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About this report

This is the first Environmental, Social and Governance (ESG) report (hereinafter referred to as "the report") released by Sanyou Corporation Limited (hereinafter referred to as "Sanyou Lianzhong", "the Company" or "We/we"). The report is based on objectivity, standardization, transparency, and comprehensiveness. It details the Company's practices and performance in environmental, social, and corporate governance for the year 2024. We aim to use this report to enhance communication with stakeholders and jointly advance sustainable development.



Scope of the report

The reporting period covers from January 1, 2024, to December 31, 2024. The policies and information in the report cover Sanyou Lianzhong and its controlled subsidiaries. The scope of the report is consistent with the Company's annual report.



Preparation guidelines for the report

The report is prepared with reference to the Global Reporting Initiative (GRI) Standards 2021, the SASB Standards for the Electrical & Electronic Equipment industry, and the UN's Sustainable Development Goals (SDGs). Additionally, it follows the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation), Self-Regulatory Guidance No. 3 for Companies Listed on Shenzhen Stock Exchange—Preparation of Sustainability Report. It adheres to the principle of consistency with the annual report in disclosing ESG-related information. For details on the identification of material issues and the definition of reporting boundaries, please refer to the "Double Materiality Assessment" section.

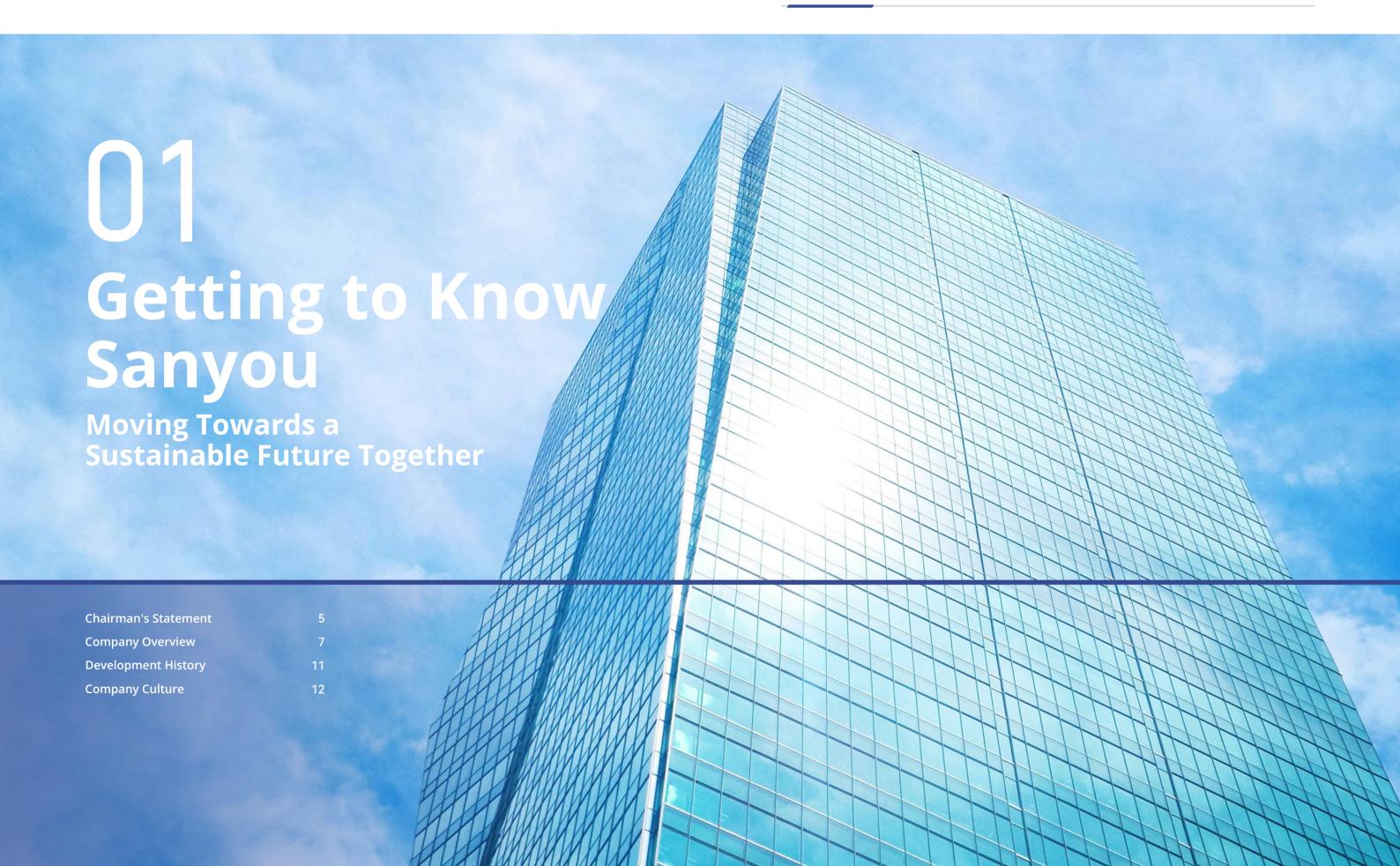


Interpretations

Items	Interpretations
Sanyou Lianzhong, the Company, We/we	Sanyou Corporation Limited
Mingguang Sanyou	Mingguang Sanyou Electronics Co., Ltd.
Ningbo Yongyou	Ningbo Yongyou Electronics Co., Ltd.
Sanyou Power Technology	Mingguang Sanyou Power Technology Co., Ltd.
Sanyou Equipment	Dongguan Sanyou Intelligent Equipment Technology Co., Ltd.
Sanyou Auto	Dongguan Sanyou Automobile Electric Appliance Co., Ltd.
Sanyou Precision	Dongguan Sanyou Precision Products Co., Ltd.
Ningbo Precision	Ningbo Yongyou Precision Products Co., Ltd.
Hangzhou Qiyou	Hangzhou Qiyou Metal Materials Co., Ltd.
Dangshan Sanyou	Dangshan Sanyou Electric Appliance Co., Ltd.
Mingguang Power	Mingguang Sanyou Electric Power Equipment Co., Ltd.
Mingguang Sanshun	Mingguang Sanshun Intelligent Technology Co., Ltd.
Qingxian Zeming	Qingxian Zeming Langxi Electronic Devices Co., Ltd.
Sanyou North America	Sanyou Electrical Appliances (North America) 2011 Inc
Sanyou Korea	주식회사산유코리아
Sanyou Europe	Sanyou Electrical Appliances GmbH

Items	Interpretations
Sanyou Vietnam	CÔNG TY TNHH THIẾT BỊ ĐIỆN SANYOU(VIỆTNAM)
Kairuisi	Hebei Kairuisi Electronic Technology Co., Ltd.
TCFD	TCFD - Task Force on Climate-related Financial Disclosures. Established by the Financial Stability Board (FSB), this framework aims to helps companies identify, assess, and disclose the financial impacts of climate-related risks and opportunities.
SDG	SDGs - Sustainable Development Goals. A set of 17 global goals established by the United Nations, covering economic, social, and environmental dimensions of sustainable development.
UL	UL - Underwriters Laboratories Inc. Electronics certified by UL can be freely sold in the U.S. market, while non-certified products face restrictions in most states. Due to its authority, UL certification is widely recognized in many countries.
VDE	VDE - Verband Deutscher Elektrotechniker. A leading German authority for electrical equipment and components. Products certified by VDE are legally recognized in Germany.
TÜV	TÜV - Technischer Überwachungs Verein. The TÜV mark is a safety certification for components, widely accepted in Germany and other European countries.
CNAS	CNAS - China National Accreditation Service for Conformity Assessment. Authorized by China's Certification and Accreditation Administration (CNCA) under the Regulations of the People's Republic of China on Certification and Accreditation, CNAS is the national accreditation body responsible for certifying agencies, laboratories, and inspection bodies.
RoHS	RoHS - Restriction of Hazardous Substances. It is a mandatory standard enacted by the European Union. Officially implemented on July 1, 2006, it primarily regulates the materials and processes used in electrical and electronic products to protect human health and the environment better.
REACH	REACH - Registration, Evaluation, Authorization, and Restriction of Chemicals. An EU regulation for the preventive management of chemicals entering the market, ensuring safety and environmental protection.
POPs	POPs - Persistent Organic Pollutants. An EU regulation implementing the Stockholm Convention, banning production, restricting use, and enhancing waste management of toxic chemicals.
SVHC	SVHC - Substances of Very High Concern. A list of harmful chemicals under REACH requiring authorization, including carcinogens, mutagens, reproductive toxins, and persistent pollutants.
RAPEX	RAPEX - The EU Rapid Alert System for Dangerous Non-Food Products. An EU rapid notification and market surveillance system for hazardous non-food products.
TSCA	TSCA - Toxic Substances Control Act. A U.S. EPA regulation governing industrial chemicals, covering production and distribution.
ELV	ELV - End-of-Life Vehicles. An EU directive mandating environmentally friendly disposal of vehicles to reduce waste.
CE	CE - Conformité Européenne. Products entering the EU market must bear the CE mark, indicating compliance with EU directives and conformity assessment procedures.
QCC	QCC (or QC Circles) - Quality Control Circles. Also known as quality circles, these are employee-led groups that identify, analyze, and solve workplace problems through regular meetings.
Company Law	Company Law of the People's Republic of China
Securities Law	Securities Law of the People's Republic of China

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Chairman's Statement

Amid the surging global tide of sustainable development, the electronic components industry, as the bedrock of the technology sector, shoulders a dual mission of driving technological innovation and fulfilling social responsibility. Relays, transformers, and inductors serve as core components in this field, are embedded in multiple areas, including household appliances, smart meters, industrial controls, smart homes, automotive manufacturing, new-energy systems, and photovoltaic applications. Every single relay is closely connected to human life and production. In pursuing technological breakthroughs and industrial upgrading, we firmly recognize that long-term corporate growth depends on harmonious coexistence with the environment, positive social engagement, and continuous corporate governance improvements. Sustainability is no longer mere compliance-it is our core strategy and growth engine for high-quality development.

In this era of opportunity and challenge, Sanyou Lianzhong remains committed to its mission: "We create value for customers, investors and society, whilst furnishing employees with better remuneration and benefits". Guided by the philosophy of "Customer-centered, starting with customer demand and ending up with customer satisfaction", we advance steadily along the path of independent R&D and vertical industrial integration.

Pursuing sustainable development and strengthening environmental management capabilities

We pursue an environmentally friendly, low-carbon development model and continuously strengthen our environmental management capabilities. We adhere to the quality policy of "Increase the quality, decrease the cost, exceed the expectation". Strictly aligning with all international environmental regulations, we practice "green, eco-friendly, and energy-efficient" principles in product R&D and manufacturing, strive



Seizing market opportunities created by new-energy applications and growing demand for green products, we have incorporated low-carbon relay R&D into our core technology strategy to upgrade products towards greater eco-efficiency. In response to national initiatives promoting an eco-friendly and resource-efficient society, we continuously advance energy-saving and emission-reduction measures, advocate green and low-carbon lifestyles, intensify environmental-risk prevention and remediation, and promote green-factory construction. Sanyou Lianzhong has been officially recognized as a Guangdong Provincial Green Factory, and we have conducted carbon-footprint accounting for selected products for ecological improvement.

Working with suppliers to build a platform of trust and mutual development

We view the supply chain as a community of shared futures with the enterprise. We uphold the principle of "communication and collaboration" with suppliers, forge strategic partnerships, and build a platform of trust and mutual development. A comprehensive procurement strategy and supplier management system enables full online data coverage of the purchasing process. Leveraging data, we align supplier resources with our strategic development, ensuring high-quality matching. Close supplier collaboration creates a sustainable, win-win value chain.

We strictly enforce a conflict-minerals management mechanism, guaranteeing a 100% conflict-free supply chain and enhancing transparency and traceability.

Actively fulfilling social responsibilities

Guided by the management philosophy of "people-oriented, employees first", we attach great importance to employee care and occupational health. Talent strategy is a corporate priority. We continuously optimize personnel structure and strengthen talent development. We have established a three-tier talent development system, comprising an Industrial Academy, Management Academy, and Vocational Academy, which covers rapid onboarding for new hires, sustained capability growth for key staff, and high-efficiency empowerment for managers, creating a full-career-cycle talent platform that enables employees and the Company to grow together. In addition, we actively engage in public welfare, contributing to disaster relief, poverty alleviation, and support for the elderly and children, spreading warmth through love and action.

Compliance governance and Standardized Operations for Stable Development

We remain committed to the governance principles of compliance, standardized operations, scientific decision-making, and prudent business conduct. We strive to build a governance system that is well-structured, clearly defined, efficient, and effectively balanced, protecting the legitimate rights and interests of the Company and all shareholders—especially minority shareholders. We continuously optimize governance structures, fulfill information disclosure obligations, enhance investor communication, and strengthen internal controls and auditing, embedding the concept of lawful and compliant operations deeply into our development strategy.

Looking ahead, Sanyou Lianzhong will continue to pursue its corporate mission and vision, staying true to its original aspirations, operating lawfully and managing scientifically. We will work even more closely with all stakeholders to build intelligent, digital green factories and achieve sustainable, high-quality development.

> Sanyou Corporation Limited Chairman Song Chaoyang



Company Overview

Sanyou Corporation Limited is a high-tech enterprise specializing in the R&D, manufacturing, and sales of relays, transformers, magnetic materials, inductors, and other electronic components, as well as one of China's Top 100 Electronic Components Enterprises. The Company was listed on the Shenzhen Stock Exchange (Growth Enterprise Board) in January 2021. It operates 13 subsidiaries and four sub-subsidiaries, employing over 3,000 employees. According to the survey data of the China Electronic Components Industry Association, the Company has been ranked among China's Top 100 Electronic Components Enterprises for eight consecutive years. It has maintained the second-highest sales in the relay sector for multiple years.





Upholding the corporate mission of "We create value for customers, investors and society, whilst furnishing employees with better remuneration and benefits.", we are committed to building Sanyou Lianzhong into an enterprise with firstclass quality, world-leading excellence, and a century-long legacy.















Ningbo Yongyou





Kairuisi







Sanyou Vietnam



Sanyou Equipment

Sanyou Auto

Sanyou Percision

Household Appliances

Control functional switches and mode switching for air conditioners, refrigerators, and small household appliances to ensure stable operation of equipment.



Used for electricity meter measurement and monitoring, detecting anomalies in power systems, and ensuring the safety of electrical equipment.





Monitor and respond to changes in electrical parameters (e.g., current, voltage) to enable automatic regulation of electrical equipment and traffic signal control.

Photovoltaic & Energy Storage

Ensure stable operation of new energy power generation, storage, and optimize circuit resonance and filtering to achieve intelligent control and protection, ensuring superior system stability and performance.



Industrial Control



Control circuit switching and signal conversion in industrial automation production lines and equipment to ensure stable operation and improve production efficiency.

Telecommunications



Amplifie, convert, and control signals in communication base stations to guarantee stable signal transmission.



Smart Home

Enable intelligent control of home devices, such as remote switching, timed control of appliances, and smart lighting adjustment.

Automotive Manufacturing





Used for circuit protection, intelligent control, current monitoring, isolation control & safety protection, EMI suppression, enabling system protection, monitoring, and anti-interference capabilities.





Control functions such as windows, seats, and wipers for all types of vehicles. In new energy vehicles, manage battery charging/discharging, e-drive and air conditioning thermal management systems.

Used for circuit protection, intelligent control, current monitoring, fault diagnosis, isolation control & safety protection, EMI suppression, enabling system protection, monitoring, and antiinterference capabilities.

speed communication, enabling system protection, monitoring, and anti-interference capabilities.

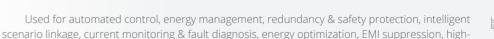


Robotics



Used for motor drive control, power switching & redundancy protection, signal isolation & logic control, current monitoring & fault diagnosis, isolation control & safety protection, EMI suppression, enabling system protection, monitoring, and anti-interference capabilities.

Smart Agriculture









Development History

2008

Dongguan Sanyou Electric Co., Ltd. was established.

2009

Ningbo Yongyou was established. Shenzhen branch was established.

2010

Sanyou Power Technology was established. Sanyou Lianzhong was recognized as a national high-tech enterprise.

2015

Sanyou Lianzhong acquired Hangzhou Oiyou and was awarded as the Guangdong Outstanding Enterprise

2014

Sanyou Lianzhong Laboratory was accredited by the national CNAS laboratory.

2011

Sanyou Korea and Sanyou North American were established.

2018

Sanyou Lianzhong was awarded "National Patent Advantage Enterprise".

2019

Sanyou Lianzhong No.2 Industrial Park started construction.

2020

Mingguang Power was established.



2024

Sanyou Vietnam was established and put into production.

2023

Sanyou Lianzhong acquired land for new headquarters building.

2022

Sanyou Lianzhong No.2 Industrial Park put into production. Sanyou Lianzhong was awarded "Smart Manufacturing Demonstration Factory" by MIIT.

2021

Sanyou Lianzhong listed on the Growth Enterprise Market of SZSE. Sanyou Lianzhong acquired Qingxian Zeming.

Company Culture

Corporate Vision

Establishing first-class quality, striving for the best in the world and building Sanyou a century-old enterprise

Corporate Mission

We create value for customers, investors and society, whilst furnishing employees with better remuneration and benefits

Core Values

and Devotion

Customer Satisfaction,

Lifelong Learning, Innovation

and High-Efficiency, Probity



Corporate Spirit

Keep forging on and never give in; pursuit for reform and never ceasing

Management Policy

Customer-centered, starting with customer demand and ending up with customer satisfaction

Code of Conduct

Dedication, Honesty, Unity, Innovation and Speed 3 2024 Sustainability Report Getting to Know Sanyou Sustainable Management Green Manufacturing Social Responsibility Compliance Governance 14



Strategic Leadership

Positioning of Sustainable Development Strategy

In recent years, the gradual implementation of new regulations including carbon tariffs, green legislation, and ESG ratings, companies are facing increasingly systematic and specific external requirements. For Sanyou Lianzhong, this presents not only challenges, but also an opportunity to redefine its development mode and optimize internal structure.

The Company has elevated sustainable development as a core strategy, integrating it with its core business operations. On the one hand, facing global market demands for product environmental performance, the Company needs to systematically manage its own emissions, resource utilization, and supply chain performance. On the other hand, corporate governance stability and transparency directly affect both the capital market and customers' trust.

Based on this, Sanyou Lianzhong's sustainable development strategy is centered on building "ESG-driven sustainable competitiveness". By creating a "three-tier decision-making mechanism" – centered on strategic decision-making of the ESG working group as the core, implemented by cross-departmental task forces, and executed by operational teams – the Company aims to achieve the medium- and long-term goals of "compliance disclosure, rating improvement, and long-term governance", improves its carbon asset management and green financing capabilities, and actively pursues certifications from international authoritative ESG rating agencies.

Strategic Sustainable Development Goals

Implement dimension	Target corresponds to SDGs	Future action targets	2024 Progress
Environmental protection	SDG6 Clean water and sanitation SDG7 Affordable and clean energy SDG9 Industry, innovation and infrastructure SDG11 Sustainable cities and communities SDG12 Responsible consumption and production SDG13 Climate action SDG17 Partnerships for the Goals	- Safeguard ecological red lines and maintain "zero environmental incidents", establishing a long-term mechanism for green production Deepen the recycling of plastic drainage opening materials, optimize reuse workflows, cut scrap rates, and raise resource efficiency Responding to the national "carbon peaking and carbon neutrality" strategy, build a regular management mechanism for greenhouse gas (GHG) and product carbon footprint management, dynamically assess carbon emissions, formulate scientific emission reduction paths, and drive low-carbon transition Strictly enforce environmental compliance to ensure stable, upto-standard discharge of exhaust gases and wastewater, solidifying the environmental foundation Introduce professional carbonaccounting models to standardize the carbon-management system.	- Achieved "zero" environmental pollution incidents - Recycling rate of plastic drainage opening material achieved 96.43%; Scrap rate achieved 1.43% In 2024, it has moved from scattered statistics to systematic accounting, and obtained the Scope 1-2 baseline confirmed by third parties Compliance rate of waste gas and wastewater achieved 100%.

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Implement dimension	Target corresponds to SDGs	Future action targets	2024 Progress
Social Contribution	SDG3 Good health and well- being SDG4 Quality education SDG8 Decent work and economic growth SDG12 Responsible consumption and production	- Strengthen the safety management system to prevent fire risks and achieve a "zero" fire accident Optimize occupational health protection by controlling occupational hazards at the source and attaining "zero" occupational disease events Elevate workplace safety performance, maintaining both the severe-injury and fatality rates per thousand employees at "zero", safeguarding every employee Advance environmental collaboration across the supply chain, delivering comprehensive environmental training to all suppliers and establishing a closed-loop of "training-assessment-improvement" to drive continuous upgrading of supply-chain environmental performance.	- Achieved "zero" fire accidents Achieved "zero" occupational disease event Achieved "zero" severe injuries and fatalities per 1,000 employees In April 2024, the Company carried out environmental protection training and promoted the improvement of environmental protection performance in the supply chain through closed-loop management of "training-assessment-improvement".
Corporate Governance	SDG4 Quality education SDG11 Sustainable cities and communities SDG16 Peace, justice and strong institutions	- Continuously optimize the internal risk-control system to fortify risk defenses Provide comprehensive business-ethics and integrity-culture training for all employees, integrate training outcomes into compliance assessments, and foster an atmosphere of honest and trustworthy operations.	- In 2024, Sanyou Lianzhong had built a system-led three defense lines, which significantly reduced the occurrence of accidents In 2024, the Company carried out training on business ethics and promotion of an integrity culture. The training participation and test results of class completion were incorporated into the annual compliance assessment system.

Planning of Sustainable Development Strategy

Strategy implementation requires mechanisms as the lever, projects as the vehicle, and tools as the support. Sanyou Lianzhong promotes the systematic operation and project-based advancement of the ESG framework through three dimensions: management structure, key projects, and external linkage.

Implementation dimension	Core initiatives	Strategic value
Management mechanism development	Establish a three-tier ESG management structure (Board - Cross-departmental task forces – Operational teams).	Ensure systematic ESG implementation with clear responsibilities, enhancing organizational responsiveness and internalization capabilities.
Carbon emission management system	Introduce professional models to aggregate carbon emission data and focus on high-emission processes.	Provide a database for carbon footprint disclosure, green electricity procurement, and ESG rating.
Energy efficiency and material innovation	Install IoT electricity meters, pilot alternative materials for high-emission production lines, and improve resource efficiency.	Optimize energy consumption structure and enhance energy-saving and emission control capacity of key production lines.
Green energy mechanism	Promote photovoltaic projects and green certificate procurement to address carbon border taxes for exports and customer green requirements.	Lower carbon compliance costs and increased adaptability to international markets.
International ESG synergy	Launch a green production line of "technology output" model and pilot ESG templates at the Vietnam base.	Build a green path for Chinese manufacturing overseas expansion and enhance international brand influence.
Financial and data support	Explore Sustainability-Linked Bonds (SLB) financing mechanisms.	Strengthen the linkage between ESG performance and financing.

Material issues identification



Base on stakeholder feedback data, policy benchmark, and industry benchmark, develop a prioritized list of stakeholder concerns.



Policy Benchmark

GRI Standards, the SASB Standards for the Electrical & Electronic Equipment industry, and the UN's Sustainable Development Goals (SDGs). Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation), Self-Regulatory Guidance No. 3 for Companies Listed on Shenzhen Stock Exchange—Preparation of Sustainability Report.



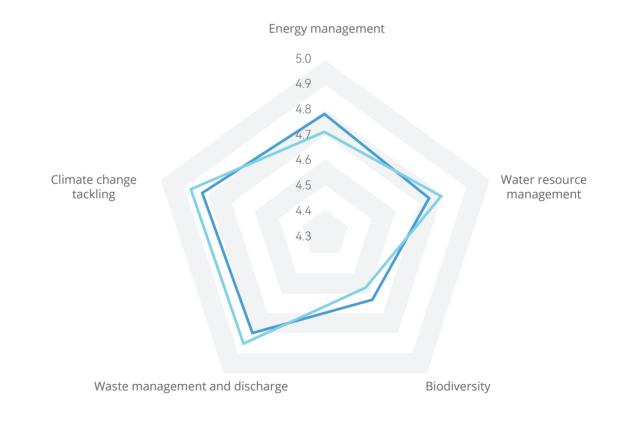
Industry Benchmark

Research global leading strategies and extract ESG practices from industry-leading companies that are suitable for the Company.

Double Materiality Assessment

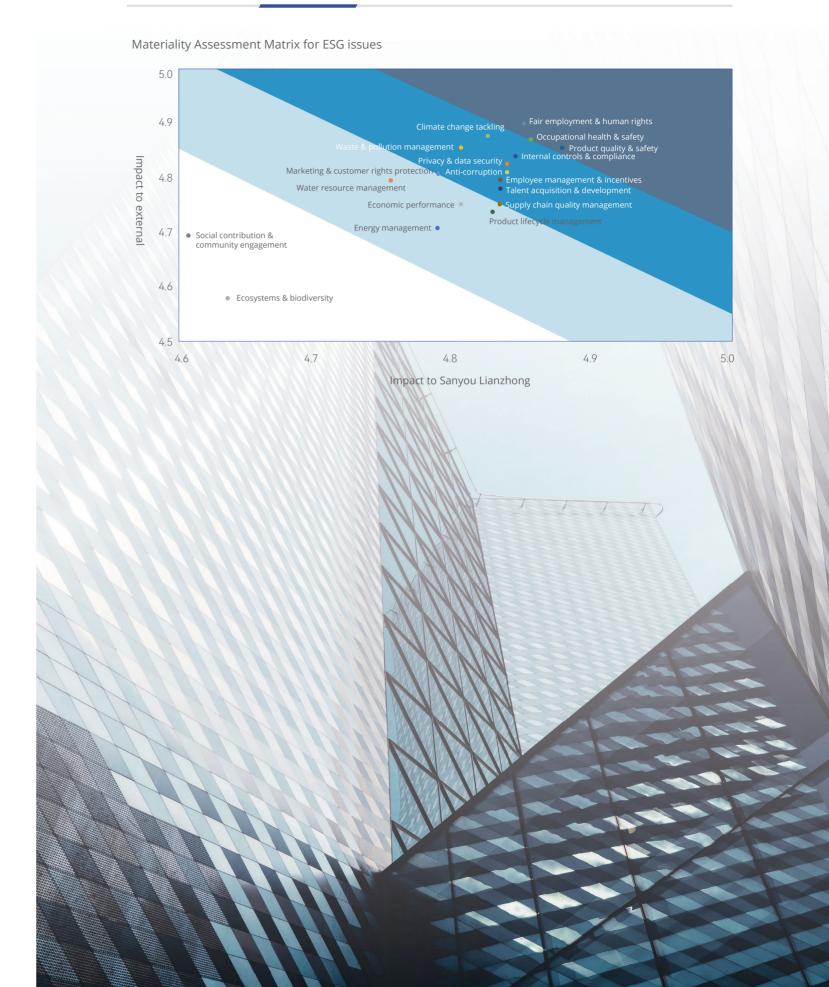
Impact Materiality

	Impact Materiality
Definition	Whether the Company's performance on a given issue has a material impact on the economy, society, and environment (Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation) Article 5)
Dimensions of impact materiality analysis	Evaluate through three aspects of the impact:



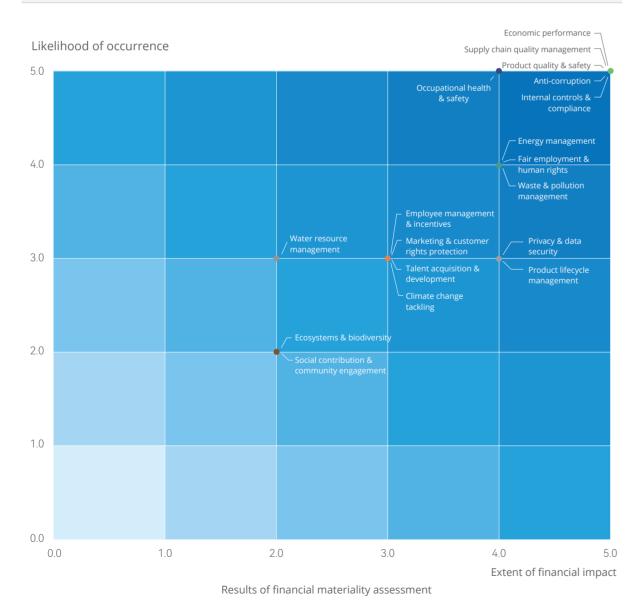






Financial Materiality

	Financial Materiality
Definition	Whether the issues are expected to have a significant impact on the Company's business model, business operations, development strategy, financial position, operating results, cash flow, financing methods, and costs over the short, medium, or long term. (Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation) Article 5)
Dimensions of impact materiality analysis	Evaluate through two aspects: • The likelihood of its occurrence • The extent of its financial impact (Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation) Article 59)



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Stakeholder Communication and Response Mechanisms

Stakeholder communication and response mechanisms

	Stak	eholder Communication Form	
Stakeholders	Concerns and expectations	Communication channels and methods	Response and actions
	Investment returns	Shareholders' meeting	Improving operating efficiency
	Information disclosure	Performance briefing, telephone, email, research, etc	Regularly releasing annual reports, announcements and other public information
Investors	Corporate governance	Easy IR platform	Standardizing corporate governance
	Comprehensive risk and compliance management system	Periodic reports and announcements	Improving and optimizing the risk management system
	Protection of rights and interests and compensation incentives	Labor union	Providing competitive salaries and benefits
	Election of employee supervisors/ directors	Employee' congress	
Employees	Career development and training	Employee satisfaction survey	Improving the career development training mechanism
	Good working environment	Training activities	Establishing a labor union to protect employees' rights and interests
	Occupational health and safety	Chairman's mailbox	Improving workplace and living conditions
			Implementing a health and safety management system
	Fair employment and human rights	Implement a supplier access and delisting mechanism	Supplier annual meeting
	Occupational safety and health	Establish a sound supplier management system	On-site supplier audits
Suppliers	Waste management and discharge	Establish a sound supplier management system	Supplier evaluation and audits
	Product quality and safety	Establish a sound supplier management system	Supplier training sessions
	Ethical cooperation	Regular meetings	Contract fulfillment
	Transparent, fair, and green supplier management	Sign supplier integrity agreement	On-site supplier audits
	Product safety and reliability	Dedicated account managers	Improving product quality
	Environmental compliance	Customer technical exchange seminar	Providing a product carbon footprint report
	Sustainable supply chain management	Customer satisfaction survey	Strictly controlling the supply chain links
Customer	Technological innovation capacity	Official websites and social media	Providing customized product services
	After-sales service system	After-sales service hotline	Improving the level of after-sales service
		Domestic and international exhibitions	,
	Information security and privacy protection	Customer questionnaire	Attaching importance to information security and privacy protection
	Operational compliance	Ongoing supervision and communications	Improving corporate governance
	Environmental management	Supervision and inspection	Strengthening compliance management
Government departments and	Employment opportunities	Regulatory information submission	Compliance with laws and regulations
regulators	Tax compliance	Exchange of official documents and information disclosure	Green production and operation
	Production safety	Policy implementation	Actively providing employment opportunities
			Actively fulfilling tax obligations
	Community engagement	Volunteering	Organizing volunteer service
Community	Building inclusive communities	Community outreach campaigns	Strengthening community development
	Charity	Charitable donations	Carrying out donation activities

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03 Green Manufacturing

Infusing Products with Green Genes

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Climate Change Tackling

The Company treats climate change tackling as the core issue of ESG environmental governance, deeply integrates sustainable development concepts and corporate strategies, identifies and evaluates climate change-related risks and opportunities faced by the Company's business, and formulates corresponding response strategies such as assessing the potential impact of extreme weather events on the Company's production facilities, supply chains and product demand, developing emergency plans and take corresponding preventive measures, actively participating in the exchange and cooperation on climate change in the industry, and jointly promoting the low-carbon development of the relay industry. At the same time, the Company explores and carries out carbon footprint accounting, quantifies its carbon emissions, and formulates carbon emission reduction goals and action plans to reduce the Company's carbon emissions gradually. By establishing a professional governance structure and formulating a scientific risk response mechanism, the Company systematically promotes climate governance, actively links up with upstream and downstream industries in the industrial chain to explore low-carbon transformation paths, implements environmental responsibilities through practical actions, and helps achieve coordinated development of enterprises and the ecological environment.

Governance



ESG management committee - overall deployment

The Company plans to establish an ESG management committee, led by senior leaders, with overall responsibility for strategic planning, policy formulation, and resource allocation to address climate change. The core responsibilities of the committee include: approving climate-risk response plans, coordinating cross-departmental emission reduction projects, ensuring the funds and technical support required for clean energy transformation, carbon footprint accounting, etc., and supervising and evaluating the overall emission reduction effectiveness.



Implementation of a multi-level execution system

Departmental ESG specialist

Set up ESG specialists in core departments such as production, R&D, and supply chain, who will be responsible for energy consumption data monitoring, emission reduction target breakdown, and carbon footprint information collection of the department, and form an execution chain of "headquarters planning-department implementation";

Subsidiary collaborative management

Each subsidiary formulates targeted emission reduction plans according to the overall requirements of the Company to address climate change, regularly reports project progress, and achieves unified scheduling and dynamic tracking of the Company's emission reduction goals;

System and process guarantee

The Company will establish and improve ESG management systems and processes, clarify standardized processes such as carbon emission monitoring, emergency plan launch, and emission reduction effectiveness evaluation, and incorporate climate governance into the Company's compliance management system.

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By the TCFD guidelines, the Company identifies climate risks in combination with the Company's business, and formulates a response strategy.

Time-horizon	Risk or Opportunity	Financial impact indicators	Impact assessment
Short term (1 year)	Extreme weather events (such as heavy rain, high temperature, and typhoons)	Operating income (lost orders due to shutdown), net profit (fixed costs remain during shutdown)	Production halts trig- gered by extreme weath- er affect quarterly profit
Medium term (1-5 years)	Rising energy costs and supply chain disruptions due to changing tempera- tures (raw material suppliers affected by climate change)	Energy/raw material costs (as part of operating costs), operating income (downstream demand volatility)	Rising energy/raw material costs, volatile downstream demand
Long term (over 5 years)	Shifts in downstream industry demand (e.g., the home appliance industry adjusting product demand due to climate change, and the new energy sector altering relay demand)	Market share (technology iteration, whether it can keep up with upstream and downstream demands), operating income (structural changes in downstream demand)	Technology iterations determine market share (new energy demand growth but need to adapt, traditional home appliance demand may decline)

Impact, Risk, and Opportunity Management

The Company systematically assesses the potential impact of climate change on the business with a focus on:

Risk dimension



Analyze the impact of extreme weather (such as high temperature and rainstorm) on production facilities and supply chain stability, and formulate emergency plans such as equipment protection and inventory redundancy; evaluate the pressure of environmental protection policy upgrades on production costs, and deploy low-carbon technology research and development in advance.

Opportunity dimension



Capitalizing on the market opportunities of new energy technology application and green product demand growth, incorporating low-carbon relay product R&D into the core technology strategy, and advancing product innovation to enhance environmental performance and efficiency.



Low-carbon and environmental management of the supply chain 🛥

The Company has established the following environmental management requirements for suppliers in the Supplier Manual. In 2024, the Company introduced three new suppliers screened against ecological and social criteria.



The Company encourages suppliers to establish an ISO 14001 Environmental Management System and obtain third-party certification, and prioritizes partnerships with suppliers that are ISO 14001 certified by third parties and have demonstrated effective implementation;



Suppliers that do not have an ISO 14001 Environmental Management System should at least implement environmental policies to ensure that all their operations and production processes comply with relevant standards, laws and regulations and international practices;



Suppliers must commit to avoiding the use of hazardous or restricted chemical substances, specifically by the Company's requirements from Environmental Hazardous Substances Control Procedures;



The Company encourages suppliers to build a QC080000 Hazardous Substance Process Management System and obtain third-party certification;



Pollution-intensive suppliers such as electroplating, acid pickling, and passivation must obtain approval from local environmental protection authorities. Suppliers should provide relevant documents such as approval for the environmental impact assessment report, environmental protection acceptance report, or pollutant discharge permit to confirm their compliance with regulations, otherwise they cannot be approved as the Company's suppliers.

In addition, Sanyou Lianzhong places strong emphasis on supplier environmental training as a key element of supply chain ESG management. The Company regularly organizes suppliers to participate in training on environmental protection regulations and empowerment. For example, the online and offline training on April 19, 2024, co-hosted by Waltek, covered global regulation analysis such as RoHS/REACH/POPs, risk material management and control, etc. Combined with a case study regarding EU RAPEX in 2023 (such as lead excess and phthalate violations), the training analyzes the risks of chemical environment regulations and emphasizes the requirements and consequences of REACH and RoHS. The Company establishes a multi-level training system, suppliers are required to comply with internal control standards (SVHC≤0.1%, RoHS cadmium <60 ppm, etc.), with penalties for non-compliance. The Company works with institutions such as Waltek to provide customized training on regulatory interpretation and testing guidance. Through a closed-loop management of "training-assessment-improvement", the Company promotes improvement in supply chain environmental performance.



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Greenhouse gas (GHG) emission monitoring and reporting

The Company has established a sound GHG emission monitoring system, regularly collecting and analyzing carbon emission data. The Company prepares annual GHG emission reports following international standards and discloses them to the public and stakeholders. In 2024, the Company obtained the PAS 2060 carbon neutrality certificate and the ISO50001 Energy Management System certification.



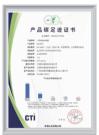




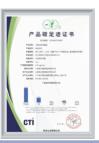


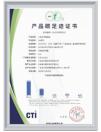


Sanyou Lianzhong was recognized as a Guangdong Provincial Green Factory. The Company also conducted carbon footprint accounting for six major products (including SFK and SIE), and verified its greenhouse gas (GHG) emissions for 2024.















Measures taken by the Company to reduce its carbon emissions

Technology upgrade

Case | Sanyou Precision

Distillation and regeneration technology for hydrocarbon cleaning agent recycling – resulting in annual savings of 14,000 liters. Hydrocarbon cleaning agents are essential industrial raw materials in metal part processing. In conventional processes, hydrocarbon cleaning agents are replaced after three days of use, consuming about 1,600 liters per month.



By introducing distillation regeneration technology, we have achieved efficient recycling of hydrocarbon cleaning agents, saving about



equivalent to saving about

tons of CO₂ emissions (calculated as 1liters of hydrocarbon ≈0.8kg CO₂) and reducing emissions significantly.

Energy saving and carbon reduction control procedure

14,000 liters per year

Case | Sanyou Power Technology

The energy conservation and carbon reduction control procedures, adopted by Sanyou Power Technology, are designed to foster a good working environment, raise employees' awareness of energy conservation and carbon reduction, and respond to the national green development policy of carbon peaking and carbon neutrality. It helps the Company's transformation towards green factories, green products, and green supply chain management enterprises, and eliminates energy waste and enforces strict conservation. This procedure applies to the management of primary energy sources such as water, electricity, natural gas, and fuel within the business unit. The division of responsibilities is clear: the department using energy is responsible for efficient use and management of energy within the department and the team; environmental health and safety monitoring department is responsible for the supervision and inspection of environmental health and safety and energy efficient utilization; the first responsible person of environmental health and safety of each department coordinates the relevant management within the department; equipment management department is responsible for supervising the overall environmental health and safety and energy efficient utilization of the business unit; and the audit department is responsible for supervision, inspection, correction and evaluation. In terms of the definition of energy use, departments using water and electricity are all business departments, and the department using fuel are primarily those managing the Company's vehicle fleet.

In the specific management regulations, electricity management is particularly important. When purchasing equipment, tools, and other materials, the Company focuses on energy-saving parameters, and purchases high-efficiency energysaving equipment after a cost-effectiveness comparison. The temperature setting of the air conditioner in summer shall not be lower than 26°C, doors and windows must be closed when running AC, and smoking is strictly prohibited indoors. It is forbidden to open on cloudy and rainy days, and the canteen air conditioner shall be used at lunch time 11:00-13:00 and dinner 17:00-19:00 only. In scenarios such as multiple air conditioners running in offices with only a few staff working overtime or during holidays, localized air conditioning and lighting should be adopted. Lighting follows the principle of on-demand use. In the morning, evening, or under low-light conditions, offices and production areas may turn on lights automatically as necessary. When staffing levels are low, only localized lighting should be used. On sunny days or under strong natural light, offices near windows should minimize the use of artificial lighting, while work areas farther from windows may adjust lighting flexibly to ensure normal operations.



New Energy Industry Deployment to Advance Green Development 🛥

The Company's new energy product portfolio addresses key green development needs, covering core scenarios such as vehicle-mounted energy, energy storage, and photovoltaic inverters. It promotes sustainable industrial development through technological innovation and environmental design.

New energy sector: safe and green solutions for vehicle-mounted and energy storage



For vehicle-mounted energy scenarios, the Company has launched SEL250 and SEL200 series products, achieving material savings through miniaturized and lightweight design. With advanced ceramic brazing and sealing technology, these products prevent arc leakage and eliminate fire/explosion risks, delivering industry-leading safety. All materials comply with environmental protection regulations such as RoHS/REACH/ELV, while the 20-year design life reduces replacement frequency and resource consumption. In the field of energy storage, the SEP350 series provides 350 A high-current capacity and superior safety to ensure the stable operation needs of the energy storage systems. Its use of eco-friendly materials and long service life characteristics provide reliable support for clean energy storage.

Photovoltaic sector: high-efficiency and energy-saving core components for inverters



For photovoltaic inverter applications, SMIA and SMIC series are designed with optimized contact gap to meet VDE0126 electrical standards, significantly reducing coil holding voltage and power consumption. The SPV200 series adopts a 4.7 mm large-gap design for 1000 VAC high-voltage environments, and features low temperature rise, helping reduce energy consumption and environmental thermal load. All series use eco-friendly materials to enhance photovoltaic system efficiency, while controlling harmful-substance emissions from the source to facilitate green transition of the photovoltaic industry.

Automotive sector: safe and energy-efficient electrical solutions



For new energy vehicles, the SARI series is designed to reduce vehicle energy consumption through miniaturization and low-power design, supporting multiple applications in both conversion-type and normally open-type configurations. SAR18 series is designed for 48 VDC start-stop battery packs, with tenfold overcurrent switching capability and short-circuit resistance to ensure battery system safety. Both products are made of environmentally friendly materials, with their 20-year durability design meeting the development needs of low-carbon and long-life in the automobile industry.

With Sanyou Auto's product series as the core, the Company has built a green product portfolio covering multiple new energy scenarios through eco-material selection, energy-saving technology, and safety-focused designs. It continues to leverage technological innovation to help the new energy industry reduce costs, improve efficiency, and achieve low-carbon development, thereby driving sustainable transformation in the energy sector.

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Class	Model	Technical advantages	Eco-friendly materials	De- signed life	Appli- cation scenario	Terminal assembly volume	Compli- ance certi- fications	Safety incidents	Patent infringe- ment
	SEL250 Series	1. Compact and lightweight design, saving materials; 2. Advanced ceramic brazing and sealing technology; 3. No arc leakage, fireproof, explosion-proof, and high safety; 4. Broad applications.	Materials comply with RoHS/ REACH/ELV, etc.	20 years	Vehicle mounted	*Refer to marketing data	China, EU ROHS REACH POPS TSCA China, EU ELV	0	0
New energy	SEL200 Series	1. Compact and lightweight design, saving materials; 2. Advanced ceramic brazing and sealing technology; 3. No arc leakage, fireproof, explosion-proof, and high safety; 4. Broad applications.	Materials comply with RoHS/ REACH/ELV, etc.	20 years	Vehicle mounted	*Refer to marketing data	China, EU ROHS REACH POPS TSCA China, EU ELV	0	0
	SEP350 Series	1. 350A 85°C long- term current-carrying capability; 2. Advanced ceramic brazing and sealing technology; 3. No arc leakage, fireproof, explosion- proof, and high safety; 4. Broad applications.	Materials comply with RoHS/ REACH/ELV, etc.	20 years	Energy storage	*Refer to marketing data	UL CE China, EU ROHS REACH POPS TSCA China, EU	0	0

Class	Model	Technical advantag- es	Eco-friendly materials	De- signed life	Application scenario	Terminal assembly volume	Compliance certifications	Safety inci- dents	Patent in- fringe- ment
	SMIA Series	1. The contact gap complies with VDE0126 and IEC62109-2-2011 standards, featuring large electrical clearance and creepage distance, reducing the coil holding voltage; 2. Saves power consumption.	Materials comply with ROHS/ REACH/ ELV, etc.	20 years	Photovoltaic inverter	*Refer to marketing data	China, EU RoHS REACH POPS TSCA China, EU ELV	0	0
Photovoltaic	SMIC Series	1. The contact gap complies with VDE0126 and IEC62109-2-2011 standards, featuring large electrical clearance and creepage distance, reducing the coil holding voltage; 2 . Saves power consumption.	Materials comply with ROHS/ REACH/ ELV, etc.	20 years	Photovoltaic inverter	*Refer to marketing data	China, EU RoHS REACH POPS TSCA China, EU ELV	0	0
	SPV200 Series	1.Large contact gap (up to 4.7mm) at 1000VAC, reducing coil holding voltage; 2. Saves power consumption; 3. Low temperature rise, environmentally friendly.	Materials comply with RoHS/ REACH/ ELV, etc.	20 years	Photovoltaic inverter	*Refer to marketing data	China, EU RoHS REACH POPS TSCA China, EU ELV	0	0

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Class	Model	Technical advantag- es	Eco-friendly materials	De- signed life	Appli- cation scenario	Terminal assembly volume	Compliance certifications	Safety incidents	Patent infringe- ment
	SARI Series	1. Compact and lightweight design, saving materials; 2. Offers conversion types and normallyopen types, with single/double relay options; 3. Low power consumption, environmentally friendly.	Materials comply with RoHS/ REACH/ELV, etc.	20 years	Vehicle mounted	*Refer to marketing data	China, EU RoHS REACH POPS TSCA China, EU ELV	0	0
Auto	SAR18 Series	1. Designed for 48VDC start-stop battery packs, featuring high- rated current and ability to switch 10x overload current (technologically advanced); 2. Strong short-circuit resistance, high safety.	Materials comply with RoHS/ REACH/ELV, etc.	20 years	Vehicle mounted	*Refer to marketing data	China, EU RoHS REACH POPS TSCA China, EU ELV	0	0

Indicators and Targets

Sanyou Lianzhong continuously monitors and analyzes on greenhouse gas (GHG) emissions across its operations to identify reduction potential, explore mitigation pathways, and formulate actionable steps for emission reduction.

Indicators	2022	2023	2024
Scope 1 (tCO₂e)	524.004	425.004	434.702
Scope 2 (tCO₂e)	24317.599	32,392.507	39,068.619
Total (tCO ₂ e)	24841.602	32,817.511	39,503.320
Scope 1 emission intensity (tCO ₂ /10k CNY)	0.003	0.002	0.002
Scope 2 emission intensity (tCO ₂ /10k CNY)	0.131	0.175	0.211
Total emission intensity (tCO ₂ /10k CNY)	0.134	0.179	0.182

Environmental Compliance Management

To strengthen the monitoring and prevention of environmental risk sources, effectively reduce the occurrence probability of environmental emergencies, and ensure rapid emergency response and effective mitigation measures to reduce environmental impact, the Company is committed to building a comprehensive emergency management system for environmental pollution incidents. According to the *Environmental Protection Law of the People's Republic of China, Emergency Response Law of the People's Republic of China* and other relevant laws and regulations, the Company developed the Environmental Emergency Response Plan to enhance the environmental risk response capability through the development of institutionalized and standardized emergency response mechanisms.

General principles: With the aim of preventing, controlling, and properly handling emergency environmental events, the plan covers eight types of situations, such as pollution-induced casualties, drinking water contamination, and hazardous chemical leaks. And it adheres to the principle of "people-first, prevention-focused, unified command, and tiered response".

Emergency organization

An emergency rescue command team has been established, led by the deputy general manager of the comprehensive administrative department (team leader) and director of the human resource department (deputy team leader), and is responsible for the incident coordination, command, evaluation, and reporting. Members are assigned roles for on-site monitoring, information collection, and logistics support.

Emergency preparation

Establish a training system for emergency teams, provide them with emergency monitoring instruments and protective equipment, and organize emergency drills once a year to test the plan's feasibility.

Response procedure

An emergency communication system is established (via telephone calls of security personnel). The emergency leading team initiates the plan after receiving the alarm. Investigation team reports pollution causes and mitigation plans within 1 hour, alongside real-time monitoring, information summary, and logistics support. After the incident, a damage assessment, accountability review and final report must be submitted within 15 days, followed by plan revisions and equipment maintenance.

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Energy Management

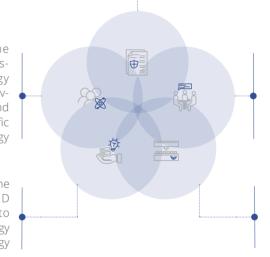
Energy Management Policy

Sanyou Lianzhong adheres to the energy management policy of "compliance-based energy consumption, scientific management, technological innovation, green manufacturing, and continuous improvement".

Compliance-based energy consumption: the Company follows relevant national energy laws and regulations as guidelines, standardizes the entire process of energy procurement and use, and upholds compliance as baseline.



Technological innovation: the Company encourages R&D and equipment upgrading to overcome bottlenecks in energy utilization and improve energy efficiency.



Continuous improvement: the Company adopts a dynamic optimization approach, regularly reviews energy management results, and iterates strategies and measures, so as to achieve long-term efficiency improvements.

Green manufacturing: the Company integrates energy conservation and carbon reduction into the entire production chain, promotes green transformation of processes to align with China's "carbon peaking and carbon neutrality" goals.

This policy serves as the core guidance for the Company's energy conservation, carbon reduction and green development.

Compliance-based Energy Consumption Scientific Management Technological Green Manufacturing Improvement Manufacturing Improvement

Dedication Honesty Unity Innovation Speed

With the "green priority and innovation-driven" as its core strategy, the Company has established a comprehensive energy management system covering energy usage, management, conservation, and training. It continues to reduce the consumption of high-polluting energy such as gasoline and diesel by systematically optimizing the energy structure. From 2022 to 2024, domestic diesel consumption decreased from 65.13 tons to 30.55 tons. The Company actively deploys photovoltaic power generation and green power procurement, and the annual green power contribution exceeds 0.91 million kWh, with cumulative green certificate purchases equivalent to 19,000MWh. The Company strictly follows the management policy of "compliance-based energy consumption, scientific management, technological innovation, green manufacturing, and continuous improvement". It has implemented multiple energy-saving renovation projects that are expected to reduce carbon emissions by several thousand tons annually, and the energy-conservation initiatives planned for 2025 alone are projected to save more than 35,000 kWh. To enhance energy-conservation awareness across the workforce, the Company has established comprehensive training system that delivers annual, organization-wide energy management programs with 100% participation. All participants are required to pass an assessment to ensure training effectiveness. These measures provide solid support for the strategic goal of sourcing over 30% of energy from clean sources by 2030, continuously advancing the transition to green manufacturing and establishing the Company as a benchmark in the industry.



Domestic diesel consumption from 2022 to 2024 decreased from 65.13 tons to





The cumulative purchase of green certificates corresponds

19,000 MWh



Actively deploys photovoltaic power generation and green power procurement, and the annual green power contribution exceeds

0.91 million kWh

Energy Usage

Aligned the national call for strengthened environmental protection, the Company actively optimizes energy structures and implements green development through practical actions. In response to high-polluting energy sources such as gasoline and diesel, the Company has actively implemented reduction measures in both domestic and overseas operations. In the domestic market, gasoline and diesel consumption had decreased from 2022 to 2024, with gasoline dropping from 53.10 tons to 49.95 tons, and diesel dropping from 65.13 tons to 30.55 tons, reducing the negative impact on the environment through active control of high-polluting energy consumption. Overseas subsidiaries simultaneously conducted the same, gasoline consumption was decreased from 0.88 tons to 0.84 tons and diesel consumption decreased from 4.29 tons to 4.15 tons in 2022-2024, demonstrating their determination to reduce highly polluting energy with unified environmental action.

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Fuel Material Category	Region	2022	2023	2024
	Domestic	56,823.00	60,846.75	72,016.34
	Canada (GJ)	94.99	94.06	92.90
Natural gas consumption (m³ or GJ)	Germany	30.26	30.11	29.43
	Korea	-	-	-
	Vietnam	-	-	-
	Domestic	65.13	35.09	30.55
	Canada	-	-	-
Diesel consumption (t)	Germany	-	-	-
	Korea	4.29	4.27	4.15
	Vietnam	-	-	-
	Domestic	53.10	49.77	49.95
	Canada	-	-	-
Gasoline consumption (t)	Germany	-	-	-
	Korea	0.88	0.88	0.84
	Vietnam	-	-	-
	Domestic	42,634.31	56,793.43	68,499.90
	Canada	7.21	7.17	7.07
Electricity consumption (MWh)	Germany	2.60	2.55	2.50
	Korea	3.45	3.41	3.26
	Vietnam	-	-	0.01

In the process of clean and low-carbon energy transformation, the Company actively deploys green power applications, and has made significant progress in green energy practice in 2024. Photovoltaic power generation, as the core source of green power, supplied 915,652 kWh for self-consumption and generated CNY 38,364.57 in sales revenue. This has helped the Company optimize its electricity mix, cut costs, and boost efficiency, while taking a decisive step in green energy development. By concrete actions, Sanyou Lianzhong is fully integrating itself into the green-development wave of the new-energy industry.

2024 Sustainability Report

Sanyou Lianzhong invested in the construction of the 2.436 MWp distributed photovoltaic power generation project in Tangxia Town, Dongguan City. The project covers both old and new plants, and installs a total of 4,164 LONGi 585W monocrystalline silicon modules, with a total installed capacity of 2,435.94 kWp. The project adopts the "enterprise investment + professional construction" model, invested by Sanyou Lianzhong, and Guangdong Rineng Electromechanical Purification and Decoration Engineering Co., Ltd. handled the entire process, including project registration, grid-connection application, design, construction, acceptance, and grid connection. In terms of technology application, the average annual peak sunshine hours at the project location are about 1,312.50 hours, with a total system efficiency of 80%. According to the energy efficiency analysis, the first-year power generation is estimated to 2.5066 million kWh, with a 30year power generation reaching 69.0781 million kWh. The investment payback period is 2.76 years.

In terms of environmental benefits



This project can save standard coal cumulatively over 30 years



56,920.34 tons

Reduce carbon dioxide emissions



Sulfur dioxide







Smoke and dust

Additionally, the project can also bring multiple benefits such as summer heat insulation, extending roof lifetime, and enhancing the Company's image of energy conservation and environmental protection.

Green power procurement

Sanyou Lianzhong actively promotes green power procurement and explores new models of green energy strategic cooperation and development. During the reporting period, the Company and Sanyou Precision completed a number of green power transactions through the Guangzhou Power Exchange Center. The Company purchased green certificates from Dunhuang Shazhou Energy Photovoltaic Power Generation Co., Ltd. and Shandong Haihua Group's 100MWp grid-parity photovoltaic power generation project (slag yard). The cumulative number of green certificates purchased reached 19,000, corresponding to 19,000 MWh of green electricity. These green power sources originate from solar power projects, marking a pioneering step for the Company in the low-carbon development. Through concrete actions, Sanyou facilitates green energy transition, injecting impetus into reducing carbon emissions, promoting sustainable development, actively responding to the national environmental protection policies, and integrating into the green development wave of the new energy industry.









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Energy Conservation and Efficiency Improvement Projects

Case | Replacement of cold heading machines

The company phased out 22 old cold heading machines with 4 kW motors and replaced them with new energy-efficient models equipped with 2.2 kW motors. This upgrade resulted in total energy savings of 130,818.6 kW, consisting of 118,404 kW saved through equipment replacement and an additional 12,414.6 kW saved from improved product qualification rates.



Improving product qualification rate and saving energy

12,414.6 kW

Total energy savings

130,818.6 kW

In 2025, it is planned to implement projects such as change from coil lead wire soldering to quick-terminal connection, 32D glue-free solution, etc. The estimated energy savings will reach 5,491.2 kWh/year and 29,952 kWh/ year, respectively. The 31W frame pin manual cutting automation project is expected to increase productivity by 2.2 times.

	Energy-Saving and Emission Reduction Measures Implemented in 2024						
Energy-Saving Initiatives	Description	Budget (CNY)	Estimated Energy Savings	Calculation Methodology			
Micro- switch lead integration	Eliminates soldering for micro-switch leads.	0	1,123.2kWh per year	- Energy consumption per soldering machine: 0.09 kW per hour - Machines saved: 4 - Annual savings: 4*0.09*10*26*12=1,123.2 kWh (based on 10h/day, 26d/month, 12 months).			

Energy-Saving

Initiatives

Coil Lead

Soldering

 \rightarrow Quick-

Terminal

32D Glue-

Free Solution

31W

Frame Pin

Automated

Cutting

Description

Replaces

soldering

for coil leads

with quick

terminals.

Eliminates

dispensing

and baking

processes.

Replaces

manual pin

cutting with

molds.

Employee Energy Awareness Training

strengthening energy conservation awareness and system knowledge.

glue

Energy-Saving and Emission Reduction Measures Planned for Implementation in 2025

Estimated

Energy

Savings

5,491.2

kWh per

year

29,952 kWh

per year

2.2x

productivity

increase

The Company regularly conducts employee energy awareness training. The energy management training is carried out

by the Company once a year, which includes the relevant heads of various departments, with a participation rate of

100%. The energy management training of each business unit focuses on energy-related standards and the definition

and role of the energy system to promote conceptual understanding and facilitate system comprehension. This top-

down approach ensures full employee coverage, with oral examinations implemented to validate effectiveness, thereby

Calculation Methodology

Energy consumption per soldering machine: 0.09

kW per hour

- Soldering machines saved: 4

- Annual savings: 4*0.09*10*26*12=1,123.2 kWh

Energy consumption of each hot air guns: 0.7 kW

per hour

- Soldering machines saved: 2

- Annual saving: 2*0.7*10*26*12=4.368 kWh (based on 10h/day, 26d/month, 12 months)

- Energy consumption:

1) Glue dispenser: 1 kWh per hour

2) Tunnel oven: 15 kWh per hour

*10*26*12*0.6=29,952 kWh (based on 10h/day,

26d/month,12 months, capacity factor)

Before: 11,000 pieces/day (manual)

After: 25,000 pieces/day (automated). 2.2x

productivity increase

- Annual savings: (1+15)

Budget (CNY)

0

12 thousand

Waste and Pollution Management

The Company has established a comprehensive, end-to-end wastewater and waste management system that integrates source reduction, process control, and terminal disposal to drive continuous improvement in environmental performance. In waste-emission management, the Company first cuts waste at the source through process optimization and material recycling. At the same time, the Company rigorously enforces classification standards and partners with qualified environmental agencies to ensure that both general industrial solid waste and hazardous waste are handled in full compliance throughout the entire chain. For pollution prevention and control, the Company adopts multi-dimensional measures such as reducing pollutant emissions through ongoing technological improvements, and implementing a noise-management system that combines "equipment improvement + personal protection".

Waste Discharge

Disposal of main solid and hazardous wastes

Solid



The Company has signed a contract with Guangdong Hengzhao Environmental Technology Co., Ltd. - Dongguan Qingxi Branch (Hengzhao), under which Hengzhao will collect general industrial solid waste, including waste paper and waste plastics, that the Company has classified and packaged, from the Company's waste storage area at the agreed time. The Company is responsible for loading and weighing on the site. Hengzhao is responsible for transportation and harmless treatment, and the cost is settled monthly (including 8 tons of treatment capacity). During the handover, both parties review and complete the document to clarify the division of environmental pollution responsibilities.



Hazardous waste



The Company follows the standardized process for handling hazardous waste with a dedicated organizational structure. Once hazardous waste is generated, each workshop/department sorts it into dedicated, clearly labeled containers, then transfers it to the Company's central hazardous-waste warehouse for storage. When the accumulated volume reaches the disposal threshold, the responsible department engages a licensed disposal contractor. On site, both parties verify the waste details; after the licensed transporter completes the removal, it files the transfer declaration on the Guangdong Solid Waste Environmental Supervision Information Platform and generates the mandatory transfer manifest, and finally completes the transfer and disposal of hazardous waste. The whole process ensures the compliant disposal of hazardous waste and reduces environmental risks.





Notes:

- (1) is the head of the Company's hazardous waste management.
- (2) is responsible for the internal ledger and daily management of the Company's hazardous waste warehouse.
- (3) is responsible for emergency management of hazardous waste.
- (4) is responsible for following up the collection of hazardous waste and production site management.

Data on emissions treatment by types

General waste The solid waste transfer order can directly add up and calculate the total solid waste. Through this method, the volume of the Company's solid waste generation can be clearly understood, providing data support for solid waste treatment. The average annual solid waste emissions for the 2022-2024 period are 96 tons.



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Hazardous waste

Year	Waste Category	Waste Name	Quantity (t)
	HW06	Waste organic solvents	1.978
	HW08	Waste mineral oil	2.014
	HW09	Waste emulsion	6.142
	HW29	Waste lamp tube	0.010
2022		Waste activated carbon	0.100
		Waste cloth/gloves	0.100
	HW49	Waste packaging	10.000
		Waste containers/empty drums	0.100
		Waste drum/cartridge	0.050
	LIMOC	Waste organic solvents	4.403
	HW06	Waste organic solvents 2	1.342
	HW08	Waste mineral oil	5.214
2022	HW09	Waste emulsion	0.030
2023	HW17	Surface treatment waste	4.484
		Waste cloth/gloves	0.003
	HW49	Waste packaging	2.817
		Waste containers/empty drums	2.916
	LIMOC	Waste containing waste organic solvents	0.546
	HW06	Waste containing organic solvents	0.600
	LIMOO	Waste spark oil	0.010
	HW08	Waste mineral oil	0.140
	HW09	Waste emulsion	2.864
2024	HW17	Surface treatment waste	3.235
		Waste filter cotton	0.100
		Waste activated carbon	0.779
	HW49	Waste cloth/gloves	0.791
		Waste packaging	4.992
		Waste containers/empty drums	1.830
Total			57.590

Note: Only data from the Dongguan factory is included in the statistics.

Exhaust emissions data

Types of pollutants	Emissions (t) in 2024
Total emission of exhaust pollutants	3.650
Total smoke/particulate emissions	1.256
Total Sulphur dioxide emissions	0.040
Total NOx emissions	0.042
Total non-methane hydrocarbons	2.094
Tin and its compounds	0.002
VOCs	0.217
Particulate matter	-
Total Hg emissions	-
Total Pb emissions	-
Total emissions of ozone-depleting substances (ODS)	-

Note: Only data from the Dongguan factory is included in the statistics.

Ways to Reduce Waste Emissions



Reducing waste generation **a**

To reduce waste generation, Sanyou Power Technology has implemented several measures to reduce raw material consumption. In terms of management, it established the waste management system and regulations on the disposal of waste materials, etc., formulated a raw material conservation publicity and training plan, carried out related work, set raw material consumption quotas and records, equipped measuring instruments that meet the regulations, and regularly conducted material balance inspection and analysis. The R&D department optimized processes and designs to conserve raw materials, it rationally recycled and sold the waste raw materials and waste products, such as plastics and cartons generated in production, to recycling companies. In terms of technology, it modified 3IH's upper cover and bracket from separate type to integrated one through process improvement, reducing costs by nearly 1 million CNY. The material loss during initial commissioning of the new automatic production line was 3%, and the recovery rate of good bulk parts after dismantling of bad products reached 100%.

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I Technical Indicator Evaluation Results

Evaluation Item Indicators and Requirements		Measured Value
Raw material consumption per unit product	High defect rate during initial debugging of new automated production line.	Estimated loss: 3%
Raw material savings	Process optimization achieve cost savings of nearly 1 million CNY.	3IH product: Integrated design of upper cover and bracket (previously separate) significantly reduced costs.
Recycling rate	Recycling rate target: 100%	Defective components sold to recycling companies, achieving 100% recycling rate.



Promoting waste recycling •

Sanyou Power Technology attaches great importance to waste recycling, actively practices green development concept, and builds a standardized disposal system for solid waste through cooperation with professional recyclers. In terms of industrial solid waste treatment, the Company signed the Industrial Solid Waste Entrusted Disposal Contract with Anhui Chaoyue Environmental Protection Technology Co., Ltd. for more than 10 categories of hazardous waste such as waste chemical empty bottles and waste rag gloves. The Company clarified the disposal standards and methods, such as the annual transfer volume of waste chemical empty bottles (including isopropanol) of 0.5 tons, and adopted compliance means such as incineration, landfill, and utilization to ensure the proper disposal of hazardous waste. In the management of IT equipment waste, the small amount of waste will be sold to individual business owners, advancing the step of overall recycling exploration. In the future, the Company will deepen cooperation with qualified recyclers, cover more solid waste types, optimize the recycling process, improve the efficiency of waste recycling, help achieve ESG goals, promote the construction of closed-loop green production with practical actions, respond to environmental protection policies, and demonstrate its environmental responsibility.

Measures to Reduce Pollution Emissions

Case |

In the context of advocating energy conservation and emission reduction and pursuing cost reduction and efficiency improvement, Mingguang Sanyou (Division 3) implemented an important energy-saving renovation project in 2024, that is, replacing manual dispensing and tunnel furnace UV curing with automatic LED curing for SMIH product UV glue dispensing, aiming to improve energy utilization efficiency, reduce operating costs and mitigate environmental impact. In terms of environmental benefits, reduction of UV and odor pollution, and carbon emissions have been reduced by 39 tons, equivalent to 13 fuel vehicles being decommissioned for one year (measured as 3.1 tons per vehicle per year).



Reduced carbon emissions

39 tons

Equivalent to discontinuation

fuel powered vehicles per year (calculated based on an annual emission of 3.1 tons per vehicle)

2024 Sustainability Report

Case |

In the context of advocating energy conservation and emission reduction and pursuing cost reduction and efficiency improvement, Mingguang Sanyou implemented automated vacuum testing to replace manual inspection in 2024. This project adopted high-precision sensing technology and automated equipment control to replace the original manual inspection process, showing advantages of zero water resources consumption, intelligent energy consumption management (dynamic adjustment of power to reduce inefficient power losses), and full-process automation (testing, analysis, and automatic recording).

Remarkable saving performance was achieved



Water conservation

336,960 liters (≈ 337 tons) 1,685 CNY

Energy saving in electricity

Annual Water Cost Savings Equivalent to providing single-day drinking water for

consumption

196,560 kWh

54 Ton CO₂ emission reduction

Equivalent to planting 8.550 trees



Human resource optimization

labor positions

Annual labor cost savings of approximately

In terms of comprehensive benefits



Annual direct cost savings totaling Reduce water resource approximately

consumption

Reduce carbon emissions

154tons

which is equivalent to decommissioning 49 fuel vehicles for one year (based on 3.1 tons per vehicle per year), providing strong support for the Company's sustainable development.

Management and Upgrade Plan for Waste **Treatment Facilities**

The Company regularly conducts comprehensive inspection and maintenance of waste treatment facilities, and formulates upgrade plans according to technological development and environmental protection requirements to improve the efficiency and environmental protection performance of waste treatment facilities.

For example, after the upgrade of environmental protection equipment in Qingxian Zeming, the original catalytic combustion device was replaced with two-stage activated carbon environmental protection equipment, thus removing the use of catalysts. From June 2023, in accordance with the requirements of the Department of Ecology and Environment of Hebei Province, honeycomb-like activated carbon has been replaced with granular carbon. The original honeycomb-like activated carbon was stored in the hazardous waste room, and the weight of honeycomb-like activated carbon used in 2023 was 1.59 tons. In March 2024, the Company replaced the granular activated carbon in the two-stage activated carbon unit after maintenance. Due to the upgrading of the spraying equipment, the weight of the replaced activated carbon was 0.57 tons.

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Noise Management

The Company manages noise mainly by



Personal protective equipment

Provide earplugs and earmuffs for employees in high-noise areas, conduct regular hearing tests, and prevent occupational hearing damage.

Equipment maintenance optimization

Regularly lubricate and replace worn parts (such as bearings and gears), adjust equipment installation accuracy, reduce abnormal noise caused by mechanical failure, increase shock absorption pads for motor and pump equipment, and reduce vibration noise.







Improvement of sound insulation and noise reduction in the air compressor

By affixing acoustic insulation material to the air compressor room wall, installing double-layer soundproof sliding doors, and closing doors and windows, the noise source of the equipment is isolated.







Case | Environmental impact report disclosure

Ningbo Yongyou has strengthened its noise-pollution prevention and control system for the "Technical Upgrade of the 200M Smart Relays per Year Production Line" project. To address noise generated during equipment processing, Ningbo Yongyou has implemented comprehensive noise-control measures: 1) Enclose high-noise equipment in soundproof enclosures and replace noisy equipment components with low-noise alternatives to reduce noise impact at the source; 2) Professional noise-reduction devices—foundation damping, rubber damping, and anti-vibration pads—are installed, and a routine inspection and maintenance program ensures equipment remains in optimal condition; 3) A detailed equipment-maintenance protocol has been established, along with employee training on environmental awareness and civilized production practices; 4) Traffic management on site is strictly enforced: horn use is prohibited, vehicle speeds are limited; and 5) Production schedules are optimized so that all transport movements occur within designated operating hours. These measures guarantee that the project fully complies with Class 3 limits of the Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008).

Water Resources Management

The Company strictly abides by the Water Pollution Prevention and Control Law of the People's Republic of China and other environmental regulations, embedding the concept of water conservation throughout every stage of production and operation in line with sustainable development principles and systematically standardizing water resource management in each production stage. The Company continuously optimizes water-treatment processes and regularly monitors and dynamically analyzes water-use indicators to improve water-resource efficiency. Moving forward, the Company will further refine water-resource management, advance water-saving technologies, and build itself into a model enterprise for water-efficient enterprise.

Water Usage

Water consumption statistics (2022-2024)

	2022	2023	2024
Master meter + firefighting meter (t)	80,695	96,585	135,911

Note: Only data from the Dongguan factory is included in the statistics.

Water Conservation Practices

Case | Renovation of Circulating Water System - An annual water saving of 2,800 tons

To address resource wasting and high costs during plastic parts cleaning process (the original direct-discharge water washing method consumed 10 m³ of water per day) in the manufacturing industry, the Company has implemented the green technical transformation of the circulating water system by introducing a multi-stage filtration system (sand + activated carbon) and water storage tanks and building a "use-filtration-reuse" closed-loop system to realize the transformation from "extensive" to "precision conservation". After the renovation, the daily water consumption dropped to 1.4 m³/day, and the annual water saving reached 2,790 m³ (a decrease of 86%). The yearly water cost-saving was about CNY 14,000, with a payback period of <8 months. Meanwhile, it reduced wastewater discharge (equivalent to 14 standard swimming pools) and solid waste (about 2.8 tons of CO₂ emission reduction). This practice shows that green technical transformation does not require significant investment, small- and medium-scale improvements can also produce substantial benefits. Similar cleaning processes can be renovated regarding this model, which reflects that small optimization in the production links can facilitate the "carbon peaking and carbon neutrality" goals of the green manufacturing concept.

After the renovation, daily water consumption dropped to

1.4 m³/day

Annual water saving total amount

2,790 m³ (a decrease of 86%)

Annual water cost savings of approximately

1.4 ten thousand yuan

Investment return cycle<

Water Saving Evaluation Report

Sanyou Power Technology conducted a water-saving evaluation following the GBT7119-2018 Evaluating Guide for Water Saving Enterprise in 2024, aiming to promote green manufacturing and establish "dual-type" (resource-efficient and environmentally friendly) enterprises. The evaluation covers basic requirements, management assessment indicators, and technical assessment indicators. In terms of basic requirements, it requires separate metering and billing for domestic and industrial water, complete water measuring instruments, and compliant wastewater discharge, and valid water withdrawal/usage permits (with no exceeding of approved water quotas in the past three years). The new project adheres to the "Three Simultaneous, Four implements" system, and does not involve the use of process water, cooling water and steam, and there is no relevant direct discharge behavior. In terms of management assessment indicators, the Company has a sound water-saving management system, management institutions and personnel, a detailed water supply and drainage pipe network, a measurement network diagram, a daily inspection and maintenance system, quota-based management with rewards/penalties, and water-saving publicity. In terms of technical assessment indicators, the compliance rate of wastewater discharge and the utilization rate of unconventional water sources both reached 100%. The evaluation shows that the Company meets the basic requirements of water-saving enterprises and conforms to the "water-saving enterprise management indicators", but it is necessary to further improve and unify water-saving management system, establish a water-saving target responsibility system for various departments, and strengthen the development of water-saving culture to enhance employees' water-saving awareness.

Biodiversity

Sanyou Lianzhong focuses on the R&D, manufacturing and sales of electrical products such as relays and transformers. Recognizing the critical role of biodiversity in ecological and corporate sustainability, we attach importance to biodiversity conservation in our operations:



Planning and site selection

We ensure that production bases and business operations avoid sensitive areas such as ecological red lines and nature reserves, and minimize disturbance to biological habitats at the source.



Operation management

We optimize the production process, reduce energy consumption and pollutant emissions, reduce the impact on the surrounding soil, water sources and air, and create a stable environment for biodiversity. We also focus on the upstream supply chain, encouraging suppliers to strengthen their awareness of biodiversity protection, and jointly reduce the potential threat of the industrial chain to the ecology.



Long-term action

We continuously assess the impact of business on biodiversity, explore eco-friendly technologies and models, integrate biodiversity protection into corporate development strategies, and help promote ecological sustainability.

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Product Quality Safety and Innovation

The Company has always regarded product quality and safety, as well as technological innovation, as the core drivers of sustainable development. The Company has established a comprehensive quality management system to ensure product reliability. It adheres to the business philosophy of "Customer-centered, starting with customer demand and ending up with customer satisfaction", continuously enhancing product competitiveness through technological iteration and lean production. By leveraging quality closed-loop management and R&D innovation, it strengthens product safety and environmental compliance. Additionally, through industry-university-research collaboration and intellectual property strategy, it consolidates its technological advantages. The Company is committed to providing customers with safe and reliable products through stringent quality control and sustained innovation investments.

Governance

The Company's main business is the research and development, production and sales of relays and transformers. It has formed a full-process service system integrating technology research and development, mold development and manufacturing, equipment development and manufacturing, production and manufacturing, and after-sales service. The Company's relay products cover six categories of general power relays, magnetic latching relays, automotive relays, new energy relays, photovoltaic relays, signal relays, along with inductance products. The products are widely used in home appliances, smart meters, industrial control, smart homes, automobile manufacturing, new energy applications, and photovoltaic applications, etc.

The Company's core products are miniature current and voltage transformers, with main types including industrial control transformers, metering transformers for electricity meters, relay protection transformers, motor protection transformers, switching transformers, zero-sequence transformers, and residual current transformers. These products are widely applied in fields such as power systems, electromechanical protection, leakage protection, transformer monitoring, electricity meters, smart meters, home appliances, aerospace, and new energy.

Adhering to the quality policy of "Increase the quality, decrease the cost, exceed the expectation", the Company has built a comprehensive quality management system, and has passed the ISO9001, IATF16949, ISO14001 standard certification. Each business unit has set up a quality department or related department to manage product quality.







IATF16949 Certificate

ISO9001Certificate

ISO14001 Certificate

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Strategy

The Company adheres to the business principle of "Customer-centered, starting with customer demand and ending up with customer satisfaction". Driven by the demand for rapid response to customer requirements, the Company continuously enhance product and service quality through technological iterations and lean production.

Analysis of Risks and Opportunities Related to Product Quality Safety and Innovation

Risks or Opportunities	Time Range	Financial Impact	Response Measures
Product quality accident (safety accidents caused by defects in the design or production process)	Short term (1 year)	Operating revenue (decrease), damage brand reputation	The Company adheres to the "automation + digital production model", continuously explores intelligent production, vigorously implements management methods such as lean production, TPM, and continuous project improvement, and realizes a high-reliability, high-quality and high-efficiency development model.
Penalties resulting from violations of relevant regulations	Short term (1 year)	Non-operating expenses (fines), operating income (decrease in customer orders), damage brand reputation	Following the principle of "quality first, customer first", the Company establishes effective process quality control through stable quality planning, insists on improvement activities such as lean production, QCC, and rationalization proposals, and continuously improves
Technology lag	Long term (More than 5 years)	Operating revenue (Declining market share)	quality. The Company strengthens communication and market research with leading customers in the industry.

Impact, RIsk, and Opportunity Management



Product quality and safety

1 Product Certification

The Company's general power relay products have all passed UL and CQC certification, and most of the products have also obtained German VDE and TÜV certification, and meet the requirements of EU RoHS and REACH directives. Some products have also passed the EU CE certification. Most HVDC relay products have passed UL and CE certification, and meet the EU RoHS, REACH requirements. Transformer products are partially certified by UL and EU CE. Most of the products meet the requirements of the EU RoHS and REACH directives, and the meter products have passed the third-party certification by the China Electric Power Research Institute. In 2024, the Company calculated the carbon footprint of six small power relay products (SFK, SJE, SM, SRG, SMF, SJ).

2 Quality Improvement Work

The Company continuously tracks and manages the quality of the products that have been sold, formulates a series of quality management systems and methods, standardizes the inspection of returns and exchanges, cause analysis and improvement measures, and forms a quality management closed loop of "problem traceability - responsibility identification - improvement implementation", and continues to improve product reliability and customer trustworthiness.

The Company enhances product quality through training empowerment, strengthening management and technological upgrading. The Company provides quality training for employees including quality management, operating standards and other courses. The Company regularly conducts quality meetings, summarizes product quality issues and implements improvement measures. Each business unit of the Company establishes and continuously monitors quality assessment indicators. In 2024, all business units adopted a series of measures to improve product quality, resulting in effective quality enhancements.



- SMIA Automatic Line Construction
 - SARI Reed Armature Assembly Feeding System Upgrade
 - SARN Automatic Line Rear Segment Compatibility with SARF Modification
 - SEL200/250 Automation Line Construction
- Addition of Limit Base Mechanism for Octant Plate of Armature Hook

- Improvement of Electroplating Quality
 - Improvement of the Oxidation Resistance of Copper Terminals
 - Transformation of New Energy Finished Product Testing Machine
- Improvement of Bright Spots on Contact Surface
- Mixing Improvement

3 Awards and honors in 2024





TCL Outstanding Air Conditioner Supplier in 2024 Guangdong Provincial Manufacturing Single-item Champion Enterprise

R&D innovation **a**

In 2024, the Company's new product research and development direction focused on lightweight, energy-saving, intelligent, low-cost, miniaturized and high-load technologies. There were 17 new product development projects for magnetic latching relays, with new product research and development focusing on new products was carried out in the direction of new application requirements and new technology innovation, mainly for use in measurement, new energy, and intelligent control fields. A total of 38 new product development projects were launched in the automotive, new energy, photovoltaic, and energy storage sectors. There were 12 new product development projects for transformers, with the research and development mainly focusing on the metering devices and new energy fields.

Advanced experimental equipment and comprehensive testing procedures provide reliable quality assurance for the Company's products. The Company has been certified by UL's Witness Test Data Program, VDE's Test Data Acceptance Program, and TÜV Rheinland Witness Laboratory. It has also passed the CNAS National Accreditation Laboratory certification and obtained the qualification of Physical Standards Collaborative Laboratory of the China Inspection and Testing Society.



UL Witness Test Data Program



China Inspection and Testing Society





VDE Test Data Acceptance Program



CNAS Laboratory Accreditation



The Company has joined the National Technical Committee for Standardization of Electrical Relays (SAC/TC 217) and participated in the development of national standards for relays. In 2024, it became the primary drafting entity for the group standard T/CMEPCA057-2024 Greenhouse gases—Carbon footprint of products—Requirements and guidelines for quantification, thereby further solidifying its leading role in the relay industry.



Industry-university-research combination: The Company has always adhered to the path of innovation and development, attached great importance to the scientific and technological innovation model of the "industryuniversity-research" combination, maintained close cooperative relations with many well-known universities in China, built industry-leading research laboratories, participated in research on related topics in universities and produced scientific research results.



Xi'an Jiaotong University

Research on High-voltage DC Relays Construction of a Graduate Student Collaborative Education Base



Harbin Institute of Technology

Research on Electrical Life Testing Applications Research on Arc Characteristics and Motion Analysis Applications

Carry out in-depth cooperation with well-known universities



Hebei University of Technology

Research Laboratory Construction Reliability Application Research

Intellectual Property Management •

The Company has been consistently recognized as a high-tech enterprise and a national intellectual property advantage enterprise since 2010. As of December 31, 2024, the Company has obtained 580 authorized patents, including 91 invention patents, 457 utility model patents, and 32 design patents.



Continuously rated as since 2010

High-tech Enterprise

Authorized patent



- Invention patent **91** items
- Utility model patent 457 items
- Design patent 32 items

Indicators and Goals

Product Innovation Indicators

			Value
R&D Innovation	R&D investment	100 million CNY	1.09
	R&D personnel	Person	668
Intellectual Property Management	Cumulative total number of authorized patents by year-end	Item	580



2024 Sustainability Report

Marketing and Customer Interests

The Company's management policy is "Customer-centered, starting with customer demand and ending up with customer satisfaction". We strive to understands the customer's real needs and create values for them. With years of steady operations, we have earned the trust of our customers through high-quality products and services, and we continue to deepen our partnerships with our key customers. By leveraging the Company's technology, product quality, service, and responsiveness, we deliver value to customers and meet their needs. As a result, we have been honored with various awards from customers on multiple occasions. The Company's rich customer resources have formed strong competition barriers, thereby laying a solid foundation for the Company's sales growth.

Marketing and Product Identification

The Company adheres to the responsible marketing philosophy, strictly abides by relevant laws and regulations on marketing compliance, regulates marketing activities to ensures transparency and fairness in marketing activities. In accordance with the Identification and Traceability Control Procedure and the Customer Feedback Management Procedure, the Company emphasizes authenticity when promoting its products and services, conveys information in a timely, accurate and comprehensive manner, and avoids exaggerating or misleading customers and consumers. The Company will label the product specification, grade, name and content of the main ingredients, etc. according to the characteristics and usage requirements of the product. At the same time, the company will indicate on the outer packaging or provide relevant information in advance to customers and consumers regarding matters that need to be made known to them in advance.

Key Performance:

During the reporting period, there were no incidents of non-compliance with regulations on product and service information and labeling.



There were no incidents of non-compliance with regulations on marketing communications.



Customer Complaint Mechanism

The Company and its subsidiaries continue to improve the customer complaint response mechanism. The Company has formulated the Customer Feedback Management Procedure, which regulates the complaint analysis and handling and external customer complaint information handling process. In addition, the Company conducts statistical analysis of customer complaints and formulates preventive measures based on the results to ensure that customer issues are resolved in a timely and effective manner.

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Customer Feedback Workflow

Process Name	Process Description	Responsible Unit	Output Form
Receive customer complaints	1 After receiving the customer feedback, the Marketing Department will issue a customer complaint notice in a timely manner by the salesperson or merchandiser by using the Company's CRM customer complaint processing system, and if necessary, supplementary information will be transmitted to all relevant departments of the Company in a timely manner through the Company's internal email. (In order to share information, it is required to send a copy to the Quality Department of the Business Unit and General Manager at the same time.)	Marketing Department	/
Reason analysis	2.1 After receiving the complaint information of CRM customer complaint system, the CQE of Quality Department of Business Division shall take the lead in organizing relevant personnel to analyze and judge the root cause of the problem from the problem description. 2.2 When analyzing the root cause, try to use analytical tools such as 5WHY method, fishbone diagram, QC seven techniques, brainstorm, FTA table, etc. to analyze until the root cause is found.	Quality Department and relevant departments	Customer Complaint/ List of Complaints/ Minutes of Meeting
Containment Actions	3 Based on the issues raised in customer complaints, the Quality Department's CQE must conduct a 100% inspection and investigation of work-in-progress, inventory, customer inventory, and goods in transit within 24 hours, and produce the results of the investigation.	Quality Department	/
	4 The Quality Department's CQE convenes the personnel meeting of the relevant departments, confirms the questions raised by the customers and abnormal samples, and proposes corrective measures.	Quality Department and relevant departments	Customer Complaint Handling Report
Precautions	5 The Quality Department's CQE convenes the personnel meeting of the relevant departments, and proposes preventive measures based on the customers' questions and abnormal samples.	Quality Department and relevant departments	Customer Complaint Handling Report
Customer Complaint 8D Report	6 The Quality Department's CQE completes the customer reply report as required and uploads it to the CRM customer complaint handling system. The Group Quality Assurance and Quality Control Manager shall review customer complaint response reports in a timely manner. Then the approval is submitted to the business or customer platform by the Marketing Department. If the audit fails, put forward the audit opinion, and the Quality Department's CQE will improve the customer complaint report.	Quality Department Marketing Department	Customer Complaint Handling Report
Improvement Effect Tracking	7 The responsible unit shall earnestly implement the proposed measures according to the rectification within a time limit of corrective and preventive measures. Relevant units assist CQE to be responsible for the verification of corrective and preventive measures when due. Specifically follow the corrective and preventive action control procedures.	Quality Department	Customer Complaint/ List of Complaints

2024 Sustainability Report

During the reporting period:

Sanyou Lianzhong achieved a 100% pass rate for customer complaint response assessments

100%

Customer complaint resolution rate

100%

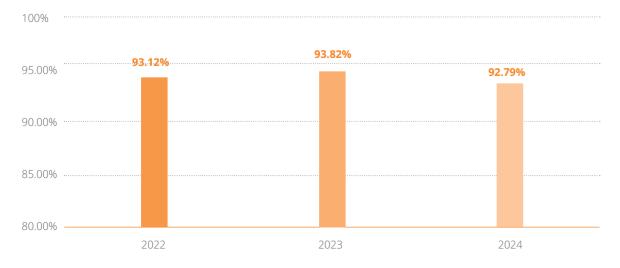
Customer Complaint Statistics of Finished Product Business Unit in 2024

Business Unit	Customer Complaint Settlement Rate	Customer Complaint Decline Rate
Business Unit 1	100%	27.27%
Business Unit 2	100%	2.82%
Business Unit 3	100%	2.00%
Business Unit 4	100%	7.00%

Customer Satisfaction

The Company attaches great importance to customer satisfaction. In order to keep abreast of customer satisfaction, the Marketing Department is responsible for measuring customer satisfaction and summarizing and analyzing the collected customer feedback information. The Marketing Department sends Customer Satisfaction Questionnaire to customers once a year, and makes classified statistics according to customer types, items, etc. to form a detailed customer satisfaction measurement statistical table. Based on the data, the Marketing Department will conduct in-depth analysis and provide detailed analysis reports to support the Company's customer service, effectively improving customer satisfaction to exceed 90% for three consecutive years.

Customer satisfaction survey trends



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Supply Chain Quality Management

Sanyou Lianzhong and its suppliers adhere to the principle of "communication and cooperation", thereby actively building strategic partnerships, and jointly constructing a platform of trust and development.

Supplier Management System

In order to standardize the selection, evaluation and management of suppliers and eliminate safety risks of supplied products, the Company has formulated the Supplier Management and Control Procedure. This procedure to strictly screens suppliers based on criteria such as quality, performance, price, after-sales, safety characteristics, and relevant qualification certificates. Suppliers who provide hazardous chemicals must comply with national regulations and implement the requirements of the Chemical Safety Management Measures. The Company has established the Sustainable Procurement Management Manual and the Supplier Manual, established a list and files of qualified suppliers, and regularly identified risks related to procurement. The Supply Chain Management Department of the Company publicizes the safety policy, safety culture and relevant regulations of Sanyou Lianzhong to suppliers in various forms every year, clarifies the responsibilities of suppliers in terms of safety and environment, and maintains relevant records. If a supplier fails to meet environmental or safety standards or causes a major safety incident, we will order them to rectify the situation within a specified time frame, actively seek alternative suppliers, and if necessary, require the supplier to withdraw and compensate Sanyou Lianzhong for any related losses.

Supplier Development, Evaluation and Selection

The original supplier evaluates its supply for many years, and if it has stable quality, timely supply and good reputation, it will be included in the Qualified Supplier List after approval.

New suppliers that pass the normal candidate review process will undergo sample testing, price review, and onsite evaluation of relevant agreements and other matters. Upon passing all reviews, the Supply Chain Management Department will collect the sample inspection approval form, supplier request form, or supplier evaluation materials and submit them to a manager at the director level or above for approval to be included in the list of qualified suppliers. The supplier review data is archived and managed by the Supply Chain Management Department, and is uniformly input into the Qualified Supplier List, published in the internal LAN Supply Chain Management Department, and distributed to the Quality Department, R&D Department and other departments for changes as appropriate.

Suppliers providing services to the Company, such as transportation companies, testing, training institutions, etc., should also pass the evaluation before providing services to the Company. The state-authorized metrology laboratory can no longer evaluate the quality of its services. If the quality of the supplier's products is abnormal, the Quality Department will issue a notice of abnormal incoming materials to the supplier, and the supplier will reply the 8D report on time.

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2024 Sustainability Report

Digitalization of Supply Chain Management

The Company has formulated a relatively complete set of procurement strategy management and supplier management system, established a unified SCM information portal. Through integration with PLM, SAP, WMS, and OA systems, the Company has unified its platform, standards, data, and processes to achieve online data throughout the entire procurement process. Through unified management by the group, we have achieved transparent procurement and centralized procurement, unleashing the benefits of economies of scale. At the same time, the procurement cycle has been shortened by leveraging online procurement data, thereby improving inventory turnover and releasing cash flow. This has achieved results for the Company to increase efficiency and reduce costs. The Company uses futures instruments to control the cost of bulk materials to a certain extent; utilizes and uses data to enable supplier resources to be matched with the strategic development of the enterprise with high quality; creates a sustainable, winwin value supply chain by fully synergizing with supplier resources.

The Company utilizes an SRM platform to achieve three closed-loop management processes centered around key procurement categories (such as bulk raw materials, packaging materials, and auxiliary supplies).

Supplier Life Cycle:

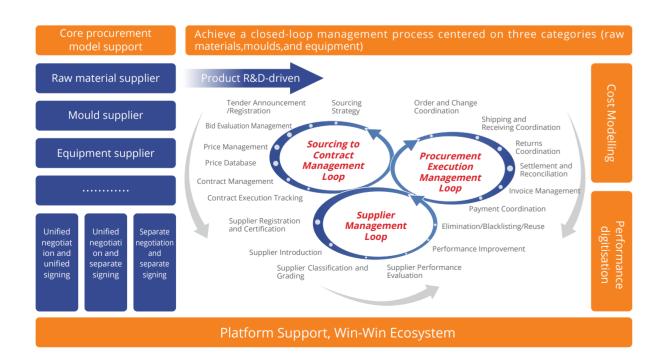
A supplier access standard is established based on categories. Suppliers are managed online

Sourcing to Contract ·

Supports multiple sourcing methods and roles, enabling a closed-loop online management process from sourcing project initiation to price control.

Full **Procurement** Execution Process

From order to delivery, reconciliation to invoicing, the entire process is managed online, improving the efficiency of both suppliers and buyers.



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Global procurement based on product categories supports global operations, product innovation, and structural optimisation of operating performance

Utilize the procurement platform to full value chain system support, buile an ecosystem, and further improve supply

Use data and IT to standardise procurement workflows and unify template management

Cost Reduction



 Price model refinement and control Centralised procurement to enhance bargaining power and price . advantages



Enhancement of Efficiency

· Establish a unified portal platform for efficient coordination of the supply ecosystem

procurement value chain

Digitise the entire

operations

Transparent

- · Open and transparent, eliminating black-box Auditable and traceable
- protecting procurement personnel

Category-centric end-to-end procurement supply chain management model

Strengthen Supply Chain Management

In the context of global competition and sustainable development, Sanyou Lianzhong always regards supply chain management as the core link of ESG strategy, and builds a supply chain ecosystem of shared responsibilities and value symbiosis through systematic measures. We have deeply integrated sustainable development concepts into all key aspects of supply chain management, established a relatively sound supply chain management system, and actively implemented quality, environmental, and social responsibility risk management for suppliers. In the future, we will promote the dual improvement of supply chain resilience and sustainable development capabilities through in-depth training and technical collaboration.

System Construction: The Company strictly abides by the Government Procurement Law of the People's Republic of China, the Regulations on the Implementation of the Bidding Law of the People's Republic of China and other laws and regulations, and formulates the Supplier Management Procedure, the Procurement Management Procedure, the Supplier PPAP Submission Operation Management Measures, the Supplier Manual, the Supplier Audit Form, the Procurement Conflict-free Minerals Management Measures and other internal systems, starting from multi-dimensions such as supplier access, qualification recognition, performance appraisal, and procurement strategy adjustment to conduct full-process risk management of the entire procurement life cycle from multiple dimensions, including supplier access, qualification certification, performance evaluation, and procurement strategy adjustments (risk sources are not limited to quality, hazardous substance resources, supply, emergency management, etc.), of which the Supplier Manual covers labor, health and safety, environment, conflict minerals and business ethics related standards. All suppliers are required to complete the signing, actively implement responsible procurement, eliminate problematic materials, strengthen mineral management, and jointly build a green and compliant supply chain. During the reporting period, 100% of the suppliers within the management scope signed the Quality Agreement.

Key Performance:

During the reporting period, 100% of the suppliers within the management range signed the Supplier Manual and its an-

O Access and Review: Sanyou Lianzhong adheres to the business policy of "Customer-centered, starting with customer demand and ending up with customer satisfaction", and pursues the goal of zero defects. Suppliers must adhere to the concept of "Increase the quality, decrease the cost, exceed the expectation", pursue the goal of zero defects, and implement it in the process of product design, development, production, delivery, service, etc. They must take the necessary preventive measures, necessary inspection methods and systems, and strive to achieve zero defects. Additionally, they must implement a continuous improvement plan to continuously strengthen the quality management system and improve customer satisfaction. The Company's suppliers must obtain the certification of a third-party organization of the latest version of ISO9001 Quality Management System, and operate effectively for a long time under the comprehensive quality management system. At the same time, in accordance with the requirements of the Supplier Manual, the Supplier Management Procedure and local labor and environmental safety laws and regulations, the Company has passed multi-party audits to judge the satisfaction of supplier qualifications. In combination with the above system and the requirements of local labor and environment laws and regulations, the Company includes environmental protection, conflict minerals, labor and child labor, working hours, business ethics and integrity in the scope of review.

During the reporting period, the Company completed the audit of nearly 100 suppliers in total, and no major problems involving child labor, inhuman treatment, forced labor, armed conflict and ecological damage were found.

- Performance Evaluation: The Company has established unified supplier performance evaluation standards according to the Supplier Manual. The Company monitors the performance of suppliers every month. Supplier performance is divided into monthly performance, quarterly performance and annual performance. According to the quarterly performance of suppliers, rating management is carried out. It is divided into four grades, i.e. Grade A, B, C, and D. Suppliers should accept the Company's performance evaluation standards and have the responsibility to continuously pursue excellent performance. Suppliers with poor performance have the responsibility to improve and upgrade. Suppliers with total number of annual delivery batches not less than 80 and Grade C annual performance evaluation of the Company will be transferred to the Company's risk supplier management and subject to procurement restrictions, and risk suppliers that fail to improve will be eliminated.
- Ability Improvement: The Company held training sessions on filling out PPAP submission documents for suppliers and using the SRM system for delivery and label printing.



Focusing on the Supplier Manual, the Company held a supplier empowerment conference, focusing on the core contents of supplier management, development selection, improvement and optimization in the manual, so as to enable suppliers to deeply understand the Company's requirements in quality, environment, social responsibility, etc., strengthen supply chain collaboration, and jointly achieve the goal of "Increase the quality, decrease the cost, exceed the expectation".



Sustainable Supply Chain Development

The Company and its subsidiaries are committed to building a responsible supply chain, and have prepared agreement documents such as the Supplier's Social Responsibility Commitment Letter and the Supplier's Anti-commercial Bribery Commitment Letter for suppliers, requiring suppliers to sign and strictly abide by the provisions of the documents, and adhere to laws and regulations throughout their business dealings, the principle of fairness and justice, resolutely resist unfair competition, and jointly create a clean, honest, standardized and orderly market environment. At the same time, the Company and its subsidiaries organize and carry out integrity training for purchasers from time to time, requiring them to strictly discipline themselves, ensure integrity and honesty in their work, and eliminate any improper behavior.

Key Performance (during the Reporting Period):

There were no events with significant risks and impacts in the supply chain;

The signing rate of the Supplier's Social Responsibility Commitment Letter was 100%;

The signing rate of the Supplier's Anti-commercial Bribery Commitment Letter 100%.

In response to global controls on conflict minerals and to avoid the use of conflict minerals, the Company includes conflict minerals in supplier management regulations. The Company formulates the Conflict Minerals Procurement Policy to avoid the inclusion of conflict mineral materials in procurement materials. In producing and manufacturing products, the Company requires suppliers that manufacture elements, components or products containing tin, tantalum, tungsten, and/or gold, cobalt and mica, etc. to specifically undertake to purchase raw materials meeting environmental requirements and social responsibility and sign the Conflict Minerals Statement to complete the management of conflict minerals. The Company undertakes not to purchase and does not support the use of conflict minerals, strictly requires all suppliers not to purchase conflict minerals, and requires suppliers to extend this requirement to lower-tier suppliers.

During the Reporting Period, The Company investigated the use of conflict minerals by all metal suppliers.

100% of suppliers underwent due diligence

100% of suppliers met the

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Privacy and Data Security

Sanyou Lianzhong regards information security as the cornerstone of enterprise development, has formulated the Information Security and Privacy Management System, and is committed to building a comprehensive and efficient information security governance system, and continues to invest resources to improve information security governance capabilities and provide customers with safe and reliable services.

Information Security and Customer Privacy Management Framework

The Company has established a steering committee and its subordinate members to manage information security and privacy.

Information Security and Customer Privacy Management Framework



Information Security and Customer Privacy Management Measures

To ensure data security and compliant operations, the Company manages information security in the following aspects during business operations.



Work and Business Processes a

The Company has established customer privacy protection policies, as well as rules for data collection, storage, use, and sharing. The Company has established a data sharing platform, which opens up information silos between different business departments, and implements millisecond transfer of information between departments with business associations. A permission mechanism has been established between departments that lack business associations and cannot access non-business-related data across departments.

The Company follows the Personal Information Protection Law of the People's Republic of China and uses Huorong Endpoint Security System for vulnerability repair, data protection, migration and backup, etc., publishes the Company's online standard document, the internet access permission management document, the computer network resource usage document and the network resource user permission management standard document.

Basic IT control: Asset management, software installation, virus detection and protection, patch installation, etc. They are carried out through the 360 platform.

Firewall:

Primarily designed to protect internal company networks from external threats, prevent unauthorized access, and establish a security barrier between corporate networks and the Internet. By filtering traffic, blocking malicious attacks, and recording network activity, firewalls effectively enhance network security and stability, serving as the first line of defense.

360 security software:

To ensure the network security of the Company's office equipment, each office client of the Company is installed with 360 security software, and the running status of each host is monitored in real time at the back-end server.

IP-guard encryption: IP-guard read-only encryption can provide strong encryption protection for electronic documents in various formats, and only allows users to open documents in a read-only manner in an authorized environment, shielding operations such as copying, printing, and screen capture, and effectively preventing the illegal disclosure of important information.

Sanyou All-Optical Network (Green Environmental Protection System) ensures the safety of the environmental protection system.



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Background Check: Conduct a full background check on employees entering a confidential area.

Confidentiality Agreement Signing: Requires all employees to sign a confidentiality agreement.

Personnel Information Management: Maintain detailed personnel information records, including background checks, training, confidentiality agreements, and IT access rights, etc.

Pre-employment Training: Information security-related training covers all employees of the Company. The pre-employment training for information security posts is carried out. Training and examinations are organized semi-annually for employees involved in confidential programs.



Privacy and Personal Data Protection

In daily operations, the Company collects and processes personal information related to employees, visitors, and partners. This includes information collection and use, cross-border transfers, and third-party entrusted processing. The Company strictly abides by the Personal Information Protection Law of the People's Republic of China, the Data Security Law of the People's Republic of China and EU General Data Protection Regulations and other applicable laws and regulations, and strengthens data governance and privacy compliance, including dynamic tracking and interpretation of laws and regulations, system construction, compliance risk assessment, compliance review, compliance training, etc.

During the reporting period, there were no cases of secondary use of personal data beyond its original purpose, nor any incidents of privacy breaches or data leaks.

Key Performance

During the reporting period:

The coverage rate of information security-related risk assessments was 80%;

80%

The coverage rate of information security awareness training was 100% (new employees participated in information security training upon joining the Company);

100%

There were zero cases of trade secret disclosure/ information security incidents.

cases

Employee Care and Occupational Health

In terms of fair employment and human rights, the Company strictly adheres to laws and regulations, has established the RBA Social Responsibility Management Manual to ensure equal opportunities in recruitment, promotion, and other processes, and firmly prohibits any form of discrimination or forced labor. In the field of occupational safety and health, the Company has obtained ISO45001 certification and established a comprehensive safety production management

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system, providing all-around protection from daily operational standards to emergency response plans. In terms of talent development, the Company implements diverse training mechanisms such as the "Mentoring Program", "Education Improvement Program", and "Sanyou College". In employee management and incentives, the Company has established a comprehensive remuneration system and uses democratic management channels to listen to employee feedback, fostering a positive interaction between employee growth and corporate development, fully embodying the "people-oriented" talent development strategy.

Fair Employment and Human Rights



Governance

The Company is committed to building an equal and harmonious work environment to protect the fundamental rights and interests of employees. The Company establishes and implements a scientific human resources management system, formulates the Human Resources Management Procedure, and stipulates the Company's recruitment and allocation, training and development, compensation and benefits management, performance management, labor relationship management, and administrative and logistics management.

The Company formulates the RBA Social Responsibility Management Manual in accordance with the Code of Conduct for Responsible Business Alliance, which clarifies the labor policy of "abiding by labor laws and regulations, prohibiting forced labor, prohibiting the use of child and prison labor, prohibiting coercion and harassment, prohibiting discrimination, and respecting free association." The Company's chairman and operations manager are responsible for formulating the Company's social responsibility development strategy, and the Company's RBA management representative is responsible for planning, implementing, and maintaining the RBA social responsibility management system, and conducting regular inspections and reviews.



Strateg

In the context of global competition and industrial transformation, fair employment and human rights protection have become the core issues of the sustainable development of enterprises. Respecting the rights and interests of employees and building an inclusive workplace are not only ethical responsibilities but also strategic choices to enhance innovation and reduce operational risks.

Analysis of the Risks and Opportunities Related to Fair Employment and Human Rights

Risk or Opportunity	Time Range	Financial Impact	Response Measures
Discrimination issues	Short term (1 year)	Non-operating expenses (litigation compensation), damage brand reputation, and decline in operating income (fewer customer orders)	Formulate the RBA Social Responsibility Management Manual, im-
Due to the failure to promptly identify and update newly promulgated laws and regulations	Short term (1 year)	Non-operating expenses (fines), brand reputation, operating income (decrease in customer orders)	plement humanistic management with a focus on employees and a people-oriented approach, respect and safeguard the personal rights and interests of employees, and provide equal development op-
A diverse and inclusive workplace is conducive to talent attraction and retention	Long term (More than 5 years)	Administrative expenses(reduction in recruitment expenses)	portunities for employees through various means.

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Impact, Risk, and Opportunity Management —

In terms of fair employment, the Company provides equal employment opportunities for all job applicants. The Recruitment Management System clearly states that the Company does not discriminate against applicants based on race, ethnicity, gender, age, religion, political beliefs, nationality, social background, disability, or any other factors unrelated to job performance. Discrimination is prohibited in management, discipline, wages, promotions, job assignments, working hours, and training arrangements. Forced labor in the form of indentured servitude, detention, or bonded labor is strictly prohibited. Minors under the age of 16 shall not be hired.

With regard to the protection of human rights, in the RBA Social Responsibility Management Manual, the Company establishes safeguards in six key areas, namely, free choice of occupation, protection of women, protection of child and underage workers, humane treatment, anti-discrimination, free association and assembly, and defines the responsible parties and responsibilities in each area.

Human Rights Protection Policy

Category	Policy	Related Procedures
Free choice of occupation	 Ensures that all employees work voluntarily in the Company and have the right to leave their jobs freely upon reasonable notice. Prohibits the use and use by suppliers of prison labor, debt bondage or indentured labor, forced labor, slavery or trafficking in persons (transporting, harboring, recruiting, transferring, or receiving non-voluntary persons through threats, coercion, force, abduction, or fraud), and prohibits any form of restriction of personal freedom. 	Prohibition of Forced and Compulsory Labour Control Procedure
Protection of women	•Factories shall, by the characteristics of women, protect their safety and health at work and during labor in accordance with the law, and shall not assign jobs and work that are not suitable for women. Women are under special protection during the period of menstruation, pregnancy childbirth, and lactation. Female workers who have been pregnant for more than seven months (including seven months) shall not be allowed to extend their working hours or engage in night shift work, and shall be allowed a certain rest period during the working hours. The factory shall not terminate the labor contract with the female worker during pregnancy, childbirth or lactation.	Guidelines for the Management of Prisoners, Child Laborers, Young Employees, and Female Employees
Protection of child laborers and underage workers	 No minors under the age of 16 may be employed in factories (child laborers). It is forbidden for any unit or individual to introduce employment for minors under the age of 16. Before assigning minors to work, they should be medically examined. The underage workers shall receive relevant occupational safety and health education and training before they take up their jobs. The physical examination and registration of underage workers shall be handled by the factory in a unified manner and expenses shall be borne by the factory. 	Policy on Prohibition of Child Labor and Remedial Procedure; Labor Protection and Control Procedure for Underage Workers; Guidelines for the Management of Prisoners, Child Laborers, Young Employees, and Female Employees
Humane treatment	•The Company strictly prohibits corporal punishment, coercion, or any form of verbal, physical, psychological, or gender-based disciplinary measures. Employees must not be treated in a cruel or inhumane manner, including any form of sexual harassment, sexual abuse, corporal punishment, mental or physical oppression, or verbal abuse; nor may any such behavior be threatened.	Disciplinary Measures Management and Control Procedure; Guidelines for Employee Complaint Management Practice

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Category	Policy	Related Procedures
Anti- discrimination	 The Company advocates fair competition and equal opportunities for all employees in employment relationships. The Company strictly prohibits discrimination in employment relationships based on race, ethnicity, skin color, religious beliefs, sexual orientation, gender, age, physical ability, political affiliation, membership in social groups, marital status, or any other factors. Employees or prospective employees must not be forced to undergo discriminatory medical examinations. 	Anti-Discrimination Management Procedure
Freedom of association and assembly	 The Company respects the right of employees to freely associate in a legal, peaceful manner, to join or not to join trade unions, to seek representation, to participate in workers' committees, to engage in collective bargaining negotiations, and the Company does not interfere with and sanction employees who participate in associations and negotiations. The Company encourages employees to elect their own employee representatives to report directly to them on work and life issues and difficulties; have the ability to communicate openly with management about working conditions without fear of retaliation, threats or harassment. 	Procedure for the Administration of Freedom of Association and Collective Bargaining Rights; Employee Representative Election Procedure



14 Indicators and Goals

Human Rights Protection Indicators

Target	Completion
In the RBA Social Responsibility Management Manual, the Company has set labor targets: Zero cases/year of discrimination and forced labor incidents.	 In 2024, the Company did not employ child laborers or forced labor at home and abroad. In 2024, the Company did not experience discrimination at home or abroad.

Diversified Employment Indicators

Indicators		Unit	Value
Total number of employ	ees (51 interns not included)	Person	3,768
DI	Male employees	Person	1,519
By gender	Female employees	Person	2,249
Duting of amplayment	Full-time employees	Person	3,764
By type of employment	Part-time employees	Person	4
	Employees aged 30 and under	Person	962
By age group	Employees aged over 30 and under 50	Person	2,405
	Employees aged 50 and over	Person	401
By region	Domestic employees	Person	3,731
	Employees in Hong Kong, Macao, Taiwan, and overseas regions	Person	37
Duathaisitu	Minority employees	Person	232
By ethnicity	Non-minority employees	Person	3,536
Number of special	Foreign staff	Person	37
employees	Disabled employees	Person	2

Occupational Safety and Health



Governance a

The Company implements the humanized management with a focus on "people-oriented, employee-first" management philosophy, and pays attention to the protection of employees' safety in production, labor protection and physical and mental health. The Company has established a Safety Production Committee, with the chairman serving as the person in charge of safety production of the committee, and the members of the committee cover the heads of production, manpower, technology and other departments. The Safety Production Committee comprehensively manages the Company's occupational disease prevention and other safety production work, incorporating production responsibilities into all levels of the organization to ensure compliance with legal and regulatory requirements and establish a healthy and safe working environment.

The Company formulates the Company Safety Production Standardization Management, the Safety Operation Management Regulations, the Chemicals Management Measures, the Limited Space Operation Safety Operation Regulations, the Employee Occupational Health Monitoring and File Management System, the Occupational Disease Hazard Emergency Rescue and Management System, the Work Injury Accident Management Regulations and other system documents to ensure the health and safety of employees. The Company has established an occupational health and safety management system, and the Company has passed relevant safety certifications such as ISO45001:2018 occupational health and safety management system.



ISO45001: 2018 Certificate



The Company adheres to "safe operation, people-oriented" principle, incorporates safety production goals into the Company's strategic plan, and is committed to creating a safe and healthy working environment for employees.

Analysis of Risks and Opportunities Related to Occupational Safety and Health

Risk or Opportunity	Time Range	Financial Impact	Response Measures
Safety accidents (accidents such as mechanical injuries and chemical exposure during production)	Short term (1 year)	Operating income (losses due to production stoppage), non- operating expenses (compensation payments), fixed assets (damage to equipment)	1. Clarify safety goals: Clarify the goals of safety production and incorporate it into the Company's strategic planning. 2. Strengthen safety education: Regularly train employees in safety production knowledge and skills to improve employees' safety awareness and self-protection ability. 3. Improve the safety system: Formulate a detailed safety production management system, clarify the norms and procedures of safety production, and ensure that these
Occupational diseases (claims for occupational diseases caused by long-term exposure to harmful substances)	Medium term (1-5 years)	Employee compensation (medical expenses), non- operating expenses (litigation compensation)	systems are effectively implemented. 4. Implement risk assessment: Carry out risk assessment of the production process, identify potential safety hazards, and formulate effective risk control measures according to the risk assessment results. 5. Establish an emergency management system: Enterprises need to formulate emergency plans, carry out detailed contingency planning for possible safety accidents, and organize emergency drills regularly to improve employees' emergency response capabilities and self-rescue capabilities.
Penalties resulting from violations of relevant regulations	Short term (1 year)	Non-operating expenses (fines), operating income (decrease in customer orders), and brand reputation	6. Strengthen safety supervision and assessment: Enterprises should establish a sound safety supervision mechanism to ensure the effective implementation of safety production measures and incorporate safety production into the performance appraisal system of employees.

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Impact, Risk, and Opportunity Management

Employee Occupational Health Management

The Company regards employee occupational health as the core element of enterprise sustainable development, and systematically reduces employee occupational health risks through regular occupational health inspections, occupational health and safety training, safety production management, and work-related injury management.

Measures and Practices of Occupational Health Management for Employees

Main Measures	Specific Practices
Regular occupational health examinations	 Employees undergo occupational health examinations before and after employment. According to the annual medical examination plan, the Company uniformly arranges personnel who are exposed to occupational hazard factors to conduct occupational health examinations during their employment. According to the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and other relevant laws and regulations, an occupational health monitoring file is established for employees exposed to occupational disease hazards, which is used to track the health status of employees continuously. The privacy of these records shall be strictly protected through encrypted storage, restricted access rights, and other measures to ensure that employees' health information is not misused.
Provide occupational health and safety training	 Training topics include safety production training, safety awareness training, occupational injury prevention training, safety knowledge training, safety management training, occupational disease hazard training, etc. Three levels of safety education and training are conducted at the branch, department, and team levels. The training instructors are mainly internal lecturers, supplemented by external lecturers. The training targets are positions related to occupational health and safety, and oral/written tests evaluate the training results. Training is scheduled during working hours. In 2024, the Group Headquarters conducted a total of 16 safety training sessions, with a total duration of 24 hours, and a total of 369 participants.
Safety production management	 Safety facilities, equipment, personal protection and anti-virus appliances, etc. such as testing, ventilation, sun protection, fire prevention, fire extinguishing, explosion prevention, pressure relief, toxic gas prevention, lightning protection, static electricity prevention, corrosion prevention, leak prevention, protective embankments, or isolation operations are set up at the operation site. Formulate the Environmental Factors and Hazard Source Identification and Risk Assessment Procedure, re-identify and evaluate hazard sources once a year, and form the Hazard Source List to implement corresponding control measures for unacceptable hazard sources. Regularly carry out the detection and evaluation of occupational disease hazard factors in the workplace, and publicize the Workplace Occupational Disease Hazard Factor Detection and Evaluation Report, analyze the occupational disease hazard factors designed in the workplace, and issue corresponding protection suggestions. In 2024, two safety emergency drills were conducted, with a total duration of four hours and a total of 965 participants. Twelve safety hazard inspections were conducted, identifying 32 safety hazards, all of which were rectified.
Injury management	•The Work-Related Accident Management Regulations and the Accident Reporting, Investigation, and Handling Procedures were formulated, establishing clear processes for accident prevention, work-related accident reporting, accident analysis and summary, expense reimbursement, and accountability.

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Supplier Security Management

Supply chain security is an essential extension of overall security management. Through strict access standards and continuous capacity building, the Company promotes the overall improvement of supply chain security levels and creates a safe ecology of shared responsibilities.

The Company formulates the Supplier Manual, which requires suppliers to provide a safe and healthy working environment during the supplier qualification review. The Company also regularly conducts health and safety training, inspections, or drills and encourages suppliers to implement the ISO45001 (GB/T45001) occupational health and safety management system. The cooperative supplier needs to sign the Occupational Health and Safety Agreement.

Infrastructure Safety Management

In 2024, the Company carried out two engineering projects. During the project construction process, the Company formulated a safety production management system, established a safety management team for the project, supervised the construction unit to implement safety measures, and through preventive measures, safety training, safety measures, safety monitoring, safety inspection, ensured that the occupational safety and health risks of employees during construction were systematically controlled.

Precautions

The Company shall carry out detailed engineering planning and design to ensure the structural safety and rationality of the project; carry out strict quality inspection of engineering materials to ensure that all materials meet the standards; carry out careful investigation on the construction site to ensure the absence of hidden dangers such as underground pipelines.



The construction unit must ensure that each worker has received the necessary safety training to understand the safety specifications and operating procedures of the construction works. Regular safety emergency drills should be organized to improve the emergency response capabilities of managers and workers.

Safety Facilities

The construction site of a construction project must be equipped with necessary safety facilities, including personal protective equipment such as safety helmets, safety shoes, protective glasses, and collective protective equipment such as fire protection equipment and safety nets.

Safety Monitoring

To ensure the safety of construction projects, safety monitoring technologies can be employed, including the installation of cameras, monitoring instruments, and other equipment to conduct real-time monitoring and data collection at construction sites.

Safety Check

Safety inspection shall be organized regularly to check the safety condition of the construction site and the effectiveness of safety measures.

Business Continuity Management

To avoid the impact of the Company's business activities in the event of major information security incidents or disasters, the Company has formulated the Risk Management and Control Procedure and the Business Continuity Management Procedure, established a crisis prevention and early warning mechanism, and formulated emergency plans for crisis management, including the Production Safety Accident Emergency Plan, the Extreme Weather Emergency Plan, etc., raised crisis awareness among all employees provided crisis education for employees, and regularly carried out crisis management.

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Indicators and Goals

The Company has formulated an occupational health and safety target indicator management plan, which stipulates the assessment content of fire accidents, work injury accidents, occupational diseases, and other indicators.

In 2024.

The number of employees injured

The number of employees who died at work was

The cumulative number of working days lost due to work-related injuries was

Talent Absorption and Cultivation



Governance a

The Company actively implements a "people-oriented" talent development strategy, promoting talent development, formulating the Human Resources Management Procedure and the Recruitment Management System, and regulating talent absorption and cultivation. The Human Resources Center is responsible for the development direction and overall goals of human resources management, approval of the control procedures for training of various daily/major projects or work regulations of human resources; and the Human Resources Department formulates annual training plans, supervises, coordinates, organizes and implements training-related work, collects and preserves training records, and evaluates training effectiveness.



The Company regards talent strategy as the focus of enterprise development, continuously optimizes talent structure, and constantly strengthens talent training to achieve the common growth of employees and the Company.

Analysis of Risks and Opportunities Related to Talent Absorption and Cultivation

Risk or Opportunity	Time Range	Financial Impact	Response Measures
Talent shortage (difficulty in recruiting for key technical positions)	Short term (1 year)	Employee compensation (rising labor costs)	In talent recruitment, the Company adheres to the principles of "fairness and justice, embracing a wide range of talents, and valuing both integrity and ability", adopts a
Talent turnover	Medium term (1-5 years)	Administrative expenses (higher hiring expenses), higher operating costs	dual approach of campus recruitment and social recruitment, and maintains strategic cooperation partnerships with universities such as Xi'an Jiaotong University and Hu-
Rising labor costs	Long term (more than 5 years)	Employee compensation (rising labor costs)	nan Institute of Technology. The Company adheres to a talent cultivation policy of "simultaneously cultivating professional and comprehensive skills",
Skills mismatch	Medium term (1-5 years)	Administrative expenses (increased training expenditure)	namely, cultivating expert technical personnel and comprehensive management personnel, and continuing to deepen the training of new recruits through the "3+1" program.

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Impact, Risk, and Opportunity Management a

Talent absorption

To standardize recruitment management, the Company has formulated the Recruitment Management System and other systems. The Human Resources Department of each business unit of the Company develops human resources planning according to the strategic goals of the business unit, medium and long-term planning, and the requirements of personnel quality and ability in the position. The Company recruits outstanding talents through various recruitment methods such as headhunting, online recruitment, talent exchange, internal recommendation, campus recruitment, school-enterprise cooperation, and intermediary agencies.



["3+1" School-Enterprise Joint Training Program]

To give full play to the advantages of both the school and the Company, and achieve the purpose of cultivating, stabilizing and developing key talents, the Company has long maintained "3+1" schoolenterprise joint cultivation with universities and colleges, providing students with frontline technical practice positions aligned with their majors, and students are jointly trained by both the schools and the Company. After meeting the basic requirements of the Company, they can be hired as regular employees.

By the end of 2024, the Company's "3+1" school-enterprise joint training program had a total of 188 participants. With the continuous improvement of automation, the Company will continue to strengthen its in-depth cooperation with universities and vocational colleges to introduce professional technical personnel.

Talent development

In terms of talent development, the Company and the government established a master studio to strengthen the cultivation of technical talents. The Company enhances employee skills through its mentorship training plan and education improvement plan. The Company has established the Sanyou College as its primary training platform. Combined with internal and external training resources, it accelerates the Company's talent training and provides strong impetus for the Company's strategic development. In 2024, the Company added six new professional skill level technician qualifications and six professional technical titles.



1 Mentoring Program

For newly recruited college students and technicians with primary or intermediate professional and technical qualifications who require development in their roles, the Company has established a mentoring program. The mentors provide comprehensive guidance to mentees on various issues encountered in their studies and work, fully leveraging the mentoring role of the Company's technical specialists (guidance, assistance, and support) to promote the rapid growth of technical personnel. To encourage the mentoring program, the Company provides monthly allowances for mentors and bonuses for outstanding mentors.



"Practical Process Summary & Teacher-student System" Ceremony for "3+1" Talent Reserve of Class of 2024

② Education Improvement Program

With the increasingly fierce market competition, enterprises' demand for high-quality talent has been increasing. At the same time, the personal career development needs of employees are also growing, and education improvement has become an important way for many employees to achieve career breakthroughs. In response to the national "lifelong learning" policy orientation, and at the same time to enhance the competitiveness of corporate talents, the Company has launched an employee education improvement plan to help employees complete their education upgrades through systematic support and realize the common growth of individuals and enterprises.

To encourage employees to improve their academic qualifications, the Company has set up an educational subsidy policy to achieve a win-win situation of personal growth and corporate development through the combination of corporate support and employees' efforts. In 2024, a total of seven people enrolled in the education improvement plan.

3 Sanyou College

To create a learning organization and establish a long-term talent development mechanism, the Company has developed an enterprise college system comprising industrial colleges, management colleges, and vocational colleges, aligned with the existing annual training plan. The aim is to enhance the professional capabilities, management skills, and general competencies of employees through systematic and targeted training, thereby providing strong talent support and guarantees for the realization of the Company's strategic goals.

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Strategic support: Support the Company's business development and talent echelon construction through hierarchical and classified training.

For new employees or interns in different job sequences, develop professional skills Academy training in areas such as professionalism, communication, and collaboration. Industrial Focus on the Company's business development, develop job skills training, and improve staff **Academy** Management Design courses on business management, team management, and other topics for Academy management and core positions to enhance overall competencies of management personnel.

Capability enhancement:



Strengthen employees' abilities in corporate culture integration, professionalism, communication, collaboration, and problem-solving.



Deepen professional knowledge and skills, match job needs, and promote business innovation and efficiency gains.



Equip managers with skills in operational management, team management, and organizational management capabilities.

Target coverage: Ensure rapid integration of new employees, continuous growth of backbone business capabilities, and efficient empowerment of managers.

Туре	Course				Objective	Phase	Project
Management Academy	Structural thinking High-performance team Target management			Manager's Role Perception Master management skills and improve employee performance	Training Camp Action Plan and Self-Improvement	Elite Eagle Program	
Industry Academy	Market Training	Profess ional Training	R&D Training		Master business knowledge and related skills Handle daily tasks independently Continuous learning and skill improvement	Offline Training Action Plan and Self-Improvement	Flying Eagle Program
Vocational Academy	3+1 Training Program			am	Double standards for quality and business characteristics	One-week training camp One-month production line training Three-month study days	Young Eagle Program
Faculty Development	TTT Course Presentat	TT Cou ion Develo	rse l	TTT Experience Extraction	Create a learning organisation Standardise the internal trainer management system	Lecturer Recruitment Lecturer Certification Course Certification Teaching	Master Craftsman Program

Sanyou College Training Program

Training Category	Training Objects	Training topics	Form of training	Training Instructor	Appraisal Method
New employee training	New employees	Company culture, rules and regulations, workflow, etc.	Classroom teaching, case analysis, project practice	Internal instructor	Written test
3+1 Training	Reserve staff trainees, interns	Career planning, communication skills, teamwork, professional skills, etc.	Classroom teaching, case analysis, team development	Internal instructor, external instructor	Oral test + written test
Management training	Managers at all levels	Leadership, business management, expertise, etc.	Classroom teaching, online learning, case studies, book sharing	Internal instructor, external expert	Oral test/ written test + scheme design
Training of skilled personnel	Skilled professionals	Job knowledge and skills, quality control, safety production, etc.	Classroom teaching, online learning, hands-on exercises, sharing and exchange	Internal instructor, external instructor	Oral test + practical operation
Technical staff training	R&D and technical department personnel	Professional technical ability, control plan, application of new technology, etc.	Classroom teaching, technical exchange, project practice	Internal instructor, external instructor, university teachers	Written test

Indicators and Goals

Category	Indicators	Unit	数值
	Total number of employees trained	Person	1,462
Number of employees	Total number of management personnel trained	Person	101
trained	Total number of professional personnel trained	Person	591
	Total number of general personnel trained	Person	770
Number of hours of training for employees	Total number of hours of training for employees	Hours	3,441
	Total number of hours of training for management personnel	Hours	300
	Total number of hours of training for professional personnel	Hours	1,702
	Total number of hours of training for general personnel	Hours	1,439

Note: Only data from Sanyou Lianzhong Headquarters is included in the statistics.

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Employee Management and Incentives



Governance a

The Company has carried out a total compensation management system, which includes monetary compensation (basic salary, performance pay, bonuses, benefits, allowances, stocks, holidays, etc.) and non-monetary rewards (work environment, job challenges, sense of achievement, career development opportunities, etc.). The Company formulates the Human Resources Management Policy to clarify the salary investigation, salary system and other aspects. The Human Resources Department of each business unit adopts a remuneration strategy. Each business unit should organize and carry out remuneration investigation based on business needs. The Company formulates different types of remuneration management systems according to management needs.



The Company has established a sound remuneration management system with the mission of "We create value for customers, investors and society, whilst furnishing employees with better remuneration and benefits.".

Development Strategy

and Level

Job Analysis and Job Management

Corporate Culture and Remuneration Culture

Analysis of Risks and Opportunities Related to Employee Management and Incentives

Risk or Opportunity	Time Range	Financial Impact	Response Measures
Talent turnover (the lack of competitiveness in the compensation system leads to the talent turnover)	Short term (1 year)	Administrative expenses (increased recruitment expenses)	The Company's remuneration system determines remuneration distribution based on factors such as position, skills, performance, and efficiency. The Company has established an incentive-based remuneration structure and a combination of timely
Incentive failure (existing remuneration systems	. 0		and long-term incentive mechanisms based on the principles of "clear goals and results-oriented".
cannot match market changes)	(1 year)	employee performance)	The Company will adjust its remuneration strategy in a timely manner according to strategic goals, markets,
Attract talents (innovative incentive policy to attract talents)	Medium term (1-5 years)	Management expenses (reduction in recruitment costs), operating income (improvement in employee efficiency)	industry development trends, etc., focus on employee performance and capabilities, closely integrates individual performance with company benefits, and gives full play to the role of remuneration guarantee and incentives.



Impact, Risk, and Opportunity Management 🛥

• Employee Communication and Democratic Management

The Company provides employees with multiple channels for filing complaints. Employees can submit complaints via mailboxes, mobile text messages, emails, WeChat, official accounts, and other means to address dissatisfaction encountered in their work and daily lives. The Company has established a chairman's mailbox to enhance direct communication between employees and senior management. In 2024, the Company received zero employee complaints.

To listen to the voice of employees and allow all employees to participate in the management and development of the Company, the Company conducts employee satisfaction surveys on an annual basis. The survey questionnaires focus on various aspects, including work content, work environment, work atmosphere, development and promotion, salary and welfare, and life welfare. The average satisfaction of employees in 2024 was 77.31%. The Human Resources Department will analyze the results of the questionnaire and make recommendations for targeted improvement to improve employee satisfaction.

The Company takes the employee representative meeting as the core carrier of democratic management, formulates the Administrative Measures for Employee Representatives and Trade Union Organizations, respects and protects employees' free election of employee representatives, and establishes effective complaint and complaint mechanisms and channels. The Trade Union is responsible for convening regular meetings of the Employee Representative Committee and communicating fully with employee representatives.

[Information Management: Human Resources Information System (EHR) Launched for Trial Operation [

Organizational HR

The dynamic organizational structure and job level system enable the Company to manage the entire life cycle systematically, from offer approval and employee employment to online labor contract signing, employment confirmation after the probationary period, transfer, and resignation, thereby enhancing HR work efficiency.

Attendance and Leave Management

Diversified attendance and leave management and flexible shift scheduling schemes support online processing of attendance exception reminders, supplementary sign-in applications, leave requests, overtime, shift adjustment, cross-line system, crossdepartmental support and other attendance and leave statuses, and automatic calculation of daily and monthly attendance reports.

Remuneration Management

Integrated remuneration system, online end-to-end management of employee onboarding, salary setting, salary adjustment, and salary settlement, automatic retrieval of attendance and leave data for salary calculation, and provision of flexible cost allocation and other business support, including pay slip confirmation and receipt.

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• Employee Remuneration and Benefits

The Company always abides by the Labor Law of the People's Republic of China and other relevant laws and regulations, and strictly abides as well as the applicable laws and regulations of the regions in which it operates, and performs labor contracts in accordance with the law. The Company has developed a comprehensive remuneration system, including economic and non-economic remuneration, such as the establishment of patent awards, seniority allowances, education allowances, etc. The Company has established an organizational target performance appraisal management method and an incentive distribution mechanism. Through reasonable bonus distribution based on goal achievement, it has also established a project incentive management system. Employees receive corresponding incentives for improving their work, management, and skills, and every employee has equal opportunities for growth and advancement.

Focus on the Living Needs of Employees

Туре	Specific Practices
Staff canteen	The Company has established an employee canteen, formulated the Canteen Management System and the Food Safety Management System to ensure the food health of employees through monthly satisfaction surveys. In 2024, the single indicator of employee satisfaction with the eating environment increased by 5%, and the monthly average satisfaction of employees was 84.25%.
Optimize working environment	Pest control was carried out 12 times in the factory area, and flower seedlings were planted across the entire square twice, covering an area of 510 m² each time.
Staff dormitory	The Company has established employee dormitories and formulated the Dormitory Management Regulations to ensure the safety, cleanliness, hygiene, and public order of the dormitories. The dormitory area is equipped with new cultural and recreational facilities such as a dance room, reading room, and gym, creating a healthy and pleasant living and resting environment for employees.
Caring foremployees' families	The Company cares about its employees' children and holds its third summer daycare program during the summer vacation. The Company pays attention to the family life of employees, carries out family visits with the Labor Union, deeply understands their life needs, and provides caring services in light of the actual situation.
Diversified employee benefits	The Company cares for all its employees and distributes welfare items and provides extra meals during relevant traditional folk festivals, allowing employees to experience traditional festivals while also feeling the Company's "employees first" culture, thereby improving employee happiness. These include: Mid-Autumn Festival welfare, Dragon Boat Festival welfare, Women's Day welfare, birthday welfare, and annual welfare.
Security	The Company formulates the Security Management Regulations, strengthens the management of security, and ensures the safety of Company personnel, property, public order, and fire safety.
Cultural activities	The Company has established union associations for basketball, badminton, table tennis, and other sports, providing employees with a wide variety of cultural activities.

Case | The Third Summer Custody Class in 2024

Since 2022, the Company has held a summer custody class for three consecutive years. A total of 83 children participated in this custody class, including 73 children of the Company's employees and 10 children of employees of enterprises affiliated with the Tangxia Town Labor Union. This is a benefit for all employees to address the reunion of left-behind children with their parents and to provide a safe, fun, and educational summer venue for the children of employees to make up for the loss of childhood experiences.



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Corporate Culture Manual

The Company advocates the family culture management of "employees first". In 2024, the Company completed the corporate culture manual, codified the Company's long-standing Sanyou culture into written form, and promoted it to employees to deepen their sense of belonging through the "family culture".



Employee Management and Incentive Indicators

Unit	Value
%	0 (Employee salaries are all above the minimum wage standard.)
CNY 10,000	23.2
Times	8
Times	0
	CNY 10,000 Times

Note: Only data from the Dongguan factory is included in the statistics.

Social Welfare and Contributions

The Company has always adhered to the philosophy of "taking from society, giving back to society", and actively participates in various social welfare undertakings with a strong sense of social responsibility. In 2024, while achieving its business goals, the Company gave back to the society through diverse means such as employee voluntary services, educational support, and charitable donations.

Public Welfare Activities and Public Welfare Donations

Total number of participation in public welfare activities

Total number of people participating in public welfare activities about

Total hours of participation in public welfare activities about

Public welfare donation

16 times 392 people 75 hours 543,838.87 CNY

Sanyou Lianzhong's Key Actions for Social Welfare and Contribution in 2024

【 Condolences to Suxiang Town Nursing Home 】

During the Spring Festival and Dragon Boat Festival, the Company visited the Suxiang Town Nursing Home to offer support and donate care packages., This initiative embodies the traditional virtue of respecting and honoring the elderly through practical actions.





[The Seventh Employee Voluntary **Blood Donation Activity**]

In respond to the call for voluntary blood donation, the Company organized a blood donation drive. A total of 37 employees participated, with 29 successfully donating blood, contributing a total of 9800 milliliters.



["5 Yuan Love Donation" Activity]

In order to actively support and promote the growth of the "Guangdong Family Planning Association's Fertility Care Fund", the Company organized the fifth season of the "5 Yuan Love Donation Activity". This initiative aims to gather love and support from all sectors of society to care for families facing fertility difficulties, fostering a social atmosphere where everyone contributes with love.

[Loving Mothers Pairing Assistance Program]

Sanyou Electric Power Technology and Mingguang Electric Power participated in the "Celebrating Children's Day and Welcoming the Dragon Boat Festival" event, organized by the Mingguang Municipal Publicity Department,, the Women's Committee of the Economic Development Zone (Caring for the Next Generation Committee, the Staff Union), and the Mingdong Street Women's Federation. Sanyou Electric Power Technology and Mingguang Electric Power donated backpacks, stationery, reading cards, daily necessities, and other supplies to over 40 children in need and students from special education schools in Mingdong Street.





[Party Branch Tree Planting Activity]

In order to implement Xi Jinping's ecological civilization thoughts and promote ecological development, the volunteers and party members of the Company's party branch actively participated in the tree planting activity organized by the party committee of the Puxinhu community.

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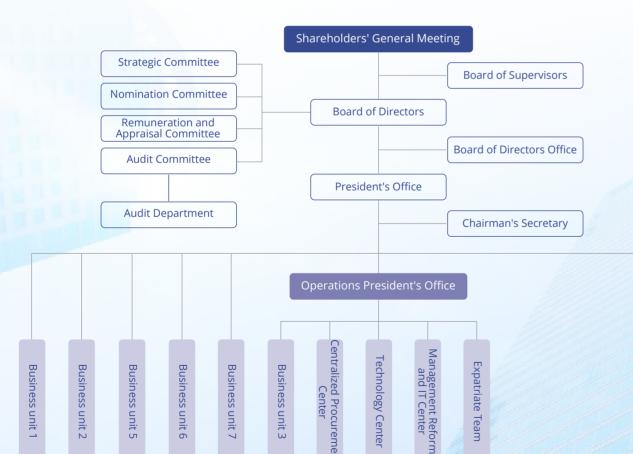
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Corporate Governance

Sanyou Lianzhong has consistently adhered to the governance principles of compliance, standardized operations, scientific decision-making, and sound management. The Company is committed to building a corporate governance system with reasonable structure, clear responsibilities, efficient operation, and effective checks and balances, earnestly safeguarding the legitimate rights and interests of the Company and shareholders, particularly minority shareholders. Sanyou Lianzhong strictly complies with the requirements of the Company Law, Securities Law, Corporate Governance Standards for Listed Companies, Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange, and relevant laws and regulations of the China Securities Regulatory Commission. The Company is continuously improving its corporate governance structure and standardizing its operations to create sustainable value for stakeholders.

Governance Structure

Sanyou Lianzhong has established a multi-tiered governance architecture covering group headquarters, functional centers, business units and global business units, ensuring deep integration between the corporate governance system and business strategy. The group governance structure positions the shareholders' meeting and board of directors as the highest governance tier, with specialized committees established under the board of directors responsible for the coordination and oversight of strategic planning, risk management, financial supervision, and other key functions.



Sanyou Lianzhong has legally established a supervisory board in accordance with the Company Law, serving as a crucial oversight institution within the corporate governance framework. Operating independently from the board of directors and management, the supervisory board exercises prudent supervision over the perform behaviors of directors and senior executives, financial operations, and internal control compliance, ensuring transparent, robust, and effective corporate governance operations.



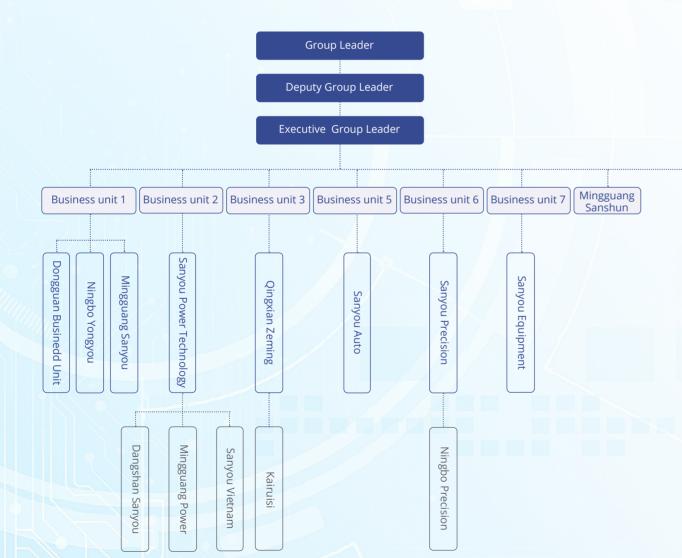
Human Resources and Administration Center

Infrastructure Department

Finance Center

Hangzhou Qiyou

Simultaneously, the Group relies on its six major business units (General-purpose Relays, Power, Transformers/ Magnetic Cores, Automotive Relays, Parts, and Equipment) and its domestic and international subsidiaries to cascade governance responsibilities down to the front lines of business execution, ensuring strategic alignment and the effective implementation of ESG responsibilities. The global marketing network (covering North America, Europe, South Korea, India, Mexico, and domestic regional centers) further facilitates the deep integration of the Group's governance philosophy and sustainable values throughout the global value chain, supporting the Group's long-term sustainable development goals.

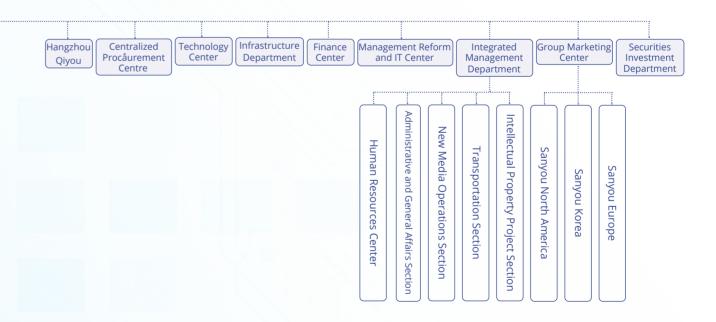


Operations of the Board of Directors

The Board of Directors of Sanyou Lianzhong, serving as the core decision-making and supervisory organization of corporate governance, is characterized by reasonable structure and sound operational mechanisms.

The Board of Directors of Sanyou Lianzhong regards sustainable development as one of the long-term issues to be concerned about and coordinated. The Board has already integrated factors such as environment, safety, and compliance into its decision-making process for major investments, operational planning, and compliance management. Management provides specialized reports to the Board annually on ESG-related key matters (such as carbon footprint assessment, green purchasing, and customer compliance requirements), while simultaneously arranging sustainable development-themed work deployment during annual business meetings. The Company has gradually established an ESG working mechanism guided by the board, led by functional departments, and collaboratively advanced by various business units, ensuring that ESG issues are not merely slogans but are integrated into daily management and business processes. In the future, Sanyou Lianzhong will further streamline the cohesive devices between ESG work and the corporate governance system in accordance with the Company's development stage and regulatory requirements, consolidating the foundation for high-quality development.

In the process of promoting sustainable development governance, Sanyou Lianzhong continuously improves the structure and development of the board itself. The Company's current board consists of seven members, of which three are independent directors, accounting for 42.86%, which complies with the relevant requirements of *The Guidelines for Corporate Governance of Listed Companies*. While fulfilling its duties, the board also focuses on the diversity of its member structure. The Company advocates for an inclusive and open governance culture, supporting the long-term participation and continuous development of women in corporate governance. Currently, women account for 21.43% of the directors, supervisors and senior managers. At the management level, the Company currently has two female senior managers. The Company also actively provides development opportunities for female managers, fostering a governance foundation of diverse collaboration that further enhances the Company's vision and decision-making flexibility in addressing sustainability issues.



This governance structure achieves professional division of governance functions, comprehensive coverage of governance responsibilities, and efficient transmission of strategic objectives across the Company, aligning with practice trends of modern corporate governance and international ESG governance and contributing to enhance overall governance quality and sustainable competitiveness of the Company.

The Company's board has established the Strategy Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Audit Committee. Each specialized committee operates in accordance with *The Articles of Association* and the rules of procedure for the board, playing important roles in the corporate governance system and enhancing decision-making quality and governance standards.

Committee Name	Primary Functions
Strategic Committee	Responsible for researching and providing recommendations on major matters that impact the Company's long-term development strategy, significant investment and financing plans, and other key decisions affecting the Company's growth. Additionally, responsible for monitoring the implementation of these matters to improve the effectiveness and quality of major investment decisions, while enhancing the Company's core competitiveness and sustainable development capabilities.
Nomination Committee	Responsible for establishing selection criteria for directors and senior management, supervising selection procedures, and providing appointment recommendations to continuously optimize the corporate governance structure. During the reporting period, the Nomination Committee focused on diversifying the Board of Directors and management team, promoting gender balance. Female directors, supervisors, and senior executives comprised 21.43% of the total, with two female executives in management positions. The Committee continues to prioritize female talent selection and succession planning to enhance the diversity and inclusiveness of corporate governance.
Remuneration and Appraisal Committee	Responsible for formulating and reviewing the compensation policies for directors and senior managers, optimizing the performance evaluation system, strengthening the alignment between compensation incentives and the Company's development strategy, ensuring the fairness and market competitiveness of the compensation structure, promoting the fulfillment of management responsibilities, and driving the Company's high-quality development.
Audit Committee	Responsible for overseeing the Company's internal control systems, risk management mechanisms, and financial reporting quality, while providing guidance to the audit department in conducting related work to ensure operational compliance and transparency. During the reporting period, the Audit Committee organized reviews of annual and semi-annual financial reports, promoted continuous optimization of internal control processes, and enhanced risk prevention capabilities and financial information quality.

	The Company has 7 directors (board members)	One Chairman	Strategic Committee	Audit Committee	Nomination Committee	Remuneration and Appraisal Committee
Board Member/ Committee Role	Board Members	Chairman	Chairman (Convenor) and Members	Chairman (Convenor) and Members	Chairman (Convenor) and Members	Chairman (Convenor) and Members
Song Chaoyang	•	•	•			
Fu Tiannian	•		•		•	•
Meng Shaofeng	•					
Meng Fanlong	•			•		
He Shuren	•			•		•
Zhu Fudong	•		•	•	•	•
Wang Zaisheng	•				•	

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Number of Board Members	Number of Independent Directors	Number of Female Senior Managers	Number of Employee Directors	Number of Supervisory Board Members	Number of Employee Supervisors
people	3 people	2 people	O people	3 people	people

Risk Management

Risk management is implemented at three levels:



🖟 <u>1</u> 🖔 Financial Risk Management 🗷

The Company places great emphasis on cash flow security and the health of its capital structure. It has established a comprehensive financial system covering fund management, expense reimbursement, accounting, and capital planning. This system ensures the safety of funds through standardized cash flow processes, controls unreasonable expenditures with a rigorous expense review system, guarantees the accuracy of financial information through unified accounting standards, and balances liquidity with capital structure through scientific fund planning, thereby ensuring that financial activities are compliant and controllable. In particular, for risks related to raw material prices and exchange rate fluctuations, the Company manages these risks through futures and foreign exchange hedging, keeping risk factors in a controllable and adjustable state at all times.

a.Futures Hedging Management

For bulk raw materials such as copper and aluminum, the Company has formulated and implemented *The Management System for Futures Hedging Business (2024 Version).* The system explicitly defines requirements for limits of opening a position, stoploss mechanisms, and margin management, and other aspects. All hedging operations are solely used to lock in raw material price volatility risks, with no speculative trading.

The Supply Chain Management Department monitors trading dynamics in real-time, providing timely warnings and handling of any irregularities to ensure that operations are safe and effective. Through the rational use of futures instruments, the Company has effectively smoothed the impact of raw material price fluctuations, helping to maintain cost stability in its production and operations.

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2024 Sustainability Report

b.Foreign Exchange Hedging Management

The Company has implemented the *Foreign Exchange Hedging Business Management System*, standardizing business operations such as forward foreign exchange settlement and sales, and Foreign Exchange Swaps to prevent exchange rate volatility risks. This measure was executed after special review and approval by the Board of Supervisors and independent directors, ensuring standardized and stable operations. Meanwhile, the Company regularly evaluates hedging effectiveness to avoid impacting normal operating capital arrangements and cross-border capital utilization.

Through foreign exchange hedging management, the Company has effectively enhanced the risk resistance capability of international business and strengthened the stability of capital operations.



\hat{igcap} \hat{igcap} Internal Control and Audit Supervision $oldsymbol{\square}$

The Company continuously improves its internal control system and strengthens audit supervision functions, promoting steady improvement in corporate governance levels. The Company has established an Internal Audit Department, directly led by the Audit Committee, with the head of internal audit reporting to the Audit Committee. If major risks or deficiencies are discovered during the audit process, the Audit Committee can promptly report to the Board of Directors and regulatory authorities, ensuring risk matters remain transparent and controllable.

The Company's annual audit work is organized and implemented quarterly, with audit frequency including quarterly audits and semi-annual audits, covering multiple key business segments to ensure effective operation of risk identification and internal control. Audit work is executed at a frequency combining "quarterly audits and semi-annual audits," with audit types being special audits, led and conducted by the Audit Department.

During 2024, the Company conducted price verification around procurement processes, focusing on reviewing external procurement and internal transaction prices for raw materials, spare parts, and low-value consumables, verifying the reasonableness and compliance of pricing mechanisms in the first quarter (January to March). In the second quarter (April to June), the Company conducted semi-annual audits of procurement execution processes, project payments, and contract performance, evaluating the standardization of business execution and effectiveness of process control. In the third quarter (July to September), the Company focused on inventory write-off approvals, authenticity of expense reimbursements, and execution of large payment authorization limits, strengthening penetrative audit supervision of key expenditure items. In the fourth quarter (October to December), the Company conducted project settlements, tax filing, and financial statement authenticity reviews, while systematically evaluating the annual operation of the internal control system.

The audit scope encompasses the Company headquarters and all subsidiary companies. Audit projects are uniformly coordinated and implemented by the Audit Department in collaboration with functional departments including Finance, Procurement, and Supply Chain, ensuring seamless coordination and clearly defined responsibilities across all operational segments. The audit methodology primarily employs regulatory document reviews, voucher sampling, data reconciliation, and on-site interviews, with particular focus on identifying deviations in policy implementation and risk exposure points. Through systematic audit planning and closed-loop control mechanisms, the Company continuously strengthens its internal governance foundation and enhances the systematic, effective, and forward-looking nature of risk management, providing robust support for the steady advancement of sustainable development strategies.



Risk Management of Public Opinion and Public Relations

The Company implements unified leadership, unified organization, rapid response, and coordinated handling for various types of public opinion. The Company routinely monitors and collects media reports, online information, industry commentary, and public opinion dynamics through multiple channels, achieving early discovery, early assessment, and early response to public opinion information.

The Company categorizes public opinion information into two types: major public opinion and general public opinion.

In responding to different public opinion information, the Company's handling principles are: (1) Rapid response and swift action (2) Coordinated publicity and sincere communication (3) Positive engagement and proactive responsibility (4) Systematic handling and unified planning.

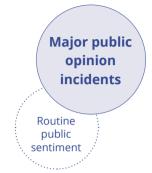
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For major public opinion incidents, the leadership group promptly organizes assessment meetings and coordinates relevant internal departments to formulate response plans. The group provides public responses through announcements and briefings when necessary, proactively clarifying misunderstandings and eliminating negative impacts to effectively maintain the Company's brand image and investor confidence.

Through establishing and continuously improving public opinion management mechanisms, the Company has enhanced its ability to respond to changes in the external public opinion environment, strengthened information transparency and corporate credibility, creating a favorable public opinion environment for stable development.

Through these three lines of risk defense, Sanyou Lianzhong controls "visible financial risks," establishes a robust "invisible internal control network," and guards the "audible public opinion field," enabling the Company to maintain steady progress in complex and volatile market environments.

The Company categorizes public opinion information into two types: major public opinion incidents and routine public sentiment.



Information Disclosure Mechanism

The Company strictly complies with information disclosure laws and regulations, truthfully, accurately, completely, and timely disclosing the Company's operating conditions and major matters. During the reporting period, the Company designated *Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily,* and cninfo.com.cn as designated information disclosure media, ensuring all shareholders receive Company information equally and timely.

The Company has established a comprehensive internal information disclosure process, led by the Board Secretary with collaborative support from various business and functional departments, ensuring disclosure content is accurate and compliant. Directors, supervisors, and senior managers strictly fulfill information disclosure responsibilities, with no false records, misleading statements, or material omissions during the reporting period.

In 2024, the Company convened 24 meetings of various types and deliberated on 108 topics, which covered critical areas including corporate governance, strategic decision-making, operational management, and risk control, thereby ensuring the standardization and transparency of the corporate governance framework. Concurrently, the Company strictly fulfilled its statutory information disclosure obligations, publishing a total of 112 announcements throughout the year, with the highest disclosure volume of 50 announcements recorded in April 2024. The announcement categories encompassed periodic reports, board of directors and supervisory board matters, daily operations, corporate governance, and changes in shareholder equity, among other comprehensive content. The information disclosure demonstrated rich content and strong timeliness, further safeguarding investors' right to information and enhancing positive interaction between the Company and capital markets.

Type of Announcement Business	Number of Announcements	Type of Announcement Business	Number of Announcements
Periodic Reports	6	Performance forecast	1
Rights and Interests Distribution	2	Board of Directors and Supervisory Board	13
Shareholders' Meeting	4	Day-to-day Operations	49
Intermediary Reports	17	Corporate Governance	19
Changes in Equity	1		

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Announcement quantity Announcement quantity 12

5

Oct

Protection of Shareholders' Right

Mar

May

The Company will thoroughly study the requirements of the latest laws, regulations, and relevant normative documents, continue to standardize information disclosure practices, enhance the overall quality of information disclosure work, and ensure the timeliness, authenticity, accuracy, and completeness of information disclosure to establish a favorable corporate image in the capital market. In terms of investor relations management, the Company will prioritize the vital interests of all investors and deepen investors' understanding and trust in the Company through multiple channels including the Easy IR platform, investor consultation hotline, and corporate email, further promoting sound, harmonious, and stable bilateral relationships.

Number of shareholder meetings held	Number of proposals reviewed at shareholder meetin	Number of board gs meetings held	Number of proposals reviewed at board meetings
2 times	15 items	7 times	46 items
Number of ESG proposals reviewed by the board	Number of board nomination committee meetings held	Number of board strategy committee meetings held	Number of board audit committee meetings held
O items	2 times	1 times	6 times
Number of supervisory board meetings held	Number of proposals reviewed at supervisory board meetings	Number of disclosure announcements	Number of investor communication activities conducted
6 times	24 items	112 items	6 times

Sanyou Lianzhong is committed to lawful and compliant governance, effectively safeguarding the legitimate rights and interests of all shareholders, particularly small and medium-sized investors. The Company strictly convenes and conducts shareholder meetings in accordance with The Company Law, Securities Law, Rules for Shareholder's Meetings of Listed Companies, Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange, Articles of Association, Rules of Procedure for Shareholder Meetings, and other relevant laws and regulations, ensuring shareholders' right to information, participation, and voting.

During the reporting period, the Company convened two shareholder meetings, deliberating a total of fifteen proposals. The meetings employed a hybrid voting mechanism combining on-site and online voting, enhancing participation convenience for minority shareholders. Investor participation rates reached 51.72% and 51.77% respectively, demonstrating strong shareholder engagement and governance transparency. The meetings were duly convened by the board of directors in accordance with applicable laws, with legal counsel present to witness proceedings and issue legal opinions, ensuring procedural compliance and legitimacy. The Company's board of directors held seven meetings in 2024, deliberating 46 proposals. The board's specialized committees—including the Nomination Committee (two meetings), Audit Committee (six meetings), Strategy Committee (one meeting), and Remuneration and Appraisal Committee—rigorously discharged their supervisory and governance functions, safeguarding corporate governance quality and shareholder interests. The Supervisory Board convened six meetings in 2024, reviewing 24 proposals, and diligently fulfilled its oversight responsibilities regarding the Company's material matters, financial position, related-party transactions, and the performance of directors and senior management, effectively protecting legitimate shareholder rights and interests.

In terms of information disclosure, the Company released a total of 112 announcements throughout the year, covering operations, finance, major matters, and corporate governance developments, strictly implementing requirements for truthful, accurate, complete, and timely disclosure, and ensuring all shareholders receive company information fairly and synchronously.

In continuously safeguarding shareholders' legitimate rights and interests and providing stable returns to investors, Sanyou Lianzhong highly values the fairness and sustainability of profit distribution. For 2024, the Company formulated a profit distribution plan that balances shareholder returns with future development needs. According to the plan, based on the Company's total share capital of 228,645,713 shares as of December 31, 2024, the Company proposes to distribute cash dividends of CNY 2.18 per 10 shares (inclusive of tax) to all shareholders, totaling CNY 49,844,765.43 in cash dividends (inclusive of tax), with undistributed profits carried forward to the following year for the Company's subsequent business development and strategic reserves. Simultaneously, the Company proposes to convert capital reserves to share capital at 4 shares per 10 shares, increasing total share capital to 320,103,998 shares after conversion.

Total share capital of the company

228,645,713 shares

After conversion, the total share capital of the company

320,103,998 shares

This profit distribution plan fully embodies the Company's adherence to a long-term, stable, and scientific shareholder return policy. By balancing cash dividends with share capital expansion, it helps to bolster shareholder confidence, optimize the Company's capital structure, and continuously enhance shareholder value, reflecting the Company's high regard for its investors and its excellent level of governance.

The Company places a high value on investor relations management and conducted six investor communication activities in 2024. It actively responding to investor concerns through multiple channels such as the Easy IR platform, a dedicated telephone line, a special-purpose email address, online earnings briefings, and on-site visits, thereby enhancing the positive interaction between the Company and its investors.

Through enhancing shareholder meeting mechanisms, strengthening supervisory board oversight functions, optimizing information disclosure quality and transparency, and diversifying investor communication channels, Sanyou Lianzhong continuously elevates corporate governance standards, effectively safeguarding the legitimate rights and interests of shareholders, particularly minority investors, while strengthening capital market confidence and facilitating sustainable corporate development.

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Compliant Operations

The Company has established a comprehensive compliance management system covering all operational and management processes. In terms of institutional development, the Company continuously enhances internal control systems, strengthens financial management, internal auditing, and risk management, while ensuring regulatory governance through supervisory board oversight mechanisms. In anti-unfair competition practices, the Company achieves end-to-end compliance management from R&D to marketing through standardized systems, process-driven risk controls, and systematic training programs. The Company maintains strict adherence to tax compliance and regulatory management, rigorously observing domestic and international tax regulations. The effective implementation of these multi-dimensional compliance initiatives establishes a solid foundation for the Company's prudent operations and long-term competitive advantage enhancement.

Compliance Management System

Part of the compliance management-related policies of Sanyou Lianzhong

System	Policy
	Articles of Association of Sanyou Corporation Limited
Cornerate Covernance System	Rules of Procedure for the General Meeting of Shareholders
Corporate Governance System	Rules of Procedure for the Board of Directors
	Rules of Procedure for the Board of Supervisors
	Procedure for the Identification and Evaluation of Legal and Regulatory Requirements
	Compliance Identification and Assessment Management Procedure
	Regulations on Integrity in Professional Conduct (including reporting provisions)
Compliance Management and Internal Control System	Contract Review Control Procedures
,	Supplier Confidentiality Agreement
	Intellectual Property Management System Manual
	Information Security and Privacy Management Regulations
Operation and Management Contains	Procedure for Customer Feedback Management
Operation and Management System	Administrative Measures for Handling Customer Returns
	Supplier Manual
Supply Chain Management System	Sustainable Procurement Management Manual
	Administrative Measures for Supplier PPAP Submission
Council Chair Managamant Contain	Supplier Code of Conduct
Supply Chain Management System	Supplier Audit Form

System	Policy
County Chair Management Contact	Supplier Access Agreements and General Procurement Rules
Supply Chain Management System	Regulations on Contractor EHS Management
	Risk Management Procedures
Risk Management and Supporting Guarantee System	Regulations on Business Continuity Management
•	Procedure for Human Resources Management
	Procedures for Identification and Risk Assessment of Environmental Factors and Hazardous Sources
	Regulations on Solid Waste Management
Environmental Management System	Regulations on Environmental Protection Management
	Procedure for Accident Reporting, Investigation, and Handling
	Emergency Plan for Sudden Environmental Incidents
Social Responsibility Management	Sanyou Lianzhong Social Responsibility Management Manual
System	Administrative Measures for the Procurement of Conflict-Free Minerals

The Company has established a robust compliance management system, integrating compliance requirements into every aspect of its operations and management. During the reporting period, the Company continuously improved internal control systems, regularly supplemented and updated various internal control systems, and continuously strengthened compliance construction and control in financial management, internal auditing, risk management, and other areas. The Company strictly operates in accordance with relevant laws and regulations, combining past practical experience to strengthen corporate governance, effectively implementing various internal control systems, and promoting enterprise management toward standardization and normalization. Meanwhile, the Company's Supervisory Board effectively supervises the Company's lawful and compliant operations and the performance of directors and senior management, promptly expressing opinions and protecting the legitimate rights and interests of the Company and shareholders. Through the combination of system construction and supervisory mechanisms, the Company's compliance management system operates effectively, providing strong assurance for the Company's long-term stable operations.

In the supply chain, the Company has established a comprehensive supply chain information disclosure and compliance management mechanism covering the entire process. During the reporting period, audits and investigations were completed for nearly 100 suppliers, achieving 100% signing The Supplier Manual and social responsibility and anti-commercial bribery commitment letters, with no high-risk situations such as child labor identified. All suppliers received training on PPAP documentation completion and SRM system operations, achieving 100% compliance coverage. The Company completed responsible minerals due diligence for nearly 100 suppliers, confirming 100% compliance with conflict-free mineral requirements, further enhancing supply chain transparency and traceability.



Anti-Unfair Competition



Intellectual Property Protection 🗷

Sanyou Lianzhong incorporates intellectual property (IP) protection as a vital component of its corporate governance system. Through a three-pronged approach of institutional standardization, process control, and company-wide training, it continuously enhances its capability for the compliant management and risk control of its technological achievements.

1 Standardization of the IP Management System

The Company has systematically developed a comprehensive IP management system that encompasses the entire "creation-utilization-management-protection" lifecycle. The Company has formulated and implemented 21 IP management policy documents covering critical areas including patent applications, ownership confirmation, technology transfer, contract compliance, and trade secret management, ensuring that all business operations are conducted in accordance with established protocols and regulatory requirements.

2 Process-Oriented IP Risk Prevention and Control

The Company has established an IP risk identification mechanism that is embedded within its daily business processes. Before product research and development, market promotion, and delivery, all departments must initiate an infringement risk identification process through the OA (Office Automation) system, with the intellectual property department conducting assessments and providing review opinions.



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The system illustrated in the diagram clearly specifies the application content, the affiliated company, the project stage, and the relevant judgment criteria, effectively achieving front-end identification, in-process control, and post-event traceability. Daily dynamic monitoring of key patents is also conducted. Once infringement risks or dispute clues are identified, the responsible person will be informed immediately with response suggestions to reduce infringement risks from the source.

3 Systematization of Training Mechanism

The Company continuously strengthens its employees' IP awareness and practical skills, establishing a position-based training system. In 2024, four rounds of centralized training were organized, focusing on themes such as patent law practices, the patent application process, trade secret protection, and patent infringement identification. The content combined institutional understanding with case study analysis and was targeted at key positions including R&D, engineering, and sales. The training was primarily conducted through offline instruction, centered on practical work scenarios, and covered key roles, effectively enhancing employees' ability to identify and mitigate IP risks.





📶 Responsible Marketing 🗨

Sanyou Lianzhong adheres to a customer-centric marketing philosophy and is committed to building a marketing system based on integrity, transparency, and professionalism. The company strengthens compliant disclosure of product information, responsiveness to customer feedback, and service responsibility throughout the entire process, promoting the comprehensive alignment of its marketing activities with ESG requirements.

On the environmental front, we insist on green innovation and sustainable product development, adhering to a product strategy of "research one generation, reserve one generation, develop one generation." We achieve breakthroughs that drive the low-carbon and high-efficiency development of relays for new energy and photovoltaic energy storage, by leveraging core technologies to develop a new generation of high-efficiency relays, thereby reducing our customers' system energy consumption. Through carbon footprint optimization design and green material application, we ensure each generation of products exceeds industry standards in energy efficiency, lifespan, and recycling rates, helping customers achieve net-zero carbon goals.

On the social front, we drive innovation through customer demand, leveraging our "reserve generation" strategy to rapidly respond to market changes, ensuring our photovoltaic energy storage and charging relay solutions meet ESG compliance requirements across diverse global markets in terms of safety and compatibility. Through technological empowerment, we help clients optimize energy efficiency and reduce their full lifecycle carbon footprint. Talent breakthrough: We build diverse, inclusive teams with 100% ESG training coverage, empowering employees to participate in green innovation. Brand breakthrough: Through global exhibitions such as international photovoltaic and energy storage trade shows, we communicate sustainable development principles and enhance ESG brand premium.

On the governance level, we emphasize governance and sustainable competitiveness. We establish technology barriers and IP protection mechanisms to ensure that the results from the "research a generation" phase are converted into long-term market advantages. Concurrently, we promote the industry's development toward higher efficiency and lower carbon emissions, through green supply chain management and responsible marketing.

Key Performance: The Company strictly implements a review process for product and service information, ensuring that all promotional materials are accurate, compliant, and traceable. During the reporting period, the total number of incidents violating laws and regulations related to product and service information and labeling was zero; the total number of incidents violating laws and regulations related to marketing communications was zero.

During the reporting period:

Total number of incidents violating regulations on product and service information and labeling

Total number of incidents violating regulations related to marketing communication

Marketing Event

Shanghai Munich **Electronics** Show



Sanyou Lianzhong showcased its high-voltage DC relay products at the electronica China in Shanghai, under the theme "Green Connectivity, Smart Manufacturing Future," demonstrating innovative applications in photovoltaic energy storage systems to the global energy industry. At the exhibition, Sanyou Lianzhong constructed intelligent photovoltaic energy storage application scenarios, highlighting the critical role of high-voltage DC relays in renewable energy systems, and attracting numerous international energy enterprise representatives for in-depth ex-

Company technical experts provided detailed interpretations of the carbon footprint assessment reports for photovoltaic relay products to visitors, showcasing Sanyou Lianzhong's leading practices in low-carbon manufacturing and green supply chain management. Through comprehensive discussions with international clients, Sanyou Lianzhong gained deeper insights into European market demand trends for renewable energy relays, providing valuable reference for subsequent product optimization and market expansion.

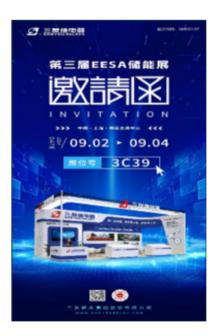
2024 **ESIE Beijing Energy Storage** International **Exhibition**



At the energy storage industry event held at the Beijing Shougang Convention and Exhibition Center, Sanyou Lianzhong showcased its integrated optical storage and charging relay solution, with the theme of "Zero Carbonization of Energy Storage, Cooperation for Win-Win". This solution, aiming at the core needs of new energy power generation, energy storage, and charging pile systems, provides reliable and efficient power control guarantees, attracting high attention from industry customers.

During the exhibition, Sanyou Lianzhong conducted in-depth negotiations with multiple domestic energy storage system integrators, new energy vehicle manufacturers, and charging operators, exploring application prospects for relays in zero-carbon energy storage, intelligent microgrids, and other fields. Through on-site demonstrations and case studies, the company further strengthened its brand influence in the domestic energy storage market and reached multiple cooperation agreements.

2024 The Third EESA **China International Energy Storage Expo** the 11th Global Solar + **Energy Storage** Conference



At the international energy technology exhibition held at the Shanghai National Convention and Exhibition Center, Sanyou Lianzhong exhibited a series of new energy storage projects and integrated optical storage and charging relay solutions, with the theme of "Technology Empowers Carbon Reduction Throughout the Life Cycle." The company's technical team provided detailed introductions to clients regarding the products' high-efficiency energy-saving characteristics, long-life design, and intelligent control technology, demonstrating their significant role in facilitating low-carbon transformation in the renewable energy industry.

At the exhibition site, Sanyou Lianzhong had in-depth exchanges with industry experts and potential customers, exploring the innovative applications of relays in fields such as photovoltaic energy storage, electric vehicle charging, and smart grids, through interactive demonstrations, technical salons, and other forms. This exhibition participation not only enhanced the company's brand recognition in the East China market but also established a solid foundation for subsequent market expansion.

2 Closed-Loop Management of Customer Complaints

The Company has established a tiered customer complaint management mechanism that covers all business units, implementing a closed-loop process of "registration--response--review-- resolution--tracking" to enhance customer trust and service timeliness.

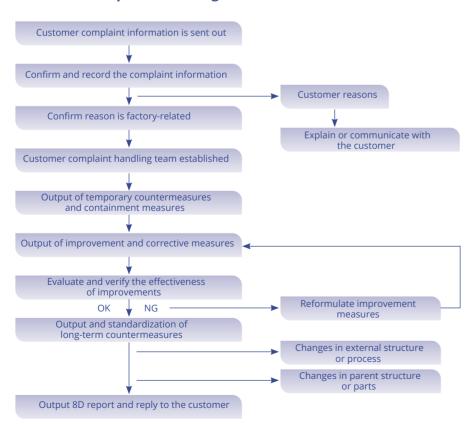
All customer complaints across all business units have achieved 100% closed-loop resolution. Among them, the first, second, and fifth business units showed decreased complaint rates compared to last year, reflecting the Company's continuous improvements in response efficiency, service processes communication quality, and other aspects.

Sanyou Lianzhong has established a unified complaint handling mechanism that spans all departments, with coordinated responses from marketing, quality assurance, manufacturing, technical, and R&D teams to ensure customer feedback is addressed promptly and effectively within defined timeframes.

According to the Company's Measures for Handling Customer Complaints, customer feedback is classified into three categories based on severity: serious complaints, general exceptions, and occasional exceptions, each corresponding to different levels of handling requirements. For serious complaints, the company sets clear disposition time limits: prevention and containment plans must be formulated within 12 hours, and anomaly handling should be completed within two working days. If problems affect production stoppages for customers or persist, they must be escalated to vice presidents, general managers, or even the chairman.

Customer feedback is first received by the marketing department and immediately transferred to the quality department, where a CQE (Customer Quality Engineer) takes the lead in forming a handling team. Team members include relevant personnel from quality, technology, manufacturing, engineering, and other departments, uniformly using 8D report templates to record problem details, cause analysis, corrective measures, and verification processes.

Customer Complaint Handling Process Flowchart



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After implementing all improvement measures, the quality department conducts regular follow-up verification Effectiveness assessments will be comducted at two weeks and two months after the implementation to ensure substantive problem resolution and promote standardization into routine control protocols. All final improvements must be updated in the file management system, including process workflows, control plans, and operational procedures. This mechanism ensures closed-loop and standardized customer complaint handling, reflecting Sanyou Lianzhong's long-term commitment and systematic development in "responsible marketing," effectively supporting continuous enhancement of customer satisfaction and product quality.

Furthermore, the Company concurrently strengthens internal data analysis and trend assessment, regularly convening service qualitymeetings. Through typical case reviews, process optimization recommendations, and customer semantic analysis, the Company enhances precise service levels and consolidates the customer-centric marketing system.

Tax Policy

Tax policy

1. Strictly comply with tax laws and international tax standards, file tax returns timely, and avoid omissions in tax reporting;

Tax Governance, Control and Risk Management

- 1. Daily Tax Management:
- a. Maintain consistency of supplier/customer information across contracts, orders, invoices, receipts and payments, logistics information, delivery notes, and receiving documents for daily transactions;
- b. Standardize financial accounting in accordance with enterprise accounting standards;
- 2. Tax Preferential Policies

Actively monitor national preferential policies, proactively apply for various incentive policies, and legally retain documentation for all tax incentive policies for inspection purposes

- 3. Actively cooperate with tax inspections and provide complete evidence chains
- 4. Calculate taxes in accordance with tax laws, proactively pay corporate taxes due, and fulfill corporate social responsibilities.

Taxpaying Entity Name	Income Tax Rate
Sanyou Lianzhong	
Sanyou Power Technology	
Qingxian Zeming	15%
Ningbo Yongyou	
Sanyou Europe	
Sanyou Korea	10% for taxable income of 0-200 million KRW (not including); 20% for taxable income over 200 million KRW
Sanyou North America	26%
Hangzhou Qiyou	
Mingguang Power	
Sanyou Equipment	
Sanyou Auto	20%
Ningbo Precision	
Dangshan Sanyou	
Sanyou Vietnam	
Other taxpayers not listed above	25%

Group Entities

Sanyou Lianzhong

Sanyou Equipment

Sanyou Auto

Sanyou Precision

Mingguang Sanyou

Mingguang Power

Dangshan Sanyou

Ningbo Yongyou

Ningbo Precision

Qingxian Zeming

Sanyou Korea

Sanyou Europe

Hangzhou Qiyou

Sanyou North America

Kairuisi

Mingguang Sanshun

Sanyou Power Technology

Business Ethics

The Company continuously fortifies its ethical defense line for compliant operations through institutional constraints, cultural immersion, and supervisory safeguards, providing a solid foundation for sustainable development. The company maintains a zero-corruption litigation record and systematically advances integrity education through its "Culture-Building Initiative." In 2024, the Company conducted comprehensive integrity training for all employees, fostering an ecosystem of "dare not corrupt, cannot corrupt, do not want to corrupt," while establishing robust whistleblowing and grievance channels to ensure timely investigation of violations. Through systematic business ethics development, the Company continues to cultivate a clean and upright business environment.

Business Ethics

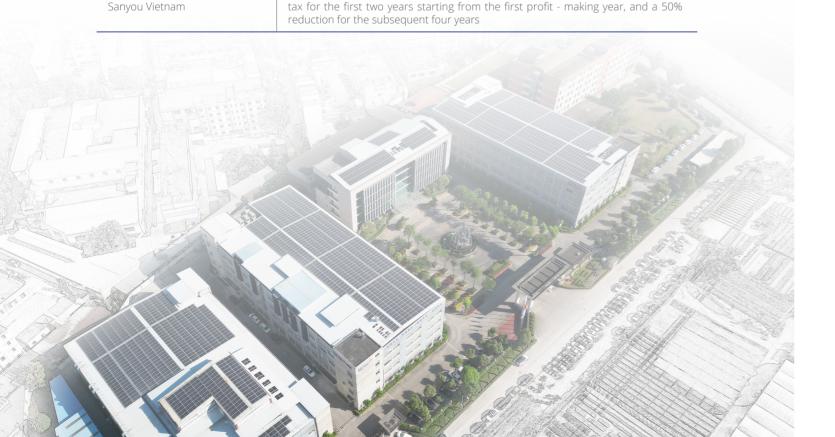
Number of legal proceedings initiated due to corruption by the company or its employees

Number of completed corruption litigation cases

Promotion and Implementation of Integrity Culture

Sanyou Lianzhong consistently regards integrity culture as an important component of corporate governance and enterprise culture construction, which is committed to fostering a clean, upright, honest, and law-abiding business environment, continuously promoting deep integration of integrity concepts with corporate values and business management practices.

The Company explicitly proposes the "Culture Forging Soul" project in its enterprise culture strategy. By building the "Sanyou Culture" system, it promotes the core values of "Customer Satisfaction, Lifelong Learning, Innovation and Efficiency, and Integrity and Dedication," comprehensively strengthening the construction of its integrity culture. To thoroughly implement the requirements for promoting clean governance and building a culture of integrity, strengthen the self-discipline awareness of all employees, and fortify the ideological defense line against corruption, the Company organized a special training session on integrity in professional practice in 2024. This training aimed to help employees clarify the red lines of integrity, enhance their compliance awareness, and establish a professional philosophy of being "unable, unwilling, and not daring to be corrupt" by systematically studying party disciplines, laws, corporate integrity policies, and typical cases, thereby creating a clean and upright work environment. Training content mainly included three aspects: first, interpretation of policies and regulations, with a focus on core articles of laws such as the Anti-Corruption Law; second, publicizing and implementation of corporate integrity policies, with emphasis on key regulations, including conflict of interest avoidance, management of gifts and cash, and interactions with business partners; third, cautionary education through case studies, which plays a role in learning from cases and preventing potential problems by analyzing typical disciplinary cases in the industry.



1. Vietnamese investment license, which can be exempted from enterprise income

Tax Preferential Policies Enjoyed in 2024

1. High-tech enterprises

1. High-tech enterprises

2. VAT additional deduction

1. Small and micro enterprises

1. Small and micro enterprises

1. Small and micro enterprises

1. High-tech enterprises

1. High-tech enterprises

2. VAT additional deduction 1. Small and micro enterprises

1. Small and micro enterprises

2. VAT additional deduction 1. Small and micro enterprises

None

None

None

None None

2. VAT additional deduction

1. Small and micro enterprises

1. Small and micro enterprises

2024 Sustainability Report

All current employees were required to attend the entire training session, and those unable to attend due to work arrangements had to file for an exemption in advance. After the training, employees were required to complete an integrity knowledge test. Training participation and test results will be incorporated into the annual compliance assessment system.

Through this training, the Company has further strengthened the integrity and self-discipline awareness of all employees and solidified its foundation for preventing and controlling integrity risks. All departments attached great importance to and actively cooperated the tranings, providing a strong guarantee for the construction of a healthy and standardized development ecosystem for the Company.

March 2024 Int	March 2024 Integrity Training Needs Form					
Training content	trainer	Training participants	Location	Assessment method	Training objectives	
Integrity Training	Chi Changwu	Manufacturing Department	second-floor office	oral examination	Adhere to the bottom line and set an example of integrity in the workplace	

Reporting and Appeal Channels

Number of pending litigation cases against the company regarding anti-competitive behavior and antitrust law



Number of completed litigation cases against the company regarding anticompetitive behavior and antitrust law



Number of administrative penalties imposed on the company for anticompetitive behavior and antitrust law violations





Anti-competitive complaint incidents



Reporting Method:

Party B may report directly to Party A through the following methods:



1.Reporters may call the reporting hotline:

139***** Song Chaoyang (Legal Representative, Chairman, General Manager), 139***** Fu Tiannian (Director, Deputy General Manager)

2.Reporters may send an email to:

Office of the Managing Director: *****@sanyourelay.com; General Manager's Office: ***@sanyourelay.com Getting to Know Sanyou Sustainable Management Green Manufacturing Social Responsibility Compliance Governance 110

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Fair Employment and Human Rights	General Disclosures 2-7, 2-8, 2-23, 2-24; Employment 401-1; Diversity and Equal Opportunity 405-1, 405-2; Non-discrimination 406-1; Freedom of Association and Collective Bargaining 407-1; Child Labor 408-1; Forced or Compulsory Labor 409-1		Employees	
Occupational Safety and Health	General Disclosures 2-25; Occupational Health and Safety 403-1, 403- 2, 403-3, 403-4, 403- 5, 403-6, 403-7, 403-8, 403-9, 403-10			
Talent Absorption and Cultivation	Training and Education 404-1, 404-2			
Employee Management and Incentives	General Disclosures 2-20; Market Presence 202-1; Employment 401-2; Security Practices 410-1			
Social Welfare and Contributions	Indirect Economic Impacts 203-1, 203-2; Public Policy 415-1		Social Contributions	
05 Compliance Governan	ce, Strengthening Fo	undation for "Century-	Old Sanyou"	
Corporate Governance				
Governance Structure	General Disclosures 2-9, 2-12, 2-13			
Operations of the Board of Directors	General Disclosures 2-10, 2-11			16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Risk Management		Materials Sourcing RT-EE-440a.1	Due Diligence	
Information Disclosure Mechanism				
Protection of Shareholders' Rights	General Disclosures 2-15			

Chapters and Sections	GRI	SASB Electrical & Electronic Equipment Sustainability Accounting Standard	Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)	SDGs
Compliant Operations				
Compliance Management System	General Disclosures 2-27		Anti-commercial Bribery and Anti-corruption	
Anti-Unfair Competition	Anti-corruption 205-1, 205-2, 205-3; Customer Privacy 418-1		Fair Competition Data Security and Customer Privacy	
Tax policy	Tax 207-1, 207-2			
Business Ethics				
Business Ethics				
Promotion and Implementation of Integrity Culture	Anti-corruption 205-2, 205-3	Business Ethics RT-EE-510a.1;RT- EE-510a.2;RT-EE-510a.3	Anti-commercial Bribery and Anti-corruption	
Reporting and Appeal Channels	General Disclosures 2-25, 2-26; Anti-competitive Behavior 206-1	. LE 3.33.2, 11 EE 3130.3		

GRI content index

Statement of use	Sanyou Lianzhong has reported [in accordance with] the GRI Standards for the period 1 January 2024 to 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standard

CDI CTANDARDA	DISCLOSURE			OMISSION	
GRI STANDARD/ OTHER SOURCE		LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANA- TIO
General disclosur	es				
	2-1 Organizational details	Company Overview			
	2-2 Entities included in the organization's sustainability reporting	Scope of the report	A gray cell indicat	es that reasons for	omission
	2-3 Reporting period, frequency and contact point	About this report Scope of the report	are not permitted	d for the disclosure of the formal disclosure	or that a GRI
	2-4 Restatements of information	No information restated			
	2-5 External assurance	/			
	2-6 Activities, value chain and other business relationships	Company Overview			
	2-7 Employees	Employee Care and Occupational Health			
	2-8 Workers who are not employ-	Employee Care and Occupational Health			
	2-9 Governance structure and composition	Corporate Governance			
GRI 2: General	2-10 Nomination and selection of the highest governance body	Corporate Governance			
Disclosures 2021	2-11 Chair of the highest gover- nance body	Corporate Governance			
	2-12 Role of the highest gover- nance body in overseeing the management of impacts	Strategic Leadership Corporate Governance			
	2-13 Delegation of responsibility for managing impacts	Strategic Leadership Corporate Governance			
	2-14 Role of the highest gover- nance body in sustainability report- ing	Double Materiality Assessment			
	2-15 Conflicts of interest	Corporate Governance			
	2-16 Communication of critical concerns	Double Materiality Assessment Stakeholder Communication and Response Mechanisms			
	2-17 Collective knowledge of the highest governance body	Strategic Leadership			
	2-18 Evaluation of the performance of the highest governance body	omitted	2-18	Information unavailable/incom- plete	Not yet calculated

GRI STANDARD/				OMISSION	
OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANA- TIO
	2-19 Remuneration policies	omitted	2-19	Information unavailable/incom- plete	Not yet calculated
	2-20 Process to determine remuneration	Employee Care and Occupational Health			
	2-21 Annual total compensation ratio	omitted	2-21	Information unavailable/incom- plete	Not yet calculated
	2-22 Statement on sustainable development strategy	Strategic Leadership			
	2-23 Policy commitments	Supply Chain Quality Management Employee Care and Occupational Health			
GRI 2: General	2-24 Embedding policy commitments	Supply Chain Quality Management Employee Care and Occupational Health			
Disclosures 2021	2-25 Processes to remediate negative impacts	Marketing and Customer Interests Employee Care and Occupational Health Business Ethics			
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Communication and Response Mechanisms Business Ethics			
	2-27 Compliance with laws and regulations	Compliant Operations			
	2-28 Membership associations	Product Quality Safety and Innovation			
	2-29 Approach to stakeholder engagement	Stakeholder Communication and Response Mechanisms			
	2-30 Collective bargaining agreements	omitted	2-30	Information unavailable/incomplete	Not yet calculated
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Double Materiality Assessment		es that reasons for d for the disclosure d	
	3-2 List of material topics	Double Materiality Assessment	Sector Standard	reference number is	not available
Economic perform	nance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment			
GRI 201: Econom- ic Performance 2016	201-1 Direct economic value generated and distributed	Company Overview			
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change Tackling			
GRI 201: Econom- ic Performance	201-3 Defined benefit plan obliga- tions and other retirement plans	omitted	201-3	Information unavailable/incom- plete	Not yet calculated
2016	201-4 Financial assistance received from government	omitted	201-4	Information unavailable/incom- plete	Not yet calculated

CDI CTANDADD/			OMISSION		
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANA- TIO
Market presence					
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Employee Care and Occupational Health			
GRI 202: Market	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Employee Care and Occupational Health			
Presence 2016	202-2 Proportion of senior management hired from the local community	omitted	202-2	Information unavailable/incom- plete	Not yet calculated
Indirect economic in	npacts				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Social Welfare and Contributions			
GRI 203: Indirect	203-1 Infrastructure investments and services supported	Social Welfare and Contributions			
Economic Impacts 2016	203-2 Significant indirect economic impacts	Social Welfare and Contributions			
Procurement pract	ices				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment			
GRI 204: Procure- ment Practices 2016	204-1 Proportion of spending on local suppliers	omitted	204-1	Information unavailable/incom- plete	Not yet calculated
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Compliant Operations			
	205-1 Operations assessed for risks related to corruption	Compliant Operations			
GRI 205: Anti-cor- ruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Compliant Operations Business Ethics			
	205-3 Confirmed incidents of corruption and actions taken	Compliant Operations Business Ethics			
Anti-competitive be	havior				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Business Ethicsn			
GRI 206: An- ti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethicsns			
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Compliant Operations			
	207-1 Approach to tax	Compliant Operations			
GRI 207: Tax 2019	207-2 Tax governance, control, and risk management	Compliant Operations			
	207-3 Stakeholder engagement and management of concerns related to tax	omitted	207-3	Information unavailable/incom- plete	Not yet calculated

CDICTANDADDA	DISCLOSURE		OMISSION		
GRI STANDARD/ OTHER SOURCE		LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANA- TIO
GRI 207: Tax 2019	207-4 Country-by-country reporting	omitted	207-4	Information unavailable/incomplete	Not yet calculated
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment			
	301-1 Materials used by weight or volume	omitted	301-1	Information unavailable/incom- plete	Not yet calculated
GRI 301: Materials 2016	301-2 Recycled input materials used	omitted	301-2	Information unavailable/incom- plete	Not yet calculated
	301-3 Reclaimed products and their packaging materials	omitted	301-3	Information unavailable/incom- plete	Not yet calculated
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Energy Management			
	302-1 Energy consumption within the organization	Energy Management			
	302-2 Energy consumption outside of the organization	omitted	302-2	Information unavailable/incomplete	Not yet calculated
GRI 302: Energy 2016	302-3 Energy intensity	Energy Management			
	302-4 Reduction of energy consumption	Energy Management			
	302-5 Reductions in energy requirements of products and services	omitted	302-5	Information unavailable/incom- plete	Not yet calculated
Water and effluen	ts				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Water Resources Management			
	303-1 Interactions with water as a shared resource	Water Resources Management			
GRI 303: Water and Effluents	303-2 Management of water discharge-related impacts	Water Resources Management			
2018	303-3 Water withdrawal	Water Resources Management			
	303-4 Water discharge	Water Resources Management			
	303-5 Water consumption	Water Resources Management			
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Biodiversity			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protect- ed areas	Biodiversity			
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity			

CDI CTANDADO				OMISSION	
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANA- TIO
GRI 304: Biodiver-	304-3 Habitats protected or restored	omitted	304-3	Information unavailable/incom- plete	Not yet calculated
sity 2016	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	omitted	304-4	Information unavailable/incom- plete	Not yet calculated
Emissions					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Double Materiality Assessment Climate Change Tackling			
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change Tackling			
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change Tackling			
GRI 305: Emis-	305-4 GHG emissions intensity	Climate Change Tackling			
sions 2016	305-5 Reduction of GHG emissions	Climate Change Tackling			
	305-6 Emissions of ozone-depleting substances (ODS)	Waste and Pollution Management			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	omitted	305-7	Information unavailable/incom- plete	Not yet calculated
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Waste and Pollution Management			
	306-1 Waste generation and significant waste-related impacts	Waste and Pollution Management			
GRI 306: Waste	306-2 Management of significant waste-related impacts	Waste and Pollution Management			
2020	306-3 Waste generated	Waste and Pollution Management			
	306-4 Waste diverted from disposal	Waste and Pollution Management			
	306-5 Waste directed to disposal	Waste and Pollution Management			
Supplier environn	nental assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Supply Chain Quality Management			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Quality Management			
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Quality Management			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Employee Care and Occupational Health			
CDI 401, FI-	401-1 New employee hires and employee turnover	Employee Care and Occupational Health			
GRI 401: Employ- ment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Care and Occupational Health			

CDI CTANDADO			OMISSION		
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANA- TIO
GRI 401: Employ- ment 2016	401-3 Parental leave	omitted	401-3	Information unavailable/incom- plete	Not yet calculated
Labor/manageme	nt relations				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	omitted	402-1	Not applicable	No sig- nificant operational changes
Occupational hea	th and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Employee Care and Occupational Health			
	403-1 Occupational health and safety management system	Employee Care and Occupational Health			
	403-2 Hazard identification, risk assessment, and incident investigation	Employee Care and Occupational Health			
	403-3 Occupational health services	Employee Care and Occupational Health			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Care and Occupational Health			
GRI 403: Occupa-	403-5 Worker training on occupational health and safety	Employee Care and Occupational Health			
tional Health and Safety 2018	403-6 Promotion of worker health	Employee Care and Occupational Health			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Care and Occupational Health			
	403-8 Workers covered by an occupational health and safety management system	Employee Care and Occupational Health			
	403-9 Work-related injuries	Employee Care and Occupational Health			
	403-10 Work-related ill health	Employee Care and Occupational Health			
Training and educa	ation				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Employee Care and Occupational Health			
	404-1 Average hours of training per year per employee	Employee Care and Occupational Health			
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Care and Occupational Health			
	404-3 Percentage of employees receiving regular performance and career development reviews	omitted	404-3	Information unavailable/incom- plete	Not yet calculated

GRI STANDARD/				OMISSION	
OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANA TIO
Diversity and equa	al opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Employee Care and Occupational Health			
GRI 405: Diversity and Equal Oppor-	405-1 Diversity of governance bodies and employees	Employee Care and Occupational Health			
tunity 2016	405-2 Ratio of basic salary and remuneration of women to men	Employee Care and Occupational Health			
Non-discriminatio	n				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Employee Care and Occupational Health			
GRI 406: Non-dis- crimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee Care and Occupational Health			
Freedom of associ	iation and collective bargaining				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Employee Care and Occupational Health			
of Association and	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Care and Occupational Health			
Child labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Employee Care and Occupational Health			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Employee Care and Occupational Health			
Forced or compul:	sory labor				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Employee Care and Occupational Health			
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Care and Occupational Health			
Security practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Employee Care and Occupational Health			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or proce- dures	Employee Care and Occupational Health			
Rights of Indigeno	us Peoples				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involv- ing rights of indigenous peoples	omiited	411-1	Information unavailable/incom- plete	Not yet calculated

CDI CTANDARD (OMISSION	
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANA- TIO
Local communities	5				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment			
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	omitted	413-1	Information unavailable/incom- plete	Not yet calculated
2016	413-2 Operations with significant actual and potential negative impacts on local communities	omitted	413-2	Information unavailable/incomplete	Not yet calculated
Supplier social ass	sessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Supply Chain Quality Management			
GRI 414: Supplier	414-1 New suppliers that were screened using social criteria	Supply Chain Quality Management			
Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Quality Management			
Public policy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Social Welfare and Contributions			
GRI 415: Public Policy 2016	415-1 Political contributions	Social Welfare and Contributions			
Customer health a	and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment			
GRI 416: Custom- er Health and	416-1 Assessment of the health and safety impacts of product and service categories	omiited	416-1	Information unavailable/incom- plete	Not yet calculated
Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	omiited	416-2	Information unavailable/incom- plete	Not yet calculated
Marketing and lab	eling				
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Marketing and Customer Interests			
	417-1 Requirements for product and service information and labeling	Marketing and Customer Interests			
GRI 417: Market- ing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	Marketing and Customer Interests			
	417-3 Incidents of non-compliance concerning marketing communications	Marketing and Customer Interests			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Assessment Privacy and Data Security Compliant Operations			
GRI 418: Custom- er Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy and Data Security Compliant Operations			

Establishing first-class quality
Striving for the best in the world
Building Sanyou a century-old enterprise

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