



电能侠
EEPX

苏文电能
SUWEN ELECTRIC ENERGY

2023

Environmental, Social, and Governance (ESG) Report

Suwen Electric Energy Technology Co., Ltd.



Electrifying the world with joy, connecting the world through electric power

CONTENTS

| | | | |
|-----------------------------|---|---------------------------------|----|
| Message from the Chairman | 1 | Key Performance Indicator Table | 61 |
| About Suwen Electric Energy | 2 | GRI Content Index | 62 |
| Our Performance in 2023 | 5 | About This Report | 63 |
| ESG Management | 8 | Feedback Form | 64 |



Sharing Superior Electric Energy

| | |
|---|----|
| Empowering Green and Intelligent Transformation | 11 |
| Deepening Technological Innovation | 19 |
| Adhering to Quality First | 23 |
| Delivering Professional Customer Service | 26 |



Striving for More Robust Development Together

| | |
|--|----|
| Strengthening the Foundation and Forging the Soul through Party Building | 31 |
| Strengthening Corporate Governance | 33 |
| Strictly Adhering to Business Ethics | 37 |
| Industrial Synergy for Win-Win Outcomes | 38 |



Towards a Brighter Future

| | |
|------------------------------------|----|
| Fostering Employee Growth | 43 |
| Advancing Environmental Management | 54 |
| Contributing to Society | 59 |

Message from the Chairman



The year 2023 marked the beginning of the all-around implementation of the guiding principles of the 20th CPC National Congress and stood as a crucial halfway point for the implementation of the "14th Five-year Plan." The *Report to the 20th CPC National Congress* called for the need to "Accelerate the transition to a model of green development." Over the past year, Suwen Electric Energy, a clean energy and power service provider, has put into practice the concept of ecological progress in depth, while actively responding to the country's "dual-carbon" strategy. By virtue of our professional technical services, we have been committed to assisting enterprises across sectors to achieve decarbonization and green and sustainable development. At the same time, we, as an opportunity catcher in the new era, have continued to pioneer in technological innovation, talent innovation, corporate governance, etc., and endeavored to explore the optimal pathway of high-quality development. These efforts have contributed to the advancement of the industry and the sustainable development of the society.

Over the past year, we have shared superior electric energy. With a development mindset of "enhancing competitiveness and efficiency through technology" and a corporate vision of "Becoming a trusted

world-class one-stop electric energy service provider," we have been working to establish a sound innovation system, increase investment in scientific and technological research and development, and promote cooperation between industry, academia, and research institutes. While continuously increasing investment in R&D and application of digital energy technology, virtual power plant, and other fields, we have also been improving the efficiency and intelligence of energy management and innovating the mode of electricity service, in order to deliver "safe, reliable, cost-effective and efficient" electricity service. Last year, the Company was recognized as a "High and New Tech Enterprise," qualified as a Class A company for power transmission engineering design, and awarded the "First Prize of Qianjiang Energy Science and Technology Award" for the project "Research on Flexible and Interactive Technology of Comprehensive Energy System Based on Spatio-temporal IOT," in which the Company served as a participant and produced substantial innovations. As a quality-first and customer-first company, we have actively penetrated the intelligent manufacturing sector, incorporated quality management into all stages of planning, research, design, construction, production, sales, and acceptance and evaluation, and proactively fitted into the energy scenarios of our customers' sectors. These efforts help us tap into the needs of our customers and deliver superior products and services to our customers.

Over the past year, we have striven for more robust development. We have insisted on promoting the mutual integration and concurrent progress of Party building and business operations and development, thoroughly implemented the requirements of the thematic education campaign, and spearheaded the high-quality development of the Company through the "Red, Yellow and Green" tricolor Party building approach, which is a unique presence of the Company. We have actively optimized our corporate governance structure, set up a mutually integrated, synergistic, and efficient internal control, risk control, and compliance management system, and valued the protection of investors' rights and interests. These efforts help improve the standardization and effectiveness of our corporate governance. We have followed the philosophy of operating in good faith, strengthened the establishment of a clean-fingered culture, and enhanced the awareness of business ethics among all our employees and the awareness of operating in a compliant manner among our partners. These help minimize corruption at the very beginning. As an advocate of the sustainable development model of win-win cooperation and

a doer with a mindset for open cooperation and mutual benefit, we have worked together to build a stable, orderly, and healthy upstream and downstream partnership through resource sharing and high synergy, while joining hands with our partners to boost the high-quality development of the industry.

Over the past year, we have journeyed towards a brighter future. We have adopted a people-oriented employment policy and prioritized talent development as a core part of the Company's sustainability strategy to create a diversified and inclusive workplace. Moreover, our efforts include developing and consummating a science-based and reasonable talent management model and a hierarchical and categorical training and enhancement system, putting in place a sound and scientific talent promotion structure, and improving our occupational health and safety management system. More importantly, our actions to care for the physical and mental health of our employees and give full play to their potential and creativity help enable a win-win situation for both the Company and its employees. With a mindset to prioritize ecological conservation throughout the entire process of our business operations, we have actively practiced green office, raised our employees' awareness of environmental protection, and proactively engaged in community-based social services. Our ultimate goal is to benefit people's livelihoods and give back to society through the fruits of our development, and to ensure the natural balance among economic benefits, social benefits, and environmental benefits.

Our innovation never ceases, and our efforts are unending. In 2024, Suwen Electric Energy, a professional, dedicated, determined, and user-centric company, will push forward the implementation of its eight-year strategy of "gather 10,000 professionals, operate across 100 cities, and serve 100,000 users," while further promoting the in-depth alignment between ESG and the Company's strategies for production and operation. With an eye on open sharing and win-win cooperation, Suwen Electric Energy will play its part in the new journey of building a modernized socialist country in all respects.



Chairman and General Manager of Suwen Electric Energy

About Suwen Electric Energy

Company Profile

Suwen Electric Energy Technology Co., Ltd (stock code: 300982) is located in the new energy hub of Changzhou, Jiangsu Province, with a registered capital of RMB 206,965,146, and debuted on ChiNext in April 2021. Based in Changzhou and Shanghai, Suwen boasts a self-dependent R&D center, an intelligent manufacturing center, a marketing center, and an intelligent O&M control center. Since its inception 17 years ago, the Company has incubated one cloud platform, continued to fine-tune its expertise in E (engineering), P (production), C (construction), O (operation) and S (services), and engaged in six sectors like substations, PV/wind power, energy storage, charging piles, digital energy, and power grids. The Company's products and services can be found in seven major user scenarios like plants/enterprises, industrial parks, public utilities, business/office centers, residential complexes, conglomerates, and smart grids. Driven by the dual engines of the tertiary sector and the smart manufacturing sector, Suwen Electric Energy is committed to continuously building the one-stop electric energy service provider brand of EEPX.

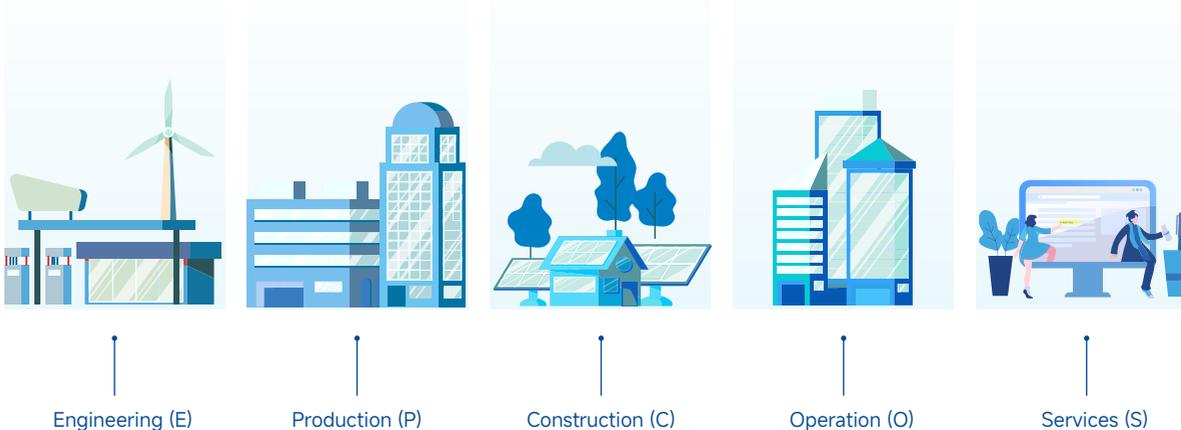
Suwen Electric Energy has satisfied tens of thousands of industrial and mining enterprises, commercial complexes, and high-security power users (data centers, railway stations, hospitals, metro stations, etc.). The Company has obtained qualification in technical consulting for the whole process of electric power engineering construction; qualification of design for new energy power generation, power transmission engineering, power transformation engineering and building intelligence; qualification in engineering survey and investigation; qualification in general contracting for electric power engineering, construction engineering, electromechanical engineering and public utility engineering; qualification of specialized contracting for electronic and intelligence engineering and fire control facility engineering; and qualification of electric power engineering supervision; as well as license for undertaking installation (repair

and test) of electric power facilities and license for work safety. The Company has also been certified by China Electricity Council (CEC) with ISO 9001 quality management system certification, ISO 14001 environmental management system certification and ISO 45001 occupational health and safety management system certification. The Company is proud to be a state-level "Contract-keeping and Credit-first" enterprise, and is also the Jiangsu Enterprise Technology Center, the Jiangsu Engineering Technology Research Center, the very first pilot enterprise for the deep integration of advanced manufacturing industry and modern service industry in Jiangsu Province, Jiangsu SRDI SME, and Jiangsu Leading Enterprise in Productive Service Industry. The Company's intelligent substation regulatory data center system is featured in the Chinese Ministry of Industry and Information Technology (MIIT)'s sourcing list of electric power products.

Thanks to the continuous development within the Company, Suwen

Electric Energy currently engages more than 900 employees, with over 90% of them holding junior college diplomas or above. A well-established talent training and talent pool system plays a pivotal role in enabling Suwen Electric Power to serve customers efficiently. Suwen Electric Energy is also the designated internship base of dozens of colleges and universities across the country, the demonstration organization hosting academia-enterprise cooperation. Handy traffic, a comfortable office environment, and a well-rounded living environment make Suwen Electric Energy an ideal platform for dream-pursuing individuals.

We at Suwen Electric Energy are always grateful to users, and we are born to deliver stable electric energy to users!



Corporate Culture

Suwen's Mission

Provide one-stop solutions for electric energy through EPCOS;

Achieve a fulfilling and warm life through hard work;

Deliver safer and worry-free electricity through services;

Enhance industry collaboration and efficiency through innovation.

Corporate Vision

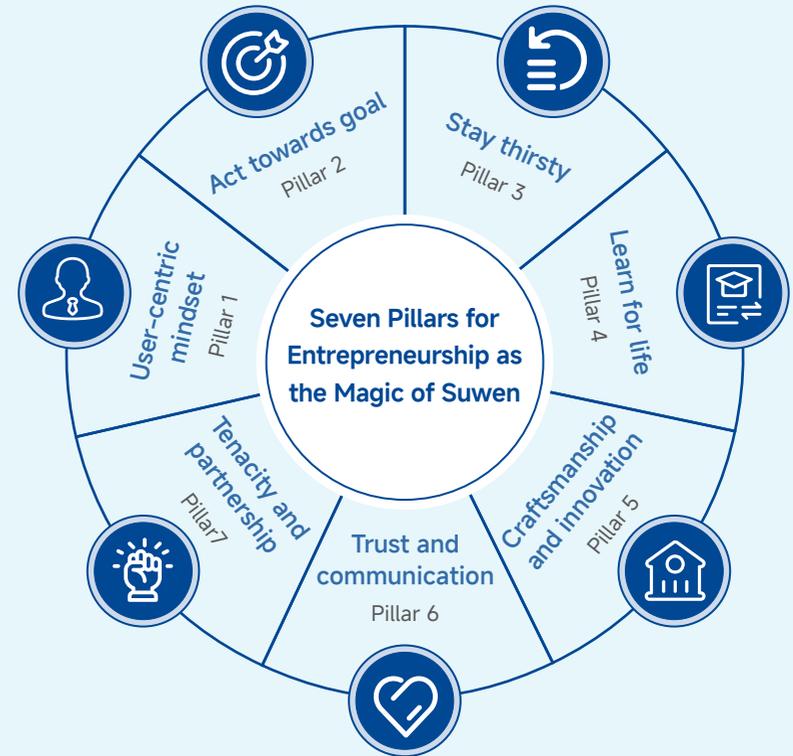
Gather a hundred thousand users, electrifying the world with joy;

Serve a million enterprises, connecting the world through electric power;

Become a trusted world-class one-stop electric energy service provider.

Eight-year Strategy (2019-2027)

Gather 10,000 professionals, operate across 100 cities, and serve 100,000 users.



Qualifications

In recent years, the Company has seen the rapid growth of its business performance, the continuous extension of its industrial chains, and the sustained improvement of its qualification status. The enrichment and visibility of its qualifications have contributed to the rapid development of the Company's operations. Following years of hard work for development, the Company has acquired an extensive range of professional qualifications in the fields of electric energy engineering design, construction, and intelligent electricity services. Below is a list of the major qualifications acquired by the Company as of the end of 2023.

Consulting & Design Qualifications

Class A qualification for engineering design of electric energy industry (power transmission engineering), Class B qualification for engineering design of electric energy industry (substation engineering, new energy generation), Class B qualification for special design of intelligent building system, Class A qualification for engineering consulting of electric energy industry (including thermal power, hydropower, nuclear power, and new energy).

Engineering & Construction Qualifications

General contracting class II for electric energy engineering construction, specialized contracting class II for building electromechanical installation engineering, specialized contracting class III for building construction, general contracting class III for urban utility engineering construction, general contracting class III for electromechanical engineering construction, specialized contracting class III for power transmission and transformation engineering, specialized contracting class III for fire control facility engineering, specialized contracting class II for electronic and intellectualization engineering, class II license for installation of electric power facilities, class II license for maintenance of electric power facilities, class II license for testing of electric power facilities.

Intelligent Electricity Service Qualifications

Management and service provider certification level 1 for industrial power demand, CMMI-3 certification.

Associations

| Association | Role |
|--|-----------------------------|
| Wujin Construction Industry Association | Member |
| Jiangsu Enterprise Credit Management Association | Member |
| China Electric Power Planning & Engineering Association | Member |
| Jiangsu Exploration and Design Association | Member |
| Changzhou Exploration and Design Association | President Organization |
| Jiangsu Province Electric Power Engineering Association | Member |
| Changzhou Youth Chamber of Commerce | Vice Chairman |
| Jiangsu Provincial Association of Engineering Consultants | Member |
| Jiangsu Chamber of Commerce in Shanghai | Vice Chairman |
| Enterprise Informationization Association of Jiangsu | Member |
| China Youth Entrepreneurs Association | Member |
| Chamber of Commerce for Changzhou West Taihu Lake Science and Technology Industrial Zone | Vice Chairman |
| Chamber of Commerce for Youth Innovation and Entrepreneurship | Chairman |
| Enterprise Information Association of Changzhou | Member |
| Changzhou Industrial Internet Industry Association | Member |
| Jiangsu Energy Storage Association | Vice President Organization |
| High Voltage Switch Committee of China Electrical Equipment Industry Association | Member |
| Shanghai Software Industry Association | Member |
| Jiangsu Association for Public Companies | Member |
| China Association for Public Companies | Member |

Our Performance in 2023



RMB **4,869.95** million
of total assets



RMB **2,694.36** million
in operating revenue



RMB **79.60** million
of net profit



RMB **78.08** million
of total tax payments



RMB **60,015,100**
of cash dividends(including
taxes)



RMB **98.02** million
of annual R&D investment



161
patents authorized in total



90.28 %
pass rate for product QA



100 %
customer satisfaction



1,045
suppliers in total



980
employees in total



14.74 %
of female leaders in the
senior executive team



RMB **1,174,000**
invested in employee training



95 %
employee satisfaction



RMB **3,760,000**
invested in work safety



RMB **18.92** million
of total investment in
environmental protection



13,111.5 MWh
of total PV power generation
capacity



3,462.3 MWh
of surplus power on-grid
capacity

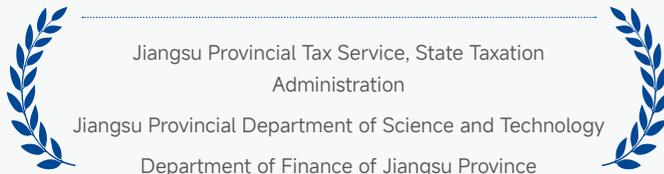


0.036 tons of CO₂
equivalent /RMB
10,000 revenue of greenhouse gas
emission intensity



0.085 tons/ RMB 10,000
revenue
of water intensity

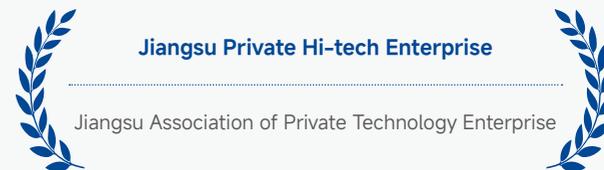
High and New Tech Enterprise



Jiangsu SRDI SME



Jiangsu Private Hi-tech Enterprise



Second Prize of CES Science and Technology Progress Award



Qianjiang Energy Science and Technology Award



Jiangsu Resource Pool Organization for Digitalized Green Collaborative Transformation and Development Services



Jiangsu Integrity Organization for Engineering Exploration and Design Industry Jiangsu Advanced Organization for Exploration and Design Quality Management



Outstanding Hi-tech Enterprise of the Year 2023





**Taxpayer of the Year Award 2023
(Silver Medalist)**

CPC Changzhou Wujin District Committee
People's Government of Wujin District



Five-star Prestigious Enterprise of the Year 2023

Digital Economy Demonstration Enterprise of the Year 2023

Advanced Collective for Implementing 532 Development Strategy and Promoting High-quality Development

CPC Changzhou Municipal Committee

People's Government of Changzhou City



Enterprise of the Year 2023 by Per Mu Benefit

Taxpayer of the Year 2023

Top Ten Service Providers of the Year 2023

CPC Work Committee of Changzhou West Taihu Lake Science and Technology Industrial Zone
Administrative Committee of Changzhou West Taihu Lake Science and Technology Industrial Zone



**Jiangsu Excellent Enterprise with
Harmonious Labor Relations**

Jiangsu Provincial Tripartite Committee for
Coordination of Labor Relations



**Jiangsu Model Manufacturer in Fulfilling
Social Responsibility**

Jiangsu Province Corporate Social Responsibility
Coordinating Steering Group



**Jiangsu Contract-keeping and Credit-first
Enterprise**

Jiangsu Enterprise Credit Management Association



**Jiangsu Benchmark Model Enterprise for
Integrated Development of Two Industries**

**Jiangsu Leading Enterprise in High-quality
Development of Modern Service Industry**

Jiangsu Development and Reform Commission



**Outstanding Practice Case Award for Public
Company's Board of Directors**

China Association for Public Companies



Board of Directors Value Creation Award

Directors & Boards



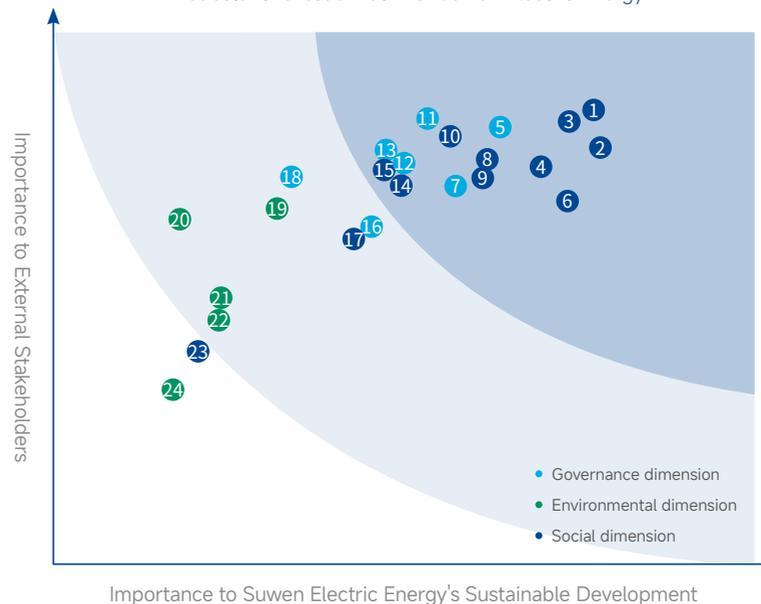
ESG Management

Material Issues Assessment

To more precisely and comprehensively understand stakeholder expectations and demands, Suwen Electric Energy adheres strictly to a material issue analysis process to increase the ESG Report's relevance and materiality. This approach is grounded in regulatory disclosure guidelines and draws upon sustainable development topics relevant to the capital market, rating agencies, international reporting standards bodies, and industry peers. In line with the pathway of "issue identification - issue screening - issue review - issue reporting" and in consideration of the two dimensions of "importance to Suwen Electric Energy's sustainable development" and "importance to external stakeholders", the Company screened the key issues of higher materiality through assessment and highlighted them for disclosure in the report. Besides, continued improvements were made to the ESG management in order to better satisfy stakeholders' expectations and aspirations.



Substantive Issue Matrix of Suwen Electric Energy



Core issues

- 1 Enhanced quality management
- 2 Protection of employees' rights and interests
- 3 Customer privacy and information security
- 4 Responsible marketing
- 5 Operational compliance
- 6 Employee caring and development
- 7 Anti-corruption and anti-fraud
- 8 Protection of intellectual property rights

Very important issue

- 9 Improvement of technological R&D capabilities
- 10 Occupational health and safety
- 11 Risk control
- 12 Supply chain management
- 13 Enhancement of governance
- 14 Intelligent electricity service
- 15 Emphasis on cooperation and communication

Important issues

- 16 Enhancement of informatization and digitalization
- 17 Contribution to regional development
- 18 Investor Rights Protection
- 19 Response to climate change
- 20 Implementation of waste management
- 21 Sound environmental management system
- 22 Green office
- 23 Volunteerism
- 24 Ecological conservation

Stakeholder Communication

The Company always stays in a positive and open attitude to maintain effective communication with our stakeholders, while attentively listening to and actively responding to the aspirations and demands of each stakeholder on us.

| Stakeholders |  Government & Regulatory Authorities |  Shareholders & Investors |  Consumers |  Suppliers & Business Partners |  Employees |  Environment |  Communities & the Public |
|-----------------------------------|--|--|---|--|---|--|--|
| Expectations & Demands | <ul style="list-style-type: none"> Regulatory compliance Tax compliance Pollution control and treatment | <ul style="list-style-type: none"> Shareholders' rights and interests Corporate governance | <ul style="list-style-type: none"> Consumers' rights and interests Product quality | <ul style="list-style-type: none"> Win-win cooperation Responsible sourcing Win-win development | <ul style="list-style-type: none"> Basic rights and benefits Training and development Health and safety Employee caring | <ul style="list-style-type: none"> Scientific and efficient use of resources Reduction of the impact on the environment Promotion of green development capacity of the industry | <ul style="list-style-type: none"> Philanthropy and charity Rural revitalization |
| Responsive Actions | <ul style="list-style-type: none"> Compliant operations Information disclosure Policy learning | <ul style="list-style-type: none"> Improving business performance General meetings of shareholders | <ul style="list-style-type: none"> Consumer satisfaction survey Enhancing quality and service | <ul style="list-style-type: none"> Participating in trade networking Responsible supply chain Communication | <ul style="list-style-type: none"> Improving remuneration and benefits Supporting employee growth and development Creating a favorable working environment Managing health and safety | <ul style="list-style-type: none"> Innovating green technologies Advancing clean production Promoting green operations Creating a green supply chain | <ul style="list-style-type: none"> Conducting philanthropic Activities Promoting local economy |

Sharing Superior Electric Energy

- R&D investment: RMB **98.02** million
- Customer satisfaction: **100** %
- Incidents of information security breaches and data leaks: **0**



Empowering Green and Intelligent Transformation

Suwen Electric Energy proactively aligns with the national "dual carbon" strategy, committing to the vision of being a "world-class, trustworthy, one-stop electric energy service provider." Utilizing its in-house developed intelligent energy management systems and energy storage products, the Company is committed to delivering green, smart, reliable, and efficient comprehensive energy solutions. This initiative drives innovation and high-quality growth within the new energy industry.

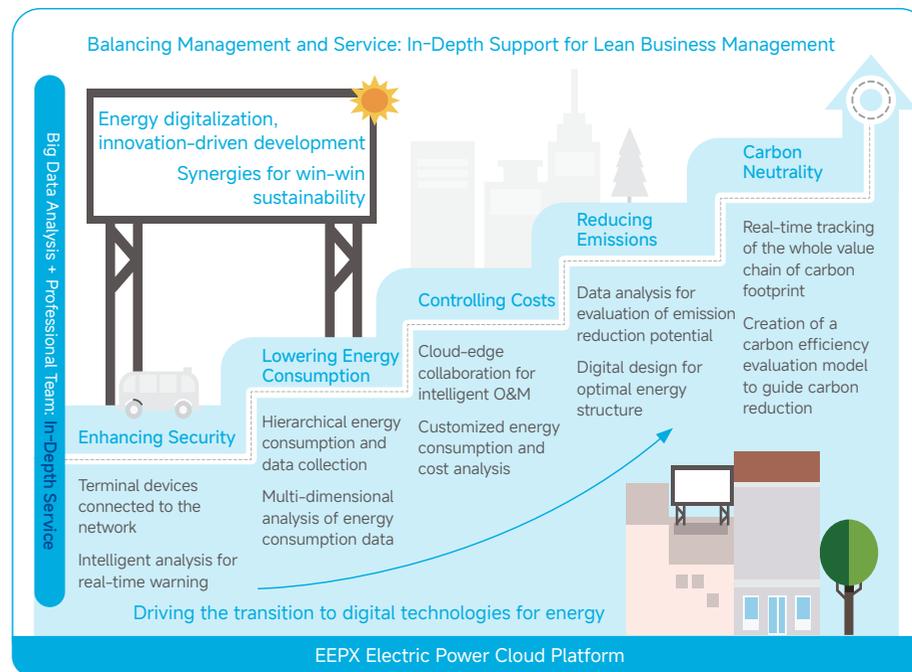
Comprehensive Energy Management and Service Platform: EEPX

The EEPX cloud platform stands as the Company's premier EPCOS (Engineering, Production, Construction, Operation, and Services) all-encompassing smart energy service platform. By merging cloud computing, big data, the Internet of Things, and mobile internet technologies, it ensures a seamless integration of electric energy's "generation, transmission, distribution, and usage" data. Through pioneering digital energy service scenarios—including virtual power plants, demand response, electricity trading, energy management, carbon-energy operations, source-load interaction, and microgrids—it delivers holistic smart energy services. These services span "generation, grid, load, and storage," and incorporate multiple energy complementarities, facilitating the development of an innovative power system.

In 2023, Suwen Electric Energy further refined its energy service offerings, adhering to the principles of "productizing services and standardizing products," thus providing clients with more uniform, modular energy solutions. The Company systematically enhanced its central platform system through successive upgrades, leading to the creation of a standardized and modular library for both software and hardware products. By adopting these standardized and modular design principles, it has significantly accelerated its product development and manufacturing processes. This strategy not only improves the efficiency and quality of production but also minimizes production costs and resource usage, fostering industry growth through digital innovation.

Accelerating Energy Digitalization

As a pioneering enterprise in the new energy field, Suwen Electric Energy revolutionizes electrical service models with its "visible, controllable, and manageable" comprehensive energy management and service platform. This advancement boosts the digital and intelligent capabilities of energy management, propels the digital transformation of the power system, and underpins the digital infrastructure of China.



Connected to
4,492 substations

Collaborated with
16 channel service providers

Daily management of approximately
30 GWh of electricity

Connected to
38 photovoltaic stations

and over
9 energy storage stations

400 charging stations

Smart Energy Management Platform: Microgrid

In 2023, the Company marked significant breakthroughs in microgrid technology research and application. Utilizing digital approaches, it achieved a unified and coordinated management of elements such as generation, grid, load, storage, and charging, facilitated by intelligent scheduling. By considering variables like grid pricing, electricity demand, and renewable energy output, it accomplished seamless integrated management from the cloud to the edge. This strategy guarantees the microgrid's safe and reliable operation while minimizing electricity costs. Moreover, this technology enhances the management and scheduling of distributed energy systems, boosting energy utilization efficiency, and optimizing benefits across energy, economic, and environmental spheres.



Smart Energy Management Based on Intelligent Dispatching Strategy



Carbon
and Energy
Management in
Parks

- Electricity quality management
- Energy consumption detection and analysis
- Energy usage forecasting and planning
- Carbon emission monitoring and analysis



Integrated
Automation for
Power Distribution
and Usage

- Remote terminal units
- Distribution automation terminals
- Busbar temperature monitoring
- Early warning for electric power events



Substation
Monitoring

- Control of substations
- Distribution monitoring
- Surveillance videos
- Environmental data

Case Technological Empowerment for the construction of "Station-Grid Friendly Interaction" New Power System Comprehensive Demonstration Zone

On December 8, 2023, the new Main-Sub-Micro Synergistic Control Operating Platform for power grids was put into operation in Changzhou, marking the first time in Jiangsu that regional power grids achieved synergistic control with resource aggregators, distributed photovoltaic systems, energy storage systems, charging stations, and microgrids. Suwen Electric Energy, serving as a load aggregator, participates in the construction of Changzhou's "Station-Grid Friendly Interaction" New Power System Comprehensive Demonstration Zone. Leveraging our technological and management strengths in new energy services, we provide microgrid networking and access technical solutions, from communication networking to access methods, to support the implementation of this innovative power system and thereby contribute to Changzhou's development as a hub for new energy.



Assisting in Energy Saving and Carbon Reduction

In response to the country's "dual-carbon" goals, Suwen Electric Energy continues to promote the optimization and adjustment of its energy structure, invests in R&D and application of PV technology and virtual power plants, and seeks to improve the efficiency and intelligence of its energy management. Its efforts also include lowering energy consumption and carbon emissions, fostering a new form of electricity service, and promoting the upgrading of new electric power systems.

Energy Structure Optimization

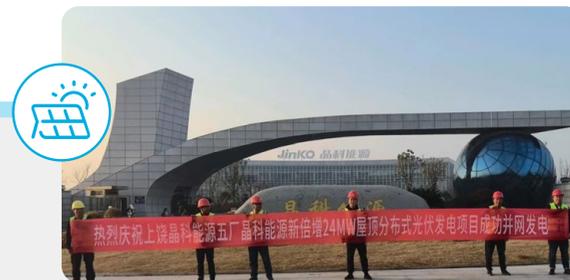
As a renewable energy source, photovoltaic (PV) is of great significance in addressing the rising cost of power consumption and the issue of "dual controls" (dual control system of total energy consumption and energy intensity). Suwen Electric Energy is committed to assisting enterprises in all sectors in achieving low-carbon development with its professional technologies and services. By virtue of the mode of "self-use first and the rest of the generation to the grid," Suwen Electric Energy continues to expand the application of PV in other scenarios, so as to provide customers with clean and convenient green energy sources.



Dingyan Depot of Changzhou Metro Line 2



Tencent Tianjin Hi-Tech Cloud Data Center 10.54 MW
New Energy Microgrid Project



Jinko Solar Plant V 24 MW Rooftop Distributed PV Power
Generation Project

PV x Metro

The distributed PV system is arranged on the rooftops of various warehouses at the Nanxiashu Parking Lot and Baizhang Depot of Changzhou Metro Line 1, and Dingyan Depot of Changzhou Metro Line 2, and the PV system is fed into the power supply network of the metro. It is the first project in Jiangsu Province to implement PV power generation for metro depots and succeed in grid connection.

- **10.54** MW of total installed capacity
- **12** GWh of annual zero-carbon green power output

PV x Data Center

As the largest IDC microgrid PV project in Tianjin, it assists in the continuous growth of data center power demand and safeguards the steady supply of green energy. This project also greatly promotes the application of green energy in the data center industry and vigorously pushes the transformation of the energy structure in Tianjin.

- About **6.19** MW of total installed capacity
- Over **6** GWh of expected average annual power generation capacity

PV x New Energy

- **24.02322** MW of total installed capacity
- **23,869,200** kWh of average annual power output
- About **8,592.9** tons of saved standard coal
- About **23,797.6** tons of carbon dioxide emission reduction
- About **6,492.4** tons of carbon dust emission reduction
- About **716.1** tons of sulfur dioxide emission reduction
- About **358.0** tons of nitrogen oxide emission reduction



PV x Manufacturing

- **8.85** MW of installed capacity of PV power plant
 - About **9** GWh of average annual power output
 - About **3,118** tons of saved standard coal
 - About **9,715** tons of carbon dioxide emission reduction
 - About **292** tons of sulfur dioxide emission reduction
 - About **2,650** tons of carbon dust reduction
- **15.092** MW of total installed capacity
 - **16,098,800** kWh of average annual power output
 - About **5,795.6** tons of saved standard coal
 - About **16,050.5** tons of carbon dioxide emission reduction
 - About **483** tons of sulfur dioxide emission reduction
 - About **4,378.9** tons of carbon dust reduction
- **15.70524** MW of total installed capacity
 - **15,704,000** kWh of average annual power output
 - About **5,425.3** tons of saved standard coal
 - About **15,025.2** tons of carbon dioxide emission reduction
 - About **4,099.1** tons of sulfur dioxide emission reduction
 - About **452.1** tons of sulfur dioxide emission reduction
 - About **226.1** tons of nitrogen oxide emission reduction



HaoJue-Suzuki 8.85 MW Distributed PV Power Plant Project



Taiwan Glass 15.092 MW Distributed PV Power Generation Project in Tianjin



SEMCORP 15.7 MW PV Project in Jiangsu

Promotion of Energy Efficiency Improvement

The virtual power plant is a product of the in-depth integration of energy management and information technology, and is an integral part of the construction of a new type of power system. Through peak cut, the virtual power plant enables centralized management and optimal scheduling of energy, and improves the efficiency of energy utilization. In 2023, the Company ventured into the virtual power plant sector. By capitalizing on its expertise in digital technology, power technology and cloud platform, the Company integrated multiple distributed energy systems, built a virtual power plant cloud platform and engaged in the exploration of a new business model for demand-side management of electric power.

Case

100MWh Virtual Power Plant, a Large-Scale “Power Bank” designed for Dongyang City

In April 2023, the Company signed an agreement with Dongyang Guangming Electric Power Construction Co., Ltd. and Shanghai Juxin Haiju New Energy Technology Co., Ltd. to collectively build a 100MWh virtual power plant and a smart energy cloud platform in Dongyang City. The project is intended to integrate resources, use intelligent technology to integrate distributed power sources, and aggregate a large number of fragmented resources. By peak cut, the project can provide Dongyang City with power auxiliary services and effectively alleviate the pressure of power grid peak adjustment. Backed by the EEPX cloud platform, Suwen Electric Energy will work with its partners to build a virtual power plant that is observable, measurable, controllable, and adjustable to support the green and low-carbon transformation of energy sources.

Popularization of Integrated Energy Technologies

The integrated PV-BESS-charging solution integrates three forms of electric power services: PV power generation, energy storage system and EV charging facilities. As an integral part of the construction of new electric power systems and the development of smart cities, it contributes to the formation of a low-carbon, high-efficiency and intelligent energy ecosystem. In 2023, the Company actively responded to the call of the central government to "accelerate the construction of charging piles, energy storage and other facilities." In particular, we continued to step up our efforts in the PV-BESS-charging service project, offered services in logistics parks, parking lots, governments, hospitals, shopping malls and other service scenarios, and gathered strengths of PV power generation stations, storage stations and charging piles to build an all-in-one station. These efforts help us materialize a green and intelligent service model of "all-green power and zero-emission."

- PV installed power: **197 kW**
- Energy storage capacity: **215 kWh**
- Energy storage cycle: approximately **2** times per day
- Maximum power of a single charging gun: **180 kW**
- Distribution capacity: **1,250 kVA**
- Service capability: **19** parking spaces



PV-Charging Station at Suzhou-Changzhou No. 1 Station

- Constructed three sets of 1MW/3MWh commercial and industrial energy storage systems to assist enterprises in managing peak summer demands, reduce production capacity losses, and ensure stable power supply.
- Built a new energy infrastructure featuring 120kW dual-gun fast chargers and a 7kW charging pile cluster, establishing an integrated zero-carbon park model for green energy utilization that combines photovoltaic energy generation, BESS, charging and utilization.



Nanjing Fayn & Suwen Electric Energy PV-BESS-Charging Integration Project Breaks Ground

Case EEPX Charging, A One-Stop Charging Solution

Currently, the country's dual-carbon strategy pushes forward in depth, and the NEV sector is growing rapidly. These bring about problems such as limited access to charging infrastructure, low charging efficiency, unbalanced distribution, poor operation practices, and improper maintenance. Thanks to 17 years of practical expertise in the electric power industry and well-established branches across the country, Suwen Electric Energy kicked off its charging pile initiative. On April 18, 2023, Suwen Electric Energy charging pile system was officially put into operation. Suwen Electric Energy will progressively roll out the solution to share private charging piles within residential communities, conduct private management of charging in industrial parks, scenic spots and commercial complexes, and optimize the centralized management and operation of public charging stations at government offices and parking lots. Our operation patterns also include cultural personalization of urban charging facilities and integration of PV-BESS-charging. All we want is to deliver a one-stop charging solution that meets the needs of charging facilities for individuals, collectives, and governments. EEPX Charging Station is expected to put 1,000 PV charging stations into operation nationwide in the next three years. Each PV charging station will feature high-power DC piles, lounge areas and other business settings as required, as we are committed to building an integrated PV-BESS-charging station system.



20

EEPX Charging stations built

385

charging spaces in place

As of the end of 2023, **1** EEPX PV charging station has been put into operation, **7** EEPX PV charging stations are under construction, and **19** ordinary charging stations have been put into operation

Securing Reliable Power Supply

Suwen Electric Energy is dedicated to its mission of delivering "safe, reliable, cost-effective and efficient" electric power services to its customers. To do so, we seek to optimize the operation of the power system and boost the power "storage" function. This enables us to improve the stability and reliability of the power system and minimize power system losses. This translates into a coordinated and stable energy network that enhances the safety and reliability of the power supply.

Advanced Design for Transmission and Distribution

We apply advanced technologies and design ideas in all aspects of power transmission and transformation, power supply and distribution, integrated energy, and distribution network planning, so that we can provide our customers with safe, reliable, cost-effective, and efficient power services.



The Company's power distribution engineering design qualification has been upgraded to Class

A



Power Transmission Design

- Independently designed the 220kV four-circuit four-column steel pipe pole with the same pole and mixed voltage, and independently designed the large-span cable bridge.
- Developed and applied technologies such as hologram route selection, BIM for cable projects, and long-distance pipe jacking for high-voltage cable tunnels.



Power Transformation Design

- Adopted three-dimensional forward design for "graphic-model integration," enabling a seamless transition from design to drawings.
- Developed and applied technologies such as carbon emission research and monitoring, digital substation design, and the use of clean air and vegetable oils in our equipment.



Design for Power Distribution

- Utilized advanced sensors, communication equipment and computer technology to realize intelligent management and control of the power distribution system.



New Energy Design

- Implemented integrated management and optimized allocation of multiple forms of energy (e.g., solar, wind, gas).
- Integrated PV power generation, charging piles, and energy storage stations to build a comprehensive energy station based on the substation design module.

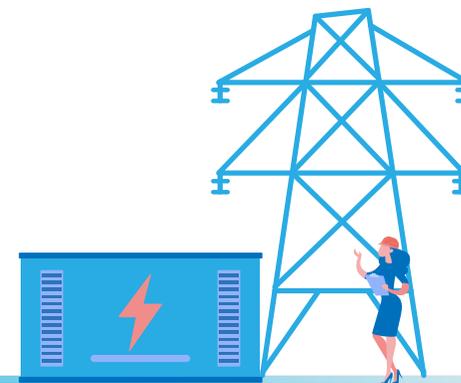


Power System Planning

- Formed a new system department, employed state-of-the-art algorithms and models for science-based planning of power grids.

Comprehensive Energy Storage System

As distributed PV and wind power generation become widely available, fluctuating and intermittent energy shocks have a greater impact on the stability of the power grid. Under this context, an energy storage system is capable of regulating the stability of the power grid, relieving the peak pressure of the power grid, and facilitating the consumption of new energy by business users. This translates into a transition of a conventional power system to a new, green and low-carbon one. Jiangsu Sibeier Haina Energy Storage Technology Co., Ltd., a subsidiary of Suwen Electric Energy, is committed to providing users with a safer and more cost-effective new energy storage solution. Operating a series of energy storage products for rivers, lakes, and seas to meet the needs of different users, it seeks to actively promote the construction and development of a new type of electric power system in China.



Large-Capacity Centralized Energy Storage System Yangtze Series



Small-Capacity Distributed Energy Storage System QianDLake Series

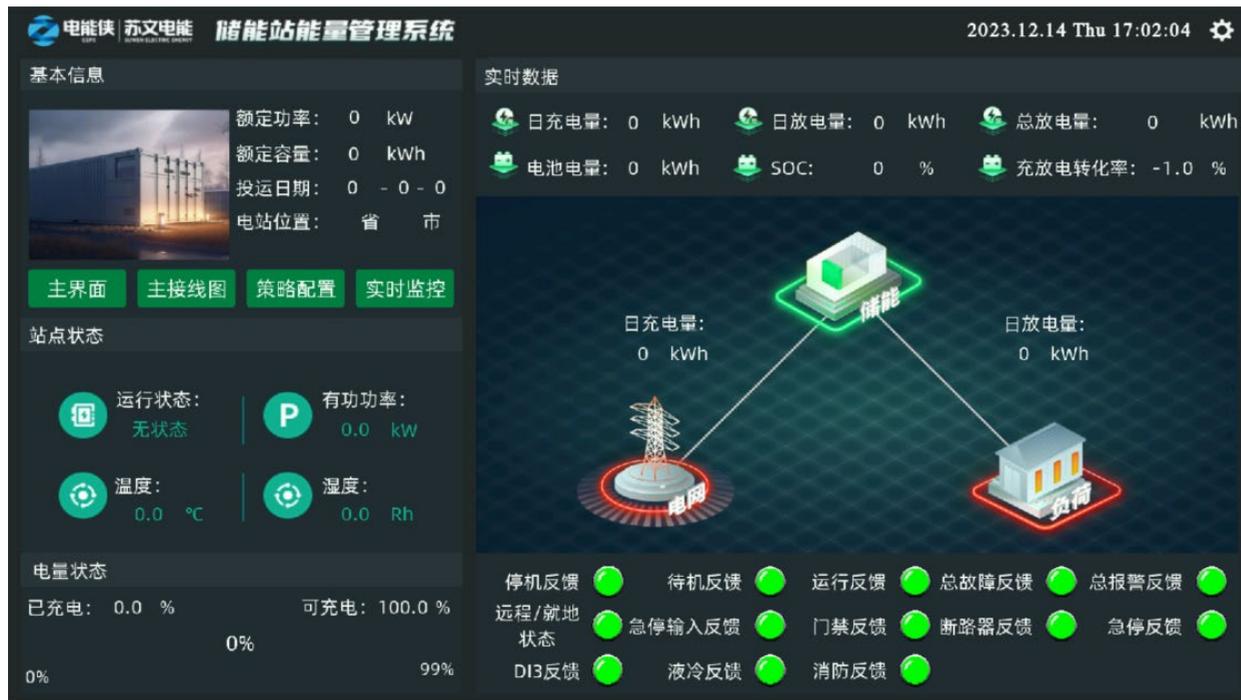


Medium-Capacity Distributed Energy Storage System YellRiv Series



High-Power Boost Converter System ThrGorge Series

The Energy Management System (EMS), an integral part of the energy storage system, is designed to ensure the stable and efficient operation of the energy storage system by supporting data management, monitoring, control and optimization for the microgrid scheduling and control center. As the decision-making hub of the Company's energy storage system, the energy management system of Suwen Energy Storage Station adopts a cloud-edge synergistic architecture, with complementary optimization of control strategies for data analysis and mining in the cloud and computing services at the edge. Thanks to its interaction with PCS, the system allows for active power control, reactive power control, black-start control, peak-frequency regulation, and other energy storage features, making it possible to meet the functional requirements of most energy storage projects. Moreover, the system, which provides sound digital, systematic and visualized technical means for cost-effectively applying energy storage, plays a key supportive role in enhancing the reliability, cost-effectiveness and sustainability of energy services.



Case Multi-source Complementary Electricity and Heat Synergy Platform Project at Boyuan Microgrid Park, Jintan District

Located in Jintan District, Changzhou City, the project aims to integrate the coordinated control of DC equipment and flexible AC/DC converters through the establishment of a multi-source complementary electricity and heat synergy platform and testing & control system. Through real-time online monitoring and precise regulation of each energy system, the project allows optimal allocation of energy for six sub-projects related to PV, electric energy storage, charging piles, electric refrigeration and heating in the construction from a new power system in Jintan. As it is expected to achieve about a 15% improvement in O&M efficiency, a 5% reduction in energy costs, and a 10% reduction in O&M costs, the project will materialize significant green and low-carbon development with economic benefits, establishing itself as a role model for the building of a new type of electric power system.



Deepening Technological Innovation

The R&d innovation is the lifeline of enterprises and the secret for maintaining perpetual vitality. Suwen Electric Energy has always adhered to the development philosophy of “enhancing competitiveness and efficiency through technology”. We stimulate innovation by establishing a sound innovation system, increasing investment in scientific and technological R&D, bolstering talent development, promoting industry-university-research cooperation, and implementing intellectual property protection strategies. These measures lead to advances in technology, upgrades in products, and improvements in services, constantly elevating the Company’s competitive edge and its voice in the industry.



In 2023, the Company was recognized as a

“High and New Tech Expertise”.

Improving Innovation Mechanisms

- We have established a sound innovation management system that defines the goals, tasks, processes, and assessment criteria for innovation work, providing robust institutional support for the Company’s innovation activities.
- We implement an innovation reward mechanism to recognize employees who achieve outstanding results in innovation work, thereby stimulating their enthusiasm and initiative for innovation.
- We have established a cross-departmental collaboration mechanism to encourage employees from different departments to collaborate. This initiative breaks down departmental barriers, promotes information sharing and resource integration, and improves innovation efficiency.

Innovative R&D Management

Suwen Electric Energy boosts the birth of new technologies and products and sparks employees’ innovation through the establishment of a scientifically standardized R&D management system and incentive mechanisms. This strategic approach increases the Company’s agility in navigating market shifts and fuels its ongoing growth. We have also formulated multiple innovative management systems, including *Product R&D Management System*, *R&D Full Lifecycle System*, and *System for the Organization, Implementation, and Incentive Rewards of Technological Achievements Transformation*, constructing a robust R&D management system and providing strong institutional support for the Company’s innovation management.

Nurturing Innovative Talent

- We optimized the human resources structure by implementing a talent strategy that combines reserves, cultivation, and introduction.
- We have established talent echelons, emphasizing talent cultivation and echelon construction. This involves selecting outstanding employees for key positions to develop their leadership and innovation capabilities.
- We conduct training activities by regularly organizing internal training events to enhance employees’ professional competence and innovation abilities, promoting communication and cooperation among employees.
- We encourage employees to participate in industry exchange activities, aiming to expand their horizons and keep abreast of cutting-edge industry developments. This approach significantly backs our innovative growth

Building an Innovation Platform

- We have established a dedicated R&D center responsible for the products development and technological innovation, providing technical support for the Company’s sustainable development.
- Advancing industry-academia-research cooperation, we have partnered with Hohai University to establish a graduate workstation, applied for a provincial-level post-doctoral workstation, and collaborated with China University of Mining and Technology, Hefei University of Technology, and Zhejiang University on the development of power electronics-related products.
- We have established an innovation laboratory to provide employees with an open and free experimental environment, encouraging them to engage in independent innovation and experimental verification.

Highlights of Innovations

R&D investment (RMB 10,000 revenue)

R&D investment as a percentage of operating revenue



Number of research personnel

328

Proportion of research personnel

33.47 %



Design R&D

- Independently designed 220kV co-located mixed-voltage quadruple-circuit quad-pole steel tubular pole technology
- Self-designed “large-span cable tray” new technology
- “Integrated drawing and modeling” 3D forward design technology
- R&D of new photovoltaic installation technology
- R&D for the safe and reliable operation of capacitor equipment in substations
- R&D on the simultaneous lowering of 110kV quadruple-circuit cable terminal poles in congested areas



Equipment R&D

- Siemens 8PT low voltage authorized cabinets and NXAIRS high voltage authorized cabinets
- The low-voltage authorized cabinets have obtained the China compulsory certification from the China Quality Certification Center
- We completed the R&D of the PANEL-X smart distribution cabinet, earning the title of “Jiangsu Fine Product”
- Digital and automated production line for frame circuit breakers



Software Product R&D

- Energy storage integrated machine (215kWh) EMS system
- Software and hardware product library
- Microgrid
- Virtual power plant



Participation in standard-setting

- *Guidelines for Construction of Shore-to-ship Power Supply System— Part 1: Power Grid Side (National standards)*
- *T/QGCML 1591-2023 Solar Panel Assembly Technical Specifications*
- *T/QGCML 1576-2023 Night Warning High and Low Voltage Distribution Cabinet*

The project “Research on Flexible Interaction Technology of Comprehensive Energy System Based on Spatial-temporal IOT” has won the first prize of the

“Qianjiang Energy Science and Technology Award”

Intellectual Property Rights Protection

Intellectual property rights protection is a key weapon to protect innovations and maintain the core competitiveness of an enterprise. In strict compliance with the *Patent Law of the People's Republic of China* and other relevant laws and regulations, Suwen Electric Energy has formulated a host of internal policies on intellectual property management, such as the *Control Program for Intellectual Property Documents*, the *Control Program for Intellectual Property Management Review*, the *Control Program for Intellectual Property Risk Management* and the *Control Program for Intellectual Property Confidentiality*. All these programs help structure a well-developed intellectual property management system.



By the end of 2023, the Company has secured a cumulative total of

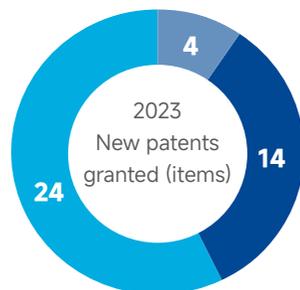
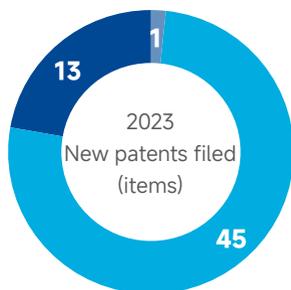
161 authorized patents

Total number of new patents filed:

59

Total number of new patents granted:

42



- Patent
- Utility model patents
- Design patent



Obtained the GB/T 29490-2013 intellectual property management certification



Number of new software copyrights added in 2023:

14



Total number of software copyrights obtained:

77

In 2023, the Company adopted a series of management measures to effectively prevent and avoid infringement risks. Such measures include conducting IP risk identification, strengthening internal IP control and audit, providing IP awareness training, and enhancing confidentiality management for personnel with access to sensitive information, which effectively prevented and mitigated the risk of infringement. During the reporting period, no IP-related litigation occurred.

IP Risk Identification

The Company has moved forward the management of intellectual property protection to the pre-sale stage. In 2023, in strict compliance with the *Pre-sale IP Sorting & Protection and Risk Avoidance Program*, we conducted meticulous IP sorting and market competition analysis for all products offered for sale. By evaluating potential infringement risks, the Company has ensured the continuous updating and mature development of product technology and strengthened its core competitiveness in technology. Moreover, we requested all sales and related employees to familiarize themselves with the *Pre-sales IP Sorting & Protection and Risk Avoidance Program*.



IP Internal Control Management

The Company has put in place a sound IP protection system, as evidenced in the *Documents on Intellectual Property Procedures*, an internal management practice prepared by the Company and enforced since January 1, 2023. In 2023, the Company organized and carried out an internal audit of the IP management system and management review. It was found that there was one unsatisfactory matter in the internal audit, and a rectification plan was formulated accordingly. We constantly modernize our intellectual property assessment methods in the course of production and operation, and comprehensively apply quantitative and qualitative analysis to ensure objective and fair management of IP assessment.



IP Awareness Training

The Company attaches great importance to the cultivation of employees' awareness of IP protection. To do so, we formulated an annual IP training program and devised 8 dedicated training packages involving the certification of the IP system, technical disclosure, patent application preparation, basic IP training, etc. These training sessions benefit the senior executives, salespersons, and IP professionals of the Company.



Key Personnel Confidentiality Management

The Company has intensified its confidentiality management of intellectual property rights for key personnel, standardizing the handling of core commercial secrets by employees involved in design, construction, and sales processes through the execution of confidentiality agreements. Additionally, we conducted loyalty training and tests to ensure the stability and integrity of our core team.



Adhering to Quality First

The product quality of an enterprise can have a direct impact on its brand identity, customer satisfaction and market competitiveness. Suwen Electric Energy always insists on the priority of product quality, develops quality management system, and executes strict quality management. These efforts ensure the effective operation of the quality management system. In 2023, the Company obtained 20 quality certificates. In addition, the Company was recognized by the Jiangsu Exploration and Design Association as "Jiangsu Advanced Organization for Exploration and Design Quality Management" and "Jiangsu Integrity Organization for Engineering Exploration and Design Industry."



In 2023, the company obtained **20** quality certifications in various fields

Maintaining Strict Quality Control

The Company strictly implements various management systems and management processes stipulated in ISO 9001 quality management system documents. To satisfy the Company's needs for business growth, we have formulated the Quality Management System Flow Chart, so that quality management can be conducted throughout processes like planning, research, design, construction, sales, acceptance and evaluation. In addition, we have institutionalized and standardized our quality management system by drafting a list of documents such as *Uniform Requirements for the Quality of Construction Processes of the Project*, *Measures for the Administration of Designing Processes*, *Management System of Production Equipment*, and *Finished Product Management System*. In order to improve and optimize the quality in a timely manner, we hold periodic meetings for quality analysis depending on operational conditions, such as weekly quality meetings for equipment production. In response to issues related to weekly outgoing quality control at the workshop, we make timely analyses of the causes and exchange ideas, identify the recurrent problems and weaknesses, and put forward corrective measures.



In 2023, the product quality check pass rate was

90.28 %



an increase of **2.28** percentage points compared to the previous year

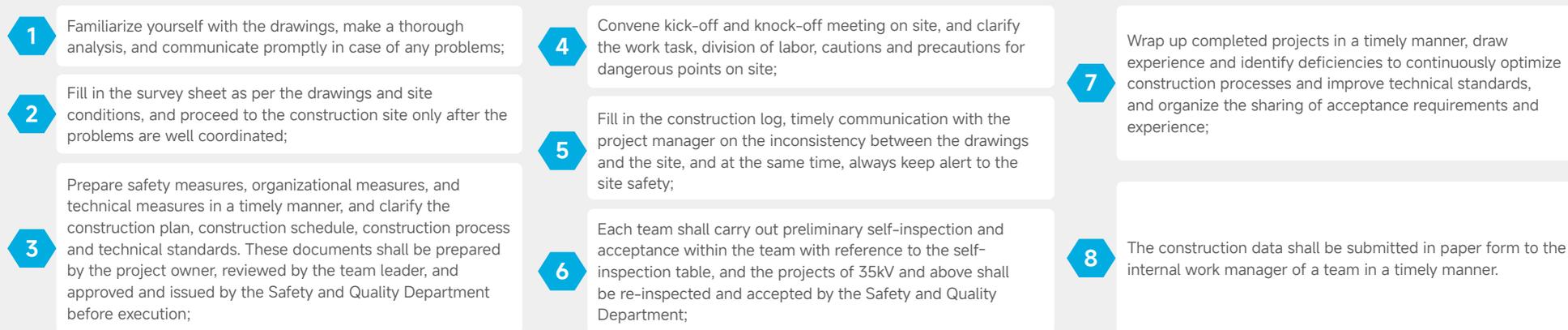


Design Quality Management



Installation and Construction Quality Management

In 2023, we, through optimization, divided project construction processes into 8 steps for pre-construction, mid-construction and post-construction, and prepared the standard operation procedure sheet to break down each step of overhaul content and precautions. These enable us to ensure that the quality of installation and overhaul work remains "controllable, under control, and available for control."



Workshop Production Quality Management



Prepare common sense of 6S workshop management, including 32 action tips, to continuously improve the awareness of employees.



Implement separate management by section to ensure that each section's operations are professional and skillful, so that the quality and efficiency of the products made by each section can be maximized.



Revise and improve the *Regulation System for Supplier Product Quality*, and carry out quality spot-checks and controls on suppliers' materials to ensure that product quality meets the requirements.



Intelligent Manufacturing

Driven by the two pillars of the tertiary industry and manufacturing industry, Suwen Electric Energy actively engages in the intelligent manufacturing industry while delivering green and intelligent electric power services. This enables us to offer a wide range of key products, including energy storage equipment integration system, high power booster and converter system, AC and DC charging piles, frame circuit breaker production line, and intelligent production and testing equipments for charging piles. In 2023, the Company saw significant progress in its intelligent manufacturing operations, such as the intelligent electric production base construction project, the digital and automated production line for frame circuit breakers, and the intelligent production and testing equipment for charging piles.

Intelligent Electric Production Base Construction Project

Located in the Wujin Economic Development Zone, Suwen Electric Energy Intelligent Electric Production Base is scheduled in three phases, which include 11 workshops and will cover a total area of 320,793 square meters. The project phase I comprises two new buildings, Workshop A and Workshop B, with a total floor area of 164,051 square meters. The main structure has been completed, and it has successfully passed a number of quality and safety assessments, such as the acceptance of provincial-level standardized sites and the acceptance of Changzhou's green construction projects. The project is primarily intended for the production of intelligent complete sets of high and low voltage cabinets, medium and low voltage intelligent circuit breakers, prefabricated warehouses for energy storage, PV intelligent box transformers, AC and DC charging piles, and other intelligent electrical products.



Digital and Automated Production Line for Frame Circuit Breakers

As a flagship digital and automated production line of the Company's wholly-owned subsidiary, Jiangsu Sibeier Haina Energy Storage Technology Co., Ltd., the digital and automated production line for frame circuit breakers integrates modern intelligent technologies such as robots, sensors, control systems, etc., and brings together four aspects, namely, electromechanics, information, imaging and network. The layout of the production line is designed to reasonably divide each process to maximize the smooth operation of the production line and improve the line's operating speed and production efficiency. The Company adopts modernized and digitalized management means to improve the production line capacity, while introducing the networking system to dynamically keep abreast of the production data and operation status; each operating unit is equipped with an electronic display screen, and the assembly process is loaded into the display screen equipment. These facilitate the enhancement of consistency of operation and stability of quality in the production line.



Delivering Professional Customer Service

With the vision of "serving a million enterprises, connecting the world through electric power," Suwen Electric Energy actively fits itself into the energy scenarios of customers' industries, taps into customers' service needs, and takes the initiative to deliver all kinds of energy solutions. These efforts enable customers to have a high-quality and convenient experience of electricity services.

Quality Service

With a customer-centric culture, Suwen Electric Energy continues to enable a well-established customer service management mechanism, optimize the customer service process, and improve customer satisfaction surveys and after-sales service management. This effort seeks to fulfill the service objectives of rapid response to customer needs and deliver intelligent service to customers.

Refined services on the demand side

At Suwen Electric Energy, developing a visual energy consumption management platform makes it possible to execute demand-side refinement management. This helps promote the in-depth interaction between power sources, loads and power grids of all kinds, and raises the overall capacity of the power system in terms of safe and stable operation, optimal allocation of resources, and the consumption of clean energy. Thanks to its service platforms, such as the virtual power plant (the EEPX cloud platform) and the energy storage system platform, the Company helps users get a clear picture of their electricity consumption, guides them to adjust their electricity consumption patterns, and shares superior electricity.



The Company has been accredited as a first-class qualified management and service provider for power supply to industrial sectors for **6** consecutive years

User Education and Training



- Run customer training initiatives to inform on advanced power consumption management platforms and technologies
- Offer training collateral for different user groups to help them understand the benefits of refined management

Differentiated Incentive Policy



- Enact a differentiated incentive policy to reward customers depending on their actual electricity use and the extent to which they change their use of electricity
- Make use of technology to monitor user response in real time and adjust incentives to maximize user involvement

Customized Electricity Suggestion



- Offer personalized electricity consumption advice based on user-specific electricity consumption data, so as to encourage users to cut down their electricity consumption load during peak hours
- Deliver customized suggestions in a timely manner through intelligent push and SMS to guide users to optimize their electricity consumption behavior

Real-time Response Mechanism



- Set up a real-time response mechanism to enable the system to quickly communicate with users and provide immediate power consumption adjustment suggestions in the event of market price fluctuations or rising security risks in the power system
- Make use of the intelligent metering system and real-time data analysis to enable real-time monitoring and response to users' electricity consumption

Delivered over

220 PV service projects

with a total service capacity of over

1.12 GW

Delivered over

50 energy storage service projects

with a total service capacity of over

813.99 MWh

Launched

1 new overseas project

Currently engaging over

50 channel service providers

Well-Rounded After-Sales Service

We have established a sound after-sales service mechanism, formulated the *After-sales Service System*, and regulated the after-sales service process, service standards, and appraisal management methods. These efforts enable us to guarantee quality after-sales service. Suwen Electric Energy is armed with a full-time after-sales service team and opens a 24/7 after-sales service hotline (400-9288-400) to respond to customers' requests. In addition, the Company commits to delivering maintenance services within 2 hours and resolving problems on-site within 12 hours. These measures are aimed at raising the users' satisfaction and trust.

Improved Customer Satisfaction

We have established a customer service quality monitoring mechanism and conducted regular customer satisfaction surveys through telephone callbacks, on-site interviews, questionnaires, etc. These help us gain an understanding of customer satisfaction with product quality, contract fulfillment, service quality, after-sales service, etc., tap into and analyze the strengths and weaknesses of our own products and services, and undertake relevant improvement and upgrading initiatives.

In addition, we attach great importance to customer complaints and feedback by formulating the *Measures for Administration of Customer Complaints*, reinforcing the handling and follow-up of customer complaints, and ensuring that customer complaints are dealt with in a timely and effective manner. Our active efforts to implement effective whistleblowing channels allow customers to voice their suggestions for improvement of our products, services, and processes through the 400-prefixed hotline, e-mail, and WeChat.



We operate **14** customer service centers in **15** provinces across the country, catering to more than **10,000** customers



We secured a **five-star** standard certification for GB/T 27922-2011 *Commodity After-sales Service Evaluation System*



We offer **24/7** service both online and offline



Customer satisfaction rate:
100 %



Number of customer complaints received:
0



Responsible Marketing

Implementing accountable marketing and communicating accurate product and service information is an integral part of our long-term and stable development. Suwen Electric Energy puts into practice the ideas and values of corporate social responsibility in day-to-day marketing efforts and business operations. In compliance with the *Advertising Law of the People's Republic of China* and other laws and regulations, Suwen Electric Energy has formulated the *Sales Management System internally*, which provides for strict scrutiny of the use of advertisements in the marketing process and the elimination of exaggerated promotional behavior.



Inform customers of true and complete product information

To inform customers of true and complete product information, we strictly control promotional collateral and marketing practices, while regularly reviewing and updating product and service information; our channels for customers to obtain complete product information include the Company's official website, service hotline, and inquiries from our customer service managers.



Strengthen internal and external supervision to correct any unaccountable marketing behaviors in a timely manner

We establish an accountable marketing control program and regularly practice internal control audits for accountable marketing. These include the review of marketing activities, handling of customer feedback, and handling of non-compliance.



Strengthen training and appraisal to increase employees' awareness of accountable marketing

We regularize awareness training on accountable marketing and conduct performance-based appraisals for accountable marketing constraints management.



Number of attendances in responsible marketing training:

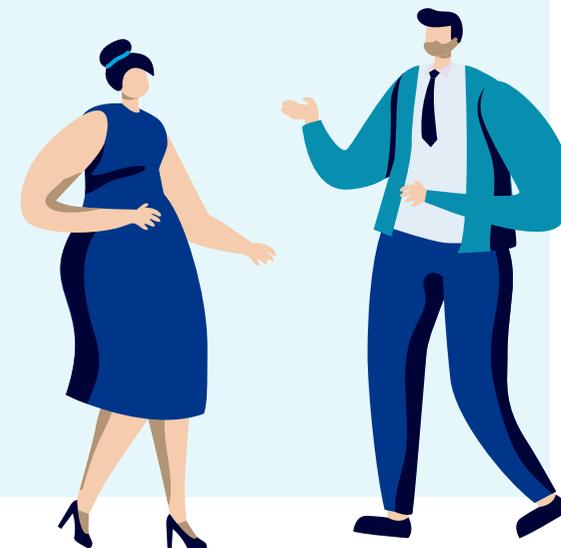
120

Coverage rate of accountable marketing training for sales personnel:

98 %

Total hours of accountable marketing training for employees:

50



Information Security and Privacy Protection

The frequent incidents of cyber-attacks and data leakage in the digital era have triggered widespread public concern about information security and privacy protection. Given this, strengthening information security and privacy protection is the key to winning customers' trust, maintaining corporate goodwill, and observing laws and regulations. To ensure an effective information security system, the Company attaches great importance to the protection of customers and other personal information, while strictly complying with the *Personal Information Protection Law of the People's Republic of China* and other relevant laws, regulations and policy requirements. In accordance with GB/T 22080-2016/ISO/IEC 27001:2013 *Information Technology - Security Techniques - Information Security Management Systems - Requirements*, the Company has established an information security management system and has obtained the Certificate of Management System Certification.

The Company has formulated and announced a range of dedicated systems such as *Information System Management System*, *Important Information Backup Management Procedures*, *Information Security Risk Management Procedures*, *Third Party Information Security Management Procedures*, *Information System Emergency Plan Management Procedures*, etc., and set up a sound hierarchical and graded institutional security system. These efforts help safeguard customers' information and data security in an all-around and multi-dimensional manner. Featuring information data security, network equipment security, information system security, personnel authority management, and management of personnel involved with secrets, these systems are intended for Suwen's employees, electricity customers, third-party personnel and other parties.



Encrypting critical information

The Company utilizes encryption technology for storing customer information to ensure the security of customer information during storage. End-to-end encryption programs are deployed to protect sensitive data during transmission and storage.

Implementing an access control policy

We develop and implement a data classification policy in order to clarify the protection needs of data at different levels. We implement access controls to ensure that only authorized personnel have access to sensitive information.

Regular security reviews

The Company conducts regular security reviews on the protection of customer information and the prevention of data and information leakage to identify and correct potential security risks in a timely manner. With respect to certain high-risk system applications, the Company conducts occasional dedicated audits or penetration tests to identify potential security risks.

Conducting information security training

The Company conducts information security training on a regular basis to raise employees' awareness of and attention to information security and to prevent data and information leakage. In addition, the Company offers information security courses as part of the new employee induction program, as well as targeted special information security training directed at IT technicians and senior executives.

Conducting system security drills

The Company conducts simulated phishing attacks as a means of preparing employees to recognize and prevent social engineering attacks. The Company performs regular red-team drills to simulate real attacks and evaluate the effectiveness of the defense system. Moreover, the Company periodically tests and verifies the integrity and availability of data backups and develops contingency recovery plans to ensure that systems can be restored quickly and effectively in the event of a data loss or attack.

Information security and data
breach incidents:

0

Information security training sessions
conducted:

3

Number of attendances in information
security training:

120

Cyber offensive and defensive exercise
conducted:

1

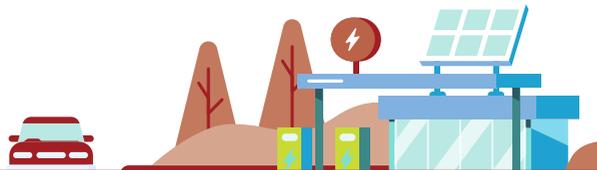
Striving for More Robust Development Together

- Cash dividends(including taxes): RMB **60,015,100**
- Number of attendances in employee anti-corruption training: **99**
- Total number of suppliers: **1,045**



Strengthening the Foundation and Forging the Soul through Party Building

The basic colors of electric wires are red, yellow, and green, which serve as the foundation for stable electric energy transmission. As an EPCOS supplier of electric energy, Suwen Electric Energy fosters the integration of Party building and corporate development, creating a unique "Red, Yellow, Green" approach to Party building with the Company's characteristics. This approach aims to establish an "international energy Internet enterprise with Chinese characteristics", providing a solid organizational foundation for the Company's steady growth and rallying forces for progress.



The Essence of "Red, Yellow, Green" Party Building

| | |
|---|--|
| <p>Red Leadership Energizing Positive Team Dynamics</p> | <p>Red, the color that captures the attention of those in the electric energy sector, symbolizes how Party building is the "critical move" in Suwen Electric Energy's development, igniting positive momentum among our people.</p> |
| <p>Yellow Empowerment Enhancing Continuous Learning Capabilities</p> | <p>By integrating organizational learning with the Company's operations, we empower Party members and other employees, stimulating the team's creativity more effectively.</p> |
| <p>Green Guarantee Uniting the Suwen Family</p> | <p>By cultivating the "Seven Swords" culture, we establish and refine various safeguard mechanisms, fostering a corporate culture that prioritizes customer satisfaction and gratitude towards society. This culture encourages our employees to leverage their capabilities to provide better services for users, ensuring that every ounce of electrical energy is maximized in value. Ultimately, we can achieve a win-win situation for both corporate growth and employee progress.</p> |

8 Party cells under the main branch

Comprising of **83** official Party members

1 probationary member

3 active applicants for Party membership



Exemplary "Red Chain Star" of Party Building Industry Development in Wujin District

Most Beautiful Women's Achievement Team"

Steering the Ship Under the Leadership of the Party

We actively promote the study and education of Party history in various through various forms, such as micro-Party lessons, lectures delivered by the Party branch secretary, Party group study sessions, and special lectures on the spirit of the 20th CPC National Congress. These initiatives ensure the thorough implementation of thematic education requirements, fostering a comprehensive understanding that leads to practical application. In view of the large number of young Party members within the branch, we emphasize online platforms such as WeChat, QQ groups, and official social media accounts to disseminate and study the Party's advanced theories. These platforms facilitate the exchange of thoughts related to practical work, together with thematic discussions organized, which ultimately enhance learning outcomes. In 2023, we organized democratic meetings and democratic appraisals for Party members, incorporating criticism and self-criticism exercises. This process encourages Party members to reflect on their work practices and strive for continuous improvement through introspection. Furthermore, we organize Party classes, with a total of 4 Party class sessions, 12 Party cell study sessions, and 2 lectures on the spirit of the 20th CPC National Congress, delving deeply into the study of the Party's advanced ideologies.



Thematic educational activities for Party building

Transforming Party Building Strengths into Development Advantages

Selecting backbone "power lines"

Focusing on the "double cultivation and double recommendation" mechanism, which aims to cultivate outstanding business backbones into Party members and vice versa, as well as to promote Party members for mid-level positions and outstanding Party members at the middle level for senior positions. This approach intensifies our efforts to recruit Party members among top-tier and elite talents. During the reporting period, approximately 32% of the Party members held positions at or above the middle management level in critical areas such as human resources, finance, and material management.

Building education "power banks"

We diligently implement institutions such as the "Three Meetings and One Lecture" (e.g., meetings of the Party branch and its subsidiary committees and cells, as well as Party lectures), thematic Party days, and heart-to-heart conversations. We have established eight "Suwen Pioneer Study Groups" to reinforce the ideological education among members of the Party branch. Furthermore, we have formed the "Suwen Party Member Task Force", designating vanguard positions and establishing responsibility zones for Party members. These initiatives are specifically designed to tackle complex technical challenges and provide strong support for the exponential growth and rapid expansion of the Company.

Igniting red "illuminants"

We actively engage in Party building collaborations, adopting a "point-to-area" approach. We regularly organize support activities for Party branches in small and micro private enterprises, together with joint Party building events, among others. This approach fosters the integration of Party building with corporate development, truly propelling small and micro enterprises towards mutual development and shared success.



A service activity titled "I Am a Proud CPC Member" was held to celebrate the 102nd anniversary of the founding of the Communist Party of China, on July 1, 2023



Joint Party building event with Changzhou branch of China Banking and Insurance Regulatory Commission, on June 27, 2023

Strengthening Corporate Governance

A robust system of corporate governance is essential for the sustainable development of any enterprise. Suwen Electric Energy actively improves its corporate governance structure, enhancing both the standards and effectiveness of governance practices. We have further optimized our approach to information disclosure and investor communication, so as to facilitate the Company's sound operation in the long run. As a result, we can better meet the expectations of our shareholders, employees, partners, and other stakeholders.

Governance Framework

Suwen Electric Energy adheres to relevant laws and regulations, such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, and the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange*, along with the rules and regulations for listed companies. We have established a comprehensive corporate governance system centered around the Company's *Articles of Association*. It includes the *Rules of Procedure for the General Meeting of Shareholders*, *Rules of Procedure for the Board of Directors*, *Rules of Procedure for the Board of Supervisors* and *Working System for Independent Directors*. The system is continually revised in response to the Company's development and regulatory changes. The Company has developed a mature and efficient organizational management structure, forming a corporate governance system characterized by a clear division of powers and responsibilities among the governing, decision-making, supervisory bodies, and the executive level. This ensures that each level operates within its defined duties and authority and fulfills its responsibilities, thereby effectively guaranteeing the fairness and rationality of corporate governance decisions.

Governance Structure

The General Meeting of Shareholders is the highest governing body of the Company, entrusted with exercising voting rights on significant matters such as corporate business policies, investment plans, and the election of executives, all in accordance with statutory regulations. The Board of Directors functions as the business executive body of the General Meeting of Shareholders, exercising its powers in accordance with the *Company Law of the People's Republic of China* and the *Articles of Association*. It is responsible for convening shareholder meetings, reporting to the General Meeting of Shareholders and executing resolutions at shareholder meetings. It determines the Company's business plans and investment strategies. And it serves as the highest decision-making body for managing economic, environmental, and social issues within the Company. The Board of Directors comprises four specialized committees: the Audit Committee, the Nomination Committee, the Strategy Committee, and the Remuneration and Evaluation Committee. The Supervisory Board, consisting of three supervisors (including one employee representative), acts as an internal oversight body. It fulfills supervisory responsibilities related to the Company's finances, compliance management, risk management, and the conduct of senior management. The Supervisory Board thoroughly deliberates on the Company's periodic reports and risk control indicators. It attends Board meetings, reports to the General Meeting of Shareholders, and safeguards the legal rights and interests of the Listed Company and its shareholders.

In 2023, the Company conducted elections for the Board of Directors and the Supervisory Board, in strict accordance with relevant laws, regulations, and internal policies. It convened and held shareholder meetings in compliance with the *Rules for General Shareholders' Meetings of Listed Companies* promulgated by the China Securities Regulatory Commission and the Company's own *Rules of Procedure for the General Meeting of Shareholders*. The Board of Directors and the Supervisory Board meetings were held in accordance with their respective rules of procedure, ensuring strict adherence to voting matters and procedures, thereby safeguarding the legal rights and interests of the Listed Company and its shareholders.

3 shareholder meetings were held, with **16** resolutions adopted

6 Board meetings were held, with **41** resolutions adopted

5 Supervisory Board meetings were held, with **20** resolutions adopted

3 Audit Committee meeting, **2** Nomination Committee meeting,

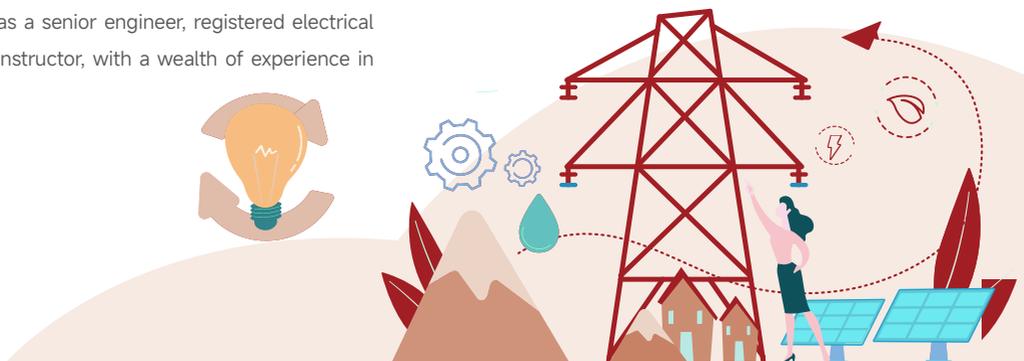
1 Remuneration and Evaluation Committee meeting were held

Independence and Diversity

Emphasizing the independence and diversity of its Board, Suwen Electric Energy considers a range of factors such as multicultural backgrounds, educational experiences, work histories, gender, and age when nominating directors. The Company also leverages the expertise of independent directors in enhancing scientific and effective decision-making by the Board. As of the end of the reporting period, the Board consists of seven members, including 3 independent directors. Over 42% of the directors hold a master's degree or above, while 100% of them possess at least a bachelor's degree. The directors of the Company bring a wealth of experience and expertise from diverse fields such as electrical engineering, finance, and accounting. They are equipped with the necessary knowledge, skills, and qualities to effectively fulfill their duties. Mr. QU Wenzhou, an independent director and Dean of Jinyuan Institute of Xiamen University, boasts qualifications as both a Certified Public Accountant (CPA) in China and a Chartered Financial Analyst (CFA) in the United States. With a long-standing dedication to teaching and research in finance and accounting, he possesses extensive financial expertise and experience. Mr. JIANG Baoguang, a director of the Board, has served as a full-time electrical engineer at PowerChina Nuclear Engineering Company Limited. He is a highly qualified professional, holding titles as a senior engineer, registered electrical engineer, and first-class constructor, with a wealth of experience in

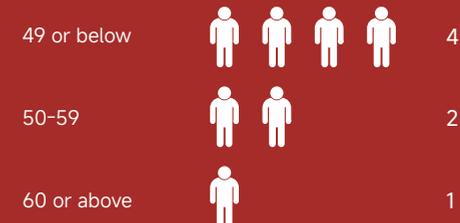
electrical research and risk management.

The Board upholds its responsibilities with strict adherence to the *Company Law of the People's Republic of China*, relevant regulations for listed companies, and the Company's *Articles of Association*. It emphasizes standardized operations, bolsters risk management, and oversees ESG issues and their performance. The four specialized committees under the Board each consist of three directors. Among them, the Audit Committee, the Nomination Committee, and the Remuneration and Evaluation Committee each have at least two-thirds of their members as independent directors, with an independent director serving as the chairman (or convenor). The Audit Committee includes one independent director who is a professional accountant. The committees have clear and distinct responsibilities, operate effectively, and ensure the objectivity and fairness of the Board's decision-making processes. Detailed information on the composition and performance of the Board, the duties of the Board and the management, the personnel structure and division of labor within the specialized committees, as well as the performance of the independent directors, can be found in the *2023 Annual Report of Suwen Electric Energy Technology Co., Ltd.*

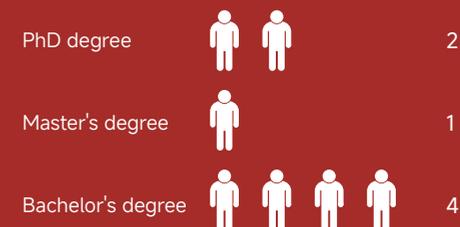


Diverse Backgrounds of Board Members

Age



Academic Qualification



Risk Internal Control

Suwen Electric Energy strictly abides by relevant laws and regulations, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Basic Norms for Internal Control in Enterprises*, and the *Guidelines for Application of Internal Control in Enterprises*. We have established and refined a working model oriented around risk management and focused on compliance management and supervision. This model is supported by the "three lines of defense" implementation framework of internal control and risk management. We actively construct a seamlessly integrated, synergistic, and efficient system encompassing internal control, risk control and compliance management. We enhance the system of internal control and risk management, continuously strengthening measures of legal compliance and risk prevention.



Enhancing risk management mechanism

The Company has established a comprehensive and effective system of risk management and internal monitoring, featuring a three-tiered governance mechanism consisting of the Board, the Audit Committee, and the Audit Department. The Audit Committee, established under the Board, effectively oversees and assesses the performance of risk management at the operational level, ensuring that overall risks are maintained at an acceptable level. Under the direct guidance of the Audit Committee, the Audit Department independently conducts internal audits and inspections in accordance with the law. It regularly reports to the Audit Committee and safeguards the development of the Company. Furthermore, we engage an accounting firm annually to conduct an audit of our internal controls, creating a favorable internal environment for risk control and efficient operation.



Formulating a risk management system

Taking into account the characteristics of our industry, the company has developed institutional guidelines such as the *Implementation Rules of the Audit Committee of the Board of Directors* and the *Internal Audit Policy*. These guidelines further regulate our internal control responsibilities and related management processes, ensuring that our risk management efforts are well-grounded in evidence and follow established procedures. Additionally, at the operational level, we have developed systems such as the *Inventory Management Policy*, which details departmental responsibilities and regulates inventory management practices. With such efforts, we ensure asset security and integrity, and supervise the reasonable supply, storage, and economical use of materials, thus preventing financial risks.



Implementing whole-process risk management and control

Focusing on the three key stages of "pre-event control, in-process supervision, and post-event management", the Company diligently manages specialized risk assessments, refines work processes, and establishes risk management ledgers to facilitate whole-process risk management. We conduct internal control audits for responsible marketing, which include reviewing marketing activities, addressing customer feedback, and managing non-compliant behaviors. This ensures that our marketing efforts align with regulatory requirements and ethical standards.

Investor Rights Protection

Suwen Electric Energy places a high priority on protecting the rights and interests of investors. We strictly comply with relevant laws and regulations, such as the *Rules for General Shareholders' Meetings of Listed Companies*, the *Guidelines for Investor Relations Management of Listed Companies*, and the *Rules Governing the Listing of Shares on the Shenzhen Stock Exchange*. Our Articles of Association serve as the fundamental code for protecting the legal rights and interests of our shareholders and creditors, and for regulating the organization and conduct of the Company. We have established specific policies to govern profit distribution, investor relations, and information disclosure, and to stipulate the calling, holding, deliberating, and voting procedures for shareholder meetings. These measures guarantee investors' rights to information and participation in significant company matters, effectively safeguarding the legal rights and interests of small and medium-sized investors.

Beyond establishing governance frameworks, we engage with investors through various channels: announcements, shareholder meetings, investor surveys (including but not limited to telephone inquiries, email communications, and on-site interactions), and the CNI interactive Q&A platform. We continually enhance our information disclosure management. In 2023, we issued 117 disclosure announcements covering announcements, investor relations, personnel changes, and more. We are committed to disclosing relevant information truthfully, accurately, completely, promptly, and fairly. Besides, we facilitate investor engagement through shareholder meetings, investor briefings, roadshows, analyst conferences, visits and seminars, which allow for adequate communication and interaction with investors.

Recognizing the importance of investor returns, the Company balances economic growth through R&D investments and production expansion with a reasonable profit distribution policy. We consistently reward our shareholders with annual dividends commensurate with our financial performance. Since the Company's listing, we have distributed a cumulative total of RMB 214 million in cash dividends to our shareholders. In 2023, we distributed cash dividends totaling RMB 60,015,100 (including taxes), representing 24% of the net profit attributable to shareholders of the parent company in 2023. This underscores our commitment to safeguarding investors' interests.



117 announcements were issued, including **7** regular ones and **110** non-regular ones.

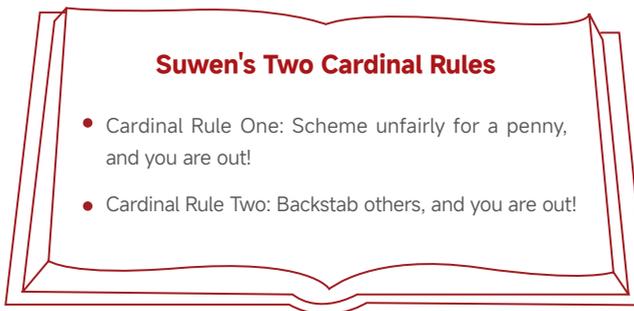
15 institutional communication meetings were conducted, engaging with **1,374** investors, a figure that surpasses **90** % of listed companies in the industry.

RMB **60,015,100** (including taxes) in cash dividends were distributed, accounting for **24** % of the net profit attributable to shareholders of the parent company in 2023.



Strictly Adhering to Business Ethics

Suwen Electric Energy strictly adheres to relevant laws and regulations, such as the *Civil Code of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and the *Anti-Unfair Competition Law of the People's Republic of China*. We have established internal policies such as the *Integrity Management Policy of the Company*, the *Self-Discipline and Professional Conduct Guidelines for Employees of the Company*, and the *Code of Ethics for Procurement Personnel*. Committed to the principle of integrity in business operations, and aligned with "Suwen's Two Cardinal Rules", we maintain a zero-tolerance approach towards corruption. We refine our business ethics management system, bolster the development of a culture of integrity, and clarify expectations for employees and suppliers. Besides, we vigorously govern areas such as legal compliance, anti-corruption, fair trade, and workplace ethics. During the reporting period, we conducted specialized anti-corruption training for executives, key personnel, and frontline employees. Furthermore, we organized comprehensive sessions for all employees to understand the significance of anti-corruption, and the measures to prevent and the procedures for addressing corruption. This approach aims to elevate the collective awareness of business ethics among our staff and promote compliance among our partners, thereby eliminating corruption at its source.



Preventing ethical risks in procurement is a key priority for the Company. The Company prioritizes suppliers who demonstrate compliance with ethical standards, contribute to environmental protection, and uphold employee rights. We strengthen efforts by platform and business departments to supervise and control business ethics issues during cooperation with suppliers, ensuring all parties adhere to ethical norms. We have established a whistleblowing mechanism and encourage employees and stakeholders to report any supplier misconduct, such as corruption or commercial bribery, to facilitate prompt investigation and resolution. During the reporting period, no instances of corruption or bribery were identified involving our suppliers or third-party organizations.

We have also set up petition channels, including telephone and online platforms, to receive feedback and reports from internal and external stakeholders regarding the Company and its employees. The Company emphasizes the protection of whistleblowers' rights and maintains strict confidentiality throughout the entire petition and reporting process. We are committed to safeguarding the personal information and reports of whistleblowers to uphold their legal rights and interests. During the reporting period, the Company had in any cases involving corruption, bribery, extortion, fraud, or money laundering.

Company whistleblowing channels

- Whistleblowing email: securities@swdnkj.com
- Supervision phone number: 0519-88821818

 Percentage of suppliers signing integrity agreements:

85 %

Number of supplier compliance audits:

25

| | | | |
|--|---|--|---|
| | Number of attendances in employee anti-corruption training: | Average duration of anti-corruption training per employee: | Number of attendances in director anti-corruption training: |
| | 99 | 3 hours | 1 |

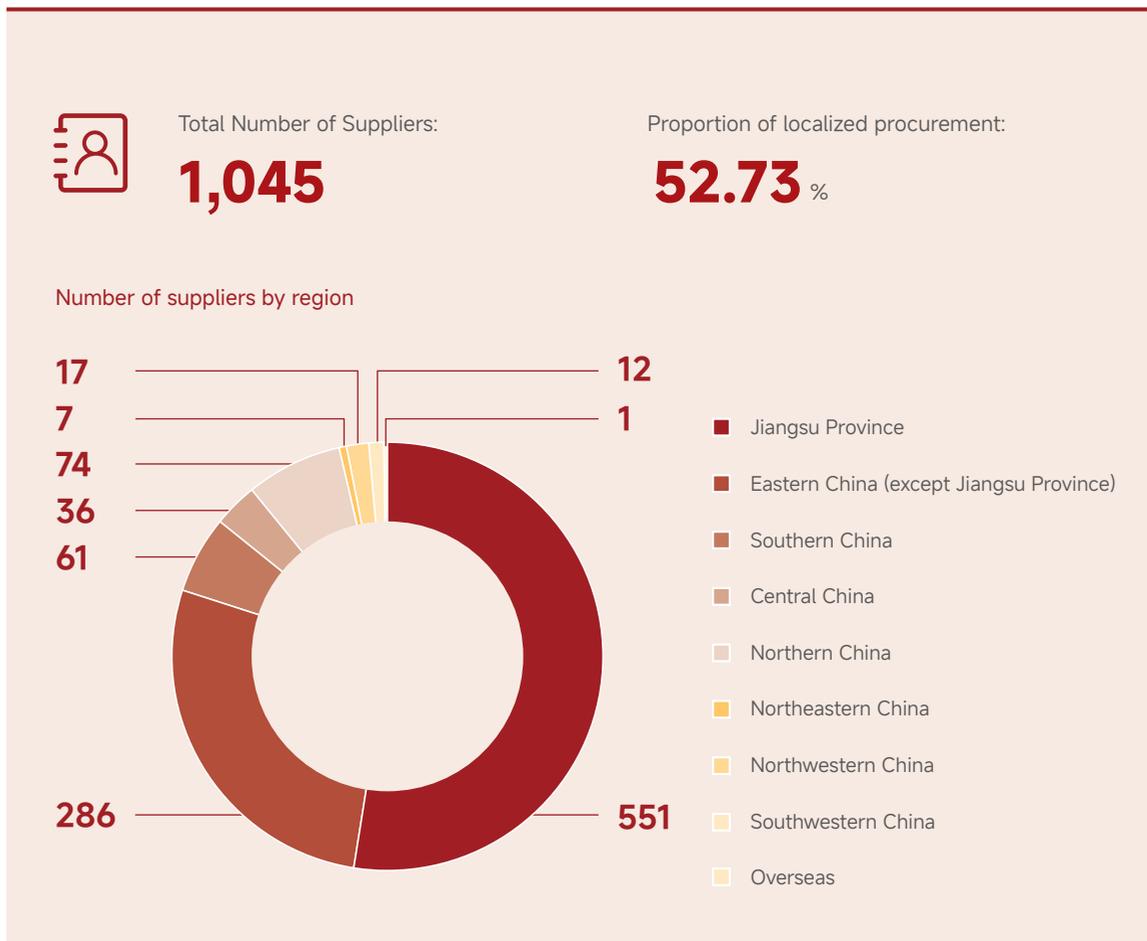
Industrial Synergy for Win-Win Outcomes

Supply Chain Management

Suwen Electric Energy embraces the concept of responsible procurement, advocating a sustainable development model based on win-win cooperation. We have established a procurement system that is standardized, fair, and transparent. At the same time, we actively enhance communications and cooperations with suppliers, fostering stable, orderly, and healthy relationships throughout the supply chain through resource sharing and a high level of synergy.

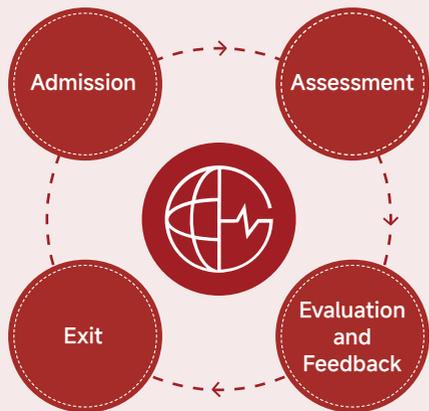
Supply Chain Management System

The Company strictly adheres to relevant laws and regulations in China, such as the *Tendering and Bidding Law of the People's Republic of China* and the *Regulations on the Implementation of Tendering and Bidding of the People's Republic of China*. We have formulated internal policies, including the *Supplier Management Regulations* and the *Supplier Development and Management Procedures*, to regulate the entire process of supplier admission, assessment, and exit. We have established and refined a long-term mechanism for communication with suppliers, ensuring high-quality development of the supply chain management system. Together, we aim to build a sustainable supplier ecosystem.



Full Lifecycle Management of Suppliers

We conduct comprehensive due diligence on potential suppliers, assessing their qualifications (including production facilities, machinery equipment, operating personnel, certifications, supply capability, quality, lead time, prices and other factors). We also evaluate their quality management systems, environmental management systems, and social responsibility practices to ensure they meet our basic criteria for cooperation.



We terminate partnerships with suppliers who fail to meet our requirements or engage in serious violations. We have clear procedures for contract termination, liquidation and settlement, to ensure a lawful and equitable exit process. In 2023, we suspended cooperation with one supplier and rejected one potential supplier, both due to non-compliance issues.

We have established a supplier performance assessment system that regularly monitors and manages suppliers' daily operations. This includes assessing their delivery capabilities, quality control, cost management, and innovation abilities. Timely identification and resolution of issues ensure the stability and reliability of our supply chain.

We conduct regular performance evaluations of our suppliers, classifying them into different tiers based on their overall capabilities and risk assessments. We also provide suppliers with evaluation results and improvement suggestions. Through evaluation and feedback, we encourage suppliers to improve their performance, thereby enhancing the efficiency and quality of cooperation.



Facilitating Supplier Growth

The Company maintains strong and close communication with suppliers through a diverse range of activities, continually raising their awareness of environmental and social responsibilities, so as to foster a more competitive and responsible supply chain.

- We invite suppliers to visit the Company for on-site learning, where we arrange for technical experts to explain our business requirements and provide relevant training and guidance.
- We work side-by-side with suppliers at project sites to address issues. We collaboratively explore issues and challenges in our partnership. And we seek out solutions together.
- A supplier feedback mechanism has been established to encourage suppliers to provide input and suggestions at any time. In turn, the Company promptly responds and takes appropriate actions.

Sustainable Supply Chain

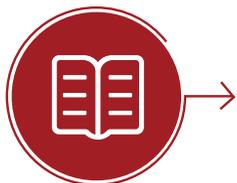
We continually focus on risks related to environmental protection, safety, and occupational health during the onboarding and regular assessments of suppliers. We have established a robust model and mechanism to analyze and assess related risks. For different types of suppliers, we conduct in-depth analyses, including risk identification, potential losses, and specific mitigation measures. This approach helps us create a resilient supply chain, which ensures the quality and safety of raw material supplies while effectively guarding against potential risks in the supply chain.



We sign framework agreements with suppliers, clarifying the rights, responsibilities, and expectations of both parties. This provides a legal basis and recourse in case of any supplier defaults.



We have established a supervision and inspection team that regularly conducts on-site inspections and quality spot checks of suppliers and construction side of contractor, ensuring that their projects and services meet our requirements and standards.



We have implemented a risk early warning system to promptly detect and identify potential supplier risks, such as quality issues, safety hazards, and project delays. And we take appropriate measures to manage and mitigate these risks.



Regular compliance audits are conducted to thoroughly inspect and assess suppliers' quality management, safety practices, and compliance with regulations. Through document reviews, on-site visits and other measures, we ensure that suppliers adhere to all relevant laws, regulations and the Company's standards.



Number of suppliers that have passed quality management system certification:

576

Number of suppliers that have passed OHS management system certification of occupational health and safety management system:

495

Number of suppliers that have passed environmental management system certification:

502



Diversified Collaboration

Adhering to the principles of open collaboration and mutual benefit, we emphasize positive interactions with various industries. We strengthen our engagement with governments and enterprises at all levels, deepening our cooperation mechanisms with both public and private sectors. Focusing on cutting-edge technologies and industry trends, we work hand-in-hand with our partners to drive high-quality industry development.

Industry Exchanges

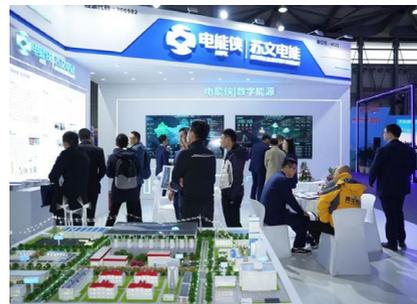
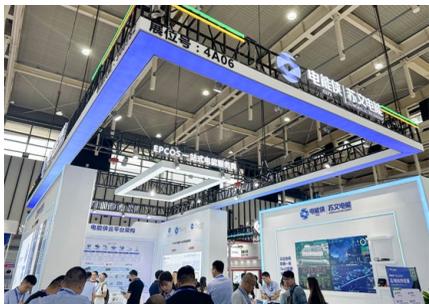
In June 2023, Suwen Electric Energy participated in the 2023 China (Jiangsu) International Energy Storage Conference (CESC).

In August 2023, Suwen Electric Energy was invited to attend the 2nd China Integrated Energy Services and Energy Digitization Conference 2023, where we officially unveiled our innovative user-side power system solution, the "Intelligent Microgrid".

In November 2023, Suwen Electric Energy exhibited at the 2023 Shanghai International Exhibition on Electric Power Equipment and Technology.

Diversified Collaboration

In February 2023, Jiangsu Sibeier Haina Energy Storage Technology Co., Ltd., a subsidiary of Suwen Electric Energy, forged a strategic partnership with REPT BATTERO Energy Co., Ltd. This collaboration aims to achieve industrial synergies in areas such as battery cells, energy storage, and integrated energy services. Leveraging their advantages in resources, capital, technology, and integrated industrial operations, the two companies aim to forge a large-scale industrial layout and facilitate substantial growth across the industry, various sectors, and individual enterprises.



Towards a Brighter Future

- > Total hours of employee training: **29,400** hours
- > Total investment in environmental protection: RMB **18.92** million
- > Total charitable donations: RMB **2.4** million



Fostering Employee Growth

Adhering to a people-centered employment philosophy, Suwen Electric Energy prioritizes responsibility, courage, honesty, and trustworthiness as essential criteria for personnel selection. We deeply value and respect talent, offering a wide and equitable platform for development. Our goal is to encourage employees to fully tap into their potential and contribute value, achieving shared growth for both the organization and its employees.

Cultivating a Diverse and Inclusive Workplace

Suwen Electric Energy is convinced that the Company's growth is tightly linked to the contributions of exceptional talent. Hence, we emphasize the recruitment of diverse talents, actively seeking to attract individuals with varied expertise, values, and personalities to our team. Our commitment lies in assigning each employee to roles that best suit their abilities, enabling them to maximize their unique strengths. Concurrently, the Company is dedicated to fostering a diverse and inclusive workplace culture, establishing an open and democratic platform for communication, and ensuring an equitable, varied, and harmonious working environment for all. This approach safeguards every employee's rights, fuels creativity and potential, and drives the Company's continuous advancement.

Attracting Talent

Equitable and Lawful Employment



Suwen Electric Energy rigorously complies with the *Company Law of the People's Republic of China*, the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, international human rights standards, and local laws and policies. We continually refine our internal management systems, including the *Employee Handbook* and the *Capability Manual*, steadfastly upholding the principles of equality and fairness. Throughout the recruitment process, we apply consistent standards, eliminate biases and discrimination, and ensure no candidate is treated unfairly due to age, ethnicity, religion, region, familial status, or gender. We staunchly oppose discrimination based on gender, age, marital status, race, etc. There have been no instances of child labor, forced labor, or employment discrimination during the reporting period.

Recruitment of Diverse Talents



Suwen Electric Energy is committed to assembling a team of diverse, exceptional talents, eagerly welcoming ambitious individuals to join us for sustained growth. In our recruitment process, we adhere to the principles of scientific planning, accurate hiring, standardized employment, and equitable evaluation. Aligned with our strategic development goals, we proactively adjust our organizational structure and form teams, complemented by the development and launch of a recruitment system that is regularly updated to reflect our current needs. We have established a variety of channels for talent recruitment, including partnerships with universities, summer internships, campus recruitment drives, social recruitment efforts, and internal referrals, all aimed at attracting top-notch candidates and enhancing the match between job positions and candidates.

Furthermore, we actively collaborate with academic institutions, enhancing our visibility within academic communities by organizing events like the EEPX Basketball Tournament and offering scholarships. In partnership with Changzhou Vocational Institute of Mechatronic Technology, we launched the "Suwen Electric Energy Order Class," incorporating our internal training into their curriculum and establishing a dedicated scholarship to nurture professional talent directly. In 2023, the "Suwen Electric Energy Order Class" admitted 31 students at Changzhou Vocational Institute of Mechatronic Technology.



Contract signing rate:

100 %

Total incidents of employee discrimination:

0

Fostering Diversity and Inclusion

Suwen Electric Energy is dedicated to ensuring equal employment opportunities for our female staff, reinforcing the safeguarding of women's labor rights. This commitment encompasses equitable pay, comprehensive benefits, and the eradication of economic disparities across genders and job roles. We have instituted specific contractual protections for female employees, a thorough welfare system, and upholding of women's rights from the onset of their employment. The Company provides fair training opportunities for female staff, advocates for the enhancement and broadening of their skills, and supports the growth of their leadership capabilities. Capable female employees are assured active roles in corporate governance and decision-making, thus contributing to the Company's inclusive growth.

We place great importance on the security and well-being of our female employees. We offer robust labor protections, including both legal and supplementary company provisions during pregnancy, childbirth, and lactation, accompanied by appropriate welfare benefits. Our female staff are entitled to rights such as leave for prenatal exams, maternity leave, modified work schedules during pregnancy, and support during childbirth and nursing. Furthermore, we celebrate the occasion of childbirth with special gifts for the new parents.



Total employees:

980

New hires during the reporting period:

198

Newly recruited graduates:

101

Percentage of ethnic minority employees:

1.22 %

Percentage of locally recruited employees:

33.7 %

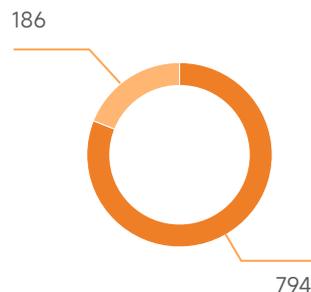
Social insurance coverage rate:

100 %

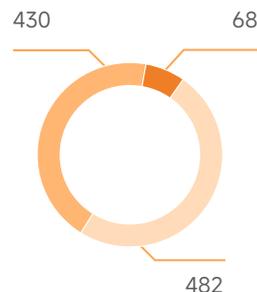
Employee turnover rate:

8.5 %

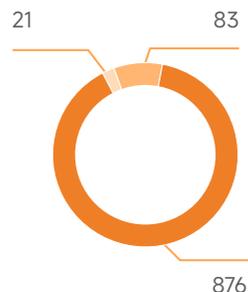
By Gender



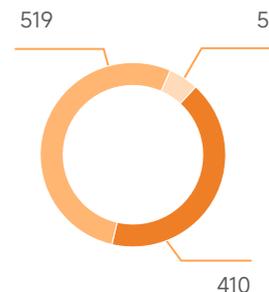
By Age



By Employee Level



By Educational Background



Female

Male

30 years old and below

31-50 years old

51 years old and above

Senior Management

Middle Management

Junior Staff

Master's/MBA and higher

Bachelor's

College and below

Percentage of female leaders in the management team:

14.74 %



Percentage of female employees in management reserve talent pool:

33.3 %

Percentage of female employees in non-production roles:

18 %

Encouraging Employee Participation and Communication

Democratic Management



Suwen Electric Energy abides by the *Enterprise Democratic Management Regulations*, establishes a labor union, and drafts the *Factory Affairs Disclosure System Implementation Rules* and the *Employee Representative Congress System*. These initiatives improve the transparency and efficacy of our factory affairs disclosure and invigorate democratic management. Employees are actively involved in corporate governance and the cultivation of harmonious labor relations. Annually, our union's working committee gathers department representatives for collective bargaining. Led by the union chair, the committee and employee representatives engage in dialogue with the Human Resources Department to negotiate forthcoming collective agreements and specific protection contracts for female employees, ensuring that all staff members' rights and interests are fair and legitimate, fostering harmonious labor relations.

Communication and Appeals



Suwen Electric Energy offers multiple channels for employee grievances and feedback, placing high value on the swift addressal of their concerns. We host an annual employee representative congress where delegates deliberate on the Company's progression, key operational decisions, review and approve important resolutions regarding wage distribution, occupational safety, and labor protection, alongside appropriate insights and suggestions. Additionally, the union proactively hears out employees, manages labor relations, upholds legal rights, and conducts annual satisfaction surveys.



Percentage of employees covered by trade union/collective bargaining agreements:

100 %

Multiple Communication Channel

Factory Affairs Disclosure

We ensure all employees are well-informed by consistently updating and disseminating information about company operations, management policies, personnel changes, and employee benefits through our factory affairs disclosure system.

Employee Meetings

We schedule regular union committee gatherings and at least one employee congress per year to communicate the union's annual review and future plans. Employees have the opportunity to assess and vote on welfare policies, systems, and collective agreements.

Complaint Channel

A union working group is established to address employee feedback, and a suggestion box is maintained at the employee center for regular review.

The Human Resources Department designates specialists to oversee employee grievances and provides a variety of accessible reporting channels—oral, written, and digital—while ensuring the confidentiality and privacy of the complainants. The HR team promptly addresses these concerns, offering resolutions and aid in problem-solving, thus reinforcing trust within the organization.



Employee satisfaction rate:

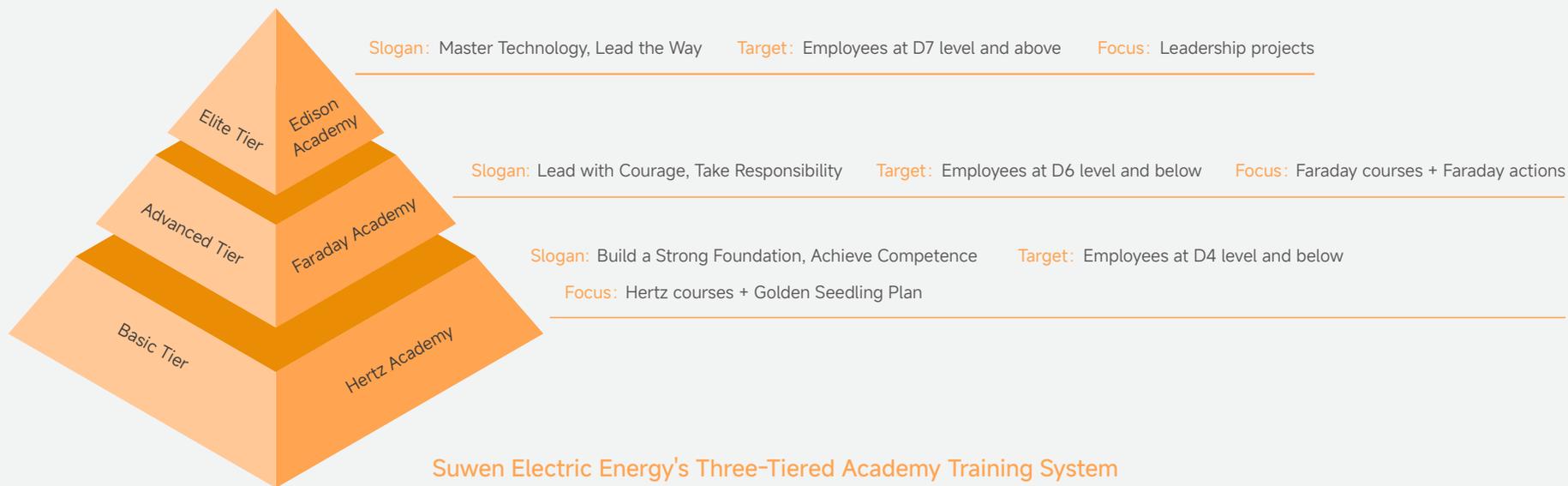
95 %

Supporting Talent Development

Suwen Electric Energy views talent development as a vital component of its sustainable growth strategy. We have refined a scientifically robust talent management framework, established a stratified training regime, cultivated a talent repository, and introduced an effective talent advancement protocol, alongside a fluid internal career progression system. Such measures continually invigorate employee innovation and creativity, fortify their all-around competencies, and facilitate the harnessing of internal talent for the benefit of the enterprise.

Employee Training

Suwen Electric Energy has developed an *Employee Training Management System* to encourage staff to enhance their skills. With programs tailored to individual career aspirations and interests, the Company offers comprehensive, multi-tiered guidance and training to support the career development of its employees. A three-tiered academy training system is in place, blending online and offline methods to provide targeted training for employees at different levels.



Suwen Electric Energy's Three-Tiered Academy Training System

Online, our "Magic Academy" training platform hosts the Hertz, Faraday, and Edison Academies, catering to junior, mid-level, and senior employees, respectively. We encourage departments to produce their own instructional videos, tailored to the specific needs of different business units and combining theory with practical application. This enables employees to pursue self-directed learning and participate in assessments that are categorized according to their specific needs at various stages.

Offline, we curate specific training content for diverse employee groups, facilitating the rapid integration of new employees into the Company's operational systems. Moreover, we enhance leadership skills among relevant staff, and provide specialized courses for key positions to strengthen the Company's competitive edge. Additionally, we actively engage with external institutions to deliver comprehensive professional training across all categories of employees. During the reporting period, 219 internal training sessions were conducted, involving 3,282 participations, and 806 individuals participated in external training programs.



Total courses on the platform: **313**, comprising **203** professional and **110** general courses

Total hours of learning online:
38,164

Number of total attendances:
40,134

Training Categories

Main Content



- Customized training and development plans are crafted for every new employee, based on their specific roles and capabilities, ensuring a comprehensive and systematic educational experience.
- New employees recruited through social channels receive a week of onboarding training, while those hired through campus recruitment are enrolled in a one-year Golden Seedling training camp.



- Specialized training on "Supervisor Four-Wheel Drive Method";
- Specialized training on "Effective Productivity";
- Courses on "Operational Skills";
- Training on "Ten Billion Journey";
- External training programs, including EMBA, Dark Horse, Huawei, and Alibaba courses.



- The "Magic Academy" online platform offers 193 courses, including topics on finance, initiative, safety education, and professional skills, all available for company-wide online learning and testing.
- External experts are invited to conduct "Effective Communication Training", "5S Precision Management Training", etc.
- Competitions such as the "100-Day Technical Challenge" and "Professional Skills PK Contest" are organized to promote learning through competition and enhance skills.



Supervisory Four-Wheel Drive Learning Camp



2023 Ten Billion Journey - Head Wolf Plan: Develop junior supervisors among standout employees under the age of 30



Golden Seedling Plan: A one-year training program for new employees



100-Day Technical Challenge

| | | |
|--|---|--|
| Total investment in employee training: RMB 1.174 million | Employee training coverage rate: 100 % | Average training hours per employee: 30 |
| Average investment per employee for training: RMB 1,200 | Total number of training attendances: 4,108 | Total hours of employee training: 29,400 |

| Indicators | | Unit | 2023 |
|---|-------------------|-------|------|
| Training coverage rate by gender | Male | % | 100 |
| | Female | % | 100 |
| Training coverage rate by employee level | Senior management | % | 100 |
| | Middle management | % | 100 |
| | Junior staff | % | 100 |
| Average training hours per employee by gender | Male | Hours | 30 |
| | Female | Hours | 30 |
| Average training hours per employee by employee level | Senior management | Hours | 45 |
| | Middle management | Hours | 30 |
| | Junior staff | Hours | 15 |

Employee Development

Career Development

Suwen Electric Energy has launched an online talent repository for multi-faceted analysis of employee data, encompassing basic information, training history, job capabilities, position grades, and quarterly reviews. This holistic strategy guides employees in navigating their career trajectories and aids the Company in its strategic human resources planning, fostering simultaneous growth for both the enterprise and its workforce. We've established two principal advancement tracks: managerial and technical, enabling employees to progress based on their interests and competencies, thus supporting their professional growth.



Managerial Track: This track includes six levels, from M0 to M5, aimed at nurturing growth within management teams and progression towards executive roles.

Technical Track: Comprising eleven levels from D1 to D11, the Company conducts annual evaluations of employees' skills, performance, and development, facilitating advancement in skill level and position.

Educational and Qualification Support

Suwen Electric Energy enforces a policy of continuous professional knowledge enhancement for all staff, promoting self-directed learning or relevant professional training during personal time. Exceptional learners who significantly contribute to the Company's financial success are recognized and rewarded materially, including through salary increases and promotions.

Moreover, the Company offers support for further education and certification training, providing resources, funding, and timing for professional certification endeavors, and incentives upon certification completion. In partnership with institutions such as Changzhou Chang'an Training and Nanjing Anfang Training, we assist employees in obtaining skill certification, offering paid training leave and expense reimbursement. Support for academic progression includes paid study leave and cost reimbursement for programs like on-the-job postgraduate studies and degree upgrade programs in collaboration with Changzhou University.



Compensation and Incentives

Suwen Electric Energy has adopted a thorough and competitive compensation scheme, crafted to maximize the motivational, rewarding, and incentivizing potential of the pay system. Adhering to the principle of remuneration based on contribution, the scheme harmonizes incentives with accountability, sparking enthusiasm for work, learning, and business startups among employees.

The compensation structure is categorized into three types: an annual salary reflecting the Company's financial performance, a performance wage system tied to annual and monthly results, and a base salary supplemented by performance bonuses relevant to the position. Pay distribution is grounded in principles of fair compensation and merit-based remuneration, covering basic salary, role-specific salary, bonuses, year-end incentives, and housing benefits, with performance bonuses awarded based on work results and achievements. Since 2021, the Company has introduced an employee stock option scheme, mainly focusing on managers and key technical personnel.

An efficient performance complaint and feedback mechanism is in place, enabling direct employee feedback on assessments through the OA system. The HR liaison framework ensures that employees across departments have avenues for conveying their feedback to the HR division, augmented by the "HR Director's Direct Line" for seamless communication of grievances and suggestions to the upper management.

Occupational Health and Safety

Prioritizing our employees' health and safety, we enforce a safety accountability system, pinpoint occupational health risks, and perpetually enhance our occupational health and safety management practices to utmostly safeguard employee well-being and operational safety.

Health and Safety System



Suwen Electric Energy strictly complies with the *Production Safety Law of the People's Republic of China*, *Safety Supervision and Management Regulations for Electric Power Construction Projects*, *Safety Production Management Regulations for Construction Projects*, *Occupational Disease Prevention and Control Law of the People's Republic of China*, among other pertinent legislations and regulations in our operational conduct. We have devised *Safety Production Management Regulations* and update them annually, with the 2023 revision focusing on safety management organizational structure, construction workflows, safety obligations, and introducing new guidelines on subcontractor safety and lifting operations safety management. In 2023, the Company recorded no safety incidents or received any administrative penalties for safety violations.

A participatory process for employee involvement and consultation has been established, starting with offline discussions among key personnel for initial drafting of the safety management system, followed by its online publication to solicit broad employee input, aiming for continuous refinement of our health and safety framework.

Accredited by the GB/T 45001-2020 (OHSAS 45001:2018)
Occupational Health and Safety Management System

Certified by the Health, Safety, and Environment (HSE)
Management System



Safety production investment:

RMB **3.76** million

Safety training coverage rate:

92 %, with **90** training
hours and **737** attendances

Health and Safety Goals



- ✓ Eliminate minor and serious personal injuries.
- ✓ Avert equipment power outages attributable to staff errors.
- ✓ Avoid equipment damage attributable to staff errors.
- ✓ Prevent traffic incidents of equal or greater fault.
- ✓ Obviate fire-related accidents.

All safety production
goals in 2023

**been
achieved**

Health and Safety Organizational Framework



Suwen Electric Energy has instituted a Safety Management Committee to significantly enhance the Company's safety management protocols. Led by the Company's Chairman, this framework encompasses a three-tier safety production responsibility management system, a dynamic mechanism for evaluating safety responsibilities, and a process for developing and affirming safety competencies. It specifies the duties, scope, and evaluation criteria for various roles, introducing an external checklist to apply pressure on the system and ensure that all responsible parties adhere to their safety obligations. This approach is supported by policies such as the *Safety Production Rewards and Penalties* and *6S Management Standards*.

Three-Tier Safety Production Responsibility Management System



The General Manager, serving as the chief responsible officer, is charged with:

- Regularly participating in Safety Committee sessions and essential personnel training, assessing the Company's safety landscape, and prioritizing safety initiatives.
- Endorsing and implementing the Company's safety protocols, reward and penalty schemes, and protocols for handling accidents.



Each department head, acting as the foremost responsible officer within their department, is tasked with:

- Consistently attending Safety Committee meetings and undergoing safety management training, evaluating the department's safety conditions, and outlining pivotal safety tasks.
- Guaranteeing adherence to the Company's established safety measures.
- Conducting routine safety audits within the department and enacting remedial actions for any discrepancies identified.



Team leaders or managers, as the primary responsible figures at this level, are accountable for:

- Direct oversight of construction workers.
- Facilitating training on safety and construction regulations and ensuring compliance.
- Supervising and implementing safety protocols at the construction or production sites.

Health and Safety Culture



Suwen Electric Energy consistently conducts safety training and educational programs for its employees to bolster safety awareness across the board. A safety performance record for each employee is maintained to track and evaluate their safety practices. This comprehensive safety training encompasses all employees and suppliers. The Company has dedicated areas for showcasing safety culture and exemplary safety performances. Safety culture is further promoted through banners, display stands, and videos during significant times such as the start of the year, Safety Production Month in June, and Fire Safety Month in November, fostering a strong safety mindset among all employees.



Case Safety Learning Week

On January 30, 2023, Suwen Electric Energy launched a "Safety Learning Week," coinciding with the annual Safety Management Committee meeting. New safety targets for 2023 were established, alongside *Safety Production Goal Responsibility Agreement* signed with key company members. The event featured visits to safety warning displays, specialized CPR training post-electrocution, and a comprehensive safety knowledge examination for frontline production and construction teams, substantially raising safety awareness throughout the organization.



Safety Skills Training (CPR)

Health and Safety Emergency Response



The Company annually updates and refines its emergency management documents, including *Hazard Identification, Classification, Risk Evaluation, and Grading, Specific Emergency Response Plan, and Comprehensive Emergency Response Plan*. Prior to and following major holidays, essential personnel in production and construction undergo drills for electric shock prevention, including emergency response and CPR. In June, a fire evacuation drill was conducted company-wide, and in November, safety officers from different departments participated in firefighting exercises.



Firefighting Exercises

Safety production accidents: **0**, with **0** fatality due to work and **0** day lost to work-related injuries.

Emergency management exercises: **3** times, with **427** attendances involved.

Boosting Employee Well-Being

Suwen Electric Energy prioritizes the physical and mental well-being of its employees, dedicating itself to fostering a work and life environment that is both comfortable and joyful. The Company vigorously organizes a broad array of employee activities to enhance team cohesion and a sense of belonging among staff.

Improving Employee Benefits



Beyond salary and wages, the Company has instituted a thorough benefits system, divided into statutory benefits, universal benefits, and incentive benefits.

Enriching Employee Experiences



Suwen Electric Energy promotes a work-life balance by actively arranging a variety of employee engagements. These initiatives aim to harmonize relaxation with work, substantially elevating employee happiness and satisfaction levels.

Statutory Benefits

Social insurance, housing provident fund, statutory holidays, and high-temperature allowances.

Universal Benefits

Catering allowances, summer welfare, holiday bonuses, birthday gifts, communication allowances, International Women's Day bonuses, congratulatory gifts for children's educational achievements, wedding gifts, maternity gifts and allowances, condolence allowances, health screenings, a monthly book, and comprehensive commercial insurance.

Incentive Benefits

Transportation allowances, vehicle maintenance and repair allowances, housing allowances, paid annual leave bonuses, and funding for team-building activities.



EEPX 16th Anniversary Run



1024 Programmer's Day



Welcome Party

Advancing Environmental Management

Green development is the foundation of sustainable growth. Embracing a sustainable operational philosophy, we embed eco-centric principles in all business activities, focusing on energy and resource conservation while minimizing emissions and waste. Our objective is to achieve a balanced synergy among economic, social, and environmental benefits. Additionally, we actively foster green office practices and enhance environmental consciousness among our employees.

Accredited by the ISO 14001 Environmental Management System

Environmental protection investment:

RMB **18.92** million

Environmental Management System

In response to national initiatives for green, low-carbon development, Suwen Electric Energy rigorously adheres to environmental protection laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, *Emergency Management Regulations for Environmental Incidents*, and *Environmental Impact Assessment Law of the People's Republic of China*. We have established internal protocols including the *Environmental Protection Management Regulations and Regulations for Safe and Civilized Construction and Environmental Protection*, creating a structured environmental management organization with defined responsibilities. By defining the policies, approaches and principles of environmental protection efforts, our commitment is to develop a resource-efficient and eco-friendly enterprise, contributing to the harmonious advancement of both the Company and society.

Environmental Protection Policies

Advocating for comprehensive planning, rational deployment, integrated resource utilization, transforming waste into resources, regulatory compliance, clean production, and fostering an ecological business model on a sustainable development path.

Environmental Protection Approaches

Integrating technical with economic management, combining specialized with participatory management, and aligning technological innovation with upgrades.

Environmental Protection Principles

Emphasizing prevention, giving equal importance to planning and remediation.

Environmental Management Organizational Framework



An Environmental Protection Committee has been formed, chaired by the General Manager and the Production Manager serving as the deputy director, with department managers as members. This committee spearheads the implementation of national, provincial, and municipal environmental protection policies, laws, regulations, and directives. By planning, arranging, inspecting, summarizing, and evaluating environmental protection efforts, it strategizes on significant environmental initiatives and activities across the Company. The Administrative Department is tasked with the primary roles of environmental management and monitoring, with each department manager being responsible for environmental protection within their areas, supported by environmental administrators to carry out related tasks.

Environmental Management Training



The Company actively engages in various promotional activities for environmental protection, urging employees to comply with environmental policies, cultivating environmental consciousness, reinforcing environmental norms, and instilling a strong sense of responsibility towards environmental conservation. Environmental management personnel regularly participate in specialized seminars and training sessions to adopt advanced technologies and share best practices in environmental management.

Environmental Risk Management



A procedure has been developed to thoroughly identify and assess environmental factors and hazard sources, titled *Procedure for Identifying Environmental Factors, Hazard Sources, and Related Risk Controls*. This entails a comprehensive evaluation of environmental factors and major risks to mitigate existing and potential significant environmental impacts. The scope of identification encompasses all processes, activities, and sites involved in the Company's offices, field designs, and systems, applying various control methods to manage significant environmental factors and risks deemed unacceptable.

Tackling Climate Change

In response to the global climate crisis, Suwen Electric Energy capitalizes on its strengths as a one-stop electric energy service provider, proactively aligning its business growth with national objectives for carbon emission peaks and neutrality. The Company aids other businesses in their shift towards sustainable energy solutions. Emphasizing energy efficiency and reduced consumption, Suwen Electric Energy strictly adheres to regulations such as the *Energy Conservation Law of the People's Republic of China* and the *Cleaner Production Promotion Law of the People's Republic of China*, consistently enhancing its environmental management practices to mitigate its environmental footprint and combat climate change.

| Indicators | | Unit | 2023 |
|--------------------------|---|--|----------|
| Energy Consumption | Gasoline | 10,000 Liters | 398.30 |
| | Externally Sourced Electricity | Kilowatt-hours (x10,000) | 127.91 |
| | Total Energy Consumption | Tons of Standard Coal | 4,479.17 |
| | Energy Consumption Intensity | Tons of Standard Coal / RMB 10,000 Revenue | 0.017 |
| Greenhouse Gas Emissions | Direct Greenhouse Gas Emissions (Scope 1) | Tons of CO ₂ Equivalent | 8,936.92 |
| | Indirect Greenhouse Gas Emissions (Scope 2) | Tons of CO ₂ Equivalent | 729.47 |
| | Total Greenhouse Gas Emissions | Tons of CO ₂ Equivalent | 9,666.39 |
| | Greenhouse Gas Emission Intensity | Tons of CO ₂ Equivalent /RMB 10,000 Revenue | 0.036 |

Strategies for Energy Conservation and Emission Reduction

The Company establishes annual indicators and plans for energy efficiency and consumption reduction. Leveraging its analytical capabilities, energy-saving periods are designated for critical equipment to curtail grid electricity usage. Key devices are integrated with the EEPX cloud platform via IoT technology for continuous monitoring, data gathering, and sophisticated analysis.

Departments are mandated to perform round-the-clock inspections of their domains and infrastructure, ensuring judicious use of electrical devices at work sites, including prompt activation upon usage and shutdown post-use. Air conditioning systems are programmed for automatic shutoff, stipulating a minimum and maximum temperature for summer and winter, respectively.

The Company champions energy conservation and emission reduction efforts, motivating employees to engage with green office practices and energy-saving policies, thus cultivating a culture of prudent energy use and conservation.

The technical upgrading of electric devices is prioritized, with a focus on phasing out and retrofitting energy-intensive processes and machinery. Industrial sodium lamps in workshops are replaced with LED energy-efficient lighting, yielding an annual electricity saving of 4.8 MWh.

Photovoltaic power station layouts are optimized, with enhancements in system operational management and scheduling. Regular maintenance of photovoltaic panels, adoption of solar tracking technology, improvement of photovoltaic module conversion efficiency, and utilization of high-performance conversion methods collectively elevate the efficiency and output of photovoltaic power generation, reducing energy wastage.

Distributed energy storage technologies are advocated for, with improvements in the scheduling of storage systems and expansion of their application scope. This enhances system efficiency, fostering effective energy utilization and emission mitigation.

Fostering "Zero Carbon" Parks



Suwen Electric Energy is committed to national and local low-carbon development policies, contributing to global climate solutions through energy structure optimization and relentless energy-saving and emission reduction initiatives. The Company harmonizes various energy sources like grid electricity, solar, and promote the achievement of park-wide zero carbon emissions.

In 2023, the Company's green energy infrastructure was upgraded, moving away from the previous model of exporting surplus photovoltaic energy to the grid. Adjustments in energy storage EMS strategies prioritized photovoltaic charging for storage systems, employing demand response strategies to boost photovoltaic utilization and lower energy expenses. The "Zero Carbon Park" initiative generated an estimated 1,324,700 kWh in 2023, cutting CO₂ emissions by roughly 745.19 tons. Furthermore, the park embarked on a novel integrated solar storage charging project, constructing photovoltaic carports, storage cabins, and AC/DC charging stations as part of its energy-saving infrastructure. Upon completion, the project is anticipated to replace 167.232 MWh of externally sourced electricity each year, propelling the park's zero-carbon journey forward.



Mitigating Environmental Impact

Suwen Electric Energy commits to implementing environmental protection measures across all production and operational stages. Through strict policy enforcement and promoting awareness, the Company consistently improves its water resource use and waste discharge management. It prioritizes proper waste storage, disposal, and recycling, aiming to reduce the generation of wastewater and solid waste, thus significantly lowering the environmental impact of its business operations. In 2023, the Company achieved compliance with all environmental protection regulations without any violations.

Water Resource Management



Our business operations moderately rely on water resources, primarily for industrial cooling, cleaning, and domestic purposes during research, development, and production phases. Nonetheless, resource conservation is considered a responsibility for every member of the corporation. We rigorously apply laws and regulations such as the *Water Law of the People's Republic of China*, responsibly managing water use through policies and improvements in equipment and processes to prevent evaporating, emitting, dripping, and leaking. We continually promote water conservation awareness among employees to ensure sustainable water use. The water utilized in our production and operations is sourced entirely from municipal supplies, eliminating risks associated with water sourcing and use.

| Electricity Consumption Overview | 2023 |
|--------------------------------------|---------------|
| Total Externally Sourced Electricity | 1,056,400 kWh |
| Total Photovoltaic Generation | 1,324,700 kWh |
| Self-used Electricity | 809,600 kWh |
| Surplus Electricity Returned to Grid | 515,000 kWh |
| Total Charged into Storage | 51,400 kWh |
| Total Discharged from Storage | 51,400 kWh |

Total Water Consumption:

22,901 tons

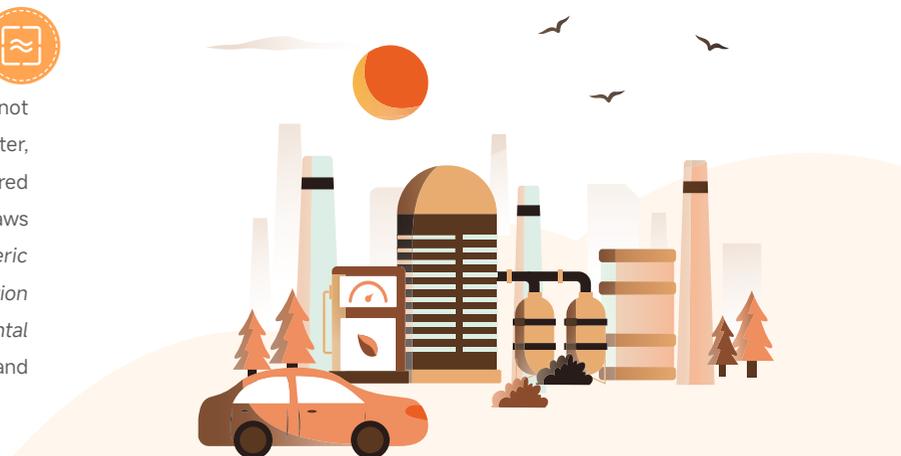
Water intensity:

0.085 tons/ RMB 10,000 Revenue

Emission Management



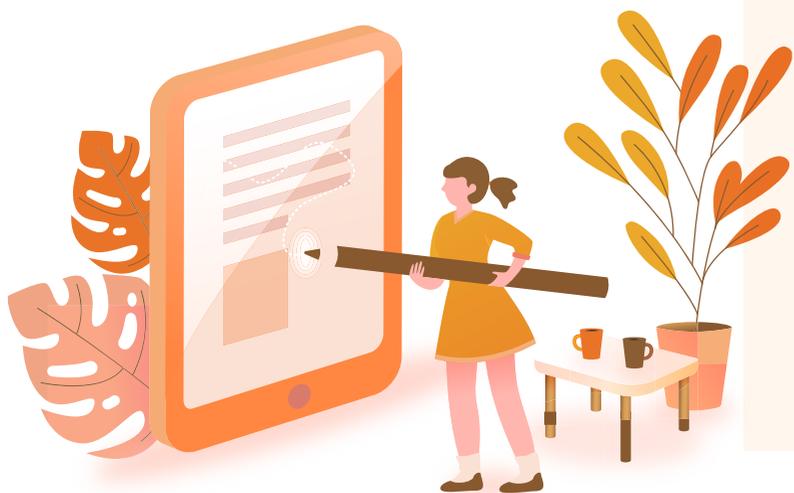
Operating in the electric power service sector, which is predominantly labor-intensive, the Company does not fall under the category of a significant pollutant discharger. Our daily emissions include domestic wastewater, exhaust gases, general waste, and canteen-generated kitchen waste, all managed in compliance with the required pollution discharge permits. Proactively addressing national initiatives for waste reduction, we strictly follow laws and regulations like the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, *Water Pollution Prevention and Control Law*, and *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, in addition to local emission standards. Our *Environmental Protection Management Regulations* specify measures for controlling emissions of wastewater, exhaust gases, and solid waste, ensuring tight control over emissions in production, manufacturing, and construction activities.



| Categories | | Sources | Treatment Methods |
|-------------|---------------------|--|---|
| Wastewater | | <ul style="list-style-type: none"> The discharge of domestic wastewater from company offices and staff canteens. | <ul style="list-style-type: none"> Wastewater is discharged into the municipal sewage system through a centralized process. |
| | Exhaust Gases | <ul style="list-style-type: none"> Emissions of cooking fumes from staff canteens. | <ul style="list-style-type: none"> Kitchen cooking areas are fitted with extraction hoods to filter out cooking fumes, which are then expelled through a vertical duct to the rooftop. |
| Solid Waste | Non-hazardous Waste | <ul style="list-style-type: none"> Construction debris, insulation materials, cable remnants, cardboard packaging, metal offcuts, waste paper from offices, and kitchen refuse, among others. | <ul style="list-style-type: none"> In partnership with professional solid waste management firms, recycling and reuse systems are established. Solid waste that cannot be recycled is sorted and taken to designated recycling facilities for processing by certified companies. |
| | Hazardous Waste | <ul style="list-style-type: none"> Used toner cartridges and discarded personal protective equipment. | <ul style="list-style-type: none"> Central collection points for hazardous waste are established, and specialized companies are tasked with their unified collection and disposal. |

Enhancing Ecological Protection

The Company embeds ecological protection into the design, construction, and operational phases of its projects. During the planning and building stages, considerable attention is paid to preserving the ecology of the construction site, evaluating potential environmental impacts on water, air, soil, and natural resources. The operation of environmental protection facilities and the environmental footprint of construction projects undergo monitoring during their trial operation phase.



Planning & Design Phase

- Emphasize and guarantee that the construction of environmental facilities adheres to national standards and guidelines.
- Implement clean production techniques in industrial projects to minimize consumption of energy and reduce pollution, utilizing natural resources rationally to prevent environmental and ecological degradation.

Construction Phase

- Improve management of construction sites to lessen dust, noise, and other forms of pollution.
- Make prudent use of water resources to decrease the amount of water used in construction.
- Intensify the management of solid waste to avoid causing secondary environmental pollution.

Completion Phase

- Undertake landscaping in accordance with local ecological and environmental characteristics, introducing plants suited to the local environment to maximize green space.
- Following project completion, apply for acceptance inspections of the environmental protection facilities with the environmental regulatory authorities that reviewed the environmental impact reports, statements, or registration forms.

Operational Phase

- Employ environmentally friendly equipment and technologies to cut down on emissions of exhaust gases and wastewater.
- Bolster the treatment and disposal of solid waste to avert secondary environmental harm.
- Undertake additional greening initiatives and other actions to improve the quality of the surrounding environment.

Contributing to Society

Suwen Electric Energy actively participates in community activities, integrating corporate development with social responsibility. The Company leverages its developmental success to enhance public welfare, thereby embodying its dedication to societal contribution.

Public Welfare and Charitable Activities

In its pursuit of growth, Suwen Electric Energy consistently upholds its social responsibilities, seeking out philanthropic models that resonate with modern social progress. Since 2018, the Company has redefined its anniversary celebrations as charitable events, annually marking Suwen Electric Energy's milestone through philanthropy, demonstrating its commitment to making a positive impact on the world with energy.



EEPX 16th Anniversary Charity Initiative

2018

The Company initiated the "Grape of Love" charity campaign.



2020

The Company delivered welfare supplies to 200 needy families in Xihu Subdistrict.



2022

The Company contributed RMB 100,000 to public health in Xihu Subdistrict and formed a 37-member volunteer team to aid in health and prevention measures.



The Company conducted the "Comforting Sanitation Angels" program.



2019

The Company donated RMB 100,000 in scholarships and 500 books to Lihe Experimental School.



2021

The Company donated another RMB 100,000 to Xihu Subdistrict to assist disadvantaged families in the district.



2023

Furthermore, Suwen Electric Energy champions the growth of national educational landscape, actively engaging in efforts to "Enhance the Construction of an Educational Powerhouse." Through establishment of the EEPX Hualuogeng High School Education Development Fund, the West Taihu Lake Ten Million Education Development Fund, and the Changzhou Education Development Foundation, the Company concretely supports educational advancements, nurturing exceptional talent, and fostering societal progress.

Case ● EEPX Hualuogeng High School Education Development Fund

In March 2023, to further educational progress and high-quality development at Hualuogeng Senior High School, Suwen Electric Energy launched the "EEPX Hualuogeng High School Education Development Fund." With a commitment of RMB 10 million, providing at least RMB 1 million annually, the fund supports exemplary students, staff, and those making significant contributions to the school's growth. This initiative celebrates Hua Luogeng's legacy, motivating continuous educational excellence and contributing to the nation's development of leading innovators.

Case ● West Taihu Lake Ten Million Education Development Fund

In 2023, Suwen Electric Energy established the "West Taihu Lake Ten Million Education Development Fund," in collaboration with the People's Government of Wujin District and community stakeholders, to nurture and support the flourishing of philanthropic enterprises. The fund plans to distribute RMB 10 million over a decade, with an initial annual contribution of RMB 1 million. The aim is to benefit public welfare projects and activities, promoting regional progress, and laying a foundation for sustainable local economic and social development.

Volunteer Activities

Suwen Electric Energy proactively assumes corporate responsibility, motivating its employees to undertake voluntary service to the extent possible, thereby conveying positive societal energy, contributing to charitable causes, and fostering a better community. In March 2023, the Company hosted the "Anticipating a Beautiful Planting" tree-planting volunteer event near its premises, encouraging employees to actively participate and appreciate the importance of environmental beautification and the joy of labor. This initiative promoted environmental awareness, increased community involvement in local environmental conservation, and significantly improved the living conditions in the nearby communities and surrounding areas.



Volunteer activity on the Tree Planting Day

Key Performance Indicator Table

| Indicators | Unit | 2023 |
|---|------------|------------|
| Total Assets | RMB 10,000 | 486,994.73 |
| Operating Revenue | RMB 10,000 | 269,435.54 |
| Total Tax Payment | RMB 10,000 | 7,808.35 |
| Net Profit | RMB 10,000 | 7,959.63 |
| R&D Investment | RMB 10,000 | 9,802.26 |
| R&D Investment as a Percentage of Operating Revenue | % | 3.64% |
| Number of R&D Staff | Persons | 328 |
| Customer Satisfaction Rate | % | 100% |
| Number of Customer Complaints | Cases | 0 |
| Incidents of Information Security Breaches and Data Leaks | Cases | 0 |
| Total Number of Suppliers | Numbers | 1,045 |
| Contract Signing Rate | % | 100% |
| Social Insurance Coverage Rate | % | 100% |
| Total Incidents of Employee Discrimination | 件 | 0 |
| Total Employee Count | Persons | 980 |
| New Hires During the reporting period | Persons | 198 |
| Employee Turnover Rate | % | 8.5% |
| Percentage of Employees Covered by Union/Collective Bargaining Agreements | % | 100% |
| Employee Satisfaction Rate | % | 95% |
| Total Hours of Employee Training | Hours | 38,164 |

| Indicators | Unit | 2023 |
|---|--|----------|
| Employee Training Coverage Rate | % | 100% |
| Safety Production Investment | RMB 10,000 | 376 |
| Annual Safety Production Accidents | Cases | 0 |
| Environmental Protection Investment | RMB 10,000 | 1,891.77 |
| Gasoline Consumption | 10,000 Liters | 398.30 |
| Externally Sourced Electricity | Kilowatt-hours (x10,000) | 12791 |
| Total Photovoltaic Generation | Kilowatt-hours (x10,000) | 1,311.15 |
| Total Energy Consumption | Tons of Standard Coal | 4,479.17 |
| Energy Consumption Intensity | Tons of Standard Coal /RMB 10,000 Revenue | 0.017 |
| Direct Greenhouse Gas Emissions (Scope 1) | Tons of CO ₂ Equivalent | 8,936.92 |
| Indirect Greenhouse Gas Emissions (Scope 2) | Tons of CO ₂ Equivalent | 729.47 |
| Total Greenhouse Gas Emissions | Tons of CO ₂ Equivalent | 9,666.39 |
| Greenhouse Gas Emission Intensity | Tons of CO ₂ Equivalent /RMB 10,000 Revenue | 0.036 |
| Total Water Consumption | Tons | 22,901 |
| Total Charitable Donations | RMB 10,000 | 240 |

GRI Content Index

| Reporting framework | GRI Standards 2021 (Reference Scheme) |
|--|---------------------------------------|
| Message from the Chairman | 2-22/2-23 |
| About Suwen Electric Energy | 2-1/2-2/2-4/2-6/2-16/2-28/201-1 |
| Our Performance in 2023 | 201-1/203-1/205-2/405-1 |
| ESG Management | 2-16/2-29/3-1/3-2/3-3 |
| Sharing Superior Electric Energy | |
| Empowering Green and Intelligent Transformation | 302-4/302-5/305-5 |
| Deepening Technological Innovation | 2-6/2-27 |
| Adhering to Quality First | 2-25/2-27/3-2/419-1 |
| Delivering Professional Customer Service | 2-27/417-1/417-2/417-3/418-1 |
| Striving for More Robust Development Together | |
| Strengthening the Foundation and Forging the Soul through Party Building | — |
| Strengthening Corporate Governance | 2-9/2-10/2-12/2-15/2-27/405-1 |
| Strictly Adhering to Business Ethics | 2-27/3-2/205-1/205-2/205-3/206-1 |
| Industrial Synergy for Win-Win Outcomes | 2-6/3-2/204/308-1/414-1/414-2 |

| Reporting framework | GRI Standards 2021 (Reference Scheme) |
|------------------------------------|--|
| Towards a Brighter Future | |
| Fostering Employee Growth | 2-7/2-19/2-27/2-29/201-3/3-2/401-1/401-2/401-3/403-2/403-3/403-6/403-7/404-1/404-2/405-1/406-1/408-1/409-1 |
| Advancing Environmental Management | 2-27/302-1/302-3/302-4/302-5/303-5/305-1/305-2/305-4/305-5/306-2 |
| Contributing to Society | 3-2/203-1/203-2/415-1 |
| Spendix | |
| Key Performance Indicator Table | 302-1/302-3/303-3/305-1/305-2/305-3/305-4/401-1/403-9 |
| Indicator index table | — |
| About This Report | 2-2/2-3 |
| Feedback Form | — |

About This Report

This report is the second social Environmental, Social, and Governance (ESG) report issued by Suwen Electric Energy Technology Co., Ltd.

Definition of Terms: For ease of expression and readability, "Suwen Electric Energy Technology Co., Ltd." is also referred to as "Suwen Electric Energy," "the Company," or "we" in this report.

Time Range: The reporting period covers from January 1, 2023, to December 31, 2023, with some content extending appropriately to previous and subsequent years. This report is an annual report, with the previous report published in April 2023.

Reporting Scope: The report focuses on disclosing information and key performance indicators regarding the economic, social, and environmental responsibilities of Suwen Electric Energy and its wholly-owned and holding subsidiaries in 2023.

Objective of the Report: With transparency and sincerity, the Company communicates its philosophy, practices, and key performances in sustainable development to its stakeholders, fully addressing their significant concerns.

Assurance of Reliability: The Company assures that there are no false records, misleading statements, or significant omissions in this report and takes full responsibility for the truthfulness, accuracy, and completeness of its contents.

Source of Information: All information and data used in the report are derived from the Company's official documents, statistical and financial reports, and information

on sustainable development practices compiled and audited by the Company's Social Responsibility Department. Unless otherwise specified, all monetary amounts in this report are presented in RMB.

Reporting Principles: This report has been compiled according to the GRI Standards by the Global Sustainability Standards Board, the *Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies* issued by the Shenzhen Stock Exchange, the *Environmental, Social, and Governance Reporting Guide* by the Stock Exchange of Hong Kong, the national standard *Guidance on Social Responsibility Reporting (GB/T36001-2015)*, and the United Nations Sustainable Development Goals (SDGs).

Preparation Process: Develop the preparation plan → Assemble the drafting team → Identify stakeholders and significant issues → Determine the reporting framework → Write, revise, and refine the report → Review by company leadership → Report publication → Collect feedback for continuous improvement.

Accessing the Report: The report in PDF format is available for download from the Suwen Electric Energy official website at www.swdnkj.com. We welcome and value your feedback to help us improve our reporting process. If you have any questions or suggestions about the report, please email securities@swdnkj.com or call 0519-69897107.

Feedback Form

Dear Valued Reader,

Greetings!

We appreciate you taking the time to read the *Suwen Electric Energy Technology Co., Ltd. 2023 Environmental, Social, and Governance (ESG) Report*. Your feedback is crucial to us, as it enables us to enhance our ESG management and implementation. We kindly ask you to share your thoughts, suggestions, and feedback on this report, allowing us to make continuous improvements. You are welcome to complete the following form and send it back to us either by email or by mail.

1. How would you rate the report overall?

Excellent Good Average Below Average Poor

2. How do you rate the quality of ESG information revealed in the report?

Excellent Good Average Below Average Poor

3. How would you assess the organization of the report?

Excellent Good Average Below Average Poor

4. What is your opinion on the design and format of the report?

Excellent Good Average Below Average Poor

5. How do you rate the readability of the report?

Excellent Good Average Below Average Poor

6. Does the content disclosed in this report meet your expectations?

Yes No Unsure

7. Does this report comprehensively reflect the social responsibilities undertaken by Suwen Electric Energy?

Fully Reflected Partially Reflected Not Reflected

8. What suggestions or comments do you have regarding Suwen Electric Energy's ESG management practices and this report? We welcome your input.

.....

.....

.....

.....

.....

Suwen Electric Energy Contact Information:

Address: No. 3 Changfan Road, West Taihu Science and Technology Park, Wujin District, Changzhou City, Jiangsu Province

Phone: 0519-69897107

Email: securities@swdnkj.com

Postal Code: 213100



电能侠
EEPX

苏文电能
SUWEN ELECTRIC ENERGY