

Sunshine Global Circuits Co., Ltd.
2025 Annually
Environmental, Social &
Governance Report



Global Presence Local Service

About this report

Reporting Boundary

This report is published by Sunshine Global Circuits Co., LTD. The information and data in the report mainly cover the company's environmental, social and corporate governance related practices during the period from January 1, 2025 to December 31, 2025. Based on the continuity and comparison of the reports, some data and information are not limited in 2024.

Reporting Principle

This report refers to the GRI standard, the ISO 26000:2010 Guidance on social responsibility standard, the United Nations Sustainable Development Goals (SDGs), and the Self-Regulatory Guidelines for Listed Companies issued by the Shenzhen Stock Exchange No. 17 - Sustainability Report (trial) requirements are prepared.

Report Content

In preparing the report contents, the company adheres to the criticality, integrity, and responsiveness principles of the GRI standard. The report covers three main aspects: Organizational, Governance, and Society & Environment. It focuses on the company's responsibility in ESG governance, product responsibility, environmental responsibility, and employee responsibility. The data and information for this report are collected following the company's existing workflow.

Referring description

For the convenience of expression and reading, Sunshine Global Circuits Co., Ltd. is referred to as "SGC" or "the company" or "We/us". The copyright of this report belongs to Sunshine Global Circuits Co., Ltd.

Publish mode

The report is released annually and is available for browsing or download on the company's official website (<https://www.sunshinepcbgroup.com/>). For any questions or suggestions about the report's content, feel free to contact us.

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Message From Chairman of the Board



To Our Esteemed Partners, Investors, and Stakeholders:

2025 marks a pivotal year of profound transformation for the global electronics industry, with Artificial Intelligence reshaping productivity across the board. Facing the historic opportunities brought by the explosion of AI computing power, SGC continues to treat technological innovation and sustainable development as the twin engines of our strategic transformation. As a global enterprise deeply rooted in the electronic interconnection sector, we understand that only by deeply integrating ESG principles into our corporate DNA can we build lasting core competitiveness in a fiercely competitive market. Over the past year, amidst a complex and volatile external environment, we have pressed forward under pressure. We have not only achieved steady growth in performance but also deeply embedded ESG concepts into our corporate strategy, striving to become a green enabler in the era of global AI intelligent manufacturing.

AI Manufacturing Leads Technological Innovation

Innovation is the DNA of SGC and our core weapon for seizing AI-era opportunities and meeting market competition. In 2025, we formally established the leading position of our AI intelligent manufacturing strategy, launching the "Battle for AI Expansion." Through technological breakthroughs, we are opening up new industry tracks and achieving "zero-to-one" breakthroughs in multiple key technologies. We remain committed to a customer-oriented principle, precisely directing high-quality resources to core business areas to ensure the delivery of high-quality products to our global core customers.

Low-Carbon Practices Protect Ecological Harmony

We consistently integrate the concept of low-carbon development throughout the entire product lifecycle, building a solid ecological foundation for sustainable development. Through the intelligent transformation of production bases and digital management, we have significantly improved energy efficiency and steadily increased the proportion of renewable energy usage, obtaining the ISO 50001 Energy Management System certification. This lays a solid foundation for the positive interaction between industry and ecology. We are reshaping an environmentally friendly supply chain by actively introducing new biodegradable and recyclable materials. Through process innovation and upgrades to our waste recycling systems, we have effectively reduced carbon emission intensity per unit of output value while maintaining high growth in production capacity.

People-Oriented Approach Boosts Employee Growth

Corporate growth is inseparable from the dedication of every employee. We are dedicated to building a warm and trustworthy platform. In terms of individual development, we have established a training system that covers the entire professional lifecycle, providing precise empowerment for different fields and positions to help employees grow alongside the company. In building a diverse and inclusive culture, we have established multi-level career development channels to systematically eliminate workplace barriers. Meanwhile, we are striving to improve living conditions and enrich cultural and sports activities, ensuring that employees feel the warmth of home while achieving professional growth.

Excellent Governance Safeguards Steady Operations

Excellent corporate governance is the cornerstone of long-term stability. We continuously benchmark against international best practices, constantly improving our ESG governance structure led by the Board of Directors. We are strengthening compliance, internal control, and information security systems, utilizing digital means to achieve dynamic monitoring of ESG risks. Furthermore, we continue to enhance data governance capabilities to ensure a high degree of compliance and transparency in the complex international trade environment, further consolidating the trust foundation of our customer ecosystem.

Looking to the future, SGC will open a new chapter of intelligent sustainable development with a sense of responsibility. In the coming year, we will adhere to technology innovation to drive industrial progress, continue to delve deep into AI manufacturing and green technologies, and work hand-in-hand with global partners to build a new green and intelligent ecosystem for the electronics industry while achieving continuous business improvement.

董事长：张仰河

Company Culture

Duty

Innovation Drives a Smart-Connected World
Dual Carbon Policy Builds a Better Life

Vision

Becoming the Global Leader in Green and Intelligent Manufacturing of High-Precision Electronic Circuits

Key value

Customer-Oriented, Efficient Collaboration
Professional and Dedicated, Co-Creation and Sharing

Strategy

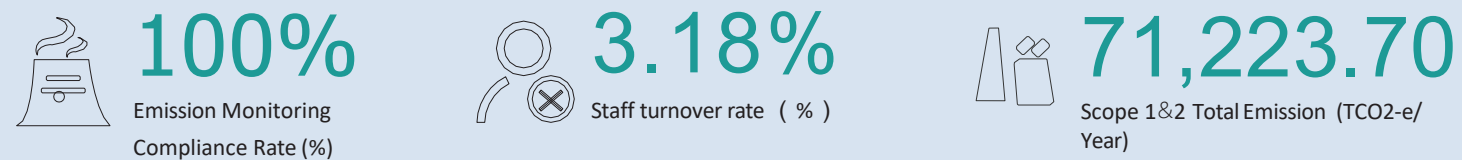
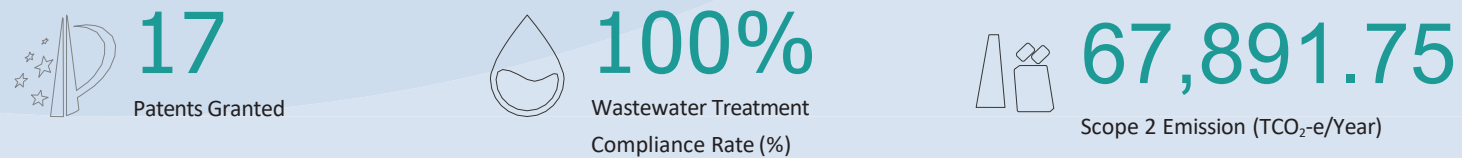
Innovation Brings the Leading Position in Global Specialty Market

Quality Policy

Quality First, Lean Production, Continuous Innovation, Customer Satisfaction.
Energy Conservation, Green Safety, People Oriented, Employee Value Realization.

2025 ESG Performance Data

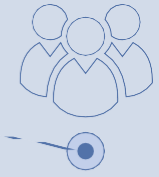
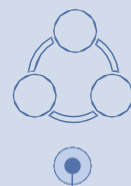
Economic Information



Performance indicator	2025
First Time Yield (%)	89.96%
Government incentives and support funds (10k Yuan/Year)	2,086.95
Water Consumption (T/Year)	1,287,397.00
Wastewater Discharge (T/Year)	1,020,163.00
Total electricity consumption (KWH/Year)	141,364,975.00
Natural Gas (KWH/Year)	1,360,830.00
Diesel (KG/Year)	58,756.46
Solid waste discharge (KWH/Year)	25,710.60
Gasoline (KG/Year)	15,733.36
Material Batch Qualification Rate (%)	99.98%
FQA Sampling Set Pass Rate (%)	99.31%
R&D Investment (10k Yuan/Year)	8,559.19
Number of R&D group member	285
Female Middle-to-Senior Management Ratio (%)	10%
Frontline Employee Average Wage Ratio to Local Minimum Basic Wage	4.6:1
Average employee satisfaction (%)	90%
Gender Pay Ratio for Same Positions (%)	1:1
Labor contract signing rate (%)	100%
Employee Health Examination Rate (%)	100%
Work-Related Deaths (person/Year)	0
Occupational Disease Diagnoses (Times/Year)	0
Safety Training Course (H/Person/Year)	15.23
Employee Annually Training (H/Year)	91,079.27
Employee Training Cost (10k Yuan/Year)	218.10
Average Employee Training Time (H/Person/Year)	33.70
Number of New Supplier Certification Audits	17
Annual Supplier SER Audit	29

01 SGC Overview

SGC is a professional PCB manufacturer, equipped with powerful R&D capability and professional product line. Following the mission of "Innovation Drives a Smart- Connected World, Dual Carbon Policy Builds a Better Life", we are dedicated to becoming the global leader in environmental-friendly and intelligent manufacturing of high-precision printed circuit board.



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1.1 Global Operations Overview

SGC was established in July 2001 and is headquartered in Xinqiao Street, Bao'an District, Shenzhen. On February 1, 2018, it was listed on the Shenzhen Stock Exchange (stock abbreviation: 明阳电路, stock code: 300739). After more than twenty years of development, SGC has six major production bases and sales entities under its umbrella: Shenzhen SGC, Jiujiang SGC, Germany SGC, Malaysia SGC, Hong Kong SGC, and the United States SGC. Its business scope covers multiple countries and regions worldwide.

For many years, the company has been dedicated to the research, development, production, and sales of high-end circuit boards. Based on the strategic positioning of "innovation-driven international market leadership in specialized areas," the company continuously increases its investment in research and development and technology. Its products include multilayer boards, HDI boards, high-speed boards, rigid-flex boards, flexible boards, thick copper boards, high-frequency boards, ATE boards, and optical module boards. Leveraging the differentiated layout of each production base, the company can meet customers' diverse needs from samples to small and medium batches. Its products are widely used in AI servers, automotive electronics, medical devices, energy power, electronic communications, and industrial control, among other fields.



Shenzhen SGC

SGC headquarters is located in Shenzhen, known as the "Silicon Valley of China," with a registered capital of 3.73 million RMB. It boasts a 20,000-square-meter facility and a team of more than 800 experienced employees. With a strong technical foundation, SGC focuses on the incubation and development of quick-turn boards, ATE products, and complex high-layer-count products.



Shenzhen SGC

Jiujiang SGC

Jiujiang SGC was established in July 2011 and is located in the Jiangxi Jiujiang High-Tech Development Zone. With a registered capital of 1.273 billion RMB, it covers an area of 130,000 square meters. The company has the capability to mass-produce 2 to 40-layer PCBs and offers specialized product lines for high-speed, rigid-flex, thick copper, high-frequency, and Mini LED markets.



Jiujiang SGC

German SGC

In 2013, Sunshine PCB GmbH was established in Remscheid, near Düsseldorf, Germany. The company originated from the RINDE factory, which was founded in 1966 and has a history of producing high-tech products, including 12-18 layer PCBs and high-density PCBs. Under the strategy of "Close to Customers, Real-Time Support," Sunshine PCB GmbH provides localized and customized services to customers in the European region.



German SGC

Malaysia SGC

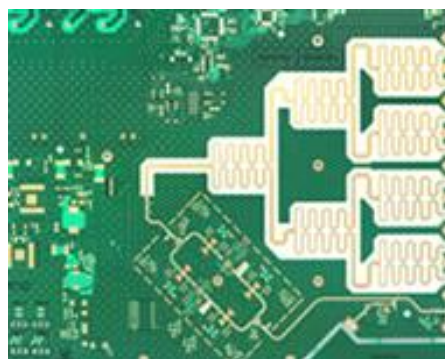
In July 2023, Sunshine PCB (Penang) Sdn. Bhd. was established in Malaysia. The company originated from the Vision factory located in Penang, Malaysia. After SGC acquired Vision, a series of intelligent upgrades and expansions were carried out, increasing the monthly production capacity to 7,000 square meters. The processing capability now covers 2-12 layer PCBs. Currently, a new second-phase factory with a construction area of 135,000 square meters is being planned. The company aims to become a leading manufacturer of rigid, RF, and microwave PCBs in Southeast Asia, laying a solid foundation for SGC to expand its international market.



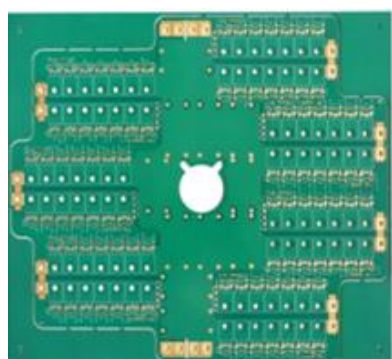
Malaysia SGC

Product and Service

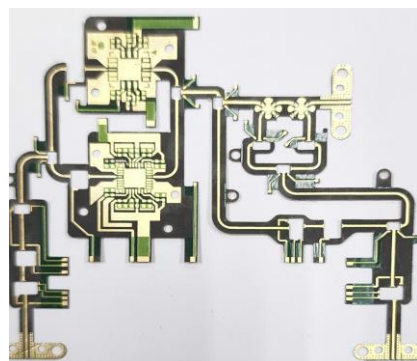
In the context of continuously evolving customer demands and increasingly intense differentiated competition, SGC has proposed an innovation-driven international market leadership strategy. This strategy focuses on the research, production, and manufacturing of specialized products such as high-speed, rigid-flex, thick copper, high-frequency, ATE and optical module. These products are widely used in AI servers, automotive electronics, medical devices, energy and power, electronic communications, and industrial control fields. Adhering to the business philosophy of "global layout, local service," the company continuously expands its overseas production and sales bases, providing high-quality and efficient services to customers in countries across Asia, Europe, and the Americas.



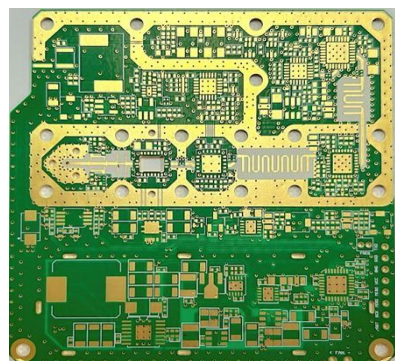
High frequency



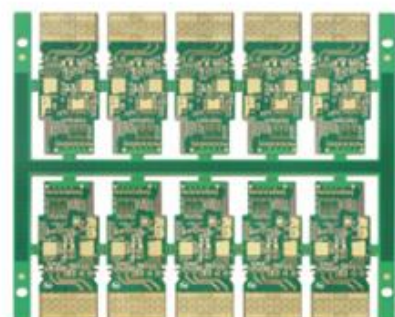
Heavy Copper



Power amplifier (wFEM)



Block converter (BUC)



Optical Module



Backplane

Industrial layout



- Electronic Communications
- Medical Devices
- Energy & Power
- Automotive Electronics
- Aerospace
- Industrial Controls
- Low Altitude Economy

EMS	flex	JABIL	PLEXUS	GPV	BMK	NEOTech	SIGMATRON INTERNATIONAL	VENTURE	ZOLLNER	creation TECHNOLOGIES	EmeraldEMS	
工业控制	DAI TRONICS	Johnson Controls	MOTOROLA SOLUTIONS	Grayhill	Lenze	Miller	ABB	SANNER	IPG PHOTONICS	GENERAC	ELEMENT ENERGY	B
医疗	BECKMAN COULTER	Boston Scientific	ThermoFisher SCIENTIFIC	SIEMENS Healthcare	Dräger	stryker	BD					
电力 & 能源	GAIA	EATON	lunar energy	Advanced Energy	LEACH INTERNATIONAL CORP.	ANORD MARDIX	BGT	嘉利泰博 ACTIONPOWER				
通信 & 数据中心	QUALCOMM	ORIX	ARRIS	FiberHome	Clear-Com	Grass Valley	WELIVE LIVE				OMTECH	IT DATA
汽车 & 运输	HL Mando	ALSTOM	Faiveley	CAT	NIO	JOHN DEERE	EBW Electronics	HANON SYSTEMS				
其他	Infinitem	CRESTRON	FLUKE	QORVO	Genelec	Extron	ni	NXP	AMX HARMAN	SoundOff	Meyer Sound	PRODRIVE

In the future, we will strengthen our foundational and product research and development to enhance product technical competitiveness and increase the proportion of sales of mid-to-high-end PCBs. Additionally, we will adapt to the evolving market demands by intensifying efforts in international market expansion, aiming to increase the company's global market share.

1.2 Milestones

SGC's development over the past 20 years has been filled with opportunities and challenges. Through continuous innovation and perseverance, the company has demonstrated its profound foundation and outstanding strength in the electronics circuit.

2001

- SGC Shenzhen Headquarters Established

2002-2008

- The completion of the upgrade of the company's management system, obtaining ISO9001, ISO/TS16949, and ISO14001 certifications.
- Awarded the title of "Shenzhen High-Tech Enterprise"
- Awarded the title of "National High-Tech Enterprise"
- Successfully transformed into a multi-variety, small-batch, high-tech enterprise, and initiated international import and export trade

2010-2013

- Established a sales subsidiary in the USA
- Established a sales subsidiary in Germany
- Acquired a factory in Remscheid, Germany, and obtained ISO 13485 certification. Awarded the titles of "Green Environmental Protection Advanced Enterprise in the Circuit Board Industry" and "Shenzhen Pengcheng Waste Reduction Advanced Enterprise"
- Achieved international business transformation

2014-2015

- Jiujiang SGC successfully reached production capacity and was awarded the title of "National High-Tech Enterprise"
- Jiujiang SGC obtained ISO 9001, ISO/TS 16949, and ISO 14001 certifications
- Shenzhen SGC obtained ISO/TS 14067 carbon footprint verification

2016-2017

- Served as an executive director unit of industry associations CPCA, GPCA, and SPCA
- Awarded the title of "Outstanding Supplier" by internationally renowned companies (BMK, ENICS, Flex)
- Jiujiang SGC expanded monthly production capacity to 40,000 square meters and successfully launched the specialized production line for rigid-flex boards

2018

- Listed on the Shenzhen Stock Exchange with the stock code 300739
- Shenzhen SGC established an Environmental-friendly Manufacturing Center

2019-2020

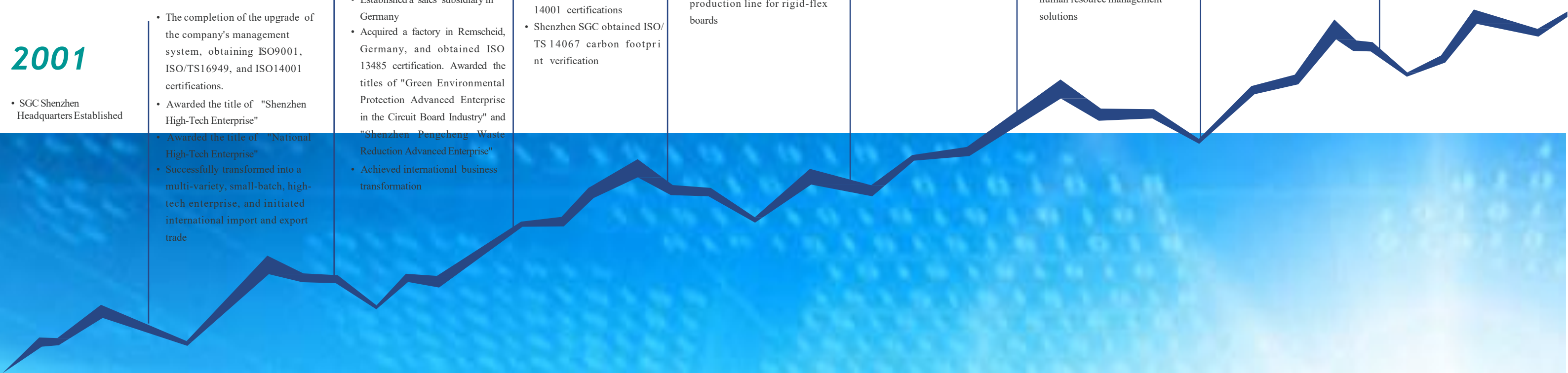
- Shenzhen SGC's IC substrate professional production line successfully went into operation
- Shenzhen SGC successfully introduced photomask products
- Jiujiang SGC's national-level laboratory construction was completed
- Jiujiang SGC's soft and hard combination board production line expanded to a monthly capacity of 10,000 square meters
- Jiujiang SGC was awarded the national-level titles of "Green Factory" and "Green Product"
- Comprehensive upgrade of the SAP enterprise management system and full implementation of international human resource management solutions

2021-2022

- Invested in SAX POWER GmbH, a German lithium battery energy storage company.
- Invested in Icape Holding, a French PCB trading company
- Jiujiang SGC's professional production line went into operation
- Jiujiang SGC achieved Customs AEO Advanced Certified Enterprise status
- Shenzhen SGC achieved Customs AEO Advanced Certified Enterprise status
- Established ATE professional production line

2023-2025

- Acquired Shenzhen Hisemitest Technology Co., Ltd.
- Acquired Malaysian PCB company Vision
- Shenzhen SGC and Jiujiang SGC passed ISO27001 Information Security Management System certification
- Shenzhen SGC and Jiujiang SGC passed ISO50001 Energy Management System certification





1.3 Economic performance data

In recent years, the global PCB market scale shows a fluctuating upward trend, the printed circuit board industry benefited from the development of AI, 5G, cloud computing, Internet of Things and other emerging technologies, the global market to maintain stable growth. However, the strong expansion of the industry in the past few years, PCB competition has intensified, the release of the newly expanded production capacity of enterprises has been affected, and the production capacity may take a longer time to be digested, and is now facing a key point of industry reshuffle.

After more than 20 years of accumulation, SGC has accumulated a solid international customer base. In the face of the complex and volatile international environment as well as the key point of industry reshuffle and change, SGC makes full use of the advantages of internationalization, takes the lead in transforming and upgrading the top management structure to the EMT mode, and carries out optimization and innovation, and based on the deep understanding of digitization and intelligence, actively promotes the intelligent construction of the production process and supply chain, and actively responds to the challenges in the industry. At the same time, based on a deep understanding of digitization and intelligence, the company is actively promoting the intelligent construction of production process and supply chain, actively responding to market challenges and seeking long-term development.

In 2025, SGC achieved sales revenue of 1.86 billion yuan, with R&D investment totaling 85.59 million yuan. In the future, SGC will continue to adhere to its international and specialized market positioning, drive sustainable growth with innovation, seize opportunities in the PCB market, and strive to achieve a leading position in the industry.

Economic Performance Data Statistics

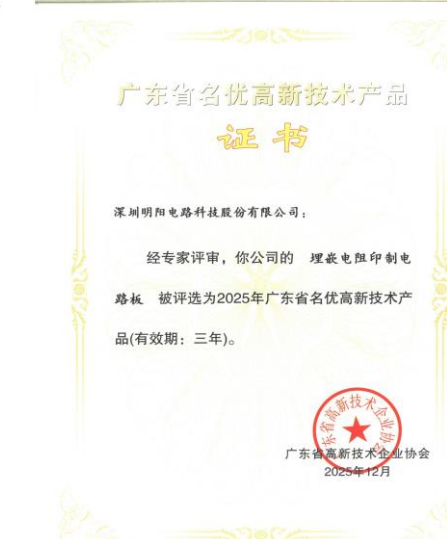
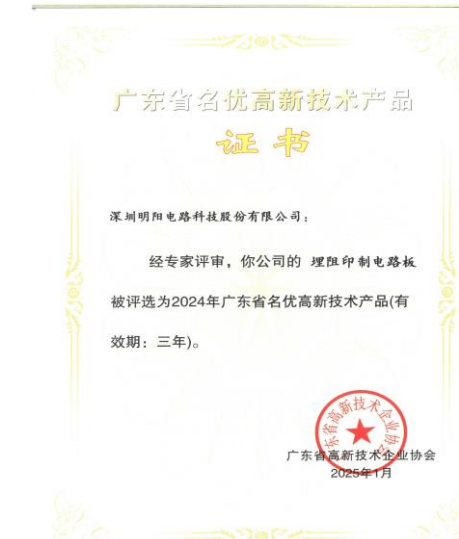
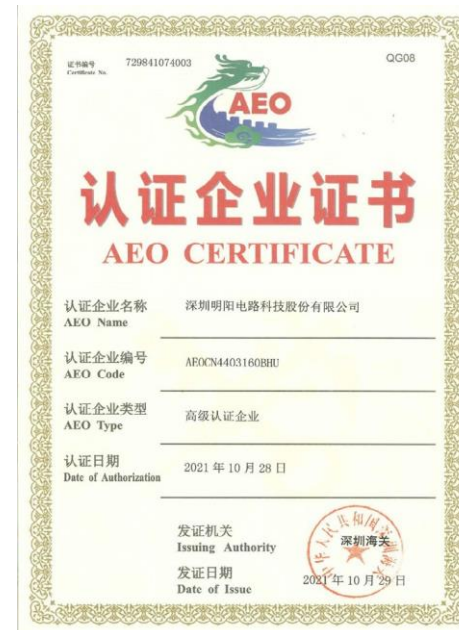
Economic Performance Data	2025
Total Assets (billion yuan)	3.665
Annual Product Volume(10k m ²)	95.33
Sales Revenue (billion yuan)	1.86
Total Tax (10k yuan)	3,083.22
R&D Investment (10k yuan)	8,559.19
Government Incentives & Support Funds (10k yuan)	2,086.95

1.4 Awards and Recognitions

Over the years, SGC has garnered numerous honors and accolades, which driving us to maintain our spirit of innovation and craftsmanship. We are committed to constantly improving our product quality and service levels, making greater contributions to the advancement of the electronic information industry.

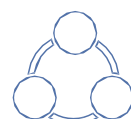
Order	Date	Award Title	Award Unit
1	2025 Dec.	Guangdong Province Famous and High-quality High-tech Product	Guangdong High-tech Enterprise Association
2	2025 Oct.	2025 Shenzhen Green Factory	Industry and Information Technology Bureau of Shenzhen Municipality
3	2025 Sep.	2024 Jiangxi Province Excellent New Product First Prize	Jiangxi Provincial Department of Industry and Information Technology
4	2025 May	The Second Batch of Manufacturing Individual Champion Enterprises	Industry and Information Technology Bureau of Shenzhen Municipality
5	2025 Feb.	Excellent Work Safety Management Enterprise	Shenzhen Baoan District Xinqiao Street Party Working Committee and Office
6	2025 Feb.	2024 Benchmark Demonstration Enterprise for Digital Transformation	Jiujiang Economic and Technological Development Zone Party Working Committee and Administrative Committee
7	2025 Feb.	2024 Employers of Excellence	Shenzhen Baoan District Xinqiao Street Party Working Committee and Office
8	2024 Nov.	2024 Jiangxi Province Intelligent Manufacturing Benchmarking Enterprise Title	Jiangxi Provincial Department of Industry and Information Technology
9	2024 Nov.	2024 Outstanding Green Manufacturing and Environmental Protection Company	Shenzhen Environmental Protection Industry Association, Shenzhen Printed Circuit Board Industry Association, Guangdong Printed Circuit Board Industry Association
10	2024 Oct.	2024 Partner of the Year Award	Shenzhen Chau Ming Technology Co.
11	2024 Sep.	National Model Workers' Home	All-China Federation of Trade Unions (ACFTU)
12	2024 Jun.	Rural revitalization helps development, sincere help warms people's hearts	Shenzhen Baoan District Industry and Information Technology Bureau
13	2023 Dec.	Specialized, specialized and new SMEs	Shenzhen Small and Medium Enterprises Service Bureau
14	2023 Nov.	National High-tech Enterprise Certificate	Jiangxi Provincial Department of Science and Technology, etc.
15	2023 Oct.	High-tech enterprises	Shenzhen Science and Technology Innovation Commission
16	2023 Sep.	2024 Management Innovation Demonstration Enterprise in Jiangxi Province	Jiangxi Provincial Department of Industry and Information Technology
17	2023 Jun.	2022 Shenzhen Green Enterprises	Shenzhen Green Life Creation Action Steering Committee Office
18	2023 Feb.	2022 Annual Science and Technology Innovation Award	Jiujiang Economic and Technological Development Zone Management Committee of the Communist Party of China, etc.
19	2023 Feb.	2022 Top Ten Industrial Enterprises of the Year	CPC Jiujiang Economic and Technological Development Zone, etc.
20	2023 Feb.	2022 Jiujiang Outstanding Industrial Enterprises	People's Government of Jiujiang

1.4 Awards and Recognitions



02 Organizational Governance: Foundation of Growth

SGC adheres to the principles of integrity, honesty, and compliance with laws and regulations; and establishes and implements ESG governance to achieve sustainable development for the company.



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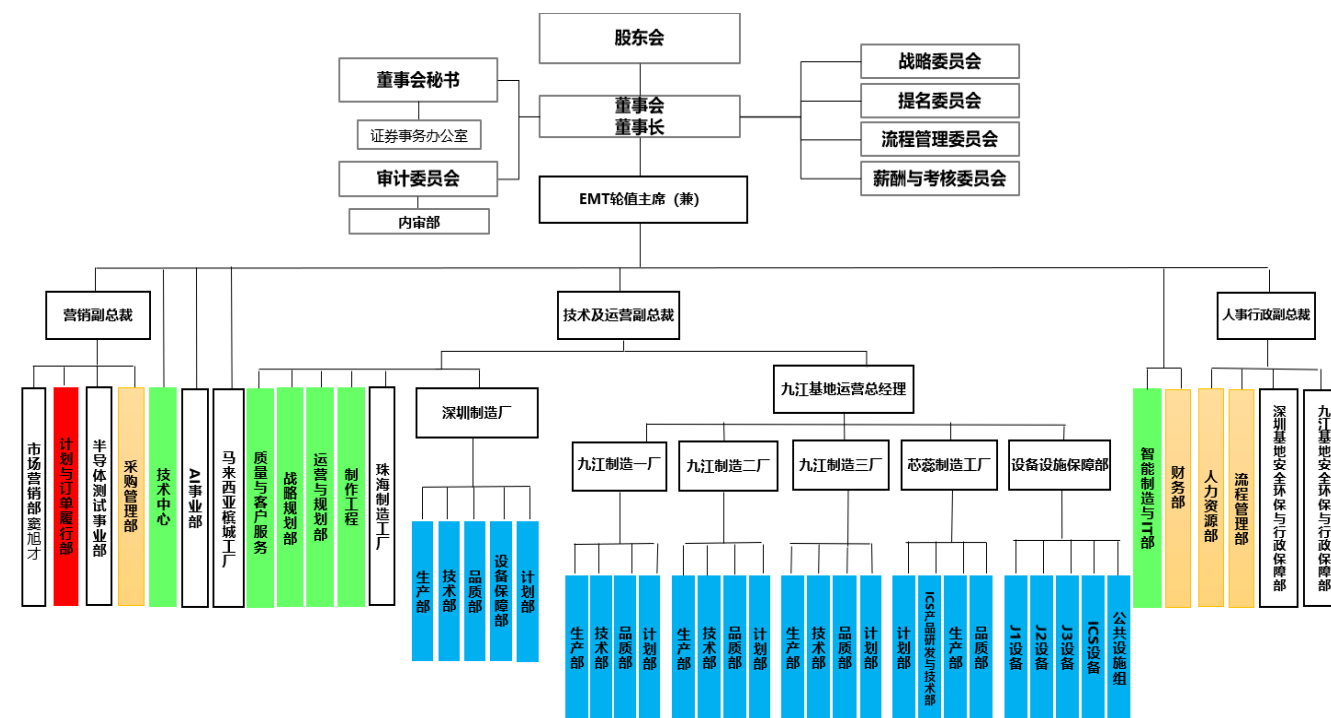
2.1 ESG Governance Structure

SGC strictly complies with the requirements of laws, regulations and the management regulations of the Shenzhen Stock Exchange—including *the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, and Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 2—Standard Operations of ChiNext Market Listed Companies*. We are committed to continuously improving our corporate governance structure and internal management and control mechanisms, standardizing business operations, and ultimately enhancing the overall level of corporate governance.

The Shareholders' Meeting is the company's power institution, providing shareholders with a crucial means to exercise their legal rights. SGC strictly complies with the requirements of laws, regulations, and internal governance documents—including *the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, the Articles of Association, and the Rules of Procedure for Shareholders' Meetings*—to standardize the convening and holding of these meetings. We employ a combination of on-site and online voting to facilitate shareholder participation in decision-making, ensuring that all shareholders, particularly minority shareholders, can fully exercise their rights.

The Board of Directors is accountable to the Shareholders' Meeting and is responsible for executing its resolutions in accordance with the law. Regarding the composition of the Board, the Company places great emphasis on diversity and independence. We actively promote the independent director system to leverage their objective judgment and professional expertise, thereby enhancing the rationality, scientific rigor, and standardization of corporate decision-making. The Board currently consists of seven directors, including three independent directors and one employee representative director. The Board of Directors has established specialized committees including the Strategy Committee, Audit Committee, Nomination Committee and Remuneration and Appraisal Committee. These special committees work in collaboration with clear division of responsibilities and conduct effective supervision to ensure the stable and sound operation of the Company.

SGC has established an Audit Committee under the Board of Directors to exercise the powers of the Board of Supervisors as prescribed by the Company Law. In accordance with the law, the Audit Committee performs supervisory duties, including inspecting the Company's financial affairs, monitoring the compliance of Directors and Senior Management in the performance of their duties, proposing the removal of personnel who violate laws, administrative regulations, the Articles of Association, or resolutions of the Shareholders' Meeting, and demanding corrections when the acts of Directors or Senior Management are detrimental to the Company's interests. By effectively exercising these statutory powers, the Committee firmly establishes the Company's internal supervision defense line and safeguards the legitimate rights and interests of the Company and all its shareholders.



ESG Governance structure

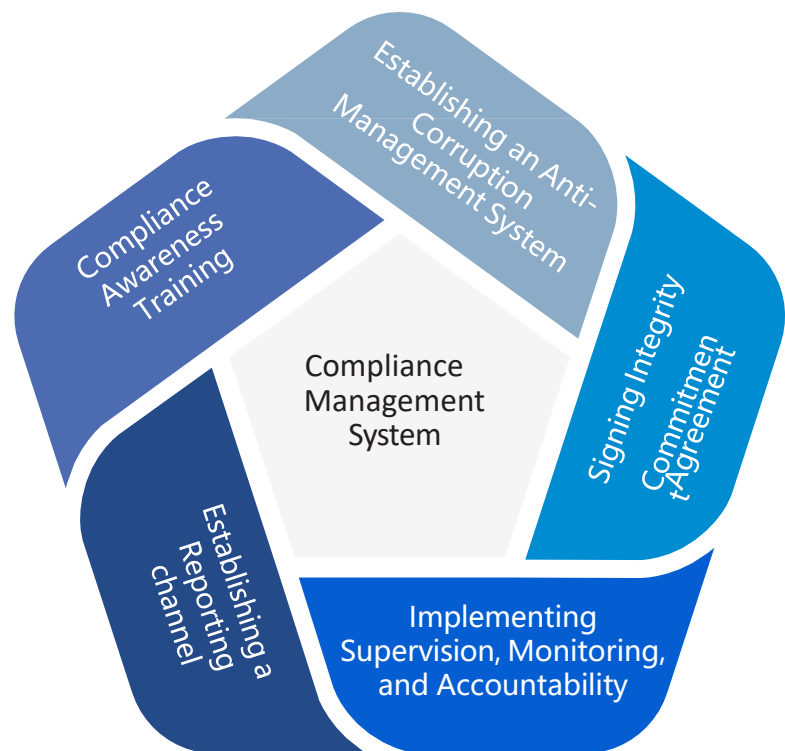
2.2 Business Ethics Principles

SGC consistently adheres to the business ethics of integrity and compliance, regarding them as the cornerstone of sustainable development. To maintain a fair business environment, the Company have established and continuously refined an anti-corruption management mechanism to safeguard our long-term stability.

Internally, we have built a full-process integrity and compliance management system, strictly enforcing a "Zero Tolerance" policy towards corruption and potential risks across the headquarter and all subsidiaries. Through multidimensional measures—such as formulating the Anti-Commercial Corruption Operation Guidelines, organizing the signing of Integrity Agreements for all employees, and conducting regular compliance training—we have fortified our internal control defenses to resolutely prevent all violations.

Externally, we strengthens risk control across the entire cooperation chain. For partners including suppliers, service providers, and contractors, we have established a dynamic risk identification and evaluation mechanism. By conducting regular anti-corruption assessments and implementing differentiated supervision strategies based on risk levels, we precisely control partner behavior to prevent external risks from penetrating the enterprise.

In 2025, SGC recorded no substantiated corruption incidents or related complaints, and faced no litigation or disputes arising from corruption or bribery.



Anti-Corruption

SGC has established the "Anti-Corruption Operations Manual," which must be strictly followed by all employees, suppliers, service providers, and contractors. This manual enhances the anti-corruption framework by focusing on the supervision of high-risk areas and key positions susceptible to corruption. By enforcing these measures, SGC ensures a transparent, ethical, and corruption-free business environment.



Integrity Commitment Agreement

All new employees must sign the "Integrity Agreement" upon joining SGC. Strategic partners, including suppliers, service providers, and contractors, are required to sign the "Sunshine Procurement Commitment for Strategic Partners." These agreements ensure that all parties act lawfully, maintain integrity, and resist any form of commercial corruption.



Compliance Awareness Training

To further maintain an atmosphere of integrity and transparency and enhance employees' awareness of legal compliance, SGC conducts compliance training through various channels, including new employee orientation, distribution of employee handbooks, and annual training programs to improve overall legal literacy and compliance consciousness of our workforce. Meanwhile, SGC conducts regular anti-corruption training sessions for suppliers, extending the philosophy of integrity throughout the supply chain to jointly foster a business environment characterized by honesty and transparency.



Oversight and Accountability

SGC has established an Anti-Corruption Supervision and Management Team against commercial corruption, led by the Internal Audit Department. This team monitors the implementation of the Integrity Agreement, while the Internal Audit Department specifically focuses on detecting fraudulent activities and unethical behavior.

SGC enforces a strict accountability system for employees who violate the Integrity Agreement. For suppliers who breach the Strategic Partner Sunshine Procurement Commitment Letter, SGC will resolutely disqualify them from cooperation. Any cases constituting the crime of commercial bribery will be referred to judicial authorities for criminal prosecution.



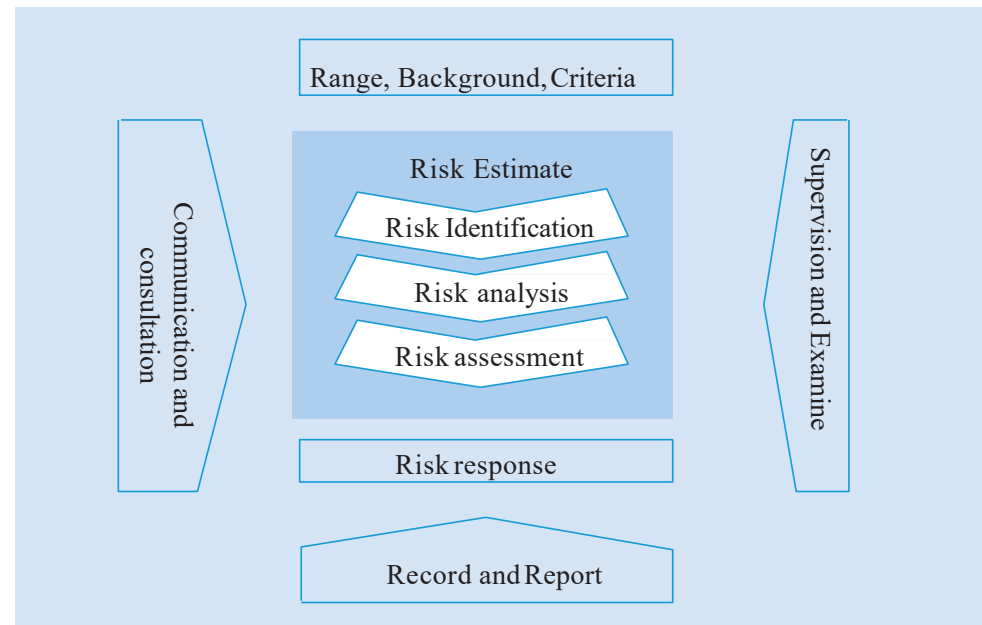
Reporting Channels

SGC has established the "Anti-Fraud and Reporting System" to encourage employees and business partners to report corrupt activities. Reports can be submitted via the publicly available email or hotline. The company advocates for real-name reporting, ensuring that whistleblowers are protected during the investigation process. Any form of discrimination or retaliation against whistleblowers is strictly prohibited.

Reporting Email: internalaudit@sunshinepcb.com Reporting Hotline: 0755-27243927

2.3 Risk Management and Internal Control

SGC has established a comprehensive "Three Lines of Defense" risk management system with clearly defined responsibilities to continuously strengthen risk prevention and control capabilities throughout our operations. The First Line of Defense consists of business units, which bear primary responsibility for risk management and are tasked with daily risk identification and frontline control. The Second Line of Defense comprises risk management functions—including Legal, Quality, Safety, Finance, and HR. Through policy development, professional support, and oversight mechanisms such as audits, inspections, and assessments, they assist business units in effectively implementing risk control requirements. The Third Line of Defense is the Internal Audit department. Operating from an independent and objective perspective, it conducts supervision and evaluation to continuously verify the effectiveness of the risk management and internal control systems, driving their continuous improvement. This framework provides a solid guarantee for identifying, preventing, and responding to significant risks across environmental, social, and governance (ESG) domains, robustly supporting the steady achievement of our sustainable development goals.



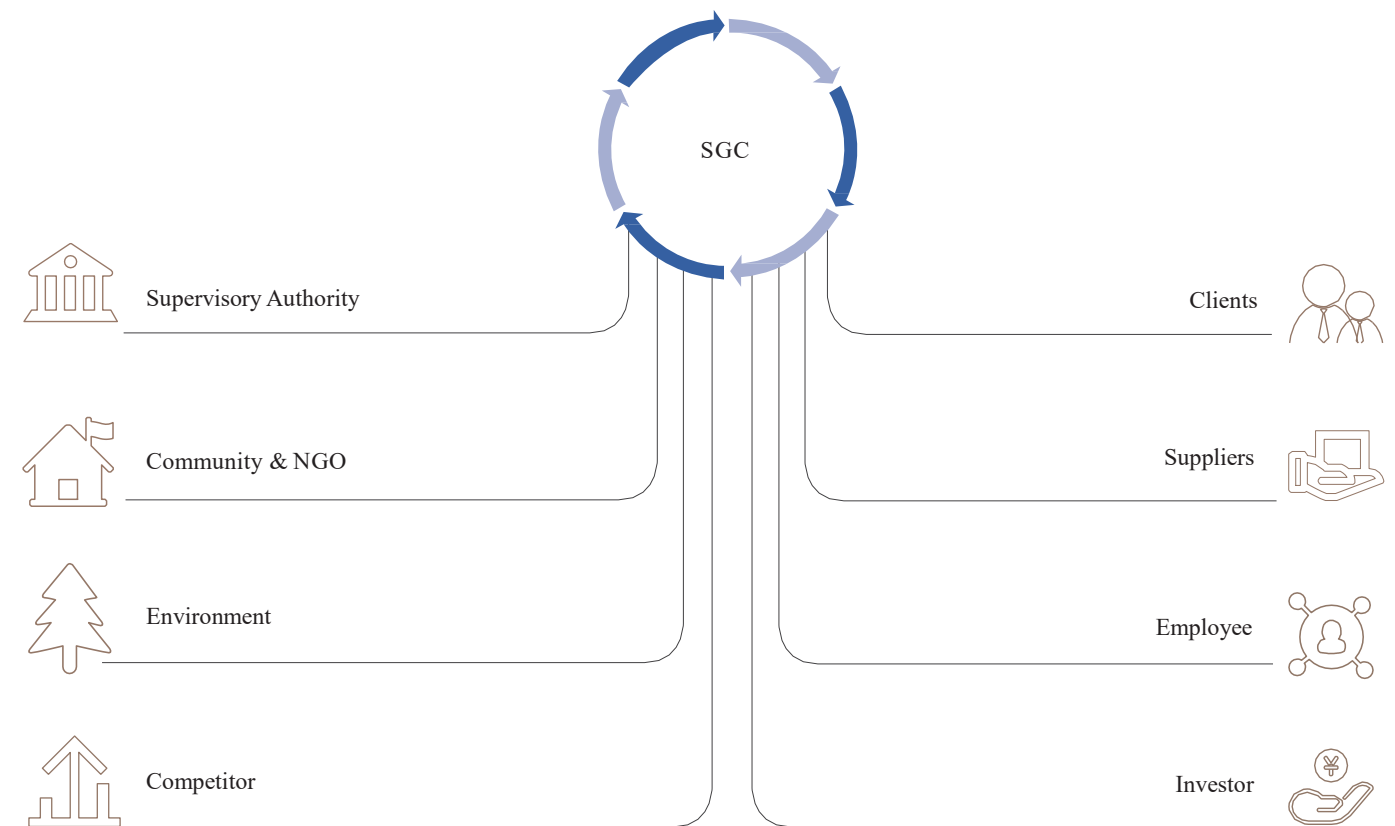
Comprehensive Enterprise Risk Management System

SGC, in accordance with the "Basic Norms for Corporate Internal Control" and other relevant laws and regulations, has established a comprehensive internal control system that is effectively implemented. The Internal Audit Department conducts special audits on key matters such as internal control operations, financial income and expenditure, placement and use of raised funds, and related transactions in accordance with the "Internal Audit System." This ensures the company's operations and management are legal and compliant, assets are secure, and financial reports and related information are truthful and complete.

We also conduct internal control evaluations according to the "Basic Norms for Corporate Internal Control" and relevant regulations, issuing internal control evaluation reports. Additionally, the company engages external accounting firms to independently audit the effectiveness of the internal control system. In 2025, there were no major or significant deficiencies in internal control related to financial and non-financial reports. The internal control system operated effectively, maintaining effective internal control in all major aspects.








2.4 ESG Key Issues

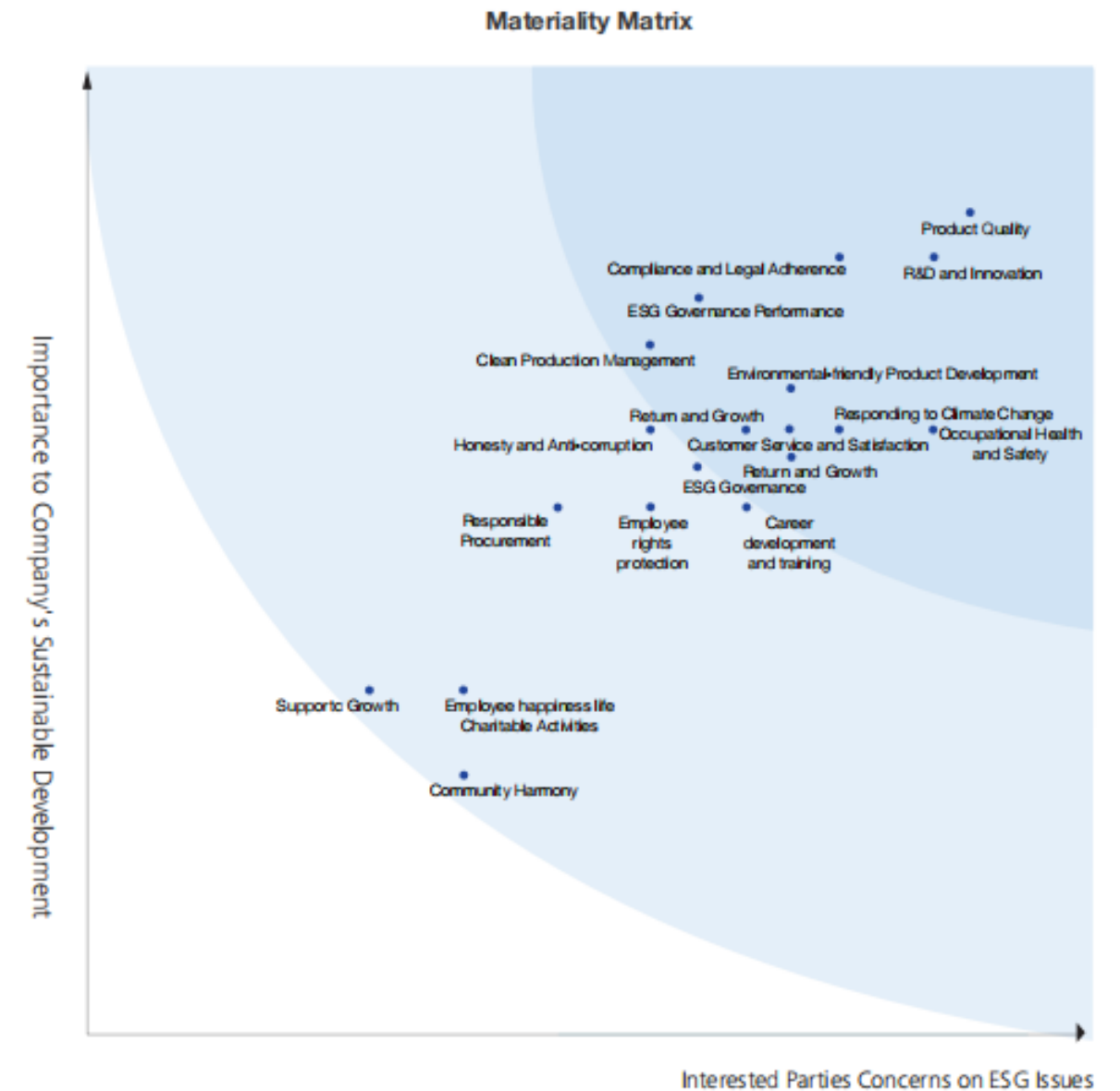
To promptly obtain and respond to stakeholder needs, the company, based on the requirements of "ISO26000:2010 Guidance on Social Responsibility" and the "GRI Standards," has identified stakeholder requirements and expectations, as well as ESG issues. The company employs the "matrix evaluation method" to assess ESG key issues from two dimensions: "the degree of impact on corporate sustainability" and "the degree of stakeholder concern about ESG issues." The company aims to address stakeholder needs and expectations through communication and engagement, effectively control ESG risks, and achieve its strategic development goals.



Interested Party Focus and Reply

The statistical table of key issues of stakeholder communication and concern

Interested Party	Focused Issues	Communicate Method	Chapter
 Client	<ul style="list-style-type: none"> > Product Quality > Hazardous Substances Control > Customer Service and Satisfaction > R&D and Innovation 	<ul style="list-style-type: none"> > Customer Satisfaction Survey > Customer Communication Meetings > Customer Complaints 	<ul style="list-style-type: none"> Chapter 3 Chapter 4 Chapter 3 Chapter 3
 Investor	<ul style="list-style-type: none"> > Return and Growth > Enterprise Risk Management > ESG Governance > ESG Governance Performance 	<ul style="list-style-type: none"> > Financial Report Release > Shareholder Communication Meetings 	<ul style="list-style-type: none"> Chapter 1 Chapter 2 Chapter 2
 Supplier	<ul style="list-style-type: none"> > Honesty and Anti-corruption > Responsible Procurement 	<ul style="list-style-type: none"> > Supplier Meetings > On-site Audits > Joint Innovation 	<ul style="list-style-type: none"> Chapter 2 Chapter 6
 Employee	<ul style="list-style-type: none"> > Salary and Welfare > Occupational Health and Safety > Employee rights protection > Career development and training > Employee happiness life 	<ul style="list-style-type: none"> > Employee Satisfaction Survey > OHS Management System > Internal Meetings 	<ul style="list-style-type: none"> Chapter 5
 Environment	<ul style="list-style-type: none"> > Clean Production Management > Responding to Climate Change > Environmental-friendly Product Development 	<ul style="list-style-type: none"> > Pollutant Monitoring > ESG Report > Product Promotion 	<ul style="list-style-type: none"> Chapter 4
 Supervisory Authority	<ul style="list-style-type: none"> > Compliance and Legal Adherence > Support Economic Growth 	<ul style="list-style-type: none"> > Government Meetings and Seminars > On-site Visits and Communication 	<ul style="list-style-type: none"> Chapter 2 Chapter 4
 Community & NGO	<ul style="list-style-type: none"> > Community Harmony > Charitable Activities 	<ul style="list-style-type: none"> > NGO Survey > Communication Meetings 	<ul style="list-style-type: none"> Chapter 6



03 Product Innovation Empowers a Connected World

Product quality is the lifeblood of the enterprise and the key to sustainable development. The company drives economic growth through technological innovation and enhances customer satisfaction through meticulous manufacturing. We are committed to becoming a global leader in high-precision electronic circuit green manufacturing.

8 体面工作和经济增长 	9 产业、创新和基础设施 	12 负责任消费和生产 
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3.1 R&D and Innovation

Scientific and technological innovation is the source power enterprises to realize high-quality development. Guided by the mission to “lead the development of innovative technologies, underpin our core technical competitiveness, and continuously secure new profit growth engines,” and adhering to the core values of “customer orientation, open innovation, and efficient collaboration,” the Company is dedicated to becoming a leading R&D and innovation institution in the electronic circuit industry. The Company's R&D system is market-oriented, continuously tracking and collecting application requirements from downstream customers as well as industry development trends. We actively layout frontier research topics to ensure our product technologies precisely align with customer needs.

We commit substantial funds to R&D annually, introducing advanced equipment to develop new products and processes, thereby continuously enhancing product quality. Statistics show that in 2025, the Company invested a total of RMB 85.5919 million in R&D, providing ample resource guarantees for the success of product development and technological innovation projects.

■ Excellent R&D Team

Adhering to the development path of "technology-based enterprise," SGC has established a technology center to oversee R&D activities and build a high-end research team. The core R&D backbone consists largely of industry veterans who possess keen insight into frontier industry directions and market trends, backed by efficient R&D capabilities. The Company continues to increase R&D investment, leveraging platforms such as the Provincial Engineering Technology Research Center to tackle key technologies, providing sustained and stable support for technological innovation.

The Technology Center comprises multiple specialized research groups with clearly defined responsibilities and objectives, ensuring distinct division of labor and accountability. In addition to a high-quality professional team and advanced equipment, the Company has also established a comprehensive incentive mechanism for R&D personnel. In 2018, the Technology Center was awarded the “Guangdong Province 5G High Density Interconnection (HDI) Printed Circuit Board Engineering Technology Research Center”, and in 2023, Shenzhen SGC and Jiujiang SGC were respectively awarded the title of “Specialized, Specialized and New Small and Medium-sized Enterprises” and the honorary title of “Jiangxi Province Innovation Management Model Enterprise”.



A working scene in a sterile laboratory

R&D and Technological Innovation Performance Data Statistics

Index	Data
R&D Investment (10k yuan/Year)	8,559.19
Number of R&D Personnel	285
Patents Granted	17



SGC Technology Center was awarded the title of "Guangdong Province 5G High-Density Interconnection (HDI) Printed Circuit Board Engineering Technology Research Center"



Shenzhen SGC was awarded the honorary title of "Specialized, Special, and New Small and Medium-sized Enterprises"



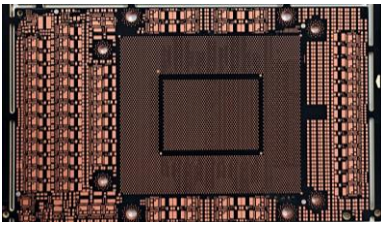


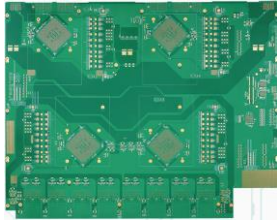
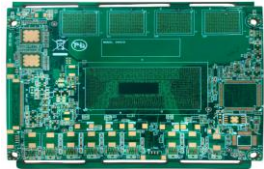
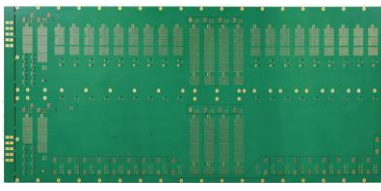
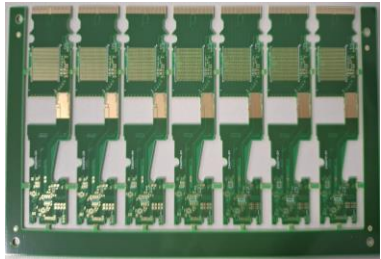
Jiujiang SGC was awarded the honorary title of "Jiangxi Province Management Innovation Demonstration Enterprise"

■ Technological Innovation Management

To improve the standardized management of technological innovation and new product development, the Technology Center has established a series of R&D project management procedures, including the "R&D Project Operation Management Process," "SGC Process Capability Management Specification," "Material Selection and Usage Work Instructions," "New Material Certification Work Instructions," and "R&D Board Order Operation Process Specification." These procedures control the critical processes of design and development to ensure that the quality of new products and technologies meets customer requirements, relevant laws and regulations, international standards, and industry standards.

While actively conducting independent R&D, we also engage in extensive industry-university-research collaborations with enterprises, universities, and research institutes. On one hand, we leverage the academic strengths of universities in fields such as manufacturing equipment, automation, electronic information, advanced materials, and chemical engineering to help solve technical challenges encountered during production. On the other hand, the Company has established joint laboratories with prestigious institutions like the Southern University of Science and Technology (SUSTech) to jointly conduct research projects and develop new products.

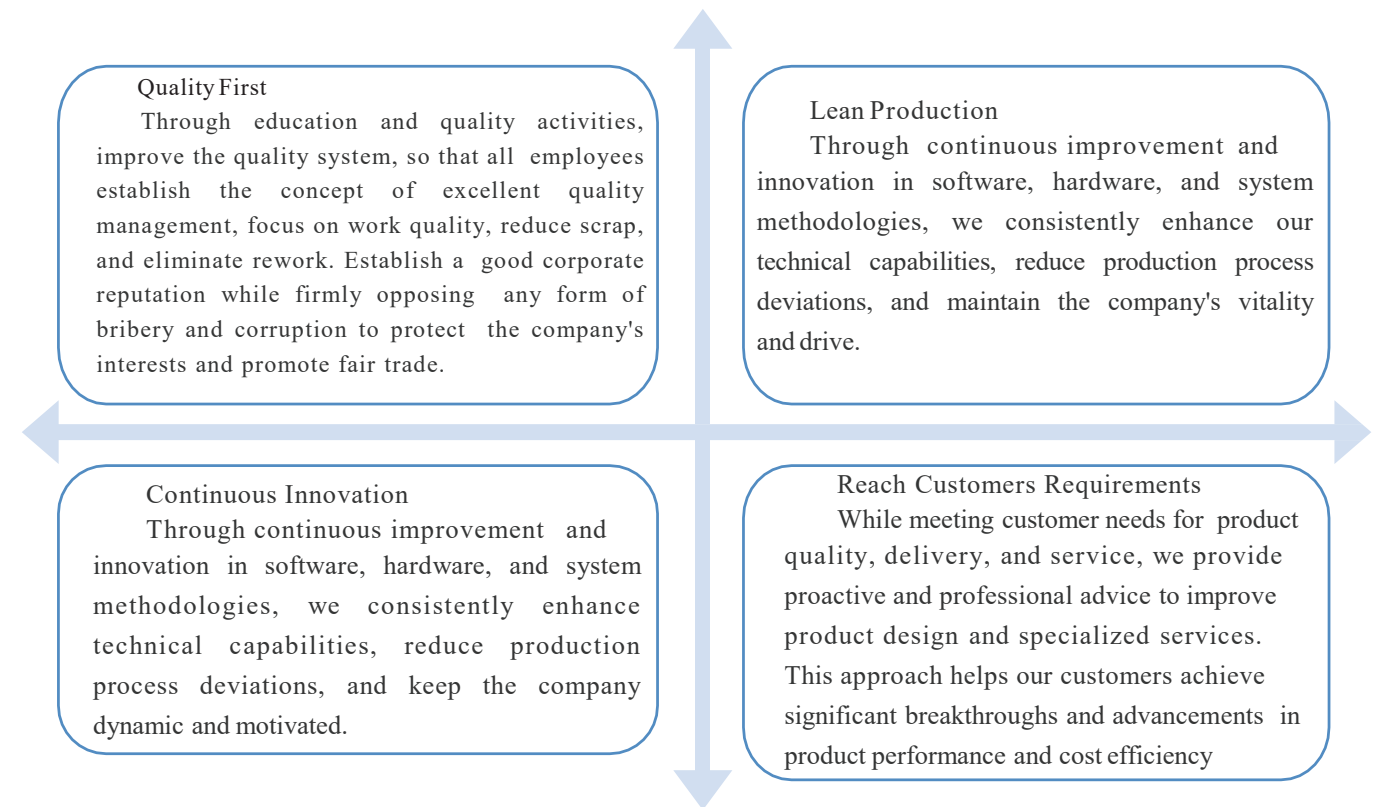
Product R&D Achievements

Product	Product Technical Parameters	Picture	Application Fields and Their Functions
High Multilayer, Advanced HDI, OAM	Layers: 20 Material: EM-890K Board Thickness: 2.4mm Min. Line Width/Spacing: 2.4/2.0 mil HDI Structure: 7Press + 6Laser		Designed as a universal, high-density, and highly interconnected acceleration module standard for AI high-computing clusters, this hardware serves as the core unit for Large Language Model (LLM) training, AI inference, supercomputing, scientific computing, weather forecasting, and autonomous driving training.
12-Layer Any-Layer Interconnect Axial Flux Stator PCB	Layers: 12 Material: TU-865 Board Thickness: 2.1 ± 0.2mm Line Width/Spacing: 0.1mm Min. Hole Size: 0.1mm Surface Finish: ENIG		Designed for the dexterous finger joints of robotics, this solution replaces traditional radial motors to deliver a more compact form factor, lighter weight, and lower power consumption while maintaining identical functional parameters.
PCB-Embedded SiC Power Module	Layers: 3-Stage HDI Material: EM-A50 Board Thickness: 3.0 ± 0.3 mm Line Width/Spacing: 0.5 mil Min. Hole Size: 0.125 mm Surface Finish: ENIG		Designed for New Energy Main Drive Inverters and compatible with 800V high-voltage architectures, this solution features SiC chip embedded packaging to effectively reduce system stray inductance and enhance power density.
Supercomputer Motherboard	Layers: 20 Material: R-5785(GN) Dimensions: 502 * 610 mm Board Thickness: 4.3 mm Surface Finish: ENIG		Supercomputer motherboards are specialized platforms engineered for high-performance computing scenarios like AI training and scientific simulation. Their core mission is to stably and efficiently orchestrate critical components—such as CPUs, GPUs, and memory—under extreme loads, thereby delivering top-tier computational power.
Robot Brain-Cerebellum Computing SOM	Layers: 12, 3-Stage HDI Material: EMS26 Board Thickness: 2.0 ± 10% Surface Finish: OSP		Designed as the computational core for robotic "brains," this module handles algorithms, model inference, visual perception processing, and behavioral decision-making. It serves as a critical component of the robot.
Data Center Backplane	Layers: 42 Material: TU-933+ Dimensions: 1041 * 621 mm Board Thickness: 6.5mm ± 6% Surface Finish: ENIG Special Requirement: -0.5 dB/inch @ 12.89 GHz		The Data Center Backplane is the critical hardware addressing the exponential growth of AI computing power. Through extreme layer counts and advanced material processes, it achieves high-speed, stable interconnectivity between boards within limited space.
800G Optical Module	Layers: 12 Material: EM-890K Board Thickness: 1.0 mm Line Width/Spacing: 70/100 μm BGA Pitch: 0.4 mm Impedance Tolerance: ±8% Min. Blind Via: 0.08 mm HDI Class: 3-Stage HDI Surface Finish: ENEPIG		Optical modules are the core components enabling optoelectronic signal conversion, widely used in data centers, telecommunications networks, and AI computing clusters. Driven by the explosion of AI large model training and cloud computing demands, high-speed optical modules are rapidly evolving from 100G to 400G, 800G, and even 1.6T, becoming the critical infrastructure supporting the digital economy.

3.2 Quality Management Policy

Management Policy

Quality First, Lean Production, Continuous Innovation, Reach Customers Requirements



Quality Management Performance

SGC has established a comprehensive quality management system based on international standards including ISO9001, IATF16949, AS9100, ISO13485, QC080000, etc., and has passed UL, CQC and other product safety certifications. SGC has been included in the Top 100 Chinese PCB Enterprises list released by the China Printed Circuit Association (CPCA) for consecutive years. From 2013 to 2021, the Company ranked 64th, 61st, 59th, 54th, 47th, 48th, 45th, 45th, and 42nd, respectively, on the "China Electronic Circuit Industry Ranking List" evaluated by the CPCA. In 2025, according to the 2024 Revenue of Major Enterprises in China's Electronic Circuit Industry jointly released by the CPCA and the China Information Technology Industry Federation (CITIF), SGC ranked 42nd among the Top 100 Comprehensive PCB Enterprises and 22nd among the Top 100 Domestic PCB Enterprises.



ISO9001: Jiujiang

IATF 16949

ISO13485

AS9100D

SGC boasts a team of seasoned management professionals with extensive expertise in both rigid and flexible PCB manufacturing. Adhering to international quality standards, we implement Total Quality Management (TQM) across the board. We systematically decompose quality objectives into specific targets for every department and role, covering quality planning, management processes, and operational specifications, with monthly statistical analysis and continuous improvement initiatives. Statistics show that from 2022 to 2025, our First Time Yield (FTY) has increased year-on-year, while the Final Quality Audit (FQA) pass rate has consistently remained above 99%. These metrics demonstrate the high maturity of our product quality and delivery management.

Quality Performance Data Statistics

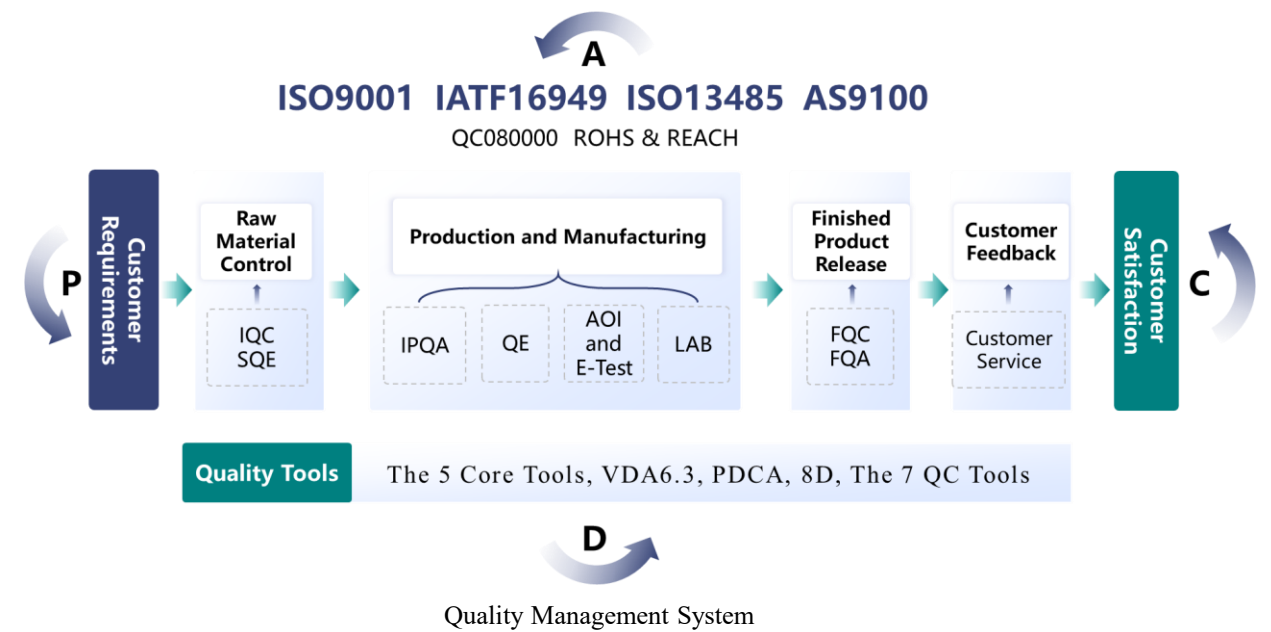
Quality indicators	2025
First Time Yield (%)	89.96%
Number of Product Hazardous Substance Complaints (Pcs / Year)	0
Material Batch Pass Rate (%)	99.98%
FQA sampling pass rate (%)	99.31%



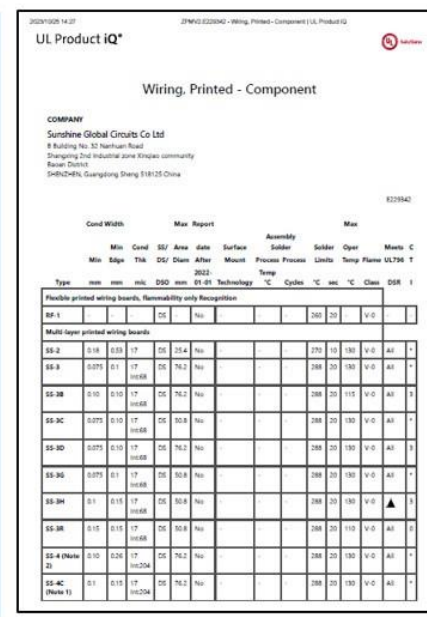
ISO9001: Shenzhen

ISO14001

ISO5001



CQC Product Certification



UL Product Certification



QC080000 Management System Certification



SGC's quality management passed the customer's on-site audit

3.3 Quality Control and Test

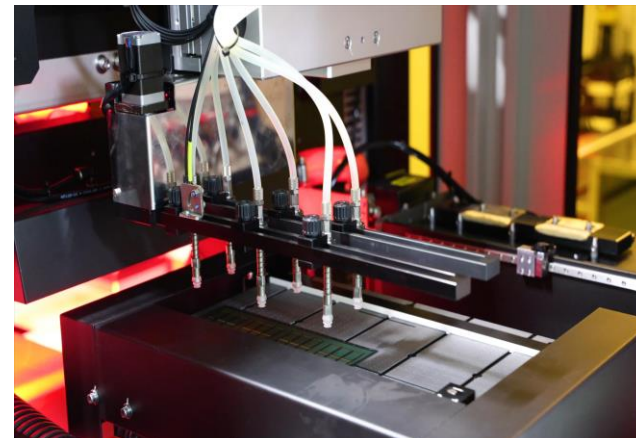
Building on a foundation of quality system management: We actively promote the operation concept of a smart factory. Focusing on the "flexibility" requirements of a smart factory, the company has transformed the traditional manual scheduling and handling of products, finished goods, and materials into an AGV (Automated Guided Vehicle) intelligent logistics system supported by MES (Manufacturing Execution System) and RCS (Robot Control System) intelligent scheduling systems. This system, combined with AGV's autonomous path planning and intelligent warehouse management functions, has significantly improved the level of quality management and production efficiency.

When a production process signals a material shortage, an AGV vehicle retrieves materials from the warehouse and delivers them to the machine. After the machine completes the detection process, the AGV vehicle transports the semi-finished products to the semi-finished goods warehouse. The pre-treatment line process within the company's inner layer has currently achieved full closed-loop production automation and data informatization, encompassing automatic logistics, automatic machine loading, automatic recipe cutting, automatic data collection, and automatic machine unloading.

The entire plant's transportation is uniformly managed by AGVs, allowing for 24/7 continuous operation. The use of AGV robots and intelligent scheduling systems enhances the timeliness and accuracy of transportation tasks, reduces manual labor intensity, includes error-proofing checks during operations, and provides real-time visualization and control of logistics conditions, facilitating material traceability management.



QC Board



Advanced production equipment



3D warehouse



AGV Intelligent System

Supplier Quality Management: To ensure that the quality of raw and auxiliary materials meets the required standards, SGC has formulated and published the "Supplier Quality Management Work Instruction." This document clearly specifies the control processes and execution guidelines for new supplier development, supplier quality assessment, annual review, change management, and handling of anomalies. From 2022 to 2025, the company maintained a material batch pass rate of over 99.9%.

Product Inspection and Testing: SGC has invested in establishing a central laboratory equipped with advanced testing instruments from both domestic and international sources. This laboratory conducts electronic product failure analysis and reliability research, and it also houses a semiconductor integrated circuit packaging process laboratory. Since its establishment, the laboratory has continuously improved its testing capabilities, covering the necessary performance tests for products. It provides comprehensive quality inspection and evaluation of products, materials, components, and intermediate products, meeting the testing requirements for product design, verification, and production processes.



White Light Interferometer



Infrared Spectrometer



Thermal Shock Test Chamber



Thermal Emission Microscope System



Dynamic Thermomechanical Analysis (DMA)



Vector network analyzer (43.5G)



Shear force tester

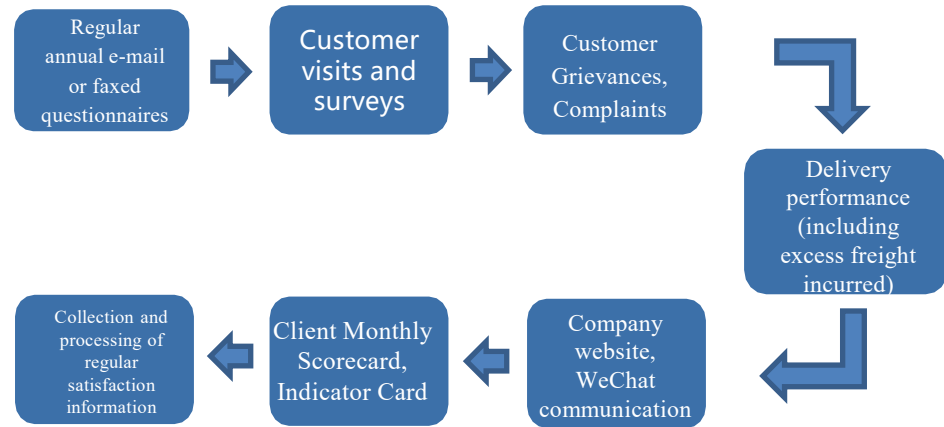


Cyclic Interconnect Stress Testing System

3.4 Enhancing Customer Satisfaction

Customer Satisfaction Survey

In order to test the current level of customer satisfaction, explore the potential needs of customers, and find opportunities to improve service quality, the company has established and implemented the “Customer Satisfaction Management Program” according to the requirements of international standards. The company conducts annual customer satisfaction surveys by means of questionnaires, customer visits, monthly customer scorecards and daily communication, including quality, delivery, engineering data processing, customer complaints, manufacturing process level, price and other aspects. The Company convenes business departments to hold customer satisfaction survey analysis meetings to discuss and analyze the survey situation and form customer satisfaction survey analysis reports; business departments analyze the causes of the problems found in the survey and formulate improvement plans, and the Quality and Customer Service Department conducts regular tracking of the improvement actions and confirms the effects. According to survey results from 2019 to 2025, customer satisfaction scores rose from 83.2 to 89.01, demonstrating a steady improvement in both product quality and service excellence.



Scoring Criteria

Evaluation results	Excellent	Good	Done	Pass	Fail
Score	10	7-9	5-7	3-4	1-2

A: Calculation of each customer satisfaction score: (External customer rating * 70% + average internal score of responding customers * 30%)

B: Annual customer satisfaction score = (sum of each customer satisfaction score) / sum of total number of participating customers * 100 %

Customer Privacy Protection

The Company pays attention to the information security protection of its customers and adopts scientific information security management measures in accordance with international information security management standards to effectively control information security risks. 1) Information Security Management Procedures: In order to prevent risks during the use of computers and information systems, the Company has formulated Server Backup Management Procedures, Network Antivirus and Firewall Management Documents, and Management Documents on the Standardized Use of Computers and Networks, etc., which set out clear provisions on database data backup, regular restoration and testing and validation, firewall management, and computer maintenance and repair, so as to ensure the integrity, security, and continuity of the equipments and data. The company has clearly defined regulations on database data backup, regular recovery and test verification, firewall management, computer maintenance and repair to ensure equipment and data integrity, security and continuity of production activities. 2) Information security hierarchical management: The Company has established a workflow and security management system for the collection and use of customer information and its related activities, implemented the classification of customer information, strengthened the security management of account numbers, and changed complex passwords on a regular basis, and required that contractual agreements and project information be strictly stored and access rights be controlled. 3) Information access rights: The company strictly manages the system access rights to ensure that only the personnel who have been formally applied for can access the relevant system; the company carries out shielding treatment for customer information in SAP system, regularly backs up, and carries out review on the action of batch exporting, copying, and destroying the information, in order to prevent the risk of information leakage. 4) Firewall and anti-virus software: Advanced firewall and anti-virus software are adopted to effectively identify and block external attacks and protect the safety of the intranet and computer system, so as to build a safe and reliable customer information protection system. 5) The company has passed the ISO 27001 Information Security Management System certification.



ISO27001 Information Security Management System Certification

04 Environmental-friendly, Leading Green & Intelligent Manufacturing

We uphold the philosophy of being responsible to society and the planet. We are committed to consistent investment and scientific management to be a responsible and conscientious enterprise, ensuring sustainable development.



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4.4 Responding to Climate Change	45

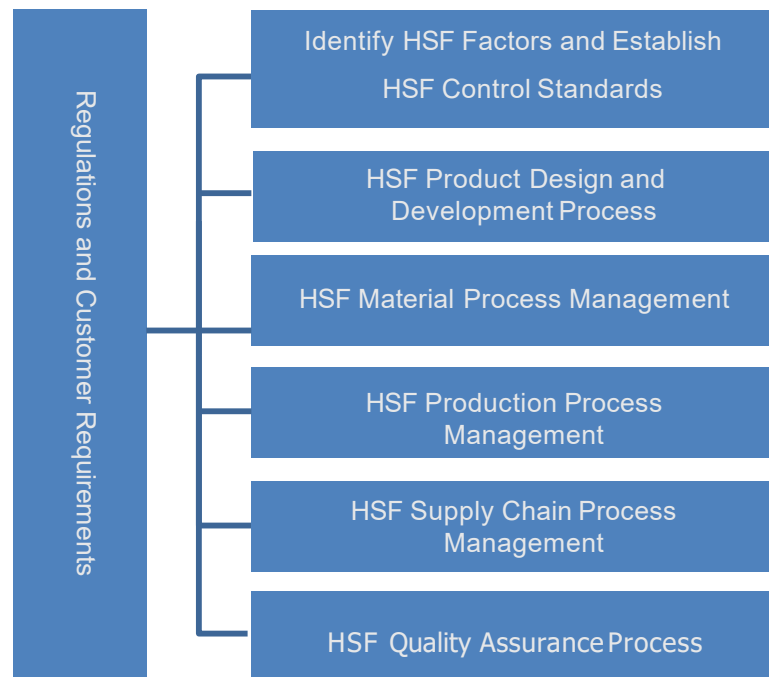




4.1 Hazardous Substances Control

HSF (Hazardous Substances Free) refers to the reduction of hazardous substances listed in RoHS directives, REACH regulations, or other relevant laws, as well as those restricted or prohibited by customer requirements due to their harmful effects on the environment and human health. To ensure that the company's PCB product production and operations fully consider environmental and human health impacts, comply with customer requirements, and adhere to relevant product safety and hazardous substance control regulations, the company has developed and published the "HSF Control Procedure." This procedure implements a systematic management mechanism to prevent hazardous substances from contaminating products.

In 2024, the company obtained the QC080000:2017 certification for its Hazardous Substance Process Management System. Furthermore, from 2021 to 2025, the company recorded zero complaints related to hazardous substances.



Hazardous Substances Free System

HSF Control Measures

- 1) The company has established HSF (Hazardous Substances Free) plans and policies, complying with environmental regulations worldwide and implementing a hazardous substances management system to ensure product compliance with HSF requirements.
- 2) The company identifies all factors affecting HSF, including manufacturing, packaging, labeling, delivery, equipment, tools, fixtures, and auxiliary materials.
- 3) The company formulates "Hazardous Substance Control Standards" and "Declaration of Non-Containment of Hazardous Substances" to meet customer and regional regulatory requirements, controlling hazardous substances in incoming materials, processes, and finished products.
- 4) The procurement department evaluates and approves suppliers according to the "Supplier Management Procedures" to ensure effective hazardous substance control systems. For new materials, HSF monitoring data is requested from suppliers to verify compliance.
- 5) The company commissions third-party testing agencies for annual monitoring of finished products to ensure compliance. Non-compliant products are sealed immediately and subject to further tracing, verification, and rectification.



RoHS Certificate of Compliance



Finished Product Hazardous Substance Monitoring Report



QC080000:2017 System Certification

4.2 Building a Green Enterprise

Environmental Policy

Energy conservation and emission reduction, green and safe

Environmental protection serves as the bedrock for our company's survival and growth, representing an obligation we are duty-bound to fulfill. Grounded in the principles of social and planetary responsibility, we remain steadfast in our commitment to invest resources, employ scientific methods for governance, meet emissions standards, adhere strictly to legal and regulatory frameworks, and act as a conscientious enterprise. These actions are taken to guarantee our sustained and responsible business operations, fostering a future of enduring prosperity.

The company adheres to a path of green development, adopting the policy of energy conservation and emission reduction, as well as promoting green safety in our management approach. We uphold the principle of allocating appropriate environmental costs in a rational manner, striving for a win-win scenario between corporate profits and environmental benefits. We prioritize conservation, protection, green industrial layout, green management, and green production. Focusing on green, low-carbon, and circular practices, we aim to establish ourselves as a green enterprise.

Environmental management mechanisms

The company has established a systematic environmental management system in accordance with the ISO14001:2015 standard, continuously increasing its investment in environmental protection while adhering to national environmental protection regulations. Utilizing the PDCA (Plan-Do-Check-Act) operational model, it continually enhances its environmental performance. According to statistics, the company's total investment in environmental protection amounted to 26.926 million yuan in 2025.

1) Establishment of Environmental Objectives: The company has formulated a series of environmental objectives, comprising energy conservation targets, input-output efficiency goals, and pollutant discharge standards compliance aims. These objectives are propelled through an assessment mechanism that drives the execution and advancement of environmental activities across departments, fostering ongoing pollution prevention and improvement initiatives.

2) Clean Production Audit: The company has conducted multiple clean production audits, starting from product design, raw material selection, process improvements, and production management. This approach seeks opportunities for enhancement in clean production, maximizing the conversion of raw materials and energy into products, minimizing resource wastage, and reducing the emissions of pollutants and their environmental impact.

3) Environmental Awareness Training: An annual plan for environmental protection publicity and training is formulated, which includes organizing related activities, environmental protection training sessions, promotional campaigns, and exchanges. These efforts enhance understanding of environmental regulations and environmental management activities, thereby raising employees' environmental awareness.

4) Environmental Inspection and Monitoring: The company regularly conducts internal audits and management reviews, and periodically arranges for third-party monitoring of environmental pollutants to identify and address potential environmental hazards. From 2023 to 2025, the company achieved a 100% compliance rate for pollutant emissions, including waste gas and wastewater, delivering strong environmental performance. During the period from 2023 to 2025, Shenzhen SGC was honored with titles such as "Excellent Enterprise in Green Manufacturing and Environmental Protection," "Shenzhen Green Factory," "National Green Factory," and the "EcoVadis Silver Medal."



Environmental Performance Data Statistics

Environmental Indicators	2025
Environmental protection investment amount (10k yuan/year)	2,692.60
Total water consumption (T/year)	1,287,397.00
Wastewater discharge volume (T/year)	1,020,163.00
Proportion of wastewater treated up to standard (%)	100%
Rate of exhaust gas monitoring meeting standards (%)	100%
Chemical Oxygen Demand (COD) discharge volume (T/year)	33.32
Ammonia nitrogen discharge volume (T/year)	2.65
Total electricity consumption (KWH/year)	141,364,975.00
Natural gas (m ³ /year)	1,360,830.00
Diesel (KG/year)	58,756.46
Gasoline (KG/year)	15,733.36
Solid waste discharge volume (T/year)	25,710.60
Recyclable waste volume (T/year)	10,113.37



4.3 Clean Production Management

Environmental Management Responsibilities: SGC Circuit adheres strictly to national environmental protection regulations, actively implements the Environmental Impact Assessment (EIA) system and the "Three Simultaneities" principle. The company has established rigorous environmental management systems, setting up environmental management departments and dedicated personnel to oversee environmental protection work, communicate with government environmental authorities, operate, maintain, and supervise environmental facilities.

Clean Production Audit: Shenzhen SGC has undergone three rounds of clean production audits. The first round was completed in 2012, the second in 2018, and the third in 2023. These clean production audits have significantly assisted the enterprise in enhancing production efficiency, energy utilization rates, and reducing pollutant emissions. They have also brought about substantial economic benefits, realizing a "win-win" scenario where both economic and environmental benefits are achieved.

Upgrade of Exhaust Gas Treatment Systems: The company operates three sets of organic exhaust gas treatment systems, which originally employed a process combining "water scrubbing + UV photocatalytic decomposition + primary activated carbon adsorption." In 2023, the company upgraded the treatment process for these systems, modifying it to feature filtration + water scrubbing + secondary activated carbon adsorption. Following the upgrade, the efficiency in treating volatile organic compounds (VOCs) was enhanced.

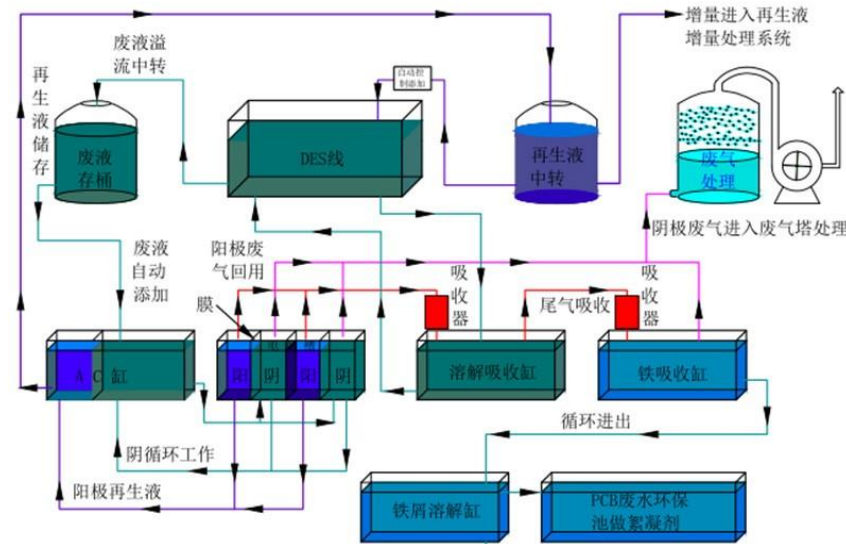
Environmental Filter Press Upgrade: In 2025, the company invested 250,000 yuan to replace the old wastewater treatment filter press with a fully automatic double-pressure filtration system. The project has been successfully installed and is now fully operational. The new system has reduced the moisture content of the sludge by 3%-5%, resulting in an annual reduction of approximately 100 tons of sludge.

Acidic Etching Solution Recycling System: During the production process, acidic etching waste liquid is generated. The company uses membrane electrolysis technology to extract copper ions from the acidic etching solution. By combining multiple proprietary innovative technologies, the waste liquid is entirely recycled back into the production process, achieving 100% recycling and zero discharge of etching waste liquid.

Waste Sorting and Disposal: The company manages various wastes generated during the production process through classification. Recyclable waste is sorted and recycled for reuse, while non-recyclables are handled according to national regulatory requirements for classified disposal. Hazardous waste is entrusted to qualified agencies for proper handling, and domestic waste is regularly cleared and transported by sanitation services for appropriate treatment.



The upgraded organic exhaust gas treatment system



Acidic Etching Solution Recycling and Regeneration System

4.4 Responding to Climate Change

Climate Change Risk Identification

As the global economy expands, the consumption of fossil fuels by humans has led to a significant increase in greenhouse gas emissions, which in turn have caused a worldwide climate impact through the greenhouse effect. In response to this, the company refers to the risk analysis framework provided by the Task Force on Climate-related Financial Disclosures (TCFD) to identify potential climate-related risks and opportunities in its production activities, incorporating these into its overall environmental risk management. By conducting climate risk identification and assessment, policy research, benchmarking against industry peers, and integrating expert opinions, the company has identified the following climate change risks relevant to its business development.

Climate Risk and Opportunity Identification and Evaluation

Risk Category	Risk Factor	Potential Financial Impact	Mitigation Measures
Physical Risks	Climate Disasters (e.g., Typhoons, Floods Leading to Safety Incidents or Forced Suspension of Production)	Increased Operating Costs, Decreased Value of Fixed Assets	Establish Emergency Response Plans and Conduct Annual Drill Exercises
	Climate Change Impacts (such as Persistent High Temperatures Causing Power Supply Anomalies, Increased Cooling Costs, Unstable Supply Capacity and Transportation)	Rising Operating Costs	Integrate Climate Change Awareness into Daily Operations Management and Enhance Energy Efficiency
Transition Risks	Policy and Legal Risks (such as Rising Carbon Prices and Implementation of Carbon Taxes Leading to Increased Operational and Procurement Costs)	Rising Operating Expenses, Increased Financing Costs	Monitor Relevant Laws and Regulations, Regularly Report Greenhouse Gas Emissions Data, and Effectively Respond to Policy Changes
	Technology Risks (such as Upgrading to Energy-Saving and Emission-Reduction Equipment)	Growing Operating Expenses	Enhance Equipment Utilization Efficiency and Increase Product Manufacturing Productivity
	Market Preference Risk (such as Increasing Scrutiny from Capital Markets, Customers, and Other Stakeholders on Corporate Climate Actions; Poor Environmental and Climate Performance May Subsequently Affect Company Reputation and Performance)	Impaired Product Sales, Negative Impact on Corporate Reputation and Brand Influence	Elevate Climate Change as a Key Agenda Item, Disclosing Carbon Emission-Related Information through ESG Reports, Stakeholder Surveys, and Other Channels
Transition Opportunities	Technology Opportunities (Early Adoption of Clean Technologies and Use of Renewable Energy Sources to Effectively Mitigate Future Risks of Rising Energy Prices)	Decreased Operating Costs, Boosted Sales of Low-Carbon Products	Formulate Carbon Reduction Strategies, Employing Clean Energy to Decrease Product-Related and Operational Carbon Emissions
	Market Preference Opportunities, Enhancing Competitive Position in the Market by Developing Innovative Low-Carbon Products to Meet the Demands of Capital Markets, Customers, and Stakeholders for Sustainable Solutions	Increased Revenues, Enhanced Environmental Image and Brand Influence	Actively Increase Investments in Decarbonization, Engage Suppliers in Collective Action, and Offer Customers Cleaner, Lower-Carbon, and More Efficient Products

Our Carbon Reduction Initiatives

1) Carbon verification: the company carries out carbon verification at the operation level in accordance with ISO14064 standards, and commissions a third-party verification organization to verify the carbon emission data and issue a carbon verification report. the total emissions of the company's Scope 1 and 2 at the operation level in 2025 will be 71,223.70 TCO₂-e/year.

2) Energy management mechanism: The company's carbon emissions mainly come from electricity consumption in the production process. In order to reduce carbon emissions, the Company has set up an energy management organization, the Energy Saving and Emission Reduction Group, and formulated a comprehensive energy management system, including the Energy Management System of SGC, the Energy Saving Reward and Punishment System of SGC, and the Energy Management Procedures, etc., to comprehensively promote energy saving and consumption reduction, and has achieved good carbon reduction performance.

3) In 2024, the Company conducted the first mapping of suppliers' carbon emissions for the first time. It laid the foundation for the carbon emission of statistical scope III. In addition, the company provides free dormitories for, located just a ten-minute walk from the office. The purpose of reducing carbon emissions in Scope III has been achieved.

4) In 2025, the proportion of green electricity used by the company reached as high as 20%.

Greenhouse Gas Emissions Data Statistics

Environmental Indicators	2025
Scope 1 Emissions (T CO ₂ -e/ year)	3,331.95
Scope 2 Emissions(T CO ₂ -e/ year)	67,891.75
Scope 1 and Scope 2 Total Emissions (T CO ₂ -e/ year)	71,223.70



Shenzhen SGC Photovoltaic Project

5) Jiujiang SGC Geothermal System: The Ground Source Heat Pump (GSHP) system project at Jiujiang SGC is being implemented in two phases in accordance with the industrial park's construction plan. Phase I, covering the underground piping network, has been completed. Phase II, involving equipment installation and commissioning, is scheduled for completion within two years. Upon full completion, the project is expected to save 870,000 kWh of electricity annually and reduce carbon dioxide emissions by 485.72 tons.

6) Shenzhen SGC Solar Photovoltaic Project: Shenzhen SGC has actively implemented distributed solar photovoltaic (PV) power generation systems. In 2024, the system covered electricity usage for employee dormitories (Blocks A & B), information boards, and corridor lighting, injecting green power into daily operations with a total generation of 28,100 kWh for the year. Additionally, a new 766 kWh distributed PV project was filed in 2024 and officially connected to the manufacturing grid in April 2025. This new addition generated 700,000 kWh in 2025.

Energy-Saving Retrofit Project Emission Reduction Performance Statistics

Carbon Reduction Measures	Detailed Description	Carbon reduction (TCO ₂ -e)
Decommissioning of Nickel-containing Evaporation Facilities at Jiujiang SGC	Decommissioning of Nickel-containing Evaporation Facilities in the Environmental Protection Zone	181.05
Jiujiang SGC HVAC Retrofit: Converting Electric Heating to Hot Water Coils	Retrofit of Electric Heating to Hot Water Coils in the Cleanroom HVAC System	104.18
Retrofit of dust collection motors with permanent magnet motors at Jiujiang SGC	Upgraded to equipment with higher energy efficiency	438.74
Energy Efficiency Retrofit of Drilling Oil Coolers at Jiujiang SGC	Changed the drilling machine cooling method from traditional self-contained cooling to central chilled water cooling	395.59
Automatic Frequency Modulation of Jiujiang SGC Exhaust Gas System	Automatic Frequency Control of Exhaust Fans Based on Production Equipment Status	1,178.99
Jiujiang SGC replaced the air compressor system after-treatment equipment with Grade 1 energy-efficient dryers	Installation was completed on October 4, 2025, reducing the operation of one air compressor in Factory 2 and 0.5 units in Factory 1	79.25
Retrofit of production line electric heaters to air source heat pumps at Jiujiang SGC	Removed electric heaters from the high-temperature production line and replaced them with energy-efficient air source heat pumps	104.18
Retrofit of High-Pressure Air Knife Fans on Jiujiang SGC Horizontal Line	Retrofit of traditional turbo fans to high-speed permanent magnet energy-saving fans	154.76
Energy-saving Retrofit Project for Dust Suction Pipelines in Shenzhen SGC Drilling Workshop	Replaced with 6 high-efficiency motors to reduce electricity consumption	578.26
Shenzhen SGC Photovoltaic Project	The Distributed Photovoltaic Power Generation Project was officially commissioned in April 2025, supplying power directly to manufacturing operations, with an annual generation of approximately 700,000 kWh.	426.72
Total		3,641.72

05 People-Oriented, Empowering Employee Development

Adhering to the core concept of position value, SGC Circuit ensures the rights and dignity of every employee, guaranteeing a fair and transparent work environment. The company actively promotes a culture of strivers, encouraging employees to contribute with enthusiasm and relentless efforts towards the continuous growth and prosperity of the enterprise.



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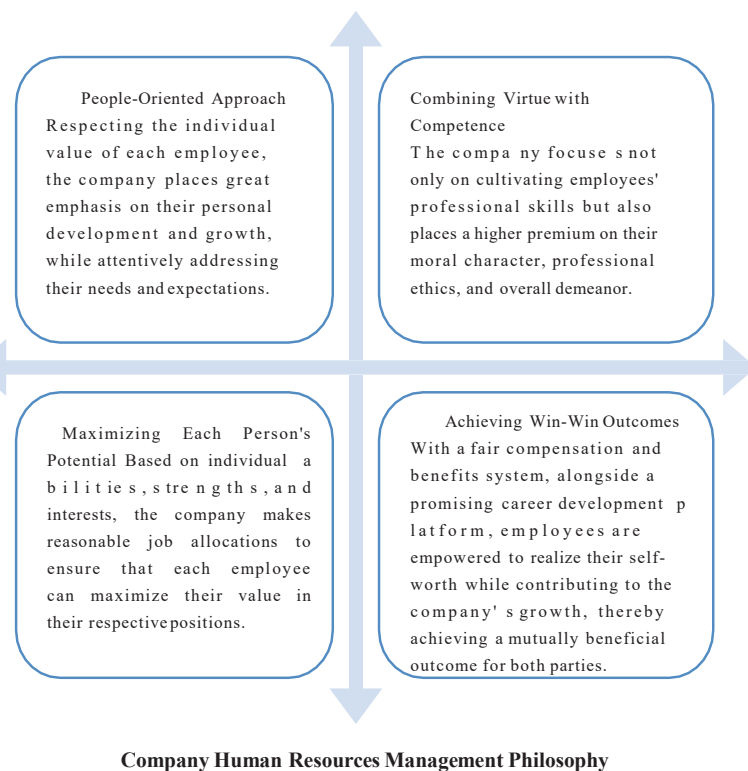
5.1 Our Employees

Human Resource Policies

SGC consistently regards talent as the core support and most valuable asset for corporate development, placing high importance on talent selection, cultivation, and incentive programs. Adhering to the philosophy of "People-oriented, Integrity and Competence, Maximizing Potential, and Achieving Win-win Results," the company continuously fosters a workplace environment conducive to talent growth and professional expression, thereby solidifying the talent foundation for long-term, stable development.

The company actively practices employee diversity by attracting and retaining talent from diverse backgrounds, genders, ages, races, ethnicities, and religious beliefs, while firmly safeguarding equal employment rights. We strictly comply with labor laws and regulations, eliminating any discrimination based on race, color, gender, nationality, religion, disability, marital status, age, pregnancy, or other legally protected characteristics. We strictly prohibit forced labor and child labor, fully respect employees' freedom of belief and personal privacy, and are committed to creating a diverse, inclusive, and equitable work atmosphere.

As of the end of 2025, the company had a total workforce of 2,718 employees, including 181 employees from ethnic minorities. Women in management positions account for 10% of the total management team.



Human Resources Performance Data Statistics

Human Resources Performance Data	2025
Total Number of Employees	2,718
Male to Female employee Ratio (%)	7: 3
Age Distribution of Employees (Under 30/30-50 /Over 50)	3:6.5:0.5
Number of Ethnic Minority employees (Persons)	181
Number of Employees with Disabilities (Persons)	8
Educational Attainment Distribution of Employees (Bachelor's Degree&Above / High School&Above/ Junior High School&Below)	1.5:6:2.5
Percentage of Middle-Level and Above Female Managers Among Management Staff (%)	10%
Number of Foreign Employees (Persons)	1

5.2 Employee Rights Protections

Employee Rights and Benefits

The company adheres to national labor regulations, strictly prohibiting any form of discrimination during the hiring process, and is fully committed to safeguarding all employees' rights and benefits, ensuring equal development opportunities for every staff member.

(1)The company implements a comprehensive and transparent compensation and benefits system, focusing on work schedule arrangements, promoting a reasonable work regime, and prioritizing employees' physical and mental well-being.

(2)The company encourages employees to actively engage in corporate governance, supporting their establishment and participation in trade unions. Through collective bargaining, both parties collaborate to uphold employees' legal rights and interests. A union organization has been established within the company, with employee representatives elected by their peers to participate in management and decision-making processes. They assist in resolving and addressing employee grievances, ensuring that employee voices are respected and heard.

(3)The company strictly prohibits any form of discriminatory behavior. By establishing internal grievance channels, issues are handled and resolved based on principles of fairness and impartiality, thereby preventing employees from experiencing discrimination or unfair treatment. This ensures a respectful and equitable working environment for all.



Employee Grievance Handling Process

Compensation and Benefits

SGC has established a diversified compensation and benefits system that is competitive in the market. This system is built upon practical factors including job value, individual capability, performance results, and market salary levels, while strictly adhering to the core principles of fairness, competitiveness, motivation, cost-effectiveness, and legality. This framework not only fully recognizes individual employee value but also demonstrates the company's sincere commitment to the professional growth and quality of life of our staff. In 2025, the average employee salary growth rate was 5.44%.

Human Resources Metrics Data Statistics

Human Resources Metrics Data	2025
The ratio of the average wage of frontline employees to the local minimum basic wage	4.6:1
Employee turnover rate (%)	3.18%
Average employee satisfaction rate (%)	90%
Average employee salary growth rate (%)	5.44%
Gender pay ration for the same position (%)	1:1
Labor contract signing rate (%)	100%



To ensure both internal equity and external competitiveness across all positions, the company has established a mechanism linking job grades to salary grades. We adhere to the principles of "determining salary based on responsibility and ability, rewarding based on performance, and adjusting based on competence and results." Performance bonuses are directly linked to individual performance outcomes, with monthly and annual appraisals serving as the core basis for salary adjustments.

In accordance with the law, the company provides a complete range of benefits to safeguard employee rights. Beyond statutory benefits such as the "Five Insurances and One Housing Fund," annual leave, sick leave, maternity leave, and nursing leave, we offer exclusive perks including comprehensive accident insurance, complimentary accommodation and meals, shuttle services, and holiday and birthday gifts.

■ Satisfaction Survey

The company is committed to fostering an open, inclusive, smooth, and efficient internal communication environment, ensuring that employee concerns are conveyed promptly and addressed effectively. We conduct annual employee satisfaction surveys covering dimensions such as work environment, compensation and benefits, career development, communication and collaboration, and corporate culture. Based on the survey findings, we implement optimization measures to continuously enhance employee engagement and sense of belonging. In 2025, the company achieved a high employee satisfaction rate of 90%, while maintaining a low turnover rate of 3.18%. These figures demonstrate the company's continuously growing attractiveness as an employer.

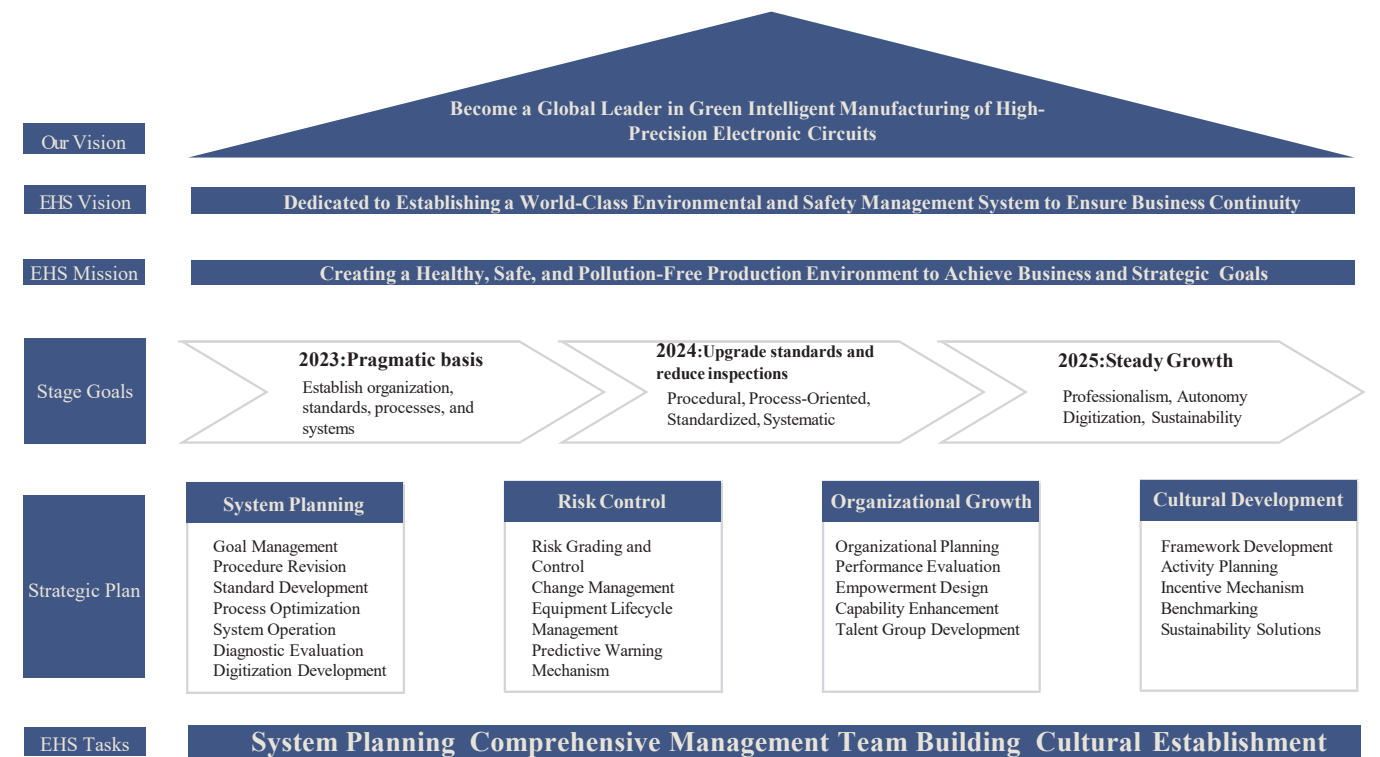


Working environment

5.3 Occupational Health and Safety

■ Safety Policy

The company has always insisted on putting the safety and health of employees in the first place, and has established a systematic occupational health and safety management system with the tenet of "safety first, prevention first, comprehensive management", and has gradually promoted the operation of the safety management system in four aspects, namely, risk identification, system planning, organization development and culture construction, and has formulated an implementation plan to strengthen the foundation in 2023, improve the standard and reduce the risk in 2024, and stabilize and improve the system in 2025. It has also formulated an implementation plan for 2023 to strengthen the foundation, 2024 to improve the standard and reduce the risk, and 2025 to stabilize and improve the system. At present, Shenzhen SGC and Jiujiang SGC have obtained ISO45001 Occupational Health and Safety Management System Certificate, all annual audits for external system certifications were successfully passed.



Company's Safety Management System Implementation Chart

■ Security management measures

1) Safety management organization: The company has established a safety governance structure, including a safety management committee, a safety management department and a safety production leading group, and has clarified the safety responsibilities and obligations of personnel at all levels. In addition, the company has established a safety incentive and accountability system, forming a safety management system from top to bottom with full participation of all personnel. During the period of 2022-2025, the company did not have any major casualty accidents or occupational disease cases, and achieved good safety and health performance. In 2025, the company continued to elevate its safety standards, shifting the focus from managing safety outcomes to regulating employee safety behaviors. We also sustained our anti-violation training and inspection initiatives. Throughout the year, annual safety training hours reached 15.23 hours per person, with financial investment hitting 5.7055 million yuan.

2) Dual prevention mechanism: The company has created a dual prevention mechanism of risk classification and control and hidden danger investigation and management to accurately identify and prevent all kinds of risks from the source. The Company pays close attention to the weak links and potential problems in the risk management and control process, and conducts regular hidden danger investigation and rectification to avoid safety accidents.

3) Production safety standardization: The company carries out risk identification for all production lines and equipments according to the safety standardization to standardize and quantify the safety risks, and establishes Safety Operating Procedures and lists of violations for every position. to inform the employees of the requirements of safety operation and the dangers of non-compliance, so as to let each employee carry out the safety operation standards.

4) Safety inspection: The company regularly carries out safety inspections in various ways to improve the implementation of safety management and safety operation standards. Daily on-duty leaders and security teams inspect key risk positions, and when hidden dangers are found, they are resolved in a timely and closed-loop manner by reporting to the IT system's hidden danger management platform. In 2025, the company continued to implement the "Three-Year Action Plan for Fundamental Safety Improvements (2024-2026)" issued by the State Council Work Safety Committee, further solidifying the safety production responsibility system. We also sustained our study of the "Criteria for Identifying Major Accident Hazards in Industrial and Commercial Enterprises," released by the Ministry of Emergency Management, and conducted hazard investigations and special remediation campaigns based on these standards.

5) Occupational health protection: The company has engaged a third-party testing agency to conduct regular monitoring of working conditions and the operational environment. We strictly control occupational hazard factors and actively implement on-site improvements to mitigate these risks, regularly hold medical checkups for occupational diseases, post notification boards for occupational hazards, and equip the employees with labor protection equipment, so as to protect the occupational health of the employees in an all-around way and with a high standard.

6) Safety awareness training: The company builds a three-level safety training system according to the requirements of national safety regulations and adopts various methods to carry out training on fire safety, operation safety, emergency response, first aid for personnel, chemical management, occupational health, etc., which effectively improves the safety awareness and response ability of employees.



ISO45001:2018 Occupational Health and Safety Management System Certification

Occupational Health and Safety Performance Statistics

Occupational Health and Safety Data	2025
Safety Investment Funds (10K RMB / Year)	570.55
Employee Health Check-up Coverage Rate (%)	100
Work-related Fatalities (Persons/Year)	0
Occupational Disease Incidence Frequency (Occurrences/Year)	0
Safety Training Hours per Person per Year (H/Person/Year)	15.23

■ Overview of Shenzhen SGC Drill Programs

On October 23, 2025, Shenzhen SGC conducted its annual emergency drill for 2025. The drill simulated an electrical fire in the electroplating workshop on the first floor of Building B. This scenario carried the potential risk of igniting chemicals and exhaust duct networks in surrounding areas, possibly leading to explosions. After initial firefighting attempts by on-site staff proved unsuccessful, they immediately reported the incident, prompting the company to activate the emergency evacuation and fire suppression plan. The alarm sounded at 16:37, marking the official start of the drill. A total of 748 personnel from the Shenzhen base participated. The event was well-organized with smooth procedural transitions. It effectively demonstrated the outcome of a full-staff drill and further validated the effectiveness and feasibility of the company's emergency rescue plan.

Time	Program	Participants	Simulated exercise scenarios
October 23 rd 16: 30~16: 45	Evacuation Drill for Electrical Fires and Flammable Chemical Fires in Electroplating Enterprises	All day shift staff	An electrical fire breaks out in the electroplating line equipment on the 1st floor of Building B, rapidly igniting surrounding flammable chemicals with an imminent risk of explosion. Initiating emergency response.
October 23 rd 16:55-17:05	First Aid and Safety Knowledge for Work-Related Injuries	All day shift staff	Assume an employee is injured and faints
October 23 rd 17:05-17:15	Fire Extinguisher Training and Hands-on Practice	All day shift staff	Hands-on Fire Extinguisher Drill

■ Photos of Shenzhen SGC Drill Site



Fire Detected, Evacuation Initiated



Firefighting and Rescue Operations



Hands-on Fire Extinguisher Drill



Personnel Rescue and Medical Aid

■ Overview of Jiujiang SGC Drill Programs

Time	Program	Participants	Simulation Scenario
September 25 08:05—08:20 Subject to the alarm bell	Evacuation and rescue	All employees	Simulation of a fire on the roof of a factory building, all personnel evacuate to the safe zone
September 25 08:10-08:20	Firefighting and rescue	Development Zone Fire Brigade	Rooftop of Factory 2
September 25 08:20-08:25	First aid for injuries	Jiujiang First People's Hospital	Parking Lot C, Residence Hall C
September 25 08:25-08:30	Safety training in the use of factory transportation vehicles	Jiujiang Base Security Group	Parking Lot C, Residence Hall C
September 25 08:30-08:40	Anti-riot and Terrorism Live Practical Exercise	Jiujiang Base Security Group	Parking Lot C, Residence Hall C
September 25 08:40-08:45	Hazardous chemical leakage on-site practical exercises	Warehouse staff	Parking Lot C, Residence Hall C
September 25 08:50-09:00	Leadership speeches, summaries	All employees	Parking Lot C, Residence Hall C
September 25 09:00-09:20	Fire extinguisher use on-site practical exercises	New employees after July 1	Parking Lot C, Residence Hall C

■ Photos of Jiujiang SGC Drill Site



On-site Disposal of Hazardous Chemical Leakage



Transfer of Injured Personnel



Firefighting and Rescue



Group Photo

5.4 Training and Development

■ Training and Development

Aligning job characteristics with career development needs, the company has established a tiered and categorized training system. For Management, we offer leadership programs tailored to different levels—frontline, middle, and senior management. For Professionals, we have built training initiatives centered on job qualifications and clear learning paths. For Campus Hires, we implement a "New Talent Cultivation Plan" to set an industry benchmark for onboarding, reserving high-quality talent for the company's sustainable growth.

We encourage continuous learning by providing extensive online and offline resources. Furthermore, we regularly collect feedback to dynamically optimize our training arrangements and career development mechanisms.

Employee Training Performance Data Statistics

Indicator Data	2025
Total annual staff training hours (H/year)	91,079.27
Employee training investment (10k yuan/year)	218.10
Number of types of training courses (types/year)	1,698
Average staff training hours (H/person/year)	33.70



University-Enterprise Cooperation



Corporate Social Responsibility Training



Employee Growth Incentives

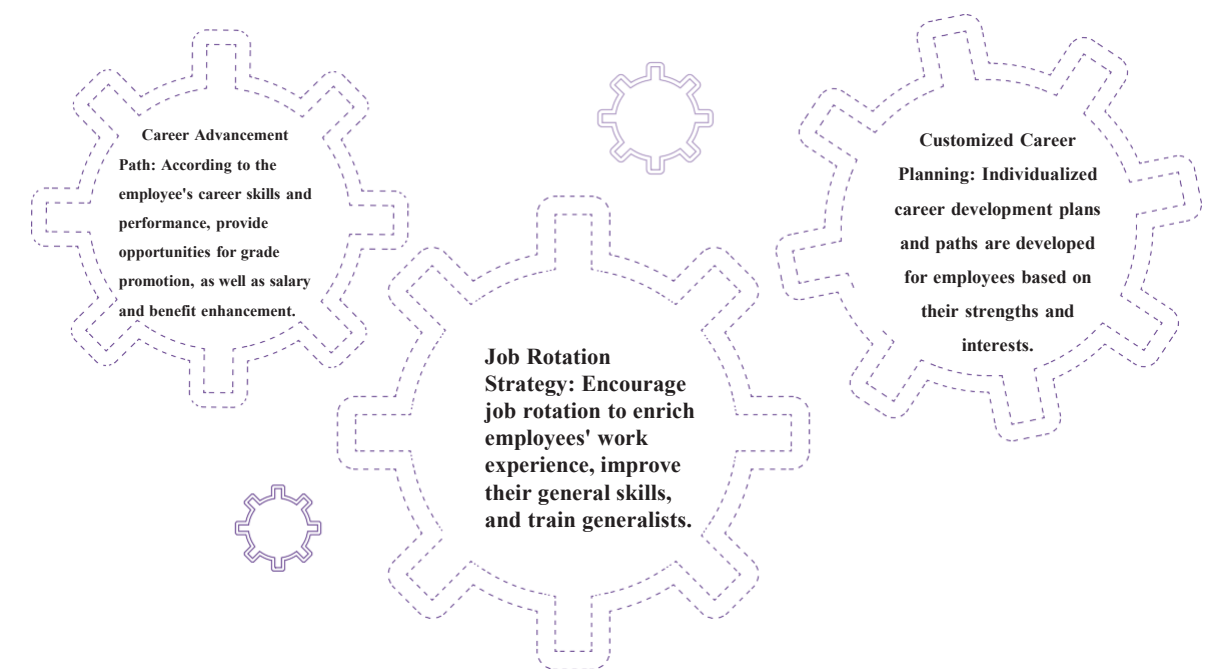


IPC600 Project Training

■ Employee Career Development

A scientific and comprehensive career development mechanism is the cornerstone of both employee growth and corporate competitiveness. Centered on promotion pathways, job rotation, and customized career planning, our system offers vast opportunities for employees across all levels and skill sets.

We continuously optimize our Job Qualification Management System to provide clear direction and guidance. This empowers our team to navigate career challenges with confidence, ensuring steady progress and long-term stability for both the individual and the organization.



5.5 Caring for Employees

Employee Mutual Assistance Fund

To enhance corporate cohesion and foster a harmonious working environment, the company established the Employee Mutual Aid Fund Association in 2021. Since its inception, the fund has raised over 1.67 million yuan in donations from employees across the organization. By the end of 2025, the fund had successfully provided financial assistance totaling approximately 544,100 yuan to 31 employees, helping them navigate real-life hardships. This aid covered critical areas such as medical expenses, emergency support for family crises, and educational subsidies. Through these efforts, we have truly delivered timely help in moments of desperate need, embodying the spirit of mutual support.



SGC set up the Employee Mutual Aid Fund Association to help employees facing unexpected difficulties or special circumstances to tide over the difficult times.

A Colorful Life for Employees

We are dedicated to creating a positive work atmosphere and a comfortable living environment. By regularly organizing a variety of cultural and sports activities, we aim to enrich our employees' lives, alleviate work stress, and help them achieve a healthy work-life balance.

Every summer, we host the "Sunshine Together: Growing with Kids" parent-child event. Through diverse interactive experiences, this program broadens children's horizons and strengthens family bonds, bringing joy and happiness to our employees' families.

We also regularly hold sports tournaments—including badminton, basketball, and tug-of-war—as well as festive events like the Lantern Festival riddle guessing and employee birthday parties. These initiatives continuously strengthen team cohesion, collaboration, and our shared sense of collective honor.



06 Transparent Procurement Fulfilling Social Responsibilities

The company adheres to the principle of "Disinterested Procurement, Win-Win Cooperation," and is dedicated to building a sustainable supply chain. The company actively participates in community development, gives back to society, and strives to be an exemplary corporate citizen!



6.1 Responsible Procurement

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6.1 Charitable and Public Welfare Activities

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6.1 Responsible Procurement

Procurement Values: Integrity and Collaboration, Understanding and Communication, Continuous Improvement.

Vision and goal: practicing sunshine procurement, creating strategic value, building a supply ecology of equality, respect, transparency, development and win-win situation, and committing to providing timely, accurate, high-quality and cost-effective procurement supply chain services.

Responsible Procurement Management

Since its establishment, SGC has always adhered to the original spirit of integrity management, based on the principles of fairness, openness and impartiality, advocated the sunshine procurement policy, standardized the operation management of all stakeholders in the supply chain, cooperated with suppliers, and strictly adhered to the standards of honesty and business ethics in all business activities.

1) **Supplier Selection** The Company has established a set of comprehensive and applicable management norms, in accordance with the “Supplier Certification Management System” and “Supplier Management Procedures”, and has screened out competitive suppliers through the setting of filing thresholds, evaluation of materials, and assessment and counseling by a professional audit team, as well as utilizing the SRM system to manage the suppliers in their full life cycle. In order to promote the development of regional economy, the Company prioritizes local suppliers, and the proportion of local suppliers for production materials will reach 98.1% in 2025.

2) **Supplier Management:** The Company has signed the “Commitment Letter for Sunshine Procurement for Strategic Partners” and “Commitment Letter for Environment/Safety/Social Responsibility for Suppliers” with all its suppliers, which contains provisions on integrity, compliance, human rights, environmental protection, safety, ROHS, etc. Suppliers are required to comply with the relevant provisions of the commitment letter, supervise each other to ensure the implementation of Sunshine Procurement, and the contract will be terminated or dissolved at any time if there is any violation of the provisions. Terms and Conditions .

3) **Sunshine Purchasing Training:** The company regularly conducts training on topics such as integrity, honesty and supplier social responsibility management for internal purchasing staff, extends the company's social responsibility concepts and requirements to the supply chain, and jointly promotes social responsibility management with suppliers to ensure that all operations comply with environmental protection, labor laws and regulations, and the norms of corporate social responsibility.

4) **Supplier Performance Evaluation:** With reference to the RBA audit program, the Company conducts annual SER audits on key suppliers, including 5 major aspects of labor, health and safety, environment, ethics and management system, to ensure that suppliers comply with the regulatory requirements related to social responsibility in their business activities. 2025, the Company completed the on-site audits of 29 suppliers on the basis of their environmental and social responsibility (SER).



Supplier Empowerment Training



Conduct on-site audits of suppliers

Transparent Procurement Planning

In order to realize the sustainable development of the supply chain, in the future, the company will establish and improve the ESG management of suppliers based on the requirements of the ISO20400 Sustainable Procurement standard, and in 2025, the company has made the following actions for sustainable procurement

1.The company has introduced a sustainable procurement policy, and has set quantitative goals to supervise the fulfillment of sustainable procurement.

2.Formulate a supplier questionnaire to calculate the carbon emissions of suppliers. We plan to set carbon reduction requirements and targets for suppliers.

1) We will enhance ESG risk assessment and tiered management for our suppliers. High-risk suppliers will be subject to focused management, and ESG criteria will be integrated into the Supplier QEMCDS Performance Evaluation Rules;

2) We are stepping up audits regarding hazardous substance management, ESG compliance, and management performance. We aim to increase the annual audit volume to 50 suppliers per year by 2029, helping them elevate their ESG management standards.

3) Actively respond to the national “dual-carbon” strategy and the carbon reduction requirements of customers, and promote suppliers to carry out carbon inventories and carbon emission reductions, so as to reduce the emissions of product carbon footprints and contribute to the mitigation of global warming.

Procurement performance data Statistics

Performance Indicators	2025
Production Local Supplier Percentage (%)	98.1%
Number of New Supplier Certifications	17
Annual Number of Supplier SER Audits	29

6.2 Public Welfare Activities

Guided by the philosophy of "Dedicating Love and Giving Back to Society," SGC actively engages in public welfare initiatives. We are committed to shouldering our responsibilities and repaying society through concrete actions.

■ Community Service Initiatives



Our staff took part in community volunteer service organized by the sub-district office



Our staff volunteered to clean up trash in the park

Reader Feedback

Dear readers,

Thank you very much for taking the time to read Sunshine Global Circuits Co.,Ltd. 2025ESG Report. If you have any thoughts or suggestions regarding this report, please kindly fill out the feedback form below and send it to us via mail, fax, or email. Your valuable input is greatly appreciated!

Name : _____ Tel : _____ Email : _____

1. Which sections did you find most informative?

- SGC overview
- Organizational Governance Laying the Foundations for Growth
- Product Innovation Empowering a Smart Connected World
- Environmentally Friendly and Low-carbon Leading Green Manufacturing
- People-oriented Facilitating Employee Development
- Transparent Sourcing Fulfilling Social Responsibility

2. How would you rate this report?

- | | | | |
|--------------------|-------------------------------|----------------------------------|-------------------------------|
| Readability | <input type="checkbox"/> Good | <input type="checkbox"/> Average | <input type="checkbox"/> Poor |
| Completeness | <input type="checkbox"/> Good | <input type="checkbox"/> Average | <input type="checkbox"/> Poor |
| Objectivity | <input type="checkbox"/> Good | <input type="checkbox"/> Average | <input type="checkbox"/> Poor |
| Layout Design | <input type="checkbox"/> Good | <input type="checkbox"/> Average | <input type="checkbox"/> Poor |
| Overall Impression | <input type="checkbox"/> Good | <input type="checkbox"/> Average | <input type="checkbox"/> Poor |

3. Your suggestions for our next annual report?

4. Please get in touch with us :

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