level employees, with a total of 89 people, of whom 12 are women.

We improve democratic management, and unblock channels for employee feedback. Workers' Congress is held on a regular basis to extensively put into play the role of our Labor Union so that employees can fully participate in the Company's management and development, and their rights to know, participate, make decisions, etc. are effectively protected. Labor Union has signed a collective contract with the Company on behalf of all employees, which covers such matters as remuneration, working hours, rest, vacation, insurances, occupational safety and health, and employee training to effectively protect employees' rights and interests.

Optimized Salary and Benefits

We optimize salary mechanism, and implement Salary Management Regulations, which offer different appraisal methods and incentives for different positions to enhance employees' sense of mission, responsibility and enthusiasm. 100% of our employees receive performance appraisals on a regular basis.

We prioritize the welfare of female employees and ensure their rights are protected. In addition to ensuring their statutory benefits, we run Female Employee Committee which hold female employee symposiums, and have reached an agreement on special protection for female employees in the collective contract with Labor Union to effectively safeguard their rights and interests. We also offer home for female employees and nursing rooms (loving hut for working mothers) to enhance the physical and mental health of working mothers and improve their workplace happiness.



Home for female employees



Loving hut for working mothers

Complete welfare is another guarantee that we provide to employees in addition to salary and performance bonuses. Personalized welfare benefits are in place for different employee groups to provide them with considerate care and create a harmonious working atmosphere, thus improving work-life balance and further enhancing cohesion between the Company and employees.

Total employees

255

We attach great importance to a consistency of interests among employees, the Company and shareholders. There are equity incentives for senior managers, middle managers and core personnel as well as other employees identified by the Board of Directors as needing incentives, with a view to increasing employee cohesion and centripetal force. In 2023, a total of 255 employees received equity incentives.



The 4th "Glorious Talent Training" at our Foshan manufacturing base



The 4th "Glorious Talent Training" at our Ji'an manufacturing base



Gifts for employees in need before the Spring Festival



50km hiking



Staff badminton competition



Lantern DIY to welcome the Mid-Autumn Festival

academic bonuses offered to employees CNY **31,000**

What's more, our Labor Union Committee runs Love Fund Committee, which executes Love Fund Management Measures and offers love fund to employees in need following the principles of earmarked fund for its specified purpose only, rational use, openness, and transparency. In 2023, CNY16,800 was granted to three employees. We also offer "Glorious Talent Training" fund. In 2023, we gave CNY 31,000 of academic bonuses to 31 children of employees.

case Selected outstanding individuals and groups for 2023

Following the principles of "justice, fairness, openness, and quality before quantity", we conducted selection of outstanding individuals and groups for 2023, and finally 140 groups/individuals stood out from others. This event further stimulated the work enthusiasm of all employees, helped tap their abilities, and enhanced the Company's centripetal force and cohesion.



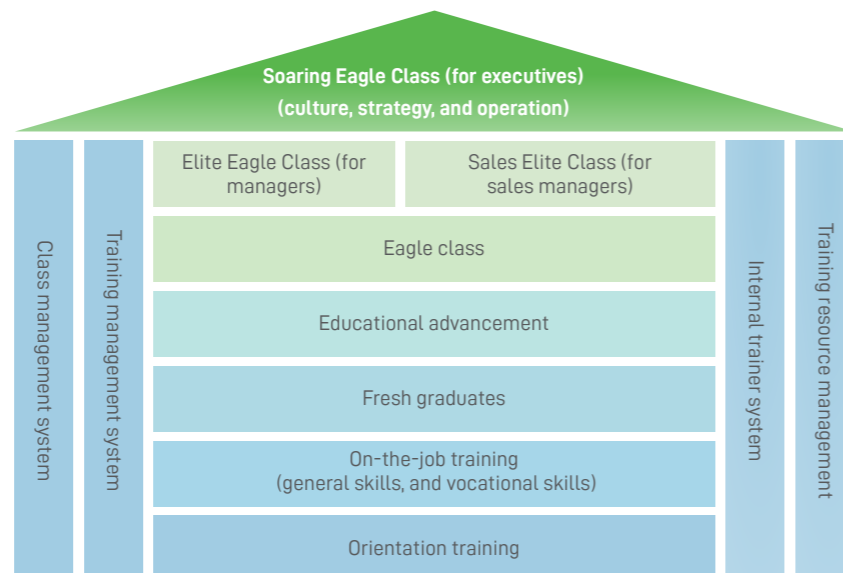
case Held mental health lecture 2023

On May 29, 2023, our Labor Union invited external experts to give a lecture on "Managing Emotions for Perfect Work-life Balance" for employees, which was attended by more than 50 people. In this way, we help employees balance work and life, and promote their physical and mental health as well as career development.



Support for Employee Development

Eaglerise adheres to the talent philosophy of "emphasizing both ability and moral integrity while seeking continuous growth". We seek joint development with employees, and offer them continued scientific talent training and diversified self-improvement channels, striving to create a good learning and career growth environment.



our training expenditures were CNY **636,000**

We offer diversified internal and external training for employees of different ranks and positions based on their needs and our business needs, and provide employees with degree education opportunities. A learning-focused corporate culture is created to grow together with employees. During the reporting period, our training expenditures were CNY636,000, and the average training time for each ordinary employee was 19.08 hours.



New employee orientation

Training on company profile, management policies, management objectives, basic rules and regulations, working systems, fire safety, etc.

On-the-job training

Training to update /expand employees' knowledge, improve their capabilities, and enhance their work efficiency

Specialized training

Training for designated objectives, such as Eagle Class, Elite Eagle Class, Soaring Eagle Class, and PMC Talent Training Camp

Eaglerise Academy offers more than **3,000** courses

Continued efforts are exerted to strengthen talent building. We offer specialized training camps and training sessions, including executive class, manager training camp, marketing training camp, PMC talent training camp, efficiency training camp, lean R&D, lean production, and fresh graduates orientation, to cultivate highly qualified and efficient employees and enhance their ability to support the Company's strategic development.

In the meanwhile, following the philosophy of "learning for all with small progress every day", we have introduced "Eaglerise Academy" online learning platform to facilitate employees' self-improvement. The academy offers more than 3,000 courses covering R&D management, leadership and more to meet their diverse learning needs and help them grow faster.



case Offered Soaring Eagle Training Camp

We launched Soaring Eagle Training Camp in September 2023 to empower senior executives in terms of culture, strategy and operations focusing on talent, business and management. Diversified methods including Feynman technique, flipped learning, co-management, and executive sharing were used to effectively improve training effectiveness, support refined digital business development, and boost the sustainability of corporate operations.

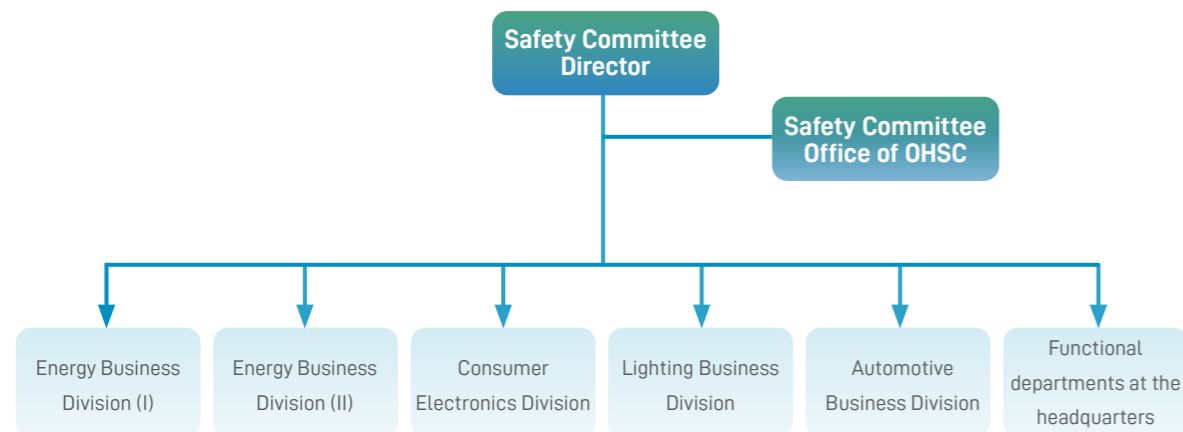
case Held induction ceremony for Class of 2023 employees

On July 3, 2023, our Foshan manufacturing base and Ji'an manufacturing base simultaneously held an induction ceremony for newly enrolled graduates, which were attended by more than 90 managers and new employees. With this ceremony, we hope new employees can fulfill their dreams and create new chapters of their life here at Eaglerise.

We attach great importance to employees' competitiveness, and provide them with academic education and training opportunities to help them realize personal value and career development while growing together with the Company. As of the end of the reporting period, we had delivered 6 educational advancement projects which benefited 51 employees.

Employee Health Protection

We continually improve occupational health and safety management, having established Occupational Health and Safety Committee (OHSC) and created mechanisms such as Occupational Health Management Measures and Provisions on Safe Work and Work-related Injury Management to provide create a healthy and safe working environment for employees. During the reporting period, Eaglerise, Eaglerise Electric & Electronic (Ji'an) Co., Ltd., and Foshan Eaglerise Power Science & Technology (Shunde) Co., Ltd. passed ISO 45001:2018 certification on occupational health and safety management system.



Structure of our Occupational Health and Safety Committee

Preventive Control

We implement our Hazard Source Identification and Evaluation Measures, Occupational Health Management Files, Physical Examination Checklist and Cycle for Occupational Health, etc. to enhance the prevention and control of occupational disease hazards. Regularly inspections on positions and areas with occupational disease hazards are conducted. Personal protective equipment and emergency rescue facilities are distributed on time to protect employees. Employees at our Foshan manufacturing base and Ji'an manufacturing base are provided with occupational health examinations before, during and right after their term of service at Eaglerise.

Emergency Management

Our Emergency Preparedness and Response Control Procedures covers emergency plans for fires, explosions, mechanical injuries, lifting injuries, etc., which help us prevent and resolve safety risks, streamline and regulate emergency response, and timely respond to all types of emergencies. For safety accidents that have occurred, we conduct classified management of them based on their nature, severity and scope of influence.

Safety Training

We regularly conduct training on manufacturing safety, fire safety, and occupational health and safety. Examples include three-level safety training for new employees, and safety, firefighting, chemical management and other necessary training for employees at our manufacturing bases in Foshan, Ji'an, and Malaysia.

Contributions for a Better Society

We not only actively assume responsibilities to stakeholders such as shareholders, investors, employees, partners, and the environment, but also bear philanthropic responsibilities to society.

While supporting local economy through business operations, we also increase the employment of local workers to improve their living conditions. Local employment rate in our Foshan manufacturing base is 15.5%⁴, and that in our Ji'an manufacturing base is 73.9%⁵.

case Offered job opportunities to locals to stabilize local employment

On November 2-3, 2023, we attended "Golden Autumn Recruitment" job fair organized by Human Resources and Social Security Bureau of Ji'an County to provide job opportunities for local zero-employment families, unemployed youth, unemployed college graduates, etc. to help stabilize local employment.

In addition, we have established a joint working mechanism with local communities in order to enhance interactions with them. Our Foshan manufacturing base promotes in-depth integration with local communities, and creates an atmosphere of co-construction, co-governance and integration through service activities.

⁴Statistics of localized employment in our Foshan manufacturing base covers Foshan City.

⁵Statistics of localized employment in our Ji'an manufacturing base covers Ji'an City.

Independent Assurance Statement



To the management and stakeholders of Eaglerise Electric & Electronic (China) Co., Ltd.,

We engaged TÜV SÜD Shanghai Branch to perform an independent third-party assurance on our 2023 Sustainability Report & Environment, Social and Governance Report (the Report). The assurance team strictly adhered to the contract signed with Eaglerise and provided assurance in accordance with agreed provisions and authorized scope.

This Independent Assurance Statement is based on the data and information collected by Eaglerise and provided to TÜV SÜD. The scope of assurance is limited to given information, and Eaglerise is responsible for the authenticity and completeness of the data and information.

Scope of Verification

Time frame of this verification:

- The Report contains the data disclosed by Eaglerise during the reporting period from January 1st, 2023 to December 31st, 2023, including governance, environmental and social information and data, methods for management of material issues, actions/measures and the Company's sustainability performance during the reporting period.

Physical boundary of this verification:

- The on-site verification sampling took place at below listed location:
No.4 East Huanzhen Road, Beijiao Town, Shunde District, Foshan City, Guangdong Province

Scope of data and information for the verification:

- The scope of verification is limited to the data and information of Eaglerise and all companies under its operational control covered by the Report.
The following information and data are beyond the scope of this verification:
 - Any information and contents beyond the reporting period of this Report; and
 - The data and information of Eaglerise's suppliers, partners and other third parties; and
 - The financial data and information disclosed in this Report that have been audited by an independent third party are not verified again herein.

Limitations

- The verification process is conducted in the above scope and place. Sampling and verification are adopted for the data and information in the Report by TÜV SÜD, and only the stakeholders within the Company are interviewed; and
- The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before January 1st, 2023 are beyond the scope of this verification.

Basis for the Verification

Time frame of this verification:

- International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, Limited Assurance
- TÜV SÜD Procedure of Verification on Sustainability Report

In order to perform adequate verification in accordance with the contract and provide reasonable verification for the conclusions, the verification team conducted the following activities:

- Preliminary investigation of the relevant information before the verification;

- Confirmation of the presence of the topics with high level of materiality and performance in the Report;
- On-site review of all supporting documents, data and other information provided by Eaglerise; tracing and verification of key performance information;
- Special interview with the representative of Eaglerise's management; interviews with the employees related to collection, compilation and reporting of the disclosed information; and
- Other procedures deemed necessary by the verification team.

Verification Conclusions

According to the verification, we believe that the data and information presented in Eaglerise's report are objective, factual and reliable, without systematic problems, and can be used by stakeholders.

The verification team has drawn the following conclusions on this Report:

Inclusivity	Eaglerise has identified the internal and external stakeholders such as shareholders and investors, employees, customers, suppliers, governments and regulatory authorities, etc., and established a stakeholder communication mechanism to collect the demands of stakeholders on a regular basis.
Materiality	Eaglerise has established the prioritization process of material topics determination, identified and assessed the priority of the sustainability topics which are highly related to the industry, the Company disclosed the strategy, management approach as well as sustainability performance in corporate operation, therefore the Report's adherence to materiality principle is guaranteed.
Responsiveness	Eaglerise has disclosed the management approach and performance of high material topics that stakeholders concern such as product quality and safety, corporate governance, sustainable supply chain, employee rights, product lifecycle management and energy management, and has established a communication mechanism, to fully respond to the demands and expectations of stakeholders.
Impact	Eaglerise has identified its positive or negative, actual or potential impacts on the economy, environment and society. The company has taken certain mitigation measures to prevent, slow down and remedy the negative impacts and has disclosed them accordingly in the report..

Recommendations on Continuous Improvement

- It is recommended that the Company will disclose GHG reduction targets and specific measures in the next annual report.

Statement on Independence and Verification Capability

TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specializes in testing, certification, auditing and advisory services. Since 1866, the company has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. Through expert teams represented by more than 26,000 employees, it adds value to customers and partners by enabling market access and managing risks. By anticipating technological developments and facilitating change, TÜV SÜD inspires trust in a physical and digital world to create a safer and more sustainable future.

TÜV SÜD Certification and Testing (China) Co., Ltd. is one of TÜV SÜD's global branches and has an expert team whose members have professional background and rich industrial experiences.

TÜV SÜD and Eaglerise are two entities independent of each other and both TÜV SÜD and Eaglerise and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. The verification is completely neutral.

Signature:

On Behalf of TÜV SÜD Certification and Testing (China) Co., Ltd.

TÜV SÜD Sustainability Authorized Signatory Officer
March 25th, 2024 Foshan, China

Note: In case of any inconsistency or discrepancy, the simplified Chinese version "Independent Verification Statement CN" of this verification statement shall prevail, while the English translation is used for reference only.



Indexes

GRI Standards Content Index

Statement of use

Eaglerise has reported the information cited in this GRI content index for the period January 1, 2023 to December 31, 2023 with reference to the GRI Standards.

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)

No Applicable GRI Sector Standard

GRI STANDARD DISCLOSURE	LOCATION	PAGE	OMISSION
GRI 2: General Disclosures 2021 The organization and its reporting practices			
2-1 Organizational details	About This Report	01	
2-2 Entities included in the organization's sustainability reporting	About This Report	01	
2-3 Reporting period, frequency and contact point	About This Report	01	
2-4 Restatements of information	/		First disclosure, no restatement of information
2-5 External assurance	Independent Assurance Statement	56-57	
Activities and workers			
2-6 Activities, value chain and other business relationships	Company Overview	06-07	
2-7 Employees	Strict Adherence to Labor Standards	48	
Governance			
2-9 Governance structure and composition	Strengthening Corporate Governance	20	
2-10 Nomination and selection of the highest governance body	Strengthening Corporate Governance	20	
2-11 Chair of the highest governance body	Strengthening Corporate Governance	20	
2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Management	14	
2-13 Delegation of responsibility for managing impacts	Sustainability Management	14	

GRI STANDARD DISCLOSURE	LOCATION	PAGE	OMISSION
2-14 Role of the highest governance body in sustainability reporting	Analysis of Material Topics	14	
2-15 Conflicts of interest	/		Refer to Eaglerise Annual Report
2-16 Communication of critical concerns	Analysis of Material Topics	17	
2-17 Collective knowledge of the highest governance body	Sustainability Management	14	
2-19 Remuneration policies	Optimizing Salary and Benefits	49-51	
Strategy, policies and practices			
2-22 Statement on sustainable development strategy	Chairman's Message	04-05	
2-28 Membership associations	Honors and Awards	10-13	
Stakeholder engagement			
2-29 Approach to stakeholder engagement	Stakeholder Engagement	16	
2-30 Collective bargaining agreements	Strict Adherence to Labor Standards	48-49	
GRI 3: Material Topics 2021			
3-1 Process to determine material topics	Analysis of Material Topics	17	
3-2 List of material topics	Analysis of Material Topics	17	
GRI 201: Economic Performance 2021			
3-3 Management of material topics	Analysis of Material Topics	15 & 20-21	
GRI 204: Procurement Practices 2016			
3-3 Management of material topics	Supply Chain Management	34-35	
204-1 Proportion of spending on local suppliers	Supply Chain Management	35	
GRI 205: Anti-corruption 2016			
3-3 Management of material topics	Strengthening Corporate Governance	22-23	
205-1 Operations assessed for risks related to corruption	Strengthening Corporate Governance	22-23	

GRI STANDARD DISCLOSURE	LOCATION	PAGE	OMISSION
205-2 Communication and training about anti-corruption policies and procedures	Strengthening Corporate Governance	22-23	
205-3 Confirmed incidents of corruption and actions taken	Strengthening Corporate Governance	23	
GRI 206: Anti-competitive Behavior 2016			
3-3 Management of material topics	Strengthening Corporate Governance	22-23	
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Strengthening Corporate Governance	23	
GRI 207: Tax 2019			
207-1 Approach to tax	/		Confidentiality constraints
207-2 Tax governance, control, and risk management	/		Confidentiality constraints
207-3 Stakeholder engagement and management of concerns related to tax	Stakeholder Engagement	16	
GRI 301: Materials 2016			
3-3 Management of material topics	Driving Pollution Control and Safeguarding Natural Resources Safeguarding Natural Resources	40-45	
301-3 Reclaimed products and their packaging materials	Driving Pollution Control and Safeguarding Natural Resources	40-45	
GRI 302: Energy 2016			
3-3 Management of material topics	Promoting Energy Efficiency and Green Manufacturing	40-45	
302-1 Energy consumption within the organization	Promoting Energy Efficiency and Green Manufacturing	40-45	
302-3 Energy intensity	Promoting Energy Efficiency and Green Manufacturing	40-45	
GRI 303: Water and Effluents 2018			
3-3 Management of material topics	Water Resources Management	45	
303-2 Management of water discharge-related impacts	Water Resources Management	45	
303-3 Water withdrawal	Water Resources Management	45	
GRI 305: Emissions 2016			
3-3 Management of material topics	Promoting Energy Efficiency and Green Manufacturing	39	

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305-2 Energy indirect (Scope 2) GHG emissions	Promoting Energy Efficiency and Green Manufacturing	39	
305-4 GHG emissions intensity	Promoting Energy Efficiency and Green Manufacturing	39	
GRI 306: Waste 2020			
3-3 Management of material topics	Waste Management	44	
306-1 Waste generation and significant waste-related impacts	Waste Management	44	
306-2 Management of significant waste-related impact	Waste Management	44	
306-3 Waste generated	Waste Management	44	
GRI 308: Supplier Environmental Assessment 2016			
3-3 Management of material topics	Supply Chain Management	34-35	
308-1 New suppliers that were screened using environmental criteria	Supply Chain Management	34-35	
GRI 401: Employment 2016			
3-3 Management of material topics	Strict Adherence to Labor Standards	48-49	
401-1 New employee hires and employee turnover	Strict Adherence to Labor Standards	48-49	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employee	Optimizing Salary and Benefits	49-51	
GRI 402: Labor/Management Relations 2016			
3-3 Management of material topics	Strict Adherence to Labor Standards	48	
GRI 403: Occupational Health and Safety 2018			
3-3 Management of material topics	Employee Health Protection	54-55	
403-1 Occupational health and safety management system	Employee Health Protection	54-55	
403-2 Hazard identification, risk assessment, and incident investigation	Employee Health Protection	54-55	
403-3 Occupational health services	Employee Health Protection	54-55	
403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Health Protection	54-55	

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GRI 404: Training and Education 2016			
3-3 Management of material topics	Support for Employee Development	52-54	
404-1 Average hours of training per year per employee	Support for Employee Development	52-54	
404-2 Programs for upgrading employee skills and transition assistance programs	Support for Employee Development	52-54	
404-3 Percentage of employees receiving regular performance and career development reviews	Support for Employee Development	52-54	
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3-3 Management of material topics	Strict Adherence to Labor Standards	48-49	
405-1 Diversity of governance bodies and employees	Strict Adherence to Labor Standards	48-49	
GRI 406: Non-discrimination 2016			
3-3 Management of material topics	Strict Adherence to Labor Standards	48-49	
GRI 407: Freedom of Association and Collective Bargaining 2016			
3-3 Management of material topics	Strict Adherence to Labor Standards	48-49	
GRI 408: Child Labor 2016			
3-3 Management of material topics	Strict Adherence to Labor Standards	48-49	
408-1 Operations and suppliers at significant risk for incidents of child labor	Strict Adherence to Labor Standards Supply Chain Management	48&34-35	
GRI 409: Forced or Compulsory Labor 2016			
3-3 Management of material topics	Strict Adherence to Labor Standards	48	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Strict Adherence to Labor Standards Supply Chain Management	48&34-35	

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413-1 Operations with local community engagement, impact assessments, and development programs	Contributions for a Better Society	55	
GRI 414: Supplier Social Assessment 2016			
3-3 Management of material topics	Supply Chain Management	34-35	
414-1 New suppliers that were screened using social criteria	Supply Chain Management	34-35	
GRI 415: Public Policy 2016			
3-3 Management of material topics	/		Not applicable
415-1 Political contributions	/		Not applicable
GRI 416: Customer Health and Safety 2016			
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416-1 Assessment of the health and safety impacts of product and service categories	Customer Empowerment	30-32	
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 5 GENDER EQUALITY	Strict Adherence to Labor Standards	48-49	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Supply Chain Management	34-35
 6 CLEAN WATER AND SANITATION	Water Resources Management	45	 13 CLIMATE ACTION	Driving Pollution Control and Safeguarding Natural Resources	38-45
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8.6	Ecological and environmental requirements are integrated into development strategies and corporate governance processes	Low-carbon Development to Protect Lucid Waters and Lush Mountains	36-45
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