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YONZ TECHNOLOGY
603381

2024

Yonz Technology Co.,LTD.
ENVIRONMENTAL, SOCIAL,
AND GOVERNANCE REPORT

Seamlessly Integrating Green Energy with the World

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Seamlessly Integrating Green Energy with the World

In 2024, as the global energy system rapidly shifts towards greener and low-carbon solutions, the photovoltaic industry plays a pivotal role in driving the "dual carbon" goals. This presents it with historic opportunities, while also posing challenges like the fast pace of technological advancements and the need for deeper collaboration within the industry. Guided by our vision to of "becoming a leading provider of green energy structural material solutions," we remain firmly rooted in our core values of Innovation, Leadership, Resilience, Proactiveness, Pragmatism, and Efficiency. Anchored by four strategic pillars—effective governance, innovation-driven growth, environmental stewardship, and a people-centric approach, we are strengthening ESG management practices, accelerating green transformation throughout the value chain, and contributing our enduring strength to the global energy revolution.

Building a solid foundation for development through effective governance to safeguard long-term growth.

We believe that sound corporate governance is fundamental to long-term success. In 2024, we optimized our corporate governance by upgrading the Board's Strategy Committee to the Strategy and ESG Committee, and establishing a comprehensive three-tier ESG governance framework encompassing decision-making, management, and execution. We also enhanced our compliance and business ethics systems, and implemented high standards for information and data security management. Upholding stricter regulatory standards, professional ethics, and a sound management framework, we remain firmly committed to integrity and ethical conduct, staying true to the right path.

Driving industrial transformation through innovation and striving to build green competitiveness.

In 2024, we focused on product technology innovation to drive the green transformation of the industry and enhance core competitiveness. We established the Yonz Green Energy Materials Research Institute and invested RMB 0.454 billion in R&D throughout the year to continuously strengthen our innovation capacity. In line with the national strategy to build a manufacturing powerhouse, we implemented full life-cycle quality control for our products while leveraging digital and intelligent transformation to empower business growth. Always placing customers at the center, we continue to enhance our customer service and have set up a full-lifecycle supplier management system, working together to create a sustainable ecosystem for the photovoltaic industry.

Promoting green operations through eco-friendly practices to contribute to a net-zero future.

We believe that everyone is both a guardian and a beneficiary of our planet. In 2024, we fully aligned with the national "dual carbon" targets and ecological advancement initiatives by establishing and constantly refining our environmental management system. We prioritized energy efficiency, embraced renewable energy, and worked continuously to optimize our energy mix, with a total renewable energy consumption of 130,031,700 kWh. Our efforts to minimize the environmental impact of our operations include enhancing water resource management, promoting recycling, controlling waste emissions, and focusing on the development of green products. By advancing the recycled aluminum frame initiative, we are making tangible contributions to the circular economy and ecological environment.

Fostering a culture of care to strengthen unity and build a community of shared growth.

We remain firmly committed to a people-oriented philosophy, striving to safeguard employee rights and well-being while cultivating an inclusive, respectful, and harmonious work environment. We are dedicated to providing a broad platform for personal growth and self-fulfillment. We aim to enhance employees' sense of identity, fulfillment, and well-being, and to foster shared growth between employees and the Company. We also actively participate in public welfare activities, conveying care and warmth through concrete actions, contributing to the creation of a more harmonious society.

We deeply understand that while going fast alone may be easy, going far requires unity and collaboration. In the future, we are committed to working with global partners to make our vision of "seamlessly integrating green energy with the world" a reality. We will continue to break through resource constraints with technological innovation, and address climate challenges through open collaboration, working hand in hand with global partners to build a sustainable, green future for all.

Wang Xianli

Chairman of Yonz Technology Co., Ltd.

About Yonz Technology

Company Profile

Founded in 2016, Yonz Technology Co., Ltd. focuses on the R&D, production, sales, and application of structural materials for sustainable energy solutions. The Company's core product lines include photovoltaic (PV) frame products, Building Integrated Photovoltaic (BIPV) systems, and PV support structures, all primarily serving the photovoltaic industry. Since its inception, Yonz Technology has steadfastly pursued its vision of "becoming a leading provider of green energy structural material solutions." Through years of dedicated effort and expertise, the Company has solidified its position as one of China's foremost manufacturers of aluminum alloy photovoltaic structural components. Looking to the future, Yonz Technology remains committed to its mission of "seamlessly integrating green energy with the world," guided by its core values of "innovation, leadership, resilience, positivity, pragmatism, and efficiency." By leveraging its extensive technological expertise and years of experience across R&D, production, sales, and customer service, the Company aims to further expand its production capabilities and reinforce its leading position in the photovoltaic frame industry. Concurrently, it is strategically expanding into complementary solar energy applications, including advanced photovoltaic support systems and building-integrated photovoltaics. This vertical integration along the photovoltaic value chain is designed to enhance the Company's product offerings and increase their added value. Yonz Technology remains dedicated to contributing to China's green energy sector and aspires to become a globally recognized supplier of innovative green energy structural material solutions.

Product Portfolio

Solar Aluminum Alloy Frames
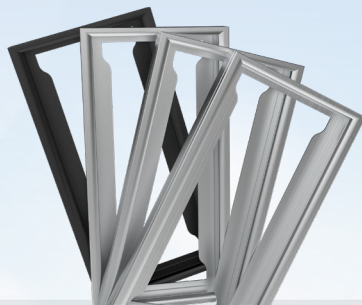
Carbonado

Support Structures
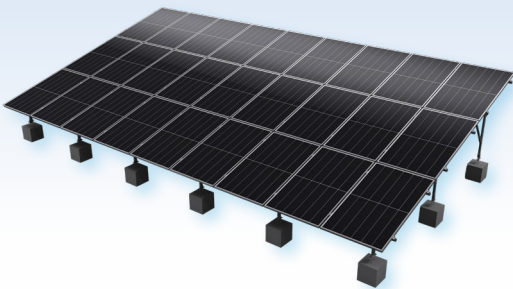
BIPV Systems

Global Business Footprint

Yonz Technology's involvement in the aluminum frame business dates back to 2009. The Company now boasts five fully integrated production bases located in Yingkou (Liaoning Province), Changzhou (Jiangsu Province), Chuzhou (Anhui Province), Wuhu (Anhui Province), and Vietnam. At full capacity, these facilities can produce up to 690,000 tons annually, equivalent to approximately 160 GW.

Yingkou Base

Chuzhou Base

Changzhou Base

Smart Precision Engineering (PV Supports)

Wuhu Base

Intelligent New Curtain (BIPV Systems)

Vietnam Base

fully integrated production bases

5

Maximum annual capacity of

690,000 tons

equivalent to approximately

160 GW

Singapore Investment Platform

Corporate Culture

Corporate Mission

Seamlessly integrating green energy with the world

Corporate Vision

Becoming a leading provider of green energy structural material solutions

Core Values

Innovation, Leadership, Resilience, Proactiveness, Pragmatism, Efficiency

Management Philosophy

Unwavering commitment to creating value for our customers

Corporate Spirit

Eternal dedication to perfection

Professional Ethos

Dedication, Expertise, Passion, Craftsmanship, Sincerity, Compassion

Key Performance

2000

Founder Mr. Wang Xianli established an aluminum mold factory, supplying molds to aluminum enterprises in the Liaoning region, marking the inception of Yonz Technology's development journey.

2009

Responding to the rapid growth in demand for aluminum frames in the photovoltaic industry, the Company established the Yingkou Base in Liaoning Province. This move marked their official entry into the photovoltaic frame industry, focusing on serving leading photovoltaic enterprises.

2016

Mr. Wang Xianli founded Yonz Technology Co., Ltd., setting up the Changzhou Base in Jiangsu Province, further expanding the Company's photovoltaic frame business.

2020

Concentrating on technological innovation in the photovoltaic sector, the Company invested in and constructed the Chuzhou Base in Anhui Province. This facility boasts an annual production capacity of 180,000 tons of aluminum frames, with automation and intelligence levels at the forefront of the industry.

2021

To accelerate the development of green and low-carbon industries and further promote dual carbon goals, the Company established the Wuhu Base in Anhui Province. This facility features a production line (Phase I) capable of producing 270,000 tons of low-carbon recycled aluminum photovoltaic frames annually. Adopting intelligent production methods, it has become a beacon of new quality productive forces in the photovoltaic frame industry.

2023

Aligning with the Company's global strategy, Yonz Technology pioneered overseas expansion in the photovoltaic frame sector by establishing an annual production base of 180,000 tons of photovoltaic aluminum frames in Bac Giang, Vietnam. This comprehensive facility encompasses the entire industrial chain from melting and casting, mold-making, extrusion, and vertical oxidation to precision processing, while also leveraging advantages in the international supply chain.

2024

Yonz Technology Co., Ltd. achieved a significant milestone with its official listing on the main board of the Shanghai Stock Exchange, trading under the stock code 603381. This successful public offering lays a solid foundation for the Company's future strategic initiatives and business expansion, reinforcing its industry leadership position and ushering in a new era of high-quality development.

2024 in Review

Environmental Performance

E

Total environmental protection investment
RMB **16.3925** million

Comprehensive energy consumption intensity
0.1168
tons of standard coal equivalent/ RMB 10,000 revenue

Greenhouse gas emission intensity
0.3333
tons of CO_2 equivalent/RMB 10,000 revenue

Total renewable energy consumption
130.0317 million kWh

Total water withdrawal
1,075,755 tons

Compliant disposal rate for hazardous waste
100 %

Social Performance

S

Total number of employees
3,305

Proportion of female employees
29.68 %

Total attendance in employee training
9,033

R&D investment throughout the year
RMB **0.454** billion

Product qualification rate at delivery
99.71 %

Total number of suppliers
108

Governance Performance

G

Total assets
RMB **10.757** billion

Operating revenue
RMB **8.183** billion

Net profit attributable to shareholders of the listed company
RMB **0.268** billion

Basic earnings per share
RMB **1.29**

Female representation on the Board
44.44 %

Data breach incidents
0

Awards & Accolades

Yonz Technology Co., Ltd.

National Specialized, Refined, Differentiated, and Innovative (SRDI) "Little Giant" Enterprise

Ministry of Industry and Information Technology of the People's Republic of China

Yonz Technology Co., Ltd.

Third Batch of Intelligent Photovoltaic Pilot Demonstration Projects

Ministry of Industry and Information Technology of the People's Republic of China

Yonz Technology Co., Ltd.

Five-star Cloud-enabled Enterprise in Jiangsu Province

Industry and Information Technology Department of Jiangsu

Jiangsu Provincial Potential Unicorn Enterprise

Productivity Centre of Jiangsu Province

Jiangsu Provincial Intelligent Manufacturing Demonstration Workshop

Industry and Information Technology Department of Jiangsu

Jiangsu Provincial Strategic Emerging Industry Standardization Pilot

Jiangsu Administration for Market Regulation

Yonz Technology Co., Ltd.

Jiangsu Provincial Enterprise Technology Center

Industry and Information Technology Department of Jiangsu

High-Tech Enterprise

Jiangsu Provincial Department of Science and Technology

Yonz Technology (Chuzhou) Co., Ltd.

High-Tech Enterprise

Anhui Provincial Department of Science and Technology

Anhui Provincial Enterprise Technology Center

Department of Economy and Information Technology of Anhui Province

Jiangsu Provincial Photovoltaic Science and Technology Award

Jiangsu Photovoltaic Industry Association

Jiangsu Provincial Engineering Technology Research Center

Jiangsu Provincial Department of Science and Technology

Jiangsu Provincial Postdoctoral Innovation Practice Base

Department of Human Resources and Social Security of Jiangsu Province

Anhui Provincial SRDI SME

Department of Economy and Information Technology of Anhui Province

Anhui Provincial Innovative SME

Department of Economy and Information Technology of Anhui Province

Sustainable Development Management

Sustainable Development Governance Structure

Yonz Technology is committed to integrating sustainable development principles across all aspects of its operations. The Company has established and constantly refines its ESG governance structure and management system, develops comprehensive ESG management policies, and implements efficient ESG management mechanisms. By seamlessly integrating ESG management strategies into various departments and key business processes, it consistently enhances its top-down ESG engagement and management capabilities.

The Company has established a comprehensive ESG governance structure that spans three levels: decision-making, management, and execution. The Board of Directors serves as the leadership and decision-making body for ESG management. Its responsibilities include assessing the Company's ESG risks and opportunities, reviewing the Company's ESG vision, objectives, strategies, and structure, and overseeing the implementation of ESG initiatives. Under the Board, the Strategy Committee has been upgraded to the Strategy and ESG Committee, led by the Chairman. This committee is tasked with formulating ESG-related policies, approving ESG strategic plans and work mechanisms that align with the Company's actual operations, researching, analyzing, and evaluating ESG-related matters, and coordinating, guiding, and supervising decision-making on major ESG issues and topics. An ESG Executive Group operates under the Strategy and ESG Committee, responsible for the day-to-day management, promotion, and implementation of ESG work. Its duties include driving ESG implementation across production bases and functional departments, collecting and summarizing ESG data, providing crucial information for decision-making, and regularly reporting major project progress and goal achievement to the ESG Committee.

Yonz Technology's ESG Governance Structure

The Decision-Making Bodies

Board of Directors
- Participate in the review and decision-making of significant ESG matters
- Supervise and guide the development and implementation of the Company's ESG work plans

Strategy and ESG Committee
- Formulate ESG-related policies, approve ESG strategic plans and work mechanisms aligned with the Company's operational context
- Research, analyze, and evaluate ESG-related matters, guiding daily ESG activities
- Coordinate, guide, and oversee decision-making on major ESG issues and topics

The Management Bodies

ESG Working Group
- Manage daily ESG operations
- Determine the materiality of ESG matters and integrate them into business considerations
- Set ESG objectives and regularly monitor progress towards goals

Office of the Board of Directors (Coordinate and advance daily work related to ESG responsibilities)

The Execution Bodies

Production Bases and Functional Departments
- Implement ESG initiatives
- Monitor and report on project progress and goal achievement
- Collect and consolidate ESG information and data

Stakeholder Engagement

Yonz Technology highly values stakeholder feedback and concerns. The Company actively listens to the voices of various stakeholders and continuously refines its stakeholder engagement mechanisms and communication methods. Through diverse channels, it establishes open lines of communication to maintain regular dialogue with stakeholders, ensuring their meaningful participation in the Company's ESG governance processes.

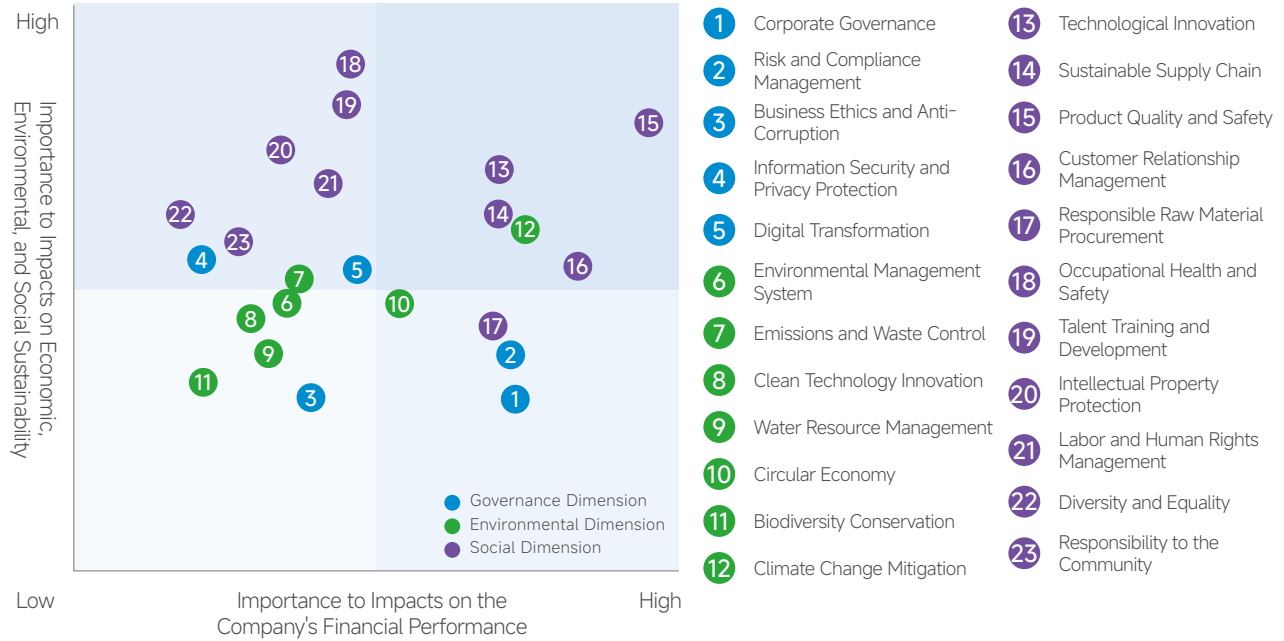| Stakeholders	Issues of concern	Communication channels
Shareholders & Investors	• Corporate governance • Risk and compliance management • Business ethics and anti-corruption • Technological innovation • Product quality and safety • Labor and human rights management • Sustainable supply chain	• General meeting of shareholders • Roadshow and performance briefing • Investor phone and email • Annual financial report • Annual ESG report • WeChat official account • Official company website
Government & Regulatory Bodies	• Corporate governance • Risk and compliance management • Business ethics and anti-corruption • Information security and privacy protection • Digital intelligence transformation • Climate change mitigation • Water resource management • Emissions and waste management • Circular economy • Product quality and safety • Technological innovation • Occupational health and safety • Labor and human rights management • Responsibility to the community	• Stock exchange conference • Information disclosure platform • Government meetings • Government visits • Communication with industry associations and other organizations • Acceptance of oversight and guidance
Customers	• Business ethics and anti-corruption • Climate change mitigation • Clean technology innovation • Technological innovation • Product quality and safety • Sustainable supply chain • Customer relationship management • Responsible raw material procurement	• Customer satisfaction survey • Pre-sales, sales and after-sales communication services • Customer review • Third party training
Employees	• Product quality and safety • Occupational health and safety • Labor and human rights management • Diversity and equality • Talent training and development	• Employee satisfaction survey • Phone and email • Bulletin boards and information boards • Employee Training
Partners & Suppliers	• Product quality and safety • Sustainable supply chain • Responsible raw material procurement • Climate change mitigation	• Supplier training • On-site audit and communication • Regular visits
Community & Public	• Climate change mitigation • Water resource management • Emissions and waste management • Biodiversity conservation • Product quality and safety • Responsibility to the community	• Face-to-face communication • Complaint hotline • Public welfare activities • Public channels such as the official company website and WeChat official account

Material Issue Management

Yonz Technology places significant emphasis on consistently enhancing its approach to identifying, managing, and analyzing material issues. The Company integrates stakeholder concerns as a crucial component in shaping its ESG development strategy. This ensures accurate and effective responses to stakeholder interests while providing valuable insights for effectively identifying and managing both risks and opportunities.

The Company conducts regular materiality analyses. In 2024, Yonz Technology updated its analytical methodology to align with the latest disclosure standards, including the *Guidelines No. 14 of Shanghai Stock Exchange for the Self-Regulation of Listed Companies — Sustainability Reporting (Trial), the GRI Standards,* the *European Sustainability Reporting Standards (ESRS),* and the *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.* Incorporating these standards with its unique business characteristics, Yonz Technology implemented a comprehensive double materiality assessment. This approach thoroughly evaluates the impact of ESG issues on the Company's financial performance, as well as their broader effects on economic, environmental, and social factors. Based on the outcomes of this assessment, the Company strategically adjusts its ESG initiatives to ensure effective implementation and continuous improvement of sustainability-related activities. This report specifically addresses the material issues identified through this process.

Yonz Technology's Double Materiality Assessment Process for 2024	
Step 1 Identifying ESG Issues	Develop a comprehensive list of ESG issues by analyzing macro policies in operational locations and industry-specific standards. This process involves examining both internal and external development trends to pinpoint significant general and industry-specific topics: ① Reference authoritative international and domestic sustainability reporting guidelines, including the *Guidelines No. 14 of Shanghai Stock Exchange for the Self-Regulation of Listed Companies — Sustainability Reporting (Trial),* the *European Sustainability Reporting Standards (ESRS),* the *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information,* and the GRI Standards. ② Evaluate mainstream ESG rating systems and sustainability issues prevalent in the industry. ③ Identify additional issues of financial or impact materiality by taking into account stakeholder concerns, industry characteristics, stage of industry development, the Company's business model, and its position along the value chain. ④ Seek and incorporate expert opinions.
Step 2 Stakeholder Engagement and Materiality Analysis	Engage with key internal and external stakeholder groups to conduct surveys in line with the principle of double materiality. Perform both impact and financial materiality assessments to develop the 2024 materiality matrix and determine the year's key material topics and their prioritization. Stakeholders involved include directors, senior management, employees, customers, suppliers, investors, regulators, media, and the general public. **Impact Materiality Assessment** Identifying impact materiality assessment factors — Define impact materiality assessment factors, including the scale, scope, irremediability, and likelihood of potential impacts. Conducting key stakeholder surveys — Engage with key stakeholders through surveys and dialogue to assess each issue in terms of impact scale, scope, irremediability, and likelihood. Setting thresholds for determining impact materiality — Set thresholds to determine whether each issue qualifies as impact material. Drawing conclusions on impact materiality — Conclude the assessment by comparing each issue's impact score against the established thresholds, drawing on stakeholder input and expert evaluations. **Financial Materiality Assessment** Identifying financial materiality assessment factors — Define financial materiality assessment factors, including whether a given issue is expected to have significant short-, medium-, or long-term impacts on the Company's business model, operations, development strategy, financial condition, performance, cash flow, and financing methods or costs. Conducting key stakeholder surveys — Engage with key stakeholders through surveys and dialogue to evaluate and identify financially material issues. Setting thresholds for determining financial materiality — Set thresholds to determine whether each issue is financially material. Draw conclusions on financial materiality — Compare the financial materiality scores of each issue against the thresholds based on stakeholder input or expert evaluations to conclude the assessment results.
Step 3 Issue Confirmation and Reporting	Integrate the results of both impact and financial materiality assessments. Review the identified material topics through both internal management evaluations and consultations with external experts. The Strategy and ESG Committee is responsible for reviewing and confirming the final outcomes. For each material topic, the report provides focused disclosures on key dimensions, including governance, strategy, risk and opportunity management, as well as relevant metrics and targets.

Yonz Technology's Materiality Matrix

1. Corporate Governance
2. Risk and Compliance Management
3. Business Ethics and Anti-Corruption
4. Information Security and Privacy Protection
5. Digital Transformation
6. Environmental Management System
7. Emissions and Waste Control
8. Clean Technology Innovation
9. Water Resource Management
10. Circular Economy
11. Biodiversity Conservation
12. Climate Change Mitigation
13. Technological Innovation
14. Sustainable Supply Chain
15. Product Quality and Safety
16. Customer Relationship Management
17. Responsible Raw Material Procurement
18. Occupational Health and Safety
19. Talent Training and Development
20. Intellectual Property Protection
21. Labor and Human Rights Management
22. Diversity and Equality
23. Responsibility to the Community

- Governance Dimension
- Environmental Dimension
- Social Dimension

Risk and Opportunity Analysis of Material Issues

Material Issue	Impact Range				Affected Stakeholders	Risks	Opportunities	Duration of Impact
	Upstream	Operations	Downstream	Community				
Product Quality and Safety	√	√	√	√	• Customers • Partners/Suppliers • Government and Regulatory Agencies • Employees • Public	• Insufficient quality control during production may result in product recalls and increased customer complaints.	• High-quality products enhance market competitiveness and build a strong brand reputation; continuous improvement in production processes and quality management strengthens market position.	Short, Medium, and Long-term
Climate change mitigation	√	√	√	√	• Customers • Shareholders/Investors • Employees • Partners/Suppliers • Public • Government and Regulatory Agencies	• Climate change-related issues such as natural disasters, energy supply volatility, policy shifts, and changing market preferences pose physical and transition risks, potentially increasing costs, impacting profitability, and damaging fixed assets.	• Minimize environmental impact throughout the product lifecycle. • Enhance the accuracy and effectiveness of energy consumption monitoring and management, phasing out inefficient equipment and promoting energy-efficient technologies.	Medium and Long-term
Technological Innovation		√	√		• Shareholders/Investors • Customers • Employees	• Insufficient innovation may lead to slower growth in a rapidly evolving industry, risking reduced product competitiveness.	• Ongoing R&D and innovation can yield more competitive products and services, creating new market opportunities.	Medium and Long-term
Sustainable Supply Chain	√	√	√		• Partners/Suppliers • Employees • Customers	• Supply chain instability can disrupt normal business operations, particularly during raw material price fluctuations or supply shortages.	• Develop an efficient and sustainable supply chain system, while promoting raw material recycling to reduce external supply dependencies.	Short and Medium-term
Customer Relationship Management		√	√		• Customers • Employees	• Poor customer service experiences may lead to customer attrition, negatively impacting company operations.	• Refine customer relationship management strategies to deepen customer connections and foster long-term partnerships. • Enhance customer satisfaction through personalized services and support.	Short, Medium, and Long-term

Recycled Aluminum Frames: Illuminating a Green Future for the Photovoltaic Industry

In today's global landscape, where addressing climate change and transitioning to green energy are paramount, the photovoltaic industry—owing to its clean, renewable nature—has emerged as a cornerstone in promoting energy transformation. Yonz Technology, a rapidly growing leader in green energy structural materials, has astutely identified both challenges and opportunities within the industry. Leveraging its deep technological expertise and forward-thinking strategic vision, the Company focuses on the R&D and production of recycled aluminum frames, driving sustainable development in the photovoltaic sector through innovation.

Outstanding Environmental Performance

Recycled aluminum is produced from recovered aluminum through pretreatment, smelting, and refining processes. Aluminum alloy's strong corrosion resistance results in minimal deterioration during use, making it highly valuable for recycling. Remarkably, approximately three-quarters of the aluminum ever produced globally remain in effective use and are available for future collection and recycling. Yonz Technology's recycled aluminum frames offer significant advantages over primary aluminum frames, achieving both carbon emission reduction and resource conservation. Primary aluminum production, dependent on bauxite mining, generates high carbon emissions throughout the production process. The cradle-to-gate carbon footprint of one ton of primary aluminum alloy photovoltaic frame is 17.377 tons of CO_2 equivalent, along with issues such as land resource depletion and ecological damage. In contrast, Yonz Technology's recycled aluminum frames utilize waste aluminum as raw material. Through pretreatment, smelting, and casting, this process significantly reduces energy consumption to approximately 3%-5% of primary aluminum production. Consequently, carbon emissions are drastically reduced. The cradle-to-gate carbon footprint of one ton of recycled aluminum photovoltaic frame is just 1.86 tons of CO_2 equivalent, representing a 90% reduction compared to primary aluminum alloy frames.

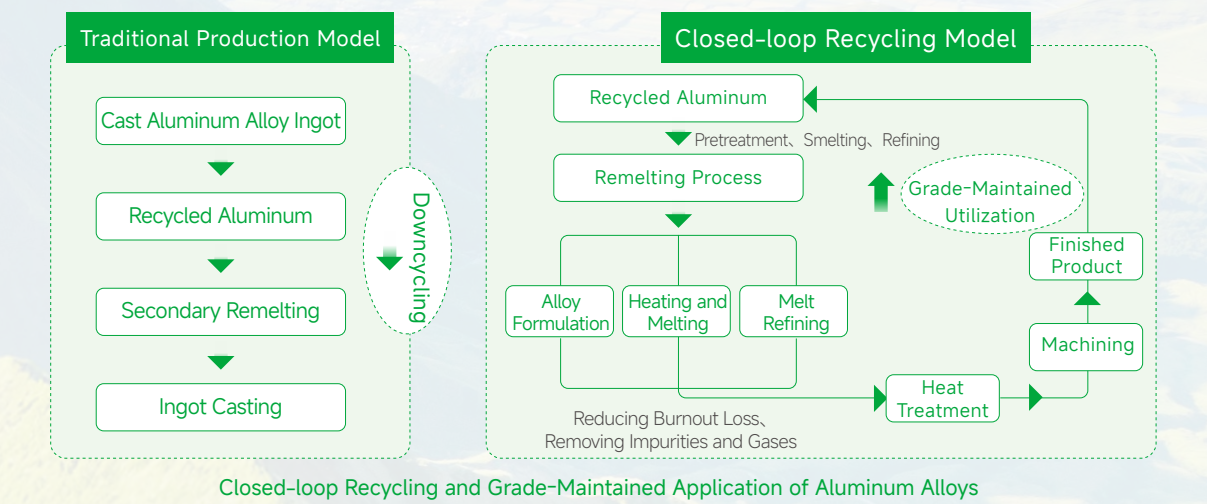| Upstream Recovery	Midstream Recycling	Downstream Applications
Casting Alloys / Wrought Alloys / Others → Aluminum Scrap Recovery	→ Remanufacturing →	New Energy Industry / Transportation / Construction Industry / Mechanical Equipment

The first phase of Yonz Technology's recycled aluminum project at the Wuhu base boasts an annual production capacity of 270,000 tons of recycled aluminum profiles. This innovative process achieves remarkable efficiency: the energy consumption per ton of recycled aluminum photovoltaic frame is merely 3%-5% of that required for primary aluminum. Greenhouse gas emissions, including carbon dioxide and methane, are reduced to just 4.5% of primary aluminum production levels. Furthermore, producing one ton of recycled aluminum conserves 3.4 tons of standard coal and 14 tons of water resources while reducing solid waste discharge by 20 tons. The implementation of this project not only demonstrates the Company's commitment to energy conservation and emission reduction but also injects powerful momentum into the sustainable development of the entire photovoltaic industry. It sets a new standard, leading the sector towards a greener, low-carbon future.

Proportion of recycled aluminum raw material usage in 2024

56%

Promotion of the Circular Economy

Yonz Technology is at the forefront of China's push towards a circular economy, developing an integrated closed-loop industrial chain that spans from recycling waste aluminum to producing recycled aluminum and manufacturing photovoltaic frames. While aluminum has long been recognized as a recyclable material, traditional recycling methods often result in quality degradation, leading to downcycling. Yonz Technology, however, has pioneered a "closed-loop recycling and grade-maintained application" approach. By leveraging its industry expertise and through extensive experimentation, the Company has developed innovative techniques for recycled frames, maximizing the value extracted from waste aluminum resources.

Traditional Production Model

Cast Aluminum Alloy Ingot → Recycled Aluminum → Secondary Remelting → Ingot Casting

Downcycling

Closed-loop Recycling Model

Recycled Aluminum → Pretreatment、Smelting、Refining → Remelting Process → Grade-Maintained Utilization → Finished Product → Machining → Heat Treatment

Alloy Formulation / Heating and Melting / Melt Refining

Reducing Burnout Loss、Removing Impurities and Gases

Closed-loop Recycling and Grade-Maintained Application of Aluminum Alloys

The Company has successfully implemented a circular economy model that synergizes cost control with value addition. In today's economic climate, primary aluminum resources are becoming increasingly scarce, leading to frequent price fluctuations and a long-term upward trend. In contrast, recycled aluminum, sourced primarily from waste materials, offers a more stable and cost-effective alternative. By establishing a comprehensive recycling system, Yonz Technology ensures a consistent supply of recycled aluminum raw materials, significantly reducing dependence on primary aluminum and effectively controlling raw material costs at the source. The production process for recycled aluminum aligns perfectly with the energy-saving and emission-reduction goals of the circular economy. Employing cutting-edge technology, Yonz Technology has managed to slash the energy consumption for producing one ton of recycled aluminum photovoltaic frame to a mere 3%-5% of that required for primary aluminum. This remarkable achievement not only reduces the Company's energy costs but also enhances its resilience against energy price fluctuations. Moreover, it decreases reliance on external energy supplies, driving the optimization of the Company's energy structure in line with circular economy principles of efficient resource utilization and energy conservation. From a product lifecycle perspective, Yonz Technology's recycled aluminum frames can be efficiently reintegrated into the recycling system at the end of their useful life. This extends the effective use cycle of resources and generates additional economic benefits through improved product lifecycle management, enabling multiple cycles of resource utilization.

This closed-loop circular economy model exemplifies efficient internal resource recycling, reduced dependence on external resources, and lower raw material procurement and transportation costs. Furthermore, it sets a new industry standard for sustainable development, catalyzing the transformation of the entire photovoltaic industry towards a greener, more circular economic model.
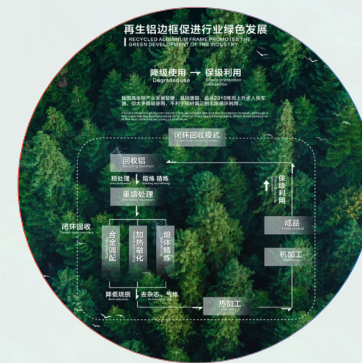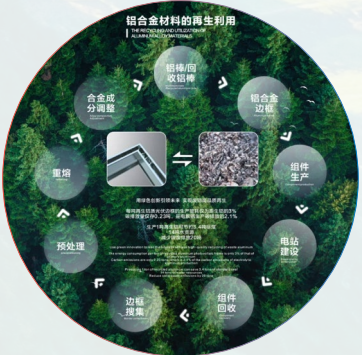
Robust Quality Assurance

Yonz Technology's recycled aluminum frames demonstrate reliability on par with primary aluminum alternatives, meeting the exacting standards of the photovoltaic industry. In terms of mechanical properties, these frames boast tensile strengths ranging from 250 to 260 MPa, with multiple performance indicators matching those of primary aluminum frames. This robust construction ensures the structural stability of photovoltaic modules in complex outdoor settings. It allows the modules to withstand various loads and environmental changes, such as wind forces and snow accumulation, thereby providing excellent weather and corrosion resistance.

The frames' weather resistance and corrosion protection are enhanced through specialized surface treatments, such as anodizing and coating. These processes create a dense protective film that effectively shields against UV radiation, acid rain, and sand erosion, significantly extending the operational lifespan of the modules. The exceptional performance of Yonz Technology's recycled aluminum frames makes them highly versatile, suitable for a wide range of photovoltaic applications. From large-scale ground-mounted solar farms to distributed rooftop solar projects and building-integrated photovoltaic systems, these frames facilitate swift and efficient module installation. Their lightweight design, high strength, and ease of installation contribute to reduced installation costs and improved overall project efficiency, providing crucial material support for the diverse development of the photovoltaic industry.

In accordance with testing methods specified in GB/T 8753.1-2017 and GB/T 12967.3-2018, and evaluation criteria outlined in GB/T 5237.2-2017, the aging resistance test results of recycled aluminum alloy profiles fully comply with national standard requirements.

Inspection and testing results
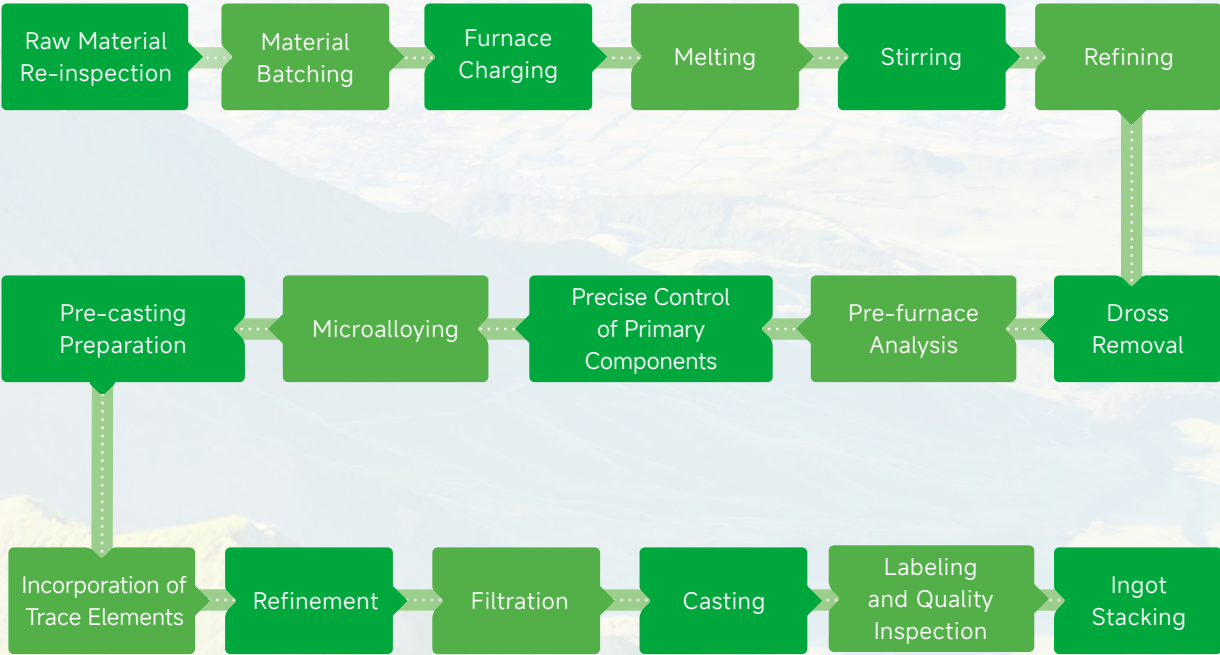
Inspection and testing report

Advanced Production Processes

Yonz Technology has invested heavily in the R&D and application of recycled aluminum production processes, consistently refining these techniques and upgrading their products. The Company has implemented a comprehensive pre-casting treatment process for end-of-life module frames, which includes "module recovery - module disassembly - frame polishing and cleaning - aluminum frame classification and compression + pre-casting scrap ratio adjustment." This approach yields clean and appropriately proportioned scrap material, ensuring the purity of recycled materials from the outset. The result is a high-quality, pure aluminum melt that serves as an excellent raw material for recycled aluminum casting.

Module Disassembly → Frame Polishing and Cleaning (Automated) → Frame Polishing and Cleaning (Manual) → Frame Classification and Compression

Qualified Pure Aluminum Melt ← Refining, Dross Removal, Purification ← Furnace Charging ← Scrap Ratio Adjustment

▲ Pre-casting Treatment Process for End-of-Life Module Frames

In the realm of recycled aluminum melting and casting, the Company implements a sophisticated process that hinges on four critical technical aspects: precise control of primary components, microalloying techniques, incorporation of trace elements, and enhancement of modification agents and filtration methods. This meticulous approach culminates in the production of recycled aluminum alloy ingots that meet or exceed the stringent standards required for photovoltaic-grade materials.

Raw Material Re-inspection → Material Batching → Furnace Charging → Melting → Stirring → Refining → Dross Removal → Pre-furnace Analysis → Precise Control of Primary Components → Microalloying → Pre-casting Preparation → Incorporation of Trace Elements → Refinement → Filtration → Casting → Labeling and Quality Inspection → Ingot Stacking

▲ Recycled Aluminum Melting and Casting Process Flow

Yonz Technology has established an industry-leading circular technology system for recycled aluminum frame production. The core process utilizes a closed-loop recycling system for aluminum, where waste aluminum materials are transformed into high-quality aluminum base materials. This is achieved through intelligent sorting, clean smelting, and refined purification, overcoming the strength and corrosion resistance limitations typically associated with recycled metals. Furthermore, by incorporating proprietary dynamic alloy formulation technology, the Company precisely controls elemental ratios. This ensures that recycled aluminum materials used in photovoltaic frames possess mechanical properties and long-term stability comparable to traditional primary aluminum. During the production process, the Company integrates low-carbon technologies such as waste heat recovery and low-consumption smelting, significantly reducing energy consumption and carbon emissions. This approach forms a full lifecycle green chain of "resource recovery - recycled manufacturing - photovoltaic application," providing the photovoltaic industry with a material solution that is both environmentally friendly and economically viable.

In the future, with continued advances in technological innovation capabilities, Yonz Technology expects to see further improvements in the performance of recycled aluminum frames, along with lower production costs and broader application potential. At the product design stage, the Company prioritizes the use of recycled aluminum frames to minimize environmental impact. During production, ongoing optimization improves both the efficiency of recycled aluminum utilization and overall product quality. In the downstream supply chain, the environmental benefits of recycled materials are highlighted as a core competitive advantage, accelerating the low-carbon transformation of the photovoltaic industry and strengthening the market competitiveness of end products. Through these efforts, Yonz Technology aims to make a substantial contribution to global energy transition and ecological preservation.

Efficient Governance and Sustainable Growth

Female representation on the Board

44.44 %

Major lawsuits involving corruption or unfair competition

0

Data breach incidents

0

Contributing to UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Corporate Governance

Corporate Governance Structure

Yonz Technology acknowledges that a robust governance framework is fundamental to its sustainable growth. The Company meticulously adheres to the requirements set forth by relevant laws, regulations, and normative documents, including 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*, the *Listing Rules of the Shanghai Stock Exchange, and the Measures for the Administration of Information Disclosure of Listed Companies*. The Company has implemented a standardized corporate governance structure with scientifically sound procedural rules. This framework establishes a governance system characterized by clearly defined powers and responsibilities, coordinated operations, and effective checks and balances among power organs, decision-making bodies, supervisory bodies, and executive bodies. The Company constantly refines its management documents at all levels and enhances its internal processes, striving to improve the standardization and effectiveness of corporate governance, thereby ensuring the sustainable development.

The Company's governance structure comprises the General Meeting of Shareholders, Board of Directors, Board of Supervisors, and management. The General Meeting of Shareholders serves as the Company's highest authority, exercising decision-making power on crucial matters such as business policies, investments, and profit distribution in accordance with the law. The Board of Directors acts as the operational decision-making center, supported by four specialized committees: the Audit Committee, Remuneration and Appraisal Committee, Nomination Committee, and Strategy and ESG Committee. These committees are responsible for deciding on specific matters within the scope authorized by the Board. To ensure impartiality and independence, independent directors constitute the majority and serve as conveners in the Nomination Committee, Remuneration and Appraisal Committee, and Audit Committee. Mr. Xu Zhihan, an independent director with expertise in accounting, chairs the Audit Committee. This structure allows independent directors to better exercise their autonomy within the committees and provide fair oversight of the Company's internal affairs. The Board of Supervisors functions as a supervisory body, reporting directly to the General Meeting of Shareholders. It effectively monitors the Company's finances and ensures legal compliance of directors and senior management in their duties, safeguarding the legitimate interests of both the Company and its shareholders. Non-employee representative supervisors are elected or replaced by decision of the General Meeting of Shareholders, while employee representatives on the Board of Supervisors are elected through the Company's employee representative assembly.

Held **4** general meetings of shareholders during the year, with **20** resolutions approved.

Held **8** Board meetings during the year, with **46** resolutions approved.

Held **7** meetings of the Board of Supervisors, with **19** resolutions approved.

Held **5** Audit Committee meetings, **2** Strategy and ESG Committee meetings, **3** Remuneration and Appraisal Committee meetings, and **3** Nomination Committee meetings throughout the year.

General Meeting of Shareholders

Board of Supervisors

Board of Directors

Strategy and ESG Committee　Nomination Committee　Audit Committee　Remuneration and Appraisal Committee

Board of Directors

Yonz Technology believes that increasing diversity with its Board of Directors is crucial for maintaining competitive edge and ensuring sustainable growth. The Company places significant emphasis on Board member diversity, actively creating a well-rounded and inclusive Board. When recommending candidates for Board positions, the Nomination Committee carefully considers various diversity factors to maintain an appropriate balance of talents, skills, experiences, genders, ages, and cultural and educational backgrounds. This approach ensures that the Board's decision-making process remains both scientific and effective. To enhance fairness and transparency in its remuneration and assessment processes, the Company has established a Remuneration and Appraisal Committee. This committee is tasked with developing and implementing assessment standards, remuneration policies, and plans for directors and senior management. They regularly evaluate performance and report to the Board, ensuring the remuneration mechanism remains fair and motivating.

The current Board of Directors comprises nine members, including four female directors. The incumbent directors bring a wealth of professional capabilities and work experience across multiple domains, including strategic planning, finance and accounting, risk management, technological R&D, marketing, industry experience, and environmental sustainability. Notably, one independent director on the Audit Committee is an accounting professional, while several Board members possess extensive experience in risk prevention and control. This expertise significantly enhances the ability to identify, prevent, mitigate, and manage risks effectively. Each Board member fulfills their respective role diligently, contributing their utmost to promote efficient and standardized company operations. During the reporting period, Independent Director Xu Zhihan also served as an independent director for two other companies, while the remaining independent directors did not hold positions in other enterprises.

Female representation on the Board

44.44 %

Name	Gender	Age	Position	Professional Knowledge and Skills						
				Strategic Planning	Finance & Accounting	Risk Management	Technological R&D	Marketing	Industry Experience	Environmental sustainability
Wang Xianli	Male	45	Chairman	√		√	√	√	√	√
Shao Dongfang	Female	45	Director	√		√				
Wang Fei	Male	40	Director	√			√		√	
HU HUA	Female	58	Director	√			√	√		
Tong Xiaodan	Female	50	Director	√	√	√				
Ge Xinyu	Male	43	Director	√		√		√	√	
Wang Jinghai	Male	63	Independent Director	√					√	
Xu Zhihan	Male	61	Independent Director	√	√	√				
Cong Yang	Female	49	Independent Director	√		√				

Board Committee Structure		
Committee	Chairperson	Committee Members
Strategy and ESG Committee	Wang Xianli	Ge Xinyu, Hu Hua, Wang Jinghai (Independent Director), Tong Xiaodan
Nomination Committee	Wang Jinghai (Independent Director)	Xu Zhihan (Independent Director), Wang Fei
Audit Committee	Xu Zhihan (Independent Director)	Cong Yang (Independent Director), Shao Dongfang
Remuneration and Appraisal Committee	Cong Yang (Independent Director)	Wang Jinghai (Independent Director), Shao Dongfang

Safeguarding Investor Rights and Interests
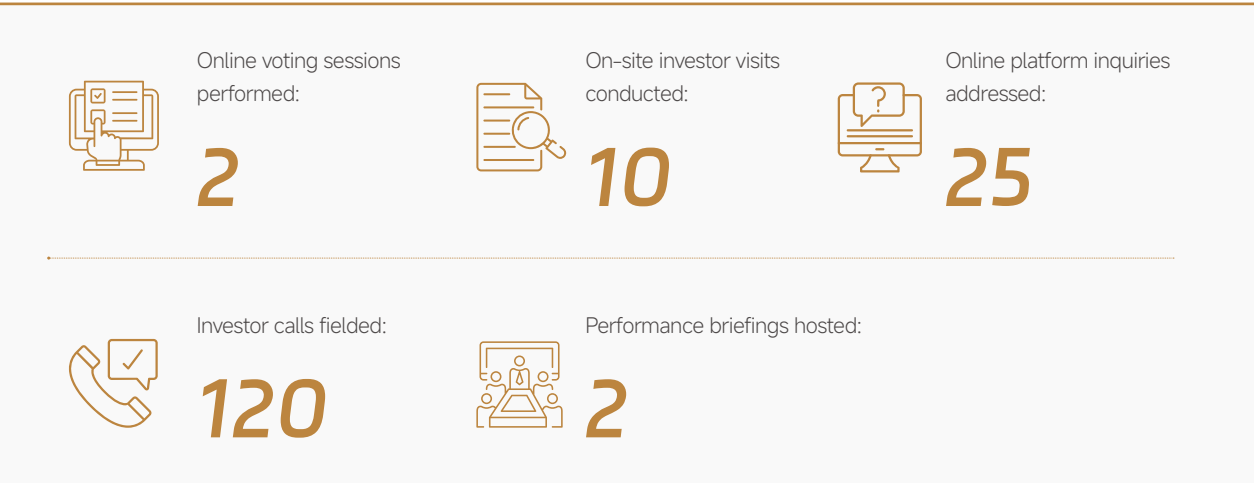
Transparent Information Disclosure

Yonz Technology rigorously complies with the *Securities Law of the People's Republic of China, the Measures for the Administration of Information Disclosure of Listed Companies,* and other relevant regulations. Aligning with its *Articles of Association,* the Company has implemented the *Information Disclosure Management System* for rigorous compliance. To fulfill its commitment to transparency in information dissemination, the Company provides investors with multi-faceted, comprehensive insights into its operations. By constantly enhancing the quality and effectiveness of disclosures, it ensures equitable access to information for all shareholders. During the reporting period, the Company maintained the integrity of its disclosures, avoiding any false records, misleading statements, or material omissions. It also remained vigilant in monitoring public sentiment and market dynamics, safeguarding investor interests through fair and timely disclosure practices.

Disclosed

2 periodic reports and

43

ad hoc announcements throughout the year

Investor Relations Management

The Company places a high premium on investor relations, developing and consistently refining its *Investor Relations Management System*. Our approach encompasses a diverse range of communication channels, including regular performance briefings, online voting mechanisms, on-site research opportunities, digital Q&A platforms, and dedicated investor hotlines. These initiatives facilitate open dialogue on corporate governance, operational performance, and sustainability efforts, fostering a deeper understanding of our business among investors and building mutual trust. We value the input of both current shareholders and potential investors, addressing their concerns promptly and delivering high-quality support to cultivate a robust investor ecosystem.

The Company treats all shareholders equally and strictly convenes general meetings in accordance with applicable laws and regulations, as well as the *Articles of Association and Rules of procedure for the General Meeting of Shareholders* when convening shareholder meetings, ensuring all investors have equal access to information and decision-making processes on critical issues. To enhance coverage and accessibility, we offer online voting options for remote participation. The meeting notices provide comprehensive details on all proposals, complete with contextual information to enable informed evaluation and decision-making. During these gatherings, we allocate substantial time for shareholder engagement, particularly for minority investors, ensuring their voices are heard and their inquiries thoroughly addressed. For matters significantly impacting minority shareholders, we employ a separate vote-tallying system with prompt result disclosure, reinforcing the protection of their participatory rights.

Online voting sessions performed:

2

On-site investor visits conducted:

10

Online platform inquiries addressed:

25

Investor calls fielded:

120

Performance briefings hosted:

2

Investor Return Management

While pursuing its growth objectives, the Company maintains an unwavering focus on investor interests. Since our public listing, we have consistently implemented a balanced cash dividend policy considering both continuity and stability, in line with our *Articles of Association,* enabling investors to partake in our success. The Board of Directors carefully crafts profit distribution plans based on annual performance metrics, submitting these for shareholder approval to ensure the rights of all investors, particularly minority shareholders, are robustly protected.

Regulation of Related Party Transactions

To regulate related party transactions and reduce unnecessary dealings, the Company prohibits controlling shareholders, actual controllers, directors, supervisors, and senior management from using related party transactions to harm the interests of the Company or its minority shareholders. To this end, the Company has established internal regulations, including the *Articles of Association*, *Rules of procedure for the General Meeting of Shareholders*, and *Related Party Transaction Decision-making System,* which provide detailed provisions on the scope, review procedures, disclosure obligations, and recusal mechanisms related to such transactions. These measures ensure fairness and impartiality in the decision-making process for all related party transactions.
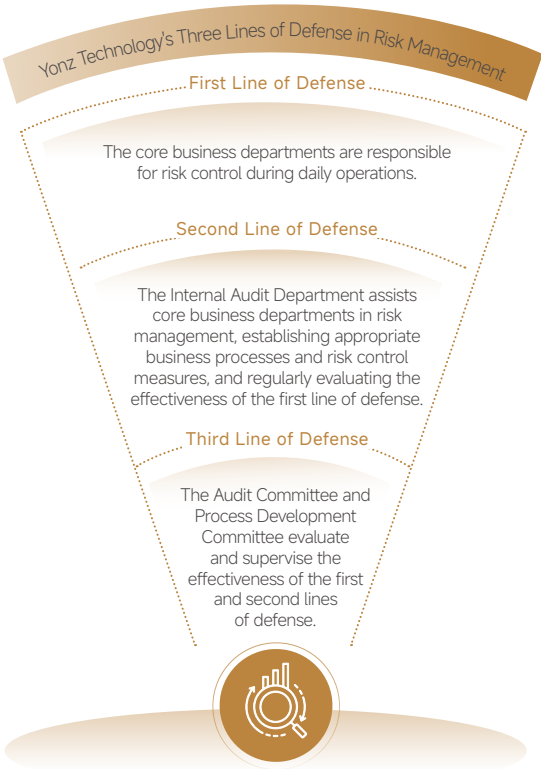
Risk and Compliance Management

Yonz Technology rigorously adheres to the *Company Law of the People's Republic of China,* the *Basic Standards for Enterprise Internal Control,* and their accompanying guidelines. The Company consistently enhances its internal control system through ongoing development, evaluation, and supervision, steadily improving its risk prevention awareness and capabilities. This approach provides a robust foundation for the Company's healthy and orderly growth.

Risk Management

Yonz Technology has established and constantly refines its risk prevention mechanisms, creating a stable risk management structure and an efficient working system tailored to its business scale and operational needs. The Board of Directors, as the highest decision-making body, assumes full responsibility for major risk management decisions, ensuring the Company's steady progress in a complex and dynamic business environment. The Internal Audit Department conducts annual risk control audits across various company domains, encompassing ESG risks including quality, safety, and environmental protection. These audits rigorously assess the effectiveness, rationality, and compliance of its internal risk control system. To address process-related issues identified during these audits, the Board has established a Process Committee led by the Company's Vice President. This committee proposes feasible solutions and strictly oversees their implementation, ensuring closed-loop problem management.

The Company has implemented a scientific three-tier decision-making mechanism to address varying risk levels. For routine business below the risk threshold, business departments are empowered to make independent decisions. When business risks exceed the threshold, specialized committees under the Board make independent decisions. For major issues, the Board of Directors makes the final decision. Additionally, we actively foster a risk management culture through comprehensive training and advocacy programs, enhancing employees' awareness and understanding of risk management. This cultivates a company-wide risk prevention mindset, laying a solid foundation for our risk management efforts.

Yonz Technology's Three Lines of Defense in Risk Management

First Line of Defense

The core business departments are responsible for risk control during daily operations.

Second Line of Defense

The Internal Audit Department assists core business departments in risk management, establishing appropriate business processes and risk control measures, and regularly evaluating the effectiveness of the first line of defense.

Third Line of Defense

The Audit Committee and Process Development Committee evaluate and supervise the effectiveness of the first and second lines of defense.

Compliance Management

Yonz Technology strictly adheres to relevant laws, regulations, and normative documents, including the *Audit Law of the People's Republic of China, the National Audit Office's Regulations on Internal Audit Work*, and the *Code of Corporate Governance for Listed Companies*. The Company has implemented a robust *Internal Audit System*, under which the Internal Audit Department scrutinizes accounting materials and other relevant economic data with significant impact, such as performance forecasts, preliminary earnings reports, and annual financial statements. These audits examine the legality, compliance, authenticity, and completeness of financial transactions. The department reports to the Audit Committee at least quarterly, strengthening the Company's internal supervision capabilities and ensuring that its production, operations, financial management, and accounting practices comply with national laws and regulations.

Furthermore, the Company meticulously adheres to the *Law of the People's Republic of China on the Administration of Tax Collection*. Our approach includes precise calculation of taxes and fees, timely declaration of tax amounts, close monitoring of changes in tax laws in our operational jurisdictions, and proactive assessment of potential risks when tax laws change. We have established a comprehensive tax management system that clearly defines responsibilities. This system, aligned with our operational realities, enables us to develop and refine tax planning strategies, standardize corporate tax behavior at all levels and stages, and effectively manage tax risks, thereby ensuring timely and full tax payments and consistently improving our credit standing.

Business Ethics

Yonz Technology is committed to operating with the utmost compliance, integrity, and honesty. The Company upholds ethical standards of fairness, trust, and transparency across all business activities, participating in market competition in strict adherence to laws and regulations. It firmly opposes any form of commercial bribery, money laundering, monopolistic practices, or unfair competition, contributing to the creation of a sustainable business environment.

The Company has implemented an efficient business ethics management framework. The Board of Directors serves as the highest decision-making authority for business ethics and anti-corruption management. Under the Board, the Audit Committee comprehensively oversees and coordinates the Company's audit and monitoring efforts, ensuring compliance and transparency in both decision-making and execution. The Internal Audit Department, operating under the Audit Committee's guidance, is specifically tasked with conducting audits and inspections. This department regularly performs control tests and substantive examinations to assess compliance and business ethics risks. Additionally, it proactively responds to the latest national and industry compliance and business ethics policies, thereby enhancing our business ethics monitoring capabilities.

The Company rigorously complies with relevant laws and regulations, including the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and the *Anti-Money Laundering Law of the People's Republic of China*, as well as pertinent industry standards. Our ongoing efforts to establish and refine our business ethics and anti-corruption management system extend to all levels of the organization. This system encompasses requirements for anti-fraud, anti-money laundering, anti-corruption, anti-bribery, fair competition, anti-monopoly, and conflict of interest policies. These principles apply to directors, supervisors, middle and senior management, all employees (including part-time staff), and supplier partners, fostering an environment of integrity throughout our operations. During the reporting period, the Company was not involved in any major litigation cases related to corruption or unfair competition.

Business Ethics Audit

The Company has established an independent Internal Audit Department that operates separately from its business operations system. This department exercises autonomous investigative authority and is responsible for receiving fraud reports, conducting investigations, reporting findings, and proposing remedial actions. Within our business ethics management framework, the Internal Audit Department develops targeted annual audit plans in accordance with our Internal Audit System. These audits and inspections focus on the implementation of company policies and assess business ethics risks across various operational scenarios. The department regularly reports its audit results, significant findings, and matters requiring attention directly to the Board's Audit Committee and the Chairman, maintaining independence at organizational, business, and individual levels. Internal audits closely related to business ethics ensure comprehensive coverage of all company locations and business areas every three years, with continuous improvement based on identified issues.

Building of Integrity Culture

The Company actively promotes the development of a culture rooted in integrity, integrating honest principles into its corporate governance and daily management practices. Regular, targeted business ethics awareness campaigns and training activities are conducted throughout the Company. We are progressively extending these training and promotional initiatives to include our supplier partners, thereby fostering a corporate culture characterized by integrity and ethical conduct.

Anti-Unfair Competition

The Company rigorously complies with the *Anti-Unfair Competition Law of the People's Republic of China* and the *Several Provisions on Prohibiting Infringements upon Trade Secrets*, as well as relevant antitrust and fair competition laws in all countries where it operates. We actively promote and safeguard fair competition while eliminating unfair competitive practices. In collaboration with industry peers, we strive to maintain a level playing field in the market. We are committed to refraining from collecting competitors' trade secrets or other confidential information through illegal means. Additionally, we abstain from engaging in unlawful activities such as price collusion with competitors that could disrupt market order. In 2024, Yonz Technology did not face any significant violations of anti-unfair competition laws and regulations.

Supplier Business Ethics Management

The Company is dedicated to advancing business ethics and compliance management throughout its supply chain. To this end, we have developed and implemented a comprehensive *Supplier Code of Conduct* that clearly delineates expectations for suppliers regarding integrity and business ethics. We require all supplier partners to sign both a *Supplier Code of Conduct Commitment* and an *Integrity Agreement*. These documents bind suppliers to strict compliance with national and local laws, regulations, and industry guidelines pertaining to fair trade, integrity, self-discipline, and anti-corruption. Suppliers are explicitly required to oppose all forms of commercial bribery, refuse involvement in bribe solicitation during business transactions, and promptly report any inappropriate behavior through our official reporting channels. Through these collaborative efforts, we aim to foster a fair, transparent, and ethical business environment.

Accessible Reporting Channels

The Company encourages its employees and all stakeholders to report any unethical or dishonest behavior, offering the option of named or anonymous reporting through transparent and easily accessible channels. The Audit Committee Chair is responsible for handling all reports, with a dedicated email address serving as the primary channel for both internal and external communications. This system ensures the timely processing of all reported information. Furthermore, we have implemented a robust whistleblower protection mechanism. This requires all departments to cooperate within their respective remits to fully safeguard the legal rights and interests of whistleblowers. It is strictly prohibited to disclose whistleblower information or report contents to the individuals or entities under investigation. We also employ measures to prevent the leakage of reported information and the loss of reporting materials. Any personnel found to have improperly disclosed whistleblower information or engaged in retaliatory actions against whistleblowers will face immediate termination of their employment contract upon verification of such misconduct.

Reporting Channel

Reporting Email :
IA@yonz.com

Information Security and Privacy Protection

Yonz Technology places paramount importance on information security and privacy protection. The Company rigorously adheres to relevant legislation, including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. It has implemented comprehensive information security regulations, such as the *Yonz Employee Information Security Manual* and *Information Security Inspection Plan,* establishing a robust information and data security system to safeguard company assets and ensure strict protection of customer information. We are committed to collecting only essential information required for sales operations, refraining from gathering any extraneous customer data. Similarly, we limit employee data collection to necessary employment information, avoiding the accumulation of additional personal data. All collected information is subject to stringent control measures, with carefully regulated management and viewing permissions to mitigate the risk of information leakage. Throughout our supply chain, we implement rigorous information security management during supplier onboarding and throughout service collaborations to systematically reduce security risks. During the reporting period, the Company experienced no incidents of data breaches.

Information Security Governance Structure

The Company is actively advancing the development of information security management structure, with strong support for the establishment of a Process Committee. This committee is responsible for formulating, reviewing, and overseeing the execution of information security strategies, conducting risk assessments and security inspections, and coordinating interdepartmental efforts to ensure effective implementation of security measures.

Information Security Training and Promotion

The Company conducts regular, company-wide information security training and advocacy sessions among employees. Additionally, it has developed an *Information Security Inspection Plan* that includes periodic random testing of employees' security awareness. This proactive approach encourages staff to prioritize information security and helps prevent potential security incidents.

Information Security Control Measures

The Company has implemented a comprehensive suite of information security and privacy protection measures encompassing various aspects of its operations, including data storage, access management, network architecture, and information security emergency management to boost its information security levels.

Data Storage and Access Management

Company data is securely stored on shared servers and WeChat Work documents. Access permissions require approval through a formal OA application process, ensuring accountability and preventing unauthorized data access.

Information Security Inspections

Quarterly random inspections are conducted using state-of-the-art hardware for real-time monitoring and restriction.
Regular hardware maintenance and updates are performed to ensure optimal equipment performance.

Network Architecture Security

Advanced behavior management and monitoring systems, including firewalls and other security devices, are utilized to detect abnormal activities and restrict unauthorized actions.
Physical network isolation and VLAN segmentation are implemented to ensure secure data access.

Data Confidentiality Agreements

All suppliers and individuals are required to sign confidentiality agreements as per company requirements, preventing the leakage of sensitive information.

Network Virus Protection

Enterprise-grade antivirus software is deployed across all servers and workstations to ensure data security.

Information Security Emergency Management

Hyper-converged servers are deployed to prevent data loss, while enhanced virtual machine backups ensure strong data recovery capabilities.

Data asset management is centralized, with unified storage on company servers and WeChat Work documents, and access permissions for adding, deleting, and modifying data are carefully controlled.

Strong password policies are implemented across all relevant application systems to ensure password complexity and prevent unauthorized login attempts.

Innovation-Driven and Product-First Approach

R&D investment:

RMB **0.454** billion

Product qualification rate at delivery

99.71%

Total number of suppliers

108

Contributing to UN SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

Innovation as a Driving Force

Yonz Technology recognizes that technological innovation is the cornerstone of its competitive edge. To further enhance its R&D capabilities, the Company consistently strengthens its R&D system, refines incentive mechanisms, actively engages in industry technical exchanges, and vigorously promotes intellectual property protection. It is committed to achieving sustained innovation and technological breakthroughs across multiple domains.

R&D and Innovation

The Company places paramount importance on product R&D and innovation. It has established the Yonz Green Energy Materials Research Institute (hereafter "Research Institute"), which specializes in cutting-edge technology research and the commercialization of scientific achievements. The Research Institute comprises five functional divisions: Testing Center, Materials and Processing, Photovoltaic Products, Intellectual Property, and Scientific and Technological Information. This structure forms a comprehensive innovation R&D chain, spanning from material research and process development to product testing and intellectual property management, thereby providing a robust foundation for enhancing the Company's technological prowess and product competitiveness.
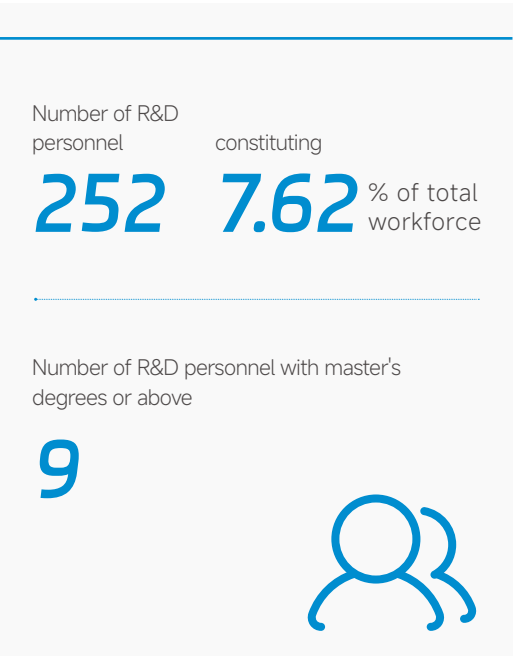
The Research Institute has implemented a scientific responsibility system and formulated various policies, including the *Research Institute Management Measures, R&D Fund Accounting Management Measures, R&D Personnel Performance Evaluation System, and Industry-Academia-Research Cooperation System*. These policies focus on reforming the leadership system for R&D innovation, organizational structure, personnel management, compensation, and reward mechanisms. They aim to foster technological innovation, accelerate the cultivation of scientific research talent, and implement open management and personnel mobility strategies, ultimately building an efficient and streamlined scientific R&D ecosystem.

R&D investment throughout the year:	representing	Undertaking of national and provincial major projects
RMB **0.454** billion	**5.55** % of operating revenue	**1**

R&D Team Building

Yonz Technology constantly bolsters its R&D capabilities by assembling a professional R&D team composed of technical personnel with senior and intermediate qualifications. Team members have amassed extensive experience in product research, development, and application, possessing formidable technological innovation capabilities. This provides robust talent support for the Company's innovation and R&D endeavors.

Moreover, the Company consistently refines its R&D personnel incentive mechanism. It has established various regulations, including the *R&D Project and Patent Achievement Reward System, Intellectual Property and Scientific and Technological Achievement Reward System, Internal Incentive Standard Operating Procedure*, and *Inventor or Designer Reward Measures*. These policies offer substantial rewards to employees who make significant contributions to scientific research innovation and product development, thereby stimulating R&D enthusiasm, fostering the continuous growth of R&D personnel, and driving the ongoing enhancement of the R&D team's comprehensive capabilities and the Company's independent R&D prowess. In 2024, the Company revised its *Intellectual Property and Scientific and Technological Achievement Reward System*, broadening the scope of intellectual property incentives beyond patents to include rewards for article/paper publication and participation in industry standard formulation, thereby vigorously promoting its intellectual property transformation and development.

Number of R&D personnel **252** constituting **7.62** % of total workforce

Number of R&D personnel with master's degrees or above **9**

R&D Platform Construction

Yonz Technology proactively fosters the development of innovation platforms. By integrating advantageous technological resources, optimizing innovation mechanisms, and enhancing supporting facilities, the Company has successfully obtained multiple prestigious innovation platform designations and qualifications. These include High-tech Enterprise, National Specialized, Refined, Differentiated, and Innovative (SRDI) "Little Giant" Enterprise, and Jiangsu Provincial Industrial Design Center. These platforms provide robust support for the Company's technological R&D and innovation initiatives.

Jiangsu Provincial Industrial Design Center
Yonz Technology Co., Ltd.
Industry and Information Technology Department of Jiangsu

Jiangsu Provincial Postdoctoral Innovation Practice Base
Yonz Technology Co., Ltd.
Department of Human Resources and Social Security of Jiangsu Province

Jiangsu Provincial Potential Unicorn Enterprise
Yonz Technology Co., Ltd.
Productivity Centre of Jiangsu Province

High-Tech Enterprise (Joint-Stock Company)
Yonz Technology Co., Ltd.
Jiangsu Provincial Department of Science and Technology

High-Tech Enterprise
Yonz Technology (Chuzhou) Co., Ltd.
Anhui Provincial Department of Science and Technology

Anhui Provincial SRDI SME
Yonz Technology (Chuzhou) Co., Ltd.
Anhui Provincial Department of Economic and Information Technology

Industry Exchange and Collaboration

The Company consistently contributes to the development of photovoltaic and aluminum industry standards, participates in key industry projects and award applications, and engages in various technical exchange events. Leveraging its technological strengths and advanced R&D capabilities, the Company supports innovation and progress in the photovoltaic sector. In 2024, the Company engaged in several high-profile industry events, including the 2024 NET ZERO China Solar & Energy Storage and the Global Mineral Resources and Metal Sustainability Forum and Industry Chain Partners Joint Action Conference, providing insights and suggestions to advance industry technology.

Moreover, we actively foster internal and external R&D collaborations, harnessing the scientific expertise of relevant domestic academic institutions and the research strengths of our partners. Our commitment lies in jointly addressing core technological challenges and facilitating the commercialization of innovative achievements. Building upon traditional models such as "independent topic selection, in-house R&D, and commissioned R&D," we have established a dynamic cooperation mechanism. This approach encourages diverse departments and collaborative units to engage in project R&D, establishes varied categories of open R&D projects, implements staged assessments and project evaluations, and allocates resources based on outcomes. For promising entrepreneurial projects, upon completion, the Research Institute employs a team output model, transferring them to the Institute or Company for incubation, thus enabling the realization of research outcomes. As of the end of the reporting period, the Company has forged industry-academia-research alliances with prestigious institutions, including Nanjing University of Aeronautics and Astronautics, Sichuan University, Southeast University, and Soochow University. These partnerships have resulted in the establishment of six R&D institutions, fostering joint technical research, innovation project applications, exploration of key technologies, and development of new photovoltaic modules, successfully culminating in multiple patent commercializations.

Contribution to national and industry standards **29**
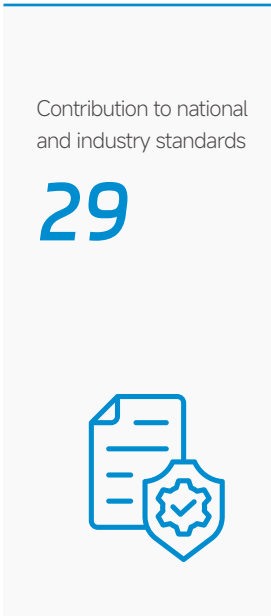
Case Yonz Technology Leads or Participates in the Development of Multiple Photovoltaic Module Standards
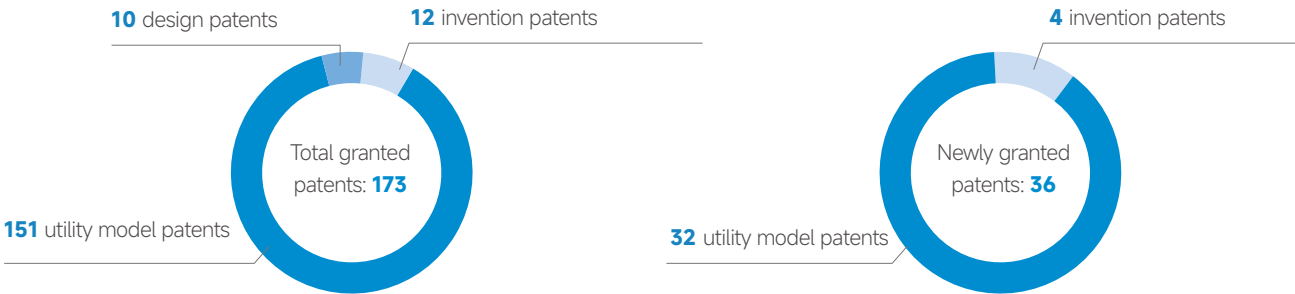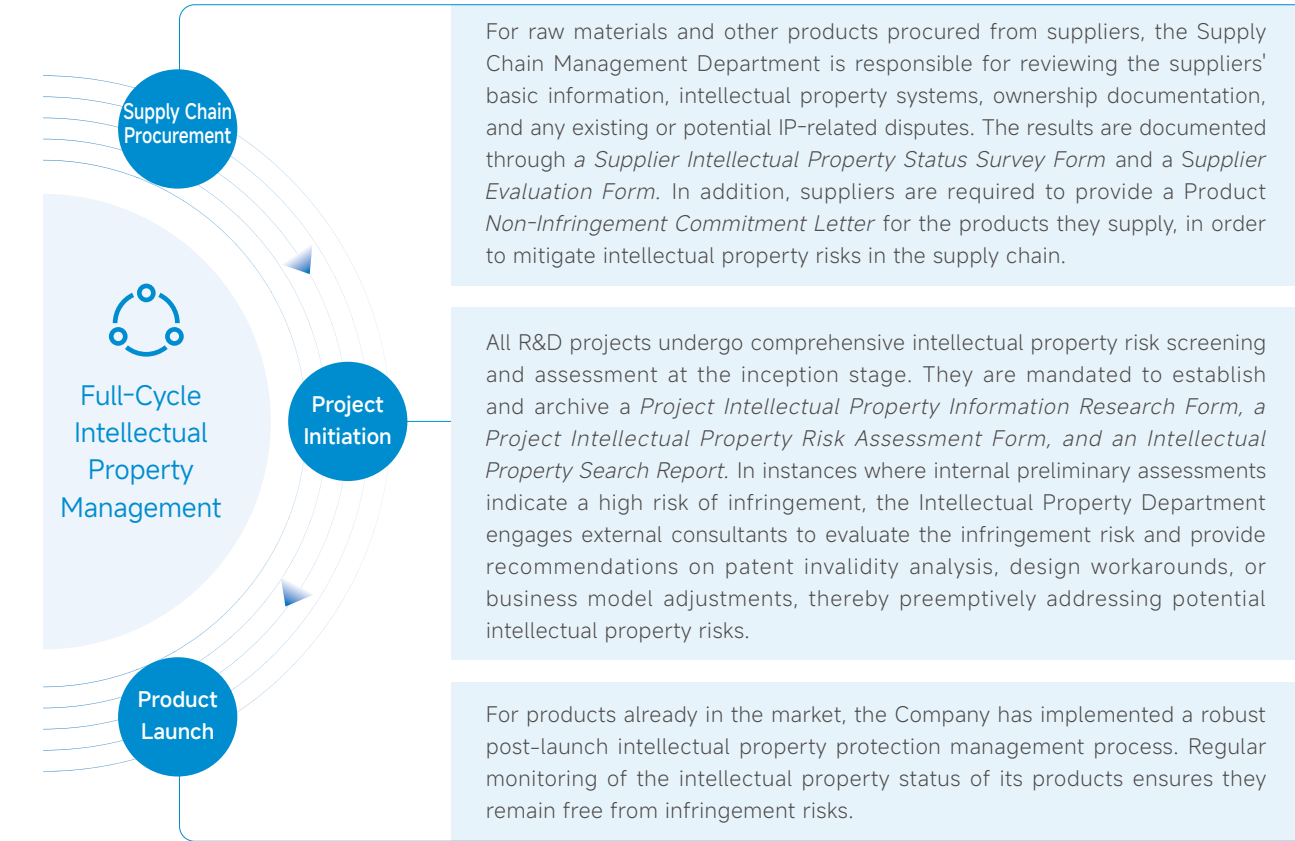
Yonz Technology takes a proactive role in leading and contributing to the formulation of numerous photovoltaic and aluminum industry standards, demonstrating its commitment to advancing industry norms and technological progress. Throughout the standard-setting process, the Company provides crucial technical expertise, regularly participates in standard formulation discussions, conducts rigorous experimental data verification, and proposes effective technical solutions and refinements. This ensures that the technical requirements within the standards are both scientifically valid and practically applicable. The Company actively contributes draft proposals, driving the refinement and publication of standards. During the reporting period, the Company participated in the compilation of 8 national/industry/group standards.

Yonz Technology's Involvement in National/Industry/Group Standards in 2024

Project Name	Standard Type	Project Status	Company's Role
Aluminium alloy frames used for PV modules	Group Standard	Published	Lead Unit
Assessment guideline and traceability guidance for green & low carbon aluminum	Group Standard	Published	Participating Unit
Aluminum alloy profiles for frame and holder of solar cells	Industry Standard	Pre-research Phase	Initiating Unit
Five standards including test methods for anodized coatings on aluminum and aluminum alloys and for determining image clarity of organic polymer films	National Standard	Pre-research Phase	Participating Unit
Technical requirements for the evaluation of end-of-life photovoltaic modules	National Standard	Pre-research Phase	Participating Unit
Wrought aluminum alloy secondary ingots	Industry/ National Standard	Pre-research Phase	Participating Unit
The general technical requirements for digital workshops of aluminum and aluminum alloy extrusion	Industry/ National Standard	Pre-research Phase	Participating Unit
Methods for identification, analysis and evaluation of second phase of aluminum alloy	Group Standard	Pre-research Phase	Participating Unit

Intellectual Property Management

Enhancing enterprise intellectual property management is fundamental to strengthening independent innovation capabilities. Yonz Technology prioritizes intellectual property protection, adhering to the management principle of "identifying and mitigating intellectual property risks while fostering core competitiveness through independent innovation and robust intellectual property protection." The Company meticulously complies with relevant laws and regulations, including the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and the *Patent Law of the People's Republic of China*. Drawing from the GB/T 29490-2013 *Enterprise Intellectual Property Management*, it has also developed the *Intellectual Property Management Manual* to standardize intellectual property management practices across the organization.

To mitigate intellectual property risks, the Company has implemented internal procedures and control processes, including the Intellectual *Property Risk Management Control Procedure, Intellectual Property Dispute Handling Control Procedure,* and *Intellectual Property Emergency Plan*. These measures enable comprehensive risk identification and control throughout the entire process, helping to prevent infringement of others' intellectual property rights.

Supply Chain Procurement — For raw materials and other products procured from suppliers, the Supply Chain Management Department is responsible for reviewing the suppliers' basic information, intellectual property systems, ownership documentation, and any existing or potential IP-related disputes. The results are documented through *a Supplier Intellectual Property Status Survey Form* and a S*upplier Evaluation Form.* In addition, suppliers are required to provide a Product *Non-Infringement Commitment Letter* for the products they supply, in order to mitigate intellectual property risks in the supply chain.

Project Initiation — All R&D projects undergo comprehensive intellectual property risk screening and assessment at the inception stage. They are mandated to establish and archive a *Project Intellectual Property Information Research Form, a Project Intellectual Property Risk Assessment Form, and an Intellectual Property Search Report.* In instances where internal preliminary assessments indicate a high risk of infringement, the Intellectual Property Department engages external consultants to evaluate the infringement risk and provide recommendations on patent invalidity analysis, design workarounds, or business model adjustments, thereby preemptively addressing potential intellectual property risks.

Product Launch — For products already in the market, the Company has implemented a robust post-launch intellectual property protection management process. Regular monitoring of the intellectual property status of its products ensures they remain free from infringement risks.

Full-Cycle Intellectual Property Management

10 design patents   **12** invention patents   **4** invention patents

Total granted patents: **173**   Newly granted patents: **36**

151 utility model patents   **32** utility model patents

Responsible Products

Yonz Technology is committed to delivering high-quality, reliable products and services. The Company adheres to a rigorous quality management system, implementing comprehensive quality control throughout the entire product lifecycle. It actively promotes the seamless integration of digital transformation and intelligent manufacturing while consistently enhancing customer service standards, striving to provide exceptional product solutions for clients.

Product Quality and Safety

Product quality forms the cornerstone of an enterprise's survival and development. Yonz Technology has established a comprehensive product quality management structure and a clear product quality supervision mechanism, delineating quality responsibilities and authorities across various organizational levels. The Company's functional departments constitute the executive body for quality management, with department heads responsible for implementing quality policies, executing quality plans, reviewing technical regulations, and addressing quality issues. This ensures the efficacy of technical documents and standards while spearheading quality improvements and non-conforming product control, thus promoting the effective operation of the quality management system and the execution of various quality management initiatives.

Yonz Technology strictly adheres to laws and regulations such as the *Product Quality Law of the People's Republic of China*. Upholding the quality management policy of "integrity as the foundation, quality for survival; technological innovation, pursuing industry-leading standards," and referencing the ISO 9001: 2015 Quality Management System requirements, the Company has formulated quality management systems including the *Quality Manual*. These measures effectively mitigate product quality risks and consistently enhance the Company's internal quality management standards and product quality. As of the end of the reporting period, the Company has obtained ISO 9001:2015 Quality Management System certification, and all of its products have successfully passed quality inspections conforming to standards such as GB/T 16865-2013 and GB/T 8753.1-2017.

Target	2024 Achievement Status
▶ Finished product pass rate: ≥98.5%	▶ Achieved Finished product pass rate: 99.71%
▶ Contract fulfillment rate: 100%	▶ Achieved Contract fulfillment rate: 100%

Comprehensive Lifecycle Quality Management System

The Company is dedicated to delivering products and services of the highest quality. To achieve this, we have implemented a comprehensive lifecycle quality control system. This system oversees product quality throughout the entire process, from development to delivery. We rigorously monitor key quality indicators, including production line defect rates, incoming material defect rates, and production line complaint rates, ensuring that our products consistently meet or exceed customer expectations.

Product Lifecycle Quality Management

Product Development — We have established a *Product Development Quality Management System* that clearly outlines product positioning and objectives. This system encompasses thorough market research and needs analysis, detailed development planning, and ensures that all product designs comply with both customer requirements and relevant legal regulations.

Raw Material Procurement — We strictly select suppliers and have established internal systems such as the *Supplier Management Regulations* and *Material Development Management System*. These policies clearly delineate the responsibilities of various departments in procuring new material samples, evaluating new materials, and assessing quality at different stages. We provide comprehensive guidelines for material evaluation projects, methods, and acceptance criteria to guarantee that all new materials meet our exacting quality standards.

Product Manufacturing — We have established a *Production Process Quality Control System* and carry out strict quality control throughout the production process, including real-time monitoring and testing at critical stages. We apply stringent technical standards and control indicators throughout our manufacturing processes, including extrusion mold design, aluminum profile extrusion forming, quenching, straightening, aging, surface oxidation treatment, and deep processing. This ensures that our production remains efficient and orderly, guaranteeing consistent and stable product quality.

Quality Inspection — We conduct comprehensive internal quality control inspections throughout the production process. Additionally, we engage third-party professional testing agencies to test and report on various product performance indicators, including salt spray resistance, wear resistance, mechanical properties, sealing effectiveness, film thickness, and hardness. This dual approach ensures that all our products not only meet quality standards but also fully satisfy customer requirements.

Product Delivery — We adhere strictly to contract requirements during product delivery. Our standardized transportation and storage processes are designed to prevent product damage and maintain quality, ensuring that customers receive their orders in a timely manner, safely, and in pristine condition.

Ongoing Improvement — We regularly evaluate our quality management system based on customer feedback, market demands, and both internal and external audit results. This ongoing assessment allows us to constantly optimize our product design and production processes, ensuring that our quality management system remains both effective and adaptable.

Safety and Reliability Management

The Company prioritizes product safety and reliability management. Through a combination of rigorous internal and external quality testing and strict control over harmful substances in products, we strive to provide customers with products that are not only of high quality but also safe and reliable.

In 2024, the Company advanced the construction of its Research Institute Testing Center. The Center is planned to cover 24 testing and experimental items across four major categories: mechanics, chemistry, metallography, and engineering, among which eight are under application for CNAS national laboratory certification. The goal is to establish a leading testing platform within the industry. Through expert consultation, industry research, and multiple rounds of technical discussions with suppliers, the Company has gradually completed the allocation of testing personnel and laboratory equipment required for the Testing Center. As of the end of the reporting period, the Center had developed testing and experimental capabilities for 19 items, including salt spray tests, providing a solid foundation for future R&D validation and improvements in product reliability.

Supply Chain Quality Control

The Company recognizes that supply chain quality control is a critical component of ensuring overall product quality. To this end, it has implemented a series of comprehensive regulations, including the *Supplier Management Regulations, Material Development Management System,* and *Procurement Emergency Management Procedures.* These systems allow us to maintain strict control over material quality throughout the entire supply chain process, beginning with supplier selection. Prospective suppliers must undergo a rigorous evaluation process before being approved. This includes sample testing through our quality management platform, as well as a thorough assessment of their quality control capabilities and system operations by our quality department. Once approved, suppliers are subject to ongoing scrutiny. The quality department conducts meticulous quality inspections and acceptance checks on all received goods, based on the stringent criteria outlined in procurement contracts. In the event that quality issues or discrepancies with procurement plans are identified, we initiate immediate communication with the supplier to ensure prompt resolution. This vigilant approach guarantees that every material in the supply chain meets our quality standards. Furthermore, we regularly organize supplier quality management exchange programs and training activities. These initiatives are designed to help suppliers enhance their quality control capabilities, thereby strengthening the overall quality standards across our entire supply chain network.

Quality Culture Cultivation

The cultivation of a quality culture is paramount to the Company's quality management and business growth. We actively implement various quality improvement initiatives and integrate quality management into mandatory employee training programs. A comprehensive employee quality training plan has been developed and is rigorously executed. Furthermore, we consistently enhance quality management awareness and capabilities across the workforce through performance evaluations, knowledge sharing sessions, and recognition programs.

Quality personnel training coverage

100%

Product quality training attendance

**1,440**
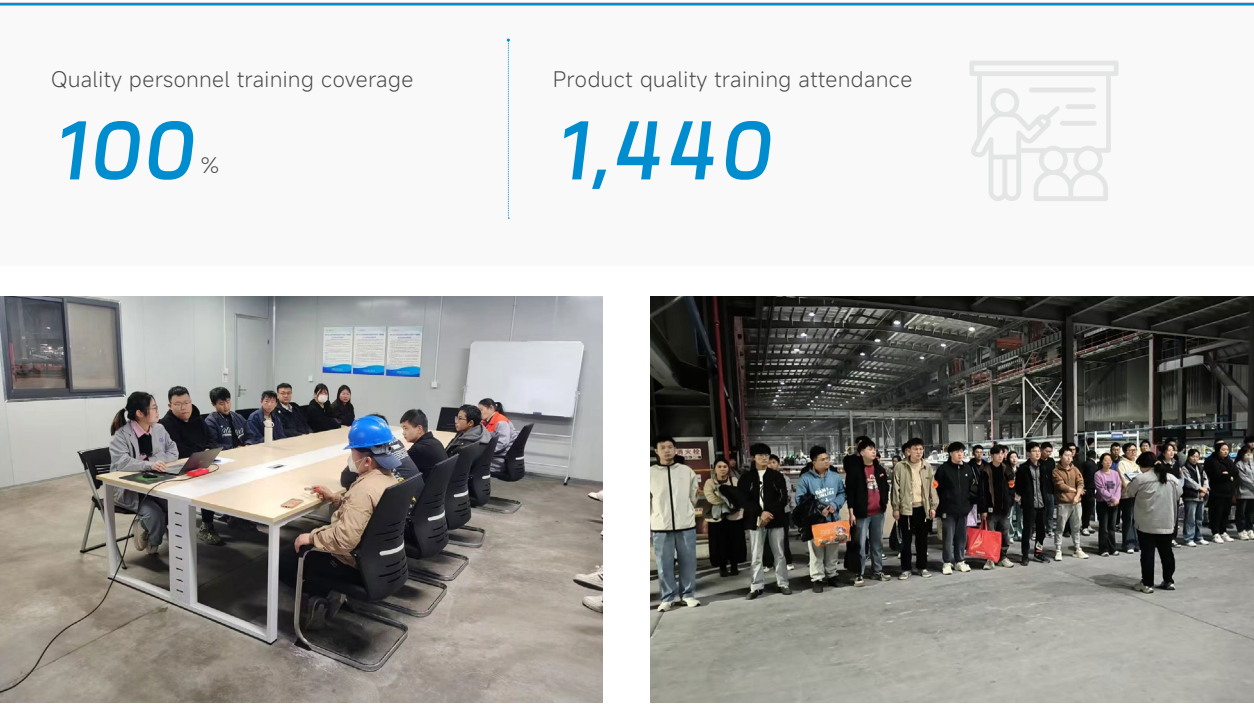
▲ Quality training sessions

Product Recall

The Company takes a proactive approach to mitigating product quality risks by standardizing non-conforming product management processes and clearly delineating responsibilities at each stage, thereby maintaining stringent control over product quality. In the event of an incident caused by a defective product, we swiftly implement damage control measures, including product recalls. We thoroughly investigate and eliminate the root cause of any defects. Concurrently, we conduct comprehensive reviews, leading to continuous improvements in both technical and managerial aspects to prevent the recurrence of quality issues.
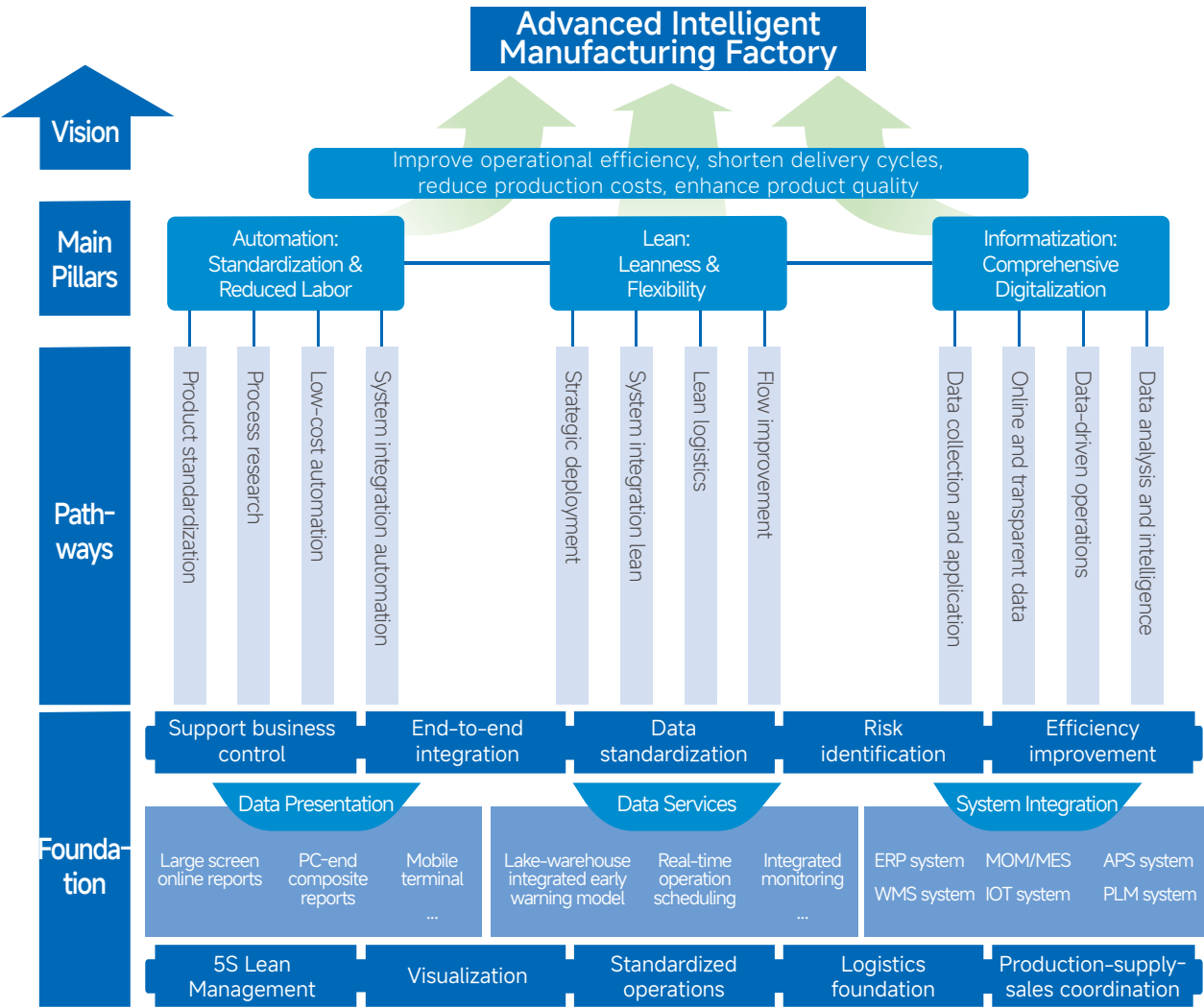
Product recall instances

0
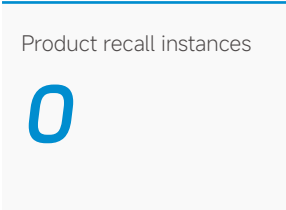
Intelligent Manufacturing

Yonz Technology actively responds to the national strategy of "boosting China's strength in manufacturing" by deepening its digital transformation initiatives. The Company continues to advance digital operational integration, promote the development of intelligent manufacturing facilities, and build robust digital platforms. This ongoing digital and intelligent transformation drives business growth and strengthens overall competitiveness.

Recognized as a Jiangsu Provincial **Five-Star Cloud-enabled Enterprise**
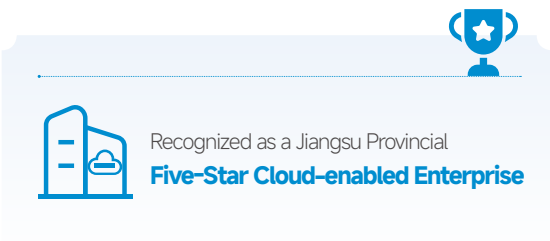
Intelligent Factory Construction

The Company is committed to the vision of "creating high-quality, low-cost, and flexible digital intelligent factories to achieve sustainable cost reduction and efficiency improvement." Focusing on three main pillars: automation, lean manufacturing, and informatization, we actively promote the construction of advanced intelligent manufacturing facilities. Through product standardization, cost-effective automation, and system integration, we enhance production efficiency. We optimize operational processes and reduce production costs through lean logistics and strategic deployment. Additionally, we employ digital technologies to build data collection, analysis, and intelligent platforms, fostering end-to-end collaboration and comprehensively improving factory operational efficiency and flexibility.

Advanced Intelligent Manufacturing Factory

Vision — Improve operational efficiency, shorten delivery cycles, reduce production costs, enhance product quality

Main Pillars
- Automation: Standardization & Reduced Labor
- Lean: Leanness & Flexibility
- Informatization: Comprehensive Digitalization

Pathways
- Product standardization
- Process research
- Low-cost automation
- System integration automation
- Strategic deployment
- System integration lean
- Lean logistics
- Flow improvement
- Data collection and application
- Online and transparent data
- Data-driven operations
- Data analysis and intelligence

- Support business control
- End-to-end integration
- Data standardization
- Risk identification
- Efficiency improvement

Foundation

Data Presentation
- Large screen online reports
- PC-end composite reports
- Mobile terminal ...

Data Services
- Lake-warehouse integrated early warning model
- Real-time operation scheduling
- Integrated monitoring ...

System Integration
- ERP system
- MOM/MES
- APS system
- WMS system
- IOT system
- PLM system

- 5S Lean Management
- Visualization
- Standardized operations
- Logistics foundation
- Production-supply-sales coordination

▲ Yonz Technology's Advanced Intelligent Manufacturing Factory Construction Roadmap

Digital Platform Development

In response to the Company's operational and managerial requirements, we have developed a comprehensive digital management platform ecosystem. This system is centered around our Enterprise Resource Planning (ERP) system, Manufacturing Execution System/Manufacturing Operations Management (MES/MOM) system, Intelligent Energy Management Platform, Human Resources Management System, and Collaborative OA Platform. Through the efficient integration of these multiple modules, we aim to significantly enhance the Company's operational management, optimize resource allocation, and drive exponential growth in our intelligent and lean manufacturing capabilities.

01 ERP System

The ERP system achieves unified financial data management and integrated business-finance operations through a cohesive system architecture and multi-organizational control mechanisms. It constructs a comprehensive framework encompassing marketing, product R&D and design, production planning and execution, logistics management, and financial control. By integrating marketing services, design and manufacturing processes, and business financials, the system markedly improves our responsiveness to market demands, shortens supply cycles, and reduces both capital tied up in operations and overall operational costs, thereby maximizing corporate profitability. Concurrently, the ERP system facilitates a deep integration of business operations and risk management. Through the standardization of accounting rules, data protocols, and charts of accounts, it ensures end-to-end visibility of business processes, enabling both forward tracking and backward tracing. The system aggregates costs at the order level and rationally allocates financial expenses, establishing a robust foundation for profit analysis and management. By leveraging various management accounting tools, the system catalyzes the evolution of financial functions from mere bookkeeping to strategic management, providing precise and timely data support for corporate decision-making.

02 MES/MOM System

The MES/MOM system has been established to augment the planning department's capabilities. Once production orders are input into the planning module, it automatically generates and distributes work orders to the relevant workshop production lines, while maintaining seamless synchronization with the ERP system. The system's core functionalities include production order management, planning operation platforms, and work order administration. Following work order issuance, each workshop collaboratively executes various operations such as production initiation, material handling, output recording, and quality inspection. Real-time data entry ensures that all relevant business information is promptly relayed to the ERP system, guaranteeing complete control over the production process, accurate data transmission, and efficient information flow.

03 Data Collection System

The automated data collection system enables precise measurement of smelting and casting output. When the Programmable Logic Controller (PLC) receives an aluminum rod cutting command, the system automatically records the output and sequentially transmits this data to both the MES and ERP systems, achieving real-time data acquisition and seamless integration across platforms.

04 Smart Energy Management Platform

This platform focuses on the digital and intelligent utilization of energy resources. It aims to achieve coordinated supply of various energy sources including electricity, water, cooling, and gas, while optimizing the interaction between generation, distribution, and consumption stages. The platform constructs a energy network that seamlessly connects the IoT with traditional internet infrastructure, promoting highly efficient and intelligent energy management.

05 HR Management System

The Company's HR system comprises four core modules: recruitment, organizational personnel management, attendance tracking, and payroll processing. It covers all key stages of an employee's career journey, from application and interviews to onboarding, internal transfers, resignations, and the ongoing management of attendance and compensation. This comprehensive system enables efficient and effective human resource management across the organization.

06 OA Collaborative Office Platform

The Company's OA platform has successfully implemented process-based controls across various operational sites. It has optimized procurement and payment workflows, ensuring all operations are both rational and compliant with regulations. The system standardizes various administrative processes and integrates seamlessly with the HR and ERP systems, effectively eliminating information silos and redundant operations.

Case Wuhu Intelligent Factory MOM System

Yonz Technology has implemented a Manufacturing Operations Management (MOM) system at its Wuhu facility, integrating modules such as the Internet of Things (IoT), Warehouse Management System (WMS), Manufacturing Execution System (MES), Enterprise Asset Management (EAM), and Quality Management System (QMS). The system provides comprehensive coverage of the entire production process, from smelting and casting to extrusion, oxidation, and deep processing, enabling intelligent management from raw material receipt to finished product storage. The MOM system supports automated production scheduling, real-time data acquisition, and cross-system integration to streamline workflows and shorten production cycles. Through refined resource monitoring, a comprehensive quality traceability framework, and full lifecycle management of molds, it helps reduce material waste and energy consumption while ensuring product quality. In addition, integration with ERP and other enterprise systems breaks down data silos and improves information flow across departments. This system enhances production efficiency, supports effective cost control, improves quality consistency, and strengthens the Company's overall competitiveness, laying a solid foundation for its transition to intelligent manufacturing.

Customer Relationship Management

Yonz Technology maintains an unwavering commitment to a customer-centric approach. The Company constantly refines and enhances its customer service standards while rigorously safeguarding customer privacy. By implementing responsible marketing principles and improving customer satisfaction across multiple dimensions, it aims to foster long-term, stable relationships built on trust with clients.

Professional Customer Service

Yonz Technology takes customer needs as the starting point and continuously optimizes its customer service system. We have established comprehensive pre-sales, during-sales, and after-sales service processes to manage all customer service activities throughout the Company. With customer satisfaction as our primary objective, we deliver high-quality, efficient, and flexible services.

Pre-sales
We have assembled a skilled sales team to analyze and address customer needs, developing tailored solutions based on client requirements.

Sales
We oversee order confirmation and production, ensure timely product transportation and delivery, and assist customers with product acceptance.
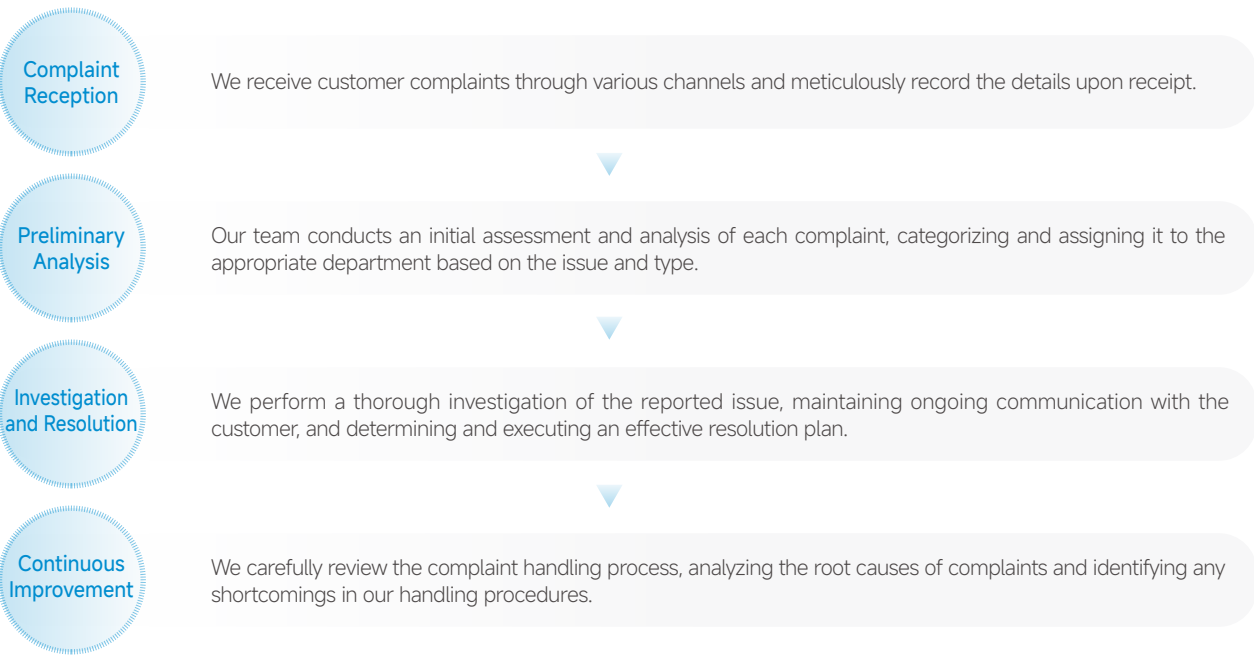
After-sales
We have implemented a rapid response mechanism, maintaining open lines of communication with customers and conducting regular follow-ups to gather suggestions and feedback.

Listening to Customer Concerns

The Company places significant emphasis on customer concerns and feedback. We have established a systematic customer communication process to promptly respond to and address customer issues, closely monitoring their progress and resolution to ensure timely feedback on customer needs. Furthermore, we have developed a comprehensive customer complaint management process, clearly outlining departmental responsibilities, complaint acceptance procedures, supervision, and handling protocols. This process delineates the workflow for receiving, analyzing, processing, and improving upon customer complaints.

Complaint Reception
We receive customer complaints through various channels and meticulously record the details upon receipt.

Preliminary Analysis
Our team conducts an initial assessment and analysis of each complaint, categorizing and assigning it to the appropriate department based on the issue and type.

Investigation and Resolution
We perform a thorough investigation of the reported issue, maintaining ongoing communication with the customer, and determining and executing an effective resolution plan.

Continuous Improvement
We carefully review the complaint handling process, analyzing the root causes of complaints and identifying any shortcomings in our handling procedures.

Responsible Marketing

The Company strictly adheres to relevant laws, regulations, and industry norms in all areas of operation. In compliance with regulatory requirements, we have established a responsible marketing material review and supervision mechanism. This ensures that all marketing materials must receive approval from authorized company management personnel before release. Additionally, we provide comprehensive guidelines to relevant personnel to guarantee that accurate and responsible information is conveyed in all communications with customers and other stakeholders. The Company regularly conducts responsible marketing training for all employees involved in marketing activities. All employees are mandated to adhere to approved promotional messaging during external communications and presentations, avoiding any content that could be construed as false, exaggerated, outdated, ambiguous, or containing undisclosed information. During the reporting period, the Company did not experience any significant marketing-related compliance incidents.

Supply Chain Management

A robust and sustainable supply chain is essential for the stable growth of any enterprise. Yonz Technology has implemented a comprehensive supplier management system that adheres to the principles of integrity, fairness, and transparency. The aim is to foster standardized development within its supply chain, collaborating closely with suppliers to establish responsible procurement relationships built on mutual trust and shared benefits. Together, we strive to create a sustainable supply chain ecosystem.

Supply Chain Management System

The Company strictly adheres to relevant national laws and regulations, including the *Law of the People's Republic of China on Invitation and Submission of Bids* and its associated implementation regulations. We have developed a suite of internal policies and guidelines governing bidding, procurement, and supplier management. These include the *Supplier Management Regulations, Procurement Bidding Management Measures,* and *Supplier Assessment and Evaluation Management System*. Through these measures, we constantly enhance the full lifecycle management of suppliers, standardizing processes for supplier admission, evaluation, and exit. This comprehensive approach ensures stability within our supply chain and supports the long-term development of both the Company and its suppliers.

Supply Chain Full-Process Management

Supplier Admission

Supplier Introduction
- Our supply chain team conducts thorough research based on specific development needs, identifying 1 to 3 potential suppliers. We collect and review relevant certification documents, product specifications, and technical information, conducting preliminary evaluations.
- Shortlisted suppliers are invited to submit samples, which undergo rigorous testing by our quality management team. Results are then verified by our R&D department.

On-site Audit
- Following successful small-batch sample testing, we dispatch an audit team to conduct comprehensive on-site evaluations of prospective suppliers. Key areas of assessment include technical capabilities, quality control measures, quality system implementation, delivery capacity, after-sales service, and pricing structure.
- Upon successful completion of the on-site audit, suppliers are required to submit two rounds of samples: one for small-batch trial production and another for mass production verification.

Qualified Supplier Approval and Inclusion
- Suppliers who successfully pass both on-site approval and mass production verification are invited to sign foundational agreements covering environmental protection, quality assurance, annual procurement commitments, and confidentiality. Following a thorough document review, approved suppliers are officially incorporated into our qualified supplier database.

Supplier Evaluation

Regular Audits
- The Company develops an annual *Supplier Audit Plan* to guide our evaluation process. Through on-site inspections, we conduct yearly reviews and monthly performance assessments. The evaluations encompass suppliers' production facilities, equipment, technical processes, quality control measures, and overall system operations. We employ a scoring system based on four key dimensions: quality, pricing, delivery performance, and cooperation. The evaluation process culminates in a comprehensive *Supplier Annual Audit Report*.

Ad-hoc Audits
- We initiate special audits when suppliers experience persistent quality issues or significant incidents. If numerous non-conformities are identified, we expand the audit scope to comprehensively assess the supplier's entire quality management system. Suppliers are required to implement prompt corrective actions based on audit findings.

Supplier Classification Management
- We classify suppliers into A, B, and C categories based on the criticality of their materials to our final products. Audit frequencies vary by category: Category A suppliers undergo annual audits, Category B suppliers are audited biennially, while Category C suppliers are not subject to regular audits. We annually reassess and adjust supplier classifications based on evaluation results, procurement volumes, material characteristics, and other relevant factors.

Supplier Exit

Our exit process is guided by the results of the *Supplier Annual Audit Report*:

- When the audit score exceeds 80, suppliers are required to implement corrective actions within a specified timeframe, while procurement activities may continue as usual.

- For scores between 60 and 80, procurement is temporarily suspended, and suppliers must complete corrective actions within a set period. Procurement may only resume after the supplier passes a reassessment.

- If the audit score is below 60, the supplier's qualification is revoked and they are removed from the approved supplier list.

Total number of suppliers	Suppliers in China (including Hong Kong, Macao, and Taiwan)
108	**108**

Enhancing Supply Chain Resilience

Establishing a resilient supply chain and ensuring business continuity are crucial pillars of stable operations. To secure a reliable supply of strategic resources, the Company has implemented the *Procurement Emergency Management Procedure*. This comprehensive protocol outlines standardized response processes for supply chain emergencies, reinforcing preventive measures against potential disruptions, price fluctuations, and unforeseen events. By doing so, we effectively mitigate risks within the supply chain and bolster its overall resilience. Furthermore, we regularly host supplier engagement initiatives, offering technical and managerial training alongside support programs. These efforts are designed to enhance suppliers' production capabilities and strengthen their capacity to respond to risks.

Diversified Suppliers

We actively seek multiple vendor partnerships to reduce reliance on single suppliers, thereby minimizing the risk of supply interruptions.

Localized Supply Chain

Our strategy involves increasing partnerships with local and regional suppliers, which helps reduce transportation costs and risks while improving supply chain responsiveness.

Inventory Management

We consistently refine our inventory management and demand forecasting capabilities to maintain adequate stock levels, safeguarding against potential shortages during supply chain disruptions.

Risk Assessment

We conduct regular, comprehensive supply chain risk assessments to identify potential bottlenecks and vulnerabilities. Quantitative analysis is employed to predict risks and implement targeted mitigation strategies.

Sustainable Procurement

Supply Chain ESG Management

The Company has seamlessly integrated supply chain sustainability into its management framework, aligning with international standards including the *Electronic Industry Citizenship Coalition (EICC) Code of Conduct*, the *Social Accountability 8000 (SA8000)*, the *Universal Declaration of Human Rights*, and International Labour Organization (ILO) conventions. We have developed a robust *Supplier Code of Conduct Commitment* that clearly delineates our expectations for suppliers in areas such as labor practices, health and safety protocols, environmental stewardship, compliance management, and business ethics. ESG performance evaluation is a cornerstone of our supplier onboarding process. All prospective suppliers are required to sign both the *Supplier Code of Conduct Commitment* and an *Integrity Agreement*. These documents commit suppliers to comply with local and national regulations while adhering to our stringent management standards. This approach fosters a sustainable supply chain characterized by safe working conditions, respect for employee dignity, environmentally conscious production processes, and unwavering ethical business practices. During the period under review, none of our suppliers incurred economic, social, or environmental penalties. (For more detailed information on our supply chain business ethics management, please refer to the "Business Ethics" section of this report. Comprehensive details on our supply chain quality management can be found in the "Product Quality and Safety" section.)

Integrity agreement signing rate

100%

Suppliers certified with quality management systems

72

Suppliers certified with occupational health and safety management systems

23

Suppliers certified with environmental management systems

15

Suppliers penalized for economic, social, or environmental reasons

0

Responsible Mineral Sourcing

In alignment with the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, along with other pertinent standards, the Company has established a rigorous *Conflict Minerals Prevention Procedure*. This procedure outlines transparent our management process for mineral resource utilization in production operations, ensuring thorough identification and control of potential conflict mineral risks. The Company has made a firm commitment to abstain from using "conflict minerals" sourced from the Democratic Republic of Congo and its neighboring countries and regions. We conduct comprehensive traceability assessments for minerals such as gold (Au), tantalum (Ta), tin (Sn), and tungsten (W) across the entire product range, demonstrating our unwavering commitment to ethical procurement principles.

Environmentally Friendly and Green Operations

Total environmental protection investment

RMB **16.3925** million

Greenhouse gas emission intensity

0.3333 tons of CO_2 equivalent/RMB 10,000 revenue

Total water withdrawal

1,075,755 tons

Contributing to UN SDGs

7 经济适用的清洁能源

11 可持续城市和社区

12 负责任消费和生产

13 气候行动

15 陆地生物

Environmental Management

Yonz Technology adheres to the principle of "prevention first, combined with control" and strictly complies with relevant national laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Cleaner Production Promotion Law of the People's Republic of China*, and the *Environmental Impact Assessment Law of the People's Republic of China*, as well as applicable regulations in overseas operating locations. The Company has established a comprehensive set of policy documents, such as the *Environmental Protection Management System*, *Environmental Protection Monitoring Management System*, and *Environmental Governance Management System*. Building upon the ISO 14001 Environmental Management System, the Company consistently enhances its environmental management framework and improves environmental performance. By integrating environmental protection plans into the Company's development strategy, Yonz Technology promotes sustainable green development.

Yonz Technology has implemented a robust environmental management structure to ensure the effective implementation of the Company's environmental policies and systems. The General Manager serves as the primary individual responsible for environmental protection, overseeing all aspects of the Company's environmental management efforts. An Environmental Protection Management Committee has been established, supported by an office and Environmental Protection Department. This committee is tasked with formulating and reviewing environmental protection and pollutant reduction regulations, developing technical measures and plans, and supervising environmental management across various departments and business units. Each department and business unit is responsible for implementing environmental protection policies, laws, regulations, and company-specific environmental management systems, with leadership accountability for environmental management within their respective domains. Furthermore, the Company has instituted an environmental protection responsibility system and target assessment mechanism. The *Environmental Protection Assessment Management System* has been implemented to evaluate the environmental management performance of various departments and business units, with assessment results directly linked to performance rewards for facility and company management. As of the end of the reporting period, Yonz Technology has not incurred any major incidents resulting in litigation or penalties due to environmental compliance issues.

Environmental protection investment throughout the year

RMB **16.3925** million

2 production facilities were certified with ISO 14001 Environmental Management System

▼ Environmental Management Process

Clarifying Environmental Management Objectives

Quantifiable environmental assessment targets are established and assessment results are linked to performance rewards for production facilities and functional departments. Units and departments meeting quarterly targets are eligible for quarterly rewards based on relevant criteria:

- In the event of a major environmental pollution incident, all relevant management personnel forfeit quarterly rewards and face corresponding penalties.
- If one or more pollution incidents occur within a quarter, the responsible unit forfeits its quarterly reward, and relevant personnel are subject to disciplinary action.

Developing Environmental Management Plans

Based on the Environmental Protection Management System *and environmental management objectives, each production unit formulates annual and quarterly plans, as well as long-term strategies for environmental protection and pollutant reduction. Pollutants exceeding emission standards are incorporated into annual treatment plans and long-term improvement initiatives.*

Conducting Environmental Protection Monitoring

The Company conducts regular internal monitoring and recording of environmental pollution factors, promptly reports the results to the Environmental Protection Department, and maintains comprehensive pollution source archives. All monitored parameters are assessed to track emission status and trends, and actionable recommendations are proposed for continuous improvement.

Qualified external environmental monitoring agencies are annually engaged to conduct professional assessments of major pollution factors and issue detailed monitoring reports.

Organizing Environmental Protection Audits

Internal Audit: The Internal Audit Department regularly conducts environmental protection inspections. This involves verifying the implementation of established measures and management plans and developing timely solutions for newly identified risks. Environmental management personnel at all levels perform daily, specialized, and periodic inspections in accordance with the environmental management plan. Eight improvement recommendations have been proposed based on inspection findings, with their implementation progress properly tracked.

External Audit: The Company undergoes annual environmental audits conducted by external stakeholders, including customers and regulatory agencies.

Internal audit inspections conducted

4

External audits received

4

Environmental Risk Management

Yonz Technology consistently improves its environmental risk management mechanisms. The Company has implemented an *Environmental Risk Identification and Hazard Rectification System* to comprehensively identify and address environmental hazards and vulnerabilities. A monitoring system for major hazard sources and a tiered management approach for identifying and mitigating significant risks have been established to effectively prevent and control environmental risks. The Company adheres to a people-oriented, prevention-first principle by establishing an emergency response mechanism for environmental incidents. The *Environmental Emergency Management System and Environmental Emergency Response Plan* have been developed to actively identify and evaluate environmental factors. Environmental risk events are managed through a tiered system with corresponding preventive and emergency measures. Regular emergency training and drills are conducted to ensure the Company's ability to respond quickly, efficiently, and effectively to environmental emergencies.

Environmental emergency training sessions

12

Environmental emergency response drills

12

Environmental emergency training

Environmental emergency drill

Fostering a Culture of Environmental Responsibility

The Company actively fosters a culture of environmental responsibility and places strong emphasis on raising environmental awareness across the organization. Through initiatives such as environmental education and training, Environmental Safety Month campaigns, and internal awareness programs, we promote a low-carbon, environmentally conscious culture and enhance employees' awareness and competencies in environmental management.

Environmental protection training sessions

15 with **153** attendance in total

Providing environmental education and training

- The Company provides three-level environmental protection training for new employees upon entry. For operators of environmental protection equipment and facilities, specialized environmental protection education is offered, with a cumulative education time of no less than 24 hours per year.

Organizing environmental protection ctivities environmental protection awareness campaigns

- Each production unit and department organizes monthly environmental protection activities tailored to their specific environmental protection work. The Company hosts an annual Environmental Safety Month, featuring diverse activities such as cartoon displays, banner installations, distribution of environmental protection handbooks, and screenings of environmental-themed videos to promote environmental awareness.

Launching environmental protection awareness campaigns

- Bulletin boards have been installed in both residential and production areas to communicate new national environmental protection policies and slogans through engaging cartoons and messaging, helping employees stay informed about the latest environmental policies.

Learning advanced knowledge

- The Company annually sends key environmental protection personnel or operators to visit and learn from other enterprises. Actively participates in various learning activities organized by the government to absorb advanced concepts and working methods, ensuring that environmental protection work remains current and effective.

Green Products

Amid the global shift toward energy transition, Yonz Technology continues to leverage its strengths to become a leading provider of green energy structural material solutions, with a strong focus on the R&D of new alloy materials. At the same time, the Company constantly expands the diversified large-scale application scenarios of photovoltaic products. Building on its expertise in photovoltaic frames, the Company will further expand into other solar energy application areas such as photovoltaic brackets and building-integrated photovoltaics, contributing to the development of green industries.

Case Green New Alloy Material R&D

In response to the global low-carbon transition trend, Yonz Technology focuses on developing green structural materials, constantly seeking more environmentally friendly and efficient material solutions. The Company has successfully developed a high-strength, corrosion-resistant, and lightweight aluminum alloy frame product for photovoltaic applications. By introducing new processes in production, it has achieved a revolutionary replacement of traditional treatment methods. Utilizing an advanced, fully automated environmental vertical oxidation production line, the entire production process has become greener and more sustainable.
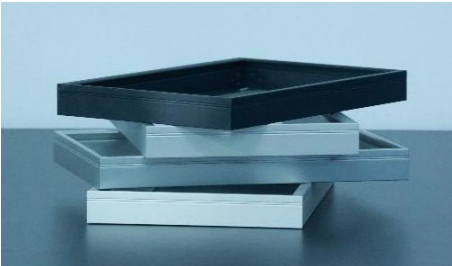
The development of new alloy materials ensures quality while offering high strength, corrosion resistance, and lightweight characteristics. This not only improves the stability and safety of photovoltaic modules but also enhances transportation and installation efficiency through its lightweight design (reducing overall weight by approximately 10%). These advancements promote energy conservation and emission reduction in the photovoltaic industry. Furthermore, these materials show promising application prospects in automotive, aerospace, electronics, and other fields.

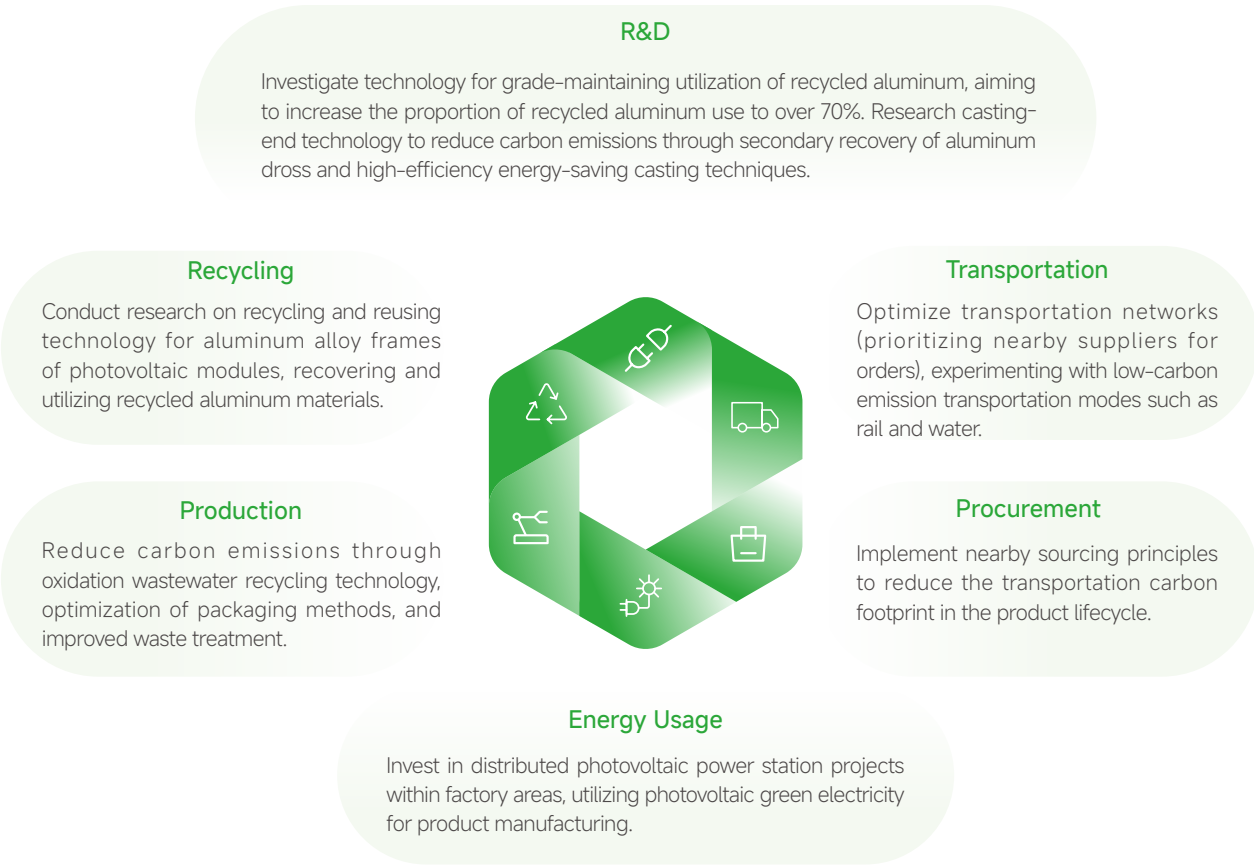**Case** Building Integrated Photovoltaic (BIPV) Application Solutions

Driven by technological innovation, Yonz Technology consistently optimizes photovoltaic application scenarios. Focusing on the Building Integrated Photovoltaic (BIPV) sector, the Company has developed a range of customized green energy solutions that promote the seamless integration of sustainable energy and architectural aesthetics. Their core product lines include:

- **ZHEN WALL SERIES**: Utilizing advanced BIPV customization technology, this series seamlessly integrates photovoltaic modules with architectural design. It employs anti-glare technology, striking a balance between high-efficiency power generation (110W/m^2) and visual comfort. The all-black "Zhen Xuan Photovoltaic Curtain Wall" combines elegant aesthetics with superior power generation performance, offering exceptional durability with a power output of no less than 80% after 30 years.

Zhen Color Products

- **ZHEN ROOF SERIES**: Engineered for high-end villa roofs, this series incorporates shingled technology and TOPCon cell technology to enhance energy conversion efficiency (160W/m^2). It adapts to complex roof designs and is paired with smart optimizers and energy storage units to achieve shadow mitigation and provide emergency power during outages.

- **ZHEN GUARD AND ZHEN WING SERIES**: Comprising photovoltaic guardrails and horizontal wing components, these series prioritize safety, reliability, and customized design. Options include classic grid and contemporary striped guardrails, supporting customization of sizes and patterns, and utilizing fully tempered laminated glass for excellent impact resistance.

Carbonado Villa Rooftop Photovoltaic System

In 2024, the Company launched the Fanchang Fuxi Farm Building BIPV project. The western facade of the project incorporates 57 all-black photovoltaic curtain wall panels, covering an installation area of 81.2 m^2 with an installed capacity of 10.5 kWp. This section is projected to generate 11,600 kWh of electricity annually. The southern facade features 36 colored photovoltaic curtain wall panels, spanning an installation area of 70 m^2 with an installed capacity of 6 kWp, expected to produce 6,000 kWh of electricity per year. Collectively, these two systems generate an average of 48 kWh daily, culminating in an annual electricity production of 17,600 kWh. This innovative initiative is estimated to reduce carbon dioxide emissions by approximately 14.52 tons annually, aligning with national directives and making a significant contribution to the country's "dual carbon" goals of carbon peak and carbon neutrality.

Yonz Technology integrates sustainability considerations throughout the entire product lifecycle, constantly seeking effective methods to reduce environmental impact. The Company explores green recycling and sustainable development of products, promoting low-carbon transformation across the photovoltaic industry chain.

R&D

Investigate technology for grade-maintaining utilization of recycled aluminum, aiming to increase the proportion of recycled aluminum use to over 70%. Research casting-end technology to reduce carbon emissions through secondary recovery of aluminum dross and high-efficiency energy-saving casting techniques.

Recycling

Conduct research on recycling and reusing technology for aluminum alloy frames of photovoltaic modules, recovering and utilizing recycled aluminum materials.

Transportation

Optimize transportation networks (prioritizing nearby suppliers for orders), experimenting with low-carbon emission transportation modes such as rail and water.

Production

Reduce carbon emissions through oxidation wastewater recycling technology, optimization of packaging methods, and improved waste treatment.

Procurement

Implement nearby sourcing principles to reduce the transportation carbon footprint in the product lifecycle.

Energy Usage

Invest in distributed photovoltaic power station projects within factory areas, utilizing photovoltaic green electricity for product manufacturing.

Case Product Carbon Footprint Verification

As global attention to climate change and sustainable development intensifies, governments and international organizations are promoting policies to reduce greenhouse gas emissions. Carbon footprint Verification has become a green passport for entering global markets and addressing green trade barriers. As a supplier of green energy structural material application solutions, Yonz Technology not only actively responds to national and global carbon peak and carbon neutrality initiatives but also meets the requirements of downstream customers in the industry chain, providing more possibilities for the green footprint of end-users.

In 2024, the Company conducted a carbon footprint assessment of its core product, recycled aluminum alloy frames. The cradle-to-gate product carbon footprint for one ton of recycled aluminum alloy frames was calculated to be 1,864.46 kg of CO^2 equivalent.

Addressing Climate Change

Climate Strategy

Climate change, a crucial global sustainable development issue, poses a significant challenge to humanity, with impacts extending to various aspects of social development. Yonz Technology adheres to the framework recommendations of the *Guidelines No. 14 of Shanghai Stock Exchange for the Self-Regulation of Listed Companies—Sustainability Report (Trial)* , comprehensively integrating climate change-related governance, strategy, impact, risk and opportunity management, indicators and targets across four dimensions to constantly enhance its ability to respond to climate risks.

Governance

The Company has integrated climate change-related functions into its ESG governance structure, clearly defining management responsibilities at various levels to address climate change issues, identify climate risks and opportunities, and formulate appropriate measures. The Board of Directors and its subordinate Strategy and ESG Committee assume a leadership role in managing and making decisions on climate change issues, overseeing climate change management decisions. The ESG Working Group, as the executive body of the Strategy and ESG Committee, collaborates to comprehensively implement climate change issue management. Various functional departments, business units, branches, and controlled subsidiaries manage and supervise the execution and implementation of specific climate-related work.

Strategy

The Company has conducted a comprehensive analysis and assessment of the climate change risks (including physical risks and transition risks) and opportunities facing its business operations.

Category	Risk/Opportunity Type	Risk/Opportunity Description	Response Measures
Physical Risks	Acute Risk	• The IPCC AR6 report projects global warming to reach 1.5°C between 2021-2040. This rise in average temperature will significantly increase electricity consumption for air conditioning systems in Yonz Technology's offices and factories, resulting in higher electricity costs and increased carbon emissions. • Regions housing Yonz Technology's factories may face power restrictions or widespread outages due to increased electricity demand, potentially disrupting production lines and negatively impacting shipments and financial performance. • Extreme weather events, including severe heat waves, heavy precipitation, river flooding, and coastal flooding, may damage production base equipment and facilities, leading to production interruptions, reduced efficiency, increased repair and replacement costs, and diminished production output.	• Implement advanced energy consumption monitoring and statistical management, phase out obsolete energy-intensive equipment, and aggressively promote energy-efficient technologies. • Install solar panels across various factory sites to boost renewable energy utilization. • Proactively monitor severe weather conditions and enhance emergency response planning to improve crisis management capabilities.
	Chronic Risks	• Persistent climate change-induced phenomena such as prolonged high temperatures, drought, and sea-level rise may affect Yonz Technology's infrastructure in climate-sensitive, water-scarce, or low-lying production areas, potentially increasing operational costs.	• Conduct comprehensive assessments of local climate risks and geographical factors when selecting new sites to mitigate potential risks from natural disasters.
Transition Risks	Policy and Regulations	• The introduction of more stringent domestic and international climate change mitigation policies and regulations may increase corporate greenhouse gas emission costs.	• Closely monitor changes in domestic and international environmental and carbon-related laws, regulations, and policies, and strengthen compliance management in alignment with the Company's specific circumstances. • Expand product carbon footprint certification efforts, stay informed about carbon tax-related policy requirements, and promptly assess export costs to adjust business strategies accordingly.
	Market	• Climate change may drive up raw material prices, storage costs, and transportation fees, increasing the risk of overall cost escalation. • Climate change-related policy-driven price adjustments may alter product market prices.	• Closely monitor climate and natural disaster impacts on the market and develop proactive countermeasures. • Establish strategic partnerships with high-quality collaborators to enhance supply chain resilience and risk management capabilities.
	Technology	• The rapid expansion of the global new energy industry has led to heightened user expectations regarding photovoltaic module quality and product lifecycle management.	• Intensify product technology R&D efforts, enhance new alloy material development, and constantly expand diversified large-scale application scenarios for products. • Actively pursue industry collaborations and partnerships along the value chain to promote low-carbon technology R&D and application.
	Reputation	• Increasingly stringent environmental performance disclosure requirements are raising compliance costs associated with maintaining or enhancing corporate reputation.	• Monitor market regulatory and disclosure requirements across various regions and implement comprehensive compliance measures.
Climate Opport-unities	Products and Services	• The global low-carbon transition trend presents opportunities to increase business revenue by developing or enhancing the low-carbon application value of products and conducting research on related low-carbon materials.	• Develop innovative low-carbon green products and strengthen green technology R&D and application efforts. • Commit to minimizing the environmental impact of products throughout their entire lifecycle.
	Market	• Proactively addressing climate change policies facilitates market entry into new countries, bolsters the Company's competitiveness in international markets, and enhances recognition among a wider spectrum of global clients and partners.	

Impact, Risk, and Opportunity Management

To address the potential risks and opportunities presented by climate change, Yonz Technology has established a comprehensive process and framework for climate risk and opportunity management. The Company employs various methods, including internal research, industry studies, and external consultations, to identify, analyze, evaluate, and manage significant climate change risks and opportunities. Based on the outcomes of risk identification, the Company develops targeted mitigation measures and integrates climate risk management into its company-wide, multi-departmental risk management processes, thereby proactively addressing the challenges posed by climate change.

Climate Risk and Opportunity Identification, Analysis, Evaluation, and Management Process

Climate Risk and Opportunity Research
- Conduct initial identification of climate risk and opportunity categories, encompassing physical risks, transition risks, and potential opportunities.

Risk and Opportunity Inventory Development
- Identify climate risks and opportunities within the industry and throughout the value chain, compiling a comprehensive risk inventory.

Climate Risk and Opportunity Materiality Analysis and Assessment
- Evaluate the impact timeframe and significance level of identified climate risks and opportunities, drawing on internal research, industry studies, and external recommendations.

Climate Risk and Opportunity Management
- Implement targeted risk management and response strategies at each production facility and within functional departments, developing specific risk treatment plans. The Strategy and ESG Committee conducts regular monitoring and progress tracking of implementation efforts.

Indicators and Targets

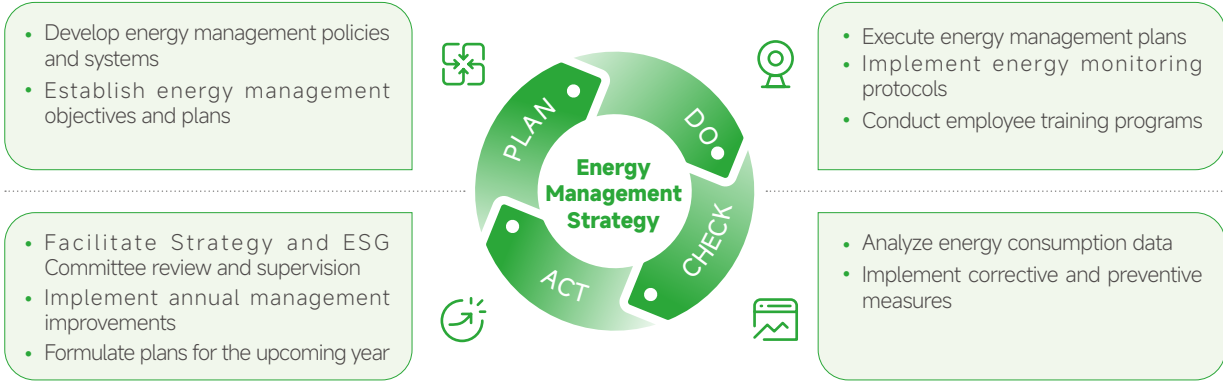| Indicator		Unit	2024
Energy Consumption	Diesel	tons	181.90
	Natural gas	10,000 cubic meters	3,844.93
	Purchased electricity	10,000 kWh	34,454.64
	Total comprehensive energy consumption	tons of standard coal equivalent	95,549.57
	Energy consumption intensity	tons of standard coal equivalent/RMB 10,000 revenue	0.1168
Greenhouse Gas Emissions	Direct greenhouse gas emissions (scope 1)	tons of CO_2 equivalent	87,878.00
	Indirect greenhouse gas emissions (scope 2)	tons of CO_2 equivalent	184,883.58
	Total greenhouse gas emissions (scope 1 and scope 2)	tons of CO_2 equivalent	272,761.58
	Greenhouse gas emission intensity	tons of CO_2 equivalent/RMB 10,000 revenue	0.3333

Notes: 1. Energy consumption and greenhouse gas emissions indicators only include data from four production facilities located in Chuzhou, Wuhu, Changzhou, and Vietnam.

2. Scope 1 greenhouse gas emissions are calculated using data from two primary sources: the lower heating values of fossil fuels, as reported in the China Energy Statistical Yearbook 2023, and the emission factors for fossil fuels from the National Greenhouse Gas Emission Factor Database, jointly published by the Ministry of Ecology and Environment and the National Bureau of Statistics. These data were used to convert the Company's consumption of gasoline, diesel, natural gas, and liquefied petroleum gas into equivalent emissions. For Scope 2 greenhouse gas emissions, calculations are based on the Company's purchased electricity consumption, converted using the 2022 national average carbon dioxide emission factor for electricity. This factor is also sourced from the aforementioned National Greenhouse Gas Emission Factor Database.

3. Energy consumption calculations adhere to the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020) issued by the State Administration for Market Regulation and the Standardization Administration of China. This methodology was applied to convert the Company's various energy usage figures into a standardized metric.

Energy Conservation and Emission Reduction

Energy Management

Yonz Technology places a high priority on energy conservation and emission reduction. The Company strictly adheres to relevant laws and standards, including the *Energy Conservation Law of the People's Republic of China,* the *Renewable Energy Law of the People's Republic of China,* and the *Cleaner Production Promotion Law of the People's Republic of China.* Building upon the ISO 50001 Energy Management System, the Company consistently enhances its internal energy management framework, and is working towards ISO 50001 Energy Management System certification for all its global production facilities. Each production facility establishes energy-saving targets for total consumption or unit values based on its specific energy usage patterns. The Company regularly monitors and inspects energy consumption in production and operations, implements energy-saving and consumption reduction projects across various production sites, and constantly strengthens energy control measures. Energy control indicators and targets are incorporated into annual performance evaluations. During the reporting period, the Company implemented six cleaner production initiatives, resulting in electricity savings of 300,000 kWh.

We employ a PDCA (Plan-Do-Check-Act) management model to implement closed-loop management and improvement of energy consumption. Additionally, we conduct annual training sessions to raise employee awareness of energy conservation practices.

PLAN
- Develop energy management policies and systems
- Establish energy management objectives and plans

DO
- Execute energy management plans
- Implement energy monitoring protocols
- Conduct employee training programs

Energy Management Strategy

ACT
- Facilitate Strategy and ESG Committee review and supervision
- Implement annual management improvements
- Formulate plans for the upcoming year

CHECK
- Analyze energy consumption data
- Implement corrective and preventive measures

Enhance information-based energy management	Implement rigorous energy and resource consumption metering and monitoring measures. Constantly improve the level of information-based energy management to achieve real-time monitoring and precise statistics of energy consumption, thereby increasing overall energy efficiency.
Upgrade production processes and equipment	Proactively adopt advanced production technologies and equipment while phasing out obsolete, energy-intensive machinery. Leverage technological upgrades and equipment renewals to significantly reduce energy consumption in production processes and boost overall productivity.
Optimize production energy efficiency	Streamline production processes and maximize equipment utilization rates, substantially enhancing production energy efficiency while maintaining product quality standards.
Conduct energy efficiency training	Regularly organize energy conservation training sessions for employees. Effectively raise staff awareness of energy-saving practices and improve their operational skills through a combination of theoretical instruction and hands-on exercises.

Renewable Energy Utilization

Yonz Technology actively incorporates green electricity into its production operations, consistently optimizing its energy structure.

During the reporting period,

the Company's total renewable energy consumption reached

130.0317 million kWh

accounting for

32.98%

of total energy consumption

Mitigating Environmental Impact

Water Resource Management

Yonz Technology strictly adheres to regulations such as the *Water Law of the People's Republic of China* and the *Water Pollution Prevention and Control Law of the People's Republic of China*. The Company has established a comprehensive water resource management system, conducts water resource risk assessments at all production and operational sites, and regularly provides training on water efficiency management and conservation to employees, striving to reduce water demand and effectively manage water resources.

Water Resource Risk Assessment

To identify potential risks in water resource acquisition across various operational locations, the Company conducts at least one water risk assessment annually for all production facilities. Based on the assessment results, we formulate appropriate water conservation targets and response strategies, implement various water resource management measures, and conduct regular monitoring to ensure effective utilization and management of water resources. During the reporting period, to ensure the safety and sustainability of the Company's water resource management, we utilized online analysis tools such as the World Wide Fund for Nature's Water Risk Filter and the World Resources Institute's Aqueduct Water Risk Atlas to conduct comprehensive water risk assessments for the Company's five production bases.

	Number of Factories by Basin Risk		Number of Factories by Operational Risk
Physical Risk	4	1	5
Regulatory Risk	4	1	5
Reputational Risk	5		5

Very low	Low	Medium	High	Very high

Water Risk Assessment Dimensions		
Overall Water Risk	Physical Risk – Water Quantity	Water Stress
Water Consumption	Interannual Variability	Seasonal Variability
Groundwater Table Decline	River Flood Risk	Coastal Flood Risk
Drought Risk	Physical Risk – Water Quality	Untreated Connected Wastewater
Coastal Eutrophication Potential	Regulatory and Reputational Risk	Unimproved/No Drinking Water
Unimproved/No Sanitation	Peak Country ESG Risk Index	–

Water Conservation Measures

The Company places great emphasis on the efficient use of water in production, implementing a series of water-saving management practices and technical measures to support process optimization. In parallel, it promotes water conservation through awareness campaigns and the application of water-saving technologies and equipment. These efforts ensure that conservation requirements are effectively implemented, prevent water waste caused by leakage, overflow, or dripping, and support the execution of dedicated water-saving projects to enhance comprehensive water resource management.

Improve water resource utilization efficiency

Actively enhance water efficiency in the manufacturing process, increasing production value with the same water consumption to reduce water resource waste.

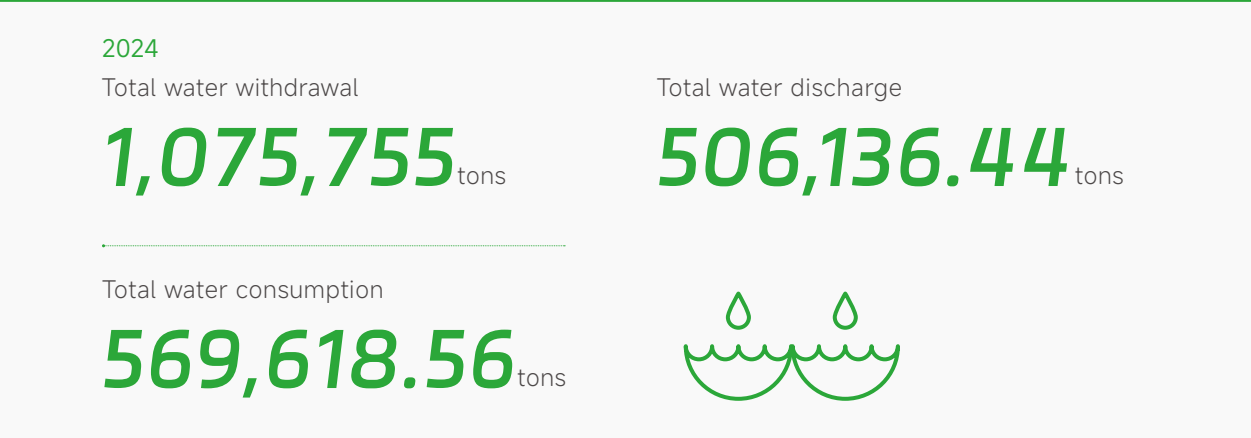### Strengthen water resource management

Regularly inspect pipelines, valves, and water storage equipment, promptly repair leaks, and intensify production water monitoring to achieve precise management of water resource use.

Learn from best practices in water conservation

Analyze advanced water conservation cases in the industry, identify water efficiency gaps, and develop targeted optimization plans.

Indicators and Targets

2024

Total water withdrawal

1,075,755 tons

Total water discharge

506,136.44 tons

Total water consumption

569,618.56 tons

Note: Water resource consumption indicators only include data from four domestic factories that have been completed and officially put into production, excluding data from the Vietnam facility.

Emissions and Waste Management

Yonz Technology maintains stringent control over all emissions generated during R&D, production, and operational processes, including exhaust gases, wastewater, and solid waste. The Company is committed to enhancing emission treatment standards while actively pursuing process optimization and increasing investment in environmental protection facilities. These initiatives aim to reduce pollutant generation at the source, improve waste resource utilization, and actively minimize the environmental impact of its operations.

In compliance with national environmental protection laws and regulations, we conduct three-waste (exhaust gas, wastewater, and solid waste) monitoring assessments at varying frequencies throughout the year. This comprehensive approach combines internal manual monitoring, third-party assessments, and online monitoring systems to accurately reflect pollutant emission status and ensure full regulatory compliance.

Internal Manual Monitoring
We conduct regular monitoring and recording of pollution emissions according to a predetermined schedule, establishing pollution source archives to track emission status and trends.

Third-party Monitoring
We engage independent environmental testing institutions to perform monitoring and analysis of pollutant emissions through a combination of manual and automatic methods. This process determines whether emissions fall below national, industry, and local standards, enabling timely implementation of measures to ensure the effective operation of environmental protection facilities and compliance with regional total emission control requirements.

Online Monitoring
We have installed online monitoring devices linked to environmental protection departments, providing real-time, round-the-clock monitoring to ensure three-waste emissions comply with national and local requirements.

Wastewater Management

The wastewater generated in our daily operations primarily consists of production wastewater and domestic effluents, including nickel-containing wastewater, acidic and alkaline wastewater from surface treatment workshops, cleaning wastewater, mold boiling wastewater, acid recovery wastewater, circulating cooling water discharge, domestic sewage, and canteen wastewater. The Company strictly adheres to relevant laws and regulations, including the *Water Pollution Prevention and Control Law of the People's Republic of China,* the *Integrated Wastewater Discharge Standard,* and the *Emission Standard of Pollutants for Electroplating,* as well as national and local standards. We rigorously implement rainwater and sewage separation systems. Nickel-containing wastewater, acidic and alkaline wastewater from surface treatment workshops, and cleaning wastewater undergo initial treatment at our facility's comprehensive sewage treatment station before being transferred to third-party professional institutions for secondary centralized treatment. This ensures effective control and management of wastewater discharge during our operations.

Indicator	2024
Total wastewater discharge (tons)	506,136.44
– Chemical oxygen demand (COD) (tons)	8,616
– Total nitrogen (tons)	3,705
– Ammonia nitrogen (tons)	26
– Total phosphorus (tons)	124
Wastewater discharge intensity (tons/RMB 10,000 revenue)	0.6185

Note: Wastewater discharge indicators only include data from four domestic factories that have been completed and officially put into production, excluding data from the Vietnam facility, which has not yet commenced operations.

Exhaust Gas Management

The Company strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and the *Integrated Emission Standard of Air Pollutants,* while also adhering to local air pollutant emission standards specific to each production base. We maintain rigorous control over overall exhaust gas emissions from our facilities and consistently enhance standardized management practices for various types of exhaust gases, ensuring they meet emission standards after treatment by state-of-the-art exhaust gas processing equipment. For heating equipment such as aluminum rod heating furnaces and aging furnaces, we utilize clean energy natural gas combustion to reduce exhaust gas generation at the source. Exhaust gases produced by sandblasting processes are treated using pulse bag dust collectors with a 99% treatment efficiency. Acidic gases generated by surface treatment processes are managed through treatment tank surface absorption devices and forced ventilation using high-power fans. These gases are then neutralized and absorbed through alkaline water spray in filler absorption towers before controlled emission, further enhancing our effective management of exhaust gases produced across various production processes.

Indicator	2024
Total exhaust gas emissions	539,774.11
– Nitrogen Oxides (NOx) (tons)	55,601
– Sulfur Oxides (SOx) (tons)	19,103
– Volatile Organic Compounds (VOCs) (tons)	47.74
– Particulate Matter (PM) (tons)	10,203
Exhaust gas emission intensity (tons/RMB 10,000 revenue)	0.6596

Note: Exhaust gas emission indicators only include data from four domestic factories that have been completed and officially put into production, excluding data from the Vietnam facility, which has not yet commenced operations.
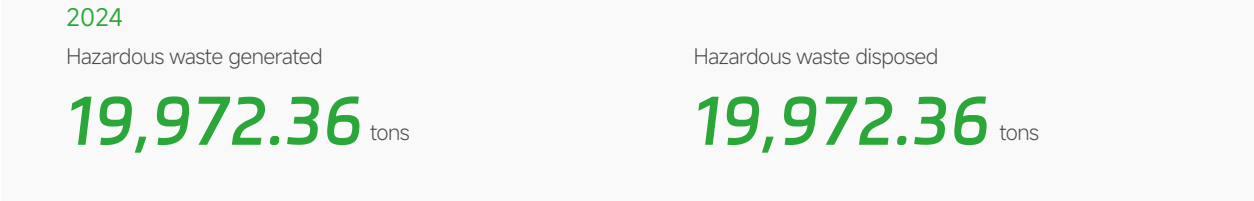
Waste Management

Yonz Technology implements rigorous waste classification and management protocols. In compliance with relevant regulations, including the *Standard for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill* and the *Standard for Pollution Control on Hazardous Waste Storage,* the Company has established a comprehensive suite of internal management systems. These include the *Hazardous Waste Environmental Management System*, which creates an all-encompassing pollution prevention and control framework. This system covers the entire lifecycle of various waste categories, from generation to collection, storage, transportation, utilization, and disposal, thereby enhancing the management of both general and hazardous waste across all operational aspects.
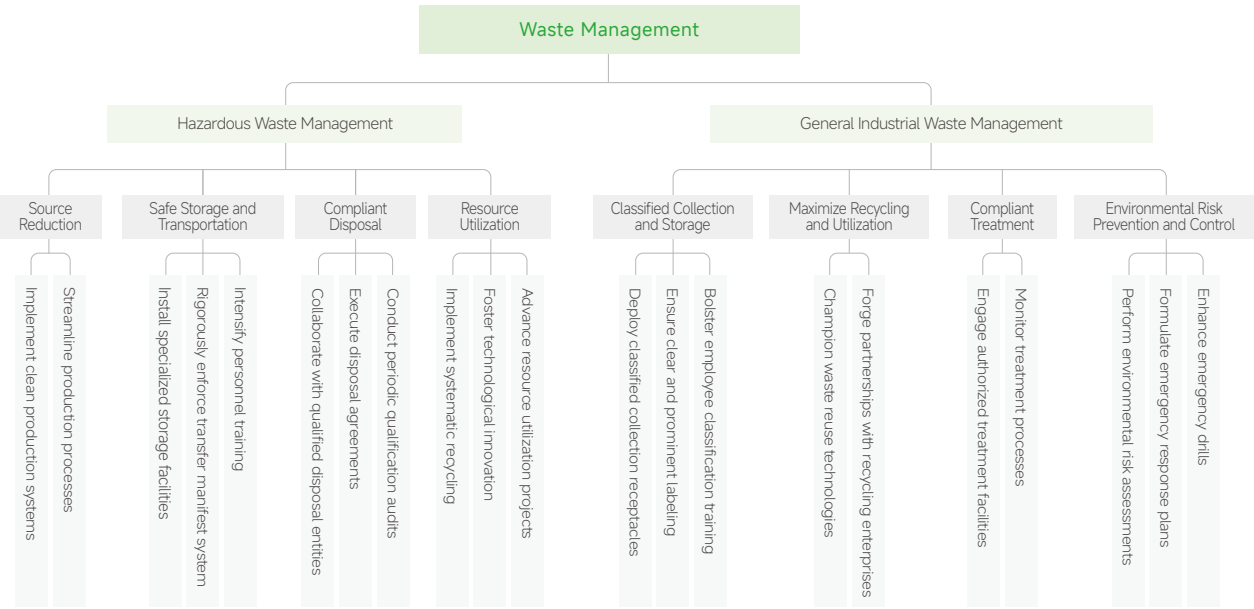
For general solid waste, the Company adheres to four core principles of waste management: "reduction, resource utilization, harmlessness, and systematization." Waste generated during production and operations undergoes classification and management through a comprehensive solid waste management ledger. This system meticulously records information on waste types, quantities, storage, and disposal, ensuring traceability and queryability of general solid waste, ultimately achieving proper utilization or harmless disposal. In terms of waste reduction, the Company proactively adopts advanced management and technical measures. These include implementing cleaner production techniques, judicious selection and utilization of raw materials and resources, and employing cutting-edge production processes and equipment to minimize solid waste generation at the source. Furthermore, the Company mandates that each workshop optimize production schedules and strictly regulate the storage and use of raw and auxiliary materials, ensuring timely utilization within their shelf life to minimize waste.

Regarding hazardous waste, the Company employs a rigorous collection and storage system based on category and nature, in full compliance with relevant regulations. Purpose-built hazardous waste storage facilities and specialized packaging containers are utilized, with clear hazardous waste identification signs prominently displayed on containers, packaging, storage facilities, and sites as mandated. To guarantee proper storage of hazardous waste, the Company assigns dedicated personnel at all production bases to conduct regular and thorough inspections, encompassing warehouse temperature, facility and equipment conditions, and waste signage and labeling.

The Company constantly explores innovative measures to reduce hazardous waste generation within its operational scope. We engage qualified third-party institutions to perform safe and environmentally sound treatment of hazardous waste, ensuring proper disposal. Concurrently, the Company enforces stringent completion of hazardous waste management ledgers, strict adherence to the transfer manifest system, and timely declaration, registration, and filing of hazardous waste management plans. Moreover, the Company conducts comprehensive and regular hazardous waste training for relevant personnel, covering topics such as hazardous waste management legislation, regulations, standards, and management systems, thereby ensuring controlled management at every stage. During the reporting period, the Company achieved a 100% compliant disposal rate for hazardous waste.

2024

Non-hazardous waste generated	Non-hazardous waste recycled	Non-hazardous waste disposed
17,463.36 tons	**15,676.24** tons	**1,787.12** tons

2024

Hazardous waste generated	Hazardous waste disposed
19,972.36 tons	**19,972.36** tons

Note: Waste emission indicators only include data from four domestic factories that have been completed and officially put into production, excluding data from the Vietnam facility, which has not yet commenced operations.

Noise Management

The Company adheres strictly to relevant noise management laws and regulations, including the *Law of the People's Republic of China on the Prevention and Control of Noise Pollution.* This ensures that boundary noise complies with environmental emission standards, effectively reducing and preventing environmental noise pollution and associated hazards.

×))	**Selection of low-noise equipment**	Prioritize the use of low-noise equipment during procurement to reduce noise generation at the source.
🚚	**Reasonable arrangement of machinery placement and operation time**	Arrange the location and operating hours of construction machinery to minimize noise impact on the surrounding environment.
((♡))	**Adoption of sound insulation, noise absorption, and vibration reduction measures**	Apply targeted measures such as sound insulation, noise absorption, and vibration reduction to high-noise equipment to reduce noise emissions.
◈	**Enhanced production management**	Ensure strict adherence to equipment operation guidelines and conduct regular maintenance to prevent abnormal noise caused by equipment malfunctions. All newly acquired equipment must comply with national environmental protection regulations.
☁	**Avoidance of nighttime construction and operations**	Strengthen construction period management and strictly prohibit construction activities during nighttime hours.
🚌	**Control of vehicle operation noise**	Select transportation routes that are away from residential areas and require drivers to limit horn usage and reduce driving speed.

Biodiversity Protection

Yonz Technology places significant emphasis on biodiversity protection throughout its production operations and project development processes. The Company rigorously follows national and local biodiversity protection laws and regulations, integrating conservation efforts across construction, production, and operational phases to maintain ecological stability and biodiversity in its areas of operation. During project planning and design stages, the Company conducts comprehensive surveys and assessments of surrounding ecosystems, guided by biodiversity protection requirements. This ensures a thorough understanding of local biodiversity characteristics and distribution patterns, enabling the avoidance of locations that could adversely affect biodiversity. Environmental impact reports are obtained in compliance with regulatory requirements. In the project construction phase, the Company meticulously implements its *Environmental Management System for Construction Projects.* All construction projects undergo rigorous evaluation of potential impacts on ecology and biodiversity during the design stage. The Company prioritizes avoidance principles, maximizing efforts to circumvent ecologically sensitive and vulnerable areas. Through the implementation of robust construction protection measures and clearly defined construction zones, the impact on local vegetation, soil, and water bodies is minimized. Throughout the reporting period, none of Yonz Technology's operational sites were located within or adjacent to protected areas or regions of high biodiversity value outside protected zones.

People-Oriented Approach for a Shared Future

Female representation in middle and senior management

24 %

Total employee training hours

49,224

Severe injury and above safety responsibility accidents throughout the year

0

Contributing to UN SDGs

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH
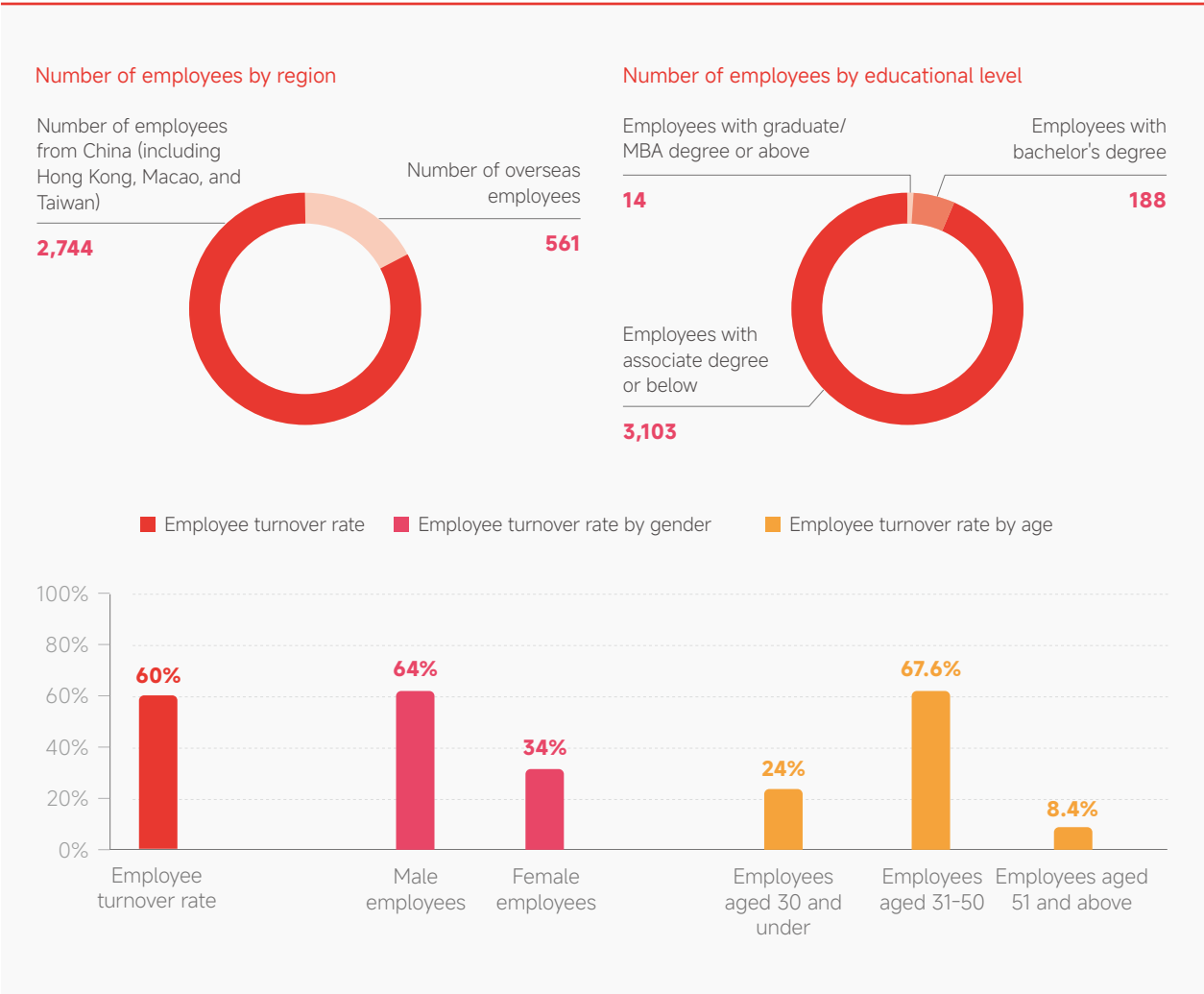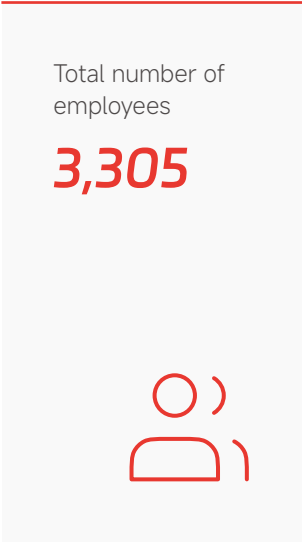
10 REDUCED INEQUALITIES

Workplace Diversity and Inclusion

Yonz Technology consistently upholds principles of diversity and inclusivity, striving to foster a workplace environment that celebrates differences and promotes equal opportunities for development. The Company is dedicated to empowering employees to fully leverage their individual strengths and achieve continuous personal growth. To this end, it has established and refined comprehensive employee recruitment and management systems, adhering to principles of equality, valuing each employee's unique contribution, actively listening to their opinions and addressing their needs, thereby ensuring a fair and respectful work environment for all.

Talent Attraction

Yonz Technology strictly adheres to international human rights norms, including the *International Bill of Human Rights,* the *ILO Conventions,* the *ILO Declaration on Fundamental Principles and Rights at Work,* and the *UN Guiding Principles on Business and Human Rights.* The Company also complies with all applicable laws, regulations, and policy requirements related to human rights protection in its overseas operational locations. Domestically, the Company rigorously follows relevant regulations and policies, including the *Labor Law of the People's Republic of China,* and the *Labor Contract Law of the People's Republic of China.* The Company has formulated comprehensive policies, such as the *Employee Handbook,* which explicitly prohibits discrimination based on gender, education, age, race, family status, religious beliefs, or cultural background. It strictly forbids child labor, opposes any form of forced or compulsory labor, and works to eliminate discrimination, workplace bullying, and harassment. The Company also prohibits the illegal collection of personal information from job applicants and respects employees' rights to freedom of association, collective agreements, and collective bargaining. These measures ensure compliant employment practices and promote fair employment opportunities for all.

Yonz Technology advocates and implements fair, non-discriminatory employment principles, having standardized its talent recruitment processes comprehensively. The Company conducts thorough compatibility assessments between candidate capabilities and job requirements, applying stringent criteria at every stage of the recruitment process, from job postings and resume screening to interviews, background checks, medical examinations, and final hiring decisions. This approach aims to create a transparent, equitable, and merit-based talent selection environment.

Total number of employees

3,305

Number of newly recruited employees
Employees recruited during the reporting period **1,829**
Newly recruited fresh graduates **13**

Number of employees by gender
Male employees **2,324**
Female employees **981**

Number of employees by hierarchical level
Senior management **11**
Middle management **85**
Frontline employees **3,209**

Number of employees by age
Employees aged 30 and under **605**
Employees aged 51 and above **298**
Employees aged 31-50 **2,402**

Number of employees by region
Number of employees from China (including Hong Kong, Macao, and Taiwan) **2,744**
Number of overseas employees **561**

Number of employees by educational level
Employees with graduate/MBA degree or above **14**
Employees with bachelor's degree **188**
Employees with associate degree or below **3,103**

- Employee turnover rate
- Employee turnover rate by gender
- Employee turnover rate by age

Employee turnover rate **60%**
Male employees **64%**
Female employees **34%**
Employees aged 30 and under **24%**
Employees aged 31-50 **67.6%**
Employees aged 51 and above **8.4%**

Labor and Human Rights Management

The Company legally establishes written labor contracts with all employees who have an employment relationship. During the onboarding process, we meticulously verify personnel information and strictly prohibit any form of child labor employment. We explicitly forbid harassment, bullying, or discriminatory behavior, and address violations seriously in accordance with the law. In 2024, the Company reported no instances of child labor or forced labor.

Additionally, we comprehensively implement collective contract signing procedures. We mandate that when formulating, modifying, or deciding on regulations or major issues directly affecting employees' vital interests, such as compensation, working hours, leave policies, occupational safety and health, special protections for female employees, insurance benefits, training, labor discipline, and workload management, these matters must be discussed by the employee representative assembly or all employees. Proposals and opinions are to be put forward and negotiated equally with the labor union or employee representatives to safeguard employees' legal rights and interests.

Employee labor contract signing rate
100 %

Social insurance coverage rate
100 %

Diversity and Equal Opportunity

The Company upholds the principles of diversity, equity, and inclusion, and actively promotes a workplace that embraces differences and fosters belonging. In all areas of employment, including recruitment, training, promotion, job transfer, and compensation, we remain steadfast in our commitment to respecting and supporting candidates and employees of all genders, ages, nationalities, educational backgrounds, marital statuses, and ethnicities. We are dedicated to ensuring equal opportunities for everyone to fully realize their talents and potential.

We have strengthened workplace protections for female employees, adopting a zero-tolerance policy towards any potential harassment or discrimination. We provide maternity leave, parental leave, breastfeeding leave, and other benefits to female employees in accordance with the law, fully safeguarding their legal rights and interests.

Percentage of ethnic minority employees	Percentage of veteran employees	Percentage of women in middle and senior management positions
5 %	**1.5** %	**24** %
Percentage of female employees returning to work after maternity leave	Percentage of female employees in technology positions	Percentage of female employees among new hires
100 %	**23** %	**35.89** %

Employee Participation and Communication

The Company highly values employee opinions and participation, encouraging staff to contribute suggestions for corporate development. We have established multiple channels for democratic communication, including employee representative assemblies, face-to-face meetings, democratic life meetings, and leadership research discussions. These forums allow us to listen to employees' voices, resolve conflicts effectively, and build consensus.

Yonz Technology is committed to creating an open, transparent, and accessible multi-channel communication platform for employees. This is primarily achieved through face-to-face conversations, bulletin boards, suggestion boxes, and internal email systems. These channels bridge communication between labor and management, fostering mutual trust and promoting harmonious labor relations. Through these diverse communication channels, the Company can promptly and accurately convey information to employees, while also receiving feedback and suggestions. Relevant departments are responsible for receiving, processing, and following up on these inputs to ensure timely and effective resolution.

Employee Communication Channels

Face-to-face conversations

This is the most direct and effective communication method. The Company encourages employees to proactively express their suggestions and ideas to management. In turn, managers are expected to listen attentively to employees' insights and opinions, actively seeking to understand and address their concerns.

Meetings

Meetings serve as forums for information sharing, work reporting, business idea exchange, and opinion expression. The Company utilizes various levels of meetings to convey important information and implement strategic policies. Key meeting types include pre-shift briefings, departmental meetings, senior management sessions, and business analysis conferences.

Bulletin boards

The Company maintains bulletin boards across various units to post relevant policies, notices, and other employee-related information. Employees are expected to regularly check these boards to stay informed about company developments and policies affecting them.

Suggestion boxes

The Company provides "suggestion boxes" and "complaint and reporting boxes" for employees to express opinions or make suggestions. These are personally reviewed by senior leadership on a weekly basis.

Telephone

Telephone remains a direct and effective means of daily communication. In addition to fixed office phones, the Company requires relevant management personnel to maintain accessible mobile phone contact.

Internal email system

The company-wide internal email system serves as a primary channel for daily work communication across different regions, departments, and stores within the organization.

Employee Care

The Company has implemented a comprehensive employee benefits system, rigorously adhering to policies and regulations such as the Regulations on Paid Annual Leave for Employees. Our system ensures statutory benefits, including annual leave and social insurance, while offering additional perks tailored to employees' needs. This approach aims to meet and exceed employee expectations, thereby enhancing their overall well-being and job satisfaction.

At the same time, we are committed to creating a workplace that supports work-life balance and responds to employees' personal and emotional needs. We actively organize a variety of cultural and recreational activities and carry out dedicated care initiatives for female employees. The Company also offers timely care and support to employees who are hospitalized, suffering from serious illnesses, or experiencing the loss of a loved one, ensuring that every employee genuinely feels valued and supported.

Holiday care for female employees on International Women's Day

Mid-Autumn Festival front-line employee appreciation

Maoshan cross-country activity

Wuhu Marathon event

Company annual meeting

Talent Cultivation and Development

The Company prioritizes talent leadership, constantly refining its personnel management system, creating clear pathways for employee advancement, and developing a comprehensive training framework. These efforts are designed to empower diverse employee growth and assist staff in achieving their personal career aspirations and professional goals.

Employee Training

Our talent development system undergoes constant enhancement, featuring a series of branded development projects tailored to the specific training needs of employees across different levels and business areas. This includes specialized programs for new hires, all aimed at strengthening the Company's talent pool.

New Employee Orientation Program

This program introduces new hires to the Company's history, business model, and management norms, ensuring swift integration and effective contribution in their roles.

Business Skills Training Program

We conduct targeted professional skills training across various business domains. This includes TTT (Train the Trainer) practical empowerment projects for internal instructors and front-line operational training in safety and environmental fields, comprehensively enhancing employees' professional capabilities.
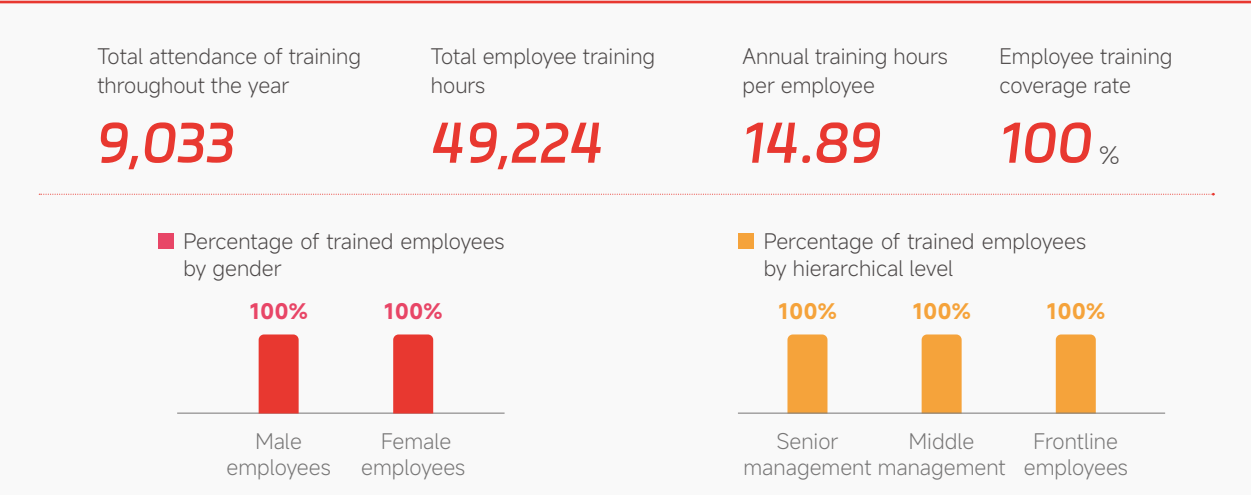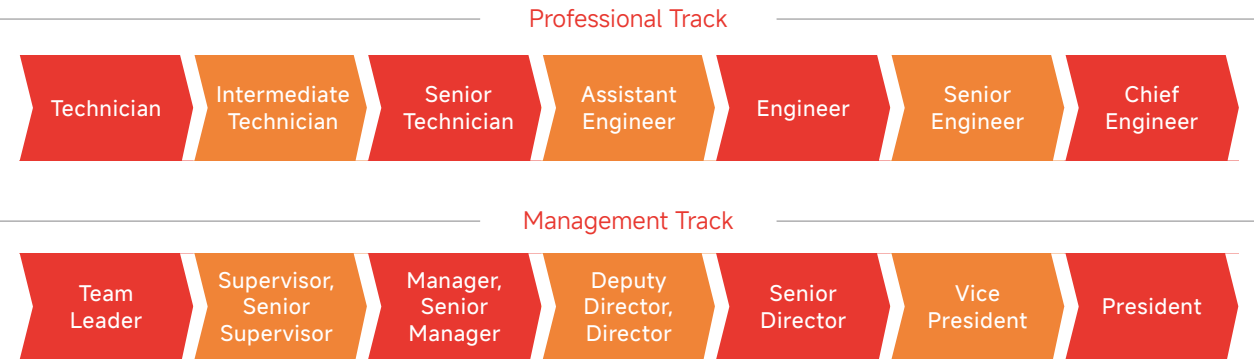

Management Capability Training Program

We engage external expert instructors to deliver cost control training to our management team, enhancing the Company's cost management proficiency in alignment with our current development trajectory.

Total attendance of training throughout the year	Total employee training hours	Annual training hours per employee	Employee training coverage rate
9,033	**49,224**	**14.89**	**100** %

■ Percentage of trained employees by gender

100% Male employees
100% Female employees

■ Percentage of trained employees by hierarchical level

100% Senior management
100% Middle management
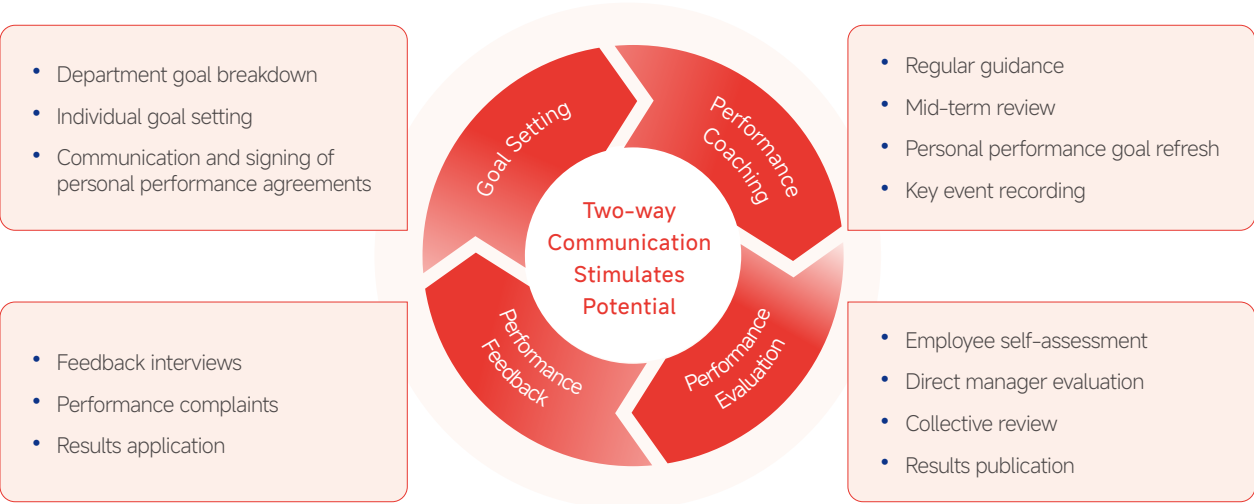**100%** Frontline employees

Employee Development

The Company consistently refines its promotion system, offering dual career tracks: professional and managerial. We clearly define job competencies required at each career stage, providing ample opportunities for employees to showcase their talents and advance their careers.

Professional Track

Technician → Intermediate Technician → Senior Technician → Assistant Engineer → Engineer → Senior Engineer → Chief Engineer

Management Track

Team Leader → Supervisor, Senior Supervisor → Manager, Senior Manager → Deputy Director, Director → Senior Director → Vice President → President

Compensation Incentives

Our compensation philosophy is rooted in market-oriented principles, ensuring both internal equity and external competitiveness. We maintain a performance-driven pay structure, incorporating 46 KPI indicators across various dimensions including operations, finance, cost management, customer satisfaction, quality metrics, and additional performance factors. We have implemented a robust employee performance appraisal system to encourage staff participation in the Company's success while fostering value creation.

The Company places high value on employee feedback and rights, providing transparent, diverse, and confidential channels for performance feedback and appeals. While constantly improving our reporting mechanisms and resolution processes, we actively address employees' concerns or dissatisfaction with performance appraisals, consistently optimizing our communication and management protocols.

Goal Setting
- Department goal breakdown
- Individual goal setting
- Communication and signing of personal performance agreements

Performance Coaching
- Regular guidance
- Mid-term review
- Personal performance goal refresh
- Key event recording

Two-way Communication Stimulates Potential

Performance Feedback
- Feedback interviews
- Performance complaints
- Results application

Performance Evaluation
- Employee self-assessment
- Direct manager evaluation
- Collective review
- Results publication

Educational and Qualification Support

The Company actively encourages and supports employees' pursuit of professional certifications and continuous learning. Through a system of incentive subsidies, we aim to enhance their professional competencies. We have established policies such as the *Notice on Providing Job Subsidies for Safety Management/Special Operations Personnel*, which clearly outlines reward standards for employees obtaining professional certifications. Upon successful certification, employees can receive additional job subsidies and support, fostering ongoing professional development and growth.

Occupational Health and Safety

Yonz Technology rigorously adheres to relevant laws and regulations, including the *Law of the People's Republic of China on Work Safety*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Regulations on the Safe Management of Hazardous Chemicals*, and the *Provisions on the Supervision and Administration of Occupational Health at Work Sites*. Furthermore, the Company complies with the ISO 45001 Management System requirements, establishing and enhancing its occupational health and safety management system. We consistently refine our policies and procedures, such as the *Safety Production Responsibility System Management System, Safety Production Inspection System, and Occupational Hazard Prevention and Control Management System*. Through daily supervision and inspections, we prioritize health and safety in our operations, ensuring both production safety and employee well-being.

Production facilities achieving ISO 45001 Occupational Health and Safety Management System certification	Total investment in health and safety:
2	RMB **6.2727** million
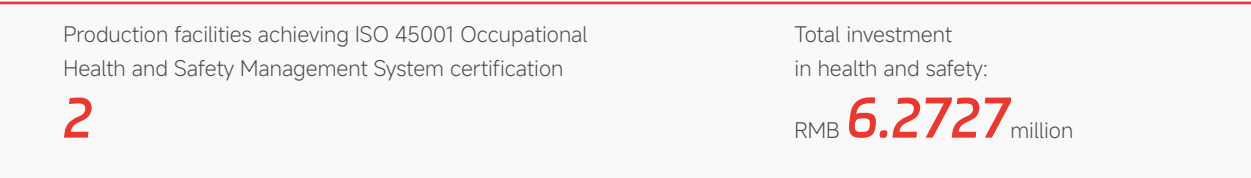
Safety Production Responsibility System

The Company has implemented a comprehensive safety production responsibility system with clearly defined roles across all organizational levels. This system, spearheaded by the General Manager, promotes occupational health and safety throughout the organization. Department heads sign safety production responsibility statements that outline specific tasks and responsibilities for both the General Manager and various business units. Safety production targets are integrated into the annual performance evaluations of key personnel. We also maintain an accountability system that imposes performance penalties and assigns responsibility for failing to meet targets or involvement in major safety incidents.
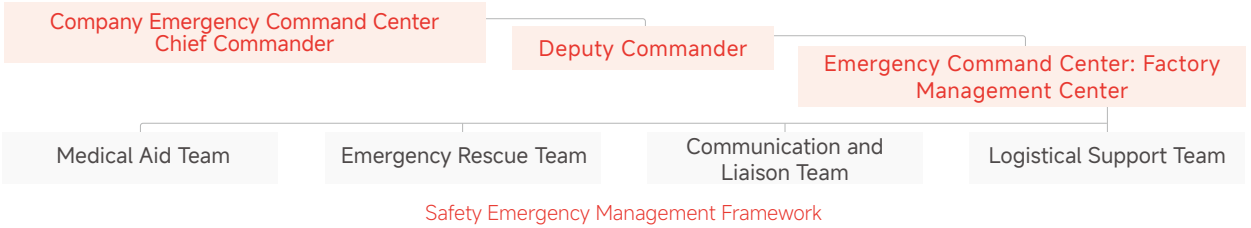
Severe injury and above safety responsibility accidents	Minor injury responsibility accidents	Fire responsibility accidents	Occupational disease incidence rate
0	**1**	**0**	**0** %

Safety training and certification rate for key responsible persons, safety management personnel, and special equipment operators	Regular inspection pass rate for special equipment	Safety production standardization compliance rate
100 %	**100** %	**100** %

Addressing Safety Risks

The Company developed the *Hazard Source Management System and Major Hazard Safety Management System* to standardize hazard identification and evaluation processes. These systems clearly define operational requirements, including risk avoidance, reduction, and acceptance measures. We conduct thorough safety risk identification across all units, perform risk assessments and grading for identified hazards, and adjust risk levels and control measures in real-time based on current circumstances. This ensures comprehensive safety risk management throughout our business operations.

Moreover, the Company has established a safety hazard reporting reward mechanism, incentivizing employees to identify and report potential safety issues. This includes reporting violations by external parties on company premises and internal hazard reports through official channels. This initiative fosters a culture where "everyone is a safety officer," promoting company-wide vigilance.

Safety Emergency Management

The Company has implemented robust emergency management systems, including the *Emergency Rescue Plan Management System, Safety Accident Management System, and Comprehensive Emergency Plan for Production Safety Accidents*. Each factory has an emergency command center overseeing specialized teams for rescue, communication, medical aid, and logistics. A 24-hour emergency hotline ensures swift response to safety incidents. We have developed a comprehensive emergency plan for production safety accidents and equipped our facilities with essential emergency rescue equipment. Regular checks and updates of emergency resources are conducted, along with organized emergency drills and exercises.

Company Emergency Command Center Chief Commander	Deputy Commander	Emergency Command Center: Factory Management Center

Medical Aid Team	Emergency Rescue Team	Communication and Liaison Team	Logistical Support Team

Safety Emergency Management Framework

Safety Culture Development

The Company places a strong emphasis on fostering a robust corporate safety culture, dedicated to constantly enhancing safety awareness among all employees. We rigorously implement comprehensive safety training and education programs, tailoring activities to various personnel categories and practical needs. Regular safety knowledge lectures and skill training sessions are organized to improve employee safety awareness and competence. Furthermore, the Company actively conducts Safety Culture Development Month activities, organizing diverse events such as safety knowledge competitions to reinforce employees' safety consciousness.

A total of **8,548** attendances were recorded in occupational health and safety training, with a cumulative training duration of **1,100** hours.

Fire safety drills

Hazardous Chemical Management

The Company adheres strictly to the ISO 45001 Occupational Health and Safety Management System, ensuring compliance with relevant chemical safety laws and regulations in both domestic and international operational locations. Embracing a management philosophy of continuous improvement in health and safety performance, we implement rigorous controls on chemical use throughout the entire product lifecycle. The Company regularly conducts hazardous chemical compliance inspections, reviewing supplier qualifications, transportation permits, vehicle and driver credentials, escort personnel qualifications, and the completeness of vehicle emergency equipment. We perform periodic inspections of hazardous chemical storage facilities, examining storage methods, ventilation systems, emergency facilities, safety monitoring equipment, and hazardous chemical inventory records. Furthermore, the Company conducts scheduled hazardous chemical training and emergency drills for chemical spills, covering topics such as chemical properties, emergency measures, storage requirements, and Material Safety Data Sheets (MSDS).

Community Engagement

The Company actively fulfills its corporate citizenship responsibilities by focusing on socially vulnerable groups and proactively participating in various charitable and voluntary service activities. Through these practical actions, we aim to give back to society and enhance the sense of well-being among the general public.

Key Performance Table

Indicator	Unit	2024
Economic Performance		
Total assets	billion RMB	10.757
Operating revenue	billion RMB	8.183
Net profit attributable to shareholders of the listed company	billion RMB	0.268
Basic earnings per share	RMB/share	1.29
Total tax payment	billion RMB	0.137
Corporate Governance		
Proportion of independent directors	/	33.33%
Proportion of female directors	/	44.44%
Major litigation cases related to corruption, bribery, or unfair competition	cases	0
Information leakage incidents	cases	0
Environmental Management		
Total investment in environmental protection	million RMB	16.3925
Proportion of total environmental investment to revenue	/	0.20%
Number of major environmental incidents	times	0
Energy Utilization		
Natural gas	10,000 cubic meters	3,844.93
Diesel	tons	181.90
Purchased electricity	10,000 kWh	34,454.64
Total comprehensive energy consumption	tons of standard coal	95,549.57
Comprehensive energy consumption intensity	tons of standard coal/RMB 10,000 of revenue	0.1168
Greenhouse Gas Emissions		
Direct greenhouse gas emissions (Scope 1)	tons of CO_2 equivalent	87,878.00
Indirect greenhouse gas emissions (Scope 2)	tons of CO_2 equivalent	184,883.58
Total greenhouse gas emissions	tons of CO_2 equivalent	272,761.58
Greenhouse gas emission intensity	tons of CO_2 equivalent/RMB 10,000 of revenue	0.3333
Water Utilization		
Total water intake	tons	1,075,755
Total discharge volume	tons	506,136.44
Total water consumption	tons	569,618.56
Waste Discharge		
Non-hazardous waste generation	tons	17,463.36
Volume of non-hazardous waste recycled	tons	15,676.24
Proportion of non-hazardous waste recycled and reused	/	89.77%
Volume of non-hazardous waste disposed	tons	1,787.12
Hazardous waste generation	tons	19,972.36
Volume of hazardous waste disposed	tons	19,972.36

Indicator	Unit	2024
R&D Innovation		
R&D investment	billion RMB	0.454
R&D investment as a percentage of operating income	/	5.55%
Number of cumulative licensed patents	items	173
Number of newly granted patents	items	36
Number of R&D staff	persons	252
Proportion of R&D personnel	/	7.62%
Supply Chain Management		
Total number of suppliers	companies	108
Suppliers in China (including Hong Kong, Macao and Taiwan)	companies	108
Number of suppliers certified to quality management systems	companies	72
Number of suppliers certified to occupational health and safety management systems	companies	23
Number of suppliers certified to environmental management systems	companies	15
Percentage of suppliers that signed Integrity Agreement	/	100%
Number of suppliers penalized for economic, social, or environmental violations	companies	0
Product Quality		
Product recall incidents	times	0
Product qualification rate at delivery	/	99.71%
Employment		
Total number of employees	persons	3,305
Proportion of female employees	/	29.68%
Proportion of ethnic minority employees	/	5.00%
Labor contract signing rate	/	100%
Social insurance coverage rate	/	100%
Proportion of female employees returning to work after maternity leave	/	100%
Employee turnover rate	/	60%
Employee Training		
Employee training coverage	/	100%
Total employee training hours	hours	49,224
Occupational Health and Safety		
Total investment in health and safety	million RMB	6.2727
Proportion of total investment in health and safety to revenue	/	0.08%
Occupational disease incidence rate	/	0%
Number of serious and above safety liability incidents throughout the year	cases	0
Number of minor safety liability incidents throughout the year	cases	1
Total attendance in occupational health and safety training	participations	8,548
Total hours of occupational health and safety training	hours	1,100

Index Table

Instructions for Use

Yonz Technology has reported the information referenced in this index for the period from April 2024 1 to April 2024 31, in accordance with the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) and with reference to the GRI Standards.

Report Content		Topics under the Sustainability Reporting Guidelines	GRI Standards 2021 (Plan of reference)
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About Yonz Technology		/	2-1,2-6,2-23
Sustainable Development Management		Stakeholder Communication	2-9,2-13,2-14,2-16,2-29,3-1,3-2,3-3
Recycled Aluminum Frames: Illuminating a Green Future for the Photovoltaic Industry		Climate Change Tackling,Waste Disposal	302-5
Efficient Governance and Sustainable Growth	Corporate Governance	Due Diligence	2-10,2-12,2-27,2-15
	Risk and Compliance Management	Due Diligence	2-27,207-1,207-2,419-1
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	Responsible Products	Safety and Quality of Products and Services	416-1,203-2,3-3
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About This Report		/	2-2,2-3

About This Report

This report is the first Environmental, Social, and Governance (ESG) report (hereinafter referred to as "the report") publicly released by Yonz Technology Co., Ltd. This report is prepared in accordance with the principles of objectivity, openness, and transparency, and aims to disclose Yonz Technology's sustainability philosophy, management practices, and key performance results for 2024 to its stakeholders.

Reporting Scope
- Organizational Scope: The scope of this report aligns with that of the annual consolidated financial statements of the Company.
- Time Range: This report covers the period from January 1, 2024, to December 31, 2024. Some content may be extended beyond this timeframe as deemed appropriate. This report is an annual report.

Definition of Terms
- For ease of expression and reading, Yonz Technology Co., Ltd. is referred to as "Yonz Technology," "the Company," or "we" in this report.

Reporting Principles
- This report has been compiled according to the GRI Standards by the Global Reporting Initiative (GRI), *Guidelines No. 1 of the Shanghai Stock Exchange for the Self-Regulation of Listed Companies — Standardized Operation (2023), Guideline No.14 of the Shanghai Stock Exchange for the Self-Regulation of Listed Companies — Sustainability Reporting (Trial), Guidelines No. 4 of the Shanghai Stock Exchange for the Self-Regulation of Listed Companies — Preparation of Sustainability Reports (Draft for Comments),* and the United Nations Sustainable Development Goals (SDGs).

Source of Information
- All the information and data used in the report are sourced from the Company's official documents statistical reports, and financial statements, as well as information on sustainable development practices of each that have been gathered and reviewed by the relevant functional departments of the Company. Unless otherwise specified, all monetary amounts mentioned in this report are measured in RMB.

Assurance of Accuracy
- The Company assures that this report contains no false records, misleading statements, or significant omissions, and is accountable for the authenticity and accuracy of its content. This report has been reviewed by the Company's Board of Directors and is being publicly released.

Report Access & Contact
- The electronic version of this report is available on the following websites: Shanghai Stock Exchange (http://www.sse.com.cn); and Yonz Technology's official website (http://www.yonz.com)
- If you have any questions regarding this report, please feel free to contact us through the following channels:

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