SUNWODA
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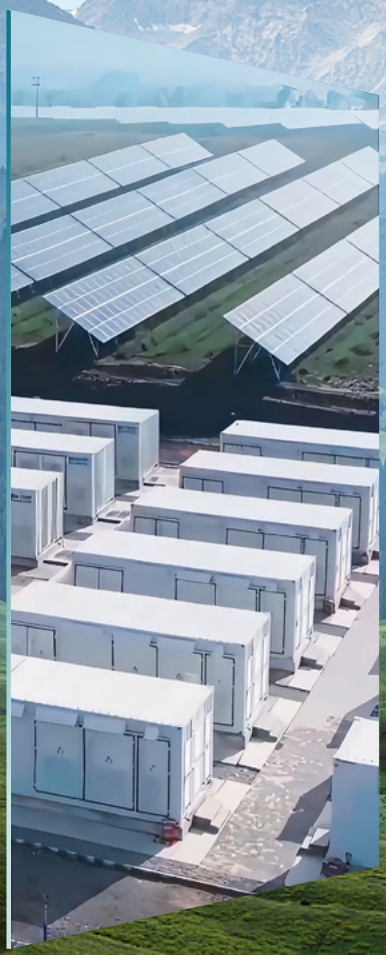
2024

Sustainability Report

Sunwoda Electronic Co., Ltd.



About This Report

Report Description

This report is the fifth ESG report issued by Sunwoda Electronic Co., Ltd. (hereinafter referred to as "Sunwoda", "the Company" or "the Group") to all stakeholders.

The reporting period is from January 1, 2024, to December 31, 2024 (hereinafter referred to as "this year" or "the reporting period"). Some data may extend beyond the above period (subject to specific date annotations) to enhance the report's completeness.

Scope and Boundary of Report

The scope of this report is consistent with the consolidated financial statements of Sunwoda Electronic Co., Ltd. (stock code: 300207).

Report Data Description

The financial data in this report is sourced from the Company's audited financial reports. Other data comes from the Group's internal documents and summarized statistical information. Unless otherwise specified, all currency types and amounts mentioned in this report are denominated in Renminbi (RMB).

There are no false records, misleading statements, or major omissions in this Report. The Company holds joint and several liabilities for the authenticity, correctness, and completeness of this Report.

The Report is available in both Chinese and English. For slight discrepancies between the Chinese and the English versions, the Chinese version shall prevail.

Basis of Preparation

This report is developed in accordance with the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange--Sustainability Report (For Trial Implementation)* published by the Shenzhen Stock Exchange (hereinafter referred to as the "*Shenzhen Stock Exchange Guidelines*"). Meanwhile, this report also references authoritative standards and guidelines such as the *Sustainability Reporting Standards* by Global Reporting Initiative (GRI Standard 2021), the United Nations Sustainable Development Goals (SDGs), the "Ten Principles" of the United Nations Global Compact (UNGC), and *IFRS Sustainability Disclosure Standards* of the International Sustainability Standards Board (ISSB), as well as key issue indicators from mainstream ESG ratings in China and internationally.

Process of Preparation

Based on ESG practices, this Report advanced by the process of "Project Initiation & Approval - Material Collection - Preparation & Revision - Management Review - Board Review - Disclosure". Frequent communications were made with stakeholders during the project initiation and approval and the preparation and revision stages to study and demonstrate the framework structure and content of the Report.

Access of Report

The electronic version of this Report can be view or download from the official website of Sunwoda Electronic Co., Ltd. (https://www.sunwoda.com/).

The Company will keep improving and enhancing the disclosure level and the ESG management capability in the future. Any questions or suggestions on this report, please contact the Company freely:

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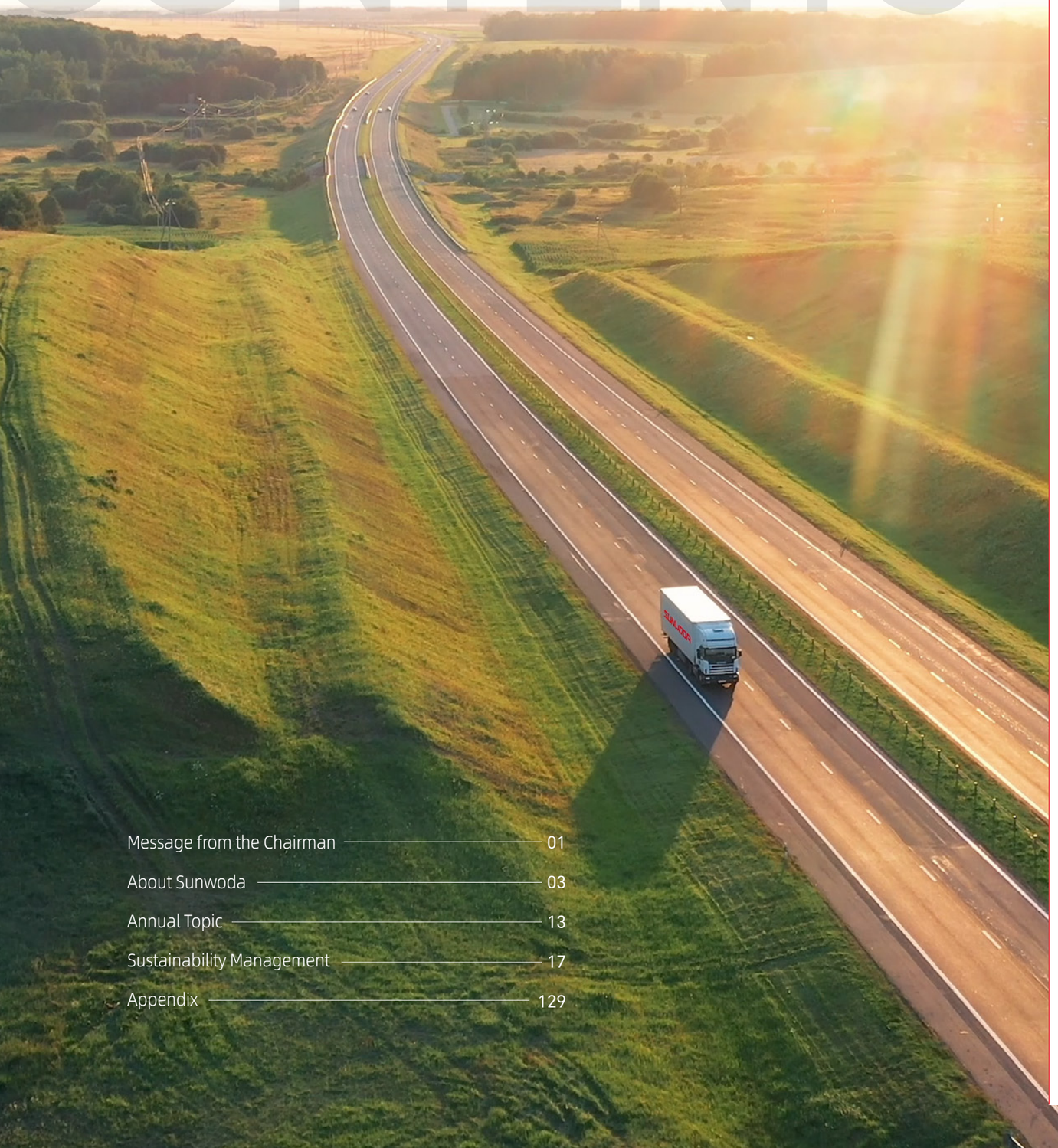


LIFECYCLE

Innovation-driven, Circular Sustainability

01

ECOLOGY

Environmentally Friendly, Green Manufacturing

02

ACCOUNTABILITY

Excellence in Governance, Pursuing Perfection

03

PARTNERSHIP

People-Oriented Shared Prosperity

04

Message from the Chairman

Chairman of the Board Wang Wei

In the passed 2024, faced with complex situations such as the slowing economic growth and the changing international trade pattern, Sunwoda guided by the vision of "To become a respected world-class new energy enterprise" and with the mission of "Innovation drives the progress of new energy world" has deeply engaged in the lithium battery field, so as to provide greener, faster, and more efficient integrated new energy solutions for the society. In the past year, Sunwoda has achieved a breakthrough performance despite challenging market conditions, achieving operating revenue of RMB 56.021 billion and a net profit attributable to shareholders of listed companies of RMB 1.468 billion, with a year-on-year increase of 36.43%.

As a world-leading conpany in the lithium battery industry, Sunwoda defines the standard of success not merely in terms of short-term financial returns, but on the foundation of harmonious coexistence of environment, society, and governance capabilities. ESG practices have become a crucial driving force for the Company's strategic upgrade, guiding Sunwoda towards a more sustainable and responsible development path.

Strategic Guidance: Advancing Towards a Sustainable Future

In the new round of human social development and transformation, the concept of sustainable development serves as the core engine for shaping the blueprint for change. The Company has announced the sustainability management strategy "LEAP toward a Sustainable Future" . This strategy integrates ESG management into the Company's operations through focusing on four dimensions - Lifecycle, Ecology, Accountability, and Partnership - to continuously advance sustainable development and improve ESG management system to lay a strong foundation for the Company's long-term growth. Additionally, Sunwoda enhanced the ESG governance by upgrading the Board Strategic Committee to the Strategy and Sustainable Development Committee. This change further clarifies responsibilities and ensures effective implementation and oversight of ESG principles from the strategic to the operational level, fully driving the achievement of sustainable development goals.

Policy-Driven Insights: Leading to High-Quality Development

Against the backdrop of the comprehensive implementation of the globalization development strategy, Sunwoda remains committed to a deep understanding of policy trends and regards "Integrity" as the lifeline for the Company's steady and long-term progress, and "Innovation" as the primary driving force for leading corporate transformation. Sunwoda bases its operations on integrity, always adhering to global laws, regulations, and business ethics while integrating quality safety, consumer rights, and social responsibility into the core of its development. With a forward-looking vision, we break boundaries. Through technological iteration, model upgrades, and ecological reconstruction, we drive industry value leaps. Sunwoda is continuously exploring the forefront of new energy technologies, focusing on the research and development of innovative technologies such as solid-state batteries and sodium-ion batteries, and contributing key strength to the progress of the new energy industry. Moreover, we regard digitalization as one of the group's four strategic modernization pillars. We adhere to the digital strategy guiding principle of "customer-centric and business-oriented" by vigorously carrying out digital construction work to support the maximization of business value and the comprehensive layout of digital transformation, thus promoting the enterprise towards a new journey of high-quality development.

Customer-Centric Approach: Building a Full-Chain Low-Carbon Ecosystem

In response to customer's requirement in carbon reduction, Sunwoda strictly follows the "carbon peaking and carbon neutrality" strategy and the Science Based Targets initiative (SBTi) commitment to limit temperature rise to 1.5℃. We set corporate "dual carbon" goals and actively explore emission reduction pathways to systematically respond to climate change. Furthermore, we practice clean production and strive to minimize environmental impact at every stage. In 2024, we promoted comprehensive low-carbon production and operations and completed a total of 215 energy-saving management and technical transformation projects, achieving annual electricity savings of 66.748 million kWh. Additionally, four subsidiaries have achieved PAS 2060 carbon neutrality certification for their industrial parks.

We actively practice a circular economy based on fully meeting customer's needs by deeply integrating green design concepts into our product development system. We continuously increase R&D investment in green clean technologies and establish a comprehensive lifecycle environmental management covering "raw materials - production - use - recycling". We also continuously improve the digital platform for battery passports and actively layout battery recycling, committing to achieving green management of products throughout their entire lifecycle. In 2024, we achieved deep collaboration with our supplier partners across multiple dimensions such as strategy, goals, systems, resources, and digitalization, jointly promoting the green transformation and sustainable development of the supply chain.

Social Responsibility: Collaborative Journey to Wellbeing

Sunwoda is firmly committed to advancing excellence in corporate social responsibilities, working together with stakeholders to create a better future. We prioritize the wellness and health of "people", adhering to a people-oriented approach and considering the growth and development of employees as the cornerstone of corporate management. The Company promotes responsible supply chain management and collaborates with partners from all sectors of society to empower each other and jointly carry out sustainable cutting-edge practices. Additionally, as a company that practices social responsibility, Sunwoda is deeply engaged in public welfare and widely carries out charitable actions. We are focusing on key impact areas such as vulnerable population support, educational advancement, medical assistance, and disaster relief to drive social development, as well as providing comprehensive support for high-quality rural development through educational, ecological, cultural, and healthcare interventions, demonstrating our commitment to social responsibility.

Where there is a will, there is a way. The new energy industry undertakes the critical assignment of sustainable development for human civilization, and sustainable development is a strategic choice for Sunwoda. We sincerely hope to collaborate with every ecological partner to create a more prosperous, beautiful, and harmonious future, contributing to the grand blueprint for building a community with a shared future for mankind!

About Sunwoda

Company Profile

Sunwoda Electronic Co., Ltd. was founded in 1997 and listed on the Shenzhen Stock Exchange in 2011 (stock code: 300207). In 2022, It successfully issued GDRs and was listed on the Swiss Stock Exchange (hereinafter referred to as the "SIX Swiss Exchange"), making it a global leader in the lithium-ion battery industry.

With its mission of "driving the global advancement of new energy with innovation", Sunwoda is deeply cultivating the lithium battery field and is dedicated to providing society with more green, rapid, and efficient integrated new energy solutions. The company has established five major business segments: consumer product, power technology, energy technology, smart hardware, and ecological innovation of industry.

With a vision of "based in Shenzhen and serving the world", Sunwoda has built multiple production bases in various provinces across China, including Guangdong, Jiangsu, Zhejiang, Shandong, Jiangxi, Sichuan, and Hubei, as well as in countries like India, Vietnam, Hungary, Morocco, and Thailand, with overseas marketing agencies in the United States, France, Germany, Israel, South Korea, and Japan.

Guided by the vision of "becoming a respected world-class new energy enterprise", Sunwoda actively embraces national strategic opportunities and adheres to prudent operations, continuous innovation, and open cooperation. The Company reinforces strategic leadership and accelerates the pace of globalization, digitalization, intelligence, and green development. After nearly thirty years of rigorous development, Sunwoda has not only established profound technological foundations in the lithium battery field with the industry-leading manufacturing process, but also has diversified its business portfolio. The Company has become a hidden champion in the 3C consumer battery sector, ranked among the top ten globally in installed capacity of power batteries, among the top ten Chinese companies in global energy storage cell shipments, and among the global top five in energy storage system (DC side) shipments.

Benefiting from its innovative R&D endeavors, Sunwoda has emerged as a top performer in the global new energy industry. The company is widely recognized by the government, industry, and customers. It has not only won the Shenzhen Mayor's Quality Award, the Guangdong Provincial Government Quality Award, the First Prize of Guangdong Science and Technology Progress Award, and the First Prize of China Industry-University-Research Cooperation Innovation Achievement Award, but has also been recognized as a National Technology Innovation Demonstration Enterprise and a "Digital Leading" Enterprise by the Ministry of Industry and Information Technology. Its lithium-ion battery modules for smartphones have been designated as the national "Single Champion Product in Manufacturing". SEVB has been recognized as Provincial and Municipal Champion Enterprise in Specialized Manufacturing. Additionally, it has consistently ranked high in various lists, such as China's Top 500 Private Enterprises (No. 258) and the Global Top 500 New Energy Enterprises (No. 17). It has also been rated as a global Tier 1 EV battery manufacturer by the international agency Benchmark, and listed in BloombergNEF's rankings of Global Tier 1 Energy Storage Manufacturers and Bankable Energy Storage System Providers. The company has also received honors from customers such as Xiaomi, vivo, Li Auto, and Nissan.

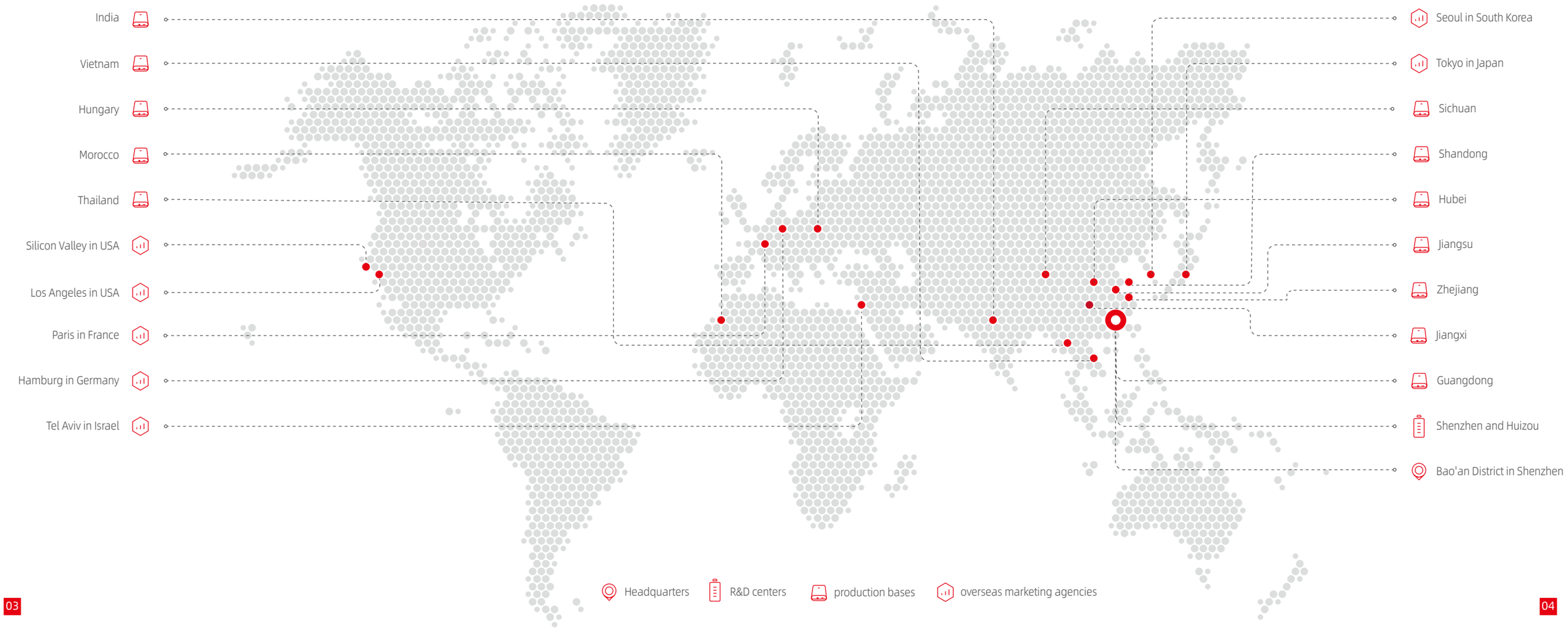
Looking to the future, Sunwoda aims to be a "pioneer" in the new energy sector by leveraging its professional services and innovative technologies to facilitate the global energy revolution and contribute to a green Earth!

Headquarters
Bao'an District in Shenzhen

2 R&D centers

17 production bases

7 overseas marketing agencies



Corporate Culture

Mission

Innovation drives the progress of new energy world

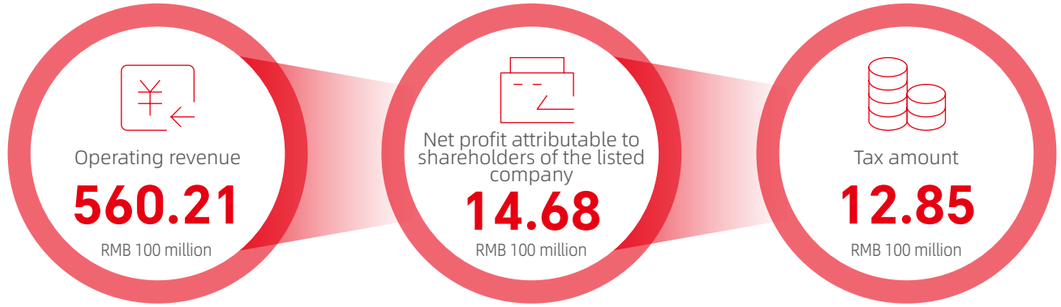
Vision

To become a respected world-class new energy enterprise

Core Values

Customer Success, Self Criticism, Honesty First, Passionate Endeavor, Team Work

Financial Performance



Company History

After nearly thirty years of rigorous development, Sunwoda has developed into a leading enterprise in the global lithium-ion battery field.

1997 Sunwoda was established.

2000 Sunwoda commenced volume supply to global key customers.

2008 Sunwoda started the R&D of power battery BMS, modules, and PACK.

2011 Sunwoda was listed on the GEM board of Shenzhen Stock Exchange.

2012 Sunwoda started the intelligent hardware business.

2014 Sunwoda consumer-grade lithium-ion battery cells achieved mass production.

2016 Sunwoda established energy storage business subsidiary.

2017 Sunwoda's first overseas base was established in India.

2018 Sunwoda's power battery cells went into production.

2019 Sunwoda entered official cooperation with global premium automotive OEMs.

2020 Nanjing production base commenced mass operations.

2021 Sunwoda's power battery business accelerated expansion, with two multi-billion RMB projects launched in Jiangxi and Shandong.

2022 Sunwoda was listed on the Swiss Stock Exchange, entering an essential phase of globalization strategy.

2023 Sunwoda's first European factory established in Hungary.

2024 Sunwoda's energy storage battery business achieved significant growth, ranking among China's top 10 enterprises in global shipments.

Business Units

Consumer Product

Comsumer product is Sunwoda's traditional core business. The Company actively increases R&D efforts, strengthens quality management, and integrates new technologies such as fast charging and dual battery cell solutions into designs for various brand smartphones. Currently, Sunwoda has achieved deep cooperation with leading global mobile terminal manufacturers, forming a large, stable customer base. Sunwoda's shipment volume of smartphone lithium batteries PACK consolidates global leadership position. The laptop lithium battery business of the Company serves leading global brand manufacturers and has gained recognition from numerous high-quality customers both domestically and internationally. Furthermore, Sunwoda is actively expanding its 3C lithiumion battery cell business to increase battery cell self-supply rates, thereby reducing supply risks caused by technical barriers and enhancing profitability.

Power Technology

Sunwoda began its power battery business in 2008, with products covering battery cells, modules, BMS, and PACK. The Company is dedicated to providing competitive and scene-specific power battery solutions and energy storage cells for the new energy industry. Relying on six core competitive advantages– advanced technology, exquisite smart manufacturing, unparalleled quality, reliable delivery, open cooperation, and nearly three decades of experience serving large clients–Sunwoda has won recognition from numerous renowned clients both domestically and internationally, enabling its bulk supply to world-class automotive companies.

Energy Technology

Sunwoda Energy is a wholly owned subsidiary of Sunwoda specializing in integrated lithium battery energy storage and application technology. It focuses on five major business areas: power energy storage, industrial and commercial energy storage, household energy storage, network energy, and smart energy. Based on customer needs and pain points in segmented markets, the Company provides innovative and competitive green energy products and solutions. It aims to become an industry leader in energy storage products and solutions, investment and operation, and channel and brand influence.

Smart Hardware

With advancements in key technologies and increased policy support, the development of products in areas such as smart homes, smart offices, smart wearables, and smart security systems is significantly enhancing the intelligent experience of people's lives. Leveraging a professional R&D and engineering manufacturing team, a top domestic acoustic laboratory, and a dedicated dust-free automated assembly workshop, Sunwoda provides clients with intelligent hardware product solutions, including clean appliances, electric toothbrushes, and electronic pens. It offers a full-process solution from product design to manufacturing and delivery.

Ecological Innovation of Industry

Intelligent Manufacturing: Independently develop intelligent manufacturing production lines, innovatively apply Industry 4.0 and industrial Internet technologies, and build a benchmark factory integrating intelligent manufacturing, industrial Internet, and green manufacturing.

Industrial Internet: Focus on the lithium battery and new energy industries, and build a platform foundation, intelligent supply chain collaboration platform, dual-carbon management platform, and battery passport platform with distinct industry characteristics.

Third-Party Testing Services: Specialize in the lithium battery and its upstream and downstream fields, providing comprehensive technical services such as testing and analysis, inspection and certification, standard technology research, collaborative innovation in R&D technology, and high-quality integrated solutions.

Highlighted Performance

Long-term Sustainable Management

Released and optimized sustainability and ESG-related process and policy documents:
12

Participants in the Sustainable Supply Chain Development Conference:
100+

Internal sustainability culture activities held:
6

Selected GBA Battery Passport pilot projects:
2

Harmonious Green Ecology

Consistent implementation of carbon verification, carbon quota trading, and compliance:
11 consecutive years

Parks certified for PAS2060 carbon neutrality:
4

Representative products with ISO 14067 Product Carbon Footprint declarations completed in 2024:
10

Energy-saving improvement projects completed:
215

Annual electricity savings achieved:
6,674.8 ten thousand kWh

Installed photovoltaic capacity:
94.10 MW

Distributed photovoltaic power generation:
94,800 MWh

Proportion of green electricity usage:
29.71%

Strong R&D Capability

R&D investment:
RMB **3.33** billion

R&D team members:
8,389

Cumulative domestic patent applications:
7,265

Patents related to clean technologies:
5,812

High-Quality Products and Services

Number of product recalls due to quality issue:
0 issue

Amount involved in major safety and quality liability incidents related to products and services:
0 RMB

Customer satisfaction rate:
92.89%

Caring for Employees and Promoting Joint Development

Total number of employees:
54,292

Percentage of female employees:
30.66%

Investment in workplace safety:
RMB **3,647.96** ten thousand

Number of occupational disease cases:
0

Major safety accidents causing injuries and fatalities:
0

Occupational health examination coverage rate for frontline employees:
100%

Collaborating with Partners for Mutual Success

Total number of suppliers who signed the Supplier Code of Conduct:
3,266

Number of suppliers covered by conflict minerals due diligence:
1,117

Percentage of verified use of qualified smelters:
100%

Comprehensive Social Care and Support

Expenditure of Sunwoda Charity Foundation:
RMB **592.08** ten thousand

Investment in rural revitalization:
RMB **241.90** ten thousand

Robust Internal Governance

Employee coverage rate of integrity training:
100%

Number of operational sites that passed ISO 27001 Information Security Management System surveillance audit:
13

Number of participants who passed the information security examination:
7,669

Annual honors and awards

Responsibility Management

- 2024 Fortune China ESG Impact List — Fortune China
- Forbes China 2024 Annual ESG Inspired Case Studies — Forbes China
- Ranked 3rd in China Corporate Social Responsibility Leaderboard 2023 — Southern Weekly
- Excellent Practices for Corporate Green and Low-Carbon Development 2024 — China Enterprise Directors Association
- Member of Siemens China Zero-Carbon Pioneer Initiative — Siemens China

R&D Innovation

- Fortune China Top 50 Tech Companies — Fortune China
- 1st Prize in China Electricity Science and Technology Award - Technology Progress Award — Chinese Society for Electrical Engineering
- 1st Prize in China Industry-University-Research Collaboration Innovation Achievement Award — China Industry-University-Research Institute Collaboration Association

Product Quality

- Excellence-Level Smart Factory — Ministry of Industry and Information Technology
- Intelligent Manufacturing Demonstration Factory — Ministry of Industry and Information Technology
- 1st-Class Achievement in Innovation Publication Competition — Guangdong Association for Quality

Capital Market Honors

- Popular Listed Company Award — Hithink
- Best Internal Governance Listed Company — TMTpost
- Sci-Tech Innovation Best Practice ESG Rating — Securities Daily

Digital and Intelligent Empowerment

- Typical Application Cases of AI-Powered New Industrialization — Ministry of Industry and Information Technology
- Top 36 in "Data Element ×" Competition Zhejiang Sub-Contest (Jinhua Area) — National Data Administration
- 2nd Prize in the 7th National Industrial Internet Data Innovation Application Competition — China Academy of Information and Communications Technology
- 3rd Prize in the Intelligent Manufacturing Category of the Innovative Applications Track, The 3rd Pazhou Algorithm Competition (South China Area) — Chinese Association for Artificial Intelligence
- Excellence Application Award in Lenovo AIGC Empowered Quality Management Innovation Competition — Lenovo
- 2024 AILE Award - Best AI Practice Application — Organizing Committee of World Industrial Development Forum

Human Resources

- Title of Guangdong Craftsman Academy — Guangdong Federation of Trade Unions
- Top 10 Cases of Government-School-Enterprise Cooperation in Bao'an District — Human Resources and Social Security Administration of Shenzhen Bao'an District
- Most Influential Employers 2025 — Haitou
- China's Top 100 Best Employers 2024 — Zhaopin
- Award for Campus Recruitment Best Practices — Zhaopin
- Outstanding Human Resource Management Award 2024 — 51job

Rating approval

- BBB — MSCI ESG
- B — CDP
- AA — Wind

Annual Topic: LEAP toward a Sustainable Future

In recent years, amidst multiple challenges such as cyclical fluctuations in the industry and intensified internal competition within the domestic lithium battery sector, Sunwoda has formulated a strategic framework centered on four key pillars: globalization, digitalization, intelligentization, and green development. The Company has firmly pursued the path of sustainable development and proactively launched a series of initiatives, gradually building globally competitive capabilities in sustainability.

The Company established the Strategy and Sustainable Development Committee under the Board of Directors and built a four-tier sustainable management structure.

The Company defined a total of **12** sustainable development strategic objectives, including "**100%** compliance with the EU Batteries and Waste Batteries Regulation Battery Passport requirements for EV batteries exported to the EU, LMT batteries, and industrial batteries over 2KWh."

Establishing a comprehensive sustainable strategy system

Sunwoda has established the "LEAP toward a Sustainable Future" strategy, outlining a strategic blueprint for the Company's globalization and sustainable development based on four pillars: Lifecycle, Ecology, Accountability, and Partnerships. Meanwhile, a four-tier sustainable management structure has been established, covering decision-making, management, operation, and execution, with the Strategy and Sustainable Development Committee under the Board of Directors ensuring the effective implementation of the strategy. Additionally, the Company has restructured and integrated the Group's sustainable development work model and organizational framework with a focus on strategy and system management. Senior executives oversee sustainability-related performance, while sustainability task agreements are signed with various functional departments and business units. LEAP serves as the framework for managing sustainability-related topics.

12

The documents and systems related to sustainable development and ESG have been released and optimized.

18

The Company followed the LEAP strategy to conduct comprehensive topic management, covering critical internal topics.

Sunwoda releases its sustainable development strategy

Case

To actively respond to the global sustainable development agenda and advance the company's green transition, Sunwoda held the "LEAP toward a Sustainable Future" Sustainability Strategy Launch Event at its Guangming Campus in Shenzhen.The event was witnessed by Sunwoda's founder, Mr. Wang Mingwang, together with the core management team. Mr. Liang Rui, Vice President and Chief Sustainability Officer of Sunwoda, served as the host of the event.

In his opening speech, Mr. Wang Mingwang emphasized that the official release of Sunwoda's Sustainable Development Strategy marks a significant milestone in the company's sustainability journey. It signifies a shift from passive compliance to proactive leadership in the field of sustainable development. Mr. Wang called on all employees to take this strategic blueprint as a guiding framework and to further refine and implement detailed action plans across all functions.Looking ahead, the company will stay aligned with the LEAP strategy, leveraging technological innovation as a driving force and embracing responsibility as a cornerstone. Together with employees, customers, partners, and society at large, Sunwoda will advance toward a sustainable future characterized by harmony between humanity and nature.

Deeply understanding policy trends

With a focus on global sustainable development goals and regulations, Sunwoda integrates its unique sustainability culture and practices, aiming to lead the industry toward a new era of sustainable development and showcase China's ESG strength to the world. In the process of globalization, Sunwoda adheres to international regulatory frameworks, such as the *EU Batteries and Waste Batteries Regulation*, as the minimum compliance standard. The Company conducts in-depth analysis of regulatory requirements and internally released the Action Guidelines on the EU Batteries and Waste Batteries Regulation, demonstrating a high level of compliance and forward-looking awareness. At the same time, the Company maintains a deep understanding of both domestic and international sustainability requirements, effectively responding to regulatory changes and market risks.

Guided by policies, Sunwoda continuously strengthens its internal capabilities for sustainable development. In alignment with the national dual-carbon policy, the Company released its "dual-carbon" goals in 2022 and has since actively promoted green manufacturing models, establishing "near-zero carbon parks" and "carbon-neutral parks" to achieve effective carbon emission management in production and operations. The Company has conducted an in-depth understanding of the requirements under the *EU Batteries and Waste Batteries Regulation* and developed the "Sunwoda Digital Battery Passport Platform" to comprehensively collect and record battery lifecycle data, effectively addressing technical barriers for exports to Europe. At the same time, the Company actively participates in international organizations and initiatives such as the United Nations Global Compact (UNGC), adheres to international sustainability standards, and continuously improves its own sustainability development system.

Sunwoda was selected for the Global Battery Alliance (GBA) 2024 Battery Passport Pilot Project for the first time, becoming one of the companies with **2** projects selected.

Sunwoda jointly released a green outbound solution for ecosystem co-creation – *Sunwoda Battery Passport Platform - Siemens Carbon Footprint Collaboration Edition* – with Siemens at the 7th China International Import Expo.

Sunwoda engaged in-depth dialogues with the Catena-X delegation to jointly envision a new blueprint for digital development in the battery industry.

Sunwoda released the *Action Guidelines on the EU Batteries and Waste Batteries Regulation* and issued **8** editions of its regular ESG policy briefing.

Sunwoda held a roundtable dialogue on "Sustainable Development of the Full Value of Power Batteries", inviting **5** partners from the value chain to discuss the impact of the *EU Battery and Waste Battery Regulations*.

Sunwoda actively promoted the development of China's first group standard on battery full-lifecycle traceability data requirements.

Fully satisfying customer needs

Sunwoda adheres to a dual-engine approach driven by technological innovation and business model advancement, with customer demands as the core driving force. The Company carries out forward-looking research and development planning and continuously enhances its global market performance.

In terms of sustainable development, Sunwoda has established a full lifecycle environmental management system, promotes green technology innovations such as ultra-fast charging, solid-state batteries, and silicon-carbon anodes, and develops multiple low-carbon products to support the zero-carbon transition. The Company actively focuses on the application of recycled materials in the battery industry and continuously reduces the carbon footprint of its products.

In addition, Sunwoda targets key ESG topics and collaborates with value chain partners to jointly address challenges such as climate change and labor rights, while seizing sustainable development opportunities in the new energy industry.

Sunwoda responded **100%** to customer sustainability-related requirements.

Sunwoda provided integrated solutions including comprehensive energy storage, "PV-storage-charging-testing" systems, and zero-carbon park services.

Sunwoda constructed smart service stations integrating photovoltaic power generation, distributed energy storage, electric vehicle charging, and battery testing services.

Sunwoda developed silicon-carbon anode battery technology with a silicon content of 10% and an energy density of up to **773** Wh/L

Sunwoda achieved the industr-first application of liquid-cooling technology in mobile energy storage vehicle systems.

Sunwoda advanced battery recycling through its global recycling network, addressing full lifecycle management needs across the value chain.

Sunwoda deployed a carbon footprint accounting platform and an ESG data management platform to empower sustainability management through digital capabilities.

Outstandingly fulfilling social responsibilities

As a leader in the new energy industry, Sunwoda deeply integrates social responsibility into the core of its business strategy, constructing a sustainable development ecosystem for the new energy supply chain through the enhancement of internal and external capabilities and the outward practice of responsibility. The Company is committed to becoming a respected corporate model.

Internally, Sunwoda prioritizes employee development and continuously fosters a sustainable cultural influence by organizing multiple sustainability-related cultural initiatives to enhance the responsibility capabilities of all employees. Externally, in response to the Rural Revitalization Strategy, Sunwoda focuses its efforts on education improvement, cultural heritage, and ecological governance, offering support to areas such as Hexi She Ethnic Township in Heyuan and Yong'an Town in Du'an, Guangxi, exemplifying the corporate mission of responsibility in the new era.

As a member of the United Nations Global Compact, Sunwoda actively engages in international dialogues, fulfilling its sustainability commitments through action. The Company transforms its green manufacturing experiences into replicable solutions, driving green transformation in countries along the Belt and Road through tangible collaborations such as technology standards output and the co-construction of low-carbon industrial parks, continuously promoting China's green manufacturing image.

- Sunwoda was invited to participate in over **20** authoritative domestic and international conferences and forums, including COP29, UNGC, and WEF.
- Sunwoda provided nearly **202** job opportunities for persons with disabilities and was recognized as a provincial and municipal employment base for people with disabilities.
- Sunwoda advanced its employee equity incentive plan, with **86%** of core staff covered by equity incentives.
- Sunwoda launched its **first** management trainee program to comprehensively accelerate the growth of outstanding young talents and cultivate a new generation of "Sunwoda-style" managers.
- Sunwoda recorded annual charitable donations of RMB **5.9208** million, benefiting a total of **250,000** individuals.
- Sunwoda conducted **12** sustainability-related training sessions and organized **6** internal sustainability culture events, engaging over 1,000 participants.
- Sunwoda received **17** honors related to sustainable development.

Sustainability Management

Upholding the tenets of "Deeply understanding policy trends, Fully satisfying customer needs, and Outstandingly fulfilling social responsibilities",Sunwoda has formulated a sustainability development strategy themed "LEAP toward a Sustainable Future" . This strategy integrates sustainability management into the Company's operations through four objectives - Lifecycle, Ecology, Accountability, and Partnership to advance sustainable development and strengthen sustainability management to lay a strong foundation for the Company's long-term growth.

Sustainable Development Strategy

Strategic Vision

LEAP toward a Sustainable Future

Guiding Principles

Deeply understanding policy trends	Fully satisfying customer needs	Outstandingly fulfilling social responsibilities

Strategic Goals

Lifecycle	Ecology	Accountability	Partnership

Strategic Path

Lifecycle	Ecology	Accountability	Partnership
• Battery passport • Green Products • Battery Recycling	• Operational carbon reduction • Renewable energy • Environmental compliance	• Information disclosure • Business conducts • Quality and safety	• Satisfaction of key stakeholders • Sustainable procurement • Community impact

SDGs

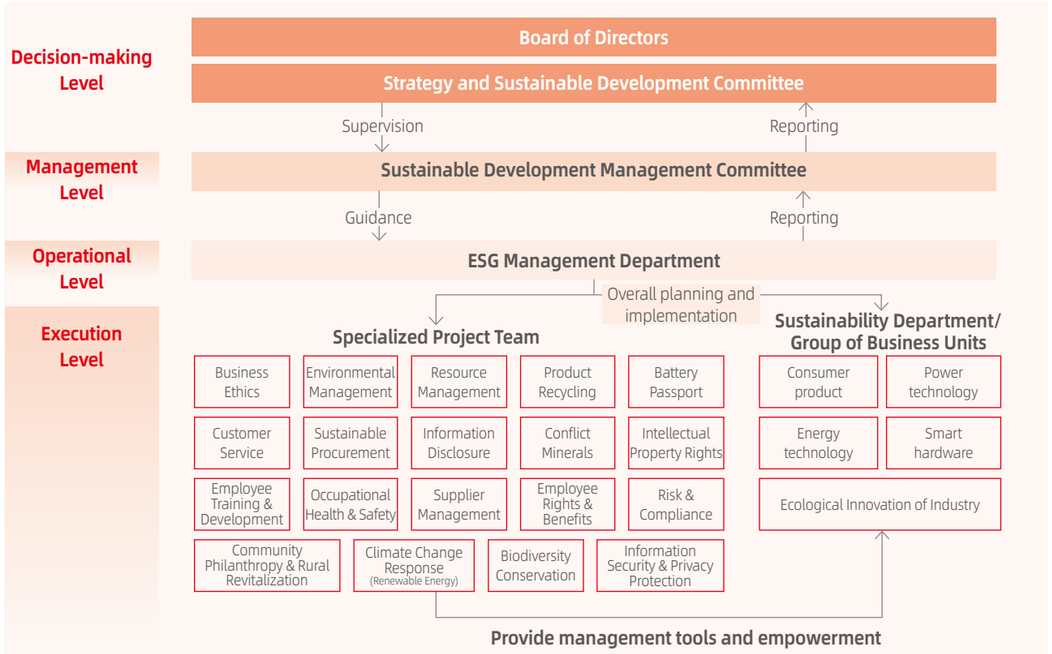
Key competencies

Value chain empowerment	Digitalization	Intelligentization	Innovation and R&D

Sustainability Management Structure

To deepen the implementation of its sustainable development strategy, Sunwoda continuously optimizes its sustainability management structure, ensuring a close integration of ESG practices with management and business activities to drive the Company's sustainable performance.

The sustainability management structure of Sunwoda is led by the Board of Directors, with a Strategic Committee underneath. In 2024, the Board of Directors' Strategic Committee of Sunwoda was renamed the Strategy and Sustainable Development Committee, further clarifying its responsibilities for ESG implementation from strategy to execution. Under this committee, a Sustainable Development Management Committee was established to further improve the sustainability management system. It serves as a permanent body that oversees Sunwoda's ESG resolution implementation, ESG risks identification, as well as ESG strategies, goals, and plans preparation and implementation. The Company also appointed a Chief Sustainability Officer and set up an ESG Management Department under the Sustainable Development Management Committee to ensure standardized sustainable development, advancing Sunwoda's high-quality development and enhancing its international image and market competitiveness in sustainability.



Sunwoda establishes its sustainability management system in line with relevant system standards, such as ISSB, SA 8000, RBA Code of Conduct, ISO IWA 48, ISO 14001, ISO 45001, etc., combined with the actual management of the Company. It formulates the *Social Responsibility Management Manual* and *Sustainable Development Management Manual*, which clearly define its sustainable development strategic planning, management systems, coordination mechanisms, performance evaluation frameworks, and practical approaches to environmental, social, and governance issues. Following the PDCA (Plan-Do-Check-Act) methodology, Sunwoda standardizes responsibilities at each level within its sustainability management framework, effectively managing and tracking all sustainability initiatives, objectives, and actions across the organization.

Simultaneously, Sunwoda cascades its sustainable development strategy throughout all relevant functional departments and business units, linking it to executive performance metrics in a top-down approach that drives sustainable development strategy implementation and manages associated risks. Heads of business units and functional departments sign sustainable development commitment agreements, establishing key performance indicators and targets based on their specific operational contexts. Guided by the Group's overarching sustainable development strategy, Sunwoda has established a series of ambitious goals spanning multiple dimensions, including greenhouse gas emissions reduction, battery recycling, and battery passport initiatives, providing robust support for the efficient advancement of corporate sustainable development efforts.

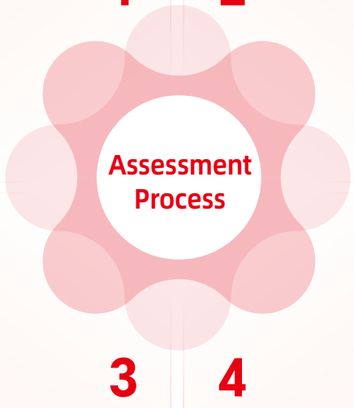
Communication with Stakeholders

Sunwoda attends to the impact of its operations on various stakeholders. By actively identifying stakeholders, sorting out their core concerns, clarifying communication methods, and keeping abreast of their demands and expectations, the Company continuously improves its sustainable development performance. Through practical actions, the Company actively creates economic, social, and environmental value for various stakeholders such as governments, consumers, employees, customers, shareholders, and industry partners, thus continuously contributing to sustainable development.

Stakeholder Category	Government and regulators	Shareholders and investors	Customers	Employees	Supplier	Partners	Public and community
Key Issues of Concern	Robust governance Anti-corruption and business ethics Information Security and Privacy Protection Addressing climate change Environmental compliance management	Robust governance Anti-corruption and business ethics R&D and innovation Industry cooperation Addressing climate change	High-quality products and services Responsible supply chain management Addressing climate change Resource management and circular economy Cleantech opportunities	Talent management and development Occupational Health and Safety Product quality and safety Anti-corruption and business ethics Information Security and Privacy Protection	R&D and innovation Responsible supply chain management Information Security and Privacy Protection Occupational Health and Safety Industry cooperation	R&D and innovation High-quality products and services Industry cooperation Industry cooperation and development Resource management and circular economy Cleantech opportunities	R&D and innovation High-quality products and services Rural revitalization and social contribution Addressing climate change
Communication Channels	Institutional investigation Policy implementation Relevant websites Meetings Official correspondence and information disclosure	General Meeting of Shareholders Regular / temporary announcements Investor relations websites Performance briefing Email, phone, and research Interactive platform Roadshows	Customer service and feedback channels Customer satisfaction survey Symposiums and visits Social media interaction	Internal communication platform Trade unions and workers' congresses Employee assessment and promotion Employee training	Supplier evaluation and audit Supplier exchanges and training Supplier conferences	Industry associations Advocacy organizations Forums and events Exchanges and visits	Charitable donations Exchanges and visits Community and public welfare activities Volunteer services
Main Response Methods	The Company adheres to the business code of conduct, continuously optimizes internal control and compliance management, pays taxes in full, provides employment opportunities, improves environmental management, discloses information in a timely manner, cooperates with inspections and supervision through regular reports and announcements, and advocates for green and environmentally friendly concepts.	The Company regularly publishes sustainable development reports, financial reports, and other information, holds shareholder meetings in a timely manner, reports on work progress, and protects investors' rights and interests.	The Company continuously improves customer satisfaction, actively responds to complaints and suggestions, ensures product quality, promotes product innovation, emphasizes information security and privacy protection, and provides customers with high-quality products and services.	The Company strengthens the protection of employees' basic rights and interests, establishes internal communication channels and platforms for employees, builds a systematic career advancement path and training activities for employees, and carries out a variety of team-building and employee care activities. In addition, occupational health and safety management is being continuously enhanced to ensure the physical and mental well-being of employees.	The Company improves the supplier access and supervision mechanism, establishes a mutually beneficial value chain partnership with high standards of supplier management and an efficient procurement system, actively holds supplier conferences, conducts on-site audits, and works together to create a sustainable supply chain.	The Company actively carries out partnerships with various social sectors, jointly promotes industry innovation and sustainable development through participation in standard policy formulation, strategic cooperation projects, and hosts expert research visits.	The Company conducts public welfare projects in collaboration with various parties through charitable foundations, supporting rural revitalization projects in education, healthcare, and other fields, and actively engaging in volunteer services to assist community development.

Double Materiality Assessment

To effectively identify, understand, and respond to the concerns of stakeholders regarding the Company's sustainable development practices, Sunwoda regularly conducts a comprehensive materiality assessment of sustainability issues. In 2024, through policy analysis, extensive research with internal and external stakeholders, and other methods, Sunwoda carried out the identification and analysis of ESG material issues, providing a reference basis for the Company to systematically advance its ESG work and disclose relevant information. Based on the judgment criteria for impact materiality and financial materiality as outlined in the Shenzhen Stock Exchange's Guidelines, and referring to international authoritative guidelines such as ISSB and GRI, Sunwoda conducted stakeholder surveys on the material issues and carried out a double materiality assessment.



1 Understand the Company's activities and business relationships

Interpret domestic and international sustainability standards, the Company's business operations and value chain, and industry conditions to understand the sustainability context in which the Company operates.

2 Develop an issue inventory

Identify and screen relevant sustainability issues in conjunction with the reality of the Company and stakeholder communication, and analyze the existing and potential impacts, risks, and opportunities related to sustainability issues.

3 Assess and confirm issue materiality

Evaluate and rank the impact and financial materiality of issues based on the Company's situation, industry development trends, and authoritative domestic and international studies, forming a double materiality matrix, and defining the boundaries of material issues.

4 Review and report

Highlight the issues of higher materiality during the reporting period after review and confirmation by the Board of Directors.

Assessment Method

The double materiality assessment was conducted through various methods such as questionnaire surveys, interviews, and expert evaluations. During the reporting period, Sunwoda conducted assessments through online questionnaire surveys and in-depth interviews, engaging with internal management, customers, suppliers, government agencies, industry associations, and other stakeholders. More than 800 online survey questionnaires were collected, and 15 in-depth interviews were conducted with senior executives and heads of major departments. This assessment gathered a comprehensive understanding of internal and external evaluations of the significance of ESG topics, and an extensive analysis was performed by referencing opinions from internal and external ESG experts.

Impact materiality

A comprehensive assessment is conducted by integrating positive and negative impacts, actual and potential impacts, and evaluating from multiple dimensions such as impact scale, scope, likelihood, and irremediability, which assesses whether the performance of the Company's sustainability-related topics will have significant impacts on the environment, economy, and society.

Financial materiality

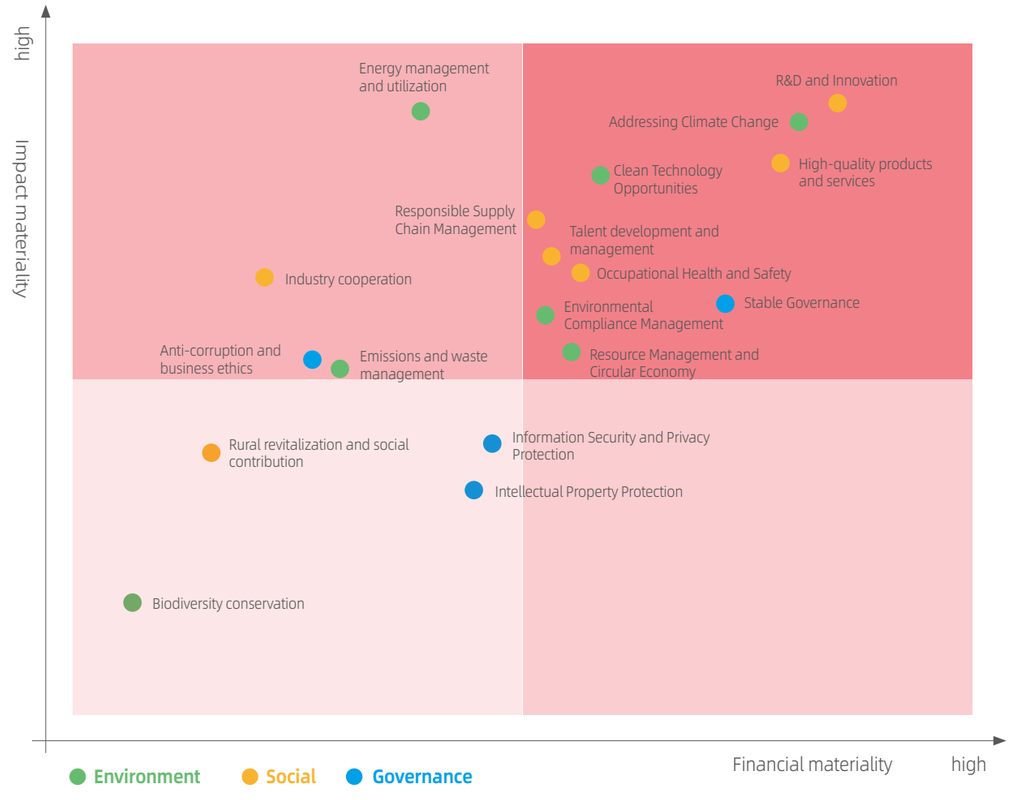
The Company comprehensively evaluates the likelihood of impact and the degree of financial impact over short-term, medium-term, and long-term time horizons. It assesses the influence of relevant issues on the Company's business model, operations, and financial indicators across multiple dimensions, including resource availability and relational dependency.

Note: The Company defines its time horizons as short-term (up to and including 1 year), medium-term (from 1 to 5 years inclusive), and long-term (beyond 5 years).

Assessment Results

Based on the *Guidelines* and referring to Sunwoda's sustainability context and business realities, combined with stakeholder feedback, the Company identified and updated 18 sustainability-related topics in 2024: 7 environmental, 7 social, and 4 governance. The Company also identifies and analyzes the existing and potential impacts, risks, and opportunities related to sustainability issues (Detailed information is available in the Appendix: Analysis of Sustainable Development Issues and Their Impacts, Risks, and Opportunities).

Based on the combined assessment of impact and financial materiality, the Company identified 10 issues as both financially and impact material. The following results were comprehensively assessed by the internal finance department of the Company, the ESG Management Department, and other relevant departments, as well as external industry experts, based on insights from the Company, the industry, and both domestic and international perspectives. These results were ultimately reviewed and approved by Sunwoda's CFO, the Sustainable Development Management Committee, and the Board of Directors. All issues identified as financially material to the Company have been disclosed in the relevant chapters of this report in accordance with the four elements of "Governance–Strategy–Risk Management–Metrics and Targets" to comprehensively present Sunwoda's management and action initiatives on key ESG issues.



Sustainable Development Impact

Sunwoda's Sustainable Development Strategy

Actions

No Poverty

The Company actively responds to national and local strategic deployment for rural revitalization by carrying out the "Caring Canteen" project and the "Cultivation and Reading Garden" project in Hongyuan Village, Houmen Town, focusing on the development of vulnerable groups and contributing to rural revitalization.

Good Health and Well-being

The Company values the protection of employees' health, with a 100% rate of occupational health check-ups for employees.

By implementing assistance programs such as the "Sunshine Guardian Program", "Tongxin Garden: Children's Care Space Project", and "Sunshine Guardian Plan", the Company supports sick children care, family assistance, and medical aid.

Quality Education

The Company established the "Sunwoda Future Scholarship" - the "Dreams Set Sail" to support the development of education.

The company prioritizes talent cultivation and development by establishing a comprehensive training system. This includes management trainee programs, degree advancement initiatives, and professional skill certification schemes to foster employee growth.

Gender Equality

The Company advocates equal employment and prohibits limits on female employees' legitimate rights and interests in labor contracts or employment contracts or discrimination against female employees in salary adjustments or job promotions. The proportion of female employees accounts for 30.66%.

Clean Water and Sanitation

The Company follows the PDCA principle to promote water conservation, carry out water conservation projects, and implement water resource conservation management through methods such as wastewater recovery from pure water machines, concentrated water recycling, and the installation of water-saving devices and automatic sensor water-saving devices.

Sunwoda Boluo Park has achieved the goal of zero industrial wastewater discharge by building its own industrial wastewater treatment station and reusing reclaimed water.

Affordable and Clean Energy

The Company expands the layout of photovoltaic power generation, aiming to achieve 100% renewable energy usage by 2050.

Clean technology innovation has been positioned as one of the core strategies to promote power technology and energy technology research and development.

Decent Work and Economic Growth

Complying with applicable local labor standards, the Company provides employment opportunities, especially prioritizing local hiring.

The company adheres to lawful employment practices and has issued the Regulations on Child Labor Rescue, Minor Workers and Female Employee Protection, explicitly prohibiting child labor and forced labor to safeguard employee rights.

Committed to building a multi-level, all-round talent pipeline system, the Company has established a comprehensive performance evaluation system and provides employees with clear career development paths.

A people-oriented approach has been adopted to focus on employees' physical and mental health and work-life balance.

Actions

Partnerships for the Goals

The Company actively participates in industry exchanges to promote the standardization and technological advancement within the industry.

The Company engages in active cooperation with global partners, including the United Nations Global Compact (UNGC) and the Global Battery Alliance (GBA), to work together for mutual benefits and support the achievement of sustainable development goals.

Peace, Justice, and Strong Institutions

The Company implements anti-corruption practices in all business activities from internal management to external cooperation and prohibits any form of corruption, bribery, abuse of power, favoritism, and malpractice.

The Company promotes a clean and honest corporate culture, continues to deepen the integrity awareness of all employees via all kinds of activities, and creates a sound working atmosphere.

It is prohibited to employ child labor and forced labor. The Company implements management of critical minerals and supply chain labor.

Life on Land

With Investment in R&D resources, the Company develops environmentally friendly products and production processes, aiming to reduce environmental impact.

The Company prioritizes biodiversity conservation by establishing a comprehensive site selection assessment system. Our operations, both domestic and overseas, have demonstrated no negative impact on biodiversity, strictly adhering to ecological protection redlines.

Climate Action

The Company released the "Carbon Peak and Carbon Neutrality" goals and joined the Science Based Targets initiative (SBTi).

The Company was certified by ISO 14064 and carries out greenhouse gas inventory and carbon verification every year.

Sunwoda has maintained high-quality carbon verification processes and carbon allowance trading in the Shenzhen carbon market for 11 consecutive years, achieving a 100% compliance rate.

4 subsidiaries were certified by PAS 2060 for carbon neutrality.

Low-carbon projects have been carried out in the supply chain.

The Company promotes employees' awareness of low-carbon practices and understanding of the significance of "carbon peak and carbon neutrality" work.

Responsible Consumption and Production

Sunwoda has established a recycled materials subsidiary to advance battery recycling, completing the closed-loop battery industry chain.

The Company has built a digital battery passport platform and established a high-quality management model for the entire product lifecycle.

The sustainable management of natural resources and hazardous chemicals has been strengthened to reduce pollutant emissions.

The Company organized and held sustainable development activities.

Sustainable Cities and Communities

Sunwoda provides green mobility and integrated energy storage solutions to society. Through innovative applications such as "PV-storage-charging-inspection" smart stations, shared energy storage projects, and mobile energy storage vehicles, the company contributes to sustainable urban development.

100% compliance in pollutant disposal throughout the year, with no environmental accidents.

Reduced Inequalities

Adhering to the principle of "fairness and justice", the Company prohibits any discrimination based on race, color, religious belief, gender, age and place of origin.

5,841 ethnic minority employees and 56 disabled employees have been employed.

Industry, Innovation, and Infrastructure

Investment in R&D amounts to RMB 3.33 billion.

The Company establishes a diverse and open R&D model, building efficient and stable partnerships with upstream and downstream partners, research institutions, etc., so as to create a good collaborative innovation ecosystem and solidly advance research projects.

Initiative Participation

Sunwoda actively engages in both domestic and international sustainable development initiatives. The Company has joined key external organizations and frameworks including the United Nations Global Compact (UNGC), Global Battery Alliance (GBA), Science Based Targets initiative (SBTi), ISSB International Sustainability Disclosure Standards Early Adopter Partner, and the China ESG Alliance. Through these commitments, Sunwoda contributes its distinctive strengths to advancing global sustainable development.

United Nations Global Compact

GLOBAL BATTERY ALLIANCE

SCIENCE BASED TARGETS

China ESG Alliance

Standards Developmet

Sunwoda actively participates in the formulation of sustainable development standards, driving the standardization of ESG practices within the industry chain. The Company offers scientific approaches for the sustainable development of the industry and demonstrates professional leadership in green transformation, particularly in areas such as product carbon footprint and low-carbon development.

2024

In 2024, Sunwoda participated in or reviewed 9 national, industry, local, and group standards related to sustainable development, as well as 1 white paper.

9 item

1 item

Global Advocacy

The 29th United Nations Climate Change Conference (COP29)

At the 29th United Nations Climate Change Conference (COP29), Sunwoda was invited to collaborate with supply chain partners in exploring green solutions.

United Nations Global Compact "Caring for Climate" Initiative

Sunwoda was invited to attend and speak at the 12th annual high-level meeting of the United Nations Global Compact (UNGC) "Caring for Climate".

UN Global Compact SDG Ambition Accelerator

Sunwoda participated in the UN Global Compact SDG Ambition Accelerator to promote the establishment of ambitious corporate goals and build sustainable development resilience.

2024 Asia-Pacific Carbon Summit and World Low-Carbon Cities Forum

Sunwoda shared its sustainability best practices at the 2024 Asia-Pacific Carbon Summit and World Low-Carbon Cities Forum, contributing expertise in green technology integration and circular economy models to advance climate-smart urbanization.

Global Battery Alliance (GBA)

Sunwoda joined the Global Battery Alliance (GBA) to participate in the global battery passport pilot project and promote the full life cycle management of batteries.

01

LIFECYCLE

Innovation-driven, Circular Sustainability

As one of the world's leading battery manufacturers, Sunwoda deeply integrates green design concepts into its product development system, responding to the global demands for sustainable products, operations, and production. It continuously enhances the construction of the battery passport digital platform, actively engages in battery recycling, and practices the circular economy. Throughout the early, mid, and late stages of the product lifecycle, Sunwoda actively provides society with green solutions, comprehensively promoting the "Four Transformation" development strategy (globalization, digitalization, intelligentization, and green development), and contributing to global sustainable development.

Key ESG Topics in this Chapter:

- Resource management and circular economy
- Cleantech opportunities
- R&D and innovation
- Intellectual Property Protection

Response to SDGs:

Full Lifecycle Green Solutions

Sunwoda always adheres to the corporate mission of "Innovation drives the progress of new energy world" and takes clean technology innovation as one of the core strategies, committed to offering customers green solutions throughout the entire lifecycle of its products.

Early Stage

Green Design and Technology

Continuously improving product energy efficiency and reducing energy consumption per unit output are key actions for Sunwoda to achieve the goals of "carbon peak and carbon neutrality" and implement sustainable operations. To this end, the Company has deeply integrated green low-carbon technology and sustainable development design concepts from the very beginning of product design.

In 2024, Sunwoda continuously increased its investment in scientific research and development in the field of green clean technology. The Company has established environmental management requirements covering the entire lifecycle from "raw materials - production - use - recycling," deeply embedding the concept of green design into the product development system, and striving to achieve green management throughout the product lifecycle. During the research and development stages of product design and process design, the Company integrates regulatory control requirements and external customer needs by embedding directions for green design, including increased proportion of recyclable materials, improved energy efficiency, and enhanced proportion of reusable materials after disassembly, while setting targets for key indicators.

In addition, Sunwoda has positioned itself at the cutting edge of green technology innovation, pursuing visionary and breakthrough advancements in green low-carbon technologies such as solid-state battery technology and silicon-carbon anode battery technology. Through the development of various eco-friendly, low-carbon products, the Company is actively driving the evolution of product lifecycle toward enhanced sustainability, greater efficiency, and reduced environmental impact.

Green Technology

Solid-State Battery Technology

Sunwoda is accelerating the development of multiple generations of solid-state batteries. To date, the Company has successfully completed the development of its first-generation semi-solid-state batteries, initiated pilot production testing for second-generation semi-solid-state battery prototypes, and achieved laboratory validation for its advanced third-generation all-solid-state batteries. Compared to traditional liquid batteries, solid-state batteries offer higher energy density and enhanced safety. This innovation is expected to enable further reductions in battery size and weight, consequently enhancing the driving range and energy efficiency of new energy vehicles. This technological progression plays a crucial role in the Company's strategy to support deep decarbonization across the transportation industry.

Silicon-Carbon Anode Battery Technology

Sunwoda's silicon-carbon anode battery technology can be applied to consumer batteries. This silicon-carbon anode battery with a silicon content of 10%, has a measured energy density of up to 773Wh/L.

Green Products

Collaborating with Customers to Develop Detachable Dry Cell Batteries

The detachable dry cell battery, equipped with a built-in high-voltage lithium-ion polymer battery, is designed for easy disassembly, reducing safety risks such as deformation, leakage, and fire during battery removal by non-professionals. Sunwoda collaborates with North American customers to develop detachable dry shell batteries to facilitate safe and convenient removal and replacement of batteries during maintenance, thus effectively reducing battery damage and scrapping due to improper maintenance.

6C Flash Charging Battery 3.0 Product Series

Sunwoda is dedicated to developing its Flash Charging Battery, a power battery solution that combines extended range capability, ultra-fast charging for efficient energy replenishment, enhanced safety features, exceptional durability, and superior value retention. Leveraging Sunwoda's proprietary flash-charging high-conductivity network material technology, enhanced-safety nickel-rich cathodes, and advanced high-conductivity electrolytes, this battery effectively tackles common challenges in new energy vehicles related to driving range, charging speed, and safety performance. The 6C Flash Charging Battery 3.0 product series from Sunwoda includes the LFP Xinxingchi battery and the 6C NCM Xinxingyao battery. The former offers a peak 6C average fast-charging capability of over 4.5C, while the latter has an ultra-fast-charging performance that can charge from 10% to 80% SOC in just 10 minutes, significantly reducing charging time for new energy vehicles and enhancing convenience.

Next-Generation Xinyue 625Ah Ultra-Large Energy Storage Battery Cells

The "Xinyue" is an energy storage battery cell specially designed for the TWh era, with a cell capacity of up to 625Ah and an energy density exceeding 430Wh/L, representing an 8.8% improvement over the 314Ah cell. Through continuous breakthroughs in "lithium" technology, "Xinyue" battery cells can achieve a cycle life of 15,000 cycles, flexible "zero degradation" for 3-5 years, a service life of 25 years, and a total lifecycle cost reduction of over 13%. "Xinyue" technology significantly enhances space utilization and increases energy density by 5%.

Mid Stage

Green Solutions

Beyond product services centered on 3C batteries and power batteries, Sunwoda continues to explore customized, multi-domain green, low-carbon solutions. Through comprehensive energy storage, integrated "PV-storage-charging-testing" services, and zero-carbon parks, the Company meets various application scenario needs of customers and supports the green and low-carbon transformation of various industrial chains and regions.

Battery Passport Digital Platform

With the successive issuance of relevant domestic and international regulations and policies such as the *EU Batteries and Waste Batteries Regulation* and the *Action Plan for Establishing a Comprehensive New Energy Vehicle Power Battery Recycling and Utilization System*, the new energy battery industry is facing unprecedented challenges and opportunities.

As a leading global battery manufacturer, Sunwoda actively responds to policy initiatives and demonstrates outstanding leadership and innovative practices in battery passports. The Company actively builds a digital platform for battery passports, leveraging its industry advantages to promote platform construction. By integrating digital technologies such as blockchain, the Internet of Things, and artificial intelligence, it achieves end-to-end monitoring and data management for the industry chain.

In 2024, Sunwoda successfully took the lead in establishing China's digital platform for battery passports, providing strong technical support for the battery lifecycle management. Currently, the digital platform for battery passports has launched pilot operations for certain products. In addition to the statistical management of product names, types, and due diligence, the platform can also conduct traceability management for key raw materials, such as positive and negative electrode materials and electrolytes. By combining authoritative carbon footprint accounting standards from both domestic and international sources, it enables the precise tracing of product carbon footprints and emissions. This provides a digital solution to the challenges of traceability and regulation in the new energy battery industry, contributing significantly to the sustainable development of the global battery industry.

Sunwoda Launches Battery Passport Platform

Case

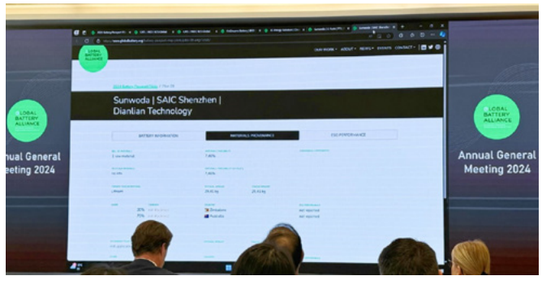
On November 6, 2024, at the 7th China International Import Expo (CIIE), Sunwoda advanced the industry's "Battery Passport" project and collaborated with Siemens to release "Sunwoda Battery Passport Platform - Simens SiTANJI Joint Solutions ", an eco-creation green overseas solution. This platform realizes full-lifecycle value chain management of battery sales, covering carbon footprint accounting, traceability, transparency and international certification. The development of this solution and value-added service aims to support global new energy enterprises in steadily advancing their green low-carbon transformation and achieving sustainable international expansion.

Sunwoda Selected for the Global Battery Alliance 2024 Battery Passport Pilot

Case

Sunwoda actively engages in global initiatives to foster sustainable and responsible green battery supply chains worldwide. Following its official membership in the Global Battery Alliance (GBA) in 2023, the company has been actively participating in GBA's Battery Passport Pilot Program.

Two battery passport projects co-developed by Sunwoda with leading Chinese automakers have been jointly selected as Top 10 Pilot Projects in GBA's "2024 Battery Passport" initiative. Recognized for their outstanding performance in carbon footprint accounting, supply chain traceability, and information disclosure, this achievement marks international endorsement of Sunwoda's efforts to advance transparency and sustainability across the battery value chain.



The Global Battery Alliance (GBA) is the first global battery association established by the World Economic Forum (WEF). It actively engages in battery passports, traceability systems, and ESG-related actions, aiming to create a sustainable, responsible, and fair global battery industry chain by 2030.

GLOBAL BATTERY ALLIANCE

Sunwoda Joins CATARC ADC Battery ID Task Force

Case

During the reporting period, Sunwoda participated in the 2024 China Battery ID Research Task Force organized by Automotive Data of China Co., Ltd (CATARC ADC), actively contributing to the development of the China Battery ID Platform. In December 2024, the task force released the first batch of pilot achievements, with the company's pilot project being selected as one of the Top 10 National Pilot Projects. This milestone release represents China's inaugural battery ID achievements, establishing new benchmarks for both domestic and global battery industries. It marks a groundbreaking step in the digital transformation of China's battery sector, embodying strategic advancements in lifecycle traceability and circular economy practices.

In addition, Sunwoda is spearheading the development of China's first group standard for battery life cycle traceability management data requirements. The Company has engaged in in-depth exchanges with industry peers at multiple international seminars to jointly explore the international cooperation and development path of battery passport technical standards. In 2024, Sunwoda vigorously promoted the application of battery passports through various means, including hosting practical training for battery passport generation and participating in international exhibitions and forums, to enhance the transparency of the global battery value chain.

Sunwoda Diligently Promotes Battery Passports

Case

In July 2024, at the EU Battery Passport Standards and Supply Chain Data Technology Seminar hosted by the Industrial and Information Technology Bureau of Bao'an District, Shenzhen, and the Bao'an District Enterprise Service Center, PTL collaborated with Catena-X, the China Industrial Association of Power Sources, and other organizations, to discuss the technical standards for full-life-cycle data management of new energy batteries under the EU *New Battery Law* and international cooperation, promoting the sustainable development of battery passport technology and global energy transition.

Moreover, Sunwoda has successfully held practical trainings for battery passport generation, issuing battery passports to 12 vehicle manufacturing enterprises, new energy battery production enterprises, and upstream and downstream companies in the industry chain, thereby enhancing the battery full life cycle management capabilities of the value chain.

Advanced Energy Storage Solutions

The 2024 Government Work Report first proposed developing new energy storage and accelerating the construction of a new energy system. "Developing new energy storage" as a "new driving force" for China's economic development has gained widespread recognition, providing a policy basis for the application development of "energy storage +".

In the energy storage field, Sunwoda has over twenty years of profound technical accumulation and precise strategic planning. It focuses on five core business segments: power energy storage, industrial and commercial energy storage, residential energy storage, network energy, and smart energy. The Company has successfully offered established solutions for over thirty diverse scenarios, backed by a comprehensive portfolio of successful implementations. During the reporting period, the Company vigorously created multi-scenario mobile energy storage solutions and implemented comprehensive energy storage projects, which not only met the diversified energy needs of economic and social development but also propelled the achievement of "carbon peak and carbon neutrality" goals.

Shared Energy Storage Project in Zaozhuang High-tech Zone, Shandong

Case

Sunwoda Smart Energy signed a cooperation agreement for a 400 MW/800 MWh shared energy storage project with Zaozhuang High-tech Zone, Shandong. The project will be constructed in three phases, with the first phase planned to start construction in the fourth quarter of the year and expected to be connected to the grid and reach production capacity by May 2025. The project will create an efficient energy use environment for Zaozhuang City, helping it to become a model city for low-carbon development as soon as possible.

10-meter Integrated Mobile Energy Storage Vehicle

Case

Sunwoda has developed multi-scenario mobile energy storage solutions. In 2024, the new "Xinjiyuan" mobile energy storage vehicle was launched. As the first liquid-cooled, 10-meter mobile energy storage vehicle with the world's largest capacity in the industry so far, "Xinjiyuan" represents a bold innovation by Sunwoda in the energy storage field, bringing a new path for the development of new mobile energy storage. It is also the first time that liquid cooling technology has been applied to mobile energy storage vehicle systems in the industry, resulting in enhanced safety and reliability.

Additionally, the operating temperature range of the "Xinjiyuan" mobile energy storage vehicle is -30℃ to 55℃, adapting to various climates and scenarios. Based on various uninterrupted power supply needs, it can be applied to power supply for non-stop operations in the power grid, emergency rescue power supply, major event power assurance, peak period highway services, road rescue, and temporary construction power supply, providing timely and stable power assurance.

Sunwoda Noah x2.0 Liquid-Cooled Energy Storage System Empowers Grid Flexibility

Case

In June 2024, the "Jinhua Wuyi 200MW/400MWh Grid-side Energy Storage Project", the largest grid-side independent energy storage project in Zhejiang Province, was successfully commissioned in a single phase, marking the implementation of the first batch of large-capacity energy storage projects in China. This project fully adopts Sunwoda's new Noah x2.0 liquid-cooled energy storage technology. Through this product, the energy storage system will be able to accept grid dispatching. The grid's capacity to integrate renewable energy can effectively alleviate the intermittency and uncertainty from renewable energy, such as wind and solar, thereby enhancing the grid's flexibility and resilience. This achievement lays a solid foundation for building a more stable and sustainable energy ecosystem.

Green Travel Solutions

With outstanding technological innovation capabilities, Sunwoda continues to launch innovative technologies and products, improving product performance to meet the stringent requirements of long-distance travel and high-load transportation. It significantly enhances the vehicle's range and lifespan, injecting strong momentum into the development of green travel tools and promoting the progress of the new energy vehicle industry. Meanwhile, the Company is developing an integrated "photovoltaic storage， and testing" solution, which combines photovoltaic power generation, energy storage systems, and charging facilities to support zero-carbon transportation business. This solution effectively integrates energy resources, improves energy utilization efficiency, and provides green and convenient charging services for electric vehicles, promoting the transportation industry's transition to carbon reduction and sustainability.

Shenzhen Sunwoda Photovoltaic-Storage-Charging-Testing Integrated Smart Station

Case

The project is located in the Sunwoda R&D Base Industrial Park in Guangming District, Shenzhen, covering a total area of approximately 350 square meters. It functions as an integrated energy station combining photovoltaic power generation, distributed energy storage, electric vehicle charging, and battery testing services. After the project is completed, the annual power generation is expected to be approximately 35,600 kilowatt-hours, saving 14.24 tons of standard coal each year and reducing emissions by 32.04 tons. This project has contributed to the construction of Shenzhen "Supercharging City" in Guangming District. A tripartite product form is built with flexible deployment to adapt to more application scenarios and deliver greater ecological value.

Zaozhuang Photovoltaic-Storage-Charging (Swapping)-Testing Smart Station Project

Case

Sunwoda Smart Energy has reached a joint venture cooperation agreement with Zaozhuang High-tech Investment Group Co., Ltd., focusing on the Photovoltaic-Storage-Charging (Swapping)-Testing Smart Station Project. The goal is to build a green, low-carbon, circular economic system in Zaozhuang City and empower the development of urban new energy infrastructure. The project is expected to complete the construction of no less than 20 photovoltaic-storage-charging-testing smart stations throughout the year, all adopting Sunwoda Smart Energy's new integrated solutions for photovoltaic power generation, energy storage, charging, and testing. These solutions incorporate Sunwoda's flexible liquid cooling supercharging technology, energy storage technology, and intelligent testing technology, providing convenient supporting services to alleviate the energy replenishment anxiety of new energy vehicle owners in Zaozhuang City.

Nanjing Park Photovoltaic-Storage-Charging Microgrid System

Case

Sunwoda has established an integrated energy project in the second phase of the Nanjing Park factory, combining photovoltaic power generation, distributed energy storage, liquid-cooled supercharging, and battery testing services into one system. The PV-Storage-Charging Microgrid System effectively addresses the issue of insufficient distribution capacity through photovoltaic + energy storage peak shaving and valley filling. Additionally, the supercharging technology, combined with Sunwoda's supercharging batteries, enables a quick 10-minute recharge, helping to enhance charging speed, reduce range anxiety, and meet user charging needs, supporting "zero-carbon" travel for park users. The project is expected to generate approximately 24,000 kilowatt-hours of electricity annually, reducing carbon emissions by 21.6 tons.

Zero Carbon Park Solutions

Sunwoda comprehensively incorporates the concept of carbon neutrality throughout all aspects of park planning, investment, construction, management, and operation. The Company has compiled the *Sunwoda Zero-Carbon and Near-Zero-Carbon Park Construction and Operation Guidelines* to standardize the construction and implementation of zero-carbon parks. Sunwoda is committed to driving local low-carbon transformation and high-quality development through its zero-carbon park solutions.

In 2024, Sunwoda reached a cooperation agreement with the government of Xinye County, Henan Province, to jointly develop a zero-carbon industry park and promote the construction of energy storage demonstration projects, supporting the zero-carbon development of local industrial production. Furthermore, Sunwoda and its subsidiaries have signed agreements for "Source-Grid-Load-Storage Integration" projects in areas such as Pujiang Jinhua, Boluo Huizhou, Lishui Nanjing, Shifang Deyang. These projects promote applications around zero-carbon park scenarios across multiple regions and industries, extending "energy storage +" applications and helping to achieve carbon reduction goals.

Sunwoda "Near-Zero-Carbon Smart Park" in Huizhou

Case

In Boluo, Huizhou, Sunwoda has built one of the region's first near-zero-carbon smart parks. The park features rooftop distributed photovoltaic systems, energy storage power stations, and distributed gas power generation equipment with internal combustion engine power generation capabilities, complemented by a high-efficiency cooling machine room utilizing water storage and charging piles. Through a digital platform, integrated management and scheduling of "PV, storage, and charging" have been achieved, reducing the park's overall energy consumption by 10%-20%, with green energy accounting for 80% of total energy consumption. This achievement realizes the original research and development goal of "multi-energy complementarity and integrated optimization," creating the region's first "near-zero-carbon smart park."

Sunwoda Lanxi Carbon Neutral Industrial Park

Case

As the Company's first Carbon Neutral Industrial Park, Sunwoda Lanxi Industrial Park exemplifies its commitment to green development and efforts to achieve low-carbon and zero-carbon goals. From its initial design, Lanxi Industrial Park has adhered to the concept of a garden-style low-carbon industrial park, implementing green and low-carbon principles throughout the entire process, from building materials and operation management to energy utilization and green production lines. Since commencing operations in 2020, the park has continuously optimized digital factory management and intelligent logistics construction, establishing a green energy system of Source-Grid-Load-Storage Integration. In terms of energy-saving and carbon-reduction technologies, the park promotes water recycling, rooftop distributed photovoltaic power stations, energy storage facilities, and waste heat recovery, among other aspects. Among them, the photovoltaic solar panels installed on the rooftops of the park buildings can generate up to 6.3 million kilowatt-hours of electricity annually. The recovery of waste heat from the production process can reduce carbon emissions by approximately 4,678 tons each year. Additionally, the Park introduces external renewable electricity, renewable energy certificates, and carbon offsets to complement the energy storage system regulation, achieving 100% green electricity coverage in the Park.

On March 26, 2024, three wholly-owned subsidiaries within the Lanxi Industrial Park (Zhejiang Liwinon Energy Technology Co., Ltd., Zhejiang Sunwoda Electronic Co., Ltd., and Zhejiang Xinwei Electronic Technology Co., Ltd.) obtained PAS 2060 Carbon Neutrality Certification, achieving "carbon neutrality" in 2023.

End-of-Life Stage
Green Packaging, Logistics, and Recycling

Sunwoda advances resource recycling and comprehensive utilization, practicing green and low-carbon concepts in packaging, logistics, and recycling. On the one hand, the Company actively manages sustainable packaging materials and advocates low-carbon transportation of products; on the other hand, the Company is vigorously laying out a battery recycling network to create an intelligent recycling system for retired batteries, driving standardized development in the sector while advancing the industry sustainable development and growth in corporate economic benefits.

Green Packaging and Logistics

To standardize internal packaging materials management, Sunwoda has established a green packaging lifecycle management system, systematically advancing the low-carbon transformation of packaging materials in accordance with internal documents such as the *Packaging Design Specification*. The Company follows the closed-loop management logic of "procurement-production-recycling," continuously optimizing packaging development, monitoring packaging materials usage during the production phase, promptly identifying and resolving material waste issues, and advocating for the recycling and reuse of packaging materials.

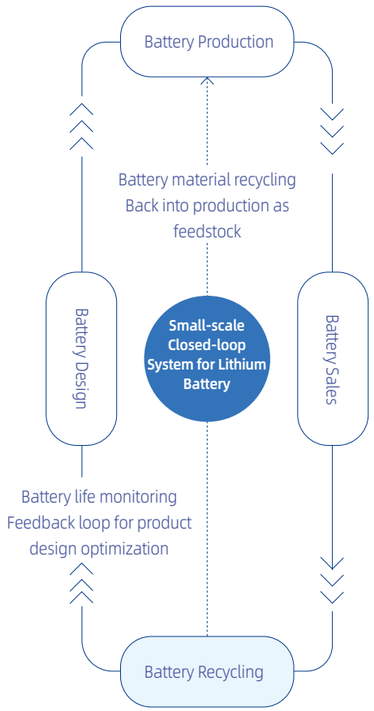
In procurement, Sunwoda prioritizes FSC (Forest Stewardship Council)-certified eco-friendly packaging materials and requires the EU RoHS Directive/HF materials environmental certification labels, ensuring that materials are non-toxic and harmless from the source. At the same time, the Company has established inventory classification and coding rules for easy identification, tracking, and statistical analysis by the system, with each packaging category and specific material having a unique code. In the internal production stage, Sunwoda prioritizes the use of PP material turnover boxes for intersection turnover, which can be reused multiple times to minimize the loss of packaging materials.

Deplasticization Packaging Solution for the Intelligent Hardware Division

Case

In 2024, tailored to specific product characteristics, the Company's Intelligent Hardware Division innovatively developed a de-plasticization packaging solution that substitute plastic components with biodegradable materials like paper-plastic inner trays and corrugated partitions. After six standardized tests (drop/vibration/temperature and humidity storage/burst resistance/static pressure/stacking tests), this solution significantly reduces plastic usage per product while ensuring transportation safety.

In addition, Sunwoda actively builds a green smart logistics system, prioritizing local procurement to reduce transportation distances and promote low-carbon transportation of products. In 2024, the Company independently developed the SLS intelligent logistics system. It achieves optimal loading rates in system allocation schemes through technical means, resulting in dual breakthroughs in transportation route optimization and loading efficiency. Regarding the transition to new energy transportation vehicles, the Company systematically implements the replacement of conventional vehicles with clean energy alternatives, such as electric heavy-duty trucks. In 2024, the Zhejiang production base achieved a significant milestone with the official launch of a new energy vehicle fleet on two core transportation routes from Lanxi to Suzhou and Changzhou, substantially reducing carbon emissions compared to traditional diesel vehicles and contributing to value chain decarbonization. In international logistics, a "Mainland-Hong Kong Truck Pooling + Sea-Rail Intermodal Transport" model was implemented, with 100% of sea transport on certain routes converted to rail transport at the final delivery stage, decreasing carbon emission intensity per unit of cargo.

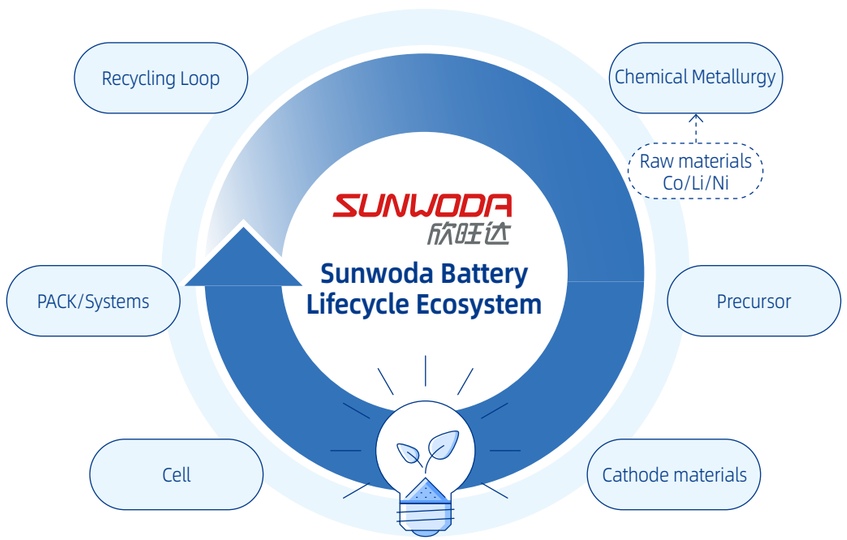


Recycling and Circular Economy

In recent years, driven by the global sustainable development concept, policy standards for battery recycling have become increasingly stringent in both the international and domestic environments. Relevant policies such as the *EU Batteries and Waste Batteries Regulation and the Interim Measures for the Management of Recycling and Utilization of Power Batteries for New Energy Vehicles* have established higher requirements for the standardization and scaled development of battery recycling.

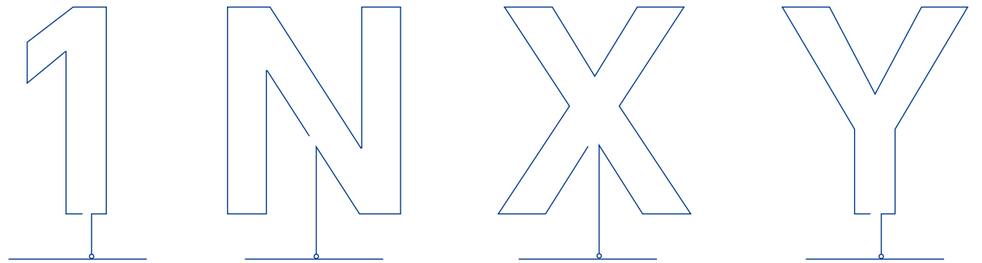
In response to policy requirements and precisely aligning with market demands, Sunwoda has established a material recycling company and strategically deploying battery recycling capabilities. The Company provides comprehensive services, including lithium battery recycling operations and lithium material monitoring, meeting customer requirements for battery life cycle management. Sunwoda aims to ensure 100% compliance with the recycling requirements of the *EU Batteries and Waste Batteries Regulation* for all batteries exported to the European Union, including SLI batteries, LMT batteries, industrial batteries, and electric vehicle batteries. With its advanced recycling system and efficient, intelligent disassembly technology, the material recycling company has achieved efficient utilization and recycling of end-of-life batteries.

Sunwoda is committed to creating a large-scale ecological circular model strategically centered on the circular economy model of "mining-production-use-recycling". This model forms a closed-loop process from raw materials to recycling and reuse, minimizing resource consumption and environmental pollution. Starting with key metals such as nickel (Ni), cobalt (Co), and lithium (Li), the Company employs chemical metallurgy technology to purify and synthesize precursor materials required for battery anodes and cathodes, processes them into electrode materials, and assembles them into standardized cell units. These are integrated into battery PACKs and systems through modular design to meet end-user application needs. After battery system retirement, precious metal components are recovered through physical disassembly and chemical extraction technologies, regenerated into precursor raw materials, and reintegrated into the production process, achieving a closed-loop resource flow. Sunwoda is also committed to developing a small circular system for lithium battery products, forming a closed-loop recycling industry chain through comprehensive management of battery design, production, sales, and recycling processes. This system deeply integrates the circular economy concept with industrial development through vertical industrial chain collaboration and horizontal ecological compliance requirements, assisting the Company in transitioning from a linear economy to a sustainable circular economy.



At the technical level, Sunwoda is replacing manual operations with machine automation to achieve an intelligent and flexible disassembly of end-of-life power batteries. By innovating intelligent pre-treatment processes, disassembly efficiency is improved and costs are reduced. The Company has developed innovative extraction processes to enhance material recovery rates, simplify extraction procedures, and lower costs. For example, the Company uses leachate from recycled materials as the raw material to re-prepare precursors, thereby avoiding unnecessary separation and purification steps. Additionally, the Company actively develops cutting-edge battery recycling technologies, strengthening the diversified application of both physical and hydro-metallurgical recycling. Through technologies such as vacuum low-temperature drying, cathode material repair and regeneration, and solid-phase extraction techniques, it meets market demands for efficiency, environmental protection, rapid processing, and low energy consumption, contributing to battery life cycle management.

Sunwoda's current battery recycling adopts the "1+N+X+Y" model. The Company actively deploys its recycling sector nationwide to align with the relevant needs of the industrial chain. Based on advanced technology research and development, it has formed a pyramid layout centered on large-scale regeneration factories, local physical disassembly plants, and recycling points, radiating across the national battery industry chain.



1 headquarter and R&D center

5 recycling plants

10 physical dismantling plants

50 recycling points

Domestic R&D and Manufacturing Base

Testing and R&D Center

Shenzhen Guangming R&D Center

Manufacturing Base

Jiangxi Physical Processing Base
Mass production achieved

Shandong Physica Base
Mass production scheduled

Shandong NCM Wet Process Base
Mass production scheduled

Jiangxi LFP Wet Process Base
Mass production scheduled

Moreover, in the battery recycling field, Sunwoda actively participates in drafting multiple industry standards, committed to enhancing the transparency and standardization of the battery recycling industry. Through continuous technological innovation and practical exploration, it injects "Sunwoda vitality" into the sustainable development of the battery recycling industry and contributes "Sunwoda strength" to the future advancement of green energy.

Pioneer R&D Innovation

To meet diverse customer needs and to create full-lifecycle green products, Sunwoda continuously develops new quality productive forces, enhances R&D capabilities, improves innovation abilities, and reinforces intellectual property protection. Through these efforts, the Company meticulously designs a series of green products and solutions that lead the industry towards green, low-carbon development, injecting new vitality into the market.

Forging R&D Capabilities

Sunwoda is customer demand-oriented and innovation-driven, dedicated to providing greener, faster, and more efficient integrated solutions for new energy through its technological advantages and resource accumulation, contributing to global green and low-carbon development.

The Company possesses robust R&D capabilities, with an advanced and comprehensive R&D framework and management structure that ensures R&D innovation through substantial investment. In 2024, Sunwoda's investment in research and development reached RMB 3.33 billion, with R&D investment accounting for 5.94% of main business revenue, 91.8% R&D investment dedicated to clean technology development. Sunwoda has built an exceptional R&D talent pool. As of the end of the reporting period, its R&D team comprised 8,389 professionals, including 134 doctoral and 1,541 master's degree holders, many of whom are recognized as high-caliber talents in Shenzhen.

Externally, the Company cultivates an open innovation ecosystem, facilitates technological exchange and cooperation, and partners with various stakeholders to advance the clean energy transition. Internally, Sunwoda is committed to fostering a culture of innovation, inspiring employee creativity, and collectively driving technological innovation and development, contributing to a sustainable and harmonious future for all.

	2022	2023	2024
R&D investment（RMB 100 million）	27.42	27.11	33.30
R&D personnel No. (Person(s))	8,364	8,442	8,389
Proportion of R&D personnel (%)	18.65	17.79	15.45

Optimizing the R&D Framework

Sunwoda has built a complete R&D system for the whole battery industry chain. The company has built five R&D teams for consumer products, power cell research institute and power battery system, energy science and technology battery, intelligent hardware, energy storage research institute and intelligent manufacturing, focusing on the three major fields of consumer batteries, power batteries and energy science and technology, and bringing a series of innovative achievements for the industry, including “flash charge battery 3.0”.

Sunwoda continuously enhances its innovation ecosystem construction and actively carries out innovative research and forward-looking exploration. The Company's innovation ecosystem encompasses the entire value chain, from upstream materials to downstream recycling. Sunwoda also integrates technologies such as green, intelligent manufacturing, and AI to empower new industrialization, achieving energy conservation, resource efficiency, productivity enhancement and profitability improvement in R&D across fields such as technological infrastructure, industry applications, equipment products, and support systems. In core areas such as material systems, system structures, and green manufacturing, the Company adheres to independent innovation and is committed to developing more competitive products and technologies.

Three Key Areas of Innovation R&D

Comsumer Battery

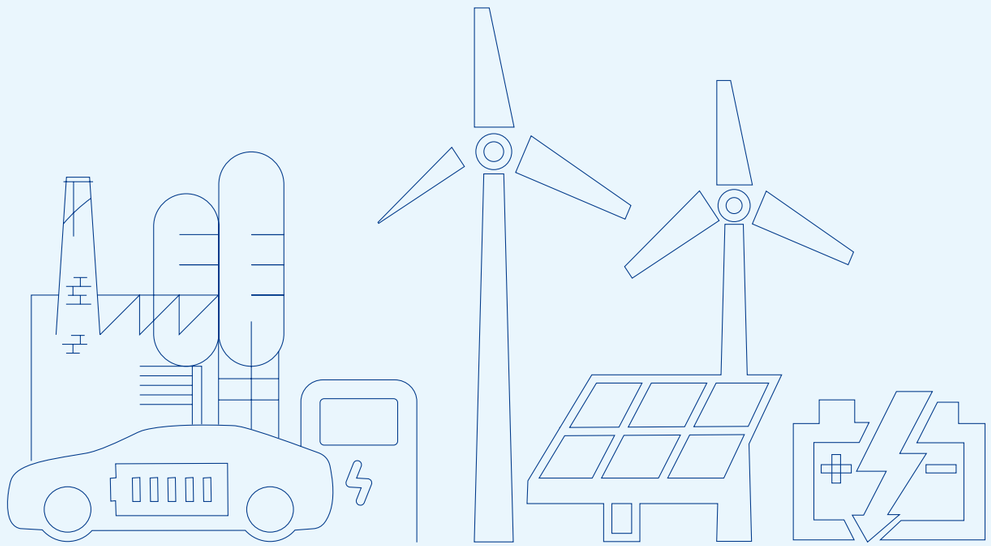
Sunwoda continues to enhance the in-house production supply rate of battery cells in the consumer battery field. The Company has mastered core technologies such as fundamental charging and discharging protection and intelligent management of battery parameters through independent R&D. Its independently developed power management system has already been applied to mobile phone batteries and notebook computer batteries. Furthermore, the Company has successfully developed high-capacity, high-voltage mobile phone batteries, a new generation of fast-charging PC batteries, and silicon anode consumer batteries with 5~10C fast charging capabilities.

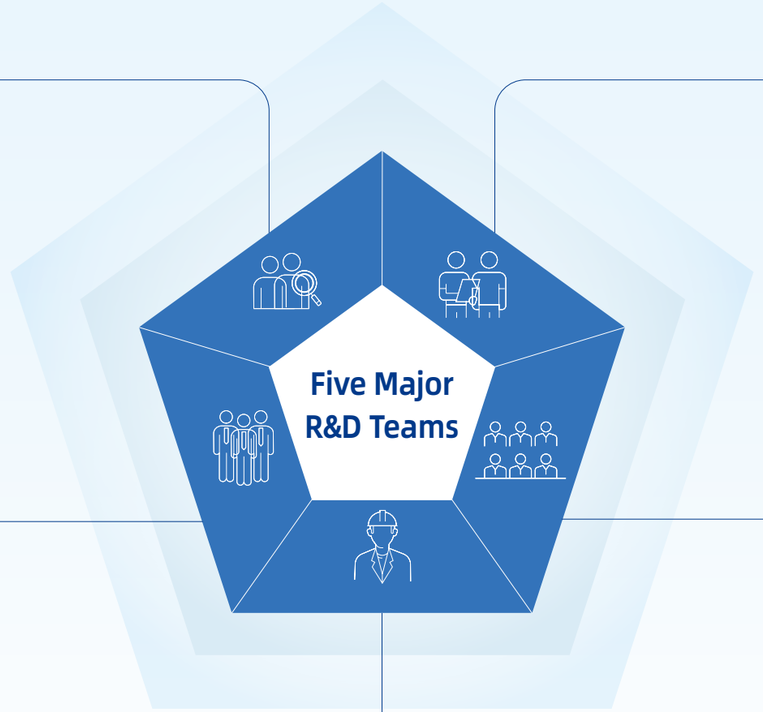
Power Battery

Sunwoda has launched integrated solutions such as CTP, CTB, and CTC in the research and development of power batteries to meet the diverse needs of end customers. The Company has introduced a "fast charging battery" compatible with both 800V high voltage and 400V standard voltage systems, achieving mass production and commercial application of ultra-fast charging 4C battery products. With proven 5C battery mass production and partnerships with leading automakers, the company is positioned to dominate the high-power EV market, as evidenced by its 6C battery rollout, maintaining parity with industry-leading standards in lithium iron phosphate 4C batteries.

Energy Techonolgy System

Sunwoda's energy storage products are continuously upgrading, with its leading product portfolio covering grid energy storage, residential energy storage, and commercial & industrial energy storage. The Company has mass-produced 314Ah/280Ah batteries, which can ensure a reliable and safe operation of power stations and commercial energy storage facilities for up to 20 years. Additionally, the Company is accelerating R&D in energy storage products and has reached comprehensive cooperation with Suzhou PotisEdge and Tongkun Holding Group in the fields of energy storage cells and distributed photovoltaic energy storage and charging systems.





Consumer Battery R&D Team

Centered on battery research and development for consumer products, the team is responsible for the development of batteries and their control systems, power management systems and associated software, as well as batteries for smart terminal products. Through independent research and development, the team has mastered core technologies in battery safety protection and monitoring, as well as intelligent management of battery parameters, and holds leading-edge capabilities in the development and manufacturing of consumer lithium-battery modules within the industry. Its product range includes batteries for mobile phones and digital devices, laptop computers, power tools, portable power banks, electric bicycles, electric scooters, motorcycles, wireless earbuds, robotic vacuum cleaners, smartwatches, drones, speakers, and additional portable power banks.

Power Cell and Power Battery System R&D Team

Centered on advanced lithium-battery integration technology, the team is responsible for providing battery PACK solutions for electric vehicles (EVs) of various types, including HEV, BEV, EREV, and PHEV, for new energy vehicle manufacturers. The team focuses on innovations in chemical systems, structural design, and ensuring safety throughout the entire lifecycle, continuously researching and developing new technologies such as 6C/8C flash charging, silicon-based anodes, lithium manganese iron phosphate (LMFP), sodium-ion batteries, solid-state batteries, and lithium-metal batteries. Its products encompass power cells, power battery modules, battery management systems (BMS), and power battery systems.

Energy Storage R&D Team

Centered on lithium-battery energy storage integration and application technology, the team is responsible for developing energy storage product solutions for various applications, including grid energy storage, industrial and commercial energy storage, residential energy storage, network energy, and smart energy. Additionally, the team provides solutions for two business scenarios: the "source-grid-load-storage cloud" integrated zero-carbon park and the "PV-storage-charging-testing" integrated zero-carbon mobility. The terminal products encompass industry-leading offerings such as large-capacity energy storage systems, mobile energy storage vehicles, high/low-voltage stacked residential energy storage all-in-one units, high-voltage backup power systems for data centers, and ultra-high-power flexible charging systems.

Smart Hardware R&D Team

Centered on lithium-battery-powered intelligent hardware production technology, the team is responsible for the development of production lines for intelligent hardware products, such as VR wearable devices, all-in-one VR systems, drones, electronic pens, smart speakers, translation devices, self-balancing scooters, storytelling robots, and cleaning appliances for household use.

Intelligent Manufacturing R&D Team

Centered on lithium-battery production automation technology, the team specializes in the research and development of automated production lines and equipment related to battery manufacturing. Their products encompass manufacturing lines for consumer electronics lithium-battery cells, automotive power cells, modules, and PACKs, as well as associated laser welding equipment. The team boasts robust capabilities in full-factory automation design, development, integration, and implementation.

Sunwoda's Self-developed "AI Intelligent Tuning System" Case

Sunwoda's self-developed "AI Intelligent Tuning System" has been recognized by the Ministry of Industry and Information Technology and designated as the national "Outstanding Case of AI Empowering New Industrialization". The system achieves intelligent tuning of production equipment through data-driven deep learning, enhancing the scientific rigor, efficiency, and reproducibility of the tuning process. This innovation demonstrates Sunwoda's substantial expertise and innovative capabilities in the field of artificial intelligence.

Fostering an Innovative Ecosystem

Sunwoda continuously strengthens its R&D innovation network. The Company has developed a diversified and open R&D model, actively collaborating with upstream and downstream partners and research institutions while continuously introducing external innovative resources to stimulate innovation vitality. In the realm of industry-university-research cooperation, Sunwoda has established partnerships with several well-known universities to promote breakthroughs and innovations in related fields.

Postdoctoral Research Workstation

Sunwoda has jointly established a postdoctoral innovation practice base with South China University of Technology and was approved by the Human Resources and Social Security Department of Guangdong Province to set up a postdoctoral research workstation in 2013.

The Company's postdoctoral researchers maintain close ties with universities and research institutions. Since the establishment of the workstation, Sunwoda has collaborated with several prestigious domestic universities, including Tsinghua Shenzhen International Graduate School, South China University of Technology, University of Science and Technology of China, and Dalian University of Technology, recruiting a total of 85 researchers. Currently, 78 postdoctoral researchers have completed their programs, while seven remain active. Among them, 18 have been recognized as Category C high-level overseas talents in Shenzhen, and two as reserve high-level talents in Shenzhen.

Industry-University-Research Cooperation Platform

Sunwoda has collaborated with universities to establish several joint laboratories. For example, the Sunwoda-South China University of Technology Joint Laboratory for Advanced Energy Storage Technology mainly focuses on cutting-edge energy storage technologies. Nankai University-Sunwoda Joint Laboratory for Advanced Battery focuses on core materials and technologies for sodium-ion batteries. Dalian University of Technology Sunwoda Joint R&D Center concentrates on carbon neutrality innovation technologies among others.

As of the end of the reporting period, Sunwoda has undertaken strategic research collaborations with numerous prestigious domestic universities and research institutions, including Songshan Lake Materials Laboratory, Peking University, Tsinghua Shenzhen International Graduate School, Beijing Institute of Technology, Sun Yat-sen University, South China University of Technology, Dalian University of Technology, and Central South University. These partnerships span multiple technical domains, including battery thermal safety technology, battery materials, and hydrogen energy, and other critical areas.

Received the China Industry University-Research Cooperation Innovation Achievement Award

Case

In March 2024, the 15th China Industry-University-Research Cooperation Innovation Conference was held in Beijing, recognizing outstanding organizations and individuals who made significant contributions to the deep integration of industry, university, and research in 2023. The project titled "Key Technologies and Applications of Composite Phase Change Materials for Thermal Safety of Power Battery Systems," jointly undertaken by Sunwoda, Guangdong University of Technology, and other partners, was awarded the "First Prize of the 2023 China Industry-University-Research Cooperation Innovation Achievement Award".

Collaborative Project Won the First Prize in the China Electricity Science and Technology Award - Technology Progress Award

Case

The collaborative project "Key Technologies and Equipment for Photovoltaic-Energy Storage Thermal Hazard Protection," participated by Sunwoda, won the first prize in the China Electricity Science and Technology Award - Technology Progress Award in 2024. The project, led by Shanghai Jiao Tong University and in partnership with Sunwoda, mainly addresses the thermal hazards induced by the interactive effects during the grid integration process of photovoltaic-storage systems, providing safety assurance for the development of the photovoltaic and energy storage industries.

The Company also strengthens cooperation with upstream and downstream partners. In 2024, Sunwoda Power Technology signed the Strategic Cooperation Framework Agreement on Solid-State Batteries with XTC New Energy Materials (Xiamen) Co., LTD. The agreement is aimed at establishing a deep strategic partnership, taking advantage of both parties' market and technological strengths in their respective fields, and promoting the industrialization and implementation of a series of new energy battery materials for solid-state batteries.

Cultivating a Culture of Innovation

Sunwoda is dedicated to cultivating a culture of innovation by enhancing R&D momentum and encouraging employees to maximize their innovative capabilities. The Company has established innovative incentive frameworks, such as the *Management Regulations on Innovation and the Management Regulations on the Reward for Technical Innovation*, to foster a favorable innovative atmosphere. Additionally, Sunwoda has introduced a series of awards, including Patent Master, Technology Star, Improvement Award, and Innovation Award, to honor individuals and teams who have achieved outstanding accomplishments in their work this year, thereby motivating and stimulating employees' innovative enthusiasm and promoting technological advancement.

"Creating Boundless New Future" - Sunwoda's Second Innovation Competition

Case

On November 22, 2024, the finals of Sunwoda's Second Innovation Competition, themed "Creating Boundless New Future", were held in the multimedia hall of Longtian School. The competition attracted 104 innovative project proposals from various departments, spanning multiple fields such as battery research and development, intelligent manufacturing, material innovation, and energy storage applications. The projects - categorized into product innovation, equipment innovation, and material innovation - facilitated in-depth sharing and exchanges among subsidiaries.

Intellectual Property Protection

Sunwoda attaches great importance to intellectual property protection and has established a sound intellectual property management system to safeguard its brand reputation and competitive advantage while preventing infringement on others' intellectual property.

Key Personnel

Marketing and Project Management Personnel

Training Themes

How to Protect Innovation with Patents, Patent Risk Prevention and Response Strategies

Key Personnel

R&D Personnel

Training Themes

Patent Basics, Utilization of Patent Information, Patent Risk Investigation and Response, High-Value Patent Mining and Layout in Technological Innovation, High-Value Patent Training

Key Personnel

Intellectual Property Personnel

Training Themes

Patent Invalidity and Litigation in the Battery Sector, Fundamentals of Patents and Trade Secrets

The Company has formulated institutional documents such as the *Management Regulations on Intellectual Property Risks*, the *Management Regulations on Trademarks*, and the *Management Regulations on Patent Acquisition*, implementing standardized management throughout the entire process of intellectual property creation, management, application, and protection. During the reporting period, Sunwoda revised the *Management Regulations on Intellectual Property Rights* to encourage technological innovation and its application and protection, improve patent output quality, and cultivate high-value patents.

The Company regards enhancing patent competitiveness as an important part of its future strategy, widely promoting patent awareness to ensure every employee thoroughly understands the significance of patents to the Company's competitiveness. In 2024, the Company conducted 43 specialized theme training sessions, providing training on relevant themes for personnel in research and development, intellectual property, marketing, and project management to enhance their intellectual property literacy and professional capabilities.

Sunwoda is strengthening its construction of the patent risk prevention system. Regarding risk incident response mechanisms and processes, the Company has established a rapid response and efficient emergency mechanism to ensure timely and effective measures in patent disputes, thereby minimizing potential losses. Concurrently, the Company has achieved unified management and optimized allocation of internal and external resources, ensuring that all resources can be fully utilized in patent risk prevention and control. Sunwoda also actively recruits international expertise to improve its patent risk management and its global intellectual property risk response capabilities.

During the reporting period, the Company achieved outstanding results in intellectual property. The number of domestic and international patent applications continued to demonstrate strong growth. By the end of the reporting period, the cumulative number of domestic patent applications reached 7,265, and the cumulative number of PCT international patent applications reached 148, with clean technology-related patents amounting to 5,812. Furthermore, the Company has also made significant achievements in domestic and international trademark strategy, further consolidating Sunwoda's brand influence and market position, with 321 registered trademarks in China, 64 international registrations, and 8 Madrid System trademarks.

02

ECOLOGY

Environmentally Friendly, Green Manufacturing

Guided by its vision of "becoming a respected world-class new energy enterprise", Sunwoda is actively undergoing a green transformation, continuously strengthening its green development efforts, and is committed to providing greener, faster, and more efficient new energy solutions for society. Sunwoda proactively responds to climate change, practices clean production, and continuously promotes energy conservation and emission reduction across its entire value chain, striving to minimize environmental impact at every stage and contributing to the global transition toward a cleaner, more sustainable future.

Key ESG Topics in this Chapter:

- Addressing climate change
- Environmental compliance management
- Energy management and utilization
- Resource management and circular economy
- Emissions and waste management
- Biodiversity conservation

Response to SDGs:

Addressing Climate Change

Sunwoda, adhering to its core vision of green development, is dedicated to the national goals of "carbon peaking and carbon neutrality". The Company deeply embodies the development philosophy that "lucid waters and lush mountains are invaluable assets" and integrates climate change response into every aspect of corporate operations, taking comprehensive measures to proactively explore innovative pathways for sustainable development.

2024

Quarterly meetings of sustainable development:
2 times

Meetings of Sustainable Development Management Committee:
2 times

Online and Offline Sustainable Development-related Training sessions:
12 times

Governance

Sunwoda actively responds to the "carbon peaking and carbon neutrality" strategy and continuously improves the construction of the "dual carbon"(carbon peaking and carbon neutrality) management framework. A comprehensive "dual carbon" management system has been established based on the ESG governance framework, with a three-tier management structure consisting of the Strategy and Sustainable Development Committee, the Sustainable Development Management Committee, and the ESG Management Department. Through this system, Sunwoda actively collaborates with specialized project teams and sustainability departments/teams across business sector to implement climate change management responsibilities. The Company employs a top-down approach to drive the achievement of its dual carbon goals. Members of Sunwoda's climate-related governance body possess specialized expertise in climate policy and sustainable development. The company's Vice President and Chief Sustainability Officer has participated in multiple international climate change conferences and academic exchanges, providing scientific and professional guidance and decision-making support for the organization's climate governance initiatives.

To comprehensively manage climate change-related initiatives, Sunwoda has developed internal management frameworks such as the Sunwoda Action Plan for Carbon Peaking and Carbon Neutrality and the Sunwoda Organizational Level Carbon Emission Management Manual, based on strict compliance with relevant laws and regulations such as the Energy Law of the People's Republic of China and the Environmental Protection Law of the People's Republic of China. These systems standardize Sunwoda's workflows and standards for climate change response, encompassing the complete carbon management cycle from planning and implementation to monitoring and improvement, closely aligning with the Company's overarching goals of "carbon peaking and carbon neutrality" and enhancing its core competitiveness in the low-carbon economy. Each subsidiary also actively responds to the Company's directives. For example, Zhejiang Liwinon prepared and published the Greenhouse Gas Emission Reduction Management Regulations in 2024, further providing practical guidelines for Sunwoda's greenhouse gas management initiatives.

Strategy

As a company committed to corporate social responsibility and sustainable development，Sunwonda firmly believes in its responsibility and capability to address climate change and achieve the goals of "carbon peak and carbon neutrality". Based on its overall business and sustainable development strategies, the Company actively identifies climate-related risks and opportunities, formulates climate action strategies, and enhances climate resilience. At the same time, guided by the Science Based Targets initiative (SBTi) and in conjunction with its own business situation and future development expectations, Sunwoda proactively formulates science-based carbon targets and decarbonization pathways, demonstrating its commitment to emission reductions.

Significant Climate Risks and Opportunities

Physical Risks

Acute Risks

The frequency and severity of extreme or acute weather events caused by climate change—such as hurricanes, extreme rainfall and snowfall, floods, and high temperatures—may threaten infrastructure and fixed assets, such as the manufacturing facilities of Sunwoda and its subsidiaries. These events can lead to asset damage and depreciation, increased maintenance costs and insurance expenses, supply chain disruptions, and workforce constraints.

At a result, these factors could compromise the Company's ability to fulfill its obligations and cause a series of direct or indirect financial losses.

Chronic Risks

Chronic climate risks such as rising average temperatures, prolonged droughts, and rising sea levels caused by climate change may adversely affect the physical operations and equipment lifespan of Sunwoda's production bases located in climate-vulnerable, water-stressed, and low-altitude areas. These impacts include increased utility costs, higher cooling expenses, and accelerated equipment deterioration under high temperatures, leading to elevated operating costs and potentially undermine the Company's operational stability.

Transition Risks

Against the backdrop of increasingly stringent global carbon reduction policies, major markets such as Europe, North America, and East Asia are accelerating their carbon neutrality commitments. For example, the *EU Battery and Waste Batteries Regulation* and other related policies impose stricter requirements on carbon footprint disclosure, product recycling, and sustainable supply chains. Concurrently, China's ongoing promotion of its "carbon peaking and carbon neutrality" objectives will also impose more stringent regulations and higher emission reduction pressures on the battery industry. Consequently, companies in this industry may encounter higher compliance costs for carbon emissions. In this evolving landscape, Sunwoda's key customers are progressively raising their requirements for green manufacturing capabilities, production processes, and product carbon footprint disclosure. The Company must, therefore, allocate additional resources to meet these compliance requirements and maintain its competitiveness in the green supply chain.

Transition Opportunities

Confronting climate change challenges, Sunwoda, as a key player in the new energy industry, can seize development opportunities by providing green products, optimizing low-carbon supply chains, facilitating energy transition, and driving technological innovation. These strategies include developing lifecycle-based green solutions, integrating renewable energy throughout the supply chains, enhancing energy efficiency, and increasing climate resilience. The Company continues to drive production process innovation, develop next-generation battery technologies, and optimize intelligent battery management systems to further secure its competitive advantage in the power battery and energy storage markets. In addition, Sunwoda should actively enhance information transparency, regularly disclose progress on climate change-related initiatives, and maintain communication and collaboration with stakeholders to jointly promote the development of a green industrial chain in the future.

Responses to Climate Challenges and Opportunities

Aligned with its "carbon peaking and carbon neutrality" goals, Sunwoda has enhanced action plans in eight strategic areas: industrial layout, energy structure, energy conservation and emission reduction, carbon trading and offsets, operational management, digital transformation, pollution and carbon reduction, and capacity building. The Company has identified 30 specific measures to comprehensively strengthen its climate change response capabilities and assist in decarbonization across the value chain.

Carbon Emission Management

the carbon intensity per unit of industrial added value in its regulated facilities saw a year-on-year decrease of

9%

a surplus in carbon quotas totaling **8,070** tons of CO_2

To effectively advance its climate change initiatives, Sunwoda strictly follows the Greenhouse Gas Protocol (GHG Protocol) and the relevant requirements of ISO 14064-1:2018, formulating internal management systems such as the Carbon Emissions Management Manual at the Organizational Level. The Company regularly conducts greenhouse gas inventory assessments for Scope 1, 2, and 3 across the Group and its subsidiaries and entrusts third parties for independent verification. The practices set a benchmark for carbon management in the industry. In 2024, Sunwoda obtained a total of 21 ISO 14064 declarations, covering 100% of its stable operating production bases.

In addition, to enhance the Company's ability to collect and calculate greenhouse gas emissions and carbon footprint data, Sunwoda organized the "Carbon Footprint Data Collection, Accounting, and Application Training" in 2024, with 170 carbon management personnel engaged in this single training session, to further solidify the foundation of the Company's carbon management.

At the same time, Sunwoda actively fulfills its carbon compliance obligations. Since being incorporated into the Shenzhen carbon market as a regulated entity, Sunwoda has completed carbon verification, carbon quota trading, and compliance work in a high-quality manner for 11 consecutive years. In the most recent compliance cycle, the carbon intensity per unit of industrial added value in its regulated facilities decreased by 9% year-on-year, with a surplus of 8,070 tons of CO_2 in carbon quotas. Both Sunwoda Electronic Co., Ltd. and Shenzhen Sunwinon Electronic Co., Ltd. successfully fulfilled their annual carbon compliance requirements.

Greenhouse Gas Emission Management Training

Case

In September 2024, Sunwoda organized the "Greenhouse Gas Emission Management Training", providing systematic training to relevant departments on data collection and management considerations for greenhouse gas inventory and auditing, and enhancing employees' data management abilities and analytical awareness. The training also analyzed and illustrated the requirements related to the EU Battery and Waste Batteries Regulation, helping employees further understand the latest industry dynamics.

Sunwoda Value Chain Decarbonization Path

Emission Scope	Emission Reduction Path
Scope 1	Electrification of Equipment → Reduction of Fossil Fuel Use → Selection of Low-Carbon Refrigerants and Fire Extinguishers
Scope 2	Promotion of Energy-Saving Technological Upgrades → Procurement of Green Electricity and Green Power Certificates → Development of Renewable Energy Projects
Scope 3	Utilization of Renewable Materials → Support for Suppliers' Low-carbon Development → Replacement of New Energy Transportation Equipment → Optimization in Transportation Efficiency → Reduction in High-Carbon Transportation Ratio

Risk Management

Sunwoda actively carries out climate change risk management and progressively incorporates it into the overall risk management system of the Company. It identifies climate risks and opportunities with significant potential impacts and clarifies their specific categories and effects by thoroughly analyzing its business characteristics, evaluating internal and external environments, and incorporating expert insights. These are categorized and evaluated for their particular effects, with climate risk factors integrated into corporate risk control mechanisms. Dedicated personnel maintain ongoing communication with business units to identify and preliminarily assess climate-related risks, regularly coordinating with the Company's risk management responsible team. For key risks and opportunities, Sunwoda comprehensively assesses their impacts on asset value, production and operation, product services, market layout, etc., and then takes proactive measures to improve risk management and capitalize on low-carbon opportunities.

Indicators and Goals

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

As early as 2022, Sunwoda released the Sunwoda Action Plan for Carbon Peaking and Carbon Neutrality, and has been progressively enhancing its dual carbon management system. Meanwhile, as a member of the Science Based Targets initiative (SBTi), Sunwoda upholds its corporate vision of becoming "a respected world-class new energy company", strictly follows the carbon peaking and carbon neutrality declaration as well as the SBTi commitment to limit global warming to 1.5° C. The Company methodically executes its operations according to established emission reduction pathways. In 2024, Sunwoda set emission reduction objectives for Scope 1, Scope 2, and Scope 3 based on the 2023 data, and internally cascaded these targets with direct links to senior executive performance. Concurrently, the Company conducts SBTi (bi-) weekly and monthly meetings to track the progress of emission reduction work, ensuring the implementation of various management measures.

Sunwoda's "Carbon Peaking and Carbon Neutrality" Goals:

- To achieve operational-level carbon peaking by 2029
- To achieve operational-level carbon neutrality by 2050

Clean Energy Transition Goals:

- To add 1.38GWp of photovoltaic installed capacity before 2040
- To achieve 100% renewable energy use before 2050

Support for Social Carbon Reduction Goals:

- By 2030, to help reduce social transportation carbon emissions by 6.84 million tons
- By 2040, to help reduce social transportation carbon emissions by 42.37 million tons

During the reporting period, Lanxi Industrial Park and Yichang Industrial Park passed PAS 2060 carbon neutrality certification, collectively obtaining 4 certifications, thereby becoming among the first industrial parks to achieve carbon neutrality.

	2023	2024
Scope 1 Indicator (tons of CO2 equivalent)	102,959.97	110,217.78
Scope 2 Indicator (tons of CO2 equivalent)	880,010.62	872,270.66
Scope 3 Indicator (tons of CO2 equivalent)	982,970.59	982,488.44
GHG Emission Intensity (tCO2 e/million revenue)	20.54	17.54

Product Carbon Footprint

In product carbon footprint management, Sunwoda has introduced a digital carbon footprint accounting platform to collect and account for carbon footprint data of key products.

Lithium Battery Carbon Footprint Background Database

Case

Under the guidance and support of the Electronic Information Department of the Ministry of Industry and Information Technology, China's Lithium Battery Carbon Footprint Accounting System V1.0 has been officially released. As a participating drafting enterprise, Sunwoda deeply engaged in the research work of this system. This represents China's first carbon footprint accounting system for a specific industry subsector, encompassing multiple critical elements including lithium battery carbon footprint calculation methodologies, standard frameworks, and background databases, holding significant importance for advancing research on lithium battery carbon footprint accounting methods and enhancing service capabilities within the industry.

Building upon this foundation, participating drafting entities have developed the Lithium Battery Carbon Footprint Background Database V2.0. Through this database, enterprises can accurately assess their products' carbon emission levels, formulate targeted emission reduction measures, and improve both the low-carbon performance and market competitiveness of their products.

2024

Obtained ISO 14067 product carbon footprint certification: **10** products

Carbon footprint label certification in the Guangdong-Hong Kong-Macao Greater Bay Area: **4** products

Practicing Green Production

Environmental Management System

2024

ISO 14001 certification coverage across mature production facilities:

100%

7 subsidiaries passed provincial-level "Green Factory" certification

10 subsidiaries applied to be designated as clean production factories

Received honors such as "Zhejiang Provincial Green Factory", "Huizhou Waste-Free Factory" and "Guangdong Outstanding Contribution Enterprise for Carbon Reduction and Pollution Control".

A robust environmental management system is central to a company's practice of green production. Sunwoda strictly complies with the Environmental Protection Law of the People's Republic of China and other national laws and regulations and formulates internal environmental management systems such as the Environment, Health, and Safety Manual, the Environmental Pollution Control Management Regulations, and the Environmental Pollution Prevention Management Regulations in line with the relevant requirements of ISO 14001, ensuring a standardized and orderly conduct of environmental management work. In 2024, Sunwoda's 25 major subsidiaries passed ISO 14001 environmental management system certification, achieving 100% coverage across all stably operating production facilities. Other newly established or under-construction manufacturing facilities are also actively developing environmental management systems in accordance with ISO 14001 requirements.

To comprehensively monitor and evaluate its environmental management performance, Sunwoda regularly conducts internal and external environmental audits. The Company has established objectives to ensure that all production activities at mature operational manufacturing facilities fully comply with local environmental laws and regulations and obtain environmental management system certification. Annually, the Company performs an internal environmental audit that encompasses 100% of the production bases in all business sectors, to assess the environmental impact of production operations. To ensure the comprehensiveness and objectivity of the environmental audits, Sunwoda also regularly entrusts third-party organizations for external audits. These include at least one annual sampling audit of the environmental impact for each business sector and a full-coverage audit across all business sectors every three years.

Based on this foundation, Sunwoda places great emphasis on the proactive management of environmental performance. The Company links the quarterly performance bonuses and year-end bonuses of personnel at the level of general manager and above to environmental performance, allocating a 5%-10% weighting to environmental performance indicators. Monthly and quarterly performance assessments motivate employees to implement environmental compliance measures.

To boost employees' awareness of environmental compliance and management, the Company regularly organizes trainings for environmental engineers across all parks. These training sessions address environmental laws and regulations, environmental factor identification, system internal audits, and other relevant topics. Environmental engineers in each park will subsequently act as internal trainers, responsible for educating safety management personnel in each business unit to fully implement the core concepts and operational processes of the environmental management system.

Energy Management

Sunwoda emphasizes energy efficiency, continuously optimizing the energy management system, adopting innovative energy-saving technologies, and enhancing energy-saving awareness to improve energy utilization efficiency.

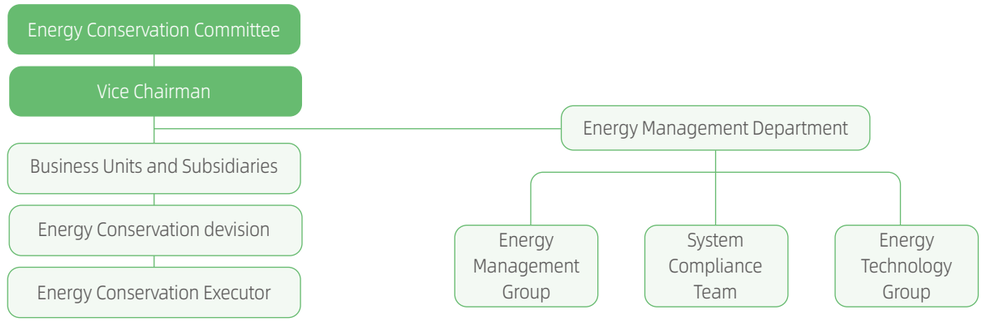
Optimizing Energy Management Framework

2024

17

companies certified in energy management systems.

Sunwoda strictly adheres to the Energy Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Renewable Energy Law of the People's Republic of China, and other laws and regulations, continuously improving its energy management system and implementing energy management practices company-wide. To systematically carry out energy conservation and carbon reduction initiatives and effectively promote the Company's "carbon peaking and carbon neutrality" plan, Sunwoda has established an Energy Conservation Committee chaired by the Chairman. This committee drives top-down energy efficiency improvement in production operations and oversees energy-saving technological transformation projects. In 2024, Sunwoda further refined the organizational structure of its Energy Conservation Office by establishing specialized teams for energy conservation management, system compliance, and energy conservation technology to promote refined energy management and empower business units to enhance lean production capabilities. On this basis, Sunwoda regularly optimizes and improves the construction of the energy management system according to the PDCA operation cycle principle, implementing a continuous improvement process through goal planning, effective procedural implementation, internal audit checks, and systematic enhancements. In 2024, an additional 8 subsidiaries under Sunwoda passed ISO 50001 energy management system certification.



2024

Energy Management System Maturity Assessment:

31 Business Units/Subsidiaries

Sunwoda proactively improves the construction of energy management systems and comprehensively updates and upgrades the relevant policy documents for energy management. Currently, Sunwoda has formulated 18 energy management policies and procedures, including the Energy Management Regulations and Energy Benchmarking and Performance Management Regulations, providing standardized operational guidelines for the Company's energy management activities.

To effectively advance energy management initiatives and enhance the transparency of energy system operations, Sunwoda regularly organizes audits such as energy management system reviews, internal audits, management reviews, and external surveillance audits. In 2024, based on the Sunwoda Energy Management System Maturity Evaluation Standard (2024A Edition), the Energy Conservation Office conducted documentary and on-site evaluations of energy management practices across the Group's parks and business units (subsidiaries). This comprehensive assessment yielded 30 summary reports outlining improvement opportunities and identified 339 on-site improvement opportunities, with 164 prioritized as key improvement projects for 2025.

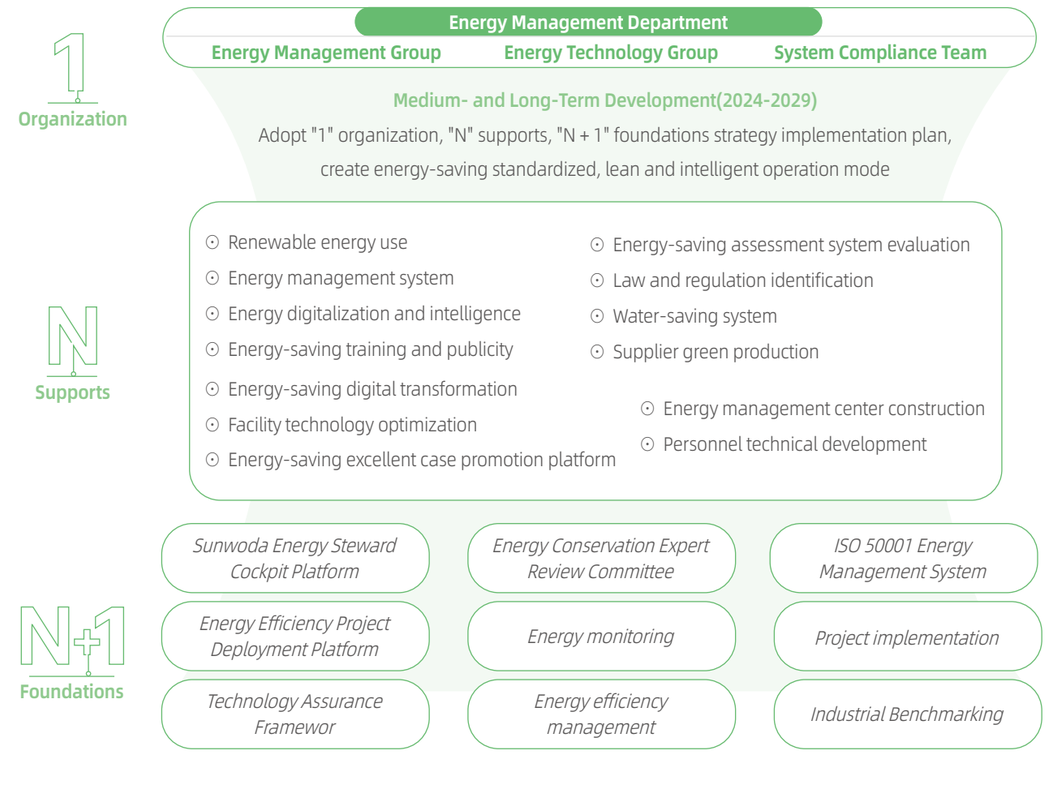
At the same time, Sunwoda prioritizes the establishment of energy-saving goals, adopting a strategic approach that begins with long-term objectives to efficiently advance energy management initiatives. The Company's energy-saving management department regularly coordinates the energy demand planning of each business unit and formulates the Group's annual energy-saving goals, quantifies energy-saving gains, and ensures the rational allocation of energy resources. In addition, Sunwoda incorporates energy management metrics into employee performance evaluations, promoting efficient energy management through a systematic evaluation-based energy-saving management assessment framework. In 2024, Sunwoda released the Energy Conservation Assessment Management Measures, comprehensively upgrading its energy-saving assessment standards and conducting a comprehensive assessment of employees and teams based on three key metrics (intensity, total consumption, and energy-saving amount) and five dimensions (energy-saving goals, energy-saving compliance, management effectiveness, improvement initiatives, and monitoring practices). Meanwhile, based on its energy-saving management assessment framework, Sunwoda has established a performance contract assessment mechanism that assigns a 5%-10% weighting to energy performance indicators, further strengthening the assessment incentive effect.

Medium and Long-Term Strategic Planning Goals for Energy Conservation

2024	2025	2026	2027	2028	2029
Base Year	4% year-on-year reduction in energy intensity	4% year-on-year reduction in energy intensity	4% year-on-year reduction in energy intensity	3% year-on-year reduction in energy intensity	3% year-on-year reduction in energy intensity

Support Sunwoda to achieve carbon peak by 2029

Building on its systematic energy management system, Sunwoda has also established a strategic energy-saving model of "1 Organization, N Supports, N +1 Foundations," which realizes the scientific use of data, standardized operation of energy saving, and integrated application of technology, and promotes the company to reduce the energy consumption of production and operation cost in all aspects, and to build a customer-satisfied green and low-carbon production supply chain.



Energy Conservation and Efficiency Implementation

Sunwoda embraces the operational philosophy of "strengthening energy-saving management in manufacturing, promoting energy-saving technological transformation, and using digital technologies to improve factory energy efficiency". The Company constantly focuses on annual energy conservation targets through multiple measures to comprehensively promote the implementation of energy-saving and consumption reduction work from dimensions such as energy information platform construction, equipment upgrades, technology optimization, and organizational training.

In 2024, Sunwoda implemented an energy monitoring and visualization platform in accordance with ISO 14064 standards, achieving real-time monitoring, verification, tracking, and feedback of energy consumption data, providing precise data support for energy-saving and consumption-reduction efforts. This centralized energy management system has formed a hierarchical structure with the Group headquarters as the primary control center and subsidiaries/business units as sub-control monitoring hubs, capable of executing 24-hour data energy monitoring for key energy-consuming equipment, workshops, etc., to optimizing energy allocation and reduce unnecessary energy consumption.

To ensure the efficient advancement of energy-saving and consumption-reduction, Sunwoda has integrated the Group's technical talent resources, established an Energy Conservation Project Review Expert Committee, and issued the Management Regulations for the Energy Conservation Review Expert Committee. This Expert Committee is responsible for providing comprehensive support in project technology, evaluation management, system construction, and energy-saving standard development for various parks and business units. This initiative aims to effectively identify, evaluate, and implement various energy-saving technological transformation projects in parks and business units, ensuring the smooth implementation of projects. On the other hand, it strategically optimizes the Company's layout of the energy-saving and emission-reduction framework, providing strong support for Sunwoda's sustainable development efforts.

During the reporting period, Sunwoda completed improvements on 215 energy saving projects, of which 83 energy-saving technical plans were formulated and 132 energy-saving projects were identified, with an annual power saving of 66,748,000 kWh, a saving of 8,203.3 tons of standard coal, and a reduction of carbon dioxide emissions of 35,817 tons.

	2024 Goals	Completion Status
Energy-saving projects (management + technological transformation)	≥ 260 items	215items
Decreased energy costs	RMB 30 million	RMB 49.3936 million
Saved electricity	41.0959 million kWh	66.748 million kWh
Saved standard coal	5,050.68 tons	8,203.3 tons
Year-on-year reduction in the Group's energy intensity	4%	4.02%
Year-on-year reduction in the Group's energy consumption	6%	11.11%

2024 Key Energy-Saving Technical Transformation Projects

Equipment optimization

Replacement of Central Air Conditioning Equipment

The Company replaced conventional equipment with high-efficiency magnetic bearing centrifugal chillers to enhance the cooling capacity. Currently, the newly installed water-cooled units have a cooling capacity of 1,400 tons of refrigeration, which is expected to achieve an annual electricity saving of 2.48 million kWh, equivalent to 304 tons of standard coal and 1,378 tons of CO_2 emissions reduction.

Central Air Conditioning Intelligent Control System Renovation

The Company adopts new intelligent control software to replace the outdated central air conditioning system, achieving variable frequency operation of the water pumps and smart chiller sequencing, which is expected to save 1.6 million kWh of electricity annually, equivalent to197 tons of standard coal and 890 tons of CO_2 emissions reduction.

Lighting Renovation

In 2024, the Company upgraded to high-performance LED lighting systems, introducing 35,387 sets of high-efficiency lighting units, achieving low energy consumption while ensuring superior luminous efficacy and quality. It is expected to save 3.18 million kWh of electricity annually, equivalent to 390 tons of standard coal 1,771 tons of CO_2 emissions reduction.

Technical Improvement

Winter Fresh Air Cooling as Alternative to Air Conditioning

The Company utilizes economizer mode operation by deactivating air handling unit coil circulation and fully opening the outdoor air dampers, effectively reducing the air conditioning energy consumption. Currently, the Company has implemented 10 related measures, expecting to save 2.5 million kWh of electricity annually, equivalent to 307 tons of standard coal and 1,392 tons of CO_2 emissions reduction.

Reduced Pressure Operation of Chilled Water System

By increasing the local booster pump, the supply pressure of the chilled water to the anode mixing workshop tanks is reduced from 0.6 MPa to 0.5 MPa, eliminating the need for one chilled water circulation pump. It is expected to save 2 million kWh of electricity annually, equivalent to 246 tons of standard coal and 1,114 tons of CO_2 emissions reduction.

Waste Heat Recovery from Air Compressors

Waste heat recovery units were installed to the air compressor stations to recover waste heat for heating tap water to 75° C, with a recoverable capacity of up to 1,070 kilowatts. This reclaimed thermal energy can further be applied to replace part of the heating for dehumidifiers and preheating of fresh air for ovens, effectively reducing energy consumption and meeting heating power requirements.

Energy Saving through Parallel Operation of Transformers

The parallel operation of transformers effectively reduces the waste of energy caused by transformer no-load loss. At present, the company has stopped operation of 10 transformers, is expected to save 430,000 kWh of electricity, saving 53 tons of standard coal, reducing carbon dioxide emissions of 295 tons.

Sunwoda places a high priority on energy saving awareness and actively conducts energy-saving training and activities for employees. The Company has formulated the Individual Energy Conservation Management Regulations to provide practical direction for environmentally responsible behavior and encourage the practices of green concepts. A specialized empowerment training framework on energy-saving systems, processes, technology, and compliance is established at the same time, with energy-saving awareness training periodically. In 2024, Sunwoda delivered three energy-saving empowerment training sessions for managerial-level personnel, reaching 271 participants across 22 business units. The company regularly publishes energy-saving publicity tweets through the enterprise public number, recognizes outstanding energy-saving employees, and raises the awareness of energy-saving among employees.

Energy Conservation Awareness and Training

Lighting Renovation

Hosts the "Green Transformation, Energy Efficiency Campaign" Week

Case

To deepen energy-saving efforts, Sunwoda encourages all employees to actively participate in energy-saving and emission reduction actions. In June 2024, Sunwoda's Energy Conservation Office organized the "Green Transformation, Energy Efficiency Campaign" Week, aligning with the national energy-saving promotion week theme and the Company's energy-saving management needs. Through diverse measures such as poster displays and prize-winning quizzes, employee participation and awareness of green actions were effectively enhanced. This event covered 18 parks and 28 business units/subsidiaries across the Group, attracting over 30,000 participants.

Transition to Clean Energy

The transition to clean energy is both an inevitable trend and is crucial for enterprises amid the global advocacy for sustainable development and active response to climate change. As an industry leader, Sunwoda actively responds to the call for clean energy transition and continuously explores the comprehensive application of clean energy in the production process.

The Company will gradually increase the proportion of clean green energy such as wind and solar power, promoting a low-carbon energy consumption structure. In 2024, the Company's green electricity usage accounted for 29.71%.[1]

In green electricity trading, to ensure a stable supply for the Group's electricity needs while meeting customer demand for green electricity, Sunwoda actively optimizes its electricity trading strategy. Through precise market analysis and flexible trading methods, the Company effectively mitigates price volatility risks, supporting its steady progression in clean energy transition.

2024

Total installed capacity of photovoltaic power:[2] **94.10** MW

Self-consumed photovoltaic electricity: **94,800** MWh

Total purchased green electricity and green certificates: **336,094** MWh

Proportion of green electricity usage: **29.71%**

[1]Proportion of green electricity usage= (Total purchased green electricity and green certificates + Self-consumed photovoltaic electricity) / (Total external electricity procurement + Self-consumed photovoltaic electricity)

[2]Photovoltaic power installed capacity and photovoltaic power generation encompass both utility-scale photovoltaic systems and distributed photovoltaic installations.

Water Resource Management

2024

2 subsidiaries were awarded the title of "Water-Saving Enterprises".

Sunwoda maintains continuous oversight of water consumption during the production process and actively promotes water resource management. Strictly abide by the relevant laws and regulations such as the Water Law of the People's Republic of China and the Water Conservation Regulations (2024), following the PDCA principle, the company formulates internal systems such as the Management Regulations on Water Conservation and closely monitors water usage activities in daily operations.

Currently, Sunwoda relies exclusively on municipal water supplies for all its water usage, mainly used for employee domestic consumption, canteen operation, and production processes like boilers, steam generation, HVAC systems, process cooling towers, and manufacturing mixing processes. During the reporting period, the Company had no significant direct or indirect impact on local water resources in its practices, from water withdrawal, consumption, discharge to storage.

2024 Water Resource Management Measures and Outcomes

Project	Specific Measures	Outcomes
Ultrapure Water System Wastewater Recovery	The Company recovered and reused EDI-concentrated water by returning it to the raw water tank to optimize efficiency. The remaining wastewater was directed to the boiler cooling pool, and additional water storage tanks, booster pumps, and pipelines were installed to ensure the completeness of the wastewater recovery infrastructure.	**240** cubic meters of EDI concentrated water recovered monthly.
Concentrated Water Recovery and Utilization	The Company has installed new RO concentrated water collection tanks with dedicated piping to VOC emission treatment scrubbers.	**600** cubic meters of water saved monthly.
Circulation Pump Installation	41 water circulation pumps have been installed at Shilongzai Park to enhance water resources recycling efficiency.	Achieved **99.09%** water reuse rate through circulation pump systems, with daily recycled water volume of **79,878.0** cubic meters.
Water-Saving Fixtures and Automatic Sensor Installation	Outdated faucets have been replaced with water-saving fixtures equipped with automatic sensors to effectively reduce water consumption.	Water-saving devices improve water efficiency by **2/3** compared to traditional faucets.

Pollutant and Waste Management

Sunwoda prioritizes pollutant and waste management, strictly adhering to relevant laws and regulations on pollution discharge management, and continuously improving the emissions of exhaust gas, wastewater, and waste. Sunwoda formulated and publicly released the Waste Emission Reduction Target of Sunwoda to clarify the emission targets and emission reduction pathways for various pollutants and wastes for all subsidiaries by 2024, providing guidance for emission reduction work.

Exhaust Gas Emission Target

100%

Compliant Emissions

Completed

Wastewater Emission Target

100%

Compliant Emissions

Completed

2024 Waste Emission Target

The amount of general waste generated per unit of production is reduced by **5%** compared to the previous year

The amount of hazardous waste generated per unit of production is reduced by **5%** compared to the previous year

Completed

Exhaust Gas Management

Sunwoda strictly complies with the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution and the Comprehensive Emission Standards for Air Pollutants（GB 16297-1996）as well as other laws, regulations, and industry standards. The Company actively carries out air pollutant control work within its operational scope, strictly controls air pollutant emissions during production operations and their impact on the surrounding environment, continuously enhances its environmental competitive advantage, and establishes a model for green development.

Following the requirements of the environmental impact assessment documents and the local ecological environment bureau, Sunwoda regularly inspects and maintains the exhaust gas facilities, timely replaces activated carbon, and ensures gas emission standards. The Company also regularly engages qualified third parties for on-site testing and atmospheric pollution emission testing reports issuance to ensure compliance with relevant standards. In 2024, the results of the third-party testing of Sunwoda's atmospheric pollutants meet the approval of the environmental impact assessment and statutory emission standards.

Main Exhaust Gas Treatment Facilities and Methods

Main Exhaust Gas Categories	Main Treatment Methods	Main Testing Indicators
Paint Spray Emissions	Cyclone Tower + Spray Scrubber + Dry Filtration + RTO	Non-methane Total Hydrocarbons, VOCs, Particulate Matter, SO_2, NO_x, H_2S, NH_3
Coating Waste Gas	Condensation Recovery + Zeolite Rotor Adsorption	
Injection Process Emissions	Wet Scrubbing + Activated Carbon Adsorption	
Dispensing / Coding / Silk Screen Printing / Pad Printing / Injection Molding	Activated Carbon Adsorption	
Welding Fumes	Bag Filter Collection / Dry Filtration + Activated Carbon Adsorption	
Organic Waste Gas	Wet Scrubbing + Dry Filtration + Activated Carbon Adsorption Concentration + Thermal Desorption and Catalytic Oxidation	
Particulate Matter	Gravity Precipitation / Bag Filter Collection / Pulse-Jet Cleaning	
Boiler / Thermal Oil Heater Exhaust	Low-NOx Combustion	
Sewage Treatment Plant Odor Emissions	Wet Scrubbing + Biotrickling Filter	

Exhaust Emission Reduction Measures

Principle of Comprehensive and Classified Collection	The exhaust collection system is designed comprehensively based on factors such as gas properties, flow rate, concentration, generation amount, and air velocity to ensure effective exhaust capture.
Prioritize Process Equipment with Integrated Emission Capture and Advanced Treatment Systems	The polluted gases collected by the gas hood are transported through pipelines to the purification device for treatment and then discharged after meeting standards, ensuring high collection efficiency and minimizing fugitive emissions.
Implement Containment Strategies for Emission Sources, including closed, collection, purification and other operational measures	Solid waste (including hazardous waste) containing volatile materials or odors is stored and temporarily stored in a closed design, and the waste gas is discharged after being collected and treated to meet standards. The waste gas generated by sewage collection and treatment units (such as anaerobic pools, aeration pools, sludge pools, etc.) is collected in a closed manner and discharged after effective treatment measures.

Zhejiang Winone Coating Waste Gas Treatment

Case

To effectively reduce the emissions from spraying coating processes (containing paint mist particles and VOCs) and associated waste gases, Sunwoda's subsidiary Zhejiang Winone has introduced self-cleaning anti-clogging RTO treatment and zeolite rotor adsorption technology to treat the two types of waste gas separately. Through the combination of adsorption treatment and high-temperature oxidation, these systems ultimately convert pollutants to water and carbon dioxide.

The self-cleaning anti-clogging RTO device has undergone multiple third-party environmental assessments since its implementation. Its emissions consistently meet the current waste gas emission standard requirements, with non-methane hydrocarbon concentration generally below 20 mg/m³ and as low as 5 mg/m³.

Wastewater Management

Abiding by the Law of the People's Republic of China on Prevention and Control of Water Pollution and other relevant laws, Sunwoda strictly manages the discharge of industrial wastewater and domestic sewage by building sewage treatment facilities and conducting regular monitoring to ensure compliance with the wastewater quality standards. The Company's 3C battery, energy storage products, and PCB board manufacturing facilities do not generate industrial wastewater discharge. The cell production plants are equipped with dedicated sewage treatment stations, achieving 100% collection of production and domestic sewage and 100% compliance for effluent water quality.

The Company's industrial wastewater treatment facilities are operated and managed by professional environmental service providers, with daily oversight conducted by the subsidiary's safety department to ensure the normal operation of wastewater treatment equipment. In accordance with the environmental impact assessment requirements, the Company regularly contracts qualified third parties for on-site testing and sewage testing reports, with results consistently meeting the standards set by the environmental impact assessment approvals and relevant regulations.

The company's domestic sewage is mainly generated by the employees' life. Living sewage through the plant septic tank, grease trap and other water treatment facilities, according to the requirements of the EIA approval for reuse or access to municipal sewage official website; part of the living sewage by the park life sewage station qualified treatment for reuse in the area, such as for green watering, toilet flushing water.

Cathode Waste Liquid Recovery

Case

In lithium battery cell production, NMP (N-Methyl-2-pyrrolidone) cleaning solution is required for equipment maintenance to clean the cathode slurry mixing equipment and material transfer pipelines, generating NMP waste liquid, known as cathode waste liquid.

Sunwoda collaborates with upstream and downstream industry chain partners to conduct green recovery and reuse of cathode waste liquid by extracting high-value clarified new NMP liquid from the cathode waste liquid for reuse in battery production. All discarded raw materials can be recycled and do not enter the environment, maximizing resource classification and recycling and also creating economic and environmental benefits.

Main Wastewater Treatment Facilities and Methods

Main Wastewater Categories	Main Treatment Methods	Main Testing Indicators
Domestic Sewage	A2O + Artificial Wetland	pH, chemical oxygen demand, 5-day biochemical oxygen demand, suspended matter, total nitrogen, total phosphorus, etc.
Industrial Wastewater	Fenton Oxidation + A3O + MBR	
	Fenton Oxidation + A2O + Multi-stage Filtration + RO	
	Sand Filtration + Carbon Filtration + Security Filtration + Ultrafiltration + RO	
	Grating + Regulating Tank + Coagulation Sedimentation + AO + MBR + Fenton + Filtration	
	Regulating Tank + Mixed Sedimentation + Fenton Oxidation + Mixed Sedimentation + A2O + MBR	

Boluo Park Achieves Zero Industrial Wastewater Discharge

Case

In Sunwoda's Boluo Park, a self-built industrial wastewater station and water reclamation facility have been established to provide a comprehensive industrial wastewater treatment and recycling system. After being processed through the park's industrial wastewater station, the industrial wastewater enters the reclaimed water facility for advanced purification. This treated wastewater is then utilized in the cooling tower makeup of air conditioning systems, enabling secondary resource utilization and ultimately reaching zero industrial wastewater discharge.

Waste Management

Sunwoda strictly complies with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and other national laws, as well as the Standards for Pollution Control in the Storage of Hazardous Waste and other industry standards. It has established management systems including the Regulations on the Management of General Waste and Implementation Rules for Solid Waste Control based on classification standards such as the Classification and Codes Catalogue for Solid Waste and the National Catalogue of Hazardous Waste, clarifying the requirements for waste classification, collection, storage, transportation, and disposal, while continuously promoting waste reduction and disposal efforts, practicing the concept of green development.

To continuously reduce the environmental impact of waste emissions, annual waste reduction targets are set and delegated to various business units and sectors each year, with progress tracked to ensure goal achievement.


ENVIRONMENTAL CLAIM VALIDATION SUMMARY

SUNWODA Electronic Co., Ltd

Sunwoda has obtained the highest level of platinum certification for zero waste to landfill.

For hazardous waste reduction management, Sunwoda takes targeted actions through multiple dimensions, such as material selection, process optimization, and employee training, to advance waste management efforts through various initiatives. In terms of material selection, Sunwoda prioritizes the use of green and environmentally friendly raw materials and auxiliary materials to reduce the generation of hazardous waste. In terms of manufacturing processes, Sunwoda continuously optimizes production techniques to minimize raw materials and auxiliary materials consumption to reduce waste generation. In addition, the company requires relevant personnel to participate in hazardous waste training to enhance employee safety awareness.

For general waste management, Sunwoda promotes waste reduction and recycling through system development, classification control, and awareness enhancement. From a procedural perspective, Sunwoda continuously standardize on-site waste recycling efforts. At the same time, the Company has established an extended producer responsibility framework, incorporating waste-generating units into a unified management for recycling and reuse, emphasizing the accountability of producers for proper waste handling. In addition, Sunwoda insists on strengthening the classification control of general waste, establishing a comprehensive classification operation system from production to disposal, thereby improving the recycling rate of general waste. To effectively boost employees' awareness of waste recycling, Sunwoda organizes awareness campaigns through multiple channels. In 2024, Sunwoda carried out a cross-departmental resource sharing activity for idle office furniture to improve the Company's waste utilization rate.

Main Waste Management Methods

Type	Main Waste Categories	Processing Cycle	Treatment
Hazardous waste	Waste contaminated media (rags, gloves), waste empty containers (adhesive bottles, empty alcohol barrels), waste organic solvents (laboratory reagents), waste acids (for experiments), spent mineral oils (for environmental facility maintenance), spent activated carbon (for exhaust gas facility replacement), etc.	Stored in designated hazardous waste storage with processing completed within 1-3 months	Full-process control is adopted, from raw and auxiliary materials to hazardous waste generation positions, and then to hazardous waste collection, storage, and transportation, with records in each link and transfer manifests according to national regulations The Company signed contracts with qualified hazardous waste disposal facilities, with regularly scheduled collection and disposal by certified third-party service providers, prioritizing resource recovery and beneficial reuse where applicable
General waste	General waste and household garbage	Household garbage was collected and disposed of daily, with periodic collection and recycling of general waste based on generation volumes, occurring no less than three times weekly	Business contracts have been signed with suppliers for the disposal of general waste and household garbage. Professional waster management service providers were responsible for the classification and treatment of general waste and household garbage. Regular trainings on waste classification business knowledge were organized for cleaning staff

Fostering a Low-carbon Culture

Through the systematic implementation of green office initiatives, Sunwoda deeply integrate sustainable development concepts into daily operations, comprehensively promoting environmental practices including energy conservation, resource efficiency, and paperless office procedures. In daily communication, the Company encourages remote conferences to reduce unnecessary business travel. In business document communication, the Company vigorously promotes electronic contracts and invoices and encourages online document signing and online cost settlement in business transactions, thereby reducing paper usage. In meeting scenarios, the Company encourages electronic documents to replace traditional paper meeting materials, enhancing office efficiency while effectively avoiding paper waste.

Additionally, Sunwoda actively fosters a sustainability-oriented workplace environment by integrating green culture into corporate operations. The Company continues to promote diverse employee activities themed around green culture, including knowledge competitions, video contests, and green travel challenges, to raise employees' awareness of green, low-carbon, and environmental protection and encourage practical implementation of low-carbon principles.

"Starting from Sunwoda, Carbon-Reduced Future" Earth Day Hiking Activity

Case

In May 2024, in response to Earth Day and in response to the global theme of "Planet vs. Plastics", Sunwoda's Sustainable Development Center, Trade Union, and Party Committee jointly held the "Starting from Sunwoda, Carbon-Reduced Future" hiking activity at Shiyan Lake Wetland Park in Bao'an District, Shenzhen, attracting over 200 participants. In total, the Company successfully offset 3 tons of greenhouse gas emissions from the activity through the United Nations Clean Development Mechanism (CDM) voluntary emission reduction project, achieving "carbon neutrality" for the event and obtaining certification for the carbon-neutral event.

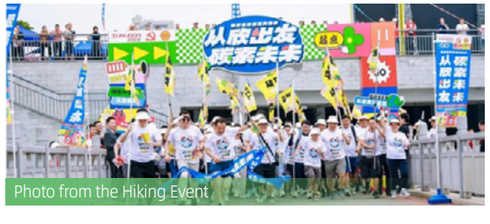


Photo from the Hiking Event


Photo from the Hiking Event

"Green Future Together" Themed Series of Activities

Case

During Sunwoda's sixth cultural festival, the Sustainable Development Center and the Corporate Culture Department jointly initiated the "Green Future Together" themed series of activities, employing a dual-track approach that includes two online interactions and three offline park activities, fully stimulating participants' enthusiasm for low-carbon. The activities span all domestic parks and bases of Sunwoda, with a wide impact, attracting enthusiastic participation of over 1,000 employees.

In addition, to encourage employees to actively practice a low-carbon lifestyle, Sunwoda has also introduced a low-carbon travel incentive program, allowing employees to have their exclusive "low-carbon planet" and actively use green, low-carbon travel methods in daily life in line with the operational guidelines to accumulate corresponding carbon reduction credits, contributing to a green, low-carbon home. The online activity ran for 15 days, encompassing all Sunwoda Group bases, with participation from over one thousand employees.

Event venue

Battery recycling experience

Cultural Festival Activities

Conserving Biodiversity

Sunwoda has always placed a high priority on biodiversity conservation and firmly observes ecological protection red lines. During site selection, the Company uses a comprehensive site evaluation framework to avoid setting up production bases and operational points in nature reserves or areas with rich biodiversity outside protected zones. Currently, all business units and production bases of Sunwoda are located in established industrial parks on land designated for industrial and commercial use.

Sunwoda strictly follows the State Council General Office's Opinions on Further Strengthening Biodiversity Protection and other relevant laws and regulations, actively responds to the Ministry of Ecology and Environment's China's Biodiversity Conservation Strategy and Action Plan (2023-2030). The Company systematically reviews its production and operational processes and identifies potential risk factors to minimize negative impacts on biodiversity from greenhouse gas emissions and pollutants. During the reporting period, no significant biodiversity impacts were identified in any of Sunwoda's production and operation, products, and services.

03

ACCOUNTABILITY

Excellence in Governance, Pursuing Perfection

Sunwoda strictly complies with the laws and regulations of China and other countries where the Company does business, and fully adheres to various international business standards and practices. The Company achieves efficient management through top-notch corporate standards. With a product culture centered on ultimate quality and safety, Sunwoda safeguards the health and safety of its customers. By reshaping the R&D chain, production chain, and supply chain with information technology and intelligent systems, the Company is committed to leading the entire industry toward a greener and better future in renewable energy.

Key ESG Topics in this Chapter:

- Robust governance
- Anti-corruption and business ethics
- Information Security and Privacy Protection
- High-quality products and services

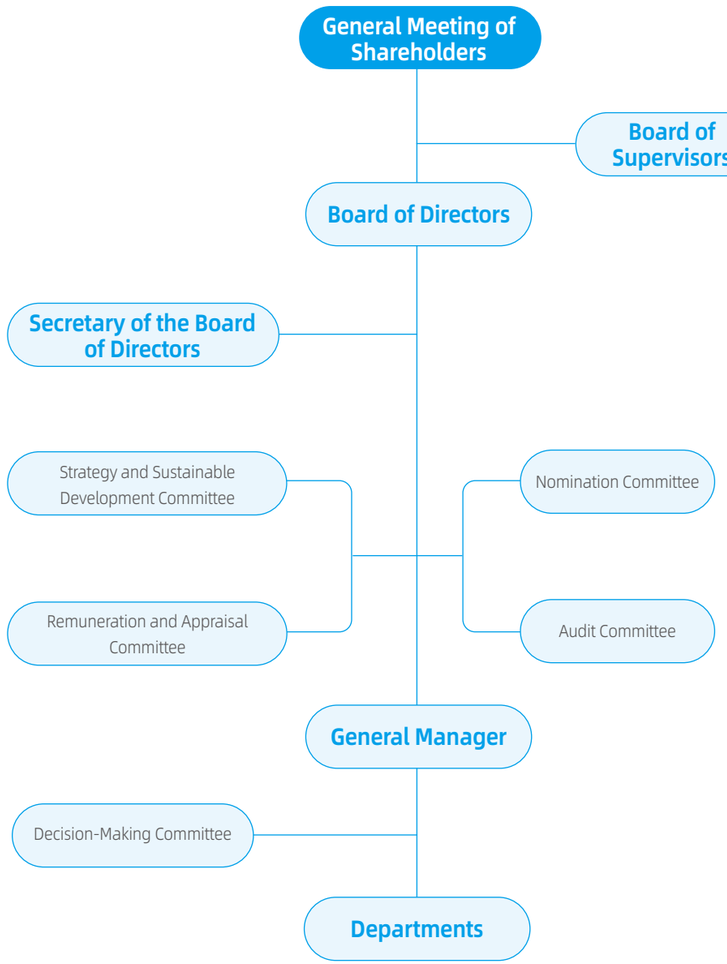
Response to SDGs:

Ensuring Stable Operations

Sunwoda strictly adheres to all applicable laws and regulations, continuously improving its corporate governance structure with clearly defined responsibilities, close interdepartmental coordination, and efficient operations. The shareholders' meeting fully safeguards shareholders' rights and interests and deliberates on significant matters. The Board of Directors acts diligently and responsibly with specialized committees to promote strategy implementation. The Board of Supervisors actively fulfills its oversight duties. There is close collaboration, smooth information flow, and efficient operations across all levels.

Corporate Governance

Corporate Governance Structure



Directors and Board of Directors

The Company values the construction of the Board of Directors and continuously optimizes its governance structure, continuously improves the operational mechanism of the Board of Directors, enhances information communication and supervisory functions, and regularly conducts training and exchanges for directors to improve their governance competencies.

Sunwoda emphasizes the diversity, independence, and effectiveness of the Board of Directors. In 2024, the shareholders' meeting reviewed and approved the Proposal for Resignation and Eligible By-election upon Expiration and Supplementary Election of Independent Directors, adding one female independent director. Currently, the Board of Directors consists of seven directors, including three independent directors. The seven current directors of the Company possess extensive expertise and experience in management, accounting, and law.

Sunwoda has established four specialized committees: the Strategy and Sustainable Development Committee, the Remuneration and Appraisal Committee, the Audit Committee, and the Nomination Committee. Each specialized committee has at least two independent directors responsible for related work. Except for the Strategy and Sustainable Development Committee, which is chaired by a director, the other committees are chaired by independent directors, with the Remuneration and Appraisal Committee being chaired by a female independent director, laying a solid foundation for evidence-based decision-making of the Board of Directors.

2024

11 Time(s) Board of Directors	11 Time(s) Board of Supervisors	7 Time(s) General Meeting of Shareholders	8 Time(s) Independent Directors Special Meeting
10 Time(s) Audit Committee	8 Time(s) Remuneration and Appraisal Committee	1 Time(s) Nomination Committee	4 Time(s) Strategy and Sustainable Development Committee

Investor Relations Management

Sunwoda strictly complies with relevant laws and regulations and strengthens communication and interaction with investors and potential investors to enhance investors' understanding and recognition of the Company and improve the corporate governance. The Company has established the *Management Regulations on Investor Relations* and the *Information Disclosure Management System* to build a comprehensive investor management framework, systematically safeguarding investors' rights and protecting their right to know and participate in significant matters of the Company.

Information Disclosure Management

To ensure compliance with information disclosure, Sunwoda has formulated the *Management Regulations on Information Disclosure*, firmly rejects insider trading, and standardizes the external information disclosure process. During the reporting period, the Company reviewed and improved multiple corporate governance-related issues, strengthened control measures, and enhanced the level and quality of information disclosure management, effectively protecting the legitimate rights and interests of investors.

As of 2024, Sunwoda has maintained an A-level rating for information disclosure from the Shenzhen Stock Exchange for eight consecutive years.

Investor Relations Management

To improve the corporate governance structure and standardize investor relations management, Sunwoda has developed the *Management Regulations on Investor Relations* based on relevant laws and regulations and its own circumstances. The Company adheres to the principles of "fairness, justice, and openness," upholding the concept of fully and compliantly disclosing information to ensure that all investors have equal opportunities. At the same time, Sunwoda interacts and communicates with investors through multiple channels and at multiple levels, and presents the Company's actual situation objectively, truthfully, accurately, and completely with an honest, trustworthy, and efficient attitude, so as to improve investors' understanding and recognition of the Company and effectively safeguard their right to be informed, especially small and medium investors.

Key Investor Communication Channels

Sunwoda engages with investors through various channels, adhering to the principles of full and compliant disclosure, equal opportunities for investors, honesty and integrity, operational efficiency, and interactive communication.

2024

13 Time(s)
Investors Offline Communication

76 Issue(s)
Problem Solved

	Institutional Investors	Small and Medium Investors
General Meeting of Shareholders	✓	✓
Regular and temporary announcements	✓	✓
Performance briefing	✓	✓
Investor Hotline		✓
Interactive Q&A		✓
Investor Research	✓	
Roadshows	✓	

Risk and Compliance Management

Sunwoda always regards risk and compliance management as the cornerstone of sustainable development, upholding compliant operations and integrity-based governance. Under the leadership of the Audit Committee, the Company has established a compliance management framework with "three lines of defenses" composed of various business departments/ subsidiaries, functional centers, and the Risk Control and Audit Center, providing a solid organizational guarantee for the effective operation of compliance management.

The Audit Committee of the Board of Directors functions as the strategic oversight layer, coordinating both internal and external audits, and directly reporting to the Board of Directors to ensure the independence and authority of internal and external risk and compliance management. The Risk Control and Audit Center, as the oversight and assurance layer, monitors the risk status of various business modules in real-time through intelligent audit models and risk early-warning platforms.

In terms of governance framework enhancement, Sunwoda has supplemented and revised the *Compliance Management Measures* by introducing definitions and clear role assignments for specialized compliance OWNER, clarifying the division of responsibilities in various compliance domains, and ensuring that compliance accountability is assigned to specific responsible departments and personnel. Under this framework, heads of first-level departments serve as primary compliance officers, with their responsibilities formalized through signed compliance commitment letters. The Company also published the *Management Regulations on Compliance Red Lines in Key Areas*, establishing prohibitive compliance requirements in 13 areas to ensure a clear and traceable compliance bottom line for employees. In 2024, Sunwoda signed 11 OWNER compliance commitment letters, and incorporated compliance veto criteria into departmental performance indicators to avoid violations arising from failure to fulfill due diligence obligations or inadequate compliance management.

Integrity and Business Ethics

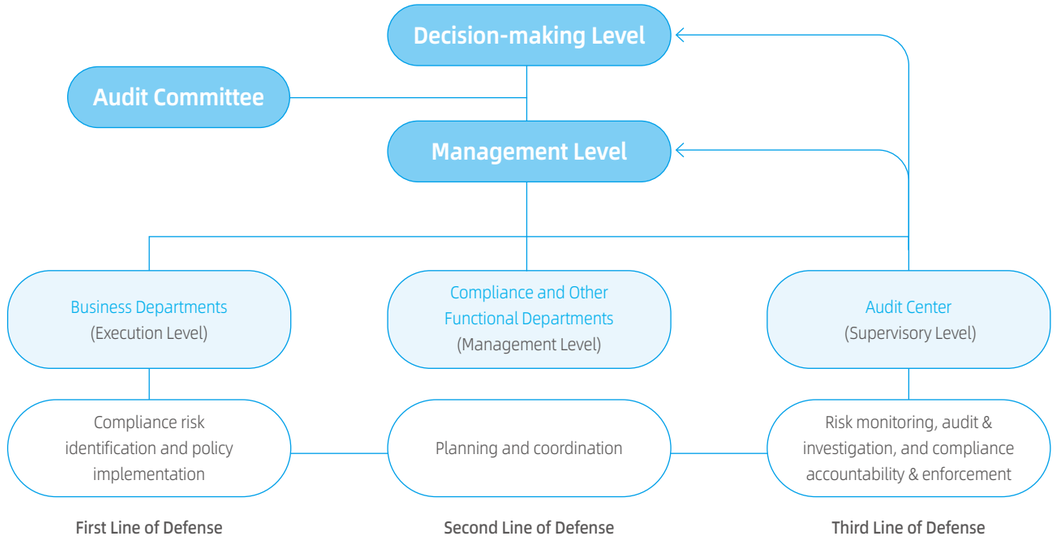
Anti-corruption initiatives and business ethics frameworks contribute significantly to Sunwoda's governance and operational efficiency, bringing substantial social and economic benefits to the Company. In 2024, Sunwoda's anti-corruption management efforts focused on multiple aspects such as policy development, investigation protocols, mechanism enforcement, and integrity culture construction, forming a multi-faceted and multi-level fraud prevention and control system, and providing a solid guarantee for the Company's high-quality development.

Business Ethics Management

Sunwoda maintains an unwavering commitment to business ethics principles and actively supervises the implementation of business ethics across the Company and among its employees. In 2024, Sunwoda released the *Management Regulations on Compliance Red Lines in Key Areas* to systematically elaborate on the formal policies against bribery and corruption. The Company also establishes a comprehensive suite of business ethics policies, including the *Management Regulations on Business Ethics*, the *Management Regulations on Conflicts of Interest*, the *Management Regulations on Integrity and Ethical Behaviors*, the *Management Regulations on Anti-Bribery*, and the *Management Regulations on Anti-Fraud*. Together, these policies form an integrated integrity governance framework that spans the entire business value chain, and ensure the achievement of objectives for full compliance with the code of business conduct across the Company's operations and throughout its supply chain.

Sunwoda's integrity and compliance governance architecture is structured across four levels: decision-making, management, execution, and supervision. The Board of Directors exercises decision-making functions, and functional departments led by the General Manager, Chief Compliance Officer, and Compliance Management Department are mainly responsible for overseeing business ethics and corruption issues. These departments develop and implement integrity and compliance rules and regulations, and cooperate with various business departments to jointly promote integrity and compliance governance. The Audit Center formulates internal audit plan based on the Company's annual business objectives, conducts internal audits on all business modules, independently and impartially investigates violations, and implements integrity and compliance supervision. At the same time, the Audit Committee under the Board of Directors receives quarterly reports from the Audit Center to ensure the enforcement of the requirements of integrity and compliance governance.

Integrity and Compliance Governance Framework



Red Line Management

Sunwoda has issued the *Fifteen Integrity Red Lines for Employees*, which clearly prohibits bribery, leaking trade secrets, and using one's position for personal gain, among other fifteen integrity violations. These guidelines have been communicated through the official website, integrity WeChat official account, internal emails, and offline training for all employees.

Penalty Mechanism

Sunwoda has revised the *Regulations on Reward and Punishment*, adding new penalty standards and measures to ensure that every instance of fraud or misconduct can be addressed according to established guidelines. The Company has also drafted the *Application Form for Exemption or Mitigation of Penalty* to encourage employees to actively cooperate with investigations. Employees who demonstrate proactive cooperation may receive lenient or reduced penalties.

Furthermore, the Company has established a comprehensive integrity management mechanism across three stages - prevention, audit monitoring, and continuous optimization - to ensure that integrity culture development becomes a normalized and systematic practice throughout the organization.

Prevention Stage	Integrity Training	The Company provided online integrity training for both new and existing employees, and encouraged self-directed learning to improve the coverage of integrity training.
Audit Monitoring Stage	Big Data Audit	By utilizing big data technology, the Company has established an audit data analysis model for real-time monitoring and analysis of data across all business modules, improving audit efficiency and accuracy and promptly detecting, investigating, and correcting corrupt practices. The Company utilized data mining and risk analysis to identify potential issues, such as abnormal transactions and violations, and provide technical support for specialized audits and fraud investigations.
	Integrity Assessment	In September 2024, the Audit Center distributed the Integrity Self-Assessment to all employees through OA, requiring employees to evaluate themselves against the Company's ethical standards and integrity regulations. In September 2024, the Audit Center released the 2024 Sunwoda Integrity Examination for All Employees through the Sunwoda Learning Platform, requiring all employees to participate in the integrity examination, with exam results linked to employee evaluations and promotions.
Improvement and Optimization Phase	Feedback and Improvement	The Company regularly assesses the effectiveness of the management mechanism for business ethics and integrity behavior based on audit results and employee feedback. For identified issues and shortcomings, the Company has developed specific improvement measures and tracked the implementation effects, such as re-testing of audit issue rectifications.
	Education and Training	The Company continuously updates and improves the training content on business ethics and integrity behavior based on industry dynamics and the Company's actual situation. Various activities, such as special lectures, early-warning education activities, integrity examinations, and integrity self-assessments, have been adopted to enhance employees' awareness of integrity and self-discipline.
	Incentive Mechanism	The Company has established a whistleblower reward mechanism to recognize employees who excel in business ethics and integrity.

Zhejiang Liwinon was awarded the title of "Outstanding Organization in Clean Governance Initiatives of Private Enterprises in Zhejiang Province for 2024".

In supplier management, Sunwoda requires suppliers to sign the Basic Principles for Cooperation with Suppliers at the start of cooperation, which explicitly stipulates compliance with integrity standards and anti-commercial bribery requirements. Sunwoda also conducts legal compliance and business ethics audits of suppliers based on the Supplier Code of Conduct, requiring suppliers to continuously standardize their internal anti-corruption management procedures. In addition, Sunwoda continuously updates the Sustainable Development Assessment Form for Sunwoda Suppliers in its supplier evaluations, incorporating anti-corruption into due diligence and assessment considerations. Meanwhile, the Company proactively conducts integrity interviews with suppliers in routine communications and requires transparent cooperation with suppliers through supplier conferences, announcements in the SRM system, etc. Sunwoda consistently verifies the integrity performance of relevant suppliers during the cooperation process. Any supplier involved in corruption or fraudulent activities that harm Sunwoda's interests will face penalties based on the severity of the violation and contractual provisions. For those with serious violations, suppliers will face penalty such as qualification level downgrades, payment of liquidated damages, and termination of cooperation.

Fostering a Culture of Integrity

2024

45 articles were published through the "Integrity in Sunwoda" and "Integrity in Liwinon" WeChat official accounts, with readership exceeding **100,000**

Sunwoda strengthens its integrity culture through diverse activities, including prison visits, educational base activities, and special lectures, enhancing employees' self-discipline awareness and optimizing the integrity culture development, thus providing strong support for the Company's long-term development.

To prevent corruption at its source, the Company implemented mandatory integrity training for new employees in 2024.Meanwhile, the Company provides regular integrity training through diverse, multi-level, and multi-channel approaches, including in-person sessions, online video courses, integrity compliance examinations, and specialized training for sensitive and high-risk positions, achieving 100% coverage of all personnel (including both permanent employees and contracted staff). Even departing employees receive integrity reminders via exit interviews and text messages.

9
members of the Board of Directors received in-person anti-bribery and anti-corruption training

3,701
management personnel[1] received in-person anti-bribery and anti-corruption training

100%
coverage of employees who received online and in-person anti-bribery and anti-corruption training

Prison Visit for Early-Warning Education

Case

To vividly show the harms of illegal activities, the Company organized over 110 employees from key job positions to visit Shenzhen Prison for integrity warning education. During the activity, employees gained a profound understanding of the serious consequences of illegal activities by visiting the living areas of inmates, listening to case explanations, and watching videos of inmates sharing their experiences. This experience strengthened their awareness of integrity, self-discipline, and legal compliance.

Visits to Integrity Education Bases in Jinhua and Dongjiang, Huizhou

Case

In 2024, Sunwoda organized two special trips for visiting and learning at the integrity education bases, allowing employees to receive integrity education through on-site visits. These activities enhanced their awareness of integrity. A total of over 80 participants attended the two special activities.

[1]The statistics for management personnel who received in-person anti-bribery and anti-corruption training include employees at the first-line management level and above.

Special Lecture on Duty-Related Crimes

Case

To comprehensively enhance employees' awareness and prevention capabilities regarding duty-related crime risks, Sunwoda invited a senior prosecutor from the People's Procuratorate of Boluo, Huizhou, to give a special lecture on "Risks and Prevention of Duty-Related Crimes in Enterprises" at the Huizhou Boluo Park. Using real cases and legal analysis, the lecture highlighted the dangers and legal consequences of job-related crimes, enhancing employees' legal awareness and risk prevention capabilities. This event attracted over 120 employees.

Specialized Integrity Training for Procurement

Case

To continuously implement transparent procurement policies, the Procurement Center invited the Audit Center colleagues to conduct specialized integrity training for procurement titled "Building an Integrity Culture, Forging a Disciplined Team". To manage delivery risks in the supply chain, the Procurement Center collaborated with the Logistics Center to deliver specialized training on "Critical Customs Compliance in the Procurement Process". To enhance the effectiveness of integrity education in procurement bidding, the Procurement Center produced a video on "Bid Opening Integrity and Disciplinary Guidelines" which was distributed to all procurement units across the group.

Audit Center Integrity Highlights

8,000+ Person(s)
Integrity Self-Assessment[1]

20,700+ Person(s)
Integrity Examination[2]

96.77%
Examination Pass Rate

40 Item(s)
Specialized Audits

140 Time(s)
Supplier Integrity Interviews

Whistleblowing Mechanism

Sunwoda has established and implemented the Management Regulations on Whistleblowing, Acceptance, and Investigation and the Anti-Fraud Management Regulations, among other policies, to promptly identify illegal and compliance issues, ensuring the Company operates in accordance with applicable laws and regulations. The Company encourages and stimulates both internal and external personnel to actively report on "adverse environment, unethical conducts," or other illegal and non-compliant behaviors that may occur within the organization. Multiple reporting channels, both online and offline, have been established, along with a robust accountability mechanism to detect various corruption issues in a timely manner, safeguarding the Company's compliance and orderly development. Concurrently, Sunwoda maintains a zero-tolerance policy toward any form of retaliation against whistleblowers. The Company has established a Whistleblower Protection Policy that establishes protective measures to safeguard the legal rights and interests of whistleblowers.

Reporting Channels

Email: jubao@sunwoda.com

Phone: 0755-23053561 or 18126270617 (WeChat Account)

Website: www.sunwoda.com/jubao

Mailing address: Sunwoda Audit Center, No.2 Yihe Road, Shilong Community, Shiyan Sub-district, Bao'an District, Shenzhen

Real-name Reporting: Head of Sunwoda Audit Center, Yihe Road 2, Shilong Community, Shiyan Street, Bao'an District, Shenzhen

[1] The integrity self-assessment data includes office staff only.
[2] The integrity examination data and pass rate statistics encompass both production workers and office staff.

Fair Competition

Sunwoda strictly complies with the applicable laws and regulations, international treaties, regulatory requirements, and guidelines related to anti-unfair competition and anti-monopoly in all jurisdictions of operation. These include, but are not limited to, the Anti-Unfair Competition Law of the People's Republic of China, the Anti-monopoly Law of the People's Republic of China, the Provisions on Prohibiting Monopoly Agreements, the Provisions on Prohibiting Abuse of Dominant Market Positions, and the Provisions on Prohibiting Abuse of Intellectual Property to Exclude or Restrict Competition.

The Code of Conduct for Compliance established by Sunwoda's Legal and Compliance Center incorporates compliance requirements related to anti-unfair competition and antitrust. This ensures that Sunwoda and all employees comply with applicable antitrust and anti-unfair competition laws and regulations, as well as the Company's Management Regulations on Business Ethics during market competition. These measures help prevent monopolistic or unfair competition behaviors, improve corporate governance, enhance intrinsic value, and optimize operating costs.

Safeguarding Product Quality and Safety

Digital Transformation

In today's era of global digital transformation, digitalization has become increasingly important for enterprise development. Sunwoda regards digitalization as one of the Group's four strategic modernization pillars, and prioritizes its digital initiatives, laying out digital transformation to drive high-quality development.

Digital Strategy Planning

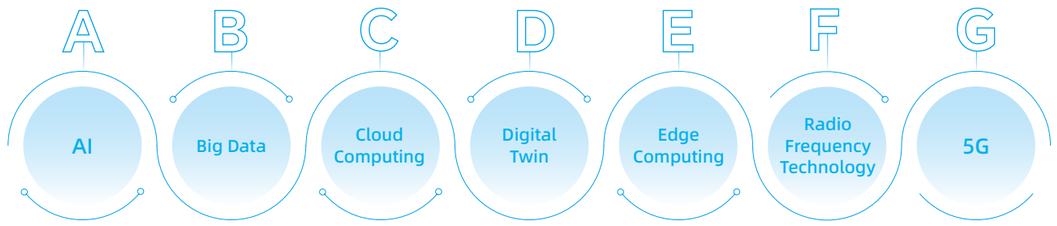
Sunwoda adheres to a "customer-centric and business-oriented" approach in its digital strategy and vigorously carries out digital transformation initiatives. The Company has set six goals, focusing on business intelligence, data assetization, product standardization, industrial interconnection, software localization, and intelligent security system, all aimed at maximizing business value.

Business Intelligence	The Company has utilized AIGC to empower business, with a strategic focus on R&D operations. By implementing AI-enhanced simulation technologies, it accelerates R&D processes, enhances the maturity of digitalization, and drives digitalization across the enterprise.
Data Assetization	The Company has established a data governance framework and utilized AI and data-driven approaches to drive operations, accelerating data assetization.
Product Standardization	The Company implements product standardization initiatives and enhances product/project management framework to respond rapidly to evolving business needs.
Industrial Interconnection	The Company implements end-to-end traceability across the entire battery industry chain and a digital platform for battery passports, deepening industry connectivity and transparency.
Software Localization	Software localization has been accelerated to break through underlying technologies and achieve risk control in industrial software.
Intelligence Security System	The Company has established a global safety operation command center and built a data security protection system and a cloud intelligence computing center, ensuring digital security.

Digital and Intelligent Empowerment

Sunwoda regards intelligent manufacturing technology as a critical driver for product quality upgrades. Through the integration of advanced information technologies and manufacturing technology, the Company has achieved automation, intelligence, and efficiency in the production process.

Drawing on over 20 years of experience in the manufacturing industry, the Company has developed the "ABCDEFG" seven major intelligent manufacturing technologies and established an advanced manufacturing architecture. With its intelligent manufacturing platform as the core, Sunwoda enables deep interaction between multiple platforms and systems, successfully creating an ecological platform that integrates industrialization and informatization, providing solid support for intelligent manufacturing.



Building on its practical implementation experience, Sunwoda has constructed a distinctive digital value chain ecosystem founded on the eight core technologies of "Internet + Internet of Things + Big Data + Cloud Computing + AR/VR + AI + Digital Twin + Blockchain". This system, centered on smart production chains, smart R&D chains, and smart supply chains, forms a tripartite end-to-end system that helps the Company build world-class intelligent factories and explore intelligent and advanced solutions for the industry.

In 2024, Sunwoda applied digital and intelligent empowerment across multiple business operations. In R&D, the Company deployed FMEA (Failure Mode and Effects Analysis) and integrated digital tools into R&D project management, significantly improving R&D efficiency. In the production process, the Company launched an advanced Warehouse Management System (WMS) and, at the same time, promoted the co-creation and application of a Manufacturing Execution System (MES) for digital management in processing, improving equipment processing precision, production efficiency and product quality. In the supply chain management, the Company integrated advanced planning and scheduling concepts and technologies into supply chain management, achieving automation, intelligence, and collaboration in planning through digital means, improved planning accuracy and execution efficiency.

In addition, the Company has achieved the integration of business systems and the construction of data models. By integrating over 50 operational systems and consolidating previously fragmented data across various business segments, Sunwoda has developed over 500 data model assets. These data models provide comprehensive and accurate data support for the Company's decision-making, enabling data-driven business operations and management optimization.

Leveraging AI and digital tools, the Company has built a big data-driven intelligent tuning self-learning system for production equipment, as well as an industrial knowledge management platform based on AI large models and knowledge graphs. These innovations have been implemented in the lithium-ion battery intelligent manufacturing production line, facilitating data-driven predictive maintenance. Through strategic deployment across operations, AI technologies have driven significant improvements in quality and efficiency across the Company's operations.

Big Data-Driven Intelligent Tuning Self-Learning System

Case

In 2024, Sunwoda introduced a big data-driven intelligent tuning self-learning system for production equipment. During the product development phase, the Company established a monitoring system for equipment parameters and product quality data. This system employs reinforcement learning algorithms to train intelligent agents capable of autonomous tuning operations. Additionally, it ensures coordinated parameter settings among different workstations, equipment, and production lines, ensuring the efficient and stable operation of the entire production system.

Industrial Knowledge Management Platform Based on AI Large Models and Knowledge Graphs

Case

In 2024, Sunwoda established an industrial knowledge management platform based on AI large models and knowledge graphs. This platform integrates intelligent recommendation systems and large model technology, enabling rapid analysis of historical data and real-time feedback, efficiently generating process plans that accelerate product development.

Moreover, Sunwoda employs digital intelligence to support the overall operation and maintenance. The Company is building an industrial internet operating system and promoting smart park projects.

Promoting Smart Park Projects

Case

In 2024, Sunwoda advanced the construction of its smart park projects. The Company has established a 3D visualized digital twin system for the parks, achieving comprehensive monitoring and management of key functions such as security, energy efficiency, traffic, environment, assets, and facilities. This project supports intelligent, refined, and efficient management, and enhances security monitoring.

Information Security and Privacy Protection

ISO 27001 Information Security Management System Certification

German TISAX Certification

Passed Level 4 Assessment of Network and Information Security Module

Sunwoda attaches great importance to information security management and insists on internalizing external regulations to ensure compliance. The Company has established an Information Security Committee, which serves as the highest decision-making body for information security and is chaired by the Chairman of the Board. To ensure comprehensive coverage of information security management, the Company has decentralized the security organizational structure of each business department and subsidiary. This structure clarifies responsibilities at all levels, ensuring systematic and effective information security management. In 2024, Sunwoda continuously refined its five-year strategic plan for information security, setting information security management requirements based on its own business situation and operational strategy, and optimizing multiple group security management systems to safeguard information security. Additionally, Sunwoda expanded its information security governance framework to include two additional entities: Sunwoda Vietnam and Zhejiang Xinwei Electronic.

The Company has also optimized and adjusted its early warning and response measures for personnel, processes, and equipment from the perspectives of data leakage prevention and network threat mitigation. These improvements achieved comprehensive reinforcement of security policies and formed a comprehensive defense-in-depth architecture to enhance the Group's overall security posture. Furthermore, Sunwoda actively supports the information security network development at Sunwoda Vietnam, Zhejiang Lixin, and Winone Pujiang Industrial Park to ensure operational resilience across the Company's expanding business footprint.

In privacy protection, Sunwoda continuously follows up on regulatory and customer requirements and improves privacy protection processes, privacy notices, and other related standards to ensure comprehensive implementation in related business systems. The Company has formulated the *Privacy Protection Management Regulations* to standardize privacy protection related to data collection, storage, use or processing, deletion, destruction, and cross-border storage and provision of personal information in its domestic and overseas operations.

In 2024, Sunwoda successfully passed the ISO27001 information security management system surveillance audit, with 13 operational sites achieving certification. During the reporting period, the Company expanded its certification scope to four additional subsidiaries: Xinwei Intelligence, Superstar, PTL, and Xinwei Electronic, further enhancing the information security awareness of all employees and the Company's management capabilities.

2024

8 Time(s)
Information security training

430 Person(s)
Participant No.

7,669 Person(s)
Assessment exam

17 Article(s)
WeChat blog

21,220 Person(s)
Article views

Information Security Defense Strategy

To better protect information security and safeguard customer privacy, Sunwoda actively implements a comprehensive information security protection system built upon two complementary pillars: security awareness cultivation and security device interception. This multi-layered approach integrates awareness with hardware to create a robust information security framework.

On one front, the business departments of the Group actively carry out information security training focused on software development security and email security. These initiatives employed diverse forms such as email delivery, micro-learning videos, assessment exams, Wechat official account blogs, information security week activities, offline training, and empowerment activities. This multi-channel approach delivers information security knowledge and concepts to every employee, continuously enhancing information security awareness.

On the technical front, Sunwoda effectively intercepted external attacks with advanced security equipment and an efficient response mechanism when facing external network threats, ensuring data security and business continuity. In 2024, the Company successfully blocked 2 external network attack incidents through security equipment. There were no incidents of business system breaches or successful attacks throughout the year.

Cyberattack Prevention by Lanxi Network Shield Operation in 2024 Case

In July 2024, Sunwoda detected large-scale scanning and vulnerability exploitation attacks initiated from external sources during routine security monitoring. The attacks were successfully blocked through real-time monitoring and identification, interception by security equipment, and multi-system coordination of perimeter defense devices and perception devices. Follow the incident, analysis and remediation were conducted to strengthen overall information security capabilities.

Product Quality and Safety

Sunwoda highly values product quality and safety. By establishing quality management systems and processes, strengthening hazardous substance management, and promoting a quality-oriented culture, the Company enhances its product competitiveness and cultivates a positive corporate social responsibility image.

Quality Management System

In 2024, Zhejiang Winone, Zhejiang Sunwinon, and Shenzhen Intelligent Industry obtained ISO 9001 and QC 080000 system certifications.

Sunwoda is dedicated to providing customers with products and services of excellent quality. From raw material procurement and production to finished product inspection, strict standards are implemented at each link. A comprehensive quality management system has been established to achieve zero quality-related product recalls and major production safety incidents. The Group, by introducing advanced quality concepts and management tools, forming professional teams, conducting training audits, and optimizing management processes, has established a sophisticated quality management framework. A Quality Center has been set up as the dedicated management body for product quality, undertaking the group's sustainable development goals, responsible for the construction, operation, and quality-related work of the Company's quality system to ensure its efficient operation and systematically control quality-related risks. These measures effectively reduce product defect rates and enhanced product stability and reliability, provide high-quality products to customers, and establish a strong brand image.

The Company has established a comprehensive product quality management system and regularly revises relevant regulations to align with actual management needs. In accordance with the *Quality & HSF Manual and the Internal Audit Management Regulations*, Sunwoda conducts an annual comprehensive internal audit of the quality management system to promptly identify issues and take corrective actions. The Company's ISO 9001/IATF 16949 Quality Management System certifications cover 100% of its mature production bases, while the IECQ QC 080000 Hazardous Substance Process Management System covers 100% of its mature production bases in the consumer electronics and smart hardware sectors.

Quality Management System

Quality-driven decision-making

To achieve intelligent quality control decision-making through the QMS platform

Quality analysis

SPC management, Real-time monitoring

Quality data collection and analysis, KPI management

Quality control / data collection

Supplier quality management	Incoming material quality	In-process quality	Finished product quality	After-sales system	Data correlation
• Supplier delivery report • Supplier monthly performance • Supplier 8D report • Claim records	• Inspection standard maintenance • Incoming inspection • Overdue inspection • Non-conformance review	• First article • Quality patrol inspection • Drop-in testing • Nonconformity review	• Outgoing inspection • Product hold/ quarantine • Return inspection • Nonconformity review	• Customer complaint ledger • Customer return ledger • Major quality incidents	• OA: Review results • ERP: Delivery note / Supplier / Customer information • MES: Work orders, Shipping information, Process records • Dispatch: Receiving information

Quality improvement

Customer complaint 8D analysis

Corrective and preventive actions statistics

Basic support

Standard management	Equipment and gauge management	Inspection data upload	Infrastructure
• Material standard management • Sampling plan configuration • Defect code management	• Equipment and gauge ledger • Measurement System Analysis (MSA)	• QC Equipment data • IPQC Equipment data • QA Equipment data	• Data source:Data interconnection • Auto fetch: Automatic data acquisition • Decision rules: Rule maintenance • Auto alert: Decision mechanism

Quality Management Process

The Sunwoda Quality Center team's project was awarded the "Demonstration-level Prize" at the 2024 "China Quality Innovation and Quality Improvement Achievement Exchange Series" event.

Sunwoda has established a comprehensive and mature management system and processes. Through the daily management mechanism of 'three rates' (completeness rate, improvement rate, and compliance rate), the Company conducts in-depth analysis of various processes. The Company identifies key improvement measures based on pain points in operations and establishes a dedicated inspection team at the operational level to conduct on-site special inspections and standard teach-ins. This enhances employees' compliance with standards and processes and on-site management capabilities.

Sunwoda has independently developed a Quality Management System (QMS) to improve efficiency and standardize quality management. This system enables the recording, statistical analysis, and traceability of quality data throughout the entire lifecycle, facilitating efficient digital management and providing strong support for future big-data-driven quality alerts.

Targeted Quality Management Initiatives

Sunwoda consistently implements Lean Six Sigma and QCC initiatives to improve product or business processes comprehensively, achieving significant enhancements in process efficiency, quality, customer satisfaction, and financial performance.

Six Sigma Training

Case

In 2024, Sunwoda conducted Six Sigma training to enhance employees' skills and quality and improve the Company's quality management. 495 employees participated in the Yellow Belt training, with a total duration of 84 hours. 371 employees participated in the Green Belt training, totaling 216 hours. Additionally, Sunwoda organized approximately 250 capability-building and coaching sessions, strongly supporting project implementation.

2024

0 RMB

The amount involved in major safety and quality liability accident damages related to products and services during the reporting period

0 Time(s)

Number of product recalls due to quality issues

QCC (Quality Control Circle) Activities

Case

In 2024, Sunwoda deeply implemented QCC activities through three approaches of project initiation, capability-building and coaching, and presentation competitions, achieving remarkable results. The Company submitted a total of 495 projects throughout the year, with 494 closed, achieving a closing rate of as high as 99%. 114 capability-building and coaching activities were carried out throughout the year, totaling 403 hours and 3,131 participants. Through QCC activities, it is expected to achieve financial benefits of RMB 37.5 million.

Regarding presentation competitions, the Company successfully held the 13th and 14th Group QCC Presentation Competitions, covering 4 sessions for team leaders and engineers, and organized 27 internal presentation competitions within the business units.

Hazardous Substance Management

Sunwoda continuously strengthens hazardous substance control across the entire value chain. The Company has established relevant systems, including the *Hazardous Substance Management Regulations*, the *Technical Standards for Environmental Management Substances*, and the *HSF Risk Assessment and Management Regulations*, which provide detailed regulations and guidelines for hazardous substance management in processes such as raw material procurement, new product development, production, packaging, storage, and transportation, ensuring that product quality meets regulatory and customer requirements. During the reporting period, the Company revised these documents to better align with actual management needs.

In material certification, Sunwoda actively implements hazardous substance control and conducts risk assessment and review of material hazardous substance compliance through the GPCM system.Only after the review is passed can the material be used in the product to ensure the safety of product hazardous substance control.

New material introduction management

During the new material introduction phase, the Company reviews whether new materials meet the hazardous substance management requirements of Sunwoda's *Technical Standards for Environmental Management Substances*. Non-conforming materials are prohibited.

Imported material management

For imported materials, the Company regularly conducts sampling inspections to ensure compliance.

Auxiliary material management in production

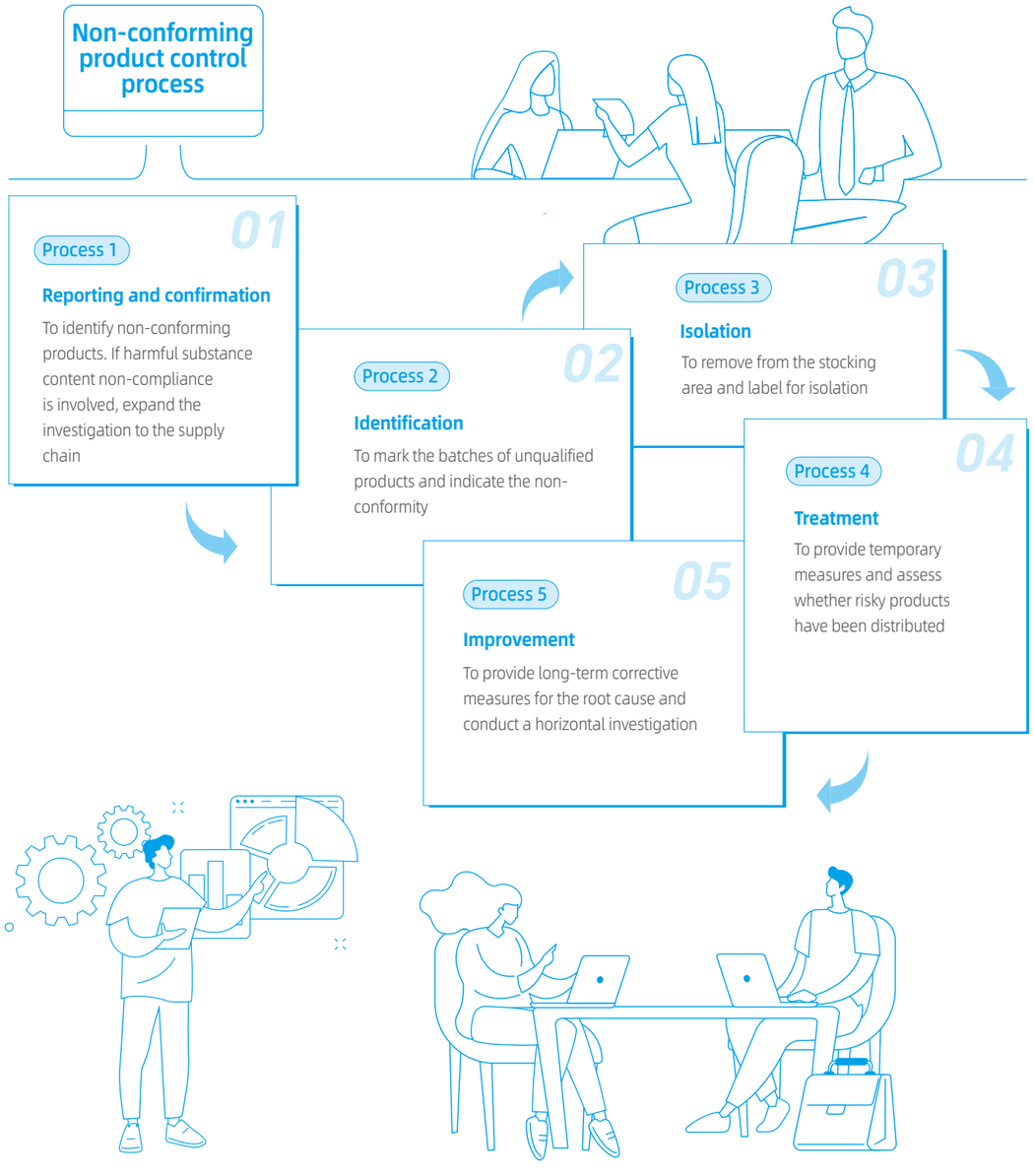
Sunwoda reviews the compliance of hazardous substances in product auxiliary materials used in the production process and conduct regular sampling tests during use.

Non-conforming material treatment

Once materials that do not comply with hazardous substance control are found during the production, the Company will immediately stop using the material and quarantine inventory, work-in-progress and finished products. If it involves client-end products, Sunwoda will immediately execute the product recall procedure. For suppliers with non-compliance environmental incidents, their performance for the month will be rated as D. Before the implementation of relevant improvement measures, the introduction of new products from such suppliers is prohibited.

Non-Conforming Product Control

Sunwoda establishes a non-conforming product control process to manage product quality strictly. During the reporting period, Sunwoda did not experience any product recalls due to product quality issues, nor did it face any penalties from regulatory authorities for violations of laws and regulations related to product and service quality and safety.



Fostering a Culture of Quality

Sunwoda is committed to fostering a comprehensive and in-depth quality-oriented culture and atmosphere through multi-dimensional initiatives. During the reporting period, the Group comprehensively advanced the construction of quality-oriented culture from five major aspects: quality culture promotion, multidimensional cultural activities, quality specialized training, quality improvement competitions, and quality brand building. The integration of quality concepts and culture with Sunwoda's business strategy was deepened, promoting the Company's quality culture construction and supporting the sustainable development of the Company's operations.

Dimension	Content	2024 Actions and Performance
Quality culture promotion	Creating a strong quality-oriented culture through diverse promotional methods	The Company designed 120 promotional materials, covering various forms such as online promotions, posters, and videos. It distributed 28 sets of staircase slogans, 30 poster frames, and 46 banners to various business units to ensure a company-wide promotion of a quality-oriented culture. Additionally, Sunwoda published 20 official WeChat posts and promotional posters related to quality and safety, with over 170,000 cumulative views.
Multidimensional cultural activities	Quality Month event Quality Star selection	Sunwoda successfully held the Quality Month event themed "Strengthening Quality Support and Building a New Corporate High Ground".
Quality specialized training	"Quality Knowledge Lecture" "Morning Star Quality Knowledge Training Series"	The Company conducted the "Quality Knowledge Lecture" and other related training sessions, with a total of 6 sessions and 1,627 participants. The Company conducted the "Morning Star Quality Knowledge Training Series" with a total of 3 public classes and a cumulative training attendance of 268 people.
Quality improvement competitions	The 4th Proposal Improvement Rating Conference The 2nd Supplier QCC Presentation Conference	A total of 572 proposal improvement activities participated in the 4th Proposal Improvement Rating Conference. 27 projects from 20 suppliers participated in the 2nd Supplier QCC Presentation Conference.
Quality brand building	2024 Shenzhen Quality Management Team/Quality Trustworthy Team Experience Exchange Meeting	*Reducing the Charge/Discharge Defect Rate of the D8X Project Battery* won the gold award. The paper *Developing a New Device for Battery Leakage Detection to Reduce Labor Costs* was awarded the Silver Prize.

Quality and Safety Month Event Successfully Held

Case

In 2024, Sunwoda held a Quality Month event themed "Strengthening Quality Support and Building a New Corporate High Ground". During the Quality Month, the Company organized a series of quality-related activities. Among them, the online quality knowledge quiz attracted 6,935 participants, an increase of 74% compared to last year. The 6th Quality Competition saw 8,357 participants, a year-on-year increase of 89%. Additionally, Sunwoda promoted and popularized quality-related videos, with 35 videos themed with quality science popularization, knowledge transfer, tool application, topic sharing, and cultural promotion, as well as 25 outstanding works from the quality-related short video contest. On the "Quality Intelligent Charging Station", Sunwoda's senior executives took the lead in studying quality and safety-related learning materials.

Quality Knowledge Lecture

Quality competition

Quality Month poster

Quality Knowledge Lecture

04

PARTNERSHIP

People-Oriented, Shared Prosperity

Sunwoda prioritizes the wellness and health of "people", adhering to a people-oriented approach and considering the growth and development of employees as the cornerstone of corporate management. The Company promotes responsible supply chain management and collaborates with partners from all sectors of society to empower each other and jointly carry out sustainable cutting-edge practices. Additionally, as a corporate citizen committed to social responsibility, Sunwoda is deeply involved in public welfare and widely carries out charitable actions to create shared value for the whole society.

Key ESG Topics in this Chapter:

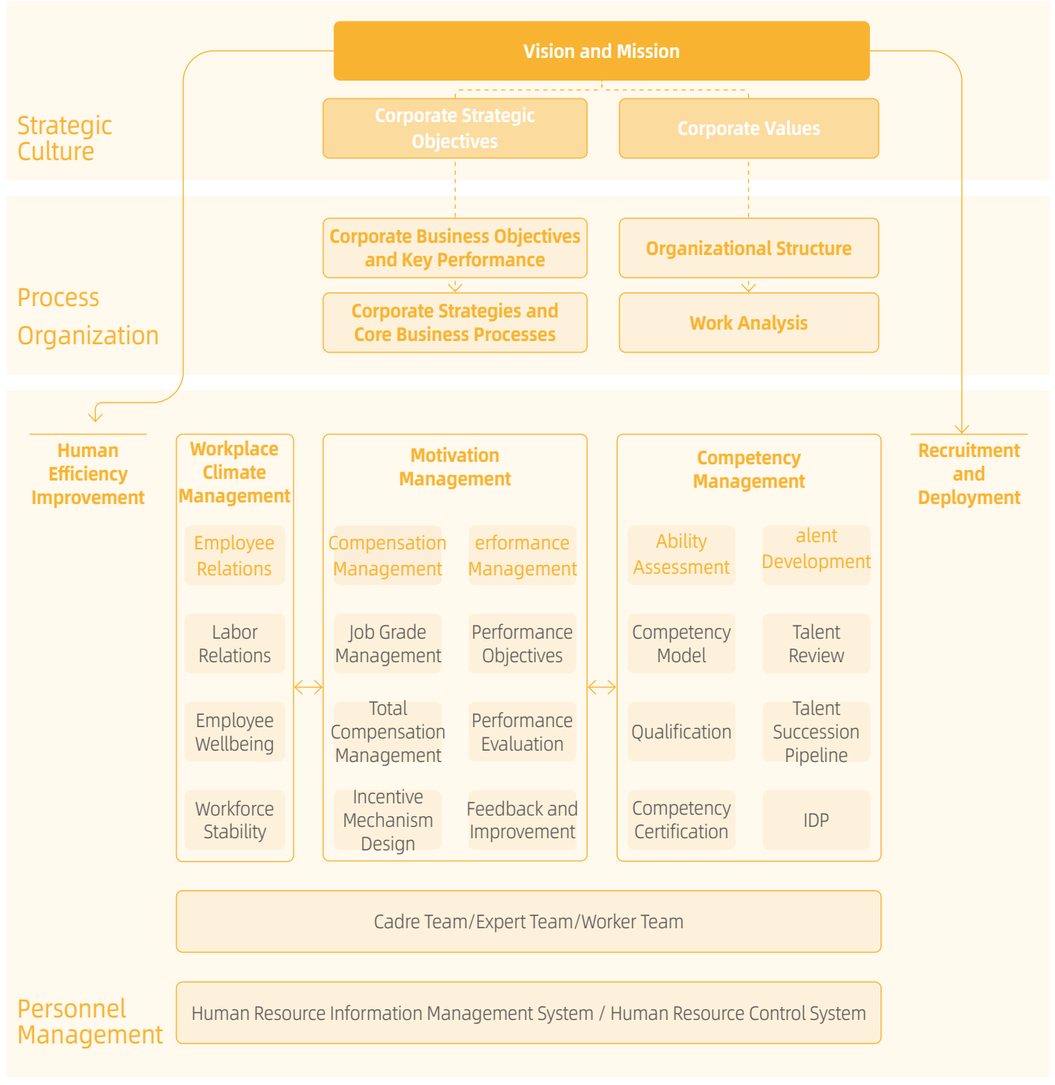
- Talent management and development
- Occupational Health and Safety
- Responsible supply chain management
- Industry cooperation
- Rural revitalization and social contribution

Response to SDGs:

Cultivating a Vibrant Workplace

Sunwoda adheres to a "people-oriented" management philosophy and has established a Human Resources Center to continuously strengthen talent development and management, with the goal of achieving industry-leading key stakeholder satisfaction in alignment with the Company's vision and mission. The Company adopts the compensation management system and performance management system as leverage to stimulate employees' value-creation capabilities. The Company uses the competency management system to drive employees' capability enhancement and career development. A healthy and happy work environment is built through diverse employee engagement activities. Through comprehensive talent management activities, Sunwoda promotes human capital growth and the achievement of its vision and mission.

Human Resource Management Strategic System



Employees Rights and Interests Protection

Sunwoda always prioritizes the protection of employees' rights and interests, standardizing management in areas such as recruitment and dismissal, compensation and benefits, working hours and holidays. The Company has established diverse democratic communication channels to listen to employees' voices and effectively safeguard their legal rights and interests.

Responsible Employee Framework

Sunwoda is committed to building a legal, fair, and inclusive employment management system, strictly adhering to the *Labor Law of the People's Republic of China,* the Labor Contract Law of the People's Republic of China, and other laws and regulations. Sunwoda continuously formulates and improves its human resource management system and various employment protection mechanisms, respecting and safeguarding employees' legal rights and interests. During the reporting period, Sunwoda achieved a 100% labor contract signing rate.

Sunwoda consistently maintains ethical hiring practices, pledging to comply with the core conventions of the International Labour Organization while safeguarding employees' labor and human rights. The Company prohibits the employment of child labor, forced labor, human trafficking, and slavery. The Company has established regulations for *Child Labor Rescue, Juvenile Workers, and Female Employees Protection,* with a strict recruitment review mechanism to ensure the elimination of child labor and underage workers, reinforcing employment compliance at the source and maintaining zero tolerance for forced labor.

In addition, Sunwoda has formulated and strictly implemented the *Attendance Management Regulations*, standardizing the overtime approval process, and strictly adhering to the national statutory working hours and holiday regulations, thereby safeguarding employees' rights to rest and leave. The Company has established the *Management Regulations on Reward and Penalty,* clarifying the rules for employee misconduct related to professional conduct, personal behavior, attendance, and moral conduct, standardizing employee behavior, and establishing an appropriate and positive value orientation.

Diversity and Equality

In 2024, Sunwoda was honored with the provincial and municipal employment base for people with disabilities recognition.

Sunwoda is committed to creating an equal, diverse, and innovative work environment, with zero tolerance for any discrimination, striving to build a corporate culture based on honesty, mutual trust, and inclusiveness. In recruitment, compensation, training, promotion, and other aspects, the Company strictly follows the principles of fairness and justice. Sunwoda resolutely eliminates discrimination or unfair treatment of employees based on age, disability, ethnicity, gender, marital status, nationality, political affiliation, race, religion, or union membership. The Company ensures equal pay for equal work, effectively safeguarding employees' legal rights and interests and creating a diverse, equal, and fair workplace.

In protecting the rights and interests of vulnerable and underrepresented groups, Sunwoda has established welfare policies for employees with disabilities and offers targeted support activities during important holidays. For female employees, the Company carries out various types of care activities to safeguard their rights and interests.

By Gender Person(s)	Male **37,645**	Female **16,647**				
By Age Person(s)	Under 30 **27,454**	30-50 years old **25,976**	Over 50 **862**			
By education background Person(s)	Below associate's degree **32,313**	Associate **9,974**	Bachelor **9,550**	Master **2,308**	PhD **147**	
By professional discipline Person(s)	Production **36,856**	Technical **8,389**	Adminis-trative **7,961**	Sales **755**	Finan-cial **331**	

Female Care Initiative

Case

In 2024, Sunwoda's trade union carried out several innovative initiatives to promote the protection of female employees' rights. It collaborated with the Guangming District Federation of Trade Unions to provide free breast and cervical cancer screenings for female employees. Meanwhile, on International Women's Day, activities such as online raffles and DIY craft courses were organized based on the differing needs of female employees in production lines and functional departments. These services and activities ensured the physical health of female employees, enriched their work-life experiences, and enhanced their sense of happiness and belonging.

Breast and Cervical Cancer Screenings


Handicraft DIY Activities


Flower Delivery Activities on the Production Line

Care for Employees from Vulnerable Groups

Case

In 2024, Sunwoda continued to support for employees from vulnerable groups. Sunwoda collaborated with the China Disabled Persons' Federation to donate necessary living items to disabled employees. At the same time, the Company arranged psychological counselors to offer mental health counseling for employees with disabilities. These measures facilitated better workplace integration and quality of life improvements for affected personnel.

Through a needs-based assessment framework, Sunwoda delivers customized support plans for employees with disabilities. This targeted approach ensures optimal resource allocation while demonstrating the Company's commitment to precision care for special needs groups.

Compensation and Benefits Framework

As of the end of the reporting period

The coverage rate of the "five social insurance and one housing fund" for the Company's regular full-time employees was **100%**, and the coverage rate of commercial insurance was also **100%**.

Sunwoda strictly complies with relevant national laws and regulations and has formulated the Remuneration and Benefit Management Regulations. The Company has established a scientific performance management system combining objective-based management with a dual evaluation mechanism that integrates key performance indicators with core competency capabilities, optimizing the compensation management system. In 2024, Sunwoda updated its compensation and benefits management policy, enhanced employee welfare standards, strengthened the incentive mechanism, and promoted talent retention.

Base salary	Variable pay	Long-term incentives
Position-based pay	Performance bonuses, commissions, project bonuses, quarterly bonuses, overtime compensation, year-end bonuses	Shares, options, dividend rights, etc.

Sunwoda offers a comprehensive benefits system governed by its Remuneration and Benefits Management Regulations and the Management Regulations on Social Security and Housing Accumulation Funds, ensuring the system's fairness and transparency. The Company's comprehensive framework extends to all full-time employees and contract workers, ensuring equitable access to high-standard benefits that significantly improve employee satisfaction. Sunwoda fully covers the national statutory five social insurance and one housing fund for full-time employees, as well as commercial insurance including accident insurance and life insurance, ensuring that employees enjoy stable social security. For special groups such as interns and re-employed retirees, Sunwoda provides commercial insurance such as accident insurance and life insurance to effectively safeguard the legal rights and interests of workers and comprehensively protect employees' health and safety.

Statutory Benefits	Five social insurance and one housing fund	Full coverage of pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident fund
	Statutory holidays	Statutory holidays and paid leave in accordance with national regulations

Sunwoda also provides all regular employees with diversified non-salary benefits, such as:

Non-statutory benefits	Department benefits	Monthly budget	Monthly discretionary activity budget allocated to the department
		Year-End celebration fund	Funds for year-end appreciation events or celebrations
		Travel fund	Annual travel activity funds for the department
	Personal benefits	Holiday benefits	Gifts or subsidies for festivals such as Spring Festival and Mid-Autumn Festival
		Commercial insurance	Additional commercial insurance for employees
		Diverse subsidies	Multi-faceted allowances structure including night shift allowances, accommodation allowances, catering allowances, seniority allowances, and more than ten other items
		Annual health check-ups	Annual health check-ups for employees
		Performance rewards	Merit-based incentives for employees demonstrating exceptional contribution
		Housing and commuting support	Housing subsidies, transportation subsidies, etc.
		Specialized talent retention benefits	Housing for talents, government subsidies, etc.

Highlighted Performance

The Company's equity incentive has coverage of core personnel

86%

In addition, Sunwoda continues to refine its mid- and long-term incentive mechanisms. In 2024, Sunwoda stepped up the equity incentives. During the reporting period, the Company introduced a Type II restricted shares plan, granting 14.5933 million shares to 726 employees. The Company has completed the stock incentive plan with 981,000 shares to 642 employees.

Democratic Management

Sunwoda has established and strictly implemented internal governance frameworks such as the Management Regulations on Freedom of Association and Collective Bargaining of Sunwoda and the Management System of Sunwoda Workers' Representatives Convention. The Company is committed to strengthening the democratic supervision mechanism, and respects every employee's right to freely form and participate in trade unions and engage in collective bargaining, effectively safeguards employees' legitimate rights and interests.

Sunwoda ensures smooth communication between employees and management through Workers' Representatives Convention, employee dialogue forums, employee reception days, etc. The Company regularly convenes the Workers' Representative Convention according to established procedures, with significant issues undergoing democratic decision-making processes followed by public disclosure. During the reporting period, Sunwoda held 120 employee dialogue sessions and 30 employee reception days, collecting 300 suggestions from dialogue sessions. To address these issues, the Company prioritized these concerns through systematic categorization and analysis, clarifying the nature of the problems and the responsible departments and following up on their resolution.

Collective agreements were formed through processes such as topic collections and discussions, coordination between labor and management, convening the Workers' Representatives Convention for deliberation, signing, public disclosure, and regulatory filing. These agreements explicitly address issues closely related to employees' rights and interests, like employee compensation, insurance and benefits, and labor safety and health. In 2024, the Company initiated the Workers' Representatives Convention, where participants signed the updated collective contract. During this period and in the future, if there are adjustments to policies, regulations, or internal rules, Sunwoda would promptly initiate collective bargaining to ensure the continued adaptability and effectiveness of the agreement.

The First Session of the 2nd Workers' Representative Convention

Case

In December 2024, Sunwoda held the The First Session of the 2nd Workers' Representatives Convention in order to implement the democratic management mechanism. One of the primary agendas was to sign the collective bargaining agreement and deliberate on multiple issues related to employees' rights and interests, such as reward and punishment management regulations, safety reward and punishment management details, and the reform plan for Sunwoda employee catering.

Signing of the collective agreement

On-site voting

During the reporting period

100%
Labor dispute settlement rate

100%
Mediation success rate

Sunwoda fully respects and supports all legal forms of group activities organized by employees, without any interference. The Company embraces a "people-oriented" approach by optimizing communication channels for employees and improving its formal grievance resolution system. Sunwoda has set up a union hotline at 51880, allowing employees to provide feedback and seek assistance conveniently. The Company has also established a specialized team for employees to facilitate independent third-party grievance resolution when necessary.

Formal grievance resolution channels

Online channels
- Employee wellbeing system
- OA
- Enterprise WeChat

Team communication channels
- Panels
- Employee Reception Day

Offline channels
- On-site grievance mechanism
- Phone
- Email
- Mailbox

Sunwoda attaches great importance to employee satisfaction and dedication. The Company conducts dedication/satisfaction surveys every year to comprehensively evaluate employee engagement from multiple dimensions, such as compensation and recognition, leadership effectiveness, professional development opportunities, and culture alignment, providing data support and decision-making basis for continuously optimizing human resource management and enhancing employee happiness and satisfaction. In 2024, the survey score reached 4.25 on a 5-point scale. The Company will continue to track engagement and satisfaction performance, taking proactive improvement measures to create an increasingly positive and inclusive workplace environment for employees.

Staff Training and Development

2024

Campus recruitment hired
905 employees

Campus recruitment increase compared to the previous year
137% ↑

Recruitment of people with disabilities
202 job opportunities

Veteran recruitment sessions participated
2 sessions

Overseas recruitment sessions participated
3 sessions

Talent Acquisition and Retention

Sunwoda adheres to the principles of "equity and procedural fairness" in its employee recruitment and dismissal processes. The Company employs data-driven workforce planning methodologies to anticipate talent requirements while continuously increasing efforts to attract talent through diversified channels to effectively address future organizational capabilities. Sunwoda's recruitment channels mainly include social recruitment and campus recruitment. Among them, social recruitment is conducted through various methods such as internal referrals, external recruitment platforms, targeted recruitment fairs, talent markets, and outsourcing.

In addition, to align with its global industrial layout, Sunwoda actively promotes local talent strategies in overseas recruitment. In response to the job demands of local industrial parks, the Company has equipped a professional local HR team responsible for talent acquisition to better align with local business needs. For positions that require overseas assignments, Sunwoda adheres to the principle of "adaptability" by recruiting domestically. Once employees are familiar with the relevant work content, they will be arranged for overseas assignments. The Company provides support for employees' integration into the local environment.

Promotion and Assessment

Sunwoda prioritizes talent development and is committed to building a multi-level, structured succession talent framework. During the reporting period, the Company continuously optimized its comprehensive talent architecture, categorizing employees into managerial, professional technical, and operational specialist categories, establishing a unified and smooth career progression pathway, and clarifying a promotion mechanism oriented towards value creation. By establishing a comprehensive evaluation standard that includes ethics, performance, experience, and competency, Sunwoda provides clear promotion guidance for employees. The Company has standardized the promotion appraisal process and established a three-tiered appraisal mechanism at the company, sector, and department levels.

The Company has also established a comprehensive performance appraisal system covering all employees, with monthly, quarterly, and annual assessments. For non-managerial employees, a dual-dimensional appraisal model of "self-assessment + supervisor evaluation" is adopted. Performance ratings and corresponding multipliers are determined using key metrics, including attendance and work indicators, which directly inform variable compensation calculations within the Company's pay-for-performance framework. At the same time, the annual employee assessment adopts a 360-degree evaluation method, comprehensively assessing employee performance throughout the year, rating performance levels, and ensuring that assessment results are closely linked to employee annual awards, promotions, performance bonuses, and other development indicators.

Promotion and Assessment

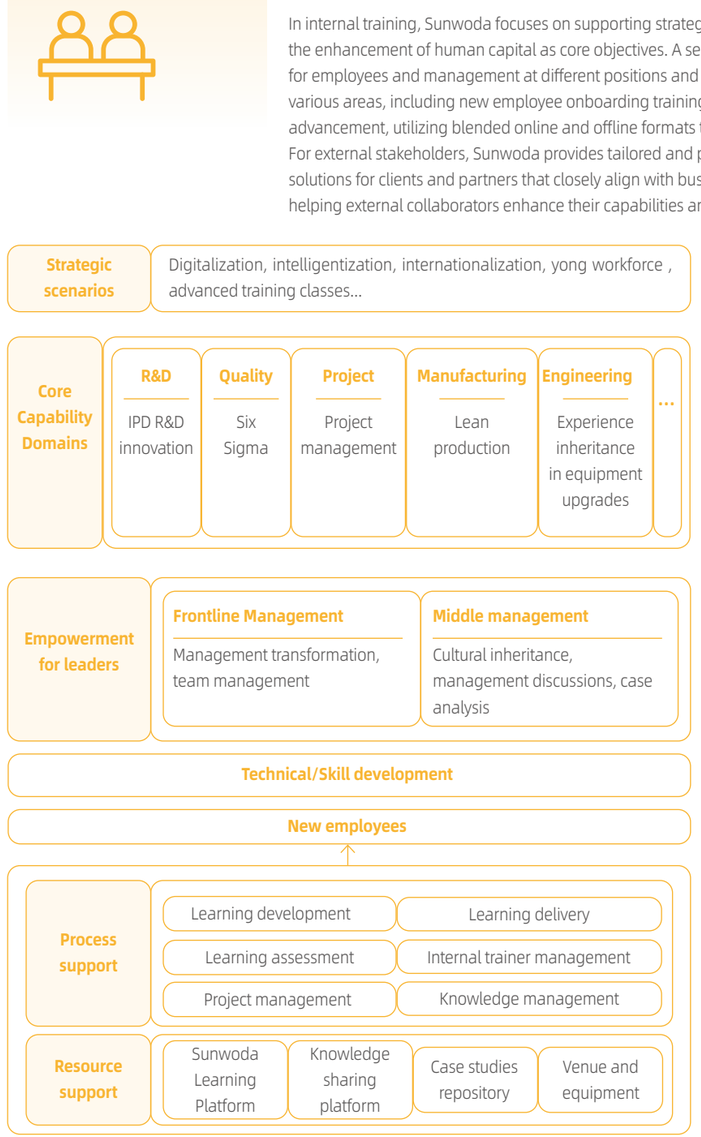
Talent Development System

Employee training coverage rate in 2024:

100%

To better promote the implementation of the Company's overall development strategy and human resources strategy, in 2024, Sunwoda optimized and upgraded the employee training and development strategic planning and empowerment system. This enterprise-wide system encompasses all full-time personnel levels and features targeted capability-building programs, including strategic business acumen, critical competency development, leadership acceleration, technical and functional expertise enhancement, and new employee integration. The framework is supported by optimized processes and resource infrastructure across diverse operational contexts, with particular emphasis on strategic business priorities and high-potential talent development, helping Sunwoda's "strategies" implementation.

In internal training, Sunwoda focuses on supporting strategic implementation, business development, and the enhancement of human capital as core objectives. A series of training programs have been developed for employees and management at different positions and levels. The talent empowerment system covers various areas, including new employee onboarding training, technical proficiency programs, and leadership advancement, utilizing blended online and offline formats to ensure flexibility and effectiveness in training. For external stakeholders, Sunwoda provides tailored and professional technical and management training solutions for clients and partners that closely align with business expansion and customer service strategies, helping external collaborators enhance their capabilities and achieve mutual development.



Learning Platform Development

Additionally, Sunwoda deeply implements its digital strategy, integrating digitalization into the corporate training system, creating a technology-enabled, data-driven learning platform that promotes refined training management and personalized learning paths, thus providing strong support for employee growth and corporate development.

Sunwoda Knowledge Management System and Knowledge Sharing Platform

Case

In 2024, Sunwoda piloted the development of a knowledge management system in the R&D field, accumulating over 30,000 knowledge entries and conducting specialized training covering more than 100 participants. The Company simultaneously launched a knowledge-sharing platform at the group level, working in conjunction with the knowledge management system to enhance the efficiency of knowledge acquisition, sharing, application, and reuse at Sunwoda.

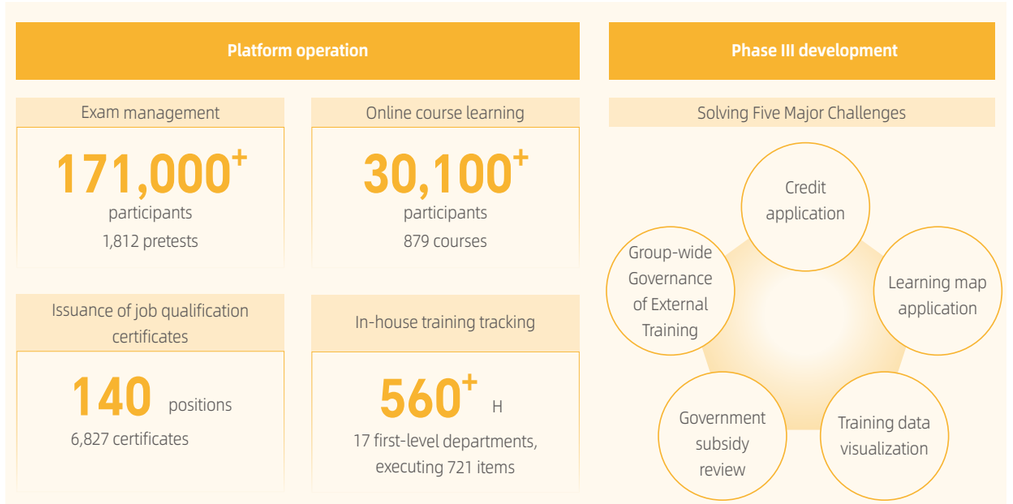

Xindong R&D Knowledge Management Empowerment Conference


Xinwei R&D Knowledge Management Empowerment Conference

Sunwoda Learning Platform

Case

The "Sunwoda Learning Platform" is a learning platform independently developed by Sunwoda, primarily addressing key issues such as customer compliance verification, and information security management through digital training delivery. The third phase of platform development was launched in 2024, adding features such as points management, job learning pathways, and external training. Through these features, the Sunwoda Learning Platform provides employees with a clear growth path, bridging the gap between theoretical learning and practical application and helping enterprises build an efficient learning organization that fully supports business innovation and sustainable development.



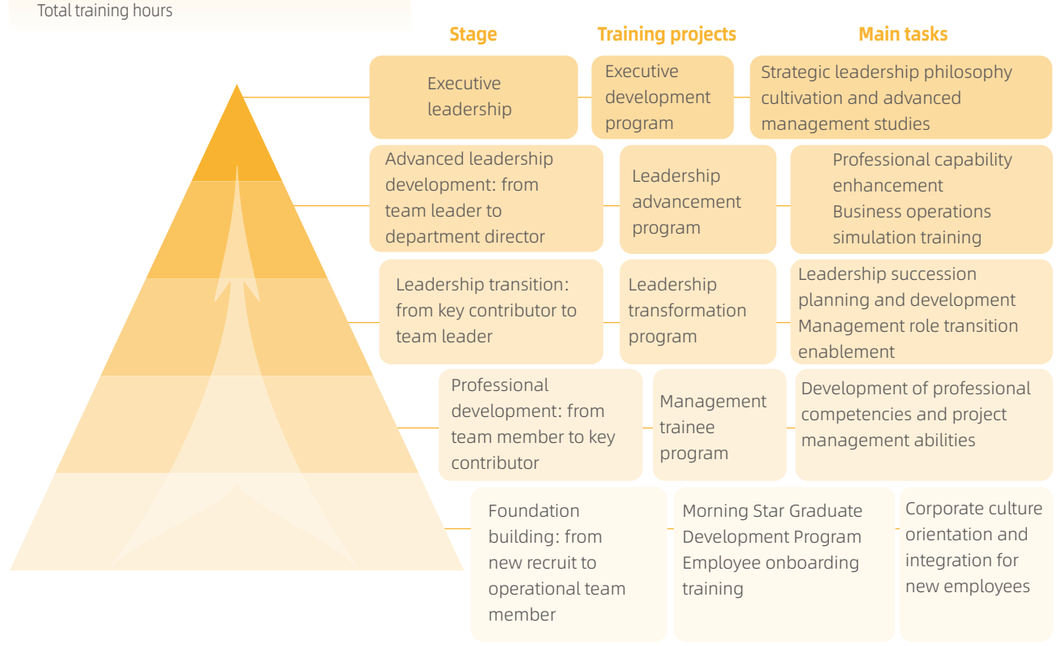
Talent Succession Pipeline

2024

224,117 hours

Total training hours

Sunwoda has established a multi-level training and development plan, establishing systematic leadership development pathways that build a robust talent pipeline while enhancing leadership capabilities throughout the organization.



Stage	Training projects	Main tasks
Executive leadership	Executive development program	Strategic leadership philosophy cultivation and advanced management studies
Advanced leadership development: from team leader to department director	Leadership advancement program	Professional capability enhancement Business operations simulation training
Leadership transition: from key contributor to team leader	Leadership transformation program	Leadership succession planning and development Management role transition enablement
Professional development: from team member to key contributor	Management trainee program	Development of professional competencies and project management abilities
Foundation building: from new recruit to operational team member	Morning Star Graduate Development Program Employee onboarding training	Corporate culture orientation and integration for new employees

First Management Trainee Program Launched

Case

The opening ceremony of Sunwoda's "Management Trainee Program (Phase I)" was held at Longtian School of Shenzhen Xin'an Middle School (Group). This program is a key talent initiative for the company's future development, aiming to select outstanding young individuals, empower their growth through on-the-job practice, mentorship, and systematic training, and entrust them with important responsibilities in the future. Nearly 200 participants, including group executives, mentors, and trainees, attended the ceremony. Vice presidents and above were appointed as mentors, and a traditional apprenticeship ceremony was conducted. After speeches by mentor and trainee representatives, founder Wang Mingwang presented flags to three trainee classes and expressed expectations for the trainees. This program marks a significant step in Sunwoda's talent development strategy, reserving core strengths for future growth.

Trainees Conducted Lanxi Training Integrating Cultural Experience and Professional Learning

Case

Over 100 Sunwoda management trainees underwent a two-day intensive training at the Lanxi Industrial Park. On the first day, participants visited the ancient Youbu Town (1,000-year history) to experience local morning tea culture and enhance teamwork through six check-in point tasks. They then toured Liwei and Lixin Industrial Parks to gain in-depth understanding of full business processes. Evening activities included a running camp promoting healthy work concepts. On the second day, CEO Xiang Haibiao lectured on "Career Planning", systematically explaining career development methods by sharing personal experiences and growth cases. This training combined cultural immersion, operational practice, and professional guidance to accelerate trainee development, injecting new vitality into the company's talent pipeline.

"Morning Star" Graduate Development Program

Case

Sunwoda launched the Morning Star Graduate Development Program, which focuses on cultivating professional awareness as the core of general knowledge and skills and professional technical capabilities centered on job requirements for graduates, enhancing their professional qualities and accelerating their transition from academic to corporate environments.

During the reporting period, 141 people joined the Program. The Company adopts a four-step training model to foster a "star" by strengthening professional skills, enhancing communication abilities, and assisting in discovering and nurturing young talents.

Gold Team Leader Excellence Initiative

Case

The Initiative adopts a training method that combines offline classroom instruction with action learning projects, involving 240 employees across 11 business units, with 11 practical instructors participating, resulting in 107 proposal improvement reports.

Industry-Education Integration Model

Sunwoda deeply practices the strategy of integrating industry and education, guided by industrial demand and merging educational resources with corporate practices. Sunwoda has established a department dedicated to cultivating new craftsmen through practices such as the "Four-Pillar Model" and the "Triple Blue Plans." This integrates industry and education, deeply connecting corporate production standards and technical skill requirements with educational teaching processes, forming a training system characterized by unified standards, resource sharing, and a dual-mentor model. The Company comprehensively enhances the quality of skilled talent training through joint curriculum design, textbook development, and training base construction, providing high-quality, job-ready talent support for the development of industrial chain clusters and creating a win-win new situation for school-enterprise cooperation and skill training.

Four-Pillar Model

Position-Based Standard Setting

The Company develops occupational standards based on the technical skills and professional competencies required by specific job positions or job families, ensuring standards align with actual workplace requirements.

Standard-Based Curriculum Development

The Company collaborates with educational institutions to build integrated industry-education curricula based on established occupational standards, aligning teaching standards with occupational standards, teaching content with industry needs, and teaching processes with production processes.

Curriculum-Informed Instructor Development

Guided by high-quality curriculum requirements, the Company selects and develops a group of highly qualified, specialized, and capable technical experts and educators, empowering both corporate mentors and school teachers, and strengthening its dual-instructor teaching workforce. This emphasizes cooperation with educational institutions to build a dual-instructor team through mutual integration.

Job-Oriented Training Environment Establishment

According to the technical skills and professional qualities required by occupational positions (groups), the Company has established three types of training bases as preliminary and transitional stations for cultivating new craftsmen, solidifying a high-quality and rapid growth platform.

The "Triple Blue Plan" is applicable not only to the preliminary training of interns from vocational secondary schools, technical colleges, and undergraduate institutions but also to the advanced training of technicians, technical staff, and assistant engineers currently employed at Sunwoda. Through strategic partnerships with educational institutions, the Company implements early-stage talent development programs that integrate industry requirements, student career trajectories, and industrial cluster workforce needs. This approach incorporates industry-relevant resources into academic environments through collaborative curriculum development, dual-instructor systems, and joint training facilities, enabling deep engagement from educational institutions, enterprises, and students to achieve synergistic development outcomes. For example, the Lithium Battery Excellence Engineer Joint Training Program with Dongguan University of Technology features a "Three Co-creation Model" where partners jointly develop and implement industry-relevant coursework, co-supervise graduation projects, and collaboratively optimize operational processes, establishing an excellence engineering talent community that pioneers innovative "new craftsman" development methodologies.

Developing Educational Materials Adopted as Official Undergraduate Engineering Curriculum Resources

Case

Sunwoda collaborates with multiple vocational/technical and undergraduate institutions to develop teaching materials and practical training materials, among which five lithium battery-related textbooks, including Introduction to Engineering Thinking and Methods and Materials and Design of Lithium-Ion Batteries, have become standard instructional resources for undergraduate engineering excellence programs.

As a support and expansion of the industry-education integration training model, Sunwoda offers educational advancement opportunities and external certification of professional skill s for all full-time employees, ensuring that all employees have the opportunity to participate, thereby aiding in developing and training more high-skilled talents. At the same time, the Company provides a variety of support methods, through skills competitions, new apprenticeships, and other innovative measures, to strengthen internal publicity and encourage employees to participate in academic qualification improvement and external qualification certification.

Educational Advancement Initiative

Case

To provide employees with broader career development opportunities and improve their overall talent capabilities, Sunwoda partners with several schools to establish pilot classes for the modern apprenticeship system and carry out educational advancement initiative. The Company has collaborated with Shenzhen Vocational School of Continuing Education and Training and Guangdong Communication Polytechnic to establish a dual-system vocational college program. The school-enterprise partnership has jointly built training facilities, conducted dual-instructor training, organized company visits, and produced 13 integrated industry-education textbooks. Meanwhile, the Company has also partnered with The First Vocational Technical School of Shenzhen to establish a Dream Craftsman Class. As of the end of the reporting period, after three years of joint training, 21 individuals successfully graduated from the dual-system vocational college program and obtained nationally recognized credentials, with 18 individuals continuing their employment with Sunwoda, representing a retention rate of 78%.

Dream Craftsman Class


Dual-System Vocational College Program

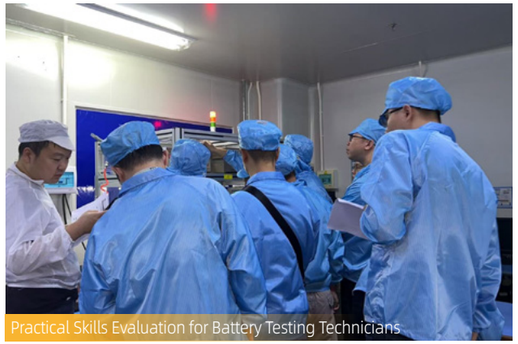
The Company supports and encourages all employees to participate in degree programs and external qualification certification assessments and provides certifications of vocational skill level for multiple positions. For employees who pass the certification, the Company offers corresponding subsidies and rewards to motivate continuous learning and growth.

In 2024, Sunwoda obtained the qualification for independent evaluation of professional titles in lithium battery engineering at the associate professor level and below in Shenzhen, and conducted the first batch of independent evaluation, with 35 individuals being awarded titles. The Company promoted the development of technical and skilled talents, implementing "single evaluation, dual certificates", with 17 individuals obtaining both certificates (professional title certificate and vocational skill qualification certificate).

During the reporting period

A total of **1,193** employees registered for the vocational skill qualification certification, with **1,001** passing, including **5** senior technicians.

Independent Evaluation of Professional Titles

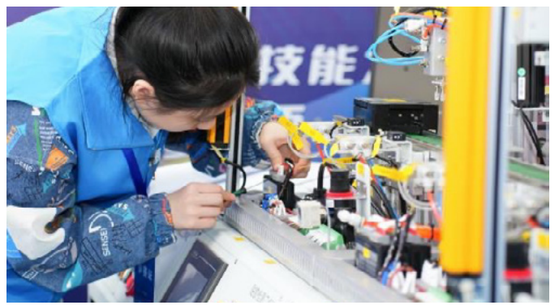

Practical Skills Evaluation for Battery Testing Technicians

Comprehensive Competency Evaluation of Battery Manufacturing Technicians

Theoretical Knowledge Examination for Maintenance Machinists

"Revitalization Cup" Battery Manufacturing Professional Skills Competition

Case



In 2024, Sunwoda hosted the "Revitalization Cup" Battery Manufacturing Professional Skills Competition in Jiangxi Province, providing a platform for employees in the battery manufacturing industry to showcase their skills and engage in learning and communication. This competition has received widespread attention and positive responses from all sectors of society, with a total of 86 participants. The competition focuses on the intelligent operation and maintenance of the smart production line for new energy battery PACK, a typical battery manufacturing process, which aims to assess contestants' comprehensive abilities related to the network planning design, security protection planning, intelligent manufacturing operation and maintenance integration, debugging, data collection and monitoring, security alarm indicators and threshold systems, equipment and production line health assessment, production line working environment early warning, and real-time operation monitoring, as well as their adaptability and professional qualities in practical scenarios. In the end, the contestant from Nanchang Sunwoda emerged as the champion in the employee group.

Modern Apprenticeship Training Program

Case

In 2024, Sunwoda established a new apprenticeship professional skills training program, piloting it in two major business departments and building a four-in-one training system of "online courses + offline theory + practical operation + on-the-job training", with a total of 286 people completing the training.

Employee Wellbeing

Sunwoda has established a "three-in-one" corporate culture communication system, forming a multi-dimensional communication matrix through official WeChat accounts, short video accounts, and the semi-annual publication Sunwoda People. On the cultural dissemination front, the WeChat accounts and video channels deliver weekly high-quality content and monthly themed cultural initiatives to promote corporate culture; while the Sunwoda People publication deepens cultural heritage through its "Craftsmanship Legacy" special edition, showcasing employee excellence.

Additionally, the Corporate Culture Department collaborates with multiple business units to create a cultural promotion matrix through 11 communication sub-programs. Throughout the year, 213 articles were published, generating over 850,000 total views and clicks.

In developing feedback mechanisms, the Company conducted an enterprise-wide corporate culture survey with three assessment dimensions: "concept recognition", "activity engagement", and "environment satisfaction", collecting 5,195 valid responses. By establishing a "request-response-improvement" closed-loop mechanism, employee suggestions were transformed into specific cultural initiatives, indeed evolving corporate culture from "one-way delivery" to "bilateral engagement." This approach builds development consensus through active listening and enhances organizational warmth through continuous improvement.

In 2024, Sunwoda comprehensively launched the "Spring Rain Nurtures Hearts" employee care program, establishing a multi-dimensional humanistic care system. Throughout the year, the Company meticulously organized 28 distinctive activities across 5 major categories, including the sixth "Cultural Festival" showcasing employee talents, the "Innovation Competition" stimulating employee creativity, the "Choral Competition" fostering team resonance, company-wide sports events strengthening team cohesion, and prestigious annual ceremonies and celebrations.

During the reporting period, the Company developed 17 specialized care initiatives, creating a comprehensive care network covering over 50,000 employees across all national industrial parks. Statistics show that total online and offline participation in these cultural activities exceeded 50,000 person-times, with all Sunwoda employees jointly participating in and practicing the corporate culture. This created a vibrant environment where "spring rain nurtures silently, and care touches hearts," effectively enhancing employees' sense of belonging and organizational cohesion.

Catering Supervision Committee

Case

To improve the quality of catering services and ensure that employees can enjoy a healthy, delicious, and safe dining experience, Sunwoda established the Catering Supervision Committee, provided professional training for committee members and supervisors, dedicated to comprehensive supervision and optimization of catering services through a series of measures. In 2024, the Catering Supervision Committee encouraged employees to actively participate in catering supervision and learn more dietary knowledge by conducting activities such as the "Clean Plate Campaign" and hosting the "3rd Chef Competition" .

3rd Chef Competition

Catering Supervision Committee Inspection Visits

3rd Sports Meeting

Case

In 2024, Sunwoda held the 3rd Sports Meeting. The event attracted active participation from employees across various departments. The sports meeting included track and field events, fun events, and team tug-of-war. This meeting not only enhanced employees' physical fitness but also further promoted collaboration and friendship among teams, fostering a spirit of striving for progress.

Cultural Performance

Case

Sunwoda organized internal and external cultural performance activities involving over 60 employees. Through various forms such as singing and dancing, skits, and short plays, the corporate culture was integrated into the performances to enrich employees' recognition and understanding of Sunwoda's philosophy through these diverse expressions. The activity effectively enhanced team cohesion and created a warm and positive working atmosphere.

"Tongxin Cooperation" Series Projects

Case

Targeting employees' children, Sunwoda launched the "Tongxin Cooperation" series projects, including brand activities such as the "Sunshine Youth Growth Camp" and the "Sunshine Youth Summer Camp," actively assist remote employees in overcoming the challenge of childcare during the summer, and provide diverse opportunities for science education and communication to safeguard the healthy growth of teenagers.

- Sunshine Youth Growth Camp

Sunwoda has held the "Sunshine Youth Growth Camp" for three consecutive sessions, inviting employees' children to reunite with their parents at Huizhou Park. During the camp, the Company provides a variety of courses for the children, including summer homework guidance, music, dance, painting, handicrafts, and safety education, caring for the growth and development of the children.

Sunshine Youth Growth Camp

- Sunshine Youth Summer Camp

Additionally, to enrich the summer life of employees' children and enhance employees' sense of belonging and happiness, the Party Committee and the Trade Union of Sunwoda jointly organized the 2024 "Friends with Children" Sunshine Youth Summer Camp, which continued the excitement and fun of previous years, introducing new activities such as safety science education, city exploration, and caring visits to elderly communities. In the caring visits to the elderly communities, children participated in a series of interactive activities, including delivering flowers and gifts, storytelling by elderly party members, singing revolutionary songs, and handcrafts such as fan painting, all to provide care and companionship for the elderly.

Sunshine Youth Summer Camp

Sunshine Youth Summer Camp

Occupational Health and Safety

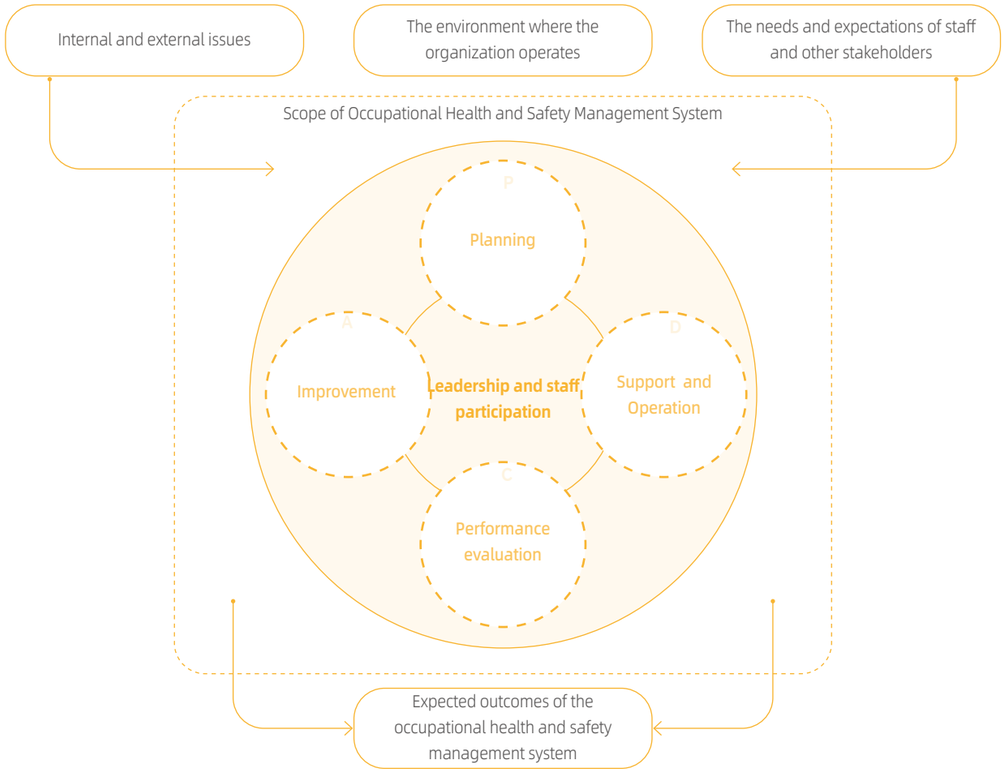
Sunwoda builds a comprehensive occupational health and safety management system and regularly conducts safety training and emergency drills. The Company creates a safety culture atmosphere while strengthening emergency response protocols and occupational disease prevention measures, ensuring that every employee works and grows in a healthy and safe environment.

Improving Management System

Sunwoda strictly adheres to the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, the Fire Protection Law of the People's Republic of China, the Work Safety Law of the People's Republic of China, and other laws and regulations, continuously improving its occupational health and safety management system. The Company has established a PDCA management process for occupational health and safety, continuously improving the quality and efficiency of its management practices. During the reporting period, 25 subsidiaries obtained ISO 45001 Occupational Health and Safety Management System certification.

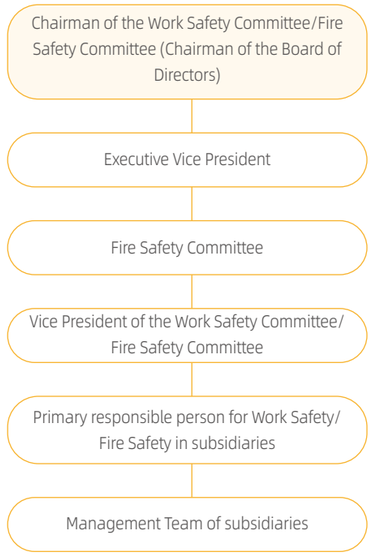
Sunwoda accelerates its digital transformation of work safety by launching the EHS digital platform. This platform features automatic information retrieval and updates and automatic task reminders in the "dual prevention mechanism," "holiday safety control," and "special permits management" modules. In 2024, the Company constantly strengthened smart management and promoted the integration of safety and fire control with AI video monitoring, making significant progress in timely eliminating fire hazards and monitoring road safety and employee misconducts.

In addition, Sunwoda continued to strengthen the occupational health and safety management of suppliers by regularly conducting audits of suppliers' occupational health and safety management systems. During the audit process, if any non-conformities are found with the supplier, Sunwoda will promptly inform the supplier and confirm the issues identified in the audit, ensuring that the supplier has a clear understanding and acknowledgment of the non-conformities. At the same time, the Company will strictly review the corrective actions submitted by the supplier and provide guidance when necessary to assist the supplier in completing the closed-loop improvement.



Work Safety

Safety Management Structure



Sunwoda has established a Work Safety Committee. The Committee is chaired by the Chairman, with the General Managers of each subsidiary serving as the primary responsible persons for work safety. They oversee work safety, fire protection, environmental protection, and other related matters. The Work Safety Committee bears ultimate responsibility for the Company's comprehensive safety management system and is responsible for coordinating and guiding the implementation of work safety efforts across the enterprise.

Sunwoda strictly abides by key national policies, integrates and optimizes about 50 documents related to work safety, including the Environment, Health, and Safety Manual, the Emergency Response and Response Management Regulations, and the Management Regulations for Fire Emergencies, in conjunction with the Work Safety Law of the People's Republic of China and the Company's own situation, to strengthen the standardization of work safety management.

In terms of work safety, Sunwoda has set an overall goal of "prevention first, elimination of potential hazards, implementation of measures, technical safeguards, resolute prevention of major and extremely major accidents, containment of larger incidents and rigorous prevention of mass incidents." The Company formulates corresponding medium- and long-term work safety goals and plans every five years based on actual conditions, and has established an annual work safety goal of zero major production safety accidents. Sunwoda is goal-oriented and is committed to enhancing management efficiency and ensuring work safety by implementing various measures.

The Company links safety performance to performance evaluation. Each month, Sunwoda supervises the safety performance of each subsidiary and ties the quarterly and annual bonuses of general managers and above to safety performance. Monthly performance assessments and quarterly statistics are conducted in accordance with the requirements of documents such as the *Rules on Environmental, Health, and Safety Performance Measurement and Assessment,* the *Management Rules on Work Safety Rewards and Penalties,* ensuring that work safety goals and responsibilities are implemented at all levels.

During the reporting period

Investment in work safety [1]

RMB **3,647.96** ten thousand

Number of major production safety, casualty accidents **0**

Risk Identification and Hazard Identification

Sunwoda conducts a comprehensive identification and update of occupational health and safety risks annually to ensure the timeliness and effectiveness of the management system. When there are changes in processes, equipment updates, or other related changes, relevant risk information will be updated in real time to ensure that risk control measures are always aligned with actual conditions.

2024

Organized safety inspections

4,189

Rectified safety hazards

26,745

To effectively manage work safety, Sunwoda has established a dual prevention mechanism working leadership group and a hidden danger investigation and management system, while regularly organizing comprehensive risk identification and assessment work, organizing the establishment and implementation of dual prevention mechanism for safety risk classification and control and hidden danger investigation and management, identifying the internal risks of the company and establishing the four-color chart of safety risks in each area and the post risk notification card. For the identified risks, the company formulates control measures according to the actual situation to reduce the safety risks.

Sunwoda regards regular safety inspections as a fundamental aspect of safety management, has established a monthly safety inspection system, conducting comprehensive safety audits of production equipment and operating procedures each month. In response to the potential production peak during the holiday period, the Company will organize a comprehensive safety inspection before the holiday to identify risks in advance and ensure production safety during the holiday. Additionally, the Company also conducts special safety inspections and cross-departmental joint inspections, focusing on specific equipment or operational links to thoroughly investigate potential issues.

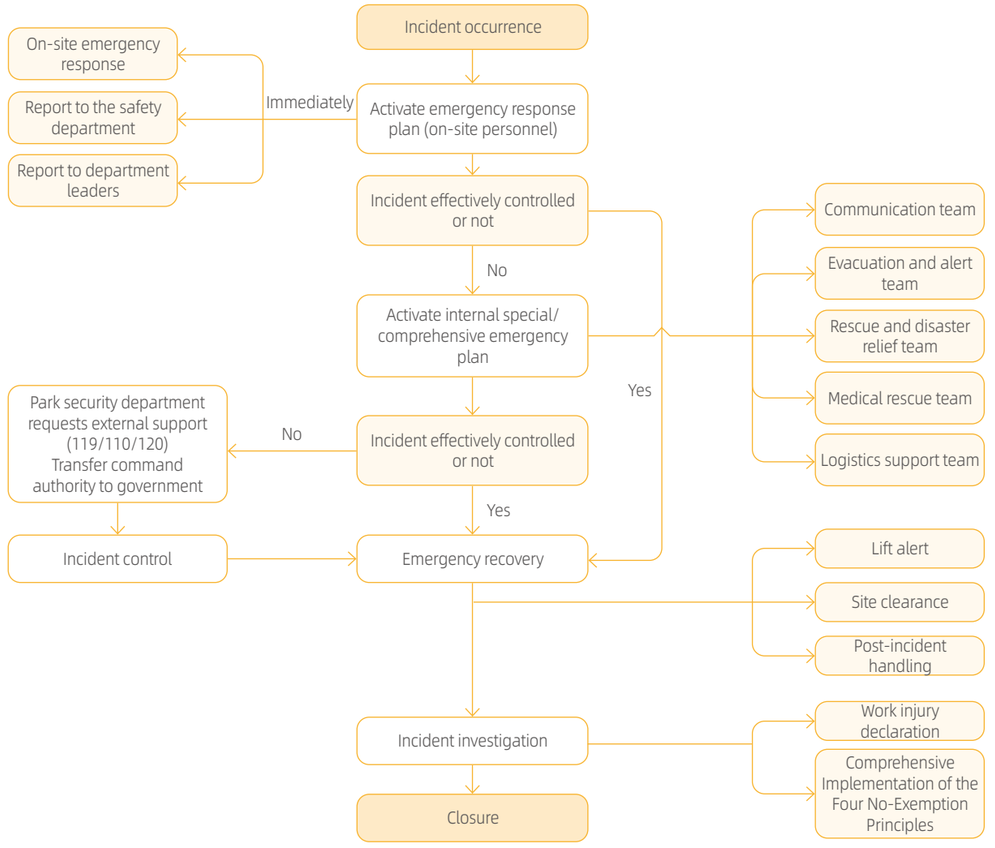
[1] The statistics of investment in work safety does not include Sunwoda Vietnam.

Optimizing Emergency Management

Sunwoda has formulated and updated internal regulations such as the Emergency Response and Response Management Regulations, the Management Regulations for Fire Emergencies, the Emergency Rules for Severe Weather, the Emergency Rules for Non-Work Safety Incident, and the Rules for Firefighting Equipment and Emergency Supplies to ensure they meet actual management needs. The Company has established a safety emergency organization, which includes six functional groups, such as the command team and communication team, to ensure timely and effective handling of sudden work safety accidents.

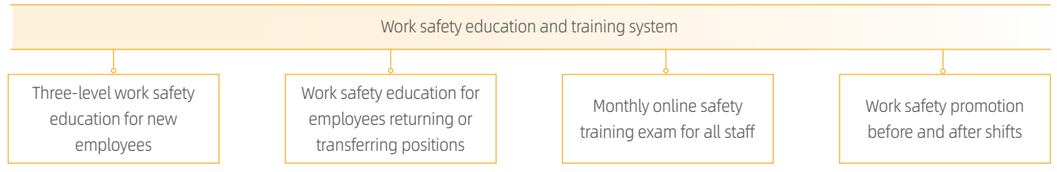
For production safety, the Company has developed the Emergency Plan for Work Safety Accidents, prepared emergency supplies, assigned dedicated personnel for management, and regularly conducts daily inspections, maintenance, and updates or scrapping of emergency supplies. Sunwoda has established emergency response procedures to ensure the smooth and orderly conduct of emergency response work.

Emergency response procedures



Fostering a Culture of Work Safety

Sunwoda builds a work safety education and training system to create an enterprise-wide culture of safety awareness.



Sunwoda provides employees with convenient access to safety knowledge through various promotional channels such as official WeChat accounts, short videos, and bulletin boards, enhancing employees' safety awareness and creating a culture where "everyone talks about safety, and everything is for safety".

The Company organizes activities such as Fire Safety Month and Safety Month every year. Incentive mechanisms have been established to stimulate employees' participation in safety management. An online safety exam is conducted for all employees once a month, covering multiple themes including safety knowledge, occupational health, and mental health. To improve employee participation, Sunwoda incorporates exam completion rates into the assessment system and sets up a prize-based incentive mechanism, effectively increasing employee engagement, with a participation rate of over 98% in 2024.

In addition, the Company actively conducts emergency training and drills to enhance employees' safety and emergency capabilities. In 2024, the Company carried out a series of safety activities, including annual fire drills, Emergency Response Team (ERT) drills, volunteer firefighter training, vehicle injury emergency drills, radiation emergency drills, and chemical spill emergency drills.

During the reporting period

Training coverage on risks and protective measures for all operational processes
100%

Emergency drills
1,413 times

Total participation of emergency drills
53,860 person-times


Fire Safety Month activities


Work Safety Month activities


Emergency Response Team (ERT) drills

Radiation emergency drills


First aid training

Safety knowledge competition

Guarding Occupational Health

Sunwoda places great importance on the physical and mental health of its employees. To effectively prevent and control occupational health risks and protect employees' occupational health rights, Sunwoda has established a series of regulations, including the Regulations for Occupational Health Management, the Regulations for Occupational Health Labor Protection, and the Rules for the Control of Labor Protection Supplies, to comprehensively promote and implement occupational health protection measures.

Regular workplace hazard evaluations in the working environment every year to ensure that the environmental conditions of the workplace meet national and industry safety standards, thereby safeguarding employees' health and safety at the source. For employees engaged in positions with occupational disease hazards, Sunwoda strictly organizes regular health screenings in accordance with the requirements of the Technical Specifications for Occupational Health Surveillance, establishes comprehensive health records, promptly identifies and addresses potential health issues. The Company also uses an information platform to implement online management of occupational health examinations, improving management efficiency and transparency.

Sunwoda optimizes the usage of personal protective equipment (PPE) and implements strict control over special labor protection products with the "Three Certificates and One Mark" (Production License Certificate, Product Quality Certificate, Safety Assessment Certificate, and Safety Mark). For positions with occupational disease hazards, the Company clearly requires that the rate of personal protective equipment usage by employees reaches 100%. By strengthening training and education, Sunwoda ensures that employees fully understand the importance of PPE and the correct wearing methods. The Company also regularly conducts on-site inspections to check employees' PPE wearing status and the usage of labor protection products, promptly correcting non-compliant behaviors.

The Company conducted a series of training and activities related to employee occupational health, such as the "Occupational Health Promotion Week" event, training on the use of hazardous chemicals, safety management training for special equipment, radiation safety and protection training, etc., to enhance employees' awareness of occupational health and self-protection capabilities.

During the reporting period

Occupational disease health check rate for front-line employees
100%

Occupational disease **0** case

Occupational Health Promotion Week


Hazardous Chemicals Training

The Company places great importance on employee mental health. To proactively identify and assist employees with poor mental health, Sunwoda launched the "Peace-of-Mind" Program for employees, dedicated to maintaining the physical and mental well-being of employees.

Peace-of-Mind Program for Employees

Case

In 2024, the "Peace-of-Mind" Program for employees provided training for personnel in specific functional departments and frontline managers to help them promptly identify employees experiencing mental health concerns and offer timely care and support. At the same time, the Company uses internationally recognized mental health scales to conduct mental health assessments for employees, making preliminary judgments about their mental health status and implementing graded and categorized intervention measures. Additionally, the Company established mental health consultation meeting rooms on the production line and conducted free mental health clinics, thereby enhancing employee well-being.

Peace-of-Mind Program for Employees

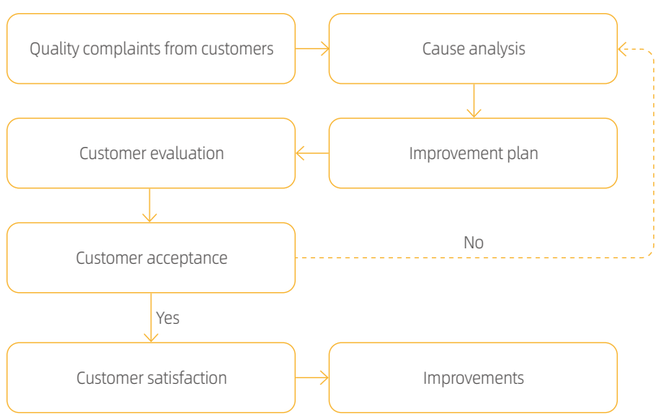

Free Clinic Activities

Creating Customer Value

Sunwoda consistently upholds the customer-first philosophy and is committed to providing high-quality services to meet customer needs and enhance customer satisfaction. In the field of customer service, Sunwoda has built a comprehensive and multi-tiered service system that effectively safeguards customer rights through responsible marketing management, laying a solid foundation for the Company's long-term development.

Customer Relationship Management and Quality Service

Sunwoda adheres to the "customer-first" principle and is committed to building strong customer relationships through multiple channels. The Company has established the *Customer Complaints Handling Procedure* and the "2485" response protocol, which clarifies the responsibilities and response times for each node in the entire process to improve the efficiency of handling customer complaints.



Customer satisfaction

92.89%

"2485" Response Protocol

First response within 2 hours	Emergency measures and second response within 24 hours	Cause analysis, countermeasure formulation, and third response within 48 hours	Long-term solutions and preventive measures within 5 days

Sunwoda establishes various customer feedback channels, including a customer service hotline, an online customer service platform, and email feedback. The customer service hotline is available 24/7, ensuring that customers can contact Sunwoda whenever needed. Moreover, the information on feedback channels is marked on Sunwoda's official website and product packaging for easy customer access.

To enhance communication with customers and improve service levels, Sunwoda regularly conducts customer satisfaction surveys. The Company adopts two forms of surveys: questionnaires and telephone interviews, covering multiple dimensions such as product quality, performance, timeliness of delivery, and after-sales service. The Company uses statistical software to analyze the survey results and issues a Corrective and Preventive Report based on the findings, assigning specific responsible persons to address customer issues.

Sunwoda has implemented a real-time feedback and tracking improvement mechanism. On one hand, customer evaluations are used to improve services and products, with regular summaries and analyses of customer feedback to identify common issues and make improvements to product design or production processes. On the other hand, customer ratings are also considered one of the important indicators for internal assessments. For departments related to customer satisfaction, such as sales and after-sales, the handling of customer feedback and the improvement of customer satisfaction are included in the employee performance evaluation system to encourage employees to prioritize customer satisfaction.

Sunwoda values the confidentiality of customer information and strictly adheres to the confidentiality agreements signed with customers. In the Management Regulations on Business Ethics, Sunwoda stipulates that all employees responsible for business must participate in information confidentiality training to ensure effective protection of customer privacy. To prevent information leakage between different projects, the Company has established dedicated information protection measures and strict information isolation. For certain customers with specific needs, the Company has also specially equipped independent production areas to further ensure the confidentiality of customer data and production processes.

Responsible Marketing

Sunwoda incorporates responsible marketing into its sustainable development strategy and objectives. The ESG management department regularly inspects and evaluates the Company's marketing activities to ensure that marketing practices comply with ESG standards. At the same time, to enhance employees' awareness of responsible marketing, the Company regularly holds responsible marketing training.

Marketing Skills and Compliance Training

Sunwoda regularly organizes employees to participate in marketing skills and compliance training to improve their professional quality and sense of responsibility. The training content includes product knowledge, marketing skills, laws and regulations, and professional ethics, urging that employees can consciously comply with relevant laws and regulations as well as the Company's rules and regulations, avoiding violations during the marketing process. The training also helps employees to accurately and professionally introduce product information to customers.

Case Analysis and Early-Warning Education

Through case analysis and early-warning education, employees can deeply understand the harm and consequences of improper marketing behaviors such as misleading, exaggerating, and fraud. At the same time, typical cases from the industry are selected for analysis, guiding employees to establish correct marketing concepts and enhancing their awareness of compliance and risk prevention, so as to fundamentally eliminate the occurrence of improper marketing behaviors.

Procurement Manager Training Program (MTC) Workshops

Case

In 2024, Sunwoda Energy Technology collaborated with third parties to conduct MTC workshops. More than 260 participants, including the President of Sunwoda Energy Technology, senior executives at all levels, regional and business line leaders, and all sales members, participated in the training. This training enhanced customer-centric awareness, helping to provide accurate marketing solutions.

MTC Marketing Training

CRM System Marketing Training

Case

In 2024, Sunwoda launched the CRM system on the Sunwoda Learning Platform, providing online marketing training for sales personnel. The training standardized processes related to customer communication, visit reports, weekly reports and formats, contract reviews, and order reviews, and utilized IT tools to regulate the sales behavior of sales personnel, reinforcing their sense of responsibility.

Establishing Responsible Supply Chain

On the basis of ensuring that suppliers meet requirements for robust operations, sustainable supply, stable quality, and technological innovation, Sunwoda continuously strengthens responsible supply chain management, further emphasizes its capabilities in sustainable development, globalization, digital transformation, and smart manufacturing, collaborates with partners to pursue a sustainable future.

Supply Chain Resilience

Sunwoda respects the UNGC's Ten Principles. To comply with EU battery regulations and customer requirements, the Company has launched the "Low-Carbon Development in the Supply Chain" initiative, integrating the "Carbon Peaking and Carbon Neutrality" requirements into supply chain management. This initiative aims to create outstanding case studies and develop mature solutions.

In accordance with the SA8000 Social Accountability Standard, the *Responsible Business Alliance (RBA) Code of Conduct*, and relevant laws and regulations, Sunwoda has established and continuously optimized its sustainable supply chain system. The Company has refined supplier management processes and developed a series of policies and internal documents, including the *Sustainable Supply Chain Manual, the Supplier Management Process, the Supplier Code of Conduct, the Sustainable Supply Chain Operation Mechanism, the Guidelines for Sustainable Supply Chain Policy Implementation,* and the *Supplier Audit Report (Sustainability)*. These measures aim to better control suppliers' sustainable development and performance, fostering collaborative development across the entire value chain and ensuring the Achievement of Objectives for Managing Suppliers to Meet the Company's Sustainable Procurement Requirements.

To effectively implement the Group's sustainable development strategy and execute various initiatives within the sustainable supply chain, the Group Procurement Center has coordinated across all business segments to establish a specialized organization for supply chain sustainability–the Supply Chain ESG Subcommittee. This subcommittee coordinates and synchronizes sustainable supply chain development work across all business units, continuously promoting the efficient operation and refined development of supply chain management. Additionally, Sunwoda continuously optimizes the complaint mechanism for sustainable supply chain development, enhancing the transparency of supply chain management.

Based on this, Sunwoda has built a digital platform for supply chain management (SRM) to implement supplier management, performance management, sourcing management, contract management, and procurement execution. The Company also developed multiple automation modules, online collaboration between the procurement and supplier ends, and deep integration with enterprise OA, ERP, SCCP, and other systems, further improving operational efficiency and supply chain transparency and enhancing Sunwoda's supply chain management capabilities and risk resistance.

2024 Supply Chain Management Measures of Subsidiaries (Selected)

The 3C Liwinon sector has included 23 suppliers with an emission proportion of over 90% in the management scope of the Liwinon Supplier Carbon Reduction Program. These suppliers have signed emission reduction commitment letters pledging to reduce the carbon footprint of products supplied to Lithium Power by 34% by 2030. Based on these commitments, Liwinon has established audit protocols for annual verification and requires suppliers to develop plans for 100% renewable energy utilization for products supplied to Liwinon. As of 2023, 11 of these suppliers have already completed their renewable energy transition plans.

The Power Technology sector has established a supplier ESG management system according to the RECD strategy. It uses the Sunwoda Supplier Sustainable Development Evaluation Form for regular supplier reviews, invites third-party institutions for supplier audits, and accepts third-party sustainable development certifications such as RBA and RMI as appropriate.

The Intelligent Hardware sector has issued the *Supplier Battery Safety Management Plan* for promotion, signed the *Supplementary Agreement to the Quality Assurance Agreement*, and launched a monthly self-inspection action named the *Battery Safety Checklist*, achieving a 100% coverage rate for a total of 16 battery suppliers.

Supplier Management

Concurrently, Sunwoda actively engages in supply chain risk management to strengthen supply chain resilience. The Company includes the *Supplier Risk Assessment Form* in the *Supplier Evaluation and Monitoring Management Process and conducts* risk assessments based on its needs. The Company uses SRM system audits and other methods for comprehensive risk tracks and controls, such as supplier qualifications, delivery quality, material certifications, pricing, inventory, and the impact of natural disasters, aiming to minimize supply chain risks and ensure supply chain security.

Supply chain resilience management

Contract

- Sign supply agreements with exclusive suppliers.

Material supply sources

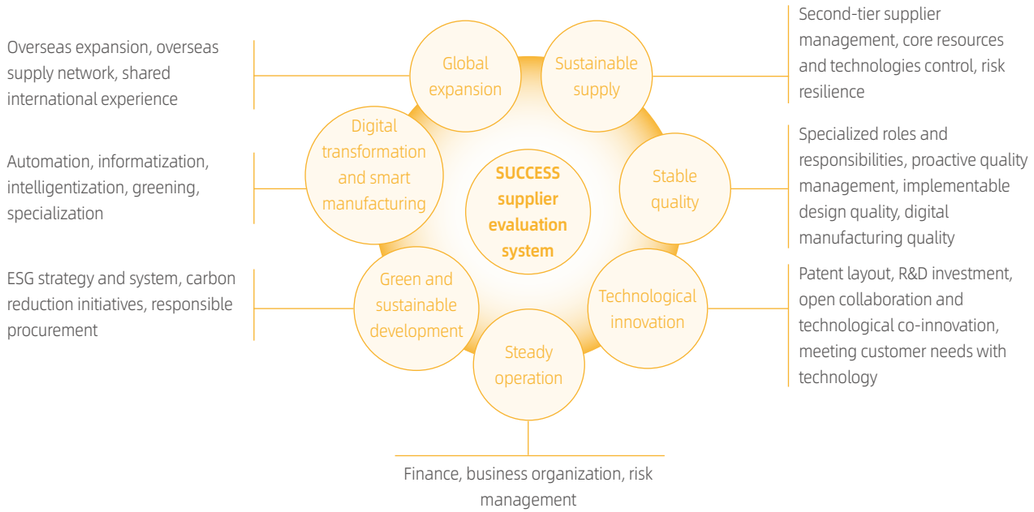
- Increase material sources and implement quota allocations. Conduct regular supplier capacity surveys and analyze the match between supply and demand.
- Adjust quotas based on supply conditions.

Management system

- System monitoring and early warning for timely response to purchase plans and timely order delivery, along with reports to ensure procurement personnel's quick confirmation and treatment.
- Set safety stock in the system based on material categories to offset demand fluctuation risks.

Sunwoda has established a series of practical evaluation and management methods for supplier management, from development to cooperation, ensuring compliance with laws, regulations, and customer requirements. The Company also proactively shares industry knowledge and best practices with suppliers to promote the sustainable development of the supply chain jointly.

In 2024, Sunwoda released the supplier evaluation model–the SUCCESS Supplier Evaluation System. In addition to requirements for robust operations, sustainable supply, stable quality, and technological innovation capabilities, this system emphasizes new suppliers' capabilities for green and sustainable development, global expansion, digital transformation, and smart manufacturing, further strengthening supply chain accountability.



Supplier Qualification

Sunwoda follows the *Supplier Development Procedure* in the supplier qualification process, focusing on ESG-related qualification indicators, setting baselines for primary categories, and evaluating new suppliers based on these baselines. To effectively manage the social and environmental impacts of the supply chain, the Company requires all new suppliers to sign the *Supplier Code of Conduct*, which covers ESG management systems, integrity and business ethics, ISO certifications, human rights, and environmental aspects. Sunwoda also stipulates environmental management requirements for production materials in documents such as the *Quality Assurance Agreement* and the *Supplier Material Environmental Declaration Commitment Letter*. Relevant suppliers are required to sign and adhere to these documents as needed.

Management system — Certified with ISO 14001, ISO 45001, ISO 9001, and other system certifications

ESG risk assessment — Business ethics, anti-discrimination, working hours, compensation and benefits, anti-child labor and forced labor, occupational health and safety, environmental protection, etc.

To comply with relevant laws and regulations as well as Sunwoda's customer requirements for environmental management substances, such as *EU REACH Regulation* (EU Regulation No. 1907/2006), *EU RoHS Directive* (2011/65/EU), China's *Administrative Measures on the Control of Pollution Caused by Electronic Information Products*, and other legal regulations and customer requirements, suppliers are required to fully implement a hazardous substances management system. The Company has established *Technical Standards for Environmental Management Substances*, requiring raw material suppliers to hold valid industrial "three wastes"(waster water, waster gas, solid waster) discharge permits, sign contracts with qualified third parties for the transportation of hazardous waste, and maintain detailed transportation lists to ensure strict compliance with regulations on wastewater, exhaust gas, and hazardous solid waste treatment.

Supplier Audit

Sunwoda continuously optimizes the supplier audit mechanism and implements graded and categorized supplier management. The Company has established a complete audit process to ensure suppliers comply with and adhere to the Supplier Code of Conduct.

Supplier audit process

Audit plan	Supplier self-assessment	On-site audit onboarding	System documentation review	On-site audit	Audit summary and closing meeting
Sunwoda clarifies the objectives, scope, schedule, and personnel arrangements of the audit to ensure an orderly audit.	Suppliers conduct self-assessments according to the audit standards, prepare relevant materials, and get ready for the on-site audit.	Sunwoda introduces the audit's purpose and process, clarifies both parties' responsibilities, and builds an audit communication mechanism.	Sunwoda reviews the supplier's quality management system documents to ensure they comply with audit standards and regulatory requirements.	Sunwoda conducts on-site inspections of production processes, equipment and facilities, and management records to verify the implementation of system documents.	Sunwoda summarizes audit findings, proposes improvement suggestions, and communicates with suppliers to confirm audit results.

For key qualified suppliers, Sunwoda will track and maintain the supplier's ISO certification system and conduct annual audits, as well as on-site audits based on business needs. For suppliers' non-conformities, the Company will notify suppliers of the issues and require improvement plans for review and confirmation. Sunwoda will provide necessary guidance and assistance to suppliers during the rectification process. For suppliers failing to meet the standards after rectification, the Company has established exit mechanism, which includes supplier freezing, category freezing, qualification cancellation, and blacklisting.

In addition, Sunwoda promotes the company's Supplier Code of Conduct and other supply chain ESG management policies to suppliers, and regularly conducts behavioral assessments to track performance. During the reporting period, Sunwoda has upgraded the CSR part of the supplier's annual audit form to sustainable development audit content, and the independent CSR audit form to a sustainable development form. The company has added a *Supply Chain Sustainable Development Manual* to provide operational guidance for supplier sustainable development audits.

Sunwoda Sustainability Audit Items

In 2024, Sunwoda revised its audit evaluation criteria in accordance with the *Sustainability Management Manual*. Among these, the on-site sustainability audit report has added 30 audit items across 11 audit areas, including child labor and underage labor, forced labor, freedom of association and communication, working hours and wages, business ethics, chemical safety, accommodation and canteens, equipment safety and health, environmental protection, climate change, and circular economy, based on the original CSR audit report. These include whether biodiversity is integrated into sustainability management for both the Company and its suppliers, certification of the proportion of renewable materials used, whether the circular economy is incorporated into the Company's sustainability management and supply chain management, and whether carbon footprint has been conducted. Additionally, 25 audit items across 9 areas have been revised, including forced labor, discrimination and discipline, working hours and wages, fire safety, chemical safety, equipment safety and health, accommodation and canteens, environmental protection, and management systems.

Main content of the *Supplier Code of Conduct*

Category	Content	Requirements
Legal compliance and business ethics	Suppliers should fulfill corporate social responsibilities and operate in compliance with laws and regulations, ensuring that all business activities adhere to the highest standards of integrity. Whistleblowers can access multiple reporting channels and report through the Sunwoda official website.	Compliance with regulations, business integrity, absence of improper advantages, information disclosure, intellectual property, and other requirements.
Human rights and labor	Suppliers should respect employees' human rights, practice good employment behavior, and treat them with dignity and respect. This section applies to all employees, including temporary workers, foreign laborers, student workers, contract staff, direct employees, and any other types of employees.	Against forced labor; prohibition of child labor and underage labor; legal working hours; wages and benefits; prohibition of discrimination, harassment and abuse; freedom of association and collective bargaining rights, etc.
Health and safety	Suppliers should provide employees with a healthy, safe, hygienic, and decent working environment. Necessary and effective health and safety permits should be obtained and adhered to, and working conditions should meet or exceed regulatory requirements and industry standards.	Occupational health and safety, emergency preparedness, work injuries and illnesses, industrial hygiene, health and safety communication, etc.
Environment	Suppliers should protect the environment and develop environmentally friendly technologies, products, and businesses to reduce impacts on climate change, water security, soil pollution, biodiversity, primary forests, and indigenous communities. They should also continue material reuse and recycling to fulfill environmental responsibilities such as protecting natural resources and reducing the carbon footprint of product life cycles.	Possess valid discharge permits, environmental permits, and reports; strictly implement regulations on wastewater, exhaust gas, and hazardous solid waste treatment; manage the environment of high-pollution outsourcing process factories; and search the environmental performance of sub-suppliers and outsourcing factories (e.g., hazardous substances, restricted substances, exhaust gases and noise, pollution prevention and resource protection, circular economy, biodiversity, etc.) through the IPE website. Sunwoda also appoints environmental specialists to review suppliers' environmental data for material certification.
Governance and supply chain	Suppliers should adopt or establish management systems related to the scope of this Code.	Management systems, responsible procurement, etc.

Supplier training

Sunwoda actively carries out sustainability training for suppliers to enhance their capabilities in robust operations, digital transformation, and clean development. It collaborates with multiple partners to build a sustainable supply chain in the industry.

Supply Chain Sustainability Conference

Case

In September 2024, Sunwoda held a Supply Chain Sustainability Conference at its headquarters in Shenzhen. Wang Mingwang, the founder of Sunwoda, and other senior executives, along with representatives from more than 10 suppliers, attended the event in person. Meanwhile, representatives from over 100 suppliers actively participated in the conference through online platforms to jointly explore sustainable development in the supply chain.

At the conference, Sunwoda provided an in-depth interpretation of its enterprise sustainable development strategy and supply chain sustainability management initiatives. The Company also expressed its deep commitment to implementing the strategy by developing green core technologies, proactive and ahead-of-time investment layouts, and empowering collaborative development across the entire industry chain. Moreover, invited suppliers were encouraged to share their experiences and insights on sustainable supply chain development based on their own development situations.

Supplier Conference for Consumer Product Sector

Case

Sunwoda's Consumer Product Sector convened a supplier conference to build a sustainable supply chain by reaffirming management standards in supplier evaluation, supplier integrity, and ESG collaborative promotion.

During the meeting, the Company promoted its transparent procurement policy and established dual integrity reporting channels for both the Company and executive management, reinforcing the construction and training of supply chain integrity. The Company also communicated its supply chain ESG management policy to suppliers, urging them to advance energy conservation, emissions reduction, renewable energy use, and recycled materials ratios, among other collaborative supply chain ESG initiatives.

Procurement

Sunwoda is dedicated to building a safe, compliant, and sustainable battery supply chain system. Through systematic responsibility governance, risk control, and multi-party collaboration mechanisms, the Company comprehensively traces sources for harmful substances in raw materials and conflict minerals, ensuring transparency and traceability in the supply chain. Additionally, the Company promotes the effective implementation of human rights protection and environmental responsibility across the entire chain.

Sunwoda has established a responsible minerals management system guided by the Strategy and Sustainable Development Committee and supervised by the Sustainable Development Management Committee. This system clearly defines the collaborative responsibilities of various departments, including the Sustainable Development Centre, Procurement Center, Quality Center, and various Business Departments. The Company strictly adheres to the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* and the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters' *Chinese Due Diligence Guidelines for Mineral Supply Chain* to formulate its *Responsible Mineral Procurement Policy* and supporting management systems. The management requirements for conflict minerals are integrated into the entire process, including supplier qualification, procurement contracts, and performance evaluation. Simultaneously, a supply chain data tracking mechanism has been established to trace the full lifecycle of key materials such as tantalum, tin, tungsten, gold (3TG), cobalt, lithium, nickel, and natural graphite, ensuring that the supply chain for raw materials complies with international standards.

Sunwoda requires suppliers to develop their due diligence policies and management systems in accordance with the five-step framework from the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. They must appoint senior management representatives for due diligence on the sources and supply chains of the aforementioned minerals, identify, assess, and take appropriate measures to mitigate risks. Suppliers are also required to publicly disclose their annual supply chain due diligence reports. Records related to conflict mineral due diligence should be retained for at least ten years.

For high-risk minerals such as 3TGs, cobalt, and mica, suppliers are mandated to purchase products from smelters certified by the Responsible Business Alliance (RBA) and audited by the Responsible Minerals Initiative (RMI). For uncertified suppliers, Sunwoda will facilitate their participation in the RMI Responsible Minerals Assurance Process (RMAP), enhancing their compliance capabilities through technical guidance and resource integration.

2024 Investigation Results for Responsible Minerals

During the reporting period, Sunwoda released the *2024 Investigation Report for Sunwoda Responsible Minerals*, conducting due diligence on a total of 1,117 suppliers, involving 284 smelters using 3TGs, cobalt, and mica. No unqualified smelters were found. Among these, 278 smelters (98%) have completed the audit process, and 6 (2%) are currently undergoing audit.

Sunwoda's measures for responsible minerals procurement in 2024

Management regulation establishment

In 2024, Sunwoda refined its *Management Regulations on Responsible Minerals Procurement,* clarifying departmental roles in mineral management and detailing due diligence requirements. These regulations include investigations during the new material introduction, annual checks, and investigation results treatment, steering the supply chain away from conflict minerals.

Sunwoda has established long-term cooperation with most suppliers. At the initial stage of collaboration, Sunwoda fully communicates with suppliers and signs the Basic *Cooperation Guidelines for Suppliers*, which incorporates the Company's responsible mineral procurement policy and requirements for suppliers, including requiring suppliers to establish their mineral policies and conduct due diligence in the supply chain to ensure the use of qualified smelters.

Annual due diligence

Regular due diligence is conducted on suppliers twice a year. The first is an initial annual investigation, and the second is a confirmation one. The scope of the investigation covers suppliers of metal materials, metal-containing components/modules, metal mixtures (such as solder paste), and other materials.

Data processing

Sunwoda has established an internal transparent and controllable supply chain system to identify the compliance of smelters/refineries. The Company investigates reasonable origin countries and consolidates all investigation data, using optimal data analysis and processing methods to analyze the information and identify qualified smelters, smelters under audit, and smelters in communication. In 2024, the Company continued optimizing data processing methods and promoted their use throughout the entire Group.

Investigation result processing

Sunwoda requires the supply chain to encourage non-compliant and non-audited smelters/refineries identified by the RBA/RMI to actively participate in audit programs to achieve compliance. The company leverages the collective power of RBA/RMI members to drive positive change and take action against suppliers who do not use qualified smelters.

Publishing annual investigation report

The Quality Center compiles Sunwoda's annual conflict minerals investigation report and releases it on the official website after approval.

Promoting Industry Development

Sunwoda actively participates in activities organized by industry associations, such as standard policy formulation, topic research, forums, exhibitions, and technical cooperation, by leveraging its development advantages and experience. In recent years, the Company has continuously enhanced its external communication. In 2024, Sunwoda received over 10 visits from domestic and international high-level leaders, contributing to the high-quality development of the industry. Concurrently, the Company continued to expand its industry influence and global presence, participating in multiple major industry events during the reporting period.

2024 New Energy Storage Technology Development Forum

Case

To promote the exchange of new energy storage technologies, Sunwoda held the 2024 New Energy Storage Technology Development Forum themed "Exploring New Quality Productive Forces and Creating New Development in Energy Storage." The event convened over 200 industry and enterprise representatives to provide more driving forces for the development of the new energy storage industry and assist Shenzhen in becoming a global digital energy pioneer city.

SEVB Invited to Attend the 2024 Shenzhen Global Investment Promotion Conference

Case

As a representative of global unicorn enterprises, SEVB was invited to attend the "2024 Shenzhen Global Investment Promotion Conference Unicorn Enterprise Cooperation Development Exchange Meeting" co-hosted by the Industry and Information Technology Bureau of Shenzhen Municipality, Service Bureau for Small and Medium-Sized Enterprises of Shenzhen Municipality, Shenzhen Science and Technology Innovation Bureau, Nanshan Government, and Longhua Government, as well as participated in the themed roundtable forum on "How to Create an Optimal Ecosystems for the Growth of Unicorn Enterprises".

Participation in the 19th China International SME Expo

Case

As a designated "Industry Chain Anchor Enterprise" in the lithium battery industry chain of Guangdong Province, Sunwoda was invited to participate in the 19th China International Small and Medium Enterprises Expo and the strategic cooperation signing ceremony between leading industrial chain orchestrators and innovative specialized small and medium enterprises. Sunwoda continuously plays a crucial role in technology research and development, product manufacturing, and market expansion in the new energy field, promoting the coordinated development of the industry chain through the integration of upstream and downstream resources.

Participation in the Forum on China-Africa Cooperation Summit

Case

In September 2024, Sunwoda participated in the Summit and attended the closed-door meeting on energy themes at the China-Nigeria Economic and Trade Cooperation and Trade Conference. The Company introduced energy storage solutions to the Nigerian government officers and enterprises, committed to promoting multi-party communication within the industry and providing clean solutions for industrial upgrading and transformation in more regions.

Additionally, Sunwoda leveraged its technological expertise and industry experience to lead or contribute to multiple standards development initiatives in 2024. These efforts encompassed lithium battery green supply chain frameworks, safety technology specifications, and carbon footprint quantification methodologies. Sunwoda's active participation in various standard formulations helps to combine technological innovation with standardization, facilitating the green, standardized, and professional development of the industry and promoting innovation and progress.

Formulation of the Battery Passport Industry Standard Policy

Case

In 2024, Sunwoda participated in the drafting and revision of the industry standard for the first systematic specification of battery lifecycle traceability management data requirements (i.e., battery passport) in China. The Battery Passport Guidelines, after a year-long development, technical deliberations, and professional review, has been officially published. This landmark standard will enable enterprises to respond more effectively to the battery passport requirements of the EU battery regulations, achieve low-carbon management of new energy battery lifecycles, so as to enhance the international competitiveness of the battery industry.

SEVB led the formulation of the *Industry Standard for Electric Vehicle Fast Charging Technology*

Case

In April 2024, SEVB co-hosted the 2024 Electric Vehicle Fast Charging Technology Summit with EIDC and took the lead in establishing the Electric Vehicle Fast Charging Alliance. At the summit, the drafting of the *Industry Standard for Electric Vehicle Fast Charging Technology* was officially launched. SEVB will work together with representatives from upstream and downstream of the new energy vehicle industry chain to participate in the standard formulation and explore the innovative development of electric vehicle supercharging technology.

Constructing a Beautiful Home

Sunwoda strategically integrates social resources, focusing on key impact areas such as vulnerable population support, educational advancement, medical assistance, and disaster relief to drive social development. Sunwoda also places great importance on rural revitalization, providing comprehensive support for high-quality rural development through educational, ecological, cultural, and healthcare interventions, demonstrating its commitment to social responsibility.

Public Welfare

Sunwoda actively fulfills its corporate social responsibility, working hand in hand with employees and partners to build a harmonious society. In 2024, Sunwoda, together with its subsidiaries and departments, promoted public welfare concepts and encouraged employees to engage in and carry out public welfare activities, contributing to the construction of a harmonious society.

Charitable Insitution

Shenzhen Charitable Donation Index - Corporate Philanthropy Leaderboard

Shenzhen Advanced Unit for Voluntary Blood Donation

In 2012, Sunwoda, with the approval of the Bureau of Civil Affairs of Shenzhen Municipality, established the Shenzhen Sunwoda Charity Foundation (hereafter "Sunwoda Foundation"), focusing on public welfare services in areas such as vulnerable population support, educational advancement, healthcare assistance, and disaster relief, to support the development and progress of public welfare and charity.

By the end of 2024

the Sunwoda Foundation's annual public welfare and charity expenditure

RMB **5.9208** million[1]

Total beneficiaries

25 ten thousand

Philosophy and Purpose of Sunwoda Charity Foundation

Philosophy	Gratitude, Integration, Charity, Harmony
Purpose	Through small acts of kindness, to promote the spirit of charity, enhance public awareness, and create a harmonious society

Charitable Donations

Educational Advancement Initiatives

The Sunwoda Foundation prioritizes educational public welfare, establishing the "Sunwoda Future Scholarship" program aimed at providing learning support for rural primary and secondary school students and college students majoring in new energy to promote the steady advancement of education and foster educational equity and progress. In 2024, the Sunwoda Foundation actively carried out various educational assistance activities, supporting education development through charitable canteens, teaching excellence funds, and school-enterprise cooperation.

Little Sunshine Caring Program

- Sunwoda funded the construction of charitable canteens and other infrastructure for rural schools to improve the school environment;
- Teaching excellence funds are set up for rural teachers to promote and support the development of education.

Future Engineer Training Program

- The Company encourages students majoring in new energy to explore innovation by setting up scholarships and grants in universities, sponsoring college student entrepreneurship competitions, and cultivating talents in the field.

[1]Data statistics include all donation amounts disbursed by Sunwoda through Sunwoda Charity Foundation in 2024.

Overview of Sunwoda Future Scholarship Program

South China University of Technology	• Sunwoda New Energy Technology Innovation Scholarship • The 19th "Challenge Cup" Series Competition Support Program of South China University of Technology - "Sunwoda" Cup
Dalian University of Technology	• Sunwoda-Huanghai New Energy Technology Innovation Scholarship • Sunwoda-Huanghai Teaching Excellence Award • "Sunwoda-Huanghai" Cup - iCAN Innovation and Entrepreneurship Competition • Sunwoda-Huanghai Club Support Program
Jinling High School Lishui Campus	• Sunwoda Teaching Excellence Award
Boluo Secondary School	• Sunwoda Virtue and Excellence Scholarship
Guantian School	• Sunwoda Diligence-Love-Wisdom-Courage Teaching Excellence Award and Scholarship
Shanhou Primary School	• Sunwoda Teaching Excellence Award and Scholarship
No. 1 Middle School of Tongren Guizhou	• Sunwoda Future One-on-One Assistance

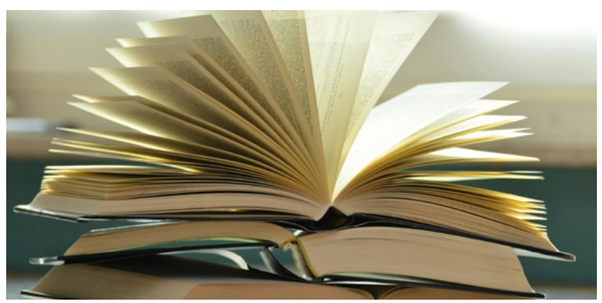
Awarding Institution: Sun Yat-sen University
Award Name: Yat-sen Education Contribution Award

By the end of 2024

the "Sunwoda Future Scholarship" program

Total donated: RMB **2.56** million

Teachers and students covered: **2.1** ten thousand



Healthcare Assistance

By the end of 2024

The total number of families helped by the Sunshine Guardian Program: **46**

Served hospitalized children and their families[1] **5,353**

The Sunwoda Foundation has made healthcare assistance one of its core public welfare sectors. The Company has created the "Sunwoda Hope Program," which includes the "Sunshine Guardian Program" and the "Courage Support Program," caring for patients with major diseases through family support and medical assistance. By building a comprehensive and multi-level support system, Sunwoda Foundation brings warmth and hope to patients and families. The Sunwoda Foundation also supports children from disadvantaged families who need hematopoietic stem cell transplants through the "Sunwoda Children's Transplant Assistance Program", providing support for 7 children.

Sunshine Guardian Program

- To provide temporary assistance to families and individuals facing significant illnesses and accidents, alleviating their financial pressures

Courage Support Program

- To build children's care spaces, mobile kitchens, etc., to provide care and financial support for sick children, safeguarding their healthy and happy growth

Creating Pediatric Care Spaces in Hospitals

Case

In 2024, Sunwoda continued to optimize and upgrade the Pediatric Care Space project at People's Hospital of Shiyan, Bao'an District, and the Seventh Affiliated Hospital, Sun Yat-sen University, setting an example for children's care spaces in hospitals through ongoing optimization of space operation services. These two care spaces were open for a total of 563 days in 2024, hosting 66 child-centered activities, including the parent-child picture book reading activity themed "Be the Master of Your Emotions" on Reading Day and the DIY activity "Transforming Infusion Sets into a Brave Fish," enriching the hospitalization experience for sick children. Among them, the Pediatric Care Space project at People's Hospital of Shiyan, Bao'an District won the "Outstanding Project" award at the 5th Volunteer Service Project Competition in Bao'an District in 2024.

Parent-child painting activity at People's Hospital of Shiyan

Pediatric Care Space at People's Hospital of Shiyan

[1] In 2024, the Company served hospitalized children and their families covering 5,353 visits. Of these, 1,320 were activity services and 4,033 were daily support services.

Sunwoda Voice Program - Narrative Medicine Capability Enhancement Program

Case

The Sunwoda Foundation actively carries out medical training to comprehensively enhance the diagnostic and treatment capabilities of pediatric medical staff. In November 2024, the Sunwoda Foundation, in collaboration with the People's Hospital of Shiyan, launched the "Sunwoda Voice Program - Narrative Medicine Capability Enhancement" program. This project aims to cultivate empathy and communication skills among medical staff, improve the quality of medical services, enhance doctor-patient relationships, and promote the development of medical humanities. As of the end of the reporting period, the project has trained and empowered 357 healthcare professional.

Delivering Goodness

The Sunwoda Foundation has established the "Sunwoda Love Journey Program." This program is dedicated to supporting rural development through educational, ecological, cultural, and healthcare revitalization. Additionally, it actively develops the "Community Connection Program" that focuses on sanitation workers and medical staff, contributing to the construction of harmonious and inclusive communities.

Conducts Tribute to Healthcare Professionals

Case

In 2024, the Sunwoda Foundation, in collaboration with Sunwoda's industrial parks in Boluo, Nanjing, Lanxi, and Nanchang, delivered care packages, holiday greetings, and blessings to healthcare workers at hospitals surrounding the Sunwoda parks on "National Doctors' Day" and "International Nurses Day" to express gratitude for their hard work and selfless dedication. During the event, the Sunwoda Foundation extended greetings and best wishes to a total of 3,109 nursing professionals and over 953 medical practitioners.

Sunwoda Caring Action for Healthcare Professionals in 2024 Nurses Day

Sunwoda Caring Action for 2024 National Doctors' Day

Sanitation Worker Heat Relief Program

Case

In August 2024, the Sunwoda Foundation, in collaboration with corporate culture department, launched the "Charity Night Market - Sunwoda Spring Rain Action" event, raising funds through charity sales and matching donations from foundation members, totaling a donation of RMB 34,382. Together with the Spring Rain Action, the Sunwoda Foundation also initiated the "Sunwoda Care Action: 2024 Sanitation Worker Heat Relief Program".

Foundation staff visited various locations, including Shilong Town and Yuanzhou Town in Guangdong, the Development Zone in Lanxi City, Zhejiang, and the Development Zone in Lishui District, Nanjing, and delivered carefully prepared care packages to a total of 500 sanitation workers in the form of "a cooling gift package + a tribute letter = comprehensive care". Through this practical action, sincere respect and gratitude are expressed to the sanitation workers.

Sanitation Worker Heat Relief Program (Boluo Station)

Sanitation Worker Heat Relief Program (Lanxi Station)

Sanitation Worker Heat Relief Program (Shenzhen Station)

Conducts Heartwarming Spring Festival Visit Activity

Case

In 2024, the Sunwoda Foundation carried out its fourth Spring Festival heartwarming visit activity. In Heshan Village, Shenli Village, and Tuguaxu Village in Yuanzhou Town of Huizhou City, Guangdong Province, Sunwoda delivered care packages, supplies, and New Year blessings to 56 elderly individuals and families in need, fostering social inclusion and community support.

Disaster Relief

Sunwoda is committed to advancing to the front lines of disaster response, actively participating in disaster relief, disaster rescue assistance, and post-disaster reconstruction, thereby fulfilling its corporate social responsibility. The Sunwoda Foundation has established the "Sunwoda Ark Support" public welfare project to provide timely materials and funds to affected communities, helping disaster-stricken areas restore production and life and build a more resilient disaster response system.

Post-Disaster Reconstruction in Jishishan County: Climate Change Response - Community Livelihood Improvement Project

Case

After the earthquake in Jishishan County in Linxia Prefecture, Gansu Province, the Sunwoda Foundation provided immediate assistance and donated funds for post-disaster reconstruction. In 2024, the Foundation, in collaboration with the Gansu Yishan Yishui Center for Environmental and Social Development, promoted the Climate Change Response - Community Livelihood Improvement Project. Through a "Foundation funding + community contribution" cooperation model, 200 affected households in Ganhetan Village and Meipo Village of Dahejia Town, Jishishan County, received solar water heaters, helping villagers reduce energy costs and improve their quality of life.

Employee Volunteers

Sunwoda strives to cultivate a culture of social engagement by organizing diverse public welfare activities and encouraging employees to actively participate in public service and contribute to society, thereby promoting the construction of a harmonious society.

Sunwoda Volunteer Service Team

Sunwoda Volunteer Service Team


Respect for the elderly at the Double Ninth Festival

Gained social recognition

2024 Youth Charity Action - Sunwoda Voluntary Blood Donation Day

Case

In July 2024, the Sunwoda Foundation launched the "Love Continues Life - Sunwoda 2024 Youth Charity Action", calling on employees from various Sunwoda industrial parks to actively respond to the voluntary blood donation appeals from blood centers and blood stations in various cities, contributing to the voluntary blood donation in China. This event attracted a total of 681 participants, among which 222 people participated in blood donation and 176 people finished donation, with a total blood donation volume of 59,650 milliliters.

"Walking for Love - Sunny Doll Charity Hiking Event"

Case

In October 2024, the Sunwoda Foundation led 25 employees to participate in the "Walking for Love - Sunny Doll Charity Hiking" event, focusing on caring for children with blood tumors, and joined Tencent's Step Donation Campaign. Sunwoda employees actively supported the cause with their actions, raising awareness of blood tumors and bringing happiness to these children. After the hiking event, the Sunwoda team walked a total of 377,145 steps, donating a total of RMB 4,868.52 for charity.

Rural Revitalization

Sunwoda closely follows the national rural revitalization strategy. By continuously making efforts in key areas such as educational, cultural, and ecological, the Company empowers rural development in all aspects. In 2024, Sunwoda carried out diversified rural revitalization activities in places such as Zhangxi She Ethnic Township in Dongyuan County of Heyuan City, Yong'an Town in Du'an County of Guangxi, and Lingyun County in Baise City of Guangxi, to assist in the goal of common prosperity.

2024

Through the Sunwoda Foundation

Investment in rural revitalization: RMB **2.419** million

Total beneficiaries: over **210,000** people

Rural Revitalization Honorary Awards for the Sunwoda Foundation

Bronze Award for Red Cotton Cup in 2023 Guangdong Poverty Alleviation and Assistance

Rural Work Leading Group of the Guangdong Provincial CPC Committee

"Charitable Enterprises (Organizations)" in Maoming City's 2023 "6·30" Rural Revitalization Campaign

Rural Work Leading Group of the Maoming Municipal CPC Committee

Educational Revitalization

Sunwoda is committed to empowering rural revitalization through education. The Company has carried out multiple projects for teaching infrastructure construction and educational public welfare, continuously improving the infrastructure and teaching environment of rural schools and helping students grow up healthily.

Charitable Canteen Project

Case

To effectively improve the quality of life for teachers and students and to comprehensively optimize the campus learning and living environment, the Sunwoda Foundation donated a charitable canteen with a total area of 513 square meters to Shantou Primary School in Lingmen Town, effectively improving the dining conditions for 766 teachers and students.

Sunwoda Charitable Canteen

Donation Ceremony for Sunwoda Charitable Canteen Project

Rural Campus Football Revitalization Program

Case

To further enhance the football skills of rural youth, the Sunwoda Foundation fully supports the implementation of the "Sunwoda Rural Campus Football Revitalization Program" at Lingyun Experimental Primary School in Lingyun County of Baise, Guangxi. This Program aims to assist rural students in participating in the children's football training camp and study tour activities jointly organized by SEVB and VfL Wolfsburg Football Club, donating a batch of football training equipment to the school to inspire children's love for football and support the development of youth football education in rural areas.

Ecological Revitalization

Ecological revitalization is an important component of rural revitalization. Sunwoda, through community ecological garden renovation, sewage treatment, and other public welfare projects, meticulously manages the community environment at the rural-urban boundary, creating a warm home for residents and contributing to the sustainable development of rural areas.

Ecological Revitalization in Lingmen Town · Sewage Treatment Project in Shanhou Village

Case

To improve the living environment of Shanhou Village, the Sunwoda Foundation strongly supported the sewage treatment project in Shanhou Village, Lingmen Town, Dianbai District. Through the construction of sewage treatment facilities and laying sewage collection pipelines, along with ecological restoration and environmental protection education, this project comprehensively improved the living environment for villagers and revitalized the ecological vitality of Shanhou Village.

Cultural Revitalization

Sunwoda continuously participates in cultural revitalization and promotes the construction of a culturally strong nation. On one hand, the Company actively advances the construction of cultural infrastructure, solidifying the hardware foundation for cultural development. On the other hand, Sunwoda collaborates with various social entities to actively support and organize diverse cultural activities, enhancing cultural soft power and promoting cultural excellence, which is done through a "combination of soft and hard power" approach, providing comprehensive support for cultural revitalization.

Construction Support Project for Maoming Jinzhang Chen Art Museum

Case

To further enrich the cultural life of the people, the Sunwoda Foundation supports the construction of the Maoming Jinzhang Chen Art Museum, aiming to preserve Lingnan calligraphy and painting art, promote the prosperity and development of Chinese painting, and carry forward the excellent traditional Chinese culture.

Healthcare Revitalization

Sunwoda extends its commitment to healthcare accessibility by bringing medical assistance programs to rural communities, providing higher-quality basic healthcare services and efficiently promoting sustainable development of rural healthcare systems.

Building Rural Medical Infrastructure

Case

To better meet the medical needs of rural residents and address the shortcomings of medical hardware facilities at the Zhangxi She Ethnic Township Health Center in Dongyuan County of Heyuan City, the Sunwoda Foundation, along with other social forces, donated funds to purchase ambulances and other medical equipment for the Center. Additionally, to promote the well-being and happiness of the elderly, the Sunwoda Foundation also established a senior service station in Tuguaxu Village to create a better living environment for rural seniors.

Key Performance Table

Economy

Indicator	Unit	2022	2023	2024
Revenues	RMB ten thousand	5,216,226.93	4,786,222.70	5,602,063.41
Net profit attributable to shareholders of the Company	RMB ten thousand	106,801.44	107,619.83	146,824.06
Earnings per share	RMB/share	0.62	0.58	0.79
Gearing	%	64.68	59.07	63.44
Total tax payments	RMB ten thousand	90,600	112,300	128,488

Environment

Indicator	Unit	2022	2023	2024
Number of incidents in which penalties were imposed for violating environmental protection laws and regulations	Item	-	-	0
Amount of penalties for major administrative penalties imposed by ecological and environmental and other relevant authorities for environmental incidents during the reporting period	RMB ten thousand	-	-	0
Stationary source diesel fuel usage	Ton	-	-	1.01
Gasoline usage for official vehicles	Liter	192,033.15	191,512.76	294,028.53
Diesel usage for official vehicles[1]	Liter	7,735.97	3,773.00	27,632.34
Natural gas usage[2]	Cubic meter	15,679,081.00	14,178,905.76	31,710,282.33
Total purchased electricity usage[3]	MWh	918,076.83	929,540.59	1,355,444.37
Market-based purchase of green power	MWh	-	-	1,520
Green power certificate procurement volume	MWh	-	-	334.574
Purchased steam usage	GJ	-	-	579,568.70
Combined energy consumption	tce	-	-	240,658.80
Direct energy consumption	tce	-	-	42,496.34
Indirect energy consumption	tce	-	-	198,162.46
Combined energy consumption intensity	tce/million dollars of revenue	-	-	4.30
Clean energy use	tce	-	-	94,982.53
Proportion of clean energy use to total energy consumption	%	-	-	39.47
Clean energy use by energy type	Petroleum	tce	-	-	42,174.68
	Percentage of natural gas use	%	-	-	44.40
	Solar energy[4]	tce	-	-	11,659.26
	Share of solar energy use	%	-	-	12.28
	Others[5]	tce	-	-	41,148.59
	Percentage of other uses	%	-	-	43.32
Greenhouse gas emissions[6]	Scope I	tCO_2e	34,948.81	102,959.97	110,217.78
	Scope II	tCO_2e	603,471.48	880,010.62	872,270.66
Total GHG emissions (Scope I + Scope II)	tCO_2e	638,420.29	982,970.59	982,488.44
Total water withdrawal[7]	Cubic meter	3,319,597.00	3,697,300.00	6,513,024.00
Total displacement	Cubic meter			5,128,696.22
Industrial wastewater discharge[8]	Cubic meter	974,815.00	362,306.00	52,472.50
Wastewater pollutant discharges[9]	Biochemical Oxygen Demand (BOD) discharge in wastewater	Ton	37.99	14.17	3.29
	Chemical Oxygen Demand (COD) discharge from wastewater	Ton	123.69	53.07	5.69
	Ammonia and nitrogen (NH3-N) emissions from wastewater	Ton	3.27	4.89	4.01
	Discharge of suspended solids (SS) from wastewater	Ton	29.39	7.31	5.79
	Total phosphorus (TP) discharge from wastewater	Ton	0.36	0.76	1.36
	Total Nitrogen (TN) Emissions from Wastewater	Ton	3.41	3.22	3.9
Total emissions[10]	Cubic meter	-	-	4,934,989,756.00

[1]During the reporting period, the Company remained committed to its environmentally sustainable principles, consistently implementing energy efficiency initiatives. The expanded scope of statistical coverage coupled with production capacity expansion resulted in increased gasoline and diesel consumption by official vehicles.

[2]During the reporting period, the company remained steadfast in its commitment to environmentally sustainable principles, continuously advancing energy efficiency initiatives. However, Sunwoda experienced increased natural gas consumption due to adjustments in statistical reporting methodology and the commissioning of new production facilities and equipment under capacity expansion.

[3]During the reporting period, the company maintained its adherence to environmentally sustainable development principles and persistently implemented energy conservation measures. Sunwoda's total purchased electricity consumption rose owing to revised statistical reporting parameters and the operational commencement of new manufacturing complexes and equipment following production capacity expansion. The disclosure metric has been updated from "Electricity" to "Total Purchased Electricity Consumption," with historical data remaining unrevised.

[4]The statistics on solar clean energy consumption cover both the company's centralized and distributed photovoltaic (PV) self-consumption.

[5]The statistics on other clean energy consumption include the company's purchased green electricity certificates.

[6]Total greenhouse gas emissions include scope 1 and scope 2 greenhouse gas emissions. The calculation of Sunwoda's greenhouse gas emissions refers to the Greenhouse Gas Protocol (GHG Protocol) and ISO 14064-1: 2018 related requirements. The 2023 data in this report has been adjusted after verification, and the disclosed data is subject to this updated version. The 2022 data will not be restated.

[7]During the reporting period, the company consistently upheld its environmentally sustainable principles and advanced water resource management with water conservation measures. All water intake was sourced from municipal water supplies. The metric previously termed "Water Usage" for 2022 and 2023 has been rectified to "Total Water Intake." Sunwoda's total water intake increased due to expanded statistical coverage and production capacity growth.

[8]During the reporting period, the company continued to optimize industrial wastewater discharge reduction measures, resulting in a significant decrease in industrial wastewater discharge volume.

[9]During the reporting period, the company persistently implemented clean production practices and effective wastewater treatment measures, achieving substantial reductions in BOD and COD emissions.

[10]During the reporting period, the unit of measurement for historical metrics was adjusted from "ton" to "cubic meter."

Exhaust air pollutant emissions	Emissions of sulfur oxides (SOx) from exhaust gases	Ton	< LOD	0.11	2.75
	Emissions of nitrogen oxides (NOx) from exhaust gases	Ton	7.32	5.59	22.53
	Emissions of particulate matter (PM) from exhaust gases	Ton	1.33	6.83	7.34
	Emissions of volatile organic compounds (VOCs) from exhaust gases	Ton	0.78	5.64	18.18
	Non-methane hydrocarbon (NMHC) emissions from exhaust gases	Ton	8.38	18.20	16.92
	Ozone-depleting substance (ODS) emissions from exhaust gases	Kilograms of trichloroflu-oromethane equivalent	-	-	1.50
Total hazardous waste[11]		Ton	1,231.86	1,619.72	2,622.33
Volume of hazardous waste by disposal method	Incineration with energy recovery	Ton	-	-	1,720.34
	Incineration without energy recovery	Ton	-	-	281.51
	Landfill	Ton	-	-	41.73
	Others[12]	Ton	-	-	578.75
Total non-hazardous waste[13]		Ton	2,868.61	4,482.57	45,810.81
Volume of non-hazardous waste by disposal method	Incineration with energy recovery	Ton	-	-	4,013.15
	Incineration without energy recovery	Ton	-	-	10,872.95
	Landfill	Ton	-	-	1,459.95
	Recycling/reuse	Ton	2,669.32	3,586.06	22,242.59
	Others	Ton	-	-	7,222.17
Total use of packaging materials for manufactured goods[14]		Item	-	-	97,150,695

[11] During the reporting period, the company consistently adhered to environmentally sustainable principles and advanced waste management and reduction initiatives. The expansion of statistical coverage scope and increased production capacity resulted in a rise in Sunwoda's total hazardous waste volume.

[12] During the reporting period, the company continued to promote comprehensive utilization of hazardous waste, progressively increasing recycling volumes. Other disposal methods for hazardous waste now incorporate integrated recycling quantities. Data shows significant variations compared to 2023 due to methodological adjustments.

[13] During the reporting period, the company persistently enhanced comprehensive utilization of non-hazardous waste, steadily augmenting recycling volumes. Expanded statistical coverage and production capacity expansion contributed to an increase in Sunwoda's total non-hazardous waste volume.

[14] Packaging material statistics encompass 48 types of consumables including PE bags, ABS reels, EVA boxes, adhesive tapes, wooden boards, and wooden crates.

Society

Indicator		Unit	2022	2023	2024
Total number of employees		People	44,842	47,448	54,292
Number of employees by gender	Male	People	30,833	32,519	37,645
	Female	People	14,009	14,929	16,647
Number of employees by age	Over 50 years old	People	163	695	862
	30 to 50 years	People	21,590	22,572	25,976
	Under 30	People	23,089	24,181	27,454
Number of employees by type of employment	Full-time labor contract	People	44,641	46,531	50,287
	Full-time labor dispatch system	People	22	6	55
	Concurrent job	People	-	-	0
	Others[15]	People	179	911	3,950
Number of employees by type of function	Production personnel	People	28,656	31,396	36,856
	Technical personnel	People	8,364	8,442	8,389
	Sales personnel	People	498	628	755
	Financial personne	People	270	327	331
	Administrative personnel	People	7,054	6,655	7,961
Number of employees by education level	PhD degree	People	107	133	147
	Master's degree	People	1,360	2,002	2,308
	Bachelor's degree	People	7,467	8,338	9,550
	Junior college degree	People	7,319	7,503	9,974
	Below junior college degree	People	28,589	29,472	32,313
Number of employees by region[16]	Mainland China Jobs	People	44,799	47,399	53,948
	Hong Kong,Macao ,Taiwan	People	11	16	26
	Overseas Work	People	32	33	318
Number of minority employees		People	10,826	5,275	5,841

[15] The geographic breakdown of employee headcount is calculated based on employees' primary work locations.

[16] During the reporting period, changes in statistical methodology resulted in a reduction of senior management headcount. Historical data will not be restated. Senior management is defined as personnel at General Manager level and above.

Number of employees with disabilities		People	-	-	56
Number of employees at management level[17]		People	-	-	76
Number of employees at management level by gender	Male	People	4,609	4,468	52
	Female	People	1,079	1,142	24
Percentage of female employees at management level		%	23.41	20.36	31.58
Average Employee Satisfaction/Employee Engagement Score		Point	-	-	4.25
Employee Satisfaction Survey Coverage[18]		%	-	-	92.07
Percentage of employees covered by OHSMS		%	-	-	100
Occupational health and safety training	Percentage of employees covered	%	-	-	98
	Number of persons trained	People	-	-	408,217
	Total duration of training	Hour	-	-	865,011
Physical examination rate for occupational diseases of front-line employees		%	-	-	100
Number of employees suffering from occupational diseases		People	-	-	0
Number of major security incidents		Item	-	-	0
Number of employees who died as a result of work-related injuries		People	-	-	0
Employee Workers' Compensation Insurance Coverage		%	-	-	100
Amount invested in employee workers' compensation insurance		RMB ten thousand	-	-	133.89
Workplace safety liability insurance coverage		%	-	-	100
Employee safety liability insurance input amount[19]		RMB ten thousand	-	-	192.09
Total hours of training received by employees		Hour	26,757	290,233	224,117
Length of time employees receive training, by gender	Male	Hour	-	-	110,498.75
	Female	Hour	-	-	113,618.25
Number of R&D staff		People	8,364	8,442	8,389
Amount of R&D investment		RMB 100 million	27.42	27.11	33.30
Amount of R&D investment as a percentage of main business revenue		%	5.26	5.66	5.94
Customer Satisfaction		%	-	-	92.89
Product testing pass rate[20]		%	-	-	99.29

[17] During the reporting period, changes in statistical methodology resulted in a reduction of senior management headcount. Historical data will not be restated. Senior management is defined as personnel at General Manager level and above.

[18] The employee satisfaction survey excludes 3C Lithium Wei and Huizhou New Energy business units.

[19] The work safety liability insurance for 2024 was procured in November 2024, with policy period covering November 2024 to November 2025. The company annually purchases work safety liability insurance for employees.

[20] Product inspection pass rate is calculated based on post-production quality checks.

Number of product recalls for quality reasons	Item	-	0	0
Amount involved in major liability accidents damages related to safety and quality of products and services that occurred during the reporting period	RMB ten thousand	-	-	0
Number of data security incidents	Item	-	0	0
Amount involved in data security incidents	RMB ten thousand	-	-	0
Number of customer privacy breaches	Item	-	-	0
Amount involved in customer privacy breaches	RMB ten thousand	-	-	0
Total number of suppliers [21]	Supplier	5,218	4,020	4,309
Number of suppliers by region measure word: Mainland China	Supplier	4,740	3,512	3,970
Number of suppliers by region measure word: Hong Kong, Macau, Taiwan and Overseas	Supplier	478	508	339
Number of key vendors	Supplier	-	-	2,486
Number of non-key suppliers	Supplier	-	-	1,823
Total number of vendors that have signed the vendor code of conduct	Supplier	-	-	3,266
Number of vendor trainings	substandard	-	-	113
Total number of new vendors	Supplier	-	-	977
Number of suppliers certified to the environmental management system	Supplier	-	-	1,973
Number of suppliers with certified occupational health and safety management systems	Supplier	-	-	1,333
Number of suppliers with certified quality management systems	Supplier	-	-	2,411
Amount of rural revitalization inputs	RMB ten thousand	-	-	241.90
Number of people reached by rural revitalization	People	-	-	215,912
Amount spent on public charity	RMB ten thousand	686.90	1,453.30	592.08
Number of employee volunteering trips	People	-	-	3,178
Number of hours of volunteer activities	Hour	1,980	870	1,507

[21] Supplier-related data reflects quantities as of the reporting period end.

Governance

Indicator	Unit	2022	2023	2024
Number of incidents of litigation or major administrative penalties resulting from the company's unfair competition behavior during the reporting period	Item	-	0	0
Amount involved in litigation or major administrative penalties due to unfair competition by the company during the reporting period	RMB ten thousand	-	0	0
Internal Disciplinary Measures for Employee Misconduct and Fraud	people	-	-	25

Report Index

GRI Index

GRI standard	Disclosures	Location
GRI 2: General disclosures 2021		
2-1	Organizational details	About this Report, Company Profile
2-2	Entities included in the organization's sustainability reporting	About this Report, Company Profile
2-3	Reporting period, frequency and contact point	About this Report
2-4	Restatements of information	Not involved
2-5	External assurance	Independent Verification Report
2-6	Activities, value chain and other business relationships	Company Profile
2-7	Employees	Cultivating a Vibrant Workplace
2-8	Workers who are not employees	Employees Rights and Interests Protection
2-9	Governance structure and composition	Sustainability Management Structure, Governance, Corporate Governance
2-10	Nomination and selection of the highest governance body	Corporate Governance
2-11	Chair of the highest governance body	Corporate Governance
2-12	Role of the highest governance body in overseeing thef impacts	Corporate Governance
2-13	Delegation of responsibility for managing impacts	Sustainability Management Structure, Governance
2-14	Role of the highest governance body in sustainability reporting	Sustainability Management Structure
2-15	Conflicts of interest	Ensuring Stable Operations
2-16	Communication of critical concerns	Communication with Stakeholders, Ensuring Stable Operations
2-17	Communication of critical concerns	Sustainable Development Strategy, Ensuring Stable Operations
2-18	Evaluation of the performance of the highest governance body	Sustainability Management Structure, Ensuring Stable Operations
2-19	Remuneration policies	Employees Rights and Interests Protection
2-20	Process to determine remuneration	Cultivating a Vibrant Workplace
2-21	Statement on sustainable development strategy	Sustainable Development Strategy
2-22	Policy commitments	About this Report, Sunwoda's Sustainable Development Strategy, Addressing Climate Change, Establishing Responsible Supply Chain
2-23	Embedding policy commitments	Sustainability Management Structure
2-24	Processes to remediate negative impacts	Safeguarding Product Quality and Safety
2-25	Mechanisms for seeking advice and raising concerns	Communication with Stakeholders, Ensuring Stable Operations, Cultivating a Vibrant Workplace
2-26	Compliance with laws and regulations	Conserving Biodiversity, Ensuring Stable Operations, Cultivating a Vibrant Workplace
2-27	Membership associations	Addressing Climate Change
2-28	Approach to stakeholder engagement	Communication with Stakeholders, Investor Relations Management
2-29	Collective bargaining agreements	Integrity and Business Ethics, Employees Rights and Interests Protection
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Double Materiality Assessment
3-2	List of material topics	Double Materiality Assessment
3-3	Management of material topics	Double Materiality Assessment
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Company Profile, Key Performance Table
201-2	Financial implications and other risks and opportunities due toclimate change	Addressing Climate Change
201-3	Defined benefit plan obligations and other retirement plans	Employees Rights and Interests Protection
GRI 203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	Company Profile, Early Stage: Green Design and Technology, Building an Integrity Enterprise, Constructing a Beautiful Home
203-2	Significant indirect economic impacts	Pioneer R&D Innovation
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Integrity and Business Ethics
205-2	Communication and training about anti-corruption policies andprocedures	Integrity and Business Ethics
205-3	Confirmed incidents of corruption and actions taken	Integrity and Business Ethics
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Integrity and Business Ethics

GRI standard	Disclosures	Location
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Key Performance Table
301-2	Recycled input materials used	End-of-Life Stage:Green Packaging,Logistics,and Recycling
301-3	Reclaimed products and their packaging materials	End-of-Life Stage:Green Packaging,Logistics,and Recycling
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Key Performance Table
302-2	Energy consumption outside of the organization	Key Performance Table
302-3	Energy intensity	Key Performance Table
302-4	Reduction of energy consumption	Energy Management
302-5	Reductions in energy requirements of products and services	Full Lifecycle Green Solutions, Addressing Climate Change
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Water Resource Management
303-2	Management of water discharge-related impacts	Pollutant and Waste Management
303-3	Water withdrawal	Key Performance Table
303-4	Water discharge	Key Performance Table
303-5	Water consumption	Key Performance Table
GRI 304: Biodiversity 2016		
304-2	Significant impacts of activities, products and services onbiodiversity	Conserving Biodiversity
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Addressing Climate Change, Key Performance Table
305-2	Energy indirect (Scope 2) GHG emissions	Addressing Climate Change, Key Performance Table
305-3	Other indirect (Scope 3) GHG emissions	Addressing Climate Change, Key Performance Table
305-4	GHG emissions intensity	Addressing Climate Change, Key Performance Table
305-5	Reduction of GHG emissions	Addressing Climate Change, Key Performance Table
305-6	Emissions of ozone-depleting substances (ODS)	Addressing Climate Change, Key Performance Table
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significantair emissions	Addressing Climate Change, Key Performance Table

GRI standard	Disclosures	Location
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Pollutant and Waste Management
306-2	Management of significant waste-related impacts	Pollutant and Waste Management
306-3	Waste generated	Pollutant and Waste Management
306-4	Waste diverted from disposal	Pollutant and Waste Management
306-5	Waste directed to disposal	Pollutant and Waste Management
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Supply Chain Resilience
308-2	Negative environmental impacts in the supply chain and actions taken	Supplier Management
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Key Performance Table
401-2	Benefits provided to full-time employees that are not provided totemporary or part-time employees	Employees Rights and Interests Protection
GRI 403：Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
403-3	Occupational health services	Occupational Health and Safety
403-4	Worker participation, consultation, and communication onoccupational health and safety	Occupational Health and Safety
403-5	Worker training on occupational health and safety	Occupational Health and Safety
403-6	Promotion of worker health	Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safetyimpacts directly linked by business relationships	Occupational Health and Safety
403-8	Workers covered by an occupational health and safetymanagement system	Occupational Health and Safety
403-9	Work-related injuries	Occupational Health and Safety
403-10	Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Key Performance Table
404-2	Programs for upgrading employee skills and transition assistanceprograms	Staff Training and Development
404-3	Percentage of employees receiving regular performance andcareer development reviews	Staff Training and Development

GRI standard	Disclosures	Location
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Employees Rights and Interests Protection
405-2	Ratio of basic salary and remuneration of women to men	Employees Rights and Interests Protection, Key Performance Table
GRI 406: Non-discrimination (2016)		
406-1	Incidents of discrimination and corrective actions taken	Employees Rights and Interests Protection
GRI 407: Freedom of Association and Collective Bargaining 2016		
07-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employees Rights and Interests Protection, Supplier Management
GRI 408: Child Labor (2016)		
408-1	Operations and suppliers at significant risk for incidents of child labor	Employees Rights and Interests Protection, Supplier Management
GRI 409: Forced or Compulsory Labor (2016)		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employees Rights and Interests Protection, Supplier Management
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Environmental Management System
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Supply Chain Resilience
414-2	Negative social impacts in the supply chain and actions taken	Supplier Management
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Safeguarding Product Quality and Safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Safeguarding Product Quality and Safety
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Safeguarding Product Quality and Safety, Creating Customer Value, Key Performance Table
417-2	Incidents of non-compliance concerning product and service information and labeling	Safeguarding Product Quality and Safety, Creating Customer Value
417-3	Incidents of non-compliance concerning marketing communications	Safeguarding Product Quality and Safety, Creating Customer Value
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Creating Customer Value, Key Performance Table

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Chapter			Guidelines	Corresponding Chapter
Chapter I General Provisions			Articles 1 - 10	About This Report
Chapter II Disclosure of Sustainability Framework			Articles 11 - 19	Sustainability Management, Sustainability Impact, Dual Materiality Analysis
Chapter III Disclosure of Environmental Information	Section 1 Addressing Climate Change	Addressing climate change	Articles 20 - 28	Addressing Climate Change
	Section 2 Pollution Prevention and Ecosystem Protection	Pollutant Emissions	Article 30	Pollutant and Waste Management
		Waste Disposal	Article 31	Pollutant and Waste Management
		Ecosystem and Biodiversity Conservation	Article 32	Conserving Biodiversity
		Environmental compliance management	Article 33	Environmental Management System
	Section 3 Resource Utilization and Circular Economy	Energy Utilization	Articles 34 - 35	Energy Management
		Water Resource Utilization	Article 36	Water Resource Management
		Circular Economy	Article 37	End-of-Life Stage: Green Packaging, Logistics, and Recycling
Chapter IV Disclosure of Social Information	Section 1 Rural Revitalization and Social Contribution	Rural Revitalization	Articles 38-39	Rural Revitalization
		Social Contribution	Article 40	Social Welfare
	Section 2 Innovation-Driven and Technological Ethics	Innovation-Driven	Article 42	Pioneer R&D Innovation
		Technology Ethics	Article 43	Not applicable (The entity has not engaged in scientific research in technology ethics-sensitive fields such as life sciences and artificial intelligence, but has optimized management in terms of data security. Please refer to 3.2.2. Information Security and Privacy Protection for more details.)
	Section 3 Suppliers and Customers	Supply Chain Risk Management	Articles 44 - 45	Establishing Responsible Supply Chain
		Equal Treatment of Small and Medium-Sized Enterprises	Article 46	Not applicable (The balance of accounts payable at the end of the reporting period less than 50% of total assets. Please refer to the annual report for more details.)
		Product and Service Safety and Quality	Article 47	Full Lifecycle Green Solutions, Safeguarding Product Quality and Safety, Creating Customer Value
		Data Security and Customer Privacy Protection	Article 48	Information Security and Privacy Protection
	Section 4 Employees	Employees	Articles 49 - 50	Cultivating a Vibrant Workplace

Chapter			Guidelines	Corresponding Chapter
Chapter V Disclosure of Sustainability Governance Information	Section 1 Sustainability Governance Mechanism	Corporate Governance	Article 51	Sustainability Management, Ensuring Stable Operation
		Due Diligence	Article 52	Integrity and Business Ethics, Responsible Procurement, Dual Materiality Assessment
		Communication with Stakeholders	Article 53	Communication with Stakeholders
	Section 2 Business Conducts	Anti-Commercial Bribery and Anti-Corruption	Article 54	Integrity and Business Ethics
		Anti-Unfair Competition	Article 56	Integrity and Business Ethics
Chapter VI Supplementary Provisions and Interpretation			Article 57	Index
			Article 58	Third-Party Verification Report

Sustainability Issues

	Material Issues	Issue Explanation	A-share Guidelines	Corresponding Chapter
Governance (G)				
1	Robust governance	Enhance corporate governance structure (including, but not limited to, increasing the number of independent directors and Supervisory Committee members) and improve the diversity of the Board of Directors to reduce potential governance risks. Improve corporate sustainability/ESG governance structure and standardize the management processes for sustainable development and ESG-related matters. Operate legally and compliantly, actively monitor, evaluate, and address potential risks, such as financial and legal risks, to an effective internal control.	Communication with Stakeholders Articles 52, 53, 55, and 56 of the Guidelines	Accountability
2	Anti-corruption and business ethics	Uphold the correct values and principles and adhere to standards and norms to prevent corruption risks; formulate anti-corruption policies and take action against corruption incidents, reporting unethical, illegal, and dishonest behaviors. Strengthen the protection of trade secrets and prevent unfair competition and monopoly to promote and foster a fair market competition environment.	Anti-Commercial Bribery and Anti-Corruption Anti-unfair competition Due Diligence Articles 52, 55, and 56 of the Guidelines	Accountability
3	Information Security and Privacy Protection	Ensure information security, including that of the Company, clients, and employees, to protect client privacy and use client data responsibly.	Data Security and Customer Privacy Protection Article 48 of the Guidelines	Accountability
4	Intellectual Property Protection	Value intellectual property protection, establish and improve the Regulations on IP Management, and strengthen the application, protection, and utilization of intellectual property to promote technological innovation and achievement transformation.	Innovation-Driven Article 54 of the Guidelines	Lifecycle

	Material Issues	Issue Explanation	A-share Guidelines	Corresponding Chapter
Environment (E)				
5	Addressing climate change	Enterprises take proactive measures to address climate change. They can participate in global climate governance through carbon emissions reduction, energy efficiency improvement, and other measures to mitigate the impact on the global climate and address the climate change crisis.	Addressing climate change Articles 21- 28 of the Guidelines	Ecology
6	Environmental compliance management	Build formal environmental management structures and procedures to ensure that business activities comply with environmental regulatory requirements and encourage continuous environmental improvement.	Environmental compliance management Article 33 of the Guidelines	Ecology
7	Energy management and utilization	Plan, implement, inspect, and improve the energy usage of an organization or system through a series of strategies and measures to achieve effective utilization and conservation of energy.	Energy Utilization Article 35 of the Guidelines	Ecology
8	Resource management and circular economy	Focus on the utilization of water and other resources, resource conservation, and circular management during production and operation processes. Value reusable or recyclable materials to reduce resource consumption and waste generation.	Water Resource Utilization Circular Economy Article 36 and Article 37 of the Guidelines	Lifecycle, Ecology
9	Emissions and waste management	Control and manage emissions and waste from the entity during production and operation to reduce negative environmental impacts.	Pollutant Emissions Waste Disposal Article 30 and Article 31 of the Guidelines	Ecology
10	Biodiversity conservation	Prioritize biodiversity conservation and take measures to protect the ecological environment and mitigate species extinction, thereby promoting ecological balance and sustainable use of natural resources.	Ecosystem and Biodiversity Conservation Article 32 of the Guidelines	Ecology
11	Cleantech opportunities	Expand the precise strategic layout, investment, and development of clean and low-carbon technologies and clean energy, promote the use of clean energy to seize green transformation opportunities, and offer low-carbon transformation solutions for the value chain.	Article 20 and Article 35 of the Guidelines	Lifecycle

	Material Issues	Issue Explanation	A-share Guidelines	Corresponding Chapter
Social (S)				
12	R&D and innovation	Increase R&D investment and promote technological innovation to develop new products, technologies, and services with social value, thus enhancing core competitiveness. Focus on the ethical issues in sensitive areas of cutting-edge technology research, and adhere to ethical norms in scientific research, technology development, and other scientific activities.	Innovation-Driven Technology Ethics Article 42 and Article 43 of the Guidelines	Lifecycle
13	High-quality products and services	Strictly control product quality and safety to ensure compliance with relevant standards and regulations, and strengthen quality management systems to produce responsible and safe products. Offer high-quality customer service, value customer needs and feedback, and actively resolve customer issues to enhance customer satisfaction.	Product and Service Safety and Quality Article 47 of the Guidelines	Accountability Partnership
14	Responsible supply chain management	Enterprises optimize supply chain management to ensure stability and sustainability by integrating ESG factors throughout the entire process of supplier access, evaluation, and management. This continuously reduces operational risks and creates a responsible supply chain. Promote responsible mineral management and pledge to no use of minerals from conflict-affected and high-risk areas that involve armed conflict, widespread violence, or other risks harmful to the people.	Supply chain security Equal Treatment of Small and Medium-Sized Enterprises Due Diligence Article 45 and Article 52 of the Guidelines	Partnership
15	Industry cooperation	Actively engage in industry exchanges and cooperation and treat small or medium-sized enterprises equally to promote industry development and technological progress as well as collaborative and sustainable development among industry partners.	Article 40 and Article 46 of the Guidelines	Partnership
16	Talent management and development	Safeguard the legitimate rights and interests of employees through complying with labor regulations and providing reasonable working conditions as well as compensation benefits to create a favorable working environment. Advocate for employee diversity and equality, respect individual differences and cultural backgrounds of employees, and eliminate discrimination and prejudice to establish an inclusive and open working environment. Value employee training and development through diversified training courses and career development opportunities to help employees enhance skills and capabilities to realize the joint development of personal and enterprise values.	Employees Article 50 of the Guidelines	Partnership
17	Occupational Health and Safety	Prioritize employee health and safety by continuously improving the work safety system and providing safety training and protective measures to prevent workplace accidents and occupational diseases and ensure the physical and mental well-being of employees.		Partnership
18	Rural revitalization and social contribution	Actively involved in rural revitalization, public welfare, and charitable causes, paying attention to vulnerable groups and social issues and establishing good communication and cooperation with communities to provide donations and support various public welfare activities, thereby fulfilling corporate responsibility.	Rural Revitalization Social Contribution Article 39 and Article 40 of the Guidelines	Partnership

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Analysis of Sustainable Development Issues and Their Impacts, Risks, and Opportunities

Issue	Impact Scope				Impact Cycle			Type	Description	SDGs	Impact Materiality	Financial Materiality	Corresponding Chapter
	Own operations	upstream and downstream value chain	communities	communities	Short-term	mid-term	Long-term						
Addressing climate change	✓	✓	✓	✓		✓	✓	Impact	◆ Enterprises directly alleviate the pressure on the global climate system by reducing carbon emissions and improving energy efficiency. They contribute to the mitigation of global warming, protect the ecological environment from the impact of extreme weather events, assist global climate governance, and promote global ecological balance.	7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION	● ● ● ●	● ● ● ●	• Lifecycle • Ecology
								Risk	◆ Physical risks: Extreme weather can cause shutdowns and production halts, decreasing production capacity and consequently reducing revenue. Long-term climate change leads to rising energy prices and increased operational costs. ◆ Policy and legal risks: As enterprises venturing overseas face increasingly stringent laws and regulations related to the environment, carbon emissions, and carbon footprints, the Company has to invest heavily to mitigate compliance risks or may face related penalties upon violations.				
								Opportunities	◆ Business continuity: Vigorously implementing preventive measures against physical risks such as extreme weather enhances Sunwoda's resilience against risks and ensures the continuity of production and operations. ◆ Efficiency improvement and cost saving: Clean technologies and digital transformation will facilitate production and operational efficiency. ◆ Policy incentives: The government provides "dual carbon"-related subsidies or tax incentives, enabling the Company to leverage such policies to advance low-carbon transformation and business growth. ◆ Market competitiveness: Developing low-carbon products and green solutions to meet domestic and international market demands, breaking through "green barriers" and exploring new markets.				
Environmental compliance management	✓	✓	✓		✓	✓	✓	Impact	◆ The Company should strictly comply with environmental regulations, establish and improve environmental management structures and procedures, reduce environmental risks, and encourage continuous environmental improvement to minimize the negative impacts caused by business operations.	11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND	● ● ● ○	● ● ● ○	• Ecology
								Risk	◆ Legal risks: Failure to comply with environmental regulations or standards may lead to serious legal consequences, including fines, penalties, and even potential legal litigation and enforcement risks. ◆ Operational risks: Non-compliance may lead to production halts, delays, or supply chain disruptions, thereby affecting overall operational efficiency and business outcomes. ◆ Reputation risks: Being exposed as a non-compliant enterprise may damage brand reputation, affect relationships with customers, investors, and partners, and lead to a decline in market share.				
								Opportunities	◆ Expanding into international markets: Some countries and regions increasingly demand higher environmental standards for imported products in global trade. By strengthening environmental compliance management, Sunwoda can ensure its products meet international environmental standards, facilitating smooth entry into international markets and expanding global business. ◆ Driving technological innovation: To meet environmental compliance requirements, the Company continuously engages in technological innovation and transformation.				

Issue	Impact Scope				Impact Cycle			Type	Description	SDGs	Impact Materiality	Financial Materiality	Corresponding Chapter
	Own operations	upstream and downstream value chain	communities	communities	Short-term	mid-term	Long-term						
Energy management and utilization	✓					✓	✓	Impact	◆ The Company should enhance energy management by efficiently utilizing energy, advocating for the use of renewable energy sources, and reducing reliance on fossil fuels to lower greenhouse gas emissions and promote the green transformation of the energy structure.	7 AFFORDABLE AND CLEAN ENERGY; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	● ● ● ●	● ● ● ○	• Ecology
								Risk	◆ Cost risks: Fluctuations in energy prices may significantly impact the Company's operational costs, especially for energy-intensive industries. Failure to effectively manage energy efficiency will lead to increased costs and impact profitability.				
								Opportunities	◆ Cost reduction and efficiency improvement: By optimizing energy management, the Company can improve energy utilization efficiency, reduce energy consumption, and lower costs. It can also further improve the operational efficiency and reliability of the energy system, enhancing Sunwoda's competitiveness. ◆ Cooperation and investment: Energy management and utilization involve multiple fields and processes, necessitating extensive collaboration between the Company and governments, research institutions, upstream and downstream enterprises, etc. The Company can integrate resources for joint energy project development, technological R&D, and market expansion, achieving mutual benefits.				
Resource management and circular economy	✓		✓			✓	✓	Impact	◆ The Company should optimize water resource management, promote resource recycling, reduce resource consumption and waste generation, mitigate environmental damage caused by resource extraction, improve resource efficiency, and contribute to a sustainable resource system.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	● ● ● ○	● ● ● ○	• Ecology
								Risk	◆ Resource scarcity risks: In water-scarce regions, excessive water use or wastage may lead to water shortages, affecting project operations and future development plans. Cost risks: Fluctuations in resource prices and supply chain disruptions may lead to increased operational costs, especially in projects reliant on substantial natural resources. Ineffective resource management may expose the Company to high resource acquisition costs.				
								Opportunities	◆ Resource optimization and conservation: By implementing advanced resource and environmental management systems, the Company can optimize resource usage, boost production efficiency, reduce operating costs, and minimize negative environmental impacts. ◆ Brand enhancement: As a pioneer in the circular economy, demonstrating the Company's commitment to environmental protection and resource management can enhance corporate image, attract eco-conscious investors, customers, and partners, and secure a favorable position in the green economy transition.				
Emissions and waste management	✓				✓			Impact	◆ The Company should strictly control the discharge of sewage, exhaust gases, and waste, optimize the management of "three wastes", reduce the pollution of hazardous substances to the environment, and protect water and soil quality, maintaining ecological balance and creating a healthy living environment for local residents.	13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND	● ● ● ○	● ● ○ ○	• Ecology
								Risk	◆ Regulatory risks: As local governments have strict regulations and standards on pollutant emissions, failure to comply with these requirements may result in substantial fines or penalties, and even lead to supply chain disruptions, affecting the Company's operations and business expansion. ◆ Reputation risks: Excessive pollutant emissions or improper treatment may attract media and public attention, damaging the Company's brand image and affecting the confidence of potential partners and investors. ◆ Financial risks: Investments in governance and emission reduction technologies may increase operational costs, especially under increasingly stringent environmental protection requirements. Moreover, the long-term effects of pollutant emissions may lead to an increase in environmental remediation costs.				
								Opportunities	◆ Cost savings and efficiency improvement: By optimizing the "three wastes" management process, the Company can achieve resource recycling, thereby reducing raw material procurement costs and waste disposal costs. ◆ Market competitiveness enhancement: Companies excelling in emissions and waste management can attract more consumers and investors, broadening financing channels and reducing financing costs.				

Issue	Impact Scope				Impact Cycle			Type	Description	SDGs	Impact Materiality	Financial Materiality	Corresponding Chapter
	Own operations	upstream and downstream value chain	communities	communities	Short-term	mid-term	Long-term						
Biodiversity conservation				✓			✓	Impact	◆ Measures should be taken to protect biodiversity, maintain ecosystem and species diversity, and promote harmonious coexistence between humans and nature throughout the entire process from site development to operational production.	14 LIFE BELOW WATER, 15 LIFE ON LAND	● ○ ○ ○	● ○ ○ ○	• Ecology
								Risk	◆ Operational risks: Stricter biodiversity protection regulations may lead to more complex approval procedures and higher compliance costs, thereby affecting production progress and profitability.				
								Opportunities	◆ Policy support and subsidies: Local governments may introduce support policies and subsidies, enabling the Company to reduce costs and obtain financial support for biodiversity protection projects and related business development. ◆ Market demand and brand value enhancement: With increasing consumer awareness of environmental protection and sustainable development, companies with a strong record of biodiversity conservation win a competitive edge and differentiate themselves competitively, helping to enhance brand value and market share.				
Cleantech opportunities	✓		✓	✓		✓	✓	Impact	◆ The Company should increase investment in clean and low-carbon technologies and reduce product carbon footprints to seize opportunities in green transformation. This would include providing low-carbon solutions for the value chain, promoting the development of a green economy, and contributing to societal green transformation.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	● ● ● ●	● ● ● ○	• Lifecycle • Ecology
								Risk	◆ Economic risks: The introduction and application of clean technologies often require high initial investments, such as equipment procurement, infrastructure upgrades, and employee training. In the short term, this may strain corporate finances, especially when the return on investment is uncertain. ◆ Technical risks: The development and implementation of clean technologies rely on rapidly evolving science and technology, posing risks of failed upgrades or unmet expectations, which may impact the operational efficiency and project outcomes of the Company. ◆ Market risks: Market acceptance of clean technologies may be uncertain, especially when traditional methods are more cost-effective, posing potential challenges for market promotion and customer acceptance.				
								Opportunities	◆ Cost savings: In the long run, clean technologies can improve energy efficiency, reduce resource waste, lower operational costs, and enhance enterprises' overall resource management capabilities. ◆ Innovation and market expansion: By developing and applying clean technologies, the Company can seize the initiative in the low-carbon product market, explore new business opportunities, and establish technological innovation leadership within the industry. ◆ Brand and reputation enhancement: Adopting clean technologies can bolster the Company's reputation in sustainable development, attract more environmentally conscious customers, investors, and partners, and enhance brand influence. ◆ Policy incentives: As governments worldwide vigorously support the application of clean technologies through tax reductions, subsidies, and green financing programs, to drive the transition of enterprises toward clean technologies, the Company can leverage these policies to drive business growth and sustainable development.				

Issue	Impact Scope				Impact Cycle			Type	Description	SDGs	Impact Materiality	Financial Materiality	Corresponding Chapter
	Own operations	upstream and downstream value chain	communities	communities	Short-term	mid-term	Long-term						
R&D and innovation	✓		✓				✓	Impact	◆ The Company should increase investment in research and development, promote technological innovation, and develop new products and technologies with social value, enhancing core competitiveness and ensuring that R&D activities comply with social standards.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	● ● ● ●	● ● ● ●	• Lifecycle
								Risk	◆ Technical risks: Innovation projects may face technical R&D failure or unmet expectations, leading to resource waste and investment losses, affecting the Company's financial performance and innovation capabilities, and impacting other business operations. ◆ Market risks: Even if technological innovation succeeds, new products or services may not gain market recognition or customer acceptance, especially in cases of rapidly changing consumer demands or intense competition. ◆ Compliance and intellectual property risks: In a rapidly evolving innovation environment, the Company may face intellectual property disputes or compliance issues, particularly when collaborating with international competitors or developing new technologies, which may affect corporate reputation and operations.				
								Opport-unities	◆ Industry leadership: Continuous innovation enables the Company to maintain its technological and market leadership and set industry benchmarks, attracting more strategic partners and investors and enhancing its overall competitive advantage. ◆ New market development: Innovation helps the Company enter new market sectors and meet growing customer demands, especially in achieving a larger share in emerging markets such as green products, smart manufacturing, and sustainable development. ◆ Resource efficiency improvement: New technologies and processes driven by innovation can significantly improve resource utilization efficiency, reduce operating costs, and support the Company's sustainable development strategy. ◆ Policy support and incentives: As local governments may provide policy benefits, tax reductions, and financial subsidies for innovation projects, the Company can leverage these policy incentives to further accelerate its innovation pace.				
High-quality products and services	✓		✓				✓	Impact	◆ The Company should strictly control quality and safety through comprehensive quality management and customer service systems to safeguard the rights and interests of customers and consumers, providing them with safe, high-quality products and satisfactory services.	3 GOOD HEALTH AND WELL-BEING; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	● ● ● ●	● ● ● ●	• Accountability • Partnership
								Risk	◆ Quality Issues: Non-compliant products or services may result in customer complaints, returns, or even legal disputes, damaging the Company's reputation. ◆ Safety hazards: Safety hazards in products or services may endanger customer safety, resulting in severe legal consequences and financial losses.				
								Opport-unities	◆ Brand enhancement: Consistently providing high-quality and safe products and services helps enhance brand image and attract more customers. ◆ Market expansion: High-quality products and services can open up new markets, meet the needs of different customers, and expand business scope.				

Issue	Impact Scope				Impact Cycle			Type	Description	SDGs	Impact Materiality	Financial Materiality	Corresponding Chapter
	Own operations	upstream and downstream value chain	communities	communities	Short-term	mid-term	Long-term						
Responsible supply chain management		✓				✓	✓	Impact	◆ The Company should integrate ESG factors into the entire process of supplier access, evaluation, and management to optimize supply chain management and ensure its stability and sustainability. This would reduce environmental and social risks, promote the development of supply chain partners, and advocate responsible procurement, ultimately contributing to a fair and sustainable global supply chain system.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS	● ● ● ○	● ● ● ○	• Partnership
								Risk	◆ Disruption risks: Supply chain disruptions (such as natural disasters, market fluctuations, or supplier issues) may lead to material shortages or cost increases, affecting the Company's production schedules and operational stability. ◆ Compliance and reputation risks: Non-compliant partners in the supply chain for environmental or social responsibility standards may expose the Company to compliance issues and reputation risks. For example, being found using non-compliant materials or suppliers will harm the Company's brand image. ◆ Cost risks: Supply chain management requires continuous resource investments, such as supplier screening and sustainable procurement practices, which may lead to short-term increases in operating costs and impact financial performance. ◆ Quality control risks: The complexity of the supply chain makes quality control more difficult. Product quality issues may affect customer satisfaction and the Company's reputation and potentially lead to legal disputes.				
								Opport-unities	◆ Supply chain optimization: By introducing digital management and big data analysis, the Company can optimize supply chain processes, improve efficiency, reduce costs, ensure the sustainability and reliability of raw materials, and enhance overall competitiveness. ◆ Collaboration and mutual benefits: Establishing strategic partnerships with suppliers to promote sustainable development and innovative solutions can enhance market competitive advantages. ◆ Transparency and compliance: Implementing transparent and traceable supply chain management helps the Company to demonstrate its commitment to environmental and social responsibility, bolstering trust among customers and investors and aligning with increasingly stringent global sustainability requirements. ◆ Risk management: Building a resilient supply chain can enhance the Company's ability to respond to external uncertainties, mitigate the impact of supply disruptions, and ensure the continuity and stability of business operations.				
Industry cooperation				✓		✓	✓	Impact	◆ The Company should actively participate in industry exchanges and collaborations to promote industry development, standards formulation, and technological advancement and facilitate coordinated sustainable development among industry partners, collectively addressing industry challenges and enhancing the overall competitiveness of the industry.	17 PARTNERSHIPS FOR THE GOALS	● ● ● ○	● ○ ○ ○	• Partnership
								Risk	◆ Risks from misaligned cooperation objectives: Different enterprises may have varying goals and interests in industry collaborations, which may lead to conflicts and disputes during the cooperation process, potentially hindering the progress of collaborative projects. ◆ Cultural and management divergence risks: Differences among companies may result in communication barriers, coordination difficulties, and low decision-making efficiency, increasing management costs and risks of the collaboration. ◆ Risks of technology and data breaches: Enterprises may need to share certain technical or patent-related information in collaboration. Inadequate information security management may lead to data breaches, causing significant losses to the enterprise.				
								Opport-unities	◆ Corporate innovation promotion: Engaging in industry exchanges and university-industry-research cooperation helps enterprises accelerate the adoption and application of new technologies, enhancing its innovative capabilities. ◆ Brand image enhancement: Industry events are crucial platforms for enterprises to showcase their strengths and achievements in sustainable development. Hosting or participating in such events helps enterprises spread advanced ideas and technologies, shaping the image of a sustainable leader.				

Issue	Impact Scope				Impact Cycle			Type	Description	SDGs	Impact Materiality	Financial Materiality	Corresponding Chapter
	Own operations	upstream and downstream value chain	communities	communities	Short-term	mid-term	Long-term						
Talent management and development	✓			✓	✓	✓	✓	Impact	◆ The Company protects employees' legal rights by adhering to relevant laws and regulations and providing a positive work environment and career development opportunities, so as to unleash employees' potential and creativity and contribute to a harmonious society.	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES	● ● ● ○	● ● ● ○	• Partnership
								Risk	◆ Talent attrition risks: Failure to offer competitive compensation and benefits, good career development opportunities, and a positive work environment may lead to talent loss. The loss of key personnel may significantly impact the Company's operations and development. For example, the departure of core technical talent may lead to technology leaks and project stagnation, while the resignation of senior executives could affect strategic decision-making and operational management.				
								Opport-unities	◆ Corporate innovation: A diverse and multifaceted talent team can boost the Company's productivity and creativity, contributing to business growth. ◆ Efficiency improvement: Reducing employee turnover can cut recruitment and training costs and help to maintain work efficiency. Talent reserve: Continuous employee development programs help cultivate internal talent, meeting the Company's future development needs and reducing reliance on external recruitment. ◆ Corporate image enhancement: Companies valuing employee development are more likely to attract top talent and establish a strong employer brand. ◆ Employee motivation: An effective training system provides employees with clear career development paths, encourages internal promotions, and motivates employees.				
Occupational Health and Safety	✓					✓	✓	Impact	◆ The Company should care for employee health and safety through a comprehensive work safety system to prevent workplace injuries and occupational diseases, protect labor resources, and ensure the physical and mental well-being of employees.	3 GOOD HEALTH AND WELL-BEING	● ● ● ○	● ● ● ○	• Partnership
								Risk	◆ Injury accidents will lead to operational disruptions, resulting in decreased sales, reimbursement for compensation to affected workers, and litigation costs if the Company is found liable.				
								Opport-unities	◆ Building a strong employer brand will attract more customers and business opportunities, thereby enhancing the Company's market competitiveness and profitability. Improving employee performance and productivity will reduce employee absenteeism and turnover rates, thus increasing work efficiency and quality.				
Rural revitalization and social contribution				✓			✓	Impact	◆ The Company should actively engage in rural revitalization and public welfare to support vulnerable groups, promote community development, and enhance social cohesion, facilitating social equity and harmony	1 NO POVERTY; 3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 11 SUSTAINABLE CITIES AND COMMUNITIES	● ● ○ ○	● ○ ○ ○	• Partnership
								Risk	◆ Economic pressure and increased costs: Rural areas require substantial upfront investment in infrastructure construction, environmental governance, and ecological protection. Traditional rural industries also may need transformation and upgrading to align with ESG standards, involving costs related to technological updates, equipment renewal, and personnel training. ◆ Social participation and cooperation challenges: Rural revitalization and social contributions involve multiple stakeholders with different interests and goals, potentially leading to slow project advancement or conflicts and disputes. The cooperation mechanisms between rural areas and external enterprises, social organizations, and financial institutions are not yet perfected. They lack effective communication, coordination, and cooperation platforms, which may impact the flow and allocation efficiency of social capital and resources to rural areas. ◆ Environmental and ecological protection pressure: The ecological environment of rural areas is relatively fragile. If the relationship between economic development and ecological protection is not adequately handled during rural revitalization, it may cause damage to the rural ecosystem, such as excessive exploitation of natural resources, pollution of soil and water sources, etc., which not only violates ESG principles but also may affect rural sustainability.				
								Opport-unities	◆ Policy support and capital guidance: The government highly values the integrated development of rural revitalization and ESG and has introduced a series of supportive policies, such as fiscal subsidies, tax incentives, and loan interest subsidies, which can reduce enterprises' operational costs. ◆ Industrial upgrading and innovation opportunities: As ESG requirements encourage enterprises to help rural areas develop green, ecological, and sustainable characteristic industries, enterprises can leverage their technical, financial, and management advantages to promote the upgrading of rural industries, increase their industrial added value and market competitiveness, and achieve a virtuous interaction between economic development and environmental protection.				

Issue	Impact Scope				Impact Cycle			Type	Description	SDGs	Impact Materiality	Financial Materiality	Corresponding Chapter
	Own operations	upstream and downstream value chain	communities	communities	Short-term	mid-term	Long-term						
Robust governance	✓				✓	✓	✓	Impact	◆ The Company should establish a robust corporate governance structure and a sustainable development/ESG governance structure. This will enhance the Company's scientific and transparent decision-making, ensure lawful and compliant operations, and create long-term value for society.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	● ● ● ○	● ● ● ○	• Accountability
								Risk	◆ Internal governance risks: An imperfect corporate governance structure may lead to lengthy, inefficient decision-making processes or decisions lacking scientific basis and foresight, which will cause the Company to miss development opportunities or make wrong investment decisions, affecting its long-term development. If the management of the Company lacks essential professional knowledge, skills, and experience, or does not profoundly understand and sufficiently value ESG concepts, they may fail to effectively lead and drive the Company's ESG practices, troubling to cope with the complex and changing market environment and increasingly stringent regulatory requirements. ◆ External compliance risks: Failure to promptly understand and comply with the latest ESG laws and regulations may expose the Company to hazards such as substantial fines and legal lawsuits, causing significant economic losses and reputational damage.				
								Opportunities	◆ Strategic planning opportunities: ESG concepts provide the Company with a more comprehensive and long-term strategic planning perspective, encouraging the integration of environmental, social, and governance factors into decision-making processes. ◆ Risk management opportunities: A sound governance structure and effective ESG management system can help the Company better identify, assess, and respond to various risks. By preventing and controlling risks, the Company can reduce potential losses and enhance operational stability and risk resilience. ◆ Innovation development opportunities: Robust governance can create a conducive environment for innovation, encouraging innovative thinking and practices within the Company, driving innovation in the field of sustainable development, and exploring new markets and business areas.				
Anti-corruption and business ethics	✓	✓				✓	✓	Impact	◆ The Company should uphold the correct values and principles to formulate and strictly enforce anti-corruption policies, effectively preventing corruption risks and preventing unfair competition and monopolistic behaviors, thereby contributing to a fair, transparent, and favorable market competition and business environment.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS	● ● ● ○	● ● ○ ○	• Accountability
								Risk	◆ Legal risks: Unfair competition or corruption may lead to legal proceedings, fines, and disruptions in the Company's regular operation. ◆ Reputation risks: Exposure to corruption or unfair competition may damage corporate reputation, reducing trust from clients and partners, and hindering business development. ◆ Financial risks: Corruption may lead to resource waste and financial losses, affecting the financial health of the Company.				
								Opportunities	◆ Corporate reputation and brand value enhancement: The Company should establish a positive image and elevate the brand value and market competitiveness to increase user stickiness, encourage long-term stable relationships, and enhance user loyalty and satisfaction, promoting sustained business growth. ◆ Internal management and operational efficiency optimization: Strengthening anti-corruption and business ethics requires the Company to establish a sound internal management system and governance structure, clarifying the responsibilities of various departments and personnel. This helps improve the overall management level and operational efficiency of the Company. Simultaneously, it also reduces economic losses and additional costs caused by corrupt practices, thereby lowering the Company's operational costs.				

Issue	Impact Scope				Impact Cycle			Type	Description	SDGs	Impact Materiality	Financial Materiality	Corresponding Chapter
	Own operations	upstream and downstream value chain	communities	communities	Short-term	mid-term	Long-term						
Information Security and Privacy Protection	✓		✓			✓	✓	Impact	◆ The Company should establish a robust information security management system to effectively prevent information leakage risks and safeguard the security and confidentiality of information for the Company, customers, employees, and other parties.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS	● ● ○ ○	● ● ○ ○	• Accountability
								Risk	◆ Data leakage risks: Inadequate data security measures may allow sensitive information to leak, resulting in customer losses and legal liabilities. ◆ Compliance risks: Failure to comply with data protection regulations may result in penalties from regulatory authorities, affecting the Company's normal operations.				
								Opportunities	◆ Corporate reputation and brand value enhancement: Strictly protecting user information security and privacy demonstrates the Company's social responsibility and ethical business practices. It helps build long-term stable relationships and increases user loyalty and satisfaction, thereby expanding market share. ◆ Internal management and operational efficiency optimization: Strengthening information security and privacy protection requires the Company to establish a sound internal management system and governance structure, which helps improve overall management and operational efficiency. Meanwhile, it also reduces economic losses and additional costs caused by data breaches and security incidents, lowering the Company's operating costs.				
Intellectual Property Protection	✓						✓	Impact	◆ The Company should establish and improve the regulations on IP management and strengthen the application, protection, and utilization of intellectual property to effectively protect the Company's innovation achievements and core competitiveness, promote technological innovation and achievement transformation, and drive long-term industry development.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	● ● ○ ○	● ● ○ ○	• Lifecycle
								Risk	◆ Legal risks: As the regulations on IP management vary significantly across different countries and regions, the Company may infringe on others' intellectual property or fail to effectively protect their own rights in cross-border operations and collaborations, leading to legal disputes and financial losses. ◆ Data security risks: In the digital era, data security related to intellectual property is prone to losses, which may even disrupt the Company's regular operation.				
								Opportunities	◆ Market competitiveness: Protection of intellectual property helps increase product added value and enhances the Company's market competitiveness, and has a positive impact on revenue growth. ◆ Revenue sources expansion: Intellectual property can be used as corporate assets for financing, licensing, or transfer, generating additional revenue sources for the Company and improving its financial condition and operational flexibility.				

Independent Verification Statement

Independent Verification Statement

Verification Statement：EIV2 076537 0215 Rev. 00

To the management and stakeholders of Sunwoda Electronic Co.,Ltd.

TÜV SÜD Certification and Testing (China) Co., Ltd. (hereinafter referred to as "TÜV SÜD") has been engaged by Sunwoda Electronic Co.,Ltd. (hereinafter referred to as "Sunwoda" or "the Company") to perform an independent third-party verification on 2024 Sustainability Report of Sunwoda Electronic Co.,Ltd. (hereinafter referred to as "the Report"). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with Sunwoda and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

This Independent Verification Statement is based on the data and information collected by Sunwoda and provided to TÜV SÜD. The scope of verification is limited to the given information. Sunwoda shall be held accountable for authenticity and completeness of the provided data and information (contains assumptions, projections, and/or historical facts).

Scope of Verification

Time frame of this verification:

- The Report contains the data disclosed by Sunwoda during the reporting period from January 1st, 2024 to December 31st, 2024, 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.2, Yihe Rd, Shilong Community, Shiyan St, Boan District, Shenzhen, Guangdong, China

Scope of data and information for the verification:

- The scope of verification is limited to the data and information of Sunwoda 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 Sunwoda'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 places. 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, 2024 are beyond the scope of this verification.
- TÜV SÜD's verification conclusions are based on the analysis of the data and information collected by TÜV SÜD and may not identify all problems and conditions, nor constitute a guarantee of the credibility or status of the subject of verification.

Basis for the Verification

TÜV SÜD Certification and Testing
(China) Co., Ltd.
No.151 Heng Tong Road,
Shanghai 200070

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This verification process was conducted by TÜV SÜD's expert team with extensive experience in the governance, environmental, social and other relevant areas and drew the conclusions thereof. The verification conforms to the following standards:

- *AA1000 Assurance Standard v3 (AA1000AS v3), Type 1 assurance engagement with a moderate level of assurance.*
- *Sustainability report verification programme operation rule (CCB_EIV_GR_002E Rev02)*

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 Sunwoda; tracing and verification of key performance information;
- Special interview with the representative of Sunwoda'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 Sunwoda's report are objective, factual and reliable, without systematic problems, and can be used by stakeholders. Meanwhile, the content of the report complies with the relevant requirements of *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)" (hereinafter referred to as the Guidelines)* .

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

Inclusivity	In accordance with the relevant requirements of Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation) and Self-Regulatory Guidance No. 3 for Companies Listed on Shenzhen Stock Exchange—Preparation of Sustainability Report, Sunwoda has thoroughly identified both internal and external stakeholders of the organization, including government and regulatory bodies, shareholders and investors, customers, employees, suppliers, partners, as well as the public and local communities. The Company has established a systematic stakeholder engagement mechanism to regularly gather and respond to stakeholders' genuine concerns, thereby continuously enhancing its sustainable development governance and the quality of information disclosure.
Materiality	In accordance with Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation) and Self-Regulatory Guidance No. 3 for Companies Listed on Shenzhen Stock Exchange—Preparation of Sustainability Report, Sunwoda has established a clear assessment mechanism for determining the financial materiality and impact materiality of sustainability topics. For topics deemed financially material, The Company provides systematic disclosures based on the four

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	pillars of governance, strategy, risk management, and metrics & targets, ensuring that the report content is highly material and decision-usefulness.
Responsiveness	Sunwoda has comprehensively disclosed its management strategies and performance outcomes on material topics of concern to stakeholders. The Company has established a systematic communication mechanism to effectively address the concerns and expectations of various stakeholders.
Impact	Sunwoda has established a Sustainable Development Management Committee as a standing body under the Board's Strategy and Sustainable Development Committee to oversee The Company's work across environmental, social responsibility, and corporate governance (ESG) areas. The committee is responsible for formulating ESG strategies, policies, and annual work plans, reviewing and promoting the preparation of the sustainability report, and regularly evaluating the implementation of related initiatives to ensure that ESG practices are deeply integrated with The Company's business operations. To support daily management and cross-functional coordination, Sunwoda has appointed a Chief Sustainable Development Officer and set up an ESG Management Department. The Company also incorporates sustainable development goals into the performance evaluation of key management personnel, reinforcing the execution loop. This governance mechanism ensures that The Company can identify and respond to issues with significant impact on governance, the environment, and society, aligning with the "Impact" principle in the AA1000 AccountAbility Principles (AA1000 AP), and continuously advancing high-quality sustainable development.

Recommendations on Continuous Improvement

- The verification team has communicated improvement recommendations to Sunwoda's management during the on-site engagement process.

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 Sunwoda are two entities independent of each other and both TÜV SÜD and Sunwoda 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. All the data and information in the Report are provided by Sunwoda.
TÜV SÜD has not been involved in preparation and drafting of the Report, except for the verification itself and issuance of

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the verification statement.

Signature:

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

AA1000
Licensed Report
000-437/V3-PBFOQ

Zhu Wenjun
TÜV SÜD Sustainability Authorized Signatory Officer
April 10th, 2025
Shanghai, 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.

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Reader Feedback Form

Dear Reader,

Hello!

Thank you for taking the time to read the "Sunwoda 2024 Sustainability Report" amidst your busy schedule. To better meet your needs, provide you with more valuable information, and enable Sunwoda to continuously improve its sustainability performance and enhance its ability to fulfill social responsibilities, we sincerely hope that you can offer us your valuable opinions on our report. Your perspectives and insights are of utmost importance to us.

1. What is your overall evaluation of this report?

☐ Excellent ☐ Good ☐ Average

2.Please evaluate the extent to which this report reflects Sunwoda's significant impact on the economy, environment, and society:

☐ Excellent ☐ Good ☐ Average

3.Please evaluate how this report responds to and discloses the concerns of stakeholders:

☐ Excellent ☐ Good ☐ Average

4.Please evaluate the completeness of the information, indicators, and data disclosed in this report:

☐ Excellent ☐ Good ☐ Average

5.What suggestions do you have for Sunwoda's sustainability work?

_____

We sincerely thank you for your support and assistance to Sunwoda.

Sunwoda Electronic Co., Ltd.

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