

2024 Sinofuse Sustainability Report

anaraaa



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TABLE OF CONTENTS

01

COMPANY PROFILE

CHAIRMAN'S SPEECH	5
ABOUT SINOFUSE ELECTRIC	7

02

SUSTAINABLE DEVELOPMENT (ESG) MANAGEMENT

ESG GOVERNANCE STRUCTURE	11
MATERIALITY ANALYSIS	13
COMMUNICATIONS WITH STAKEHOLDER	14
MATERIALITY ISSUE MATRIX	15

05

TECHNOLOGICAL INNOVATION & PREMIUM SERVICES

TECHNOLOGICAL INNOVATION	49
QUALITY-CENTRIC SERVICE & PRODUCT DESIGN	53
CUSTOMER SERVICE ENHANCEMENT	55

03

CORPORATE GOVERNANCE & STABLE MANAGEMENT

CORPORATE GOVERNANCE STRUCTURE	19
BUSINESS ETHICS & DODDO	22
COMPLIANCE MANAGEMENT & RISK MITIGATIONL	25
DATA SECURITY & PRIVACY PROTECTION	28
001	

04

CLIMATE ACTION & GREEN SYNERGY

CLIMATE RISK ADAPTATION	33
ENVIRONMENTAL MANAGEMENT SYSTEM	38
POLLUTANT TREATMENT	40
RESOURCE UTILIZATION AND CONSERVATION	42
ECOLOGICAL CONSERVATION & BIODIVERSITY PROTECTION	45





PARTNERSHIPS & SOCIAL RESPONSIBILITY

RESPONSIBLE SUPPLY CHAIN	59
INDUSTRY COLLABORATION & SHARED GROWTH	63
SOCIAL WELFARE AND RURAL REVITALIZATION	64



REPORT APPENDICES

QUANTITATIVE PERFORMANCE METRICS TABLE	85
REPORT INDEX TABLE	88

002

COMPANY PROFILE

O About the Report

This report marks the first sustainability report issued by Xi'an Sinofuse Electric Co., Ltd. (hereinafter referred to as "Sinofuse Electric," "the Company," or "We") to stakeholders.

Reporting Period

January 1, 2024, to December 31, 2024. To enhance comparability aaJanuary 1, 2024, to December 31, 2024. To enhance comparability and forward-looking insights, certain sections may be appropriately extended to both preceding and subsequent years.nd forward-looking insights, certain sections may be appropriately extended to both preceding and subsequent years.

Report Boundary

The report discloses the Company and its subsidiaries' fulfillment of responsibilities in economic, social, and environmental aspects. All case studies cited are sourced from the Company and its subsidiaries.

© Report Standards

United Nations Sustainable Development Goals (SDGs), Global Reporting Initiative's GRI Standards, Shenzhen Stock Exchange's Self-Regulatory Guidelines for Listed Companies No. 17 - Sustainability Reporting (Trial), Shenzhen Stock Exchange's ChiNext Self-Regulatory Guidelines for Listed Companies No. 3 - Sustainability Reporting Preparation, and the TCFD Recommendations Report issued by the Team on Climate-related Financial Disclosures (TCFD).

Report Reliability Assurance

The Company guarantees that the content of this report is true, accurate, and complete, without any false records, misleading statements, or material omissions.

Report Access

This report is available in digital format

You may access it through our official website (https://www.sinofuse.com)

or the Shenzhen Stock Exchange website (https://www.szse.cn) .



Dear Colleagues, Partners, and Friends from All Walks of Life:

In 2024, global energy transition and climate change challenges coexisted, while geopolitical shifts and technological innovations accelerated the reshaping of industry landscapes. Against this backdrop, Sinofuse Electric remains committed to its vision of "becoming an integrated solution provider for energy protection systems, safeguarding the safe operation of human energy conversion." We embed sustainability principles into our corporate DNA through green manufacturing, innovation-driven approaches, and global responsibilities, forging new milestones amid challenges.

Since its establishment in 2007, Sinofuse Electric has journeyed through 18 years of development. Throughout this path, the Company has consistently adhered to a long-term mindset, with every strategic decision tightly aligned with sustainability principles. On one hand, the Company adheres to green manufacturing principles, minimizing environmental impact across all operations from product R&D and production processes to packaging and logistics, with the commitment to building a sustainable green supply chain. On the other hand, we persistently pursue innovation, continuously enhancing R&D capabilities to deliver high-quality services that meet evolving market demands. As of the end of 2024, Sinofuse Electric had expanded its overseas operations to over 20 countries and regions. Guided by its "Green, Innovative, Responsible" sustainability philosophy," Sinofuse Electric accelerates its journey toward becoming a global leader in the fuse industry through independent innovation, collaborative industrial chain upgrades, and the comprehensive strategy of building a sustainable ecosystem.

I. Innovation-Driven: Solidifying Technological Leadership

Innovation serves as the primary driving force for corporate development. We anchor our strategy in core technological breakthroughs. By building a professional, high-level R&D team, we have established full-chain technological capabilities—spanning materials, structures, and smart systems—in sectors like new energy vehicles and energy storage. Over the past year, we empowered sustainable infrastructure through dual technological breakthroughs: our domestically developed nuclear-grade high-voltage fuses achieved world-class performance to secure critical energy autonomy, while next-generation EV fuses (deployed across 20+ countries) set new safety benchmarks for global electrification transitions. We firmly believe that only by continuously leading at the technological forefront can we take initiative in global competition and inject strong momentum into industry development.

II. Green Manufacturing: Delivering on Our Dual-Carbon Strategy Commitment

Innovation serves as the primary driving force for corporate development. We anchor our strategy in core technological breakthroughs. By building a professional, high-level R&D team, we have established full-chain technological capabilities—spanning materials, structures, and smart systems—in sectors like new energy vehicles and energy storage. Over the past year, we empowered sustainable infrastructure through dual technological breakthroughs: our domestically developed nuclear-grade high-voltage fuses achieved world-class performance to secure critical energy autonomy, while next-generation EV fuses (deployed across 20+ countries) set new safety benchmarks for global electrification transitions. We firmly believe that only by continuously leading at the technological forefront can we take initiative in global competition and inject strong momentum into industry development.

III. Mutual Prosperity: Building a Sustainable Supply Chain Ecosystem

The supply chain is the "community of shared destiny" for enterprises. We have established an ESG management system covering all suppliers, helping dozens obtain ISO14001 and ISO45001certifications. Through digital supply chain management, we ensure environmental and social responsibility compliance from the source. Meanwhile, the Company strictly enforces a conflict minerals management mechanism, guaranteeing 100% supply chain traceability and fostering shared prosperity across the industrial chain. Moving forward, we will continue deepening global collaboration with an open mindset, making sustainability the common language connecting all our partners.

IV. People-Centric: Cultivating a Caring Corporate Culture

Employees are the most valuable assets of an enterprise. Upholding the values of "respect, trust, unity, and mutual support," we have built a career development system for all employees, offering a dual-track promotion mechanism of "management + specialization" so everyone can grow within the Company.

We prioritize employee health and safety, with 100% of production bases certified by ISO45001Occupational Health and Safety Management System, supported by comprehensive healthcare and safety mechanisms. We firmly believe that only by growing together with employees can we harness the core strength of sustainable development.

Looking ahead, we will increase R&D investment in intelligent protection devices, advancing integrated solutions for PV, energy storage, and beyond; continue advancing the intelligent upgrade of overseas production bases; build a global service network; and embed ESG principles into the entire value chain, driving shared progress for the Company and the industry.

Dear colleagues and friends,

Sustainability is not a choice—it is an imperative. Sinofuse Electric will join hands with our global partners, harnessing the power of innovation and corporate responsibility to forge a future that is environmentally sustainable, operationally secure, and socially responsible!

Thank you!



ABOUT SINOFUSE ELECTRIC

Ocompany Profile

Xi'an Sinofuse Electric Co., Ltd. (Stock Code: 301031) was founded on April 20, 2007. The Company is dedicated to the R&D, production, and sales of circuit protection devices, fuses, and related accessories. Its main products include power fuses, electronic fuses, and excitation fuses, with power fuses being the leading product.

266 VALID PATENTS

Leading positions in industries such as new energy vehicles, renewable energy power generation (wind and solar), energy storage, and rail transit MARKET POSITION

EMPLOYEES





AND REGIONS



Orporate Culture

Vision

Becoming an integrated solution provider for energy protection systems, safeguarding the safe operation of human energy conversion.

Mission

Rooted in professional fuse R&D and manufacturing, we create value by fulfilling customer needs, giving back to society, employees, and shareholders, and achieving mutual growth for both the Company and employees!

Values

NPAC (Next-Process-as-Customer) Principle under Customer-Centric Approach;

- 2. Respect, Trust, Unity, Mutual Support
- 3. Innovation, Pioneering, Progress
- 4. Integrity, Passion
- 5. Sense of Mission, Responsibility, Honor, Urgency

O Global Presence





Product Models & Partnerships

New Energy Electric Vehicle Industry		Battery packs, DC charging piles, MSD high-voltage distribution boxes, etc.
	Rail transit industry	High-voltage distribution boxes for traction locomo- tives, locomotive and EMU charging units, metro rectifier unit, third-rail collector system, etc.
	Communications Industry	UPS, DC power supplies, low-voltage distribution cabinets, low-voltage switchgear, array cabinets, and other industrial power distribution equipment protection facilities.
	Wind-Solar Power Generation and Energy Storage Industry	Inverters, combiners, converters, switchgear, etc.



ESG Rating

Agency	Rating
QuantData	A
Wind	BB
Ecovadis	Bronze (62)
CCXI	BB

Passive Index

Index Code	
931994.CSI	
931591.CSI	
866501.WI	
931468.CSI	
866503.WI	
866400.WI	

Social Awards



Name

CSI Grid Equipment Theme Index

CSI 1000 Growth & Innovation Index

Wind Energy Theme Index

CSI Dividend Quality Index

Wind Smart Grid Theme Index

Wind Strategic Emerging Industries Index

Certifying Authority

China Electrotechnical Society

Shaanxi Provincial Department of Science and Technology

Shaanxi Provincial Department of Science and Technology

Shaanxi Provincial Department of Industry and Information Technology

Ministry of Industry and Information Technology

Administrative Committee of Xi'an High-Tech Industries Development Zone

Sustainable Development (ESG)

ES Ggovernance System

As a leading enterprise in energy protection system technology for the new energy industry, Sinofuse Electric actively supports the *UN 2030 Agenda for Sustainable Development*, integrating environmental, social, and governance (ESG) concepts into all aspects of its operations to ensure effective implementation of sustainability practices.

In 2024, the Company continued to deepen the integration of ESG principles into its operations. On one hand, it further improved the multi-level ESG governance structure by establishing a Sustainable Development Committee under the General Manager's Office, chaired by a Deputy General Manager. This committee assists the Board of Directors in researching and providing recommendations on long-term development strategies, major investment decisions, and ESG policies, monitors ESG trends relevant to the business and assesses associated risks and opportunities; and oversees the implementation of ESG standards and progress toward targets. On the other hand, the Company strengthened sustainability management practices in areas such as carbon neutrality, human rights optimization, and supply chain compliance.



ESG Structure	ESG Responsibilities
	1. Oversee all company ESG initiatives
	2. Approve sustainability report
	3. Propose sustainability strategies and target resolutions
Board of Directors	 Review recommendations from the Sustainable Development Committee regarding ESG risk performance improvement, risk identification, measures, and policies
	 Encourage and support the Sustainable Development Committee in collaborating with other standing committees
	1. Exercise ESG-related duties on behalf of the Board of Directors
	 Organize specialized committees to develop, execute, review, and continuously improve ESG-related objectives and plans
Sustainable Development	 Deliberate on critical ESG matters, monitor execution, and evaluate progress against targets
Committee	4. Review the sustainability report and provide disclosure recommendations
	5. Monitor and assess climate risk trends and related developments
	 Approve the climate change risk register and coordinate the development o corresponding mitigation measures
	1. Formulate ESG policies and objectives, and allocate corresponding resources.
	2. Deliberate on material ESG matters
	3. Assist internally in compiling the sustainability report
ESG Team	 Monitor and evaluate the implementation progress of established policies and objectives
	5. Lead ESG management initiatives and develop relevant governance structure
	1. Execute ESG work plans within respective domains and report progress to the ESG Team
Functional	2. Maintain routine engagement with relevant stakeholders within respective oper ational domains
Departments	3. Drive subordinate implementation of ESG tasks and routine management
	 Conduct periodic reviews of ESG performance against established objectives and provide improvement recommendations

Materiality Assessment Process

Dual materiality analysis is the core of preparing annual sustainability reports, formulating long-term sustainability strategic objectives, and structuring stakeholder engagement mechanisms of Sinofuse Electric. Sinofuse Electric, based on the two dimensions of financial materiality and impact materiality, has established an ESG issue checklist by referencing the *Self-Regulatory Guidelines No. 17 for Listed Companies on Shenzhen Stock Exchange – Sustainability Report (For Trial Implementation)* and *Self-Regulatory Guidelines No. 3 for Listed Companies on Shenzhen Stock Exchange – Preparation of Sustainability Report* issued by the Shenzhen Stock Exchange, the United Nations Sustainable Development Goals (SDGs), the GRI Standards 2021, ISO 26000, SASB relevant issues, and other sustainability-related standards, as well as ESG rating services such as MSCI, CDP, CSI, Wind, etc. The Company has identified and consolidated both universal and industry-specific ESG issues applicable to its operations by referencing macro policies and sector-specific regulations in its operational jurisdictions, as well as materiality issue selection methodologies and prioritization results from industry peers.

Establishment of ESG Issue List:

We establish an inventory of 27 ESG issues with reference to international and domestic sustainability standards, including:



Materiality Assessment and Validation:

For impact materiality, Sinofuse Electric applies the FMEA (Failure Mode and Effects Analysis) model, quantifying impact significance from scale, scope, irremediability, and likelihood dimensions, and calculates Risk Priority Numbers (RPN) via multiplication.

For financial materiality evaluation, we have incorporated short-term, medium-term, and long-term temporal dimensions. Weighted scoring was applied to financial impacts across time horizons, generating a composite financial materiality score.

Issue Reporting:

Sinofuse Electric constructs a materiality analysis matrix based on issue evaluation results to prioritize issue significance. The report focuses on highly material issues.

The Company sets thresholds and prioritizes issues to concentrate resources on critical ESG issues, effectively driving sustainability.

Communications with Stakeholders

The stakeholders of Sinofuse Electric in social responsibility include shareholders/investors, customers, suppliers, employees, government/regulatory agencies, communities, and media.

Stakeholder Segments	Channels	Material Concerns	Response
Shareholders / Investors	General Meeting of Shareholders Board of Directors Meeting Earnings Presentation Investor Phone Conferences Investor Relations Activities	Innovation-driven Product and Service Safety and Quality Corporate Governance Information disclosure and transparency Anti-commercial bribery and anti-corruption	Sustained R&D Investment Enhanced Product Quality Robust Governance structure Standardized Periodic Disclosures Anti-Corruption Training Implementation
Customers	Conference calls Emails On-site visits Customer seminars Product training	Climate Resilience Strategy Product and Service Safety and Quality Data Security and Privacy Protection Innovation-driven Stakeholder Engagement	Clear Emission Reduction Targets Rigorous Quality Control Process Encryption Technology Application Sustained R&D Investment Transparent Communication Mechanism
Suppliers	Emails Conference calls On-site visits Supplier conferences Instant messages Business Review Meetings	Climate Resilience Strategy Energy Utilization Supply Chain Security Data Security and Privacy Protection Use of eco-friendly materials	Green Energy Transition Energy Efficiency Improvement Plan Supply Chain Resilience Building Data Encryption Protection Eco-material Procurement
Employee	Employee Conferences Departmental Internal Meeting Performance Feedback Meeting Employee satisfaction survey	Employment and Workforce Mobility Employee Training and Development Compensation and Benefits Occupational Health & Safety	Employee Turnover Analysis Develop Systematic Training Plans Enhance Welfare Benefits Optimize Work Environment and Facilities
Government / Regulators	Work Safety Supervision Meetings Industry Policy Seminars Industry-related Exchange Forums Special Policy Dialogues	Climate Resilience Strategy Innovation-driven Anti-commercial bribery and anti-corruption Environmental Compliance Management	Carbon Footprint Reduction Sustained R&D investment Eradication of Commercial Bribery Stringent Environmental Supervision
Communities & Media	Social Media Update Community Engagement Release of Environmental Reports Online Forum Interaction Email Communications Multi-stakeholder Dialogue	Climate Resilience Strategy Use of eco-friendly materials Waste Disposal Pollutant Emissions Water Resource Utilization Ecosystem and Biodiversity Conservation	Carbon Footprint Reduction Adopting Renewable Materials Implementing Recycling Programs Reducing Emissions Improving Water Efficiency Protecting Biodiversity

Materiality Assessment Findings

In 2024, Sinofuse Electric continued identifying sustainability issues and assessing/screening their materiality. The management and practice performance of the 27 identified issues are disclosed and responded accordingly in the report. The Company's key focus areas include innovation-driven growth, corporate governance, supply chain security, climate change mitigation & adaptation, data security & customer privacy protection, and environmental compliance management.



Material Issues List	No.	Issues	Field
	1	Innovation-driven	Society
	2	Corporate Governance	Governance for Sustainat Development
	3	Supply Chain Security	Society
1 - Core Issues	4	Response to climate change	Environment
	5	Data Security and Customer Privacy Protection	Society
	6	Environmental Compliance Management	Environment
2 - Financially	7	Intellectual property protection	Society
Materiality Issues	8	Employee	Society
	9	Waste Disposal	Environment
	10	Pollutant Emissions	Environment
	11	Green products and design	Environment
	12	Stakeholder communication	Governance for Sustainab Development
3 - Impact Material	13	Circular Economy	Environment
Issues	14	Water Resource Utilization	Environment
	15	Equal Treatment of Smes	Society
	16	Hazardous substance management	Environment
	17	Use of eco-friendly materials	Environment
	18	Clean technology opportunities	Environment
	19	Ecosystem and Biodiversity Conservation	Environment
	20	Anti-Commercial Bribery and Anti-Corruption	Governance for Sustainab Development
	21	Industry Collaboration & Shared Growth	Society
	22	Technology ethics	Society
4 - General Issues	23	Anti-unfair competition	Governance for Sustainat Development
	24	Rural Revitalization	Society
	25	Social Contribution	Society
	26	Due diligence investigation	Governance for Sustainab Development
	27	Noise monitoring	Environment

Sustainability Report 2024

03 Corporate Governance & Stable Management

Sound corporate governance is of paramount importance to Sinofuse Electric. We continuously standardize operational processes, clarify the responsibilities and authorities of each department, enhance decision-making efficiency, stimulate employee creativity, and ensure steady business development. Externally, the Company maintains information transparency, enhances investor confidence, and elevate brand reputation. In 2024, the Company established a diversified board structure to ensure scientific decision-making while strengthening oversight mechanisms with full-cycle audit controls for financial and process compliance. Furthermore, the Company aligns with core ESG principles by enhancing information disclosure, regularly sharing key updates with shareholders and the public to demonstrate governance effectiveness and drive sustainable progress.

2024 Key Performance

In 2024, all directors of the Company diligently performed their duties, with a total of **5** board meetings and 4 supervisory board meetings held, achieving a 100% attendance rate at board meetings.

In 2024, independent directors accounted for 33.3% of the Strategic Committee, 66.7% of the Audit Committee, and 66.7% of the Nomination Committee and Remuneration & Appraisal Committee.

In 2024, the Company achieved an 'A' grade in exchange disclosure ratings.

In 2024, the coverage rate of anti-corruption training among employees reached 100%, and the signing rate of the Integrity Agreement by employees was also 100%.



orporate Governance Structure	19
usiness Ethics & Anti-Corruption	22
ompliance Management & Risk Mitigation	25
ata Security & Privacy Protection	28
AND A REAL PROPERTY AND A REAL	

Corporate Governance Structure

The Board of Directors of Sinofuse Electric demonstrates ongoing commitment to safeguarding the legitimate rights of the Company and all shareholders, proactively fulfilling management responsibilities, and continuously enhancing governance capabilities. It strengthens board independence and diversity, actively engages with investors, participates in investor relations management, and standardizes information disclosure practices.

O Governance Structure

Strictly adhering to laws and regulations such as the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Corporate Governance Code for Listed Companies in China, and the Shenzhen Stock Exchange Listing Rules, Sinofuse Electric continuously explores best practices in modern corporate governance, integrating environmental, social, and governance (ESG) principles into all aspects of governance to drive sustainable value creation.

The Board of Directors has established four specialized committees (Strategy, Remuneration & Appraisal, Nomination, and Audit Committees), all operating in strict compliance with corporate governance documents including Working Rules of the Board Strategic Committee, Working Rules of the Board Remuneration & Appraisal Committee, Working Rules of the Board Nomination Committee, Working Rules of the Board Audit Committee, Working Regulations for Independent Directors, and Special Meeting System for Independent Directors, thereby ensuring robust shareholder rights protection and standardized corporate operations.



The members of the Board of Directors are elected by the shareholders' meeting, with each board term lasting three years. Sinofuse has stipulated the nomination methods and procedures for directors in documents such as the Articles of Association. To ensure a high level of transparency in corporate governance, the Company regularly discloses information about directors' external positions. For details, please refer to the Company's 2024 Annual Report.

Oiligent Duty Performance & Implementation

The Rules of Procedure for Board Meeting has been established to provide standardized protocols for meeting convening, voting procedures, and proposal deliberations to ensure fully compliant and operationally efficient board governance. In 2024, all directors fulfilled their duties diligently, holding 5 board meetings with 100% attendance.

In 2024, the Board of Directors reviewed a series of ESG-related proposals, including the 2023 Annual Report, 2023 Board of Directors Work Report, 2023 Internal Control Self-Assessment Report, Proposal on Establishing the Independent Directors Special Meeting System, Proposal on Adjusting the Members of the Third Board of Directors Special Committees, and Proposal on Revising the Company's Relevant Governance Systems. These initiatives have comprehensively elevated the Company's ESG management to a new level.

Indicators (times)	2022	2023	2024
General Meeting of Shareholders	3	4	2
Board of Directors Meeting	10	8	5
Supervisory Committee Meeting	8	8	4

Output Advancing Diversity and Independence

As of the end of 2024, the Company has 9 directors, including 3 independent directors, 2 female directors, and 7 directors with industry experience. The Board shall include at least one independent director with accounting expertise and one with industry-specific experience to ensure effective governance of corporate matters.

The Company's independent directors comprise seasoned professionals with specialized expertise in accounting, legal affairs, and industry-specific technical domains. Each director satisfies the independence criteria mandated by the Administrative Measures for Independent Directors of Listed Companies and the Self-Regulatory Guidelines for Shenzhen Stock Exchange Listed Companies No. 1 - Standard Operations for Main Board Listed Companies, including absence of executive or non-executive roles beyond their independent directorship within the organization; no material relationships with the Company or its controlling shareholder that could impair objective judgment, as well as certification of no undisclosed supplementary benefits received from the Company, its controlling shareholder, or affiliated entities. To safeguard board independence, independent directors shall constitute at least 66.7% of Remuneration and Appraisal Committee, Audit Committee, and Nomination Committee.





Standardized Remuneration Management Integrated with Sustainability Principles

The Company's Remuneration and Appraisal Committee is responsible for formulating and reviewing the compensation policies and schemes for directors and senior management, based on the corporate objectives and targets set by the Board of Directors, industry benchmarking data on compensation levels, as well as the specific responsibilities and time commitments of individual directors and executives. The Committee also provides recommendations regarding their performance evaluation criteria. The Committee oversees the implementation of the compensation system and ensures that no director or their affiliates participate in determining their own remuneration. The compensation schemes for senior management, supervisors, and independent directors are implemented only after obtaining approval through respective governance bodies—the Board of Directors, Supervisory Committee, and Shareholders' Meeting.

Sinofuse Electric maintains an executive compensation structure integrating long- and short-term incentives, comprising base salary, performance pay, allowances/benefits, annual bonuses, and equity incentives. The base salary provides fundamental support for standard position operations and team maintenance, performance pay is linked to strategic KPIs, including corporate goal attainment, operational results, product innovation, market expansion, efficiency improvements, and talent development for short-term alignment, and equity incentives foster sustainable growth through shared ownership.

Protection of Investor Rights and Avoidance of Conflicts of Interest

The Company strictly adheres to the profit distribution policies and review procedures in accordance with the *No.3 Guideline for the Supervision of Listed Companies - Cash Dividend Distribution of Listed Companies released* by the China Securities Regulatory Commission and the *Articles of Association*, featuring transparent dividend standards/ratios and robust decision-making mechanisms. During the formulation and approval of the distribution plan, the independent directors fulfilled their duties with due diligence and played an appropriate oversight role. The process actively incorporated feedback and concerns from minority shareholders. Relevant proposals were reviewed and approved by both the Board of Directors and the Supervisory Committee before being submitted to the shareholders' meeting for deliberation. Independent directors provided formal opinions, and upon approval, the plan was implemented within the stipulated timeframe, effectively safeguarding the interests of all shareholders.

On May 22, 2024, the Company's 2023 Annual General Meeting approved the *Proposal on 2023 Profit Distribution Plan and 2024 Interim Cash Dividend Scheme*. The Company distributed cash dividends of RMB 6.00 per 10 shares (tax inclusive) based on its total share capital of 66,277,427 shares, amounting to an aggregate cash dividend payout of RMB 59,766,456.20, which was completed on July 17, 2024. In the second half of 2024, the Company distributed cash dividends of RMB 1.003962 per 10 shares (tax inclusive) based on an adjusted share capital of 66,015,827 shares (after deducting 261,600 repurchased shares), totaling RMB 6,627,758.17, with the payment completed on September 27, 2024.

On January 15, 2024, the Company convened its first Extraordinary General Meeting of 2024, where the Proposal on Amendments to Corporate Governance Documents was approved, including revisions to the Related Party Transactions Management System. The Company strictly complies with applicable laws and regulations, conducting comprehensive process reviews for material matters including related-party transactions, external guarantees, and outbound investments.

Oisclosure and Investor Engagement

Sinofuse Electric strictly complies with disclosure regulations and fulfills information disclosure obligations to protect investors and stakeholders, particularly minority shareholders' rights. During this reporting period, while maintaining high-quality compliance with mandatory disclosure obligations, the Company significantly expanded voluntary reporting on investor- and capital market-priority areas, including corporate strategy, governance structures, green operations, employee welfare, and supply chain stewardship.

2024 KEY PERFORMANCE

Exchange disclosure

ratings of the Company

In 2024, the Company successfully completed the preparation of the 2023 annual report, 2024 Q1 report, interim report, and Q3 report, issuing 82 temporary announcements with zero disclosure errors. Additionally, the Company responded to 83 exchange e-interactive Q&As with a 100% response rate, participated in online/offline brokerage strategy meetings, and conducted 27 investor meetings (both virtual and on-site) The Company actively listens to minority shareholders' opinions and suggestions, addressing investor concerns while effectively communicating corporate developments. This has enhanced capital market understanding and recognition of the Company. Through these measures, the Company has established standardized, direct, and efficient communication channels with investors. This has improved corporate governance standards, better protected investor rights (particularly for minority shareholders), and fostered positive interaction between the Company and its investors.

Business Ethics & Anti-Corruption

Sinofuse Electric strictly complies with China's anti-corruption laws, the *United Nations Convention Against Corruption (UNCAC)*, upholding integrity commitments for both the Company and its business partners while continuously strengthening ethical corporate culture. The Company maintains a zero-tolerance policy against corruption, bribery, fraud, and money laundering, applicable to all personnel (including contract and temporary staff) across all jurisdictions. This prohibition extends to suppliers, contractors, and service providers, who are contractually obligated to adhere to these anti-corruption standards during domestic and international business operations and investment activities.

Anti-Corruption Training for Employees

Sinofuse Electric views anti-corruption training as critical to raising employee awareness of policies and practices, fostering adherence to business ethics, and preventing corruption recognizes anti-corruption training as a critical initiative to reinforce employee awareness of corporate anti-corruption policies and ethical business practices, empowering personnel to maintain integrity throughout their professional careers, preventing breaches of anti-corruption red lines. In 2024, the Company's anti-corruption training program was primarily organized and managed by the Human Resources Department, including training delivery, scheduling, and record-keeping. The related courses are primarily categorized into legal interpretation courses, and courses covering Company policies and professional ethics.

100% Anti-corruption training coverage for employees **O** Valid Reports



SINOFUSE ELECTRIC ANTI-CORRUPTION TRAINING PROGRAM

In June 2024, the Company organized an anti-corruption training program for all employees. The training program focuses on legal compliance education with in-depth analysis of the Supervision Law of the People's Republic of China and the Law of the People's Republic of China on Administrative Sanctions for Public Officials, clarifying legal consequences of violations while enhancing integrity awareness through case studies.





O Anti-Corruption and Audit Management

The Company established the *Supplier Social Responsibility and Sustainability Commitment*, with Clause 10 specifying anti-corruption requirements for Sinofuse Electric's operational activities. At the same time, all members of the Purchasing Department have signed the *Integrity Agreement* with the Company. The Company implemented the *Asset Procurement Bidding Process Management System* to ensure legal compliance, fair competition, and prevention of unethical practices in tendering.



100%

Integrity Agreement signing rate

OAnti-unfair Competition and Anti-Monopoly OAnti-Monopoly OAnti-Mon

The Company consistently advocates for fair competition, placing high priority on anti-unfair competition and anti-monopoly compliance through regular legal training for senior management teams.

In 2024, the Company reported no legal proceedings related to unfair competition, antitrust violations, or cases involving fraud or corruption.

OWHISTIEDIOWER Protection

The Company has a clear whistleblower protection management system. Employees at all levels and external parties with direct or indirect economic ties to the Company may report concerns regarding violations of professional ethics or submit whistleblowing disclosures on actual/suspected fraud cases through dedicated hotlines, email channels, or other reporting mechanisms. Concurrently, the Company implements multi-dimensional whistleblower protection mechanisms to safeguard reporting parties:

Confidentiality of identity

The Company strictly keeps the identity information of whistleblowers confidential, including but not limited to name, contact details, and job position. Throughout the entire process of accepting reports, conducting investigations, and subsequent handling, staff members who come into contact with the report information are required to sign confidentiality agreements to ensure that the whistleblower's information is not leaked. No one may disclose the whistleblower's information to any third party without the whistleblower's written consent.

Safety assurance

The Company shall implement appropriate protective measures for whistleblowers facing personal safety threats or other circumstances that may adversely affect their normal work or life due to reporting activities. The Company shall provide necessary security support for whistleblowers, including facilitating job position or workplace adjustments to mitigate potential risks, and seeking police assistance when required.

Protection against retaliation

Any form of retaliation against whistleblowers is strictly prohibited. The Company enforces zero-tolerance retaliation policies, imposing disciplinary actions (including warnings, demotions, and termination) per internal regulations, and refers criminal cases to judicial authorities.



Whistleblowing Channels

Hotline	A dedicated whistleblower hotline 029-68590655 is established, offering manual answering services from 9:00 AM to 5:00 PM, Monday through Friday.
Email	The email address HR@sinofuse.com is specifically used to receive all types of corruption-re- lated reports A designated person from the Company's compliance management depart- ment regularly checks this mailbox to ensure timely handling of reported information.
Mailing Address	Human Resources Department of Xi'an Sinofuse Electric Co., Ltd. For reports submitted via mail, please provide as detailed information as possible to ensure accurate reflection of corruption-related leads.

Compliance Management & Risk Mitigation

Sinofuse Electric integrates compliance management into all aspects of business operations, empowering growth while optimizing compliance systems to align with laws, regulations, industry standards, and internal policies.

Ocompliance Governance System

To further standardize internal audits and protect investor rights, the Company has established a compliance management system encompassing corporate governance, market transactions, labor laws, and other areas, in accordance with the Supervision Law of the People's Republic of China, Auditing Law of the People's Republic of China, and Provisions on Internal Audit Work issued by the National Audit Office.

During actual operations, the Company's relevant teams regularly evaluate and update compliance management documents to ensure alignment with the latest laws, regulations, and industry developments. Managers and employees at all levels actively participate and implement these measures, guaranteeing the effective execution of compliance management. The Company continuously improves its business compliance review mechanism and has successively issued compliance-related systems including the *Sales Management System, Procurement Management System, Accounts Receivable Management Measures, External Investment Management System, External Guarantee Management System, Securities Investment Management System, Related Party Transactions Management System, Fund Raising Management System,* and "Information Security Management Procedures, covering all business areas and levels.

Risk Control

In alignment with its operational realities and business development requirements, the Company has established a risk governance structure led by the Board of Directors with cross-functional business team collaboration. Concurrently, the Company dynamically enhances risk identification and circulates policy notifications based on operational developments to ensure full implementation of risk management principles and sustain corporate health.

Risk Co	ategory	Risk Description	Countermeasures
			Develop a corporate strategic planning, enhance strategic risk management capabilities; seek and evaluate high-qual- ity investment opportunities based on the Company's strategic direction and market demand.
Strate	gic Risk	Uncertainty that affects the overall loss of an enterprise in strategic development goals, resources, external environment, competitiveness, and corporate benefits.	Dynamically monitor the macro-external environment and policy trends in which the enterprise operates, prudently study the opportunities and risks brought about by changes, and take proactive measures to prevent and respond to them in a timely manner.
			Focus on the iterative innovation of tech- nology and products, independently build leading core technological capabilities, and continuously enhance product com- petitive advantages.
		Risks of business disruption due to natu-	The Company's senior management team oversees strategic material reserve planning, with the Procurement Depart- ment leading decision-making and imple- mentation.
Supply	Supply Chain Disruption	ral disasters, accidents, system failures, or supply chain interruptions.	Enhance end-to-end delivery flexibility in the supply chain relying on information platform to support digital supply chain transformation, and develop a rapid response system for handling a variety of small-batch products.
Chain Risks	Supply Chain	ESG issues in the supply chain, such as environmental, business ethics, labor rights, health, and safety, leading to instability in production cycles, non-com- pliance and safety issues with products,	All suppliers must strictly adhere to the Company's Supplier Code of Ethics and Busi- ness Conduct and Supplier Integrity and Cleanliness Agreement.
	ESG Risk	resulting in negative public opinion, unpredictable economic losses, and brand impact.	Optimize supplier portfolio and strength- en ESG risk management practices.

Legal and Compliance Risks	Compliance Risks	Risks of legal liability, regulatory penal- ties, financial losses, or reputational damage arising from non-compliant operations or conduct by the Company or its employees.	Establish robust organizational struc- tures, rules, processes, and operational standards for managing compliance incidents. Enhance capabilities to prevent, respond to, and resolve compli- ance risks, ensuring timely and effective mitigation.
	Integrity and Ethical Compliance Risk	The risk that employees or their associ- ates accept bribes using their influence or position, or embezzle Company prop- erty through deception, concealment, collusion, or other means for personal gain, causing damage to the Company's interests.	The "Code of Business Ethics and Conduct Implementation Rules and other business ethics management systems were estab- lished to regulate employee behavior and eliminate bribery and corruption.
	Quality Risks	Quality uncertainty risks arising from inadequate production technology, insuf- ficient product design considerations, or	Establish systematic quality risk manage- ment processes and guidelines covering the project life cycle.
		deficiencies in production process con- trols.	Form a closed-loop risk management system through risk management, report on production issues, and proactive noti- fication of delivery issues.
Operational Risks	Workplace		Conduct thorough inspections and targeted remediation of various hidden hazards.
	Safety Risks	Risks of fire, explosion, or other accidents during the use or storage of hazardous chemicals.	Deploy fire prevention/extinguishing equipment, implement a production safety accountability system, enhance staff training programs, and institutional- ized safety awareness.
	Environmental Pollution Risks	Risks of pollution to the surrounding envi- ronment and impact on nearby residents from chemical raw materials, production noise, and discharge of industrial waste water and gas required by or generated during business operations.	Properly store raw materials required by business operations in accordance with regulations, and properly handle produc- tion noise and discharge of waste water and gas.

Tax Compliance

The Company strictly adheres to laws and regulations such as the Law of the People's Republic of China on Enterprise Income Tax and the Law of the People's Republic of China on the Administration of Tax Collection, In 2024, the Company's cumulative tax payment amounted to RMB 116.561 million. The Company conducts internal, financial and tax audits annually at least to fulfill its tax compliance obligations and prevent and control tax risks.

In 2024, the Company focuses on strengthening risk management awareness, improving internal control mechanisms for tax risks, and conducting regular self-examination on tax risks. Specialized tax clause review checkpoints were added during contract signing to facilitate tax planning and risk control from the source of business operations to ensure no arrears or underpayment of taxes. At the same time, the Company has established a training mechanism for tax personnel to continuously enhance the Company's tax compliance management capability.

Data Security & Privacy Protection

Sinofuse Electric prioritizes data security and privacy, maintaining a robust internal information security management system and organizational structure while continuously advancing technical capabilities to uphold security standards.

The Company maintains strict adherence to laws such as the Cybersecurity Law of the People's Republic of China, Electronic Signature Law of the People's Republic of China, and Regulations of the People's Republic of China on Security Protection of Computer Information Systems.

The Company has established comprehensive management regulations and standards such as the *Information Security Policy*, *Information Security Management System*, *Malware Protection Management Procedures*, and Access Control Procedures. With a clearly defined security leadership structure headed by department heads and project managers, the Company ensures organized and directed information security management activities. The Company also implements a tiered information security accountability system, clearly defining responsibilities at all levels. Emphasize institutional and accountability enforcement, conducting regular inspections to ensure timely reporting of vulnerabilities.

During the reporting period, the Company obtained certification under the TISAX ("Trusted Information Security Assessment Exchange", an automotive industry-specific information security standard based on ISO27001 Information Security Management System standard and VDA-ISA Information Security Assessment Checklist). This certification fully safeguards privacy and security issues concerning employees, customers, suppliers, and other stakeholders, preventing data breaches. In 2024, Sinofuse Electric complied with legal requirements and experienced no information security-related violations.



Information Security Management Measures of Sinofuse Electric

1. In strict compliance with classified protection requirements, all business data is backed up using a strategy of real-time incremental backups and periodic full backups; quarterly data restoration drills are conducted to ensure the integrity and availability of backup data;

2. Implement a file encryption system for office documents and controlled USB ports to restrict unauthorized external storage access, preventing data breaches;

3. Install enterprise antivirus software (with latest virus database) on all office PCs and servers:

4. Implement centralized administration of all office PC operating system privileges, prohibiting unauthorized installation of third-party applications;

5. Implement real-time patching for office terminal system and monthly scheduled patching for server systems;

6. Visitors from third parties not affiliated with the Company are prohibited from connecting their electronic devices to the Company's internal network without prior authorization;

7. Enhance information security awareness among all employees through training;

8. Daily inspections are conducted in the information center server room to ensure timely detection and resolution of issues. Registration is required for all external visitors entering the server room;

9. Sinofuse Electric implements a tiered access control system for corporate cloud storage, assigning department-specific permissions with four confidentiality levels (confidential/secret/ internal/public) for each employee.

© Emergency Management Measures

To prevent potential system failures and ensure information security, the Company has established a security incident response mechanism and formulated the Cybersecurity Disaster Recovery Plan. The Company has set up an emergency response team to define procedures for disaster prevention, recovery processes, power/network outage contingencies, and catastrophic data recovery protocols.

Security Emergency Response Measures

- · Enhance emergency response documentation, rules and regulations, and develop emergency response plans and strategies.
- · Regularly evaluate and revise emergency response plans and strategies, organize emergency response training sessions, clearly define the roles and responsibilities of team members during incidents, and conduct regular emergency response drills.

Odta Recovery Strategy

Enhance the current backup and recovery strategy to ensure accuracy and reliability; establish training and drill mechanisms.

Optimize the installation procedures for critical application data

Increase backup equipment.



Enhance the backup system to minimize vulnerabilities in data storage and backup.

Develop documented backup and recovery strategies.

04 Climate Action & Green Synergy

The Company proactively addresses climate transition risks and opportunities while steadfastly advancing environmental governance enhancements In 2024, the Company further advanced green manufacturing deployment and low-carbon transition, strengthening its global market competitiveness through sustainable industrial upgrading. Concurrently, we optimized operational management through digital means, strengthened green factory manufacturing capabilities, introduced advanced environmental protection equipment and green energy, strictly controlled pollution emissions, and improved the quality of green products. We have strengthened carbon accounting methodologies for our dual-carbon goals and completed carbon footprint assessments for key product lines. Moving forward, the Company remains steadfast in anchoring its strategic roadmap to green development principles, systematically integrating sustainability across business operations.

2024 Key Performance

In 2024, the Company fully implemented the Task Force on Climate-related Financial Disclosures (TCFD) framework, completing systematic identification of climate-related risks and opportunities.

In 2024, the Company's operations generated: Scope 1 carbon emissions **195.18** tons of CO_2 equivalent, and Scope 2 carbon emissions **4,209.13** tons of CO_2 equivalent.

In 2024, the Company generated **189.76** MWh through self-built photovoltaic systems and procured **3,263.43** MWh of solar-based green electricity.



Climate Risk Adaptation

Sinofuse Electric places great importance on the impact of climate change on our operations and has disclosed this information in accordance with the TCFD recommendations this year.

Olimate Risk Governance Framework

Sinofuse Electric proactively aligns its operations with the 1.5 ° C global warming trajectory outlined in the Paris Agreement and China's Action Plan for Carbon Peaking Before 2030 issued by the State Council, integrating climate risk governance with business operations through its ESG structure under the joint leadership of the Board and Strategy Committee.

Olimate-Related Risk and Opportunity Management

With reference to the TCFD framework, we have identified climate-related risks and opportunities that the Company may be affected by and have adopted effective countermeasures. The Company incorporates ESG concepts into its business risk management processes, considering climate and environmental factors in project operation, supply chain management, R&D innovation, and other links.

	Types of Climate- Related Opportunities		Opportunity Description	Financial Implications	Countermeasures	Time Range
	Policy and Legal Risk	ESG Repor- ting Obliga- tions	The evolving domestic sustainability disclo- sure structure presents enhanced ESG reporting requirements for enterprises.	Increased Expenses and Non-Operating Expenditures	The Company regularly discloses environmental information in compli- ance with laws and regu- lations, and formulates and publishes indepen- dent sustainability reports.	Medium Term
Trans- ition Risks	Techn- ological Risk	New Techn- ology Invest- ment Risks	Nowadays, dual carbon goals has been a drive force of rapid development and intensifying competition in the industry. The Company needs to actively invest in new technology R&D to maintain its market position, potentially facing risks of new technology R&D failure.	Increased Costs	The Company has estab- lished a robust R&D system with extensive experience, leveraging industry-leading techno- logical expertise and financial capacity to maintain low-risk expo- sure in new technology development initiatives.	Long Term
	Market Risk	Market Policy Chang- es	Significant adverse changes in national new energy industry policies could negatively impact the operational performance of the Company's downstream customers.	Increased Costs	The Company continues to increase R&D invest- ment in product and process design, enhanc- ing new product develop- ment and iteration capa- bilities while diversifying its downstream demand portfolio to drive sustain- able industrial solutions.	Medium Term

	Reputa- tion Risk	ESG Nega- tive Events	Stakeholders, including customers and investors, place greater emphasis on envi- ronmental information disclosure. When this disclosed information falls short of stakeholder expectations, it may adverse- ly affect the Company's corporate image and reputation.	Decreased Revenue	To mitigate this risk, the Company has established a comprehensive ESG management system, integrating ESG manage- ment into our risk control framework to prevent the occurrence of ESG-related issues.	Short Term
Physi	Short- term Risks	Rains- torms and Floods	With the increasing frequency of extreme precipitation and flooding due to climate change, the Company faces heightened risks of exposure to these disasters and potential losses.	Capital Expenditure Increased Costs Decreased Revenue	Implement flood preven- tion emergency manage- ment protocols. Equip emergency equipment and supplies, conduct flood disaster analysis, and establish emergency drill mechanism.	Medium Term
cal Risks	Reputa- tion Risk	ESG Nega- tive Events	Stakeholders, including customers and investors, place greater emphasis on envi- ronmental information disclosure. When this disclosed information falls short of stakeholder expectations, it may adverse- ly affect the Company's corporate image and reputation.	Decreased Revenue	The Company has actively imple- mented a series of effective measures, including establishing employee cooling/heating allow- ances for employees, improving cooling systems in factories and office areas, formulating emer- gency plans for heatstroke, and achieving energy-saving and consumption reduction in cooling systems.	Long Term

Types of Climate- Related Opportunities Op		Opportunity Description	Financial Implications	Countermeasures	Time Range
Resource Efficiency	Resource Utilization Efficiency Enhanced	The Company achieves reduced resource consumption in production and office operations and cost efficiency improve- ments through operational optimization, low-carbon technology adoption, and energy-efficient equipment upgrades.	Decreased Costs	The Company has built an "Energy Efficiency Management Platform" to achieve in-depth man- agement of electricity and water resources, enabling comprehensive monitoring and early warning.	Short Term
Energy Sources	Utilizing Renewable Energy	The Company optimizes its energy mix and increases the proportion of renew- able energy in total consumption to reduce reliance on fossil fuels, enhance climate resilience, and lower carbon emis- sions.	Decreased Costs	The Company continu- ously optimizes its energy structure, actively embracing green energy and the circular econo- my.	Short Term
Products and Services	Green Products and Services	As the dual carbon goals drive the low-carbon transformation of the Compa- ny's industry, the Company can launch products that better align with dual carbon goals through technological inno- vation, catering to market demand and increasing Company revenue.	Increased Revenue	With a clearly defined strate- gic roadmap, the Company maintains its focus on the mid-to-high-end power fuse market while actively expand- ing into emerging industrial sectors including telecommu- nications, renewable energy (wind/solar power generation), and rail transit, with prioritized strategic deployment in the new energy vehicle and energy storage markets.	Medium Term

Sustainability Report 2024

Xi'an Sinofuse Electric Co., Ltd.

Interna- tional Markets Markets New Energy Market		The Company's proactive implementation of sustainable development strategies can further enhance its international repu- tation and meet the sustainability require- ments of international customers, facilitat- ing high-quality overseas expansion.	Increased Revenue	The Company attaches importance to expanding overseas business, proac- tively improves its product technology and manage- ment level, adopts ener- gy-saving and carbon-re- duction measures to meet international environmen- tal protection policies, thereby obtaining recogni- tion in the international market.	Short Term
	Energy	The dual-carbon transition is driving the expansion of the new energy market, fueling rapid growth in the Company's core business.	Increased Revenue	The Company is proac- tively increasing its foot- print in the new energy sector, leveraging its strengths in R&D innova- tion, comprehensive cost a d v ant a g e s, an d customer resources to gradually broaden its market presence.	Short Term
Resilience	Enterprise Resilience	The Company enhances its adaptability to climate change to better manage related risks and seize opportunities.	Increased Revenue Decreased Costs	The Company is refining its climate risk and opportunity manage- ment structure to conduct proactive identi- fication and assessment of potential risks/oppor- tunities, evaluate the magnitude of impacts, and formulate targeted mitigation and adapta- tion measures.	Short Term

O Carbon Emission Management Indicators

Our core product portfolio encompasses electronic components, circuit protection devices, fuses and related accessories, serving mission-critical industries including telecommunications, power infrastructure, electric vehicles, rail transit, renewable energy, metallurgy, chemical processing, marine engineering, defense systems and other technology-driven sectors. Our products are internationally certified (CCC/TUV/UL/CE) and fully comply with both EU and China RoHS directives.

The Company's primary Scope 1 emissions originate from combustion of fuels in operational vehicles and natural gas consumption in staff canteens and dormitories. As part of our circular economy strategy, we have successfully implemented a compressed air system waste heat recovery project. This system utilizes three high-efficiency heat exchangers for oil-to-water thermal transfer, generating reclaimed hot water for staff amenities while simultaneously reducing heating expenditures and improving compressor cooling efficiency. With a total investment of RMB 330,000, the project achieved annual natural gas savings of 18,248 cubic meters (equivalent to approximately 317 MWh of electricity) in 2024, resulting in verified carbon emission reductions of 39.89 tons of CO₂ equivalent.

In terms of indirect carbon emissions management, the Company primarily relies on purchased electricity to support daily operations, office functions, and a portion of new energy vehicle energy requirements. Consequently, we implement systematic monitoring and quantification protocols for purchased electricity and heat consumption to maintain transparency regarding Scope 2 greenhouse gas emissions inventory.



O Carbon Footprint Certification

Sinofuse Electric engaged an accredited third-party institution to conduct a carbon footprint assessment for its fuse products in full compliance with ISO/TS 14067:2013 (Greenhouse gases - Carbon footprint of products - Requirements and guidelines for quantification and communication), PAS 2050:2011 (Specification for the assessment of life cycle greenhouse gas emissions of aoods and services), and GB/T 24025-2009 (Environmental labels and declarations - Type III environmental declarations - Principles and procedures), culminating in an audited Product Carbon Footprint Report. The Company conducted an in-depth analysis of product carbon footprint activity data, applied appropriate emission factors to calculate and obtain carbon labeling certification, thereby standardizing low-carbon production processes, enhancing product value-added and global competitiveness, while providing key stakeholders—including internal management, suppliers, distributors, and end consumers—with transparent disclosures on carbon emissions and driving factors of skid-mounted electric control integrated products.



Sustainability Report 2024





O Carbon Emission Management Goals

Sinofuse Electric commits to the *Paris Agreement* by actively implementing China's Dual Carbon Strategy, driving corporate green transition with defined carbon management targets toward achieving carbon neutrality by 2050.



Environmental Management System

Sinofuse Electric implements its "Pollution Prevention, Continuous Improvement, and Green Operations" policy by strictly complying with *Environmental Protection Law of the People's Republic of China* and related regulations, while systematically enhancing its environmental management system through documents including *Environmental Safety Operation Control Procedure, Chemical Pollution Control Procedure, Pollutant Discharge Control Procedure, and Resource and Energy Conservation Control Procedure.* The Company implements energy-saving and eco-friendly technologies in production to continuously enhance product performance while reducing environmental impact. The Company has obtained ISO 14001 Environmental Management System certification and continuously carries out environmental management in accordance with the system requirements.

SINOFUSE ELECTRIC ISO14001:2015 CERTIFICATION

In 2024, the Company invested RMB 5.03 million in environmental and safety initiatives. All operational projects have met the ISO14001:2015 certification requirements and obtained corresponding certificates.

© Carbon Emission Reduction Initiatives

In 2024, the Company advanced its green development strategy by prioritizing renewable energy and carbon emission cuts through multiple energy-saving initiatives.

Project	Implementation Plan	Energy Conservation and Emission Reduction Volume
Solar photovoltaic power generation	The Company has implemented a distributed photovoltaic power generation system utilizing factory rooftop space, with an installed area of 722.18 m ² and a total capacity of 155.6 kW.	In 2024, the system generated a total of 189.76 MWh of renewable electricity, resulting in 105.66 tons of CO ₂ emissions reduction
Procurement of Green Electricity	The Company purchased 3,263.43MWh through green electricity trading.	1718.08 tons of CO_2 emissions reduction
Air Compressor Waste Heat Recovery System	The system employs three high-performance heat exchangers to facilitate oil-to-water heat transfer, enabling effective waste heat recovery and reuse.	Annual gas savings: 18,248m³, annual CO₂ reduction: 39.89 tons





Management Structure

The Company implements comprehensive environmental, occupational health and safety (EHS) policies, establishing an all-staff safety accountability system, operating a cross-functional Safety Committee, and deploying dedicated EHS professionals. The Company continuously improves its occupational health & safety and environmental management systems by revising policies and procedures in compliance with national OHS, production safety, and eco-environmental regulations, implementing hazard identification, safety training, emergency drills, dual-prevention mechanisms, and "three-waste" monitoring, while obtaining Tier-3 safety standardization certification to effectively control HSE risks and enhance workplace safety and environmental conditions for employees.

Environmental Risk Management and Response A

The Company conducts periodic training sessions on the latest Environmental Safety and Hazard Identification Industry Standards and relevant case studies, while organizing irregular environmental pollution emergency drills. These initiatives serve to enhance overall safety awareness, familiarize personnel with emergency response protocols and operational methodologies, strengthen interoperability among specialized response teams, and elevate the Company's environmental pollution emergency response capabilities. In 2024, the Company reported no major environmental incidents.

Environmental Risk Management & Response of Sinofuse Electric

Activities Covered	Environmental Environmental Aspects Impacts		Control Measures
	Wastewater Discharge	Soil and Water Pollution	The Company implements operational controls in strict accor- dance with <i>Environmental Safety Operation Control Procedure, Chemi-</i> <i>cal Pollution Control Procedure, and Pollutant Discharge Control Proce-</i> <i>dure,</i> ensuring compliance with statutory and regulatory require- ments through systematic environmental monitoring of waste- water discharge.
Production	Waste Gas Emissions	Atmo- spheric Pollution	The Company implements operational controls in strict accordance with the Environmental Safety Operation Control Procedure, Chemical Pollution Control Procedure, and Pollutant Discharge Control Procedure, utilizing advanced dust collection systems for particulate matter control. Compliance with statutory discharge standards is rigor- ously maintained through structured environmental monitoring of particulate emissions.
Activities	Solid Waste Disposal	Soil and Water Pollution	The Company implements operational controls in strict accor- dance with the <i>Environmental Safety Operation Control Procedure,</i> <i>Waste Control Procedure,</i> and <i>Pollutant Discharge Control Procedure,</i> with centralized disposal of both general and hazardous waste through certified contractors under contracts administered by the General Manager's Office.
	Noise Emissions	Noise Pollution	The Company operates in full compliance with its Environmental Safety Operation Control Procedures, Chemical Pollution Control Procedure, and Pollutant Emission Control Procedure, implementing noise mitiga- tion technologies and conducting annual monitoring to verify all discharges meet regulatory requirements.

Pollutant Treatment

Sinofuse Electric strictly adheres to laws and regulations such as the Water Pollution Prevention and Control Law of the People's Republic of China, Air Pollution Prevention and Control Law of the People's Republic of China, and Solid Waste Pollution Prevention and Control Law of the People's Republic of China, and Solid Waste Pollution Prevention and Control Law of the People's Republic of China, and Solid Waste Pollution Prevention and Control Law of the People's Republic of China, and Solid Waste Pollution Prevention and Control Law of the People's Republic of China, as well as national and industry standards like the Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008) and Standard for Pollution Control on Storage and Landfill of General Industrial Solid Waste (GB 18599-2020). the Company has implemented rigorous pollutant control measures, maintaining procedural documents such as the Environmental Safety Operation Control Procedure, Chemical Pollution Control Procedure, Pollutant Discharge Control Procedure, and Resource and Energy Conservation Control Procedure to guide the management of wastewater, emissions, noise, and solid waste from operations, ensuring compliant discharge of wastewater and emissions, effective noise control, and proper solid waste disposal.

© Wastewater Management

For wastewater discharge management, Sinofuse Electric established the *Pollutant Emission Control Procedure* at the corporate level to ensure compliant wastewater discharge. Concurrently, production bases implemented location-specific equipment upgrades, process optimization protocols, and infrastructure development initiatives aligned with localized environmental governance structures, thereby reducing aqueous pollutant discharge volumes.

Wastewater Management of Sinofuse Electri

Institutional Documents	Pollutant Emission Control Procedure
Monitoring Metrics	The main pollutants are COD, BOD5, an SS, total phosphorus, total nitrogen, etc
Handling Methods and Optimization Measures	The Company's wastewater primarily centrated water from the purified wo system and condensate from the stean both classified as clean discharge w wastewater undergoes oil-water sep being discharged, along with concentr densate, and domestic sewage, into mu after treatment in the factory septic ta ing local water bodies directly.

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	2024 KEY PERFORMANCE
ammonia nitrogen, tc.	36,836.80 m ³ Total domestic wastewater discharge
ly consists of con- vater preparation am curing process, water. Cafeteria eparation before trated water, con- nunicipal pipelines tank—never enter-	

Waste Gas Pollution Control

For the management of air pollutant emissions, Sinofuse Electric strictly adheres to relevant laws and regulations to control pollutants such as exhaust gases generated during the Company's production processes, ensuring compliance air pollutant emission standards. Concurrently, all manufacturing facilities actively implement customized emission reduction initiatives based on their operational contexts.

Waste Gas Pollution Control of Sinofuse Electric

Institutional Documents	Pollutant Emission Control Procedure
Main Types of Waste Gas	The Company's was gases primarily consist of tinning fumes from solder-coating processes, welding particulates, volatile organic compounds (VOCs) from printing/curing operations, and injection molding emissions.
Handling Methods and Optimization Measures	The Company's manufacturing emissions are systematically controlled through engineered solutions: tinning fumes and welding particulates are captured by hooding systems and treated via triple-stage filtration before elevated stack discharge, while injection molding emissions and VOCs undergo dual-stage activated carbon adsorption prior to release through dedicated stacks.

• Waste Management

Solid waste generated during operations is disposed of in strict compliance with relevant laws and regulations. During the reporting period, all general industrial solid waste and hazardous waste generated by the Company were entrusted to qualified third-party contractors for compliant disposal, with comprehensive assessments confirming that input, activity, and output processes were evaluated to have neither generated nor potentially caused material environmental or social impacts. Domestic waste generated from operations was subjected to classified collection followed by centralized transfer and treatment/disposal protocols, with operational reviews confirming no resultant environmental or social impacts.

Solid Waste Management of Sinofuse Electric

Institutional Documents	Pollutant Emission Control Procedure Waste Control Procedure
Main types of	Recyclable general waste: non-hazardous waste that can be reprocessed into new materials through recycling methods.
waste gas	Non-recyclable general waste: non-hazardous waste that cannot be feasibly recycled due to contamination or material composition.
Handling	The Company's general waste is disposed of as domestic refuse, transported daily to designat-
Methods	ed waste stations by waste management staff.
and	Hazardous waste was disposed through engagement with licensed hazardous waste treat-
Optimization	ment contractors, who undergo mandatory "Hazardous Waste Operator Competency Evalua-
Measures	tion" protocols and adhere to the Company's environmental governance structures.



Resource Utilization and Conservation

Sinofuse Electric adheres to the Energy Conservation Law of the People's Republic of China and ISO 50001 standards, optimizing energy and material management across operations. The Company has established internal regulations like the Resource and Energy Conservation Control Procedure.

Through source reduction, process control, and end-of-pipe treatment, the Company has achieved clean production and energy decarbonization, earning dual recognition as both a "Shaanxi Provincial Green Factory" and a "National-Level Green Factory" in 2023. In 2023, the Company obtained ISO 50001:2018 certification, and maintained stable production operations with continuous energy management improvements in 2024, achieving 100% compliance in supervisory audits.





Water Resource Management

The Company sources all water from municipal supplies, with domestic sewage discharged into municipal pipelines. The Company has established the *Resource and Energy Conservation Control Procedure* to standardize water management comprehensively. The Company achieves optimal water resource utilization through an integrated human-digital management system.



© Energy Management

In compliance with the GB/T 23331-2020 energy management system standard, Sinofuse Electric established its energy management system (EnMS) by formulating the *Energy Management Manual* and supporting procedural documents, promulgating the energy policy of "regulatory compliance, continuous improvement, rational utilization, and company-wide conservation," defining measurable energy objectives, targets, and management programs, and specifying organizational structures, resources, roles, responsibilities, and authorities to ensure effective command, control, and coordination of energy management activities, thereby guaranteeing the achievement of set energy goals, reducing consumption, and enhancing efficiency through sustained EnMS operation. In February 2023, Sinofuse Electric obtained its Energy Management System (EnMS) certification.



Oreen Manufacturing and Circular Economy

In 2024, adhering to the "Green Manufacturing, Green Development" philosophy, the Company further advanced its green manufacturing deployment and low-carbon transition, strengthening its global market competitiveness through sustainable industrial upgrading. Concurrently, we optimized operational management through digital means, strengthened the factory's green manufacturing capabilities, introduced advanced environmental protection equipment and green energy, strictly controlled pollution emissions, and increased the proportion of green products.

We actively engaged in circular economy practices to improve resource utilization efficiency. The Company adopted advanced production processes and equipment, significantly reducing pollutant generation, with 27 automated production lines in place. These lines feature high automation levels, ensuring good product consistency, driving the development of production operations towards more refined, reliable, and technologically advanced directions. Meanwhile, product raw materials, epoxy composite round pipes, ceramic round pipe materials, etc. are recycled by the enterprise. For materials that the Company cannot recycle, they will be properly handled by professional third parties.

Energy Conservation

- The Company implements intelligent lighting controls with optimized fixture density and wattage across offices, production floors, and residential zones to achieve verified energy conservation;
- The Company continues to strengthen its green electricity adoption and infrastructure deployment to accelerate low-carbon operations;
- The Company enforces strict on-demand activation protocols for all electrical equipment, eliminating idle operation through real-time workload monitoring;
- The factory prioritizes technical upgrades for electrical equipment, implementing phased elimination and retrofitting of energy-intensive processes/equipment through lifecycle energy efficiency assessments;
- All departments implement mandate automatic transition of office equipment (computers, printers, copiers) to low-power sleep modes during inactivity, optimizing energy consumption management plans;
- Advocate 1-hour daily AC reduction with proper temperature controls.

Material Efficiency

- Paperless office initiatives reduce paper consumption;
- For maintenance materials, relevant departments shall prepare budgets and consumption plans by material type;
- The Company strictly enforces official vehicle management protocol;
- The Company prioritizes the procurement of new energy battery electric vehicles (BEVs) for its corporate fleet, significantly reducing CO₂ emissions and fossil fuel consumption;
- Relevant departments shall enhance technological upgrades for production equipment and process optimization to reduce raw material consumption, thereby embracing green manufacturing.

ECOLOGICAL ENVIRONMENT

Sinofuse Electric continuously monitors the ecological impacts of its economic activities and recognizes the positive environmental contributions of its water area cleaning and green space maintenance efforts. In accordance with the *Opinions on Further Strengthening Biodiversity Conservation* issued by the General Office of the State Council, the *Soil Pollution Prevention and Control Law of the People's Republic of China*, the Regulations on Groundwater Management (State Council Decree), and other relevant statutory framework and policy directives, we conduct systematic opportunity identification and operational risk assessments.

Moving forward, we will expand eco-friendly practices in terrestrial and aquatic conservation to amplify the positive impact of its green philosophy. Internally, we have assessed that during the reporting period, the Company has not caused any negative ecological impacts in or around biodiversity-rich areas, including nature reserves, nor do we have any production bases near such areas.



05 **Technological Innovation** & Premium Services

Sinofuse Electric places high importance on product responsibility and technological R&D. We strictly control product qualityfrom raw material procurement to finished product shipment multiple inspection stages ensure product reliability, meeting customer needs, ensuring safety, and reducing after-sales risks. The Company demonstrates its ESG commitment by strategically allocating substantial R&D resources to establish specialized teams focused on breakthrough innovations in new energy fuse technologies, overcoming critical bottlenecks to launch high-efficiency products that enhance both market competitiveness and global influence, thereby driving industry advancement while embedding product quality and technological innovation into corporate DNA.



As of December 2024, the Company maintained a robust R&D workforce of 296 professionals, representing 21.5% of total employees, including 1 PhD and 36 master's degree holders, with a stable team structure, extensive industry expertise, and industry-leading research capabilities to drive sustainable innovation.

By the end of 2024, the strategic IP deployment included trademark registrations and patent filings in multiple jurisdictions including China, the United States, the European Union, the United Kingdom, Japan, and South Korea with formal authorizations secured.

As of the end of 2024, the Company held **266** valid domestic patents, with **38** patent applications filed in 2024. Two training sessions on intellectual property protection were conducted during the year



Technological Innovation

Innovation System

With the rapid rise of industries such as artificial intelligence data centers, eVOLT, and embodied intelligence, more novel and specific requirements have been put forward for circuit protection devices. The Company will actively respond to industry changes and focus on continuous innovation in the direction of industry demands such as intelligence, lightweight design, miniaturization, and recoverability.

The Company strategically focuses on "technological innovation", "integrated innovation", "material innovation" and "manufacturing process innovation", driving multidimensional initiatives including research projects, business consulting, joint development of industry standards, and innovative product development through deep collaborations with research institutions, consulting firms, and standards/industry associations to address current challenges and future industrial needs.

The Company has established a comprehensive testing infrastructure including High-Voltage Electrical Test Lab, Low-Current Characteristic Test Lab, Environmental Reliability Lab, Vibration/Shock Test Lab, X-Ray Inspection Room, and Integrated Testing Facility (covering dimensional, physical, material and mechanical analyses), equipped with cutting-edge instrumentation to support new product R&D, quality enhancement and investigative testing. The Company operates a specialized Lithium Battery Short-Circuit Test Lab (High-Voltage Electrical Test Lab) with 2,000V maximum voltage and 50kA breaking capacity, ranking among China's few facilities capable of simulating automotive-environment low-inductance and high-altitude interruption testing. As of the end of 2024, the Company had a total of 296 R&D personnel, accounting for 21.5% of the total workforce, including 36 master's degree holders. The team structure is stable, with experienced professionals and leading R&D capabilities in the industry.

In 2024, with the Company's sustained investment and focused R&D support, the Company's technical strength and multiple innovative achievements received industry recognition and widespread acknowledgment from customers and associations. In 2024, the Company was recognized as a national-level "High-Tech Enterprise," "Shaanxi Provincial Gazelle Enterprise," and "'Specialized, Sophisticated, Differential and Innovative' SMEs" by the Ministry of Industry and Information Technology. It also received honors such as the China Electrotechnical Society Science and Technology Award, Shaanxi Provincial Manufacturing Single Champion Enterprise, Outstanding Advanced Manufacturing Enterprise.

2024 Innovation & Technology Achievements by Sinofuse Electric

Awards & Honors	Issuing Authority
China Electrotechnical Society Science and Technology Award	China Electrotechnical Society
High-Tech Enterprise	Shaanxi Provincial Department of Science and Technology
Shaanxi Provincial Gazelle Enterprise	Shaanxi Provincial Department of Science and Technology
Shaanxi Provincial Manufacturing Champion Enterprise	Shaanxi Provincial Department of Industry and Information Technology
"Specialized, Sophisticated, Differential and Innovative" SMEs	Ministry of Industry and Information Technology
Outstanding Advanced Manufacturing Enterprise	Administrative Committee of Xi'an High-Tech Industries Development Zone

Industry-Academia-Research Exchange and Collaboration

The Company collaborates with universities to select outstanding students, implementing an industry-academia integrated training model. Using PBL (Project-Based Learning) methodology, we cultivate next-generation tech talent with deep technical-industry integration, bridging the talent pipeline between universities and enterprises.

Sinofuse Electric continues to advance university-enterprise collaboration. We have signed agreements with Northwest University School of Chemistry & "Materials Science Practice Base" with Northwest University, and a technology development contract with Tsinghua University. The Company has also appointed university experts in new materials and new energy as strategic technology committee advisors.

NORTHWEST UNIVERSITY-SINOFUSE ELECTRIC JOINT TECHNOLOGY R&D

Northwest University is a national "Double First-Class" initiative university and a member of China's "211 Project" for higher education excellence. Its Chemistry discipline is recognized as both a priority discipline under the "211 Project" and a Key Superior Discipline of Shaanxi Province. The Company has entered into a research collaboration agreement with Northwest University to drive technological innovation in material processes and structural design of traditional fuses, with a focus on developing smart fuse materials – a core technology for next-generation energy protection devices.

In 2024, Sinofuse Electric engaged in the Shaanxi Provincial Science & Technology Department's "Challenge Listing" initiative, collaborating with government and societal stakeholders to address critical core technologies, accelerate commercialization of major R&D achievements, and publicly solicit solutions and participating units through open innovation channels.

SINOFUSE ELECTRIC 2024 COLLABORATIVE R&D

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高精度双偏振相控阵天气雷达关键技术	15	
新能源汽车理离子电池状态估计新方法】 度电地充放电测试设备研制	16	
多机器人协同纳米级碳化硅反射镜自适应 关键技术	17	
新一代高性能低压培斯器高效天弧复合种 设计与应用	18	
高端装备用氟化橡胶关键单体合成技术	19	
地热水溶 (氣) 气提取工艺研究和实验)	20	



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Participation in National and Regional Key **Technological Innovations**

Sinofuse Electric actively contributes to China's power system modernization through its participation in national key projects, leveraging technical expertise and industry experience to drive innovation. The Company has made substantial contributions to China's smart grid infrastructure development through its deep involvement in national-level projects, while maintaining technological leadership in EV charging infrastructure and fuse product innovation. In 2024, the Company focused on high-end manufacturing, further enhancing industrial manufacturing capabilities in sectors such as rail transit and nuclear power.

LOCALIZED INDEPENDENT DEVELOPMENT OF SAFETY-CLASS HIGH-VOLTAGE CURRENT-LIMITING FUSES FOR NUCLEAR POWER APPLICATIONS





To address supply chain vulnerabilities in China's nuclear power sector caused by dependence on imported high-voltage current-limiting fuses (primarily from U.S. and European suppliers) with cost inefficiencies, extended delivery cycles, and suboptimal technical support, Xi'an High Voltage Apparatus Research Institute Co., Ltd. and Fujian Ningde Nuclear Power Co., Ltd. have collaboratively launched a domestic R&D initiative to develop localized fuse solutions for 6.6kV metal-enclosed switchgear applications in motor and transformer protection systems, thereby enhancing supply chain resilience and operational sustainability. In this localization initiative, Sinofuse Electric has independently developed high-voltage current-limiting fuses for nuclear power applications that demonstrate world-class performance metrics, achieving technological parity with international counterparts and driving advanced manufacturing industry upgrades through import substitution.

O Global Expansion in Full Swing

The Company is executing a comprehensive globalization strategy by establishing overseas subsidiaries and affiliates to enhance its sales and service network, while simultaneously developing international production facilities to diversify manufacturing capacity and strengthen supply chain resilience. In 2024, we amplified our presence at global trade exhibitions to elevate brand recognition and introduce sustainable innovations to international markets, demonstrating our commitment to responsible global expansion.



By the end of 2024, the strategic IP deployment included trademark registrations and patent filings in multiple jurisdictions including China, the United States, the European Union, the United Kingdom, Japan, and South Korea with formal authorizations secured.



Intellectual Property Protection

The Company strictly complies with relevant laws and regulations such as the Civil Code of the People's Republic of China concerning intellectual property protection, and fully implements IP protection measures. With the Intellectual Property Management System of Sinofuse Electric as its core policy, the Company continuously improves its IP management mechanisms.

In 2024, the Company revised and supplemented relevant documents to establish an updated version of the Intellectual Property Management System. This system implements categorized management of patent rights, trademark rights, copyrights, and other IP rights, ensuring effective execution of IP protection across all departments in R&D, sales, delivery services, and other operational processes.

KEY PATENTS OF SINOFUSE ELECTRIC



Sinofuse Electric's Intellectual Property Protection Initiatives

Organizing Exchanging Activities and Training Sessions	The Company conducts regular specialized training programs to enhance employee awareness of intellectual property protection.
Improving Systems and Processes	We place high importance on intellectual property management, strictly comply with relevant laws and regulations, and continuously improve our intellectual property management system. In 2024, we revised and supplemented related documents to form the updated Intel- <i>lectual Property Management System</i> , which was implemented within 2024.
Enhancing Confidentiality Awareness	Sinofuse Electric conducts comprehensive IP literacy training programs through blended (online/offline) modalities for key personnel and relevant stakeholders, aiming to enhance IP protection awareness across management tiers and operational teams, necessitating infringement prevention protocols and patent application procedures during R&D and production cycles.
Strengthening Rewards and Cultivation	The Company incentivizes employee service inventions through individual monetary awards in strict compliance with <i>Patent Law of China</i> and its implementing rules. Employees who have effectively protect the Company's legitimate rights and interests, prevented infringements, and mitigated losses are recognized and rewarded accordingly.

266 Valid domestic patents held

38 Patents filed in 2024



Quality-Centric Service & Product Design

Sinofuse Electric strictly adheres to domestic and international product quality/safety regulations, including Product Quality Law of the People's Republic of China and Standardization Law of the People's Republic of China. We maintain a Quality Management Committee, enforce Quality Red Line Management Regulations, and customize quality criteria for each product, project, and version to minimize risks and ensure safe, reliable offerings.

Quality Management System

The Company has established a comprehensive quality management system, strengthening product lifecycle quality control to ensure reliable product delivery. During the reporting period, all operational production bases of the Company have achieved 100% ISO 9001:2015 certification, with continuous quality system effectiveness.

SINOFUSE ELECTRIC ISO 9001:2015 CERTIFICATION





Sinofuse Electric Product Quality Control Process

Early-stage Quality Management	

Early-Stage Quality Control Pl	lo
Early-Stage Process Capabilit	y
Continuous Improvement & S	C

Process Quality Management	Execution of Quality Planning
	Quality monitoring and analysis
	Quality Improvement Effectivene
	Incoming inspection, in-process in
	Finished product inspection, ship
	Product Safety Certification
	Handling of Customer Complaint

Lifecycle Product Quality Control

During the product R&D phase, the Company implements rigorous quality control by conducting standardized inspections and verifications against auglity benchmarks prior to each release version, while systematically classifying, grading, and centrally managing all identified defects through a unified database to ensure comprehensive resolution, complemented by in-depth root cause analysis (RCA).

During the product operation phase, the Company strictly implements business continuity management (BCM), incorporating multiple safeguards in both software and hardware: At the software level, a multi-node cluster deployment approach is adopted to ensure data availability, while built-in service recovery capabilities maintain overall system stability. On the hardware front, sufficient server resources and a stable infrastructure environment are provided to prevent server failures caused by external factors. Contingency recovery plans are in place for emergencies such as power outages, communication failures, and server malfunctions.

anning, Product Quality Control Planning
y Monitoring & Analysis
afe Mass Production
sis
eness Verification
ss inspection, first/last piece inspection
hipment inspection
ints
•

Customer Quality Management Alignment of Customer Quality Requirements

Transmission and follow-up of customer quality information

Customer document requirements

Non-conforming Product Traceability and Recall

The Company maintains comprehensive product inspection capabilities to conduct preventive quality assessments across all operational stages, ensuring product quality compliance. Concurrently, it has established and rigorously enforced systems such as the Product Return and Exchange Handling Process and Control Procedure for Non-conforming Product, reinforcing process controls through institutional mechanisms to sustain continuous quality improvement.

In 2024, the Company achieved a 0.63 percentage point increase in product qualification rate and a 0.61 percentage point reduction in return rate compared to 2023, with zero quality-related product recalls (both voluntary and involuntary) throughout the year.

Customer Service Enhancement

Sinofuse Electric upholds a customer-centric philosophy, delivering premium-quality products with responsive service to foster collaborative success. The Company has established a robust customer communication and service response mechanism, enhancing customer interactions, safeguarding customer rights, and comprehensively improving customer satisfaction.



O Customer Service System

Sinofuse Electric recognizes that listening to customer feedback is critical for continuous service improvement. We systematically collect, evaluate, and act on customer feedback, treating each input as a valuable resource for service optimization and innovation. We actively collect customer feedback through regular surveys, service hotlines, social media, and other channels to gain real-time insights into customer needs and expectations. This allows us to quickly identify any service shortcomings and adjust our strategies for improvement.



Hotline Support	We maintain a dedicated hotline for cus at any time to inquire or provide suggest
Social Media	We actively monitor social media devel stakeholder engagement through trar follow our official social media account information, while utilizing these digital er feedback.
Questionnaire	We conduct periodic customer satisfacti back. Customers can provide valuable s tionnaires, enabling us to systematically
Online Platform	Customers can access comprehensive c cies, and contact information through ou

Sinofuse Electric Customer Service Channels

Oustomer Satisfaction Tracking

Sinofuse Electric adheres to the principle of "customer-centric", viewing customers as key stakeholders and continuously striving to enhance customer satisfaction. To enhance customer satisfaction and product quality, all business units conduct regular customer satisfaction surveys and ongoing visits through multiple channels, gathering in-depth feedback on products, services, and experiences to inform R&D and quality management teams in product optimization and upgrades.

Responsible Marketing

Sinofuse Electric takes a scientific and rigorous approach to responsible marketing, strictly adhering to relevant laws and regulations, including the Advertising Law of the People's Republic of China and Product Quality Law of the People's Republic of China. We are committed to responsible sales and marketing promotions, providing accurate and comprehensive information in global market development, customer sales, and product labeling management. In 2024, Sinofuse Electric recorded zero marketing compliance violations.

global customers.



stomer inquiries and feedback. Customers can call us stions

elopments and leverage digital platforms to enhance Insparent communication channels. Customers can ts to access real-time corporate updates and service l engagement channels to provide valuable stakehold-

tion surveys to systematically gather stakeholder feedstakeholder feedback by completing structured gues-/ capture customer insights.

corporate disclosures including service offerings, poliur official website.

SINOFUSE ELECTRIC PARTICIPATED IN THE MUNICH TRADE FAIR IN EUROPE AND THE WOLFSBURG AUTOMOTIVE SUPPLY CHAIN EXHIBITION IN GERMANY.



The Company comprehensively demonstrated its cutting-edge technological capabilities and product-service solutions at industry-leading trade fairs - Germany Munich Expo and IZB Wolfsburg. At IZB Wolfsburg, Sinofuse Electric showcased breakthrough achievements in automotive electronics, launching customized solutions that enhance the safety and stability of vehicle electrical systems. The booth attracted attention from key customers, establishing connections with

06 Partnerships & Social Responsibility

We are committed to fairness, transparency, and impartiality in our supplier management. By applying strict controls at every stage—from onboarding and selection to evaluation—we ensure supplier compliance and build a responsible, sustainable supply chain. At the same time, the Company actively integrates ESG principles to enhance green and compliant supply chain management, driving shared growth within the industry. Philanthropy is a core part of Sinofuse Electric's corporate culture. While consistently delivering quality products and services, the Company is dedicated to spreading positive social impact, fostering a compassionate and harmonious society, and expressing care and warmth through meaningful actions.

2024 Key Performance

As of the end of 2024, the total number of Company suppliers reached 117.

In 2024, all our suppliers signed the integrity clause.

3 GOOD HEAL AND WELL-E _⁄\/∳



Aligning with Sustainable Development Goals



Social Welfare and Rural Revitalization

Responsible Supply Chain

The Company is committed to building a sustainable supply chain. We prioritize procurement needs and ensure timely fulfillment of our agreements, while actively encouraging suppliers to improve their sustainability practices. We implement end-to-end governance across supplier onboarding, procurement, performance evaluation, and capability development processes, systematically integrating ESG risk considerations.

To ensure supply chain sustainability and reduce financial and ESG risks, the Company has established a rigorous supplier management structure supported by a comprehensive management system.

Supply Chain Governance

A comprehensive oversight system monitors procurement activities throughout their lifecycle, emphasizing compliance and impartiality. Regular internal audits evaluate procurement process execution, cost management effectiveness, and supplier governance, with corrective actions promptly implemented for identified deficiencies.

The Company is committed to building a fair, transparent, and efficient supplier management system. To support our supply chain security strategy, we have established a dedicated supply chain management organizational structure, ensuring clear roles and responsibilities are in place to effectively carry out related functions. 117 Suppliers

2024 KEY

40 Suppliers within the province



Supply Chain Risk Identification and Assessment

Effective monitoring and management of supply chain risks are essential to ensuring business continuity, regulatory compliance, and protecting the Company's reputation—all while supporting sustainable development. Sinofuse Electric is guided by the belief that comprehensive supply chain risk management allows for the early identification and assessment of potential risks. By implementing proactive and responsive measures, we strengthen the resilience and agility of our supply chain. This approach helps safeguard the quality of our products and services, protect the environment and human rights, and uphold the highest standards of business ethics and corporate governance.

Risk Type	Monitoring Methods	Countermeasures
Risks Related to Supplier Quality	 Periodic monitoring of supplier evalua- tions Establish real-time triggered evaluation mechanism 	 EHS conditions for access approval Strict control and inspection of supplier product or service quality
Risks Related to Environment and Climate Change	 Monitor the signing rate of supplier green initiative Track carbon emissions and material recycling improvements 	 Select eco-friendly products/services Reduce toxic material use and waste generation
Risks Related to Occupational Health And Safety	 Establish and improve OHS management system Monitor supplier ISO45001 certification rate 	 Create a safe and healthy working environment Conduct occupational health and safety training and awareness campaigns
Risks Related to Governance & Business Ethics	 Conduct regular surveys on integrity culture training and learning Regularly notify the latest training requirements 	 Foster an transparent and upright supply-demand environment Strengthen communication and service quality
Risks Related to Conflict Minerals	 Conduct regular supplier questionnaires and field research Require suppliers to regularly report conflict mineral risks 	 Establish comprehensive conflict mineral management policies Avoid conflict mineral risks in the supply chain

© Full-Cycle Management of Suppliers

The Company places a strong emphasis on the sustainable development and ESG (Environmental, Social, and Governance) practices of its suppliers. We have established clear internal standards for environmental protection, social responsibility, and business ethics as part of our supplier onboarding process. These standards are embedded throughout all key stages of supplier management, and we conduct regular evaluations to ensure continued compliance and to proactively mitigate risks.

Supplier Selection	The Company prioritizes selection from existing supplier inventories based on operational requirements and technical specifications, engaging new market-sourced suppliers only when existing resources are inadequate. Candidates undergo preliminary screening followed by document reviews, on-site audits, and technical quality evaluations.	
Supplier Product Quality Management	Suppliers are required to conduct inspections on delivered products and provide conformity certification documents, with prior notification obligatory for any modifications. Name changes necessitate submission of comprehensive documentation, while prolonged supply interruptions or quality anomalies trigger re-evaluation or disqualification procedures.	
Supplier Performance Review and Reassessment	Dynamic management is implemented through annual evaluations or when adding new quali- fied suppliers. Supplier qualification reviews are organized by respective subsidiaries, which revise the approved supplier list based on comprehensive evaluation outcomes derived from audit reports, performance metrics, and compliance assessments.	
Dynamic Tiering and Management of Suppliers	Based on supplier performance assessment outcomes, the Company conducts periodic tiered evaluations and implements dynamic supplier management to incentivize excellence, elimi- nate underperformance, and drive continuous improvements in product and service quality.	

The Company is dedicated to continuously enhancing its supply chain system by integrating automation to boost efficiency and accuracy while supporting sustainable development. This effort includes automated supplier evaluations, real-time inventory tracking, and optimized logistics routing, all designed to reduce waste, cut costs, and increase supply chain transparency and responsiveness-delivering both environmental and economic benefits.

Supply Chain ESG Responsibilities

We adhere to international labor standards, including the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, and SA8000, alongside domestic regulations such as Environmental Protection Law of the People's Republic of China and the "Carbon Neutrality and Carbon Peaking" strategy. Looking ahead, we will increasingly integrate green procurement, environmental protection, pollution control, and occupational safety into both new supplier onboarding and ongoing supplier management, giving priority to suppliers with established EHS management systems.

Supply Chain Management Supplier Environmental Management Supplier CSR Stewardship Supplier Code of Ethics

Anti-corruption & Bribery Prevention Data Protection Commitments Fair Competition Practices

Supplier Integrity and Compliance

The Company is committed to upholding integrity and compliance by signing Integrity Agreements and Supplier Social Responsibility & Sustainability Commitment Letters. These reinforce our dedication to business ethics and anti-corruption practices, ensuring honesty and transparency in all transactions. We enforce strict internal procurement controls to reduce corruption risks, ensuring fairness and compliance throughout the procurement process. Together, these measures create a transparent supply chain environment that fosters healthy, ethical partnerships with our suppliers.





Signing rate of supplier integrity clause

Conflict Minerals

Sinofuse Electric does not currently use any 3TG minerals in its production processes. In line with our commitment to responsible sourcing. we strictly prohibit the use of minerals sourced from conflict-affected areas. Suppliers are required to ensure that their products do not contain mineral sourced from conflict zones or those that violate Company policies.

We are fully committed to complying with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as the relevant provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act regarding the sourcing of 3TG minerals.

2024 KEY

100% Supplier due diligence coverage rate on conflict minerals issues

Industry Collaboration & Shared Growth

Guided by the principle of industry-wide advancement, we foster mutually beneficial partnerships with stakeholders across the value chain. Through collaborative resource sharing, technology exchanges, and market intelligence dissemination, we drive collective innovation and sustainable growth for the entire industry ecosystem.

Supplier Training

Guided by the principle of industry-wide advancement, we foster mutually beneficial partnerships with stakeholders across the value chain. Through collaborative resource sharing, technology exchanges, and market intelligence dissemination, we drive collective innovation and sustainable growth for the entire industry ecosystem.



Equal Treatment of SMEs

In 2024, the Company strictly adhered to contractual terms with SMEs (Small and Medium-sized Enterprises), ensuring timely payment of all contractually obligated payables. We remain committed to fostering collaborative partnerships with SMEs, upholding fiscal responsibility and prudent asset management practices to guarantee equitable treatment of all business partners.

Social Welfare and Rural Revitalization

As Sinofuse Electric continues to grow, we remain deeply committed to our social responsibilities. We actively engage in public welfare initiatives and rural revitalization efforts, striving to make a positive impact and help build a better, more inclusive society.

Public Welfare and Volunteer Services

The Company actively fulfills its corporate social responsibility through engagement in social services and philanthropic activities, aiming to contribute to society and promote community-driven sustainable development, thereby realizing harmonious co-progresssion between the enterprise and society. In 2024, the Company organized and participated in various volunteer activities in Xi'an, totaling 16 hours.

XI'AN SINOFUSE ELECTRIC WINTER CHARITY EVENT

On December 7, 2024, led by the Company's Party branch and labor union in partnership with the Green Leaf Charity Center, we visited elderly residents in need, senior party members, and families of martyrs in Mujiajian Village, Jiujianfana Town, Lantian County, bringing warmth and comfort during the winter season.



For elderly individuals unable to pick up supplies themselves, staff and volunteers formed two teams to deliver essentials directly to their homes, bringing comfort and care. Upon arriving at their modest, chilly residences, the teams warmly checked in on each person's health and needs, thoughtfully providing thick quilts to ensure they stayed warm and well-supported throughout the cold weather.







Sinofuse Electric promotes a culture of volunteerism based on the philosophy of "serving society and spreading kindness". We actively encourage employees to participate in a variety of public welfare initiatives, putting our commitment to corporate social responsibility into action. Through these volunteer efforts, the Company seeks to foster employees' social awareness and dedication, while making a positive impact on local communities and promoting social harmony and development.

Rural Revitalization A

The Company is actively involved in rural revitalization efforts, supporting economic development and the modernization of the agricultural sector through innovative education programs and various forms of targeted assistance. These initiatives effectively align corporate resources with the needs of rural communities, creating a cohesive approach that integrates corporate social responsibility with national rural revitalization strategies.

CARING FOR RURAL AREAS, SUPPORTING EDUCATION

On International Children's Day 2024, Sinofuse Electric reaffirmed its commitment to social responsibility and caring for the future of the nation by reaching out to primary school students in remote mountainous areas. With the support and coordination of the Xi'an Lüye Public Welfare Sunshine Education Assistance Department, on May 30th, the Company visited the main campus of Sanguanmiao Town Central Primary School in Lantian County's mountainous region to deliver gifts and wish the students a joyful holiday. At the same time, compassionate individuals from Xi'an Sinofuse Electric Co., Ltd. donated books, toys, and daily essentials to children of primary schools located in revolutionary base areas across western China. Philanthropy is a core part of Sinofuse Electric's corporate culture. While consistently delivering quality products and services, the Company is dedicated to spreading positive social impact, fostering a compassionate and harmonious society, and expressing care and warmth through meaningful actions. Sinofuse Electric will continue to champion public welfare initiatives, demonstrating corporate responsibility and carrying forward the spirit of giving. We are committed to doing our utmost to fulfill Sinofuse Electric's vision for public good!







07 People-Centric Common Development

Sinofuse Electric follows a people-centered development philosophy, dedicated to creating a fair, diverse, and inclusive workplace. Through a robust talent development system and multiple promotion pathways, we continually support employee growth and career advancement. The Company has established a comprehensive occupational health and safety structure that provides EHS training and risk management for all employees to protect their physical and mental well-being and ensures workplace safety—key to driving our high-quality, sustainable growth.

2024 Key Performance

As of the end of 2024, the Company strictly prohibits any form of employment discrimination, forced labor, or child labor, with a **100%** employment contract signing rate.

In 2024, the Company achieved full training coverage, with every employee participating in training programs. The total training time reached **24,806** hours, averaging **18** hours per employee.

Workplace accident liability insurance coverage also reached 100% in 2024.

During the year, the Company recorded **zero** major safety incidents and no work-related fatalities.

By the end of 2024, all of the Company's production facilities had obtained occupational health and safety management system certification.





Employee Development Health and Safety





Employee Development

© Employee Development Management structure

Our overall employee development strategy is set by the Board of Directors and the General Manager. The Human Resources Department, as the main unit responsible for workforce management, oversees the execution of key initiatives such as compensation and benefits, recruitment, and employee training.

Employee Development Management structure

Тор Decision-making Level

The Company's Board of Directors and General Manager are responsible for setting the overall talent strategy, establishing recruitment targets and budgets in line with the Company's annual development plans and business growth needs.

HR Department

As the core department for recruitment management, it develops detailed hiring plans based on senior leadership's direction, clearly outlining the process and timeline for each role.

Maintains and expands recruitment channels by partnering with major job portals and actively participating in campus recruitment events.

Provides professional training for recruiters to enhance their skills and interviewing abilities.

Compiles recruitment data and regularly reports progress and results to senior management.

Develops a fair and competitive compensation and benefits system, managing payroll calculations, distribution, and benefits administration.

Establishes and continuously improves the performance management system by setting evaluation standards and processes, organizing performance reviews, and gathering feedback to support employee development and inform salary adjustments.

Fosters positive employee relations by addressing complaints and resolving labor disputes effectively.

	Submit departmental staffing requests with detailed position requirements, including responsibilities and qualifications.
Departmental Responsibilities	Participate in resume screening, and use professional expertise to identify candidates who meet technical criteria.
Responsibilities	Conduct interviews to evaluate candidates' fit for the role, considering factors like professional skills and teamwork.

Provide job-specific training and guidance to new hires.

© Employee Development Risk Management

Through multi-channel assessments including surveys, staff interviews, and quantitative performance analytics, we identify and evaluate employees' training/development needs, welfare/work-life balance requirements, and overall satisfaction levels. Concurrently, we conduct periodic audits of organizational communication efficiency and employment compliance to guarantee effective protection of employee rights.

Employee Development Strategy

Equal and Diverse Hiring Strategy

Sinofuse Electric adheres to the principles of diversity, equity, and inclusion, striving to provide equitable employment opportunities. The Company has put in place a Recruitment Management System that explicitly embraces and respects employees of all genders, ages, races, religions, sexual orientations, physical abilities, and backgrounds throughout recruitment, training, promotion, and other processes. This policy reflects the Company's dedication to fostering a fair and inclusive workplace where every employee can reach their full potential and thrive both personally and professionally. Senior leadership has consistently highlighted the importance of diversity and inclusion for the Company's growth in public forums and has pledged ongoing investment in resources to support this commitment.

We have also established a Social Responsibility Management System that strictly prohibits all forms of discrimination, including but not limited to discrimination based on gender, race, age, or religion. The Company has set up dedicated reporting channels to encourage employees to speak up if they experience or witness any discriminatory behavior. Confirmed cases of discrimination are met with strict disciplinary measures, ranging from warnings and demotions to termination, while ensuring appropriate support and compensation for the affected individuals. Additionally, the Company regularly organizes anti-discrimination training to enhance all employees' awareness and sensitivity to discriminatory behaviors, fostering a zero-discrimination workplace culture.

Commitment and Measures to Prohibit Child Labor and Forced Labor

Commitment Statement	The Company strictly adheres to all do forced labor. We uphold the principl providing a safe, healthy, and free we child or forced labor, considering this our Company.
Recruitment Process Management	During recruitment, the Company rigo new hires meet the legal working age cant's identity. Anyone unable to prov not be hired. We also have a retrospe discovered after hiring, we will take employment, and pursue legal account



omestic and international laws prohibiting child labor and oles of fairness, justice, and respect for human dignity, orking environment. We categorically reject any form of s a core operational principle and a moral imperative for

orously verifies applicants' age documents to ensure all e. Recruiters are required to thoroughly check each appliwide valid proof of age or suspected to be underage will ective review process in place: if false age information is e immediate action, up to and including termination of tability where applicable.

Employee Records Management	Maintain thorough management of all employee personal records, ensuring key information— such as age and date of employment—is fully documented. Regularly review employee records to confirm their accuracy and completeness. Promptly investigate and resolve any discrepan- cies or inconsistencies to minimize the risk of child labor issues arising from inadequate record-keeping.
Work Environment Monitoring	Conduct regular inspections of all company workplaces to ensure compliance with health and safety standards and to eliminate any conditions that might suggest forced labor. This includes monitoring reasonable workloads, ensuring working hours comply with legal requirements, and maintaining safe and comfortable facilities. Establish dedicated reporting channels that encourage employees to confidentially report any suspected cases of forced labor or poor working conditions. All reports will be promptly investigated and addressed.
Supplier and Partner Management	Include clear prohibitions against child labor and forced labor in contracts with suppliers and partners, requiring strict compliance with all relevant laws. Conduct regular audits to assess labor practices throughout the supply chain, taking immediate corrective action—including contract termination if necessary—to ensure full compliance.
Employee Training and Education	Provide ongoing training on the prohibition of child and forced labor to raise legal awareness and uphold ethical standards among all employees. Ensure that every staff member fully understands the Company's policies, requirements, and the consequences of any violations. Encourage active employee involvement in promoting and maintaining proper employment practices across the organization.



Talent Retention:

We've developed a three-month onboarding program for new hires that includes mentorship, skills training, and team-building activities to help them quickly settle into the Company culture and work environment. We actively promote a "Mentorship" training model, where experienced employees provide one-on-one support to newcomers, speeding up their growth and driving positive outcomes.



Comprehensive Compensation, Benefits and Employee Care

Aligned with our strategic vision and business structure, we have developed and continuously improved a compensation and incentive system that spans multiple countries. By combining short-term and long-term incentives with both tangible and intangible rewards, we consistently motivate employees while offering market-competitive compensation and benefits. We have built a "six-element salary structure" and established a comprehensive compensation and benefits system guided by the Salary Management System. Our performance evaluation process is continuously refined to align individual contributions with organizational goals, driven by the Company's annual business objectives and departmental performance. This dual-track system for management and professional growth provides employees with expanded career development opportunities.

Compensation & Incentive Measures

Short-Term Incentives	We promote a compensation system that rewards employees based on the value they contrib- ute, placing strong emphasis on recognizing high performers and those who make exceptional contributions to cost reduction, efficiency gains, quality improvements, and key Company initiatives. This approach encourages a focus on value creation in our primary compensation distribution. At the same time, our differentiated bonus incentive programs strengthen the link between employee earnings and Company performance, driving sustainable, high-quality growth.
Medium- to Long-Term Incentives	We are steadily building a medium- to long-term incentive system by implementing an employ- ee stock ownership plan. In 2023, to attract and retain top talent, better leverage our human capital, and support the Company's growth, we introduced equity incentives. This creates a unique structure where both the Company and employees share benefits and risks, fostering a win-win situation for individual development and corporate success.

Diversified Benefits System

Statutory Benefits	We provide basic welfare protections for employees in accordance with national and local laws and regulations, including annual leave, sick leave, maternity and paternity leave, breastfeed- ing leave, bereavement leave, and more—ensuring that employee rights are fully safeguarded.
Universal Benefits	Allowances: A variety of employee benefits, including cash allowances like cooling/heating and housing subsidies, as well as in-kind perks such as labor protection gear and special holiday gifts for the Dragon Boat Festival, Mid-Autumn Festival, Women's Day, and Children's Day— demonstrating our commitment to employee care. Canteen and Dormitory: Well-equipped, comfortable dormitories and a welcoming, satisfying canteen that support employee well-being and foster a strong sense of community. Employee Activities: Department team-building, annual tours, etc.
Targeted Benefits	Additional protections like work injury insurance for rehired retirees and interns, further enhancing our comprehensive benefits program.







Assessment and Promotion

We have established a scientific and standardized job ranking system featuring dual career development tracks-one for professional roles and one for managerial roles. Based on the Company's value chain and varying levels of job contribution, positions are divided into five categories: management, functional, sales, technical, and skilled, encompassing a total of 23 professional fields.

Under our promotion management policy, advancement is based on clearly defined criteria, including eligibility requirements. knowledge benchmarks, competency standards, and professional skillsets. Before employees can participate in rank certification, their eligibility must be reviewed and approved by the HR department. Assessments for junior and mid-level positions are conducted by department heads and relevant leaders, while senior-level and above are reviewed by the Company's Qualification Assessment Committee. Promotion criteria include factors such as educational background, area of study, years of experience, and relevant certifications. Knowledge requirements span both foundational and specialized areas, while competency expectations emphasize strong job performance. Professional skills should demonstrate cross-disciplinary expertise. Additionally, employees are encouraged to actively engage in knowledge sharing and consistently deliver strong performance outcomes.



Training and Development

We prioritize "talent planning over business planning", and has established a comprehensive, multi-dimensional talent development system dedicated to building "an abundance of outstanding leaders and a continuous flow of capable commanders". We implement a staged approach to personnel cultivation: In the introduction phase, we accelerate new employees' integration through standardized onboarding guidance and a mentorship system; in the growth phase, we conduct specialized training and enhance team leaders' capabilities; in the maturity phase, we improve leadership and strategic management experience through executive reserve programs and Xingyao workshops; in the stability phase, we promote term-based appointments and cross-functional job rotations to achieve diversified talent development. In terms of systematic support platforms, we have established a three-dimensional qualification system that integrates "job rank - position - responsibilities", creating dual career paths for both management and technical professionals. Talent assessments and an internal trainer team are also leveraged to energize organizational vitality. This plan is carried out through the coordinated alignment of "strategic guidance - institutional safeguards - resource investment", ensuring that the talent pipeline supports the Company's business growth and continuously fuels the achievement of strategic goals.

The Company has implemented a comprehensive training program that includes the Training Management System, Mentor-Apprentice Management System, Internal Trainer Management System, and Certification Management System. This structure offers employees a wide range of trainings, such as onboarding for new hires, general skills training, and specialized professional development.



Total hours of employee training delivered

Occupational Health & Safety

Health and Safety Management Structure

The Company has established systems and control procedures, including the Work Safety Responsibility System and Safety Management Control Procedures, to clearly define its health and safety management structure and responsibilities. The Board of Directors sets the overall occupational health and safety (OHS) strategy, while the general manager and management team are responsible for its day-to-day implementation. Each department, particularly the General Office, is tasked with managing specific health and safety duties, such as developing and enforcing safety policies, organizing training sessions, identifying hazards, and controlling risks. Each department has designated part-time safety officers to ensure full compliance with safety standards and protect employees' health and well-being. In addition, the EHS team is responsible for developing and implementing emergency response plans for production incidents, fostering a strong safety culture, and ensuring that employees work and grow in a safe environment







Safety and Health Risk Management

The Company prioritizes the identification and governance of occupational hazards and occupational risk factors, maintaining a robust risk recognition to safeguard employee health and safety. We have implemented a dual prevention mechanism to manage risks effectively. Each year, safety personnel from various departments conduct risk assessments based on specific work processes. The EHS team then consolidates and prioritizes significant safety risks and develops targeted control measures to ensure effective risk management.

Occupational Health & Safety Risk Identification

Process	Content	Methodology
Preliminary Preparation	Establish Occupational Health Manage- ment Organization with Part-Time Managers	Establish a Management Team
	Develop a Risk Identification Plan with Clear Objectives, Scope and Timeline	Plan Formulation
	Conduct Occupational Health Training For Managers and Employees	Training and Promotion

Field Inspection and Monitoring	Conduct a comprehensive workplace inspection to systematically identify latent occupational risk factors.	Field Inspection
	Contract a specialized testing institu- tions to conduct periodic assessments of occupational health hazard factors.	Field Monitoring
Risk Assessment	Conduct categorization and exposure level evaluation of occupational health hazard factors.	Hazard Classification and Exposure Level Assessment
	Determine risk levels of occupational health hazard factors in accordance with applicable national regulatory standards.	Risk Rating Assessment
Result Analysis and Reporting	Comprehensively analyze monitoring data and assessment results	Data Analysis
	Prepare a comprehensive risk assess- ment report on occupational disease hazards	Report Preparation
Continuous Improvement	Regularly review the control effective- ness for occupational health hazard factors	Regular Review
	Continuously monitor changes in occu- pational health hazard factors and adjust management measures accord- ingly	Dynamic Management

In the first quarter, the Company conducted a thorough hazard identification and assessment at the production site to ensure a 100% monitoring rate across all hazard types. Workshop-level teams implement self-inspections for hidden dangers and submit rectification progress reports. In alignment with project-specific requirements, the Company has refined its hazardous source management system by defining standardized management procedures and operational protocols, establishing dynamic safety management archives for hazardous sources, and implementing monitoring protocols with designated accountable personnel.

Sinofuse Electric Occupational Health Risk Identification Results

Risk Type	Specific Risks	Sources / Examples
	Noise	From Production Equipment, Machining, etc.
Physical Risks	Vibration	Industrial Machinery Operation
	High temperature	Curing Chamber
	Inadequate lighting	Some Warehouses or Remote Work Areas
Chemical Risks	Organic solvents	Ethanol, ink, etc.

Occupational Health & Safety Strategy

Safety Culture Development

To strengthen and standardize workplace safety education while boosting employees' safety skills and awareness, the Company has established formal policies, including the Safety Education and Training Regulations.

In 2024, the Company rolled out an annual training program covering safety management, emergency drills, occupational health, safe operating procedures, and major risk controls. This program involved all employees—frontline workers, new hires, and relevant management staff alike. Training sessions were held quarterly, with extra focus during Q2 and Q3 to maintain consistency and relevance. Through ongoing EHS education, the Company continually raises safety awareness and improves risk prevention, reinforcing a strong foundation for effective safety management.



2024 Sinofuse Electric Safety Training Program (Partial)

Training Topic	Training Participants	Frequency	Training Time	Coverage
Safety Management Training	Safety Management Personnel and Key Responsible Persons	Annual	March	Relevant Safety Management Personnel
Emergency Drills	Relevant Personnel	Quarterly	March / June / September / December	All Departments
Three-Level Safety Education (for New Employees)	New Employees	Per batch	Ongoing	Newly Hired Employees
Occupational Health Knowledge Training	Frontline Employees	Annual	April	Production / Construction Positions
Specialized Safety Training	Relevant Personnel	Annual	June	Key Positions
Safety Warning Education	All Employees	Continuous promotion	Monthly Rotation	All Employees

Occupational Disease Prevention

To effectively prevent and control occupational health risks in the workplace and ensure employee safety, we have established a comprehensive occupational health management system.



2024 KEN

Training ffectiveness is excellent

Organized specialized training during Occupational Health Awareness Week, with relevant employee coverage rate

Occupational Health Protection Training



Inviting doctors to the Company for health consultations



Emergency Management

The Company adheres to the safety management principle of "Safety First, Prevention-Oriented," centered on "enhancing safety awareness and strengthening incident prevention." Through unified command, defined responsibilities, and rapid response mechanisms, it has established a robust emergency rescue system for environmental and safety incidents to systematically improve personnel capabilities in environmental risk prevention, emergency response, and incident mitigation.

2024 Sinofuse Electric Emergency Drill

	Project	Method	Time	Department
Water and Power Outage		Tabletop	July 12, 2024	General Manager Office
Fire		Live Drill	July 30, 2024	General Manager Office
	cle Failure or s Abnormalities	Tabletop	July 15, 2024	Engineering & Manufacturing
Material S Interruption	hortage or Supply due to Quality Issues	Tabletop	July 17, 2024	Procurement Department
	Virus Infection	Live Drill	July 18, 2024	IT Department
	System failure	Live Drill	July 18, 2024	IT Department
	Cyberattack	Live Drill	July 18, 2024	IT Department
Cybersecurity	Data Loss	Live Drill	July 18, 2024	IT Department
	Server Security & Maintenance	Live Drill	July 18, 2024	IT Department
	Penetration Testing & Vulnerability Scanning	Live Drill	July 18, 2024	IT Department
	Natural Disasters	Live Drill	July 18, 2024	IT Department
Mass Returns	due to Quality Issues	Tabletop	July 15, 2024	Quality Department
Labor Shortage		Tabletop	July 15, 2024	Human Resources Department

Public Events (Epidemics)		Tabletop	July 12, 2024	General Manager Office
Infrastructure Damage, Such as Failures In Power Distribution Equip- ment (Transformers), Air Compressors, etc.		Tabletop	July 16, 2024	Engineering & Manufacturing Division
	Snowstorms, Torrential Rains	Tabletop	1	1
Natural disasters	Earthquake	Tabletop	July 12, 2024	General Manager Office
	High Temperature	Tabletop	1	1
Critical Equipment / Station Failure		Tabletop	July 19, 2024	Engineering & Manufacturing Division
Automation Equipment Failure		Tabletop	July 19, 2024	Engineering & Manufacturing Division

SUMMARY OF SINOFUSE ELECTRIC FIRE EMERGENCY DRILL



To strengthen the emergency response skills of all employees, Xi'an Sinofuse Electric Co., Ltd. held a fire emergency drill on the afternoon of July 31, 2024. The drill was jointly organized by the Company and the industrial park's property management office, with clear roles assigned under a leadership team. It involved multiple emergency response groups, including rescue, security evacuation, medical aid, logistics support, and communications. Participants included all Company employees, industrial park staff, and supplier personnel.

Ahead of the drill, the Company developed a detailed Fire *Emergency Drill* Plan to ensure safety and practicality. Employees were regularly briefed on evacuation routes and safety precautions through meetings and pre- and post-shift briefings. At the same time, property management staff and the Company's EHS specialists coordinated detailed on-site arrangements to ensure each phase of the drill ran smoothly.

During the exercise, employees evacuated quickly and orderly along designated routes to the assigned assembly points in response to the simulated fire. Department heads monitored the evacuation in real time, while Company leadership conducted on-site evaluations and provided guidance for improvement. The property manager also provided hands-on training on how to use fire extinguishers and basic firefighting techniques. This drill helped employees learn the proper evacuation procedures and improve their self-rescue and teamwork skills.





Sustainability Report 2024

Report Appendices

Quantitative Performance Metrics Table

Environmental Performance

Indicator	Unit	2024
Environmental-Friendly and Safe Production Investment	10,000 yuan	503.00
Total comprehensive energy consumption	Ton Standard Coal	1,341.85
Direct energy consumption	Ton Standard Coal	97.53
Indirect energy consumption	Ton Standard Coal	1,244.32
Natural gas	Cubic Meter	81,086.00
Electricity	MWh	10,124.67
Solar energy	MWh	189.76
Total greenhouse gas emissions	Tonnes CO ₂ Equivalent (tCO2e)	4,404.29
Scope 1 direct greenhouse gas emissions	Tonnes CO ₂ Equivalent (tCO2e)	195.18
Scope 2 energy indirect greenhouse gas emissions	Tonnes CO ₂ Equivalent (tCO2e)	4,209.13
Total Water Withdrawal	Tons	46,046.00
Total water consumption	Tons	46,046.00
Total domestic wastewater discharge	Cubic Meter	36,836.80
Total waste generated	Tons	55.23
Total generation of non-hazardous waste	Tons	49.30
Total generation of hazardous waste	Tons	5.93

Social Performance

Indicator	Unit	2024
Total number of employees	Persons	1379

Number of male employees Number of female employees Number of employees under 30 years old Number of employees aged 30-50 Number of employees over 50 years old Number of employees with associate degree or below Number of Employees with Bachelor's Degrees Number of employees with master's degree Number of Employees with Doctoral Degrees Labor contract signing rate Social insurance and housing fund Total number of employees on maternity/paternity leave Training coverage for employees Total employee training sessions Total hours of employee training delivered Average hours of training received per employee Work injury insurance coverage rate Proportion of entities certified with ISO45001 Number of major safety incidents Average hours of safety education and training per employee Safety training coverage rate Occupational disease incidence rate Employee physical examination coverage rate Number of work-related fatalities Product recall rate Complaint handling rate Number of R&D personnel

Ratio of R&D personnel to total employees

Sustainability Report 2024

Persons	758
Persons	621
Persons	310
Persons	1,037
Persons	32
Persons	890
Persons	416
Persons	72
Persons	1
%	100
%	100
Persons	26
%	100
Number of Sessions	162
Hours	24,806
Hours Hours	24,806 18
Hours	18
Hours %	18
Hours %	18 100 100
Hours % % Cases	18 100 100 0
Hours % % Cases Hours	18 100 100 0 8
Hours % % Cases Hours %	18 100 100 0 8 100
Hours % % Cases Hours % %	18 100 100 0 8 100 0
Hours % % Cases Hours % %	18 100 100 0 8 100 0 100
Hours % % Cases Hours % % % % Persons	18 100 100 0 8 100 0 100 0 100 0
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Hours % % Cases Hours % % % % Persons %	18 100 100 0 8 100 0 100 0 0 100 0 0 0 100 0 100 0 100 0 100 0 100

ne number of valid patents obtained during the reporting period	Items	38
Number of invention patents applied to core business	Items	20
Number of invention patent applications filed during the reporting period	Items	37
Number of invention patents granted during the reporting period	Items	20
Total number of suppliers	Suppliers	117
Total number of suppliers within the province	Suppliers	40
Procurement proportion from in-province suppliers	%	34
Proportion of suppliers signing integrity clauses	%	100
Number of training sessions for improving internal supply chain capabilities	Number of sessions	8
Number of suppliers undergoing responsible mineral supply chain due diligence	Suppliers	6
Volunteer service hours	Hours	16

O Governance Performance

Indicator	Unit	2024
Number of board members	Persons	9
Number of independent directors	Persons	3
Proportion of independent directors	%	33.3
Proportion of independent directors in the Audit Committee	%	66.7
Proportion of independent directors on the Nominating Committee	%	66.7
Proportion of independent directors on the Remuneration and Appraisal Committee	%	66.7
Proportion of female directors	%	22.2
Number of Board of Directors meetings	Number of Sessions	5
Number of board proposals reviewed	Number of Sessions	21
Director attendance rate	%	100
Number of Supervisory Board meetings	Number of Sessions	4
Number of Supervisory Board proposals reviewed	Number of Sessions	16
Supervisor attendance rate	%	100
Number of investor questions answered on exchange platforms	Number of Sessions	83
Number of public announcements issued	Pieces	82

Report Index Table

Dimension	Issues	Corresponding Chapter
Environment-related	1. Addressing Climate Change	Climate Action & Green Synergy
	2. Pollutant Emissions	Environmental Management System
	3. Waste Disposal	Environmental Management System
	4. Ecosystem and Biodiversity Conservation	Ecological Conservation & Biodiversity Protection
	5. Environmental Compliance Management	Environmental Management System
	6. Energy Utilization	Resource Utilization and Conservation
	7. Water Resource Utilization	Resource Utilization and Conservation
	8. Circular Economy	Resource Utilization and Conservation
	9. Rural Revitalization	Social Welfare and Rural Revitalization
	10.⊠Contribution to Community	Social Welfare and Rural Revitalization
	11. Innovation-driven	Technological Innovation
	12. Scientific and Technological Ethics	Ethics in Science and Technology and Algorithm Application Strategy
Society-related	13. Supply Chain Security	Responsible Supply Chain
Judiety related	14. Equal treatment of SMEs	Equal treatment of SMEs
	15. Product and Service Safety and Quality	Quality-Centric Service & Product Design
	16. Data Security and Customer Privacy Protection	Data Security & Privacy Protection
	17. Employees	People-Centric Shared Development
	18. Due Diligence	Due Diligence & Stakeholder Engagement
Governance for	19. Stakeholder Communication	Due Diligence & Stakeholder Engagement
sustainable development	20. Anti-Commercial Bribery and Anti-Corruption	Business Ethics & Anti-Corruption
	21. Anti-Unfair Competition	Business Ethics & Anti-Corruption

Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainability Report (Trial)