



# 2024 Environmental, Social and Governance (ESG) Report

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# Notes on the Report



## Reporting Period

This report covers a period from January 1, 2024, to December 31, 2024. Certain statements may be beyond the aforesaid period to ensure the comparability of the Report.



## Organizational Boundary

This report centers on Autowell. Unless otherwise specified, the scope of the Report is consistent with that of the Company's annual report.



## Report Release

This is the second Environmental, Social and Governance (ESG) report released by Wuxi Autowell Technology Co., Ltd.



## Principles for Preparation

This Report is prepared pursuant to the *Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange*, the *Guidelines No. 1 of the STAR Market of Shanghai Stock Exchange for Self-regulation of Listed Companies—Standardized Operation*, the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, the *Guidelines No. 13 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report Preparation*, the *Guidelines on Sustainability Reporting for Chinese Enterprises (CASS-ESG 6.0 General Framework)* issued by the China Academy of Social Sciences (CASS), and the *United Nations' Sustainable Development Goals (SDGs)*.



## Terminology & References

For ease of reading, the following terms and references are used in this report:

Abbreviation	Full name
ATW, the Company, our company, we	Wuxi Autowell Technology Co., Ltd
ATW Intelligent Equipment	Wuxi Autowell Technology Co., Ltd, Wuxi Autowell Intelligent Equipment Co., Ltd., a holding subsidiary of the Company
ATW Supply Chain	Wuxi Autowell Supply Chain Management Co., Ltd., a wholly-owned subsidiary of the Company
SCEC	Wuxi Songci Electromechanical Co., Ltd., a holding subsidiary of the Company
ATW Coshin	Wuxi Autowell Coshin Semiconductor Technology Co., Ltd., a holding subsidiary of the Company
ATW XuRi	Wuxi Autowell XuRi Technology Co., Ltd., a holding subsidiary of the Company
Leddo Technology	Wuxi Leddo Technology Co., Ltd., a holding subsidiary of the Company
Zhiyuan Equipment	Wuxi Autowell Zhiyuan Equipment Co., Ltd., a holding subsidiary of the Company
ATW Jiexin	Wuxi Autowell Jiexin Technology Co., Ltd., a holding subsidiary of the Company
Polar PV	Polar Photovoltaics (Bengbu) Co., Ltd., a wholly-owned subsidiary of the Company
Wuxi Polar	Wuxi Polar Photovoltaics Co., Ltd., a holding subsidiary of the Company
Qinhuangdao Zhiyuan	Qinhuangdao Autowell Zhiyuan Equipment Co., Ltd., a second-tier subsidiary controlled by the Company
AUTOWELL Japan	AUTOWELL Japan Co., Ltd., a wholly-owned subsidiary of the Company
Autowell Singapore	Autowell (Singapore) PTE. LTD., a wholly-owned subsidiary of the Company
AUTOWELL Malaysia	AUTOWELL (MALAYSIA) SDN. BHD., a second-tier subsidiary controlled by the Company



## Information Sources

All qualitative and quantitative information in this Report is sourced from Autowell's public information, internal documentation, and relevant statistical data.

## A Letter from Autowell

the accumulative reduction of carbon emissions from manufactured products by the end of 2024

993 million tons

the decrease of our annual comprehensive energy consumption compared to 2023

28% 

Against the backdrop of profound shifts in the global economic landscape, Autowell, as a leading enterprise in the intelligent equipment sector for photovoltaics, lithium-ion batteries, and semiconductors, remains committed to the philosophy of “innovation-driven and green development”. We have integrated sustainable development into our corporate strategy and daily operations. In 2024, we deepened our efforts in Environmental, Social, and Governance (ESG) areas, striving to achieve a synergy between economic benefits and social value.

### Staying committed to innovation-driven development and fulfilling the mission of green development

Amid the cyclical adjustments of the new energy sector in 2024, we upheld our mission of “Build Smart Factory with New Technologies, Drive Global Intelligent Manufacturing”. With innovation-driven development in mind, we remained focused on the solar energy and broader new energy industries, and actively promoted green industrial upgrades. By the end of December 2024, products manufactured through our equipment had collectively reduced approximately 993 million tons of carbon emissions. Over the year, our comprehensive energy consumption significantly decreased by 28% compared to 2023, further accelerating the adoption of green energy worldwide.

Meanwhile, we focus on breakthroughs in core technologies in key fields, launching cutting-edge technology and products, such as ultra-high-speed OBB stringer equipment and crystal growth furnaces for semiconductor silicon parts, injecting fresh momentum into the industry’s sustainable development. We are dedicated to low-carbon transition, extensively promoting the adoption of renewable energy, advancing R&D on energy-saving technologies, and optimizing environmental management systems in both our production and office operations. By implementing product carbon footprint accounting, we have continuously optimized carbon emissions throughout the product lifecycle, embedding low-carbon development philosophies into production practices and achieving a balance between economic gains and environmental benefits.

### Collaborating with our partners to build a green industrial ecosystem

As a true follower of sustainable development, we adhere to the principle of “progressing together with clients and growing alongside suppliers”, and have incorporated green development philosophies into the entire value chain. By establishing transparent communication mechanisms and strict responsible procurement standards, we have empowered suppliers to enhance their sustainability performance, and jointly developed low-carbon, intelligent solutions together

with our clients. Looking ahead, we will continue to uphold our corporate responsibility, forging strong partnerships across the ecosystem to jointly build a sustainable and low-carbon industrial chain.

### Actively engaging the public and enhancing our corporate governance transparency

We remain committed to an “open, transparent, and honest” approach to investor communication, ensuring equal access to information for all investors. Through various initiatives such as performance briefings and investor open days, we have provided a platform for in-depth exchanges between investors and our management. In addition, we have utilized multiple channels, including our official website, WeChat official account, and WeChat Channels, to share updates on our operations, R&D progress, and products through engaging formats such as visual infographics and animated short videos. This helps investors gain a comprehensive understanding of us while further enhancing our corporate governance transparency. Furthermore, we have integrated ESG risk management into strategic decision-making and established a three-line defense risk management system led by the Board of Directors. This framework ensures the effective implementation of risk management requirements, strengthens corporate responsibility as our development basis, and reinforces our competitive edge.

### Embracing a people-centered approach and commitment to social responsibility

We uphold a people-centered approach and commitment to social responsibility as our core value. We have established a long-term incentive mechanism and placed great emphasis on employee development, aligning individual growth with our progress. Employee well-being remains our top priority, and we continuously optimize benefits and welfare policies to enhance their sense of belonging. We have also provided both financial and emotional support to employees facing major illnesses, accidents, or other hardships.

Going forward, we will continue to pursue our mission of “Build Smart Factory with New Technologies, Drive Global Intelligent Manufacturing”. Together with our partners, we will drive high-quality growth in the new energy sector. We firmly believe that only through sustainable development can we create long-term value and achieve win-win outcomes for both businesses and society.

# Message from Autowell

## » Company Profile

Autowell Technology Co., Ltd. (Stock Code: 688516), founded in 2010, is a leading enterprise in China's high-end intelligent equipment sector, with a workforce exceeding 4,000 employees. Renowned for its technological innovation prowess, the Company has been recognized with multiple honors, including Jiangsu Province's Small Giant Enterprise of Science and Technology, Potential Unicorn Enterprise in the Southern Jiangsu Independent Innovation Demonstration Zone, and Wuxi Quasi-Unicorn Enterprise. Today, we stand as a highly influential provider of intelligent equipment solutions in the photovoltaic (PV) new energy, lithium battery energy storage, and semiconductor industries.

Through group-based strategy deployment, we have established a diversified business ecosystem, holding specialized subsidiaries such as ATW Intelligent Equipment, SCEC, ATW XuRi, ATW Coshin, Leddo Technology, and Zhiyuan Equipment. This has enabled the formation of a comprehensive intelligent equipment portfolio covering critical segments of the industrial value chain. In the PV sector, our product portfolio spans the four key manufacturing stages: rod, wafer, cell, and module production. Our competitive products, including multi-busbar (MBB) stringers and wafer inspection systems, have consistently

maintained a market-leading position due to their cutting-edge technology and have been highly recognized by top-tier industry consumers.

With a forward-looking approach to the new energy industry, we have successfully developed modules/PACK intelligent production lines, achieving stable and large-scale deliveries to mainstream manufacturers. Additionally, we have actively expanded into the semiconductor equipment market. Since the launch of our wire bonder serving the semi-conductor industry in 2021, we have rapidly gained market traction and secured mass output orders.

Looking ahead, we remain committed to our strategy of being driven by both intelligent equipment and industry solutions. By continuously strengthening technological innovation, we aim to enhance creativity across the industrial chain and provide high-end, intelligent, and integrated equipment solutions to global clients, contributing to the high-quality development of the industry.

### Basic company information

	Chinese Name	无锡奥特维科技股份有限公司
	English Name	Wuxi Autowell Technology Co.,Ltd.
	Date of IPO	May 21, 2020
	Stock Exchange & Board	STAR Market

### Key Performance Indicators for 2024

Operating Revenue	Total Aassets
RMB <b>9.198</b> billion	RMB <b>14.029</b> billion
Net Profit attributable to Shareholders of the Listed Company	Earnings per share(EPS)
RMB <b>1.273</b> billion	<b>4.05</b> RMB/share



## » Our Culture



### Vision

Wherever there is a factory, there is ATW's intelligent manufacturing system.



### Mission

Build Smart Factory with New Technologies, Drive Global Intelligent Manufacturing.
















### Values

Competitive Innovation & Leading Technology; Superior Quality; Efficient Services; Valuable Trust.

## » Our Business

As a renowned intelligent equipment manufacturer in the PV, lithium battery and semiconductor sectors, ATW's product portfolio serves the four major segments of the PV industry chain: rod, wafer, cell and module. Our flagship products, the MBB soldering stringers and wafer inspection system, stand out for their strong competitiveness, earning widespread industry recognition and achieving a high market share. We have independently developed the lithium battery module/ intelligent PACK production line, winning repeat orders from well-known enterprises in the industry. In addition, our self-developed wire bonder, officially launched in 2021, has seen repeat orders. Meanwhile, we have continued to expand other product development in the packaging and testing sectors of the semiconductor industry.

 <b>PV business</b> Covering four major sectors of the PV industrial chain	 <b>Rod</b> Crystal Growth System Automatic Crystal Growth Furnace	 <b>Wafer</b> Wafer Inspection System Laser Marking/Code Reading System Wafer Packaging Equipment Wafer Automation Pack Line	 <b>Cell</b> PV Cell Screen Printing Line PV Cell Light-induced Annealing Furnace Passivation Furnace Intelligent PV Cell Packaging and Logistics System LEM Equipment	 <b>Module</b> MBB PV Cell Soldering Stringer Laser Cutter Auto Bussing Machine Layup Machine High-speed Bonding System Junction Box Welding Station PV Module Laminator
	 <b>Energy Storage</b> ESS Module/PACK Assembly Line Container-type Energy Storage System Assembly Line	 <b>Pouch Cells</b> Pouch Module/PACK Assembly Line	 <b>Prismatic Cells</b> Prismatic Cell EES Module/PACK Assembly Line Prismatic Cell EV Module/PACK Assembly Line	 <b>Cylindrical Cells</b> Cylindrical Cells Module/PACK Assembly Line
	 <b>Dicing</b> Laser Cutter Wafer Cleaning System	 <b>AOI Inspection</b> Hybrid AOI Machine	 <b>Die Bonding</b> Soft Solder Die Bonder Epoxy Die Bonder	 <b>Wire Bonding</b> Aluminum Wire Bonder Hybrid Bonder

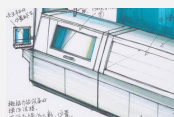
## Our History

2010

ATW was founded

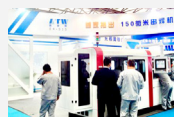
2012

Developed the PV cell soldering stringer, marking the start of the PV era



2013

Public debut of the PV stringer



2014

Sales hit RMB 200 million



2015

Recognized as a national high-tech enterprise for the first time and began to develop overseas business



2016

Merged and acquired ATW Intelligent, marking entry into the lithium-ion battery equipment sector



2017

Successfully broke the import monopoly on wafer inspection systems



2024

AUTOWELL (MALAYSIA) SDN. BHD. was established and will officially start production in 2025, Malaysia factory will become the first overseas production base under the company.



2023

- Successfully hosted SCEC's new-generation crystal growth system launch event
- Completed construction and put into use the phase II workshop building on Xinhua Road



2022

Established the Autowell Smart Factory



2021

- Acquired a controlling stake in SCEC
- Received the first batch of orders for aluminum wire bonders



2020

Listed on the STAR Market



2019

Conducted research on bonder welding technology and assembled the first set of prototypes



2018

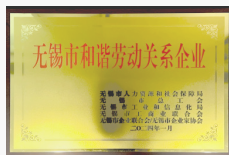
Launched the bonder project, entering the semiconductor industry



## Milestones in 2024

### Social responsibility

Enterprise with Outstanding Harmonious Labor Relations in Wuxi



Wuxi Labor Day Award



First "Light of Charity" Caring Enterprise Award



Outstanding Caring Enterprise for Education Support



Public Welfare Caring Enterprise Award



### Governance responsibility

Top 100 Taxpaying Enterprises in Wuxi (2023)



Sino-Securities Index Information Service (Shanghai) Co., Ltd.'s 2023 Environmental, Social, and Corporate Governance (ESG) Comprehensive Rating: BBB



### Industry

First Prize of 2024 Science and Technology Award Recognized by the Jiangsu Mechanical Engineering Society



Drafting Organization for the Photovoltaic Wafer Slicing Machine Association Standard



Outstanding Supporter at the 15th China (Wuxi) International New Energy Conference and Exhibition



Outstanding Enterprise in Wuxi's 465 Modern Industry Cluster Development Plan



### Capital market

Top 30 Most Valuable STAR Market Listed Companies at the 18th Annual Ranking



Best Capital Market Communication Award



Most Valuable STAR Market Listed Company



China Listed Company Yinghua Award



Best Capital Operations Award



Most Promising New Energy Listed Company in the Listed Company Reputation Rankings



# Materiality Assessment

## » Double Materiality Analysis

During the preparation of this report, the Company referred to *the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* (hereinafter referred to as *the Sustainability Reporting Guidelines*) and *the Guidelines No. 13 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report Preparation*. Additionally, we considered the characteristics of our industry, actual business operations, and business model to identify other significant issues. Ultimately, we identified 28 potential ESG-related issues.

For the materiality assessment, we adopted a double materiality evaluation framework, aligning with our strategic development direction and key concerns of internal and external stakeholders: First, we assessed the potential economic, social, and environmental impacts of each issue based on stakeholder survey results (Impact Materiality); Second, we evaluated the risks and opportunities each issue may present to our value creation through discussions with internal management and external experts (Financial Materiality).

## » Stakeholder Communication

2024 marks the second year of Autowell's ESG report preparation. In selecting relevant issues for this year, first, we conducted an in-depth analysis of global and regional sustainability trends, policy and regulatory developments, and local challenges, including local guidelines, industry standards, and regulatory requirements. Second, we reviewed the latest ESG issue lists and weight allocation from domestic and international ESG rating agencies for the PV equipment sector, and also benchmarked ESG report themes of industry peers to ensure science-based rigor and industry relevance in our issue identification. Last, we incorporated insights from stakeholder interviews conducted last year, feedback gathered this year, and our internal management status to thoroughly discuss and prioritize material issues.

Through this research and communication process, we continue to enhance the practical implementation of ESG management, striving to better integrate stakeholder expectations into daily operations and decision-making. This ongoing effort aims to improve our ESG management capabilities, create long-term value for all stakeholders, and establish a solid foundation for our sustainable development.



Stakeholders	 Employees	 Clients	 Suppliers	 Shareholders and Investors	 Government	 Regulators	 Media	 Community
Expectations and demands	<ul style="list-style-type: none"> <li>Compliant protection of rights and interests</li> <li>Well-structured compensation system</li> <li>Effective promotion mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Product Quality</li> <li>Client Service</li> <li>Business Ethics</li> </ul>	<ul style="list-style-type: none"> <li>Supplier management</li> <li>Sustainable Supply Chain Development</li> <li>Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>Return on investment</li> <li>Protection of shareholder rights and interests</li> <li>Corporate governance</li> <li>Investor relations</li> </ul>	<ul style="list-style-type: none"> <li>Compliance operations</li> <li>Tax contributions in accordance with law</li> <li>Job creation</li> <li>Social contributions</li> </ul>	<ul style="list-style-type: none"> <li>Compliant operations</li> <li>Adherence to regulatory requirements</li> <li>Alignment with development policies</li> </ul>	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Compliant operations</li> <li>Development strategy</li> <li>Labor and human rights</li> <li>Environmental and energy management</li> <li>Social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Talent employment</li> <li>Public welfare activities</li> <li>Community services</li> <li>Environmental and energy management</li> </ul>
Engagement and responses	<ul style="list-style-type: none"> <li>Grievance mechanism</li> <li>Employee activities</li> <li>Training programs</li> <li>Compensation system</li> <li>Promotion mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to Quality</li> <li>Quality Management &amp; Inspection</li> <li>Responsible Marketing</li> <li>Rapid Response</li> <li>Regular Maintenance</li> <li>Client visits</li> <li>Complaint Reporting</li> </ul>	<ul style="list-style-type: none"> <li>Technical exchanges</li> <li>Supplier visits</li> <li>ESG training for suppliers</li> <li>Supplier management system</li> <li>Supplier Integrity</li> <li>Supplier conferences</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure rating</li> <li>Earnings briefings</li> <li>Shareholders' meetings</li> <li>Promotional roadshows</li> </ul>	<ul style="list-style-type: none"> <li>Government forums</li> <li>Receiving government visits</li> <li>Community communication</li> </ul>	<ul style="list-style-type: none"> <li>Disclosures</li> <li>Submission of regulatory documents</li> <li>Learning the latest policies and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Official website</li> <li>WeChat official account</li> <li>Media briefings</li> <li>Press conferences</li> </ul>	<ul style="list-style-type: none"> <li>Official website</li> <li>WeChat official account</li> <li>Community activities</li> <li>Volunteer activities</li> </ul>

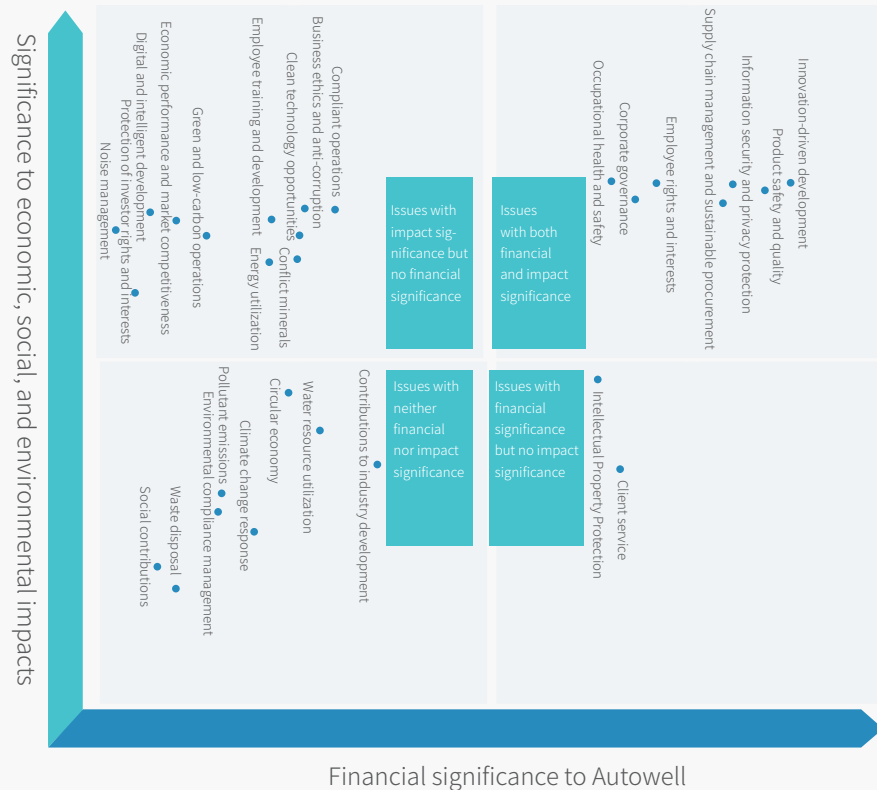
## ➤ Conclusion of Materiality Assessment

In 2024, based on standard benchmarking, policy analysis and peer benchmarking, the Company identified a total of **28** issues based on the ESG issues confirmed in 2023, including **10** environmental issues, **13** social issues and **5** governance issues.

Issues in 2023	Issues in 2024	Change	Reasons for Change
Addressing climate change and carbon emissions	Climate change response	Issue adjusted	Partial modification of the issue
Pollutant management	Pollutant emissions	Issue adjusted	Partial modification of the issue
Waste and hazardous substances management	Waste disposal	Issue adjusted	Partial modification of the issue
Training on environmental protection	Environmental compliance management	Issue adjusted	Partial modification of the issue
Clean energy consumption	Energy utilization	Issue adjusted	Aligned with SSE Guide's 21 issues
Water resource consumption and management	Water resource utilization	Issue adjusted	Aligned with SSE Guide's 21 issues
—	Circular economy	New addition	Aligned with SSE Guide's 21 issues
Green design	Green and low-carbon operations	Issue adjusted	Partial modification of the issue
Green products			
Biodiversity protection			
Clean production	Opportunities in clean technology innovation	Issue adjusted	Partial modification of the issue
Noise management	Noise management	Issue adjusted	Partial modification of the issue
Product quality	Product safety and quality	Issue adjusted	Partial modification of the issue
Work safety			

Issues in 2023	Issues in 2024	Change	Reasons for Change
Improving client service	Client service	—	—
R&D innovation	Innovation-driven development	Issue adjusted	Partial modification of the issue
Intellectual property protection	Intellectual property protection	—	—
Green procurement and green supply chain	Supply chain management and sustainable procurement	Issue adjusted	Partial modification of the issue
Employee compensation and benefits	Employee rights and interests	Issue adjusted	Partial modification of the issue
Anti-discrimination and diversity management			
Protecting employee health and privacy	Occupational health and safety	Issue adjusted	Partial modification of the issue
Employee development and training	Employee training and development	—	—
Information security and privacy protection	Information security and privacy protection	—	—
Industry-university-research cooperation	Contributions to industry development	Issue adjusted	Partial modification of the issue
Community contribution and public welfare activities	Social contributions	Issue adjusted	Partial modification of the issue
Intelligent development and digital upgrading	Digital and intelligent development	Issue adjusted	Partial modification of the issue
—	Conflict minerals	New addition	Partial modification of the issue
ESG governance	Corporate governance	Issue adjusted	Partial modification of the issue
Risk management and internal control			
Anti-corruption and anti-bribery	Business ethics and anti-corruption	Issue adjusted	Partial modification of the issue
Compliant operations	Compliant operations	—	—
Shareholders and equity	Protection of investor rights and interests	Issue adjusted	Partial modification of the issue
Sustainable profitability	Economic performance and market competitiveness	Issue adjusted	Partial modification of the issue

## Autowell's material ESG issues for 2024



### Environmental issues

- Climate change response
- Pollutant emissions
- Waste disposal
- Environmental compliance management
- Energy utilization
- Water resource utilization
- Circular economy
- Green and low-carbon operations
- Clean technology opportunities
- Noise management

### Social issues

- Product safety and quality
- Client service
- Innovation-driven development
- Intellectual Property Protection
- Supply chain management and sustainable procurement
- Employee rights and interests
- Occupational health and safety
- Employee training and development
- Information security and privacy protection
- Contributions to industry development
- Social contributions
- Digital and intelligent development
- Conflict minerals

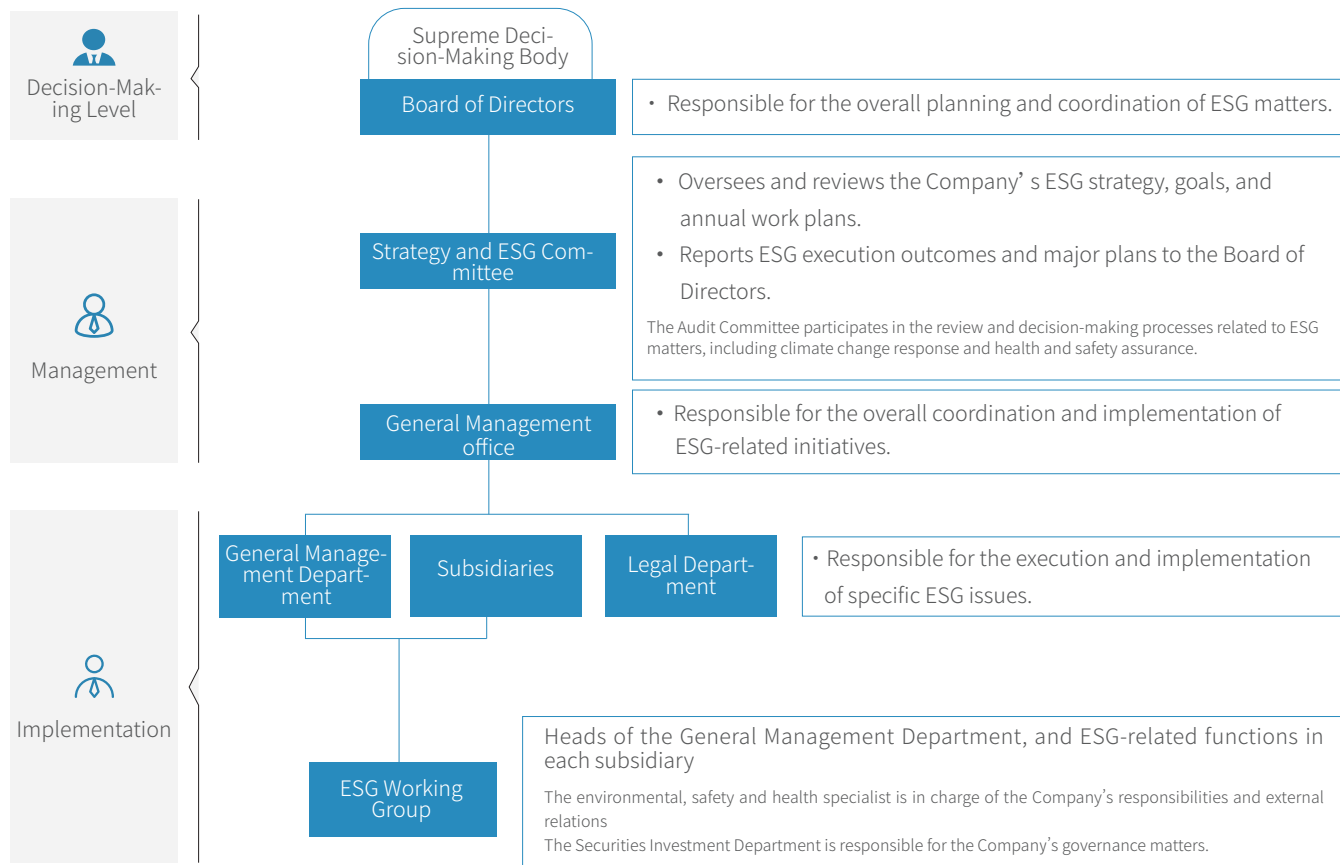
### Governance issues

- Corporate governance
- Business ethics and anti-corruption
- Compliant operations
- Protection of investor rights and interests
- Economic performance and market competitiveness

# Sustainable Development Governance Arrangements

## ► Sustainable Development Governance Structure

The Company continuously enhances its sustainable development governance framework, and has established a well-structured system that integrates decision-making, management layers, as well as comprehensive sustainability governance system. The Board of Directors serves as the supreme decision-making body, under which the Strategy and ESG Committee is responsible for supervising ESG strategies and goals, while the Audit Committee participates in decision-making on key ESG issues. The General Management Office is in charge of overall coordinations, with clearly defined responsibilities across functional departments. The ESG Working Group, under the General Management Department, is responsible for execution, and each subsidiary is tasked with implementing specific initiatives.



## Sustainable Development-Related Information Reporting








The Company has established a robust information reporting mechanism, regularly publishing ESG Reports, and Quality Enhancement, Efficiency Improvement, and Return Prioritization Reports to comprehensively disclose progress and achievements in sustainable development.

The ESG Report outlines our strategic goals, implementation measures, and performance in ESG areas, addressing stakeholders' concerns about sustainability. The Quality Enhancement, Efficiency Improvement, and Return Prioritization Report focuses on areas such as improving operational efficiency, value creation, and shareholder returns, showcasing the Company's commitments and practices in high-quality development.

The two types of reports complement each other, reflecting both our long-term sustainability planning and our emphasis on a balanced approach to stakeholder interests, including shareholders, employees, clients, and society. Through transparent and systematic disclosures, we strengthen communication and trust with our stakeholders, laying a solid foundation for achieving our sustainability goals.

## Sustainable Development Oversight and Assessment Mechanism

In daily operations, the Company has established a comprehensive risk identification and response process, implementing effective measures to achieve effective risk control. The dedicated risk management department leads qualitative and quantitative evaluations of the risks from the general list based on their likelihood and impact. The Board of Directors provides comprehensive oversight of the Company's sustainability-related impacts, risks, and opportunities by approving strategies, setting goals, monitoring execution, reviewing performance, and ensuring transparent communication. This helps us achieve a balance between economic benefits and social value.

Supervision and Assessment Mechanism	
Key Measures	Description
 Information Collection	Each subsidiary gathers, selects, and reports original internal and external risk-related information.
 Risk Identification	The dedicated risk management department leads the efforts in identifying various operational and managerial risks by conducting surveys, interviews, process analyses, and management benchmarking, eventually developing a general risk list.
 Risk Assessment	The dedicated risk management department organizes efforts in conducting qualitative and quantitative assessments of the identified risks based on their likelihood and impact. Risks are classified into four levels: significant, high, medium, and low, forming a risk map to prioritize key risks requiring attention and control.
 Risk Management Strategies	<p>The dedicated risk management department leads the efforts in formulating differentiated management strategies for various risks, implementing mitigation measures such as risk avoidance and risk control to effectively manage risks.</p> <ul style="list-style-type: none"> <li>  <b>Significant/High risks:</b> We typically adopt a risk portfolio strategy, which includes risk avoidance, risk transfer, and risk control. Preventive measures are taken at the source to reduce both the likelihood and impact of risks;                     </li> <li>  <b>Medium risks:</b> For risks which are less likely to occur but have large impacts, we primarily adopt risk transfer measures, such as insurance, subcontracting, and outsourcing; For risks which are very likely to occur but have small impacts, we mainly employ risk control measures, such as strengthening internal control processes;                     </li> <li>  <b>Low risks:</b> We generally implement risk acceptance or assumption, minimizing redundant control measures to optimize management costs.                     </li> </ul>

Risk Points	Core Competitiveness Risks				Operational Risks		
	Risk of mismatch between R&D deployment and downstream industry trends	Risk of failure in R&D or result commercialization	Risk of loss of key personnel and technical confidentiality	Risk of technology infringement	Risk of adverse changes in major clients	Risk of failure in our business decision-making	Contract execution risk
Risk Descriptions and Responses	<p>The rapid technological iteration in the downstream industries requires substantial resource investment to study relevant processes and markets. If our R&amp;D deployment does not align with downstream industry trends, it may lead to issues such as wasted R&amp;D resources, missed opportunities, or even the loss of market position in specific segments, thereby affecting our competitiveness and long-term profitability.</p>	<p>We place great importance on R&amp;D and innovation. In 2024, we continued to increase our R&amp;D investment, which has played a crucial role in enhancing the performance of our existing products and developing new ones. However, there is a risk of failure in R&amp;D or result commercialization.</p> <p>Moving forward, we will continue to make significant investments in the R&amp;D of innovative technologies. Should we face a high number of R&amp;D failures or fail to successfully commercialize our R&amp;D results due to factors such as technological challenges, economic feasibility, or shifts in market demand, it could result in additional costs for the current period, impacting our profitability. Furthermore, such outcomes may have varying degrees of negative impact on our future development prospects.</p>	<p>We have been recognized as a national high-tech enterprise since 2015 and have built a robust portfolio of technologies. This technological foundation plays a crucial role in our ongoing operations. Our core technologies are primarily and independently developed by our in-house R&amp;D team, with key technical personnel playing a pivotal role in the R&amp;D process. A loss of core personnel or a significant breach of technological confidentiality could negatively impact our operations.</p>	<p>We have built a strong portfolio of core technologies that have been successfully applied in our product R&amp;D. As of December 31, 2024, we had held a total of 1,971 granted IPRs, including 260 invention patents, 1,368 utility model patents, 128 software copyrights, and 6 design patents.</p> <p>If any of these patents or IPRs are later found to be invalid, if the relevant authorities determine that we have committed patent or technology infringement, or if other companies initiate IPR lawsuits against us as part of their business strategies, we may not only face litigation or disputes but also see an impact on the sales of our products, thus adversely affecting our operational performance.</p>	<p>Our revenue is primarily derived from the silicon wafer, cell, and module production segments of the PV industry chain, which are highly concentrated. In 2024, PV module prices dropped significantly, leading to a decline in the profitability of our clients. As a result, some clients faced greater operational difficulties, with some incurring losses, and a few even entering bankruptcy or restructuring. If the PV industry does not recover within the next 12 months, there may be additional risks, such as client bankruptcies. These factors could have a substantial negative impact on our operational performance.</p>	<p>Our business decision-making is affected by technology development trends, policy changes, market competition environment, macroeconomic fluctuations and other factors. Our products are mainly used in PV, new energy vehicles and other emerging industries, which changes rapidly in industry development. This brings certain instability, making our business decision-making more difficult.</p> <p>Our cooperation with other enterprises through strategic investment, R&amp;D cooperation, and other forms allows us to quickly seize market opportunities and enhance our core competitiveness in the medium- and long-term. However, such strategic investments, R&amp;D cooperation and other actions pose higher requirements for our business decision-making.</p> <p>Therefore, although we have taken measures to make our decision-making more science-based and rational, we cannot exclude the possibility that there may be mistakes in this regard, and thus cause adverse impacts on us.</p>	<p>In 2024, we experienced situations where some clients canceled or delayed the execution of contracts. In the future, the risk of non-performance by PV clients is expected to rise. If fluctuations in the downstream industry lead to significant adverse changes in the operating conditions of our clients with active orders, resulting in slower-than-expected contract execution progress, or even a halt in execution or contract cancellations, our operational performance could be negatively impacted.</p>

## Risk Points

## Risk Descriptions and Responses

Financial Risks			Industry Risk		Macro Environment Risk	
Inventory impairment risk	Accounts receivable recovery risk	Risk of tax incentives	Risk of market demand decline	Risk of significant changes in core technologies or technical routes in downstream industries	Risk of increased tariffs on product exports	Risk of exchange rate fluctuation
<p>We hold relatively large inventories, a significant portion of which consists of issued goods. This is primarily due to the long installation, commissioning, and trial operation cycles of our equipment products, from issuance to client acceptance. Although we have made provisions for potential inventory impairment in accordance with accounting policies and based on the actual condition of our inventories, changes in the market environment or other unforeseen circumstances may hinder the successful sale of these inventories or lead to a significant drop in their price. This exposes us to the inventory impairment risk.</p>	<p>We have a large volume of accounts receivable. During the reporting period, some downstream clients failed to make timely payments as per the contract, resulting in overdue accounts. With the rise of loss-making enterprises in the PV industry and the deterioration of the operating conditions of our clients, it is likely that both accounts receivable and overdue accounts will continue to increase in the future. If we are unable to recover them in a timely manner, or if some amounts remain unrecoverable, this could negatively impact our operational performance, cash flow, and other areas.</p>	<p>The equipment products we manufacture are operated and controlled through our independently developed and designed software. As of December 31, 2024, we had obtained 128 computer software copyrights and 91 software products related to such software. In accordance with the Notice on Value-added Tax Policy for Software Products (Finance and Tax [2011] No. 100) and other relevant documents, our self-developed operating system software and other software embedded in the equipment we sell are eligible for the instant VAT refund policy. We were recognized as a high-tech enterprise in 2015 and successfully passed the review of high-tech enterprise recognition in 2021 for the first time (Certificate No.: GR202132005383), followed by another successful review in 2024 (Certificate No.: GR202432014252). According to the Administrative Measures for the Recognition of High-tech Enterprises, the qualification of high-tech enterprises is valid for three years from the date of certification, and companies must apply for re-evaluation before the qualification expires. According to the relevant tax incentives for high-tech enterprises, we enjoy a preferential enterprise income tax rate of 15% during the applicable period. If these tax incentives are canceled, reduced, or if there is a material adverse change in our high-tech enterprise qualification, our operational performance could be negatively impacted.</p>	<p>During the reporting period, our clients were primarily from the PV and energy storage battery industries. If there are significant adverse changes in relevant industrial policies, international trade policies, or other regulations, it could negatively impact the PV and new energy vehicle industries, which would, in turn, affect our sales and operational performance. Therefore, if demand in these industries declines, especially in the PV sector, or if excess capacity clearance progresses more slowly than expected, demand for our equipment could decrease, having a material adverse effect on our production and operations.</p>	<p>We are primarily engaged in the R&amp;D, design, production, and sales of high-end intelligent equipment, with major downstream industries including the crystalline silicon PV industry, the electrochemical energy storage industry, and the semiconductor packaging and testing industry. There is a potential risk of significant changes in the core technologies or technical pathways of these downstream industries.</p> <p>If such significant changes occur, it could alter the supply and demand dynamics for our existing products, which may negatively impact, or even fundamentally alter, our production and operations.</p>	<p>We operate in the specialized equipment manufacturing industry, with overseas orders accounting for more than 30% of total sales in 2024. Changes in tariffs in international markets will significantly impact our operations. In recent years, the U.S. has implemented measures such as “export bans” and “reciprocal tariffs”, which may fuel global trade protectionism and create trade barriers, thus affecting our sales. The imposition of high tariffs on Southeast Asian countries, including Vietnam and Cambodia, as part of the “reciprocal tariff” policy, could notably impact the demand for equipment from our clients’ factories in Southeast Asia.</p>	<p>We engage in both export and import activities, with the valuation and settlement of transactions primarily in U.S. dollars. The U.S.’s “reciprocal tariffs” have a great impact on the yuan exchange rate. As the U.S. dollar fluctuates, our settlements in other currencies may increase, leading to a broader range of currencies involved. Unfavorable changes in exchange rates could adversely affect our product exports and overall operational performance.</p>



# Environment

## Response to Issues

- Climate Change Response
- Environmental Compliance Management
- Discharge of Wastewater, Waste Gases, and Solid Waste
- Energy Utilization
- Water Resource Utilization
- Circular Economy
- Green Operations
- Biodiversity Conservation

## Align with the SDGs

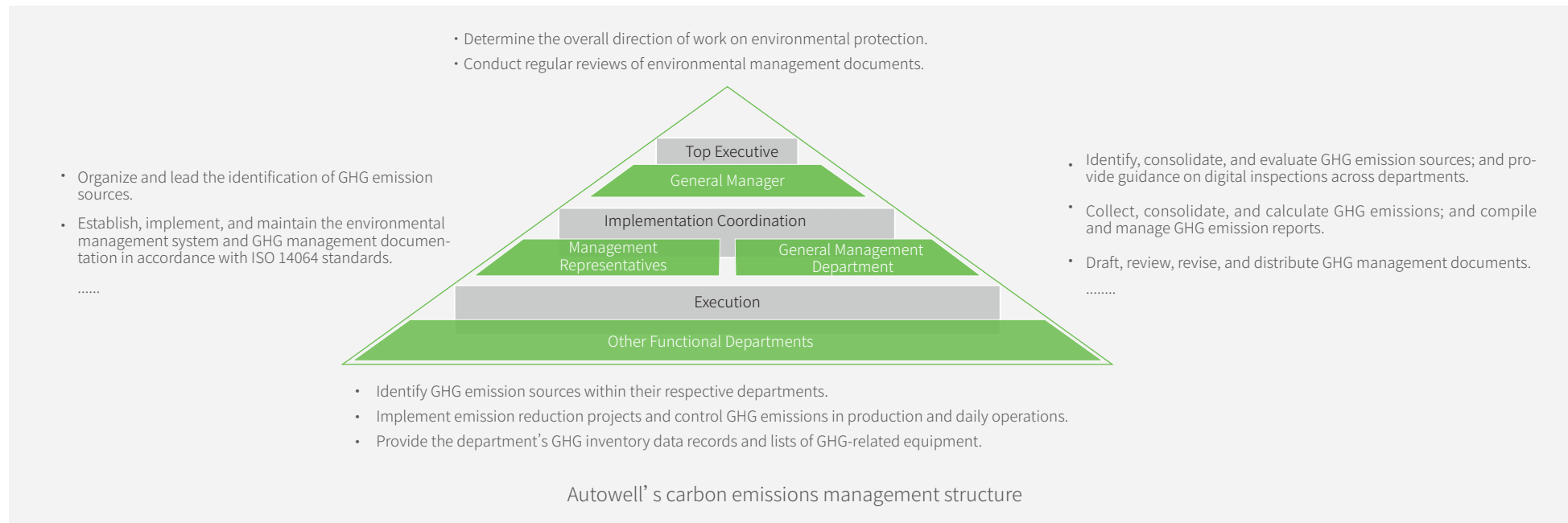


# Climate Change Response

## » Climate Change Governance

At Autowell, we uphold a green and environmentally friendly philosophy to drive industry development. We actively support the “Dual Carbon” goal (i.e., peaking carbon emissions by 2030 and achieving carbon neutrality by 2060) and climate change initiatives by integrating climate governance into our corporate management framework, and implementing a top-down approach to the governance of climate change risks.

We have established a carbon emissions management structure, with the General Manager as the leader, the management representatives and the General Management Department responsible for implementation, and various functional departments executing specific initiatives. We continuously improve our corporate carbon emissions management system, foster company-wide participation, and continuously promote clean, low-carbon, and high-quality development.



## Climate Change Strategy

### Climate Scenario Analysis

Climate scenario analysis is a method used to assess climate risks and opportunities by modeling future outcomes under different assumptions and analyzing response strategies. Autowell follows GHG concentration pathway scenarios described by the UN Intergovernmental Panel on Climate Change (IPCC), specifically the SSP5-8.5 (high-emission) scenario and the SSP1-2.6 (low-emission) scenario, seeking to analyze emission reduction targets and resilience measures under a low-emission scenario, laying the groundwork for developing climate risk assessment tools.

Climate Scenario	Description	Greenhouse gas (GHG) Emissions	Climate Impacts
High-Emission Scenario (SSP5-8.5)	This scenario assumes global economic growth relies on high-carbon energy sources such as fossil fuels, with rapidly increasing energy demand.	By 2100, global average temperatures may rise by 4.3° C to 6.7° C. CO <sub>2e</sub> missions peak around 2050 and continue to rise thereafter.	This scenario may lead to more frequent extreme weather events, rising sea levels, ecosystem degradation, and severe impacts on agriculture and water resources.
Low-Emission Scenario (SSP1-2.6)	This scenario assumes global commitment to aggressive emissions reduction, fostering renewable energy development and technological innovation.	By 2100, global temperatures are projected to rise by approximately 1.5° C. CO <sub>2</sub> emissions reach net zero around 2050, potentially leading to net negative emissions.	This scenario helps keep global warming at a lower level, reducing the frequency and severity of extreme weather events, and mitigating negative impacts on ecosystems and human societies.

### Climate Risk and Opportunity Identification

Risk Type	Climate Change-Related Risks	Potential Impact	Impact Duration	Impact Level	Mitigation Measures
Physical Risks (high-emission scenario)	Extreme Weather Events (e.g., Typhoons, heavy rain, floods, and heatwaves)	Extreme weather events (e.g., typhoons, heavy rain, floods, and heatwaves) may cause damage to production facilities, disrupt supply chains, and increase maintenance costs and operational delays.	Short-term	Medium	Establish emergency plans and response mechanisms for extreme weather, set up weather monitoring systems, increase material reserves, strengthen key facilities, etc., to enhance our capacity to cope with extreme weather and reduce losses from such events.
	Rising sea levels	According to the IPCC, global sea levels may rise by 0.3 meters to 1 meter by 2100. Sea level rise leads to saltwater intrusion, impacting water resources in inland areas, increasing freshwater salinity, reducing factory production efficiency, and complicating wastewater disposal.	Medium- to long-term	Low	Continuously promote diversified water resource usage, increase water recycling efficiency, and reduce dependence on freshwater resources.

Risk Type	Climate Change-Related Risks	Potential Impact	Impact Duration	Impact Level	Mitigation Measures
Transition Risks (low-emission scenario)	Policy risks and opportunities	As global carbon reduction goals advance, governments continuously introduce stricter carbon emission regulations and policies, such as carbon pricing mechanisms, carbon tariffs, and carbon labeling. Overseas business operations will face stricter compliance requirements and oversight, increasing operational costs abroad.	Short-term	Medium	Stay updated and actively respond to domestic and international climate, environmental, and carbon-related laws and policy changes. Expand the scope of product carbon footprint certification, monitor carbon tariff policies, assess export costs, and adjust business plans accordingly.
	Environmental disclosure challenges	As management measures, such as carbon emissions and carbon trading, become more refined and are being implemented, national and regional regulators, exchanges, capital markets and other parties are proposing higher requirements for environmental disclosure. We may face compliance risks due to incomplete or untimely environmental disclosures.	Medium- to long-term	High	We regularly conduct carbon emission verification and accounting in line with the ISO 14064 carbon accounting system and disclose relevant GHG emissions information in our annual ESG report.
	Market risks and opportunities	Downstream clients are increasingly inclined towards low-carbon products. If we fail to meet client expectations for energy efficiency and sustainability, we may face client attrition, leading to reduced revenue.	Medium- to long-term	Medium	We conduct product carbon footprint analysis, monitor emission reduction effects throughout the product lifecycle, and continue to reduce product carbon emissions. In the future, we will persist in green product design and manufacturing.
	Technology risks and opportunities	To effectively control product carbon emissions, there is a need to improve the efficiency of environmental process development, enhance the use of new technologies, and upgrade clean production equipment to meet the demand for low-emission product manufacturing. However, this may increase operational costs and make R&D more challenging.	Short-term	Low	We continuously optimize production processes by establishing an energy consumption monitoring system, carrying out energy-saving and emission-reduction process transformations, and continuously reducing product energy consumption and carbon emissions.
	Reputation risks and opportunities	As regulators, investors, ESG rating agencies, and other stakeholders increasingly focus on corporate sustainability performance, poor climate performance could damage our reputation and performance.	Medium- to long-term	Low	We regularly disclose ESG performance, actively address stakeholders' concerns, and uphold sustainable development philosophies to continuously improve our performance.

# Climate Change Metrics and Targets

## GHG Emissions Management

At Autowell, we actively respond to China’s “Dual Carbon” policy and continuously promote GHG emission reduction efforts. We conduct annual GHG accounting and verifications in accordance with the ISO 14064 standard, ensuring precise identification and management of our emissions. In 2024, we commissioned a third party to conduct GHG verification and released the 2023 GHG Verification Statement, providing a referenceable best practice for carbon emissions management in the specialized equipment manufacturing industry.



The primary sources of our GHG emissions include purchased electricity, natural gas, gasoline, diesel, and certain refrigeration equipment. Indirect GHG emissions (Scope 2 emissions) constitute the largest share of our total emissions, primarily resulting from electricity consumption for operations.

GHG Emissions Data <sup>1,2</sup>		
Indicator	Unit	2024
Total GHG emissions	tCO <sub>2e</sub>	2,621.25
Scope 1 GHG emissions	tCO <sub>2e</sub>	375.85
Scope 2 GHG emissions	tCO <sub>2e</sub>	2,245.40
GHG emission intensity	tCO <sub>2e</sub> /RMB 10,000 revenue	0.0028

Note 1: GHG emissions are calculated based on the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions for Enterprises in Other Industrial Sectors (Trial)* issued by the National Development and Reform Commission (NDRC). The electricity emission factor for purchased electricity is derived from the Announcement on the 2022 Electricity Carbon Emission Factor, published by the Ministry of Ecology and Environment in December 2024.

Note 2: The Company conducts an annual GHG verification every May, with all official data to be derived from the final verification report.

## Carbon Emissions Reduction Actions

### Energy-saving and carbon-reduction equipment upgrades

Continuously optimize production processes, promote energy-saving technological upgrades, and strengthen energy consumption management during production, reducing both product energy consumption and GHG emissions.

### Optimization of the energy structure

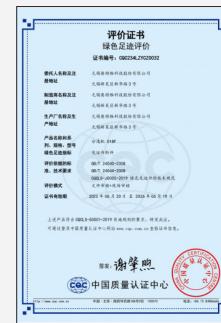
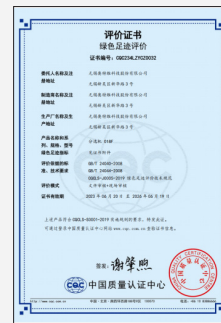
Increase the proportion of clean energy in total energy consumption by installing distributed rooftop PV systems in workshop buildings and PV-powered streetlights in the factory area, thereby reducing carbon emissions from fossil fuels.

### Product carbon footprint certification

Establish a product lifecycle rating management system, introduce carbon footprint accounting methods, conduct carbon footprint analysis for our wafer inspection systems, and develop targeted environmental protection improvement measures based on the analysis results to optimize the carbon emissions across the entire product lifecycle.

## Product carbon footprint certification: contributing to GHG emissions reduction

The Company's 018F wafer inspection systems boast an extensive lifecycle system boundary, covering five key stages: raw materials, manufacturing, distribution, use, and waste disposal. Among these, the carbon emissions from the raw material stage are the most significant, reaching **7,484.29** kg CO<sub>2e</sub>, which accounts for over **90%** of the total emissions. In light of the high emissions at this stage, we actively identify and assess relevant influencing factors, continuously improving green improvement measures.



Product Carbon Footprint Evaluation Certificate

# Environmental Compliance Management

## » Environmental Management System

The Company adheres to the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China*, and other relevant laws and regulations. We continuously improve our internal environmental management system and strengthen the development of our environmental management framework. In 2024, we successfully passed the annual surveillance audit for the ISO 14001 Environmental Management System certification.



ISO 14001 Environmental Management System Certificate  
(Certification Scope: Environmental management related to the research, development, and production of automated equipment for solar wafer and module manufacturing.)

### Autowell Environmental and Safety Management System



During the reporting period, our investment in environmental protection amounted to RMB 6.2382 million, including photovoltaic roof investment. No major environmental incidents or violations of environmental laws and regulations occurred.

## ➤ Environmental Risk Assessment and Response

### ■ Environmental Emergency Management

The Company strictly complies with the *Emergency Response Law of the People's Republic of China* and has formulated the *Environmental Emergency Response Plan*. We have established an emergency response team to systematically analyze environmental risks and potential environmental emergencies, develop targeted environmental risk prevention measures, and implement an internal early warning mechanism to enhance emergency response capabilities. Additionally, we conduct regular emergency response training and drills each year to improve employees' ability to handle environmental emergencies.

#### ATW Drill process



This drill simulated a malfunction in the circulation pump of the emulsion collection tank, resulting in an overflow of the waste emulsion and minor leakage on the ground. The emergency response team was immediately notified to arrive at the site for response.

### ■ Environmental Safety Hazard Inspection

To identify and eliminate potential environmental safety hazards promptly, the Company conducts weekly routine hazard inspections, reports any identified issues to the responsible departments for rectification action, reviews rectification results, and documents all identified hazards and rectification results. Beyond routine inspections, we also conduct specialized hazard inspections on a regular basis, addressing risks related to electricity use, fire safety, and summer and winter-specific hazards. These efforts have helped us reduce the occurrence of incidents during high-risk periods.

During the reporting period, we proactively addressed all identified environmental safety hazards, achieving a **100%** closed-loop rectification rate.

### ■ Environmental Protection Training

The Company emphasizes energy conservation and environmental protection promotion and education through training sessions, posting signs, etc. We share and publicize the latest laws, regulations and policy documents related to energy conservation and emission reduction in a timely manner, encourage employees to participate in environmental protection themed activities, and publicize related new products and technologies, raising the awareness of energy conservation and environmental protection among our employees.



Environmental protection training



Posting signs

# Discharge of Wastewater, Waste Gases, and Solid Waste

The Company strictly complies with the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, and the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, as well as local environmental regulations and standards where we operate. We regulate the management of waste gases and water discharge and noise control, disposal of hazardous substances, etc., improve resource utilization, and ensure that all emissions meet or exceed the legal standards, reducing the negative impact on the environment.

## » Discharge Management for Wastewater, Waste Gases, and Solid Waste

	Emission Source	Treatment and Discharge Reduction Measures
 Waste gases	Oil mist from machining workshops, and oil smoke from cafeteria	Install waste gas treatment devices at the exhaust gas discharge outlets, to ensure compliance with emission standards before discharge, and arrange regular testing for the discharged waste gases by relevant organizations. Actively prevent and control waste gas pollution, upgrade the waste gas treatment device and promote other initiatives to effectively prevent and reduce atmospheric pollution.
 Wastewater	Only domestic sewage without any industrial wastewater	After pre-treatment by the 4-meter-deep septic tank in the factory area, wastewater is directed to the municipal pipeline network and undergoes centralized treatment by the water treatment plant.
 Solid waste	Non-hazardous waste	Domestic garbage and waste cardboard boxes will be collected together and handed over to qualified recycling departments for treatment.
	Hazardous (Dangerous) waste	Specify collection, storage and disposal processes to ensure traceability of hazardous waste and legal disposal across the treatment process. We regularly commission other qualified entities to deal with the waste cutting fluid generated during production. Our hazardous waste management register has been approved by the ecological and environmental departments of the respective areas, and the transfer procedures are handled in accordance with the relevant provisions of the environmental protection departments.

## » Noise Management

The Company strictly follows the *Law of the People's Republic of China* on the Prevention and Control of Noise Pollution and actively controls noise for its factories within industrial parks, which are located away from residential areas. For areas with noise, measures such as equipment protection, work environment monitoring, and occupational health checks are taken to reduce noise impact on employees' health.

During the reporting period, the environmental noise outside the factory boundary met the requirements of Category 3 standards in the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB 12348-2008).

## » Clean Production

The Company actively promotes cleaner production and supports the development of the circular economy. We prioritize the use of clean energy, adopt processes and equipment with high resource utilization efficiency and low pollutant emissions, and promote integrated waste utilization technologies and harmless pollutant treatment technologies, reducing pollutant generation and effectively enhancing our clean production management.

In terms of clean production philosophies, we follow the “Five Characteristics, Two Transformations, and Environmental Friendliness” principle. We focus on the durability, maintainability, reliability, reusability, and re-manufacturability for our products, and improve the development of modular and intelligent products. We emphasize the disassembly (separation) and recyclability of parts that have a negative environmental impact, during both the production and usage phases.

Autowell actively responds to China's green development policy and has initiated clean production audits. After undergoing strict evaluation and auditing procedures, the Company successfully passed the clean production audit and performed excellently in the green factory certification review, earning the honor of “Jiangsu Province Green Factory”.



Jiangsu Province Green Factory

# Energy Utilization

## Energy Management System

### Energy Management Policy

Compliance with regulations, energy conservation and consumption reduction, science-based development, and continuous improvement.

### Energy Management Target

Continuous reduction in total energy consumption in 2024.

To further enhance energy management, deepen energy conservation and emission reduction efforts, and improve energy utilization efficiency, Autowell strictly adheres to the *Energy Conservation Law of the People's Republic of China* and continuously strengthens its energy management system. During the reporting period, we successfully passed the annual audit of the ISO 50001 Energy Management System.



## Energy Conservation and Carbon Reduction Management

Autowell actively implements energy conservation and carbon reduction strategies, promotes equipment efficiency upgrades, introduces advanced energy-saving equipment, and conducts research on energy-efficient processes. These initiatives aim to maximize energy utilization efficiency and significantly reduce energy consumption in production. Furthermore, subsidiary Polar PV has its own photovoltaic power station, with generated electricity prioritized for internal operational de-

mand. After fulfilling onsite consumption requirements, surplus energy is fed into the public grid in compliance with local energy regulatory provisions, achieving optimized energy utilization.

In 2024, the total electricity generation of Polar PV Power Station reached **808,104** kWh, with **335,724** kWh consumed for self-use (on-site consumption).

In 2024, our total energy consumption decreased by **28%** compared to 2023 (excluding renewable energy consumption).

## Energy Conservation and Carbon Reduction in Production

### Energy-Saving Measures

Continuous Optimization of Equipment Efficiency

Energy-Saving Process Management

### Effects

In terms of production and power equipment, we have introduced energy-saving equipment to enhance energy utilization efficiency. For instance, centrifugal pumps and centrifuges have been upgraded from fixed-speed motors to variable frequency motors, enabling load speed adjustment and reducing electricity losses.



Low-energy-consumption air compressors

We actively explore and develop energy-saving processes by establishing an energy management platform that enables comprehensive energy management. This platform provides real-time and refined monitoring, identifies potential energy-saving and emission reduction opportunities through intelligent analysis, and reduces overall energy consumption. Additionally, we manage our air conditioning systems to ensure summer cooling does not exceed 26 °C and winter heating does not exceed 20 °C. Air conditioners are turned off 30 minutes before the end of work hours to further reduce energy consumption.

## ■ Intelligent Energy Consumption Monitoring

To effectively enhance energy efficiency and energy management capabilities, Autowell has deployed a digital intelligence system to provide data support for its energy consumption management. The Company leverages an online energy consumption monitoring system to dynamically track energy consumption, promptly detect anomalies in energy consumption, and regularly compile statistics on energy consumption across different entities. This enables the timely identification of energy inefficiencies, the discovery of potential energy-saving opportunities, and the improvement of energy management precision.



Autowell's energy consumption management platform

## ➤ Clean Energy Adoption

The Company strongly promotes green production and low-carbon operations by actively optimizing its energy mix and accelerating the development of renewable energy infrastructure. Our primary energy sources include purchased electricity, natural gas, diesel, gasoline and renewable energy.

The Company has implemented distributed rooftop solar photovoltaic (PV) projects and PV streetlights across its facilities. In 2024, these initiatives generated a total of 1,660.94 MWh of electricity, equivalent to reducing approximately 1,413 tons of CO<sub>2</sub> emissions.

Energy Consumption Overview <sup>1</sup>		
Indicator	Unit	2024
Purchased Electricity	10,000 kWh	418.45 <sup>2</sup>
Diesel	Tons	13.63
Gasoline	Tons	78.29
Natural Gas	KNm <sup>3</sup>	43.60
Total Comprehensive Energy Consumption	Tons of standard coal	702.51
Direct total energy consumption	Tons of standard coal	188.23
Indirect total energy consumption	Tons of standard coal	514.28
Comprehensive Energy Consumption Intensity	Tons of standard coal per RMB 10,000 revenue	0.0008
Renewable Energy Consumption	MWh	1,660.94
Proportion of Renewable Energy Consumption	%	22.45

Note 1: The Company's primary direct energy sources include diesel, gasoline, and natural gas, while indirect energy sources mainly involve purchased electricity. The total comprehensive energy consumption is calculated with the conversion factors specified in the *General Rules for Calculation of the Comprehensive Energy Consumption* (GB/T 2589-2020) issued by the People's Republic of China.

Note 2: Purchased electricity figures exclude self-consumed PV power generation.

# Water Resource Utilization

Autowell strictly complies with the *Water Law of the People’s Republic of China* and other relevant regulations, implementing standardized water-saving measures and enhancing water resource management.

The Company’s primary water source is municipal water supply, which is mainly used for production, office operations, and employees'daily consumption. Our water withdrawal activities do not have a significant impact on the environment.


## Water-saving Measures

### Water-saving facilities

We have constructed a rainwater collection system that gathers rainwater from factory rooftops through dedicated pipelines. After undergoing multi-stage filtration and purification, the collected rainwater is stored in a reservoir. The treated water meets the quality standards for landscaping irrigation and is used for plant maintenance and other recycling purposes within the facility.

### Water conservation awareness

We actively promote water conservation through awareness campaigns, regularly organizing water-saving training sessions. Signage is placed in public areas to encourage responsible water use and eliminate continuous water flow issues. Employees are guided to use water efficiently, fostering awareness of the importance of water resource conservation.



Indicator	Unit	2024
Total water consumption (municipal supply)	Tons	83,191
Water consumption intensity	Cubic meters per 10,000 yuan of revenue	0.0904

Note: The total water consumption increased compared to the previous year due to the commissioning of the Phase II factory.

# Circular Economy

Autowell actively responds to *China’s 14th Five-Year Plan for Circular Economy Development* and adheres to the *Circular Economy Promotion Law of the People’s Republic of China*. The Company continuously optimizes resource utilization, promotes green material procurement, and recycles and reuses recyclable materials.

## Initiatives for the Circular Economy

### Green material procurement

We prioritize environmentally friendly materials, including eco-friendly metals, non-metallic materials, and recyclable materials. These materials have minimal environmental impact during production and can be reused, reducing resource waste. In 2024, we purchased green materials worth RMB **4.03** million.

### Recycling of packaging materials

We encourage the reuse of packaging materials to reduce consumption and minimize resource depletion and GHG emissions. During the reporting period, we collaborated with suppliers to recover and reuse presentable wooden packaging crates for laser equipment, significantly reducing packaging waste. Over 100 crates were recycled.

# Green Operations

## » Green Office Initiatives

At Autowell, we value green and low-carbon philosophies by integrating various environmentally friendly measures into our office operations. We actively promote sustainable development while fostering a high-quality office environment.

### Green office initiatives

#### Daily operations

Stipulate that air conditioners, lights, computers, and other electrical devices must be turned off after work; Advocate for turning off air conditioning 30 minutes before leaving the office and adjusting the temperature settings based on the season; Suggest the use of energy-saving lighting and maximize the use of natural light to reduce electricity consumption.

#### Paperless office

Advocate for a paperless office environment: In 2024, the paper consumption per capita was **618.29** sheets, reflecting a **4.6%** decrease compared to 2023.

#### Green commuting

Install smart EV charging stations in our facilities to encourage staggered charging, and encourage employees to use new energy vehicles to reduce fossil fuel consumption.



#### Promotion

- Display banners, slogans, and posters to promote a civilized, frugal, green, and low-carbon lifestyle and work culture, fostering strong engagement and awareness among employees.



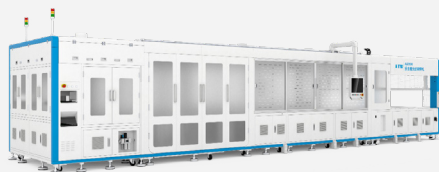
- Regularly share updated energy conservation policies, laws, regulations, as well as new energy-saving products and technologies through DingTalk, emails, and other platforms.

# Green Product Design

At Autowell, we are firmly committed to balancing technological innovation with environmental responsibility on the path to sustainable development. With a strong focus on the photovoltaic, lithium energy storage, and semiconductor sectors, we are dedicated to driving the green development of the industry through practical and effective solutions.

## Photovoltaics: Next-Generation 0BB String Welding Technology

In 2024, we introduced a new generation of 0BB soldering stringer equipment, optimized for green manufacturing. Featuring a modular structure, the system is compatible with mainstream cells such as TOPCon, HJT, and BC, and equipped with an intelligent temperature control system to enable precise energy consumption management. Through an enhanced thermal cycle design, the equipment maintains stable high, medium, and low-temperature process conditions while reducing energy consumption. Its compatibility with multiple processes reduces production line configuration requirements and supports the adoption of various adhesives including UV and water-based eco-friendly options, helping lower VOC (volatile organic compound) emissions during manufacturing.



MBB PV Cell Soldering Stringer

## Energy Storage: Innovative and Intelligent Technology

In the field of energy storage equipment manufacturing, we have integrated innovative flexible logistics scheduling technology with high-precision visual positioning systems to significantly improve the operational efficiency of energy storage modules/PACK/container production lines. With a modular design concept, the solution allows for flexible production line configuration based on varying application scenarios, ensuring production precision while reducing idle energy consumption of equipment. By optimizing material flow paths and deploying intelligent scheduling algorithms, the solution increases resource utilization efficiency and reduces energy consumption, providing a more adaptable green manufacturing solution for the energy storage industry.



Prismatic Cell Energy Storage Module/PACK Assembly Line

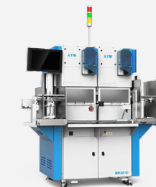
## Semiconductors: Breakthroughs in SC-1600 MCZ Magnetic Crystal Growth Furnace and Improved Efficiency in Wire Bonder

Our newly developed SC-1600 MCZ magnetic crystal growth furnace has achieved a major breakthrough by successfully completing its first crystal growth operation on an overseas client's production line. The system produced a semiconductor-grade crystal ingot with a diameter of 395 mm and length of 1.7 m. Compatible with a variety of semiconductor materials, this large-diameter design improves the furnace's output while reducing raw material waste, offering the semiconductor industry a more efficient and environmentally friendly crystal growth solution.

In addition, we have significantly enhanced the production efficiency of our flagship aluminum wire bonder through design optimization. The unit's production efficiency (UPH) has increased by 20%, while its operational stability has been greatly improved, ensuring high-efficiency production processes.



Crystal Growth Furnace



Aluminum Wire Bonder

# Biodiversity Conservation

In alignment with the *Convention on Biological Diversity*, *China's Judicial Protection of Biodiversity*, and other relevant policies, we will actively learn and adhere to ecological and biodiversity conservation requirements, striving to realize the vision of harmonious coexistence between humanity and nature.

Comply with international and local forest resource protection laws and regulations, and strictly prohibit all subsidiaries from conducting operations in forested areas, nature reserves, or ecological habitats to ensure the integrity and stability of the ecological environment.

Encourage suppliers to participate in the restoration of degraded forest ecosystems, contributing to forest rehabilitation and the virtuous cycle of the ecosystem.

Strictly adhere to policy requirements from China's Ministry of Natural Resources and the National Forestry and Grassland Administration during the project initiation phase, ensuring all construction activities align with ecological conservation goals.

Vigorously promote the use of renewable energy and circular resources, reduce dependence on traditional natural resources, and minimize the environmental impact of resource extraction.

Strictly control environmental impact and noise pollution during project construction, and minimize construction duration, and reduce material consumption through green construction management and optimized scheduling, achieving a balance between project development and ecological protection.

Integrate biodiversity considerations into the early-stage project evaluation system to ensure that we and our supply chain operations and project locations do not encroach upon local nature reserves or ecological conservation habitats, effectively mitigating ecological risks at the source.

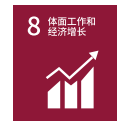


## Society

### Align with the SDGs

- Safeguarding Employee Rights and Interests
- Occupational Health and Safety
- Products and Services
- Innovation-Driven Development
- Win-win Cooperation
- Social Contributions

### Response to issues



# Safeguarding Employee Rights and Interests

## » Employment and Equality

### ■ Compliant Employment

Autowell strictly adheres to the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Rights and Interests of Women*, and the *Provisions on the Prohibition of Using Child Labor*, among other relevant laws and regulations. The Company has established comprehensive employment management policies, including the Recruitment Management Policy and the Employee Handbook. We uphold the principle of employment equality, strictly prohibit child labor and forced labor, and mandate that all job applicants must be at least 18 years old. For positions involving occupational hazards, employees must be over 18 years old and possess valid identification recognized by the People's Republic of China. Furthermore, we enforce a zero-tolerance policy against discrimination and harassment based on gender, age, nationality, or ethnicity.

During the reporting period, we signed labor contracts with **100%** of our employees, and had no child labor, forced labor, or discriminatory incidents.

In 2024, Autowell was recognized with two employer brand certifications

Liepin:  
Jiangsu Extraordinary Employer of the Year



Zhilian Zhaopin:  
2024 10 Best Employers in Wuxi



### ■ Talent Acquisition

In 2024, the Company revised a series of recruitment management documents, including the *Recruitment Plan and Implementation*, the *Recruitment Management*, the *Recruitment Channel Management*, and the *Recruitment Implementation*. These updates aimed to continuously optimize hiring processes, ensure compliance, and promote fairness. We follow the principles of justice, fairness, and transparency in recruitment, and continue to diversify our talent acquisition channels, including online recruitment, campus hiring, job fairs, headhunting services, university-industry collaboration, internal referrals, and social media recruitment to attract highly skilled, multidisciplinary professionals, supporting our long-term growth.

During the reporting period, we recruited over **100** graduates and more than **450** experienced employees.



2024 Autowell Campus Recruitment

## Strengthening university-enterprise collaboration to cultivate multidisciplinary talent

The Company actively supports China's national initiative to deepen university-enterprise collaboration and accelerate the transformation of academic research into industrial applications. Through enhanced collaboration with universities, we provide students with internship and employment opportunities.

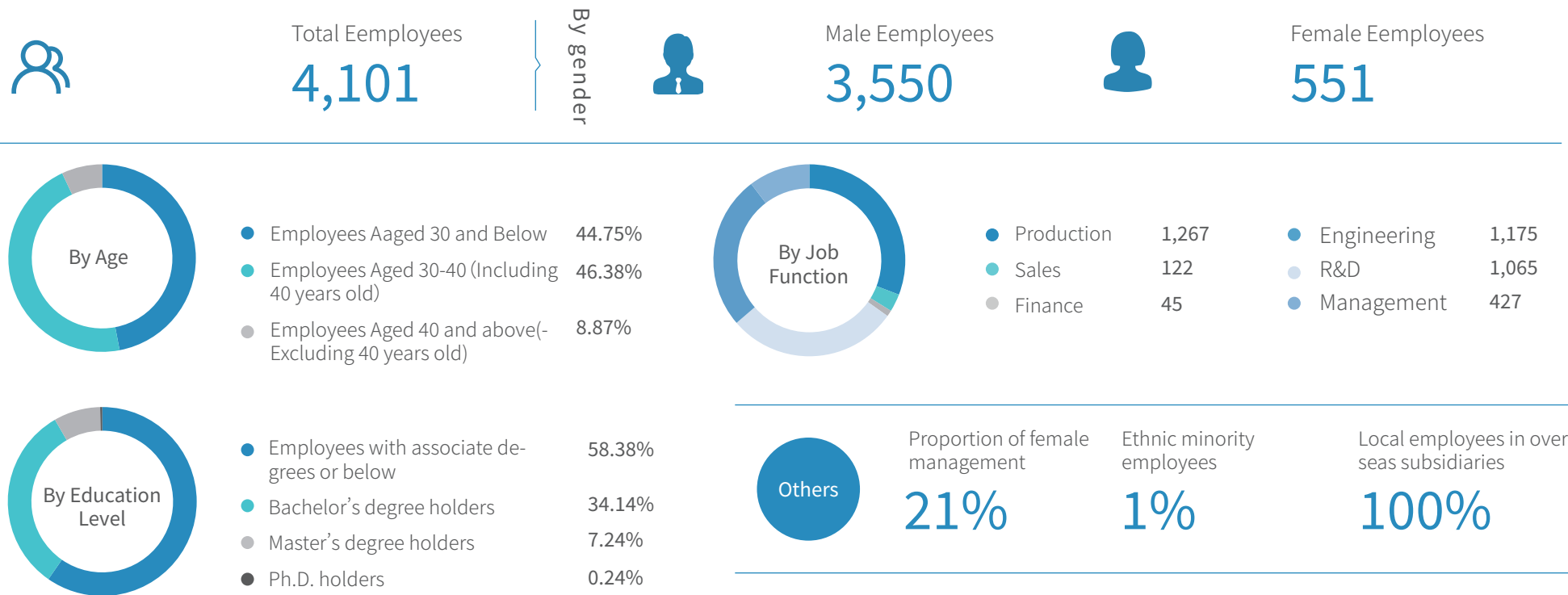
In August 2024, we further expanded our partnership with Nanjing University of Science and Technology (NJUST) by successfully launching an international industrial study tour to offer NJUST students valuable opportunities to gain hands-on experience in an international setting. During the study program, students visited our Manufacturing Center and Engineering Services Department, participated in product assembly and equipment calibration, and gained in-depth knowledge of our manufacturing processes and product technologies. This initiative also offered us valuable insights. By optimizing the tripartite collaboration mechanism among enterprises, universities, and research institutes, we continue to nurture more versatile professionals, contributing to the industry's high-quality development.



## ■ Diverse Workplace

Diversity and inclusion are essential factors in building a strong talent pool. Autowell is committed to fostering a diverse and inclusive work environment, and providing equal development opportunities and an open growth platform for all employees regardless of gender, age, nationality, and ethnicity.

### Employee Composition



## ► Compensation and Benefits

### ■ Compensation System

Autowell advocates for the shared growth with employees while adhering to a rational compensation distribution principle. The Company has established a three-tier compensation management system covering corporate, departmental, and individual levels, and formulated the Compensation Management Process to ensure that compensation structures align with corporate strategic planning. Additionally, we implement performance bonuses, year-end bonuses, and various innovative incentive programs to maximize employee motivation, creativity, and talent retention.

#### ▼ Incentive Mechanisms

##### Performance Bonuses

Determine assessment and calculation schemes based on employees' job categories; specific cases such as onboarding, resignation, and special transfers are handled according to our compensation performance calculation policies.

##### Year-End Bonuses

Determine year-end bonuses based on our overall performance metrics, with individual bonuses evaluated based on personal annual performance, working years at the Company and other factors.

##### Other Incentives






- Managers are encouraged to provide ad-hoc and project-based incentives as needed.
- We conduct annual performance recognition programs, selecting and providing outstanding employees, projects, and teams at both the organizational and department levels with awards and monetary incentives.
- Eligible outstanding employees may also receive stock-based long-term incentives.

#### Equity Incentives

To further improve the company's long-term incentive mechanism and enable employees to better share in the enterprise's development achievements, realizing mutual growth for both individuals and the organization, the company has implemented annual restricted stock incentive plans in accordance with the 2021, 2022, and 2023 Restricted Stock Incentive Plan (Draft). From 2021 to 2023, the company launched one incentive plan each year, with the three-phase incentive totaling nearly **6** million shares (based on the share capital as of April 11, 2025, the date of the notice for the 13th meeting of the 4th Board of Directors). The incentive covered over **2,700** core management personnel and frontline business team members. During the reporting period, all three-phase incentive plans met the company-level performance targets, with a total of over **1.81** million shares vested/unlocked.

## ■ Benefits System

To enhance the effectiveness of employee welfare, the Company continuously optimized its welfare management system during the reporting period, further standardizing welfare policies and procedures. Specifically, we conducted a comprehensive review and evaluation of our existing welfare policies, and introduced several new welfare measures based on employee needs and corporate development goals, such as family care benefits and support for personal hobbies. Additionally, we streamlined the welfare application and approval processes, and adopted a digital management platform to ensure efficient and transparent operations, ensuring that welfare policies are accurately implemented and benefit all employees. Moreover, we strengthened the promotion and training of welfare policies to help employees fully understand and make proper use of available welfare resources, thereby improving their sense of belonging and satisfaction, and laying a solid foundation for our sustainable development.

Welfare Composition	
 Insurance Contributions	<ul style="list-style-type: none"> <li>We provide the five social insurances and one housing fund for employees who have signed formal labor contracts, and offers commercial insurance for employees and their one child.</li> <li>In 2024, 100% of employees were covered by social insurance.</li> </ul>
 Holiday Benefits	<ul style="list-style-type: none"> <li>In addition to statutory holidays, we offer additional annual leave and paid sick leave for eligible employees, as well as various special leave types such as parental leave, only-child care leave, prenatal check-up leave, family planning leave, miscarriage leave, bereavement leave, nursing leave, and overseas family visit leave, ensuring employees' right to rest and meet the leave needs of special groups.</li> </ul>
 Flexible Working Hours	<ul style="list-style-type: none"> <li>According to the <i>Paid Annual Leave Regulations</i> and other leave management policies, employees in specific departments may arrange flexible working hours based on job nature and personal planning. Other departments adhere to an 8-hour workday, fully implementing weekend rest and statutory holiday policies.</li> </ul>
 Shuttle Services	<ul style="list-style-type: none"> <li>To facilitate commuting, we provide a variety of shuttle routes for employees.</li> </ul>
 Other Benefits	<ul style="list-style-type: none"> <li>Subsidies such as telephone subsidies and transportation subsidies, interest group activities, and employee cafeterias.</li> </ul>

## ■ Employee Satisfaction Survey

To understand employees' opinions and demands, the Company conducted employee satisfaction surveys with a focus on areas such as the cafeteria and shuttle services, and implemented targeted improvements for areas with lower satisfaction to enhance overall employee satisfaction and well-being.

In 2024, we collected 1,019 employee satisfaction survey responses, with an overall satisfaction rate of **80%**.



## ► Democracy and Communication

Autowell advocates for democratic management by holding staff representative meetings, establishing trade union organizations, and ensuring employees' rights to information, participation, expression, and supervision. We actively attend to employees' opinions on business operations and major decisions, protect employees' rights and interests, and enhance our science-based management.

### ■ Democratic Management System

The Company has established a democratic management system in strict accordance with the *Trade Union Law of the People's Republic of China* and the *Regulations on Democratic Management in Enterprises*. We regularly hold staff representative meetings, run trade union organizations, and review major corporate decisions and policies to ensure that employees have a voice in corporate affairs related to economic, political, and cultural matters, thereby improving decision-making and employees' sense of identity. On August 20, 2024, we held a staff representative meeting to elect the fourth staff representative supervisors. The elected supervisors, along with those elected at the Shareholders' Meeting, constitute the fourth Supervisory Board.

#### Collecting employee feedback for a greener office environment

In February 2024, to address internal waste issues, we collected employee opinions through an online questionnaire and collaborated with employees to build a more sustainable work and production environment. We adopted valid suggestions from a total of **1,763** questionnaires.



### ■ Employee Grievance Mechanism

The Company's Human Resources Department and Disciplinary Inspection Department are specifically responsible for handling employee grievances, complaints, and reports. Moreover, we have established a suggestion tracking and feedback mechanism, committing to prompt and fair investigations into all grievances, complaints, and reports. We take necessary corrective actions while upholding strict confidentiality and fairness throughout the grievance process.

#### Clear Grievance Procedure

We have clearly outlined the grievance procedure in the *Employee Handbook* and set up grievance mailboxes in surveillance blind spots to actively encourage employees to speak up.

#### Salary Grievance Channel

Employees who have issues with salary payment can submit a written dispute to the Human Resources Department within three working days after receiving the salary slip or labor compensation. If an error is confirmed, the Human Resources Department will respond and reissue the payment within 3 working days of receiving the dispute.

#### Training and Promotion

We regularly organize training and promotional activities to enhance employees' understanding of our policies and procedures, ensuring that every employee is aware of how to properly use these feedback channels.

## Employee Grievance Procedure



### Step 1



- Employees should first raise their issues with their direct supervisor or manager for discussion.
- If the issue is not resolved within a reasonable period, the concerned manager or employee may report the issue to the higher-level manager and notify the Human Resources Business Partner (HRBP).



### Step 2



- The employee communicates with the higher-level manager, with the HRBP observing or participating in the discussion.
- The higher-level manager and HRBP will jointly make a decision on the issue.
- If the issue remains unresolved, it should be escalated to the employee's corporate management.



### Step 3



- The Disciplinary Inspection Department will investigate the issue and provide decision-making reference to the Company's management, which will make a final decision.



Suggestion boxes in public office areas

# Suggestions

## Care and Support

### Assistance for Employees in Difficulty

The Company has always placed employee welfare as a top priority, offering both financial and emotional support to employees facing significant health issues or accidents.

In May 2024, an employee underwent surgery for a malignant tumor. Our trade union organized a visit to the employee to provide both financial and emotional support.

In July 2024, after an employee tragically passed away due to a traffic accident, our trade union representatives attended the memorial service and provided condolence money and emotional support to help the family cope during this difficult time, creating a warm and supportive work environment.

### Care for Female Employees

The Company places great importance on the workplace experience of female employees, strictly adhering to the *Special Rules on Labor Protection for Female Employees* and other related requirements to meet their specific needs. We have designated exclusive rest areas for pregnant and breastfeeding women, ensuring their rights to rest and breastfeed. In addition, we organize event for International Women's Day, such as DIY pearl jewelry making, Chinese-style handbag making, and health lectures focused on women's well-being, helping female employees reduce stress and demonstrating our care and respect for them.

### Special Event “Shining Her” in Celebration of International Women’s Day

On International Women’s Day 2024, in collaboration with the trade union committee, we held various vibrant events under the theme “Shining Her”, bringing joy and warmth to female employees and making them feel our love and support on this special day.



DIY Pearl Jewelry Making



Breast and Cervical Health Lecture



Chinese-Style Handbag DIY Activity

## ■ Emphasis on Employee Health

The Company advocates for employees to pay attention to their health. During the reporting period, we organized traditional Chinese medicine (TCM) health check-ups to raise employees' health awareness.

### Providing Free TCM Check-ups to Support Employee Health

In November 2024, to raise health awareness and improve the health of employees, we responded to the national “Healthy China” initiative by collaborating with the Wangzhuang Street Chamber of Commerce to invite TCM experts for health check-ups. The experts provided personalized health advice and treatment plans based on employees' physical conditions. The event received a warm welcome and high praise from our employees. Many expressed that the activity helped them gain a deeper understanding of their health and gave them a more intuitive understanding of TCM culture.



## Employee Activities

Autowell places a high value on balancing employees' work and personal life. The Company organizes a variety of employee activities, such as Spring Festival couplet writing, hiking events, table tennis competitions, billiards tournaments, badminton matches, and e-sports competitions. These activities enrich employees' leisure time and enhance teamwork and cohesion within the Company.



New year badminton exchange match



Reading festival



Spring Festival couplets writing



Table tennis competition



Hiking event



E-sports competition

## Development and Training

### Employee Training

By implementing training systems such as the *Autowell Training Management System*, the *Autowell Course Management System*, and the *Autowell Lecturer Management System*, and aligning with the needs of employees at different positions, levels, and stages of development, the Company has gradually improved its talent development and training system. Additionally, we provide E-learning platforms to broaden employees' learning channels and enrich learning resources for continuous self-improvement.

#### Newly hired experienced employees

Regularly organize onboarding training, safety training, corporate culture training, and job skill enhancement courses to help newly hired experienced employees quickly integrate into the Company and familiarize themselves with operational management models and policies.

#### Newly hired graduate employees

- Graduate training system: The Company has developed a dedicated “Qingsong Program” for graduate training, which includes military training, intensive training, job rotations, and professional development, cultivating new graduates into specialized talents in specific fields or positions. In 2024, we organized **11** graduate training sessions, attended by **1,100** participants.
- Management trainee training system: Through rotations and hands-on practice across departments or business units, and senior leadership coaching, we have developed a 3-year “War-style Guide Training” system to train management trainees into management talent reserves with a broad strategic perspective.

### Existing employees

- Provide regular specialized skill enhancement training based on business needs, such as *Omron Training for electrical skills, Mechanical Drawing Design Standards, 3D Modeling Standards, Zero-Cost Machining* and other mechanical skills, *Supply Chain System* training, and online and offline career development programs.
- Organize external public courses or seminars as needed based on business scenarios.
- Conduct specialized talent training programs based on business development needs, such as the 2024 Product Engineer Bootcamp and Corporate Management Bootcamp, covering 239 participants.

### High-potential employees

To precisely identify and nurture high-performance, high-potential key talent, we established the HIPO Program for High-Potential Talent to select and accelerate the development of highly promising individuals, creating a robust talent pool to continuously provide high-quality talents for various business sectors.

### Managerial employees

- Provide leadership training for supervisors and managers, covering areas such as human resource management, strategy decoding, goal management and plan execution, coaching leadership, quality decision-making, and team canvas, all aimed at supporting business growth and improving internal management capabilities.
- In 2024, we organized 2 “*Xiaomi Entrepreneurship Thoughts*” book sharing sessions, involving 92 managers.

### Frontline team leaders

The Company organizes the annual online and offline capability enhancement camp for frontline team leaders, implementing a “Learn-Examine-Evaluate” development mechanism. Special courses on areas such as frontline production management, lean management, and quality management are offered to effectively enhance the on-site management capabilities of frontline team leaders.



## Vocational Skills Enhancement Training

To elevate the quality of technical talent development, Autowell meticulously organized an intensive vocational skills enhancement training program in 2024. This training primarily targeted employees in frontline manufacturing, engineering, and R&D positions, focusing on three key trades: assembly fitters, electricians, and CNC milling operators. The program was structured into two levels—senior workers and technicians. With strong support from the Company's leadership, the General Administration Department meticulously planned and efficiently provided the training, ensuring its smooth implementation. As a result, **138** new skilled personnel were certified this year, including **58** technicians and **80** senior workers, with an impressive exam pass rate of **93%**. This outcome highlights the significant impact of the training program, reinforcing our skilled talent pipeline.



## Internal Lecturer Development

In 2024, we launched our first internal trainer certification and appointment program. Through a multi-step process—including registration, preliminary review, training, trial lectures, and final assessment—a group of outstanding lecturers from various business domains was successfully certified. This initiative fosters knowledge transfer, facilitates experience sharing, and enhances overall employee competency.

During the reporting period, the internal lecturer program accumulated a total of **24** training hours, reaching **82** participants.



Graduate and Management Trainee Training Programs



Trainer Appointment Ceremony



Product Training Bootcamp

## Employee Training Performance

 <p>Total employee training hours (hours)</p> <p>19,832</p>	 <p>Total investment in employee training (RMB)</p> <p>971,800</p>
 <p>Training hours for new employees (hours)</p> <p>120</p>	 <p>Proportion of new employees trained (%)</p> <p>100</p>
 <p>Proportion of mid-level managers trained (%)</p> <p>86</p>	 <p>Training hours for mid-level management (hours)</p> <p>124.5</p>
 <p>Training hours for female employees (hours)</p> <p>4,041.50</p>	 <p>Proportion of female employees trained (%)</p> <p>18.3</p>
 <p>Training hours for male employees (hours)</p> <p>15,790.5</p>	 <p>Percentage of male employees trained (%)</p> <p>81.7</p>

## Employee Promotion

Autowell has established a dual-track career development framework encompassing both management and specialist pathways. Based on management levels, the Company has defined corresponding promotion standards and criteria. Employees can choose their career paths according to their interests, abilities, and professional aspirations. To support career growth, we provide career planning and development assistance. By assessing targeted job groups and benchmarking them against talent profiles, we systematically identify employees' skill gaps, determine training directions, and customize training programs, while continuously refining these programs.

### Promotion Management



#### Professional track promotion standards

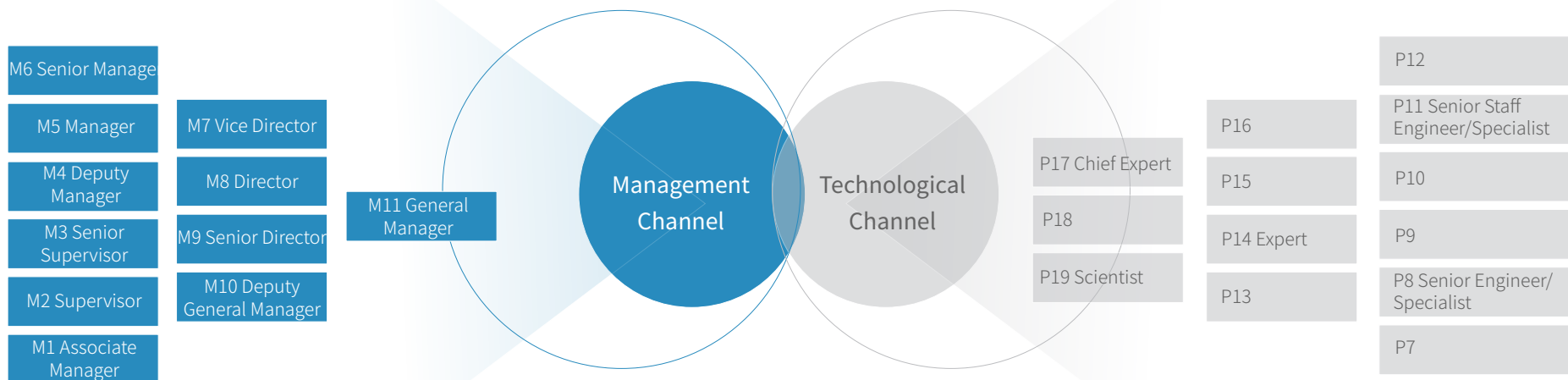
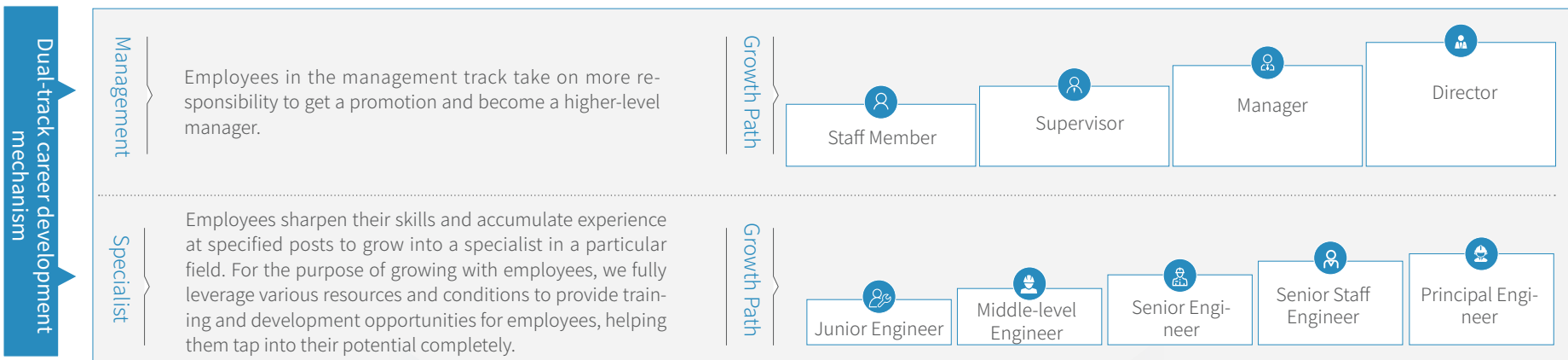
We have developed 43 qualification standards across different sub-tracks and levels, identifying over 170 core competencies. They clearly define the fundamental job requirements, performance expectations, knowledge areas, and behavioral competencies necessary for employee selection and promotion, ensuring science-based and clear evaluation standards.



#### Pilot selection in the professional track

In 2024, we launched a pilot selection program within the R&D department, leveraging qualification standards to implement a diversified evaluation model. The selection process integrates theoretical assessments, case studies, and in-person presentation reviews, ensuring a more comprehensive and objective assessment of technical talent and maintaining high-quality selection.

Job Classification System



Manager in an organization: Planning, organizing, leadership, control, and performing other functions to coordinate and lead team members towards meeting the set targets.

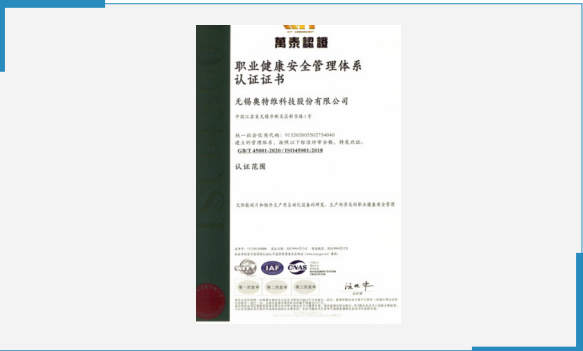
Specialists: Specialists are the pivot of corporate development. They have an impressive educational background, rich professional knowledge and experience, and a great capacity to learn.





# Occupational Health and Safety

## Occupational Health Management

Autowell strictly complies with laws and regulations such as the *Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases*, the *Jiangsu Province Work Safety Regulations*, and the *Wuxi City Work Safety Regulations*. The Company has also established internal policies, including the *Management System on Occupational Disease Control*, the *OHS Education System*, and the *Management System for Accident Involving Heavy Casualties*, to regulate occupational health management.

In 2024, we successfully passed the annual surveillance audit for the ISO 45001 Occupational Health and Safety Management System.



Occupational Health Management Initiatives	
 Assessment and updates of occupational hazard factors	Regularly evaluate and update occupational hazard factors, while comprehensively inspecting production processes and equipment. This ensures the timely identification and recognition of potential occupational hazards, effectively preventing occupational contraindications and diseases.
 Minimizing occupational disease exposure risks	<ul style="list-style-type: none"><li>Continuously upgrade technologies to minimize occupational hazards in high-risk positions and job types.</li><li>Ensure that all purchased personal protective equipment (PPE) and safety facilities meet regulatory requirements, and conduct regular maintenance and upgrades.</li><li>Consistently optimize the management of hazardous substances, dust, noise, and other workplace environmental factors to effectively reduce occupational disease exposure risks.</li></ul>
 Occupational health checkups	<ul style="list-style-type: none"><li>Put in place a comprehensive occupational health monitoring system, covering pre-employment, periodic, post-employment, and emergency health examinations to ensure effective health monitoring at all stages of employment.</li><li>Establish individual occupational health records for each employee, systematically documenting medical examination results and health conditions to provide a scientific basis for occupational health management.</li></ul>
 Optimization of external evaluations	Regularly engage third-party organizations to conduct occupational health and safety assessments, further ensuring work safety.

During the reporting period, no new cases of occupational diseases were recorded, and the occupational health examination rate for designated positions reached **100%**.

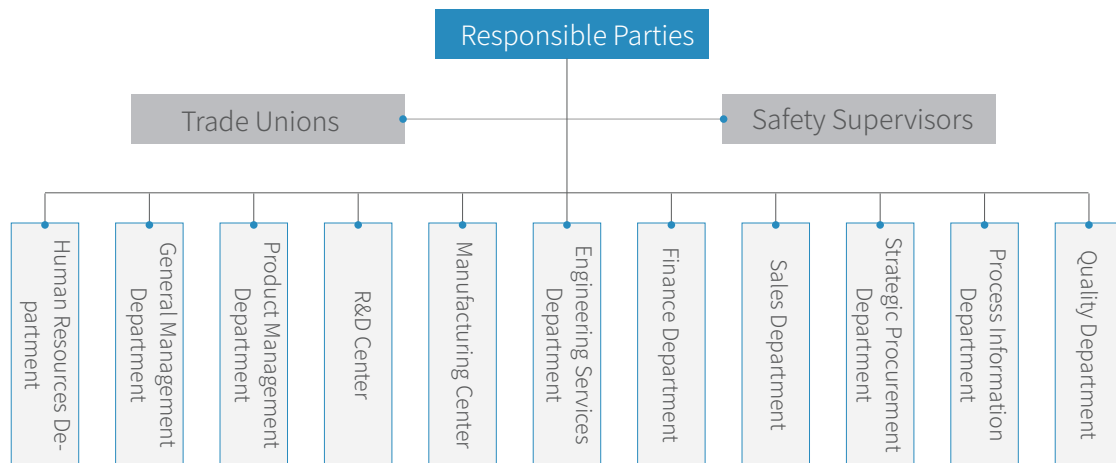
## Work Safety Management

### Work Safety Management Framework

Autowell strictly adheres to the *Law of the People's Republic of China on Work Safety*, the *Measures for the Administration of Contingency Plans for Work Safety Accidents*, and the *Emergency Response Law*, among other laws and regulations. We have introduced various safety policies, including the *Work Safety Accountability System*, the *Work Safety Inspection System*, and the *Work Safety Target Management System*. We have established a comprehensive safety management system, with a Work Safety Committee spanning from the General Manager to functional departments to fully implement safety responsibilities. Under the leadership of the committee, we have successfully met our safety targets and obtained the level III Standardized Work Safety Certification.

During the reporting period, we recorded no work safety accidents.

#### Organizational Structure of the Work Safety Committee



## ■ Emergency Management for Work Safety Incidents

At Autowell, we place great emphasis on emergency management for work safety incidents. We have developed various emergency management regulations, including the *Regulations on Emergency Response*, and the *Accident Emergency Response Management System*, to standardize and refine emergency response procedures. Meanwhile, we have established a crisis response team, comprising management personnel, the General Administration Department, the Manufacturing Center, and the Finance Department. By clearly defining the responsibilities of each department, we ensure a swift response and efficient resource mobilization to prevent and mitigate major work safety incidents.

### Work safety emergency management measures

#### Safety hazard inspections

- Establish a systematic hazard inspection mechanism, conduct weekly routine inspections. Identified issues are promptly reported to the responsible departments for rectification, followed by a review of corrective actions, and the summary and analysis of hazard reports and rectification outcomes.
- Conduct regular specialized inspections, covering electricity safety, fire safety, and seasonal risk factors (e.g., summer and winter-specific hazards) to ensure comprehensive risk control.
- During the reporting period, we achieved a **100%** rectification rate for identified safety hazards.

#### Safety signs

- Display safety warning signs and knowledge posters throughout production workshops and factory areas to continuously remind employees of safety risks, preventing accidents caused by negligence.

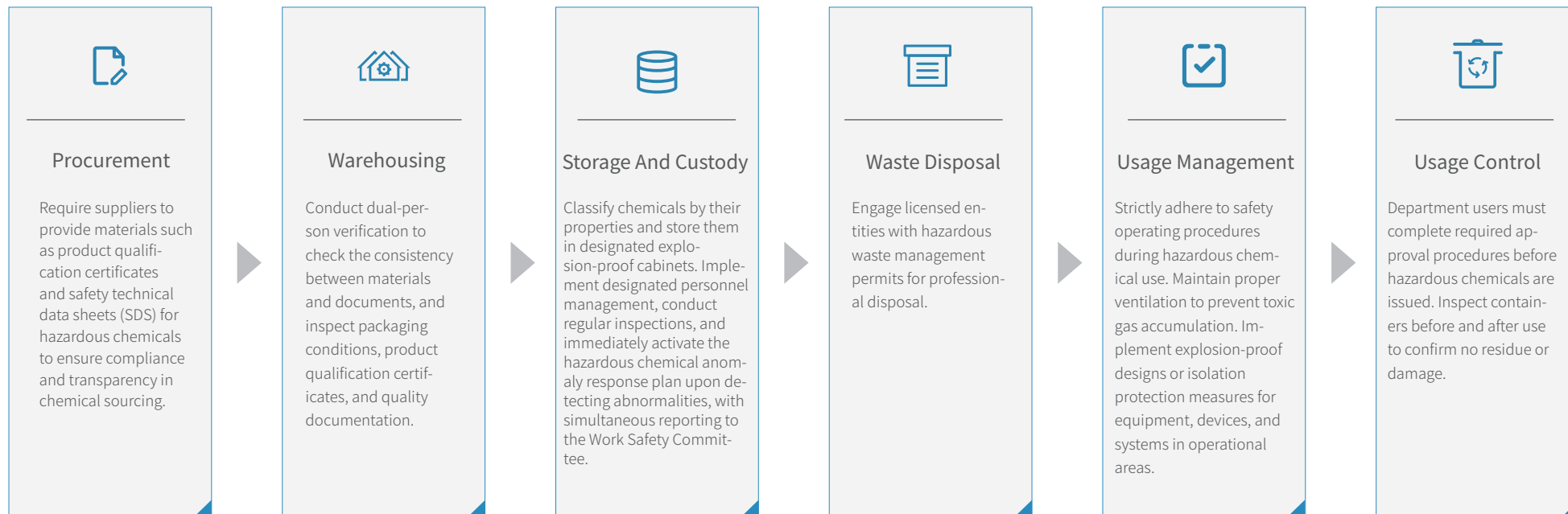
#### Emergency drills for work safety

- Organize regular emergency drills to strengthen employees' ability to respond to safety risks.
- During the reporting period, we organized **6** emergency drills, with a total of **635** participants.

## ■ Hazardous Chemicals Management

The Company has strictly complied with the *Regulations on the Safety Management of Hazardous Chemicals* and other relevant laws and regulations, and formulated the *Hazardous Chemicals Safety Management System*. We have continuously strengthened the safety management of hazardous chemicals to ensure the prevention of accidents such as fire, explosion, and toxic hazards during the transportation, storage, production, and usage of hazardous substances, safeguarding the lives, property, and overall safety of both the Company and employees.

### Full-process hazardous chemicals management



## » Occupational Health and Safety Education

The Company places a high premium on occupational health and safety education. We conduct a wide range of education and publicity activities such as work safety accountability training, work injury prevention training, risk classification and control and hidden hazard investigation and management education, work safety month activities and fire prevention month series. Through these initiatives, we have comprehensively improved the safety awareness and skills of the staff, and integrated safety philosophies into our corporate culture, fostering an environment where every employee prioritizes and actively participates in safety management.

### Occupational health and safety training data in 2024



Total training hours

**86.5** hours



Total participants

**4,861** person-times



Total training sessions

**137** times



Training coverage rate

**100%**

### Work Safety Accident Prevention Training

To enhance employees' awareness and capability in work safety, we conducted work safety accident prevention training. Employees were educated on the definition, classification, causes, and characteristics of work safety accidents, and prevention measures for mechanical injuries, electrical hazards, and other workplace risks. These training activities have equipped employees with the knowledge to identify potential hazards, and significantly reduced the likelihood of work safety accidents.



# Products and Services

## Quality management philosophy

Quality is critical to the Company, just as the water that bears the boat is the same that swallows it up.

## “Three Nos” principle of quality management

No nonconforming raw materials; No defective products; No delivery of defective products.

## Client service philosophy

Humility, Attentiveness, and Professionalism.

## Quality management goals

### Systematic development

Establish a comprehensive quality management system to enhance efficiency.

### Process standardization

Define universal elements to ensure repeatability in quality management.

### Integration of systems and processes

Optimize internal management by harmonizing systematic and standardized processes.

### Personnel training

Improve the overall competency of standardized operations personnel.



## ➤ Responsible Procurement

Autowell implements source control measures for product quality by establishing a rigorous supplier quality management system and enforcing strict supply chain product quality standards. The Company also provides specialized quality training for procurement personnel to raise their quality awareness.



### Supplier quality control procedures

- Suppliers are required to follow a set of quality control protocols, manufacturing products in accordance with our technical and quality standards.
- Suppliers must establish robust quality management systems, conducting strict inspections of raw materials, semi-finished products, and final products. They are also required to regularly review and optimize their quality management systems to improve production quality.



### Supplier quality system certification

- Preference is given to suppliers that have obtained quality management system certifications such as ISO 9001.
- During the reporting period, 62 suppliers were ISO 9001 certified.



### Supplier quality agreements

We sign quality assurance agreements with suppliers to clearly define their quality responsibilities and obligations, ensuring:

- Products comply with national and industry standards and are accompanied by valid production licenses and testing reports.
- The stability and reliability of product quality, with suppliers assuming full quality assurance responsibility.
- A comprehensive quality traceability system is in place, making sure that quality issues can be traced back to responsible individuals and that timely corrective actions are taken.



### Response mechanism for supplier's non-conforming products

- A well-defined non-conforming product management mechanism is in place to isolate non-conforming products, preventing them from entering the market.
- Root cause analysis is conducted to accurately identify the source of defects and formulate targeted corrective solutions.
- Depending on the nature and quantity of defective products, appropriate rework, scrapping, or repurposing measures are implemented, ensuring that all actions align with environmental standards.
- Information on processed non-conforming products is shared with relevant departments, enabling proactive issue resolution and continuous optimization of production and quality control measures.



### Quality training for procurement personnel

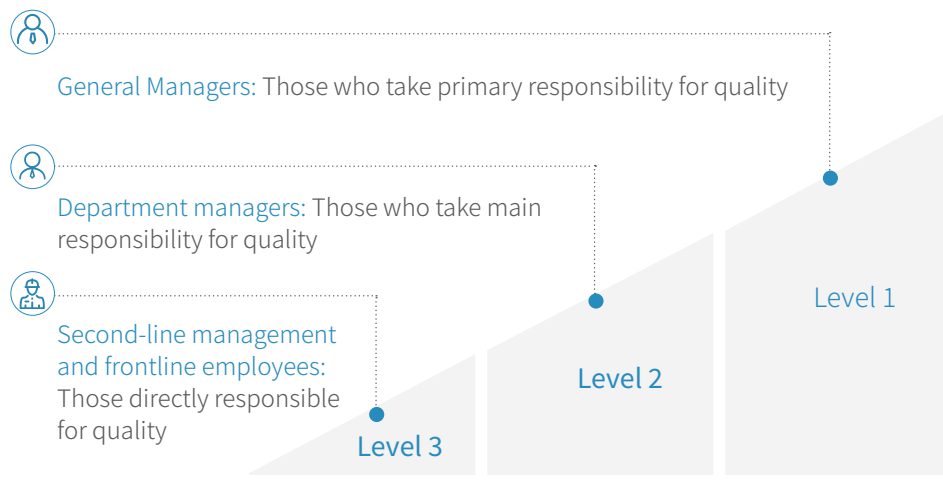
- We provide training and assessments for procurement personnel, covering topics such as supplier selection, quality control, negotiation techniques, and contract management. Performance assessments are quantified based on procurement quality metrics, incentivizing procurement staff to continuously enhance their work quality.

## Product Quality Management

Autowell strictly complies with the *Product Quality Law of the People's Republic of China* and other relevant regulations, and has established quality control systems, including the *Materials Inspection*, the *Process Quality Control*, and the *Delivery Quality Control*. By implementing the Plan-Do-Check-Act (PDCA) quality management model, we have built a full-lifecycle quality management mechanism covering segments from supply chain management to after-sales services, continuously improving our product quality and quality management capabilities to maintain our competitive edge in the market.

### Quality Commitment Mechanism

Autowell has established a three-level quality and safety responsibility system, forming a three-level quality and safety commitment mechanism. This system clearly defines the quality responsibilities and operational standards for the General Manager, department heads, team leaders, and employees, ensuring the strict fulfillment and implementation of quality and safety responsibilities.



### Quality Management System

The Company emphasizes a systematic approach to quality management and strictly adheres to the ISO 9001 Quality Management System certification requirements. By establishing a quality and safety responsibility system, we ensure that all employees at every level effectively fulfill their quality and safety responsibilities. Additionally, we integrate quality control throughout the entire product lifecycle, from understanding client needs, research and development (R&D), process engineering, procurement, production, to end-of-life product management, ensuring all products consistently meet quality standards.



During the reporting period, Autowell and its subsidiaries—ATW Intelligent Equipment, ATW XuRi, and Leddo Technology—successfully passed the annual validation of the GB/T 19001-2016 Quality Management System. Meanwhile, two other subsidiaries, ATW Coshin and Qinhuangdao Zhiyuan, obtained certification under the same system, and SCEC renewed its certification.

## Successfully Passed Annual Validation in 2024



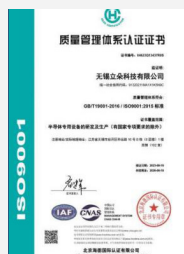
ATW



ATW Intelligent Equipment



ATW XuRi



Leddo Technology

## Obtained Certification in 2024



ATW Coshin



Qinhuangdao Zhizhuan

## Renewed the Certification in 2024



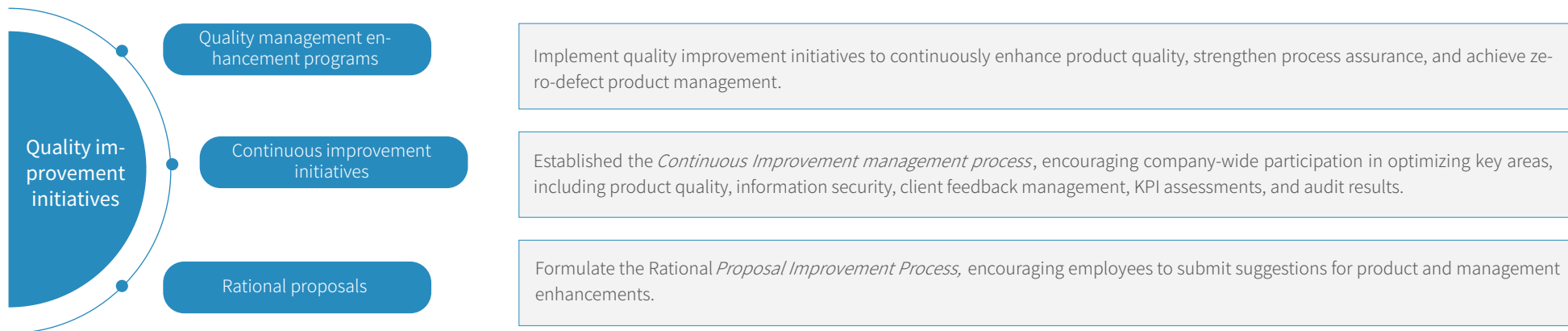
SCEC

## Quality Assurance and Improvement

Through diverse quality assurance and improvement initiatives, the Company maintains strict control over product and service quality, fostering a culture of company-wide engagement in continuous quality improvement, and consistently enhancing the quality of its products and services.

### Quality Assurance Measures

Chief Quality Officer	The Company has implemented a Chief Quality Officer (CQO) system, granting the CQO veto power over any event affecting quality and safety in the product realization process. This strengthens quality management authority and enhances enforcement.
Dedicated Quality Control Personnel	To reinforce product quality and safety control, we have established “In-Process Inspection” positions. These professionals focus on and monitor critical production stages that significantly impact product quality, ensuring that every product meets high standards.
Full-process Quality Control	Guided by our business performance, we have analyzed the entire value chain across all business touchpoints, with a focus on “end-to-end” business processes. We clearly define management, operational, and support processes, improve our institutional framework, and designs tiered business authority structures. By integrating process execution into our system, we ensure seamless alignment between processes and quality management systems, strengthening value-chain-wide quality control and enhancing operational efficiency and management capabilities.
Quality Commitment Assurance	We sign the <i>Technical Agreements</i> with our consumers, explicitly defining key product performance indicators, after-sales services, training provisions, and quality assurance commitments to fully safeguard client rights and interests.
Resource Security	We have introduced 237 pieces of laboratory equipment, enabling research in areas such as mechanical and electronic measurement, material and mechanical testing, electrical and control system testing, process calibration and inspection, environmental and metrological testing, physical and optical instrumentation, and laser processing.



## In 2024

We recorded a product qualification rate of **99.05%**, up by **1.5%** from 2023, higher than the target set at the beginning of the year.

We collected a total of **6,067** pieces of online feedback in total through the OA system, effectively improving the product quality and operational efficiency, and resulting a total cost saving of RMB **12.551** million. in costs.

## Continuous Improvement Initiative

In response to client feedback regarding issues with our PV stringers, including air hose melting in the cell handling area and cracking in batches near the fan inside the cabinet within one year of operation, we promptly conducted a thorough investigation into the root causes, and implemented targeted improvement measures. After these optimizations, all reported issues were fully resolved. Additionally, we have incorporated client requirements into the R&D and design phase, implementing standardized improvements and optimizations from the source to ensure continuous enhancement of product quality and client satisfaction.

## ■ Quality Audit Mechanism



### Process monitoring

Starting from raw material procurement, we enforce stringent selection standards to ensure materials meet high-quality requirements. During production, we leverage a comprehensive inspection system to monitor each manufacturing process. Upon delivery, we follow high-standard acceptance protocols. For post-sales, we have established a robust feedback mechanism to promptly address client concerns. Through full-process quality control, potential defects are eliminated, ensuring premium products and services for clients.



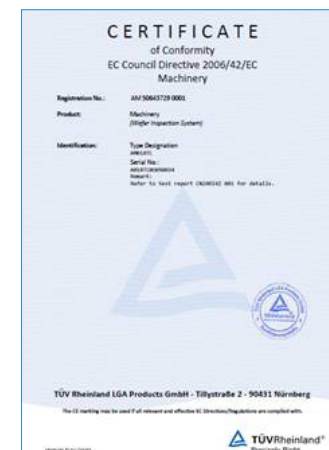
### Internal audits

To ensure the effective operation of the quality management system, we conduct internal audits covering all stages and aspects of product quality. Once issues are identified, we urge relevant parties to take corrective measures, and implement corrective or preventive actions to prevent recurrence.



### External certifications

In addition to quality management system certifications, our products have complied with international standards (e.g., those in the EU and the US), been certified by international certification bodies such as TUV and Intertek, and obtained CE and EAC certificates. Furthermore, our products have secured market access authorization in North America.



TUV Product Certification

## ■ Product Recall Management

The Company has established the *Non-Conforming Product Management* process, which explicitly requires that any defective products identified by consumers must be recalled or inspected on-site. This process is led by the Engineering Services Department, with support from the Sales Department and Quality Department, to track and verify all consumer-side products, including those in-transit. We ensure that all non-conforming products in production are properly identified, isolated, and recorded. In cases where non-conforming products have resulted in consumer losses, we conduct case-specific assessments and formulate appropriate compensation plans.

Furthermore, we have implemented the *Regulations on Emergency Response*, and the *Internal Reporting System for Important Information*, and set up the Crisis Management Team responsible for handling major product quality incidents, ensuring timely and effective control of negative impacts. Additionally, in the event of a major quality incident, we will promptly report the response progress and final resolution to local government authorities, ensuring transparency and seamless communication.

Product Recall Data in 2024	
Number of Recalled Products	0
Number of Complaints Related to Products and Services	0
Major Safety and Quality Liability Incidents	0

## ➤ Client Service Management

Exceptional client service is a powerful tool for attracting new clients and expanding market share. It also serves as a key foundation for strengthening relationships with existing consumers and enhancing client loyalty. By providing high-quality, personalized service experiences, the Company meets diverse client needs, fostering greater satisfaction and trust.

### ■ Daily Client Service

We maintain close cooperation with consumers through non-scheduled follow-ups and on-line and offline communication, ensuring timely responses to client needs and feedback.

Daily client service mechanism		
Understanding and response	Client communication channels	Understand client needs through channels such as client visits, phone calls, and online interactions, monitor equipment performance, and provide prompt support and solutions.
	Rapid response to client needs	Continuously create value for clients. When clients require on-site assistance, we swiftly dispatch sales, R&D, and engineering teams to address issues and ensure operational continuity.
Communication and resolution	Information sharing mechanism	Ensure seamless collaboration among production, sales, and R&D departments to eliminate repetitive work resulting from information gaps, improve decision-making efficiency, and accelerate issue resolution.
	Three-party reporting mechanism	Implement a three-party reporting system to facilitate efficient communication and collaboration, ensuring swift resolution of client concerns.

## ■ After-Sales Client Service

Autowell has established a comprehensive end-to-end service system, covering pre-sales, in-sales, and after-sales stages. The Company is committed to delivering efficient, professional, and prompt support, comprehensively enhancing client experience. To further improve service quality, we have implemented a supervisory inspection mechanism, conducting random checks on sales personnel's response to client inquiries. Additionally, we adopt a project management, analysis, and review system to ensure effective follow-ups and strengthen our service reputation.

### Pre-sales

- We have set up an after-sales support middle office team, which is responsible for client pre-sales training and service process introduction to ensure that clients fully understand the products and services.
- Rationally allocate resources based on project requirements, with a designated project manager and a specialized project team formulating detailed project plans and targets, ensuring a smooth project launch.



### In-sales

- The project manager is responsible for overall coordination, involving personnel allocation, planning, and progress tracking, providing real-time updates on project progress and issues.
- The project supervisor assists the project manager in ensuring efficient achievement of project indicators and targets. Through standardized processes, a three-party reporting mechanism, and regular client visits, we can understand client needs promptly, enabling swift responses and adjustments to guarantee high-quality project delivery.



### After-sales

- The technical service team offers round-the-clock remote support, ensuring prompt resolution of consumer issues. For urgent matters, on-site assistance is provided within 24 hours domestically and 72 hours internationally.
- The project supervisor conducts regular follow-ups, monitoring equipment performance, identifying client needs, and fostering strong consumer relationships.
- Through our WeChat official account, clients can access comprehensive technical documents such as regular updates on equipment maintenance, troubleshooting guides, debugging techniques, and product introduction, empowering them to maximize operational efficiency.

## Client complaint response mechanism

- Step1 The project manager responds to the complaint immediately, identifies the level of severity, and escalates to a higher level.
- Step2 Maintain effective communication among the client, the on-site team, and the back office (engineering, sales, and R&D).
- Step3 The after-sales team communicates with the person in charge on the client side.
- Step4 Formulate the solutions and send them to the client on the same day.
- Step5 Push forward the progress until the issue is solved.
- Step6 Follow up with the client and review the communication.
- Step7 In response to the client complaint, we draw up improvement and optimization plans promptly and implement them effectively.

### Client Complaint Resolution Performance

Client Complaint Resolution Rate

100%

Client Complaint Response Rate

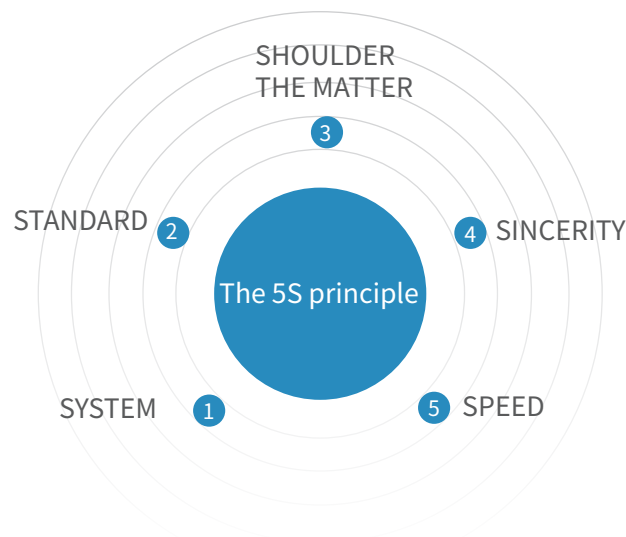
100%

## Responsible Marketing

To ensure that marketing activities comply with market regulations, the Company strictly adheres to national and local laws and regulations while upholding the principle of compliant operation with integrity. We strictly follow industry standards and actively maintain a fair and orderly business environment.

With “*Operations with Integrity*” as our core ethical guideline, we have established systems such as the *Bidding Management*, the *Supplier Management*, and the *Anti-Corruption Agreements*. Additionally, our dual-layer compliance mechanism—consisting of an in-house legal department and external legal advisors—ensures that all product marketing activities remain lawful, compliant, and well-regulated.

In terms of brand crisis handling, we adhere to the 5S principle for brand crisis response, which is “the principle of Shouldering the Matter, Sincerity, Speed, System and Standard”, and have formulated a brand crisis response mechanism to protect the reputation and image of our brand.



During the reporting period, we had no violation of the regulations on product and service information and trademark identification.

Since the inception, we have not recorded any brand crisis.

## ■ Enhancing Product Accessibility

To improve client experience and support better understanding and utilization of its products, the Company customizes training programs based on clients' technical capabilities and business stages. This ensures that clients at different levels can acquire product knowledge tailored to their needs. Additionally, we have introduced one-stop intelligent module interconnection solutions, enabling process and technology upgrades, reducing barriers to product usage, and enhancing product accessibility.

### Customized product solutions

- Provide consumers with intelligent, efficient, and reliable PV equipment solutions, covering four major production stages—rod, wafer, cell, and module—with customizable and combinable configurations tailored to client needs.
- Offer independently developed customized lithium-ion battery module/intelligent PACK assembly solutions designed for new energy power and energy storage applications. These solutions boast stability, efficiency, safety, and energy conservation, meeting diverse client needs.
- Provide comprehensive training programs across pre-sales, in-sales, and after-sales stages, ensuring clients master product usage skills at every stage.

### One-stop module packaging solutions

- Our large-size cell stringers not only meet client technical requirements but also offer multi-process selection, reducing the impact of external environmental factors on client operations.
- We have fully upgraded our multi-point equipment at the module end and introduced the latest smart module packaging interconnection solution. With a vision to build fully automated or minimally staffed smart factories, we provide one-stop solutions for module interconnection.

### Process and technology iteration and optimization

- Our platform-based technology enables compatibility with multiple processes, supporting TOPCon, HJT, BC and other cell types. Our technology optimization further reduces costs and improves product availability.
- Our OBB stringer equipment has undergone technical iteration and optimization, successfully achieving cost reduction and efficiency enhancement in mass production, lowering the barrier for product usage and enhancing accessibility.

## Client Training

In 2024, we designed customized training programs for our latest PV string layout and bussing machine, addressing specific client needs. The training covered areas such as theoretical principles, and hands-on equipment operation. After the training, trainees successfully mastered professional skills such as model switching, cell string precision adjustment, and welding optimization, laying a solid foundation for future equipment installation and operation.



Graduation group photo



PV string layout and bussing machine

## Client Training in 2024

Our training covered **21** clients, attended by a total of **125** person-times

## Client Satisfaction

To gain in-depth insights into client satisfaction and feedback, the Company conducted client satisfaction surveys covering multiple perspectives, including product quality, service quality, delivery performance, and pricing. In 2024, both domestic and overseas client satisfaction rates reached **100%**.

Overseas Clients Satisfaction Rate

**100%**

Domestic Client Satisfaction Rate

**100%**

In 2024, our outstanding product quality and exceptional service earned high recognition and awards from leading industry consumers.



Globally Excellent Partner Award



Outstanding Cooperation Award

## ► Client Privacy Protection

The Company emphasizes client data security and management, and has built a comprehensive information security protection system through system development and continuous optimization. We have introduced the ISO 27001 Information Security Management System, establishing a standardized system that includes the *Confidentiality Management System and the Information System Access Control Standards*, and embedding client privacy protection requirements into all management systems. During the reporting period, we recorded no client data breaches.

At the technical level, we have implemented multi-dimensional security measures, including strict access control, client document encryption, and antivirus software deployment, effectively mitigating risks of client data leaks. At the personnel management level, we place strong emphasis on raising awareness of information security among employees.

During the reporting period, we conducted two specialized training sessions on data security and client privacy protection, covering **95%** of employees and significantly improving their awareness and practical information security skills.

Number of training sessions on data security and client privacy

**2** times

Coverage rate of data security and client privacy training

**95%**

Average data security and client privacy training hours per capita

**1.5** hours per capita



# Innovation-Driven Development

## ➤ R&D Innovation Strategy

Autowell follows a “three-in-one” product strategy, embracing the development philosophy of “marketing the current generation, developing the next, and reserving the future”. With technological innovation as the core driving force, we are deeply engaged in the global transition to a low-carbon economy. We focus on the R&D of critical equipment in the PV industry chain, continuously increasing R&D investments. By leveraging core technology platforms, we optimize our product portfolio, drive clean energy technology advancements, help consumers reduce their carbon footprints, and accelerate the global transition to green energy.

In 2024, we established the “TA Project Team”, dedicated to recruiting top-tier talent and assigning a project leader to each innovation task. We allocated necessary resources and defined details such as clear goals, timelines, measurement and evaluation department, monitoring frequency and indicators, and evaluation criteria for each innovation project. Additionally, we provided strategic support in terms of resource coordination and personnel training.

### Short-Term Goals

Focus on innovation-driven development in high-output, high-yield, intelligent, and compatible products, continuously optimize low-oxygen crystal growth furnace, wire bonders, AOI inspection equipment, and aluminum wire bonders.

### Long-Term Goals

Strengthen R&D resource management, establish a cross-departmental collaborative innovation mechanism, and enhance R&D efficiency to ensure a closed-loop cycle of technological breakthroughs and commercial value. Deepen the “PV+” technology ecosystem, leveraging an intelligent and digital R&D system to deliver high-value-added green products, contributing to the global community’s carbon neutrality goal.

## ➤ R&D Innovation Management System

At Autowell, we place great emphasis on building and refining our R&D management system, continuously strengthening our innovation capabilities through multi-dimensional and systematic initiatives. In terms of R&D platform management, we are committed to developing an efficient and collaborative technology R&D platform to integrate resources, optimize processes, and enhance efficiency. In terms of institutional system, we continuously improve our R&D management system, clarify roles and responsibilities, and standardize R&D processes to ensure that innovation activities remain standardized and sustainable. Meanwhile, we actively explore and refine our R&D models, fostering cross-departmental collaboration and open innovation to respond flexibly and efficiently to market changes and technological challenges. Through these measures, we have gradually established a science-based and highly efficient R&D innovation system, laying a solid foundation for continuous technological breakthroughs and product advancements.



## ■ R&D Innovation Investment

The company continues to strengthen R&D innovation, with R&D expenditures of 2024 reaching RMB **430.3609** million, an increase of RMB **103.0532** million year-over-year, accounting for **4.68%** of annual operating revenue.

Additionally, the company maintains a highly educated and skilled R&D team. As of end-2024, R&D personnel totaled **1,065**, representing **21.71%** year-on-year growth.

## ■ “3+12+3” R&D Innovation Platform

To comprehensively enhance its technological innovation capabilities, the Company has built a full-spectrum innovation platform covering management, technology R&D, and industrialization of innovation outcomes. This platform is designed to create a seamless innovation chain from technology exploration to industrial deployment, ensuring sustained technological advancements and commercial applications.

### R&D Management Platform

3 key management bodies—the Project Management Committee, Standardization Management Committee, and Experimental Center Management Committee—are responsible for coordinating and making strategic decisions on major technological and management innovations.

### Technology Innovation Platform

With a focus on PV, semiconductors, and lithium batteries, this platform integrates expertise in mechanical, electrical, electronic, optical, machine vision, robotics, and computer technologies. It comprises 12 laboratories, equipped with state-of-the-art devices such as non-destructive cutters, nanosecond infrared lasers, and Beckhoff systems, providing a solid foundation for technological innovation.

### Technology Industrialization Platform

This platform comprises 3 major innovation hubs—the Jiangsu Engineering Technology Research Center, Jiangsu Enterprise Technology Center, and Jiangsu Postdoctoral Research Base—to bring together industry, academia, and research resources, continuously advancing new products and technologies in line with market needs and our corporate strategies.

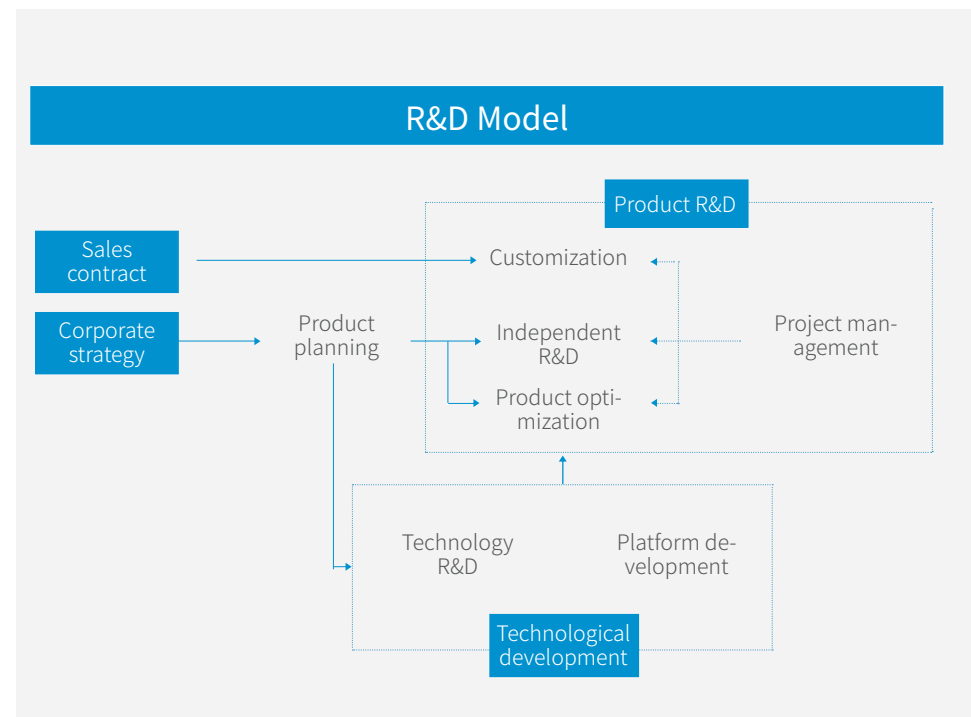
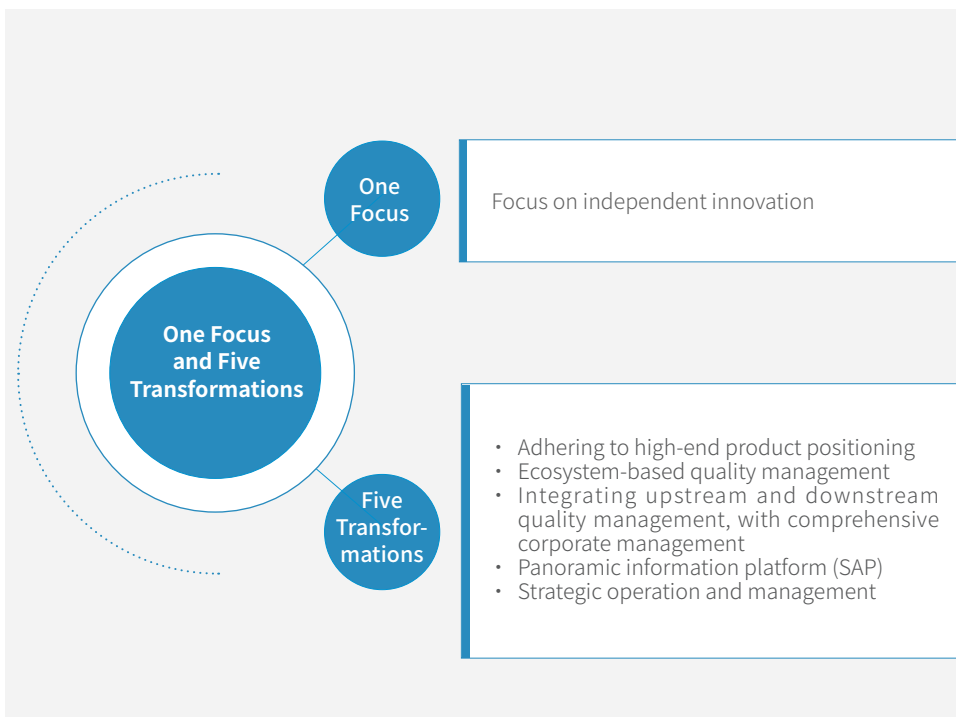
## ■ Development of R&D and Innovation Systems

To build a scientific and efficient innovation and R&D system, the Company has systematically advanced system development, covering various perspectives such as project lifecycle management, innovation incentive mechanisms, R&D performance assessments, and company-wide innovation participation. We have formulated and implemented a series of management systems, including the *Project Initiation and Management Process*, the *Project Reward System*, the *Performance Appraisal System*, the *Reward System for Rational Suggestions*, and the *Technology Personnel Training System*. These policies provide a standardized and sustainable institutional framework to support innovation and R&D activities.

Innovation incentive system	Purpose	Targeted employees
<i>Talent Recommendation Reward System for all Employees</i>	Recommend external professionals	All employees
<i>Sci-tech Talent Training System</i>	Motivate improvement of technical capabilities	All employees
<i>Li Wen Craftsman Cup Evaluation</i>	Major technological innovations and breakthroughs	All employees
<i>Rational Suggestion Reward System</i>	Motivate product optimization and technological upgrade	All employees
<i>Patent Reward System</i>	Solidify and protect technical achievements	R&D personnel
<i>Scientific Research Project Reward System</i>	Motivate innovation of R&D projects and technologies	R&D personnel
<i>Talent Promotion System</i>	Management and professional skills improvement	R&D personnel
<i>Reward System for Organized Implementation of Sci-Tech Achievements</i>	Encourage the transformation of sci-tech achievements	R&D personnel

## ■ R&D and Innovation Model

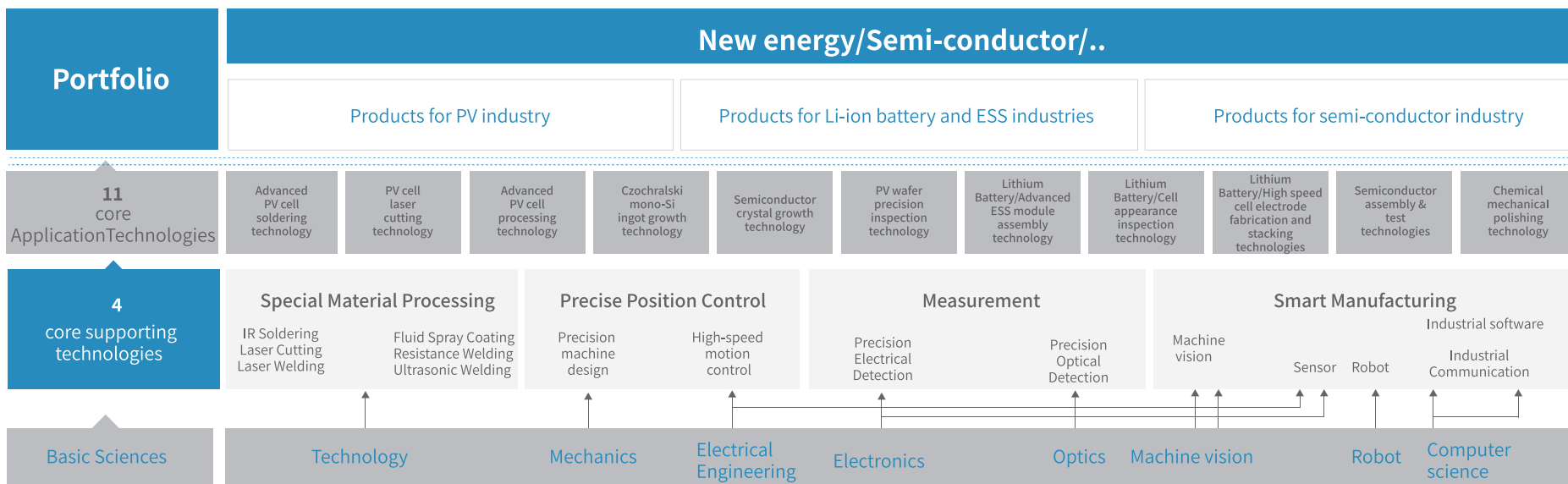
The Company consistently prioritizes technological innovation and client needs as its core driving forces. Centered around product lines and supported by digital IT solutions, we have developed an innovation and R&D model featuring “One Focus and Five Transformations”. This client-centric mode helps enhance innovation efficiency and commercialization capabilities through the standardization, digitization, collaboration, intelligence, and agility of the R&D process. It provides systematic support for technological breakthroughs and product upgrade.



## ■ Innovation Technology Reserves and Ongoing R&D Projects

As an innovation-driven enterprise, our company has established a comprehensive R&D system consisting of four fundamental supporting technologies and eleven core application technologies through continuous high-intensity R&D investment. These technologies have been implemented across multiple key products in our main business operations, forming our core product portfolio covering photovoltaic wafers, solar cells, and module components. To maintain the leading edge of our core technologies, we consistently monitor technological advancements throughout the photovoltaic industry chain, electrochemical energy storage supply chain, and semiconductor packaging and testing sector, with particular emphasis on emerging processes and innovative technologies in downstream applications. Through years of sustained R&D investment and technological accumulation, we have developed proprietary core technological capabilities in photovoltaic module string welding, solar cell processing, silicon wafer precision inspection, monocrystalline silicon ingot growth, lithium battery/energy storage module assembly, and semiconductor wire bonding.

During the reporting period, the company had 18 R&D projects in progress, including 2 sub-tasks under the National Key R&D Program (Sub-task Nos.: 2023YFB4202603-5, 2023YFB4202605-03).



## ➤ R&D and Innovation Initiatives

The Company has implemented a series of systematic initiatives to enhance innovation efficiency and technology commercialization, including optimizing the organizational structure, establishing innovation incentive mechanisms, implementing full-lifecycle project management, and conducting regular reviews and evaluations.

### Optimizing the innovation R&D organizational structure

- We have established the “TA Project Team”, dedicated to recruiting high-end talent.
- Each innovation project is assigned a dedicated project leader, responsible for setting innovation goals, progress plans, measurement and evaluation departments, monitoring frequency and indicators, and assessment standards.

### R&D talent development

- The Talent Development Center, in collaboration with business units, has built a key position course map aligned with R&D position track requirements. Through focused discussions and workshops, the center defines career paths and learning needs, while guiding industry experts in extracting replicable core knowledge. In 2024, we introduced external R&D professional courses, such as the Systematic Learning Map Development Project, to equip R&D personnel with fundamental knowledge, specialized skills, and related tools, enhancing R&D efficiency and quality.
- In 2024, 90% of R&D personnel participated in training programs, accumulating a total of 75 training hours.

### Multi-dimensional innovation incentive mechanism

- Motivate employees by offering financial incentives and incorporating patent applications into position-level evaluations, fostering creativity.
- Continuously improve design R&D and innovation proposals, and organize quarterly R&D innovation awards.
- Launch the annual R&D Innovation Incentive Program, featuring the “Autowell Star” R&D and Innovation Award, to stimulate the team’s innovation vitality and highlight the value of innovation.

### Full-lifecycle project management

Set up the dedicated Project Management Department to oversee R&D projects through their entire lifecycle, covering project initiation, planning, execution, and completion. By implementing science-based process controls and rigorous progress monitoring, the department ensures that each R&D project advances efficiently, meets deadlines, and achieves the targets in a high-quality manner.

### Regular reviews and evaluations

We regularly convene work meetings to comprehensively assess sales, products, and R&D progress. Through in-depth analysis of market trends and emerging process technologies, we ensure that R&D activities remain closely aligned with market demands.

### Industry-academia-research collaboration

In collaboration with Nanjing University of Science and Technology, we have jointly applied for the Jiangsu Provincial Industry and Information Technology Department’s “Manufacturing Powerhouse 1650 Specialized Project”, conducting coordinated technical research. Through industry-education integration and collaborative innovation, we leverage complementary resources to further enhance our technological innovation capabilities.

# R&D Innovation Achievements

As an industry pioneer in technological innovation, Autowell continuously drives the commercialization of innovation, transforming numerous cutting-edge research achievements into highly competitive products. These innovations help clients reduce costs and improve efficiency, accelerate technological advancements, and inject strong momentum into industry development.

Key product lines	Commercialization achievements
PV	Over <b>10%</b> increase in production efficiency for whole-line capacity in metallization, enabling clients to develop and mass-produce new high-efficiency cell application technologies.
	The 0BB process stringer helps clients reduce silver consumption by more than <b>10%</b> . Breakthroughs in BC process equipment contribute to power output increases of at least <b>5%</b> . Equipment is designed to leverage high-capacity advantages.
Semiconductors	Our wire bonding-related equipment has achieved world-leading performance and has been granted <b>12</b> utility model patents.
Silicon ingot	The oxygen content control technology of silicon ingots produced by SCEC equipment is world-leading. In 2024, the intelligent ultra-low-oxygen crystal growth furnace was recognized as a first-set major technical equipment in the Suzhou-Wuxi-Changzhou region.
Lithium-ion battery	The next-generation intelligent prismatic cell EES modules/PACK assembly line, developed for the CTP process, has improved production efficiency by over <b>60%</b> .

Autowell  
Second Prize of Jiangsu Provincial Science and Technology Award

Autowell  
First Prize of 2024 Science and Technology Award Recognized by the Jiangsu Mechanical Engineering Society

ATW XuRi  
Wuxi Engineering Technology Research Center

SCEC  
Specialized and Innovative SME in Jiangsu Province

ATW XuRi  
Specialized and Innovative SME in Jiangsu Province

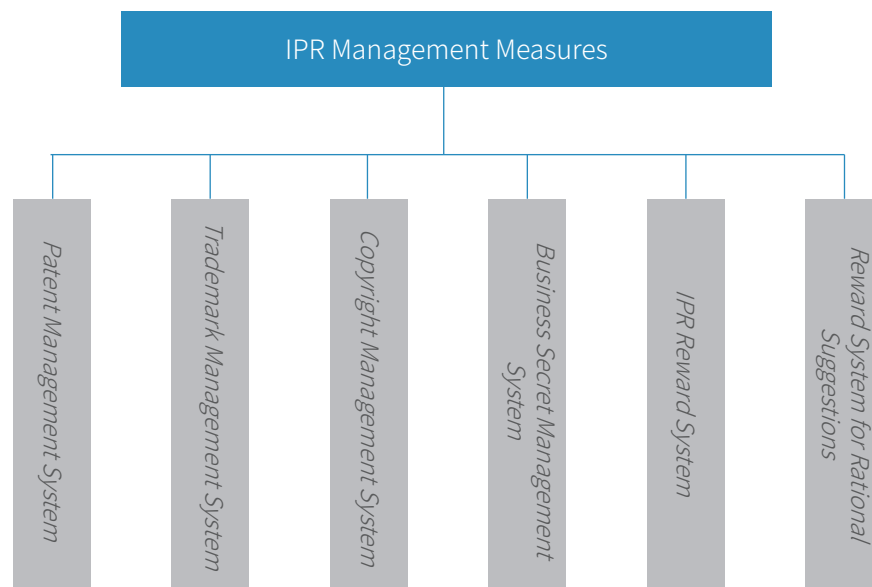
SCEC  
Specialized and Innovative SME in Jiangsu Province

## ► IPR Protection

The Company has been committed to an innovation-driven development philosophy, and recognized intellectual property right (IPR) protection as a crucial part of its sustainable development strategy. We strictly comply with the *Patent Law of the People's Republic of China* and other relevant laws and regulations. By actively applying for patents and software copyrights, we ensure comprehensive IPR protection, safeguarding our innovation-driven growth.

### ■ IPR System Development

Since 2016, when we first obtained national IPR management system certification, we have maintained effective system operation and established a dedicated IPR team. The team currently consists of **11** IPR engineers, including **9** patent attorney qualification holders, and **5** Jiangsu Provincial IPR Engineer Training Certification holders.



## ■ IPR Management

The Company has established an IPR database and ensured systematic management and dedicated funding. By implementing a patent planning and decision-making mechanism alongside a risk warning system, we provide robust legal protection for our research achievements, strengthen the IPR protection framework, and facilitate the compliant transformation and value realization of innovations.

### Management Mechanism

#### Patent planning and decision-making mechanism



##### Full-process management

Throughout the entire process from product R&D and design to subsequent optimization and improvement, relevant departments are responsible for organizing new structures, methods, processes, or confidential business information. After internal approval, they can submit applications to the IPR Department.



##### Review and evaluation

The IPR Department reviews and evaluates the relevant technologies for which IPRs are to be obtained and archives all records related to the acquisition process.



##### Documentation and review

The IPR Department is responsible for drafting and reviewing documents related to IPR acquisition procedures.



##### Contract review

The IPR Department reviews key provisions of IPR licensing and transfer agreements.



##### Prevention-oriented approach

Conduct routine monitoring and early warning of patent risks to identify and mitigate potential risks at an early stage.



##### Coordinated collaboration

The Compliance Management Department, R&D Department, and Marketing Department work closely together to respond to patent risks.



##### Science-based decision-making

Tailor rational response strategies for specific situations based on objective facts and professional analysis to ensure effective and feasible measures.

#### Patent risk warning and emergency response mechanism

To enhance employees' capabilities and awareness regarding IPR application and protection, we have developed a specialized IPR training program. The training covers a variety of topics, including business secret protection for all employees, practical training on overseas patent applications and infringement case analysis for the IPR team, and patent documentation interpretation and design avoidance training for the R&D team. Through these targeted training sessions, we have effectively improved the professional skills and confidentiality awareness of employees in different roles, thereby laying a solid foundation for our IP management.

	New Additions in 2024		Total	
	New Applications	New Grants	Applications	Grants
Invention Patents	132	149	658	260
Utility Model Patents	485	170	1,839	1,368
Design Patents	2	3	9	6
Software Copyrights	67	23	174	128
Others	35	40	212	209
Total	721	385	2,892	1,971

## Integration of Informatization and Industrialization

To establish a comprehensive information management system covering the entire business process, including marketing, product R&D, manufacturing, and quality control, the Company has built an order lifecycle collaboration management system driven by client needs. This initiative promotes the profound integration of business process standardization with informatization.

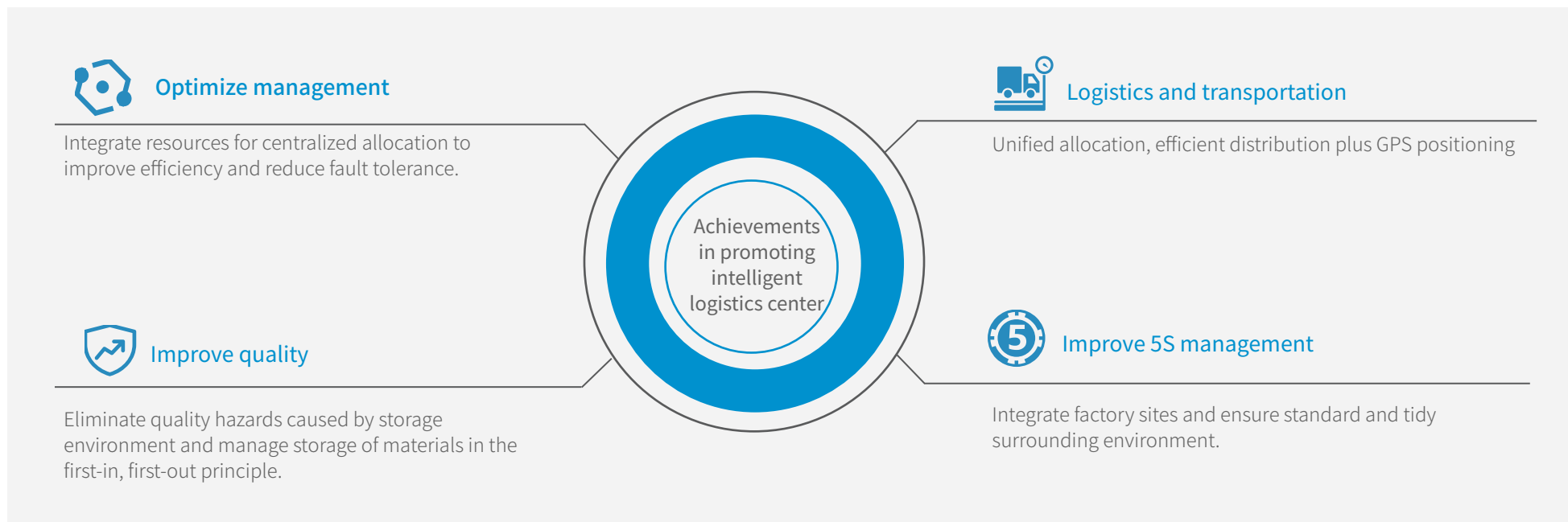
### Digitalized and Systematic Management

In accordance with two national standards, GB/T23001-2017 *Integration of Informatization and Industrialization Management Systems—Requirements* and the GB/T23006-2022 *Integration of Informatization and Industrialization Management Systems—Requirements for Enhanced Capability Grading*, we have systematically developed a management system that integrates informatization and industrialization. This system has embedded information technology deeply into various operational and production processes, significantly enhancing business coordination efficiency and management effectiveness. Following a rigorous evaluation, we successfully obtained our first Integration of Informatization and Industrialization Management System Certificate in July 2021, and renewed it in August 2024 after the initial certification expired, marking a new phase in our digital transformation journey.



## ■ Digitalization Development Initiatives

We continue to advance our “Smart Manufacturing” strategic plan. With visualization, digitalization, and intelligence as the development goals, we have deeply integrated innovation factors in digital technologies, process innovation and organizational structure. By deploying advanced digital and intelligent technology platforms, we have comprehensively upgraded our production processes and systematically optimized business workflows, significantly enhancing the intelligence level of our manufacturing system. During the reporting period, centered around our SAP system, we continuously optimized the five key IT systems—OA (Office Automation), SRM & MCS (Supplier Relationship Management & Manufacturing Control System), WMS (Warehouse Management System), HRM (Human Resource Management), and E-learning, ensuring seamless connectivity between master data and business data.



# Win-win Cooperation

## Supply Chain Management

At Autowell, we advocate responsible procurement. We have formulated a series of supplier management policies, including the *Supplier Management and Relationships* and the *Supplier Development and Approval*, which define the requirements for supplier admission, review and other processes. Additionally, we organize supplier training and empowerment activities to foster mutual growth and achieve win-win cooperation with our suppliers.

## Supplier Development and Admission

To ensure the high quality and stability of our supply chain, we have established a standardized supplier admission mechanism, strengthening product quality control at the source.

### Supplier Admission Process

#### Supplier information acquisition

- We leverage multiple channels to gather supplier information, including but not limited to online platforms, directories, phone inquiries, newspapers, magazines, and industry journals.
- Additionally, we accept direct supplier submissions and recommendations from third-party organizations, expanding our information sources and enhancing our understanding of potential suppliers.

#### Supplier matching and screening

- After acquiring supplier information, we conduct thorough verification to ensure authenticity.
- We assess the category, style, and quality, other factors of the supplier's products to determine the level of compatibility with our business needs, ensuring selected suppliers align with our operational requirements.

#### Supplier documentation collection

- We collect key documentation from suppliers, including company profile, business license, organization code certificate, tax registration certificate, credit certification proof, product brochures, and contact details, to gain a deeper understanding of the supplier's qualifications and operations.

#### Comprehensive evaluation and review

- We conduct supplier interviews and investigations to verify the authenticity of submitted documents. On this basis, we perform a comprehensive supplier evaluation and accurately fill out the Supplier Admission Evaluation Form and Supplier Review Form.
- We will establish formal cooperation with suppliers that meet evaluation standards, while those failing to meet the requirements will be recorded in the non-approved supplier database.

### Supplier Development Principles



#### Acceptable type

- If a competitor is using the supplier, it may be considered, but a clear explanation is required.
- Agent-based suppliers must have their qualifications verified with the authorizing entity before approval.
- For equipment components, we prioritize direct manufacturers over intermediaries.



#### Non-acceptable type

- Suppliers introduced or operated by former employees are generally not considered.
- Suppliers established for less than one year are generally not considered.

## ■ Daily Supplier Management

The Company places a high premium on daily supplier management by continuously enhancing its supplier oversight capabilities through initiatives such as the establishment of a comprehensive supplier database, a regular supplier performance evaluation mechanism, and digital supplier management tools.

### A comprehensive supplier database

We have actively developed a comprehensive supplier database, which includes supplier company names, contact details, and product offerings, ensuring a deep understanding of supplier information.

### Regular supplier performance evaluation

To ensure supply chain quality and stability, we have implemented a regular supplier performance evaluation mechanism. We conduct objective and comprehensive assessments based on key criteria such as product quality and on-time delivery. These evaluations provide a reliable basis for our procurement decisions and incentivize suppliers to continuously improve their products and services.

### Supplier classification management

We rank suppliers based on procurement spending, categorize them into three types (type 1, type 2, and type 3) and implement classified supplier management in terms of quality, costs, evaluation, etc.

### Enhanced supplier communication

We maintain close communication with suppliers and collaborate on business planning. We actively discuss problem-solving strategies with them, encourage them to propose innovative ideas, and work together to improve supply chain efficiency, achieving mutual benefits and win-win results.

### Digital supplier management system

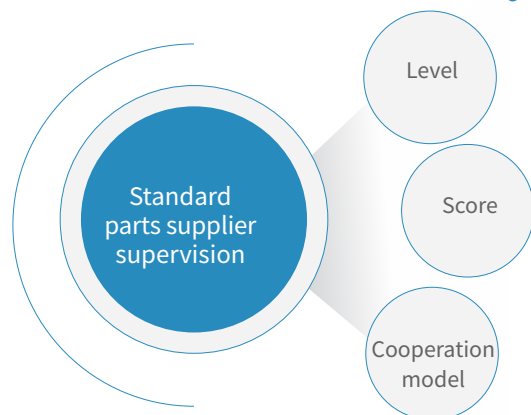
Leveraging digitalization and information technology, we have implemented the Supplier Relationship Management (SRM) system to digitize suppliers' information such as basic information, qualifications, and evaluations. This system enhances the transparency and efficiency of supplier management.

## ■ Supplier Supervision and Review

The Company conducts supplier assessments based on the *Periodic Supplier Performance Evaluation Form* (for standard parts and processed parts). Through on-site inspections and other evaluation methods, we regularly assess supplier quality control, delivery capabilities, and compliance, ensuring an up-to-date understanding of suppliers' operational conditions. Additionally, we implement targeted supervision and review measures for different types of suppliers and adjust cooperation strategies based on evaluation results.

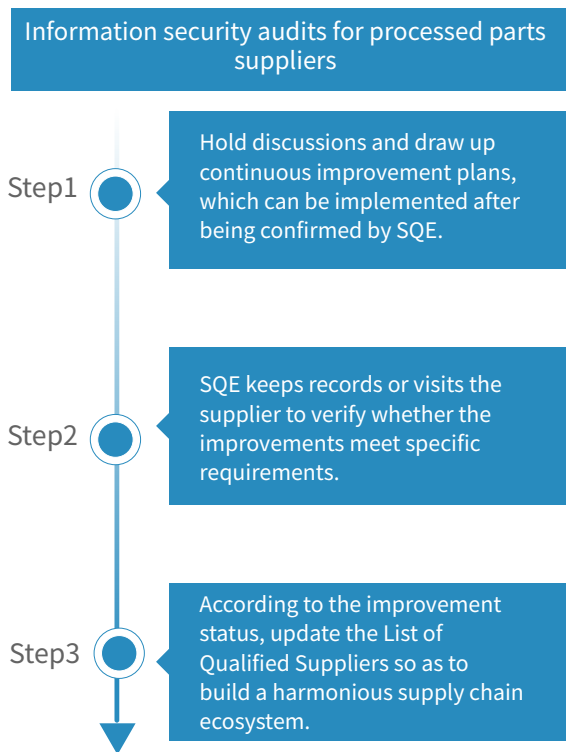
Supplier supervision and audits	
Key audit points	Audit requirements
Quality control system	Suppliers must establish a comprehensive quality control system to ensure product consistency and stability.
Flexible delivery capability	We value suppliers' flexible delivery capability, meaning they are able to maintain timely deliveries even during demand surges, ensuring supply stability.
Compliance risk assessment	We strictly inspect supplier compliance, requiring adherence to laws, business ethics, and environmental regulations to minimize compliance risks.

### Supervision Mechanism for Standard Parts Suppliers



Level A	Level B	Level C	Level D
$A \geq 80$	$65 \leq B < 80$	$50 \leq B < 65$	$D < 50$
Give priority to the supplier in new product development	Lower the level of priority in new product development	(1) Suspend new product development; (2) Ask the supplier to make improvements and discuss with the supplier on the subsequent product quality management plan and improvement plan.	(1) Suspend new product development; (2) Ask the supplier to make improvements and discuss with the supplier on the subsequent product quality management plan and improvement plan. If the supplier fails to move to Level C, it will be removed from the List of Qualified Suppliers.

Unlike standard parts suppliers, Autowell places special emphasis on the information security management capabilities of its process parts suppliers. To ensure effective control of supply chain information security risks, we conduct an information security management assessment for these suppliers every six months.



## ■ Supplier Empowerment

To enhance suppliers' overall capabilities and enable them to better support our business development, we have implemented various supplier empowerment initiatives, including regular supplier conferences, best practice sharing, and training programs, continuously strengthening supplier competitiveness and innovation capacity.

### Regular Communications

We value close collaboration with both primary and auxiliary material suppliers. We hold regular on-site meetings to discuss key topics such as product performance, application trends, new product developments, and stability. This deep engagement fosters mutual growth and ensures a highly efficient and stable supply chain.

During the reporting period, we held our annual supplier conference under the theme "Together Through Challenges, Advancing Hand in Hand". The event brought together **73** suppliers, whose cumulative procurement volume accounted for **61%** of our annual total.

### Supplier Management Enhancement Measures

- We conduct on-site visits to industry-leading suppliers, drawing on advance practices and then sharing them with other suppliers for improvement.
- We select key suppliers to monitor the implementation of enhancement measures, assess their effectiveness, and continuously tracks progress. These efforts are rolled out in phases to improve supplier capabilities and ensure high-quality material supply.

During the reporting period, we visited **50** top-performing suppliers, extracting **9** key improvement measures for broader adoption. Additionally, we selected **11** key suppliers for improvement implementation. In 2024, our material inspection pass rate improved by **1.3%** compared to 2023, successfully achieving our quality improvement target.





### Supplier Training

We carefully design and deliver professional training courses tailored for key supplier personnel, effectively enhancing their operational execution, management skills, and suppliers' core competitiveness.

## Sustainable Supply Chain

The Company actively promotes the sustainable development of its supply chain by setting requirements for suppliers in areas such as environmental performance, employee rights and interests protection, and occupational health and safety. We have put in place a strict evaluation and assessment system to ensure suppliers adhere to corporate social responsibility and sustainability principles.

### Building a Sustainable Supply Chain

 <b>Green Procurement</b>	<ul style="list-style-type: none"> <li>Establish strict environmental and energy efficiency assessment standards for suppliers, and evaluate them based on energy consumption, emissions control, resource utilization, and other environmental performance factors to ensure that effective environmental protection and energy conservation measures are implemented during their production.</li> <li>Give priority to suppliers with green product certifications and eco-friendly raw material certifications, procure green equipment, such as PV equipment and lithium-ion battery equipment, as well as environmentally friendly metals, non-metal materials, and recyclable materials, ensuring compliance with our environmental standards from the source. As of now, we have obtained multiple green procurement certifications.</li> </ul>
 <b>Responsible Procurement</b>	<ul style="list-style-type: none"> <li>Ensure that suppliers uphold ethical standards, including fair labor practices and human rights protection.</li> <li>Require suppliers to adhere to the principle of equality, oppose all forms of discrimination, and guarantee employees' equal rights and opportunities in recruitment, training, promotion, and other stages; Conduct regular audits and assessments on suppliers' employee management practices, and those found engaging in discriminatory behavior will face contract termination or other corrective actions.</li> <li>Maintain transparency in procurement processes and supplier relationships to ensure transparent supply chain operations.</li> <li>Leverage procurement decisions as a lever for social equity and positive community impact, supporting economic development in supplier communities.</li> </ul>
 <b>Occupational Health and Safety</b>	<ul style="list-style-type: none"> <li>Establish supplier health and safety assessment standards, covering areas such as work environment, safety facilities, and employee health monitoring, to ensure suppliers provide a safe and healthy workplace for their employees.</li> <li>Conduct health and safety inspections during the supplier selection process to verify compliance with our health and safety requirements.</li> <li>Sign safety agreements with suppliers, clearly defining mutual responsibilities and obligations regarding employee health and safety, and ensuring that suppliers strictly comply with relevant regulations and our requirements during production.</li> </ul>
 <b>Transparent Procurement</b>	<ul style="list-style-type: none"> <li>Require suppliers to sign the <i>Supplier Integrity Agreement</i>, which explicitly outlines their responsibilities and obligations regarding ethical integrity, including compliance with laws and regulations, prohibition of commercial bribery, and the establishment of anti-corruption policies.</li> <li>Implement a comprehensive supplier evaluation mechanism to regularly assess and monitor suppliers for ethical integrity, including business ethics, contract fulfillment, and after-sales service quality.</li> </ul>



## Development Stage

At the supplier development stage, we recognize sustainability factors as key evaluation criteria, such as whether or not it has obtained the ISO 14001 environmental management system certification, etc. We conduct comprehensive assessments of the ESG performance of our suppliers to ensure that they comply with our standards and requirements in terms of environmental protection, social responsibility and corporate governance.

## Daily Assessment



We implement a dynamic ESG assessment mechanism to ensure that suppliers continuously comply with sustainability requirements in their daily operations. Assessment methods include regular audits, on-site inspections, and surveys to gain a comprehensive understanding of suppliers' ESG performance.

### Assessment and Evaluation for Sustainable Supply Chain Performance



## Exit Mechanism

We put in place a strict exit mechanism for suppliers. Once a supplier is found to exhibit serious ESG problems, we will deal with it in accordance with the exit mechanism, including warnings, suspension of cooperation, termination of contracts and other measures.

## Incentives and Guidance



For underperforming suppliers, we provide guidance and improvement measures to help them address deficiencies.

For suppliers with outstanding ESG performance, we offer additional cooperation opportunities and preferential policies to encourage continuous improvement in ESG practices.

## Sustainable supply chain performance in 2024



Responsible (Green) procurement for standard parts (RMB 10,000)

**215,417**






Number of standard parts suppliers certified with ISO 14001

**62** suppliers

In addition to sustainability performance assessments, we enhance suppliers' awareness and capabilities through measures such as targeted sustainability training programs and awareness campaigns, fostering sustainable development across the supply chain.

### Empowerment for the Sustainable Supply Chain

 <p>Sustainability Agreement Signing</p>	<p>Incorporate ESG standards into supply chain agreements, clearly defining the responsibilities and obligations of both parties to raise suppliers' ESG awareness.</p>
 <p>Targeted ESG Training</p>	<p>Conduct specialized sustainability training programs on topics such as energy conservation and carbon reduction technologies, employee welfare, corporate governance structures, and business ethics and integrity. These programs educate suppliers on the importance of sustainable development, related regulations and policy requirements, and best practice cases, strengthening their sustainability management capabilities.</p>
 <p>ESG Awareness and Education</p>	<p>Share our ESG philosophies and practice outcomes with suppliers and other stakeholders through regular ESG reports, ESG forums, and other activities, promoting sustainable development across the entire supply chain ecosystem.</p>

Total Supplier ESG Training Hours

5 hours

Total Participants of Supplier ESG Training

130 person-times

## Supply Chain Stability

Autowell is committed to ensuring a stable and secure supply chain, with significant progress in local procurement. To effectively mitigate potential risks arising from supply disruptions, we adopt proactive planning and flexible responses.

### Local procurement implementation

Over 48% of our key suppliers are based in Jiangsu Province, covering critical segments such as raw material supply, parts manufacturing, and logistics, strongly supporting the stable operation of our production lines.

### Expanding supplier resources

- To reduce regional risks and align with the trend of domestic sourcing, we are actively expanding our supplier base in other regions.
- Focus on developing high-quality domestic suppliers to optimize the supply chain deployment and enhance our stability.

### Adopting flexible procurement strategies

- Develop inventory plans for bottleneck materials and long-lead-time items based on annual sales forecasts.
- Implement multi-source development and reserve strategies for core materials and low-volume structural parts.
- Regularly monitor supplier capacity to ensure supply stability.
- Adjust procurement strategies based on monitoring results, ensuring stable material supply and delivery.



Local procurement performance in 2024

Total number of standard parts suppliers

930 suppliers

Number of standard parts suppliers in Jiangsu Province

447 suppliers

Number of new standard parts suppliers

153 suppliers

## Contributing to Industry Development

### Promoting Communication across the Industrial Chain

The Company has established stable and sound cooperative relationships with both upstream and downstream partners in the industrial chain, facilitating communication and collaboration, and actively promoting industry-wide synergy and development.

#### Annual Supplier Partner Appreciation Event

During the reporting period, we held our Annual Supplier Partner Appreciation Event under the theme “Together Through Challenges, Advancing Hand in Hand”. We summarized our supplier cooperation for the year, outlined expectations for future collaborations, addressed suppliers' concerns, and awarded suppliers with outstanding performance during the reporting period.



## ■ Receiving Research Visits

We actively host on-site research visits from industry-related departments and personnel, showcasing our technological achievements, helping them understand the technological advancements and plans in both the Company and the industry, and providing opportunities for further collaboration.

### Receiving the Fudan Entrepreneur Delegation

In April 2024, we hosted the Fudan Entrepreneur Delegation to visit the battery and module production workshops and the product exhibition hall. We provided a detailed introduction to the production processes, technology R&D, and market applications of PV products, and engaged in in-depth discussions on future cooperation prospects, the latest advancements in PV technology, market trends, and necessary adjustments.



### Receiving the China Photovoltaic Industry Association Delegation

In October 2024, to gain deeper insights into the technological development of the PV industry and assist relevant ministries in formulating the 14th Five-Year Plan, the China Photovoltaic Industry Association's expert delegation conducted an on-site survey at the Company. We led the delegation through our cell and module equipment manufacturing center and exhibition hall, offering detailed explanations on the technology R&D and market applications of our core products. We also shared our development roadmap and provided a comprehensive showcase of our excellent achievements in the intelligent PV equipment sector. This visit provided valuable support for both side in discussing industry trends and promoting the healthy and orderly development of the industry.



## ■ Participation in Industry Events

The Company actively participates in various industry events, such as seminars, and exhibitions, to showcase its cutting-edge technological achievements, engage in in-depth communication and discussions with other companies in the industry, work together to explore the path of technological innovation, and jointly promote industry development.

### Participation in the China International PV and Energy Storage Industry Conference

In November 2024, as a renowned intelligent equipment manufacturer in the PV, energy storage, and semiconductor sectors, we participated in the 7th China International PV and Energy Storage Industry Conference. Our representative delivered a speech on the key equipment deployment in the PV and energy storage industry chain, integrated intelligent manufacturing of hardware and software, and SCEC's third-generation high-quality intelligent crystal growth equipment. We also shared and discussed technological developments and trends with industry partners, exploring potential business synergies.



### Participation in the EESA China International Energy Storage Expo

In September 2024, we participated in the 3rd China International Energy Storage Expo held at the National Exhibition and Convention Center in Shanghai. At the Expo, we showcased our innovative technologies and exceptional product strength, engaging with professionals and attendees to discuss the latest technologies and development ideas in the energy storage field, and contributing to the deep integration and high-quality development of the new energy industry. During the award dinner, we were honored with the “Most Influential Company Award 2024”.



### Participation in the 2024 SEMICON CHINA, a huge event in the semiconductor industry

In March 2024, we participated in SEMICON CHINA, the world's largest and most prestigious annual semiconductor industry event. As a competitive semiconductor equipment supplier in China, we showcased our hybrid module copper wire bonders, multi-function die bonders, and fully automated laser cutters. We joined global suppliers and service providers in the semiconductor industry to share insights into industry developments and cutting-edge technological advancements.



### ■ Strengthening International Communication

The Company adheres to its long-term mission of “Build Smart Factory with New Technologies, Drive Global Intelligent Manufacturing”. We actively participate in industry exchanges and exhibitions in countries and regions such as Indonesia, Turkey, Europe, and the United States. With a panoramic perspective, we are optimizing our supply chain deployment, product offerings, and international development strategies, while promoting global industry technological advancements and market development.

### Participation in the Indonesia International Solar Power Exhibition

In March 2024, the Indonesia International Solar Power Exhibition was held in Jakarta. Our core overseas team showcased a range of intelligent PV manufacturing equipment and industry solutions, and engaged with professional visitors and industry peers to discuss the development trends and innovative technologies in the solar PV sector.



## Participation in the SOLAREX ISTANBUL

In April 2024, the SOLAREX ISTANBUL took place at the Istanbul Expo Center. We exhibited a variety of intelligent PV equipment, innovative energy storage module/PACK assembly lines, and smart manufacturing system solutions. We engaged in in-depth discussions and exchanges with attendees, sharing our experiences and insights while actively absorbing new ideas and technologies from the industry. We are committed to working together with industry partners in Turkey and globally to contribute to the green energy movement worldwide.



## Participation in the Intersolar Europe

At the international exhibition held in Munich in June 2024, we showcased our intelligent manufacturing solutions covering the entire PV industry chain. These solutions span from silicon crystal growth, silicon wafer manufacturing, battery production, to PV module packaging. We comprehensively demonstrated our strong technological capabilities and innovative achievements in the field of intelligent PV manufacturing.

During the event, our professional team led visitors through detailed presentations and dynamic demonstrations, providing an in-depth understanding of how our innovative technologies support efficient production, quality improvement, and cost control in the PV industry. Our demonstration highlighted the limitless potential and broad application prospects of our innovative technologies.



### Participation in RE+, the U.S. International Solar Energy Exhibition

In September 2024, the RE+ U.S. International Solar Energy Exhibition was successfully held at the Anaheim Convention Center in California. For the first time, we set up dual booths for PV and energy storage, showcasing our latest intelligent manufacturing solutions and offering profound insights into the future energy transition.

In the same month, we were invited to participate in the “How to Manufacture Solar Wafers, Cells and Modules Competitively in the United States” seminar, co-hosted by RE+ and TaiyangNews. During the seminar, our representative gave a presentation focusing on our innovative achievements and forward-looking strategies in PV manufacturing, and engaged in in-depth exchanges with participants.

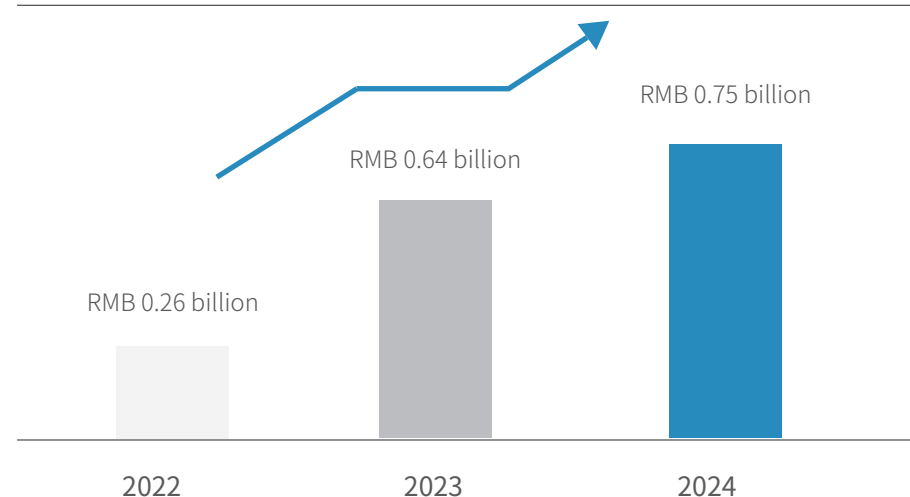


## Social Contributions

### » Tax Compliance and Lawful Contributions

The Company has always upheld the principles of integrity in business operations and tax payments in accordance with the law, strictly adhering to the *Enterprise Income Tax Law of the People's Republic of China* and other relevant tax laws and regulations. We fully fulfill our tax obligations and actively contribute to a fair and transparent tax environment through compliant operations and proactive participation in tax policy implementation. Looking ahead, we will continue to adhere to lawful tax practices, fulfill our corporate social responsibilities, and make greater contributions to the sustainable economic and social development.

#### Tax Payments in the Latest Three Years



## ► Community Co-Building

### ■ Strengthening Community Engagement

Autowell has established an effective communication and engagement mechanism with local communities. The Company regularly interacts with community representatives and neighborhood committees to understand community needs and concerns. We actively participate in community meetings and events, listen to residents' feedback and suggestions, and provide support for community development.

During the reporting period, we donated children's playground equipment to Chun-chao No. 3 Community, contributing to the harmonious co-building of the community.



Community playground donation

### ■ Promoting Local Employment

Autowell actively supports local employment by providing job opportunities and training programs for local community members. Local residents are given priority in recruitment to expand employment opportunities within the region. Additionally, we organize vocational training and skill enhancement programs to improve residents' employability.

We also collaborate closely with local vocational schools through industry-academia-research initiatives, establishing the Autowell Intelligent Manufacturing Academy to provide students with internship and employment opportunities.



## ➤ Social Welfare

### ■ Public Welfare Donations

Autowell is committed to social welfare initiatives, addressing the needs of various social groups and actively engaging in areas such as education, poverty alleviation, environmental protection, and community services through charitable donations. In recognition of our dedication to philanthropy, we have been awarded the “Charitable and Caring Enterprise” title.

During the reporting period, we contributed RMB **1.8983** million to charitable and public welfare causes.

We actively donate educational supplies to local primary and secondary schools, establish scholarships and financial aid programs, and support students in completing their education. As a member of the local education development foundation, we make monetary donations to foster regional educational development.



We donated children's playground facilities to local communities, contributing to the creation of a harmonious and friendly community environment.



Children's Day Donation Initiative

### ■ Volunteer Activities

Autowell encourages employees to actively participate in volunteer service initiatives and has established a dedicated volunteer team to continuously contribute to society. These volunteer activities span various fields, including poverty alleviation, environmental protection, and community services, with employees dedicating their free time to serving those in need.

#### Participation in the Youth Volunteer Recognition Program

In March 2024, coinciding with the 61st anniversary of Learning from Lei Feng Day and the 25th China Youth Volunteer Service Day, the Local District's Youth League Committee and Wangzhuang Subdistrict Office jointly launched the “Promoting Lei Feng Spirit, Shining Youthful Light” themed event to inherit the Lei Feng spirit and the “Xinwu District Youth Volunteer Recognition Program 2.0” launch event. Our Youth Volunteer Service Team joined the “Screw Team” Youth Volunteer Group, actively embracing the Lei Feng spirit, and fostering a strong volunteer culture within the Company.



## Participation in the “Acts of Kindness Under the Sun” Charity Walk

In May 2024, our employees participated in the “Acts of Kindness Under the Sun – 2024 Wuxi Charity Carnival & Eco-Friendly Charity Walk” event, held at the Taihu International Expo Center. Alongside nearly 2,000 philanthropists from charity organizations, and public institutions and private enterprises, our employees promoted public welfare and environmental sustainability through an eco-friendly, waste-free walk. The event featured environmental protection-themed checkpoints, encouraging participants to adopt low-carbon and eco-conscious lifestyles. During the walk, our employees actively promoted environmental protection knowledge, advocated for green travel, and helped raise funds for the “Angel Project”, an initiative dedicated to supporting children in difficult circumstances by fulfilling their small wishes, offering humanitarian care, and providing medical assistance.



## Caring for Llonely Elders

On Chongyang Festival (Double Ninth Festival) in 2024, our employees visited Wangzhuang Senior Care Center, where they prepared and served handmade dumplings for lonely elders, sharing festive greetings and warmth. This initiative not only provided a sense of belonging and care for the elderly but also allowed our employees to experience the joy of giving, reinforcing the traditional Chinese values of respecting and caring for the elderly.



### Employee Volunteer Activities Statistics in 2024



Total volunteering hours

5 hours



Total volunteers

50 volunteers



## Governance

### Response to Issues

- Corporate Governance
- Internal Control and Risk Management
- Compliant Operations and Tax Management
- Anti-commercial Bribery
- Anti-Unfair Competition

### Align with the SDGs



# Corporate Governance

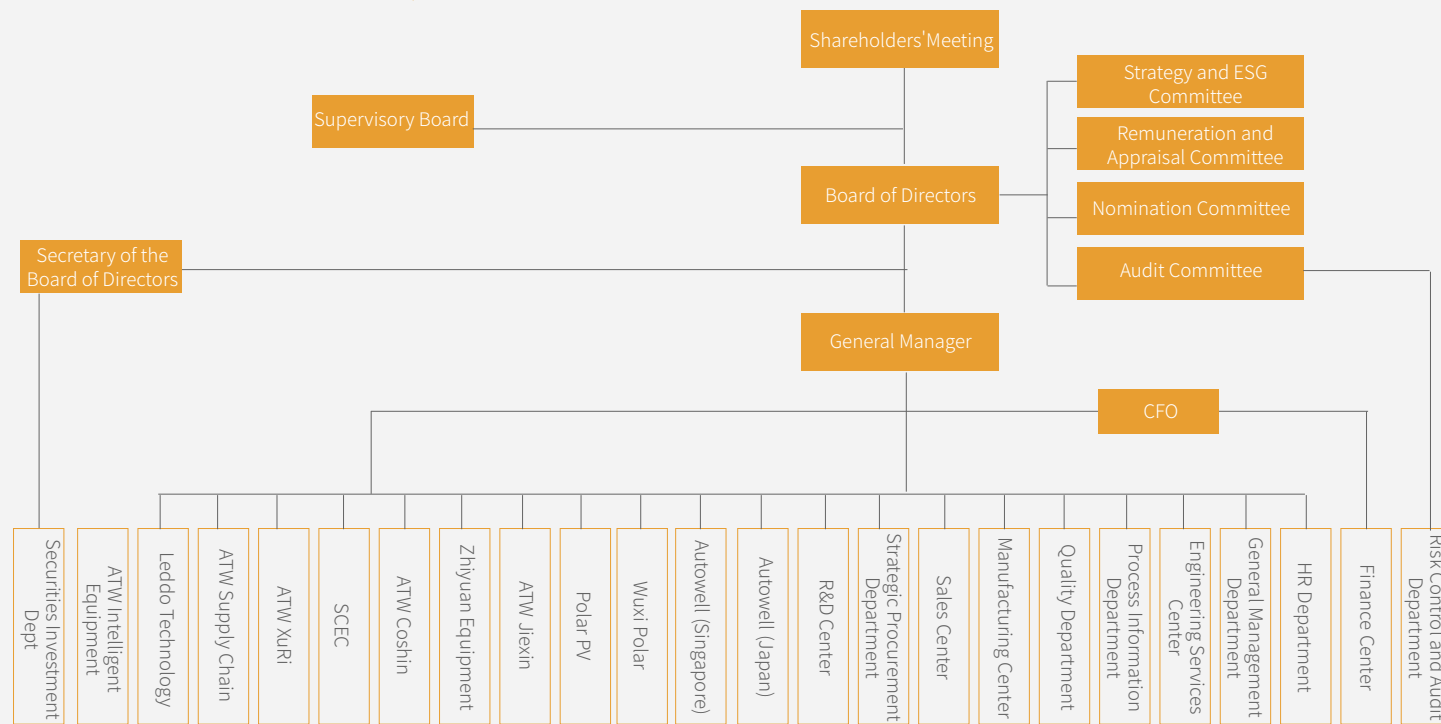
## Governance Strategy

Autowell places great emphasis on corporate governance. We strictly adhere to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange*, and other relevant laws and regulations. We also fully meet other regulatory requirements issued by the China Securities Regulatory Commission (CSRC) concerning corporate governance for listed companies. On this basis, we continuously enhance our corporate governance system and optimize the governance structures of the Shareholders' Meeting, Board of Directors, and Supervisory Board. In our strategic decision-making process, we take into account internal and external environments, legal and regulatory requirements, and stakeholder expectations, ensuring clear governance goals. We also strengthen internal control, enhance disclosure transparency, reinforce stakeholder communication, and continuously optimize and innovate our governance practices.

Currently, our governance complies with all applicable laws, regulations, and CSRC regulatory requirements.

## Organizational Structure

A rational and rigorous governance structure is fundamental to the Company's efficient operations and serves as a solid foundation for its long-term development. We have established a governance structure centered on the Shareholders' Meeting, Board of Directors, Supervisory Board, and the management, formed a governance mechanism featuring clear division of labor, clear authority and responsibility, coordinated operations, and checks and balances among the decision-making body, the supervisory body and the management, and a governance and management structure that is closely interconnected and efficiently synergistic.



Our organizational structure

## » Governance of the Three Major Corporate Bodies

### ■ Shareholders and the Shareholders' Meeting

The Shareholders' Meeting is the Company's highest authority, responsible for reviewing and approving major corporate decisions. We strictly follow the *Articles of Association*, the *Rules of Procedure for the Shareholders' Meeting*, and relevant laws and regulations when convening Shareholders' Meetings. Voting is conducted on-site and through a combination of on-site and online forms.

The Shareholders' Meeting follows a strict recusal and authorization system, ensuring that all shareholders, particularly minority shareholders, have equal standing and can fully exercise their rights to information, participation, and voting. Meanwhile, the controlling shareholders and actual controllers uphold the principle of integrity, conscientiously fulfilling their obligations. Throughout our operations, there have been no incidents that harm the legitimate rights and interests of the Company or other shareholders.

Number of the Shareholders' Meetings

5

Total resolutions discussed and reviewed at the Shareholders' Meeting

24

Number of resolutions rejected at the Shareholders' Meeting

0



### ■ Directors and the Board of Directors Board Effectiveness Evaluation

The Board of Directors serves as the executive body of the Shareholders' Meeting, responsible for decision-making on the Company's development goals and major operational activities. All directors actively study relevant laws and regulations, fully understand their rights and responsibilities, and diligently attend board meetings, specialized committee meetings, and the Shareholders' Meeting to safeguard the legitimate rights and interests of the Company and all shareholders. The Strategy and ESG Committee, Audit Committee, Remuneration and Appraisal Committee, and Nomination Committee under the Board of Directors perform their professional functions in accordance with their respective work guidelines, fully leveraging their expertise to conduct in-depth research and review of relevant matters. Together, they provide strong professional support for the Board's science-based decision-making, effectively enhancing our corporate governance standards.

Total board meetings

14

Number of resolutions discussed and reviewed at board meetings

73

Number of resolutions rejected at board meetings

0



## Independent Directors

The Company highly values the indispensable role of independent directors in enhancing the science-based and effective decision-making of the Board and improving corporate governance. We strictly comply with the *Measures for the Administration of Independent Directors of Listed Companies* and other relevant laws and regulations, as well as internal governance documents such as the *Articles of Association*, the *Independent Director System*, and the *Working Rules of the Independent Directors' Dedicated Meetings*. We have established independent director positions and dedicated meetings, actively cooperating with independent directors in performing their duties, and providing them with independent office space and conditions during on-site work, information necessary for understanding the situation of the Company, and space and materials necessary for their dedicated meetings.

Upholding diligence and responsibility, independent directors attend all board meetings as required, participate in the Shareholders' Meeting, and actively engage in discussions and decision-making on major corporate matters. They also maintain close communication with internal audit institutions and external accounting firms, conduct regular on-site inspections, and interact with minority shareholders to comprehensively check and oversee the Company's operations, financial health, management, and internal control systems, among others. For key matters such as related-party transactions, director and senior management remuneration, and the appointment of accounting firms, independent directors provide objective, prudent, and impartial professional opinions. During the reporting period, they also participated in ongoing training programs for listed companies' independent directors, further enhancing their ability to fulfill their duties.

Number of directors

9

Number of independent directors

3

Proportion of independent directors on the Board

33.3%

## Board Diversity

The Company is committed to maintaining board diversity, considering factors such as gender, age, educational background, professional expertise, work experience, and cultural background in the selection of director candidates. Currently, among the 9 members of the fourth Board of Directors, there are 2 females, 8 aged 50 and above, and members with diverse professional backgrounds, including technology, finance, management, accounting, and law. Each director contributes to corporate decision-making based on their unique cultural perspectives, social experiences, professional expertise, and practical knowledge, fostering collaboration, checks and balances, and complementary strengths, ultimately enhancing the board's creativity.

Name	Director type	Core technical personnel	Gender	Age	Education	Technology	Law	Finance and Accounting	Corporate management
Ge Zhiyong	Chairman		Male	54	Master's	√			
Li Wen	Director	√	Male	54	Master's	√			
Yin Zhe	Director		Male	53	Master's			√	
Zhou Yongxiu	Director		Female	56	Bachelor's			√	
Liu Shiting	Director	√	Male	55	Master's	√			
Jia Yinghua	Director		Female	47	Associate Degree				√
Sun Xinwei	Independent director		Male	58	Associate Degree			√	
Bo Yuming	Independent director		Male	59	Ph.D.	√			
Yang Jianhong	Independent director		Male	54	Master's		√		

■ Supervisors and the Supervisory Board

The Supervisory Board serves as the Company’s oversight body, responsible for supervising the Company’s financial health, business operations, and the performance of duties by directors and senior management. The board consists of 3 supervisors, including 2 external supervisors with market and legal backgrounds and 1 employee representative supervisor. All supervisors diligently fulfill their responsibilities, conducting rigorous reviews of the Company’s critical matters such as financial status, major asset restructurings, and related-party transactions. They monitor and ensure that directors and senior management perform their duties in compliance with laws and regulations, safeguarding the legitimate rights and interests of shareholders, particularly minority shareholders.



» Disclosures

The Company has established and implemented a comprehensive disclosure system, including the *Disclosure Management System*, the *Management System for Deferred and Exempted Disclosures*, and the *Accountability System for Major Errors in Annual Report Disclosures*. These policies clearly define the scope of disclosures, approval procedures for ad-hoc announcements, and designate the secretary of the Board of Directors to be in charge of disclosures, so as to disclose the relevant information truthfully, accurately, completely, and in a timely manner, and ensure that all shareholders have an equal opportunity to obtain information. Additionally, we have developed a well-structured drafting, review, and disclosure process for regular reports, ensuring that disclosures are authentic, precise, and complete.



» Investor Relations Management

The Company has established an *Investor Relations Management System* and strictly adheres to its principles of compliance, adequacy, fairness, efficiency, cost-effectiveness, integrity, and interactive communication. The secretary of the Board of Directors is responsible for organizing and coordinating investor relations management, while the Securities Investment Department serves as the functional department for investor relations.

■ Enhancing Investor Communication

We have fully leveraged multiple channels and platforms to ensure multi-level, multi-channel communication with investors. These include designated media outlets, the official website, telephone, fax, email, meetings, on-site visits, roadshows, and the SSE e-Interactive platform. By streamlining communication processes, we facilitate investor participation.

Communication method	Specific Measures
Designated media outlets	Timely disclose relevant corporate information through our designated media outlets.
Official website	Enrich and update our official website in a timely manner, placing on our official website relevant information of interest to investors, such as press releases, company profile, product operations, statutory disclosures, investor relations contacts, stock quotes, and so on.
Telephone, fax and email	Set up dedicated investor inquiry lines, fax services, and email support, and leverage modern communication tools to conduct regular or ad-hoc investor relations activities.
Meetings and conferences	Host shareholders' meetings, earnings briefings, investor communication meetings (both in-person and online), and business presentations, among others, to actively engage with investors, solicit feedback, and address their inquiries.
On-site visits	Organize Investor Open Days and institutional research visits, allowing investors, analysts, and other parties to conduct in-depth on-site inspections, participate in roundtable discussions, and gain a comprehensive understanding of our business operations, strategic deployment, and market positioning.
Roadshows	Conduct roadshows in accordance with regulatory requirements when executing major financing plans.
Online interaction	Actively monitor and respond to investor queries on the SSE e-Interactive platform in a timely manner.

### Investor Open Day

In 2024, the company successfully held three Investor Reception Day events, during which management discussed and exchanged views with investors on operational performance and future development plans.



### Investor relations management

Total annual + semi-annual cash dividends for 2024	774 million RMB
Percentage of profit distribution to net profit attributable to shareholders	60.85%
SSE e-Interactive responses	66
Number of performance briefings	5
Number of investor visits	157

## ■ Protection of Creditors' Rights and Interests

During the reporting period, we established the *Rules on the Meetings of Convertible Bondholders* to strengthen the protection of creditors' legitimate rights and interests through a well-structured system.

In 2023, we issued “Autowell Convertible Bonds” (Bond Code: 118042), with a total issuance amount of RMB 1.14 billion, successfully listed on September 1, 2023. On June 24, 2024, CSCI Ratings conducted a comprehensive assessment of our business operations and industry development, and released the *2024 Tracking Rating Report on the 2023 Convertible Corporate Bonds Issued by Wuxi Autowell Technology Co., Ltd.* (CSCI Ratings [2024] Tracking No. 390-01). Our issuer credit rating was assessed as “AA-” with a “Stable” outlook, while the rating for the “Autowell Convertible Bonds” was also assigned “AA-”.



“Autowell Convertible Bonds” with a total issuance amount of RMB

1.14 billion

Our issuer credit rating was assessed as

AA-

“Autowell Convertible Bonds” was also assigned

AA-

## ➤ Remuneration Management for Directors, Supervisors and Management

In accordance with internal regulations such as the *Articles of Association and the Senior Executive Compensation Management System*, the Remuneration and Appraisal Committee under the Board of Directors is responsible for formulating and reviewing remuneration policies and plans for directors and senior managers, and setting performance appraisal criteria for senior management. The remuneration packages of directors and supervisors are approved by the Board of Directors and the Supervisory Board and then submitted to the Shareholders' Meetings for approval before implementation, and the remuneration packages of senior management are approved by the Board of Directors and then implemented with the cooperation of the Human Resources Department.

For the remuneration system of the management, we adopt the 3P (Position, Performance, Person) design model. This approach scientifically determines the remunerations of management by comprehensively considering multiple factors, including job value, performance, individual capabilities, and the Company's overall performance. Additionally, non-independent directors, supervisors, and senior managers receive remuneration based on their positions, administrative responsibilities, role execution, and performance. They do not receive separate allowances for their roles as directors or supervisors. Independent directors, however, are entitled to a fixed independent director allowance, while external directors (excluding independent directors) do not receive director allowances from the Company.

# Internal Control and Risk Management

## » Internal Control

### ■ Developing the Internal Control System

The Company has developed a comprehensive internal control system by formulating regulations such as *the Working Rules of the Audit Committee under the Board of Directors*, *the Internal Control System*, and the Internal Audit System. We have also set up a comprehensive system of policies and processes from three levels: management processes, business processes and support processes, to ensure the efficiency, standardization and flexibility in our operations. Additionally, we conduct regular comprehensive reviews of our internal control system to maintain document relevance and effectiveness.

#### Internal Control Organizational Structure

##### Audit Committee under the Board of Directors

- Responsible for communicating, supervising, and reviewing internal and external audits.

##### Risk Control and Audit Department

- **Professional audit team:** We designate experienced auditors overseeing the internal management system and internal control of both the parent company and subsidiaries.
- **Issue rectification and recommendations:** The Risk Control and Audit Department identifies issues, formulates corrective measures, and provides recommendations, submitting written or electronic reports to the Audit Committee.
- **Follow-ups and evaluations:** The Risk Control and Audit Department monitors the implementation of corrective actions, evaluates the effectiveness of internal control, and ensures continuous improvement.

### ■ Strengthening Internal Control

Based on risk assessment results, the Company implements control measures by integrating manual and automated controls, as well as preventive and detective controls, ensuring that various risks remain within an acceptable range. To reasonably ensure the achievement of corporate targets, we have established control procedures and actively carry out multiple internal control measures, including risk control, authorization control, division of duties, incompatible position separation control, accounting system control, asset access and record-keeping control, and budget control. Additionally, we conduct regular self-assessments of our internal control.

The Risk Control and Audit Department reports to the Audit Committee at least once per quarter, covering but not limited to the execution information of the internal audit plan and issues identified during internal audits.

During the reporting period, we conducted **11** audit projects. Following the completion of these projects, we implemented an online tracking system on the OA system to monitor rectification progress. We achieved a **100%** completion rate for audit issue rectifications throughout the year.

During the reporting period, our internal control system operated effectively, with no material or significant deficiencies identified in financial or non-financial areas.

## ➤ Risk Management

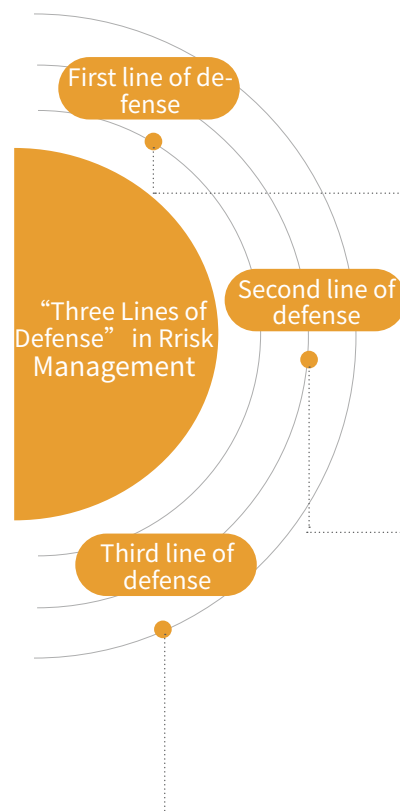
Effective risk management is the cornerstone of a publicly listed company's stable operations and a key safeguard for achieving sustainable development. The Company is committed to establishing and continuously improving a science-based and comprehensive risk management system, to protect corporate assets, enhance decision-making capabilities, ensure business continuity, maintain operational compliance, and uphold strict legal standards. This approach helps us identify, assess, and respond to various risks in a timely manner, strengthening our risk resilience and core competitiveness.



### ■ Risk Management System

In terms of institutional development, we have formulated the *Risk Management Framework Document*, which clearly defines the organizational structure, operational mechanisms, management matrix, oversight and improvement measures, and cultural development requirements, providing institutional support for risk management efforts.

Regarding the organizational structure, we have established a “three lines of defense” risk management framework under the leadership of the Board of Directors. This framework delineates the roles and responsibilities of key departments, including business and functional departments, the Securities Investment Department, and the Risk Control and Audit Department, ensuring the effective implementation of risk management requirements.



#### Business and functional departments

Each business and functional department is the first responsible body for risk management, and is required to conduct a comprehensive assessment of possible risks at the business level based on their respective business process, and prioritize them according to the importance of the risks with the professional support of the risk management functional department.

#### Securities Investment Department

Conduct inspections and evaluations of risk management status and response capabilities based on established risk response strategies and management measures. Throughout this process, the department objectively assesses the actual effectiveness of business and functional departments in risk management, provides professional guidance, and continuously monitors the implementation of corrective measures.

#### Risk Control and Audit Department

Evaluate the risk management performance of business and functional departments based on internal control audits, economic responsibility audits, engineering project audits, information system audits, and specialized audits and issue corresponding audit reports.

## ■ Risk Management Measures

The Company has established an effective risk reporting mechanism and process, enabling prompt responses to operational risks, optimized resource allocation, and the protection of legitimate corporate interests.

Risk management measures	
Risk identification and collection	<ul style="list-style-type: none"> <li>The Company has established RCM (Risk Control Matrix) for procurement, contracts, funding, projects, inventory, fixed assets and other business sectors. This matrix identifies common risk points based on business processes, defines key control measures, assigns responsible departments and personnel, and specifies control documents and frequencies to ensure effective alignment of process risks and control.</li> <li>Responsible departments collect internal risk data through employee feedback and inspection records and gather external risk information via market research and industry reports based on laws and regulations and internal systems.</li> <li>We have appointed Risk Management Coordinators to facilitate comprehensive risk management, ensuring a balanced approach between business development and risk control.</li> </ul>
Information organization and analysis	We compile and analyze collected risk information, develop risk assessment indicators and methodologies, and determine risk levels and priorities.
Risk reporting	We prepare risk reports based on the collated and analyzed risk information, which includes risk overviews, assessment results, and response strategies.
Risk communication and feedback	We circulate risk reports to the relevant departments and Decision-making Committee and provide timely feedback on the results.
Risk monitoring and evaluation	The Risk Control and Audit Department supervises and evaluates the preparation and distribution of risk reports to ensure accuracy and timeliness.

# Compliant Operations and Tax Management

## ➤ Compliant Operations

The Company upholds the principles of integrity in operations, strictly adheres to compliance regulations, continuously optimizes its compliance management mechanisms, and strengthens risk prevention measures. By enhancing compliance reviews and fostering a strong compliance culture, we ensure efficient compliant management to support high-quality development.

In 2024, the company established the *Public Opinion Management System*, *Foreign Exchange Derivatives Trading Business Management System*, *External Financial Assistance Management System*, and *Annual Report Information Disclosure Material Error Accountability System*, while revising the *Fundraising Management System*, further strengthening the institutional foundation for compliance management.

Additionally, we actively promote system and process improvements, addressing compliance issues within business and functional departments in terms of system and process improvements, supported by functional departments. At the execution level, departments review adherence to systems and processes during audit projects and provide recommendations for improvement.

### Legal Affairs and Contract Training

To enhance employees' awareness of legal risks and contract management capabilities, the Human Resources Department organized specialized Legal Affairs and Contract Knowledge Training sessions. Expert-led sessions covered key aspects such as contract drafting, common legal risk prevention, and key points concerning contract execution. The training adopted an interactive format combining theoretical instruction, case studies, and Q&A sessions, fostering engaging discussions.

A total of 97 employees from 4 departments participated, significantly improving their risk control capabilities in contract drafting, review, and execution. This training provided strong legal support for our business operations.

### Procurement Compliance Risk Training

In December 2024, we organized an on-site training session focused on procurement contract risk prevention, aiming to enhance employees' risk awareness and response capabilities. The session, attended by 150 employees, provided an in-depth analysis of risk points across the entire procurement contract lifecycle, covering contract clause drafting, supplier qualification reviews, and risk monitoring during contract execution. This training significantly improved employees' risk prevention awareness, strengthening compliance safeguards in procurement and contributing to our stable and sustainable growth.



## » Tax Management

The Company actively strengthens tax management, continuously reviewing and optimizing tax processes to establish a science-based, comprehensive, and development-oriented tax management system. Additionally, we place great emphasis on monitoring tax policy developments at both the national and local levels, closely tracking policy adjustments and updates. Through in-depth analysis of these changes, we evaluate their potential impact on tax operations and promptly adjust our tax policies and operational guidelines. This ensures timely tax payments in accordance with legal and regulatory requirements while effectively mitigating tax-related risks.

# Anti-commercial Bribery

## ➤ Anti-commercial Bribery System Development

The Company has issued several key regulations, including the *Anti-fraud and Whistleblowing Management System*, the *Conflict of Interest Management System*, the *Gift and Cash Gift Reporting and Submission Management System*, and the *Employees' Internal Relationship Management Measures*, implementing the "Autowell Integrity Code of Conduct Red Line", and providing strong institutional support for its anti-corruption and clean governance activities. We have also joined the China Enterprise Anti-fraud Alliance and the Trust and Integrity Enterprise Alliance, where members exchange experiences, take joint actions, and share blacklists, creating a synergistic effort in the fight against fraud.



### System improvement measures in 2024

#### System issuance

*Employees' Internal Relationship Management Measures*

Establish healthy, integrity organizational and personnel relationships and guide internal relationships to create a sound professional development environment.

#### System revision

*Anti-fraud and Whistleblowing Management System*

- Revise department responsibilities and clarify the deadline requirements for complaint communication and feedback.
- Expand protection for whistleblowers to include investigators and establish a mechanism for handling interference with investigators' work.

#### Continuous implementation

*Conflict of Interest Management System*  
*Gift and Cash Gift Reporting and Submission Management System*  
*Procurement Integrity Agreement*

- Clarify behavior norms and responsibilities for employees and suppliers.
- The company continued to implement the gift and cash reporting and handover policy, with a total of 38 cases reported and handed over in 2024.

## ➤ Regulating the Integrity of Business Partners

In 2024, the Company continued to promote the *Procurement Integrity Agreement*, further clarifying the behavior norms and breach of contract liabilities for suppliers. According to the agreement, suppliers and their personnel are strictly prohibited from bribing our employees in any form, including but not limited to gifts, negotiable securities, payment vouchers, and valuable items. Additionally, suppliers are not allowed to provide any form of economic benefits to our employees or their family members, such as housing, decoration, transportation, or other conveniences related to weddings, funerals, etc.

Regarding behavior norms, the agreement stipulates that suppliers must not invite our employees to banquets, fitness, travel, or entertainment activities that may affect integrity or fairness, and must not engage in any financial dealings with our employees or their relatives. Furthermore, suppliers are obligated to monitor their employees' compliance with the integrity agreement and take action to stop any violations. We also actively expand the reach of integrity promotion, holding thematic integrity promotion activities for key suppliers through supplier conferences to convey our integrity standards.

## » Whistleblowing and Reporting Mechanism

### ■ Reporting Channels

The Company encourages employees to actively participate in integrity-building efforts by providing various whistleblowing channels, such as an official website reporting portal and a dedicated email address, to collectively contribute to creating a positive professional development environment.

Reporting process	
◆ Complaint and whistleblowing	Employees can report violations through various channels.
◆ Report reception	The Discipline Inspection Department receives the report and contacts the whistleblower within 3 working days.
◆ Establishment of an investigation team	The Company establishes an investigation team based on the position level of the reported party.
◆ Investigation and reporting	<ul style="list-style-type: none"> <li>Anti-fraud personnel investigate and archive relevant materials from the reported department, requiring relevant personnel to provide explanations. Individuals refusing to cooperate will be held accountable.</li> <li>Upon completion of the investigation, the investigation team issues a report containing the acceptance date, personnel composition, verified facts, conclusions, and recommendations.</li> </ul>
◆ Accountability and corrective action	<ul style="list-style-type: none"> <li>The Discipline Inspection Department verifies the investigation results, and once confirmed, the case is handed over to the Human Resources Department for accountability, processing, and outcome reports.</li> <li>The involved department implements corrective measures and submits an internal control assessment and improvement report to optimize processes.</li> </ul>
◆ Feedback on results	<ul style="list-style-type: none"> <li>After the investigation is completed, the Discipline Inspection Department shall notify the whistleblower of the results within 5 working days after the investigation or decision is confirmed, through an appropriate method.</li> </ul>

Whistleblowing channels	
Official website	<a href="https://www.wxautowell.com/about/message">https://www.wxautowell.com/about/message</a>
WeChat official account	Integrity at Autowell (WeChat ID: lianjieATW)
Email	jubao@wxautowell.com
Correspondence	Discipline Inspection Department, Wuxi Autowell Technology Co., Ltd., No. 3 Xinhua Road, Xinwu District, Wuxi City, Jiangsu Province

### ■ Protection of Whistleblowers

To further strengthen the integrity culture and protect the legitimate interests of whistleblowers and investigators, the Company has expanded the scope of protection to include those involved in investigations. Additionally, a mechanism has been introduced to handle interference with the work of investigators. Any individual who intentionally discloses the identity of a whistleblower or who interferes with or retaliates against the whistleblower or investigators will face disciplinary actions, including dismissal, or termination of the employment contract. If legal violations occur, the case will be referred to the judicial authorities for processing, ensuring the protection of the rights and interests of the relevant individuals.

## ➤ Anti-Bribery Culture Development

During the reporting period, the Company fostered its integrity culture both online and offline. Online, we efficiently operated the “Integrity at Autowell” WeChat official account, with 19 articles published in 2024. These articles covered topics such as reminders for integrity during holidays, interpretation of corporate policies, prevention of duty-related crimes, promotions for Integrity Month, and knowledge quizzes. These targeted communications provided clear guidance for employees on key integrity issues. Offline, we organized integrity training activities that effectively boosted employee participation in integrity initiatives, creating a clean and positive atmosphere and thus laying a solid foundation for our healthy, efficient, and sustainable development.

### Integrity-themed activities



The “520, I Love Integrity” themed event in May



Police-enterprise collaborative themed training event in July



“The First Cup of Integrity Coffee in Autumn” themed event in August



“Practicing Integrity Together” Integrity Month themed event in December

### Integrity-themed Training in 2024

Theme	Number of Sessions	Participants
Integrity training session for engineering and R&D teams in March: “Progressing with Integrity”	1	Over 150
Integrity training for graduate employees in July: “The First Lesson on Integrity, Setting a Good Start for New Employees”	1	100
Public security-themed integrity training in July: “Preventing Economic Crimes and Telecom Frauds”	2	Over 300
Anti-fraud system promotion training in December: “Anti-fraud Promotion and Reporting Guidelines”	1	All employees
Training on Integrity Red Line Cases in December: “Lessons from Past Cases: A Compilation of Integrity Violations”	1	All employees

Due to our outstanding performance in promoting integrity, we were awarded the “Integrity Vitality Award” in the 2024 Annual Integrity Themed Month Evaluation by the China Enterprise Anti-Fraud Alliance. This honor has not only recognized our past efforts but also motivated us to continuously promoting integrity in the future.



# Anti-Unfair Competition

At Autowell, we strictly adhere to laws and regulations such as the *Anti-Unfair Competition Law*, and the *Interim Provisions on the Prohibition of Commercial Bribery*. We maintain a “zero-tolerance” stance towards any form of commercial bribery and consistently uphold business ethics, participating in market competition in a fair and transparent manner.

During the reporting period, we did not have any incidents of non-compliance related to unfair competition. Moving forward, we will continue to uphold the baseline of fair competition and contribute to creating a healthy and orderly market environment.

Amount involved in lawsuits or major administrative penalties due to unfair competition during the reporting period	0	Number of pending or completed legal cases regarding unfair competition where we have been determined to be a participant	0
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# Appendix I: ESG Data Table

Environmental Performance			
Indicator	Unit	2023	2024
Total GHG Emissions	tCO <sub>2e</sub>	3,967 <sup>1</sup>	2621.25 <sup>5, 6</sup>
Scope 1 GHG Emissions	tCO <sub>2e</sub>	606.76 <sup>2</sup>	375.85
Scope 2 GHG Emissions	tCO <sub>2e</sub>	3,360.38 <sup>3</sup>	2245.40
Carbon emission Intensity	tCO <sub>2e</sub> per RMB 10,000 revenue	0.006 <sup>4</sup>	0.0028
Environmental protection investment	RMB10,000	7.36	623.82 <sup>7</sup>
Purchased electricity	10,000 kWh	589.45	418.45 <sup>8</sup>
Total Fuel Consumption	Tons	132.83	—
Total gasoline consumption	Tons	—	78.29
Total diesel consumption	Tons	—	13.63
Total natural gas consumption	KNm <sup>3</sup>	46.26	43.60
Total comprehensive energy consumption	Tons of standard coal	975.72	702.51

Environmental Performance			
Indicator	Unit	2023	2024
Total direct energy consumption	Tons of standard coal	251.29	188.23
Total indirect energy consumption	Tons of standard coal	724.43	514.28
Energy intensity per 10,000 yuan of output value	Tons of standard coal per 10,000 yuan of output value	0.0015	0.0008
Renewable energy consumption	MWh	—	1,660.94
Total water consumption, including:	Cubic meters	72,697	83,191 <sup>2</sup>
Municipal water supply	Cubic meters	72,697	83,191
Water consumption per 10,000 yuan revenue	Cubic meters per 10,000 yuan	—	0.0904
Paper consumption per capita	Sheets	648.39	618.29

Note: Items 1, 2, 3, and 4: The 2023 greenhouse gas emission data have been adjusted according to the "2023 GHG Verification Statement" published by the Company on April 8, 2024.

Note 5: GHG emissions are calculated based on the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions for Enterprises in Other Industrial Sectors (Trial)* issued by the National Development and Reform Commission (NDRC). The electricity emission factor for purchased electricity is derived from the *Announcement on the 2022 Electricity Carbon Emission Factor*, published by the Ministry of Ecology and Environment in December 2024.

Note 6: The Company conducts an annual GHG verification every in May, with all official data to be derived from the final verification report, with final data subject to verification reports.

Note 7: This year's environmental protection investment includes expenditures on PV rooftop systems.

Note 8: Purchased electricity figures exclude self-consumed PV power generation.

Note 9: The total water consumption increased compared to the previous year due to the commissioning of the Phase II factory.

Employee Performance			
Indicator	Unit	2023	2024
Total number of employees	/	4,832	4,101
Number of male employees	/	4,271	3,550
Number of female employees	/	561	551
Proportion of female managers	%	19.37	21
Social insurance coverage rate	%	100	100
Total safety training sessions	/	78	137
Safety training coverage rate	%	100	100
Safety hazard rectification rate	%	100	100
Total employee training expenditure	RMB	13,269,000	971,800
Total employee training hours	/	55,000	19,832
New employee training hours	/	4	120
Proportion of new employees trained	%	100	100

Employee Performance			
Indicator	Unit	2023	2024
Mid-Level management training hours	/	5	124.5
Proportion of mid-level management trained	%	80	86
Client satisfaction	%	95.4	100
Overseas client satisfaction	%	—	100
Domestic client satisfaction	%	—	100
Client complaint resolution rate	%	—	100
Client complaint response rate	%	—	100
Number of recalled products	/	0	0
Number of complaints on products and services	/	0	0
Major product and service safety or quality incidents	/	0	0
Product pass rate	%	97.55	99.05
R&D Investment	RMB 10,000	32,730.77	43,036.09
R&D Personnel	/	875	1,065

## Employee Performance

Indicator	Unit	2023	2024
Number of invention patents granted	/	32	149
Number of utility model patents granted	/	271	170
Number of design patents granted	/	1	3
Number of software copyrights granted	/	24	23
Number of patents granted during the reporting period	/	358	385
Total number of standard parts suppliers	/	236	153
Responsible (Green) procurement amount of standard parts	RMB 10,000	—	215.417
Total ESG training hours for suppliers	/	—	5
Number of ESG training supplier participants	/	—	130
Total social welfare investment	RMB 10,000	102.52	189.83
Total employee volunteering hours	/	—	250

## Governance performance

Indicator	Unit	2023	2024
Total anti-bribery and anti-corruption training hours	/	—	25
Number of employees participating in anti-corruption training	person-times	—	4,154
Integrity-themed training sessions	/	—	6
Amount involved in lawsuits or major administrative penalties due to unfair competition during the reporting period	RMB	0	0
Number of pending or completed legal cases regarding unfair competition where we have been determined to be a participant	RMB	0	0
Tax payments	RMB hundred million	6.40	7.50

# Appendix II: Benchmarking Index Table

Table of Contents	Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)	GRI Standards
Message from Autowell	/	G2-1
About Autowell		
Company Profile	/	G2-1
Our Culture	/	G2-1
Our Business	Article 5	G2-1
Our History	/	G2-1
Milestones in 2024	/	G2-1
Our Responsibilities and Honors	/	G2-1
Materiality Assessment		
Double Materiality Analysis	Article 5, 14, 15, 16, 17, 18	G3-1、G3-2、G3-3
Stakeholder Communication	Article 53	G2-29

Table of Contents	Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)	GRI Standards
Conclusion of Materiality Assessment	Article 5	G3-1、G3-2、G3-3
Sustainable Development Governance Arrangements		
Sustainable Development Governance Structure	Article 11, 12	G2-22
Sustainable Development-Related Information Reporting	Article 12	G2-22
Sustainable Development Oversight and Assessment Mechanism	Article 12	G2-22
Environment		
Climate Change Response	Article 20, 21, 22, 23, 24, 26, 27, 34	G201-2、G305-1、G305-2、G305-3、G305-4、G305-5、G305-6、G305-7
Environmental Compliance Management	Article 29, 33	/
Discharge of Wastewater, Waste Gases, and Solid Waste	Article 31	G306-1、G306-2、G306-3、G306-4、G306-5、
Energy Utilization	Article 34, 35	G302-1、G302-2、G302-3、G302-4、G302-5

Table of Contents	Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)	GRI Standards
Water Resource Utilization	Article 34, 36	G303-1、G303-2、G303-3、G303-4、G303-5
Circular Economy	Article 37	G301-1、G301-2、G301-3
Green Operations	Article 20, 28, 34	/
Biodiversity Conservation	Article 32	G101-1、G101-2、G101-4、G101-5、G101-6、G101-7、G101-8、G304-1、G304-2、G304-3、G304-4
Society		
Safeguarding Employee Rights and Interests	Article 49, 50	G401-2、G401-3、G404-1、G405-1、G406-1
Occupational Health and Safety	Article 49, 50	G403
Products and Services	Article 45, 47, 48	G416-1、G416-2、G417-1、G417-2、G417-3
Innovation-Driven Development	Article 41, 42	/
Win-win Cooperation	Article 44, 45	G204-1、G308-1、G308-2、G409-1、G414-1、G407-1、G408-1、G409-1
Rural Vitalization	Article 39	/

Table of Contents	Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)	GRI Standards
Social Contributions	Article 40	G415-1
Governance		
Corporate Governance	Article 2,12, 51	G2-9、G2-10、G2-11、G2-12、G2-13、G2-14、G2-15、G2-16、G2-17、G2-18、G2-19、G2-20、G2-21、G2-27
Internal Control and Risk Management	Article 52	/
Compliant Operations and Tax Management	Article 54	G207-1、G207-2、G207-3、G207-4
Anti-commercial Bribery	Article 55	G205-1、G205-2、G205-3
Anti-Unfair Competition	Article 56	G206-1
Appendices		
ESG Data Table	Article 6	/
Bencharking Index Table	Article 57	/



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