



金盘科技  
JINPAN TECHNOLOGY

股票代码  
688676

# 2023 | Sustainability Report

Environmental, Social and Governance Report





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# About This Report

This report is the third Environmental, Social, and Governance ((hereinafter “ESG”)) report released by Hainan Jinpan Smart Technology Co., Ltd. It aims to disclose the Company’s management measures, highlights, practices, and achievements on environmental, social, and governance aspects for the year 2023.

## Report Scope

This report covers information and critical performance of sustainability efforts of Hainan Jinpan Smart Technology Co., Ltd., and its subsidiaries. For the sake of brevity and readability, “Hainan Jinpan Smart Technology Co., Ltd.” will also be referred to as “Jinpan Technology,” “the Company,” or “we” throughout this report.

## Time Range

This report is an annual report, with a time range from January 1, 2023, to December 31, 2023. Some contents exceed the above time range to enhance the completeness and continuity of the report.

## Data Source

The information and data in this report are sourced from the Company’s annual reports, internal official documents, internal statistical data, and publicly available information. Unless otherwise specified, the amounts herein are measured in RMB. The Board of Directors is responsible for the authenticity, accuracy, and completeness of the contents of the report.

## Reporting Guidelines

- *Transforming our World:The 2030 Agenda for Sustainable Development* (UN SDGs)
- GRI Standards
- *SSE Issues Guidelines No. 1 for Self-regulation of Listed Companies of Shanghai Stock Exchange - Normative Operations*
- Corporate Social Responsibility Research Center of the Chinese Academy of Social Sciences's *China Corporate Social Responsibility Guide Framework (CASS-CSR5.0)*
- *Task Force on Climate-related Financial Disclosures (TCFD) Recommendations*

## External Assurance

TUV SUD Certification and Testing (China) Co., Ltd Shanghai Branch has independently authenticated the report. The assurance statement is attached.

## Report Access

This report is issued in simplified Chinese and English versions. In case of any discrepancy between the two versions, the Chinese version shall prevail.This report can be downloaded from the official website of Jinpan Technology (<http://www.jst.com.cn>) for review.

## Contact

If you have any suggestions or comments on this report or the Company's sustainability performance, please send them to the email address at [info@jst.com.cn](mailto:info@jst.com.cn).





Mr. Li Zhiyuan  
Chairman of  
Jinpan Technology

## Chairman's Statement

The year 2023 marked a watershed moment in the field of Artificial Intelligence (AI), with the release of ChatGPT in November 2022 and the emergence of Sora in February 2024. The establishment of the National Data Bureau in Beijing represented a concerted effort to advance the planning and construction of Digital China, the digital economy, and the digital society. This initiative propelled the data elements market to new heights of growth. In the aftermath of the successful "Two Sessions," the promotion of new industrialization and the development of new productive forces emerged as recurring themes. The concept of new quality productive forces, defined by the "Four News" (new technologies, new key production factors, new infrastructure, and new industries) and the "Three Transformations" (digitization, decarbonization, and intelligence), can only drive long-term revenue and profit growth for enterprises under the new industrialization paradigm. This paradigm empowers enterprises to navigate the waves of the Fourth Industrial Revolution and chart a course for long-term success. Both globally and within China, profound and transformative changes are underway. Positioned within the comprehensive digitization transformation of the manufacturing industry, we are entering a crucial period of development opportunities.

Over the past three years since its listing, Jinpan Technology closely follows the pace of the national energy revolution, the strategy of "industrial digitalization and digital industrialization," and the "dual carbon" initiatives. Leveraging new quality productive forces such as 5G, Industrial Internet, big data, cloud computing, and artificial intelligence, we are reshaping enterprise core competitiveness and fostering new growth engines. We continue to progress the building of the whole industry chain, with power distribution products at its center, by adhering steadfastly to ESG principles. We also bolster the development of new energy and industrial digitalization by providing integrated energy storage and digitalization solutions. We expand into global markets through domestic and international circulation, while driving both digital transformation (digital factories) and green, low-carbon transformation (zero-carbon factories). By combining AI technology with digital manufacturing technology, we can industrialize the "Three Transformations" (digitization, decarbonization, and intelligence) of new quality productive forces. This has resulted in sustained and rapid growth in business performance, generating more value for employees, investors, and society as a whole.

**Jinpan Technology has a strong foundation in the digital sphere, embraces artificial intelligence, and builds up its data assets, creating a new paradigm for development.** By combining cutting-edge technologies like digital twins with traditional manufacturing techniques, we have achieved the automation, informatization, and intelligence of discrete manufacturing. We have built seven autonomous digital factories that challenge established manufacturing paradigms. Every digital factory functions as a digital industrial platform that unifies sales, services, production, and research and development. The enterprise's innovative development greatly benefits from the data assets that are obtained from the transformation of these factories. To empower the digital transformation and upgrade the industrial chain, we work together with partners to share the comprehensive economic, social, and environmental benefits of industrial digital transformation.

**Through green intelligent manufacturing, we embrace the "dual-carbon" approach, strategically charting a course for a "dual-carbon" future and contributing to the creation of a beautiful, low-carbon, green environment.** Driven by "digital leadership," we have envisaged an endless future where "carbon" serves as our guide, create a "zero-carbon" revelation, and thoroughly design a low-carbon industrial structure. Jinpan Technology actively supports the "dual-carbon" objectives through tangible actions, including setting SBTi science-based carbon targets, proactively identifying climate change risks and opportunities,





publishing the 2022 Jinpan Technology Climate Action Report (TCFD), adhering to green production and operations, and formulating a green development strategy. We drive the industry's low-carbon transformation through intellectual technology, strategizing new energy initiatives and carbon management. Through collaboration with various sectors of society, we are dedicated to fostering a harmonious balance between humanity and nature, ensuring the sustainable prosperity of our cherished homeland.

**We strive to create social value and to establish a community of shared destiny among businesses, employees, and society by upholding mutual benefit and win-win cooperation.** We are committed to innovation as the primary driver of our business development, promoting the "123+N" digital Jinpan quality management model to achieve excellence in product quality and service, thereby maximizing customer value. We value each employee, provide a fair and equitable multidimensional development platform, and collaborate to achieve mutual success. We establish a

responsible supply chain and thrive with partners by actively fostering industry communication and collaboration. Engaging in social welfare activities, we endeavor to be a positive force driving social development and contribute to the harmonious development of the economy and society.

**We contribute to the Company's long-term growth by maintaining integrity in business operations and vigorously promoting the concept of high-quality, sustainable development.** To ensure lawful and compliant operations, we are constantly improving our corporate governance system, strengthening internal controls, and increasing risk management efforts. By upholding business ethics, we support a robust and wholesome business ecosystem. We promote the integration of ESG principles into business operations while constantly enhancing our ESG management system with the goal of maximizing the economic, environmental, and social value for all stakeholders.

We extend our heartfelt gratitude to all our esteemed clients, associates, investors, government agencies, local communities, and members of the public for their unwavering support and concern for Jinpan Technology in 2023. We express gratitude to all Jinpan employees for their relentless efforts and dedication to excellence. As we move forward, we're still dedicated to preserving ESG principles and pursuing the "One Body, Two Wings, Dual Circulation" strategy, firmly believing that digital transformation and low-carbon, green initiatives will lead to high-quality, sustainable development. Boldly embracing the Fourth Industrial Revolution, we will iterate digital technologies, achieve intelligent manufacturing, and expand our knowledge and research into artificial intelligence technology.



# About Jinpan Technology

## Company Profile

Founded in June 1997, Hainan Jinpan Smart Technology Co., Ltd. (referred to as "Jinpan Technology", stock code: 688676) is located in the Haikou Integrated Free Trade Zone. On March 9, 2021, it achieved a significant milestone by becoming the first enterprise in Hainan Province to be listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange.

As a global provider of new energy power equipment, Jinpan Technology remains dedicated to delivering top-tier power supply solutions and cutting-edge equipment across various sectors through digital manufacturing practices, including new energy (such as wind energy, solar energy, and energy storage), new infrastructure, high-efficiency energy conservation, and rail transit. Our core focus lies in the research, development, production, and sales of dry-type transformers, as well as energy storage solutions and other related products. Jinpan Technology is dedicated to providing first-class end-to-end digital factory solutions for manufacturers, especially in discrete manufacturing industries.

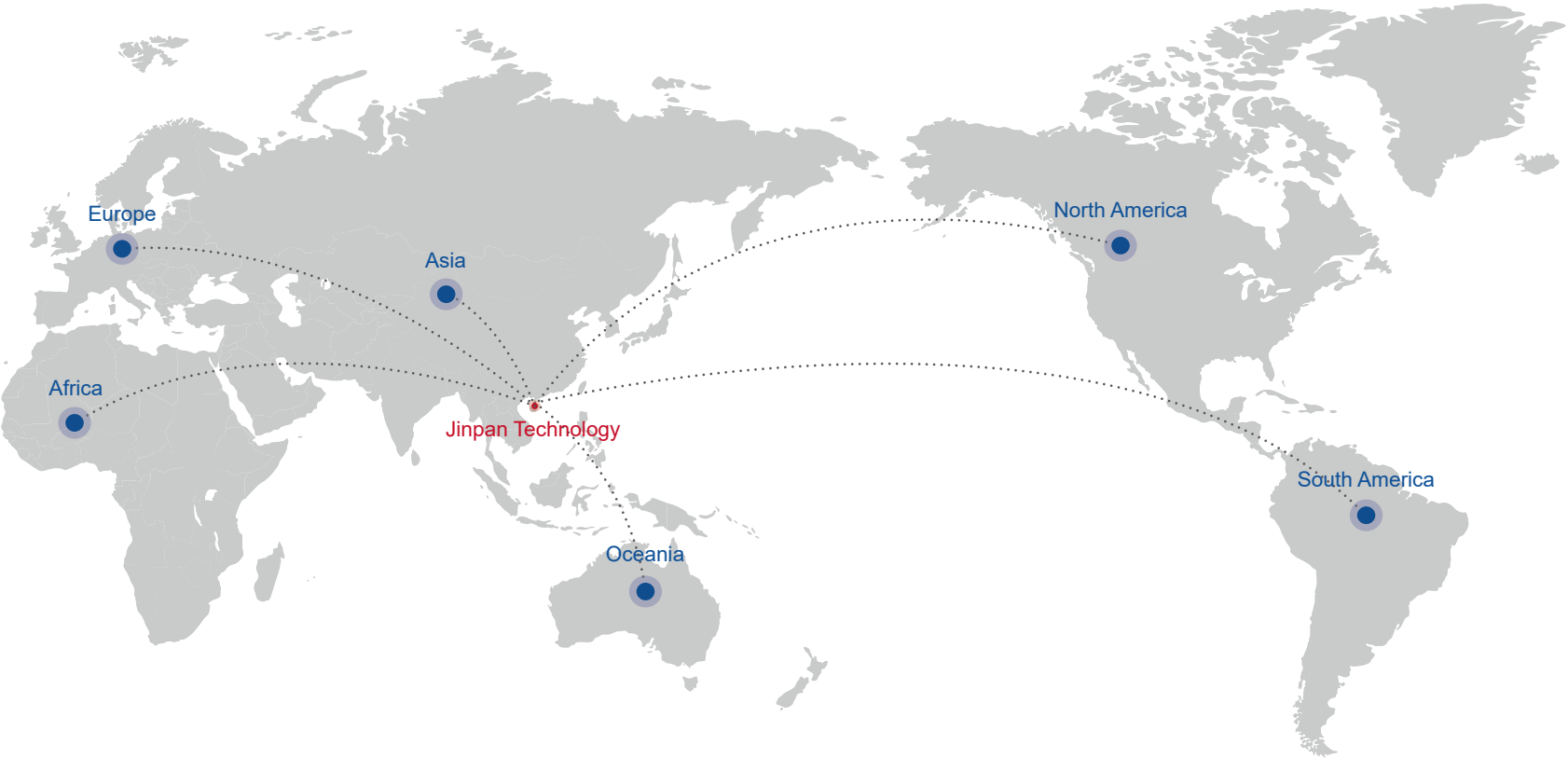
Over the years, Jinpan Technology has remained steadfast in its pursuit of innovation in technology, management, and production. Guided by the "green energy + digital manufacturing" model, the Company delves deeply into sectors such as new energy, high-end equipment, and high-efficiency energy conservation. This approach has solidified Jinpan Technology's position as a leader in the field of new energy power system equipment. Its products have obtained a series of authoritative certifications both domestically and internationally, including UL certification in the United States, KEMA certification in the Netherlands, CE certification in the European Union, DNV-GL certification in Europe, CSA certification in Canada, and China's energy-saving product certification. Jinpan Technology has reached advanced international levels in terms of performance indicators and overall competitiveness.

Adhering to the philosophy of "Integrity management, Green development," Jinpan Technology is committed to providing various innovative power supply solutions and high-end equipment for global customers in all scenarios. It has forged strategic partnerships with leading international electrical equipment brands such as Siemens, VESTAS, GE, and Schneider Electric.

## Global New Energy Power Equipment Provider







Revenue

 **6.668** billion yuan

Total assets

 **8.529** billion yuan

Net profit attributable to shareholders of the listed company

 **505** million yuan

Network

 **58**

Distribution Covering

 **6** Continents

Cumiaively

 **86** Countries



# Company Culture



## Vision

Build a "Community of Shared Future for Enterprises" and benefit employees, enterprises and the society.



## Mission

Create greater value for customers, create growth space for employees, and blaze a development path for enterprises.



## Value

Centering on customer value, building on employee value, oriented at social value, learning and growth, self-fulfillment, innovation and development, supporting others.



## Business Philosophy

Integrity operation, green development, digital leadership, smart future.



## Goal of Digital Factory

With data, demand is better met because of smart manufacturing.



## Corporate Spirit

Ambitious, passionate, intelligent; Make bold innovations, work hard, embrace responsibility



## Corporate Style

Be honest and work earnestly, work with fun and live healthily



## Work Guidelines

**Customer Service Guidelines:** Put customers at the center and create the best customer experience.

**Quality Guidelines:** Rigorous analysis, meticulous operation, strict inspection.

**Safety Guidelines:** Comply with regulations, eliminate hidden dangers, prevent accidents.

**Efficiency Guidelines:** Standardization, Automation, Digitalization

**Employee Guidelines:** Mutual assistance and love, loyalty and gratitude, dedication and efficiency, integrity and self-discipline.

**Cadre Guidelines:** Professional competence, professional ethics, professional spirit, proactive, capable, and successful.





Honors

- National May 1 Labor Medal
- Hainan's First Zero-Carbon Factory Certification
- 2022 Golden Bull Science and Technology Innovation Award
- 2023 Haikou Digital Factory Awarded National Green Factory
- 2023 Top 10 Excellent Wind Power Products in China's Wind Power Industry Top 50
- Guilin's First Zero-Carbon Factory Certification
- 2023 Listed Company Digital Transformation Typical Case
- 2023 National Supply Chain Innovation and Application Demonstration Enterprise
- 2023 "Specialized, Refined, New" SMEs (Shanghai Base)
- 2023 Outstanding Smart Manufacturing Scenario List
- 2022 Golden Bull Innovative Entrepreneur Award
- 2023 Best ESG STAR Market Listed Company
- 2023 Listed Company ESG Outstanding Practice Case
- Digital Quality Management Innovation and Practice Excellence Case
- 2024 Most Influential Employer
- Vestas Supplier Awards 2023





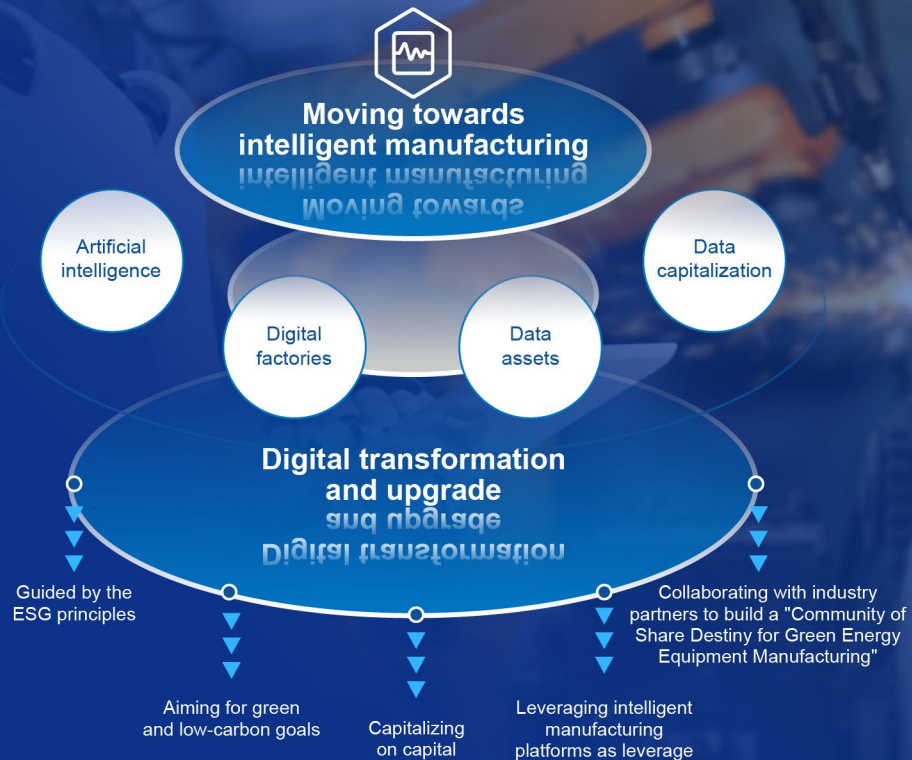
# Jinpan Technology “Numbers Tell” 2023

Economic value	Environmental value		Social value
Revenue	Amount of environmental protection investment	Total energy consumption	Total number of employees
6.668 billion yuan	570.85 10,000 yuan	5,522.70 tons of standard coal	2,207 headcount
Total assets	Greenhouse gas emissions (Scope I, Scope II)	Greenhouse gas emission intensity	Average training hours per employee
8.529 billion yuan	8,773.23 tons of carbon dioxide equivalent	0.013 tons of carbon dioxide equivalent/ 10,000 yuan income	77 hours
Net profit attributable to shareholders of the listed company	The reduction ratio of greenhouse gas emissions for Jinpan Technology in 2023 compared to 2022	Number of products certified for carbon footprint	Number of products that obtained quality certification
505 million yuan	61.10%	18 units	306 units
Social contribution	Clean energy generation	Photovoltaic self-use electricity	Amount invested in research and development
2.57 per share of the Company stock	981.05 million kWh	832.05 million kWh	351 million yuan
			Number of suppliers
			1,137 suppliers





## Jinpan Technology “Digital Intelligence”



“

We firmly believe that the manufacturing industry must be guided by ESG principles, aiming for green and low-carbon goals, with capital serving as the connection and intelligent manufacturing platforms as the catalyst. By collaborating with diverse partners and customers, we can foster mutually beneficial relationships and drive industry sustainability. We are committed to working alongside all strategic partners to coalesce into a “Community of Share Destiny for Green Energy Equipment Manufacturing,” promoting green and high-quality development within manufacturing while ushering in a new era of intelligent manufacturing powered by artificial intelligence technology and data assets. In doing so, we aim to generate greater value for both customers and society at large!

—— Zhiyuan Li, Chairman at Hainan Jinpan Smart Technology Co. Ltd.

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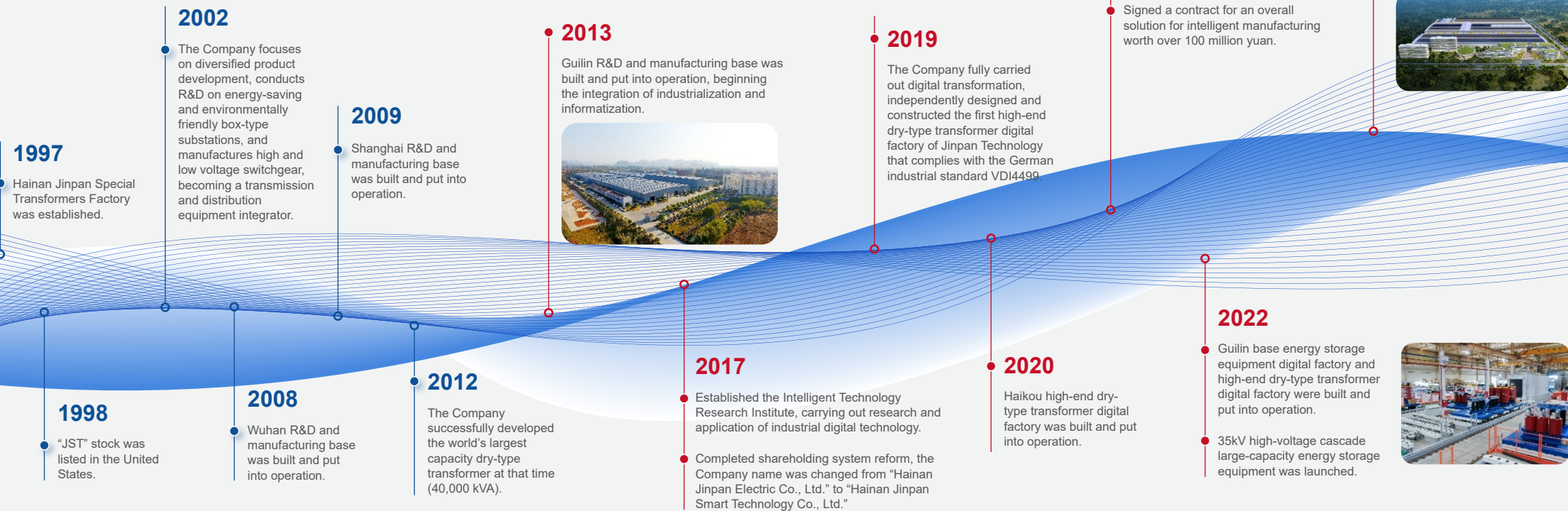


History

Over the span of thirty years, Jinpan Technology has undergone significant growth and transformation. Throughout this journey, we have consistently embraced the ESG principles and remained dedicated to advancing along the path of digital transformation. Guided by the philosophy of "Courageously Forging Ahead While Maintaining Stability," Jinpan Technology closely aligns with the strategic development pace of national industrial digitization, digital industrialization, and the energy revolution. Building upon steady growth and digital leapfrogging, Jinpan Technology actively explores new possibilities and strives to establish a digital industry platform to drive value creation in the industry. Collaborating with partners from all sectors, Jinpan Technology is marching forward hand in hand to create the future.

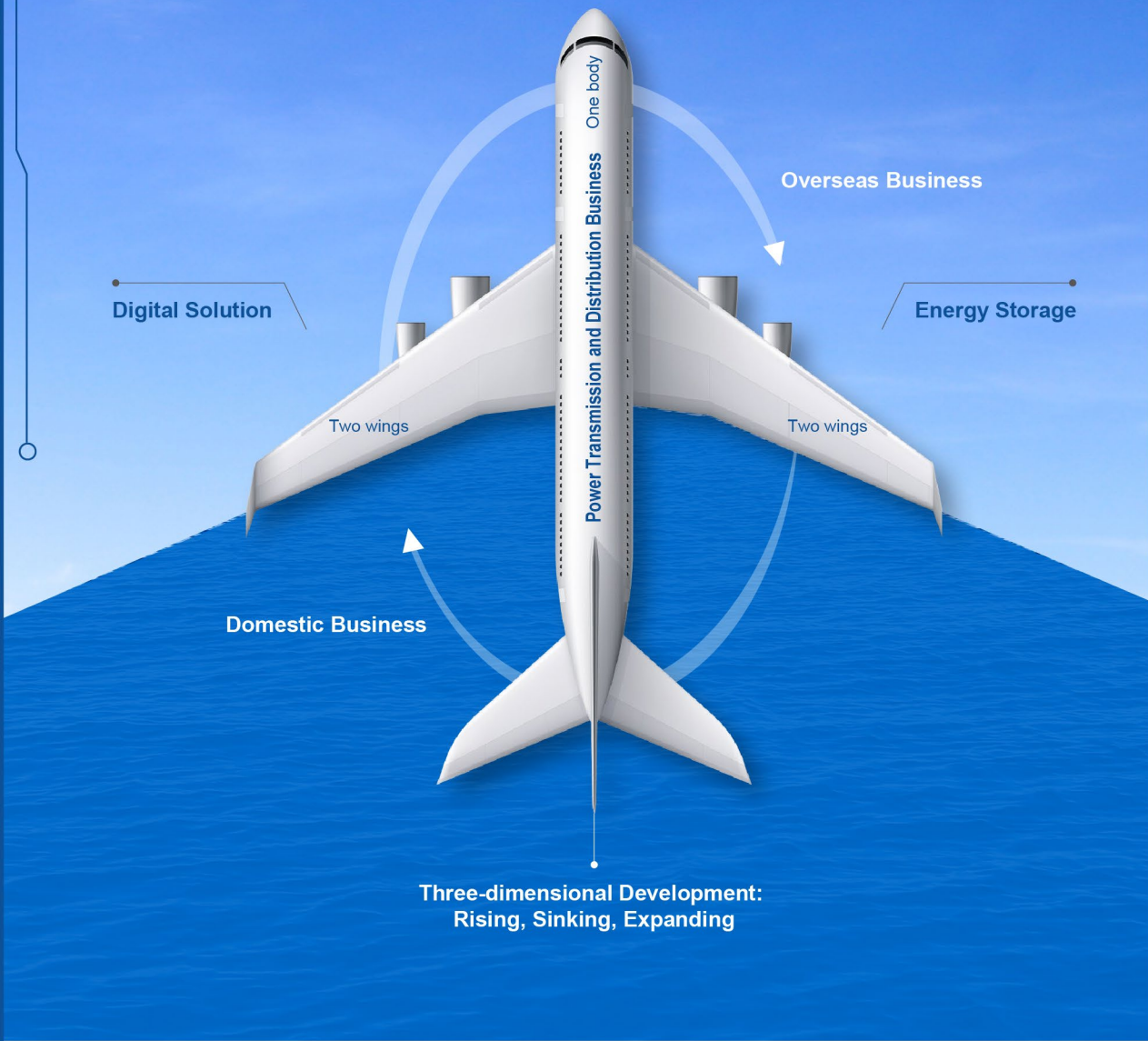
1997 - 2012: Steady development

2013 - 2023: Digital transformation and upgrade





Digital Drive for “One Body, Two Wings, Dual Circulation”



Jinpan Technology is a practitioner and beneficiary of digital transformation and the integration of digital and industrial technologies

Industrial digital transformation is seen as an essential path for China's high-end equipment manufacturing enterprises to thrive in the future. Since 2013, Jinpan Technology has closely followed national development strategies such as “Informatization and Automation”, “Integration of Informatization and Industrialization”, “Digital Industrialization and Industrial Digitization”, “Digital China”, and “Intelligent Manufacturing”. It has consistently driven efforts towards digital transformation and upgrades. With a decade of research and experience, Jinpan Technology’s adoption of digital manufacturing techniques for dry-type transformers has yielded significant results. This includes a notable increase in production capacity, enhanced efficiency in working hours, notable reductions in labor costs, and rapid improvements in product quality and brand competitiveness. These achievements form a solid foundation for Jinpan to excel as a national leader in the manufacturing sector.

Jinpan Technology has experienced and witnessed the advantages and efficiency enhancements resulting from digital transformation and upgrades. The successful implementation of digital transformation has earned Jinpan Technology recognition and preference from both domestic and international customers. To date, our dry-type transformer products, incorporating numerous core technologies, have reached 86 countries across six continents, covering the entire field of medium and high-voltage transformers. We have forged strategic partnerships with leading international electrical equipment brands such as Siemens, VESTAS, GE, and Schneider Electric.

Jinpan Technology takes an active leadership role in the industry by spearheading digitization efforts and delivering environmental and social value throughout the entire industry chain. Through independently developing energy-saving products in the dry-type transformer series and conducting a full lifecycle carbon footprint assessment of dry-type transformer products, Jinpan Technology provides a data basis for continuously improving the green industry chain. By providing customers with low-carbon products and solutions, Jinpan Technology facilitates the green transformation of the industry chain.



Jinpan Technology was selected by the Ministry of Industry and Information Technology as a “**National Single Champion Demonstration Enterprise in the Manufacturing Industry**”

Making it the **only** demonstration enterprise in Hainan to be selected since the establishment of the province



Exports products and services to

**86** countries worldwide



The transformation and upgrade of the energy industry are crucial pathways and inevitable choices for attaining the “dual carbon” goals and constructing “A Beautiful China”. Achieving load balance in a new type of power system, primarily based on new energy, will heavily rely on the role of energy storage. Digital and intelligent manufacturing also helps Jinpan Technology to develop in strategic emerging fields, such as, new energy, energy storage equipment, and solutions, rapidly and vigorously.

In July 2022, Jinpan Technology successfully launched the world's first energy storage equipment with medium and high voltage direct-mount full liquid cooling thermal management technology. It also became the world's first company to complete a comprehensive test platform for 35kV high voltage direct-mount (cascaded) energy storage hardware in the loop. Our series of energy storage equipment products have been seamlessly integrated across various applications, serving the generation side, grid side, commercial and industrial sectors, as well as residential users.

In 2023, Jinpan Technology delved into the research of new power systems to meet the demands of new products. It focused on developing high-power-density large-scale PCS, modular PCS, and intelligent high-voltage SVG, among other power electronic products, to expand the range of products in the new energy field and further enhance their market competitiveness. Leveraging its leading advantage in energy storage technology, the company continuously upgraded high-voltage cascading energy storage products while also paying attention to the potential of the low-voltage energy storage market. Jinpan Technology actively constructs a full range of product systems. Among them, independently developed core technological products such as the 1500V Wind-Solar Cold Energy Storage Inverter and Modular Commercial and Industrial Energy Storage Cabinets have also completed corresponding technical validations. This laid a solid foundation for the Company's comprehensive expansion of energy storage applications in all fields.





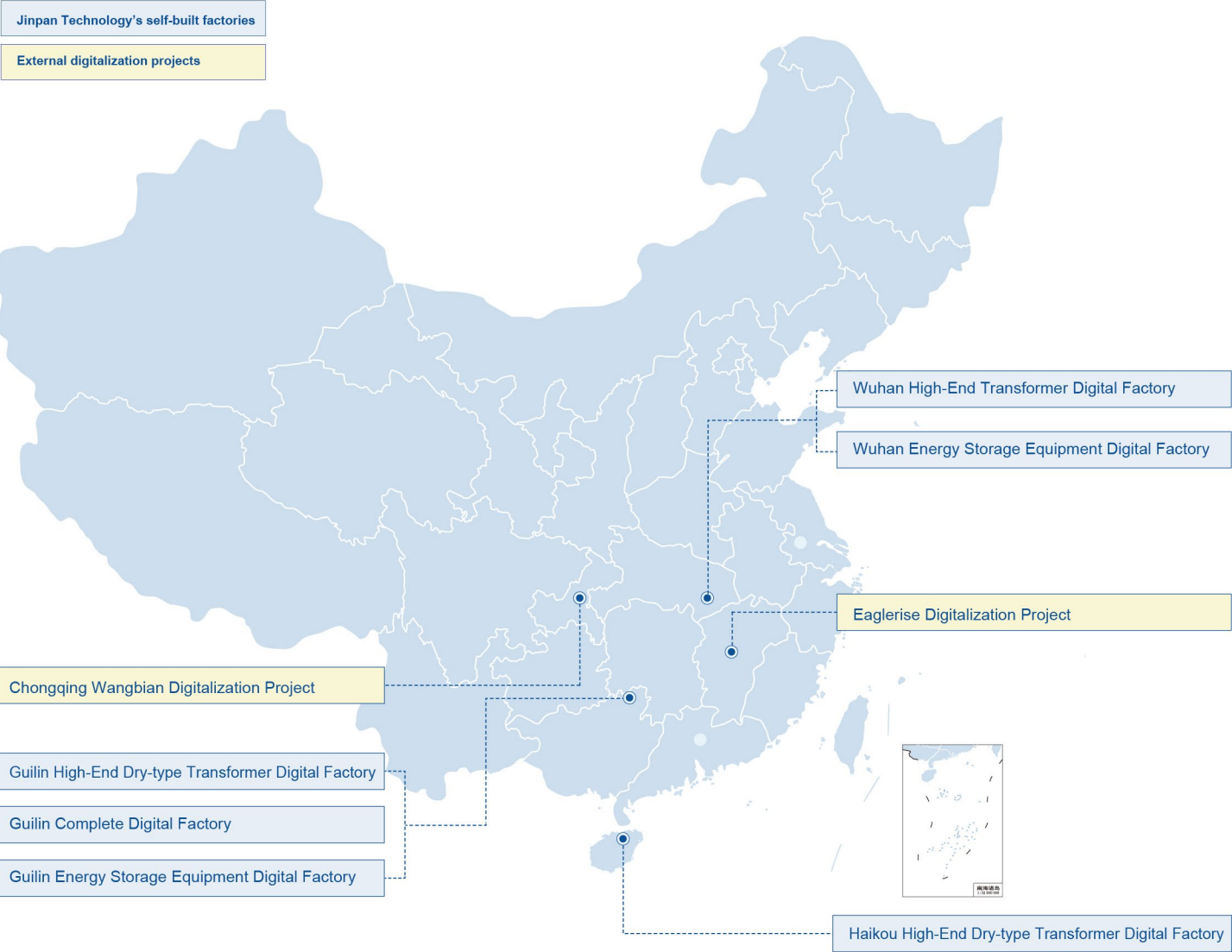
## Digital Transformation: "The Digital Factory"

**Digital transformation and upgrading have transcended from being optional to becoming essential endeavors for the evolution and advancement of the manufacturing industry.**

Jinpan Technology deeply integrates next-generation information technology with traditional manufacturing technology, leveraging data-driven approaches to create value and to complete its digital transformation and upgrading. We have successfully established and put into operation several digital factories across our bases in Haikou, Guilin, and the Jinpan Smart Technology Green Industry Park in Wuhan. At the same time, we offer digital integrated solutions to numerous enterprises, achieving the integration of "Smart Manufacturing" and "Smart Services." These endeavors play a pivotal role in advancing the national industrial digitalization strategy and actively contribute to the establishment of green, low-carbon, and intelligent manufacturing industry clusters.







External digitalization projects

In 2021

Hainan Tongxiang Digital Technology Co., Ltd., a wholly-owned subsidiary of Jinpan Technology, signed an EPC contract for a digital overall solution with Eaglerise Electric & Electronic (China) Co., Ltd.

In October 2022

Jinpan Technology's first digital overall solution project worth over 100 million yuan —Eaglerise Electrc & Electronic China Co Ltd.'s photovoltaic power generation grid-connection equipment intelligent manufacturing project — was completed and put into operation.

In July 2023

Guangzhou Tongxiang Digital Technology Co., Ltd., a wholly-owned subsidiary of Jinpan Technology, signed a digital technology transformation project with Chongqing Wangbian Electric (Group) Corp., Ltd., providing digital factory transformation services, including special machinery, digital production line, IT equipment, system software, and equipment production line infrastructure, etc.



Wuhan Jinpan Smart Technology Green Industry Park

The Wuhan Jinpan Green Smart Industry Park is a “zero-carbon” smart industrial park built by Jinpan Technology in the Jiangxia District of Wuhan. It represents the Company’s largest independently constructed green industry park in China to date. The project encompasses a range of facilities and systems, including a high-end energy storage equipment digital factory, a high-end transformer digital factory, a rooftop photovoltaic power station, a medium and high voltage cascaded energy storage system, and a smart energy management system. It boasts a digital system architecture that spans the entire lifecycle, processes, and scenarios of high-end dry-type transformer products, energy storage equipment products, and liquid-immersed products. This architecture enables digital-driven design simulation, production process simulation, digital production line systems, and digital distribution and warehousing systems.



In the Wuhan Jinpan Green Intelligent Industrial Park, we have independently planned, designed, and developed a Virtual Power Plant Zero-Carbon District Comprehensive Energy Management System. It incorporates resources such as rooftop photovoltaics, electric vehicle charging stations, energy storage stations, and new energy-saving air conditioning systems built within the park into the virtual power plant’s available resources. This integration allows for the digital management of the park’s energy resources and enables the efficient use of multiple energy sources.

The medium and high voltage cascade energy storage system independently researched, designed, and manufactured by Jinpan Technology within the park adopts an “AC/DC integrated” and “cluster management” design. This design integrates the battery and the energy storage converter (PCS) into the same housing, enhancing both the safety and cycle efficiency of the energy storage system.



Jinpan Energy Storage Digital Factory 2.0

The Wuhan Jinpan Energy Storage Digital Factory is a high-end energy storage equipment digital factory independently planned, designed, and implemented by the Company. It is divided into 10 functional areas, including three major production workshops (module PACK production workshop, PCS module production workshop, and final assembly workshop), two large intelligent three-dimensional warehouses, and energy storage automatic testing and inspection lines, among others. Utilizing 5G networks, various sensors, and other Internet of Things (IoT) technologies, alongside industrial Internet platform technologies, the digital factory automates information flow within its premises. It incorporates intelligent warehousing and automated guided vehicles (AGVs) to ensure seamless circulation and distribution of production line materials. Moreover, the PACK production line and final assembly line are equipped with high-speed automation design to uphold stringent product quality control, efficiency, stability, and cost-effectiveness. In conjunction with a high-power, multi-platform, integrated system experimental station, it can effectively simulate the actual operating conditions of products such as large storage, commercial and industrial storage, residential storage, SVG, and box-type substations on-site. This further ensures the reliability of product quality and effectively improves work efficiency.



Energy Storage Digital Factory in Wuhan Jinpan Green Intelligent Industrial Park



Automatic clustering production line in the Energy Storage Digital Factory



The fully automatic energy storage module PACK production line in the Energy Storage Digital Factory utilizes fully automated equipment to handle the entire process, from battery cell loading to the automatic boxing of modules. Manual labor is only required to assist in confirming material status and the operation of equipment quality parameters. This significantly reduces labor intensity while increasing production efficiency.



Jinpan High-end Transformer Digital Factory 3.0

After two rounds of updates and iterations, the Wuhan High-end Transformer Digital Factory 3.0 has seen significant overall efficiency improvements through upgrades in production lines, software, and hardware. Among these, the Intelligent Logistics Distribution Center focuses on the raw materials intelligent three-dimensional warehouse. By seamlessly integrating WMS, WCS, and advanced storage equipment, it achieves efficient storage and retrieval tasks with optimal command scheduling algorithms.

Additionally, through the integration of WMS/MES/ERP, the center ensures timely and demand-accurate delivery of warehouse and workshop materials to production line positions, enabling closed-loop management of workshop and storage operations and management.



Dry-type Transformer Digital Factory Intelligent Logistics Distribution Center



Liquid-immersed transformer products





## Exploring Data Assetization and Data Capitalization

The issuance of the “14th Five-Year Plan for Digital Economy Development” by the State Council in December 2021 signals China’s entry into the era of the digital economy, where data emerges as a critical factor of production. We are advancing from digitalization towards intelligence and further towards data assetization and capitalization.

### What is a data asset?

A data asset refers to data resources that an organization legally owns or controls, which can be measured and bring economic and social value to the organization.

### What is data assetization?

Data assetization involves the gradual transformation of raw data into valuable data assets. This process encompasses various activities such as data collection, processing, governance, development, and transactions. The aim is to facilitate the conversion of data into data assets, thereby unlocking and realizing the potential value of data.

### What is data capitalization?

Data capitalization refers to the socialization of data elements through data transactions, circulation, and other mechanisms. For instance, data can be directly converted into equivalent capital for equity participation. This concept positions data as a new production factor, integrating into China’s capital market and the economic value creation system in a tangible manner.

Jinpan Technology, aligning with the development of the digital economy era, actively explores and establishes data element industry platforms. These integrated digital industry platforms, covering R&D, production, sales, and services, have evolved into invaluable assets for the company. The productivity of data elements is set to generate even more value for both the enterprise and the industry chain.



Digital transformation is an essential path for the sustainable development of the industry. It involves a lengthy process of persistent effort, accumulating incremental gains to achieve substantial changes, transitioning from quantitative to qualitative transformation. In the future, we will continue to closely follow the national strategies of “Industrial Digitization” and “Digital Industrialization”, contributing to empowering the nation to emerge as a global manufacturing powerhouse and providing intellectual contributions to the advancement of global digital development and industrial chain transformation.



# E Environment

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Green Planet, Tirelessly Striving for  
a Zero-Carbon Future



“The growth and prosperity of all entities thrive in their harmonious coexistence and mutual nurturing.” Amidst the escalating global climate challenges and the continued advancement of the national “dual carbon” strategy, Jinpan Technology is fully committed to contributing to the monumental shift towards a low-carbon economy. Leveraging our technological advantages, we will persist in enhancing our environmental management capabilities, offering a variety of low-carbon solutions to society, advocating for ecological conservation, and participating in the construction of a Beautiful China. We march towards the realization of a “zero-carbon future” and making our contribution along the way.

Our performance



Total greenhouse gas emissions  
(Scope 1 & Scope 2)  
**8,773.23** tons of carbon  
dioxide equivalent



Scope 1 Greenhouse gas emissions  
**1,957.52** tons of carbon  
dioxide equivalent



Scope 2 Greenhouse gas emissions  
**6,815.71** tons of carbon  
dioxide equivalent



Percentage reduction in greenhouse gas  
emissions compared to the previous year  
**61.10%** ↓



Total energy consumption  
**5,522.70** tons of  
standard coal



Our actions

Jinpan Technology focuses on environmental management and promotes the concept of green development by establishing a robust environmental management system and delineating responsibilities across all levels. We employ the TCFD framework recommendations to identify climate risks and opportunities, proactively devise climate response strategies, and empower industry partners to lead the transition towards an energy-efficient system. In our manufacturing and operations processes, we place particular emphasis on managing energy, water resources, emissions, and waste, while also safeguarding biodiversity and preventing any construction or development that could jeopardize the ecological environment.



SDGs contributions





## “Zero-Carbon Revelation”

In recent years, the global push to combat climate change has accelerated dramatically. Climate change, widely recognized as one of the most urgent challenges facing humanity in this century, has garnered global consensus. In September 2020, China made the strategic commitment to “strive to peak carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060,” (abbreviated as “dual carbon”) reflecting China’s unwavering intention to effectively confront climate change, seek green and low-carbon growth, and promote the common development of all humanity.

Jinpan Technology actively implements the “dual carbon” development strategy and improves its climate governance system. We proactively identify the risks and opportunities brought by climate change, provide renewable energy products and services to society and contribute to low-carbon development through practical actions. By driving economic and social benefits with green values, we are committed to promoting the global transition to a low-carbon economy.



Driven by “digital leadership”, we explore a range of low-carbon solutions. We infuse sustainable development principles into every stage of the product lifecycle and forge connections within the supply chain by offering green, low-carbon new energy products to foster a green ecosystem. In 2023, Jinpan Technology embarked on a green low-carbon strategic upgrade, constructing a carbon “zero” revelation, and comprehensively laying out a low-carbon industrial structure.

With the goal of “reaching a carbon peak by 2025 and carbon neutrality by 2050,” we have devised an ESG evaluation system, established science-based emissions reduction carbon targets, and disclosed TCFD climate-related financial reports. To bolster our efforts, we have increased our utilization of clean energy by constructing energy storage facilities, alongside new wind and photovoltaic power plants. Additionally, we have implemented comprehensive energy management systems to mitigate environmental risks, enhance energy efficiency, reduce carbon emissions, and procure green electricity for offsetting purposes. We developed digital zero-carbon plants in Haikou and Guilin to manufacture green equipment. We independently developed a 35KV high-voltage cascade energy storage system, commercial modular energy storage products, Smart household integrated energy storage systems, and the CSP charging pile platform. These innovations ensure the dependable and efficient operation of green products through an intelligent digital electricity equipment management system. We encourage employees to utilize a carbon calculator to monitor their daily and work-related carbon footprints. Moreover, it promotes emission reduction practices such as opting for green transportation, implementing waste sorting measures, participating in tree planting initiatives, and embracing paperless office practices. To visually reinforce our commitment to carbon “zero” revelation, we have installed a magical interactive wall, with the goal of deepening people’s awareness of carbon emissions among individuals and inspiring collective action towards a zero-carbon future for ourselves and the entire supply chain.



## Climate governance

At Jinpan Technology, we maintain a vigilant watch over the global climate change landscape and have instituted an environmental, sustainable, and governance system with our unique characteristics. This system entails a top-down approach, establishing a three-tier ESG governance structure consisting of the Board of Directors, the ESG Committee, and the ESG Working Group. Designed to address climate change-related concerns, this structure facilitates discussions, identifies climate risks and opportunities, and formulates strategies to mitigate the potential impact of extreme climate events on our assets.

The Board of Directors is responsible to the shareholders' meeting. The ESG Committee under the Board of Directors is directly responsible for climate change-related affairs. With a focus on environmental protection and sustainable development, the ESG Committee routinely evaluates climate change strategies and provides oversight and guidance to Jinpan Technology regarding climate-related risks and opportunities. Leveraging the working rules of the ESG Committee, we conduct regular assessments of the implementation of climate-related objectives, along with in-depth analysis and adjustments as needed. To ensure the seamless integration of climate strategies and risk management into the Company's strategic planning, the Board of Directors incorporates climate-related risks into major strategic plans, risk assessment frameworks, and performance evaluations, and integrates climate risk identification and management into all decision-making processes.

The ESG working group is responsible for managing and executing climate change-related tasks, ensuring the implementation of decisions made by the shareholders' meeting and the board of directors' ESG committee. Led by the Planning Department, the working group conducts regular assessments of climate risks and opportunities. It also promptly follows up and coordinates the execution of climate-related tasks to ensure the effective implementation of the Company's climate-related objectives.

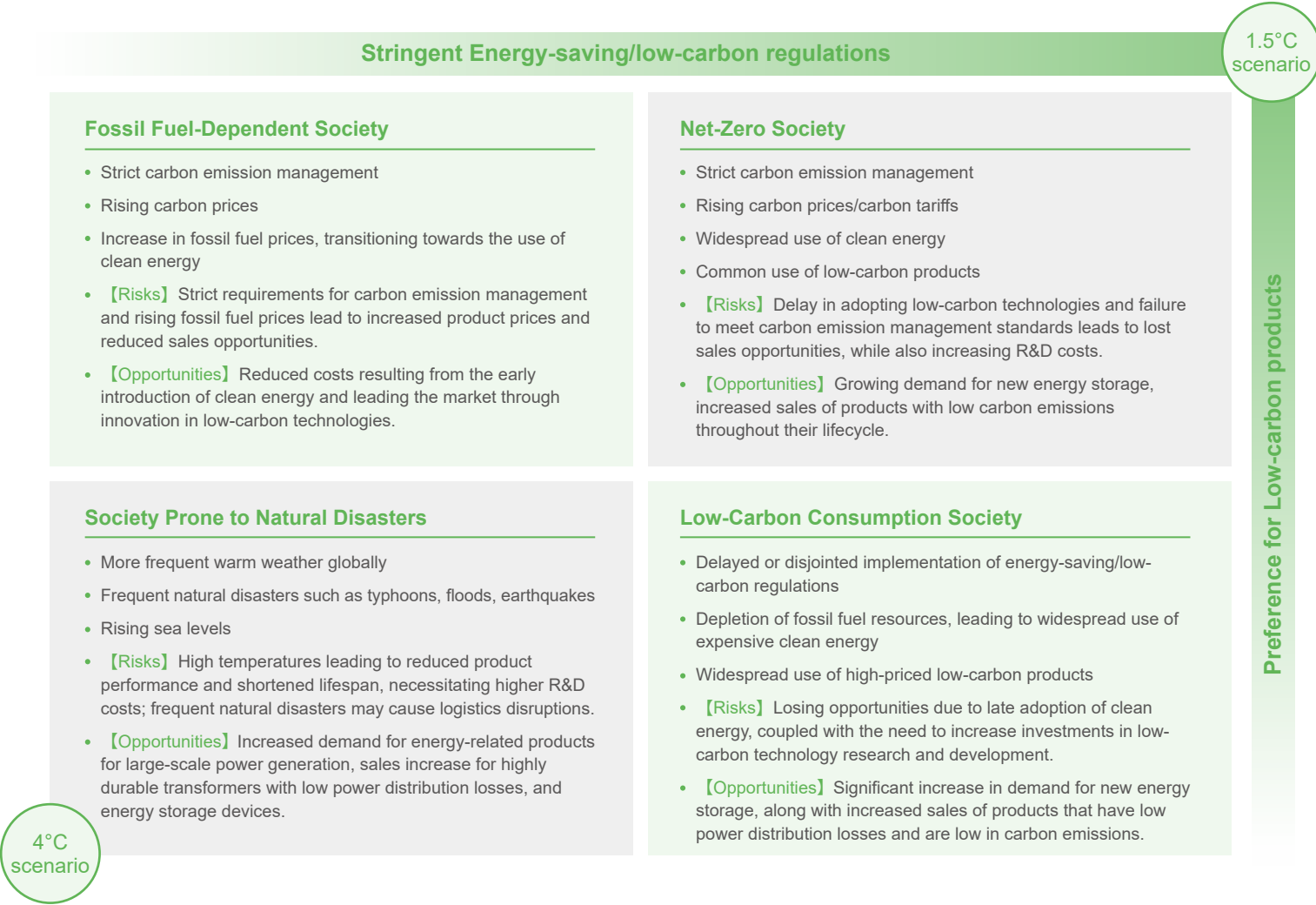


Strategy

The global response to climate issues and China’s “dual carbon” objectives have introduced new risks and opportunities to Jinpan Technology. Considering industry dynamics and corporate attributes, we meticulously monitor the business environment, operational conditions, and risk response measures. Through comprehensive assessments of physical and transitional risks, we are progressively bolstering the Company’s climate resilience to effectively adapt to these changes.

Climate scenario analysis

We refer to publicly available scenarios set by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), such as the Stated Policies Scenario (STEPS), the Announced Pledges Scenario (APS), the Shared Socioeconomic Pathways (SSP), and the Representative Concentration Pathways (RCP), to delineate two societal trajectories: under a 1.5°C scenario, where regulations pertaining to energy efficiency and low-carbon practices become increasingly stringent, and customers exhibit a preference for low-carbon products; a society under a 4°C scenario, characterized by a lack of alignment with energy-saving and low-carbon regulations, with customers continuing to favor traditional products with a high carbon footprint.





Identifying and assessing climate risks and opportunities

After conducting a comprehensive analysis of climate risks, we have identified both challenges and opportunities associated with climate change. By strengthening our climate resilience, we endeavor to capitalize on the developmental prospects arising from the global energy transition and low-carbon transformation. In alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have identified, prioritized, and managed both physical and transitional risks that may impact company assets, thereby laying the groundwork for devising response strategies.

We have defined short-term, medium-term, and long-term time frames for addressing climate-related risks and opportunities. Short-term refers to the next 1-2 years, medium-term refers to 3-5 years, and long-term refers to five years and beyond.



Risk type			Opportunity
Physical risks			
Acute risks	Frequent typhoons, heavy rains	【Short-term】 Increased costs for flood and waterlogging control	【Short-term】 Increased demand for resilient infrastructure
	Frequent earthquakes and droughts	【Short-term】 Sales decrease due to supply chain disruptions	【Short-term】 Increased demand for disaster preparedness equipment and facilities
Chronic risks	Rising sea levels	【Medium to long-term】 Some operations in coastal provinces and regions of China may be damaged, increasing corporate infrastructure costs	【Medium to long-term】 Increased demand for resilient infrastructure
	Increased hot weather	【Short-term】 Poor health condition of employees may reduce work efficiency	
		【Medium to long-term】 Reduced product lifespan and quality	
		【Medium to long-term】 Production interruptions due to electricity usage restrictions	
Transitional risks			
Policies and regulations	Increase in carbon taxes	【Long-term】 Increased costs for energy procurement, leading to increased production and transportation costs	【Medium to long-term】 Gaining business opportunities through early adoption of renewable energy differentiation
		【Mid-term】 Increased export costs for products leading to higher prices and lower sales volumes	【Mid-term】 Stabilizing costs through early adoption of renewable energy
	Increasingly stringent energy-saving/low-carbon regulations	【Medium-term】 Strict carbon emission management increases carbon management costs	【Medium to long-term】 Increase in sales of energy storage business
		【Short-term】 Strict requirements for the carbon footprint of the entire product lifecycle, increasing calculation costs.	【Short to medium-term】 Increased sales opportunities by producing compliant energy-saving/low-carbon products
		【Short-term】 Increased introduction costs for renewable energy certificates	
Technologies and innovation	Rapid development of low-carbon technologies	【Medium-term】 Missing opportunities due to delayed R&D in decarbonization technologies	【Medium-term】 Increased demand for technologies promoting decarbonization
		【Mid-term】 Increased investment in the development of low-carbon technologies	【Medium-term】 Business opportunities for prioritizing highly sustainable products
	Low-carbon products replacing traditional products	【Short-term】 Increased investment in renewable energy facilities	【Short-term】 Increased demand for renewable energy and energy-saving products
		【Medium to long-term】 Traditional products replaced by low-carbon products	
Markets	Changes in customer behavior patterns	【Medium-term】 Failure to achieve 100% use of renewable energy in the production process, resulting in lost sales opportunities.	【Mid to Long-term】 Enhancing brand influence through sustainable value chain realization
		【Mid to long-term】 Failing to keep pace with customer preferences for low-carbon products	【Mid to Long-term】 Customers achieve sustainability in their own value chains by purchasing sustainable products
	Transition to a circular economy	【Short-term】 Customers not favoring products from resource recycling	【Short-term】 Transition from traditional to circular economy business models
		【Medium to long-term】 Increased costs due to resource recycling and circular technologies	【Medium to long-term】 Expanding demand related to low-carbon products and energy management businesses
Reputation	Increased public environmental awareness	【Medium to long-term】 Damage to reputation due to insufficient efforts in emission reduction	【Mid to long-term】 As a sustainable business, offering sustainable products attracts more customers



## Risk management

Jinpan Technology has incorporated climate change risks into its routine risk management work and regularly reports relevant matters to the Board of Directors. We remain vigilant in monitoring global, national, and industry trends, promptly recognizing regulatory changes and potential risks and opportunities pertinent to the Company’s growth trajectory. With a comprehensive risk identification and management process in place, we provide tangible safeguards for climate risk management.

### Climate-related risk identification process

We identify climate-related risks on an annual basis and develop emergency plans accordingly. We maintain vigilant oversight of both domestic and international regulatory development pertaining to climate change. At the same time, we engage in ongoing communication with external stakeholders including investors, customers, and suppliers to gain insights into their climate-related concerns and expectations. This ensures the completeness and accuracy of our risk assessment processes.





Climate-related risk management process

We follow the *Basic Norms for Internal Control of Enterprises*, the *Risk Management Guidelines (ISO 31000:2018)*,” and the *COSO Enterprise Risk Management-Integrating with Strategy and Performance 2017*, among other guidelines and standards, to establish the *Jinpan Technology Risk Management System*. This system underscores climate change risks as integral to strategic planning and recognizes them as a focal point within supply chain management.

We integrate climate risk management into the Company’s comprehensive risk management system, which primarily consists of four basic procedures: risk identification, risk analysis, risk response, and risk monitoring. We regularly update and review our climate risk management process, demonstrating our commitment to maintaining adaptability and responsiveness to evolving environmental conditions and regulatory requirements. Our ESG Committee guides and supervises all decisions regarding the importance of climate-related risks.



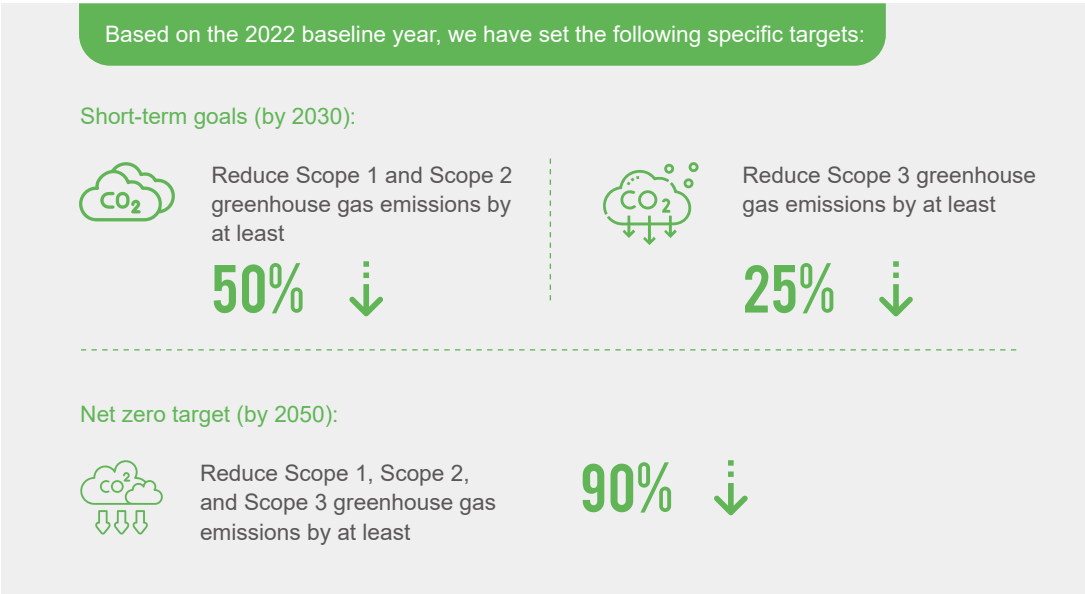


## Indicators and goals

### Goals and commitments

As a leading enterprise in the new energy sector, Jinpan Technology is steadfast in its commitment to actively contribute to global climate action. In alignment with ambitious national plans aimed at attaining carbon peaking and carbon neutrality, we have established precise dual carbon objectives.

To ensure our carbon emission targets are in line with the scientifically endorsed carbon reduction trajectory, we have applied for and pledged to join the Science Based Targets initiative (SBTi). These targets have undergone formal submission to the SBTi for rigorous review to verify their scientific validity and feasibility. We publicly pledge to undertake the necessary measures to attain these emission reduction targets.



### Indicators

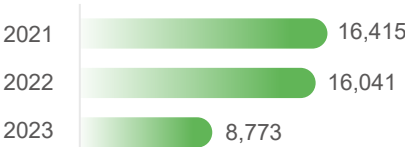
Based on our business characteristics, asset allocation, and potential climate risks, we monitor several key indicators, with particular emphasis on greenhouse gas emissions and energy consumption management. Through accurate calculation of carbon emissions and evaluation of energy efficiency, we promptly identify and mitigate potential carbon emission risks.

Additionally, we prioritize the indicator of greenhouse gas emission intensity, utilizing revenue per 10,000 yuan as the baseline to measure our emission efficiency and more accurately assess the environmental impact of our operations. In comparison to 2022, Jinpan Technology achieved a remarkable reduction of approximately 61% in greenhouse gas emissions in 2023, successfully meeting the annual emission target.

### Greenhouse gas emission data

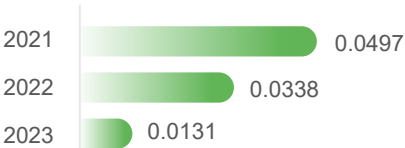
#### Total greenhouse gas emissions (Scope 1 & Scope 2)

Tons of carbon dioxide equivalent



#### Greenhouse gas emission intensity (Scope 1, Scope 2)

Tons of carbon dioxide equivalent/ 10,000 yuan income



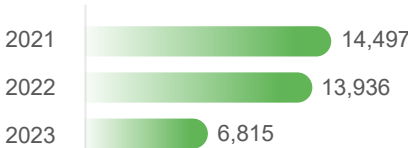
#### Scope 1 greenhouse gas emissions

Tons of carbon dioxide equivalent



#### Scope 2 greenhouse gas emissions

Tons of carbon dioxide equivalent





## Climate action response

Jinpan Technology firmly believes that the new energy industry serves as a pivotal catalyst in realizing the objectives outlined in the Paris Agreement and fostering sustainable development worldwide, serving as a driving force for the global transition towards a low-carbon economy. We are committed to promptly identifying and addressing the risks and opportunities inherent in this transition, continually refining strategies for mitigation, adaptation, and resilience to climate change. Through our efforts, we aim to empower society to embrace and undergo a transformative journey towards a low-carbon future.

### Empowering low-carbon development in the industry

Drawing on our product attributes and technological expertise, Jinpan Technology actively engages in collaboration with partners across the industrial chain to drive the transition towards a low-carbon economy. We have intensified our research and development endeavors in new energy, introducing innovative low-carbon solutions and offering clean energy power generation services to numerous partners. In alignment with the principles of the Paris Agreement, we systematically reduce emissions, conduct carbon inventories, and carbon footprint verification, thereby reducing the carbon footprint indicators across the industrial chain.



Case study

### Photovoltaic projects empower industrial carbon reduction

Jinpan Technology has continuously constructed photovoltaic projects for many customers, mostly adopting the “self-generation and surplus electricity feed-in” model, providing a large amount of clean energy to various plants and power grids, and reducing the consumption of fossil fuels and air pollution.

In 2023, we provided a rooftop distributed photovoltaic project solution for a large plant, with a total installed capacity of 20,442.32kWp, connected to the grid at a voltage level of 10kV. After the completion of the photovoltaic power station project, it can provide an average of 15.7398 million kWh of clean electricity to the grid each year. The project effectively alleviates the power supply pressure of the plant area, eases the supply and demand contradiction of the local power grid, optimizes the system’s energy structure, and maximizes economic benefits.



Distributed photovoltaic project

Estimated to save approximately

**4,761** tons of standard coal

Approximately

**40** tons of sulfur dioxide (SO<sub>2</sub>) ↓

Approximately

**8,976** tons of carbon dioxide (CO<sub>2</sub>) ↓

Approximately

**35** tons of nitrogen oxides (NO<sub>2</sub>) ↓

Approximately

**71** tons of smoke and dust ↓





Case study

Agrivoltaic photovoltaic power generation

The Haikou Jinpan Jiazi Photovoltaic Power Generation Co., Ltd. 100MW agrivoltaic photovoltaic power generation project is deployed in Jiazi Town, Haikou City, Hainan Province. The area was originally an abandoned open-pit mine, requiring high environmental management technology. Jinpan Technology collaborates with the local government to introduce new energy industries to the region and provide funding for ecological restoration projects. After land remediation, they optimize the design of photovoltaic systems and develop green industries on the reclaimed land, successfully turning abandoned mines (pits) into valuable assets and making efficient use of land resources.



After the project is completed,  
it is expected to contribute approximately **127,661** million kWh of clean energy to the grid on average each year over 25 years

The project is expected to save about **38,617** tons of standard coal annually after it goes into operation



Before and after comparison of mine lake slope restoration

While reducing about CO<sub>2</sub> emissions **72,805** tons

SO<sub>2</sub> emissions **328** tons

nitrogen oxide emissions **286** tons



Case study

Product carbon footprint verification

To better manage the climate risks and opportunities within the industry, Jinpan Technology has continued to enhance its carbon emissions data management efforts, verifying, and gradually reducing the carbon footprint of its products. In the fiscal year 2023, we have achieved carbon footprint certification for 18 of our products.



Product carbon footprint certification

Carbon emission data management

Jinpan Technology continues to increase its efforts in carbon emission data management and conducts refined carbon data management. In 2023, after two years of cooperation with third-party organizations for carbon footprint investigations, the Company independently conducted carbon emission verification and summarization.

In 2023, our independently developed *Carbon Emission Data Management Platform* has been initially launched. This platform further enhances the accuracy of the Company's carbon emission calculation and management, providing a powerful tool for achieving more effective carbon reduction.



Focusing on low carbon operations

Aligning with the national “dual carbon” strategy and propelled by high-end, intelligent, and green development principles, Jinpan Technology manufactures green energy equipment powered by green energy. We integrate eco-friendly concepts throughout the entire lifecycle of production and manufacturing. This year, Jinpan Technology has vigorously implemented the green production plan, establishing a comprehensive carbon emissions data management platform. This initiative is steering the Company towards a faster transition to a green and sustainable operating environment.



Zero-carbon factory

Building zero-carbon factories and achieving carbon neutrality in the process of energy use and production manufacturing are integral components of Jinpan Technology’s green and low-carbon industrial greening strategy.

Starting with the “Zero-Carbon Factory” and guided by the principle of “green ecology,” Jinpan Technology will delve into the development of greening the industry. Our focus is on fostering the establishment of greener and zero-carbon factories. Through collaboration with industry counterparts, we aspire to cultivate a “community of shared future for green energy equipment manufacturing,” advocating for collective efforts to drive the green and high-quality development of the manufacturing industry.

Case study

Jinpan Technology develops “Zero Carbon Factories” in Haikou and Guilin

Through various strategies, Jinpan Technology is establishing a sound green management system and evaluation system to vigorously promote the construction of zero-carbon factories in Haikou and Guilin. Successively, they have achieved net zero greenhouse gas emissions within the operational boundaries of the Haikou digital factory and Guilin digital factory.

- Implementing the ISO14061-1:2018 greenhouse gas emissions management system to ensure accurate accounting and efficient management of greenhouse gas emissions.
- The Haikou digital factory has installed a photovoltaic power generation system with an average annual power generation capacity of 2.76MW. The Guilin digital factory expanded its photovoltaic system by 1.5MW in 2023, bringing the total capacity to 6.15MW. At the same time, they are purchasing green electricity to gradually achieve 100% green energy supply for both factories.



Jinpan Technology Haikou Factory Zero Carbon Factory Certification



Jinpan Technology Guilin Factory Zero Carbon Factory Certification





## Jinpan Technology Green, Low-Carbon, Sustainable Development Initiative

As a global leading provider of new energy power systems, Jinpan Technology actively lays out a low-carbon development blueprint. In December 2023, we solemnly released the *Jinpan Technology Green, Low-Carbon, Sustainable Development Initiative*, underscoring our commitment to forging a collaborative path towards a low-carbon future alongside partners from all sectors of society.



### Actively foster a green, low-carbon, civilized ecology

Jinpan Technology remains committed to propagating the ethos of green, low-carbon culture alongside its partners. We encourage employees to adopt eco-friendly travel practices, advocate for conservation and environmental protection, and promote biodiversity preservation.

### Actively build green industrial and supply chains

Together with our partners, Jinpan Technology prioritizes selecting greener, environmentally conscious suppliers. We emphasize resource recycling to achieve waste reduction, resource recovery, and harmlessness. Additionally, we draft a public commitment to zero deforestation and advocate for this principle throughout the supply chain.

### Actively promote digital transformation and empower industrial change

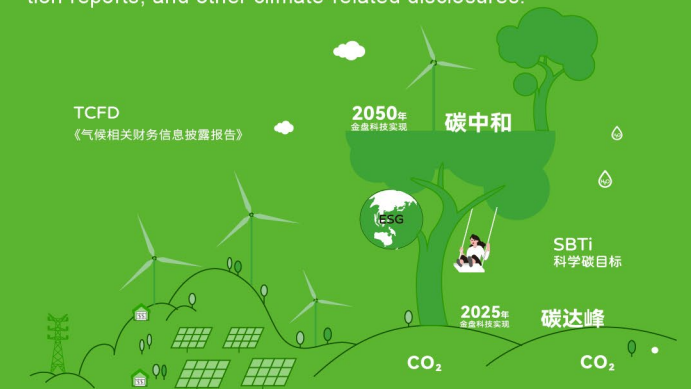
Leveraging our expertise in digital transformation, Jinpan Technology aims to empower industry partners in creating high-efficiency, high-quality, and high-benefit values through digital transformation and upgrading, without increasing land and human resources or consuming more energy.

### Actively undertake carbon reduction actions to address climate change

Collaborating with industry partners, Jinpan Technology will set SBTi and execute carbon reduction action plans. These plans include continuously developing energy-saving and environmentally friendly green products; exploring and implementing photovoltaic storage integration projects; using green power and purchasing carbon sinks; developing carbon emission reduction projects; creating energy-saving optimization systems and integrated energy management systems; building zero-carbon factories, and green, zero-carbon industrial parks.

### Actively improve climate-related information disclosure

Jinpan Technology remains dedicated to enhancing climate-related information disclosure in collaboration with its listed company partners. This includes the publication of ESG sustainability reports, TCFD climate-related financial information reports, and other climate-related disclosures.





## Focus on Environmental Management

Jinpan Technology remains steadfast in its unwavering dedication to environmental protection, continuously enhancing the construction of environmental management systems, and fulfilling environmental management responsibilities. We strictly to pertinent laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and the *Water Pollution Prevention and Control Law of the People's Republic of China*. We actively implement measures to minimize the environmental footprint of our daily operations, consistently bolster environmental management practices, and ensure full compliance with legal requirements across all business activities.

### Environmental management system

Aligned with the specifications of the ISO 14001 Environmental Management System, Jinpan Technology has formulated a comprehensive set of policy documents encompassing various environmental impact factors. These documents include *Water Pollution Prevention and Control Procedures*, *Air Pollution Prevention and Control Procedures*, and *Noise and Vibration Pollution Prevention and Control Procedures*. These policies ensure the effective control and management of diverse potential environmental impacts by the Company. During the reporting period, Jinpan Technology's bases in Haikou, Guilin, Shanghai, and Wuhan Jintuo all obtained ISO 14001 Environmental Management System certification. In 2023, Jinpan Technology did not experience any environmental compliance incidents.

### Environmental governance structure

To further enhance the level of environmental management, Jinpan Technology is committed to optimizing its environmental governance structure, with the general manager assuming the role of principal in charge. We appoint EHS (Environmental, Health, and Safety) officers at each base to oversee the execution of specific tasks. We establish environmental performance indicators, delineate the departments accountable for managing these indicators, and comprehensively oversee Jinpan Technology's environmental performance. This includes the regulation of environmental risks and ensuring alignment between environmental goals and business strategies.

At the same time, we innovate our performance appraisal mechanism, integrating "Safety and Environmental Protection" as a pivotal indicator in the annual performance assessment of senior executives. This

reinforces the sense of responsibility among the senior management team towards environmental stewardship, ensuring that environmental management objectives receive adequate attention and implementation.

Jinpan Technology conducts regular environmental management audits, assigning designated personnel to rectify and monitor identified issues, thereby continuously mitigating environmental risks. Moreover, we integrate environmental management principles into our supplier management strategy, mandating all suppliers to sign an environmental protection agreement upon establishing commercial cooperation with Jinpan Technology. This underscores our commitment to environmental responsibility, fosters the creation of a green supply chain, and advances the sustainable development of the entire industry.



# Advocating for Green Development

Jinpan Technology is committed to green development, strictly adhering to the *Environmental Protection Law of the People's Republic of China* and relevant laws and regulations on pollutant emissions across our operational sites. We exercise stringent control over resource utilization and pollutant emissions throughout the production and operational processes to minimize resource wastage. Through meticulous source management and process control measures, we strive to achieve both green production and operations.

Goals in 2023	Compared with 2022	Goals in 2024
Energy efficiency target	Energy consumption intensity decreased by	
0.0083	20.19% ↓	5% ↓
tons of standard coal/10,000 yuan income		
Emission reduction target	Greenhouse gas emission intensity decreased by	
0.013	61.10% ↓	10% ↓
tons of carbon dioxide equivalent/10,000 yuan income		
Non-hazardous waste density	Density of non-hazardous waste decreased by	
0.0054	37% ↓	5% ↓
tons/10,000 yuan income		
Water use efficiency target	Water usage density decrease of	
0.3368	21.31% ↓	2% ↓
tons/10,000 yuan income		

## Energy management

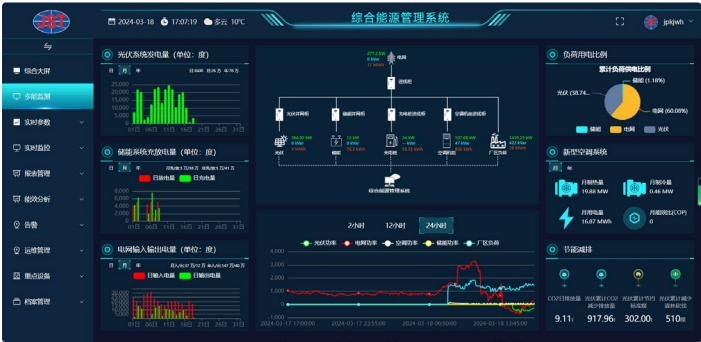
Jinpan Technology strictly adheres to the *Law of the People's Republic of China on Energy Conservation* and other relevant laws and regulations. We remain steadfast in our commitment to improving the energy management system, implementing refined management, enhancing the efficiency of energy use during the production process, and continuously optimizing the structure of energy use.

### Reducing energy consumption

Through technological improvements and management optimization, we strive to reduce the demand for additional energy the need for additional energy while concurrently enhancing energy efficiency, thereby realizing our objectives of energy conservation and carbon reduction.

We have developed a comprehensive energy management system centered on digitalization, established an energy consumption data application and service system, and innovatively developed integrated energy management and distributed asset management models for green smart parks. Through digital means, we assist parks in reducing carbon emissions and moving towards zero carbon.

In 2023, we developed the Wuhan Jinpan Intelligent Technology Green Industrial Park, featuring an advanced green energy management system that digitalizes the operations of all electrical equipment within the park. This system seamlessly integrates rooftop photovoltaic power stations, energy storage facilities, air conditioning units, electric vehicle charging stations, and power-consuming departments of production, thereby establishing a virtual power plant for the industrial park. This setup facilitates the regulation of power generation and consumption, effectively promoting flexible interaction on the load side. It also addresses the issue of combined cooling, heating, and power supply in industrial parks. This approach provides strong support for constructing a safe, economical, efficient, and reliable park power grid.



The integrated energy management system





Case study

### Energy optimization of central air conditioning system at Haikou Factory

To ensure stable production and product quality, the Haikou base implemented an optimization and energy-saving retrofit of the central air conditioning cooling system, called “Mechanism Modeling and Global Optimization,” further enhancing energy-saving effects through terminal environment sensing. Specific measures included:

- Deploying indoor temperature and humidity monitoring devices throughout the factory area to monitor the indoor environmental indicators of various areas in real-time.
- Integrating the temperature and humidity data from the factory area into the air conditioning energy-saving control system, optimizing the energy-saving control operation of the cooling station system in real-time based on end-user demand.
- Optimizing the operating strategy based on the most unfavorable end monitoring data and the corresponding area's temperature and humidity environment, ensuring optimal operating efficiency while maintaining the air conditioning effect at the disadvantageous end.

By implementing the above strategies and technologies, the central air conditioning power consumption at the Haikou factory from June to December 2023 was 838,867 kWh, representing a savings of 211,646 kWh compared to 2022, with an energy saving rate of approximately 20%. This renovation has



Workshop environmental sensing diagram

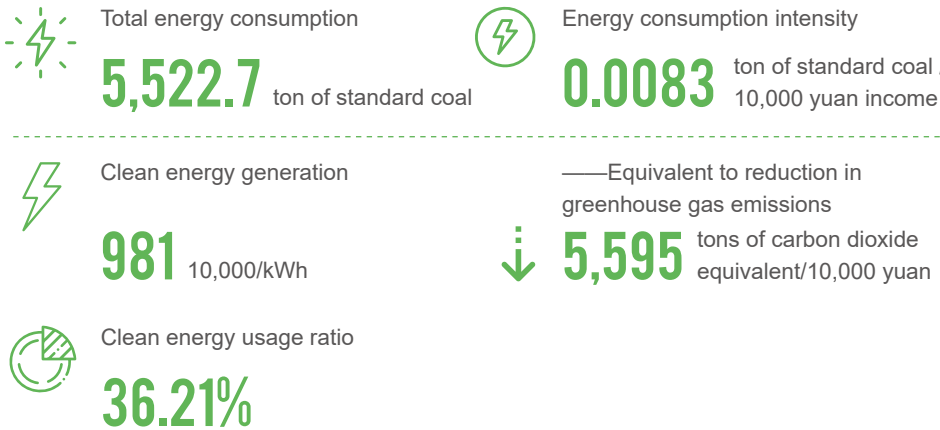
effectively addressed the previous shortcomings of the factory's air conditioning system, such as the inability to adjust in real-time and optimize globally. As a result, effective management of the indoor environment in the factory area has been achieved, and energy usage efficiency has been significantly improved.

### Adoption of clean energy

The adoption of clean energy plays a crucial role in achieving carbon neutrality goals, adjusting energy structures, and promoting social harmony and economic stability. In 2023, Jinpan Technology persisted in reducing its reliance on externally purchased electricity, upholding this as a cornerstone strategy for carbon reduction. Concurrently, we implemented various energy-saving measures in daily production and operations, while vigorously advancing the development of new energy sources, furthering our progress towards energy transformation. Leveraging our technological prowess, Jinpan Technology harnesses its product technology advantages to actively explore and tap into potential opportunities for energy savings and emissions reduction. In 2023, our unit revenue carbon emission intensity decreased to 0.013 tons of carbon dioxide equivalent/10,000 yuan, demonstrating our commitment to environmental responsibility.

As of the end of the reporting period, Jinpan Technology has deployed a total installed capacity of 23MW for photovoltaic power generation projects. During the reporting period, we generated a cumulative total of 9.81 million kWh of electricity, supplying 8.32 million kWh of clean electricity to our factories and delivering 1.49 million kWh of clean electricity to the grid.

#### Jinpan Technology energy data





Water resources management

Jinpan Technology adheres to the *Water Law of the People’s Republic of China*, the *Action Plan for Improving Industrial Water Efficiency*, and other relevant laws, regulations, and systems across its operational sites to ensure the rational and efficient use of water resources.

Water conservation

The Company is committed to achieving intelligent management of water resources in production and operations through the implementation of smart manufacturing and digital factory systems. We continuously optimize water-saving mechanisms, introduce water-saving equipment, promote water recycling initiatives, and conduct extensive employee training to enhance water conservation awareness. Additionally, we strengthen water resource management efforts to ensure responsible usage and conservation.



Industrial water conservation

We regularly conduct comprehensive inspections of the water recycling pipelines, promptly identify and fix leaks, take corrective measures to repair and rectify any problems, ensuring the efficient use of water resources. In the cleaning process of photovoltaic panels, Jinpan Technology has adopted advanced process equipment, replacing the traditional method of prolonged washing with hoses, resulting in significant water savings. The new facility in Wuhan has introduced a new process for treating the exhaust gases from iron core painting. Instead of using water spray for treatment, it now utilizes honeycomb activated carbon adsorption and catalytic combustion to achieve zero water consumption in the treatment of iron core painting waste gases. This change has significantly reduced the amount of water used in production.

In 2023

Water consumption	Water use intensity	
224,720 tons	0.3368 tons/10,000 yuan income	
Water reuse volume	Water use intensity decreased	Water savings of
1,236 tons	21.31%	96,700 tons



Conservation in daily life

In the canteen, we have transitioned to a centralized machine dishwashing mode for washing dishes, reducing monthly water usage by 9 tons and significantly improving water resource utilization efficiency. Moreover, we have adjusted the flow rate of faucets and the water level in toilet tanks to regulate water flow and usage, thereby achieving conservation and rational use of domestic water. Additionally, the Company has implemented measures to collect and reuse condensate water from air conditioning units, achieving the reuse of cooling resources and further improving energy efficiency.

Reducing wastewater discharge

Jinpan Technology fully complies with the *Water Pollution Prevention and Control Law of the People’s Republic of China* and related legal regulations, implementing a strict wastewater management system. The Company has established a comprehensive environmental management framework to oversee the generation and discharge of wastewater, ensuring that industrial wastewater produced during the manufacturing process undergoes appropriate treatment for recycling.

Our drainage system design incorporates advanced rainwater and sewage separation technology, ensuring that domestic wastewater, following pretreatment and meeting stipulated standards, undergoes further processing through the municipal sewage network for deep treatment before safe discharge.

Regarding the production wastewater generated by the Haikou factory, we have deployed a series of highly efficient treatment processes, including coagulation sedimentation, MCR (Microbial Enhanced Treatment), and activated carbon adsorption steps, to ensure thorough purification. After these treatment processes, the wastewater meets recycling standards, eliminating the need for external discharge, and significantly reducing the environmental burden.

At Guilin Juntaifu Electric Co., Ltd., the production wastewater undergoes multi-stage treatment, including hydrolysis acidification, aerobic treatment, and coagulation sedimentation, also reaching the discharge standards, and ensuring the compliant discharge of wastewater. Currently, Wuhan Jintuo, Shanghai Jinpan, and Yangzhou Jinpan do not generate production wastewater.

In 2023



Industrial wastewater discharge

27,796 tons



Industrial wastewater discharge intensity

0.04166 ton/10,000 yuan income



## Waste gas management

Jinpan Technology strictly follows the *Integrated Emission Standard Ofair Pollutants* along with other national and local regulations and standards to regulate waste gas emissions.

In our commitment to meeting environmental protection requirements, we have installed advanced waste gas collection and treatment facilities as per the specifications outlined in environmental impact assessments. These installations ensure that emissions, following effective collection and treatment by environmental protection equipment, adhere to standard discharge criteria.

To further reduce unorganized emissions of waste gases, Jinpan Technology’s production bases are equipped with comprehensive waste gas collection systems, including gas collection hoods and enclosed spray booths, among other equipment. By combining physical and chemical treatment processes, waste gases are efficiently processed and, upon meeting standards, are emitted through exhaust stacks that comply with regulatory requirements, thus ensuring the compliance and environmental friendliness of waste gas emissions.

Indicators	Unit	2023
Nitrogen oxides (NO <sub>x</sub> ) emissions	Tons	0.458
Sulfur dioxide (SO <sub>2</sub> ) emissions	Tons	0.02
Volatile organic compounds (VOCs) emissions	Tons	0.180
Particulate matter emissions	Tons	1.44

Note: Excluding Wuhan Jingpan Intelligent Technology Green Industry Park

## Waste management

Jinpan Technology adheres to the *Law of the People’s Republic of China on Prevention and Control of Environmental Pollution by Solid Waste* and the *Guidelines for the Formulation of General Industrial Solid Waste Management Ledgerof People’s Republic of China (Trial)* among other national and local laws and regulations. In alignment with the ISO 14001 environmental management system, we have established a rigorous waste management system and delineated the responsibilities of dedicated supervisory personnel.

### General industrial solid waste



We implement categorized collection practices and adhere to national regulations for resource recovery and reuse. Household waste undergoes uniform processing by professional environmental sanitation departments.

### Hazardous waste



After temporary storage in specially designed hazardous waste rooms, it is handled by qualified professional entities. We ensure that storage sites for hazardous waste are equipped with measures for rain, leakage, spill, and theft prevention, clearly marked with warning signs. Additionally, we maintain detailed hazardous waste management ledgers and submit annual hazardous waste disposal plans to environmental protection departments to ensure compliant management.

To preempt leaks, spills, and other potential issues during production processes that could compromise the soil environment, all liquid material storage tanks in our workshops are equipped with leak-proof trays. We provide dedicated chemical cabinets for proper chemical storage, with the floor of the chemical storage area constructed from cement with an epoxy resin coating to prevent chemical leakage. Additionally, the area is equipped with specialized leak-proof trenches and collection pools to further ensure proper handling of leakage incidents.

Indicators	Unit	2023
Total non-hazardous waste	Tons	3,616.27
Non-hazardous waste density	Tons/10,000 yuan income	0.0054
Kitchen waste	Tons	77.49
Waste cardboard	Tons	108.49
Total hazardous waste	Tons	79.36
Hazardous waste density	Tons/10,000 yuan income	0.0001





## Packaging material management

Jinpan Technology has implemented stringent control measures in the selection and management of packaging materials, emphasizing not only the efficiency of packaging materials but also researching and expanding methods for reusing and recycling product packaging materials and production offcuts.

We consistently optimize the selection of packaging materials, prioritizing materials that are recyclable, degradable, or have minimal environmental impacts. At the same time, we enforce strict standards for the usage of packaging materials, reducing material consumption through design optimization. We regularly assess and monitor the use of packaging materials to ensure continuous improvement and optimization in packaging material usage.

We continuously strengthen green cooperation with suppliers to promote sustainability improvements across the entire supply chain and to advance energy conservation and emission reduction in the production process.

In 2023



Packaging material usage

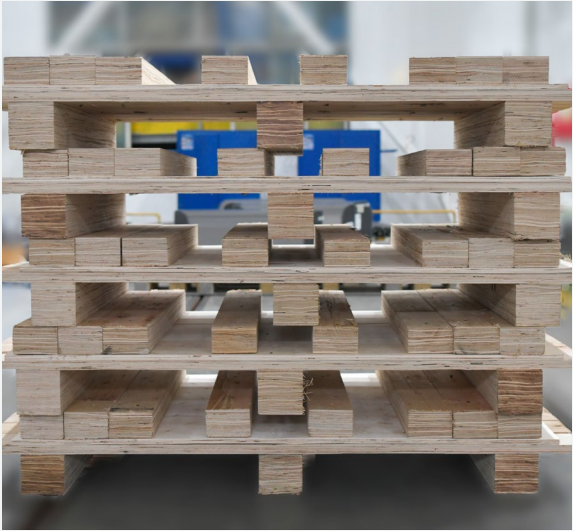
1,772.9 tons



Case study

### Repeated use of logistics pallets

Jinpan Technology, in collaboration with upstream and downstream supply chain partners, is committed to exploring energy conservation and emission reduction in logistics. By optimizing product packaging and logistics models, we have gradually increased the reuse rate of wooden pallets, effectively reducing the consumption of wood resources.



Wooden pallets recycling



## Green office practices

Jinpan Technology continues to foster a culture of green and low-carbon living, encouraging employees to embrace eco-friendly commuting and office practices while promoting resource conservation and environmental protection.

To enhance resource management efficiency and reduce environmental impact, Jinpan Technology has implemented a series of paper recycling and conservation measures:



We implement a unified recycling policy for used paper, particularly for printing and photocopying paper, sorting them for secondary use or recycling into pulp to minimize resource waste.



We encourage employees to utilize duplex printing and to reuse single-sided waste documents, reducing the demand for new paper.



We advocate for paperless office culture, promoting the use of email, online document-sharing platforms, and internal systems for document exchange and record-keeping to reduce reliance on paper and boost office efficiency.

Wuhan Jingpan Intelligent Technology Green Industry Park has fully implemented building energy conservation measures. High-performance glass wool is used for the exterior walls and roofs of the factory buildings, significantly reducing energy loss. All lighting windows are equipped with double-layer insulated glass, further reducing energy loss. In addition, energy-saving lighting fixtures have been installed throughout the park, greatly reducing electricity consumption, and improving overall lighting efficiency.

Our office and living areas are constructed strictly according to the standards of a one-star green building. Utilizing green energy-saving materials for walls, external windows, and roofs, we aim to minimize energy consumption and environmental impact. All lighting systems use efficient LED fixtures, which not only improve energy efficiency but also reduce maintenance costs.

## Protecting natural ecology

Jinpan Technology, in accordance with the laws, regulations, standards, and technical requirements of the locations where it operates, systematically evaluates, and manages the potential impacts of its business activities on the ecological environment. The Company consistently enhances and refines ecological and environmental protection measures to preserve the ecological environment of its project sites.

Throughout the development, construction, and operation and maintenance phases of projects, we remain vigilant about their ecological impact, actively mitigating threats to biodiversity and ecosystems. We are planning to publicly commit to zero deforestation, addressing risks such as habitat loss, ecosystem degradation, and fragmentation. At the same time, we actively respond to local government environmental initiatives regarding biodiversity, promote environmental protection cultural concepts, and encourage employees to adopt green travel practices.





# S Society



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Harmony and Coexistence, Forming a Community  
of Shared Destiny with Customers, Employees,  
Partners, and Society



Our customers, employees, and partners are invaluable allies and comrades-in-arms in Jinpan Technology's journey of growth. They are the cornerstone of our confidence in building a brighter future. We harness our strengths and dedicate ourselves to delivering top-notch products and services, achieving mutual success with our customers. We sincerely safeguard the rights and interests of our employees, nurturing their growth and walking alongside them. We empower our partners to partake in our progress, uniting forces to confront contemporary challenges hand in hand. Drawing from society, we reciprocate by contributing back, aspiring for societal improvement through our presence.

Our performance



R&D investment  
**3.51** billion yuan



Customer satisfaction  
**98.03%**



Total number of employees  
**2,207** headcount



Total employee training hours  
**170,961** hours



Number of suppliers  
**1,137**



Our actions

At Jinpan Technology, we uphold the principle of win-win cooperation and collective efforts, recognizing innovation as the perpetual catalyst for enterprise advancement and product quality as its cornerstone. Our aim is to provide greater value to our customers. We advance alongside our employees, offering a fair, equal, and diverse workplace environment. With our partners, we cultivate mutual benefits, propelling industrial transformation and progress. Moreover, we actively participate in social welfare and rural revitalization efforts, extending the warmth and sense of responsibility inherent to Jinpan.



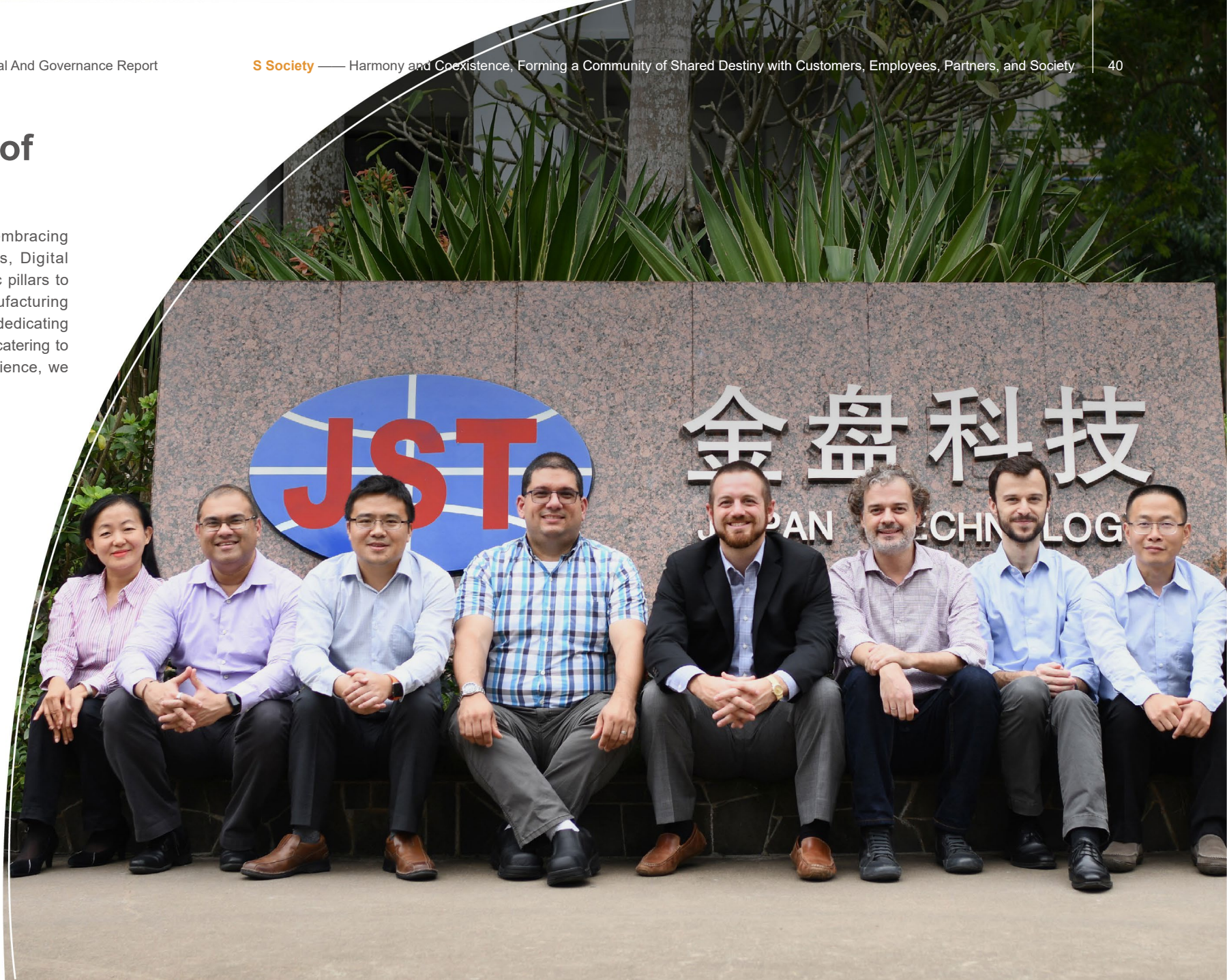
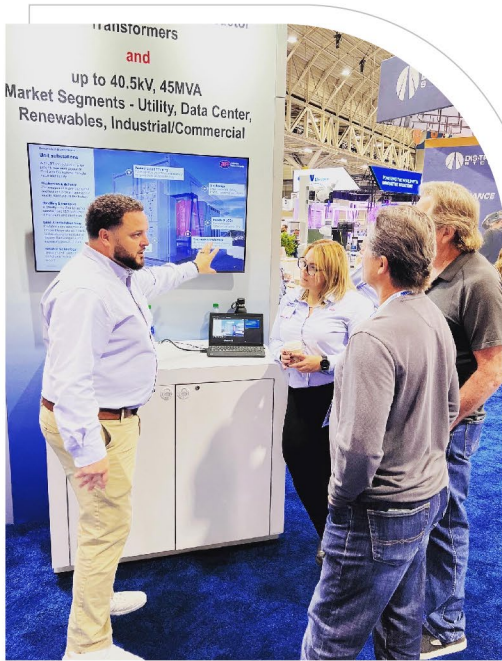
SDGs contributions





## Pursuing Maximization of Customer Value

We are committed to innovation-driven development, embracing “Intelligent Decision-Making, Data-Driven Approaches, Digital Manufacturing, and Digital Services” as our four strategic pillars to drive technological innovation within the electrical manufacturing industry. We regard product quality as the cornerstone, dedicating our efforts to provide greater value for our customers. By catering to diverse service needs and elevating the customer experience, we foster mutual success and growth alongside our customers.

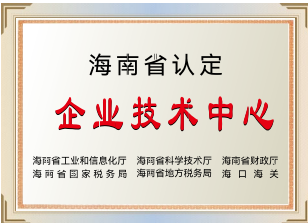




## Product innovation iteration

### Strengthening innovation drive

Innovation is the fundamental driving force propelling enterprise development. Jinpan Technology continuously improves its innovation system and the construction of its independent innovation platform. It has successively established Electric Research Institute, Intelligent Technology Research Institute, and Energy Storage Technology Research Institute. By harnessing both internal and external innovation resources and expanding our pool of innovative talents, we continuously elevate our R&D and innovation capabilities. Engaging in industry-academia-research collaborations, we conduct forward-thinking R&D aligned with the Company's strategic objectives. Our focus remains on meeting evolving market demands through continuous iterative innovation. By prioritizing technological leadership and delivering benchmark products, we ensure Jinpan Technology maintains its industry-leading position and unique market competitiveness.



#### Hainan Province Enterprise Technology Center

It mainly supports the Company's ongoing R&D efforts for a new series of products for power transmission, distribution, and control equipment. It also supports the digital transformation of the development and manufacturing modes for energy storage series products. Additionally, it aids in R&D investment and technological upgrading iterations.



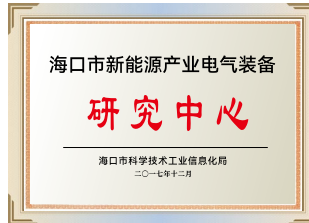
#### Hainan Province Industrial Design Center

It is primarily responsible for the Company's product design services, achieving continuous progress in product structure, process technology, and product updates, and applying new R&D, improvements, and designs in large domestic and international projects, enhancing the Company's continuous innovation ability and market competitiveness.



#### Key Laboratory of Electrical Equipment in Haikou City

It focuses on researching dry-type transformer products, high and low voltage switchgear products, box-type substation products, wind power generation supporting reactor products, energy storage products, and other products for special purposes required by users.



#### Haikou New Energy Industry Electrical Equipment Research Center

It focuses on several key research areas, including electrical equipment simulation studies, product engineering design, and manufacturing technology transformation and upgrading. Its scope extends to electrical equipment utilized in new energy, energy conservation, emission reduction, smart grids, and other specialized fields. From 2020 to 2023, the research center has applied for 17 patents.



Industrial and commercial energy storage products and the application of EMS in energy storage projects

Jinpan Technology continuously increases its R&D investment, establishes R&D talent training and incentive mechanisms, and cultivates and enhances its independent innovation capability. The Company has implemented various incentive mechanisms, such as the *R&D Personnel Performance Appraisal and Incentive Policy*, *Major Technical Development Project Reward System*, *Innovation (Management) Regulations*, *Annual Advanced Evaluation Scheme*, and *Qualification Certificate Management Regulations*, to stimulate talent vitality.

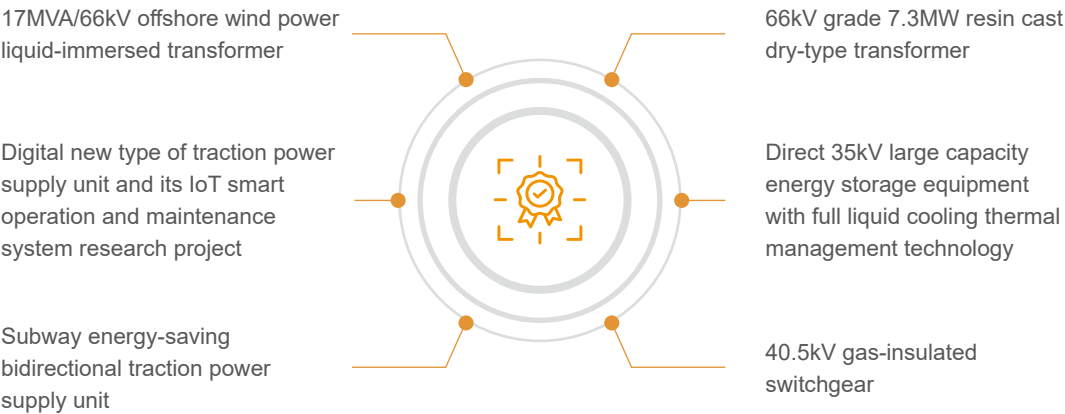




Transformation of innovation achievements

Jinpan Technology remains dedicated to propelling the transformation and application of innovative breakthroughs, thereby expediting industrial upgrading and economic advancement. The Company actively undertook and successfully completed several projects *Application of 66kV Level 7.3MW Resin Cast Dry-type Transformer in Tower Barrels*, *Research and Development of Energy-saving Bidirectional Traction Power Supply Units for Subways*, and *Direct-mounted 35kV Large Capacity Energy Storage Equipment Using Full Liquid Cooling and Thermal Management Technology* as the first set of projects in Hainan Province. It received the 2023 Hainan Province Advanced Equipment Manufacturing First Set Reward Funds, supporting breakthroughs in technological routes, structural design, manufacturing processes, and standard parameters to enhance functionality and performance. Furthermore, the Company undertook the 2023 Haikou City Major Science and Technology Plan Project - *Research and Industrialization of Dry-type Converter Transformers for Floating Production Storage and Offloading (FPSO) Vessels*. This endeavor aimed to address challenges such as high salt fog corrosion, sway vibration, ventilation cooling, and half-passagage impedance imbalance in axial split structures within marine environments.

In 2023, Jinpan Technology achieved significant results in its key R&D projects, including:







## Case study

## Jinpan Technology is opening a new chapter for the sustainable development of the wind power industry

As offshore wind power projects continue to expand in scale and move gradually to deeper waters further away from islands, there is an increasing demand for higher voltage level transformers for offshore wind turbines. Compared to traditional 35kV transformers, Jinpan Technology's first 66kV immersion-type transformer extends the transmission distance, enhances energy transmission efficiency and system reliability, reduces construction and operational costs, and minimizes transmission losses and maintenance risks. Jinpan Technology's first "17MVA/66kV Offshore Wind Power Immersion-type Transformer" successfully rolled off the production line at the Wuhan High-end Transformer Digital Factory, marking a milestone for Jinpan Technology in the green energy sector. This achievement signifies Jinpan Technology's alignment with international advanced standards and its contribution to the sustainable development of the wind power industry.



## Case study

## Successful grid connection of digital new traction power supply units and their IoT smart O&M system research project

Zhengzhou Metro, in collaboration with Jinpan Technology, co-developed new products and technologies in the field of rail transportation, and launched the project *Digital New Traction Power Supply Units and Their IoT Smart Operation and Maintenance System for Urban Rail Transit*. After expert acceptance review, Jinpan Technology's box-type bidirectional converter device (Save-RT/BI-I/1500-2500) achieved smooth switching between rectification/inversion modes, and the amorphous alloy traction rectifying dry-type transformer (ZQSCBH-2750/35) demonstrated significant energy-saving effects. The digital power equipment smart O&M system realized intelligent monitoring and fault warning, achieving the expected results upon grid connection. This research verified the reliability of new products and technologies, laying the foundation for introducing green and environmentally friendly technologies into rail transportation.



## Awards



Jinpan Technology was honored with the "Storage Leading Enterprise" award at SNEC.



The High-voltage cascaded energy storage SOC balance control technology received the "Excellence in Storage Technology Award" in the SNEC Top Ten Highlights selection.



233kWh modular commercial and industrial energy storage unit



Zhejiang Taizhou XinZhi Group Co., Ltd. shareholding user-side 15MW/30MWh energy storage station



## Intellectual property protection

Jinpan Technology regards intellectual property (IP) as a vital asset of the Company, strictly adhering to the requirements of laws and regulations such as the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, as well as regulations of the Company's operational jurisdictions. The IP work leadership team at Jinpan Technology is responsible for formulating comprehensive IP work plans and development strategies. They oversee the execution of plan objectives, coordinate IP declaration and protection efforts across relevant technical departments, and establish internal management systems, including the *Intellectual Property Management Regulations*. These regulations encompass the management of patents, trademarks, copyrights, trade secrets, and other IP rights, along with the administration of special IP funds, IP rewards and penalties, IP education and training, competition restrictions, and IP risk emergency plans. This structured approach effectively standardizes the application, approval, and management processes of IP within the Company.

The Company has established an IP risk early warning and control mechanism, integrating legal protection of IP into the Company's comprehensive risk management. Various departments, in line with their respective responsibilities, are tasked with overseeing all aspects related to the Company's IP, including technological innovation, patent applications, copyright applications, trademark registration, IP evaluation, management, protection, and dispute resolution. This concerted effort ensures proactive identification, control, and response to legal risks associated with IP.

Through specialized training, routine work exchanges, and diverse communication channels, Jinpan Technology aims to bolster the IP awareness of all employees. The Company organizes IP-themed training sessions tailored for technical staff. These sessions delve into fundamental patent knowledge, patent searches, patent mining, and patent layout, aiming to guide technical research and development by leveraging existing patents. Moreover, these initiatives serve to reinforce patent protection awareness and enhance the quality of patent applications among relevant personnel. In 2023, we conducted a total of two training sessions, accumulating four hours of training, with 146 participants in attendance.



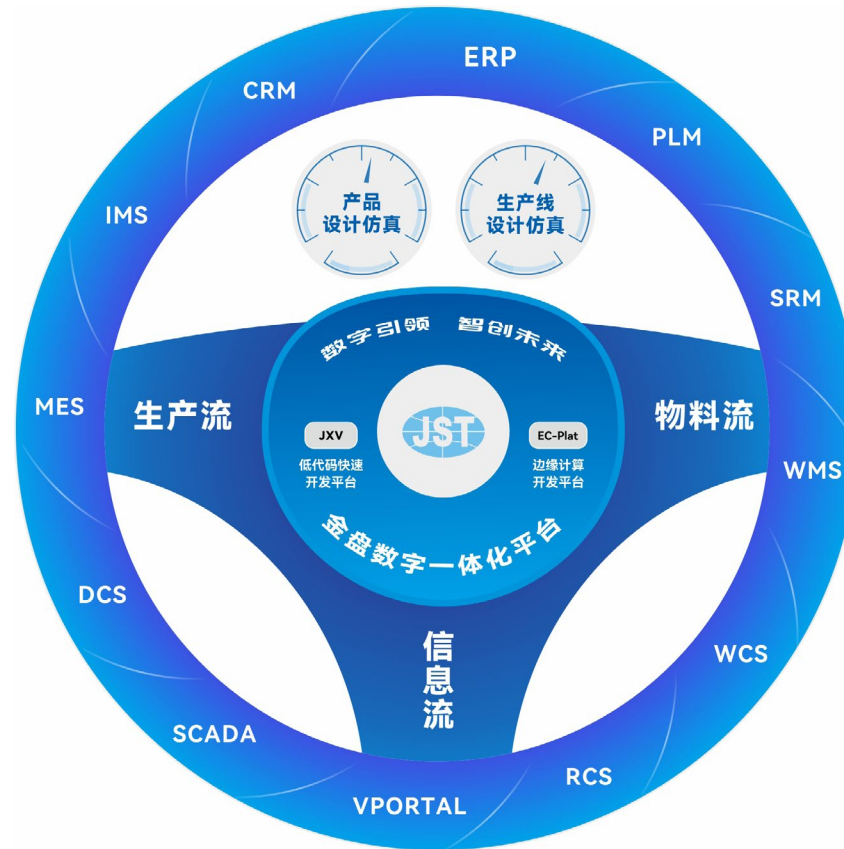


## Quality shapes brand

Jinpan Technology consistently adheres to the corporate vision of “building a ‘Community of Shared Future’ for the Company, benefiting employees, the enterprise, and society.” We uphold the quality policy that “emphasizes meeting standards and customer needs, designing and manufacturing with quality in mind, recognizing supplier management as integral to product quality, as well as continuously improving quality through a culture of excellence and leveraging digital platforms, and maximizing customer value.” Jinpan Technology achieves high-quality enterprise development by employing innovation-driven strategies and quality improvement techniques.

Jinpan Technology has implemented a robust quality management system, including the formulation of internal policies such as the *Quality Management Manual*. We have clearly defined the Company’s quality policies and objectives, along with detailed quality management standards and related standard operating procedures. In 2023, Jinpan Technology and its subsidiaries all obtained ISO 9001 quality management system certification.

Utilizing new-generation information technologies such as artificial intelligence, digital twins, the IoT, big data, and cloud computing, Jinpan Technology actively promotes the “123+N” digital quality management model for industrial digital transformation and upgrades. This model is designed to address the quality challenges posed by emerging industries, new business formats, and innovative business models. In recognition of our efforts, Jinpan Technology was selected as a national case of “Digital Quality Management Innovation and Practice” in 2023.



Jinpan Technology's “123+N” digital quality management model

### Case study

#### Collaborative development with Baosteel

Aligned with the strategic concept of the “Digital Jinpan Quality Management Model”, Jinpan Technology and Baosteel have collaboratively completed a project focused on material quality. The two parties established the *Baosteel-Jinpan Technology Joint Laboratory*, aimed at advancing the industrial application of new oriented silicon steel products in transformers. Through this partnership, both parties share technological achievements and bolster the market influence of their respective products. Furthermore, Jinpan Technology and Baosteel jointly developed a digital steel coil project, enabling one-click filling of on-site material foundation and quality information, along with real-time transmission of material quality performance data. This facilitates intelligent interaction between Jinpan Technology and Baosteel data, explores the application of AI in industrial data, and supports the transformation and upgrading of smart manufacturing.





The Company continuously enhances its product quality risk management system by collecting comprehensive risk information and gathering quality and safety risk data. We implement the FMEA tool to bolster our quality risk prevention capabilities from all aspects.

In accordance with the relevant regulations such as the *Production and Service Control Procedures*, *Inspection Operation Instructions*, and *Non-conforming Product Output Control Procedure*, the Company implements product quality inspection and testing procedures. For non-conforming products, the Company follows the product recall procedure as outlined in the regulations. In 2023, the Company did not experience any product recalls due to safety and health reasons.

Jinpan Technology product quality risk management measures

Comprehensive  
risk information  
collection

The Company’s proprietary digital risk control platform integrates risk control, audit supervision, and audit operations functions. It provides real-time risk monitoring rules, processes, methods, models, and data support, assisting all levels and departments of the company in conducting comprehensive risk management work. It effectively outputs seven major categories of risks, including environmental, business, operational, decision-making information, financial, human resources, and compliance risks, strengthening the full-process risk control from “pre-event, during the event, and post-event stages.”

Quality and  
safety risk  
information  
collection

The Quality and Safety Management System, based on the Company’s relevant regulations, effectively manages quality risks across various business processes, product designs, and operational processes through our internally developed digital risk management platform. This proactive approach ensures that quality risks remain manageable and well-controlled.

FMEA

For product projects carrying significant risks, the Company employs the FMEA tool to identify potential failure modes and to implement control measures aimed at mitigating risks. This proactive approach ensures that the output products consistently meet customer requirements.

Products certification

306

Major products certified by various international and domestic renowned bodies, including UL certification from the United States, CSA certification from Canada, BV certification from France, Gost certification from Russia, DNV certification from Europe, CE certification from Europe, CQC certification and PCCC certification from China. The certified products cover a wide range:

**resin-cast dry-type transformers, immersion-type transformer (new product), offshore wind turbines (new product, special product), energy storage SVG products, high and low voltage switchgear, among others.**

The DNV certification for offshore wind turbines is **at the forefront** of the industry.



Wuhan High-end Transformer Digital Testing Center control room and test area



## Service guarantee and rights

Jinpan Technology has always adhered to the service tenet of “Customer First, Service Foremost”, winning the trust and satisfaction of customers with efficient, professional, and accurate service. At the same time, we continuously improve customer service standards and levels, utilizing advanced CRM systems to achieve efficient customer relationship management and provide customers with a better service experience. These measures not only enhance the Company's competitiveness but also lay a solid foundation for its long-term development. Starting from the actual needs of customers, we are committed to providing value-added services. In 2023, the customer satisfaction rate reached 98.03%, and the Company achieved significant results in service quality and customer satisfaction. Jinpan Technology continues to improve standards and levels of customer service, establishing a series of internal management systems such as the *Customer Service Behavior Standards and Norms*, *Sales Order Signing and Management Norms*, *Regulations on the First Question Responsibility System for Sales Business*, and *After-Sales Customer Service Behavior Norms* to ensure the provision of high-quality services to customers. In addition, we utilize the Customer Relationship Management (CRM) platform to achieve one-stop management of project tracking, project registration, bidding and quoting, contract signing, and execution, providing customers with more economical, efficient, and thoughtful products and services. By leveraging information technology and internet technology, we coordinate the interaction between the enterprise and customers in sales, marketing, and service. Through the reorganization of business processes and the integration of information resources, we achieve efficient management of customer relationships, which not only improves work efficiency but also enhances customer trust and satisfaction with the enterprise.

In 2023



The customer satisfaction rate reached

**98.03%**





## Customer complaints and handling

Jinpan Technology has established a comprehensive customer complaint handling mechanism, which includes the formulation of systems such as the *After-sales Service Processing Procedure*, *After-sales Business and Service Management System*, and *On-site After-sales Service/Safety Operation Instruction* to ensure a prompt response and efficient processing of customer complaints. This mechanism not only improves the efficiency of problem resolution but also greatly enhances customer satisfaction. The Company also provides various feedback channels, including after-sales service hotlines, company websites, dedicated complaint mailboxes, and WeChat platforms, to ensure that customers can provide feedback and suggestions in the most convenient way possible. This multi-channel service approach not only reflects the Company's commitment to customer needs but also enhances interaction and communication between customers and the company. To further enhance customer satisfaction, Jinpan Technology regards on-site revisits and training as the core components of after-sales service. By providing customers with product function introductions, operational skills training, and conducting revisit surveys, the Company not only strengthens its close connection with customers but also explores customers' potential needs in depth. This personalized service approach helps improve customers' operational skills and product knowledge, enabling them to better utilize the products for optimal results. In addition, Jinpan Technology innovatively attempts to provide visual operation explanations to customers through the production and dissemination of short after-sales guidance videos. This intuitive and concise approach helps customers resolve issues more quickly, thereby improving their learning efficiency and satisfaction. The customer complaint handling mechanism, multi-channel feedback system, and innovative after-sales guidance methods all demonstrate the Company's attention to and emphasis on customer needs. These measures not only enhance customer satisfaction but also lay a solid foundation for the Company's long-term development.

## Customer privacy and information security

Jinpan Technology strictly adheres to the *Cybersecurity Law of the People's Republic of China* and the *Personal Data (Privacy) Ordinance* and other relevant laws and regulations. The Company has formulated and implemented the *Customer Information Security Confidentiality Management System*. This system not only clarifies the responsibilities and principles of information security and confidentiality but also details the work measures and processes to ensure clear responsibilities and effective measures.

Jinpan Technology has also demonstrated outstanding performance in the design of digital factory system architecture. We have achieved data linkage of enterprise resource planning (ERP), product lifecycle management (PLM), manufacturing execution systems (MES), supply chain management systems (SRM), customer relationship management systems (CRM), and other systems, digitizing the entire product lifecycle management. This management approach not only improves work efficiency but also enhances data security and reliability.

To ensure the security of customer information interfaces, Jinpan Technology has taken various measures. We use HTTPS encryption transmission technology through the Company's intermediate forwarding servers to ensure the security of data during transmission. Additionally, we utilize measures such as AccessToken token authentication and network firewalls to further enhance data security. These measures effectively protect customer privacy and information security. In 2023, the Company did not experience any incidents of infringement of customer privacy or information security, fully demonstrating the Company's efforts and achievements in safeguarding customer privacy and information security.





# Ensuring Employee Rights and Growth

Jinpan Technology regards its employees as the Company's most valuable asset. We adhere to a people-oriented management philosophy, which prioritizes respecting each employee and fostering a diverse, equal, and transparent workplace environment. We provide platforms for employees to showcase their talents, allowing them to unleash their potential and creativity.



“

The Company prioritizes talent development and respects employees. You can grow quickly here and take advantage of lots of chances for both professional and personal growth.

”



## Safeguarding employee rights and interests

We adhere to a people-oriented approach, respecting and safeguarding the legal rights and interests of our employees, while fostering a diverse, equal, and inclusive workplace environment. We actively listen to the voices of our employees and strive to cultivate a harmonious and stable labor relationship.

### Equal employment

The Company strictly abides by relevant laws and regulations such as the *Labor Contract Law of the People’s Republic of China*, the *Labor Law of the People’s Republic of China*, the *Regulations on Work-Related Injury Insurances*, the *Provisions on the Prohibition of Using Child Labor*, the *Law of the People’s Republic of China on the Protection of Minors*. Additionally, we formulate internal rules and regulations such as the *Personnel Management System*, the *Regulations on Non-Discrimination of Employees*, the *Recruitment Management System*, *Employee Handbook*, adhering to legal employment and equal employment principles. We are committed to resolutely eliminating employment discrimination, forced labor, child labor, workplace harassment, and other inappropriate behaviors. Furthermore, we respect all employees’ rights to associate and engage in collective bargaining, effectively safeguarding their legal rights and interests.

The Company has implemented rigorous recruitment and review procedures to ensure compliance with regulations. Utilizing the

employee profile management system, we effectively prevent the employment of child labor. Additionally, we conduct training sessions for middle management cadres on *Human Resource Management for Non-HR Managers* to standardize interviewer behavior during recruitment processes. This initiative aims to resolutely eliminate any form of discrimination based on gender, ethnicity, educational background, age, religion, belief, etc. while providing all employees with equal and fair career opportunities.

The Company is dedicated to providing extensive employment opportunities for individuals with diverse educational backgrounds and professional experiences. Leveraging platforms such as the Company’s official website, WeChat official account, online

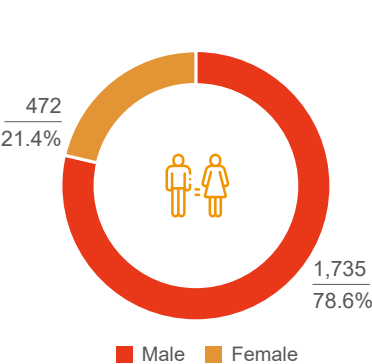
recruitment platforms, and others, we organize online career talks, specialized recruitment lectures for “Double First-Class” universities, mutual selection meetings, and collaborate with professional headhunters to consistently enhance our talent pool. Moreover, the Company has established profound industry-academia-research collaborations with Shanghai Jiao Tong University, focusing on technology accumulation, cutting-edge theoretical research, and fundamental simulation modeling in the field of energy storage. This strategic partnership ensures the efficient implementation of the “High-Voltage Cascaded Energy Storage System Software Control Strategy and Virtual Simulation System,” thereby effectively supplementing external scientific and technological capabilities.



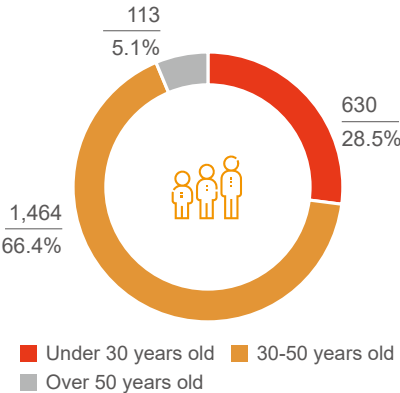


Employee profile

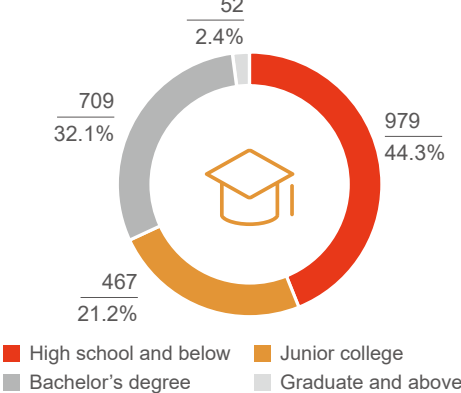
Number of employees by gender



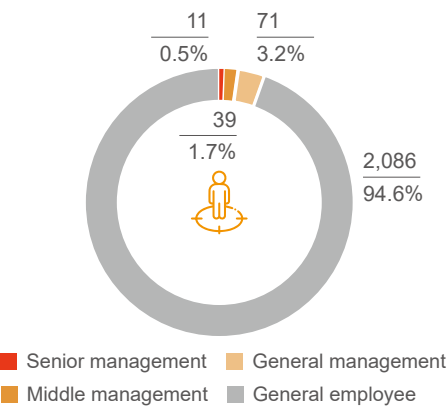
Number of employees by age



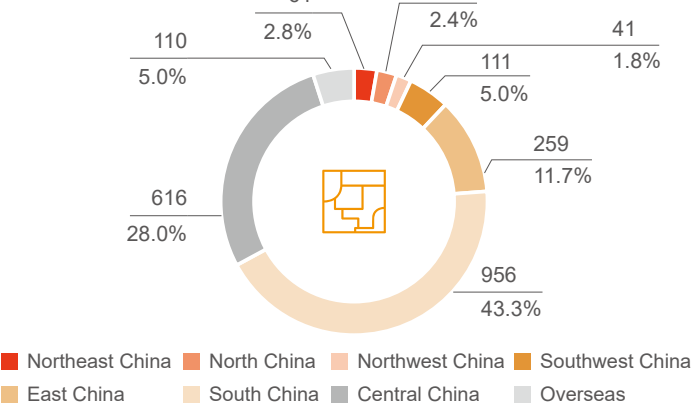
Number of employees by education



Number of employees by level



Number of employees by region



Employee turnover

Employee turnover rate  
**10.90%**

Male employee turnover rate  
**8.44%**

Female employee turnover rate  
**2.46%**





Remuneration and benefits

The Company adheres to the principle of equal pay for equal work, regardless of gender, and continuously enhances its remuneration and incentive mechanism by establishing a salary management standard system based on individual value, job roles, and contributions. We implement a restricted stock incentive plan to provide employees with competitive compensation and benefits within the industry.

We ensure timely and full payment of social insurance and housing funds (commonly referred to as “the five types of insurance and one fund”) for employees. Additionally, we offer supplementary accidental insurance and various allowances, including heat subsidies, nutritional supplements, fuel allowances, vehicle allowances, commuting subsidies, laundry expenses, heatstroke prevention and heating costs, meal subsidies, and paid leave. In 2023, the Company achieved a 100% contract signing rate and a 100% social insurance coverage rate.

Employee communication and democratic management

The Company places great importance on valuing and addressing every employee’s voice and concerns, establishing a variety of communication and reporting channels for their convenience. We offer multiple communication methods such as emails, WeCom, suggestion boxes, internal number, regular meetings, and general manager interviews to promptly understand and respond to employees’ opinions and suggestions. In addition to reporting grievances to legal advisors or audit managers and conducting regular staff representative meetings and management review meetings, the Company established an Enterprise Labor and Personnel Dispute Mediation Committee in 2023. The employee complaint channels are publicly disclosed in the employee handbook, facilitating equal dialogue and mutual development with employees.





## Safeguarding employee health

We prioritize the occupational health and safety of our employees by continuously enhancing our occupational health and safety management system. Our commitment is to provide a safe and stable working environment for all our employees.

### Work safety

The Company complies with the *Work Safety Law of the People’s Republic of China*, the *Administrative Provisions on Protective Articles*, the *Regulations on Work-Related Injury Insurance*, and other relevant laws and regulations. We have established a *Safe and Civilized Production Management System*, which lays out clear regulations and requirements for ensuring safety in production. This system defines safety management responsibilities and includes “zero safety risk and zero environmental pollution” as an annual performance assessment indicator for executives, thereby linking executive compensation with safety and health performance. We continuously optimize our occupational health and safety management practices. As of the end of 2023, Jinpan Technology’s Haikou, Guilin, Shanghai, Wuhan Jintuo, and other locations all obtained ISO 45001 Occupational Health and Safety Management System certifications.



The Company actively improves employee safety measures by providing professional labor protection gear tailored to their respective job requirements. We promote a safety culture by regularly organizing special training sessions on production safety and safety month activities, fostering an environment conducive to safety awareness and professional growth among employees. We conduct regular emergency drills for fire, electric shock, special equipment accidents, and other scenarios to improve employees' emergency response capabilities.

### Employee health

We prioritize the physical and mental well-beings of our employees. Each year, we schedule occupational health examinations in the workshop, and every two years, all employees undergo comprehensive health check-ups. Additionally, we provide commercial accident insurance to ensure health coverage for our employees. We actively encourage employees to participate in various sports and cultural activities, and we have established facilities such as a gym, a reading lounge, and basketball courts for their use. We promote a healthy lifestyle among our employees.





## Accompanying employee growth

We recognize talent as a pivotal force driving corporate development and are dedicated to cultivating a comfortable workplace environment by refining growth channels and implementing a comprehensive training system. We aim to establish a diversified development platform for employees, fostering mutual growth and development.

### Supporting employee career development

We have constantly improved our talent development management system and expanding employees' opportunities for advancement. Through a job qualification grade management system, dual-channel promotion pathways, and an internal talent mobility mechanism, we provide diverse and abundant career development opportunities for our employees.

#### Talent development management system



## Strengthening talent training and development

To support every employee in realizing their full potential, the Company conducts various types of talent training, tailored, and segmented according to different organizational layers. We customize training plans for different positions, including marketing, technical, and functional training programs. At the same time, we offer cadre/core staff training projects, marketing management trainee programs, and new apprenticeship training plans to foster an environment where everyone has the opportunity to succeed and showcase their talents. In 2023, Jinpan Technology carried out 243 training sessions, achieving a 100% completion rate of training projects, with a cumulative participation of 63,805 attendees and a total training duration of 170,961 hours.

To maximize the potential of each employee, we provide a range of growth paths along with ample tools and opportunities to help them realize their value. We have implemented a job rotation management method aimed at cultivating versatile talents, improving the overall quality and capabilities of our employees, and better adapting to the Company's rapid development needs. We encourage employees to unlock their potential and advance their careers through various means, including job rotation experiences and serving as internal instructors.







## Case study

### Developing key personnel with core leadership skills

To cultivate talent that aligns with corporate strategy and business transformation needs, the Company organized a 6-month cadre/core personnel training program in 2023. Adopting a boot camp model, it integrated various aspects such as human resources, finance, general management knowledge, and management practices, combining theoretical knowledge with practical work, and conducted both online and offline, making the management training more systematic. There were four offline themed courses:

*Replicable Leadership, Sharing and Exchanging Tips on ChatGPT Artificial Intelligence Applications, Human Resources Training for Non-HR Managers, and Finance Training for Non-Financial Personnel*; and seven online courses: *U-Shaped Thinking, Attunement: How to Accurately Understand Leadership Intentions, Win-Win: How to Promote Cross-Departmental Collaboration, Strength: How to Play to Real Strengths and Achieve Great Performance, Agile Leadership, How to Build a High-Performance Team, and Heart-to-Heart: How to Conduct Performance Feedback*. A total of 151 cadres/reserve cadres participated in this training.



Opening ceremony of the 2023 cadres /key personnel training program



## Case study

### Strengthening the building of a professional skill talent team

In 2023, Jinpan Technology cooperated with the Provincial Technical Institute to carry out a new apprenticeship project. Using a dual-mentorship and alternating work-study training models, it jointly provided a professional training plan and implementation scheme for 261 intermediate-level industrial robot system operation and maintenance workers, covering multiple knowledge categories such as craftsmanship spirit, industrial robot technology, industrial robot operation and maintenance, basic knowledge of fasteners, and basic transformer manufacturing processes, with a total learning duration of 411 hours.



## Case study

### Establishing marketing management trainee system

Establishing a marketing management trainee system has played a significant role in expanding the market and improving sales performance for Jinpan Technology. To enhance the integration of marketing management trainees into the Company and enable them to quickly familiarize themselves with the business, the 2023 marketing management trainee program incorporated more career planning guidance, created more opportunities for observation, sharing, and exchange, and increased the sense of belonging among university students towards the company.





## Case study

## Optimizing internal trainer management

To enhance employee participation in training and ignite their passion for learning, the Company implemented an internal trainer management system and has successfully established an internal team of nearly a hundred people. The internal trainer management system facilitates the accumulation of knowledge within the Company, resource sharing, and makes internal training more targeted. This approach has comprehensively improved the quality and effectiveness of the Company's training, effectively saving training costs. By the end of 2023, the Company's internal trainer team played a professional role in various training projects such as "Bright Sharing Meeting", cadre/core staff training programs, marketing management trainee projects, new employee trainings, and job trainings.



Poster for bright sharing meeting



Employee training coverage

100%



Total number of employees trained

2,207 headcount



Total training duration for employees

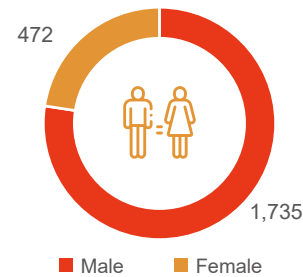
170,961 hours



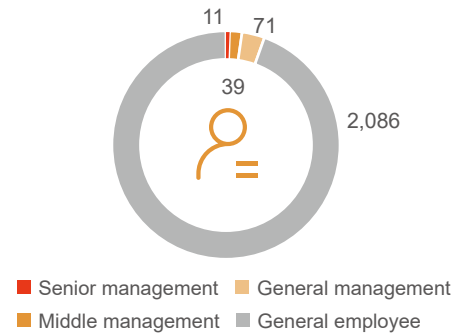
Average training duration per employee

77 hours

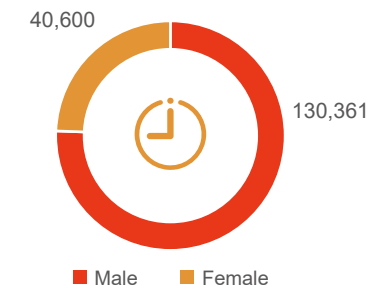
Number of trained employees by gender



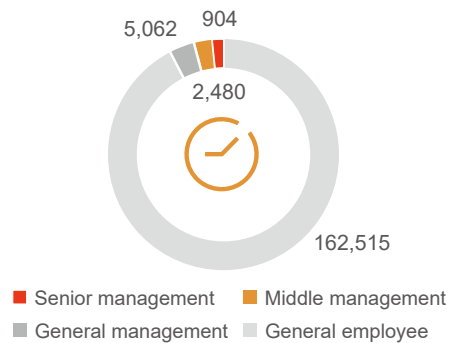
Number of trained employees by employment type



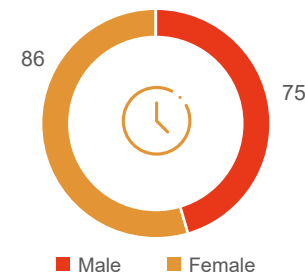
Total training duration by gender



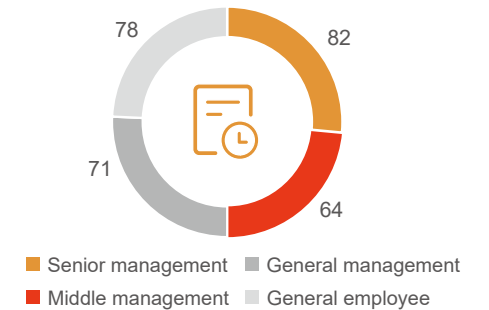
Total training duration by employment type



Average training duration per employee by gender



Average training duration per employee by employment type



Note: The number of employees trained is based on the total number of employees in service as of December 31, 2023. Training data is calculated and reported based on this figure.



## Employee care

We value human care, continuously pay attention to employees' appeals, gradually improve their living conditions, enrich their cultural life after work, and enhance their sense of achievement, belonging, and happiness.

To provide support to those in need, we have established a charity foundation aimed at assisting employees facing practical difficulties. In 2023, the company extended assistance to five employees experiencing hardship and visited 32 employees during the Spring Festival, providing a total of 140,000 yuan in aid.

We actively organize cultural activities for employees, including patriotic education movie screenings, Mother's Day celebrations, "Children's Day" family open day, and etc., to highlight the spirit of our workforce and foster a vibrant working atmosphere.



Establishment of Jinpan Technology Sports Association and Floriculture Association, supporting employees to carry out sports activities in the form of sponsorship grants.



Case study

### "Children's Day" family open day event

Jinpan Technology pays attention to the families and lives of its employees. In June 2023, the Company hosted a "Children's Day" family open day, welcoming 25 families and 40 young family members. The event provided an immersive learning experience for the children by introducing them to the development history of Jinpan Technology's digital factory, digital solutions, and applications. The family open day event not only made the children proud of their parents' work, enhancing the connection between employees and their children, but also planted the seed of exploring the digital age in the hearts of the children, injecting future strength into the technological development for the great rejuvenation of the Chinese nation.





## Sharing Success with Partners

Jinpan Technology is continuously broadening its strategic partnerships within and beyond the Company, spanning various aspects and multiple fields with deep engagement. The Company actively engages in industry communications and exchanges, collaborating closely with partners to drive mutual success. Dedicated to establishing a responsible supply chain, Jinpan Technology focuses on enhancing supplier management and jointly shaping the future of industry development through co-creation initiatives.

“

Jinpan Technology prioritizes fostering positive collaborative relationships with its suppliers. As a leader in the industry, the Company deeply understands the needs and expectations of its suppliers, actively engaging in joint exploration of innovative solutions to drive the continuous advancement of both parties' businesses. Jinpan Technology regularly shares opportunities for cooperation and development plans with suppliers. By working together, both parties can effectively address market challenges, achieve high-quality, sustainable collaborative development, and ultimately attain mutual success.

—— Foshan Huaying Transformer Component Manufacturing Co., Ltd. - Ye Jiangying

”





## Driving industry development

The Company actively communicates and exchanges ideas with local governments, upstream and downstream enterprises, industry organizations, and institutions, guided by the principle of mutual benefit and win-win cooperation. By continually broadening the scope of collaboration, the Company harnesses complementary advantages and facilitates resource sharing among enterprises to generate greater value and accomplishments with its partners, thus driving collaborative development.



Case study

### Jinpan Technology hosts its first digitalization promotion conference, sharing a win-win future with partners



In May 2023, Guangzhou Tongxiang Digital Technology Co., Ltd. ("Tongxiang Technology"), a wholly owned subsidiary of Jinpan Technology, held its first "Empowering Industrial Digital Transformation" themed exchange meeting on digital case studies. This event convened industry partners and entrepreneurs to share their insights and experiences in digital transformation and upgrading, aiming to explore how digital initiatives can facilitate high-quality industry development.

During the technical forum of the exchange meeting, Tongxiang Technology delivered a comprehensive presentation on the overall solution for digital factories, highlighting the advantages and results achieved through the Haikou digital factory and showcasing relevant case studies. Additionally, digital alliance admission standards were announced. We look forward to seizing the opportunities brought by the development of the digital economy with our industry partners, leveraging our collective industrial expertise to foster a new win-win ecosystem and infusing fresh impetus into enterprises' high-quality development.

Jinpan Technology's first digitalization promotion conference



Case study

### Jinpan Technology exhibits its achievements in digital transformation research at the 3rd China International Consumer Products Expo

In April 2023, Jinpan Technology, as the only national-level manufacturing single champion demonstration enterprise selected from Hainan Province since its establishment, participated in the China International Consumer Products Expo. The Company showcased its research achievements in digital transformation and upgrading in recent years through various means such as videos and models. The showcased products included dry-type transformers, energy storage equipment, and digital integrated solutions. By presenting the charm of China's high-end intelligent manufacturing to people from all over the world, Jinpan Technology not only bolstered its brand presence but also spearheaded advancements in the "green intelligent manufacturing" sector.





## Case study

## Jinpan Technology and Hainan Province host first manufacturing digital transformation promotion conference together, empowering high-quality digital development in the industry

In November 2023, Jinpan Technology co-hosted the inaugural Hainan Province Manufacturing Digital Transformation Promotion for 2023 with the Hainan Provincial Department of Industry and Information Technology. The event drew participation from officials of the Provincial Department of Industry and Information Technology, representatives from various municipal and county-level departments, the People's Bank of China Hainan Branch, digital experts, delegates from small and medium-sized manufacturing enterprises in Hainan Province, as well as members of the media.

Digital transformation has proven to be an effective tool for enhancing operational efficiency and streamlining resource distribution within industrial and supply chains. It serves as a crucial catalyst for driving green, low-carbon, and high-quality development within the manufacturing sector. At the conference, Jinpan Technology, a pioneer in the industry, shared its invaluable experiences in digital transformation. By doing so, the Company played a pivotal role in advancing innovative manufacturing digitalization and fostering deeper integration between the digital and the real economy.



2023 Inaugural Hainan Province Manufacturing Industry Digital Transformation Promotion Conference



Jinpan Technology marks its second anniversary of listing with a special seminar on digital transformation and upgrades. The company shared the outcomes of its digital transformation and upgrades with partners from various industries. Cooperation has begun with partners in related business areas such as energy storage, integrated energy management, deep energy savings and IoT smart control, zero-carbon factories, and green energy services.



Global energy storage development is accelerating in line with the current energy revolution trend. Jinpan Technology, capitalizing on the opportunities presented by industrial digitalization and the national "dual carbon" strategy, emphasizes technological innovation to gain a market advantage and lead the rapid development of the energy storage industry. It works to ensure China's and the world's long-term prosperity.



Jinpan Technology was invited to participate in the 8th Western Energy Storage Forum, focusing on large-scale energy storage technology and solutions. The Company shared its expertise, solutions, and practical experience in the field.



Jinpan Technology was invited to participate in the China Wind Power 2023 (CWP2023), fully showcasing its innovative and competitive strengths in promoting green development. Joining hands with industry partners, Jinpan Technology contributed its power to the "dual carbon, dual new", initiative, namely carbon neutrality, carbon peaking, new energy, and the new electrification revolution, co-creating a new future for sustainable development!





## Building a responsible supply chain

Jinpan Technology firmly believes that excellent partners are an important cornerstone and solid support for enterprise development. The Company continues to improve its supplier management system, strengthens supplier assessment and dynamic management, striving to advance sustainable development policies in collaboration with its suppliers.



Chosen as a national exemplary companies for supply chain innovation and application by the Ministry of Commerce and seven other units.

## Supplier management

The Company remains committed to standardizing the supplier management process by developing the *Control Procedure for External Supply Processes, Products, and Services* management system, and publicly releasing the *Jinpan Technology Supplier Code* at the 2023 Supply Chain Partner Conference. This code imposes higher requirements on suppliers in compliance, environmental protection, business ethics, and social responsibility.

The Company follows the principle of openness, fairness, and equity by implementing a transparent digital supplier procurement mechanism. This includes the introduction of the SRM system, which oversees sourcing, negotiation, bidding, and contract signing throughout the entire platform. This standardized approach enhances transparency in procurement sourcing, bidding control processes, and contract signing. As a result, the Company has established enduring

partnerships with a group of high-quality suppliers, fostering long-term stability and avoiding any actions detrimental to business partners.

The Company has established a comprehensive supplier entry system. Initially, the Company requires suppliers to complete self-inspection questionnaires covering various areas such as human rights, environmental protection, occupational health and safety, commercial integrity, and conflict minerals. Based on their responses, the Company assesses suppliers, selecting some for on-site audits. If any issues are identified during the audits, the Company promptly informs the suppliers and encourages them to rectify them. The Company gives priority to suppliers certified under ISO 9001, ISO 14001, and ISO 18001 management systems and requires those engaged in specific work and service processes to have the necessary professional qualifications to ensure compliance and safety.

The Company has established a comprehensive hierarchical assessment and audit mechanism, categorizing suppliers into four categories based on their business types and implementing a hierarchical management system accordingly. Each year, the Company evaluates suppliers' overall capabilities through their delivery performance and conducts unannounced on-site inspections. In 2023, the Company conducted annual reviews of all suppliers and carried out unannounced inspections of 63 suppliers.

In 2023



The Company conducted annual reviews of all suppliers and carried out unannounced inspections of

**63** suppliers



## Jinpan Technology's Control Procedure for External Supply Processes, Products, and Services, and the Supplier Development and Evaluation Process Highlights



### Conflict minerals investigation management

- The Company conducts due diligence investigations on raw materials associated with specific minerals in the supply chain. Suppliers are required to sign a Conflict Minerals Declaration to ensure the avoidance of minerals sourced from high-risk areas.



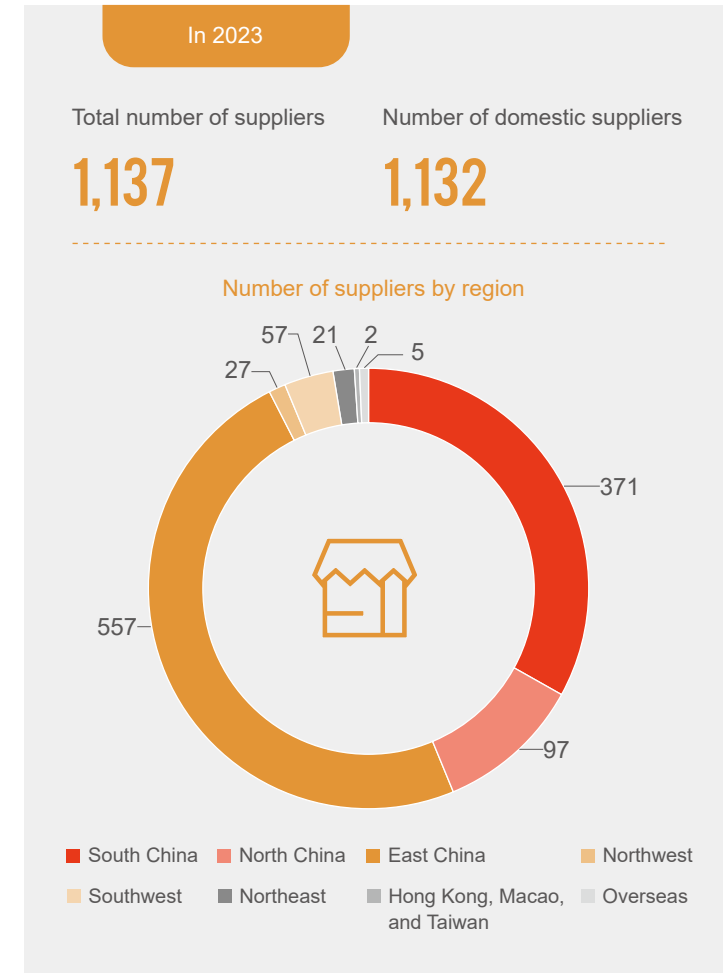
### Supplier admission and screening

- Suppliers with any of the following situations should not be selected:
  - (1) Enterprises assessed by the environmental protection department as environmentally unfriendly enterprises, according to *Enterprise Environmental Credit Evaluation Measures (Trial)* and local regulations on enterprise environmental credit evaluation management;
  - (2) Suppliers found guilty of environmental crimes due to environmental violations;
  - (3) Suppliers penalized by the environmental protection department for environmental violations and have not yet completed rectification;
  - (4) Suppliers involved in significant or above sudden environmental incidents within a year;
  - (5) Suppliers failing to meet national or local pollutant emission standards and total pollutant control requirements.



### Green procurement and supplier management

- Encourages suppliers to prioritize green raw materials, selecting materials that meet environmental protection standards and energy-saving requirements, and have characteristics such as low energy consumption, low pollution, non-toxicity, high resource utilization, and recyclability.
- Encourages suppliers to use energy-saving and environmentally friendly processes/equipment, utilizing processes/equipment recommended in the *Industrial Structure Adjustment Guidance Catalog* (excluding energy-saving equipment used for office purposes).
- Suppliers producing castings should meet the requirements of JB/T 11995 *Comprehensive Evaluation Method for Clean Production of Foundry Enterprises* in terms of energy utilization, pollutant generation and emission, and reuse of old sand at a level three or above.
- Suppliers with electroplating processes in their production must comply with the *Clean Production Evaluation Indicator System for the Electroplating Industry*, achieving a comprehensive evaluation index of level III or above.
- Suppliers with painting processes in their production must comply with the *Clean Production Evaluation Indicator System for the Coating Industry*, achieving a comprehensive evaluation index of level III or above.







## Supplier quality management

In 2023, the Company conducted quality audits on 63 core suppliers in accordance with the *Control Procedure for External Supply Processes, Products, and Services*, to ensure that core suppliers have quality assurance capabilities in project management, product and process development planning and implementation, secondary supplier and material management, production process control, and other aspects. For critical materials, the Company insists on third-party identification by suppliers to ensure their safety and reliability. In 2023, the Company completed 11 identifications, including battery commission tests, such as the Goods Transport Condition Appraisal Certificate for batteries (sea transport UN38.3), REACH SVHC reports, and more.

## Green procurement

Jinpan Technology is committed to eliminating the purchase of metals such as gold, tantalum, tungsten, cobalt, and tin that involve “conflict areas”, actively implementing a zero-tolerance policy, and will continue to require suppliers to fulfill their responsible procurement and supply responsibilities through responsible supply chain management measures.

We actively promote the traceability of conflict minerals and due diligence on suppliers’ conflict minerals, not supporting armed conflict or human rights violations in conflict or high-risk areas. In 2023, the Company signed a *Non Use of Conflict Minerals Warranty* with 6 metal suppliers, and there was no use of conflict minerals involved.

Meanwhile, we prioritize suppliers with energy system certifications for green and environmentally friendly procurement, incorporating environmental protection content into supplier assessment criteria, and signing *Commitment to Environmental Protection Agreement*, and *Commitment to Social Responsibility and Occupational Health and Safety Protection* with suppliers to jointly fulfill environmental protection and social responsibilities and obligations. We prioritize the purchase of environmentally friendly raw materials to reduce the environmental and social impact during the procurement process.

## Supplier training and communication

Recognizing the accelerated growth of the global clean energy sector, we understand that digitalization and intelligence are pivotal for enhancing quality, efficiency, and cost reduction in businesses. As digital transformation gains momentum, fostering a resilient, sustainable, and integrated supply chain system becomes paramount. We enhance communication and collaboration with our suppliers, establishing channels for dialogue, and partnering towards mutual success. In 2023, the Company convened the 2023 Supply Chain Partners Conference to collectively explore pathways for high-quality, long-term collaborative growth among upstream and downstream supply chain entities.

### Supplier contact channels

Website: Jinpan Technology SRM Welink SCF  
<https://jst.going-link.com>

Email: [jstcg@jst.com](mailto:jstcg@jst.com)

## Supplier integrity communication

Jinpan Technology firmly opposes all forms of unfair competition, corruption, and bribery during procurement and supplier interactions, fostering an environment of integrity and transparency in all dealings. Collaborating closely with suppliers, we promote ethical procurement practices. Leveraging the SRM digital system, we conduct thorough background checks on supplier admission details and mandate the signing of a *Supplier Confidentiality and Integrity Agreement* by all suppliers. Additionally, we offer training sessions on the supplier code of conduct and publicly disclosed reporting channels to mitigate corruption risks. In 2023, we attained a 100% signing rate for the Integrity Agreement with our suppliers.





## Case study

### Jinpan Technology hosted a supply chain partner conference, aiding in building a new “co-creation, mutual assistance, and win-win” strategic supply chain partnership

In December 2023, Jinpan Technology organized the highly effective 2023 Supply Chain Partner Conference, focused on core themes such as advancing clean energy in line with “dual carbon” objectives, manufacturing digitization, and ESG implementation. At the conference, the company discussed its three-decade development journey and its plans. The company released the *Jinpan Technology Supplier Code*, collaborated with supply chain partners, and recognized more than ten supply chain partners with the Best Strategic Supply Chain Partner and Best Service Supply Chain Partner awards.

The Supply Chain Partner Conference, hosted by Jinpan Technology, served as a platform to deepen interactions with partners, explored shared visions for future growth, and fostered innovative solutions. It facilitated the establishment of a new “co-creation, mutual assistance, and win-win” strategic supply chain partnership, bringing together resources to create limitless business opportunities.

In 2023



We attained a

**100%**

signing rate for the *Integrity Agreement* with our suppliers.

数智赋能高质量发展「链」接共赢可持续未来

# 2023年金盘科技供应链合作伙伴大会

2023.12.6 中国·武汉



# Supporting Rural Revitalization through Public Welfare

Jinpan Technology adheres to its original intention, not only forging ahead in the journey of promoting its steady development but also persisting in the path of public welfare with a passionate heart to give back to society. The Company deeply understands the importance of corporate social responsibility, and actively responds to the national call for rural revitalization and caring for the underprivileged along with all sectors of society to contribute to building a harmonious society.

## Warm-hearted public welfare donations

The Company actively carries out a series of public welfare donation activities to give back to society through practical actions. In 2023, Jinpan Technology initiated 9 public welfare donations, with a total donation amount of 819,679 yuan.



Case study

### Jinpan Technology donates to special education school

In March 2023, Jinpan Technology and Haikou Special Education School jointly held a donation activity for a student assistance program with the theme “Love makes dreams come true with hope”. The initiative aimed to convey warmth to the children and to encourage society at large to pay more attention and care to special education and groups in need. During the event, the children of the special education school performed song and dance routines under the guidance of sign language from their teachers, expressing their gratitude to Jinpan Technology for its philanthropic support.



Jinpan Technology launches educational donation activities

Case study

### Jinpan Technology supports the improvement of educational resources in Suining County

In October 2023, Jinpan Technology donated 200,000 yuan to the Suining County Education Promotion Association in Shaoyang City to improve the local educational resource environment. This donation represents the contribution of Hainan-based enterprises to the local education sector, actively supporting local economic development and fulfilling corporate social responsibility.



Jinpan Technology's donation ceremony with Suining County Education Promotion Association

Case study

### Jinpan Haikou Jiazi 100MW: Complementary Photovoltaic Power Generation Project Boosts Rural Revitalization

Jinpan Technology actively explores diversified economic development models in the agricultural-photovoltaic complementary photovoltaic power generation project. It expands the planting of economic crops and the breeding of livestock near photovoltaic panels, planting shade-tolerant plants, plants with medicinal value, and vegetables, as well as raising laying hens, to increase the added value of agriculture. At the same time, it leases some agricultural land back to local farmers free of charge, provides technical guidance and agricultural production supporting facilities, and assists in the sustainable development of local agriculture.





Supporting rural revitalization

Jinpan Technology, as a socially responsible corporation, fully supports the mission of promoting rural revitalization and national economic development, and thus contributes to rural revitalization.

In 2023



The Company's CPC Party committee leaders visited local rural areas to carry out a series of rural revitalization donation activities, totaling

67,000 yuan



Case study

The Party Committee of Jinpan Technology donated funds for rural revitalization to Dongshan Village to purchase a broadcasting system, promoting grassroots social governance in rural areas.

In August 2023, the Party Committee of Jinpan Technology, in conjunction with the Work Committee of Haikou Integrated Free Trade Zone, held the “Red Leadership” rural revitalization support event at Dongshan Village Committee in Dongshan Town, Haikou City. The Company's Party Committee donated 35,000 yuan to the Dongshan Village Committee to purchase and install an emergency broadcast system. This contribution sought to bridge the “last mile” in grassroots social governance, improve the quality and efficiency of rural revitalization, and provide solid service support to accelerate agricultural and rural modernization.



Case study

Jinpan Technology, in collaboration with the Ministry of Industry and Information Technology, conducted a themed Party-building Day event and donated office equipment to Dazhang Village in Changjiang County.

In October 2023, Jinpan Technology actively responded to the Party's call and co-planned and implemented the Party Day activity with the Hainan Provincial Department of Industry and Information Technology under the theme “Joint Efforts by Party Branches for Revitalization, United in Protecting Children to Foster Growth.” The initiative aimed to support rural children's educational growth while also promoting high-quality development in rural revitalization.

Jinpan Technology donated 32,000 yuan worth of office equipment to the Dazhang Village Committee in Qicha Town, Changjiang County. This donation improved the village committee's office conditions, increased work efficiency, and assisted Dazhang Village in consolidating and expanding poverty alleviation achievements while also effectively connecting with rural revitalization efforts.



Office equipment donation ceremony by Jinpan Technology





# G Governance

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Steady Progress, Compliance, Integrity,  
and Implementation of ESG Principles  
for Sustainable Corporate Development

A large, ornate stone structure, possibly a monument or part of a temple, with intricate carvings and a tiered design, located in the bottom right corner of the image.



“Integrity is the bond of the world.” Jinpan Technology deeply understands that compliant corporate governance and integrity operation are the cornerstone for a Company’s sound development and sustainability. Adhering to the concept of “integrity operation” and guided by sustainable development, it contributes to social harmony and progress. Based on a sound corporate governance system, we improve the risk control mechanisms, strive to pursue the best practices of business ethics, create long-term value for all stakeholders, and achieve the co-prosperity and coexistence of corporate and social values.

Our performance



3 Number of shareholder meetings held times



162 Number of announcements issued copies



22 Number of standard operation training sessions times



100% Employee anti-corruption training coverage rate



100% Signing rate of the Integrity Agreement by Employees, Management, and Suppliers



Our actions

Jinpan Technology adheres to business ethics and is committed to conducting lawful and compliant operations. We integrate the concept of sustainable development into our corporate strategy, fostering responsible governance. We continually enhance our ESG governance framework and operating mechanisms, bolstering our capacity for sustainable development. Moreover, we prioritize raising employee awareness and actively promote the Company’s overall advancement toward sustainable development.



SDGs contributions





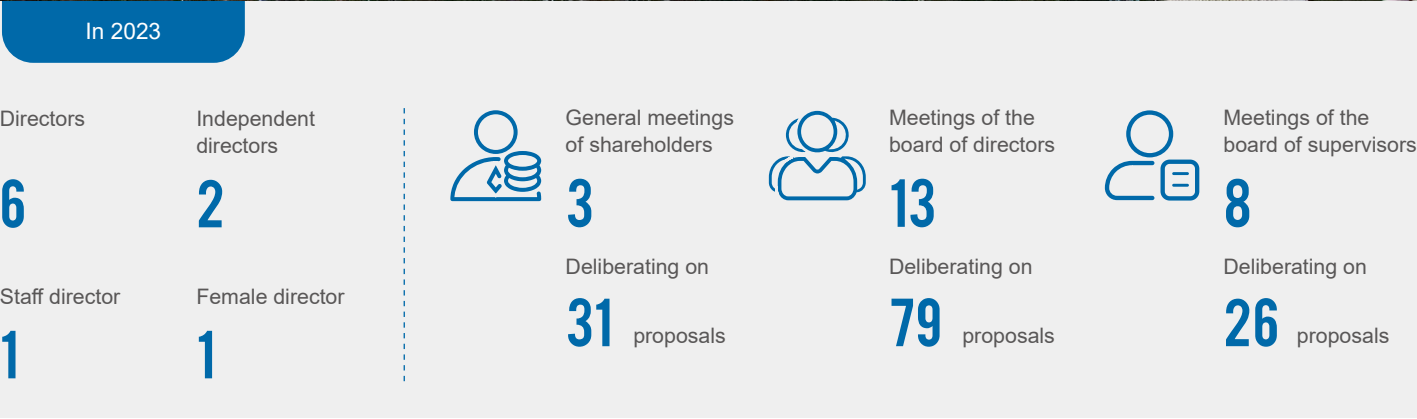
# Governance in Compliance with Laws

Jinpan Technology insists on integrity operation and cares for its investors, actively conveying the Corporate’s value. We continuously enhance our corporate governance mechanisms, fortify risk management practices, and strive for stable and efficient operations.

## Corporate governance

Jinpan Technology strictly abide by the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, *Guidelines for Corporate Governance of Listed Companies*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, and other legal regulations and relevant normative documents. It constantly improves the “three-tire” corporate governance structure, which consists of the General Meeting of Shareholders, the Board of Directors, and the Board of Supervisors, by focusing on their core responsibilities to “set strategies, make decisions, and prevent risks.” It fully participates in the organization and implementation of the corporate governance structure, improves performance service guarantees, and ensures standard operation.

The Company values the independence and diversity of its board of directors. Based on the directors’ backgrounds and responsibilities, the board strategically appoints members to various committees. There are a total of 6 directors in the company. Two independent directors have backgrounds in accounting and electrical industry expertise respectively. With each board member possessing professional knowledge and supervisory capabilities, the board effectively fulfills its oversight duties, ensuring the Company’s professional, efficient, and smooth operation.

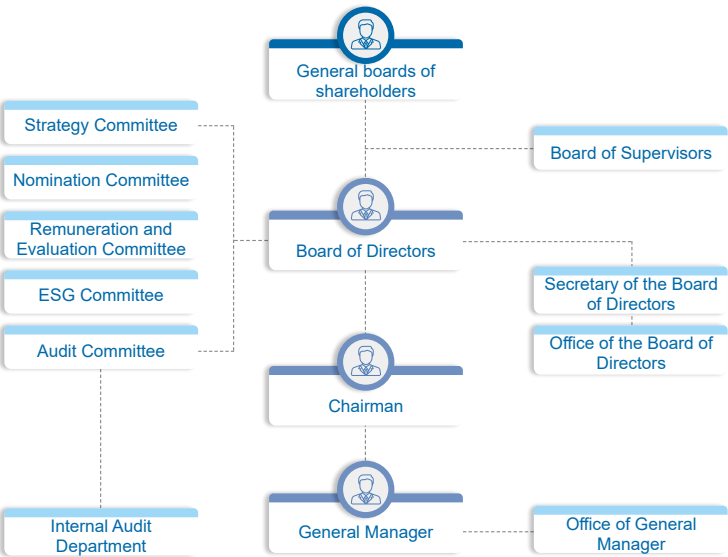




The Company earnestly fulfills its obligations as a listed company, continuously improving compliance management systems. We systematically revised a total of 26 documents, including the *Company Articles*, *Rules of Procedure of the Shareholders' Meeting*, and *Independent Directors Work System*. This process further clarifies the boundaries of rights and responsibilities across the corporate governance structure and the operation mode of the three boards senior executives. Consequently, we lay a solid institutional foundation for our standardized operations and scientific decision-making.

To enhance awareness and capability in standardized operations, and to align with the latest regulatory requirements and market priorities, Jinpan Technology actively engaged directors, supervisors, and senior management personnel in various specialized training sessions. These sessions encompassed interpretations of new regulations concerning buybacks, management of public opinion, ESG information disclosure, and the preparation of annual reports. Additionally, we invited securities institutions to conduct training on standardized operations, providing insights into company governance, listing regulations, rules governing the acquisition or disposal of shares by directors, supervisors, and senior management, as well as measures to prevent insider trading.

Corporate governance structure



In 2023

The Company conducted a total of  
**22** training sessions on standardized operations

With  
**14** sessions organized specifically for directors, supervisors, and senior management

Investor rights protection

The Company strictly fulfills its information disclosure obligations as a listed company, maintaining robust communication with investors through various channels and platforms to safeguard shareholders' right to information and effectively convey the Company's value to the market. We have established a diverse range of investor communication channels, primarily consisting of digital factory site visits for research, public performance briefings, shareholder meetings, investor exchange meetings, investor open days, an investor hotline, and E-interactive. These initiatives aim to continually enhance investors' comprehension of the Company's value proposition. At the same time, we enhance investor interaction methods by disseminating regular reports, interim announcements, research reports, and more via the Company's investor relations public account. Additionally, we produce visualized regular reports for easier comprehension, thereby expanding the channels through which investors can access information.







## Risk management

Jinpan Technology continuously improves its internal control and risk management efforts, establishing a robust risk management mechanism with “three lines of defense” to ensure the efficient operation of the risk management organizational structure. In accordance with the *Guidelines for Risk Management* (ISO 31000:2018), *Risk Assessment Techniques* (ISO 31010-2019), and *COSO Enterprise Risk Management - Integrated Strategy and Performance 2017*, the Company constantly refines its risk management system. It has formulated the *Jinpan Technology Risk Management System* to provide a safeguard for the Company’s steady development.

The Company has implemented a comprehensive digital risk control management system to ensure effective monitoring of every business link and process through a digital management platform. Leveraging this digital platform, we can identify risks in real-time, track progress toward goals, and facilitate barrier-free communication across hierarchical levels, systems, and departments, ensuring immediate, accurate, and complete information transmission. This system ensures that operational risks remain under control. At the same time, we have established a risk management supervision and improvement mechanism that links risk management-related indicators to the performance of relevant department heads and employees. This initiative aims to heighten internal risk awareness within the Company, strengthen proactive risk management capabilities, and enhance the Company’s responsiveness when confronted with risks. These efforts bolster the Company’s continuous operational capability and lay a solid foundation for sustained growth.

### Jinpan Technology risk management mechanism with “three lines of defense”

#### All business divisions and business departments

Identify the risks of relevant business processes in the risk management platform of Jinpan Technology, determine the risk response plan, timely report the risk management business dynamics to the higher level risk managers, and ensure the effective operations of the risk management system.

The first  
line of  
defense

#### The Audit Committee under the audit department and the Board of Directors

Regularly checks the effectiveness of the design and implementation of the control system and control procedures, and promptly investigates the events that cause significant losses or adverse effects due to the failure of risk control, so as to promote the implementation and effectiveness of the business department’s rectification plan.

The  
second  
line of  
defense

#### The Board of Directors and the decision-makers

Take the final responsibility for risk management and are responsible for approving risk management preferences, strategies, policies and procedures, and determining the overall risk level that the company can bear, supervising risk management dynamics and the development of risk management and risk management system.

The third  
line of  
defense



## Adhering to Business Ethics

Jinpan Technology continuously optimizes anti-corruption supervision, inspection, and restraint mechanisms, actively cultivating a culture of integrity and self-discipline within the organization. We strictly adhere to laws and regulations such as the *Supervision Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, and the *Anti-Unfair Competition Law of the People's Republic of China*. The Company has formulated an *Anti-Corruption and Anti-Bribery and Anti-Corruption Management System*. This system delineates the responsibilities of all employees to uphold principles of anti-corruption, anti-monopoly, anti-unfair competition, and anti-money laundering, promoting communication and collaboration with all relevant stakeholders in accordance with the highest standards of business ethics. The Company's audit department conducts annual special audits on business ethics to comprehensively identify and evaluate potential fraud risk factors, providing proactive measures to prevent and mitigate corruption risk.

To address potential corruption reporting incidents promptly, impartially, effectively, and securely, Jinpan Technology has instituted a comprehensive reporting and investigation procedure. This procedure encompasses multiple complaint reporting channels, including hotlines, email, and postal mail, and accepts allegations from any organization or individual.

Upon receipt of a report, the Company's Board of Directors or designated personnel will promptly investigate the alleged misconduct and implement appropriate corrective measures. Following verification of the report, individuals implicated will face internal disciplinary action commensurate with the severity of the case, with serious offenses resulting in dismissal and referral to judicial authorities.

The Company maintains strict confidentiality regarding the whistleblower's information and report details, refraining from disclosing the whistleblower's name, department, or contact information. Any retaliation against a whistleblower is strictly prohibited. Individuals who breach confidentiality regulations or neglect their duties in handling reports, as well as those who retaliate against whistleblowers or their families, will face severe consequences based on the circumstances. In cases involving evidence of criminal activity, perpetrators will be handed over to the appropriate authorities. Whistleblowers whose reports are verified as true, resulting in the punishment of wrongdoers and the recovery or mitigation of losses for the Company, will receive recognition or rewards.



### How to report

Tel: 86-0898-66811301 (ext.349)

Email: [hanh@jst.com.cn](mailto:hanh@jst.com.cn)



# BUSINESS ETHICS



The Company actively promotes the culture of integrity. In 2023, the content of the *Employee Handbook* was updated to further clarify the business behaviors and ethical standards that all employees should follow, engaging all employees in cultivating an integrity culture. The Company annually engaged external lawyers to conduct a special training session on business ethics standards for all employees. During the reporting period, the company conducted internal training for all employees on business ethics, integrity and self-discipline, and confidentiality policies, and conducted training sessions specifically for directors, supervisors, and senior executives on financial fraud risk prevention and compliance operation.

In 2023



Integrity Agreement's signing rate of employees

100%



Related corruption lawsuits

0 case

In 2023



Percentage of employees covered by anti-corruption trainings

100%



Hours of anti-corruption training per employee

2 hours



Percentage of management covered by anti-corruption trainings

100%



Hours of anti-corruption training per management

2 hours



## Deepening Responsible Management

We adhere to the ESG principles, continuously improve the Company's ESG management mechanism, and advocate for the integration of ESG into the Company's development and operations. We respond proactively to stakeholders' expectations and concerns, as we are committed to achieving sustainability.

### ESG management structure

The Company has established a comprehensive ESG organizational system, comprising a three-tier structure consisting of the board of directors, ESG committee, and ESG working group. To streamline operations, we have developed the *Environmental, Social, and Governance (ESG) Working Group Responsibility Handbook*, delineating responsibilities at each level. This ensures the effective operation of the ESG management structure.

Jinpan Technology's ESG management structure



Jinpan Technology has established an ESG Committee under the Board of Directors to deliberate and make decisions on significant ESG matters, supervise the Company's ESG performance, and monitor progress toward ESG objectives. The ESG Working Group acts as the principal management and implementation body for the Company's ESG-related initiatives, reporting to both the Board of Directors and the ESG Committee on the Company's ESG efforts. Comprising multiple functional departments relevant to ESG, the working group collaboratively manages the strategic implementation, objectives, and action plans for its ESG efforts, including the compilation, review, and publication of the Company's annual sustainability report.

To further enhance ESG management standards, Jinpan Technology developed the *Jinpan Technology ESG Management Manual* and the *Jinpan Technology ESG Indicator System* in 2023. These documents provide guidance on ESG management and processes, ensure reasonable resource allocation, facilitate sustainable development decisions, and monitor the progress and performance of ESG objectives across relevant departments. The Company employs goal-setting to drive improvement, establishing short-term, medium-term, and long-term ESG management targets aligned with each department's functions. These goals include clear execution paths and work plans, as well as regular progress and results tracking to ensure that ESG objectives are met effectively.









Theme sharing on “Embracing the ESG to Promote Green, High-Quality, and Sustainable Development” at the 2023 Supply Chain Partner Conference

To enhance the internal understanding of ESG efforts for improved risk management and strategic planning, the Company conducted several ESG-focused training sessions in 2023. These included ESG management enhancement interviews and training, TCFD training, and SBTi training, enriching employees' understanding of sustainable development. Furthermore, Jinpan Technology actively exchanges ESG concepts with partners, fostering a shared commitment to sustainable development within the industry ecosystem. At the 2023 Supply Chain Partner Conference, the Company discussed Jinpan Technology's sustainability under the theme “Embracing ESG to Promote Green, High-Quality, and Sustainable Development.” During the 30th anniversary of Jinpan Technology and the commissioning celebration of the Wuhan Jinpan Smart Technology Green Industry Park, the Company issued the *Jinpan Technology Green, Low-Carbon, Sustainable Development Initiative* to all partners. This initiative advocates for the adoption of the ESG concept within the manufacturing industry and proposes the formation of a “Green Energy Equipment Manufacturing Community of Shared Destiny” with strategic partners. The goal is to achieve comprehensive development in green intelligent manufacturing and foster mutual progress in the industry ecosystem.



## Stakeholder communication

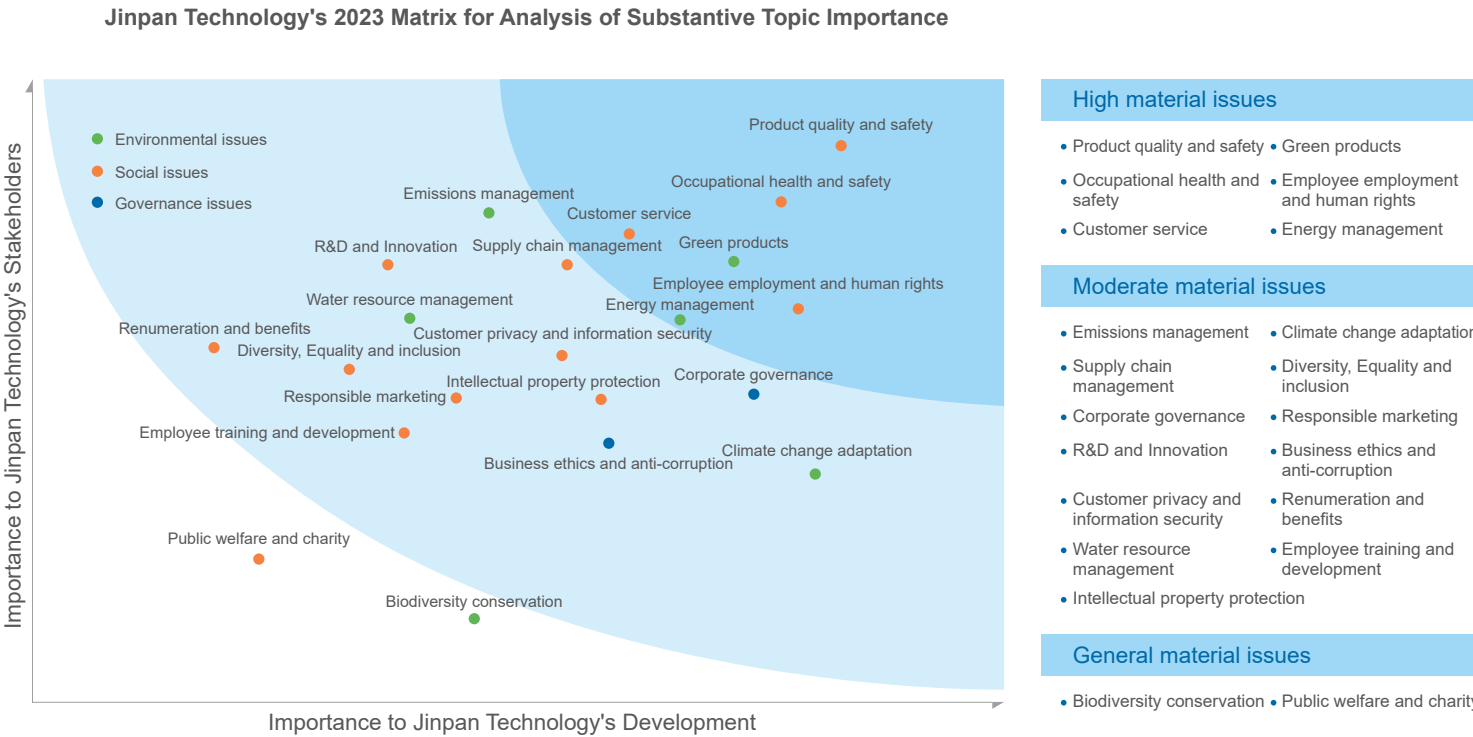
The understanding, recognition, and support of stakeholders for the Company's sustainability efforts form the foundation for our continuous and effective advancement of related work. We consistently strengthen communication and participation with stakeholders, actively establishes platforms for communication, and seeks to understand and respond to the concerns and expectations of all stakeholders towards the Company.

Stakeholder	Expectations and requirements	Communication channel	Response
 Employees	<ul style="list-style-type: none"><li>• Compliance employment and basic rights protection</li><li>• Fair promotion and development</li><li>• Occupational health and safety</li><li>• Welfare and care</li></ul>	<ul style="list-style-type: none"><li>• Staff meetings</li><li>• Management meetings</li><li>• Employee trainings</li><li>• Employee activities</li></ul>	<ul style="list-style-type: none"><li>• Improve the compensation system</li><li>• Provide fair promotion channels</li><li>• Strengthen staff training</li><li>• Provide a safe and healthy working environment</li><li>• Provide care for employee</li></ul>
 Government/regulatory agency	<ul style="list-style-type: none"><li>• Compliant operations</li><li>• Business ethics and anti-corruption management</li><li>• Driving local economic development</li></ul>	<ul style="list-style-type: none"><li>• Investigation by institutions</li><li>• Correspondence</li></ul>	<ul style="list-style-type: none"><li>• Compliance with laws and regulations, paying taxes</li><li>• Job creation</li></ul>
 Shareholders/investors	<ul style="list-style-type: none"><li>• Corporate governance</li><li>• Business ethics and anti-corruption management</li><li>• Product quality and safety</li><li>• Continuous and stable returns</li><li>• Transparent information disclosure</li></ul>	<ul style="list-style-type: none"><li>• Shareholders' meetings</li><li>• Information disclosure</li><li>• Roadshows</li></ul>	<ul style="list-style-type: none"><li>• Improve business management</li><li>• Convening shareholders' meeting</li><li>• Receive investors' visits</li><li>• Distribute shareholder's dividends</li><li>• Periodically disclose information</li></ul>
 Customers	<ul style="list-style-type: none"><li>• High-quality products and services</li><li>• Customer relationship management</li><li>• Product quality and safety</li><li>• Responsible marketing</li><li>• Win-win cooperation</li></ul>	<ul style="list-style-type: none"><li>• Customer research</li><li>• Customer satisfaction surveys</li><li>• Technological seminars</li></ul>	<ul style="list-style-type: none"><li>• Stricter control over product quality</li><li>• Strategic cooperation</li><li>• Provide quality service</li><li>• Hold customer visits and training</li><li>• Deliver customised products timely</li><li>• Perform contract and agreement</li></ul>
 Suppliers and other partners	<ul style="list-style-type: none"><li>• Anti-unfair competition</li><li>• Integrity in fulfillment</li><li>• Win-win cooperation</li><li>• Intellectual property protection</li><li>• Supply chain management</li></ul>	<ul style="list-style-type: none"><li>• Exchange and visits</li><li>• Industry forums</li></ul>	<ul style="list-style-type: none"><li>• Open and transparent procurement</li><li>• Strategic cooperation</li><li>• Technical exchange</li><li>• Intellectual property protection</li><li>• Timely payment</li><li>• Performance of contract and agreement</li><li>• Build a green supply chain</li></ul>
 Community and the public	<ul style="list-style-type: none"><li>• Public welfare and donations</li><li>• Emissions management</li><li>• Resource use</li><li>• Site biodiversity</li></ul>	<ul style="list-style-type: none"><li>• Exchange and interviews</li><li>• Volunteer service</li><li>• Community activities</li></ul>	<ul style="list-style-type: none"><li>• Support for rural revitalization</li><li>• Carry out educational charity</li><li>• Carry out charity activities</li><li>• Employee voluntary service</li></ul>



## Identification and analysis of material issues

We categorized Jinpan Technology's key ESG issues in 2023 by considering global sustainability trends, the status of the company's business development, and the priorities of internal and external stakeholders. We identified the importance of ESG issues using questionnaire surveys, on-site interviews, and other methods before analyzing and forming Jinpan Technology's materiality matrix in 2023.



### Materiality issue determination process



Through analysis of domestic and international ESG-related standards, national regulatory policy requirements, and the focus of the capital market, along with industry benchmarking analysis and consideration of the Company's realities and business layout, we have selected 21 material issues.



We conducted questionnaire surveys among internal and external stakeholders including employees, government/regulatory bodies, shareholders/investors, customers, community public, suppliers/partners, etc., with a total of 283 valid questionnaires collected.



Based on the questionnaire survey results, we prioritized issues from two dimensions: "Importance to the development of Jinpan Technology" and "Importance to stakeholders," to form the materiality matrix for Jinpan Technology.



The Company's internal management and external experts reviewed the results of issue selection, ultimately determining the high material issues to be prominently disclosed in the report.



# Appendix

## Appendix I Key Performance Indicators

### Enviroment

ESG indicators		Unit	2023
Emissions	Nitrogen oxides (NO <sub>x</sub> ) emissions	Tons	0.458
	Sulfur dioxide (SO <sub>2</sub> ) emissions	Tons	0.023
	Volatile organic compounds (VOCs) emissions	Tons	0.180
	Particulate matter emissions	Tons	1.440
	Total amount of non-hazardous waste	Tons	3,616.27
	Density of non-hazardous waste	Tons/10,000 yuan income	0.0054
	Kitchen waste	Tons	77.49
	Quantity of waste cardboard	Tons	108.49
	Recycling volume of non-hazardous waste	Tons	2,771.07
	Disposal volume of non-hazardous waste	Tons	3,616.27
	Total amount of hazardous waste	Tons	82.562
	Density of hazardous waste	Tons/10,000 yuan income	0.00012
	Disposal volume of hazardous waste	Tons	79.362
	GHG emissions (Scope 1 and Scope 2)	Tons of carbon dioxide equivalent	8,773
	Greenhouse gas emission intensity (Scope 1 & Scope 2)	Tons of carbon dioxide equivalent /10,000 yuan income	0.013

ESG indicators		Unit	2023
GHG	Scope 1 GHG	Tons of carbon dioxide equivalent	1,958
	Scope 2 GHG	Tons of carbon dioxide equivalent	6,815
Resource use	Total energy consumption	Tons of standard coal	5,522.70
	Energy consumption intensity	Tons of standard coal / 10,000 yuan income	0.0083
	Electricity usage	kWh	35,875,342
	Electricity intensity	kWh/10,000 yuan income	53.770
	Purchased electricity	kWh	27,554,865
	PV self-consumption electricity	kWh	8,320,478
	Installed capacity of deployed photovoltaic generation projects	Megawatt	23
	Clean energy usage ratio / green electricity usage ratio	%	36.21
	Natural gas	10,000 standard cubic meter	67.4778
	Gasoline	Litre	50,234
	Diesel	Litre	22,290

Note: 1) The calculation of total greenhouse gas emissions in 2023 covers all production bases except for the Wuhan Jinpan Intelligent Technology Green Industry Park.  
2) Total energy consumption covers all production bases.

### Society

ESG indicators			Unit	2023
Water resource management	Water consumption		Tons	224,720
	Water intensity		Tons/10,000 yuan income	0.3368
	Reused water volume		Tons	1,236
	Industrial wastewater discharge volume		Tons	27,796
	Industrial wastewater discharge intensity		Tons/10,000 yuan income	0.04166
Packaging materials	Packaging material usage		Tons	1,772.9
Others	Environmental investment amount		10,000 yuan	570.85
	Number of Environmental incidents or administrative penalties for environmental issues		Times	0
Employee employment	Total number of employees		Headcount	2,207
	By employment type	Full time staff	Headcount	2,207
		Part time staff	Headcount	0
	By job level	Senior management	Headcount	11
		Middle management	Headcount	39
		General management	Headcount	71
		General employees	Headcount	2,086



ESG indicators			Unit	2023
Employee employment	By gender	Male	Headcount	1,735
		Female	Headcount	472
	By educational background	High school and below	Headcount	979
		Associate degree	Headcount	467
		Bachelor's degree	Headcount	709
		Graduate degree and above	Headcount	52
	By age	Age 30 and under	Headcount	630
		Age 30-50	Headcount	1,464
		Age 50 and above	Headcount	113
	By geographical region	Southern China	Headcount	956
		Central China	Headcount	616
		Northern China	Headcount	53
		Eastern China	Headcount	259
		Northwestern China	Headcount	41
		Southwestern China	Headcount	111
		Northwestern China	Headcount	61
		Overseas	Headcount	110
	Number of new employees		Headcount	161
Employee turnover	Employee turnover rate		%	10.90
	By gender	Male	%	8.44
		Female	%	2.46
	By age group	Age 30 and under	%	3.51
		Age 30-40	%	4.52
		Age 41-50	%	1.66
		Age 50 and above	%	1.21

ESG indicators			Unit	2023
Employee turnover	By geographical region	Southern China	%	4.40
		Central China	%	2.92
		Northern China	%	0.28
		Eastern China	%	1.78
		Northwestern China	%	0.36
		Southwestern China	%	0.52
		Northwestern China	%	0.44
		Overseas	%	0.20
Remuneration and welfare	Rate of labor contract signing		%	100
	Social insurance coverage rate		%	100
	Average annual paid leave days per employee		Days	6
Occupational health and safety	Number of new cases of occupational diseases		Headcount	0
	Employee training coverage rate		%	100
Employee training and development	Proportion of trained employees by gender	Male	%	100
		Female	%	100
	Number of trained employees by gender	Male	Headcount	1,735
		Female	Headcount	472
	Proportion of trained employees by employment category	Senior management	%	100
		Middle management	%	100
		General management	%	100
		General employees	%	100
	Number of trained employees by employment category	Senior management	Headcount	11
		Middle management	Headcount	39
		General management	Headcount	71
		General employees	Headcount	2,086
	Trained hours by gender	Male	Hours	130,361
		Female	Hours	40,600

ESG indicators			Unit	2023
Employee training and development	By employee category	Senior management	Hours	904
		Middle management	Hours	2,480
		General management	Hours	5,062
		General employees	Hours	162,515
	Total training hours for employee		Hours	170,961
	The average training hours completed per employee		Hours	77
	By gender	Male	Hours	75
		Female	Hours	86
	By employee category	Senior management	Hours	82
		Middle management	Hours	64
		General management	Hours	71
		General employees	Hours	78
Product quality and service	Percentage of products sold or delivered that were recalled for quality reasons		%	0.008
	Number of products and service-related complaints received		Headcount	13
	Complaint resolution rate for products and services		%	100
	Customer satisfaction rate		%	98.03
	Number of products that have passed various quality certifications		Each	306
Product R&D	Investment		Million yuan	351
	Team	Total number	Headcount	394
		Proportion	%	17.85
	Cumulative patent technology		Items	250
	Domestic Invention patents	Cumulative	Items	31
		New	Items	18
	Domestic utility model patents	Cumulative	Items	206
		New	Items	31
	Domestic and foreign design patents	Cumulative	Items	8
		New	Items	0



Governance

ESG indicators			Unit	2023
Product R&D	Number of standards participated in compilation	Cumulative	Items	10
	Number of products with calculated carbon footprint		Pieces	18
Supply chain management	Total number of suppliers		Suppliers	1,137
	Number of domestic suppliers		Suppliers	1,132
	By geographical region	Southern China	Suppliers	371
		Northern China	Suppliers	97
		Eastern China	Suppliers	557
		Northwestern China	Suppliers	27
		Southwestern China	Suppliers	57
		Northwestern China	Suppliers	21
		Hong Kong, Macao, and Taiwan	Suppliers	2
		Overseas	Suppliers	5
	Number of suppliers reviewed in accordance with the practices relating to engaging suppliers		Suppliers	63
	Supplier <i>Integrity Agreement</i> signing rate		%	100
Anti-corruption	Number of participants in anti-corruption training sessions		Headcount	2,207
	Average duration of anti-corruption training		Hours	2
	Number of employees attending anti-corruption training		Headcount	121
	Management <i>Integrity Agreement</i> signing rate		%	100
	Employee <i>Integrity Agreement</i> signing rate		%	100
	Number of corruption lawsuits filed or concluded		Pieces	0

ESG indicators		Unit	2023
Public welfare and charity	Total amount of donations	10,000/yuan	81.97
Economic performance	Revenue	Billion yuan	6.668
	Total assets	Billion yuan	8.529
	Net profit attributable to shareholders of the listed company:	Million yuan	505
	Social contribution per share	yuan/share	2.57
Governance	Shareholders' meetings	Times	3
	Board of Directors meetings	Times	13
	Supervisory Board meetings	Times	8
	Number of directors	Headcount	6
	Independent directors	Headcount	2



Appendix II GRI Content Index

Statement of use	Jinpan Technology has reported with reference to the GRI Standards for the period 01/01/2023-31/12/2024.
GRI 1 used	GRI 1: Foundation 2021

Gri standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	P4-7
	2-2 Entities included in the organization's sustainability reporting	P1
	2-3 Reporting period, frequency and contact point	P1
	2-5 External assurance	P1, P83
	2-6 Activities, value chain and other business relationships	P5
	2-7 Employees	P49-51
	2-8 Workers who are not employees	P50
	2-9 Governance structure and composition	P70
	2-10 Nomination and selection of the highest governance body	P70
	2-11 Chair of the highest governance body	P2
	2-12 Role of the highest governance body in overseeing the management of impacts	P69-70
	2-13 Delegation of responsibility for managing impacts	P70
	2-14 Role of the highest governance body in sustainability reporting	P74
	2-16 Communication of critical concerns	P75
	2-23 Policy commitments	P26, P30
	2-24 Embedding policy commitments	P74
	2-27 Compliance with laws and regulations	P31, P37, P73
	2-29 Approach to stakeholder engagement	P75

Gri standard	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	P76
	3-2 List of material topics	P76
	3-3 Management of material topics	P76
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	P8
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	P63, P72
	205-2 Communication and training about anti-corruption policies and procedures	P63, P72-73
	205-3 Confirmed incidents of corruption and actions taken	P73
GRI 302: Energy 2016	302-1 Energy consumption within the organization	P32-33
	302-2 Energy consumption outside of the organization	P32-33
	302-3 Energy intensity	P33
	302-4 Reduction of energy consumption	P32-33
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	P34
	303-2 Management of water discharge-related impacts	P34
	303-3 Water withdrawal	P34
	303-4 Water discharge	P34
	303-5 Water consumption	P34

Gri standard	Disclosure	Location
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	P37
	304-2 Significant impacts of activities, products and services on biodiversity	P37
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	P19, P26
	305-2 Energy indirect (Scope 2) GHG emissions	P19, P26
	305-4 GHG emissions intensity	P26, P32
	305-5 Reduction of GHG emissions	P19, P27-28
	305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	P35
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	P35
	306-2 Management of significant waste-related impacts	P35
	306-3 Waste generated	P35
	306-4 Waste diverted from disposal	P77
	306-5 Waste directed to disposal	P77
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	P63
	308-2 Negative environmental impacts in the supply chain and actions taken	P62-63



Gri standard	Disclosure	Location
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	P50-51
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P52
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P53
	403-2 Hazard identification, risk assessment, and incident investigation	P53
	403-3 Occupational health services	P53
	403-5 Worker training on occupational health and safety	P53
	403-6 Promotion of worker health	P53
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P53
	403-8 Workers covered by an occupational health and safety management system	P53
	403-9 Work-related injuries	P53
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	P56
	404-2 Programs for upgrading employee skills and transition assistance programs	P54-55
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P69
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	P50
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	P50

Gri standard	Disclosure	Location
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	P50
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	P50
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	P61-63
	414-2 Negative social impacts in the supply chain and actions taken	P61-63
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	P48



# Appendix III Feedback Form

## Respected Readers,

Thank you for reading the *Hainan Jinpan Smart Technology Co., Ltd. 2023 Environmental, Social, and Governance (ESG) Report*. To better meet your needs and provide more valuable information to you and all stakeholders, while promoting Jinpan Technology's comprehensive management capabilities and work performance, and enhancing our ability and level of social responsibility, we sincerely hope that you can provide valuable feedbacks on the report. You can do so by contacting us through the following channels:

Email: [info@jst.com.cn](mailto:info@jst.com.cn)  
Phone: 0898-66811301

### 1. Which stakeholder category do you belong to?

- ☐ Senior Management (including directors, supervisors, senior executives, etc.)
- ☐ Employees    ☐ Customers    ☐ Government/Regulatory Agencies
- ☐ Shareholders/Investors    ☐ Suppliers/Partners
- ☐ Non-Governmental Organizations    ☐ Other: \_\_\_\_\_

### 2. Your overall impression of this report:

- ☐ Excellent    ☐ Good    ☐ Fair    ☐ Poor    ☐ Very Poor

### 3. How do you rate Jinpan Technology in the following aspects?

Corporate Governance:

- ☐ Excellent    ☐ Good    ☐ Fair    ☐ Poor    ☐ Very Poor

Environmental Management:

- ☐ Excellent    ☐ Good    ☐ Fair    ☐ Poor    ☐ Very Poor

Social Responsibility:

- ☐ Excellent    ☐ Good    ☐ Fair    ☐ Poor    ☐ Very Poor

ESG Management:

- ☐ Excellent    ☐ Good    ☐ Fair    ☐ Poor    ☐ Very Poor

### 4. In terms of the amount of information disclosed, accuracy, completeness, readability, and layout design in this report, you would rate them as follows:

Amount of information disclosed:

- ☐ Very High    ☐ High    ☐ Moderate    ☐ Low    ☐ Very Low

Accuracy:

- ☐ Very High    ☐ High    ☐ Moderate    ☐ Low    ☐ Very Low

Completeness:

- ☐ Very High    ☐ High    ☐ Moderate    ☐ Low    ☐ Very Low

Readability:

- ☐ Very Good    ☐ Good    ☐ Moderate    ☐ Poor    ☐ Very Poor

Layout design:

- ☐ Very Reasonable    ☐ Reasonable    ☐ Moderate    ☐ Poor    ☐ Very Poor

### 5. What are your opinions and suggestions for Hainan Jinpan in promoting sustainable development?

### 6. What are your opinions and suggestions regarding the compilation of the ESG report by Jinpan Technology?

If you are willing, we welcome you to provide your personal information:

Name:

Occupation:


Organization:

Contact:



Appendix IV Independent Verification Statement

Independent Verification Statement



To the management and stakeholders of Jinpan Technology,

TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch (hereinafter referred to as "TÜV SÜD") has been engaged by Hainan Jinpan Smart Technology Co., Ltd (hereinafter referred to as "Jinpan Technology" or "the Company") to perform an independent third-party verification on Jinpan Technology 2023 Sustainability Report (hereinafter referred to as "the Report"). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with Jinpan Technology and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

This Independent Verification Statement is based on the data and information collected by Jinpan Technology and provided to TÜV SÜD. The scope of verification is limited to the given information. Jinpan Technology shall be held accountable for authenticity and completeness of the provided data and information.

**Scope of Verification**

Time frame of this verification:

- The Report contains the data disclosed by Jinpan Technology during the reporting period from January 1<sup>st</sup>, 2023 to December 31<sup>st</sup> 2023, including governance, environmental and social-related information and data, methods for management of material issues, actions/measures and the Company's sustainability performance during the reporting period.

Physical boundary of this verification:

- The onsite verification sampling took place at below listed location:  
No.168-39 Nanhai Avenue, Haikou City, Hainan Province, China

Scope of data and information for the verification:

- The scope of verification is limited to the data and information of Jinpan Technology and all companies under its operational control covered by the Report.

The following information and data are beyond the scope of this verification:

- Any information and contents beyond the reporting period of this Report; and
- The data and information of Jinpan Technology's suppliers, partners and other third parties; and
- The financial data and information disclosed in this Report that have been audited by an independent third party are not verified again herein.

**Limitations**

- The verification process is conducted in the above scope and place. Sampling and verification are adopted for the data and information in the Report by TÜV SÜD, and only the stakeholders within the Company are interviewed; and
- The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before January 1<sup>st</sup>, 2023 are beyond the scope of this verification.

**Basis for the Verification**

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

- AA1000AS v3, Type 1 Engagement and Moderate Assurance
- TÜV SÜD Procedure of Verification on Sustainability Report


ID: 252713 Revision: 0 - released Effective: 28 Aug 2023

TUV SUD Certification and Testing (China) Co., Ltd. Shanghai Branch  
No.151 Heng Tong Road,  
Shanghai 200070

Page 1 of 3  
Tel: +86 21-61410737  
Fax: +86 21-61408600  
Web: <http://www.tuvsud.cn>

ID: 252713 Revision: 0 - released Effective: 28 Aug 2023

Independent Verification Statement



In order to perform adequate verification in accordance with the contract and provide reasonable verification for the conclusions, the verification team conducted the following activities:

- Preliminary investigation of the relevant information before the verification;
- Confirmation of the presence of the topics with high level of materiality and performance in the Report;
- On-site review of all supporting documents, data and other information provided by Jinpan Technology, tracing and verification of key performance information;
- Special interview with the representative of Jinpan Technology's management; interviews with the employees related to collection, compilation and reporting of the disclosed information; and
- Other procedures deemed necessary by the verification team.

**Verification Conclusions**

According to the verification, we believe that the data and information presented in Jinpan Technology's report are objective, factual and reliable, without systematic problems, and can be used by stakeholders.

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

<b>Inclusivity</b>	Jinpan Technology has identified the internal and external stakeholders such as employees, shareholders/investors, government/regulators, customers, suppliers/partners, community members, etc., and established a stakeholder communication mechanism to collect the demands of stakeholders on a regular basis.
<b>Materiality</b>	Jinpan Technology has established the prioritization process of material topics determination, identified and assessed the priority of the sustainability topics which are highly related to the industry, the Company disclosed the strategy, management approach as well as sustainability performance in corporate operation, therefore the Report's adherence to materiality principle is guaranteed.
<b>Responsiveness</b>	Jinpan Technology has disclosed the management approach and performance of high material topics that stakeholders concern, such as energy management, climate change, occupational health and safety, etc., and has established a communication mechanism, to fully respond to the demands and expectations of stakeholders.
<b>Impact</b>	Jinpan Technology analyses the environmental and social impacts of the company's climate change, energy management and emissions management in terms of their importance to the company's development and their importance to stakeholders.

**Recommendations on Continuous Improvement**

- It is recommended that Jinpan Technology conducts impact analyses from a dual substantive perspective in its next annual report.
- It is recommended that in the next annual report, Jinpan Technology should backdate more data from previous years (e.g., for the previous five years) to enhance data comparability.


**Statement on Independence and Verification Capability**

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ID: 252713 Revision: 0 - released Effective: 28 Aug 2023

Independent Verification Statement





TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specialises in testing, certification, auditing and advisory services. Since 1866, TÜV SÜD has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. TÜV SÜD has been committed to sustainable development and actively promotes environmental protection related projects. Over the years, TÜV SÜD has been actively expanding its performance in energy management, renewable resources, and electric automobiles, etc., helping its customers meet sustainable development needs.

TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch is one of TÜV SÜD's global branches and has an expert team whose members have professional background and rich industrial experiences.

TÜV SÜD and Jinpan Technology are two entities independent of each other and both TÜV SÜD and Jinpan Technology and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. The verification is completely neutral. All data and information in the report were provided by Jinpan Technology and TÜV SÜD was not involved in the preparation or writing of the report, except for the authentication and the issuance of an authentication statement.

**Signature:**

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



Zhu Wenjun  
TÜV SÜD Sustainability Authorized Signatory Officer  
March 18, 2024  
Shanghai, China

Note: In case of any inconsistency or discrepancy, the simplified Chinese version "Independent Verification Statement: CN" of this verification statement shall prevail, while the English translation is used for reference only.

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